Press release
April 21, 2022

Business at March 31, 2022

Dynamic first quarter with solid operational performances

- Gross rental income of €153.3m, up +2.2% like-for-like
- Occupancy rate up for all asset classes (+80bp over three months to 92%)
- Rental market upturn, with nearly 30,000 sq.m of offices let
- Positive reversion of +18% recorded on offices in the first quarter
- Pipeline's positive net contribution to rental income
- Liability structure ensuring good financial visibility
- Target confirmed for recurrent net income per share growth to €5.5 in 2022

Increase in the occupancy rate across all asset classes

- Occupancy rate progressing across all asset classes, reflecting the upturn in rental transactions, particularly for offices in the Paris Region's central sectors, as well as the improvement in residential letting processes and the normalization of the environment for student residences.

Significant rental reversion captured in the first quarter, particularly at the heart of Paris

- Rental reversion captured still positive, with **+18%** for offices in the first quarter, driven by the transactions carried out at the heart of Paris in particular.

Upturn in rent indexation

- Rent indexation reflected in like-for-like growth as leases pass their anniversary dates. Contribution of around +0.7% for the quarter, with a gradual ramp-up expected over the coming quarters.
- For reference, the benchmark index, published each quarter for Office rent indexation (ILAT index), came to +4.3% at end-2021 (index published at end-March 2022), whereas it was negative (-1.2%) one year earlier.
- This ILAT index published at end-March 2022 for Q4 2021 will be applied for the leases that have an anniversary date during the second quarter of 2022.

Pipeline's positive net contribution to rental income

- For the first quarter, the pipeline's net contribution (contribution by assets delivered net of assets launched for redevelopment) was positive, with this trend expected to ramp up over the coming quarters and be confirmed in 2022, particularly with the talks underway with potential tenants further strengthening confidence in the pipeline's future rental potential.

Liability structure adapted and robust, ensuring good financial visibility

- In the current context, Gecina benefits from an adapted, resilient and sound financial structure, without any refinancing constraints over the next 24 months and with a high hedging rate in the short term (around 90%), as well as the long term (75% on average through to end-2028, with an average hedging instrument maturity of 7.8 years at end-March).

➢ **Target confirmed for recurrent net income per share growth to €5.5 in 2022**

Gross rental income up +2.2% like-for-like to €153.3m

Like-for-like rental income growth reflecting the improvement in occupancy rates across all the asset classes and the first signs of the gradual return of indexation

Gross rental income In million euros	Mar 31, 2021	Mar 31, 2022	Change (%) Current basis	 Like-for-like
Offices	**127.3**	**121.4**	**-4.7%**	**+1.8%**
Traditional residential	26.3	26.5	+0.8%	+1.8%
Student residences	4.4	5.4	+21.7%	+16.2%
Total gross rental income	**158.1**	**153.3**	**-3.0%**	**+2.2%**

Like-for-like, the organic performance (+2.2%) reflects the first effects of the reduction in office and residential vacancy levels, and the normalization of activity levels for student residences. The effects of the increase in indexation will be gradually seen over the coming quarters, further strengthening the factors contributing to the upturn in organic rental income growth.

- **Impact of the increase in the occupancy rate for the office and residential portfolios** (with like-for-like growth of +1.8% across the two portfolios), benefiting from the strong upturn in rental transactions since the second quarter of 2021, with this trend confirmed since the start of 2022. The organic performance reflects the recent letting of partially or fully vacant office buildings (including Adamas and Carré Michelet in La Défense), and a more proactive strategy for the residential business. The reduction in the vacancy rate contributed +1.7% to like-for-like rental growth for offices and +0.6% for the residential portfolio.
- **Normalization of activity levels for student residences**, with like-for-like growth of +16.2% for this business, resulting from the significant increase in the occupancy rate.
- **The impacts of the acceleration in indexation are expected to be gradually seen over the coming quarters**, and remain moderate for the moment, due to their delayed impact. Indexation contributed just +0.7% to the Group's organic rental growth to date, which already represents a stronger contribution than the +0.3% for 2021, but this effect is expected to mechanically increase in 2022 and 2023, gradually reflecting the indexes published with a marked increase (particularly the ILAT for offices, with the latest index published for Q4 2021 representing +4.3% year-on-year).

On a current basis, rental income is down -3.0% (-€4.8m), linked primarily to the impact of the office sales completed in 2021. For the first quarter, the pipeline's net contribution was positive, with the rental income from the assets delivered now higher than the temporary loss of rent on buildings transferred or to be transferred to the development pipeline.

- **Sales completed in 2021:** In 2021, Gecina completed or secured €544m of sales of non-strategic buildings, including Portes d'Arcueil in Arcueil, Orion in Montreuil and Louise Michel in Levallois in the third quarter of 2021. The sales completed in 2021 achieved a premium of around +9% versus the end-2020 appraisal values, with the loss of rental income for the first quarter representing -€5.4m.
- **Positive net contribution for the development pipeline:** the contribution by the buildings delivered in 2021 (primarily the Anthos building in Boulogne and the Ynov student residence in Ivry) came to €1.4m, higher than the temporary loss of rent on buildings with strong value creation potential freed up to be redeveloped (-€0.7m).

Occupancy rate progressing across all asset classes

The Group's **average financial occupancy rate** was still high, with 92.0%, up +80bp over three and six months, and stable year-on-year.

This progress with the occupancy rate over three and six months is confirmed across all of the Group's asset classes.

For offices, the average occupancy rate was 91.1%, up +40bp over three months, and stable overall over six months (up +10bp).
However, the spot occupancy rate is up +40bp over six months, with sustained progress each quarter since mid-2021, reflecting the impacts of the upturn observed for rental markets in central sectors and high-quality buildings in particular.
This increase benefited from the leases coming into effect for vacant space, particularly in Adamas and Carré Michelet in La Défense, as well as other buildings in Paris.
However, this rate does not factor in certain lettings for leases that were signed recently, but have not yet come into effect, such as the Carré Michelet building once again; if they were taken into account, the occupancy rate would be nearly 200bp higher.

The analysis of occupancy rates **per geographical area** once again shows some very different situations, with a rate of close to 94% at end-March for Paris City, which has been rising since end-June 2021, whereas they were stable or down slightly over the same period for the other sectors, with 87% in the Western Crescent – La Défense and 85% for other areas in the Paris Region.

For the **traditional residential portfolio**, the improvement of +30bp over six months and +80bp year-on-year factors in the sustained progress achieved, reflecting the improvement and digitalization of the letting process.

For the **student residences** scope, the financial occupancy rate shows strong growth over six months (+20pts) and year-on-year (+11pts) to 92.6%, reflecting **the upturn observed since the start of the new academic year in September 2021, with a normalization of this business**.

Average financial occupancy rate	Mar 31, 2021	Jun 30, 2021	Sep 30, 2021	Dec 31, 2021	Mar 31, 2022
Offices	**91.7%**	**91.4%**	**91.0%**	**90.7%**	**91.1%**
Traditional residential	96.1%	96.7%	96.6%	96.8%	96.9%
Student residences	81.5%	74.4%	72.8%	79.0%	92.6%
Group total	**92.0%**	**91.6%**	**91.2%**	**91.2%**	**92.0%**

Offices: rental market upturn with nearly 30,000 sq.m

Gross rental income - Offices In million euros	Mar 31, 2021	Mar 31, 2022	Change (%) Current basis	 Like-for-like
Offices	**127.3**	**121.4**	**-4.7%**	**+1.8%**
Paris City	**73.5**	**71.4**	-2.9%	+1.3%
Western Crescent - La Défense	40.2	41.2	+2.3%	+4.2%
Paris Region - Other	9.1	4.4	-51.9%	-10.0%
Other French regions / International	4.5	4.5	-0.2%	+1.4%

Rental activity revealing an improvement in occupancy, as well as significant positive reversion, particularly in the most central sectors

During the first quarter, Gecina **let, relet or renegotiated nearly 30,000 sq.m**, representing over €19m of headline rent. This strong upturn is in line with the trend observed since the second quarter of 2021 on the office markets, and particularly the most central sectors, where the market vacancy rate has dropped significantly (to 2.5% in the CBD and 3.3% for Paris City overall).

The rental transactions completed by Gecina during the first quarter confirm the **particularly polarized market trends benefiting the Paris Region's most central sectors** and higher-quality buildings. Across the market, transaction volumes[1] are up +40% year-on-year (driven primarily by the robust trend for Paris City: +60%). Market rents reflect a polarization benefiting the most central sectors, where Gecina's portfolio is primarily concentrated (~75% of the commercial portfolio in Paris City and Neuilly-sur-Seine), with a **+6.4% increase in market rents for Paris' extended CBD** and over +3% for the rest of the City, whereas they are stable overall or even down slightly in peripheral areas (Western Crescent - La Défense, Inner and Outer Rims).

- **Nearly one third of these new transactions concern new leases:**
  - On buildings delivered recently or scheduled for delivery shortly (157 Charles de Gaulle in Neuilly-sur-Seine, Boétie in Paris' CBD) or buildings that have been renovated (Horizons - Maison Haute). These latest transactions will help further strengthen visibility over the Group's rental income growth as assets are delivered and work is completed as expected over the coming half-year periods.
  - **For new or redeveloped buildings**, the superior quality of Gecina's assets, its teams and its service-driven strategy YouFirst enable it to outperform in the submarkets. The rents obtained exceeded the Group's initial expectations, and are **in line with or even higher than the prime rents observed to date** for these areas. This performance confirms the growing appetite among businesses for Office real estate in the Paris Region's central areas where levels of available supply are limited.

- **The remaining two thirds concern relettings or renewals** of leases, primarily at the heart of Paris City. Overall, the **average reversion captured came to +18%** for the first quarter, driven by the strong level of reversion secured in the central sectors. It represents **+34% for Paris City**[2]**, and is slightly negative outside of Paris**.

Change in gross rental income

➢ **<u>For the office portfolio in Paris City:</u>** growth driven by the increase in the occupancy rate, the positive reversion secured and the first signs of upcoming indexation

- **Like-for-like** rental income growth **came to +1.3%**.
  - The impact of **indexation** is moderate to date (+0.7%).
  - The **reduction in real estate vacancy levels** made a positive contribution to organic growth (+0.8%) in the first quarter, reflecting the robust trends seen in terms of rental transactions.
- **The -2.9% contraction on a current basis** is linked primarily to the non-recurring income received during the first quarter of 2021. This non-recurring negative impact will be diluted over the full year. To a lesser extent, this contraction also factors in the departure of certain tenants from assets that will be transferred to the pipeline shortly.

[1] Source: Immostat
[2] Excluding one operation concerning a retail unit in the CBD, which captured an exceptionally high level of reversion

➢ **For the office portfolio in the Western Crescent and La Défense:** significant increase in the occupancy rate like-for-like

- **Like-for-like growth came to +4.2%** year-on-year, reflecting the **significant reduction in real estate vacancy levels** in this sector, thanks in particular to the letting of vacant space, especially in the Adamas and Carré Michelet buildings (La Défense), as well as Be Issy (Issy les Moulineaux). The contribution by **reversion was slightly negative, offset by a positive indexation effect**, but is still moderate to date.
- On a current basis, this trend was moderated by the sale of the Louise Michel building in 2021 (Levallois). Rental growth on a current basis came to +2.3% year-on-year.

Residential portfolios: organic performance driven by positive reversion and the reduction in vacancy levels

Gross rental income In million euros	Mar 31, 2021	Mar 31, 2022	Change (%) Current basis	 Like-for-like
Residential	**30.8**	**31.9**	**+3.8%**	**+3.9%**
Traditional residential	26.3	26.5	+0.8%	+1.8%
Student residences	4.4	5.4	+21.7%	+16.2%

For the **traditional residential portfolio, rental income** is up +1.8% like-for-like. This performance reflects the impact of the strategy rolled out aiming to capture reversion potential. Since the start of the year, the **rent differential secured between new and old tenants came to +6.4%**, contributing +0.5% to this portfolio's like-for-like rental performance. The impact of indexation represents +0.9%, with this contribution expected to grow over the coming half-year periods. In addition, the reduction in the vacancy rate contributed +0.6% to like-for-like rental growth.

Rental income from student residences shows strong growth like-for-like (+16.2%) and on a current basis (+21.7%), linked primarily to a **significant increase in the occupancy rate** for residences since the start of the 2021 academic year, up to an average of 92.6% across the student portfolio, reflecting a normalization of the vacancy rate in line with the levels historically observed prior to the health crisis.
This increase in the occupancy rate has been accompanied by the **significant reversion potential secured**, with reversion contributing +2.8% to like-for-like growth, based on an incoming-outgoing differential of +4%.

Gecina is backed by a sound balance sheet, a long debt maturity and a high hedging rate

Gecina does not have any refinancing constraints over the next two years, as all of the installments due for the next two years have already been refinanced through long-term bond issues carried out mid-2021 and early 2022. In addition, the levels of available or undrawn liquidity (€3.9bn[3]) cover all of the debt repayments for the next four years.

Gecina's rate hedging policy stands out through its long maturity (7.8 years), making it possible to sustainably protect the average cost of Gecina's debt.

90% of current debt is hedged in 2022, with 75% on average over the next seven years.

The sensitivity of financial expenses to changes in interest rates is therefore limited. At end-December 2021, Gecina calculated, for illustration purposes, that over a full year, a +50bp increase in short-term interest rates (3-month Euribor) would result in a €7.5m increase in financial expenses. On the same date, a +100bp increase would result in an increase of +€12m, with this amount moderated through the activation of caps alongside the swaps.

Start of the year confirming Gecina's confidence for 2022

Gecina's robust operational performance levels since the start of the year and the good level of the Group's core commercial markets confirm, at this stage, the Group's confidence that it will be able to achieve its objective for growth in recurrent net income (Group share) per share.

Recurrent net income per share is expected to reach around **€5.50[4]** in 2022, up +3.3% on the reported basis for 2021.

About Gecina

As a specialist for centrality and uses, Gecina operates innovative and sustainable living spaces. The Group owns, manages and develops Europe's leading office portfolio, with over 97% located in the Paris Region, and a portfolio of residential assets and student residences, with over 9,000 apartments. These portfolios are valued at 20.1 billion euros at end-2021.

Gecina has firmly established its focus on innovation and its human approach at the heart of its strategy to create value and deliver on its purpose: "Empowering shared human experiences at the heart of our sustainable spaces". For our 100,000 clients, this ambition is supported by our client-centric brand YouFirst. It is also positioned at the heart of UtilesEnsemble, our program setting out our solidarity-based commitments to the environment, to people and to the quality of life in cities.

Gecina is a French real estate investment trust (SIIC) listed on Euronext Paris, and is part of the SBF 120, CAC Next 20, CAC Large 60 and Euronext 100 indices. Gecina is also recognized as one of the top-performing companies in its industry by leading sustainability benchmarks and rankings (GRESB, Sustainalytics, MSCI, ISS ESG and CDP).

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[3] Net of commercial paper
[4] This target excludes potential acquisitions or sales that have not been secured to date, and could be revised up or down depending on changes in the scope that could be seen during the year.