CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

COLOGNE

GRAND CITY
Properties S.A.

BERLIN

CONTENTS

IMPRINT

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KEY FINANCIALS

BALANCE SHEET HIGHLIGHTS

in €'000 unless otherwise indicated	Jun 2020	Dec 2019	Dec 2018
Total Assets	**10,749,170**	9,851,428	8,860,526
Investment property [1)]	**7,977,432**	7,971,744	7,243,915
Total Equity	[3)] **5,007,920**	4,966,599	4,666,987
Cash and liquid assets [2)]	**1,525,430**	1,063,320	760,374
Loan-to-Value	**36%**	33%	34%
Equity Ratio	**47%**	50%	53%

1) including inventories - trading properties
2) including cash and cash equivalents held for sale
3) net of dividend amounting to €138 million

P&L HIGHLIGHTS

in €'000 unless otherwise indicated	1–6/2020	Change	1–6/2019
Revenue*	**267,723**	-4%	278,195
Net rental income*	**186,364**	-2%	189,320
Adjusted EBITDA	**147,106**	1%	146,253
FFO I	**107,990**	2%	106,030
FFO I per share (in €)	**0.64**	0%	0.64
FFO I per share after perpetual notes attribution (in €)	**0.55**	2%	0.54
FFO II	**216,011**	13%	191,060
EBITDA	**368,882**	4%	356,386
Profit for the period	**252,730**	1%	249,567
EPS (basic) (in €)	**1.23**	-4%	1.28
EPS (diluted) (in €)	**1.16**	-4%	1.21

* Revenue and net rental income decrease is due to net disposals during the period. The rental income like-for-like for the twelve months ending in June 2020 was 3.1%

NAV HIGHLIGHTS

in €'000 unless otherwise indicated	NAV	EPRA NAV	EPRA NAV including perpetual notes	EPRA NNNAV
Jun 2020	**4,641,659**	**4,177,662**	**5,199,917**	**3,988,207**
Jun 2020 per share (in €)	**27.6**	**24.9**	**30.9**	**23.7**
Per share growth (dividend adjusted)	**+4%**	**+5%**	**+4%**	**+6%**
Per share growth	**+1%**	**+2%**	**+1%**	**+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

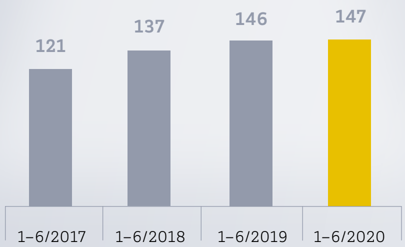
For further clarification of the alternative performance measures please see the relevant section in this report


1907
COLOGNE

HIGHLIGHTS

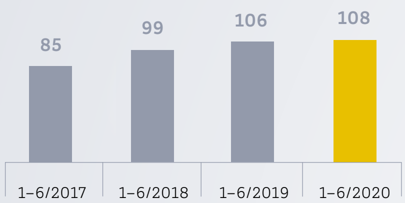
Adjusted EBITDA (in € millions)

CAGR +7%



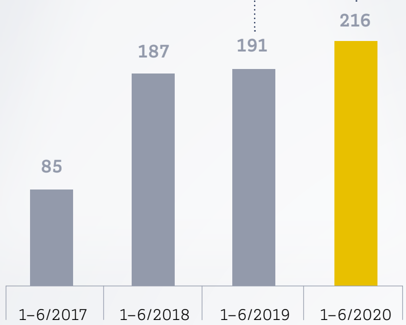
FFO I (in € millions)

CAGR +8%



FFO II (in € millions)

+13% 1–6/2019 – 1–6/2020



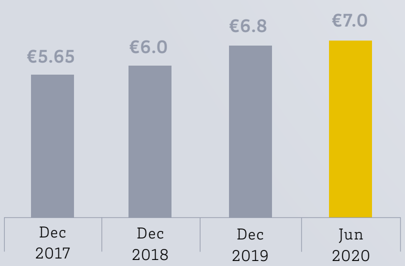
+2.1% L-F-L In-place rent growth Jun 2020

+3.1% L-F-L Total net rent growth Jun 2020

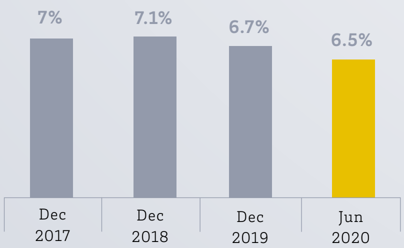
+1.0% L-F-L Occupancy growth Jun 2020

In-place rent (in €/sqm)

CAGR +9%

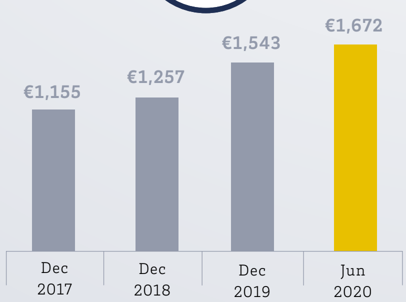


Vacancy



Value/sqm (in €/sqm)

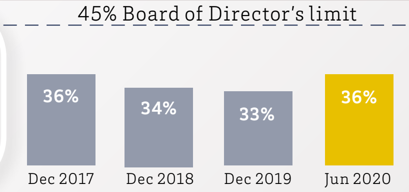
CAGR +16%



MAXIMISING SHAREHOLDER VALUE CREATION

Diversified portfolio with stable financial platform

Low Leverage (Loan-To-Value)



LTV well below board mandanted limit of 45%

Diversified portfolio with robust profitability and strong coverage ratios

6.1x ICR

4.8x DSCR

Very high headroom to meet financial covenant

High liquidity

- Liquidity position of over €1.5 bn
- Large level of unencumbered assets amounting to €6.2 bn (77%)

Maintaining strong liquidity position with unencumbered assets well above 50%

Low cost of debt

Long debt maturity

1.4% Average cost of debt

7 YEARS Average debt maturity

Long debt maturity profile with diverse source of debt capital

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.

43% over total costs

€350* million disposals

Value gains crystalised through disposals

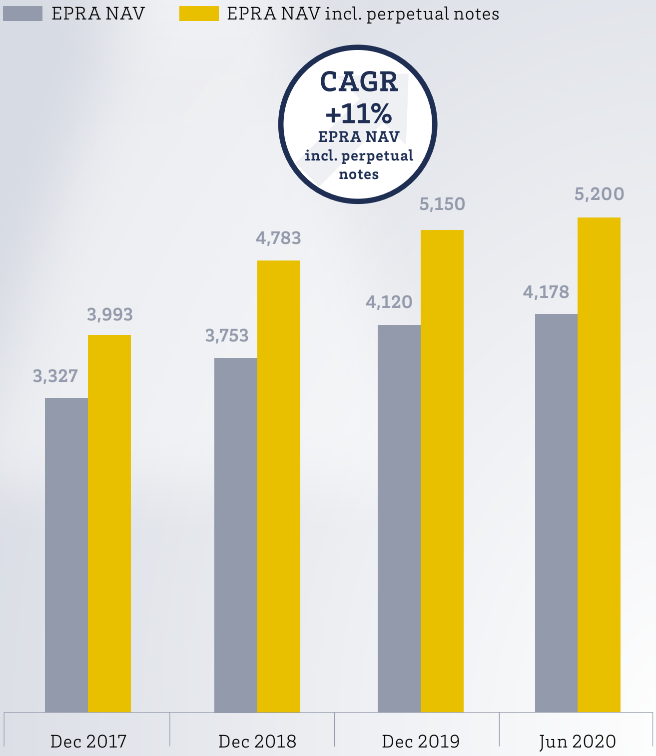
€150* million accretive aqcuisitions

Quality assets with upside potential

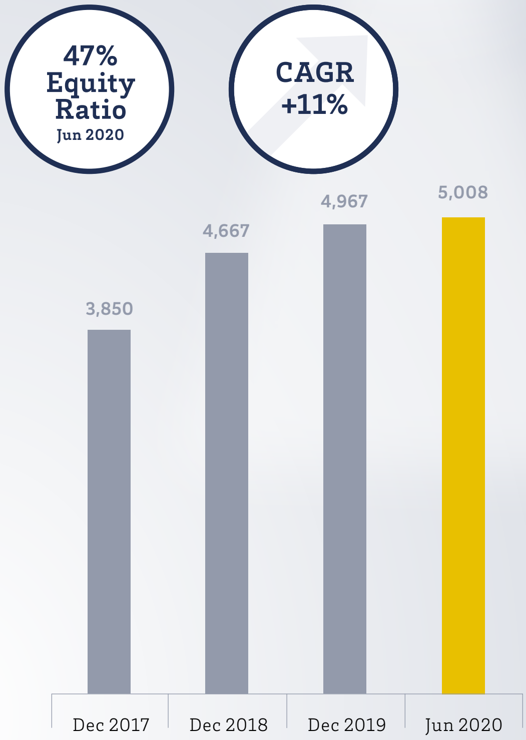
* after the reporting period the Company signed additional amount of approx. €370 million disposals which are expected to be completed in the end of 2020, as well as over €150 million acquisitions.

HIGHLIGHTS

EPRA NAV (in € millions)



Total Equity (in € millions)

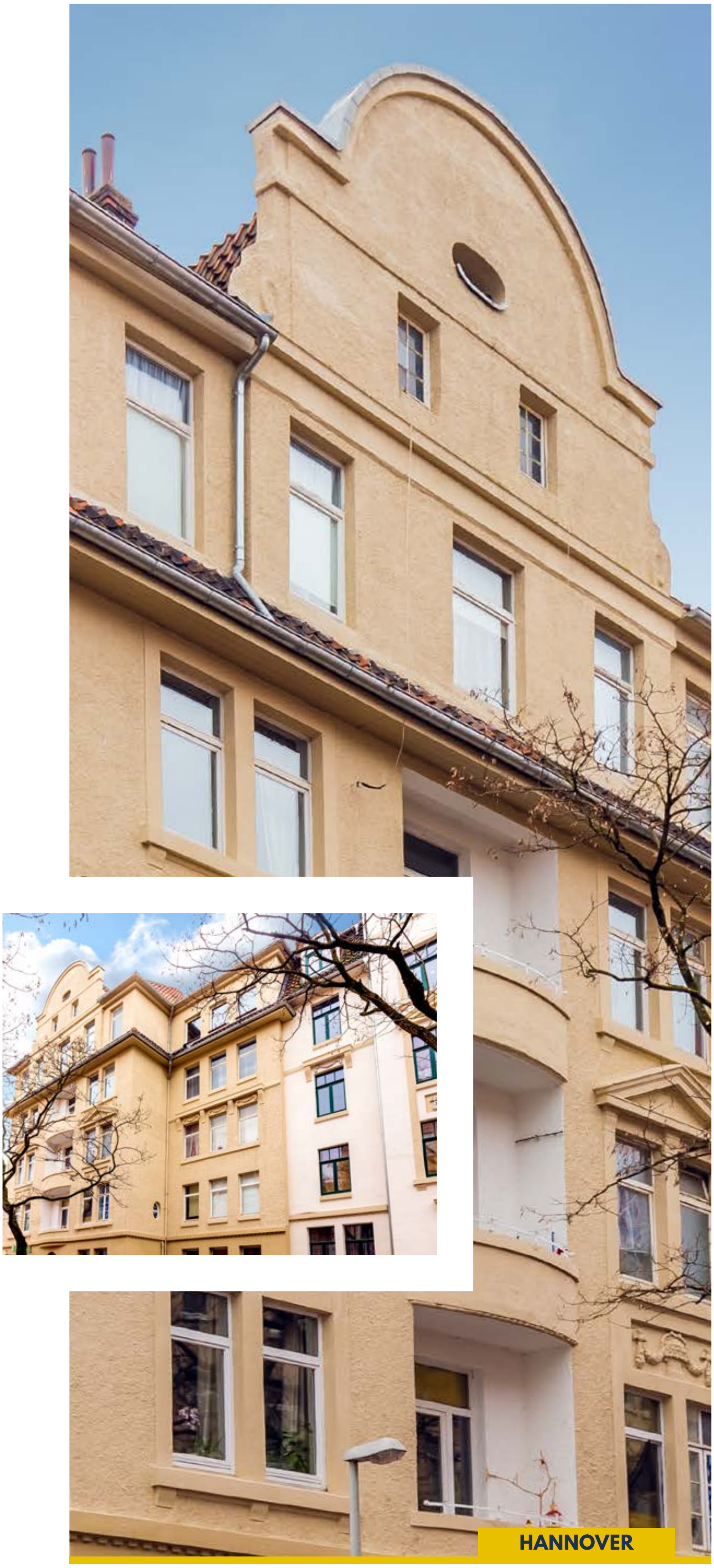


EPRA NAV per share (in €)

FFO I per share (in €)

1) based on a share price of €20.6

THE COMPANY



HANNOVER

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 June 30, 2020.

The figures presented in this Board of Director's Report are based on the condensed interim consolidated financial statements as of June 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 June 2020 consists of 71k 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 centralized 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

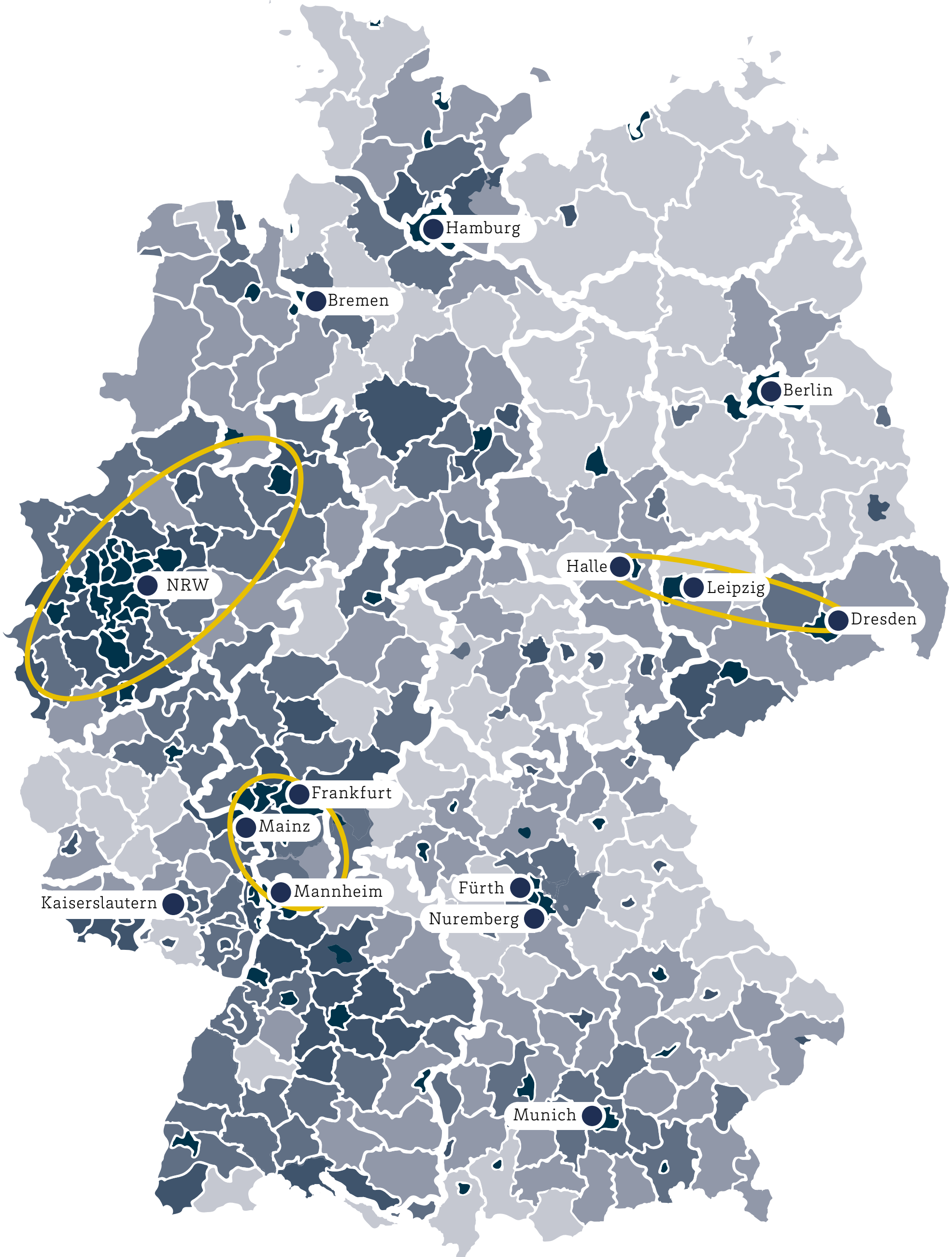
283 – 933

156 - 283

105 – 156

36 - 105

* Based on data from Destatis



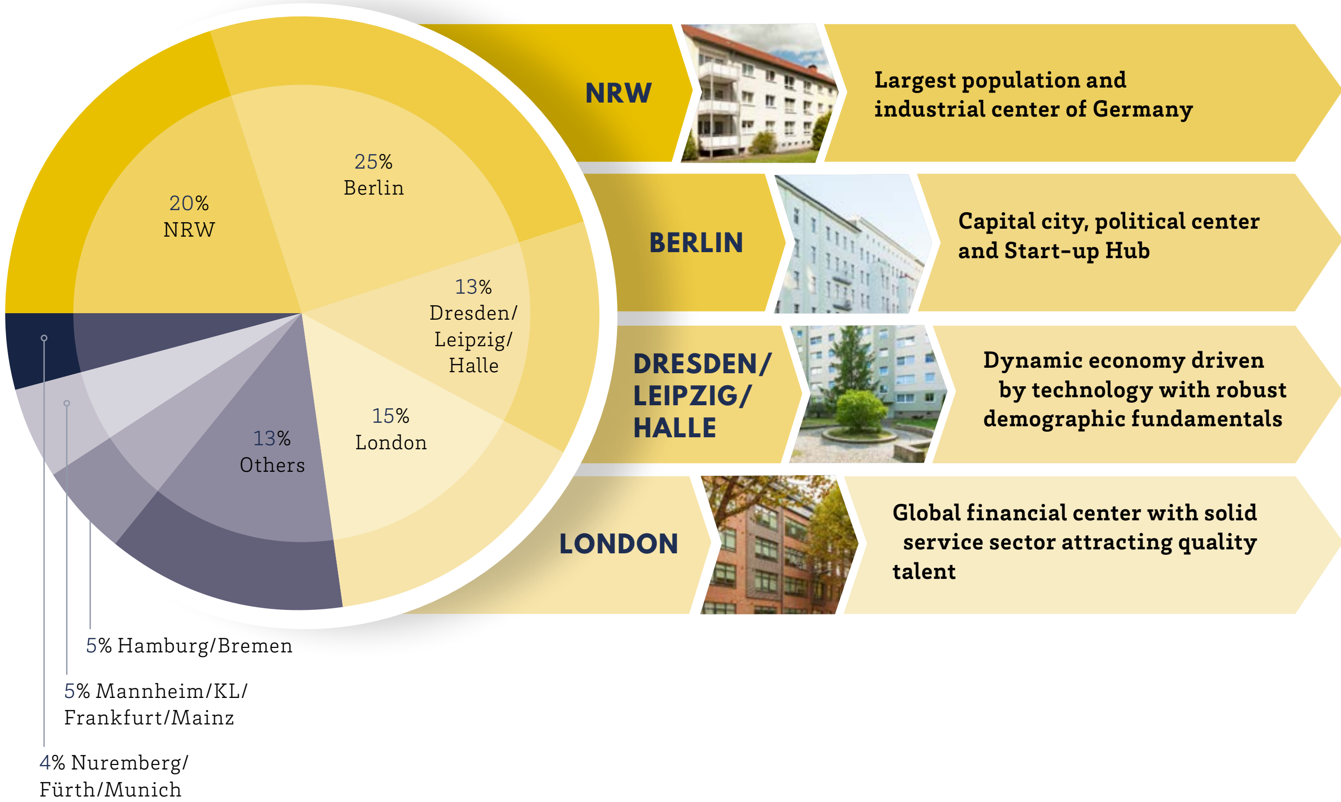
ATTRACTIVE PORTFOLIO CONCENTRATED IN DENSELY POPULATED METROPOLITAN AREAS WITH VALUE-ADD POTENTIAL

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 20% of its portfolio being located in NRW, 25% in Berlin, 13% in the metropolitan region of Dresden, Leipzig and Halle, and 15% 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 characterized by strong demand and robust market fundamentals.

DIVERSIFIED PORTFOLIO DELIVERING STEADY VALUE CREATION WITH SUSTAINABLE PROFITABILITY



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.

JUNE 2020	Value (in €M)	Area (in k sqm)	EPRA vacancy	Annualized net rent (in €M)	In-place rent per sqm (in €)	Number of units	Value per sqm (in €)	Rental yield
NRW	1,613	1,262	6.5%	88	6.0	18,414	1,278	5.4%
Berlin	1,784	559	5.0%	55	8.5	7,599	3,191	3.0%
Dresden/Leipzig/Halle	1,038	925	8.6%	53	5.3	15,921	1,122	5.1%
Mannheim/KL/Frankfurt/Mainz	433	226	2.8%	21	7.8	3,821	1,914	4.8%
Nuremberg/Fürth/Munich	311	116	3.4%	13	9.4	1,802	2,682	4.3%
Hamburg/Bremen	377	297	5.4%	20	6.1	4,265	1,270	5.4%
London	918	113	8.2%	36	29.5	2,174	8,144	4.0%
Others	1,021	985	7.0%	66	6.2	16,650	1,039	6.4%
Development rights and new buildings (*)	482							
Total	**7,977**	**4,483**	**6.5%**	**352**	**7.0**	**70,646**	**1,672**	**4.7%**

(*) of which pre-marketed buildings in London amount to €241m

BERLIN PORTFOLIO - BEST IN CLASS

Quality locations in top tier Berlin neighborhoods

25%
of GCP's portfolio

70%

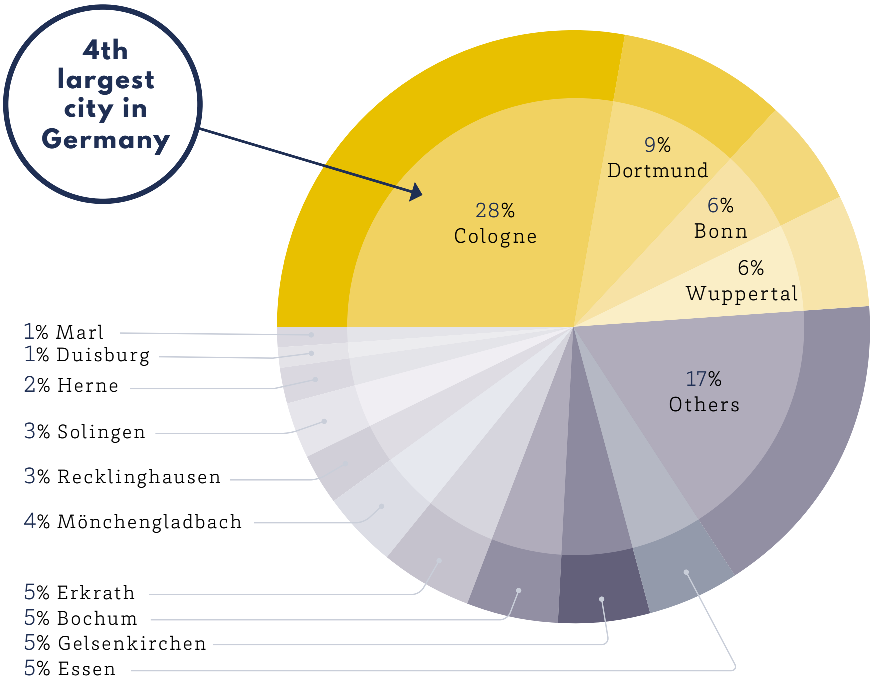
of the Berlin portfolio is located in top tier neighborhoods: Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Friedrichshain, Lichtenberg, Neukölln, Schöneberg, Steglitz and Potsdam.

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



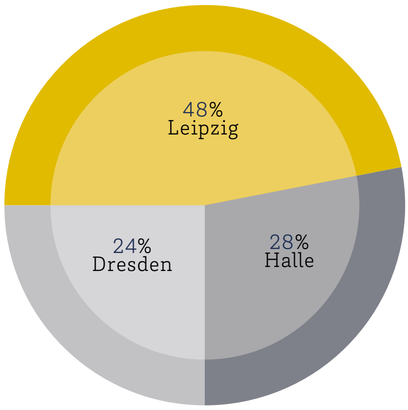
20%
of GCP's portfolio

The portfolio distribution in NRW is focused on cities with strong fundamentals within the region. 28% of the NRW portfolio is located in Cologne, the largest city in NRW, 9% in Dortmund, 6% in Bonn and 6% in Wuppertal.

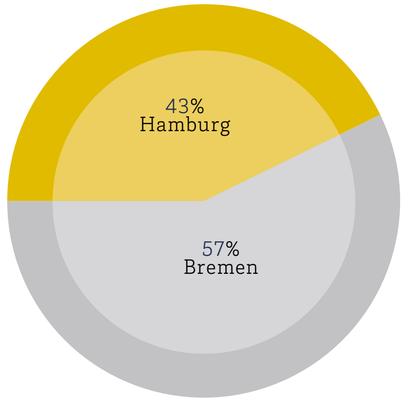
QUALITY EAST & NORTH PORTFOLIO

18% of GCP's portfolio

The East portfolio is situated in the cities of Dresden, Leipzig and Halle, benefitting from the cities' robust demographic fundamentals as well as the high-quality talent attracted by 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.



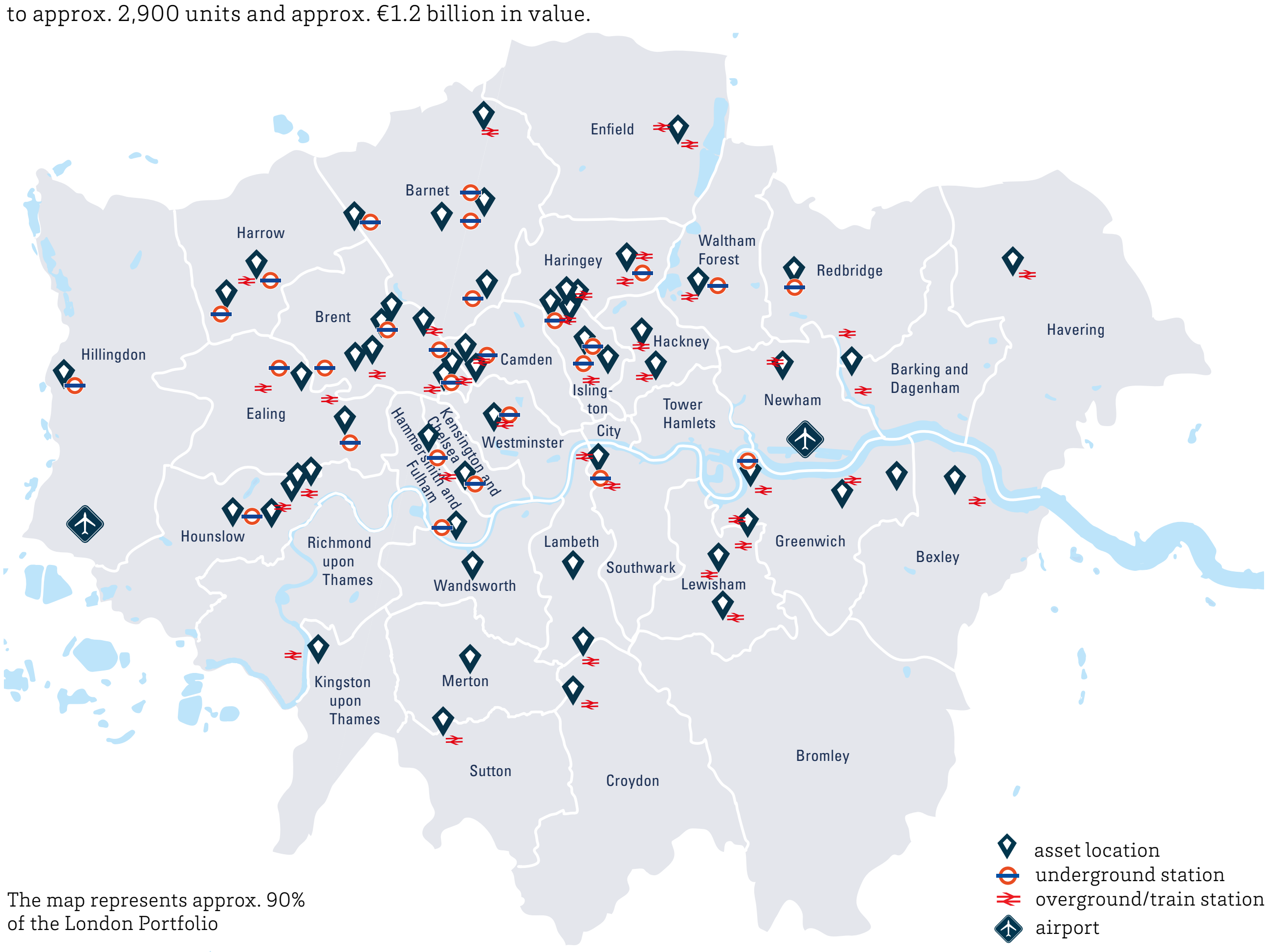
LONDON

15% 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 approx. 2,900 units and approx. €1.2 billion in value.

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



The map represents approx. 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 €1.5 billion as of June 2020

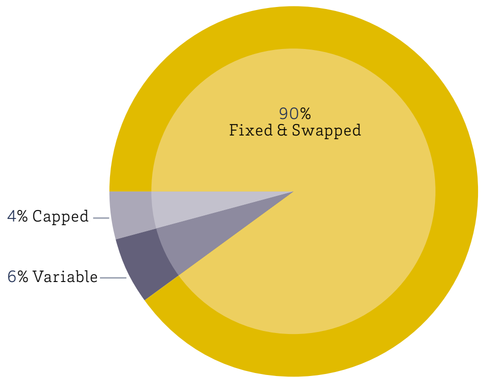
Hedging structure

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, 94% of its interest is hedged.

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

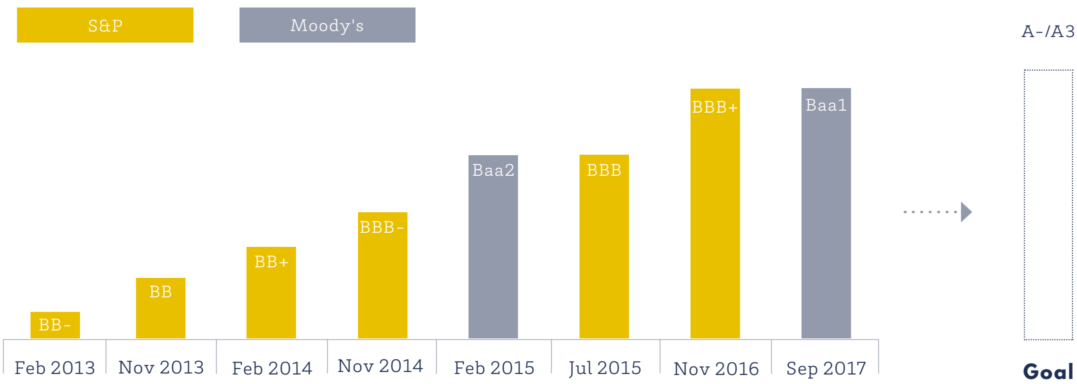
June 2020



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.

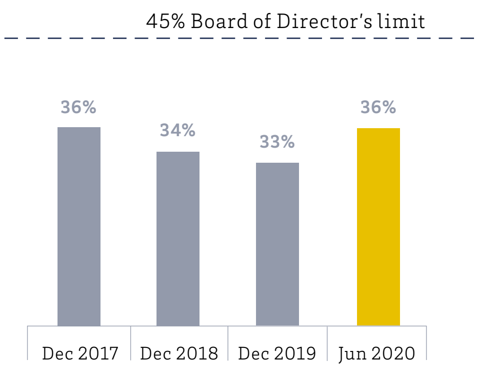
The Company has established a strong track record of achieving rating improvements owing to continuous improvements in its business and financial profile.



Loan-to-value

GCP strategically maintains its strong financial profile characterized by long debt maturities, hedged interest rates, excellent financial coverage ratios, and a low LTV. The LTV as of June 30, 2020 is at 36%, below the management limit of 45%.

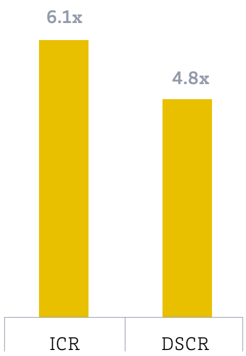
Low Leverage (Loan-To-Value)



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 six months of 2020, the Interest Cover Ratio was 6.1x and the Debt Service Cover Ratio was 4.8x.

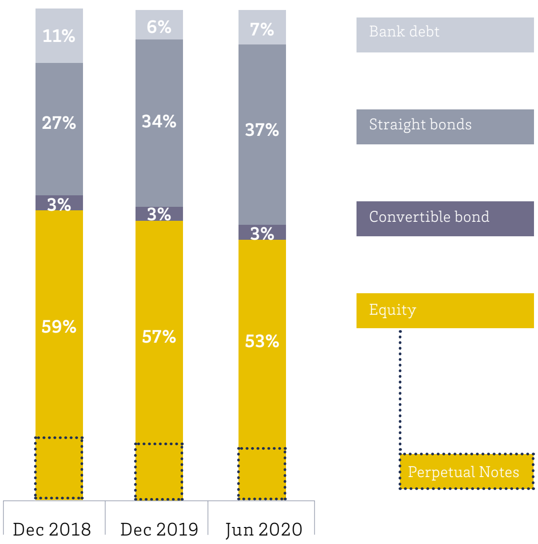
Coverage Ratios (1–6/2020)



Financing sources mix

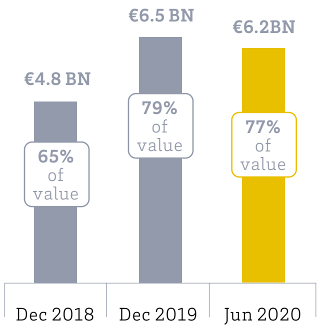
An important component of GCP's financial structure is a strong diversification of funding sources, reducing the reliance on any single source and resulting in a diversified financing mix. This is enabled by the Company's wide reach and proven track record in issuing instruments across various capital 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 €6.2 billion in unencumbered assets as of June 2020, representing 77% of the total portfolio value.



Capital markets

Investor relations activities supporting the strong capital markets position

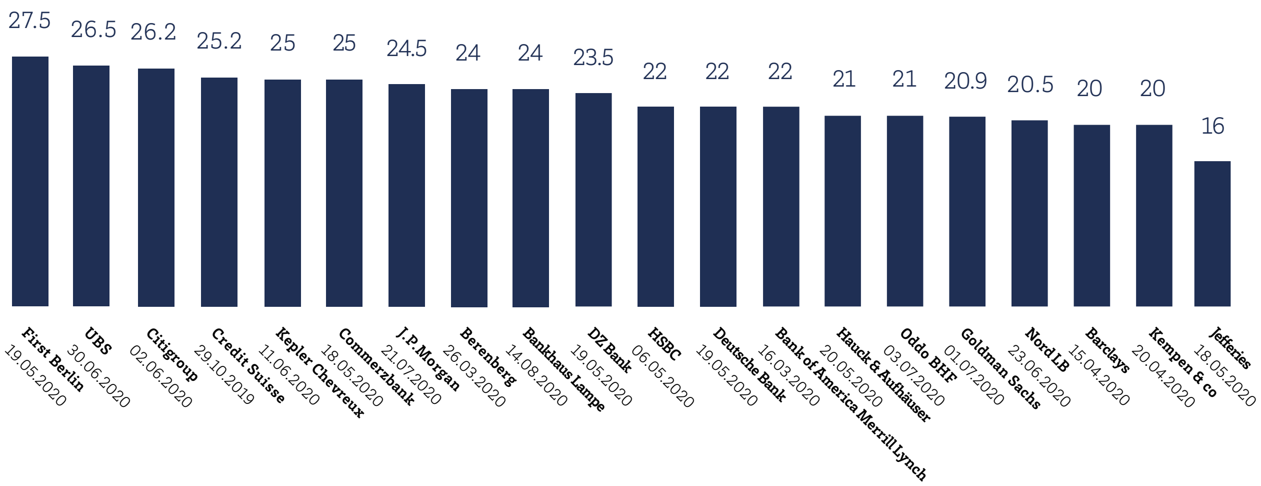
The Company continues to proactively present its business strategy and thus enhance perception, as well as awareness, of the Company among capital market investors. GCP seizes opportunities to present a platform for open dialogue, meeting hundreds of investors in dozens of conferences around the globe 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 June 2020)	168,010,671	ordinary shares with a par value of EUR 0.10 per share
Nominal share capital (as of 30 June 2020)	16,801,067.10 EUR	
Number of shares on a fully diluted basis (as of 30 June 2020)	180,678,513	
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)	3.5 bn EUR	
Shareholder structure (as of the date of this report)	Freefloat: 60% Edolaxia Group 40%	

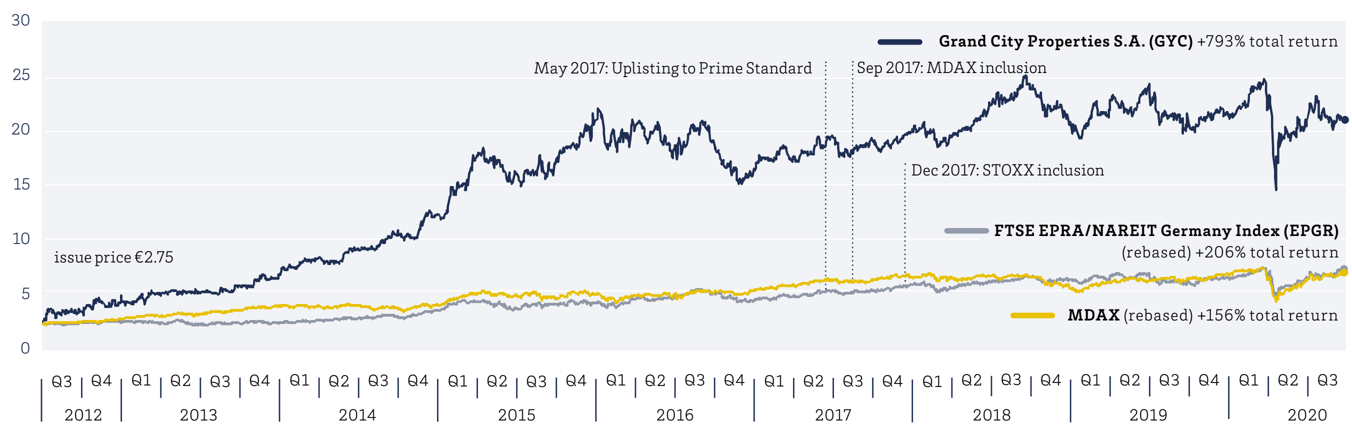
Vast and proven track record in capital markets

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 1.4%). Since 2012, GCP has issued over €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



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 six months ended 30 June	2020	2019
	€'000	
Revenue	**267,723**	**278,195**
Net rental income	186,364	189,320
Property revaluations and capital gains	220,621	210,877
Property operating expenses	(115,556)	(*) (127,535)
Administrative and other expenses	(5,862)	(*) (5,473)
Depreciation and amortisation	(2,280)	(*) (1,588)
Operating profit	366,602	354,798
Adjusted EBITDA	**147,106**	**146,253**
Finance expenses	(24,297)	(22,807)
Other financial results	(37,127)	(19,731)
Current tax expenses	(14,519)	(15,429)
Deferred tax expenses	(37,929)	(47,264)
Profit for the period	**252,730**	**249,567**
FFO I	**107,990**	**106,030**
FFO II	**216,011**	**191,060**

(*) reclassified

Revenue

For the period of six months ended 30 June	2020	2019
	€'000	
Net rental income	**186,364**	**189,320**
Operating and other income	81,359	88,875
Revenue	**267,723**	**278,195**

During the first half of 2020, GCP generated revenues amounting to €268 million which corresponds to €278 million reported for the first six months of 2019. Total revenues are comprised of net rental income as well as operating and other income. Net rental income decreased marginally to €186 million for the first half of 2020 as a result of net disposals with proceeds expected to be invested in the following periods. GCP is opportunistically disposing non-core and matures properties and in parallel acquires properties which lie in the Company's focus locations and carry a strong upside potential. Due to the uncertainty in the market following the pandemic disruption, GCP decided to postpone acquisitions temporarily. Therefore, acquisitions were delayed to the end of H1 2020 and after the reporting period which will have a larger impact in the following periods. In the last twelve months GCP disposed properties amounting to approx. €700 million and acquisitions totaled to over €500 million, which resulted in an improved portfolio quality with a higher upside potential and strengthened the income-generating capacity of the portfolio. As a large portion of the disposals included non-core properties which had a relatively higher expense ratio, the impact on the FFO was lower than on the net rental income. In parallel, acquisitions of a higher-quality properties, had a relatively higher positive impact on the FFO.

Offsetting the impact of disposals during the first half of 2020 was a robust rental performance with strong like-for-like growth in rental income of 3.1% which comprises of 2.1% as a result of in-place rent increases as well as 1% due to strong occupancy growth. In solidarity with its tenants, GCP halted rent increases during the second quarter of 2020 and this is reflected in the comparatively lower level of in-place rent increases on a like-for-like basis. Rent increases have been resumed from July 2020, and the Company expects to see its impact in the following periods.

WUPPERTAL

NOTES ON BUSINESS PERFORMANCE

Property revaluations and capital gains

For the period of six months ended 30 June	2020	2019
	€'000	
Property revaluations and capital gains	**220,621**	**210,877**

The fair values of the properties are externally appraised by independent and certified valuators at least once a year. During the first six months of 2020 GCP recorded €221 million of property revaluations and capital gains, while reporting €211 million during the corresponding period in 2019. The increase in revaluations reflect a like for like increase of 3%, achieved across the entire portfolio, in particular in Berlin, London, NRW and Mannheim. The results of the revaluation for the six month period is testament to GCP's ability to recognise, extract and subsequently crystalise the value that is embedded within the portfolio. The Company's strategy to acquire assets in densely populated locations with strong fundamentals, along with its capacity to reposition and improve the quality of these assets, has continued to deliver strong shareholder returns.

During the second quarter of 2020, GCP succeeded in completing disposals of non-core properties with relatively high vacancy and high capex needs in locations where the Company does not see significant upside potential. In addition, GCP sold control over mature assets. Disposals in the first six months of 2020 amounted to over €350 million and was disposed at 1% above book values while also generating a profit margin of 43% on total costs (including capex). The disposals were located primarily in NRW and in non-core locations and were executed at an average multiple of 15x.

As of the end of June 2020 the portfolio yielded 4.7%, with an average value per sqm of €1,672 compared to 4.9% and €1,543 as of December 2019.

Property operating expenses

For the period of six months ended 30 June	2020	2019
	€'000	
Property operating expenses	**(115,556)**	(*) **(127,535)**

(*) reclassified

The Company reported property operating expenses of €116 million for the first half of 2020, 9% lower when compared to €128 million recorded during the corresponding period in 2019. Purchased services, which include tenant-related costs such as water, heating, waste management and building cleaning costs among others, make up the lion's share of property operating expenses and to a large extent are also recoverable from tenants. In addition, during first half of 2020 GCP improved among other services related to IT, security, infrastructure and paid employee bonuses related to 2019. As a result of the Company's initiatives to improve the portfolio quality, as well as the cost profile, GCP has been successful in lowering the level of costs, thereby improving the overall operational profitability evident in the property operating expenses decreasing by 9%, whereas revenues decreased by only 4%.

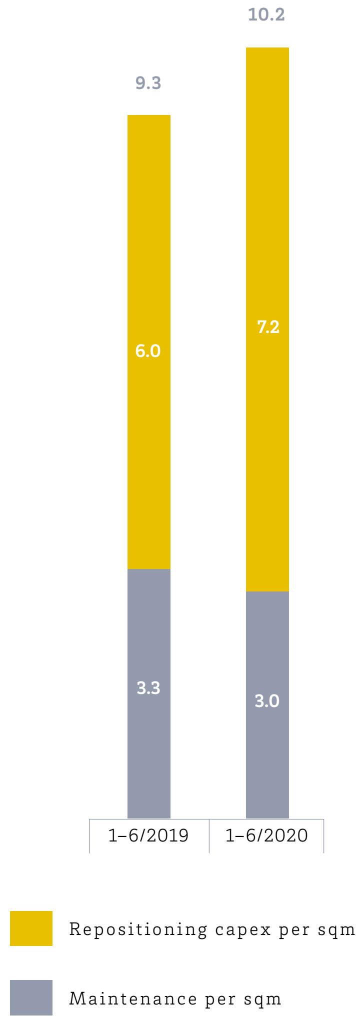
GCP continues to improve and to value tenant satisfaction as a key component of the integrated sustainable business strategy and the endeavor to make high quality services available to tenants remains of prime importance in this regard. Accordingly, the Company has worked towards building awareness among tenants and achieving higher levels of environmental preservation through improved waste management systems, modern heating systems as well as moderating levels of water consumptions. Such measures are useful in building a portfolio that is more environmentally friendly while also contributing to a lean cost structure.

Maintenance and capex

With the aim of improving the quality of the investment property portfolio, GCP implements various maintenance and refurbishment measures. Such measures have been effective in attaining higher levels of rents and tenant satisfaction while also reducing vacancy and improving the tenant structures of these assets.

Maintenance and refurbishment expenses are costs required to maintain the high quality of living for tenants and sustain the quality of units in the portfolio. GCP's 24/7 Service Center which provides multiple channels of communication through different languages has provided tenants with a single, convenient and accessible point of contact for all service requests. The Service Center, which received its ISO 9001:2015 re-audit certification in February 2020 has maintained the high quality of customer service and remained fully functional and accessible for tenants even during the peak of the coronavirus-related lockdown periods. During the first half of 2020, GCP recorded maintenance and refurbishment expenses amounting to €15 million and €3.0 per average sqm, as compared to €17 million and €3.3 per average sqm, respectively during the corresponding period in 2019.

Maintenance and repositioning capex development (€/sqm)



Repositioning capex are expenditures required to improve the standards of a property, thereby increasing its value proposition to tenants in the long run. These expenditures include apartment renovations, common area refurbishments like improvements to staircases and corridors, and other enhancements to the asset which are similar in nature. Additionally, repositioning capex also includes outlays on elements of the asset beside the property, that contribute to a more holistic community environment. For example, these include – playgrounds, common meeting areas, barbeque pits, youth activity areas and study rooms for students. As mentioned, such measures help in developing a close-knit community, thereby enhancing the overall value that the asset provides to its tenants. During the first six months of 2020, GCP invested €34 million repositioning capex, reflected in €7.2 per average sqm as compared to €6.0 per average sqm over the corresponding period in 2019. GCP's repositioning strategy has continued to deliver steady returns with rent from occupancy increased by 1% on a like-for-like basis in H1 2020.

In addition, the Company invested €1.2 million towards pre-letting modifications during the first six months of 2020. These investments are related to the completion of assets acquired in the final stages of completion and are included in GCP's initial cost analysis at acquisition.

NOTES ON BUSINESS PERFORMANCE

Administrative and other expenses

For the period of six months ended 30 June	2020	2019
	€'000	
Administrative and other expenses	**(5,862)**	**(*) (5,473)**

(*) reclassified

The Company reported €5.9 million of administrative and other expenses for the first half of 2020, as compared to €5.5 million for the corresponding period in 2019. These costs comprise of personnel costs, audit, accounting, legal and other professional fees and marketing expenses. The marginal increase in administrative and other expenses of €0.4 million, relates mostly to professional, consultancy and other corporate matters.

Finance expenses

For the period of six months ended 30 June	2020	2019
	€'000	
Finance expenses	**(24,297)**	**(22,807)**

During the first half of 2020, GCP recorded finance expenses amounting to €24 million as compared to €23 million for the same period in 2019. The increase in finance expenses is primarily a result of the most recent Series W bond issuance in April 2020 which forms part of the proactive approach that the Company adopts with regards to its liquidity and financing strategy. Additionally, GCP also drew down bank loans amounting to approx. €130 million with maturities of up to 20 years supporting the Company's low cost of debt and long debt maturity schedule. GCP's active management of its financing and liquidity profile has resulted in a low average cost of debt of 1.4% and a long average debt maturity of 7 years as of the end of June 2020.

GCP continues to generate a sustainable level of operational profits leading to strong coverage ratios reflected in an ICR of 6.1x and a DSCR of 4.8x. The Company's investment grade credit ratings have been affirmed by both from S&P (BBB+) and Moody's (Baa1), which continue to provide GCP with broad access to capital markets.

Other financial results

For the period of six months ended 30 June	2020	2019
	€'000	
Other financial results	**(37,127)**	**(19,731)**

The Company recorded an expense of €37 million under other financial results for the first half of 2020, as compared to an expense of €20 million incurred during the corresponding period in 2019. Other financial results partly are non-recurring costs related to bond issuances, prepayments and the refinancing of bank loans. This item also includes changes to the market values of financial assets and derivatives the values of which have been affected in the first half of 2020 by increased volatilities and adverse global market conditions due to the COVID-19 pandemic.

Taxation

For the period of six months ended 30 June	2020	2019
	€'000	
Current tax expenses	(14,519)	(15,429)
Deferred tax expenses	(37,929)	(47,264)
Total tax expenses	**(52,448)**	**(62,693)**

Total tax expenses reported for the first six months of 2020 was €52 million, as compared to the €63 million recorded during the corresponding period in 2019.

Current tax expenses, which is comprised of property tax and corporate income tax, typically changes along with the value of the core business profitability. During the first half of 2020 current tax expenses amounted to €15 million, slightly lower in comparison with the corresponding period in 2019.

Deferred tax expenses, which are mainly related to revaluation profits during the period, amounted to €38 million in H1 2020 compared to €47 million in the corresponding period in 2019. In any case, deferred tax expenses are non-cash expenses that are primarily connected with the assumption that GCP will execute disposal of investment properties through asset deals at the relevant tax rate based on the location of the property.

NOTES ON BUSINESS PERFORMANCE

Profit for the period

For the period of six months ended 30 June	2020	2019
	€'000	
Profit for the period	**252,730**	**249,567**
Profit attributable to the owners of the Company	206,076	214,040
Profit attributable to the perpetual notes investors	16,455	16,365
Profit attributable to non-controlling interests	30,199	19,162

During the first half of 2020, the Company succeeded to show a slightly higher profit in comparison to the first half of 2019, posting a profit of €253m, €3m higher than the corresponding period in 2019, in which GCP reported a profit of €250 million. This marginal increase is primarily driven by higher property revaluation gains and offset by higher other financial results, which are both non-recurring and do not follow a pre-determinable trend. Over the first half of 2020, GCP's strong operational performance was evident in the like-for-like net rental growth of 3.1%, with a growth of 2.1% due to in-place rent increases and a growth of 1% due to occupancy increases.

Earnings per share

For the period of six months ended 30 June	2020	2019
Basic earnings per share (in €)	1.23	1.28
Diluted earnings per share (in €)	1.16	1.21
Weighted average number of ordinary shares (basic) in thousands	167,931	166,723
Weighted average number of ordinary shares (diluted) in thousands	179,697	178,133

During the first half of 2020 the Company posted a basic earnings per share of €1.23 and a diluted earnings per share of €1.16, as compared to €1.28 and €1.21 for the first six months of 2019. The slight decrease in earnings per share, was due to a decrease in the shareholder profit as well as a higher average shares count driven by shares issued as part of the scrip dividend issued in the second half of 2019.

The diluted earnings per share is based on dilutive effects such as the theoretical future conversion of the Series F convertible bonds, which as of the date of this report, remain out-of-the-money. As a result of the dividend distribution, the conversion price of the Series F convertible bonds has been adjusted from €24.81 to €23.93.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NOTES ON BUSINESS PERFORMANCE

Adjusted EBITDA and Funds From Operations (FFO I)

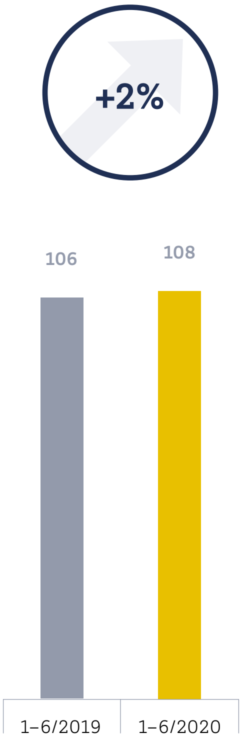
For the period of six months ended 30 June	2020	2019
	€'000	
Operating profit	366,602	354,798
Depreciation and amortisation	2,280	1,588
EBITDA	**368,882**	**356,386**
Property revaluations and capital gains	(220,621)	(210,877)
Share of profit from investments in equity-accounted investees	(1,956)	(322)
Other adjustments	801	1,066
Adjusted EBITDA	**147,106**	**146,253**
Finance expenses [1]	(24,297)	(22,807)
Current tax expenses	(14,519)	(15,429)
Contribution from joint ventures and to minorities, net	(300)	(1,987)
FFO I	**107,990**	**106,030**
Weighted average number of ordinary shares (basic) in thousands [2]	167,931	166,723
FFO I per share (in €)	**0.64**	**0.64**

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

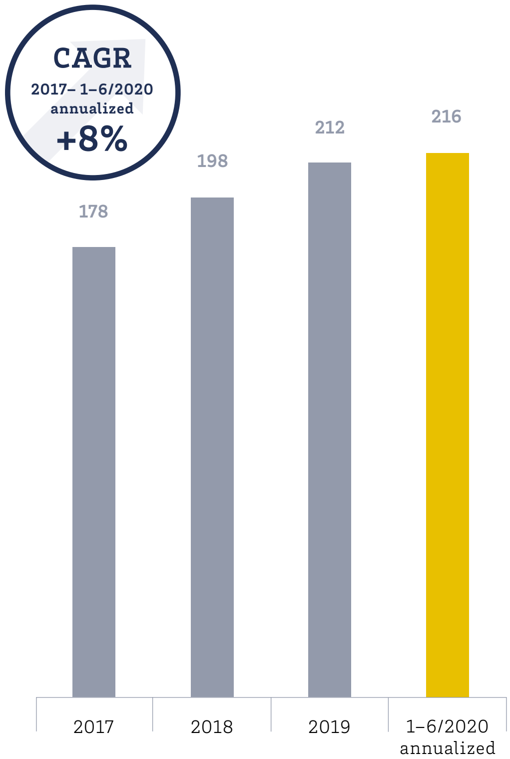
The adjusted EBITDA is an industry standard figure displaying the Company's recurring operational profits before interest, tax expenses and depreciation, excluding the effects of capital gains, revaluations, and other non-operational income statement items such as profits from disposal of inventories, share of non-recurring profit/loss from investment in equity-accounted investees and other adjustments. GCP reported an adjusted EBITDA amounting to €147 million for the first six months of 2020, as compared to €146 million for the corresponding period in 2019. GCP succeeded in increasing the adjusted EBITDA by 1% despite a decrease of 4% in the total revenue which was mainly due to a higher amount of disposals compared to acquisitions. Towards the end of the reporting period, acquisition activities have resumed and continue hereafter. GCP strengthened its operational cost structure and increased operational efficiencies, resulting in an increase of operational profitability offsetting the decrease in revenues. Furthermore, in terms of like-for-like growth, the net rental income increased by 3.1%, with 2.1% as a result of in-place rent increases and 1% due to occupancy increases driven by successful vacancy reduction measures.

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 first half of 2020, GCP posted an FFO I of €108 million, up by 2% over the comparable period in 2019. The slight growth is largely driven by further improved cost efficiencies, partially offset by the slightly higher finance expenses during the first six months of 2020.

FFO I periodic development (in € millions)



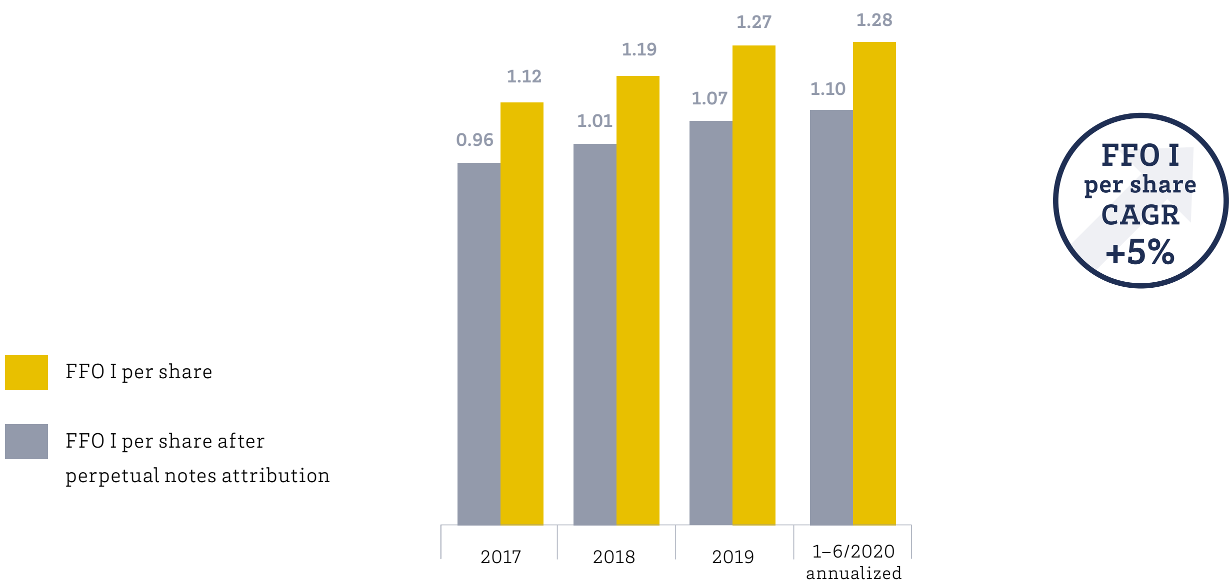
FFO I annual development (in € millions)



FFO I per share

During the first half of 2020, the Company generated an FFO I per share of €0.64, stable as compared to the comparable period in 2019. The steady nature of the FFO I per share metric has been the product of a strong like-for-like rental growth of 3.1% and a continuous endeavor to maintain and improve business efficiencies. This is however offset by the higher average share count as a result of the shares issued as part of the scrip dividend in the second half of 2019. On a per share basis, GCP's FFO I yields 6.3% (based on a share price of €20.6), as a result the Company's dividend payout policy of 65% of FFO I per share provides an attractive dividend yield of 4.1%, based on the above mentioned share price.

FFO I per share development (in €)



NOTES ON BUSINESS PERFORMANCE

FFO I per share after perpetual notes attribution

For the period of six months ended 30 June	2020	2019
	€'000	
FFO I	**107,990**	**106,030**
Adjustment for accrued perpetual notes attribution	(16,455)	(16,365)
FFO I after perpetual notes attribution	**91,535**	**89,665**
Weighted average basic shares (in thousands) (*)	167,931	166,723
FFO I per share after perpetual notes attribution (in €)	**0.55**	**0.54**

(*) 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. For the first half of 2020, the Company recorded an FFO I per share after perpetual notes attribution of €0.55, higher in comparison to €0.54 for the corresponding period in 2019. This increase is driven by the robust core business profitability, partially offset by a higher average number of shares as compared to the first half of 2019.

Adjusted Funds From Operations (AFFO)

For the period of six months ended 30 June	2020	2019
	€'000	
FFO I	**107,990**	**106,030**
Repositioning capex	(33,674)	(31,387)
AFFO	**74,316**	**74,643**

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 as it targets value creation and improving the asset quality of the portfolio, which GCP deems as being relevant for its AFFO calculation. The Company recorded an AFFO of €74 million, for the first half of 2020, which compares to the €75 million reported for the corresponding period in 2019.

FFO II

For the period of six months ended 30 June	2020	2019
	€'000	
FFO I	**107,990**	**106,030**
Result from disposal of properties (*)	108,021	85,030
FFO II	**216,011**	**191,060**

(*) the excess amount of the sale price to total cost plus capex of the disposed properties

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 first half of 2020, the Company generated an FFO II of €216 million, while in comparison, GCP produced an FFO II amounting to €191 million over the first half of 2019. The Company has proven its ability to generate strong gains on disposals on a consistent basis. Disposals during the first half of 2020 amounted to over €350 million, capitalizing on €108 million profit over total costs including capex and generating solid profit margins of 43% over total costs.

NOTES ON BUSINESS PERFORMANCE

Cash flow

For the period of six months ended 30 June	2020	2019
	€'000	
Net cash provided by operating activities	112,911	125,007
Net cash used in investing activities	(343,653)	(56,775)
Net cash provided by (used in) financing activities	651,226	(51,476)
Net increase in cash and cash equivalents	**420,484**	**16,756**
Other changes (*)	(3,199)	(62)
Cash and cash equivalents as on January 1,	914,054	603,158
Cash and cash equivalents as on June 30,	**1,331,339**	**619,852**

(*) 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 first six months of 2020 amounted to €113 million, while the same provided during the comparable period in 2019 was €125 million. The decrease of the operating cash flow is a result of changes in working capital and a slight decrease in the collection rate due to the pandemic, offsetting the further improved operational efficiencies of the business platform. This was supported by the solid like-for-like net rental growth of 3.1%, with 2.1% as a result of in-place rent increases and 1% due to occupancy increases.

Net cash used in investing activities during the first half of 2020 was €344 million as compared to €57 million over the corresponding period in 2019, which was impacted by disposals as well as acquisitions during the period. Part of the funds from disposals was received after the reporting period and will be reflected in the following period. This was offset by accretive acquisitions, capex and advances paid amounting to approx. €180 million. In addition, GCP also unwound a portion of derivatives and invested amounts into traded securities and financial assets including loans-to-own asset-backed loans which provide the Company with the potential to take over assets at a deep discount. GCP identified the need in the current market environment of properties owners for liquidity and these loans may provide an attractive acquisition opportunity of the underlying asset.

Net cash provided by financing activities for the first six months of 2020 was €651 million which compares to €51 million used in the corresponding period in 2019. During the reporting period, GCP issued straight bonds with a notional value of €600 million while also drawing down bank loans and a revolving credit facility, in total amounting to approx. €130 million at attractive rates for maturities of up to 20 years. Due to its conservative financial management, GCP maintains a peer-leading liquidity position allowing it significant financial headroom to take advantage of opportunities as they arise.

Assets

	Jun 2020	Dec 2019
	€'000	
Non-current assets	**8,485,461**	**8,222,645**
Investment property [1)]	7,977,432	7,971,744
Current assets	**2,263,709**	**1,628,783**
Cash and liquid assets [2)]	1,525,430	1,063,320
Total Assets	**10,749,170**	**9,851,428**

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

At the end of June 2020, GCP's total assets amounted to €10.7 billion, 9% higher as compared to €9.9 billion reported as of the end of December 2019. The increase was mainly driven by a higher liquidity position.

Non-current assets amounted to €8.5 billion as of June 2020, up by 3% over the €8.2 billion as of December 2019. The amount of investment property remained stable at €8.0 billion, on the back of property revaluations, net from foreign currency exchange differences, and accretive acquisitions which were partially offset by disposals. During the first six months of 2020, GCP executed disposals of over €350 million, including €270 million of properties where the Company sold control over assets. The disposal of control of €270 million properties decreased the total investment property item but increased the investment in equity-accounted investees which increased from €21 million in December 2019 to €107 million in June 2020. In the first six months of 2020 the Company completed acquisitions amounting to approx. €150 million, including over 100 units at a multiple of 20x, and over 200 units in London which are in the pre-let stage. Following the reporting period, GCP signed further accretive disposals amounting to approx. €370 million. These disposals were signed above book value and are expected to be closed by year-end 2020, further increasing GCP's equity base. As a result of the disruption due to the pandemic, GCP's acquisition activities were halted during the second quarter of 2020 but have resumed since July. The Company signed additional acquisitions in the amount of over €150 million, including deals signed after the reporting date and expect to benefit from the additional revenue in the following periods.

In addition, non-current assets includes deposit, long-term financial investments and mainly loan-to-own assets. Loans-to-own are asset backed high-interest bearing loans invested with the potential to take over the assets at a strong discount to the asset value. In the current market environment, there are asset owners with a need for liquidity, while they do not wish to sell the underlined assets. Loans-to-own may provide an attractive alternative acquisition opportunity of the underlying asset with a very attractive upside.

Current assets as of the end of June 2020 amounted to €2.3 billion, significantly higher than €1.6 billion at the end of year-end 2019. This increase is almost entirely due to the higher liquidity position of €1.5 billion as of June 2020. GCP undertook various measures in response to the coronavirus pandemic as well as to the related uncertainties and volatilities in global markets. These measures were aimed at ensuring a strong liquidity position and further bolstering the Company's financial platform, allowing it to act upon opportunities which may arise as a result of the coronavirus pandemic and the subsequent economic headwinds. The liquidity position includes diverse traded securities classified as financial assets at fair value through profit and loss in the amount of €193 million.

The trade and other receivables in the current assets include approx. €200 million of vendor loans and loans-to-own, for which GCP received the repayment after the reporting date.

NOTES ON BUSINESS PERFORMANCE

Liabilities

	Jun 2020	Dec 2019
	€'000	
Loans and borrowings [1]	661,446	558,709
Straight bonds [2]	3,511,392	2,920,010
Convertible bond	276,248	274,908
Deferred tax liabilities [3]	661,404	601,139
Other long-term liabilities and derivative financial instruments [4]	154,402	184,106
Current liabilities [5]	476,358	345,957
Total Liabilities	**5,741,250**	**4,884,829**

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

Total Liabilities following the end of the first half of 2020 amounted to €5.7 billion, higher in comparison to €4.9 billion as of the end of December 2019. This increase was primarily led by the higher balance of straight bonds and loans and borrowings as of June 2020. During the first six months of 2020, GCP issued Series W straight bonds of €600 million in notional value, while also drawing-down bank loans amounting to approx. €130 million at competitive rates and for maturities of up to 20 years. These measures provided the Company with valuable financial flexibility during such uncertain times. In addition, the liabilities increased by approx. €140 million related to provisions made for the dividend payable in July after the AGM approval end of June. The dividend was due and included cash payments and the issuance of shares through the shareholders election of scrip dividend instead of cash dividend. 57% of shareholders opted the scrip dividend, strengthening the liquidity and equity base of GCP.

Deferred tax liabilities which makes up 12% of total liabilities was reported at €661 million as of June 2020 and is largely linked to the revaluation gains accomplished by the Company.

Debt Financing KPIs

Loan-To-Value

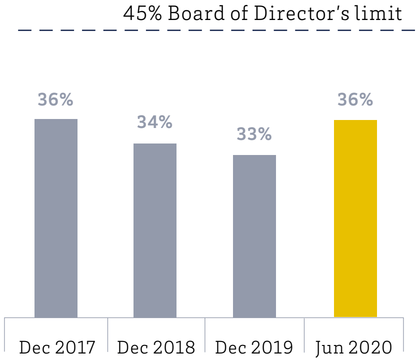
	Jun 2020	Dec 2019
	€'000	
Investment property 1)	7,915,945	7,909,693
Investment properties of assets held for sale	178,404	196,432
Equity-accounted investees	107,212	21,020
Total value	**8,201,561**	**8,127,145**
Total debt 2)	4,449,086	3,753,627
Cash and liquid assets 3)	1,525,430	1,063,320
Net debt	**2,923,656**	**2,690,307**
LTV	**36%**	**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

As per the Company's financial policies, GCP takes all measures required to preserve the conservative nature of its financial platform, which includes among other aspects, a low LTV below the board-mandated limit of 45%. In this regard, GCP's LTV, which has increased marginally as compared to year-end 2019, provides it with a large headroom to the 45% ceiling.

Besides a low LTV, the other aspects which characterise the Company's conservative financial platform are its robust coverage ratios, low average cost of debt and a long average debt maturity period. Both S&P (BBB+) and Moody's (Baa1) have reaffirmed GCP's investment grade credit ratings, which was most recently reflected in the broad access to capital markets available to the Company even the middle of a global pandemic.

Lowering leverage while increasing profitability



During the first half of 2020, GCP reported an ICR of 6.1x and a DSCR of 4.8x, maintained by the stable and sustainable growth in operational profit generation at low financial expenses. Unencumbered assets in the investment property portfolio amounted to €6.2 billion as of the end of June 2020, representing 77% of the total portfolio. The large level of unencumbered assets is yet another liquidity enhancing potential in the Company's ability to combat any future market downturns.

Unencumbered Assets

	Jun 2020	Dec 2019
	€'000	
Unencumbered Assets	6,241,797	6,484,583
Total Investment properties (*)	8,155,836	8,168,176
Unencumbered Assets Ratio	**77%**	**79%**

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

Interest Coverage Ratio (ICR)

For the period of six months ended 30 June	2020	2019
	€'000	
Adjusted EBITDA	147,106	146,253
Finance Expenses	24,297	22,807
Interest Coverage Ratio	**6.1x**	**6.4x**

Debt Service Coverage Ratio (DSCR)

For the period of six months ended 30 June	2020	2019
	€'000	
Adjusted EBITDA	147,106	146,253
Finance Expenses	24,297	22,807
Amortisation of loans from financial institutions	6,327	4,709
Debt Service Coverage Ratio	**4.8x**	**5.3x**

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 materialize 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.

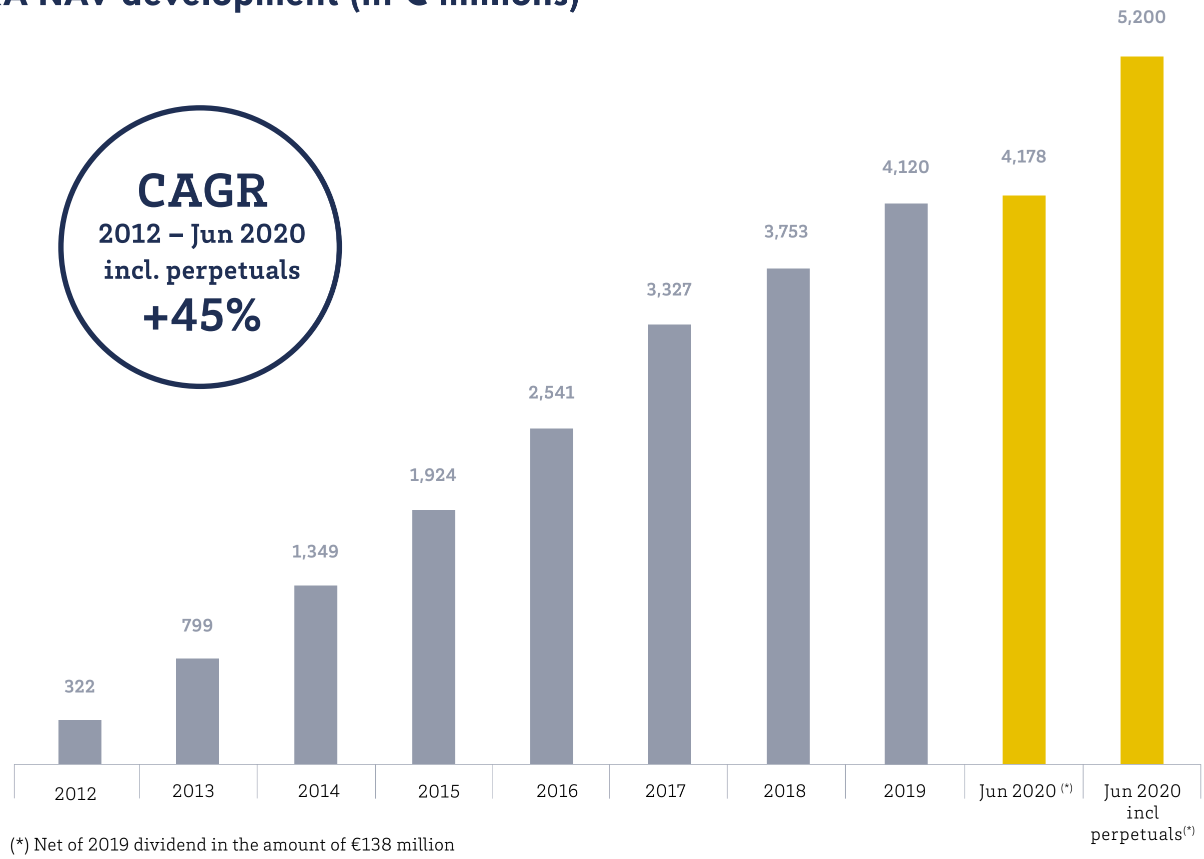
	Jun 2020		Dec 2019	
	€'000	€ per share	€'000	€ per share
Equity per the financial statements	**5,007,920**		**4,966,599**	
Equity attributable to perpetual notes investors	(1,022,255)		(1,030,050)	
Equity excluding perpetual notes	**3,985,665**		**3,936,549**	
Fair value measurements of derivative financial instruments, net [1]	(5,410)		26,656	
Deferred tax liabilities [2]	661,404		601,139	
NAV	**4,641,659**	**27.6**	**4,564,344**	**27.2**
Non-controlling interests	(463,997)		(443,917)	
EPRA NAV	**4,177,662**	**24.9**	**4,120,427**	**24.5**
Equity attributable to perpetual notes investors	1,022,255		1,030,050	
EPRA NAV incl. perpetual notes	**5,199,917**	**30.9**	**5,150,477**	**30.6**
EPRA NAV	**4,177,662**	**24.9**	**4,120,427**	**24.5**
Fair value measurements of derivative financial instruments [1]	5,410		(26,656)	
Adjustment to reflect fair value of debt	(158,086)		(169,511)	
Deferred tax liabilities [3]	(36,779)		(33,428)	
EPRA NNNAV	**3,988,207**	**23.7**	**3,890,832**	**23.1**
Basic number of shares including in-the-money dilution effects (in thousands)	168,108		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 of the end of June 2020, GCP reported an EPRA NAV of €4.2 billion or €24.9 per share, 1% and 2% higher as compared to €4.1 billion or €24.5 per share, respectively as of year-end 2019. The increase in the ERPA NAV is the result of the profit generation in the reporting period and partially offset by the provision made for the dividend distribution. Adjusted for the dividend effect, the EPRA NAV per share increased by 5%.

GCP reported an EPRA NNNAV of €4.0 billion or €23.7 per share as of the end of June 2020, higher by 3% as compared to €3.9 billion or €23.1 per share as of December 2019.

EPRA NAV development (in € millions)



(*) Net of 2019 dividend in the amount of €138 million

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 utilized 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 amortization* 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
(-) 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 utilized 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

Reconciliation of FFO I after perpetual notes attribution

In line with the IFRS standards, GCP recognizes 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. Modernization and pre-letting capex are not included in the AFFO as they are considered as additional investment programs, similar to the property acquisitions, which are conducted at the Company's discretion. Therefore, in line with the industry practices, GCP deducts the *Repositioning capex* from the *FFO I* to arrive at the *AFFO*. As a result, AFFO is another widely-used indicator which tries to assess residual cash flow for the shareholders by adjusting FFO I for recurring expenditures that are capitalized.

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	

(*) the excess amount of the sale price to total cost plus capex of the disposed properties

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 materialize 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 materialize 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	
(+) Deferred tax liabilities (*)	
(=) NAV	
(-) Non-controlling interests	
(=) EPRA NAV	
(+) Equity attributable to perpetual investors	
(=) EPRA NAV incl. perpetual notes	

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

Reconciliation of ICR and DSCR

Two widely-recognized debt metrics Interest Coverage Ratio (ICR) and Debt Service Coverage Ratio (DSCR) are utilized 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) Finance expenses
(b) Adjusted EBITDA
(=) (b/a) ICR

DSCR reconciliation

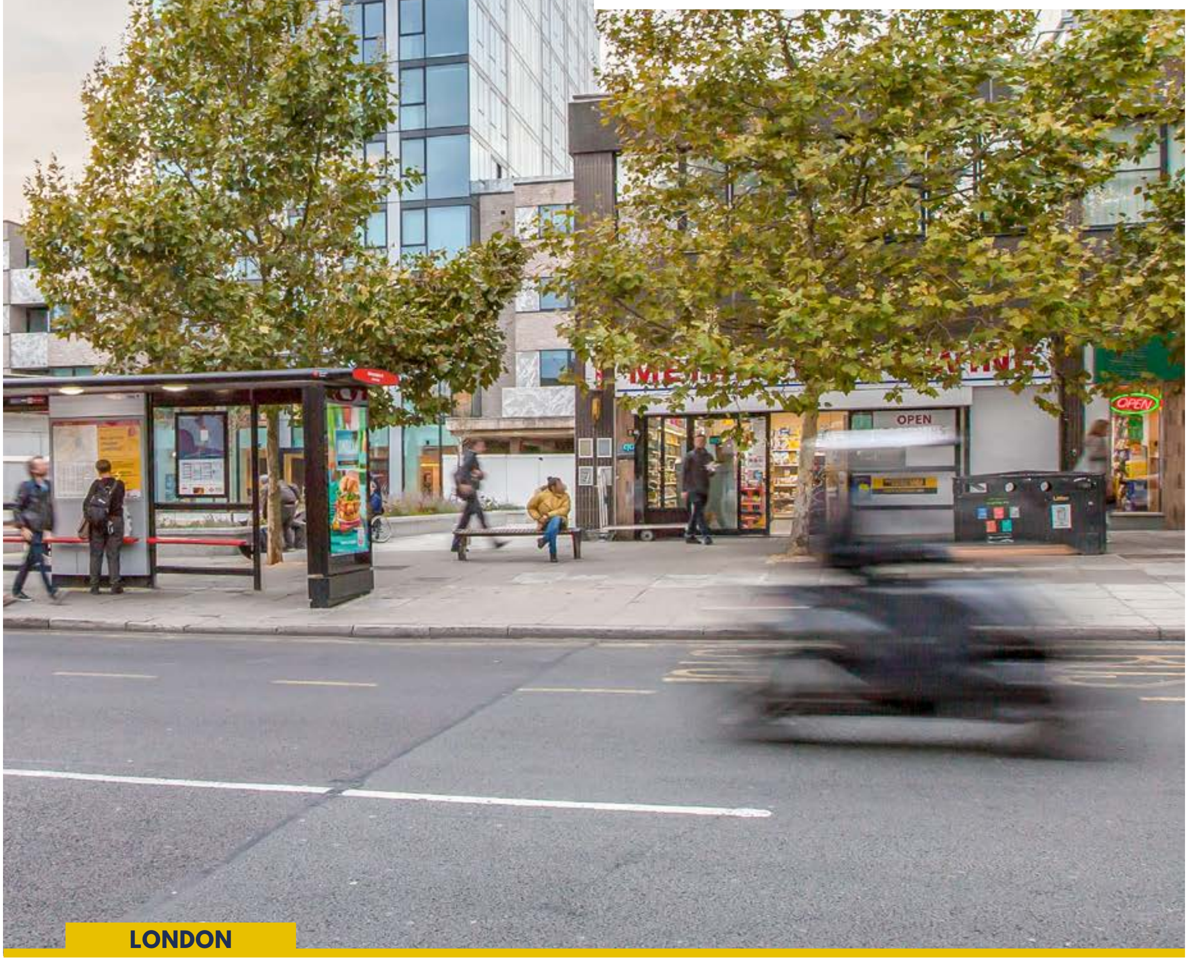
(a) Finance expenses
(b) Amortisation of loans from financial institutions
(c) Adjusted EBITDA
(=) [c/(a+b)] DSCR

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



LONDON

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, August 17, 2020

Mr. Refael Zamir CFO, 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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	For the period of six months ended 30 June 2020	For the period of six months ended 30 June 2019	For the period of three months ended 30 June 2020	For the period of three months ended 30 June 2019
		Unaudited			
		€'000			
Revenue	5	**267,723**	**278,195**	**132,392**	**139,106**
Property revaluations and capital gains		220,621	210,877	151,330	90,713
Share of profit from investments in equity-accounted investees		1,956	322	608	322
Property operating expenses		(115,556)	(*) (127,535)	(56,789)	(*) (63,199)
Administrative and other expenses		(5,862)	(*) (5,473)	(2,915)	(*) (2,759)
Depreciation and amortisation		(2,280)	(*) (1,588)	(1,059)	(*) (853)
Operating profit		**366,602**	**354,798**	**223,567**	**163,330**
Finance expenses		(24,297)	(22,807)	(13,288)	(11,020)
Other financial results		(37,127)	(19,731)	22,412	(2,642)
Profit before tax		**305,178**	**312,260**	**232,691**	**149,668**
Current tax expenses		(14,519)	(15,429)	(7,127)	(8,441)
Deferred tax expenses		(37,929)	(47,264)	(28,497)	(16,992)
Profit for the period		**252,730**	**249,567**	**197,067**	**124,235**
Profit attributable to:					
Owners of the Company		206,076	214,040	165,933	105,974
Perpetual notes investors		16,455	16,365	8,228	8,228
Non-controlling interests		30,199	19,162	22,906	10,033
		252,730	**249,567**	**197,067**	**124,235**
Net earnings per share attributable to the owners of the Company (in €):					
Basic earnings per share		1.23	1.28	0.99	0.64
Diluted earnings per share		1.16	1.21	0.93	0.59

(*) reclassified

The notes on pages 48 to 54 form an integral part of these condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the period of six months ended 30 June		For the period of three months ended 30 June	
	2020	2019	2020	2019
	Unaudited			
	€'000			
Profit for the period	**252,730**	**249,567**	**197,067**	**124,235**
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	(27,605)	(1,071)	(7,195)	(8,371)
Cost of hedging	(12,430)	(8,100)	(14,167)	620
Total other comprehensive loss for the period, net of tax	**(40,035)**	**(9,171)**	**(21,362)**	**(7,751)**
Total comprehensive income	**212,695**	**240,396**	**175,705**	**116,484**
Total comprehensive income attributable to:				
Owners of the company	166,041	204,869	144,571	98,223
Perpetual notes investors	16,455	16,365	8,228	8,228
Non-controlling interests	30,199	19,162	22,906	10,033
	212,695	**240,396**	**175,705**	**116,484**

The notes on pages 48 to 54 form an integral part of these condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June 2020 Unaudited	As at 31 December 2019 Audited
		€'000	
Assets			
Equipment and intangible assets		26,351	27,233
Investment property	6	7,961,053	7,956,034
Advanced payment and deposits		34,789	25,106
Investment in equity-accounted investees		107,212	21,020
Derivative financial assets		89,829	25,808
Other non-current assets		201,931	125,099
Deferred tax assets		64,296	42,345
Non-current assets		**8,485,461**	**8,222,645**
Cash and cash equivalents		1,331,339	914,054
Financial assets at fair value through profit and loss		193,268	148,706
Inventories - trading property		16,379	15,710
Trade and other receivables		525,001	342,285
Derivative financial assets		13,732	6,699
Assets held for sale		183,990	201,329
Current assets		**2,263,709**	**1,628,783**
Total assets		**10,749,170**	**9,851,428**

The notes on pages 48 to 54 form an integral part of these condensed interim consolidated financial statements

	Note	As at 30 June 2020 Unaudited	As at 31 December 2019 Audited
		€'000	
Equity			
Share capital	9	16,801	16,790
Share premium and other reserves		405,562	(*)583,482
Retained earnings		3,099,305	2,892,360
Total equity attributable to the owners of the Company		**3,521,668**	**3,492,632**
Equity attributable to perpetual notes investors		1,022,255	1,030,050
Total equity attributable to the owners and perpetual notes investors		**4,543,923**	**4,522,682**
Non-controlling interests		463,997	443,917
Total equity		**5,007,920**	**4,966,599**
Liabilities			
Loans and borrowings		623,192	521,110
Convertible bond		276,248	274,908
Straight bonds	7	3,450,938	2,920,010
Derivative financial liabilities		25,776	18,488
Other non-current liabilities		128,626	103,757
Deferred tax liabilities		652,539	592,274
Non-current liabilities		**5,157,319**	**4,430,547**
Current portion of long-term loans		12,539	12,136
Bond and Loan redemption		81,580	21,126
Trade and other payables		412,836	287,664
Derivative financial liabilities		-	61,861
Tax payable		18,544	15,599
Provisions for other liabilities and charges		41,025	39,394
Liabilities held for sale		17,407	16,502
Current liabilities		**583,931**	**454,282**
Total liabilities		**5,741,250**	**4,884,829**
Total equity and liabilities		**10,749,170**	**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 17 August 2020.

Mr. Refael Zamir
CFO, Chairman of the
Board of Directors

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

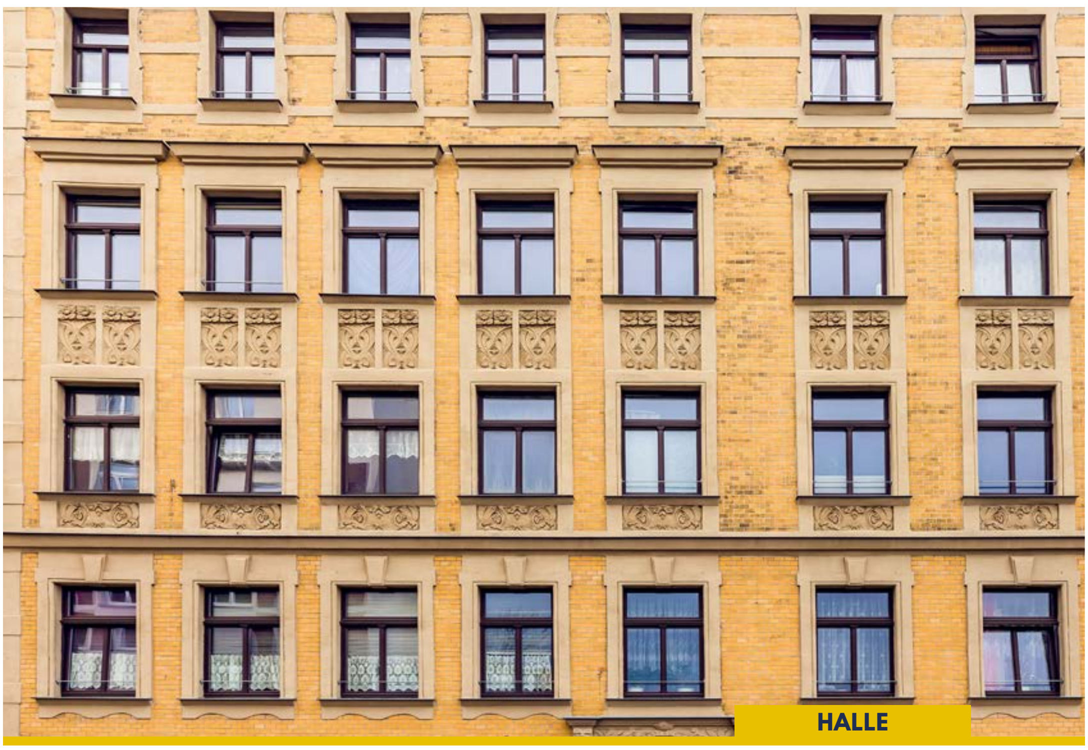
Mr. Daniel Malkin
Member of the
Board of Directors

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€'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
	Equity attributable to the owners of the Company											
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	-	-	-	-	-	-	206,076	206,076	16,455	222,531	30,199	252,730
Other comprehensive loss for the period	-	-	-	(12,430)	(27,605)	-	-	(40,035)	-	(40,035)	-	(40,035)
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**(12,430)**	**(27,605)**	**-**	**206,076**	**166,041**	**16,455**	**182,496**	**30,199**	**212,695**
Share-based payment	11	1,905	-	-	-	(1,383)	-	533	-	533	-	533
Dividend distribution (*)	-	(138,407)	-	-	-	-	-	(138,407)	-	(138,407)	-	(138,407)
Initial consolidation, deconsolidation and transactions with non-controlling interests	-	-	-	-	-	-	869	869	-	869	(10,119)	(9,250)
Payment to perpetual notes investors	-	-	-	-	-	-	-	-	(24,250)	(24,250)	-	(24,250)
Balance as at 30 June 2020 (unaudited)	**16,801**	**430,178**	**12,657**	**(22,303)**	**(38,072)**	**23,102**	**3,099,305**	**3,521,668**	**1,022,255**	**4,543,923**	**463,997**	**5,007,920**

(*) For additional information see note 8.

€'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
	Equity attributable to the owners of the Company											
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	-	-	-	-	-	-	214,040	214,040	16,365	230,405	19,162	249,567
Other Comprehensive loss for the period	-	-	-	(8,100)	(1,071)	-	-	(9,171)	-	(9,171)	-	(9,171)
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**(8,100)**	**(1,071)**	**-**	**214,040**	**204,869**	**16,365**	**221,234**	**19,162**	**240,396**
Share-based payment	6	771	-	-	-	(756)	-	21	-	21	-	21
Dividend distribution	-	(129,002)	-	-	-	-	-	(129,002)	-	(129,002)	-	(129,002)
Initial consolidation, deconsolidation and transactions with non-controlling interests	-	-	-	-	-	-	(39,141)	(39,141)	-	(39,141)	(13,405)	(52,546)
Payment to perpetual notes investors	-	-	-	-	-	-	-	-	(24,250)	(24,250)	-	(24,250)
Balance as at 30 June 2019 (unaudited)	**16,678**	**545,057**	**12,657**	**(8,139)**	**(10,626)**	**23,439**	**2,705,616**	**3,284,682**	**1,022,165**	**4,306,847**	**415,198**	**4,722,045**



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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	For the period of six months ended 30 June	
	2020	2019
	Unaudited	
	€'000	
Cash flows from operating activities:		
Profit for the period	**252,730**	**249,567**
Adjustments for the profit:		
Depreciation and amortisation	2,280	1,588
Property revaluations and capital gains	(220,621)	(210,877)
Share of profit from investments in equity-accounted investees	(1,956)	(322)
Net finance expenses	61,424	42,538
Current and deferred tax expenses	52,448	62,693
Equity settled share-based payment	801	1,066
Change in working capital	(23,911)	(8,269)
	123,195	**137,984**
Tax paid	(10,284)	(12,977)
Net cash provided by operating activities	**112,911**	**125,007**
Cash flows from investing activities:		
Acquisition of equipment and intangible assets, net	(1,439)	(4,104)
Acquisition of investment property, capex and advances paid, net	(182,422)	(*) (232,198)
Disposals of investment property, net	652	(*) 166,019
Acquisition of investees and loans, net of cash acquired	(13,064)	(*) (32,768)
Disposal of investees and loans, net of cash disposed	138,781	(*) (1,107)
Net investment in financial and other assets, net	(286,161)	47,383
Net cash used in investing activities	**(343,653)**	**(56,775)**

(*) reclassified

The notes on pages 48 to 54 form an integral part of these condensed interim consolidated financial statements

	For the period of six months ended 30 June	
	2020	2019
	Unaudited	
	€'000	
Cash flows from financing activities:		
Amortisation of loans from financial institutions	(6,327)	(4,709)
Net proceeds (repayments) of loans from financial institutions	125,549	(215,708)
Proceeds from straight bonds, net	581,049	286,710
Payment to perpetual notes investors	(24,250)	(24,250)
Transactions with non-controlling interests	-	(59,585)
Interest and other financial expenses, net	(24,795)	(33,934)
Net cash provided by (used in) financing activities	**651,226**	**(51,476)**
Net increase in cash and cash equivalents	**420,484**	**16,756**
Change in cash and cash equivalents held for sale	(263)	(11)
Cash and cash equivalents at the beginning of the period	914,054	603,158
Effect of foreign exchange rate changes	(2,936)	(51)
Cash and cash equivalents at the end of the period	**1,331,339**	**619,852**

The notes on pages 48 to 54 form an integral part of these condensed interim consolidated financial statements

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. General

Grand City Properties S.A. ("the Company") was incorporated in 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 modernization and intensive tenant management and create value by subsequently raising occupancy and rental levels.

These condensed interim consolidated financial statements for the six months ended 30 June 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 € 355 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 € 150 million, primarily in London.
- The Group issued Euro 600 million in bonds under the EMTN programme (see note 7). In addition, The Group completed the drawdown of bank financing amounting approximately € 130 million at attractive rates of up to 20 years.
- At the annual general meeting held on 24 June 2020, it was resolved upon a distribution of dividend in total amount of Euro 138.5 million (0.8238 Euro per share) (see note 8).
- The company had seen a stable first half year in 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.

5. Revenue

	For the period of six months ended 30 June	
	2020	2019
	€'000	
Net rental income	186,364	189,320
Revenue from contracts with customers	81,359	88,875
	267,723	**278,195**

5.1 Disaggregation of revenue from contracts with customers

	For the period of six months ended 30 June	
	2020	2019
	€'000	
Revenue from goods or services transferred to customers over time:		
Operating and other income	81,359	88,875
	81,359	**88,875**

5.2 Geographical information

	For the period of six months ended 30 June	
	2020	2019
	€'000	
Revenues		
Germany	241,607	266,209
United Kingdom	23,491	11,986
Others	2,625	-
	267,723	**278,195**

6. Investment Property

	For the period of six months ended 30 June 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	151,362	681,465
Capital expenditures on investment property during the period / year	35,724	92,949
Disposal of investment property during the period / year	(355,971)	(464,277)
Fair value adjustments	215,275	369,987
Effect of foreign currency exchange differences	(59,399)	46,017
Transfer from/to investment property	-	(1,780)
Total investment property	**8,139,457**	**8,152,466**
Less: investment property classified as held for sale	(178,404)	(196,432)
As at 30 June / 31 December	**7,961,053**	**7,956,034**

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 Euro 0.8238 (gross) per share for the year 2019 (2019: Euro 0.7735 (gross) per share for the year 2018). The total gross amount of the dividend amounted to Euro 138,407 thousand (2019: 129,002 thousand) 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. For additional information after the reporting period see note 13(a).

9. Share capital

	For the period of six months ended 30 June 2020		For the year ended 31 December 2019	
	Number of shares	€'000	Number of shares	€'000
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	-	-	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	**168,010,671**	**16,801**	**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 June 2020 and 31 December 2019 on a recurring basis:

	As at 30 June 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 unobserv-able inputs (Level 3)	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobserv-able inputs (Level 3)
	€'000									
Financial assets										
Financial assets at fair value through profit or loss (*)	209,888	209,888	184,472	25,416	-	162,220	162,220	139,274	22,946	-
Derivative financial assets	103,561	103,561	-	103,561	-	32,507	32,507	-	32,507	-
Total financial assets	**313,449**	**313,449**	**184,472**	**128,977**	**-**	**194,727**	**194,727**	**139,274**	**55,453**	**-**
Financial liabilities										
Derivative financial liabilities	25,776	25,776	-	25,776	-	80,349	80,349	-	80,349	-
Total financial liabilities	**25,776**	**25,776**	**-**	**25,776**	**-**	**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 June 2020:

	As at 30 June 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 unobserv-able inputs (Level 3)	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobserv-able inputs (Level 3)
	€'000									
Financial liabilities										
Straight bonds (*)	3,511,392	3,705,481	3,513,541	191,940	-	2,920,010	3,115,599	2,924,039	191,560	-
Convertible bond	276,248	286,540	286,540	-	-	274,908	299,942	299,942	-	-
Total financial liabilities	**3,787,640**	**3,992,021**	**3,800,081**	**191,940**	**-**	**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:

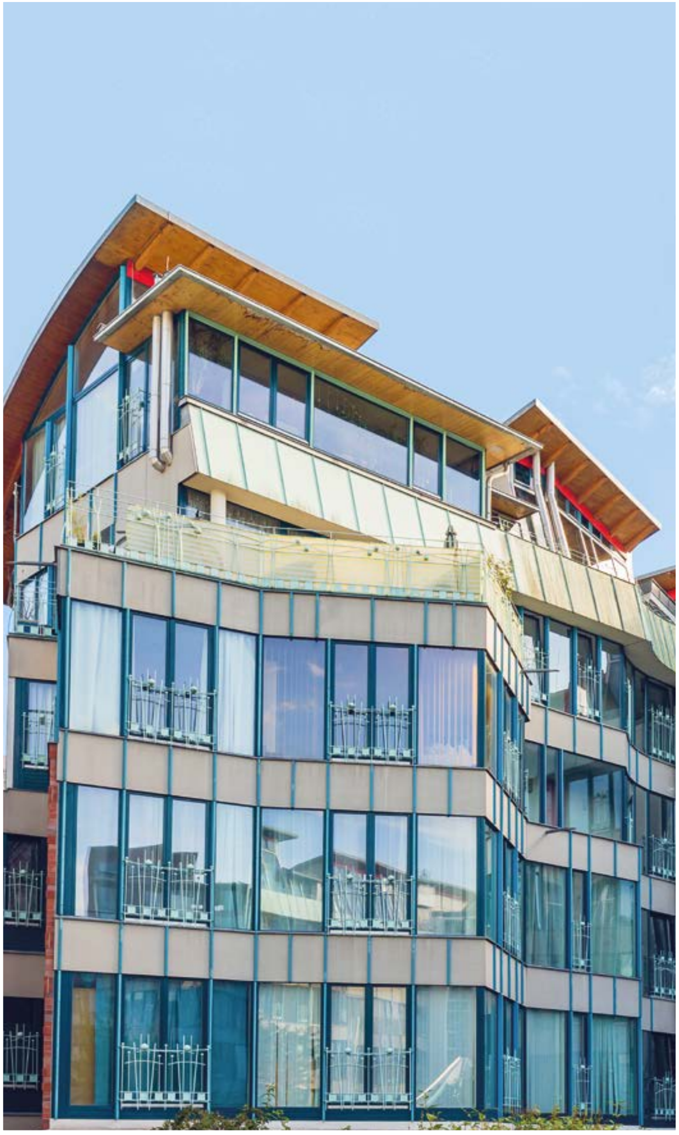
- The fair values of the quoted bonds are based on price quotations at the reporting date. The fair value of unquoted bonds is measured using the discounted cash flows method with observable inputs.
- There's an active market for the Group's listed equity investments and quoted debt instruments.
- The 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 June 2020.



13. Events after the reporting period

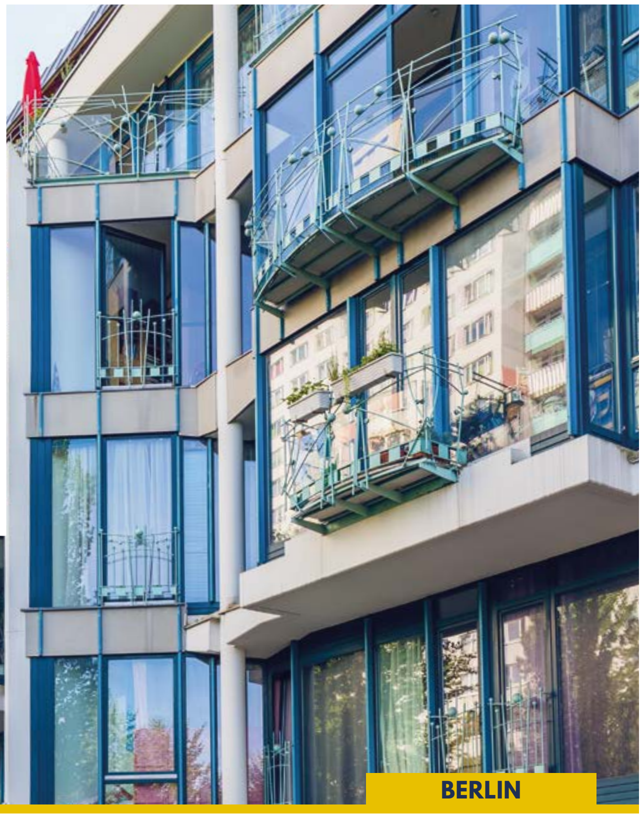
a) On 10 July 2020, the Company announced that the shareholders of approximately 96 million shares opted to receive their dividend in the form of new ordinary shares of the Company. Accordingly, 3,853,379 new shares have been issued in connection with the scrip dividend and the equity attributable to the owners of the Company increased by Euro 67.5 million. The remainder of the dividend in total amount of approximately Euro 71 million has been paid in cash during July 2020.

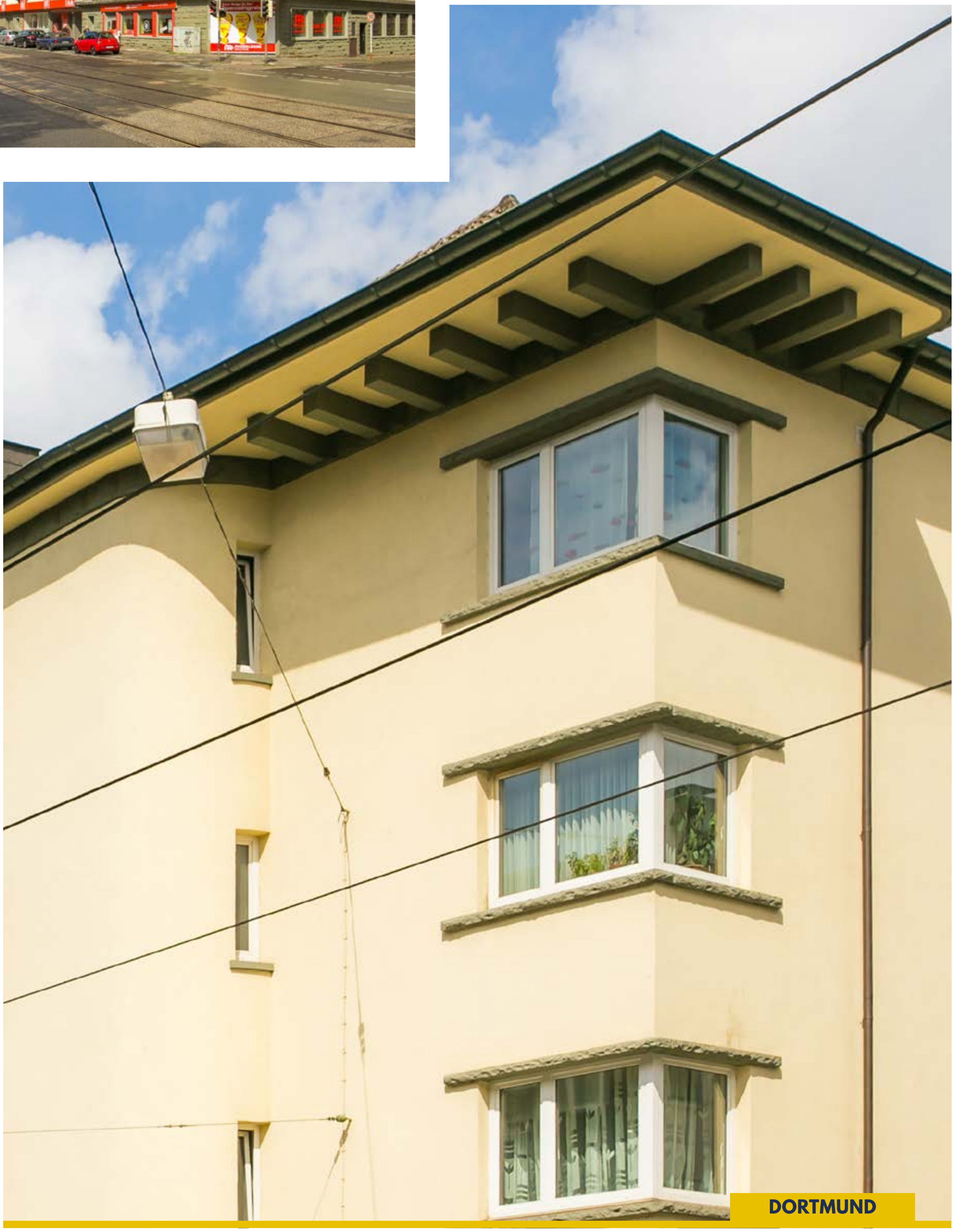
b) On 2 July 2020, as a result of the dividend distribution, the conversion price of the convertible bond series F has been adjusted from Euro 24.8141 to Euro 23.9270 Euro.

c) After the reporting period, the Group signed a contract to sell properties in value of approx. Euro 370 million. The sale is expected to be completed by the end of the year.

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 17 August 2020.





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