

SENS ANNOUNCEMENT

(the “Announcement”)

ISSUER



Real Estate Investments Zambia PLC.

Incorporated in the Republic of Zambia

Company Registration Number: 10951

Share Code: REIZ

ISIN: ZM4000000013 (formerly ISIN ZM0000000045)

BROKER



[A member of the Lusaka Securities Exchange]

[Regulated and Licensed by the Securities and Exchange Commission Zambia]

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AUTHORISATION

Approval for this Announcement has been granted by:

- The Lusaka Securities Exchange
- The Securities and Exchange Commission Zambia
- Real Estate Investment Zambia PLC.

DISCLAIMER AND RISK WARNING

The announcement contained herein contains information that may be of a price sensitive nature.

Investors are advised to seek the advice of their investment advisor, stockbroker, or any professional duly licensed by the Securities and Exchange Commission of Zambia to provide securities advice.

ISSUE DATE: 3rd September 2025



Interim Results – 2025

Statement of unaudited financial results for Real Estate Investments Zambia PLC and its subsidiaries (“the Group”) for the half year ended 30 June 2025

In compliance with the requirements of the Securities Act No. 41 of 2016 and the listing rules of the Lusaka Securities Exchange, Real Estate Investments Zambia PLC announces the financial results of the Company and its subsidiaries (collectively referred to as the Group) for the half year ended 30 June 2025. These interim financial results are derived from the Group’s Management Accounts, which have been approved by the Directors, **but have not been audited.**

ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<u>GROUP</u>		<u>COMPANY</u>	
	Six months to 30.06.25 USD’ 000	Six months to 30.06.24 USD’ 000	Six months to 30.06.25 USD’ 000	Six months to 30.06.24 USD’ 000
Revenue	5,887	1,231	5,887	1,231
Profit from operations before change in fair value of investment property	4,204	674	4,029	674
Change in fair value of investment property	190	(11)	190	(11)
Profit on disposal of Investment Property	-	24	-	24
(Loss)/profit from operations	4,394	687	4,219	687
Net finance costs	(1,011)	(487)	(1,011)	(487)
Exchange gain/(loss)	-	-	-	-
Profit before tax	3,383	200	3,208	200
Income tax expense	(15)	(154)	(15)	(154)
Profit / (loss) after tax	3,368	46	3,193	46
Headline Earnings per share: (USD/ ZMW)	0.0048	0.0031	0.0046	0.0041
Basic Earnings per share after tax: (USD/ZMW)	0.0039	0.0002	0.0037	0.0013
Interim dividend per share: (USD/ZMW)				
Weighted average number of ordinary shares	864,920,876	214,920,876	864,920,876	214,920,876

ABRIDGED STATEMENT OF FINANCIAL POSITION

Assets				
Plant and equipment	217	318	217	36
Investment property	107,791	34,475	107,791	33,702
Investment in subsidiary	-	-	6,052	6,033
Lease straight-lining receivable	524	631	524	694
Current assets	2,485	3,225	2,291	3,028
Total assets	111,017	38,649	116,875	43,493
Equity and liabilities				
Total equity	85,634	23,068	66,200	5,992
Non-current liabilities	22,927	13,522	48,219	36,859
Current liabilities	2,456	2,059	2,456	642
Total equity and liabilities	111,017	38,649	116,875	43,493

ABRIDGED STATEMENT OF CHANGES IN EQUITY

Share capital	356	118	356	118
Share premium	63,055	13,565	63,055	13,565
Retained earnings & reserves	18,855	9,339	(404)	(7,737)
Balance at beginning of the year	82,266	23,022	63,007	5,946
Profit /(loss) for the year	3,368	46	3,193	46
Total closing equity	85,634	23,068	66,200	5,992

ABRIDGED STATEMENT OF CASH FLOWS

Net cash generated from operating activities	4,343	270	4,168	270
Net cash generated from/(used in) investing activities	(2,022)	12	(2,022)	12
Net cash used in financing activities	(3,387)	(1,977)	(3,212)	(1,977)
Net (decrease)/increase in cash & cash equivalents	(1,066)	(1,695)	(1,066)	(1,695)
Cash & cash equivalents at beginning of the year	3,074	4,306	3,074	4,306
Effect of exchange rate fluctuations on cash held	-	-	-	-
Cash and cash equivalents at end of the period.	2,008	2,611	2,008	2,611

Note:
The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs).

NOTE

The Zambian Kwacha (ZMW) still serves as REIZ’s functional currency however these interim financial statements have been translated from ZMW to USD to enhance clarity and to provide investors with a foundational basis for reviewing REIZ’s financial statements, which will in future be reported at year end in USD following its transition to REIT status. This translation does not imply a change in functional currency for the 6-month period and prior period reported and more importantly it should be noted that all exchange differences are treated as translation differences and are recorded directly in reserves. It is also important to note that the six-month performance of REIZ in 2024 reflects a period during which the company operated as a PLC and prior to being granted REIT status.

FINANCIAL PERFORMANCE

The Company reported a profit after tax of USD 3.3 million for the six months period in 2025 as compared to a profit of only USD 46,000 for the same prior year period. This was due to the strategic acquisition of three prime properties namely Lewanika Mall, Jacaranda Mall and Acacia Park with effect from 1st July 2024 that resulted in rental income increasing from USD 1.2 million in 2024 to USD 5.8 million in 2025. The increase in finance costs were as a result of two additional loan facilities which come along with the acquired properties. The midyear financial results are a testimony that the company’s acquisition strategy is yielding positive results and creating value for shareholders

FAIR VALUE OF INVESTMENT PROPERTY PORTFOLIO

The investment properties including the right of use assets as at 30th June 2025 were valued at USD 107 million as compared to USD 33 million as at 30th June 2024. The increase in value was due to the acquisition of the three prime high yielding properties Lewanika Mall, Jacaranda Mall and Acacia Park with effect from 1st July 2024. The company carries out midyear and year end valuations each year and these are carried out by independent professional property valuers registered with the Zambia Institute of Valuation Surveyors.

CASHFLOWS

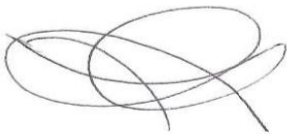
The Group reported an increase in net cash generated from operating activities from \$270,000 in the prior year to \$ 4.3 million due to the massive impact of the acquisition strategy that drastically increased rental income. However overall, the Group had a slightly lower cash and cash equivalents at the end of the period as compared to prior year due to a higher expenditure on investment activities.

BUSINESS OUTLOOK

The Board of Directors and Management have continued to identify high quality assets in the market for possible acquisition using share asset swap deals. This strategy enables the company to increase its earnings per share whilst still maintaining high liquidity. Furthermore, the company which became Zambia’s first ever Real Estate Investment Trust (“REIT”) in May 2024 was also granted with a dollar listing status and this status is expected to attract foreign investors who in most cases prefer a more stable currency making global investment comparability easier. Being the first REIT in Zambia, REIZ has been exempted from paying rental tax from 1st July 2024 which is now at 16% of the total revenue and all these tax savings are passed on as benefits to shareholders in form of guaranteed dividends by distributing 80% of the company’s distributable income as per REIT guidelines.

BY ORDER OF THE BOARD

Louis Pulu
Company Secretary
Lusaka



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