
London

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended September 30, 2022

Berlin

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IMPRINT

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KEY FINANCIALS

BALANCE SHEET HIGHLIGHTS

in €'000 unless otherwise indicated	Sep 2022	Change	Dec 2021
Total Assets	11,287,653	-2%	11,561,992
Investment Property	9,729,508	4%	9,339,489
Total Equity	6,029,886	4%	5,802,586
Loan-to-Value	35%	-1%	36%
Equity Ratio	53%	3%	50%

P&L HIGHLIGHTS

in €'000 unless otherwise indicated	9M 2022	Change	9M 2021
Net Rental Income	294,799	7%	276,162
Adjusted EBITDA	230,069	4%	222,024
FFO I	144,633	3%	140,486
FFO I per share (in €)	0.87	4%	0.84
EBITDA	462,739	-16%	548,890
Profit for the period	272,780	-6%	290,290
EPS (basic) (in €)	1.36	-2%	1.39
EPS (diluted) (in €)	1.33	2%	1.31

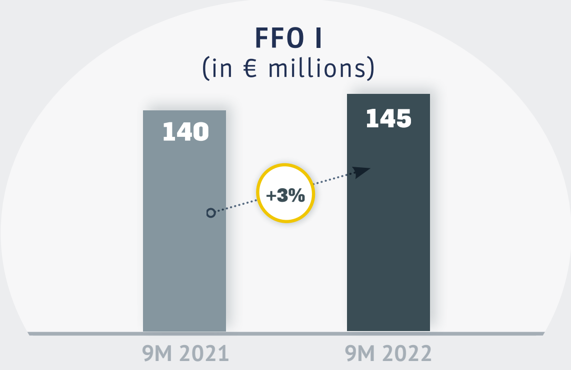
NAV HIGHLIGHTS

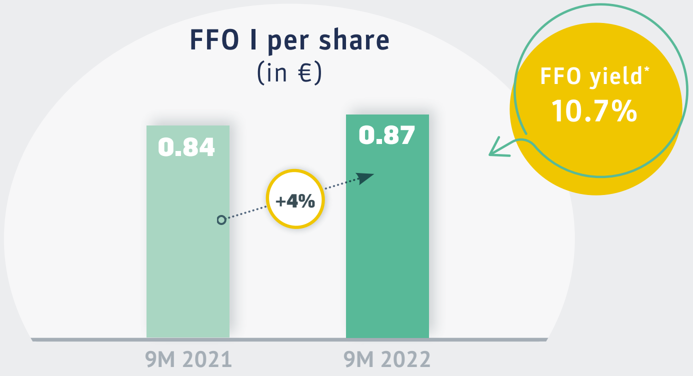
in €'000 unless otherwise indicated	EPRA NRV	EPRA NTA	EPRA NDV
Sep 2022	5,447,994	5,242,838	4,573,877
Sep 2022 per share (in €)	31.6	30.4	26.5
Per share growth (dividend adjusted)	**2%**	**3%**	**17%**
Per share growth	0%	0%	14%
Dec 2021	5,228,882	5,020,190	3,853,263
Dec 2021 per share (in €)	31.7	30.4	23.3

Dresden

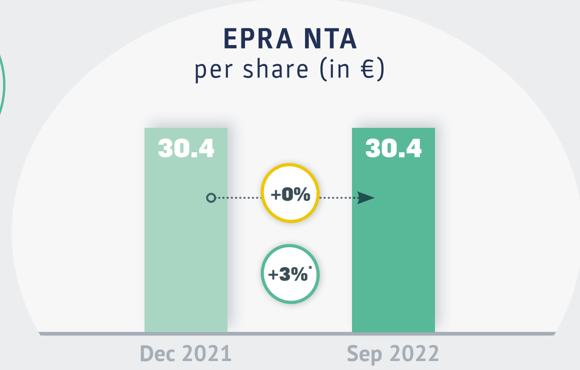
HIGHLIGHTS

STRONG RECURRING OPERATIONAL PROFITS AND VALUE CREATION





* based on 9M 2022 annualised and on a share price of €10.8



* Dividend adjusted

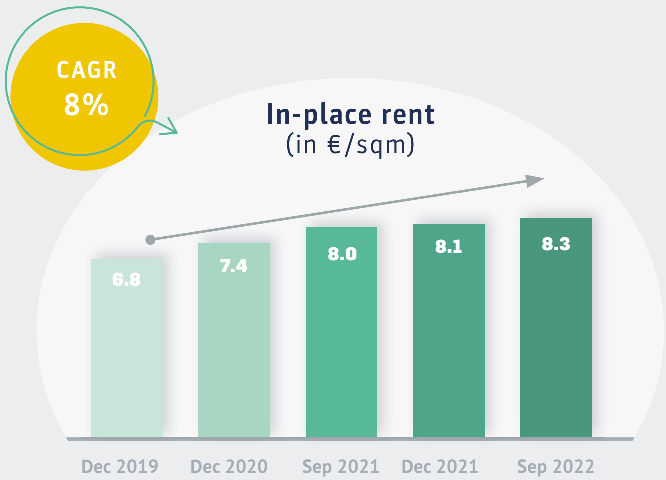
SOLID LIKE-FOR-LIKE RENTAL GROWTH

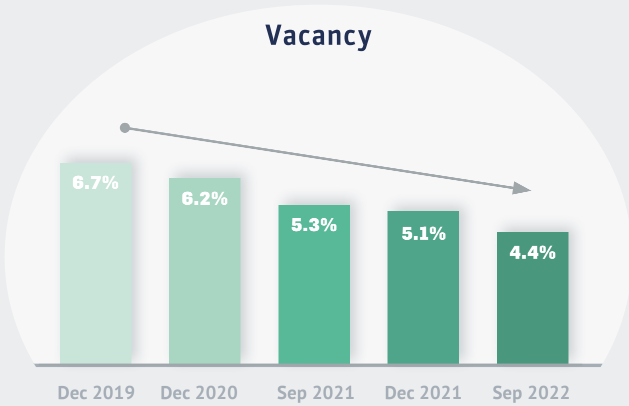
2.3% L-F-L
IN-PLACE RENT GROWTH
SEP 2022

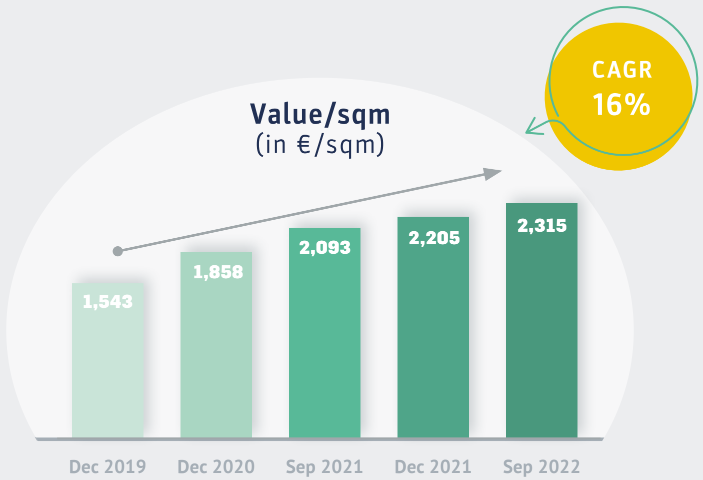
3.1% L-F-L
TOTAL NET RENT GROWTH
SEP 2022

0.8% L-F-L
OCCUPANCY GROWTH
SEP 2022

ROBUST PORTFOLIO FUNDAMENTALS







WELL POSITIONED IN CURRENT ENVIRONMENT WITH HIGH HEADROOM TO BOND COVENANTS

Long average debt maturity

6.2 years
SEP 2022

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

Proactive debt management

€615m
9M 2022

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

Strong liquidity position

~€390m
CASH AND LIQUID ASSETS

€300m
UNDRAWN RCF
SEP 2022

Cash and liquid assets cover debt maturities until Q2 2025 and amounts to 10% of total debt

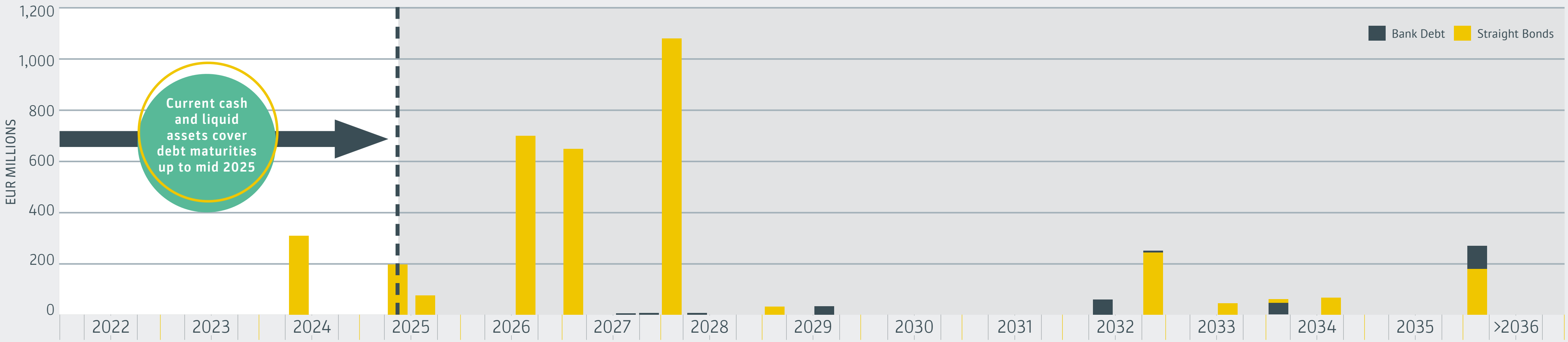
Unencumbered assets

€9bn

90%
of value
SEP 2022

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

DEBT MATURITY SCHEDULE



STRONG FINANCIAL PROFILE MAINTAINED

LOW COST OF DEBT
1.2%
SEP 2022

ICR
6.6x
9M 2022
6.5x
9M 2021

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

CREDIT RATING
BBB+
STABLE
by S&P

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 September 30, 2022.

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

GCP is a specialist in residential real estate, investing in value-add opportunities in densely populated areas predominantly in Germany as well as in London. The Group's portfolio, excluding assets held-for-sale and properties under development, as of September 2022 consists of 65k units (hereinafter "GCP portfolio" or "the Portfolio") located in densely populated areas with a focus on North Rhine-Westphalia, Germany's most populous federal state, Berlin, Germany's capital, the metropolitan regions of Dresden, Leipzig and Halle and other densely populated areas as well as London.

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

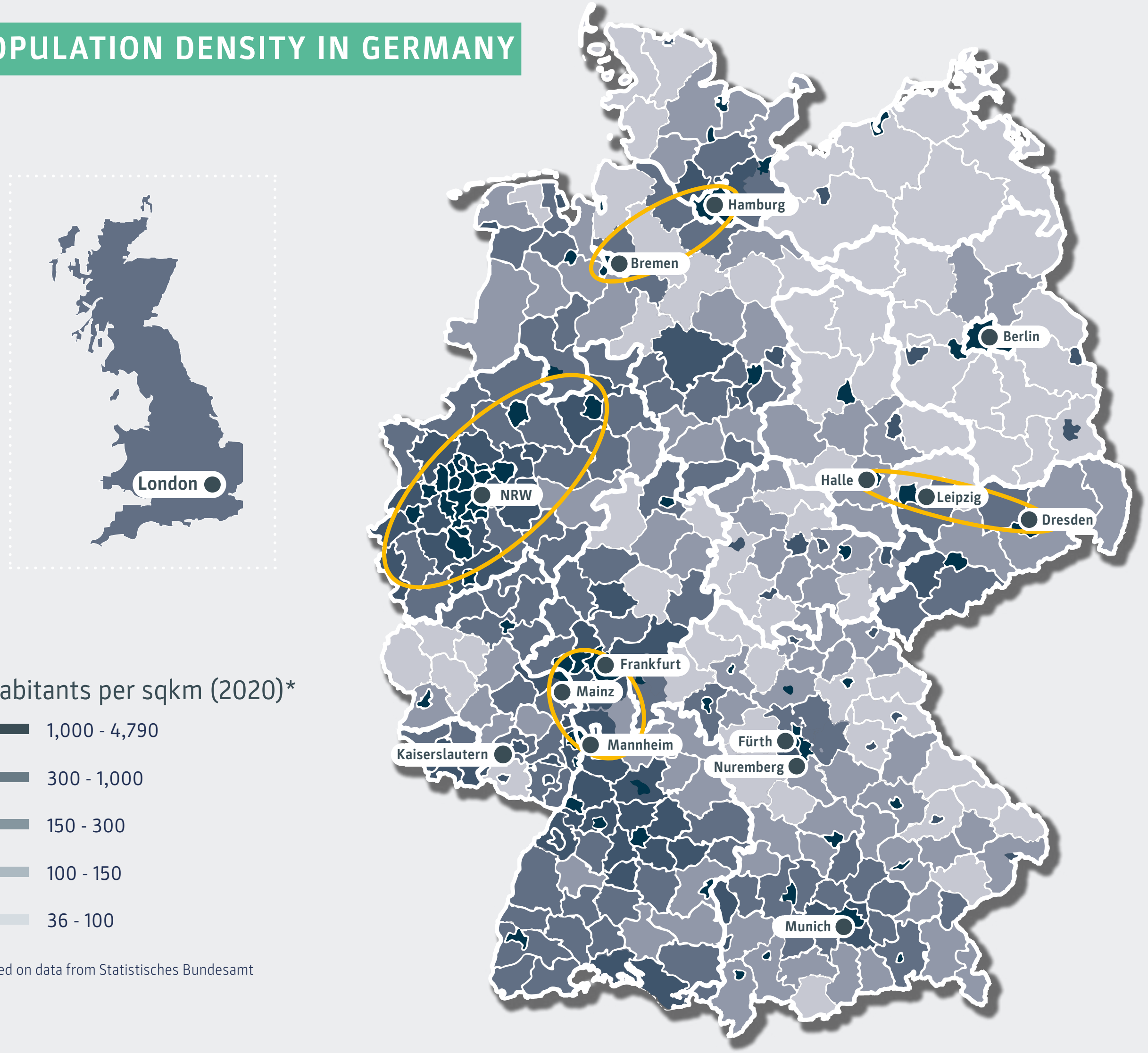
In addition, GCP's economies of scale allow for considerable benefits of a strong bargaining position, a centralised management platform supported by centralised IT/software systems, and a network of professional connections.

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

Berlin

PORTFOLIO

POPULATION DENSITY IN GERMANY



inhabitants per sqkm (2020)*

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

* based on data from Statistisches Bundesamt

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

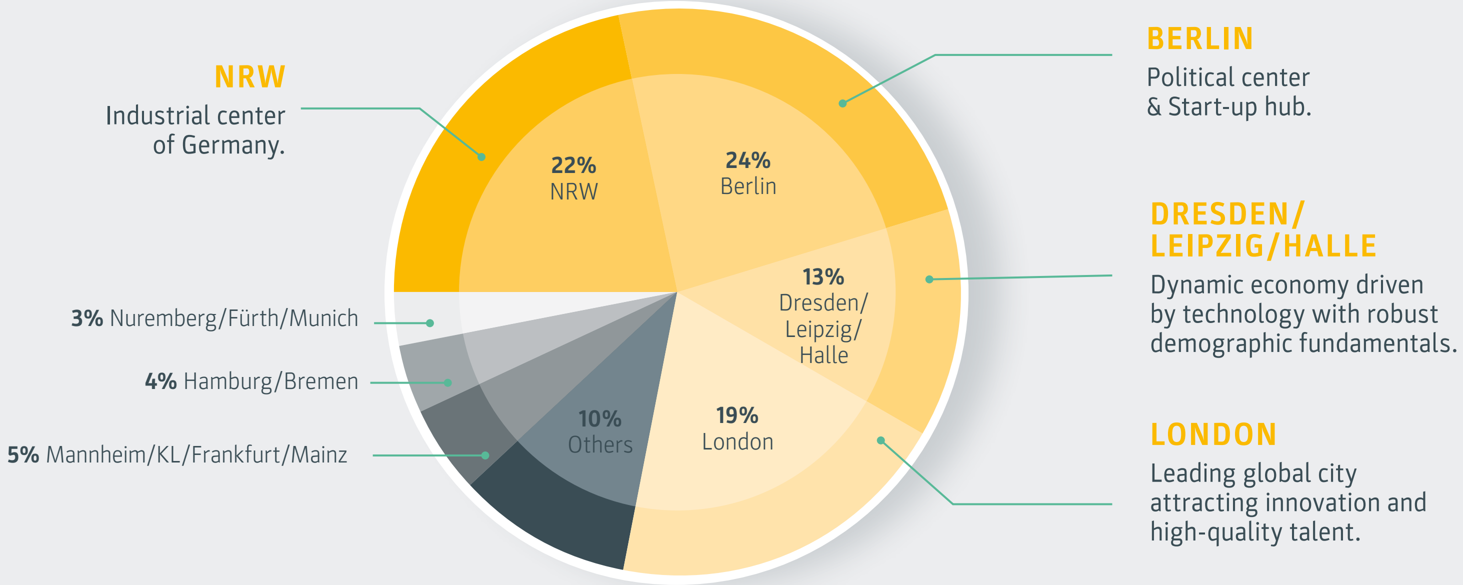
GCP's well-balanced and diversified portfolio is composed of properties in attractive micro-locations with identified value creation potential primarily located in major German cities and urban centres as well as in London.

The Group's well-allocated portfolio provides for strong geographic and tenant diversification and benefits from economies of scale, supporting the risk-averse portfolio approach. GCP's focus on densely populated areas is mirrored by 24% of its Portfolio being located in Berlin, 22% in NRW, 13% in the metropolitan region of Dresden, Leipzig and Halle, and 19% 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.



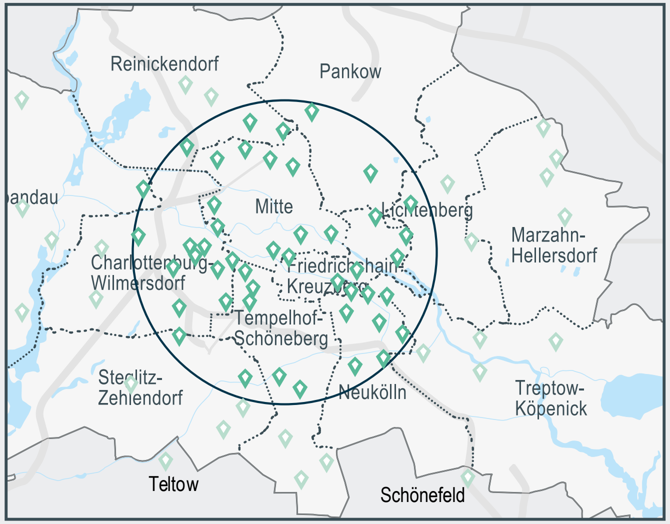
SEPTEMBER 2022	Value (in €M)	Area (in k sqm)	EPRA vacancy	Annualised net rent (in €M)	In-place rent per sqm (in €)	Number of units	Value per sqm (in €)	Rental yield
NRW	2,051	1,226	4.9%	91	6.2	17,918	1,673	4.4%
Berlin	2,180	620	3.8%	65	8.7	8,654	3,518	3.0%
Dresden/Leipzig/Halle	1,253	815	3.6%	54	5.6	13,997	1,536	4.3%
Mannheim/KL/Frankfurt/Mainz	460	176	3.4%	18	8.7	3,013	2,620	4.0%
Nuremberg/Fürth/Munich	290	80	6.0%	9	10.1	1,430	3,638	3.2%
Hamburg/Bremen	428	269	5.6%	21	6.7	4,051	1,590	4.8%
London	1,838	224	4.0%	86	33.4	4,379	8,199	4.7%
Others	984	688	4.9%	53	6.9	11,646	1,431	5.4%
Development rights and new buildings*	246							
Total	**9,730**	**4,098**	**4.4%**	**397**	**8.3**	**65,088**	**2,315**	**4.2%**

*of which pre marketed buildings in London amount to €20m

PORTFOLIO

BERLIN - BEST IN CLASS

QUALITY LOCATIONS IN TOP TIER BERLIN NEIGHBORHOODS



24% of GCP's portfolio

70%

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

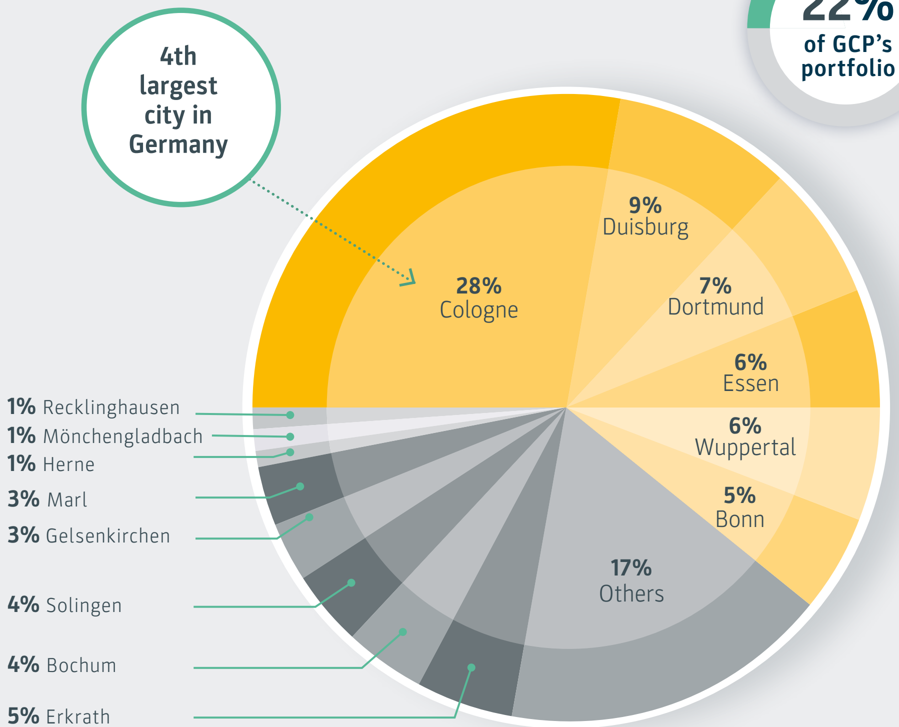
30%

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

NORTH RHINE-WESTPHALIA (NRW)

WELL POSITIONED IN THE LARGEST METROPOLITAN AREA IN GERMANY

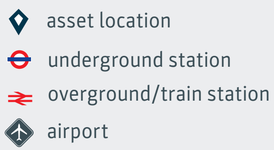
22% of GCP's portfolio

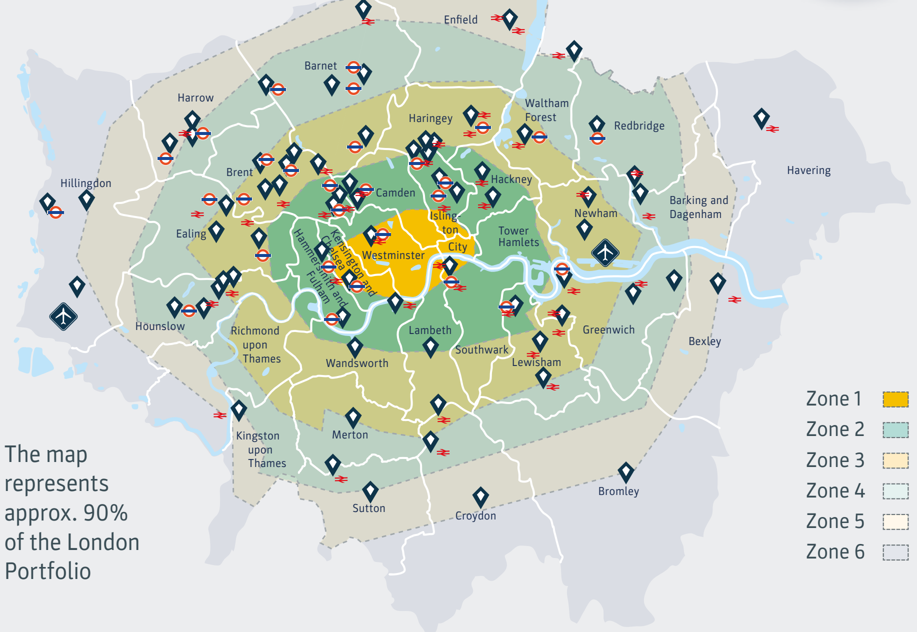


The portfolio distribution in NRW is focused on cities with strong fundamentals within the region. 28% of the NRW portfolio is located in Cologne, the largest city in NRW, 9% in Duisburg, 7% in Dortmund, 6% in Essen, 6% in Wuppertal and 5% in Bonn.

LONDON PORTOLIO

LOCATED IN STRONG MIDDLE CLASS NEIGHBORHOODS





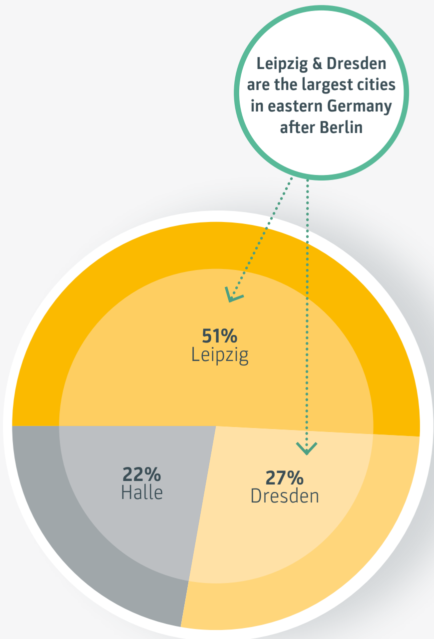
The map represents approx. 90% of the London Portfolio

The total London portfolio, including high quality assets, social housing as well as pre-marketed units, amounts to approx. 4,400 units and approx. €1.9 billion in value.

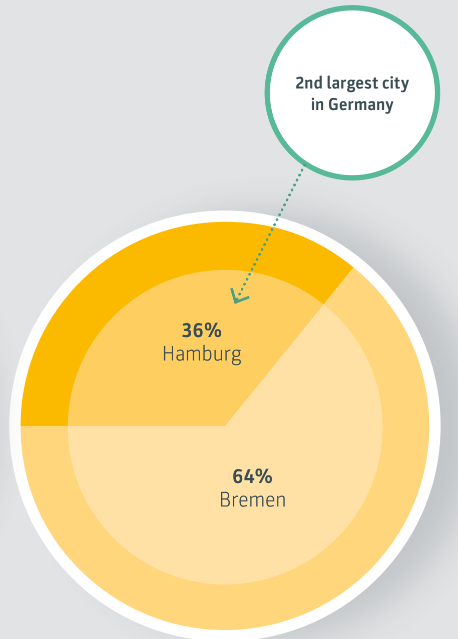
Over 80% of the portfolio is situated within a short walking distance to an underground/ overground station.

QUALITY EAST & NORTH PORTFOLIO

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



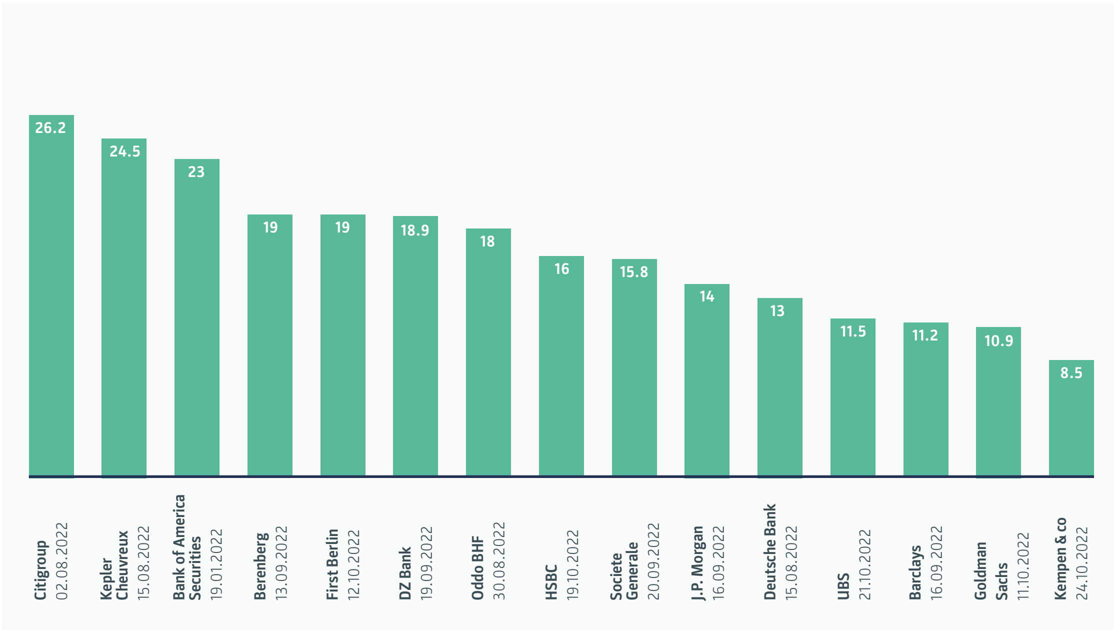
The North portfolio is focused on the major urban centres of Hamburg and Bremen – the largest cities in the north of Germany.



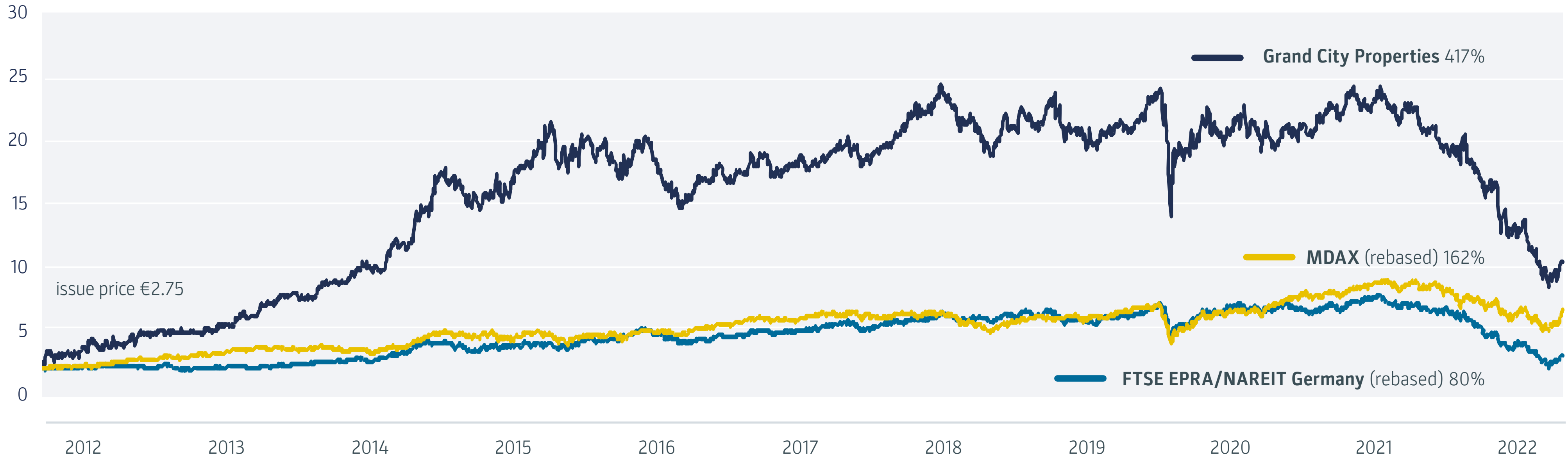
CAPITAL MARKETS

Placement	Frankfurt Stock Exchange
Market segment	Prime Standard
First listing	Q2 2012
Number of shares (as of 30 September 2022)	176,187,899 ordinary shares with a par value of EUR 0.10 per share
Number of shares, excluding suspended voting rights, base for KPI calculations (as of 30 September 2022)	172,325,810
Shareholder structure (as of 30 September 2022)	Freefloat: 39% Edolaxia Group 59% Treasury Shares 2%
Nominal share capital (as of 30 September 2022)	17,618,789.90 EUR
ISIN	LU0775917882
WKN	A1JXCV
Symbol	GYC
Key index memberships	SDAX FTSE EPRA/NAREIT Index Series MSCI Index Series GPR 250 DIMAX
Market capitalisation (as of 15/11/2022)	2 bn EUR

ANALYST RECOMMENDATIONS



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



SELECTED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period of nine months ended 30 September	2022	2021
	€'000	
Net rental income (a)	294,799	276,162
Operating and other income (b)	129,624	113,360
Revenue (a)	**424,423**	**389,522**
Property revaluations and capital gains (d)	234,538	325,549
Share of profit from investments in equity-accounted investees	-	3,952
Property operating expenses (b)	(187,771)	(162,067)
Administrative and other expenses (c)	(8,451)	(8,066)
Depreciation and amortisation	(7,842)	(3,614)
Operating profit	**454,897**	**545,276**

(a) The Company recorded total revenue of €424 million for the nine-month period ending September 2022, increasing 9%, as compared to €390 million recorded during the corresponding period in 2021. Total revenue is comprised of both the net rental income item and the operating and other income item.

In the nine-month period of 2022, net rental income amounted to €295 million, increasing by 7%, as compared to €276 million in the respective period in 2021. The increase in net rental income is primarily the result of the impact of acquisitions and the strong like-for-like rental growth of 3.1% which is comprised of 2.3% from in-place rent growth and 0.8% from occupancy, offset by disposals made in past periods. The portfolio's in-place rent stood at €8.3/sqm as of September 2022 as compared to €8.0/sqm as of September 2021, highlighting the positive operational performance. Vacancy in the portfolio continued to decrease to historic lows reaching 4.4% as at the end of September 2022 compared to 5.3% in September 2021.

In the first nine months of 2022, GCP executed approx. €250 million in accretive acquisitions, which were signed in first quarter of 2022 and completed in the second quarter of 2022, primarily located in London and Berlin which had only a partial impact on net rental income for the current period. These acquisitions will further support growth and have a full impact in upcoming periods. Throughout the same nine-month period, GCP executed a small number of disposals valued at approx. €17 million which were completed at a premium of 14% over net book values, reflecting a gain of 104% over total costs, including capex. Acquisitions and disposals in 2021 only had a partial impact last year and a full period impact this year. Throughout the whole of 2021, the Company executed €700 million of acquisitions, located mostly in NRW, London, Berlin, Dresden and Munich, offset by €360 million in disposals of development rights and non-core and mature properties mainly located in eastern German cities and in secondary cities in NRW. As of September 2022, the annualized net rent of the portfolio amounted to €397 million.

+2.3% L-F-L
IN-PLACE RENT GROWTH
SEP 2022

+3.1% L-F-L
TOTAL NET RENT GROWTH
SEP 2022

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

(b) In the first nine months of 2022, GCP recorded operating and other income amounting to €130 million as compared to €113 million recorded in the same period of 2021. The increase in operating and other income was primarily due to the rise in expenses recoverable from tenants as a result of cost inflation, net acquisitions which increased the portfolio size, and a reduction in vacancy. GCP's efforts on optimizing the cost structure of the portfolio through the disposal of properties with a higher cost structure and the acquisition of higher quality properties with a lower cost structure has offset this increase to some extent.

At the end of September 2022, property operating expenses amounted to €188 million as compared to €162 million in the same period of 2021. Property operating expenses consist mostly of expenses that are recoverable from tenants and are mainly made up of utility and service costs such as heating, water, waste management, property cleaning services, and more. Property operating expenses also include maintenance and refurbishment expenses, operational personnel expenses, and other operating expenses. Property operating expenses increased primarily as a result of ongoing cost inflation of which a large portion is the significant increase in energy and heating costs for tenants and the increase in size of the portfolio through net acquisitions conducted across the past periods. This increase was offset by portfolio optimization efforts that has resulted in the portfolio having an overall leaner cost structure. To address the significant increase in energy and heating costs for its tenants, GCP has launched an information campaign across all channels to inform tenants on how to effectively save energy and reduce costs, increased pre-payments where possible, and sent out letters to tenants for early voluntary increases of the services charges which has been partially accepted by tenants. In light of the increased cost of living and the higher service charges for tenants, the Company has also conservatively recorded a provision in the amount of approx. €10 million which may potentially not be recovered in full. As of now, the Company does not see a decrease in the collection rates. GCP will maintain continuous contact with tenants and will follow the developments in the market and accordingly, the Company will examine and update the balance of the required provision from period to period.

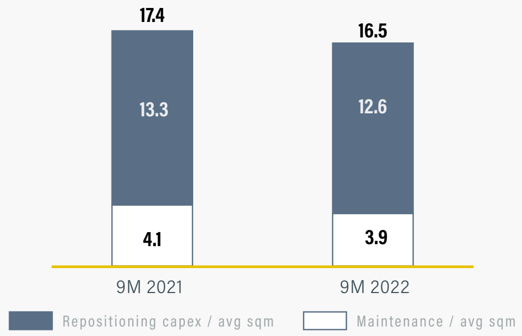
GCP carries out a variety of maintenance and refurbishment projects on a targeted basis to uphold and enhance the quality of its investment property portfolio. These projects maintain and improve the living environment which increases tenant satisfaction and results in less tenant turnover and lower vacancy while also delivering increased rents.

In the first nine months of 2022, maintenance and refurbishment expenses amounted to €16 million and €3.9 per average sqm, as compared to €16 million and €4.1 per average sqm in the comparable period in 2021. The maintenance and refurbishment expenses line item is made up of the costs that are incurred to retain the portfolio's asset quality. The Company offers multiple channels such as the tenant app and GCP's 24/7 service center through which tenants can place maintenance requests and receive support in several languages. The Company's focus on transparent and high-quality tenant service, including progress on maintenance requests, has resulted in increased tenant satisfaction and lower vacancy while GCP's scale and improved platform has allowed it to increase efficiencies which has helped offset the cost increases from materials and external subcontractors for both maintenance and capex works, among others.

Repositioning capex is comprised of capital expenditures focused on improving the product offering and asset quality for tenants. These improvements can take the form of apartment renovations, improvements to corridors and staircases, façade refits, and others. Repositioning capex also includes measures aimed at increasing the value proposition of the area surrounding the property. This can be achieved through the addition or renovation of playgrounds, barbeque pits, common meeting areas, and more. Repositioning capex improves the value proposition and quality of GCP's portfolio which increases the rent potential while also reducing tenant turnover and vacancy and facilitating the letting process. For the nine-month period ending September 2022, repositioning capex amounted to €52 million, or €12.6 per average sqm, which compares to €52 million and €13.3 per average sqm in the corresponding period of 2021. Cost inflation did not increase repositioning capex meaningfully as costs were mostly fixed in previous periods through long-term contracts. Furthermore, in-light of the increasing cost of capital, GCP has been more selective on capex and intends to keep investments at a lower level going forward. GCP also invested approximately €5 million in modernisation projects in the first nine months of 2022. Modernisation projects are carried on a targeted basis and are undertaken in addition to repositioning capex to further improve the quality of the portfolio and increase rent. These projects include energetic modernisation measures like installing green heating systems and increasing energy efficiency through better insulation and the replacement of old windows. Other modernisation activities include adding balconies and installing elevators.

During the nine-month period ended September 2022, GCP invested approximately €39 million in pre-letting modifications as compared to €31 million in the same period in 2021. Pre-letting modifications encompass activities that fall outside the scope of repositioning capex and 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. This line item is primarily comprised of projects acquired in London and Berlin that were in the final stages of development. GCP has made progress in reducing completion delays in recent periods and has accelerated the timeline for some projects with significant demand that were planned for future periods. Most of the units have been completed as of the end of the reporting date and are being let out, supporting the internal growth of the Company and thus less of these expenses are expected going forward.

Maintenance & capex development (€/sqm)



(c) The Company recorded administrative and other expenses in the amount of €8.5 million for the nine-month period ending September 2022 as compared to €8.1 million in the comparative period of 2021. The administrative and other expenses item is mostly comprised of administrative personnel expenses, legal and professional fees, marketing expenses, and other ancillary office expenses. The increase is primarily the result of cost inflation which increased items such as IT costs, personnel expenses, and professional services.

(d) GCP recorded property revaluations and capital gains in the amount of €235 million in the nine-month period ending September 2022, lower as compared to the €326 million in the comparable period of 2021. Revaluation gains are one-off gains, related to the revaluation of the portfolio. Revaluation gains were primarily driven by operational improvements supported by like-for-like rental growth, vacancy reduction, and the relative strength of the portfolio's asset locations. The portfolio was valued at an average €2,315/sqm with a rental yield of 4.2% as of September 2022, as compared to €2,205/sqm and 4.2% as at year-end 2021. GCP's portfolio valuations are on average significantly below replacement costs. During the nine-month period ended September 2022, approximately 80% of the GCP portfolio has been revalued. At least once a year, the Company engages external, professional, independent, and certified valuators to determine the valuation of each of its investment properties. The full portfolio will be valued by year end as part of the annual audit review.

Throughout the first nine months of 2022, GCP recorded €17 million in disposals completed at a premium of 14% over net book values, reflecting a gain of 104% over total costs, including capex. The disposals consisted primarily of non-core assets, as well as condominiums in Berlin.

PROFIT FOR THE PERIOD

For the period of nine months ended 30 September	2022	2021
	€'000	
Operating profit	**454,897**	**545,276**
Finance expenses (a)	(34,788)	(34,193)
Other financial results (b)	(104,394)	(128,618)
Current tax expenses (c)	(29,872)	(28,256)
Deferred tax expenses (c)	(13,063)	(63,919)
Profit for the period (d)	**272,780**	**290,290**
Profit attributable to the owners of the company	226,724	233,543
Profit attributable to the perpetual notes investors	18,512	18,804
Profit attributable to non-controlling interests	27,544	37,943
Basic earnings per share (in €)	1.36	1.39
Diluted earnings per share (in €)	1.33	1.31
Weighted average number of ordinary shares (basic) in thousands	166,769	168,220
Weighted average number of ordinary shares (diluted) in thousands	171,368	180,415
Profit for the period (d)	**272,780**	**290,290**
Total other comprehensive income (loss) for the period, net of tax (e)	(1,768)	19,932
Total comprehensive income for the period (e)	**271,012**	**310,222**

(a) In the first nine-month period of 2022, GCP recorded €34.8 million of finance expenses as compared to €34.2 million recorded in the comparable period in 2021. As of the end of September 2022, the Company's cost of debt was 1.2% with an average debt maturity of 6.2 years. The small increase in the average cost of debt is primarily the result of the repayment of the €450 million Series F convertible bonds with a low coupon of 0.25% and increasing interest rates which have a minor impact on variable debt financing costs, resulting in slightly higher finance expenses compared to last year's period. GCP's debt profile remains stable with 95% of debt being fixed or interest hedged. The Company continues to maintain a high ratio of unencumbered assets of 90%, which provides good access to the secured debt markets. Current secured financing interest rates remains well below public market rates but higher than GCP's current cost of debt.

(b) GCP recorded other financial results amounting to negative €104 million, lower as compared to negative €129 million in the comparable period of 2021. The other financial results item is mainly comprised of the net change in the fair value of financial assets and financial liabilities, and derivative instruments. The negative other financial results item was mainly due to negative revaluations of financial assets and derivative instruments, as a result of significant changes in yields and higher volatility in capital markets. Other financial results further include one-off costs related to the early repayment of debt which were incurred to optimize the company's financial profile. These debt optimizing measures helped to reduce interest payments, prolong the average debt maturity and eliminate short term refinancing risk. These measures have resulted in the company not having any maturities until Q2 2024 and postponed the Company's need to refinance and issue debt in the near future.

(c) GCP reported total tax expenses of €43 million as of the end of September 2022, which compares to €92 million reported during the corresponding period in 2021. Total tax expenses are comprised of current tax expenses and deferred tax expenses.

In the nine-month period ending September 2022, current tax expenses amounted to €30 million, increasing by 6% as compared to €28 million in the respective period in 2021. Current tax is primarily made up of corporate and property taxes that are correlated with the Company's underlying business performance and the portfolio's geographic distribution.

Deferred tax expenses are non-cash expenses 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. Deferred taxes are additionally impacted by the revaluation of derivatives and loss carried forward. In the nine-month period ending September 2022, deferred tax expenses totalled €13 million as compared to €64 million in the comparable period of 2021 primarily as a result of the higher revaluation gains booked in the previous period as well as from the impact of the revaluation of derivatives and loss carried forward, offsetting some of the negative other financial result.


Halle

(d) In the nine-month period ending September 2022, GCP recorded a profit of €273 million as compared to the €290 million of profit in the comparable period in 2021. This lower profit is primarily the result of lower revaluation gains in the current period, which offset better other financial result as well as the stronger operating profit driven by acquisitions and like-for-like rental growth of 3.1%.

The Company generated a basic earnings per share of €1.36 and a diluted earnings per share of €1.33 in the nine-month period ending September 2022, as compared to €1.39 and €1.31 for the corresponding period in 2021. Per share basis earnings decreased comparatively less as a result of the accretive share buyback executed in 2021, offset by the impact of the scrip dividends.

(e) The Company generated total comprehensive income of €271 million through the end of September 30, 2022, lower as compared to the same period in 2021. The decrease is mostly attributable to the lower profit for the period and the other comprehensive loss. The other comprehensive loss amounted to negative €1.8 million in the first nine-month period 2022 as compared to an income of €20 million in the first nine-month period of 2021 and is primarily composed of foreign currency translation effects of foreign operations, offset by the hedging activities impact related to the London portfolio and other foreign currency and interest impacts from hedging activities related to debt.

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

For the period of nine months ended 30 September	2022	2021
	€'000	
Operating profit	454,897	545,276
Depreciation and amortisation	7,842	3,614
EBITDA	**462,739**	**548,890**
Property revaluations and capital gains	(234,538)	(325,549)
Share of profit from investments in equity-accounted investees	-	(3,952)
Equity settled share-based payments and other adjustments	1,868	2,635
Adjusted EBITDA (a)	**230,069**	**222,024**
Finance expenses	(34,788)	(34,193)
Current tax expenses	(29,872)	(28,256)
Contribution from / (to) joint ventures and minorities, net	(2,264)	(285)
Adjustment for perpetual notes attribution	(18,512)	(18,804)
FFO I (b)	**144,633**	**140,486**
Weighted average number of ordinary shares (basic) in thousands*	166,769	168,220
FFO I per share (in €) (b)	**0.87**	**0.84**
Result from disposal of properties	8,537	72,251
FFO II (c)	**153,170**	**212,737**

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

(a) The adjusted EBITDA is an industry standard figure displaying the Company's recurring operational profits before interest, tax expenses, depreciation, and amortisation, excluding the effects of property revaluations, capital gains, and other non-operational income statement items such as share of non-recurring profits from investment in equity-accounted investees, equity settled share-based payments and other adjustments. The Company recorded adjusted EBITDA amounting to €230 million in the nine-month period ending September 2022, an increase of 4% as compared to €222 million generated in the same period in 2021. The growth in adjusted EBITDA is primarily due to the full impact of net acquisitions made in 2021 and the partial impact of acquisitions made in 2022 combined with the positive operational performance driven by the strong by like-for-like rental growth of 3.1%. This increase was offset by provisions made in relation to the higher cost of living and service charges for tenants and by inflationary impacts that increased operating costs. GCP made accretive acquisitions in the amount of over €700 million in 2021 and made an additional approx. €250 million in acquisitions in the first nine months of 2022, which was offset by disposals. The Company also disposed mainly non-core properties in the amount of approx. €360 million in 2021 and a comparatively small number of €17 million in the first nine months of 2022, both above book value.

(b) Funds From Operations I (FFO I) is an industry-wide standard measure of the recurring operational cash flow of a real estate company, often utilised as a key bottom line industry performance indicator. FFO I is calculated by deducting from the adjusted EBITDA, finance expenses, current tax expenses, the contribution to minorities, and the share of profit attributable to the Company's perpetual notes investors, while adding to the FFO I the operational contributions from joint ventures. FFO I amounted to €145 million during the nine-month period ending September 2022, increasing by 3% as compared to the €140 million recorded in the comparable period of 2021. This increase was primarily a result of the increase of the adjusted EBITDA described above. The FFO growth was slightly impacted by higher current tax expenses which remain in-line with the Company's underlying business performance.

In the first nine months of 2022, FFO I per share amounted to €0.87 per share, an increase of 4% as compared to the €0.84 recorded in the comparable period in 2021. The better relative performance on a per share basis is due to the full effect of the share buyback executed in 2021 which was offset by the shares issued under the scrip dividends.

(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. The Company reported an FFO II of €153 million in the first nine months of 2022, as compared to €213 million reported for the corresponding period in 2021. The FFO II in the first nine months of 2022 was driven by disposals amounting to €17 million, executed at a profit over total costs (including capex) of 104%, and crystallising gains of €9 million. The lower FFO II in the first nine months of 2022 is as a result of the lower disposal volume as compared to the comparable period in 2021.

ADJUSTED FUNDS FROM OPERATIONS (AFFO)

For the period of nine months ended 30 September	2022	2021
	€'000	
FFO I	**144,633**	**140,486**
Repositioning capex	(51,509)	(51,601)
AFFO	**93,124**	**88,885**

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. In the nine-month period ending September 2022, GCP recorded €93 million in AFFO as compared to €89 million reported for the comparable period in 2021. The increase in AFFO is mostly as a result of the higher FFO I contribution.


Duisburg

CASH FLOW

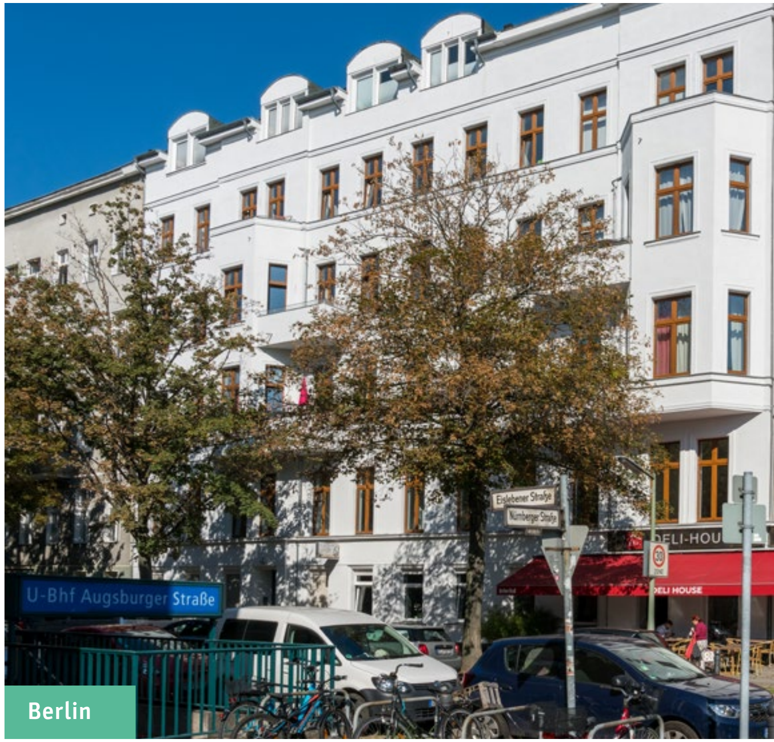
For the period of nine months ended 30 September	2022	2021
	€'000	
Net cash provided by operating activities	160,737	160,567
Net cash used in investing activities	(109,837)	(244,253)
Net cash used in financing activities	(668,377)	(345,213)
Net decrease in cash and cash equivalents	**(617,477)**	**(428,899)**
Other changes*	(1,511)	836
Cash and cash equivalents as on 1 January	895,486	1,412,199
Cash and cash equivalents as on 30 September	**276,498**	**984,136**

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

In the first nine months of 2022, net cash provided by operating activities amounted to €161 million, as compared to €161 million in corresponding period in 2021. The positive result in net cash provided by operating activities was mostly due to the strong operational performance of the Company. The solid operational result was driven by strong top line growth from the full-period net effect of acquisitions completed in 2021 and the strong like-for-like rental growth of 3.1% of the existing portfolio. This increase in operating cash flow was negatively impacted by cost inflation, mostly related to higher energy prices that increased operational costs. As a result of continued elevated energy prices, the timing difference between the actual consumption cost of the heating expenses recovered from tenants and the settlement of the payments by tenants has continued to lead to a higher working capital, offsetting positive developments in operating cash flow.

In the first nine months of 2022, net cash used in investing activities amounted to €110 million as compared to €244 million in the comparable period in 2021. Net cash used in investing activities was mostly spent on acquisitions and capex projects which will positively impact rental growth and cash generation from operating activities in upcoming periods. The net repayment of loans-to-own assets and an immaterial amount of disposals offset the net cash used in investing activities. GCP leveraged its wide deal sourcing network to acquire a loan-to-own project which made up a large proportion of the approx. €250 million acquisition value in the period while only having a limited impact on cashflow.

In the first nine months of 2022, net cash used in financing activities amounted to €668 million, as compared to €345 million in the comparable period of 2021. The increase in cash used in financing activities was mostly due to the repayment of over €615 million in shorter term debt resulting in an optimized debt profile with a clean maturity schedule with no maturities until Q2 2024 and cash and liquid assets covering debt maturities until mid-2025. Net cash used in financing activities also increased as a result slightly higher cash dividends that were paid out in July 2022. The debt repayments and the cash dividend distribution were offset by over €60 million in new bank loan financing that was raised at attractive terms and below public market rates. As of September 2022, the Company's cost of debt remains low at 1.2% with an average debt maturity of 6.2 years.



Berlin

ASSETS

	Sep 2022	Dec 2021
	€'000	
Non-current assets	**10,281,042**	**9,882,834**
Investment property	9,729,508	9,339,489
Current assets	**1,006,611**	**1,679,158**
Cash and liquid assets*	387,454	1,108,004
Total Assets	**11,287,653**	**11,561,992**

* including cash and cash equivalents held-for-sale

As of the end of September 2022, GCP's total assets amounted to €11.3 billion, slightly lower as compared to year-end 2021. This decrease was primarily due to the lower current assets balance, mostly as a result of the lower cash and liquid assets balance. In the nine-month reporting period, cash and liquid assets were used primarily to repay over €615 million in debt. This decrease in current assets was offset in non-current assets through net acquisitions and property revaluation gains throughout the nine-month period.

GCP reported non-current assets of €10.3 billion as of September 2022 as compared to €9.9 billion at the end of December 2021. The increase in the non-current assets balance was primarily a result of positive revaluation gains, acquisitions, and capex, which increased the value of the investment property item to €9.7 billion at the end of September 2022 from €9.3 billion in Dec 2021. The Company sourced approx. €250 million in accretive acquisitions executed in the first half of the year, acquiring approx. 1,000 units in Berlin and London. The increase in non-current assets was offset by movement of properties marked for disposal into assets held for sale, which the Company expects to dispose in the next 12 months, as well as by disposals of investment property which consisted mainly of non-core properties and condominiums in Berlin.

The non-current asset balance also includes tenant deposits which are used as a security for rent payments and had a balance of €44 million; long-term financial investments, which include co-investments in attractive deals and are held with the expectation for long term yield and had a balance of around €50 million; and investments where the Company holds a minority position in real estate portfolios and had a balance of around €30 million.

As at the end of September 2022, the balance of loans-to-own assets was approximately €90 million (including short term), lower as compared to December 2021 as a result of net repayments and a conversion into investment property. Loans-to-own assets are asset-backed interest bearing loans, which under specific circumstances, have the embedded option to acquire the underlying asset at a discount. These assets provide the opportunity for accretive acquisitions and complement and add to the Company's wide deal sourcing network. The 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 September 2022, current assets totalled €1 billion, lower as compared to the €1.7 billion at the end of December 2021. The decrease is the result of a lower cash and liquid assets balance mostly due to repayment of over €615 million of debt, use for acquisitions, and the payment of €56 million for the cash dividend. The decrease in current assets over the reporting period was offset by net cash provided by operating activities, over €60 million in new secured financing, and disposals. GCP retains a strong liquidity position of approx. €390 million in cash and liquid assets which represent 10% of total debt.

Current assets also comprise of trade and other receivables and assets held for sale. Trade and other receivables amounted to €401 million at the end of September 2022. Over €300 million in the trade and other receivables item is comprised of operational receivables such as rent, operating costs, prepaid expenses, and other receivables. The operating cost receivables are composed of services such as heating, cleaning services, insurance, winter services, waste, and sewage and are linked to the prepayments for ancillary services received from tenants in the short-term liabilities. These operating costs receivables are settled once per year against the advances received from tenants. In order to address the potential significant increase in operating cost receivables mainly due to the higher energy costs, GCP has provided tenants with the option to voluntarily increase ancillary prepayments to avoid a large payment at the settlement date. As of September 2022, assets held for sale amounted to €211 million and represent properties intended for disposal within the next 12 months. In the nine-month period of 2022, approximately €100 million in properties, mostly non-core properties, were marked as assets for sale.

LIABILITIES

	Sep 2022	Dec 2021
	€'000	
Loans and borrowings [1]	251,938	358,249
Straight & convertible Bonds	3,630,234	4,091,880
Deferred tax liabilities[2]	823,006	766,142
Other long-term liabilities and derivative financial instruments[3]	213,051	261,221
Current liabilities[4]	339,538	281,914
Total Liabilities	**5,257,767**	**5,759,406**

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

Dresden

As of the end of September 2022, total liabilities amounted to €5.3 billion, a decrease of 9% as compared to the €5.8 billion as of December 2021. The decrease in total liabilities was primarily driven by debt repayments and amortization, offset by higher deferred tax liabilities and over €60 million in new secured debt financing. Total liabilities also include other long-term liabilities and derivative financial instruments.

Throughout the first nine months 2022, GCP has worked to continue maintaining its conservative debt profile. The company has taken proactive measures by repaying over €615 million in debt which included redeeming the €450 million Series F convertible bonds and repaying €165 million in near-term maturity bank loans. The company also leveraged its high ratio of unencumbered assets of 90%, representing a total value of €9 billion, to secure over €60 million in new secured financing at attractive rates comfortably below current public debt market rates. GCP's cost of debt remains low at 1.2% with an average debt maturity of 6.2 years. The slight uptick in the average cost of debt is primarily the result of the repayment of the €450 million Series F convertible bonds which carried a low coupon of 0.25% and increasing interest rates having a minor impact on variable debt financing costs. GCP's debt profile remains stable with 95% of debt being fixed or interest hedged. The Company remains well positioned with no maturities until Q2 2024 and sufficient liquidity to cover maturities until mid-2025.

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. As of September 2022, deferred tax liabilities amounted to €823 million, comprising of 16% of total liabilities and increased in line with the revaluation gains achieved on the Company's investment property portfolio.

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
		Sep 2022			Dec 2021	
Equity attributable to the owners of the Company	**4,130,497**	**4,130,497**	**4,130,497**	**3,960,034**	**3,960,034**	**3,960,034**
Deferred tax liabilities	813,310[1]	698,102[2]	-	754,069[1]	636,405[2]	-
Fair value measurements of derivative financial instruments[3]	(40,963)	(40,963)	-	(3,078)	(3,078)	-
Intangible assets and goodwill	-	(12,159)	-	-	(14,717)	-
Real estate transfer tax	545,150[1]	467,361[2]	-	517,857[1]	441,546[2]	-
Net fair value of debt	-	-	443,380	-	-	(106,771)
NAV	**5,447,994**	**5,242,838**	**4,573,877**	**5,228,882**	**5,020,190**	**3,853,263**
Basic number of shares including in-the-money dilution effects (in thousands)		172,579			165,133	
NAV per share (in €)	**31.6**	**30.4**	**26.5**	**31.7**	**30.4**	**23.3**

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

EPRA NRV

GCP reported an EPRA NRV of €5.4 billion, increasing by 4%, as compared to €5.2 billion. The increase was mostly as a result of the portfolio's operational profitability as well as the revaluation gains which increased the equity attributable to the owners of the Company. Higher deferred tax liabilities and real estate transfer tax values which increased in line with the higher values of the portfolio also helped increase the EPRA NRV. These gains were offset by the negative impact of derivative financial instruments and the payment of the cash dividend. The Company reported an EPRA NRV per share of €31.6 per share as of September 2022 as compared to €31.7 as of year-end 2021. As most dividends were paid out as scrip dividends, the dilutive impact of the additional shares resulted in a slightly lower EPRA NRV on a per share basis. 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.

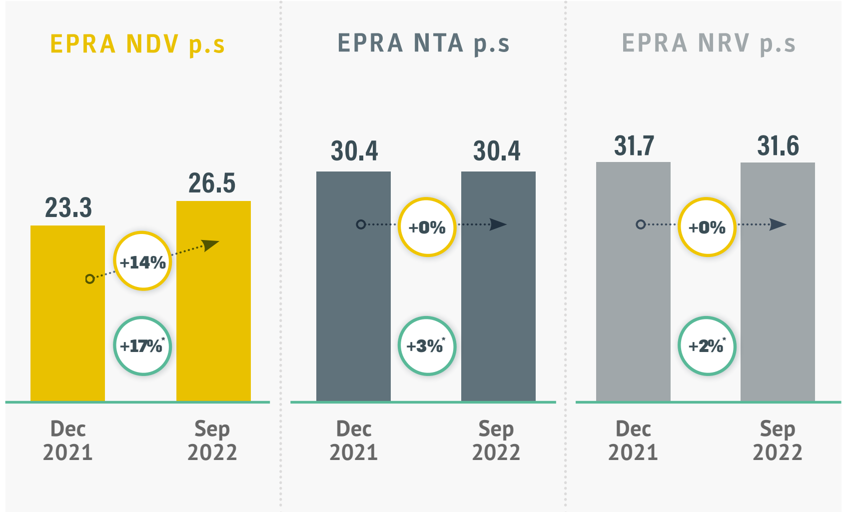
EPRA NTA

The Company reported an EPRA NTA of €5.2 billion and €30.4 per share as of the end of September 2022, increasing by 4% and 0% respectively, as compared to €5 billion and €30.4 per share at year-end 2021. This increase was driven by operational and revaluation gains which increased equity as well as the increase in deferred tax liabilities and the real estate transfer tax offset that increased in line with revaluation gains and offset by the impact of derivative financial instruments and the payment of the cash dividend. As most dividends was paid out as scrip dividends, the dilutive impact of the additional shares resulted in a flat growth of the EPRA NTA on a per share basis. 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 and real estate transfer taxes on the Portfolio to be held long term.

EPRA NDV

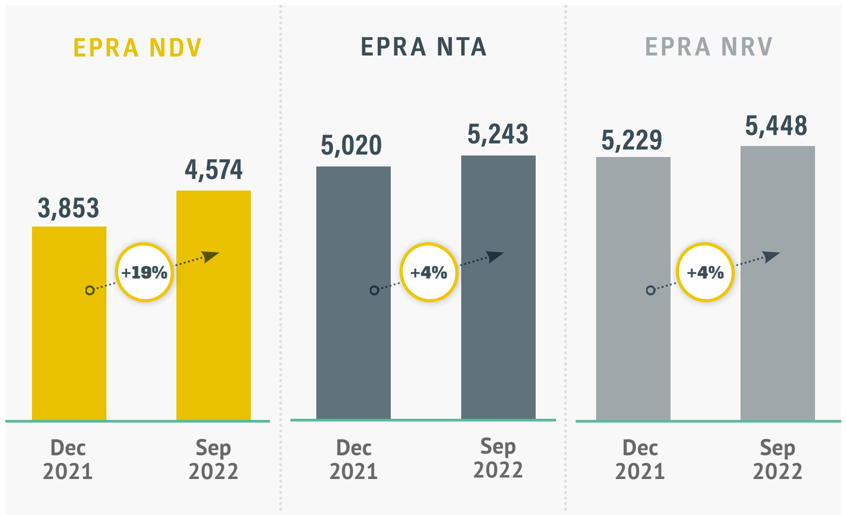
As of the end of September 2022, GCP reported an EPRA NDV of €4.6 billion and €26.5 on a per share basis, increasing by 19% and 14% respectively, compared to €3.9 billion and €23.3 per share at the end of December 2021. This increase in EPRA NDV is primarily the result of a lower net fair value of debt induced by significantly higher interest rates and higher equity at the end of the period as compared to 2021 year-end. EPRA NDV reflects 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. As most dividends was paid out as scrip dividends, the dilutive impact of the additional shares offset some of the growth on a per share basis. 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 €)



* Dividend adjusted

EPRA NAV METRICS DEVELOPMENT (IN € MILLIONS)



DEBT FINANCING KPIS

LOAN-TO-VALUE

	Sep 2022	Dec 2021
	€'000	
Investment property [1]	9,692,540	9,305,042
Investment properties of assets held-for-sale [1]	194,284	99,329
Total value	**9,886,824**	**9,404,371**
Total debt	3,882,172	4,450,129
Cash and liquid assets [2]	387,454	1,108,004
Net debt	**3,494,718**	**3,342,125**
LTV	**35%**	**36%**

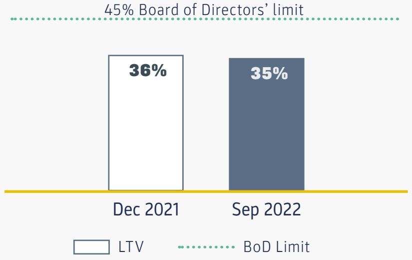
1 including advanced payments and deposits and excluding right-of-use assets
2 including cash and cash equivalents held-for-sale

The Company continues to maintain a conservative financial profile as exemplified by its solid debt financing KPIs. GCP maintains a low LTV, a strong proportion of unencumbered assets, and robust coverage ratios.

GCP had an LTV ratio of 35% at the end of September 2022, lower as compared to 36% at the end of December 2021. The Company's LTV position remains well below bond covenant limits and the more stringent board-mandated limit of 45%. As of the end of September 2022, GCP had a strong ICR of 6.6x and a DSCR of 6.2x compared to 6.5x and 6.0x respectively for the comparable period in 2021. These metrics exemplify the Company's' strong operational profitability and ability of the business to service its debts. The management's hands-on approach in optimizing the debt profile has resulted in no maturities until mid-2024 and cash and liquid assets of approx. €390 million as of September 2022 covering debt maturities until mid-2025. GCP also maintains financial flexibility through its high ratio of unencumbered assets in its portfolio of 90% of value, reflecting €9 billion in value which provides the Company with the option of taking advantage of lower secured financing rates as compared to public debt market rates. Financial flexibility is further supported by €300 million in undrawn credit facilities. GCP's high proportion of 95% interest rate hedged debt, all of which are fixed and swapped, provides a strong hedge against current financial market volatility and higher interest rates.

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

LOW LEVERAGE WITH ROBUST PROFITABILITY



UNENCUMBERED ASSETS

	Sep 2022	Dec 2021
	€'000	
Unencumbered Assets	8,983,483	8,352,924
Total Investment Properties *	9,927,060	9,442,026
Unencumbered Assets Ratio	**90%**	**88%**

* including investment property held-for-sale

INTEREST COVERAGE RATIO (ICR)

For the period of nine months ended 30 September	2022	2021
	€'000	
Adjusted EBITDA	230,069	222,024
Finance Expenses	34,788	34,193
Interest Coverage Ratio	**6.6x**	**6.5x**

DEBT SERVICE COVERAGE RATIO (DSCR)

For the period of nine months ended 30 September	2022	2021
	€'000	
Adjusted EBITDA	230,069	222,024
Finance Expenses	34,788	34,193
Amortisation of loans from financial institutions	2,374	2,774
Debt Service Coverage Ratio	**6.2x**	**6.0x**

ALTERNATIVE PERFORMANCE MEASURES

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

RECONCILIATION OF ADJUSTED EBITDA

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

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

RECONCILIATION OF FUNDS FROM OPERATIONS I (FFO I)

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

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

RECONCILIATION OF FUNDS FROM OPERATIONS II (FFO II)

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

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

RECONCILIATION OF ADJUSTED FUNDS FROM OPERATIONS (AFFO)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RECONCILIATION OF LOAN-TO-VALUE (LTV)

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

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

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

RECONCILIATION OF UNENCUMBERED ASSETS RATIO

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

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

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

RECONCILIATION OF ICR AND DSCR

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

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

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

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

The Net debt-to-EBITDA is another acknowledged measurement of the leverage position of a given firm in the real estate industry. This ratio highlights the ratio of financial liabilities to the Company's recurring operational profits and thereby indicates how much of the Company's recurring operational profits are available to debt holders. Therefore, GCP calculates the *Net debt-to-EBITDA* ratio by dividing the total *Net debt* as at the balance sheet date by the *adjusted EBITDA (annualised)* for the period. The *adjusted EBITDA (annualised)* is computed by adjusting the *adjusted EBITDA* (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 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

London

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, 16 November 2022

Christian Windfuhr
Chairman and member
of the Board of Directors

Simone Runge-Brandner
Member of the
Board of Directors

Daniel Malkin
Member of the
Board of Directors

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the period of nine months ended 30 September		For the period of three months ended 30 September	
		2022	2021	2022	2021
		Unaudited			
	Notes	€'000			
Revenue	5	**424,423**	**389,522**	**152,331**	**130,074**
Property revaluations and capital gains		234,538	325,549	126	145,887
Share of profit from investments in equity-accounted investees		-	3,952	-	892
Property operating expenses		(187,771)	(162,067)	(72,341)	(53,709)
Administrative and other expenses		(8,451)	(8,066)	(2,795)	(2,658)
Depreciation and amortisation		(7,842)	(3,614)	(2,694)	(1,008)
Operating profit		**454,897**	**545,276**	**74,627**	**219,478**
Finance expenses		(34,788)	(34,193)	(11,782)	(11,491)
Other financial results		(104,394)	(128,618)	(39,651)	(39,353)
Profit before tax		**315,715**	**382,465**	**23,194**	**168,634**
Current tax expenses		(29,872)	(28,256)	(11,342)	(10,627)
Deferred tax expenses		(13,063)	(63,919)	27,036	(24,801)
Profit for the period		**272,780**	**290,290**	**38,888**	**133,206**
Profit attributable to:					
Owners of the Company		226,724	233,543	26,863	112,817
Perpetual notes investors		18,512	18,804	6,238	6,239
Non-controlling interests		27,544	37,943	5,787	14,150
		272,780	**290,290**	**38,888**	**133,206**
Net earnings per share attributable to the owners of the Company (in euro):					
Basic earnings per share		1.36	1.39	0.16	0.67
Diluted earnings per share		1.33	1.31	0.16	0.63

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the period of nine months ended 30 September		For the period of three months ended 30 September	
		2022	2021	2022	2021
		Unaudited			
	Notes	€'000			
Profit for the period		**272,780**	**290,290**	**38,888**	**133,206**
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent periods, net of tax:					
Foreign currency translation, net of investment hedges of foreign operations		(33,560)	(1,182)	(26,092)	669
Net change in cost of hedging		31,792	21,114	17,926	4,796
Total other comprehensive income (loss) for the period, net of tax		**(1,768)**	**19,932**	**(8,166)**	**5,465**
Total comprehensive income		**271,012**	**310,222**	**30,722**	**138,671**
Total comprehensive income attributable to:					
Owners of the Company		224,956	253,475	18,697	118,282
Perpetual notes investors		18,512	18,804	6,238	6,239
Non-controlling interests		27,544	37,943	5,787	14,150
		271,012	**310,222**	**30,722**	**138,671**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 September 2022	As at 31 December 2021
		Unaudited	Audited
		€'000	
ASSETS			
Investment property	6	9,729,508	9,339,489
Property and equipment		53,690	55,626
Intangible assets and goodwill		12,159	14,717
Advance payment and deposits		22,147	24,255
Derivative financial assets		92,218	37,504
Other non-current assets		307,943	359,831
Deferred tax assets		63,377	51,412
Non-current assets		**10,281,042**	**9,882,834**
Cash and cash equivalents		276,498	895,486
Financial assets at fair value through profit or loss		109,958	211,913
Trade and other receivables		400,815	452,048
Derivative financial assets		8,484	6,129
Assets held-for-sale		210,856	113,582
Current assets		**1,006,611**	**1,679,158**
Total assets		**11,287,653**	**11,561,992**
EQUITY			
Share capital		17,619	17,619
Treasury shares		(83,872)	(248,009)
Share premium and other reserves		270,796	408,371
Retained earnings		3,925,954	3,782,053
Total equity attributable to the owners of the Company		**4,130,497**	**3,960,034**
Equity attributable to perpetual notes investors		1,230,255	1,227,743
Total equity attributable to the owners and perpetual notes investors		**5,360,752**	**5,187,777**
Non-controlling interests		669,134	614,809
Total equity		**6,029,886**	**5,802,586**

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 September 2022	As at 31 December 2021
		Unaudited	Audited
		€'000	
LIABILITIES			
Loans and borrowings		247,444	353,073
Straight bonds		3,630,234	3,642,285
Derivative financial liabilities		36,992	76,200
Other non-current liabilities		155,629	154,330
Deferred tax liabilities		814,627	760,472
Non-current liabilities		**4,884,926**	**4,986,360**
Current portion of long-term loans		4,494	5,176
Bond redemption		-	449,595
Trade and other payables		267,110	215,757
Derivative financial liabilities		20,430	30,691
Tax payable		24,419	18,541
Provisions for other liabilities and charges		39,371	39,778
Liabilities held-for-sale		17,017	13,508
Current liabilities		**372,841**	**773,046**
Total liabilities		**5,257,767**	**5,759,406**
Total equity and liabilities		**11,287,653**	**11,561,992**

The Board of Directors of Grand City Properties S.A. authorised these condensed interim consolidated financial statements to be issued on 16 November 2022.

Christian Windfuhr
Chairman and member of the Board of Directors

Simone Runge-Brandner
Member of the Board of Directors

Daniel Malkin
Member of the Board of Directors

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period of nine months ended 30 September 2022 €'000	Share capital	Treasury shares	Share premium	Equity component of convertible bond	Cost of hedging reserve	Foreign exchange translation reserves, net	Other reserves	Retained Earnings	Total equity attributable to owners of the Company	Equity attributable to perpetual notes investors	Equity attributable to owners of the Company and Perpetual notes investors	Non-controlling interests	Total equity
	Equity attributable to the owners of the Company												
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	-	-	-	-	-	-	-	226,724	226,724	18,512	245,236	27,544	272,780
Other comprehensive income (loss) for the period	-	-	-	-	31,792	(33,560)	-	-	(1,768)	-	(1,768)	-	(1,768)
Total Comprehensive Income (loss) for the period	**-**	**-**	**-**	**-**	**31,792**	**(33,560)**	**-**	**226,724**	**224,956**	**18,512**	**243,468**	**27,544**	**271,012**
Share-based payment	-	74	-	-	-	-	1,773	-	1,847	-	1,847	-	1,847
Dividend distribution(*)	-	-	(137,580)	-	-	-	-	-	(137,580)	-	(137,580)	-	(137,580)
Scrip dividend(*)	-	164,063	-	-	-	-	-	(82,823)	81,240	-	81,240	-	81,240
Initial consolidation, deconsolidation and transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	26,781	26,781
Payment to perpetual notes investors bond	-	-	-	-	-	-	-	-	-	(16,000)	(16,000)	-	(16,000)
Repayment of convertible bond(**)	-	-	16,157	(16,157)	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2022 (unaudited)	**17,619**	**(83,872)**	**322,356**	**-**	**42,895**	**(73,218)**	**(21,237)**	**3,925,954**	**4,130,497**	**1,230,255**	**5,360,752**	**669,134**	**6,029,886**

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

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period of nine months ended 30 September 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 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 December 31, 2020 (audited)	**17,186**	**-**	**497,187**	**12,657**	**(25,256)**	**(32,943)**	**(12,405)**	**3,257,423**	**3,713,849**	**1,306,092**	**5,019,941**	**534,987**	**5,554,928**
Profit for the period	-	-	-	-	-	-	-	233,543	233,543	18,804	252,347	37,943	290,290
Other comprehensive income (loss) for the period	-	-	-	-	21,114	(1,182)	-	-	19,932	-	19,932	-	19,932
Total Comprehensive income (loss) for the period	**-**	**-**	**-**	**-**	**21,114**	**(1,182)**	**-**	**233,543**	**253,475**	**18,804**	**272,279**	**37,943**	**310,222**
Share-based payment	-	397	-	-	-	-	389	(365)	421	-	421	-	421
Dividend distribution	-	-	(136,433)	-	-	-	-	-	(136,433)	-	(136,433)	-	(136,433)
Scrip dividend	433	-	82,280	-	-	-	-	-	82,713	-	82,713	-	82,713
Share buy-back	-	(215,020)	-	-	-	-	-	-	(215,020)	-	(215,020)	-	(215,020)
Capital increase	-	23,375	745	-	-	-	(7,017)	-	17,103	-	17,103	-	17,103
Initial consolidation, deconsolidation and transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	18,079	18,079
Payment to perpetual notes investors	-	-	-	-	-	-	-	-	-	(10,735)	(10,735)	-	(10,735)
Repayment to perpetual notes investors	-	-	-	-	-	-	(4,502)	-	(4,502)	(83,906)	(88,408)	-	(88,408)
Issuance of convertible bond	-	-	-	3,500	-	-	-	-	3,500	-	3,500	-	3,500
Balance as at 30 September 2021 (unaudited)	**17,619**	**(191,248)**	**443,779**	**16,157**	**(4,142)**	**(34,125)**	**(23,535)**	**3,490,601**	**3,715,106**	**1,230,255**	**4,945,361**	**591,009**	**5,536,370**

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	For the period of nine months ended 30 September	
	2022	2021
	Unaudited	
	€'000	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the period	**272,780**	**290,290**
ADJUSTMENTS FOR THE PROFIT:		
Depreciation and amortisation	7,842	3,614
Property revaluations and capital gains	(234,538)	(325,549)
Share of profit from investments in equity-accounted investees	-	(3,952)
Net finance expenses	139,182	162,811
Tax and deferred tax expenses	42,935	92,175
Equity settled share-based payment	1,868	2,635
Change in working capital	(51,313)	(32,928)
	178,756	**189,096**
Tax paid	(18,019)	(28,529)
Net cash provided by operating activities	**160,737**	**160,567**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of equipment and intangible assets, net	(3,350)	(4,922)
Acquisitions of investment property, Capex and advances paid, net	(223,653)	(415,896)
Disposals of investment property, net	16,698	6,381
Acquisition of investees and loans, net of cash acquired	(3,667)	(10,448)
Disposal of investees, net of cash disposed	-	309,725
Investment in (disposal of) financial and other assets, net	104,135	(129,093)
Net cash used in investing activities	**(109,837)**	**(244,253)**

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	For the period of nine months ended 30 September	
	2022	2021
	Unaudited	
	€'000	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Amortisation of loans from financial institutions	(2,374)	(2,774)
Proceeds (repayment) of loans from financial institutions, net	(105,416)	(280,015)
Proceeds from straight and convertible bonds, net	-	1,149,078
Repayment and buy-back of straight and convertible bonds	(450,000)	(814,373)
Payments to perpetual notes investors, net	(16,000)	(99,145)
Capital increase	-	17,103
Share buy-back	-	(215,020)
Dividend distributed to the shareholders	(56,340)	(53,720)
Interest and other financial expenses, net	(38,247)	(46,347)
Net cash used in financing activities	**(668,377)**	**(345,213)**
Net decrease in cash and cash equivalents	**(617,477)**	**(428,899)**
Change in cash and cash equivalents held-for-sale	(393)	(469)
Cash and cash equivalents at the beginning of the period	895,486	1,412,199
Effect of foreign exchange rate changes	(1,118)	1,305
Cash and cash equivalents at the end of the period	**276,498**	**984,136**

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

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Grand City Properties S.A. ("the Company") was incorporated in Grand Duchy of Luxembourg on December 16, 2011 as a Société Anonyme (public limited liability company). Its registered office is at 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 nine months ended 30 September 2022 ("the reporting period") consist of the financial statements of the Company and its investees ("the Group").

2. SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

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

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

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

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

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

- Inflation and interest rates

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

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

3. BASIS OF PREPARATION

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

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

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

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

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

4. CHANGES IN ACCOUNTING POLICIES

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

» **Amendments to IFRS 3 Business Combinations**

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

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

» **Amendments to IAS 16 Property, Plant and Equipment**

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

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

» **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets**

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

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

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

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

- **IFRS 1 First-time Adoption of International Financial Reporting Standards**

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

- **IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

  The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

  These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

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

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

» **Amendments to IAS 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 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

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

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

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

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

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

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

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

5. REVENUE

	For the period of nine months ended 30 September	
	2022	2021
	€'000	
Net rental income	294,799	276,162
Operating and other income	129,624	113,360
	424,423	**389,522**

6. INVESTMENT PROPERTY

	For the period of nine months ended 30 September 2022	For the year ended 31 December 2021
	Level 3(*)	Level 3(*)
	Unaudited	Audited
	€'000	
As at 1 January	**9,339,489**	**8,005,893**
Plus: investment property classified as held-for-sale	102,537	150,207
Total investment property	**9,442,026**	**8,156,100**
Acquisitions of investment property	271,053	757,738
Capital expenditure on investment property	95,103	105,424
Disposals of investment property	(14,687)	(294,222)
Fair value adjustment	232,482	631,152
Effect of foreign currency exchange differences	(98,917)	112,348
Transfers (from)/to investment property, net	-	(26,514)
Total investment property	**9,927,060**	**9,442,026**
Less: investment property classified as held-for-sale	(197,552)	(102,537)
As at 30 September / 31 December	**9,729,508**	**9,339,489**

(*) classified in accordance with the fair value hierarchy (see note 8.1). Since one or more of the significant inputs is not based on observable market data, the fair value measurement is included in level 3.

7. DIVIDEND

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

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

The Company has also provided shareholders with the option to receive their dividend through a scrip dividend. Shareholders of the company could elect to receive up to 85% of their dividend in the form of shares of the Company, with the reminder paid in cash.

On 15 July 2022, the Company announced that the shareholders of approximately 115 million shares opted to receive their dividend in the form of new ordinary shares of the Company. Accordingly, 7,360,307 treasury shares (2021: 4,323,849 new shares) have been delivered to shareholders in connection with the scrip dividend and the reminder of the dividend in total amount of approximately euro 56.3 million (2021: 53.7 million) has been paid in cash.

8. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

8.1 FAIR VALUE HIERARCHY

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

	As at 30 September 2022					As at 31 December 2021				
			Fair value measurement using					Fair value measurement using		
	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	€'000									
FINANCIAL ASSETS										
Financial assets at fair value through profit or loss(*)	182,274	182,274	82,642	73,215	26,417	410,570	410,570	175,638	77,163	157,769
Derivative financial assets	100,702	100,702	-	100,702	-	43,633	43,633	-	43,633	-
Total financial assets	**282,976**	**282,976**	**82,642**	**173,917**	**26,417**	**454,203**	**454,203**	**175,638**	**120,796**	**157,769**
FINANCIAL LIABILITIES										
Derivative financial liabilities	57,422	57,422	-	57,422	-	106,891	106,891	-	106,891	-
Total financial liabilities	**57,422**	**57,422**	**-**	**57,422**	**-**	**106,891**	**106,891**	**-**	**106,891**	**-**

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

FAIR VALUE HIERARCHY

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

	As at 30 September 2022					As at 31 December 2021				
			Fair value measurement using					Fair value measurement using		
	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	€'000									
FINANCIAL LIABILITIES										
Straight bonds	3,630,234	3,077,901	2,913,804	164,097	-	3,642,285	3,779,314	3,599,216	180,098	-
Convertible bond (*)	-	-	-	-	-	449,595	451,283	451,283	-	-
Total financial liabilities	**3,630,234**	**3,077,901**	**2,913,804**	**164,097**	**-**	**4,091,880**	**4,230,597**	**4,050,499**	**180,098**	**-**

(*) including bond redemption.

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

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

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

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

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

8.2 VALUATION TECHNIQUES USED TO DETERMINE FAIR VALUES

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

» The fair values of the quoted bonds are based on price quotations at the reporting date. The fair value of unquoted bonds is measured using the discounted cash flows method with observable inputs.

» There's an active market for the Group's listed equity investments and quoted debt instruments.

» For the fair value measurement of investments in unlisted funds, the net asset value is used as a valuation input and an adjustment is applied for lack of marketability and restrictions on redemptions as necessary. This adjustment is based on management judgment after considering the period of restrictions and the nature of the underlying investments.

» The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate and foreign exchange swap and forward, collar and cap contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation technique includes forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves.

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

9. RELATED-PARTY TRANSACTIONS

During the reporting period, the Group sold financial assets to Aroundtown SA's subsidiary for a total consideration of euro 6.8 million, reflecting the market price based on quoted price as at the transaction date.

10. COMMITMENTS

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

11. CONTINGENT ASSETS AND LIABILITIES

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

12. EVENTS AFTER THE REPORTING PERIOD

There were no significant event after the reporting period.

13. 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 16 November 2022.

GCP

Berlin