

REIZ
REAL ESTATE INVESTMENTS ZAMBIA PLC

THE REIZ REIT: JOURNEY SO FAR & CREATING AN INVESTMENT OPPORTUNITY IN A HIGH-CLASS PROPERTY PORTFOLIO FOR THE INTERNATIONAL AND LOCAL MARKET



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Historic Overview of REIZ Plc – REIZ REIT

Origins as the NW Rhodesia Farmers Co-Op

Listing of REIZ on the LuSE as a Plc

An underwriter was found to assist in the restructuring of REIZ Plc Debt after a devastating Covid aftermath

REIZ Acquired 3 properties for $65m through an asset for share swap structure

1920s | 1970 | 1996 | 2012 | 2022 | 2023 | 2024 | 2025

Completion of Farmer's House on Cairo Road

Acquisition of Arcades Shopping Mall

Shareholders approved converting REIZ Plc to a REIT and the Acquisition of 3 prime properties

REIZ REIT growth plan to $500m portfolio initiated

LuSE
Lusaka Securities Exchange Plc

LM& C got 59% shareholding in REIZ Plc and initiated the need to get a REIT Status

REIZ obtained a REIT status approval from SEC. REIZ REIT is listed on the LuSE trading in USD

What is a Real Estate Investment Trust (REIT)?

A company that owns, operates or finances income producing real estate, funded by a pool of individual investors.

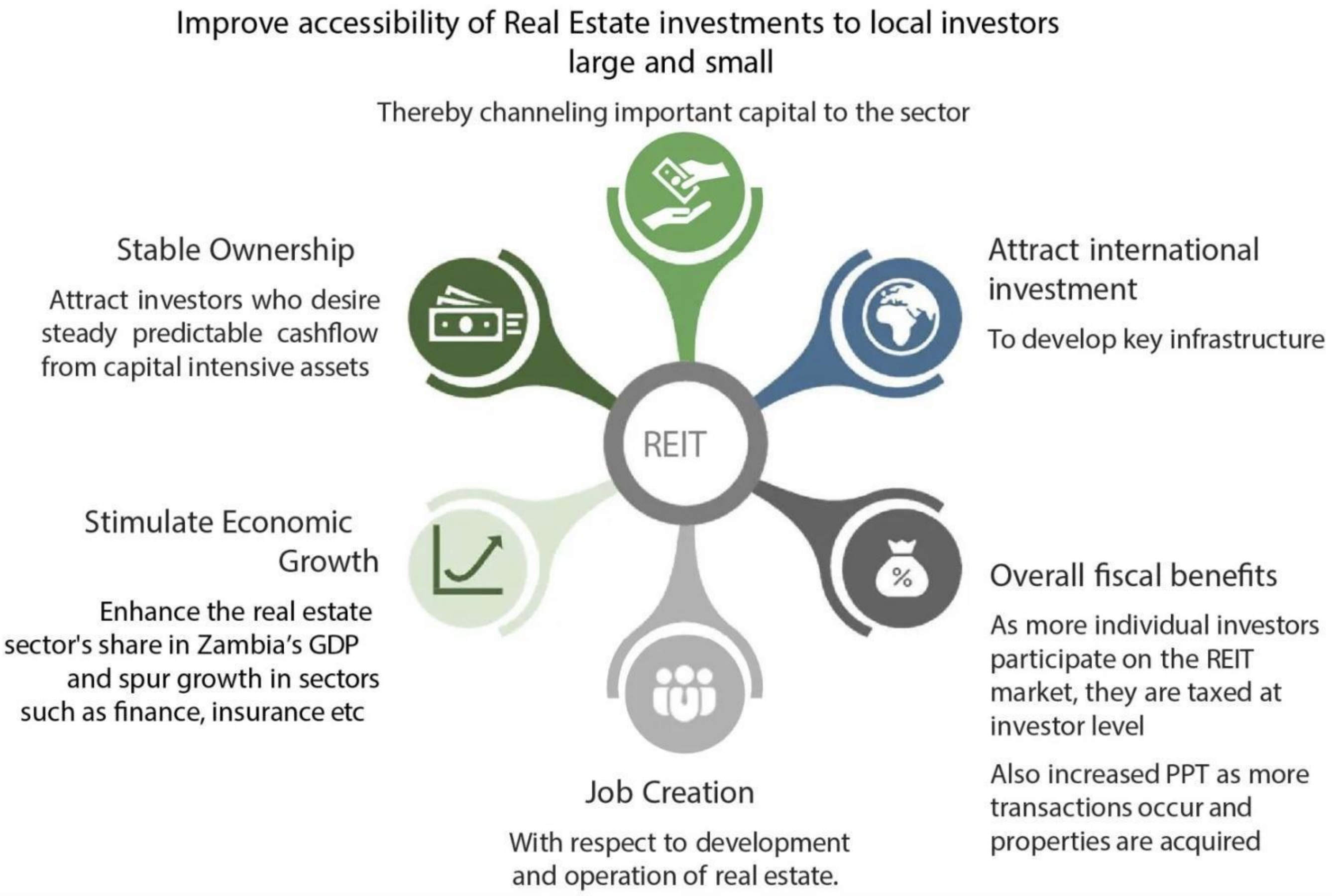
REIZ has paved the way for REITs. First-ever REIT Registered in Zambia

Challenges Faced:

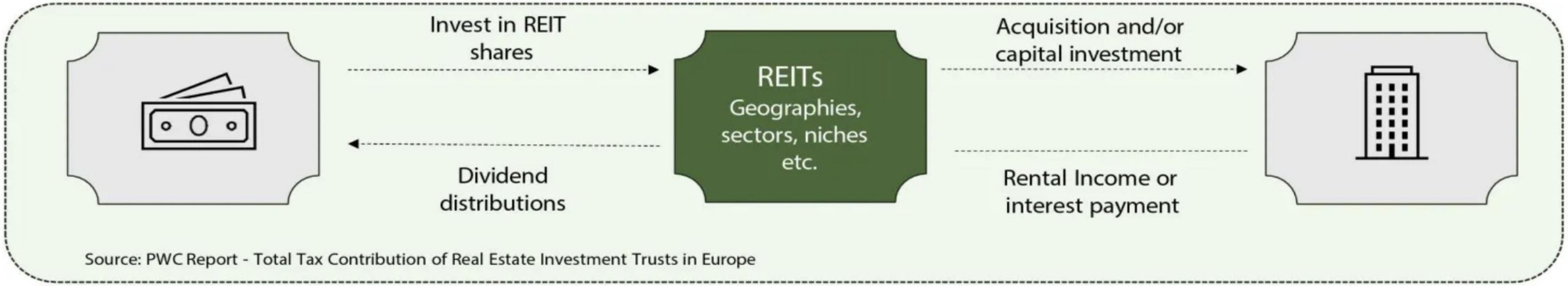
- Navigating a Complex Regulatory and Taxation Framework
- Exposure to Double Taxation on Certain Incomes and Distributions
- Operating Under a More Restrictive Regulatory Framework than other markets

Our Commitment

- Collaborative Efforts with SEC, Government, ZRA and Capital Markets Investors
- Improve investment attractiveness of Zambia's real estate sector
- Align REIT Guidelines to international best practices
- Realize growth and benefits



REITs operate like a real estate investment vehicle but more efficiently



Formalisation drives investment and growth in both profits and taxes (directly and indirectly).

- Empirical research highlights that the introduction of REITs contribute to the formalization and growth of the real estate sector
- REITs create increased market efficiency, higher liquidity, lower transaction costs and higher long term returns, creating higher investment and an expanded the tax base
- This growth includes expansion of the tax base through secondary economic activities, such as construction, maintenance, and property management. These activities generate VAT (Value-Added Tax), PAYE (Pay-As-You-Earn) on wages, and corporate taxes on service providers

REIT tax treatment can lead to confusion on the benefits to the tax base of nation

It is critical to understand the difference in taxation of a REIT versus a standard corporate

REITs increase investment access..

- REITs allow anyone, from retail investors to large institutional investors, to invest in the real estate held by publicly quoted companies, the same way as investing in other industries through purchasing shares.
- Instead of investing in individual properties, investors in a REIT are able to earn part of the income produced by the underlying bricks and mortar

..and proceeds are taxed differently

- Recognising that the purpose of a REIT is to allow collective investment in real estate, the profit generated is not taxed in the hands of the REIT, but at the shareholder level, when the profit is paid out as a dividend.
- Legally, in Zambia a REIT is obliged to distribute 80% of its taxable income as dividends.

which creates misconceptions on tax..

- For this reason, the tax profile of REITs can be misunderstood.
- The tax on rental income and on gains realised on disposal is passed to shareholders to ensure that the tax liability is paid once (at the shareholder level) rather than twice (first by the REIT and then by the shareholder).
- This incentivizes real estate investment through accessible, transparent and liquid REITs

REAL ESTATE INVESTMENTS ZAMBIA PLC

REIZ REIT Portfolio Size
US$ 108 Million



SHOPRITE

CASIO
OPPO


Pizza Inn

Metro
DYNALAB INT'L
OASIS POOLS

AON
Ecobank


SHOPRITE


SHOPRITE
Travelex
WESTERN UNION
LIQUID
airtel

CARGO 88

MyBucks

AON

Jacaranda

Asset Class is between Retail and Office

- Acacia Park - Office
- Arcades Shopping Mall - Retail Centre
- Central Park - Mix use
- Jacaranda Mall - Retail Centre
- Lewanika Mall - Retail Centre
- Abacus Sqaure - Office
- Counting House - Office
- Judiciary House - Office
- Nyerere House - Office

Where we are now, Where we are going

2024

01 Revenue
- $ 10m/ $ Yield 7%

02 Net Operating Income
- $ 7.7m

03 Dividend Available for Distribution
- $ 6.1m

04 Net Asset Value
- $ 70.2m

2025

01 Revenue
- $ 26.9m/ $ Yield 9%

02 Net Operating Income
- $ 22.1m

03 Dividend Available for Distribution
- $ 9.3m

04 Net Asset Value
- $ 156m

Thank You