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GRAND CITY PROPERTIES S.A. ANNOUNCES RESULTS FOR 9M 2023 DRIVEN BY STRONG OPERATIONAL RESULTS AND HIGH LIQUIDITY POSITION

- Net rental income of €307 million for 9M 2023, higher by 4% as compared to €295 million in 9M 2022.
- Solid like-for-like rental growth of 3.1% with 2.8% from in-place rent increases and 0.3% from occupancy increases, underlining the portfolio's strong operational fundamentals.
- Adjusted EBITDA of €240 million in 9M 2023, increasing by 4% as compared to €230 million in 9M 2022.
- FFO I of €141 million in 9M 2023, lower by 2% as compared to €145 million in 9M 2022 mainly driven by the higher financing cost and perpetual notes attribution.
- Loss of €398 million in 9M 2023 primarily as a result of negative property revaluations, offset by robust operational profits.
- Strong liquidity position, with cash and liquid assets of €1.1 billion as of September 2023, cover debt maturities until mid-2026 and reflect 25% of total debt.
- Conservative financial position with a stable LTV ratio of 36% as of September 2023, ICR ratio of 5.7x in 9M 2023 and €7 billion of unencumbered assets (76% of total portfolio value). EPRA LTV (considering perpetual noted as debt) as of September 2023 is 47%.
- EPRA NTA of €4.3 billion or €24.7 per share as of the end of September 2023, lower by 8% and 9% respectively from December 2022.
- FY 2023 guidance confirmed.

Luxembourg, November 15, 2023 – Grand City Properties S.A. (“GCP” or the “Company”) announces results for the nine-month period ending September 2023 with strong operational performance and conservative financial leverage maintained. Net rental income increased by 4% to €307 million, mainly due to the solid like-for-like rental growth of 3.1%. The growth is driven by in-place rent growth of 2.8% and occupancy increase of 0.3%, reflecting strong positive momentum continuing in both in-place rental growth and vacancy reduction. GCP recorded an all-time low vacancy rate of 3.8% as of September 2023, a decrease of 0.4% from December 2022. The increase in rental income was partially offset by net disposals. The robust growth led to an increase in the adjusted EBITDA, which increased to €240 million in the nine-month period ending September 2023, reflecting a 4% increase from €230 million in the comparable period in 2022. FFO I decreased by 2% to €141 million in the nine-month period ending September 2023, as compared to €145 million in the comparable period in 2022. The decrease is mainly driven by the higher finance expenses and perpetual notes attribution offsetting the operational growth. FFO I per share was €0.82 per share in 9M 2023, as compared to €0.87 per share in 9M 2022. FY 2023 FFO I guidance is confirmed.



The Company continues its proactive approach of reducing leverage and maintaining a conservative financial profile with a stable LTV ratio. The disposals, supported by the strong operational performance, the suspension of the 2022 dividend and debt repayment at discount, allowed GCP to maintain an LTV of 36%, stable compared to year-end 2022. In the nine-month period, GCP closed disposals of €270 million, affirming the company's capacity to successfully market and sell properties even in a difficult economic environment.

GCP enhanced its liquidity position further by signing €550 million in new bank debt year to date, of which €440 million in the nine-month period of 2023, with additional bank debt of €110 million signed in Q4. The Company's average cost of debt was 1.9%, higher compared to December 2022 primarily as GCP has opted to raise relatively higher cost debt compared to its existing debt, thereby significantly strengthening its liquidity position and extending the time to refinance further. As of September 2023, GCP has an average debt maturity of 5.5 years and cash and liquid assets of €1.1 billion covering its debt maturities until mid-2026.

Refael Zamir, CEO of Grand City Properties: "The nine-month period of 2023 showcased a strong operational performance in Germany as well as in London. Despite the market challenges, our initiatives to strengthen liquidity were effective during this period, enabling us to counterbalance the adverse revaluation and maintain our leverage at a stable level. I wish to express my gratitude to all our team members for their diligent efforts and commitment throughout this time."

Financial statements for 9M 2023 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 30 - 34 of the financial statements for 9M 2023, 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/2023/GCP_Q3_2023.pdf

About the Company

The Company is a specialist in residential real estate, value-add opportunities in densely populated areas primarily in Germany and London. 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 37, Boulevard Joseph II, L-1840 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.

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