



Earnings at June 30, 2021

Solidly positioned in a recovery context

Marked **upturn in rental transactions, increase in the pipeline's pre-letting rate**
EPRA Net Tangible Assets (NTA) of €172.6 per share, up +1.5% over six months
 (Net Disposal Value up +2.8%)

Ongoing **portfolio rationalization**, with €453m of sales secured (achieving an average premium of +7.2% vs. the end-2020 values)

LTV of 32.3%¹ (including duties), -130bp over six months

Commitment adopted to be carbon neutral by 2030 (CANOP-2030 plan)

100% of bond debt now based on **Green Bonds**

2021 guidance affirmed (€5.3 of recurrent net income per share, with €453m of sales)

Upturn in rental transactions in markets focused on centrality and scarcity

- o [Over 115,000 sq.m of offices let, relet or renewed: more than double the volume from the first half of 2020](#)
 - **+5% reversion** achieved (**+23% in Paris CBD and 5/6/7**) on the leases signed during the first half of 2021
 - **Potential positive reversion** of around **+14% for Paris' Central Business District**, +10% for the rest of Paris and +5% for the entire portfolio
- o [Occupancy rate gradually normalizing](#)
 - Normative occupancy rate (including the leases signed but yet to commence) of 94.3% for offices excluding retail units (vs. 92.5% at end-June), reflecting the **normalization of Gecina's preferred markets**

Change in the portfolio value showing a positive trend and still polarized

- o [Like-for-like growth in values driven by a polarization benefiting central sectors and residential](#)
 - **Increase in values for offices in Paris** (+1.7% over six months), especially in the CBD (+2.0%), **and for residential** (+1.2%)
 - **Stabilization in more peripheral commercial areas** (-0.3% over six months)
- o [NTA of €172.6 per share, up +1.5% over six months](#)
- o [Sales confirming the robust investment market](#)
 - **€453m of sales completed** or secured since the start of the year (sale of the Portes d'Arcueil building finalized on July 20, 2021).
 - **Average premium** versus the end-2020 values **of around +7.2%**

Favorable outlook for growth and value creation

- o [Development pipeline, focused primarily on offices in Paris and residential](#)
 - **Strong progress with the pre-letting rate** for assets delivered before end-2022 over six months, climbing to 53% (vs. 37% at end-2020), and **58%** including an operation that is currently being finalized
 - **Accretive for recurrent net income**, with additional future IFRS rental potential of around €120m to €130m (committed and controlled and certain pipeline) by 2026
 - **Accretive for NAV**, with a yield on cost of around 5.1% for a pipeline with 81% of assets located in Paris City or Neuilly-sur-Seine, where supply is still structurally constrained
- o [Outperformance and resilience for centrality](#)
 - **Outperformance in terms of rent and capital** in the most central areas of scarcity
 - **Centrality further strengthened**, with **€453m of sales secured** during the first half of the year, including €406m of commercial buildings, with **97% located outside of Paris**
- o [Flexible and agile financial structure](#)
 - **LTV including duties down -130bp over six months to 32.3%¹**, average debt maturity up to 7.6 years (vs. 7.1 years at end-2020)
 - **Average cost of drawn debt down to 0.9%** (vs. 1.0% in 2020)
- o [Residential strategy performing well and preparing for the future \(more than 1,000 potential new housing units\)](#)
 - **+7% reversion** achieved on tenant rotations
 - **540 additional housing units currently being developed**, with 320 acquired during the first half of the year for €161m and 90 units that will be created through the transformation of an office building into apartments
 - **Discussions underway** for further acquisitions **covering around 570 housing units**

¹ Including the finalization of sales subject to preliminary agreements at end-June 2021, including the Portes d'Arcueil building, whose sale was completed on July 20, 2021

Continued, proactive transformation approach

o [CSR ambitions revealed and commitments affirmed](#)

- **CANOP-2030: acceleration of the low-carbon roadmap**, with the goal for the operational portfolio to be carbon neutral by 2030, some 20 years earlier than the initial target
- **Bond debt now based exclusively on Green Bonds**, with a global, dynamic approach
- **Internal carbon tax** set up, **long-term incentive criterion** incorporated based on **reducing the portfolio's energy bill**

o [Launch of the first dedicated client websites with a view to optimizing lettings and management costs](#)

- Launch of the YouFirst Campus client website aimed at optimizing commercial performance on this segment (<https://campus.youfirst.co/en>)
- Digitalization to continue moving forward on other activities

Solid prospects for the short and longer term

o [2021 recurrent net income still expected to be around €5.3 per share despite the €453m of sales completed or secured during the first half of the year](#)

- The Group's first-half performance levels were more solid than expected, **particularly concerning operational aspects** and specifically office lettings, in terms of both volumes and prices, **as well as financial aspects**, with the reduction in the average cost of debt and the extension of its maturity. **These achievements have further strengthened Gecina's confidence concerning its expected performance for 2021**
- As a result, while the Group has secured or finalized nearly €453m of sales since the start of the year, the solid operational and financial achievements observed during the first half of the year and the good performance by the Group's core markets make it possible to maintain expectations for recurrent net income of around €5.3 per share, while the initial forecast excluded the impact of potential sales or acquisitions

o [Outlook for growth and value creation](#)

- Gradual normalization underway for **occupancy rates**, and **indexation** expected to normalize
- Still significant **reversion potential** that is continuing to be secured in Paris
- 17 buildings expected to be delivered from 2021 to 2024, driving **value creation and growth**
- Additional IFRS rental potential of around **€120m to €130m for the committed pipeline and the controlled and certain pipeline**

Key figures

In million euros	June-20	June-21	Current basis	Like-for-like
Offices	274	251	-8.5%	+0.4% ²
Traditional residential	53	53	-0.4%	+1.1%
Student residences	9	8	-12.9%	-12.6%
Gross rental income	336	311	-7.3%	+0.1%²

Recurrent net income (Group share) ³	216	202	-6.3%
Per share (in euros)	2.94	2.75	-6.5%

LTV (excluding duties)	35.1%	35.4%	34.3%	proforma for sales under preliminary agreements
LTV (including duties)	33.2%	33.4%	32.3%	

In euros per share	Dec-20	June-21	Change
EPRA Net Reinstatement Value (NRV)	187.1	189.6	+1.3%
EPRA Net Tangible Assets (NTA)	170.1	172.6	+1.5%
EPRA Net Disposal Value (NDV)	163.0	167.5	+2.8%

² Excluding the benefit of a rent catch-up effect, applying backdated adjustments for an under-rented situation following a court ruling, and the compensation for departures received, like-for-like growth came to -0.4% for the Group and -0.3% for the office scope

³ EBITDA excluding IFRIC 21 after deducting net financial expenses, recurrent tax, minority interests, including income from associates and restated for certain non-recurring items (costs relating to the subsidiarization of the residential business in 2020).

Performance highlighting resilience and factors that will drive value creation and growth over the coming half-year periods

Against a backdrop of a marked upturn in rental transactions for Gecina, particularly on the most central office markets, Gecina's rental income is stable like-for-like (at +0.1% and -0.4% restated for a rent catch-up effect on retail units received during the first quarter following a court ruling, and the compensation received). Like-for-like growth continued to progress for both offices (+0.4%) and traditional residential (+1.1%). This solid performance despite the **health context reflects the relevance of the Group's strategic choices**, with the **portfolio's realignment** around the most central sectors, **the affirmation of the residential business**, the portfolio's **active rotation**, **the extraction of value** on buildings with strong potential, and the **service-centric approach**.

During the first half of the year, the capturing of reversion potential continued to be a key performance driver, particularly in Paris City. The **reversion achieved** on headline rents for spaces relet or renewed during the first half of the year came to **+23% in Paris' Central Business District** and was positive for the rest of Paris City, but negative for the Paris Region's other sectors, reflecting the **polarization of the rental markets benefiting the central areas** where Gecina is largely present (73% of the office portfolio located at the heart of Paris or Neuilly-sur-Seine). In the secondary sectors where Gecina has less exposure, it has anticipated its lease expiry schedule, making it possible to further strengthen visibility over rental income.

The **upturn in rental transactions that is underway**, particularly in Gecina's preferred central sectors, is further strengthening the Group's confidence for the coming half-year periods, in **a context that is moving towards a normalization**. In the second quarter of 2021, the number of transactions recorded by Gecina was already very close to the pre-health crisis level (first quarter of 2020). **The transactions signed during the first half of the year were already twice as high as the first half of 2020**. They even came in +35% higher than the volume of transactions recorded during the first half of 2019, prior to the emergence of the Covid-19 shock.

The return to the office also picked up pace again from June, continuing to confirm a stronger return in Paris than in other major cities such as London in particular.

In terms of rent collection, the first half of 2021 also indicates a normalization with a rate of c. 99%.

This confidence could be reflected in **occupancy rates, which are expected to normalize over the coming half-year periods**, as well as the **letting of the project pipeline**, with a significant increase in the pre-letting rate during the first six months of 2021 for assets to be delivered before 2022 (**58%⁴ at end-June 2021 vs. 37% at end-December 2020**). The progress with the letting rate for assets under development and the expected reduction in the vacancy rate are positive trends in terms of the outlook for a post-2021 recovery.

In addition, 17 operations that are currently being developed are scheduled to be delivered by the end of 2024.

The **good performance by investment markets in the central sectors** reflects a polarization around Gecina's preferred areas. As a result, **Net Tangible Assets (NTA) are up +1.5%**, factoring in a **positive trend in terms of like-for-like value growth** for traditional **residential** (+1.4%), as well as for **office property in Paris** (+1.7% over six months), where investor appetite is supporting an uptrend in prices. However, in the Paris Region's other sectors, values are stabilizing (-0.2%).

Since the start of the year, **€453m of sales** have been completed or secured, with a **premium versus the end-2020 values of +7.2%**, illustrating the good level of the real estate investment market in 2021 and highlighting the relevance of the Group's NAV figures in the current market.

Gecina's good first-half performance, buoyed by a **better-than-expected level of activity for lettings**, as well as the **optimization of the Group's financial structure**, with expectations for recurrent net income (Group share) unchanged at around €5.3 per share for 2021, while the initial guidance excluded the impact of sales and €453m of sales have been completed or secured since the start of the year.

⁴ Including one transaction that is currently being finalized for a building in Paris

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 In million euros	Jun 30, 2020	Jun 30, 2021	Change (%)	
			Current basis (%)	Like-for-like (%)
Offices	274.0	250.7	-8.5%	+0.4%
Traditional residential	52.9	52.7	-0.4%	+1.1%
Student residences	9.2	8.0	-12.9%	-12.6%
Total gross rental income	336.1	311.4	-7.3%	+0.1%

On a current basis, rental income is down -7.3%, primarily due to the impact of the office sales completed since the start of 2020 (-€8m), the buildings currently being redeveloped or to be launched for redevelopment shortly (-€6m), a slightly positive like-for-like contribution and recent deliveries (+€4m), as well as certain buildings being unavailable for over a year to carry out renovation work.

Like-for-like, rental income is stable with +0.1% at end-June 2021.

This performance was affected by a deterioration **in the rental vacancy position** (-1.7%), largely attributable to the departure of three tenants from retail units in the office portfolio. However, it also benefited from **indexation continuing to be positive (+0.6%)**, as well as the **positive impact of rental reversion (+0.6%)** for both offices (with **headline reversion of +5%**) and residential (+7%).

Excluding the benefit of a rent catch-up effect, applying backdated adjustments for an under-rented situation following a court ruling, and the compensation received, this rate represents -0.4%.

Annualized rental income

Annualized rental income is down (-€10m) compared with December 31, 2020, with -€4m linked to the impact of the 14 assets sold during the first half of this year and the departures of tenants from buildings to be redeveloped (-€2m).

Note that this annualized rental income includes €21m from assets intended to be vacated shortly for redevelopment and €15m from buildings covered by preliminary sales agreements at end-June 2021, including the Portes d'Arcueil building, whose sale was finalized on July 20.

Annualized rental income (IFRS)			
In million euros		Dec-20	Jun-21
Offices		502	494
Traditional residential		106	105
Student residences (Campus)		19	18
Total		627	617

Offices: trends still positive in the most central sectors

On a current basis, rental income from offices is down -8.5%, linked primarily to the significant volume of sales completed in 2020 and the first half of 2021 (-€8m 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 (-€6m).

This change also factors in the contribution by the redeveloped buildings delivered recently (for nearly +€4m, with the Rue de Madrid building in the Central Business District), a like-for-like rental contribution and vacant spaces made unavailable as part of a program of smaller-scale renovation work.

Like-for-like, office rental income shows +0.4% growth at end-June 2021, highlighting the outperformance by central sectors, with organic growth rates **up for Paris (+2.8% in Paris' CBD)**, compared with a **stable level for the Western Crescent** and a **more marked contraction for the rest of the Paris Region** (-0.7%), 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 (+23% in the CBD, +3% for the rest of Paris)**, but negative for less central sectors (-1% to -8% depending on the areas).

For the scope concerning retail units in Paris' Central Business District, the like-for-like growth rate was +12.3%. It benefited from a **rent catch-up effect, applying backdated adjustments for an under-rented situation** following a court ruling.

Management of the lease expiry schedule in 2020 and 2021: capturing positive reversion in Paris, anticipating end dates and extending the term of leases in peripheral areas where reversion is negative

The leases signed⁵ since the start of the year show a **headline reversion rate of around +23% for the CBD and Paris 5/6/7**, and +3% for the rest of Paris, compared with a negative rate outside of Paris, with -8% for the Western Crescent/La Défense and -1% for the rest of the Paris Region.

Gecina has **managed its lease expiry schedule with a proactive approach in the Paris Region's less central sectors** with a focus on extending the firm maturity of leases in peripheral areas. The firm average maturity of leases outside of Paris and Neuilly is now close to 5.1 years (vs. 4.6 years at end-June 2020).

Gross rental income - Offices In million euros	Jun 30, 2020	Jun 30, 2021	Change (%)	
			Current basis	Like-for-like
Offices	274.0	250.7	-8.5%	+0.4% ⁶
Paris City	147.5	143.5	-2.7%	+0.6%
- Paris CBD & 5-6-7	88.5	90.1	+1.7%	+2.8%
- Paris CBD & 5-6-7 - Offices	71.0	71.0	+0.0%	+0.4%
- Paris CBD & 5-6-7 - Retail	17.5	19.0	+8.8%	+12.3%
- Paris - Other	59.0	53.4	-9.4%	-3.0%
Western Crescent - La Défense	95.5	80.8	-15.4%	+0.0%
Paris Region - Other	21.7	17.5	-19.2%	-0.7%
Other French regions / International	9.2	8.9	-3.8%	+1.1%

YouFirst Residence (traditional residential): resilience confirmed

Like-for-like, rental income from traditional residential properties is up **+1.1%**.

This performance takes into account a low indexation rate of +0.3%, and more significantly the impact of **positive reversion (+1.1%) on the apartments relet, with the rent for new tenants around +7% higher than levels for the previous tenants on average since the start of the year**. The change in the occupancy rate represents a negative contribution of -0.8%, reflecting the temporary disruption to letting processes with the health restrictions.

On a current basis, rental income shows a slight decrease of -0.4%, 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.

YouFirst Campus (student residences): solid although facing a challenge with Coronavirus

Rental income from student residences shows a significant contraction of -12.6% like-for-like and -12.9% on a current basis, reflecting the impacts of the health crisis and the closure of universities and graduate schools that were still open during part of the first half of 2020.

Considering the outlook at this stage for the start of the new academic year in September 2021, the Group is optimistic about the second half of this year and then 2022 in particular.

Market trends still favorable in Gecina's preferred sectors

Dynamic investment market in the most central sectors

Although the volumes invested in commercial real estate in France are down, **the forecasts for investment volumes over the year are still almost +20% higher than a long-term average⁷**, reflecting the strong appetite among investors for real estate, particularly in an environment of persistently low rates and therefore sustainable risk premiums, as well as strong risk aversion.

⁵ Excluding non-standard situations

⁶ -0.3% restated for a rent catch-up effect, applying backdated adjustments for an under-rented situation following a court ruling, and the compensation for departures

⁷ According to BNPPRE, compared with the long-term average calculated over the last 15 years

Investors have therefore focused on the robust market segments, including quality offices located in the most central areas, and of course residential assets. This **growing selectivity among investors reflects a polarization of the markets**, supporting relatively favorable trends for value growth in Gecina's preferred segments.

In the Central Business District, the average transaction value for offices is now over €20,000/sq.m (BNPPRE), with a +3% increase over 12 months (Immostat). For the rest of Paris City, the trend is also positive (+4.3%), while the values per square meter seem to be peaking or are trending down in more peripheral areas.

Office rental market: upturn in transaction volumes and confirmation of rent levels in Paris

The first half of the year shows **a significant upturn in rental transactions**. This trend began in the second quarter, particularly following a resumption of visits at the start of the year.

However, this upturn (+14% vs. H1 2020) continues to be **driven by Paris City (+24%)**, whereas rental transactions are stable in La Défense (-1%) and down in the Inner Rim (-9%), revealing a trend that is specifically benefiting the most central sectors.

In terms of **rental values**, a **polarization** can be seen once again. Market rents show an **increase of almost +2.4% over six months for the Central Business District** (Immostat), where prime rents are comfortably established at over €900/sq.m. According to Cushman & Wakefield, they are now up to €915/sq.m/year. Rents are stabilizing in the Western Crescent and down for the Inner Rim (-5.7%).

The rental market seems to be polarizing around two aspects: **the centrality and quality of the portfolio**, which accounts for the significantly contrasting performance levels seen between market transactions depending on these two criteria.

The **vacancy rate** came to an average of 7.1% for the Paris Region, but with significant differences depending on the sectors. It was 4.3% for Paris' CBD (4.9% for the whole of Paris City), compared with almost 10% for the Inner Rim, once again reflecting significant differences in market positions between different areas.

Rental activity picking up again in the second quarter

More than 115,000 sq.m let during the first half of the year, twice as high as the level from the first half of 2020

Since the start of 2021, **Gecina has let, relet or renegotiated more than 115,000 sq.m**, representing around €60m of headline rent. This volume of transactions is **already twice as high as the volume from the first half of 2020, and already represents more than 70% of the transactions recorded over the full year in 2020.**

Lettings rate "normalized" during the second quarter

Excluding renewals and renegotiations, **the volume of new transactions** signed across Gecina's portfolio returned to **its pre-crisis level** (from the first quarter of 2020) in the second quarter of 2021. This upturn follows on logically from the observations made in previous quarters, indicating a resumption of Gecina's commercial interactions with potential tenants between September and December 2020, then the number of visits during the first quarter of 2021. This clear trend points to **a normalization of market balances**, particularly in **the most central sectors**.

Reversion achieved, with +5% overall and +23% in Paris' CBD

The performance levels achieved once again show a **clear rental outperformance for the Paris Region's most central sectors and especially Paris City**, despite the remaining uncertainty linked to the potential consequences of the health crisis.

Overall, the headline reversion captured on relettings and lease renewals came to +5%. This performance is being driven by the most central sectors and especially Paris' CBD and Paris 5/6/7, where it represents +23%, while it is still negative in the Western Crescent and La Défense (-8%), as well as for the rest of the Paris Region (-1%).

These performance levels, achieved through tenant rotations, confirm the Group's strategic focus on the most central sectors and particularly the heart of Paris City.

Management of the lease expiry schedule: "bespoke" approach

Capturing positive reversion in Paris, anticipating end dates and extending the term of leases in peripheral areas where reversion is negative

To anticipate the leases scheduled to expire in 2021, the Group secured early renewals from the second half of 2020 on a certain number of leases in secondary sectors and especially the Inner Rim, recording negative reversion potential in exchange for extending the residual term of leases in these areas.

This **proactive management of lease expiry schedules in the Paris Region's less central sectors** made it possible to extend the firm maturity of leases outside of Paris and Neuilly-sur-Seine to 5.1 years at end-June 2021, compared with 4.6 years one year earlier.

However, in the most central sectors, the Group's rental strategy aims to capture reversion potential when current leases end, with the performance levels presented above.

Theoretical reversion potential of +5% still to be captured on average, driven by Paris City (66% of the commercial portfolio)

The market trends, which are still positive for central sectors, make it possible to see reversion potential (spread between current market rents and the rents in place in our portfolio) of over +5% for the Group's commercial portfolio, primarily due to the portfolio's most central sectors and particularly Paris City (**+14% for the Paris CBD or +10% for the rest of Paris**). This potential performance will be gradually delivered over the coming years as the current leases come to an end.

Occupancy rate still high despite a temporary drop linked to the slowdown in rental transactions in 2020

The Group's **average financial occupancy rate** is still at a high level, with 91.6%. The year-on-year drop of -1.8pts is mechanically linked to the higher vacancy rate seen in 2020 in a sluggish context for lettings.

The **normative average occupancy rate** (taking into account the leases signed but yet to commence) is **close to 93%** for the entire portfolio, i.e. **+130bp higher than the financial occupancy rate published at end-June, which is a key indicator for its potential progress over the coming half-year periods.**

For the office scope, the -1.8 pt 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 92.5%**. 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 in La Défense (91% let) or Anthos in Boulogne (43% let).

For the Office portfolio excluding retail units, **the normative financial occupancy rate** (including the two lettings mentioned above) **represents 94.3%, compared with the 92.5% reported at end-June, illustrating the positive market trends and the normalization that is underway** for rental balances across our portfolio.

For **traditional residential**, the contraction is also linked to the slowdown in letting processes in the current health context, and is therefore expected to be temporary.

For the student residences scope, the financial occupancy rate continues to show a deterioration, due to the closure of universities and graduate schools, combined with the tightening of restrictions during the first half of the year prior to a summer period that is usually low for student residences.

However, the start of the new academic year in September 2021 looks set to be positive, with the fill rate for residences expected to be close to usual standards based on the level of pre-bookings recorded.

Average financial occupancy rate	Jun 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 31, 2021	Jun 30, 2021
Offices	93.2%	93.1%	93.1%	91.7%	91.4%
Traditional residential	97.6%	97.1%	96.9%	96.1%	96.7%
Student residences	82.1%	79.0%	82.9%	81.5%	74.4%
Group total	93.4%	93.2%	93.3%	92.0%	91.6%

Recurrent net income (Group share) resilient

Recurrent net income (Group share) is down at end-June 2021 compared with end-June 2020 (-6.5% per share), linked primarily to **the volume of sales** completed in 2020 and early 2021, as well as the temporary loss of rental income from buildings with strong potential freed up for redevelopment.

Portfolio rotation: -€7.9m net change in rental income

This change reflects the impact of the portfolio's rotation since early 2020 (for almost €580m). The disposals primarily concern the Le Valmy building, sold in 2020 and located in eastern Paris, and various buildings located in Antony, Boulogne, Levallois and Vincennes. The loss of rent attributable to these sales represents -€8.3m. Alongside this, the contribution from acquisitions was moderate for the half-year period, with +€0.4m.

This change does not take into account the sales subject to preliminary agreements at end-June (representing nearly €320m), which are expected to be completed during the third quarter of 2021.

Operations relating to the pipeline (deliveries and redevelopments): -€2.2m net change in rental income

The change in recurrent net income (Group share) also reflects the impact of **operations relating to the pipeline**.

- o The additional rental income generated by **the recent deliveries** of buildings under development represents almost **+€3.7m** (with the delivery of the building located on Rue de Madrid in Paris' Central Business District).
- o Alongside this, **the buildings transferred** to the pipeline in the last 12 months or to be transferred shortly account for a temporary drop in rental income of around **-€5.9m** compared with end-June 2020. For instance, these assets that have been freed up have made it possible to launch a new redevelopment project at the heart of Paris' Central Business District with the "Boétie" building (10,200 sq.m), which will be delivered in 2023.
- o In addition, several buildings, vacated in 2020 and 2021, are subject to renovation work, on a smaller scale than a redevelopment, and will therefore be unavailable for longer than a year.

Rental margin up +100bp, reflecting the improvement in the economic context

The **rental margin** came to 90.2%, up +1.0pt compared with end-June 2020. This increase is linked primarily to the **reduction in provisions for trade receivables**, which are now close to €0.8m, compared with €5.5m at end-2020 and nearly €7m in June 2020, **reflecting the improvement in the economic context**.

This normalization can be seen particularly clearly for the office scope, with its rental margin up +1.8pts to 92.5%.

For traditional residential, this margin is down slightly, resulting from the temporary increase in the vacancy rate for this segment.

For student residences (YouFirst Campus), this rate continues to show a deterioration linked directly to the closure of universities as a result of the health context. The normalization of residence occupancy levels expected for the start of the new academic year in September 2021 should pave the way for this margin to normalize compared with the observation levels seen previously.

	Group	Offices	Residential	Student
Rental margin at Jun 30, 2020	89.2%	90.7%	84.6%	70.8%
Rental margin at Jun 30, 2021	90.2%	92.5%	82.5%	69.4%

Other significant changes

- o Decrease in overheads benefiting from a reduction in operating costs.
- o Decrease in financial expenses reflecting the continued optimization of the Group's balance sheet structure and the reduction in the average cost of debt to 1.2% (including cost of undrawn credit lines), down -10bp year-on-year.

In million euros	Jun 30, 2020	Jun 30, 2021	Change (%)
Gross rental income	336.1	311.4	-7.3%
Net rental income	299.7	281.0	-6.3%
Operating margin for other business	(0.4)	0.6	na
Services and other income (net)	1.5	3.1	na
Overheads	(38.3)	(37.7)	-1.5%
EBITDA	262.5	246.9	-5.9%
Net financial expenses	(43.7)	(43.3)	-1.1%
Recurrent gross income	218.8	203.7	-6.9%
Recurrent net income from associates	0.7	0.6	-6.7%
Recurrent minority interests	(0.6)	(0.6)	+4.4%
Recurrent tax	(3.0)	(1.3)	-56.7%
Recurrent net income (Group share) ⁽¹⁾	215.9	202.4	-6.3%
Recurrent net income (Group share) per share	2.94	2.75	-6.5%

(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 (costs relating to the subsidiarization of the residential business in 2020).

LTV reduced, responsible loans set up, long maturity maintained and historically low cost of debt

Gecina has continued to build on its long-term management and optimize its liabilities, further strengthening and optimizing its financial structure in a volatile but still accommodating environment. The financial rating agencies have confirmed Gecina's ratings (S&P A- and Moody's A3), confirming the Group's sound balance sheet structure despite the uncertain environment.

LTV reduced and the Group's sound balance sheet structure confirmed

At June 30, 2021, Gecina had a **loan to value ratio (LTV) of 33.4%** including duties (35.4% excluding duties). Taking into account the sales under preliminary agreements to be finalized during the third quarter, the **LTV including duties represents 32.3%** (34.3% excluding duties).

The **ICR represents 5.4x**, with a secured debt ratio of 0.2%, giving Gecina significant headroom in relation to its bank covenants.

In June 2021, Gecina raised **€500m of bond debt**, with a **maturity of 15 years** and a **0.875% coupon**. This operation is the first issue carried out since the Group transformed all of its outstanding issues into **Green Bonds** during the first half of 2021. It is therefore fully aligned with Gecina's program aiming to accompany the continuous, global improvement in the Group's asset portfolio, and particularly its environmental performance. It is based on an ambitious and dynamic Green Bond Framework (available on [the Company's website](#)).

Alongside this, the Group exercised its make-whole call option for the **early redemption** of the €378m outstanding bond issue with a 2.00% coupon.

At end-June, the **average maturity of Gecina's debt was 7.6 years**.

The Group's liquidity totaled €3.2bn at end-June (net of the coverage of NEU CP short-term resources and proforma for the early redemption in July 2021 of the bond issue due to mature in 2024), covering all the financial maturities for the next three years, while the available credit lines have a residual average maturity of 4.0 years.

65% of Gecina's bank lines now responsible, reflecting its CSR commitments

The Group has continued moving forward with its work to set up responsible loans: During the first half of the year, Gecina finished setting up four new responsible credit lines, with financial conditions indexed against its CSR performance in particular, for a combined total of €600m. In addition, the Group has signed five amendments to transform standard bank lines into responsible credit lines, for a total of €845m.

Gecina's volume of responsible credit agreements is now up to €2.9bn, representing 65% of the Group's total bank borrowings (vs. 32% at end-2020 and 20% at end-2019). This rapid and large-scale integration of CSR into its financial structure once again sets out Gecina's strong environmental and societal convictions, as well as the Group's continued commitment to progress in these areas, which are now an integral part of its strategy.

Average cost of the Group's debt down -10bp over six months

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, around -10bp lower than end-2020.

Ratios	Covenant	Jun 30, 2021
Loan to value (block, excl. duties)	< 55% - 60%	35.4%
EBITDA / net financial expenses	> 2.0x	5.4x
Outstanding secured debt / net asset value of portfolio (block, excl. duties)	< 25%	0.2%
Net asset value of portfolio (block, excl. duties) in billion euros	> 6.0 - 8.0	20.0

€453m of sales and €126m of investments

[€453m of sales completed during the first half of the year or secured at end-June, achieving a premium of around +7% versus the end-2020 values, further strengthening the Group portfolio's centrality and its robust balance sheet](#)

Since the start of the year, Gecina has sold or secured **sales for almost €453m of assets, achieving an average premium of +7.2% versus their latest values from end-2020**, with a loss of rental income of around 3.6%.

- o 97% of these office sales concern buildings located outside of Paris City
- o €104m have already been finalized.

These sales aim to further strengthen the centrality of Gecina's portfolio, while reducing the Group's LTV.

As a result, based on the end-June appraisal values, the LTV is 33.4% including duties (**around 32.3% taking into account the sales currently under preliminary agreements** and to be finalized at the start of the third quarter). For reference, it was 34.0% at end-December 2019 and 33.6% at end-2020.

The sale of **the Portes d'Arcueil building, subject to a preliminary agreement at end-June, has now been finalized**, with the deed of sale signed on July 20, 2021.

[€126m of investments made, primarily for the project pipeline](#)

€126m of investments have been paid out for the pipeline or to improve the residential and commercial portfolio, helping capture value creation potential through progress with work on assets under development, as well as improvements to the quality of our residential buildings, helping secure the reversion potential identified.

Residential strategy affirmed

With various operations under development and others that may be launched over the coming half-year periods, as well as the projects acquired during the first half of the year and others that are currently being negotiated, the potential for growth in the residential portfolio represents over 1,000 additional housing units, highlighting the Group's commitment to growing its business in this segment.

[Acquisition pipeline of around €400m](#)

Following the creation of Homya, the subsidiary grouping together all of the Group's traditional residential assets – YouFirst Residence – during the first half of 2020, Gecina then put in place a second complementary non-exclusive tool through partnerships with developers to support its ambition to grow the size of its residential portfolio in order to be able to benefit from scale effects.

Through the partnerships set up with Nexity and Woodeum, Gecina put itself in a position in 2020 to develop its residential business.

Since the start of the year, **€161m of off-plan acquisitions** have been finalized or secured, representing **320 housing units**.

Six new operations representing nearly 570 homes are currently under discussion with a view to setting up an agreement during the second half of the year. The amount of these investments will be paid out as construction work progresses on the buildings concerned.

[€161m of project acquisitions secured during the first half of the year](#)

Three new operations based on these partnerships, representing €161m of investments, have already been added to Gecina's residential development pipeline, with the **Wood'up building in Paris** (8,000 sq.m), **Belvédère in Bordeaux** (8,000 sq.m) and **Art'Chipel in Marseille** (4,800 sq.m). These three buildings will be delivered in 2023 and 2024.

With these acquisitions, the committed development pipeline for the traditional residential business is up to nearly **540 housing units that will be delivered** by 2024.

In total, over €600m of operations currently being developed (committed or controlled and certain pipeline)

At end-June 2021, 10 residential operations were under development, representing an investment volume of €401m. These operations include traditional residential developments, extension or densification operations on existing real estate assets, and the construction of student residences, as well as an operation to transform offices into housing. These projects will be delivered between the second half of 2021 and 2024.

The “controlled and certain” pipeline includes five new operations, representing €204m and scheduled for delivery in 2023 or 2024.

€3.7bn project pipeline, with €3.0bn underway or to potentially be launched shortly

€3.0bn of projects committed or to potentially be committed in the short term

€1.8bn of committed projects (deliveries for 2021-2024)

The vast majority of the projects under development are concentrated in the most central sectors, with **80% of the committed pipeline for offices located in Paris City**.

In total, 17 projects are currently committed to and will be delivered between 2021 and 2024, representing a total investment volume of €1.8bn, with just €0.6bn still to be paid out over the coming years. With an expected yield on cost of 5.0%, the committed pipeline represents a potential rental income volume of around €90m, which will be achieved gradually between 2021 and 2024 as the various assets are delivered.

Nearly **22% of the pipeline (10 projects) is made up of residential projects**, highlighting the ramping up of Gecina's ambition, which it has reaffirmed on this segment.

The pre-letting rate for operations to be delivered before the end of 2022 is now up to 53%, and **58% including a lease that is expected to be signed over the coming days**. This rate shows strong progress over six months, because it was just 37% at the end of 2020.

At end-June, €591m were still to be invested on committed projects, with €108m by end-2021, €256m in 2022, and €227m in 2023-2024.

€1.2bn of “controlled and certain” projects to potentially be launched over the coming half-year periods (deliveries in 2023-2026)

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. These projects will therefore be launched over the coming half-year periods, unless market conditions were to call into question their real estate and financial rationale.

This pipeline includes **nine projects, with 80% located in Paris or Neuilly**, that will be transferred to the committed pipeline when they are vacated by their current tenants. While waiting for the tenants in place to leave, these assets represent a residual annualized rental volume of nearly €21m at end-June.

In total, the “controlled and certain” pipeline is expected to generate an average **yield on cost of 5.4%**, representing almost €66m of potential rental income.

In the probable scenario in which these controlled and certain projects are launched, €541m will be invested over the coming half-year periods from their expected launch.

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.

€0.7bn of “likely” controlled projects over the longer term (possible deliveries in 2023-2026)

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 4.8%** with a portfolio of potential projects **concentrated primarily in Paris City (around 90%)**. These projects will be launched as decided by Gecina in line with real estate market developments.

Project	Location	Delivery date	Total space (sq.m)	Total investment (€m)	Already invested (€m)	Still to invest (€m)	Yield on cost (est.) (net)	Theoretical prime yields (BNPPRE / CBRE)	% pre-let	Average tenant arrival date
Paris - Biopark	Paris	Q3-21	6,400 sq.m	€47m	€47m	€0m			100%	Sep 1, 2021
La Défense - Sunside	Western Crescent	Q3-21	9,600 sq.m	€83m	€80m	€2m				
Neuilly - 157 Charles de Gaulle	Western Crescent	Q4-21	11,400 sq.m	€115m	€103m	€12m				
Paris - L'Îve	Paris CBD	Q2-22	33,200 sq.m	€514m	€438m	€76m			78%	Jun 30, 2022
Offices - deliveries 2021-2022			60,600 sq.m	€759m	€668m	€90m	5.2%	2.8%	53%	
Paris - Boétie	Paris CBD	Q1-23	10,200 sq.m	€176m	€151m	€25m				
Paris - Mondo (formerly Bancelles)	Paris CBD	Q2-24	29,800 sq.m	€384m	€261m	€122m				
Montrouge - Porte Sud	Inner Rim	Q3-24	11,700 sq.m	€83m	€32m	€52m			100%	Sep 30, 2024
Offices - deliveries 2023-2024			51,700 sq.m	€643m	€444m	€199m	5.5%	2.8%	23%	
Total offices			112,300 sq.m	€1,402m	€1,112m	€290m	5.3%	2.8%	39%	
Paris - Glacière	Paris	Q3-21	300 sq.m	€2m	€1m	€2m			na	
Ivry sur Seine - Ynov	Inner Rim	Q3-21	7,200 sq.m	€41m	€40m	€1m			na	
Ville d'Avray	Inner Rim	Q1-23	10,000 sq.m	€78m	€20m	€58m			na	
Paris - Vouillé	Paris	Q3-23	2,400 sq.m	€24m	€9m	€14m			na	
Paris - Lourmel	Paris	Q3-23	1,700 sq.m	€17m	€4m	€13m			na	
Paris - Dareau	Paris	Q4-23	5,500 sq.m	€52m	€26m	€27m			na	
Paris - Wood'up	Paris	Q4-23	8,000 sq.m	€95m	€0m	€95m			na	
Paris - Porte Brancion	Paris	Q3-24	2,900 sq.m	€19m	€0m	€19m			na	
Bordeaux - Belvédère	Bordeaux	Q3-24	8,000 sq.m	€39m	€0m	€39m			na	
Marseille - Art'Chipel	Marseille	Q2-24	4,800 sq.m	€27m	€0m	€27m			na	
Residential densification	na	na	1,700 sq.m	€6m	€0m	€6m			na	
Total residential			52,500 sq.m	€401m	€100m	€301m	3.7%	2.8%		
Total committed pipeline		2021-2024	164,800 sq.m	€1,803m	€1,212m	€591m	5.0%	2.8%		
Controlled and certain: Offices			82,400 sq.m	€1,016m	€627m	€389m				
Controlled and certain: Residential			28,500 sq.m	€204m	€52m	€152m				
Total controlled and certain		2023-2026	110,900 sq.m	€1,220 m	€679m	€541m	5.4%	3.0%		
Total committed + controlled and certain		2021-2026	275,700 sq.m	€3,022m	€1,889m	€1,131 m	5.1%	2.9%		
Controlled and likely: Offices			68,900 sq.m	€644m	€454m	€190m				
Controlled and likely: Residential			2,400 sq.m	€8m	€0m	€8m				
Total controlled and likely			71,300 sq.m	€652m	€454m	€198m	4.8%	2.9%		
TOTAL PIPELINE			347,000 sq.m	€3,675m	€2,345m	€1,330m	5.1%	2.9%		

Portfolio up +1.2% like-for-like, driven by the most central sectors and the residential business

The portfolio value (block) came to €20.0bn, up +1.2% like-for-like since the start of the year, taking into account the net value adjustment for the committed pipeline (+1.0% for the operational scope only), with +1.2% growth on a current basis. This increase benefited from robust trends for the central sectors for offices, as well as for residential.

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 overall office portfolio is up +1% over six months, but up +1.7% for the Paris portfolio and +2.0% for the Central Business District and Paris 5/6/7, while the rest of the Paris Region is down slightly.

For Paris City, the increase in values is linked primarily to a positive rent effect, reflecting the good performance by the most central rental markets, while the like-for-like contraction in values for the rest of the Paris Region factors in a moderately negative rent effect.

This performance differential measures the growing gap between the most central sectors, whose outlook is still resilient thanks in particular to the extremely low vacancy rate currently and restricted future supply, and the secondary sectors, offering a risk profile that is more sensitive to the economic environment.

Traditional residential: values up by nearly +1.7% over six months

For the residential portfolio, the valuation retained is up +1.7% like-for-like (including net contribution from assets under development, and +1.4% for the operational scope only). This performance has been driven by trends on the market for vacant properties, in a persistently low interest rate environment, and the growing appetite among institutional investors justifying a lower discount for the block values, 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).

For the YouFirst Campus student residences, the like-for-like contraction in value over the first half of the year (-0.4%) takes into account this portfolio's higher than usual vacancy rate due to the health context and its consequences for the opening of graduate schools and universities. This increase in vacancy levels could be temporary in view of the first indicators for pre-bookings, which support expectations for a gradual normalization from the start of the new academic year in September 2021.

Breakdown by segment <i>In million euros</i>	Appraised values	Net capitalization rates		Change on current basis	Like-for-like change	Value €/sq.m
	Jun 30, 2021	Jun 30, 2021	Dec 31, 2020	June 2021 vs. Dec 2020	June 2021 vs. Dec 2020	Jun 30, 2021
Offices (incl. retail units)	16,132	4.0%	4.0%	+0.9%	+1.0%	11,380
Paris City	10,685	3.4%	3.4%	+1.9%	+1.7%	16,753
Paris CBD & 5-6-7	7,675	3.1%	3.1%	+2.6%	+2.0%	21,625
- Paris CBD - Offices	5,993	3.3%	3.3%	+2.7%	+2.1%	19,674
- Paris CBD - Retail	1,682	2.7%	2.7%	+2.5%	+1.8%	51,639
Paris - Other	3,010	4.0%	4.0%	+0.0%	+1.0%	11,048
Western Crescent - La Défense	4,377	5.3%	5.2%	-0.9%	-0.2%	8,174
Paris Region - Other	609	8.4%	8.4%	+1.0%	-0.2%	2,054
Other French regions / International	461	4.5%	4.4%	-3.0%	-1.4%	5,711
Residential (block)	3,735	3.1%	3.1%	+2.6%	+1.2%	7,305
Hotel & finance leases	104	na	na	-8.4%		
Group total	19,971	3.8%	3.9%	+1.2%	+1.0%	
Total value: unit appraisals	20,528					

EPRA Net Tangible Assets (NTA) up +1.5% year-on-year to €172.6 per share, with an EPRA Net Reinstatement Value (NRV) of €189.6 per share

EPRA Net Tangible Assets (NTA) represent **€172.6** per share (+1.5% over six months) and **€180.1** per share based on unit values for residential.

The EPRA Net Reinstatement Value (NRV) came to **€189.6** per share (+1.3% over six months).

The EPRA Net Disposal Value (NDV) was **€167.5** per share (+2.8% over six months).

For reference, the diluted EPRA NAV (previous format) represents €175.3 per share (+1.5% over six months), while the diluted EPRA triple net NAV totaled €171.9 (+2.7% over six months).

This change benefited overall from like-for-like portfolio value growth, particularly in the central sectors and for the residential business. This trend is being driven at the heart of Paris by a "rent" effect and a slight compression of yield rates. The NAV growth also benefited from the impacts of Gecina's total return strategy, particularly through the growth in value achieved for the portfolio under development.

The change in EPRA Net Tangible Assets (NTA) per share came to +€2.5 over six months, with the following breakdown:

- Dividend paid in H1 2021:	- €2.7
- Recurrent net income:	+ €2.7
- Like-for-like value adjustment on Office assets:	+ €1.3
- Like-for-like value adjustment on Residential assets:	+ €0.4
- Net value increase for pipeline:	+ €0.7
- Net capital gains from sales completed or under preliminary agreements:	+ €0.5
- Other (including IFRS 16):	- €0.5

	EPRA NRV (Net Reinstatement Value)	EPRA NTA (Net Tangible Assets)	EPRA NDV (Net Disposal Value)
H1 2021 NAV per share (€ per share)	189.6	172.6	167.5
FY 2020 NAV per share (€ per share)	187.1	170.1	163.0
Change over six months (€ per share)	+1.3%	+1.5%	+2.8%

	EPRA NRV (Net Reinstatement Value)	EPRA NTA (Net Tangible Assets)	EPRA NDV (Net Disposal Value)
IFRS equity attributable to shareholders	12,475.3	12,475.3	12,475.3
Receivable from shareholders	195.3	195.3	195.3
Includes / Excludes			
Impact of exercising stock options			
Diluted NAV	12,670.6	12,670.6	12,670.6
Includes			
Revaluation of investment property	149.3	149.3	149.3
Revaluation of investment property under construction	-	-	-
Revaluation of other non-current investments	-	-	-
Revaluation of tenant leases held as finance leases	10.0	10.0	10.0
Revaluation of trading properties	-	-	-
Diluted NAV at fair value	12,829.9	12,829.9	12,829.9
Excludes			
Deferred tax	-	-	x
Fair value of financial instruments	(20.3)	(20.3)	x
Goodwill as a result of deferred tax	-	-	-
Goodwill as per the IFRS balance sheet	x	(189.4)	(189.4)
Intangibles as per the IFRS balance sheet	x	(9.7)	x
Includes			
Fair value of debt	x	x	(273.0)
Revaluation of intangibles to fair value	-	x	x
Real estate transfer tax	1,185.7	133.8	x
NAV	13,995.3	12,744.3	12,367.4
Fully diluted number of shares	73,824,095	73,824,095	73,824,095
NAV per share (new formats)	€189.6	€172.6	€167.5

For reference, the EPRA NAV levels based on block values (previous format) are indicated below:

In million euros	Jun 30, 2020		Dec 31, 2020		Jun 30, 2021	
	Amount / number of shares	€ / share	Amount / number of shares	€ / share	Amount / number of shares	€ / share
Fully diluted number of shares	73,711,096		73,762,805		73,824,095	
Shareholders' equity under IFRS*	12,651		12,474		12,475	
+ Receivable from shareholders	183.8		0.0		195.3	
+ Impact of exercising stock options	1.5		0.0		0.0	
Diluted NAV	12,836	€174.1	12,474	€169.1	12,671	€171.6
Fair value reporting of assets at amortized cost	143.5		151.0		159.3	
+ Optimization of transfer duties	123.6		132.5		133.8	
- Fair value of financial instruments	(3.0)		(12.2)		(20.3)	
- Deferred tax	0.0		0.0		0.0	
= Diluted EPRA NAV	13,100	€177.7	12,746	€172.8	12,943	€175.3
+ Fair value of financial instruments	3.0		12.2		20.3	
+ Fair value of liabilities	(409.6)		(413.5)		(273.0)	
+ Deferred tax	(0.0)		0.0		(0.0)	
= Diluted EPRA triple net NAV	12,694	€172.2	12,344	€167.4	12,691	€171.9

* Including €189m of goodwill at June 30, 2021

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 **CANOP-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 and engaging tenants;
- Further strengthening the integration of its environmental and financial performance by continuing to set up responsible loans.

To achieve its ambitions, the Company is continuing to roll out the shared value creation drivers already put in place, notably **establishing an in-house carbon "tax"** for each operational division's CO₂ emissions, incorporating **an environmental performance criterion into long-term incentive plans** for

its staff, **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 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) were requalified⁸, 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.

Solid prospects for the short and longer term

The results published at end-June 2021 reflect the **resilience of Gecina's model** in a disrupted context in 2020, as well as the **moderate and temporary impacts of the Covid crisis** on the sector (low indexation, moderate increase in vacancies), but also reveals **the Group's potential in a recovery context** (decrease in provisions, higher normative occupancy rate, increase in the pre-letting rate, good performance by rental markets in central sectors, signs of an upturn in indexation), **further strengthening Gecina's confidence for the second half of 2021 and the coming years.**

Recurrent net income per share still expected to be around €5.3 despite the €453m of sales secured during the first half of the year

The Group's first-half performance levels were more solid than expected, particularly concerning operational aspects and office lettings, in terms of both volumes and prices, as well as financial aspects, with the reduction in the average cost of debt. These achievements have further strengthened Gecina's confidence concerning its expected performance for 2021.

As a result, while the Group has secured or finalized nearly €453m of sales since the start of the year, the solid operational achievements observed during the first half of the year and the good performance by the Group's core markets make it possible to maintain expectations for recurrent net income of around €5.3 per share, although this forecast initially excluded the potential impact of sales or acquisitions.

This new objective for 2021 could be revised up or down depending on asset sales or acquisitions that may not be completed or secured to date.

Outlook for growth and value creation

The Group is looking ahead with confidence to the coming years, which are expected to benefit from the gradual normalization that is underway concerning rent indexation and occupancy rates, as well as the still significant reversion potential that is continuing to be secured in Paris, and the delivery of 17 projects expected from 2021 to 2024, driving value creation and growth, with additional IFRS rental potential of €120m to €130m (on the committed pipeline and the controlled and certain pipeline).

⁸ The requalification of outstanding issues as Green Bonds was subject to approval by note holders invited to attend a general meeting for each outstanding issue. All of the documents relating to this 100% green bond program are available on [Gecina's website](#).

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 20.0 billion euros at end-June 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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APPENDICES

1- FINANCIAL STATEMENTS

CONDENSED INCOME STATEMENT AND RECURRENT INCOME

At the Board meeting on July 22, 2021, chaired by Jérôme Brunel, Gecina's Directors approved the financial statements at June 30, 2021. The audit procedures have been completed on these accounts, and the certification reports have been issued.

In million euros	Jun 30, 2020	Jun 30, 2021	Change (%)
Gross rental income	336.1	311.4	-7.3%
Net rental income	299.7	281.0	-6.3%
Operating margin for other business	(0.4)	0.6	na
Services and other income (net)	1.5	3.1	na
Overheads	(38.3)	(37.7)	-1.5%
EBITDA - recurrent	262.5	246.9	-5.9%
Net financial expenses	(43.7)	(43.3)	-1.1%
Recurrent gross income	218.8	203.7	-6.9%
Recurrent net income from associates	0.7	0.6	-6.7%
Recurrent minority interests	(0.6)	(0.6)	+4.4%
Recurrent tax	(3.0)	(1.3)	-56.7%
Recurrent net income (Group share) ⁽¹⁾	215.9	202.4	-6.3%
Gains from disposals	(5.4)	0.5	na
Change in fair value of properties	185.5	187.5	na
Real estate margin	0.0	(0.1)	na
Depreciation and amortization	(19.3)	(7.0)	na
Change in value of financial instruments and debt	(18.7)	7.6	na
Other	(8.0)	3.4	na
Consolidated net income attributable to owners of the parent	349.9	394.4	na

(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 (costs relating to the subsidiarization of the residential business in 2020).

CONSOLIDATED BALANCE SHEET

ASSETS	Dec 31, 2020	Jun 30, 2021	LIABILITIES	Dec 31, 2020	Jun 30, 2021
<i>In million euros</i>			<i>In million euros</i>		
Non-current assets	19,504.5	19,479.7	Shareholders' equity	12,500.9	12,501.3
Investment properties	17,744.3	17,586.7	Share capital	573.9	573.9
Buildings under redevelopment	1,256.8	1,397.7	Additional paid-in capital	3,295.5	3,295.5
Operating properties	81.1	80.9	Consolidated reserves	8,450.1	8,222.7
Other property, plant and equipment	12.1	10.3	Consolidated net income	154.8	383.1
Goodwill	191.1	189.4			
Intangible assets	9.0	9.7	Shareholders' equity attributable to owners of the parent	12,474.3	12,475.3
Financial receivables on finance leases	103.8	94.1	Non-controlling interests	26.6	26.1
Financial fixed assets	24.6	29.8			
Investments in associates	54.4	56.2	Non-current liabilities	5,778.2	5,381.2
Non-current financial instruments	25.4	22.9	Non-current financial debt	5,611.4	5,224.3
Deferred tax assets	1.9	1.9	Non-current lease obligations	50.7	50.5
			Non-current financial instruments	13.2	2.3
Current assets	745.1	1,439.1	Deferred tax liabilities	0.1	0.0
Properties for sale	368.2	618.7	Non-current provisions	102.8	104.0
Inventories	3.8	3.7			
Trade receivables and related	56.4	77.8	Current liabilities	1,970.5	3,036.3
Other receivables	124.6	133.3	Current financial debt	1,612.9	2,453.1
Prepaid expenses	18.0	20.9	Current financial instruments	0.0	0.3
Cash and cash equivalents	174.1	584.8	Security deposits	73.3	74.2
			Trade payables and related	159.2	152.1
			Current tax and employee-related liabilities	51.8	99.2
			Other current liabilities	73.3	257.4
TOTAL ASSETS	20,249.6	20,918.9	TOTAL LIABILITIES	20,249.6	20,918.9

2- ADDITIONAL INFORMATION CONCERNING RENTAL INCOME

2.1 Factors for like-for-like rental income changes for the first half of 2021 versus the first half of 2020

Group

Like-for-like	Indexes	Business effect	Occupancy	Other
+0.1%	+0.6%	+0.6%	-1.7%	+0.5%

Offices

Like-for-like	Indexes	Business effect	Occupancy	Other
+0.4%	+0.7%	+0.4%	-1.4%	+0.7%

Total residential

Like-for-like	Indexes	Business effect	Occupancy	Other
-1.0%	+0.3%	+1.1%	-2.5%	+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	34%
Finance	6%
Media - television	7%
Retail	10%
Hospitality	5%
Technology	14%
Total	100%

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

Tenant	GROUP
ENGIE	7%
ORANGE	3%
LAGARDERE	3%
LVMH	3%
WEWORK	3%
EDF	2%
SOLOCAL GROUP	2%
YVES SAINT LAURENT	2%
FRENCH SOCIAL MINISTRIES	2%
BOSTON CONSULTING GROUP & CIE	1%
EDENRED	1%
ARKEMA	1%
GRAS SAVOYE	1%
RENAULT	1%
IPSEN	1%
LACOSTE OPERATIONS COURT 37	1%
SALESFORCE COM.FRANCE	1%
ROLAND BER	1%
MSD	1%
LATHAM & WATKINS	1%
TOP 10	28%
TOP 20	39%

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

Commercial lease schedule	2021	2022	2023	2024	2025	2026	2027	> 2027	Total
Break-up options	25	72	62	96	59	44	58	105	520
End of leases	22	32	21	51	35	42	97	221	520

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 (IFRS)			
€m	Dec 31, 2020		Jun 30, 2021
Offices	502		494
Traditional residential	106		105
Student residences	19		18
Total	627		617

3- FINANCING

3.1 Debt structure

Gecina's gross financial debt⁽¹⁾ came to €7,656m at June 30, 2021, compared with €7,198m at end-2020; net financial debt⁽²⁾ totaled €7,071m at end-June 2021.

The main characteristics of the debt are as follows:

	Dec 31, 2020	Jun 30, 2021
Gross financial debt (in million euros) ⁽¹⁾	7,198	7,656
Net financial debt (in million euros) ⁽²⁾	7,024	7,071
Gross nominal debt (in million euros) ⁽¹⁾	7,143	7,646
Unused credit lines (in million euros)	4,505	4,455
Average maturity of debt (in years, restated for available credit lines)	7.1	7.6
LTV (excluding duties)	35.6%	35.4%
LTV (including duties)	33.6%	33.4%
ICR	5.6x	5.4x
Secured debt / portfolio value	0.2%	0.2%

(1) Gross financial 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 €7,093m including these items.

Breakdown of gross nominal debt:

	Jun 30, 2021
Long-term bonds	80%
Mortgage loans	1%
Short-term resources covered by long-term credit lines	20%

3.2 Debt schedule

The following table presents the schedule for Gecina's debt at June 30, 2021 (pro-forma for the early redemption of the 2024 bond issue in July 2021):

(€m)	H2 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	>2035
Bond debt	50	550	425	-	500	100	700	700	500	500	-	500	-	700	-	500
Bank debt	1	2	2	2	2	2	2	31	-	-	-	-	-	-	-	-
Net debt (after allocation of undrawn credit lines)	-	-	-	-	675	1,412	1,152	1,121	500	500	-	500	-	700	-	500

3.3 Bank covenants

Gecina's financial position at June 30, 2021 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, 2021
LTV: loan to value (block, excl. duties)	< 55% - 60%	35.4%
ICR: EBITDA / net financial expenses	> 2.0x	5.4x
Outstanding secured debt / net asset value of portfolio (block, excl. duties)	< 25%	0.2%
Net asset value of portfolio (block, excl. duties) in billion euros	> 6.0 - 8.0	20.0

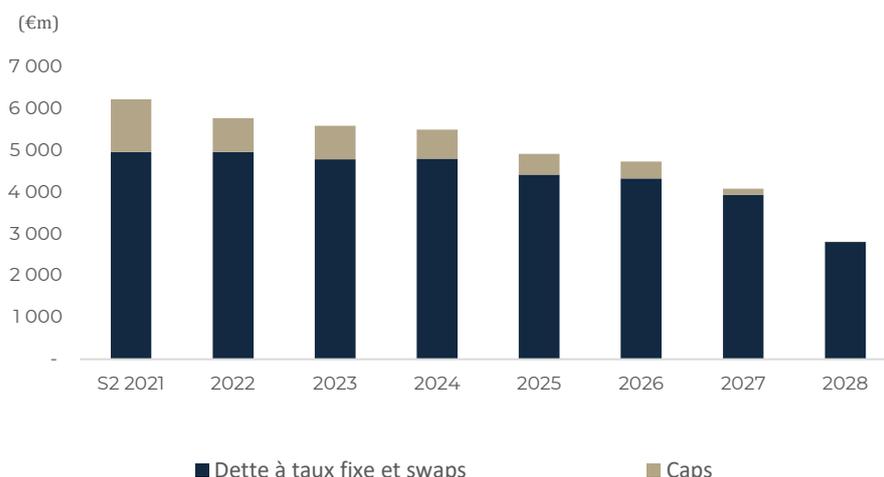
3.4 Financial rating

The Gecina Group is rated by Standard & Poor's and Moody's. At June 30, 2021:

- 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 2021 is hedged for up to 89% 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, 2021, a 50-basis point increase in interest rates would generate an additional financial expense of €2m in 2021. A 50-basis point decrease in interest rates would reduce financial expenses by €2m in 2021.

4- EPRA REPORTING AT JUNE 30, 2021

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.

4.1 EPRA recurrent net income

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

<i>In thousand euros</i>	Jun 30, 2021	Jun 30, 2020
Recurrent net income (Group share) ⁽¹⁾	202,422	215,922
- IFRIC 21	(11,257)	(10,851)
- Amortization, net provisions and depreciation	(6,238)	(4,349)
EPRA recurrent net income	184,928	200,722
EPRA recurrent net income per share	€2.51	€2.73

(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 (costs relating to the subsidiarization of the residential business in 2020).

4.2 EPRA NAV and EPRA NNAV

<i>In euros / share</i>	Jun 30, 2021	Jun 30, 2020
EPRA NRV	€189.6	€191.7
EPRA NTA	€172.6	€175.0
EPRA NDV	€167.5	€167.9
Diluted EPRA NAV	€175.3	€177.7
Diluted EPRA NNAV	€171.9	€172.2

4.3 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:

<i>(%)</i>	Jun 30, 2021	Dec 31, 2020
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	-0.7%	-0.7%
EPRA net initial yield (2)	3.0%	3.0%
Exclusion of lease incentives	0.4%	0.4%
EPRA topped-up net initial yield (3)	3.3%	3.4%

(1) Like-for-like June 2021

(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 2021 total
Investment properties		16,164	3,324	383	19,871 ⁽⁴⁾
Adjustment of assets under development and land reserves		2,005	20	55	2,079
Value of the property portfolio in operation excluding duties		14,159	3,304	328	17,792
Transfer duties		861	229	18	1,107
Value of the property portfolio in operation including duties	B	15,020	3,533	346	18,899
Gross annualized rents		472	105	16	594
Non-recoverable property charges		14	18	3	35
Annualized net rents	A	458	87	13	558
Rents at the expiry of the lease incentives or other rent discount		66	0	0	66
Topped-up annualized net rents ⁽³⁾	C	524	87	13	625
EPRA net initial yield	A/B	3.1%	2.5%	3.8%	3.0%
EPRA topped-up net initial yield	C/B	3.5%	2.5%	3.9%	3.3%

⁽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

4.4 EPRA vacancy rate

(%)	Jun 30, 2021	Jun 30, 2020
Offices	9.5%	7.3%
Traditional residential	4.0%	3.7%
Student residences	39.4%	37.7%
Group total	9.6%	7.8%

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 higher vacancy rate is linked mainly to the delivery of partially vacant Office buildings, as well as the impacts of the health crisis for student residences, resulting in universities and graduate schools being closed and restricting the mobility of national and international students.

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 2021 (%)
Offices	50	529	9.5%
Traditional residential	4	106	4.0%
Student residences	9	22	39.4%
EPRA vacancy rate	63	656	9.6%

4.5 EPRA cost ratios

<i>In thousand euros / As a %</i>	Jun 30, 2021	Jun 30, 2020
Property expenses ⁽¹⁾	(113,248)	(123,675)
Overheads ⁽¹⁾	(37,749)	(45,587)
Amortization, net provisions and depreciation	(6,238)	(4,349)
Expenses billed to tenants	82,775	87,286
Other income / income covering overheads	3,148	1,507
Share in costs of associates	(143)	(115)
EPRA costs (including vacancy costs) (A)	(71,455)	(84,933)
Vacancy costs	6,196	6,539
EPRA costs (excluding vacancy costs) (B)	(65,259)	(78,394)
Gross rental income less ground rent	311,447	336,118
Share in rental income from associates	780	780
Gross rental income (C)	312,227	336,898
EPRA cost ratio (including vacancy costs) (A/C) ⁽²⁾	22.9%	25.2%
EPRA cost ratio (excluding vacancy costs) (B/C) ⁽²⁾	20.9%	23.3%

(1) Excluding IFRIC 21

(2) The higher ratio levels for 2020 compared with 2021 are linked primarily to the costs incurred to set up a dedicated subsidiary to house the residential business (€7.3m) and the provisions for rental risk recorded as a result of the effects of the health crisis (€7.1m).

4.6 Property-related capex

<i>In million euros</i>	Jun 30, 2021			Jun 30, 2020		
	Group	Joint ventures	Total	Group	Joint ventures	Total
Acquisitions	0	na	0	56	na	56
Development	88	na	88	58	na	58
- Capitalized interest	2	na	2	2	na	2
Maintenance capex ⁽¹⁾	38	na	38	28	na	28
- Incremental lettable space	0	na	0	0	na	0
- No incremental lettable space	34	na	34	24	na	24
- Tenant incentives	4	na	4	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	126	na	126	142	na	142
Conversion from accrual to cash basis	0	na	0	20	na	20
Total capex on cash basis	125	na	125	162	na	162

(1) Capex corresponding to: (i) renovation work on apartments or private commercial spaces making it possible to capture the best market rents, (ii) work on communal areas, (iii) tenant work

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If you would like to obtain further information concerning Gecina, please refer to the public documents filed with the French Financial Markets Authority (Autorité des marchés financiers, AMF), which are also available on our internet site.

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