Press release
April 22, 2021

Business at March 31, 2021

Solid first-quarter performance

Gross rental income of €158.1m
+1.3% like-for-like benefiting from the rent catch-up for previous years (-0.9% excluding this effect)
€133m of sales, with a +4.3% premium versus the latest end-2020 values
Target for operational portfolio to be carbon neutral by 2030 (CAN0P-2030)
Target to requalify all bond issues as Green Bonds
Positive reversion of +8% recorded in the first quarter (+18% for Paris CBD)
43% of the 2021-2022 pipeline pre-let, up 6 points since end-2020

First signs of a rental market upturn, encouraging trend for the second half of the year

- Around 39,000 sq.m let to date, including 30,000 sq.m during the first quarter, with an average firm maturity of 6.4 years on the new leases signed, significantly higher than the firm residual average maturity of 4.5 years for the Group's office leases
- Reversion achieved during the quarter, with +8% for offices overall and +18% in Paris' CBD
- Acceleration of pre-lettings, with 43% of the buildings to be delivered in 2021 and 2022 now pre-let

Solid like-for-like rental performance compared with a pre-Covid first quarter of 2020

- Like-for-like rental income growth of +1.3% (-0.9% restated for the rent catch-up for 2017 to 2020 on retail units received during the first quarter following a decision by the authorities)
- Outperformance for like-for-like office rental income growth in the most central sectors (particularly Paris City) compared with peripheral areas

Rent collection situation normalized

- 95% of 2021 first-quarter rent collected to date
- Rate consistent with the pre-Covid situation for rent due for the second quarter of 2021
- Risk profile stable for our tenants, with 83% in the top two categories according to Dun & Bradstreet (stable vs end-2020)

€133m of sales completed or covered by preliminary agreements at end-March 2021

- €133m of sales finalized or secured at end-March 2021, +4.3% higher than the end-December 2020 values, reflecting the good performance by the investment markets

Ambitious CSR roadmap

- Launch of the CAN0P-2030 plan, aiming for Gecina's operational portfolio to be carbon neutral by 2030 vs 2050 previously
- Requalification of all bond issues as Green Bonds (€5.6bn), with a global, dynamic approach, subject to approval by note holders at their general meetings
- Percentage of responsible bank lines increased to 49%
- Introduction of an environmental performance criterion for 15% of long-term incentive plans
- Gecina included in the new CAC 40 ESG index

2021 guidance reaffirmed

- Confirmation of 2021 guidance for recurrent net income (Group share) of around €5.3 per share, excluding the potential impact of sales or acquisitions not secured to date

Solid performance compared with a pre-Covid first quarter of 2020

Compared with a pre-Covid first quarter of 2020, Gecina's rental income is up **+1.3% like-for-like** (-0.9% restated for the rent catch-up on retail units received during the first quarter following a decision by the authorities). This solid performance, despite the health context faced since then, highlights the **relevance of the strategic choices** made by Gecina in the last few years (realignment around centrality sectors, affirmation of the residential business, active portfolio rotation, value extraction on buildings with strong potential, etc.).

Like-for-like rental income trends reflect **positive rental reversion** (+0.2%) for offices in the most central sectors, as well as for residential, combined with **still positive indexation** (+0.8%). The trends also benefited from a **rent catch-up effect** for the period from 2017 to 2020 on retail units, following a decision by the authorities ruling on a **backdated increase in rent** (+2.2%). However, these positive effects were impacted by the **increase in the vacancy rate** (-1.8%), resulting from the temporary slowdown in the volume of transactions, particularly for commercial leases and student residences.

The first-quarter **rent collection rate** of 95% to date is at a **normalized level**. The collection rate to date for second-quarter rent also shows a normalization trend. As a result, the level of provisions for trade receivables is consistent overall with the levels usually seen before the health crisis, which represents a significant improvement compared with 2020.
This collection rate reflects the Group's robust rental base, since 83% of this base comes from tenants in the top two categories (very low risk or low risk) according to the Dun & Bradstreet ratings. This is stable compared with the rate published at end-December 2020.

In terms of rental transactions, Gecina recorded a significantly higher number of transactions, over 30,000 sq.m during the first quarter (+22% compared with the volume for the last quarter of 2020[1]), although this volume was still lower than the first quarter of 2020. This upturn marks the **start of a recovery that is expected to ramp up during the second half of the year,** accompanying the gradual improvement in economic visibility. The number of commercial interactions, which picked up significantly during the last few months of 2020, supported the scenario for a potential upturn in rental transactions, which is expected to be confirmed over the rest of 2021. This feeling was consolidated by a first quarter of 2021 that was comparable to the first quarter of 2020 (pre-crisis) in terms of commercial activity, and even higher in terms of the number of visits.
Illustrating this start of an upturn, **the pre-letting rate for projects to be delivered in 2021 or 2022 has progressed up 6 points since the start of the year to now reach 43%**. Discussions are also underway with several potential tenants for various buildings from the development project pipeline.

This **start of an upturn in transactions** is consistent with real estate market observations, with positive trends starting up for small and mid-sized properties, in a context of **globally stable rental values**, despite an increase in the vacancy rate on the markets, resulting directly from the temporary slowdown in the lettings rate since March 2020. **For transactions under 5,000 sq.m, take-up in Paris' Central Business District is stable** (-1%) compared with a first quarter of 2020 that was relatively unaffected by the coronavirus shock.
In general, the lower level of transactions in the Paris Region for the first quarter of 2021, down -30% from the first quarter of 2020, is mainly linked to the exceptional transaction signed last year for over 120,000 sq.m in La Défense. **Excluding this single exceptional transaction, the contraction in take-up is limited to -4%**, once again confirming the start of an upturn for the Paris Region rental markets, with larger operations as well.

[1] Excluding the renewal transactions with the Orange Group for around 50,000 sq.m

Rental income reflecting the redevelopments launched recently, the asset divestments, the positive reversion for central sectors and residential, as well as the temporary increase in the vacancy rate

Gross rental income	Mar 31, 2020	Mar 31, 2021	Change (%)	
In million euros			Current basis	Like-for-like
Offices	136.3	127.3	-6.6%	+2.0%
Traditional residential	26.4	26.3	-0.5%	+1.0%
Student residences	5.3	4.4	-15.8%	-15.1%
Total gross rental income	**168.1**	**158.1**	**-5.9%**	**+1.3%**

On a current basis, rental income is down -5.9%, primarily due to the impact of the office sales completed since the start of 2020 (-€4.4m), the buildings currently being redeveloped or to be launched for redevelopment shortly (-€4.4m), and a like-for-like contribution of +€1.8m, as well as certain buildings being unavailable for less than a year to carry out smaller-scale renovation work.

Like-for-like, the performance came to +1.3% at end-March 2021.
This performance benefited from an **increase in indexation (+0.8%)**, as well as the **positive impact of rental reversion (+0.2%)** for both offices (**headline reversion of +8%**) and residential (+7.3%), but was affected by a deterioration in the **rental vacancy rate** (-1.8%) primarily following the departure of three tenants from retail units in the office portfolio. This performance also benefited from a **rent catch-up effect** for 2017 to 2020 **on retail units (+2.2%)** following a decision by the authorities whose significant effect on the first quarter will be spread over the full year.

Offices: positive trends for offices in the most central sectors

Gross rental income - Offices	Mar 31, 2020	Mar 31, 2021	Change (%)		
In million euros			Current basis	Like-for-like	*Restated[2]*
Offices	**136.3**	**127.3**	**-6.6%**	**+2.0%**	***-0.7%***
Paris City	**75.4**	**73.5**	-2.5%	+4.3%	*-0.4%*
- Paris CBD & 5-6-7	**44.7**	**46.8**	+4.8%	+6.4%	*-1.0%*
- Paris CBD & 5-6-7 - Offices	35.6	35.6	+0.1%	+1.0%	*+1.0%*
- Paris CBD & 5-6-7 - Retail	9.1	11.2	+23.5%	+27.7%	*-8.8%*
- Paris - Other	30.8	26.7	-13.2%	+0.6%	*+0.6%*
Western Crescent - La Défense	45.6	40.2	-11.8%	-0.4%	*-0.4%*
Paris Region - Other	10.7	9.1	-15.0%	-4.5%	*-4.5%*
Other French regions / International	4.6	4.5	-3.1%	+2.0%	*+2.0%*

On a current basis, rental income from offices is down -6.6%, linked primarily to the significant volume of sales completed in 2020 (-€4.2m with Le Valmy in East Paris and several buildings in Antony, Boulogne-Billancourt and Vincennes) and the assets with strong value creation potential already transferred or to be transferred shortly to the committed pipeline (-€4.4m).
This change also factors in the contribution by the redeveloped buildings delivered recently (for nearly +€2m), a like-for-like rental contribution (+€2.3m) and vacant spaces made unavailable as part of a program of smaller-scale renovation work.

Like-for-like, office rental income shows +2.0% growth at end-March 2021, highlighting the outperformance by central sectors with organic growth rates **up for Paris City (+1% in Paris' CBD and +0.6% for Paris City excluding the CBD)**, compared with a **moderate decrease in the Western Crescent (-0.4%)** and a **more marked contraction for the rest of the Paris Region** (-4.5%), where Gecina has a limited presence.
These contrasting performance levels depending on the areas are linked primarily to the **contribution by the reversion captured, which was still positive for Paris (+18% in the CBD, +13% for the rest of Paris)**, but negative for less central sectors (-7% for the Western Crescent).

[2] Like-for-like excluding the impact of a rent catch-up on retail units recorded during the first quarter

For the scope concerning retail units in Paris' Central Business District, the like-for-like rate was +27.7%. It benefited from the rent catch-up effect as explained above, applying backdated adjustments for a sub-letting situation following a decision by the authorities. Excluding this effect, the like-for-like growth rate would be down -8.8%, linked exclusively to the departure of three tenants from the scope.

Residential portfolios: organic performance driven by positive reversion

For the **traditional residential portfolio, rental income** is up +1.0% 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 +7.3%**, contributing +1.0% to this portfolio's like-for-like rental performance. In addition, indexation came to +0.7%. However, this performance was partially offset by the impact of a moderate increase in the vacancy rate, which reduced organic growth by around -0.9%, largely attributable to the health context.

On a current basis, rental income shows a slight decrease of -0.5%, reflecting the impact of the small number of sales completed recently, as well as the departure of one tenant from commercial space in a residential building that will be converted into apartments.

Rental income from student residences shows a significant contraction of -15.1% like-for-like and -15.8% on a current basis, reflecting the impacts of the health crisis and the closure of universities and graduate schools that were still open during the first quarter of 2020. This decrease therefore reflects the temporary deterioration in the occupancy rate for student residences in a health crisis context, despite the improvement seen during the second half of 2020. To date, the deterioration in the environment is continuing to be seen, with health restrictions that were further tightened recently.

Occupancy rate still high despite a temporary drop linked to the slowdown in transactions in the context affected by the health crisis

The Group's **average financial occupancy rate** was still high, with 92.0%, although down -160bp year-on-year.

For the office scope, the -1.3pt year-on-year contraction is linked to the departure of three tenants from retail units in Paris' Central Business District. **Excluding the retail leases, the occupancy rate for offices is 93.0%, stable year-on-year**, despite the slowdown in the lettings rate, benefiting from the improvement in occupancy for partially vacant buildings such as Carré Michelet. 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 again.

For **traditional residential,** the contraction is also linked to the slowdown in letting processes in the current health context.

For the **student residences scope**, the financial occupancy rate continues to show a deterioration, as universities and graduate schools are still closed, with the recent tightening of restrictions offsetting the improvement seen during the second half of 2020. For reference, the average financial occupancy rate was 92% for the last quarter of 2020.

Average financial occupancy rate	Mar 31, 2020	Jun 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 31, 2021
Offices	**93.0%**	**93.2%**	**93.1%**	**93.1%**	**91.7%**
Traditional residential	97.7%	97.6%	97.1%	96.9%	96.1%
Student residences	93.9%	82.1%	79.0%	82.9%	81.5%
Group total	**93.6%**	**93.4%**	**93.2%**	**93.3%**	**92.0%**

Lettings activity generating significant positive reversion in the most central sectors in the first quarter

During the first quarter, Gecina **let, relet or renegotiated more than 30,000 sq.m,** representing close to €16m of annualized headline rent, with around two thirds generated in the Western Crescent and La Défense, and the rest in Paris City.
The volume of transactions is down compared with a pre-Covid first quarter of 2020. However, it shows a **trend for an upturn in transactions**, with a 22% increase in the volume compared with the last quarter of 2020 (excluding exceptional renewal with Orange for around 50,000 sq.m). It is also interesting to note the relative weakness of January during the first quarter of 2021 compared with **more active months in February and March** in terms of rental transactions.

The performance levels achieved once again show a clear rental outperformance for Gecina's preferred sectors and especially Paris City. **The headline reversion achieved on relettings, renewals and renegotiations therefore represents +8%.**
The reversion achieved came to **+18% in the Paris CBD** and +13% for the rest of Paris City. However, it is negative for the Western Crescent and La Défense (-7%).

The key transactions included the progress made with letting the **Carré Michelet building in La Défense**, delivered at the end of 2019 and now **almost 90% let,** as well as the letting of around **4,000 sq.m in the Anthos building,** taking the **pre-letting rate for pipeline operations to be delivered in 2021 or 2022 up to 43%**.

€133m of sales completed or covered by preliminary agreements at end-March, with a 4.3% premium versus their end-December 2020 values

Since the start of the year, **Gecina has sold or secured sales for €133m**, achieving a **premium of around +4.3% versus the latest values,** with **€76m subject to preliminary sales agreements** at end-March 2021.
More than half of the sales completed or covered by preliminary agreements concern office buildings, with the rest primarily including residential properties sold as a portfolio of individual units. Both categories of assets were sold based on premiums compared with their latest values.

Gecina now aims to be carbon neutral by 2030, and is requalifying all of its outstanding bond issues as Green Bonds

With its announcement of **CAN0P-2030**, its Carbon Net Zero Plan, on March 30, 2021, Gecina is accelerating its low-carbon roadmap and targeting **net zero greenhouse gas emissions for its operations by 2030**, building on the successful reduction of its carbon emissions by 26% over the past four years.
To achieve its goal, Gecina is leveraging several operational aspects:

- Deploying low-carbon solutions on a wide scale, industrializing processes and working with an ecosystem of innovative partners, from industrial firms to startup incubators and investment funds;
- Increasing the use of renewable energies, which already represent 40% of the portfolio's energy mix;
- Continuing to reduce energy consumption by carrying out renovation work;
- Further strengthening the integration of its environmental and financial performance by continuing to set up responsible loans.

To achieve its ambitions, the Company is moving forward with the deployment of shared value creation drivers that have already been put in place, including: **establishing an internal carbon "tax"** covering CO_2 emissions for each operational division, **incorporating an environmental performance criterion into long-term incentive plans** for its employees, **setting up a Corporate Social Responsibility Committee within its Board of Directors in 2020**, and integrating CSR into all of the Company's activities (employee empowerment and engagement, cultural integration and training).

Following on from this announcement, Gecina also launched the **requalification of all its outstanding bond issues as Green Bonds**, further strengthening the alignment between its environmental performance and its financial structure. This requalification is subject to approval by note holders at their general meetings.

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This program, which is innovative on several levels, aims to accompany the continuous, global improvement in the Group's asset portfolio and environmental performance:

- **All issues will transition to Green Bonds:** outstanding issues (€5.6bn) will be requalified[3], and all future bonds will be issued in this format;
- **Dynamic approach** with Green Bond financing or refinancing eligibility criteria for buildings that are reviewed every year and increasingly demanding to ensure alignment with the Company's target to be carbon neutral by 2030;
- Continued improvements with carbon and energy performance across all of the buildings, with a global vision, since the entire existing portfolio, both offices and residential, is tested each year and applies to be eligible.

In the future, this program will also open up possibilities to issue Sustainability-Linked Bonds (SLB) with interest rates that are indexed against the achievement of carbon footprint goals for the entire Group, making it possible to issue bonds with both Green Bond and SLB status.

Sales completed or secured at end-March without any impact on 2021 guidance, which has been maintained

Following the impact of the sales completed in 2020 and the assets freed up for redevelopment, a slowdown in indexation in 2021 and extended letting timeframes, particularly for assets from the pipeline, recurrent net income (Group share) per share is expected to contract in 2021 to around €5.3 per share[4].

Although the volume of sales completed since the start of the year or under preliminary agreements to date represents €133m, Gecina is keeping its guidance unchanged for the year, illustrating the confidence made possible by a solid first quarter.

Over the longer term, the projects from the "committed" and "to be committed" (controlled and certain) pipeline and the normalization of the lettings rate for the assets delivered in 2019 and 2020 are expected to generate €120m to €130m of additional annualized rental income (IFRS), thanks exclusively to these internal dynamics developed by the Group.

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 nearly 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 19.7 billion euros at end-2020.

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 CAC 40 ESG, 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] The requalification of outstanding issues as Green Bonds will be subject to approval by note holders invited to attend a General Meeting for each outstanding issue. All of the documents relating to the convening of note holders are available on Gecina's website.
[4] This estimate could be revised down or up depending on potential acquisitions and sales that were not secured at end-March 2021