

CORPORATE NEWS

THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF APPLICABLE LAWS OR REGULATIONS

GRAND CITY PROPERTIES ANNOUNCES FY 2019 RESULTS WITH INCREASED OPERATIONAL PROFITABILITY AND IMPROVED ASSET QUALITY

- Net rental income for 2019 higher by 5% to €383 million.
- Adjusted EBITDA for FY 2019 increased 8% YOY, to €298 million.
- FFO I for 2019 up by 7% to €212 million as compared to €198 million in 2018.
- FFO I per share increased by 7% to €1.27 from €1.19 in 2018, reflecting an FFO I yield of 7.3%. FFO I per share after perpetual notes attribution grew by 6% YOY to €1.07.
- Dividend of €0.8238 per share (subject to AGM approval), 7% higher as compared to 2018, yielding 4.7%
- Profit for the year in 2019 was €493 million, with basic EPS at €2.43 and diluted EPS at €2.30.
- Capital recycling measures including acquisitions of approx. €650 million and disposals amounting to €500 million, reinforcing the solid asset quality of the portfolio and generating an FFO II of €381 million in FY 2019, an increase of 14% compared to last year.
- EPRA NAV as of December 2019 amounted to €4.1 billion, up by 10% and €24.5 per share, 9% higher as compared to year-end of 2018.
- EPRA NAV including perpetual notes amounted €5.2 billion and €30.6 on a per share basis.
- Total Equity amounted to €5.0 billion, growing by 6% as compared to year-end 2018 (equity ratio at 50%).
- Proactive debt optimization measures were successful with cost of debt lowered to 1.3% as of December 2019 from 1.6% as of December 2018, strong ICR of 6.6x, long average debt maturity at 8 years, LTV at 33% as of December 2019 with substantial unencumbered asset ratio of 79% amounting to €6.5 billion.
- Strong like-for-like rental growth of 3.6%; 2.9% from in-place rent increases and 0.7% from occupancy increases.
- Guidance for 2019 comfortably met. Guidance for 2020 published reflecting further growth

Luxembourg, March 16, 2020 – Grand City Properties S.A. ("GCP" or the "Company") is presenting the results for the financial year ending 31 December 2019 which exhibited increasing efficiencies and coupled with solid top-line development demonstrated by the like-for-like rental growth of 3.6% has led to strong operational profitability growth year-over-year. Accordingly, the adjusted EBITDA and FFO I, increased by 8% and 7%, respectively as compared to FY 2018.

The Company further strengthened its portfolio by continuing its strategic capital recycling program during the year 2019 with disposals amounting to approx. €500 million in the year. These were mostly concentrated in the regions of NRW, Berlin, Halle and Kaiserslautern. The disposals generated a profit margin of 52% over total costs including capex and were sold at 7% over their book values. In parallel, GCP acquired assets worth approx. €650 million in 2019, primarily located in London, Berlin and Munich at an average multiple of 21x. The enhanced asset quality was further displayed in the increased value per sqm of €1,543, which is higher by 23% in comparison to December 2018.

The Company's policy of maintaining a proactive stance with regards to its conservative financing structure has been particularly beneficial in 2019, as the average cost of debt decreased from 1.6% to 1.3% as of the end of December 2019 and the long average debt maturity period stands at 8 years. For the year 2019, the business generated operational profits sufficient to cover its financial costs (ICR) 6.6 times over, highlighting the solid and stable financing structure of the Company.

Christian Windfuhr, CEO of Grand City Properties: "The year 2019 witnessed accretive capital recycling, strong operating efficiency gains and a steadily increasing top-line, coming together to drive profitability and growth. Moving into 2020, we continue our focus on value creation internally by capturing the inherent value in our portfolio as well as externally, through net accretive acquisitions meeting our acquisition criteria. I am thankful for the vital contributions of every member of the organization and together as a team, we are well placed to take on 2020."

Financial statements for FY 2019 are available on the Company's website:

<https://www.grandcityproperties.com/investor-relations/publications/financial-reports/>

For definitions of the alternative performance measures please see the relevant section in the pages 66 – 70 of the financial statements for FY 2019, which you can find on the website under investor relations > publications > financial reports or follow this link:

https://www.grandcityproperties.com/fileadmin/user_upload/03_investor_relations/Downloads/2019/GCP_FY_2019.pdf

About the Company

The Company is a specialist in residential real estate, value-add opportunities in densely populated areas primarily in Germany. The Company's strategy is to improve its properties by repositioning and intensive tenant management, and then create value by subsequently raising occupancy and rental levels. Further information: www.grandcityproperties.com

Grand City Properties S.A. (ISIN: LU0775917882) is a public limited liability company (société anonyme) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 1, Avenue du Bois, L-1251 Luxembourg, Grand Duchy of Luxembourg and being registered with the Luxembourg trade and companies register (Registre de Commerce et des Sociétés Luxembourg) under number B 165 560. The shares of the Company are listed on the Prime Standard segment of Frankfurt Stock Exchange.

CORPORATE NEWS

Contact:

Grand City Properties S.A.
1, Avenue du Bois
L-1251 Luxemburg
T: +352 28 77 87 86
E: info@grandcity.lu
www.grandcityproperties.com

Press Contact:

Katrin Petersen
Grand City Properties S.A.
T: +49 (30) 374-381 5218
E: katrin.petersen@grandcity.lu

DISCLAIMER

THIS ANNOUNCEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES.

THE SECURITIES MENTIONED IN THIS ANNOUNCEMENT HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT. THERE WILL BE NO PUBLIC OFFERING OF THE SECURITIES IN THE UNITED STATES.

THIS ANNOUNCEMENT IS DIRECTED AT AND IS ONLY BEING DISTRIBUTED IN THE UNITED KINGDOM TO (I) PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE **ORDER**), (II) HIGH NET WORTH ENTITIES, AND OTHER PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED FALLING WITHIN ARTICLE 49 OF THE ORDER, AND (III) PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS **RELEVANT PERSONS**). THIS COMMUNICATION MUST NOT BE READ, ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (**EEA**), THIS ANNOUNCEMENT AND ANY OFFER IF MADE SUBSEQUENTLY IS DIRECTED ONLY AT PERSONS WHO ARE "QUALIFIED INVESTORS" WITHIN THE MEANING OF ARTICLE 2(1)(E) OF DIRECTIVE 2003/71/EC, AS AMENDED (THE **PROSPECTUS DIRECTIVE**) (**QUALIFIED INVESTORS**). ANY PERSON IN THE EEA WHO ACQUIRES THE SECURITIES IN ANY OFFER (AN **INVESTOR**) OR TO WHOM ANY OFFER OF THE SECURITIES IS MADE WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT IS A QUALIFIED INVESTOR. ANY INVESTOR WILL ALSO BE DEEMED TO HAVE REPRESENTED AND AGREED THAT ANY SECURITIES ACQUIRED BY IT IN THE OFFER HAVE NOT BEEN ACQUIRED ON BEHALF OF PERSONS IN THE EEA OTHER THAN QUALIFIED INVESTORS, NOR HAVE THE SECURITIES BEEN ACQUIRED WITH A VIEW TO THEIR OFFER OR RESALE IN THE EEA TO PERSONS WHERE

CORPORATE NEWS

THIS WOULD RESULT IN A REQUIREMENT FOR PUBLICATION BY THE COMPANY OR ANY OF THE MANAGERS OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE.

THIS ANNOUNCEMENT MAY CONTAIN PROJECTIONS OR ESTIMATES RELATING TO PLANS AND OBJECTIVES RELATING TO OUR FUTURE OPERATIONS, PRODUCTS, OR SERVICES, FUTURE FINANCIAL RESULTS, OR ASSUMPTIONS UNDERLYING OR RELATING TO ANY SUCH STATEMENTS, EACH OF WHICH CONSTITUTES A FORWARD-LOOKING STATEMENT SUBJECT TO RISKS AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE COMPANY. ACTUAL RESULTS COULD DIFFER MATERIALLY, DEPENDING ON A NUMBER OF FACTORS.