gecina

Press release
July 21, 2022

Earnings at June 30, 2022

Robust operational performances across Gecina's business lines

- Gross rental income up +3% like-for-like to €308.2m
- Recurrent net income per share up +3.9% excluding the impact of 2021 divestments (-0.7% including them)
- Occupancy rate up for all asset classes (+110bp over six months)
- Positive reversion of +13% for offices since the start of the year, with +26% in Paris
- Pipeline's positive net contribution to first-half rental income and NAV
- Proactive debt management, ensuring good financial visibility
- Net Tangible Assets (NTA) per share up +3% over six months
- 2022 recurrent net income per share target raised to €5.55

Over 57,000 sq.m of office rental transactions completed by Gecina since the start of the year, illustrating the Group's robust performance on central markets with positive trends

- **70% for relettings or renewals,** with average reversion of **+13%** (**+26%** in Paris)
- **17% for vacant space,** driving a **+110bp** increase in the average financial occupancy rate for offices over the first half of the year
- **13% for assets under development:** the letting rate for pipeline operations delivered in 2022 and 2023 is now **85% (vs. 67% at end-2021)**

Gecina has signed several transactions in line with or higher than prime rents in Paris and Neuilly

- Around 80% of the Boétie building (scheduled for delivery in early 2023) and 64 Lisbonne relet at the start of July 2022 were signed at around €950/sq.m
- 85% of 157-CDG in Neuilly let above prime market rents (€650-700)

Gross rental income up +3% like-for-like, reflecting the improved occupancy rate and the first increases in indexation

- Rent indexation reflected in like-for-like growth as leases pass their anniversary dates. First-half contribution of around +0.9%, which will mechanically increase progressively over the coming quarters
- For reference, the benchmark index, published each quarter for Office rent indexation (ILAT index), came to +5.1% at end-March 2022 (index published at end-June 2022)

Proactive debt management, ensuring good financial visibility

- Opportunistic €500m bond issue in January 2022, with a 0.875% coupon and a maturity of 11 years, enabling Gecina to increase its liquidity to €3.3bn
- Thanks to this proactive management, Gecina has a liquidity surplus of around €1bn, enabling it to cover its bond maturities through to 2027
- Lastly, Gecina has 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 7.2 years)
- The average cost of debt is stable for the first half of the year, with the LTV[1] down -150bp year-on-year to 31.9%

NTA up +3% over six months to €181.2

- The portfolio value climbed +1.3% over the first half of the year, in a context of rising inflation and therefore future increases in indexation, with significant reversion potential
- The NTA is up +3% over six months and +5% year-on-year

➢ **In this context of good operational performances, and despite interest rates rising more quickly than expected, the recurrent net income per share target for 2022 is being raised to €5.55,** up +7% excluding the impact of disposals compared with 2021 (and +4.3% including them)

[1] Including duties

Key figures

In million euros	Jun-21	Jun-22	Current basis	Like-for-like
Offices	250.7	245.0	-2.3%	+2.7%
Traditional residential	52.7	53.1	+0.8%	+1.6%
Student residences	8.0	10.1	+25.2%	+19.0%
Gross rental income	**311.4**	**308.2**	**-1.0%**	**+3.0%**
Recurrent net income (Group share)[2]	**202.4**	**201.2**	**-0.6%**	
Per share (€)	**2.75**	**2.73**	**-0.7%**	
LTV (excluding duties)	35.4%	33.8%		
LTV (including duties)	33.4%	31.9%		
In euros per share				
EPRA Net Reinstatement Value (NRV) per share	189.6	198.9	*+4.9%*	
EPRA Net Tangible Assets (NTA) per share	**172.6**	**181.2**	***+5.0%***	
EPRA Net Disposal Value (NDV) per share	167.5	187.9	*+12.1%*	

[2] EBITDA excluding IFRIC 21 after deducting net financial expenses, recurrent tax, minority interests, including income from associates and restated for certain non-recurring items.

gecina

Gross rental income of €308.2m, up +3.0% like-for-like

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

Offices: positive rental trends confirmed

Improvement in the average financial occupancy rate by +110bp and positive reversion of +13%

Since the start of the year, Gecina **let, relet or renegotiated more than 57,000 sq.m**, representing almost €41m of headline rent. This strong upturn is in line with the trend observed since the second quarter of 2021 in most of the markets that Gecina operates on where the vacancy rate has dropped significantly (notably to 2.8% in the CBD according to BNP RE).

- **More than two thirds of the transactions concern relettings or renewals** of leases, primarily at the heart of Paris City. Overall, the **average reversion captured came to +13%** for the first half of this year, driven by the strong level of reversion secured in the central sectors, including **+26% in Paris City**
- **Nearly one third of these new transactions concern new leases on vacant buildings or buildings under development:**
    - These latest transactions, 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, Boulogne), 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.
    - The pre-letting rate for the development project pipeline is up from 67% at end-2021 to 85% for the same asset scope, with the 157 Charles de Gaulle building in Neuilly, delivered during the first half of this year, 85% let (vs. 0% at end-2021). Gecina also pre-let nearly 80% of the Boétie building in Paris' Central Business District during the first half of the year (delivery scheduled for the first half of 2023).
    - **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.

Iconic transactions confirming the good level of rental markets

Among the latest rental transactions secured since the start of 2022, some major operations confirm the very good performance by high-quality buildings in the most central markets.

In the Paris CBD, the Group has secured several rental transactions for offices at around €950/sq.m/year.

For instance, the Group secured the pre-letting of around 80% of the **"Boétie" building to the Eight Advisory Group** in February 2022, for 7,800 sq.m.

More recently, at the start of July, Gecina signed a firm 10-year lease, also based on current prime rents, with a tenant from the luxury industry, for **all of the "64 Lisbonne" building** (7,850 sq.m), anticipating the departure of the tenant currently in place and making it possible to capture significant reversion.

In Paris' Central Business District, other negotiations are currently underway based on rents of over €950/sq.m.

In Neuilly-sur-Seine, 85% of the 157 CDG building, delivered during the first half of this year, has been let to the SPIE group and to a pharmaceutical group. These transactions confirm that the prime rental values in Neuilly-sur-Seine are now up to nearly €650 to €700/sq.m/year.

Lastly, **in Boulogne-Billancourt**, Gecina has let nearly 5,000 sq.m to the Michelin and Futurmaster groups in the Horizons – Maison Haute building, which was subject to a renovation program. The rents secured on this building, which was delivered in 2011, are in line with market rents for new / redeveloped buildings in this area.

91% of Gecina's letting challenges for spaces that are vacant or under development concern buildings located in Paris City, Neuilly-sur-Seine and Boulogne-Billancourt. These challenges are concentrated in the sectors with the most positive trends, benefiting from the polarization of the markets supporting areas of centrality and scarcity. As a result, in these three sectors, the theoretical timeframe to clear the stock of vacant space is less than one year.

Change in gross rental income for offices

Gross rental income - Offices In million euros	Jun 30, 2021	Jun 30, 2022	Change (%) Current basis	 Like-for-like
Offices	**250.7**	**245.0**	**-2.3%**	**+2.7%**
Central areas (Paris, Neuilly, Southern Loop)	**179.6**	**179.6**	**+0.0%**	**+2.5%**
Paris City	**143.5**	**143.6**	**+0.1%**	**+2.3%**
- Paris CBD & 5-6-7 - Offices	71.0	71.7	+1.0%	+0.5%
- Paris CBD & 5-6-7– Retail	19.0	16.7	-12.2%	+5.3%
- Paris - Other	53.4	55.2	+3.3%	+3.7%
Core Western Crescent (Neuilly/Levallois, Southern Loop)	**36.1**	**36.0**	**-0.3%**	**+3.6%**
La Défense	**27.8**	**30.7**	**+10.7%**	**+9.1%**
Other locations (Peri-Défense, Inner / Outer Rims and Other regions)	**43.4**	**34.7**	**-20.0%**	**-1.6%**
Western Crescent - La Défense (as reported previously)	*80.8*	*83.8*	*+3.7%*	*+5.2%*

Like-for-like office rental income growth came to +2.7% year-on-year, benefiting for +1.8% from an improvement in the occupancy rate across our buildings, reflecting the robust commercial performance levels achieved since the second quarter of 2021, as well as a positive indexation effect, which is modest to date (+0.8%) and will ramp up over the coming quarters, passing on - with a delayed effect - the return of an inflationary context.

- **In the most central sectors (84% of Gecina's office portfolio)** in Paris City, Neuilly-Levallois and Boulogne-Issy, like-for-like rental income growth came to **+2.5%,** benefiting from:
  - an improvement in the occupancy rate (+1%)
  - a positive level of indexation (+0.9%), which will become stronger over the coming quarters
  - and other effects driven primarily by positive reversion (+0.6%)

- **On the La Défense market** (8% of the Group's office portfolio), Gecina's rental income is up **+9.1%** like-for-like, factoring in the impact of a significant increase in the occupancy rate for the Group's buildings, resulting from the major transactions secured recently on buildings that were previously vacant (Carré Michelet, Adamas), with indexation and reversion having only a very marginal impact on this sector.

The -2.3% contraction on a current basis is linked primarily to the **asset disposals** completed in 2021, including the sales of the Les Portes d'Arcueil (Arcueil), Louise Michel (Levallois) and Orion (Montreuil) buildings in the third quarter of 2021. For reference, these buildings were sold at prices that were +9% higher than their latest appraisals.

In 2021, Gecina had signed a lease on the 101 Champs-Elysées building, extending the rental commitment with the tenant in place. This transaction was subject to various conditions precedent, which were not satisfied before the agreement's deadline. As a result, the rental conditions that apply today are identical to those that were in place before this pre-agreement was signed.

Lastly, note that the **pipeline's contribution** to rental income growth (contribution from deliveries net of transfers to the pipeline) is now positive, with around €2.4m for the first half of the year, benefiting from the leases signed recently for the Anthos (Boulogne), 157 Charles de Gaulle (Neuilly) and Sunside (La Défense) buildings.

Residential: strong upturn in rental activity, with reversion potential confirmed and a start to the 2022 academic year that looks set to be significantly higher than the start of the 2019 academic year (before the impact of the Covid-19 pandemic)

YouFirst Residence (traditional residential): acceleration in operational performance levels confirmed
Like-for-like, rental income from traditional residential properties is up **+1.6%**.
This performance takes into account a level of indexation that is starting to be passed on (+1.1%) and the impact of **positive reversion (+0.6%) on the apartments relet, with the rent for new tenants around +8% higher than levels for the previous tenants on average since the start of the year**.

On a current basis, rental income is up +0.8%, reflecting the impact of the small number of sales completed during the first half of the year.

YouFirst Campus (student residences): strong upturn in activity
Rental income from student residences shows strong growth, with +19% like-for-like and +25% on a current basis, reflecting the **improving environment since the third quarter of 2021**.
This performance is linked primarily to the rebound of the occupancy rate for residences (contributing +13.2%), as well as the significant reversion captured (contributing +4.7%), while the indexation effect represents +1.1%.

Financial occupancy rate: positive momentum (+110bp over six months)

Average financial occupancy rate	Jun 30, 2021	Sep 30, 2021	Dec 31, 2021	Mar 31, 2022	Jun 30, 2022
Offices	**91.4%**	**91.0%**	**90.7%**	**91.1%**	**91.8%**
Traditional residential	96.7%	96.6%	96.8%	96.9%	96.8%
Student residences	74.4%	72.8%	79.0%	92.6%	86.3%
Group total	**91.6%**	**91.2%**	**91.2%**	**92.0%**	**92.3%**

The Group's average financial occupancy rate is at a high level, with **92.3%, up +110bp over six months**, reflecting the benefits of the strong upturn in rental transactions since the second quarter of 2021.
The spot rate at end-June is higher than the average rate (92.8%), indicating a trend that continued to improve during the first half of the year.

For the office scope, the average financial occupancy rate is up **+110bp** to **91.8%**. The **spot rate at end-June 2022 was 93.1%**, up from just 90.8% at end-December 2021, illustrating the robust trend for lettings during the first half of 2022.

This rate does not take into account recent lettings on which the leases have not yet come into effect. These spaces are therefore considered to be vacant even though they are covered by a signed lease that is due to take effect during the second half of the year. If these spaces that have already been let are included as occupied units (notably Carré Michelet in La Défense), the **normative occupancy rate represents 94.4%**, once again highlighting the positive market trends.

For traditional residential, the average financial occupancy rate for the first half of 2022 is stable over six months and year-on-year, highlighting this portfolio's rental resilience.

For the student residences scope, the average financial occupancy rate shows a significant increase over six months (+7.3pts), illustrating the strong upturn in activity following a 2020-21 academic year that was greatly disrupted by the consequences of the pandemic.

gecina

Recurrent net income: upturn taking shape

In millions of euros	Jun 30, 2021	Jun 30, 2022	*Change (%)*
Gross rental income	**311.4**	**308.2**	***-1.0%***
Net rental income	**281.0**	**277.8**	***-1.1%***
Operating margin for other business	0.6	1.4	*+148.7%*
Services and other income (net)	3.1	1.3	*-59.6%*
Overheads	(37.7)	(39.1)	*+3.5%*
EBITDA - recurrent	**246.9**	**241.4**	***-2.2%***
Net financial expenses	(43.3)	(38.5)	*-11.0%*
Recurrent gross income	**203.7**	**202.9**	***-0.4%***
Recurrent net income from associates	0.6	0.7	*+14.7%*
Recurrent minority interests	(0.6)	(0.9)	*+39.3%*
Recurrent tax	(1.3)	(1.6)	*+25.1%*
Recurrent net income (Group share) (1)	**202.4**	**201.2**	***-0.6%***
Recurrent net income (Group share) per share	**2.75**	**2.73**	***-0.7%***

(1) EBITDA excluding IFRIC 21 after deducting net financial expenses, recurrent tax and minority interests, including income from associates and restated for certain non-recurring items.

Recurrent net income (Group share) came to €2.73 per share (-0.7%), with an increase of +3.9% excluding the impact of the sales carried out in 2021 and the non-recurring income received during the first quarter of 2021.

Like-for-like rental performance: +€8m
This change takes into account the increase in the occupancy rate, the first effects of the acceleration in indexation and the positive rental reversion secured.

Portfolio rotation: -€10m net change in rental income
This change reflects the impact of the portfolio rotation carried out in 2021 for almost €512m, focused on various office buildings located outside of Paris (Arcueil, Levallois, Montreuil, Boulogne and Antony). For reference, these buildings were sold with a premium of around +9% versus the latest appraisal values.

Operations relating to the pipeline (deliveries and redevelopments): +€2.4m net change in rental income
The change in recurrent net income (Group share) benefited from a positive net effect for **operations relating to the pipeline**, with the impact of building deliveries now higher than the temporary effects of the assets made unavailable for rent with a view to being redeveloped.

- The additional rental income generated by the **recent deliveries** of buildings under development represents **+€3.7m** (with the delivery of the Anthos building in Boulogne, Sunside in La Défense and Ynov in Ivry in 2021, and 157 CDG in Neuilly in 2022).
- Alongside this, the space made unavailable for rent in buildings to be redeveloped had an impact of just **-€1.3m** on first-half rental income.

It is important to note that during the second half of the year this positive effect is expected to be confirmed:

- Gecina will benefit from rental income linked in particular to the delivery of the l1ve building (Paris CBD) and the ramping up of the 157 CDG building in Neuilly-sur-Seine, which was delivered during the first half of the year.
- A new building – "32 Marbeuf" in Paris' CBD - will also be redeveloped following the departure of its tenant at the end of June, making it possible to create a unique asset in Paris' Golden Triangle.

Rental margin stable

	Group	Offices	Residential	Student
Rental margin at Jun 30, 2021	90.2%	92.5%	82.5%	69.4%
Rental margin at Jun 30, 2022	90.1%	92.1%	82.6%	82.1%

Financial expenses down -11%: -€4.8m change
Financial expenses are down -€4.8m, linked mainly to a volume effect following the disposal of the Les Portes d'Arcueil building during the second half of 2021, with the average cost of debt stable at 1.2%.

gecina

Balance sheet and financial structure: adapted for an uncertain environment

Ratios	Covenant	Jun 30, 2022
Loan to value (block, excl. duties)	< 55% - 60%	33.8%
EBITDA / net financial expenses	> 2.0x	5.5x
Outstanding secured debt / net asset value of portfolio (block, excl. duties)	< 25%	0.0%
Net asset value of portfolio (block, excl. duties) in billion euros	> 6.0 - 8.0	20.6

In the last few years, Gecina has continued to optimize, further strengthen and extend its financial structure. Alongside this, the Group has ramped up the alignment of its financing with its strong CSR convictions and strategy, setting up new responsible credit lines and requalifying all of its outstanding bonds as Green Bonds.

The Group's financial structure is now particularly adapted for a context that calls for a cautious approach.

In terms of liquidity, Gecina has €4.7bn of liquidity, including €4.6bn of undrawn credit lines. After deducting short-term financing from this amount, net liquidity represents €3.3bn, significantly higher than our financial policy for a minimum of €2.0bn, making it possible to cover the bond maturities through to 2027[3].
Specifically, all of the bond maturities for the next two years have already been refinanced through long-term bond issues carried out mid-2021 and early 2022, with an average coupon of 0.875% and an average maturity of 13 years.

In terms of the sensitivity of the Group's average cost of debt, Gecina's rate hedging policy stands out through the long maturity of its hedging instruments (7.2 years), making it possible to sustainably protect the average cost of debt.
In 2022-2024, rates are therefore hedged for nearly 90%. The Group's hedging policy is also aligned with a longer timeframe, with **75% of debt hedged on average through to the end of 2028**.

With the yield curve forecast for the second half of 2022, the total average cost of debt is expected to be 1.2% for the full year in 2022.

Average cost of the Group's debt stable overall

The Group has confirmed its sound balance sheet positions, while maintaining a historically low cost of debt, with 0.9% for drawn debt and 1.2% for the total cost of debt, similar to the levels reported at end-2021.

LTV reduced

At end-June 2022, Gecina had a **loan to value ratio (LTV) of 31.9%** including duties (33.8% excluding duties), down -1.5pts year-on-year, benefiting primarily from the disposals completed in the last 12 months, the increase in the portfolio's value like-for-like and the value created on the assets under development.

The **ICR represents 5.5x** (vs. 5.4x one year ago), with a secured debt ratio of 0.0%, giving Gecina significant headroom in relation to its bank covenants.

[3] Taking into account the standard renewal of undrawn credit lines 12-18 months before they are due to mature (next maturities in 2024)

Project pipeline: €2.9bn portfolio of outstanding quality projects underway or to potentially be launched shortly

With a committed pipeline of around €1.9bn and a controlled and certain pipeline that could be launched over the coming years, the Group is expected to benefit from a strong leverage effect on rental income growth between 2022 and 2026.

€1.9bn of committed projects (deliveries for 2022-2025)
The vast majority of the projects under development are concentrated in the most central sectors, with **94% of the committed pipeline for offices located in Paris City**.
Nearly 28% of the committed pipeline is now made up of residential assets.

During the second half of 2022, Gecina is notably launching a very ambitious new redevelopment project: “32 Marbeuf” in Paris’ Golden Triangle, which is scheduled for delivery in early 2025 and will offer 13,000 sq.m, in line with the best environmental certifications, and a number of outdoor spaces.

In total, 18 projects are currently committed to and will be delivered between 2022 and 2025, representing a total investment of around €600m to be paid out over the coming years.
With an expected yield on cost of 5.2% for offices and 4.8% overall, this committed pipeline represents a potential additional rental income volume of around €91m, which will be achieved gradually between 2022 and 2025 as the various assets are delivered.

Major lettings since the start of 2022 concerning the scope for developments or assets delivered recently
Based on the committed scope at end-2021, the pre-letting rate for the committed pipeline is up +18pts from 67% to 85% for the buildings scheduled for delivery in 2022-2023, with the letting of 85% of the 157 CDG building in Neuilly (delivered during the first half of the year), based on rents in line with or even above leading prime market levels. Nearly 80% of the space in the Boétie building was also pre-let during the first half of the year.

At end-June, €584m were still to be invested on committed projects, with €165m by end-2022, €261m in 2023, and €158m in 2024-2025.

€1.0bn of “controlled and certain” projects to potentially be launched over the coming half-year periods (deliveries in 2024-2026)
The pipeline of operations “to be committed”, i.e. “controlled and certain”, groups together the assets held by Gecina that are currently being vacated and for which a redevelopment project aligned with Gecina’s investment criteria has been identified.
This pipeline includes **eight projects, with five offices, nearly 90% of which are located in Paris or Neuilly,** that will be able to be committed to once the administrative authorizations have been obtained and they have been vacated by their current tenants.

All of these projects are subject to regular reviews in line with market developments, and the final launch decision can be taken by Gecina up until the effective redevelopment start date.

€0.8bn of “likely” controlled projects over the longer term (possible deliveries in 2024-2027)
The “likely” controlled pipeline covers the projects identified and owned by Gecina for which tenant departures are not yet certain. The identification of these projects upstream is making it possible to achieve a **potential yield on cost of around 5.2%** with a portfolio of potential projects **concentrated primarily in Paris City (c.90%)**. These projects will be launched as decided by Gecina in line with real estate market developments.

Portfolio value: +1.3% like-for-like over six months, driven by the most central sectors

Breakdown by segment	Appraised values	Net capitalization rates		Like-for-like change		Average values in €/sq.m
In millions of euros	**Jun 30, 2022**	**Jun 30, 2022**	**Dec 31, 2021**	Jun 2022 vs. Jun 2021	Jun 2022 vs. Dec 2021	**Jun 30, 2022**
Offices	**16,491**	**4.0%**	**4.0%**	**+3.3%**	**+1.4%**	**11,807**
Central areas	**13,915**	**3.5%**	**3.5%**	**+4.8%**	**+2.2%**	**15,809**
Paris City	**11,411**	**3.3%**	**3.3%**	**+5.2%**	**+2.3%**	**17,740**
- Paris CBD - Offices	6,649	3.2%	3.2%	+7.1%	+3.6%	*21,646*
- Paris CBD - Retail	1,688	2.6%	2.6%	+0.3%	-0.6%	52,617
Paris - Other	3,073	3.9%	4.0%	+4.6%	+1.7%	11,353
Core Western Crescent (Neuilly/Levallois, Southern Loop)	**2,504**	**4.5%**	**4.5%**	**+3.1%**	**+2.0%**	**10,321**
La Défense	**1,289**	**5.5%**	**5.4%**	**-2.4%**	**-1.3%**	**8,826**
Other locations (Peri-Défense, Inner / Outer Rims and Other regions)	**1,287**	**7.0%**	**6.6%**	**-4.2%**	**-3.3%**	**3,713**
Residential	**3,999**	**3.0%**	**3.0%**	**+2.9%**	**+0.8%**	**7,565**
Hotels & finance leases	**67**					
Group total	**20,557**	**3.8%**	**3.8%**	**+3.2%**	**+1.3%**	**10,623**

The portfolio value (block) came to €20.6bn, up +1.3% like-for-like since the start of the year. This increase benefited from good trends for both offices and residential.

The like-for-like portfolio value growth for the first half of the year is linked exclusively to a **positive "rent" effect on Offices**. In the residential sector, this effect accounts for two thirds of the increase in value for the first half of the year.

Offices: value growth in central sectors

On a like-for-like basis, for the office portfolio, the dominance of the most central sectors can be clearly seen once again. The value of the total office portfolio is up +1.4% over six months overall, with **+3.6% for the Central Business District**. **In total, for the central sectors,** i.e. Paris and the Core Western Crescent, the office portfolio shows a like-for-like increase of +2.2% compared with December 2021, significantly outperforming the peripheral areas.

Traditional residential: values up by nearly +0.5% over six months

For the traditional residential portfolio, the valuation retained is up **+0.5% like-for-like**. This increase has been driven by trends on the market for vacant properties, as well as the **rollout of Gecina's new strategy on this asset class, with its first value creation effects** (more ambitious investment plans and rental reversion).

Student residences: values up +3.3% over the first half of the year

For the YouFirst Campus student residences, value growth came to +3.3% like-for-like. The positive trend for the value of the student portfolio over the first half of 2022 reflects the ramping up of residence occupancy levels.

NAV: EPRA Net Tangible Assets (NTA) up +3% over six months to €181.2 per share, with an EPRA Net Reinstatement Value (NRV) of €198.9 per share

EPRA Net Tangible Assets (**NTA**) represent **€181.2** per share (+3% over six months, +5% year-on-year) and **€188.6** per share based on unit values for residential.
The EPRA Net Reinstatement Value (**NRV**) came to **€198.9** per share (+3% over six months, +5% year-on-year).
The EPRA Net Disposal Value (**NDV**) was **€187.9** per share (+9% over six months, +12% year-on-year).

This change benefited from like-for-like portfolio value growth, as well as the impacts of Gecina's total return strategy, particularly through the growth in value achieved for the portfolio under development, which came to +€204m for the first half of the year.

The change in EPRA Net Tangible Assets (NTA) per share came to +€4.8 over six months, with the following breakdown:

- Dividend paid in H1 2022:	-€2.7
- Recurrent net income:	+€2.7
- Like-for-like value adjustment on assets:	+€2.5
- Net value increase for pipeline and recent deliveries:	+€2.7
- Net capital gains from sales completed or under preliminary agreements:	+€0.1
- Other (including IFRS 16):	-€0.5

Capital rotation: disposals, acquisitions, investments
€139m of sales completed / under preliminary agreements / €134m of investments

€106m of sales completed during the year, achieving a premium of around +8.0% versus the end-2021 values, and €33m of additional sales covered by preliminary agreements
This sales volume mainly includes the **sale of the Being building in La Défense, two small buildings in Paris** during the first half of the year, and nearly €6m of vacant unit-based residential sales, achieving a premium of around +18% compared with the latest values from end-2021.
At end-June 2022, €33m of sales were also covered by preliminary agreements, concerning residential properties.
These sales aim to further strengthen the centrality of Gecina's portfolio, while maintaining an LTV at levels giving the Group financial flexibility.

€134m of investments made, primarily on development projects
70% of the €134m of investments were paid out during the first half of 2022 for the development pipeline or projects delivered during the year.
The balance corresponds to investments to improve the residential and commercial portfolio, helping capture the reversion potential identified.
On May 20, 2022, Gecina acquired 20.1% of the OPCI fund Euler, making it possible to increase our interest from 19.9% to 40% for €55m. This structure holds the asset located at 1-3 rue Euler in Paris' Central Business District.

Outlook and guidance: 2022 recurrent net income per share target raised to €5.55

The results published for the first half of 2022 reflect the good level of rental markets, the increase in both rental values and occupancy rates for assets, and the gradual upturn in indexation. Moreover, the pipeline's positive contribution, with major building deliveries scheduled over the year, further strengthens Gecina's confidence for the coming years.

For the first half of this year, Gecina's operational performance levels exceeded the Group's initial expectations on markets that once again show positive trends. However, these encouraging signs stand out in a context of rising interest rates, confirming Gecina's precautionary management of its balance sheet.

In a context that therefore requires a cautious approach, Gecina is raising its **recurrent net income (Group share) target to €5.55 per share**[4] **for 2022** (vs. €5.50 previously), with this growth now expected to reach **+4.3%,** or **+7%** excluding the contribution in 2021 of the buildings sold and a non-recurring effect received during the first half of 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 20.6 billion euros at end-June 2022.

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).
www.gecina.fr

GECINA CONTACTS

Financial communications
Samuel Henry-Diesbach
Tel: +33 (0)1 40 40 52 22
samuelhenry-diesbach@gecina.fr

Sofiane El Amri
Tel: +33 (0)1 40 40 52 74
sofianeelamri@gecina.fr

Press relations
Julien Landfried
Tel: +33 (0)1 40 40 65 74
julienlandfried@gecina.fr

Armelle Miclo
Tel: +33 (0)1 40 40 51 98
armellemiclo@gecina.fr

[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.

gecina

APPENDICES

1- FINANCIAL STATEMENTS

CONDENSED INCOME STATEMENT AND RECURRENT INCOME

At the Board meeting on July 21, 2022, chaired by Jérôme Brunel, Gecina's Directors approved the financial statements at June 30, 2022. The audit procedures have been completed on these accounts, and the certification reports have been issued.

In millions of euros	Jun 30, 2021	Jun 30, 2022	*Change (%)*
Gross rental income	**311.4**	**308.2**	***-1.0%***
Net rental income	**281.0**	**277.8**	***-1.1%***
Operating margin for other business	0.6	1.4	*+148.7%*
Services and other income (net)	3.1	1.3	*-59.6%*
Overheads	(37.7)	(39.1)	*+3.5%*
EBITDA - recurrent	**246.9**	**241.4**	***-2.2%***
Net financial expenses	(43.3)	(38.5)	*-11.0%*
Recurrent gross income	**203.7**	**202.9**	***-0.4%***
Recurrent net income from associates	0.6	0.7	*+14.7%*
Recurrent minority interests	(0.6)	(0.9)	*+39.3%*
Recurrent tax	(1.3)	(1.6)	*+25.1%*
Recurrent net income (Group share) [1]	**202.4**	**201.2**	***-0.6%***
Recurrent net income (Group share) per share	**2.75**	**2.73**	***-0.7%***
Gains from disposals	0.5	4.9	*+907.1%*
Change in fair value of properties	187.5	362.9	*+93.5%*
Real estate margin	(0.1)	0.0	*-100.0%*
Amortization	(5.1)	(4.8)	*-4.9%*
Net provisions and depreciation	(1.9)	(0.9)	*-55.8%*
Financial depreciation	0.0	0.3	*na*
Other non-recurring items	0.0	(3.5)	*na*
Change in value of financial instruments and debt	7.6	12.1	*+59.4%*
Share in non-recurrent net income from associates	2.4	(0.9)	*-135.4%*
Non-recurring tax	0.9	0.0	*-95.2%*
Non-recurrent minority interests	0.1	1.6	*+1628.3%*
Consolidated net income attributable to owners of the parent [2]	**394.4**	**573.1**	***+45.3%***

[1] EBITDA excluding IFRIC 21 after deducting net financial expenses, recurrent tax, minority interests, including income from associates and restated for certain non-recurring items.
[2] Excluding impact of IFRIC 21

CONSOLIDATED BALANCE SHEET

ASSETS *In millions of euros*	Dec 31, 2021	Jun 30, 2022
Non-current assets	**20,039.8**	**20,612.6**
Investment properties	17,983.5	18,289.1
Buildings under redevelopment	1,545.0	1,644.1
Operating properties	78.9	78.5
Other property, plant and equipment	10.4	9.2
Goodwill	184.7	183.2
Intangible assets	10.6	11.1
Financial receivables on finance leases	68.1	57.9
Financial fixed assets	47.8	52.1
Investments in associates	57.7	114.5
Non-current financial instruments	51.5	171.2
Deferred tax assets	1.7	1.7
Current assets	**399.2**	**514.9**
Properties for sale	209.8	208.2
Trade receivables and related	44.0	61.0
Other receivables	113.0	100.0
Prepaid expenses	17.3	20.0
Current financial instruments	0.0	1.7
Cash and cash equivalents	15.1	124.2
TOTAL ASSETS	**20,439.0**	**21,127.5**

LIABILITIES *In millions of euros*	Dec 31, 2021	Jun 30, 2022
Shareholders' equity	**12,983.2**	**13,161.1**
Share capital	574.3	574.3
Additional paid-in capital	3,300.0	3,300.0
Consolidated reserves	8,232.7	8,698.9
Consolidated net income	849.3	562.8
Shareholders' equity attributable to owners of the parent	**12,956.3**	**13,136.0**
Non-controlling interests	26.9	25.1
Non-current liabilities	**5,324.7**	**5,552.6**
Non-current financial debt	5,169.2	5,288.8
Non-current lease obligations	50.6	50.3
Non-current financial instruments	4.7	113.8
Non-current provisions	100.3	99.7
Current liabilities	**2,131.1**	**2,413.9**
Current financial debt	1,743.8	1,798.6
Security deposits	78.4	84.9
Trade payables and related	188.4	172.3
Current tax and employee-related liabilities	48.6	89.4
Other current liabilities	71.8	268.6
TOTAL LIABILITIES	**20,439.0**	**21,127.5**

gecina

2- ADDITIONAL INFORMATION CONCERNING RENTAL INCOME

2.1 Factors for like-for-like rental income changes for the first half of 2022 vs the first half of 2021

Group

Like-for-like change	Indexes	Business effect	Vacancy	Other
+3.0%	+0.9%	0.0%	+1.8%	+0.2%

Offices

Like-for-like change	Indexes	Business effect	Vacancy	Other
+2.7%	+0.8%	-0.2%	+1.8%	+0.3%

Total residential

Like-for-like change	Indexes	Business effect	Vacancy	Other
+3.9%	+1.1%	+1.1%	+1.9%	-0.1%

2.2 Rental position

Gecina's tenants operate across a very wide range of sectors responding to various macroeconomic factors.

Breakdown of tenants by sector (offices - based on annualized headline rents):

	GROUP
Public sector	8%
Consulting / services	15%
Industry	36%
Finance	7%
Media – television	7%
Retail	10%
Hospitality	5%
Technology	12%
Total	**100%**

Weighting of the top 20 tenants (% of annualized total headline rents):

Tenant	Group
ENGIE	7%
LAGARDERE	3%
LVMH	3%
WEWORK	3%
SOLOCAL GROUP	2%
EDF	2%
YVES SAINT LAURENT	2%
FRENCH SOCIAL MINISTRIES	2%
ORANGE	1%
GRAS SAVOYE	1%
BOSTON CONSULTING GROUP & CIE	1%
ARKEMA	1%
EDENRED	1%
RENAULT	1%
IPSEN	1%
LACOSTE OPERATIONS COURT 37	1%
SALESFORCE COM.FRANCE	1%
MSD	1%
LATHAM & WATKINS	1%
ESMA	1%
TOP 10	**26%**
TOP 20	**37%**

Volume of rental income by three-year break and end of leases (in €m):

Commercial lease schedule	2022	2023	2024	2025	2026	2027	2028	> 2028	Total
Break-up options	40	71	96	68	47	81	34	74	513
End of leases	39	22	48	25	42	95	47	195	513

2.3 Annualized gross rental income

Annualized rental income corresponds to the effective rental position on the reporting date. As such, it does not take into consideration lettings or properties vacated, or sales or acquisitions of buildings that would not have an impact by the reporting date.

Annualized rental income is stable for the first half of 2022 (+€2m) versus December 31, 2021, with the good like-for-like performance offset primarily by the departure of tenants from buildings transferred to the pipeline (mainly 32 rue Marbeuf).

€16m of this annualized rental income came from assets intended to be vacated over the coming years for redevelopment, including €4m for the buildings to be freed up and transferred to the pipeline in 2022.

This rental income also includes €3.4m for a building that will be subject to long-term renovation work (nearly one year) and was vacated by its tenant at the start of July.

Annualized rental income (IFRS)		
In million euros	Dec-21	Jun-22
Offices	479	480
Traditional residential	105	106
Student residences (Campus)	22	22
Total	**606**	**608**

3- FINANCING

3.1 Debt structure

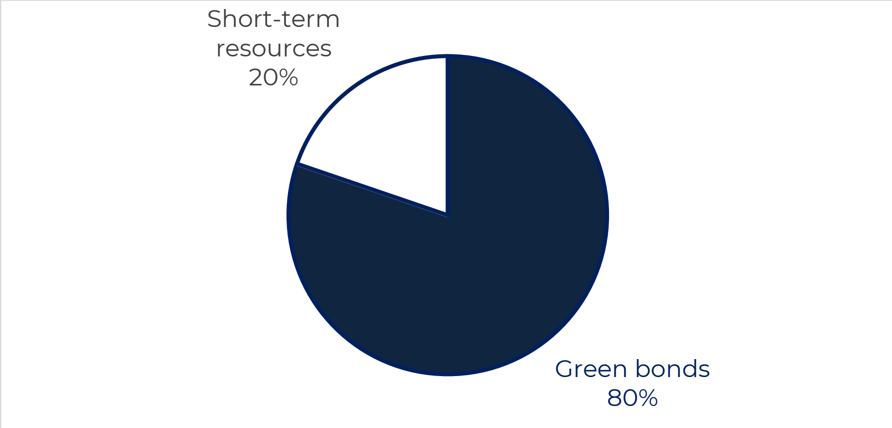
Gecina's gross financial debt(1) totaled €7,075m at end-June 2022, compared with €6,896m at end-2021, while net financial debt(2) came to €6,951m at end-June 2022.

The main characteristics of the debt are as follows:

	Dec 31, 2021	Jun 30, 022
Gross financial debt (in million euros) (1)	6,896	7,075
Net financial debt (in million euros) (2)	6,881	6,951
Gross nominal debt (in million euros) (1)	6,851	7,073
Unused credit lines (in million euros)	4,455	4,585
Average maturity of debt (in years, restated for available credit lines)	7.4	7.7
LTV (excluding duties)	34.2%	33.8%
LTV (including duties)	32.3%	31.9%
ICR	5.8x	5.5x
Secured debt / portfolio value	0.2%	0.0%

(1) Gross financial debt (excluding fair value items linked to Eurosic's debt) = Gross nominal debt + impact of the recognition of bonds at amortized cost + accrued interest not due + other items
(2) Excluding fair value items linked to Eurosic's debt, with €6,963m including these items.

Breakdown of gross nominal debt:



3.2 Debt schedule

The following table presents the schedule for Gecina's debt at June 30, 2022 (in billion euros):

€bn	H2 2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Gross debt	1.4	0.4	-	0.5	0.1	0.7	0.7	0.5	0.5	-	0.5	0.5	0.7	-	0.5
Financing (incl. unused credit lines)	0.1	0.5	0.7	1.0	1.4	1.3	1.3	1.5	0.5	-	0.5	0.5	0.7	-	0.5
Net debt (after allocation of undrawn credit lines)	-	-	-	-	0.2	1.3	1.3	1.5	0.5	-	0.5	0.5	0.7	-	0.5

3.3 Bank covenants

Gecina's financial position at June 30, 2022 is compliant with the various limits likely to affect the conditions for repayment or early repayment clauses in the various credit agreements.
The following table presents the position for the main financial ratios covered under the agreements:

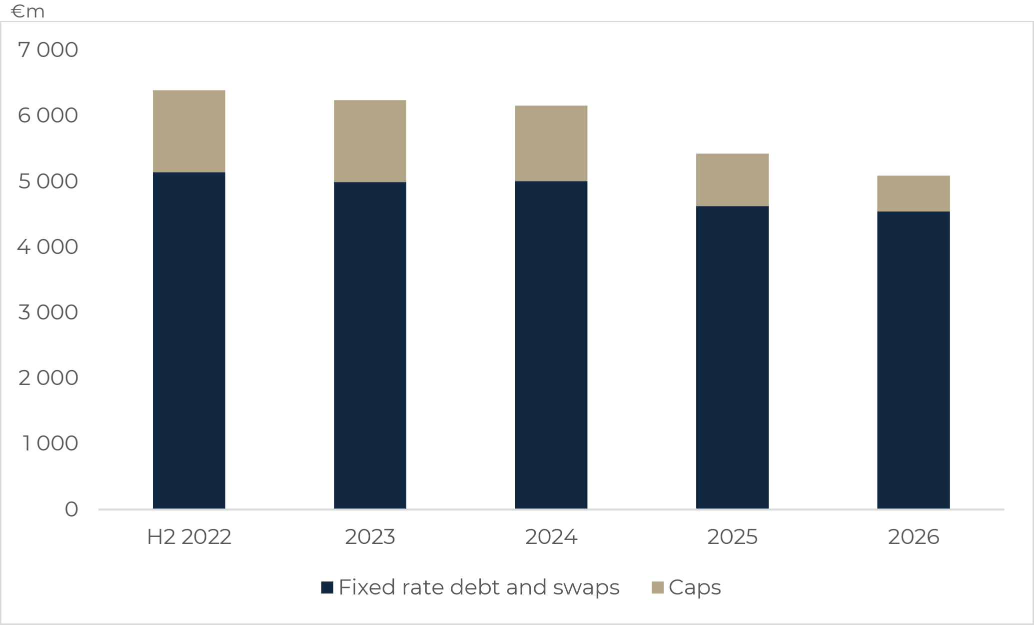
Ratios	Covenant	Jun 30, 2022
Loan to value (block, excl. duties)	< 55% - 60%	33.8%
EBITDA / net financial expenses	> 2.0x	5.5x
Outstanding secured debt / net asset value of portfolio (block, excl. duties)	< 25%	0.0%
Net asset value of portfolio (block, excl. duties) in billion euros	> 6.0 - 8.0	20.6

3.4 Financial rating

The Gecina Group is rated by Standard & Poor's and Moody's. At June 30, 2022:
- Standard & Poor's maintained its A- / outlook stable rating;
- Moody's maintained its A3 / outlook stable rating.

3.5 Hedging portfolio

The following chart presents the profile of the hedging portfolio:



3.6 Interest rate risk measurement

Gecina's expected net nominal debt for the second half of 2022 is hedged for up to 90% against an increase in interest rates (based on observed Euribor rate levels, due to caps).

Based on the existing hedging portfolio, the contractual conditions and the existing debt at June 30, 2022, a 50 basis point increase in the interest rate yield curve compared with June 30, 2022 would generate an additional financial expense of €2m in 2022. A 50 basis point decrease in the interest rate yield curve would reduce financial expenses by €3m in 2022.

4- DEVELOPMENT PIPELINE OVERVIEW

Project	Location	Delivery date	Total space (sq.m)	Total investment (€m)	Already invested (€m)	Still to invest (€m)	Yield on cost (est.)	Weighted average prime yield (BNPPRE/CBRE)	Pre-let
Paris - L1ve	Paris CBD	Q3-22	33,200	513					87%
Paris - Boétie	Paris CBD	Q1-23	10,200	176					78%
Montrouge - Porte Sud	Inner Rim	Q2-24	12,600	83					100%
Paris - Mondo (formerly Bancelles)	Paris CBD	Q3-24	30,100	388					0%
Paris - Marbeuf	Paris CBD	Q1-25	13,000	213					0%
Total offices			**99,100**	**1,374**	**1,121**	**253**	**5.2%**	**2.8%**	**50%**
Paris - Glacière	Paris	Q3-22	300	2					
Ville d'Avray	Inner Rim	Q1-23	10,000	78					
Paris - Wood'up	Paris	Q4-23	8,000	97					
Paris - Dareau	Paris	Q1-24	5,500	51					
Rueil - Arsenal	Rueil	Q1-24	6,000	47					
Rueil - Doumer	Rueil	Q2-24	5,500	46					
Bordeaux - Belvédère	Bordeaux	Q3-24	8,000	39					
Garenne Colombes - Madera	Inner Rim	Q4-24	4,900	43					
Bordeaux - Oasis	Bordeaux	Q2-25	7,700	39					
Bordeaux - Brienne	Bordeaux	Q2-25	5,500	26					
Paris - Vouillé	Paris	Q3-24	2,400	24					
Paris - Lourmel	Paris	Q3-24	1,600	16					
Paris - Porte Brancion	Paris	Q3-24	2,100	16					
Residential densification		na	1,900	8					
Total residential			**69,400**	**531**	**200**	**331**	**3.6%**	**2.7%**	
Total committed pipeline			**168,500**	**1,905**	**1,321**	**584**	**4.8%**	**2.7%**	
Controlled and certain: Offices			**85,800**	**921**	**617**	**304**	**4.8%**	**3.2%**	
Controlled and certain: Residential			**15,900**	**100**	**33**	**67**	**4.4%**	**2.7%**	
Total controlled and certain			**101,700**	**1,021**	**650**	**371**	**4.8%**	**3.1%**	
Total committed + controlled and certain			**270,200**	**2,926**	**1,971**	**955**	**4.8%**	**2.9%**	
Total controlled and likely			**79,700**	**809**	**619**	**190**	**5.2%**	**2.9%**	
TOTAL PIPELINE			**349,900**	**3,735**	**2,590**	**1,145**	**4.9%**	**2.9%**	

gecina

5- NET ASSET VALUE

	EPRA NRV (Net Reinstatement Value)	EPRA NTA (Net Tangible Assets)	EPRA NDV (Net Disposal Value)
H1 2022 NAV per share (€ per share)	**198.9**	**181.2**	**187.9**
2021 NAV per share (€ per share)	193.5	176.3	173.0
Change over 6 months	+3%	+3%	+9%
Change over 12 months	+5%	+5%	+12%

At June 30, 2022 *(In million euros)*	EPRA NRV (Net Reinstatement Value)	EPRA NTA (Net Tangible Asset Value)	EPRA NDV (Net Disposal Value)
IFRS equity attributable to shareholders	13,136.0	13,136.0	13,136.0
Receivable from shareholders	195.5	195.5	195.5
Includes / Excludes			
Impact of exercising stock options			
Diluted NAV	**13,331.5**	**13,331.5**	**13,331.5**
Includes			
Revaluation of investment property	180.0	180.0	180.0
Revaluation of tenant leases held as finance leases	1.9	1.9	1.9
Diluted NAV at fair value	**13,513.3**	**13,513.3**	**13,513.3**
Excludes			
Deferred tax	-	-	na
Fair value of financial instruments	(59.0)	(59.0)	na
Goodwill as a result of deferred tax	-	-	-
Goodwill as per the IFRS balance sheet	na	(183.2)	(183.2)
Intangibles as per the IFRS balance sheet	na	(11.1)	na
Includes			
Fair value of debt [1]	na	na	556.9
Revaluation of intangibles to fair value	-	na	na
Transfer duties	1,247.7	134.8	na
NAV	**14,702.0**	**13,394.7**	**13,887.0**
Fully diluted number of shares	73,916,964	73,916,964	73,916,964
NAV per share	**€198.9**	**€181.2**	**€187.9**

[1] *Fixed-rate debt has been measured at fair value based on the yield curve at June 30, 2022*

6- EPRA REPORTING AT JUNE 30, 2022

Gecina applies the EPRA best practices recommendations regarding the indicators listed below. Gecina has been a member of EPRA, the European Public Real Estate Association, since it was created in 1999. The EPRA best practices recommendations include performance indicators to make the financial statements of real estate companies listed in Europe more transparent and comparable.
Gecina reports on all the EPRA indicators defined by the Best Practices Recommendations available on the EPRA website.

6.1 EPRA recurrent net income

The following table presents the transition between the recurrent net income reported by Gecina and EPRA earnings:

In thousand euros	**Jun 30, 2022**	June 30, 2021
Recurrent net income (Group share) [1]	**201,195**	**202,422**
- **IFRIC 21**	**(10,219)**	**(11,257)**
- Amortization, net provisions and depreciation	(5,135)	(6,238)
EPRA recurrent net income (A)	**185,841**	**184,928**
Weighted average number of shares before dilution (B)	**73,752,206**	**73,667,786**
EPRA recurrent net income per share (A/B)	**€2.52**	**€2.51**

[1] EBITDA excluding IFRIC 21 after deducting net financial expenses, recurrent tax, minority interests, including income from associates and restated for certain non-recurring items.

6.2 EPRA NAV and EPRA NNNAV

In euros / share	**Jun 30, 2022**	Jun 30, 2021
EPRA NRV	€198.9	€189.6
EPRA NTA	**€181.2**	**€172.6**
EPRA NDV	€187.9	€167.5
Diluted EPRA NAV	€183.8	€175.3
Diluted EPRA NNNAV	€192.2	€171.9

6.3 EPRA net initial yield and topped-up net initial yield

The following table presents the transition between the yield rate reported by Gecina and the yield rates defined by EPRA:

(%)	**Jun 30, 2022**	Dec 31, 2021
Gecina net capitalization rate [1]	**3.8%**	**3.8%**
Impact of estimated costs and duties	-0.2%	-0.2%
Impact of changes in scope	0.0%	0.0%
Impact of rent adjustments	-0.6%	-0.6%
EPRA net initial yield [2]	**3.0%**	**2.9%**
Exclusion of lease incentives	0.2%	0.3%
EPRA topped-up net initial yield [3]	**3.2%**	**3.2%**

[1] Like-for-like June 2022
[2] The EPRA net initial yield rate is defined as the annualized contractual rent, net of property operating expenses, after deducting lease incentives, divided by the portfolio value including duties.
[3] The EPRA topped-up net initial yield rate is defined as the annualized contractual rent, net of property operating expenses, excluding lease incentives, divided by the portfolio value including duties.

EPRA net initial yield and EPRA topped-up net initial yield		Offices	Traditional residential	Student residences	H1 2022 total
Investment properties [4]		16,499	3,608	391	20,498
Adjustment of assets under development and land reserves		2,128	214	19	2,361
Value of the property portfolio in operation excluding duties		14,372	3,394	371	18,137
Transfer duties		915	235	20	1,170
Value of the property portfolio in operation including duties	**B**	**15,287**	**3,629**	**391**	**19,307**
Gross annualized rents		489	106	20	616
Non-recoverable property charges		15	18	4	36
Annualized net rents	**A**	**475**	**88**	**17**	**580**
Rents at the expiry of the lease incentives or other rent discount		39	0	1	40
Topped-up annualized net rents [3]	**C**	**514**	**89**	**18**	**620**
EPRA net initial yield	**A/B**	**3.1%**	**2.4%**	**4.2%**	**3.0%**
EPRA topped-up net initial yield	**C/B**	**3.4%**	**2.4%**	**4.5%**	**3.2%**

(3) The EPRA topped-up net initial yield rate is defined as the annualized contractual rent, net of property operating expenses, excluding lease incentives, divided by the portfolio value including duties.

(4) Excluding finance leases and hotel

6.4 EPRA vacancy rate

(%)	**Jun 30, 2022**	Jun 30, 2021
Offices	6.8%	9.5%
Traditional residential	4.6%	4.0%
Student residences	30.4%	39.4%
EPRA vacancy rate	**7.4%**	**9.6%**

The EPRA vacancy rate corresponds to the **spot** vacancy rate at the reporting date. It is calculated as the ratio between the market rental value of vacant premises and potential rental income on the portfolio in operation.

The financial occupancy rate reported elsewhere corresponds to the average financial occupancy rate of the portfolio in operation.

The EPRA vacancy rate does not include the leases signed with a future commencement date.

(%)	Market rental value of vacant space (€m)	Potential rental income (€m)	EPRA vacancy rate at end-June 2022 (%)
Offices	35	521	6.8%
Traditional residential	5	107	4.6%
Student residences	8	25	30.4%
EPRA vacancy rate	**48**	**653**	**7.4%**

gecina

6.5 EPRA cost ratios

In thousand euros / As a %	Jun 30, 2022	Jun 30, 2021
Property expenses [(1) (2)]	(114,733)	(113,248)
Overheads [(1) (2)]	(39,065)	(37,749)
Amortization, net provisions and depreciation [(3)]	(5,135)	(6,238)
Expenses billed to tenants	84,351	82,775
Rental expenses charged to tenants in gross rent	0	0
Other income / income covering overheads	1,271	3,148
Share in costs of associates	(136)	(143)
Ground rent	0	0
EPRA costs (including vacancy costs) (A)	**(73,446)**	**(71,455)**
Vacancy costs	7,124	6,196
EPRA costs (excluding vacancy costs) (B)	**(66,322)**	**(65,259)**
Gross rental income less ground rent	308,193	311,447
Rental expenses charged to tenants in gross rent	0	0
Share in rental income from associates	906	780
Gross rental income (C)	**309,099**	**312,227**
EPRA cost ratio (including vacancy costs) (A/C)	**23.8%**	**22.9%**
EPRA cost ratio (excluding vacancy costs) (B/C)	**21.5%**	**20.9%**

(1) The letting costs, the compensation for eviction and the time spent by the operational teams directly attributable to the lettings, developments or sales are capitalized or reclassified in gains or losses on disposals for €5.7m in 2022 and €5.1m in 2021.

(2) Excluding IFRIC 21

(3) Excluding depreciation of assets recognized at their historical cost.

6.6 EPRA property-related capex

In millions of euros	Jun 30, 2022 Group	Jun 30, 2022 Joint ventures	Jun 30, 2022 Total	Jun 30, 2021 Group	Jun 30, 2021 Joint ventures	Jun 30, 2021 Total
Acquisitions	0	na	0	0	na	0
Development	92	na	92	88	na	88
- *Capitalized interest*	3	na	3	2	na	2
Maintenance capex [(1)]	42	na	42	38	na	38
- Incremental lettable space	0	na	0	0	na	0
- No incremental lettable space	37	na	37	34	na	34
- Tenant incentives	5	na	5	4	na	4
- Other material non-allocated types of expenditure	0	na	0	0	na	0
- Capitalized interest	0	na	0	0	na	0
Total capex	**134**	**na**	**134**	**126**	**na**	**126**
Conversion from accrual to cash basis	-11	na	-11	0	na	0
Total capex on cash basis	**123**	**na**	**123**	**125**	**na**	**125**

(1) Capex corresponding to: (i) renovation work on apartments or private spaces making it possible to capture reversion rental income, (ii) work on communal areas, (iii) tenant work

Photo credits: PCA