



Press release – **Half-year results 2022**

Sainte-Marie, September 13, 2022, 7:45 p.m.

STRONG GROWTH IN HALF-YEAR RESULTS¹ AND SOLID OUTLOOK

- **Continuous growth in the recurring net income of the Property Investment business: +19.8% at €5.0 million**
 - Rise in commercial properties: +12.7% in net rental income to €11.2 million (including €1.5 million from companies accounted for under the equity method)
 - Property Development: dynamic leasing of the Combani project and delivery of a first warehouse for Distrimax
- **Property Development: decline in sales (-9.4%) and increase in margin up to €5.2 million (+13.6%)**
 - Significant contribution from residential land sales in the mix this semester
 - Successful sales of intermediate retail programs and good progress of block programs
- **Strategic partnership on the Outdoor¹**
 - Disposal of 40% of the 3 operating companies to Ilop Réunion
 - Joint control and equity method accounting as of January 1, 2022
- **Growth in results and strong financial position**
 - Revenues: €33.3 million (-4.5%)
 - Net income Group share: €8.4 million (+15.6%)
 - Restated net assets: €228.2 million (+1.4% vs year-end of 2021 and +5.5% over a 12-month period)
 - Loan-to-value (excl. transfer taxes): 41.5% (-2.3 pts vs end of 2021) - Cash-position: €35m
- **Consistent strategy and solid medium-term outlook**
 - 2022 guidance: growth in commercial rental income² of over +8%
 - Commercial property pipeline³ : €106 million of projects under development, including €28 million under construction and €26 million to be launched within the next 12 months
 - Property development: strong visibility over the next 18 to 24 months and development potential of 1,200 units on land held

In the first half of 2022, CBo Territoria recorded excellent operational and financial performances, driven by the continued growth of the commercial property business as well as a very high-margin product mix in Property development. In the medium term, our Group benefits from a solid financial position and outlook to pursue its growth strategy while remaining agile and attentive in a more complex economic environment," said Eric Wuillai, Chairman and CEO of CBo Territoria.

1 The income statement for the first half of 2021 was restated to ensure comparable data following the sale of 40% of the Outdoor division in June 2022. The half-yearly variations are calculated using restated data from the first half of 2021 (see table in the Appendix).

2 Excluding companies accounted for under the equity method. Restated gross rental income from commercial property of €18.7m in 2021 (excluding companies accounted for under the equity method).

3 Projects currently under construction, projects to be launched within the next 12 months and projects identified on controlled land in the medium term.

The Board of Directors of CBo Territoria (ISIN: FR0010193979—CBOT), a leading real estate operator in La Réunion for nearly 20 years, met on Friday, September 9, 2022, to approve the consolidated financial statements for the six months ended June 30, 2022. The audit procedures for the consolidated half-year accounts are currently underway.

CHANGES IN ECONOMIC PORTFOLIO

CBo Territoria is pursuing its strategy of real estate development in the commercial sector and, as of June 30, 2022, held a diversified portfolio of commercial properties with solid underlying performances:

- Valuation of €302.6 million excluding transfer taxes (79% of total assets) for 130,800 sq.m, slightly up compared to year-end 2021 (+0.6% primarily due to outdoor assets);
- Occupancy rate of 98%, up 2 points over one year;
- gross annualized rental income of €22.7 million (including companies accounted for under the equity method);
- gross yield of 7.1% (including transfer taxes).

Continuing its withdrawal from residential assets, CBo Territoria held 278 housing units (11% of its economic assets) at the end of June, of which 268 will be gradually sold to SHLMR/Action Logement (118 units at year-end of 2022, 95 in 2023 and 55 in 2026).

The Group's total economic portfolio⁴ are valued at €384.5 million excluding transfer taxes, stable compared to year-end 2021. The total value of the portfolio excluding transfer taxes (economic assets and ongoing commercial projects) is €394.8 million, compared with €390.5 million at year-end 2021 and €385.8 million as of June 2021.

HALF-YEAR 2022 FINANCIAL PERFORMANCE

Growing performance of the commercial real estate business and recurring net income (+14.2%)

In H1 2022, gross rental income from CBo Territoria's economic commercial property portfolio grew by +8.4% to €11.8 million (including €1.6 million share of companies accounted for under the equity method) and +9.6% (excluding companies accounted for under the equity method), with +5.4% due to the full effect of Le Port retail park delivered in April 2021 over the period, and the remainder due to the impact of indexation and a dynamic commercial activity.

In the H1 2022, net commercial rental income rose by 12.7% to €11.2 million (and by 12.9% excluding companies accounted for under the equity method of €1.5 million).

Thanks to an effective containment of overheads, recurring net income rose by 14.2% to €5.0 million over the year.

Strong increase in the property development margin driven by the product mix in Residential

Residential property development revenues, at €18.3 million (+19.5%), were driven by the doubling of sales of building plots, which accounted for 46% of consolidated property development revenues, and by the success of new retail residential programs under construction, as well as by the progress of off-plan development projects with SHLMR/Action Logement. After two years of strong activity, revenues from commercial property development, an opportunistic activity, fell to €2.6 million, compared with €7.7 million the previous year, with total revenues from Property development falling by 9.4% to €20.9 million.

Overall, the change in the product mix over the last six months, with a margin rate of 24.9% compared with 19.9% in H1 2021, generated a Property development margin of €5.2 million in the first half of the year, up 13.6%.

Strong growth in results: earnings from operations (+19.0%) and net income Group share (+15.6%)

Driven by the growth of the two businesses and tight containment of structural costs, earnings from operations was up 19.0% to €11.6 million at the end of June 2022.

After taking into account capital gains on the disposal of residential assets and land (€0.5 million), the result of the disposal and revaluation of shares in the Outdoor business (€1.1 million), and a negative change in fair value of €0.3 million (compared with +€1.1 million in H1 2021 due to the delivery of the Le Port retail park), net income Group share amounted to €8.4 million, up 15.6% year-on-year, or €0.20 per diluted share (+13.8%).

Net Asset Value: €228.2 million (+1.4% vs. year-end 2021 and +5.5% over 12 months)

Net Asset Value was €228.2 million as of June 30, 2022, up from €216.3 million at the end of June 2021 (+5.5%) and €225.2 million at the end of December 2021 (+1.4%). Over the half-year, the increase was due to the positive mark-to-market effect of hedging instruments (+€2.7 million), with the result for the period offsetting the €8.6 million dividend payout for 2021. On a per share diluted basis, NAV increased by 4.7% to €6.14 over the past 12 months.

Healthy balance sheet and cash position

At the end of June 2022, the Group's gross financial debt (bank and bond debts) amounted to €214.8 million, unchanged from year-end 2021.

Following the transactions carried out during the first half of the year (repayment of variable-rate debt and contractualization of fixed-rate financing), and after taking hedging instruments into account, 85% of the financial debt is at fixed rate. The average cost of financial debt was 2.9% (compared with 2.8% as of December 31, 2021). The consolidated loan-to-value ratio excluding transfer taxes stood at 41.5%, compared to 43.8% at the end of 2021 (-2.3 pt).

CBo Territoria had €35.0 million of cash position as of June 30, 2022 (+€7.4 million compared to year-end 2021) due to significant collections of development payments and the implementation of planned financings, giving the Group financial leeway.

At the end of July, the Group took the opportunity to buy back approximately 546,000 ORNANE bonds for €2.7 million (€4.87 per bond). The remaining repayment amount in respect of the ORNANE bonds maturing in July 2024 is now €27.4 million.

SOLID MEDIUM-TERM OUTLOOK AND 2022 GUIDANCE

For 2022, the Group's target is to increase gross commercial rental income (excluding companies accounted for under the equity method) by more than 8%, confirming the growing strength of the commercial property business.

- In the medium term, CBo Territoria intends to further develop its commercial portfolio owing to its secure development model and its control of the entire real estate value chain, which offers solid outlooks: the pipeline⁴ of commercial projects under development represents an investment of €106 million, of which €28 million is currently under construction in Combani (Ylang Ylang shopping center leased at 86% of potential rental income to date and offices leased to Pôle Emploi) and €26 million, of which construction is expected to begin within 12 months;
- in the Property Development business, visibility for the next 24 months are excellent, with a backlog of €33.9 million at the end of June 2022, an order book of €35.4 million and a residential offer for sale of €29.0 million. In addition, the Group has the potential to develop an additional 1,200 residential units on land held in the medium term.

A detailed presentation of this press release will be available online at 11:30 a.m. on September 14 on Cboterritoria.com in the Finance/Financial Documents section

The half year financial report 2022 will be available at the end of September

About CBo Territoria (FR0010193979, CBOT)

CBo Territoria has been a leading real estate player in Reunion Island for nearly 20 years, having developed 1,000 land plots, 3,300 housing units, and nearly 190,000 sq.m. of office, retail and activity spaces. The Group has shifted into a multi-regional

real estate company specialized in commercial assets (€302.6 million as of June 2022, i.e., 79% of its portfolio). The Group, which operates across the entire property value chain (land and property developer and investment property), is developing thanks to its land reserves but also by acquiring land to be developed. CBo Territoria finances its growth strategy through development activities (either residential or tertiary) and, through the scheduled sale of its residual residential assets to the social and intermediate housing landlord SHLMR.

CBo Territoria is a property investment company listed on Euronext Paris (compartment C) that is eligible for the PEA PME scheme.

Since its inception, CBo Territoria has been a responsible and committed company to more sustainable real estate, ranking in the Top 10 of compartment C of the Gaïa-Index for the past six years, a French benchmark index of the most virtuous small and medium-sized companies in terms of CSR (Corporate Social Responsibility).

More information on cboterritoria.com



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APPENDICES

PROFIT AND LOSS STATEMENT (IFRS)

Following the sale of 40% of the three operating companies in the Outdoor division to Ilop Réunion in June 2022 and the establishment of joint control, the Outdoor division is now accounted for under the equity method in the financial statements for the six months ended June 30, 2022, with effect from January 1, 2022. The results of these activities, which primarily consists of revenues (€1.7 million in H1 2021 and €3.4 million for the full year), personnel costs and operating expenses, will now be presented in the income statement line item 'Income from companies accounted for under the equity method', making it easier to understand the results of the Property Investment and Development divisions. The income statement for H1 2021 has been restated to ensure that the data is comparable.

	H1 2021 published	H1 2021 restated	H1 2022 published	Variation vs 2021 restated	
Sales	36.4	34.8	33.3	(1.5)	-4.5%
Income from operations	9.9	9.7	11.6	1.9	+19.0%
Change in fair value of Investment Property (IP)	1.6	1.6	(0.3)	(1.9)	
Capital gain on disposals	0.7	0.7	0.5	(0.2)	
Other operating income and expenses	0.3	0.3	1.1	0.7	
Share of profit of companies accounted for under the equity method	0.8	0.9	1.0	0.1	
Operating income after companies accounted for under the equity method¹	13.2	13.1	13.8	0.7	+5.1%
Cost of net financial debt	(3.1)	(3.1)	(3.0)	0.1	
Income tax expense	(2.8)	(2.8)	(2.4)	0.3	
Net income	7.3	7.2	8.4	1.1	
Net income (Group share)	7.3	7.3	8.4	1.1	+15.6%
Net income per diluted share (€)	0.18	0.18	0.20	0.02	+13.8%
Weighted number of diluted shares	42,002,822	42,002,822	42,058,951		

¹ Operating income after share of net income of companies accounted for under the equity method

CHANGES IN PORTFOLIO (EXCLUDING TRANSFER TAXES)

	In €m
Total economic assets as of December 31, 2021	390.5
Built assets under construction	(6.0)
Economic assets as of December 31, 2021	384.5
Effects of commercial sector	+3.0
Disposal of housing units	(1.9)
Change in fair value	(1.2)
Economic assets as of 30.06.2022	384.5
Built assets under construction	+10.3
Total economic assets as of June 30, 2022	394.8

BALANCE SHEET (IFRS)

ASSETS in €M	30.06.2022	31.12.2021
Non-current assets	354.4	348.6
Investment properties	323.8	322.0
Investment properties in progress	10.3	6.0
Financial assets	1.8	0.1
Other assets	18.4	20.5
Current assets	145.1	147.9
Inventories and work in progress	70.2	69.3
Investment properties held for sale	19.1	21.0
Trade and other receivables	20.8	30.1
Cash and cash equivalents	35.0	27.6
LIABILITIES in €M		
Shareholders' equity	228.0	225.0
Group	228.2	225.2
Minority interests	(0.3)	(0.2)
Non-current liabilities	228.3	226.0
Financial debts at long and medium-term	192.4	191.3
Deferred tax liabilities	34.5	32.2
Other non-current liabilities	1.4	2.5
Current liabilities	43.1	45.6
Current financial debts (including bonds)	22.4	23.6
Trade and other payables	15.8	14.1
Other non-current liabilities	4.9	7.9
Total	499.4	496.5