Condensed Interim Consolidated Financial Statements

For the three-month period ended 31 March

2023

Leipzig

GCP

Cologne

Contents

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Key Financials

BALANCE SHEET HIGHLIGHTS

in €'000 unless otherwise indicated	Mar 2023	Change	Dec 2022
Total Assets	11,201,286	1%	11,131,328
Investment Property	9,451,914	-1%	9,529,608
Cash and liquid assets (including those under held for sale)	570,949	33%	429,127
Total Equity	5,890,003	0%	5,914,155
Loan-to-Value	35%	-1%	36%
Equity Ratio	53%	0%	53%

P&L HIGHLIGHTS

in €'000 unless otherwise indicated	3M 2023	Change	3M 2022
Net Rental Income	101,376	4%	97,064
Adjusted EBITDA	79,504	4%	76,417
FFO I	46,955	-3%	48,425
FFO I per share (in €)	0.27	-7%	0.29
EBITDA	26,250	-78%	121,079
Profit (loss) for the period	(11,595)	-125%	46,539
Profit (loss) per share (basic) (in €)	(0.09)	-150%	0.18
Profit (loss) per share (diluted) (in €)	(0.09)	-153%	0.17

NAV HIGHLIGHTS

in €'000 unless otherwise indicated	EPRA NRV	EPRA NTA*	EPRA NTA with RETT**	EPRA NDV
Mar 2023	5,292,291	4,635,807	5,091,669	4,570,706
Mar 2023 per share (in €)	30.7	26.9	29.5	26.5
Per share growth	0%	0%	0%	-1%
Dec 2022	5,322,769	4,655,551	5,115,704	4,642,313
Dec 2022 per share (in €)	30.8	27.0	29.6	26.9

* updated methodology to exclude RETT

**Previously defined as EPRA NTA and EPRA NTA per share


London


Essen

Operational Performance Highlights

Solid Like-For-Like Rental Growth

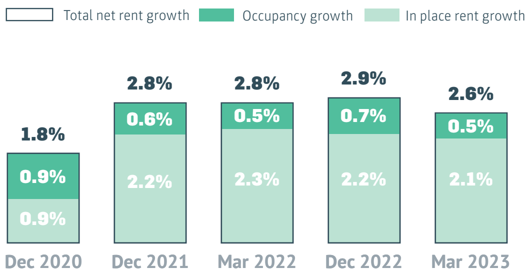
+2.1%
L-F-L
In-place rent growth
Mar 2023

+2.6%
L-F-L
Total net rent growth
Mar 2023

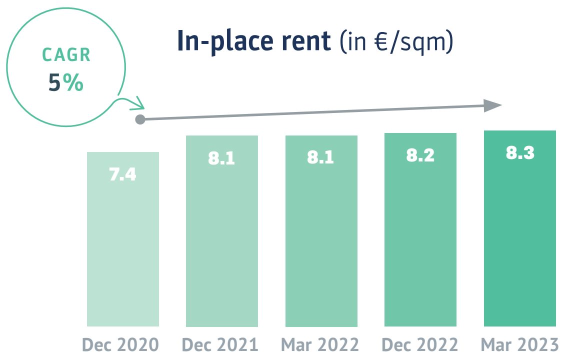
+0.5%
L-F-L
Occupancy growth
Mar 2023

Robust Portfolio Fundamentals

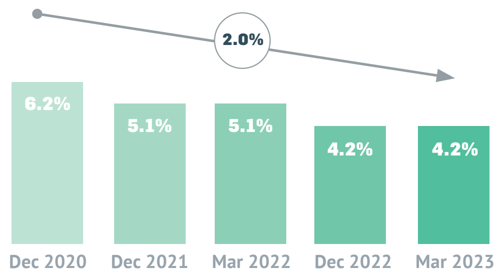
Like-For-Like development



In-place rent (in €/sqm)

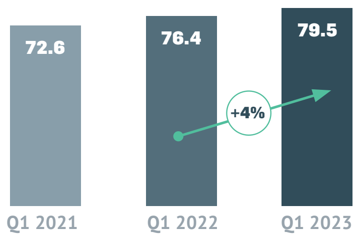


Vacancy

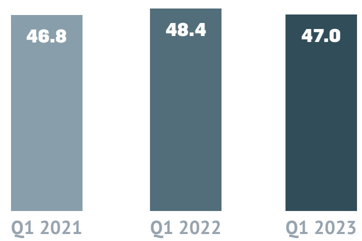


Strong Recurring Operational Profitability

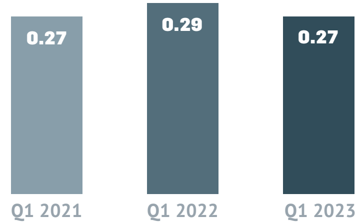
Adjusted EBITDA



FFO I (in € millions)



FFO I per share (in €)



Financial Profile Highlights

Well Positioned In Current Environment With High Headroom To Bond Covenants

DISPOSALS

€145m
Q1 2023 DISPOSALS
+
~€100m
SIGNED

€245m
TOTAL DISPOSALS

NEW BANK FINANCING

€60m
Q1 2023
NEW BANK FINANCING
+
~€150m
SIGNED

€210m
TOTAL
BANK FINANCING

STRONG LIQUIDITY POSITION

€571m
CASH AND LIQUID ASSETS
MAR 2023
+
€300m
UNDRAWN RCF
MAR 2023

Cash and liquid assets amount to 14% of total debt and including signed disposals cover debt maturities through 2025, additionally supported by undrawn RCF

LONG AVERAGE DEBT MATURITY

5.8 years
MAR 2023

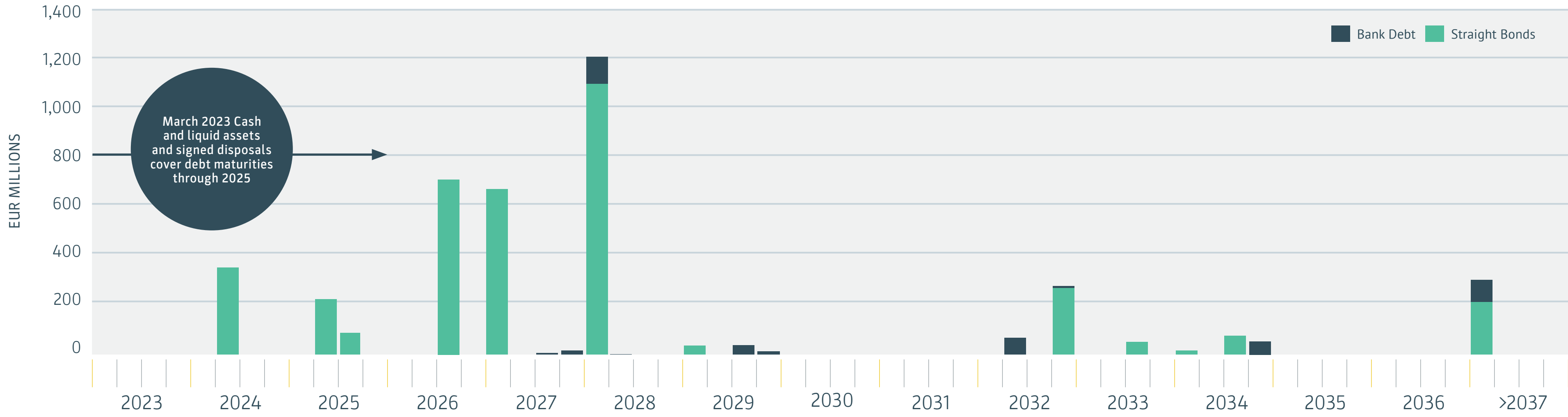
No debt maturities until Q2 2024, 91% of debt is fixed or interest hedged

UNENCUMBERED ASSETS

€8.5bn
88%
of value
MAR 2023

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

Debt Maturity Schedule



Strong Financial Profile Maintained

LOW COST OF DEBT
1.4%
MAR 2023

ICR
5.9x
Q1 2023

LOW LTV (LOAN-TO-VALUE)
35%
MAR 2023

CREDIT RATING
BBB+
STABLE
by S&P
REAFFIRMED IN DEC 2022

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 March 31, 2023.

The figures presented in this Board of Director's Report are based on the condensed interim consolidated financial statements as of March 31, 2023, 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 London. The Group's portfolio, excluding assets held for sale and properties under development, as of March 2023 consists of 64k units (hereinafter "GCP portfolio" or "the Portfolio") located in densely populated areas with a focus on Berlin, Germany's capital, North Rhine-Westphalia, Germany's most populous federal state, the metropolitan regions of Dresden, Leipzig and Halle and other densely populated areas as well as London.

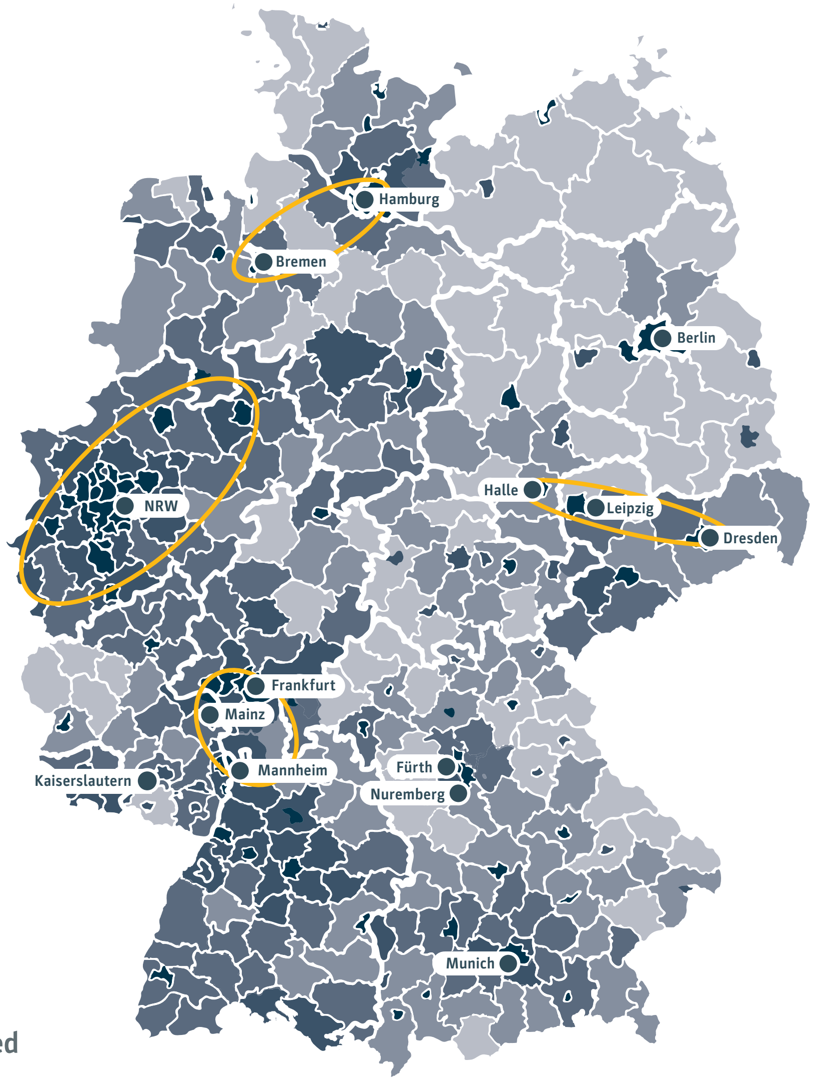
GCP is focused on assets in densely populated urban locations with robust and sustainable economic and demographic fundamentals, and with multiple value-add drivers that it can pursue using its skills and capabilities such as vacancy reduction, increasing rents to market levels, improving operating cost 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.


Berlin


Bremen



inhabitants per sqkm (2020)*

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

* based on data from Statistisches Bundesamt

Population density in Germany

Portfolio

Attractive portfolio concentrated in densely populated metropolitan areas with value-add potential

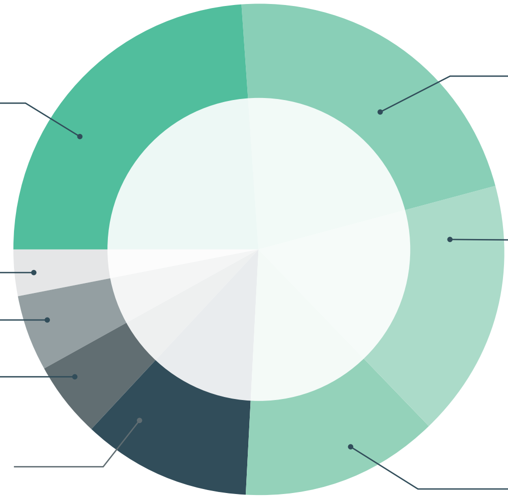
GCP's well-balanced and diversified portfolio is composed of properties in attractive micro-locations with identified value creation potential primarily located in major German cities and urban centers as well as in London.

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 the portfolio being located in Berlin, 22% in NRW, 13% in the metropolitan region of Dresden, Leipzig and Halle, and 17% 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.



March 2023	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	2,006	1,218	4.3%	93	6.4	17,831	1,647	4.6%
Berlin	2,172	619	4.1%	67	9.0	8,442	3,507	3.1%
Dresden/Leipzig/Halle	1,252	816	3.4%	54	5.7	13,997	1,535	4.3%
Mannheim/KL/Frankfurt/Mainz	439	176	2.8%	19	8.9	3,013	2,500	4.3%
Nuremberg/Fürth/Munich	302	80	5.9%	9	10.3	1,430	3,795	3.1%
Hamburg/Bremen	430	263	5.4%	21	6.8	3,996	1,631	4.8%
London	1,637	192	3.7%	77	34.7	3,606	8,504	4.7%
Others	990	696	5.0%	53	6.8	11,762	1,422	5.4%
Development rights and new buildings *	224							
Total	**9,452**	**4,060**	**4.2%**	**393**	**8.3**	**64,077**	**2,273**	**4.3%**

*of which pre marketed buildings in London amount to €14m

Berlin - GCP's Largest Location

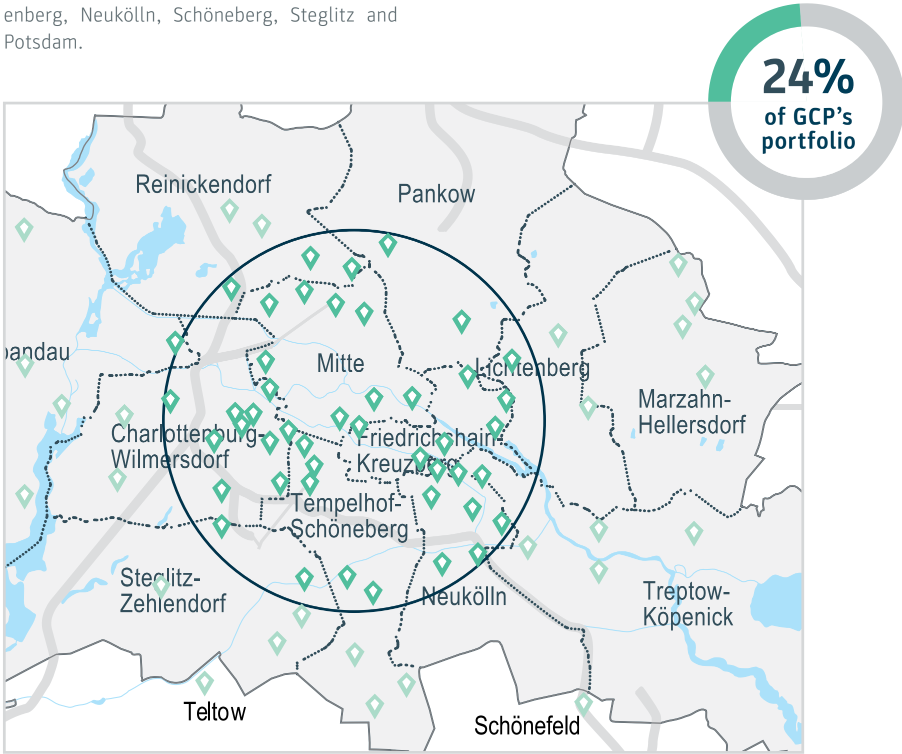
Quality locations in top tier Berlin neighborhoods

70%

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

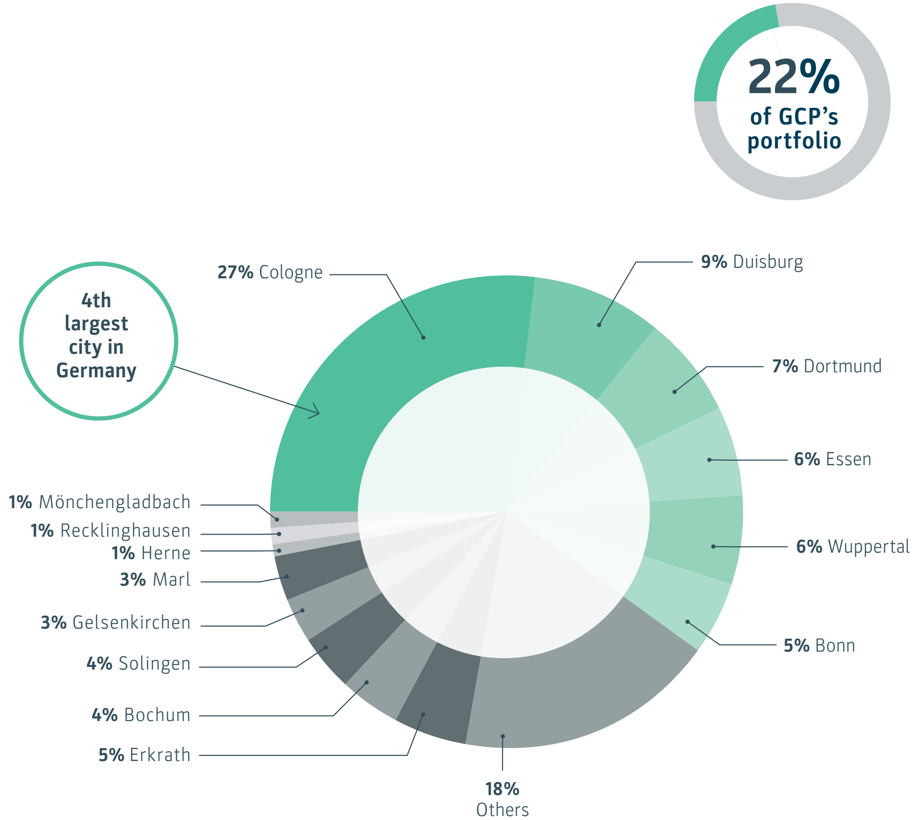
30%

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



North Rhine-Westphalia (NRW)

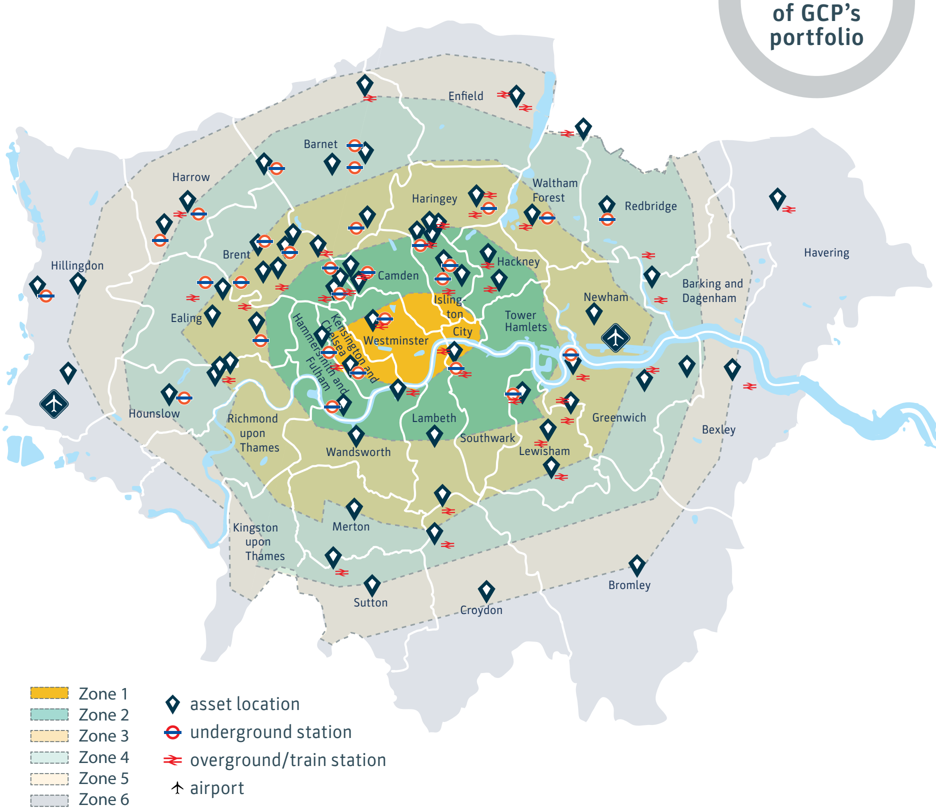
Well positioned in the largest metropolitan area in Germany



The portfolio distribution in NRW is focused on cities with strong fundamentals within the region. 27% of the NRW portfolio is located in Cologne, the largest city in NRW, 9% in Duisburg, 7% in Dortmund, 6% in Essen, 6% in Wuppertal, and 5% in Bonn.

London Portfolio

Located in strong middle class neighborhoods



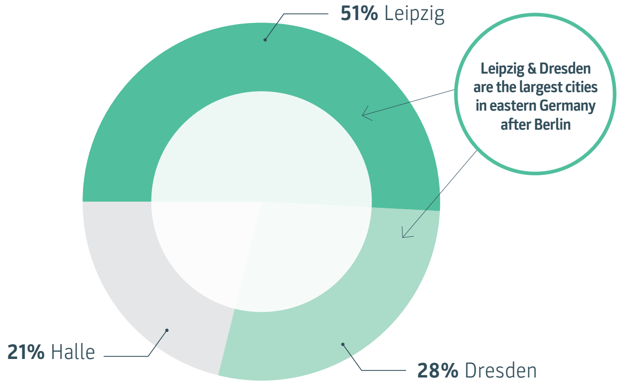
The total London portfolio, including high quality assets, social housing as well as pre-marketed units, amounts to approx. 3,600 units and approx. € 1.7 billion in value.

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

The map represents approx. 90% of the London Portfolio.

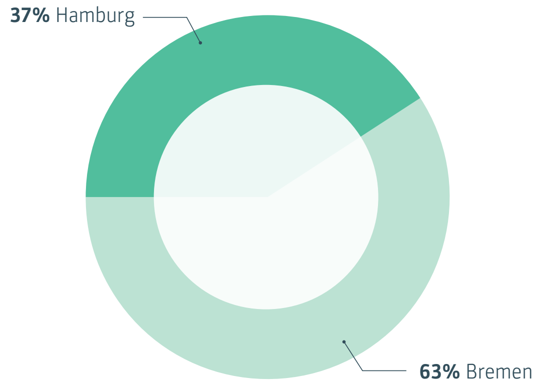
Quality East Portfolio

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



Quality North Portfolio

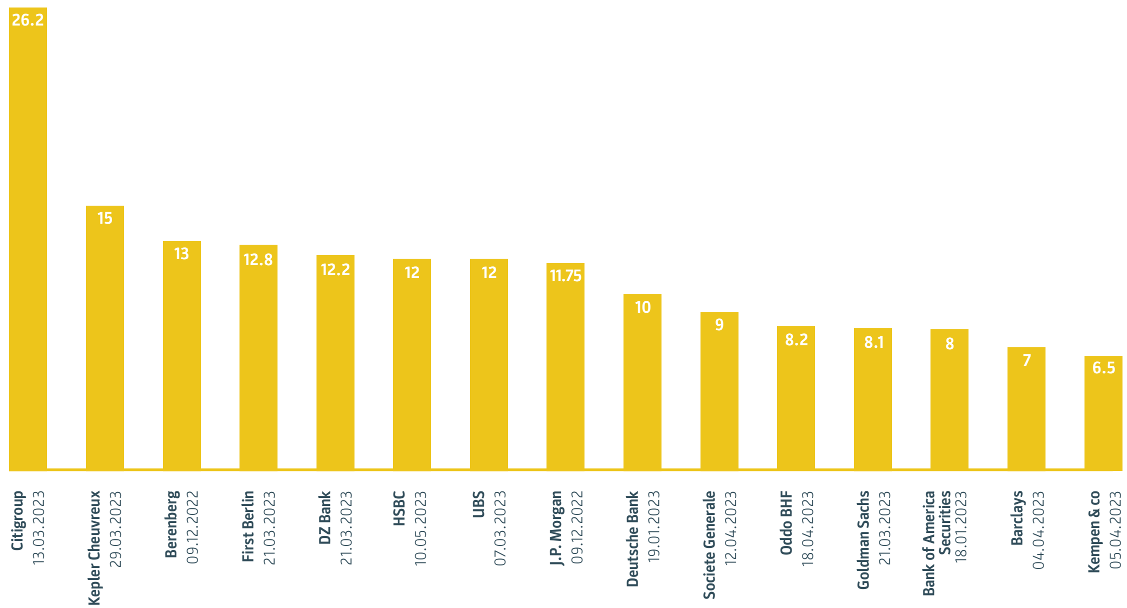
The North portfolio is focused on the major urban centers of Hamburg and Bremen – the largest cities in the north of Germany.



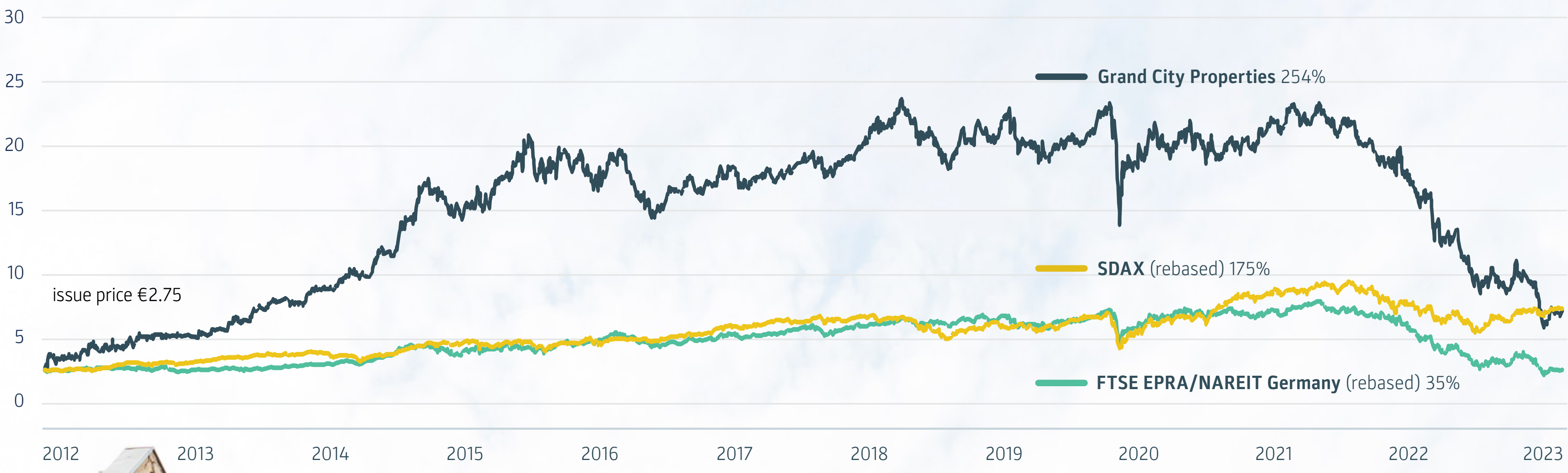
Capital Markets

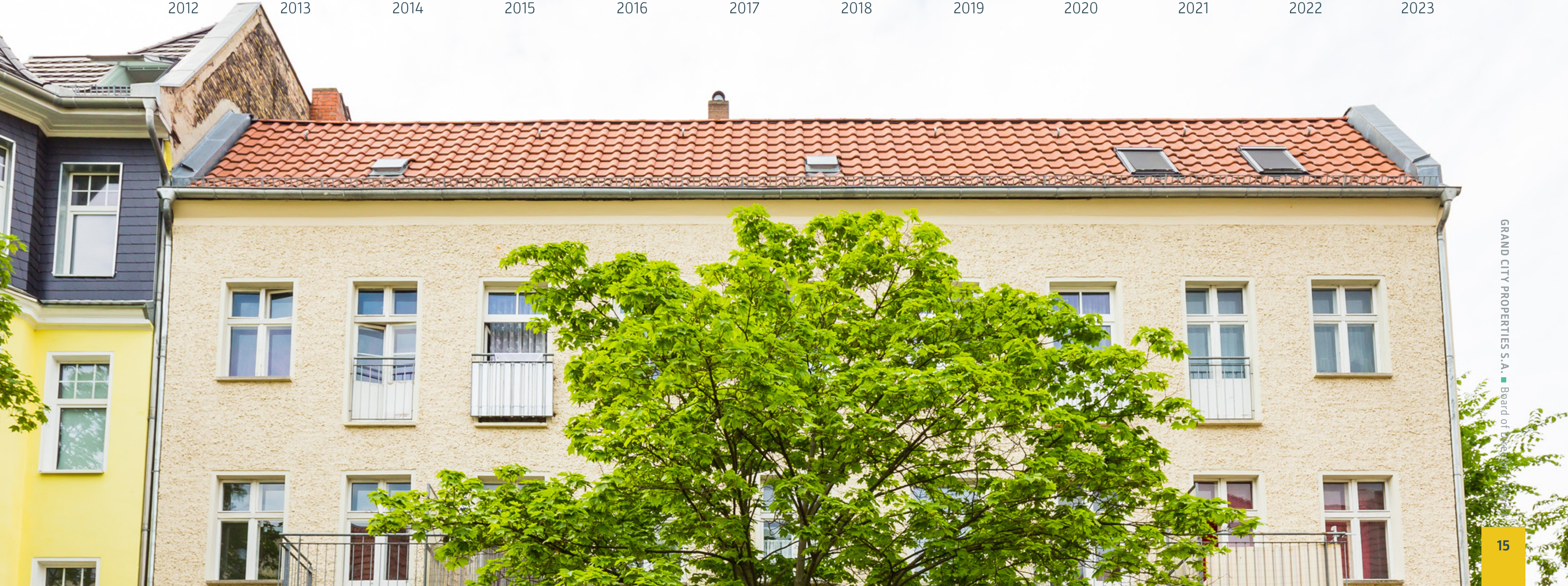
Placement	Frankfurt Stock Exchange
Market segment	Prime Standard
First listing	Q2 2012
Number of shares (as of 31 March 2023)	176,187,899 ordinary shares with a par value of EUR 0.10 per share
Number of shares, excluding suspended voting rights, base for KPI calculations (as of 31 March 2023)	172,348,779 ordinary shares with a par value of EUR 0.10 per share
Shareholder structure (as of March 2023)	Freefloat 39% Aroundtown SA (through Edolaxia Group) 59% Treasury Shares 2%
Nominal share capital (as of 31 March 2023)	17,618,789.90 EUR
ISIN	LU0775917882
WKN	A1JXCV
Symbol	GYC
Key index memberships	SDAX FTSE EPRA/NAREIT Index Series GPR 250 DIMAX
Market capitalisation (as of 16 May 2023)	1.3 bn EUR

Analyst Recommendations



Share price performance and total return comparison since first equity placement (19.07.2012)





Notes on business performance


London
ART HOUSE

OPERATING PROFIT

	For the period of three months ended 31 March	
	2023	2022
	€'000	
Net rental income (a)	101,376	97,064
Operating and other income (b)	48,676	36,434
Revenue (a)	**150,052**	**133,498**
Property revaluations and capital gains (d)	(53,091)	45,281
Property operating expenses (b)	(67,894)	(54,785)
Administrative and other expenses (c)	(2,817)	(2,915)
Depreciation and amortisation	(2,311)	(2,774)
Operating profit	**23,939**	**118,305**

(a) In the first three months of 2023, GCP recorded total revenue of €150 million, increasing by 12% as compared to the €133 million recorded in the same period of 2022. Total revenue is comprised of net rental income and operating and other income.

The Company recorded net rental income of €101 million in the first three months of 2023, 4% higher as compared to the €97 million recorded in the first three months of 2022. The solid performance is the combined result of the strong like-for-like growth of 2.6%, which is comprised of 2.1% from in-place rent growth and 0.5% from occupancy increase, and the impact from net acquisitions made in past periods. The Company's portfolio in key metropolitan areas with strong fundamentals in combination with a large supply demand imbalance and unique economic drivers continues to drive strong rental growth in both Germany as well as in London. The portfolio's in-place rent stood at €8.3/sqm as of March 2023 as compared to €8.2/sqm as of December 2022. Furthermore, GCP has continued to deliver a solid letting performance which resulted in the portfolio's vacancy rate remaining at historic low of 4.2% and decreasing substantially as compared to 5.1% as of March 2022.

As a response to the changing market environment, GCP continues to dispose mature and non-core assets. Throughout the first three months of 2023, the Company successfully executed approx. €145 million in disposals. The disposed assets had only a partial contribution to net rental income in Q1 2023 but had a full impact in 2022. In 2022, GCP executed immaterial disposals in the amount of approx. €18 million, which did not have a material impact on the net rental income. As of March 2023, the annualised net rent of the portfolio amounted to €393 million. While there have not been any acquisitions in the first three months of 2023, in 2022, GCP executed €250 million in accretive acquisitions primarily in London and Berlin at the end of the second quarter of 2022 which had a full impact on net rental income in the first quarter of 2023 but had no impact in the corresponding period of 2022.

+2.1%
L-F-L
In-place rent growth
Mar 2023

+2.6%
L-F-L
Total net rent growth
Mar 2023

+0.5%
L-F-L
Occupancy growth
Mar 2023

(b) In the first quarter of 2023, operating and other income amounted to €49 million, increasing by 34% as compared to €36 million in the first quarter of 2022. This line item is primarily composed of income related to recoverable operating expenses from tenants and is mostly composed of utility costs that include heating, electricity, and water. The substantial increase in the operating and other income item is mostly as a result of cost inflation in utilities, namely heating and electricity, and a reduction in vacancy of the portfolio from 5.1% as of March 2022 to 4.2% as of March 2023. This increase was partially offset by the leaner cost structure of the portfolio by optimisation measures conducted through targeted capex investments that increased the efficiency of GCP's assets.

Property operating expenses amounted to €68 million in the first three months of 2023, as compared to €55 million in the first three months of 2022. Property operating expenses are mostly made up of recoverable expenses such as the purchased services provided for tenants that include costs such as heating, water, garbage disposal, winter services and more. Property operating expenses also include items such as maintenance and refurbishment expenses, personnel expenses, and other operating costs. The substantial increase in property operating costs was primarily as a result of the high cost inflation between the two periods which had the greatest impact on recoverable expenses such as heating and energy costs which increased in-line with the aforementioned operating income and is mostly recovered from tenants. Furthermore, the Company also recorded an increase in personnel expenses as a result of wage growth and a continued tight labour market.

The Company monitors the quality of its portfolio and carries out a variety of maintenance and refurbishment projects as well as capex projects on a targeted basis to uphold and enhance the quality of its assets. GCP undertakes these projects to maintain and improve the living environment of tenants in order to maintain high tenant satisfaction and build long-term relationships that reduce turnover and provide stable future rental cashflows.

In the first three months of 2023, GCP recorded maintenance and refurbishment expenses amounting to €6 million and €1.5 per average sqm as compared to €5 million and €1.3 per average sqm in the same period of 2022. Maintenance and refurbishment expenses are made up of costs related to maintaining the quality of the portfolio and represent regular and recurring property upkeep that maintains the living standard of tenants. The Company makes the process of placing maintenance requests easy by offering multiple channels that include the tenant app and GCP's 24/7 service center through which tenants can easily place digital requests and receive support in several languages. Digitalising these processes has reduced the time to problem resolution, increased tenant satisfaction, and increased efficiencies for the business. Additional efficiencies generated through GCP's scale have also helped offset cost increases in materials and labour costs.

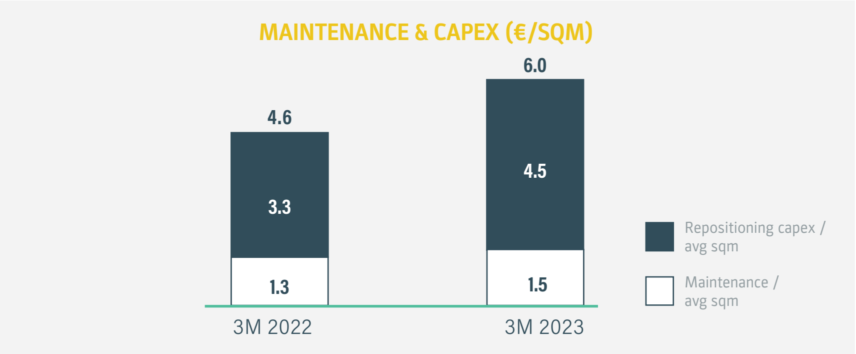
Repositioning capex represents targeted capital expenditures that focus on increasing the quality and offerings of assets in the portfolio. These investments improve the value proposition of GCP's assets which increases the rent potential while positively impacting the reletting process and reducing turnover and vacancy. Examples of repositioning capex include apartment renovations, improvements to corridors and staircases, façade refits, and more. Repositioning capex also includes projects that make improvements to community areas that surround the property and include the additions or renovation of playgrounds, barbeque pits, study rooms and other common meeting areas. These projects have supported the Company in reducing its vacancy and increasing rent in recent years. As a result of the current market environment, GCP has been more selective in making capex investments by only undertaking projects that present the highest returns and intends to keep investments at a lower level going forward.

The Company recorded repositioning capex in the amount of €18 million or €4.5 per average sqm in the first quarter of 2023, as compared to €14 million or €3.3 per average sqm in the first quarter of 2022. The increase is primarily the result of cost inflation between the two periods as well as timing effects. The increase was offset by the modernisation investments which were included in the repositioning capex item in the first quarter of 2022 but have been separated into a separate line item since the second quarter of 2022.

In the first three months of 2023, GCP invested approximately €2.5 million in modernisation projects as compared to approximately €1 million in the respective period of 2022. As mentioned in the paragraph above, modernisation was included in the repositioning capex item in the first quarter of 2022. Modernisation investments are made on a targeted basis and are composed of projects that also lift the value proposition of assets and include measures such as installing balconies and elevators. However, modernisation investments are kept at a low level and are carried out only if they meet strict investment criteria and create accretive profits.

Both modernisation and repositioning capex projects as well as maintenance and refurbishment expenses include targeted measures aimed at reducing emissions by implementing, for example, energy efficient windows, façade insulation and replacing heating systems with climate friendly alternatives. These investments have the added benefit of reducing the cost structure of assets and reducing the Company's exposure to emissions and climate risks, thereby reducing future expenses through lower CO_2 tax expenses and more efficient resource use, among others. However, these expenses are part of the total capex carried by the Company. GCP expects to undertake more projects targeted at reducing emissions in upcoming periods to meet its climate targets.

GCP invested approximately €5 million in pre-letting modifications in the first quarter of 2023, as compared to €7 million in the first quarter of 2022. Pre-letting modifications are made up of projects that include the completion of properties acquired that are in the final stages of development, large refurbishment projects, and the creation of significant new lettable areas. As a result of recent completions, pre-letting modification expenses were significantly lower in the first quarter of 2023 as compared to the approx. €20 million recorded in the last quarter of 2022.



(c) In the first three months of 2023, GCP recorded administrative and other expenses in the amount of €3 million the same as in the respective period of 2022. This line item is largely composed of administrative personnel expenses, legal and professional fees, marketing expenses, and other ancillary office expenses and remained mostly stable between the two periods.

(d) The Company recorded negative property revaluations and capital losses in the amount of €53 million in the first quarter of 2023, lower as compared to the positive property revaluations and capital gains in the amount of €45 million recorded in the first quarter of 2022.

Property revaluations are one off gains/losses that are related to the changes in the fair value of the investment property in the portfolio. GCP engages independent and certified valuators to determine the valuation of each of its investment properties at least once a year and as a result had its entire portfolio revalued in Q4 2022 in this manner. GCP did not revaluate its portfolio in the first quarter of 2023 and will revaluate the majority of the portfolio as part of the H1 2023 report. As a result, the property devaluations booked in the period mainly represent capex investments and spot valuation indications received. As of March 2023, the portfolio had an average value of €2,273/sqm representing a rental yield of 4.3%.

Capital gains/losses represent the aggregate premium/discount of disposals as compared to book values. In the first three months of 2023, the Company executed disposals in the amount of approx. €145 million, reflecting an approx. 1% discount to net book values. The disposed assets consisted mostly of mature assets in London.

PROFIT FOR THE PERIOD

	For the period of three months ended 31 March	
	2023	2022
	€'000	
Operating profit	**23,939**	**118,305**
Finance expenses (a)	(13,470)	(11,418)
Other financial results (b)	(20,464)	(41,756)
Current tax expenses (c)	(10,111)	(9,543)
Deferred tax income (expenses) (c)	8,511	(9,049)
Profit (loss) for the period (d)	**(11,595)**	**46,539**
Profit (loss) attributable to owners of the company	(14,942)	30,142
Profit (loss) attributable to perpetual notes investors	7,438	6,103
Profit (loss) attributable to non-controlling interests	(4,091)	10,294
Basic earnings (loss) per share (in €)	(0.09)	0.18
Diluted earnings (loss) per share (in €)	(0.09)	0.17
Weighted average number of ordinary shares (basic) in thousands	172,340	164,963
Weighted average number of ordinary shares (diluted) in thousands	172,621	178,291
Profit (loss) for the period (d)	**(11,595)**	**46,539**
Total other comprehensive income (loss) for the period, net of tax (e)	(2,513)	12,109
Total comprehensive income (loss) for the period (e)	**(14,108)**	**58,648**

(a) In the first quarter of 2023, the Company recorded €13.5 million of finance expenses, as compared to €11.4 million recorded in the first quarter of 2022. The increase is primarily as a result of the higher interest rate levels of debt raised in the second half of 2022 and from higher rates which have impacted variable debt costs and the expiry of certain hedging instruments which resulted in debt becoming variable and resetting at higher rates. The current hedging ratio stands at 91%. GCP's financial platform remains conservative with a low cost of debt of 1.4% and an average debt maturity of 5.8 years as of March 2023. In Q1 2023, GCP continued to take proactive debt optimisation measures by obtaining approximately €60 million in new bank debt with an additional approx. €150 million signed after the reporting period. The Company's debt maturity profile remains clean until Q2 2024 and cash and liquid assets and signed disposals cover debt maturities through 2025.

(b) The Company recorded other financial results amounting to negative €20 million in the first three months of 2023, as compared to negative €42 million in the comparable period of 2022. The other financial results item is mostly made up of one-off results related to the net change in the fair value of financial assets and financial liabilities and derivative instruments but also includes finance related costs. The other financial results were mostly the result of foreign exchange rate impacts and fair value adjustments in financial assets and liabilities due to volatility in financial markets and changes in interest rates. Furthermore, the Company incurred finance related costs in connection with hedging fees, bank financing, and other costs related to maintaining and optimising GCP's debt profile. These costs helped to mitigate short term refinancing risk.

(c) GCP reported total net tax expense of €2 million in the first quarter of 2023, as compared to a total tax expense of €19 million reported in the first quarter of 2022. Total tax expenses include both current tax expenses and deferred tax expenses/income.

In the three-month period ending March 2023, current tax expenses totalled €10 million, slightly higher as compared the respective period in 2022. Current tax is made up of corporate and property taxes that are correlated with the Company's underlying business performance and the portfolio's geographic distribution.

In the first quarter of 2023, GCP recorded deferred tax income of €9 million as compared to a deferred tax expense of €9 million in the respective period of 2022. Deferred tax expenses/income represent non-cash expenses/income related to the theoretical disposal of investment properties with a tax rate applied based on the location of the asset and are primarily linked to revaluation gains/losses but are additionally impacted by the revaluation of derivatives and loss carried forward. The change to deferred tax income from deferred tax expense is the result of the property revaluation losses offset by the net impact of the revaluation of derivatives and loss carried forward incurred in Q1 2023.

(d) The Company recorded a loss of €12 million for the three-month period ending March 2023, as compared to the profit of €47 million for the comparable period in 2022. The loss was primarily as a result of negative property revaluations recorded in the current period as compared to positive property revaluations in the comparable period. This was offset by higher operational profits, lower negative other financial results and deferred tax income as compared to deferred tax expenses in the previous period.

In the first quarter of 2023, GCP generated a basic loss per share in the amount of €0.09 and a diluted loss per share in the amount of €0.09, lower as compared to basic earnings per share of €0.18 and diluted earnings per share of €0.17 respectively for the same period in 2022. The main impact in addition to the aforementioned changes in profit was the small increase in the average share count which was mostly as a result of the high acceptance ratio of the scrip dividend in 2022 which allowed the company to retain cash and strengthen its liquidity position.

(e) Through the first three months of 2023, GCP recorded a total comprehensive loss of €14 million, lower as compared to the total comprehensive income of €59 million in the first three months of 2022. The total comprehensive loss is mostly the result of the loss for the period and the total other comprehensive loss. The other comprehensive loss amounted to €3 million in the first quarter of 2023 as compared to a gain of €12 million in the same period in 2022. The other comprehensive income/loss item is primarily composed of changes in forward and other derivative contracts and foreign currency impacts related to the hedging activities for the London portfolio.

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

	For the period of three months ended 31 March	
	2023	2022
	€'000	
Operating profit	23,939	118,305
Depreciation and amortisation	2,311	2,774
EBITDA	**26,250**	**121,079**
Property revaluations and capital gains	53,091	(45,281)
Equity settled share-based payments and other adjustments	163	619
Adjusted EBITDA (a)	**79,504**	**76,417**
Finance expenses	(13,470)	(11,418)
Current tax expenses	(10,111)	(9,543)
Contribution to minorities	(1,530)	(928)
Adjustment for perpetual notes attribution	(7,438)	(6,103)
FFO I (b)	**46,955**	**48,425**
Weighted average number of ordinary shares (basic) in thousands, including impact from share-based payments	172,590	165,150
FFO I per share (in €) (b)	**0.27**	**0.29**
Result from disposal of properties	3,785	650
FFO II (c)	**50,740**	**49,075**

(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 equity settled share-based payments and other adjustments. GCP recorded adjusted EBITDA totalling €80 million in the three-month period ending March 2023, increasing 4% as compared to the €76 million generated in the respective period in 2022.

(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. FFO I amounted to €47 million in the first quarter of 2023, lower as compared to the €48 million recorded in the comparable period of 2022. In the first three months of 2023, FFO I per share amounted to €0.27 per share, as compared to the €0.29 recorded in the comparable period in 2022.

The development in adjusted EBITDA and FFO I was primarily as a result of the strong like-for-like rental growth of 2.6% driven by the 2.1% in-place rent growth and 0.5% occupancy increase and the full impact of the €250 million in acquisitions made at the end of H1 2022, partially offset by disposals and higher operating expenses as a result of cost inflation. The strong letting performance continued in Q1 2023 and kept the vacancy rate at a historic low of 4.2%. In addition, GCP executed approx. €145 million in disposals in the first three months of 2023 which consisted mostly of assets in London and thus had a partial impact in the period. The Company also made a small amount of disposals of non-core assets in 2022 totalling approx. €18 million, which had an immaterial impact on the adjusted EBITDA. Higher efficiencies as a result of digitalisation efforts and productivity gains helped offset some of the increase in operating expenses due to cost inflation. FFO I was also impacted by the higher finance expenses as a result of higher interest rates and current tax expenses which remain in-line with the Company's underlying business performance. Additionally, the perpetual notes attribution increased by more than €1 million as a result of the step-up rate from 2.75% to 6.3% in the end of January 2023, which therefore had only a partial effect on the first three months of 2023. The FFO I per share metric was additionally impacted by the slightly higher average share count as compared to the previous period mostly due to the high participation rate in the scrip dividend in 2022 which allowed the Company to retain cash.

(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 three months of

2023, GCP recorded an FFO II of €51 million, increasing by 3% as compared to the €49 million recorded in the first three months of 2022. The increase is the result of the larger volume of disposals conducted in Q1 2023 as compared to same period in the year prior. In Q1 2023, GCP executed approx. €145 million in disposals at a profit over total costs (including capex) of 3%, crystallising gains of approx. €4 million and strengthening the Company's liquidity position.

ADJUSTED FUNDS FROM OPERATIONS (AFFO)

	For the period of three months ended 31 March	
	2023	2022
	€'000	
FFO I	**46,955**	**48,425**
Repositioning capex	(18,298)	(13,694)
AFFO	**28,657**	**34,731**

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. Through the three-month period ending March 2023, GCP recorded €29 million in AFFO, lower as compared to €35 million reported in the first three months of 2022. The lower AFFO is the result of the higher repositioning capex in the period due to cost inflation and timing impacts and the lower FFO I.

CASH FLOW

	For the period of three months ended 31 March	
	2023	2022
	€'000	
Net cash provided by operating activities	56,536	57,111
Net cash provided by investing activities	62,027	32,048
Net cash provided (used) by (in) financing activities	34,568	(639,201)
Net increase (decrease) in cash and cash equivalents	**153,131**	**(550,042)**
Changes in cash and cash equivalents held-for-sale and effects of foreign exchange rate	1,234	(1,262)
Cash and cash equivalents as on 1 January	324,935	895,486
Cash and cash equivalents as on 31 March	**479,300**	**344,182**

In the first quarter of 2023, net cash provided by operating activities totalled €57 million, flat as compared to €57 million in the first quarter of 2022. Net cash provided by operating activities was positively impacted by the strong operational performance of the Company driven by the solid like-for-like rental growth of 2.6%, of which 2.1% came from in-place rent growth and 0.5% from occupancy increases and the result of net acquisitions, offset by higher operating expenses as a result of cost inflation and a higher working capital as a result of the timing difference between the actual consumption cost of the heating expenses recovered from tenants and the settlement of the payments by tenants. The strong operational improvement was also marked by the strong letting performance which resulted in the vacancy rate remaining at an all time low of 4.2%. GCP has taken measures to address the impact of higher energy costs by offering staggered pre-payment plans which have been widely accepted and launching information campaigns. The Company does not expect a material liability.

In the first quarter of 2023, net cash provided by investing activities amounted to €62 million, as compared to net cash provided by investing activities of €32 million in the first quarter of 2022. The net cash provided by investing activities in the period is primarily the result of the approx. €145 million in disposals conducted and the repayment of loans to own assets during the period, offset by the approx. €60 million vendor loan provided for part of the disposals. This was further offset by investment in capex projects which will positively impact rental growth and cash generation from operating activities in upcoming periods.

In the first quarter of 2023, net cash provided by financing activities totalled €35 million, as compared to net cash used in financing activities of €639 million in the first quarter of 2022. The net cash provided by financing activities was primarily as a result of the €60 million in new bank debt in Q1 2023 with a 5-year maturity term. GCP also signed an additional approx. €150 million in new bank debt after the reporting period. These debt optimisation measures help to ensure a clean maturity profile with cash and liquid assets and signed disposals covering debt maturities through 2025. As of March 2023, the Company's hedging ratio was at 91% and cost of debt remains low at 1.4% with an average debt maturity of 5.8 years.

ASSETS

	Mar 2023	Dec 2022
	€'000	
Non-current assets	**9,985,552**	**9,997,258**
Investment property	9,451,914	9,529,608
Current assets	**1,215,734**	**1,134,070**
Cash and liquid assets (including those recorded under held for sale)	570,949	429,127
Total Assets	**11,201,286**	**11,131,328**

The Company recorded total assets in the amount of €11.2 billion as of March 2023, slightly higher as compared to the €11.1 billion as of year-end 2022. The small increase in total assets is mostly due to the higher current assets balance primarily from the higher cash and liquid assets. The increase in the total assets is mostly due to higher liquidity from new financing and operational profits, offset by slightly lower non-current assets from a lower investment property balance.

As of the end of March 2023, GCP had non-current assets in the amount of €10 billion, as compared to €10 billion as of the end of December 2022. The non-current assets balance is mostly made up of the investment property item which decreased by approximately 1% to €9.5 billion as of the end of March 2023. The decrease in the investment property item was mostly due to the reclassification of around €70 million into assets held-for-sale Q1 2023.

The non-current asset balance also includes tenant deposits which are used as a security for rent payments and had a balance of €45 million; long-term financial investments, which include co-investments in attractive deals and are held with the expectation for long-term yield had a balance of around €50 million; and investments where the Company holds a minority position in real estate portfolios which had a balance of €30 million.

As of March 31, 2023, vendor loans had a balance of approx. €60 million. Vendor loans are loans given to buyers of properties that have been sold in the first quarter of 2023 to help facilitate transactions. The vendor loan is secured against the properties sold and has an average LTV of around 60% and in the event of a default provide the Company with the option to regain ownership of the assets at a significant discount and penalty to the defaulted buyer. The future cashflow from the vendor loan also help reduce the Company's leverage but conservatively is not included in the LTV calculation.

The balance of loans-to-own assets (including short term) totalled approximately €75 million as at the end of March 2023, lower as compared €90 million to year-end 2022. The decrease was as a result of the repayment of loans to own assets during the period. 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 add to the Company's wide deal sourcing network and provide another avenue to making accretive acquisitions. GCP's loans-to-own portfolio is focused mostly on the UK and is secured by a first lien on the underlying asset.

As of the end of March 2023, GCP had current assets in the amount of €1.2 billion, as compared to €1.1 billion as of the end of December 2022. The increase was mostly as a result of the higher cash and liquid assets balance which increased from proceeds collected from disposals, proceeds from approx. €60 million in new bank financing, net cash provided by operating activities, and cash provided from the repayment of loans to own assets, offset by capex investments. GCP retains a strong liquidity position of €571 million in cash and liquid assets which represent 14% of total debt.

Current assets also include trade and other receivables and assets held for sale. Trade and other receivables totalled €373 million as of March 2023, of which €232 million is comprised of operational receivables. Operating cost receivables are related to the prepayments for ancillary services received from tenants presented in the short-term liabilities and include services such as heating, cleaning, insurance, winter services, waste, sewage and electricity. These operating costs receivables are settled once per year against the advances received from tenants. As a result of the increase in operating cost receivables, mainly in relation to higher energy costs, GCP has launched information campaigns and provided the option to voluntarily increase ancillary prepayments to avoid large payments on settlement dates. The Company does not expect a material liability. As of March 2023, assets held for sale amounted to €271 million and decreased from year end as a result of the closed disposals in the period which mostly consisted of assets held for sale, offset by investment property reclassified as assets held-for-sale in the amount of approx. €70 million. Assets held for sale represent properties intended for disposal within the next 12 months. As of the date of this report, the Company has signed disposals amounting approx. €100 million which are expected to be completed in the next periods.

LIABILITIES

	Mar 2023	Dec 2022
	€'000	
Loans and borrowings [1]	383,081	323,280
Straight bonds	3,614,813	3,612,105
Deferred tax liabilities [2]	789,043	795,905
Other long-term liabilities and derivative financial instruments [3]	209,782	201,905
Current liabilities [4]	314,564	283,978
Total Liabilities	**5,311,283**	**5,217,173**

(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

Total liabilities amounted to €5.3 billion as at the end of March 2023, slightly higher as compared to €5.2 billion as at the end of December 2022. The small increase in total liabilities was mostly as a result of new bank debt financing. Total liabilities also include other long-term liabilities and derivative financial instruments.

Throughout the first three months of 2023, the Company continued to take proactive measures to optimise its financial profile. GCP raised €60 million in new bank debt which matures in 2028 with an additional approx. €150 million bank debt signed after the reporting period which mature in 2033. This new bank debt ensures that the Company's debt maturity profile remains clean and cash and liquid assets and signed disposals cover debt maturities through 2025. Furthermore, GCP holds a large pool of unencumbered assets with a total value of €8.5 billion and representing 88% of value which it can leverage to raise additional bank debt. The Company's cost of debt remains low at 1.4% with an average debt maturity of 5.8 years. The increase in the average cost of debt can be attributed to new debt raised with a higher cost, the higher level of interest rates which impacted capped and variable debt and the expiry of certain hedging instruments which resulted in debt becoming variable and resulting in higher rates. GCP currently has a hedging ratio of 91%. The operational profitability of the business more than covers interest expenses as exemplified by the ICR of 5.9x.

Deferred tax liabilities take into account the theoretical disposal of investment properties in the form of asset deals with a tax rate applied based on the specific location of the property. At the end of March 2023, the balance of deferred tax liabilities amounted to €789 million, representing 15% of total liabilities.


Duisburg

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 NTA with RETT**	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NTA with RETT*	EPRA NDV
	Mar 2023				Dec 2022			
Equity attributable to the owners of the Company	**4,004,247**	**4,004,247**	**4,004,247**	**4,004,247**	**4,020,773**	**4,020,773**	**4,020,773**	**4,020,773**
Deferred tax liabilities on investment property	771,678 [1)]	660,861 [2)]	660,861 [2)]	-	778,490 [1)]	664,886 [2)]	664,886 [2)]	-
Fair value measurements of derivative financial instruments [3]	(19,507)	(19,507)	(19,507)	-	(19,106)	(19,106)	(19,106)	-
Intangible assets and goodwill	-	(9,794)	(9,794)	-	-	(11,002)	(11,002)	-
Real estate transfer tax	535,873 [1)]	-	455,862 [2)]	-	542,612 [1)]	-	460,153 [2)]	-
Net fair value of debt	-	-	-	566,459	-	-	-	621,540
NAV	**5,292,291**	**4,635,807**	**5,091,669**	**4,570,706**	**5,322,769**	**4,655,551**	**5,115,704**	**4,642,313**
Basic number of shares including in-the-money dilution effects (in thousands)	172,568				172,607			
NAV per share (in €)	**30.7**	**26.9**	**29.5**	**26.5**	**30.8**	**27.0**	**29.6**	**26.9**

(*) updated methodology to exclude RETT
(**) Previously defined as EPRA NTA and EPRA NTA per share
(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

EPRA NRV

As of the end of March 2023, GCP reported an EPRA NRV of €5.3 billion and €30.7 per share, as compared to €5.3 billion and €30.8, respectively as of year-end 2022. The small decrease was mostly as a result of the negative investment property revaluation result which lowered the equity attributable to the owners of the Company and offset by the Company's operational profits recorded during the period. EPRA NRV assumes that entities never sell assets and aims to represent the value required to rebuild the entity. As a result, the full amount of deferred tax and real estate transfer tax is added back.

EPRA NTA

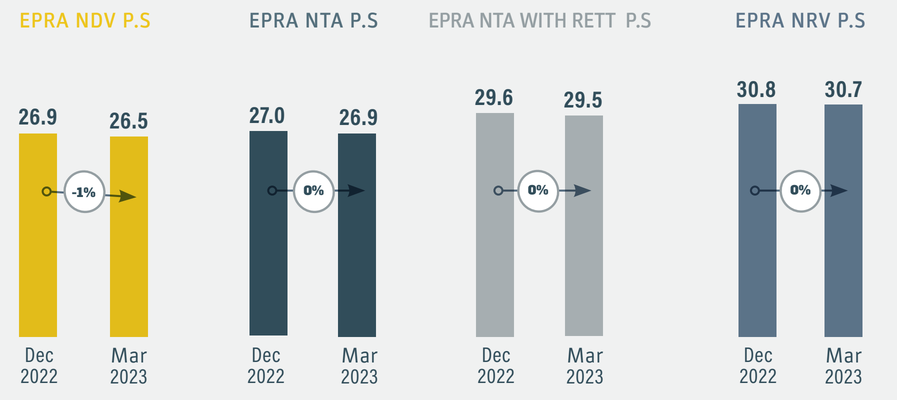
As of the end of March 2023, GCP reported an EPRA NTA in the amount of €4.6 billion or €26.9 per share, slightly lower as compared to €4.7 billion or €27.0 per share as of year-end 2022. The small decrease was primarily the result of the negative investment property revaluation result and offset by the positive operational result. EPRA NTA assumes a normal business scenario where entities buy and sell assets thereby incurring a certain amount 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. In order to be conservative, GCP only adds back the deferred taxes on the Portfolio to be held long term.

Due to the current market conditions, the Company has decided to present EPRA NTA excluding the real estate transfer tax for the Q1 2023 condensed interim consolidated financial statements. Former EPRA NTA is renamed as "EPRA NTA with RETT". In upcoming quarterly and annual financial reports, GCP will exclusively present the EPRA NTA metric without adding back the real estate transfer tax. As at the end of March 2023, GCP reported an EPRA NTA with RETT, of €5.1 billion or €29.5 per share.

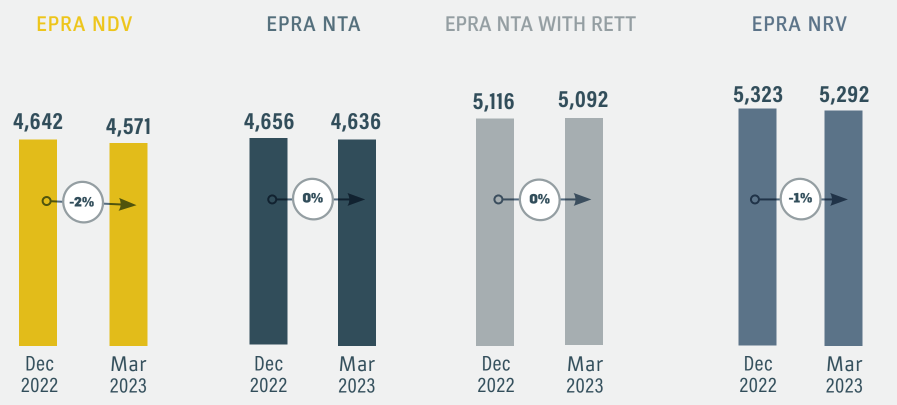
EPRA NDV

As of the end of March 2023, GCP reported an EPRA NDV of €4.6 billion and €26.5 on a per share basis, as compared to €4.6 billion and €26.9 per share at the end of December 2022. The small decrease is mostly the result of the lower equity balance and the higher net fair value of debt as a result of the small decrease in market volatility between the two periods. The net fair value of debt represents the difference between the book value and fair value of the Company's outstanding debt, and as a result the lower fair value is added back. The EPRA NDV represents the Company's NAV under a theoretical scenario where all assets are disposed and all liabilities settled, and therefore does not add back any deferred tax liabilities or real estate transfer tax.

EPRA NAV METRICS DEVELOPMENT (IN €)



EPRA NAV METRICS DEVELOPMENT (IN € MILLIONS)



DEBT FINANCING KPIs

LOAN-TO-VALUE

	Mar 2023	Dec 2022
	€'000	
Investment property [1]	9,415,698	9,492,946
Investment properties of assets held-for-sale [1]	253,179	327,586
Total value	**9,668,877**	**9,820,532**
Total debt	3,997,894	3,935,385
Cash and liquid assets (including those under held for sale)	570,949	429,127
Net debt	**3,426,945**	**3,506,258**
LTV	**35%**	**36%**

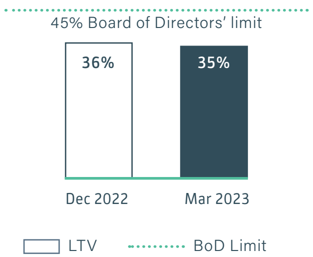
(1) including advanced payments and deposits and excluding right-of-use assets

GCP maintains a conservative financial profile as shown by its solid debt financing KPIs. GCP financial platform is characterised by a low LTV, a high proportion of unencumbered assets, and robust coverage ratios.

As of March 2023, GCP had an LTV of 35%, slightly lower as compared to 36% at the end of December 2022 as a result of successfully executing disposals in the period and thus offsetting the negative revaluation. The Company's LTV position remains well below bond covenant limits and the more stringent board-mandated limit of 45%.

GCP also continues to have strong coverage ratios with an ICR of 5.9x and DSCR of 5.6x in the first quarter of 2023, as compared to 6.7x and 6.3x respectively in the first quarter of 2022. The Company's coverage ratios were impacted by the higher finance expenses and partially offset by the strong operational growth and profitability and proactive debt profile optimization efforts which kept interest expenses relatively stable. The high ICR and DSCR metrics show the ability of the recurring operational profitability of the business to service its debts.

LOW LEVERAGE



As of March 2023, the Company had a large pool of unencumbered assets worth €8.5 billion and representing a high proportion of 88% in value. These assets provide financial flexibility by giving GCP the option of taking advantage of lower secured financing rates as compared to current public debt market rates. Financial flexibility is further bolstered by undrawn credit facilities in the amount of €300 million.

The Company's continued strong debt financing KPI's and conservative financial platform 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), reiterated in December of 2022, and unsolicited rating by Moody's (Baa1/Stable).

UNENCUMBERED ASSETS

	Mar 2023	Dec 2022
	€'000	
Unencumbered Assets	8,512,433	8,664,533
Total Investment properties (including those under held for sale)	9,708,358	9,860,461
Unencumbered Assets Ratio	**88%**	**88%**

INTEREST COVERAGE RATIO (ICR)

	For the period of three months ended 31 March	
	2023	2022
	€'000	
Adjusted EBITDA	79,504	76,417
Finance Expenses	13,470	11,418
Interest Coverage Ratio	**5.9x**	**6.7x**

DEBT SERVICE COVERAGE RATIO (DSCR)

	For the period of three months ended 31 March	
	2023	2022
	€'000	
Adjusted EBITDA	79,504	76,417
Finance Expenses	13,470	11,418
Amortisation of loans from financial institutions	723	647
Debt Service Coverage Ratio	**5.6x**	**6.3x**

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 payments 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* if any, to the *Adjusted EBITDA.* To arrive at the *FFO I per share* the *FFO I* is divided by the *Weighted average number of ordinary shares (basic) in thousands, including impact from share-based payments,* which reflects the impact of the *Equity settled share-based payments* adjustment in the *Adjusted EBIDTA.*

FFO I reconciliation
Adjusted EBITDA
(-) Finance expenses
(-) Current tax expenses
(-) Contribution from/(to) joint ventures and minorities, Net
(-) Adjustment for perpetual notes attribution
(=) (A) FFO I
(B) Weighted average number of ordinary shares (basic) in thousands, including impact from share-based payments
(=) (A/B) FFO I per share

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 II
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 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

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, inventories - trading properties, Investment properties of assets held for sale and the investment in equity-accounted investees 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(2)
(+) Investment in equity-accounted investees
(=) (A) Total value
(+) Total debt(3)
(-) Cash and liquid assets(4)
(=) (B) Net debt
(=) (B/A) LTV

(1) including advanced payments and deposits, inventories - trading properties and excluding right-of-use assets
(2) excluding right-of-use assets
(3) including loans and borrowings held for sale
(4) 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, Inventories - trading 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, investment properties of assets held for sale and inventories - trading property

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* (as previously defined) 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 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 this ratio, 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 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. To arrive at the *EPRA NDV per share* the *EPRA NDV* is divided by the *Basic number of shares including in-the-money dilution effects (in thousands).*

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]
(=) (A) EPRA NRV
(B) Basic number of shares including in-the-money dilution effects (in thousands)
(=) (A/B) EPRA NRV per share

(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) AND EPRA NTA WITH RETT

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. In the EPRA NTA with RETT measure, a corresponding portion of real estate transfer taxes are additionally excluded to the extent that tax optimisation is demonstrable.

Prior to the Q1 2023 Condensed Interim Consolidated Financial Statements, GCP reported EPRA NTA with RETT as EPRA NTA. Due to market conditions the Company decided to update the methodology and no longer adds back RETT to its standard EPRA NTA.

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 f*air value measurements of derivative financial instruments* are considered for this measure of valuation by EPRA.

The bridge to EPRA NTA with RETT takes EPRA NTA and 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.

To arrive at the *EPRA NTA per share* the *EPRA NTA* is divided by the *Basic number of shares including in-the-money dilution effects (in thousands)*. To arrive at the *EPRA NTA with RETT per share* the *EPRA NTA with RETT* is divided by the *Basic number of shares including in-the-money dilution effects (in thousands)*.

EPRA NTA and EPRA with RETT 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
(=) (A) EPRA NTA
(+) (B) Real Estate Transfer Tax[1]
(=) (C=A+B) EPRA NTA with RETT
(A) EPRA NTA
(D) Basic number of shares including in-the-money dilution effects (in thousands)
(=) (A/D) EPRA NTA per share
(C) EPRA NTA with RETT
(D) Basic number of shares including in-the-money dilution effects (in thousands)
(=) (C/D) EPRA NTA with RETT per share

(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. To arrive at the *EPRA NDV* per share the *EPRA NDV* is divided by the *Basic number of shares including in-the-money dilution effects (in thousands).*

EPRA NDV Reconciliation
Equity attributable to the owners of the Company
(+/-) Net fair value of debt
(=) (A) EPRA NDV
(B) Basic number of shares including in-the-money dilution effects (in thousands)
(=) (A/B) EPRA NDV per share

EPRA LOAN-TO-VALUE (EPRA LTV)

The EPRA Loan-To-Value (EPRA LTV) is a key metric which aims to assess the leverage of the shareholder equity within a real estate company. The main difference between the EPRA LTV and the Company calculated LTV metric is the wider categorization of liabilities in EPRA gross debt and assets in EPRA net assets with the largest impact coming from the inclusion of the perpetual notes as debt. The *EPRA LTV* is calculated by dividing the *EPRA Net debt* by *EPRA Net Assets. EPRA Net debt* is composed of *EPRA Gross Debt* subtracted by *Cash and liquid assets. EPRA Gross Debt* is calculated from *Total financial debt* which is the sum of the current and non-current portions of *Loans and borrowings, Convertible Bonds, Straight Bonds* and adds to this *Foreign currency derivatives, Equity attributable to perpetual notes investors,* and *Net Payables* (if applicable). *EPRA Net Assets* is calculated by adding together *Owner-occupied property, Investment property* and *Investment properties of assets held-for-sale* (each excluding right-of-use assets), *Intangible assets, Financial Assets* and *Net receivables* (if applicable).

Net receivables or *Net payables* are *Payables* net of *Receivables*, and whichever item is greater is applicable to the calculation.

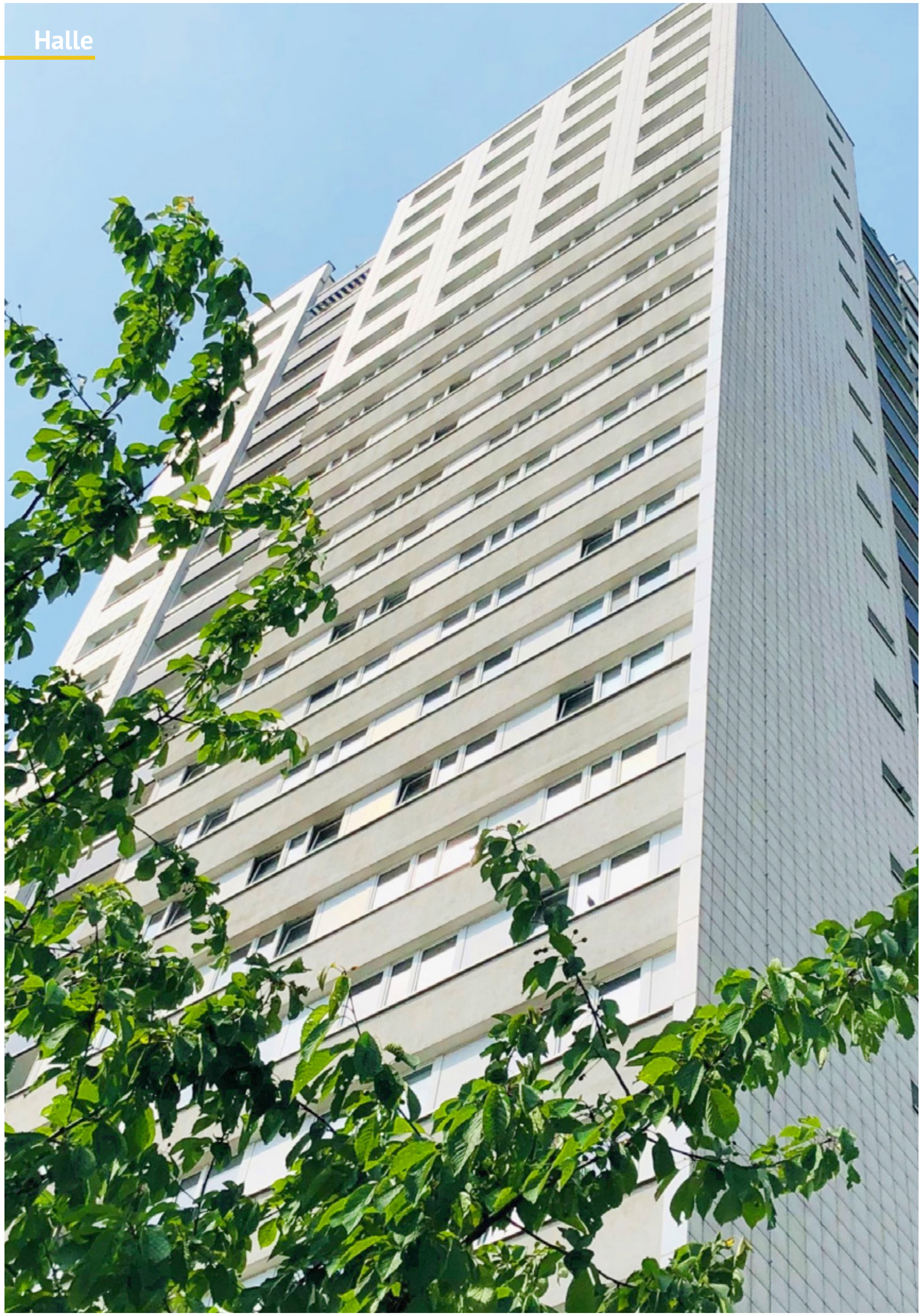
Additional items which are included in the calculation, but are currently not applicable to GCP include *Share of net debt of joint ventures* (in EPRA Gross Debt), *Share of Investment properties of joint ventures* (in EPRA Gross Assets), and the *Net minority impact of material minorities* (applicable to both assets and liabilities) which would be added to the EPRA LTV calculation if applicable.

EPRA Loan-To-Value (EPRA LTV) Calculation
(+) Total financial debt[1]
(+) Foreign currency derivatives
(+) Equity attributable to perpetual notes investors
(+) Net Payables[3]
(=) EPRA Gross Debt
(-) Cash and liquid assets[1]
(=) (A) Net debt
(+) Owner-occupied property
(+) Investment property[2]
(+) Investment properties of assets held-for-sale[2]
(+) Intangible assets
(+) Financial assets
(+) Net receivables[3]
(=) (B) EPRA Net Assets
(=) (A/B) EPRA LTV

(1) Including balances held-for-sale
(2) Including advance payments and deposits and excluding right of use assets
(3) Net receivables to be used when receivables are greater than payables and net payables to be used when payables are greater than receivables.

Nuremberg / Fürth

Halle



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, 17 May 2023

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

02

Condensed Interim Consolidated Financial Statements


nice!
URBAN FOOTWEAR

Condensed interim consolidated statement of profit or loss

		For the period of three months ended 31 March	
		2023	2022
		Unaudited	
	Note	€'000	
Revenue	5	**150,052**	**133,498**
Property revaluations and capital gains		(53,091)	45,281
Property operating expenses		(67,894)	(54,785)
Administrative and other expenses		(2,817)	(2,915)
Depreciation and amortisation		(2,311)	(2,774)
Operating profit		**23,939**	**118,305**
Finance expenses		(13,470)	(11,418)
Other financial results		(20,464)	(41,756)
Profit (loss) before tax		**(9,995)**	**65,131**
Current tax expenses		(10,111)	(9,543)
Deferred tax income (expenses)		8,511	(9,049)
Profit (loss) for the period		**(11,595)**	**46,539**
Profit (loss) attributable to:			
Owners of the Company		(14,942)	30,142
Perpetual notes investors		7,438	6,103
Non-controlling interests		(4,091)	10,294
		(11,595)	**46,539**
Net earnings (loss) per share attributable to the owners of the Company (in euro):			
Basic earnings (loss) per share		(0.09)	0.18
Diluted earnings (loss) per share		(0.09)	0.17

The notes on pages 48 to 54 form an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statement of comprehensive income

	For the period of three months ended 31 March	
	2023	2022
	Unaudited	
	€'000	
Profit (loss) for the period	**(11,595)**	**46,539**
Other comprehensive income (loss)		
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	(172)	(43)
Net change in cost of hedging	(2,341)	12,152
Total other comprehensive income (loss) for the period, net of tax	**(2,513)**	**12,109**
Total comprehensive income (loss) for the period	**(14,108)**	**58,648**
Total comprehensive income (loss) attributable to:		
Owners of the Company	(18,344)	42,251
Perpetual notes investors	7,438	6,103
Non-controlling interests	(3,202)	10,294
	(14,108)	**58,648**

The notes on pages 48 to 54 form an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statement of financial position

	Note	As at 31 March 2023 Unaudited	As at 31 December 2022 Audited
		€'000	
ASSETS			
Investment property	6	9,451,914	9,529,608
Property and equipment		65,808	66,206
Intangible assets and goodwill		9,794	11,002
Advance payments and deposits		21,323	20,760
Derivative financial assets		44,999	53,814
Other non-current assets		335,569	262,094
Deferred tax assets		56,145	53,774
Non-current assets		**9,985,552**	**9,997,258**
Cash and cash equivalents		479,300	324,935
Financial assets at fair value through profit or loss		91,262	102,429
Trade and other receivables		373,456	353,125
Derivative financial assets		402	9,390
Assets held-for-sale		271,314	344,191
Current assets		**1,215,734**	**1,134,070**
Total assets		**11,201,286**	**11,131,328**
EQUITY			
Share capital		17,619	17,619
Treasury shares		(83,384)	(83,872)
Share premium and other reserves		254,430	258,609
Retained earnings		3,815,582	3,828,417
Total equity attributable to the owners of the Company		**4,004,247**	**4,020,773**
Equity attributable to perpetual notes investors		1,229,681	1,227,743
Total equity attributable to the owners of the Company and perpetual notes investors		**5,233,928**	**5,248,516**
Non-controlling interests		656,075	665,639
Total equity		**5,890,003**	**5,914,155**

The notes on pages 48 to 54 form an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statement of financial position

	As at 31 March	As at 31 December
	2023	2022
	Unaudited	Audited
	€'000	
LIABILITIES		
Loans and borrowings	377,132	318,772
Straight bonds	3,614,813	3,612,105
Derivative financial liabilities	39,299	37,092
Other non-current liabilities	152,920	151,868
Deferred tax liabilities	783,116	788,605
Non-current liabilities	**4,967,280**	**4,908,442**
Current portion of long term loans	5,949	4,508
Trade and other payables	253,734	225,338
Derivative financial liabilities	17,563	12,945
Tax payable	19,318	17,493
Provisions for other liabilities and charges	32,430	32,102
Liabilities held-for-sale	15,009	16,345
Current liabilities	**344,003**	**308,731**
Total liabilities	**5,311,283**	**5,217,173**
Total equity and liabilities	**11,201,286**	**11,131,328**

The Board of Directors of Grand City Properties S.A. authorised these condensed interim consolidated financial statements to be issued on 17 May 2023.

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

The notes on pages 48 to 54 form an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statement of changes in equity

For the period of three months ended 31 March 2023 €'000	Share capital	Treasury shares	Share premium	Cost of hedging reserve	Foreign exchange translation reserves, net	Revaluation surplus reserve, net	Other reserves	Retained Earnings	Total equity attributable to the 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 31 December 2022 (audited)	**17,619**	**(83,872)**	**322,356**	**20,101**	**(67,561)**	**4,367**	**(20,654)**	**3,828,417**	**4,020,773**	**1,227,743**	**5,248,516**	**665,639**	**5,914,155**
Profit (loss) for the period	-	-	-	-	-	-	-	(14,942)	(14,942)	7,438	(7,504)	(4,091)	(11,595)
Other comprehensive income (loss) for the period	-	-	-	(2,341)	(1,061)	-	-	-	(3,402)	-	(3,402)	889	(2,513)
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**(2,341)**	**(1,061)**	**-**	**-**	**(14,942)**	**(18,344)**	**7,438**	**(10,906)**	**(3,202)**	**(14,108)**
Share-based payment	-	488	402	-	-	-	(1,179)	-	(289)	-	(289)	-	(289)
Deconsolidation and transactions with non-controlling interests	-	-	-	-	-	-	-	2,107	2,107	-	2,107	(6,362)	(4,255)
Payments to perpetual notes investors	-	-	-	-	-	-	-	-	-	(5,500)	(5,500)	-	(5,500)
Balance at 31 March 2023 (unaudited)	**17,619**	**(83,384)**	**322,758**	**17,760**	**(68,622)**	**4,367**	**(21,833)**	**3,815,582**	**4,004,247**	**1,229,681**	**5,233,928**	**656,075**	**5,890,003**

The notes on pages 48 to 54 form an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statement of changes in equity

For the period of three months ended 31 March 2022 €'000	Equity attributable to the owners of the Company												
	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 the 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	-	-	-	-	-	-	-	30,142	30,142	6,103	36,245	10,294	46,539
Other comprehensive income (loss) for the period	-	-	-	-	12,152	(43)	-	-	12,109	-	12,109	-	12,109
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**-**	**12,152**	**(43)**	**-**	**30,142**	**42,251**	**6,103**	**48,354**	**10,294**	**58,648**
Share-based payment	-	-	-	-	-	-	522	-	522	-	522	-	522
Payments to perpetual notes investors	-	-	-	-	-	-	-	-	-	(5,500)	(5,500)	-	(5,500)
Repayment of convertible bond	-	-	16,157	(16,157)	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022 (unaudited)	**17,619**	**(248,009)**	**459,936**	**-**	**23,255**	**(39,701)**	**(22,488)**	**3,812,195**	**4,002,807**	**1,228,346**	**5,231,153**	**625,103**	**5,856,256**

The notes on pages 48 to 54 form an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statement of cash flows

	For the period of three months ended 31 March	
	2023	2022
	Unaudited	
	€'000	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit (loss) for the period	**(11,595)**	**46,539**
ADJUSTMENTS FOR THE PROFIT (LOSS):		
Depreciation and amortisation	2,311	2,774
Property revaluations and capital gains	53,091	(45,281)
Net finance expenses	33,934	53,174
Tax and deferred tax expenses	1,600	18,592
Equity settled share-based payment	163	619
Change in working capital	(16,995)	(14,172)
	62,509	**62,245**
Tax paid	(5,973)	(5,134)
Net cash provided by operating activities	**56,536**	**57,111**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of equipment and intangible assets, net	(668)	(361)
Acquisition of investment property, capex and advance payments, net	(26,056)	(51,569)
Disposal of investment property, net	38,149	2,026
Acquisition of investees and loans, net of cash acquired	-	(4,395)
Disposal of investees, net of cash disposed	37,349	-
Disposal of financial and other assets, net	13,253	86,347
Net cash provided by investing activities	**62,027**	**32,048**

The notes on pages 48 to 54 form an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statement of cash flows

	For the period of three months ended 31 March	
	2023	2022
	Unaudited	
	€'000	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Amortisation of loans from financial institutions	(723)	(647)
Proceeds (repayments) of loans from financial institutions, net	59,700	(166,374)
Payment to perpetual notes investors, net	(5,500)	(5,500)
Redemption of convertible bonds	-	(450,000)
Transactions with non-controlling interests	(2,730)	-
Interest and other financial expenses, net	(16,179)	(16,680)
Net cash provided (used) by (in) financing activities	**34,568**	**(639,201)**
Net increase (decrease) in cash and cash equivalents	**153,131**	**(550,042)**
Change in cash and cash equivalents held-for-sale	1,376	(220)
Cash and cash equivalents at the beginning of the period	324,935	895,486
Effect of foreign exchange rate changes	(142)	(1,042)
Cash and cash equivalents at the end of the period	**479,300**	**344,182**

The notes on pages 48 to 54 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 37, Boulevard Joseph II, L-1840 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 three months ended 31 March 2023 ("the reporting period") consist of the financial statements of the Company and its investees ("the Group" or "GCP").

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 completed the disposal of properties of euro 145 million, primarily in London. For part of the disposals, approximately euro 60 million vendor loan has been provided to help facilitate the transactions.
- The Group raised euro 60 million in new bank debt which matures in 2028.
- 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.

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 2022.

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 2022.

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 2022, 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 2023:

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

The amendments introduce a further exception from the initial recognition exemption.

Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- » A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- » The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

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

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- » A change in accounting estimate that results from new information or new developments is not the correction of an error
- » The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

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

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

These amendments are not expected to have 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.

5. REVENUE

	For the period of three months ended 31 March	
	2023	2022
	€'000	
Net rental income	101,376	97,064
Operating and other income	48,676	36,434
	150,052	**133,498**

6. INVESTMENT PROPERTY

	For the period of three months ended 31 March 2023	For the year ended 31 December 2022
	Level 3(*)	Level 3(*)
	€'000	
As at 1 January	**9,529,608**	**9,339,489**
Plus: investment property classified as held-for-sale	330,853	102,537
Total investment property	**9,860,461**	**9,442,026**
Acquisitions of investment property	-	277,668
Capital expenditure on investment property	26,056	139,647
Disposals of investment property	(145,459)	(15,762)
Fair value adjustment	(50,818)	115,039
Effect of foreign currency exchange differences	18,118	(98,157)
Total investment property	**9,708,358**	**9,860,461**
Less: investment property classified as held-for-sale	(256,444)	(330,853)
As at 31 March / 31 December	**9,451,914**	**9,529,608**

(*) classified in accordance with the fair value hierarchy. 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. 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.

7.1 FAIR VALUE HIERARCHY

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value as at 31 March 2023 and 31 December 2022 on a recurring basis:

	As at 31 March 2023					As at 31 December 2022				
			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 (*)	172,558	172,558	64,472	71,234	36,852	184,463	184,463	76,199	70,288	37,976
Derivative financial assets	45,401	45,401	-	45,401	-	63,204	63,204	-	63,204	-
Total financial assets	**217,959**	**217,959**	**64,472**	**116,635**	**36,852**	**247,667**	**247,667**	**76,199**	**133,492**	**37,976**
FINANCIAL LIABILITIES										
Derivative financial liabilities	56,862	56,862	-	56,862	-	50,037	50,037	-	50,037	-
Total financial liabilities	**56,862**	**56,862**	**-**	**56,862**	**-**	**50,037**	**50,037**	**-**	**50,037**	**-**

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

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 31 March 2023 and 31 December 2022:

	As at 31 March 2023					As at 31 December 2022				
			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										
Loans and borrowings (*)	383,081	356,528	-	356,528	-	323,280	289,816	-	289,816	-
Straight bonds	3,614,813	2,886,691	2,745,170	141,521	-	3,612,105	2,813,003	2,676,781	136,222	-
Total financial liabilities	**3,997,894**	**3,243,219**	**2,745,170**	**498,049**	**-**	**3,935,385**	**3,102,819**	**2,676,781**	**426,038**	**-**

(*) including current portion of long term loans

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.

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.

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.

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

7.2 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.

London

Mannheim

8. COMMITMENTS

As at the reporting date, the Group had several financial obligations in total amount of approximately euro 60 million.

9. CONTINGENT ASSETS AND LIABILITIES

The Group does not have significant contingent assets and liabilities as at 31 March 2023 and as at 31 December 2022.

10. EVENTS AFTER THE REPORTING PERIOD

1. The Group signed new bank loans for an amount of approximately euro 150 million.
2. The Group signed disposals of properties of approximately euro 100 million.

3. 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 17 May 2023.