



## 9% INCREASE IN RECURRING OPERATING PROFIT

### INCREASED INVESTMENT TEMPO

The Board of Directors of **TEXAF** has approved on February 22<sup>nd</sup> 2023 the statutory accounts (based on Belgian law on annual accounts) and the consolidated accounts (based on IFRS as adopted in the European Union) as at 31 December 2022.

#### REAL ESTATE

The real estate activity benefits from the rents of the projects completed in 2021 over a full 12-month period: 33 flats in Bois Nobles Phase II, 3,000 m<sup>2</sup> of offices in Petit-Pont and the rehabilitation of the offices damaged by fire in 2020. The occupancy rate for both offices and flats has returned to almost 100%.

The centre of this activity is the **UTEXAFRICA** concession, which combines housing, offices and shops on a 50-hectare site along the Congo River. Ongoing efforts are being made to improve the services offered to residents. Thus, after a gym and games for the little ones, in 2022 padel, volleyball and multi-sports courts were installed.

**TEXAF** has invested EUR 17 million in 2022, double its historical average, and is continuing the construction of its two largest residential and professional projects. The first is a complex of 94 flats, called "Promenade des Artistes", which will be added to the existing 332. They will be progressively available at the beginning of 2024. In parallel, the first part of phase III of Central Africa's largest digital hub, **SILKIN VILLAGE**, is due to be delivered in the second half of 2023. This includes 6,000 m<sup>2</sup> of co-working spaces and private offices, a 180-seat auditorium, a food court, etc., which will complete the existing 2,700 m<sup>2</sup>. In addition to this project, **TEXAF** and **OADC** have started work on the first data centre to meet international standards in the DRC.

Despite these ambitious projects, which contribute to Kinshasa's international reputation, the group is facing increasingly aggressive attempts by opportunists to steal two of its land assets: the undevelopable land between its **UTEXAFRICA** concession and the River and part of its land in Kinsuka, in the western suburbs of the city, on which it has a development-sales project of 2,000 homes for the Kinshasa middle class. This project has been slowed down by the uncertainty caused by these attempts, which are seriously affecting the business climate.



*Building site Promenade des Artistes*

## SANDSTONE EXTRACTION ACTIVITY

**CARRIGRES**, the construction sandstone quarry, is located on the outskirts of Kinshasa. This activity benefited in 2022 from an increase in both prices and volumes, which enabled it to make a significant contribution to the group's cash flow. If it had not been confronted with very frequent power cuts, it could have generated even higher volumes and margins.



## DIGITAL ACTIVITY

**TEXAF**, convinced of the opportunity that the digital economy represents for the DRC, has made it its third branch of activity.

It thus launched its **SILIKIN VILLAGE** initiative in September 2019 by rehabilitating former industrial buildings into a first phase of 700 m<sup>2</sup> comprising training and co-working spaces fitted out in "loft" mode. A second phase of **SILIKIN VILLAGE** was completed in 2021, bringing the offer to almost 2,000 m<sup>2</sup>, including an auditorium and training rooms, as well as fully rented, serviced office space.

**SILIKIN VILLAGE** currently hosts 27 start-ups and SMEs in shared offices, with nearly sixty workstations.

In order to meet the ever increasing demand, **TEXAF** has started the third phase of this project which will cover more than 11,000 m<sup>2</sup> to be built in 2 phases, thus becoming the most important entrepreneurial and digital hub in Africa. The first half of this phase will open in the second half of 2023.

**SILIKIN VILLAGE** offers various support, training and incubation programmes in partnership with funders and operational partners, positioning itself as a key platform for entrepreneurs. It has i.a. signed a two-year incubation programme (2023-2025) for 50 entrepreneurs, as well as an acceleration programme for 60 start-ups in partnership with ENABEL, the Belgian cooperation agency.

Digital activities will be carried out mostly in partnership. A joint venture agreement has been signed with **OPEN ACCESS DATA CENTRES** ([www.openaccessdc.net](http://www.openaccessdc.net)), a subsidiary of the **WIOCC** group ([www.wiocc.net](http://www.wiocc.net)), to build and operate the first data centre to international standards in the DRC. The construction of this 580 rack project started at the end of 2022. Similarly, a joint venture has been set up with **CLOSE THE GAP** ([www.close-the-gap.org](http://www.close-the-gap.org)) to supply refurbished computers in the DRC.

Encouraged by the performance of the first PARTECH AFRICA fund in which it had invested EUR 1 million, **TEXAF** committed the same amount to the second fund which has just been closed.

## REAL ESTATE ACTIVITIES

IMMO (000 EUR)	2018	2019	2020	2021	2022	Var.
Revenue from ordinary activities	17,305	19,230	19,331	19,729	22,083	11.9%
Recurring operating result	8,638	9,300	9,065	9,115	9,808	7.6%
Operating resulta	10,016	14,420	8,648	9,070	9,654	6.4%
Result before deferred taxes	7,224	10,013	6,203	6,839	6,880	0.6%
Net result (Group's share)	13,148	10,924	5,593	5,351	8,664	61.9%

- ◇ The group is developing a real estate service activity in Kinshasa. It rents out, manages and animates, through services to residents, its own residential and professional portfolio.
- ◇ Rental income increased by 12% to 22,083 k EUR. This evolution comes from the availability over the whole 12 months of 2022 of properties delivered in 2021: Bois Nobles II, Petit Pont and Silikin Village II. At the same time, the occupancy rate, which had fallen as a result of the sanitary restrictions in 2020, remained at a level of almost 100% throughout the financial year.
- ◇ The recurring operating result rose by 8% to 9,808 k EUR. Expenses were affected by several elements, the main ones being the 11% rise in the dollar against the euro, a doubling of property taxes (impact of + 300 k EUR) and particularly high security costs to protect assets targeted by spoliation attempts. A non-recurring charge of 154 k EUR relates to the legal costs of the August 2020 fire.



*Construction site Silikin Village III*

- ◇ The result before deferred taxes reached 6,880 k EUR, a slight increase. The tax charge for the year increased after the expiry of an investment exemption. Conversely, the provision for deferred taxes decreased by 1,794 k EUR so that the net result (group share) is 8,664 k EUR (+ 3,354 k EUR vs. 2021). This provision derives from the latent capital gain on the real estate portfolio.

- ◇ The group's two largest residential and office projects are currently under construction:
  - Promenade des Artistes will comprise 94 one- to four-bedroom flats in a pedestrian environment with underground garages. Its rental potential will exceed EUR 3 million per year. It will be delivered progressively at the beginning of 2024.
  - Silikin Village Phase III will be the largest space for start-ups and digital companies in Africa and will include, in a first building, 6,000 m2 net of offices and services (conference rooms, co-working space ...). This first building will be available at the end of 2023.

These two projects should increase the group's rental potential by 22%, not taking possible rent increases in consideration.



3 Padel and 1 Volley-ball courts



Blaise Matuidi inaugurating the multi-sport court



## CARRIGRES

CARRIGRES (000 EUR)	2018	2019	2020	2021	2022	Var.
Revenue from ordinary activities	1,612	2,460	2,556	2,897	5,349	84.6%
Recurring operating result	-261	-71	-39	236	674	186.0%
Operating resulta	-109	-69	-1,339	236	674	186.0%
Result before deferred taxes	248	193	-1,029	381	646	69.3%
Net result (Group's share)	335	248	-617	452	765	69.3%

- ◇ **CARRIGRES** operates a crushed stone quarry located 10 km from downtown Kinshasa.
- ◇ Demand was sustained throughout the financial year, so that turnover rose by 85% to 5,349 k EUR and prices are trending upwards. In volume, sales amounted to 380,463 tonnes (+48%).
- ◇ The operating result is up sharply to 674 k EUR (+186%). Nevertheless, it does not fully reflect the company's cash flow generation because it is affected by non-cash items such as a negative change in inventories (487 k EUR) due to the sale of inventories accumulated in previous years, an increase in provisions for pensions (181 k EUR) and an increase in depreciation (175 k EUR).
- ◇ The result before deferred taxes, which includes financial income, is EUR 646k and the net result is EUR 765k.



## DIGITAL

DIGITAL (000 EUR)	2018	2019	2020	2021	2022	Var.
Revenue from ordinary activities			29	102	54	-46.5%
Recurring operating result			-187	-167	-416	n.s.
Operating resulta			-187	-167	-416	n.s.
Result before deferred taxes			-187	-167	-416	n.s.
Net result (Group's share)			-187	-167	-416	n.s.

- ◇ The digital activity consists on the one hand of the operation of a hub in Kinshasa, the **SILIKIN VILLAGE**, and on the other hand of participations, currently the venture capital fund **PARTECH AFRICA**, the data centre operator **OPEN ACCESS DATA CENTRES - TEXAF DIGITAL** and the supplier of refurbished computer equipment **CTG-TEXAF**.



*HM the King of the Belgians and the Queen at Silikin Village*

- ◇ The **SILIKIN VILLAGE** is developing the pole of attraction for the digital economy in Kinshasa, which brings together on the same site training, incubation and reception activities for start-ups as well as international companies wishing to develop in the DRC.
- ◇ In terms of infrastructure, it hosts training activities and co-working spaces, furnished offices and meeting rooms to accommodate start-ups and small structures in the digital field and soon the new **SILIKIN VILLAGE Phase III** building. These buildings are all rented, however these rentals (which amount to 403 k EUR in 2022) are not reflected in the above table but are integrated in the real estate activity.
- ◇ In terms of activities, more than 50 events (trainings, seminars, hackathons ...) took place in 2022. Many personalities have honoured us with visits to the hub, including the King of the Belgians and the Queen, the Belgian and Congolese Prime Ministers, the American Secretary of State Anthony Blinken, etc.

## Nos partenaires de formation

<p><b>Coding &amp; Digital Marketing</b></p>	<p><b>Data Science et Cybersécurité</b></p>	<p><b>Audiovisuel &amp; Créativité</b></p>	<p><b>Commercial/ Management</b></p>	<p><b>MasterClass</b></p>
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- ◇ As far as equity stakes are concerned, **TEXAF** has committed 1 million EUR to the second **PARTECH AFRICA** fund. It has joined forces with the social enterprise **CLOSE THE GAP** to supply refurbished computer equipment

in the DRC. In partnership with the pan-African company **OPEN ACCESS DATA CENTRES**, it is building the first open access data centre in the DRC.

- ◇ The result of the activity, still in its start-up phase, is - 416 k EUR (excluding rental income).



Partnership with Kinshasa Digital Academy

## HOLDING

HOLDING (000 EUR)	2018	2019	2020	2021	2022	Var.
Revenue from ordinary activities	0	0	0	0	0	n.s.
Recurring operating result	-1,208	-1,398	-975	-1,182	-1,148	n.s.
Operating results	-1,208	-1,330	-975	-1,182	-1,148	n.s.
Result before deferred taxes	-351	-592	-380	-598	-835	n.s.
Net result (Group's share)	-573	-402	-219	-431	-661	n.s.

- ◇ Expenses totalled 1,148 k EUR.
- ◇ The net result amounts to - 661 k EUR (vs -431 k EUR). It includes interest income.

## CONSOLIDATED RESULTS

EUR 000	2018	2019	2020	2021	2022
Revenue from ordinary activities	18,869	21,691	21,868	22,727	27,432
Other recurring operating income	1,423	1,530	1,425	2,055	2,053
Recurring operating expenses	-10,127	-11,925	-11,521	-12,990	-16,376
<b>Recurring EBITDA</b>	<b>10,165</b>	<b>11,296</b>	<b>11,773</b>	<b>11,791</b>	<b>13,109</b>
<i>As % of turnover</i>	50%	49%	51%	48%	44%
Depreciation	-2,943	-3,382	-3,801	-3,649	-4,218
<b>Recurring operating result</b>	<b>7,222</b>	<b>7,914</b>	<b>7,972</b>	<b>8,142</b>	<b>8,891</b>
<i>As % of turnover</i>	36%	34%	34%	33%	30%
Non-recurring operating items	1,531	5,190	-1,716	-45	-154
<b>Operating result</b>	<b>8,753</b>	<b>13,105</b>	<b>6,256</b>	<b>8,097</b>	<b>8,737</b>
Financial income and expenses	-438	-223	-38	-35	-18
Donations to social responsibility activities	-54	-83	-109	-141	-145
<b>Result before tax</b>	<b>8,261</b>	<b>12,799</b>	<b>6,108</b>	<b>7,922</b>	<b>8,574</b>
Taxes	-1,140	-3,183	-1,502	-1,467	-2,325
<b>Result before deferred taxes</b>	<b>7,121</b>	<b>9,616</b>	<b>4,606</b>	<b>6,454</b>	<b>6,249</b>
<i>As % of turnover</i>	35%	41%	20%	26%	21%
Deferred taxes	5,811	1,176	-25	-1,242	2,118
<b>Net result after tax</b>	<b>12,932</b>	<b>10,793</b>	<b>4,581</b>	<b>5,212</b>	<b>8,366</b>
<b>Consolidated net result (Group's share)</b>	<b>12,909</b>	<b>10,771</b>	<b>4,569</b>	<b>5,205</b>	<b>8,352</b>
<b>Per share</b>					
<i>Recurring operating result (in EUR)</i>	2.04	2.23	2.21	2.22	2.42
<i>Operating result in EUR</i>	2.47	3.70	1.74	2.21	2.38
<i>Consolidated net result (Group's share) in EUR</i>	3.64	3.04	1.27	1.42	2.28
<i>Number of shares in circulation</i>	3,543,700	3,543,700	3,603,536	3,666,556	3,666,556

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

000 EUR	2018	2019	2020	2021	2022
<b>Result for the financial year</b>	<b>12,932</b>	<b>10,793</b>	<b>4,581</b>	<b>5,212</b>	<b>8,366</b>
Movements in foreign currency differences			6		
Movements (net of tax) in revaluation reserves		-28			
Movements (net of tax) in pension provisions		-19	-55	28	103
Movements (net of tax) in available-for-sale financial asset reserves				419	498
<b>COMPREHENSIVE INCOME</b>	<b>12,932</b>	<b>10,746</b>	<b>4,532</b>	<b>5,659</b>	<b>8,967</b>
<b>Allocated to :</b>					
<b>To the shareholders of TEXAF</b>	<b>12,909</b>	<b>10,724</b>	<b>4,521</b>	<b>5,646</b>	<b>8,953</b>
<i>Per share</i>	3.64	3.03	1.25	1.54	2.44
To minority interests	23	22	11	13	15



## CONSOLIDATED BALANCE SHEET BEFORE APPROPRIATION OF THE RESULT OF TEXAF SA

EUR 000	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022
<b>NON-CURRENT ASSETS</b>	<b>112,236</b>	<b>115,252</b>	<b>115,957</b>	<b>116,579</b>	<b>130,554</b>
<i>Property, plant and equipment</i>	9,658	9,911	8,309	8,665	8,362
<i>Investment properties</i>	102,347	105,029	107,211	106,605	119,608
<i>Intangibles</i>	15	9	6	2	8
<i>Other financial assets</i>	217	304	432	1,307	2,576
<b>CURRENT ASSETS</b>	<b>12,296</b>	<b>15,995</b>	<b>12,927</b>	<b>18,583</b>	<b>18,388</b>
<i>Assets available for sale</i>	0	0	0	5,207	5,219
<i>Inventories</i>	4,948	4,633	4,346	4,622	4,552
<i>Receivables</i>	692	1,312	897	952	678
<i>Tax assets</i>	807	1,044	558	1,602	2,059
<i>Cash and short-term investments</i>	5,564	8,767	6,979	5,933	5,462
<i>Other current assets</i>	285	239	145	267	417
<b>TOTAL ASSETS</b>	<b>124,531</b>	<b>131,247</b>	<b>128,884</b>	<b>135,162</b>	<b>148,942</b>
<b>EQUITY</b>	<b>90,213</b>	<b>97,516</b>	<b>99,837</b>	<b>104,280</b>	<b>106,692</b>
<i>Capital</i>	21,508	21,508	23,398	25,497	25,497
<i>Group's reserves</i>	68,361	75,642	76,054	78,387	80,783
<i>Minority interests</i>	344	366	384	397	412
<b>NON-CURRENT LIABILITIES</b>	<b>23,426</b>	<b>20,052</b>	<b>18,740</b>	<b>20,413</b>	<b>28,231</b>
<i>Deferred tax liabilities</i>	13,999	12,805	12,806	12,882	12,292
<i>Other non-current liabilities</i>	9,427	7,247	5,934	7,530	15,939
<b>CURRENT LIABILITIES</b>	<b>10,892</b>	<b>13,679</b>	<b>10,307</b>	<b>10,469</b>	<b>14,020</b>
<i>Other current liabilities</i>	10,892	13,679	10,307	10,469	14,020
<b>TOTAL LIABILITIES</b>	<b>124,531</b>	<b>131,247</b>	<b>128,884</b>	<b>135,162</b>	<b>148,942</b>



## SUMMARY CONSOLIDATED CASH FLOW STATEMENT

EUR 000	2018	2019	2020	2021	2022
Cash and short-term investments at the beginning of the year	3,674	5,564	8,767	6,979	5,933
Operating cash flow after tax	8,892	10,038	9,986	10,313	10,879
Changes in net working capital	2,850	706	-1,395	-665	2,318
<b>Cash flows from operating activities</b>	<b>11,742</b>	<b>10,744</b>	<b>8,591</b>	<b>9,648</b>	<b>13,196</b>
Investments	-6,180	-7,484	-5,829	-8,942	-17,420
Divestments	764	6,444	7	26	10
<b>Cash flows from investment activities</b>	<b>-5,416</b>	<b>-1,040</b>	<b>-5,823</b>	<b>-8,916</b>	<b>-17,409</b>
Increase in capital			1,890	2,099	0
Dividends	-2,886	-3,442	-4,101	-4,633	-5,238
Change in debt	-1,550	-3,059	-2,346	756	8,981
<b>Cash flows from financing activities</b>	<b>-4,436</b>	<b>-6,501</b>	<b>-4,557</b>	<b>-1,778</b>	<b>3,743</b>
<b>Net increase (decrease) of cash and cash equivalents</b>	<b>1,890</b>	<b>3,203</b>	<b>-1,788</b>	<b>-1,046</b>	<b>-470</b>
Cash and short-term investments at the end of the year	5,564	8,767	6,979	5,933	5,463

- ◇ The group's turnover increased by 21% to 27,432 k EUR, driven both by the increase in rents and by the growth in sales of crushed stone. Recurring operating costs also rose sharply to 16,376 k EUR. This increase is due in part to the 11% increase in the USD against the EUR; in fact, most of the expenses are linked to this currency. The other elements are a negative variation of the stocks of crushed materials (destocking of products from previous years), an increase in the provisions for retirement, an increase in the costs of guards required by attempts at spoliation, the depreciation of new projects and a strong increase in property taxes. As a result, the recurring operating result was 8,891 k EUR, up 9%.
- ◇ The only non-recurring item is, as in 2021, the legal costs related to the fire in 2020, so that the operating result reaches 8,737 k EUR (vs 8,097 k EUR in 2020).
- ◇ The net financial charges remain stable at 18 k EUR (vs 35 k EUR), so that the result before taxes reaches 8,574 k EUR (vs 7,922 k EUR). It should be noted that from now on the donations to social responsibility activities decided each year by the General Assembly are presented on a separate line whereas they were previously included in the operating expenses.
- ◇ The current tax charge increases to 2,325 k EUR (vs. 1,467 k EUR) due to the improvement of the profit and the end of an investment exemption. The result before deferred taxes decreases slightly to 6,249 k EUR (vs. 6,454 k EUR).
- ◇ The provision for deferred taxes decreases by 2,118 k EUR (vs an increase of 1,242 k EUR in 2021). This item is very volatile because it comes essentially from the unrealised tax gain on the group's buildings and because it depends both on the evolution of the Congolese franc against the euro and on an annual tax revaluation coefficient. In total, the net result, group share, amounts to 8,352 k EUR (compared to 5,205 k EUR one year earlier).
- ◇ The Group is now in a net debt position at 31 December of 6,347 k EUR (vs. 3,157 k EUR of net cash one year earlier). Indeed, investments almost doubled to 17,409 k EUR (vs. 8,916 k EUR) to carry out the major projects of Promenade des Artistes and Silikin Village III.

## IMPACT OF THE WAR IN UKRAINE

- ◇ The Group is only indirectly impacted by the war in Ukraine, through inflation in the price of construction materials which significantly increases the cost of new projects, without however compromising attractive profitability.

## AUDITOR'S REPORT ON THE CONSOLIDATED ACCOUNTS

The auditor has confirmed that his work has been substantially completed and has not revealed any significant corrections that should be made to the consolidated accounting information included in the press release. However, he draws attention to the risks inherent to the presence of the group's main assets in the Democratic Republic of Congo and to the economic and regulatory environment of this country, as well as to the uncertainties that this environment poses for the valuation of the quarry and the determination of the fair value of the investment properties.

## OUTLOOK 2023

- ◇ The Group does not expect a significant increase in its results in 2023.
- ◇ Indeed, in real estate, the new projects, Promenade des Artistes and Silikin Village Phase III, are not expected to come on the market until the end of the year.
- ◇ Rents on existing properties are expected to rise, but the impact will be gradual.
- ◇ For **CARRIGRES**, the outlook remains good but a significant improvement in results is uncertain and depends in particular on an improvement in the supply of electricity.
- ◇ The digital activity of **SILIKIN VILLAGE**, still in its launch phase, is not yet expected to contribute positively to the Group's results.



*Promenade des Artistes Project*

## APPROPRIATION OF THE 2022 EARNINGS

The Board will propose to increase the dividend to EUR 5,761,736 or EUR 1.57143 (EUR 1.10 net) per share, an increase of 10% per share. This will be payable from May 26<sup>th</sup>, 2023 upon presentation of coupon no. 12.

## FINANCIAL CALENDAR

- Friday 7 April 2023: Publication of the annual report
- Friday 5 May 2023: Publication of the quarterly press release
- Tuesday 9 May 2023 at 11:00 am: Annual General Meeting
- Friday 26 May 2023: Payment of dividend
- Friday 8 September 2023: Publication of half-yearly results
- Friday 10 November 2023: Publication of the quarterly press release

### 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
  - Allowance for (or reversal of) impairment of 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 ...)
- EBIT: Operating profit
- EBITDA: Operating profit to which depreciation is added
- Turnover: Sum of revenue and other recurring operating income



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

*This listing on the stock exchange and the resulting obligations of good governance and transparency constitute a major asset for the group's development and for the promotion of the formal sector in the Democratic Republic of Congo.*

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