



Annual Report & Financial Statements -2025



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Vision, Mission And Values

Strategic pillars are the key components that define Real Estate Investments Zambia Plc and these include our Vision, Mission and Values.

Vision

To be the most valuable listed company in Zambia by market capitalization.

Mission

To be ranked the best property development and management company in Zambia by customer satisfaction and shareholder value maximization.

Values

Accountability

Sincerity

Courtesy

Transparency

Objectivity



History of the Group



Real Estate Investments Zambia Plc was originally the North Western Rhodesia Farmers Co-operative in the 1920's. This was principally a commercial farmers' co-operative which secured the current location of Central Park on Cairo Road as a collection centre for farming produce. The Co-operative went through various guises until after independence in 1964 when it was renamed the Zambian Farmers Co-operative. The construction of the Farmers House building was completed in the 1970's, hence the name by which the property became known.

In 1981 a limited liability company was formed called Farmers House Limited to which all the real estate assets of the Co-operative were transferred. The members of the cooperative became shareholders of the new Company on a one-for-one share basis. From that time the Company was solely a real estate investment vehicle.

The business was therefore principally owned by commercial farmers who traded their shares on an annual basis at their annual general meetings. It was felt that this should be changed and so the Directors actively reviewed the options for wider ownership of the business. The opportunity arose for the Company to

become public under the Companies Act 1994. Thereafter the shareholders agreed to list the Company on the Lusaka Stock Exchange (LuSE) at the inception of this Exchange. Farmers House Plc was registered in 1996 as the second company to list on LuSE.

Farmers House Plc entered into an active period of development of its flagship property at the time – Farmers House. The old building was completely refurbished in 1999/2000 and thereafter a phased development of what was renamed Central Park was undertaken. The Exchange building (which housed the Lusaka Stock Exchange until 2015) was the final part of this development, which is a landmark as you enter the business district of Lusaka.

For further account of REIZ's progress, a detailed timeline is provided below. One of the key milestones in this period was the 'rights issue' in 2004, in which the Company actively encouraged and achieved the participation of institutional investors – these now make up a large portion of the shareholding.

In order to more actively reflect the core operations of the Group, Farmers House Plc was renamed in 2012 to Real Estate Investments Zambia Plc.



Timeline

- 1920s** Original North Western Rhodesia Farmers Co-operative.
- 1996** Listed on the Lusaka Stock Exchange (LuSE).
- 1999** Issued first LuSE listed corporate bond and raised US\$ 1 million to develop phase II of Central Park; all converted into equity.
- 2001** Raised US\$ 1.98 million via a preference share rights issue for the purpose of developing phase III of Central Park.
- 2003** Raised Zambia's first property development bank loan secured on the property's own cash flows for the construction of the Lusaka Stock Exchange building (US\$ 2.6 million) - fully repaid.
- 2004** Raised US\$ 10 million via a rights issue for the development of the Celtel/Zain/Airtel Head Office. The property was sold off to Airtel in 2013 after being operated by REIZ for about 7 years.
- 2008** Joint Venture formed (Burnet Investments Ltd) with Standard Bank Properties (Pty) Ltd for the development of the Stanbic Head Office. REIZ sold its interest in Burnet Investments Ltd in 2015.
- 2009** Issued a short-term commercial paper of US\$ 10 million for the purpose of raising bridging finance to secure & develop certain properties.
- 2010** Issued a 12 year US\$ 15 million corporate bond tradable on the LuSE to retire commercial paper and to acquire Thistle Land Development Company Ltd (TLD).
- 2010** Acquired Counting House Square; the sole property of TLD.
- 2012** Completed the development of Abacus Square, now called Deloitte Square.
- 2012** Secured a US\$ 12.5 million term loan from Investec Asset Management (Pty) Ltd, and US\$ 2.5 million from African Life Financial Services Ltd as part funding to acquire Arcades Development Plc. Shareholders in Arcades received part payment in equity of Real Estate Investments Zambia Plc to the value of US\$ 10 million. Transaction completed in February 2012.
- 2013** Transferred the lease of Airtel House to Airtel Zambia Networks Plc for a consideration of ZMW 114.8 million and the purchase of the Nyerere Road Airtel property at ZMW 16.8 million. The net proceeds of this transaction were utilised to settle the US\$ 12.5 million term loan from Investec Asset Management (Pty) Ltd, and the US\$ 2.5 million from African Life Financial Services Ltd. This transaction was completed in November 2013.
- 2014** The title deed for the Nyerere Road property was secured in November 2014 and the property is fully tenanted.
- 2015** Sale of REIZ's entire 49% interest in Burnet Investments Limited (joint venture with Standard Bank Properties (Pty) Ltd to Stanbic Bank Zambia Limited.
- 2018** Completed phase 1 refurbishment and redevelopment of the Arcades Shopping Mall at an approximate cost of US\$ 6.2 million financed by a US\$ 5.2 million loan from Stanbic Bank Zambia Limited and US\$1.0 million equity.
- 2018** Acquired Southview Park, a housing complex with 22 upmarket housing units.
- 2021** Sold part of the Landbank at Southview Park and the undeveloped Solwezi property for US\$ 1.66 million and US\$ 1 million respectively.
- 2022** Successfully conducted a rights issue and issued 158,460,678 new shares. The company raised US\$ 7.0 million and ZMW 13.9 million and the proceeds were used to pay 50% of the US\$ 12 million corporate bond. The Bondholders also accepted to convert 15% of the bond into equity and hence the rolled over corporate bond was US\$ 4.19 million.
- 2023** Successfully conducted a rights issue and issued 650,000,00 new shares taking the number of issued share capital to 864,920,876. The company acquired three properties via a share swap that is Acacia Park, Jacaranda Mall, and Lewanika Mall, at a cost of ZMW 1,300,000,000.00. The Company also issued a \$5 million Corporate bond for the redevelopment of Arcades and upgrading other properties with the portfolio
- 2024** Sold part of the leased land at Arcades for \$1.2 million and also sold the non-income generating land bank at Parkway for US\$ 1 million. Part of the proceeds were used to redeem in full the two Stanbic bank Loans.
- 2024** The Company was granted REIT Status In May 2024 and from 1st July 2024 the three acquired properties Acacia Park, Jacaranda Mall, and Lewanika Mall properties were incorporated in the REIZ financial statements. As a REIT (Real Estate Investment Trust) REIZ is legally obliged to distribute 80% of its distributable profits each year to shareholders.

Chairman's Statement



Kenny H Makala
CHAIRMAN

Chairman's Statement

For the Financial Year Ended 31 December 2025

Introduction

On behalf of the Board of Directors of Real Estate Investments Zambia Plc ("REIZ" or "the Company") and its subsidiaries (collectively, "the Group"), I am pleased to present the Chairman's Statement for the financial year ended 31 December 2025.

The year under review saw a strong operational performance and strategic progress, buoyed by a resilient domestic economy and a successful execution of the Group's growth strategy.

Economic Environment

Zambia recorded a strong economic recovery, with real GDP growth estimated between 5.2% and 5.8%, driven by improved agricultural output, strong mining production, and increased tourism. Growth was particularly robust in the first half of the year.

Inflation declined to approximately 11% by November 2025, enabling the central bank to reduce its policy rate to 14.25%. Mining output rose by 18.4%, while copper export volumes increased by 14.9%, reaching 363,000 metric tons by May 2025. Copper prices exceeded USD 12,000 per metric ton in December 2025, strengthening the country's foreign exchange inflows.

Gross international currency reserves increased to USD 5.2 billion by end of September 2025, equivalent to 5.2 months of import cover, supported by IMF disbursements, project inflows, central bank purchases, and interest earnings.

The Zambian Kwacha appreciated significantly, moving from ZMW 28.2/USD in January to ZMW 22.5/USD by year end. This was driven by improved export earnings and agricultural output and a strengthened trade balance.

Industry Overview

The real estate sector continued to face challenges from high construction costs, elevated interest rates, and limited mortgage access. The Government's increase of Property Transfer Tax further raised transaction costs.

However, urban expansion, infrastructure development, and rising demand for mid-range housing supported continued investment activity. While the market experienced oversupply in office and large retail malls, opportunities emerged in smaller convenience retail centres and refurbished commercial properties.

REIT Status and Dollar Listing

REIZ became Zambia's first listed REIT when it converted to the status in May 2024 and remains the only property REIT on the Lusaka Securities Exchange. As a REIT, the Company enjoys various tax incentives and is required to distribute at least 80% of its distributable income per annum. Its operating costs are not to exceed 30% of revenue.

REIZ also became a dollar-listed company in 2024, with its share price appreciating from USD 0.07 at listing to USD 0.09 by year end, offering shareholders both income and capital growth.

Financial performance

Revenue increased by 105%, from ZMW 159.3 million in 2024 to ZMW 326.7 million in 2025, driven by the full-year contribution of recently acquired properties and the successful refurbishment of Arcades Shopping Mall.

Despite strong operational performance, the Group recorded a loss after tax of ZMW 404 million, compared to a profit of ZMW 584 million in 2024, due to currency translation losses of ZMW 672 million. In USD terms, however, the property portfolio increased in value from USD 107 million to USD 109 million.

Distributable income increased by 188%, leading to a doubling of dividends per share from USD 0.002 to USD 0.00449.

Board and Management Changes

There were no changes to the Board or senior management during the year under review.

Business Outlook

The Board remains optimistic about the Group's prospects. Arcades Shopping Mall is now operating at near full capacity, generating over USD 300,000 per month, an improvement from USD 80,000 before renovations, and we expect the full earnings impact in 2026.

The recent amendments to REIT regulations permitting REIT-controlled companies will further support growth through strategic acquisitions. Management is actively evaluating high-yield opportunities to accelerate portfolio expansion.

Acknowledgment

On behalf of the Board, I extend our sincere gratitude to the shareholders and other stakeholders for their continued support.



Kenny H. Makala

Chairman

Chief Executive Officer's Report



Kambeu Banda
CHIEF EXECUTIVE OFFICER

Chief Executive Officer's Report

Overview

I am pleased to present my third Chief Executive Officer's Report to the shareholders of REIZ for the financial year ended 31 December 2025. The year marked a defining period in the growth of the REIT, delivering strong operational performance, substantial revenue growth, and enhanced asset quality, despite currency-related accounting losses. Our success was anchored on the disciplined execution of our acquisition and asset enhancement strategy, which has positioned REIZ as a leading dollar-denominated REIT on the Lusaka Securities Exchange.

Financial results

The 2025 financial year was a continuation of success anchored on the acquisition strategy embarked on by the company in 2024. The Group and company recorded an increase of 105% in revenue from ZMW 159.3 million in 2024 to ZMW 326.7 million in 2025. In dollar terms revenue increased from \$6.3 million to \$12.6 in 2025. The growth was largely due to a full year benefit of the strategic acquisition of three prime properties which took place in 2024 and also the increased revenue from Arcades Shopping mall which has been under renovations since September 2023. The Arcades turnaround story from a mall which was just generating \$80,000 per month in August 2023 to \$300,000 per month is a testimony of the Board's and Management's commitment to maximize rental yields for the benefit of its shareholders. The company had issued a \$5million bond in August 2023 of which \$4m was used to remodel Arcades and increase its GLA from 22,000 square meters to 25,000 square meters. From an operational perspective Arcades was 90% occupied and management secured Pick N Pay as an Anchor Tenant. The appreciation of the kwacha by 19.6% during the financial year 2025 from ZMW 28.2 to 1USD to ZMW22.5 to 1USD resulted in fair value losses on the investment property of ZMW 672 million. This foreign exchange fair value translation led to the Company recording a loss after tax of

ZMW404million as compared to a profit after tax of ZMW584 million in the prior year 2024. However, it is important to note that in reality the investment properties in dollar terms increased in value from \$107.6 million as at 31st December 2024 to \$109.2 million as at 31 December 2025. Equally the distributable income which is used as a base to compute dividends increased by 188% from ZMW 59 million in 2024 to ZMW 170 million in 2025. In dollar terms the distributable income increased from \$2.2 million to \$6.5 million. This is a clear indication of management's effectiveness in following through the strategic objective to grow the REIT. In the prior financial year, the Company declared a dividend per share of \$0.002 and I am glad to announce that in 2025 the dividend per share has doubled to \$0.00449 per share.

Dividend Policy

As a REIT, REIZ is obliged to declare 80% of its distributable income to its shareholders. However, the REIT guidelines permit a REIT to distribute less when it requires cashflow to settle a maturing liability such as a bank loan or corporate bond or in a case where it requires to significantly lower its finance costs to meet the operational cost limit allowed for a REIT. During the financial year ended 31 December 2025 the Company reduced its Stanbic Bank loan obligation by paying out \$1.5million so as to lower its future finance costs. In that regard, REIZ sought dispensation from the Securities and Exchange Commission and got approval to declare 59% of its distributable income instead of 80% which still provided a much higher dividend per share of \$0.00449 to our shareholders than in prior year which was \$0.0020 per share.

Business strategy

During the financial year ended 31st December 2025 the REIZ - REIT was the only dollar listed entity on the LuSE with a Market Capitalisation of USD 77m and the share price was trading at

USD0.09. The current portfolio size of the company was USD109.2 million as at December 2025 made up of 11 properties concentrated between Lusaka and Ndola. The Portfolio composition is such that 56% is Retail commercial properties, 43% is office commercial properties and 1% is Residential Properties. The main objective of the REIT is to grow its portfolio size by acquiring high income yield properties situated in prime areas of the country with proven sustainable rental incomes with a good tenant mix.

The company has continued to embark on the same business strategy of identifying high yielding prime properties for acquisition and then offer the property owners shares in REIZ as consideration. This strategy ensures liquidity is persevered whilst shareholders benefits from an increased dividend per share pay out. The medium-term overall business strategy is to grow the REIT to \$500 million by the year end 2028. To achieve this target the Board and Management has been working tirelessly to identified suitable assets with high yields to acquire.

In an effort to increase access to cheaper capital for future acquisitions, the company is still considering and exploring possibilities for a dual listing on capital markets such as the Johannesburg Stock Exchange (JSE) or London Stock Exchange (LSE). This strategy will ensure REIZ taps into a more robust capital market with access to global capital that will enable the REIT units to be more liquid.

The other strategy has been to remodel the key properties within the existing portfolio and unlock their full potential. A good example is the Arcades shopping mall which was yielding about 4% before renovations but is now yielding about 12%.

Napoli Property Development Limited was retained to manage the REIZ property portfolio through a management services contract. Napoli Property Development Limited ("Napoli") is a leading operator, manager and developer of hospitality, prime retail, commercial office space and other property developments. Napoli manages over 120,000 sqm of commercial and retail space with high occupancy rates and reputable tenants. During the year under review, Napoli maintained an excellent record of 98% rental collection rate on the REIZ property portfolio

REIZ shares performance during the year

The Lusaka Securities Exchange (LuSE) had approved the dollar listing of the REIZ shares during the 2024 financial year and in October the Share price was converted to dollars. On the LuSE, the REIZ stock price opened the year with a share price \$0.072. The price increased by \$0.018 during the year and was trading at 0.09 as at 31st December 2025 representation a growth rate of 25%. The Company in a bid to meet the free float listing rules requirement placed about 10 million shares to the public for sale. These shares were offered by the majority shareholders holders with an ask price of \$0.09 per share.

Year	No. of trades		No. of shares traded (volume)		Share price (ZMW)	
	Year total	Monthly average	Year total	Monthly average	Closing	Year average
2019	41	3	100,286	8,357	4.49	5.54
2020	53	4	659,119	54,927	0.39	3.12
2021	130	11	8,790,957	732,580	1.25	0.91
2022	134	11	1,905,847	158,821	1.63	1.41
2023	148	12	10,729,072	894,089	1.30	1.15
2024 ZMW up 15 th October 2024	1,013	107	6,900,811	726,401	\$2.00	\$1.80
2024 USD from 16 th October to December 2024	16	6	982,069	392,827	\$ 0.072	\$0.072
2025 full year	314	26	21,205,536	1,767,128	\$0.09	\$0.09

Property Portfolio Analysis

REIZ which attained REIT status in May 2024 is primarily involved in investment, and restructuring of commercial and non-commercial property for commercial letting. As a REIT, REIZ is not permitted to purchase and develop bare land and hence it grows its portfolio by making acquisitions of high yielding income earning properties, located in prime areas across the country. The Group owns high grade office, retail, industrial and residential real estate portfolio in prime locations with a diverse tenant base. The diversity of our tenant base ensures that we maximize our property yield rates and always remain attractive from both an investment and financing perspective. REIZ attaches a premium on the value of its customers and efforts are employed towards creating and maintaining long lasting relationships through innovative and responsive business practices. The Company carries out valuation of properties twice a year being every 30th June and 31st December to comply with the LuSE listing rules. The property valuations were carried out by R.M. Fumbeshi & Co Limited, an independent registered valuer for both the prior year ended 31st December 2024 and 31st December 2025. As explained earlier in the financial performance, the investment properties increased in value from \$107.6 million as of 31st December 2024 to \$109.2 million as of 31 December 2025. The total lettable space of the Group at the end of 2025 was 95,285 m² and the total property portfolio including assets on leased land were valued at ZMW 2.4 billion in 2025 (2024 ZMW 3.0 billion).

1.0 Reiz Properties

1.1 Arcades Development PLC (ADP)



Arcades Shopping Mall was the main flagship of the company before the acquisition of three other prime properties, went through major renovations and uplift. The Company in August 2023 raised \$5 million through issuing a corporate bond specifically for capital improvements of the REIZ properties to bring them to a standard where they could compete with the new malls such as East Park Mall and Manda Hill. The Board approved a budget of \$3.5

million dollars to remodel and upgrade Arcades. The upgrades increased the GLA from the current total Gross Lettable Area (GLA) of 22,547 m² to 25,500 m². The drainage systems were worked on and a new access road was opened from Kelvin Siwale Road to the mall. The mall before redevelopment was 60% vacant and was earning \$85,000 per month and after the upgrades were completed as of December 2025 the shopping mall was generating \$300,000 per month with a vacancy rate down to 10%. Arcades Shopping Centre was valued as of the 31 December 2025 at ZMW 670.3 million (2024 at ZMW 805.1 million).



1.2 Counting House



Counting House Square is located next to Deloitte Square on Thabo Mbeki Road in the Showgrounds precinct. The property consists of 4 single story office buildings of approximately 780 m² each and totalling a lettable area of (GLA) of 3,039 m². The property was developed in the middle 1990's and the structural look and feel has been overtaken by new modern developments in close vicinity. During the year under review, the property also had some refurbishments in order to get new and better tenants than what it had before, which saw an improvement in its look and feel.

Counting House Square was valued on 31 December 2025 at ZMW 64.9 million. (2024: ZMW 78.4 million).

1.3 Deloitte Square

This property is a commercial office building situated along Thabo Mbeki Road, next to Counting House Square and has a Gross Lettable Area (GLA) of 1,821 m². This property was 98% leased throughout the year and fits in well with the aesthetic appearance of new developments in the area as a few works and cosmetics were carried out to improve its look and feel during the year under review.

Deloitte Square was valued by on 31 December 2025 at ZMW 54.5 million (2024: ZMW 67.0 million)



1.4 Eureka Park



Eureka Park is an industrial property offering modern logistic and warehousing facilities and it is the only industrial property in the portfolio. The property is situated along Kafue Road and has a Gross Lettable Area (GLA) of 6,274m². The property is well tenanted by wholesale truck spares retailers and a major solar products distributor. Recently, part of the tenanted area was taken up on a long lease by Southern Cross, a reputable Car Dealership business in Zambia.

Eureka Park was valued on 31 December 2025 at ZMW 48.7 million (2024: ZMW 71.1 million)



1.5 Central Park

Central Park, situated at the corner of Cairo and Church Roads in the central business district ("CBD") area of Lusaka has a Gross Lettable Area (GLA) of 9,034m². In recent years the property has been under pressure to retain and attract tenants due to most would be tenants' preference of properties outside the CDB area. The rezoning of most residential properties into commercial properties in the nearby surrounding area like Rhodes Park, Fairview and Olympia has intensified competition for the property. During the period under review, the property went through staged revamp following requests from tenants as they were being signed in to take up space. With the new look though being done in stages, the vacancy at Central Park has improved from close to 35% in the year end 2024 to 28% vacancy in 2025-year end. With the new works being done on the property, clients like FNB Bank and Eco Bank have taken up space in the property hence giving it life to compete with Morden office parks in Lusaka.



Central Park was valued on 31 December 2025 at ZMW 136.3 million (2024: ZMW 166.6 million)

1.6 Nyerere Road

This property situated on Nyerere Road and is tenanted by Jewel of Africa Head Office. It has a Gross Lettable Area (GLA) of 1,518 m² and was 49% leased throughout the year. We did not aggressively look for other tenants to cover up the remaining 51% space that was vacant as the Board, during the year under review approved the rehabilitation of the property to meet with new demands in the catchment and what would be the best property use for the area its located in. Works are still underway to increase its GLA and attract more tenants to maximise its value contribution to the portfolio pool and its possible yielding return to REIZ.



The Nyerere Road property was valued on 31 December 2025 at ZMW 22.9 million (2024: ZMW 28.5 million)

1.7 Dedan Kimathi Road

This property is situated at the corner of Dedan Kimathi and Nasser Roads with a Gross Lettable Area (GLA) of 885 m². The property has continued to be rented out by The Judiciary of Zambia under the Ministry of Justice, therefore, it was 100% let during the year under review. Minor works were done to improve the state of the property on critical aspects of it, as requested by the tenant during the year under review.

The Dedan Kimathi Road property was valued on 31 December 2025 at ZMW 21.1 million (2024: ZMW 25.9)



1.8 Southview Park

Southview Park Housing Complex situated in the prime Lilayi area, along Kafue Road, provides a secure fenced and gated residential community presently developed with 22 upmarket residential 2 to 4 bed homes each with a semi-detached garage. The property was originally acquired for further development of more housing units and a recreational area. It is the only residential property complex, owned by REIZ. The land extent of the property is 8.8 acres divided into two distinct portions of 7.0 acres developed and 1.8 acres undeveloped. During the year under review, Southview Park was fully let and achieved improved rental incomes after minor rehabilitation works where done to the property.

Southview was valued on 31 December 2025 at ZMW 40.9 million. (2024: ZMW 50.8 million)



1.9 Lewanika Shopping Centre

The shopping Centre is located on the corner of Mosi-o-Tunya and Buluwe Roads in the prime catchment area of Woodlands which is surrounded by Chilenje, Kabwata and Nyumba Yanga residential zones. The Shopping Centre offers a unique blend of budget stores with Shoprite as the anchor tenant.

The subject property extends to a total land extent of about 6.7368 hectares (16.4663 Acres) comprising mainly commercial shops, chain stores, bars, stadium, restaurants and offices mainly developed to modern commercial Mall standards and finishes. Tenants include; Shoprite, Pafriw, Hungry Lion, Eco Bank, Indo Zambia Bank, MTN Zambia, Nandos and Mobile City.

Lewanika was valued on 31 December 2025 at ZMW 523 million. (2024: ZMW 669 million)



1.10 Acacia Office Park



Acacia Park is conveniently located in the centre of Lusaka's Burgeoning new Central Business District on the corner of Thabo Mbeki and Great East Road. It benefits from excellent accessibility to Kenneth Kaunda Airport and prime destinations within the area, such as Protea and Radisson Blu hotels.

The office park has lush landscaped gardens. It has a welcoming theme and a high-profile tenant mix. The subject property extends to 2.0345 hectares (5.0273 Acres) comprising office and Bank buildings well developed to good and modern standards. Tenants include; FNB, ZANACO, AB Bank, Eco Bank, Access Bank, United Bank of Africa and Mint Lounge.

Acacia Park was valued on 31 December 2025 at ZMW 550 million. (2024 : ZMW 676 million)



1.11 Jacaranda Mall



Jacaranda Mall is located in Skyways Industrial area along the Ndola-Kabwe and Mushili Road, about 2 kilometres from the prime business district of Ndola. Jacaranda Mall offers an excellent shopping experience in a beautiful surrounding. With a selection of over 50 stores, you are bound to find what you are looking for. From grocery shopping, dining to personal and business banking, Jacaranda Mall has it all. The total land area extends to 2.3683 hectares (5.852 Acres) enclosed by a decorative steel grille fencing. Tenants include; Shoprite, Hungry Lion, Nandos, Debonairs and Bata.

Jacaranda was valued on 31 December 2025 at ZMW 324 million . (2024 : ZMW at 399.7 million.)



INVESTMENT PROPERTY ANALYSIS

Property values as per valuation by R.M. Fumbeshi & Co. Limited.

Property values as at 31st December 2025

PROPERTY	TYPE	Leaseable Area (M ²)	2025 (Exc Rate 22.5)			2024 (Exc Rate 28.20)		
			Valuation K'000	Valuation US\$'000	% of Total	Valuation K'000	Valuation US\$'000	% of Total
Arcades Shopping Centre	Retail Mall	25,300	670,397	29,795	27.3%	808,153	28,500	26.5%
Central Park	Office Park	9,034	136,350	6,060	5.5%	166,681	5,900	5.5%
Counting House Square	Office Park	3,039	64,986	2,888	2.6%	78,397	2,775	2.6%
Deloitte Square	Office Park	1,821	54,540	2,424	2.2%	67,096	2,375	2.2%
Nyerere Road	Office Park	1,518	22,907	1,018	0.9%	28,534	1,010	0.9%
Eureka Park	Industrial Park	6,274	48,728	2,166	2.0%	71,193	2,520	2.3%
Dedan Kimathi (Judiciary)	Office Park	885	21,189	942	0.9%	25,991	920	0.9%
South View Park	Housing Complex	3,769	40,987	1,822	1.7%	50,852	1,800	1.7%
Acacia Park	Office Park	12,639	550,171	24,452	22.4%	676,611	23,950	22.3%
Jacaranda Mall	Retail Mall	15,459	324,293	14,413	13.2%	399,752	14,150	13.2%
Lewanika Mall	Retail Mall	18,300	523,773	23,279	21.3%	669,549	23,700	22.0%
Total		98,038	2,458,321	109,259	100%	3,042,808	107,600	100%

Property Occupancy December 2025

PROPERTY	TYPE	Leaseable Area (M ²)	2025		2024	
			Vacant Space (M ²)	Vacancy %	Vacant Space (M ²)	Vacancy %
Arcades Shopping Centre	Retail Mall	25,300	2,295	9%	13,555	63%
Central Park	Office Park	9,034	2,530	28%	2,783	31%
Counting House Square	Office Park	3,039	698	23%	311	10%
Deloitte Square	Office Park	1,821	-	0%	-	0%
Nyerere Road	Office Park	1,518	746	49%	-	0%
Eureka Park	Industrial Park	6,274	1,247	20%	3,240	52%
Dedan Kimathi	Office Park	885	-	0%	-	0%
South View Park	Housing Complex	3,769	-	0%	330	9%
Acacia Park	Office Park	12,639	379	3%	130	1%
Jacaranda Mall	Retail Mall	15,459	2,164	14%	2,990	19%
Lewanika Mall	Retail Mall	18,300	1,830	10%	984	5%
Total		98,038	11,889	12%	24,323	46%

FIVE YEAR FINANCIAL SUMMARY (ZMW)

STATEMENT OF COMPREHENSIVE INCOME – ZMW

For the ended 31 December	2025		2024		2023		2022 Restated		2021 Restated	
	K'000	%	K'000	%	K'000	%	K'000	%	K'000	%
Gross rental income	326,730		159,316		65,338		55,894		58,801	
Total property expenses	(77,262)	24%	(47,130)	30%	(17,334)	27%	(8,100)	14%	(10,671)	18%
Total administration expenses	(19,341)	6%	(6,198)	4%	(10,838)	17%	(10,703)	19%	(11,492)	20%
Impairment loss on trade receivables	(5,798)	2%	-	0%	-	0%	(6,672)	12%	(7,848)	13%
Tax expense	(976)	0.3%	(4,103)	3%	(9,522)	15%	(6,841)	12%	(5,753)	10%
Net Interest expense	(53,521)		(42,797)		(22,543)		(28,933)		(33,275)	
Distributable income (NOI)	169,832	52%	59,088	37%	5,101	8%	(5,355)	-10%	(10,238)	-17%
Other operating income / {loss}	-		(7,908)		-		-		(2,376)	
Change in fair value of Investment property	(672,758)		637,710		22,817		81,519		(403,428)	
Total depreciation	(1,231)		(1,765)		(1,884)		(1,930)		(1,727)	
Exchange (losses)/gains	99,496		(110,644)		(60,333)		(11,860)		93,261	
Total comprehensive income /(loss) for the year	(404,661)		576,481		(34,299)		62,374		(324,508)	

STATEMENT OF FINANCIAL POSITION-ZMW

	2025 K'000	2024 K'000	2023 K'000	2022 Restated K'000	2021 Restated K'000
Equipment & motor vehicles	5,000	6,228	7,963	9,314	10,250
Investment properties	2,444,548	3,027,106	765,857	781,840	756,937
Investment property under development	-	-	43,214	23,504	16,660
Rental income receivable after 12 months	10,773	9,585	16,285	11,497	10,514
Current assets	92,233	102,636	136,914	29,590	22,676
Total Assets	2,552,554	3,145,555	970,233	855,745	817,037
Shareholders' funds and liabilities					
Total equity	1,911,361	2,403,472	591,853	626,152	457,045
Non – current liabilities	289,780	352,670	312,423	168,977	128,165
Total current liabilities	351,414	389,413	65,957	60,616	231,827
Total equity and liabilities	2,552,555	3,145,555	970,233	855,745	817,037
Number of shares	864,920,876	864,920,876	214,920,876	77,326,073	56,460,198
EPS	(0.47)	0.67	(0.16)	0.81	- 5.75
Headline EPS	0.20	0.07	0.02	- 0.07	- 0.18
NAV	2.21	2.78	2.75	8.10	8.09
Dividend proposed (paid prior years) per share	0.101	0.057	-	-	-

FIVE YEAR FINANCIAL SUMMARY (UNITED STATES DOLLARS)

STATEMENT OF COMPREHENSIVE INCOME-US\$

Five Year Financial Summary - USD

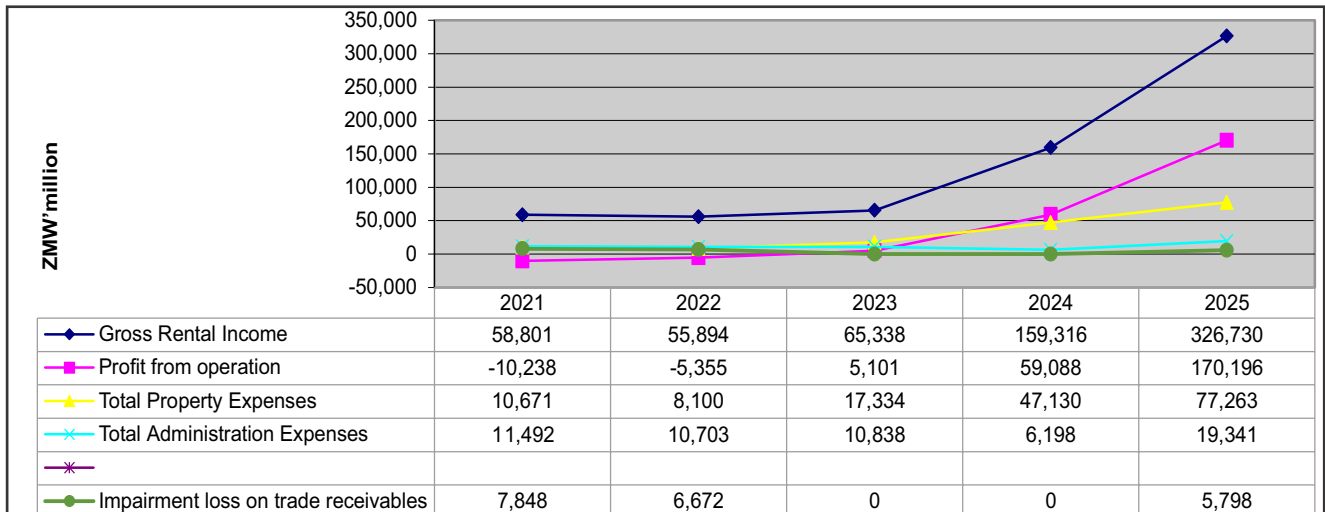
	2025		2024		2023		2022 Restated		2021 Restated	
	US\$'000	%	US\$'000	%	US\$'000	%	US\$'000	%	US\$'000	%
Average exchange rate	25.84		26.17		20.20		16.98		19.80	
Gross rental income	12,646		6,088		3,235		3,292		2,970	
Total property expenses	(2,990)	24%	(1,801)	30%	(858)	27%	(477)	14%	(539)	18%
Total administration expenses	(749)	6%	(237)	4%	(537)	17%	(630)	19%	(580)	20%
Impairment loss on trade receivables	(224)	2%	-	0%	-	0%	(393)	12%	(396)	13%
Tax expense	(38)	0%	(157)	3%	(471)	15%	(403)	12%	(291)	10%
Net interest expenses	(2,072)	16%	(1,635)	27%	(1,116)	35%	(1,704)	52%	(1,681)	57%
Distributable income	6,573	52%	2,258	37%	253	8%	(316)	-10%	(517)	-17%
Other operating income	-		(3020)		-		-		(120)	
Change in fair value of Investment property,	1,659		14,680		(14,053)		1,116		(10,756)	
Depreciation	(48)		(67)		(93)		(114)		(87)	
Translation differences taken to equity	-		-		-		-		-	
Total comprehensive income /(loss) for the year	8,185		16,568		(13,894)		686		(11,479)	

STATEMENT OF FINANCIAL POSITION -US\$

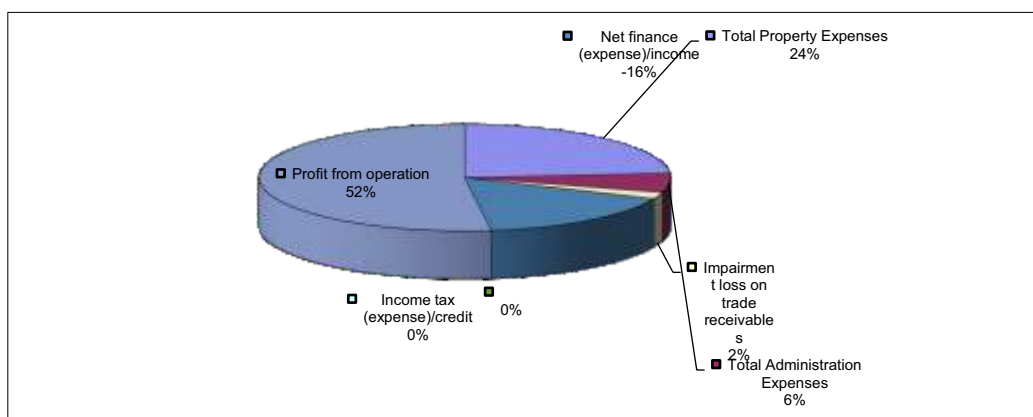
	2025	2024	2023	2022 Restated	2021 Restated
Closing exchange rate	22.50	28.15	25.97	18.08	16.66
Equipment & motor vehicles	222	221	307	515	615
Investment properties	108,647	107,535	29,490	43,243	45,434
Investment property under development	-	-	1,664	1,300	1,000
Rental income receivable after 12 months	479	340	627	636	631
Current assets	4,098	3,646	5,272	1,637	1,361
Total assets	113,446	111,743	37,359	47,331	49,042
Shareholders' funds and liabilities					
Total equity	84,949	85,381	22,790	34,632	27,434
Non – current liabilities	12,879	12,528	12,030	9,346	7,693
Total current liabilities	15,617	13,833	2,540	3,353	13,915
Total equity and liabilities	113,446	111,743	37,359	47,331	49,042
Number of share	864,920,876	864,920,876	214,920,876	77,326,073	56,460,198
EPS	0.01	0.02	(0.06)	0.01	(0.20)
Headline EPS	0.01	0.004	0.00	0.00	0.01
NAV	0.10	0.10	0.11	0.45	0.49
Dividend proposed (paid prior years) per share	0.00448	0.002	-	-	-

ANALYSIS OF FIVE YEAR FINANCIAL RESULTS

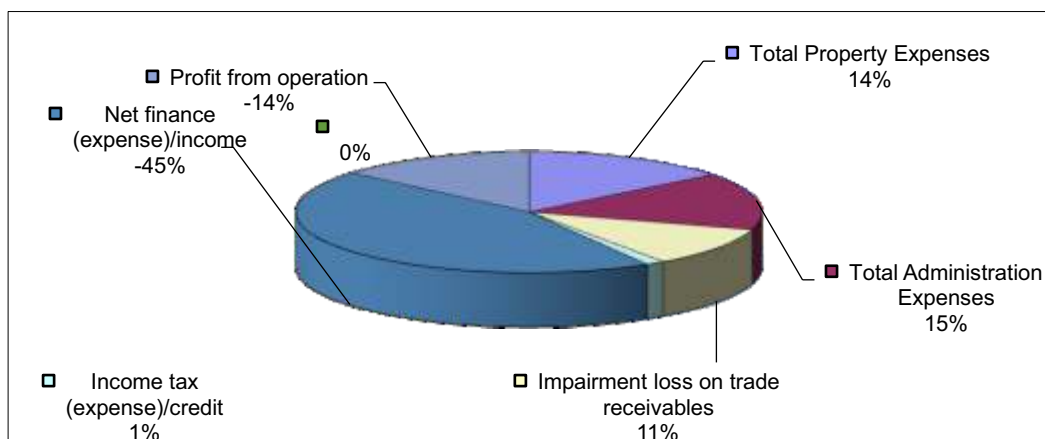
OPERATING RESULTS



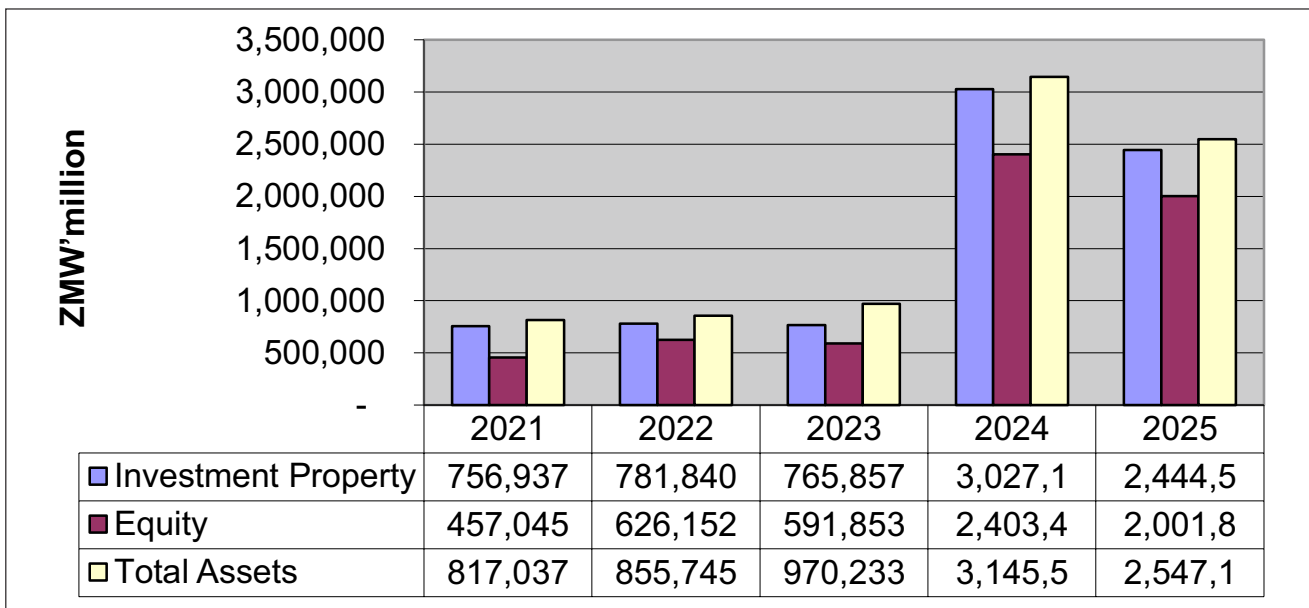
2025 Operating results %



2021 Operating results %



STATEMENT OF FINANCIAL POSITION



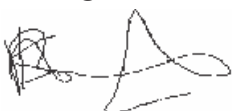
Business outlook

The Zambia business outlook is very promising with several economic fundamentals like the inflation rate, interest rates, Government Bond performance, completed debt restructure and substantial gain on the Kwacha currency against other currencies. Given that 2026 is an election year, we expect a lot of government activities that will lead to them concluding on most of the projects they started as they look towards closing the 5 years term of the UPND government, which will result in more economic activity through the year.

A snap short from the Zambia Commercial Property sector indicates that the market is currently navigating a high supply of office space in Lusaka nodes like Kabulonga and Rhodes Park. Average prime office rents have stabilized around \$13–\$18 per square meter, with tenants increasingly seeking smaller footprints (150–250m²). Industrial & Warehousing are relatively doing well particularly, in Makeni, Chinika, and Lusaka West, driven by logistics and agribusiness needs. Lease rates for prime warehousing hold steady at \$4–\$5 per square meter.

As already mentioned in the Chairman's report, the Company has been active in the property market assessing and identifying suitable high yielding assets for acquisition. Management is working on a significant transaction and hopes to close another landmark acquisition before the end of 2026.

The REIT guidelines were amendments in September 2025 with an introduction of a REIT Controlled Company in the rules. This entails that a REIT can acquire controlling interest in another entity and that entity without being listed on the LuSE can also apply for a REIT status with the Securities and Exchange Commission. This will simplify REIZ's ability to grow its portfolio by acquiring entities that own high yield earning assets and earn dividends from them to add to the incomes of the company.



Kambeu Banda
Chief Executive Officer

Statement on Corporate Governance



Louis Chilufya Pulu
COMPANY SECRETARY
(Appointed January 11, 2021)

Statement on Corporate Governance

Real Estate Investments Zambia PLC's (REIZ) values are to achieve its mission by setting the highest ethical standards in its dealings with its tenants, service providers and stakeholders through attention to detail, commitment, sincerity and self-expression.

1.0 The Board

The Board is collectively responsible to the Group's shareholders for the long-term success of the business and for the overall strategic direction and control of the Group. The Board is confident that it has sufficient knowledge, talent and experience to adequately direct the affairs of the Group. Directors are entitled to a gross meeting attendance allowance of \$1,100 and quarterly retainer of \$3,046. The Chairman is entitled to a gross meeting attendance allowance of \$1,862 and quarterly retainer of \$4,738. There

were no other emoluments applicable. During the financial year 2020 board fees were reduced by 50% and furthermore in the financial year 2021 the board resolved to limit the sitting allowances to only four board meetings per year due to the poor financial performance of the company as a result of Covid 19 pandemic at that time. At a Board meeting held in November 2023 the Board resolved not to pay any sitting allowances for the year ended 2024. The Board however resumed to pay board fees in 2025 at the same reduced rate of 50%.

1.1 Composition of the Board

There were no changes to the Board Composition and Senior Management. The Board during the financial year 2025 still had nine directors.

Below are brief profiles of the directors of REIZ:

Kenny is a lawyer and is senior partner of Makala & Company. He is a director of various 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.



Kenny H. Makala
Non-Executive Chairman
June 2001, Zambian
Legal Practitioner

Mark is the CEO of the Union Gold Group. Union Gold is a diversified company with interest in Hotels, Construction and Manufacturing sector.

He is a member of the Institute of Directors and a past Chairman of the Zambia Tourist Board.

Mark is a non-executive director of various institutions including Lafarge Zambia Plc, Madison Life Insurance Company Ltd and Care For Business Medical Centre.



Mark O'Donnell
Non-Executive Director
January 2012, Zambian
Managing Director –
Union Gold (Zambia) Limited



Diego Casilli

Non-Executive Director,
January 2023, Italian

Diego holds a Bachelor of Commerce from the University of Witwatersrand and Bachelor of Commerce HONS from the University of Witwatersrand. Diego is a prominent businessman who has amassed an extensive level of experience that covers over 30 years in agriculture processing facilities and commercial/retail property development. Diego served as the Managing Director of Amanita, Zamanita and Amagrain from 1991 to 2008 where he oversaw the operations of three milling operations and an oilseed crushing plant. Diego as managing director of Amanita oversaw well over 450 employees



Dipak Patel

Non-Executive Director,
January 2023, Zambian

Mr. Patel was elected Member of Parliament for Lusaka Central Constituency from 1996-2006. He has served as Cabinet Minister under several portfolios, namely Commerce, Trade and Industry, Information and Broadcasting and Sports. Mr. Patel also served as Chairman of the 32 members Least Developed Countries Group, leading their World Trade Organisation negotiations during 2005-2006.



Rory Mackey

Non-Executive Director,
March 2024, South African
BSc Eng, Postgrad Dip Eng, Pr Eng, Pr CPM

Rory is the Chief Executive Officer of the JSE listed REIT SA Corporate Real Estate Limited ("SA Corporate") where he is responsible for formulating and executing the investment strategy and portfolio management. Mr. Mackey joined SA Corporate as Chief Operating Officer on 1 August 2012 and took over the role of Managing Director on 6 December 2012. He was previously part of the team managing the Old Mutual Investment Group South Africa Alternative Investments boutique from 2008 where he managed an international infrastructure fund. Prior to that Mr. Mackey was Group Executive: Commercial at Airports Company South Africa Limited. He was also General Manager of Africa's largest airport, OR Tambo International Airport, from 1996 to 2001.



Samson Mojalefa
Non-Executive Director,
March 2024, South African

Mr. Mojalefa is currently the Head of Corporate Finance at SA Corporate where his responsibilities inter alia include: Assisting the executive directors with the implementation of the Board's strategy. Identifying of opportunities and transactions that add substantial value to the business and meet the Company's strategic objectives; and Management of relationships with financial institutions and liaising with external organisations including auditors, sponsors and other relevant professional bodies in respect of mergers & acquisitions. Mr. Mojalefa has previously held various management positions which include: Chief Executive Officer for Beijing Automobile Works South Africa; Senior Manager at Barclays Bank Africa and Associate Director at KPMG South Africa.



Dr Harrison Banda
Non-Executive Director,
November 2024, Zambian
PHD, MSC. FCCA, FZICA

Dr H. Banda is a Fellow Member (FCCA) of The Association of Chartered Certified Accountants (ACCA), a United Kingdom and worldwide full-fledged international professional accounting body, studied at Chart Foulks Lynch, London, UK. Fellow Member of the Zambia Institute of Chartered Accountants (FZICA), where he served on the Taxation Committee from 1996 to 2003. He has a Master of Science Degree (Msc.) in Financial Services Management, studied at the University of Salford in Manchester, UK, graduated with a Merit. A Doctor of Philosophy (PhD) in Business Management, studied at Atlantic International University in Miami, USA and achieved the grade of **Cum Laude** (with high honour). He has High level skills in Audit (including forensic auditing), Finance and Accounting, various forms of Insolvency assignments, Taxation, Tax Revenue Administration and Operation, General Administration, Institutional Development (including change management and systems re-engineering), Project Management, Computerization and general consultancy. Dr Banda is a performance-oriented person and to date, he has gained over 40 years of practical experience at senior management level, covering auditing (both external and internal), finance and accounting, taxation and tax administration, general management, computerization, business consultancy, insolvency assignments including Business Rescue Administration, Receiverships, and Liquidations. **He is currently the Managing Partner at Harrison and Associates, a professional firm of Chartered Accountants, providing high quality services in all business cycles including auditing, accounting, investigations, taxation and management consultancy.**



Gillian Lee Campbell Casilli

Executive Director,
November 2024, Zambian

Mrs. Gillian Casilli is a highly skilled and detail-oriented property developer with over 20 years of experience designing, developing, and deploying real estate development projects. Gillian Casilli has a proven track record of successfully completing challenging projects, across property development and the commercial/industrial field, on schedule and within tight budgetary constraints. Her experience encompasses a diverse range of property development and management endeavours, spanning from commercial to residential sectors. Throughout her career, she has demonstrated an exceptional ability to thrive in demanding environments, including upstream locations with limited communications and logistical support. Possessing a solid foundation in interpersonal skills, coupled with a professional demeanour and strong leadership capabilities, she is adept at managing projects both independently and as a collaborative team member. Her skill in assembling highly motivated teams enables her to foster a culture of excellence and drive project success. Gillian's proactive approach to problem-solving and her firm personality ensure efficient project execution and stakeholder satisfaction.

One of Gillian's key strengths lies in her capacity to identify and capitalize on high-yielding opportunities. By advising and accelerating projects, she has consistently delivered tangible results, transforming potential ventures into profitable developments or products. In addition to her project management expertise, she excels in strategic planning, presentation, and project delivery. Her ability to navigate complex challenges while adhering to strict timeframes and budgets underscores her commitment to achieving organizational objectives.



Faith Kashweka

Non-Executive Director,
November 2024, Zambian

Faith is a certified Chartered Accountant who is an Innovative Governance, Risk and Compliance (GRC) Specialist experienced with developing and implementing risk, compliance, policy frameworks and strategies. Having successfully built the GRC Function for the Aflife Holdings Group, Faith is an advocate for collaborative and progressive change management within an organization by ensuring holistic employee inclusion at all levels of management. Furthermore, she is enthusiastic about gaining new skills and continuous learning. Her affiliations include Zambia Institute of Chartered Accountants (ZICA) Zambia Institute of Risk Management Association of Certified Chartered Accountants (ACCA). She has a Bachelor of Accountancy from the Copperbelt University, a Compliance Management Certification and Business Risk Management Certification from University of Cape Town. She is currently the Head- Governance, Risk and Compliance at Aflife Holdings Group and a Non-Executive Director at Real Estate Investment Zambia Plc.

1.2 Directors emoluments

Director	Meeting attendance fees	Retainer fees	Total emoluments 2025	Total emoluments 2024
K.H. Makala (Chairman)	86,587	222,651	309,238	-
F. Kashweka	66,367	179,438	245,805	-
D.Casilli	66,367	179,438	245,805	-
M. O'Donnell	39,018	105,493	144,511	-
G.Casilli	52,452	141,813	194,265	-
D.Patel	52,452	141,813	194,265	-
H.Banda	52,452	141,813	194,265	-
S. Mojalefa	-	-	-	-
R. Mackey	-	-	-	-
	415,694	1,112,460	1,528,154	-

Director R. Mackey and director S. Mojalefa do not receive board fees

There were no Board fees paid in 2024 to all the directors.

Attendance at Board Meetings during the year was as follows:

REIZ Board Meetings 2025									
Date of meeting	KH Makala (Chairman)	M O'Donnell	D Casilli	D Patel	R Mackey	S Mojelofa	G Casilli	F Kashweka	H Banda
27/02/2025	√	N/A	√	√	√	√	√	√	√
18/03/2025	√	√	√	√	√	√	√	√	√
29/05/2025	√	√	√	√	√	√	√	√	√
28/08/2025	√	N/A	√	√	√	√	√	√	√
27/11/2025	√	√	√	√	√	√	√	√	√
Total	5/5	3/5	5/5	5/5	5/5	5/5	5/5	5/5	5/5

Note : The meeting on 18.03.2025 was a special board meeting

1.3 Audit and Risk Committee

This Audit and Risk Committee (ARC) committee is Chaired by Faith Kashweka following her appointed as the new Chairperson for the Committee on 14th November 2024. The Committee is responsible for reviewing and monitoring the integrity of statutory accounts, published financial statements and circulars to shareholders of the Group and any formal announcements or reports relating to the Group's financial performance including significant financial reporting judgements contained in them. In particular, the committee:

- considers the quality, application and acceptability of the accounting policies and practices, the adequacy of accounting records and financial and governance reporting disclosures and changes thereto;
- considers and monitors the Group's risk profile and risk management procedures and processes.
- Holds meetings with external auditors and is responsible for recommending auditors to the Board for further recommendation to the members for appointment.

Attendance at Audit and Risk Committee Meetings during the year was as follows:

REIZ Audit and Risk Committee Meetings 2025

Date of meeting	F Kashweka (Chairperson)	D Casilli	S Mojalefa	Total
13/02/2025	√	√	√	4/4
15/05/2025	√	√	√	4/4
14/08/2025	√	√	√	4/4
21/11/2025	√	√	√	4/4
Total	4/4	4/4	4/4	4/4

1.4 Investments Committee

The Investment Committee exercises oversight on behalf of the Board on management of the investment and developmental activities of the Group from investment appraisal to implementation. During the year there were no Investment Committee meetings. All Investment decisions were to be handled by the main Board of directors.

1.5 Remunerations Committee

The Remunerations committee reviews the structure of compensation of the Executive Team and the Board; and makes recommendations to the Board with regard to any adjustments that are deemed necessary. The Committee is also involved in identifying, assessing and nominating for approval of the Board, candidates to fill vacancies to the Executive Team as and when they arise. During the year there were no remuneration Committee meetings.

1.6 Nominations Committee

This committee is responsible for reviewing the structure, size and composition (including the skills, knowledge, experience and compliance with corporate governance best practice) of the Board and making recommendations to the

Board with regard to any adjustments that are deemed necessary. The committee reviews nominations by members and reports to the Board on their suitability for final presentation to general meetings of members for election. In case of vacancies arising on the Board during the year, the committee identifies, assesses and nominates for approval of the Board, candidates to fill the vacancies. The Nomination Committee responsibilities have been delegated to the Audit and Risk Committee.

1.7 Conduct of Board and Committee Meetings

The Agenda for Board and Committee meetings is prepared by the Chief Executive Officer, in consultation with the Board/Committee Chairpersons and Company Secretary. The agenda is formally approved by Directors at Meetings and additional matters may be added to the Agenda at the request of a Director and following approval by other Director's present in the meeting.

All directors are required to assess any potential conflict of interest and to bring such circumstances to the attention of the chairman and the board. Directors' declarations of interests are tabled at every meeting. Directors fill out and sign a declaration of interest form for each meeting. For a matter in which a director may have an interest, such director is requested to recuse him/herself in consideration of that matter.

1.8 Board Charter

The Board operates under a Board Charter unanimously approved by all Directors which provides Terms of Reference for the Board. Board committees operate under terms of reference that have been approved by the Board. The major matters covered in the Board Charter are as follows:

1.8.1 Responsibilities

The Board of the Company has responsibility for the overall management of the Company and is primarily accountable to the shareholders for the proper conduct of the business of the Company. In particular the Board has responsibility for the matters set out below

1.8.2 Strategy and Management

- i. Approve the Company's long-term strategy and objectives.
- ii. Approve the Company's annual operating plan, cash flow and budget and any material changes to it.
- iii. Oversee the management of the business and affairs of the Company ensuring:
 - a) competent and prudent management
 - b) sound planning
 - c) an adequate system of internal controls
 - d) adequate record keeping, accountancy and other company records and information
 - e) compliance with statutory and regulatory obligations
- iv. Review the performance of the Company in the light of the prevailing economic conditions, its strategy, objectives, plans and budgets and ensure that any necessary corrective action is taken.
- v. Approve any extension of the Company's activities into new business or geographic areas.
- vi. Approve any decision to cease to operate all or any material part of the Company's business.

1.8.3 Capital

- i. Keep under review and determine appropriate levels for the capital and liquidity positions of the Company.
- ii. Review and approve proposals for the allocation of capital and other resources within the Company.

1.8.4 Financial Reporting

- i. Approve the Company's financial statements, annual report and quarterly management accounts, including other qualitative and quantitative information.
- ii. Approve any significant changes to accounting policies or practices.
- iii. Recommendation to Shareholders of the Auditor for the ensuing year on recommendation of the Audit and Risk Committee.

1.8.5 Internal Control

Maintain a sound system of internal control and risk management including:

- a) receiving reports on, and reviewing the effectiveness of the Company's risk and control processes to support its strategy and objectives
- b) approving an appropriate statement for inclusion in the annual report
- c) approving any corporate governance reports
- d) approve internal and external audit reports

1.8.6 Major Contracts and Engagements

Approve material acquisitions and disposals of businesses, assets or shares which are outside the ordinary course of business of the Company and significant in terms of the business of the Company.

1.8.7 Board and Other Appointments

- i. Review the structure size and composition of the Management and Board from time to time and make any changes deemed necessary.

- ii. Approve the appointment and removal of designated senior executive officers of the Company.

1.8.8 Delegation of Authority

Approve delegated authorities for expenditure, borrowing and other risk exposures.

1.8.9 Other

- i. Establish review and agree changes as appropriate to the membership and terms of reference of the Committees of the Board.
- ii. Receive the minutes of and/or reports from the Committees of the Board.
- iii. Review the terms of reference of Board Committees from time to time.

1.9 Board Members induction

All newly appointed directors to the Board of REIZ are formally inducted by the Board Chairman to ensure they have a broad understanding of the Group and; the role, culture and operations of the Board. The induction process includes:

- a) Initial meeting with the Board Chairman, Chief Executive Officer and Company Secretary.
- b) Presentation of a file to the new director comprising, articles of association, Board charter, Committees' terms of reference, current year's board and committee meetings timetable, etc.
- c) Strategic plan
- d) Contacts for other directors and key management.

1.10 Board Independence

The roles of Chairman and Chief Executive Officer are separate, and the office of Chairman is occupied by an independent, non-executive director. The position of Chief Executive Officer is appointed by the Board on the recommendation of the Remuneration Committee of the Board (Remco). The terms and conditions of the Chief Executive Officer's employment contract are determined by the Remuneration Committee, and are recommended to, and approved by the Board.

During the year, the Board comprised non-executive directors who are independent of management and exercise their independent judgement gained from their knowledge and experience.

The Board has an on-going process of self-evaluation to ensure adherence to the best practices of corporate governance. To this end Board induction and training is instituted to ensure a continual improvement in these practices. The board meets with its external auditors to ensure adherence to international accounting practices.

A third of the Board is required under the articles of the company to retire annually. A "fit and proper" test of new Director appointments are made by the Nominations Committee that also assesses that appointments comply with the Company's articles. Shareholders approve by ordinary resolution the appointment of Directors duly recommended to the Annual General Meeting.

The Directors' shareholding interest as at 31 December 2025 is shown in the table below:

Non-Executive Directors	Beneficial		Non-beneficial	
Kenny H. Makala	Nil	Nil	Nil	Nil
Rory Mackey	Nil	Nil	Nil	Nil
Mark O'Donnell	57,326	9,273,779	Nil	Nil
Samson Mojalefa	Nil	Nil	Nil	Nil
Gillian Casilli	203,428,693	Nil	Nil	Nil
Diego Casilli	4,425,406	Nil	Nil	Nil
Dipak Patel	Nil	Nil	Nil	Nil
Harrison Banda	Nil	Nil	Nil	Nil
Faith Kashweka	Nil	Nil	Nil	Nil

2.0 Key Management Positions

The two key management positions and office bearers during the year were as follows:

Chief Executive Officer- Mr Kambeu Banda
Finance Manager and Company Secretary – Mr Louis Pulu

Mr. Banda was appointed as Chief Executive Officer on 1st August 2023. He holds a Bachelor of Arts in Economics from the University of Zambia and an International Post Graduate Diploma in Management Studies from Cavendish University. Mr. Banda has over 16 years of experience gained in real estate and finance. Mr. Banda has spent the greater part of his career as a Banker having held various senior management positions with the most recent being Senior Manager –Business and Commercial Banking at First National Bank Zambia Limited. After leaving the banking industry, he has since ventured into Business Consultancy with his recent post being at Yamene Consultancy Service Zambia Limited

Mr. Louis Chilufya Pulu was appointed as Finance Manager and Company Secretary on 11th January 2021. He is an ACCA qualified professional accountant with over 27 years of experience in the field of finance, auditing, and accounting. He is a fellow member of ZICA and has experience in the financial services sector, real estate and property development, auditing and advisory services, non-governmental organisations, and oil marketing sector. He has held senior management positions such as Head of Finance Dana Oil Zambia Limited, Chief Finance Officer PAN African Building Society, Head of Finance LOLC Financial Services Zambia, Group Finance Manager Foxdale Development Limited and Hawkwood Investment Properties Limited.

3.0 Management Services Contract

The Board of directors appointed Napoli Property Development Limited to manage the REIZ property portfolio through a management services contract which was signed on 17th April 2023. Napoli Property Development Limited (“Napoli”) is a leading operator, manager and developer of hospitality, prime retail, commercial office space and other property developments. Napoli manages over 120,000 m² of commercial and retail space with high occupancy rates and reputable tenants. Napoli developed and operates one of the largest and highest performing property portfolios in Zambia, including East Park Mall, Acacia Office Park, and Lewanika Mall etc. Napoli is a locally registered company in Lusaka, Zambia offering its clients various specialised services. These include; Property Management, Administration, Preventative maintenance, Retail leasing and consulting, Service provider procurement and management, Lease renewal negotiations, Vacant space management, Project management, Tenant Mix and co-ordination, Sustainable Solutions, Financial accounting and management, Rent recoveries and accounts payment, asset management, management services for Commercial, residential properties.

4.0 External Auditor

The Auditor for the year under review was PricewaterhouseCoopers following their appointment at the Annual General Meeting held on 25 April 2025. The Auditor is recommended to the members by the Board of Directors following recommendation to the Board by the Audit and Risk Committee. The Audit and Risk Committee reviews the work and scope of the external audit process through formal meetings with the audit engagement partner. Some of the matters

- a) Independence of the audit firm, engagement partner and audit team,
- b) Audit planning, scope and identification of key areas of audit risk,
- c) Feedback from the audit process and review of the management letter.

During the current year, the auditor did not offer any other services apart from the statutory audit. Remuneration of the auditor is reported on note xx, page xx.

5.0 Risk Management

In running the Group's business in the ever changing regulatory and operating environments, we continue to strengthen compliance and control processes. During the year, the Group structured and documented its operating policies, procedures and processes (policy manual) to foster an effective compliance culture and operating environment. The policy manual deals comprehensively with structure, human resource, policies and activities to identify, assess, monitor and manage compliance and operating risks.

REIZ attaches great importance to the highest ethical standards and principles of corporate governance. The Board therefore ensures that it is in compliance with the requirements of various legislations under which REIZ and its subsidiaries operate. As per our values, we seek to be honest, reliable and fair in dealing with all our interest groups. REIZ and its subsidiaries are incorporated in Zambia under the provisions of the Companies Act. REIZ is listed on the Lusaka Securities Exchange (LuSE) and is regulated by the Securities and Exchange Commission (SEC). The Group's corporate governance systems and practices are therefore based on the LuSE's Code of Conduct.

In the conduct of its business, REIZ stands for the following principles:

1. Commitment to working in an ethical, lawful, and professional manner.
2. Firm stand against corruption of any form and against bribery in order to contribute to good governance and economic

development. REIZ therefore neither pays bribes nor accept them, nor induce or permit any other party to make or receive bribes on our behalf.

The Board confirms that REIZ ensured substantive compliance with the Lusaka Securities Exchange Corporate Governance Code throughout the year and that we remain committed to meeting regulatory requirements in the future.

6.0 Corporate Social Responsibility

REIZ recognises that it has responsibilities to many stakeholders. The Group attaches great importance to delivering a balance between pursuing economic returns and promoting the social well-being of the wider communities in the country. The Board supports a number of charitable, social and educational causes on a case-by-case basis.

The following are some of the projects that have benefited from REIZ's corporate social responsibility activities:

- 6.1 Pakati Sunday Market at Arcades Shopping Mall – REIZ proudly sponsors and provides a platform called Pakati market to advent entrepreneurs. This platform has become one of the biggest flea markets in Zambia through which many emergent retailers and manufacturers sell indigenous Zambian products and artworks, showcasing immense talent of the people of Zambia in terms of artifacts, curios, crafts, music etc. This famous market which has become very popular to both international and local tourists is held on a weekly basis on Sundays throughout the year. REIZ is committed to continue providing this platform in the foreseeable future and in this vein, the Pakati Market platform is provided for in the current redevelopment of the Arcades shopping mall.

6.2 Bus stop and Taxi rank maintenance -

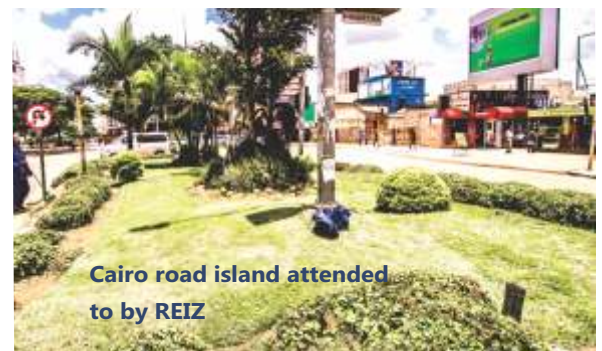
REIZ has adopted maintenance of both the bus stop and the taxi rank at Arcades thereby giving traders, commuters and pedestrians easy and clean access to the mall and surrounding areas. REIZ works hand in hand with the bus stop and taxi rank operators to ensure order and cleanliness is maintained at all times. Both bus stop and taxi rank operators have a committee that sits with Arcades Centre Management to ensure order is maintained and the surroundings are kept clean.



6.3 Cairo Road island - REIZ has adopted the Cairo road island section covering Central Park's perimeter along the road and maintains it in promoting keep Lusaka clean and green. This stretch under REIZ's care stands out on the whole of Cairo Road from north end to south end as the best maintained garden.



Corporate social responsibility remains a core part of REIZ's business strategy.



7.0 Shareholders

REIZ had 864,920,876 issued shares during the whole financial year of 2025. As of 31st December 2025, Forli Limited was the biggest Shareholder with 267,257,161 shares representing 30.90%. The top 5 shareholders represented 89.97% of the total shareholding. REIZ has a 100% float on the Lusaka Securities Exchange (LuSE) with over 400 shareholders. Some Majority shareholders during the financial year placed 10 million shares on offer to the public in a bid to meet the 25% free float listing rules requirement. In addition

of the Group's general meetings, REIZ continues to engage shareholders and attend to their questions, feedback and information needs. This is done through emails, phone calls and one on one meetings with senior management of the Group particularly the Chief Executive Officer and the Company Secretary. A number of shareholders visit the Group's offices throughout the year. The Group also maintains close interactions

with stockbrokers and research analysts who play an important role in the investment community. Our corporate website www.reizreit.com continues to be key resource for announcements and annual reports. To ensure fair and prompt dissemination of information, we post all new

announcements on our website immediately after release on the Securities Exchange News Services (SENS).

Competition and Consumer Protection Commission of Zambia.

Major Shareholders as at 31 December 2025

Shareholders	Number of REIZ shares held	Holding Percentage (%)
FORLI LIMITED	267,257,161	30.90%
CASILLI GILLIAN	203,428,693	23.52%
LM AND C PROPERTIES LTD	173,418,179	20.05%
ANCONA PROPERTIES LTD	82,035,968	9.48%
PETER ROY CAMPBELL	52,025,454	6.02%
GRADUARE PROPERTY DEVELOPMENT LIMITED	19,508,396	2.26%
LHG MALTA HOLDING LTD	13,209,977	1.53%
UNION GOLD (Z) LTD	9,273,779	1.07%
NATIONAL PENSION SCHEME AUTHORITY	5,691,431	0.66%
CASILLI DIEGO	4,425,406	0.51%
Top Ten Shareholders	830,274,444	95.99%
Others	34,646,432	4.01%
Total Shareholding	864,920,876	100.00%

8.0 Dividend

The Board recommended to declare and pay dividends for the 2025 at \$0.00449 per share for the financial year end 31st December 2025 (2024 : \$0.002 dividend per share).

9.0 Conclusion

The Board of Directors hereby confirms that the Group has complied with all the internal control aspects of the principles of good governance. The financial statements attached to this Annual Report have been approved by the Directors and have been prepared, as reported by the Group's independent auditor, in accordance with

International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board and comply with the Companies Act of Zambia.

The Directors are not aware of any material fact, circumstance or event which has occurred between the accounting date and the date of this report which might influence an assessment of the Group's financial position or the results of its operations.



Louis Pulu
Company Secretary

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REGISTERED OFFICE:

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Corner of Great East/Thabo Mbeki Roads
P O Box 30012
Lusaka

Telephone 260 211 258057/8

TRANSFER SECRETARIES

Corpserve Transfer Agents Ltd
6 Mwaleshi Road
Olympia Park
Lusaka

COMPANY SECRETARY

Louis Chilufya Pulu
P. O. Box 30012
East Park Mall
Lusaka

AUDITORS

PricewaterhouseCoopers (Zambia)
Stand No. 2374, Thabo Mbeki Road
P. O. Box 30942
Lusaka

SOLICITORS

J&M Advocates
P.O Box FW 202
Lusaka

Solly Patel Hamir & Lawrence
P O Box 34091
Lusaka

BANKERS

Stanbic Bank (Zambia) Limited
Head Office
P.O. Box 31955
Lusaka

Directors' report to the members

The Directors submit their report together with the audited annual financial statements for the year ended 31 December 2025, which disclose the state of affairs and performance of Real Estate Investments Zambia Plc (the "Company") and its subsidiaries (together "the Group").

1 Principal activities

The principal activity of the Group is investment, and restructuring of commercial, residential and other non-commercial property for commercial letting. As a result of REIT status, the Group is no longer in development activities.

2 Share capital and beneficial owner(s)

The authorised share capital of the Company is 864,920,876 ordinary "A" shares of US\$0.072 each. The issued and fully paid-up share capital is 864,920,876 ordinary "A" shares of US\$0.072 each.

The Group shareholding and beneficial ownership is represented as follows:

Name of shareholder	Percentage of shareholding	Beneficial ownership
Forli Ltd	30.90%	Gillian Casilli
Gillian Casilli	23.52%	Gillian Casilli
LM and C Properties Limited	20.05%	S.A. Corp
Ancona Properties Ltd.	9.48%	
Peter Roy Campbell	6.02%	
Graduare Property Development Limited	2.26%	
LHG Malta Holdings Limited	1.53%	
Union Gold (z) Ltd	1.07%	
Other shareholders	5.17%	

3. Significant events during the year

There have been no significant events during the year under review

4 Results and dividend

The Group Loss for the year of K404.7 million (2024: Profit of K576.5 million), has been added to retained earnings. The Directors have declared a dividend of K87.5million (2024 : K53.4million) for the year in line with the REIT guideline where minimum 80% of the distributable income of the REIT, for each accounting period, shall be distributed to unit holders.

5 The Board of Directors

The Directors who held office during the year and to the date of this report were:

Name	Position	Tenure
Kenny H. Makala	Non Executive Director, Chairman	Full year
Mark O'Donnell	Non Executive Director	Full year
Diego Casilli	Non Executive Director	Full year
Dipak Patel	Non Executive Director	Full year
Rory Mackey	Non Executive Director	Full year
Samson Mojalefa	Non Executive Director	Full year
Gillian Casilli	Non Executive Director	Full year
Faith Kashweka	Non Executive Director	Full year
Harrison Banda	Non Executive Director	Full year

6 Secretary

Louis Chilufya Pulu

7 Directors' fees

Directors' fees amounting to 1.5million were paid during the year 2025 (2024: Nil) as disclosed in the annual financial statements. These fees relate to both the Group and Company.

8 Interests register information

During the year, the Group officers (Directors and Company Secretary) had interests in the transactions and business of the group refer to note 28.

The interests register as required by the Companies Act, 2017 of Zambia, that should contain particulars of the interest declared is available for inspection at the Company's registered office.

9 Health and safety

The Group is committed to ensuring the protection of other persons against risks to health or safety arising out of, or in connection with, the activities of the Group.

10 Average number of employees and remuneration

The total remuneration of employees during the year amounted to ZMW5.1 million (2024: ZMW3.6 million). The average number of employees is 14 (2024: 4).

11 Gifts and donations

During the year the Group made donations ZMW0.053million (2024: nil)

12 Equipment and motor vehicles

During the year, the Group purchased equipment and motor vehicles amounting to ZMW0.004million (2024: ZMW0.03million). In the opinion of the Directors, the carrying value of equipment and motor vehicles is not more than their recoverable value.

13 Events occurring after the end of the reporting period

The Company is in the process of acquiring a 51% shareholding in Graduare Property Development Limited

14 Going concern

At year end, the Group's current liabilities exceeded its current assets by ZMW259.2 million, and the total assets exceeded the total liabilities by ZMW1,911.4 million.

The reduction in investment property values during the period is primarily attributable to fair value losses recognized. These losses arose mainly due to fluctuations in exchange rates, which impacted the valuation of the properties.

During 2024–2025, the Group rehabilitated the Arcade Mall, which resulted in an uplift in rental income. However, as certain works could not be completed in the first half of the year, the full benefit of the rehabilitation was not realized during the reporting period.

The Group is in the process of enhancing the appearance of certain properties. These improvements are expected to strengthen the properties' market appeal, resulting in higher rental revenues and improved profitability for the Group

These properties do generate individually and collectively positive cash flow, and will result in an estimated excess cash of over US\$2.0 million (ZMW45 million) for distribution among the shareholders for 2026. Group is also in discussion to acquire new properties in exchange of shares. This will have a positive impact on cashflow and improve Group current ratio.

In addition, Management is currently in discussion with Stanbic bank regarding the restructuring of Group's existing loans, including a US\$6 million and a ZMW 51.7 million loan. The proposal is to extend these loans by three years, with a bullet payment at the end of the term. A credit approved term sheet has been accepted by the Group This restructuring is aimed at easing short-term cash flow pressure and giving the Group greater flexibility in managing its financial obligation. Drawing on their past experience of successful loan restructurings with the same bank, the directors are confident of achieving the desired outcomes This will also help in mitigating any going concern issues arising from the current net liabilities position.

14 Going concern (continued)

Given the facts management's focus for the year 2026 is a positive operating cashflow and a profit after tax for both the Group and Company as a result of the measures noted above.

The Directors are therefore of the opinion that the Group and Company are a going concern on the basis that new strategies that involve acquiring new properties and restructuring of loan will improve the Group and the Company results and improve the liquidity in the business.

15 Corporate governance

The annual financial statements have been prepared in accordance with IFRS Accounting Standards and interpretations adopted by the International Accounting Standards Board and comply with the Companies Act 2017, of Zambia and the Securities Act, 2016 of Zambia.

In accordance with Section 147 of the Securities Act 2016, of Zambia the Board of Directors confirms that the Group and Company have in place robust systems of internal controls over financial reporting and security of assets. A gap assessment was performed in 2023 and during the year by an external consulting firm and a report for the year ended 31 December 2023 was issued and shared with the Securities and Exchange Commission focusing on the internal controls and reporting framework. The report highlighted any weaknesses in the control environment and assessed the current internal control framework in place in comparison with the COSO internal controls reporting framework. This financial year end 31 December 2025 the independent external auditors are expected to issue an independent opinion on the effectiveness of the Real Estate Investment Zambia Plc Internal controls in accordance with Section 149 of the Securities and Exchange Act 2016, of Zambia.

16 Internal Control over Financial Reporting

The Board is responsible for ensuring the effectiveness of the Company's internal control systems, including those related to financial reporting and disclosure controls.

The year ended 2024 marked the implementation period for reporting on the effectiveness of the Company's internal controls over financial reporting. The company underwent significant transitional events in 2023 and 2024 which prompted management to request for a temporary exemption from the Securities Exchange Commission on the reporting of internal controls over financial reporting for the year ended 2024. The request was accepted by the Securities Exchange Commission on 21st February 2025 and instead A Gap Analysis report on internal controls over financial reporting was submitted to the Securities Exchange Commission. The Company engaged Victor & Morgan Associates, a firm of Chartered Accountants in 2025 to provide outsourced internal audit services and provide assurance to the board on the effectiveness of the internal controls. In addition to this, management completed the drafting and implementation of the major key Governance policy documents. The Board and Management is confident that Internal controls over financial reporting within the company are materially effective.

17 Group Auditor and remuneration

The Auditor, PricewaterhouseCoopers Zambia, has indicated their willingness to continue in office and a resolution for their reappointment will be proposed at the next annual general meeting.

The Auditor remuneration for the year was ZMW3.7 million (2024 : ZMW1.5 million) as regards audit services.

Signed on behalf of the Board of Directors



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Authorised Director



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Authorised Director

Directors' responsibilities in respect of the preparation of the Group and Company financial statements

The Companies Act, 2017 of Zambia requires the Directors to prepare annual financial statements for each financial year that give a true and fair view of the state of affairs of the Group as at the end of the financial year and of its financial performance. It also requires the Directors to ensure that the Group keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group. They are also responsible for safeguarding the assets of the Group. The Directors are further required to ensure the Group adheres to the corporate governance principles or practices contained in Sections 82 to 122 of Part VII of the Companies Act, 2017 of Zambia.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act, 2017 of Zambia and the Securities Act 2016, of Zambia.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of annual financial statements, and for such internal controls as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Directors are of the opinion that the annual financial statements set out on pages 60 to 108 give a true and fair view of the state of the financial affairs of the Company and of its financial performance in accordance with IFRS Accounting Standards, as issued by the IASB, the requirements of the Companies Act, 2017 of Zambia, and the Securities Act, 2016 of Zambia.

The Directors are aware that the Group's current liabilities exceeded its current assets by ZMW259.2 million. Management is currently in discussion with Stanbic bank regarding the restructuring of Group's existing loans, including a US\$6 million and a ZMW 51.7 million loan. The proposal is to extend these loans by three years, with a bullet payment at the end of the term. A credit approved term sheet has been accepted by the Group. This restructuring is aimed at easing short-term cash flow pressure and giving the Group greater flexibility in managing its financial obligation. Drawing on their past experience of successful loan restructurings with the same bank, the Directors are confident of achieving the desired outcomes. This will also help in mitigating any going concern issues arising from the current net liability position.

The Directors are therefore of the opinion that the Group and Company are a going concern on the basis that new strategies that involve acquiring new properties and restructuring of loan will improve the Group and the Company results and improve the liquidity in the business.

Signed on behalf of the Board of Directors



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 Authorised Director



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 Authorised Director

Management's Internal Control over Financial Reporting:

Management Responsibility

Management of Real Estate Investment Zambia Plc (REIZ) is responsible for establishing and maintaining adequate internal controls over financial reporting. Our internal control over financial reporting is a process designed under the supervision of our Chief Executive Officer and our Finance Manager & Company Secretary to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the company's financial statements for external reporting purposes in accordance with International Financial Reporting Standards. Internal control over financial reporting includes our disclosure controls and procedures designed to prevent fraud, errors or misstatements.

Risks in Financial Reporting

The main risks in financial reporting are that it is possible that either financial statements do not present a true and fair view due to inadvertent or intentional errors (fraud), or that the publication of financial statements is not done on a timely basis. These risks may reduce investor confidence or cause reputational damage and may have legal consequences including the Securities and Exchange Commission (SEC), the Lusaka Stock Exchange commission (LuSE) and PACRA regulatory interventions. A lack of fair presentation arises when one or more financial statements or disclosures contain misstatements or omissions that are material. Misstatements or omissions are deemed material if they could, individually or collectively, influence economic decisions that users make on the basis of the financial statements.

Internal Controls Evaluation Framework

To confine the risks of financial reporting, management of the company has established internal controls over financial reporting with the aim of providing reasonable, but not absolute, assurance against material misstatements or omissions and has conducted an assessment of the effectiveness of the company's internal controls over financial reporting based on the framework established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). COSO recommends the establishment of specific objectives to facilitate the design, and evaluate the adequacy, of a control system. As a result, in establishing internal controls over financial reporting, management has adopted the following financial statement objectives:

- Existence - assets and liabilities exist and transactions have occurred.
- Completeness - all transactions are recorded, and account balances are included, in the financial statements.
- Valuation - assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts or fair values.
- Rights and Obligations of ownership - rights and obligations are appropriately recorded as assets.
- Presentation and disclosures - classification, disclosure and presentation of financial reporting is appropriate; and
- Safeguarding of assets - unauthorized acquisition, use or disposition of assets is prevented or detected in a timely manner.

However, any internal control system, including internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, but not absolute, assurance that the

objectives of that control system are met. As such, disclosure controls and procedures or systems for internal control over financial reporting may not prevent all errors and fraud. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

Organization of the System of Internal Controls over Financial Reporting

Controls within the system of internal controls over financial reporting are performed by all business functions with an involvement in reviewing the reliability of the books and records that underlie the financial statements. As a result, the operation of internal controls over financial reporting involves staff in the following departments:

- Finance department
- Internal audit department
- Procurement and Operations department
- Leasing and legal department

The Finance department is an outsourced activity performed by Napoli Properties Limited. REIZ in April 2023 Contracted Napoli Properties through a Management Services contract to manage all its properties and the day to day financial and accounting activities. The procurement, leasing and legal activities are primarily performed by Napoli Properties limited who are responsible for the periodic preparation of financial statements and operates independently from the company's businesses. The REIZ Finance Manager & Company Secretary is however ultimately responsible for the accuracy and review of the quality of the financial statement and within the REIZ Structure the Internal audit function exists is which outsourced to Victor and Morgan Associates a firm of Chartered Accountants. **The outsourced Finance department together with** different functions have control responsibilities which contribute to the overall preparation process:

- **The Finance department within Napoli specialists** are responsible for reviewing the quality of financial data by performing validation and control. They are in close contact with business, infrastructure and legal entity management and employ their specific knowledge to address financial reporting issues arising on products and transactions, as well as validating, reserving and other adjustments based on judgment.
- **The Finance department within Napoli** is also responsible for company-wide activities which include the preparation of the company financial and management information, forecasting and planning and risk reporting. Finance sets the reporting timetables, performs the consolidation and aggregation processes, effects the elimination entries for internal and intercompany activities, controls the period end and adjustment processes, compiles the financial statements, and considers and incorporates comments as to content and presentation made by senior and external advisors.
- **The Finance department** is also responsible for developing the company's interpretation of International Financial Reporting Standards and their consistent application within the company and is responsible for the timely resolution of corporate and transaction-specific accounting issues.

Tax Consultant is responsible for producing income tax related financial data in conjunction with Finance, covering the assessment and planning of current and deferred income taxes and the collection of tax related information. Tax Consultant and CFO monitors the income tax position and controls the provisioning for tax risks.

The operation of internal control over financial reporting is also importantly supported by the outsourced Internal Auditors. Although these functions are not directly involved in the financial preparation process, they contribute significantly to monitoring of the production of financial information:

- Napoli Properties limited is or are responsible for confirming transactions with counterparties and performing reconciliations, both internally and externally, of financial information between systems, oversight done by REIZ. They also undertake all transaction settlement activity on behalf of the company and performs reconciliations of account balances.
- The REIZ Finance Manager & Company Secretary is responsible for developing policies and standards for managing credit, market, legal, liquidity, operational and vendor risks. Risk identifies and assesses the adequacy of credit, legal and operational provisions.

Controls to Minimize the Risk of Financial Reporting Misstatement

The system of internal control over financial reporting consists of a large number of internal controls and procedures aimed at minimizing the risk of misstatement of the financial statements. Such controls are integrated into the operating process and include those which:

- are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties.
- operate on a periodic basis such as those which are performed as part of the annual financial statement preparation process.
- are preventative or detective in nature.
- have a direct or indirect impact on the financial statements themselves. Controls which have an indirect effect on the financial statements include Information Technology general controls such as system access and deployment controls. An example of a control with direct impact would be a reconciliation which directly supports a balance sheet line item.
- feature automated or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.
- the combination of individual controls encompasses each of the following aspects of the system of internal control over financial reporting:
 - accounting policy design and implementation. Controls to promote the consistent recording and reporting of the company's business activities in accordance with authorized accounting policies.
 - reference data. Controls over reference data in relation to the general ledger and on- and off-balance sheet transactions including product reference data.
 - new product and transaction approval, capture and confirmation. Controls are intended to ensure the completeness and accuracy of recorded transactions as well as appropriate authorization. Such controls include transaction confirmations which are sent to and received from counterparties to help ensure that trade details are corroborated.
 - reconciliation controls, both external and internal. Inter-system reconciliations are performed between relevant systems for all trades, transactions, positions or relevant parameters. External reconciliations include bank account, supplier and exchange reconciliations. business aligned valuation specialists focus on valuation approaches and methodologies for various asset

classes and perform IPV for complex derivatives and structured products.

- taxation. Controls are designed to ensure that tax calculations are performed properly and that tax balances are appropriately recorded in the financial statements.
- reserving and adjustments based on judgment. Controls are designed to ensure that reserving and other adjustments based on judgment are authorized and reported in accordance with the approved accounting policies.
- balance Sheet substantiation. Controls relating to the substantiation of balance sheet accounts to promote the integrity of general ledger account balances based on supporting evidence.
- consolidation and other period end reporting controls. At period end, all businesses submit their financial data to the company head office for consolidation. Controls over consolidation include the validation of accounting entries required to eliminate the effect of inter- and intra-company activities. Period end reporting controls include general ledger month end close processes and the review of late adjustments; and
- financial statement disclosure and presentation. Controls over compilation of the financial statements themselves including preparation of disclosure checklists and compliance with the requirements thereof, and review and sign-off of the financial statements by senior Finance management. The financial statements are also subject to approval by Management, and the Board and its Audit and Risk Committee.

Measuring Effectiveness of Internal Control

Each year, the management of the company undertakes a formal evaluation of the adequacy and effectiveness of the system of internal control over financial reporting. This evaluation incorporates an assessment of the effectiveness of the control environment as well as individual controls which make up the system of internal control over financial reporting taking into account—

- the financial misstatement risk of the financial statement line items, considering such factors as materiality and the susceptibility of the particular financial statement item to misstatement; and
- The susceptibility of identified controls to failure considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature and extent of evidence that management requires in order to be able to assess whether or not the operation of the system of internal control over financial reporting is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the internal control over financial reporting evaluation. Information from other sources also forms an important component of the evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings. Such information sources include—

- reports on audits carried out by or on behalf of regulatory authorities.
- external auditor and internal auditor reports; and,
- reports commissioned to evaluate the effectiveness of outsourced processes to third parties.

In addition, the company's Audit evaluates the design and operating effectiveness of internal control over financial reporting by performing periodic and ad-hoc risk-based audits. Reports are produced summarizing the results from each audit performed which are distributed to the responsible managers for the activities concerned. These reports also provide evidence to support the annual evaluation by

management of the overall operating effectiveness of the internal control over financial reporting.

As a result of the evaluation, management has concluded that internal control over financial reporting is appropriately designed and operating effectively as of 31 December 2025 .

The external auditor that audited the financial statements has issued an external auditor's report on our assessment of the company's internal controls over financial reporting and it is filed on page 54 of this annual report.

Signed by



Chief Executive Officer



Finance Manager & Company Secretary

I, Kambeu Banda being the Chief Executive Officer certify that—

1. I have reviewed the Annual Report as defined in Section 14 of the Securities (Internal Controls Over Financial Reporting) Guidelines of Real Estate Investment Zambia PLC as of 31st December 2025
2. Based on my knowledge, the annual report does not contain any untrue statement of a material fact. Nor does it omit to state a material fact which would make the statement misleading in light of the circumstance under which it was made.
3. Based on my knowledge, the financial statements and other financial information included in this annual report, fairly presents, in all material respects, the financial condition and results of operations of the company as of, and for, the periods presented in this annual report;
4. The other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting as by the Securities (Internal Controls Over Financial Reporting) Guidelines the Company and we have
 - (a) designed or caused to be designed under our supervision such disclosure controls and procedures to ensure that material information relating to the company and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the annual report is being prepared;
 - (b) designed or caused to be designed under our supervision such disclosure controls and procedures to ensure that information required to be disclosed under the Securities Exchange Act of 2016 (as amended) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including without limitation that information required to be disclosed in the SEC filings is accumulated and communicated to management, including the Chief Executive Officer (CEO), and Chief Financial Officer (CFO), as appropriate, to allow for timely decisions regarding required disclosure.
 - (c) designed or caused to be designed under our supervision such internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - (d) evaluated the effectiveness of the company's disclosure controls and procedures and internal control over financial reporting within the ninety (90) days prior to this annual report (the "Evaluation

- (e) disclosed in this report any change in the Company's internal control over financial reporting and disclosure controls and procedures that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting
 - (f) presented in this annual report, our conclusions about the effectiveness of the disclosure controls and procedures and internal control over financial reporting based on our evaluation as of the Evaluation Date.
5. The company's other certifying officers and I have disclosed, based on our most recent evaluation, to the company's auditors and the audit committee of the company's board of directors (or persons performing similar functions)—
- (a) all significant deficiencies in the design or operation of disclosure controls and procedures and internal control over financial reporting which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weaknesses in internal controls; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls; and
6. The company's other certifying officer (s) and I have evaluated the effectiveness of the company's disclosure controls and procedures, and Internal Controls Over Financial Reporting as required under Securities (Internal Controls Over Financial Reporting) Guidelines. Based on this evaluation we have concluded that as of 11 March 2026 the company's disclosure controls and procedures and Internal Controls of Financial Reporting are effective.

Date: 11 March 2026

Signature:

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

I, Louis Pulu being the Finance Manager & Company Secretary certify that—

1. I have reviewed the Annual Report as defined in Section 14 of the Securities (Internal Controls Over Financial Reporting) Guidelines of Real Estate Investment Zambia PLC as of 31st December 2025.
2. Based on my knowledge, the annual report does not contain any untrue statement of a material fact. Nor does it omit to state a material fact which would make the statement misleading in light of the circumstance under which it was made.
3. Based on my knowledge, the financial statements and other financial information included in this annual report, fairly presents, in all material respects, the financial condition and results of operations of the company as of, and for, the periods presented in this annual report;
4. The other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting as by the Securities (Internal Controls Over Financial Reporting) Guidelines the Company and we have
 - (a) designed or caused to be designed under our supervision such disclosure controls and procedures to ensure that material information relating to the company and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the annual report is being prepared;
 - (b) designed or caused to be designed under our supervision such disclosure controls and procedures to ensure that information required to be disclosed under the Securities Exchange Act of 2016 (as amended) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including without limitation that information required to be disclosed in the SEC filings is accumulated and communicated to management, including the Chief Executive Officer (CEO), and Chief Financial Officer (CFO), as appropriate, to allow for timely decisions regarding required disclosure.
 - (c) designed or caused to be designed under our supervision such internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - (d) evaluated the effectiveness of the company's disclosure controls and procedures and internal control over financial reporting within the ninety (90) days prior to this annual report (the "Evaluation Date");

- (e) disclosed in this report any change in the Company's internal control over financial reporting and disclosure controls and procedures that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting
 - (f) presented in this annual report, our conclusions about the effectiveness of the disclosure controls and procedures and internal control over financial reporting based on our evaluation as of the Evaluation Date.
5. The company's other certifying officers and I have disclosed, based on our most recent evaluation, to the company's auditors and the audit committee of the company's board of directors (or persons performing similar functions)—
- (a) all significant deficiencies in the design or operation of disclosure controls and procedures and internal control over financial reporting which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weaknesses in internal controls; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls; and
6. The company's other certifying officer (s) and I have evaluated the effectiveness of the company's disclosure controls and procedures, and Internal Controls Over Financial Reporting as required under Securities (Internal Controls Over Financial Reporting) Guidelines. Based on this evaluation we have concluded that as of 11 March 2026 the company's disclosure controls and procedures and Internal Controls of Financial Reporting are effective.

Date: 11 March 2026

Signature:



PricewaterhouseCoopers (Zambia)
 Stand No 2374 Thabo Mbeki Road
 P. O Box 30942
 Lusaka

Disclosure to Auditors

The other certifying officer(s) and I hereby disclose, based on our most recent evaluation of the company's disclosure controls and procedures and internal control over financial reporting, to the company's auditors that—

- i all significant deficiencies in the design or operation of the Company's disclosure controls and procedures and internal control over financial reporting which would adversely affect the company's ability to record, process, summarize and report financial information and thereby identify any material weakness in disclosure controls and procedures and internal control over financial reporting; and
- ii any fraud, whether or not material, that involves management or other employees who have a significant role in the company's disclosure controls and procedures and internal control over financial reporting.

Further, the other certifying officer(s) and I have not become aware of any significant changes in disclosure controls and procedures and internal control over financial reporting or other factors that could significantly affect disclosure controls and procedures and internal control over financial reporting subsequent to the date of our evaluation.



Signature:

Name : Louis Chilufya Pulu

Position : Finance Manager & Company Secretary

Certification to the audit committees/board of directors

To: Audit & Risk Committee of Real Estate Investments Zambia Plc Board

RE: Disclosure to the Audit Committee/Board of Directors

The other certifying officer and I hereby disclose, based on our most recent evaluation of the company's internal controls, to the company's auditors and the audit & risk committee of the company's board of directors that:

- i. All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and hereby identify any material weakness in internal controls; and
- ii. Any fraud whether or not material, that involves management or other employees who have a significant role in the company's internal controls.

Further, the other certifying officer and I have not become aware of any significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation.



Signature:

Name: Louis Chilufya Pulu

Position: Finance Manager & Company Secretary



To the Shareholders of Real Estate Investments Zambia Plc

INDEPENDENT REASONABLE ASSURANCE REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

We have undertaken a reasonable assurance engagement of Real Estate Investments Zambia Plc's internal controls over financial reporting as at 31 December 2025, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

Opinion on Internal Control Over Financial Reporting

In our opinion, Real Estate Investments Zambia Plc maintained, in all material respects, effective internal controls over financial reporting as at 31 December 2025, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

We also have audited, in accordance with International Standards on Auditing (ISAs), the financial statements of Real Estate Investments Zambia Plc, which comprise of the statement of financial position as at 31 December 2025, and the statements of profit or loss and other comprehensive income, changes in equity, cashflows for the year then ended; and notes to the annual financial statements, and our report dated 11 March 2025, expressed an unqualified opinion.

Summary of work performed

The procedures we performed were based on our professional judgement and included inquiries, inspection of documents and reporting policies, and agreeing or reconciling with underlying records. Given the circumstances of the engagement, our work performed included:

- Making inquiries primarily of persons responsible for financial and accounting matters, and regulatory reporting;
- Testing the design and operating effectiveness of key controls over financial reporting. These internal controls over financial reporting include those policies and procedures that:
 - a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
 - b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
 - c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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- Evaluating the sufficiency and appropriateness of evidence in order to make our reasonable assurance conclusion.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities

Management is responsible for designing, implementing and maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Internal Controls over Financial Reporting report in accordance with Section 146 of the Securities Act, 2016.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or procedures and accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities for the Audit of Internal Control Over Financial

Our responsibility is to express an opinion, based on the evidence we have obtained, as to whether the Real Estate Investments Zambia Plc maintained, in all material respects, effective internal controls over financial reporting as at 31 December 2025, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000, (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board.

A reasonable assurance report in accordance with ISAE 3000 involves performing procedures to obtain evidence about the description and suitability of the design and operating effectiveness of the controls. The procedures selected depend on the practitioner's judgement including the assessment of the risks that the description is not fairly presented, and that the controls are not suitably designed. An assurance engagement of this type also includes evaluating the overall presentation of the description, the suitability of the control objectives stated therein, and the suitability of the criteria specified by Management.



Inherent limitations

Because of their nature, controls put in place by management may not prevent or detect and correct all errors or omissions in financial reporting. Also, the projection to future periods of any evaluation of the effectiveness of the design or operating effectiveness of the controls to achieve the related control objectives is subject to the risk that such controls may become inadequate or fail.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers
Chartered Accountants
Lusaka

11 March 2026

A handwritten signature in blue ink, appearing to be 'Martin Bamukunde'.

Martin Bamukunde
Practicing Certificate Number: AUD/F009933
Partner signing on behalf of the firm



Independent auditor's report

To the Shareholders of Real Estate Investments Zambia Plc

Report on the audit of the Group and Company annual financial statements

Our opinion

In our opinion, the Group and Company annual financial statements give a true and fair view of Group and Company financial position of Real Estate Investments Zambia Plc (the "Company") and its Subsidiaries (together the "Group") as at 31 December 2025, and of the Group and Company financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act, 2017 of Zambia and the Securities Act, 2016 of Zambia.

What we have audited

Real Estate Investments Zambia Plc's Group and Company annual financial statements are set out on pages 60 to 108 and comprise:

- the Group and Company statements of financial position as at 31 December 2025;
- the Group and Company statements of profit or loss and other comprehensive income for the year then ended;
- the Group and Company statements of changes in equity for the year then ended;
- the Group and Company statements of cash flows for the year then ended; and
- the notes to the Group and Company annual financial statements, comprising material accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Group and Company annual financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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Report on the audit of the Group and Company annual financial statements (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group and Company annual financial statements of the current period. These matters were addressed in the context of our audit of the Group and Company annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of investment property</p> <p>Investment properties are carried at fair value in line with the requirements of IAS 40: Investment Properties and IFRS 13: Fair Value Measurement.</p> <p>The valuation of investment properties is considered a key audit matter due to the significance of the balance to the financial statements as a whole, coupled with the complexity of methods, which involves significant judgement and high estimation uncertainty.</p> <p>The fair value of investment properties as of 31 December 2025 was determined by external property valuation experts appointed by management using the investment approach.</p> <p>This approach involves the application of key assumptions and the use of key inputs including: gross annual rental, capitalisation rates, vacancy rates and outgoings.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> • Tested the design and operating effectiveness of controls relating to valuation of investment properties; • Assessed the competence, independence and objectivity of management's valuation expert by examining their qualifications and experience and obtaining confirmation of their independence; • Assessed the information provided by management to the valuer for accuracy and completeness; • Involved our valuation experts to perform an independent review of the valuations; • Assessed the reasonableness of assumptions used and appropriateness of the valuation methodologies applied; • Tested mathematical accuracy of the computations and reconciled the results of the valuations performed by the expert to the financial statements; and • Reviewed the disclosures in the financial statements for compliance with the requirements of IAS 40: Investment Properties and IFRS 13: Fair Value Measurement.

Report on the audit of the Group and Company annual financial statements (continued)

Other information

The Directors are responsible for the other information. The other information comprises Company information, Directors' report to the members, Directors' responsibilities in respect of the preparation of Group and Company annual financial statements, Management report on internal control over financial reporting, Certification by the chief executive officer, Certification by the financial manager, Certification to auditors, Certification to audit committee/board of directors but does not include the Group and Company annual financial statements and our auditor's report thereon.

Our opinion on the Group and Company annual financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Group and Company annual financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Group and Company annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Group and Company annual financial statements

The Directors are responsible for the preparation of the Group and Company annual financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the requirements of the Companies Act, 2017 of Zambia and the Securities Act, 2016 of Zambia, and for such internal control as the Directors determine is necessary to enable the preparation of Group and Company annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Company annual financial statements, the Directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's and Company's financial reporting process.

Report on the audit of the Group and Company annual financial statements (continued)

Auditor's responsibilities for the audit of the Group and Company annual financial statements

Our objectives are to obtain reasonable assurance about whether the Group and Company annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group and Company annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Group and Company annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
 - Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Group and Company annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Group and Company annual financial statements, including the disclosures, and whether the Group and Company annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group annual financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.
-

Report on the audit of the Group and Company annual financial statements (continued)

Auditor's responsibilities for the audit of the Group and Company annual financial statements (continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the Group and Company annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Companies Act, 2017 of Zambia

The Companies Act, 2017 of Zambia requires that in carrying out our audit of Real Estate Investments Zambia Plc, we report on whether:

- i. as required by Section 259 (3)(a), there is a relationship, interest or debt which, ourselves, as the Group and Company Auditor, have in the Group and Company;
- ii. as required by Section 259 (3)(b), there are serious breaches by the Group's and Company's Directors, of corporate governance principles or practices contained in Sections 82 to 122 of Part VII of the Companies Act, 2017 of Zambia; and
- iii. in accordance with Section 250 (2), as regards loans made to a Group or Company Officer (a Director, Group or Company secretary or executive officer of the group or company), the Group or Company does not state the:
 - particulars of any relevant loan made during the financial year to which the accounts apply, including any loan which was repaid during that year; or
 - amount of any relevant loan, whenever made, which remained outstanding at the end of the financial year.

In respect of the foregoing requirements, we have no matters to report.

The Securities Act, 2016 of Zambia

Part III, Rule 18 of the Securities (accounting and financial reporting requirements) Rules of the Securities Act, 2016 of Zambia, require that in carrying out our audit of Real Estate Investments Zambia Plc we report on whether:

- i) the Group and Company annual financial statements of the Company have been properly prepared in accordance with Securities and Exchange Commission rules;
- ii) the Group and Company has, throughout the financial year, kept proper accounting records in accordance with the requirements of Securities and Exchange Commission rules;
- iii) the Group and Company statement of financial position and Group and Company statement of profit or loss and other comprehensive income, together with the Company statement of financial position and Company statement of profit or loss and other comprehensive income are in agreement with the Group and Company's accounting records; and
- iv) we have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In respect of the foregoing requirements, we have no matters to report.

The engagement partner on the audit resulting in this independent auditor's report is Martin Bamukunde.



PricewaterhouseCoopers
Chartered Accountants
Lusaka

11 March 2026



Martin Bamukunde
Practicing Certificate Number: AUD/F009933
Partner signing on behalf of the firm

	Notes	Group	
		2025	2024
Rental Income	6	326,730	159,316
Recoveries revenue	8	15,308	9,346
Property expenses	7	(93,799)	(56,475)
Rental income tax	11	(976)	(4,103)
Fair value gain on investment property	13b	(672,758)	637,710
Operating expenses	7	(19,342)	(7,965)
Net impairment losses on financial assets	4b	(5,799)	-
Operating profit		(450,636)	737,828
Finance income	9	99,496	1,300
Finance costs	9	(53,521)	(154,741)
Net Finance costs	9	45,975	(153,441)
(Loss)/Profit before income tax		(404,661)	584,387
Income tax expense		-	-
(Loss)/Profit for the year		(404,661)	584,387
Loss on sale of investment property		-	(7,908)
Total comprehensive (loss)/income for the year		(404,661)	576,479
Earnings per share			
Basic earnings per share (ZMW)	21	(0.47)	0.67
Diluted earnings per share (ZMW)	21	(0.46)	0.66

	Notes	Company	
		2025	2024
Rental income	6	326,730	159,316
Recoveries revenue	8	15,308	9,346
Property expenses	7	(93,116)	(55,019)
Rental income tax	11	(976)	(4,103)
Fair value gain on investment property	13b	(672,758)	637,710
Operating expenses	7	(19,353)	(7,952)
Net impairment losses on financial assets	4b	(5,799)	-
Operating profit		(449,964)	739,296
Finance income	9	99,496	1,300
Finance costs	9	(53,521)	(154,741)
Net Finance costs	9	45,975	(153,441)
(Loss)/Profit before income tax		(403,989)	585,855
Income tax expense		-	-
(Loss)/Profit for the year		(403,989)	585,855
Loss on sale of Investment Property		-	(7,908)
Total comprehensive (loss)/income for the year		(403,989)	577,947

The notes on pages 66 to 108 are an integral part of these financial statements.

		Group	
		31 DEC 2025	31 DEC 2024
Assets			
Non-current assets			
Equipment and motor vehicles	12	5,000	6,227
Lease straight-lining receivable	16	10,773	9,585
Investment property	13	2,444,548	3,027,107
		<u>2,460,322</u>	<u>3,042,919</u>
Current assets			
Lease straight-lining receivable	16	2,925	3,144
Trade and other receivables	18	6,573	12,956
Cash at bank and on hand	19	82,734	86,536
		<u>92,232</u>	<u>102,636</u>
Total Assets		<u>2,552,554</u>	<u>3,145,555</u>
Equity and liabilities			
Equity attributable to owners			
Share capital	20	8,649	8,649
Share premium	20	1,530,984	1,530,984
Retained earnings		371,728	863,838
Total equity attributable to equity holders of the parent		<u>1,911,361</u>	<u>2,403,472</u>
Liabilities			
Non current liabilities			
Convertible redeemable cumulative preferred stock	22	7,824	7,824
Security deposits	23	24,325	22,609
Corporate bond	24	206,825	259,642
Lease liability	25	50,805	62,595
		<u>289,780</u>	<u>352,670</u>
Current liabilities			
Bank loan	24	186,781	263,664
Lease liability	25	3,715	4,663
Rental income tax payable	11	1,483	1,589
Trade and other payables	26	134,969	77,896
Amounts due to related parties	28	24,464	41,600
		<u>351,414</u>	<u>389,412</u>
Total Equity and liabilities		<u>2,552,554</u>	<u>3,145,555</u>

The annual financial statements on pages 60 to 108 were approved and authorised for issue by the Board of Directors on 26 February, 2026 and signed on its behalf by:



Director



Director

		Company	
		31 DEC 2025	31 DEC 2024
Assets			
Non-current assets			
Equipment and motor vehicles	12	272	818
Lease straight-lining receivable	16	10,773	9,585
Investment property	13	2,444,548	3,027,107
Investment in subsidiaries	15	146,961	146,961
		<u>2,602,555</u>	<u>3,184,470</u>
Current assets			
Current tax receivable	11	449	343
Lease straight-lining receivable	16	2,925	3,144
Trade and other receivables	18	7,968	13,476
Cash at bank and on hand	19	82,727	86,540
		<u>94,069</u>	<u>103,502</u>
Total Assets		<u>2,696,624</u>	<u>3,287,972</u>
Equity and liabilities			
Equity attributable to owners			
Share capital	20	8,649	8,649
Share premium	20	1,530,984	1,530,984
Retained earnings		(100,137)	391,301
Total equity attributable to equity holders of the parent		<u>1,439,497</u>	<u>1,930,935</u>
Liabilities			
Non current liabilities			
Convertible redeemable cumulative preferred stock	22	7,824	7,824
Security deposits	23	24,325	22,609
Corporate bond	24	206,825	259,642
Lease liability	25	50,805	62,595
		<u>289,779</u>	<u>352,670</u>
Current liabilities			
Bank loan	24	186,781	263,664
Lease liability	25	3,715	4,663
Trade and other payables	26	137,417	79,468
Amounts due to related parties	28	639,436	656,572
		<u>967,349</u>	<u>1,004,367</u>
Total Equity and liabilities		<u>2,696,624</u>	<u>3,287,972</u>

The annual financial statements on pages 60 to 108 were approved and authorised for issue by the Board of Directors on 26 February 2026 and signed on its behalf by:

Director

Director

The notes on pages 66 to 108 are an integral part of these financial statements.

Group	Share capital	Share premium	Retained earnings	Total
Year ended 31 December 2024				
At start of year	2,149	245,261	344,443	591,853
Profit for the year	-	-	576,480	576,480
Total comprehensive income	-	-	576,480	576,480
Transactions with owners in their capacity as owners				
Issue of new shares net proceeds	6,500	-	-	6,500
Transfer to share premium	-	1,285,723	-	1,285,723
Dividend declared	-	-	(57,085)	(57,085)
	6,500	1,285,723	(57,085)	1,292,223
At 31 December 2024	8,649	1,530,984	863,838	2,403,471
Year ended 31 December 2025				
At start of year	8,649	1,530,984	863,838	2,403,471
Loss for the year	-	-	(404,661)	(404,661)
Total comprehensive income	-	-	(404,661)	(404,661)
Transactions with owners in their capacity as owners				
Dividend declared	-	-	(87,449)	(87,449)
	-	-	(87,449)	(87,449)
At 31 December 2025	8,649	1,530,984	371,728	1,911,361

Company	Share capital	Share premium	Retained earnings	Total
Year ended 31 December 2024				
At start of year	2,149	245,261	(129,561)	117,849
Profit for the year	-	-	577,947	577,947
Total comprehensive income	-	-	577,947	577,947
Transactions with owners in their capacity as owners				
Issue of new shares net proceeds	6,500	-	-	6,500
Transfer to share premium	-	1,285,723	-	1,285,723
Dividend declared	-	-	(57,085)	(57,085)
	6,500	1,285,723	(57,085)	1,235,139
At end of year 2024	8,649	1,530,984	391,301	1,930,935
Year ended 31 December 2025				
At start of year	8,649	1,530,984	391,301	1,930,935
Loss for the year	-	-	(403,989)	(403,989)
Total comprehensive income	-	-	(403,989)	(403,989)
Transactions with owners in their capacity as owners				
Dividend declared	-	-	(87,449)	(87,449)
	-	-	(87,449)	(87,449)
At 3end of year 2025	8,649	1,530,984	(100,137)	1,439,497

	Notes	Group	
		2025	2024
Cashflows from operating activities			
Cash generated from operations	27	242,331	141,635
Income taxes paid	11	(1,083)	(6,124)
Net cash generated from operating activities		<u>241,248</u>	<u>135,511</u>
Cash flows from investing activities			
Interest received	9	364	1,300
Capital expenditure	13	(91,168)	(114,566)
Proceeds from disposal of property	13	-	33,320
Purchase of equipment and motor vehicles	12	(4)	(30)
Net cash outflow from investing activities		<u>(90,808)</u>	<u>(79,975)</u>
Cash flows from financing activities			
Coupon interest on preferred stock paid	21	(4,016)	(4,185)
Corporate bond interest paid	27	(19,586)	(20,077)
Interest on other loans and borrowings	27	(24,719)	(15,519)
Repayment of principal on other loans and borrowings	27	(76,883)	(48,722)
Interest on lease liability	25	(5,200)	(4,317)
Lease principle payment	25	(81)	(2,848)
Net cash outflows from financing activities		<u>(130,484)</u>	<u>(95,668)</u>
Net decrease in cash at bank and on hand		<u>19,957</u>	<u>(40,132)</u>
Movement in cash at bank and on hand			
Cash at bank and on hand at the beginning of the financial year		86,536	111,708
Net increase/decrease in cash at bank and on hand		19,957	(40,105)
Effects of exchange rate changes on cash at bank and on hand		(23,758)	14,933
Cash at bank and on hand at end of year		<u>82,734</u>	<u>86,536</u>

		Company	
		2025	2024
	Notes		
Cashflows from operating activities			
Cash generated from operations	27	242,320	141,651
Income taxes paid	11	(1,083)	(6,124)
Net cash generated from operating activities	·	<u>241,237</u>	<u>135,526</u>
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Repayment of principal on other loans and borrowings	27	(76,883)	(48,722)
Interest on lease liability	25	(5,200)	(4,317)
Lease principle payment	25	(81)	(2,848)
Net cash inflows from financing activities		<u>(130,484)</u>	<u>(95,667)</u>
Net decrease in cash at bank an on hand		<u>19,945</u>	<u>(40,117)</u>
Movement in cash at bank an on hand			
Cash at bank and on hand at the beginning of the financial year		86,540	111,698
Net increase/decrease in cash at bank and on hand		19,945	(40,117)
Effects of exchange rate changes on cash and cash equivalents		(23,758)	14,958
Cash at bank an on hand at end of year		<u>82,727</u>	<u>86,540</u>

1 Material accounting policies

Real Estate Investments Zambia Plc (the "Company") is domiciled in Zambia. The address of the Company's registered office is Real Estate Investments Zambia Plc, Stand 2713, Cairo Road, Lusaka. The consolidated financial statements of the Group as at and for the year ended 31 December 2025 comprise the Company and subsidiaries (together referred to as 'the Group' and individually as 'Group entities'). The Group is primarily involved in investment, and restructuring of commercial, residential and non-commercial property for commercial letting.

(a) Basis of preparation

Compliance with IFRS Accounting Standards

The annual financial statements are prepared in accordance with IFRS accounting standards and interpretations issued by the IFRS interpretations Committee (IFRS IC) applicable to entities reporting under IFRS Accounting Standards. The annual financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standard Board (IASB).

Going concern

The accompanying consolidated annual financial statements have been prepared assuming that the Group will continue as a going concern. As discussed in the notes to the consolidated financial statements. Management is currently in discussion with Stanbic bank regarding the restructuring of Group's existing loans, including a US\$ 6 million and a ZMW 51.7 million loan. The proposal is to extend these loans by three years, with a bullet payment at the end of the term. A credit approved term sheet has been accepted by the Group. This restructuring is aimed at easing short-term cash flow pressure and giving the Group greater flexibility in managing its financial obligation. Drawing on their past experience of successful loan restructurings with the same bank, the directors are confident of achieving the desired outcomes This will also help in mitigating any going concern issues arising from the current net liabilities position..

Historical cost convention

The annual financial statements have been prepared on historical cost basis, except where otherwise stated in the accounting policies below. The annual financial statements are presented in Zambian Kwacha (ZMW). Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period when assessed as immaterial.

In accordance with the Companies Act, 2017 of Zambia and Securities and Exchange Commission of Zambia, the annual financial statements for the year ended 31 December 2025 have been approved for issue by the Directors.

The preparation of Group and Company annual financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(b) Basis of consolidation

The annual financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

1 Material accounting policies (continued)**(b) Basis of consolidation** (continued)*Loss of control*

When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-Controlling Interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra- group balances and transactions, and unrealised income and expenses arising from intra-group transactions are eliminated. Unrealised losses are eliminated in the same way as gains, but only to the extent that there is evidence of impairment.

(c) Rental income

Rental income from investment property is recognised on a straight - line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income receivable recognised on the statement of financial position is derived from the effects of straight lining of operating lease rental income. Rentals in arrears are included under trade and other receivables.

Rental remissions are accounted for as a reduction against rental income in the period that they are granted.

Any security deposit refundable upon the termination of the lease is recognised as a liability in the statement of financial position. The security deposit is derecognised upon being paid when a tenant vacates the premises and restores the premises to its original status or the tenant requests the Company to offset any renovations and repair costs when vacating the premises. It is also derecognised when a tenant with arrears is evicted.

(d) Finance income and finance costs

Finance income comprises interest income on funds invested, bank interest received and dividend income. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise interest expense on borrowings and dividends on preference shares classified as liabilities. All non – qualifying borrowing costs are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(e) Taxation

Income tax expense represents the sum of the tax currently payable.

Rental income tax

The tax currently payable is based on gross rental income for the year and this is a final tax. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by reporting date.

1 Material accounting policies (continued)**(f) Borrowing costs**

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period and time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. Substantial period for the Group is any period greater than 6 months. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalised is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalised is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalised as from the commencement date until substantially all activities necessary to prepare the asset for its intended use or sale to complete development work until the date of practical completion. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalised on the purchase cost of a site of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.

(g) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares, which comprise convertible redeemable cumulative preferred stock.

(h) Foreign currency transactions

Transactions in foreign currencies are translated to Zambian Kwacha (ZMW) at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in other currencies at the reporting date are retranslated to ZMW at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the ZMW at the beginning of the period, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the ZMW at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in other comprehensive income.

(I) Financial instruments**(I) Recognition and initial measurement**

Trade receivables are made up of rentals due from tenants. They are generally due for settlement within 30 days and are therefore all classified as current. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets comprise of trade and other receivables and cash and cash equivalents.

1 Material accounting policies (continued)**(I) Financial instruments** (continued)*(ii) Classification and subsequent measurement*

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair Value Through Profit and Loss (FVTPL):

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities are comprised of bank loans, corporate bond, lease liability, convertible redeemable cumulative preferred stock and qualifying trade and other paybles are classified as measured at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

*(iii) Derecognition**Financial assets*

The Group may enter into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognised in profit or loss.

(j) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Income tax relating to transactions costs of an equity nature are accounted for in accordance with IAS 12.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Group's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon approval by the Group's shareholders.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

1 Material accounting policies (continued)

(k) Motor vehicles and equipment

Recognition and measurement

Items of motor vehicles and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Any gains and losses on disposal of an item of motor vehicles and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. Motor vehicles and equipment is derecognised when the item is disposed off, stolen or fully impaired. Motor vehicles and equipment which is fully depreciated is still keep in the books with its historical cost equal to the accumulated depreciation.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

Depreciation

Depreciation is calculated to write off the cost of items of motor vehicles and equipment less their estimated residual value using the method over their estimated useful lives and is generally recognised. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Items of property and equipment are depreciated from the date that they are installed and are ready for use. The estimated useful lives for the current and comparative years of significant items of equipment and motor vehicles are as follows:

	Useful lives	Rates
Equipment	4 - 10 years	10% - 25%
Furniture, fittings and office equipment	4 years	25%
Motor vehicles	3 years	33%
Fixtures and fittings	10 years	10%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. There were no revised estimates in respect of items of plant and equipment during the year.

1 Material accounting policies (continued)**(l) Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. The fair value of investment property is determined by external, independent property valuation experts, having appropriate recognised professional qualifications and have experience in the location and category of the property being valued. The independent valuation experts provide the fair value of the Group's investment property portfolio twice every year.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the costs of material and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

An investment property shall be derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

The date of disposal for investment property that is sold is the date the recipient obtains control of the investment property in accordance with the requirements for determining when a performance obligation is satisfied in IFRS 15.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and carrying amount of the item) is recognised in the profit or loss.

Right of Use assets that meet the definition of investment properties are presented within the investment property.

(m) Investment property under development

Property that is being constructed or developed for future use as investment property is classified as investment property under development (development projects) and stated initially at cost. All costs directly associated with the purchase and construction of a property and all subsequent capital expenditure for the development qualify as acquisition costs and are capitalised.

Investment property under development is subsequently revalued by registered independent property valuation experts with appropriate recognised professional qualifications. The difference between fair value and cost is recognised as a gain in profit or loss. The method used in valuing investment property under development is the market approach. The valuation expert uses the amount payable for similar property in similar areas until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

(n) Leases

At inception of a contract, the Group assesses whether a contract is or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

The policy is applied to contracts entered, on or after 1 January 2019.

1 Material accounting policies (continued)**(n) Leases** (continued)*i. As a lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset relates to land and is accounted for as investment property and has therefore been measured at fair value.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external sources and makes adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability include the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

1 Material accounting policies (continued)**(n) Leases** (continued)*ii. As a lessor*

At inception or modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not then the lease is an operating lease.

As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interest in the head lease and in the sub-lease separately. It assesses the classification of the sub-lease with reference to the right-of-use asset arising from the head lease, not from the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements of IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under an operating lease as income on a straight-line basis over the lease term as "revenue".

(o) Impairment**Non-derivative financial assets***Financial instruments*

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

1 Material accounting policies (continued)**(o) Impairment** (continued)**Non-derivative financial assets** (continued)

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 360 days past due.

Measurement of ECLs

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the lease status of each tenant.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 360 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial re-organisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 360 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

1 Material accounting policies (continued)**(p) Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Group's other components whose operating results are reviewed regularly by the Group Board of Directors (being the Group chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

(q) Short term benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(r) Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, and income taxes.

(s) Fair value measurement

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities (see note 4).

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

1 Material accounting policies (continued)**(s) Fair value measurement** (continued)

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

(t) Investments in subsidiaries

Investments in subsidiaries relate to the cost of stock in the subsidiaries and capital contributions. Investments are initially stated at historical cost and subsequently measured at historical cost less impairment. Historical cost includes expenditure that is directly attributable to the acquisition.

The Company evaluates its investments in subsidiaries for impairment annually and records an impairment loss when the carrying amount of such assets exceeds the recoverable amount. Any impairment loss is recognised in profit and loss.

(u) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to insignificant risk of changes in fair value and are used in the management of short-term commitments.

(v) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amount of its non-financial assets other than investment properties and properties under development to determine whether there is any indication of impairment. If any indication exists, then the asset's recovery amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in profit or loss.

2 Changes in accounting policies*(i) New and amended standards adopted by the Group*

The Group has adopted the applicable new, revised or amended accounting pronouncements as issued by the International and Accounting Standards Board (IASB), which were effective for the Group from 1 January 2025.

2 Changes in accounting policies (continued)

(i) New and amended standards adopted by the Group (continued)

The amendments to accounting standards below effective for the reporting period 1 January 2025 did not have any material impact on the Group's accounting policies and required no retrospective adjustments to the annual financial statements of the Group.

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2023.

Number	Effective date	Executive summary
Amendments to IAS 1 - Non-current liabilities with covenants	Annual periods beginning on or after 1 January 2025 (Published May 2024)	An entity is impacted by the when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

(ii) New standards and interpretations not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 1 January 2024 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions. These standards are not expected to have a material impact on the annual financial statements..

Number	Effective date	Executive summary
Annual improvements to IFRS Volume 11	Annual periods beginning on or after 1 January 2026 (Published July 2024)	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows

2 Changes in accounting policies (continued)

Number	Effective date	Executive summary
Amendment to IFRS 9 and IFRS 7 Contracts Referencing Nature dependent Electricity	Annual periods beginning on or after 1 January 2026 (Published December 2024)	These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature dependent electricity'.
Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency	Annual periods beginning on or after 1 January 2027 (Published November 2025)	<p>These narrow-scope specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:</p> <ul style="list-style-type: none"> • its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or • it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy. <p>The amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency</p>
Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37- (Disclosures about Uncertainties in the Financial Statements)	Annual periods beginning on or after 1 January 2027 (Published May 2024)	These amendments include Examples illustrating how an entity applies the requirements in IFRS Accounting Standards to disclose the effects of uncertainties in its financial statements. The Examples demonstrate how to disclose the impacts of uncertainties within climate-related scenarios, but the principles and requirements are also applicable to disclosure of other uncertainties. The Examples do not add to or change requirements in IFRS Accounting Standards and therefore there are no transition requirements. Instead, these Examples will accompany the respective IFRS Accounting Standards to which they relate.
IFRS 18, 'Presentation and Disclosure in Financial Statements'	Annual periods beginning on or after 1 January 2027 (Published April 2024)	<p>This is the new on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:</p> <ul style="list-style-type: none"> • structure of the statement of profit or loss; • required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and • enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
IFRS 19, 'Subsidiaries without Public Accountability: (Disclosures' and amendment)	Annual periods beginning on or after 1 January 2027 (May 2024 and amendment in August 2025)	<p>This new and works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.</p> <p>A subsidiary is eligible if:</p> <ul style="list-style-type: none"> • it does not have public accountability; and • it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

3 Use of estimates and judgement

In preparing these consolidated and separate financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

3.1 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 12 – Investment property - determination of fair value;
- Note 13 – Right of use fair value; and
- Note 4 – Financial instruments - expected credit losses.

3.2 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, and reports to the Chief Executive Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS Accounting Standards, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4 Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's risk management framework and governance structures are intended to provide comprehensive controls and ongoing management of its major risks. The Board of Directors exercises oversight through delegation from the Board to various sub-committees, notably the Finance and Audit Committee and the Executive Committee.

Financial risk management is carried out by the finance department under policies approved by the Board of Directors.

An overview of the key aspects of risk management and use of financial instruments is provided below:

a) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) *Foreign exchange risk exposure*

The Group and Company is exposed to currency risk on purchases that are denominated in a currency other than the functional currency of the Group entities, which is the Zambian Kwacha (ZMW). The other currency in which these transactions primarily are denominated is the United States Dollar (USD).

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances

4 Financial risk management (continued)

a) Market risk (continued)

The Group's exposure to foreign currency risk was as follows, based on notional amounts:

Group	31 December 2025			31 December 2024		
	Kwacha	USD	Total	Kwacha	USD	Total
Financial assets						
Trade receivables	2,974	3,436	6,410	4,568	6,876	11,444
Cash at bank and on hand	49,966	32,768	82,734	3,825	82,711	86,536
	52,940	36,204	89,144	8,393	89,587	97,981
Financial liabilities						
Corporate bonds	-	206,825	206,825	-	259,642	259,642
Lease liability	-	54,520	54,520	-	67,258	67,258
Security deposits	2,643	21,682	24,325	2,693	19,916	22,609
Bank loan	51,781	135,000	186,781	51,781	211,883	263,664
Trade and other payables	51,747	83,223	134,969	23,643	64,700	88,344
	106,171	501,250	607,421	78,118	623,399	701,516
Net exposure	(53,231)	(465,046)	(518,277)	(69,724)	(533,811)	(603,536)

Company	31 December 2025			31 December 2024		
	Kwacha	USD	Total	Kwacha	USD	Total
Financial assets						
Trade receivables	2,974	3,436	6,410	4,568	6,876	11,444
Cash at bank and on hand	49,959	32,768	82,727	3,829	82,711	86,540
	52,933	36,204	89,137	8,397	89,587	97,984
Financial liabilities						
Corporate bonds	-	206,825	206,825	-	259,642	259,642
Lease liability	-	54,520	54,520	-	67,258	67,258
Security deposits	2,643	21,682	24,325	2,693	19,916	22,609
Bank loan	51,781	135,000	186,781	51,781	211,883	263,664
Trade and other payables	56,643	83,223	139,866	14,046	64,700	78,746
	111,067	501,250	612,318	68,520	623,399	691,919
Net exposure	(58,135)	(465,046)	(523,181)	(60,123)	(533,811)	(593,935)

The following significant exchange rates applied during the year:

	Average rate		Mid-spot rate	
	31 Dec 25	31 Dec 24	31 Dec 25	31 Dec 24
USD 1.00 to ZMW	25.764	26.1734	22.3	27.975

As at 31 December 2025, with all other variables held constant, a 10% (2024: 10%) decrease/increase in the exchange rate would have resulted in a change in profit or loss for the year of ZMW47 million (2024: ZMW53 million) on the Group and ZMW47 million (2023 : ZMW53 million) on the Company.

4 Financial risk management (continued)

a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument or the future cash flows will fluctuate due to changes in market interest rates.

The Group's exposure to interest rate risk is considered as high as most of its financial liabilities are held on a variable rate basis.

As at 31 December 2025, with all other variables held constant, a 1% (2024: 1%) decrease / increase in the base interest rate would have resulted in a change in profit or loss for the year of ZMW0.5 million (2024: ZMW2.67 million).

b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from tenants.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The credit risk is managed by requiring tenants to pay in advance. The quality of a tenant is assessed based on the Audit and Risk Committee's established credit policy under which each new tenant is analysed individually for creditworthiness before entering into a lease agreement.

More than 50 percent of the Group's tenants have been transacting with the Group for at least three years. The Group also requires security deposit from new tenants. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their industry, trading history with the Group and existence of previous financial difficulties.

(I) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group Carrying amounts		Company Carrying amounts	
	2025	2024	2025	2024
Trade receivables	6,410	16,263	6,410	16,263
Other receivables	1,233	2,633	1,233	2,633
Bank balances	82,723	86,536	82,717	86,540
	90,366	105,432	90,630	105,436

4 Financial risk management (continued)

b) Credit risk (continued)

(i) Exposure to credit risk (continued)

a) Risk management

For banks and financial institutions, the Group only accepts reputable well-established financial institutions. The Group's risk control unit assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the board.

b) Security

The Group does not hold any financial instruments subject to price risk (2024: Nil).

c) Impairment of financial assets

The Group has three types of financial assets that are subject to the expected credit loss model:

- Trade receivables
- Cash at bank and cash on hand
- Other financial assets at amortised cost

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months to 31 December 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Management exercises judgement in the assessment of the credit risk for the measurement of the expected credit losses. The following information is taken into account when assessing the credit risk:

- The existing and expected changes in business and economic conditions that may cause a significant decrease in the debtors ability to meet its debt obligations.
- Historical recoverability and financial viability of the debt is assessed using the simplified approach.
- Irrespective of the outcome of the above, the Company presumes that the credit risk on trade receivables has increased significantly since initial recognition when contractual payments are more than past due, unless the Company has reasonable information that demonstrates otherwise.

The amount that best represents the Group's maximum exposure to credit risk is the carrying value of its financial assets as presented in the statement of financial position.

4 Financial risk management (continued)

b) Credit risk (continued)

(i) Exposure to credit risk (continued)

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Group		Company	
	31 December	31 December	31 December	31 December
	2025	2024	2025	2024
Financial services sector	849	1,603	849	1,603
Retail sector	1,676	2,326	1,676	2,326
IT and Telecommunications	314	301	314	301
Accountancy and Consultancy	137	133	137	133
Food & restaurants	836	805	836	805
Other sectors	2,597	11,095	2,597	11,095
	6,410	16,264	6,410	16,264

There was no interest income recognised on impaired assets.

(ii) Impairment losses

Expected credit loss assessment for individual customers

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the lease status of each tenant.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers.

Group and Company - 31 December 2024

	Current	31-60 days past due	61-90 days past due	91-180 days past due	Over 180 days past due	Total
Gross carrying amount	3,715	1,498	357	226	10,468	16,264
Expected Loss rate	3.40%	9.40%	10.82%	13.12%	67.84%	
Loss allowance	(126)	(141)	(39)	(30)	(7,116)	(7,452)
Net carrying amount	3,589	1,357	318	196	3,352	8,812

Group and Company - 31 December 2025

	Current	31-60 days past due	61-90 days past due	91-180 days past due	Over 180 days past due	Total
Gross carrying amount	3,895	1,334	369	149	663	6,409
Expected loss rate	2.00%	5.32%	11.00%	51.00%	100.00%	
Loss allowance	(78)	(71)	(41)	(76)	(663)	(929)
Net carrying amount	3,817	1,263	328	73	0	5,480

4 Financial risk management (continued)

b) Credit risk (continued)

(ii) Impairment losses (continued)

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

Group and Company	31 December 2025	31 December 2024
Opening balance at 1 January	7,452	7337
Impairment charge for the year	5,799	
Bad debts written off	(12,321)	115
Closing balance at 31 December	<u>929</u>	<u>7452</u>

iii) Cash at bank and cash on hand

The Group held cash at bank and cash on hand of ZMW82.7 million at 31 December 2025 (2024: ZMW86.5 million). The cash at bank are held with highly rated bank and financial institution counterparties in Zambia. Impairment assessment on cash at bank and cash on hand was measured on a 12-month expected loss basis and, due to the short maturities of the exposures (3 months), the Group considers that its cash at bank and cash on hand have low credit risk. The Group uses a similar approach for assessment of ECLs for cash at bank and cash on hand.

The impairment allowance on cash at bank and cash on hand in 2025 was immaterial (2024: Immaterial).

c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its forecast liquidity reserve on the basis of expected cashflows. Then Group maintains the level of its cash flow and cash equivalents at an amount in excess of expected cash outflows on financial liabilities through cash flow forecasts.

4 Financial risk management (continued)
c) Liquidity risk (continued)
i) Financial arrangements

The Group had no undrawn borrowing facilities at the end of the reporting period 2024 nil).

ii. Remaining contractual maturities of financial liabilities
Group - 31 Dec 2025

	Carrying amount	Contractual cash flow	Due within 3 months	Due between 3-12 months	Due between 1-2 years	Due between 2-3 years	Due between 3-5 years	Due over 5 years
Corporate bond	206,825	275,177	4,274	12,823	17,098	17,098	223,885	-
Convertible cumulative redeemable preferred stock	7,824	8,450	-	626	-	-	-	7,824
Lease liability	54,520	738,163	1,166	3,497	4,719	14,505	29,009	685,267
Security deposits	24,325	24,325	-	24,325	-	-	-	-
Trade and other payables	134,969	134,969	134,969	-	-	-	-	-
Bank loan	186,781	240,475	5,744	204,015	-	-	-	-
Total financial liabilities	615,245	1,421,599	146,153	245,286	21,817	31,602	252,894	693,091

Group - 31 Dec 2024

Corporate bond	259,642	345,513	5,367	16,101	21,468	21,468	281,110	-
Convertible cumulative redeemable preferred stock	7,824	8,450	-	626	-	-	-	7,824
Lease liability	67,258	848,304	1,166	3,497	4,719	14,505	29,009	795,408
Security deposits	22,609	22,609	-	22,609	-	-	-	-
Trade and other payables	88,344	88,344	88,344	-	-	-	-	-
Bank loan	263,664	325,430	7,763	286,952	-	-	-	-
Total financial liabilities	709,341	1,638,649	102,639	329,785	26,187	35,972	310,119	803,232

Company - 31 Dec 2025

	Carrying amount	Contractual cash flow	Due within 3 months	Due between 3-12 months	Due between 1-2 years	Due between 2-3 years	Due between 3-5 years	Due over 5 years
Corporate bond	206,825	275,177	4,274	12,823	17,098	17,098	223,885	-
Convertible cumulative redeemable preferred stock	7,824	8,450	-	626	-	-	-	7,824
Lease liability	54,520	738,163	1,166	3,497	4,719	14,505	29,009	685,267
Amounts due to related party	639,436	645,688	-	645,688	-	-	-	-
Security deposits	24,325	24,325	-	24,325	-	-	-	-
Trade and other payables	136,981	136,981	136,981	-	-	-	-	-
Bank loan	186,781	240,475	5,744	204,015	-	-	-	-
Total financial liabilities	1,256,692	2,069,259	148,165	890,974	21,817	31,602	252,894	693,091

Company - 31 Dec 2024

Corporate bond	259,642	345,513	5,367	16,101	21,468	21,468	281,110	-
Convertible cumulative redeemable preferred stock	7,824	8,450	-	626	-	-	-	7,824
Lease liability	67,258	848,304	1,166	3,497	4,719	14,505	29,009	795,408
Amounts due to related party	645,688	645,688	-	645,688	-	-	-	-
Security deposits	22,609	22,609	-	22,609	-	-	-	-
Trade and other payables	89,916	89,916	89,916	-	-	-	-	-
Bank loan	263,664	325,430	7,763	286,952	-	-	-	-
Total financial liabilities	1,356,601	2,285,909	104,211	975,473	26,187	35,972	310,119	803,232

It is not expected that the cash flows included in the above maturity analysis could occur significantly earlier, or at significantly different amounts.

4 Financial risk management (continued)

(d) Fair value measurements

The fair values of the corporate bonds, convertible redeemable cumulative preferred stock and the Bank loan are estimated using discounted cash flow techniques, applying the observable contractual rates and maturities, making the instruments rank as Level 2 in the fair value hierarchy. Due to the short-term maturity periods of all the other financial instruments, their fair values approximate their carrying amounts. All financial instruments are at amortised cost in the financial statements.

The fair values of the Group's financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

Group	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Trade and other receivables	6,410	6,410	11,444	11,444
Cash and cash equivalents	82,734	82,734	86,536	86,536
Convertible redeemable cumulative preferred stock	(7,824)	(8,450)	(7,824)	(8,450)
Lease liability	(54,520)	(54,520)	(67,258)	(67,258)
Corporate bonds	(206,825)	(212,513)	(259,642)	(266,782)
Bank loan	(186,781)	(186,781)	(263,664)	(263,664)
Trade and other payables	(134,969)	(134,969)	(88,344)	(88,344)
	(501,776)	(508,090)	(588,750)	(596,517)

Company	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Trade and other receivables	6,410	6,410	11,444	11,444
Cash and cash equivalents	82,727	82,727	86,540	86,540
Convertible redeemable cumulative preferred stock	(7,824)	(8,450)	(7,824)	(8,450)
Lease liability	(54,520)	(54,520)	(67,258)	(67,258)
Corporate bonds	(206,825)	(212,513)	(259,642)	(266,782)
Bank loan	(186,781)	(186,781)	(263,664)	(263,664)
Trade and other payables	(776,416)	(1,149,544)	(746,489)	(746,489)
	(1,143,231)	403,289	(1,246,892)	238,319

5 Operating segments

The Group has two reportable segments. These two segments represent strategic revenue streams. For each of the strategic revenue streams, the Group's Chief Executive Officer reviews internal management reports on a quarterly basis.

The following summary describes the nature of each of the revenue streams:

- Retail
- Office and residential

Office and residential is reported as one segment since the revenue and operation costs are reported the same way. The Company issues invoices and accounts for service and utility costs the same way for office and residential clients. Information related to each reportable segment is included below and has been presented using the Group's presentation currency. Performance is measured based on services, growth and profit before income tax, as included in the internal management reports that are reviewed by the Board. Segment growth and profit are used to measure performance as management believes that such information is relevant in evaluating the results of the segment.

The Group operates in one geographical segment (Zambia).

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred to acquire segment assets that are expected to be used for more than one year.

Year ended December 2024

Rental income
Depreciation
Net rental income
Rental tax
Change in fair value of investment property
Loss on sale of investment property
Recoveries
Operating expenses
Interest expense
Profit before tax
Income tax expense
Profit for the year

Retail	Office and residential	Total
75,378	83,938	159,316
-	(1,765)	(1,765)
75,378	82,173	157,551
(1,928)	(2,175)	(4,103)
299,724	337,986	637,710
-	(7,908)	(7,908)
4,393	4,953	9,346
(30,286)	(32,388)	(62,674)
(72,117)	(81,324)	(153,441)
275,162	301,318	576,480
-	-	-
275,162	301,318	576,480

5 Operating segments (continued)

Year ended December 2025	Retail	Office and residential	Total
Rental income	187,490	139,240	326,730
Depreciation	-	(1,231)	(1,231)
Net rental income	187,490	138,009	325,499
	-	(976)	(976)
Rental income tax	(429,888)	(242,870)	(672,758)
Change in fair value of investment property	6,608	8,701	15,308
Recoveries	(55,439)	(65,471)	(111,910)
Operating expenses	(2,841)	(2,957)	(5,799)
Net impairment losses on financial assets	19,861	26,114	45,975
Net finance cost	-	-	-
(Loss)/profit before tax	(274,210)	(133,450)	(404,661)
Income tax expense	-	-	-
(Loss)/profit for the year	<u>(274,210)</u>	<u>(133,450)</u>	<u>(404,661)</u>

The segment assets and liabilities and cash flows were as follows:

Year ended 31 December 2024	Retail	Office and residential	Total
Segment assets	1,478,411	1,667,144	3,145,555
Investment property	1,422,740	1,604,366	3,027,106
Segment liabilities	51,654	58,248	109,902
Corporate bond	122,032	137,610	259,642
Bank loan	123,922	139,742	263,664
Lease liability	31,611	35,647	67,258
Capital expenditure	93,679	20,887	114,566

Year ended 31 December 2025	Retail	Office and residential	Total
Segment assets	1,102,703	1,449,851	2,552,554
Investment property	931,373	1,513,175	2,444,548
Segment liabilities	73,252	96,313	169,565
Corporate bond	89,348	117,477	206,825
Bank loan	80,690	106,092	186,781
Lease liability	23,553	30,968	54,520
Capital expenditure	17,297	73,871	91,168

5 Operating segments (continued)

Segment assets comprise primarily equipment and motor vehicles, lease straight lining, receivable, investment property, investment property under development, trade and other receivables and operating cash. Segment liabilities comprise operating liabilities, long term loans and corporate borrowings.

Capital expenditure comprises additions to plant and equipment, and development of investment property and investment property under development.

The segment cashflows during the year were as follows:

Year ended 31 December 2024			
	Retail	Office and residential	Total
Net cash outflows from operating activities	63,690	71,821	135,511
Net cash inflows/(outflows) from investing activities	(37,576)	(42,373)	(79,949)
Net cash inflows from financing activities	(44,964)	(50,704)	(95,668)
Net (decrease)/increase in cash and cash equivalents	(18,850)	(21,256)	(40,106)
Cash at bank and cash on hand at beginning of the year	52,508	59,200	111,708
Effect of exchange rate fluctuations on cash held	7,013	7,920	14,933
Cash at bank and on hand at end of the year	40,671	45,864	86,535

Year ended 31 December 2025			
	Retail	Office and residential	Total
Net cash outflows from operating activities	104,219	137,029	241,248
Net cash inflows/outflows from investing activities	(39,229)	(51,579)	(90,808)
Net cash inflows from financing activities	(56,369)	(74,115)	(130,484)
Net decrease/increase in cash and cash equivalents	8,621	11,335	19,957
Cash at bank and cash on hand at beginning of the year	37,385	49,154	86,540
Effect of exchange rate fluctuations on cash held	(7,121)	(16,640)	(23,761)
Cash at bank and on hand at end of the year	38,885	43,849	82,734

6 Rental income

	Group		Company	
	2025	2024	2025	2024
Rental income- office and residential	140,209	85,858	140,209	85,858
Rental income- retail	187,490	75,378	187,490	75,378
Lease straight-lining income	(969)	(1,920)	(969)	(1,920)
Gross rental income	326,730	159,316	326,730	159,316

There were no rental remissions granted during the year (2024: Nil)

All revenue in the statement of profit or loss and other comprehensive income is in respect of investment property rentals. The Group leases out its commercial properties under operating leases. All operating leases are for terms of 1 – 5 years with varying escalation, renewal and termination clauses. There are no contingent rents included in the rental income.

7 Breakdown of expenses by nature

	Group		Company	
	2025	2024	2025	2024
<i>Property expenses</i>				
Salaries	743	565	743	565
Repairs and maintenance	5,151	4,270	5,151	4,270
Letting costs	1,286	847	1,286	847
Electricity and water	18,229	10,501	18,229	10,501
Council rates and leased land rentals	7,388	4,444	7,388	4,444
Rent	158		158	
Security	5,578	3,319	5,578	3,319
Cleaning and refuse removal	4,889	2,529	4,889	2,529
Insurance	1,201	634	1,201	634
Depreciation expense	1,231	1,765	548	309
Legal and professional expenses	292	694	292	694
Property management fees	47,304	26,179	47,304	26,179
Valuation fees	349	728	349	728
	93,799	56,475	93,116	55,019
<i>Operating expenses</i>				
Advertising and promotion	1,592	955	1,592	955
Salaries	4,375	3,045	4,375	3,045
Audit fees	3,702	1,470	3,702	1,470
Computer expenses	144	46	144	46
Consultancy	4,323	9	4,323	9
Listing fees	292	870	292	870
Printing and stationery	138	154	138	154
Telephone and postage	208	82	208	82
Bank charges	702	575	713	564
Directors' fees	1,528	-	1,528	-
Donation	53	-	53	-
Board expenses	229	38	229	38
Medical, staff welfare and training	1,546	518	1,546	518
Workers compensation	16	6	16	6
Motor vehicle expenses	494	197	494	195
	19,342	7,965	19,353	7,952
Total expenses	113,141	64,440	112,469	62,973

Donation amounting to 0.053million were made during the year.

8 Recoveries revenue

Council rates recovery
Electricity
Water and Sewerage
Ground maintenance
Security
Cleaning and refuse collection

Group	
2025	2024
926	315
7,084	4,615
2,064	1,330
(232)	120
3,813	2,048
1,653	918
<u>15,308</u>	<u>9,346</u>

Company	
2025	2024
926	315
7,084	4,615
2,064	1,330
(232)	120
3,813	2,048
1,653	918
<u>15,308</u>	<u>9,346</u>

Recoveries revenue relate to amounts billed to tenants in recovery of expenses paid on behalf of the tenants.

9 Finance income/(costs)

<i>Finance Income</i>
Foreign exchange gain on borrowing
Interest income on bank deposits
<i>Finance costs</i>
Foreign exchange (loss) on borrowing
Interest on corporate bonds
Interest on bank loan
Interest on lease liability
Coupon interest on convertible cumulative redeemable preferred stock
Net finance costs

Group	
2025	2024
99,132	-
364	1,300
<u>99,496</u>	<u>1,300</u>
-	(110,643)
(19,586)	(20,077)
(24,719)	(15,519)
(5,200)	(4,317)
(4,016)	(4,185)
<u>(53,521)</u>	<u>(154,741)</u>
<u>45,975</u>	<u>(153,441)</u>

Company	
2025	2024
99,132	-
364	1,300
<u>99,496</u>	<u>1,300</u>
-	(110,643)
(19,586)	(20,077)
(24,719)	(15,519)
(5,200)	(4,317)
(4,016)	(4,185)
<u>(53,521)</u>	<u>(154,741)</u>
<u>45,975</u>	<u>(153,441)</u>

10 Employee benefits

Salaries and wages
Retirement benefits costs:
Allocated as :
Property expenses
Administrative expenses

Group	
2025	2024
5,119	3,610
<u>5,119</u>	<u>3,610</u>
743	565
4,375	3,045
<u>5,119</u>	<u>3,610</u>

Company	
2025	2024
5,119	3,610
<u>5,119</u>	<u>3,610</u>
743	565
4,375	3,045
<u>5,119</u>	<u>3,610</u>

11 Taxation

(a) Rental income tax

Total income tax expense recognised in the statement of profit or loss
--

Group		Company	
2025	2024	2025	2024
<u>976</u>	<u>4,103</u>	<u>976</u>	<u>4,103</u>

Effective 1 January 2022, withholding tax was replaced by rental income tax and the rate applied on rental turnover is 16%. The rental income tax is a final tax and therefore there is no deferred income tax. Other sources of income are liable to tax at 30% apart from dividends and property transfer tax which are taxed at 15% and 5% respectively. The Group obtained REIT status during 2024, and therefore exempt from tax on income and therefore exempt from paying rental tax and income tax. Eureka and Southview are not part of REIT, and therefore group is still liable for rental income tax on income from these properties.

Year ended 31 Dec 2024	Group			Company		
	Income	Tax rate	Tax	Income	Tax rate	Tax
Gross rental income before REIT	29,767	12.5%	3,718	29,767	12.5%	3,718
Gross rental income after REIT	124,930			124,930		
Gross rental income property not under REIT	3,547	12.5%	385	3,547	12.5%	385
Bank interest	1,300	0.0%	-	1,300	0.0%	-
	<u>159,544</u>		<u>4,103</u>	<u>159,544</u>		<u>4,103</u>

Year ended 31 Dec 2025	Group			Company		
	Income	Tax rate	Tax	Income	Tax rate	Tax
Gross rental income property not under REIT	6,671	16.0%	976	6,671	16.0%	976
Bank interest	364	0.0%	-	364	0.0%	-
	<u>7,035</u>		<u>976</u>	<u>7,035</u>		<u>976</u>

(b) Rental tax movement in statement of financial position

	Group		Company	
	2025	2024	2025	2024
Balance at 1 January	1,589	3,610	(343)	1,678
Rental tax expense	976	4,103	976	4,103
	<u>2,565</u>	<u>7,713</u>	<u>634</u>	<u>5,781</u>
Less: tax paid	(1,083)	(6,124)	(1,083)	(6,124)
Rental tax payable	<u>1,483</u>	<u>1,589</u>	<u>(449)</u>	<u>(343)</u>
Analysis of tax payable				
Rental tax payable	1,483	1,589	(449)	(343)
Rental tax payable/receivable	<u>1,483</u>	<u>1,589</u>	<u>(449)</u>	<u>(343)</u>

12 Equipment and motor vehicles

Group	Equipment	Furniture, fittings and office equipment	Motor vehicles	Fixtures and fittings	Total
Year ended 31 December 2024					
Opening net book value	6,766	991	4	202	7,963
Additions	30	-	-	-	30
Depreciation charge	(1,154)	(406)	(4)	(202)	(1,766)
Closing net book amount	5,642	585	0	0	6,227
At 31 December 2024					
Cost	22,097	4,401	2,011	11,268	39,777
Accumulated depreciation	(16,455)	(3,816)	(2,011)	(11,268)	(33,550)
Net book value	5,642	585	0	0	6,227
Year ended 31 December 2025					
Opening net book value	5,642	585	4	0	6,227
Additions	4	-	-	-	4
Depreciation charge	(1,159)	(72)	(0)	(0)	(1,231)
Closing net book amount	4,488	512	(0)	(0)	5,000
At 31 December 2025					
Cost	22,101	4,401	2,011	11,268	39,781
Accumulated depreciation	(17,613)	(3,888)	(2,011)	(11,268)	(34,781)
Net book value	4,488	513	(0)	(0)	5,000

*Included in equipment and motor vehicles are fully depreciated assets with a cost of ZMW0.08 million (2024 : ZMW0.08 million)

Company	Equipment	Furniture, fittings and office equipment	Motor vehicles	Fixtures and fittings	Total
Year ended 31 December 2024					
Opening net book value	36	502	4	555	1,097
Additions	30	-	-	-	30
Depreciation charge	(66)	(49)	(4)	(190)	(309)
Closing net book amount	(0)	453	(0)	365	818
At 31 December 2024					
Cost	2,988	1,291	2,011	7,135	13,425
Accumulated depreciation	(2,988)	(838)	(2,011)	(6,770)	(12,607)
Net book value	0	453	-	365	818
Year ended 31 December 2025					
Opening net book value	0	453	-	365	818
Additions	-	-	-	-	-
Depreciation charge	1	(408)	-	(141)	(549)
Closing net book amount	0	45	-	224	269
At 31 December 2025					
Cost	2,988	1,291	2,011	7,135	13,425
Accumulated depreciation	(2,988)	(1,246)	(2,011)	(6,907)	(13,153)
Net book value	(0)	45	-	228	272

* Included in equipment and motor vehicles are fully depreciated assets with a cost of ZMW2 million (2024 : ZMW2 million).

These Items are available at company premises as per companies act.

13 Investment property

	Group		Company	
	2025	2024	2025	2024
Buildings				
Opening balance	2,640,363	548,043	2,640,363	548,043
Add: Investment property	91,168	1,530,359	91,168	1,530,359
Straight line adjustment	(969)	(12,729)	(969)	(12,729)
Net gain/(loss) from fair value adjustment	<u>(671,033)</u>	<u>574,690</u>	<u>(671,033)</u>	<u>574,690</u>
Closing balance at 31 December	<u>2,059,529</u>	<u>2,640,363</u>	<u>2,059,529</u>	<u>2,640,363</u>
Right of use assets - land				
Opening balance	386,744	217,814	386,744	217,814
Less: Land sold	-	(33,320)	-	(33,320)
Add: New properties value of ROU	-	139,230	-	139,230
	386,744	323,724	386,744	323,724
Net gain/(loss) gain from fair value adjustment	<u>(1,725)</u>	<u>63,020</u>	<u>(1,725)</u>	<u>63,020</u>
Closing balance at 31 December	<u>385,019</u>	<u>386,744</u>	<u>385,019</u>	<u>386,744</u>
Total investment property	<u>2,444,548</u>	<u>3,027,107</u>	<u>2,444,548</u>	<u>3,027,107</u>

(a) **Investment property comprises a number of commercial and residential properties that are leased to third parties.**

A 1 to 5-year lease contract is drawn up for each customer containing terms and conditions which include the commencement date, duration and termination, security deposit, maintenance of premises, security and insurance. No contingent rent is charged.

A rental security deposit of up to a maximum of three months rental payments is paid prior to occupying the property. The security deposit is refundable to customers on leaving the premises, provided the property is left in accordance with the agreed terms and conditions of the lease contract. The security deposits are disclosed in note 23 in the notes to the Group and Company annual financial statements.

The Group leases out its investment property and these have been classified as operating leases. The investment property includes leased land upon which buildings owned by the Group sit and this has been accounted for as investment property in accordance with IAS 40 Investment Property. When both leasehold land and buildings is classified as investment property, separate measurement of the land and buildings elements is not required. The land leases contain initial non-cancellable lease terms of 50 (fifty) to 70 (seventy) years. The leases provide the Group with options to extend at the end of the initial term.

13 Investment property (continued)

b) Measurement of fair value

The fair value of investment property was determined by management's appointed external, independent property valuation experts RM Fumbeshi, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuation experts provide the fair value of the Group's investment property portfolio every year as at the reporting date.

As various inputs are used in the valuation, calculations are based on assumptions and hence property valuations are inherently subjective and subject to a degree of uncertainty. The external valuers have made a number of assumptions in forming their opinion on the valuation of the investment properties and although these assumptions are in accordance with Global Professional Valuation Standards, if any prove to be incorrect, it may mean that the value of the Group's properties differs from their valuation reported in the annual financial statements, which could have a material effect on the Group's financial position.

The investment methods of valuation is a property valuation method designed to assess the potential return on investment through ongoing income from a property .it's particularly well suited to buy-to-rent or certain types of commercial property.The focus of the investment methods approach is to assess and estimate the value of property compared against the potential income it could generate.For this reason,it's also sometimes referred to as the income capitalization approach.The investment approach works by assessing the market rental rate of a property against the capitalization rate,or cap rate.The cap rate in simple terms refers to the potential profitability of a property.

The loss fair value measurement for investment property of ZMW672.7 million (31 December 2024: ZMW637.7 million gain) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see note 3). The following table shows a reconciliation of the change in fair values where straight lining income is recognised in the statement of profit or loss and other comprehensive income, the fair value of level 3 asset are reduced by corresponding amount to ensure no duplication of the impact on fair values of future increase in the income stream expected from assets.

Reconciliation of change in fair value

	Group		Company	
	2025	2024	2025	2024
Fair value gain on investment property				
-Fair value of investment property determined by external valuer	(671,033)	574,690	(671,033)	574,690
- Fair value adjustment on right of use assets	(1,725)	63,020	(1,725)	63,020
Total fair value gain on investment property	(672,758)	637,710	(672,758)	637,710
Total changes in fair value	(672,758)	637,710	(672,758)	637,710

13 Investment property (continued)

b) Measurement of fair value (continued)

Valuation technique and significant unobservable inputs used

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used. The valuations are performed in United States Dollars and then translated into Zambian Kwacha using the closing exchange rate at the year end. This is because most rentals are billed in United States Dollars.

The appropriate capitalisation rates were determined from analysis of the rates implicit in comparable market transactions. The capitalisation rate applied reflects the risk profile of the property portfolio, taking into account factors such as location, building quality, tenant credit quality and prevailing market conditions. The market rental rates applied in the valuation assessment are in accordance with current market evidence and contractual signed lease agreements, which are in the ranges indicated in the table below. In view of the oversupply of office and retail space, capitalisation rates have been adjusted upward to reflect the constrained rental growth environment and limited income potential in most cases.

Outgoings vary on a case-by-case basis depending on the nature and type of property. The valuations considered costs not recoverable from tenants, including but not limited to property management fees, maintenance and repairs, insurance, municipal rates and taxes, and security costs. Smaller units tend to have lower outgoings due to reduced maintenance and shared service costs, while bigger units typically carry higher outgoings due to greater common area maintenance, higher municipal charges and increased operational costs. Outgoings are deducted from the gross rental income to arrive at the net income used in the capitalisation calculation.

Occupancy rate weighted average rate took into account that the fact that units such as Abacus, Nyerere and Judiciary are fully occupied, others such as Eureka Industrial Park, Central Park and Arcades occupancy way to fully occupied. In view of the marketing projections that were made for properties with higher occupancy rates, these tendered to have an effect of higher the market values.

Rent-free periods also referred to as "fit out periods" are offered to tenants for period of one month to provide them with an opportunity to fit out their units before commencing business operations. The valuation assessments did not consider these rent-free periods and only took in to account the rental income from the date revenues starts flowing in.

The right of use assets- land leases are included as part of investment property since they operate under the same market conditions.

Retail properties

Valuation technique	Significant unobservable inputs	Inter-relationships between Key unobservable inputs and fair value measurement
<p>Investment Method: The valuation model considers the potential return on investment through ongoing annual income from the property. The annual rental income is determined by taking into account the market rental rate, occupancy rate and lease incentive costs such as rent-free periods. Other costs not recoverable (Outgoings) from tenants are then deducted to arrive at the expected net income. The expected net income is capitalised against the capitalisation rate (cap rate) to estimate the property's value relative to the income it could generate. Among other factors, the cap rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.</p>	<ul style="list-style-type: none"> • Expected annual market rentals. • Outgoings (25.81% of Expected annual market rentals) • Occupancy rate (95%). • Rent-free periods (1- 3 months period on new leases). • Capitalisation rate (9% - 10.25%). 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> • expected annual market rental were higher (lower); • Outgoings were lower (higher); • the occupancy rates were higher (lower); • Rent-free periods were shorter (longer); or • the capitalisation rate was lower (higher).

13 Investment property (continued)
b) Measurement of fair value (continued)
Office properties

Valuation technique	Significant unobservable inputs	Inter-relationships between Key unobservable inputs and fair value measurement
<p>Investment Method: The valuation model considers the potential return on investment through ongoing annual income from the property, taking into account the market rental rate, occupancy rate and lease incentive costs such as rent-free periods, less outgoing and other costs not recoverable from tenants. The expected net income is capitalised using the capitalisation rate (cap rate) to estimate the property's value. Among other factors, the cap rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.</p>	<ul style="list-style-type: none"> • Expected annual market rentals. • Outgoings (25.81% of Expected annual market rentals). • Occupancy rate (86% - 100%, weighted average 95%) • Rent-free periods (1- 3 months period on new leases). • Capitalisation rate (12%% to 12.5%) 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> • expected market rental growth were higher (lower); • void periods were shorter (longer); • the occupancy rates were higher (lower); • Rent-free periods were shorter (longer); or • the capitalisation rate was lower (higher).

Residential properties

Valuation technique	Significant unobservable inputs	Inter-relationships between Key unobservable inputs and fair value measurement
<p>Investment Method: The valuation model considers the potential return on investment through ongoing annual income from the property, taking into account the market rental rate, occupancy rate and lease incentive costs such as rent-free periods, less outgoing and other costs not recoverable from tenants. The expected net income is capitalised using the capitalisation rate (cap rate) to estimate the property's value. Among other factors, the cap rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.</p>	<ul style="list-style-type: none"> • Expected annual market rentals. • Outgoings (25.81% of Expected annual market rentals). • Occupancy rate (100.00%) • Rent-free periods (1- 3 months period on new leases). • Capitalisation rate (12%) 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> • expected annual market rental were higher (lower); • Outgoings were lower (higher); • the occupancy rates were higher (lower); • Rent-free periods were shorter (longer); or • the capitalisation rate was lower (higher).

(c) Minimum lease payments of rental income

	Group		Company	
	2025	2024	2025	2024
Falling due within				
- One year	284,511	220,917	284,511	220,917
- 2 - 5 years	606,124	385,057	606,124	385,057

14 Investment property under development

Investment property under development comprises expenditure incurred to the reporting date on investment property in the course of construction.

	Group		Company	
	2025	2024	2025	2024
Opening balance at 1 January	-	43,214	-	43,214
Additions/transfer	-	(43,214)	-	(43,214)
Change in fair value	-	-	-	-
Closing balance at 31 December	-	-	-	-

15 Investments in subsidiaries

	Group		Company	
	2025	2024	2025	2024
Subsidiaries				
Thistle Land Development Company Limited	-	-	13,004	13,004
Arcades Development Plc	-	-	133,957	133,957
	-	-	146,961	146,961

Real Estates Investments Zambia Plc holds 100% shareholding in both Thistle Land Development Company Limited and Arcades Development Plc. There was no change in shareholding during the year.

16 Lease straight-lining receivable

	Group		Company	
	2025	2024	2025	2024
Opening balance at 1 January	12,729	16,973	12,729	16,973
Effect of exchange gains	-	(6,163)	969	(6,163)
Effects of straight line lease income	969	1,920	-	1,920
Closing balance at 31 December	13,698	12,729	13,698	12,729
Non-current	10,773	9,585	10,773	9,585
Current	2,925	3,144	2,925	3,144
	13,698	12,729	13,698	12,729

17 Other currents assets

Prepayments

Group	
2025	2024
=	-

Company	
2025	2024
-	-

18 Trade and other receivables

Trade receivables
Loss allowance (note 4b)
Other receivables

Group	
2025	2024
6,410	16,263
(929)	(7,452)
5,481	8,811
1,092	4,145
6,573	12,956

Company	
2025	2024
6,410	16,263
(929)	(7,452)
5,481	8,811
2,487	4,664
7,968	13,476

Other receivable comprises of payment to kukula capital for advisory services. The carrying value of trade and other receivables approximates their fair value.

19 Cash and bank balances

Bank balances
Cash on hand
Cash in hand and at bank

Group	
2025	2024
82,667	86,510
67	26
82,734	86,536

Company	
2025	2024
82,660	86,514
67	26
82,727	86,540

The Group's exposure to credit, currency and interest rate risks related to cash and cash equivalents is disclosed in note 4 in the notes to the Group and Company financial statements. Included in the cash and cash equivalents is an amount of ZMW24.2 million relating to security deposit and ZMW10 million relating to unclaimed dividends as restricted cash.

20 Share Capital and reserves
Share capital
i) Ordinary share capital

Opening balance at 1 January
Issued during the year
Closing balance at 31 December

Group	
2025	2024
8,649	2,149
-	6,500
8,649	8,649

Company	
2025	2024
8,649	2,149
-	6,500
8,649	8,649

The authorised share capital of the Company is 864,920,876 ordinary "A" shares of ZMW0.01 each. The issued and fully paid-up share capital remained at 864,920,876 ordinary "A" shares of ZMW0.01 each. All shares rank equally with regard to the Group's residual assets. The holders of ordinary shares referred as unit holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at poll meetings of the Group. At general meetings, each shareholder is entitled to one vote by show of hands unless a poll vote is requested.

20 Capital and reserves (continued)

Share capital (continued)

ii) Share premium

	Group		Company	
	2025	2024	2025	2024
Opening balance at 1 January	1,530,984	245,261	1,530,984	245,261
Issued during the year	-	1,293,500	-	1,293,500
Issue costs	-	(7,777)	-	(7,777)
Net proceeds from the issue of shares	1,530,984	1,285,723	1,530,984	1,285,723
Closing balance at 31 December	<u>1,530,984</u>	<u>1,530,984</u>	<u>1,530,984</u>	<u>1,530,984</u>

In financial year 2022, the company successfully conducted a rights issue which was underwritten by LM&C Properties Limited and raised net proceeds of ZMW156,505,000. The Company through this process issued 135,129,315 at ZMW1 per share to the existing shareholders and the underwriter and 23,331,363 shares were issued to corporate bond holders at ZMW1.235 per share who agreed to convert 15% of the bond into equity. The bonds were denominated in the USD currency and the exchange rate used to convert into equity was ZMW16.044 to 1USD. The total number of shares therefore increased from 56,460,198 to 214,920,876 with a nominal value of ZMW0.01 per share. In the year 2024, group successfully conducted another right issue worth ZMW1.3billion, which was used to acquire 3 new properties namely Jacaranda Mall, Acacia Mall, Lewanika Mall. The total number of shares therefore increased from 214,920,876 to 864,920,876.

Capital management

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors both the demographic spread of shareholders, as well as the return on capital, which the Group defines as total shareholders' equity, excluding non-redeemable preference shares. The Board of Directors also monitors the level of dividends to ordinary shareholders.

21 Earnings per share
Basic earnings per share

The calculation of the Group basic earnings per share at 31 December 2025 was based on the loss attributable to ordinary shareholders of ZMW404.7 million (2024: Profit of ZMW576.5 million) and weighted average number of ordinary shares during the year ended 31 December 2025 of 864.92 million (2024: 864.92 million).

	Group	
	2025	2024
Profit attributable to ordinary shares	<u>(404,661)</u>	<u>576,479</u>
Number of ordinary shares at 1 January	<u>864,921</u>	<u>214,921</u>
Issued during the year	-	650,000
Weighted number of ordinary shares at 31 December	<u>864,921</u>	<u>864,921</u>
Basic earnings per share	<u>(0.47)</u>	<u>0.67</u>

21 Earnings per share (continued)

Diluted earnings per share

The calculation of the Group diluted earnings per share at 31 December 2025 was based on the loss attributable to ordinary shareholders of K404.7 million (2024: Profit of K576.5 million) and weighted average number of ordinary shares during the year ended 31 December 2025 of 864.92 million (2024: 864.92 million).

	Group	
	2025	2024
Profit attributable to ordinary shares	(404,661)	576,480
Interest on convertible cumulative redeemable preferred stock	<u>4,016</u>	<u>4,185</u>
Profit attributable to diluted shares	(400,645)	580,665
Weighted number of shares at 1 January	864,921	214,921
Issued during the year (adjusted for time weighting factor)	-	650,000
Effect of convertible cumulative redeemable preferred stock	1,979	1,979
Weighted number of ordinary shares at 31 December	866,900	866,900
Diluted earnings per share *	(0.46)	0.67

* Computation of diluted earnings per share is anti-dilutive and has therefore not been disclosed

22. Convertible redeemable cumulative preferred stock

	Group		Company	
	2025	2024	2025	2024
Issued at par	<u>79</u>	<u>79</u>	<u>79</u>	<u>79</u>
Issued inclusive of premium	7,824	7,824	7,824	7,824

The number of preferred stock shares in issue during the year was as follows:

	Group		Company	
	2025	2024	2025	2024
Authorised	2,000,000	2,000,000	2,000,000	2,000,000
Issued	1,979,904	1,979,904	1,979,904	1,979,904

Terms and conditions

- I) The interest on the preference shares will be paid on an annual coupon rate of the higher of 8% or 200 basis points – i.e. 2% above the prevailing yield on two-year U.S. Treasury Bonds with a maximum coupon of 10% and will be paid semi-annually in arrears. These coupon payments will be cumulative in that if they are not paid in any given period, they will carry over to the next period for payment. The annual coupon will be paid before any dividends that may be declared and paid. The preference shares have been recognised as a liability.
- ii) The preference shares will be non-voting and preference shareholders do not have the right to participate in any additional dividends declared for ordinary shareholders.
- iii) At any time after the third anniversary date of the issue at its sole discretion, and with a six (6) month advance notice in writing, the Group may redeem any or all of the preference shares at

22. Convertible redeemable cumulative preferred stock (continued)

Terms and conditions (continued)

the issue price, provided that all holders of preference shares must be treated equally in any such redemption. Any accrued or cumulative interest that may be due on any coupon payment shall be paid at the time of any redemption.

- iv) At anytime after the third anniversary date of issue (which was 26 November 2001) and with a three months advance notice in writing a holder of preference shares may convert any or all of his/her preference shares into ordinary shares of the company on the basis of one preference shares for one ordinary share. Any such conversion will be at the sole discretion of the holder of any preference shares.
- v) At any time after the third anniversary date of the issue, and with a three (3) month advance notice in writing, a holder of preference shares may convert any or all of his/her preference shares into ordinary shares of the Group on the basis of one preference share for one ordinary share. Any such conversion will be at the sole discretion of the holder of any preference shares.

23 Security deposits

	Group		Company	
	2025	2024	2025	2024
Security deposits	<u>24,325</u>	<u>22,609</u>	<u>24,325</u>	<u>22,609</u>

Real Estate Investment Zambia Plc has the right to receive any interest accrued on the security deposits. The security deposit is placed in the day-to-day operational bank accounts of the Group and Company.

24 Borrowings

	Group		Company	
	2025	2024	2025	2024
Non-current portion				
Corporate bond	<u>206,825</u>	<u>259,642</u>	<u>206,825</u>	<u>259,642</u>
	<u>206,825</u>	<u>259,642</u>	<u>206,825</u>	<u>259,642</u>
Current portion				
Bank loan	<u>186,781</u>	<u>263,664</u>	<u>186,781</u>	<u>263,664</u>
	<u>186,781</u>	<u>263,664</u>	<u>186,781</u>	<u>263,664</u>
Total borrowings	<u><u>393,606</u></u>	<u><u>523,306</u></u>	<u><u>393,606</u></u>	<u><u>523,306</u></u>

Corporate bond

The Group issued a fixed rate long term corporate bond for US\$ 15 million in October 2010 of which US\$12 million was subscribed to in US\$. The funds were meant to redeem the short-term borrowings and to secure and commit on properties targeted for acquisition and thereby accelerate the Group's growth and expansion strategy and to optimise its capital structure. The bonds bore interest at 8.75% per annum payable semi-annually in arrears and had a maturity

24 Borrowings (continued)

Corporate bond (continued)

date of 26 November 2022. During the financial year 2022 the Company agreed with the bondholders to restructure the corporate bond. The bondholders through a written resolution agreed to be paid 50% cash settlement, convert 15% into ordinary shares and rollover 35% of the corporate bond for the next 5 years on a reduced interest rate of 5.5% from 8.75% per annum. The Company successfully conducted a right issue which was underwritten by LM&C Properties Limited in year 2024. The company through this process in December 2022 raised US\$7 million and ZMW13.9 million with almost all the proceeds being used to pay the bondholders 50% of the principal and arrears on the interest coupon.

As of 31 December 2025, the outstanding balance on the corporate bond was US\$4.19 million. In August 2023 the Group issued another fixed rate long term corporate bond for US\$ 5 million (ZMW95.31 million) to fund rehabilitation of Arcades mall at rate of 9% having maturity date of August 2026.

Bank loan

As part of the acquisition of properties, the Company assumed two new loans totalling US\$7.5 million and ZMW57.4 million. These loans mature in March 2026. As of 31 December 2025, the loans bear interest at rates of SOFR plus 5% and Bank of Zambia base rate plus liquidity premium of 3.25% respectively.

25 Leases

	Group		Company	
	2025	2024	2025	2024
Non-current portion				
Lease liabilities	<u>50,805</u>	<u>62,595</u>	<u>50,805</u>	<u>62,595</u>
Current portion				
Lease liabilities	<u>3,715</u>	<u>4,663</u>	<u>3,715</u>	<u>4,663</u>
Lease liabilities				
The maturity analysis of contractual undiscounted lease payments outstanding was as follows:				
Within 1 year	3,715	4,663	3,715	4,663
Later than 1 year but not later than 5 years	<u>50,805</u>	<u>62,595</u>	<u>50,805</u>	<u>62,595</u>
Minimum lease payments	<u>54,520</u>	<u>67,258</u>	<u>54,520</u>	<u>67,258</u>
Future finance charges	<u>5,200</u>	<u>4,317</u>	<u>4,253</u>	<u>4,317</u>
	<u>59,720</u>	<u>71,575</u>	<u>58,773</u>	<u>71,575</u>
The amounts recognised in the statement of profit or loss were as follows:				
Interest charged on lease liabilities	<u>5,200</u>	<u>4,317</u>	<u>5,200</u>	<u>4,317</u>
Effects of exchange differences	<u>2,351</u>	<u>5,118</u>	<u>2,351</u>	<u>5,118</u>
	<u>7,551</u>	<u>9,435</u>	<u>7,551</u>	<u>9,435</u>

26 Trade and other payables

	Group		Company	
	2025	2024	2025	2024
Trade payables	1,131	(5,919)	2,702	(4,348)
Divided payable	87,449	57,085	87,449	57,085
Advance receipts - rental income	2,065	6,509	2,065	6,509
VAT Payable			876	
Accruals	15,453	8,294	15,454	8,295
Unclaimed dividends	28,871	11,928	28,871	11,928
	<u>134,969</u>	<u>77,896</u>	<u>137,417</u>	<u>79,468</u>

Included in accruals is interest expense accrued on the corporate bond of ZMW10.4million (31 December 2024: ZMW4.04 million), merchant funds of ZMW3.11 million (31 December 2023: ZMW3.11 million), and bank interest of ZMW2.71 million (31 December 2024: ZMW0.77 million).

Unclaimed dividends

Dividend payments are made either by cheque, and posted to shareholders' respective registered addresses, or directly into the bank accounts of those shareholders who have issued such instructions.

Based on the information available to the Company, some of the dividend payments made by cheque amounting to ZMW2.12 million (2024: ZMW2.12 million) remain unclaimed by the intended shareholders.

Dividends that remain unclaimed for a period of fifteen (15) years from the date of declaration of the dividend are liable to be transferred to the Securities and Exchange Commission (SEC) and deposited in an investor fund for purposes of investor protection and market development activities as provided by Section 158(3) of the Securities Act of Zambia. No transfers were made in 2025 (2024: Nil).

27 Cash flow information
a) Cash generated from operations

	Group		Company	
	2025	2024	2025	2024
Profit before income tax	(404,661)	584,388	(403,989)	585,855
Adjustments for:				
Depreciation	1,231	1,765	549	309
Change in fair value of investment property	672,758	(637,710)	672,758	(637,710)
Change in fair value of investment property under development	-	-	-	-
Corporate bond, principal converted to equity	-	-	-	-
Net finance costs	(45,975)	153,441	(45,975)	153,441
Rental tax expense	976	4,103	976	4,103
Changes in working capital				
- Lease interest receivable	(970)	4,244	(970)	4,244
- Other current assets	-	14,186	-	14,186
- Trade and other receivables	6,383	(3,069)	5,507	(3,069)
- Security deposits	1,716	14,123	1,715	14,123
- Trade and other payables	10,873	6,163	11,748	6,167
Cash generated from operations	<u>242,331</u>	<u>141,635</u>	<u>242,320</u>	<u>141,650</u>

27 Cash flow information (continued)

 in thousands of **Zambian Kwacha**
(b) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	Group		Company	
	2025	2024	2025	2024
Corporate bond	206,825	259,642	206,825	259,642
Lease liabilities	54,521	67,258	54,520	67,258
Bank loan	186,781	263,664	186,781	263,664
Security deposits	24,325	22,609	24,325	22,609
Net debt	<u>472,452</u>	<u>613,173</u>	<u>472,452</u>	<u>613,173</u>

Group

Year ended 31 December 2024	
At start of year	43,124
Net movement in cash and cash equivalents	-
Issue of new bond	214,955
Repayment of loans and borrowings	(48,722)
Interest expense	15,519
Interest paid	(15,519)
Effects of exchange gains/(loss)	54,307
	<u>263,664</u>

Bank loan	Corporate bond	Security deposits	Cash and cash equivalents
43,124	238,755	8,486	(111,708)
-	-	11,830	40,105
214,955	-	-	-
(48,722)	-	-	-
15,519	20,077	-	-
(15,519)	(20,077)	-	-
54,307	20,887	2,293	(14,933)
<u>263,664</u>	<u>259,642</u>	<u>22,609</u>	<u>(86,536)</u>

Group

Year ended 31 December 2025	
At start of year	263,664
Net movement in cash and cash equivalents	-
Issue of new bond/loan	-
Repayment of loans and borrowings	(36,420)
Interest expense	24,719
Interest paid	(24,719)
Effects of exchange gains	(40,463)
	<u>186,781</u>

Bank loan	Corporate bond	Security deposits	Cash and cash equivalents
263,664	259,642	22,609	(86,536)
-	-	11,830	67,492
-	-	-	-
(36,420)	-	-	-
24,719	19,586	-	-
(24,719)	(19,586)	-	-
(40,463)	(52,817)	(10,114)	(63,690)
<u>186,781</u>	<u>206,825</u>	<u>24,325</u>	<u>(82,734)</u>

Company

Year ended 31 December 2024	
At start of year	43,124
Net movement in cash and cash equivalents	-
Issue of new bond	214,955
Repayment of loans and borrowings	(48,722)
Interest expense	15,519
Interest paid	(15,519)
Effects of exchange gains	54,307
	<u>263,664</u>

Bank loan	Corporate bond	Security deposits	Cash and cash equivalents
43,124	238,755	8,486	(111,698)
-	-	-	40,089
214,955	-	11,830	-
(48,722)	-	-	-
15,519	20,077	-	-
(15,519)	(20,077)	-	-
54,307	20,887	2,293	(14,931)
<u>263,664</u>	<u>259,642</u>	<u>22,609</u>	<u>(86,540)</u>

27 **Cash flow information** (continued)
(b) Net debt reconciliation (continued)

in thousands of Zambian Kwacha

Company	Bank loan	Corporate bond	Security deposits	Cash and cash equivalents
Year ended 31 December 2025				
At start of year	263,664	259,642	22,609	(86,540)
Net movement in cash and cash equivalents	-	-	5,672	(19,945)
Issue of new bond/loan	-	-	-	-
Repayment of loans and borrowings	(36,420)	-	-	-
Interest expense	24,719	19,586	-	-
Interest paid	(24,719)	(19,586)	-	-
Effects of exchange gains	(40,463)	(52,817)	(3,956)	23,758
	186,781	206,825	24,325	(82,727)

28 **Related party transactions**

The Group is comprised of Real Estate Investments Zambia Plc (the parent company) and its two 100% owned subsidiaries, Arcades Development Plc and Thistle Land Development Company Limited. The Group in the ordinary course of business, enters into various purchase, service, and lease transactions with the investing entities, their subsidiaries and joint ventures. These transactions were as follows:

i) Key management compensation

Key management includes Directors (Executive and Non-Executive) and members of senior management personnel. The compensation paid or payable to key management for employee services is shown below:

	Group		Company	
	2025	2024	2025	2024
Short term benefits	5,135	340	5,135	340
	5,135	340	5,135	340

ii) Directors' remuneration

Non - executive Director fees

1,528

-

-

-

Other transactions with Directors

There were no loans to Directors during the year 2025(2024 : Nil)

The Group's Directors with beneficial and non-beneficial share ownership in the Group at year end were as shown below:

Name of Director	Shareholding
Mark O'Donnell	57,236
Efi O'Donnel	Nil
Diego Casilli	4,390

The terms and conditions of the transactions with directors and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non- key management personnel or non-related entities on an arm's length basis.

28 Related party transactions (continued)

iii) Other related party transactions

At 31 December 2025, there were outstanding balances with other related parties included in trade and other receivables (see note 17) as well as trade and other payables (see note 22).

	Group		Company	
	2025	2024	2025	2024
Amounts due to related parties				
Opening balance at 1 January	-	-	614,973	614,973
Amount payable	-	10,884	-	10,884
Amount received	24,464	30,716	24,463	30,716
Amount repaid	-	-	-	-
Closing balance at 31 December	<u>24,464</u>	<u>41,600</u>	<u>639,436</u>	<u>656,572</u>

The amounts are interest free, unsecured and have no fixed repayment terms.

iv) Transactions

		Group	
		2025	2024
LM&C Properties Ltd.	Purchase of investment property	-	436,887
Forli Ltd.	Purchase of investment property	-	534,804
Ancona Properties Ltd	Purchase of investment property	-	328,308
Napoli Property Ltd	Management fee	47,304	26,179
Diego Casilli	Corporate bond	112,500	141,255

29 Contingencies
Legal and Regulatory Proceedings:

The Group is not a direct party to the legal action involving Lewanika Mall, which the Group acquired in 2024. However, the outcome of this case could impact the company due to its ownership of the property.

On 9 December 2024, judgement was awarded in favor of the plaintiff in a matter related to Lewanika Mall. The company was not a party to the action, but the judgement could potentially affect the company because of its ownership of the mall. Following the judgement, an appeal has been lodged before the Court of Appeal. City of Lusaka Football Club(2000)PLC has been joined as the third appellant in the case and has filed ground of appeal. The appeal is ongoing, and the company is monitoring the proceedings closely.

At this time, it is not possible to determine the potential financial impact of the judgement and appeal. The Group will continue to assess the situation and make provisions or disclosures as necessary in future periods based on the outcome of the appeal.

30 Capital commitments

Capital commitments approved but not contracted for as at 31 December 2025 amounted to ZMW42.75million (2024: ZMW16.95 Million).



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