

**SENS ANNOUNCEMENT**

(the "Notice" or "Announcement")

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**ISSUER**

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Company registration number: 10951  
Share Code: REIZ  
ISIN: ISIN: ZM4000000013 (formerly ISIN ZM0000000045)  
Authorized by: Louis Pulu – Company Secretary

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**SPONSOR**

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[ A member of the Lusaka Securities Exchange ]  
[ Regulated and Licensed by the Securities and Exchange Commission Zambia ]

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Website: [www.kukulacapital.com](http://www.kukulacapital.com)

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**APPROVAL**

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The captioned Notice or Announcement has been approved by:

- i. the Lusaka Securities Exchange
- ii. the Securities and Exchange Commission
- iii. Kukula Capital Limited

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**RISK WARNING**

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The Notice or 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.

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**ISSUED: 04 April 2025**



## Audited Final Results – 2024

### Statement of financial results for Real Estate Investments Zambia PLC and its subsidiaries (“the Group”) for the year ended 31 December 2024

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 year ended 31 December 2024. These financial results are derived from the Group and Company’s audited financial statement which were approved by the Directors on 18<sup>th</sup> March 2025

ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
	GROUP		COMPANY	
	Year to 31.12.24 ZMW’ 000	Year to 31.12.23 ZMW’ 000	Year to 31.12.24 ZMW’ 000	Year to 31.12.23 ZMW’ 000
Revenue	159,316	65,338	159,316	65,338
<b>Profit from operations before change in fair value of investment property</b>	<b>96,314</b>	<b>35,282</b>	<b>97,781</b>	<b>36,741</b>
Change in fair value of investment property	637,710	22,817	637,710	22,817
<b>Profit/ (loss) from operations</b>	<b>734,024</b>	<b>58,099</b>	<b>735,491</b>	<b>59,558</b>
<b>Net finance costs</b>	<b>(42,797)</b>	<b>(22,559)</b>	<b>(42,797)</b>	<b>(22,560)</b>
<b>Exchange (loss)/gain</b>	<b>(110,644)</b>	<b>(60,317)</b>	<b>(110,644)</b>	<b>(60,332)</b>
<b>Profit/ (loss) before tax</b>	<b>580,583</b>	<b>(24,777)</b>	<b>582,050</b>	<b>(23,334)</b>
<b>Taxes paid</b>	<b>(4,103)</b>	<b>(9,522)</b>	<b>(4,103)</b>	<b>(9,522)</b>
<b>Profit / (loss) after tax</b>	<b>576,480</b>	<b>(34,299)</b>	<b>577,947</b>	<b>(32,856)</b>
Headline Earnings per share: <i>(Zambian Kwacha)</i>	0.11	0.16	0.11	0.17
Basic Earnings per share after tax: <i>(Zambian Kwacha)</i>	0.67	(0.16)	0.67	(0.15)
Interim dividend per share: <i>(Zambian Kwacha)</i>	-	-	-	-
Weighted average number of ordinary shares	864,920,876	214,920,867	864,920,876	214,920,867
ABRIDGED STATEMENT OF FINANCIAL POSITION				
<b>Assets</b>				
Plant and equipment	6,228	7,963	818	1,097
Investment property	3,027,106	765,857	3,027,106	765,857
Investment property under development	-	43,214	-	43,214
Lease straight-lining receivable	9,585	16,285	9,585	16,285
Investment in subsidiaries	-	-	146,961	146,961
Current assets	102,636	136,914	103,502	136,979
<b>Total assets</b>	<b>3,145,555</b>	<b>970,233</b>	<b>3,287,972</b>	<b>1,110,393</b>
<b>Equity and liabilities</b>				
Total equity	2,403,471	591,853	1,930,935	117,849
Non-current liabilities	352,671	312,423	352,670	312,423
Current liabilities	389,413	65,957	1,004,367	680,121
<b>Total equity and liabilities</b>	<b>3,145,555</b>	<b>970,233</b>	<b>3,287,972</b>	<b>1,110,393</b>
ABRIDGED STATEMENT OF CHANGES IN EQUITY				
Share capital	2,149	2,149	2,149	2,149
Share premium	245,261	245,261	245,261	245,261
Retained earnings	344,442	378,742	(129,561)	(96,705)
Balance at beginning of the year	591,852	626,152	117,849	150,705
New Issue of shares	6,500	-	6,500	-
Transfer to share premium	1,285,724	-	1,285,724	-
Profit/(loss) for the year	576,480	(34,299)	577,947	(32,856)
Dividends payable	(57,085)	-	(57,085)	-
<b>Total closing equity</b>	<b>2,403,471</b>	<b>591,853</b>	<b>1,930,935</b>	<b>117,849</b>
ABRIDGED STATEMENT OF CASH FLOWS				
Net cash generated from operating activities	135,511	20,155	135,526	20,200
Net cash (used in) / generated from investing activities	(79,948)	(9,975)	(79,948)	(9,975)
Net cash used in financing activities	(95,668)	44,020	(95,668)	44,020
Net (decrease)/increase in cash & cash equivalents	(40,105)	54,200	(40,090)	54,245
Cash & cash equivalents at beginning of the year	111,708	12,421	111,698	12,395
Effect of exchange rate fluctuations on cash held	14,933	45,087	14,932	45,058
<b>Cash and cash equivalents at end of the year</b>	<b>86,536</b>	<b>111,708</b>	<b>86,540</b>	<b>111,698</b>
<b>Note:</b>	<b>The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).</b>			

## FINANCIAL PERFORMANCE

The company's turnaround strategy which was anchored on a business strategy to acquire three prime properties and conversion of the entity into Zambia's first ever REIT yielded positive financial results. During the financial year ended 31<sup>st</sup> December 2024, the Group reported a profit after tax of ZMW 576 as compared to a loss of ZMW 34.2 million for the same prior year period. Rental income increased by 144% from ZMW 65.3 million in 2023 to ZMW 159.3 million in 2024 due to the strategic acquisition of Lewanika Mall, Jacaranda Mall and Acacia Park with effect from 1<sup>st</sup> July 2024. Property expenses increased in line with the management services agreement and finance costs increased as a result of two additional loan facilities which come along with the acquired properties. With this strong performance, the company is on course to declare dividends for the first time in six years. The company recognised a fair value gain on its investment properties of ZMW 637 million, mainly due to an increase in the value of Arcades Shopping mall which was recently refurbished and also as a result of movements in the exchange rates.

## FAIR VALUE OF INVESTMENT PROPERTY PORTFOLIO

The investment properties including the right of use assets as at 31<sup>st</sup> December 2024 were valued at ZMW 3.0 billion from ZMW 765 million in 2023. The increase in value was due to the acquisition of three prime high yielding properties: Lewanika Mall, Jacaranda Mall and Acacia Park with effect from 1<sup>st</sup> July 2024. The year-end valuations were carried out by independent professional property valuers and were independently verified by our external auditor's external appointed experts.

## CASHFLOWS

The Group recorded an increase in the net cash generated from operating activities from ZMW 26 million in the prior year to ZMW 135 million in 2024 due to good quality net income from the acquired properties. However, the Group experienced a decrease in cash and cash equivalents during the period from ZMW 111.7 million as at 31<sup>st</sup> December 2023 to ZMW 86 million as at 31<sup>st</sup> December 2024 due to expenditure on renovations and upgrades, especially on the Arcades shopping mall.

## DIVIDEND

The Board of Directors will be proposing a dividend declaration, at the Annual General Meeting, for the year ended 31 December 2024 of 80% of the company's distributable income in line with the REIT guidelines. No interim dividend was declared for the year ended 31 December 2024.

## BUSINESS OUTLOOK

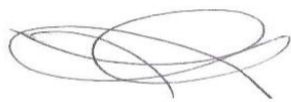
The business outlook for 2025 remains very positive despite the current economic challenges experienced in the country. The REIZ REIT was approved for dollar listing and is currently trading in USD, and the directors believe this will attract foreign investors. The medium-term overall business strategy is to grow the REIT to \$500 million in assets and to achieve this goal, the Board identified East Park Mall (EPM) which is the biggest shopping mall in the country as a good acquisition target. A resolution was passed by the Board to acquire the property pending shareholder and regulatory approvals. Once approved, management forecasts indicate that the acquisition of East Park Mall will double the company's rental revenue and its net operating income is expected to double as well. Projections also indicate growth in dividend yields in the next three to five years to all existing shareholders due to the tax incentives to be enjoyed when the property becomes part of the REIT.

## Note:

The Company, having attained dollar listing, will in the financial year 2025 apply for preparation and presentation of financial statements in dollars.

## BY ORDER OF THE BOARD

Louis Pulu  
Company Secretary  
Lusaka



Issued in Lusaka, Zambia on 4<sup>th</sup> April 2025

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