Dresden

CONDENSED INTERIM CONSOLIDATED

FINANCIAL STATEMENTS

For the three-month period ended 31 March

2024

Berlin

Contents

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Berlin

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Board of Directors’ Report

KEY FINANCIALS

Balance sheet highlights

in €'000 unless otherwise indicated	Mar 2024	Change	Dec 2023
Total Assets	11,029,688	1%	10,918,147
Investment Property	8,681,159	1%	8,629,083
Cash and liquid assets	1,286,707	5%	1,230,483
Total Equity	5,276,603	1%	5,230,109
Loan-to-Value	36%	-1%	37%

NAV highlights

in €'000 unless otherwise indicated	EPRA NRV	EPRA NTA	EPRA NDV
Mar 2024	4,654,446	4,063,054	3,761,869
Mar 2024 per share (in €)	27.0	23.5	21.8
Per share development	1%	1%	0%
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	3M 2024	Change	3M 2023
Net Rental Income	105,301	4%	101,376
Adjusted EBITDA	81,984	3%	79,504
FFO I	45,249	-4%	46,955
FFO I per share (in €)	0.26	-4%	0.27
EBITDA	81,934	212%	26,250
Profit (loss) for the period	43,729	n/a	(11,595)
Basic earnings (loss) per share (in €)	0.17	n/a	(0.09)
Diluted earnings (loss) per share (in €)	0.17	n/a	(0.09)


London

OPERATIONAL PERFORMANCE HIGHLIGHTS

Solid Like-For-Like Rental Growth

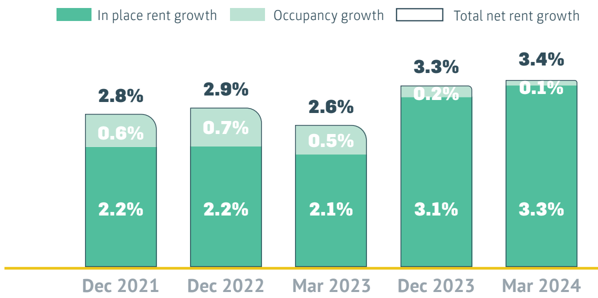
+3.3%
L-F-L
In-place rent growth
Mar 2024

+3.4%
L-F-L
Total net rent growth
Mar 2024

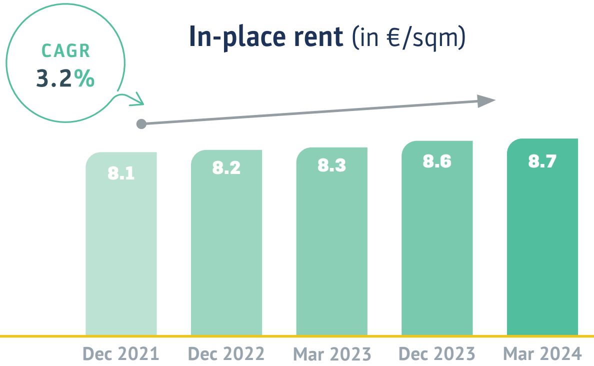
+0.1%
L-F-L
Occupancy growth
Mar 2024

Robust Portfolio Fundamentals

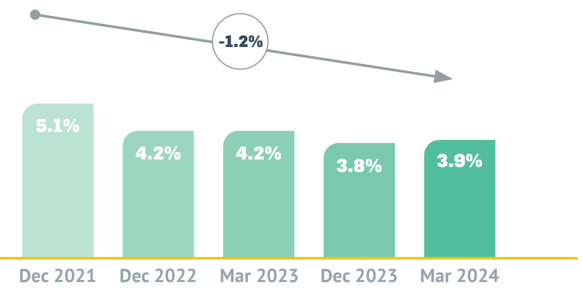
Like-For-Like development



In-place rent (in €/sqm)

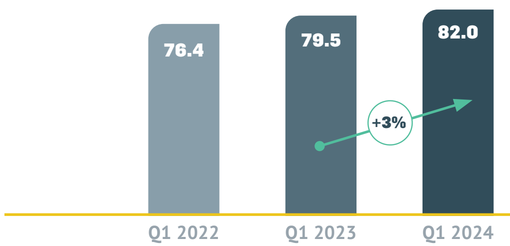


Vacancy

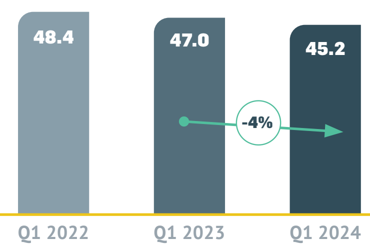


Strong Recurring Operational Profitability

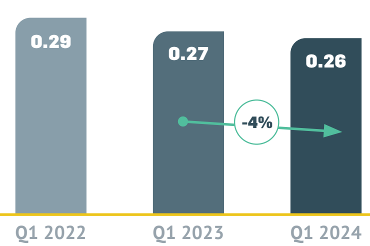
Adjusted EBITDA



FFO I (in € millions)



FFO I per share (in €)



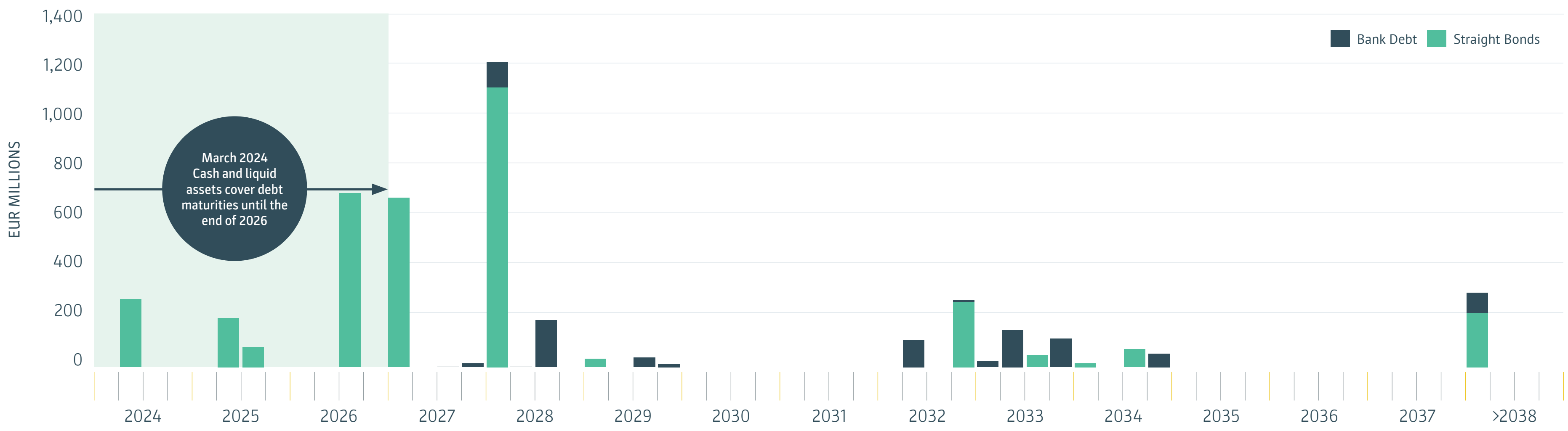
FINANCIAL PROFILE OPTIMISATION HIGHLIGHTS

Strong Financial Profile Maintained

LOW COST OF DEBT	LTV	UNENCUMBERED ASSETS
1.9%	**36%**	**€6.6bn** **75%** of value
MAR 2024	MAR 2024	MAR 2024

AVERAGE DEBT MATURITY	ICR	CREDIT RATING S&P	CASH AND LIQUID ASSETS
5.1y	**5.8x**	**BBB+** NEGATIVE OUTLOOK	**€1.3bn** Cash and liquid assets amount to 29% of total debt
MAR 2024	Q1 2024	DEC 2023	MAR 2024

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 31 March 2024.

The figures presented in this Board of Director's Report are based on the condensed interim consolidated financial statements as of 31 March 2024, unless stated otherwise.

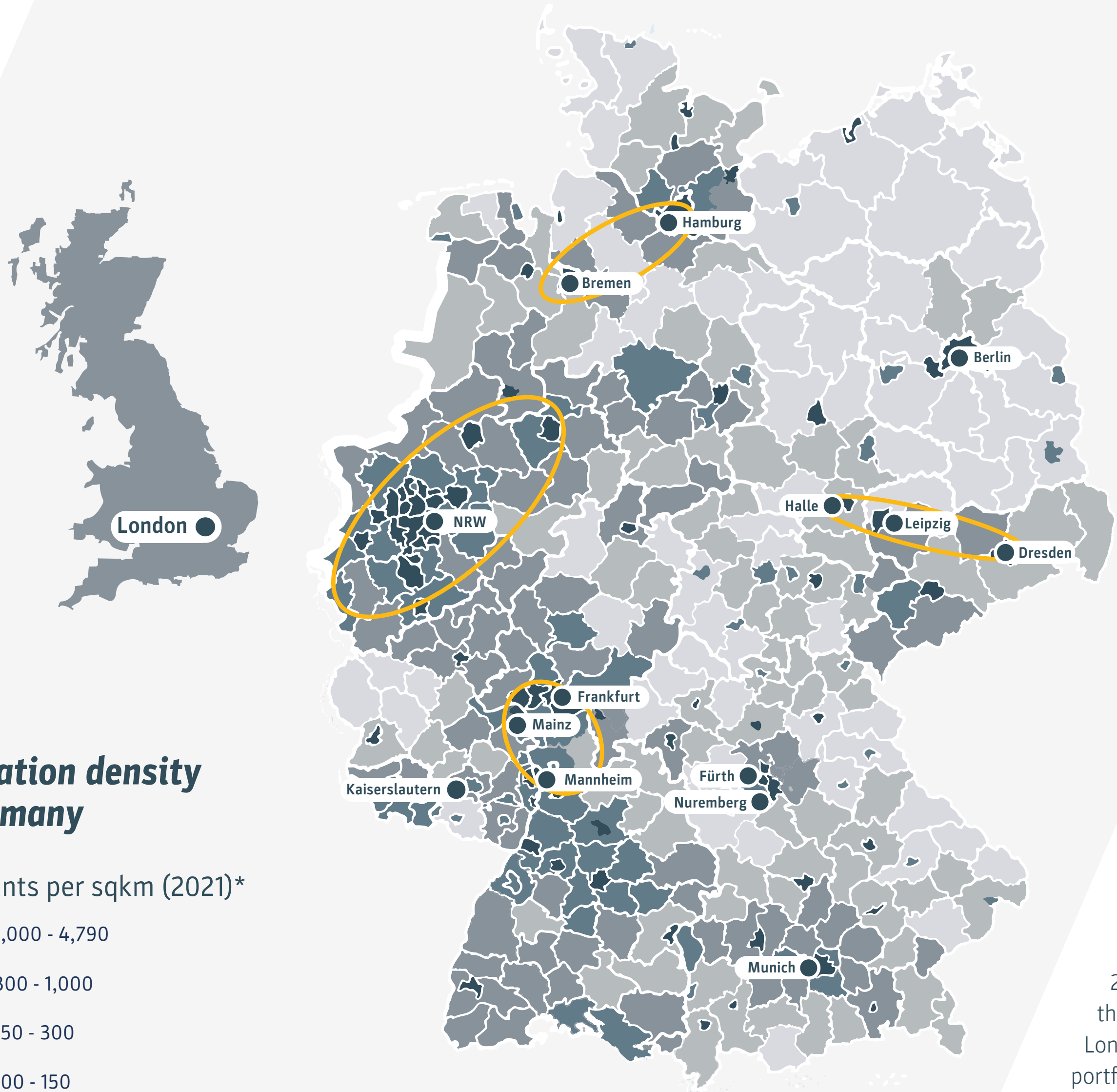
GCP is a specialist in residential real estate, investing in value-add opportunities in densely populated areas predominantly in Germany as well as London. The Group's portfolio, excluding assets held-for-sale and properties under development, as of March 2024 consists of 63k units (hereinafter "GCP portfolio" or "the Portfolio") located in densely populated areas with a focus on Berlin, Germany's capital, North Rhine-Westphalia, Germany's most populous federal state, the metropolitan regions of Dresden, Leipzig and Halle and other densely populated areas as well as London.

GCP is focused on assets in densely populated urban locations with robust and sustainable economic and demographic fundamentals, and with multiple value-add drivers that it can pursue using its skills and capabilities such as vacancy reduction, increasing rents to market levels, improving operating cost efficiency, increasing market visibility, identifying potential for high-return capex investments, and spotting potential for significant benefits from the Company's scale. GCP's management has vast experience in the German real estate market with a long track record of success in repositioning properties using its tenant management capabilities, tenant service reputation, and highly professional and specialised employees.

In addition, GCP's economies of scale allow for considerable benefits of a strong bargaining position, a centralised management platform supported by centralised IT/software systems, and a network of professional connections.

This strategy enables the Company to create significant value in its portfolio and generate stable and increasing cash flows.

PORTFOLIO



Population density in Germany

inhabitants per sqkm (2021)*

- 1,000 - 4,790
- 300 - 1,000
- 150 - 300
- 100 - 150
- 36 - 100

* based on data from Statistisches Bundesamt

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

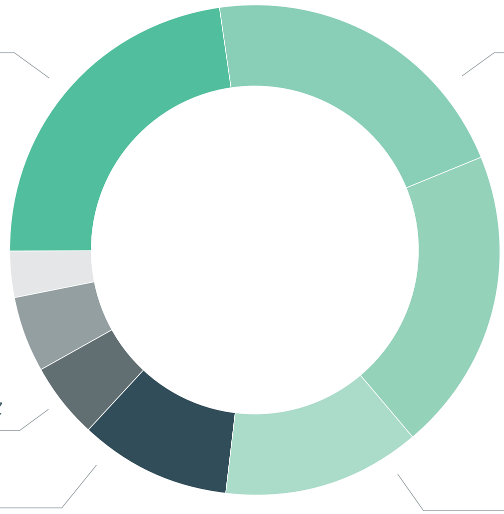
GCP's well-balanced and diversified portfolio is composed of properties in attractive micro-locations with identified value creation potential primarily located in major German cities and urban centers as well as in London.

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 20% 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.

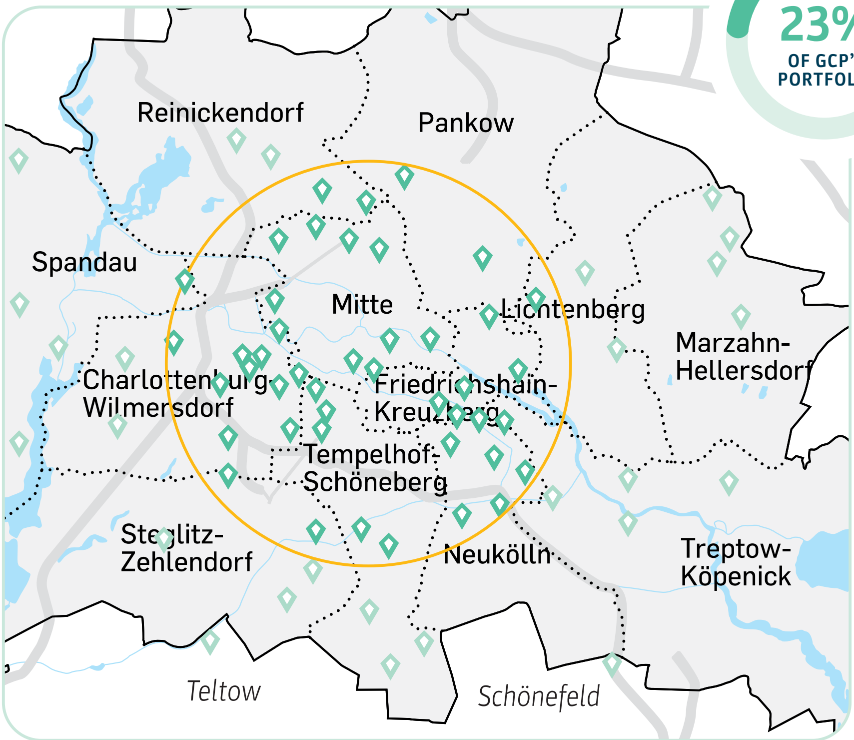


March 2024	Value (in €M)	Area (in k sqm)	EPRA vacancy	Annualised net rent (in €M)	In-place rent per sqm (in €)	Number of units	Value per sqm (in €)	Rental yield [1]
NRW	1,796	1,193	4.5%	93	6.6	17,436	1,506	5.2%
Berlin	1,944	625	4.0%	70	9.3	8,492	3,109	3.6%
Dresden/Leipzig/Halle	1,157	816	3.0%	57	5.9	13,997	1,419	4.9%
Mannheim/KL/Frankfurt/Mainz	390	177	3.2%	19	9.0	3,013	2,196	4.9%
Nuremberg/Fürth/Munich	289	80	5.4%	11	12.0	1,430	3,629	3.7%
Hamburg/Bremen	387	264	3.5%	22	7.2	3,996	1,462	5.8%
London	1,664	186	3.4%	84	38.8	3,462	8,949	5.1%
Others	885	676	4.5%	54	7.0	11,390	1,309	6.1%
Development rights & invest	169							
Total March 2024	**8,681**	**4,017**	**3.9%**	**410**	**8.7**	**63,216**	**2,119**	**4.8%**
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.

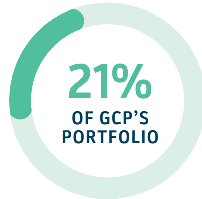
30%

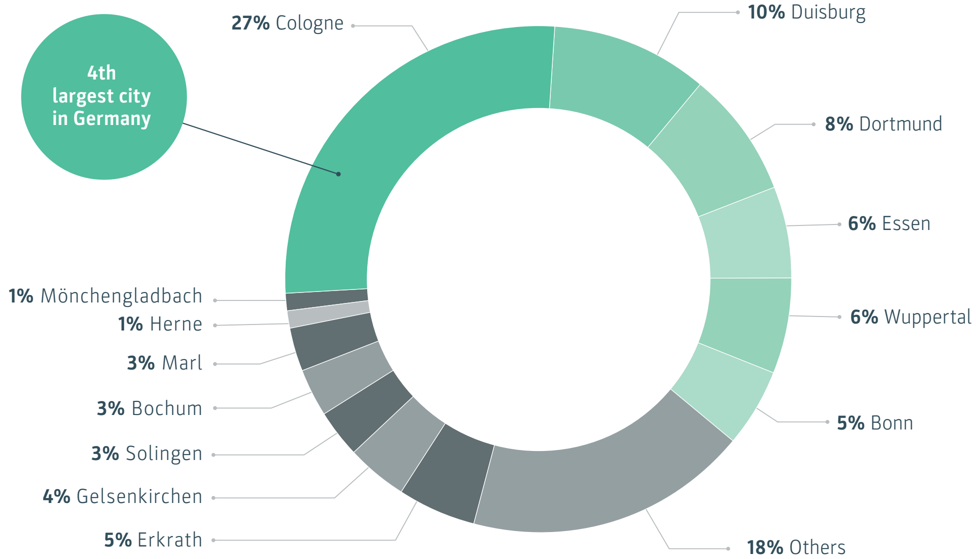
is well located primarily in Reinickendorf, Treptow, Köpenick and Marzahn-Hellersdorf.

NORTH RHINE-WESTPHALIA (NRW)

Well positioned in the largest metropolitan area in Germany

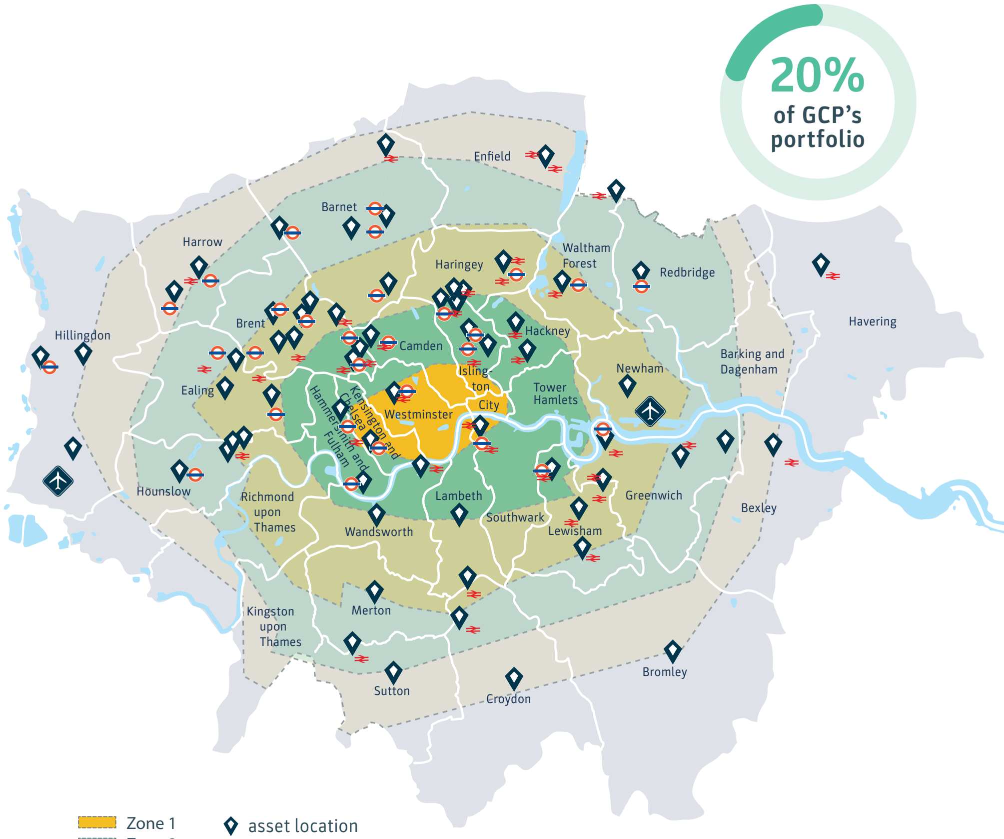
The portfolio distribution in NRW is focused on cities with strong fundamentals within the region. 27% of the NRW portfolio is located in Cologne, the largest city in NRW, 10% in Duisburg, 8% in Dortmund, 6% in Essen, 6% in Wuppertal, and 5% in Bonn.





› LONDON PORTFOLIO

Located in strong middle class neighborhoods



- Zone 1
- Zone 2
- Zone 3
- Zone 4
- Zone 5
- Zone 6

- asset location
- underground station
- overground/train station
- airport

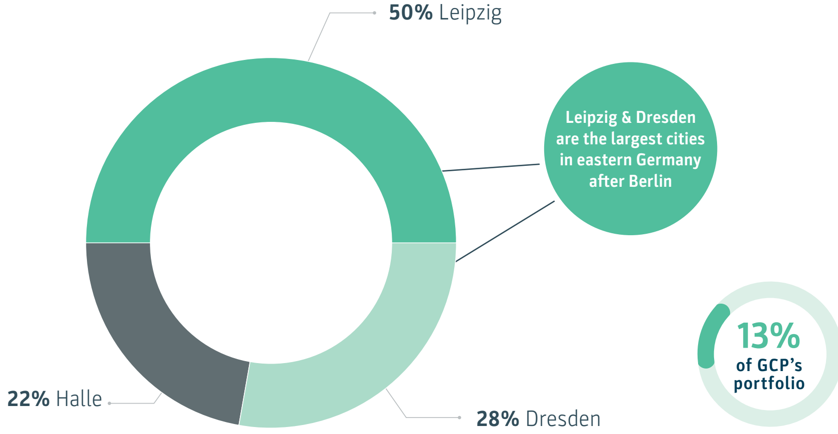
The total London portfolio, including high quality assets, social housing as well as pre-marketed units, amounts to approx. 3,600 units and approx. €1.7 billion in value.

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

The map represents over 90% of the London Portfolio

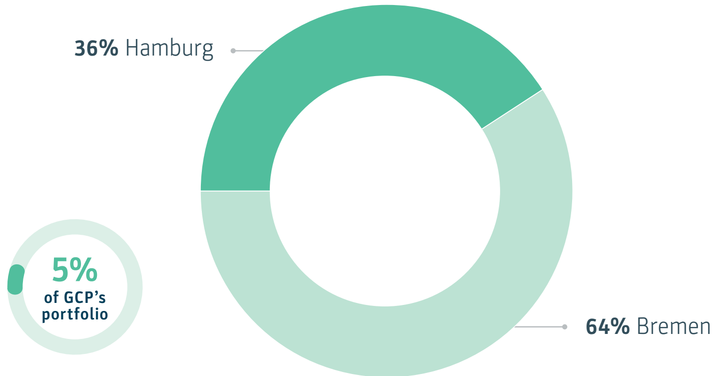
› QUALITY EAST PORTFOLIO

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 31 March 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 31 March 2024)	172,367,302	ordinary shares with a par value of EUR 0.10 per share
Shareholder structure (as of 31 March 2024)	Freefloat Aroundtown SA (through Edolaxia Group) Treasury Shares	36% 62% 2%
Nominal share capital (as of 31 March 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 15 May 2024)	2.0 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. €9 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.

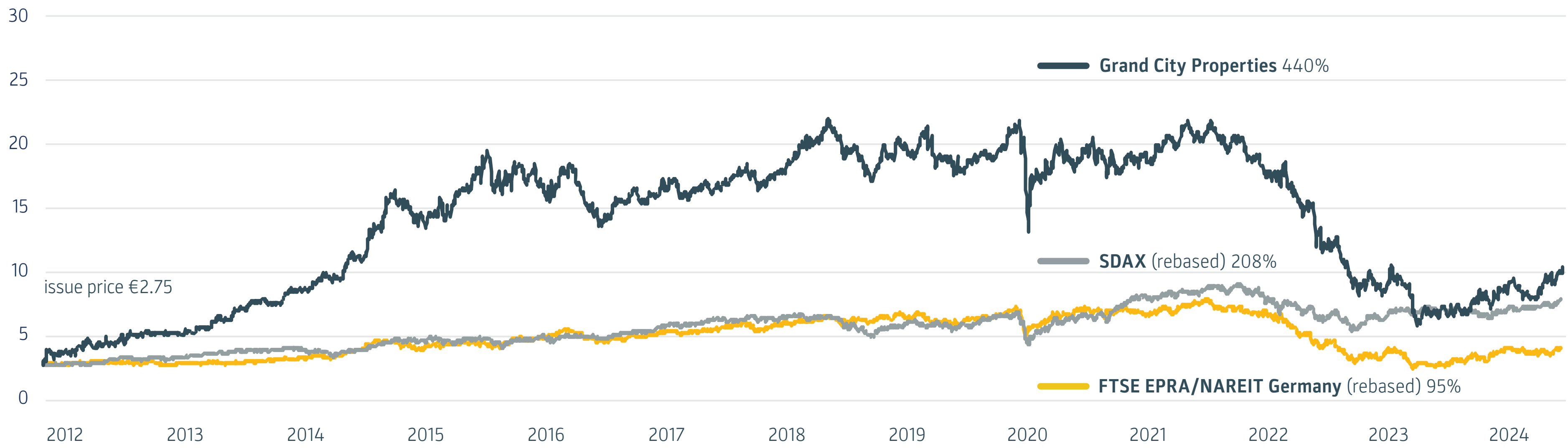
Analyst coverage

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

citi
BARCLAYS
Deutsche Bank
First Berlin
BERENBERG
UBS
BERNSTEIN
ODDO BHF
DZ BANK
HSBC
Jefferies
Kepler Cheuvreux
BANK OF AMERICA
Kempen
Goldman Sachs

Analyst recommendations

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



Bremen

NOTES ON BUSINESS PERFORMANCE

Nuremberg / Fürth

Berlin

OPERATING PROFIT

	For the period of three months ended 31 March	
	2024	2023
	€'000	
Net rental income (a)	105,301	101,376
Operating and other income (b)	43,751	48,676
Revenue (a)	**149,052**	**150,052**
Property revaluations and capital gains (losses) (d)	640	(53,091)
Property operating expenses (b)	(64,807)	(67,894)
Administrative and other expenses (c)	(2,951)	(2,817)
Depreciation and amortisation	(1,448)	(2,311)
Operating profit	**80,486**	**23,939**

(a) In the first three months of 2024 ("Q1 2024"), GCP recorded net rental income amounting to €105 million, an increase of 4% compared to the €101 million recorded in the first three months of 2023 ("Q1 2023"). The increase in the rental income is primarily the result of the solid like-for-like rental growth of 3.4%, which is comprised of a 3.3% increase from in-place rent and 0.1% from occupancy growth, and supported by completions of pre-let properties, offset by disposals. The sustainable long term operational fundamentals of the Company's portfolio locations, along with the large supply demand imbalance in key German metropolitan areas and London, drove the robust rental growth. As a result of GCP's strong operating performance, the Company has seen a significant reduction in vacancy in recent years, standing at 3.9% as of March 2024, down from 4.2% in March 2023 due to the positive operational performance and up slightly compared to 3.8% in December 2023. In-place rent for the portfolio amounted to €8.7/sqm as of March 2024 as compared to €8.6/sqm as of December 2023.

As of the end of March 2024, and including the operational growth achieved in the first quarter of 2024, the annualised net rent of the portfolio amounted to €410 million.

Total revenue, which is comprised of net rental income and operating and other income, amounted to €149 million, decreasing by 1% as compared to the €150 million recorded in the first quarter of 2023, as a result of lower operating and other income which is related to lower operational expenses, mainly due to lower energy expenses.

+3.3%
L-F-L
In-place rent growth
Mar 2024

+3.4%
L-F-L
Total net rent growth
Mar 2024

+0.1%
L-F-L
Occupancy growth
Mar 2024

(b) In the first three months of 2024, the Company's operating and other income amounted to €44 million, lower by 10% compared to €49 million in the comparable period. This line item is primarily made up of income related to recoverable operational expenses from tenants related to utilities and services, such as heating and water, among others. The decrease in operating and other income is mainly the result of reduced energy and heating prices compared to the first quarter of 2023.

Property operating expenses amounted to €65 million in the first quarter of 2024, decreasing 5%, as compared to €68 million in the corresponding period of 2023. Property operating expenses are primarily composed of a variety of charges of utilities and services, such as waste management, winter services, water and heating, and other costs that are primarily recoverable from tenants. This line item also includes operational personnel expenses, maintenance and refurbishment expenses, and other operating costs. The lower costs related to recoverable expenses, which includes heating expenses, was the main driver of the decrease in the property operating expenses. Given that most of these expenses are recoverable from the tenants, the decrease is in line with the decrease in the operational income as mentioned above, and therefore does not have a significant impact on the Company's net operating result. In addition, GCP recorded increases in personnel expenses, as a result of wage growth.

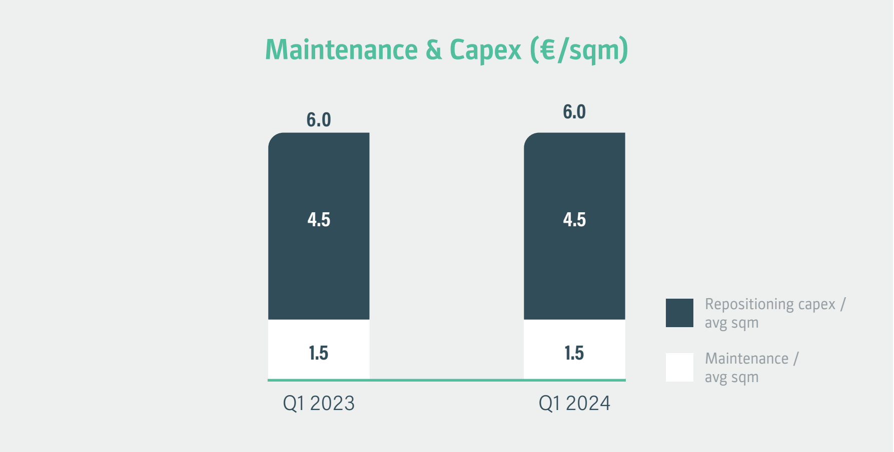
As part of the Company's operational strategy of maintaining high tenant satisfaction and building long term relationships with the tenants, the Company continuously evaluates and monitors the quality of its portfolio and implements a wide range of maintenance, refurbishment and capital expenditure projects on a regular basis to maintain and improve the quality of its assets. GCP undertakes these projects to deliver a higher quality living environment to the tenants and increase the tenant satisfaction, resulting in higher rents and a further reduction of the vacancy.

Maintenance and refurbishment expenses amounted to €6 million in total and €1.5 per average sqm in the first quarter of 2024, similar compared to €6 million expenses in total and €1.5 per average sqm in the respective period of 2023. Maintenance and refurbishment expenses are recurring expenses that relate to maintaining the quality of the portfolio and living quality of the tenants.

The Company invested €18.7 million or €4.5 per average sqm in repositioning capex in the first quarter of 2024, as compared to €18.3 million or €4.5 per average sqm in the comparable period of 2023. Repositioning capex relates to targeted capital expenditures focused on enhancing the value proposition of GCP's assets by improving the product offering and asset quality for tenants. These investments can increase the rent potential and improve the reletting process while decreasing the turnover and vacancy rates. These targeted investments include apartment renovations, improvements to corridors and staircases, façade refits, and others. In addition, repositioning capex includes measures aimed at increasing the value proposition of the area surrounding the property, by adding or renovating playgrounds, barbeque pits, common meeting areas, and more.

Additionally, the Company invested ca. €1 million in modernisation projects in the first quarter of 2024, lower as compared to approximately €2.5 million in the respective period of 2023, mainly due to timing impacts. Modernisation projects are also executed on a targeted basis and are undertaken in addition to repositioning capex to enhance further the quality of the portfolio and generate higher rent. Modernisation projects include measures like adding balconies and installing elevators as well as energetic modernisation such as installing green heating systems and increasing energy efficiency through better insulation and the replacement of old windows. These projects are carried out only if they meet specific investment criteria.

Finally, the Company invested in pre-letting modifications approximately €3 million in the first quarter of 2024, lower as compared to €5 million in the first quarter of 2023. Pre-letting modifications consists of projects relating to the completion of properties acquired that are in the final stages of development. In addition, large refurbishment projects, and the creation of significant new lettable areas are part of the pre-letting modification measures.



(c) In the first quarter of 2024, administrative and other expenses amounted to €3 million, as compared to €2.8 million in the respective period of 2023. This line item is mainly comprised of overhead expenses such as administrative personnel expenses, legal and professional fees, marketing expenses, and other ancillary office expenses.

(d) Property revaluations and capital gain results amounted to €1 million in the first quarter of 2024, as compared to property revaluations and capital gain results of negative €53 million in the respective period of 2023. The positive result is attributable to the capital gains related to disposals closed in the period. The Company did not revalue its portfolio in the first quarter of 2024, and as a result no revaluation gains or losses were recorded in the period, whereas negative property revaluations were recorded in Q1 2023.

Property revaluations are a non-cash item related to changes of the fair value of the investment portfolio. GCP engages independent and certified valuers to determine the fair value of its investment properties at least once a year, and therefore the Company externally revalued its full portfolio in FY 2023.

As of March 2024, the portfolio had an average value of €2,119/sqm representing a net rental yield of 4.8%, stable as compared to €2,109/sqm and 4.8% at year-end 2023.

The Company completed disposals of approx. €30 million of assets in the first quarter of 2024, the disposals relate mainly to assets in NRW, Hessen and London, which were signed for disposal in 2023. Capital gain results captures the premium (discount) of these disposals compared to their book values. The disposals in Q1 2024 recorded a premium to net book values of approx. 2%. The disposal profit over total costs including capex was 3%.

Profit for the period

	For the period of three months ended 31 March	
	2024	2023
	€'000	
Operating profit	**80,486**	**23,939**
Finance expenses (a)	(14,121)	(13,470)
Other financial results (b)	(8,961)	(20,464)
Current tax expenses (c)	(10,282)	(10,111)
Deferred tax income (expenses) (c)	(3,393)	8,511
Profit (loss) for the period (d)	**43,729**	**(11,595)**
Profit (loss) attributable to owners of the Company	30,128	(14,942)
Profit attributable to perpetual notes investors	10,924	7,438
Profit (loss) attributable to non-controlling interests	2,677	(4,091)
Basic earnings (loss) per share (in €)	0.17	(0.09)
Diluted earnings (loss) per share (in €)	0.17	(0.09)
Weighted average number of ordinary shares (basic) in thousands	172,362	172,340
Weighted average number of ordinary shares (diluted) in thousands	172,645	172,621
Profit (loss) for the period (d)	**43,729**	**(11,595)**
Total other comprehensive income (loss) for the period, net of tax (e)	14,503	(2,513)
Total comprehensive income (loss) for the period (e)	**58,232**	**(14,108)**

(a) GCP reported €14.1 million of finance expenses in the first quarter of 2024, higher as compared to €13.5 million recorded in the respective period of 2023. The finance expenses were negatively impacted as a result of increases due to new secured debt raised at a relatively higher cost of debt in 2023 and, partially offset by buyback of bonds in 2023, which had a lower coupon but were bought back at a discount. In addition, the variable component of the debt cost has been negatively impacted, while the expiry of certain hedging instruments resulted in debt becoming variable and resetting at higher rates. Interest income received on the Company's cash balance, resulting from the Company's disciplined and pro-active cash management, offset the increase in the financing expense. As of March 2024, the Company's cost of debt was 1.9% with an average debt maturity of 5.1 years. GCP has a hedge ratio of 88%.

(b) In the first quarter of 2024, GCP recorded other financial results of negative €9 million as compared to negative €20 million in the comparable period of 2023. Other financial results record the changes in the fair value of financial assets and liabilities and derivative instruments and includes one-off financing costs associated with early debt repayment. The changes in other financial results are mainly due to fair value adjustments of financial assets and liabilities and derivatives driven by market volatility and interest rate changes. The item additionally includes costs related to financial activities such as hedging fees and other financing fees, which are the result of the Company's efforts to optimize its debt profile and mitigate short-term refinancing risk.

(c) Total tax expense amounted to €14 million in the first quarter of 2024, as compared to €2 million reported in the respective period of 2023. Total tax expenses include both current tax expenses and deferred tax expenses/income.

Current tax expenses amounted to €10 million in the first quarter of 2024, stable as compared to €10 million in the respective period in 2023. This line item is made up of corporate income tax and property taxes derived from the Company's underlying business operational performance and the portfolio's geographic distribution.

Deferred taxes amounted to an expense of €3.4 million, in the first quarter of 2024, as compared to an income of €8.5 million in the respective period of 2023. This line item represents non-cash tax expenses/income related to the theoretical disposal of investment properties with a tax rate applied based on the location of the asset and are primarily linked to revaluation gains. In addition, deferred taxes are impacted by the derivatives revaluation gains or losses and losses carried forward.

(d) GCP recorded a net profit of €44 million, as compared to a net loss of €12 million for the comparable period in 2023. The solid operational performance in the first quarter of 2024 is the main driver of the net profit in the period as compared to the net loss in the comparable period of 2023, driven mostly by revaluation loss in that period.

In the first three months of 2024, GCP recorded a basic and diluted earnings per share of €0.17, as compared to basic and diluted loss per share of €0.09 in the respective period of 2023.

(e) GCP recorded total comprehensive income of €58 million in the first three months of 2024, as compared to a total comprehensive loss of €14 million in the respective period of 2023. The Net profit of the current period is the main driver of the total comprehensive income, while total other comprehensive income generated in the period further supported the total comprehensive income. Other comprehensive income is mainly driven by changes in forward and other derivative contracts and foreign currency impacts related to hedging activities mostly associated with London portfolio. This line item amounted to €15 million income in Q1 2024, as compared to a loss of €3 million in the comparable period of 2023.

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

	For the period of three months ended 31 March	
	2024	2023
	€'000	
Operating profit	80,486	23,939
Depreciation and amortisation	1,448	2,311
EBITDA	**81,934**	**26,250**
Property revaluations and capital gains (losses)	(640)	53,091
Equity settled share-based payments and other adjustments	690	163
Adjusted EBITDA (a)	**81,984**	**79,504**
Finance expenses	(14,121)	(13,470)
Current tax expenses	(10,282)	(10,111)
Contribution to minorities	(1,408)	(1,530)
Adjustment for perpetual notes attribution	(10,924)	(7,438)
FFO I (b)	**45,249**	**46,955**
Weighted average number of ordinary shares (basic) in thousands, including impact from share-based payments	172,672	172,590
FFO I per share (in €) (b)	**0.26**	**0.27**
Result from disposal of properties	848	3,785
FFO II (c)	**46,097**	**50,740**

(a) GCP generated adjusted EBITDA of €82 million in the first three months of 2024, higher by 3% compared to €80 million in the respective period 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 gains, and other non-operational income statement items such as equity settled share-based payments and other adjustments. The increase in this line item is mainly driven by the increase in net rental income, as a result of the strong operational performance of the Company reflected in the solid like-for-like increase of 3.4%.

(b) GCP generated FFO I of €45 million in the first three months of 2024, lower by 4% as compared to €47 million 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. FFO I per share amounted to €0.26 per share in the three-month period in 2024, as compared to €0.27 in the respective period of 2023. The FFO I decrease period over period is mainly due to the increase in the adjustment for perpetual notes attribution. The increase is the result of the reset of two series of perpetual notes in 2023, of which only one series reset partially impacted the results in the first 3 months of 2023, but both series had a full period impact in the first three months of 2024. The negative impact from the higher perpetual note attribution was partially offset by the strong operational growth. After the reporting period, GCP completed a voluntary exchange offer with tender option. As a result, the perpetual notes attribution will be reduced by ca. €2 million on an annualized basis, supporting the Company's FFO in the long-term while improving the credit rating metrics by regaining the equity content categorized by S&P.

(c) GCP reported an FFO II of €46 million in the first three months of 2024, lower as compared to the €51 million recorded in the comparable period of 2023. 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. FFO II is driven by the disposals executed the reporting period. In Q1 2024, GCP completed approx. €30 million in disposals which were executed at a premium of 2% over book values and generated a profit over total costs (including capex) of 3%, crystallising gains €0.6 million and further strengthening the Company's liquidity position.

Adjusted Funds From Operations (AFFO)

	For the period of three months ended 31 March	
	2024	2023
	€'000	
FFO I	**45,249**	**46,955**
Repositioning capex	(18,659)	(18,298)
AFFO	**26,590**	**28,657**

Adjusted Funds from Operations (AFFO) is another indicator for the Company's recurring operational cash flow and is derived by subtracting the repositioning capex from the Company's FFO I. GCP includes in the AFFO calculation repositioning capex which is targeted at improving the quality of the portfolio and thereby enhancing the value, which GCP deems as being relevant for its AFFO calculation. In the first three months of 2024, GCP recorded AFFO of €27 million, lower, as compared to €29 million in the first three months of 2023. The decrease in AFFO was the combined result of the lower FFO I and slightly higher repositioning capex.

Mannheim

Cash flow

	For the period of three months ended 31 March	
	2024	2023
	€'000	
Net cash provided by operating activities	69,420	56,536
Net cash provided by investing activities	10,266	62,027
Net cash (used in)/provided by financing activities	(28,851)	34,568
Net increase in cash and cash equivalents	**50,835**	**153,131**
Changes in cash and cash equivalents held-for-sale and effects of foreign exchange rate	413	1,234
Cash and cash equivalents as on 1 January	1,129,176	324,935
Cash and cash equivalents as on 31 March	**1,180,424**	**479,300**

Net cash provided by operating activities amounted to €69 million in the first three months of 2024, higher as compared to €57 million in the first three months of 2023. This line item was mainly the result of the strong operational performance of the Company driven by the solid like for like rental growth of 3.4%. In the comparable period higher operational costs created higher working capital needs. This eased in the current period and resulted in a lower cash outflow. GCP's strong operational performance is also marked by the low vacancy rate of 3.9%, supporting further the operating activities of the Company.

Net cash provided by investing activities amounted to €10 million in the first three months of 2024, as compared to net cash provided by investing activities of €62 million in the comparable period of 2023. The cash flow from investing activities was mainly driven by the successful net disposals in both periods, as well as proceeds related to disposals which are expected to close in the coming period, offset by capex investments to enhance the rental growth and thereby increase the operational cash flow in upcoming periods.

Net cash used in financing activities amounted to €29 million in the first three months of 2024, as compared to net cash provided by financing activities of €35 million in the respective period of 2023. The reason for the difference between the periods is that GCP did not draw any bank financing in Q1 2024 as compared to Q1 2023 in which GCP drew a loan in the amount of €60 million. The other drivers of this line item were interest and other financial expenses in the period as well as coupon payments to perpetual notes investors.

Assets

	Mar 2024	Dec 2023
	€'000	
Non-current assets	**9,125,228**	**9,077,640**
Investment property	8,681,159	8,629,083
Current assets	**1,904,460**	**1,840,507**
Cash and liquid assets	1,286,707	1,230,483
Total Assets	**11,029,688**	**10,918,147**

As of March 2024, total assets amounted to €11.0 billion, up from €10.9 billion as of year-end 2023.

Non-current assets amounted to €9.1 billion as of March 2024, stable as compared to €9.1 billion as of the end of December 2023. Investment property is the main component of the non-current assets, which amounted to €8.7 billion as of March 2024, up from €8.6 billion as of December 2023. The slight movement in the investment property was mainly the result of the foreign currency effects on the London portfolio and the capital expenditure invested in the period, offset by the reclassification of investment property to held-for-sale.

Non-current assets also include tenant deposits, which are used as security for rent payments and amounted to €47 million as of March 2024, long-term financial investments including co-investments in attractive deals and are held with the expectation for long-term yield and amounted to around €50 million, and investments where the Company holds a minority position in real estate portfolios and had a balance of €30 million.

Vendor loans had a balance of approx. €85 million as of March 2024. Vendor loans are loans given to buyers of properties that were sold in order to of facilitating these transactions. These loans are secured by the sold properties themselves and typically have an average LTV ratio of approximately 60%. The Company could repossess the assets in the event of a borrower‘s default, at a significant discount (a process involving a receiver) and could impose penalties on the defaulted buyer. The expected cash flows from these vendor loans also help the Company to reduce its overall leverage, however, these cashflows are not included into the LTV calculation until payment is received.

The balance of loans-to-own assets amounted to approximately €40 million (including short term) as of March 2024, remaining stable compared to December 2023. These loans-to-own assets represent interest-bearing loans, backed by assets and, in case of default, include an embedded option to purchase the underlying asset at a discounted price under specific conditions (process involve a receiver).

Current assets amounted to €1.9 billion as of March 2024, higher as compared to €1.8 billion as of the end of December 2023. During the first three months of 2024, GCP increased its liquidity position by €56 million mainly due cash from the operating activities and proceeds from disposals, while capex investments offset the increase. GCP maintains a solid liquidity position, holding €1.3 billion in cash and liquid assets, which accounts for 29% of the total debt.

Current assets also comprise of trade and other receivables and assets held-for-sale. As of March 2024, trade and other receivables amounted to €432 million. Over €250 million in this line item is comprised of operating cost receivables. These operating costs receivables are settled once per year against the advances received from tenants for ancillary services such as heating, cleaning, insurance, etc. this amount is in-line with the operating liabilities.

As of March 2024, assets held-for-sale amounted to €172 million, of which over €60 million have been signed and are expected to close in the coming periods, compared to €196 million in December 2023. In the first three months of 2024, GCP sold approx. €30 million of properties, at a premium of 2% to book value. Assets held-for-sale include properties intended for disposal within the next 12 months. Successful disposals during the reporting period decreased this amount, while reclassification of investment property assets as held-for-sale partially offset the decrease.

Cologne

Liabilities

	Mar 2024	Dec 2023
	€'000	
Short and long term loans and borrowings	877,642	872,427
Straight bonds and bond redemption	3,549,248	3,559,897
Deferred tax liabilities (including those under held-for-sale)	672,339	671,896
Other long-term liabilities and derivative financial instruments [1]	285,195	268,940
Current liabilities [2]	368,661	314,878
Total Liabilities	**5,753,085**	**5,688,038**

(1) including short-term derivative financial instruments
(2) excluding current liabilities included in the items above

Total liabilities amounted to €5.8 billion as of March 2024, relatively stable as compared to €5.7 billion 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. Total liabilities remained relatively stable during this reporting period as the main components of this line item, Loans and borrowings and straight bonds, also remained relatively stable. GCP continued following its strategy to optimize its debt profile and to enhance its liquidity position also during the first three months of 2024. As of March 2024, GCP has a strong liquidity position of €1.3 billion of cash and liquid assets covering its debt maturities until the end of 2026. In addition, GCP has a high ratio of unencumbered assets of 75% with a total value of €6.6 billion, providing optionality to secure new bank financing. The Company's cost of debt, as of March 2024, remained low at 1.9%, as most of the cost of debt is hedged against interest rates fluctuation, with a hedge ratio of 88%, and with an average debt maturity of 5.1 years. The Company's strong ICR of 5.8x shows that the solid business operational profits sufficiently covered interest expenses.

Deferred tax liabilities amounted to €672 million, as of March 2024, as compared to €672 million as of year-end of 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.

As of March 2024, other non-current liabilities and derivative and financial instruments amounted to €285 million, slightly higher as compared to €269 million as of December 2023. The increase in this line items is mainly due to fluctuations in the value of derivative financial instruments.

Current liabilities amounted to €369 million, as of March 2024, higher as compared to €315 million as of the end of December 2023. Current liabilities include trade and other payables, deferred tax liabilities, liabilities held-for-sale, and other current liabilities. Trade and other payables, the main component of the current liabilities, amounted to approx. €305 million as of March 2024 and is reflected on the asset side by operating cost receivables.

EPRA Net Asset Value Metrics

The Net Asset Value is a key performance measure used in the real estate industry. Due to the evolving nature of ownership structures, balance sheet financing as well as the inclusion of non-operating activities leading to entities being relatively more actively managed, EPRA has provided three different metrics to reflect this nature of property companies. The EPRA Net Asset Value Metrics are defined by EPRA and include the Net Reinstatement Value (NRV), Net Tangible Assets (NTA) and Net Disposal Value (NDV).

in € '000 unless otherwise indicated	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
	Mar 2024			Dec 2023		
Equity attributable to the owners of the Company	**3,521,814**	**3,521,814**	**3,521,814**	**3,477,627**	**3,477,627**	**3,477,627**
Deferred tax liabilities on investment property(1)	665,811(2)	562,088(3)	-	665,331(2)	559,911(3)	-
Fair value measurements of derivative financial instruments(4)	(15,497)	(15,497)	-	(17,987)	(17,987)	-
Intangible assets and goodwill	-	(5,351)	-	-	(5,790)	-
Real estate transfer tax	482,318(2)	-	-	481,510(2)	-	-
Net fair value of debt	-	-	240,055	-	-	267,686
NAV	**4,654,446**	**4,063,054**	**3,761,869**	**4,606,481**	**4,013,761**	**3,745,313**
Basic number of shares including in-the-money dilution effects (in thousands)	172,705			172,640		
NAV per share (in €)	**27.0**	**23.5**	**21.8**	**26.7**	**23.2**	**21.7**

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

EPRA NRV

EPRA NRV as of March 2024 amounted to €4.7 billion and €27 per share, slightly higher as compared to €4.6 billion and €26.7 per share, respectively as of year-end 2023. The increase was mainly due to the operational profits.

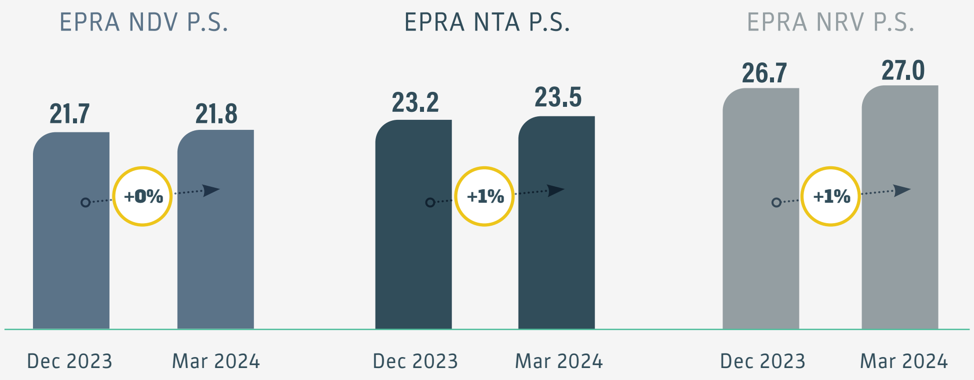
EPRA NTA

EPRA NTA as of March 2024 amounted to €4.1 billion and €23.5 per share, slightly higher as compared to €4 billion or €23.2 per share as of year-end 2023. Similarly to the EPRA NRV, the increase was mainly due to the solid operational profits.

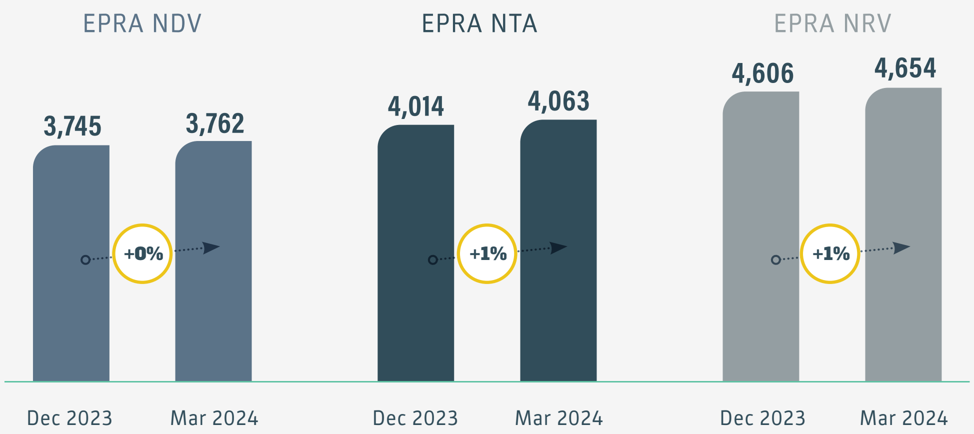
EPRA NDV

EPRA NDV as of March 2024 amounted to €3.8 billion and €21.8 on a per share basis, slightly higher as compared to €3.7 billion and €21.7 per share at the end of December 2023. The increase resulting from the strong operational performance was partially offset by the higher fair value of the Company's debt as a result of the small decrease in market volatility within the period.

EPRA NAV PER SHARE METRICS DEVELOPMENT (in €)



EPRA NAV METRICS DEVELOPMENT (in € millions)



Debt Financing KPIs

LOAN-TO-VALUE

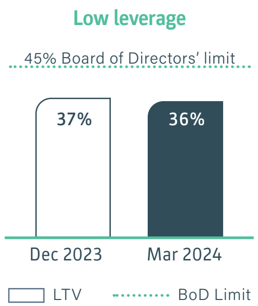
	Mar 2024	Dec 2023
	€'000	
Investment property [1]	8,592,745	8,544,738
Investment properties of assets held-for-sale [1]	167,995	191,773
Total value	**8,760,740**	**8,736,511**
Total debt	4,426,890	4,432,324
Cash and liquid assets	1,286,707	1,230,483
Net debt	**3,140,183**	**3,201,841**
LTV	**36%**	**37%**

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

GCP's financing KPIs show that the Company continues to maintain a conservative financial profile through a low LTV ratio, a significant pool of unencumbered assets, and robust coverage ratios.

LTV amounted to 36% as of March 2024, lower as compared to 37% at the end of December 2023. The Company's LTV position remains well-below the bond covenant limits and the more stringent board-mandated limit of 45%. The solid operational performance and successful disposals enhance the Company's balance sheet and provide security against the negative impact from potential devaluations of investment property.

The strong operational performance of the Company, along with the proactive measures taken to improve its financial position, contribute to maintain solid coverage ratios. The Company recorded an ICR of 5.8x in the first three months of 2024, as compared to 5.9x in the comparable period of 2023, and a DSCR of 5.4x in the first three months of 2024, as compared to 5.6x in the comparable period of 2023. Maintaining high coverage metrics of ICR and DSCR indicate the business's ability to utilise its consistent operational profitability to meet its debt obligations. The slight decrease in the ICR ratio is the result of slightly stronger increase in finance expenses as compared to the operational growth. The ICR has a comfortable headroom to bond covenant limits. The DSCR ratio additionally decreased due to the higher amortisation of bank debt as a result of the higher bank debt balance compared to the previous year's period.



GCP has a strong liquidity position of €1.3 billion of cash and liquid assets and holds a large pool of unencumbered assets of €6.6 billion, as of March 2024. This large amount enhances financial flexibility for GCP. Additionally, the availability of undrawn credit facilities strengthens the financial flexibility further.

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

	Mar 2024	Dec 2023
	€'000	
Unencumbered Assets	6,631,528	6,606,947
Total Investment Property (including those under held-for-sale)	8,853,021	8,824,724
Unencumbered Assets Ratio	**75%**	**75%**

INTEREST COVERAGE RATIO (ICR)

	For the period of three months ended 31 March	
	2024	2023
	€'000	
Adjusted EBITDA	81,984	79,504
Finance Expenses	14,121	13,470
Interest Coverage Ratio	**5.8x**	**5.9x**

DEBT SERVICE COVERAGE RATIO (DSCR)

	For the period of three months ended 31 March	
	2024	2023
	€'000	
Adjusted EBITDA	81,984	79,504
Finance Expenses	14,121	13,470
Amortisation of loans from financial institutions	979	723
Debt Service Coverage Ratio	**5.4x**	**5.6x**

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 r*esults from asset disposals*, calculated as the difference between the disposal values and the property acquisition costs plus capex, reflecting the economic profit generated on the sale of the assets. Although, property disposals are non-recurring, disposal activities provide further cash inflow that increase the liquidity levels. As a result, this measure is an indicator to evaluate operational cash flow of a company including the effects of disposals.

FFO II Reconciliation
FFO II
FFO I
(+/-) Result from disposal of properties
(=) FFO II

Reconciliation of Adjusted Funds From Operations (AFFO)

The Adjusted Funds From Operations (AFFO) is an additional measure of comparison which factors into the FFO I, the Company's repositioning capex, which targets value enhancement and quality increase in the portfolio. Modernisation and pre-letting capex are not included in the AFFO as it is considered as an additional investment program, similar to the property acquisitions, which is conducted at the Company's discretion. Therefore, in line with the industry practices, GCP deducts the *Repositioning capex* from the *FFO I* to arrive at the *AFFO*. As a result, AFFO is another widely used indicator which tries to assess residual cash flow for the shareholders by adjusting FFO I for recurring expenditures that are capitalised.

AFFO reconciliation
FFO I
(-) Repositioning capex
(=) AFFO

Reconciliation of Rental Yield and Rent Multiple

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

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

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

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

(1) excluding properties classified as development rights & invest

Reconciliation of Loan-to-Value (LTV)

LTV ratio is an acknowledged measurement of the leverage position of a given firm in the real estate industry. This ratio highlights to which extent financial liabilities are covered by the Company's real estate asset value as well as how much headroom of the fair value of real estate portfolio is available compared to the net debt. Following the industry specifications, GCP calculates the LTV ratio by dividing the total net debt to the total value at the balance sheet date. Total value of the portfolio is a combination of the *Investment property* which includes the *Advanced payments and deposits, inventories - trading properties, Investment properties of assets held-for-sale and the investment in equity-accounted investees and excludes right-of-use assets.* For the calculation of net debt, total *Cash and liquid assets* are deducted from the *Straight bonds, Convertible Bonds and Total loan and borrowings.* Total loan and borrowings include the *Short-term loans and borrowings, debt redemption,* and *Financial debt held-for-sale* while Straight bonds and Convertible bonds include *Bond redemption.* Cash and liquid assets is the sum of *Cash and cash equivalents, Financial assets at fair value through profit and loss,* and *Cash and cash equivalents held-for-sale.*

LOAN-TO-VALUE Reconciliation
(+) Investment property[1]
(+) Investment properties of assets held-for-sale[2]
(+) Investment in equity-accounted investees
(=) (A) Total value
(+) Total debt[3]
(-) Cash and liquid assets[4]
(=) (B) Net debt
(=) (B/A) LTV

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

Reconciliation of Equity Ratio

Equity Ratio is the ratio of Total Equity divided by Total Assets, each as indicated in the consolidated financial statements. GCP believes that the Equity Ratio is useful for investors primarily to indicate the long-term solvency position of the Company. The Equity Ratio is calculated by dividing the *Total Equity* by the *Total Assets*, both as per the consolidated financial statements of the Company.

Equity Ratio Reconciliation
(A) Total Equity
(B) Total Assets
(=) (A/B) Equity Ratio

Reconciliation of Unencumbered Assets Ratio

The unencumbered assets ratio is a liquidity measure as it reflects the Company's ability to raise secure debt over these assets and thus provides an additional layer of financial flexibility and liquidity. Moreover, the unencumbered assets ratio is important for unsecured bondholders, providing them with an asset backed security. Hence, the larger the ratio is, the more flexibility a firm has in terms of headroom and comfort to its debtholders. Unencumbered assets ratio is calculated by dividing the *Unencumbered investment property* of the portfolio by the *Total investment properties* which is the sum of *Investment property, Inventories - trading property* and *Investment properties of assets held-for-sale.*

Unencumbered Assets Ratio reconciliation
(A) Unencumbered assets
(B) Total investment properties*
(=) (A/B) Unencumbered Assets Ratio

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

Reconciliation of NET DEBT-TO-EBITDA and NET DEBT-TO-EBITDA including perpetual notes

The Net debt-to-EBITDA is another acknowledged measurement of the leverage position of a given firm in the real estate industry. This ratio highlights the ratio of financial liabilities to the Company's recurring operational profits and thereby indicates how much of the Company's recurring operational profits are available to debt holders. Therefore, GCP calculates the *Net debt-to-EBITDA* ratio by dividing the total *Net debt* as at the balance sheet date by the *adjusted EBITDA (annualised)* for the period. The *adjusted EBITDA (annualised)* is computed by adjusting the *adjusted EBITDA* (as previously defined) to reflect a theoretical full year figure, based on the periods result, this is done by dividing the figure by ¼ in the first three-month period, ½ in the first six-month period and ¾ in the nine-month period. For the full year figure no adjustment is made.

Net Debt-to-EBITDA Reconciliation
(A) Net debt
(B) Adjusted EBITDA (annualised)
(=) (A/B) Net debt-to-EBITDA

GCP additionally provides the *Net debt-to-EBITDA* ratio by adding *its Equity attributable to perpetual notes investors* as at the balance sheet date to the *Net Debt*. While GCP's perpetual notes are 100% equity instruments under IFRS, credit rating agencies, including S&P, generally apply an adjustment to such instruments and consider these as 50% equity and 50% debt. Furthermore, some equity holders may find an adjustment that adds the full balance of perpetual notes to the net debt as relevant. For enhanced transparency GCP therefore additionally provides this metric including the full balance sheet amount of Equity attributable to perpetual notes investors.

Net Debt-to-EBITDA including perpetual notes Reconciliation
(A) Net debt
(B) Equity attributable to perpetual notes investors
(C) Adjusted EBITDA (annualised)
(=) [(A+B)/C)] Net debt-to-EBITDA including perpetual notes

Reconciliation of ICR and DSCR

Two widely recognised debt metrics Interest Coverage Ratio (ICR) and Debt Service Coverage Ratio (DSCR) are utilised to demonstrate the strength of GCP's credit profile. These metrics are often used to see the extent to which interest and debt servicing are covered by recurring operational profits and provides implications on how much of cash flow is available after debt obligations. Therefore, ICR is calculated by dividing the *Adjusted EBITDA* by the *Finance expenses* and DSCR is calculated by dividing the *Adjusted EBITDA* by the *Finance expenses* plus the *Amortisation of loans from financial institutions.* With this ratio, GCP is able to show that with its high profitability and long-term oriented conservative financial structure, GCP consistently exhibits high debt cover ratios.

ICR Reconciliation
(A) Adjusted EBITDA
(B) Finance expenses
(=) (A/B) ICR

DSCR Reconciliation
(A) Adjusted EBITDA
(B) Finance expenses
(C) Amortisation of loans from financial institutions
(=) [A/(B+C)] DSCR

Reconciliation of the Net Reinstatement Value according to EPRA (EPRA NRV)

The Net Reinstatement Value measure provides stakeholders with the value of net assets on a long-term basis and excludes assets and liabilities that are not expected materialise. Furthermore, real estate transfer taxes are added back, since the intention of this metric is to reflect what would be required to reinstate the Company through existing investment markets and the Company's current capital and financing structures.

The reconciliation of the EPRA NRV starts from the *Equity attributable to the owners of the Company* and adds back *Deferred tax liabilities on investment property, fair value measurements of derivative financial instruments.* Further, the EPRA NRV includes *real estate transfer tax* in order to derive the *EPRA NRV* and provide the reader with a perspective of what would be required to reinstate the Company at a given point of time. To arrive at the *EPRA NDV per share* the *EPRA NDV* is divided by the *Basic number of shares including in-the-money dilution effects (in thousands).*

EPRA NRV Reconciliation
Equity attributable to the owners of the Company
(+) Deferred tax liabilities[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 f*air value measurements of derivative financial instruments* are considered for this measure of valuation by EPRA.

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

EPRA NTA 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, 16 May 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

Munich

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Condensed Interim Consolidated Financial Statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the period of three months ended 31 March	
		2024	2023
		Unaudited	
	Note	€'000	
Revenue	5	**149,052**	**150,052**
Property revaluations and capital gains (losses)		640	(53,091)
Property operating expenses		(64,807)	(67,894)
Administrative and other expenses		(2,951)	(2,817)
Depreciation and amortisation		(1,448)	(2,311)
Operating profit		**80,486**	**23,939**
Finance expenses		(14,121)	(13,470)
Other financial results		(8,961)	(20,464)
Profit (loss) before tax		**57,404**	**(9,995)**
Current tax expenses		(10,282)	(10,111)
Deferred tax income (expenses)		(3,393)	8,511
Profit (loss) for the period		**43,729**	**(11,595)**
Profit (loss) attributable to:			
Owners of the Company		30,128	(14,942)
Perpetual notes investors		10,924	7,438
Non-controlling interests		2,677	(4,091)
		43,729	**(11,595)**
Net earnings (loss) per share attributable to the owners of the Company (in euro):			
Basic earnings (loss) per share		0.17	(0.09)
Diluted earnings (loss) per share		0.17	(0.09)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the period of three months ended 31 March	
	2024	2023
	Unaudited	
	€'000	
Profit (loss) for the period	**43,729**	**(11,595)**
Other comprehensive income (loss):		
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	15,430	(172)
Cash flow hedges and cost of hedging	(927)	(2,341)
Total other comprehensive income (loss) for the period, net of tax	**14,503**	**(2,513)**
Total comprehensive income (loss) for the period	**58,232**	**(14,108)**
Total comprehensive income (loss) attributable to:		
Owners of the Company	43,261	(18,344)
Perpetual notes investors	10,924	7,438
Non-controlling interests	4,047	(3,202)
	58,232	**(14,108)**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March	As at 31 December
		2024	2023
		Unaudited	Audited
	Note	€'000	
ASSETS			
Investment property	6	8,681,159	8,629,083
Owner-occupied property		47,338	47,577
Equipment		10,496	10,561
Intangible assets and goodwill		5,351	5,790
Deposits and advance payments		21,319	20,770
Derivative financial assets		38,837	48,076
Other non-current assets		257,522	249,794
Deferred tax assets		63,206	65,989
Non-current assets		**9,125,228**	**9,077,640**
Cash and cash equivalents		1,180,424	1,129,176
Financial assets at fair value through profit or loss		106,283	101,307
Trade and other receivables		431,837	391,076
Derivative financial assets		14,054	23,307
Assets held-for-sale		171,862	195,641
Current assets		**1,904,460**	**1,840,507**
Total assets		**11,029,688**	**10,918,147**
EQUITY			
Share capital		17,619	17,619
Treasury shares		(82,990)	(83,226)
Share premium and other reserves		274,121	260,298
Retained earnings		3,313,064	3,282,936
Total equity attributable to the owners of the Company		**3,521,814**	**3,477,627**
Equity attributable to perpetual notes investors		1,234,953	1,236,693
Total equity attributable to the owners of the Company and perpetual notes investors		**4,756,767**	**4,714,320**
Non-controlling interests		519,836	515,789
Total equity		**5,276,603**	**5,230,109**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March	As at 31 December
	2024	2023
	Unaudited	Audited
	€'000	
LIABILITIES		
Loans and borrowings	861,727	862,619
Straight bonds	3,267,379	3,270,975
Derivative financial liabilities	38,491	38,931
Other non-current liabilities	203,499	199,747
Deferred tax liabilities	663,985	662,034
Non-current liabilities	**5,035,081**	**5,034,306**
Current portion of long-term loans	15,915	9,808
Bond redemption	281,869	288,922
Trade and other payables	304,840	253,966
Derivative financial liabilities	43,205	30,262
Tax payable	17,632	17,006
Provisions for other liabilities and charges	42,322	40,039
Liabilities held-for-sale	12,221	13,729
Current liabilities	**718,004**	**653,732**
Total liabilities	**5,753,085**	**5,688,038**
Total equity and liabilities	**11,029,688**	**10,918,147**

The Board of Directors of Grand City Properties S.A. authorised these condensed interim consolidated financial statements to be issued on 16 May 2024.

Christian Windfuhr
Chairman and member of the Board of Directors

Simone Runge-Brandner
Member of the Board of Directors

Markus Leininiger
Member of the Board of Directors

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period of three months ended 31 March 2024 €'000	Equity attributable to the owners of the Company 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	Equity attributable to perpetual notes investors	Equity attributable to owners of the Company and perpetual notes investors	Non-controlling interests	Total Equity
Balance as at 31 December 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 for the period	-	-	-	-	-	-	-	30,128	30,128	10,924	41,052	2,677	43,729
Other comprehensive income (loss) for the period	-	-	-	(927)	14,060	-	-	-	13,133	-	13,133	1,370	14,503
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**(927)**	**14,060**	**-**	**-**	**30,128**	**43,261**	**10,924**	**54,185**	**4,047**	**58,232**
Share-based payment	-	236	-	-	-	-	690	-	926	-	926	-	926
Payments to perpetual notes investors	-	-	-	-	-	-	-	-	-	(12,664)	(12,664)	-	(12,664)
Balance at 31 March 2024 (unaudited)	**17,619**	**(82,990)**	**322,860**	**4,570**	**(35,095)**	**2,342**	**(20,556)**	**3,313,064**	**3,521,814**	**1,234,953**	**4,756,767**	**519,836**	**5,276,603**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period of three months ended 31 March 2023 €'000	Equity attributable to the owners of the Company												
	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	Equity attributable to perpetual notes investors	Equity attributable to owners of the Company and perpetual notes investors	Non-controlling interests	Total Equity
Balance as at 31 December 2022 (audited)	**17,619**	**(83,872)**	**322,356**	**20,101**	**(67,561)**	**4,367**	**(20,654)**	**3,828,417**	**4,020,773**	**1,227,743**	**5,248,516**	**665,639**	**5,914,155**
Profit (loss) for the period	-	-	-	-	-	-	-	(14,942)	(14,942)	7,438	(7,504)	(4,091)	(11,595)
Other comprehensive income (loss) for the period	-	-	-	(2,341)	(1,061)	-	-	-	(3,402)	-	(3,402)	889	(2,513)
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**(2,341)**	**(1,061)**	**-**	**-**	**(14,942)**	**(18,344)**	**7,438**	**(10,906)**	**(3,202)**	**(14,108)**
Share-based payment	-	488	402	-	-	-	(1,179)	-	(289)	-	(289)	-	(289)
Initial consolidation, deconsolidation, transactions with non-controlling interests and dividend distributions to non-controlling interests	-	-	-	-	-	-	-	2,107	2,107	-	2,107	(6,362)	(4,255)
Payments to perpetual notes investors	-	-	-	-	-	-	-	-	-	(5,500)	(5,500)	-	(5,500)
Balance as at 31 March 2023 (unaudited)	**17,619**	**(83,384)**	**322,758**	**17,760**	**(68,622)**	**4,367**	**(21,833)**	**3,815,582**	**4,004,247**	**1,229,681**	**5,233,928**	**656,075**	**5,890,003**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	For the period of three months ended 31 March	
	2024	2023
	Unaudited	
	€'000	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit (loss) for the period	**43,729**	**(11,595)**
Adjustments for the profit (loss):		
Depreciation and amortisation	1,448	2,311
Property revaluations and capital (gains) losses	(640)	53,091
Net finance expenses	23,082	33,934
Tax and deferred tax expenses	13,675	1,600
Equity settled share-based payment	690	163
Change in working capital	(4,459)	(16,995)
Tax paid	(8,105)	(5,973)
Net cash provided by operating activities	**69,420**	**56,536**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of equipment and intangible assets, net	(706)	(668)
Acquisition of investment property, capex and advance payments, net	(23,405)	(26,056)
Disposal of investment property, net	42,966	38,149
Disposal of investees, net of cash disposed	-	37,349
Disposal of (investment in) financial and other assets, net	(8,589)	13,253
Net cash provided by investing activities	**10,266**	**62,027**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	For the period of three months ended 31 March	
	2024	2023
	Unaudited	
	€'000	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Amortisation of loans from financial institutions	(979)	(723)
Proceeds of loans from financial institutions and others, net	-	59,700
Payment to perpetual notes investors, net	(12,664)	(5,500)
Transactions with non-controlling interests	-	(2,730)
Interest and other financial expenses, net	(15,208)	(16,179)
Net cash provided (used) by (in) financing activities	**(28,851)**	**34,568**
Net increase in cash and cash equivalents	**50,835**	**153,131**
Change in cash and cash equivalents held-for-sale	-	1,376
Cash and cash equivalents at the beginning of the period	1,129,176	324,935
Effect of foreign exchange rate changes	413	(142)
Cash and cash equivalents at the end of the period	**1,180,424**	**479,300**

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 three months ended 31 March 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 30 million mainly in NRW, Hessen and London and signed disposals of properties of approx. euro 23 million in London which haven't been completed as of the reporting date.
- The Group signed but did not draw a euro 100 million bank loan at 1.9% over 3m Euribor and 5 years maturity (see note 10).
- 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.

- **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.

The amendments are not expected to have a material impact on the Group's interim condensed financial statements.

5. REVENUE

	For the period of three months ended 31 March	
	2024	2023
	€'000	
Net rental income	105,301	101,376
Operating and other income	43,751	48,676
	149,052	**150,052**

6. INVESTMENT PROPERTY

	For the period of three months ended 31 March 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	22,213	101,049
Disposals of investment property	(28,375)	(314,599)
Fair value adjustment	-	(881,382)
Effect of foreign currency exchange differences	34,459	49,116
Total investment property	**8,853,021**	**8,824,724**
Less: investment property classified as held-for-sale	(171,862)	(195,641)
As at 31 March / 31 December	**8,681,159**	**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.

Duisburg

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 31 March 2024 and 31 December 2023 on a recurring basis:

	As at 31 March 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 (*)	190,725	190,725	92,994	63,938	33,793	185,408	185,408	89,451	61,804	34,153
Derivative financial assets	52,891	52,891	-	52,891	-	71,383	71,383	-	71,383	-
Total financial assets	**243,616**	**243,616**	**92,994**	**116,829**	**33,793**	**256,791**	**256,791**	**89,451**	**133,187**	**34,153**
FINANCIAL LIABILITIES										
Derivative financial liabilities	81,696	81,696	-	81,696	-	69,193	69,193	-	69,193	-
Total financial liabilities	**81,696**	**81,696**	**-**	**81,696**	**-**	**69,193**	**69,193**	**-**	**69,193**	**-**

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

The Group also has a number of financial instruments which are not measured at fair value in the consolidated statement of financial position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since interest receivable/payable is either close to current market rates or the instruments are short-term in nature. Significant differences were identified for the following instruments as at 31 March 2024 and 31 December 2023:

	As at 31 March 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 LIABILITIES										
Loans and borrowings (*)	877,642	875,417	-	875,417	-	872,427	878,281	-	878,281	-
Straight bonds (**)	3,549,248	3,231,655	3,062,067	169,588	-	3,559,897	3,197,414	3,030,389	167,025	-
Total financial liabilities	**4,426,890**	**4,107,072**	**3,062,067**	**1,045,005**	**-**	**4,432,324**	**4,075,695**	**3,030,389**	**1,045,306**	**-**

(*) including current portion of long term loans
(**) 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. COMMITMENTS

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

9. CONTINGENT ASSETS AND LIABILITIES

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

10. EVENTS AFTER THE REPORTING PERIOD

- On 2 April 2024, the Board of Directors resolved to launch a voluntary exchange and tender offer to the holders of two of its outstanding perpetual notes, euro 200 million and euro 350 million (the "existing perpetual notes") with coupon of 6.332% and 5.901% respectively.

  Under the offer, holders of the existing perpetual notes had the opportunity to exchange the existing eligible holding into either:

  i. new perpetual notes at the relevant exchange ratio, or

  ii. new perpetual notes at the relevant exchange ratio, and a 15% redemption of their exchanged notes at small premium to market prices prior to the offer.

  Under the offer, the holders of the existing perpetual notes were invited to exchange their instruments into newly issued undated subordinated notes with a coupon of 6.125% and a term of 6 years until the first rest date. The offer period started on 2 April 2024 and ended at 9 April 2024.

  On 10 April 2024 the Company announced that euro 449 million of aggregate nominal amount of the existing perpetual notes, reflecting acceptance rate of 82%, were submitted into the offers and subsequently accepted by the Company. As a result, on 12 April 2024 the Company issued euro 410 million of new perpetual notes and simultaneously repurchased euro 34 million of existing perpetual notes via the tender offer. The new perpetual notes were admitted to trading with effect from 16 April 2024 on the Euro MTF Market operated by the Luxembourg Stock Exchange.
- On 9 April 2024 the Company redeemed euro 148.8 million principal amount of straight bond series W.
- After the reporting period, the Group drew euro 100 million bank loan which has been signed during the reporting period (see note 2).

11. AUTHORISATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These condensed interim consolidated financial statements were authorised for issuance by the Company's Board of Directors on 16 May 2024.