



REAL ESTATE INVESTMENTS ZAMBIA PLC UNSOLICITED CREDIT RATING



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CREDIT RATING REPORT

Date of issue	:	17 th September 2025
Report validity	:	Unsolicited Rating
Prepared for	:	Real Estate Investments Zambia PLC (REIZ)
Address	:	East Park Mall, Plot 5005, Corner Great East/Thabo Mbeki Roads P.O. Box 30012, Lusaka, Zambia
Rating Type	:	Real Estate Credit Rating (unsolicited)
Report prepared and published by	:	ICRA RATING AGENCY LIMITED <i>Corporate Office: Plot No.20848, Corporate Park, Alick Nkhata Road, Mass Media, Lusaka, Zambia.</i> <i>Registered Office: Plot No.20848, Corporate Park, Alick Nkhata Road, Mass Media, Lusaka, Zambia.</i> info@icrallc.com www.icrallc.com
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Currency used in this report	:	This report is presented in Zambian Kwacha (ZMW) unless otherwise noted.

Table 1

ICRA Assigned Rating

AAA	AA	A	BBB	BB	B (~)	CCC	CC	C	D
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Based on the ICRA National Credit Rating Scale
 Table 2

RATING RATIONALE

ICRA has assigned a “B” rating with an “Evolving” outlook to Real Estate Investments Zambia PLC (REIZ) as of 17th September 2025, assuming no material events affecting the business activities occur. The assigned rating reflects a balanced assessment of the company's overall creditworthiness and its recent financial performance. Below are the key points, including credit strengths and challenges reflected in the assigned rating.

Strong business profile with the first real estate company to receive REIT status in the country.

REIZ demonstrates a strong business profile, underpinned by its status as the country's first licensed Real Estate Investment Trust (REIT). This milestone reflects a shift toward a more structured, transparent, and income-focused investment model, supported by regulatory oversight and enhanced governance standards. The company has actively pursued strategic acquisitions of high-yielding commercial properties, reinforcing its position as a leading institutional player in Zambia's property sector. Its asset base now includes several prime retail and office developments, with further expansion planned in line with its long-term growth strategy. The REIT framework has enabled REIZ to access broader capital pools and align its operations with global best practices, improving investor confidence and operational resilience.

Notable growth in revenue with new strategic initiatives to acquire new high-yielding properties.

Following its REIT status in FY24, REIZ Zambia recorded a notable 144% y/y revenue growth, reaching ZMW 159.32m. This surge was driven by the strategic acquisition of three high-yielding properties, signalling a shift toward a more aggressive growth model. Management has indicated a continued focus on this strategy, with expectations of further topline acceleration in the coming periods. While the REIT status has only been in effect for a few months, and the full-year impact will be clearer in FY25, early performance suggests a strong revenue trajectory. Barring any material adverse events, the outlook remains positive, supported by asset expansion and income diversification.

Well-diversified and high-quality property portfolio with increasing occupancy.

REIZ Zambia has developed a well-diversified and high-quality property portfolio, comprising office spaces, retail malls, residential units, and industrial assets. This diversification not only mitigates sector-specific risks but also enhances income stability across varying market cycles. The company has actively pursued strategic acquisitions and redevelopment initiatives to improve both the value and leasable area of its portfolio. As a result, occupancy rates have shown a marked improvement from 54% in FY23 to 74% in FY24, reflecting stronger tenant uptake and growing market demand. This upward trend in

occupancy underscores the attractiveness of REIZ's assets and the effectiveness of its leasing strategy. The increased customer interest also signals a broader recovery and expansion in Zambia's formal rental market, particularly in prime urban locations.

Net profitability is driven by fair value gains, which are a non-cashable income.

REIZ's net profitability is materially driven by fair value gains on investment properties, which are non-cash in nature and do not contribute to operational liquidity. As a REIT, the company is required to distribute 80% of its distributable profits to shareholders, making cash flow generation critical. However, adjusted net margins excluding fair value gains remain negative (-32%), and both Funds from Operations (FFO) and Adjusted FFO (AFFO) margins also reflect negative performance. This indicates that REIZ is not generating sufficient cash from core operations to support distributions or maintain financial flexibility. While reported profitability appears strong (346%), the underlying cash position raises concerns about sustainability. Continued reliance on unrealised gains without corresponding cash inflows could lead to liquidity strain and limit the company's ability to meet shareholder obligations or fund future acquisitions, posing a risk to its credit profile if not addressed.

Weak liquidity with high short-term debts may require debt restructuring.

The liquidity position of REIZ presents significant concerns, particularly in relation to its short-term debt obligations. As of FY24, the company's cash-to-short-term debt ratio stood at just 0.32x, indicating limited capacity to meet near-term repayments without external support. Compounding this issue, REIZ continues to report negative Adjusted Funds from Operations (AFFO), reflecting insufficient cash generation from core operations. Despite being listed on the Lusaka Securities Exchange, its trading liquidity remains extremely low, limiting access to equity capital and reducing financial flexibility. Historically, the company has undergone bond restructuring and experienced some breaches of financial covenants tied to its credit facilities, further highlighting stress in its repayment profile. Unless REIZ undertakes a formal debt restructuring or secures alternative funding sources, its ability to meet obligations and sustain operations may be compromised. This weak liquidity profile poses a material risk to its credit standing and underscores the need for proactive financial management to stabilise its capital structure.

Volatile cash flow with negative FFO and AFFO generation and multiple net cash burn in the last five years.

REIZ's cash flow profile remains highly volatile, with sustained negative performance across key metrics. In FY23 and FY24, Funds from Operations (FFO) stood at ZMW (55.25m) and ZMW (52.86m), respectively, while Adjusted FFO (AFFO) deteriorated further to ZMW (65.23m) and ZMW (167.57m).

These figures reflect consistent operational cash deficits and reinforce concerns over the company's ability to self-fund its obligations. The repeated net cash burn over the past five years signals structural inefficiencies and a fragile financial base. Without a material shift in operating performance or external capital support, REIZ's liquidity and solvency risks are likely to intensify. These trends should be clearly highlighted in any stakeholder communication or financial risk assessment.

ICRA has assigned an '**Evolving**' outlook to REIZ, reflecting the company's transition following its receipt of REIT status and the implementation of new strategic initiatives. As the full-year financial results post-conversion are yet to be assessed, the outlook captures both the uncertainty and potential upside in REIZ's operational and financial trajectory. While market sentiment and internal projections suggest positive prospects, these have yet to materialise in reported performance. The evolving designation also acknowledges REIZ's efforts to reposition its portfolio and improve financial discipline, though tangible outcomes remain pending. The upcoming full-year results will be critical in determining the sustainability and impact of these strategic shifts.

FACTORS THAT COULD, INDIVIDUALLY OR COLLECTIVELY, LEAD TO AN UPGRADE

An upgrade to the assigned rating can be reviewed based on the following factors:

- **Sustained earnings growth with disciplined cost controls** – Consistent improvement in operating margins through revenue growth and tighter expense management.
- **Improved operating cash flows and liquidity coverage** – Positive and predictable operating cash flows with adequate short-term debt coverage would support stronger liquidity and financial flexibility.
- **Optimised capital structure and cost of capital** – A more balanced funding mix with lower financing costs and improved credit metrics.
- **Strategic expansion into underserved markets and segments** – Successful entry into new property segments with scalable asset strategies would diversify income and strengthen market positioning.
- **Supportive macroeconomic and regulatory environment** – Continued recovery in Zambia's property sector and favourable REIT regulations would boost investor confidence and capital access.

FACTORS THAT COULD, INDIVIDUALLY OR COLLECTIVELY, LEAD TO A DOWNGRADE

The assigned rating could further be downgraded if:

- **Persistent margin erosion with high dependency on fair value gains** – Continued contraction in operating margins and material dependency on fair value gains on reported profitability.
- **Severe liquidity stress from inadequate liquid assets** – Insufficient cash reserves to meet funding needs could impair financial flexibility.
- **Sudden deterioration in investment portfolio quality** – A marked decline in asset performance or valuation with deteriorated confidence on the REIZ stakeholders.
- **Sustained negative cash flows and liquidity deterioration** – Ongoing cash burn and failure to generate positive operating cash flows would undermine REIZ's ability to meet obligations and sustain operations.
- **Negative shifts in market or policy environment** – Unfavourable regulatory changes, political instability, or declining investor sentiment could hinder asset development and capital access.

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ICRA RATING APPROACH

SCOPE OF THE REPORT

ICRA provides an assessment of the overall business and evaluates the financial performance before assigning the final rating to the issuer. The report's objective is to offer a thorough assessment of the issuer's creditworthiness, utilising a range of financial and non-financial elements as well as qualitative and quantitative credit analysis tools and techniques.

SOURCES OF THE INFORMATION

The unsolicited credit analysis conducted by ICRA was based on publicly available information. ICRA has not been in direct contact with the entity regarding the unsolicited rating actions. Publicly accessible data has been gathered from reputable online domains, research reports, news articles, and third-party databases. The main categories of information sources are as follows:

- Annual audited financial reports from publicly available sources such as the company website, stock exchange libraries, etc.
- Industry research articles
- News articles
- Company/Government press releases
- Third-party data providers (both paid/unpaid)

METHODOLOGY

The credit analysis is carried out based on the '*ICRA methodology for real estate companies*, which was designed by the in-house ICRA credit risk department. We continuously review the methodology for improvements in line with industry peers and the latest developments in the rating world.

KEY FACTORS	WEIGHTAGE
Business Profile <i>Size and historical track records, competitive positioning, portfolio diversification and property quality, the strength and reliability of tenant, occupancy and strategic initiatives.</i>	25%
Management & Governance <i>Governance, regulatory & legal compliance, ownership, board of directors and management team. Independent valuator, and property manager's review</i>	
Country Risk <i>Political stability, economic and financial outlook and government support towards to industry.</i>	
Industry Review <i>Global and domestic industry outlook, direct and indirect impact to the business, industry risks and new trends, global and domestic economic trend</i>	15%
Financial Statement Analysis <i>Profit and loss statement (performance), balance sheet (Positions), cash flow statement (cash generation), Property Portfolio Analysis</i>	60%
Ratio Analysis <i>Earnings & Profitability, Coverage, Liquidity, and Leverage</i>	
Total	100%

Table 3

ICRA CREDIT RATING SCALE

CATEGORY	SCALE	DEFINITION
Extremely Low Credit Risk	AAA	The entity is in an exceptionally stable and strong position to fulfil its financial commitments. There is a zero or minimal risk of being adversely affected by foreseeable events.
Very Low Credit Risk	AA	The entity is in a highly stable and strong position to fulfil its financial commitments. There is a low risk of being adversely affected by foreseeable events.
Low Credit Risk	A	The entity is in a stable and strong position to fulfil its financial commitments. There is a marginal risk of being adversely affected by foreseeable events.
Moderate Credit Risk	BBB	The entity has a controllable risk level to fulfil its financial commitments. There is a moderate risk of being adversely affected by foreseeable events.
Elevated Credit Risk	BB	The entity has a considerable risk level to fulfil its financial commitments. There is a considerable risk of being adversely affected by foreseeable events.
Substantial Credit Risk	B	The entity has a high-risk level of fulfilling its financial commitments. There is a high risk of being adversely affected by foreseeable events.
Very High Credit Risk	CCC	The entity is in a doubtful position to fulfil its financial commitments. There is a significantly high risk of being adversely affected by foreseeable events.
Extremely High Credit Risk	CC	The entity is in a highly unlikely position to fulfil its financial commitments. The entity has a high vulnerability to being adversely affected by foreseeable events.
On the Verge of Default	C	The entity is incapable of fulfilling its financial commitments and is on the verge of default. The continuity of the business is highly doubtful.
Default Entity	D	The entity is already defaulted on or in the process of bankruptcy filing, liquidation, or winding up procedures.
No Rating Assigned	NRA	A rating has not been assigned due to insufficient information, legal or regulatory requirements, a lack of reliability of information, or a new or unique entity structure.

ICRA National Credit Rating Scale

Outlook: (+) Positive - Entity's creditworthiness is expected to improve in the near future, potentially leading to a rating upgrade.

() Stable - Entity's creditworthiness is expected to remain stable in the near future, with no significant changes anticipated.

(-) Negative - Entity's creditworthiness is expected to deteriorate, potentially leading to a rating downgrade.

(~) Evolving - The entity's credit rating may shift in either direction due to uncertainty in future developments.

Table 4

BUSINESS PROFILE

Real Estate Investments Zambia PLC

COMPANY DETAILS

Registered Name:	Real Estate Investments Zambia PLC
Address:	East Park Mall, Plot 5005, Corner of Thabo Mbeki & Great East Roads, Lusaka, Zambia
Industry Classification:	Real Estate
Listed Exchange	Lusaka Securities Exchange (LuSE)
Website:	www.reizreit.com

Table 5

CAPITAL DETAILS (31st December 2024)

Authorised Capital:	864,920,876 ordinary shares at ZMW 0.01 per share
Issued Capital:	864,920,876 ordinary shares at ZMW 0.01 per share
Paid-Up Capital:	ZMW 8.6m

Table 6

SHAREHOLDING PATTERN (31st December 2024)

Name of Shareholders	% of shareholding
LM & C Properties Ltd	40.10%
Forli Limited	30.90%
Ancona Properties Ltd	18.97%
Other Shareholders including public float	10.03%
Total shareholding %	100.00%

Table 7

Share Price Movement



Exhibit 1

COMPANY BACKGROUND

Real Estate Investments Zambia Plc (REIZ) is a Lusaka-based publicly listed (LuSE) property investment and development company that acquires, restructures, and manages commercial and residential real estate for rental income. It originated as the Northwestern Rhodesia Farmers' Cooperative in the 1920s, which was a cooperative for commercial farmers. When Zambia gained independence in 1964, the Northwestern Rhodesia Farmers' Cooperative was renamed the Zambian Farmers' Cooperative. In 1981, Farmers' House Limited was formed, and all the real estate property of the cooperative was transferred to Farmers' House Limited (FHL), making FHL a real estate investment vehicle. In 1996, FHL was listed on the Lusaka Stock Exchange (LuSE), becoming the second company to be listed on the Zambian bourse.

FH PLC was renamed REIZ in 2012, trading under the symbol REIZ. In May 2024, REIZ became Zambia's first listed Real Estate Investment Trust (REIT) and the first to have a USD-denominated listing. Its portfolio of properties spans Lusaka and other urban areas and includes landmark assets such as the Arcades Shopping Centre (retail mall), Eureka Park (industrial logistics), Counting House Square, Deloitte Square, the Central Park office complexes, and the mixed-use Southview Park housing complex. Today, the company is majority-owned by LM and C Properties Limited (via Diego Casilli), which holds roughly 40% of shares. REIZ is regulated by the Zambian Securities and Exchange Commission (SEC) and remains the only property company listed on the LuSE and the only USD-denominated listing on the LuSE.

Products & Services

REIZ's core business is real estate development, refurbishment, and leasing. It invests in, develops, and manages commercial, residential, and industrial properties for rental income. The company owns a diversified portfolio of assets, which it tends to hold as long-term investments. As of FY24, REIZ had a diversified property portfolio worth ZMW 3,039.81m with a leasable area of 95,285m².

In 2024, REIZ significantly expanded its property portfolio by acquiring three prime properties, including Lewanika Mall, Jacaranda Mall, and Acacia Office Park, for a total consideration of ZMW 1.3bn. These acquisitions, which were finalised in July 2024, added shopping mall space and further strengthened the company's rental portfolio. Further, REIZ engages in refurbishments and tenant fit-outs when required, where the company spent around USD 5m in FY23–24 upgrading Arcades Mall, which increased its usable area by 3,000m².

As a property firm, REIZ also offers related services through its property manager (Napoli Property Development Limited) and finance arrangements. Napoli is contracted to manage REIZ's entire portfolio on an ongoing basis, handling leasing, facility management, and tenant relations.

Funding

In order to raise funding for property acquisition and operational activities, REIZ uses its organically generated funds as well as capital market sources and debt funding. REIZ has raised capital through bonds, rights issues, and joint-venture partners. In 2022, REIZ initiated a rights issue to raise USD 12m as part of a restructuring of an existing bond, with LM&C Properties Limited underwriting the issue.

Customers/Tenants

REIZ's customers are its tenants, primarily retail businesses, corporate offices, banks, and other organisations that lease space in its properties. The company's tenant base is broad and diverse, which is a strength. Major retail tenants in the malls include anchor grocers and food outlets. For instance, Jacaranda Mall is tenanted by Shoprite, Hungry Lion, Nando's, Debonairs, and Bata, among others. Arcades Mall (following its expansion) hosts large retailers, restaurants, and consumer services. Office complexes and mixed-use sites house corporate and institutional tenants. The Southview Park housing/office complex is mainly leased to financial and professional firms, with tenants including FNB, ZANACO, Access Bank, Ecobank, UBA, and other well-known banks and companies. The Nyerere Road office property is 100% leased by corporate and NGO clients, including Jewel of Africa and Population Council. In general, REIZ attracts tenants seeking Class-A commercial or retail space, often on long-term leases. Its REIT status and USD listing are expected to further appeal to international investors and tenants.

Suppliers

As a real estate company, REIZ's suppliers are primarily service providers and contractors. These include property management firms, construction contractors, architects, engineers, and material suppliers. REIZ's primary vendor for property management is Napoli Property Development Limited, which oversees and manages leasing, maintenance, and operations across the portfolio. Construction companies and trades are also engaged to execute property refurbishments, such as those done in 2024 for Arcades Mall. REIZ relies on external professional service providers such as property valuers, with R.M. Fumbeshi & Co. acting as the approved valuer for REIZ. Further legal and financial advisors assist with transactions and compliance. Its financiers include local and international banks (some of which hold REIT-sponsored loans or bonds), while shareholders (LM&C and others) supply capital via equity. In summary, REIZ's key supplier relationships encompass all stages of the property development and management process, from land acquisition through to asset management.

Property Management Partner

Napoli Property Development Limited has established a strong reputation in Zambia's real estate sector, managing a diverse portfolio across retail, commercial, residential, and hospitality segments. Its track record includes high-profile developments such as East Park Mall and Arcades Centre, known for high occupancy and tenant retention. The company's operational scale and consistent delivery across asset classes reflect robust management capacity and market credibility. Its appointment by REIZ signals confidence in Napoli's ability to uphold asset value and drive portfolio performance.

Operational Capacity

REIZ's operational scale can be described in terms of real estate volume and development pace. Following the FY24 acquisitions and expansion projects, REIZ's total lettable area nearly doubled. As of FY24, the Group's combined gross lettable area (GLA) was 95,285m², up from 48,887m² at FY23. This surge reflects the addition of the three newly acquired properties and the Arcades Mall expansion. Specifically, Arcades' GLA rose from 22,547m² to 25,500m² after the renovations. The company's development pipeline and acquisition strategy imply further capacity growth. REIZ has proposed purchasing East Park Mall, which is approximately 15,000m², to double its rental income. In asset terms, the total property portfolio value jumped from ~ZMW 765m at FY23 to ~ZMW 3.0bn by FY24. These figures highlight REIZ's expanded operational scale in terms of rentable property and income-generating potential.

ICRA Opinion on Business Profile

ICRA assumed REIZ to have a strong business profile. REIZ boasts a portfolio of high-yielding prime properties with strong demand. Having been in operation since 1981 and listed on the LuSE, the company commands great visibility both locally and internationally. The diverse nature of its portfolio—spanning office, retail, industrial, and residential properties in prime locations such as Central Park, Arcades Entertainment and Retail Centre, and Eureka Park—ensures sustainability, with positive growth registered in earnings and operating profits contributing to its market capitalisation. REIZ's growth plans include adding more assets to its portfolio, supported by an experienced team of professionals. REIZ is a commanding player in Zambia's real estate sector. The company also enjoys REIT status, which brings a wealth of advantages to the company and shareholders, including tax efficiency, stability in earnings, currency risk hedging, enhanced access to capital, and improved transparency and governance.

MANAGEMENT OVERVIEW

BOARD OF DIRECTORS

As of the end of FY24, the Board of Directors REIZ comprised nine members, including eight non-executive directors and one executive director, providing strategic oversight and ensuring alignment with shareholder interests. The Board's core responsibilities include approving major acquisitions, monitoring financial performance, evaluating executive management, and safeguarding internal control frameworks. In response to post-COVID financial constraints, REIZ transitioned from fixed board allowances to performance-based incentives. Notably, no board allowances were paid during FY24, reflecting the directors' commitment to financial discipline and long-term stability.

Board independence is well maintained, with a clear separation between the roles of Chairman and Chief Executive Officer. The Chair is held by an independent nonexecutive director, reinforcing governance integrity. Four board meetings were convened during the year, with consistently high attendance recorded across members, indicating strong engagement and oversight. Overall, the Board structure and conduct demonstrate a commitment to sound governance, transparency, and financial prudence, positioning REIZ for sustainable growth.

Name	Designation
Kenny H. Makala	Non-Executive Chairman
Mark O'Donnell	Non-Executive Director
Diego Casilli	Non-Executive Director
Dipak Patel	Non-Executive Director
Rory Mackey	Non-Executive Director
Samson Mojalefa	Non-Executive Director
Gillian Casilli	Executive Director
Faith Kashweka	Non-Executive Director
Dr. Harrison Banda	Non-Executive Director

Table 8

Kenny H. Makala, Non-Executive Chairman

Kenny is a lawyer and senior partner at Makala & Company. He holds directorships in several Zambian institutions, including Makaland Agricultural Enterprises Limited, Lofty Reflections Limited, Sunrise Property Limited, C&K Consultancy Limited, Pivot Capital Finance Company Limited, Avionix Services Limited, Nabuzoka Limited and Bayport Financial Services Limited. He is a long-standing legal practitioner who holds membership of the Law Association of Zambia and is an advocate of the High Court of Zambia.

MANAGEMENT QUALITY

The management team of REIZ is led by Chief Executive Officer Mr Kambewu Banda, appointed in August 2023. Mr Banda brings a strong banking background, having previously served as Head of Core Commercial Banking, and has played a pivotal role in repositioning REIZ's strategic direction. He is supported by a stable and experienced executive team, including Rudolf Nortje (Chief Operations Officer), Louis Pulu (Finance Manager and Company Secretary), and Gillian Lee Casilli (Executive Director, appointed during FY24). With an average tenure of 3.1 years, the team reflects a blend of financial, operational, and strategic expertise, contributing to continuity and institutional depth.

During FY24, the management team delivered several key milestones, most notably the successful receipt of REIT status, which marked a significant regulatory and strategic shift for the company. This transition positions REIZ to attract a broader investor base and enhances its long-term growth prospects. In addition, the team oversaw the acquisition of three prime properties, Lewanika Mall, Jacaranda Mall, and Acacia Office Park, collectively valued at USD 65m, and completed the refurbishment of Arcades Shopping Mall. These achievements were complemented by a return to profitability, reflecting disciplined execution and post-COVID financial recovery.

Strategically, the management team remains focused on expanding the REIT portfolio to USD 500m and is actively pursuing high-yielding assets such as East Park Mall. Their approach demonstrates a clear alignment with shareholder interests, underpinned by financial prudence, operational rigour, and a commitment to sustainable value creation.

Mr. Kambeu A. Banda - Chief Executive Officer

Appointed CEO of REIZ Plc on 1 August 2023, Mr Kambewu Banda brings over 14 years of banking and financial management experience. He holds a BA in Economics from the University of Zambia and a Postgraduate Diploma in Management Studies from Cavendish University. Previously, he led corporate lending at First National Bank Zambia and advised on strategic growth at Yamene Consultancy Services. Since joining REIZ, he has overseen its conversion to Zambia's first listed REIT, executed a ZMW 1.3bn property acquisition, reversed a ZMW 34.3m loss into a ZMW 576.5m profit, resumed dividends, and positioned the company for regional expansion.

Mr. Louis Chilufya Pulu - Company Secretary & Finance Manager

Mr Louis Chilufya Pulu has served as Company Secretary and Finance Manager for REIZ since January 2021. A chartered accountant and member of ZICA, he brings extensive experience in corporate finance, capital raising, and restructuring. His prior roles include CFO at Pan African Building Society and senior finance positions at Dana Oil, LOLC Finance, and Foxdale Development. In 2022, he led a USD 6m rights

issue to partly settle a USD 12m bond. As Company Secretary, he oversees board compliance and investor communications, ensuring governance alignment. His dual role has been key to REIZ's successful REIT conversion and financial turnaround.

GOVERNANCE

REIZ's governance framework reflects a structured, compliance-driven approach anchored in LuSE and SEC regulatory expectations. The Board operates through four standing committees, namely, (i) Audit & Risk Committee, (ii) Remuneration Committee, (iii) Nomination Committee, and (iv) Investment Committee, where each is governed by formal Terms of Reference and actively engaged in oversight across the Group. Board members are directly involved in subsidiary affairs, ensuring alignment and control across the structure.

REIZ has a clear governance structure, with internal controls and risk management overseen directly by the Board. The Audit & Risk Committee reviews key reports and ensures financial and governance standards are met. All governance disclosures are formally approved, which helps maintain accountability.

While the setup meets regulatory requirements, it's mostly focused on compliance. Bringing in an external property manager adds some independence, but long-term improvement will depend on strengthening board practices, building ESG focus, and improving transparency with stakeholders. Overall, REIZ's governance is solid but has room to grow into a more mature and proactive framework.

ICRA Opinion on Management & Governance

ICRA's view reflects REIZ's solid governance structure, active board oversight, and capable management team. The Board operates through well-defined committees, while management has delivered strategic milestones including REIT conversion, asset growth, and dividend reinstatement. Governance practices meet regulatory standards, and operational independence is supported via external property management. Together, these elements underpin REIZ's good governance and management quality, with scope for further institutional depth.

MACRO ENVIRONMENTAL ANALYSIS

COUNTRY RISK ANALYSIS FOR ZAMBIA.

Political System

Zambia has been a stable democracy since gaining independence from British colonial rule in 1964. The country's government is divided into three branches: the executive, legislative, and judicial. With a multi-party system and a liberalised economy, Zambia's President serves as both Head of State and Head of Government, elected by popular vote for a five-year term, limited to two terms. Hakainde Hichilema currently holds the presidency, having been elected in August 2021. Geographically, Zambia is a landlocked country in Southern Africa, rich in natural resources and sparsely populated. It shares borders with eight neighbouring countries, including Angola, Botswana, the Democratic Republic of Congo, Malawi, Mozambique, Namibia, Tanzania, and Zimbabwe. Zambia is an active member of regional organisations, such as the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA). The country's official currency is the Zambian Kwacha (ZMW), and its capital city is Lusaka.

Legal Framework

The Constitution is the foundation of Zambia's legal system, serving as the supreme law from which all other laws and regulations are derived. While the country generally upholds the rule of law, there are areas for improvement. Court proceedings can be slow, and some high-profile individuals have been known to disregard the law. To address these concerns, Zambia has initiated judicial reforms, including the establishment of a financial crimes court in 2022 and efforts to strengthen law enforcement.

Zambia Demographics

Zambia has one of the world's youngest populations, with a notably low median age. The country's population is approximately 19.6m, with a significant portion residing in rural areas, although rapid urbanisation is underway. Zambia's population growth rate stands at 2.7% per year. Life expectancy is relatively short, at around 64.96 years (World Bank, 2025). However, the country has made progress in education, with a literacy rate of 88% among adults as of 2020. Despite this, the IMF highlights that low skills and capacity contribute to limited labour productivity.

Physical Environment

Zambia's tropical savannah environment has historically been stable, but in recent years, the country has faced natural disasters such as droughts, floods, and pest invasions, as well as disease outbreaks affecting both humans and animals. These events have had severe impacts on the environment and

economy. On the global stage, Zambia is an active member of international organisations, including the UN, World Bank, IMF, and African Union. The country has also signed key agreements on issues such as anti-money laundering, counter-terrorism financing, human trafficking, and climate change, and works to adhere to these protocols.

Macroeconomic Developments and Outlook

Currently, macroeconomic conditions in Zambia have deteriorated due to the impact of a drought in 2024. The drought has led to increased hours of power blackouts and, in turn, adversely affected economic activity.

GDP Growth

Real GDP is estimated to have expanded in the first half of 2025, driven by the sustained positive performance of the mining and transport sectors, as well as the rebound in construction. However, electricity generation contracted despite improved rainfall. The Bank of Zambia raised the real GDP forecast for 2025 and 2026 to 5.6% and 5.2%, from 4.4% and 4.6%, respectively. Despite the initial estimate showing a slowdown in real GDP in 2024 to 4.0% from 5.4% in 2023, due to the severe impact of the drought, the outturn is significantly higher than the 1.2% earlier projection, pointing to the resilience of the economy to the drought shock, which mostly affected the agriculture sector and hydropower generation. Growth is supported by sustained positive contributions from the ICT, financial and insurance, and construction sectors, as well as the recovery in copper production. Growth prospects remain positive despite downgrading the 2025 projection to just below 6.0% to account for the moderation in the transport and tourism sectors. This optimistic outlook assumes increased mining production, effective implementation of reforms, restoration of debt sustainability, and normalisation of rainfall patterns. On the upside, with improved rainfall during the 2024/25 farming season, it is envisaged that agricultural output could be higher than expected, with positive spillovers to sectors such as manufacturing, transportation, wholesale and retail trade, and administrative and support services. Moreover, the successful implementation of the planned solar energy projects could improve power supply and raise productivity across the economy.

Inflation Outturn

The Bank of Zambia (BoZ) annual inflation target is between 6% and 8%. In 2024, annual inflation stood at 16.7%, well above the target range, and is projected at 13.9% in 2025 and 10.8% by the end of June 2026 (Bank of Zambia, 2025). As of March 2025, inflation stood at 16.5%, down from 16.7% in December 2024. The major factors contributing to high inflation were higher maize and fuel prices, an increase in electricity tariffs, and exchange rate depreciation. Inflation is now anticipated to average 13.8% in 2025.

In 2026, it is projected to decline to 8.8% and fall further to 7.5% in the first quarter of 2027, which is within the target band. The projection is based on the expected decline in market prices of maize grain and crude oil. The bumper maize harvest forecast of 3.6m metric tonnes for the 2024/25 farming season, compared to the drought-induced production of 1.5m metric tonnes in the 2023/24 farming season, is expected to drive domestic prices of maize grain and its products lower. The anticipated increase in the supply of crude oil and weak overall global demand also point to a reduction in prices.

Exchange Rate Depreciation and Volatility

The Zambian currency (ZMW), the Kwacha, is subject to wild swings against major convertible currencies, namely the USD, the Swiss Franc, the South African Rand, and the Euro. The ZMW depreciated by about 7.74% in 2024 and by about 42.4% in 2023 against the USD. Currency depreciation is a major source of inflation in Zambia, as the country is import-dependent. However, the Kwacha is stronger by 19% against the dollar in 2025, second only to Ghana's cedi among world currencies. This performance, however, may not be sustained given the volatile nature of the ZMW's value.

Trade Performance

After a trade deficit in 2023, the current account recovered into surplus in Q2/24, thanks to increased grants from cooperating partners, remittances, and a reduction in imports. The current account surplus expanded to USD 0.19bn (2.7% of GDP) by the end of Q3/24, from USD 0.04bn (0.6% of GDP) in Q2/24 (BoZ, 2025). The projection for 2025 and 2026 is more optimistic at USD 1.5bn (5.6% of GDP) and USD 2.3bn (8.4% of GDP), respectively. This is based on the projected faster growth in exports relative to imports.

Fiscal Performance

The Zambian national budget has run fiscal deficits for decades, owing to low revenue performance. The budget deficit for 2024 stands at 2.7% of GDP and is projected at 3.1% of GDP for 2025 (MoFNP, 2025). Risks to the medium-term fiscal outlook remain tilted to the upside, based on lower copper prices associated with weaker global demand, adverse effects of geopolitical tensions on energy and food prices, depreciation of the exchange rate, and constrained production and hydropower generation. The Bank of Zambia projects a higher fiscal deficit, mostly to accommodate the liquidation of fuel arrears and past-due interest on external debt. A major emerging risk relates to the escalation of trade tensions between the US and its trading partners, especially China. This could adversely affect growth in some major economies and dampen demand for commodities such as copper. The resulting fall in copper prices could have adverse implications for the fiscal position. Meanwhile, the uncertain outcome of proposed changes to US foreign policy on official development assistance to low-income countries

presents a risk that the government may incur additional costs to cover the deficit in critical sectors such as health and education.

International Reserves

Zambia's international reserves position continued to improve. About USD 200m was added to international reserves in the first quarter of 2025. This was mostly from net Bank of Zambia purchases (USD 51.1m), non-tax government receipts (USD 44.7m), project receipts (USD 38.0m), interest earned on reserves (USD 20.0m), and monetary gold purchases (USD 8.5m). Thus, the stock of gross reserves moved up to USD 4.5bn at the end of March 2025 and now stands at USD 4.7bn as of May 2025, covering 4.5 months of projected imports. International reserves are key for a country to absorb economic shocks and sustain macroeconomic stability.

Interest Rates

Commercial bank lending rates on local currency-denominated loans remain high in Zambia, at 28.7% on average as of June 2025. This makes credit expensive for businesses and consumers, negatively impacting economic activity and GDP growth. In the medium term, lending rates are expected to remain elevated, premised on the tight monetary policy stance of the monetary authority to curb rising inflationary pressures in the country.

Zambia's Debt Position

Zambia's public debt remains high at over 123.9% of GDP in 2024 as of the date of this report (MoFNP, 2025), though it is expected to fall below 100% of GDP in 2025. Zambia became the first African country to default on its foreign debt in November 2020. In June 2023, Zambia reached preliminary agreements with its official creditors, including China, to restructure its debt. As of June 2025, Zambia had agreed to restructure 92% of its external debt stock with its creditors, which stood at USD 13.5bn. Following the restructuring of Zambia's bonds in July 2024, investor confidence has soured, as reflected in Zambia's bond performance. However, debt distress remains a concern. The debt service-to-revenue ratio is currently at 24.2% in 2025, against the target of 14%, mainly due to PDI accrued in 2023 and 2024, as well as the fuel liability management operation. Accordingly, to resolve the breach, Zambia requires about USD 3.1bn in new revenue measures to meet the DSA programme parameters.

IMF ECF Programme

Zambia is currently on an IMF Extended Credit Facility (ECF) programme. In December 2024, the IMF disbursed SDR 139.88m (about USD 184m), bringing total disbursement to SDR 992.86m (about USD 1.3bn). The programme seeks to entrench macroeconomic stability, attain debt and fiscal sustainability,

enhance public governance, and foster inclusive growth. The IMF assessed the Zambian Government's performance under the programme as satisfactory (IMF, 2024).

Financial Sector Performance and Stability

Zambia's banking sector demonstrates solid performance, with adequate liquidity, profitability, asset quality, and capitalisation. Regulatory capital adequacy ratios exceed minimum requirements, standing above 5% for primary and 10% for total capital (BoZ, 2024). However, financial system stability faces increasing risks due to reduced economic activity from drought, low financial intermediation, sovereign-bank nexus, concentration of loans and deposits, dollarisation of loans, maturity mismatches, inflation, geopolitical tensions, and exchange rate volatility. Despite these challenges, the banking sector remains resilient. Nonetheless, Zambia's financial system is still underdeveloped, as indicated by the World Bank's Financial Development Index (FDI) (World Bank, 2025).

Conclusion

Zambia's political landscape is relatively stable, but economic risks have increased due to high debt, fiscal deficits, declining copper prices, and drought impacts. Social risks are also significant, with high poverty, inequality, and unemployment. The country's healthcare and education systems are underdeveloped, limiting access to basic services. Overall, Zambia poses a moderate risk. However, the government has demonstrated commitment to economic recovery and addressing shocks, supported by the IMF's Extended Credit Facility (ECF) program. To move forward, Zambia needs to maintain sound policies, practice prudent fiscal management, and collaborate closely with key stakeholders. By doing so, the country can work towards economic stability and development.

INDUSTRY RISK OVERVIEW

Overview of the Industry

The real estate investment industry comprises the acquisition, ownership, management, and sale of property assets for financial gain. It includes residential, commercial, industrial, and mixed-use developments, with investors ranging from individuals to large institutions. Investment strategies vary widely, from direct property ownership to indirect vehicles such as Real Estate Investment Trusts (REITs), property funds, and joint ventures.

REITs

A Real Estate Investment Trust (REIT) is a company that owns, operates, or finances income-generating real estate. The entity is formed, allowing investors to pool capital, and it offers exposure to large-scale property assets without the need for direct ownership. REITs typically invest in sectors such as retail, office, residential, healthcare, logistics, and hospitality.

REITs are required to distribute a certain percentage of their taxable income to shareholders as dividends, making them attractive for income-focused investors, and the percentage can vary from country to country based on the regulatory authority. Most publicly listed REITs trade on major stock exchanges, providing liquidity and transparency. There are three main types: (i) Equity REITs (which own and manage properties), (ii) Mortgage REITs (which invest in property loans and mortgage-backed securities), and (iii) Hybrid REITs (which combine both approaches).

REITs are governed by specific regulatory frameworks, and they offer diversification, professional management, and tax efficiency. For institutional and retail investors, REITs serve as a vehicle to access real estate returns while mitigating the risks and complexities of direct property ownership.

Global Industry Overview

The global real estate industry remains a cornerstone of economic activity, contributing significantly to GDP, employment, and wealth creation. In 2025, the global real estate sector is valued at approximately USD 11.97tn and is projected to reach USD 18.39tn by 2033 (Global Growth Insights), growing at a compound annual growth rate (CAGR) of 5.52%. This growth is expected to be driven by urbanisation, rising disposable incomes, infrastructure investment, and evolving consumer preferences.

Residential real estate dominates the sector, led by demand for apartments and affordable housing. Asia-Pacific is the largest regional market, accounting for over 40% of global residential real estate activity, fuelled by rapid urban growth in China, India, and Southeast Asia. North America, particularly the United States, remains a mature and highly liquid market, with strong demand for suburban homes

and digital property transactions. Europe continues to attract investment in sustainable housing and mixed-use developments, with Germany, the UK, and France leading the charge.

Africa and Zambia Real Estate Market

Across Africa, the real estate industry is undergoing a transformation, driven by demographic shifts, infrastructure development, and rising investor interest. By 2025, key markets such as Ghana, Nigeria, Egypt, and Zambia are experiencing renewed momentum, despite challenges like high interest rates, regulatory uncertainty, and infrastructure gaps. Urbanisation and a growing middle class are fuelling demand for residential, commercial, and industrial properties, while governments are increasingly prioritising housing and smart city initiatives.

Zambia's real estate market, in particular, is showing signs of resilience and growth. Following economic headwinds, including debt restructuring, drought, and energy shortages, the sector is rebounding, supported by mining expansion, infrastructure investment, and policy reforms. Lusaka, the capital, is undergoing significant transformation, with new commercial hubs, road expansions, and increased demand across asset classes.

Institutional investors and developers are playing a pivotal role in shaping Zambia's property landscape. Key players include Real Estate Investments Zambia (REIZ), Madison Real Estate, and Knight Frank Zambia, among others. The ZAMREAL Property Forum, held annually, serves as a barometer for market sentiment and strategic direction. Zambia's real estate sector is estimated to contribute significantly to national GDP and is poised for further expansion as macroeconomic stability improves.

Key Trends and Developments

- **Urban Expansion & Infrastructure Growth:** Several metropolitan areas are emerging as investment hubs, supported by government-led infrastructure upgrades and rising consumer demand.
- **Affordable Housing Demand:** Urban migration has created a significant housing gap, prompting increased focus on affordable residential developments through public-private partnerships.
- **Technology Integration:** The rise of digital economies is driving demand for modern housing, flexible office spaces, and tech-enabled property services.
- **Sustainability & ESG Focus:** Developers and investors are prioritising green-certified buildings and sustainable urban planning, aligning with global ESG standards.
- **Residential Market Growth:** The continent's residential real estate market is experiencing steady growth driven by population dynamics and urbanisation.
- **Commercial & Mixed-Use Developments:** Key business districts are attracting regional and international tenants, offering competitive rental yields and long-term capital appreciation.

- **Emerging Investment Zones:** Secondary cities and peri-urban areas present untapped opportunities for residential, retail, and logistics developments, especially where infrastructure is improving.

Key Challenges

- **Access to Finance:** High interest rates, limited mortgage options, and stringent lending criteria restrict both developers and buyers, especially in emerging urban areas.
- **Land Tenure & Property Rights:** Weak legal frameworks, unclear title deeds, and corruption complicate land acquisition and delay project execution. Legal reforms are essential to unlock investment.
- **Infrastructure Deficits:** Inadequate roads, unreliable electricity, and poor water access hinder development, particularly in secondary cities and peri-urban zones.
- **Regulatory Complexity:** Fragmented policies, inconsistent enforcement, and slow approval processes increase project risk and reduce investor confidence.
- **Political & Economic Instability:** Volatile macroeconomic conditions and political uncertainty in some regions deter foreign direct investment and affect property valuations.
- **Currency Volatility** Exchange rate fluctuations impact cross-border investments and pricing strategies, particularly in dollarized property markets.
- **Technology Adoption Lag:** While Protech is growing, many markets still lack digital infrastructure for smart cities, online transactions, and data transparency.

Conclusion

Zambia's real estate market offers moderate risk with growing potential. Urbanisation, infrastructure investment and rising demand for residential and commercial space are driving steady expansion. While challenges such as limited access to finance, complex land tenure and currency volatility remain, regulatory reforms and increased institutional interest are improving market confidence. Key players continue to shape development in major urban centres, and the emergence of real estate investment structures is enhancing transparency and investor access. For medium-term investors seeking frontier exposure, Zambia presents a balanced opportunity with manageable risks and scope for long-term capital appreciation.

EXTERNAL RELATIONSHIPS

Banking Relationships:

- Stanbic Bank (Zambia) Limited, Head Office

Approved Property Manager:

- Napoli Property Development Limited

Approved Property Valuer:

- RM Fumbeshi & Co. Limited

Solicitor:

- J&M Advocates
- Solly Patel, Hamir & Lawrence

External Auditor Details:

Auditor Name	: Pricewaterhouse Coopers (Zambia)
Latest Financials	: 31 st December 2024
Audit Report Date	: 28 th March 2025
Audit Opinion	: Unqualified

Table 9

FINANCIAL ANALYSIS

The credit rating for Real Estate Investments Zambia PLC (REIZ) is performed on an unsolicited basis, relying solely on publicly available information from reputable sources. For its financial assessment, ICRA typically examines five years of audited annual financial statements, covering the period from 31-Dec-2020 to 31-Dec-2024.

INCOME STATEMENT

ZMW (000)	FY20	FY21	FY22	FY23	FY24
Rental income	62,522	58,801	55,894	65,338	159,316
Property expenses	(15,271)	(12,174)	(10,030)	(28,841)	(56,476)
Net revenue	47,251	46,627	45,864	46,120	112,186
FV gain on investment properties	-	-	74,675	12,549	637,710
FV gain on development properties	141,721	(403,428)	6,844	10,268	-
Operating profits	161,247	(384,496)	103,167	48,577	737,830
Adj. operating profits (excl. FV gains)	19,526	18,932	21,648	25,760	100,120
Finance cost	(191,119)	(33,285)	(40,812)	(82,892)	(154,741)
Net profit	(29,852)	(324,508)	62,374	(34,299)	584,389
Adj. net profit (excl. FV gains)	(171,573)	78,920	(19,145)	(57,116)	(53,321)

Table 10

Net revenue of REIZ increased by 143% y/y to ZMW 112.19m in FY24, supported by a rise in gross rental income outpacing the increase in property expenses. This was mainly driven by the strategic acquisitions of three new properties during FY24, following the receipt of Real Estate Investment Trust (REIT) status, marking the first-ever REIT in the country. Over the last five years, REIZ has achieved a net revenue growth of 24% CAGR during FY20 to FY24.

Gross rental income (revenue) improved 144% y/y to ZMW 159.31m, supported by strong performance in both (i) Office & Residential (53% of revenue; +220% y/y), and (ii) Retail (47%; +114% y/y). REIZ applies the straight-line method to recognise rental income, meaning income is spread evenly over the lease term, regardless of actual payment timing.

Property expenses, primarily including property management fees, utilities, repairs and maintenance, increased 96% y/y to ZMW 56.48m, marking a lower increment compared to rental income.

Operating profits rose to ZMW 737.83m in FY24, up from ZMW 48.58m in FY23, benefitting from fair value gains on properties and net revenue acceleration. During FY24, the company recorded fair value gains of ZMW 637.7m related to Arcades Shopping Mall, which was recently refurbished and increased by 3,000 sqft in total gross lettable area (GLA). Although this gain is one-off, ICRA assessed operating

profit growth excluding the fair value gain, and REIZ's adjusted operating profits still marked 289% y/y growth to ZMW 100.12m, indicating strong operating capacity in FY24 post strategic acquisitions.

Declined operating expenses during the period also supported the growth in operating profits. OPEX declined to ZMW 7.96m (-27% y/y) due to lower salaries during the period. Furthermore, REIZ maintained its OPEX to revenue ratio well below the 30% regulatory benchmark, marking the lowest in FY24 at 5%, down from 17% in FY23.

Finance cost increased significantly by 87% y/y to ZMW 154.74m, mainly due to higher foreign exchange losses and new loan facilities to support the acquisition of new properties during the period.

Following the receipt of REIT status, the company was exempted from paying corporate tax or rental tax. In the coming periods, the company is yet to realise the full benefit of the tax exemption. However, certain properties are not part of the REIT, and therefore, some portion of tax will still be charged in the coming period.

Net income showed a similar trend, shifting from a net loss of ZMW 34.30m in FY23 to a net profit of ZMW 584.39m in FY24. Looking at the historical trend of net profitability, the company generated net losses in three of the last five years, raising concerns about the stability of its profitability. Another concern is that the net profit was entirely fuelled by the one-off fair value gain during the period, and excluding that impact, the company remains in a net loss of ZMW 53.32m in FY24.

ICRA Opinion on Performance

Looking at the overall performance of REIZ, ICRA assumes the company to have elevated risk in terms of profitability despite strong revenue growth. On the positive side, continued strategic acquisitions following REIT status could help rectify the ongoing profitability issues, further supported by the major tax benefit the company is yet to realise in the coming years. However, it is important for the company to closely monitor its strategy and manage OPEX and finance expenses at optimum levels to realise profits through topline growth.

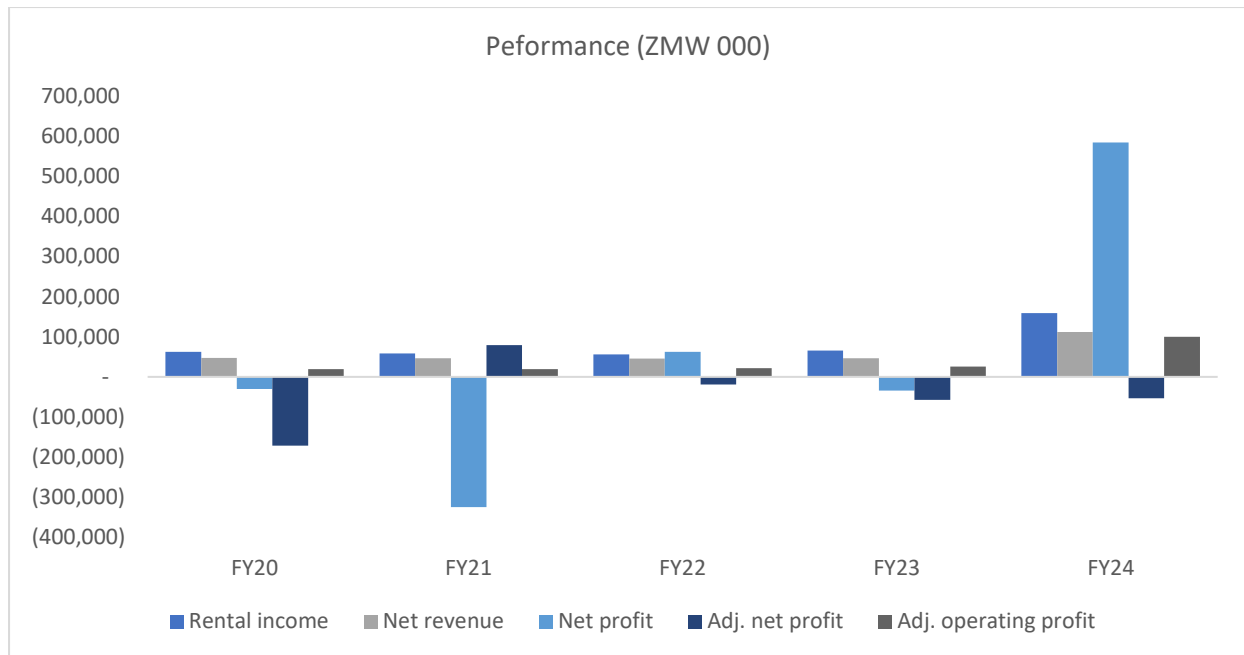


Exhibit 2

BALANCE SHEET ANALYSIS

ASSETS

Assets					
ZMW (000)	FY20	FY21	FY22	FY23	FY24
Investment property	1,179,970	756,937	781,840	765,857	3,027,106
Investment property under development	35,596	16,660	23,504	43,214	-
Total non-current assets	1,234,444	794,361	826,155	833,319	3,042,919
Lease straight-lining receivable	1,262	734	1,807	688	3,144
Cash and cash equivalents	6,070	1,120	12,421	111,708	86,536
Total current assets	30,816	22,676	29,590	136,914	102,636
Total assets	1,265,260	817,037	855,745	970,233	3,145,555

Table 11

Total assets increased to ZMW 3,145.55m in FY24, up from ZMW 970.23m, primarily driven by the strategic acquisition of three new properties following the receipt of REIT status. The largest proportion of assets is attributed to investment properties, which accounted for 96% of total assets or ZMW 3,027.11m in FY24, followed by cash & cash equivalents of ZMW 86.54m, representing 3% of total assets.

The property portfolio has experienced some volatility over the years, with a notable decline in FY21 due to the impact of COVID-19. However, REIZ successfully reversed this negative trajectory, achieving its highest asset base in FY24. A detailed analysis of the investment property portfolio is provided in the latter sections.

Cash & cash equivalents declined by 23% y/y to ZMW 86.54m in FY24, largely due to capital expenditure and loan repayments during the period. The cash-to-short-term liabilities ratio, which peaked at 169% in FY23, declined significantly to 22% in FY24. Nonetheless, the utilisation of cash for CAPEX and related activities is considered essential to support the company's long-term growth strategy and profitability acceleration.

Lease rental receivables remained low at ZMW 12.73m, equivalent to 8% of rental income, reflecting the company's efficient and effective rental collection strategy.

Overall, the asset base is viewed as moderately strong, with REIZ actively pursuing strategic expansion following its REIT status. As the company has not yet completed a full operating cycle under its new structure, it remains premature to draw definitive conclusions. It is therefore important to closely monitor the implementation of strategic initiatives in the forthcoming periods.

LIABILITIES

Liabilities					
ZMW (000)	FY20	FY21	FY22	FY23	FY24
Corporate Bond	251,573	199,050	75,864	238,755	259,642
Convertible preferred stock	7,824	7,824	7,824	7,824	7,824
Lease liabilities	61,594	51,373	59,386	50,604	67,258
Bank loan	121,566	68,450	53,782	43,124	263,664
Trade and other payables	27,555	22,240	20,245	25,532	77,896
Total non current liabilities	409,020	128,165	168,977	312,423	352,670
Total current liabilities	74,687	231,827	60,616	65,957	389,414
Total liabilities	483,707	359,992	229,593	378,380	742,084

Table 12

Total liabilities stood at ZMW 742.08m in FY24, reflecting a 96% y/y increase, primarily driven by the rise in bank loans during the period. The liability structure is composed mainly of bank loans (36%), corporate bonds (35%), trade and other payables (10%), and lease liabilities (9%).

Total external debt amounted to ZMW 590.56m, comprising corporate bonds, lease liabilities, and bank loans. Bank loans increased significantly to ZMW 263.66m in FY24 from ZMW 43.12m in FY23, following the drawdown of two new facilities to support property acquisitions. These loans mature in November 2025 and bear interest at SOFR plus 5% and the Bank of Zambia base rate plus a liquidity premium of 3.25%.

Corporate bonds stood at ZMW 259.64m, marking a 9% y/y increase. This relates to the restructuring undertaken in FY22 of the initial bond issued in FY10. In FY23, the group issued a new fixed-rate long-term corporate bond to fund the rehabilitation of Arcades Mall, bearing interest at 9% and maturing in August 2026. The restructuring involved a 50% cash settlement, 15% conversion to ordinary shares, and a 35% rollover for five years at a reduced interest rate of 5.5% (down from 8.75%). Proceeds from the FY22 rights issue were utilised to settle 50% of the principal and accrued interest.

Lease liabilities rose by 33% y/y to ZMW 67.26m, of which 93% relate to long-term leases and 7% to short-term obligations.

Short-term debt totalled ZMW 268.32m, representing 45% of total debt, with the majority linked to bank loans maturing in November 2025. Additionally, ZMW 95.31m in corporate bonds are due for maturity in August 2026. Given the limited liquidity available, ICRA anticipates REIZ may pursue further debt restructuring in FY25 and FY26, which could heighten leverage pressures. The company's repayment history has been inconsistent, with prior breaches of debt covenants, suggesting that leverage and repayment risks remain elevated.

REIZ also holds convertible instruments valued at ZMW 7.82m, bearing interest at 8%—or 200bps above the prevailing yield on two-year treasury bonds—with a maximum coupon of 10%, payable semi-annually in arrears. These may be converted into ordinary shares after the third anniversary, subject to a three-month written notice.

Trade and other payables increased to ZMW 77.90m in FY24 from ZMW 25.53m in FY23, primarily comprising dividend payables (73%), unclaimed payables (15%), and other obligations.

Overall, the company's liability profile indicates pressure on repayment capacity, driven by low liquidity and rising leverage. Unpaid dividends, upcoming debt maturities, limited cash reserves, a history of bond restructuring, and covenant breaches collectively underscore the elevated risk associated with REIZ's liability structure.

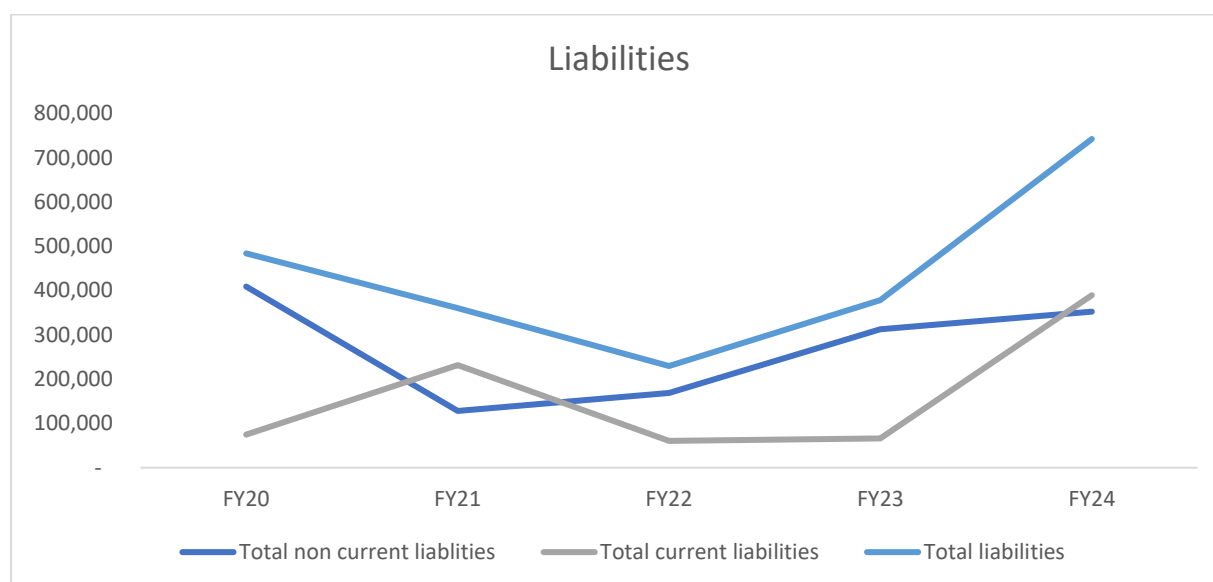


Exhibit 3

EQUITY

Liabilities					
ZMW (000)	FY20	FY21	FY22	FY23	FY24
Share capital	565	565	2,149	2,149	8,649
Share premium	90,340	90,340	245,261	245,261	1,530,984
Retained earnings	690,648	366,140	378,742	344,443	863,838
Total equity	781,553	457,045	626,152	591,853	2,403,471

Table 13

In FY24, REIZ Zambia's equity base increased significantly, reaching ZMW 2,403.47m, a 306% y/y increase from ZMW 591.85m in FY23. This growth was primarily driven by a substantial rise in share premium, which climbed to ZMW 1,530.98m (+524.3% y/y), reflecting strong investor participation following the rights issue to support the acquisition of three new properties during the year. Share capital also rose to ZMW 8.65m (+302% y/y), indicating new equity issuance. Retained earnings improved to ZMW 863.84m (+150.7% y/y), suggesting enhanced profitability during the period. The sharp increase in equity has significantly improved REIZ's capital structure, offering some comfort against its rising debt levels and liquidity constraints.

ICRA Opinion of Financial Positions

ICRA considers REIZ to be exposed to elevated financial risk, primarily due to repayment pressures arising from its high debt levels. While the company's ability to access the equity market provides some relief in the event of liquidity constraints, historical instances of bond restructuring and covenant breaches raise concerns regarding the robustness of its capital structure. Despite REIZ's strong growth prospects and strategic asset expansion, it remains essential to closely monitor the company's financial performance in alignment with its capital structure. A comprehensive assessment over time will be necessary before forming definitive conclusions on its long-term financial stability.

INVESTMENT PROPERTY ANALYSIS

REIZ's strategy centres on identifying high-yielding prime properties for acquisition, offering property owners shares in REIZ in return. The company's medium-term objective is to achieve a USD 500m asset base.

The Board has approved Napoli Property Management Limited as the property manager for the entire REIZ portfolio under a service contract. Napoli is a leading operator, manager and developer of hospitality, prime retail, commercial office space and other property developments, currently managing over 120,000m² of commercial and retail space. Valuation of REIZ's assets is conducted by E.M. Fumbeshi & Co. Limited, an external independent valuer with recognised professional qualifications appropriate for such assessments.

In terms of portfolio diversity, 62% of properties by value are retail malls or shopping centres, which continue to experience increasing occupancy demand within Zambia's property market. Retail malls also account for the largest share of leasable area, representing 59% of the total. REIZ is currently in the process of acquiring East Park Mall (EPM), the largest shopping mall in the country. This acquisition is expected to significantly enhance the overall investment portfolio and rental income streams.

Based on the current portfolio composition and strategic direction, ICRA has not identified any major concerns regarding REIZ's investment portfolio.

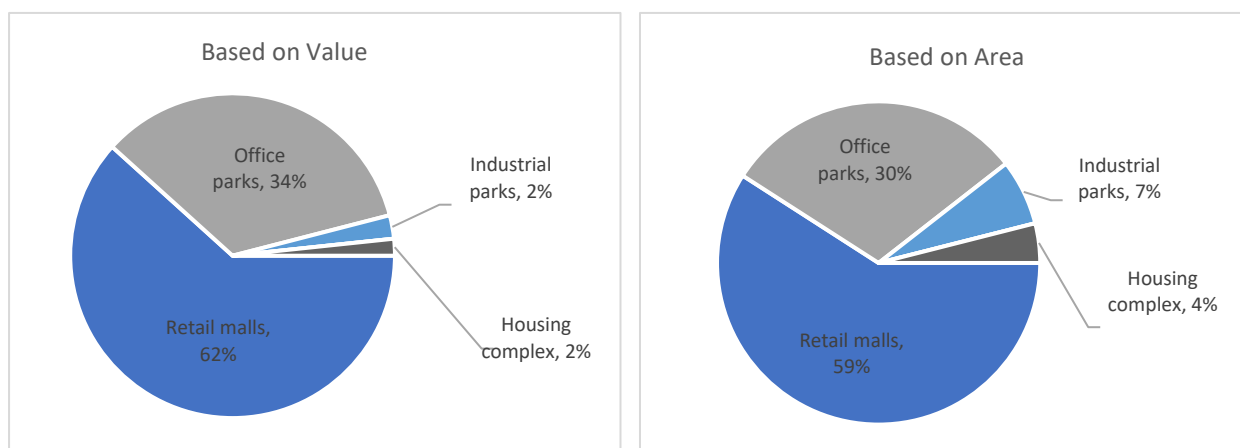


Exhibit 4

An increase in both occupancy levels and value per m² in FY24 reflects strong growth potential within the Zambian real estate market. These positive indicators also reinforce the upward trajectory of REIZ's investment prospects, suggesting continued value creation across its property portfolio..

Property Name	Property Type	Leasable Area	Value per M ² in FY23	Occupancy in FY23	Value per M ² in FY24	Occupancy in FY24
Arcades Shopping Centre	Retail Mall	22,547	14.29	36%	35.84	37%
Central Park	Office Park	9,034	16.10	65%	18.45	69%
Counting House Square	Office Park	3,039	19.95	51%	25.80	90%
Deloitte Square	Office Park	1,821	32.10	98%	36.85	100%
Nyerere Road	Office Park	1,518	34.74	100%	18.80	100%
Eureka Park	Industrial Park	6,274	10.35	68%	11.35	48%
Dedan Kimathi	Office Park	885	28.77	100%	29.37	100%
South View Park	Housing Complex	3,769	12.06	72%	13.49	91%
Parkway	Undeveloped	-	na	na	na	na
Acacia Park	Office Park	12,639	na	na	53.53	99%
Jacaranda Mall	Retail Mall	15,459	na	na	25.86	81%
Lewanika Mall	Retail Mall	18,300	na	na	36.59	95%
Total		95,285	16.55	54%	31.93	74%

Table 14

The rising value per square meter and improving occupancy rates reflect growing demand for REIZ properties and an enhancement in asset quality. Despite the increase in property values, the company continues to attract tenants, which is expected to drive rental income growth.

In FY24, the average value per square metre rose by 276% y/y to ZMW 31.93k, while occupancy rates increased by 20ppts to 74%. This upward trend was observed both on an overall and individual property basis, with the exception of Nyerere Road Office Park, where the value per square metre declined by 46% y/y to ZMW 18.80k. However, ICRA does not consider this a significant risk, as the property accounts for only 2% of REIZ's total leasable area.

ICRA Opinion

ICRA assesses REIZ's property portfolio as low risk, supported by adequate diversification, a strategic focus on value appreciation, premium property acquisitions, and improving occupancy levels. These factors collectively underpin the company's revenue growth.

Moreover, REIZ holds substantial growth potential through its Arcades Shopping Centre, which represents 24% of the portfolio's leasable area and 27% of its value. Currently, only 37% of its leasable space is occupied, leaving 63% unrented. Given its prime location and high asset value, REIZ should prioritise increasing occupancy at this site to accelerate its growth trajectory.

CASH FLOW ANALYSIS

Cash Flows					
ZMW (000)	FY20	FY21	FY22	FY23	FY24
WC changes	24,045	(7,491)	1,204	-	35,647
Net Operating Cash Flow	47,377	11,091	(3,546)	26,731	135,512
Capital expenditure	(205)	-	-	-	(114,566)
Net investing Cash Flows	(357)	38,321	(975)	(9,975)	(79,949)
Net borrowing	(40,925)	(50,355)	(149,144)	(48,026)	(91,483)
Net financing cash flow	(44,048)	(53,396)	4,657	44,020	(95,668)

Table 15

REIZ's net operating cash flow rose to ZMW 135.5m in FY24, marking a significant y/y improvement from ZMW 26.7m in FY23. This increase was primarily driven by a return to profitability in FY24, following a loss-making FY23. The turnaround in earnings, coupled with favourable working capital movements, contributed to the strong operating cash generation. However, the trend over the past five years has been notably volatile. Net operating cash flows fluctuated from ZMW 47.4m in FY20 to a low of negative ZMW 3.5m in FY22, reflecting inconsistent earnings performance and shifting working capital requirements. Such variability highlights the sensitivity of REIZ's cash generation to both operational efficiency and external market conditions.

Net investing cash flows also displayed a similarly unpredictable pattern, with FY24 recording a substantial outflow of ZMW 79.9m. This was largely driven by capital expenditure, which peaked at ZMW 114.6m in FY24, significantly higher than prior years. This was partially offset by inflows from asset disposals, but the scale of CAPEX indicates a strategic push towards property development and refurbishment, which may support future income but strains near-term liquidity.

Financing cash flows remained uneven, with FY24 showing an outflow of ZMW 95.7m. The main contributors were repayments of debt and interest obligations related to bonds, bank loans, and lease liabilities.

Overall, REIZ recorded a net cash outflow of ZMW 40.1m in FY24, primarily due to CAPEX and debt repayments. As a result, the closing cash balance declined to ZMW 86.54m. Cash flow activities have remained volatile, with net cash burns recorded in multiple years. ICRA views REIZ's cash flow profile as carrying elevated risk, given the inconsistency in operating performance and the pressure from investment and financing outflows.

RATIO ANALYSIS

EARNINGS AND PROFITABILITY

In evaluating the earnings and profitability of REIZ, ICRA adopted a three-pronged analytical approach: (i) profitability margins to assess overall earnings performance, (ii) cash flow margins to evaluate the company's ability to generate operational funds through core business activities, and (iii) return ratios to measure the efficiency with which REIZ utilises its assets and equity to generate profits. Given that a significant portion of reported profits is attributable to fair value gains, which is a non-cash income, ICRA calculated adjusted ratios excluding these fair value gains to provide a more accurate and meaningful assessment of the company's underlying earnings and profitability.

Profitability					
	FY20	FY21	FY22	FY23	FY24
Net Operating Margin	258%	-654%	185%	65%	437%
Adj. Net Operating Margin	31%	32%	39%	34%	59%
Net Profit Margin	-48%	-552%	112%	-46%	346%
Adj. Net Profit Margin	-274%	134%	-34%	-76%	-32%
Funds From Operations (FFO) Margin	-271%	-21%	-31%	-74%	-31%
Adj. FFO (AFFO) Margin	-272%	-22%	-33%	-87%	-99%
Return on Assets (ROA)	-2%	-31%	7%	-4%	28%
Adj. ROA	-14%	8%	-2%	-6%	-3%
Return on Equity	-4%	-52%	12%	-6%	39%
Adj. ROE	-22%	13%	-4%	-9%	-4%

Table 16

ICRA's assessment of REIZ's profitability profile highlights a mixed performance across key adjusted metrics. The adjusted operating margin ranged between 31% and 39% during the FY20–FY23 period, peaking at 59% in FY24. This improvement reflects enhanced operating profitability, supported by the acquisition of new properties and increased occupancy levels. However, the adjusted net profit margin remained negative across most years, with the exception of FY21. Positively, the loss margin narrowed to 32% in FY24 from 76% in FY23, indicating progress in managing finance expenses, though challenges persist.

FFO margin, which measures the company's recurring cash flow generation relative to revenue, remained negative throughout the period. AFFO margin followed a similar trend, underscoring continued weakness in operational cash generation. These sustained deficits raise concerns over REIZ's near-term liquidity and financial flexibility, as the business is not generating sufficient internal funds to support growth or meet obligations without external financing.

Adjusted ROA and adjusted ROE also recorded negative returns across the review period, except in FY21. Nonetheless, both metrics showed improvement in FY24, with adjusted ROA and ROE narrowing to negative 3% and 4% respectively, from 6% and 9% in FY23. This reflects a modest uplift in net profitability, driven by strategic property acquisitions and the benefits of REIT status during the year.

Overall, ICRA views REIZ's earnings and profitability profile as slightly improved but still constrained, with elevated risk levels. The assessment remains conservative given the industry dynamics and operating environment. While FY24 showed signs of recovery, particularly through strategic acquisitions and operational efficiencies, the company's ability to sustain and build on this momentum will depend on its capacity to address underlying financial pressures. ICRA expects profitability to improve in the coming periods, provided there are no significant market disruptions.

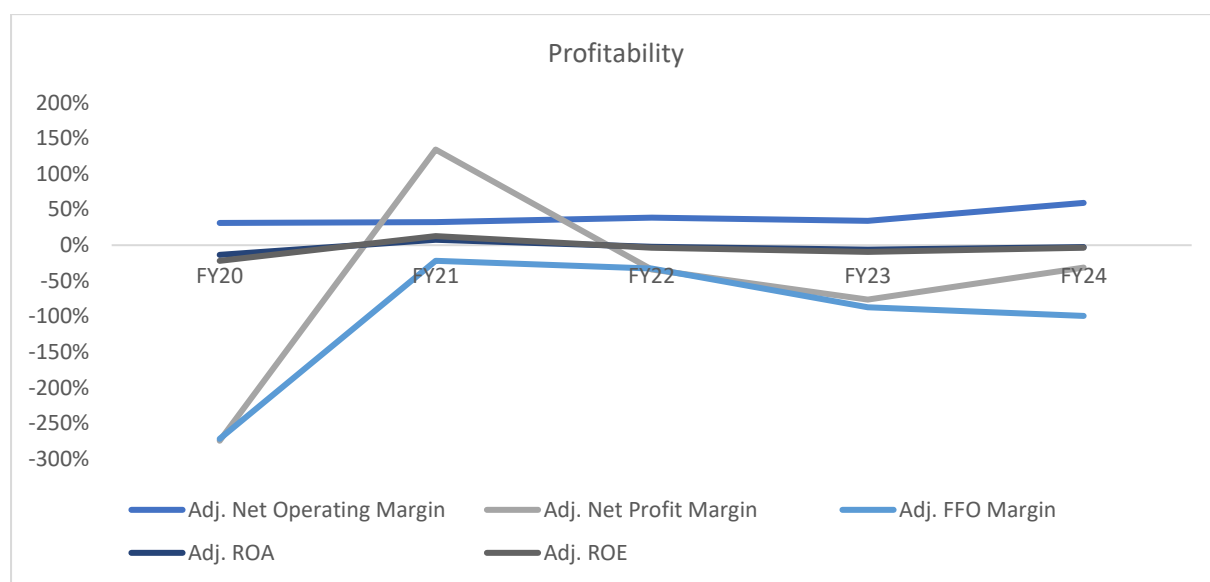


Exhibit 5

COVERAGE RATIOS

Coverage ratios are vital indicators of a REIT's financial resilience and operational sustainability. They provide insight into the entity's ability to meet its debt obligations and maintain consistent dividend distributions. These metrics help stakeholders assess whether earnings are sufficient and stable enough to support both financing costs and shareholder returns, especially in environments with fluctuating interest rates or asset revaluations. By focusing on actual cash flow rather than accounting profits, coverage ratios offer a clearer view of liquidity, risk exposure, and the REIT's capacity to navigate financial stress without compromising its core obligations.

Coverage Ratios					
	FY20	FY21	FY22	FY23	FY24
Interest Cover	0.84x	-11.55x	2.53x	0.59x	4.77x
Adj. Interest Cover	0.10x	0.57x	0.53x	0.31x	0.65x
Debt Service Cover	0.69x	-1.61x	1.35x	0.41x	1.74x
Adj. Debt Service Cover	0.08x	0.08x	0.28x	0.22x	0.24x
Dividend Cover	na	na	na	na	10.24x
Adj. Dividend Cover	na	na	na	na	-0.93x

Table 17

For REIZ, ICRA has calculated coverage ratios on both a reported and adjusted basis, with the latter excluding the impact of material non-cash income—primarily fair value gains on investment properties. This adjustment provides a more realistic assessment of the company's underlying cash flow strength and its ability to meet financial obligations in a sustainable manner.

While the majority of reported coverage ratios suggest positive signals, the adjusted figures reveal a more constrained financial position. Adjusted interest cover remained below 1.0x across all five years, peaking at just 0.65x in FY24, indicating that core operating earnings were consistently insufficient to fully service interest costs. Similarly, adjusted debt service coverage ratios ranged from 0.08x to 0.24x, well below the threshold typically considered viable, suggesting continued reliance on external funding to meet principal repayments.

Dividend coverage presents a stark contrast. The reported figure in FY24 indicates a strong 10.24x coverage; however, the adjusted ratio falls to -0.93x, implying that dividends were paid despite negative core cash flow. This underscores the importance of generating recurring profits that translate into actual cash flows through core activities. The historical reliance on fair value gains for profitability highlights the need to shift focus towards cash-generative operations to support future commitments.

Overall, the adjusted metrics point to a concerning financial profile, with limited cash-based capacity to support interest, debt service, or dividends. For stakeholders, these figures reinforce the importance of evaluating REIZ's financial sustainability through recurring earnings and cash flow metrics, rather than relying solely on accounting-based performance indicators.

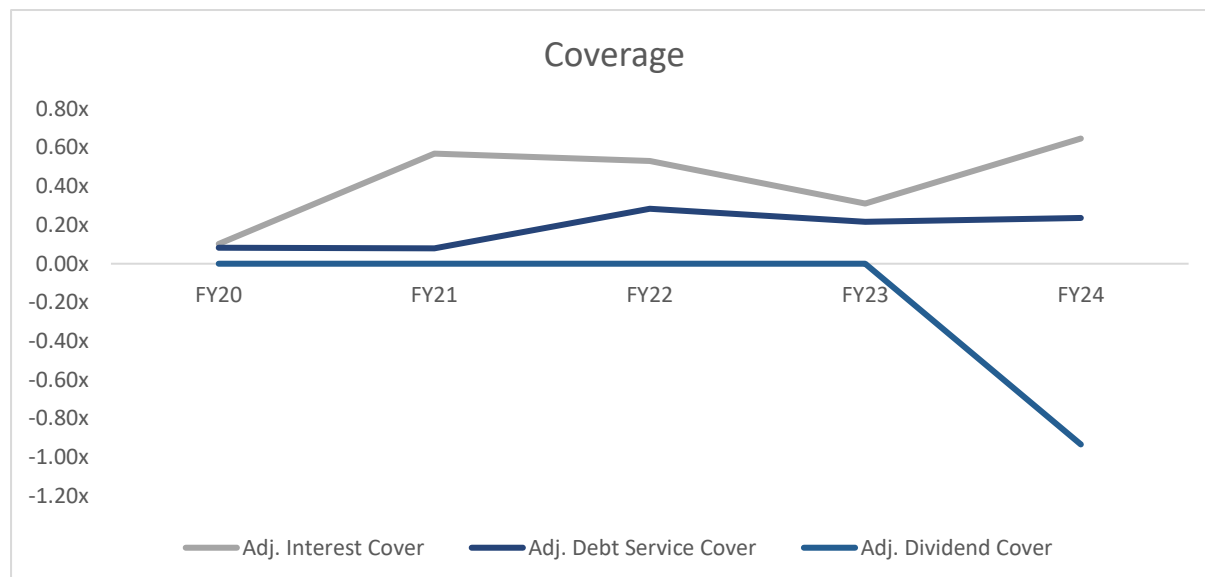


Exhibit 6

LIQUIDITY ANALYSIS

Liquidity is essential to a REIT's financial stability, enabling it to meet short-term obligations, maintain dividend distributions, and manage refinancing risks without disrupting core operations. It reflects the REIT's ability to convert earnings into usable cash, especially critical during periods of market stress or rising interest rates. Strong liquidity supports operational flexibility, investor confidence, and strategic decision-making, while reducing reliance on external funding. For stakeholders, cash-based liquidity metrics offer a clearer view of the REIT's resilience and capacity to honour commitments, beyond what accounting profits alone may suggest—making it a key indicator of sustainable financial performance.

Liquidity Ratios					
	FY20	FY21	FY22	FY23	FY24
Current Ratio	0.41x	0.10x	0.49x	2.08x	0.26x
Cash Ratio	0.08x	0.00x	0.20x	1.69x	0.22x
Cash to ST Debt	0.14x	0.01x	0.35x	3.07x	0.32x
AFFO to Dividends	na	na	na	na	-2.93x

Table 18

REIZ's liquidity position over the past five years has been volatile and weak, with only a temporary improvement in FY23 driven by the issuance of corporate bonds and favourable exchange rate movements. Core liquidity ratios, including the current ratio, cash ratio, and cash-to-short-term debt ratio, remained below healthy levels in most years, indicating limited capacity to meet short-term obligations through cash resources. The current ratio stayed below 0.50x in four out of five years, with a brief spike to 2.08x in FY23 that proved unsustainable, falling back to 0.26x in FY24. Similarly, the cash ratio was critically low, reaching 0.01x in FY21 and recovering only modestly to 0.22x in FY24, reflecting constrained liquidity.

The cash-to-short-term debt ratio followed a similar trend, remaining below 0.35x in all years except FY23, where it rose to 3.07x. This temporary boost did not reflect improved operating cash flow, and the subsequent decline in FY24 confirms the underlying liquidity challenges. Most notably, the AFFO to dividends ratio in FY24 was -2.93x, indicating that dividend payments were to be supported from external liquidity.

Looking ahead, REIZ is obligated to distribute at least 80% of its distributable profits to shareholders, in line with regulatory requirements for listed REITs. This commitment places added pressure on the company's cash flow and liquidity management. In this context, a stable and robust liquidity profile is not merely desirable; it is essential. The current liquidity position does not favour the company's ability to meet this obligation without relying on episodic funding events or non-cash income such as fair value gains.

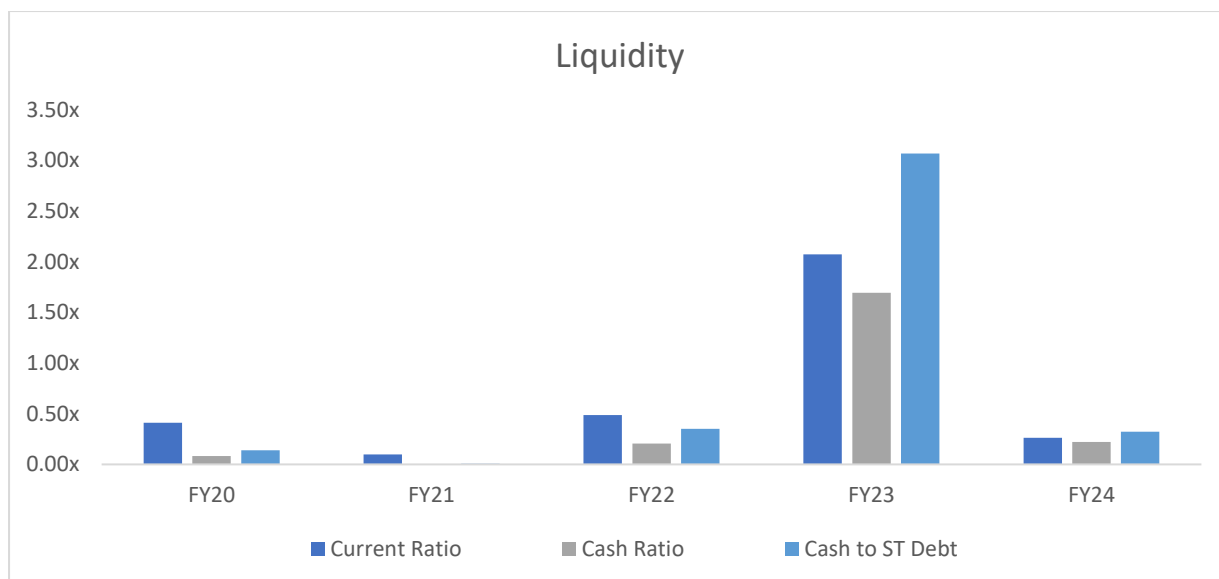


Exhibit 7

LEVERAGE ANALYSIS

Assessing leverage is essential to understanding a REIT's financial stability and risk exposure. Leverage ratios reveal how much debt is used to finance assets and operations, and whether the capital structure is sustainable. While debt can enhance returns, excessive leverage increases vulnerability to interest rate changes, refinancing risk, and asset devaluations. Key metrics such as debt-to-equity and loan-to-value (LTV) help stakeholders evaluate the REIT's ability to absorb financial shocks and maintain flexibility. Prudent leverage supports long-term growth, dividend stability, and investor confidence, while over-leveraging may lead to covenant breaches or forced asset sales. In a capital-intensive sector like real estate, disciplined leverage management is vital to ensuring resilience and preserving shareholder value.

Leverage Ratios					
	FY20	FY21	FY22	FY23	FY24
Debt to Equity Ratio	0.57x	0.71x	0.31x	0.57x	0.25x
Loan to Value	36%	42%	24%	42%	20%
Liabilities to Assets	0.38x	0.44x	0.27x	0.39x	0.24x
Net Debt to Adj. EBIT	22.35x	17.20x	8.52x	8.87x	5.11x

REIZ's Interest-Bearing Debt to Equity Ratio shows a clear deleveraging trend, falling from 0.71x in FY21 to 0.25x in FY24. This indicates a shift towards a more equity-heavy capital structure, reducing leverage risk. The spike in FY21 may reflect strategic borrowing, but the subsequent decline suggests lower debt raised during the period.

The Loan-to-Value (LTV) Ratio mirrors this trend, dropping from 42% in FY21 and FY23 to just 20% in FY24, mainly due to fair value increase in the assets and acquisition of new properties. This implies strong asset coverage and low asset-backed leverage.

Liabilities to Assets declined from 0.44x in FY21 to 0.24x in FY24, reinforcing the narrative of reduced balance sheet risk. This ratio includes all liabilities, not just interest-bearing debt, and its downward trajectory suggests broader liability containment, possibly through operational efficiencies or liability restructuring supported by reported profits despite negative adjusted profits due to heavy fair value gains.

The most striking improvement is in Net Debt to Adjusted EBIT, which fell from a high-risk 22.35x in FY20 to a manageable 5.11x in FY24. This reflects enhanced earnings capacity relative to net debt.

REIZ's leverage metrics over five years reflect a strategic shift towards financial conservatism. Despite other challenges mentioned in the above sections, the leverage risk has somewhat reduced over the years in REIZ, indicating a comparatively moderate capital structure.

ANNEXURES

INCOME STATMENT

Income Statement					
ZMW	FY20	FY21	FY22	FY23	FY24
Rental income	62,522	58,801	55,894	65,338	159,316
Recoveries revenue	-	-	-	9,623	9,346
Property expenses	(15,271)	(12,174)	(10,030)	(28,841)	(56,476)
Net revenue	47,251	46,627	45,864	46,120	112,186
Rental income tax	(5,535)	(5,753)	(6,841)	(9,522)	(4,103)
FV gain on investment properties	-	-	74,675	12,549	637,710
FV gain on development properties	141,721	(403,428)	6,844	10,268	-
Operating expenses	(10,899)	(14,094)	(10,703)	(10,838)	(7,963)
Net impairment losses	(11,291)	(7,848)	(6,672)	-	-
Operating profits	161,247	(384,496)	103,167	48,577	737,830
Finance income	20	93,273	19	16	1,300
Finance cost	(191,119)	(33,285)	(40,812)	(82,892)	(154,741)
Net finance costs	(191,099)	59,988	(40,793)	(82,876)	(153,441)
Net profit	(29,852)	(324,508)	62,374	(34,299)	584,389

Table 19

BALANCE SHEET

Balance Sheet					
ZMW	FY20	FY21	FY22	FY23	FY24
Assets					
<u>Non-current assets</u>					
Equipment and motor vehicles	11,719	10,250	9,314	7,963	6,228
Lease straight-lining receivables	7,159	10,514	11,497	16,285	9,585
Investment property	1,179,970	756,937	781,840	765,857	3,027,106
Investment property under development	35,596	16,660	23,504	43,214	-
Total non-current assets	1,234,444	794,361	826,155	833,319	3,042,919
<u>Current assets</u>					
Current tax receivable	330	345	444	445	-
Lease straight-lining receivable	1,262	734	1,807	688	3,144
Other current assets	1,035	709	131	14,186	-
Trade and other receivables	22,119	19,768	14,787	9,887	12,956
Cash and cash equivalents	6,070	1,120	12,421	111,708	86,536
Total current assets	30,816	22,676	29,590	136,914	102,636
Total assets	1,265,260	817,037	855,745	970,233	3,145,555
Equity					
Share capital	565	565	2,149	2,149	8,649
Share premium	90,340	90,340	245,261	245,261	1,530,984
Retained earnings	690,648	366,140	378,742	344,443	863,838
Total equity	781,553	457,045	626,152	591,853	2,403,471
Liabilities					
<u>Non current liabilities</u>					
Convertible preferred stock	7,824	7,824	7,824	7,824	7,824
Security deposits	9,651	6,673	7,524	8,486	22,609
Corporate bond	251,573	-	71,692	238,755	259,642
Bank loan	83,050	65,973	27,747	10,987	-
Lease liabilities	56,922	47,695	54,190	46,371	62,595
Total non current liabilities	409,020	128,165	168,977	312,423	352,670
<u>Current liabilities</u>					
Corporate bond	-	199,050	4,172	-	-
Bank loan	38,516	2,477	26,035	32,137	263,664
Lease liabilities	4,672	3,678	5,196	4,233	4,663
Current tax payable	3,944	4,382	4,968	4,055	1,591
Trade and other payables	27,555	22,240	20,245	25,532	77,896
Amounts due to related parties	-	-	-	-	41,600
Total current liabilities	74,687	231,827	60,616	65,957	389,414
Total liabilities	483,707	359,992	229,593	378,380	742,084
Total equity and liabilities	1,265,260	817,037	855,745	970,233	3,145,555

Table 20

CASHFLOW STATEMENT

Cash Flow Statement					
ZMW	FY20	FY21	FY22	FY23	FY24
Operating Cash Flow					
Profit for the year	(29,852)	(324,508)	62,374	(34,299)	584,389
Adjustments:					
Depreciation	2,058	1,727	1,930	1,884	1,766
FV changes in properties	(141,721)	400,928	(110,333)	(22,817)	(637,710)
Corp bond adjustments				-	-
Financing costs	191,099	(59,988)	40,793	82,876	153,441
Rental tax	1,748	423	486	(913)	(2,021)
WC changes:					
Lease interest receivables		-	-	-	4,244
Other current assets	(532)	326	(578)	-	14,186
Trade and other receivables	8,678	476	2,925	-	(3,069)
Security deposits		-	-	-	14,123
Trade and other payables	15,899	(8,293)	(1,143)	-	6,163
Net Operating Cash Flow	47,377	11,091	(3,546)	26,731	135,512
Investing Cash Flows					
Interest received	20	38	19	-	1,300
Capital expenditure	(205)		-	-	(114,566)
Disposal of property		38,541	-	-	33,320
Purchase of equipment and motor vehicles	(172)	(258)	(994)	(9,975)	(3)
Net investing Cash Flows	(357)	38,321	(975)	(9,975)	(79,949)
Financing Cash Flow					
Coupon interest on preferred stock paid	(3,123)	(3,041)	(2,704)	(3,259)	(4,185)
Corporate bond interest paid	(20,299)	(18,975)	(17,400)	(9,694)	(20,077)
Corporate bond principal paid			(105,785)		
Interest on other loans and borrowings	(11,115)	(6,250)	(4,099)	(3,538)	(15,519)
Repayment of principal on other loans and borrowings	(7,472)	(23,173)	(20,589)	(24,823)	(48,722)
Interest on lease liability	(178)	(171)	(111)	(6,069)	(4,317)
Lease principle payment	(1,861)	(1,786)	(1,160)	(3,902)	(2,848)
Proceeds from issue of shares			156,505		
Issue of new corporate bond				95,305	
Net financing cash flow	(44,048)	(53,396)	4,657	44,020	(95,668)
Net cash flow	2,972	(3,984)	136	60,776	(40,105)
Cash at beginning	6,094	6,070	1,120	1,120	111,708
Exchange effect	(2,996)	(966)	11,165	49,812	14,933
Ending cash	6,070	1,120	12,421	111,708	86,536

Table 21

GLOSSARY

&	:	<i>And</i>
bn	:	<i>Billions</i>
c.	:	<i>Approximately</i>
CAGR	:	<i>Compound Annual Growth Rate</i>
CAPEX	:	<i>Capital Expenditure</i>
CEO	:	<i>Chief Executive Officer</i>
cf.	:	<i>Compared to</i>
CFT	:	<i>Combating the Financing of Terrorism</i>
D&A	:	<i>Depreciation and Amortization</i>
EBIT	:	<i>Earnings before Interest and Tax</i>
EBITDA	:	<i>Earnings before Interest, Tax , Depreciation & Amortization</i>
etc.	:	<i>Et cetera</i>
FFO	:	<i>Funds from Operations</i>
FYxx	:	<i>Financial Year ending 31-Dec-202X</i>
GDP	:	<i>Gross Domestic Production</i>
ICRA	:	<i>International Credit Rating Agency</i>
ISO	:	<i>International Organization for Standardization</i>
k	:	<i>Thousands</i>
KYC	:	<i>Know Your Customers</i>
m	:	<i>Ms</i>
MOU	:	<i>Memorandum of Understanding</i>
Na or N/A	:	<i>Not Applicable</i>
OPEX	:	<i>Operating Expenses</i>
PPE	:	<i>Property, Plant and Equipment</i>
ppts	:	<i>Percentages points</i>
REIT	:	<i>Real Estate Investment Trust</i>
ROCE	:	<i>Return on Capital Employed</i>
tn	:	<i>Trillion</i>
USD	:	<i>United States Dollar</i>
vs.	:	<i>Versus</i>
x	:	<i>times</i>
y/y	:	<i>Year over Year</i>
ZMW	:	<i>Zambian Kwacha</i>

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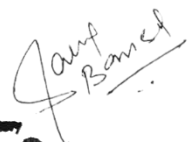
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