Half-year Report 2021

gecina

Contents

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PHOTOS CREDITS

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This Amendment to the 2020 Universal Registration Document has been submitted without prior approval to the AMF on July 23, 2021, in its capacity as the competent authority under Regulation (EU) 2017/1129, in accordance with Article 9 of that Regulation. The Universal Registration Document may be used for a public offer of financial securities or the admission of financial securities to trading on a regulated market if it is accompanied by a prospectus and, if applicable, an abstract and any amendments to the Universal Registration Document. The resulting collection of documents shall then be approved by the AMF in accordance with Regulation (EU) 2017/1129.

1

Key figures

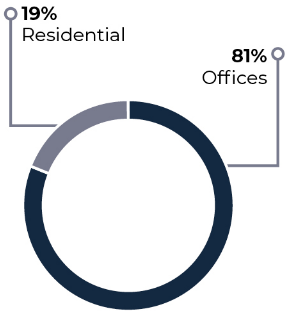
In million euros	Change vs 06/30/2020	06/30/2021	12/31/2020	06/30/2020
GROSS RENTAL INCOME	**–7.3%**	**311.4**	**658.0**	**336.1**
Offices	**–8.5%**	**250.7**	**533.6**	**274.0**
Paris City	–2.7%	143.5	289.8	147.5
• Paris CBD & 5-6-7 – Offices	+0.0%	71.0	143.4	71.0
• Paris CBD & 5-6-7 – Retail	+8.8%	19.0	34.8	17.5
• Paris Other	–9.4%	53.4	111.6	59.0
Western Crescent – La Défense	–15.4%	80.8	182.1	95.5
Other Paris Region	–19.2%	17.5	42.9	21.7
Other French regions / international	–3.8%	8.9	18.8	9.2
Traditional residential	**–0.4%**	**52.7**	**106.0**	**52.9**
Student residences	**–12.9%**	**8.0**	**18.4**	**9.2**
RECURRENT NET INCOME (GROUP SHARE)[1]	**–6.3%**	**202.4**	**420.6**	**215.9**
VALUE IN BLOCK OF PROPERTY HOLDING[2]	**–0.3%**	**19,971**	**19,738**	**20,037**
Bureaux	**–1.2%**	**16,132**	**15,983**	**16,333**
Paris City	+2.5%	10,685	10,489	10,420
• Paris CBD & 5-6-7 – Offices	+5.8%	5,993	5,837	5,664
• Paris CBD & 5-6-7 – Retail	–4.3%	1,682	1,642	1,758
• Paris Other	+0.4%	3,010	3,010	2,998
Western Crescent – La Défense	–7.3%	4,377	4,416	4,722
Other Paris Region	–12.8%	609	604	699
Other French regions / international	–6.4%	461	475	492
Residential	**+4.2%**	**3,735**	**3,641**	**3,584**
Hotel and financial lease	**–13.3%**	**104**	**114**	**120**
NET YIELD ON PROPERTY HOLDING[3]	**+6 pb**	**3.8%**	**3.9%**	**3.8%**

Data per share *(in euros)*	Change vs 06/30/2020	06/30/2021	12/31/2020	06/30/2020
Recurrent net income (Group share)[1]	**–6.5%**	**2.75**	**5.72**	**2.94**
EEPRA NRV (Net Reinstatement Value)[4]	–1.1%	189.6	187.1	191.7
EPRA NTA (Net Tangible Asset Value)[4]	**–1.4%**	**172.6**	**170.1**	**175.0**
EPRA NDV (Net Dissolution Value)[4]	–0.2%	167.5	163.0	167.9
EPRA diluted NAV[4]	–1.4%	175.3	172.8	177.7
EPRA NNNAV[4]	–0.2%	171.9	167.4	172.2
Net dividend		–	5.30	–

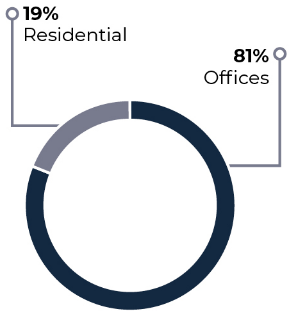
Number of shares	Change vs 06/30/2020	06/30/2021	12/31/2020	06/30/2020
Comprising the share capital	+0.2%	76,526,604	76,526,604	76,411,605
Excluding treasury shares	+0.2%	73,667,786	73,619,699	73,504,700
Diluted number of shares excluding treasury shares	+0.2%	73,824,095	73,762,805	73,711,096
Average number of shares excluding treasury shares	+0.3%	73,667,786	73,559,730	73,472,992

(1) EBITDA excluding IFRC 21 after deduction of net financial expenses, recurring taxes, minority interests, including income from equity-accounted investments, and after restatement of certain exceptional items (costs related to the subsidiarization of the residential business in 2020).
(2) See Note 2.5 "Appraisal of property holdings".
(3) Like-for-like basis June 2021.
(4) See Note 2.7 "Net asset value".

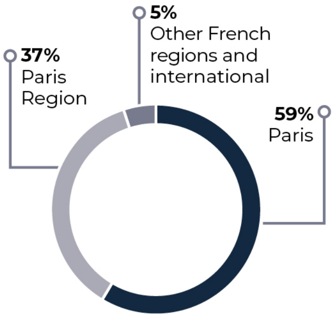
Property holding appraisal by business s (excl. financial leases)



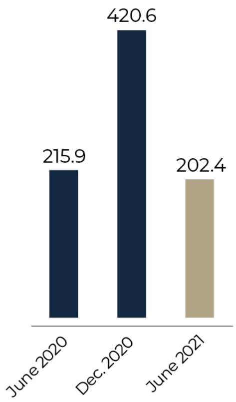
Breakdown of rental revenues by business



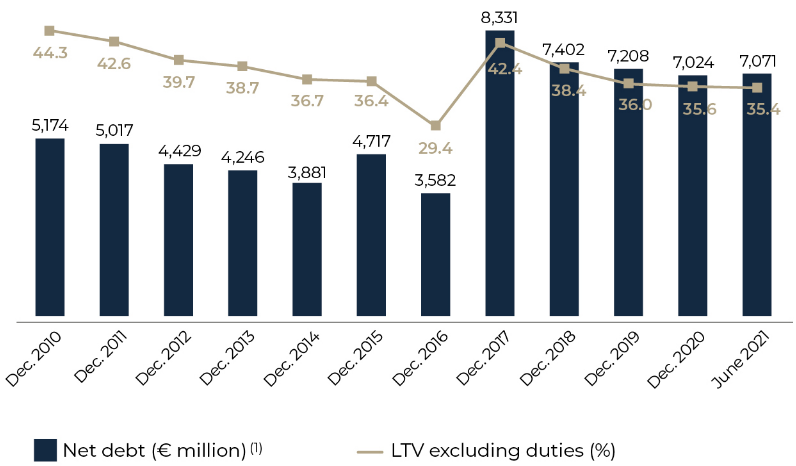
Geographic breakdown of rental revenues



Recurent net income – Group Share
(€ millions)

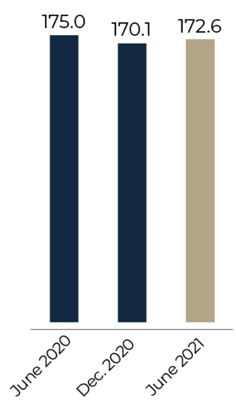


LTV ratio (excluding duties)

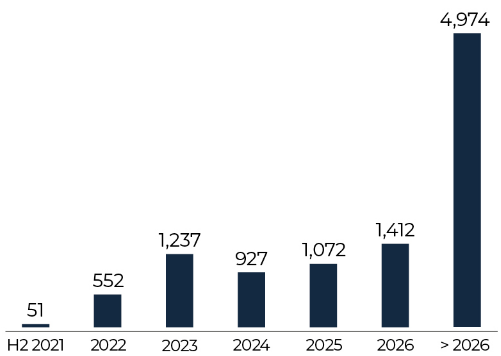


(1) Excluding fair value items linked to Eurosic's debt, €7,093m at end-June 2021 including these items.

EPRA NTA (Net Tangible Asset Value)
(in euros)



Schedule of authorized financing
(including unused credit lines and excluding commercial paper, pro-forma of the early redemption of the 2024 bond realized in July 2021)*(€million)*




Restaurant

2

Business review

2.1 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%[1] 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.

(1) Including one transaction that is currently being finalized for a building in Paris

2

2.2 Rental income

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*	06/30/2021	06/30/2020	Change (%) Current basis %	Current basis €m	Like-for-like %	Like-for-like €m
Offices	**250.7**	**274.0**	**–8.5%**	**–23.3**	**+0.4%**	**0.9**
Traditional residential	52.7	52.9	–0.4%	–0.2	+1.1%	0.5
Student residences	8.0	9.2	–12.9%	–1.2	–12.6%	–1.1
TOTAL GROSS RENTAL INCOME	**311.4**	**336.1**	**–7.3%**	**–24.7**	**+0.1%**	**0.3**

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%.

2.2.1 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*	06/30/2021	12/31/2020
Offices	**494**	**502**
Traditional residential	**105**	**106**
Student residences (Campus)	**18**	**19**
TOTAL	**617**	**627**

2.2.2 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 signed[1] 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*	**06/30/2021**	**06/30/2020**	**Change (%)** **Current basis**	 **Like-for-like**
OFFICES	**250.7**	**274.0**	**–8.5%**	**+0.4%[2]**
Paris City	143.5	147.5	–2.7%	+0.6%
• Paris CBD & 5-6-7	90.1	88.5	+1.7%	+2.8%
▸ *Paris CBD & 5-6-7 - Offices*	71.0	71.0	+0.0%	+0.4%
▸ *Paris CBD & 5-6-7 - Retail*	19.0	17.5	+8.8%	+12.3%
• Paris - Other	53.4	59.0	–9.4%	–3.0%
Western Crescent - La Défense	80.8	95.5	–15.4%	+0.0%
Paris Region - Other	17.5	21.7	–19.2%	–0.7%
Other French regions / International	8.9	9.2	–3.8%	+1.1%

(1) Excluding non-standard situations.

(2) 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.

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%
MINISTERES SOCIAUX	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

2.2.3 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.

2.2.4 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.

2.2.5 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 average[1], 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.

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.

(1) According to BNPPRE, compared with the long-term average calculated over the last 15 years.

2.2.6 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.

2.2.7 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	06/30/2020	09/30/2020	12/31/2020	03/31/2021	06/30/2021
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%**

2.3 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.

2.3.1 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.

2.3.2 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.

- 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).
- 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.
- 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.

2

2.3.3 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%**

2.3.4 Other significant changes

- Decrease in overheads benefiting from a reduction in operating costs.
- 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	06/30/2021	06/30/2020	*Change (%)*
Gross rental income	**311.4**	**336.1**	***–7.3%***
Net rental income	**281.0**	**299.7**	***–6.3%***
Operating margin for other business	0.6	(0.4)	*N/A*
Services and other income (net)	3.1	1.5	*N/A*
Overheads	(37.7)	(38.3)	*–1.5%*
EBITDA	**246.9**	**262.5**	***–5.9%***
Net financial expenses	(43.3)	(43.7)	*–1.1%*
Recurrent gross income	**203.7**	**218.8**	***–6.9%***
Recurrent net income from associates	0.6	0.7	*–6.7%*
Recurrent minority interests	(0.6)	(0.6)	*+4.4%*
Recurrent tax	(1.3)	(3.0)	*–56.7%*
Recurrent net income (Group share)(1)	**202.4**	**215.9**	*–6.3%*
RECURRENT NET INCOME (GROUP SHARE) PER SHARE	**2.75**	**2.94**	***–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).

2.4 Portfolio rotation

2.4.1 €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%.

- 97% of these office sales concern buildings located outside of Paris City.
- €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.

2.4.2 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.

2

2.4.3 €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.

Development pipeline

Project	Location	Delivery date	Total space (sq.m)	Total Invest. (€m)	Already invested (€m)	Still to invest (€m)	Yield on cost (est.) (net)	Theoretical prime yields (BNPPRE)	% pre-let
Paris - Biopark	Paris	Q3-21	6,400 sq.m	€47m	€47m	€0m	6.8%	2.9%	100%
La Défense - Sunside	Western Crescent	Q3-21	9,600 sq.m	€83m	€80m	€2m	5.6%	2.7%	
Neuilly - 157 Charles de Gaulle	Western Crescent	Q4-21	11,400 sq.m	€115m	€103m	€12m	5.7%	3.2%	
Paris - L1ve	Paris CBD	Q2-22	33,200 sq.m	€514m	€438m	€76m	4.8%	2.7%	78%
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	4.7%	2.7%	
Paris - Mondo (formerly Bancelles)	Paris CBD	Q2-24	29,800 sq.m	€384m	€261m	€122m	5.9%	2.7%	
Montrouge - Porte Sud	Inner Rim	Q3-24	11,700 sq.m	€83m	€32m	€52m	5.8%	3.6%	100%
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	6.0%	2.2%	N/A
Ivry sur Seine - Ynov	Inner Rim	Q3-21	7,200 sq.m	€41m	€40m	€1m	6.3%	3.5%	N/A
Ville d'Avray	Inner Rim	Q1-23	10,000 sq.m	€78m	€20m	€58m	2.8%	2.8%	N/A
Paris - Vouillé	Paris	Q3-23	2,400 sq.m	€24m	€9m	€14m	4.2%	3.5%	N/A
Paris - Lourmel	Paris	Q3-23	1,700 sq.m	€17m	€4m	€13m	4.1%	3.5%	N/A
Paris - Dareau	Paris	Q4-23	5,500 sq.m	€52m	€26m	€27m	3.4%	2.2%	N/A
Paris - Wood'up	Paris	Q4-23	8,000 sq.m	€95m	€0m	€95m	2.4%	2.2%	N/A
Paris - Porte Brancion	Paris	Q3-24	2,900 sq.m	€19m	€0m	€19m	6.1%	3.5%	N/A
Bordeaux - Belvédère	Bordeaux	Q3-24	8,000 sq.m	€39m	€0m	€39m	3.6%	3.0%	N/A
Marseille - Art'Chipel	Marseille	Q2-24	4,800 sq.m	€27m	€0m	€27m	3.6%	3.0%	N/A
Residential densification		na	1,700 sq.m	€6m	€0m	€6m	8.5%	2.2%	N/A
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%**	

2.5 Appraisal of the property portfolio

The Group's property portfolio is valued twice a year by independent appraisers. Following turnover in the property portfolio experts in the first half of 2020, Office assets are now being appraised by Cushman & Wakefield and Jones Lang LaSalle, Traditional Residential assets by CBRE Valuation, and Student Residence assets by Catella Valuation Advisors. Assets are included in the like-for-like basis if they were in operation over the half year and are not up for sale.

The change in the value of these assets according to the Group's accounting standards over the last six months is as follows:

	Block value			Δ On a current basis		Δ On a like-for-like basis	
In millions of euros	06/30/2021	12/31/2020	06/30/2020	06/30/2021 vs 06/30/2020	06/30/2021 vs 12/31/2020	06/30/2021 vs 06/30/2020	06/30/2021 vs 12/31/202
Offices	**16,132**	**15,983**	**16,333**	**–1.2%**	**+0.9%**	**–0.8%**	**+1.0%**
Paris City	**10,685**	**10,489**	**10,420**	**+2.5%**	**+1.9%**	**+1.6%**	**+1.7%**
• Paris CBD & 5-6-7	7,675	7,479	7,422	+3.4%	+2.6%	+1.9%	+2.0%
▸ Paris CBD & 5-6-7 - Offices	5,993	5,837	5,664	+5.8%	+2.7%	+3.9%	+2.1%
▸ Paris CBD & 5-6-7 – Retail	1,682	1,642	1,758	–4.3%	+2.5%	–0.9%	+1.8%
• Paris – Other	3,010	3,010	2,998	+0.4%	+0.0%	+1.1%	+1.0%
Western Crescent – La Défense	4,377	4,416	4,722	–7.3%	–0.9%	–5.4%	–0.2%
Paris Region – Other	609	604	699	–12.8%	+1.0%	–8.9%	–0.2%
Other French regions / International	461	475	492	–6.4%	–3.0%	–4.5%	–1.4%
Residential	**3,735**	**3,641**	**3,584**	**+4.2%**	**+2.6%**	**+3.0%**	**+1.2%**
Traditional residential	3,352	3,274	3,232	+3.7%	+2.4%	+3.3%	+1.4%
Student residences	383	367	352	+8.7%	+4.2%	+0.3%	–0.4%
Hotel & financial leases	**104**	**114**	**120**	**–13.3%**	**–8.4%**	**+0.0%**	**+0.0%**
GROUP TOTAL – BLOCK VALUE	**19,971**	**19,738**	**20,037**	**–0.3%**	**+1.2%**	**–0.1%**	**+1.0%**
GROUP TOTAL – UNIT APPRAISALS	**20,528**	**20,294**	**20,588**	**–0.3%**	**+1.2%**	**+0.0%**	**+1.1%**

The block value of the property portfolio amounted to €19,971 million, i.e. an increase of €233 million over the first half of 2021 (i.e. +1.2%).

This increase is mainly due to the increase in asset value on a like-for-like basis (+€179 million including €38 million of investments) as well as an increase in the value of assets under development (+€123 million including €84 million of investments) offset by the disposal of assets totaling €99 million.

The main changes in the property portfolio in the financial year are the following:

ON A CURRENT BASIS

(i) €179 million increase, corresponding to the rise in asset value on a like-for-like basis.

(ii) €123 million euro increase in the pipeline (€84 million of investment), including Boétie (Paris 8th arrondissement), l1ve (Paris 16th arrondissement) and Mondo (Paris 17th arrondissement). The pipeline amounted to €1,473 million as at June 30, 2021.

(iii) Disposal of €99 million (value as of December 31, 2020) corresponding to disposals for a sales price of €104 million.

(iv) €15 million increase (value as of December 31, 2020) in unit-by-unit asset sales.

(v) Increase of €20 million in value of assets for block disposal, for a value of €340 million at June 30, 2021.

(vi) Stability of land reserves.

(vii) Decrease of €10 million in the financial lease portfolio.

ON A LIKE-FOR-LIKE BASIS

Gecina's like-for-like scope of €17,232 million increased by €179 million over the half-year (i.e. +1.0%)including €38 million in investments:

(i) Increase in the office portfolio of +1.0% or +€139 million. The net capitalization rates are stable at 4.0%.

(ii) Increase in the traditional residential property portfolio by +1.4% or +€40 million. Unit valuations increased by +1.4%. The value per square meter stood at €7,640/sq.m as at June 30, 2021, with a net capitalization rate of 2.9%.

(iii) Slight fall in the student property portfolio of –0.4% or –€1 million. The value per square meter stood at €5,090/sq.m as at June 30, 2021, with a net capitalization rate of 4.8%.

YIELD RATE AND CAPITALIZATION RATE

Net capitalization rates excluding duties were stable over the half year, on a like-for-like basis.

	Net yield (incl. duties)		Net capitalization rate (excl. duties)	
In millions of euros	**June 30, 2021**	**December 31, 2020**	**June 30, 2021**	**December 31, 2020**
Offices	**3.8%**	**3.8%**	**4.0%**	**4.0%**
Paris City	**3.2%**	**3.2%**	**3.4%**	**3.4%**
• Paris CBD & 5-6-7	2.9%	2.9%	3.1%	3.1%
▸ Paris CBD & 5-6-7 – Offices	3.1%	3.1%	3.3%	3.3%
▸ Paris CBD & 5-6-7 – Retail	2.5%	2.5%	2.7%	2.7%
• Paris – Other	3.8%	3.8%	4.0%	4.0%
Western Crescent – La Défense	5.0%	4.9%	5.3%	5.2%
Paris Region – Other	7.9%	7.8%	8.4%	8.4%
Other French regions / International	4.4%	4.3%	4.5%	4.4%
Residential	**2.9%**	**2.9%**	**3.1%**	**3.1%**
Traditional residential	2.7%	2.8%	2.9%	2.9%
Student residences	4.5%	4.5%	4.8%	4.7%
TOTAL LIKE-FOR-LIKE BASIS[1]	**3.6%**	**3.6%**	**3.8%**	**3.9%**

(1) Like-for-like June 2021.

For each asset category, the property appraisers establish working assumptions based mainly on their knowledge of the market and in particular of the latest transactions. It is in this context that they determine the various capitalization and discount rates.

DISCOUNT RATE AND RISK PREMIUM

The table below indicates, by asset category, the range of discount rates used by the property appraisers to prepare the Discounted Cash Flow (DCF method) in their appraisals carried out to date.

Sector-specific premium risks were determined with reference to the French Treasury's ten-year OAT (with an interest rate of +0.10% as of June 30, 2021).

	Discount rate June 2021			Specific risk premium June 2021		
Offices	**2.9%**	**-**	**9.8%**	**3.0%**	**-**	**9.9%**
Offices – Paris	2.9%	-	6.0%	3.0%	-	6.1%
Offices – Paris Region	4.0%	-	9.8%	4.1%	-	9.9%
Offices – Regions	4.5%	-	4.7%	4.6%	-	4.8%
Traditional residential	**2.6%**	**-**	**4.0%**	**2.7%**	**-**	**4.1%**
Student residences	**3.5%**	**-**	**5.0%**	**3.6%**	**-**	**5.1%**

The breakdown of the portfolio value by segment as of June 30, 2021 is the following:

Segments	06/30/2021 *(in million of euros)*	06/30/2021 *(in %)*
Offices	16,132	81%
Traditional residential	3,352	17%
Student residences	383	2%
Hotel and financial leases	104	1%
TOTAL GECINA	**19,971**	**100%**

RECONCILIATION OF PORTFOLIO VALUE WITH BOOK VALUE

In accordance with the EPRA guidelines, the table below presents the reconciliation between the book value of buildings on the balance sheet and the total appraisal value of the property holdings:

In millions of euros	06/30/2021
Book value	**19,838**
Fair value of buildings in operation (including Head Office)	+149
Lease obligation IFRS 16	–16
Property portfolio value	**19,971**
Company fair value accounted for under the equity method	+4
APPRAISAL VALUE	**19,975**

2.6 Financial structure

Relying on the robustness of its balance sheet, Gecina continued to optimize, strengthen and extend its financial structure during the first half of 2021. Gecina also accelerated the alignment of its financial structure with the Group's strategy and strong convictions in CSR thanks to the signing of new responsible credit lines and the requalification of all its outstanding bonds to Green Bonds.

Gecina obtained the approval of its bondholders, who were called to General Meetings on May 6 and 25, 2021, to transform 100% of their bonds, or 15 bond issues, into Green Bonds. Gecina has also committed to issuing all future bonds in the Green Bond format. This 100% green bond program, which is based on a global, innovative and dynamic Green Bond Framework (available on our website), was the subject of a Second Opinion delivered by ISS Corporate Solutions. Gecina is one of the first companies in the world to have a 100% green bond financing program.

As at June 30, 2021, Gecina has an LTV debt ratio of 33.4% and significant liquidity of €5.0 billion (€3.5 billion restated from NEU CPs). These resources cover all of the Group's credit maturities up until the end of 2024.

As a result of this situation and the fact that the Group does not require short-term financing, it has continued its work of strengthening and greening its liabilities. Therefore, the main financing transactions during the first half of 2021 focused on:

- The raising of €1.1 billion in new financing with an average maturity of 10.5 years. This includes a 15-year bond issue of €500 million with a coupon of 0.875%, in conjunction with the €1.2-billion early repayment of financing with short-term maturities (including €0.4 billion in July 2021);
- Accelerating the integration of a CSR component into the Group's financing. At June 30, 2021, Gecina had €6.1 billion of Green Bonds and €2.9 billion of responsible credit lines (or 65% of its outstanding credit lines). This is now €9 billion in financing, or 85% of the Group's total financing, which encourages and commits Gecina to continue to improve the environmental performance of its portfolio.

These transactions also improved the Group's main credit indicators: the average cost of drawn debt amounted to 0.9% (versus 1.0% in 2020) and the average maturity of debt was extended to 7.6 years (versus 7.1 years at the end of 2020).

2.6.1 Debt structure

Net financial debt amounted to €7,071 million on June 30, 2021, up €48 million compared to the end of December 2020.

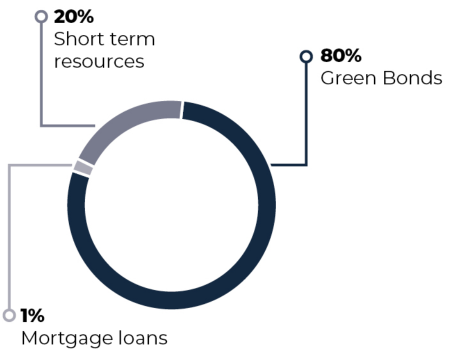
The main characteristics of the debt are:

	12/31/2020	06/30/2021
Gross financial debt *(in millions of euros)*[1]	7,198	7,656
Net financial debt *(in millions of euros)*[2]	7,024	7,071
Gross nominal debt *(in millions of euros)*[1]	7,143	7,646
Unused credit lines *(in millions of euros)*	4,505	4,455
Average maturity of debt *(years, restated from available credit lines)*	7.1	7.6
LTV *(including duties)*	33.6%	33.4%
LTV *(excluding duties)*	35.6%	35.4%
ICR	5.6 x	5.4 x
Secured debt / Properties	0.2%	0.2%

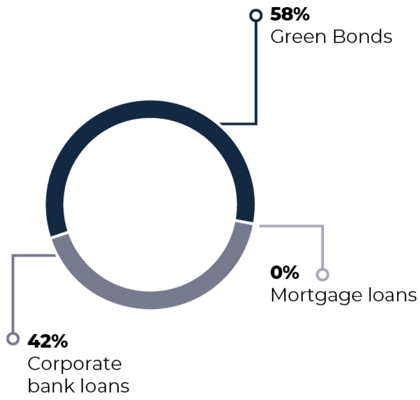
(1) Gross financial debt (excluding fair value related to Eurosic's debt) = Gross nominal debt + impact of the recognition of bonds at amortized cost + accrued interest not yet due + miscellaneous.
(2) Excluding fair value related to Eurosic's debt, €7,093 million including these items.

DEBT BY TYPE

Breakdown of gross nominal debt
(7.6 billion euros)



Breakdown of authorized financing
(€10.6 billion, including €4.5 billion of unused credit lines as of June 30, 2021)



The Group uses diversified sources of financing. Long-term bonds represent 80% of the Group's nominal debt and 58% of the Group's authorized financing.

At June 30, 2021, Gecina's gross nominal debt was €7,646 million and comprised:

- €6,103 million in long-term Green Bonds issued under the EMTN (Euro Medium-Term Notes) program;
- €46 million of mortgage loans;
- €1,497 million in Negotiable European Commercial Paper (NEU CP) covered by confirmed medium- and long-term credit lines.

2.6.2 Liquidity

As at June 30, 2021, Gecina had €5,040 million in available liquidity (including €4,455 million in unused credit lines and €585 million in cash), easily covering all credit maturities for the next 24 months (€2,804 million). Net of the coverage of short-term resources and with cash available, liquidity amounts to €3,543 million (€3,165 million pro forma of early repayment of a bond issue in July 2021).

Financing and refinancing transactions carried out in the first half of 2021 amounted to €1.1 billion, covering:

- The requalification in May 2021 of all the Group's bonds (€5.6 billion) into a Green Bond. This transformation was voted on by the company's bondholders at general meetings and was supported by 92% of them, making Gecina one of the first companies in the world to have an entirely green bond financing program;
- At the end of June 2021, the issue of a new bond for €500 million in the Green Bond format, with a term of 15 years and a 0.875% coupon. At the same time, Gecina exercised the early repayment option of the €378 million bond maturing in June 2024 with a 2.00% coupon. The repayment was made on July 16, 2021;
- The setting up of four new credit lines covering a cumulative sum of €600 million with an average maturity of nearly seven years, through the early renewal of lines with a remaining maturity of slightly less than two years on average. These new financing programs all have a margin that depends on achieving CSR objectives. They have already enabled the Group to refinance all its banking maturities for the next 18 months;
- The signing of five amendments to existing credit lines, inserting the achievement of CSR objectives into the calculation of the margin of their outstanding sums, amounting to a cumulative sum of €845 million, bringing the Group's outstanding responsible lines to €2.9 billion.

Gecina updated its EMTN program with the AMF in June 2021 ans its Negotiable European Commercial Paper (NEU CP) program with the Banque de France in May 2021, with caps of €8 billion and €2 billion, respectively.

In the first half of 2021, Gecina continued to use short-term resources via the issue of NEU CPs. At June 30, 2021, the Group's short-term resources totaled €1,497 million, versus €1,326 million at December 31, 2020. Outstanding amounts averaged €1,529 million in the first half of 2021.

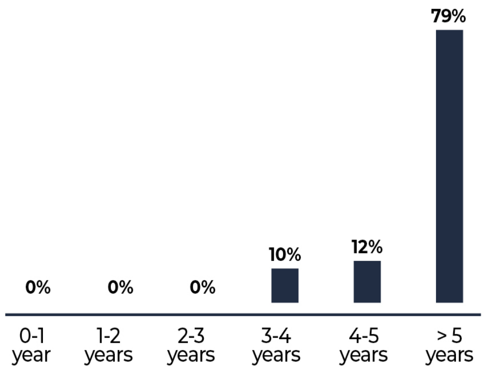
The main objectives of this liquidity are to provide sufficient flexibility to adapt the volume of debt to the pace of acquisitions and disposals, cover the refinancing of short-term maturities, allow refinancing under optimal conditions, meet the criteria of the credit rating agencies and finance the Group's investment projects.

2.6.3 Debt repayment schedule

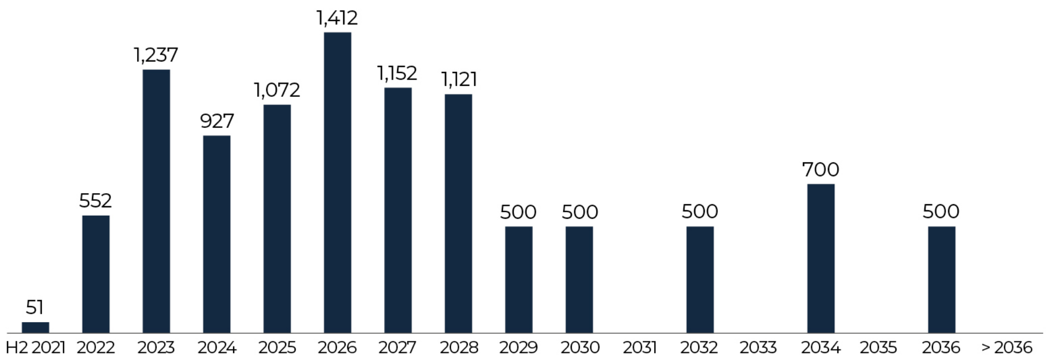
As at June 30, 2021, the average maturity of Gecina's debt of €7.6 billion (after allocation of unused credit lines and cash) was 7.6 years, an increase of 0.5 years compared with December 31, 2020.

The following chart presents its debt maturity breakdown:

All of the credit maturities for the next three years were covered by unused credit lines or by cash as at June 30, 2021. Furthermore, 79% of the debt has a maturity of more than five years.



The Group's financing portfolio amounts to €10.2 billion (pro forma of the early repayment of the 2024 bond issue that took place in July 2021) and is broken down as follows (in million euros):



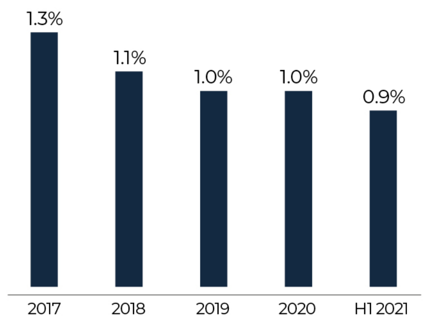
2.6.4 Average cost of debt

The average cost of the drawn debt amounted to 0.9% in the first half of 2021, a decrease compared to 2020 (1.0%). This decrease was due to the continuation of the Group's financial strategy (credit rating, financial structure, hedging policy, active management of the debt schedule, etc.).

The average cost of overall debt is also lower than the previous financial year. It stood at 1.2% in the first half of 2021 compared to 1.3% in 2020.

The following chart shows changes in the average cost of Gecina's drawn debt.

Capitalized interest on development projects amounted to €1.9 million in the first half of 2021.



2.6.5 Credit rating

The Gecina Group is monitored by both Moody's and Standard & Poor's:

- Standard & Poor's rating is A– stable outlook;
- Moody's rating is A3 stable outlook.

2.6.6 Management of interest rate risk hedge

Gecina's interest rate risk management policy is aimed at hedging the company's exposure to interest rate risk. To do so, Gecina uses fixed-rate debt and derivative products (mainly caps and swaps) in order to limit the impact of interest rate changes on the Group's results and to keep the cost of debt under control.

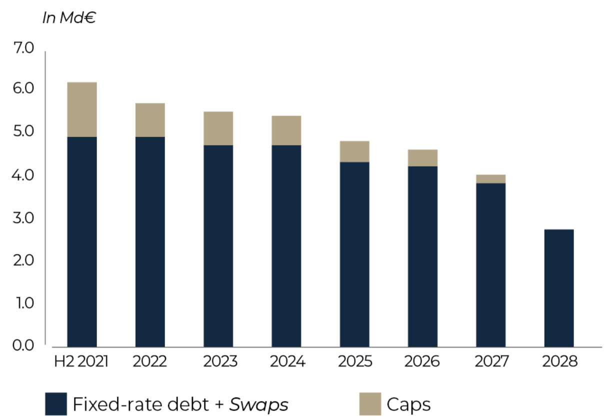
Gecina continues to adjust and optimize its hedging policy with the aim of:

- maintaining an optimal hedging ratio;
- raising the average maturity of hedges (fixed-rate debt and derivative instruments), and;
- securing favorable long-term interest rates.

At June 30, 2021, the average duration of the portfolio of firm hedges remains stable at 7.3 years compared to the end of 2020.

Based on projected debt levels, the hedge rate will average 74% until the end of 2027.

The chart below shows the profile of the hedging portfolio:



Gecina's interest rate hedging policy is implemented mainly at Group level and on the long-term; it is not specifically assigned to certain loans. As a result, it does not meet the accounting definition of hedging instruments and the change in fair value is accounted for in the income statement.

MEASURING INTEREST RATE RISK

Gecina's anticipated net nominal debt in the second half of 2021 is hedged up to 89% against interest rate rises (depending on observed Euribor rate levels, due to caps).

Based on the existing hedge portfolio and taking into account contractual conditions and existing debt at June 30, 2021, a 50 basis point increase in interest rates would generate an additional expense of €2 million in 2021. A 50 basis point fall in interest rates would result in a reduction in financial expenses in 2021 of €2 million.

2.6.7 Financial structure and banking covenants

Gecina's financial position as at June 30, 2021, meets all requirements that could affect the compensation conditions or early repayment clauses provided for in the various loan agreements.

The table below shows the status of the main financial ratios outlined in the loan agreements:

	Benchmark standard	Balance as of 06/30/2021
LTV Net financial debt / revalued block value of property holding *(excluding duties)*	Maximum 55%/60%	35.4%
ICR EBITDA / net financial expenses	Minimum 2.0x	5.4 x
Outstanding secured debt / revalued block value of property holding *(excluding duties)*	Maximum 25%	0.2%
Revalued block value of property holding *(excluding duties), in billion euros*	Minimum 6/8	20.0

The financial ratios shown above are the same as those used in the covenants included in all the Group's loan agreements.

At June 30, 2021, LTV stood at 35.4%, down compared to the end of December 2020 (35.6%). In the first half of 2021, the ICR stood at 5.4x (5.6x in 2020).

2.6.8 Guarantees given

The amount of gross nominal debt guaranteed by real sureties (i.e. mortgages, lender's liens, unregistered mortgages) amounted to €46 million at the end of June 2021.

Thus, as at June 30, 2021, the total amount of financing secured by mortgage-backed assets or leasing amounted to 0.2% of the total block value of the properties held same as at December 31, 2020, for an authorized maximum limit of 25% in the various loan agreements.

2.6.9 Early repayment in the event of a change of control

Some loan agreements to which Gecina is party and bonds issued by Gecina provide for mandatory early repayment and/or cancellation of loans granted and/or a mandatory early repayment liability, if control of Gecina changes.

On the basis of a total amount of authorizations of €10.6 billion (including unused credit lines) at June 30, 2021, €3.9 billion of bank debt and €6.1 billion of bonds are concerned by such a clause relative to a change of control of Gecina (in most cases, this change must lead to a downgrade in the credit rating to Non-Investment Grade for this clause to be activated).

In the case of bonds issued by Gecina, a change of control resulting in a downgrade in the credit rating to a Non-Investment Grade that is not restored to Investment Grade level within 120 days may result in repayment.

2

2.7 Net asset value

The EPRA Best Practices Recommendations[1], published in October 2019, introduce three new NAV (net asset value) metrics for ongoing financial years from January 1, 2020.

- EPRA NRV (Net Reinstatement Value): this metric includes the transfer duties of the property assets;
- EPRA NTA (Net Tangible Assets): the entity buys and sells assets leading to taking account of certain liabilities;
- EPRA NDV (Net Disposal Value): the value for the shareholder in the event of liquidation.

The net asset value calculation is based on the Group's shareholders' equity obtained from financial statements, which include the fair value by block, excluding duties, of investment properties, buildings under reconstruction and properties held for sale, as well as financial instruments.

The foregoing elements are restated of the Group's shareholders' equity, when applicable and mainly:

- unrealized capital gains on buildings valued at their historic cost such as operating building and inventory buildings are calculated on the basis of block appraisal values excluding duties, determined by independent appraisers;
- the fair value of fixed-rate financial debts;
- registration fees, for the full value or for the part relating to the most appropriate mode of disposal of the asset (sale of the asset or company shares). Thus, when the sale of the company appears to be more advantageous than the sale of the asset, the resultant registration rights replace those deducted from the property appraisals.

The number of diluted shares includes the number of shares likely to be created through the exercise of equity instruments to be issued in the right conditions. The number of diluted shares does not include treasury shares.

The table below presents the transition between the Group's shareholders' equity derived from financial statements and the various EPRA NAV.

As at June 30, 2021 *(in millions of euros)*	**EPRA NRV** **Net Reinstatement Value**	**EPRA NTA** **Net Tangible Asset Value**	**EPRA NDV** **Net Dissolution 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	0.0	0.0	0.0
Diluted NAV	**12,670.6**	**12,670.6**	**12,670.6**
Includes			
Revaluation of investment properties	149.3	149.3	149.3
Revaluation of buildings under reconstruction	0.0	0.0	0.0
Revaluation of other non-current investments	0.0	0.0	0.0
Revaluation of tenant leases held as finance leases	10.0	10.0	10.0
Revaluation of inventories	0.0	0.0	0.0
Diluted NAV at fair value	**12,829.9**	**12,829.9**	**12,829.9**
Excludes			
Deferred taxes	0.0	0.0	N/A
Fair value of financial instruments	(20.3)	(20.3)	N/A
Goodwill as a result of deferred tax	0.0	0.0	0.0
Goodwill as per the IFRS balance sheet	N/A	(189.4)	(189.4)
Intangible assets	N/A	(9.7)	N/A
Includes			
Fair value of liabilities	N/A	N/A	(273.0)
Revaluation of intangible assets	0.0	N/A	N/A
Transfer duties	1,185.7	133.8	N/A
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	**€189.6**	**€172.6**	**€167.5**
NAV by unit per share[1]	**€197.6**	**€180.1**	**€175.0**

(1) Considering unit-by-unit values for the residential portfolio.

(1) European Public Real Estate Association.

For information, EPRA NAV (block value) – old format is indicated below:

In millions of euros	06/30/2020 Amount/ number of shares	06/30/2020 Euros/ share	12/31/2020 Amount/ number of shares	12/31/2020 Euros/ share	06/30/2021 Amount/ number of shares	06/30/2021 Euros/ share
Fully diluted number of shares	73,711,096		73,762,805		73,824,095	
Shareholders' equity under IFRS(1)	**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 NAV	**12,694**	**€172.2**	**12,344**	**€167.4**	**12,691**	**€171.9**

(1) Including goodwill (€189 million at June 30, 2021).

The diluted EPRA NAV totaled €12,943 million at June 30, 2021, or €175.3 per share.

Diluted EPRA NAV (unit) represents €182.8 per share at June 30, 2021, versus €180.3 per share at December 31, 2020, taking into account the residential portfolio's unit values.

2.8 Strategy and outlook

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

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

To achieve its goal, Gecina is leveraging several operational aspects:

- Deploying low-carbon solutions on a wide scale, industrializing processes and working with an ecosystem of innovative partners, from industrial firms to startup incubators and investment funds;
- Increasing the use of renewable energies, which already represent 40% of the portfolio's energy mix;
- Continuing to reduce energy consumption by carrying out renovation work 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 CO_2 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 requalified[1], 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.

(1) 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.

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).

2.9 EPRA reporting at June 30, 2021

Gecina applies the EPRA[1] best practices recommendations regarding the indicators listed hereafter. Gecina has been a member of EPRA, the European Public Real Estate Association, since its creation in 1999. The EPRA best practice recommendations include, in particular, key performance indicators to make the financial statements of real estate companies listed in Europe more transparent and more comparable across Europe.

Gecina reports on all the EPRA indicators defined by the "Best Practices Recommendations" available on the EPRA website.

Moreover, EPRA defined recommendations related to corporate social responsibility (CSR), called "Sustainable Best Practices Recommendations".

	06/30/2021	06/30/2020	See Note
EPRA Earnings *(in millions of euros)*	184.9	200.7	2.9.1
EPRA Earnings per share *(in euros)*	€2.51	€2.73	2.9.1
EPRA Net Tangible Asset Value *(in millions of euros)*	12,744.3	12,901.5	2.7
EPRA Net Initial Yield	3.0%	3.0%[1]	2.9.3
EPRA "Topped-up" Net Initial Yield	3.3%	3.4%[1]	2.9.3
EPRA Vacancy Rate	9.6%	7.8%	2.9.4
EPRA Cost Ratio *(including direct vacancy costs)*	22.9%	25.2%	2.9.5
EPRA Cost Ratio *(excluding direct vacancy costs)*	20.9%	23.3%	2.9.5
EPRA Property related capex *(in millions of euros)*	126	142	2.9.6

(1) At December 31, 2020.

2.9.1 Net recurring EPRA Earnings

The table below indicates the transition between the net recurring income disclosed by Gecina and the EPRA Earnings:

In thousands of euros	06/30/2021	06/30/2020
Recurrent net income (Group share)[1]	**202,422**	**215,922**
– IFRIC 21	(11,257)	(10,851)
– Depreciation and amortization, net impairment and provisions	(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 IFRC 21 after deduction of net financial expenses, recurring taxes, minority interests, including income from equity-accounted investments, and after restatement of certain exceptional items (costs related to the subsidiarization of the residential business in 2020).

(1) European Public Real Estate Association.

2.9.2 Net Asset Value

The calculation for the Net Asset Value is explained in section 2.7 “Net Asset Value”.

In euros per share	06/30/2021	06/30/2020
EPRA NAV NRV	€189.6	€191.7
EPRA NAV NTA	**€172.6**	**€175.0**
EPRA NAV NDV	€167.5	€167.9
Diluted EPRA NAV	€175.3	€177.7
Diluted EPRA NNNAV	€171.9	€172.2

2.9.3 EPRA net initial yield and EPRA “Topped-up” net initial yield

The table below indicates the transition between the yield rate disclosed by Gecina and the yield rates defined by EPRA:

In %	06/30/2021	12/31/2020
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 theportfolio 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 *(in millions of euros)*		Offices	Traditional residential	Student residences	Total H1 2021
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 financial lease and hotel.

2.9.4 EPRA vacancy rate

In %	06/30/2021	06/30/2020
Offices	9.5%	7.3%
Traditional residential	4.0%	3.7%
Student residences	39.4%	37.7%
EPRA VACANCY RATE	**9.6%**	**7.8%**

EPRA vacancy rate corresponds to the vacancy rate "spot" at period-end. It is calculated as the ratio between the estimated market rental value of vacant spaces and potential rents for the operating property portfolio.

The financial occupancy rate reported in other parts of this document corresponds to the average financial occupancy rate of the operating property portfolio.

The vacancy increase is linked primarily to the delivery of partially vacant office buildings and the impacts of the health crisis on student residences, which has resulted in schools and universities being closed and restricted the mobility of national and international students.

EPRA vacancy rate does not include leases signed with a future effect date.

	Market rental value of vacant units *(in millions of euros)*	Potential rents *(in millions of euros)*	EPRA vacancy rate at end June 2021 *(in %)*
Offices	50	529	9.5%
Traditional residential	4	106	4.0%
Student residences	9	22	39.4%
EPRA VACANCY RATE	**63**	**656**	**9.6%**

2.9.5 EPRA cost ratios

In thousands of euros / as a %	06/30/2021	06/30/2020
Property expenses(1)	(113,248)	(123,675)
Overheads(1)	(37,749)	(45,587)
Depreciation and amortization, net impairment and provisions	(6,238)	(4,349)
Recharges 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) Ecluding IFRIC 21.
(2) The increase in the ratio levels for 2020 compared with 2021 is linked primarily to the costs to set up a dedicated subsidiary to house the residential business (€7.3 million) and the provisions for rental risk recorded as a result of the effects of the health crisis (€7.1 million).

2.9.6 Capital expenditure

In millions of euros	06/30/2021 Group	06/30/2021 Joint-ventures	06/30/2021 Total	06/30/2020 Group	06/30/2020 Joint-ventures	06/30/2020 Total
Acquisitions[1]	0	N/A	0	56	N/A	56
Pipeline[2]	88	N/A	88	58	N/A	58
Of which capitalized interests	2	N/A	2	2	N/A	2
Maintenance capex[3]	38	N/A	38	28	N/A	28
Incremental lettable space	0	N/A	0	0	N/A	0
No incremental lettable space	34	N/A	34	24	N/A	24
Tenant incentives	4	N/A	4	4	N/A	4
Other expenses	0	N/A	0	0	N/A	0
Capitalized interest	0	N/A	0	0	N/A	0
TOTAL CAPEX	**126**	**N/A**	**126**	**142**	**N/A**	**142**
Conversion from accrual to cash basis	0	N/A	0	20	N/A	20
TOTAL CAPEX ON CASH BASIS	**125**	**N/A**	**125**	**162**	**N/A**	**162**

(1) See section 2.4.
(2) See section 2.4.
(3) Capex corresponding to (i) renovation work on apartments or private commercial surface areas to capture rental reversion, (ii) work on communal areas, (iii) lessees' work.

3

Risks

Risk management is integrated in the company's decision making and operational processes. Risk management is a dynamic process that is defined and implemented under the responsibility of Executive Management. This process provides an objective and global view of potential risks and opportunities for the Group, in order to evaluate them and thus support the Group's decisions.

3.1 Updated as of June 30, 2021

Every year, Gecina identifies and rates those risks whose occurrence could have a material impact on the Group's business, financial situation or results. The report of this activity is presented to the Audit and Risk Committee and during the Board of Directors' meeting.

The risks have been updated as part of this document in addition to the reporting of annual activity. This update reflects the requalification of all the Group's bond issues as Green Bonds. As at the date of this document, the other priority risks as indicated in the 2020 Universal Registration Document remain unchanged.

3.1.1 Updating principal risk factors

As at the date of this document, the priority risks as indicated in the 2020 Universal Registration Document remain unchanged, with the exception of Risk No. 1 – Interest rate, cost of debt, liquidity and funding risk, updated as follows.

NO. 1 – INTEREST RATE, COST OF DEBT, LIQUIDITY, FUNDING AND GREEN BOND DEBT RISK

DESCRIPTION OF THE RISK

The financial debt of Gecina is sensitive to both interest rates and market liquidity, i.e. the cost of financing, as well as to the abundance or shortage of financing solutions.

With regard to interest rates, a rise in rates would lead to an increase in the cost of financing for Gecina, either due to the rising cost of existing debt or in the case of a need for new financing.

With regard to liquidity, the challenge is to have sufficient flexibility to adapt the volume of debt to the pace of acquisitions and disposals, cover the refinancing of short-term maturities, allow refinancing transactions under optimal conditions, meet the criteria of the credit rating agencies and finance the Group's investment projects.

With regard to risks generally applicable to Green Bonds, insofar as there is currently no set definition (legal, regulatory or other) or market consensus as to what constitutes a "green" or equivalently labelled asset, an asset included in the portfolio of "eligible" green assets as described in more detail in the Company's Green Bond Framework may not meet one or all of the "green" performance targets required by the Group's stakeholders.

There is also a risk that Gecina will be unable to honor the commitment made in its Green Bond Framework. Such an event or failure by Gecina could damage its reputation among bond investors, but will not constitute grounds for early repayment of its bonds.

Size and structure of debt

The debt structure of Gecina is detailed in section 2.6.1 of this document.

At June 30, 2021, Gecina's gross nominal debt consisted of:

- €6,103 million in long-term Green Bonds issued under the EMTN (Euro Medium-Term Notes) program;
- €46 million of mortgage loans;
- €1,497 million in Negotiable European Commercial Paper (NEU CP) covered by confirmed medium- and long-term credit lines.

In May 2021, Gecina transformed 100% of its outstanding bonds into Green Bonds, in line with its CSR commitments. The requalification of its 15 bond issues was approved by the bondholders convened to the General Meetings on May 6 and May 25, 2021.

Gecina also committed to issuing its future bonds in Green Bond format, as was the case on June 22 for a new €500 million bond issue.

Green Bond debt

As at June 30, 2021, 100% of Gecina's bond debt was made up of Green Bonds. This 100% green program is based on a Green Bond Framework (available on the company's website, www.gecina.fr/en, in the "Investors/Financing/Debts" section). This is currently aligned with the Green Bond Principles (GBP)[1] of the International Capital Market Association (ICMA) and the recommendations defined by the draft delegated acts published by the European Commission on November 22, 2020, under the European Taxonomy[2] and the EU Green Bond Standard[3], which are likely to change in the future.

(1) The Green Bond Principles (GBP) (2018), ICMA.

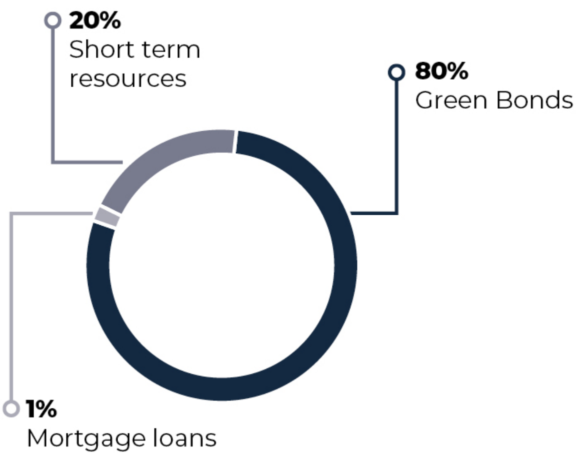
(2) https://ec.europa.eu/info/law/betterregulation/have-your-say/initiatives/12302-Climate-change-mitigation-and-adaptationtaxonomy#ISC_Workflow.

(3) https://ec.europa.eu/info/business-economyeuro/banking-and-finance/sustainable-finance/eu-green-bond-standard_en.

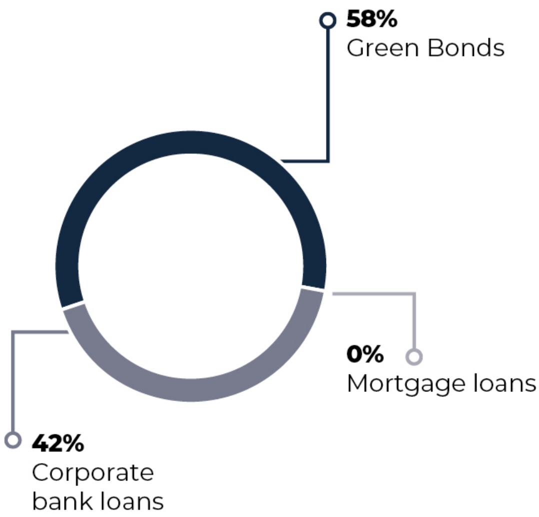
This Green Bond Framework offers the opportunity in the future, for new bond issues, to index the interest rate of these future bond securities to global environmental objectives at Group level, in line with the Sustainability-Linked Bond Principles (SLBP) of the ICMA. To date, no Sustainability-Linked Bonds have been issued by Gecina and as such, no Gecina bond issue provides for interest rates to be indexed to environmental objectives.

Debt by type

Breakdown of gross nominal debt
(€7.6 billion)



Breakdown of authorized financing
(€10.6 billion, including €4.5 billion of unused credit lines at June 30, 2021)



Debt maturity breakdown

Gecina's debt maturity breakdown is detailed in section 2.6.3 of this document.

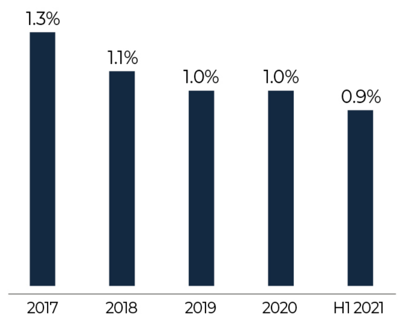
As of June 30, 2021, the average maturity of Gecina's debt (after allocation of unused credit lines) was 7.6 years, a growth of 0.5 year compared with December 31, 2020.

Average cost of debt

The average cost of Gecina's debt is detailed in section 2.6.4 of this document.

The average cost of the drawn debt amounted to 0.9% in the first half of 2021, a decrease compared to 2020 (1.0%), as shown in the chart below. This decrease was due to the continuation of the Group's financial strategy (credit rating, financial structure, hedging policy, active management of the debt schedule, etc.).

The average cost of overall debt is also slightly lower than the previous financial year. It stood at 1.2% at end-June 2021 compared to 1.3% in 2020.



Banking covenants

The key financial ratios provided for in Gecina's credit agreements are detailed in section 2.6.7 of this document. The situation as at June 30, 2021 on the main reporting standards is as follows:

	Benchmark standard	Balance as of 06/30/2021
LTV – Net financial debt/revalued block value of property holding (excluding duties)	Maximum 55%/60%	35.4%
ICR – EBITDA/net financial expenses	Minimum 2.0 x	5.4 x
Outstanding secured debt/revalued block value of property holding (excluding duties)	Maximum 25%	0.2%
Revalued block value of property holding (excluding duties), *in billion euros*	Minimum 6.0/8.0	20.0

Stress test of LTV according to the variation in the Office valuation

LTV			06/30/2021		PF covered by a preliminary agreement	
		(in thousand euros/m²)	Excluding duties	Including duties	Excluding duties	Including duties
Variation in Office valuation	+0%	*11.4*	35.4%	33.4%	34.3%	32.3%
	–5%	*10.8*	36.9%	34.8%	35.7%	33.7%
	–10%	*10.2*	38.4%	36.3%	37.3%	35.1%
	–15%	*9.7*	40.2%	37.9%	39.0%	36.7%
	–20%	*9.1*	42.1%	39.7%	40.8%	38.5%

Liquidity

As at June 30, 2021, Gecina had €5,040 million in available liquidity, of which €4,455 million in unused credit lines and €585 million in cash, easily covering all credit maturities for the next two years (€2,804 million).

The liquidity that Gecina has available is set out in chapter 2.6.2 of this document.

PRINCIPAL RISK CONTROL PROCESSES

Gecina's interest rate risk management policy, which includes the use of hedging instruments, is aimed at limiting the impact of a change in interest rates on the Group's earnings and to control the cost of debt, where a significant portion of the Group's loans is at a floating rate.

With respect to the foregoing, a management framework is presented and validated annually by the company's Audit and Risk Committee. This management framework defines in particular the management horizons, a percentage of coverage required on the time horizons, new hedging targets and the derivative instruments enabling such management (mostly caps, floors and swaps) (see section 2.6.6 of this document).

Gecina's interest rate hedging policy is primarily implemented on a global basis for all its loans (i.e., not specifically assigned to certain loans). It aims at:

- maintaining an optimal hedging ratio;
- raising the average maturity of hedges (fixed-rate debt and derivative instruments);
- securing favorable long-term interest rates.

At the end of June 2021, the interest rate risk management policy in place made it possible to maintain the average duration of the portfolio of firm hedges stable compared to end-2020, at 7.3 years.

At June 30, 2021, based on projected debt levels, the hedge rate will average 74% until the end of 2027.

Gecina's anticipated net nominal debt in the second half of 2021 is hedged up to 89% against interest rate rises (depending on observed Euribor rate levels, as a result of caps).

Interest rate risk is analyzed and quantified in section 2.6.6 of this document.

Based on the existing hedge portfolio and taking into account contractual conditions at June 30, 2021, a 50 basis point increase in interest rates would generate an additional expense of €2 million in 2021. A 50 basis point fall in interest rates would result in a reduction in financial expenses in 2021 of €2 million.

Liquidity risk and funding capacity are managed by managing debt maturities, maintaining available credit lines and diversifying finance sources. Liquidity is managed in the medium and long term as part of multi-year financing plans and, in the short term, by using confirmed undrawn credit lines and, where appropriate, asset disposal programs.

As at June 30, 2021, Gecina has significant liquidity of €5.0 billion (€3.5 billion net of NEU CPs). These resources cover all of the Group's financing maturities until the end of 2024 as described in section 2.6 of this document.

With regard to financing, the financial ratios likely to affect the remuneration conditions or early repayment clauses provided for in the credit agreements (the covenants) are nowhere near the defined limits and are subject to impact simulations for each major investment scenario.

With regard to the classification of the bond debt as green, this is based on compliance with the Green Bond Framework (available on the company's website, www.gecina.fr/en, in the "Investors/Financing/Debts" section) aligned with the Green Bond Principles (GBP) of the ICMA and its four pillars: use of proceeds; project selection and evaluation; management of proceeds; and reporting.

An amount equivalent to all of Gecina's outstanding bonds is allocated to Gecina's portfolio of eligible assets, in line with the "Use of proceeds" section – page 13 of the Green Bond Framework.

The Green Bond Framework presents the eligibility criteria for each asset category as set out in the European taxonomy (acquisition and management, renovation or construction), as well as the European objective with which these criteria correspond, and how they contribute to the UN Sustainable Development Goals.

All of the Group's assets will be tested each year to measure the amount of eligible assets that meet the established criteria. The allocation will be monitored annually by Gecina's Development, Investment, Divestment, Financing, and Marketing Committee (DIFC). In addition, an independent auditor appointed by Gecina will verify as at December 31 each year (1) that the appraisal value excluding transfer duties of the eligible assets is greater than the outstanding amount of bonds issued by Gecina, and (2) the compliance of the eligible assets with the criteria defined in the "Use of proceeds" section – page 13 of the Green Bond Framework. Gecina has implemented an ambitious CSR strategy designed to make an increasing number of assets eligible for the Green Bond Framework.

If, for whatsoever reason (after a new issue, for example), the amount of eligible assets falls below the amount of Gecina's outstanding bonds, the non-allocated funds will be placed temporarily in a current account or any other equivalent vehicle in accordance with Gecina's cash management policy. Gecina undertakes to reinvest these non-allocated funds as quickly as possible, in order to convert non-eligible assets into eligible assets. While awaiting the reallocation of these funds, Gecina may consider investing in money market instruments with a responsible investment policy.

RISK TREND AS AT JUNE 30, 2021: STABLE

As at June 30, 2021, gross financial debt was €7.7 billion, with an average cost of 1.2%, down compared to the end of 2020 (1.3%).

As at June 30, 2021, funding risks have receded in terms of impact for the Group, which has a debt maturity of more than 7 years, combined with a cost of drawn debt of 0.9%, down compared to the end of 2020.

In terms of hedging, the average duration of the portfolio of firm hedges remains stable at 7.3 years compared to the end of 2020. Thus, at June 30, 2021, based on projected debt levels, the hedging ratio will average 74% until the end of 2027.

In terms of liquidity, the Group's access to the short-term debt market is satisfactory for Gecina, making it possible even to renew and extend the maturity of short-term debt. As a result, the outstanding amount of Gecina's commercial papers (NEU CP) stood at €1.5 billion as at June 30, 2021.

With regard to risks generally applicable to Green Bonds, Gecina can rely on an ambitious CSR policy that has been at the very core of the Company for many years. Gecina is also among the best performing companies in its sector in terms of its non-financial benchmark rankings according to GRESB, Sustainalytics, MSCI, ISS-ESG, and CDP. Gecina is now listed in the CAC 40 ESG index and has reasserted its environmental ambitions by moving its target of becoming carbon neutral by 2050 to 2030 instead. It aims to further the CSR characteristics of all its assets in order to achieve this overall target at Group level. Furthermore, in accordance with Green Bond market practices, Gecina has obtained a Second-Party Opinion from ISS Corporate Solutions for its Green Bond Framework. Given these risk control systems, Gecina considers these risks to be low.

Gecina's debt is attractive, as illustrated by the issue on June 22, 2021, of a €500 million Green Bond with a 15-year maturity at a rate of 0.875%.

In view of these factors, the net risk has been assessed as stable.

4

Board of Directors and Executive Management

4.1 Board of Directors and its Committees

The Board of Directors is chaired by Mr. Jérôme Brunel, appointed at the Board Meeting held on April 23, 2020.

Ms. Laurence Danon Arnaud and Ivanhoé Cambridge Inc., represented by Mr. Karim Habra, were reappointed as Directors at the Shareholders' General Meeting of April 22, 2021. The appointment of Ms. Carole Le Gall as an Observer was ratified.

The Board of Directors' Meeting held after the General Meeting confirmed the composition of its Committees.

The Board of Directors appointed Ivanhoé Cambridge Inc., represented by Mr. Karim Habra, as Chairman of the Strategic and Investment Committee, to replace Mr. Jérôme Brunel. The composition of the Strategic and Investment Committee remains unchanged.

4.1.1 Board of Directors

As of June 30, 2021, the Gecina Board of Directors is made up of the following 11 members and an Observer, 64% of whom are independent Directors and 50% are women, including the Observer, Ms. Carole Le Gall:

JÉRÔME BRUNEL
Chairman of the Board of Directors

MÉKA BRUNEL
Director
Chief Executive Officer

BERNARD CARAYON
Independent director

LAURENCE DANON ARNAUD
Independent director

JEAN-JACQUES DUCHAMP
Permanent representative of Predica, Director

DOMINIQUE DUDAN
Independent director

KARIM HABRA
Permanent representative of Ivanhoé Cambridge Inc., Director

GABRIELLE GAUTHEY
Independent director

CLAUDE GENDRON
Director

JACQUES-YVES NICOL
Independent director

INÈS REINMANN TOPER
Independent director

CAROLE LE GALL
Observer

During the first half of 2021, the following changes were made to the structure of the Board of Directors and its Committees:

	Departure	Appointment	Renewal
Board of Directors	x	• Ms. Carole Le Gall, Observer	• Ms. Laurence Danon Arnaud • Ivanhoé Cambridge Inc., represented by Mr. Karim Habra
Strategic and Investment Committee	x	x	• Ivanhoé Cambridge Inc., represented by Mr. Karim Habra
Audit and Risk Committee	x	x	• Ms. Laurence Danon Arnaud
Governance, Appointment and Compensation Committee	x	x	x
Compliance and Ethics Committee	x	x	x
CSR Committee	x	• Ms. Carole Le Gall, Observer	• Ms. Laurence Danon Arnaud

It should be noted that since the total number of employees of the company and its subsidiaries is lower than the thresholds fixed by article L. 225-27-1 of the French Commercial Code, there is no Director representing employees on the Board of Directors. However, in accordance with article L. 2312-72 of the French Labor Code, members of the Company and Economic Committee attend Board of Directors' Meetings in an advisory capacity.

4.1.2 Board of Directors' Committees

The Board of Directors' Meeting, held after the Annual General Meeting of April 22, 2021, confirmed the composition of its Committees. The Board of Directors appointed Ivanhoé Cambridge Inc., represented by Mr. Karim Habra, as Chairman of the Strategic and Investment Committee, to replace Mr. Jérôme Brunel. The composition of the Strategic and Investment Committee remains unchanged. The Committees are now comprised as detailed below.

Committees	Composition as of June 30, 2021	Comments
Strategic and Investment Committee	**4 members, 1 of whom is independent** • Ivanhoé Cambridge Inc., represented by Mr. Karim Habra, Chairman of the Committee • Mr. Jérôme Brunel[(1)] • Ms. Méka Brunel • Predica, represented by Mr. Jean-Jacques Duchamp	The Board of Directors' Meeting of April 22, 2021, held after the Annual General Meeting of the same day, decided to appoint Ivanhoé Cambridge Inc. as Chairman of this Committee to replace Mr. Jérôme Brunel. The composition of this Committee remains unchanged.
Audit and Risk Committee	**6 members, 4 of whom are independent** • Ms. Gabrielle Gauthey[(1)], Chairwoman of the Committee • Ms. Laurence Danon Arnaud[(1)] • Ms. Dominique Dudan[(1)] • Mr. Claude Gendron • Predica, represented by Mr. Jean-Jacques Duchamp • Ms. Inès Reinmann Toper[(1)] No executive corporate officer	The Board of Directors' Meeting of April 22, 2021, held after the Annual General Meeting of the same day, decided to maintain the composition of this Committee as described here.
Governance, Appointment and Compensation Committee	**3 members, 2 of whom are independent** • Ms. Dominique Dudan[(1)], Chairwoman of the Committee • Ms. Gabrielle Gauthey[(1)] • Mr. Claude Gendron No executive corporate officer	The Board of Directors' Meeting of April 22, 2021, held after the Annual General Meeting of the same day, decided to maintain the composition of this Committee as described here.
Compliance and Ethics Committee	**3 members, all of whom are independent** • Mr. Jacques-Yves Nicol[(1)], Chairman of the Committee • Mr. Bernard Carayon[(1)] • Ms. Inès Reinmann Toper[(1)]	The Board of Directors' Meeting of April 22, 2021, held after the Annual General Meeting of the same day, decided to maintain the composition of this Committee as described here.
Corporate Social Responsibility Committee	**4 members, all of whom are independent, and 1 Observer** • Mr. Bernard Carayon[(1)], Chairman of the Committee • Mr. Jérôme Brunel[(1)] • Ms. Laurence Danon Arnaud[(1)] • Mr. Jacques-Yves Nicol[(1)] • Ms. Carole Le Gall, Observer	The Board of Directors' Meeting of April 22, 2021, held after the Annual General Meeting of the same day, decided to maintain the composition of this Committee as described here.

(1) Independent Director.

4.2 Executive Management

The Executive Management is represented by Ms. Méka Brunel, appointed by the Board of Directors on January 6, 2017 as Chief Executive Officer. Ms. Méka Brunel is also a Director and member of the Board of Directors.


Disney
30

5

Consolidated financial statements

5.1 Consolidated statement of financial position

Assets

In thousand euros	Note	06/30/2021	12/31/2020	06/30/2020
Non-current assets		**19,479,726**	**19,504,537**	**19,820,861**
Investment properties	5.5.5.1	17,586,738	17,744,334	18,059,458
Buildings under reconstruction	5.5.5.1	1,397,720	1,256,816	1,268,569
Operating properties	5.5.5.1	80,890	81,116	81,557
Other tangible fixed assets	5.5.5.1	10,300	12,077	12,375
Goodwill	5.5.5.1.4	189,428	191,079	192,340
Intangible assets	5.5.5.1	9,687	9,005	6,692
Financial receivables on finance leases	5.5.5.1	94,146	103,811	110,173
Financial fixed assets	5.5.5.2	29,826	24,592	25,501
Equity-accounted investments	5.5.5.3	56,150	54,387	47,969
Non-current financial instruments	5.5.5.12.2	22,941	25,419	14,326
Deferred tax assets	5.5.5.4	1,900	1,900	1,900
Current assets		**1,439,144**	**745,087**	**1,075,521**
Properties for sale	5.5.5.5	618,691	368,240	320,083
Inventories	5.5.5.6	3,700	3,810	32,026
Trade receivables	5.5.5.7	77,790	56,358	106,037
Other receivables	5.5.5.8	133,299	124,574	90,405
Prepaid expenses	5.5.5.9	20,906	17,983	18,750
Current financial instruments	5.5.5.12.2	0	0	654
Cash	5.5.5.10	584,758	174,123	507,565
TOTAL ASSETS		**20,918,870**	**20,249,624**	**20,896,381**

Equity and liabilities

In thousand euros	Note	06/30/2021	12/31/2020	06/30/2020
Shareholders' equity	**5.5.5.11**	**12,501,335**	**12,500,901**	**12,676,540**
Capital		573,950	573,950	573,087
Additional paid-in capital		3,295,475	3,295,475	3,289,479
Consolidated reserves attributable to owners of the parent company		8,222,738	8,450,070	8,449,422
Consolidated net income attributable to owners of the parent company		383,110	154,831	339,064
Shareholders' equity attributable to owners of the parent company		**12,475,273**	**12,474,325**	**12,651,052**
Non-controlling interests		26,062	26,576	25,488
Non-current liabilities		**5,381,189**	**5,778,196**	**5,495,073**
Non-current financial debt	5.5.5.12.1	5,224,318	5,611,434	5,395,909
Non-current lease obligations		50,493	50,723	50,321
Non-current financial instruments	5.5.5.12.2	2,342	13,184	11,822
Deferred tax liabilities	5.5.5.4	32	64	331
Non-current provisions	5.5.5.13	104,003	102,790	36,690
Current liabilities		**3,036,346**	**1,970,527**	**2,724,768**
Current financial debt	5.5.5.12.1	2,453,098	1,612,885	2,184,828
Current financial instruments	5.5.5.12.2	338	0	184
Security deposits		74,239	73,340	77,709
Trade payables	5.5.5.15	152,078	159,235	128,166
Current tax and employee-related liabilities	5.5.5.16	99,238	51,762	96,838
Other current liabilities	5.5.5.17	257,355	73,304	237,042
TOTAL LIABILITIES AND EQUITY		**20,918,870**	**20,249,624**	**20,896,381**

5.2 Consolidated statement of comprehensive income

In thousand euros	Note	06/30/2021	06/30/2020
Gross rental income	**5.5.6.1**	**311,447**	**336,118**
Property expenses	5.5.6.2	(123,931)	(133,905)
Recharges to tenants	5.5.6.2	82,775	87,286
Net rental income		**270,292**	**289,498**
Current operating income on finance lease transactions	**5.5.6.3**	**1,234**	**0**
Current operating income on the hotel business	**5.5.6.3**	**(666)**	**(414)**
Net services and other income	5.5.6.4	3,148	1,427
Overheads	5.5.6.5	(38,323)	(46,208)
EBITDA		**235,685**	**244,303**
Real estate margin	5.5.6.6	(120)	0
Gains or losses on disposals	5.5.6.7	491	(5,409)
Change in value of properties	5.5.6.8	187,526	185,479
Depreciation and amortization		(5,053)	(4,624)
Net impairments and provisions		(1,943)	(14,059)
Operating income		**416,585**	**405,689**
Net financial expenses	5.5.6.9	(43,272)	(44,781)
Financial impairment		0	(620)
Change in value of financial instruments	5.5.6.10	7,606	(18,749)
Net income from equity-accounted investments	5.5.5.3	3,080	(2,016)
Pre-tax income		**383,999**	**339,523**
Taxes	5.5.6.11	(371)	(2,039)
Consolidated net income		**383,628**	**337,484**
Of which consolidated net income attributable to non-controlling interests		518	(1,580)
OF WHICH CONSOLIDATED NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		**383,110**	**339,064**
Consolidated net earnings per share	5.5.6.12	€5.20	€4.61
Consolidated diluted net earnings per share	5.5.6.12	€5.19	€4.60

In thousand euros	06/30/2021	06/30/2020
Consolidated net income	**383,628**	**337,484**
Items not to be recycled in the net income	**6,176**	**93**
Actuarial differences on post-employment benefit obligations	847	(360)
Change in value of non-consolidated interests	5,329	453
Items to be recycled in the net income	**61**	**(151)**
Currency translation differences	61	(151)
Comprehensive income	**389,865**	**337,426**
Of which comprehensive income attributable to non-controlling interests	518	(1,580)
OF WHICH COMPREHENSIVE INCOME LINKED TO OWNERS OF THE PARENT COMPANY	**389,347**	**339,006**

5.3 Statement of changes in consolidated equity

In thousand euros (except for number of shares)	Number of shares	Share capital	Additional paid-in capital and consolidated reserves	Shareholders' equity attributable to owners of the parent company	Shareholders equity attributable to non-controlling interests	Total shareholders' equity
Balance at December 31, 2019	**76,410,260**	**573,077**	**12,126,141**	**12,699,218**	**27,352**	**12,726,570**
Dividends paid			(205,657)	(205,657)	(288)	(205,945)
Receivable from shareholders			(183,825)	(183,825)		(183,825)
Impact of share-based payments[1]			2,212	2,212		2,212
Actuarial differences on post-employment benefit obligations			(360)	(360)		(360)
Group capital increase	1,345	10	98	108		108
Change in value of non-consolidated interests			453	453		453
Other changes			(162)	(162)	5	(157)
Net income at June 30, 2020			**339,064**	**339,064**	**(1,580)**	**337,484**
Balance at June 30, 2020	**76,411,605**	**573,087**	**12,077,965**	**12,651,052**	**25,488**	**12,676,540**
Impact of share-based payments[1]			1,988	1,988		1,988
Actuarial differences on post-employment benefit obligations			168	168		168
Group capital increase	114,999	862	5,744	6,607		6,607
Change in value of non-consolidated interests			(1,165)	(1,165)		(1,165)
Other changes			(92)	(92)		(92)
Net income at December 31, 2020			**(184,233)**	**(184,233)**	**1,088**	**(183,145)**
Balance at December 31, 2020	**76,526,604**	**573,950**	**11,900,375**	**12,474,325**	**26,576**	**12,500,901**
Dividends paid			(195,156)	(195,156)	(1,032)	(196,188)
Receivable from shareholders			(195,283)	(195,283)		(195,283)
Impact of share-based payments[1]			2,040	2,040		2,040
Actuarial differences on post-employment benefit obligations			847	847		847
Change in value of non-consolidated interests			5,329	5,329		5,329
Other changes			61	61		61
Net income at June 30, 2021			**383,110**	**383,110**	**518**	**383,628**
BALANCE AT JUNE 30, 2021	**76,526,604**	**573,950**	**11,901,323**	**12,475,273**	**26,062**	**12,501,335**

(1) Impact of benefits related to share award plans (IFRS 2).

5.4 Consolidated statement of cash flows

In thousand euros	Note	06/30/2021	12/31/2020	06/30/2020
Consolidated net income (including non-controlling interests)		**383,628**	**154,339**	**337,484**
Net income from equity-accounted investments		(3,080)	(4,402)	2,016
Net depreciation and amortization, impairments and provisions		6,996	84,585	18,684
Changes in fair value and premiums and repurchase costs on bonds	5.5.7.1	(195,132)	178,649	(166,730)
Calculated charges and income from performance shares	5.5.6.5	2,040	4,200	2,212
Tax expenses (including deferred tax)	5.5.6.11	371	(9,571)	2,039
Capital gains and losses on disposals	5.5.6.6, 5.5.6.7	(370)	11,415	5,409
Other calculated income and expenses		(7,668)	(13,814)	(1,942)
Net financial expenses	5.5.6.9	43,272	90,815	44,781
Net cash flow before cost of net debt and tax		**230,057**	**496,215**	**243,953**
Tax paid		(7,011)	(7,966)	(3,828)
Change in operating working capital requirements	5.5.7.2	9,431	16,420	4,090
Net cash flow from operating activities (A)		**232,477**	**504,669**	**244,215**
Acquisitions of tangible and intangible fixed assets	5.5.5.1.2	(128,984)	(277,748)	(142,832)
Disposals of tangible and intangible fixed assets	5.5.7.3	99,975	467,168	348,729
Acquisitions of financial fixed assets (non-consolidated interests)		(7,497)	(1,435)	(2,282)
Dividends received (equity-accounted affiliates, non-consolidated securities)		1,316	1,456	1,456
Changes in granted loans and credit lines		124	469	244
Other cash flows from investing activities		4,410	938	0
Change in working capital requirement relating to investing activities	5.5.7.4	(3,960)	(11,109)	(25,503)
Net cash flow from investing activities (B)		**(34,616)**	**179,739**	**179,812**
Proceeds from capital increase received from shareholders		0	5,126	0
Amounts received on the exercise of performance shares		0	1,589	108
Dividends paid to shareholders of the parent company	5.5.7.5	(195,154)	(389,352)	(205,657)
Dividends paid to non-controlling interests		(1,032)	(288)	(288)
New loans	5.5.7.6	3,180,366	3,840,343	3,909,500
Repayments of loans	5.5.7.6	(2,687,308)	(3,896,058)	(3,577,174)
Net interest paid		(83,465)	(94,019)	(80,012)
Other cash flows from financing activities		(632)	(15,472)	(786)
Net cash flow from financing activities (C)		**212,774**	**(548,132)**	**45,692**
Net change in cash (A + B + C)		**410,636**	**136,277**	**469,719**
Opening cash	5.5.5.10	174,123	37,846	37,846
CLOSING CASH	**5.5.5.10**	**584,758**	**174,123**	**507,565**

5.5 Notes to the consolidated financial statements

5.5.1 Highlights

FIRST HALF OF 2021

On February 9, 2021, Gecina finished setting up three new responsible credit lines, with financial conditions indexed against CSR performance, for a combined total of 350 million euros. The three CSR criteria used to determine the interest rate for these facilities are checked each year and focused on reducing greenhouse gas emissions for Gecina's assets, reducing energy consumption for the Group's operational offices and improving the certification rate for in-use office spaces. In addition, the Group signed three amendments in December and January to transform existing bank lines into responsible lines, for a total of 450 million euros.

On February 11, Gecina sold to two funds managed by Keys REIM, the Keys Asset Management Group's portfolio management company, a mixed portfolio of 16 non-strategic assets, for a total of 54.6 million euros excluding duties, and made up of office assets retail units and parking spaces.

On February 17, Gecina signed a lease with CGI for 11,600 sq.m, of the Carré Michelet building in La Défense for its French headquarters. This new nine-year lease will come into effect on October 1, 2022.

On March 1, 2021, Gecina saw its score on the gender pay equality index increased by 2 points to 94/100. Gecina stands out in particular for the indicators concerning individual pay rises, promotions and the percentage of staff awarded pay rises when returning from maternity leave, achieving the maximum score. Gecina is also continuing to reduce any pay gaps between women and men, with a score of 39/40 for this criterion.

On March 2, Gecina announced the signing of a firm six-year lease for over 4,000 sq.m in Neuilly-sur-Seine in its building at 96-104 avenue Charles de Gaulle in Neuilly-sur-Seine, with Réside Etudes. This space was occupied at the date of the letting, was relet from July 1, 2021, the day after the former tenant's departure, highlighting this asset's attractive positioning and Gecina's ability to anticipate its letting challenges.

On March 30, Gecina revealed its CAN0P-2030 plan (Carbon Net Zero Plan), that targets net zero carbon for its operational portfolio by 2030. Building on the successful reduction of its carbon emissions (by 26% over the past four years), Gecina is accelerating its low-carbon roadmap advancing by 20 years its initial target. To achieve its goal of net zero carbon emissions, 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 such as Demeter Paris Fonds Vert and Fifth Wall,
- Increasing the use of renewable energies, which already represent 40% of the energy mix with its CSR policy,
- Continuing to reduce energy consumption by carrying out renovation work and by involving tenants,
- Further strengthening the integration of its environmental and financial performance by continuing to set up responsible loans.

On April 6, Gecina indicated the early redemption, three months prior to their July 30, 2021 maturity, for all its outstanding bonds issued with a 1.75% coupon on July 30, 2014 (ISIN code: FR0012059202), in accordance with the terms and conditions provided for in the bond's prospectus approved by the French Financial Markets Authority (AMF) under No. 14-430 on July 22, 2014. The early redemption of the Notes was made on April 30, 2021. The face value of the notes redeemed is 166.6 million euros.

On April 6, Gecina announced the signing of a lease for 2,500 sq.m in the Carré Michelet building. The new lease, with a firm six-year period, will come into effect from September 1, 2021.

In addition, Gecina indicated the letting of more than 4,000 sq.m of Anthos, in Boulogne-Billancourt, to Pierre Fabre, a major French pharmaceutical group. This new lease was effective from July 1, 2021, and covers a firm nine-year period. This asset was delivered in the second quarter of 2021.

On April 14, Gecina announced that it wanted to transform 100% of its bonds into Green Bonds, following on from the announcement of CAN0P-2030 plan. Requalification of all its outstanding bond issues, i.e. 5.6 billion euros, as Green Bonds further strengthens the alignment between its environmental performance and its financial structure. This pioneering program aims to accompany the continuous, global improvement in the Group's asset portfolio, including existing assets, and its environmental performance. It is based on an ambitious and dynamic Green Bond Framework, which has been subject to a second-party opinion by ISS Corporate Solutions. The requalification of the 15 outstanding issues as Green Bonds was submitted for approval by note holders invited to attend a General Meeting for each existing issue. On May 25, 2021, Gecina was pleased to report that the note holders invited to vote approved the transformation of 100% of its outstanding bond issues into Green Bonds. This result highlights investors' confidence in Gecina's CSR strategy. Gecina also made a commitment to apply the Green Bond format for all future issues. In addition, the Group signed two amendments to transform 475 million euros of bank borrowings into responsible lines.

On May 6, 2021, Gecina and Woodeum signed a partnership agreement to develop 1,000 low-carbon, timber-frame housing units over four years (indicative timeline) in the Paris Region and major cities across France. The two groups will jointly develop projects based on a partnership, with 60% for Woodeum and 40% for Gecina. The buildings developed in this way will be acquired by Gecina's residential subsidiary, which is now called Homya, and let under Gecina's client-centric YouFirst Residence brand.

On May 10, 2021, Gecina signed a memorandum of understanding with Louis Vuitton for a new 18-year lease at 101 avenue des Champs-Elysées. To be able to carry out extensive work inside these premises, returning to the lines of its 1930s architecture, Louis Vuitton and Gecina committed to a new lease to let the entire space, representing nearly 10,000 sq.m (including around 6,000 sq.m of retail space). The lease will come into effect once the conditions precedent linked to the administrative authorizations in particular have been lifted.

On May 20, 2021, Gecina announced the pre-letting of the Montrouge Porte Sud building, located at the gateway to Paris, close to Porte d'Orléans, to Edenred France. This new firm nine-year lease concerns all the asset under redevelopment (12,000 sq.m), which delivery date will be autumn 2024. While waiting for this future building to be delivered, Edenred France renewed the lease for its current premises in Colombus, a Gecina building on Boulevard Gabriel Péri in Malakoff (Hauts-de-Seine).

On May 31, 2021, Gecina indicated to have completed or secured three new sales of mature and/or non-strategic office assets for a total of 349.3 million euros (excluding deduction of rent-free periods in effect on the day of the sale):

- a bilateral sales agreement concerning the Les Portes d'Arcueil building with around 45,000 sq.m of space occupied by the Orange group, for 297.8 million euros excluding duties,
- a preliminary sales agreement for the Tour Orion, a building with around 12,200 sq.m of space in Montreuil based on a price of €25.5m excluding duties,
- the sale of the 55 Deguingand building, an office asset with around 5,100 sq.m of space in Levallois-Perret, for a total of 26 million euros excluding duties.

On June 9, 2021, Gecina pre-let all of the space in Building E of the Biopark building, under redevelopment and located in Paris' 13th arrondissement. The firm nine-year lease covers around 6,400 sq.m which will be available to Future 4 Care, a group of leading biotechnology, digital and health companies, from September 1, 2021.

On June 17, 2021, Gecina signed an off-plan reservation agreement to acquire a project with 113 apartments in Bordeaux and developed by Cogedim, Nexity and Pitch Promotion as part of a consortium of developers. Located in the new central district of Belvédère, this residence, which will include two buildings with a total living space of 8,012 sq.m, will offer high-quality apartments, with an average size of 71 sq.m. Once the residence has been built, it will be acquired by Homya, Gecina's residential subsidiary, for €38.1m excluding duties and including tax.

On June 22, 2021, Gecina successfully raised a new €500m Green Bond issue, 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. 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. Alongside this, on June 30, following the settlement-delivery of the new issue, Gecina will exercise its make-whole call option for the early redemption of the 378 million euros outstanding on the bond issue with a 2.00% coupon and a maturity of June 17, 2024 (ISIN FR0012790327), in accordance with the terms of the Base Prospectus from March 16, 2015. The redemption was realized on July 16, 2021.

On June 29, 2021, Gecina signed a two-year lease with Café Joyeux to set up an inclusive cafe-restaurant in a ground-floor unit at its building located at 1 boulevard de la Madeleine in Paris. This cafe-restaurant concept will occupy a 430 sq.m unit and is scheduled to open to the public from the end of the summer 2021.

5.5.2 General principles of consolidation

5.5.2.1 REPORTING STANDARDS

The consolidated financial statements of Gecina and its subsidiaries ("the Group") are prepared in accordance with IFRS as adopted by the European Union on the balance sheet date.

The official standards and interpretations applicable from January 1, 2021, in particular the amendment to IFRS 16 on the Covid-19 rent concessions and the amendments to IAS 39, IFRS 7 and IFRS 9 on interest rate benchmark reform do not give rise to any significant impact on the Group.

The effects of the interpretation of the method for calculating the employee benefit liability and the vesting period as defined by the IFRIC in its position adopted by the IASB in May 2021 will be recognized, if applicable, in the financial statements as at December 31, 2021.

The preparation of financial statements, in accordance with IFRS, requires the adoption of certain decisive accounting estimates. The Group is also required to exercise its judgment in the application of accounting principles. The areas with the most important issues in terms of judgment or complexity or those for which the assumptions and estimates are material in relation to the consolidated financial statements are presented in Note 5.5.3.15.

Gecina applies the Code of Ethics for Listed Real Estate Investment Companies (SIIC) as established by the Fédération des Sociétés Immobilières et Foncières.

5.5.2.2 CONSOLIDATION METHODS

All companies, in which the Group holds direct or indirect exclusive control and companies in which Gecina exercises a notable influence or joint control, are included in the scope of consolidation. The first group of companies are fully consolidated and the second group are consolidated using the equity method.

5.5.2.3 SCOPE OF CONSOLIDATION

At June 30, 2021, the scope of consolidation included the companies listed below:

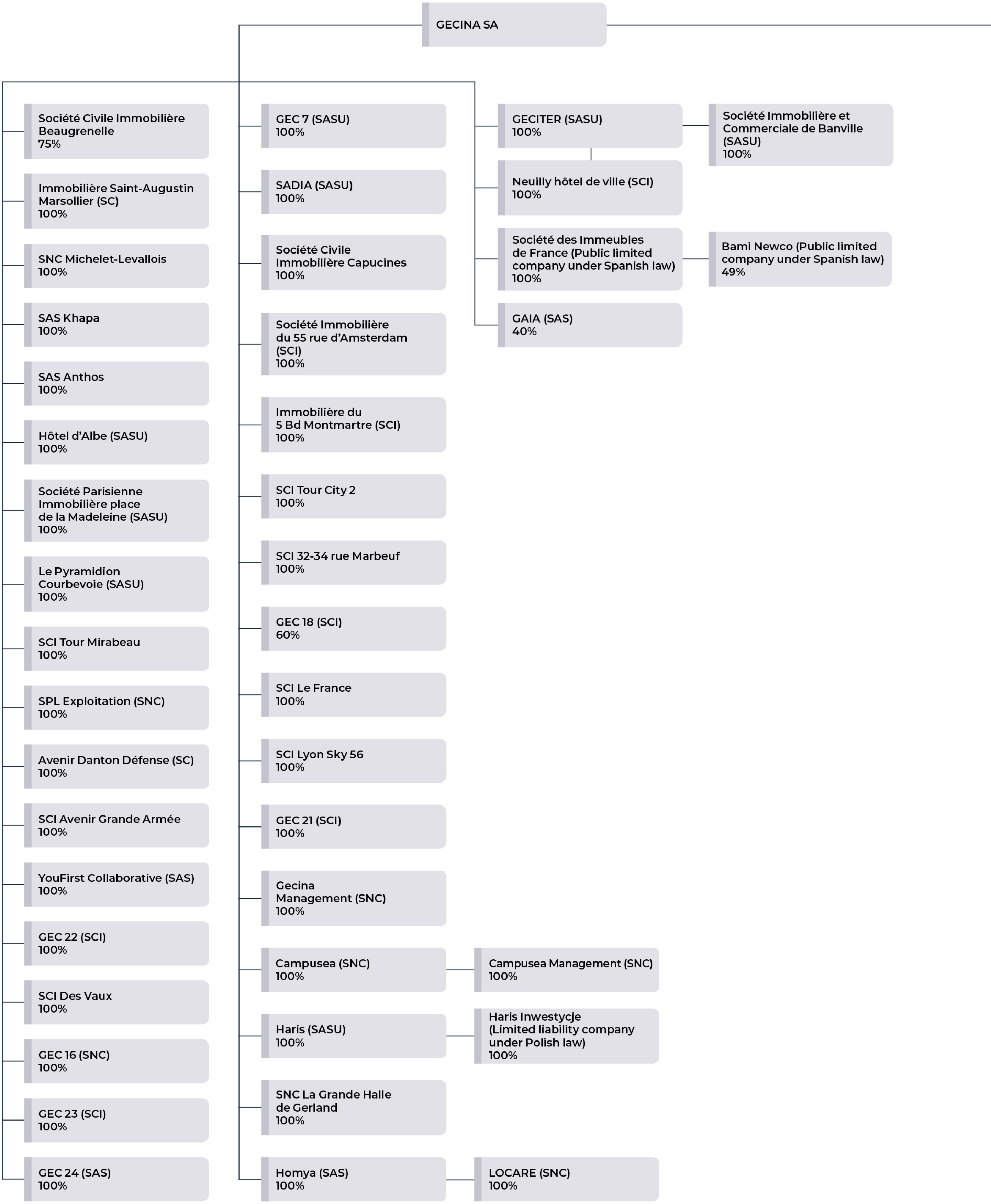
Companies	SIREN no.	06/30/2021 % interest	Consolidation method	12/31/2020 % interest	06/30/2020 % interest
Gecina	592,014,476	100.00%	Parent company	100.00%	100.00%
5, rue Montmartre	380,045,773	100.00%	FC	100.00%	100.00%
55, rue d'Amsterdam	382,482,065	100.00%	FC	100.00%	100.00%
Anthos	444,465,298	100.00%	FC	100.00%	100.00%
Beaugrenelle	307,961,490	75.00%	FC	75.00%	75.00%
Campuséa	501,705,909	100.00%	FC	100.00%	100.00%
Campuséa Management	808,685,291	100.00%	FC	100.00%	100.00%
Capucines	332,867,001	100.00%	FC	100.00%	100.00%
GEC 16	788,912,343	100.00%	FC	100.00%	100.00%
GEC 18	799,089,982	60.00%	FC	60.00%	60.00%
GEC 21	810,066,126	100.00%	FC	100.00%	100.00%
GEC 22	812,746,188	100.00%	FC	100.00%	100.00%
GEC 23	819,358,201	100.00%	FC	100.00%	100.00%
GEC 24	851,756,502	100.00%	FC	100.00%	100.00%
GEC 7	423,101,674	100.00%	FC	100.00%	100.00%
Gecina Management	432,028,868	100.00%	FC	100.00%	100.00%
Geciter	399,311,331	100.00%	FC	100.00%	100.00%
Grande Halle de Gerland	538,796,772	100.00%	FC	100.00%	100.00%
Haris	428,583,611	100.00%	FC	100.00%	100.00%
Haris Inwestycje (Poland)		100.00%	FC	100.00%	100.00%
Khapa	444,465,017	100.00%	FC	100.00%	100.00%
Le Pyramidion Courbevoie	479,762,874	100.00%	FC	100.00%	100.00%
Locare	328,921,432	100.00%	FC	100.00%	100.00%
Marbeuf	751,139,163	100.00%	FC	100.00%	100.00%
Michelet-Levallois	419,355,854	100.00%	FC	100.00%	100.00%

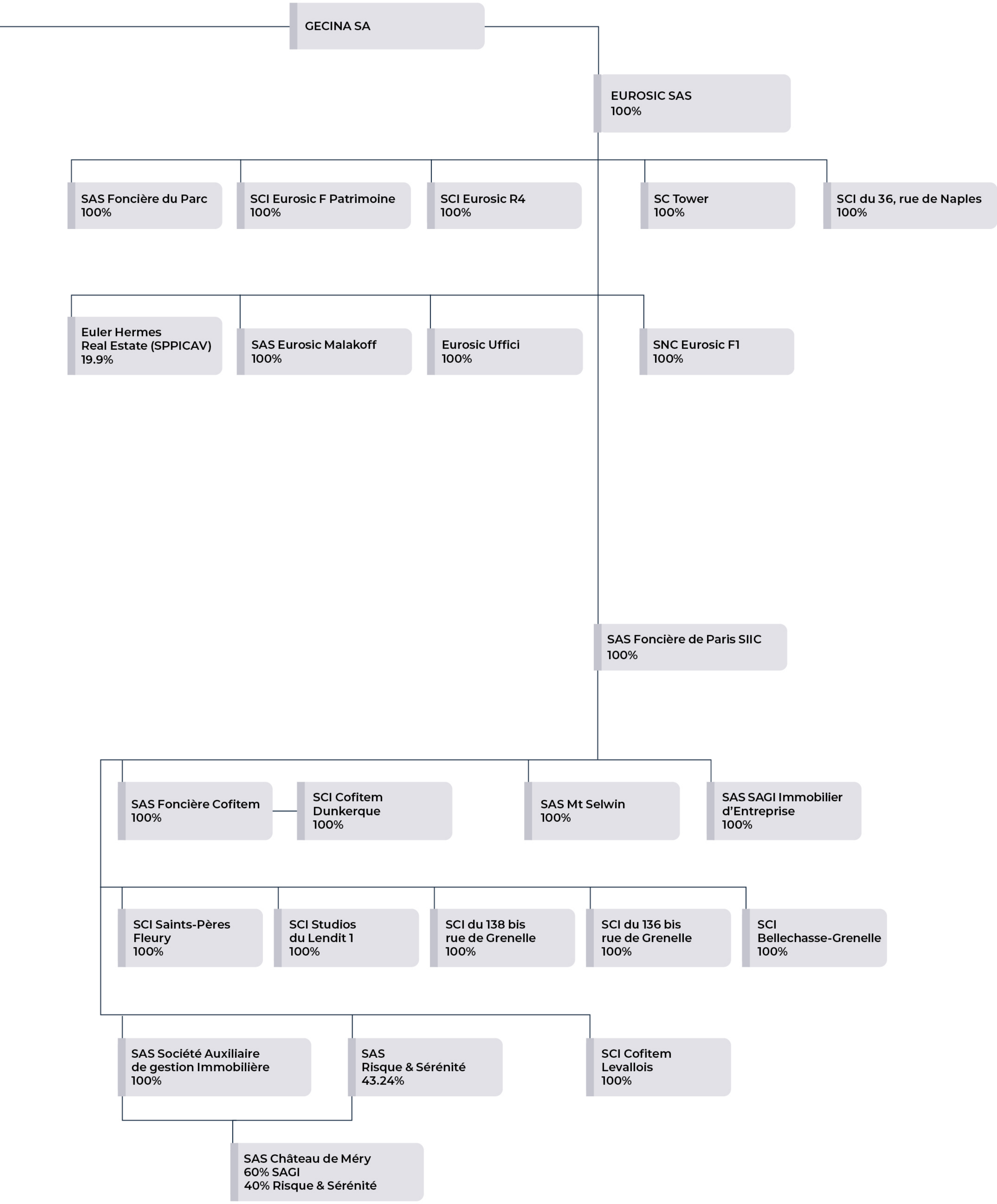
Companies	SIREN no.	06/30/2021 % interest	Consolidation method	12/31/2020 % interest	06/30/2020 % interest
Sadia	572,085,736	100.00%	FC	100.00%	100.00%
Saint-Augustin-Marsollier	382,515,211	100.00%	FC	100.00%	100.00%
SCI Le France	792,846,123	100.00%	FC	100.00%	100.00%
SCI Avenir Danton Défense	431,957,356	100.00%	FC	100.00%	100.00%
SCI Avenir Grande Armée	751,037,631	100.00%	FC	100.00%	100.00%
SCI Lyon Sky 56	809,671,035	100.00%	FC	100.00%	100.00%
SCI Neuilly Hôtel de Ville	785,420,746	100.00%	FC	100.00%	100.00%
Société des Immeubles de France (Spain)		100.00%	FC	100.00%	100.00%
Société Hôtel d'Albe	542,091,806	100.00%	FC	100.00%	100.00%
Société Immobilière et Commerciale de Banville	572,055,796	100.00%	FC	100.00%	100.00%
SPIPM	572,098,465	100.00%	FC	100.00%	100.00%
SPL Exploitation	751,103,961	100.00%	FC	100.00%	100.00%
Tour City 2	803,982,750	100.00%	FC	100.00%	100.00%
Tour Mirabeau	751,102,773	100.00%	FC	100.00%	100.00%
YouFirst Collaborative	823,741,939	100.00%	FC	100.00%	100.00%
SCI Des Vaux	449,228,816	100.00%	FC	100.00%	100.00%
SAS Eurosic	307,178,871	100.00%	FC	100.00%	100.00%
SAS Eurosic Malakoff	453,385,601	100.00%	FC	100.00%	100.00%
Foncière du Parc	445,394,851	100.00%	FC	100.00%	100.00%
Tower	433,566,932	100.00%	FC	100.00%	100.00%
SCI du 36 rue de Naples	479,871,659	100.00%	FC	100.00%	100.00%
SCI Eurosic F Patrimoine	811,932,714	100.00%	FC	100.00%	100.00%
SCI Eurosic R4	505,215,251	100.00%	FC	100.00%	100.00%
SNC Eurosic F1	810,028,506	100.00%	FC	100.00%	100.00%
Euler Hermes Real Estate	538,610,825	19.90%	EM	19.90%	19.90%
Foncière de Paris SIIC	331,250,472	100.00%	FC	100.00%	100.00%
Foncière Cofitem	411,846,033	100.00%	FC	100.00%	100.00%
MT Selwin	418,089,280	100.00%	FC	100.00%	100.00%
Risque & Sérénité	419,403,449	43.24%	EM	43.24%	43.24%
Société Auxiliaire de Gestion Immobilière	508,928,926	100.00%	FC	100.00%	100.00%
SAGI Immobilier d'entreprise	528,047,129	100.00%	FC	100.00%	100.00%
Château de Méry	479,916,298	77.30%	FC	77.30%	77.30%
SCI Saints Peres Fleury	509,110,151	100.00%	FC	100.00%	100.00%
SCI du 136 bis rue de Grenelle	493,293,823	100.00%	FC	100.00%	100.00%
SCI du 138 bis rue de Grenelle	493,293,633	100.00%	FC	100.00%	100.00%
SCI Bellechasse-Grenelle	802,446,195	100.00%	FC	100.00%	100.00%
SCI Cofitem Dunkerque	528,344,039	100.00%	FC	100.00%	100.00%
SCI Cofitem Levallois	494,346,570	100.00%	FC	100.00%	100.00%
SCI Studios du Lendit 1	508,475,662	100.00%	FC	100.00%	100.00%
Eurosic UFFICI (Italy)		100.00%	FC	100.00%	100.00%
Joined consolidation 2021					
Gaïa	897,700,621	40.00%	EM		
Left consolidation 2021					
Paris Investissements OPCI	793,904,640	Merged	FC	100.00%	100.00%

Companies	SIREN no.	06/30/2021 % interest	Consolidation method	12/31/2020 % interest	06/30/2020 % interest
SCI 54 Leclerc	381,619,535	Merged	FC	100.00%	100.00%
SCI 738 Kermen	349,816,116	Merged	FC	100.00%	100.00%
SCI du Port Chatou	491,025,441	Merged	FC	100.00%	100.00%
Joined consolidation 2020					
Homya	880,266,218	100.00%	FC	100.00%	100.00%
Left consolidation 2020					
Colvel Windsor	477,893,366	Merged	FC	Merged	Merged
Faubourg Saint Martin	430,046,607	Merged	FC	Merged	Merged

FC: full consolidation.
EM: accounted for under the equity method.

5.5.2.3.1 LEGAL ORGANIZATIONAL CHART




GECINA SA
EUROSIC SAS
100%
SAS Foncière du Parc
100%
SCI Eurosic F Patrimoine
100%
SCI Eurosic R4
100%
SC Tower
100%
SCI du 36, rue de Naples
100%
Euler Hermes
Real Estate (SPPICAV)
19.9%
SAS Eurosic Malakoff
100%
Eurosic Uffici
100%
SNC Eurosic F1
100%
SAS Foncière de Paris SIIC
100%
SAS Foncière Cofitem
100%
SCI Cofitem
Dunkerque
100%
SAS Mt Selwin
100%
SAS SAGI Immobilier
d'Entreprise
100%
SCI Saints-Pères
Fleury
100%
SCI Studios
du Lendit 1
100%
SCI du 138 bis
rue de Grenelle
100%
SCI du 136 bis
rue de Grenelle
100%
SCI
Bellechasse-Grenelle
100%
SAS Société Auxiliaire
de gestion Immobilière
100%
SAS
Risque & Sérénité
43.24%
SCI Cofitem
Levallois
100%
SAS Château de Méry
60% SAGI
40% Risque & Sérénité

5

5.5.2.4 CONSOLIDATION ADJUSTMENTS AND ELIMINATIONS

5.5.2.4.1 RESTATEMENTS TO HOMOGENIZE INDIVIDUAL FINANCIAL STATEMENTS

The rules and methods applied by companies in the scope of consolidation are restated to make them consistent with those of the Group.

All the companies prepared an accounting statement as at June 30, 2021.

5.5.2.4.2 INTERCOMPANY TRANSACTIONS

Intercompany transactions and any profits on disposal resulting from transactions between consolidated companies are eliminated.

5.5.2.4.3 BUSINESS COMBINATIONS (IFRS 3)

To determine if a transaction is a business combination placed under IFRS 3, the Group determines whether an integrated set of activities is acquired in addition to the real estate. The selected criteria may be the number of real estate assets held, the scope of the processes acquired or the autonomy of the target. In this case, acquisition cost corresponds to the fair value on the date of exchange of the contributed assets and liabilities and the equity instruments issued in exchange for the acquired entity. Goodwill is recognized as an asset in respect of the surplus of the acquisition cost over the buyer's share of the fair value of the assets and liabilities acquired net of deferred tax recognized if necessary, while an amount for negative goodwill is posted to the income statement. Costs directly attributable to the acquisition process are recognized under expenses.

Revised IFRS 3 specifies a period of twelve months starting from the acquisition date to finalize the accounting of the acquisition. Corrections to valuations made must be linked to events and circumstances existing at the date of acquisition. Goodwill is subject to an impairment test at least once a year or whenever there is an indication of loss of value.

IAS 40 (investment properties) applies to acquisitions that are not part of a business combination.

5.5.2.5 FOREIGN CURRENCY TRANSLATION

The Group's operating currency is the euro. Transactions conducted by subsidiaries located outside the eurozone are translated at the closing exchange rate for balance sheet items and at the average exchange rate over the period of the income statement. Exchange differentials recognized in the balance sheet at the beginning of the period and on earnings for the year are recorded under shareholders' equity.

5.5.3 Accounting methods

5.5.3.1 PROPERTY PORTFOLIO

5.5.3.1.1 INVESTMENT PROPERTIES (IAS 40)

Properties held for the long term and intended to be leased under operating leases, and/or held for capital appreciation, are considered investment properties.

On acquisition, investment properties are recorded on the balance sheet at acquisition cost, inclusive of duties and taxes.

The time spent by operational teams, directly attributable to disposals, rentals and development projects is monitored and priced, and then, as appropriate:

- reported under fixed assets for the portion spent on development projects, studies or marketing actions;
- recognized under gains or losses on disposals if related to pre-sale activities.

The financial costs linked to construction operations as well as eviction allowances paid to tenants are capitalized.

Gecina has opted for the valuation of its investment properties at fair value as defined by IFRS 13 (cf. Note 5.5.3.1.2). The company has elected, by convention, to retain the block value of properties as the fair value of investment properties in the consolidated financial statements. This block value is understood as excluding transfer duties and is determined by independent experts (as at June 30, 2021: CBRE Valuation, Cushman & Wakefield, Jones Lang LaSalle and Catella Valuation Advisors) who value the property portfolio of the Group from the point of view of a sustainable holding at June 30 and December 31 of each financial year and take into account the capitalized works. Valuations are conducted in accordance with industry practices using fair value valuation methods to establish market value for each asset, pursuant to the professional real estate valuation charter. All Gecina assets are appraised by independent appraisers.

The change in fair value of investment properties is recorded on the income statement. These properties are not therefore subject to depreciation or impairment. The income statement records the change in fair value of each property over the year determined as follows:

- current market value – (n-1 market value + cost of construction work and other items capitalized in period n).

Investment properties in the course of renovation are recognized at fair value.

Properties under construction acquired with the intention of redevelopment or which are in the process of being redeveloped are recognized at fair value where that value can be reliably measured. In cases where fair value cannot be reliably determined, the property is recognized at its last known value plus any costs capitalized during the period. These properties are subject to an impairment test if there is any indication of loss of value. Any impairment is recognized at variation of fair value.

The market value is determined by appraisers based on an evaluation of the exit price of the property less all direct and indirect future development costs.

The Group considers that a property in the process of construction can be reliably appraised at fair value when construction begins and when its marketing is at an advanced stage. Whatever the case, the fair value appraisal will be performed when the asset is protected from the rain.

Nevertheless, when the asset is already leased and the signature of works contracts has sufficiently progressed to allow a reliable estimate of the construction cost, the asset under development may then be recognized at fair value.

Valuation methodology

Each property asset is valued separately by an independent appraiser. However, the appraisers use the same valuation methods, described below. When appraising a property, real estate appraisers exclude transfer duties, taxes and fees. They thus comply with the position taken by Afrexim [1] and use the following rates:

- 1.8% of legal fees for properties in VAT;
- 6.9% to 7.5% of registration fees and expenses for other properties.

The property is assessed at market value, which corresponds to the price at which it could be sold between informed consenting parties operating under normal market conditions without reference to the financing conditions as at the valuation date. The value used in the consolidated financial statements is the value excluding transfer duties.

a) Office and residential properties

The fair value of each asset is based on the results of the following three methods: the comparison method, the capitalization of net income and the discounting of future flows (discounted cash flow). The simple arithmetic mean of these three methods is used. In the event of a considerable difference between the results of the three methods, or if the appraiser considers one method to be more relevant than another, he has the option of determining the value by overweighting one or more methods.

- Direct comparison method: this method consists of comparing the asset that is the object of the appraisal to transactions made on assets equivalent in type and location, on dates close to the date of appraisal.
- Net income capitalization method: this method consists of capitalizing recorded or potential income on the basis of a yield expected by an investor for a similar type of asset. The income base is generally constituted either of net annual rent excluding taxes and rental expenses or the market rental value. For occupied premises, the appraiser conducts an analysis of the legal and financial conditions of each lease and of the rental market. For vacant premises, the market rental value is used as a reference, taking account of re-letting lead times, any renovation work and other miscellaneous expenditure.
- Discounted cash flow (DCF) method: the value of the asset is equal to the discounted sum of the financial flows expected by the investor, including the assumed resale at the end of a ten-year holding period. The sale price at the end of the period is determined on the basis of the net cash flow in year 11 capitalized at yield. Discounted cash flow is determined on the basis of a risk-free interest rate (ten-year government bond equivalent) plus an appropriate risk premium for the property determined in comparison with standard discounted rates on cash flow generated by similar assets.

b) Unit valuation for residential and mixed buildings

Unit valuation is used for buildings on sale by apartments (see Note 5.5.3.1.3).

The unit value is determined from unit prices per square meter recorded on the market for vacant premises. The appraisal includes discounts to reflect marketing periods, costs and the margin earned on the sale of all the units. These discounts are differentiated according to the size of the property and number of units included. The various lots of offices, as well as the commercial premises located on the ground floor of the buildings are then added together for their estimated values on the basis of three methods: direct comparison, income capitalization and discounted cash flow.

For properties where the unit-by-unit sale process has been started, the valuation follows the same method, adjusting the allowances applied to the property's actual marketing situation.

(1) *Association française des sociétés d'expertise immobilière, the French professional body of property appraisers.*

5.5.3.1.2 DETERMINATION OF FAIR VALUE (IFRS 13)

The Group applies IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. The standard establishes a fair value hierarchy that categorizes into three levels the data used for measurements:

- level 1: price (not adjusted) on an active market for identical assets/liabilities available on the valuation date;
- level 2: valuation model using inputs directly or indirectly observable in an active market;
- level 3: valuation model using inputs not observable in an active market.

The fair value hierarchy is therefore established by reference to the levels of inputs to valuation techniques. When using a valuation technique based on inputs of several levels, the fair value level is then constrained by the lowest level.

Investment properties

The fair value measurement must consider the highest and best use of the asset.

The fair value measurement of investment properties implies using different valuation methods based on unobservable or observable inputs that have been subject to certain adjustments. Accordingly, the Group's property portfolio is considered, in its entirety, as categorized in Level 3 with respect to the fair value hierarchy established by IFRS 13, notwithstanding the recognition of certain Level 2 observable inputs.

Financial instruments

IFRS 13 requires the recognition of counterparty credit risk (i.e., the risk that a counterparty may breach any of its obligations) in measuring the fair value of financial assets and liabilities.

IFRS 13 retains the disclosure obligations on the three-level fair value hierarchy of IFRS 7, which requires an entity to establish a difference between the fair values of financial assets and financial liabilities based on the observable nature of the inputs used to measure fair value.

As at June 30, 2021, IFRS 13 application by the Group does not challenge the fair value hierarchy of financial instruments, until then categorized as level 2 according to IFRS 7 (valuation model based on observable market inputs) to the extent that the adjustment for credit risk is considered as an observable input.

5.5.3.1.3 ASSETS HELD FOR SALE (IFRS 5)

IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations", states that a non-current asset should be classified as held for sale as long as it is a major line of activity and if its book value will be recovered principally through a sales transaction rather than through continuing use. In such cases, the sale should be highly probable.

The sale of an asset is thus highly probable if the following three conditions are met:

- a plan to sell the asset has been initiated by an appropriate level of management;
- the asset is being actively marketed at a reasonable price in relation to its current fair value;
- it is probable that the sale will be concluded within one year, barring special circumstances.

When the sale pertains to one asset or one group of assets only, the assets for sale are reported separately in the balance sheet under "Properties for sale".

Buildings recorded in this category are valued as follows:

- properties in block sales: sale value recorded in the preliminary sales agreement or the purchase offer, subject to the deduction of selling expenses/fees and outstanding receivables from the straight-line recognition of commercial benefits under IFRS 16;
- properties sold unit by unit: appraisal value in units (see Note 5.5.3.1.1). If more than 60% (in value) of the property is sold, the asset is recognized at the fair value of the last recorded transactions for unsold units, after taking account of allowances linked to the achievement of all lots and at the sale value recorded in the preliminary agreement subject to the deduction of expenses and fees for units covered by a preliminary agreement.

When a sale concerns a complete business line, the consolidated assets and liabilities, booked as appropriate under subsidiaries held for sale, are presented separately on the asset side of the balance sheet (Assets held for sale) and on the liabilities side of the balance sheet (Liabilities held for sale). The corresponding net gain or loss is isolated in the income statement on the line "Net gain or loss from discontinued operations".

5.5.3.1.4 OPERATING PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT (IAS 16)

The head office property at 16, rue des Capucines, Paris, France, is valued at cost. It has been depreciated according to the component method, each component being depreciated on a straight-line basis over its useful life (10 to 60 years).

Hotel operating properties are valued at historical cost less accumulated depreciation and any impairment losses. They are amortized using a component approach; each component being amortized using the straight-line method over its useful life (9 to 90 years).

For each type of asset, the gross values of the buildings have been divided by component, determined on the basis of technical data at the time of the acquisition, using the current estimated cost of new reconstruction.

In addition to the land, six components have been identified:

Type of assets	Depreciation period
Land	Not depreciable
Framework structure	30 to 90 years depending on the type of building
Walls and roofing	15 to 45 years depending on the type of building
Technical installations	15 to 25 years depending on the type of building
Parking works	20 years
Restoration	15 years
Fixtures and fittings	9 to 10 years

The depreciation period of each component is calculated based on the date the building entered into service in the property portfolio, except in the case of the replacement of a component (at the time of renovation, for example); in which case the date of the last replacement of the component is applied. No residual value was retained for any of the components identified.

Other tangible fixed assets are recorded at acquisition cost and depreciated under the straight-line method for periods of three to ten years. They are primarily composed of computer hardware and furniture.

In the event of a sign of impairment, the book value of an asset is immediately written down to its recoverable value, which is determined by an independent appraisal conducted under the methods described in 5.5.3.1.1.

5.5.3.1.5 INTANGIBLE ASSETS (IAS 38)

The costs to purchase software licenses are recorded as an asset based on the costs incurred in acquiring and commissioning the software concerned. These costs are amortized over the estimated useful life of the software (three to five years).

5.5.3.2 EQUITY INTERESTS

5.5.3.2.1 EQUITY-ACCOUNTED INVESTMENTS

Equity interests in companies in which the Group exercises joint control or significant influence are recorded on the balance sheet at the Group share of their net assets restated at the reporting date using the Group's accounting principles. Adjustments are related to the harmonization of methods.

In the event that the Group's share in the negative equity of a company accounted for under the equity method were to exceed the book value of its investment, the Group considers its share to be nil and it ceases to recognize its share in upcoming losses, unless the Group is obliged or intends to financially support such investment.

5.5.3.2.2 NON-CONSOLIDATED INTERESTS

Non-consolidated interests are valued at fair value pursuant to IAS 39.

5.5.3.2.3 OTHER FINANCIAL FIXED ASSETS

Loans, receivables and other financial instruments are booked according to the amortized cost method on the basis of the effective interest rate. When there is non-recoverability or default risk, this is recognized in the profit and loss statement.

5.5.3.3 INVENTORIES

Buildings relating to real estate development operations or acquired under the tax system governing properties held for rapid resale by real estate traders, legally designated as "marchands de biens", are booked under inventories at their acquisition cost. An impairment test is carried out as soon as any indication of impairment is detected. In the event of such an indication and when the estimated recoverable amount is lower than the carrying amount, an impairment loss is recognized based on the difference between those two amounts.

5.5.3.4 OPERATING RECEIVABLES

Receivables are recorded for the initial amount of the invoice, after deduction for impairment valued on the basis of the risk of non-recoverability. The cost of non-recoverability risk is posted under property expenses.

These receivables are valued using the amortized cost method.

Impairment is valued using the optional simplified approach under IFRS 9. Expected credit losses are calculated over their lifetime, based on the Group's historical loss data.

Rent receivables are systematically written down according to the age of the receivables and situation of the tenants.

An impairment rate is applied to the amount excluding tax of the receivable minus the security deposit:

- tenant has left the property: 100%;
- tenant in the property:
  - receivable between 3 and 6 months: 25%,
  - receivable between 6 and 9 months: 50%,
  - receivable between 9 and 12 months: 75%,
  - over 12 months: 100%.

Impairment thus determined is adjusted to take account of particular situations.

Residual receivables relating to the deferral of commercial benefits in accordance with IFRS 16 (see Note 5.5.3.13), and recognized by the difference between the economic rent and the paid rent, result in a specific analysis covering the ability of the tenant to actually reach the end of the signed lease, in order to validate their basis at each reporting date.

5.5.3.5 CASH

Cash is recorded on the balance sheet at fair value.

5.5.3.6 TREASURY SHARES (IAS 32)

Treasury shares held by the Group are deducted from consolidated shareholders' equity at acquisition cost.

5.5.3.7 SHARE-BASED PAYMENTS (IFRS 2)

Gecina has instituted an equity-based remuneration plan (stock options and performance shares). The impact of services rendered by employees in exchange for the award of options or the allocation of performance shares is expensed against shareholders' equity. The total amount expensed over the rights vesting period is determined by reference to the fair value of equity instruments granted, the discounted value of future dividends paid over the vesting period, and the staff turnover rate.

At each balance sheet date, the number of options or number of shares that may be exercised or allocated is reviewed. Where applicable, the impact of revising estimates is posted to the income statement with a corresponding adjustment in shareholders' equity. Amounts received when options are exercised are credited to shareholders' equity, net of directly attributable transaction costs.

5.5.3.8 FINANCIAL INSTRUMENTS (IAS 32, IAS 39 AND IFRS 9)

HEDGING FINANCIAL INSTRUMENTS

The Group hedges against interest rate risk as part of a macro-hedging strategy. It is covered by a portfolio of derivatives that are not specifically assigned and do not, therefore, meet hedge accounting eligibility criteria.

The Group decided not to adopt the hedge accounting proposed under IFRS 9 and to apply the provisions of IAS 39. Consequently, derivative instruments are recorded at fair value on the balance sheet with recognition of changes in fair value on the income statement.

Interest paid or received on derivative instruments is recorded under "Net financial expenses", while variations in value and any effects of disposals or terminations of contracts are recognized under "Change in value of financial instruments".

Fair value is determined in accordance with IFRS 13 (see Note 5.5.3.1.2) by an external financial organization using valuation techniques based on the discounted forward cash flow method, as well as the Black & Scholes model for optional products integrating the counterparty risks mentioned by IFRS 13. Estimates of probability of default are obtained by using bond spreads on the secondary market. Valuations are also confirmed by banking counterparties and in-house valuations.

OTHER FINANCIAL ASSETS AND LIABILITIES

Financial assets are initially recognized at amortized cost, at fair value through equity, or at fair value through profit or loss, depending on the type of financial instrument (debt or equity), the contractual cash flow characteristics, and the way in which the instruments are managed (based on the management model).

The classification and measurement criteria depend on the nature of the financial asset, i.e., whether it is categorized as a debt instrument (loan, advance, credit, bond, etc.) or as an equity instrument (shares).

Debt instruments (loans and fixed-yield or determinable-income securities) are classified and valued on the basis of their management model and on the analysis of contractual cash flow characteristics. Equity instruments are generally measured at fair value through profit or loss, except for those which the entity has irrevocably elected to measure at fair value through non-transferable equity (provided these instruments are not held for trading).

Financial liabilities consist primarily of bonds, bank borrowings, credit lines, commercial papers and other current liabilities.

Medium- and long-term credit lines can be utilized in drawings of variable lengths. Successive drawings are recognized in the financial statements at face value, with the unused portion of the borrowing facility representing an off-balance sheet commitment received.

Long-term bonds issued under the EMTN (Euro Medium-Term Notes) program are stated at their amortized cost (net of transaction costs) based on the effective interest rate method.

Other current liabilities are considered as short-term liabilities and are not subject to any discounting.

IMPAIRMENT OF FINANCIAL ASSETS

The impairment model requires the measurement of expected credit losses (ECL) on loans and debt instruments measured at amortized cost or at fair value through transferable equity, on loan commitments and financial guarantee contracts not measured at fair value.

The Group uses the optional simplified approach for the impairment of receivables from leases and trade receivables (see Note 5.5.3.4).

5.5.3.9 LEASES (IFRS 16)

Leases covered by the standard primarily relate to construction leases, long leases and, to a lesser extent, leases on vehicles and reprographic equipment. Leases for less than twelve months or with a low unit value are not covered by this standard.

On this basis, the Group recognizes in its balance sheet:

- under liabilities, a debt for lease obligations in relation to rents for the balance of the lease term, discounted at the same rate as the cost of the debt that the Group would have incurred over the same term as the rental contracts;
- under assets and within investment properties, where applicable, usage rights amortized in a linear fashion from the implementation of the contracts.

In the income statement, rents and fees paid are replaced by:

- depreciation of rights of use recorded as a change in the valuation of investment properties where applicable;
- a financial expense, amounting to the interest included in rents paid in addition to the capital repaid to reduce the debt.

5.5.3.10 LONG TERM NON-FINANCIAL PROVISIONS AND LIABILITIES

In accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, a provision is recognized when the Group has a present obligation (legal or constructive) to a third party as a result of past events, and when it is probable or certain that this obligation will give rise to an outflow of resources to that third party, without at least the equivalent expected in exchange from that third party.

5.5.3.11 EMPLOYEE BENEFIT COMMITMENTS

IAS 19 specifies the accounting rules for employee benefits. This accounting occurs during the rights vesting period. It excludes from its scope share-based payments, which come under IFRS 2.

SHORT-TERM BENEFITS

Short-term benefits (i.e., salaries, paid leave, social security contributions, incentives, etc.), which fall due within twelve months of the end of the year during which members of staff provided corresponding services, are recognized as “accrued expenses” under the heading “Current tax and social security liabilities” under balance sheet liabilities.

LONG-TERM BENEFITS

Long-term benefits correspond to benefits payable during the employee’s working life (anniversary premiums). They are recognized as non-recurring provisions.

POST-EMPLOYMENT BENEFITS

Post-employment benefits, also recognized as non-recurring provisions, correspond to end-of-career payments and supplementary retirement commitments to some employees. The valuation of these retirement commitments assumes the employee’s voluntary departure.

These commitments that are related to the defined benefit plans for supplementary pensions are paid to external organizations.

No post-employment benefits were granted to executives.

The net commitment resulting from the difference between amounts paid and the probable value of the benefits granted, recognized under salaries and benefits, is calculated by an actuary using the method known as “projected unit credit method”, the cost of the provision being calculated on the basis of services rendered at the valuation date.

Actuarial variances are booked in equity.

5.5.3.12 TAXES

5.5.3.12.1 IFRIC 21 TAXES LEVIED BY THE PUBLIC AUTHORITIES

IFRIC 21 interpretation (Levies) stipulates the timing for the recognition of a liability as a tax or levy imposed by a government. These rules cover both the levies recognized in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those for which the timing and amount are certain.

The levies and taxes in question are defined as net outflows of resources (thus excluding VAT collected on behalf of the Government) levied by governments (as defined by IAS 20 and IAS 24) in application of legal and/or regulatory provisions other than fines or penalties linked to non-compliance with laws or regulations. These include taxes entering into the scope of application of IAS 37 on provisions (excluding those falling under the scope of IAS 12, such as income tax liabilities) as well as taxes with a certain amount and payment date (i.e., liabilities that do not fall within the scope of application of IAS 37).

Pursuant to the IFRIC 21 interpretation, the following taxes are recognized (and their potential reinvoicing at the same time) on a single occasion on the first day of the current year:

- property tax;
- tax on offices, commercial premises, storage premises and parking areas;
- annual tax on parking areas;
- company social solidarity contribution.

5.5.3.12.2 SIIC REGIME

The SIIC regime is a tax transparency regime which defers the payment of tax to the shareholder through the dividends he receives and which result from a distribution obligation for the company subject to the SIIC regime.

Opting for the SIIC regime means that an exit tax immediately falls due at the reduced rate of 19% on unrealized capital gains related to properties and investments in entities not subject to income tax.

Earnings under the SIIC regime are exempt from corporate income tax under certain distribution conditions (obligation to distribute 95% of operating income, 70% of capital gains on disposals and 100% of SIIC dividends received).

However, for newly acquired non-SIIC companies, a deferred tax liability is calculated at a rate of 19% corresponding to the amount of exit tax that these companies have to pay when opting for the SIIC regime, this option being included in the acquisition strategy.

The discounting of the exit tax liability due to opting for the SIIC regime is only recognized when considered material.

5.5.3.12.3 STANDARD REGIME

For companies not eligible under the SIIC system, deferred taxes resulting from timing differences on taxation or deductions are calculated under the liability method on all timing differences existing in the individual accounts or deriving from consolidation adjustments or eliminations of internal profits and losses. This happens when the book value of an asset or liability is different from its tax value. A net deferred tax asset is only recognized on loss carryforwards provided that it is likely that it can be charged against future taxable income. Deferred tax is determined using the principles and tax rates of the finance laws in effect at the balance sheet date that are likely to be applied when the various taxes involved crystallize. The same rule applies for assets held abroad.

5.5.3.12.4 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax arises from temporary differences between the tax valuation of assets or liabilities and their book values. They particularly result from the fair value revaluation of investment buildings held by companies who did not opt for the SIIC regime or from the cost related to the adoption of this regime. Deferred tax assets are recognized in respect of tax loss carryforwards if their future realization is likely.

5.5.3.13 RECOGNITION OF RENTAL INCOME (IFRS 16)

Rent is recorded in the income statement when invoiced. Under IFRS 16, incentives given to tenants (mainly rent-free periods and stepped rents) are spread in a straight line over the probable fixed term of the lease. Straight-line allocation of incentives given to tenants was offset by the recognition of a receivable up to December 31, 2017. From January 1, 2018, and for all leases with remaining rent-free periods and stepped rents, rent is now booked against the fair value adjustment of investment properties.

Consequently, rents shown in the income statement differ from rents paid.

Works carried out on behalf of tenants are capitalized and are not deferred over the probable term of the lease in accordance with IFRS 16.

5.5.3.14 FINANCE LEASES

In a financial lease, the lessor transfers all of the risks and benefits of the asset to the lessee. It is treated as financing granted to the lessee for the purchase of a property.

The current value of payments due under the lease, increased, as necessary, by the residual value, is entered under "Financial receivables on finance leases." The net income of the transaction for the lessor or the lessee corresponds to the amount of interest on the loan. It is recognized in the income statement under "Current operating income on finance lease transactions". The rents received are divided over the duration of the financing lease by recognizing them in capital amortization and interest such that the net income represents a constant rate of return over the residual outstanding. The rate of interest used is the implicit rate of interest in the lease.

5.5.3.15 KEY ACCOUNTING ESTIMATES AND JUDGMENTS

To establish the consolidated financial statements, the Group uses estimates and formulates judgments which are regularly updated and are based on historical data and other factors, especially forecasts of future events considered reasonable in the circumstances.

The significant estimates made by the Group mainly concern:

- the measurement of the fair value of investment properties;
- the measurement of the fair value of financial instruments;
- the measurement of equity interests;
- the measurement of provisions;
- the measurement of employee benefit commitments (pensions and share plans).

Due to the uncertainties inherent in any measurement process, the Group adjusts its estimates using regularly updated information. Estimates that carry a major risk of leading to a material adjustment in the net book value of assets and liabilities during the following period are analyzed below:

- the fair value of the property portfolio, whether it is held for the long term or for sale, is specifically determined based on the valuation of the portfolio by independent experts according to the methods described in sections 5.5.3.1.1 and 5.5.3.1.2. However, given the estimated nature inherent in these valuations, it is possible that the actual sales value of some properties will differ significantly from the valuation, even in the event of disposal within a few months following the balance sheet date;
- the fair value of the financial instruments that are not traded on an organized market (such as over-the-counter derivatives) is determined using valuation techniques. The Group uses methods and assumptions that it believes are the most appropriate, based on market conditions at the balance sheet date. The realizable value of these instruments may turn out to be significantly different from the fair value used for the accounting statement;
- the value in use and the fair value of equity investment securities are determined on the basis of estimates based on various data available to the Group as at the balance sheet date. New information obtained subsequent to the balance sheet date may have a material influence on this valuation.

The procedures for determining fair value according to IFRS 13 are detailed in section 5.5.3.1.2.

In addition to the use of estimates, the Group's management formulates judgments to define the appropriate accounting treatment for certain activities and transactions where the IFRS standards in force do not specifically deal with the issues concerned. This is especially the case for the analysis of leases, whether operating leases or financial leases.

5.5.4 Management of financial and operational risks

Gecina's 2020 Universal Registration Document contains a detailed description of the risk factors to which the Group is exposed (see page 40-41, 85-110 and 120-121). The chapter 3 of this half year report presents an update of these risk factors.

No other risks and uncertainties other than those presented in the 2020 Universal Registration Document and this document are expected.

5.5.4.1 REAL ESTATE MARKET RISK

Holding property assets for rent exposes the Group to the risk of fluctuation of the value of property assets and rents as well as to the risk of vacancy.

However, this exposure is limited given that:

- the assets are essentially held with a long-term perspective and valued in the accounts at fair value, even though fair value is based on estimates described in sections 5.5.3.1.1 to 5.5.3.1.3 above;
- invoiced rents come from rental commitments, the term and spread of which are liable to moderate the impact of fluctuations in the rental market.

With respect to development projects, the search for tenants begins once the investment decision is taken and results in the signing of preconstruction leases (baux en l'état futur d'achèvement – BEFA). These leases contain clauses on the definition of completion, the completion time and late penalties.

Certain aspects of this risk are quantified in Note 5.5.6.8.

5.5.4.2 FINANCIAL MARKET RISK

Holding financial instruments for the long term or for sale exposes the Group to the risk of fluctuation in the value of these assets. The analysis and quantification of the risk on hedging financial instruments are stated under Note 5.5.6.10.

In particular, the Group's exposure to equity risk in case of falling stock market indices gives rise to a problem of valuing hedging assets against pension liabilities. This risk is very limited with respect to the amounts of the hedging assets subject to equity risk.

Furthermore, Gecina may be subject to changes in share prices for its financial investments and for its treasury shares. Gecina has set up a share buyback program and therefore holds a certain number of its own shares. A fall in the price of the Gecina share has no impact on the consolidated financial statements, only on the individual company financial statements.

5.5.4.3 COUNTERPARTY RISK

With a portfolio of clients of around 700 corporate tenants, from a wide variety of sectors, and around 7,300 individual tenants, the Group is not exposed to significant concentration risks. In the course of its development, the Group aims to acquire assets for which the rental portfolio is closely based on tenant selection criteria and the security provided by them. When a property is rented out, a detailed application is provided by the tenant and an analysis of the tenant financial soundness is conducted. Tenant selection and rent collection procedures help to maintain a satisfactory rate of losses on receivables.

Financial transactions, especially hedging the interest rate risk, are carried out with a broad selection of leading financial institutions. Competitive tenders are conducted for all major financial transactions and the maintenance of a satisfactory diversification of sources of funds and counterparties is one of the selection criteria. Gecina has no material exposure to a single bank counterparty on its portfolio of derivatives. Counterparty risk is now an integral part of fair value as determined under IFRS 13 (see Note 5.5.3.1.2). The Group's maximum exposure on all its loans (used and unused) to a single counterparty is 5%.

5.5.4.4 LIQUIDITY RISK

Liquidity risk is managed by constantly monitoring the maturity of financing facilities, maintaining available credit lines and diversifying finance sources. Liquidity is managed in the medium and long term as part of multi-annual financing plans and, in the short term, by using confirmed undrawn credit lines and asset disposal programs. Details of debt maturity dates are provided in Note 5.5.5.12.1 as well as a description of the various limits that might affect interest conditions or early repayment, as stipulated in the credit agreements.

5.5.4.5 INTEREST RATE RISK

Gecina's interest rate risk management policy, which includes the use of hedging instruments, is aimed at limiting the impact of a change in interest rates on the Group's earnings, where a significant portion of the Group's loans is at a floating rate. With respect to the foregoing, a management framework was presented and validated by the company's Audit and Risk Committee. This management framework defines in particular the management horizons, a percentage of coverage required on the time horizons, new hedging targets and the instruments enabling such management (mostly caps and swaps). The interest rate risk is analyzed and quantified in Notes 5.5.5.12.2 and 5.5.6.10, together with an analysis of interest rate sensitivity. Gecina's interest rate hedging policy is primarily implemented on a global basis for all its loans (i.e., not specifically assigned to certain loans). As a result, it does not meet the accounting qualification of hedging instruments and the fair value change therefore appears in the income statement, according to the procedures described in Note 5.5.3.8.

5.5.4.6 FOREIGN EXCHANGE RISK

The Group conducts the majority of its business in the eurozone and almost all its revenues, operating expenses, investments, assets and liabilities are denominated in euros.

5.5.4.7 OPERATING RISKS

Gecina is exposed to a wide range of operating risks, the details of which are specified in chapter 2 of the 2020 Universal Registration Document and updated in chapter 3 of the half year report.

Until 2009, when Mr. Joaquín Rivero was a corporate officer of Gecina or one of its subsidiaries, Gecina carried out a number of transactions, including the acquisition by SIF Espagne of a 49% equity investment in Bami Newco in 2009, and also undertook certain commitments, notably the granting of certain guarantees in relation to said transactions, as mentioned in Notes 5.5.5.13 and 5.5.9.2. When said commitments and transactions were revealed, impairment and provisions were recorded against some of them pursuant to applicable regulations. Some of the guarantees were also granted outside Gecina's internal control framework, despite the specific procedures implemented.

Gecina cannot totally rule out that non-compliance with internal control and risk management procedures, the deterioration in the economic environment in Spain or fraud attempts will not result in further financial, legal or regulatory risks which have not been identified to date. Occurrence of such risks may impact the Group's reputation, results or financial situation.

5.5.5 Notes to the consolidated statement of financial position

5.5.5.1 PROPERTY PORTFOLIO

5.5.5.1.1 STATEMENT OF CHANGES IN PROPERTY HOLDINGS

Gross value

In thousand euros	12/31/2020	Acquisitions	Asset disposal or exercise of options	Change invalue	Other changes	Transfers between items	06/30/2021
Investment properties	17,744,334	47,908	0	117,820	14,990	(338,315)	17,586,738
Buildings under reconstruction	1,256,816	77,428	0	38,586	0	24,890	1,397,720
Operating properties	107,494	404	0	0	0	0	107,898
Financial receivables on finance leases	224,835	0	(9,691)	0	0	0	215,144
Intangible assets	19,751	2,744	(73)	0	0	0	22,422
Other tangible fixed assets	32,228	596	(65)	0	0	0	32,759
Properties for sale	368,240	(101)	(98,416)	31,119	4,424	313,425	618,691
Inventories	5,928	7	0	0	0	0	5,936
GROSS VALUE	**19,759,627**	**128,984**	**(108,244)**	**187,526**	**19,414**	**0**	**19,987,307**

Depreciation and impairment

In thousand euros	12/31/2020	Allocations	Disposals/ Write backs	Change in value	Other changes	Transfers between items	06/30/2021
Operating properties	26,377	1,007	(377)	0	0	0	27,008
Financial receivables on finance leases	121,023	3,978	(4,004)	0	0	0	120,998
Intangible assets	10,747	2,057	(69)	0	0	0	12,735
Other tangible fixed assets	20,151	2,372	(64)	0	0	0	22,460
Inventories	2,119	117	0	0	0	0	2,236
Depreciation and impairment	**180,417**	**9,532**	**(4,513)**	**0**	**0**	**0**	**185,436**
NET FIXED ASSETS	**19,579,210**	**119,453**	**(103,731)**	**187,526**	**19,414**	**0**	**19,801,871**

Pursuant to the accounting principles defined in Note 5.5.3.1.1, five assets under reconstruction are recognized at their historical cost for a total amount of €18 million.

The other changes relate to the effect of the commercial benefits granted to tenants for €19 million.

5

5.5.5.1.2 ANALYSIS OF ACQUISITIONS (INCLUDING DUTIES AND COSTS)

Acquisitions concern the following:

In thousand euros	06/30/2021
Property acquisitions	**529**
Construction and redevelopment work	74,215
Renovation work	44,419
Works	**118,635**
Operating properties	379
Inventories	7
Capitalized internal costs	2,416
Capitalized financial expenses	1,887
Marketing costs	1,618
Eviction allowances	175
Total property acquisitions	**125,645**
Tangible fixed assets	596
Intangible assets	2,744
TOTAL ACQUISITIONS	**128,984**

5.5.5.1.3 DETAIL OF THE DISPOSALS

Disposals are detailed in Note 5.5.6.7.

5.5.5.1.4 GOODWILL

The goodwill results from the acquisition of Eurosic in August 2017 and is allocated to the cash-generating unit (CGU) Offices. It varied from €191 million as at December 31, 2020 to €189 million as at June 30, 2021.

According to IAS 36, an impairment test is performed when there is an indication that the goodwill may be impaired and at least once a year.

The valuation of the CGU was performed at December 31, 2020 incrementally using the fair value of the assets, as accounted for in the Group's financial statements, plus the valuation of the cash flows not taken into account in the financial statements.

The continuation of the Covid-19 health crisis has no significant impact on the Group's business. No new indications of impairment of goodwill have been identified as of June 30, 2021.

5.5.5.2 FINANCIAL FIXED ASSETS

In thousand euros	06/30/2021	12/31/2020	06/30/2020
Non-consolidated investments	136,570	131,240	132,405
Advances on property acquisitions	65,519	65,519	65,519
Deposits and guarantees	1,086	1,079	1,141
Other financial fixed assets	2,002	2,105	1,961
GROSS FINANCIAL FIXED ASSETS	**205,177**	**199,943**	**201,026**
Impairment	(175,351)	(175,351)	(175,525)
NET FINANCIAL FIXED ASSETS	**29,826**	**24,592**	**25,501**

Impairment in the amount of €175.4 million is mainly related to the 49% equity interest in the Spanish company Bami Newco, which has been fully written down (€109.3 million) and the advance on property acquisition granted to the Spanish company Bamolo, written down for €65.2 million (in order to reduce it to the land's latest appraisal value given as a guarantee of €0.3 million).

5.5.5.3 EQUITY-ACCOUNTED INVESTMENTS

This item reflects the share held by the Group in the companies in which the Group exercises significant influence.

The elements of the financial situation of the main companies with investments that do not afford control are presented below:

In thousand euros	Euler Hermes Real Estate	Risque & Sérénité	Total
Property holdings	302,000	0	302,000
Other assets	8,283	3,672	11,955
Total assets	**310,283**	**3,672**	**313,955**
Shareholders' equity	274,271	3,633	277,904
External loans and debts with partners	32,065	0	32,065
Other liabilities	3,947	39	3,986
Total liabilities	**310,283**	**3,672**	**313,955**
Revenue	3,920	0	3,920
Net income	**15,443**	**16**	**15,458**
% held	19.90%	43.24%	
NET INCOME FROME EQUITY-ACCOUNTED INVESTMENTS	**3,073**	**7**	**3,080**
Shareholders' equity	274,271	3,633	277,904
EQUITY-ACCOUNTED INVESTMENTS	**54,580**	**1,571**	**56,150**

5.5.5.4 DEFERRED TAX ASSETS AND LIABILITIES

At June 30, 2021, net deferred taxes represented an asset of €1.9 million. They mainly include the effect of certain tax loss carryforwards.

In thousand euros	12/31/2020	Change in profit/loss	06/30/2021
Activation of tax losses	1,900	0	1,900
Deferred tax assets	**1,900**	**0**	**1,900**
Gains on financial leases	(64)	32	(32)
Deferred tax liabilities	**(64)**	**32**	**(32)**
NET DEFERRED TAXES	**1,836**	**32**	**1,868**

5

5.5.5.5 PROPERTIES FOR SALE

Movements on properties for sale are included in the statement of changes in property holdings (see Note 5.5.5.1.1).

Properties for sale breaks down as follows:

In thousand euros	06/30/2021	12/31/2020	06/30/2020
Properties for sale (block basis)	348,829	70,004	10,500
Properties for sale (unit basis)	269,862	298,236	309,583
PROPERTIES FOR SALE	**618,691**	**368,240**	**320,083**

5.5.5.6 INVENTORIES

These are office assets located in the Paris Region and acquired under the real estate trader regime. These assets are entered at their cost price (at cost, including expenses and works) and potentially written down, in the event of an indication of loss of value.

5.5.5.7 TRADE RECEIVABLES

The breakdown by sector is indicated in Note 5.5.8.

In thousand euros	06/30/2021	12/31/2020	06/30/2020
Billed clients	45,917	45,307	64,460
Unbilled expenses payable	31,686	5,053	32,220
Balance of rent-free periods and stepped rents	24,912	30,758	36,301
GROSS TRADE RECEIVABLES	**102,515**	**81,119**	**132,982**
Impairment of receivables	(24,724)	(24,761)	(26,944)
NET TRADE RECEIVABLES	**77,790**	**56,358**	**106,037**

5.5.5.8 OTHER RECEIVABLES

In thousand euros	06/30/2021	12/31/2020	06/30/2020
Value added tax	49,100	48,282	32,743
Corporate income tax(1)	23,010	16,766	1,412
Bami Newco cash advances and guarantees(2)	32,763	32,763	32,763
Receivables on asset disposal	2,632	3,016	5,534
Other(3)	63,904	62,239	54,102
GROSS OTHER RECEIVABLES	**171,409**	**163,067**	**126,555**
Impairment	(38,109)	(38,493)	(36,150)
NET OTHER RECEIVABLES	**133,299**	**124,574**	**90,405**

(1) Includes €22 million related to ongoing disputes with the tax administration.
(2) Fully impaired.
(3) Includes €36 million of advances for projects as at June 30, 2021.

5.5.5.9 PREPAID EXPENSES

In thousand euros	06/30/2021	12/31/2020	06/30/2020
Loan application costs	9,863	9,787	10,170
10-year warranty insurance	3,265	2,857	2,873
Other	7,778	5,339	5,707
PREPAID EXPENSES	**20,906**	**17,983**	**18,750**

5.5.5.10 CASH

In thousand euros	06/30/2021	12/31/2020	06/30/2020
Current bank accounts	584,758	174,123	507,565
GROSS CASH	**584,758**	**174,123**	**507,565**
Bank overdrafts	0	0	0
NET CASH	**584,758**	**174,123**	**507,565**

At June 30, 2021, free cash stood at €585 million, a level explained by the settlement of the new bond issued on June 30, 2021. These funds were used in particular for the payment of the balance of the dividend and the repayment of a bond in July 2021.

5.5.5.11 CONSOLIDATED SHAREHOLDERS' EQUITY

See the accounting statement preceding this note in section 5.3 "Statement of changes in consolidated equity".

5.5.5.12 BORROWINGS, FINANCIAL DEBT AND FINANCIAL INSTRUMENTS

5.5.5.12.1 BORROWINGS AND FINANCIAL DEBT

Outstanding debt

In thousand euros	**Outstanding 06/30/2021**	**Repayments <1 year**	**Outstanding 06/30/2022**	**Repayments 1 to 5 years**	**Outstanding 06/30/2026**	**Repayments beyond 5 years**
Fixed-rate debt	**5,680,984**	**(456,666)**	**5,224,318**	**(1,094,188)**	**4,130,130**	**(4,130,130)**
Fixed-rate bonds	5,574,320	(424,222)	5,150,099	(1,072,283)	4,077,816	(4,077,816)
Fixed-rate borrowings	46,490	(2,224)	44,265	(9,329)	34,936	(34,936)
Other fixed-rate debts	38,566	(8,612)	29,954	(12,576)	17,378	(17,378)
Accrued interest provisioned	21,609	(21,609)	0	0	0	0
Floating rate debt	**1,996,432**	**(1,996,432)**	**0**	**0**	**0**	**0**
Negotiable European Commercial Paper (NEU CP)	1,497,000	(1,497,000)	0	0	0	0
Floating-rate bonds	499,432	(499,432)	0	0	0	0
GROSS DEBT	**7,677,416**	**(2,453,098)**	**5,224,318**	**(1,094,188)**	**4,130,130**	**(4,130,130)**
Cash (floating rate)						
Liquidities	584,758	(584,758)	0	0	0	0
TREASURY	**584,758**	**(584,758)**	**0**	**0**	**0**	**0**
Net debt						
Fixed rate	5,680,984	(456,666)	5,224,318	(1,094,188)	4,130,130	(4,130,130)
Floating rate	1,411,675	(1,411,675)	0	0	0	0
NET DEBT	**7,092,659**	**(1,868,341)**	**5,224,318**	**(1,094,188)**	**4,130,130**	**(4,130,130)**
Undrawn credit lines	4,455,000	0	4,455,000	(3,040,000)	1,415,000	(1,415,000)
Future cash flows on debt	0	(140,172)	0	(469,062)	0	(404,514)

The interest that will be paid up to maturity of the entire debt, and which is estimated on the basis of the rate curve at June 30, 2021 amounts to €1,014 million.

The breakdown of the repayment of gross debt within less than one year is as follows:

In thousand euros	**Third quarter 2021**	**Fourth quarter 2021**	**First quarter 2022**	**Second quarter 2022**	**Total**
	1,110,146	537,548	191,395	614,010	2,453,098

These debt maturities over the next twelve months are covered by the liquidity available at June 30, 2021, which amount to €5,040 million.

Details of green bonds issued

Bonds	Issuer	Issue date	Issue amount *(in million euros)*	Outstanding amount *(in million euros)*	Issue price	Redemption price	Nominal rate	Maturity date
Bond 05/2023	Gecina	05/30/2013	300	200.2	€98,646	€100,000	2.875%	05/30/2023
Bond 07/2021	Gecina	07/13/2014	50	50	€100,000	€100,000	3.30%	07/13/2021
Bond 01/2023	Gecina	12/15/2014	125	125	€100,000	€100,000	3.051%	01/16/2023
Bond 01/2025	Gecina	01/20/2015	500	500	€99,256	€100,000	1.50%	01/20/2025
Bond 06/2024	Gecina	06/17/2015	500	377.8	€97,800	€100,000	2.00%	07/16/2021
Bond 11/2022	Gecina	11/06/2015	50	50	€100,000	€100,000	2.75%	11/06/2022
Bond 11/2023	Gecina	11/06/2015	100	100	€100,000	€100,000	3.00%	11/06/2023
Bond 06/2026	Gecina	12/01/2015	100	100	€100,000	€100,000	3.00%	06/01/2026
Bond 01/2029	Gecina	09/30/2016	500	500	€99,105	€100,000	1.00%	01/30/2029
Bond 06/2032	Gecina	06/30/2017	500	500	€98,535	€100,000	2.00%	06/30/2032
Bond 06/2022	Gecina	06/30/2017	500	500	€100,000	€100,000	Euribor 3 months +0.38%	06/30/2022
Bond 06/2027	Gecina	06/30/2017	500	500	€99,067	€100,000	1.375%	06/30/2027
		10/30/2020	200	200	€108,578	€100,000		
Bond 01/2028	Gecina	09/26/2017	700	700	€98,710	€100,000	1.375%	01/26/2028
Bond 03/2030	Gecina	03/14/2018	500	500	€97,325	€100,000	1.625%	03/14/2030
Bond 05/2034	Gecina	05/29/2019	500	500	€98,597	€100,000	1.625%	05/29/2034
		10/30/2020	200	200	€109,722	€100,000		
Bond 06/2036	Gecina	06/30/2021	500	500	€98,349	€100,000	0.875%	06/30/2036

Covenants

The company's main credit facilities are accompanied by contractual clauses relating to compliance with certain financial ratios, determining interest rates charged and early repayment clauses, the most restrictive of which are summarized below:

	Benchmark standard	06/30/2021	12/31/2020	06/30/2020
Net financial debt/revalued block value of property holding (excluding duties)	Maximum 55%/60%	35.4%	35.6%	35.1%
EBITDA/net financial expenses	Minimum 2.0x	5.4x	5.6x	5.5x
Outstanding secured debt/revalued block value of property holding (excluding duties)	Maximum 25%	0.2%	0.2%	0.2%
Revalued block value of property holding (excluding duties) in billion euros	Minimum 6.0/8.0	20.0	19.7	20.0

Change of control clauses

For bonds issued by Gecina, a change of control leading to the downgrading of its credit rating to "Non-Investment Grade" and not raised to "Investment Grade" within 120 days, could lead to the early repayment of the loan.

5.5.5.12.2 FINANCIAL INSTRUMENTS

The financial instruments (level 2 fair value as defined by IFRS 7 and IFRS 13) held by the Group are hedging instruments. They are traded on the over-the-counter market and valued on the basis of valuation models using observable inputs.

Portfolio of derivatives

In thousand euros	Outstanding 06/30/2021	Maturity or effective date <1 year	Outstanding 06/30/2022	Maturity or effective date 1 to 5 years	Outstanding 06/30/2026	Maturity or effective date more than 5 years
Portfolio of outstanding derivatives at June 30, 2021						
Fixed-rate receiver swaps	650,200	0	650,200	(400,200)	250,000	(250,000)
Fixed-rate payer swaps	400,000	0	400,000	0	400,000	(400,000)
Selling of puts and calls on fixed-rate payer swaps	0	0	0	0	0	0
Purchasing of puts and calls on fixed-rate receiver swaps	0	0	0	0	0	0
Cap purchases	1,425,000	(625,000)	800,000	(400,000)	400,000	(400,000)
Cap sales	0	0	0	0	0	0
Floors sales	0	0	0	0	0	0
TOTAL	**2,475,200**	**(625,000)**	**1,850,200**	**(800,200)**	**1,050,000**	**(1,050,000)**
Portfolio of derivatives with deferred impact at June 30, 2021						
Fixed-rate receiver swaps	0	350,000	350,000	(350,000)	0	0
Fixed-rate payer swaps	0	0	0	0	0	0
Selling of puts and calls on fixed-rate payer swaps	0	0	0	0	0	0
Purchasing of puts and calls on fixed-rate receiver swaps	0	0	0	0	0	0
Cap purchases	0	0	0	0	0	0
Cap sales	0	0	0	0	0	0
Floors sales	0	0	0	0	0	0
TOTAL	**0**	**350,000**	**350,000**	**(350,000)**	**0**	**0**
Total derivatives portfolio as at June 30, 2021						
Fixed-rate receiver swaps	650,200	350,000	1,000,200	(750,200)	250,000	(250,000)
Fixed-rate payer swaps	400,000	0	400,000	0	400,000	(400,000)
Selling of puts and calls on fixed-rate payer swaps	0	0	0	0	0	0
Purchasing of puts and calls on fixed-rate receiver swaps	0	0	0	0	0	0
Cap purchases	1,425,000	(625,000)	800,000	(400,000)	400,000	(400,000)
Cap sales	0	0	0	0	0	0
Floors sales	0	0	0	0	0	0
TOTAL	**2,475,200**	**(275,000)**	**2,200,200**	**(1,150,200)**	**1,050,000**	**(1,050,000)**
Future interest cash flows on derivatives	0	9,712	0	11,852	0	(4,999)

Gross debt hedging

In thousand euros	06/30/2021
Gross fixed-rate debt	**5,680,984**
Fixed-rate debt converted to floating rate	(650,200)
Residual fixed-rate debt	**5,030,784**
Gross floating-rate debt	**1,996,432**
Fixed-rate debt converted to floating rate	650,200
Gross floating-rate debt after conversion of debt to floating rate	**2,646,632**
Fixed-rate payer swaps and activated caps/floors	(400,000)
Unhedged gross floating-rate debt	**2,246,632**
Cap purchases	(1,425,000)
RESIDUAL FLOATING RATE DEBT	**821,632**

The fair value of hedging instruments, as recorded on the balance sheet, breaks down as follows:

In thousand euros	12/31/2020	Acquisitions/ disposals	Change in value	Other items	06/30/2021
Non-current assets	25,419	0	(2,478)	0	22,941
Current assets	0	0	0	0	0
Non-current liabilities	(13,184)	0	10,752	90	(2,342)
Current liabilities	0	0	(667)	329	(338)
HEDGING INSTRUMENTS	**12,235**	**0**	**7,606**	**419**	**20,260**

The fair value of the hedging instruments increased by €8 million. This change is mainly due by the increase in interest rates over the first half of 2021 and the time effect.

5.5.5.13 PROVISIONS

In thousand euros	12/31/2020	Allocations	Write backs	Utilizations	06/30/2021
Tax reassessments	7,000	0	0	(400)	6,600
Employee benefit commitments	15,928	0	0	(627)	15,301
Other disputes	79,862	2,505	0	(265)	82,102
PROVISIONS	**102,790**	**2,505**	**0**	**(1,292)**	**104,003**

Some companies within the consolidation have been the subject of tax audits leading to notifications of tax reassessments, the majority of which are contested. At June 30, 2021, the total amount accrued as a provision for the fiscal risk is €6.6 million, based on the assessments of the company and its advisers.

The Group has also, directly or indirectly, been the subject of liability actions and court proceedings instigated by third parties. Based on the assessments of the company and its advisers, all risks that would be likely to significantly impact the company's earnings or financial situation have been provisioned.

Employee benefit commitments (€15.3 million) concern supplementary pensions, lump-sum retirement benefits, and anniversary premiums. They are valued by independent experts.

Other disputes (€82.1 million) include miscellaneous business-related litigations (€16.2 million) as well as provisions for commitments in Spain (€65.9 million) with the following breakdown.

In the context of the proceedings instigated by Abanca in Madrid in 2015, regarding its demand for Gecina to pay €48.7 million plus interest, pursuant to the guarantee letters of commitment allegedly signed by Mr. Joaquín Rivero (former Gecina officer), the Madrid Court of Appeal upheld the ruling whereby the Court of First Instance of Madrid had ordered Gecina to pay this amount as well as the default interest to Abanca. A provision of € 61.1 million (including interest) is recognized in this regard. Gecina considers this situation to be the result of the fraudulent actions of Mr. Joaquín Rivero and is contesting the decision of the Spanish courts. The Group has therefore lodged an appeal in Spain and is vigorously pursuing both the civil and criminal actions instigated in France with regard to this matter.

Moreover, the guarantees granted by SIF Espagne on November 13, 2009, then represented by Mr. Joaquín Rivero, concerning Bami Newco's repayment of credit facilities granted by Banco Popular remain fully accrued as at June 30, 2021 for €4.8 million.

The resulting contingent receivable was reported under the bankruptcy proceedings of Bami Newco. In June 2014, Banco Popular called in one of its two guarantees and claimed the payment of €3 million from SIF Espagne. In June 2016, MHB Bank claimed the payment of this guarantee in its capacity as the assignee of the guarantee. The company studied and analyzed this claim and believes that it is not required as of this date to make the payment.

Bami Newco was the subject of insolvency proceedings commenced in June 2013. Gecina and SIF Espagne reported their receivables in the context of these bankruptcy proceedings.

The liquidation plan sent to the parties in November 2015 is still in execution by the court-ordered liquidator. This plan shows a liability significantly higher than the remaining assets of Bami Newco, thereby confirming that it is unlikely for Gecina and SIF Espagne to recover their receivables, considered as subordinated debt. On January 22, 2016, Gecina and SIF Espagne filed pleadings seeking a classification of fraudulent bankruptcy and liability of the de facto and de jure directors of Bami Newco and they continue to assert their rights and defend their interests in this proceeding.

Following the January 2020 judgment recognizing the fraudulent nature of promissory notes, and the prescription of any new action relating to these promissory notes, the risk relating to the Arlette Dome case is definitively extinguished.

5.5.5.14 PENSIONS AND OTHER EMPLOYEE BENEFITS

The amounts reported at June 30, 2021 are as follows:

In thousand euros	06/30/2021	12/31/2020	06/30/2020
Present value of the bond	18,202	18,939	18,983
Fair value of hedging assets	(2,901)	(3,011)	(3,032)
Net present value of the bond	**15,301**	**15,928**	**15,951**
Non-recognized profits (losses)	0	0	0
Non-recognized costs of past services	0	0	0
NET LIABILITY	**15,301**	**15,928**	**15,951**

The net commitment recorded as non-recurring provisions amounted to €15 million after taking into account hedging assets estimated at €3 million at June 30, 2021.

The actuarial difference for the period recorded in shareholders' equity amounts to €0.8 million.

Change in bond

In thousand euros	06/30/2021	12/31/2020	06/30/2020
Net present value of the bond at beginning of period	**15,928**	**15,286**	**15,286**
Cost of services rendered during the year	582	1,124	562
Net interest	38	119	60
Actuarial differences	(45)	(173)	47
Expense recognized under payroll expense	**575**	**1,070**	**669**
Effects of any change or liquidation of the plan	0	0	0
Benefits paid (net)	(355)	(425)	(170)
Contributions paid	0	(194)	(194)
Actuarial differences not written to profit or loss	(847)	192	360
NET PRESENT VALUE OF THE BOND AT END OF PERIOD	**15,301**	**15,928**	**15,951**

The main actuarial assumptions used to calculate Group commitments are as follows:

	06/30/2021	12/31/2020	06/30/2020
Expected yield rate of hedging assets	N/A	N/A	3.00%
Wage increase rate (net of inflation)	0.00% - 0.25%	0.25%	0.25%
Discount rate	0.00% - 1.00%	0.00%-0.50%	0.00%-1.00%
Inflation rate	1.50%	1.50%	1.75%

5.5.5.15 TRADE PAYABLES

In thousand euros	06/30/2021	12/31/2020	06/30/2020
Trade payables on goods and services	62,123	61,458	45,131
Fixed asset trade payables	89,955	97,777	83,035
TRADE PAYABLES	**152,078**	**159,235**	**128,166**

5.5.5.16 CURRENT TAX AND EMPLOYEE-RELATED LIABILITIES

In thousand euros	06/30/2021	12/31/2020	06/30/2020
Social security liabilities	24,414	26,531	24,944
Value added tax	21,018	20,736	15,369
Other tax liabilities	53,806	4,495	56,526
CURRENT TAX AND EMPLOYEE-RELATED LIABILITIES	**99,238**	**51,762**	**96,838**

5.5.5.17 OTHER CURRENT LIABILITIES

In thousand euros	06/30/2021	12/31/2020	06/30/2020
Customer credit balance	54,829	61,913	37,135
Other payables[1]	198,057	8,886	192,647
Deferred income	4,468	2,506	7,259
OTHER CURRENT LIABILITIES	**257,355**	**73,304**	**237,042**

(1) Includes dividends paid on July 5, 2021 for €195 million.

5.5.5.18 OFF-BALANCE SHEET COMMITMENTS

In thousand euros	06/30/2021	12/31/2020	06/30/2020
Commitments given – Operating activities			
Asset-backed liabilities	46,490	47,587	48,672
Works amount to be invested (including off-plan property sales)	462,066	473,872	499,619
Preliminary property sale agreements	348,210	58,162	7,008
Other[1]	17,270	18,403	18,403
COMMITMENTS GIVEN	**874,036**	**598,023**	**573,701**
Commitments received – Financing			
Undrawn credit lines	4,455,000	4,505,000	4,405,000
Commitments received – Operating activities			
Preliminary property sale agreements	346,260	55,450	900
Mortgage-backed receivable	300	300	360
Financial guarantees for management and transaction activities	660	660	660
Other[2]	1,280,035	1,282,785	1,277,983
COMMITMENTS RECEIVED	**6,082,255**	**5,844,195**	**5,684,903**

(1) Of which €17 million in liability guarantees granted as part of the sale of shares of subsidiaries (€14 million for previous Eurosic subsidiaries and €3 million for Hôtelière de La Villette).
(2) Of which a €1,240 million guarantee received as part of the acquisition of Avenir Danton Défense and Avenir Grande Armée equities.

During the course of its normal business operations, Gecina made certain commitments to be fulfilled within a maximum of ten years, and which do not appear in the table of commitments given because their cost is not yet known. Based on the assessments of the Group and its advisers, there are currently no commitments likely to be called and which would materially impact Gecina's earnings or financial position.

The outstanding amounts for future development costs (including off-plan property sales) correspond to reciprocal guarantees with the developer who undertakes to complete the works.

5.5.5.19 RECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

In thousand euros	Assets/ liabilities valued at fair value through the income statement	Assets/ liabilities held to maturity	Loans and receivables	Liabilities at amortized cost	Historic cost(1)	Fair value through shareholders' equity	Total	Fair value
Financial fixed assets	0	300	3,026	0	0	26,500	29,826	29,826
Equity-accounted investments	0	0	0	0	56,150	0	56,150	56,150
Cash	584,758	0	0	0	0	0	584,758	584,758
Financial instruments(2)	22,941	0	0	0	0	0	22,941	22,941
Other assets	0	0	0	0	211,090		211,090	211,090
FINANCIAL ASSETS	**607,699**	**300**	**3,026**	**0**	**267,240**	**26,500**	**904,765**	**904,765**
Financial debt(3)	0	1,603,663	0	6,073,753	0	0	7,677,416	7,950,465
Financial instruments(2)	2,681	0	0	0	0	0	2,681	2,681
Other liabilities	0	0	0	0	578,442	0	578,442	578,442
FINANCIAL LIABILITIES	**2,681**	**1,603,663**	**0**	**6,073,753**	**578,442**	**0**	**8,258,538**	**8,531,588**

(1) Due to the short-term nature of these receivables and debts, the book value represents a good estimate of fair value, as the discount effect is immaterial.
(2) According to IFRS 7 and IFRS 13, the fair value of the financial instruments is level 2, which means that the valuation is based on observable market data.
(3) See Note 5.5.5.12.1.

5.5.6 Notes to the consolidated statement of comprehensive income

5.5.6.1 GROSS RENTAL INCOME

The revenue analysis by segment is detailed in Note 5.5.8.

Minimum future rents receivable until the next possible termination date under the operating leases of commercial properties are as follows:

In thousand euros	06/30/2021	06/30/2020
Less than 1 year	459,817	439,109
1 to 5 years	1,128,892	1,067,216
Over 5 years	448,458	371,608
TOTAL	**2,037,167**	**1,877,933**

5

5.5.6.2 DIRECT OPERATING EXPENSES

Property expenses largely comprise:

- rental expenses, including expenses related to building staff as well as local taxes;
- expenses related to non-capitalizable work, property management and any disputes;
- cost of rental risk consisting of net impairments plus the amount of losses and profits on unrecoverable debts for the period.

The health crisis does not significantly impact the rental risk at 30 June 2021, which is 0.8 million euros compared to 7.1 million euros at 30 June 2020.

Net direct operating expenses primarily represent non-rechargeable property expenses by type, the share of rental expenses not billed to tenants due to vacancy, as well as the cost of rental risk.

In thousand euros	06/30/2021	06/30/2020
External purchases and services	(51,269)	(52,676)
Taxes and other payables	(69,775)	(71,759)
Payroll costs	(2,060)	(2,393)
Cost of rental risk(1)	(835)	(7,060)
Other expenses(1)	8	(17)
Property expenses	**(123,931)**	**(133,905)**
Recharges to tenants	**82,775**	**87,286**
NET DIRECT OPERATING EXPENSES	**(41,155)**	**(46,619)**

(1) As at 30 June 2020, the cost of the rental risk was included in "other expenses".

5.5.6.3 OPERATING INCOME FROM FINANCE LEASES AND HOTEL BUSINESS

In thousand euros	06/30/2021	06/30/2020
Financial fees and other income on finance lease transactions	15,030	10,538
Operating expenses	(13,796)	(10,538)
CURRENT OPERATING INCOME ON FINANCE LEASE TRANSACTIONS	**1,234**	**0**
Hotel operating income	279	799
Hotel operating expenses	(574)	(913)
Depreciation of the hotel business	(371)	(300)
CURRENT OPERATING INCOME ON THE HOTEL BUSINESS	**(666)**	**(414)**

Current operating income on financial lease transactions reflects the exercise of options in the first half of 2021, as well as the difficulties encountered by certain lesses over the two periods in the context of the health crisis.

The current operating income on the hotel business reflects the slowdown in business due to the health crisis.

5.5.6.4 NET SERVICES AND OTHER INCOME

These largely comprise the following items:

In thousand euros	06/30/2021	06/30/2020
Income from service activities	205	133
Reversals of investment subsidies	43	515
Other income(1)	2,900	779
NET SERVICES AND OTHER INCOME	**3,148**	**1,427**

(1) Including an insurance indemnity of 2.4 million euros, received in the context of a claim on an asset sold, and now definitively acquired.

5.5.6.5 OVERHEADS

Overheads break down as follows:

In thousand euros	06/30/2021	06/30/2020
Payroll costs	(33,183)	(31,974)
Internal costs	3,354	3,033
Share-based payments	(2,040)	(2,212)
Net management costs	(9,855)	(18,556)
Invoicing of fees for rental and technical management	3,400	3,502
OVERHEADS	**(38,323)**	**(46,208)**

Salaries and fringe benefits relate to the company's staff, with the exception of building staff included in property expenses.

Depending on their nature, certain salaries and fringe benefits and management fees are reclassified in a total amount of €3.4 million as at June 30, 2021 (internal costs). Expenses attributable to disposals are recorded under gains or losses on disposal, those attributable to projects under development and marketing actions are recognized as fixed assets. Lastly, fees attributable to ongoing studies are booked as prepaid expenses.

Share-based payments concern stock options for new or existing shares and performance shares (see Note 5.5.9.4) and are booked in accordance with IFRS 2 (see Note 5.5.3.7).

Management costs primarily include fees paid by the company and head office operating costs.

5.5.6.6 REAL ESTATE MARGIN

The insignificant real estate margin as of June 30, 2021 reflects the absence of sales of buildings held as real estate agents.

5.5.6.7 GAINS OR LOSSES ON DISPOSALS

Disposals represented:

In thousand euros	06/30/2021	06/30/2020
Block sales	100,146	340,590
Unit sales	3,719	11,378
Proceeds from disposals	**103,865**	**351,968**
Block sales	(95,484)	(340,155)
Unit sales	(3,064)	(9,763)
Net book value	**(98,548)**	**(349,918)**
Block sales	(2,991)	(3,225)
Unit sales	(184)	(448)
Cost of sales	**(3,175)**	**(3,672)**
Share of goodwill	**(1,650)**	**(3,787)**
GAINS OR LOSSES ON DISPOSALS	**491**	**(5,409)**

Gains and losses on disposal amount to €0.5 million, including -€1,7 million for the share of goodwill written back with respect to the assets transferred within the Offices CGU.

Salaries and fringe benefits and net management costs reclassified as a result of disposal to internal costs are €0.7 million as at June 30, 2021, compared to €0.5 million as at June 30, 2020.

5.5.6.8 CHANGE IN VALUE OF PROPERTIES

Changes in the fair value of property holdings break down as follows:

In thousand euros	12/31/2020	06/30/2021	Change
Investment properties	17,744,334	17,586,738	
Changes in consolidation scope	(338,910)	(595)	
Investment properties on a comparable basis	**17,405,424**	**17,586,142**	**180,718**
Capitalized works on investment properties			(44,521)
Capitalized salaries and fringe benefits on investment properties			(1,464)
Linearization of commercial benefits			(14,990)
Other capitalized charges on investment properties(1)			(1,923)
Change in value of investment properties on a comparable basis			**117,820**
Change in value of buildings under reconstruction or acquired			38,586
Change in value of properties for sale			31,119
CHANGE IN VALUE RECORDED IN INCOME STATEMENT			**187,526**

(1) Mainly marketing costs and eviction allowances.

Pursuant to IFRS 13 (see Note 5.5.3.1.2), the tables below break down, by activity sector, the ranges of the main unobservable inputs (level 3) used by property appraisers:

Commercial sector	Yield rate	DCF discount rate	Market rental value *(in €/sq.m)*
Paris CBD	2.20% - 3.75%	2.85% - 4.80%	530 - 880
Paris non-CBD	2.70% - 6.20%	3.25% - 6.00%	280 - 850
Paris	**2.20% - 6.20%**	**2.85% - 6.00%**	**280 - 880**
Inner Rim	3.65% - 6.25%	4.00% - 7.35%	110 - 650
Outer Rim	9.75% - 9.75%	9.80% - 9.80%	75 - 185
Paris Region	**3.65% - 9.75%**	**4.00% - 9.80%**	**75 - 650**
Rest of France	3.95% - 4.25%	4.50% - 4.70%	210 - 290
COMMERCIAL	**2.20% - 9.75%**	**2.85% - 9.80%**	**75 - 880**

Traditional Residential	Yield rate	DCF discount rate	Unit sale price *(in €/sq.m)*
Paris	2.30% - 2.90%	2.55% - 3.80%	8,340 - 13,780
Inner Rim	3.10% - 3.70%	3.40% - 4.00%	4,930 - 8,590
TRADITIONAL RESIDENTIAL	**2.30% - 3.70%**	**2.55% - 4.00%**	**4,930 - 13,780**

Student Residences	Yield rate	DCF discount rate
Paris	2.80% - 3.00%	3.50% - 3.50%
Inner Rim	3.75% - 4.50%	3.50% - 4.50%
Rest of France	3.75% - 4.50%	4.00% - 5.00%
STUDENT RESIDENCES	**2.80% - 4.50%**	**3.50% - 5.00%**

SENSITIVITY TO CHANGES IN THE CAPITALIZATION RATE

An unfavorable situation on the real estate market could have a negative impact on the valuation of Gecina's property portfolio and its operating income. For example, a downturn in the real estate market, resulting in an increase of 50 basis points (+0.5%) in capitalization rates, could result in a decrease of approximately 10.5% in the appraised value of Gecina's property portfolio (on the assumption that such a downturn would affect all the different segments of Gecina's real estate business) representing around €2,097 million based on the block valuation of the assets at June 30, 2021, and would also have an unfavorable impact on Gecina's consolidated earnings.

Change in capitalization rate	Valuation of assets *(in million euros)*	Change in assets *(in %)*	Impact on consolidated income *(in million euros)*
All sectors[(1)]			
+0,50%	17,783	–10.5%	(2,097)
+0.25%	18,772	–5.6%	(1,109)
+0.00%	19,881	N/A	N/A
–0.25%	21,132	6.3%	1,252
–0.50%	22,557	13.5%	2,677
Offices			
+0.5%	14,494	–10.2%	(1,642)
+0.25%	15,270	–5.4%	(866)
+0.00%	16,136	N/A	N/A
–0.25%	17,109	6.0%	973
–0.50%	18,209	12.8%	2,073
Traditional residential			
+0.5%	2,932	–12.5%	(420)
+0.25%	3,127	–6.7%	(224)
+0.00%	3,352	N/A	N/A
–0.25%	3,611	7.7%	259
–0.50%	3,914	16.8%	562
Student residences			
+0.5%	348	–9.0%	(34)
+0.25%	365	–4.7%	(18)
+0.00%	383	N/A	N/A
–0.25%	402	5.2%	20
–0.50%	425	11.0%	42
Hotel			
+0.5%	9	–5.3%	(1)
+0.25%	10	–2.7%	0
+0.00%	10	N/A	N/A
–0.25%	10	2.9%	0
–0.50%	11	6.0%	1

(1) Except finance leases.

5

5.5.6.9 NET FINANCIAL EXPENSES

In thousand euros	06/30/2021	06/30/2020
Interest and charges on loans (including undrawn credit lines)	(47,414)	(47,989)
Other financial expenses	(33)	0
Losses from translation differentials	(134)	0
Capitalized interests on projects under development	1,887	1,981
Interest on lease obligations	(758)	(755)
Financial expenses	**(46,451)**	**(46,765)**
Interest income on hedging instruments	2,792	1,809
Other financial income	6	126
Foreign exchange gains	381	49
Financial income	**3,179**	**1,984**
NET FINANCIAL EXPENSES	**(43,272)**	**(44,781)**

The average cost of drawn debt amounted to 0.9% in the first half of 2021.

5.5.6.10 CHANGE IN VALUE OF FINANCIAL INSTRUMENTS

Based on the existing hedging portfolio and taking into account contractual conditions at June 30, 2021, and the anticipated debt in 2021, a 0.5% increase in the interest rate would generate an additional expense of €2 million in 2021. An interest rate decrease of 0.5% would lead to a drop in financial expenses in 2021 of €2 million.

Net valuation of financial instruments decreased by €8 million over the period.

Based on the portfolio at June 30, 2021, the change in fair value of the derivatives portfolio, as a result of a 0.5% increase in the interest rate would be -€4 million recognized in income. A 0.5% interest rate cut would lead to a fair value decrease of +€8 million in net income.

The Group holds all financial instruments to hedge its debt. None of them are held for speculative purposes.

5.5.6.11 TAXES

In thousand euros	06/30/2021	06/30/2020
Contribution on the value added of companies[1]	(1,281)	(2,957)
Recurrent tax	**(1,281)**	**(2,957)**
Corporate income tax	878	(405)
Deferred taxes	32	1,323
Non-recurrent tax	**910**	**918**
TAXES	**(371)**	**(2,039)**

(1) The Contribution on the value added of companies (Cotisation sur la valeur ajoutée des entreprises – CVAE) is considered as income tax, whereas the business real estate tax (Cotisation foncière des entreprises – CFE), which mainly pertains to the corporate head office, is recognized under overheads.

The SIIC regime is a tax transparency regime which defers the payment of tax to the shareholder through the dividends he receives and which result from a distribution obligation for the company subject to the SIIC regime (see Note 5.5.3.12.2).

IAS 12 "Income Taxes" requires the reconciliation of the booked tax charge with the theoretical tax charge (equal to the multiplication of pre-tax income with the theoretical tax rate defined below).

- The theoretical tax rate of 28.4% corresponds to the ordinary tax rate of 27.5% and to the corporate income tax social contribution of 3.3%.
- The effective tax rate presented covers corporate income tax (including a tax profit consecutive to a former tax litigation) and the CVAE, excluding all other taxes, local taxes and royalties.

In thousand euros	06/30/2021	06/30/2020
Consolidated net income	383,628	337,484
Tax (incl. CVAE)	371	2,039
Pre-tax income	**383,999**	**339,523**
Theoretical tax in %	**28.40%**	**32.00%**
Theoretical tax in value	**109,056**	**108,647**
Impact of tax rate differences between France and other countries	(17)	(66)
Impact of permanent and timing differences	1,189	588
Companies accounted for under the equity method	(875)	645
SIIC regime effect	(110,263)	(110,732)
Contribution on the value added of companies	1,281	2,957
TOTAL	**(108,685)**	**(106,608)**
Effective tax expense per income statement	371	2,039
EFFECTIVE TAX RATE	**0.10%**	**0.60%**

5.5.6.12 EARNINGS PER SHARE

Earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of ordinary shares in circulation during the year.

Diluted earnings per share are calculated by dividing net income for the year attributable to shareholders by the weighted average number of ordinary shares outstanding during the year, adjusted for the impact of equity instruments to be issued when the issue conditions are met and the dilutive effect of the benefits granted to employees through the allocation of stock options and performance shares.

In accordance with IAS 33 "Earnings Per Share", the amounts per share for the previous financial period were restated retroactively, where applicable, to take the new shares created over the financial period into account.

	06/30/2021	06/30/2020
Earnings attributable to owners of the parent company *(in thousand euros)*	383,110	339,064
Weighted average number of shares before dilution	73,667,786	73,472,992
Undiluted earnings per share attributable to owners of the parent company *(in euros)*	**5.20**	**4.61**
Earnings attributable to owners of the parent company, after the effect of dilutive securities *(in thousand euros)*	383,110	339,074
Weighted average number of shares after dilution	73,824,095	73,679,388
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY *(in euros)*	**5.19**	**4.60**

	06/30/2021	06/30/2020
Earnings attributable to owners of the parent company before dilution *(in thousand euros)*	383,110	339,064
Impact of dilution on earnings (securities allocations effect)	0	10
Diluted earnings attributable to owners of the parent company *(in thousand euros)*	**383,110**	**339,074**
Weighted average number of shares before dilution	73,667,786	73,472,992
Impact of dilution on average number of shares	156,309	206,396
WEIGHTED AVERAGE NUMBER OF SHARES AFTER DILUTION	**73,824,095**	**73,679,388**

5.5.7 Notes to the consolidated statement of cash flows

5.5.7.1 CHANGE IN VALUE AND BOND REDEMPTION COSTS

In thousand euros	Note	06/30/2021	12/31/2020	06/30/2020
Change in value of properties	5.5.6.8	(187,526)	154,659	(185,479)
Change in value of financial instruments	5.2	(7,606)	23,990	18,749
CHANGE IN VALUE AND BOND REDEMPTION COSTS		**(195,132)**	**178,649**	**(166,730)**

5.5.7.2 CHANGE IN OPERATING WORKING CAPITAL REQUIREMENTS

In thousand euros	06/30/2021	12/31/2020	06/30/2020
Clients change	27,242	(420)	45,900
Change in other receivables	(1,469)	(3,915)	(26,908)
Change of prepaid expenses	2,923	(1,214)	(448)
Total balance sheet assets	**28,696**	**(5,549)**	**18,544**
Change in tenants' security deposits	898	(7,206)	(2,835)
Change in trade payables	656	14,052	(2,275)
Change in tax and social security liabilities	47,439	3,512	48,461
Change in other debts	(12,828)	5,157	(20,828)
Change of deferred income	1,963	(4,642)	112
Total balance sheet liabilities	**38,127**	**10,872**	**22,634**
CHANGE IN OPERATING WORKING CAPITAL REQUIREMENTS	**9,431**	**16,420**	**4,090**

5.5.7.3 PROCEEDS FROM DISPOSALS OF TANGIBLE AND INTANGIBLE FIXED ASSETS

In thousand euros	06/30/2021	12/31/2020	06/30/2020
Block sales	99,651	452,961	340,590
Unit sales	3,719	20,503	11,378
Proceeds from disposals	**103,370**	**473,465**	**351,968**
Block sales	(3,211)	(5,360)	(2,788)
Unit sales	(184)	(937)	(452)
Cost of sales	**(3,395)**	**(6,296)**	**(3,240)**
CASH INFLOW LINKED TO DISPOSALS[1]	**99,975**	**467,168**	**348,729**

(1) Includes the disposals of assets held as real estate traders and recorded in the real estate margin.

5.5.7.4 CHANGE IN WORKING CAPITAL REQUIREMENTS FROM INVESTING ACTIVITIES

In thousand euros	06/30/2021	12/31/2020	06/30/2020
Change in other receivables (fixed asset buyers)	(3,635)	(5,031)	(5,381)
Change in fixed asset payables	(326)	(6,077)	(20,122)
CHANGE IN WORKING CAPITAL REQUIREMENTS FROM INVESTING ACTIVITIES	**(3,960)**	**(11,109)**	**(25,503)**

5.5.7.5 DIVIDENDS PAID TO SHAREHOLDERS OF THE PARENT COMPANY

After paying an interim dividend of €2.65 per share on March 5, 2021, the General Meeting of April 22, 2021 approved the payment of a dividend of €5.30 per share for the 2020 financial year. The balance of €2.65 per share still owing was paid out on July 5, 2021.

For the 2019 financial year, the Group distributed a dividend per share of €5.30 for a total of €389 million.

5.5.7.6 NEW LOANS AND REPAYMENTS OF LOANS

In thousand euros	06/30/2021	12/31/2020	06/30/2020
New loans[1]	3,180,366	3,840,343	3,909,500
Repayments of loans[1]	(2,687,308)	(3,896,058)	(3,577,174)
CHANGE IN LOANS	**493,058**	**(55,716)**	**332,326**

(1) Includes renewals of Negotiable European Commercial Paper (NEU CP) during the year.

In thousand euros	06/30/2021	12/31/2020	06/30/2020
Debts at year closing	7,677,416	7,224,320	7,580,738
Debts at year opening	(7,224,320)	(7,283,484)	(7,283,484)
Accrued interests at year closing	(21,609)	(58,851)	(24,965)
Accrued interests at year opening	58,851	58,270	58,270
Impact of bonds issued	2,950	3,786	1,927
Other changes	(230)	243	(159)
CHANGE IN LOANS	**493,058**	**(55,716)**	**332,326**

5.5.8 Segment reporting

The Group operates in France (except for minimal operations in other European countries). It is structured into various business sectors, as follows:

5.5.8.1 INCOME STATEMENT FOR BUSINESS SECTORS AT JUNE 30, 2021

In thousand euros	Commercial	Residential	Student residences	Other sectors[1]	Segments total
Rent on commercial properties	248,204	4,404	209	0	252,817
Rent on residential properties	2,517	48,277	0	0	50,794
Rent on student residences	0	0	7,836	0	7,836
Gross rental income[2]	**250,721**	**52,681**	**8,045**	**0**	**311,447**
Property expenses	(99,808)	(19,802)	(4,320)	0	(123,931)
Recharges to tenants	73,511	8,038	1,226	0	82,775
Net rental income	**224,424**	**40,917**	**4,951**	**0**	**270,292**
% margin on rents	**89.5%**	**77.7%**	**61.5%**		**86.8%**
Current operating income on finance lease transactions				**1,234**	**1,234**
Current operating income on the hotel business				**(666)**	**(666)**
Services and other income (net)	675	2,577	(104)	0	3,148
Overheads					(38,323)
EBITDA					**235,685**
Real estate margin	(120)	0	0	0	(120)
Gains or losses on disposals	160	249	0	81	491
Change in value of properties	140,603	42,477	4,446	0	187,526
Amortization					(5,053)
Net impairments and provisions					(1,943)
Operating income					**416,585**
Net financial expenses					(43,272)
Financial impairment					0
Change in value of financial instruments					7,606
Net income from equity-accounted investments					3,080
Pre-tax income					**383,999**
Taxes					(371)
Consolidated net income					**383,628**
Of which consolidated net income attributable to non-controlling interests					518
Of which consolidated net income attributable to owners of the parent company					**383,110**

Assets and liabilities by segment as at June 30, 2021					
Gross property holdings (excl. headquarters)	15,902,208	3,324,316	382,561	238,878	19,847,962
Of which acquisitions	529	0	0	0	529
Of which properties for sale	320,024	298,666	0	0	618,691
Amounts due from tenants	76,199	8,294	716	17,306	102,515
Provisions for tenant receivables	(9,696)	(6,257)	(654)	(8,117)	(24,724)
Security deposits received from tenants	62,729	9,708	1,695	108	74,239

(1) The other business segments include finance leasing and hotel company operations.
(2) Rents are presented by type of lease agreement, while the segment analysis is based on the Group's internal management organization.

5.5.8.2 INCOME STATEMENT FOR BUSINESS SECTORS AT JUNE 30, 2020

In thousand euros	Commercial	Residential	Student residences	Other sectors[1]	Segments total
Rent on commercial properties	271,415	4,685	201	0	276,301
Rent on residential properties	2,558	48,225	24	0	50,807
Rent on student residences	0	0	9,009	0	9,009
Gross rental income[2]	**273,973**	**52,909**	**9,235**	**0**	**336,118**
Property expenses	(110,488)	(18,934)	(4,483)	0	(133,905)
Recharges to tenants	78,001	8,085	1,200	0	87,286
Net rental income	**241,487**	**42,059**	**5,952**	**0**	**289,498**
% margin on rents	**88.1%**	**79.5%**	**64.5%**		**86.1%**
Current operating income on finance lease transactions				**0**	**0**
Current operating income on the hotel business				**(414)**	**(414)**
Services and other income (net)	584	609	314	0	1,427
Overheads					(46,208)
EBITDA					**244,303**
Real estate margin	0	0	0	0	0
Gains or losses on disposals	(6,068)	1,163	0	(504)	(5,409)
Change in value of properties	69,076	122,453	(6,050)	0	185,479
Amortization					(4,624)
Net impairments and provisions					(14,059)
Operating income					**405,689**
Net financial expenses					(44,781)
Financial impairment					(620)
Change in value of financial instruments					(18,749)
Net income from equity-accounted investments					(2,016)
Pre-tax income					**339,523**
Taxes					(2,039)
Consolidated net income					**337,484**
Of which consolidated net income attributable to non-controlling interests					(1,580)
Of which consolidated net income attributable to owners of the parent company					**339,064**
Assets and liabilities by segment as at June 30, 2020					
Gross property holdings (excl. headquarters)	16,103,173	3,231,777	351,785	270,025	19,956,760
Of which acquisitions	20,490	35,679	0	0	56,169
Of which properties for sale	10,500	309,583	0	0	320,083
Amounts due from tenants	100,761	7,937	3,504	20,780	132,982
Provisions for tenant receivables	(12,188)	(6,280)	(594)	(7,882)	(26,944)
Security deposits received from tenants	65,881	9,640	2,007	181	77,709

(1) The other business segments include finance leasing and hotel company operations.
(2) Rents are presented by type of lease agreement, while the segment analysis is based on the Group's internal management organization.

5

5.5.9 Other information

5.5.9.1 SHAREHOLDING STRUCTURE OF THE GROUP

Gecina's shareholding is structured as follows:

BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS AS AT JUNE 30, 2021

Shareholders	Number of shares	% of share capital	% of theoretical voting rights(1)	% of exercisable voting rights(2)
Ivanhoé Cambridge	11,575,623	15.13%	15.13%	15.71%
Crédit Agricole Assurances – Predica	10,516,249	13.74%	13.74%	14.28%
Norges Bank	7,160,959	9.36%	9.36%	9.72%
Other shareholders(3)	44,414,955	58.04%	58.04%	60.29%
Treasury shares	2,858,818	3.73%	3.73%	
TOTAL	**76,526,604**	**100.00%**	**100.00%**	**100.00%**

(1) The calculation of percentages of voting rights takes into account all shares entitled to voting rights, including shares with restricted voting rights (treasury shares).
(2) The calculation of percentages does not include the treasury shares held by the company which have restricted voting rights.
(3) Removal of obligatory registered basis form of shares on May 4, 2020 (General Meeting of April 23, 2020).

5.5.9.2 RELATED PARTIES

A co-exclusive sale mandate for a building located in Neuilly-sur-Seine (Hauts-de-Seine) was signed in May 2011, between Locare, a subsidiary of Gecina, and Resico, a subsidiary of Predica, shareholder and Director of the company. In this respect, Locare invoiced Resico the sum of €21 thousand during the first half of 2021.

Bami Newco is the subject of insolvency proceedings that commenced in June 2013. Gecina and SIF Espagne reported their receivables in the context of these bankruptcy proceedings.

Bami Newco is neither consolidated nor booked under the equity method by Gecina since the Group has no control or significant influence over this entity.

The liquidation plan sent to the parties in November 2015 is still in execution by the court-ordered liquidator. This plan shows a liability significantly higher than the remaining assets of Bami Newco, thereby confirming that it is unlikely for Gecina and SIF Espagne to recover their receivables, considered as subordinated debt, and which amount to a total of €38 million, fully impaired. On January 22, 2016, Gecina and SIF Espagne filed pleadings seeking a classification of fraudulent bankruptcy and liability of the de facto and de jure directors of Bami Newco and they continue to assert their rights and defend their interests in this proceeding.

5.5.9.3 GROUP EMPLOYEES

Average headcount(1)	06/30/2021	12/31/2020	06/30/2020
Managers	263	267	267
Employees and supervisors	172	178	180
Building staff	55	57	57
TOTAL	**490**	**503**	**504**

(1) Average headcount including short-term contracts.

5.5.9.4 PERFORMANCE SHARES

Grant date	Vesting date	Number of shares granted	Stock price when granted	Balance at December 31, 2020	Shares acquired in 2021	Shares canceled in 2021	Balance at June 30, 2021
02/21/2018	02/22/2021	57,920	€153.70	48,087	48,087		0
02/19/2019	02/20/2022	49,010	€127.60	42,604		760	41,844
02/19/2020	02/20/2023	53,285	€182.00	52,415		300	52,115
02/18/2021	02/19/2024	62,350	€120.00				62,350

5.5.9.5 COMPENSATION FOR ADMINISTRATIVE AND GOVERNANCE BODIES

Compensation for management bodies concerns Gecina's corporate officers.

In thousand euros	06/30/2021	12/31/2020
Short-term benefits	1,325	1,822
Post-employment benefits	N/A	N/A
Long-term benefits	N/A	N/A
End-of-contract benefits (ceiling for 100% of criteria)	N/A	N/A
Share-based payment	N/A	N/A

5.5.9.6 POST-BALANCE SHEET EVENTS

None.


VIEWS OF PARIS

6

Declaration by the responsible party

6.1 Statement of the person responsible for this Amendment to the Universal Registration Document

"I certify that, having taken all reasonable measures to this effect, the information contained in this Amendment to the 2020 Universal Registration Document is, to the best of my knowledge, fair and accurate, and free from any omission that could alter its substance.

I certify that to my knowledge the complete accounts *for the half year ended have been drawn up in accordance with current accounting practice and give a fair picture of the assets, financial situation and profits of the company and all companies included in the consolidation, and that the attached half-yearly activity report gives a true picture of the important events occurring during the first six months of the year, their impact on the accounts, the principal transactions between related parties and a description of the principal risks and uncertainties for the remaining six months of the year."*

Méka Brunel

Chief Executive Officer

7

Report of the Statutory Auditors

7.1 Report of the Statutory Auditors on the half-year financial information

(Period from January 1, 2021 to June 30, 2021)

This is a free translation into English of the Statutory Auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English speaking readers. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders

Gecina SA

14-16, rue des Capucines

75084 Paris Cedex 02, France

In compliance with the assignment entrusted to us by your General Meeting and in accordance of article L. 451-1-2 III of the French Monetary and Financial Code *(Code monétaire et financier)*, we hereby report to you on:

- the review of the accompanying half yearly consolidated financial statements of Gecina SA, for the six months ended period from January 1 to June 30, 2021;
- the verification of the information presented in the half yearly management report.

Due to the global crisis related to the Covid-19 pandemic, the half-yearly consolidated financial statements of this period have been prepared and review under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the reviews.

These half yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I – CONCLUSION ON THE FINANCIAL STATEMENTS

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly consolidated financial statements do not give a true and fair view of the assets and liabilities and of the financial position of the Group as at June 30, 2021, and of the results of its operations for the period then ended in accordance with IFRSs as adopted by the European Union.

II – SPECIFIC VERIFICATION

We have also verified the information presented in the half-yearly management report on the half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and its consistency with the half-yearly consolidated financial statements.

Paris-la-Défense and Neuilly-sur-Seine, July 22, 2021

The Statutory Auditors

Mazars	PricewaterhouseCoopers Audit
Baptiste Kalasz	Jean-BaptisteDeschryver
Partner	Partner

8

Correspondence table

8.1 Correspondence table of the Amendment to the Universal Registration Document

This correspondence table contains the headings set out in Annexes 1 and 2 of the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 and refers to the pages of the 2020 Universal Registration Document and of this Amendment to the 2020 Universal Registration Document where the information relating to each of these headings is mentioned.

HEADINGS CITED IN ANNEXES 1 AND 2 OF DELEGATED REGULATION (EU) 2019/980 OF MARCH 14, 2019		2020 Universal Registration Document		Amendment to the 2020 Universal Registration Document	
		Sections	Pages	Sections	Pages
1	**Persons responsible, third party information, experts' reports and competent authority approval**				
1.1	Identity of the persons responsible	9.1.1; 9.1.3	336	8.3; 8.4	108
1.2	Declaration by the persons responsible	9.1.3	336	6.1	97
1.3	Declaration or report by expert	1.3.3; 3.7	72-73; 159-161		
1.4	Information from third parties	1.3.3; 3.7	72-73; 159-161		
1.5	Declaration without prior approval by the competent authority	Cover sheet	Cover sheet	Cover sheet	1
2	**Statutory Auditors**				
2.1	Identity of Statutory Auditors	9.2.1	341	7.1	101
2.2	Any changes				
3	**Risk factors**	**Integrated report; 2.1-2.3**	**40-41; 86-104**	**3.1; 5.5.4**	**36-39; 69-70**
4	**Information about the issuer**				
4.1	Legal and commercial name of the issuer	9.3	350	8.4	108
4.2	Place of registration of the issuer, its registration number and LEI	9.3	350		
4.3	Date of incorporation and length of life of the issuer	9.3	350		
4.4	Domicile, legal form of the issuer and applicable legislation, address and telephone number of its registered office, website with a disclaimer	9.3	350	8.4	108
5	**Business overview**				
5.1	Principal activities	Integrated report	12-14; 22-27	2.1-2.8	7-30
5.2	Principal markets	Integrated report	10-11; 16-17	2.2.6	12
5.3	Important events in the development of the issuer's business	5.5.1	227-228	5.5.1	55-56
5.4	Strategy and objectives	Integrated report; 1.6	10-31; 79	2.8	29-30
5.5	Issuer's dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	9.3.3	356		
5.6	Competitive position	Integrated report	10-11		
5.7	Investments	Integrated report; 1.1.5; 1.1.7	22-27; 58; 60-61	2.4	16-18
6	**Organizational structure**				
6.1	Brief description of the Group	5.5.2	229-233	5.5.2	57-62
6.2	List of significant subsidiaries	1.4	73-76	5.5.2	57-62

HEADINGS CITED IN ANNEXES 1 AND 2 OF DELEGATED REGULATION (EU) 2019/980 OF MARCH 14, 2019		2020 Universal Registration Document		Amendment to the 2020 Universal Registration Document	
		Sections	Pages	Sections	Pages
7	**Operating and financial review**				
7.1	Financial condition	Chapters 1 and 5	51-83; 219-267	Chapters 2 and 5	7-33; 47-93
7.2	Operating results	Integrated report; 1.1.4; 5.2; 5.5.8	46; 56-58; 222; 262	2.3; 5.2; 5.5.8	14-15; 50; 90
8	**Capital resources**				
8.1	Capital resources information	Integrated report; 5.3	47; 223	5.1	48-49
8.2	Cash flows	5.4	224	5.4	52
8.3	Borrowing requirements and funding structure	1.2	62-66	2.6	22-26
8.4	Restrictions on the use of capital resources	1.2.7; 5.5.5.12.1; 6.3.4.8	66; 248; 281	2.6.7; 3.1; 5.5.5.12.1	26; 38; 76
8.5	Expected sources of funds	1.2	62-66	2.6	22-26
9	**Regulatory environment**	**9.3**	**350**		
10	**Trend information**	**Integrated report**	**10-19**	**2.2.6**	**12**
11	**Profit forecasts or estimates**	**1.6**	**79**	**2.8**	**29-30**
12	**Administrative, management and supervisory bodies and senior management**				
12.1	Board of Directors and the Executive Management team	4.1	166-198	Chapter 4	41-45
12.2	Conflicts of interest	4.1.4	195-196		
13	**Remuneration and benefits**				
13.1	Remuneration paid and benefits in kind	4.2; 5.5.9.6	199-217; 267	5.5.9	93
13.2	Amounts set aside or accrued to provide for pensions, retirement or similar benefits	5.5.13	250-251	5.5.5.13	78-79
14	**Board practices**				
14.1	Dates of expiration of terms of office	Integrated report; 4.1.1	36; 166-184		
14.2	Service contracts with the issuer binding members of the executive and management bodies	4.1.4; 4.1.5	195-197	5.5.9.2	92
14.3	Information on the Audit Committee and the Remuneration Committee	Integrated report; 4.1.3.4	38; 189-195	4.1.2	45
14.4	Statement of compliance with the applicable corporate governance regime	4.1.1	166		
14.5	Potential material impacts on the corporate governance	4.1.1	166-168		
15	**Employees**				
15.1	Number of employees and breakdown of staff	3.5.1; 5.5.9.4; 6.3.6.3	154; 266; 287	5.5.9.3	92
15.2	Shareholdings and stock options	5.5.9.5; 6.3.6.6	266-267; 288	5.5.9.4	92
15.3	Agreements for employee share ownership	4.1.7	197-198		
16	**Major shareholders**				
16.1	Shareholders holding more than 5% of the capital on the date of the Registration Document	5.5.9.1	264-265	5.5.9.1	92
16.2	Existence of different voting rights	4.3; 9.3.2.2	217; 350-352		
16.3	Control	4.3	217		
16.4	Arrangements, the operation of which may result in a change in control	4.3	217		

HEADINGS CITED IN ANNEXES 1 AND 2 OF DELEGATED REGULATION (EU) 2019/980 OF MARCH 14, 2019		2020 Universal Registration Document		Amendment to the 2020 Universal Registration Document	
		Sections	Pages	Sections	Pages
17	**Related party transactions**	**5.5.9.3**	**266**	**5.5.9.3**	**92**
18	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**				
18.1	Historical financial information	9.1.2	336	8.2	108
18.2	Interim and other financial information	N/A	N/A	N/A	N/A
18.3	Auditing of historical annual financial information	9.2	341-349	Chapter 7	100-101
18.4	Pro forma financial information	N/A	N/A	N/A	N/A
18.5	Dividend policy	Integrated report; 5.5.9.2	42-43; 265-266		
18.6	Legal and arbitration proceedings	5.5.5.13	250-251	5.5.5.13	78-79
18.7	Significant change in the issuer's financial position	N/A	N/A	N/A	N/A
19	**Additional information**				
19.1	Share capital	9.3.2.2	351-352		
19.1.1	Issued capital and number of shares	Integrated report; 6.3.6.2	44; 286-287	Chapter 1	4
19.1.2	Shares not representing capital	N/A	N/A	N/A	N/A
19.1.3	Treasury shares	5.5.9.1	264-265	5.5.9.1	92
19.1.4	Marketable securities that are convertible, exchangeable or that have warrants attached	6.3.4.3	279		
19.1.5	Acquisition rights and/or obligations attached to authorized but unissued capital	4.1.7	197-198		
19.1.6	Information about any capital of any member of the Group which is under option or agreed to be put under option	N/A	N/A	N/A	N/A
19.1.7	History of share capital	6.3.6.2	286-287		
19.2	Articles of association and bylaws	9.3.2	350-356		
19.2.1	Register and corporate objects and purposes	9.3.1	350		
19.2.2	Rights, preferences and restrictions attached to each share class	9.3.2.2	351-352		
19.2.3	Statutory or other provisions that would have the effect of delaying, deferring or preventing a change of control	N/A	N/A	N/A	N/A
20	**Material contracts**	**1.1.2.2; 1.1.6**	**53-56; 59**	**2.2**	**9-12**
21	**Documents available**	**9.1.1**	**336**	**8.2**	**108**

8.2 Public documents

This half-year financial report is available free of charge on request from the Financial Communication Department at Gecina at the following address: 16, rue des Capucines, 75002 Paris, or by telephone at +33 (0)1 40 40 50 79, or by e-mail to *actionnaire@gecina.fr*. It is also available on Gecina's website *(www.gecina.fr)*.

Other documents accessible at Gecina's head office or on its website include:

- the company's bylaws;
- all reports, letters and other documents, historic financial reports, evaluations and statements compiled by an appraiser at the request of the company or mentioned in the 2020 Universal Registration Document;
- the historic financial reports of the company and its subsidiaries for the two years preceding the publication of the half-year financial report.

8.3 Person responsible for the half-year financial report

Ms. Méka Brunel, Chief Executive Officer of Gecina (hereinafter the "company" or "Gecina").

8.4 Persons responsible for financial communications

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