GCP

BERLIN

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended 31 March

2021


COLOGNE

CONTENTS

IMPRINT

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KEY FINANCIALS

BALANCE SHEET HIGHLIGHTS

in €'000 unless otherwise indicated	Mar 2021	Dec 2020	Dec 2019
Total Assets	10,962,717	10,865,780	9,851,428
Investment Property	8,144,858	8,022,351 [1]	7,971,744 [1]
Total Equity	5,433,846	5,554,928	4,966,599
Cash and liquid assets [2]	1,666,966	1,692,331	1,063,320
Loan-to-Value	33%	31%	33%
Equity Ratio	50%	51%	50%

1 including inventories - trading properties
2 including cash and cash equivalents held-for-sale

P&L HIGHLIGHTS

in €'000 unless otherwise indicated	Q1 2021	Change	Q1 2020
Revenue [1]	128,323	-5%	135,331
Net Rental Income [1]	90,578	-4%	94,510
Adjusted EBITDA	72,632	-2%	73,978
FFO I [2]	46,803	0%	46,995
FFO I per share (in €) [2]	0.27	-4%	0.28
FFO II [3]	104,022	-23%	135,907
EBITDA	146,035	1%	144,257
Profit for the period	51,223	-8%	55,663
EPS (basic) (in €)	0.20	-17%	0.24
EPS (diluted) (in €)	0.19	-17%	0.23

1 Revenue and net rental income decreased due to disposals during the past twelve months. On a like-for-like basis, net rental income increased by 1.8% as compared to March 2020.
2 Previously defined as FFO I/FFO I per share after perpetual notes attribution
3 Reclassified to be based on FFO I after perpetual notes attribution

NAV HIGHLIGHTS

in €'000 unless otherwise indicated	EPRA NRV	EPRA NTA	EPRA NDV
Mar 2021	4,723,362	4,538,693	3,484,589
Mar 2021 per share (in €)	28.1	27.0	20.8
Per share growth	+1%	+2%	+3%
Dec 2020	4,775,679	4,566,426	3,451,717
Dec 2020 per share (in €)	27.8	26.5	20.1


U
U3
DELI-HOUSE

HIGHLIGHTS

ROBUST OPERATIONAL PERFORMANCE

Driven by a diversified portfolio and sustainable market fundamentals

+1.1% L-F-L

In-place rent growth

Mar 2021

+1.8% L-F-L

Total net rent growth

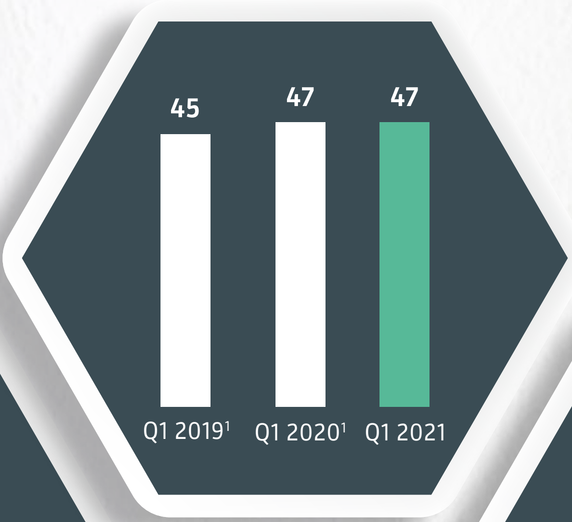
Mar 2021

+0.7% L-F-L

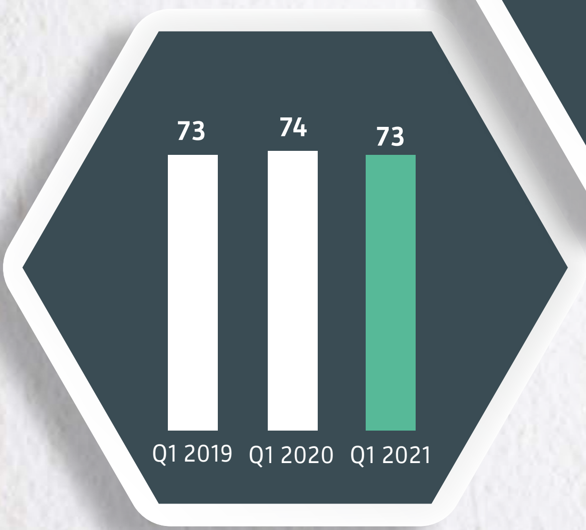
Occupancy growth

Mar 2021

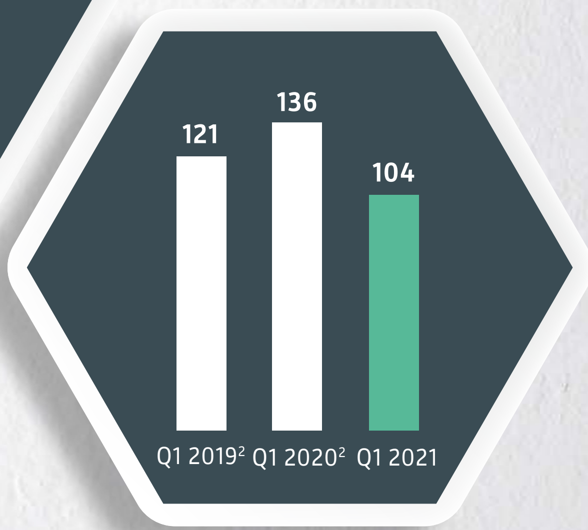
FFO I
(in € millions)



Adjusted EBITDA
(in € millions)



FFO II
(in € millions)



1 Previously defined as FFO I after perpetual notes attribution
2 Reclassified to be based on FFO I after perpetual notes attribution

HIGHLIGHTS

FURTHER ENHANCED ASSET QUALITY

Through opportunistic disposals along with accretive acquisitions

ACQUISITIONS

Acquiring quality, stable assets

Approx.

€100 million

DISPOSALS

Disposing non-core properties at a premium to book value

€220 million

(16% above net book values)

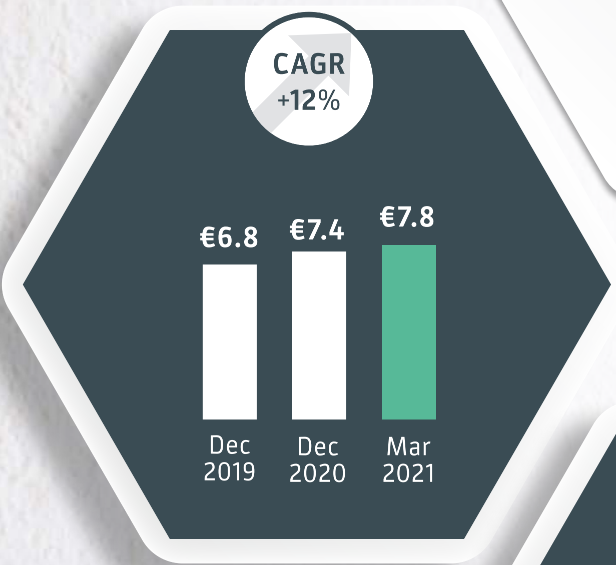
SHARE BUYBACK*

Accretive share buyback at a discount to NAV, reinvesting into GCP's portfolio at attractive pricing

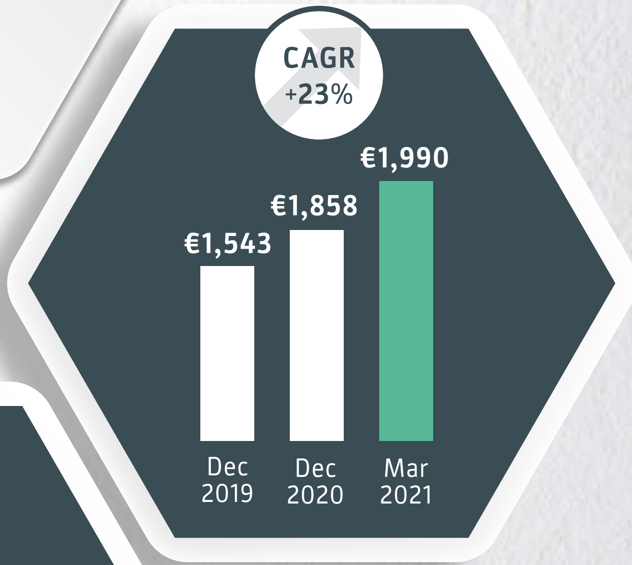
up to

€270 million

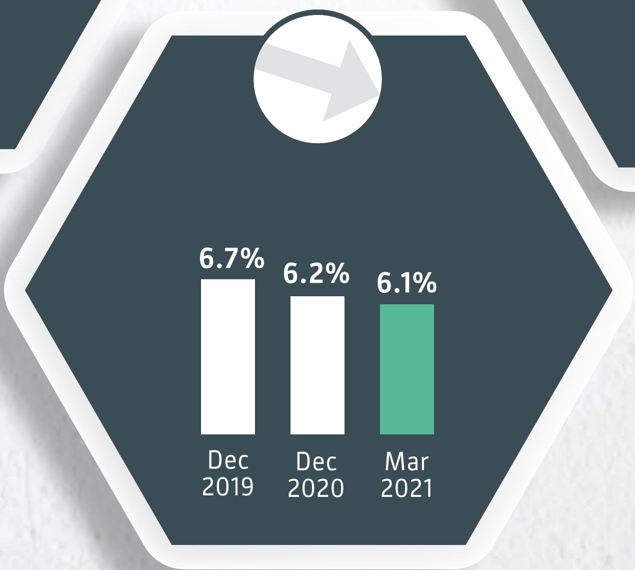
In-place rent
(in €/sqm)



Value/sqm
(in €/sqm)



Vacancy



* Including share buyback tender offer completely in February 2021 in the amount of €71.6 million and including the share buy-back programme launched in March 2021 of up to €200 million, of which €17.1 million has been completed as of 31 March, 2021.

HIGHLIGHTS

CONSERVATIVE FINANCIAL PROFILE

Strong capital market access supporting new corporate records

Largest bond issuance

€1 billion

bond due 2028 at a record low coupon of 0.125%

Total bond repurchases of approx.

€500 million

Q1 2021

Total bank loan prepayments of approx.

€260 million

Q1 2021

Long average debt maturity

7 years

March 2021

Historically lowest cost of debt

1%

March 2021

1.3%

Dec 2020

ICR

6.2x

Q1 2021

6.7x

Q1 2020

Unencumbered assets

€7.6 BN

92% of value

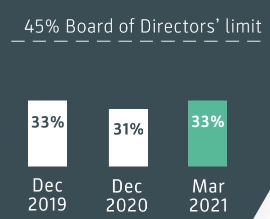
Credit rating with a stable outlook and a strategic goal for further improvement.

S & P

BBB+ → A-

Low leverage

(Loan-To-Value)



THE COMPANY

Grand City Properties S.A. (the "Company") and its investees ("GCP" or the "Group") Board of Directors (the "Board") hereby submits the interim report as of March 31, 2021.

The figures presented in this Board of Director's Report are based on the condensed interim consolidated financial statements as of March 31, 2021, unless stated otherwise.

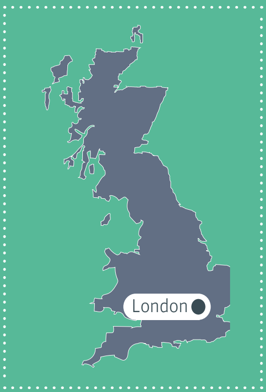
GCP is a specialist in residential real estate, investing in value-add opportunities in densely populated areas predominantly in Germany and is complemented by a portfolio in London. The Group's portfolio, excluding assets held-for-sale and properties under development, as of March 2021 consists of 60k 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 advanced 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.

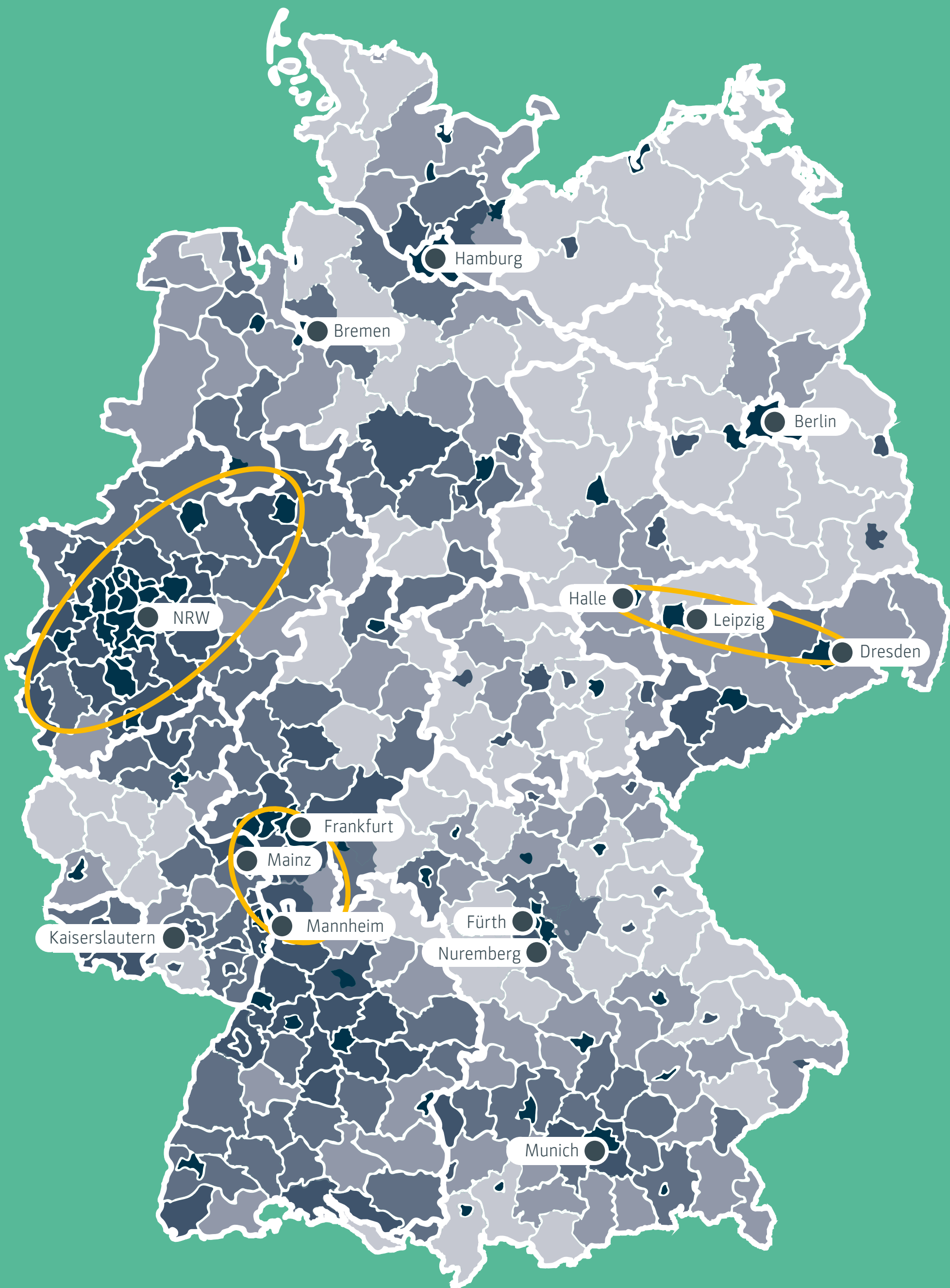
PORTFOLIO



POPULATION DENSITY IN GERMANY

inhabitants per sqkm (2018)*

- 933 - 4,686
- 283 - 933
- 156 - 283
- 105 - 156
- 36 - 105



* Based on data from Destatis

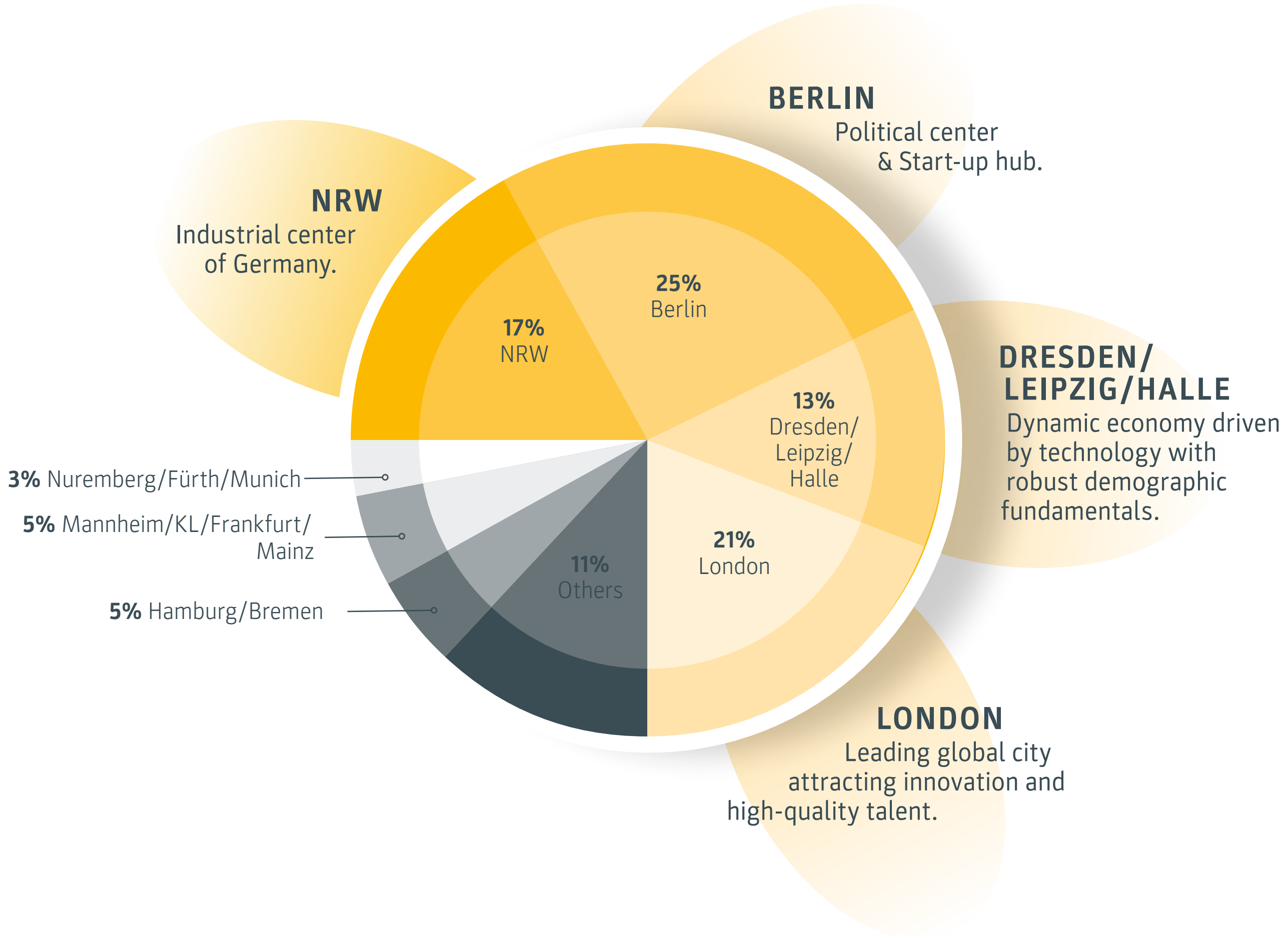
ATTRACTIVE PORTFOLIO CONCENTRATED IN DENSELY POPULATED METROPOLITAN AREAS WITH VALUE-ADD POTENTIAL

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

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 25% of its Portfolio being located in Berlin, 17% of its Portfolio being located in NRW, 13% in the metropolitan region of Dresden, Leipzig and Halle, and 21% 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.

The London portfolio follows the Company's strategy of pursuing opportunities and acquiring properties with upside potential in densely populated areas characterised by strong demand and robust market fundamentals.

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 2021	Value (in €M)	Area (in k sqm)	EPRA vacancy	Annualised net rent (in €M)	In-place rent per sqm (in €)	Number of units	Value per sqm (in €)	Rental yield
NRW	1,347	948	6.2%	69	6.3	13,342	1,420	5.2%
Berlin	1,914	576	4.9%	55	8.1	7,821	3,321	2.9%
Dresden/Leipzig/Halle	1,024	857	6.7%	51	5.4	14,687	1,195	5.0%
Mannheim/KL/Frankfurt/ Mainz	410	194	3.3%	20	8.4	3,292	2,112	4.8%
Nuremberg/Fürth/Munich	234	98	4.8%	10	8.4	1,358	2,372	4.2%
Hamburg/Bremen	367	274	5.6%	20	6.6	4,092	1,339	5.5%
London	1,479	173	8.4%	61	32.3	3,088	8,540	4.1%
Others	923	747	5.6%	57	7.0	12,617	1,238	6.1%
Development rights and new buildings *	447							
Total	**8,145**	**3,867**	**6.1%**	**343**	**7.8**	**60,297**	**1,990**	**4.5%**

* of which pre marketed buildings in London amount to €243m

BERLIN PORTFOLIO BEST IN CLASS

25% of GCP's portfolio

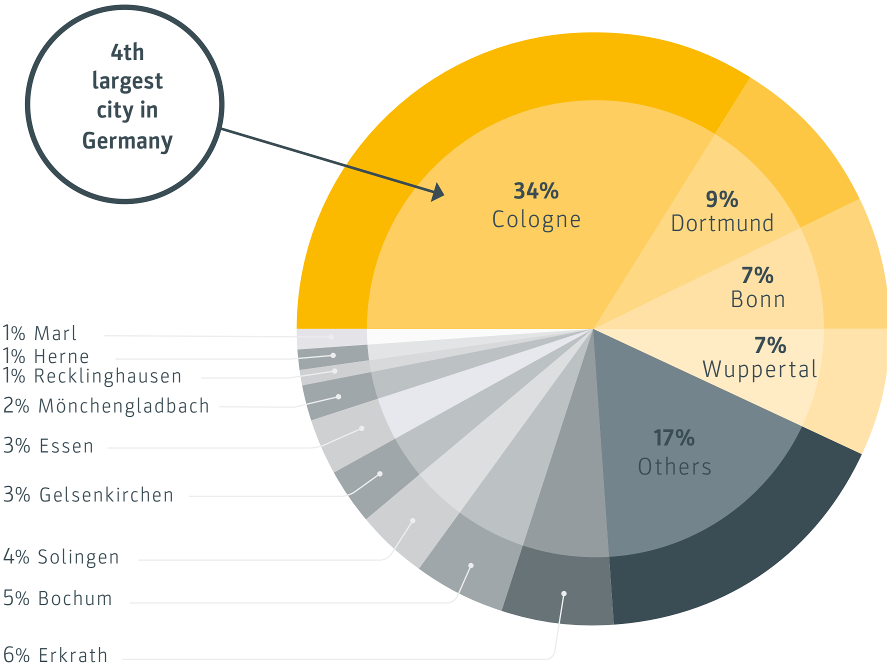
Quality locations in top tier Berlin neighborhoods

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

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

NORTH RHINE-WESTPHALIA

Well positioned in the largest metropolitan area in Germany



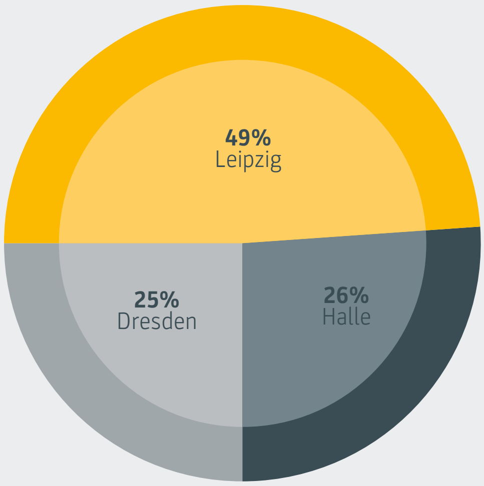
17% of GCP's portfolio

The portfolio distribution in NRW is focused on cities with strong fundamentals within the region. 34% of the NRW portfolio is located in Cologne, the largest city in NRW, 9% in Dortmund, 7% in Bonn, 7% in Wuppertal.

QUALITY EAST & NORTH PORTFOLIO

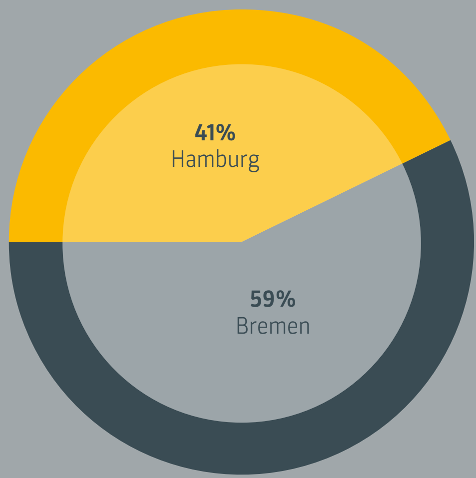
13%
of GCP's portfolio

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



5%
of GCP's portfolio

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



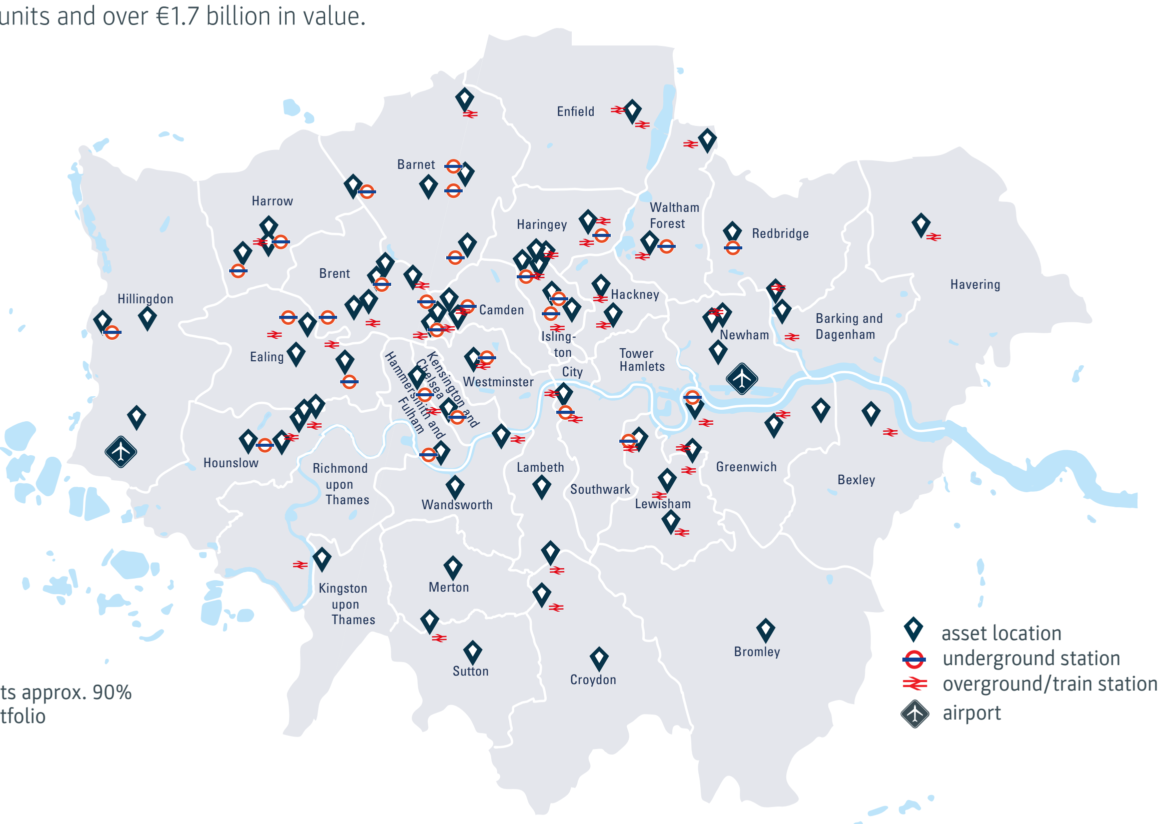
LONDON

21%
of GCP's portfolio

High quality assets 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. 4,000 units and over €1.7 billion in value.

Approx. 85% of the portfolio is situated within a short walking distance to an underground/overground station.

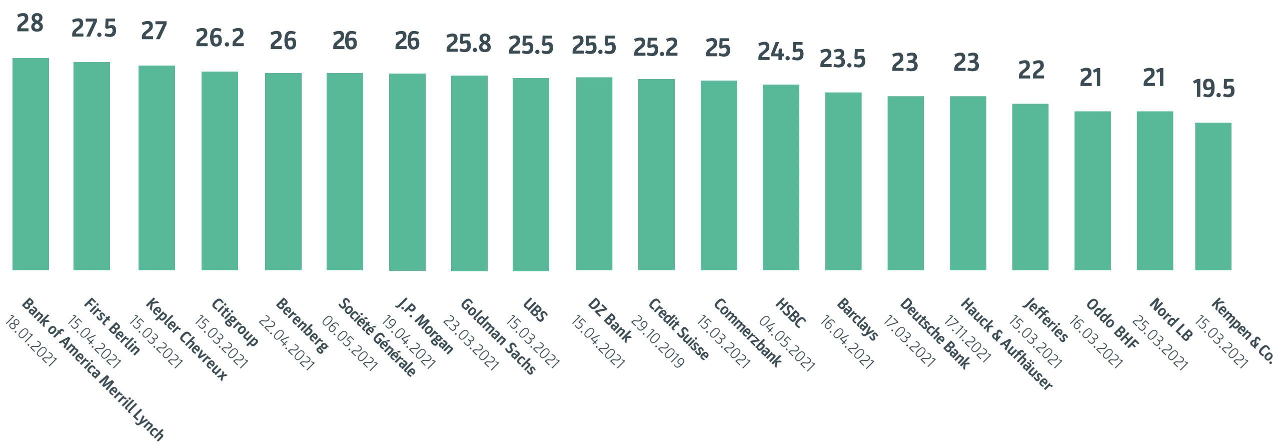


The map represents approx. 90% of the London Portfolio

CAPITAL MARKETS

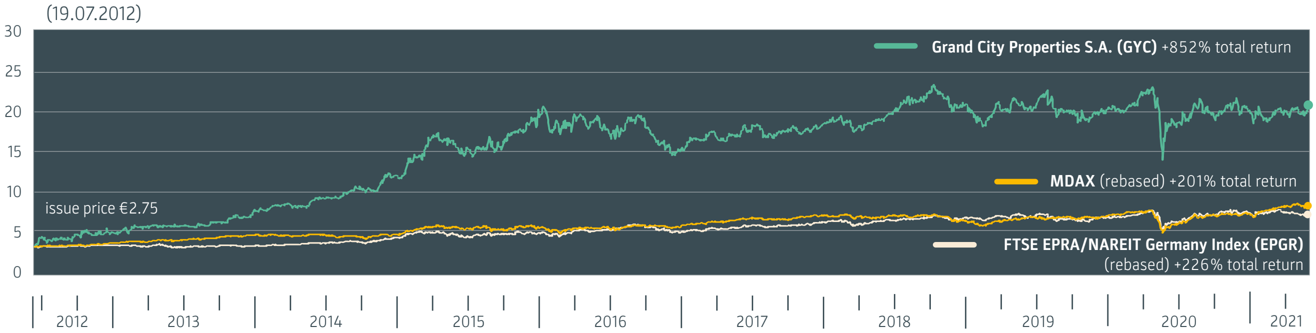
Placement	Frankfurt Stock Exchange
Market segment	Prime Standard
First listing	Q2 2012
Number of shares (as of 31 March 2021)	171,864,050 ordinary shares with a par value of EUR 0.10 per share
Number of shares, excluding suspended voting rights, base for share KPI calculations (as of 31 March 2021)	167,701,760 ordinary shares with a par value of EUR 0.10 per share
Shareholder structure (as of 31 March 2021)	Freefloat: 56% | Edolaxia Group: 42% | Treasury Shares: 2%
Nominal share capital (as of 31 March 2021)	17,186,405.00 EUR
Number of shares on a fully diluted basis, excluding suspended voting rights (as of 31 March 2021)	180,673,305
ISIN	LU0775917882
WKN	A1JXCV
Symbol	GYC
Key index memberships	MDAX FTSE EPRA/NAREIT Index Series STOXX Europe 600 MSCI Index Series GPR 250 GPR ESG+ GPR IPCM LFFS Sustainable GRES DIMAX
Market capitalisation (as of the date of this report)	3.8 bn EUR

ANALYST RECOMMENDATIONS



SHARE PRICE PERFORMANCE AND TOTAL RETURN COMPARISON SINCE FIRST EQUITY PLACEMENT

(19.07.2012)




LONDON

NOTES ON BUSINESS PERFORMANCE

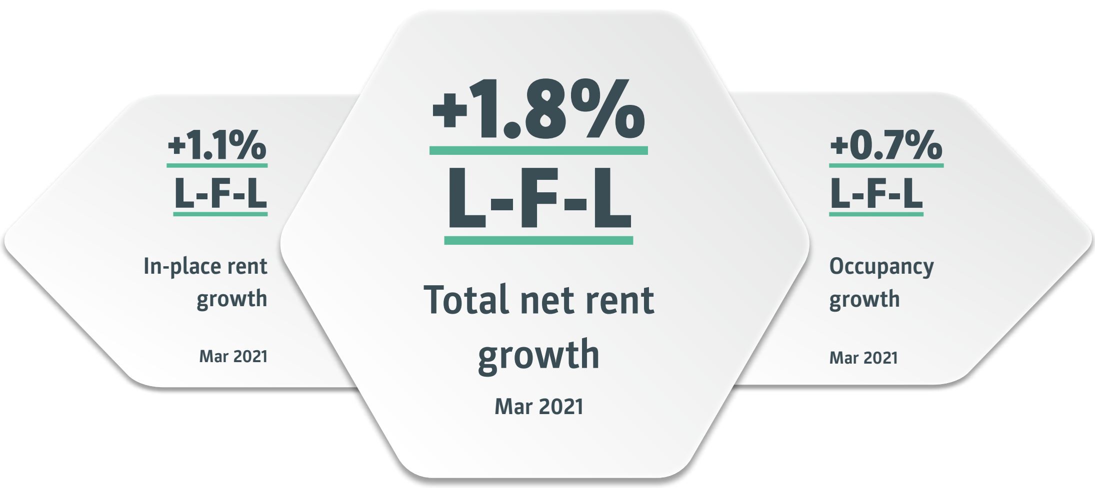
SELECTED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period of three months ended 31 March	2021	2020
	€'000	
Net rental income (a)	90,578	94,510
Operating and other income (b)	37,745	40,821
Revenue	**128,323**	**135,331**
Property revaluations and capital gains (d)	72,407	69,291
Share of profit from investments in equity-accounted investees	1,997	1,348
Property operating expenses (b)	(54,083)	(58,766) *
Administrative and other expenses (c)	(2,609)	(2,947) *
Depreciation and amortisation	(1,358)	(1,222) *
Operating profit	**144,677**	**143,035**

* Reclassified

Total revenue is comprised of net rental income and operating and other income. GCP recorded revenues of €128 million for the first quarter of 2021, which compares to €135 million recorded for the same period in 2020.

(a) Net rental income for the first quarter of 2021 amounted to €91 million, as compared to €95 million for the corresponding period in 2020. The decline in revenues is due to the significant level of disposals during the last twelve months, which was partially offset by the positive effects of accretive acquisitions completed during the same period complemented by a steady level of like-for-like rental growth. Over the last twelve months, GCP completed disposals of approx. €900 million. During the same period, accretive acquisitions amounted to approx. €600 million, which includes acquisitions completed towards the end of the first quarter of 2021 and assets in London that are in the pre-letting stage, both of which will have a full-period rental income effect in the subsequent periods. Additionally, the disposals freed up funds for an accretive share buyback, which will continue to further support the profitability on a per share basis in the following periods. On a like-for-like basis, net rental income increased by 1.8%, of which 1.1% is attributable to in-place rent increases and a further 0.7% as a result of occupancy increases. The like-for-like growth and thus the rental income has been negatively impacted by the Berlin rent cap which has been ruled as unconstitutional in April 2021.



(b) The revenue has decreased further as a result of a decrease in the operating and other income due to significant level of disposals during the last twelve months offset partially from other income. The disposal of non-core assets with a higher cost structure and the acquisition of properties with a more efficient cost structure has resulted in an overall leaner cost structure. Accordingly, the property operating expenses, which are comprised mostly of recoverable expenses from the tenants, has decreased as well. During the first quarter of 2021, GCP reported property operating expenses of €54 million, lower as compared to €59 million reported for the corresponding period in 2020. The lion's share of property operating expenses is made up of purchased services, which relates to services provided to tenants such as – heating, water, property cleaning and garbage disposal among others. Property operating expenses also includes expenses related to maintenance and refurbishment, operational personnel and other letting activities.

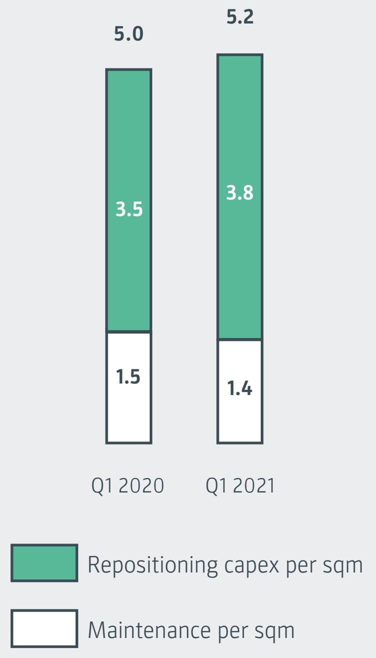
GCP focusses its efforts on enhancing the quality of its portfolio and undertakes a variety of maintenance and refurbishment measures in this regard. Depending on the needs of each project, these measures may also involve additional capital to be invested. Each project is calibrated to deliver enhanced tenant satisfaction, higher rents, and lower vacancies.

During the first quarter of 2021, maintenance and refurbishment expenses amounted to €6 million and €1.4 per average sqm, as compared to €8 million and €1.5 per average sqm for the comparable period in 2020.

Repositioning capex is comprised of outlays for the purpose of improving the quality of the property, thereby enhancing the quality to tenants. These include apartment renovations, improvements to staircases, corridors and other common areas of the property and façade refits, among other measures. For the first quarter of 2021, GCP invested €15 million and €3.8 per average sqm of repositioning capex, as compared to €16 million and €3.5 per average sqm for the corresponding period in 2020.

During the first quarter of 2021, GCP also invested €8 million into pre-letting modifications as compared to €1 million invested during the corresponding period in 2020. These investments are mainly related to the completion of properties acquired in London and Berlin, which are in the final stages of development and are included in the initial cost analysis at the acquisition stage as it is considered as part of the acquisition price. These units will be leased out in the coming periods, thereby enabling further rental growth and enhanced operational profitability.

MAINTENANCE AND CAPEX DEVELOPMENT (€/SQM)



(c) GCP recorded €3 million of administrative and other expense for the first quarter of 2021, marginally lower as compared to the same period in 2020. These overhead expenses include personnel expense, professional fees such as legal, accounting, marketing and other office expenses.

(d) Property revaluations and capital gains for the first quarter of 2021 amounted to €72 million, as compared to €69 million reported for the same period in 2020. GCP valuations are based on external professional, independent, and certified valuations which are done at least once in a year. During the first quarter of 2021, the Group completed a revaluation for a limited part of the portfolio. Property revaluations are illustrative of the operational improvements in the portfolio, further backed by strong tailwinds from the robust underlying fundamentals of the portfolio locations.

As of March 2021, the portfolio's average value per sqm was €1,990, yielding 4.5%, as compared to an average value per sqm of €1,858, yielding 4.5%, at the end of December 2020.

During the first three months of 2021, GCP completed disposals, primarily assets held-for-sale and other non-core throughout Germany in secondary cities mainly in Eastern Germany, amounting to €220 million at a multiple of 17x, thereby generating a 16% premium over net book values. As compared to total costs, including capex, the Group achieved a profit margin of 35%.

PROFIT FOR THE PERIOD

For the period of three months ended 31 March	2021	2020
	€'000	
Operating profit	**144,677**	**143,035**
Finance expenses (a)	(11,724)	(11,009)
Other financial results (b)	(64,383)	(59,539)
Current tax expenses (c)	(7,869)	(7,392)
Deferred tax expenses (c)	(9,478)	(9,432)
Profit for the period (d)	**51,223**	**55,663**
Profit attributable to the owners of the company	33,363	40,143
Profit attributable to the perpetual notes investors	6,395	8,227
Profit attributable to non-controlling interests	11,465	7,293
Basic earnings per share (in €)	0.20	0.24
Diluted earnings per share (in €)	0.19	0.23
Weighted average number of ordinary shares (basic) in thousands	170,444	167,911
Weighted average number of ordinary shares (diluted) in thousands	182,600	179,578

(a) The Company reported finance expenses of €11.7 million for the first quarter of 2021, as compared to €11 million reported for the first quarter of 2020, which is mainly due to the increase in debt between the two periods. During the first quarter of 2021, GCP issued €1 billion in straight bonds through Series X, the largest bond issuance in its corporate history. This issuance was completed with a long maturity period of 7 years and a record-low coupon of 0.125%. The debt issuance in the first quarter of 2021 followed the €600 million bond issuance in April 2020, which also contributed to the increase in finance expenses. While on the other hand, during the first three months of 2021, the Company repurchased approx. €270 million in notional value of Series E notes (due 2025), €220 million in notional value of Series W notes (due 2024) and redeemed €60.5 million in notional value of Series S notes. Further optimization of the debt profile was achieved through the pre-payment of approx. €260 million of higher interest-bearing bank financing. As the repayments of debt occurred during the first quarter of 2021, the full impact will be in the periods to come, which will result in interest savings. The debt liability management and refinancing measures cumulatively have resulted in a low average cost of debt of 1% and a long average debt maturity of 7 years.

(b) For the first quarter of 2021, GCP recorded negative other financial results of €64 million as compared to a negative of €60 million during the corresponding period in 2020. The main reason for the negative results in the first three months of 2021 is the one-time cost for the repayment of €750 million bonds and bank debt. Additional expenses mainly relate to the €1 billion bond issuance, bank fees and changes in the value of financial assets as well as changes in derivatives related to interest rates and currencies. Although these debt optimization efforts are accompanied by non-recurring costs, they support long-term profitability.

(c) GCP recorded total tax expenses of €17 million for the first quarter of 2021, stable as compared to the same period in 2020. Total tax expenses comprise of current tax expenses and deferred tax expenses. Current tax expenses remained stable and amounted to €7.9 million in the first three months of 2021, compared to €7.4 million in the comparable period.

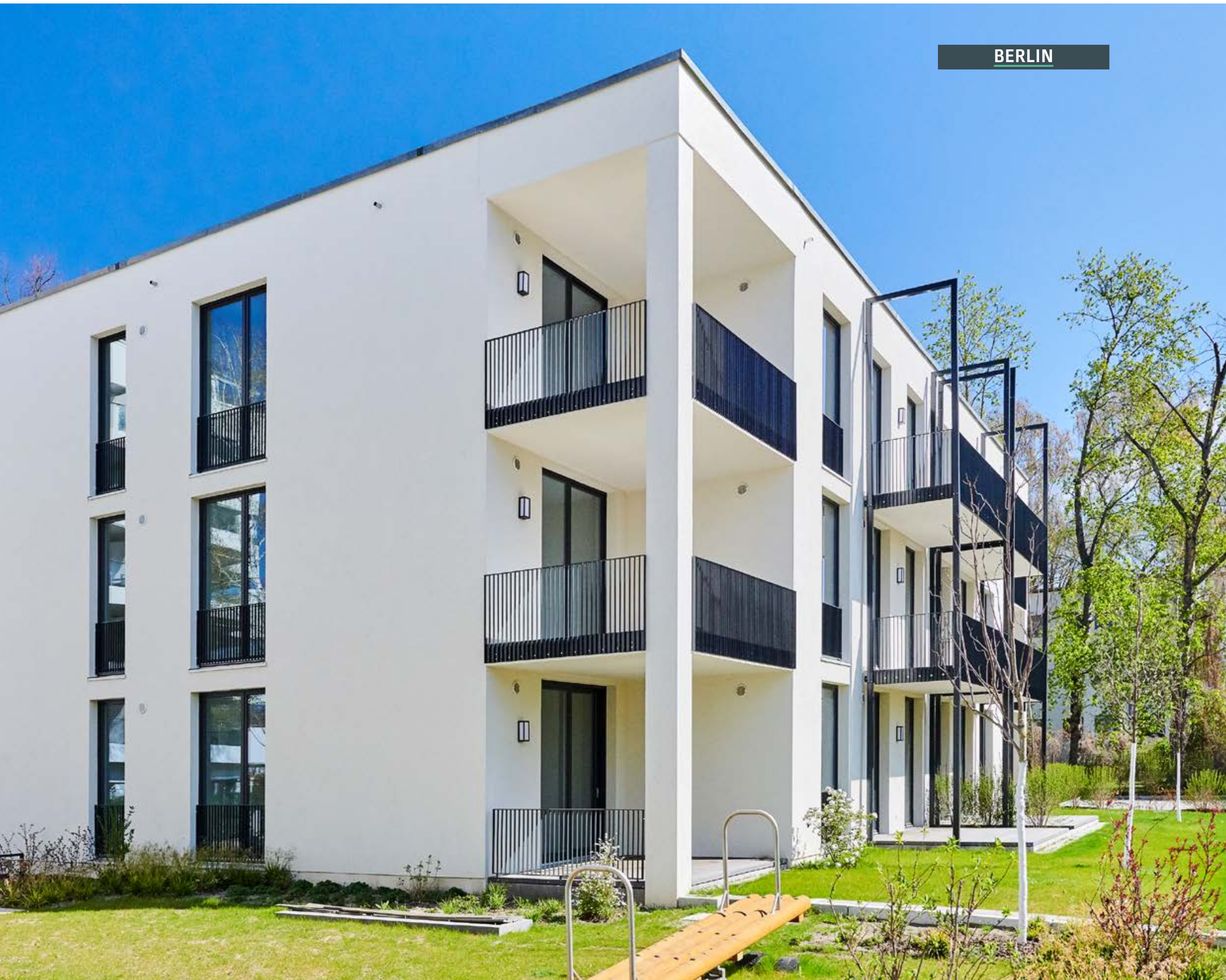
Deferred tax expenses are non-cash expenses primarily connected to the theoretical sale of investment properties through asset deals, with the tax rate based on the asset's location. For the first quarter of 2021, GCP reported deferred tax expenses of €9.5 million, as compared to €9.4 million reported for the first quarter of 2020.

(d) Accordingly, GCP recorded a profit of €51 million for the first quarter of 2021, as compared to a profit of €56 million for the corresponding period in 2020.

Profit attributable to perpetual notes investors for the first quarter of 2021 amounted to €6 million, decreasing as compared to €8 million during the same period in 2020. This decrease is a result of the successful refinancing of perpetual notes issued in 2015 with a notional value of €500 million at a coupon of 3.75% through a €700 million perpetual note issuance with a coupon of 1.5%. This significant reduction is testament to the positive developments GCP has made in its business of the past years.

For the first quarter of 2021, GCP recorded a basic earnings per share of €0.20 and a diluted earnings per share of €0.19, as compared to the €0.24 and €0.23 respectively, for the corresponding period in 2020.

The diluted earnings per share reflects dilutive effects like the theoretical future conversion of the Series F convertible bonds, which remains out-of-the money.



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

For the period of three months ended 31 March	2021	2020
	€'000	
Operating profit	144,677	143,035
Depreciation and amortisation	1,358	1,222
EBITDA	**146,035**	**144,257**
Property revaluations and capital gains	(72,407)	(69,291)
Share of profit from investments in equity-accounted investees	(1,997)	(1,348)
Equity settled share-based payments and other adjustments	1,001	360
Adjusted EBITDA (a)	**72,632**	**73,978**
Finance expenses	(11,724)	(11,009)
Current tax expenses	(7,869)	(7,392)
Contribution from / (to) joint ventures and minorities, net	159	(355)
Adjustment for Perpetual notes attribution	(6,395)	(8,227)
FFO I [1] (b)	**46,803**	**46,995**
Weighted average number of ordinary shares (basic) in thousands[2]	170,444	167,911
FFO I per share (in €) [1]	**0.27**	**0.28**
Result from disposal of properties	57,219	88,912
FFO II [3] (c)	**104,022**	**135,907**

1 Previously defined as FFO I/FFO I per share after perpetual notes attribution
2 Not considering the dilution effect of the management share plan as it is immaterial
3 Reclassified to be based on FFO I after perpetual notes attribution

(a) The adjusted EBITDA is an industry standard figure displaying the Company's recurring operational profits before interest, tax expenses and depreciation, excluding the effects of capital gains, revaluations, and other non-operational income statement items such as share of non-recurring profit/loss from investment in equity-accounted investees, equity settled share-based payments and other adjustments. During the first quarter of 2021, GCP reported an adjusted EBITDA of €73 million, as compared to the €74 million for the same period in 2020. The adjusted EBITDA decreased due to lower levels of rental income impacted by disposals, which was positively offset by the improved operational performance of the business. Therefore, the adjusted EBITDA decreased by 2%, while the revenue decreased by 5% in the first three months of 2021 in comparison to the first three months of 2020. On a like-for-like basis, the net rental income increased by 1.8%, with 1.1% due to in-place rent increases and a further 0.7% as a result of occupancy increases. GCP has been successful in steadily capturing the rent reversionary potential of the portfolio, thereby supporting the adjusted EBITDA.

(b) Funds From Operations I (FFO I) is an industry-wide standard measure of the recurring operational cash flow of a real estate company, often utilised as a key bottom line industry performance indicator. FFO I is calculated by deducting from the adjusted EBITDA, finance expenses, current tax expenses, the contribution to minorities, and the share of profit attributable to the Company's perpetual notes investors, while adding the FFO I contribution from joint ventures. GCP generated an FFO I of €47 million for the first quarter of 2021, stable as compared to the corresponding period in 2020. This stability, despite a decline in adjusted EBITDA, is driven by lower attribution to perpetual notes and from higher contribution of joint ventures.

For the first quarter of 2021, GCP reported an FFO I per share of €0.27, as compared to €0.28 in the same period in 2020. The marginal decrease in the FFO I per share is due to an increase in the average share count between the two periods which is attributed to the scrip dividend offered to shareholders. The share buyback program has a partial effect on the first quarter of 2021 and will have a full period effect going forward.

(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 cost price plus capex of disposed properties. The strong FFO II generation was driven by disposals during the first quarter of 2021, amounting to €220 million at a profit margin of 35% over total costs (including capex), thereby crystalising gains of €57 million.

ADJUSTED FUNDS FROM OPERATIONS (AFFO)

For the period of three months ended 31 March	2021	2020
	€'000	
FFO I [1]	**46,803**	**46,995**
Repositioning capex	(14,923)	(16,377)
AFFO [2]	**31,880**	**30,618**

1 Previously defined as FFO I after perpetual notes attribution
2 Reclassified to be based on FFO I after perpetual notes attribution

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. For the first quarter of 2021, GCP reported an AFFO of €32 million, as compared to €31 million posted for the first quarter of 2020.

CASH FLOW

For the period of three months ended 31 March	2021	2020
	€'000	
Net cash provided by operating activities	51,566	59,636
Net cash (used)/provided by investing activities	35,149	(220,773)
Net cash (used)/provided by financing activities	(88,972)	82,658
Net increase in cash and cash equivalents	**(2,257)**	**(78,479)**
Other changes*	744	(106)
Cash and cash equivalents as on 1 January	1,412,199	914,054
Cash and cash equivalents as on 31 March	**1,410,686**	**835,469**

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

Net cash provided by operating activities during the first quarter of 2021 amounted to €52 million as compared to €60 million during the corresponding period in 2020. The decrease in operating cash flow is primarily as a result of value accretive disposals that have led to lower net rents during the period. However, this was positively offset to some extent by the strong operational performance of the business. Furthermore, cash flows were also affected by timing effects reflected in the changes in working capital.

Net cash provided by investing activities during the first quarter of 2021 amounted to €35 million as compared to €221 million used during the same period in 2020. During the first quarter of 2021, GCP disposed assets held-for-sale and other non-core in secondary cities throughout Germany, primarily in Eastern Germany, amounting to €220 million while completing quality acquisitions of approx. €100 million predominantly in London.

Net cash used by financing activities in the first quarter of 2021 amounted to €89 million, which compares to €83 million provided during the corresponding period in 2020. During the first three months of 2021, GCP implemented various debt optimisation measures including the issuance of its largest straight bond at its lowest coupon rate as well as the pre-payment of higher interest-bearing debt. These measures have together resulted in the lowering of the Company's average cost of debt to 1%, while also maintaining a long average debt maturity period of 7 years, both as of March 2021. Furthermore, GCP also repurchased shares during the period, as part of the accretive share buyback program, amounting to approx. €90 million.

ASSETS

	Mar 2021	Dec 2020
	€'000	
Non-current assets	**8,739,705**	**8,601,687**
Investment property	8,144,858	8,022,351 [1]
Current assets	**2,223,012**	**2,264,093**
Cash and liquid assets [2]	1,666,966	1,692,331
Total Assets	**10,962,717**	**10,865,780**

1 including inventories - trading properties
2 including cash and cash equivalents held-for-sale

As of the end of March 2021, GCP's total assets amounted to €11 billion, increasing marginally as compared to €10.9 billion reported as of year-end 2020. This increase is primarily as a result of the value appreciation of the property portfolio along with positive effects of foreign currency changes as compared to the end of December 2020.

Non-current assets at the end of March 2021 amounted to €8.7 billion as compared to €8.6 billion as of the end of December 2020. Investment properties, which is the largest component of non-current assets, amounted to €8.1 billion. The increase in investment properties was driven by revaluation gains, partially offset by disposals of €220 million, mainly non-core and assets held-for-sale throughout Germany, including in Eastern Germany, such as Halle, Gera, Plauen and Görlitz and in secondary cities such as Stendal and Mönchengladbach at a multiple of 17x, yielding a premium over net book values of 16%. Additionally, GCP also completed accretive acquisitions of approx. €100 million located mainly in London, at a multiple of 18x. Further, non-current assets include deposits, long-term financial investments and investment in loans-to-own assets. Loans-to-own assets are asset-backed, high-interest loans with the added potential, under certain conditions, to acquire the underlying assets at a significant discount to asset value. Loans-to-own assets provides GCP with an alternative acquisition opportunity in the current market environment, to complement its already broad-based deal sourcing network. Current assets at the end of March 2021 was €2.2 billion, as compared to €2.3 billion as of December 2020. The Company continues to maintain a strong liquidity position of €1.7 billion, which enables GCP to remain agile and financially flexible. An additional amount of €0.4 billion refers to on-going trade receivable as well as the short term component of investment in Loans-to-own. Assets held-for-sale at the end of March 2021 amounted to €110 million and are comprised of assets that GCP considers non-core and intends to dispose over the following twelve months. Current assets in amount of €2.2 billion cover the current liabilities in amount of €0.6 billion by more than 3 times and provides the Group with large operational headroom.

LIABILITIES

	Mar 2021	Dec 2020
	€'000	
Loans and borrowings [1]	164,205	437,137
Straight & Convertible Bonds	4,210,296	3,776,092
Deferred tax liabilities[2]	639,408	642,513
Other long-term liabilities and derivative financial instruments[3]	234,360	183,681
Current Liabilities[4]	280,602	271,429
Total Liabilities	**5,528,871**	**5,310,852**

1 including short-term loans and borrowings and financial debt held-for-sale
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 at the end of March 2021 was reported at €5.5 billion, as compared to €5.3 billion as of December 2020. The increase in total liabilities is mainly a result of the increase in the balance of straight bonds, partially offset by pre-payments of bank financing decreasing the balance of loans and borrowings. During the first quarter of 2021, the Company issued the largest bond in its corporate history with a notional value of €1 billion and a record-low coupon of 0.125%, while also repurchasing and redeeming straight bonds, together amounting to over €500 million. GCP completed prepayments of higher interest-bearing bank loans amounting to approx. €260 million, further optimizing its debt profile. These measures have resulted in the Company's average cost of debt decreasing to 1% as of March 2021, from 1.3% as of December 2020. GCP continues to maintain a long average debt maturity of 7 years.

Deferred tax liabilities as of the end of March 2021 amounted to €639 million, as compared to €643 million at the end of December 2020.

EPRA NET ASSET VALUE METRICS

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

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

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

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

in € '000 unless otherwise specified	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
		Mar 2021			Dec 2020	
Equity attributable to the owners of the Company	**3,665,776**	**3,665,776**	**3,665,776**	**3,713,849**	**3,713,849**	**3,713,849**
Deferred tax liabilities	629,243 [1]	522,691 [2]	-	632,348 [1]	507,744 [2]	-
Fair value measurements of derivative financial instruments [3]	(5,932)	(5,932)	-	(3,940)	(3,940)	-
Intangible assets	-	(13,534)	-	-	(13,909)	-
Real estate transfer tax	434,275	369,692 [2]	-	433,422	362,682 [2]	-
Net fair value of debt	-	-	(181,187)	-	-	(262,132)
NAV	**4,723,362**	**4,538,693**	**3,484,589**	**4,775,679**	**4,566,426**	**3,451,717**
Basic number of shares including in-the-money dilution effects (in thousands)		167,811			172,000	
NAV per share (in €)	**28.1**	**27.0**	**20.8**	**27.8**	**26.5**	**20.1**

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 effect

EPRA NRV

As of the end of March 2021, GCP reported an EPRA NRV of €4.7 billion and €28.1 per share as compared to €4.8 billion and €27.8 per share, respectively at the end of December 2020. As the EPRA NRV assumes that entities never sell assets and aims to represent the value required to rebuild the entity, the full amount of deferred tax and real estate transfer tax is added back.

EPRA NTA

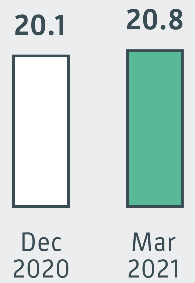
As of March 2021, GCP's EPRA NTA amounted to €4.5 billion as compared to €4.6 billion at year-end 2020. The robust level of profit generation during the first quarter of 2021 was offset by the share buyback programme and the repurchase of perpetual notes during the period. However, as a result of the accretive nature of the share buyback programme, the EPRA NTA per share increased to €27.0 as compared to €26.5 at the end of December 2020, reflecting GCP's continued success in delivering shareholder value creation on a sustainable basis.

The ERPA NTA assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax and triggering real estate transfer tax, which reduces the net disposal price of the properties sold. Accordingly, GCP classified properties into four categories namely, Portfolio to be held long term, Investment properties held-for-sale, Portfolio classified in "Others" cities and Development rights in Germany. On a conservative basis, GCP only adds back the deferred taxes and real estate transfer taxes on the Portfolio to be held long term.

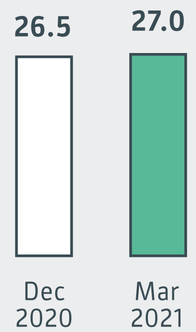
EPRA NDV

GCP reported an EPRA NDV of €3.5 billion on an absolute basis and €20.8 on a per share basis as of the end of March 2021, which compares to €3.5 billion and €20.1 per share, respectively.

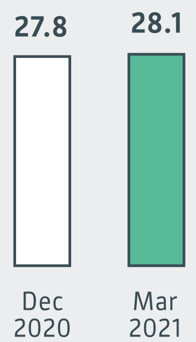
EPRA NDV PER SHARE (IN €)



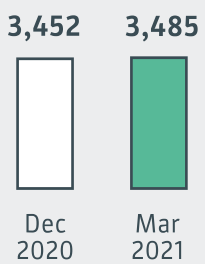
EPRA NTA PER SHARE (IN €)



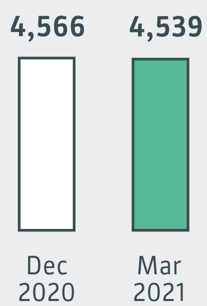
EPRA NRV PER SHARE (IN €)



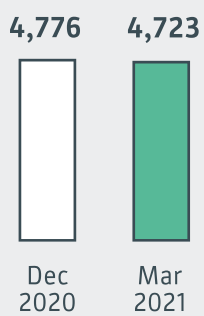
EPRA NDV (IN € MILLION)



EPRA NTA (IN € MILLION)



EPRA NRV (IN € MILLION)

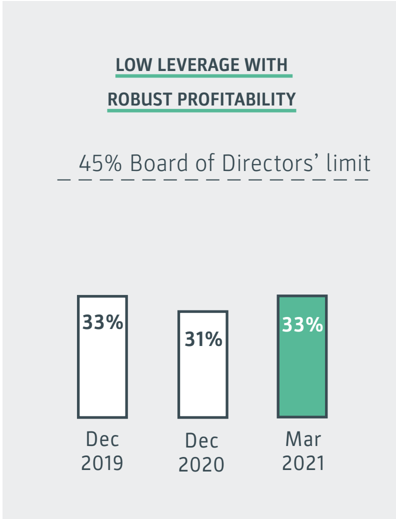


DEBT FINANCING KPIs

LOAN-TO-VALUE

	Mar 2021	Dec 2020
	€'000	
Investment property [1]	8,080,748	7,954,448
Investment properties of assets held-for-sale	106,384	150,207
Equity-accounted investees	110,378	107,880
Total value	**8,297,510**	**8,212,535**
Total debt [2]	4,374,501	4,213,229
Cash and liquid assets [3]	1,666,966	1,692,331
Net debt	**2,707,535**	**2,520,898**
LTV	**33%**	**31%**

1 Including advanced payments and deposits, inventories – trading properties and excluding right-of-use assets
2 Including loans and borrowings held-for-sale
3 Including cash and cash equivalents held-for-sale



GCP maintains a conservative financial profile that is characterised by a low LTV, strong coverage ratios and a large level of unencumbered assets. The Company's LTV remains conservative with significant headroom not only to bond covenant limits, but also to the more stringent board-mandated limits. At the end of March 2021, the Company's LTV was 33% as compared to 31% as of December 2020. GCP's robust financial platform is also reflected in the widespread demand for the Company's capital market issuances, which is further supported by its investment grade credit ratings from S&P (BBB+/Stable) and Moody's (Baa1/Stable). In the first quarter of 2021, GCP has terminated its contract with Moody's as part of cost savings measures carried out by the company. However, Moody's continue to rate GCP on an unsolicited basis. As a result of GCP's strong operational profitability, the Company maintains strong coverage ratios reflected in an ICR of 6.2x and a DSCR of 5.2x for the first quarter of 2021. Additionally, GCP's portfolio remains unencumbered to a large extent of 92%, which represents €7.6 billion in value and provides the Company with additional sources of liquidity.

UNENCUMBERED ASSETS

	Mar 2021	Dec 2020
	€'000	
Unencumbered Assets	7,595,608	6,679,941
Total Investment property *	8,251,242	8,172,558
Unencumbered Assets Ratio	**92%**	**82%**

* including investment property held-for-sale and inventories - trading property

INTEREST COVERAGE RATIO (ICR)

For the period of three months ended 31 March	2021	2020
	€'000	
Adjusted EBITDA	72,632	73,978
Finance Expenses	11,724	11,009
Interest Coverage Ratio	**6.2x**	**6.7x**

DEBT SERVICE COVERAGE RATIO (DSCR)

For the period of three months ended 31 March	2021	2020
	€'000	
Adjusted EBITDA	72,632	73,978
Finance Expenses	11,724	11,009
Amortisation of loans from financial institutions	2,240	2,907
Debt Service Coverage Ratio	**5.2x**	**5.3x**

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* since these are non-cash expenses.

ADJUSTED EBITDA RECONCILIATION

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

RECONCILIATION OF FUNDS FROM OPERATIONS I (FFO I)

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

FFO I RECONCILIATION

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

RECONCILIATION OF 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 FUNDS FROM OPERATIONS II (FFO II)

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

FFO II RECONCILIATION

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

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

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

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

EPRA NRV RECONCILIATION

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

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

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

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

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

EPRA NTA RECONCILIATION

Equity attributable to the owners of the Company
(+) Deferred tax liabilities on investment property [1]
(+/-) Fair value measurements of derivative financial instruments, net [2]
(-) Intangibles assets
(+) Real Estate Transfer Tax [1]
(=) EPRA NTA

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

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

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

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

EPRA NDV RECONCILIATION

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

RECONCILIATION OF LOAN-TO-VALUE (LTV)

LTV ratio is an acknowledged measurement of the leverage position of a given firm in the real estate industry. This ratio highlights to which extent financial liabilities are covered by the Company's real estate asset value as well as how much headroom of the fair value of real estate portfolio is available compared to the net debt. Following the industry specifications, GCP calculates the LTV ratio by dividing the total net debt to the total value at the balance sheet date. Total value of the portfolio is a combination of the *Investment property* which includes the *Advanced payments and deposits, 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 loans and borrowings. Total loans and borrowings include the *Short-term loans and borrowings, debt redemption*, and *Financial debt held-for-sale* while Straight bonds include the *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 property of assets held-for-sale
(+) Investment in equity-accounted investees
(=) (A) Total value
(+) Total debt [2]
(-) Cash and liquid assets [3]
(=) (B) Net debt
(=) (B/A) LTV

1 including advanced payments and deposits, inventories - trading properties and excluding right-of-use assets
2 including loans and borrowings held-for-sale
3 including cash and cash equivalents held-for-sale

RECONCILIATION OF UNENCUMBERED ASSETS RATIO

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

EQUITY RATIO RECONCILIATION

(A) Total Equity
(B) Total Assets
(=) (A/B) Equity Ratio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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, 18 May 2021

Christian Windfuhr
Chairman and member
of the Board of Directors

Simone Runge-Brandner
Member of the
Board of Directors

Daniel Malkin
Member of the
Board of Directors

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the period of three months ended 31 March	
		2021	2020
		Unaudited	
	Note	€'000	
Revenue	**5**	**128,323**	**135,331**
Property revaluations and capital gains		72,407	69,291
Share of profit from investments in equity-accounted investees		1,997	1,348
Property operating expenses		(54,083)	*(58,766)
Administrative and other expenses		(2,609)	*(2,947)
Depreciation and amortisation		(1,358)	*(1,222)
Operating profit		**144,677**	**143,035**
Finance expenses		(11,724)	(11,009)
Other financial results		(64,383)	(59,539)
Profit before tax		**68,570**	**72,487**
Current tax expenses		(7,869)	(7,392)
Deferred tax expenses		(9,478)	(9,432)
Profit for the period		**51,223**	**55,663**
Profit attributable to:			
Owners of the Company		33,363	40,143
Perpetual notes investors		6,395	8,227
Non-controlling interests		11,465	7,293
		51,223	**55,663**
NET EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY (IN €):			
Basic earnings per share		0.20	0.24
Diluted earnings per share		0.19	0.23

* reclassified

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the period of three months ended 31 March	
	2021	2020
	Unaudited	
	€'000	
Profit for the period	**51,223**	**55,663**
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified to profit or loss in subsequent periods, net of tax:		
Foreign currency translation, net of investment hedges of foreign operations	(4,721)	(20,410)
Cost of hedging	15,577	1,737
Total other comprehensive income (loss) for the period, net of tax	**10,856**	**(18,673)**
Total comprehensive income	**62,079**	**36,990**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the Company	44,219	21,470
Perpetual notes investors	6,395	8,227
Non-controlling interests	11,465	7,293
	62,079	**36,990**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 March 2021	As at 31 December 2020
		Unaudited	Audited
			€'000
ASSETS			
Equipment and intangible assets		26,942	27,442
Investment property	6	8,144,858	8,005,893
Advance payment and deposits		41,822	36,866
Investment in equity-accounted investees		110,378	107,880
Derivative financial assets		18,835	57,057
Other non-current assets		351,705	315,884
Deferred tax assets		45,165	50,665
Non-current assets		**8,739,705**	**8,601,687**
Cash and cash equivalents		1,410,686	1,412,199
Financial assets at fair value through profit and loss		256,097	279,743
Inventories - trading property		-	16,458
Trade and other receivables		440,374	394,711
Derivative financial assets		6,030	5,967
Assets held-for-sale		109,825	155,015
Current assets		**2,223,012**	**2,264,093**
Total assets		**10,962,717**	**10,865,780**

	Note	As at 31 March 2021	As at 31 December 2020
		Unaudited	Audited
		€'000	
EQUITY			
Share capital	9	17,186	17,186
Treasury shares	9.1	(88,791)	-
Share premium and other reserves		446,595	439,240
Retained earnings		3,290,786	3,257,423
Total equity attributable to the owners of the Company		**3,665,776**	**3,713,849**
Equity attributable to perpetual notes investors	8	1,223,081	1,306,092
Total equity attributable to the owners and perpetual notes investors		**4,888,857**	**5,019,941**
Non-controlling interests		544,989	534,987
Total equity		**5,433,846**	**5,554,928**
LIABILITIES			
Loans and borrowings		162,852	427,470
Convertible bond		-	277,614
Straight bonds	7	3,855,140	3,361,162
Derivative financial liabilities		89,776	40,545
Other non-current liabilities		140,319	142,432
Deferred tax liabilities		631,666	634,329
Non-current liabilities		**4,879,753**	**4,883,552**
Current portion of long-term loans		1,353	9,667
Bond redemption		355,156	137,316
Trade and other payables		230,248	209,065
Derivative financial liabilities		4,265	704
Tax payable		15,180	13,446
Provisions for other liabilities and charges		32,543	45,776
Liabilities held-for-sale		10,373	11,326
Current liabilities		**649,118**	**427,300**
Total liabilities		**5,528,871**	**5,310,852**
Total equity and liabilities		**10,962,717**	**10,865,780**

The Board of Directors of Grand City Properties S.A. authorised these condensed interim consolidated financial statements to be issued on 18 May 2021.

Christian Windfuhr
Chairman and member
of the Board of Directors

Simone Runge-Brandner
Member of the
Board of Directors

Daniel Malkin
Member of the
Board of Directors

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period of three months ended 31 March 2021 €'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 the owners of the Company and perpetual notes investors	Non-controlling interests	Total equity
Balance as at 31 December 2020 (Audited)	**17,186**	**-**	**497,187**	**12,657**	**(25,256)**	**(32,943)**	**(12,405)**	**3,257,423**	**3,713,849**	**1,306,092**	**5,019,941**	**534,987**	**5,554,928**
Profit for the period	-	-	-	-	-	-	-	33,363	33,363	6,395	39,758	11,465	51,223
Other comprehensive income (loss) for the period	-	-	-	-	15,577	(4,721)	-	-	10,856	-	10,856	-	10,856
Total Comprehensive Income (loss) for the period	**-**	**-**	**-**	**-**	**15,577**	**(4,721)**	**-**	**33,363**	**44,219**	**6,395**	**50,614**	**11,465**	**62,079**
Share-based payment	-	-	-	-	-	-	1,001	-	1,001	-	1,001	-	1,001
Share buy-back	-	(88,791)	-	-	-	-	-	-	(88,791)	-	(88,791)	-	(88,791)
Initial consolidation, deconsolidation and transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,463)	(1,463)
Payment to perpetual notes investors	-	-	-	-	-	-	-	-	-	(5,500)	(5,500)	-	(5,500)
Repayments to perpetual notes investors	-	-	-	-	-	-	(4,502)	-	(4,502)	(83,906)	(88,408)	-	(88,408)
Balance as at 31 March 2021 (Unaudited)	**17,186**	**(88,791)**	**497,187**	**12,657**	**(9,679)**	**(37,664)**	**(15,906)**	**3,290,786**	**3,665,776**	**1,223,081**	**4,888,857**	**544,989**	**5,433,846**

For the period of three months ended 31 March 2020 €'000	Equity attributable to the owners of the Company											
	Share capital	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 the owners of the Company and perpetual notes investors	Non-controlling interests	Total equity
Balance as at 31 December 2019 (Audited)	**16,790**	**566,680**	**12,657**	**(9,873)**	**(10,467)**	**24,485**	**2,892,360**	**3,492,632**	**1,030,050**	**4,522,682**	**443,917**	**4,966,599**
Profit for the period	-	-	-	-	-	-	40,143	40,143	8,227	48,370	7,293	55,663
Other comprehensive income (loss) for the period	-	-	-	1,737	(20,410)	-	-	(18,673)	-	(18,673)	-	(18,673)
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**1,737**	**(20,410)**	**-**	**40,143**	**21,470**	**8,227**	**29,697**	**7,293**	**36,990**
Share-based payment	2	297	-	-	-	(306)	-	(7)	-	(7)	-	(7)
Initial consolidation, deconsolidation and transactions with non-controlling interests	-	-	-	-	-	-	428	428	-	428	(8,534)	(8,106)
Payment to perpetual notes investors	-	-	-	-	-	-	-	-	(24,250)	(24,250)	-	(24,250)
Balance as at 31 March 2020 (Unaudited)	**16,792**	**566,977**	**12,657**	**(8,136)**	**(30,877)**	**24,179**	**2,932,931**	**3,514,523**	**1,014,027**	**4,528,550**	**442,676**	**4,971,226**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	For the period of three months ended 31 March	
	2021	2020
	Unaudited	
	€'000	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the period	**51,223**	**55,663**
ADJUSTMENTS FOR THE PROFIT:		
Depreciation and amortisation	1,358	1,222
Property revaluations and capital gains	(72,407)	(69,291)
Share of profit from investments in equity-accounted investees	(1,997)	(1,348)
Net finance expenses	76,107	70,548
Tax and deferred tax expenses	17,347	16,824
Equity settled share-based payment	1,001	360
Change in working capital	(10,197)	(8,707)
	62,435	**65,271**
Tax paid	(10,869)	(5,635)
Net cash provided by operating activities	**51,566**	**59,636**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of equipment and intangible assets, net	(1,037)	(1,929)
Acquisition of investment property, capex and advances paid, net	(153,670)	(128,869)
Disposals of investment property, net	1,691	1,073
Disposal of investees and loans, net of cash disposed	207,638	136,654
Investment in financial and other non-current assets, net	(19,473)	(227,702)
Net cash provided (used) by (in) investing activities	**35,149**	**(220,773)**

	For the period of three months ended 31 March	
	2021	2020
	Unaudited	
	€'000	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Amortisation of loans from financial institutions	(2,240)	(2,907)
Proceeds (repayment) of loans from financial institutions, net	(272,114)	126,505
Proceeds from straight bonds, net	976,294	-
Repayment and buy-back of straight bonds	(588,987)	-
Payments to perpetual notes investors, net	(93,908)	(24,250)
Share buy-back	(88,791)	-
Interest and other financial expenses, net	(19,226)	(16,690)
Net cash provided (used) by (in) financing activities	**(88,972)**	**82,658**
Net decrease in cash and cash equivalents	**(2,257)**	**(78,479)**
Change in cash and cash equivalents held-for-sale	207	(106)
Cash and cash equivalents at the beginning of the period	1,412,199	914,054
Effect of foreign exchange rate changes	537	-
Cash and cash equivalents at the end of the period	**1,410,686**	**835,469**

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 1, Avenue du Bois L-1251 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 2021 ("the reporting period") consist of the financial statements of the Company and its investees ("the Group").

2. SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

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

- The Group disposed properties of primarily non-core and assets held-for-sale in euro 220 million. At the same time, the Group acquired assets of approximately euro 100 million located mainly in London.
- The Group refinanced high interest bank loans amounting to approximately euro 260 million.
- The Group issued euro 1 billion straight bond series X under the EMTN Programme, bought back euro 272.8 million and euro 220 million of straight bonds series E (due April 2025) and W (due April 2024) respectively and repaid euro 60.5 million principal amount of straight bond series S (see note 7).
- The Group redeemed euro 85.4 million of perpetual notes with a coupon rate of 3.75% (see note 8).
- The Group bought back through a tender offer and through a share buy-back program 3,370,708 and 791,582 shares of the Company respectively (see note 9.1).

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 annual consolidated financial statements as at 31 December 2020.

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 2020.

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 2020, 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 2021:

Interest Rate Benchmark Reform - Phase 2 Amendments to IFRS 9, IAS 39 IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

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

5. REVENUE

	For the period of three months ended 31 March	
	2021	2020
	€'000	
Net rental income	90,578	94,510
Operating and other income	37,745	40,821
	128,323	**135,331**

5.1 Geographical information

	For the period of three months ended 31 March	
	2021	2020
	€'000	
REVENUE		
Germany	104,265	122,308
United Kingdom	22,602	11,705
Others	1,456	1,318
	128,323	**135,331**

6. INVESTMENT PROPERTY

	For the period of three months ended 31 March	For the year ended 31 December
	2021	2020
	Unaudited	Audited
	€'000	
As at 1 January	**8,005,893**	**7,956,034**
Plus: investment property classified as held-for-sale	150,207	196,432
Total investment property	**8,156,100**	**8,152,466**
Acquisitions of investment property during the period / year	115,905	616,830
Capital expenditure on investment property during the period / year	23,328	83,667
Disposals of investment property during the period / year	(190,031)	(920,013)
Fair value adjustments	42,405	289,727
Effect of foreign currency exchange differences	87,077	(66,577)
Transfer from Inventories - trading property	16,458	-
Total investment property	**8,251,242**	**8,156,100**
Less: investment property classified as held-for-sale	(106,384)	(150,207)
As at 31 March / 31 December	**8,144,858**	**8,005,893**

7. STRAIGHT BONDS

- On 11 January 2021 under the EMTN Programme, the Company issued euro 1 billion straight bond series X due 2028, at an issue price of 98.153% of the principal amount with euro coupon 0.125%. At the same day, the Company bought back euro 272.8 million and euro 220 million principal amount of straight bond series E (due April 2025) and W (due April 2024) for a purchase price of 106.843% and 105.977% of the nominal amount respectively, excluding any accrued interest.

  For further information on straight bonds buyback after the reporting period see note 13.
- On 25 January 2021 the Company repaid euro 60.5 million principal amount of straight bond series S.


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8. PERPETUAL NOTES

- On 4 February 2021 the Company redeemed euro 85.4 million principal amount of perpetual notes with coupon rate of 3.75% for a purchase price of 100% of the nominal amount, excluding any accrued interest.

9. SHARE CAPITAL

	For the period of three months ended 31 March		For the year ended 31 December	
	2021		2020	
	Number of shares	€'000	Number of shares	€'000
Balance as at the beginning of the period/year	**171,864,050**	**17,186**	**167,895,560**	**16,790**
Issuance of new ordinary share as part of scrip dividend	-	-	3,853,379	385
Issuance of new ordinary shares as part of share-based payment	-	-	115,11	11
Balance as at the end of the period/year	**171,864,050**	**17,186**	**171,864,050**	**17,186**

9.1 Treasury shares

- On 28 January 2021 the Board of Directors resolved to utilize the authorization of the Annual General Meeting of 24 June 2020 in order to buy back up to 12,500,000 shares of the Company (corresponding to up to 7.27% of the Company's share capital) by way of a public tender offer with a purchase price in the range of euro 20.00 to euro 21.25 per share. On 17 February 2021 the Company announced that 3,370,708 shares of the Company have been validly tendered into the offer in euro 21.25 per share in total amount of euro 71,628 thousand. The settlement done on 23 February 2021.

- On 15 March the Board of Directors resolved on share buy-back program on the stock exchange by the Company or a subsidiary of the Company. The volume of the proposed buy-back program will amount to up to euro 200 million and will be limited to a maximum of 10 million shares in the Company. The program starts on 16 March and will be valid until 31 December 2021.

  During the period, the Company bought back 791,582 shares in total amount of euro 17,163 thousand.

As at 31 March 2021, the Company holds 4,162,290 treasury shares.

10. 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.

10.1. 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 2021 and 31 December 2020 on a recurring basis:

	As at 31 March 2021					As at 31 December 2020				
			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 *	288,490	288,490	214,500	73,990	-	308,877	308,877	232,597	76,280	-
Derivative financial assets	24,865	24,865	-	24,865	-	63,024	63,024	-	63,024	-
Total financial assets	**313,355**	**313,355**	**214,500**	**98,855**	**-**	**371,901**	**371,901**	**232,597**	**139,304**	**-**
FINANCIAL LIABILITIES										
Derivative financial liabilities	94,041	94,041	-	94,041	-	41,249	41,249	-	41,249	-
Total financial liabilities	**94,041**	**94,041**	**-**	**94,041**	**-**	**41,249**	**41,249**	**-**	**41,249**	**-**

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

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

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

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

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

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

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 2021 and 31 December 2020:

	As at 31 March 2021					As at 31 December 2020				
			Fair value measurement using					Fair value measurement using		
	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	€'000									
FINANCIAL LIABILITIES										
Straight bonds *	3,932,015	4,165,562	3,983,969	181,593	-	3,498,478	3,834,864	3,643,580	191,284	-
Convertible bond *	278,281	284,495	284,495	-	-	277,614	286,183	286,183	-	-
Total financial liabilities	**4,210,296**	**4,450,057**	**4,268,464**	**181,593**	**-**	**3,776,092**	**4,121,047**	**3,929,763**	**191,284**	**-**

* including bond redemption.

10.2. 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.
- Hybrid instruments are measured using a combination of a discount cash flows method for the host contract and a call pricing model for the embedded derivative (i.e., the conversion option). The models use observable inputs such as market price of the underlying asset and swap rate curve.
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate and foreign exchange swap and forward, collar and cap contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation technique includes forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves.

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

11. COMMITMENTS

As at the reporting date, the Group had no significant financial obligations.

12. CONTINGENT ASSETS AND LIABILITIES

As at the reporting date, the Group had no significant contingent assets and liabilities.

13. EVENTS AFTER THE REPORTING PERIOD

- On 14 May 2021 the Company bought back euro 39.6 million and euro 100.4 million principal amount of straight bond series E (due April 2025) and W (due April 2024) for a purchase price of 106.325% and 105.436% of the nominal amount respectively, excluding any accrued interest.
- In April 2021, the Berlin Mietendeckel was ruled unconstitutional by the Federal Constitutional Court.

14. 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 18 May 2021.


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