Strong increase in full-year results

- **Net income attributable to owners of the parent: €14.2 million, up 18.3% (€0.36 per share on a diluted basis, up 22.9%)**
- **Property Investment net income attributable to owners of the parent per share on a diluted basis: €0.17, up 33.1%**
- **NAV per share on a diluted basis: €5.87, up +4.4%**
- **Stronger balance sheet: LTV of 44.3% (down 2.2 points) and €44.6 million held in cash (up 3.7%)**

2021 Outlook: resilience and confidence

- **Continuing strategy of investing in commercial properties**
- **Normal level of activity anticipated in Property Development after their 2019 and 2020 peak**

Stable dividend of €0.23 per share proposed

"In a region barely affected by Covid-19 pandemic to date, we performed well during 2020 thanks to the power of our "Urban Development, Property Development and Property Investment" model and to the payoff from our Property Investment strategy, which is giving our recurring income a major boost.

In 2021, following the peak activity levels of 2019 and 2020 to help fund the Property Investment business, we anticipate a return to a more normal level, with momentum underpinned by the success of building plots.

With our balance sheet now in a stronger shape, we intend to press ahead with expansion in Property Investment and our pipeline of €48 million in commercial projects. Concurrently, we continue to explore opportunities to buy commercial assets in our home region and also in deep and liquid markets to shift the growth in the Property Investment business' recurring revenue streams into a higher gear", commented Eric Wuillai, CBo Territoria's Chairman and CEO.

CBo Territoria's Board of Directors met on Monday, 22 March 2021 and approved its consolidated results for 2020.

Audited consolidated financial statements in € millions, under IFRS	2020	2019	% Chg.
Revenues	**103.6**	**110.7**	**-6.4%**
Income from operations	**21.6**	**21.5**	**+0.3%**
Fair value adjustments	(0.6)	(3.3)	n/a
Gain/(loss) on disposal of investment properties	1.5	0.4	+265.1%
Other operating income/(expense)	(0.1)	(0.1)	-19.5%
Share in income from associates	2.4	5.7	-57.7%
Operating income (including associates)(1)	**24.7**	**24.2**	**+2.3%**
Net interest expense	(5.6)	(6.9)	-19.7%
Income before tax	**19.2**	**17.3**	**+11.1%**
Income tax expense	(5.0)	(5.2)	-3.0%
Net income	14.1	12.1	+17.1%
Net income attributable to owners of the parent	**14.2**	**12.0**	**+18.3%**

(1) Operating income after share in net income of associates

The audit of the consolidated annual financial statements is currently being audited.

CBo Territoria relatively unaffected by Covid-19

As of 16 March 2021, La Réunion remained less affected by the pandemic than the French mainland (14,631 and 87 deaths since the first case was reported – source: ARS). La Réunion's solid domestic economy is supported by local consumer spending and its low exposure to tourism (only 2% of La Réunion's GDP as opposed to 8% nationally - sources: Cerom & INSEE 2019). So far, La Réunion has had only one lockdown, from 17 March until 11 May 2020. The current measures in place locally since March 2021 do not affect CBo Territoria's assets as they involve the closure of non-essential retail stores in the three shopping malls with a surface area of over 20,000 m^2.

The pandemic crisis has had only a limited impact on CBo Territoria's 2020 performance. The Property Investment business granted €0.6 million in rent relief, or 2.6% of gross rental income from its portfolio. The Property Development results were hit by a €0.2 million shortfall arising from construction delays. Ancillary activities curbed the P&L impact of the 2020 lockdown to €0.4 million by adjusting their cost base and taking advantage of government assistance.

Strong revenue performance of €103.6 million in 2020

In 2020, CBo Territoria generated €103.6 million in revenues, slightly below the peak level in the previous year with a dip of 6.4% compared with 2019.

Gross rental income from Property Investment's economic portfolio rose 1.4% to €23.4 million, with the boost provided by commercial assets, which recorded a 6.8% increase to €19.9 million. These now account for 85% of total gross rental income, up from 81% in 2019.

Although Property Development has moved past its 2019 peak, it posted a high level of €78.8 million in revenues, down 6.2%. The key revenue trends were:

- A decline in the existing residential portfolio (€31.3 million, down 12.0%) owing to a fall in the Social Housing segment that has now reached maturity and uncertainty in 2020 as to whether the Pinel Dom tax breaks would continue

- The steep decline in the existing commercial portfolio (€19.5 million, down 29.6%) given the high base of comparison in 2019 (signature of off-plan sale and work on La Réunion's largest Leroy Merlin store in 2019).
- Strong increase in sales of residential and commercial plots (€28.0 million, up 34.9%), which counterbalanced the overall downturn.

Property Investment: 33.1% increase in recurring net income attributable to owners of the parent per share on a diluted basis

In 2020, the net rental income recorded by the Property Investment business rose 0.6% to €20.5 million. Adjusted for block sales of homes, rental income rose 4.3%. Thanks to lower overheads and net interest expense, the Property Investment business posted recurring net income attributable to owners of the parent up 22.9% at €6.9 million. Recurring net income attributable to owners of the parent per share on a diluted basis moved up 33.1% to €0.17.

The Property Development business' margin widened by 10.2% to €13.7 million. This performance was powered by a richer product mix with the higher level of plot sales.

With the higher profitability of these two businesses, a strong sales performance in terms of residential asset sales, and a structural decline in borrowing costs, CBo Territoria's net income attributable to owners of the parent rose 18.3% to €14.2 million. Net income attributable to owners of the parent came to €0.36 per share on a diluted basis, an increase of 22.9%.

Continuing shift in the focus of the economic portfolio to commercial assets

At 31 December 2020, the economic portfolio was valued at €369.7 million, down 1.5% on its end-2019 level as a result of home sales (€13.6 million or 3.6%). Commercial assets now make up 76% of the portfolio, compared with 71% of the total at end-2019, reflecting the continuing shift to this asset class. The portfolio was valued by independent appraisers on a highly conservative basis relative to the market in mainland France since they applied capitalisation rates 100 to 150 basis points higher.

The commercial economic portfolio rose 4.7% to €281.5 million with the addition of new assets. It is highly diversified (offices 32%, retail 57%, business premises 11%) and its vacancy rate limited to 4% (up 1 point), reflecting its high-calibre assets. Its gross rate of return came to 7.7%, up 0.2 points.

In 2020, the Group pressed ahead with the active expansion of its commercial portfolio, including:

- The delivery in November 2020 at the Retail Park du Port developed by CBo Territoria of a 3,500 m^2 store jointly owned (associate) with its operator the Ravate group
- The construction at the Retail Park du Port of 6,100 m^2 in stores now 91% let and scheduled for delivery in April 2021
- The acquisition in Ile-de-France, a deep and liquid market, of 5,000 m^2 in fully-occupied office space in December 2020, helping the Group to accelerate the growth in its recurring revenue streams
- The signature of a MoU to develop an 8,100 m^2 complex of retail assets at Combani in Mayotte requiring an overall investment of €24 million. These facilities, which have been awarded a commercial use permit, are currently 73% pre-let, with tenants including a 1,920 m^2 Carrefour supermarket and a 1,200 m^2 Monsieur Bricolage store. Work is due to commence in the second half of 2021, and the stores are scheduled to enter service in the second half of 2023.

Under its strategy focused on expanding in commercial assets, CBo Territoria continued to pull out of residential assets with the sale of 89 homes, including 51 in a block sale to SHLMR/Action Logement. At year-end 2020, its residential portfolio comprised 319 homes, down from 408 at year-end 2019, or 13% of the economic portfolio, down from 16% at year-end 2019.

Stronger balance sheet: lower debt and increase in cash

At 31 December 2020, CBo Territoria's available cash came to €44.6 million, up from €43.0 million at year-end 2019, while its debt was €13.0 million lower at €237.1 million. As a result, its net debt fell 7.1% to €191.2 million. Fixed-rate borrowings accounted for 77% of the total, up from 66% at year-end 2019. Its average cost of debt dropped 0.1 points to 2.8% in 2020. Excluding transfer taxes, its LTV ratio was 2.2 points lower at 44.3%. Adjusted for the ORNANE issue, the ratio was 37.7%.

Net asset value of €5.87 per share on a diluted basis (up 4.4%)

At 31 December 2020, NAV rose 7.2% over 12 months to €216.6 million, or €5.87 per share on a diluted basis. The share's discount, based on the average share price between 1 and 19 March 2021, stood at 37% to its NAV per share on a diluted basis.

Stable dividend of €0.23 per share proposed

Amid the current uncertain international economic conditions, CBo Territoria will propose payment of a dividend of €0.23 per share at its Annual General Meeting on 9 June 2021, which would be stable compared with 2019.

This dividend payment would represent a yield of over 6.0% based on the average share price of €3.69 between 1 and 19 March 2021.

2021 Outlook: Continued shift towards Property Investment

With its solid balance sheet and its diversified and resilient business model, CBo Territoria intends to push ahead with its strategy of expanding in Property Investment.

CBo Territoria's Property Investment business has a pipeline of €48 million in commercial projects for development on its land holdings. At the same time, the Group will continue to sell its homes and consider any opportunities to buy commercial assets in La Réunion and in deep and liquid markets to accelerate the growth in its recurring revenue streams.

In line with its development plan, the Group expects business levels in Property Development to return to a more normal level after the peak sales recorded in 2019 and 2020. The outlook for 2021 is supported by its €55.7 million order and negotiation backlog at year-end 2020. In addition, the Group plans to develop this business outside its land, in La Réunion and Mayotte.

Next financial publication

First-half 2021 revenue: Wednesday, 18 August 2021 (after market close)

About CBo Territoria

CBo Territoria is a leading player in Property Investment, Urban Development and Property Development in La Réunion and Mayotte, France. Its shares are listed on Euronext C (FR0010193979, CBOT) and can be held within PEA PME tax-efficient equity savings plans.
It owns 2,950 hectares of land and intends to become primarily a multi-regional specialist in Commercial Property Investment, with growth funded partly by profits from its Property Development division.
www.cboterritoria.com/en

CONTACTS

INVESTOR RELATIONS	Press relations - Paris	Press Relations - La Réunion
Caroline Clapier Chief Financial Officer direction@cboterritoria.com	emiffre@capvalue.fr	Driscoll Delalain Tel. +33 (0)6 92 12 82 86 ddelalain@cboterritoria.com

GLOSSARY

NAV - Net Asset Value: calculated based on consolidated equity, including unrealised capital gains and losses on the property portfolio. The property portfolio is measured at market value by means of an independent appraisal.

NAV per share: Net asset value per share excluding shares held in treasury

Diluted NAV per share: Net asset value per share reflecting the maximum number of shares that may be issued as a result of outstanding dilutive instruments

CFO – Cash flow from operations: All internal sources of funds generated by the activities of a business that can be used for funding purposes

Cash generated by operating activities: change in the cash position of a business resulting from the operating cash flows generated by its main activities

Average cost of borrowing = ratio of the amount of interest paid over the year, before capitalisation, to its average debt outstanding over the period

ICR – Interest Coverage Ratio: coverage of the cost of borrowing by net rental income

Deferred tax: means of recognising tax arising from a business profit generated during the period in respect of the operations of a business that may in the future incur a tax liability or tax saving that is not recognised under the current tax method.

Yield property: all existing property assets generating steady rental income

Investment property: existing yield properties (commercial + residential) + Investment land (excluding land held as inventory or for development)

Fair Value: this method of measuring assets is recommended by the IFRS international accounting standards and is applied in the consolidated financial statements.

It is defined 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 measurement date”

Property Investment’s net rental income = Property Investment operating margin: Rental income net of direct property expenses reflecting allowances to provisions for doubtful receivables

LTV - Loan To Value: Amount of outstanding bank debt net of investment assets and cash/market value of Investment Properties excluding transfer taxes + net carrying amount of operational properties other than head office + inventories and outstandings (consolidated value).

Property Development operating margin: revenues less cost of sales, sales and marketing costs and allowances to provisions

Recurring net income: IFRS net income from ordinary and recurring activities

Associates: company accounted for under the equity method. Equity accounting is an accounting technique whereby the carrying amount of shares held in an entity by its parent company is replaced by a measurement of the portion that the parent company owns in the equity of that entity.

ORNANE - Bond redeemable in cash and in new or existing shares. Convertible bond, the principal amount of which is repaid in cash at maturity and, if the conversion option is in-the-money, the difference between share price and the conversion threshold may be redeemed in the issuer’s shares.

Economic portfolio: investment assets and share in assets held by associates

Attributable to owners of the parent: net income attributable to owners of the parent is the share of net income payable to the Group’s owners. Also known as net income, Group share.

Income from operations: development margins + Rental income net of property expenses - net management expenses +/- Income from ancillary activities.

Operating income: Income from operations + change in fair value + gains/(losses) on investment properties + other operating income and expenses + share in income of associates

Stock options: stock options at a given exercise price

Financial vacancy rate: ratio between the market rent of vacant space and rental income from the total space
(actual rental income from space rented + market rent of vacant space)

Cash flow statement: shows how cash was generated and how the cash position changed during a financial year or a given period.