BERLIN

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended 30 June

2021

DORTMUND

CONTENTS

IMPRINT
Publisher: Grand City Properties S.A. | 1, Avenue du Bois | L-1251 Luxembourg
Phone: +352 28 77 87 86 | **e-mail:** info@grandcity.lu | www.grandcityproperties.com

KEY FINANCIALS

BALANCE SHEET HIGHLIGHTS

in €'000 unless otherwise indicated	Jun 2021	Dec 2020	Dec 2019
Total Assets	10,915,928	10,865,780	9,851,428
Investment Property[1]	8,386,984	8,022,351	7,971,744
Cash and liquid assets[2]	1,355,261	1,692,331	1,063,320
Total Equity	5,397,940	5,554,928	4,966,599
Loan-to-Value	34%	31%	33%
Equity Ratio	49%	51%	50%

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

P&L HIGHLIGHTS

in €'000 unless otherwise indicated	H1 2021	Change	H1 2020
Revenue [1]	259,448	-3%	267,723
Net Rental Income [1]	183,131	-2%	186,364
Adjusted EBITDA	147,410	0%	147,106
FFO I [2]	94,232	3%	91,535
FFO I per share (in €) [2]	0.56	2%	0.55
FFO II [3]	165,666	-17%	199,556
EBITDA	328,404	-11%	368,882
Profit for the period	157,084	-38%	252,730
EPS (basic) (in €)	0.72	-41%	1.23
EPS (diluted) (in €)	0.68	-41%	1.16

1 Revenue and net rental income decreased due to disposals during the past twelve months. On a like-for-like basis, net rental income increased by 2% as compared to June 2020
2 Previously defined as FFO I/FFO I per share after perpetual notes attribution
3 Reclassified to be based on FFO I after perpetual notes attribution

NAV HIGHLIGHTS

in €'000 unless otherwise indicated	EPRA NRV	EPRA NTA	EPRA NDV
June 2021	4,724,943	4,544,855	3,437,296
June 2021 per share (in €)	28.0	27.0	20.4
Per share growth (Dividend adjusted)	4%	5%	6%
Per share growth	1%	2%	1%
Dec 2020	4,775,679	4,566,426	3,451,717
Dec 2020 per share (in €)	27.8	26.5	20.1


DÜSSELDORF

HIGHLIGHTS

ROBUST OPERATIONAL PERFORMANCE

Enabled by effective portfolio diversification and robust business efficiencies

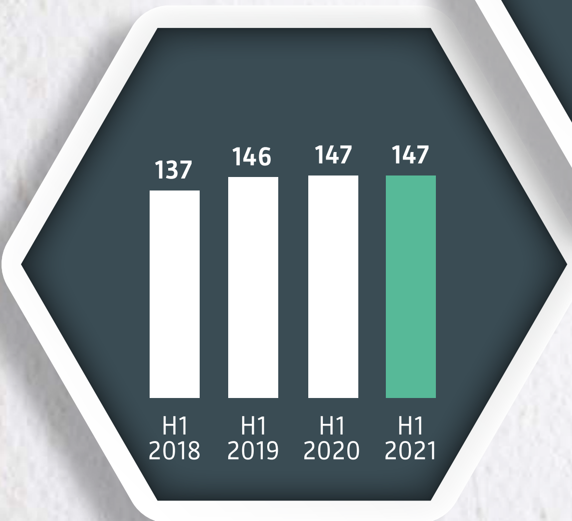
+1.4%
L-F-L
In-place rent growth
June 2021

+2.0%
L-F-L
Total net rent growth
June 2021

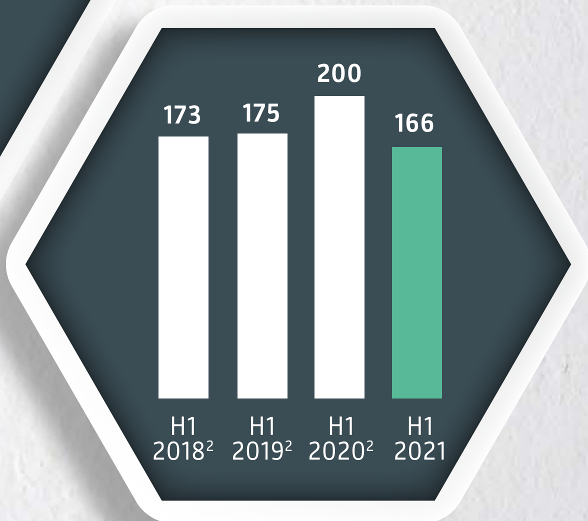
+0.6%
L-F-L
Occupancy growth
June 2021

FFO I
(in € millions)

Adjusted EBITDA
(in € millions)



FFO II
(in € millions)

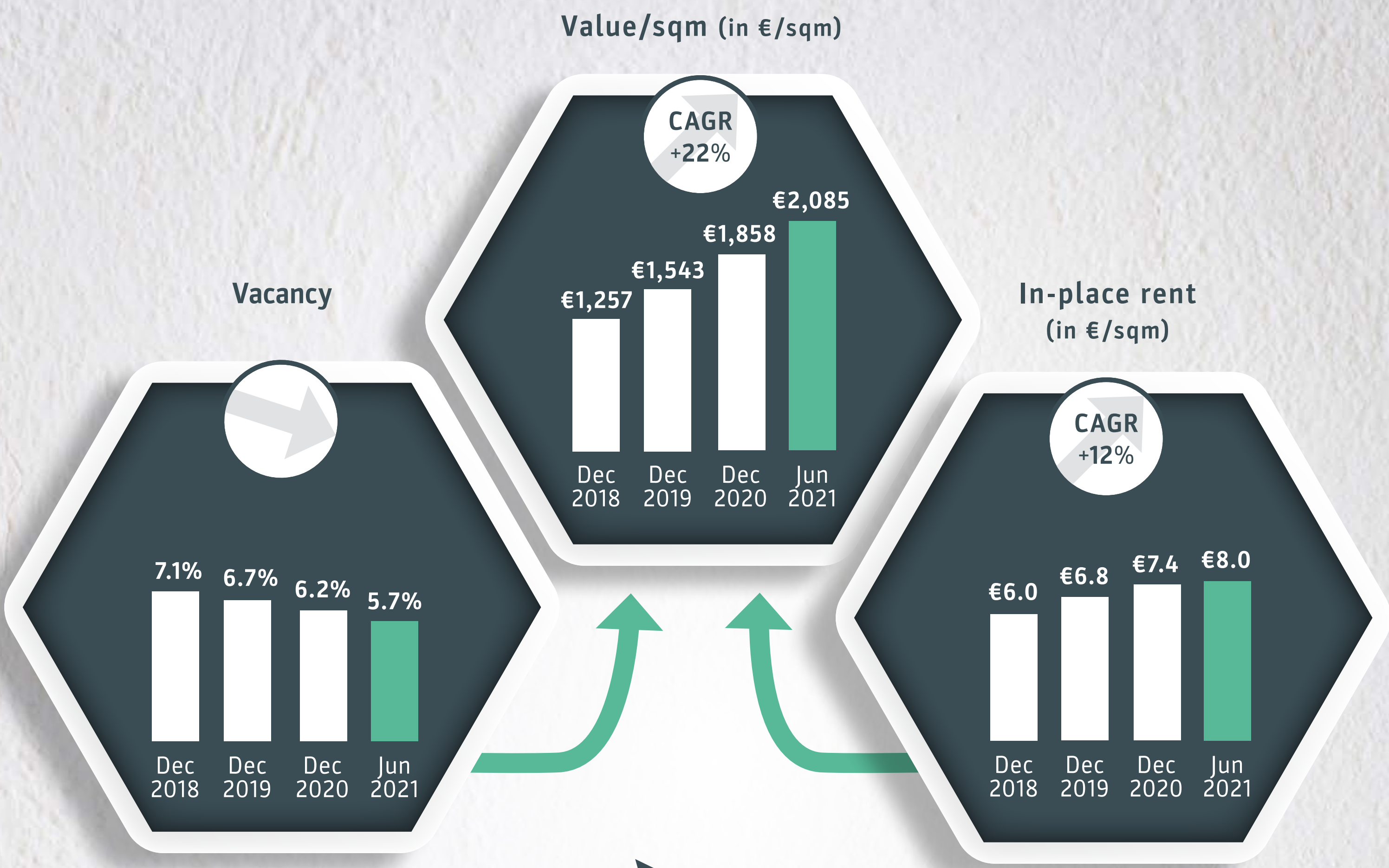


1 Previously defined as FFO I after perpetual notes attribution
2 Reclassified to be based on FFO I after perpetual notes attribution

HIGHLIGHTS

FURTHER ENHANCED ASSET QUALITY

Achieved through solid letting performance on a sustainable basis coupled with accretive capital recycling at premiums to net book values.



ACQUISITIONS

Acquiring quality assets

Approx.
€300 million

DISPOSALS

Disposing mainly non-core properties at a premium to book value

Over
€300 million
(13% above net book values)

SHARE BUYBACK*

Accretive share buyback at a discount to NAV, reinvesting into GCP's portfolio at attractive pricing

up to
€270 million

* Including share buyback tender offer completed in February 2021 in the amount of €71.6 million and including the share buy-back programme launched in March 2021 of up to €200 million, of which €85.8 million has been completed as of 30 June, 2021.

HIGHLIGHTS

CONSERVATIVE FINANCIAL PROFILE

Strong capital market access supporting new corporate records

Largest bond issuance

€1 billion

bond due 2028 at a record low coupon of 0.125%

Total bond repayments of approx.

€720 million

H1 2021

Total bank loan prepayments of approx.

€260 million

H1 2021

Long average debt maturity

6.7 years

June 2021

Historically lowest cost of debt

1%

June 2021

1.3%

Dec 2020

ICR

6.5x

H1 2021

6.1x

H1 2020

Unencumbered assets

€7.8 BN

92% of value

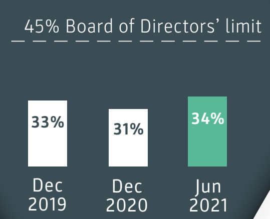
Credit rating with a stable outlook and a strategic goal for further improvement.

S & P

BBB+ → A-

Low leverage

(Loan-To-Value)



THE COMPANY

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, 2021.

The figures presented in this Board of Director's Report are based on the condensed interim consolidated financial statements as of June 30, 2021, unless stated otherwise.

GCP is a specialist in residential real estate, investing in value-add opportunities in densely populated areas predominantly in Germany and is complemented by a portfolio in London. The Group's portfolio, excluding assets held-for-sale and properties under development, as of June 2021 consists of 60k units (hereinafter "GCP portfolio" or "the Portfolio") located in densely populated areas with a focus on Berlin, Germany's capital, North Rhine-Westphalia, Germany's most populous federal state, the metropolitan regions of Dresden, Leipzig and Halle and other densely populated areas as well as London.

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

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

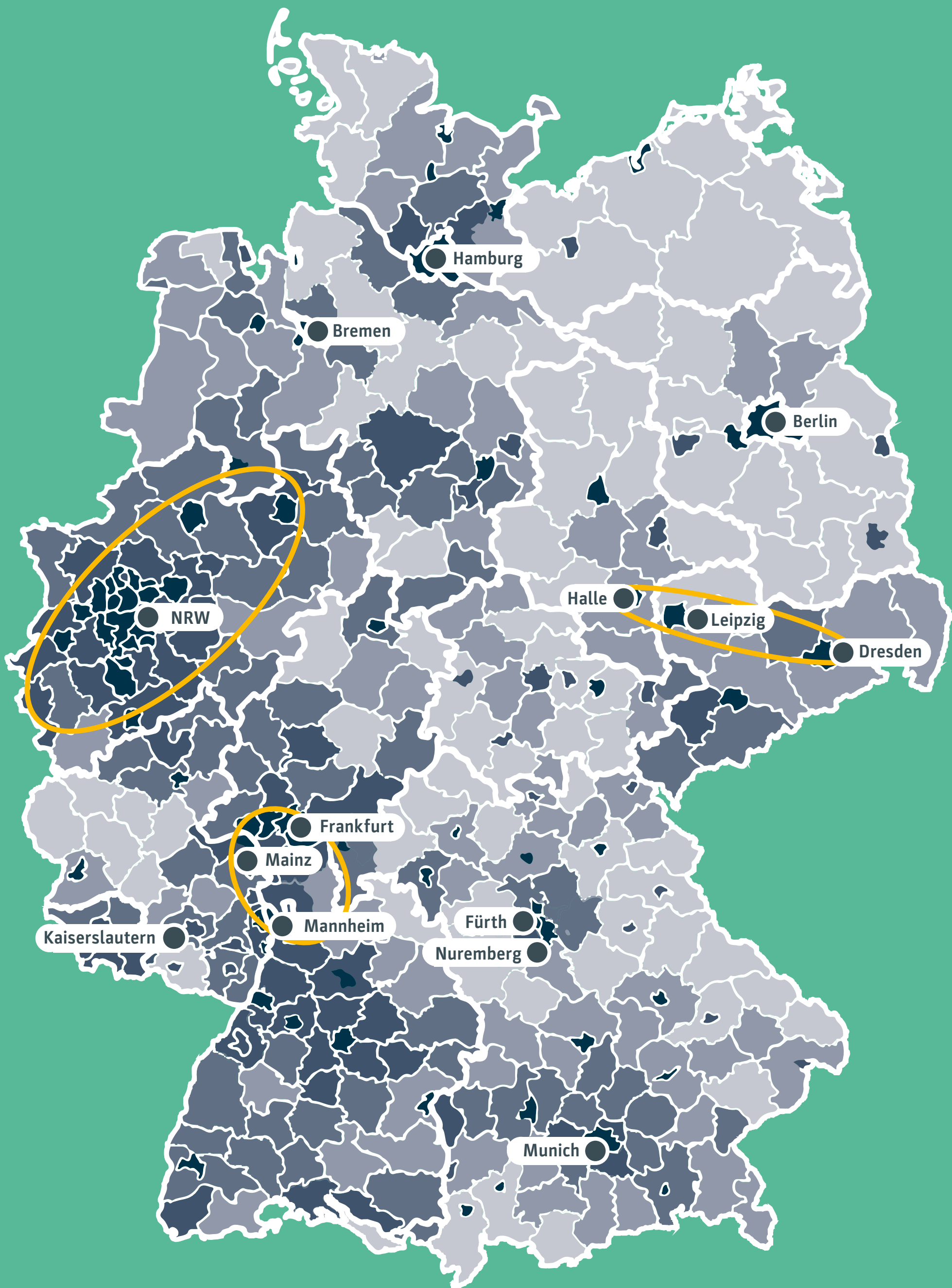
This strategy enables the Company to create significant value in its portfolio and generate stable and increasing cash flows.

PORTFOLIO

POPULATION DENSITY IN GERMANY

inhabitants per sqkm (2018)*

- 933 - 4,686
- 283 - 933
- 156 - 283
- 105 - 156
- 36 - 105



* Based on data from Destatis

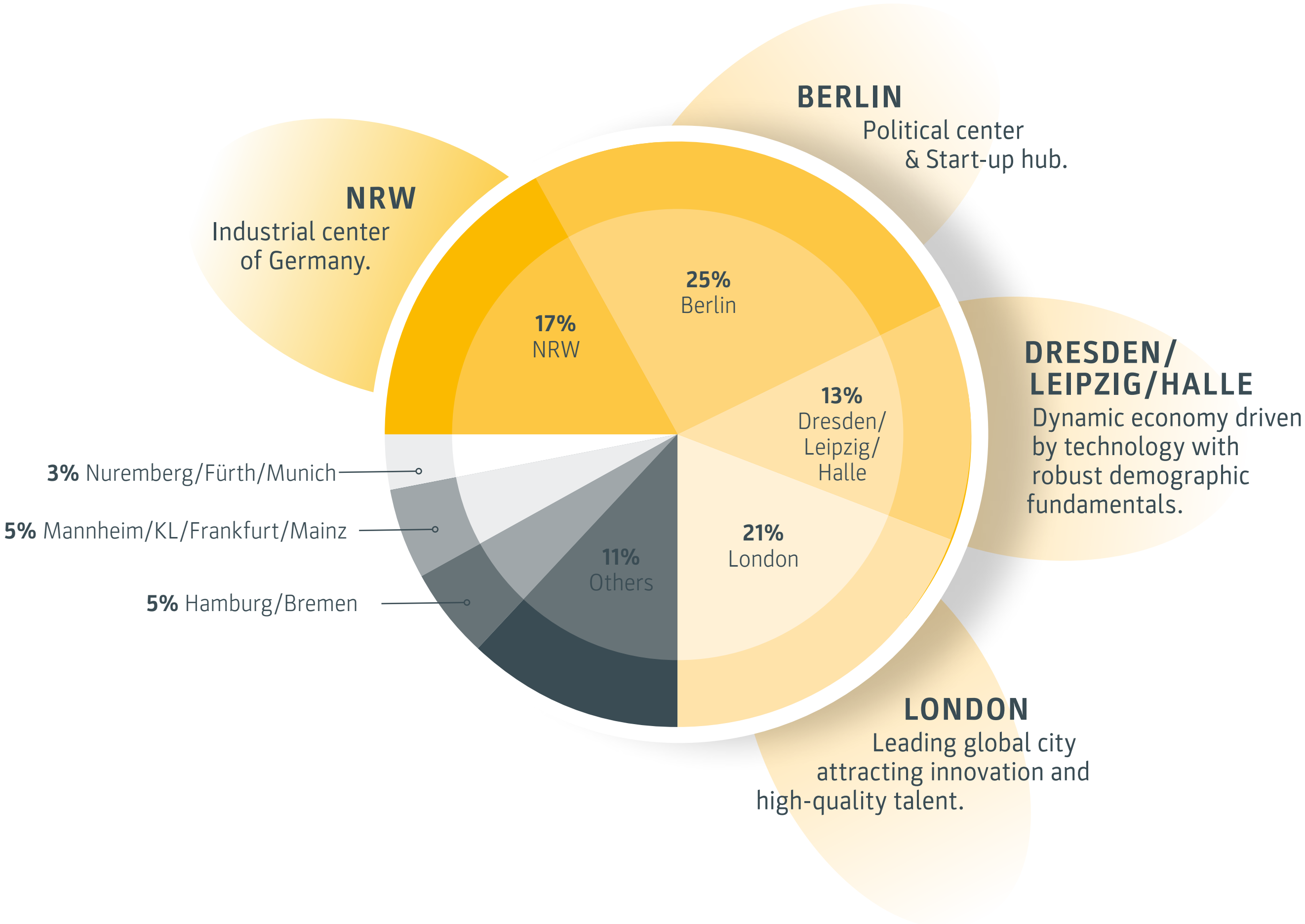
ATTRACTIVE PORTFOLIO CONCENTRATED IN DENSELY POPULATED METROPOLITAN AREAS WITH VALUE-ADD POTENTIAL

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 centres.

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 25% of its Portfolio being located in Berlin, 17% of its Portfolio being located in NRW, 13% in the metropolitan region of Dresden, Leipzig and Halle, and 21% in London, four clusters with their own distinct economic drivers. The portfolio also includes additional holdings in other major urban centres with strong fundamentals such as, Nuremberg, Munich, Mannheim, Frankfurt, Hamburg, and Bremen.

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

DIVERSIFIED PORTFOLIO WITH DISTINCT ECONOMIC DRIVERS



PORTFOLIO OVERVIEW

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

JUNE 2021	Value (in €M)	Area (in k sqm)	EPRA vacancy	Annualised net rent (in €M)	In-place rent per sqm (in €)	Number of units	Value per sqm (in €)	Rental yield
NRW	1,424	947	6.0%	70	6.3	13,313	1,505	4.9%
Berlin	1,946	583	4.7%	59	8.5	8,017	3,336	3.0%
Dresden/Leipzig/Halle	1,060	816	5.1%	51	5.5	14,007	1,299	4.8%
Mannheim/KL/Frankfurt/Mainz	411	194	3.1%	20	8.4	3,292	2,121	4.8%
Nuremberg/Fürth/Munich	230	98	5.4%	10	8.4	1,358	2,341	4.3%
Hamburg/Bremen	362	268	6.5%	20	6.5	4,050	1,351	5.5%
London	1,591	190	7.3%	68	32.3	3,356	8,357	4.3%
Others	944	724	5.4%	56	7.0	12,308	1,302	5.9%
Development rights and new buildings *	419							
Total	**8,387**	**3,820**	**5.7%**	**354**	**8.0**	**59,701**	**2,085**	**4.4%**

* of which pre marketed buildings in London amount to €189m

BERLIN PORTFOLIO BEST IN CLASS

25% of GCP's portfolio

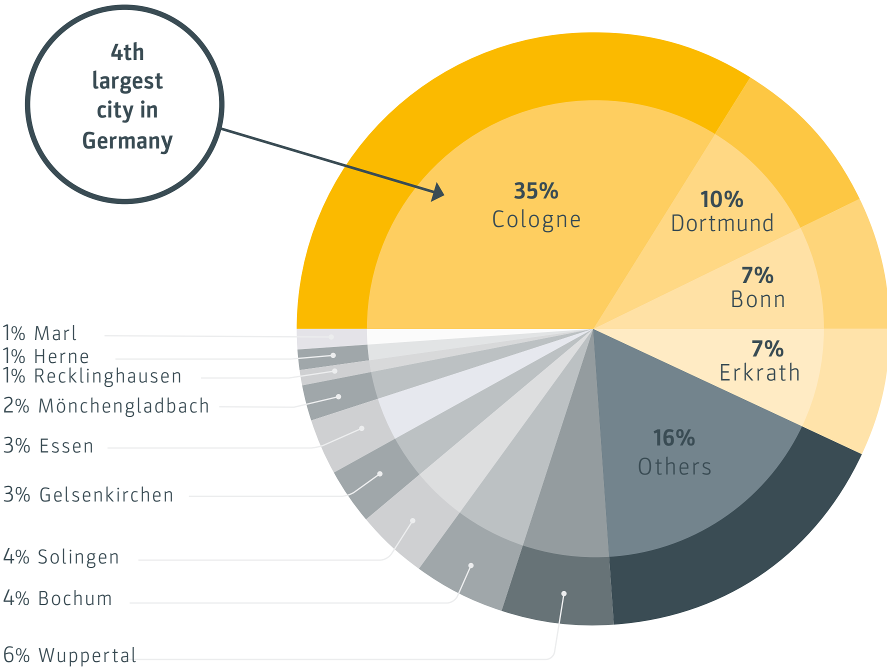
Quality locations in top tier Berlin neighborhoods

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



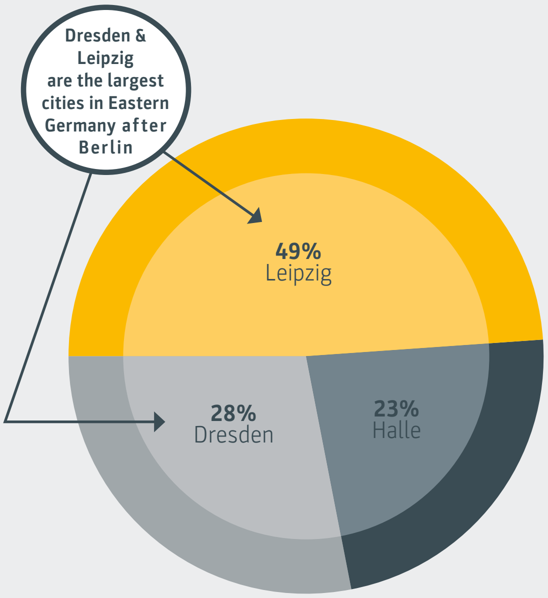
17% of GCP's portfolio

The portfolio distribution in NRW is focused on cities with strong fundamentals within the region. 35% of the NRW portfolio is located in Cologne, the largest city in NRW, 10% in Dortmund, 7% in Bonn, 7% in Erkrath.

QUALITY EAST & NORTH PORTFOLIO

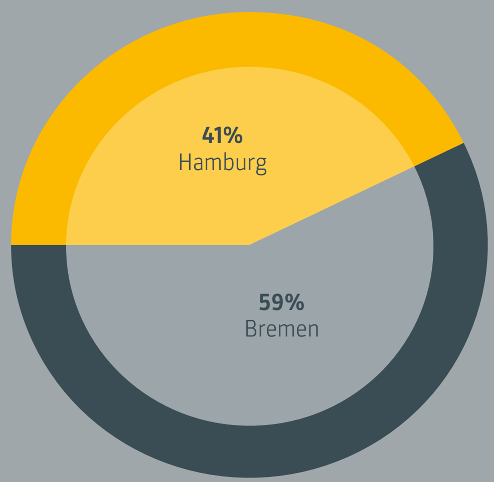
13%
of GCP's
portfolio

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



5%
of GCP's
portfolio

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



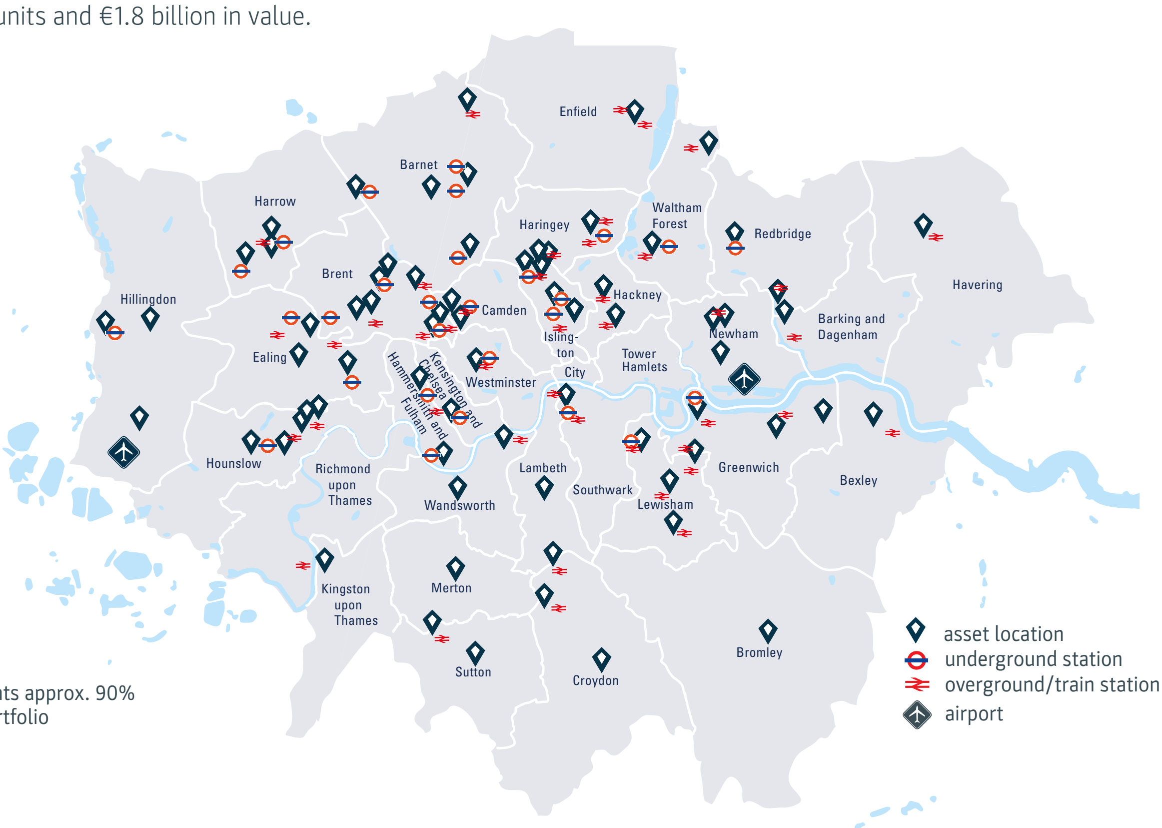
LONDON

21%
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. 4,100 units and €1.8 billion in value.

Approx. **85%** of the portfolio is situated within a short walking distance to an underground/overground station.

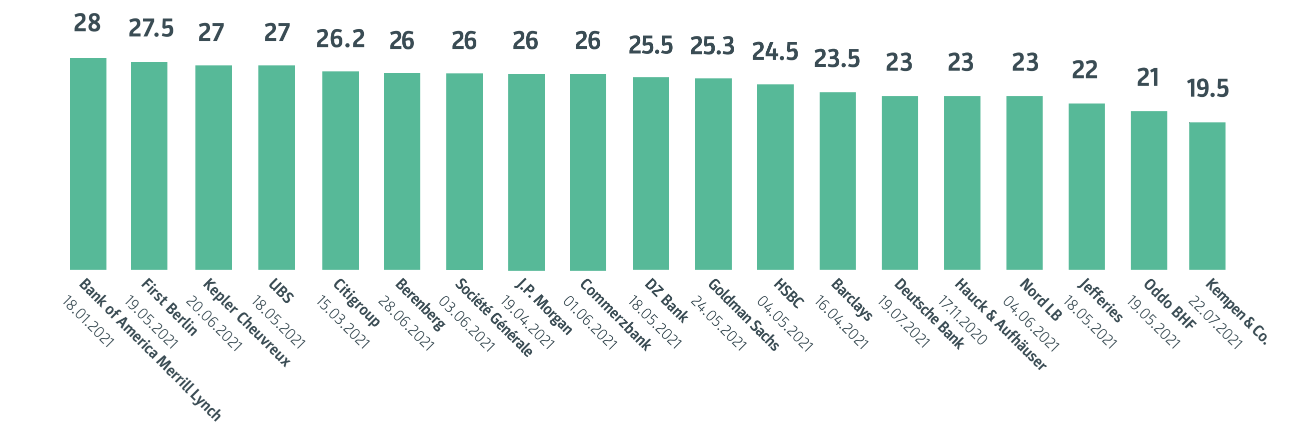


The map represents approx. 90% of the London Portfolio

CAPITAL MARKETS

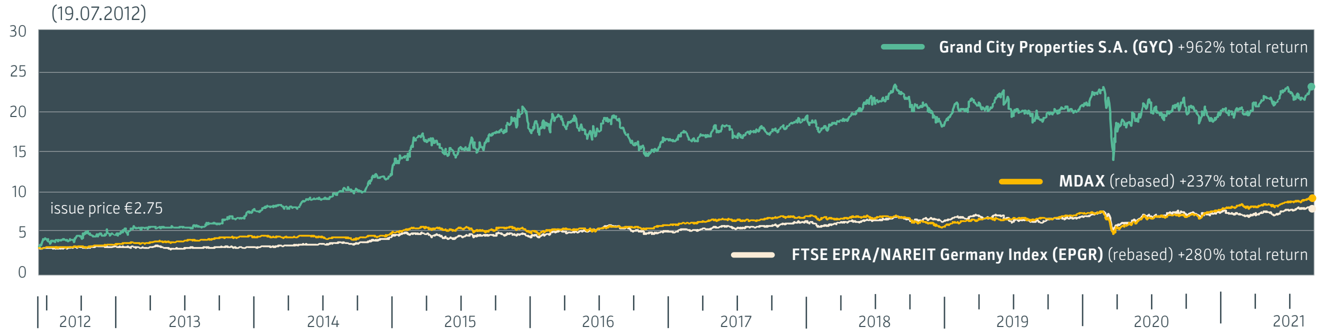
Placement	Frankfurt Stock Exchange
Market segment	Prime Standard
First listing	Q2 2012
Number of shares (as of 30 June 2021)	171,864,050 ordinary shares with a par value of EUR 0.10 per share
Number of shares, excluding suspended voting rights, base for share KPI calculations (as of 30 June 2021)	165,735,386 ordinary shares with a par value of EUR 0.10 per share
Shareholder structure (as of 30 June 2021)	Freefloat: 54% | Edolaxia Group: 42% | Treasury Shares: 4%
Nominal share capital (as of 30 June 2021)	17,186,405.00 EUR
Number of shares on a fully diluted basis, excluding suspended voting rights (as of 30 June 2021)	177,576,041
ISIN	LU0775917882
WKN	A1JXCV
Symbol	GYC
Key index memberships	MDAX FTSE EPRA/NAREIT Index Series STOXX Europe 600 MSCI Index Series GPR 250 GPR ESG+ GPR IPCM LFFS Sustainable GRES DIMAX
Market capitalisation (as of the date of this report)	4.2 bn EUR

ANALYST RECOMMENDATIONS



SHARE PRICE PERFORMANCE AND TOTAL RETURN COMPARISON SINCE FIRST EQUITY PLACEMENT

(19.07.2012)



COLOGNE

NOTES ON BUSINESS PERFORMANCE

REVENUE AND OPERATING PROFIT

For the period of six months ended 30 June	2021	2020
	€'000	
Net rental income (a)	183,131	186,364
Operating and other income (b)	76,317	81,359
Revenue	**259,448**	**267,723**
Property revaluations and capital gains (d)	179,662	220,621
Share of profit from investments in equity-accounted investees	3,060	1,956
Property operating expenses (b)	(108,358)	(115,556)
Administrative and other expenses (c)	(5,408)	(5,862)
Depreciation and amortisation	(2,606)	(2,280)
Operating profit	**325,798**	**366,602**

In the first half of 2021, GCP recorded total revenue of €259 million as compared to €268 million during the corresponding period in 2020. Total revenue is made up of net rental income along with operating and other income.

(a) During the first half of 2021, GCP recorded net rental income of €183 million as compared to €186 million recorded during the comparable period in 2020. This slight decrease of 2% was primarily the result of disposals amounting to approx. €900 million during the past twelve months ending June 2021. However, this decrease was partially offset in the last twelve months by several factors including accretive acquisitions of approx. €750 million, some of which only had a partial impact in the first half of 2021, higher rental income from assets in London that were in the pre-letting stage in previous periods but have since been completed and leased out, as well as a like-for-like rent increase of 2%, with 1.4% due to in-place rent increases and 0.6% due to occupancy increases. The disposals of lower quality properties, in combination with acquisitions of high quality properties and with internal growth, creates a stronger and more robust income going forward.

+1.4% L-F-L
In-place rent growth
Jun 2021

+2.0% L-F-L
Total net rent growth
Jun 2021

+0.6% L-F-L
Occupancy growth
Jun 2021

(b) The other contributing factor towards total revenues is operating and other income, which amounted to €76 million for the first half of 2021 as compared to €81 million for the corresponding period in 2020. This decrease was primarily driven by the disposals completed between the reporting periods. Besides crystallising value appreciation on the disposed assets, GCP also optimised its operating cost structure through the disposals of non-core assets with a higher cost structure, along with the acquisition of higher quality properties with a relatively leaner cost structure. Therefore, the operating and other expenses decreased at a higher rate than the decrease in the net rent, contributing to the decrease in the total revenue during the period.

Property operating expenses are primarily made up of expenses which are mostly recoverable from the tenants and include the costs for various utilities and services provided to tenants, such as - heating, water, electricity, waste management, and cleaning among other expenses. As a result of the optimised operating cost profile of its portfolio, GCP's property operating expenses for the first half of 2021 decreased to €108 million, as compared to €116 million for the comparable period in 2020. In addition to costs that are largely recoverable from tenants, property operating expenses also includes expenses in connection with maintenance and refurbishment, operational personnel and other operating and letting activities.

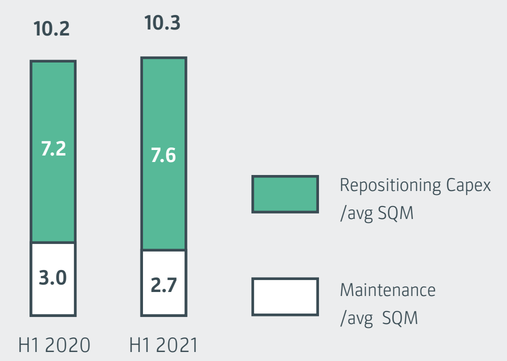
GCP continues to prioritise the enhancement in quality of its investment property portfolio and to this end carries out a variety of maintenance and refurbishment projects, with each project customised to the specific needs of the property. The end goal of these projects is to improve the quality of the properties and as a result, to deliver higher tenant satisfaction and better living environments, increased rents, decrease fluctuations and decreased vacancies.

During the first half of 2021, maintenance and refurbishment expenses amounted to €11 million and €2.7 per average sqm, which compares to €15 million and €3.0 per average sqm during the corresponding period in 2020.

Repositioning capex is made up of costs incurred with the purpose of enhancing the product offering to tenants by improving the quality of the property. These improvements may be in the form of apartment renovations, upgraded staircases, corridors and other common areas and façade refits among various other measures. During the first half of 2021, GCP invested €30 million and €7.6 per average sqm of repositioning capex, as compared to €34 million and €7.2 per average sqm during the comparable period in 2020.

During the first half of 2021, the Company also invested €22 million into pre-letting modifications. These investments are primarily connected with the completion of properties acquired in London and Berlin that are in the final stages of development. The required investments are considered during the initial cost analysis prior to acquisition. These units are expected to be leased out in the coming periods, resulting in further rental growth and operational profitability.

MAINTENANCE AND CAPEX DEVELOPMENT (€/SQM)



(c) GCP reported €5 million of administrative and other expenses for the first half of 2021, as compared to €6 million reported during the first half of 2020. These are primarily made up of overhead expenses including, personnel expenses, professional fees such as legal, accounting, marketing, and other ancillary office expenses.

(d) The Company posted property revaluations and capital gains of €180 million for the first half of 2021, compared to €221 million during the first half of 2020. GCP engages external, professional, independent, and certified valuators to assess the valuation of each of its investment properties, at least once a year. The positive property revaluations achieved thus far are related to the operational improvements achieved in the portfolio period over period.

At the end of June 2021, the investment property portfolio's average value per sqm was €2,085, which compares to €1,858 per sqm as of December 2020.

In the first half of 2021, GCP disposed assets held-for-sale and mostly other non-core assets across Germany in secondary cities, mostly located in Eastern Germany as well as in secondary cities in NRW. These disposals were executed at a value of over €300 million, reflecting an average multiple of 17x and generating a 13% premium over net book values. In comparison to total costs, including capex, GCP recorded a total profit margin of 29%.

PROFIT FOR THE PERIOD

For the period of six months ended 30 June	2021	2020
	€'000	
Operating profit	**325,798**	**366,602**
Finance expenses (a)	(22,702)	(24,297)
Other financial results (b)	(89,265)	(37,127)
Current tax expenses (c)	(17,629)	(14,519)
Deferred tax expenses (c)	(39,118)	(37,929)
Profit for the period (d)	**157,084**	**252,730**
Profit attributable to the owners of the company	120,726	206,076
Profit attributable to the perpetual notes investors	12,565	16,455
Profit attributable to non-controlling interests	23,793	30,199
Basic earnings per share (in €)	0.72	1.23
Diluted earnings per share (in €)	0.68	1.16
Weighted average number of ordinary shares (basic) in thousands	168,179	167,931
Weighted average number of ordinary shares (diluted) in thousands	180,353	179,697

(a) GCP recorded finance expenses amounting to €23 million for the first half of 2021, lower as compared to €24 million for the corresponding period in 2020. This decrease in finance expenses is testament to the Company's proactive approach towards managing its debt profile. In the first half of 2021, GCP issued €1 billion in straight bonds through Series X, the largest bond issuance in its corporate history, with a long maturity period of 7 years and at a record-low coupon of 0.125%. Additionally, GCP completed repurchases of approx. €310 million in notional value of Series E notes (due 2025), approx. €320 million in notional value of the Series W notes (due 2024) and redeemed €60.5 million in notional value of Series S notes along with €25 million in notional value of Series D bonds, during the first half of 2021. GCP also optimised its bank debt profile by prepaying higher interest-bearing loans amounting to approx. €260 million. Therefore, GCP has repaid in total approx. €1 billion of shorter and more expensive debt during the first six months of 2021. As a result of GCP's efforts, the Company has decreased its average cost of debt from 1.4% at the end of June 2020 to 1% as of June 2021 while maintaining its long average debt maturity of 6.7 years.

(b) During the first half of 2021, GCP recorded negative other financial results of €89 million, which compares to negative results of €37 million during the corresponding period in 2020. These results were largely driven by one-off costs in connection with the prepayment and redemption of approx. €1 billion in notional values of bonds and bank debt during the first six months of 2021. Further, additional costs were incurred in relation to bond issuances, bank fees, changes in the value of financial assets and interest rate- and currency-derivatives. While these measures result in one-off expenses, they support an enhanced level of profitability in the longer term.

(c) In total, during the first half of 2021, the Company reported tax expenses of €57 million, which compares to €52 million reported during the corresponding period in 2020. Total tax expenses are made up of current tax expenses as well as deferred tax expenses. Current tax expenses amounted to €18 million for the first six months of 2021, as compared to €15 million during the comparable period in 2020.

GCP reported deferred tax expenses of €39 million for the first half of 2021, as compared to €38 million during the first half of 2020. Deferred tax expenses are mainly connected to revaluation gains and are predominantly related to the theoretical disposal of investment properties in the form of asset deals, with a tax rate applied based on the location of the asset. The amount of deferred tax expenses connected to revaluation gains in H1 2021 as compared to H1 2020 was additionally impacted by the expected increase in the corporate tax in the UK, increasing from 19% to 25%.

(d) GCP posted a profit of €157 million for the first half of 2021, compared to €253 million for the same period in 2020. The decrease in profit for the period is mostly attributable to non-recurring items such as a lower level of property revaluation gains as well as negative other financial results, recorded during reporting period as compared to the first half of 2020. However, the strength of the core business profitability remains unchanged with the adjusted EBITDA remaining stable and FFO I increasing by 3% as compared to H1 2020.

During the first six months of 2021, GCP recorded €13 million of profit attributable to the perpetual notes investors, as compared to €16 million recorded during the comparable period in 2020. This decrease was driven by the refinancing of €500 million perpetual notes issued 2015 at a coupon of 3.75% with €700 million perpetual notes issued at a coupon of 1.5%. This material decrease in coupon rates not only supports profitability, but also illustrates the level of progress achieved in the business by GCP since 2015.

GCP posted a basic earnings per share of €0.72 and a diluted earnings per share of €0.68 during the first half of 2021, as compared to €1.23 and €1.16, respectively, during the comparable period in 2020. The diluted earnings per share takes into account dilutive effects such as the potential future conversion of the Series F convertible bonds.

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

For the period of six months ended 30 June	2021	2020
	€'000	
Operating profit	325,798	366,602
Depreciation and amortisation	2,606	2,280
EBITDA	**328,404**	**368,882**
Property revaluations and capital gains	(179,662)	(220,621)
Share of profit from investments in equity-accounted investees	(3,060)	(1,956)
Equity settled share-based payments and other adjustments	1,728	801
Adjusted EBITDA (a)	**147,410**	**147,106**
Finance expenses	(22,702)	(24,297)
Current tax expenses	(17,629)	(14,519)
Contribution from / (to) joint ventures and minorities, net	(282)	(300)
Adjustment for Perpetual notes attribution	(12,565)	(16,455)
FFO I [1] (b)	**94,232**	**91,535**
Weighted average number of ordinary shares (basic) in thousands[2]	168,179	167,931
FFO I per share (in €) [1]	**0.56**	**0.55**
Result from disposal of properties	71,434	108,021
FFO II [3] (c)	**165,666**	**199,556**

1 Previously defined as FFO I/FFO I per share after perpetual notes attribution
2 Not considering the dilution effect of the management share plan as it is immaterial
3 Reclassified to be based on FFO I after perpetual notes attribution

(a) The adjusted EBITDA is an industry standard figure displaying the Company's recurring operational profits before interest, tax expenses, depreciation, and amortisation, excluding the effects of property revaluations, capital gains, and other non-operational income statement items such as share of non-recurring profit from investment in equity-accounted investees, equity settled share-based payments and other adjustments. In the first half of 2021, GCP generated an adjusted EBITDA of €147 million, stable compared to the first half of 2020. The operational performance of the business offset the decrease of the operational profits from the disposed properties. The adjusted EBITDA and the operational profitability are supported by continuous internal growth, with net rental income increasing on a like-for-like basis by 2%, with an increase of 1.4% driven by in-place rent increases and a further 0.6% increase attributable towards occupancy increases. As a result of the strong operational performance and the increasing portfolio quality, GCP's vacancy stands at a historically low level of 5.7% as at June 2021.

(b) Funds From Operations I (FFO I) is an industry-wide standard measure of the recurring operational cash flow of a real estate company, often utilised as a key bottom line industry performance indicator. FFO I is calculated by deducting from the adjusted EBITDA, finance expenses, current tax expenses, the contribution to minorities, and the share of profit attributable to the Company's perpetual notes investors, while adding the FFO I contribution from joint ventures. GCP reported an FFO I of €94 million during the first six months of 2021, higher by 3% as compared to the first six months of 2020. This increase in the FFO I is primarily a result of the lower level of profit attributable to the Company's perpetual notes investors, further complemented by an optimised debt profile that has resulted in a lower level of finance expenses, as well as a higher contribution from joint ventures.

During the first half of 2021, GCP reported an FFO I per share of €0.56, in comparison to €0.55 per share generated during the first half of 2020, increasing by 2%. This increase in the FFO I per share is primarily driven by the further enhanced business performance illustrated by a strong FFO I as well as the effect of the share buyback program. These positive effects on the FFO I per share were offset to a small extent as a result of the marginal increase in the average share count between the two reporting periods due to the scrip dividend option offered to shareholders in 2020.

(c) FFO II is a supplementary performance measure that includes the disposal effects on top of FFO I. The result from disposal of properties refers to the excess amount of the sale price to cost price plus capex of disposed properties. During the first six months of 2021, GCP reported an FFO II of €166 million as compared to €200 million reported for the corresponding period in 2020. The FFO II generated during the first half of 2021, was driven by disposals amounting to over €300 million, executed at a profit over total costs (including capex) of 29%, reflecting total crystallised gains of €71 million.

ADJUSTED FUNDS FROM OPERATIONS (AFFO)

For the period of six months ended 30 June	2021	2020
	€'000	
FFO I [1]	**94,232**	**91,535**
Repositioning capex	(29,821)	(33,674)
AFFO [2]	**64,411**	**57,861**

1 Previously defined as FFO I after perpetual notes attribution
2 Reclassified to be based on FFO I after perpetual notes attribution

Adjusted Funds from Operations (AFFO) is another indicator for the Company's recurring operational cash flow and is derived by subtracting the repositioning capex from the Company's FFO I. GCP includes in the AFFO calculation repositioning capex which is targeted at value creation and improving the asset quality of the portfolio, which GCP deems as being relevant for its AFFO calculation. During the first half of 2021, the Company reported an AFFO of €64 million as compared to €58 million reported for the comparable period in 2020.

CASH FLOW

For the period of six months ended 30 June	2021	2020
	€'000	
Net cash provided by operating activities	105,020	112,911
Net cash used in investing activities	(115,534)	(343,653)
Net cash (used in)/provided by financing activities	(332,843)	651,226
Net increase / (decrease) in cash and cash equivalents	**(343,357)**	**420,484**
Other changes*	870	(3,199)
Cash and cash equivalents as on 1 January	1,412,199	914,054
Cash and cash equivalents as on 30 June	**1,069,712**	**1,331,339**

* including changes in balance of cash and cash equivalents held-for-sale and effects of foreign exchange rate changes

GCP generated €105 million of net cash from operating activities during the first half of 2021, as compared to €113 million generated during the comparable period in 2020. Operating cash flows were supported by like-for-like rental growth of 2%, offset by disposals completed during the period of twelve months ending June 2021. These disposals have crystallised gains already achieved through operational improvements to these assets, while also enabling higher quality, accretive acquisitions that are expected to support an enhanced level of operating cash flow in subsequent periods. Additionally, the cash flow from operating activities was also impacted by timing effects affecting the amount of cash taxes paid.

Net cash used in investing activities during the first half of 2021 amounted to €116 million as compared to €344 million used during the corresponding period in 2020. During the first half of 2021, GCP had a cash in-flow from the disposal of investees and loans (net of cash disposed) amounting to €293 million, more than offset by the acquisition of investment property, capex and advances paid, which in total amounted to €344 million. During the first half of 2021, GCP also invested in traded securities and other non-current assets in order to preserve the value of its solid liquidity position, while also investing in loans-to-own assets, which provide the Company with alternative acquisition opportunities.

Net cash used in financing activities during the first half of 2021 amounted to €333 million as compared to €651 million provided by financing activities during the first half of 2020. The Company carried out an accretive share buyback programme, amounting to approx. €160 million during the first half of 2021 and also completed the refinancing of perpetual notes issued 2015 at a coupon of 3.75% at attractive terms. GCP also executed several debt-optimisation measures in the first six months of 2021, which included the issuance of the largest straight bond at the lowest coupon rate, in GCP's corporate history, as well as prepayments and redemptions of shorter term and higher interest-bearing debt. As a result of these measures, GCP's maintained a long average debt maturity period of 6.7 years, while reducing its cost of debt from 1.4% in June 2020, to 1% in June 2021.

COLOGNE

ASSETS

	Jun 2021	Dec 2020
	€'000	
Non-current assets	**8,975,548**	**8,601,687**
Investment property	8,386,984	8,022,351 [1]
Current assets	**1,940,380**	**2,264,093**
Cash and liquid assets [2]	1,355,261	1,692,331
Total Assets	**10,915,928**	**10,865,780**

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

GCP's total assets as of June 2021 remained stable as compared to year-end 2020, at €10.9 billion. Although non-current assets increased by approx. €370 million since December 2020, this increase was offset by a decrease in current assets by approx. €320 million.

The Company reported non-current assets of €9 billion as of June 2021, 4% higher as compared to the end of December 2020. This increase was driven by the increase in the value of investment properties, along with accretive acquisitions amounting to approx. €300 million during the first half of 2021. The acquisitions, including units in the pre-letting stage, are mainly located in London, Berlin and Dresden and were completed at an average multiple of 18x. The increase in the value of investment properties was partially offset as a result of disposals completed during the first six months of 2021. GCP disposed mainly non-core and assets held-for-sale across Germany, particularly in cities in Eastern Germany and NRW. The disposals were carried at a multiple of 17x and yielded a premium over net book values of 13% reflecting the conservative nature of GCP's valuations. In addition to investment properties, non-current assets also include deposits, long-term financial investments and investments into loans-to-own assets. Loans-to-own assets are typically asset-backed, high-interest bearing loans with the embedded option to acquire the underlying asset at a material discount, under certain conditions. These assets provide the Company with various acquisition opportunities in addition to its existing and large deal-sourcing network.

Current assets as of the end of June 2021 amounted to €1.9 billion, which compares to €2.3 billion at the end of December 2020. The main component in the value of current assets is the solid liquidity position that GCP maintains, which amounts to €1.4 billion at the end of the first half of 2021, as compared to €1.7 billion at year-end 2020. This decrease is primarily due to various debt optimization measures completed during the first half of 2021, the buyback of shares through the ongoing share buy-back programme as well as the tender offer in February 2021, and accretive acquisitions. These effects were partially offset by the disposals during the same period. The positive effects of these measures highlight the importance of maintaining a strong liquidity position, which provides the Company with valuable financial flexibility. Current assets also include an amount of approx. €482 million that is attributable towards trade and other receivables, along with short term investments in loans-to-own assets. The value of assets held for sale as of the end of June 2021 amounted to approx. €100 million and are made up of assets which the Company intends to dispose over the following twelve months.

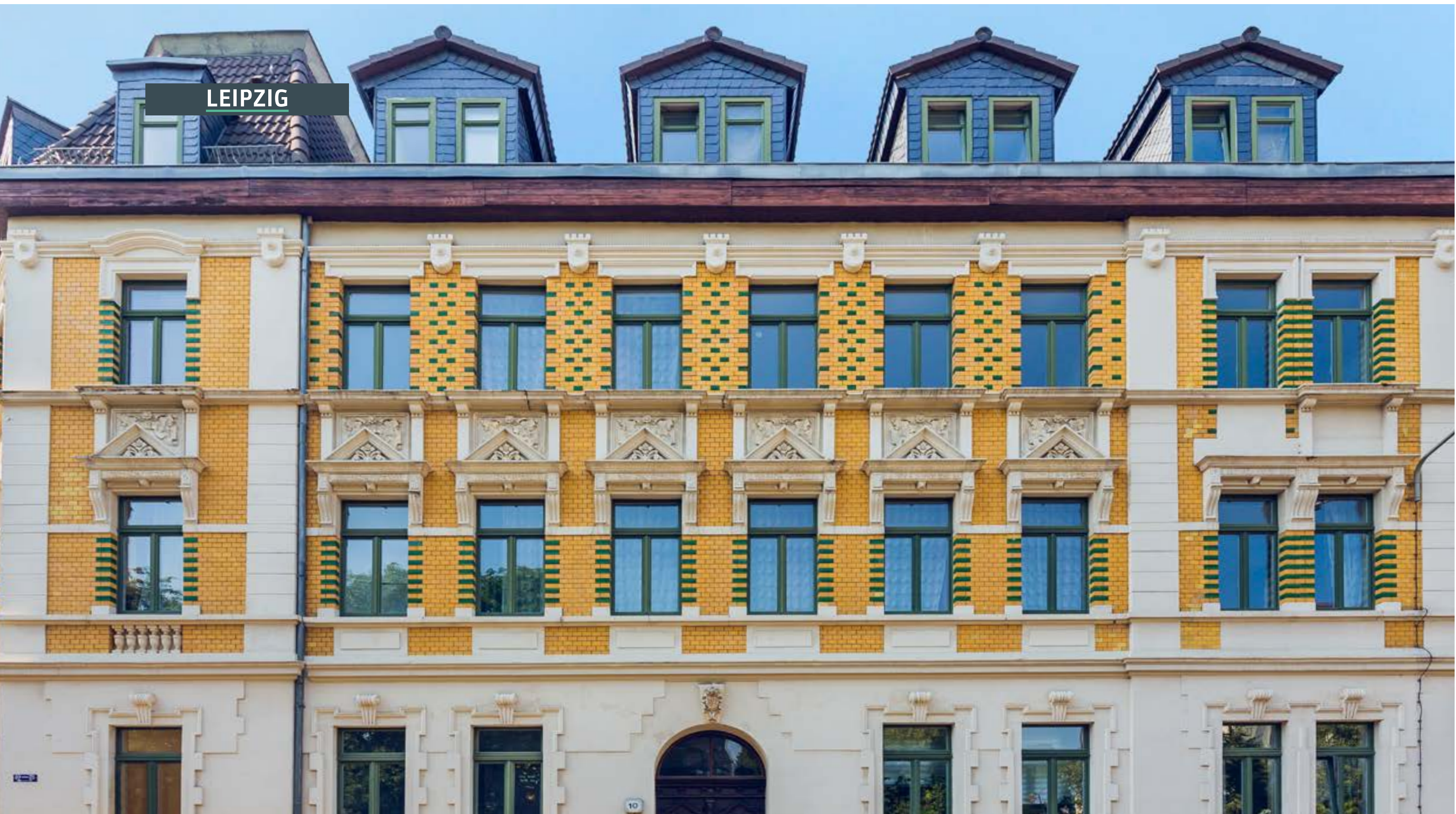
LIABILITIES

	Jun 2021	Dec 2020
	€'000	
Loans and borrowings [1]	162,753	437,137
Straight & Convertible Bonds	4,051,260	3,776,092
Deferred tax liabilities[2]	664,288	642,513
Other long-term liabilities and derivative financial instruments[3]	229,459	183,681
Current Liabilities[4]	410,228	271,429
Total Liabilities	**5,517,988**	**5,310,852**

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

Total liabilities at the half-year mark of 2021 amounted to €5.5 billion, as compared to €5.3 billion as of year-end 2020. The marginal increase in the value of total liabilities is primarily due to an increase in the balance of straight bonds, offset to a large extent by a combination of pre-payments of bank financing which have resulted in a lower balance of loans and borrowings, as well as repurchase and redemption of bonds. In the first half of 2021, GCP marked a new record in its corporate history with the issuance of its largest bond-to-date, of €1 billion at a record-low coupon of 0.125%. The Company also repaid debt in the form of outstanding straight bonds and higher interest-bearing bank financing, amounting to approx. €1 billion. Together, these measures have resulted in a decrease of the average cost of debt to 1% at the end of June 2021, from 1.3% at year-end 2020, while the average debt maturity remains strong at 6.7 years. Additionally, current liabilities increased as a result of a provision made for the cash portion of dividend payable to shareholders that have not irrevocably notified the Company of their intention to opt the option of scrip dividend, prior to the end of the first half of 2021. The dividend was paid in July but voted for at the AGM in June.

Deferred tax liabilities amounted to €664 million as of the end of June 2021 and comprised of 12% of total liabilities. The deferred tax liabilities have increased in line with the revaluation gains carried in the first half of 2021, as well as from the expected increase in corporate tax in the UK from 19% to 25%.



EPRA NET ASSET VALUE METRICS

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

EPRA Net Reinstatement Value (NRV) assumes that entities never sell their assets and aims to represent the value required to rebuild the entity. The EPRA NRV measure provides stakeholders with the value of net assets on a long-term basis and excludes assets and liabilities that are not expected to materialise. Furthermore, real estate transfer taxes are added back, since the intention of this metric is to reflect what would be required to reinstate the Company through existing investment markets and the Company's current capital and financing structures.

EPRA Net Tangible Assets (NTA) assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax. Therefore, the EPRA NTA measure excludes the value of intangible assets while also taking into consideration the fact that companies acquire and dispose assets and, in the process, realise certain levels of deferred tax liabilities.

EPRA Net Disposal Value (NDV) represents the shareholders' value under a disposal scenario, where deferred taxes, financial instruments and certain other adjustments are considered to the full extent of their liability, net of any resulting tax. Therefore, the EPRA NDV measure is meant to provide stakeholders with the net asset value in the scenario that all assets are disposed and/or liabilities are not held until maturity.

in € '000 unless otherwise specified	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
		Jun 2021			Dec 2020	
Equity attributable to the owners of the Company	**3,618,056**	**3,618,056**	**3,618,056**	**3,713,849**	**3,713,849**	**3,713,849**
Deferred tax liabilities	654,541[1]	555,877[2]	-	632,348[1]	507,744[2]	-
Fair value measurements of derivative financial instruments[3]	(5,908)	(5,908)	-	(3,940)	(3,940)	-
Intangible assets	-	(14,579)	-	-	(13,909)	-
Real estate transfer tax	458,254	391,409[2]	-	433,422	362,682[2]	-
Net fair value of debt	-	-	(180,760)	-	-	(262,132)
NAV	**4,724,943**	**4,544,855**	**3,437,296**	**4,775,679**	**4,566,426**	**3,451,717**
Basic number of shares including in-the-money dilution effects (in thousands)		168,493			172,000	
NAV per share (in €)	**28.0**	**27.0**	**20.4**	**27.8**	**26.5**	**20.1**

1 including balances held-for-sale
2 excluding deferred tax liabilities / real estate transfer tax on assets held-for-sale, non-core assets and development rights in Germany
3 not including net change in fair value of derivative financial instruments related to currency effect

EPRA NRV

GCP reported an EPRA NRV of €4.7 billion and €28.0 per share at the end of June 2021, as compared to €4.8 billion and €27.8, respectively as of year-end 2020. As the EPRA NRV assumes that entities never sell assets and aims to represent the value required to rebuild the entity, the full amount of deferred tax and real estate transfer tax is added back.

EPRA NTA

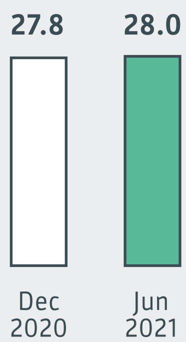
At the end of the first half of 2021, GCP reported an EPRA NTA of €4.5 billion, as compared to €4.6 billion at year-end 2020. The EPRA NTA per share increased from €26.5 as of year-end 2020 to €27.0 at the end of June 2021. The decrease in the NTA is the result of the share buyback and the provision for dividend, offset by the profits during the reporting period. As the share buyback is being executed at a significant discount, the EPRA NTA increased on a per share basis.

The EPRA NTA assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax and triggering real estate transfer tax, which reduces the net disposal price of the properties sold. Accordingly, GCP classified properties into four categories namely, Portfolio to be held long term, Investment properties held-for-sale, Portfolio classified in "Others" cities and Development rights in Germany. On a conservative basis, GCP only adds back the deferred taxes and real estate transfer taxes on the Portfolio to be held long term.

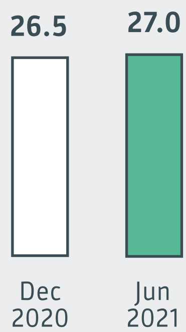
EPRA NDV

As of the end of June 2021, GCP reported an EPRA NDV of €3.4 billion on an absolute basis and €20.4 on a per share basis, which compares to €3.5 billion and €20.1 per share, respectively as of the end of Dec 2020.

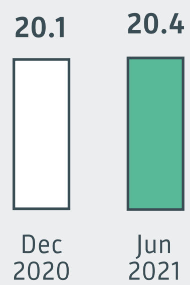
EPRA NRV PER SHARE (IN €)



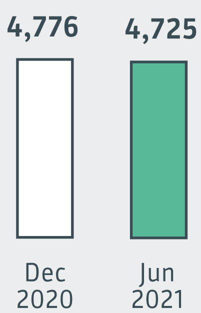
EPRA NTA PER SHARE (IN €)



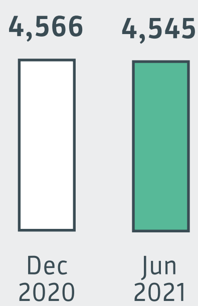
EPRA NDV PER SHARE (IN €)



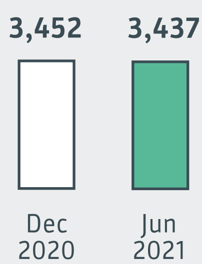
EPRA NRV (IN € MILLION)



EPRA NTA (IN € MILLION)



EPRA NDV (IN € MILLION)



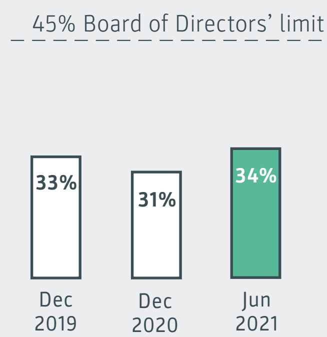
DEBT FINANCING KPIs

LOAN-TO-VALUE

	Jun 2021	Dec 2020
	€'000	
Investment property [1]	8,324,715	7,954,448
Investment properties of assets held-for-sale	93,515	150,207
Equity-accounted investees	110,931	107,880
Total value	**8,529,161**	**8,212,535**
Total debt [2]	4,214,013	4,213,229
Cash and liquid assets [3]	1,355,261	1,692,331
Net debt	**2,858,752**	**2,520,898**
LTV	**34%**	**31%**

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

LOW LEVERAGE WITH ROBUST PROFITABILITY



GCP prioritises maintaining a steady and secure financial profile, including a low LTV, solid coverage ratios and a large level of unencumbered assets. At the end of June 2021, GCP's LTV was 34%, remaining well below the bond covenant limits, as well as the more stringent board-mandated limits of 45%.

Furthermore, as a result of the Company's solid operational profitability and a proactive approach towards optimizing its debt profile, GCP maintains a strong ICR of 6.5x and a DSCR of 5.8x for the first half of 2021. In addition, with an unencumbered assets ratio of 92% reflecting €7.8 billion in value, the Company's investment property portfolio remains materially unencumbered, providing GCP with alternative sources of liquidity. GCP continues to enjoy widespread access to capital markets, supported by its investment grade credit ratings from S&P (BBB+/Stable) and Moody's (Baa1/Stable).

UNENCUMBERED ASSETS

	Jun 2021	Dec 2020
	€'000	
Unencumbered Assets	7,820,360	6,679,941
Total Investment property *	8,480,499	8,172,558
Unencumbered Assets Ratio	**92%**	**82%**

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

INTEREST COVERAGE RATIO (ICR)

For the period of six months ended 30 June	2021	2020
	€'000	
Adjusted EBITDA	147,410	147,106
Finance Expenses	22,702	24,297
Interest Coverage Ratio	**6.5x**	**6.1x**

DEBT SERVICE COVERAGE RATIO (DSCR)

For the period of six months ended 30 June	2021	2020
	€'000	
Adjusted EBITDA	147,410	147,106
Finance Expenses	22,702	24,297
Amortisation of loans from financial institutions	2,558	6,327
Debt Service Coverage Ratio	**5.8x**	**4.8x**

ALTERNATIVE PERFORMANCE MEASURES

In this section, GCP provides an overview of the use of its alternative performance measures.
For enhanced transparency and more industry specific comparative basis, the Company provides market and industry standard performance indicators. GCP provides a set of measures that can be utilised to assess the Company's operational earnings, net asset value of the Company, leverage position, debt and interest coverage abilities as well as liquidity headroom. The following measurements apply to the real estate industry's specifications and include adjustments where necessary that are in compliance with the standards.

RECONCILIATION OF ADJUSTED EBITDA

The adjusted EBITDA is an industry standard figure indicative of the Company's recurring operational profits before interest and tax expenses, excluding the effects of capital gains, revaluations, and other non-operational income statement items such as profits from disposal of buildings, share of profit from investment in equity-accounted investees and other adjustments. GCP starts from its *Operating profit* and adds back the item *Depreciation and amortisation* to arrive at the EBITDA value. Non-recurring and non-operational items are deducted such as the *Property revaluations and capital gains*, *Result on the disposal of buildings* and *Share of profit from investment in equity-accounted investees*. Further adjustments are labelled as *equity settled share-based payments and other adjustments* since these are non-cash expenses.

ADJUSTED EBITDA RECONCILIATION

Operating Profit
(+) Depreciation and amortisation
(=) EBITDA
(+/-) Property revaluations and capital gains
(+/-) Result on the disposal of buildings
(+/-) Share of profit from investment in equity-accounted investees
(+/-) Equity settled share-based payments and other adjustments
(=) Adjusted EBITDA

RECONCILIATION OF FUNDS FROM OPERATIONS I (FFO I)

Funds From Operations I (FFO I) is an industry-wide standard measure of the recurring operational cash flow of a real estate company, often utilised as a key industry performance indicator. It is calculated by deducting the *Finance expenses*, *Current tax expenses*, *Contribution to minorities*, *Adjustment for perpetual notes attribution* and adding the *Contribution from joint ventures*, to the Adjusted EBITDA.

FFO I RECONCILIATION

Adjusted EBITDA
(-) Finance expenses
(-) Current tax expenses
(-) Contribution from/(to) joint ventures and minorities, Net
(-) Adjustment for perpetual notes attribution
(=) FFO I

RECONCILIATION OF ADJUSTED FUNDS FROM OPERATIONS (AFFO)

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

AFFO RECONCILIATION

FFO I
(-) Repositioning capex
(=) AFFO

RECONCILIATION OF FUNDS FROM OPERATIONS II (FFO II)

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

FFO II RECONCILIATION

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

RECONCILIATION OF THE NET REINSTATEMENT VALUE ACCORDING TO EPRA (EPRA NRV)

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

The reconciliation of the EPRA NRV starts from the *Equity attributable to the owners of the Company* and adds back *Deferred tax liabilities on investment property*, *fair value measurements of derivative financial instruments*. Further, the EPRA NRV includes *real estate transfer tax* in order to derive the *EPRA NRV* and provide the reader with a perspective of what would be required to reinstate the Company at a given point of time.

EPRA NRV RECONCILIATION

Equity attributable to the owners of the Company
(+) Deferred tax liabilities on investment property [1]
(+/-) Fair value measurements of derivative financial instruments, net [2]
(+) Real Estate Transfer Tax
(=) EPRA NRV

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

RECONCILIATION OF THE NET TANGIBLE ASSETS ACCORDING TO EPRA (EPRA NTA)

The Net Tangible Assets measure excludes the value of intangible assets while also taking into consideration the fact that companies acquire and dispose assets and, in the process, realise certain levels of deferred tax liabilities. Additionally, to the extent that tax optimisation is demonstrable, a corresponding portion of real estate transfer taxes are excluded to arrive at the Net Tangible Assets.

The reconciliation of the EPRA NTA begins at the *Equity attributable to the owners of the Company* and adds back *Deferred tax liabilities on investment property* excluding deferred tax liabilities related to the assets which are considered non-core, assets expected to be disposed within the following 12 months and the development rights in Germany. In addition, *Intangible assets as per the IFRS Balance sheet* is subtracted and *fair value measurements of derivative financial instruments* are considered, for this measure of valuation by EPRA. Further, the EPRA NTA adds back the *real estate transfer tax* excluding real estate transfer tax related to assets which are considered non-core, assets expected to be disposed within the following 12 months and the development rights in Germany.

EPRA NTA RECONCILIATION

Equity attributable to the owners of the Company
(+) Deferred tax liabilities on investment property [1]
(+/-) Fair value measurements of derivative financial instruments, net [2]
(-) Intangibles assets
(+) Real Estate Transfer Tax [1]
(=) EPRA NTA

1 excluding deferred tax liabilities / real estate transfer tax on non-core assets, assets held-for-sale and development rights in Germany
2 not including net change in fair value of derivative financial instruments related to currency effect

RECONCILIATION OF THE NET DISPOSAL VALUE ACCORDING TO EPRA (EPRA NDV)

The Net Disposal Value measure is meant to provide stakeholders with the net asset value in the scenario that all assets are disposed and/or liabilities are not held until maturity. In this measure of net asset value, deferred tax liabilities, fair value measurements of financial instruments and certain other adjustments are considered to the full extent of their liabilities, without including any optimisation of real estate transfer tax.

Accordingly, to arrive at the EPRA NDV the starting point is the *Equity attributable to the owners of the Company* and includes an *Adjustment to reflect fair value of debt*. The adjustment is the difference between the market value of debt and book value of debt.

EPRA NDV RECONCILIATION

Equity attributable to the owners of the Company
(+/-) Adjustment to reflect fair value of debt
(=) EPRA NDV

RECONCILIATION OF LOAN-TO-VALUE (LTV)

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

LOAN-TO-VALUE RECONCILIATION

(+) Investment property [1]
(+) Investment 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 properties of assets held-for-sale*.

UNENCUMBERED ASSETS RATIO RECONCILIATION

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

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

RECONCILIATION OF ICR AND DSCR

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

ICR RECONCILIATION

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

DSCR RECONCILIATION

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

RECONCILIATION OF EQUITY RATIO

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

EQUITY RATIO RECONCILIATION

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

BERLIN

RESPONSIBILITY STATEMENT

To the best of our knowledge, the condensed interim consolidated financial statements of Grand City Properties S.A., prepared in accordance with the applicable reporting principles for financial statements, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group and the management report of the Group includes a fair view of the development of the business, and describes the main opportunities, risks, and uncertainties associated with the Group.

DISCLAIMER

The financial data and results of the Group are affected by financial and operating results of its subsidiaries. Significance of the information presented in this report is examined from the perspective of the Company including its portfolio with the joint ventures. In several cases, additional information and details are provided in order to present a comprehensive representation of the subject described, which in the Group's view is essential to this report.

Luxembourg, 16 August 2021

Christian Windfuhr
Chairman and member
of the Board of Directors

Simone Runge-Brandner
Member of the
Board of Directors

Daniel Malkin
Member of the
Board of Directors

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the period of six months ended 30 June		For the period of three months ended 30 June	
		2021	2020	2021	2020
		Unaudited			
	Note	€'000			
Revenue	**5**	**259,448**	**267,723**	**131,125**	**132,392**
Property revaluations and capital gains		179,662	220,621	107,255	151,330
Share of profit from investments in equity-accounted investees		3,060	1,956	1,063	608
Property operating expenses		(108,358)	(115,556)	(54,275)	(56,789)
Administrative and other expenses		(5,408)	(5,862)	(2,799)	(2,915)
Depreciation and amortisation		(2,606)	(2,280)	(1,248)	(1,059)
Operating profit		**325,798**	**366,602**	**181,121**	**223,567**
Finance expenses		(22,702)	(24,297)	(10,978)	(13,288)
Other financial results		(89,265)	(37,127)	(24,882)	22,412
Profit before tax		**213,831**	**305,178**	**145,261**	**232,691**
Current tax expenses		(17,629)	(14,519)	(9,760)	(7,127)
Deferred tax expenses		(39,118)	(37,929)	(29,640)	(28,497)
Profit for the period		**157,084**	**252,730**	**105,861**	**197,067**
Profit attributable to:					
Owners of the Company		120,726	206,076	87,363	165,933
Perpetual notes investors		12,565	16,455	6,170	8,228
Non-controlling interests		23,793	30,199	12,328	22,906
		157,084	**252,730**	**105,861**	**197,067**
NET EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY (IN €):					
Basic earnings per share		0.72	1.23	0.53	0.99
Diluted earnings per share		0.68	1.16	0.50	0.93

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the period of six months ended 30 June		For the period of three months ended 30 June	
	2021	2020	2021	2020
	Unaudited			
	€'000			
Profit for the period	**157,084**	**252,730**	**105,861**	**197,067**
OTHER COMPREHENSIVE INCOME				
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	(1,851)	(27,605)	2,870	(7,195)
Cost of hedging	16,318	(12,430)	741	(14,167)
Total other comprehensive income (loss) for the period, net of tax	**14,467**	**(40,035)**	**3,611**	**(21,362)**
Total comprehensive income	**171,551**	**212,695**	**109,472**	**175,705**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	135,193	166,041	90,974	144,571
Perpetual notes investors	12,565	16,455	6,170	8,228
Non-controlling interests	23,793	30,199	12,328	22,906
	171,551	**212,695**	**109,472**	**175,705**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June 2021	As at 31 December 2020
		Unaudited	Audited
		€'000	
ASSETS			
Equipment and intangible assets		27,557	27,442
Investment property	6	8,386,984	8,005,893
Advance payments and deposits		29,817	36,866
Investment in equity-accounted investees		110,931	107,880
Derivative financial assets		21,307	57,057
Other non-current assets		349,585	315,884
Deferred tax assets		49,367	50,665
Non-current assets		**8,975,548**	**8,601,687**
Cash and cash equivalents		1,069,712	1,412,199
Financial assets at fair value through profit or loss		284,974	279,743
Inventories - trading property		-	16,458
Trade and other receivables		482,385	394,711
Derivative financial assets		5,965	5,967
Assets held-for-sale		97,344	155,015
Current assets		**1,940,380**	**2,264,093**
Total assets		**10,915,928**	**10,865,780**

	Note	As at 30 June 2021	As at 31 December 2020
		Unaudited	Audited
		€'000	
EQUITY			
Share capital	10	17,186	17,186
Treasury shares	10.1	(133,707)	-
Share premium and other reserves		356,793	439,240
Retained earnings		3,377,784	3,257,423
Total equity attributable to the owners of the Company		**3,618,056**	**3,713,849**
Equity attributable to perpetual notes investors	8	1,224,016	1,306,092
Total equity attributable to the owners and perpetual notes investors		**4,842,072**	**5,019,941**
Non-controlling interests		555,868	534,987
Total equity		**5,397,940**	**5,554,928**
LIABILITIES			
Loans and borrowings		161,842	427,470
Convertible bond		-	277,614
Straight bonds	7	3,720,301	3,361,162
Derivative financial liabilities		79,863	40,545
Other non-current liabilities		145,699	142,432
Deferred tax liabilities		658,575	634,329
Non-current liabilities		**4,766,280**	**4,883,552**
Current portion of long-term loans		911	9,667
Bond redemption		330,959	137,316
Trade and other payables		357,538	209,065
Derivative financial liabilities		3,897	704
Tax payable		17,345	13,446
Provisions for other liabilities and charges		32,501	45,776
Liabilities held-for-sale		8,557	11,326
Current liabilities		**751,708**	**427,300**
Total liabilities		**5,517,988**	**5,310,852**
Total equity and liabilities		**10,915,928**	**10,865,780**

The Board of Directors of Grand City Properties S.A. authorised these condensed interim consolidated financial statements to be issued on 16 August 2021.

Christian Windfuhr
Chairman and member of the Board of Directors

Simone Runge-Brandner
Member of the Board of Directors

Daniel Malkin
Member of the Board of Directors

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to the owners of the Company												
For the period of six months ended 30 June 2021 €'000	Share capital	Treasury shares	Share Premium	Equity component of convertible bond	Cost of hedging reserve	Foreign exchange translation reserves, net	Other reserves	Retained earnings	Total equity attributable to the own-ers of the company	Equity attributable to perpetual notes investors	Equity attributable to the owners of the Company and perpetual notes investors	Non-controlling interests	Total equity
Balance as at 31 Decem-ber 2020 (audited)	**17,186**	**-**	**497,187**	**12,657**	**(25,256)**	**(32,943)**	**(12,405)**	**3,257,423**	**3,713,849**	**1,306,092**	**5,019,941**	**534,987**	**5,554,928**
Profit for the period	-	-	-	-	-	-	-	120,726	120,726	12,565	133,291	23,793	157,084
Other comprehensive income (loss) for the period	-	-	-	-	16,318	(1,851)	-	-	14,467	-	14,467	-	14,467
Total Comprehensive Income (loss) for the period	**-**	**-**	**-**	**-**	**16,318**	**(1,851)**	**-**	**120,726**	**135,193**	**12,565**	**147,758**	**23,793**	**171,551**
Dividend distribution [1]	-	-	(136,433)	-	-	-	-	-	(136,433)	-	(136,433)	-	(136,433)
Scrip dividend	-	-	-	-	-	-	50,811	-	50,811	-	50,811	-	50,811
Share buy-back [2]	-	(157,479)	-	-	-	-	-	-	(157,479)	-	(157,479)	-	(157,479)
Share-based payment	-	397	-	-	-	-	(518)	(365)	(486)	-	(486)	-	(486)
Capital increase	-	23,375	745	-	-	-	(7,017)	-	17,103	-	17,103	-	17,103
Initial consolidation, deconsolidation and transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2,912)	(2,912)
Payment to perpetual notes investors	-	-	-	-	-	-	-	-	-	(10,735)	(10,735)	-	(10,735)
Repayment to perpetual notes investors	-	-	-	-	-	-	(4,502)	-	(4,502)	(83,906)	(88,408)	-	(88,408)
Balance as at 30 June 2021 (unaudited)	**17,186**	**(133,707)**	**361,499**	**12,657**	**(8,938)**	**(34,794)**	**26,369**	**3,377,784**	**3,618,056**	**1,224,016**	**4,842,072**	**555,868**	**5,397,940**

1 For additional information see note 9.

2 For additional information see note 10.1.

For the period of six months ended 30 June 2020 €'000	Equity attributable to the owners of the Company 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 the owners of the Company and perpetual notes investors	Non-controlling interests	Total equity
Balance as at 31 December 2019 (Audited)	**16,790**	**566,680**	**12,657**	**(9,873)**	**(10,467)**	**24,485**	**2,892,360**	**3,492,632**	**1,030,050**	**4,522,682**	**443,917**	**4,966,599**
Profit for the period	-	-	-	-	-	-	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**
Dividend distribution	-	(138,407)	-	-	-	-	-	(138,407)	-	(138,407)	-	(138,407)
Share-based payment	11	1,905	-	-	-	(1,383)	-	533	-	533	-	533
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**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	For the period of six months ended 30 June	
	2021	2020
	Unaudited	
	€'000	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the period	**157,084**	**252,730**
ADJUSTMENTS FOR THE PROFIT:		
Depreciation and amortisation	2,606	2,280
Property revaluations and capital gains	(179,662)	(220,621)
Share of profit from investments in equity-accounted investees	(3,060)	(1,956)
Net finance expenses	111,967	61,424
Tax and deferred tax expenses	56,747	52,448
Equity settled share-based payment	1,728	801
Change in working capital	(24,209)	(23,911)
	123,201	**123,195**
Tax paid	(18,181)	(10,284)
Net cash provided by operating activities	**105,020**	**112,911**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of equipment and intangible assets, net	(2,949)	(1,439)
Acquisition of investment property, capex and advances paid, net	(343,911)	(182,422)
Disposals of investment property, net	3,941	652
Acquisition of investees and loans, net of cash acquired	-	(13,064)
Disposal of investees and loans, net of cash disposed	293,095	138,781
Investment in financial and other non-current assets, net	(65,710)	(286,161)
Net cash used in investing activities	**(115,534)**	**(343,653)**

	For the period of six months ended 30 June	
	2021	2020
	Unaudited	
	€'000	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Amortisation of loans from financial institutions	(2,558)	(6,327)
Proceeds (repayment) of loans from financial institutions, net	(273,929)	125,549
Proceeds from straight bonds, net	976,294	581,049
Payments to perpetual notes investors, net	(99,145)	(24,250)
Repayment and buy-back of straight bonds	(762,373)	-
Capital increase	17,103	-
Share buy-back	(157,479)	-
Interest and other financial expenses, net	(30,756)	(24,795)
Net cash provided (used) by (in) financing activities	**(332,843)**	**651,226**
Net decrease in cash and cash equivalents	**(343,357)**	**420,484**
Change in cash and cash equivalents held-for-sale	(186)	(263)
Cash and cash equivalents at the beginning of the period	1,412,199	914,054
Effect of foreign exchange rate changes	1,056	(2,936)
Cash and cash equivalents at the end of the period	**1,069,712**	**1,331,339**

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Grand City Properties S.A. ("the Company") was incorporated in Grand Duchy of Luxembourg on December 16, 2011 as a Société Anonyme (public limited liability company). Its registered office is at 1, Avenue du Bois L-1251 Luxembourg.

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

These condensed interim consolidated financial statements for the six months ended 30 June 2021 ("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 of primarily non-core and assets held-for-sale in euro 300 million. At the same time, the Group acquired assets of approximately euro 300 million located mainly in London, Berlin, and Dresden.
- The Group refinanced some of its debt by issuing its largest bond in history, euro 1 billion straight bond series X with a long maturity period of 7 years and a record-low coupon of 0.125%, and buying back straight bonds of euro 630 million in notional value, and a repayment of additional straight bonds of euro 85 million in notional amount (see note 7) and euro 260 million of interest-bearing bank with higher interest-rate.
- The Group redeemed euro 85.4 million of perpetual notes with a coupon rate of 3.75% (see note 8).
- The Group bought back through a tender offer and through a share buy-back program approximately 7.2 million shares of the Company (see note 10.1).
- In April 2021, the Berlin Mietendeckel was ruled unconstitutional by the Federal Constitutional Court.
- On 24 May 2021, the report stage and third reading of the UK Finance Bill 2021 in the House of Commons took place and the final government amendments were passed. The amendments included an increase in the corporation tax (CT) rate from 19% to 25% with effect from 1 April 2023.
- At the annual general meeting held on 30 June 2021, it was resolved upon a distribution of dividend in total amount of euro 136.4 million (0.8232 euro per share) (see note 9).

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 2020.

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 2020.

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 2020, 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 2021:

Interest Rate Benchmark Reform - Phase 2 Amendments to IFRS 9, IAS 39 IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest

- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The following amendments were adopted by the EU, with effective date of 1 January 2022:

Amendments to IFRS 3 Business Combinations

Amendments to IAS 16 Property, Plant and Equipment

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Annual Improvements 2018-2020

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

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

5. REVENUE

	For the period of six months ended 30 June	
	2021	2020
	€'000	
Net rental income	183,131	186,364
Operating and other income	76,317	81,359
	259,448	**267,723**

6. INVESTMENT PROPERTY

	For the period of six months ended 30 June	For the year ended 31 December
	2021	2020
	Level 3 (*)	Level 3 (*)
	Unaudited	Audited
	€'000	
As at 1 January	**8,005,893**	**7,956,034**
Plus: investment property classified as held-for-sale	150,207	196,432
Total investment property	**8,156,100**	**8,152,466**
Acquisitions of investment property	313,859	616,830
Capital expenditure on investment property	51,511	83,667
Disposals of investment property	(277,464)	(920,013)
Fair value adjustments	143,429	289,727
Effect of foreign currency exchange differences	76,606	(66,577)
Transfer from Inventories - trading property	16,458	-
Total investment property	**8,480,499**	**8,156,100**
Less: investment property classified as held-for-sale	(93,515)	(150,207)
As at 30 June / 31 December	**8,386,984**	**8,005,893**

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

7. STRAIGHT BONDS

- On 11 January 2021 under the EMTN Programme, the Company issued euro 1 billion straight bond series X due 2028, at an issue price of 98.153% of the principal amount with euro coupon 0.125%. At the same day, the Company bought back euro 272.8 million and euro 220 million principal amount of straight bond series E (due April 2025) and W (due April 2024) for a purchase price of 106.843% and 105.977% of the nominal amount respectively, excluding any accrued interest.
- On 25 January 2021 the Company redeemed euro 60.5 million principal amount of straight bond series S.
- On 5 April 2021 the Company redeemed euro 25 million principal amount of straight bond series D.
- On 14 May 2021 the Company bought back additional euro 39.6 million and euro 100.4 million principal amount of straight bond series E and W for a purchase price of 106.325% and 105.436% of the nominal amount respectively, excluding any accrued interest.

For further information on straight bonds redemption after the reporting period see note 14.

8. PERPETUAL NOTES

On 4 February 2021 the Company redeemed euro 85.4 million principal amount of perpetual notes with coupon rate of 3.75% for a purchase price of 100% of the nominal amount, excluding any accrued interest.

9. DIVIDENDS

	2021	2020
Dividend per share (in €)	**0.8232**	**0.8238**
Total dividend amount (in €'000)	**136,433**	**138,407**

On 30 June 2021, the annual general meeting of the shareholders of the Company has resolved upon a dividend distribution of euro 0.8232 (gross) per share for the year 2020 (2020: euro 0.8238 (gross) per share for the year 2019). The total gross amount of the dividend amounted to euro 136,433 thousand (2020: euro 138,407 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. 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 14.

10. SHARE CAPITAL

	For the period of six months ended 30 June		For the year ended 31 December	
	2021		2020	
	Number of shares	€'000	Number of shares	€'000
Balance as at the beginning of the period/year	**171,864,050**	**17,186**	**167,895,560**	**16,790**
Issuance of new ordinary share as part of scrip dividend	-	-	3,853,379	385
Issuance of new ordinary shares as part of share-based payment	-	-	115,11	11
Balance as at the end of the period/year	**171,864,050**	**17,186**	**171,864,050**	**17,186**

10.1 Treasury shares

- On 28 January 2021 the Board of Directors resolved to utilize the authorization of the Annual General Meeting of 24 June 2020 in order to buy back up to 12,500,000 shares of the Company (corresponding to up to 7.27% of the Company's share capital) by way of a public tender offer with a purchase price in the range of euro 20.00 to euro 21.25 per share. On 17 February 2021 the Company announced that 3,370,708 shares of the Company have been validly tendered into the offer in euro 21.25 per share in total amount of euro 71,628 thousand. The settlement done on 23 February 2021.
- On 15 March the Board of Directors resolved on share buy-back program on the stock exchange by the Company or a subsidiary of the Company. The volume of the proposed buy-back program will amount to up to euro 200 million and will be limited to a maximum of 10 million shares in the Company. The program starts on 16 March and will be valid until 31 December 2021. During the period, the Company bought back 3,876,632 shares in total amount of euro 85,851 thousand.

As at 30 June 2021, the Company holds 6,128,664 treasury shares.

11. 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.

11.1. Fair value hierarchy

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value as at 30 June 2021 and 31 December 2020 on a recurring basis:

	As at 30 June 2021					As at 31 December 2020				
			Fair value measurement using					Fair value measurement using		
	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	€'000									
FINANCIAL ASSETS										
Financial assets at fair value through profit or loss *	317,115	317,155	242,303	74,812	-	308,877	308,877	232,597	76,280	-
Derivative financial assets	27,272	27,272	-	27,272	-	63,024	63,024	-	63,024	-
Total financial assets	**344,387**	**344,387**	**242,303**	**102,084**	**-**	**371,901**	**371,901**	**232,597**	**139,304**	**-**
FINANCIAL LIABILITIES										
Derivative financial liabilities	83,760	83,760	-	83,760	-	41,249	41,249	-	41,249	-
Total financial liabilities	**83,760**	**83,760**	**-**	**83,760**	**-**	**41,249**	**41,249**	**-**	**41,249**	**-**

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

DRESDEN

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 2021 and 31 December 2020:

	As at 30 June 2021					As at 31 December 2020				
			Fair value measurement using					Fair value measurement using		
	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	€'000									
FINANCIAL LIABILITIES										
Straight bonds *	3,772,300	4,000,222	3,816,778	183,444	-	3,498,478	3,834,864	3,643,580	191,284	-
Convertible bond *	278,960	290,240	290,240	-	-	277,614	286,183	286,183	-	-
Total financial liabilities	**4,051,260**	**4,290,462**	**4,107,018**	**183,444**	**-**	**3,776,092**	**4,121,047**	**3,929,763**	**191,284**	**-**

* 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.

11.2. 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.
- Hybrid instruments are measured using a combination of a discount cash flows method for the host contract and a call pricing model for the embedded derivative (i.e., the conversion option). The models use observable inputs such as market price of the underlying asset and swap rate curve.
- 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.

12. COMMITMENTS

As at the reporting date, the Group had no significant financial obligations.

13. CONTINGENT ASSETS AND LIABILITIES

As at the reporting date, the Group had no significant contingent assets and liabilities.

14. EVENTS AFTER THE REPORTING PERIOD

- On 8 July 2021, as a result of the dividend distribution, the conversion price of the convertible bond series F has been adjusted from euro 23.9270 to euro 23.1391.
- On 16 July 2021, the Company announced that the shareholders of approximately 118 million shares opted to receive their dividend in the form of new ordinary shares of the Company. Accordingly, 4,323,849 new shares have been issued in connection with the scrip dividend. The reminder of the dividend in total amount of approximately euro 53.6 million has been paid in cash during July 2021.
- On 26 July 2021 the Company redeemed euro 52 million principal amount of straight bond series T.

15. AUTHORISATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These condensed interim consolidated financial statements were authorised for issuance by the Company's Board of Directors on 16 August 2021.


FRANKFURT

LONDON


OPEN

GCP