CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

ESSEN

GRAND CITY
Properties S.A.

CONTENTS

IMPRINT

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KEY FINANCIALS

BALANCE SHEET HIGHLIGHTS

in €'000 unless otherwise indicated	Sep 2020	Dec 2019	Dec 2018
Total Assets	**10,730,590**	9,851,428	8,860,526
Investment property [1)]	**7,858,845**	7,971,744	7,243,915
Total Equity	**5,211,997**	4,966,599	4,666,987
Loan-to-Value	**35%**	33%	34%
Equity Ratio	**49%**	50%	53%

1) including inventories - trading properties

P&L HIGHLIGHTS

in €'000 unless otherwise indicated	1–9/2020	Change	1–9/2019
Revenue*	**401,238**	-4%	418,495
Net rental income*	**278,973**	-2%	285,030
Adjusted EBITDA	**223,077**	1%	219,971
FFO I	**161,613**	1%	159,843
FFO I per share (in €)	**0.96**	0%	0.96
FFO I per share after perpetual notes attribution (in €)	**0.81**	0%	0.81
FFO II	**269,958**	5%	256,305
EBITDA	**497,262**	-4%	515,381
Profit for the period	**342,495**	-6%	364,603
EPS (basic) (in €)	**1.68**	-7%	1.80
EPS (diluted) (in €)	**1.58**	-7%	1.70

* revenue and net rental income decreased due to disposals during the period. The rental income like-for-like for the twelve months ending in September 2020 is 2.6%

NAV HIGHLIGHTS

in €'000 unless otherwise indicated	NAV	EPRA NAV	EPRA NAV including perpetual notes	EPRA NNNAV
Sep 2020	**4,843,522**	**4,320,392**	**5,350,966**	**4,074,754**
Sep 2020 per share (in €)	**28.2**	**25.1**	**31.1**	**23.7**
Per share growth (dividend adjusted)*	**+7%**	**+6%**	**+4%**	**+6%**
Per share growth	**+4%**	**+2%**	**+2%**	**+3%**
Dec 2019	4,564,344	4,120,427	5,150,477	3,890,832
Dec 2019 per share (in €)	27.2	24.5	30.6	23.1

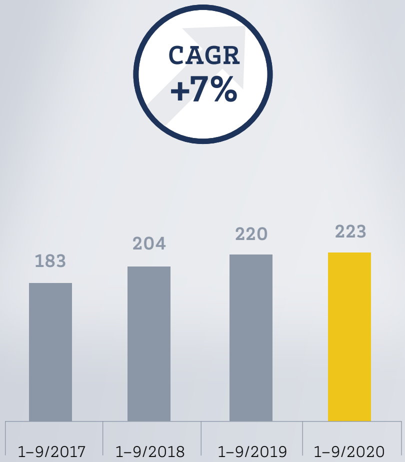
* adjusted for dividend in the amount of €0.8238 distributed in 2020

For further clarification of the alternative performance measures please see the relevant section in this report

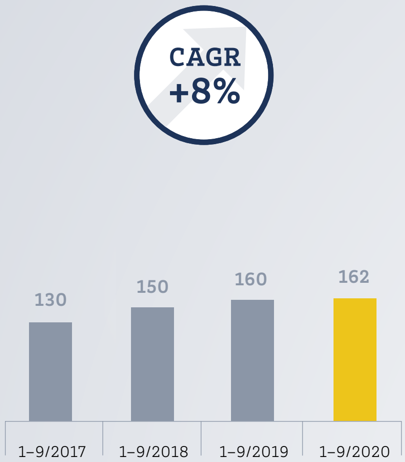

HAMBURG

HIGHLIGHTS

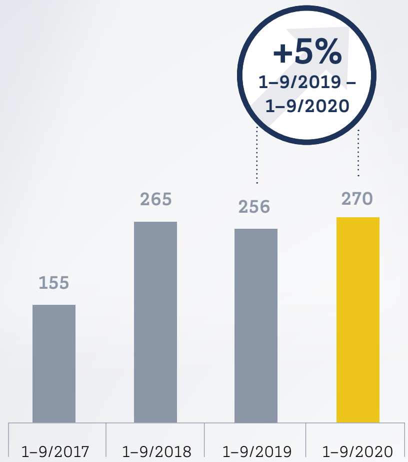
Adjusted EBITDA (in € millions)



FFO I (in € millions)



FFO II (in € millions)

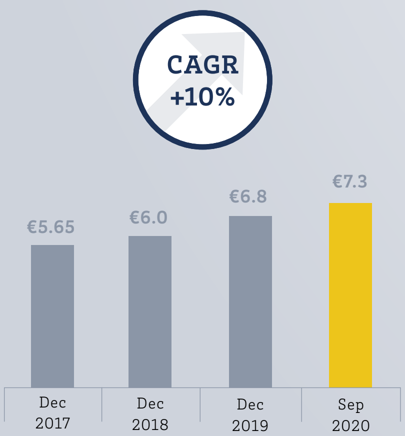


+1.8% L-F-L
In-place rent growth
Sep 2020

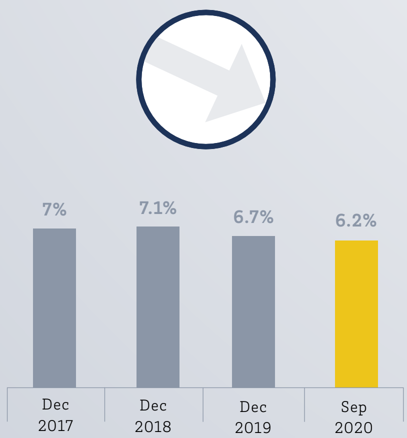
+2.6% L-F-L
Total net rent growth
Sep 2020

+0.8% L-F-L
Occupancy growth
Sep 2020

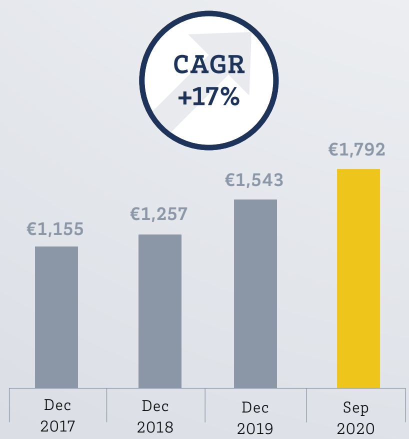
In-place rent (in €/sqm)



Vacancy

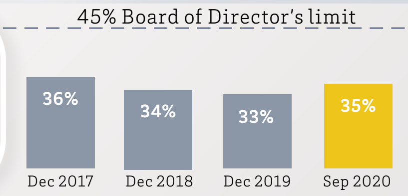


Value/sqm (in €/sqm)



STEADY FINANCIAL PLATFORM SUPPORTING SUSTAINABLE VALUE CREATION

Low Leverage (Loan-To-Value)



LTV well below board mandated limit of 45%

Strong business efficiencies supporting profitability and resulting in solid coverage ratios

5.8x ICR

4.7x DSCR

Large headroom to financial covenants

Significant financial flexibility due to robust capital structure

- Low average cost of debt at **1.3%** and long average debt maturity of **7** years
- Liquidity position of over **€1.3 bn**
- Large level of unencumbered assets amounting to **€6.7 bn** (79%)

High liquidity and large level of unencumbered assets supporting steady capital structure

Investment grade credit rating with stable outlook from S&P and Moody's

S&P BBB+

Moody's Baa1

Broad access to capital markets with Series W issued in April 2020 being oversubscribed.

over **€350*** million disposals

Value accretive disposals

43% over total costs

approx. **€380** million aqcuisitions

Quality enhancing acquisitions

FOR THE 4TH CONSECUTIVE YEAR (SEPTEMBER 2020)

EPRA BPR GOLD

EPRA sBPR GOLD

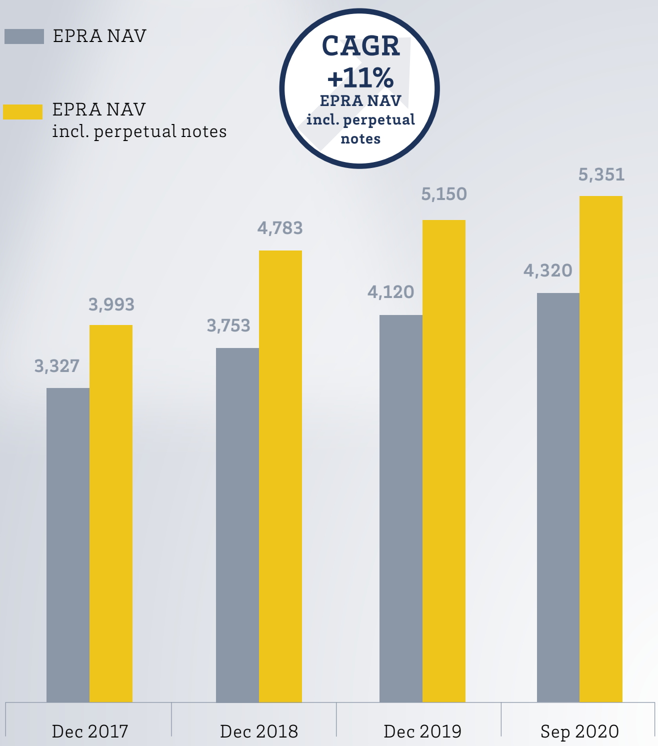
SUSTAINALYTICS (AUGUST 2020)

RANKED 2ND OUT OF 105 COMPANIES

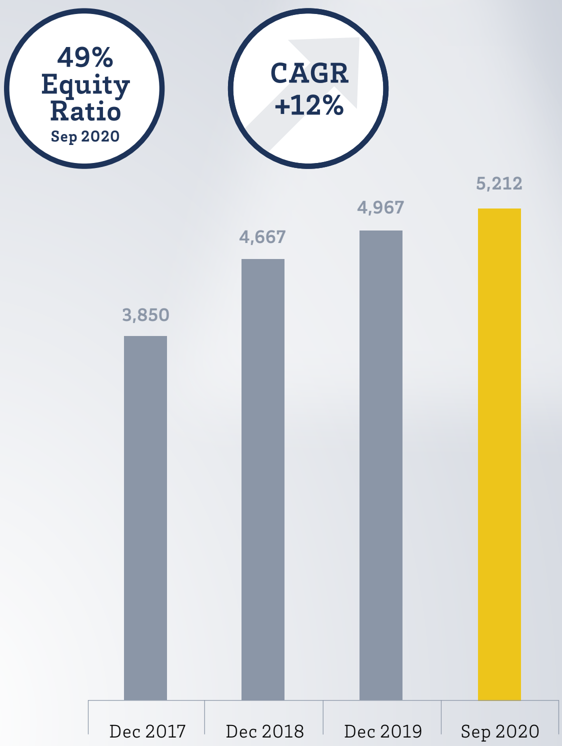
* During the reporting period the Company signed but didn't complete further disposals at an amount of over €500 million.

HIGHLIGHTS

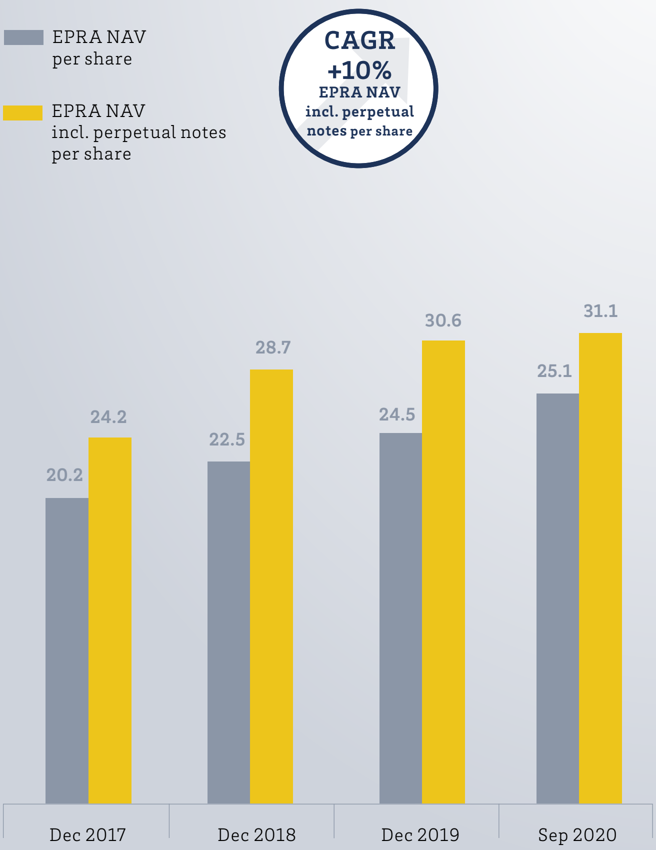
EPRA NAV (in € millions)



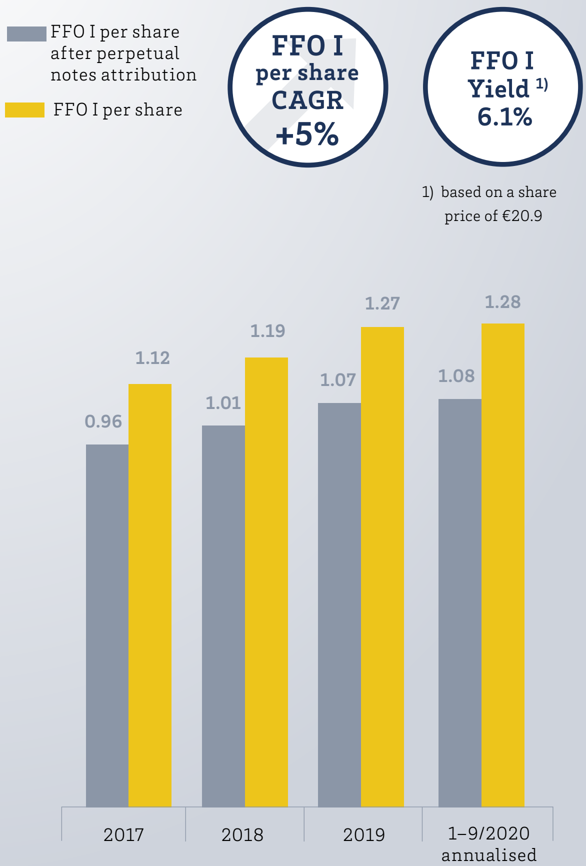
Total Equity (in € millions)



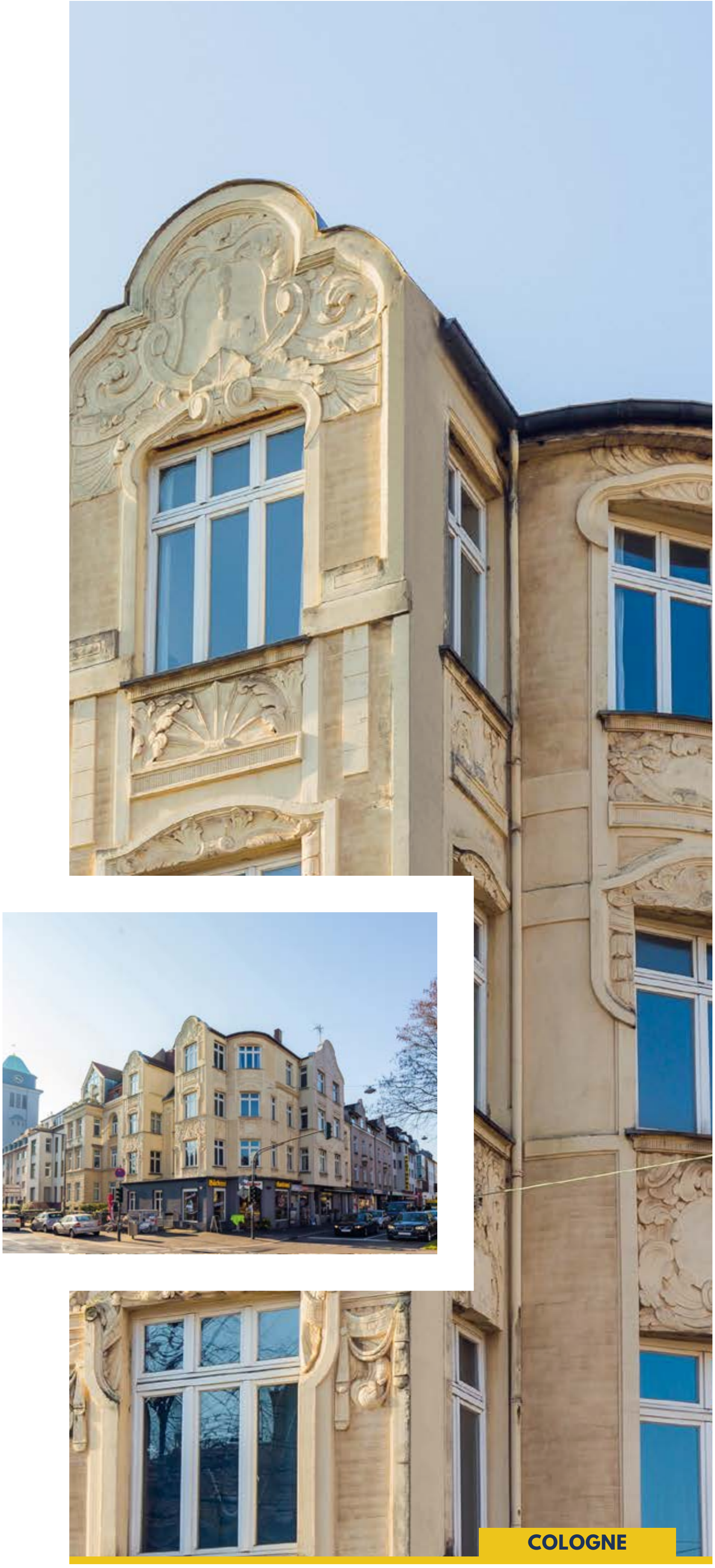
EPRA NAV per share (in €)



FFO I per share (in €)



THE COMPANY



COLOGNE

Grand City Properties S.A. (the "Company") and its investees ("GCP" or the "Group") Board of Directors (the "Board") hereby submits the interim report as of September 30, 2020.

The figures presented in this Board of Director's Report are based on the condensed interim consolidated financial statements as of September 30, 2020, unless stated otherwise.

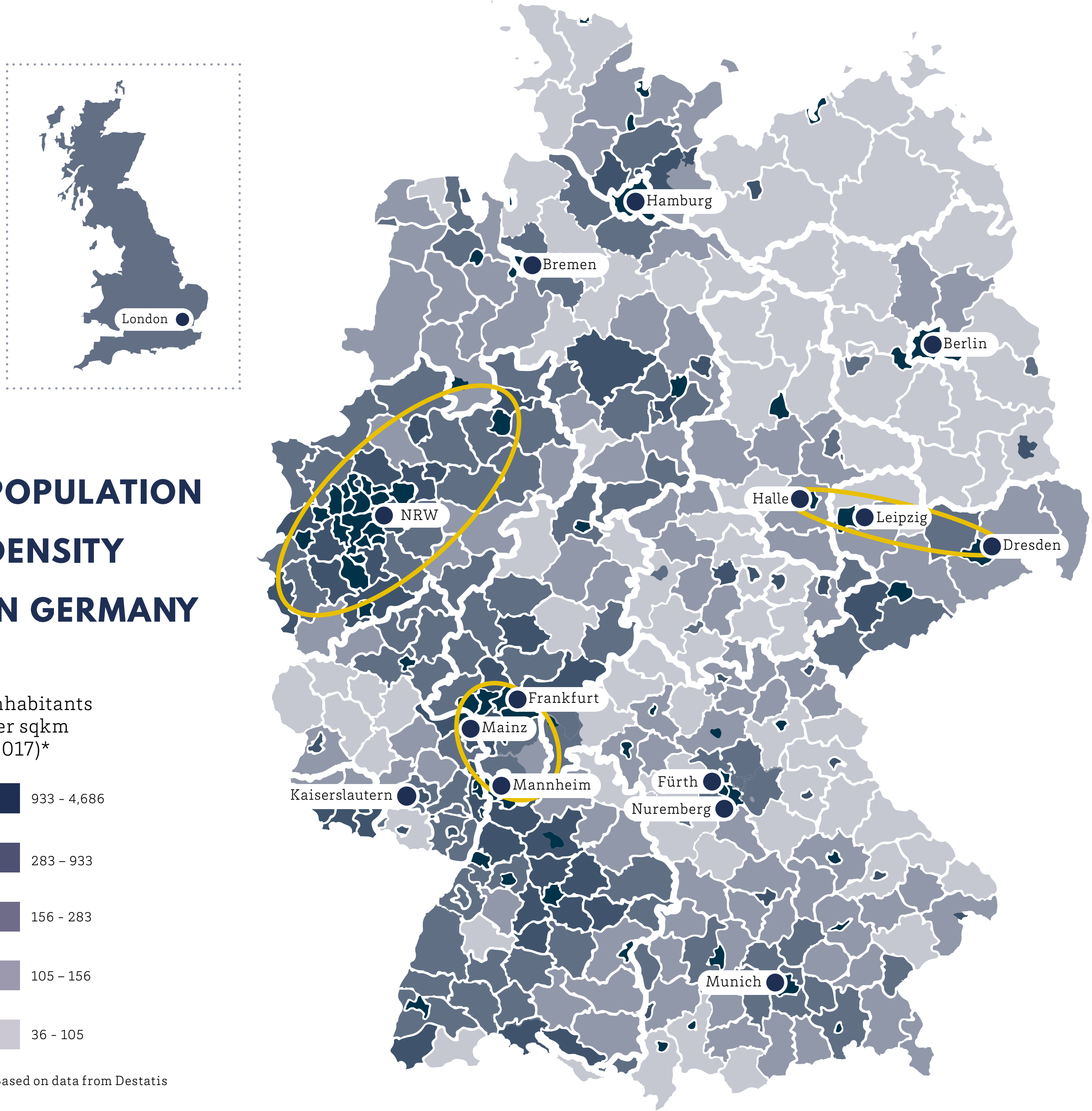
GCP is a specialist in residential real estate, investing in value-add opportunities in densely populated areas predominantly in Germany. The Group's portfolio, excluding assets held for sale and properties under development, as of September 2020 consists of 63k units (hereinafter "GCP portfolio" or "the Portfolio") located in densely populated areas with a focus on North Rhine-Westphalia, Germany's most populous federal state, Berlin, Germany's capital, 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 specialized employees.

In addition, GCP's economies of scale allow for considerable benefits of a strong bargaining position, a centralised management platform supported by advanced in-house 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.

THE PORTFOLIO



POPULATION DENSITY IN GERMANY

inhabitants per sqkm (2017)*

933 - 4,686

283 – 933

156 - 283

105 – 156

36 - 105

* Based on data from Destatis

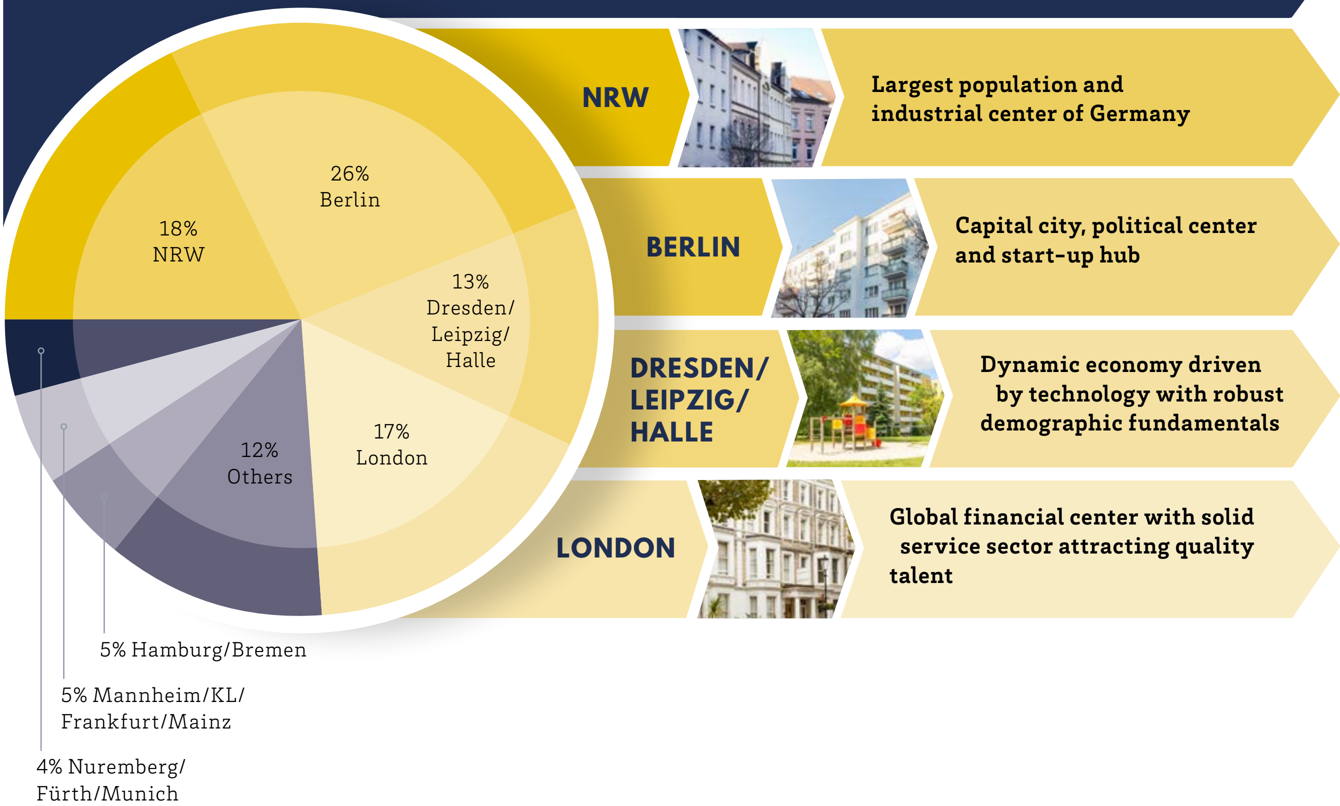
ATTRACTIVE PORTFOLIO CONCENTRATED IN DENSELY POPULATED METROPOLITAN AREAS WITH VALUE-ADD POTENTIAL

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.

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 18% of its Portfolio being located in NRW, 26% in Berlin, 13% in the metropolitan region of Dresden, Leipzig and Halle, and 17% in London, four clusters with their own distinct economic drivers. The portfolio also includes additional holdings in other major urban centers with strong fundamentals such as, Nuremberg, Munich, Mannheim, Frankfurt, Hamburg and Bremen.

The London portfolio follows the Company's strategy of pursuing opportunities and acquiring properties with significant upside potential in densely populated areas characterised by strong demand and robust market fundamentals.

DIVERSIFIED. RESILIENT. DEFENSIVE.



PORTFOLIO OVERVIEW

GCP has assembled a portfolio of high-quality assets in densely populated metropolitan regions, benefiting from diversification among dynamic markets with positive economic fundamentals and demographic developments.

SEPTEMBER 2020	Value (in €M)	Area (in k sqm)	EPRA vacancy	Annualised net rent (in €M)	In-place rent per sqm (in €)	Number of units	Value per sqm (in €)	Rental yield
NRW	1,346	981	6.1%	71	6.2	13,824	1,371	5.3%
Berlin	1,866	571	4.7%	57	8.6	7,729	3,268	3.0%
Dresden/Leipzig/Halle	1,026	897	7.9%	52	5.3	15,377	1,144	5.1%
Mannheim/KL/Frankfurt/Mainz	400	195	2.1%	19	8.2	3,270	2,054	4.8%
Nuremberg/Fürth/Munich	307	116	3.5%	13	9.4	1,802	2,648	4.3%
Hamburg/Bremen	382	297	5.5%	20	6.1	4,265	1,289	5.4%
London	980	117	8.2%	39	30.2	2,270	8,367	4.0%
Others	943	872	6.7%	60	6.4	14,686	1,082	6.3%
Development rights and new buildings (*)	609							
Total	**7,859**	**4,046**	**6.2%**	**331**	**7.3**	**63,223**	**1,792**	**4.6%**

(*) of which pre-marketed buildings in London amount to €370m

BERLIN PORTFOLIO - BEST IN CLASS

Quality locations in top tier Berlin neighborhoods

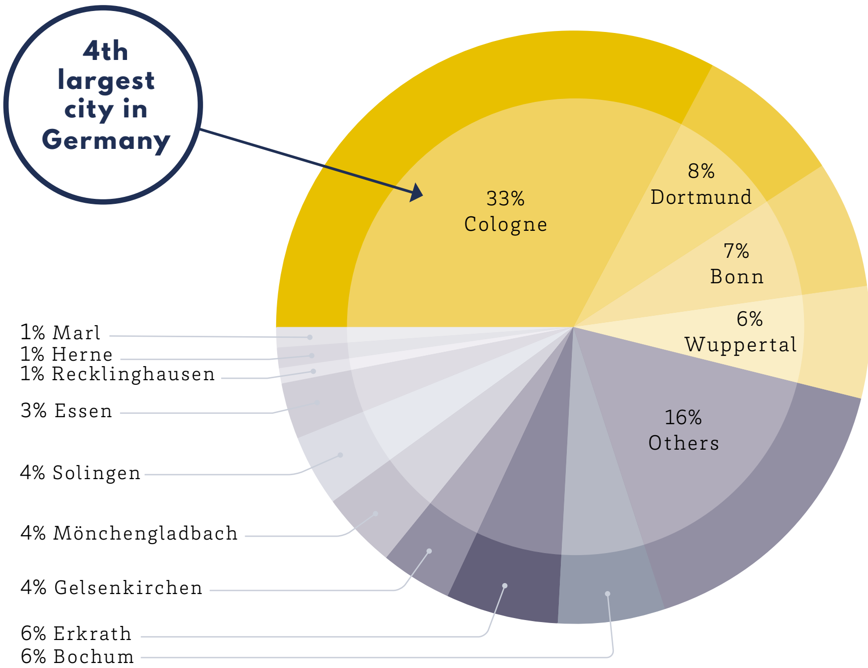
26% of GCP's portfolio

70%
of the Berlin portfolio is located in top tier neighborhoods: Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Friedrichshain, Lichtenberg, Neukölln, Schöneberg, Steglitz and Potsdam.

30%
is well located located primarily in Reinickendorf, Treptow, Köpenick and Marzahn-Hellersdorf.

NORTH RHINE-WESTPHALIA

Well positioned in the largest metropolitan area in Germany



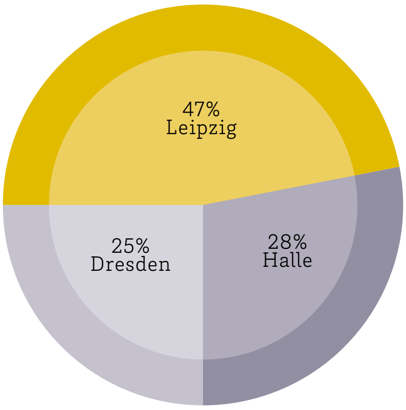
18% of GCP's portfolio

The portfolio distribution in NRW is focused on cities with strong fundamentals within the region. 33% of the NRW portfolio is located in Cologne, the largest city in NRW, 8% in Dortmund, 7% in Bonn and 6% in Wuppertal.

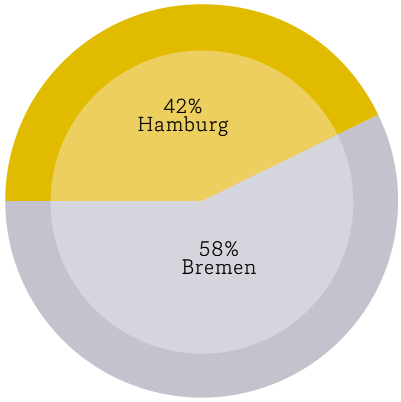
QUALITY EAST & NORTH PORTFOLIO

18% of GCP's portfolio

The East portfolio is situated in the cities of Dresden, Leipzig and Halle, which have robust demographic fundamentals and attract high-quality talent due to the dynamic technological industry.



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



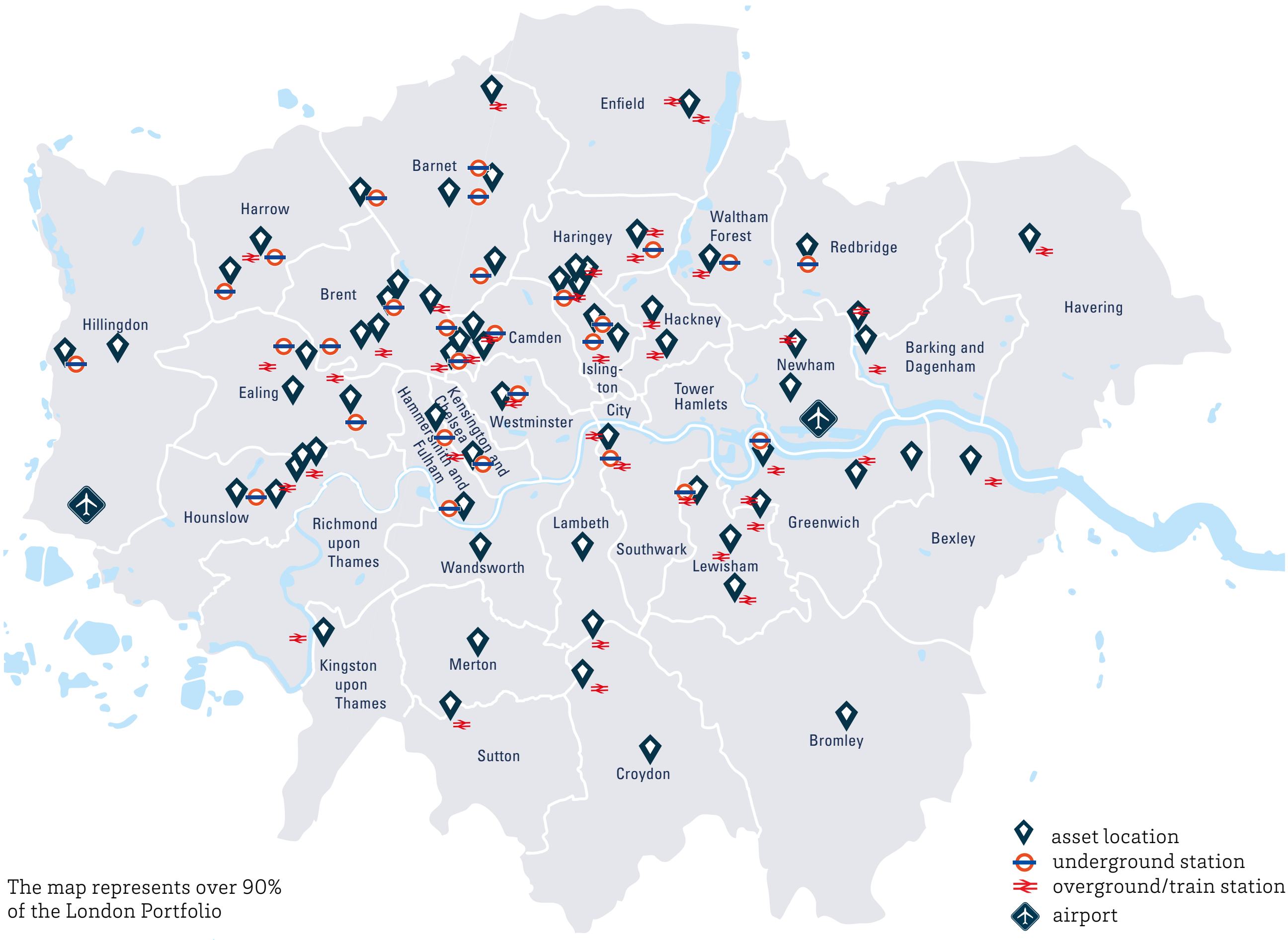
LONDON

17% of GCP's portfolio

High quality assets located in strong middle class neighborhoods

The total London portfolio, including high quality assets, social housing as well as pre-marketed units, amounts to over 3,000 units and over €1.3 billion in value.

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



The map represents over 90% of the London Portfolio

STRONG FINANCIAL POSITION

Conservative financial policy

GCP follows a financial policy in order to maintain and improve its strong capital structure:

- **Strive to achieve A- global rating in the long term**
- LTV limit at 45%
- Debt to debt plus equity ratio at 45% (or lower) on a sustainable basis
- Maintaining conservative financial ratios with a strong ICR
- Unencumbered assets above 50% of total assets
- Long debt maturity profile
- Good mix of long-term unsecured bonds and non-recourse bank loans
- Dividend distribution of 65% of FFO I per share

Strong Liquidity Position of over €1.3 billion as of September 2020

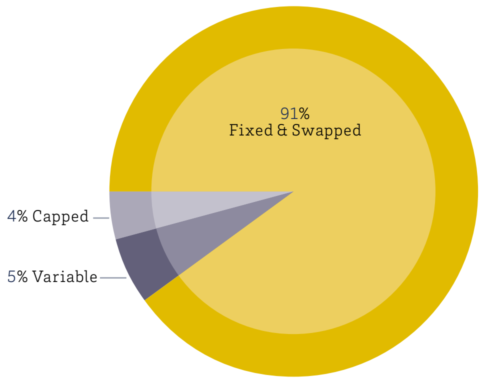
Hedging structure

GCP's bank loans are spread across many loans from many different financial institutions that are non-recourse and have no cross-collateral or cross-default provisions.

In accordance with the Company's conservative capital structure, 95% of its interest is hedged.

As part of GCP's conservative financial policy, bonds issued in foreign currencies are hedged to Euro until maturity.

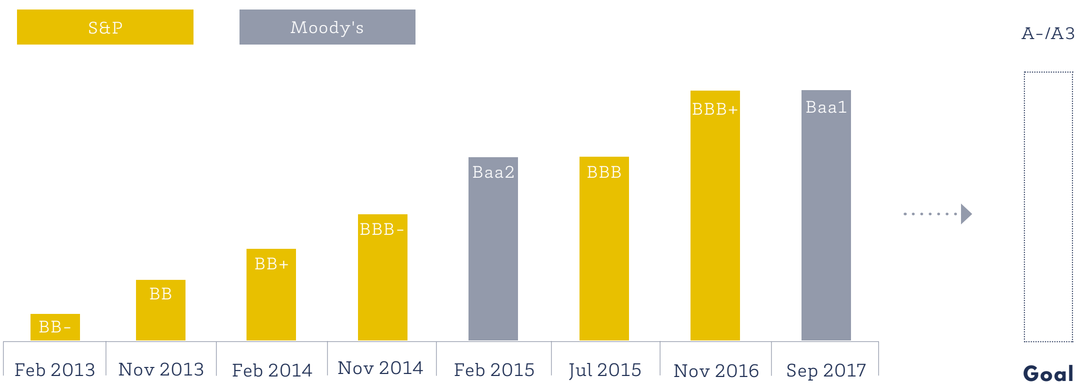
September 2020



Credit rating

GCP maintains investment-grade credit ratings from both Standard & Poor's (S&P) and Moody's Investors Service (Moody's), with current long-term issuer ratings of BBB+ and Baa1, respectively. Additionally, S&P assigned GCP a short-term rating of A-2. The Company has a long-term goal of achieving an A-/A3 credit rating, an important component of its financial policy, and to that effect the Board of Directors has decided to implement policies as well as management and financial strategies to achieve that target.

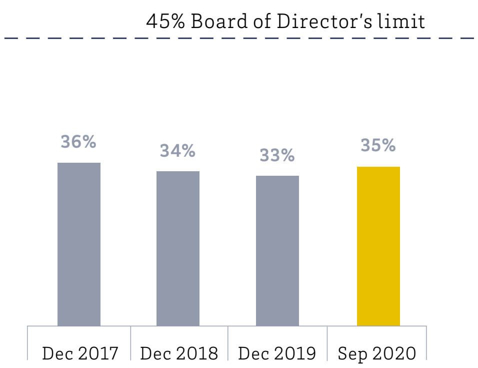
The Company has established a strong track record of achieving rating improvements owing to continuous improvements in its business and financial profile.



Loan-to-value

GCP strategically maintains its strong financial profile characterised by long debt maturities, hedged interest rates, excellent financial coverage ratios, and a low LTV. The LTV as of September 30, 2020 is at 35%, below the management limit of 45%.

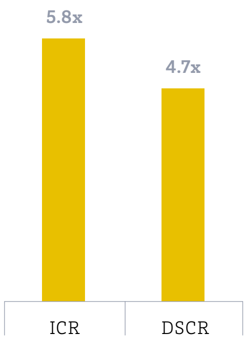
Low Leverage (Loan-To-Value)



Interest and debt coverage ratios

GCP's financial flexibility remains strong over time due to its high profitability, which is reflected in consistently high debt cover ratios. For the first nine months of 2020, the Interest Cover Ratio was 5.8x and the Debt Service Cover Ratio was 4.7x.

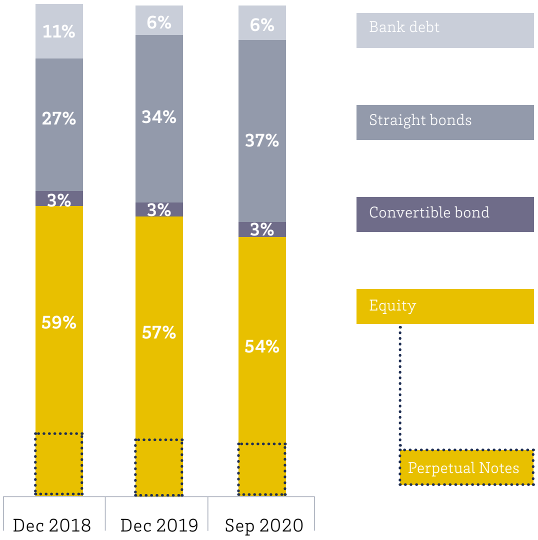
Coverage Ratios (1-9/2020)



Financing sources mix

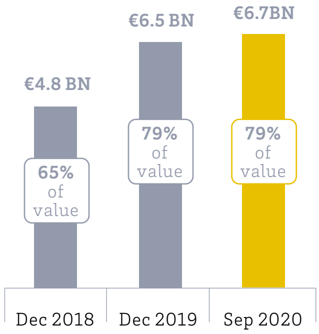
An important component of GCP's financial structure is a strong diversification of funding sources, reducing the reliance on any single source and resulting in a diversified financing mix. This is enabled by the Company's wide reach and proven track record in issuing instruments across various capital markets: straight bonds, convertible bonds, perpetual notes and equity capital. Moreover, GCP's diversity is further improved through issuances in various currencies, issuing straight bonds in CHF, JPY and HKD. All foreign currency issuances are swapped into Euro until maturity. Issuances in various currencies increase the investor base and provide expansion into a wider range of markets to attract funding.

In addition, the Company maintains lasting relationships with dozens of banks and financial institutions, providing for access to bank financing.



Unencumbered assets

The Company maintains as part of its conservative financial policy a high proportion of unencumbered assets to provide additional financial flexibility and contribute to a strong credit profile, with €6.7 billion in unencumbered assets as of September 2020, representing 79% of the total portfolio value.



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 connecting with 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 MDAX of the Deutsche Börse, the STOXX Europe 600 index, the FTSE EPRA/NAREIT Global Index series, GPR 250, DIMAX and the MSCI index series. These index memberships are the result of many years of success in equity markets and the strong investor perception of the Company.

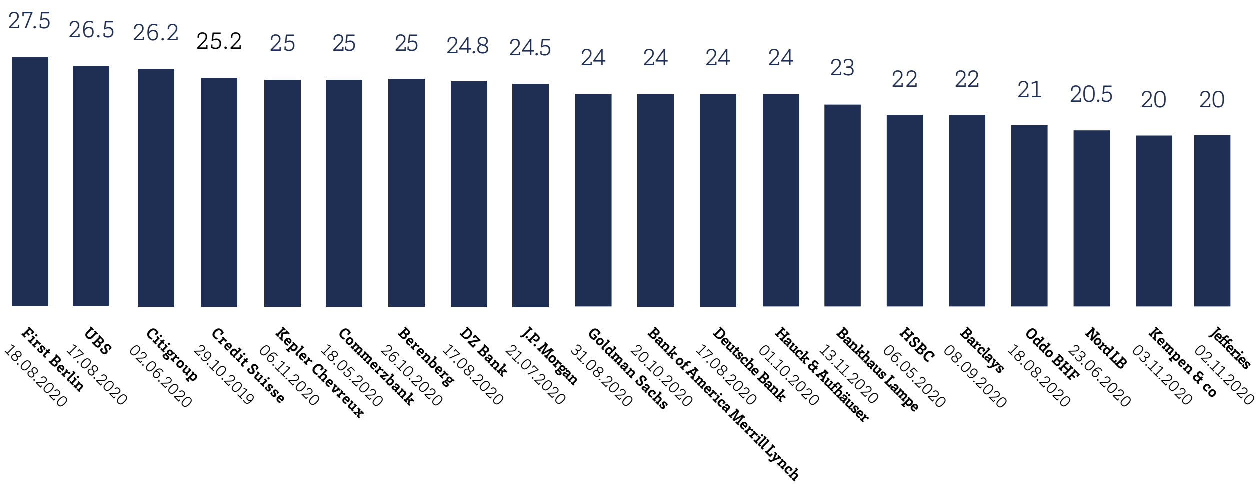
Placement	Frankfurt Stock Exchange	
Market segment	Prime Standard	
First listing	Q2 2012	
Number of shares (as of 30 September 2020)	171,864,050	ordinary shares with a par value of EUR 0.10 per share
Shareholder structure (as of 30 September 2020)	Freefloat: 60% Edolaxia Group 40%	
Nominal share capital (as of 30 September 2020)	17,186,405.00 EUR	
Number of shares on a fully diluted basis (as of 30 September 2020)	184,814,519	
ISIN	LU0775917882	
WKN	A1JXCV	
Symbol	GYC	
Key index memberships	MDAX FTSE EPRA/NAREIT Index Series STOXX Europe 600 MSCI Index Series GPR 250 DIMAX	
Market capitalisation (as of the date of this report)	3.6 bn EUR	

Vast and proven track record in capital markets

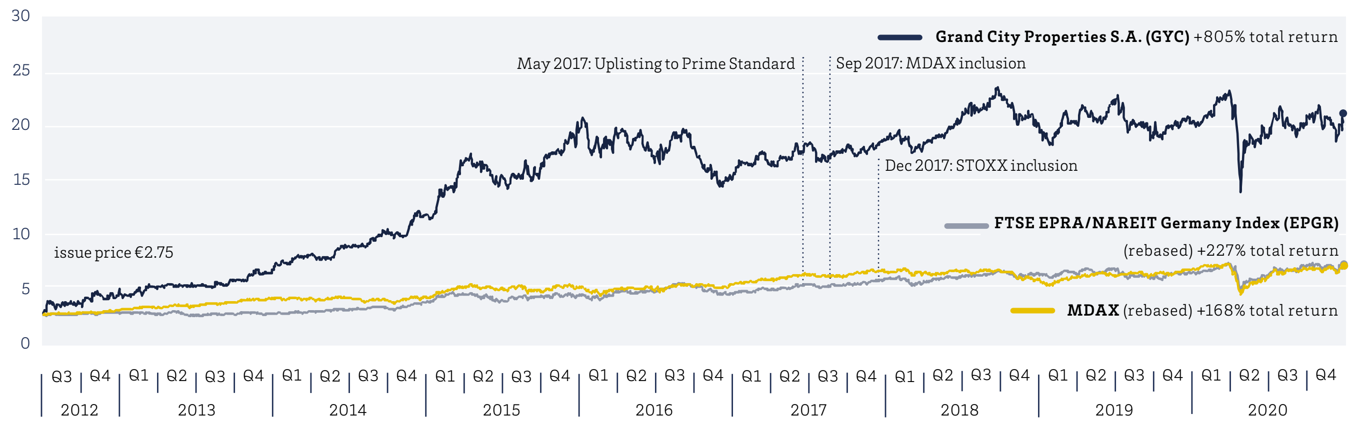
The Company has established over the years an impressive track record in capital markets, continuously accessing various markets through its strong relationships with the leading investment banks in the market. Supported by two investment-grade credit ratings (BBB+ from S&P and Baa1 from Moody's), GCP is able to quickly and efficiently source funds at attractive interest rates, significantly contributing to its low average cost of debt (of currently 1.3%). Since 2012, GCP has issued approx. €7 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. Through its strong access to capital markets, GCP is able to proactively and effectively manage its debt structure, contributing to a long average debt maturity of approx. 7 years.

Analyst Recommendations

citi
Bank of America Merrill Lynch
HSBC
Goldman Sachs
J.P.Morgan
Kepler Cheuvreux
BERENBERG PARTNERSHIP SINCE 1590
BARCLAYS
DZ BANK
Bankhaus Lampe
Deutsche Bank
CREDIT SUISSE
ODDO BHF
COMMERZBANK
UBS
Jefferies
Kempen
HAUCK & AUFHÄUSER INVESTMENT GESELLSCHAFT S.A.
First Berlin
NORD/LB



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



NOTES ON BUSINESS PERFORMANCE

Selected consolidated statement of profit or loss

For the period of nine months ended 30 September	2020	2019
	€'000	
Revenue	**401,238**	418,495
Net rental income	278,973	285,030
Property revaluations and capital gains	271,711	296,679
Property operating expenses	(170,750)	(*)(191,928)
Administrative and other expenses	(8,873)	(*) (8,187)
Depreciation and amortisation	(3,492)	(*) (2,980)
Operating profit	493,770	512,401
Adjusted EBITDA	**223,077**	**219,971**
Finance expenses	(38,322)	(33,987)
Other financial results	(41,400)	(20,591)
Current tax expenses	(22,563)	(23,283)
Deferred tax expenses	(48,990)	(69,937)
Profit for the period	**342,495**	**364,603**
FFO I	**161,613**	**159,843**
FFO II	**269,958**	**256,305**

(*) reclassified

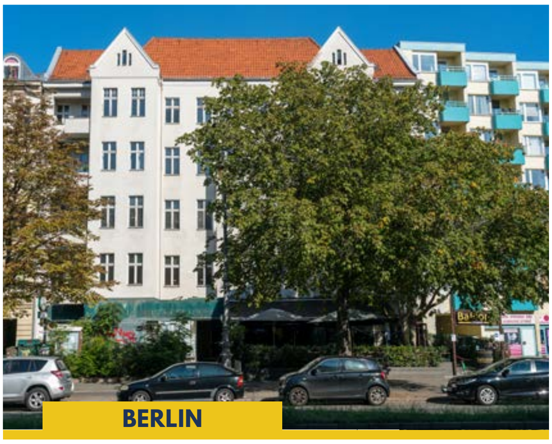
Revenue

For the period of nine months ended 30 September	2020	2019
	€'000	
Net rental income	**278,973**	**285,030**
Operating and other income	122,265	133,465
Revenue	**401,238**	**418,495**

GCP reported revenues amounting to €401 million for the nine months of 2020 as compared to €418 million reported for the corresponding period in 2019. Revenue is made up of net rental income along with operating and other income.

As a result of the disposals during the period and during the end of 2019, net rental income for the nine months of 2020 was lower as compared to the same period in 2019 and amounted to €279 million. GCP disposes non-core and mature properties while channelling these funds into accretive investments that serve to further improve the asset quality of the portfolio. Over the course of the previous twelve months, GCP acquired and disposed properties at the same amount. However, these disposals and acquisitions were not completed at a single point of time and on average acquisitions followed disposals. Therefore, there has been a marginal decrease of 2% in net rental income with the full effect of acquisitions more evident in the coming periods. Furthermore, acquisitions included properties in London in the pre-marketed stage, which did not produce rental income in the reporting period. As a large portion of the disposals included non-core properties with a relatively higher expense ratio coupled with acquisitions of properties with a low expense ratio, the impact on the adjusted EBITDA and FFO I was lower than the impact on the revenue, which can also be seen in the larger decrease in the operating income in comparison to the decrease in net rental income. Accordingly, the operating and other income, an item primarily recovered from tenants, has decreased at a higher rate in comparison to the decrease in the net rental income.

On a like-for-like basis, net rental income increased by 2.6% in the twelve months ending in September 2020, with 1.8% attributable to in-place rent increases and an additional 0.8% due occupancy increases. The steady organic growth of the top-line has continued, albeit at a slower pace as the Company had decided out of solidarity to its tenants to temporarily postpone rent increases during the second quarter and in July of 2020. As of August 2020, GCP resumed its rent increase activities which will be effective after the reporting period. In addition, the Berlin rent freeze which came into effect in the beginning of 2020, resulted in a limit on further rent increases in the reporting period. GCP's portfolio diversification, a key strength of its business, has been instrumental in generating rental growth despite regulatory headwinds.



BERLIN

NOTES ON BUSINESS PERFORMANCE

Property revaluations and capital gains

For the period of nine months ended 30 September	2020	2019
	€'000	
Property revaluations and capital gains	**271,711**	**296,679**

During the nine months of 2020, the Company recorded property revaluations and capital gains of €272 million as compared to €297 million during the comparable period in 2019. Properties valuations are externally appraised by independent and certified valuators at least once a year. In the third quarter of 2020 the Company has revaluated properties only on a targeted basis and will complete the full external portfolio valuation (of at least once a year) in the last quarter of 2020. On a like-for-like basis and net of capex invested, valuations increased by over 3% compared to year-end 2019, with significant increases observed in Berlin, London, North Rhine-Westphalia and Mannheim. The revaluation gains reflect the strength of the portfolio and the effect of the operational improvements. GCP's revaluation gains underline the management's continued success in identifying and capturing unlocked value within the portfolio. Additionally, they are also testament to the robust fundamentals underlying GCP's portfolio locations which are long-term drivers of value contributing to shareholder returns.

During the reporting period, GCP completed disposals of over €350 million at a slight premium to book value and a profit margin of +43% over total costs including capex. These disposed assets were mainly located in secondary cities in North Rhine-Westphalia and in non-core cities as well as assets with limited upside potential available to capture. The disposals were carried at an average multiple of 15x.

As of the end of September 2020 the portfolio yielded 4.6%, with an average value per sqm of €1,792 compared to 4.9% and €1,543 as of December 2019, which is the result of the portfolio performance as well as capital recycling.

Property operating expenses

For the period of nine months ended 30 September	2020	2019
	€'000	
Property operating expenses	**(170,750)**	(*) **(191,928)**

(*) reclassified

GCP reported property operating expenses amounting to €171 million for the nine months of 2020, decreasing by 11% as compared to the same period in 2019. The decrease is due to the improved cost structure and portfolio quality, driven by disposals of properties with a relatively high expense ratio and from operational improvements of the portfolio.

Property operating expenses are those expenses related to the operations of the Company. The lion's share of these expenses can be attributed to purchased services. Purchased Services includes various tenant-related costs like heating, water, building cleaning and waste management, which are primarily recoverable from tenants. Additionally, property operating expenses also includes maintenance and refurbishment costs, operational personnel costs and other expenses in relation to letting activities. During the reporting period the Company has increased expenditures related to IT security and infrastructure which has supported business operations and ensured operations remain agile and adaptable. GCP has been successfully maintaining an efficient business platform due to the improving asset quality and decreasing operating cost structure of properties being acquired. As a result of these actions, although revenues have decreased by only 4%, property operating expenses have decreased more significantly by 11%. Property operating expenses for the previous period have been reclassified in order to better distinguish the impact of depreciation expenses between the periods, which is now presented as a separate item.

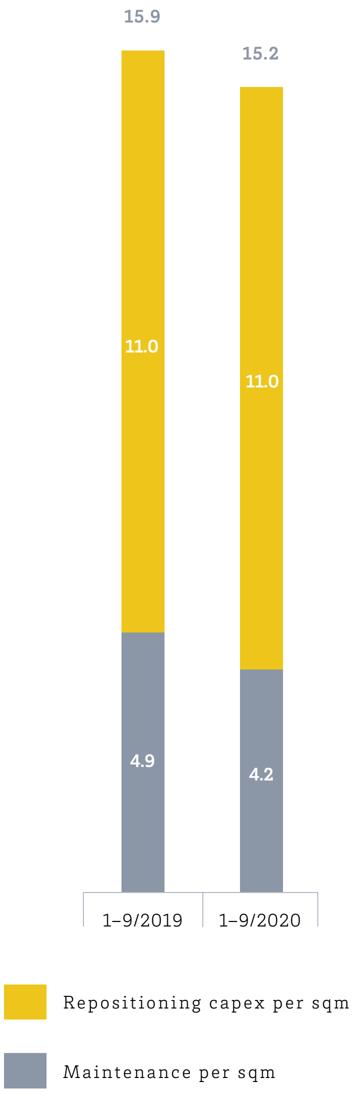
GCP prioritises the maximisation of tenant satisfaction, which forms an important part of the integrated sustainable business strategy. The Company constantly works towards making improvements in this regard. Additionally, GCP has taken steps to increase environmental awareness among tenants thereby not only benefiting tenants through lower ancillary costs, but also benefiting the surrounding environment. Examples of these measures are increased awareness and moderation of water and heat consumption, efficient waste management systems and modernised heating systems.

Maintenance and capex

GCP works toward further improving the quality and attractiveness of the investment property portfolio. Accordingly, the Company carries out various maintenance, refurbishment and capital investment activities. As a result of these measures, the portfolio is able to realise a higher level of rents, and vacancies are reduced while tenant satisfaction is maximised.

Maintenance and refurbishment expenses are generally costs incurred with the objective of preserving the quality of the portfolio, thereby directly benefiting tenants and their quality of living. The service center is a very accessible and vital point of contact for tenants with regards to a variety of service needs. GCP's service center operates at a very high standard of quality which is also evident in the ISO 9001:2015 re-audit certification received in February 2020. It remains accessible 24 hours a day and 7 days a week and provides tenants with several channels of communication in different languages making it easy to place service requests. During the lockdown caused by the coronavirus pandemic, GCP's service center remained fully operational and available to tenants, underlining the Company's commitment to its tenants and ensuring their satisfaction is maximised. For the nine months of 2020, GCP reported maintenance and refurbishment expenses amounting to €21 million and €4.2 per average sqm, which compares to €26 million and €4.9 per average sqm for the same period in 2019.

Maintenance and repositioning capex development (€/sqm)



Repositioning capex includes outlays made in order to uplift the standards of the property and enhance the value of the product offering to tenants. These measures include apartment renovations, enhancement of staircases and corridors, façade refits and other similar measures. Furthermore, these outlays also include measures that improve the asset on a more holistic basis, such as improved playgrounds, refurbished meeting areas and study rooms as well as barbeque pits and more. All these measures work together to enable the establishment of a wholesome community environment, which is pivotal in maximising the value proposition to tenants. During the nine months of 2020, GCP invested €49 million of repositioning capex. This translates to €11.0 per average sqm for the reporting period, stable as compared to the comparable period in 2019.

Further, GCP invested €3.8 million into pre-letting modifications in the nine months of 2020. These investments are primarily focused towards the completion of properties in London that were acquired in the final stages of development. The properties in the pre-let stage will be let in the upcoming periods, providing additional rental and operational growth. Pre-letting modification investments are already taken into consideration during the initial cost analysis of the respective acquisitions.

NOTES ON BUSINESS PERFORMANCE

Administrative and other expenses

For the period of nine months ended 30 September	2020	2019
	€'000	
Administrative and other expenses	**(8,873)**	**(*) (8,187)**

(*) reclassified

GCP recorded €9 million as administrative and other expenses for the nine months of 2020, which compares to the €8 million recorded during the corresponding period in 2019. These expenses include administrative personnel expenses, audit, accounting, legal and other consultancy fees as well as marketing expenses. Administrative and other expenses were marginally higher as a result of professional and consultancy fees and other corporate expenses.

Finance expenses

For the period of nine months ended 30 September	2020	2019
	€'000	
Finance expenses	**(38,322)**	**(33,987)**

GCP recorded finance expenses amounting to €38 million for the nine months of 2020, which compares to €34 million recorded during the corresponding period in 2019. The increase in finance expenses is related to the Series W bond issued in April 2020 that formed a vital part of the liquidity and financing strategy employed by the Company in order to preserve the conservative nature of the financial platform, especially at the time of issuance which was during the peak of the uncertainty related to the pandemic. In addition, GCP also received approx. €130 million of low-cost financing with maturities of up to 20 years while repaying near term and high interest bank debt of approx. €90 million, thereby supporting the low average cost of debt of 1.3% and also maintaining a long average debt maturity period of 7 years as of September 2020.

The robust level of operational profitability ensures GCP maintains strong coverage ratios and has more than sufficient headroom to its covenants. For the nine months of 2020, the Company maintained an ICR of 5.8x and a DSCR of 4.7x. The Company's investment grade credit ratings from S&P (BBB+) and Moody's (Baa1) continue to provide GCP with broad access to capital markets.

Other financial results

For the period of nine months ended 30 September	2020	2019
	€'000	
Other financial results	**(41,400)**	**(20,591)**

GCP recorded in the nine months of 2020 an expense of €41 million under other financial results which compares to an expense of €21 million recorded during the comparable period in 2019. Other financial results include various non-recurring costs such as bond issuance costs and bank refinancing and prepayment fees, relating both to repayments of outstanding debt and hedging instruments. Additionally, it also includes changes in the value of financial assets and derivatives on interest and currencies, which were impacted by the pandemic-driven uncertainty resulting in volatile global markets in 2020.

Taxation

For the period of nine months ended 30 September	2020	2019
	€'000	
Current tax expenses	(22,563)	(23,283)
Deferred tax expenses	(48,990)	(69,937)
Total tax expenses	**(71,553)**	**(93,220)**

Total tax expenses reported for the nine months of 2020 amounted to €72 million, as compared to the €93 million recorded during the comparable period in 2019.

Current tax expenses, which is made up of property tax and corporate income tax, generally moves in tandem with the operational profitability. During the nine months of 2020 current tax expenses amounted to €23 million, marginally lower in comparison with the corresponding period in 2019.

Deferred tax expenses are non-cash expenses typically related to the theoretical disposal of investment properties in the form of asset deals at the relevant tax rate based on the property location. During the nine months of 2020, deferred tax expenses amounted to €49 million as compared to the €70 million recorded during the corresponding period in 2019.

NOTES ON BUSINESS PERFORMANCE

Profit for the period

For the period of nine months ended 30 September	2020	2019
	€'000	
Profit for the period	**342,495**	**364,603**
Profit attributable to the owners of the Company	283,708	301,387
Profit attributable to the perpetual notes investors	24,774	24,682
Profit attributable to non-controlling interests	34,013	38,534

GCP posted a profit of €342 million for the nine months of 2020 as compared to €365 million recorded during the corresponding period in 2019. The decrease was driven by lower property revaluation gains during the reporting period, along with a higher level of expenses recorded from other financial results mainly due to the increased volatilities in global markets, both of which are non-recurring in nature.

The Company's operational profitability remained steady, which is reflected in the 1% growth both in adjusted EBITDA and in FFO I.

Earnings per share

For the period of nine months ended 30 September	2020	2019
Basic earnings per share (in €)	1.68	1.80
Diluted earnings per share (in €)	1.58	1.70
Weighted average number of ordinary shares (basic) in thousands	169,111	167,028
Weighted average number of ordinary shares (diluted) in thousands	180,880	178,444

For the nine months of 2020, GCP generated a basic earnings per share of €1.68 and a diluted earnings per share of €1.58, which compares to €1.80 and €1.70 for the same period in 2019. The decrease in earnings per share was primarily driven by a decrease in the shareholders' profit but was also affected by the higher average share count which was largely due to the impact of new shares in relation to the scrip dividends issued in 2019 and 2020.

The diluted earnings per share is based on dilutive effects such as the theoretical future conversion of the Series F convertible bonds, which remains out-of-the-money as of the date of this report.

LONDON

NOTES ON BUSINESS PERFORMANCE

Adjusted EBITDA and Funds From Operations (FFO I)

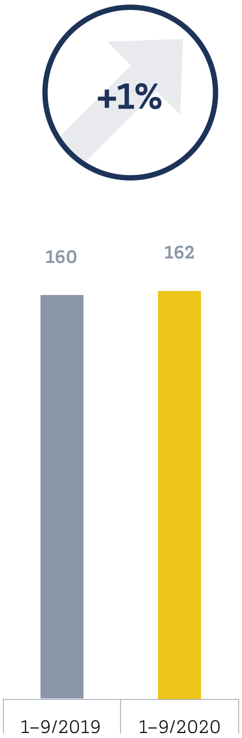
For the period of nine months ended 30 September	2020	2019
	€'000	
Operating profit	493,770	512,401
Depreciation and amortisation	3,492	2,980
EBITDA	**497,262**	**515,381**
Property revaluations and capital gains	(271,711)	(296,679)
Share of profit from investments in equity-accounted investees	(3,936)	(322)
Other adjustments	1,462	1,591
Adjusted EBITDA	**223,077**	**219,971**
Finance expenses [1)]	(38,322)	(33,987)
Current tax expenses	(22,563)	(23,283)
Contribution from joint ventures and to minorities, net	(579)	(2,858)
FFO I	**161,613**	**159,843**
Weighted average number of ordinary shares (basic) in thousands [2)]	169,111	167,028
FFO I per share (in €)	**0.96**	**0.96**

1) including the effects of IFRS 16
2) not considering the dilution effect of the management share plan as it is immaterial

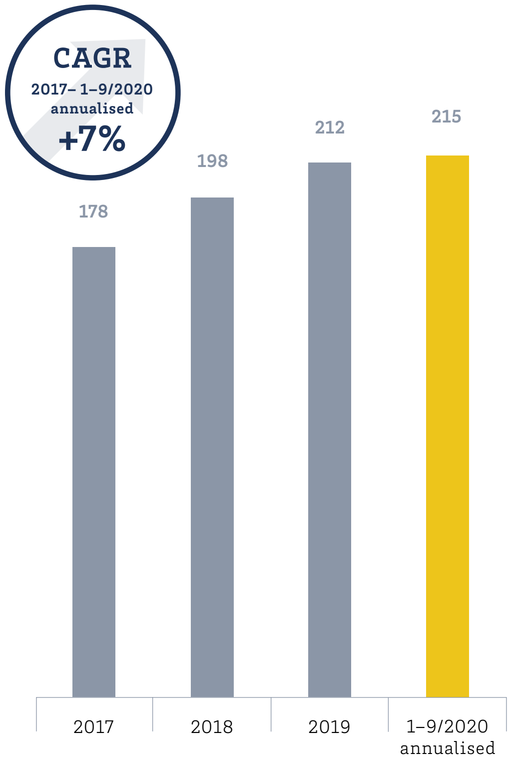
The adjusted EBITDA is an industry standard figure displaying the Company's recurring operational profits before interest, tax expenses and depreciation, excluding the effects of capital gains, revaluations, and other non-operational income statement items such as share of non-recurring profit/loss from investment in equity-accounted investees and other adjustments. GCP generated an adjusted EBITDA amounting to €223 million for the nine months of 2020, increasing by 1% over the €220 million reported for the comparable period in 2019, despite total revenues decreasing by 4% due to disposals during the reporting period. Following the outbreak of the pandemic and the related uncertainty, GCP initially postponed acquisitions temporarily, but resumed activity towards the third quarter of 2020 which will have a positive impact in the following periods. GCP's strong operational profitability driven by an optimised operating cost structure as well as improving business efficiencies were supportive in offsetting the decrease in the top-line. Additionally, the steady organic growth of net rental income has provided further support to the bottom-line. On a like-for-like basis, net rental income increased by 2.6%, with 1.8% as a result of in-place rent increases and 0.8% as a result of occupancy increases, reflecting the robustness and high quality of the portfolio.

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. It is calculated by deducting finance expenses, current tax expenses and the contribution to minorities, and adding the FFO contribution from joint ventures, to the adjusted EBITDA. During the nine months of 2020, GCP reported an FFO I amounting to €162 million, higher by 1% as compared to the corresponding period in 2019. This increase in FFO is driven by the increase of the adjusted EBITDA and is supported by the contribution of €1.8 million from investments in joint ventures, offset to some extent by the higher finance expenses during the reporting period.

FFO I periodic development (in € millions)



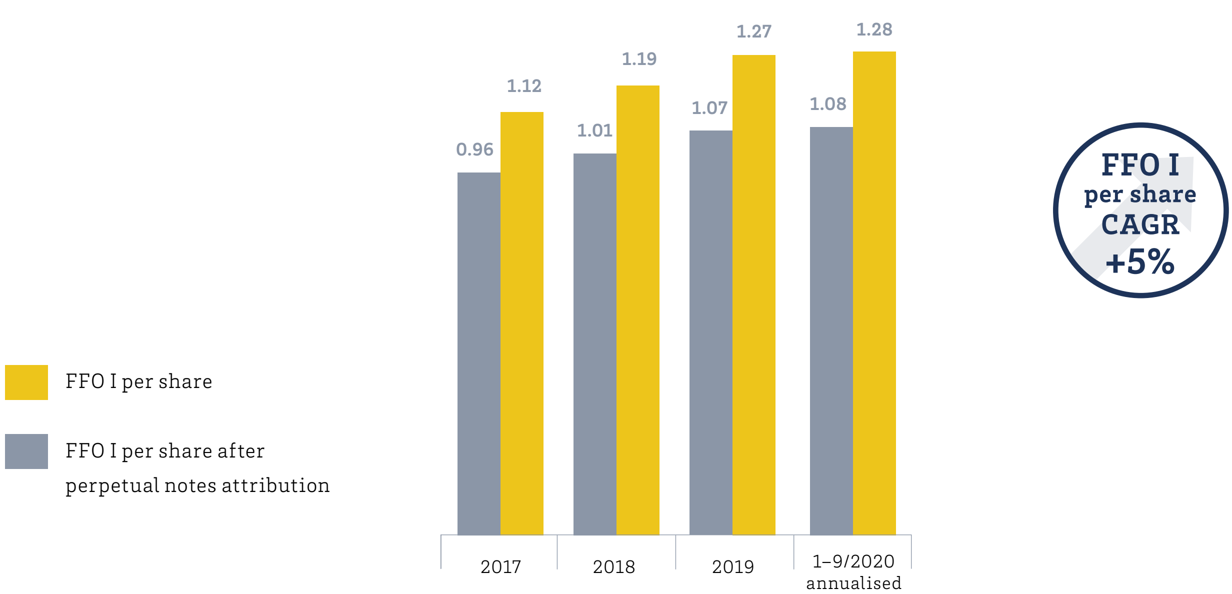
FFO I annual development (in € millions)



FFO I per share

GCP's FFO I per share amounting to €0.96 has remained stable in comparison to the corresponding period in 2019. The resilience of the FFO I on a per share basis has been driven by steady organic growth with net rental incomes increasing by 2.6% on a like-for-like basis, complemented by strong operational efficiencies, both of which have supported profitability. Offsetting these positive effects were a higher average share count as compared to the same period in 2019 as a result of the impact of new shares in relation to the scrip dividends issued in 2019 and 2020.

FFO I per share development (in €)



NOTES ON BUSINESS PERFORMANCE

FFO I per share after perpetual notes attribution

For the period of nine months ended 30 September	2020	2019
	€'000	
FFO I	**161,613**	**159,843**
Adjustment for accrued perpetual notes attribution	(24,774)	(24,682)
FFO I after perpetual notes attribution	**136,839**	**135,161**
Weighted average number of ordinary shares (basic) in thousands (*)	169,111	167,028
FFO I per share after perpetual notes attribution (in €)	**0.81**	**0.81**

(*) not considering the dilution effect of the management share plan as it is immaterial

According to IFRS accounting treatment, attribution to perpetual notes are recorded through changes in equity and not as a financial expense and thus not reflected in the FFO I. In order to provide enhanced transparency, GCP additionally reports its FFO I per share after deducting the share of profit attributable to the Company's perpetual notes investors. During the nine months of 2020, the Company reported an FFO I per share after perpetual notes attribution of €0.81, stable as compared to the same period in 2019. This stability was mainly driven by the steadily growing business profitability, offset to some extent by the higher average number of shares as compared to the comparable reporting period.

Adjusted Funds From Operations (AFFO)

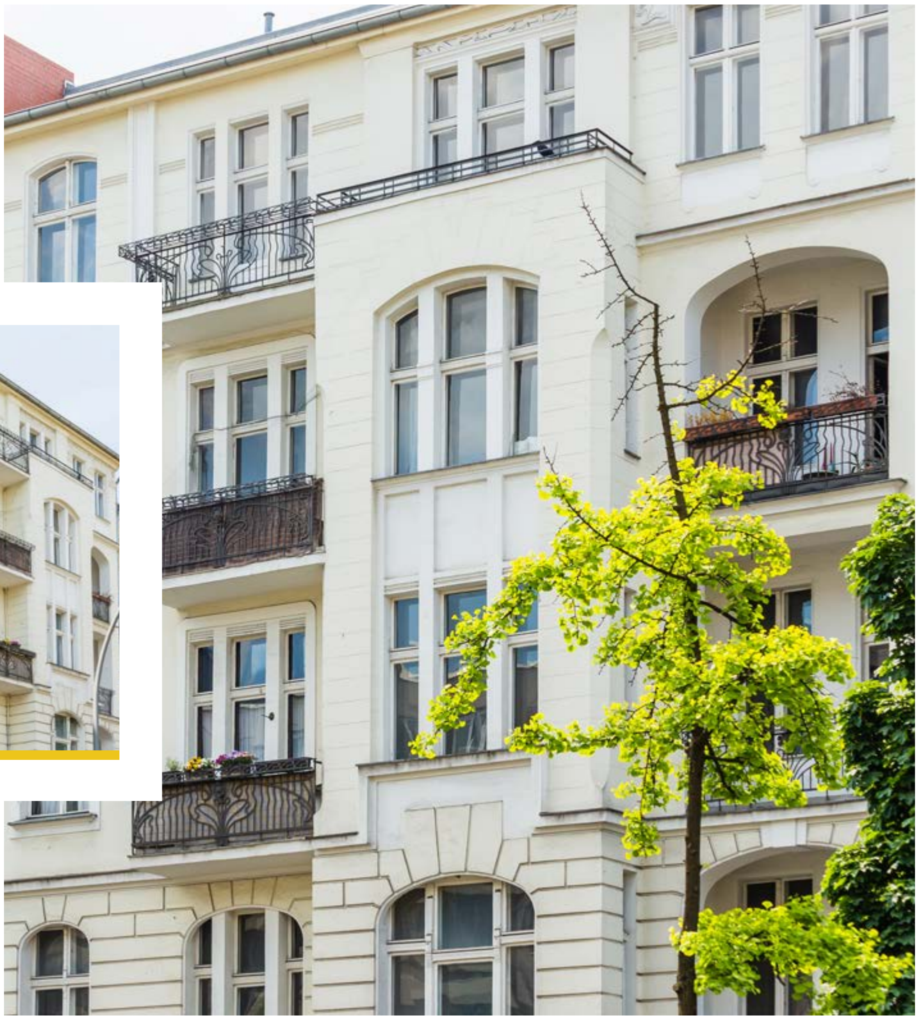
For the period of nine months ended 30 September	2020	2019
	€'000	
FFO I	**161,613**	**159,843**
Repositioning capex	(49,388)	(56,808)
AFFO	**112,225**	**103,035**

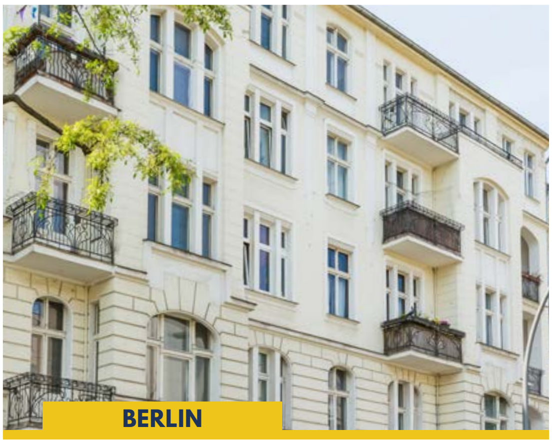
Adjusted Funds from Operations (AFFO) is another indicator for the Company's recurring operational cash flow and is derived by subtracting the repositioning capex from the Company's FFO I. GCP includes in the AFFO calculation repositioning capex which is targeted at value creation and improving the asset quality of the portfolio, which GCP deems as being relevant for its AFFO calculation. The Company reported an AFFO of €112 million for the nine months of 2020, as compared to €103 million reported during the same period in 2019.

FFO II

For the period of nine months ended 30 September	2020	2019
	€'000	
FFO I	**161,613**	**159,843**
Result from disposal of properties	108,345	96,462
FFO II	**269,958**	**256,305**

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 cost price plus capex of disposed properties. During the reporting period, GCP generated an FFO II amounting to €270 million, which compares to €256 million for the corresponding period in 2019. The strong gains generated on disposals highlights and reiterates the Company's proven ability to capture and crystalise value gains on a sustainable basis. Disposals during the nine months of 2020 totalled to over €350 million, and were closed at a profit margin of 43%, resulting in a total gain over costs including capex of €108 million.





BERLIN

NOTES ON BUSINESS PERFORMANCE

Cash flow

For the period of nine months ended 30 September	2020	2019
	€'000	
Net cash provided by operating activities	170,228	187,884
Net cash used in investing activities	(477,255)	(12,971)
Net cash provided by (used in) financing activities	469,047	125,290
Net increase in cash and cash equivalents	**162,020**	**300,203**
Other changes (*)	(10,604)	(4,656)
Cash and cash equivalents as on January 1,	914,054	603,158
Cash and cash equivalents as on September 30,	**1,065,470**	**898,705**

(*) including changes in balance of cash under assets held for sale and effects of foreign exchange rate changes

Net cash provided by operating activities for the nine months of 2020 was €170 million, as compared to €188 million during the corresponding period in 2019. Although the strong business efficiencies of the underlying business have been instrumental in the generation of robust core profitability, operational cash flows were also impacted by changes in working capital during the reporting period, creating timing gaps in receiving cash payments. GCP continues to grow its top line at a steady pace which is evident in the stable rental growth of 2.6% on a like-for-like basis.

Net cash used in investing activities over the nine months of 2020 amounted to €477 million which compares to €13 million used during the comparable period in 2019. The €477 million investing cash outlay is related to acquisitions of approx. €380 million, capex, advanced payments and was partially offset by funds received from disposals during the period. During the reporting period, GCP invested in traded securities, with the intention to preserve the value of the high cash balances at the time of the report. Additionally, the Company also unwound a portion of derivatives. Further, the Company invested in loans-to-own which are asset-backed, high-interest loans with the potential to take over assets at a significant discount to the assets' value. GCP identified the need of property owners for liquidity in the current market environment and these loans may provide an attractive acquisition opportunity of the underlying asset.

Net cash provided by financing activities amounted to €469 million during the nine months of 2020 as compared to €125 million provided during the corresponding period, the previous year. GCP issued straight bonds amounting to €600 million in notional value while also drawing down bank loans at attractive rates for maturities of up to 20 years. Concurrently, the Company also repaid short term, high interest-bearing bank loans and thereby maintained its conservative financial platform characterised by a low average cost of debt at 1.3% and a long average debt maturity period of 7 years. Another factor that has positively contributed to GCP's cash flow from financing activities was the high scrip ratio for the scrip dividend for the financial year 2019 which was reflected in 57% of the shareholders of the Company choosing to receive the dividend in the form of scrip dividend instead of cash.

Assets

	Sep 2020	Dec 2019
	€'000	
Non-current assets	**8,367,570**	**8,222,645**
Investment property [1]	7,858,845	7,971,744
Current assets	**2,363,020**	**1,628,783**
Assets held for sale [2]	654,792	200,769
Cash and liquid assets [3]	1,342,503	1,063,320
Total Assets	**10,730,590**	**9,851,428**

1) including inventories – trading properties
2) excluding cash and cash equivalents held for sale
3) including cash and cash equivalents held for sale

As of the end of September 2020, GCP's total assets stood at €10.7 billion, 9% above the €9.9 billion as at the end of 2019. This increase was primarily driven by a higher liquidity position, operational profits and by positive revaluations of the investment property portfolio.

Non-current assets which amounted to €8.4 billion as of the end of September 2020, was marginally higher as compared to €8.2 billion reported as of December 2019. The value of investment properties amounted to €7.9 billion at the end of the reporting period, being slightly lower in comparison to €8.0 billion as of the year-end 2019 due to disposals and as a result of the reclassification of assets classified as held-for-sale which is reported under current assets. During the reporting period, GCP reclassified approx. €420 million of investment property into assets held for sale which were signed but not completed disposals within the reporting period. Of the total assets held for sale, disposals with a sale value of over €500 million are expected to be completed in the last quarter of 2020.

On a like for like basis, excluding the effect of disposals and acquisitions and net from capex and foreign currency exchange differences, the value of the investment property portfolio increased by over 3% as a result of positive revaluations of the portfolio since year-end 2019. Over the nine months of 2020, GCP completed disposals amounting to over €350 million which included properties of €270 million where the Company retained a minor stake leading to an increase in the balance of investments in equity-accounted investees which amounted to €109 million as of September 2020, up from €21 million in December 2019. During the nine months of 2020, GCP completed acquisitions amounting to approx. €380 million. The properties acquired are located mainly in London and Berlin and include over 500 quality units bought at an average multiple of 21x as well as over 700 units in London which are currently in the pre-let stage but are expected to be leased in the coming periods.

Further, non-current assets include deposits, long-term financial investments, and loans-to-own assets. Loans-to-own assets are asset-backed, high-interest loans with the potential to take over the assets at a significant discount to the asset value. In the current market environment, there are certain asset owners with a need for liquidity, while they do not wish to sell the underlying assets. Accordingly, loans-to-own provide GCP with an attractive acquisition alternative and underlines the value of the strong liquidity position maintained by the Company.

Current assets as of September 2020 amounted to €2.4 billion, increasing by 45% as compared to €1.6 billion reported as of the end of December 2019. This increase was driven by a higher liquidity position of €1.3 billion as of the end of September 2020 along with the reclassification of investment property to assets held for sale. In response to the coronavirus pandemic and the ensuing increase in volatilities in global markets, GCP strengthened its liquidity position in order to maintain its conservative financial platform. As a result, the Company remains well placed to respond swiftly as and when opportunities may arise. GCP's liquidity position also includes diversified traded securities which are classified as financial assets at fair value through profit and loss, amounting to approx. €271 million. Additionally, the increase of current assets was due to a higher balance of assets held for sale, which increased from €201 million as of December 2019 to €661 million as of the end of September 2020 primarily due to the reclassification of properties signed for disposals during the reporting period.

NOTES ON BUSINESS PERFORMANCE

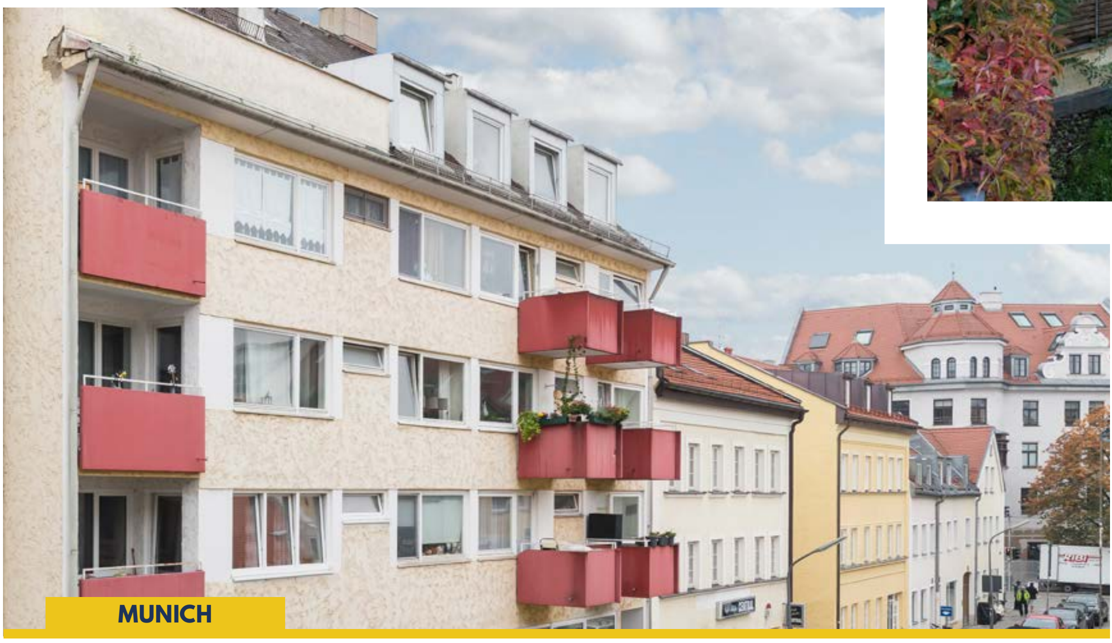
Liabilities

	Sep 2020	Dec 2019
	€'000	
Loans and borrowings [1]	569,436	558,709
Straight bonds	3,502,564	2,920,010
Convertible bond	276,931	274,908
Deferred tax liabilities [2]	663,327	601,139
Other long-term liabilities and derivative financial instruments [3]	175,835	184,106
Current liabilities [4]	330,500	345,957
Total Liabilities	**5,518,593**	**4,884,829**

1) including short-term loans and borrowings, debt redemption and financial debt held for sale
2) including deferred tax liabilities of assets held for sale
3) including short-term derivative financial instruments
4) excluding current liabilities included in the items above

Total liabilities as at the end of September 2020 amounted to €5.5 billion, increasing by 13% as compared to €4.9 billion of year-end 2019. This increase was in most part driven by the higher balance of straight bonds. During the reporting period, GCP issued Series W straight bonds amounting to €600 million in notional value and took on additional bank financing amounting to approx. €130 million at low interest rates and for terms of up to 20 years. This increase in bank debt and straight bonds was offset to some extent by bank loan repayments amounting to approx. €90 million comprising of high-interest, nearer-term loans. Together, these measures served to preserve the conservative and robust nature of the Company's financial platform.

Deferred tax liabilities which is primarily connected to the revaluation gains increased by €62 million during the nine months from December 2019, amounting to €663 million as of September 2020.



MUNICH

Debt Financing KPIs

Loan-To-Value

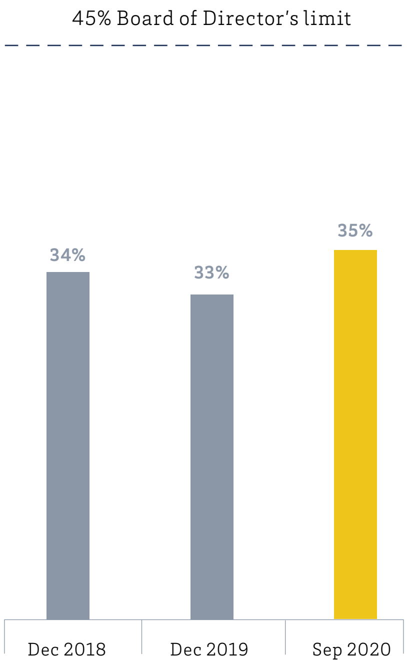
	Sep 2020	Dec 2019
	€'000	
Investment property 1)	7,799,389	7,909,693
Investment properties of assets held for sale	619,410	196,432
Investment in equity-accounted investees	109,158	21,020
Total value	**8,527,957**	**8,127,145**
Total debt 2)	4,348,931	3,753,627
Cash and liquid assets 3)	1,342,503	1,063,320
Net debt	**3,006,428**	**2,690,307**
LTV	**35%**	**33%**

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

GCP takes all steps required in order to maintain a conservative financial profile. This includes maintaining a low LTV, below the board-mandated limit of 45%. As of the end of September 2020, the Company's LTV was at 35%, compared to 33% as of December 2019, remaining far below the 45% limit.

In addition to a low LTV, GCP also works toward maintaining robust coverage ratios, a low average cost of debt and a long average debt maturity period. The Company's robust credit metrics are also reflected in the investment grade credit ratings by both S&P (BBB+) and Moody's (Baa1).

Low leverage with increasing profitability



For the nine months of 2020, the Company reported an ICR of 5.8x as well as a DSCR of 4.7x, mainly driven by the robust level of operational profit generation. Unencumbered assets forming part of the investment property portfolio amounted to €6.7 billion at the end of September 2020, which represents 79% of the total portfolio. In the event of any unforeseen circumstances, the healthy level of unencumbered assets provides GCP with additional avenues to strengthen its liquidity further.

Unencumbered Assets

	Sep 2020	Dec 2019
	€'000	
Unencumbered Assets	6,662,909	6,484,583
Total Investment properties (*)	8,478,255	8,168,176
Unencumbered Assets Ratio	**79%**	**79%**

(*) including investment property held for sale and inventories - trading property

Interest Coverage Ratio (ICR)

For the period of nine months ended 30 September	2020	2019
	€'000	
Adjusted EBITDA	223,077	219,971
Finance Expenses	38,322	33,987
Interest Coverage Ratio	**5.8x**	**6.5x**

Debt Service Coverage Ratio (DSCR)

For the period of nine months ended 30 September	2020	2019
	€'000	
Adjusted EBITDA	223,077	219,971
Finance Expenses	38,322	33,987
Amortisation of loans from financial institutions	9,127	6,574
Debt Service Coverage Ratio	**4.7x**	**5.4x**

NOTES ON BUSINESS PERFORMANCE

EPRA NAV

The EPRA NAV is defined by EPRA as the net asset value of the Company adjusted to include real estate properties and other investment interests at fair values and exclude certain items that are not expected to materialise in a long-term real estate business model. The purpose of the EPRA NAV is to adjust the IFRS NAV in order to provide stakeholders with the most relevant information on the Group's balance sheet items in the context of a true real estate investment company with a long-term oriented investment strategy. As perpetual notes are classified as equity in accordance with IFRS treatment, GCP additionally reports the EPRA NAV including the perpetual notes.

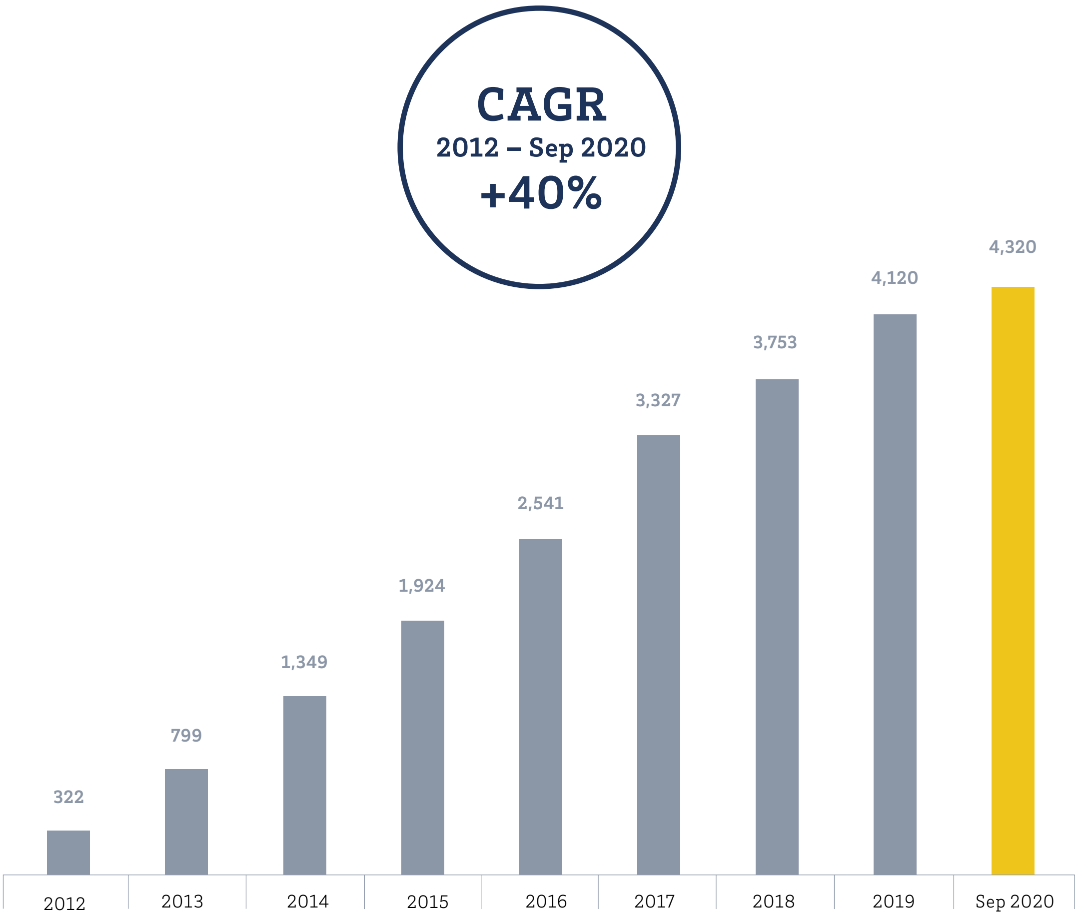
	Sep 2020		Dec 2019	
	€'000	€ per share	€'000	€ per share
Equity per the financial statements	**5,211,997**		**4,966,599**	
Equity attributable to perpetual notes investors	(1,030,574)		(1,030,050)	
Equity excluding perpetual notes	**4,181,423**		**3,936,549**	
Fair value measurements of derivative financial instruments, net [1]	(1,228)		26,656	
Deferred tax liabilities [2]	663,327		601,139	
NAV	**4,843,522**	**28.2**	**4,564,344**	**27.2**
Non-controlling interests	(523,130)		(443,917)	
EPRA NAV	**4,320,392**	**25.1**	**4,120,427**	**24.5**
Equity attributable to perpetual notes investors	1,030,574		1,030,050	
EPRA NAV incl. perpetual notes	**5,350,966**	**31.1**	**5,150,477**	**30.6**
EPRA NAV	**4,320,392**	**25.1**	**4,120,427**	**24.5**
Fair value measurements of derivative financial instruments, net [1]	1,228		(26,656)	
Adjustment to reflect fair value of debt	(209,980)		(169,511)	
Deferred tax liabilities [3]	(36,886)		(33,428)	
EPRA NNNAV	**4,074,754**	**23.7**	**3,890,832**	**23.1**
Basic number of shares including in-the-money dilution effects (in thousands)	171,979		168,087	

1) not including net change in fair value of derivative financial instruments related to currency effect
2) including balances held for sale
3) adjustment based on the Company's corporate structure and from actual transaction

As at the end of September 2020, GCP's EPRA NAV amounted €4.3 billion or €25.1 on a per share basis, increasing by 5% and 2% as compared to €4.1 billion or €24.5 per share, respectively as at the end of December 2019. This increase was mainly driven by the profit generated during the nine months of 2020, further supported by the high scrip ratio for the scrip dividend for the financial year 2019. 57% of the shareholders of the Company choose to receive the dividend in the form of scrip dividend, resulting in the issuance of 3.9 million new shares. The high scrip ratio supports the equity balance of the Company however, it slightly diluted the growth in EPRA NAV per share in the period.

GCP reported an EPRA NNNAV of €4.1 billion or €23.7 on per share basis as of September 2020, higher by 5% and 3% in comparison to €3.9 billion or €23.1 per share, respectively as of year-end 2019.

EPRA NAV development (in € millions)



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 value of the Company, leverage position, debt coverage abilities as well as liquidity headroom. 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 inventories, share of profit/(loss) 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 *EBITDA* value. Non-recurring and non-operational items are deducted such as the *Property revaluations and capital gains* and *Share in profit/loss from investment in equity-accounted investees*. Further adjustments are labeled as *Other adjustments* which are equity settled share-based payments 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 in profit from investment in equity-accounted investees
(+) 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* from, and adding the *Contribution from joint ventures*, to the *Adjusted EBITDA*.

FFO I reconciliation

Adjusted EBITDA
(-) Finance expenses (*)
(-) Current tax expenses
(+/-) Contribution from/(to) joint ventures and minorities, Net
(=) FFO I

(*) including the effects of IFRS 16

Reconciliation of FFO I after perpetual notes attribution

In line with the IFRS standards, GCP recognises perpetual notes as equity in its balance sheets. Therefore, attributions to this item is recorded through changes in equity. GCP reports FFO I after perpetual notes attribution for enhanced transparency. In this case, GCP deducts the *Adjustment for accrued perpetual notes attribution* from the *FFO I*.

FFO I after perpetual notes attribution reconciliation

FFO I
(-) Adjustment for accrued perpetual notes attribution
(=) FFO I after perpetual notes attribution

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. 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 Funds From Operations II (FFO II)

FFO II additionally incorporates on top of the FFO I the results from asset disposals, calculated as the difference between the disposal values and the property 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 I
(+) Result from disposal of properties
(=) FFO II

Reconciliation of the Net Asset Value according to EPRA (EPRA NAV)

The EPRA NAV is defined by EPRA as the net asset value of the Company adjusted to include real estate properties and other investment interests at fair values and exclude certain items that are not expected to materialise in a long-term real estate business model. The purpose of the EPRA NAV is to adjust the IFRS NAV in order to provide stakeholders with the most relevant information on the Group's balance sheet items in the context of a true real estate investment company with a long-term oriented investment strategy. As perpetual notes are classified as equity in accordance with IFRS treatment, GCP additionally reports the EPRA NAV including the perpetual notes.

The reconciliation of the EPRA NAV starts from the *Equity per the financial statements* and deducts the *Equity attributable to perpetual notes investors* to get to the *Equity excluding perpetual notes*. Adding the *Fair value measurements of derivative financial instruments* and the *Deferred tax liabilities* which include balances from held for sale results into the *NAV*. Both of these items are added back in line with EPRA standards since they are not expected to materialise in a long-term basis. Finally, equity that is attributable to the *Non-controlling interests* is deducted from the *NAV* to derive at the *EPRA NAV*. Adding to the *EPRA NAV* the balance of the *Equity attributable to perpetual investors* results in the *EPRA NAV including perpetual notes*.

EPRA NAV reconciliation

Equity per the financial statements
(-) Equity attributable to perpetual notes investors
(=) Equity excluding perpetual notes
(+) Fair value measurements of derivative financial instruments, net [1)]
(+) Deferred tax liabilities [2)]
(=) NAV
(-) Non-controlling interests
(=) EPRA NAV
(+) Equity attributable to perpetual investors
(=) EPRA NAV incl. perpetual notes

1) not including net change in fair value of derivative financial instruments related to currency effect
2) including balances held for sale

Reconciliation of the Triple Net Asset Value according to EPRA (EPRA NNNAV)

The EPRA NNNAV is derived by adjusting the EPRA NAV by marking to market the values of the Company's financial debt, derivative financial instruments and deferred taxes. The purpose of the EPRA NNNAV is to provide stakeholders with the most relevant information on the Company's financial liabilities by reporting them at their fair values as of the end of the period. Accordingly, to derive at the EPRA NNNAV, the *Fair value measurements of derivative financial instruments* is deducted from the EPRA NAV as well as an *Adjustment to reflect fair value of debt*. The adjustment is the difference between the market value of debt and book value of debt, adjusted for taxes. Lastly, *Deferred tax liabilities*, which according to EPRA's best practice recommendations should be based on evidence observed in the market, are deducted to reach to the *EPRA NNNAV*.

EPRA NNNAV reconciliation

EPRA NAV
(-) Fair value measurements of derivative financial instruments, net
(-) Adjustment to reflect fair value of debt
(-) Deferred tax liabilities[(*)]
(=) EPRA NNNAV

(*) adjustment based on the Company's corporate structure and from actual transactions

ALTERNATIVE PERFORMANCE MEASURES

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 *Equity-accounted investees and excludes the effects of IFRS 16*. 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, loan redemption*, and *Financial debt held for sale* while Straight bonds include the *Bond redemption*. Cash and liquid assets is the sum of *Cash and cash equivalents, Traded securities at fair value through profit and loss*, and *Cash and cash equivalents held for sale*.

Loan-To-Value reconciliation

(+) Investment property 1)
(+) Investment property of assets held for sale
(+) Investment in equity-accounted investees
(=) (a) Total value
(+) Total debt 2)
(-) Cash and liquid assets 3)
(=) (b) Net debt
(=) (b/a) LTV

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

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 property of assets held for sale*.

Unencumbered Assets Ratio reconciliation

(a) Unencumbered assets
(b) Total investment properties (*)
(=) (a/b) Unencumbered Assets Ratio

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

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 *Finance expenses* plus *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

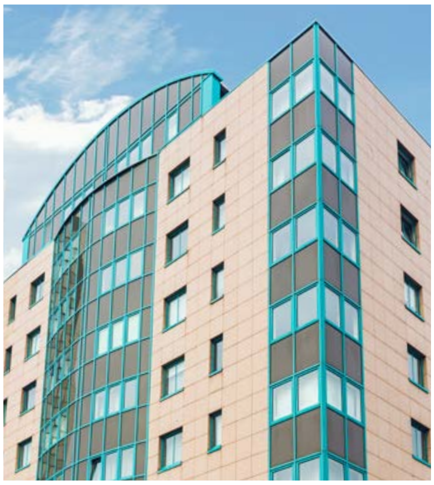
(a) Adjusted EBITDA
(b) Finance expenses
(c) Amortisation of loans from financial institutions
(=) [a/(b+c)] DSCR

Reconciliation of Equity Ratio

The Equity ratio is an accepted measure to understand and gauge the financing structure of a firm. This ratio shows what proportion of the company's assets are funded by equity shares. Further, it also shows how much shareholders would receive in the event of a company-wide liquidation.

Equity Ratio reconciliation

(a) Total Equity
(b) Total Assets
(=) (a/b) Equity Ratio



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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.

By order of the Board of Directors,
Luxembourg, November 16, 2020

Mr. Christian Windfuhr
Chairman of the
Board of Directors

Ms. Simotne Runge-Brandner
Member of the
Board of Directors

Mr. Daniel Malkin
Member of the
Board of Directors


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Sport-Tiedje
30
ZONE
FITNESSGERÄT
BERLIN


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CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the period of nine months ended 30 September		For the period of three months ended 30 September	
		2020	2019	2020	2019
		Unaudited			
	Note	€'000			
Revenue	5	**401,238**	**418,495**	**133,515**	**140,300**
Property revaluations and capital gains		271,711	296,679	51,090	85,802
Share of profit from investments in equity-accounted investees		3,936	322	1,980	-
Property operating expenses		(170,750)	(*)(191,928)	(55,194)	(*)(64,392)
Administrative and other expenses		(8,873)	(*)(8,187)	(3,011)	(*)(2,715)
Depreciation and amortisation		(3,492)	(*)(2,980)	(1,212)	(*)(1,392)
Operating profit		**493,770**	**512,401**	**127,168**	**157,603**
Finance expenses		(38,322)	(33,987)	(14,025)	(11,180)
Other financial results		(41,400)	(20,591)	(4,273)	(860)
Profit before tax		**414,048**	**457,823**	**108,870**	**145,563**
Current tax expenses		(22,563)	(23,283)	(8,044)	(7,854)
Deferred tax expenses		(48,990)	(69,937)	(11,061)	(22,673)
Profit for the period		**342,495**	**364,603**	**89,765**	**115,036**
Profit attributable to:					
Owners of the Company		283,708	301,387	77,632	87,347
Perpetual notes investors		24,774	24,682	8,319	8,317
Non-controlling interests		34,013	38,534	3,814	19,372
		342,495	**364,603**	**89,765**	**115,036**
Net earnings per share attributable to the owners of the Company (in €):					
Basic earnings per share		1.68	1.80	0.45	0.52
Diluted earnings per share		1.58	1.70	0.43	0.49

(*) reclassified

The notes on pages 50 to 56 form an integral part of these condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the period of nine months ended 30 September		For the period of three months ended 30 September	
	2020	2019	2020	2019
	Unaudited			
	€'000			
Profit for the period	**342,495**	**364,603**	**89,765**	**115,036**
Other comprehensive 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	(28,421)	(1,492)	(816)	(421)
Cost of hedging	(20,687)	(15,123)	(8,257)	(7,023)
Total other comprehensive loss for the period, net of tax	**(49,108)**	**(16,615)**	**(9,073)**	**(7,444)**
Total comprehensive income	**293,387**	**347,988**	**80,692**	**107,592**
Total comprehensive income attributable to:				
Owners of the company	234,600	284,772	68,559	79,903
Perpetual notes investors	24,774	24,682	8,319	8,317
Non-controlling interests	34,013	38,534	3,814	19,372
	293,387	**347,988**	**80,692**	**107,592**

The notes on pages 50 to 56 form an integral part of these condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 September 2020 Unaudited	As at 31 December 2019 Audited
		€'000	
Assets			
Equipment and intangible assets		27,882	27,233
Investment property	6	7,842,392	7,956,034
Advanced payment and deposits		34,223	25,106
Investment in equity-accounted investees		109,158	21,020
Derivative financial assets		84,557	25,808
Other non-current assets		212,948	125,099
Deferred tax assets		56,410	42,345
Non-current assets		**8,367,570**	**8,222,645**
Cash and cash equivalents		1,065,470	914,054
Financial assets at fair value through profit and loss		270,591	148,706
Inventories - trading property		16,453	15,710
Trade and other receivables		343,281	342,285
Derivative financial assets		5,991	6,699
Assets held for sale		661,234	201,329
Current assets		**2,363,020**	**1,628,783**
Total assets		**10,730,590**	**9,851,428**

The notes on pages 50 to 56 form an integral part of these condensed interim consolidated financial statements

	Note	As at 30 September 2020 Unaudited	As at 31 December 2019 Audited
		€'000	
Equity			
Share capital	9	17,186	16,790
Share premium and other reserves		464,160	(*)583,482
Retained earnings		3,176,947	2,892,360
Total equity attributable to the owners of the Company		**3,658,293**	**3,492,632**
Equity attributable to perpetual notes investors		1,030,574	1,030,050
Total equity attributable to the owners and perpetual notes investors		**4,688,867**	**4,522,682**
Non-controlling interests		523,130	443,917
Total equity		**5,211,997**	**4,966,599**
Liabilities			
Loans and borrowings		493,218	521,110
Convertible bond		276,931	274,908
Straight bonds	7	3,390,110	2,920,010
Derivative financial liabilities		31,499	18,488
Other non-current liabilities		143,632	103,757
Deferred tax liabilities		624,590	592,274
Non-current liabilities		**4,959,980**	**4,430,547**
Current portion of long-term loans		9,461	12,136
Bond and Loan redemption		133,580	21,126
Trade and other payables		232,272	287,664
Derivative financial liabilities		704	61,861
Tax payable		16,916	15,599
Provisions for other liabilities and charges		49,282	39,394
Liabilities held for sale		116,398	16,502
Current liabilities		**558,613**	**454,282**
Total liabilities		**5,518,593**	**4,884,829**
Total equity and liabilities		**10,730,590**	**9,851,428**

(*) reclassified

The Board of Directors of Grand City Properties S.A. authorised these condensed interim consolidated financial statements to be issued on 16 November 2020.

Mr. Christian Windfuhr
Chairman of the
Board of Directors

Ms. Simone Runge-Brandner
Member of the
Board of Directors

Mr. Daniel Malkin
Member of the
Board of Directors

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to the owners of the Company											
€'000	Share capital	Share Premium	Equity component of convertible bond	Cost of hedging reserve	Foreign exchange translation reserves, net	Other reserves	Retained earnings	Total equity attributable to the owners of the company	Equity attributable to perpetual notes investors	Equity attributable to owners of the Company and perpetual notes investors	Non-controlling interests	Total equity
Balance as at 31 December 2019 (audited)	**16,790**	**566,680**	**12,657**	**(9,873)**	**(10,467)**	**24,485**	**2,892,360**	**3,492,632**	**1,030,050**	**4,522,682**	**443,917**	**4,966,599**
Profit for the period	-	-	-	-	-	-	283,708	283,708	24,774	308,482	34,013	342,495
Other comprehensive loss for the period	-	-	-	(20,687)	(28,421)	-	-	(49,108)	-	(49,108)	-	(49,108)
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**(20,687)**	**(28,421)**	**-**	**283,708**	**234,600**	**24,774**	**259,374**	**34,013**	**293,387**
Dividend distribution (*)	-	(138,407)	-	-	-	-	-	(138,407)	-	(138,407)	-	(138,407)
Scrip dividend (*)	385	67,009	-	-	-	-	-	67,394	-	67,394	-	67,394
Share-based payment	11	1,905	-	-	-	(721)	-	1,195	-	1,195	-	1,195
Initial consolidation, deconsolidation and transactions with non-controlling interests	-	-	-	-	-	-	879	879	-	879	45,200	46,079
Payment to perpetual notes investors	-	-	-	-	-	-	-	-	(24,250)	(24,250)	-	(24,250)
Balance as at 30 September 2020 (unaudited)	**17,186**	**497,187**	**12,657**	**(30,560)**	**(38,888)**	**23,764**	**3,176,947**	**3,658,293**	**1,030,574**	**4,688,867**	**523,130**	**5,211,997**

(*) For additional information see note 8.

	Equity attributable to the owners of the Company											
€'000	Share capital	Share Premium	Equity component of convertible bond	Cost of hedging reserve	Foreign exchange translation reserves, net	Other reserves	Retained earnings	Total equity attributable to owners of the company	Equity attributable to perpetual notes investors	Equity attributable to the owners of the Company and perpetual notes investors	Non-controlling interests	Total equity
Balance as at 31 December 2018 (audited)	**16,672**	**673,288**	**12,657**	**(39)**	**(9,555)**	**24,195**	**2,510,278**	**3,227,496**	**1,030,050**	**4,257,546**	**409,441**	**4,666,987**
Adjustment on initial application of IFRS 16, net of tax	-	-	-	-	-	-	20,439	20,439	-	20,439	-	20,439
Restated balance as at 1 January 2019	**16,672**	**673,288**	**12,657**	**(39)**	**(9,555)**	**24,195**	**2,530,717**	**3,247,935**	**1,030,050**	**4,277,985**	**409,441**	**4,687,426**
Profit for the period	-	-	-	-	-	-	301,387	301,387	24,682	326,069	38,534	364,603
Other Comprehensive loss for the period	-	-	-	(15,123)	(1,492)	-	-	(16,615)	-	(16,615)	-	(16,615)
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**(15,123)**	**(1,492)**	**-**	**301,387**	**284,772**	**24,682**	**309,454**	**38,534**	**347,988**
Dividend distribution (*)	-	(129,002)	-	-	-	-	-	(129,002)	-	(129,002)	-	(129,002)
Scrip dividend (*)	112	21,623	-	-	-	-	-	21,735	-	21,735	-	21,735
Share-based payment	6	771	-	-	-	(232)	-	545	-	545	-	545
Initial consolidation, deconsolidation and transactions with non-controlling interests	-	-	-	-	-	-	(39,141)	(39,141)	-	(39,141)	(7,205)	(46,346)
Payment to perpetual notes investors	-	-	-	-	-	-	-	-	(24,250)	(24,250)	-	(24,250)
Balance as at 30 September 2019 (unaudited)	**16,790**	**566,680**	**12,657**	**(15,162)**	**(11,047)**	**23,963**	**2,792,963**	**3,386,844**	**1,030,482**	**4,417,326**	**440,770**	**4,858,096**

(*) reclassified


NEUSSER GRILL-PIZZERIA
Jacques
COLOGNE

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	For the period of nine months ended 30 September	
	2020	2019
	Unaudited	
	€'000	
Cash flows from operating activities:		
Profit for the period	**342,495**	**364,603**
Adjustments for the profit:		
Depreciation and amortisation	3,492	2,980
Property revaluations and capital gains	(271,711)	(296,679)
Share of profit from investments in equity-accounted investees	(3,936)	(322)
Net finance expenses	79,722	54,578
Current and deferred tax expenses	71,553	93,220
Equity settled share-based payment	1,462	1,591
Change in working capital	(34,207)	(10,979)
	188,870	**208,992**
Tax paid	(18,642)	(21,108)
Net cash provided by operating activities	**170,228**	**187,884**
Cash flows from investing activities:		
Acquisition of equipment and intangible assets, net	(4,461)	(6,305)
Acquisition of investment property, capex and advances paid, net	(302,218)	(322,021)
Disposals of investment property, net	298	201,627
Acquisition of investees and loans, net of cash acquired	(115,922)	(112,319)
Disposal of investees and loans, net of cash disposed	245,567	39,763
Net investment in financial and other assets, net	(300,519)	186,284
Net cash used in investing activities	**(477,255)**	**(12,971)**

The notes on pages 50 to 56 form an integral part of these condensed interim consolidated financial statements

	For the period of nine months ended 30 September	
	2020	2019
	Unaudited	
	€'000	
Cash flows from financing activities:		
Amortisation of loans from financial institutions	(9,127)	(6,574)
Net proceeds (repayments) of loans from financial institutions	32,985	(342,894)
Proceeds from straight bonds, net	580,908	722,534
Payment to perpetual notes investors	(24,250)	(24,250)
Transactions with non-controlling interests	-	(59,436)
Dividend distributed to the shareholders	(71,013)	(107,245)
Interest and other financial expenses, net	(40,456)	(56,845)
Net cash provided by financing activities	**469,047**	**125,290**
Net increase in cash and cash equivalents	**162,020**	**300,203**
Change in cash and cash equivalents held for sale	(5,882)	(4,552)
Cash and cash equivalents at the beginning of the period	914,054	603,158
Effect of foreign exchange rate changes	(4,722)	(104)
Cash and cash equivalents at the end of the period	**1,065,470**	**898,705**

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. General

Grand City Properties S.A. ("the Company") was incorporated in Luxembourg on 16 December 2011 as a société anonyme (public limited liability company). Its registered office is at 1, Avenue du Bois L-1251 Luxembourg. The Company's shares are listed on the Prime Standard of the Frankfurt Stock Exchange and included in the MDAX index of the Deutsche Börse.

The Company is a specialist in residential real estate, investing in value-add opportunities in densely populated areas, mainly in Germany. The Company's strategy is to improve its properties through targeted modernisation and intensive tenant management and create value by subsequently raising occupancy and rental levels.

These condensed interim consolidated financial statements for the nine months ended 30 September 2020 ("the reporting period") consist of the financial statements of the Company and its investees ("the Group").

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 disposed properties in total amount of over €350 million due to loss of control. The Group remained with non-controlling interest in some of these properties, for which the Group accounts for as equity-accounted investees. At the same time, the Group acquired assets of approximately €380 million, primarily in London and Berlin. In addition, the Group signed contracts to sell properties of €500 million.
- The Group issued €600 million in bonds under the EMTN programme (see note 7). In addition, The Group refinanced some of its bank loans, in order to maintain a low cost of debt and longer average maturity period.
- During the reporting period, the Group distributed a dividend in total amount of 138.5 million or €0.8238 per share (see note 8).
- The company had seen a stable nine-month period ended 30 September 2020, with an immaterial impact from COVID-19. The Group has taken measures to minimize the effect of the Pandemic and the shutdown and has made the necessary measures to secure the health of its employees. As of the date of this report, the Group maintains its strong liquidity and conservative financial position, which provide a financial cushion from a significant downside scenario.
- 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 annual consolidated financial statements as at 31 December 2019.

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 2019.

The accounting policies adopted in the preparation of these condensed 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 2019, 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 2020:

- **Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform**
  A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of interbank offered rates (IBORs) with alternative nearly risk-free rates ("IBOR reform"). The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement, provide several reliefs, which apply to all hedging relationships that are directly affected by the IBOR reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

  The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition across the jurisdictions that the Group operates in. The Group anticipates that the IBOR reform will impact its risk management and hedge accounting.

  The Group monitors and manages the transition to alternative rates and evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as result of IBOR reform and how to manage communication about the IBOR reform with counterparties. The Group expects to negotiate the inclusion of new fallback clauses with its derivative counterparties.

  For the purpose of evaluating whether there is an economic relationship between the hedged items and the hedging instruments, the Group assumes that the benchmark interest rate is not altered as result of IBOR reform.

  The Group will cease to apply the amendments to its assessment of the economic relationship between the hedged item and the hedging instrument when the uncertainty arising from IBOR reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, or when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the amendments when the uncertainty arising from IBOR reform about the timing and amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

- **Amendments to IFRS 3: Definition of a Business**
  The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Company but may impact future periods should the Company enter into any business combinations.

- **Amendments to IAS 1 and IAS 8: Definition of Material**
  The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of the Company.

- **Amendments to References to the Conceptual Framework in IFRS Standards**
  The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Company.

Further to the amendments described above, the following amendment was adopted for the first time in these condensed interim consolidated financial statements, with effective date of 1 June 2020:

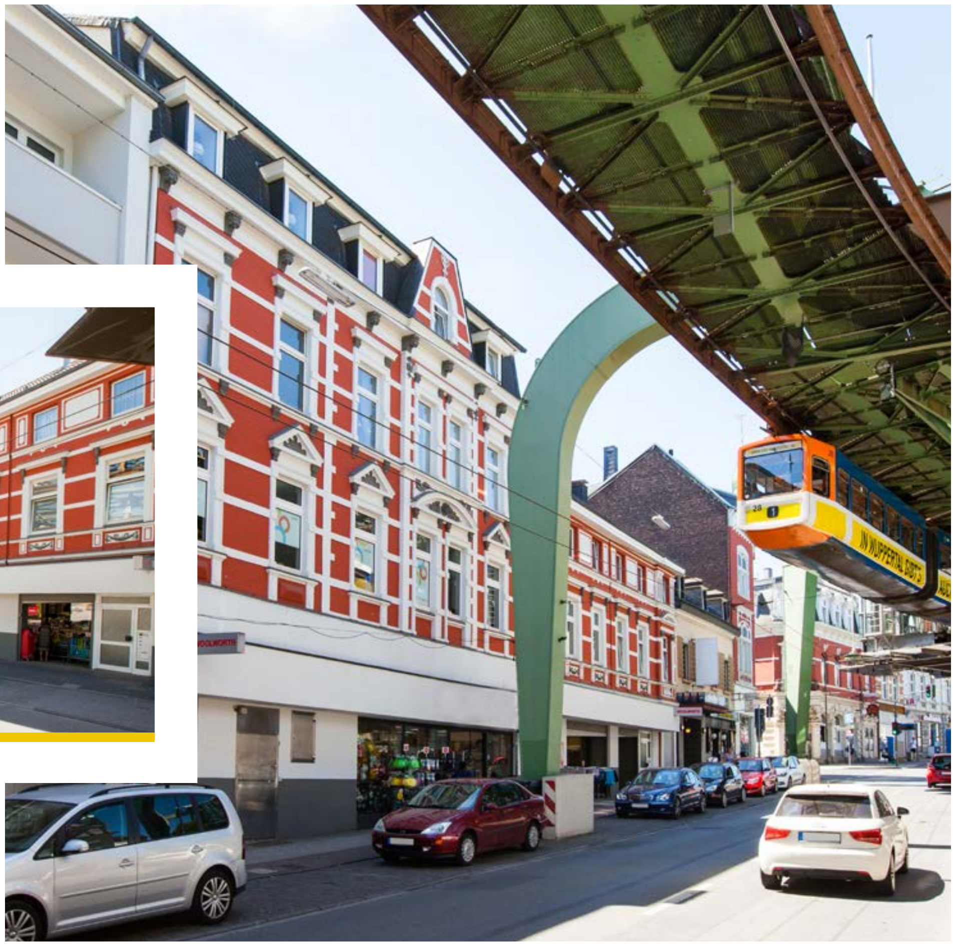
- **Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions**
  In May 2020, the International Accounting Standards Board (Board) issued Covid-19-Related Rent Concessions, which amended IFRS 16 Leases. The amendment permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The amendment had no impact on the consolidated financial statements of the Company.

5. Revenue

	For the period of nine months ended 30 September	
	2020	2019
	Unaudited	
	€'000	
Net rental income	278,973	285,030
Operating and other income	122,265	133,465
	401,238	**418,495**

Geographical information

	For the period of nine months ended 30 September	
	2020	2019
	Unaudited	
	€'000	
Revenues		
Germany	360,082	398,362
United Kingdom	37,244	20,133
Others	3,912	-
	401,238	**418,495**



6. Investment Property

	For the period of nine months ended 30 September 2020	For the year ended 31 December 2019
	Unaudited	Audited
	€'000	
As at 1 January	**7,956,034**	**7,227,290**
Plus: investment property classified as held for sale	196,432	132,137
Total investment property	**8,152,466**	**7,359,427**
Adjustment for initial application of IFRS 16	-	68,678
Acquisitions of investment property during the period / year	387,079	681,465
Capital expenditures on investment property during the period / year	53,148	92,949
Disposal of investment property during the period / year	(357,425)	(464,277)
Fair value adjustments	265,712	369,987
Effect of foreign currency exchange differences	(39,178)	46,017
Transfer from/to investment property	-	(1,780)
Total investment property	**8,461,802**	**8,152,466**
Less: investment property classified as held for sale	(619,410)	(196,432)
As at 30 September / 31 December	**7,842,392**	**7,956,034**

For the completion of a sale transaction after the reporting period see note 13.

7. Straight bonds

On 9 April 2020, under the EMTN Programme, the Company issued €600 million straight bond series W due 2024, at an issue price of 98.545% of the principal amount with € coupon 1.7%.

8. Dividends

	2020	2019
Dividend per share (in €)	0.8238	0.7735
Total dividend amount (in €'000)	138,407	129,002

On 24 June 2020, the annual general meeting of the shareholders of the Company has resolved upon a dividend distribution of €0.8238 (gross) per share for the year 2019 (2019: €0.7735 (gross) per share for the year 2018). The total gross amount of the dividend amounted to €138.5 million (2019: 129 million) and deducted from the share premium account.

The Company has also provided shareholders with the option to receive their dividend through a scrip dividend. From 25 June 2020 to 7 July 2020, shareholders of the company could elect to receive up to 85% of their dividend in the form of shares of the Company, with the reminder paid in cash. Shareholders who did not elect to participate in the scrip dividend have received their dividend in cash.

As a result of the scrip dividend the Company issued 3,853,379 (2019: 1,118,687) new shares in total value of €67 million. The remaining of the dividend in total amount of approximately €71 million has been paid in cash during July 2020.

On 2 July 2020, as a result of the dividend distribution, the conversion price of the convertible bond series F has been adjusted from €24.8141 to €23.9270 Euro.

9. Share capital

	For the period of nine months ended 30 September 2020		For the year ended 31 December 2019	
	Number of shares	€'000	Number of shares	€'000
	Unaudited		Audited	
Balance as at the beginning of the period/year	**167,895,560**	**16,790**	**166,718,395**	**16,672**
Issuance of new ordinary share as part of scrip dividend	3,853,379	385	1,118,687	112
Issuance of new ordinary shares as part of share-based payment	115,111	11	58,478	6
Balance as at the end of the period/year	**171,864,050**	**17,186**	**167,895,560**	**16,790**

10. 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.

10.1 Fair value hierarchy

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 September 2020 and 31 December 2019 on a recurring basis:

	As at 30 September 2020					As at 31 December 2019				
			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 (*)	287,886	287,886	194,688	93,198	-	162,220	162,220	139,274	22,946	-
Derivative financial assets	90,548	90,548	-	90,548	-	32,507	32,507	-	32,507	-
Total financial assets	**378,434**	**378,434**	**194,688**	**183,746**	**-**	**194,727**	**194,727**	**139,274**	**55,453**	**-**
Financial liabilities										
Derivative financial liabilities	32,203	32,203	-	32,203	-	80,349	80,349	-	80,349	-
Total financial liabilities	**32,203**	**32,203**	**-**	**32,203**	**-**	**80,349**	**80,349**	**-**	**80,349**	**-**

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

The Group also has a number of financial instruments which are not measured at fair value in the consolidated statement of financial position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since interest receivable/payable is either close to current market rates or the instruments are short-term in nature. Significant differences were identified for the following instruments as at 30 September 2020:

	As at 30 September 2020					As at 31 December 2019				
			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										
Straight bonds (*)	3,502,564	3,767,786	3,581,360	186,426	-	2,920,010	3,115,599	2,924,039	191,560	-
Convertible bond	276,931	286,526	286,526	-	-	274,908	299,942	299,942	-	-
Total financial liabilities	**3,779,495**	**4,054,312**	**3,867,886**	**186,426**	**-**	**3,194,918**	**3,415,541**	**3,223,981**	**191,560**	**-**

(*) 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 and level 2 during the reporting period.

10.2. 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.
- 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.

11. Commitments

As at the reporting date, the Group did not have significant obligations.

12. Contingent Assets And Liabilities

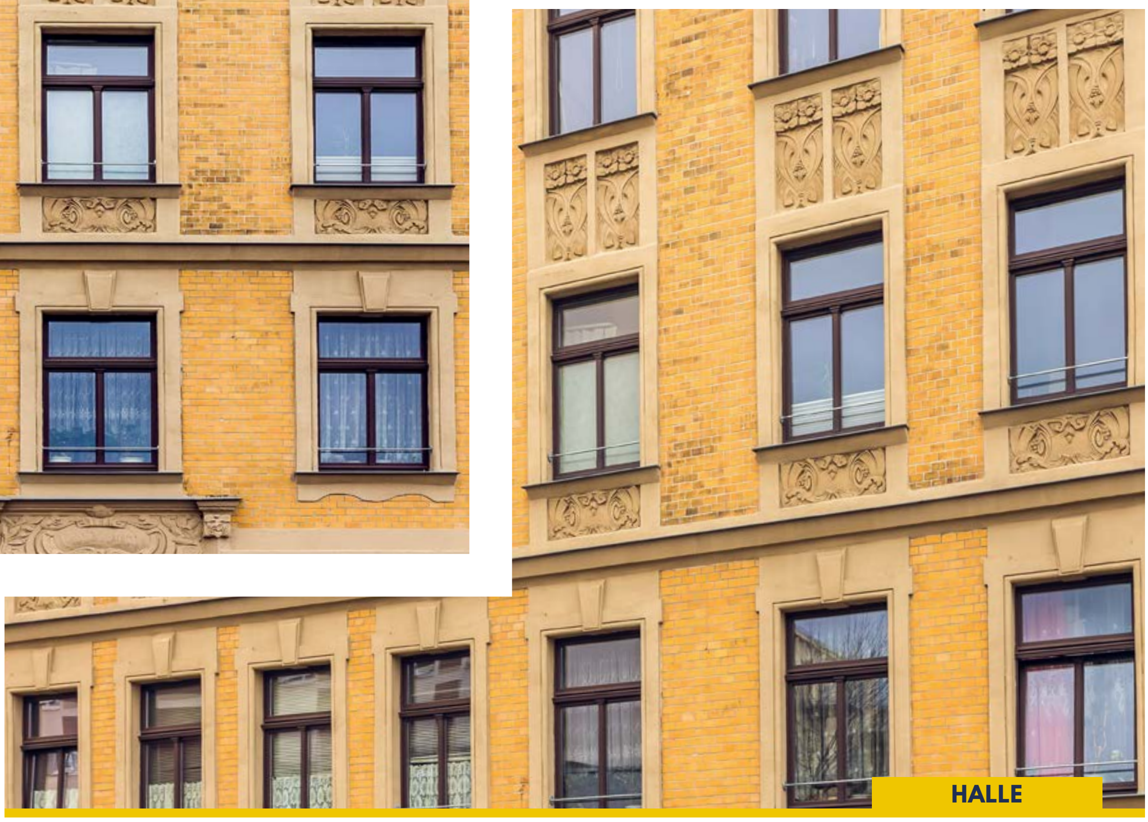
The Group had no significant contingent assets and liabilities as of 30 September 2020.

13. Events after the reporting period

After the reporting period, the Group completed the sale of properties in value of approx. €130 million.

14. 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 November 2020.



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