GCP

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended 30 September

2021

BERLIN

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	Sep 2021	Dec 2020	Dec 2019
Total Assets	**11,286,656**	10,865,780	9,851,428
Investment Property	**8,894,334**	8,022,351 [1]	7,971,744 [1]
Cash and liquid assets [2]	**1,264,758**	1,692,331	1,063,320
Total Equity	**5,536,370** [3]	5,554,928	4,966,599
Loan-to-Value	**36%**	31%	33%
Equity Ratio	**49%** [3]	51%	50%

1 Including inventories - trading properties
2 Including cash and cash equivalents held-for-sale
3 During the period the Company bought back its shares in amount of €215 million

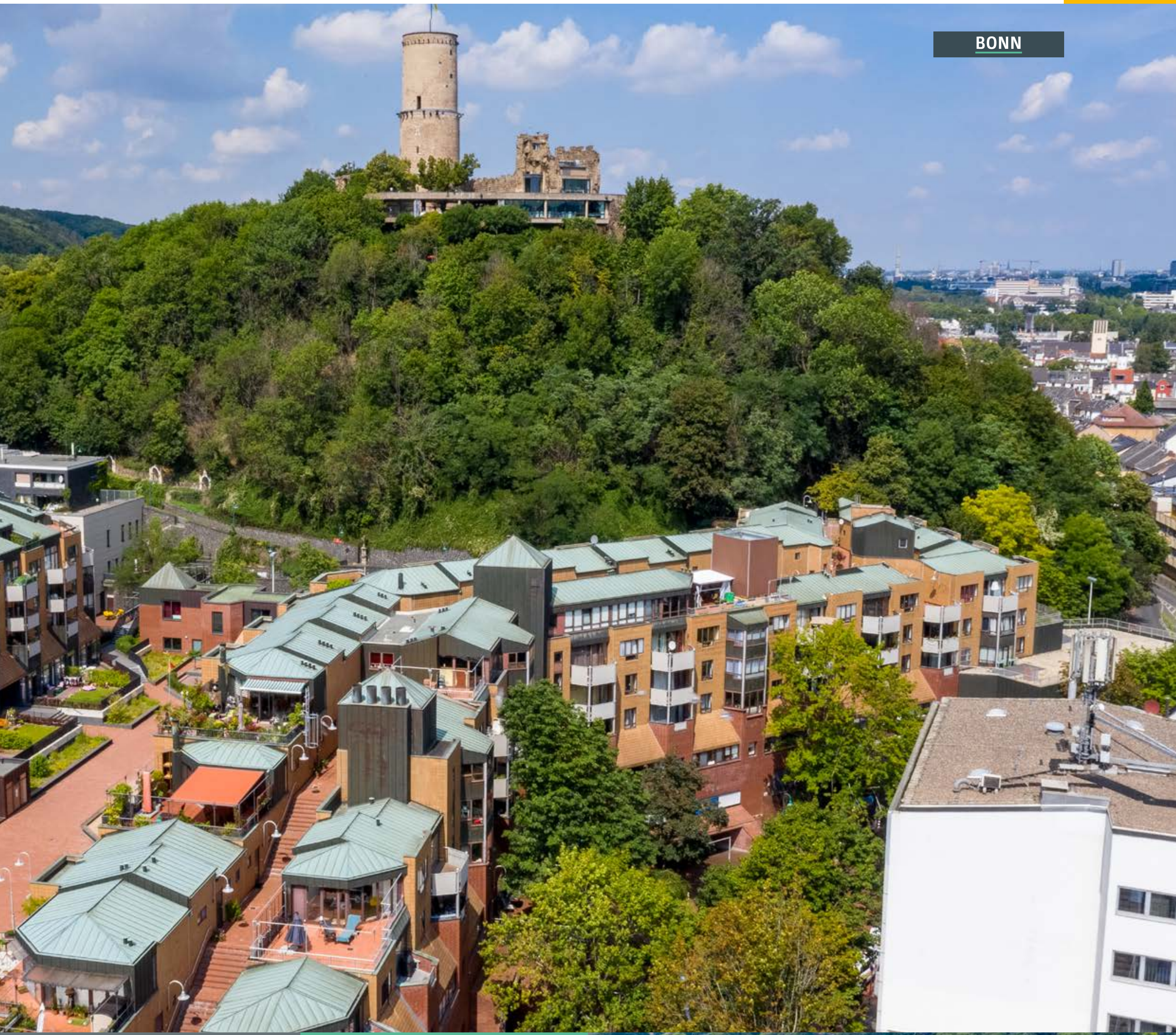
P&L HIGHLIGHTS

in €'000 unless otherwise indicated	9M 2021	Change	9M 2020
Revenue [1]	**389,522**	-3%	401,238
Net Rental Income [1]	**276,162**	-1%	278,973
Adjusted EBITDA	**222,024**	0%	223,077
FFO I [2]	**140,486**	3%	136,839
FFO I per share (in €) [2]	**0.84**	4%	0.81
FFO II [3]	**212,737**	-13%	245,184
EBITDA	**548,890**	10%	497,262
Profit for the period	**290,290**	-15%	342,495
EPS (basic) (in €)	**1.39**	-17%	1.68
EPS (diluted) (in €)	**1.31**	-17%	1.58

1 Revenue and net rental income decreased due to disposals. On a like-for-like basis, net rental income increased by 2.1% as compared to September 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
Sep 2021	**4,885,584**	**4,686,019**	**3,552,874**
Sep 2021 per share (in €)	**29.1**	**27.9**	**21.2**
Per share growth (Dividend adjusted)	**+8%**	**+8%**	**+10%**
Per share growth	**+5%**	**+5%**	**+5%**
Dec 2020	4,775,679	4,566,426	3,451,717
Dec 2020 per share (in €)	27.8	26.5	20.1


BONN

HIGHLIGHTS

STRONG OPERATIONAL PROFITABILITY

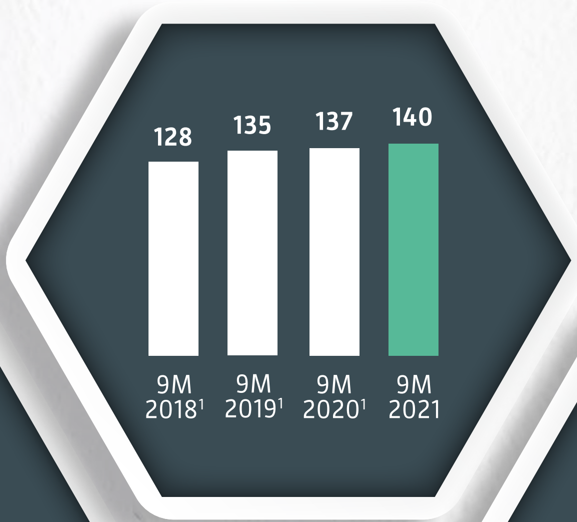
Driven by further enhanced asset quality as well as higher business efficiencies

+1.5%
L-F-L
In-place rent growth
Sep 2021

+2.1%
L-F-L
Total net rent growth
Sep 2021

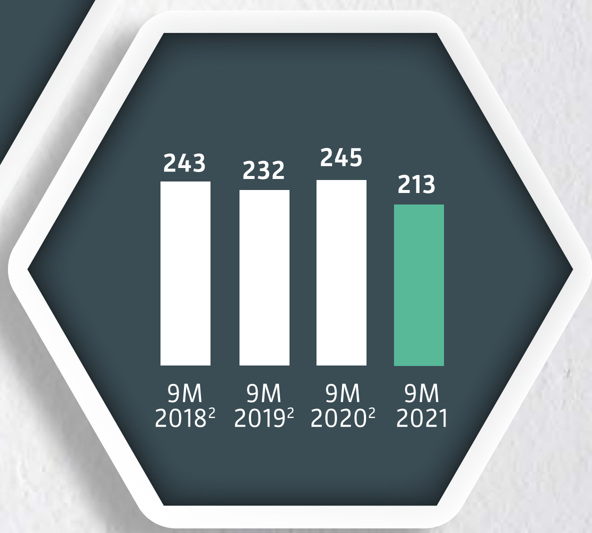
+0.6%
L-F-L
Occupancy growth
Sep 2021

FFO I
(in € millions)



Adjusted EBITDA
(in € millions)

FFO II
(in € millions)

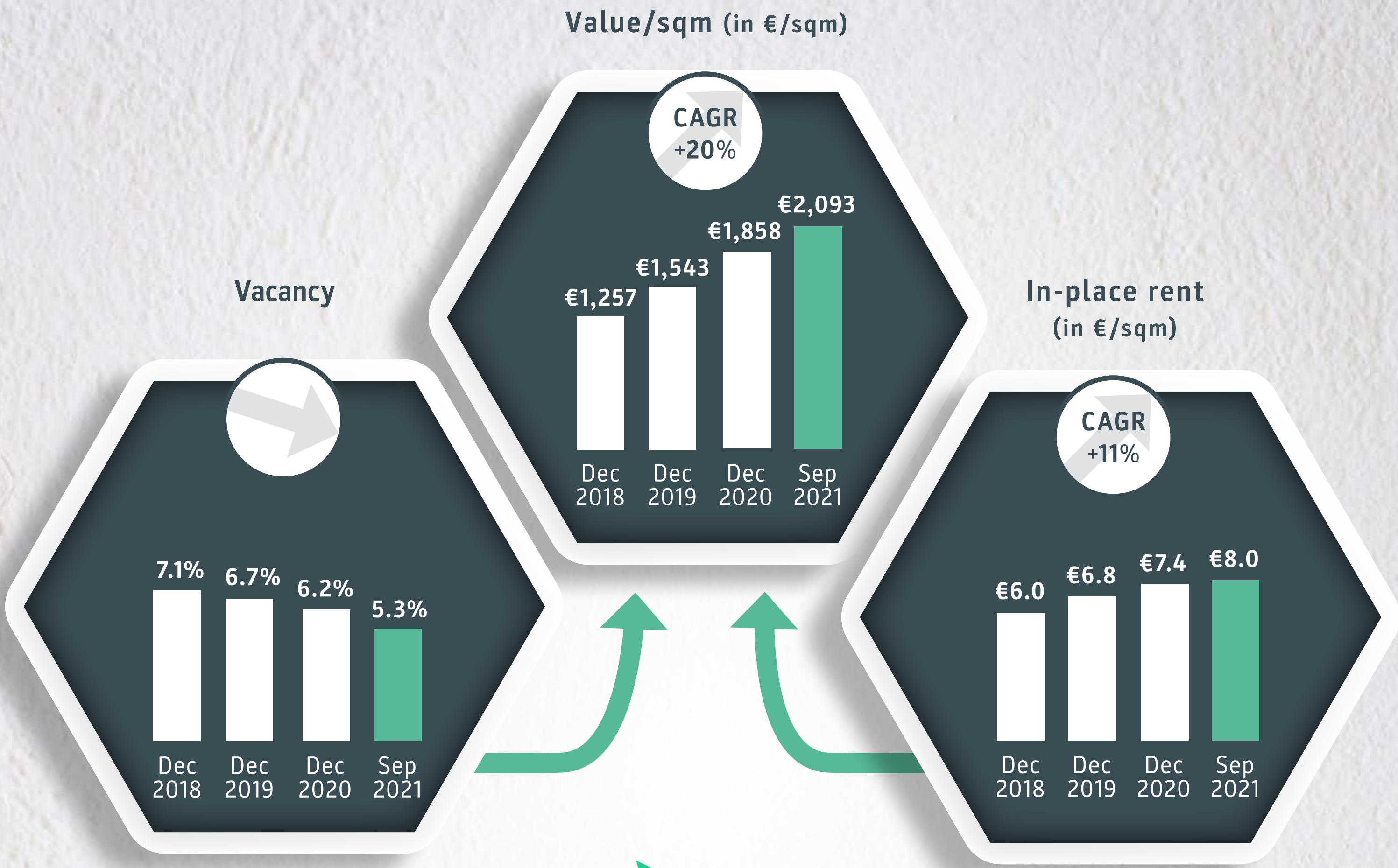


1 Previously defined as FFO I after perpetual notes attribution
2 Reclassified to be based on FFO I after perpetual notes attribution

HIGHLIGHTS

STEADY VALUE CREATION

Driven by accretive capital recycling at a premium over net book values, complemented by strong letting performance on a consistent basis



ACQUISITIONS[1]

Approx.

€700 million

9M 2021

DISPOSALS

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

Over

€300 million

9M 2021

SHARE BUYBACK[2]

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

up to

€270 million

1 Including the full impact of acquiring a controlling stake in an existing investee and consolidating a portfolio of over €280 million, previously held as an equity investee

2 Of which €215 million has been completed as of 30 September, 2021

HIGHLIGHTS

CONSERVATIVE FINANCIAL PROFILE

Characterised by broad-based access to finance, robust coverage ratios and ample downside protection

Largest bond issuance
€1 billion
bond due 2028 at a record low coupon of 0.125%

Total bond repayments of approx.
€800 million
9M 2021

Total bank loan prepayments of approx.
€270 million
9M 2021

Historically lowest cost of debt
1%
Sep 2021
1.3%
Dec 2020

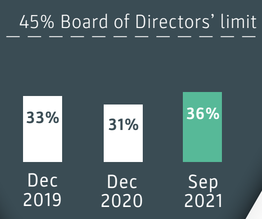
ICR
6.5x
9M 2021
5.8x
9M 2020

Unencumbered assets
€8BN
88%
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 September 30, 2021.

The figures presented in this Board of Director's Report are based on the condensed interim consolidated financial statements as of September 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 London. The Group's portfolio, excluding assets held-for-sale and properties under development, as of September 2021 consists of 65k 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.

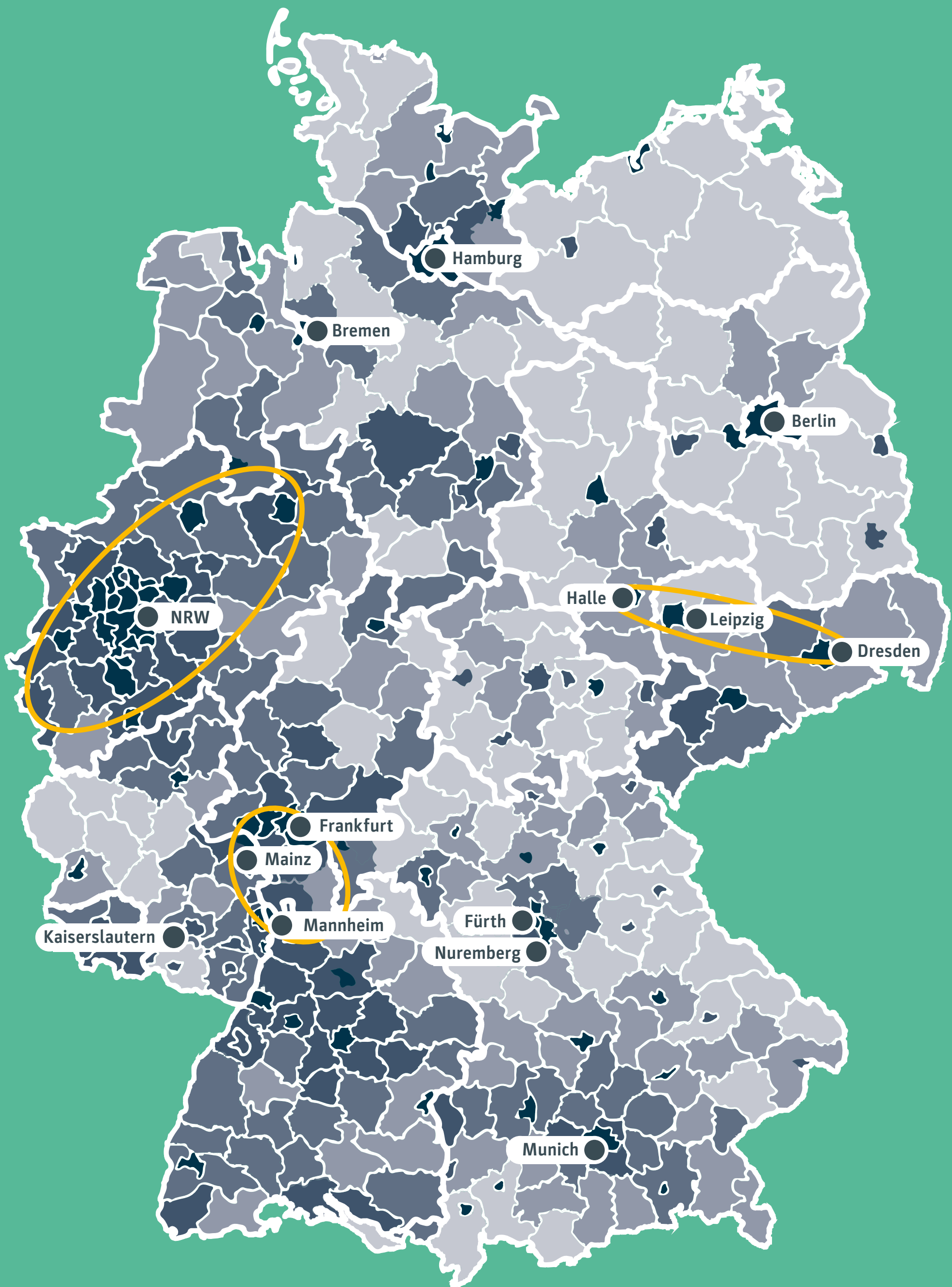
PORTFOLIO

POPULATION DENSITY IN GERMANY

inhabitants per sqkm (2018)*

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

* Based on data from Destatis



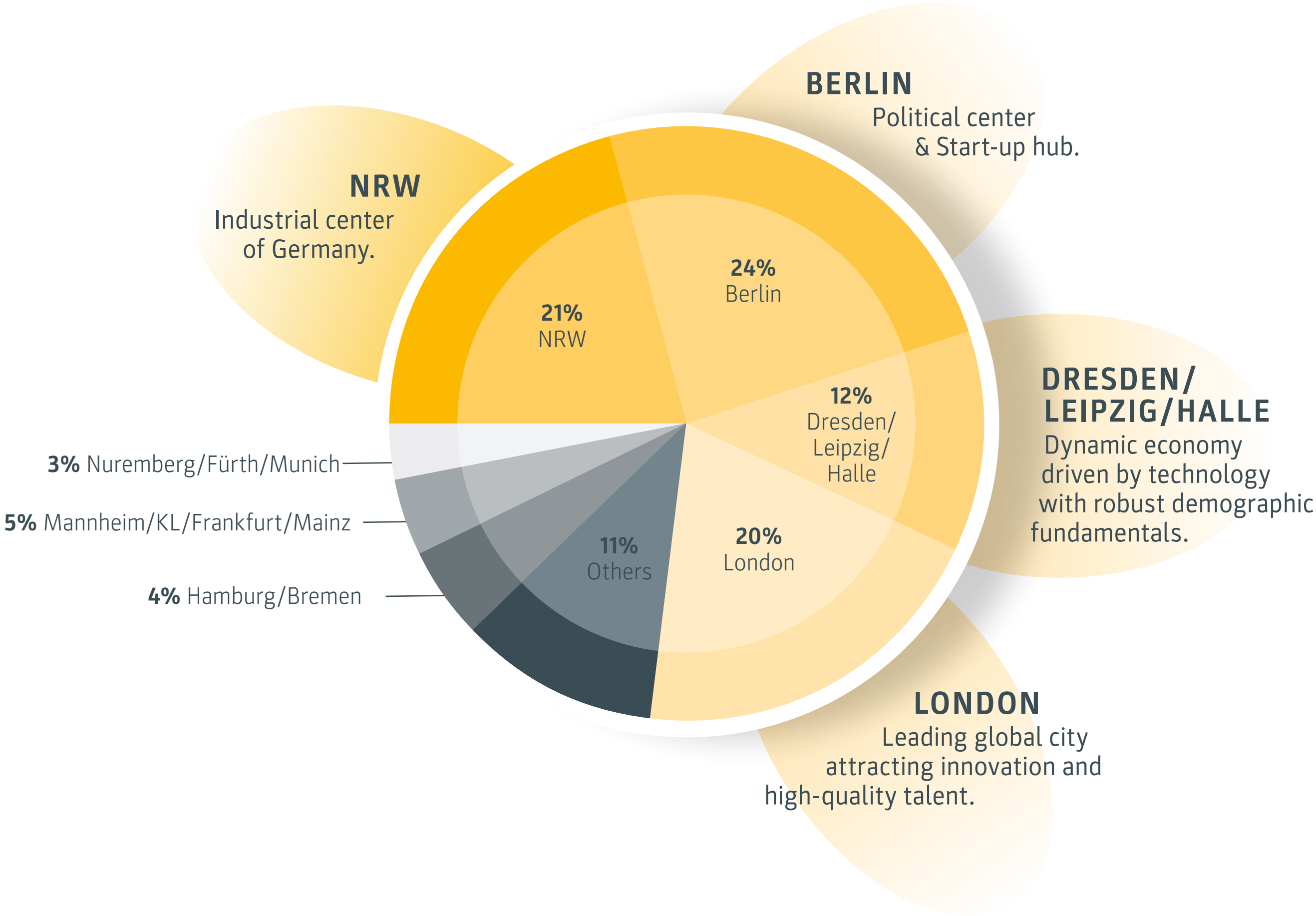
ATTRACTIVE PORTFOLIO CONCENTRATED IN DENSELY POPULATED METROPOLITAN AREAS WITH VALUE-ADD POTENTIAL

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 24% of its Portfolio being located in Berlin, 21% of its Portfolio being located in NRW, 12% in the metropolitan region of Dresden, Leipzig and Halle, and 20% in London, four clusters with their own distinct economic drivers. The portfolio also includes additional holdings in other major urban centres with strong fundamentals such as, Nuremberg, Munich, Mannheim, Frankfurt, Hamburg, and Bremen.

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.

SEPTEMBER 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	1,839	1,229	5.4%	88	6.1	17,949	1,497	4.8%
Berlin	1,950	583	4.6%	60	8.6	8,017	3,344	3.1%
Dresden/Leipzig/Halle	1,065	816	4.9%	51	5.5	14,007	1,306	4.8%
Mannheim/KL/Frankfurt/Mainz	410	194	3.4%	20	8.5	3,292	2,114	4.8%
Nuremberg/Fürth/Munich	281	80	6.9%	9	9.4	1,430	3,518	3.1%
Hamburg/Bremen	364	269	6.3%	20	6.5	4,053	1,354	5.5%
London	1,731	209	6.0%	76	32.7	3,891	8,297	4.4%
Others	945	723	5.0%	56	6.9	12,300	1,306	5.9%
Development rights and new buildings*	309							
Total	**8,894**	**4,103**	**5.3%**	**380**	**8.0**	**64,939**	**2,093**	**4.4%**

*of which pre marketed buildings in London amount to €51m

BERLIN PORTFOLIO BEST IN CLASS

24% of GCP's portfolio

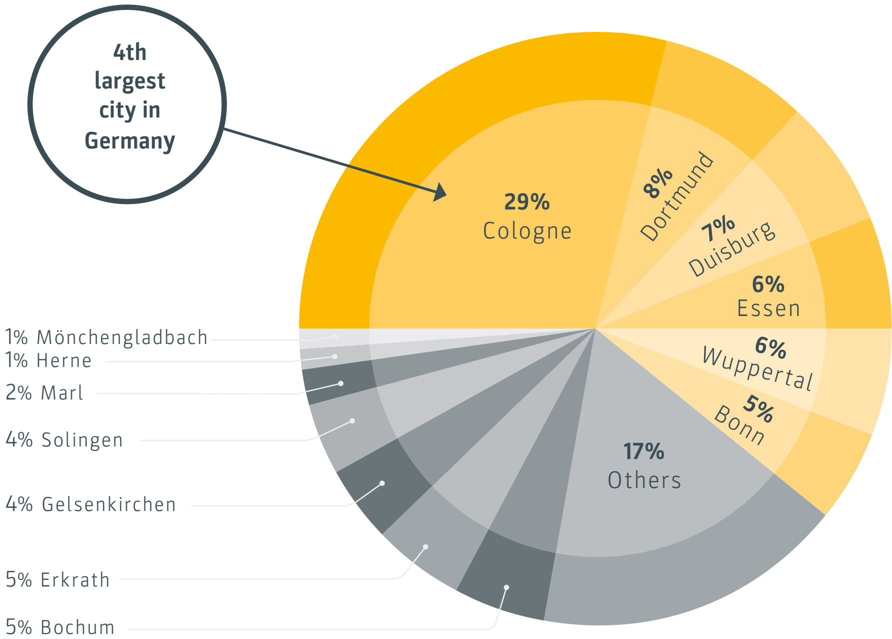
Quality locations in top tier Berlin neighborhoods

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 primarily in Reinickendorf, Treptow, Köpenick and Marzahn-Hellersdorf.

NORTH RHINE-WESTPHALIA

Well positioned in the largest metropolitan area in Germany



21% of GCP's portfolio

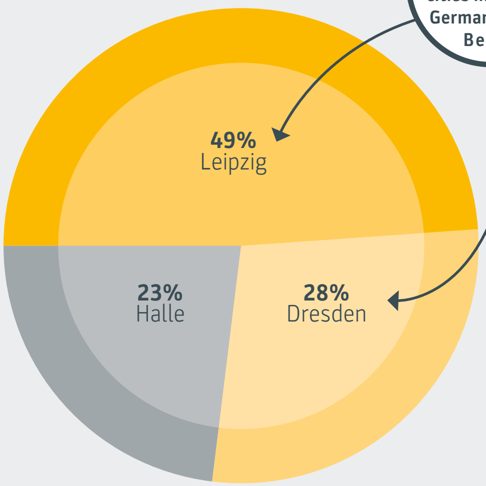
The portfolio distribution in NRW is focused on cities with strong fundamentals within the region. 29% of the NRW portfolio is located in Cologne, the largest city in NRW, 8% in Dortmund, 7% in Duisburg, 6% in Essen, 6% in Wuppertal and 5% in Bonn.

QUALITY EAST & NORTH PORTFOLIO

12% of GCP's portfolio

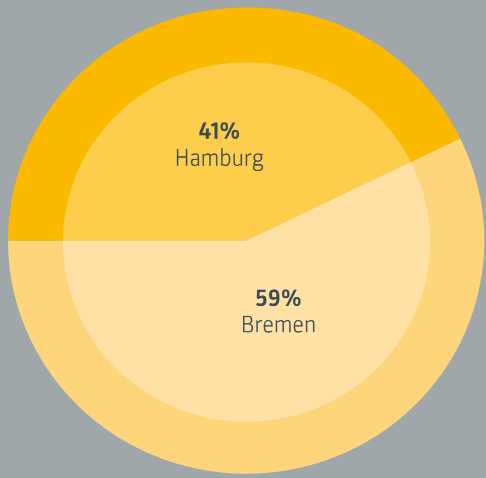
Located in the growing and dynamic cities of Dresden, Leipzig and Halle.

Leipzig & Dresden are the largest cities in Eastern Germany after Berlin



4% 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



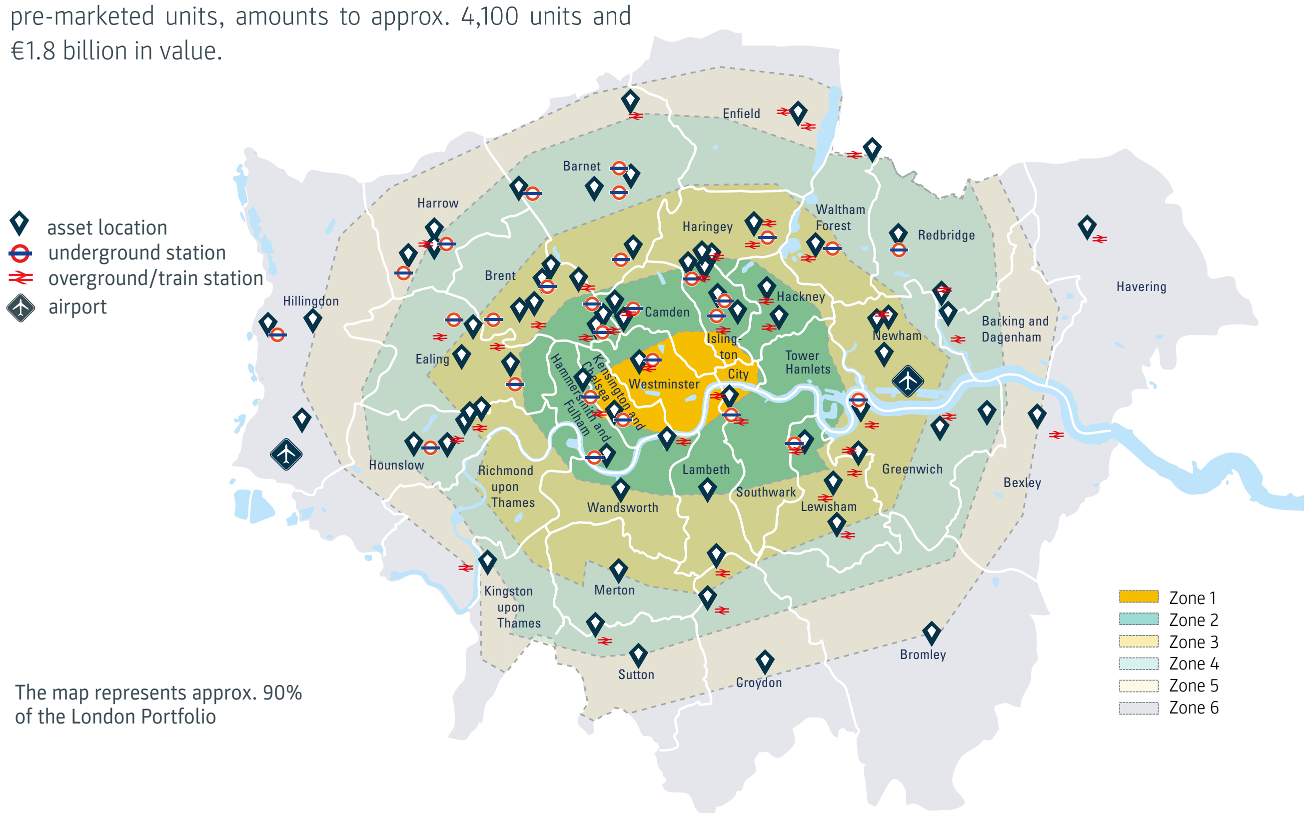
LONDON

20% of GCP's portfolio

Located in strong middle class neighborhoods

The total London portfolio, including newly built and modern assets, affordable and 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.

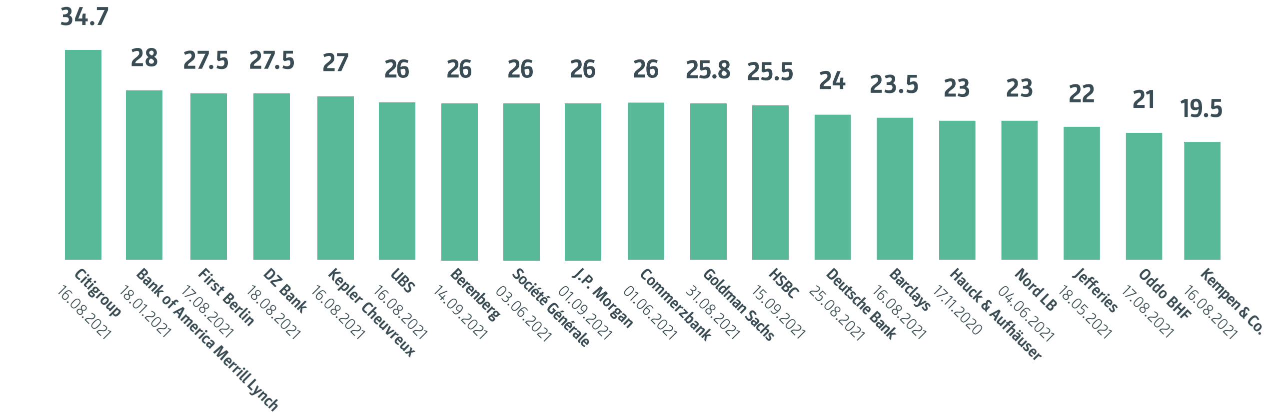


The map represents approx. 90% of the London Portfolio

CAPITAL MARKETS

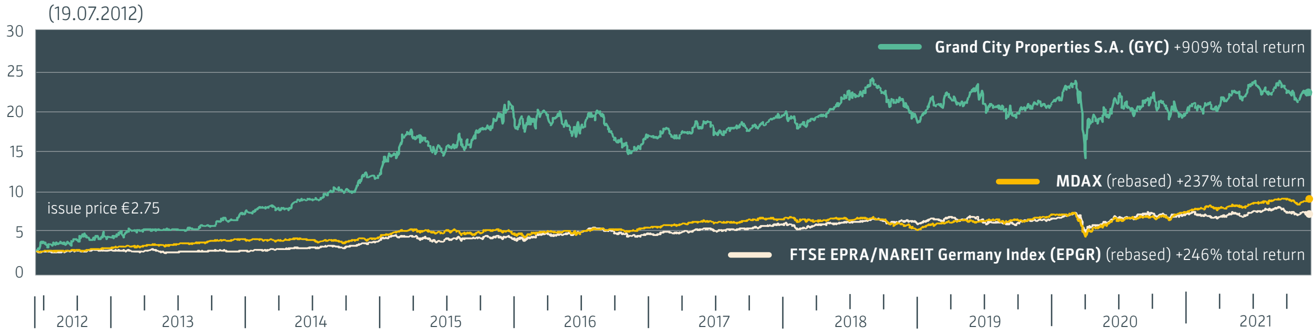
Placement	Frankfurt Stock Exchange
Market segment	Prime Standard
First listing	Q2 2012
Number of shares (as of 30 September 2021)	176,187,899 ordinary shares with a par value of EUR 0.10 per share
Number of shares, excluding suspended voting rights, base for share KPI calculations (as of 30 September 2021)	167,534,948 ordinary shares with a par value of EUR 0.10 per share
Shareholder structure (as of 30 September 2021)	Freefloat: 50% | Edolaxia Group: 45% | Treasury Shares: 5%
Nominal share capital (as of 30 September 2021)	17,618,789.90 EUR
Number of shares on a fully diluted basis, excluding suspended voting rights (as of 30 September 2021)	187,128,789
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)	3.9 bn EUR

ANALYST RECOMMENDATIONS



SHARE PRICE PERFORMANCE AND TOTAL RETURN COMPARISON SINCE FIRST EQUITY PLACEMENT

(19.07.2012)




COLOGNE
Bäckerei
Konditorei
APOTHEKE

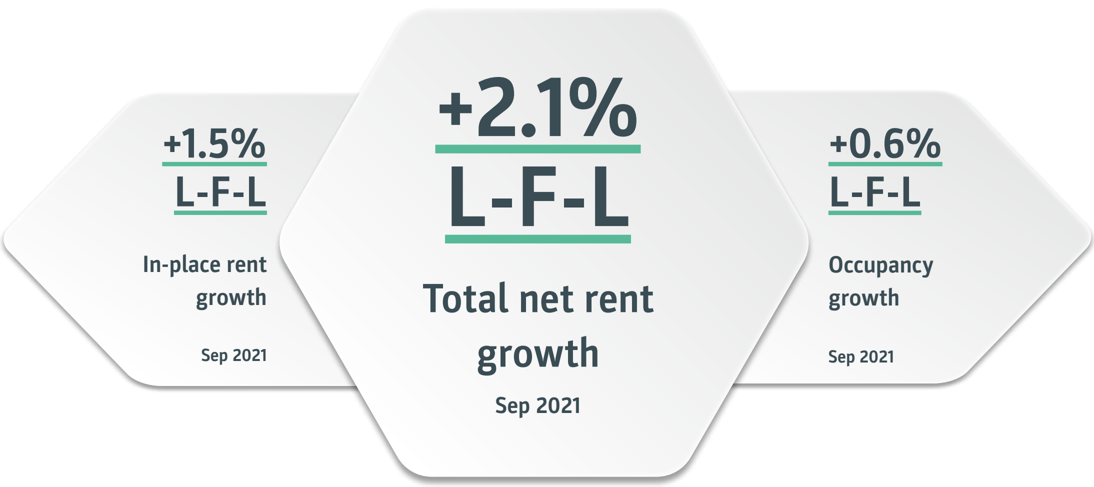
NOTES ON BUSINESS PERFORMANCE

REVENUE AND OPERATING PROFIT

For the period of nine months ended 30 September	2021	2020
	€'000	
Net rental income (a)	276,162	278,973
Operating and other income (b)	113,360	122,265
Revenue	**389,522**	**401,238**
Property revaluations and capital gains (d)	325,549	271,711
Share of profit from investments in equity-accounted investees	3,952	3,936
Property operating expenses (b)	(162,067)	(170,750)
Administrative and other expenses (c)	(8,066)	(8,873)
Depreciation and amortisation	(3,614)	(3,492)
Operating profit	**545,276**	**493,770**

During the nine-month period ending September 2021, GCP recorded a total revenue of €390 million, as compared to €401 million during the corresponding period in 2020. Total revenue is comprised of net rental income as well as operating and other income.

(a) Net rental income during the current reporting period amounted to €276 million, as compared to €279 million recorded during the comparable reporting period in 2020. The marginal decrease in net rental income was primarily due to the disposal of non-core and mature properties which was partially offset by acquisitions. Furthermore, internal growth supported the top line with like-for-like rents increasing by 2.1%, with 1.5% due to in-place rent increases and a further 0.6% as a result of occupancy increases. Additionally, rents from properties in London which were in the pre-letting stage during previous periods and have since been completed and leased out, contributed positively to the top-line.



Over the last twelve months ending September 2021, GCP completed disposals of approx. €930 million. In the same period the Company executed accretive acquisitions at a similar amount. Acquisitions which were carried out during the reporting period had only a partial impact in the reporting period and will support growth in the upcoming periods. Furthermore, the acquisitions included an increasing majority stake in a joint-venture and the Company consolidated a property portfolio of over €280 million. The consolidation was carried in the end of the period and therefore has no rent contribution in the reporting period and will support rental growth in the next periods. Additionally, the acquisitions included assets in London which are in the pre-letting stage and are expected to be let out in the coming periods providing the portfolio with further avenues for rental growth.

Overall, as a result of the active portfolio management, vacancy levels have continued its downward trend decreasing to 5.3% as of the end of September 2021. At the end of September 2021, the portfolio had an annualized rent level of €380 million.

(b) Operating and other income during the nine-month period ending September 2021 amounted to €113 million, as compared to €122 million reported during the corresponding period in 2020. This decrease is attributed to the material level of disposals completed in the last twelve months ending September 2021. GCP has worked towards optimising its operating cost structure by disposing assets with a higher cost structure and acquiring assets with a leaner cost structure, thereby enhancing the business' operational profitability. This is also evident in the fact that property operating expenses decreased by a larger extent between the reporting periods, as compared to the decrease in net rental income.

Property operating expenses for the current reporting period amounted to €162 million as compared to €171 million recorded during the corresponding reporting period in 2020. These expenses are predominantly made up of various utilities and services provided to tenants such as – heating, electricity, water, waste management, cleaning and other similar expenses that are largely recoverable from tenants. Additionally, property operating expenses also includes maintenance and refurbishment expenses, operational personnel expenses and other operating and letting costs.

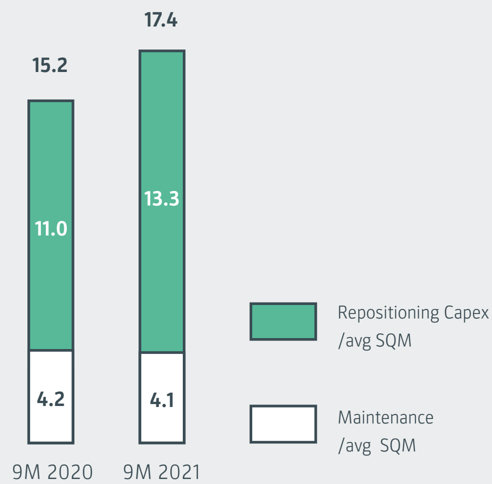
GCP works towards enhancing the quality of its portfolio by carrying out various maintenance and refurbishment projects which are undertaken strategically in order to address property specific needs and requirements. As a result, by providing a higher quality of living environments, the Company is able to maximise tenant satisfaction, which in turn delivers increased rents and decreased vacancies.

During the nine-month period ended September 2021, maintenance and refurbishment expenses amounted to €16 million and €4.1 per average sqm, as compared to €21 million and €4.2 per average sqm expended during the comparable period in 2020.

Repositioning capex refers to capital expenditures incurred to improve the value proposition to tenants by enhancing the quality of the property and/or providing tenants with additional features within the property. These enhancements may take the form of apartment renovations, upgraded staircases, hallways, playgrounds, study rooms and other common areas along with upgrades to façades and other similar measures. Repositioning capex is supporting the letting progress of the properties, increasing the occupancy and net rent. During the current reporting period, GCP invested €52 million and €13.3 per average sqm of repositioning capex, which compares to €49 million and €11.0 per average sqm during the corresponding reporting period in 2020. The increase in capex per sqm is partially related to cost inflation in works carried out during the last periods in addition to a general increase in the investment to support the attractiveness of the portfolio.

During the nine-month period ended September 2021, GCP invested €31 million into pre-letting modifications. These are investments that are largely related to the completion of properties acquired in London and Berlin, which are in the final stages of development. Such investments are considered, and form part of the cost analysis conducted prior to the completion of the acquisition. GCP expects these units to be let out in the coming periods supporting future rental growth.

MAINTENANCE AND CAPEX DEVELOPMENT (€/SQM)



(c) Administrative and other expenses during the nine-month period ending September 2021 amounted to €8 million as compared to €9 million during the comparable period in 2020. These expenses are largely comprised of overhead expenses such as administrative personnel expenses, legal and professional fees, marketing expenses and other ancillary office expenses.

(d) During the nine-month period ending September 2021, GCP recorded property revaluations and capital gains of €326 million as compared to €272 million recorded during the corresponding period in 2020. Property revaluations are conducted by external, independent, certified, and professional valuators, at least once a year. The property revaluations reflect the various operational improvements achieved in the portfolio thus far. Additionally, property valuations benefited from strong market fundamentals across GCP's portfolio locations. As of the end of September 2021, on a like-for-like and on a total portfolio basis, valuations increased by 4% (excluding capex) as compared to the end of December 2020.

As of the end of September 2021, the Company's investment property portfolio had an average value of €2,093 per sqm, as compared to €1,858 per sqm at the end of December 2020.

During the nine-month period ending September 2021, the Company disposed assets held-for-sale and other largely non-core assets across Germany in secondary cities, mostly located in Eastern Germany as well as in secondary cities in NRW. The disposals amounted to over €300 million and were completed at a premium of 13% over net book values, reflecting a gain of 30% over total costs, including capex.

PROFIT FOR THE PERIOD

For the period of nine months ended 30 September	2021	2020
	€'000	
Operating profit	**545,276**	**493,770**
Finance expenses (a)	(34,193)	(38,322)
Other financial results (b)	(128,618)	(41,400)
Current tax expenses (c)	(28,256)	(22,563)
Deferred tax expenses (c)	(63,919)	(48,990)
Profit for the period (d)	**290,290**	**342,495**
Profit attributable to the owners of the company	233,543	283,708
Profit attributable to the perpetual notes investors	18,804	24,774
Profit attributable to non-controlling interests	37,943	34,013
Basic earnings per share (in €)	1.39	1.68
Diluted earnings per share (in €)	1.31	1.58
Weighted average number of ordinary shares (basic) in thousands	168,220	169,111
Weighted average number of ordinary shares (diluted) in thousands	180,415	180,880

(a) GCP recorded €34 million finance expenses for the nine-month period ending September 2021, as compared to €38 million recorded during the corresponding period in 2020. This decrease is a result of a proactive approach towards managing the Company's debt profile. During the nine-month period ending September 2021, GCP issued its largest ever bond of €1 billion at a record-low coupon of 0.125% with a long maturity period of 7 years, while also repaying higher-interest bearing bank loans and outstanding straight bonds. As a result, the Company was able to reduce its average cost of debt to 1% at the end of September 2021, from 1.3% as of the end of September 2020, while maintaining a long average debt maturity period of 6.2 years.

(b) During the nine-month period ending September 2021, GCP recorded negative other financial results amounting to €129 million, as compared to negative other financial results of €41 million recorded during the corresponding period in 2020. These results were largely driven by one-off costs in connection with the pre-payment and redemption of over €1 billion in bonds and bank debt. Additional costs were incurred in relation to the large amount of bond issuances in recent periods. Further one-off costs were incurred in hedging and bank fees along with negative changes in the fair value of financial assets and derivatives.

(c) GCP recorded current tax expenses of €28 million during the nine-month period ending September 2021, as compared to €23 million during the comparable period in 2020. The increase in current tax is partially due to an increase in the profitability of the operational properties as well as in the contributions of the London portfolio, which has a higher tax level than in Germany.

The Company recorded deferred tax expenses of €64 million during the current reporting period, as compared to €49 million recorded during the corresponding reporting period in 2020. This increase is primarily driven by the higher level of property revaluation gains, while also impacted by the expected increase in the corporate tax rate in the UK, which increased from 19% to 25%. In general, deferred tax expenses are non-cash expenses in connection with the theoretical disposal of investment properties in the form of asset deals at the tax rate based on the property location.

(d) GCP posted a profit of €290 million for the nine-month period ending September 2021, as compared to a profit of €342 million posted for the corresponding period in 2020. The profit generation during the current reporting period was primarily driven by a strong level of property revaluation gains, offset by one-off items such as negative other financial results and higher deferred tax expenses.

During the nine-month period ending September 2021, the Company recorded €19 million of profit attributable to perpetual note investors, as compared to €25 million recorded during the comparable period, in September 2020. This decrease is primarily a result of the refinancing of the €500 million perpetual notes, issued in 2015 with a coupon of 3.75%, with the €700 million perpetual notes issued during the current reporting period, with a coupon of 1.5%. The significant decline in the coupon rates is reflective of the strength and consistently positive development of GCP's business and financial platform.

GCP posted a basic earnings per share of €1.39 and a diluted earnings per share of €1.31 for the nine-month period ending September 2021, as compared to €1.68 per share and €1.58 per share, respectively for the corresponding period in 2020.

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

For the period of nine months ended 30 September	2021	2020
	€'000	
Operating profit	545,276	493,770
Depreciation and amortisation	3,614	3,492
EBITDA	**548,890**	**497,262**
Property revaluations and capital gains	(325,549)	(271,711)
Share of profit from investments in equity-accounted investees	(3,952)	(3,936)
Equity settled share-based payments and other adjustments	2,635	1,462
Adjusted EBITDA (a)	**222,024**	**223,077**
Finance expenses	(34,193)	(38,322)
Current tax expenses	(28,256)	(22,563)
Contribution from / (to) joint ventures and minorities, net	(285)	(579)
Adjustment for Perpetual notes attribution	(18,804)	(24,774)
FFO I [1] (b)	**140,486**	**136,839**
Weighted average number of ordinary shares (basic) in thousands[2]	168,220	169,111
FFO I per share (in €) [1]	**0.84**	**0.81**
Result from disposal of properties	72,251	108,345
FFO II [3] (c)	**212,737**	**245,184**

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 profits from investment in equity-accounted investees, equity settled share-based payments and other adjustments. During the nine-month period ending September 2021, GCP generated an adjusted EBITDA of €222 million, as compared to €223 million generated during the corresponding period in 2020. In the recent periods, the Company successfully adapted its business operations with several processes being digitalised and thereby becoming more efficient which will support the operational profitability going forward. In addition, GCP continued to benefit from an enhanced portfolio quality, which delivered a robust level of organic rental growth. On a like-for-like basis, net rental incomes increased by 2.1%, with 1.5% as a result of in-place rent increases and a further 0.6% due to occupancy increases. The strength of GCP's operational performance is also displayed in a consistently decreasing vacancy level, which has further declined to 5.3% as of the end of September 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 to the FFO I the operational contributions from joint ventures. GCP reported an FFO I of €140 million for the nine-month period ending September 2021, increasing by 3% as compared to €137 million reported during the comparable period in 2020. This increase is driven by an optimised debt profile resulting in a lower level of finance expenses, a higher contribution from joint ventures as well as a decreased amount of profit attributable to perpetual notes investors.

During the nine-month period ending September 2021, GCP reported an FFO I per share of €0.84, 4% higher as compared to €0.81 reported during the corresponding period in 2020. This increase can be attributed to a robust level of FFO I generation during the reporting period, further complemented by the accretive effects of the share buyback programme and the tender offer completed in February 2021.

(c) FFO II is a supplementary performance measure that includes the disposal effects on top of FFO I. The result from disposal of properties refers to the excess amount of the sale price to the cost price plus capex of disposed properties. GCP reported an FFO II of €213 million during the nine-month period ending September 2021, as compared to €245 million reported during the corresponding period in 2020. GCP completed disposals amounting to over €300 million during the current reporting period, generating a total profit over costs including capex of €72 million, reflecting a total profit margin of 30% over total costs.

ADJUSTED FUNDS FROM OPERATIONS (AFFO)

For the period of nine months ended 30 September	2021	2020
	€'000	
FFO I [1]	**140,486**	**136,839**
Repositioning capex	(51,601)	(49,388)
AFFO [2]	**88,885**	**87,451**

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. GCP reported an AFFO of €89 million during the nine-month period ending September 2021, as compared to €87 million reported for the corresponding period in 2020.

CASH FLOW

For the period of nine months ended 30 September	2021	2020
	€'000	
Net cash provided by operating activities	160,567	170,228
Net cash used in investing activities	(244,253)	(477,255)
Net cash (used in)/provided by financing activities	(345,213)	469,047
Net (decrease) / increase in cash and cash equivalents	**(428,899)**	**162,020**
Other changes*	836	(10,604)
Cash and cash equivalents as on 1 January	1,412,199	914,054
Cash and cash equivalents as on 30 September	**984,136**	**1,065,470**

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

During the nine-month period ending September 2021, GCP generated €161 million of net cash from operating activities, as compared to €170 million generated during the corresponding period in 2020. This decrease was primarily driven by disposals completed during the last twelve months ending September 2021 along with a higher level of taxes paid during the current reporting period, partially offset by the full-period effect of acquisitions completed prior to the reporting period as well as accretive acquisitions during the period. Additionally, the robust nature of organic rental growth embedded in the portfolio supported operational cash flows with like-for-like rents increasing by 2.1%, with an increase of 1.5% as a result of in-place rent increases and an increase of 0.6% from occupancy increases.

Net cash used in investing activities during the nine-month period ending September 2021 amounted to €244 million, as compared to €477 million used during the comparable period in 2020. During the reporting period the Company invested in acquisitions and capex, which was partially offset by disposals. Additionally, the Company also invested in traded securities and other non-current assets including investments in loans-to-own assets.

Net cash used in financing activities during the current reporting period in 2021 amounted to €345 million, as compared to an inflow of €469 million provided during the comparable reporting period in 2020. In the current reporting period GCP executed an accretive share buyback amounting to over €200 million, while also completing the refinancing of the perpetual notes issued in 2015 at attractive terms. Additionally, the Company also executed several measures aimed at optimizing its debt profile, including the issuance of the largest straight bond at the lowest coupon rate, in GCP's corporate history, coupled with the prepayments, redemptions and repurchases of shorter term and higher interest-bearing debt. Consequently, GCP was able to further reduce its cost of debt from 1.3% at the end of the comparable reporting period, to 1% at the end of September 2021.

ASSETS

	Sep 2021	Dec 2020
	€'000	
Non-current assets	**9,414,037**	**8,601,687**
Investment property	8,894,334	8,022,351 [1]
Current assets	**1,872,619**	**2,264,093**
Cash and liquid assets [2]	1,264,758	1,692,331
Total Assets	**11,286,656**	**10,865,780**

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

Total assets as of the end of September 2021 amounted to €11.3 billion, increasing by 4% as compared to year-end 2020. This increase was primarily driven by an increased balance of non-current assets, partially offset by debt profile optimization measures as well as the accretive share buyback programme.

Non-current assets amounted to €9.4 billion at the end of September 2021, 9% higher as compared to €8.6 billion at the end of December 2020. This increase can be attributed to positive revaluations in the investment property portfolio, coupled with accretive acquisitions completed during the reporting period. The acquisitions totalled to over €400 million and included 2,000 units (including pre-letting units) and were located mainly in London, Berlin, Dresden and Munich. Additionally, GCP increased its position and got control over a joint-venture property portfolio of more than 4,700 units in NRW amounting to over €280 million as of the end of September 2021. The Company's former minority ownership in this portfolio was recorded as investments in equity-accounted investees in previous periods. In total, the Company acquired and consolidated over 6,700 units at a total amount of approx. €700 million at an average multiple of 18x. GCP also disposed mainly non-core and assets held-for-sale across Germany, but particularly in secondary cities in Eastern Germany and NRW. These disposals were completed at an average multiple of 17x and at a premium of 13% over net book values, illustrating the conservative nature of GCP's external valuations as well as the ability of the Company to deliver shareholder value creation.

The asset balance also includes tenant deposits, investments into loans-to-own assets, long-term financial investments as well as some investments of which the Company holds shares as minority without significant influence. The main amount arrived from GCP's investments into loans-to-own assets which reflect asset-backed interest bearing loans which under specific circumstances have the embedded option to acquire the underlying asset at a significant discount. These provide GCP with potential alternative avenues for accretive acquisitions that complement the Company's existing large deal-sourcing network. At the end of September 2021, the balance of loans-to-own assets included in the balance sheet amounted to €360 million. The investment in these assets go through a detailed due diligence process similar to standard acquisition of properties. The interest rates are in the range of 6% - 10% with maturity years ranging from 2021 to 2024 and are given at an average LTV of 65%. These assets include around 15 different loans at an average loan amount of around €25 million, given to a diverse variety of property owners, primarily in the UK, secured by first mortgage on the underlying assets. Long-term financial investments amount to approx. €40 million and are held for an expectation for long term yield and co-investments in attractive deals. Tenant deposits amounts to €40 million and are used as a security for rent payments.

Current assets at the end of September 2021 amounted to €1.9 billion as compared to €2.3 billion at the end of December 2020. GCP's strong liquidity position which amounts to €1.3 billion at the end of September 2021 as compared to €1.7 billion at year-end 2020, makes up a large part of the current assets. The decrease in the liquidity position of the Company is attributed to the accretive share buyback programme along with the tender offer in February 2021, the completion of the refinancing of perpetual notes, the cash dividend payment made during the reporting period and accretive acquisitions completed during the reporting period, partially offset by disposals completed during the same period. Additionally, GCP also undertook various measures to optimise its financial profile by issuing bonds with a notional value of approx. €1.2 billion, while also completing bank and debt repayments of a similar value.

Current assets include trade and other receivables in the amount of €454 million, of which €258 million are operating costs and rent and other receivables. The operating costs are for ancillary services to tenants and for other charges billed to tenants. These services include mainly heating, cleaning, insurance, winter services, waste, sewage and electricity. This balance is corelated to the prepayments for ancillary services received from tenants and presented in the short-term liabilities. Once a year, the operating cost receivables are settled against advances received from tenants.

LIABILITIES

	Sep 2021	Dec 2020
	€'000	
Loans and borrowings	358,817	437,137
Straight & Convertible Bonds	4,179,719	3,776,092
Deferred tax liabilities[1]	691,019	642,513
Other long-term liabilities and derivative financial instruments[2]	231,805	183,681
Current Liabilities[3]	288,926	271,429
Total Liabilities	**5,750,286**	**5,310,852**

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

Total liabilities as of the end of September 2021 amounted to €5.8 billion as compared to €5.3 billion as of year-end 2020. The increase in the amount of total liabilities is attributed to the increase in the balance of straight and convertible bonds, partially offset by a decrease in the balance of loans and borrowings along with the redemption of bonds that matured during the current reporting period. In 2021, GCP issued its largest-ever bond of €1 billion through its Series X issuance, at a record-low coupon rate of 0.125%, with a long maturity period of 7 years and reissued convertible bonds which were held in treasury of approx. €170 million, with a very low coupon of 0.25%. GCP also repurchased approx. €310 million in notional value of Series E notes (due in 2025) with a coupon of 1.5%, approx. €320 million in notional value of Series W notes (due in 2024) with a coupon of 1.7%, while redeeming approx. €135 million in notional value of Series D, Series S and Series T notes, which matured in 2021. GCP also prepaid higher interest-bearing bank loans amounting to approx. €260 million, while consolidating approx. €165 million of debt. As a result of all these measures, GCP was successful in decreasing its average cost of debt from 1.3% in December 2020 to 1% as of September 2021, while maintaining a long average debt maturity of 6.2 years.

Deferred tax liabilities as of the end of September 2021 amounted to €691 million and is mostly related to the revaluation gains achieved on the Company's investment property portfolio, taking into account the theoretical disposal of investment properties in the form of asset deals at the tax rate based on the property location. At the end of September 2021, the balance of deferred tax liabilities amounted to 12% of total liabilities.


HANNOVER

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
		Sep 2021			Dec 2020	
Equity attributable to the owners of the Company	**3,715,106**	**3,715,106**	**3,715,106**	**3,713,849**	**3,713,849**	**3,713,849**
Deferred tax liabilities	681,293[1]	569,891[2]	-	632,348[1]	507,744[2]	-
Fair value measurements of derivative financial instruments[3]	(4,327)	(4,327)	-	(3,940)	(3,940)	-
Intangible assets	-	(15,759)	-	-	(13,909)	-
Real estate transfer tax	493,512	421,108[2]	-	433,422	362,682[2]	-
Net fair value of debt	-	-	(162,232)	-	-	(262,132)
NAV	**4,885,584**	**4,686,019**	**3,552,874**	**4,775,679**	**4,566,426**	**3,451,717**
Basic number of shares including in-the-money dilution effects (in thousands)		167,681			172,000	
NAV per share (in €)	**29.1**	**27.9**	**21.2**	**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 €4.9 billion and €29.1 per share as of the end of September 2021, in comparison 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

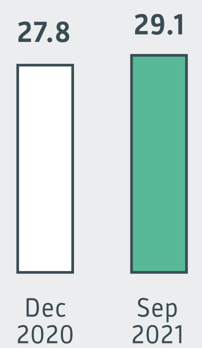
As of September 2021, GCP reported an EPRA NTA of €4.7 billion and €27.9 per share, as compared to €4.6 billion and €26.5 per share at year-end 2020, increasing by 3% and 5% respectively. The increase in the NTA was driven by the profit generation during the reporting period, partially offset by the result of the share buyback programme. The EPRA NTA growth was partially offset by the dividend distribution during the third quarter of 2021. However, the decrease was mostly offset by the fact that approx. 70% of the Company's shareholders opted to receive their dividend in the form of shares of GCP (scrip dividend). Adjusting for the €0.82 per share dividend distribution, the EPRA NTA per share increased by 8%. Above profit generation, the EPRA NTA per share also benefited from a lower share count illustrating the accretive nature of the share buyback programme.

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.

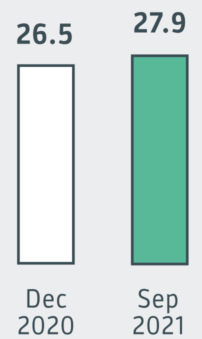
EPRA NDV

At the end of September 2021, GCP reported an EPRA NDV of €3.6 billion and €21.2 on a per share basis, which compares to €3.5 billion and €20.1 per share, respectively as of the end of December 2020.

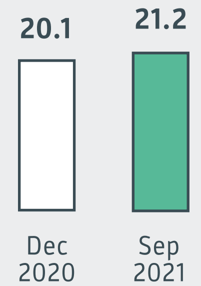
EPRA NRV PER SHARE (IN €)



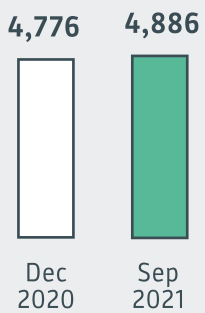
EPRA NTA PER SHARE (IN €)



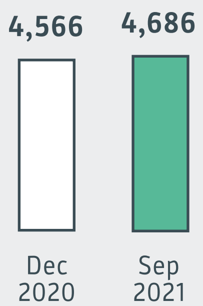
EPRA NDV PER SHARE (IN €)



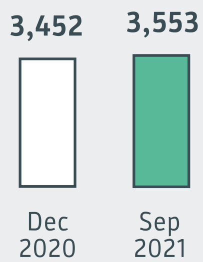
EPRA NRV (IN € MILLION)



EPRA NTA (IN € MILLION)



EPRA NDV (IN € MILLION)

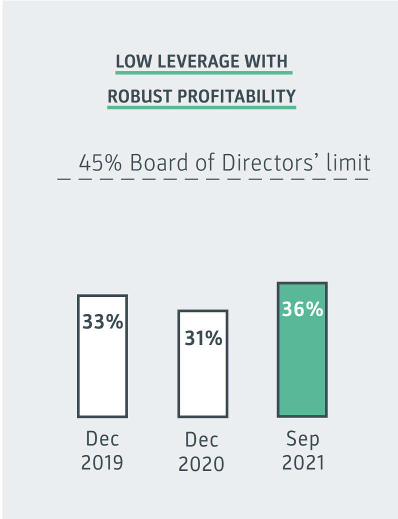


DEBT FINANCING KPIs

LOAN-TO-VALUE

	Sep 2021	Dec 2020
	€'000	
Investment property [1]	8,866,640	7,954,448
Investment properties of assets held-for-sale [2]	135,915	150,207
Equity-accounted investees	-	107,880
Total value	**9,002,555**	**8,212,535**
Total debt [3]	4,538,536	4,213,229
Cash and liquid assets [4]	1,264,758	1,692,331
Net debt	**3,273,778**	**2,520,898**
LTV	**36%**	**31%**

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



GCP works towards maintaining a conservative financial profile, characterised by a low LTV, robust coverage ratios and a large level of unencumbered assets. As of the end of September 2021, the Company had an LTV ratio of 36%, well below bond covenant limits as well as the more stringent board-mandated limit of 45%.

Additionally, GCP's strong operational profitability and the management's hands-on approach in optimizing the debt profile has resulted in a solid ICR of 6.5x and a DSCR of 6.0x for the nine-month period ending September 2021. Further, GCP's financial platform embeds ample downside protection with an unencumbered assets ratio of 88% representing approx. €8 billion in value. The Company continues to benefit from widespread access to capital markets and strong demand for its issuances, further supported by its investment grade credit ratings from S&P (BBB+/Stable) and Moody's (Baa1/Stable).

UNENCUMBERED ASSETS

	Sep 2021	Dec 2020
	€'000	
Unencumbered Assets	7,968,470	6,679,941
Total Investment property *	9,033,373	8,172,558
Unencumbered Assets Ratio	**88%**	**82%**

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

INTEREST COVERAGE RATIO (ICR)

For the period of nine months ended 30 September	2021	2020
	€'000	
Adjusted EBITDA	222,024	223,077
Finance Expenses	34,193	38,322
Interest Coverage Ratio	**6.5x**	**5.8x**

DEBT SERVICE COVERAGE RATIO (DSCR)

For the period of nine months ended 30 September	2021	2020
	€'000	
Adjusted EBITDA	222,024	223,077
Finance Expenses	34,193	38,322
Amortisation of loans from financial institutions	2,774	9,127
Debt Service Coverage Ratio	**6.0x**	**4.7x**

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 to materialise. Furthermore, real estate transfer taxes are added back, since the intention of this metric is to reflect what would be required to reinstate the Company through existing investment markets and the Company's current capital and financing structures.

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

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 [2]
(+) Investment in equity-accounted investees
(=) (A) Total value
(+) Total debt [3]
(-) Cash and liquid assets [4]
(=) (B) Net debt
(=) (B/A) LTV

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

RECONCILIATION OF 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

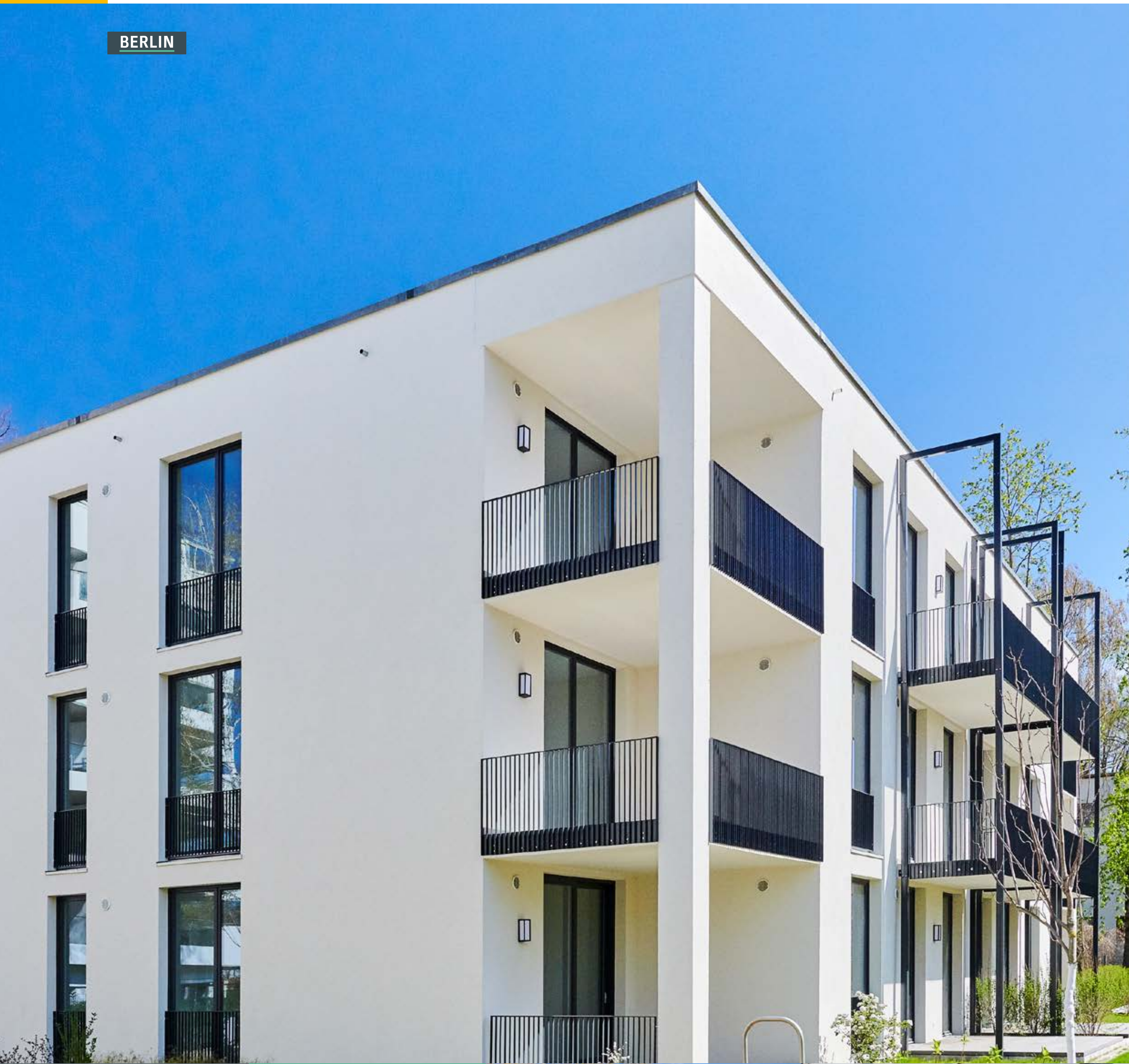
RECONCILIATION OF EQUITY RATIO

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, 15 November 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 nine months ended 30 September		For the period of three months ended 30 September	
		2021	2020	2021	2020
		Unaudited			
	Note	€'000			
Revenue	**6**	**389,522**	**401,238**	**130,074**	**133,515**
Property revaluations and capital gains		325,549	271,711	145,887	51,090
Share of profit from investments in equity-accounted investees		3,952	3,936	892	1,980
Property operating expenses		(162,067)	(170,750)	(53,709)	(55,194)
Administrative and other expenses		(8,066)	(8,873)	(2,658)	(3,011)
Depreciation and amortisation		(3,614)	(3,492)	(1,008)	(1,212)
Operating profit		**545,276**	**493,770**	**219,478**	**127,168**
Finance expenses		(34,193)	(38,322)	(11,491)	(14,025)
Other financial results		(128,618)	(41,400)	(39,353)	(4,273)
Profit before tax		**382,465**	**414,048**	**168,634**	**108,870**
Current tax expenses		(28,256)	(22,563)	(10,627)	(8,044)
Deferred tax expenses		(63,919)	(48,990)	(24,801)	(11,061)
Profit for the period		**290,290**	**342,495**	**133,206**	**89,765**
Profit attributable to:					
Owners of the Company		233,543	283,708	112,817	77,632
Perpetual notes investors		18,804	24,774	6,239	8,319
Non-controlling interests		37,943	34,013	14,150	3,814
		290,290	**342,495**	**133,206**	**89,765**
NET EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY (IN €):					
Basic earnings per share		1.39	1.68	0.67	0.45
Diluted earnings per share		1.31	1.58	0.63	0.43

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the period of nine months ended 30 September		For the period of three months ended 30 September	
	2021	2020	2021	2020
	Unaudited			
	€'000			
Profit for the period	**290,290**	**342,495**	**133,206**	**89,765**
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	(1,182)	(28,421)	669	(816)
Cost of hedging	21,114	(20,687)	4,796	(8,257)
Total other comprehensive income (loss) for the period, net of tax	**19,932**	**(49,108)**	**5,465**	**(9,073)**
Total comprehensive income	**310,222**	**293,387**	**138,671**	**80,692**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	253,475	234,600	118,282	68,559
Perpetual notes investors	18,804	24,774	6,239	8,319
Non-controlling interests	37,943	34,013	14,150	3,814
	310,222	**293,387**	**138,671**	**80,692**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 September 2021	As at 31 December 2020
		Unaudited	Audited
		€'000	
ASSETS			
Equipment and intangible assets		28,548	27,442
Investment property	7	8,894,334	8,005,893
Advance payments and deposits		27,628	36,866
Investment in equity-accounted investees		-	107,880
Derivative financial assets		26,134	57,057
Other non-current assets		387,798	315,884
Deferred tax assets		49,595	50,665
Non-current assets		**9,414,037**	**8,601,687**
Cash and cash equivalents		984,136	1,412,199
Financial assets at fair value through profit or loss		279,763	279,743
Inventories - trading property		-	16,458
Trade and other receivables		453,507	394,711
Derivative financial assets		6,044	5,967
Assets held-for-sale		149,169	155,015
Current assets		**1,872,619**	**2,264,093**
Total assets		**11,286,656**	**10,865,780**

	Note	As at 30 September 2021	As at 31 December 2020
		Unaudited	Audited
		€'000	
EQUITY			
Share capital	11	17,619	17,186
Treasury shares	11.1	(191,248)	-
Share premium and other reserves		398,134	439,240
Retained earnings		3,490,601	3,257,423
Total equity attributable to the owners of the Company		**3,715,106**	**3,713,849**
Equity attributable to perpetual notes investors	9	1,230,255	1,306,092
Total equity attributable to the owners and perpetual notes investors		**4,945,361**	**5,019,941**
Non-controlling interests		591,009	534,987
Total equity		**5,536,370**	**5,554,928**
LIABILITIES			
Loans and borrowings		355,778	427,470
Convertible bond		-	277,614
Straight bonds	8	3,730,815	3,361,162
Derivative financial liabilities		71,488	40,545
Other non-current liabilities		159,745	142,432
Deferred tax liabilities		678,731	634,329
Non-current liabilities		**4,996,557**	**4,883,552**
Current portion of long-term loans		3,039	9,667
Bond redemption	8	448,904	137,316
Trade and other payables		229,855	209,065
Derivative financial liabilities		572	704
Tax payable		18,822	13,446
Provisions for other liabilities and charges		32,197	45,776
Liabilities held-for-sale		20,340	11,326
Current liabilities		**753,729**	**427,300**
Total liabilities		**5,750,286**	**5,310,852**
Total equity and liabilities		**11,286,656**	**10,865,780**

The Board of Directors of Grand City Properties S.A. authorised these condensed interim consolidated financial statements to be issued on 15 November 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 nine months ended 30 September 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 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 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	-	-	-	-	-	-	-	233,543	233,543	18,804	252,347	37,943	290,290
Other comprehensive income (loss) for the period	-	-	-	-	21,114	(1,182)	-	-	19,932	-	19,932	-	19,932
Total Comprehensive Income (loss) for the period	**-**	**-**	**-**	**-**	**21,114**	**(1,182)**	**-**	**233,543**	**253,475**	**18,804**	**272,279**	**37,943**	**310,222**
Dividend distribution [1]	-	-	(136,433)	-	-	-	-	-	(136,433)	-	(136,433)	-	(136,433)
Scrip dividend [1]	433	-	82,280	-	-	-	-	-	82,713	-	82,713	-	82,713
Share buy-back [2]	-	(215,020)	-	-	-	-	-	-	(215,020)	-	(215,020)	-	(215,020)
Share-based payment	-	397	-	-	-	-	389	(365)	421	-	421	-	421
Capital increase	-	23,375	745	-	-	-	(7,017)	-	17,103	-	17,103	-	17,103
Initial consolidation, deconsolidation and transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	18,079	18,079
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)
Issuance of convertible bond [3]	-	-	-	3,500	-	-	-	-	3,500	-	3,500	-	3,500
Balance as at 30 September 2021 (unaudited)	**17,619**	**(191,248)**	**443,779**	**16,157**	**(4,142)**	**(34,125)**	**(23,535)**	**3,490,601**	**3,715,106**	**1,230,255**	**4,945,361**	**591,009**	**5,536,370**

1 For additional information see note 10.
2 For additional information see note 11.1.
3 For additional information see note 8.

	Equity attributable to the owners of the Company											
For the period of nine months ended 30 September 2020 €'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 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	-	-	-	-	-	-	283,708	283,708	24,774	308,482	34,013	342,495
Other comprehensive loss for the period	-	-	-	(20,687)	(28,421)	-	-	(49,108)	-	(49,108)	-	(49,108)
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**(20,687)**	**(28,421)**	**-**	**283,708**	**234,600**	**24,774**	**259,374**	**34,013**	**293,387**
Dividend distribution	-	(138,407)	-	-	-	-	-	(138,407)	-	(138,407)	-	(138,407)
Scrip dividend	385	67,009	-	-	-	-	-	67,394	-	67,394	-	67,394
Share-based payment	11	1,905	-	-	-	(721)	-	1,195	-	1,195	-	1,195
Initial consolidation, deconsolidation and transactions with non-controlling interests	-	-	-	-	-	-	879	879	-	879	45,200	46,079
Payment to perpetual notes investors	-	-	-	-	-	-	-	-	(24,250)	(24,250)	-	(24,250)
Balance as at 30 September 2020 (Unaudited)	**17,186**	**497,187**	**12,657**	**(30,560)**	**(38,888)**	**23,764**	**3,176,947**	**3,658,293**	**1,030,574**	**4,688,867**	**523,130**	**5,211,997**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	For the period of nine months ended 30 September	
	2021	2020
	Unaudited	
	€'000	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the period	**290,290**	**342,495**
ADJUSTMENTS FOR THE PROFIT:		
Depreciation and amortisation	3,614	3,492
Property revaluations and capital gains	(325,549)	(271,711)
Share of profit from investments in equity-accounted investees	(3,952)	(3,936)
Net finance expenses	162,811	79,722
Tax and deferred tax expenses	92,175	71,553
Equity settled share-based payment	2,635	1,462
Change in working capital	(32,928)	(34,207)
	189,096	**188,870**
Tax paid	(28,529)	(18,642)
Net cash provided by operating activities	**160,567**	**170,228**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of equipment and intangible assets, net	(4,922)	(4,461)
Acquisition of investment property, capex and advances paid, net	(415,896)	(302,218)
Disposals of investment property, net	6,381	298
Acquisition of investees and loans, net of cash acquired	(10,448)	(115,922)
Disposal of investees and loans, net of cash disposed	309,725	245,567
Investment in financial and other non-current assets, net	(129,093)	(300,519)
Net cash used in investing activities	**(244,253)**	**(477,255)**

	Note	For the period of nine months ended 30 September 2021	2020
		Unaudited	
		€'000	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Amortisation of loans from financial institutions		(2,774)	(9,127)
Proceeds (repayment) of loans from financial institutions, net		(280,015)	32,985
Proceeds from straight and convertible bonds, net	8	1,149,078	580,908
Payments to perpetual notes investors, net		(99,145)	(24,250)
Repayment and buy-back of straight bonds	8	(814,373)	-
Capital increase		17,103	-
Share buy-back	11.1	(215,020)	-
Dividend distributed to the shareholders	10	(53,720)	(71,013)
Interest and other financial expenses, net		(46,347)	(40,456)
Net cash provided (used) by (in) financing activities		**(345,213)**	**469,047**
Net increase (decrease) in cash and cash equivalents		**(428,899)**	**162,020**
Change in cash and cash equivalents held-for-sale		(469)	(5,882)
Cash and cash equivalents at the beginning of the period		1,412,199	914,054
Effect of foreign exchange rate changes		1,305	(4,722)
Cash and cash equivalents at the end of the period		**984,136**	**1,065,470**

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 nine months ended 30 September 2021 ("the reporting period") consist of the financial statements of the Company and its investees ("the Group").

2. ULTIMATE PARENT COMPANY

Since 1 July 2021, the Group is consolidated in Aroundtown SA's consolidated financial statements.

3. 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 700 million located mainly in London, NRW, Berlin, Dresden and Munich, of which approximately euro 280 million have been acquired through taking over equity-accounted investee. As part of the transaction, the Group assumed a bank loan in total amount of approximately euro 165 million.
- 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 at the same time the Group bought back and redeemed bonds of approximately euro 800 million, and repaid euro 270 million of interest-bearing bank loans with higher interest-rates. In addition, the Group has reissued about euro 170 million of convertible bond held in treasury (see note 8).
- The Group redeemed euro 85.4 million of perpetual notes with a coupon rate of 3.75% (see note 9).
- The Group bought back through a tender offer and through a share buy-back program approximately 9.8 million shares of the Company (see note 11.1).
- 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 10).

4. 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 5 below.

These condensed interim consolidated financial statements have not been reviewed by the auditor, unless written "audited".

5. 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

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

The following amendments were adopted by the EU, with effective date of 1 April 2021:

Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (issued on 31 March 2021)

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

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

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

6. REVENUE

	For the period of nine months ended 30 September	
	2021	2020
	€'000	
Net rental income	276,162	278,973
Operating and other income	113,360	122,265
	389,522	**401,238**

7. INVESTMENT PROPERTY

	For the period of nine months ended 30 September	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	696,630	616,830
Capital expenditure on investment property	82,967	83,667
Disposals of investment property	(279,511)	(920,013)
Fair value adjustments	290,112	289,727
Effect of foreign currency exchange differences	70,617	(66,577)
Transfer from Inventories - trading property	16,458	-
Total investment property	**9,033,373**	**8,156,100**
Less: investment property classified as held-for-sale	(139,039)	(150,207)
As at 30 September / 31 December	**8,894,334**	**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.

8. STRAIGHT AND CONVERTIBLE 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.
- 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 (see note 10).

- On 26 July 2021 the Company redeemed euro 52 million principal amount of straight bond series T.
- On 29 September 2021, the Company has entered into agreement with Aroundtown SA (see note 2), in which the Company sold euro 169.2 million principal amount of its convertible bond Series F with euro coupon 0.25% (due March 2022), previously held in treasury, to Aroundtown SA for a total consideration of euro 172.7 million, reflecting the bonds' fair value based on the quoted price as at the transaction date, including accrued interest. The Company accounted for the transaction as an issuance of convertible bond and recognised a convertible bond liability of euro 169.2 million (reflecting the fair value of bonds with similar characteristics, without the conversion feature), and the remainder of the consideration of euro 3.5 million was recognised in equity.

9. 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.

10. 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.

As the result of the scrip dividend the Company issued 4,323,849 (2020: 3,853,379) new shares in total value of euro 82,713 thousand. The remaining of the dividend in total amount of approximately euro 53,720 thousand million has been paid in cash during July 2021.

11. SHARE CAPITAL

	For the period of nine months ended 30 September		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	4,323,849	433	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	**176,187,899**	**17,619**	**171,864,050**	**17,186**

11.1 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 6,400,919 shares in total amount of euro 143,392 thousand.
- As at 30 September 2021, the Company holds 8,652,951 treasury shares

12. 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.

12.1. Fair value hierarchy

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

	As at 30 September 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 *	319,245	319,245	239,906	79,339	-	308,877	308,877	232,597	76,280	-
Derivative financial assets	32,178	32,178	-	32,178	-	63,024	63,024	-	63,024	-
Total financial assets	**351,423**	**351,423**	**239,906**	**111,517**	**-**	**371,901**	**371,901**	**232,597**	**139,304**	**-**
FINANCIAL LIABILITIES										
Derivative financial liabilities	72,060	72,060	-	72,060	-	41,249	41,249	-	41,249	-
Total financial liabilities	**72,060**	**72,060**	**-**	**72,060**	**-**	**41,249**	**41,249**	**-**	**41,249**	**-**

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

BERLIN

The Group also has a number of financial instruments which are not measured at fair value in the consolidated statement of financial position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since interest receivable/payable is either close to current market rates or the instruments are short-term in nature. Significant differences were identified for the following instruments as at 30 September 2021 and 31 December 2020:

	As at 30 September 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 *	3,730,815	3,934,828	3,749,883	184,945	-	3,498,478	3,834,864	3,643,580	191,284	-
Convertible bond *	448,904	457,470	457,470	-	-	277,614	286,183	286,183	-	-
Total financial liabilities	**4,179,719**	**4,392,298**	**4,207,353**	**184,945**	**-**	**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.

12.2. 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.

13. COMMITMENTS

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

14. CONTINGENT ASSETS AND LIABILITIES

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

15. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period.

16. 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 15 November 2021.


DORTMUND
kik
Unser Bestes für Sie!
Dauerniedrigpreis
MIDDELBERG
baking friends

BERLIN

GCP