

CONDENSED INTERIM CONSOLIDATED **FINANCIAL STATEMENTS**

For the six-month period ended 30 June

2024



Berlin

Contents

Board of Directors' Report	5
Condensed interim consolidated financial statements	
Condensed interim consolidated statement of profit or loss	40
Condensed interim consolidated statement of comprehensive income	41
Condensed interim consolidated statement of financial position	42
Condensed interim consolidated statement of changes in equity	44
Condensed interim consolidated statement of cash flows	46
Condensed notes to the interim consolidated financial statements	48



01

Board of Directors' Report

> KEY FINANCIALS

Balance sheet highlights

in €'000 unless otherwise indicated	Jun 2024	Change	Dec 2023
Total Assets	10,663,505	-2%	10,918,147
Investment Property	8,369,785	-3%	8,629,083
Cash and liquid assets	1,122,435	-9%	1,230,483
Total Equity	5,090,454	-3%	5,230,109
Total Liabilities	5,573,051	-2%	5,688,038
Loan-to-Value	37%	-	37%

NAV highlights

in €'000 unless otherwise indicated	EPRA NRV	EPRA NTA	EPRA NDV
Jun 2024	4,516,724	3,944,184	3,647,232
Jun 2024 per share (in €)	26.1	22.8	21.1
Per share development	-2%	-2%	-3%
Dec 2023	4,606,481	4,013,761	3,745,313
Dec 2023 per share (in €)	26.7	23.2	21.7

P&L highlights

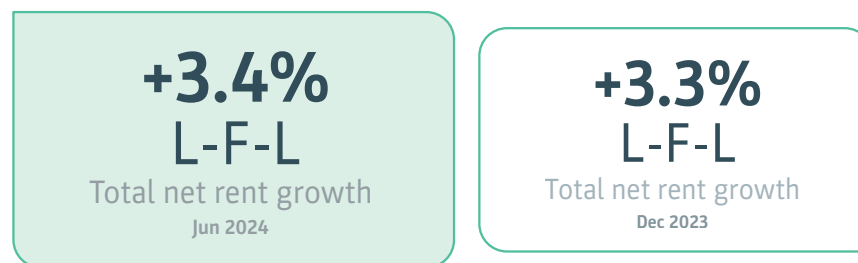
in €'000 unless otherwise indicated	6M 2024	Change	6M 2023
Net Rental Income	211,536	3%	204,403
Adjusted EBITDA	166,113	4%	159,596
FFO I	93,727	-	94,030
FFO I per share (in €)	0.54	-	0.54
EBITDA	(33,318)	-91%	(379,954)
Loss for the period	(73,759)	-82%	(401,742)
Basic loss per share (in €)	(0.38)	-81%	(2.02)
Diluted loss per share (in €)	(0.38)	-81%	(2.01)



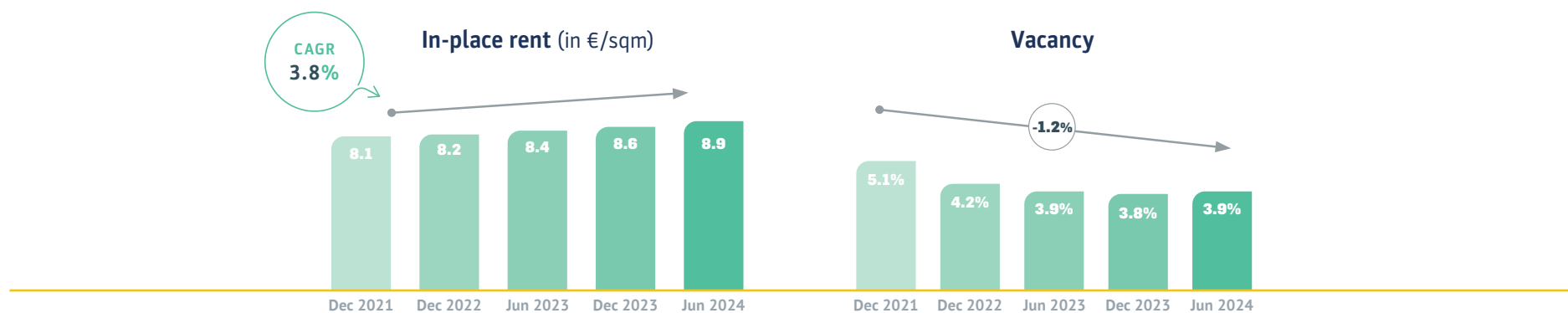
London

> OPERATIONAL PERFORMANCE HIGHLIGHTS

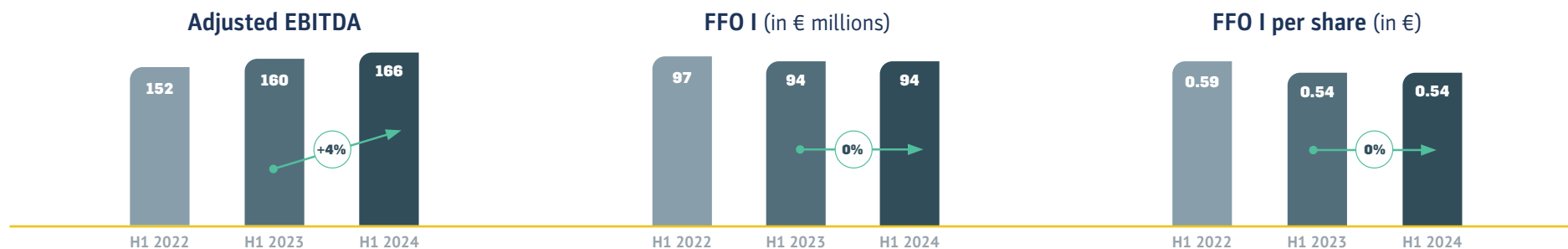
Solid Like-For-Like Rental Growth



Robust Portfolio Fundamentals

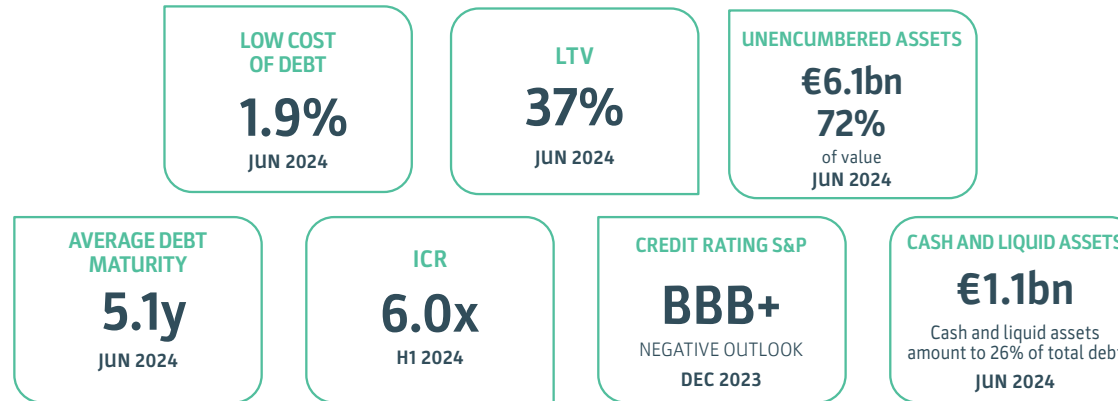


Strong Recurring Operational Profitability

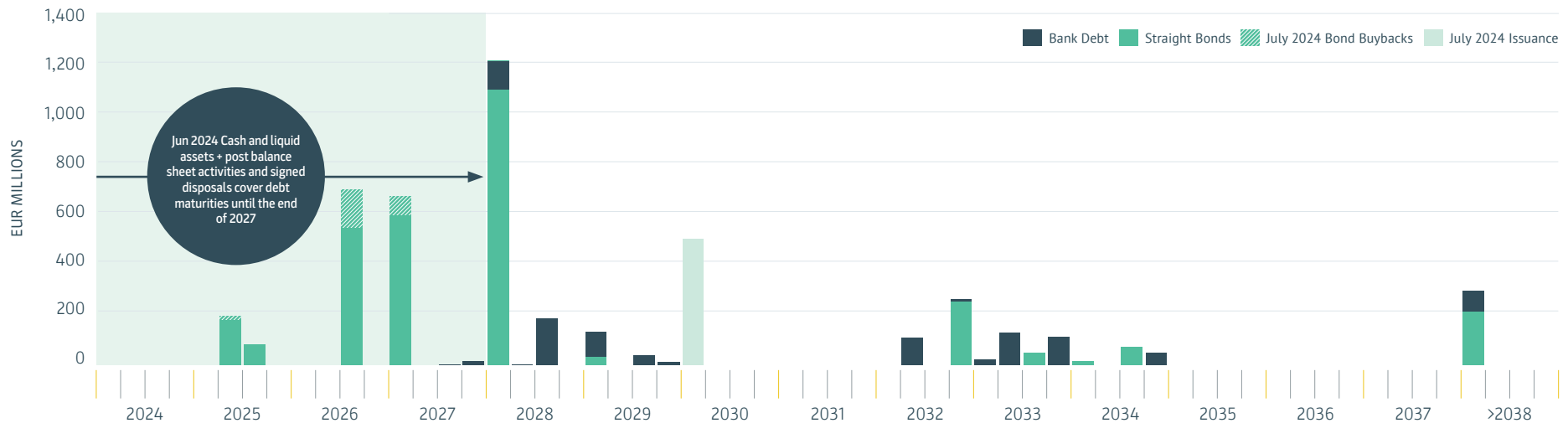


› FINANCIAL PROFILE OPTIMISATION HIGHLIGHTS

Strong Financial Profile Maintained



Debt Maturity Schedule



> THE COMPANY

Grand City Properties S.A. and its investees (the “Company”, “GCP” or the “Group”) Board of Directors (the “Board”) hereby submits the condensed interim consolidated financial statements as of 30 June 2024.

The figures presented in this Board of Director’s Report are based on the condensed interim consolidated financial statements as of 30 June 2024, 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 June 2024 consists of 62k 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.

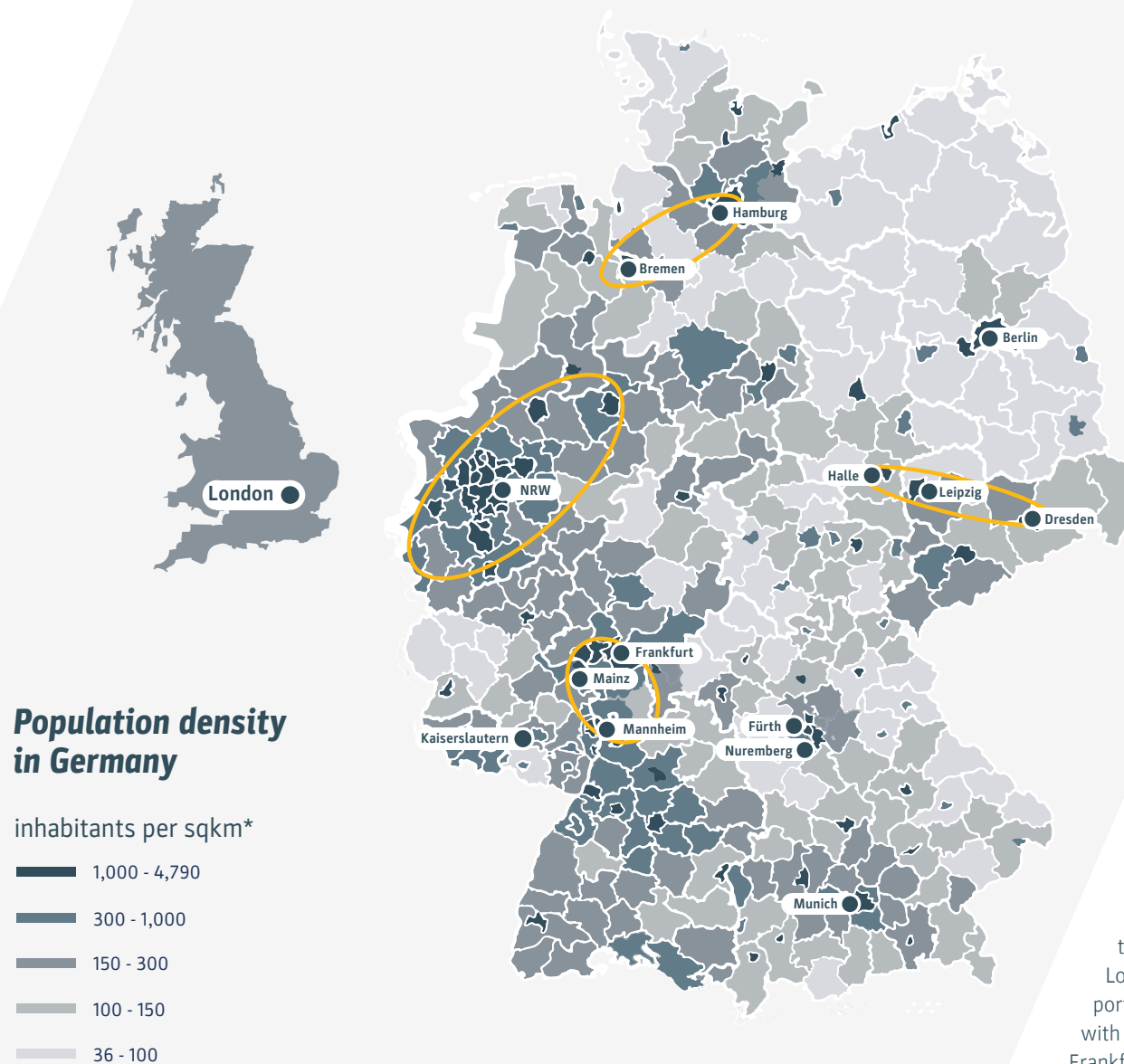
GCP is focused on assets in densely populated urban locations with robust and sustainable economic and demographic fundamentals, and with multiple value-add drivers that it can pursue using its skills and capabilities such as vacancy reduction, increasing rents to market levels, improving operating cost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



> PORTFOLIO



* as of 2021, based on data from Statistisches Bundesamt

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 23% of the Portfolio being located in Berlin, 21% in NRW, 13% in the metropolitan region of Dresden, Leipzig and Halle, and 19% 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.

23% BERLIN

Political & Start-up hub.

21% NRW

Industrial center of Germany.

19% LONDON

Leading global city attracting innovation and high-quality talent.

13% DRESDEN/ LEIPZIG/HALLE

Dynamic economy driven by technology and education with robust demographic fundamentals.

4% Nuremberg/Fürth/Munich

5% Hamburg/Bremen

5% Mannheim/KL/Frankfurt/Mainz

10% Others

June 2024	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 ⁽¹⁾
NRW	1,715	1,140	4.3%	91	6.7	16,674	1,504	5.3%
Berlin	1,885	619	3.9%	71	9.5	8,392	3,045	3.8%
Dresden/Leipzig/Halle	1,106	794	3.4%	55	6.0	13,827	1,393	5.0%
Mannheim/KL/Frankfurt/Mainz	382	177	3.6%	19	9.0	3,013	2,152	5.0%
Nuremberg/Fürth/Munich	285	80	4.8%	11	12.3	1,430	3,580	3.9%
Hamburg/Bremen	380	264	3.8%	22	7.3	3,996	1,437	5.9%
London	1,583	176	3.1%	83	40.6	3,364	8,998	5.3%
Others	852	663	4.4%	54	7.1	11,227	1,286	6.3%
Development rights & invest	182							
Total June 2024	8,370	3,913	3.9%	406	8.9	61,923	2,092	5.0%
Total December 2023	8,629	4,020	3.8%	406	8.6	63,303	2,109	4.8%

(1) rental yield is calculated by dividing the Annualised net rent by the Investment property value, excluding properties classified as development rights & invest. For more details please see page 33 of the Alternative performance measures section of this report.

> 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.

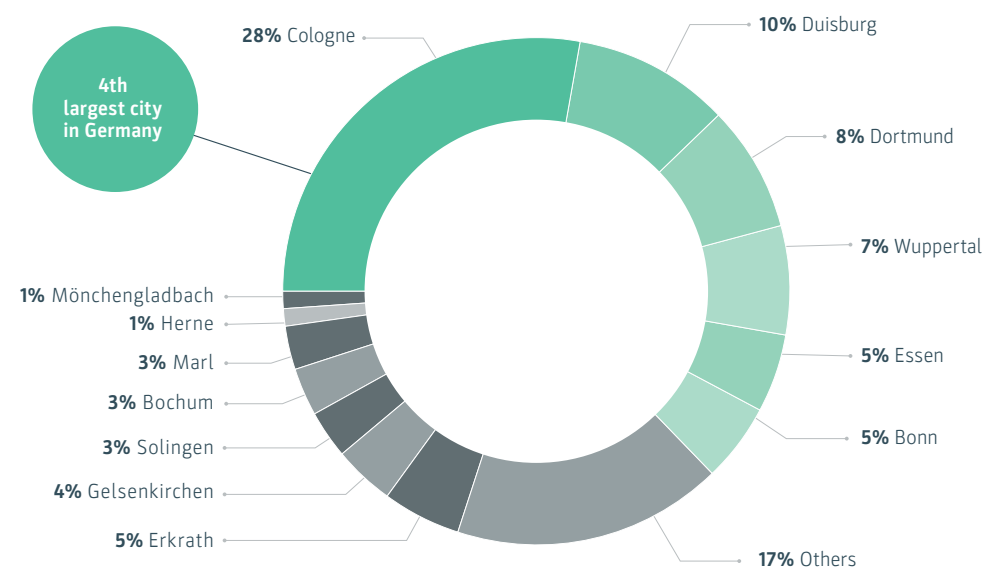
30%

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

> NORTH RHINE-WESTPHALIA (NRW)

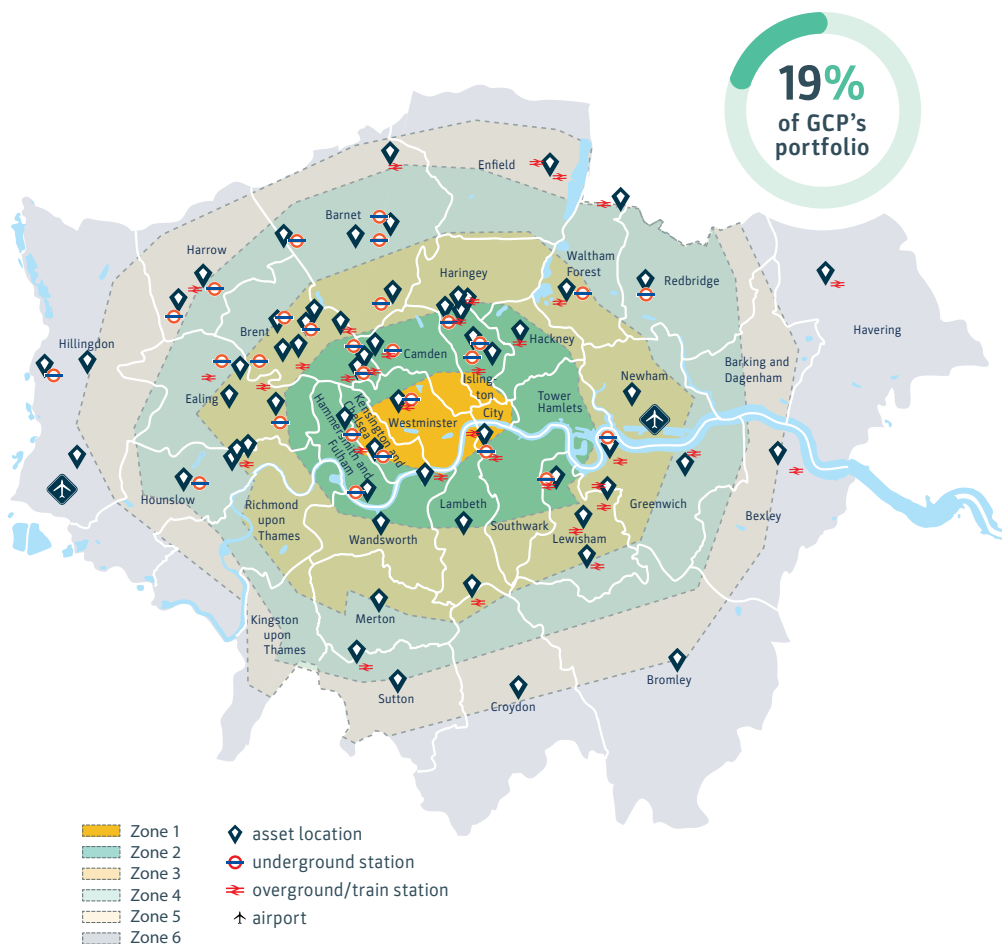
Well positioned in the largest metropolitan area in Germany

The portfolio distribution in NRW is focused on cities with strong fundamentals within the region. 28% of the NRW portfolio is located in Cologne, the largest city in NRW, 10% in Duisburg, 8% in Dortmund, 5% in Essen, 7% in Wuppertal, and 5% in Bonn.



> LONDON PORTFOLIO

Located in strong middle class neighborhoods



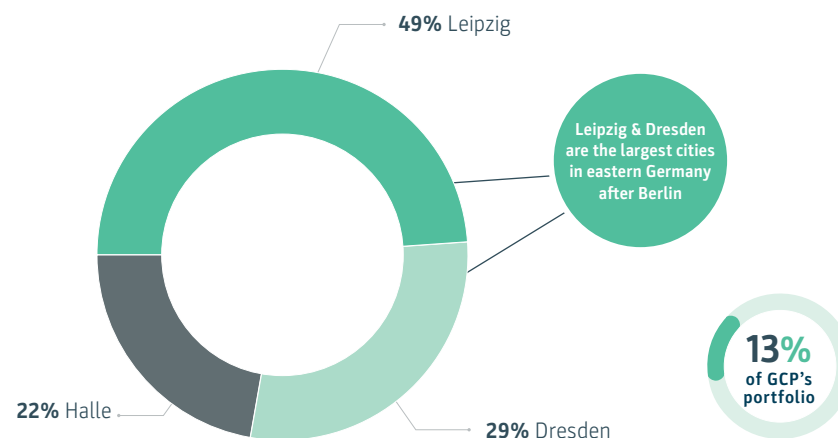
The total London portfolio, including high quality assets, social housing as well as pre-marketed units, amounts to approx. 3,500 units and approx. €1.6 billion in value.

Approx. 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

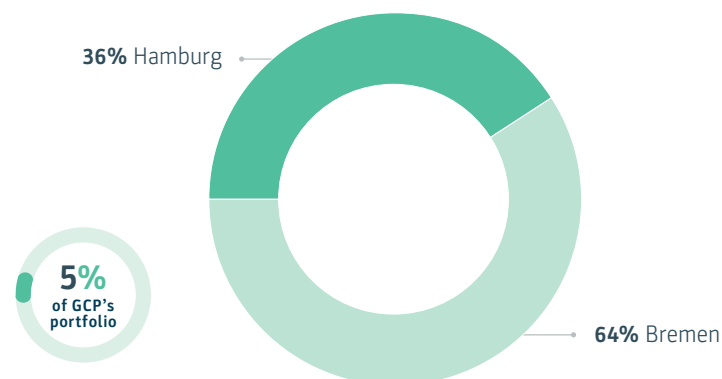
> QUALITY EAST PORTFOLIO

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

Investor relations activities supporting the strong capital markets position

The Company continues to proactively present its business strategy and thus enhance perception, as well as awareness, of the Company among capital market investors. GCP seizes opportunities to present a platform for open dialogue, meeting hundreds of investors in dozens of conferences around the globe as well as hosting investors at the Company's offices or via video conferences. The improved perception leads to a better understanding of GCP's business model, operating platform and competitive advantage, and leads to strong confidence from investors. GCP's strong position in equity capital markets is reflected through its membership in key stock market indices, including the SDAX of the Deutsche Börse, the FTSE EPRA/NAREIT Global Index series and GPR 250.



Placement	Frankfurt Stock Exchange	
Market segment	Prime Standard	
First listing	Q2 2012	
Number of shares (as of 30 June 2024)	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 June 2024)	172,371,757	ordinary shares with a par value of EUR 0.10 per share
Shareholder structure (as of 30 June 2024)	Freefloat 36% Aroundtown SA (through Edolaxia Group) 62% Treasury Shares 2%	
Nominal share capital (as of 30 June 2024)	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 13 August 2024)	2 bn EUR	

Vast and proven track record in capital markets

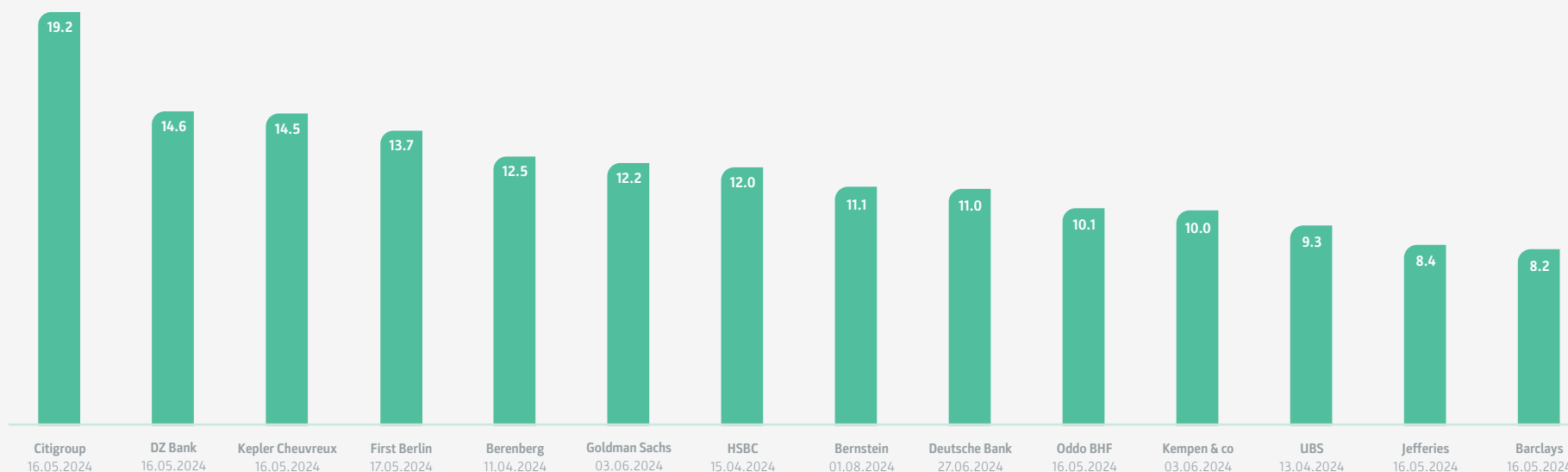
The Company has established over the years an impressive track record in capital markets, continuously accessing various markets through its strong relationships with leading investment banks in the market, supported by two investment-grade credit ratings (BBB+ Negative from S&P and Baa1 Negative from Moody's). Since 2012, GCP has issued approx. €10 billion through dozens of issuances of straight bonds, convertible bonds, equity and perpetual notes. The Company launched an EMTN programme, providing significant convenience and flexibility by enabling the issuance in a short of time of financial instruments of various kinds, sizes, currencies and maturities.

Analyst coverage

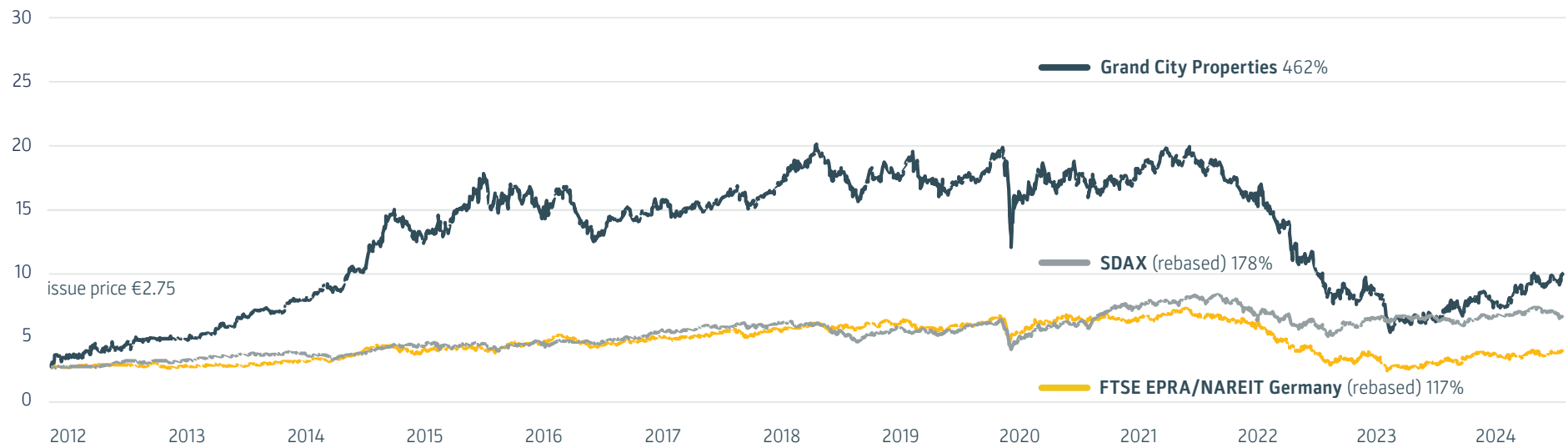
GCP's shares are covered by several different equity research analysts on an ongoing basis, who regularly publish updated equity research reports.



Analyst recommendations



> SHARE PRICE PERFORMANCE AND TOTAL RETURN COMPARISON SINCE FIRST EQUITY PLACEMENT (19.07.2012)



Nuremberg / Fürth

> NOTES ON BUSINESS PERFORMANCE



Berlin

Operating results

	For the period of six months ended 30 June	
	2024	2023
	€'000	
Net rental income (a)	211,536	204,403
Operating and other income (b)	86,620	104,998
Revenue (a)	298,156	309,401
Property revaluations and capital losses (d)	(197,990)	(538,848)
Property operating expenses (b)	(127,982)	(144,705)
Administrative and other expenses (c)	(5,502)	(5,802)
Depreciation and amortisation	(3,227)	(4,605)
Operating Loss	(36,545)	(384,559)

(a) The Company recorded net rental income of €212 million in the first half of 2024 ("H1 2024"), increasing by 3% as compared to the €204 million recorded in the respective period of 2023 ("H1 2023"). The main component of this increase is explained by the solid operational performance, reflected in the like-for-like rental income growth of 3.4% as of June 2024, full driven by in-place rent growth. The Company's portfolio continues to benefit from favourable market dynamics fuelled by supply demand imbalances in key metropolitan cities of Germany and London. This impact is shown in an increasing level of in-place rent growth, which continues to drive current and market rents higher, increasing the upside potential of the portfolio and supporting strong rental growth. The increase in net rental income is further supported by the completion of pre-let properties and was partially offset by the impact of disposals. As the majority of disposals were closed towards the end of the period, the full disposal impact will be reflected in the coming periods. The in-place rent of the portfolio increased to €8.9/sqm as of June 2024, from €8.6/sqm as of December 2023. As of June 2024, the annualized net rent of the portfolio amounted to €406 million, which excludes the held-for-sale portfolio.

In the first half of 2024, GCP's total revenue amounted to €298 million, decreasing by 4% as compared to the €309 million recorded in the first six months of 2023. Total revenue is

composed of net rental income and operating and other income. The decrease in revenue is the result of lower operating and other income, which is connected to the lower operational expenses which are recoverable from tenants.

(b) In the first half of 2024, operating and other income amounted to €87 million, decreasing €18 million or 18% compared to the €105 million recorded in the respective period of 2023. This line item primarily consists of income related to recoverable operational expenses from tenants, related mostly to utilities and services, such as heating and water, among others. The primary cause of the significant decrease in operating and other income relate to normalization of costs for utilities, namely heating, which were higher in the previous period as a result of volatility in energy markets and prices. Accordingly, movements in this line item are in line with those recorded in the property operating expenses.

The Company recorded Property operating expenses of €128 million in the first half of 2024, decreasing €17 million or 12% as compared to the €145 million recorded in the first six months of 2023. These expenses are mainly composed of expenses recoverable from tenants such as heating, water, waste management and winter services, among others. Maintenance and refurbishment expenses, personnel expenses, and other operating costs are also included in the Property operating expenses. Primarily as a result of lower heating costs, property operating expenses show a decrease with respect to the comparable period.

To fulfill the objective of maintaining high tenant satisfaction and building long term relationships with its tenants, GCP is continuously monitoring and evaluating the quality of its portfolio in order to implement a wide range of maintenance, refurbishment, and capital expenditure projects. These are conducted on a regular basis to uphold and enhance the quality of its assets. The higher quality living environment and higher tenant satisfaction result in higher rents and lower turnover and vacancies, providing additional stability in future cash flows.

GCP recorded maintenance and refurbishment expenses of €12 million in H1 2024, stable compared to €12 million in H1 2023. The average maintenance expense per sqm in H1 2024 amounted to €2.9, same as in the comparable period of 2023. The maintenance and refurbishment expenses are carried out to maintain the quality of the portfolio and the standard of living of tenants. The Company offers its tenants a variety of channels to place maintenance requests, including the tenant app and GCP's service center. These implemented channels simplify and optimise the process, enabling increased transparency and tenant satisfaction, with the digitalization resulting in higher efficiency.

Repositioning capex consist of targeted measures conducted with the objective of increasing the value proposition of GCP's portfolio. These measures include apartment

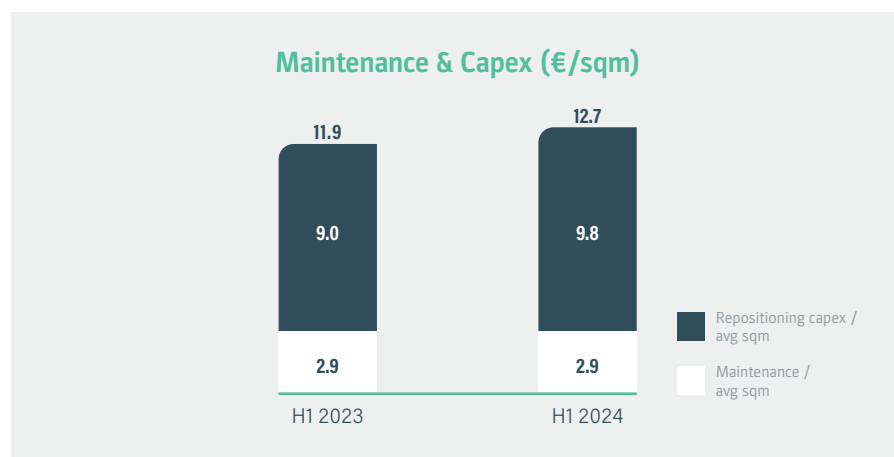
renovations, improvements to corridors and staircases and façade refits, among others. Additionally, repositioning capex includes projects that improve the surrounding areas of the properties, such as the renovation and addition of playgrounds and common meeting areas. In the first six months of 2024, the Company invested €40 million or €9.8 per average sqm in repositioning capex, as compared to €38 million or €9.0 per average sqm in the relevant period of 2023.

The Company invested ca. €1 million in modernisation projects in the first half of 2024, lower as compared to approximately €4 million in the respective period of 2023. This change is mostly due to timing impact of the projects conducted. These investments are also carried out on a targeted basis and with the objective to increase the value proposition. Examples of these investments include balconies, elevators and energetic modernisation such as the installment of green heating systems. These projects are carefully evaluated and conducted only if they meet specific criteria and generate adequate returns.

GCP has also invested €8 million in pre-letting modifications during the first six months of 2024, lower as compared to €10 million in the comparable period of 2023. Pre-letting modifications comprise projects relating to the completion of properties acquired that are in the final stages of development, extensive refurbishment projects and the creation of new significant lettable areas.

- (c) In H1 2024, the Company recorded administrative and other expenses in the amount of €5.5 million, lower compared to €5.8 million in H1 2023. These expenses are primarily comprised of overhead expenses such as administrative personnel expenses, legal and professional fees, marketing expenses, and other ancillary office expenses.
- (d) GCP conducted a full revaluation of its portfolio in H1 2024 and recorded negative property revaluation and capital losses of €198 million, compared to negative property revaluations and capital losses of €539 million in the first half of 2023. The revaluation result reflects a like-for-like value decline of 2%, excluding value added by capex. The revaluation is primarily driven by the small yield expansion, partially offset by solid operational growth, which has additionally been supported by the supply demand imbalances observed in key metropolitan cities where the Company has its focus. The devaluation in H1 2024 was 63% lower compared to H1 2023, indicating a significantly softer devaluation momentum as a result of improved market dynamics and signaling a potential stabilization in valuations in the upcoming periods.

In the first half of 2024 the Company completed disposals amounting to ca. €160 million. The disposals comprised mostly of properties in London as well as in NRW, Berlin and Hessen. Capital gain results capture the premium (discount) of these disposals compared to their book values. The disposals in H1 2024 recorded a discount of ca. 2% to net book values.





London

Loss for the period

For the period of six months
ended 30 June

	2024	2023
	€'000	
Operating Loss	(36,545)	(384,559)
Finance expenses (a)	(27,882)	(27,342)
Other financial results (b)	(17,223)	(40,427)
Current tax expenses (c)	(20,835)	(20,294)
Deferred tax income (c)	28,726	70,880
Loss for the period (d)	(73,759)	(401,742)
Loss attributable to owners of the company	(64,878)	(347,527)
Profit attributable to perpetual notes investors	21,377	15,394
Loss attributable to non-controlling interests	(30,258)	(69,609)
Basic loss per share (in €)	(0.38)	(2.02)
Diluted loss per share (in €)	(0.38)	(2.01)
Weighted average number of ordinary shares (basic) in thousands	172,366	172,348
Weighted average number of ordinary shares (diluted) in thousands	172,649	172,629
Loss for the period (d)	(73,759)	(401,742)
Total other comprehensive income for the period, net of tax (e)	19,904	22,184
Total comprehensive Loss for the period (e)	(53,855)	(379,558)

- (a) In the first half of 2024, GCP recorded €28 million of finance expenses, broadly stable as compared to €27 million recorded in the comparable period of 2023. Finance expenses were impacted by new debt raised, partially offset by debt repayments. Furthermore, through pro-active management of its interest exposure, mainly through the execution of variable- and capped-to-fix hedging agreements, the Company was able to reduce its finance expenses. The higher interest expenses were further offset by interest income that the Company generated on its high cash balance. As of June 2024, the Company's cost of debt is 1.9% with an average maturity of 5.1 years, and 94% of the debt is interest rate hedged.
- (b) The Company reported negative other financial results of €17 million in the first half of 2024, lower as compared to negative €40 million in the first half of 2023. This line item captures the movement in the net fair value of financial assets, financial liabilities, and derivative instruments. The fair value of these instruments is mainly driven by the changes in the interest rates as well as the volatility in capital markets. Also included in this line item are one-off finance related costs or gains, such as those related to the early repayment of debt. Additionally, costs related to financial activities such as hedging and other financing fees are included.
- (c) In the first half of 2024, total tax income amounted to €8 million, as compared to a total tax income of €51 million in the comparable period of 2023. Total tax income includes both current tax expenses and deferred tax income.

Current tax expenses consist of corporate income tax and property taxes, which result from the Company's underlying business performance and the portfolio's geographic distribution. GCP recorded current tax expenses of €20.8 million in the first half of 2024, slightly higher as compared to €20.3 million in the respective period of 2023.

Deferred tax income is a non-cash item primarily derived from the revaluation gains or losses of the Company's investment properties portfolio and are linked to the theoretical disposal of investment properties with a tax rate applied based on the location of the asset. Also impacting this line item are the revaluation gains or losses of derivatives and losses carried forward. Deferred taxes amounted to an income of €29 million in the first half of 2024, as compared to an income of €71 million in the respective period of 2023, lower mainly as a result of the lower revaluation losses in H1 2024 as compared to H1 2023.

- (d) The Company reported a net loss of €74 million in H1 2024, as compared to a net loss of €402 million for the comparable period in 2023. The net loss in both periods was mainly driven by negative revaluations, which offset the strong operational results. As the negative revaluation in H1 2024 was lower compared to H1 2023, the net loss was also lower.

In the first half of 2024, GCP recorded a basic loss per share of €0.38 and diluted loss per share of €0.38, as compared to a basic loss per share of €2.02 and diluted loss per share of €2.01 in the respective period of 2023.

- (e) Through the first half of 2024, the Company recorded a total comprehensive loss of €54 million, lower as compared to a total comprehensive loss of €380 million recorded in the first six months of 2023. The total comprehensive loss in H1 2024 is primarily explained by the net loss of the period and slightly offset by the total other comprehensive income. Total other comprehensive income totaled €20 million in H1 2024, as compared to €22 million in H1 2023. This line item is mainly explained by changes in forward and other derivative contracts and foreign currency impacts related to hedging activities mostly associated with the London portfolio.



Berlin

Adjusted EBITDA, Funds From Operations (FFO I, FFO II)

	For the period of six months ended 30 June	
	2024	2023
	€'000	
Operating Loss	(36,545)	(384,559)
Depreciation and amortisation	3,227	4,605
EBITDA	(33,318)	(379,954)
Property revaluations and capital losses	197,990	538,848
Equity settled share-based payments and other adjustments	1,441	702
Adjusted EBITDA (a)	166,113	159,596
Finance expenses	(27,882)	(27,342)
Current tax expenses	(20,835)	(20,294)
Contribution to minorities	(2,292)	(2,536)
Adjustment for perpetual notes attribution	(21,377)	(15,394)
FFO I (b)	93,727	94,030
Weighted average number of ordinary shares (basic) in thousands, including impact from share-based payments	172,707	172,606
FFO I per share (in €) (b)	0.54	0.54
Result from disposal of properties	(3,041)	33,765
FFO II (c)	90,686	127,795

- (a) In the first half of 2024, the Company generated adjusted EBITDA of €166 million, increasing by 4% as compared to €160 million in the first half of 2023. 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 losses, and other non-operational income statement items such as equity settled share-based payments and other adjustments. The increase in the Adjusted EBITDA is primarily explained by the increase in net rental income and by the higher efficiency of the operating platform resulting in a lower operational cost base.
- (b) GCP generated FFO I of €94 million during the first half of 2024, stable as compared to the €94 million recorded in the comparable period of 2023. FFO I per share amounted to €0.54 per share in H1 2024, as compared to €0.54 in the respective period of 2023. 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. The increase in the adjusted EBITDA in H1 2024 compared to H1 2023 was offset by the negative impact of higher perpetual notes attribution resulting from the reset of the coupons of two of GCP's perpetual note series in 2023, leading to a stable FFO I. In April of 2024, GCP launched an exchange offer with a tender option to the holders of its two perpetual notes which reset in 2023, amounting to a nominal value of €550 million. The transaction registered a high acceptance rate of over 80% and, as a result of this transaction, the Company regained the equity content of these notes under the S&P methodology while also managing to reduce coupon payments by €2 million on an annualised basis compared to the annualised coupon prior to the transaction, however the perpetual notes attribution in H1 2024 was €6m higher than H1 2023.
- (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. In the first half of 2024, GCP reported an FFO II of €91 million, lower as compared to €128 million reported in the respective period of 2023. In H1 2024, GCP completed disposals in the amount of €160 million at a discount of ca. 2% to net book values, reflecting a loss over total costs including capex of 2%.

Adjusted Funds From Operations (AFFO)

For the period of six months ended 30 June		
	2024	2023
	€'000	
FFO I	93,727	94,030
Repositioning capex	(40,479)	(37,638)
AFFO	53,248	56,392

Adjusted Funds from Operations (AFFO) is another indicator of 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. Through the first half of 2024, the Company recorded AFFO in the amount of €53 million, lower as compared to €56 million recorded in the respective period in 2023. This is mostly driven by higher repositioning capex.



Halle

Cash flow

	For the period of six months ended 30 June	
	2024	2023
	€'000	
Net cash provided by operating activities	140,961	117,417
Net cash provided by investing activities	4,094	152,106
Net cash (used in)/provided by financing activities	(282,329)	48,355
Net increase (decrease) in cash and cash equivalents	(137,274)	317,878
Changes in cash and cash equivalents held-for-sale and effects of foreign exchange rate	28	(2,681)
Cash and cash equivalents as on 1 January	1,129,176	324,935
Cash and cash equivalents as on 30 June	991,930	640,132

In the first half of 2024, net cash provided by operating activities amounted to €141 million, higher as compared to €117 million in the comparable period in 2023. The increase is mainly driven by the corresponding increase in the operational profits recorded in the period, resulting from the solid operational performance, reflected in the strong like-for-like rental growth of 3.4%. As a result of higher operational costs higher working capital outflows were required in the comparable period of 2023. This has started to ease in the current period, resulting in a lower cash outflow.

Net cash provided by investing activities totaled €4 million in H1 2024, as compared to €152 million in H1 2023. The cash flow from investing activities was mainly driven by the successful disposals of approx. €160 million executed in the first half of 2024, offset by vendor loans granted in relation to disposals closed in the period amounting to approximately €60 million. The cashflow was additionally impacted by capex investments in the period, which are aimed at enhancing rental growth and thereby increase future operational cashflow, as well as investment in traded securities.

Net cash used in financing activities totaled €282 million in the first half of 2024, as compared to €48 million provided by financing activities in the first half of 2023. This is primarily explained by the debt repayment and the transaction involving the perpetual

notes exchange, partially offset by new bank financing obtained. During the first half of 2024 GCP redeemed two of its bond series at maturity amounting to ca. €270 million. This was offset by new bank debt raised in the amount of €100 million. As a result of the bond redemption GCP has a clean debt profile until Q2 2025, and cash and liquid assets, including post balance sheet events and signed disposals, cover debt maturities until the end of 2027.

Assets

	Jun 2024	Dec 2023
	€'000	
Non-current assets	8,883,264	9,077,640
Investment property	8,369,785	8,629,083
Current assets	1,780,241	1,840,507
Cash and liquid assets (including those under held-for-sale)	1,122,435	1,230,483
Total Assets	10,663,505	10,918,147

Total assets amounted to €10.7 billion as of June 2024, slightly lower as compared to €10.9 billion as of year-end 2023. The decrease is primarily explained by the impact of negative revaluations, as well as the decrease in cash and liquid assets due to the debt repayments in the period, partially offset by operational profits and cash from new bank financing raised.

As of June 2024, GCP reported non-current assets in the amount of €8.9 billion, as compared to €9.1 billion as of the end of December 2023. Non-current assets are primarily composed of investment property, which totaled €8.4 billion as of June 2024, slightly lower than the €8.6 billion as of December 2023. Negative revaluations are the main driver behind this change. Disposals and marking assets to held-for-sale further impacted the figure, partially offset by capital expenditures.

The non-current assets balance also includes tenant deposits which are used as a security for rent payments and had a balance of €46 million, long-term financial investments, which include co-investments in attractive deals and are held with the expectation for long term yield, had a balance of around €60 million, and investments where the Company holds a minority position in real estate portfolios had a balance of €30 million.

As of the end of June 2024, vendor loans had a balance of approx. €150 million. These loans are given to buyers of properties to help facilitate transactions. The vendor loans are secured against the properties sold and have an average LTV of around 60%. In the event of a borrower's default, the Company has the option to regain ownership of the assets at a significant discount (through a process involving a receiver), as well as the ability to apply penalties to the defaulted buyer. Vendor loans also provide future cashflow that help reduce GCP's overall leverage, but this is not included in the LTV calculation until the payment is received.

The Company reported loans-to-own assets (including short-term) in the amount of approx. €50 million as of the end of June 2024. Loans-to-own assets are asset-backed interest bearing loans, which under specific circumstances, have the embedded option to acquire the underlying asset at a discount. These assets add to the Company's wide deal sourcing network and provide another avenue to making accretive acquisitions. GCP's loans-to-own portfolio is focused mostly on the UK and is secured by a first lien on the underlying asset.

As of the end of June 2024, the Company had current assets in the amount of €1.8 billion, broadly stable as compared to the end of December 2023. This slight decrease is primarily due to debt repayments, partially offset by cash generated by new bank financing raised and operational profits. GCP has a strong liquidity position, with holdings of €1.1 billion of cash and liquid assets, which represent 26% of total debt.

Also included in Current assets are trade and other receivables and assets held-for-sale. Trade and other receivables totalled €451 million as of June 2024, of which approx. €280 million are operating cost receivables. Operating cost receivables reflect payments for ancillary services provided to tenants, of which the pre-payments received from tenants are recorded in the short-term liabilities and include services such as heating, cleaning, insurance, winter services, waste, sewage and electricity. These operating costs receivables are settled once per year against the advances received from tenants.

GCP reported assets held-for-sale in the amount of €207 million as of June 2024, slightly higher as compared to €196 million at year end 2023. The increase in the balance of assets held-for-sale is the result of net reclassifications mostly from new disposals that were signed but not closed as of the date of reporting partially offset by closing of disposals that were included under assets held-for-sale. In the first half of 2024, the Company completed disposals amounting to ca. €160 million at an average multiple of 17x, of which €120 million were signed in 2024 and €40 million were signed in 2023. The disposals comprised mostly of properties in London as well as in NRW, Berlin and Hessen. In the first half of 2024 the Company signed a total of ca. €220 million of disposals of which ca. €100 million are expected to close in the coming periods and are classified as held-for-sale.



Liabilities

	Jun 2024	Dec 2023
	€'000	
Short- and long-term loans and borrowings (including those under held-for-sale)	974,778	872,427
Straight bonds and bond redemption	3,265,725	3,559,897
Deferred tax liabilities (including those under held-for-sale)	646,761	671,896
Other long-term liabilities and derivative financial instruments ¹	297,442	268,940
Current Liabilities ²	388,345	314,878
Total Liabilities	5,573,051	5,688,038

(1) including short-term derivative financial instruments

(2) excluding current liabilities included in the items above

The Company recorded total liabilities in the amount of €5.6 billion as of June 2024, slightly lower as compared to the €5.7 billion recorded as at the end of December 2023. Total liabilities primarily include straight bonds and loans and borrowings, deferred tax liabilities, other long-term liabilities and derivatives financial instruments and current liabilities. This decrease is primarily explained by the debt repayments in the period, partially offset by new bank financing raised.

During H1 2024, GCP repaid approx. €270 million of bonds at maturity, which had a relatively low cost of debt, while raising €100 million of new bank financing. GCP's high ratio of unencumbered assets of 72%, with a total value of €6.1 billion, provide the optionality to secure new bank financing. The Company's cost of debt remained stable at 1.9% as of June 2024 and the average debt maturity was 5.1 years. Furthermore, during H1 2024 the Company swapped some of its variable and capped interest exposure into fixed interest at lower rates, resulting in a hedge ratio of 94%. GCP's solid operational profits provide ample coverage of its interest expenses, as shown by its ICR of 6.0x. After the reporting period, and as part of the proactive liability management conducted by the Company, a new benchmark size bond with a total volume of €500 million was issued. This strengthened GCP's access to capital markets, further reflected in the oversubscribed book of over 7 times. The proceeds from the issuance targeted the repayment of short-term debt, primarily through a concurrent tender process, through which ca. €240 million nominal amount of bonds were bought back.

As of June 2024, deferred tax liabilities amounted to €647 million, lower as compared to €672 million as of year-end 2023. 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 and make up 12% of total liabilities as of June 2024. The negative revaluation recorded, which resulted in deferred tax income in the period, is the primary cause behind this decrease in deferred tax liabilities.

As of June 2024, GCP reported other non-current liabilities and derivative and financial instruments amounting to €297 million, higher as compared to €269 million as of the end of December 2023.

The Company recorded current liabilities, excluding those included in the items above, of €388 million as of June 2024, compared to €315 million as of December 2023. Current liabilities include trade and other payables, liabilities held-for-sale, and other current liabilities. Trade and other payables, the main component of current liabilities, amounted to approx. €322 million as of June 2024. These liabilities are reflected on the asset side by operating cost receivables.

EPRA Net Asset Value Metrics

in € '000 unless otherwise indicated

	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
	Jun 2024			Dec 2023		
Equity attributable to the owners of the Company	3,424,902	3,424,902	3,424,902	3,477,627	3,477,627	3,477,627
Deferred tax liabilities on investment property ¹	641,371 ²	541,904 ³	-	665,331 ²	559,911 ³	-
Fair value measurements of derivative financial instruments ⁴	(17,640)	(17,640)	-	(17,987)	(17,987)	-
Intangible assets and goodwill	-	(4,982)	-	-	(5,790)	-
Real estate transfer tax	468,091 ²	-	-	481,510 ²	-	-
Net fair value of debt	-	-	222,330	-	-	267,686
NAV	4,516,724	3,944,184	3,647,232	4,606,481	4,013,761	3,745,313
Basic number of shares including in-the-money dilution effects (in thousands)	172,769			172,640		
NAV per share (in €)	26.1	22.8	21.1	26.7	23.2	21.7

(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

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).

EPRA NRV

EPRA NRV as of June 2024 amounted to €4.5 billion and €26.1 per share, slightly lower as compared to €4.6 billion and €26.7, respectively as of year-end 2023. The slight decrease was primarily driven by the effects of negative revaluations, partially offset by the strong operational performance of the Company.

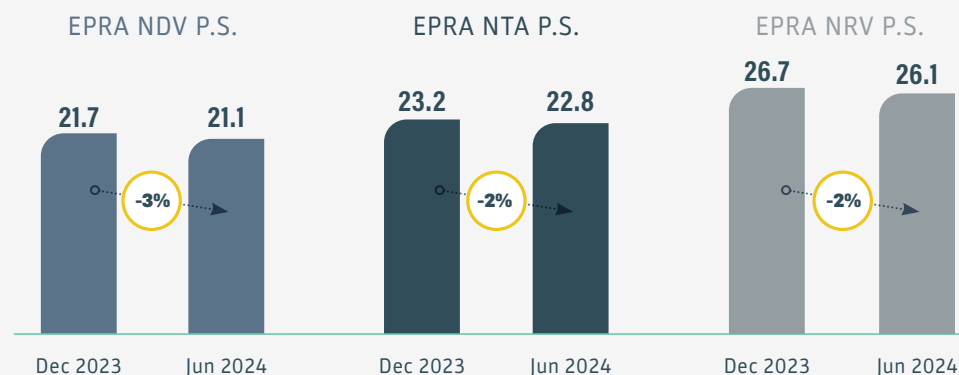
EPRA NTA

EPRA NTA as of June 2024 amounted to €3.9 billion and €22.8 per share, slightly lower as compared to €4 billion or €23.2 per share as of year-end 2023. Similarly, the decrease was primarily driven by the effects of negative revaluations, partially offset by the strong operational performance of the Company.

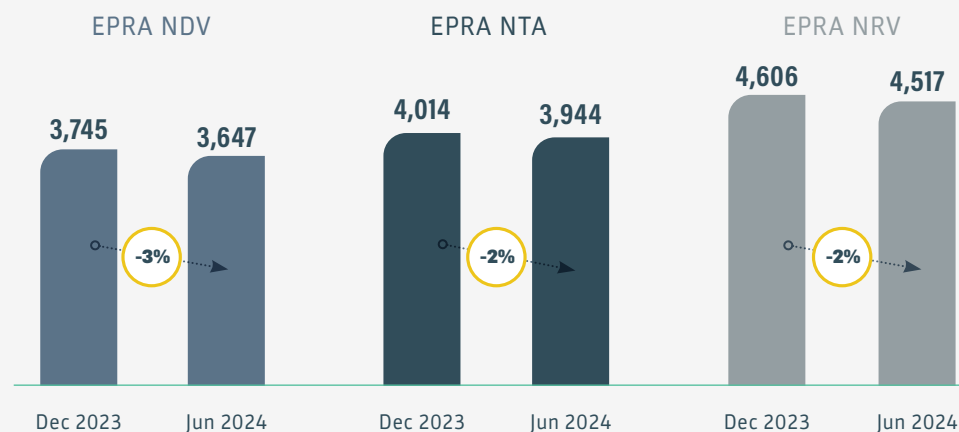
EPRA NDV

EPRA NDV as of June 2024 amounted to €3.6 billion and €21.1 on a per share basis, slightly lower as compared to €3.7 billion and €21.7 per share at the end of December 2023. In addition to the negative impacts on the equity, the EPRA NDV is negatively impacted by the recovery of the Company's debt securities in the capital markets, reflected in the increase in fair value of its outstanding bonds. While this has a negative impact on the EPRA NDV, the Company views this as a positive development.

EPRA NAV PER SHARE METRICS DEVELOPMENT (in €)



EPRA NAV METRICS DEVELOPMENT (in € millions)



Debt Financing KPIs

▼ LOAN-TO-VALUE

	Jun 2024	Dec 2023
€'000		
Investment Property ¹	8,280,487	8,544,738
Investment properties of assets held-for-sale ¹	197,560	191,773
Total value	8,478,047	8,736,511
Total debt	4,240,503	4,432,324
Cash and liquid assets (including those under held-for-sale)	1,122,435	1,230,483
Net debt	3,118,068	3,201,841
LTV	37%	37%

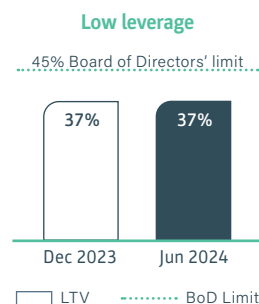
(1) including advanced payments and deposits and excluding right-of-use assets

GCP continues to maintain its conservative financial profile, as shown by its low LTV ratio, its high proportion of unencumbered assets and its robust coverage ratios.

As of June 2024, the Company reported an LTV of 37%, stable as compared to 37% at the end of December 2023. GCP's LTV position remains well-below the bond covenant limits and the more stringent board-mandated limit of 45%. In addition to the strong operational performance recorded, the Company's proactive balance sheet management provides further security against the impact of potential negative revaluations, and the completion of signed disposals in coming periods is expected to further support the Company's deleveraging measures.

The strong coverage ratios reported by the Company result from its solid operational performance as well as the proactive measures taken to assure its robust financial position. The Company recorded an ICR of 6.0x in the first half of 2024, as compared to 5.8x in the comparable period of 2023, and a DSCR of 5.5x in the first half of 2024, higher as compared to 5.4x in the comparable period of 2023. The solid ICR and DSCR metrics reported by GCP show the Company's ability to generate recurring operational profitability to meet its debt obligations. The ICR ratio continues to maintain a very significant headroom to bond covenant limits which is 2.0x. The increase in the ICR stems from the increase in adjusted EBITDA while finance expenses remained broadly stable.

GCP maintains a significant balance of cash and liquid assets totaling €1.1 billion and holds a large pool of unencumbered



assets in the amount of €6.1 billion as of June 2024. Unencumbered assets enhance financial flexibility by giving the Company the option of taking advantage of lower secured financing rates as compared to the current public debt market rates. Additional financial flexibility is provided by the undrawn credit facilities that GCP has at its disposal.

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 December 2023, and unsolicited rating by Moody's (Baa1/Negative).

▼ UNENCUMBERED ASSETS

	Jun 2024	Dec 2023
€'000		
Unencumbered Assets	6,144,788	6,606,947
Total Investment Property (including those under held-for-sale)	8,567,345	8,824,724
Unencumbered Assets Ratio	72%	75%

For the period of six months ended 30 June

▼ INTEREST COVERAGE RATIO (ICR)

	2024	2023
€'000		
Adjusted EBITDA	166,113	159,596
Finance Expenses	27,882	27,342
Interest Coverage Ratio	6.0x	5.8x

For the period of six months ended 30 June

▼ DEBT SERVICE COVERAGE RATIO (DSCR)

	2024	2023
€'000		
Adjusted EBITDA	166,113	159,596
Finance Expenses	27,882	27,342
Amortisation of loans from financial institutions	2,207	2,189
Debt Service Coverage Ratio	5.5x	5.4x

> 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 payment 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*, 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 *results from asset disposals*, calculated as the difference between the disposal values and the property's 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 $\frac{1}{4}$ in the first three-month period, $\frac{1}{2}$ in the first six-month period and $\frac{3}{4}$ 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 to 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⁽¹⁾

(+/-) 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, and including deferred tax liabilities on derivatives
(2) not including net change in fair value of derivative financial instruments related to currency effect

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 *fair 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 Reconciliation

Equity attributable to the owners of the Company

(+) Deferred tax liabilities⁽¹⁾

(+/-) Fair value measurements of derivative financial instruments, net⁽²⁾

(-) Intangible assets and goodwill

(=) (A) EPRA NTA

(B) Basic number of shares including in-the-money dilution effects (in thousands)

(=) (A/B) EPRA NTA per share

- (1) excluding deferred tax liabilities on non-core assets, assets held-for-sale and development rights in Germany, including deferred tax liabilities on derivatives
(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, 14 August 2024

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 six months ended 30 June		For the period of three months ended 30 June	
		2024	2023	2024	2023
		Unaudited €'000			
Revenue	5	298,156	309,401	149,104	159,349
Property revaluations and capital losses		(197,990)	(538,848)	(198,630)	(485,757)
Property operating expenses		(127,982)	(144,705)	(63,175)	(76,811)
Administrative and other expenses		(5,502)	(5,802)	(2,551)	(2,985)
Depreciation and amortisation		(3,227)	(4,605)	(1,779)	(2,294)
Operating loss		(36,545)	(384,559)	(117,031)	(408,498)
Finance expenses		(27,882)	(27,342)	(13,761)	(13,872)
Other financial results		(17,223)	(40,427)	(8,262)	(19,963)
Loss before tax		(81,650)	(452,328)	(139,054)	(442,333)
Current tax expenses		(20,835)	(20,294)	(10,553)	(10,183)
Deferred tax income		28,726	70,880	32,119	62,369
Loss for the period		(73,759)	(401,742)	(117,488)	(390,147)
Profit (loss) attributable to:					
Owners of the Company		(64,878)	(347,527)	(95,006)	(332,585)
Perpetual notes investors		21,377	15,394	10,453	7,956
Non-controlling interests		(30,258)	(69,609)	(32,935)	(65,518)
		(73,759)	(401,742)	(117,488)	(390,147)
Net loss per share attributable to the owners of the Company (in euro):					
Basic loss per share		(0.38)	(2.02)	(0.55)	(1.93)
Diluted loss per share		(0.38)	(2.01)	(0.55)	(1.93)

➤ CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the period of six months ended 30 June		For the period of three months ended 30 June	
	2024	2023	2024	2023
	Unaudited			
	€'000			
Loss for the period	(73,759)	(401,742)	(117,488)	(390,147)
Other comprehensive income				
Items that will not be reclassified to profit or loss in subsequent periods, net of tax:				
Loss on owner-occupied property revaluation	(5,847)	(2,595)	(5,847)	(2,595)
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	22,547	16,321	7,117	16,493
Cash flow hedges and cost of hedging	3,204	8,458	4,131	10,799
Total other comprehensive income for the period, net of tax	19,904	22,184	5,401	24,697
Total comprehensive loss for the period	(53,855)	(379,558)	(112,087)	(365,450)
Total comprehensive income (loss) attributable to:				
Owners of the Company	(43,705)	(327,157)	(86,966)	(308,813)
Perpetual notes investors	21,377	15,394	10,453	7,956
Non-controlling interests	(31,527)	(67,795)	(35,574)	(64,593)
	(53,855)	(379,558)	(112,087)	(365,450)

➤ CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June	As at 31 December
		2024	2023
		Unaudited	Audited
		€'000	
ASSETS			
Investment property	6	8,369,785	8,629,083
Owner-occupied property		40,153	47,577
Equipment		13,067	10,561
Intangible assets and goodwill		4,982	5,790
Deposits and advance payments		21,602	20,770
Derivative financial assets		43,665	48,076
Other non-current assets		324,549	249,794
Deferred tax assets		65,461	65,989
Non-current assets		8,883,264	9,077,640
Cash and cash equivalents		991,930	1,129,176
Financial assets at fair value through profit or loss		130,115	101,307
Trade and other receivables		451,099	391,076
Derivative financial assets		320	23,307
Assets held-for-sale		206,777	195,641
Current assets		1,780,241	1,840,507
Total assets		10,663,505	10,918,147
EQUITY			
Share capital		17,619	17,619
Treasury shares		(82,896)	(83,226)
Share premium and other reserves		272,121	260,298
Retained earnings		3,218,058	3,282,936
Total equity attributable to the owners of the Company		3,424,902	3,477,627
Equity attributable to perpetual notes investors	8	1,181,290	1,236,693
Total equity attributable to the owners of the Company and perpetual notes investors		4,606,192	4,714,320
Non-controlling interests		484,262	515,789
Total equity		5,090,454	5,230,109

➤ CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 June	As at 31 December
	2024	2023
	Unaudited	Audited
	€'000	
LIABILITIES		
Loans and borrowings	927,546	862,619
Straight bonds	3,073,103	3,270,975
Derivative financial liabilities	44,421	38,931
Other non-current liabilities	203,211	199,747
Deferred tax liabilities	632,870	662,034
Non-current liabilities	4,881,151	5,034,306
Current portion of long-term loans	16,407	9,808
Bond redemption	192,622	288,922
Trade and other payables	322,097	253,966
Derivative financial liabilities	49,810	30,262
Tax payable	16,660	17,006
Provisions for other liabilities and charges	42,767	40,039
Liabilities held-for-sale	51,537	13,729
Current liabilities	691,900	653,732
Total liabilities	5,573,051	5,688,038
Total equity and liabilities	10,663,505	10,918,147

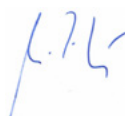
The Board of Directors of Grand City Properties S.A. authorised these condensed interim consolidated financial statements to be issued on 14 August 2024.



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

➤ CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period of six months ended 30 June 2024 €'000	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
	Share capital	Treasury shares	Share premium	Cash flow hedge and cost of hedge reserves, net	Foreign exchange translation reserves, net	Revaluation surplus reserve, net	Other reserves	Retained Earnings	Total equity attributable to the owners of the Company				
Balance as at 31 December 2023 (audited)	17,619	(83,226)	322,860	5,497	(49,155)	2,342	(21,246)	3,282,936	3,477,627	1,236,693	4,714,320	515,789	5,230,109
Profit (loss) for the period	-	-	-	-	-	-	-	(64,878)	(64,878)	21,377	(43,501)	(30,258)	(73,759)
Other comprehensive income (loss) for the period	-	-	-	3,204	20,296	(2,327)	-	-	21,173	-	21,173	(1,269)	19,904
Total comprehensive income (loss) for the period	-	-	-	3,204	20,296	(2,327)	-	(64,878)	(43,705)	21,377	(22,328)	(31,527)	(53,855)
Share-based payment	-	330	-	-	-	-	1,440	-	1,770	-	1,770	-	1,770
Payments to perpetual notes investors	-	-	-	-	-	-	-	-	-	(23,164)	(23,164)	-	(23,164)
Repayment to perpetual notes investors ^(*)	-	-	-	-	-	-	(10,790)	-	(10,790)	(459,752)	(470,542)	-	(470,542)
Issuance of perpetual notes ^(*)	-	-	-	-	-	-	-	-	-	406,136	406,136	-	406,136
Balance at 30 June 2024 (unaudited)	17,619	(82,896)	322,860	8,701	(28,859)	15	(30,596)	3,218,058	3,424,902	1,181,290	4,606,192	484,262	5,090,454

(*) For additional information see note 8

> CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period of six months ended 30 June 2023 €'000	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
	Share capital	Treasury shares	Share premium	Cost of hedge reserves, net	Foreign exchange translation reserves, net	Revaluation surplus reserve, net	Other reserves	Retained Earnings	Total equity attributable to the owners of the Company				
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	-	-	-	-	-	-	-	(347,527)	(347,527)	15,394	(332,133)	(69,609)	(401,742)
Other comprehensive income (loss) for the period	-	-	-	8,458	12,945	(1,033)	-	-	20,370	-	20,370	1,814	22,184
Total comprehensive income (loss) for the period	-	-	-	8,458	12,945	(1,033)	-	(347,527)	(327,157)	15,394	(311,763)	(67,795)	(379,558)
Share-based payment	-	646	504	-	-	-	(892)	-	258	-	258	-	258
Initial consolidation, deconsolidation, transactions with non-controlling interests and dividend distributions to non-controlling interests	-	-	-	-	-	-	-	2,026	2,026	-	2,026	(7,278)	(5,252)
Disposal of foreign operation	-	-	-	-	4,799	-	-	-	4,799	-	4,799	-	4,799
Payments to perpetual notes investors	-	-	-	-	-	-	-	-	-	(16,000)	(16,000)	-	(16,000)
Balance as at 30 June 2023 (unaudited)	17,619	(83,226)	322,860	28,559	(49,817)	3,334	(21,546)	3,482,916	3,700,699	1,227,137	4,927,836	590,566	5,518,402

➤ CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	For the period of six months ended 30 June	
	2024	2023
	Unaudited	
	€'000	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss for the period	(73,759)	(401,742)
Adjustments for the Loss:		
Depreciation and amortisation	3,227	4,605
Property revaluations and capital losses	197,990	538,848
Net finance expenses	45,105	67,769
Tax and deferred tax income	(7,891)	(50,586)
Equity settled share-based payment	1,441	702
Change in working capital	(9,517)	(27,963)
Tax paid	(15,635)	(14,216)
Net cash provided by operating activities	140,961	117,417
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of equipment and intangible assets, net	(1,523)	(1,612)
Acquisition of investment property, capex and advance payments, net	(47,687)	(51,955)
Disposal of investment property, net	60,641	145,491
Disposal of investees, net of cash disposed	40,022	37,349
Disposal of (Investment in) financial and other assets, net	(47,359)	22,833
Net cash provided by investing activities	4,094	152,106

➤ CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		For the period of six months ended 30 June	
		2024	2023
		Unaudited	
	Note	€'000	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Amortisation of loans from financial institutions		(2,207)	(2,189)
Proceeds (repayment) of loans from (to) financial institutions and others, net		98,223	180,063
Proceeds (payment) from (to) perpetual notes investors, net	8	(87,570)	(16,000)
Redemption and buy-back of straight bond		(267,887)	(82,357)
Transactions with non-controlling interests		-	(2,811)
Interest and other financial expenses, net		(22,888)	(28,351)
Net cash provided (used) by (in) financing activities		(282,329)	48,355
Net increase (decrease) in cash and cash equivalents		(137,274)	317,878
Change in cash and cash equivalents held-for-sale		(390)	(2,798)
Cash and cash equivalents at the beginning of the period		1,129,176	324,935
Effect of foreign exchange rate changes		418	117
Cash and cash equivalents at the end of the period		991,930	640,132

> 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 as well as 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 six months ended 30 June 2024 (“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:

- The Group completed disposals of properties of approx. euro 160 million, of which euro 120 million were signed in 2024 and euro 40 million were signed in 2023. The disposals comprised mostly of properties in London as well as NRW, Berlin and Hessen. For part of the disposals, approx. euro 60 million vendor loan has been provided to help facilitate the transaction. In addition to the completed disposals, the Group signed an additional euro 100 million that hasn’t been completed as of the reporting date.
- The group drew and fixed a euro 100 million 5-year loan at an all-in interest of 4.6%.

- On 2 April 2024, the Board approved a voluntary exchange and tender offer for two outstanding perpetual notes (euro 200 million and euro 350 million, with coupons of 6.332% and 5.901% respectively). The offer allowed noteholders to either exchange their holdings for new perpetual notes or exchange and redeem 15% of their notes at a small premium. The offer period ran from 2 to 9 April 2024, resulting in an 82% acceptance rate. On 12 April 2024, the Company issued euro 410 million in new perpetual notes with a 6.125% coupon and repurchased euro 34 million of existing notes. The new notes are of unlimited duration with a first call date in 2030 at the Company’s discretion. For further information see note 8.
- On 9 April 2024 the Company redeemed euro 148.8 million principal amount of straight bond series W.
- On 26 June 2024 the Company redeemed CHF 130 million principal amount of straight bond series Q.
- 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 2023.

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 2023.

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 2023, 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 2024:

➤ **Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback**

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

These amendments had no material impact on the condensed interim consolidated financial statements of the Group.

➤ **Amendments to IAS 1 Presentation of Financial Statements:**

- Classification of Liabilities as Current or Non-current (issued on 23 January 2020);
- Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and
- Non-current Liabilities with Covenants (issued on 31 October 2022)

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

These amendments had no material impact on the condensed interim consolidated financial statements of the Group.

➤ **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)**

The amendments relate to disclosure requirements in connection with supplier financing arrangements - also known as supply chain financing, financing of trade payables or reverse factoring arrangements.

The new requirements supplement those already included in IFRS standards and include disclosures about:

- Terms and conditions of supplier financing arrangements.
- The amounts of the liabilities that are the subject of such agreements, for which part of them the suppliers have already received payments from the financiers, and under which item these liabilities are shown in the balance sheet.
- The ranges of due dates.
- Information on liquidity risk.

These amendments had no material impact on the condensed interim consolidated financial statements of the Group.

5. REVENUE

For the period of six months ended 30 June

	2024	2023
	€'000	
Net rental income	211,536	204,403
Operating and other income	86,620	104,998
	298,156	309,401

6. INVESTMENT PROPERTY

For the period
of six month
ended 30 June
2024

For the year
ended
31 December
2023

Level 3^(*)

Level 3^(*)

€'000

As at 1 January	8,629,083	9,529,608
Plus: investment property classified as held-for-sale	195,641	330,853
Total investment property	8,824,724	9,860,461
Acquisitions of investment property	-	10,079
Capital expenditure on investment property	49,196	101,049
Disposals of investment property	(163,338)	(314,599)
Fair value adjustment	(194,650)	(881,382)
Effect of foreign currency exchange differences	51,413	49,116
Total investment property	8,567,345	8,824,724
Less: investment property classified as held-for-sale	(197,560)	(195,641)
As at 30 June / 31 December	8,369,785	8,629,083

(*) classified in accordance with the fair value hierarchy (see note 7). Since one or more of the significant inputs is not based on observable market data, the fair value measurement is included in level 3.



Hamburg

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 June 2024 and 31 December 2023 on a recurring basis:

	As at 30 June 2024					As at 31 December 2023				
			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 ⁽¹⁾	222,566	222,566	92,813	98,565	31,188	185,408	185,408	89,451	61,804	34,153
Derivative financial assets ⁽²⁾	44,354	44,354	-	44,354	-	71,383	71,383	-	71,383	-
Total financial assets	266,920	266,920	92,813	142,919	31,188	256,791	256,791	89,451	133,187	34,153
FINANCIAL LIABILITIES										
Derivative financial liabilities	94,231	94,231	-	94,231	-	69,193	69,193	-	69,193	-
Total financial liabilities	94,231	94,231	-	94,231	-	69,193	69,193	-	69,193	-

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

(2) including held-for-sale

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 June 2024 and 31 December 2023:

	As at 30 June 2024					As at 31 December 2023				
	Carrying amount	Total fair value	Fair value measurement using			Carrying amount	Total fair value	Fair value measurement using		
			Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)			Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
€'000										
FINANCIAL LIABILITIES										
Loans and borrowings ⁽¹⁾	974,778	970,459	-	970,459	-	872,427	878,281	-	878,281	-
Straight bonds ⁽²⁾	3,265,725	2,973,841	2,801,759	172,082	-	3,559,897	3,197,414	3,030,389	167,025	-
Total financial liabilities	4,240,503	3,944,300	2,801,759	1,142,541	-	4,432,324	4,075,695	3,030,389	1,045,306	-

(1) including current portion of long-term loans and held-for-sale

(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.

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.

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.

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.



8. PERPETUAL NOTES EXCHANGE AND TENDER OFFER

On 2 April 2024, the Board of Directors approved a voluntary exchange and tender offer targeting the holders of two outstanding perpetual notes, with nominal values of euro 200 million and euro 350 million, carrying coupons of 6.332% and 5.901%, respectively (the “existing perpetual notes”).

The offer provided the holders of the existing perpetual notes with two options:

1. Exchange Option: Exchange their holdings for newly issued perpetual notes at a specified exchange ratio.
2. Partial Redemption Option: Exchange their holdings for new perpetual notes at the specified exchange ratio and redeem 15% of their exchanged notes at a small premium over the market prices prevailing prior to the offer.

The newly issued perpetual notes have a coupon of 6.125% and are undated, with an unlimited duration. They are subordinated and feature a first reset date on 16 April 2030. The coupon rate remains at 6.125% until this date. If the Company chooses not to exercise its call option at that time, the coupon will reset as follows:

- From April 2030 to April 2035: 3.508% over five-year swap rate.
- From April 2035 to April 2050: 3.758% over five-year swap rate.
- From April 2050 onwards: 4.508% over five-year swap rate.

The offer period commenced on 2 April 2024 and closed on 9 April 2024. On 10 April 2024, the Company announced that it had received acceptance for euro 449 million in aggregate nominal amount of the existing perpetual notes, reflecting an acceptance rate of 82%.

Subsequently, on 12 April 2024, the Company issued euro 410 million in new perpetual notes and simultaneously repurchased euro 34 million of the existing perpetual notes via the tender offer.

The newly issued perpetual notes were admitted to trading on the Euro MTF Market operated by the Luxembourg Stock Exchange.

These perpetual notes have no fixed maturity date and can only be called by the Company on contractually agreed dates or specific occasions, such as the first reset date on 16 April 2030. If the Company does not exercise its call option at any reset date, the coupon rate will adjust according to the margins specified above, based on the prevailing five-year swap rate at each subsequent reset.

9. COMMITMENTS

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

10. CONTINGENT ASSETS AND LIABILITIES

The Group does not have significant contingent assets and liabilities as at 30 June 2024 and as at 31 December 2023.

11. EVENTS AFTER THE REPORTING PERIOD

- On 2 July 2024 under EMTN program, the Company issued euro 500 million straight bond series Y due 2030, at an issue price of 97.774% of the principal amount with euro coupon 4.375%.
- On 1 July 2024, the Board of Directors has decided to invite the holders of three of its outstanding straight bonds, euro 667.6 million, euro 600 million and euro 550 million, series J, G and E respectively to tender the notes for purchase by the Company for cash.

The offer period commenced on 1 July 2024 and closed on 8 July 2024. On 9 July 2024, the Company announced the results of the tender to the holders, and the settlement for the offer took place on 10 July 2024.

On 10 July 2024, as a result of the tender offer, the Company bought back euro 74.3 million, euro 149.5 million and euro 14.5 million principal amounts of straight bond series J, G and E respectively, excluding any accrued interest.

12. 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 14 August 2024.

