



## INTERIM MANAGEMENT REPORT

September 6<sup>th</sup>, 2024

REGULATED INFORMATION

### RECURRING OPERATING INCOME UP 4.1 % DELIVERY OF THE GROUP'S THREE MAJOR PROJECTS: PROMENADE DES ARTISTES, SILIKIN VILLAGE III AND OPEN ACCESS DATA CENTRES TEXAF DIGITAL

TEXAF's Board of Directors has approved the consolidated financial statements (based on IFRS as adopted by the European Union) for the half-year ended 30 June 2024. These interim accounts have not been audited.

#### HIGHLIGHTS OF THE FIRST HALF OF 2024

- GDP growth in the Democratic Republic of Congo is expected to slow to 4.7% in 2024 (compared with 8.4% in 2023), against the backdrop of a deteriorating security and humanitarian situation in the east of the country. This growth is being driven primarily by the expansion of existing large mines. Inflation remains high at 17.2% expected on average over 2024 (vs. 19.9% in 2023) due to the depreciation of the Congolese franc in 2023, but should gradually fall as the exchange rate stabilises. The good performance of the mines is helping to rebalance public finances and maintain good liquidity in the banking sector. In May, this liquidity enabled the Group to borrow USD 5.5 million at a fixed rate of 7% over 6 years to finance its property investments.
- Consolidated sales reached a new high of EUR 15.3 million (up 8%).
- The Group's two largest projects, Promenade des Artistes (94 flats) and Silikin Village Phase III (6,000 m<sup>2</sup> gross), were delivered respectively at the end of the 1<sup>er</sup> half-year for Promenade des Artistes and at the beginning of the 2<sup>nd</sup> half-year for Silikin Village III.
- Rents rose by 9.4%, thanks mainly to the rental of these new flats. 69 additional flats have been progressively let since 1<sup>st</sup> January, an increase of 21% in the number of units let and an occupancy rate maintained at 97%.
- **CARRIGRES** maintains its sales (+2.5%) at a high level, despite a more difficult market context.
- **SILIKIN VILLAGE**, which is developing the Group's digital business, opened the largest hub in Central Africa and immediately let 95% of its private offices, which represent three quarters of the rental potential.
- The first international-standard data centre in the DRC, developed in partnership with the WIOCC group ([www.wioccgroup.net](http://www.wioccgroup.net)), opened in August and is generating considerable interest from both local and international players.
- Higher taxes on rents and property account for more than half of the 10% increase in operating expenses.
- Overall, recurring EBITDA rose by 5.3% to EUR 7,398 k and recurring operating profit (EBIT) by 4.1% to EUR 5,200 k. Net profit (group share) rose by 12.8% to EUR 4,449 k, compared with a 1<sup>er</sup> half-year in 2023.

In k EUR	2020	2021	2022	2023	2024
Recurring operating result	4.540	3.869	4.162	4.994	5.200
As % of sales	39%	33%	30%	33%	32%

## REAL ESTATE ACTIVITIES

The group is developing a property services business in Kinshasa. It rents out, manages and runs its own residential and business stock, providing services to residents.

- Contribution of property business to consolidated profit :

REAL ESTATE (EUR 000)	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024
Revenue from ordinary activities	9.797	9.579	10.948	11.452	<b>12.525</b>
Recurring operating result	4.865	4.369	4.586	4.909	<b>5.263</b>
Operating result	4.865	4.324	4.561	4.753	<b>5.251</b>
Result before deferred taxes	3.607	3.219	3.267	3.151	<b>3.082</b>
Net profit (Group's share)	3.047	3.112	4.991	3.545	<b>5.019</b>

- Rental income rose by 9.4% to EUR 12,525k. This increase was mainly due to the launch of a large part of the Promenade des Artistes development (94 flats). Since 1<sup>st</sup> January, 69 additional flats have been progressively let, an increase from 332 to 401 (+21%). To date, there are still 25 flats available (97% occupancy rate). On a like-for-like basis, rental income rose by 3.8%.
- Recurring operating profit rose by 7% to EUR 5,263k. It was affected by the increase in expenses, two-thirds of which (EUR 484k) was due to the rise of taxes on rents and property, and the remainder mainly to staff costs and costs incurred in maintaining our compounds.
- The provision for current tax doubled to EUR 1,666k due to the taxation of the capital gain on the sale of the land on which the data centre is being built, but this was offset by an equivalent decrease in the provision for deferred tax.

The two construction projects, Promenade des Artistes and phase III of Silikin Village (6,000 m2 of furnished offices, co-working spaces, shared meeting rooms and an auditorium) were delivered at the end of the 1<sup>er</sup> half-year and the beginning of the 2<sup>ème</sup> half-year respectively. They were an immediate success in the market. 85% of the flats at Promenade des Artistes are let, while the remainder are nearing completion. 95% of the private offices in Silikin Village III are also let, and co-working space, which is not usually booked in advance, is also well used.



Promenade des Artistes

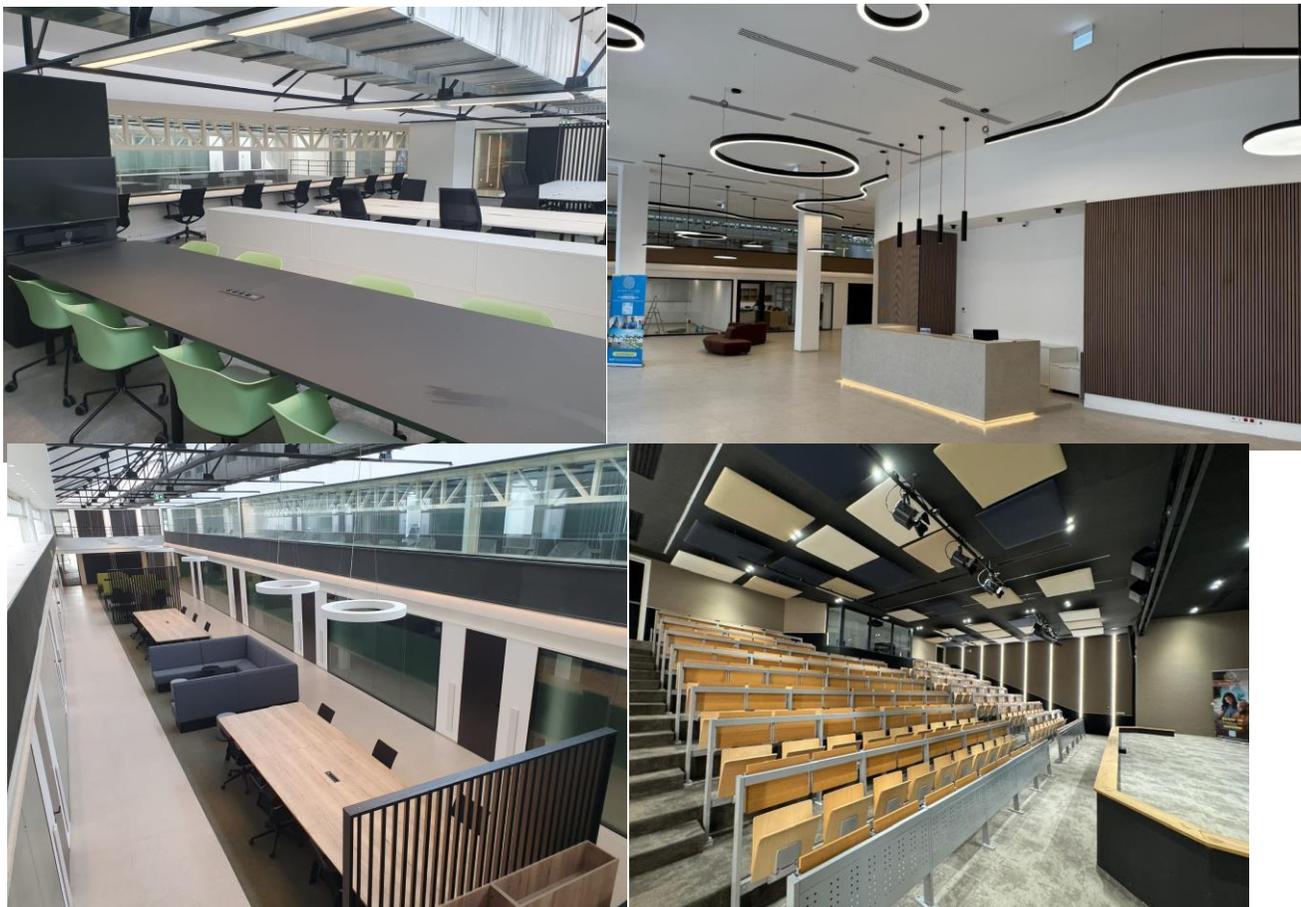
## DIGITAL BUSINESS

The digital business currently consists of a EUR 2.4m investment in the Partech Africa fund (estimated value), a 49% stake in the **OADC TEXAF DIGITAL** joint venture, which has built and operates a data centre, a 50% stake in the **CLOSE THE GAP - TEXAF** joint venture, which imports and distributes refurbished IT equipment, and the operation of the **SILIKIN VILLAGE** in Kinshasa.

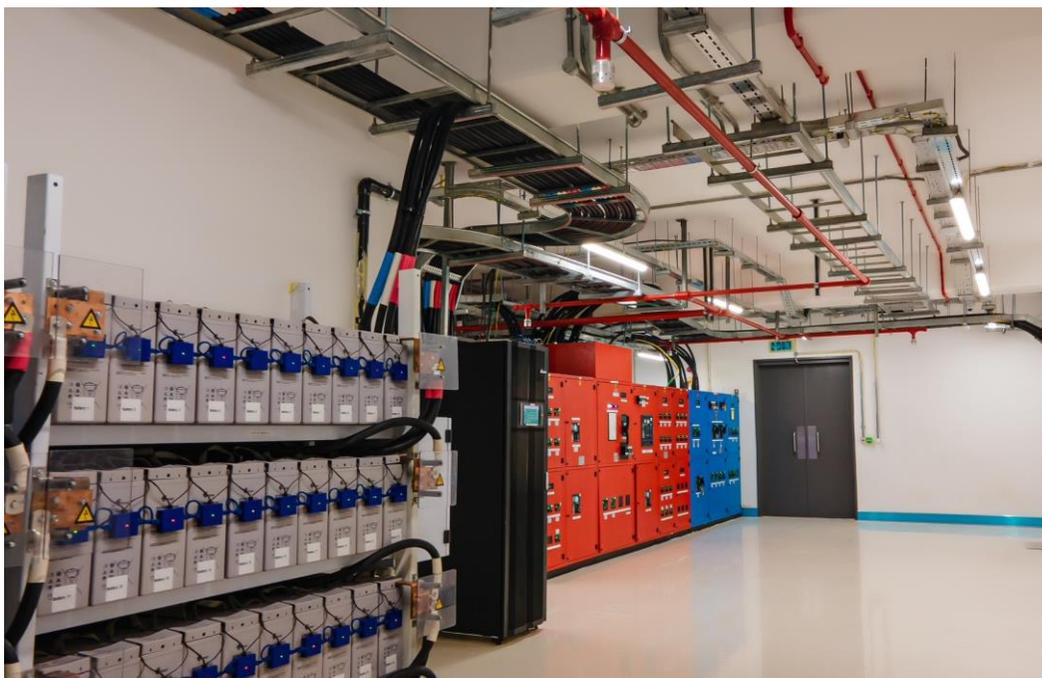
- Contribution of digital business

DIGITAL (000 EUR)	30/06/2020	30/06/2021	00/01/1900	00/01/1900	00/01/1900
Revenue from Silikin Village activities	0	20	25	171	174
Recurring operating result	-97	-84	-171	-83	-140
Net profit of associates					-264
Result before deferred taxes	-97	-84	-171	-85	-445
Net profit (Group's share)	-97	-84	-171	-85	-444

- **SILIKIN VILLAGE** is developing Kinshasa's main hub for the digital economy, bringing together on the same site training, incubation and hosting activities for start-ups and international companies looking to expand in the DRC. During the 1<sup>st</sup> semester, numerous activities were organised there as usual, in particular sessions for *Innovative Sales Strategy* executives in collaboration with ICHEC Formation, the first robotics competition in the DRC and the first promotion of the K-Impact incubation programme with Ovation.eco for 70 innovative projects.
- However, the results of the digital business do not include rental income of €316k generated by these buildings, which is included in the **Real Estate** segment. They include only the share of events revenues and a management fee for rental space.



- **OADC TEXAF DIGITAL** has built the DRC's first international-standard data centre. It opened to customers at the end of August, with almost all potential domestic customers (banks, telecoms operators and internet service providers) showing an interest in setting up there, and initial contacts being made with international prospects (cloud operators, content providers and distributors, internet transit, etc.). The 49% stake in **OADC TEXAF DIGITAL** is accounted for using the equity method. It only incurred expenses in the first half of 2024. Part of the loss was due to interest on shareholder advances. The net impact on the digital business of this loss and the interest earned was €264k.



*Technical room no. 2 in the data centre*

## QUARRYING ACTIVITY

**CARRIGRES** operates a crushed sandstone quarry located 10 km from Kinshasa city centre.

- Contribution of quarrying to consolidated profit :

<b>CARRIGRES (000 EUR)</b>	<b>30/06/2020</b>	<b>30/06/2021</b>	<b>30/06/2022</b>	<b>30/06/2023</b>	<b>30/06/2024</b>
Revenue from ordinary activities	1.186	1.280	2.196	2.725	<b>2.793</b>
Recurring operating result	244	68	247	741	<b>803</b>
Operating profit	244	68	247	741	<b>803</b>
Result before deferred taxes	362	164	264	573	<b>629</b>
Net result (Group's share)	373	218	335	629	<b>539</b>



- Quarry sales were stable (+2.5%) in the first half of 2024. This is the result of a 9% fall in volumes sold (158,035 tonnes) and a 13% rise in the average price, and reflects changes in the product mix.
- Operating profit rose to 803 k EUR (+8%). This result was positively affected by a EUR 515k increase in sandstone inventories. However, this is a non-cash item.
- Given **CARRIGRES'** substantial cash position, net profit, which includes financial income, was EUR 539k, down on the previous year due to changes in deferred tax.

## HOLDING

- Contribution of holding activities to consolidated profit :

HOLDING (000 EUR)	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024
Revenue from ordinary activities	0	0	0	0	0
Recurring operating result	-472	-484	-579	-682	-726
Operating profit	-472	-484	-579	-682	-726
Result before deferred taxes	-249	-220	-329	-236	-732
Net result (Group's share)	-169	-137	-242	-145	-666

- Expenses totalled EUR 726k (+6%). They mainly cover staff in the Brussels office, directors' remuneration and costs linked to the stock market listing.
- Net profit amounted to EUR -666k (compared with EUR -145k in the 1<sup>er</sup> half-year 2023). This decrease is due to the reversal of the credit position, and therefore the payment of interest, from the holding sector to the real estate sector.



## TEXAF GROUP CONSOLIDATED PROFIT (in thousands of EUR)

(Unaudited)

000 EUR	30.06.2022	30.06.2023	30.06.2024
Revenue from ordinary activities	13.121	14.152	15.294
Other recurring operating income	859	883	907
Recurring operating expenses	<u>-7.752</u>	<u>-8.011</u>	<u>-8.803</u>
<b>Recurring EBITDA <sup>(1)</sup></b>	<b>6.228</b>	<b>7.024</b>	<b>7.398</b>
y-1	11%	13%	5%
Amortisation and Depreciation	<u>-2.066</u>	<u>-2.030</u>	<u>-2.198</u>
<b>Recurring operating income (EBIT) <sup>(1)</sup></b>	<b>4.162</b>	<b>4.994</b>	<b>5.200</b>
y-1	8%	20%	4%
Non-recurring operating items	<u>-25</u>	<u>-157</u>	<u>-12</u>
<b>Operating result (EBIT) <sup>(1)</sup></b>	<b>4.137</b>	<b>4.838</b>	<b>5.187</b>
y-1	8%	17%	7%
Financial income and expenses	-60	-13	-41
Result before tax (from continuing operations)			-432
Gifts and donations	<u>-79</u>	<u>-110</u>	<u>-147</u>
<b>Result before tax (from continuing operations)</b>	<b>3.997</b>	<b>4.715</b>	<b>4.567</b>
y-1	5%	18%	-3%
Current tax	<u>-966</u>	<u>-1.311</u>	<u>-2.050</u>
<b>Result before deferred taxes</b>	<b>3.032</b>	<b>3.404</b>	<b>2.516</b>
Deferred tax	<u>1.892</u>	<u>543</u>	<u>1.940</u>
<b>Net result after tax</b>	<b>4.924</b>	<b>3.947</b>	<b>4.457</b>
<b>Consolidated net result</b>	<b>4.913</b>	<b>3.944</b>	<b>4.449</b>
y-1	58%	-20%	13%
<b>Per share</b>			
<i>Recurring operating income (in EUR)</i>	1,135	1,362	1,418
<i>Operating income in EUR</i>	1,128	1,319	1,415
<i>Consolidated net income (Group share) in EUR</i>	1,340	1,076	1,213
<i>Number of shares outstanding</i>	3.666.556	3.666.556	3.666.556

(1) EBITDA: EBIT plus depreciation and amortisation but excluding changes in provisions and write-downs and reversals of write-downs on current assets. EBIT: Net profit to which is added current and deferred income tax and financial income and expenses, including exchange rate fluctuations. Non-recurring items: income or expenses that are not expected to recur in each accounting period, such as gains or losses on disposals of fixed assets, write-downs or reversals of write-downs on fixed assets, costs related to a major restructuring, takeover or disposal of a business (e.g. redundancy costs, plant closure costs, commissions paid to third parties to acquire or dispose of a business, etc.).



## CONSOLIDATED INCOME STATEMENT (in thousands of euros)

(Unaudited)

	30.06.2022	30.06.2023	30.06.2024
Result for the financial year	4.924	3.947	4.457
Spread variations in foreign currency		-75	8
Actuarial income and expenses related to post-employment obligations (net of taxes)	115	2	56
Movements (net of tax) in revaluation reserves			-16
<b>Comprehensive income</b>	<b>5.039</b>	<b>3.874</b>	<b>4.504</b>
<b>Allocated to</b>			
<b>TEXAF shareholders</b>	<b>5.027</b>	<b>3.871</b>	<b>4.496</b>
To Minority interests	12	3	8

## CONSOLIDATED BALANCE SHEET (in thousands of euros)

(Unaudited)

000 EUR	30.06.2022	30.06.2023	31.12.2023	30.06.2024
<b>NON-CURRENT ASSETS</b>	<b>124.597</b>	<b>133.999</b>	<b>141.324</b>	<b>149.295</b>
<i>Property, plant and equipment</i>	8.479	8.439	10.887	10.896
<i>Right of use</i>	8	125	67	67
<i>Investment properties</i>	114.594	121.950	126.217	131.144
<i>Intangibles</i>	2	37	81	101
<i>Other financial assets</i>	1.515	3.448	4.072	7.088
<b>CURRENT ASSETS</b>	<b>23.068</b>	<b>17.606</b>	<b>25.382</b>	<b>23.447</b>
<i>Assets held for sale</i>	5.110	5.222	5.399	5.611
<i>Inventories</i>	4.613	4.989	4.928	5.038
<i>Receivables</i>	1.137	950	3.696	590
<i>Tax assets</i>	1.617	1.844	2.302	2.842
<i>Cash and cash equivalents</i>	10.352	4.330	8.570	8.969
<i>Other current assets</i>	238	270	486	397
<b>TOTAL ASSETS</b>	<b>147.665</b>	<b>151.605</b>	<b>166.706</b>	<b>172.742</b>
<b>EQUITY</b>	<b>102.764</b>	<b>104.804</b>	<b>112.450</b>	<b>110.930</b>
<i>Capital</i>	25.497	25.497	25.497	25.497
<i>Group reserves</i>	76.864	78.892	86.274	84.747
<i>Minority interests</i>	402	416	679	687
<b>NON-CURRENT LIABILITIES</b>	<b>25.792</b>	<b>29.427</b>	<b>35.520</b>	<b>38.789</b>
<i>Deferred tax liabilities</i>	12.357	11.750	13.013	11.232
<i>Other non-current liabilities</i>	13.435	17.677	22.507	27.557
<b>CURRENT LIABILITIES</b>	<b>19.110</b>	<b>17.373</b>	<b>18.737</b>	<b>23.023</b>
<i>Current liabilities</i>	19.110	17.373	18.737	23.023
<b>TOTAL LIABILITIES</b>	<b>147.665</b>	<b>151.605</b>	<b>166.706</b>	<b>172.742</b>

## SIMPLIFIED STATEMENT OF CASH FLOW (in thousands of euros)

(Unaudited)

000 EUR	30.06.2022	30.06.2023	30.06.2024
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5.933</b>	<b>5.463</b>	<b>8.693</b>
Operating cash flow after tax	5.307	5.636	5.357
Changes in net working capital	8.895	2.674	7.833
<b>Cash flow from operating activities</b>	<b>14.202</b>	<b>8.310</b>	<b>13.189</b>
Investments	-10.039	-5.478	-10.717
Divestments	0	0	0
<b>Cash flow from investing activities</b>	<b>-10.039</b>	<b>-5.478</b>	<b>-10.717</b>
Increase in Capital	0	0	0
Dividends	-5.238	-5.762	-6.024
Change in debt	5.494	1.798	3.819
<b>Cash flow from financing activities</b>	<b>256</b>	<b>-3.964</b>	<b>-2.204</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4.420</b>	<b>-1.132</b>	<b>268</b>
Foreign exchange differences			8
<b>Cash and cash equivalents at year's end</b>	<b>10.353</b>	<b>4.331</b>	<b>8.969</b>
<i>of which Texaf s.a.</i>	<i>793</i>	<i>1.644</i>	<i>1.631</i>



*Tech Odyssey closes at Silikin Village*



## COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

The full half-yearly report prepared in accordance with IAS 34 is available at [www.texaf.be](http://www.texaf.be).

- Group sales rose by 8%, driven by both new lettings.
- Operating expenses rose by 10%. More than 50% of this increase was due to higher taxes in the DRC. As a result, EBITDA rose by 4% to EUR 7,398k and recurring operating profit by 19.6% to EUR 5,200k.
- The investment in **OADC TEXAF DIGITAL** is accounted for using the equity method, resulting in an expense of EUR 432k. This was partially offset by interest of EUR 168k due from this subsidiary.
- Current tax rose to €2,050k (from €1,311k), mainly as a result of the taxation of the capital gain realised on the sale of land to **OADC TEXAF DIGITAL**. This increase was offset by a movement in the opposite direction in deferred tax, at €1,940k (vs. €543k).
- Overall, the Group share of net profit rose by 13% to EUR 4,449 k.
- Once again, the Group took advantage of favourable conditions on the Congolese banking market to increase its 7% fixed-rate 6-year investment loan from USD 10 million to USD 15.5 million to finance the Promenade des Artistes and Silikin phase III projects.

## EVENTS AFTER 30 JUNE 2024 AND OUTLOOK FOR THE 2<sup>nd</sup> HALF-YEAR

- In August, the data centre was opened to customers after nearly two months of testing all the equipment. **TEXAF** has also acquired a stake in the African legal information start-up **AFRIWISE**.
- The 2<sup>nd</sup> half-year will benefit from revenues from the new Promenade des Artistes and Silikin Village III buildings over the entire period. As a result, recurring operating income should be more than €1m higher than in the first half of the year.

## FINANCIAL CALENDAR

- Friday 14 November 2024: Quarterly press release
- Friday 28 February 2025: Publication of 2024 annual results
- Friday 25 April 2025: Quarterly press release
- Monday 14 April 2025: Publication of the 2024 Annual Report
- Tuesday 12 May 2025 at 11 a.m.: Annual General Meeting

### N.B. Definition of alternative performance indicators

- Non-recurring items: income or expenses that are not expected to recur in each accounting period, such as
  - Gain or loss on disposal of fixed assets
  - Allowances for (reversals of) impairment of fixed assets
  - Costs associated with a major restructuring, takeover or disposal of a business (e.g. redundancy costs, plant closure costs, commissions paid to third parties to acquire or dispose of a business, etc.).
- EBIT: Operating profit
- EBITDA: Operating profit less depreciation and amortisation.
- Sales: Revenue from ordinary activities (rental income and sales of stoneware)

**TEXAF**, founded in 1925, is the only listed company with all its activities in the Democratic Republic of Congo. These are currently focused on real estate, careers and digital.

This stock market listing and the resulting obligations of good governance and transparency are a major asset for the group in terms of its development and the promotion of the formal sector in the Democratic Republic of Congo.



The focus of real estate activity is the **UTEXAFRICA** concession, which combines housing, offices and shops on a 50-hectare site along the Congo River. This offer is accompanied by services for residents such as sports and leisure facilities, the **TEXAF BILEMBO** cultural centre, maintenance services and office equipment ..... In the same district, it also includes the **SILIKIN VILLAGE** concession and the Petit-Pont building. Ten kilometres away, it also includes an 87-hectare plot of land earmarked for the **JARDINS DE KINSUKA** project.

The quarry business is managed by **CARRIGRES**, which operates a sandstone quarry in Kinshasa with a nominal capacity of 600,000 tonnes, supplying the road and concrete sectors.

**TEXAF**, convinced of the opportunity that the digital economy represents for the DRC, has made it a third branch of activity. In September 2019, it launched its **SILIKIN VILLAGE** initiative, which involves providing work and training spaces for the emerging digital ecosystem, as well as a range of training courses, support and conferences. It also aims to partner with international groups to set up new infrastructures and services in the DRC.

Contact: Jean-Philippe Waterschoot, CEO: + 32 476 25 26 26  
Christophe Evers, CFO: + 32 495 24 32 60