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FY22: Strong Growth In Core Businesses & RE Pipeline To Further Boost Rev.

During FY22, Texaf's rental income increased by 11.9% and landed at €22.1m while the net result from the rental business came in at €8.7m representing a 61.9% YoY growth. The rental business mainly benefitted from the 'Bois Nobles II', 'Petit Pont', and 'Silikin Village II' properties being fully operational during FY22 and from an almost perfect 100.0% occupancy rate. Major project's in the pipeline namely 'Promenade des Artistes' (additional rent potential upwards of €3.0m) and 'Silikin Village Phase III' are expected to be delivered from end of FY23 onwards. Without considering any rent indexation at currently operational properties, Texaf expects the 2 new properties to increase the group's rental income by +22.0%. Carrigres booked a turnover of €5.3m, up 84.6% YoY, and a net

result of €.77m, up 69.3% YoY, as it benefitted from strong demand throughout the year. We believe that Texaf offers a unique opportunity to invest in a high quality real estate portfolio and in a rapidly growing quarry business, both of which have been undervalued for a considerable duration of time. We reiterate our BUY rating and our €44.0 TP.

Financial/Operational Highlights – Real Estate:

- Rental income rose 11.9% and clocked in at €22.1m (vs €19.7m during FY21).
- Net result from rental activities came in at €8.7m (vs €5.4m during FY21).
- Implied net margin of 39.2% (vs 27.1% during FY21).
- Occupancy rate of portfolio at almost 100.0%.
- 'Promenade des Artistes' comprising of 94 apartments with a rent potential upwards of €3.0m and 'Silikin Village Phase III' comprising 6,000sqm of rentable area will start getting delivered from the end of FY23 onwards. Texaf expects both properties (at full capacity) to increase rental revenues by 22.0%.

Financial/Operational Highlights – Carrigres:

- Revenues rose significantly by 84.6% to €5.3m (vs €2.9m during FY21) thanks to strong/sustained demand during FY22.
- Sales volumes grew by 48.0% to 380,463 tonnes.
- Net result came in at €0.8m, up 69.3% YoY (vs €0.5m during FY21).
- Implied net margin of 14.3% (vs 15.6% during FY21).

Financial/Operational Highlights – Digital:

- Revenues declined by -46.5% and came in at €54.0k (vs €102.0k during FY21).
- Texaf's digital business consists of operating the Silikin Village in Kinshasa as well as participations – currently in the venture capital fund 'Partech Africa', 'Open Access Data Centres (Texaf Digital)', and in 'CTG-Texaf' which engages in the supply of refurbished computer equipment.

Investment Case: Texaf offers a unique opportunity to not only gain exposure to the rapidly advancing Congolese economy but also to a high quality real estate business which is unlevered, high yielding, has a significant development potential, and which is coupled with a rapidly growing quarry business. The digital business line is still in the nascent stage and is beginning to show signs of its future potential. To unlock the development potential, we believe that Texaf will have find both a financial and construction partner to develop the 'Les Jardins de Kinsuka' project. Given the significant upside to our TP, we reiterate our BUY rating and €44.0 TP.

Kind regards

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