

## ACTIVITIES IN THE 1<sup>ST</sup> QUARTER

The activities of the **TEXAF** group in the DRC have developed as follows over the course of the 1<sup>st</sup> quarter:

- Rents for the real estate branch (rental of residential properties and office space in Kinshasa) totalled EUR 4.9 million for the quarter, an increase of 5% compared with the comparable period in 2019. Half of this increase stems from 6 new houses in the “Bois Nobles” project.



*“Bois Nobles” houses*

- **CARRIGRES** (sandstone quarry in Kinshasa). Turnover for the first quarter of 2020 was EUR 0.6 million, an increase of 47% compared to the same period in 2019, which confirms the gradual recovery in activity.
- The **TEXAF DIGITAL CAMPUS** opened its doors in early January and immediately welcomed the **KINSHASA DIGITAL ACADEMY**, an initiative supported by, among others, the German cooperation (GIZ), Orange and Facebook, which is providing 7 months of free intensive developer training to 40 young people (80 as from September).

## IMPACT OF THE COVID-19 CRISIS

So far, the DRC appears to be less affected than Western countries and 66% of the Congolese population is less than 25 years of age<sup>1</sup>. Nevertheless, the group took steps to protect its tenants and employees well before the announcement of formal measures. It is continuously communicating with them on the health and safety measures taken.

On 19 March, the **TEXAF DIGITAL CAMPUS** and the **TEXAF BILEMBO** cultural centre were closed to the public.

On 24 March, the DRC closed its borders to air passengers, preventing both staff and customers from leaving the country other than via official repatriation flights. The CEO and most of the group’s executives remained in Kinshasa.

<sup>1</sup> <https://www.cia.gov/library/publications/resources/the-world-factbook/geos/cg.html>

On 6 April, the neighbourhood around the Utexafrica concession was placed in quarantine and lockdown for 15 days. Construction sites are therefore shut and most of the group's employees cannot go to work but have been fully paid. Supplies for the concession's residents are being provided by businesses that are tenants of the group, or with which the group has concluded supply agreements.

At the time of publication of this press release, the Carrigrès quarry, located outside the lockdown area, is operating normally but with a reduced workforce, in compliance with proper social distancing practices.

As the figures published above show, this crisis did not have any financial impact for the group in the 1<sup>st</sup> quarter. To date, no tenants have terminated their lease and rents are being paid as usual.

The Group's cash position amounts to EUR 9.3 million and it has an unused bank loan of EUR 1.5 million. Its bank debt amounts to EUR 3.5 million to be repaid over the next three years.

Medium-term prospects are largely dependent on the duration of the lockdown. In particular, if it were to be extended, the delivery date for the Bois Nobles Phase II (33 apartments) and Petit-Pont (3,000 m<sup>2</sup> of offices) projects would be postponed, with a negative impact on 2021 revenue estimated at EUR 185 k per month of delay, but a positive impact on short-term cash flow due to the corresponding suspension of investment expenses.

**TEXAF** points out that its business model differs from that of companies operating in the West in that it makes little use of debt for its investments, keeps the assets it develops in its portfolio and strictly limits the rental risk of new projects. This enables it to continue along the path set out both in terms of the continued distribution of dividends and the hope of being able to resume construction of the projects under way and the design of new projects quickly.

## GENERAL MEETING OF SHAREHOLDERS

The general meeting of shareholders will be held on 12 May at 11 a.m. as planned. However, having regard to infection prevention measures and in accordance with article 34 of the Articles of Association and Article 7:137 of the Belgian Companies and Associations Code, the meeting will only be held via **electronic communication**. This will enable shareholders to follow discussions in the meeting directly, simultaneously and continuously, to ask questions and to exercise their voting rights in real time. Shareholders who wish to participate are asked to provide their e-mail address and mobile phone number in their notice of attendance, so that they can receive the access codes. The website [www.texaf.be](http://www.texaf.be) provides the information required to participate.

The resolutions on which the meeting will have to vote include the distribution of a dividend up by 20% compared to the previous financial year to EUR 1.15714 gross (EUR 0.81 net) per share. A proposal will also be made that this net dividend may be reinvested by any shareholder who so wishes in a capital increase ("optional dividend"). The majority shareholder and other significant shareholders confirmed their intention to reinvest at least 50% of their net dividend in new shares, confirming their confidence in the group's growth potential.

**This press release replaces the quarterly press release scheduled for 8 May.**

*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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