

STABLE RECURRING OPERATING RESULT IN THE FACE OF THE PANDEMIC

TEXAF's Board of Directors drew up the company's statutory accounts (in accordance with Belgian law on annual accounts) and consolidated accounts (in accordance with the IFRS standards as adopted in the European Union) as at 31 December 2020.

HIGHLIGHTS

- ◇ The COVID-19 health crisis has had less impact on the D.R. Congo than on European countries and the Group's results have held up well.
- ◇ The recurring operating result was stable at EUR 7,862 k (compared with EUR 7,831 k)*, thereby confirming the resilience of the business model.
- ◇ As already reported in September 2020, the deterioration in the business environment and the safety of property continues to be a major concern in the DRC and is leading to a sharp increase in legal and security costs.
- ◇ The rents for the **REAL ESTATE ACTIVITY** and its recurring operating result* were EUR 19,331 k and EUR 9,065 k respectively, similar to those recorded in 2019. At the end of the year, Petit-Pont, the first eco-responsible building in Kinshasa, opened its doors on budget and on time.
- ◇ The new **DIGITAL ACTIVITY** platform was launched with the opening in early 2020 of the **SILIKIN CAMPUS**, a space that hosts the KINSHASA DIGITAL ACADEMY and is intended to welcome all players in the digital economy to Kinshasa as part of the **SILIKIN VILLAGE** initiative. Although its activity was halted by the lockdown measures, it was able to contribute to the health security of the country by hosting the COVID-19 Response Unit and helping with its communications.
- ◇ Sales from **QUARRYING ACTIVITY (CARRIGRES)**, although impacted by the multi-month shutdown of certain construction sites and by production issues, increased slightly by 4% to EUR 2,556 k and the recurring operating result was close to equilibrium at -EUR 39 k (compared with -EUR 71 k in 2019). Nevertheless, in view of the slower than expected financial improvement for this activity, the Board of Directors decided on an additional EUR 1.3 M write-down of the value of the deposit bringing it to EUR 4.5 M.
- ◇ The net result (Group's share) came to EUR 4,569 k (compared with EUR 10,771 k in 2019). The comparison is affected by a capital gain on disposal of EUR 5,190 k and a decrease in deferred taxes of EUR 1,176 k which had contributed to the result for 2019.
- ◇ The Board will propose a dividend increase of 11% per share at EUR 0.90 net. In order to build up a cash reserve for future projects under consideration, it will also propose, to shareholders who wish to do so, to reinvest this dividend in a capital increase ("optional dividend"). In 2020, shareholders had, on the whole, opted for reinvestment in a capital increase, amounting to 66% of their shares.

	2016	2017	2018	2019	2020
Recurring operating result *	6,953	7,020	7,168	7,831	7,862
As % of turnover	34%	36%	35%	34%	34%

* It should be noted that from 2020, the recurring operating result includes exchange differences, which were previously included in financial income and expenses. The negative impact over 2020 was EUR 217 K.

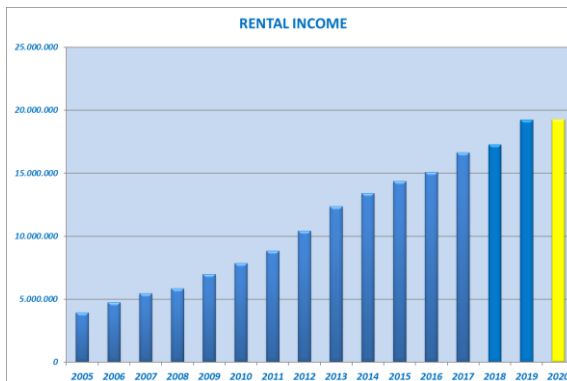
REAL ESTATE ACTIVITIES

REAL ESTATE (EUR 000)	2016	2017	2018	2019	2020	Var.
Revenue from ordinary activities	15,268	16,730	17,305	19,230	19,331	0.5%
Recurring operating result	7,952	8,861	8,638	9,300	9,065	-2.5%
Operating result	8,100	8,861	10,016	14,420	8,648	-40%
Result before deferred taxes	5,764	6,141	7,224	10,013	6,203	-38.1%
Net result (Group's share)	6,249	7,604	13,148	10,924	5,593	-48.8%

- ◇ The group is continuing to develop its property leasing activity in Kinshasa: residential housing, industrial buildings and offices.
- ◇ Rents were stable at EUR 19,331 k. The group recorded an increase in rental vacancies during the 4th quarter 2020 but this is currently being reduced.
- ◇ The recurring operating result declined slightly by 2.5% to EUR 9,065 k after including EUR 197 k of negative exchange differences previously recorded in the financial result.
- ◇ On August 7 2020, a fire destroyed a warehouse leased to an international agency and severely damaged nearby offices. The impact in the IFRS accounts (EUR 416 K) led to a decrease in the operating result to EUR 8,648 k. By way of reminder, in 2019, this result benefited from a capital gain on disposal of a plot of land to Kinsuka of EUR 5,190 k.
- ◇ The result before deferred taxes came to EUR 6,134 k while the net result was EUR 5,593 K. In 2019 and 2018, the net result included a decrease in deferred taxes due to an annual general regulatory revaluation of the tax values of assets in Congolese francs. This effect has not been repeated in 2020.
- ◇ Despite the constraints caused by the Covid-19 crisis, the construction of the "Petit-Pont" building was completed at the end of the year on time and within budget. This office building consists of 3,366 m² net, spread over 3 levels, and Brussels Airlines has installed its commercial offices and its city check-in on the entire 1st floor. To date, nearly 90% of the floor area has been leased. This building is part of a high-quality environmental approach.
- ◇ The Bois Nobles II project (33 apartments spread over three 4-storey buildings) was suspended in April, May and June as a result of the lockdown imposed by the authorities. Delivery will therefore be staggered over April to June 2021.
- ◇ The group is studying several investment projects, including a 90-apartment residential scheme, while anticipating the possible structural impacts of the COVID-19 crisis. It will communicate in this regard as soon as decisions are taken.

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Leasable areas [m ²]	31/12/2019	31/12/2020
Residential	58,484	58,484
Offices *	19,366	21,663
Retail	3,079	3,079
Warehouses **	36,076	30,146
Other	1,177	1,177
TOTAL	118,182	114,549

* Addition of Petit-Pont and losses due to fire

** Losses due to fire



CARRIGRES

CARRIGRES (EUR 000)	2016	2017	2018	2019	2020	Var.
Revenue from ordinary activities	3,266	1,584	1,612	2,460	2,556	3.9%
Recurring operating result	178	-894	-261	-71	-39	-44.2%
Operating result	98	-4,454	-109	-69	-1,339	1,837%
Result before deferred taxes	616	-3,954	248	193	-1,029	632.0%
Net result (Group's share)	638	-2,762	335	248	-617	348.3%

◇ **CARRIGRES** operates a crushed sandstone quarry located 10 km from the centre of Kinshasa.

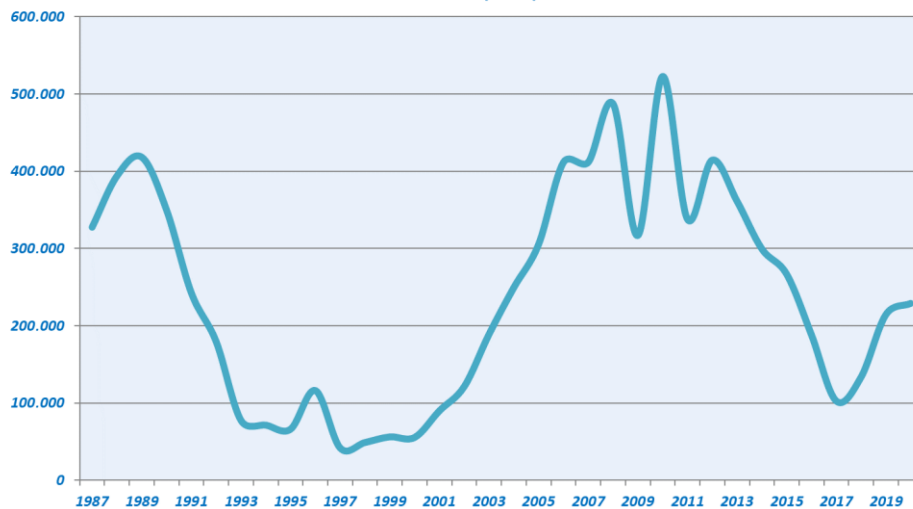
TEXAF

PUBLIC LIMITED COMPANY

- ◇ Turnover increased slightly by 4% to EUR 2,556 k. Sales, in terms of volume, totalled 228,901 tonnes (+5%). The production site was outside the neighbourhoods placed in lockdown by the authorities but some customers had to shut down their sites between April and June. In the second half of the year, sales were slowed by serious vehicle faults which limited the quantities available to customers. An investment was made to remedy this situation and new vehicles are en route.
- ◇ The operating result remained slightly negative at -EUR 39 K.
- ◇ The group closely follows the assumptions underlying the valuation of the deposit in the IFRS accounts and, considering that the expected recovery of the activity is slow to materialise, the Board of Directors decided to recognise an additional write-down of EUR 1.3 M for 2020. Consequently, the operating result amounted to -EUR 1,339 K.
- ◇ The result before deferred taxes, which includes financial income, was -EUR 1,029 k and the net result -EUR 617 K. Indeed, the write-down of the deposit generated a proportional reversal of deferred tax.



SALES (tons)



DIGITAL

DIGITAL (EUR 000)	2016	2017	2018	2019	2020	Var.
Revenue from ordinary activities					29	N/A
Recurring operating result					-187	N/A
Operating result					-187	N/A
Result before deferred taxes					-187	N/A
Net result (Group's share)					-187	N/A

- ◇ In 2020, the Group created a new digital economy activity and reports its results separately.
- ◇ This activity is set to develop the digital economy hub in Kinshasa, called **SILIKIN VILLAGE**, which will bring together on a single site (an exceptional opportunity in an African capital) training, incubation and hosting of start-ups as well as international companies looking to develop in the DRC.
- ◇ It is centred around **SILIKIN CAMPUS**, which was officially opened in January 2020 and has drawn the attention of companies and the authorities. It is home to the KINSHASA DIGITAL ACADEMY, which offers an intensive seven-month course in web and mobile development to a selection of 40 young Congolese per session.
- ◇ Unfortunately, it was impacted immediately after launch by the restrictions imposed to combat COVID-19. The KINSHASA DIGITAL ACADEMY had to suspend its courses and the business director, Mr Raymond Mendy (former CEO of "Croissance TIC" in Dakar), was only able to take up his post in September.
- ◇ The result from the activity, impacted by start-up costs, was -EUR 187 K.



HOLDING

HOLDING COMPANY (EUR 000)	2016	2017	2018	2019	2020	Var.
Revenue from ordinary activities	5	0	0	0	0	N/A
Recurring operating result	-1,176	-947	-1,208	-1,398	-975	-30.2%
Operating result	-2,018	-997	-1,208	-1,330	-975	-26.7%
Result before deferred taxes	-1,228	-96	-351	-592	-380	-35.7%
Net result (Group's share)	-1,432	-300	-573	-402	-219	-45.4%

- ◇ Expenses totalled EUR 975 K, lower than the two previous years due to a reduction in the variable pay of management for the financial year.
- ◇ The net result was -EUR 219 k (compared with -EUR 402 K). It includes interest income.

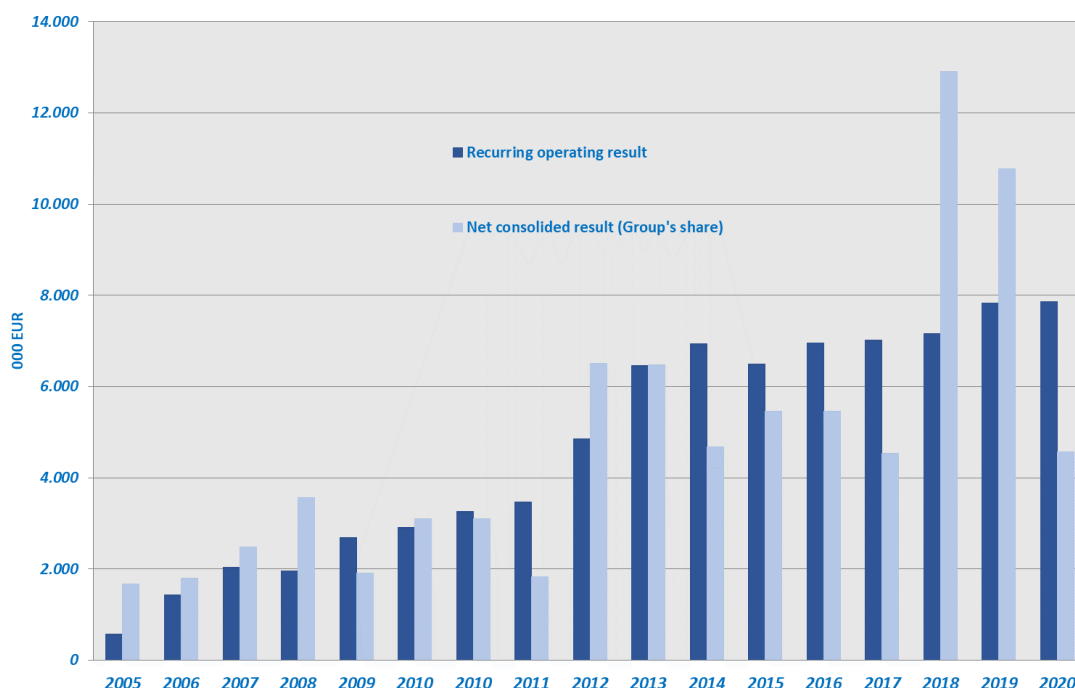


CONSOLIDATED RESULTS

EUR 000	2016	2017	2018	2019	2020
Revenue from ordinary activities	18,392	18,208	18,869	21,691	21,868
Other recurring operating income	1,844	1,493	1,423	1,530	1,425
Recurring operating expenses	-10,496	-9,663	-10,180	-12,008	-11,631
Recurring EBITDA	9,740	10,038	10,111	11,213	11,663
<i>As % of turnover</i>	48%	51%	50%	48%	50%
Depreciation	-2,787	-3,018	-2,943	-3,382	-3,801
Recurring operating result	6,953	7,020	7,168	7,831	7,863
<i>As % of turnover</i>	34%	36%	35%	34%	34%
Non-recurring operating items	-774	-3,610	1,531	5,190	-1,716
Operating result	6,179	3,410	8,699	13,022	6,147
Financial income and expenses	-754	-1,190	-438	-223	-38
Result before tax (for continuing operations)	5,428	2,220	8,261	12,799	6,108
Current taxes	-73	75	-1,140	-3,183	-1,502
Result before deferred taxes	5,355	2,295	7,121	9,616	4,606
<i>As % of turnover</i>	26%	12%	35%	41%	20%
Deferred taxes	101	2,255	5,811	1,176	-25
Net result after tax	5,456	4,550	12,932	10,793	4,581
Consolidated net result (Group's share)	5,454	4,542	12,909	10,771	4,569
Per share					
<i>Recurring operating result (in EUR)</i>	1.96	1.98	2.02	2.21	2.18
<i>Operating result in EUR</i>	1.74	0.96	2.45	3.67	1.71
<i>Consolidated net result (Group's share) in EUR</i>	1.54	1.28	3.64	3.04	1.27
<i>Number of shares in circulation</i>	3,543,700	3,543,700	3,543,700	3,543,700	3,603,536

STATEMENT OF COMPREHENSIVE CONSOLIDATED INCOME

EUR 000	2016	2017	2018	2019	2020
Result for the financial year	5,456	4,550	12,932	10,793	4,581
Spread variations in foreign currencies					6
Variations (after tax) in revaluation reserves	117	0		-28	
Variations (after tax) in pension provisions	-16	-52		-19	-55
COMPREHENSIVE INCOME	5,557	4,498	12,932	10,746	4,532
Allocated to:					
TEXAF shareholders	5,549	4,490	12,909	10,724	4,521
<i>Per share</i>	1.57	1.27	3.64	3.03	1.25
To minority interests	8	8	23	22	11



CONSOLIDATED BALANCE SHEET BEFORE APPROPRIATION OF THE RESULT OF TEXAF SA

EUR 000	31/12/2016	31/12/2017	31/12/2018	31/12/2019	31/12/2020
NON-CURRENT ASSETS	107,866	109,125	112,236	115,252	115,957
<i>Property, plant and equipment</i>	13,728	9,955	9,658	9,911	8,309
<i>Investment properties</i>	93,867	99,100	102,347	105,029	107,211
<i>Intangibles</i>	41	23	15	9	6
<i>Other financial assets</i>	230	47	217	304	432
CURRENT ASSETS	13,156	11,129	12,296	15,995	12,927
<i>Assets available for sale</i>	1,180	0	0	0	0
<i>Inventories</i>	4,905	4,769	4,948	4,633	4,346
<i>Receivables</i>	1,114	1,469	692	1,312	897
<i>Tax assets</i>	1,518	919	807	1,044	558
<i>Cash and short-term investments</i>	3,911	3,674	5,564	8,767	6,979
<i>Other current assets</i>	528	298	285	239	145
TOTAL ASSETS	121,022	120,254	124,531	131,247	128,884
EQUITY	78,099	80,167	90,213	97,516	99,837
<i>Capital</i>	21,508	21,508	21,508	21,508	23,398
<i>Group's reserves</i>	56,278	58,338	68,361	75,642	76,054
<i>Minority interests</i>	313	321	344	366	384
NON-CURRENT LIABILITIES	32,240	30,716	23,426	20,052	18,740
<i>Deferred tax liabilities</i>	21,756	19,810	13,999	12,805	12,806
<i>Other non-current liabilities</i>	10,484	10,906	9,427	7,247	5,934

CURRENT LIABILITIES	10,683	9,371	10,892	13,679	10,307
<i>Liabilities associated with assets available for sale</i>	337	0	0	0	0
<i>Other current liabilities</i>	10,346	9,371	10,892	13,679	10,307
TOTAL LIABILITIES	121,022	120,254	124,531	131,247	128,884

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR 000	2016	2017	2018	2019	2020
Cash and short-term investments at the beginning of the year	5,461	3,911	3,674	5,564	8,767
Operating cash flow after tax	8,331	8,704	8,892	10,038	9,986
Changes in net working capital	335	2	2,850	706	-1,395
Cash flows from operating activities	8,666	8,706	11,742	10,744	8,591
Investments	-7,441	-6,625	-6,180	-7,483	-6,120
Divestments	292	204	764	6,443	298
Cash flows from investment activities	-7,149	-6,421	-5,416	-1,040	-5,822
Increase in capital					1,890
Dividends	-2,039	-2,430	-2,886	-3,442	-4,101
Change in debt	-1,028	-92	-1,550	-3,059	-2,346
Cash flows from financing activities	-3,067	-2,522	-4,436	-6,501	-4,557
Net increase (decrease) of cash and cash equivalents	-1,550	-237	1,890	3,203	-1,788
Cash and short-term investments at end of period	3,911	3,674	5,564	8,767	6,979

- ◇ The group's turnover was stable at EUR 21,868 k despite the absence of new properties to rent and the production difficulties encountered by **CARRIGRES**. Recurring operating expenses were also stable despite the fact that they include EUR 224 k of negative exchange differences, previously included in the financial result. The recurring operating result was consequently EUR 7,862 K, almost identical to that of 2019.
- ◇ As explained above, the financial year was affected by two non-recurring expenses: the direct impact of the fire on 7 August (-EUR 416 K) and an additional exceptional write-down of the sandstone deposit of -EUR 1.3 M, bringing the operating result to EUR 6,147 k (compared with EUR 13,022 k in 2019 which included a capital gain on disposal of EUR +5,190 K).
- ◇ Net financial expenses decreased to EUR 38 k (compared with EUR 223 K), thanks to the reduction in debt and the transfer of exchange differences in operating expenses. Consequently, the operating result before tax reached EUR 6,108 K.
- ◇ Tax expenses for 2019 included a positive regulatory re-valuation of deferred taxes of EUR 738 K; this effect has not been repeated this year and deferred taxes came to EUR 25 k and current taxes to EUR 1,502 k.
- ◇ Overall, the net result (Group's share) was EUR 4,569 K, compared with EUR 10,771 k one year before.
- ◇ Net financial debt has continued to decrease and the Group had a net cash position of EUR 4,640 k as at 31 December.
- ◇ For the first time, **TEXAF** had given its shareholders the option of taking their 2019 dividend in cash or contributing it as a capital increase ("optional dividend"). 66% of the net dividends overall were contributed in the amount of EUR 1,890 K, bringing the capital to EUR 23,398 k and the number of shares to 3,603,536 (+1.7%).

IMPACT OF THE COVID-19 CRISIS

- ◇ The Group was relatively less financially affected by the impacts of the COVID-19 crisis than companies active in Europe and succeeded in stabilising its recurring operating result. From an operational point of view, the periods of lockdown required changes to the organisation of work and additional support and services to be provided to tenants.
- ◇ Nevertheless, there were negative impacts:
 - The progress of medium-term projects was hampered by the inability to travel.
 - The Bois Nobles II site was three months late due to the lockdown from April to June. Similarly, some **CARRIGRES** customers were partially shut down during this period.
 - Digital activity had to be suspended just after launch and an international digital trade show that was due to be held in **SILIKIN VILLAGE** had to be cancelled.
 - The general uncertainty and the closure of the DRC's borders until 15 August prevented new tenants from moving to Kinshasa as from September and therefore resulted in higher than usual rental vacancies.
- ◇ It is still too early to assess the actual effects of the COVID-19 crisis on the survival or on changes in the method of operation of certain companies or institutions active in Kinshasa, which could trigger withdrawals or terminations of certain leases.

AUDITOR'S REPORT ON THE CONSOLIDATED ACCOUNTS

The auditor has confirmed that his/her work is substantively completed and has not revealed any significant correction that should be included in the consolidated accounting information set out in this press release. However, he/she draws attention to the risks inherent in the presence of the Group's key assets in the DRC and this country's economic and regulatory environment, as well as the uncertainties this environment places on the valuation of the quarry and the determination of the fair value of investment properties.

OUTLOOK FOR 2021

- ◇ Subject to how the pandemic develops, the Group expects growth in its results in 2021.
- ◇ In particular, the new Petit-Pont (3,366 m² of offices) and Bois Nobles II (33 apartments) projects are available for rent, from December 2020 and April to June 2021 respectively, and should gradually contribute to the results.
- ◇ For **CARRIGRES**, there is little visibility but the undertaken operational improvements could improve the margin.
- ◇ The digital activity of **SILIKIN VILLAGE**, still in the launch phase, is not yet likely to contribute positively to the Group's results.

APPROPRIATION OF 2020 EARNINGS

The Board of Directors will propose increasing the dividend to EUR 4,633,118 or EUR 1.28571 (EUR 0.90 net) per share, an increase of 11% per share. This will be payable from 28 May 2021 subject to submission of coupon no. 10. Like in 2020, the Board will also propose that this dividend be reinvested in whole or in part in a reserved capital increase ("optional dividend"), such that shareholders who wish to do so can participate in financing the Group's growth investments.

FINANCIAL CALENDAR

- Friday 9 April 2021: Publication of the annual report
- Friday 7 May 2021: Publication of the quarterly press release
- Tuesday 11 May 2021 at 11 a.m.: Annual General Meeting
- Friday 28 May 2021: Dividend payment
- Friday 3 September 2021: Publication of half-yearly results
- Friday 12 November 2021: Publication of the quarterly press release

N.B. Definition of alternative performance indicators

- *Non-recurring items: income or expenses that are not expected to be repeated in each accounting year, such as:*
 - *gain or loss on disposals of non-current assets;*
 - *allocations or reversals of allocations for write-downs on non-current assets;*
 - *costs relating to major restructuring, purchase or disposal of a business (e.g. redundancy or plant closure costs, commissions paid to third parties to acquire or dispose of an activity, etc.).*
- *EBIT: Operating result*
- *EBITDA: Operating result in which allocations for depreciation are reintegrated*
- *Turnover: Sum of income from ordinary activities and other recurring operating income*

*TEXAF, established in 1925, is the only listed company with all its activities in the Democratic Republic of Congo. Currently, these are concentrated on property, quarries and the digital domain.
This listing on the stock exchange and the resulting obligations in terms of good governance and transparency constitute a major asset of the Group for its development and for the promotion of the formal sector in the Democratic Republic of Congo.*

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