2023

Condensed Interim Consolidated Financial Statements

For the nine-month period ended 30 September

Berlin

GCP

Berlin

Contents

IMPRINT **Publisher: Grand City Properties S.A.** | 37, Boulevard Joseph II | L-1840 Luxembourg | **phone:** +352 28 77 87 86 | **e-mail:** info@grandcity.lu | www.grandcityproperties.com

Key Financials

BALANCE SHEET HIGHLIGHTS

in €'000 unless otherwise indicated	Sep 2023	Change	Dec 2022
Total Assets	11,150,627	0%	11,131,328
Investment Property	8,983,228	-6%	9,529,608
Cash and liquid assets (including those under held for sale)	1,070,811	150%	429,127
Total Equity	5,508,385	-7%	5,914,155
Loan-to-Value	36%	0%	36%

NAV HIGHLIGHTS

in €'000 unless otherwise indicated	EPRA NRV	EPRA NTA*	EPRA NDV
Sep 2023	4,869,691	4,261,858	4,118,994
Sep 2023 per share (in €)	28.2	24.7	23.9
Per share development	-8%	-9%	-11%
Dec 2022	5,322,769	4,655,551	4,642,313
Dec 2022 per share (in €)	30.8	27.0	26.9

* updated methodology to exclude RETT

P&L HIGHLIGHTS

in €'000 unless otherwise indicated	9M 2023	Change	9M 2022
Net Rental Income	307,492	4%	294,799
Adjusted EBITDA	239,584	4%	230,069
FFO I	141,031	-2%	144,633
FFO I per share (in €)	0.82	-6%	0.87
EBITDA	(331,040)	-172%	462,739
Profit (loss) for the period	(397,951)	-246%	272,780
Basic (loss) earnings per share (in €)	(2.00)	-247%	1.36
Diluted (loss) earnings per share (in €)	(2.00)	-250%	1.33

Mannheim

Operational Performance Highlights

Solid Like-For-Like Rental Growth

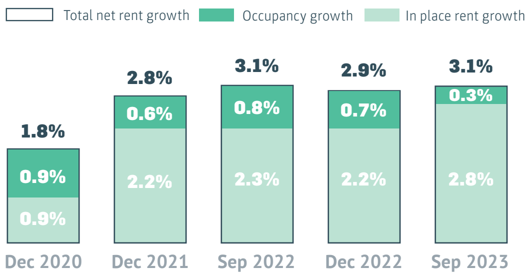
+2.8%
L-F-L
In-place rent growth
Sep 2023

+3.1%
L-F-L
Total net rent growth
Sep 2023

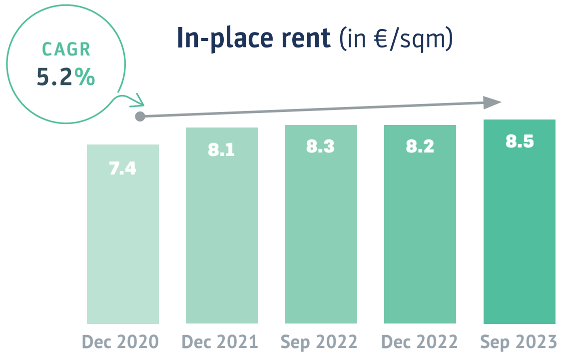
+0.3%
L-F-L
Occupancy growth
Sep 2023

Robust Portfolio Fundamentals

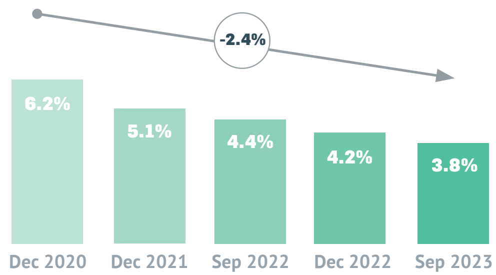
Like-For-Like development



In-place rent (in €/sqm)

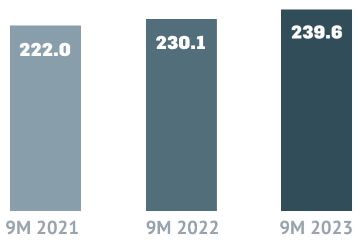


Vacancy

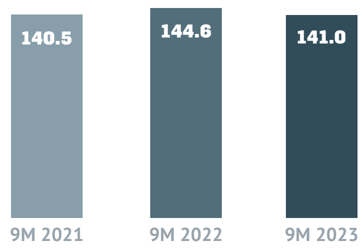


Strong Recurring Operational Profitability

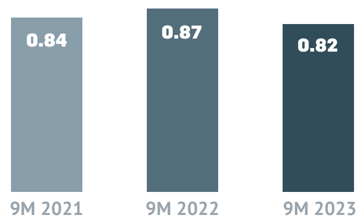
Adjusted EBITDA (in € millions)



FFO I (in € millions)



FFO I per share (in €)



Financial Profile Highlights

Well Positioned In Current Environment With High Headroom To Bond Covenants

DISPOSALS

€130m
9M 2023 SIGNED

~ €270m
9M 2023 CLOSED

NEW BANK FINANCING

€440m + **€110m**
9M 2023 — SIGNED Q4 2023

€550m
TOTAL BANK FINANCING YTD

STRONG LIQUIDITY POSITION

€1.1bn
CASH AND LIQUID ASSETS
SEP 2023

Cash and liquid assets amount to 25% of total debt and cover debt maturities until Q2 2026, additionally supported by undrawn RCF.

LOW LOAN TO VALUE RATIO

36%
SEP 2023

Leverage remained stable compared to Dec 22 despite portfolio devaluations due to successful delevering efforts.

LONG AVERAGE DEBT MATURITY

5.5 years
SEP 2023

New bank debt in 2023 with average term of >7.5 years.

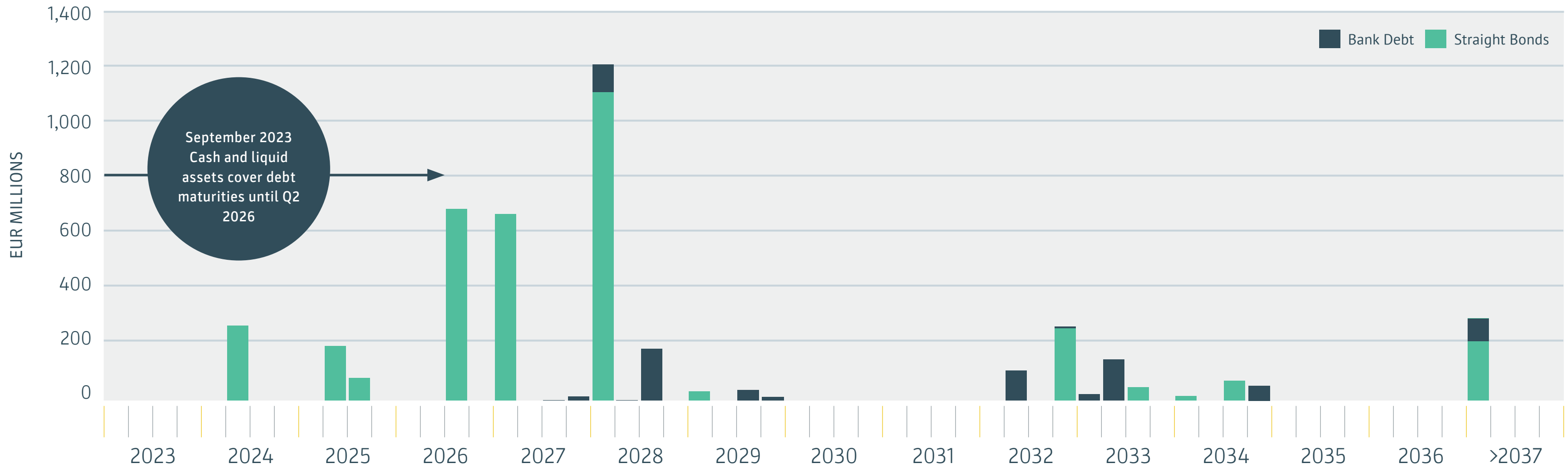
88% of debt is fixed or interest hedged.

UNENCUMBERED ASSETS

€7bn
76%
of value
SEP 2023

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

Debt Maturity Schedule



Strong Financial Profile Maintained

LOW COST OF DEBT
1.9%
SEP 2023

ICR
5.7x
9M 2023

CREDIT RATING S&P
BBB+
NEGATIVE
JUN 2023

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, 2023.

The figures presented in this Board of Director's Report are based on the condensed interim consolidated financial statements as of September 30, 2023, 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 London. The Group's portfolio, excluding assets held for sale and properties under development, as of September 2023 consists of 63k units (hereinafter "GCP portfolio" or "the Portfolio") located in densely populated areas with a focus on Berlin, Germany's capital, North Rhine-Westphalia, Germany's most populous federal state, the metropolitan regions of Dresden, Leipzig and Halle and other densely populated areas as well as London.

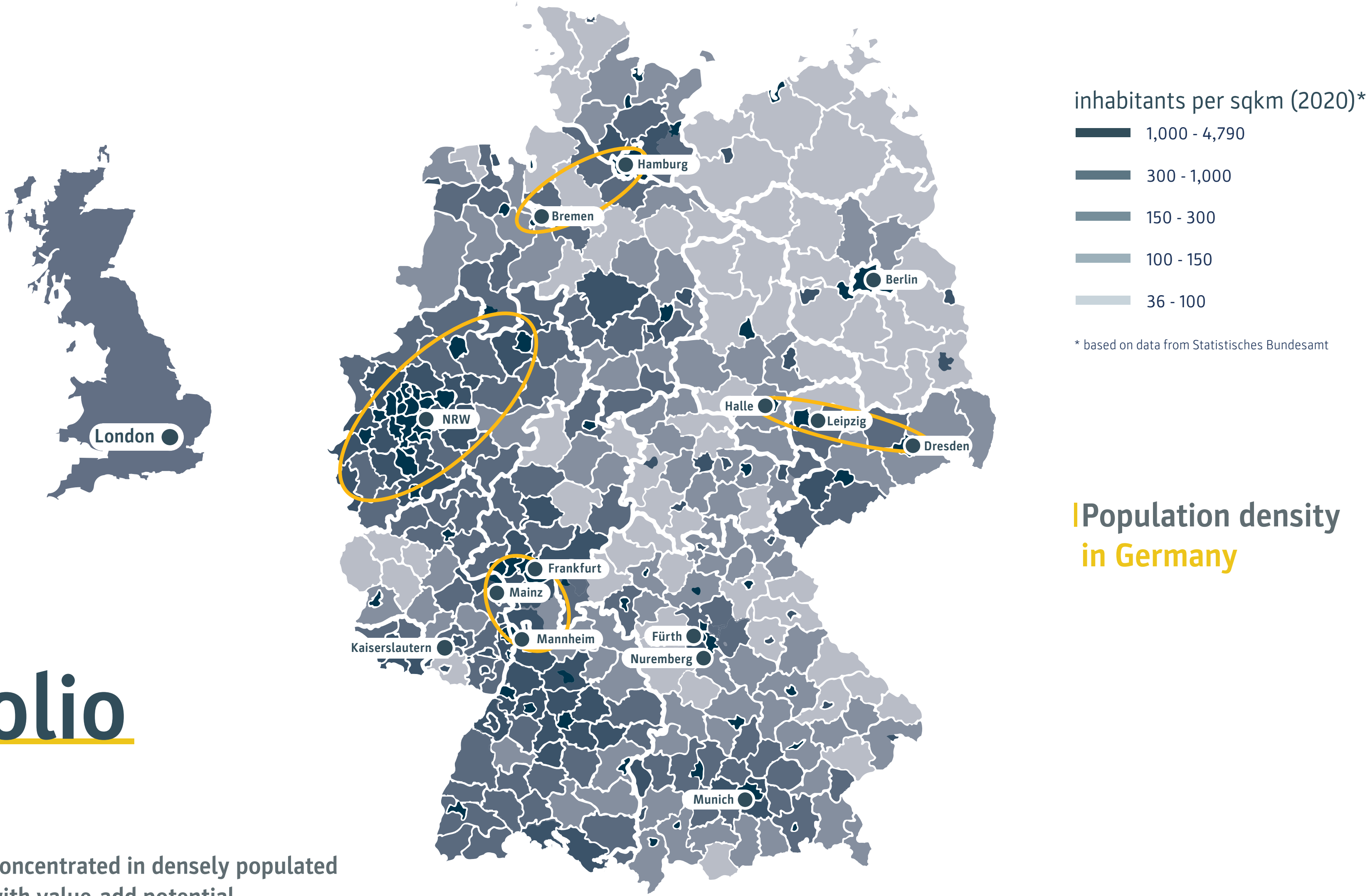
GCP is focused on assets in densely populated urban locations with robust and sustainable economic and demographic fundamentals, and with multiple value-add drivers that it can pursue using its skills and capabilities such as vacancy reduction, increasing rents to market levels, improving operating cost 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.

London

Munich



Population density in Germany

Portfolio

Attractive portfolio concentrated in densely populated metropolitan areas with value-add potential

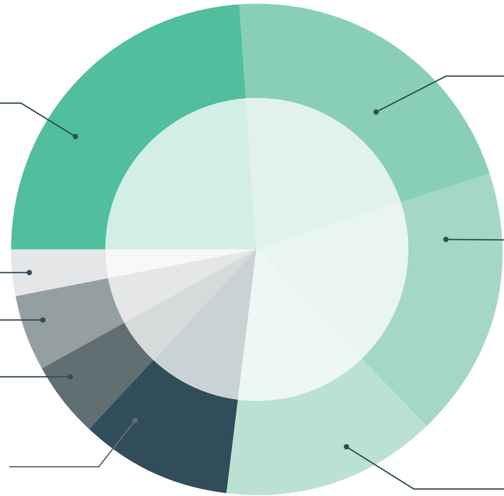
GCP's well-balanced and diversified portfolio is composed of properties in attractive micro-locations with identified value creation potential primarily located in major German cities and urban centers as well as in London.

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 the portfolio being located in Berlin, 21% in NRW, 14% in the metropolitan region of Dresden, Leipzig and Halle, and 18% 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 2023	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	1,884	1,198	4.3%	93	6.5	17,541	1,573	4.9%
Berlin	2,051	619	4.2%	68	9.1	8,440	3,317	3.3%
Dresden/Leipzig/Halle	1,197	816	3.1%	55	5.8	13,997	1,468	4.6%
Mannheim/KL/Frankfurt/Mainz	412	176	3.2%	19	9.1	3,013	2,348	4.7%
Nuremberg/Fürth/Munich	305	80	5.6%	9	10.5	1,430	3,827	3.1%
Hamburg/Bremen	400	264	3.4%	22	7.0	3,996	1,511	5.4%
London	1,611	189	2.9%	82	37.2	3,553	8,514	5.1%
Others	899	676	4.7%	54	6.9	11,448	1,328	6.0%
Development rights & Invest	224							
Total	**8,983**	**4,018**	**3.8%**	**402**	**8.5**	**63,418**	**2,180**	**4.6%**

Berlin - GCP’s Largest Location

Quality locations in top tier Berlin neighborhoods

70%

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

30%

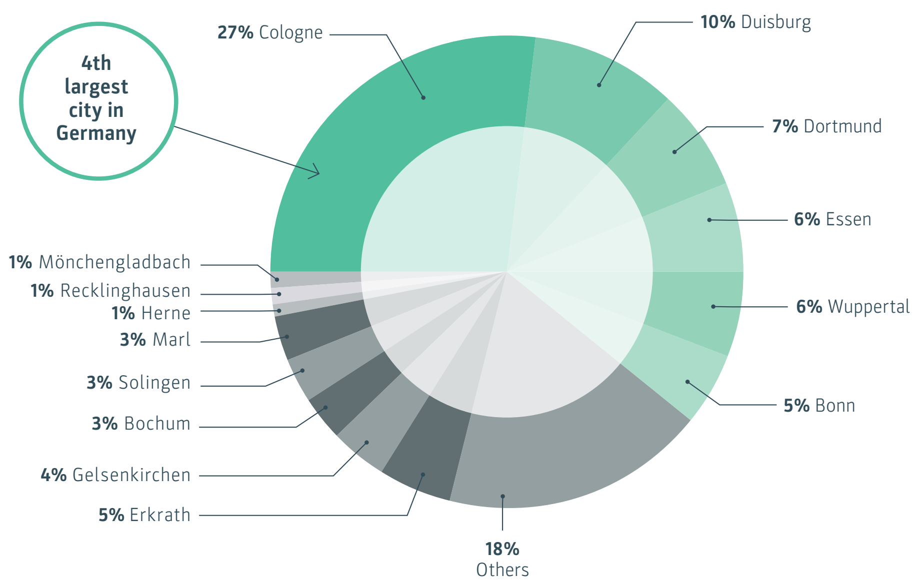
is well located primarily in Reinickendorf, Treptow, Köpenick and Marzahn-Hellersdorf.

24% of GCP’s portfolio

North Rhine-Westphalia (NRW)

Well positioned in the largest metropolitan area in Germany

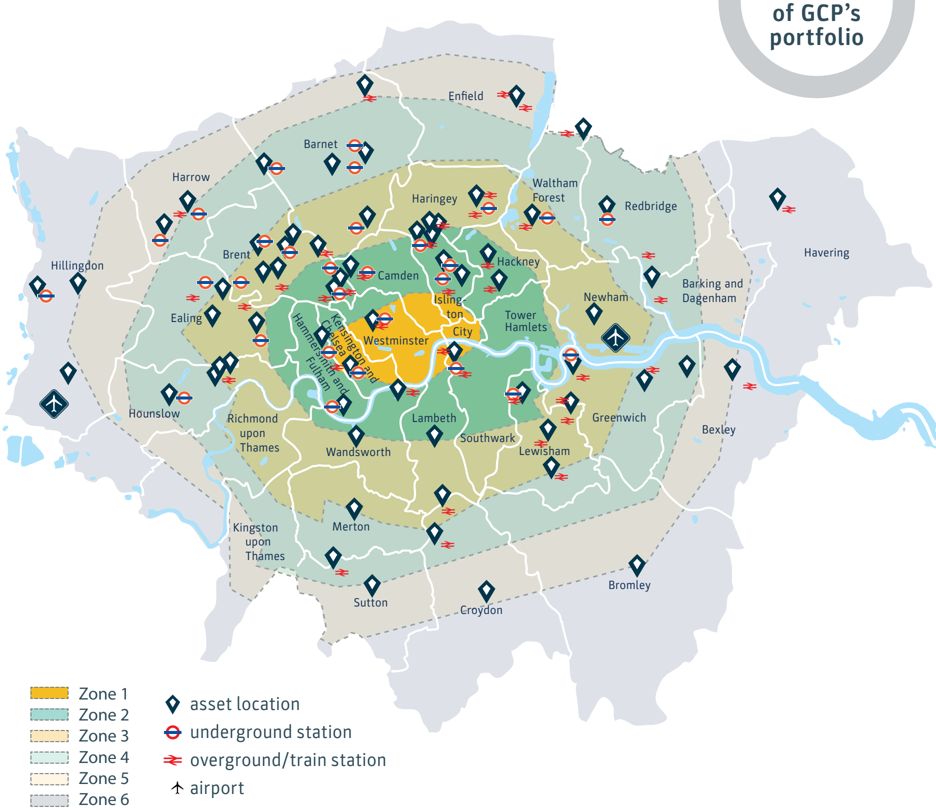
21% of GCP’s portfolio



The portfolio distribution in NRW is focused on cities with strong fundamentals within the region. 27% of the NRW portfolio is located in Cologne, the largest city in NRW, 10% in Duisburg, 7% in Dortmund, 6% in Essen, 6% in Wuppertal, and 5% in Bonn.

London Portfolio

Located in strong middle class neighborhoods



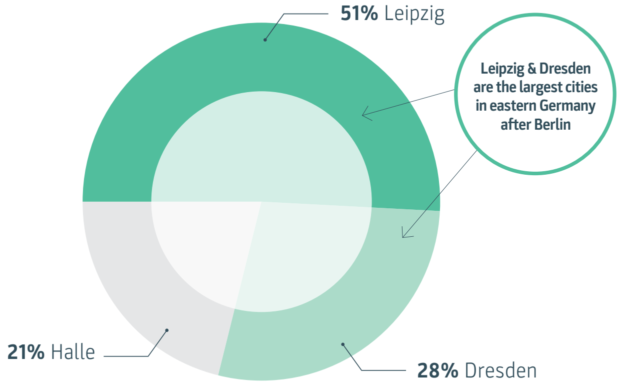
The total London portfolio, including high quality assets, social housing as well as pre-marketed units, amounts to approx. 3,600 units and approx. € 1.6 billion in value.

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

The map represents approx. 90% of the London Portfolio.

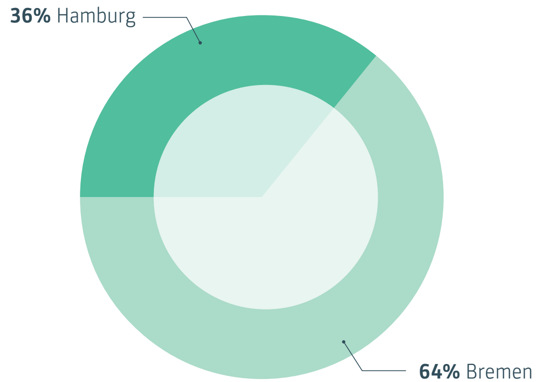
Quality East Portfolio

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



Quality North Portfolio

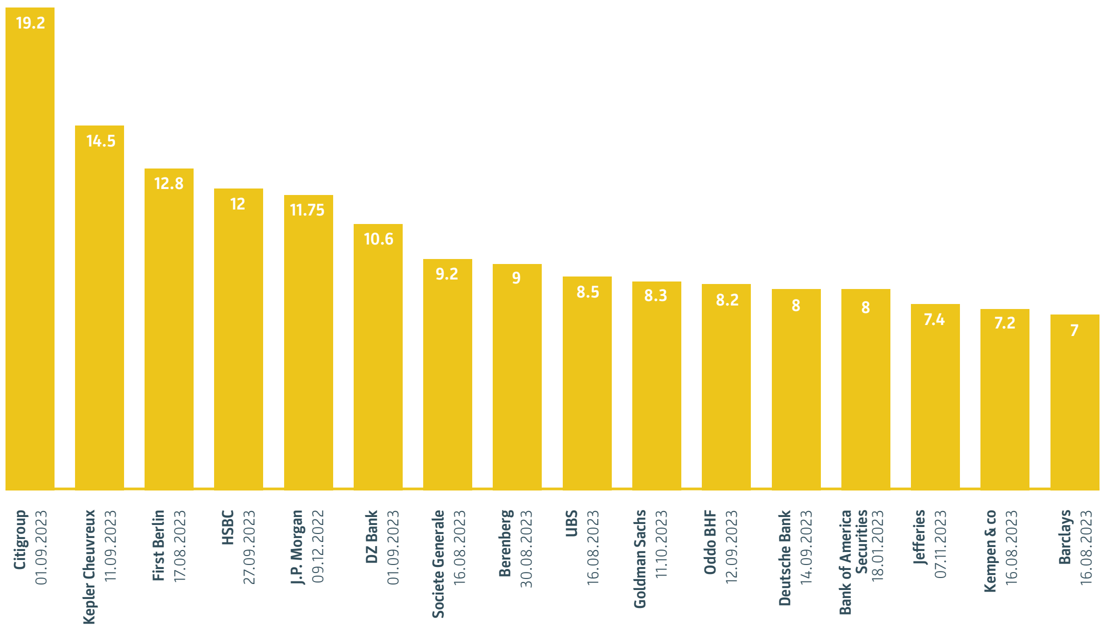
The North portfolio is focused on the major urban centers of Hamburg and Bremen – the largest cities in the north of Germany.



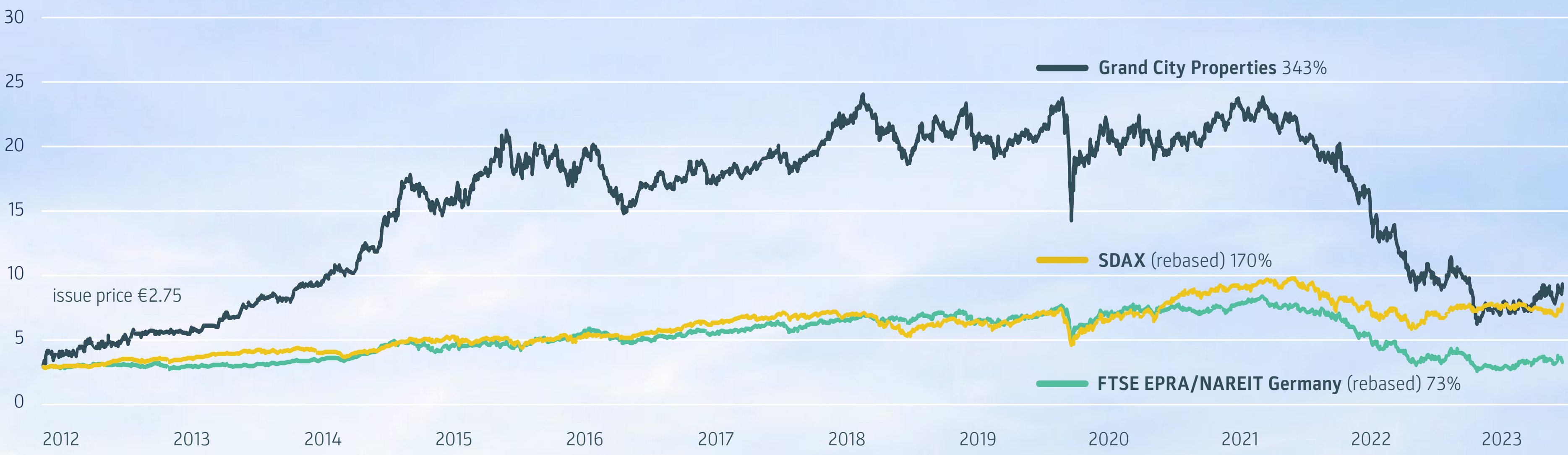
Capital Markets

Placement	Frankfurt Stock Exchange
Market segment	Prime Standard
First listing	Q2 2012
Number of shares (as of 30 September 2023)	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 2023)	172,356,233 ordinary shares with a par value of EUR 0.10 per share
Shareholder structure (as of September 2023)	Freefloat 37% Aroundtown SA (through Edolaxia Group) 61% Treasury Shares 2%
Nominal share capital (as of 30 September 2023)	17,618,789.90 EUR
ISIN	LU0775917882
WKN	A1JXCV
Symbol	GYC
Key index memberships	SDAX FTSE EPRA/NAREIT Index Series GPR 250
Market capitalisation (as of 14 November 2023)	1.6 bn EUR

Analyst Recommendations



Share price performance and total return comparison since first equity placement (19.07.2012)



Notes on business performance


London

OPERATING PROFIT

	For the period of nine months ended 30 September	
	2023	2022
	€'000	
Net rental income (a)	307,492	294,799
Operating and other income (b)	148,370	129,624
Revenue (a)	**455,862**	**424,423**
Property revaluations and capital gains (d)	(569,422)	234,538
Property operating expenses (b)	(208,939)	(187,771)
Administrative and other expenses (c)	(8,541)	(8,451)
Depreciation and amortisation	(7,186)	(7,842)
Operating profit (loss)	**(338,226)**	**454,897**

(a) GCP recorded total revenue of €456 million, in the nine-month period ending September 2023, increasing by 7% as compared to the €424 million recorded in the corresponding period in 2022. Total revenue is comprised of net rental income and operating and other income.

Net rental income, the main component of the Company's revenue, amounted to €307 million in the nine-month period of 2023, recording an increase of 4% compared to the €295 million recorded in the respective period of 2022. The increase in the rental income is mainly driven by the solid like for like rental growth of 3.1%, and completions of pre-let properties, offset by net disposals. Like-for-like rental growth was driven by in-place rent growth of 2.8%, as well as occupancy increases of 0.3%. The robust increase in rental growth of the Company's portfolio is a reflection of the sustainable long term strong operational fundamentals driven by the supply and demand imbalance in major German metropolitan areas and London. The decrease in vacancy rates to new historic low vacancy rate of 3.8% as of September 2023, as compared to 4.2% in December 2022 is evidence of GCP's strong letting performance. In-place rent for the portfolio amounted to €8.5/sqm in September 2023 as compared to €8.2/sqm in December 2022.

As part of the deleveraging strategy to further improve GCP's position in the coming periods, the Company continued to dispose assets, reinforcing its strong liquidity position. In the nine-month reporting period of 2023, the Company successfully disposed approx. €270 million of assets. In the respective period of 2022, these disposed assets had a full contribution to net rental income but only had a partial contribution in 2023. On the other hand, the Company's acquisitions amounting to approx. €250 million completed in the second quarter of 2022, mainly in London and Berlin, had a full impact in the nine-month period of 2023, while having only a partial impact in the respective period of 2022. In the first nine months of 2023 the impact of disposals on the net rental income outweighed the impact of the acquisitions, partially offsetting the internal growth in the period. In addition, the completion of properties in the pre-let phase further supported the rental growth. As of September 2023, the annualised net rent of the portfolio amounted to €402 million.

+2.8%
L-F-L
In-place rent growth
Sep 2023

+3.1%
L-F-L
Total net rent growth
Sep 2023

+0.3%
L-F-L
Occupancy growth
Sep 2023

(b) In the nine-month period of 2023, the Company's operating and other income amounted to €148 million, higher by 14% compared to €130 million in the comparable period. This line item is generally made up of income related to recoverable operational expenses from tenants related to utilities and services, such as heating and water, among others. The primary causes of the significant increase in operating and other income are cost inflation of utilities, especially heating, further supported by the decrease of portfolio vacancy between the periods. Targeted capex initiatives that improve asset efficiency and result in leaner cost structures helped to partially offset cost inflation.

As of September 2023, property operating expenses amounted to €209 million, a 11% increase over the €188 million in the corresponding period of 2022. This line item mainly includes charges for a variety of utilities and services, including waste management, winter services, water and heating, and other costs that are primarily recoverable from tenants. In addition, personal expenses, maintenance and refurbishment expenses, and other operating costs are also included in property operating expenses. Similar to the income line, the primary cause of the notable increase is the cost inflation in recoverable expenses, which includes heating expenses. The increase in heating expenses has been significant in the recent periods, however the trend has changed in the third quarter of 2023 and the expense levels are starting to decrease. Given that the majority of these costs are covered by the tenants, this increase is consistent with the operational income increase mentioned above and therefore does not have a significant impact on the net operating result. Cost inflation also impacted costs for personnel as a result of wage growth and a continued strong labor market. At the same time, in cases where tenants are still having difficulty with payments, the Company allows payments to be spread out over a longer period of time.

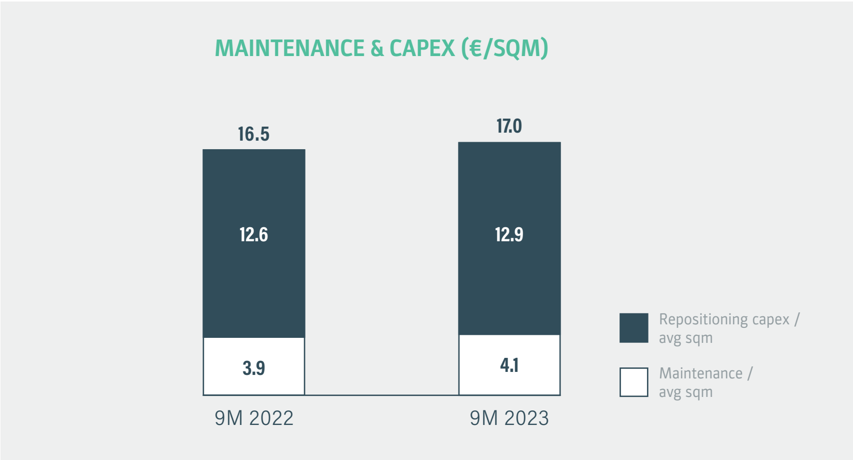
Maintaining high tenant satisfaction and building long-term relationships are key pillars of the Company's strategy. As such, the Company continually evaluates the quality of assets in its portfolio and implements a wide range of maintenance, refurbishment and capital expenditure projects on a regular basis to maintain and improve the quality of its assets. GCP implements these projects to meet property-specific requirements that deliver a higher quality living environment for tenants, which maximizes tenant satisfaction and leads to a reduction in tenant turnover and vacancies.

In the nine-month period of 2023, the Company recorded maintenance and refurbishment expenses of €17 million, an increase of 6% as compared to €16 million in the respective period of 2022. The increase is mainly driven by cost inflation. The average maintenance expense per sqm in 9M 2023 amounted to €4.1 as compared to €3.9 in 9M of 2022. Maintenance and refurbishment expenses are regular and recurring property upkeep expenses which maintain the quality of the portfolio and the standard of living of the tenants.

The Company invested €54 million or €12.9 per average sqm in repositioning capex in the nine-month period of 2023, compared to €52 million or €12.6 per average sqm in the comparable period of 2022. The increase is mainly driven by the cost of inflation from materials. Repositioning capex is comprised of targeted capital expenditures focused on enhancing the value proposition of GCP's assets by 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 supports the value growth of the portfolio as well as the letting progress, reducing tenant turnover and vacancy, while increasing the rent potential.

In addition, the Company invested €7 million in modernisation projects in the reporting period of 2023 as compared to approximately €5 million in the respective period of 2022. The increase is mainly the result of an increase in the scope of modernisation projects executed between the two periods, as well as a certain cost inflation. 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 measures like adding balconies and installing elevators as well as energetic modernisation such as installing green heating systems and increasing energy efficiency through better insulation and the replacement of old windows.

Finally, the Company invested approximately €11 million in pre-letting modifications in the nine-month period of 2023, as compared to €39 million in the respective period of 2022. 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. Additionally, they include large refurbishment projects, and the creation of significant new lettable areas. Since a number of projects were completed in 2022, the pre-letting modification costs were significantly lower in 9M 2023 as compared to 9M 2022.



(c) Administrative and other expenses amounted to €8.5 million in the nine-month period of 2023, stable compared to €8.5 million in the respective period of 2022. This line item is mainly comprised of overhead expenses such as administrative personnel expenses, legal and professional fees, marketing expenses, and other ancillary overhead expenses. The Company's increased efficiencies allowed it to offset the increases in costs as a result of cost inflation.

(d) GCP recorded negative property revaluations and capital gain results amounting to €569 million in the nine-month period of 2023, as compared to positive property revaluations and capital gain results of €235 million in the respective period of 2022.

Property revaluations are one off non-cash gains or (losses) related to the changes of the fair value of the investment portfolio. GCP engages independent and certified valuers to determine the fair value of its investment properties. The Company has externally revalued its full portfolio in H1 2023 and will update its portfolio as part of the full year results. In the third quarter of 2023 GCP booked €31 million devaluations which mainly represent capex investments in the period.

As of September 2023, the portfolio had an average value of €2,180/sqm representing a rental yield of 4.6%, as compared to €2.282/sqm and 4.2% at year-end 2022, respectively.

During the nine-month period of 2023, the Company disposed approx. €270 million of assets mostly assets in London, NRW and a land plot in Berlin. Capital gain results captures the premium (discount) of these disposals compared to their book values. The disposals in the reporting period of 2023 recorded a slight discount to net book values of approx. 3%. The disposal profit over total costs including capex was 16%.

PROFIT FOR THE PERIOD

	For the period of nine months ended 30 September	
	2023	2022
	€'000	
Operating profit (loss)	**(338,226)**	**454,897**
Finance expenses (a)	(42,093)	(34,788)
Other financial results (b)	(63,448)	(104,394)
Current tax expenses (c)	(29,757)	(29,872)
Deferred tax income (expenses) (c)	75,573	(13,063)
Profit (loss) for the period (d)	**(397,951)**	**272,780**
Profit (loss) attributable to owners of the company	(345,225)	226,724
Profit attributable to perpetual notes investors	23,438	18,512
Profit (loss) attributable to non-controlling interests	(76,164)	27,544
Basic earnings (loss) per share (in €)	(2.00)	1.36
Diluted earnings (loss) per share (in €)	(2.00)	1.33
Weighted average number of ordinary shares (basic) in thousands	172,351	166,769
Weighted average number of ordinary shares (diluted) in thousands	172,632	171,368
Profit (loss) for the period (d)	**(397,951)**	**272,780**
Total other comprehensive income (loss) for the period, net of tax (e)	9,001	(1,768)
Total comprehensive income (loss) for the period (e)	**(388,950)**	**271,012**

(a) In the nine-month period of 2023, the Company recorded €42 million of finance expenses, higher by €7 million as compared to €35 million recorded in the respective period of 2022. The increase in finance expenses is mainly the result of the higher cost of debt, mainly driven by the new secured debt raised during the reporting period at higher cost as a result of the current interest rate environment. During the nine-month period of 2023, the Company raised new bank debt in the amount of approx. €440 million with maturities between 5 to 10 years offset by bond buybacks of €90 million in nominal value. In addition, the currently higher interest rates have impacted the variable component of the debt costs, while the expiry of certain hedging instruments resulted in debt becoming variable and resetting at higher rates. The increase in the financing expense was partially offset by an increase in the interest received on the Company's cash balance. As of September 2023, the Company's cost of debt was 1.9% with an average debt maturity of 5.5 years. GCP is hedged against the majority of rising interest rates for its existing debt, with a hedge ratio of 88%. Cash and liquid assets as of 30 September 2023 cover debt maturities until mid-2026.

(b) During the nine-month period of 2023, GCP recorded other financial results amounting to negative €63 million as compared to negative €104 million in the comparable period of 2022. This line-item records changes in the fair value of financial assets and liabilities, and derivative instruments. The fair value of these financial instruments is primarily influenced by fluctuations in interest rates and the volatility in capital markets. Additionally, it includes one-off financial costs associated with early debt repayment and gains from bond buybacks at a discount. The changes in other financial results are mainly due to fair value adjustments of financial assets and foreign exchange rate effects, driven by market volatility and interest rate changes. The company also incurred costs related to financial activities such as hedging fees, bank financing, and optimizing its debt profile, which were aimed at mitigating short-term refinancing risk. These costs were partially offset by a gain resulting from buyback of €90 million worth of the company's bonds at an average discount of 8%

(c) GCP reported total tax income of €46 million in the reporting period of 2023, which compares to €43 million of total tax expense reported in the respective period of 2022. Total tax income/expenses include both current tax expenses and deferred tax income/expenses.

In the nine-month period ending September 2023, current tax expenses amounted to €30 million, stable as compared to €30 million in the respective period in 2022. This line item consists of corporate income tax and property taxes derived from the Company's underlying business and developed in-line with GCP's operational performance and the portfolio's geographic distribution.

Deferred taxes amounted to an income of €76 million, in the nine-month period of 2023, as compared to an expense of €13 million in the respective period of 2022. 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 gains or losses of derivatives and losses carried forward. The deferred tax income during the nine-month period in 2023 is mainly driven by the positive tax impact from the negative revaluation of investment properties and derivatives.

(d) During the nine-month period in 2023, GCP recorded a net loss of €398 million, as compared to a net profit of €273 million for the comparable period in 2022. The non-cash property revaluation losses are the main driver of the net loss in the reporting period. Solid operational performance, lower other financial results and deferred tax income partially offset the losses.

GCP recorded a basic and diluted loss per share of €2.00 in the nine-month period ending 30 September 2023, as compared to basic earnings per share of €1.36 and diluted earnings per share of €1.33 in the respective period of 2022. In addition to the profit changes mentioned earlier, there was a slight increase in the average share count, which impacted the per share result. This increase was largely due to the high acceptance rate of the scrip dividend in H2 2022, which enabled the company to preserve cash and improve its financial liquidity.

(e) GCP recorded total comprehensive loss of €389 million in the nine-month period of 2023, as compared to a total comprehensive income of €271 million in the respective period of 2022. Total comprehensive loss in the current reporting period is driven by the net loss of the period, while total other comprehensive income generated in this period slightly offset the loss. Other comprehensive income amounted to €9 million in the 9M 2023, as compared to a loss of €1.8 million in the comparable period of 2022. The other comprehensive income item is primarily composed of changes in forward and other derivative contracts and foreign currency impacts related to hedging activities mostly associated with London portfolio.

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

	For the period of nine months ended 30 September	
	2023	2022
	€'000	
Operating profit (loss)	(338,226)	454,897
Depreciation and amortisation	7,186	7,842
EBITDA	**(331,040)**	**462,739**
Property revaluations and capital gains	569,422	(234,538)
Equity settled share-based payments and other adjustments	1,202	1,868
Adjusted EBITDA (a)	**239,584**	**230,069**
Finance expenses	(42,093)	(34,788)
Current tax expenses	(29,757)	(29,872)
Contribution to minorities	(3,265)	(2,264)
Adjustment for perpetual notes attribution	(23,438)	(18,512)
FFO I (b)	**141,031**	**144,633**
Weighted average number of ordinary shares (basic) in thousands, including impact from share-based payments	172,623	166,769
FFO I per share (in €) (b)	**0.82**	**0.87**
Result from disposal of properties	36,132	8,537
FFO II (c)	**177,163**	**153,170**

(a) GCP generated adjusted EBITDA of €240 million during the nine-month period in 2023, an increase of 4% as compared to €230 million in the respective period of 2022. The increase is mainly the result of the increase in net rental income, driven by the strong operational performance of the Company reflected in the solid like for like increase of 3.1%. 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 equity settled share-based payments and other adjustments.

(b) GCP generated adjusted FFO I of €141 million during the nine-month period in 2023, a slight decrease of 2% as compared to €145 million in the respective period of 2022. 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. FFO I per share amounted to €0.82 per share in the nine-month period in 2023, as compared to €0.87 in the respective period of 2022. The slight decrease in the FFO I is driven by higher finance expenses from new and existing debt and an increase in the perpetual notes attribution due to the reset of a perpetual note at the end of January 2023 where its coupon rate increased from 2.75% to 6.332%, offset by the strong operational growth. The slightly higher average share count, due to the high participation rate in the scrip dividend in H2 2022, impacted the per share metrics. This allowed the Company to retain cash and improve further its liquidity position.

(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 €177 million in the first nine months of 2023, higher as compared to the €153 million recorded in the comparable period of 2022. The FFO II was driven by the disposals of approx. €270 million executed at a slight discount of around 3% to book values but at a profit over total costs (including capex) of 16%, crystallising gains of approx. €36 million and strengthening the Company's liquidity position.

ADJUSTED FUNDS FROM OPERATIONS (AFFO)

	For the period of nine months ended 30 September	
	2023	2022
	€'000	
FFO I	**141,031**	**144,633**
Repositioning capex	(53,760)	(51,509)
AFFO	**87,271**	**93,124**

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 improving the quality of the portfolio and thereby enhancing the value, which GCP deems as being relevant for its AFFO calculation. In the nine months of 2023, GCP recorded AFFO of €87 million, lower, as compared to €93 million in the first nine months of 2022. The decrease in AFFO was driven by the lower FFO I as well as higher repositioning capex.

Duisburg

CASH FLOW

	For the period of nine months ended 30 September	
	2023	2022
	€'000	
Net cash provided by operating activities	186,142	160,737
Net cash provided (used) by (in) by investing activities	170,591	(109,837)
Net cash provided (used) by (in) financing activities	319,990	(668,377)
Net increase (decrease) in cash and cash equivalent	**676,723**	**(617,477)**
Changes in cash and cash equivalents held-for-sale and effects of foreign exchange rate	1,739	(1,511)
Cash and cash equivalents as on 1 January	324,935	895,486
Cash and cash equivalents as on 30 September	**1,003,397**	**276,498**

Net cash provided by operating activities totaled €186 million, as of September 2023, higher as compared to €161 million in the first nine months of 2022. The increase in net cash provided by operating activities was mostly the result of the strong operational performance of the Company supported by the strong like for like rental growth of 3.1% and the impact from acquisitions and disposals. The increase in the operating cash flow was negatively impacted by cost inflation mostly related to higher energy prices that increased operational costs and higher working capital needs as a result of the timing difference between the actual consumption cost of the heating expenses recovered from tenants and the settlement of the payments by tenants. The Company continues to show a strong letting performance and recorded a new all-time low vacancy rate of 3.8%.

Net cash provided by investing activities amounted to €171 million in the first nine months of 2023, as compared to net cash used in investing activities of €110 million in the comparable period of 2022. The positive cash flow from investing activities in the nine months period of 2023 is mainly driven by the by the successful disposals of approx. €270 million, net of €60 million vendor loans granted. In addition, in the first nine months of 2023 GCP received €50 million for the repayments of loan-to-own assets. Investment in capex partially offset the net position of investing activities. Capex projects are aimed at enhancing the rental growth and thereby increase the operational cash flow in upcoming periods.

Net cash provided by financing activities amounted to €320 million in the first nine months of 2023, as compared to net cash used in financing activities of €668 million in the respective period of 2022. The positive cash flow generated from financing activities is mainly driven by new bank financing raised in the reporting period. This was offset by bond buybacks of €90 million in nominal value. As a result of its proactive debt optimisation measures, GCP maintained a clean maturity profile with cash and liquid assets covering debt maturities through mid-2026. Furthermore, during the first nine months of 2023 GCP entered into a finance lease agreement on a property in London and received approximately €50 million in proceeds. As of September 2023, the Company's hedging ratio was at 88% and cost of debt remains low at 1.9% with an average debt maturity of 5.5 years.

ASSETS

	Sep 2023	Dec 2022
	€'000	
Non-current assets	**9,460,608**	**9,997,258**
Investment property	8,983,228	9,529,608
Current assets	**1,690,019**	**1,134,070**
Cash and liquid assets (including those recorded under held for sale)	1,070,811	429,127
Total Assets	**11,150,627**	**11,131,328**

As of September 2023, total assets amounted to €11 billion, stable as compared to the €11 billion as of year-end 2022.

Non-current assets amounted to €9.5 billion as of September 2023, lower by 5% as compared to €10 billion as of the end of December 2022. Non-current assets mainly consist of investment property. Investment property amounted to €9 billion as of September 2023, 6% lower as compared to €9.5 billion as of December 2022. The negative revaluation recorded in the reporting period was the main driver of the decrease in the investment property. Negative revaluations were primarily recorded already in H1 2023 as part of a full valuation carried as part of the semi-annual report. The declines were mostly due to higher discount and cap rates as a result of higher interest rates. Disposals of investment properties and reclassification as assets to held-for-sale also impacted the decrease in the investment property. In the first nine months of 2023, GCP sold approx. €270 million of properties, at a discount of around 3% to book value.

Non-current assets additionally include tenant deposits, which are used a security for rent payments and amounted to €45 million as of September 2023, 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 €30 million.

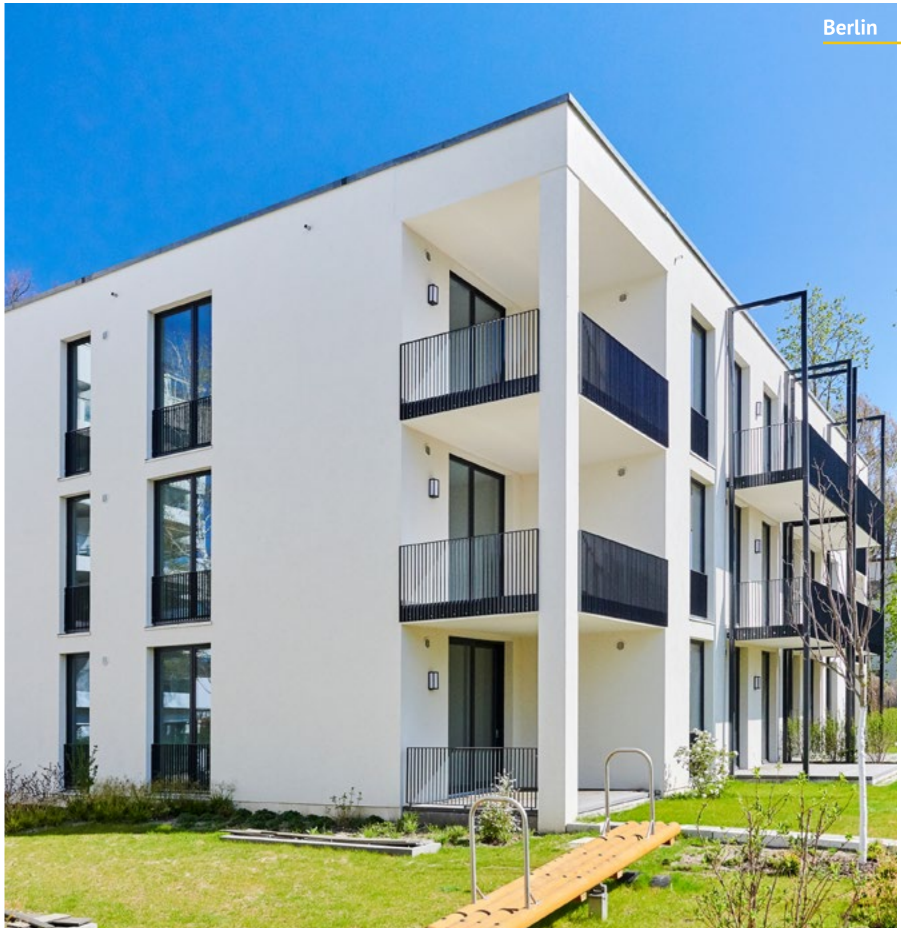
Vendor loans amounted to approx. €60 million as of September 2023. Vendor loans are loans given to buyers of properties that were sold during the nine-month period of 2023, with the primary purpose of facilitating these transactions. These loans are backed by the sold properties themselves and typically have an average LTV ratio of approximately 60%. In the event of a borrower's default, the Company could repossess the assets at a significant discount (a process involving a receiver) and impose penalties on the defaulted buyer. The expected cash flows from these vendor loans will contribute to reducing the Company's overall leverage, although they are not factored into the LTV calculation until payment is received.

During the first nine-month period, the Company successfully received repayments of €50 million of loans-to-own assets and as at the end of September 2023, the balance of loans-to-own assets reduced to approximately €40 million (including short term), as compared to €90 million year-end 2022. These loans-to-own assets represent interest-bearing loans, backed by assets and in case of default include an embedded option to purchase the underlying asset at a discounted price under specific conditions (a process involving a receiver). GCP's loans-to-own portfolio is primarily situated in the UK and is secured by a first lien on the underlying assets.

Current assets amounted to €1.7 billion as of September 2023, higher as compared to €1.1 billion as of the end of December 2022. The increase is primarily attributed to the higher balance of cash and liquid assets. This increase is mainly due to new bank financing, cash generated from operating activities, proceeds obtained from disposals, and repayments received from loans associated with the loans-to-own, partially offset by capital expenditure investments. GCP maintains a robust liquidity position, holding €1.1 billion in cash and liquid assets, which accounts for 25% of the total debt.

Current assets also comprise of trade and other receivables and assets held for sale. Trade and other receivables amounted to €416 million as of September 2023. Approx. €280 million in this line item is comprised of operating cost receivables. These operating costs receivables are settled once per year against the advances received from tenants.

As of September 2023, assets held for sales amounted to €186 million, as compared to €344 million at year-end 2022. This line item includes properties intended for disposal within the next 12 months. Successful disposals during the reporting period lead to the decrease of this amount, while reclassification of investment property assets as held-for-sale offset partially the decrease.



LIABILITIES

	Sep 2023	Dec 2022
	€'000	
Loans and borrowings [1]	758,516	323,280
Straight bonds and bond redemption	3,533,131	3,612,105
Deferred tax liabilities [2]	722,588	795,905
Other long-term liabilities and derivative financial instruments [3]	261,118	201,905
Current liabilities [4]	366,889	283,978
Total Liabilities	**5,642,242**	**5,217,173**

(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

Total liabilities amounted to €5.6 billion, as of September 2023, higher as compared to €5.2 billion as at the end of December 2022. Total liabilities mainly consist of straight bonds and loans and borrowings, deferred tax liabilities, other long term liabilities and derivatives financial instruments and current liabilities. The increase in the total liabilities can be primarily attributed to the raising of new bank debt. However, this increase was partially balanced by bond buybacks at a discount and the decrease in deferred tax liabilities as a result of the negative revaluation of investment properties. The category of total liabilities also encompasses other long-term obligations and derivative financial instruments.

In line with GCP's debt optimization strategy, the Company remains proactive in implementing measures to enhance its liquidity and debt profile. During the first nine months of 2023, GCP raised approximately €440 million in new bank debt with a weighted average maturity of over 7 years, while after the reporting period additionally signed approximately €110 million of new bank debt with an average maturity of 10 years. The Company repurchased €90 million nominal value of straight bonds at discount, partially offsetting the increase in new debt. GCP's robust liquidity position of €1.1 billion cover debt maturities until mid-2026, as of September 2023. The high ratio of unencumbered assets of 76% with a total value of €7 billion provides the optionality to the Company to secure new bank financing in the future at currently relatively attractive terms compared to bond financing. Cost of debt as of September 2023 remains relatively low at 1.9% with an average debt maturity of 5.5 years. New secured debt raised and the expiry of certain hedging instruments, which resulted in debt becoming variable, increase the overall cost of debt, due to the significant increase of interest rates in the current reporting period. GCP currently has a hedging ratio of 88% and no maturities until Q2 2024, while the Company's ICR of 5.7x, shows that the business operational profitability sufficiently covered interest expenses.

Deferred tax liabilities amounted to €723 million, as of September 2023, lower by 9% as compared to €796 million year-end of 2022. The decrease was mainly the result of the negative revaluation of the investment property recorded in the reporting period. Deferred tax liabilities consider a theoretical disposal of investment properties in the form of asset deals with a tax rate applied based on the specific location of the property.

Other non-current liabilities increased in the first nine months of 2023 by around €50 million primarily due to the increase in financial lease liabilities, due to a commencement of a finance lease agreement on a property in London. The transaction increased the liquidity and supports the financial flexibility of the Company while in return is committed to a low lease payment of 3.5% into perpetuity.

As of September 2023, current liabilities amounted to €367 million, higher as compared to €284 million as of the end of December 2022. The increase in this line item is mainly the result of the prepayments received from tenants. Current liabilities include trade and other payables, liabilities held for sale, and other current liabilities. Trade and other payables, which comprises the majority of the current liabilities, amounted to approx. €298 million as of September 2023 and is reflected on the asset side by operating cost receivables.

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).

in € '000 unless otherwise specified	EPRA NRV	EPRA NTA*	EPRA NDV	EPRA NRV	EPRA NTA*	EPRA NDV
	Sep 2023			Dec 2022		
Equity attributable to the owners of the Company	**3,690,937**	**3,690,937**	**3,690,937**	**4,020,773**	**4,020,773**	**4,020,773**
Deferred tax liabilities on investment property [1]	705,572 [2]	608,045 [3]	-	778,490 [2]	664,886 [3]	-
Fair value measurements of derivative financial instruments [4]	(29,912)	(29,912)	-	(19,106)	(19,106)	-
Intangible assets and goodwill	-	(7,212)	-	-	(11,002)	-
Real estate transfer tax	503,094 [2]	-	-	542,612 [2]	-	-
Net fair value of debt	-	-	428,057	-	-	621,540
NAV	**4,869,691**	**4,261,858**	**4,118,994**	**5,322,769**	**4,655,551**	**4,642,313**
Basic number of shares including in-the-money dilution effects (in thousands)	172,620			172,607		
NAV per share (in €)	**28.2**	**24.7**	**23.9**	**30.8**	**27.0**	**26.9**

(*) reclassified in Q1 2023 to exclude RETT
(1) including deferred tax liabilities on derivatives
(2) including balances held-for-sale
(3) excluding deferred tax liabilities on assets held for sale, non-core assets and development rights in Germany
(4) not including net change in fair value of derivative financial instruments related to currency effects

EPRA NRV

EPRA NRV as of September 2023 amounted to €4.9 billion and €28.2 per share, 9% and 8% lower as compared to €5.3 billion and €30.8, respectively as of year-end 2022. The decrease was mainly due to the negative property revaluations, partly offset by operational profits.

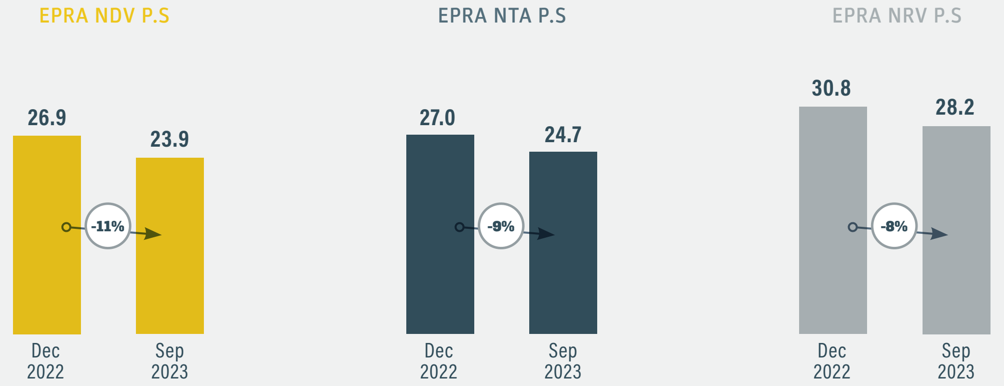
EPRA NTA

EPRA NTA as of September 2023 amounted to €4.3 billion and €24.7 per share, 8% and 9% lower as compared to €4.7 billion or €27.0 per share as of year-end 2022. Similarly to the EPRA NRV, the decrease was mainly due to the negative property revaluations, partly offset by operational profits. The EPRA NTA was reclassified in Q1 2023 to exclude RETT.

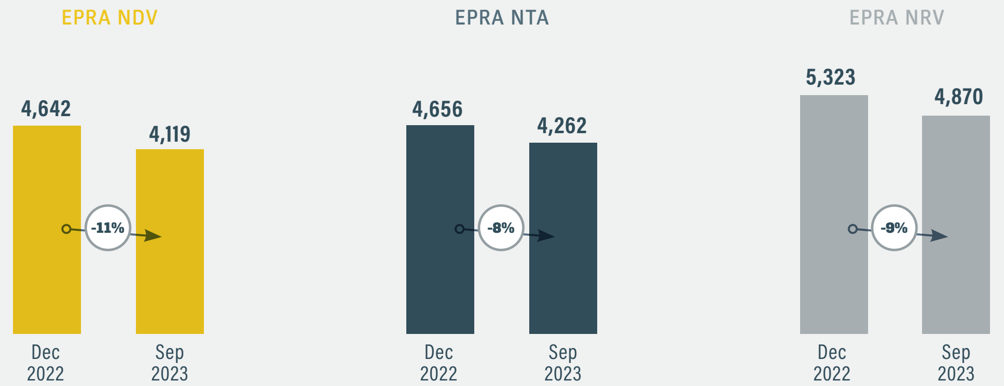
EPRA NDV

EPRA NDV as of September 2023 amounted to €4.1 billion and €23.9 on a per share basis, as compared to €4.6 billion and €26.9 per share at the end of December 2022. Apart from lower equity, the decrease is also driven by higher market values of the Company's debt as a result of the small decrease in market volatility within the period.

EPRA NAV PER SHARE METRICS DEVELOPMENT (IN €)



EPRA NAV METRICS DEVELOPMENT (IN € MILLIONS)



DEBT FINANCING KPIs

LOAN-TO-VALUE

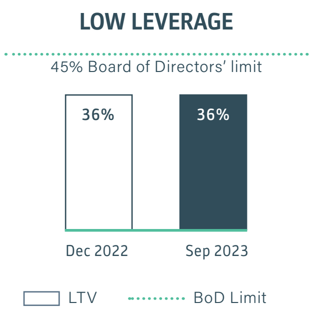
	Sep 2023	Dec 2022
	€'000	
Investment property [1]	8,900,243	9,492,946
Investment properties of assets held-for-sale [1]	170,702	327,586
Total value	**9,070,945**	**9,820,532**
Total debt	4,291,647	3,935,385
Cash and liquid assets (including those under held for sale)	1,070,811	429,127
Net debt	**3,220,836**	**3,506,258**
LTV	**36%**	**36%**

(1) including advanced payments and deposits and excluding right-of-use assets

GCP continues to maintain a conservative financial profile through a low LTV ratio, a significant pool of unencumbered assets, and robust coverage ratios.

As of September 2023, LTV amounted to 36%, stable as compared to 36% at the end of December 2022. The solid operational performance, disposals and debt repayments at a discount, offset the negative impact from devaluations of investment property. The Company's LTV position remains well-below the bond covenant limits and the more stringent board-mandated limit of 45%.

The Company's robust operational performance and proactive measures taken to enhance its financial profile contribute to the maintenance of strong coverage ratios. The Company recorded an ICR of 5.7x and a DSCR of 5.3x in the first nine months of 2023, lower as compared to 6.6x and 6.2x respectively in the comparable period of 2022. The high ICR and DSCR metrics indicate the business's capacity to use its consistent operational profits to meet its debt obligations. The decline in coverage ratios is primarily attributed to increased finance expenses, which were partially mitigated by operational growth. The ICR has a comfortable headroom to bond covenant limits.



As of September 2023, the Company has a strong liquidity position of €1.1 billion of cash and liquid assets and holds a large pool of unencumbered assets of €7 billion. These assets enhance financial flexibility by offering GCP the opportunity to obtain lower secured financing rates when compared to the current rates in the public debt market. The availability of undrawn credit facilities further strengthens this financial flexibility.

The Company's conservative financial profile with a low LTV and high coverage ratios provides broad access to both public and private capital markets, further supported by its investment grade credit ratings from S&P (BBB+/Negative) as of June 2023, and unsolicited rating by Moody's (Baa1/Negative).

UNENCUMBERED ASSETS

	Sep 2023	Dec 2022
	€'000	
Unencumbered Assets	6,962,677	8,664,533
Total Investment Property (including those under held for sale)	9,157,739	9,860,461
Unencumbered Assets Ratio	**76%**	**88%**

INTEREST COVERAGE RATIO (ICR)

	For the period of nine months ended 30 September	
	2023	2022
	€'000	
Adjusted EBITDA	239,584	230,069
Finance Expenses	42,093	34,788
Interest Coverage Ratio	**5.7x**	**6.6x**

DEBT SERVICE COVERAGE RATIO (DSCR)

	For the period of nine months ended 30 September	
	2023	2022
	€'000	
Adjusted EBITDA	239,584	230,069
Finance Expenses	42,093	34,788
Amortisation of loans from financial institutions	2,977	2,374
Debt Service Coverage Ratio	**5.3x**	**6.2x**

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 payments 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* if any, to the *Adjusted EBITDA.* To arrive at the *FFO I per share* the *FFO I* is divided by the *Weighted average number of ordinary shares (basic) in thousands, including impact from share-based payments,* which reflects the impact of the *Equity settled share-based payments* adjustment in 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
(=) (A) FFO I
(B) Weighted average number of ordinary shares (basic) in thousands, including impact from share-based payments
(=) (A/B) FFO I per share

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 II
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 RENTAL YIELD AND RENT MULTIPLE

The rental yield and rent multiple are industry standard measures that indicate the rent generation potential of a property portfolio relative to the value of that property portfolio and are generally used as key valuation indicators by market participants.

The *rental yield* is derived by dividing the *end of period annualised net rental income*, by the *Investment property.* The *end of period annualised net rental income* represents the annualised monthly in-place rent of the related *investment property* as at the end of the period. The rent multiple reflects the inverse of the rental yield and is derived by dividing the *Investment property* by the *end of period annualised net rental income.* As the Company's assets classified as *development rights & invest* do not generate material rental income, these are excluded from the calculation for enhanced comparability.

GCP additionally reports rental yield and/or rent multiple on a more granular basis, such as in its portfolio breakdown or in relation to specific transactions, to provide enhanced transparency and comparability on its property portfolio in specific locations and/or in relation to transaction activity.

Rental yield and rent multiple reconciliation
(A) end of period annualised net rental income (1)
(B) Investment property (1)
= (A/B) rental yield
= (B/A) rent multiple

(1) excluding properties classified as development rights & invest

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, inventories - trading properties, Investment properties of assets held for sale and the investment in equity-accounted investees 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(2)
(+) Investment in equity-accounted investees
(=) (A) Total value
(+) Total debt(3)
(-) Cash and liquid assets(4)
(=) (B) Net debt
(=) (B/A) LTV

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

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

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, Inventories - trading 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, investment properties of assets held for sale and inventories - trading property

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 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* by the *Finance expenses* and DSCR is calculated by dividing the *Adjusted EBITDA* by the *Finance expenses* plus the *Amortisation of loans from financial institutions.* With this ratio, 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 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. To arrive at the *EPRA NDV per share* the *EPRA NDV* is divided by the *Basic number of shares including in-the-money dilution effects (in thousands).*

EPRA NRV Reconciliation
Equity attributable to the owners of the Company
(+) Deferred tax liabilities on investment property [1] [3]
(+/-) Fair value measurements of derivative financial instruments, net[2]
(+) Real Estate Transfer Tax[1]
(=) (A) EPRA NRV
(B) Basic number of shares including in-the-money dilution effects (in thousands)
(=) (A/B) EPRA NRV per share

(1) including balances held-for-sale
(2) not including net change in fair value of derivative financial instruments related to currency effect
(3) including deferred tax liabilities on derivatives

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.

Prior to the Q1 2023 Condensed Interim Consolidated Financial Statements, GCP reported EPRA NTA including RETT. Due to market conditions the Company decided to update the methodology and no longer adds back RETT to its standard EPRA NTA. Starting H1 2023 GCP no longer reports the reconciliation to EPRA NTA including RETT.

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 f*air value measurements of derivative financial instruments* are considered for this measure of valuation by EPRA.

To arrive at the *EPRA NTA per share* the *EPRA NTA* is divided by the *Basic number of shares including in-the-money dilution effects (in thousands).*

EPRA NTA
Equity attributable to the owners of the Company
(+) Deferred tax liabilities on investment property [1]
(+/-) Fair value measurements of derivative financial instruments, net[2]
(-) Intangible assets and goodwill
(=) (A) EPRA NTA
(A) EPRA NTA
(D) Basic number of shares including in-the-money dilution effects (in thousands)
(=) (A/D) EPRA NTA per share

(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 effect

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. To arrive at the *EPRA NDV* per share the *EPRA NDV* is divided by the *Basic number of shares including in-the-money dilution effects (in thousands).*

EPRA NDV Reconciliation
Equity attributable to the owners of the Company
(+/-) Net fair value of debt
(=) (A) EPRA NDV
(B) Basic number of shares including in-the-money dilution effects (in thousands)
(=) (A/B) EPRA NDV per share

EPRA LOAN-TO-VALUE (EPRA LTV)

The EPRA Loan-To-Value (EPRA LTV) is a key metric which aims to assess the leverage of the shareholder equity within a real estate company. The main difference between the EPRA LTV and the Company calculated LTV metric is the wider categorisation of liabilities in EPRA gross debt and assets in EPRA net assets with the largest impact coming from the inclusion of the perpetual notes as debt. The *EPRA LTV* is calculated by dividing the *EPRA Net debt* by *EPRA Net Assets. EPRA Net debt* is composed of *EPRA Gross Debt* subtracted by *Cash and liquid assets. EPRA Gross Debt* is calculated from *Total financial debt* which is the sum of the current and non-current portions of *Loans and borrowings, Convertible Bonds, Straight Bonds* and adds to this *Foreign currency derivatives, Equity attributable to perpetual notes investors,* and *Net Payables* (if applicable). *EPRA Net Assets* is calculated by adding together *Owner-occupied property, Investment property* and *Investment properties of assets held-for-sale* (each excluding right-of-use assets), *Intangible assets, Financial Assets* and *Net receivables* (if applicable).

Net receivables or *Net payables* are *Payables* net of *Receivables*, and whichever item is greater is applicable to the calculation.

Additional items which are included in the calculation, but are currently not applicable to GCP include *Share of net debt of joint ventures* (in EPRA Gross Debt), *Share of Investment properties of joint ventures* (in EPRA Gross Assets), and the *Net minority impact of material minorities* (applicable to both assets and liabilities) which would be added to the EPRA LTV calculation if applicable.

EPRA Loan-To-Value (EPRA LTV) Calculation
(+) Total financial debt[(1)]
(+) Foreign currency derivatives
(+) Equity attributable to perpetual notes investors
(+) Net Payables[(3)]
(=) EPRA Gross Debt
(-) Cash and liquid assets[(1)]
(=) (A) Net debt
(+) Owner-occupied property
(+) Investment property[(2)]
(+) Investment properties of assets held-for-sale[(2)]
(+) Intangible assets
(+) Financial assets
(+) Net receivables[(3)]
(=) (B) EPRA Net Assets
(=) (A/B) EPRA LTV

(1) Including balances held-for-sale
(2) Including advance payments and deposits and excluding right of use assets
(3) Net receivables to be used when receivables are greater than payables and net payables to be used when payables are greater than receivables.

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, 15 November 2023

Christian Windfuhr
Chairman and member
of the Board of Directors

Simone Runge-Brandner
Member of the
Board of Directors

Markus Leininger
Member of the
Board of Directors

02

Condensed Interim Consolidated Financial Statements

Condensed interim consolidated statement of profit or loss

	Note	For the period of nine months ended 30 September 2023	For the period of nine months ended 30 September 2022	For the period of three months ended 30 September 2023	For the period of three months ended 30 September 2022
		Unaudited			
		€'000			
Revenue	5	**455,862**	**424,423**	**146,461**	**152,331**
Property revaluations and capital gains (losses)		(569,422)	234,538	(30,574)	126
Property operating expenses		(208,939)	(187,771)	(64,234)	(72,341)
Administrative and other expenses		(8,541)	(8,451)	(2,739)	(2,795)
Depreciation and amortisation		(7,186)	(7,842)	(2,581)	(2,694)
Operating profit (loss)		**(338,226)**	**454,897**	**46,333**	**74,627**
Finance expenses		(42,093)	(34,788)	(14,751)	(11,782)
Other financial results		(63,448)	(104,394)	(23,021)	(39,651)
Profit (loss) before tax		**(443,767)**	**315,715**	**8,561**	**23,194**
Current tax expenses		(29,757)	(29,872)	(9,463)	(11,342)
Deferred tax income (expenses)		75,573	(13,063)	4,693	27,036
Profit (loss) for the period		**(397,951)**	**272,780**	**3,791**	**38,888**
Profit (loss) attributable to:					
Owners of the Company		(345,225)	226,724	2,302	26,863
Perpetual notes investors		23,438	18,512	8,044	6,238
Non-controlling interests		(76,164)	27,544	(6,555)	5,787
		(397,951)	**272,780**	**3,791**	**38,888**
Net earnings (loss) per share attributable to the owners of the Company (in euro):					
Basic earnings (loss) per share		(2.00)	1.36	0.01	0.16
Diluted earnings (loss) per share		(2.00)	1.33	0.01	0.16

The notes on pages 46 to 52 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	
	2023	2022	2023	2022
	Unaudited			
	€'000			
Profit (loss) for the period	**(397,951)**	**272,780**	**3,791**	**38,888**
Other comprehensive income (loss)				
Items that will not be reclassified to profit or loss in subsequent periods, net of tax:				
Income (loss) on owner-occupied property revaluation	(2,364)	-	231	-
Items that may be reclassified to profit or loss in subsequent periods, net of tax:				
Foreign currency translation, net of investment hedges of foreign operations	10,935	(33,560)	(5,386)	(26,092)
Net change in cost of hedging	430	31,792	(8,028)	17,926
Total other comprehensive income (loss) for the period, net of tax	**9,001**	**(1,768)**	**(13,183)**	**(8,166)**
Total comprehensive income (loss) for the period	**(388,950)**	**271,012**	**(9,392)**	**30,722**
Total comprehensive income (loss) attributable to:				
Owners of the Company	(337,420)	224,956	(10,263)	18,697
Perpetual notes investors	23,438	18,512	8,044	6,238
Non-controlling interests	(74,968)	27,544	(7,173)	5,787
	(388,950)	**271,012**	**(9,392)**	**30,722**

The notes on pages 46 to 52 form an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statement of financial position

	Note	As at 30 September 2023 Unaudited	As at 31 December 2022 Audited
		€'000	
ASSETS			
Investment property	6	8,983,228	9,529,608
Property and equipment		62,281	66,206
Intangible assets and goodwill		7,212	11,002
Advance payments and deposits		22,464	20,760
Derivative financial assets		47,517	53,814
Other non-current assets		277,041	262,094
Deferred tax assets		60,865	53,774
Non-current assets		**9,460,608**	**9,997,258**
Cash and cash equivalents		1,003,397	324,935
Financial assets at fair value through profit or loss		67,224	102,429
Trade and other receivables		415,715	353,125
Derivative financial assets		18,068	9,390
Assets held-for-sale		185,615	344,191
Current assets		**1,690,019**	**1,134,070**
Total assets		**11,150,627**	**11,131,328**
EQUITY			
Share capital		17,619	17,619
Treasury shares		(83,226)	(83,872)
Share premium and other reserves		271,326	258,609
Retained earnings		3,485,218	3,828,417
Total equity attributable to the owners of the Company		**3,690,937**	**4,020,773**
Equity attributable to perpetual notes investors		1,235,181	1,227,743
Total equity attributable to the owners of the Company and perpetual notes investors		**4,926,118**	**5,248,516**
Non-controlling interests		582,267	665,639
Total equity		**5,508,385**	**5,914,155**

The notes on pages 46 to 52 form an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statement of financial position

	As at 30 September	As at 31 December
	2023	2022
	Unaudited	Audited
	€'000	
LIABILITIES		
Loans and borrowings	750,769	318,772
Straight bonds	3,250,365	3,612,105
Derivative financial liabilities	43,159	37,092
Other non-current liabilities	200,622	151,868
Deferred tax liabilities	716,029	788,605
Non-current liabilities	**4,960,944**	**4,908,442**
Current portion of long-term loans	7,747	4,508
Bond redemption	282,766	-
Trade and other payables	297,857	225,338
Derivative financial liabilities	17,337	12,945
Tax payable	23,839	17,493
Provisions for other liabilities and charges	37,052	32,102
Liabilities held-for-sale	14,700	16,345
Current liabilities	**681,298**	**308,731**
Total liabilities	**5,642,242**	**5,217,173**
Total equity and liabilities	**11,150,627**	**11,131,328**

The Board of Directors of Grand City Properties S.A. authorised these condensed interim consolidated financial statements to be issued on 15 November 2023.

Christian Windfuhr
Chairman and member of the Board of Directors

Simone Runge-Brandner
Member of the Board of Directors

Markus Leininger
Member of the Board of Directors

The notes on pages 46 to 52 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 2023 €'000	Equity attributable to the owners of the Company Share capital	Treasury shares	Share premium	Cost of hedging reserve	Foreign exchange translation reserves, net	Revaluation surplus reserve, net	Other reserves	Retained Earnings	Total equity attributable to the 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 31 December 2022 (audited)	**17,619**	**(83,872)**	**322,356**	**20,101**	**(67,561)**	**4,367**	**(20,654)**	**3,828,417**	**4,020,773**	**1,227,743**	**5,248,516**	**665,639**	**5,914,155**
Profit (loss) for the period	-	-	-	-	-	-	-	(345,225)	(345,225)	23,438	(321,787)	(76,164)	(397,951)
Other comprehensive income (loss) for the period	-	-	-	430	8,316	(941)	-	-	7,805	-	7,805	1,196	9,001
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**430**	**8,316**	**(941)**	**-**	**(345,225)**	**(337,420)**	**23,438**	**(313,982)**	**(74,968)**	**(388,950)**
Share-based payment	-	646	504	-	-	-	(391)	-	759	-	759	-	759
Initial consolidation, deconsolidation, transactions with non-controlling interests and dividend distributions to non-controlling interests	-	-	-	-	-	-	-	2,026	2,026	-	2,026	(8,404)	(6,378)
Disposal of foreign operation	-	-	-	-	4,799	-	-	-	4,799	-	4,799	-	4,799
Payments to perpetual notes investors	-	-	-	-	-	-	-	-	-	(16,000)	(16,000)	-	(16,000)
Balance at 30 September 2023 (unaudited)	**17,619**	**(83,226)**	**322,860**	**20,531**	**(54,446)**	**3,426**	**(21,045)**	**3,485,218**	**3,690,937**	**1,235,181**	**4,926,118**	**582,267**	**5,508,385**

The notes on pages 46 to 52 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 2022 €'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 the 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 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 to the shareholders of the Company	-	-	(137,580)	-	-	-	-	-	(137,580)	-	(137,580)	-	(137,580)
Scrip dividend	-	164,063	-	-	-	-	-	(82,823)	81,240	-	81,240	-	81,240
Initial consolidation, deconsolidation, transactions with non-controlling interests and dividend distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	26,781	26,781
Payments to perpetual notes investors	-	-	-	-	-	-	-	-	-	(16,000)	(16,000)	-	(16,000)
Redemption 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**

The notes on pages 46 to 52 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	
	2023	2022
	Unaudited	
	€'000	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit (loss) for the period	**(397,951)**	**272,780**
ADJUSTMENTS FOR THE PROFIT (LOSS):		
Depreciation and amortisation	7,186	7,842
Property revaluations and capital gains (losses)	569,422	(234,538)
Net finance expenses	105,541	139,182
Tax and deferred tax expenses (income)	(45,816)	42,935
Equity settled share-based payment	1,202	1,868
Change in working capital	(31,743)	(51,313)
	207,841	**178,756**
Tax paid	(21,699)	(18,019)
Net cash provided by operating activities	**186,142**	**160,737**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of equipment and intangible assets, net	(2,523)	(3,350)
Acquisition of investment property, capex and advance payments, net	(87,578)	(223,653)
Disposal of investment property, net	161,855	16,698
Acquisition of investees and loans, net of cash acquired	-	(3,667)
Disposal of investees, net of cash disposed	37,349	-
Disposal of financial and other assets, net	61,488	104,135
Net cash provided (used) by (in) investing activities	**170,591**	**(109,837)**

The notes on pages 46 to 52 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	
	2023	2022
	Unaudited	
	€'000	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Amortisation of loans from financial institutions	(2,977)	(2,374)
Proceeds (repayments) of loans from financial institutions and others, net	475,227	(105,416)
Payment to perpetual notes investors, net	(16,000)	(16,000)
Redemption and buy-back of straight bond and convertible bond	(83,334)	(450,000)
Transactions with non-controlling interests and dividends paid to non-controlling interests	(2,811)	-
Dividend distributed to the shareholders of the Company	-	(56,340)
Interest and other financial expenses, net	(50,115)	(38,247)
Net cash provided (used) by (in) financing activities	**319,990**	**(668,377)**
Net increase (decrease) in cash and cash equivalents	**676,723**	**(617,477)**
Change in cash and cash equivalents held-for-sale	1,573	(393)
Cash and cash equivalents at the beginning of the period	324,935	895,486
Effect of foreign exchange rate changes	166	(1,118)
Cash and cash equivalents at the end of the period	**1,003,397**	**276,498**

The notes on pages 46 to 52 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 2023 ("the reporting period") consist of the financial statements of the Company and its investees ("the Group" or "GCP").

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:

- In the first nine months of 2023 the Group signed disposals in the amount of approximately euro 130 million and completed a disposal of properties approx. euro 270 million, primarily in London. For part of the disposals, approximately euro 60 million vendor loan which matures in 2026 has been provided to help facilitate the transactions. In addition in the first nine months the Group received euro 50 million for repayment of loans-to-own assets.
- During the reporting period, the Group signed approximately euro 440 million in new bank debt with a weighted average maturity of 7.2 years and interest rate of 1.3% over Euribor.
- During the reporting period, the Group bought back euro 11.2 million, euro 55.9 million and euro 22.6 million principal amount of straight bond series E, W and G respectively for a cumulative amount of euro 89.7 million.
- During the reporting period, the Group entered into a finance lease agreement on a property in London and received approximately euro 50 million.
- 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' report.

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 2022.

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 2022.

The accounting policies adopted in the preparation of these condensed interim 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 2022, 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 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 IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied.

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

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

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

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

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The following amendments were adopted by the EU, but not yet effective in 2023:

With effective date of 1 January 2025:

» **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)**

On 15 August 2023, the IASB issued amendments to IAS 21 to help entities:

» Assess exchangeability between two currencies; and

» Determine the spot exchange rate, when exchangeability is lacking.

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date using:

» An observable exchange rate without adjustment, for example:

- A spot exchange rate for a purpose other than that for which an entity assesses exchangeability; or
- The first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored.

» Another estimation technique, for example, that could be any observable exchange rate adjusted as necessary to meet the objective of the new requirements.

The amendments include accompanying new disclosures to help investors to understand the effects, risks and estimated rates and techniques used when a currency is not exchangeable.

When an entity first applies the new requirements, it is not permitted to restate comparative information. Instead, the entity is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings (if between foreign and functional currency) or to the reserve for cumulative translation differences (if between functional and presentation currency).

The new requirements will be effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted.

These amendments are not expected to have 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	
	2023	2022
	€'000	
Net rental income	307,492	294,799
Operating and other income	148,370	129,624
	455,862	**424,423**

6. INVESTMENT PROPERTY

	For the period of nine months ended 30 September 2023	For the year ended 31 December 2022
	Level 3(*)	Level 3(*)
	€'000	
As at 1 January	**9,529,608**	**9,339,489**
Plus: investment property classified as held-for-sale	330,853	102,537
Total investment property	**9,860,461**	**9,442,026**
Acquisitions of investment property	10,079	277,668
Capital expenditure on investment property	71,530	139,647
Disposals of investment property	(274,580)	(15,762)
Fair value adjustment	(562,673)	115,039
Effect of foreign currency exchange differences	52,922	(98,157)
Total investment property	**9,157,739**	**9,860,461**
Less: investment property classified as held-for-sale	(174,511)	(330,853)
As at 30 September/ 31 December	**8,983,228**	**9,529,608**

(*) classified in accordance with the fair value hierarchy. 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. 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.

7.1 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 2023 and 31 December 2022 on a recurring basis:

	As at 30 September 2023					As at 31 December 2022				
			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 (*)	157,591	157,591	59,535	65,510	32,546	184,463	184,463	76,199	70,288	37,976
Derivative financial assets	65,585	65,585	-	65,585	-	63,204	63,204	-	63,204	-
Total financial assets	**223,176**	**223,176**	**59,535**	**131,095**	**32,546**	**247,667**	**247,667**	**76,199**	**133,492**	**37,976**
FINANCIAL LIABILITIES										
Derivative financial liabilities	60,496	60,496	-	60,496	-	50,037	50,037	-	50,037	-
Total financial liabilities	**60,496**	**60,496**	**-**	**60,496**	**-**	**50,037**	**50,037**	**-**	**50,037**	**-**

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

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 2023 and 31 December 2022:

	As at 30 September 2023					As at 31 December 2022				
			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										
Loans and borrowings (1)	758,516	741,760	-	741,760	-	323,280	289,816	-	289,816	-
Straight bonds (2)	3,533,131	2,979,600	2,824,339	155,261	-	3,612,105	2,813,003	2,676,781	136,222	-
Total financial liabilities	**4,291,647**	**3,721,360**	**2,824,339**	**897,021**	**-**	**3,935,385**	**3,102,819**	**2,676,781**	**426,038**	**-**

(1) including current portion of long-term loans
(2) 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.

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.

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.

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

7.2 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.

London

8. COMMITMENTS

As at the reporting date, the Group had several financial obligations in total amount of approximately euro 100 million.

9. CONTINGENT ASSETS AND LIABILITIES

The Group does not have significant contingent assets and liabilities as at 30 September 2023 and as at 31 December 2022.

10. EVENTS AFTER THE REPORTING PERIOD

After the reporting period, the Group signed new secured bank loans for an amount of approximately euro 110 million with weighted-average maturity of 10 years and interest rate of 1.4% over Euribor.

11. 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 15 November 2023.