Press release
October 20, 2022

Business at September 30, 2022

Robust operational performances and balance sheet further strengthened

- Gross rental income of €463m, up +4% like-for-like (vs. +3% at end-June and +2.2% at end-March)
- Occupancy rate up across the portfolio (+130bp year-on-year to 92.5%)
- 73,000 sq.m of offices let since the start of the year, including 24,000 sq.m during the third quarter
- Over nine months, positive reversion of +16% recorded for offices and +9% for residential
- Pipeline’s positive net contribution to rental income
- 90% of financial expenses hedged through to 2024, with 75% on average through to 2028
- Financial ratings recently confirmed: A- by S&P, A3 by Moody’s
- Gecina now Western Europe’s leading office real estate company in the GRESB rankings
- 2022 recurrent net income per share target confirmed at €5.55 (+4.3% vs. 2021)

Increase in the occupancy rate

- Occupancy rate progressing, reflecting active demand for Gecina’s assets in central sectors, as well as the improvement in residential letting processes and a very good start to the 2022 academic year for student residences

Significant rental reversion captured, particularly at the heart of Paris

- Rental reversion of +16% for offices since the start of the year, driven by the transactions carried out at the heart of Paris in particular
- Positive rental reversion progressing since the start of 2022 for residential, with +9% on average

Growing contribution by rent indexation

- Rent indexation reflected in like-for-like growth as leases pass their anniversary dates. Contribution of around +1.5%, with a gradual ramp-up expected over the coming quarters
- For reference, the ILAT index published at end-September 2022 for Q2 2022 is +5.3%

Pipeline’s positive net contribution to rental income

- The pipeline’s net contribution (contribution by assets delivered net of assets launched for redevelopment) was positive, with this trend expected to ramp up between now and the end of the year and then in 2023, with the delivery of several projects (including l1ve and Boétie in the CBD)
- 90% of the space in assets delivered in 2022 and scheduled for delivery in 2023 now let, with the recent letting of the remaining space in the Boétie building in the CBD and 157 Charles de Gaulle in Neuilly, rising to nearly 100% including the discussions that are currently being finalized

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

- €600m of responsible credit lines renewed during the quarter, with an average term of over seven years and a margin that is consistent with the previous lines
- Cost of debt 90% hedged through to end-2024 and 75% on average through to 2028
- Surplus liquidity currently covering all of the maturities for drawn debt through to 2027
- Average debt maturity of 7.4 years at end-September

Gecina makes further progress in the CSR rankings and GRESB in particular

- Overall rating up to 94/100, and 99/100 for redevelopments, reflecting Gecina's excellence in terms of CSR aspects and moving up to first place as Western Europe’s top-ranked office real estate company
- Gecina also retained its AAA rating for the fifth consecutive year in the MSCI rankings

➢ In this context of good operational performance levels, and despite interest rates rising more quickly than expected, **Gecina is able to confirm its recurrent net income per share target of €5.55 for 2022,** up +4.3% from 2021

Gross rental income of €463m, up +4% like-for-like

Like-for-like rental income growth that is accelerating, reflecting the improvement in occupancy rates and the growing impact of indexation

Gross rental income In million euros	Sep 30, 2021	Sep 30, 2022	Change (%) Current basis	 Like-for-like
Offices	**370.9**	**368.9**	**-0.5%**	**+4.0%**
Traditional residential	79.0	79.7	+0.9%	+1.7%
Student residences (Campus)	11.9	14.6	+22.4%	+17.8%
Total gross rental income	**461.8**	**463.2**	**+0.3%**	**+4.0%**

Like-for-like, the acceleration in performance levels can clearly be seen with the changes between the different quarters. The first quarter recorded growth of +2.2%, with +3.2% in the second quarter, while the third quarter saw like-for-like rental income growth of **+6.0% compared with the third quarter of 2021.**

For the nine months to end-September, the organic trend therefore accelerated **(+4% for nine months to end-September**, vs. +3% at end-June and +2.2% at end March). Half of this performance reflects the gradual impacts of the reduction in vacancy levels, primarily for offices and student residences. The impacts of the increase in indexation are starting to be seen, further strengthening the factors contributing to the upturn in organic rental income growth.

- **Impact of the increase in the occupancy rate across all asset classes** contributing +1.9% to like-for-like growth, benefiting from the strong upturn in rental transactions since the second quarter of 2021, with this trend confirmed since the start of 2022. The improvement in the occupancy rate also reflects a more proactive strategy for the residential business and the strong lettings performance achieved for student residences since the last quarter of 2021.
- **Excellent level of business for student residences**, with like-for-like growth of +17.8% for this business, resulting from the strong increase in the occupancy rate, as well as the significant reversion potential captured.
- **The gradual impacts of the acceleration in indexation** contributed to the like-for-like rental performance (for +1.5%, already higher than the full-year contribution of +0.3% in 2021). This effect is expected to mechanically ramp up over the coming quarters, gradually reflecting the marked increase in the indexes published (particularly the ILAT for offices, with the latest index published in September for Q2 2022 representing +5.3% year-on-year).
- **Rental reversion captured across all the business lines**, for both offices and residential. The capturing of this reversion and certain compensation for departures contributed +0.6% to organic rental income growth.

On a current basis, rental income is stable (+0.3%), with the impact of the office sales completed in 2021 offset by the pipeline's positive net contribution and strong like-for-like performance.

- **Sales completed in 2021 and 2022:** since 2021, Gecina has completed or secured €644m of sales of non-strategic buildings, including Les Portes d'Arcueil in Arcueil, Orion in Montreuil and Louise Michel in Levallois in the third quarter of 2021. Since then, the sales finalized by the Group mainly include the Being building in La Défense.
  For reference, the sales completed or secured in 2021 achieved a premium of around **+9%** versus the end-2020 appraisal values, with **+9%** also for the 2022 sales versus the latest appraisals from end-2021. The loss of rental income for the first nine months represents nearly -€12m.
- **Positive net contribution for the development pipeline:** the contribution by the buildings delivered in 2021 (primarily the Anthos building in Boulogne and the Ynov student residence in Ivry) came to €5.7m, higher than the temporary loss of rent on buildings with strong value creation potential freed up to be redeveloped (-€4.7m). Note that the delivery of the l1ve-Paris CBD building, with nearly 90% let to date, is expected to increase this contribution from the fourth quarter of 2022.

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Offices: positive trends confirmed for central sectors

Gross rental income - Offices In million euros	Sep 30, 2021	Sep 30, 2022	Change (%) Current basis	 Like-for-like
Offices	**370.9**	**368.9**	**-0.5%**	**+4.0%**
Central areas	**267.2**	**269.0**	**+0.7%**	**+3.7%**
Paris City	**213.2**	**215.0**	**+0.8%**	**+3.7%**
- Paris CBD & 5-6-7	132.7	132.1	-0.4%	+3.0%
- Paris - Other	80.6	82.9	+2.9%	+4.8%
Core Western Crescent	**54.0**	**54.0**	**+0.0%**	**+3.7%**
La Défense	**41.9**	**47.6**	**+13.4%**	**+11.2%**
Other locations (Peri-Défense, Inner / Outer Rims, Other regions)	**61.7**	**52.4**	**-15.1%**	**-0.2%**

<u>Improvement in the average financial occupancy rate by +130bp and positive reversion of +16%</u>

Since the start of the year, Gecina has **let, relet or renegotiated nearly 73,000 sq.m**, representing almost €51m of headline rent.

- **Nearly 60% of the transactions concern relettings or renewals** of leases, primarily at the heart of Paris City. Overall, the **average reversion captured came to +16%** since the start of the year, driven by the strong level of reversion secured in the central sectors. For instance, it came to **+27% in Paris' Central Business District and +30% for the rest of Paris City**.
- **Nearly 40% of these transactions concern new leases on buildings that were vacant, under development or delivered recently:**
  - These latest transactions, on buildings delivered recently or scheduled for delivery shortly (157 Charles de Gaulle in Neuilly-sur-Seine, Boétie in Paris' CBD) or buildings that have been renovated (Horizons, Boulogne), will help further strengthen visibility over the Group's rental income growth.
  - The pre-letting rate for assets to be delivered in 2022 and 2023 or delivered since the start of this year represents 90%. Since the start of the third quarter, the remaining office space in the Boétie-CBD and 157 Charles de Gaulle–Neuilly buildings, recently delivered or under development, has been let. Other discussions are underway and expected to pave the way for the letting rate to move close to 100%.

<u>Iconic transactions confirming the good level of central rental markets</u>

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

<u>In Paris' Central Business District,</u> the Group has secured several rental transactions for offices at around €950/sq.m/year, since the start of the third quarter.

- At the start of July, Gecina signed a firm 10-year lease, based on current prime rents, with a tenant from the luxury industry, for **all of the "64 Lisbonne" building** (7,850 sq.m), anticipating the departure of the tenant currently in place and making it possible to capture significant reversion.
- In the third quarter, Gecina also finished letting all of **the building located on Place de l'Opéra ("3 Opéra")**, representing 4,500 sq.m, to a leading finance company, exceeding the market's current prime rent levels, securing major reversion potential.
- Over this period, the letting of all of the **"Boétie" building in Paris' CBD,** which will be delivered during the first half of 2023, was completed with Eight Advisory (for nearly 9,300 sq.m).

<u>Change in gross rental income: like-for-like growth accelerating</u>

<u>Like-for-like office rental income growth came to +4.0% year-on-year</u> (vs. +2.7% for the first half of the year), benefiting for +2% from an improvement in the occupancy rate across our buildings, reflecting the robust lettings performances achieved since the second quarter of 2021, as well as a positive indexation effect which is ramping up (+1.6%), passing on - with a delayed impact - the return of an inflationary context.

- **<u>In the most central sectors</u> (84% of Gecina's office portfolio)** in Paris City, Neuilly-Levallois and Boulogne-Issy, like-for-like rental income growth came to **+3.7%,** benefiting from:
  - an <u>improvement in the occupancy rate</u> (+1.1%)
  - a <u>positive level of indexation</u> (+1.5%), which will become stronger over the coming quarters
  - and other effects mainly including <u>positive reversion</u> (+1.1%)

- **On the La Défense market** (8% of the Group's office portfolio), Gecina's rental income is up **+11.2%** like-for-like, factoring in the impact of a significant increase in the occupancy rate for the Group's buildings, resulting from the major transactions secured recently on buildings that were previously vacant (Carré Michelet, Adamas), with indexation and reversion having only a very marginal impact on this sector.

The -0.5% contraction on a current basis is linked primarily to the **asset disposals** completed in 2021, including the sales of the Les Portes d'Arcueil (Arcueil), Louise Michel (Levallois) and Orion (Montreuil) buildings in the third quarter of 2021.

Lastly, note that the **pipeline's contribution** to rental income growth (contribution from deliveries net of transfers to the pipeline) **is now positive**, benefiting from the leases signed recently for the Anthos (Boulogne), 157 Charles de Gaulle (Neuilly) and Sunside (La Défense) buildings. This contribution is expected to be further strengthened with the delivery of the "l1ve-CBD" building in the third quarter.

Residential: reversion potential confirmed and excellent level of operational activity

YouFirst Residence (traditional residential): acceleration in operational performance levels confirmed
Like-for-like, rental income from traditional residential properties is up **+1.7%**.
This performance takes into account a level of indexation that is starting to be gradually passed on (+1.2%) and the impact of **positive reversion (+0.5%) on the apartments relet, with the rent for new tenants around +9% higher** than levels for the previous tenants on average since the start of the year.

On a current basis, rental income is up +0.9%, reflecting the impact of the few disposals completed since the start of the year.

YouFirst Campus (student residences): strong upturn in activity
Rental income from student residences shows strong growth, with +18% like-for-like and +22% on a current basis.
This performance is linked primarily to the marked increase in the occupancy rate for residences (contributing +10.8%), as well as the significant reversion captured (contributing +6.2%).

Occupancy rate: improvement in the third quarter

Average financial occupancy rate	Sep 30, 2021	Dec 31, 2021	Mar 31, 2022	Jun 30, 2022	Sep 30, 2022
Offices	**91.0%**	**90.7%**	**91.1%**	**91.8%**	**92.3%**
Traditional residential	96.6%	96.8%	96.9%	96.8%	96.5%
Student residences	72.8%	79.0%	92.6%	86.3%	82.7%
Group total	**91.2%**	**91.2%**	**92.0%**	**92.3%**	**92.5%**

The Group's **average financial occupancy rate** has progressed each quarter for the past year and now represents 92.5%, up +130bp from end-September 2021, reflecting the robust level of lettings.

The spot occupancy rate is up +200bp year-on-year to 93.6%, +110bp higher than the average rate, reflecting the robust trends underway, which are expected to benefit the change in the average financial occupancy rate over the coming quarters, thanks in particular to the leases that were signed recently, but have not yet come into effect, such as the Carré Michelet building. If they were taken into account, they would represent a **theoretical increase in the occupancy rate by nearly +120bp**.

For offices, the average occupancy rate reached 92.3%, up +130bp year-on-year and +50bp over three months.

With a breakdown per geographical area, the occupancy rate in Paris City reached over 94% at end-September, progressing since end-June 2021. For La Défense, the average financial occupancy rate is up +7.4pts year-on-year (to nearly 90%) thanks to the strong volume of lettings recorded over the last 12 months. For the other sectors, the financial occupancy rates are stable or down slightly, at around 90%.

For the **student residences** scope, the financial occupancy rate shows strong growth of +10pts year-on-year to 82.7%, **reflecting a normalization of this business**. **The spot occupancy rate at end-September was close to 95%.**

Sound balance sheet, long debt maturity and high hedging rate

	Covenant	Jun 30, 2022
ICR	> 2.0x	5.5x
Outstanding secured debt / net asset value of portfolio (block, excl. duties)	< 25%	0.0%
LTV *(excluding duties)*	< 60%	33.8%
LTV *(including duties)*		31.9%
		Sept 30, 2022
Average maturity of debt *(in years, restated for available credit lines)*		7.4 years
Available liquidity (cash + unused credit lines)		€4.8bn

Liquidity further strengthened over the long term, covering maturities through to 2027
The levels of available or undrawn liquidity (€3.2bn net of commercial paper) enable Gecina to have around €1bn of surplus liquidity compared with its financial policy, which targets a minimum liquidity (net of commercial paper) of €2.0bn. These levels of surplus liquidity therefore cover all of the maturities for drawn debt through to 2027.

Since the start of the year, the Group has therefore set up €1.8bn of new responsible credit lines, including €0.6bn during the third quarter, with an average maturity of seven years in exchange for the early cancellation of €1.6bn with a margin that is consistent with the credit lines that were cancelled, which had a residual average maturity of 1.5 years.

As a result, all of the bank maturities for 2023 and a large part of the maturities for 2024 and 2025 have already been renewed with longer maturities, primarily in 2029 and 2030.

Cost of debt 90% hedged on average through to end-2024 and 75% through to end-2028
Gecina's rate hedging policy stands out through its long maturity (7.1 years), making it possible to sustainably protect the average cost of Gecina's debt.
Nearly 90% of current debt is hedged in 2023 and 2024, with 75% on average through to 2028.

2022 objectives: renewed confidence

The performance levels achieved at end-September 2022 reflect the good level of Gecina's preferred rental markets, with an increase in both rental values and occupancy rates for assets, as well as the gradual upturn in indexation.

In a context of interest rates rising more quickly than expected, which requires a cautious approach and supports the Group's precautionary management of its balance sheet, Gecina is able to confirm its objectives for 2022.

Gecina is able to confirm its **recurrent net income (Group share) target of €5.55 per share[1] for 2022,** (versus €5.50 expected at the start of the year), up **+4.3% compared with 2021.**

About Gecina

As a specialist for centrality and uses, Gecina operates innovative and sustainable living spaces. The Group owns, manages and develops Europe's leading office portfolio, with over 97% located in the Paris Region, and a portfolio of residential assets and student residences, with over 9,000 apartments. These portfolios are valued at 20.6 billion euros at end-June 2022.

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

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

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