



Press release – **2024 Half-year results**
Sainte-Marie, September 11, 2024, 7:45p.m.

2024 HALF-YEAR RESULTS

Strong results fueled by the Property Investment division's growth

- **Commercial Investment Property strategy's relevance and strong growth in RNI¹**
 - Gross commercial rental revenues (including share of equity affiliates): €14.0 million², +8.3%
 - Recurring net income up substantially: +18.4% to €7.3 million, partly driven by the expansion of the commercial property portfolio
 - Delivery of France Travail offices in Combani in July
- **Property Development: solid margins maintained despite the decline in activity and change in product mix**
 - Property Development sales of €21.2 million (-25.5% overall and -16.1% for residential)
 - Rapid change in the product mix: the rise in block sales did not offset the decline in retail sales (discontinuation of Pinel Dom-eligible programs and slowdown in the sale of building plots) in the absence of commercial Property Development
 - Property Development margin: €3.2 million or 14.9% of Property Development sales (vs. €4.7 million or 16.6% in H1 23 and €8.9 million or 15.4% in 2023)
- **Strong results and financial position**
 - Income from operation driven by the Property Investment division's ramp-up: €12.3 m (-1.9% vs H1 23)
 - Net income (Group share): €8.6 million (-13.0% vs. H1 23)
 - Adjusted net asset value: €241.0 million (+1.0% vs. H1 23)
 - Net financial debt: €134.8 million, secured and with long maturity (>8 years)
 - LTV excluding transfer taxes: 33.3% (vs 32.7% at year-end 2023)
- **Outlook**
 - **Increased 2024 target:** growth in commercial gross rental revenues over **+6%³**
 - **Commercial pipeline⁴:** €70 million of projects under development, including €23 million to be launched within 12/18 months
 - **Property Development:** confirmed visibility over 12/18 months, with a backlog of €29.5 million as of June 30, 2024, and 2 new programs currently on the market in block sales

« Our property investment division's results for the first half of the year showed strong momentum, confirming the Group's development strategy. They offset the relatively modest decline in residential property development in the current economic climate. Our financial situation remains healthy and solid, enabling us to pursue our development and seize any opportunity for further growth »,
says Géraldine Neyret, Chairman and CEO of CBo Territoria.

1 A glossary is provided in the appendix to this document.

2 Corresponding to 94% of total gross rental income including share of equity affiliates of €1.8 million.

3 Versus approximately +4% announced in March 2024. Including share of equity affiliates. Gross commercial rental income of €26.5 million in 2023 (including €3.7 million contribution from equity affiliates).

4 Projects to be launched within the next 12 months and projects identified on mastered land in the medium term.

On September 10, 2024, the Board of Directors of CBo Territoria (ISIN: FR0010193979 – CBOT), a leading real estate player in La Réunion for nearly 20 years, approved the interim consolidated financial statements for the six months ended June 30, 2024. The statutory auditors' limited review report on the half-yearly financial information was issued today without qualification.

CHANGES IN THE ECONOMIC PORTFOLIO

By June 30, 2024, CBo Territoria held a diversified **portfolio of commercial properties**⁵ (86% of the aggregate portfolio⁶) with strong foundations:

- Stable valuation of **€319.6 million** excluding transfer duties compared with year-end 2023 (+0.2%),
- High and stable occupancy rate of 98%, reflecting the high quality of the portfolio and the soundness of the tenant base,
- Annualized gross rental income of €27.3 million (including contribution from equity affiliates) versus €26.9 million at year-end 2023.
- Gross yield including transfer duties of 8.1% (vs. 8.0% at year-end 2023).

The Group's aggregate economic portfolio⁶ is valued at €374.0 million (excluding transfer duties), +0.6% compared with year-end 2023 (€371.8 million), due to the lack of deliveries in the first half of the year. The portfolio's aggregate value excluding transfer duties (including ongoing commercial projects worth €7.8 million) stood at €381.8 million as of June 30, 2024 (vs. €377.6 million at year-end 2023).

FINANCIAL PERFORMANCE IN FIRST-HALF 2024

Property Investment: Recurring net income of €7.3 million (+18.4%)

In the first half of 2024, **gross rental income from commercial assets** (94% of gross rental income) rose by +8.3% to €14.0 million (including €1.8 million contribution from equity affiliates). This increase breaks down into three components: +7.1% scope effect (+€0.9 million), +4.3% indexation effect (+€0.6 million), -3.1% non-recurring effect of variable rents booked in HI 2023 (-€0.4 million).

Net commercial rental revenues rose by +8.7% to €13.1 million (including €1.7 million contribution from equity affiliates). Net rental revenues from **farmland and residential assets** fell to €0.4 million as of June 30, 2024 (vs. €0.6 million in HI 2023), reflecting the impact of housing disposals in December 2023.

Property Investment's Recurring net income came to €7.3 million, compared with €6.2 million in HI 2023 (+18.4%) and €5.2 million in HI 2022, driven by the expansion of the commercial portfolio and lower corporate overheads.

Property Development: Continued solid margin of 14.9%, despite changes in product mix and lower sales volumes

With the Pinel scheme ending at the end of 2024, the Group has decided not to start any new retail projects. As a result, **reservations for HI 2024 have understandably decreased significantly** to €8.3 million (-56%), practically all of which are building plots. When compared to 65 units in HI 23, the Group registered 43 reservations until June 30, 2024, indicating that prospective buyers are finding it difficult to complete their real estate projects given current circumstances. With a residential backlog of €29.5 million, which includes €28.1 million in block sales, **the outlook is still favorable**. Construction activity remained buoyant at the end of June (318 units under development). The Group recently launched construction of the Aloe Macra program for SHLMR (76 units), and two other block developments (totaling 135 units) presently being marketed.

Property Development revenues came to €21.2 million in HI 2024, down €7.3 million (-25.5%) compared with HI 2023. This trend can be explained firstly by **the absence of commercial property operations**⁷ (impact of -€3.3 m vs. HI 2023) **and the decline in residential sales (-€4.0 m, or -16.1%)**.

The residential product mix is evolving rapidly. Block sales currently contribute 61% of Property Development sales (vs. 37% in HI 23) at €12.9 million, up +21%. After the rush recorded in 2023 on the newest retail programs launched by the Group, sales of apartments to individuals are naturally down due to the drying up of supply, with sales of €3.9 million (vs. €8.0 million in HI 23). Sales of building plots are also slowing down, since purchasers are finding it harder to complete their real estate projects.

⁵ The commercial property portfolio is made up of investment assets (excluding residential and land assets) and the Group's share of assets held under the equity method. It represents a total surface area of 140,900m² (fully owned equity affiliates).

⁶ Aggregate economic assets include 100% owned CBo Territoria assets (commercial, land and 79 residential lots held for sale), as well as the Group's share of commercial assets held in partnership.

⁷ Property Development revenues are relatively modest due to the opportunistic nature of this activity. It came to €0.2 million in HI 2024, compared with €3.5 million in HI 2023 (EPSMR project).

Nevertheless, **the margin rate remains healthy at 14.9%** (vs. 16.6% in H1 23 and 15.4% for full year 23), with a property development margin of €3.2 million (vs. €4.7 million in H1 23).

Resilient operating income as property investment gains momentum: €12.3 million (-1.9% vs. H1 23) The dynamic performance of the commercial property investment division and tight control of overheads compensated for the decline in property development. As a result, **operating earnings** held steady at €12.3 million for the first half (€0.3 million vs. H1 2023).

Net income (Group share) **came to €8.6 million** vs. €9.8 million (-13%), or €0.24/share (vs. €0.27/share in H1 23). It considers a **change in fair value** of €-0.5 million (vs. €+1.0 million in H1 23), net borrowing costs of €-2.1 million (vs. €-2.0 million in H1 23) and corporate income tax of €-2.6 million (vs. €-3.0 million in H1 23).

Net Asset Value (NAV): €241.0 million, stable after payment of 2023 dividend

Net Asset Value stood at €241.0 million as of June 30, 2024, compared with €238.6 million as of June 30, 2023 (+1.0%) and €241.8 million at the end of December 2023 (-0.4%). In the first half 2024, earnings during the period compensated for the 2023 dividend payout of €8.6 million (or €0.24 per share). The variation stems from share buybacks of €1.2 million net of deferred taxes and €0.3 million from other factors, primarily the mark-to-market of financial instruments. On a per-share basis, NAV rose by +1.6% over 12 months to €6.77 (€6.66 as of June 30, 2023, and €6.75 at the end of December 2023).

Solid financial structure and cash position – Diversified, secure debt profile

In the first half of 2024, the Group repaid €8.8 million in loans and completed the drawdown of the loan relating to the Combani shopping center for €8.3 million. In early July, it also repaid the balance of its outstanding 2018 ORNANE bonds for €3.8 million.

As at June 30, 2024, the Group's gross financial debt stood at €178.6 million, compared with €179.1 million at the end of December 2023, 80% of which consisted of mortgage financing. CBo Territoria maintains a solid cash position of €26.5 million, plus €14.9 million in term deposits⁸.

After accounting for hedging instruments, **88% of financial debt is at fixed rates**. The **average debt cost** reached a low point this half-year at 2.8% (vs. 3.5% as at December 31, 2023) thanks to the high level of cash and financial revenues. **Maturity** stands at 8 years and 4 months (-1 month vs. end 2023).

The LTV ratio excluding transfer duties came to 33.3% as at June 30, 2024 (vs. 32.7% at year-end 2023). The ICR increased to 5.5x (vs. 4.2x at year-end 2023). The net debt/EBITDA ratio remains high at 5.1x (vs. 5.0x at year-end 2023).

2024 OUTLOOK

Given the trends seen in the first half, the Group is boosting its **gross commercial rent growth target (including equity affiliate contributions) from roughly +4% to over +6%**.

In **residential property development**, against a backdrop of long-term changes in the product mix, the Group has strong visibility on the number of buildings sold in blocks to meet La Réunion's housing needs, as well as 134 building plots available for sale, which could be sold off more quickly as interest rates gradually fall. **The property investment division's pipeline⁹ of commercial projects in development to date totals €70 million in investment**, with €23.0 million of projects set to be launched within 12/18 months, depending on the success of their commercialization.

A presentation to this press release will be posted online at 11:30 a.m. on September 12, on cboterritoria.com under Finance / Financial documents.

The half-year financial report was filed with the AMF today and is available on our website on cboterritoria.com Finance / Financial documents section.

2025 Financial calendar: 2024 annual sales – February 6, 2025

⁸ Term deposits classified as financial assets for a total of €24.1 million in term deposits.

⁹ Projects to be launched within 12 months and projects identified on land under control in the medium term.

About CBo Territoria (FR0010193979, CBOT)

CBo Territoria has been a major real estate operator in La Réunion for nearly 20 years and has evolved into a multi-regional property developer specializing in tertiary assets (€381.8 million assets in value at 30 June 2024). The Group is pursuing its expansion through the exploitation of its land reserves or through land acquisition, as it is involved in the full real estate value chain (property developer, property investor, and real estate company). CBo Territoria can finance its development through its activities as a residential developer (apartment buildings or sale of land plots) and, secondarily, as a service provider, as well as through the planned transfer of its residual residential properties to SHLMR.

CBo Territoria is a real estate investment firm listed on Euronext Paris (compartment "C") that is qualified for the PEA PME finance program (small and medium-sized enterprises).

Responsible and committed to a more sustainable real estate since its inception, CSR (Corporate Social Responsibility) is by nature in the company's DNA. Its commitment and actions are recognized by the Gaïa-Index, the French benchmark index of the most virtuous small and mid-cap companies in terms of CSR. Since its entry in 2016, CBo Territoria has remained at the top of its category. More information on cboterritoria.com



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APPENDIX

Please note that since the variations are calculated based on the actual figures, discrepancies in the sums may occur due to rounding.

OPERATING ACTIVITIES

CONSOLIDATED SALES	H1 2024	H1 2023	Variation
Gross rental income	13.1	12.5	+5.0%
<i>o/w Commercial Property Investment (excluding share of affiliates)</i>	12.2	11.1	
<i>o/w Residential</i>	0.3	0.9	
<i>o/w Other revenues</i>	0.6	0.5	
Property Development	21.2	28.5	-25.5%
Other activities	0.8	0.7	
Consolidated revenues (in €M)	35.2	41.7	-15.6%

Rental income	H1 2024	H1 2023	Variation
Commercial	12.2	11.1	+9.7%
Residential	0.3	0.9	-61.1%
Agriculture and miscellaneous	0.6	0.5	+12.8%
Gross rental income	13.1	12.5	+5.0%
Commercial Share of affiliates	1.8	1.8	+0.0%
Gross rental income incl. share of affiliates (in €M)	14.9	14.3	+4.3%
Commercial including share of affiliates	14.0	12.9	+8.3%

Property Development revenues	H1 2024	H1 2023	Variation
Residential programs	21.0	25.0	-16.1%
<i>Block sales (Intermediate and Social)</i>	12.9	10.6	
<i>Individual clients (Intermediate - Pinel DOM)</i>	3.9	8.0	
<i>Sales of building plots</i>	4.2	6.4	
Commercial programs	0.2	3.5	-93.4%
<i>Commercial buildings</i>	-	3.0	
<i>Sales of building plots and miscellaneous</i>	0.2	0.5	
Total Property Development revenues (in €M)	21.2	28.5	-25.5%

PROFIT AND LOSS ACCOUNT (IFRS)

In €M	H1 2024	H1 2023
Sales	35.2	41.7
Income from operations	12.3	12.6
Net of fair value adjustments	(0.5)	1.0
Gains and losses on disposals of investment property	0.1	0.1
Other operating income and expenses	(0.1)	(0.0)
Operating income	11.8	13.7
Share of profit/(loss) of affiliates	1.4	1.1
Operating income including equity affiliates' contribution ¹	13.2	14.7
Cost of net financial debt	(2.1)	(2.0)
Other financial income and expenses	0.0	0.2
Income tax expense	(2.6)	(3.0)
Net income/(loss)	8.6	9.8
Net income/(loss) (Group share)	8.6	9.8
Net earnings per share (Group share) (€)	0.24	0.27
Weighted number of shares	35,844,953	35,809,032

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

- **Recurring net income from the Property Investment division**

In €M	H1 2024	H1 2023
Gross rental revenue	13.1	12.2
Building expenses	(1.3)	(1.5)
Net rental revenues	11.8	10.6
Overheads incurred by the Property Investment division	(1.5)	(1.8)
Operating income from the Property Investment division after allocation of a share of overheads	10.2	8.9
Cost of net financial debt	(2.0)	(2.1) ¹
Other financial revenues and expenses	0.0	0.0
Income tax (excluding equity affiliates)	(2.1)	(1.7)
Net recurring income from equity affiliates	1.1	1.1
Recurring net income from the Property Investment division (Group share)	7.3	6.2
Property Investment RNI per share (in euros)	0.20	0.17

¹ Reclassification of €0.25 million in financial expenses not assigned to the Property Investment division to facilitate comparable data.

CHANGES IN THE PORTFOLIO (EXCLUDING TRANSFER TAXES)

	In €M
Total economic assets as of 12.31.2023	377.6
Built assets under construction	5.8
Economic assets as of 12.31.2023	371.8
Development of Commercial Property Investment	2.4
Change in fair value	(0.3)
Economic assets as of 06.30.2024	374.0
Built assets under construction	7.8
Total economic assets as of 06.30.2024	381.8

BALANCE SHEET (IFRS)

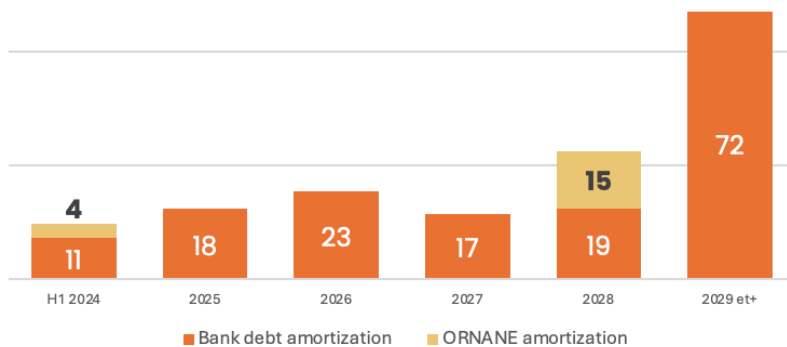
ASSETS in € M	06.30.2024	12.31.2023
Non-current assets	380.3	368.9
Investment properties	341.0	337.0
Investment in equity affiliates	15.2	13.9
Financial assets (hedging instruments valuation)	17.3	11.4
Other non-current assets	6.9	6.6
Current assets	107.0	119.4
Inventories and work in progress	57.9	63.1
IP held for sale	0.9	0.9
Trade and other receivables	21.8	20.7
Cash and cash equivalent	26.5	34.7
LIABILITIES in € M		
Shareholders' equity	241.0	241.8
Group	241.0	241.8
Minority interests	0.0	0.0
Non-current liabilities	192.4	195.0
Financial debt MT/LT	154.9	156.8
Deferred tax liabilities	37.2	37.7
Other non-current liabilities	0.3	0.4
Current liabilities	54.0	51.5
Current borrowings (including bonds)	23.8	22.3
Trade and other payables	30.2	29.2
Total Balance sheet	487.4	488.3

LOAN-TO-VALUE (LTV)

In € M	06.30.2024	12.31.2023
Investment property	340.9	337.0
Investment properties held for sale	+ 0.9	0.9
Operating property excluding headquarters	+ 5.2	5.7
Inventories / development	+ 57.9	63.1
Total Assets (A)	= 404.9	406.7
Medium- and long-term debt	154.9	156.8
Short-term debt	+ 23.8	22.3
Other financial assets (effect of hedging instruments)	- 17.4	11.4
Available cash and cash equivalents	- 26.5	34.7
Total Liabilities (B)	= 134.8	133.0
LTV Excluding transfer taxes (B/A)	33.3%	32.7%

Breakdown of gross debt as of June 30, 2024

(€178.6 million vs. €179.1 million as of December 31, 2024)



GLOSSARY

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

NAV per share: Net acid value per share excluding shares held in treasury.

NAV per diluted share: Net Asset Value per share after accounting for the maximum number of shares that might be produced by outstanding dilutive instruments (ORNANE).

Backlog: Sales (before tax) from completed residential and commercial property sales (excluding land sales) that have not yet been recognized.

Order book (or booking stock): Total number of units under reservation contract not fulfilled by the closing date, expressed in value (sales price excl. VAT) or volume (in units).

Average cost of debt: Ratio of interest paid over the course of the year prior to capitalization to the average amount of debt outstanding for the year.

ICR (interest coverage ratio): Coverage ratio of financial interest to operating income.

EBITDA: Operating income that has been adjusted for depreciation, amortization, and provision costs.

Income-producing property: All built-up real estate assets that provide recurrent rental revenue.

Investment Property: Built-up income-producing assets (commercial and residential) with IP Land (excluding Land Inventory/ Development).

Fair Value: Method of valuing assets in accordance with IFRS international accounting standards, and applied to the consolidated financial statements; it is defined as "the price that would be received for the sale of an asset or paid for the transfer of a liability in an arm's length transaction between market participants at the measurement date."

Net rental income = property investment division's operating margin: Rental income after deducting property expenses and bad debt provisions.

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 work-in-progress (consolidated value)

Property development operating margin: Revenues less costs of sales, sales, and marketing costs and allowances to provisions

Supply available for sale: Sales of lots advertised for sale, not reserved.

ORNANE ("Obligation Remboursable en Numéraire et en Actions Nouvelles et Existantes"): A convertible bond whose principal is redeemed in cash at maturity, and if the conversion option is in the currency, the difference between the stock market price and the conversion threshold can be redeemed in the issuer's shares.

Economic portfolio: Investment assets and share in assets held by affiliates.

Income from operations: Development margins + rental income net of property expenses - net management expenses plus income from ancillary activities.

Recurring net income (RNI): IFRS net income from recurring operations (EPRA calculation) = Net rental income - (share of Property Investment overheads + Property Investment debt costs - corporate income tax (including share of minority interests)).

Operating income after contributions from equity affiliates: Income from regular operations + change in fair value + income from sale of investment property + other operational income and costs + equity affiliate income share.

Net income (Group share): A portion of net income attributable to Group shareholders.

Associate: 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.

Financial occupancy rate: Ratio between market rent for leased space and rent for total surface area (= actual rent for leased space + market rent for vacant space).

Yield on economic assets: Value of gross rental income from leased premises divided by economic assets, including transfer taxes.

Building plots - Property development: Sales of building plots for residential or commercial real estate.

Block sales - Property development: Acquisition of an entire building or real estate program by a single buyer.

Retail sales - Property development: Acquisition of a residential unit or plot by an individual client.