

GRAND CITY

Properties S.A.

Q1 2019 FINANCIAL RESULTS PRESENTATION

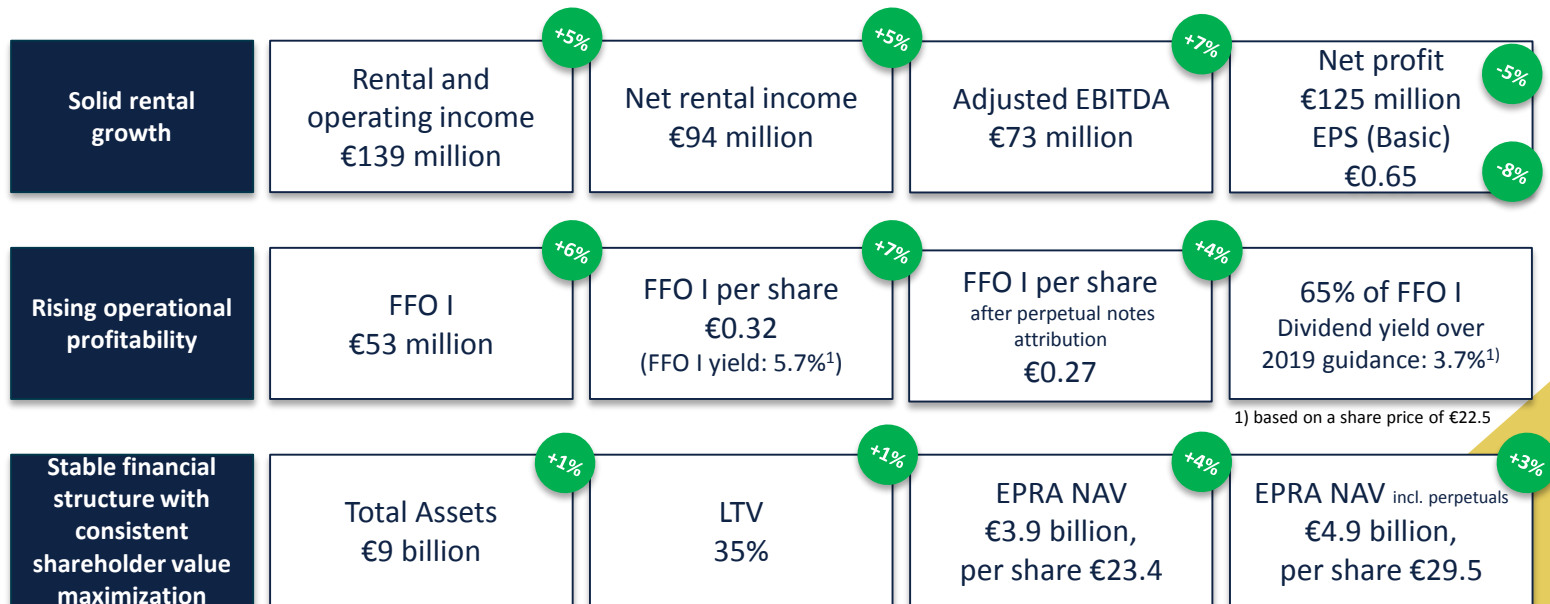
MAY 2019



Berlin

- 1 Financial Highlights**
- 2 Financial and Portfolio performance**
- 3 ESG**
- 4 Guidance**
- 5 Appendix**

1 FINANCIAL HIGHLIGHTS Q1 2019

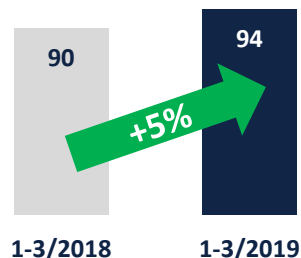


Selected Income Statement Data in € '000 unless otherwise indicated	1-3/2019	1-3/2018
Revenue	139,089	132,688
Rental and operating income	139,089	132,438
Net rental income	94,238	90,155
Property revaluations and capital gains	120,164	117,809
Property operating expenses	(64,860)	(62,466)
Administrative & other expenses	(2,925)	(3,044)
EBITDA	192,203	185,253
Adjusted EBITDA	72,589	67,758
Finance expenses	(11,787)	(11,412)
Other financial results	(17,089)	(8,635)
Current tax expenses	(6,988)	(6,468)
Deferred tax expenses	(30,272)	(26,489)
Profit for the period	125,332	131,712
Earnings per share (basic) in €	0.65	0.71
Earnings per share (diluted) in €	0.61	0.65

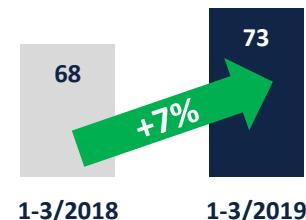
MARCH 2019 L-F-L NET RENTAL INCOME DEVELOPMENT



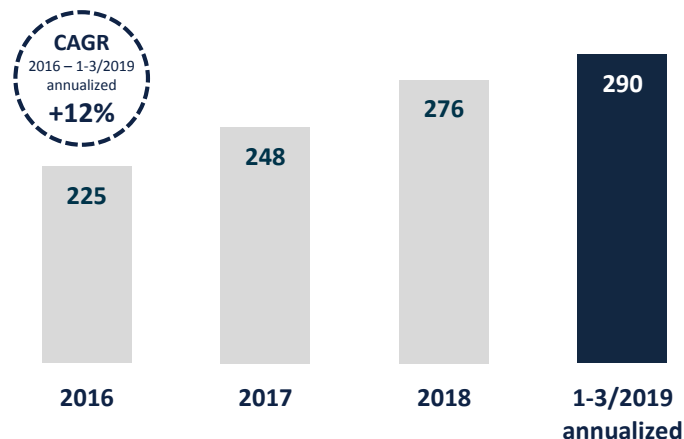
NET RENTAL INCOME (IN € MILLIONS)



ADJUSTED EBITDA (IN € MILLIONS)



ADJUSTED EBITDA (IN € MILLIONS)

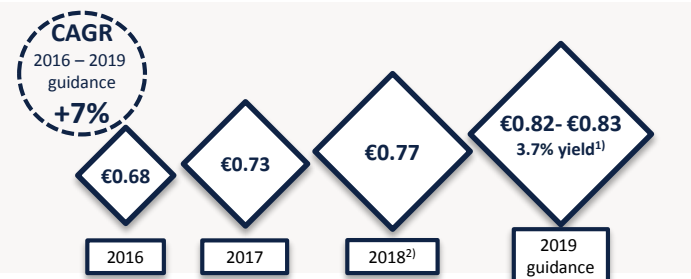


in € '000 unless otherwise indicated

	1-3/2019	1-3/2018
Adjusted EBITDA	72,589	67,758
Finance expenses	(11,787)	(11,412)
Current tax expenses	(6,988)	(6,468)
Contribution to minorities	(1,148)	(417)
FFO I	52,666	49,461
FFO I per share in €	0.32	0.30
FFO I yield ¹⁾	5.7%	
FFO I per share in € after perpetual notes attribution	0.27	0.26
FFO I	52,666	49,461
Result from disposal of properties ²⁾	76,165	4,957
FFO II	128,831	54,418

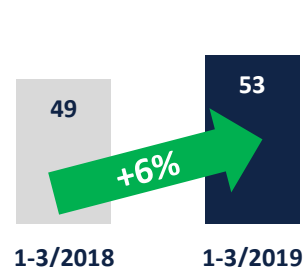
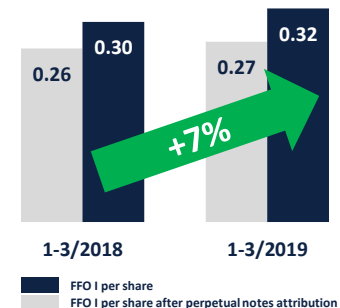
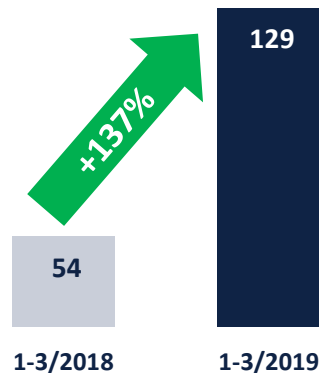
1) based on a share price of €22.5

2) the excess amount of the sale price to cost price plus capex of the disposed properties

DIVIDEND PER SHARE (in €)


1) Based on a share price of €22.5

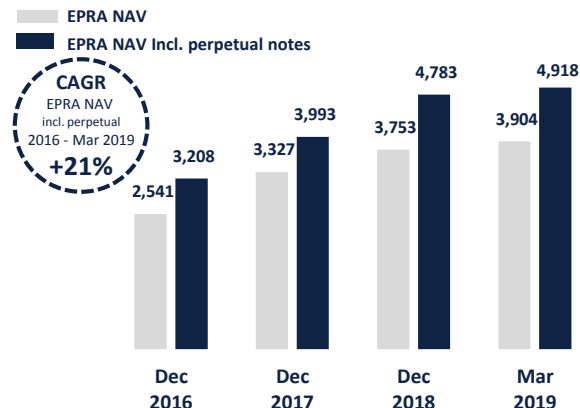
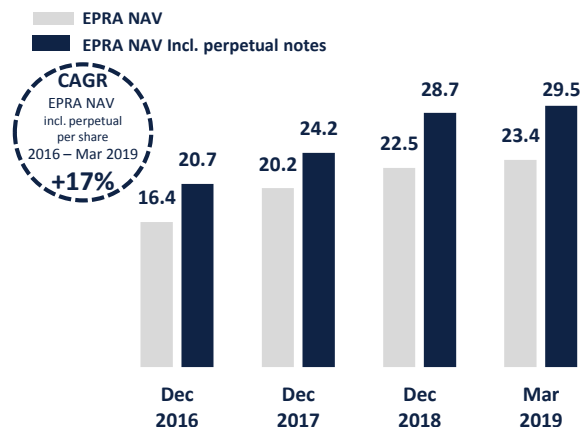
2) 2018 dividend is subject to the next AGM approval

FFO I (IN € MILLION)

FFO I PER SHARE (IN €)

FFO II (IN € MILLION)

€124 million disposals in Q1 2019

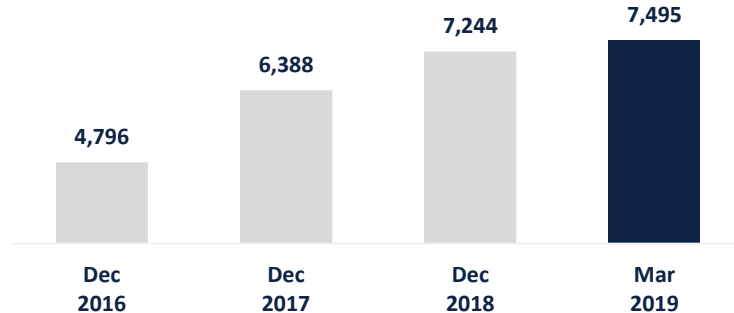
- €76m profit over total cost
- 160% profit over total cost
- 10% above net book value

	Mar 2019		Dec 2018	
	€ '000	Per share	€ '000	Per share
Equity per the financial statements	4,743,707		4,666,987	
Equity attributable to perpetual notes investors	(1,013,937)		(1,030,050)	
Equity excluding perpetual notes	3,729,770		3,636,937	
Fair value measurements of derivative financial instruments, net	31,577		248	
Deferred tax liabilities	556,131		525,278	
NAV	4,317,478	€25.9	4,162,463	€24.9
Non-controlling interests	(413,764)		(409,441)	
EPRA NAV	3,903,714	€23.4	3,753,022	€22.5
Equity attributable to perpetual notes investors	1,013,937		1,030,050	
EPRA NAV including perpetual notes	4,917,651	€29.5	4,783,072	€28.7
Basic amount of shares, including in-the-money dilution effects in thousands	166,933		166,903	
Total Assets	8,989,784		8,860,526	
Equity Ratio	53%		53%	

	NAV	EPRA NAV	EPRA NAV including perpetual notes	EPRA NNAV
Mar 19 €'000	4,317,478	3,903,714	4,917,651	3,753,216
Mar 19 per share €	25.9	23.4	29.5	22.5
Per share growth	+4%	+4%	+3%	0%
Dec 18 €'000	4,162,463	3,753,022	4,783,072	3,752,781
Dec 18 per share €	24.9	22.5	28.7	22.5

EPRA NAV (IN € MILLIONS)

EPRA NAV per share (IN €)


INVESTMENT PROPERTIES DEVELOPMENT (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/or below market values

Potential to reduce the operating cost per sqm

 CHANNELED INTO HIGH
 QUALITY LOCATIONS

 10% above net book value
 €76m profit over total cost
 Approx. 160% margin over total cost

Over €120 MILLION

DISPOSALS OF MATURE ASSETS

 Approx. €200 million acquisitions in Q1 2019.
 Acquisitions include over 500 units at an
 average multiple of 20x in addition to 250 units
 in the pre-letting stage

 Over €120 million revaluation & capital gains
 supported by continuous repositioning of the
 portfolio and strong market dynamics in
 GCP's locations

Diversification among areas of sustainable economic fundamentals and demographic prospects

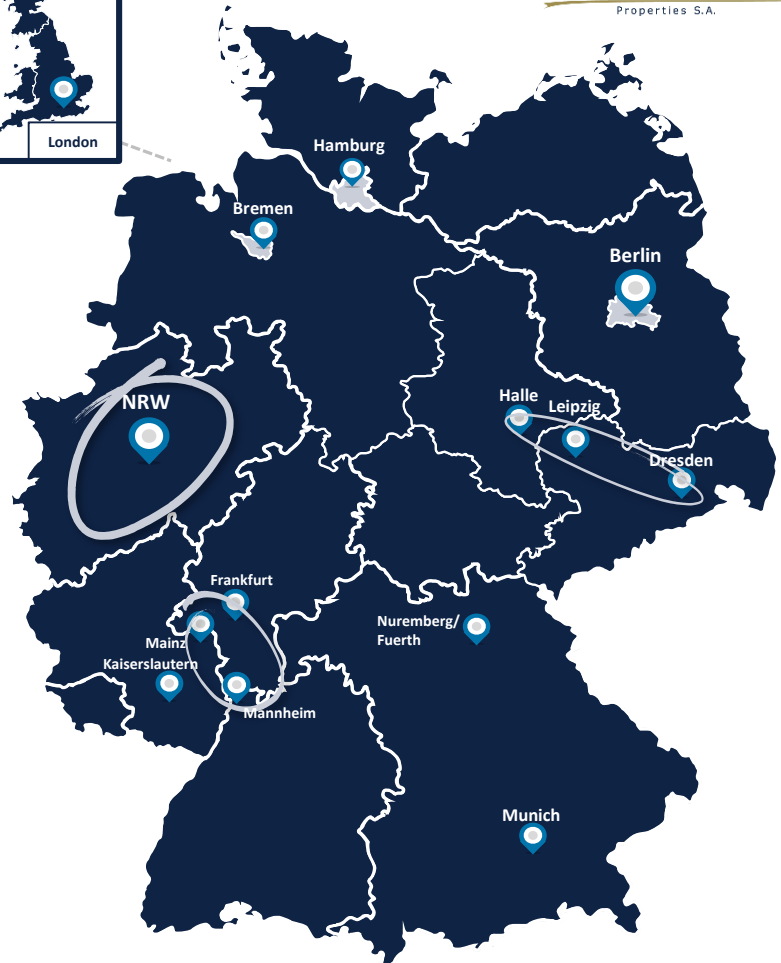
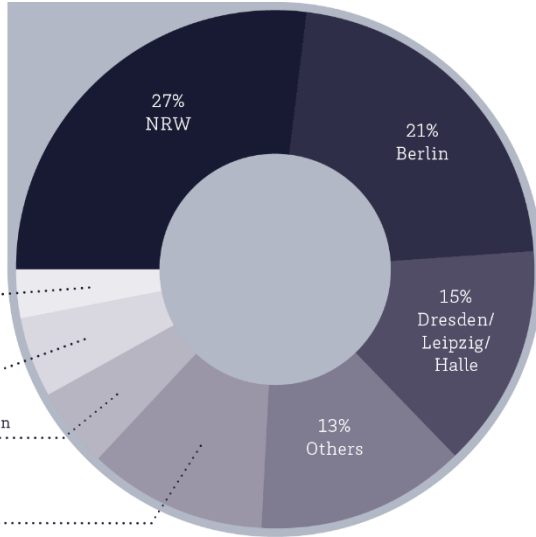
PORTFOLIO OVERVIEW MARCH 2019

	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	2,006	1,843	8.1%	117	5.6	27,591	1,088	5.8%
Berlin	1,425	556	5.3%	50	7.7	7,515	2,560	3.5%
Dresden/Leipzig/Halle	1,054	1,076	8.0%	59	5.0	18,537	980	5.6%
Mannheim/KL/Frankfurt/Mainz	403	270	4.9%	22	7.1	4,477	1,494	5.5%
Nuremberg/Fürth/Munich	220	102	4.4%	10	7.9	1,471	2,155	4.5%
Hamburg/Bremen	361	297	5.2%	20	5.9	4,272	1,214	5.5%
London	497	58	11.0%	19	31.2	1,158	8,607	3.9%
Others	999	1,098	7.0%	67	5.7	18,719	910	6.7%
Development rights and new buildings*	530							
Total	7,495	5,300	7.2%	364	6.15	83,740	1,314	5.2%

*including land for development, building rights on existing buildings (€237m) and pre-marketed buildings in London (€293m)

2 PORTFOLIO DISTRIBUTION

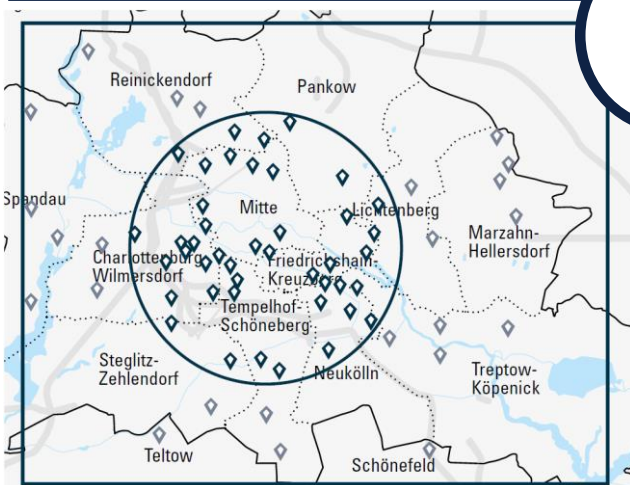
DISTRIBUTION BY VALUE MARCH 2019



Focus on value-add opportunities in densely populated metropolitan areas

Berlin is the single largest city in the portfolio

PORTFOLIO OVERVIEW BERLIN



21%
of GCP's
Portfolio

QUALITY LOCATIONS IN TOP TIER NEIGHBORHOODS OF BERLIN*

2/3
In top tier
locations

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

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

Berlin - Mitte



Berlin - Friedrichshain



Berlin - Neukölln



Berlin - Wilmersdorf



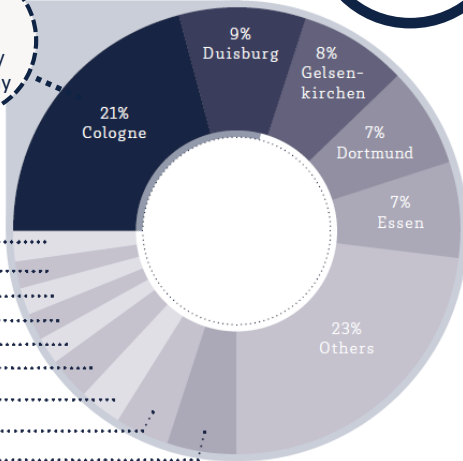
GCP is well positioned in Germany's largest metropolitan area...

PORTFOLIO DISTRIBUTION

27%
of GCP's
Portfolio

4th

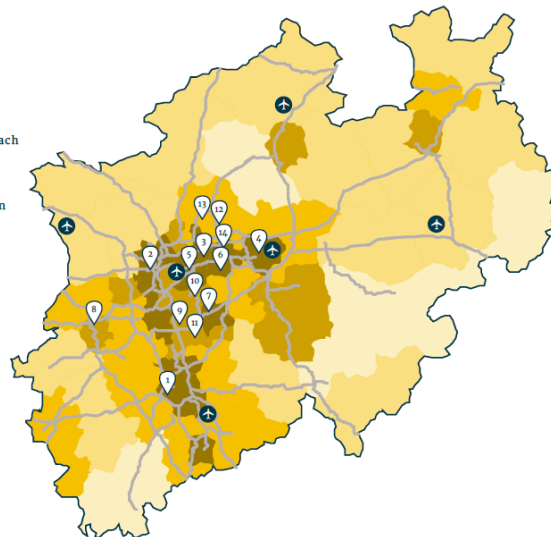
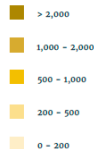
largest city
in Germany



POPULATION DENSITY IN NRW

1. Cologne
2. Duisburg
3. Gelsenkirchen
4. Dortmund
5. Essen
6. Bochum
7. Wuppertal
8. Mönchengladbach
9. Erkrath
10. Velbert
11. Solingen
12. Recklinghausen
13. Marl
14. Herne

Inhabitants
per sqkm
(2015)



Dortmund



Duisburg



Essen



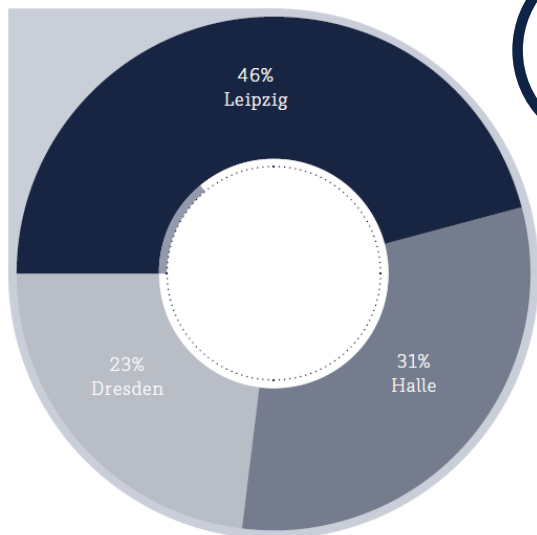
Wuppertal



Cologne

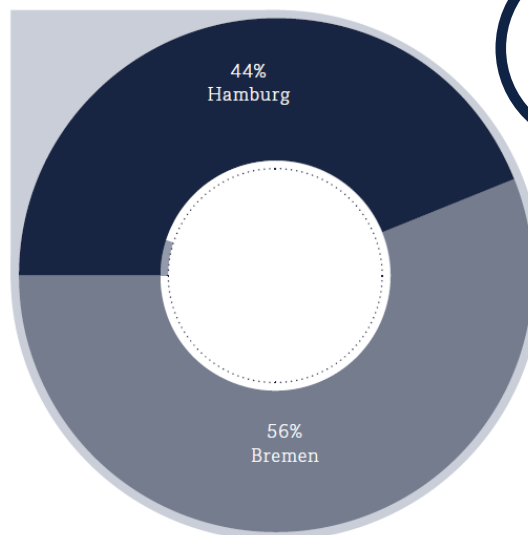
...with further diversification in Germany's fast growing Eastern and largest Northern cities

EAST PORTFOLIO



15%
of GCP's
Portfolio

NORTH PORTFOLIO



5%
of GCP's
Portfolio



Leipzig



Dresden



Halle



Hamburg



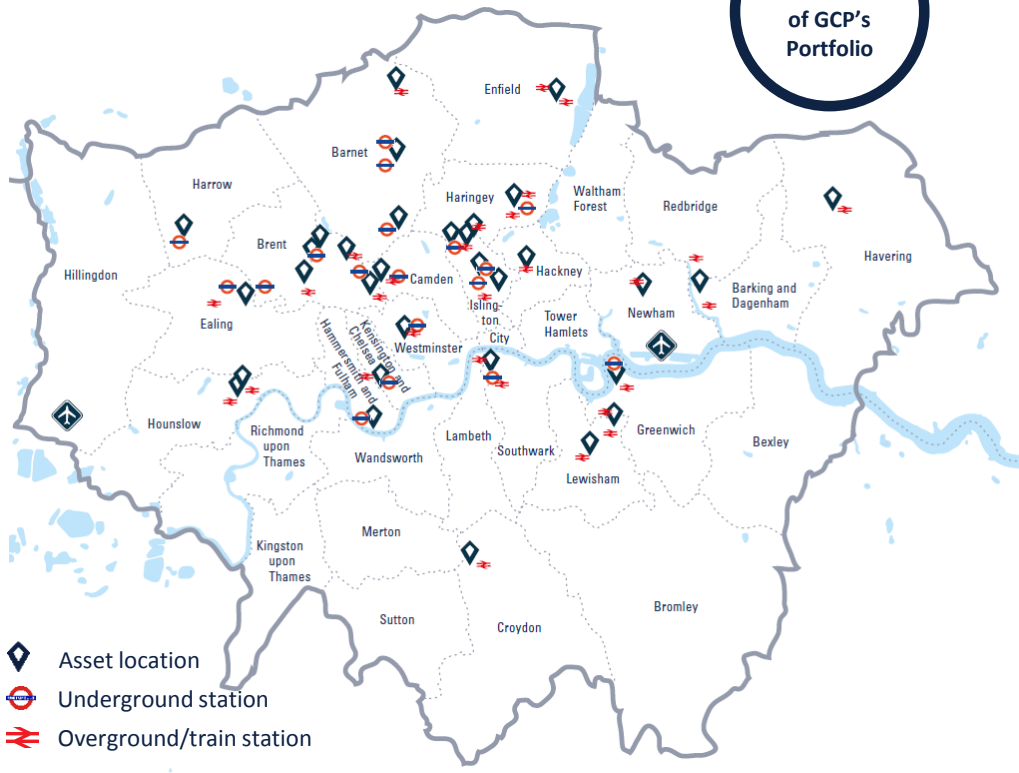
Bremen

HIGH QUALITY, WELL CONNECTED LONDON PORTFOLIO - MARCH 2019

The total London Portfolio, including pre-marketed units amounts to nearly 2,000 units

Portfolio overview London

11%
of GCP's
Portfolio



- Asset location
- Underground station
- Overground/train station

Map represents 92% of the London portfolio

Well connected London portfolio



Over **90%** of the portfolio is situated within a short walking distance to an underground/overground station



DEVELOPMENT RIGHTS – SUPPORTING THE VALUE CREATION PROCESS

In recent periods GCP identified value reserves in the form of development rights. Development rights have been extracted primarily in Berlin, where the land value has increased substantially and the demand for new building is surging

As of March 2019, building rights amounted to €237 million, of which the largest component of approx. €100 million is presented below:

Background

- As part of a larger acquisition in Berlin, GCP acquired in 2013 land in Berlin's district of Lichtenberg. At the time of acquisition development of the plot was not economically feasible
- The exceptional dynamics of the city in the recent years has led GCP to initiate discussions with the municipalities and to prepare a development plan
- Located next to the Volkspark Prenzlauer Berg City Park, the project has potential for a vibrant neighborhood development

Current Status

- This piece of land is made up of two plots located close to each other
- The building rights on the first plot are for approx. 600 units or ~35k lettable sqm. Zoning permits for this plot are in progress and construction is expected to begin within 1-1.5 years. The development cost of this plot is estimated at €90 million and is expected to generate €6 million rent p.a. (6.5% yield over cost)
- The zoning of the second plot is in early stages and we are in negotiations with the city. We expect approx. 70k sqm of gross floor area. The development cost of this plot is estimated at €150 million and is expected to generate €10 million rent p.a. (6.5% yield over cost)

Capturing the the value

- GCP is continuing with the process of obtaining building permits and is exploring three options to capture the embedded potential

(1) Sale of the land as is (2) Build to hold (3) Build to sell



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

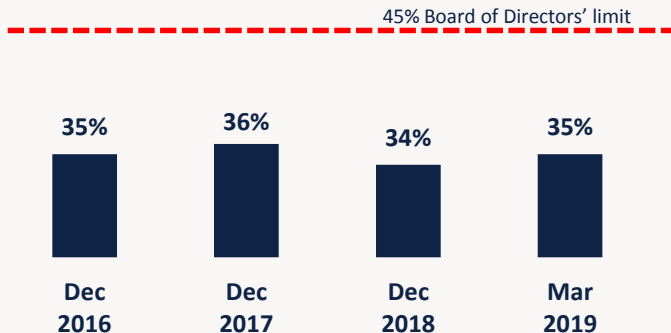
Maintaining credit lines which are not subject to Material Adverse Effect

Dividend of 65% of FFO I per share

in € '000 unless otherwise indicated	Mar 2019	Dec 2018
Investment property*	7,453,497	7,298,879
Investment property of assets held for sale	191,756	132,137
Equity accounted investees	24,949	26,207
Total value	7,670,202	7,457,223
Total Debt	3,241,038	3,320,020
Cash and liquid assets	564,835	760,374
Net debt	2,676,203	2,559,646
LTV	35%	34%

* excluding effects of IFRS 16

LTV Development



COST OF DEBT

1.5%

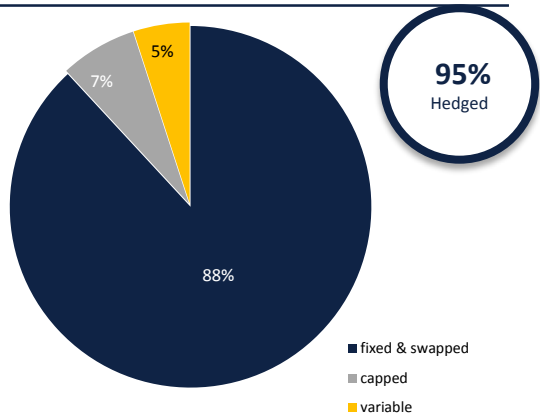
Low spreads (17/5/2019)

Series D 2021	0.55%
Series E 2025	0.93%

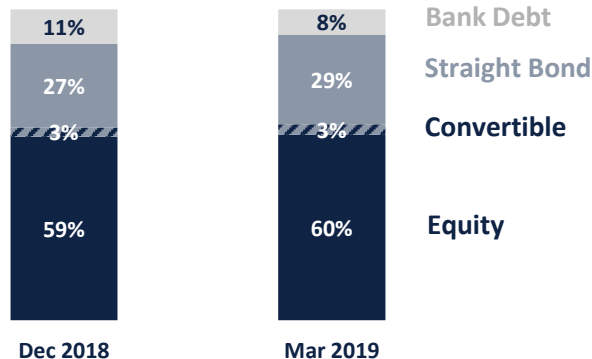
Significant headroom and low cost of debt provide GCP flexibility to quickly act upon attractive opportunities

2 CAPITAL STRUCTURE

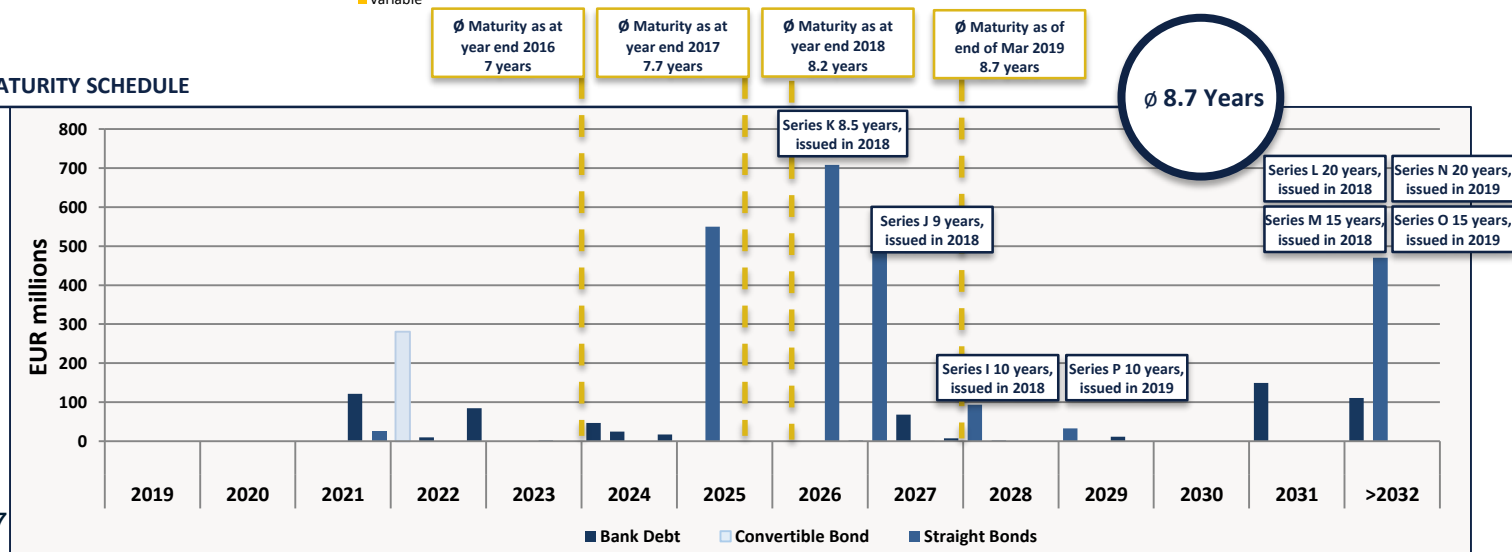
INTEREST HEDGING STRUCTURE



FINANCING SOURCE MIX

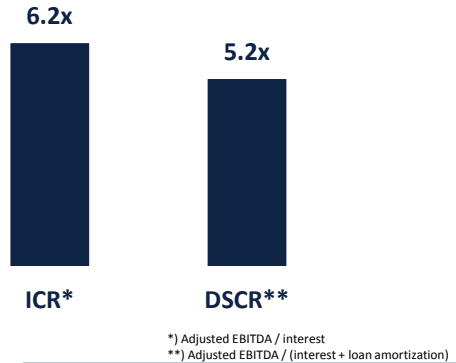


MATURITY SCHEDULE

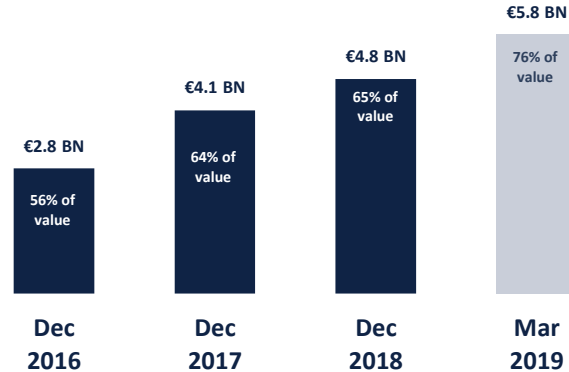


2 DEBT COVERAGE AND CREDIT RATING

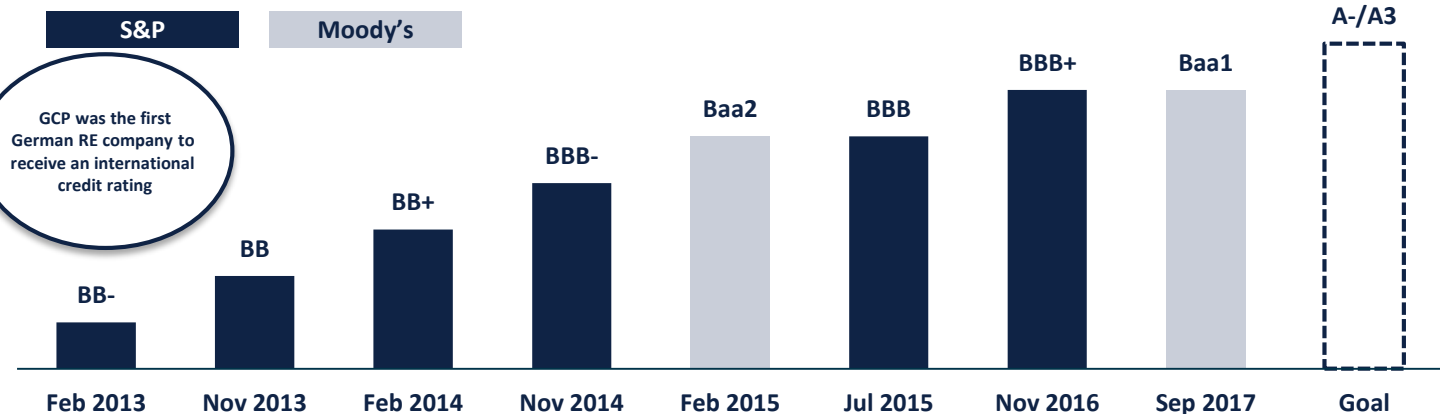
DEBT AND INTEREST COVER RATIOS – MAR 2019



UNENCUMBERED ASSETS



CORPORATE CREDIT RATING



CAPEX STRATEGY

Repositioning capex

- Increasing property quality
- Support value creation
- Measures include:
 - upgrading apartments for new rentals
 - staircases and public areas
 - installing playgrounds
 - installing elevators and ramps
 - other similar measures
- €3.5/avg sqm for the first quarter of 2019 invested in repositioning capex

Modernization

- Improving standards of apartments
- Increasing energy saving levels
- Targeted to increase rents
- Measures include:
 - adding balconies
 - improving insulation
 - façade reconditioning
 - upscale apartment refurbishment
- €0.7/avg sqm for the first quarter of 2019 invested in modernization resulting in L-F-L in-place rent growth of 0.6%

Pre-letting modifications

- Bring newly built and/or re-opening of converted/refurbished buildings to letting market
- Measures include:
 - pre-marketing with final snagging, i.e. finishing preparations and minor investments
 - €3 million for the first quarter of 2019 invested in pre-letting modifications

Berlin – Playground



Wuppertal - Before



London – Pre-letting modifications



Hattingen – Wheelchair ramp



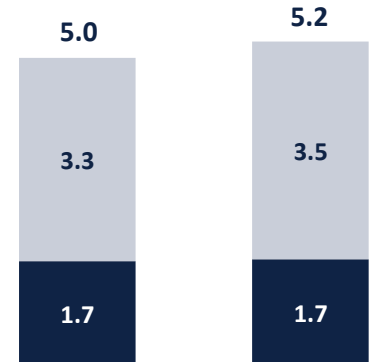
Wuppertal - After



London – Pre-letting modifications



REPOSITIONING CAPEX AND MAINTENANCE (IN € PER AVG SQM)



1 - 3/2018

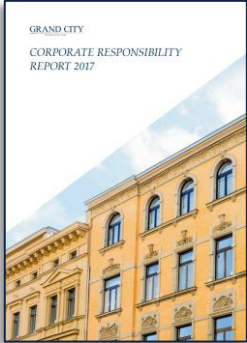
1 - 3/2019

- Repositioning capex per avg sqm
- Maintenance per avg sqm

in € '000

	1-3/2019	1-3/2018
FFO I	52,666	49,461
Repositioning Capex	(18,425)	(17,918)
AFFO	34,241	31,543

3 ESG - OUTPERFORMER



Starting from 2018, GCP publishes its Corporate Responsibility report on an annual basis, demonstrating its 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 annual Corporate Responsibility Report for 2018 was published in April 2019 and details efforts and initiatives undertaken in 2018. The report can be found on our company website in the Sustainability [section](#).

SUSTAINALYTICS

Overall score
February 2019

95th Percentile
among 300 Real Estate Peers

The Company's continuous effort and ongoing commitment to enhancing and expanding its ESG initiatives and reporting was recognized in February 2019 by Sustainalytics, one of the leading sustainability rating agencies, which ranked GCP in the 95th percentile among 300 global real estate peers, as well as noting the Company as a leader in its peer group.



September 2018

In September 2018, for the second consecutive year, GCP was awarded the EPRA BPR Gold Award for its 2017 annual financial report as well as the EPRA sBPR Gold Award for its EPRA sBPR reporting, underlining the company's commitment to very high standards of transparency and reporting

	FY 2019 Guidance
FFO I (in € millions)	211-213
FFO I per share (in €)	1.26-1.27
Dividend per share (in €)	0.82-0.83
FFO I per share after perpetual notes attribution (in €)	1.06-1.07
Total net rent like-for-like growth	>3.5%
LTV	<45%



Guidance confirmed

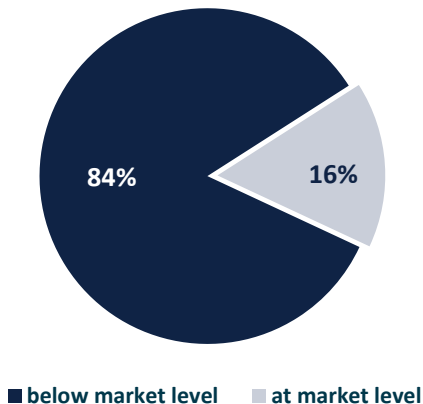
Operational profitability and internal growth is expected to be translated into per share growth with increasing payout

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

5 APPENDIX

5 PORTFOLIO POTENTIAL

RESIDENTIAL IN-PLACE RENT COMPARED TO MARKET RENT



CURRENT ANNUALIZED NET RENTAL INCOME VS MARKET POTENTIAL



10 years
Average tenancy length

5% of units
subject to rent
restrictions from
subsidization

Large upside potential with limited downside risk

Strong activity in 2018,
issuing **€1.3bn**

Mar-19	➤ Issuance of Series P, 2029 straight bonds of HKD 290m under EMTN, full currency hedge to Euro, effective coupon of 1.4% p.a.+3 month Euribor
Feb-19	➤ Issuance of Series O, 2034 straight bonds of €15m under the EMTN, effective coupon of 1.7% p.a. +3 month Euribor
Feb-19	➤ Issuance of Series N, 2039 straight bonds of €88m under the EMTN, effective coupon of 1.7% p.a. +3 month Euribor
Jun-18	➤ Issuance of Series M, 2033 straight bonds of €55m under the EMTN, coupon of 1.7% p.a. till 2023
May-18	➤ Issuance of Series L, 20-year straight bonds of JPY 7.5bn (€57m) due 2038 under the EMTN, currency hedge, coupon of 1.4% p.a.
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.
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% p.a
Jul-17	➤ Issuance of Series G, 2026 straight bonds of €600m under the EMTN programme, coupon of 1.375% p.a.
Jul-17	➤ Established Euro Medium Term Note (EMTN) Programme
Jun-17	➤ Equity capital increase of €198 million at €18 per share

Proven track record

GCP raised **€5.7 billion** of capital since 2012, with proven track record in 4 different markets: Equity, Perpetual notes, Convertible bonds and Straight bonds

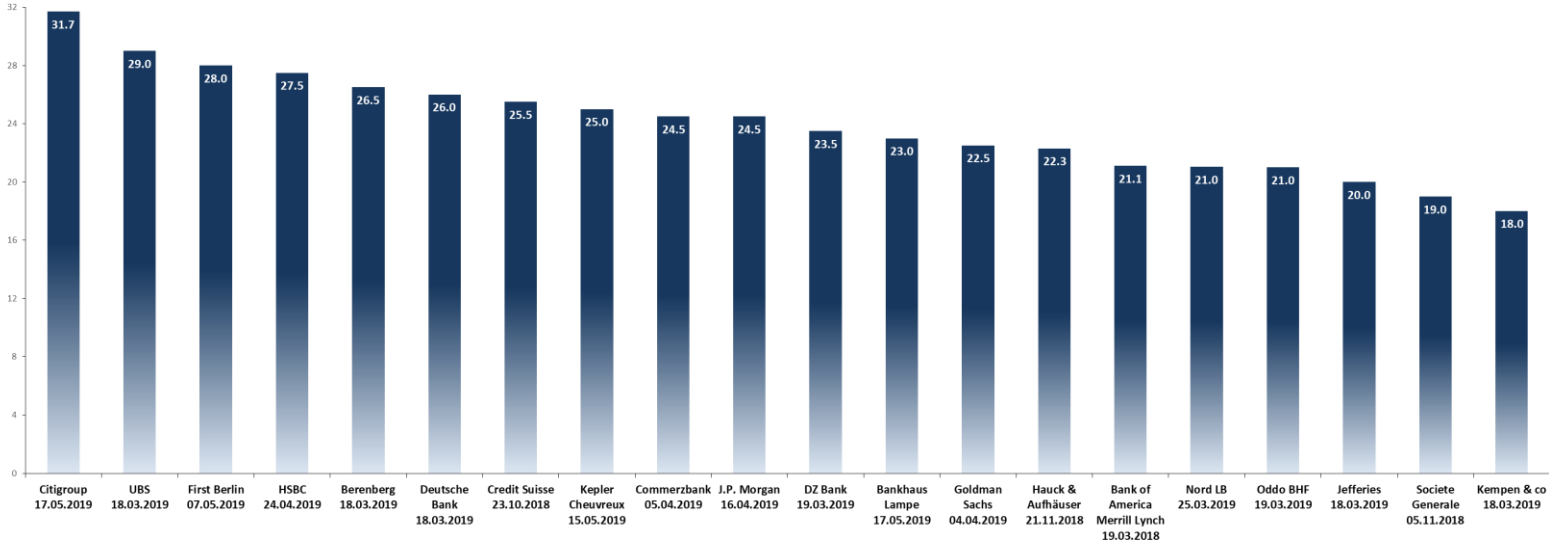
Sep-16	➤ Issuance of €200 million perpetual notes, coupon of 2.75% p.a.
Feb-16	➤ Issuance of Series F, 2022 convertible bonds of €450m, coupon of 0.25% p.a, conversion price of €25.54
Jan-16	➤ Completion of the conversion of Series C convertible bonds (€275m)
Sep-15	➤ Tap issuance of €150m of 10 year 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 of additional €100m
Apr-15	➤ Issuance of Series E, 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 straight 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
Oct-12	➤ Issuance of Series A, 5-year convertible bonds of €100m with a coupon of 8% p.a.
Jul-12	➤ Equity capital increase of €15m at €2.8 per share

EQUITY & BOND BOOKRUNNERS



5 ANALYST COVERAGE

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:

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

MDAX

FTSE Russell | EPRA
EUROPEAN PUBLIC REAL ESTATE ASSOCIATION

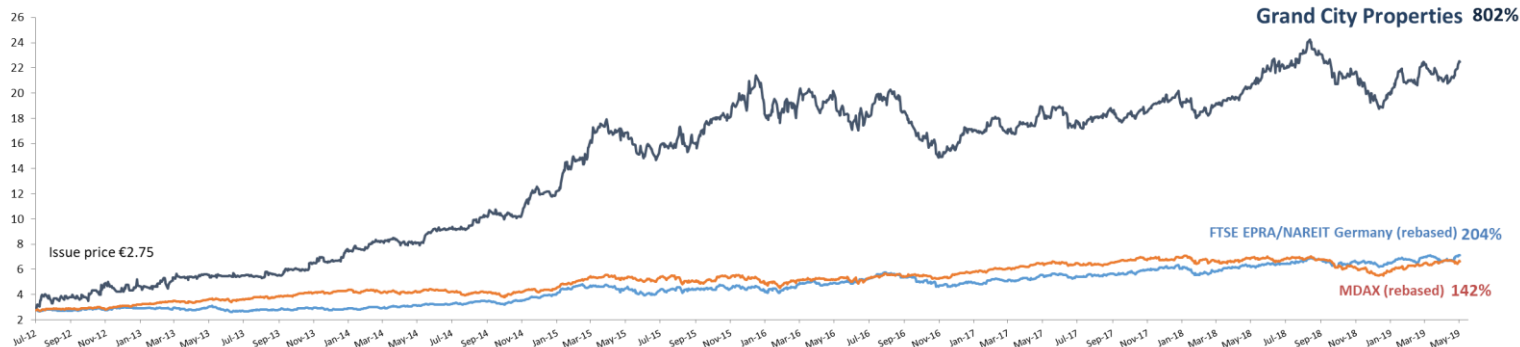
STOXX

Global property research
Solutions for customized property indices

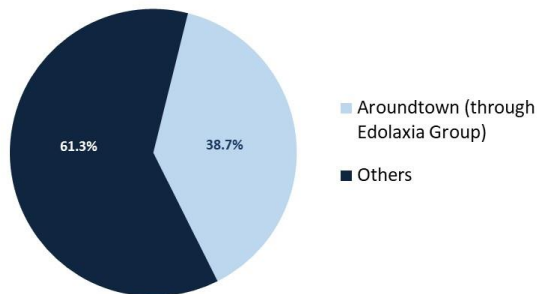
MSCI



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

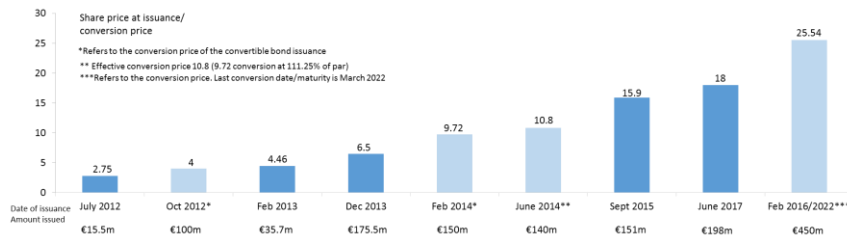


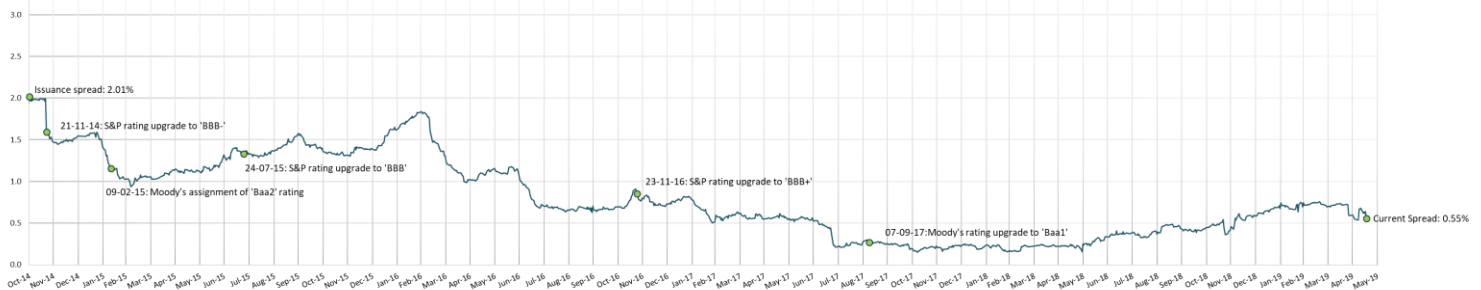
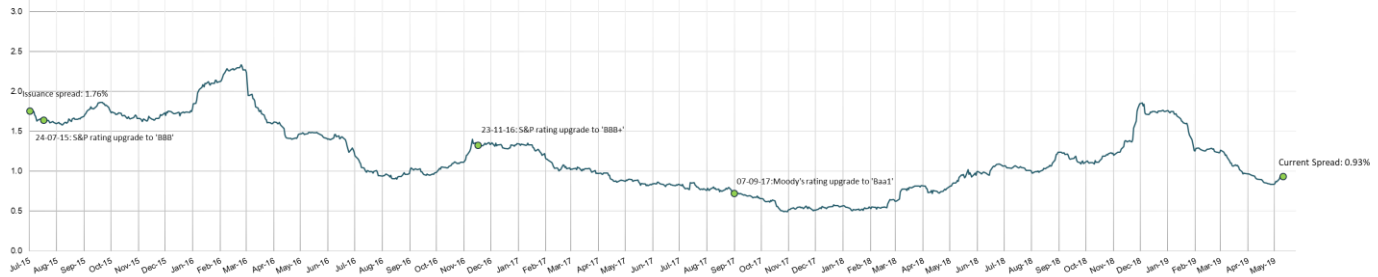
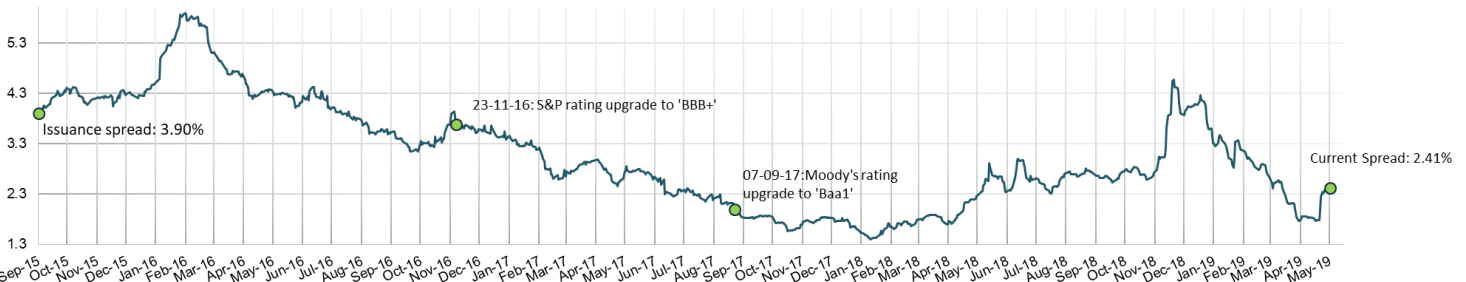
SHARE OWNERSHIP STRUCTURE



Basic amount of shares: 166.7 million/ Fully diluted amount of shares: 179 million

SHARE PRICE/CONVERSION PRICE THROUGHOUT THE COMPANY'S ISSUANCES



STRAIGHT BOND SERIES D SPREAD OVER MID-€-SWAP, REMAINING 2.5 YEARS

STRAIGHT BOND SERIES E SPREAD OVER MID-€-SWAP, REMAINING 6 YEARS

3.75% PERPETUAL NOTES SPREAD OVER MID-€-SWAP


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

Rafael Zamir

CFO
Chairman

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

Sebastian Remmert-

Faltin
COO

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

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

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

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

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

	1 Min-imal	2 Modest	3 Intermediate	4 Significant	5 Aggre-ssive	6 High Lever-aged
1 Excellent	aaa / aa+	aa	a+/a	a-	bbb	bbb-
2 Strong	aa/ aa-	a+/a	(A- (DW) → BBB+ (GCP)) (Aroundtown (Covivio) (Vonovia- BBB+)*	BBB	bb+	bb
3 Satisfactory	a/a-	bbb+	BBB/BBB- (Alstria) (ADO)	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 effects of modifiers, is BBB+

GCP will continue strengthening its position within the business profile

Moody's 12-18 Month Forward View As of 09/18/2018 [3]
REITs and Other Commercial Property Firms Industry Grid [1][2]

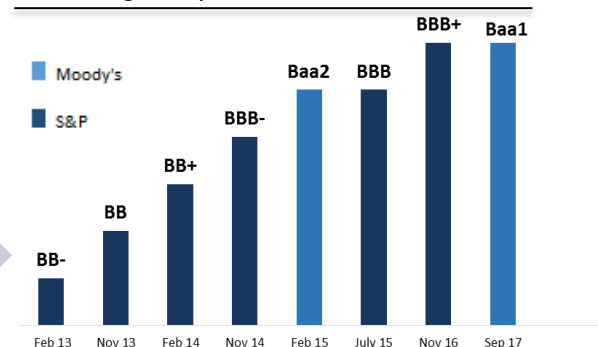
Moody's		
Factor 1: Scale (5%)	Measure	Score
a) Gross Assets (USD Billion)	\$10.3-10.5	A
Factor 2: Business Profile (25%)		
a) Market Positioning and Asset Quality	Baa	Baa
b) Operating Environment	Aa	Aa
Factor 3: Liquidity and Access To Capital		
a) Liquidity and Access to Capital	A	A
b) Unencumbered Assets / Gross Assets	70-75%	Baa
Factor 4: Leverage and Coverage (45%)		
a) Total Debt + Preferred Stock / Gross	42-45%	Baa
b) Net Debt / EBITDA	10.5-11.5x	Caa
c) Secured Debt / Gross Assets	10-12%	Baa
d) Fixed-Charge Coverage	4.3-4.7x	A
Rating:		
a) Indicated Rating from Grid	Baa1	
b) 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



MAINTAINING STRONG AND DIVERSE FINANCING SOURCES

GCP HAS DOZENS OF NON-RECOURSE SEPARATE BANK LOANS FROM VARIOUS BANKS AND MAINTAINS STRONG RELATIONS WITH A RANGE OF BANKS AND CREDIT PROVIDERS

Berlin Hyp

**Kreissparkasse
Köln**

UniCredit

**Mittelbrandenburgische
Sparkasse in Potsdam**

**MVB
Mainzer Volksbank**

**pbb
DEUTSCHE
PFANDBRIEFBANK**

**DKB
Deutsche
Kreditbank AG**

**Sparkasse
Dortmund**

**Berliner
Sparkasse**

**Sparkasse
Rhein Neckar Nord**

**Hamburg
Commercial
Bank**

MünchenerHyp

NRW.BANK
Wir fördern Ideen

DZ BANK
Die Initiativbank

Bayern LB

**HYPO NOE
GRUPPE**

SIGNAL IDUNA



NATIXIS
BEYOND BANKING

COMMERZBANK



J. SAFRA SARASIN
Sustainable Swiss Private Banking since 1841



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