Press release
April 20, 2023

Business at March 31, 2023

Sustained revenue growth

- Gross rental income up +8.7% year-on-year, and +7.3% like-for-like (vs. +4.4% for FY 2022)
- Occupancy rate up +280bp in 12 months, to nearly 95%
- First-quarter releasing spread of over +30% for offices in Paris (+7% overall) and +11% for residential
- Increase in indexation's contribution to like-for-like rental income growth (to +4.2% vs. +2.1% in 2022)
- Pipeline's positive net contribution to rental income
- €147m of sales completed or secured, +6% higher than the latest appraisals
- Group's solid financial position confirmed with several financing facilities raised or renewed during the first quarter, confirming good access to bank and bond liquidity
- 2023 recurrent net income per share target confirmed at €5.80 to €5.90

Increase in the occupancy rate

- Average financial occupancy rate progressing (+280bp year-on-year and +340bp for offices), reflecting active demand for Gecina's assets in central sectors, as well as the improvement in residential letting processes

Significant rental reversion captured, particularly at the heart of Paris

- Office rental reversion of over +30% for Paris City and +7% overall since the start of the year
- Positive rental reversion progressing since the start of 2022 for residential, with +11% on average for the first quarter

Growing contribution by rent indexation

- Rent indexation reflected in like-for-like growth as leases pass their anniversary dates
- Contribution of around +4.2% for the first quarter (vs +2.1% for 2022)

€147m of sales completed or secured (under preliminary agreements) since the start of the year

- With a premium of +6.4% versus the latest appraisal values for Gecina's two asset classes
- More than 70% of the disposals outside of Paris

Pipeline's positive net contribution to rental income

- Net rental contribution of +€4m, reflecting the impact of the deliveries of the l1ve building in Paris' Central Business District and 157-CdG in Neuilly in 2022 (both fully let), offsetting the Icône-Marbeuf (Paris-CBD) and Flandre (Paris) assets vacated to be redeveloped

Liability structure adapted and robust, ensuring good visibility in an uncertain environment

- €175m of responsible credit lines set up or renewed during the quarter, with an average term of seven years and a margin that is consistent with the previous lines
- Cost of debt 90% hedged through to 2025 and nearly 80% on average through to 2028
- Surplus liquidity currently covering all of the maturities for drawn debt through to 2027

2023 guidance confirmed

- Recurrent net income (Group share) is expected to reach **€5.80 to €5.90** per share in 2023, up **+4.3% to +6.1%.**

Gross rental income of €167m, up +7% like-for-like (vs. +4.4% at end-2022)

Gross rental income In million euros	Mar 31, 2022	Mar 31, 2023	Change (%) Current basis	 Like-for-like
Offices	**121.2**	**133.2**	**+9.8%**	**+7.9%**
Traditional residential	26.7	27.7	+3.9%	+4.7%
Student residences	5.4	5.8	+6.6%	+6.6%
Total gross rental income	**153.3**	**166.7**	**+8.7%**	**+7.3%**

Like-for-like, the acceleration in performance exceeded the levels reported at end-2022, with rental income growth of +7.3% overall (vs. +4.4% at end-2022) and +7.9% for offices (vs. +4.6% at end-2022).

All of the components contributing to like-for-like rental income growth during this first quarter are trending up, across all Gecina's business lines.

- **The impact of the increase in the occupancy rate across all asset classes** contributed +1.7% to like-for-like growth, benefiting from the strong upturn in transactions in 2022. With the occupancy rate gradually improving in 2022, and particularly during the second half of the year, the base effect is expected to mechanically ease slightly over the second half of 2023.
- **The gradual impacts of the acceleration in indexation** contributed +4.2%. As expected, this impact gradually contributed to like-for-like rental trends as leases were indexed after reaching their anniversary dates.
- **Rental reversion captured** for both offices and residential. The capturing of this reversion and certain compensation for departures contributed +1.4% to organic rental income growth.

On a current basis, rental income is up by nearly +9%, benefiting from not only the robust like-for-like rental performance, as explained above, but also the pipeline's strong net rental contribution, particularly following two major deliveries of office buildings in 2022 in Paris and Neuilly.

➢ Offices: positive trends confirmed for central sectors

Gross rental income - Offices In million euros	Mar 31, 2022	Mar 31, 2023	Change (%) Current basis	 Like-for-like
Offices	**121.2**	**133.2**	**+9.8%**	**+7.9%**
Central areas (Paris, Neuilly, Southern Loop)	**88.9**	**97.1**	**+9.2%**	**+6.1%**
Paris City	71.2	77.6	+8.9%	+6.6%
- Paris CBD & 5-6-7	43.7	49.7	+13.5%	+5.7%
- Paris - Other	27.5	27.9	+1.7%	+7.9%
Core Western Crescent	17.7	19.5	+10.3%	+4.0%
La Défense	**15.1**	**17.5**	**+15.9%**	**+15.9%**
Other locations (Peri-Défense, Inner / Outer Rims, Other regions)	**17.2**	**18.5**	**+7.8%**	**+9.1%**

Rental reversion captured, continuing to reach over +30% in Paris for the first quarter

Since the start of the year, Gecina has **let, relet or renegotiated more than 32,000 sq.m**, representing nearly €17m of headline rent. This robust trend follows on from 2022, with a clear outperformance by the most central sectors.

- **Nearly two thirds of these transactions concern relettings or renewals** of leases, with around half (in terms of rental value) located **at the heart of Paris City, where +31% reversion was captured on average**, building on the progress from 2022. However, the remaining transactions (particularly in Peri-Défense) recorded negative reversion, taking the average rental reversion captured on these operations to +7%.
- The remaining third concern new leases signed for buildings that were vacant, under development or delivered recently.

Further progress with the **occupancy rate**

The **average financial occupancy rate** for offices is up **+340bp** to **94.5%** (vs. 91.1% at end-March 2022), reflecting the continued improvement in the occupancy of our buildings throughout 2022.
This improvement concerns all of the region's commercial sectors, and particularly La Défense, where it reached 98%, benefiting from the expected arrival of the final tenants in the Carré Michelet building midway through the second half of 2022.

Acceleration in like-for-like growth, confirming a positive trend for 2023

Like-for-like office rental income growth came to +7.9% year-on-year (vs. +4.6% at end-2022), benefiting from an improvement in the occupancy rate across our buildings for +1.9%, as well as a positive indexation effect which is continuing to ramp up (+4.8%), passing on the return of an inflationary context, as well as the impact of the positive reversion captured in the last few years.

- **In the most central sectors (85% of Gecina's office portfolio)** in Paris City, Neuilly-Levallois and Boulogne-Issy, like-for-like rental income growth came to **+6.1%,** benefiting from:
  - an improvement in the occupancy rate (+0.3%)
  - a positive level of indexation (+4.4%), which will become stronger over the coming quarters
  - and other effects mainly including positive rental reversion (+1.4%)

- **On the La Défense market (8% of the Group's office portfolio)**, Gecina's rental income is up **+15.9%** like-for-like:
  - Two thirds of this performance factor in 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)
  - The remaining third is linked to indexation
  - Reversion did not have any impact on this sector

Rental income growth on a current basis came to nearly +10% for offices, reflecting the impact of the pipeline's positive net contribution (+€4m net of tenant departures from buildings to be redeveloped), notably taking into account the delivery of the l1ve building in Paris' Central Business District during the second half of 2022 and 157-CDG in Neuilly, which are both fully let, largely offsetting the buildings vacated and currently being redeveloped (Icône-Marbeuf and Flandre in Paris).

➢ Residential: reversion potential confirmed and excellent level of operational activity

Gross rental income In million euros	Mar 31, 2022	Mar 31, 2023	Change (%) Current basis	 Like-for-like
Residential	**32.1**	**33.5**	**+4.4%**	**+5.1%**
Traditional residential	26.7	27.7	+3.9%	+4.7%
Student residences	5.4	5.8	+6.6%	+6.6%

YouFirst Residence (traditional residential): acceleration in operational performance levels

Like-for-like, rental income for traditional residential properties is up **+4.7%**, marking an acceleration compared with the end of 2022 (+2.0%), under the impact of **indexation** that is gradually taking shape (+2.4%), as well as a moderate increase in **occupancy levels** and rental **reversion** that is ramping up (+1.7%). Rents for new arrivals are around **+11%** higher than levels for the previous tenants on average since the start of the year. This performance has been achieved thanks to Gecina's ability to continuously adapt its rental offering to the needs of its clients and especially young professionals.

On a current basis, rental income is up +3.9%, slightly lower than the like-for-like performance, reflecting the impact of the few disposals completed since the start of 2022.

YouFirst Campus (student residences): strong upturn in activity

Rental income from student residences shows a significant like-for-like increase of +6.6%, linked primarily to the high level of positive reversion rapidly captured thanks to the quick rotation of tenants with this type of product.

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Occupancy rate: continued progress since the start of 2022

Average financial occupancy rate - Offices	Mar 31, 2022	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023
Offices	91.1%	91.8%	92.3%	92.8%	**94.5%**
Central areas	93.2%	93.3%	93.3%	93.6%	94.5%
La Défense	82.8%	86.0%	88.7%	91.2%	97.9%
Other locations	89.0%	89.9%	90.3%	90.5%	91.4%
Traditional residential	96.9%	96.8%	96.5%	96.7%	**97.1%**
Student residences	92.6%	86.3%	82.7%	86.0%	**93.4%**
Group total	**92.0%**	**92.3%**	**92.5%**	**93.1%**	**94.9%**

The Group's **average financial occupancy rate** has progressed each quarter for over a year and is now close to 95%, up +280bp from end-March 2022, and +180bp higher than the end-2022 average occupancy rate.

For offices, the average occupancy rate reached **94.5%**, moving closer to a normalized level. This rate is up **+340bp year-on-year**, reflecting the robust rental trends observed on Gecina's markets since 2021.

Sales: €147m completed or under preliminary agreements, achieving premiums versus the latest appraisals

Since the start of the year, Gecina has completed or secured **€147m** of sales**, with an average premium of +6.4%** versus the latest appraisal values.

- **€28m were already completed** during the first quarter, primarily through a fully occupied commercial building in Paris' Central Business District, as well as vacant unit-based residential sales.
- **€118m of sales are currently subject to preliminary agreements**, and primarily concern block residential sales, with part including vacant unit-based residential sales, as well as a commercial asset.

60% of these sales concern residential assets and nearly 75% are located outside of Paris.

Solid balance sheet: liquidity further strengthened during the first quarter

Ratios	**Covenant**	**Dec 31, 2022**
Loan to value (block, excl. duties)	< 60%	35.7%
Loan to value (block, incl. duties)		33.7%
EBITDA / net financial expenses	> 2.0x	5.6x
Outstanding secured debt / net asset value of portfolio (block, excl. duties)	< 25%	-
Net asset value of portfolio (block, excl. duties) in billion euros	> 6.0	20.1

Liquidity further strengthened over the long term, covering maturities through to 2027

During the first quarter, the Group further strengthened its liquidity position with:

- Nearly €175m of credit lines set up, including part with a new European bank, with a maturity of seven years…
- … renewing ahead of schedule €130m due to mature in 2024 based on equivalent financial conditions (margin)

Since the start of 2022, Gecina has therefore set up nearly €2.0bn of new credit lines, which are undrawn, with an average maturity of seven years.

At end-March, Gecina had €4.9bn of liquidity (primarily undrawn credit lines). Available liquidity net of short-term financing represents €3.1bn, higher than the Group's financial policy, which requires a minimum of €2.0bn, making it possible to date to cover the bond maturities through to 2027.

Cost of debt 90% hedged on average through to 2025, with 80% through to end-2028[1]

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 years), making it possible to sustainably protect the average cost of debt.

From 2023 to 2025, around 90% of debt is hedged on average against changes in the Euribor. The Group's hedging policy is also aligned with a longer timeframe, with nearly 80% **of debt hedged on average through to the end of 2028**[1].

Outlook and guidance: 2023 recurrent net income growth of +4% to +6% expected (between €5.80 and €5.90)

The results published at end-2022 and the trends still observed during the first quarter reflect the very good level of the rental markets in Gecina's preferred sectors. This robust operational performance is being further strengthened by the gradual upturn in indexation.

The pipeline's positive contribution to recurrent net income growth is expected to ramp up, with the major building deliveries in 2022 and 2023, further strengthening Gecina's confidence.

Lastly, Gecina's long debt maturity and active rate hedging policy will enable it to limit the impact of interest rate rises on the Group's financial expenses in 2023.

In a context that therefore requires a cautious approach, Gecina expects **recurrent net income (Group share) to reach €5.80 to €5.90 per share in 2023**, with growth of between **+4.3% and +6.1%**.

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[1] Based on the volume of debt at end-December 2022