
Cologne


Mannheim


Duisburg

GRAND CITY
Properties S.A.

PRESENTATION OF THE FINANCIAL RESULTS FOR Q1 2018

MAY 2018


Essen


Berlin


Bremen


Hannover

Table of Contents

GRAND CITY Properties S.A.

1 HIGHLIGHTS

GRAND CITY Properties S.A.

Strong top and bottom line results	Rental and operating income €132 million (+12%)	Net rent €90 million (+14%)	Profit €132 million (+43%)	EPS (Basic) €0.71 (+39%)
Increasing operational results	FFO I €49 million (+18%)	FFO I per share €0.30 (FFO I yield: 5.9%)* (+11%)	FFO I per share after perpetual notes attribution €0.26 (+13%)	65% of FFO I dividend yield 3.8%*
Healthy balance sheet	Total Assets €8.3 billion	LTV 37%	EPRA NAV €3.5 billion, per share €21	EPRA NAV incl. perpetual €4.1 billion, per share €25

*Based on a share price of €20.5

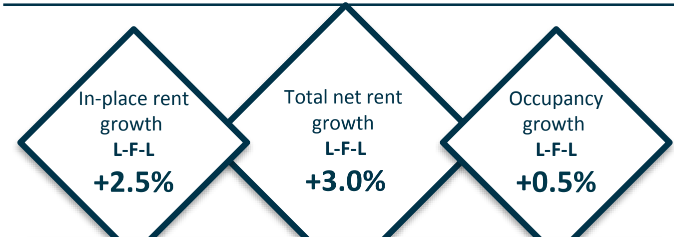
Confirming guidance for 2018

2 PROFIT & LOSS

GRAND CITY Properties S.A.

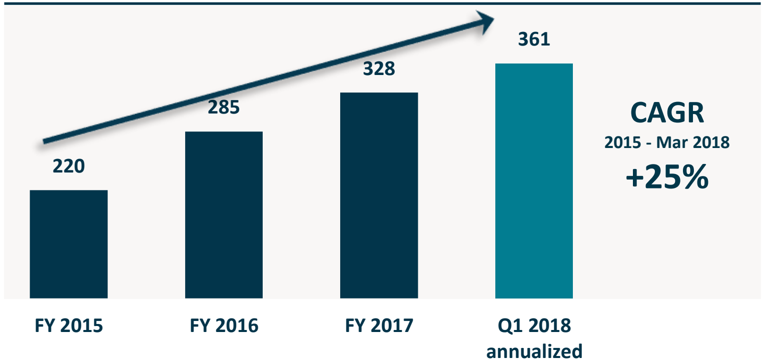
Selected Income Statement Data	1-3/2018	1-3/2017
	€ '000	
Revenue	132,688	118,697
Rental and operating income	**132,438**	**117,957**
Net rent	**90,155**	**78,872**
Capital gains, property revaluations and other income	117,809	54,734
Property operating expenses	(62,466)	(56,199)
Administrative & other expenses	(3,044)	(2,921)
Share of profit from investment in equity-accounted investees	(77)	2,714
EBITDA	**185,253**	**116,999**
Adjusted EBITDA	**67,758**	**59,530**
Finance expenses	(11,412)	(9,610)
Other financial results	(8,635)	1,203
Current tax expenses	(6,468)	(7,466)
Deferred tax expenses	(26,489)	(8,428)
Profit for the period	**131,712**	**92,233**
Earnings per share (basic) in €	**0.71**	**0.51**
Earnings per share (diluted) in €	**0.65**	**0.46**

MARCH 2018 L-F-L NET RENTAL INCOME DEVELOPMENT

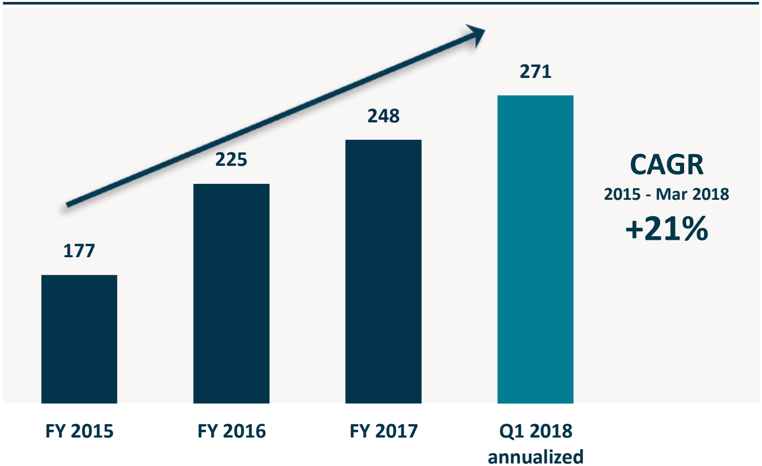


Capturing the strong rent reversionary potential of the portfolio

NET RENTAL INCOME (IN € MILLIONS)



ADJUSTED EBITDA (IN € MILLIONS)



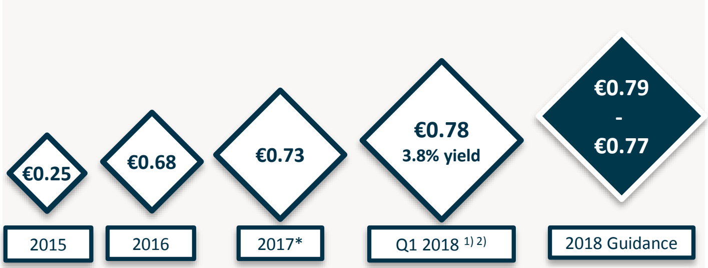
2 FFO

GRAND CITY Properties S.A.

	1-3/2018	1-3/2017
	€ '000	
Adjusted EBITDA	**67,758**	**59,530**
Finance expenses	(11,412)	(9,610)
Current tax expenses	(6,468)	(7,466)
Contribution from minorities	(417)	(440)
FFO I	**49,461**	**42,014**
Result from disposal of properties	4,957	249
FFO II	**54,418**	**42,263**
FFO I per share in €	**0.30**	**0.27**
FFO I yield[1]	**5.9%**	
Dividend yield[1)2)]	**3.8%**	
FFO I per share in € after perpetual notes attribution	**0.26**	**0.23**

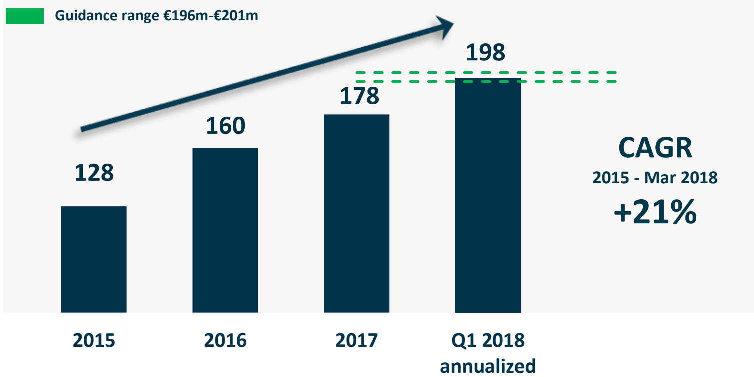
1) annualized, based on a share price of €20.5
2) based on a payout ratio of 65% of FFO I per share

DIVIDEND PER SHARE (in €)



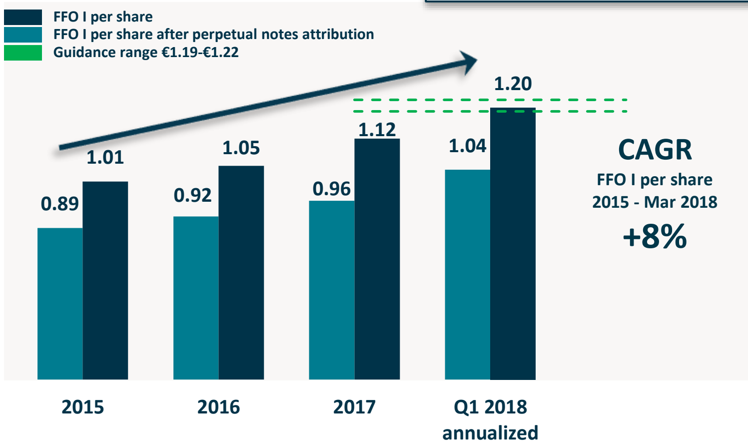
* subject to AGM approval

FFO I (IN € MILLIONS)



Guidance confirmed

FFO I PER SHARE (IN €)



2 EPRA NAV

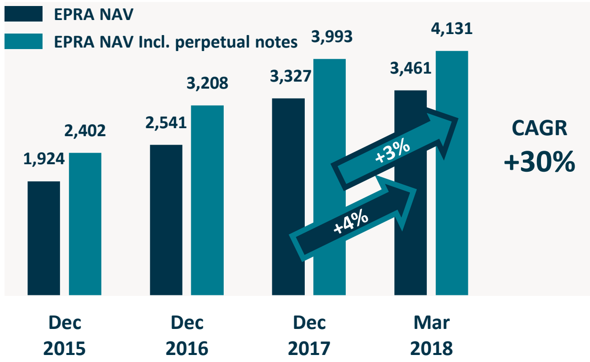
GRAND CITY Properties S.A.

	Mar 2018		Dec 2017	
	€ '000	Per share	€ '000	Per share
Equity per the financial statements	**3,963,768**		**3,849,662**	
Equity attributable to perpetual notes investors	(669,259)		(665,871)	
Equity excluding perpetual notes	**3,294,509**		**3,183,791**	
Effect of derivative financial instruments	12,267		5,885	
Deferred tax liabilities	527,961		501,999	
NAV	**3,834,737**	**€23.2**	**3,691,675**	**€22.4**
Non-controlling interests	(373,418)		(364,489)	
EPRA NAV	**3,461,319**	**€21.0**	**3,327,186**	**€20.2**
Equity attributable to perpetual notes investors	669,259		665,871	
EPRA NAV including perpetual notes	**4,130,578**	**€25.0**	**3,993,057**	**€24.2**
Basic amount of shares, including in-the-money dilution effects in thousands	165,019		165,004	
Total Assets	8,319,033		7,508,292	
Equity Ratio	**48%**		**51%**	

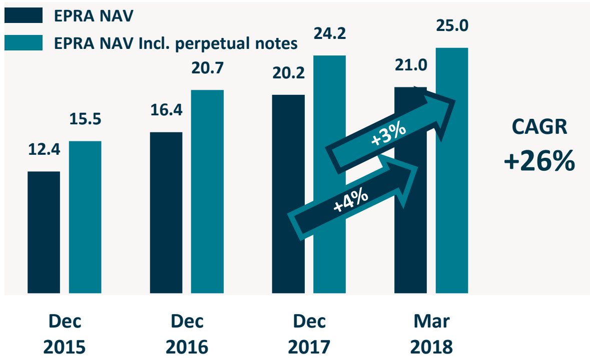
€ '000	NAV	EPRA NAV	EPRA NAV including perpetual notes	EPRA NNNAV
Mar 18	**3,834,737**	**3,461,319**	**4,130,578***	**3,359,691**
Mar 18 per share €	**23.2**	**21.0**	**25.0***	**20.4**
Per share growth	**+4%**	**+4%**	**+3%**	**+5%**
Dec 17	3,691,675	3,327,186	3,993,057	3,206,966
Dec 17 per share €	22.4	20.2	24.2	19.4

*€4.5 billion and €27.2 per share pro forma including the perpetual notes issued in April 2018

EPRA NAV (IN € MILLIONS)



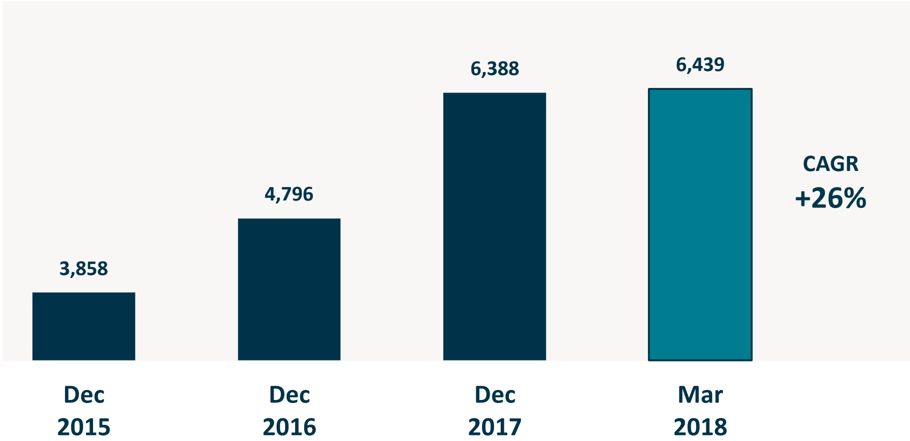
EPRA NAV (IN € PER SHARE)



2 INVESTMENT PROPERTY

GRAND CITY Properties S.A.

INVESTMENT PROPERTIES (IN € MILLIONS)



ACQUISITION CRITERIA

- Acquisition in densely populated areas and major cities
- High cash flow generating assets
- Vacancy reduction potential
- Rent level per sqm is below market level (under-rented), upside potential and low downside risk
- Purchase price below replacement costs and below market values
- Potential to reduce the operating cost per sqm

ACQUISITIONS & DISPOSALS

ACQUISITIONS

ATTRACTIVE YIELDS

Acquisitions of over 700 units across strategic portfolio locations at an average multiple of 20x following our acquisition **criteria.**

HELD FOR SALE

HELD FOR SALE

As of March 2018, over €300 million of properties were classified as asset held for sale. After the reporting period, assets held for sale properties were sold for over €170 million. These assets were disposed at 7% above current book value. Over the cost price (including capex), the disposals resulted in an economic profit of over €100 million, reflecting a margin of approx. 160%.

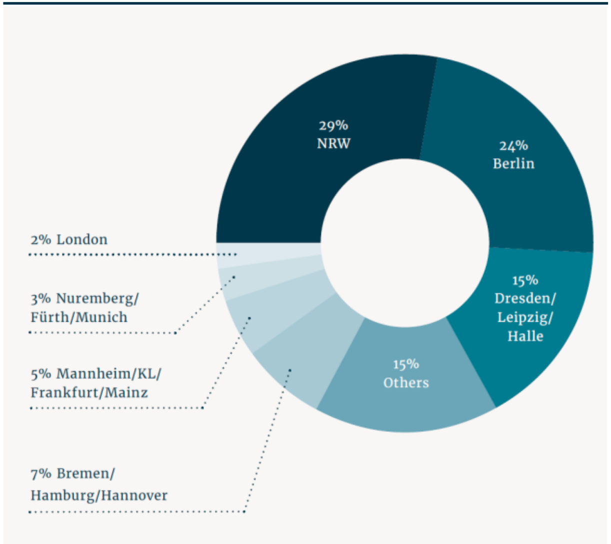
GUIDELINES

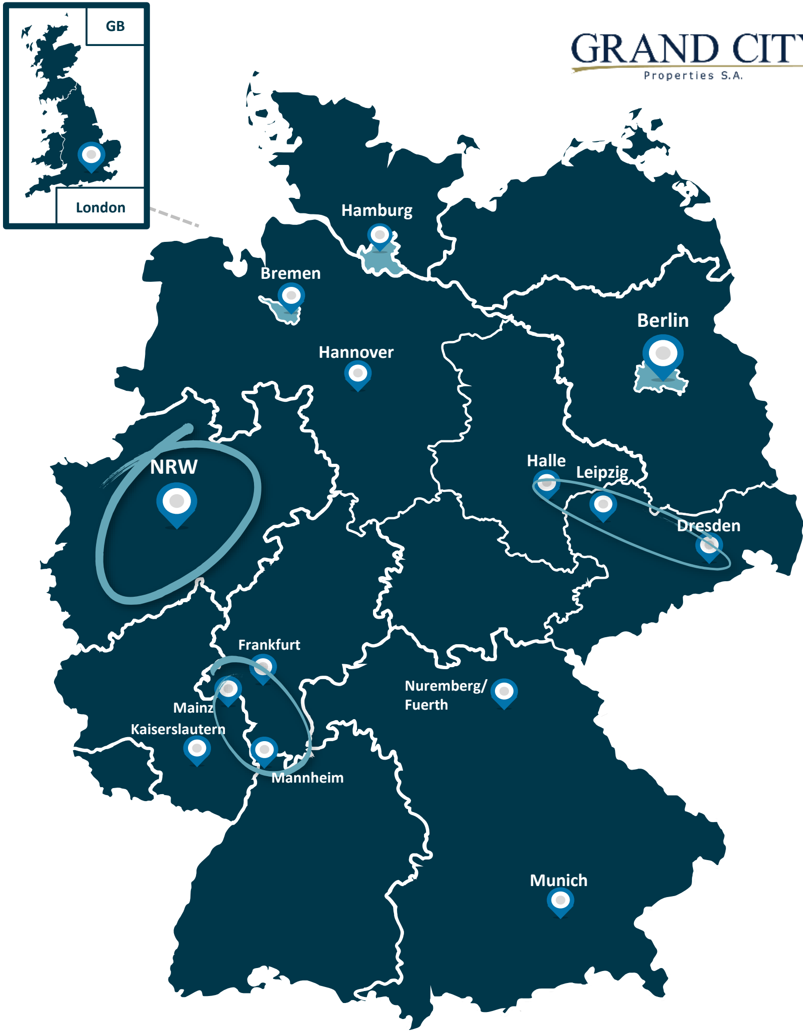
GUIDELINE BASIS

GCP has set acquisition guidelines based on asset quality and value uplift potential rather than broad volume targets.

2 PORTFOLIO DISTRIBUTION

DISTRIBUTION BY VALUE MARCH 2018





Focus on value-add opportunities in densely populated areas in Germany

2 PORTFOLIO OVERVIEW

GRAND CITY Properties S.A.

Diversification among areas of sustainable economic fundamentals and demographic prospects

PORTFOLIO OVERVIEW MARCH 2018

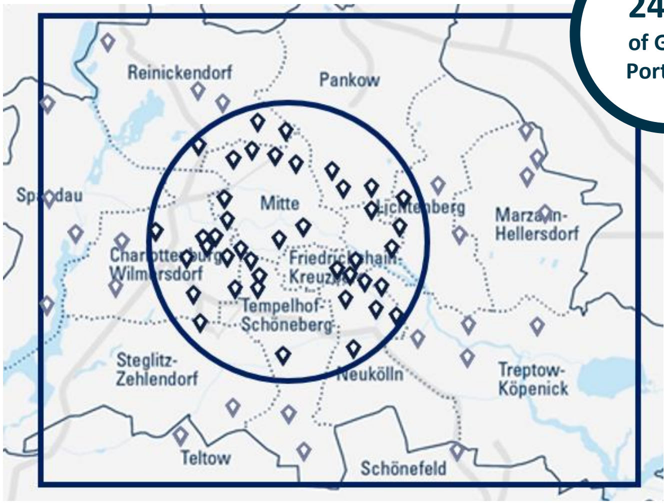
	Value (in €M)	Area (in k sqm)	EPRA Vacancy	Annualized net rent (in €M)	In-place rent per sqm (in €)	Number of units	Value per sqm (in €)	Rental yield
NRW	1,850	1,831	8.1%	111	5.4	27,386	1,010	6.0%
Berlin	1,521	627	5.3%	53	7.3	8,076	2,424	3.5%
Dresden/Leipzig/Halle	948	1,076	8.5%	57	4.9	18,537	881	6.1%
Mannheim/KL/Frankfurt/Mainz	332	251	4.8%	18	6.1	4,146	1,325	5.4%
Nuremberg/Fürth/Munich	197	102	4.0%	10	7.7	1,471	1,935	4.9%
Bremen/Hamburg/Hannover	462	364	4.8%	25	6.0	5,445	1,268	5.3%
Others	1,129	1,185	8.0%	74	5.8	19,962	953	6.5%
Total	**6,439**	**5,436**	**7.2%**	**348**	**5.75**	**85,023**	**1,184**	**5.4%**

2 BEST IN CLASS BERLIN PORTFOLIO - MARCH 2018

GRAND CITY Properties S.A.

Berlin is the single largest city in the portfolio…

PORTFOLIO OVERVIEW BERLIN



24%* of GCP's Portfolio

Berlin - Friedrichshain

Berlin - Charlottenburg

Berlin - Mitte

Berlin – Prenzlauer Berg

QUALITY LOCATIONS IN TOP TIER NEIGHBORHOODS OF BERLIN*

2/3 of the Berlin portfolio is located in top tier neighborhoods:
Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Lichtenberg, Schöneberg, Neukölln, Steglitz and Potsdam.

1/3 is in affordable locations located primarily in Reinickendorf, Treptow, Köpenick and Marzahn-Hellersdorf.

* by value

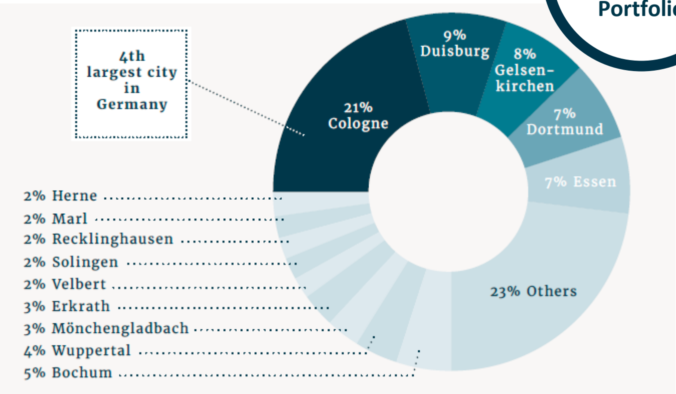
2 PORTFOLIO NRW – MARCH 2018

GRAND CITY Properties S.A.

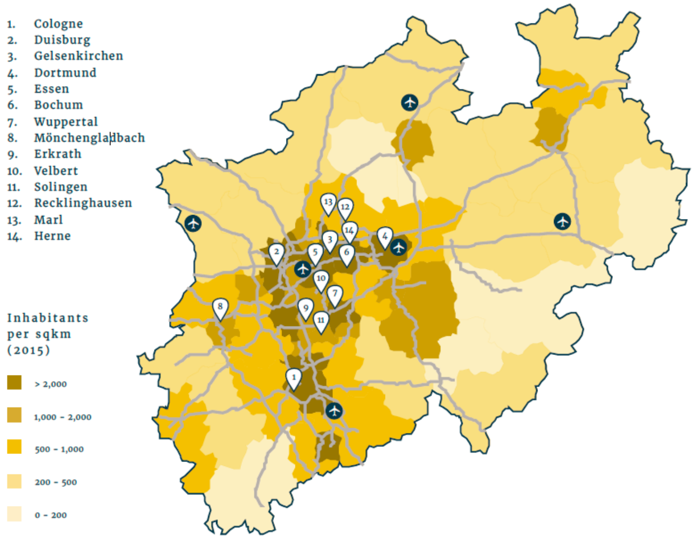
…and GCP is well positioned in Germany's largest metropolitan area…

29%* of GCP's Portfolio

PORTFOLIO DISTRIBUTION*



POPULATION DENSITY IN NRW




Essen


Cologne


Gelsenkirchen


Dortmund


Duisburg

* by value

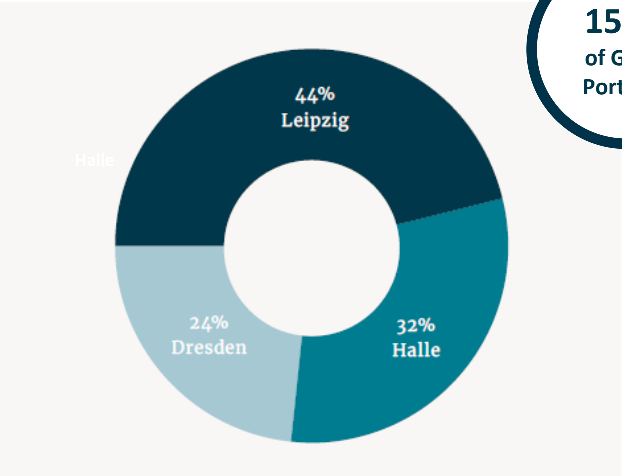
2 PORTFOLIO EAST AND NORTH - MARCH 2018

GRAND CITY Properties S.A.

…with further diversification in Germany's fast growing Eastern and largest Northern cities

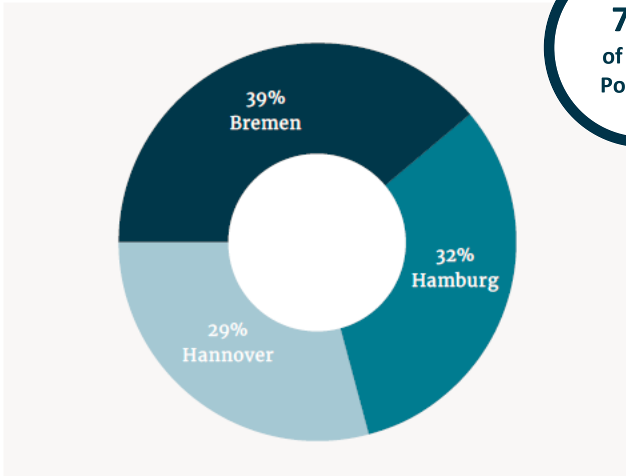
EAST PORTFOLIO*

15%* of GCP's Portfolio



NORTH PORTFOLIO*

7%* of GCP's Portfolio




Dresden


Leipzig


Halle


Hamburg


Hannover


Bremen

* by value

FINANCIAL POLICY

GCP financial policy
Strive to achieve A- global rating in the long term
LTV limit at 45%
Debt to debt plus equity ratio at 45% (or lower) on a sustainable basis
Maintaining conservative financial ratios with a strong ICR
Unencumbered assets above 50% of total assets
Long debt maturity profile
Good mix of long term unsecured bonds & non-recourse bank loans
Maintaining credit lines from several banks which are not subject to Material Adverse Effect
Dividend of 65% of FFO I per share

2 LOAN-TO-VALUE

GRAND CITY Properties S.A.

	Mar 2018	Dec 2017
	€ '000	
Investment property	6,479,221	6,425,430
Assets held for sale	302,620	117,246
Equity accounted investees	36,424	37,261
Total value	**6,818,265**	**6,579,937**
Total Debt	3,424,062	2,795,675
Cash and liquid assets	901,472	402,331
Net debt	**2,522,590**	**2,393,344**
LTV	**37.0%**	**36.4%**

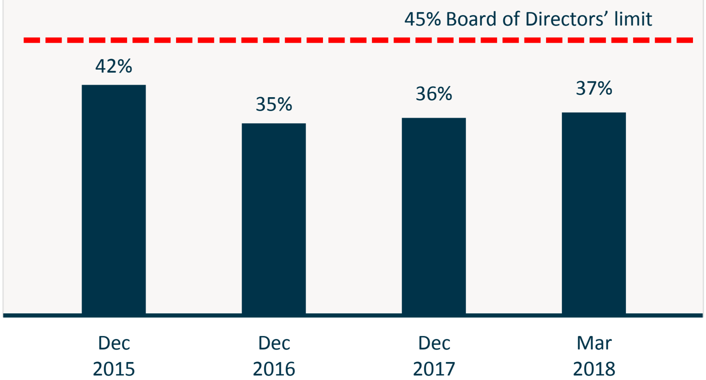
Significant headroom and low cost of debt provide GCP flexibility to quickly act upon attractive opportunities

COST OF DEBT

1.6%

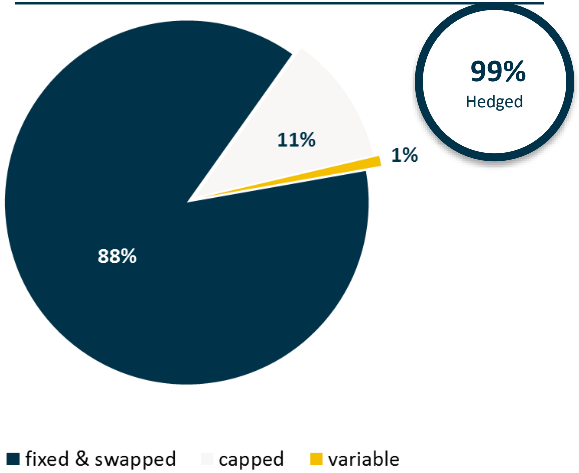
Low spreads	
Series D 2021	0.24%
Series E 2025	0.87%
Perpetual notes	2.26%

LOAN-TO-VALUE (LTV)

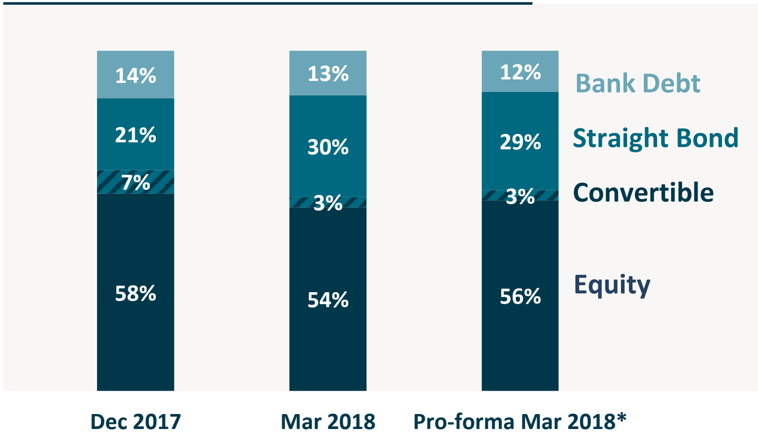


2 CAPITAL STRUCTURE

HEDGING STRUCTURE

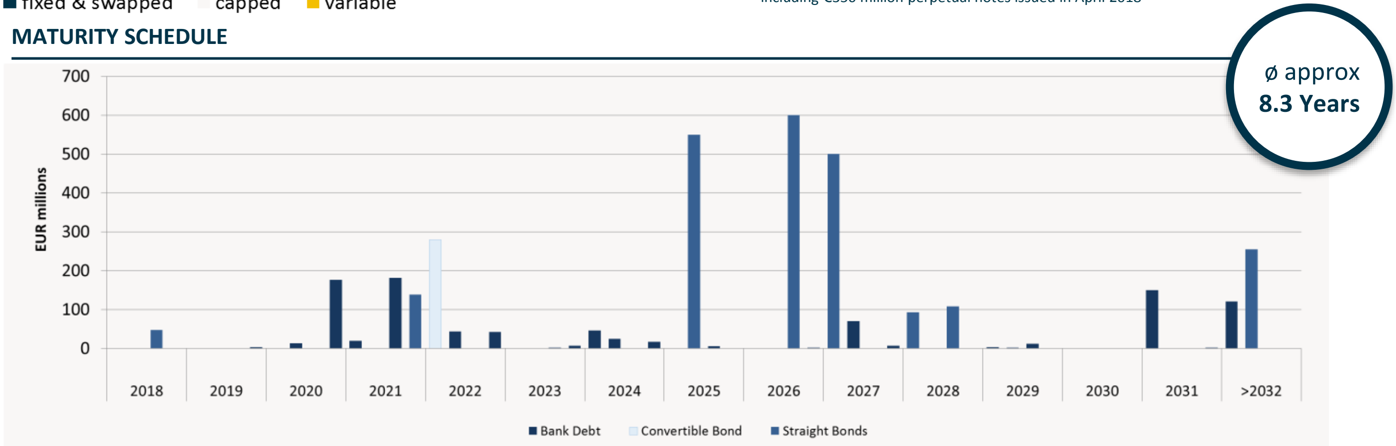


FINANCING SOURCE MIX



* including €350 million perpetual notes issued in April 2018

MATURITY SCHEDULE



GRAND CITY Properties S.A.

CAPITAL MARKET ACTIVITY SUPPORTING EFFECTIVE DEBT MANAGEMENT

Continuously tapping the capital markets with €1.2 billion raised in 2018 year-to-date:

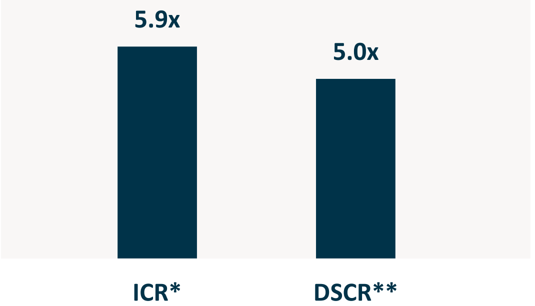
- Issuance of **€350 million** perpetual notes in April 2018 at a coupon of 2.5% GCP's lowest perpetual notes coupon yet
- Issuance of Hong Kong dollar HKD 900 million (**€93 million**), 10-year Series I straight bonds in February 2018 - GCP's first foreign currency issuance - with full currency hedge to maturity
- Issuance of **€500 million** Series J straight bonds due 2027 in February 2018, and simultaneous buy-back of €41 million of the 2% Series D straight bonds due 2021 and €170 million of the Series F convertible bonds due 2022
- Issuance of CHF 125 million (**€108 million**) Series K straight bonds due 2026 in February 2018, full currency hedge of notional amount to maturity
- Tap up of **€145 million** of the 15-year Series H straight bonds in February 2018 for an aggregate total amount of **€255 million**

Further strengthening the Company's capital structure

2 DEBT COVERAGE AND CREDIT RATING

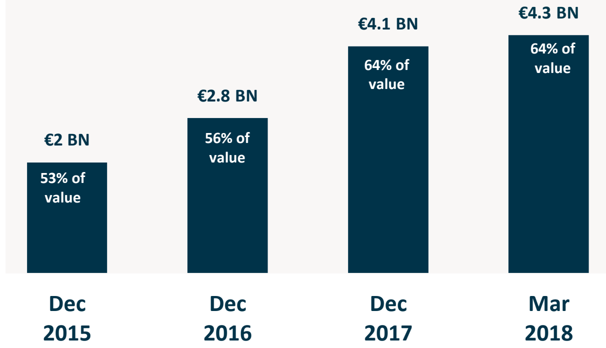
GRAND CITY Properties S.A.

COVER RATIOS - Q1 2018

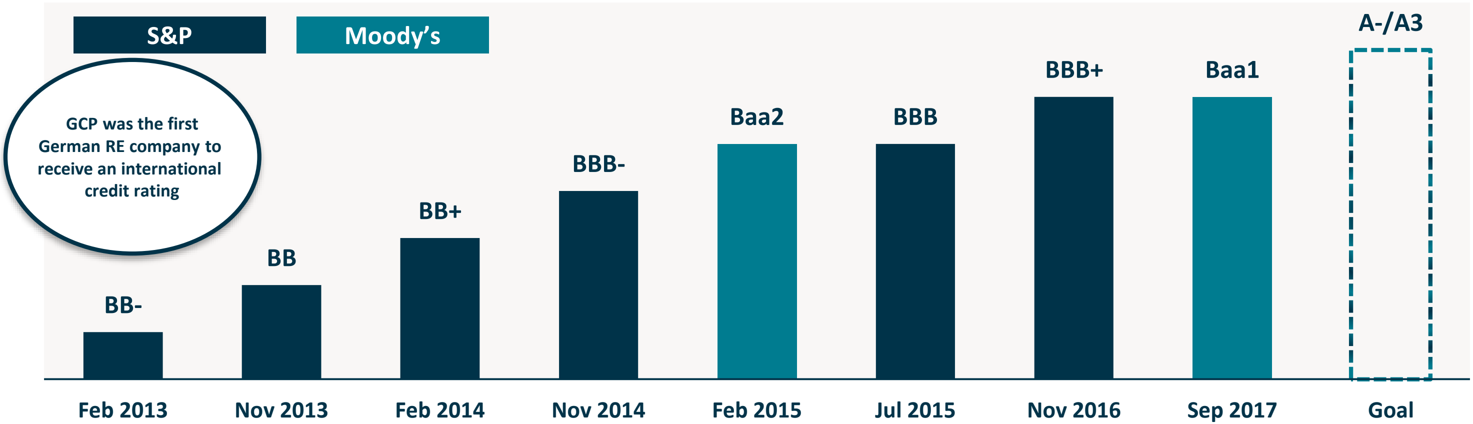


*) Adjusted EBITDA / interest
**) Adjusted EBITDA / (interest + loan amortization)

UNENCUMBERED ASSETS



CORPORATE CREDIT RATING



2 MAINTENANCE, CAPEX AND MODERNIZATION

GRAND CITY Properties S.A.

GCP invested 0.5€/sqm in Q1 2018 resulting in 0.5% L-F-L in-place rent growth

CAPEX STRATEGY

Improve asset quality and attractiveness

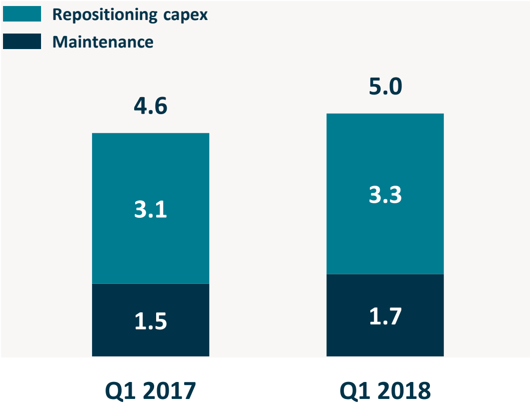
Repositioning capex:
Aimed at increasing property quality and support value creation, includes upgrading apartments for new rentals, staircases and public areas, installing playground, installing elevators and ramps, and more.

CAPEX

Modernization:
Aimed at improving standards of the apartments and increasing energy saving levels. Targeted to increase rents and includes measures such as adding balconies, improving insulation and façade reconditioning.

Additional Increase Rent driver

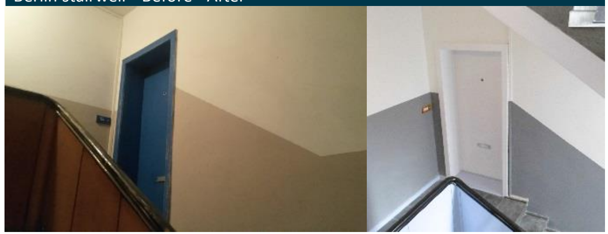
CAPEX AND MAINTENANCE (IN € PER SQM)



	1-3/2018	1-3/2017
	€ '000	
FFO I	**49,461**	**42,014**
Repositioning capex	(17,918)	(16,521)
AFFO	**31,543**	**25,493**

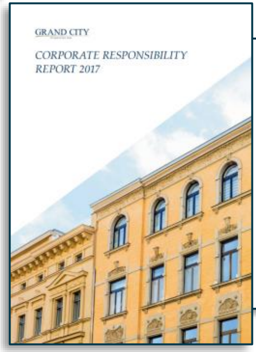
Dortmund - Before - After

Berlin stairwell - Before - After



3 ESG - OUTPERFORMER

GRAND CITY
Properties S.A.



In April 2018, GCP published its first sustainability report, demonstrating the Company's commitment to sustainability by presenting to investors, business partners, employees and other stakeholders its activities and achievements and to embed the high ESG criteria of the Company. The report can be found on our company website in the Sustainability section; grandcityproperties.com/sustainability

SUSTAINALYTICS

Overall score
November 2017
91st Percentile
GCP is ranked #30 among 311 Real Estate Peers

GCP's continuous ESG efforts have been recognized by Sustainalytics, one of the leading sustainability rating agencies, ranking the Company's performance in the top 10% among over 300 international real estate peers, and rates the company as a leader in social metrics

August 2017

EPRA BPR GOLD + MOST IMPROVED for financial reporting standards

EPRA sBPR GOLD + MOST IMPROVED for sustainability reporting

1ST PLACE AWARD for outstanding contribution to society

4 2018 Guidance confirmed

GRAND CITY Properties S.A.

	Q1 2018 annualized	FY 2018e
FFO I (in € million)	198	196-201
FFO I per share (in €)	1.20	1.19-1.22
Dividend per share (in €)	0.78	0.77-0.79
Rent like-for-like growth	3%	Over 3%
LTV	37%	<40%

Continuous FFO I growth, should result in further value creation and in return in EPRA NAV growth

Operational profitability is expected to be translated into per share growth with increasing payout

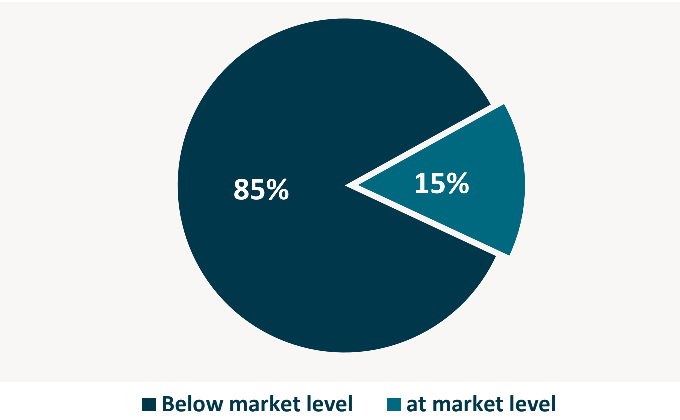
Conservative financial position is expected to be maintained, remaining well below BoD LTV limit

5 APPENDIX

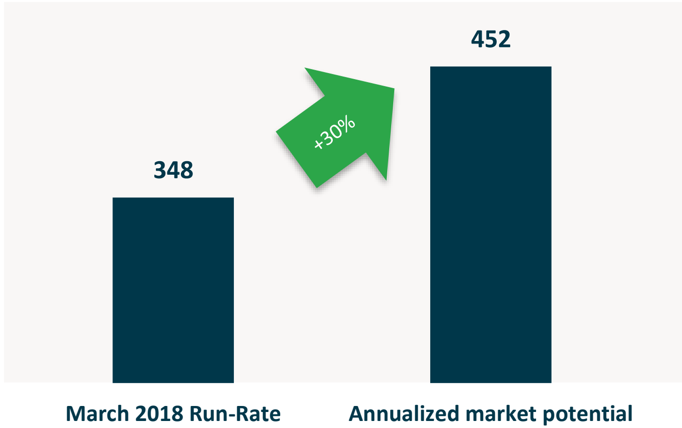
5 PORTFOLIO POTENTIAL

GRAND CITY Properties S.A.

RESIDENTIAL IN-PLACE RENT COMPARED TO MARKET RENT



CURRENT ANNUALIZED NET RENTAL INCOME VS MARKET POTENTIAL



* including vacancy reduction

11 years
Average tenancy length

6% of units subject to rent restrictions from subsidization

Large upside potential with limited downside risk

5 PROVEN ABILITY TO ACCESS CAPITAL MARKETS

GRAND CITY Properties S.A.

Strong start in 2018, issuing **€1.2bn** YTD

Apr-18	Issuance of €350 million perpetual notes, coupon of 2.5% p.a.
Feb-18	Tap issuance of Series H, 2032 straight bonds of € 145m to an aggregate nominal amount of €255m
Feb-18	Issuance of Series K, 2026 straight bonds of CHF 125m under the EMTN, currency hedge, coupon of 0.96% p.a.
Feb-18	Issuance of Series J, 2027 straight bonds of € 500m under the EMTN, coupon of 1.5% p.a. and repayment of €170m of Series F Convertible bonds (4 year maturity) and €41m of Series D (3.5 year maturity) extending the average maturity
Feb-18	Issuance of Series I, 2028 straight bonds of HKD 900m under the EMTN, currency hedge, effective € coupon of 1% p.a. until 2023

Over **€900m** issued in 2017

Oct-17	Issuance of Series H, 2032 straight bonds of € 110m under the EMTN, coupon of 2.00% p.a
Jul-17	Issuance of Series G 2026, 9-year straight bonds €600 million under the EMTN, coupon of 1.375% p.a. and repayment of €321m of Series D (2% coupon, 4 years to maturity) extending maturity and reducing cost of debt
Jul-17	Established Euro Medium Term Note (EMTN) Programme
Jun-17	Equity capital increase of € 198m at €18 per share

Proven track record

GCP raised **€5.4 billion** of capital since 2012, with proven track record in 4 different markets: Equity, Perpetual notes, Convertible bonds and Straight bonds

Sep-16	Issuance of €200 million perpetual notes, bearing a coupon of 2.75% p.a.
Feb-16	Issuance of Series F, 2022 convertible bonds of € 450m, coupon of 0.25% p.a
Jan-16	Completion of the conversion of Series C convertible bonds (€275m)
Sep-15	Tap issuance of € 150m of 10 year straight bond to an aggregate nominal amount of € 550m
Sep-15	Equity capital increase of € 151m at €15.9 per share
Jul-15	Tap issuance of perpetual notes, (coupon 3.75%), of additional € 100m
Apr-15	Issuance of Series E (2025), 10 year straight bond of € 400m with a coupon of 1.5% p.a.
Mar-15	Tap issuance of perpetual notes of additional € 250m
Feb-15	Issuance of €150m perpetual notes, coupon 3.75%
Oct-14	Redemption of straight bonds with nominal amount of € 350m. Issuance of 7 year (2017) bond of € 500m with a coupon of 2% p.a
Jun-14	Tap issuance of convertible bonds with gross proceeds of € 140m
Apr-14	Tap issuance of existing straight bonds with gross proceeds of € 160m
Feb-14	Issuance of Series C, 5 year convertible bonds of € 150m and a coupon of 1.50% p.a
Dec-13	Equity capital increase of € 176m at €6.5 per share
Oct-13	Full conversion of € 100m Series A convertible bonds into equity
Jul-13	Issuance of Series B, 7 year straight bonds of € 200m with a coupon of 6.25% p.a.
Feb-13	Equity capital increase of € 36m at €4.5 per share

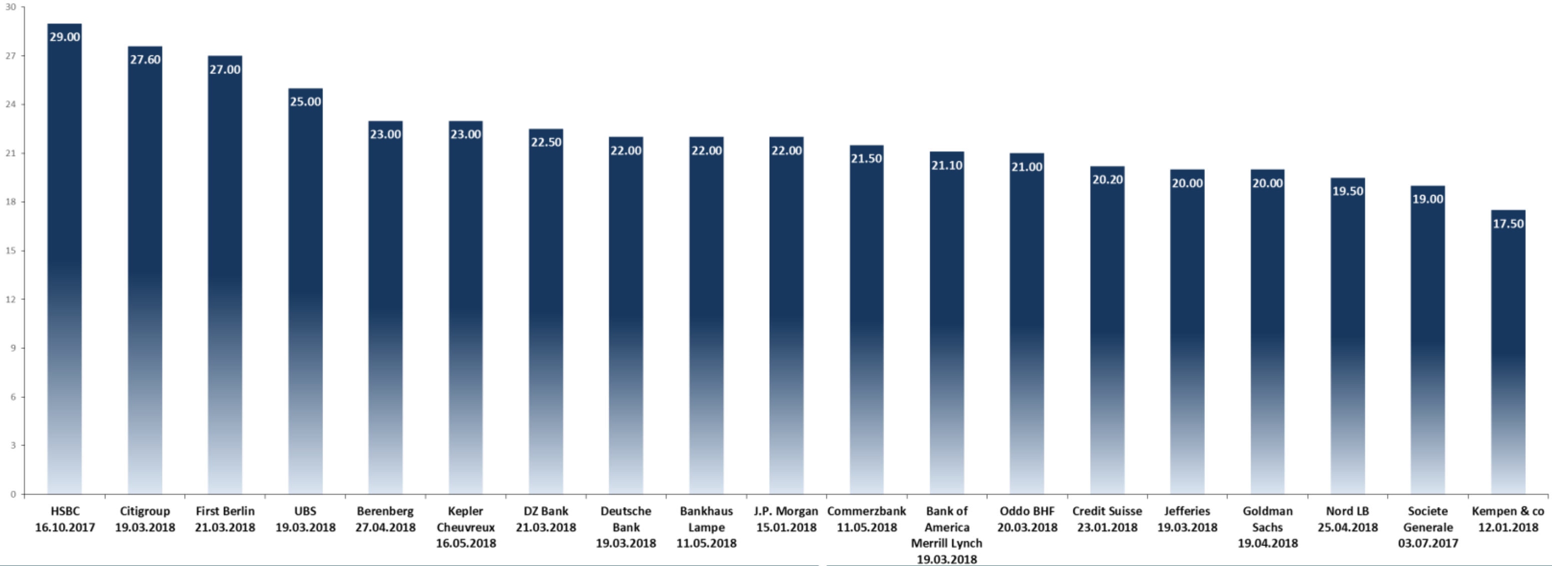
EQUITY & BOND BOOKRUNNERS

citi, Morgan Stanley, SOCIETE GENERALE, UBS, BERENBERG, J.P.Morgan, Deutsche Bank, CREDIT SUISSE, UniCredit, Goldman Sachs, Bank of America Merrill Lynch

ANALYST COVERAGE

GRAND CITY Properties S.A.

ANALYST RESEARCH TARGET PRICE



GCP's operations are researched by leading real estate market analysts, who conduct independent equity research and target price recommendations

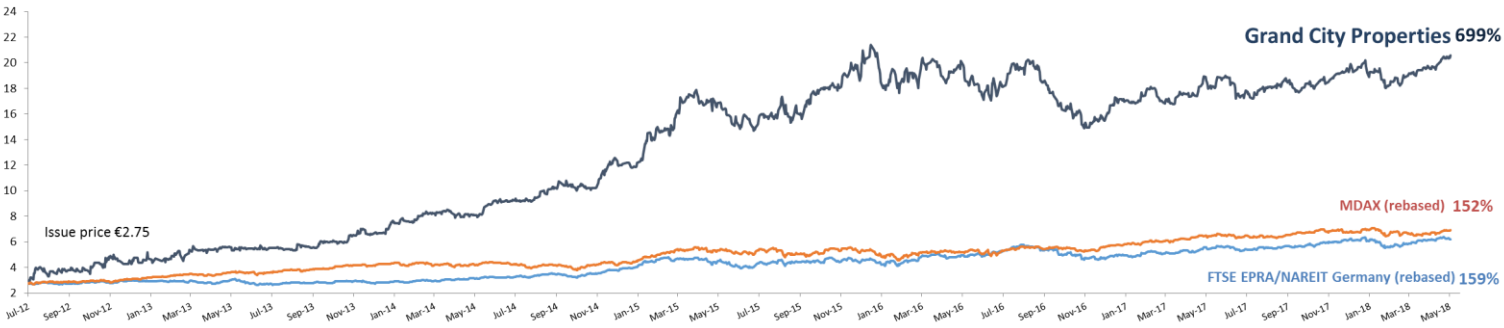
Key Index inclusions:

- MDAX
- FTSE EPRA/NAREIT
  - Global Developed
  - Europe Developed
  - Eurozone
  - Germany
- Stoxx All Europe 800
- GPR 250
- MSCI World IMI Core Real Estate

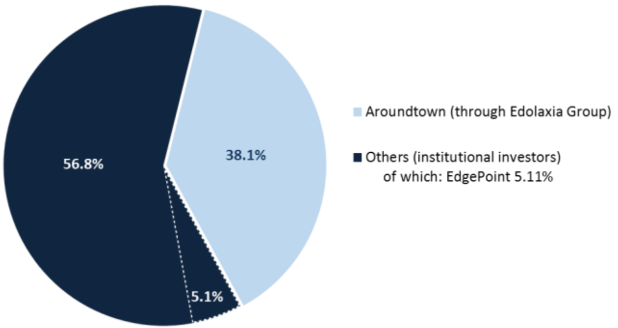
5 SHARE DEVELOPMENT AND STRUCTURE

GRAND CITY Properties S.A.

SHARE PRICE AND TOTAL RETURN SINCE FIRST EQUITY PLACEMENT (19.7.2012)

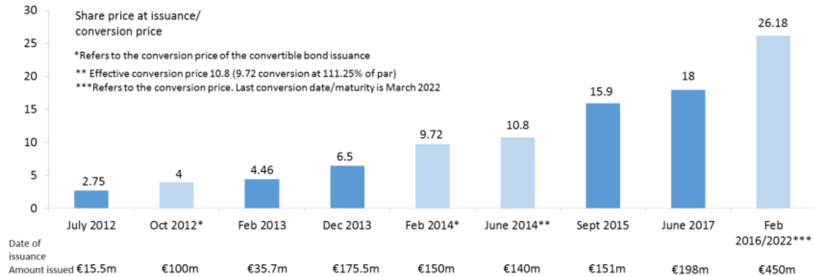


SHARE OWNERSHIP STRUCTURE



Basic amount of shares: 164.8 million/ Fully diluted amount of shares: 177.0 million

SHARE PRICE/CONVERSION PRICE THROUGHOUT THE COMPANY'S ISSUANCES

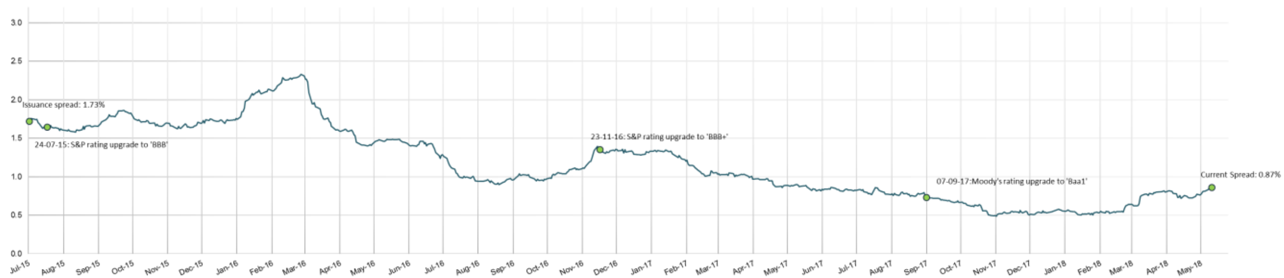


5 TIGHTENING BOND SPREADS

GRAND CITY Properties S.A.

STRAIGHT BOND SERIES D SPREAD OVER MID-€-SWAP, REMAINING 3.5 YEARS

STRAIGHT BOND SERIES E SPREAD OVER MID-€-SWAP, REMAINING 7 YEARS



3.75% PERPETUAL NOTES SPREAD OVER MID-€-SWAP

5 MANAGEMENT

GRAND CITY Properties S.A.

CEO

Christian Windfuhr

Mr. Windfuhr is Grand City Properties' CEO. Before joining Grand City Mr. Windfuhr served as CEO of Maritim Hotels, with 40 hotels in Germany. Prior to this he served as CEO of Mövenpick. He achieved the financial turnaround of Mövenpick, drove international expansion, publicly listed the company, and worked out a strategic partnership with Kingdom Holding (HRH Prince Alwaleed) and JP Morgan. Served as Director of TUI, Europe's largest tour operator. He served high positions in Holiday Inn, Kempinski, & Southern Sun. Graduated at Cornell University.

Board of Directors

Refael Zamir
CFO

Mr. Zamir is Grand City's CFO and Chairman of the Board. Mr. Zamir has over 10 years of international experience in finance and accounting. Before joining GCP at the beginning of 2013, Mr. Zamir served as a manager for Ernst & Young in the real-estate and financial institutions sectors. Mr. Zamir is a CPA and holds a BA and MBA in finance and business administration.

Simone Runge-Brandner
Independent director

Ms. Runge-Brandner is an independent Director and member of the audit-, remuneration- and nomination committee. Her past positions include Deal Manager (Director) at UBS Deutschland AG, Vice President Real Estate Finance/ Investment Funds, Credit Manager at Dekabank Frankfurt and Credit Manager Real Estate Finance at Helaba Frankfurt. Ms. Runge-Brandner has a Diploma in International business administration.

Daniel Malkin
Independent director

Mr. Malkin is an independent Director and member of the audit-, remuneration- and nomination committee. Before joining Grand City, he served as an Investment & fund Manager of fixed income investment funds at Excellence Investment Bank. Has a BA in Business Administration.

Audit Committee

Consists of the two independent directors Daniel Malkin and Simone Runge-Brandner

---

Senior Management

Or Zohar
Business development

Prior to GCP, Mr. Zohar worked as the head of business development in Mark Hotels GmbH and as a Managing Director in Bluebay GmbH. Mr. Zohar holds a BSc and a MA in real estate and finance

Sebastian Remmert-Faltin
COO

Mr. Remmert has more than 15 years professional experience in the real estate industry. Covered positions ranging from asset management and project development to mortgage financing

Mandy Kuebscholl
Head of Service Center

Past experience include director of Central Reservation at GCH, Director of Revenue & Reservations at Ramada international. Education: Hotel Management from the Management Trainee program at Marriott International

Christian Stiewe
Construction

More than 30 years of experience in construction and project management. Past positions include Vice-President Technical Asset Management, General manager and Head of Development. Mr. Stiewe has an engineering degree in Architecture.

Kenan Wallenstein
Head of rental and marketing

Mr. Wallenstein's team deal with all new potential tenants and takes care of all kinds of rental activity, marketing and promotion tools to increase the occupancy rate and rents. He has over 20 years of extensive marketing experience. Mr. Wallenstein has an MBA and a BSc in industrial engineering and management

5 MANAGEMENT

GRAND CITY Properties S.A.

Senior Management (continued)

Uwe Schillinger
Head of Facility Management

Mr. Schillinger is GCP's Director for Technical Service and responsible for the Facility Management. He has 12 years experience in facility management and joined GCP in 2006. Mr. Schillinger is an engineer in electrical engineering.

Michael Bar-Yosef
Senior Financial Analyst

Mr. Bar-Yosef is responsible for financial modeling and cooperates with equity researchers to analyze their financial models. Before joining GCP he served as a financial and corporate analyst for a financial advisory and was an economist. Mr. Bar-Yosef holds a MBA in economics.

Kathrin Behlau
Head of Legal

Ms. Behlau advises the senior management in the fields of contract and compliance. Prior to joining GCP she served as a legal counsel at Sirius Real Estate. Ms. Behlau holds a law degree from the University of Marburg (Germany) and Université de Lausanne (Switzerland).

Advisory Board

Yakir Gabay

Mr. Gabay is the chairman of the Advisory Board. Before GCP, Mr. Gabay was chairman & managing partner of an investment company which managed over $30 billion of assets, before that he was the CEO of the investment banking of Bank Leumi. Mr. Gabay holds a MBA and BA in Accounting/Economics, and is a CPA.

Andrew Wallis

Vice chairman, Advisory Board Member. Mr. Wallis was owner and CEO of a large German property management company. Previously he spent 10 years as an investment banker in the city of London for Merrill Lynch and JP Morgan. Mr. Wallis holds an MBA and a CFA.

Claudio Jarczyk

Advisory Board member. Prior to GCP, Mr. Jarczyk served as an Executive Director at BerlinHyp Bank specializing in real estate financing with a focus on international clients, as a Chief International Executive at Landesbank Berlin and as an International Division-Department Manager at Bayerische Vereinsbank Munich. Mr. Jarczyk holds a Dipl.Kfm. / MBA at Munich University.

Strong Board of Directors and senior management structure

- Majority of the board of directors is independent
- Audit committee members are independent
- Longevity in the company with high and stable retention rate
- Incentivized to align with the Company's long term goals – like-for-like occupancy and rent increase, operational efficiency, increase in adjusted EBITDA, FFO per share EPS and NAV per share, keeping conservative financial ratios, with the strategic target to further improve the Group's rating to A-

5 CREDIT RATING MATRIX

GRAND CITY Properties S.A.

S&P Global

GCP will continue strengthening its position within the business profile

Business risk profile	1 Minimal	2 Modest	3 Intermediate	4 Significant	5 Aggressive	6 Highly Leveraged
1 Excellent	aaa				bbb	bbb-/bb+
2 Strong	aa/aa-	a+/a	(Aroundtown) A- (DW) BBB+ (GCP)	(Vonovia- BBB+)* BBB (FDR)	bb+	bb
3 Satisfactory	a/a-	bbb+	BBB/BBB- (Alstria)	BBB-/bb+	bb	b+
4 Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
5 Weak	bb+	bb+	bb	bb-	b+	b/b-
6 Vulnerable	bb-	bb-	bb-	b+	b	b-

*rating anchor of Vonovia is BBB, their final rating, after the effect of modifiers is BBB+

MOODY'S

Broad Rating Factor	Rating Sub-Factor	Measure (LTM H1 2017)	Score	Measure (12-18 Month Forward View)	Score
Liquidity and Funding	Liquidity Coverage	A	A	A	A
	Debt Maturities ratio	Aa	Aa	Aa	Aa
	FFO Payout ratio	25.7%	Aa	65%-75%	Baa
	Amount of Unencumbered Assets	67.5%	Baa	66%-68%	Baa
Leverage and Capital Structure	Effective Leverage: Debt / Gross Assets	41.8%	Baa	42%-44%	Baa
	Net Debt/EBITDA	10.6x	Caa	9x-10x	B
	Secured Debt/Gross Assets	14.1%	Baa	14%-15%	Baa
	Access to Capital	A	A	A	A
Market Positioning and Asset Quality	Franchise/Brand Name	Baa	Baa	Baa	Baa
	Gross Assets	$7.62 bn	Baa	$7.5bn-$8.0bn	Baa
	Diversity location/tenant/industry/economic	A	A	A	A
	Development % Gross Assets	0%	Aa	0%	Aa
	Asset Quality	Ba	Ba	Ba	Ba
Cash Flow and Earnings	EBITDA/Revenues	75.4%	Aa	70%-75%	A
	EBITDA Margin Volatility	5%	Baa	0%-5%	Baa
	Fixed Charge Coverage	4.6x	Aa	4.8x-5.5x	Aa
	JV/Fund Business % Revenues	0%	Aa	0%	Aa
Indicated Rating from Grid			A3		A3

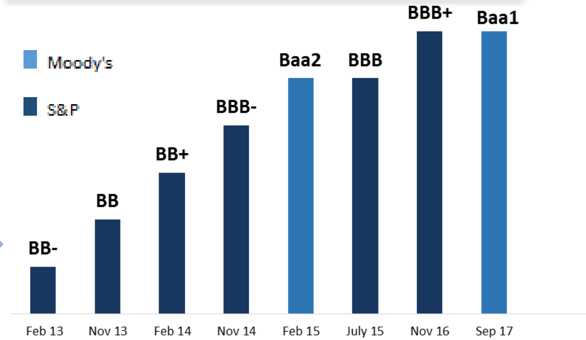
Actual Rating Assigned	Baa1

Strong position within the investment grade scaling with a long term rating of BBB+ (A-2 short term) S&P rating and Baa1 Moody's rating

GCP's anchor rating positions the company well for further rating improvements

The Board of Directors of GCP has decided to strategically aim for A- rating from S&P and A3 rating from Moody's, and will continue to implement measures to achieve this target.

Credit Rating development



5 MAINTAINING STRONG AND DIVERSE FINANCING SOURCES

GRAND CITY Properties S.A.

GCP HAS MORE THAN 50 NON-RECOURSE SEPARATE BANK LOANS FROM AROUND 20 BANKS

Berlin Hyp, Kreissparkasse Köln, pbb Deutsche Pfandbriefbank, LBBW, Mittelbrandenburgische Sparkasse in Potsdam, DKB Deutsche Kreditbank AG, Sparkasse Dortmund, HYPO NOE GRUPPE, MVB Mainzer Volksbank, UniCredit, Berliner Sparkasse, Sparkasse Rhein Neckar Nord, BayernLB, MünchenerHyp, NRW.BANK Wir fördern Ideen, COMMERZBANK, Aareal, HSH NORDBANK

REVOLVING CREDIT FACILITIES

SOCIETE GENERALE, Deutsche Bank, J.P.Morgan, citi

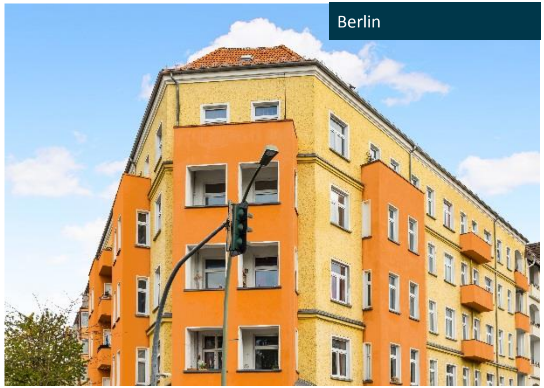
Strong corporate credit lines with international banking leaders of approx. €100 million

All credit facilities do not have a Material Adverse Change (MAC) clause

Revolving Credit Facilities as an additional liquidity source, increasing the financial flexibility at a very low cost


Hannover


Mannheim


Berlin


Dresden


Essen


Duisburg

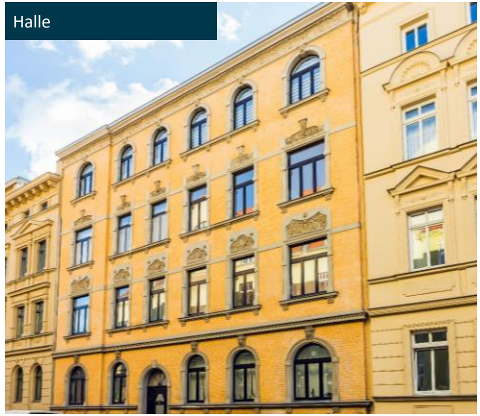

Hamburg

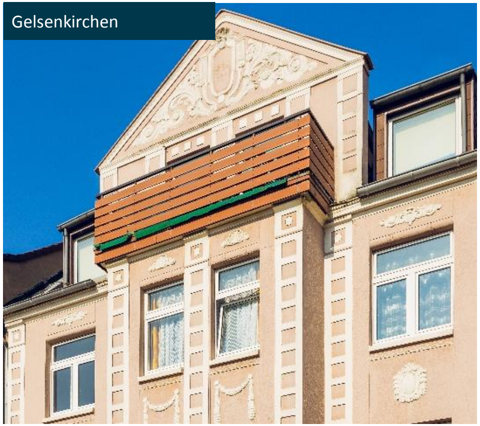

Leipzig


Berlin


Cologne


Berlin


Halle


Gelsenkirchen

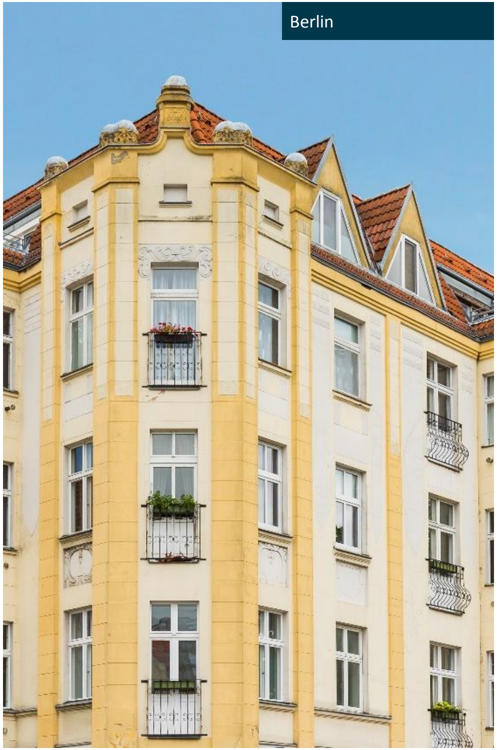

Leipzig


Berlin


Berlin


Frankfurt am Main


Nuremberg


Berlin


Leipzig


Munich


Bremen


Wuppertal


Dortmund

5 CONTACT

GRAND CITY
Properties S.A.

Katrin Petersen

Head of Communications

E-mail: katrin.petersen@grandcity.lu

www.grandcityproperties.com

DISCLAIMER

IMPORTANT:

This presentation has been provided for information purposes only and is being circulated on a confidential basis. This presentation shall be used only in accordance with applicable law, e.g. regarding national and international insider dealing rules, and must not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by the recipient to any other person. Receipt of this presentation constitutes an express agreement to be bound by such confidentiality and the other terms set out herein. This presentation includes statements, estimates, opinions and projections with respect to anticipated future performance of the Group ("forward-looking statements"). All forward-looking statements contained in this document and all views expressed and all projections, forecasts or statements relating to expectations regarding future events or the possible future performance of Grand City Properties S.A. or any corporation affiliated with Grand City Properties S.A. (the “Group”) only represent the own assessments and interpretation by Grand City Properties S.A. of information available to it as of the date of this document. They have not been independently verified or assessed and may or may not prove to be correct. Any forward-looking statements may involve significant risks and uncertainties and should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. No representation is made or assurance given that such statements, views, projections or forecasts are correct or that they will be achieved as described. Tables and diagrams may include rounding effects. This presentation is intended to provide a general overview of the Group's business and does not purport to deal with all aspects and details regarding the Group. Accordingly, neither the Group nor any of its directors, officers, employees or advisers nor any other person makes any representation or warranty, express or implied, as to, and accordingly no reliance should be placed on, the accuracy or completeness of the information contained in the presentation or of the views given or implied. Neither the Group nor any of its directors, officers, employees or advisors nor any other person shall have any liability whatsoever for any errors or omissions or any loss howsoever arising, directly or indirectly, from any use of this information or its contents or otherwise arising in connection therewith. Grand City Properties S.A. does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation.