2021 Listed Companies Analysis Report

December 2022

www.pwc.com/zm

Table of contents

Foreword

Andrew Chibuye
Country Senior Partner
PwC Zambia

We are pleased to present the second edition of PwC Zambia's Listed Companies Analysis Report, which assesses the performance of companies listed on the Lusaka Securities Exchange.

Macroeconomic fundamentals improved significantly in 2021. Zambia's gross domestic product grew 3.6% compared to a contraction of 2.8% recorded in 2020 (Source: Ministry of Finance and National Planning). The kwacha appreciated against major convertible currencies, strengthening 21% against the US dollar to end the year at K16.7/USD (2020: K21.2/USD), while inflation dropped to 16.4% from 19.2% at the end of 2020. All this was against a backdrop of falling Covid-19 cases and the reopening of the global economy.

This improved economic backdrop prompted a strong rebound in the securities market, with share prices returning to pre-pandemic levels.

I would like to thank our guest contributors, Pangaea Securities, for their valuable input into this report as well as the chief executive officers and chief financial officers of the listed companies who took part in our short survey on environmental social governance, the results of which form part of this report.

I would also like to thank the dedicated PwC team, without whom this report would not have been possible.

We hope you find the contents of this report useful and look forward to your feedback.

1. Executive summary

Approach

PwC Zambia's Listed Companies Analysis Report is based on analysis of publicly available information provided by the companies listed on the Lusaka Securities Exchange (LuSE). The analysis also takes into account events after the reporting date for each company and looks at broader issues and emerging trends, including the impact of Covid-19, the 2021 Zambia general elections, and environmental, social and governance (ESG) issues.

Market capitalisation

Our analysis shows that the market capitalisation of companies listed on LuSE increased by K9.8 billion to K67.3 billion in kwacha terms, and by US$1.3 billion to US$4 billion in US dollar terms in 2021, representing growth of 17% and 49% respectively. This increase is significantly higher than that recorded in 2020, when LuSE's market capitalisation increased by 1.5% or K846 million in kwacha terms.

Zambia Sugar, Copperbelt Energy Corporation, Chilanga Cement (formerly known as Lafarge Cement Zambia) and Zambia National Commercial Bank recorded the largest increase in terms of market capitalisation in 2021.

Of the 24 companies listed on LuSE, 11 recorded an increase in their market capitalisation in 2021, 2 companies' market capitalisation stayed the same, and 11 companies recorded a reduction.

Macroeconomic fundamentals improved significantly in 2021. Zambia's gross domestic product grew 3.6% compared to a contraction of 2.8% recorded in 2020. This improved economic backdrop prompted a strong rebound in the securities market with share prices returning to pre-pandemic levels.

Performance of LuSE All Share Index

In 2021, LuSE rose 55% from 3,912.3 points at the close of business on 31 December 2020 to 6,059.7 points at the end of December 2021. We noticed a similar upward trend when we compared LuSE's performance with other stock markets in Southern and East Africa. Most notably, the Zimbabwe Stock Exchange grew 311% in 2021, Malawi's Stock Exchange grew 40%, and Africa's biggest stock market, the Johannesburg Stock Exchange (JSE), saw an increase of 15%. Meanwhile, the Rwanda Stock Exchange fell 2%.

Of the 24 companies trading on LuSE on 31 December 2021, only one did not record a change in share price. Chilanga Cement recorded the highest turnover as well as the highest volume of shares traded. Its turnover accounted for 89.6% of the entire turnover generated on the stock market in 2021. Copperbelt Energy Corporation, meanwhile, had the highest number of trades, with the company's share price recovering from a low of K0.70 to K2.65 in November 2021 – a new high.

LuSE recorded its highest trade turnover to date in 2021, with K2.2 billion of shares traded during the year. The liquidity of LuSE greatly improved during the last financial year, but more participants are needed in the exchange if it is to meet desired trading levels.

Economic performance

Inflation rose in the first half of 2021, peaking at 24.5% in June before falling in the second half of the year. By December 2021, inflation had fallen to 16.4% compared to 19.2% at the end of December 2020.

The second half of 2021 saw the kwacha rise against other major currencies due to renewed confidence in Zambia's economy following the United Party for National Development's election win in August and an easing of pandemic restrictions. Bank of Zambia figures show that the kwacha closed 21% higher at the end of 2021 at K16.7/US$ compared to K21.2/US$ at the end of 2020. The kwacha lost 50% of its value in 2020.

The kwacha's strong recovery in 2021, particularly in the second half of the year, was mainly due to higher inflows into Government securities from non-resident investors as well as positive market sentiments attributed to the country's improved economic prospects. In particular, the allocation of special drawing rights (SDRs) in August 2021 by the International Monetary Fund (IMF) combined with the country's peaceful elections and subsequent change of Government contributed to renewed investor confidence in Zambia's economy.

Dividend analysis

Despite the Covid-19 pandemic, dividends were paid out by companies operating in the following sectors: basic materials, consumer goods, financials, telecommunications and utilities.

Corporate governance and company compliance

Compliance with corporate governance codes varied depending on the area of governance. For example, 95% of the companies listed on LuSE had a board of directors, 100% had an audit committee and a good split between non-executive directors and executive directors.

Environmental social governance

PwC Zambia undertook a survey to map the local ESG landscape, assessing whether companies were compliant with LuSE requirements and sustainability reporting. The survey also asked listed companies about the perceived benefits of ESG. The survey found that:

- Listed companies recognise that they need more comprehensive ESG strategies, with 71% of respondents indicating that they already have an ESG strategy that supersedes the minimum requirements of the LuSE Code H on integrated sustainable reporting.
- Governance as opposed to environmental or social issues is the key area of focus among listed entities in their ESG strategies. Among the respondents, 42% said governance was the most important part of their current strategy.
- Among those companies that do not have an ESG strategy in place, 100% said they would design and implement strategies over the next two to three years.

LuSE Corporate Governance Code – integrated sustainability reporting

Our analysis shows that only three companies have adopted the integrated reporting approach in their annual reports.

Conclusion

LuSE made a strong comeback in 2021 after two years of lacklustre performance. Although the first half of the year was slower, the easing of global Covid-19 restrictions during the year and a peaceful change of government in August 2021 improved Zambia's economic outlook, prompting the kwacha to strengthen and inflation to come down in the second half. All this contributed to renewed investor interest in companies listed on LuSE.

Limitations of the study

a. Our analysis is based on publicly available information only.

b. The companies listed on LuSE do not have the same year ends and therefore financial results are not always for comparable periods.

c. No interviews were held with the management of the listed companies.

2. Market capitalisation and performance of LuSE

Highlights from the market capitalisation analysis:

- The market capitalisation of LuSE increased in kwacha terms by K9.8 billion, while in dollar terms it increased by US$1.3 billion, representing growth of 17% and 49% respectively between 31 December 2020 and 31 December 2021.
- Zambia Sugar, Copperbelt Energy Corporation, Chilanga Cement and Zambia National Commercial Bank recorded the largest gains in terms of market capitalisation at the end of 31
- December 2021.
- Among the 23 companies listed on LuSE, 10 companies saw their market capitalisation fall, 11 recorded an increase in market capitalisation and two recorded no movement between 31 December 2020 and 31 December 2021.

Market capitalisation

As at the end of December 2021, there were 24 companies listed on LuSE. This year, the number of companies has fallen to 23 following the delisting of First Quantum Minerals in 2022. These companies operate in the sectors of the economy as shown below:

Sector	Number of companies
Basic materials	**4**
• AECI Mining Explosives	
• Zambia Forestry and Forest Industries Corporation	
• ZCCM Investment Holdings	
• First Quantum Minerals*	
Consumer goods	**6**
• British American Tobacco Zambia	
• National Breweries	
• Zambeef Products	
• Zambia Bata Shoe Company	
• Zambia Sugar	
• Zambian Breweries	
Consumer services	**2**
• Pamodzi Hotels	
• Shoprite Holdings	
Financials	**7**
• Zambia National Commercial Bank	
• Standard Chartered Bank Zambia	
• Investrust Bank	
• Real Estate Investments Zambia	
• Zambia Reinsurance	
• Madison Financial Services	
• CEC Africa Investments	
Industrials	**2**
• Metal Fabricators of Zambia	
• Chilanga Cement	
Oil and gas	**1**
• Puma Energy Zambia	
Telecoms	**1**
• Airtel Networks Zambia	
Energy utilities	**1**
• Copperbelt Energy Corporation	

** Delisted post 31 December 2021*

The sector classification is as per African Markets (https://www.african-markets.com/).

Below is a table that summarises the market capitalisation of all the companies currently listed on LuSE:

Description	31 December 2021		31 December 2020		Change	
	Market cap K' million	Market cap USD' million*	Market cap K' million	Market cap USD' million*	Market cap K' million	Market cap USD' million*
Total market capitalisation	67,341	4,040	57,501	2,717	9,840	1,323

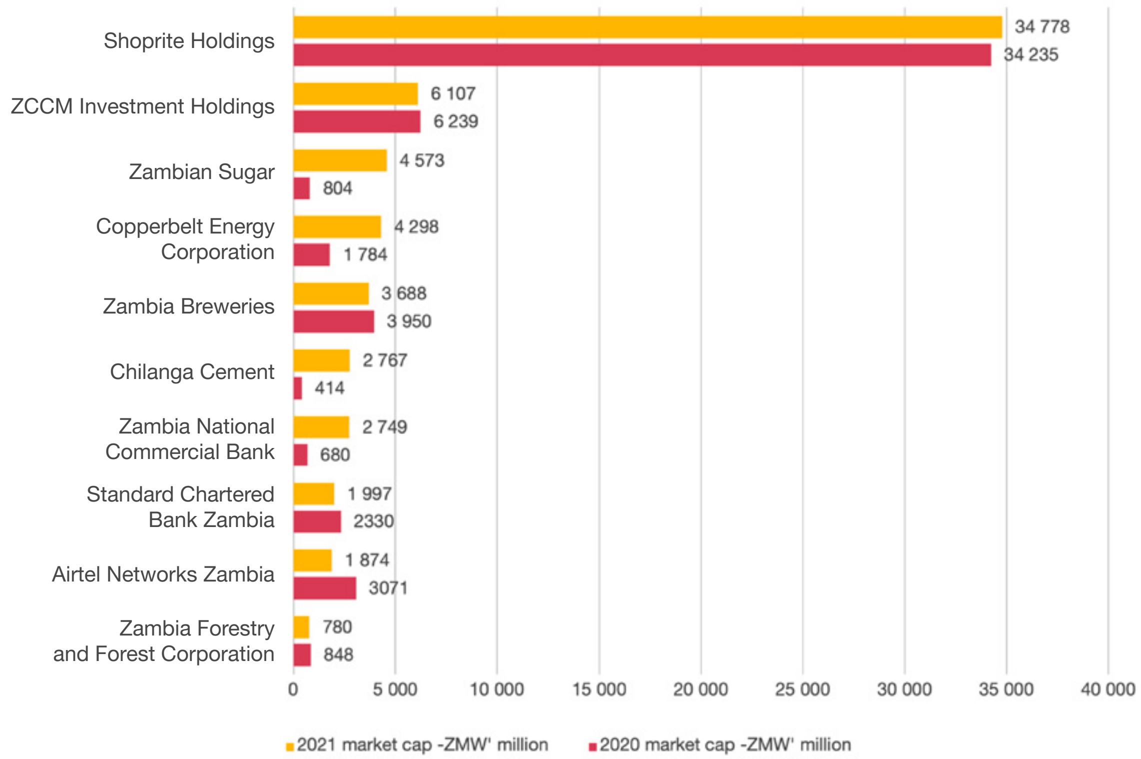
Source: LuSE, Africa Markets and PwC analysis

** The dollar market capitalisation was arrived at by converting the kwacha market capitalisation using the Bank of Zambia mid-rate for the year ended 31 December 2021 and 31 December 2020 of K16.7/US$ and K21.2/US$ respectively.*

We have categorised the companies into two groups: 'top 10' and 'others'. We have defined the top 10 companies as those with a market capitalisation of at least K700 million, while those with a market capitalisation below K700 million have been classified as others.

Market cap, top 10 companies

Source: LuSE, Africa Markets and PwC analysis



From the analysis above, we see that the top 10 companies account for 94.5% of the stock exchange's total market capitalisation (2020: 94.8%), while the remaining 14 companies only account for 5.5% (2020: 5.2%).

The total market capitalisation as at 31 December 2021 was K67.3 billion compared to K57.5 billion at the end of 2020. This represents growth in the market value of the listed companies of K9.8 billion or 17%. Growth was mainly driven by:

- The increase in the share prices of Copperbelt Energy Corporation, Zambia Sugar, Chilanga Cement and Zambia National Commercial Bank, which recorded an absolute value increase in market capitalisation of K2.5 billion, K3.8 billion, K2.4 billion and K2.1 billion respectively.
- Shoprite Holdings continued to make up a significant amount of the overall market capitalisation recorded in the year, accounting for more than 50%. The company's value increased by K0.5 billion to K34.8 billion in 2021. Shoprite Holdings is listed on three stock markets in Africa: the JSE, the Namibian Stock Exchange and LuSE.
- The other five companies in the top 10 category, both individually and in aggregate, saw their market capitalisation fall. The aggregate decrease was K2 billion, with Airtel Networks Zambia accounting for K1.2 billion or 60% of that.

Market capitalisation analysis per sector

Industrials

The sector recorded an increase of K2.4 billion in market capitalisation in 2021 from K0.5 billion in 2020, representing an increase of 433%. This is mainly attributed to Chilanga Cement's performance, which saw its share price increase 568% from K2.1 per share at the end of December 2020 to K13.85 per share at the end of December 2021. Metal Fabricators of Zambia, the other company in this sector, did not record any movement in its share price and consequently its market capitalisation.

Telecoms

Airtel Networks Zambia is the only major telecoms service provider with shares listed on LuSE.
The company recorded a 39% reduction in its share price dropping from K29.5 to K18 per share as at 31 December 2021. As a result of the drop in the share price, the sector's market capitalisation reduced from K3.1 billion at the end of 2020 to K1.9 billion at the end of 2021.

Energy utilities, and oil and gas

The two companies listed in the energy utilities and oil and gas sectors greatly improved their market capitalisation in 2021. Copperbelt Energy Corporation recorded a 141% increase in its share price, closing the year at K2.7 per share compared to K1.1 per share as at the end of 2020. The increase in share price was due to better financial performance and improved relations with Government and ZESCO, which underpinned a positive outcome to its bulk supplier agreement negotiations. The appreciation in the company's share price translated into an increase in the company's market capitalisation of K2.5 billion, closing the year at K4.3 billion (2020: K1.8 billion).

Meanwhile, Puma Energy Zambia, the only company listed in the oil and gas sector, recorded an increase in market capitalisation of K205 million to close the year at K605 million.

Financials

The financial sector's market capitalisation increased by 53% in 2021, closing the year at K5.5 billion, up from K3.6 billion at the end of 2020. Zambia National Commercial Bank's share price increased by 304% from K0.47 to K1.9 per share, while Standard Chartered Bank Zambia recorded a 14% drop in its share price to close the year at K1.2 from K1.4 per share. As a result of the movement in share price, the market capitalisation of Zambia National Commercial Bank increased by K2.1 billion while the market capitalisation of Standard Chartered Bank Zambia decreased by K0.3 billion.

Consumer goods and consumer services

These two sectors are made up of eight companies. Six of these are in the consumer services sector and two are in the consumer goods sector. The two sectors combined recorded an increase in market capitalisation of K4.1 billion in 2021, closing the year at K44.6 billion from K40.5 billion at the end of 2020 - representing growth of 10%.

Zambia Sugar accounted for K3.8 billion of the K4.1 billion increase in market capitalisation.
The company's share price increased by 469% in 2021, closing the year at K14.5 per share compared to K2.55 at the end of 2020. The share price increase was driven by the company's strong financial performance for the year ended 31 August 2021. The company reported a profit after tax of K1.1 billion compared to K0.2 billion in 2020. The increase in profit was mainly due to increased revenues, which grew by 50% from K3.3 billion at 31 August 2020 to K5 billion at 31 August 2021.

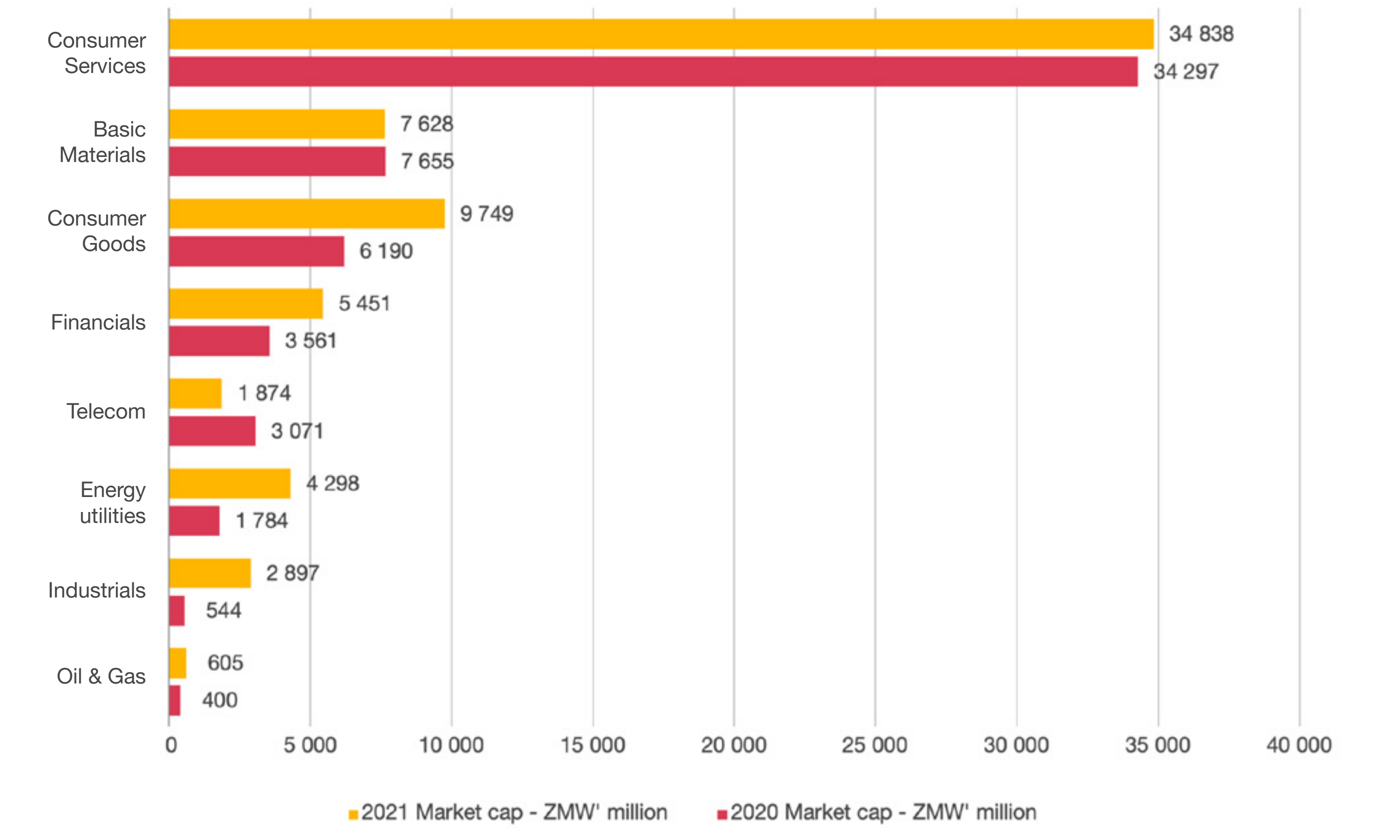
Basic materials

The basic materials sector comprises of four companies. The sector recorded the least movement between the two reporting periods, with an overall reduction in market capitalisation of K27 million. Three of the companies saw their share price drop, with a combined reduction in market capitalisation of K208 million, while one company recorded a gain of 48%, which resulted in an increase in market capitalisation of K181 million.

The graphs below show our analysis of market capitalisation for each sector represented on LuSE in Zambian kwacha:

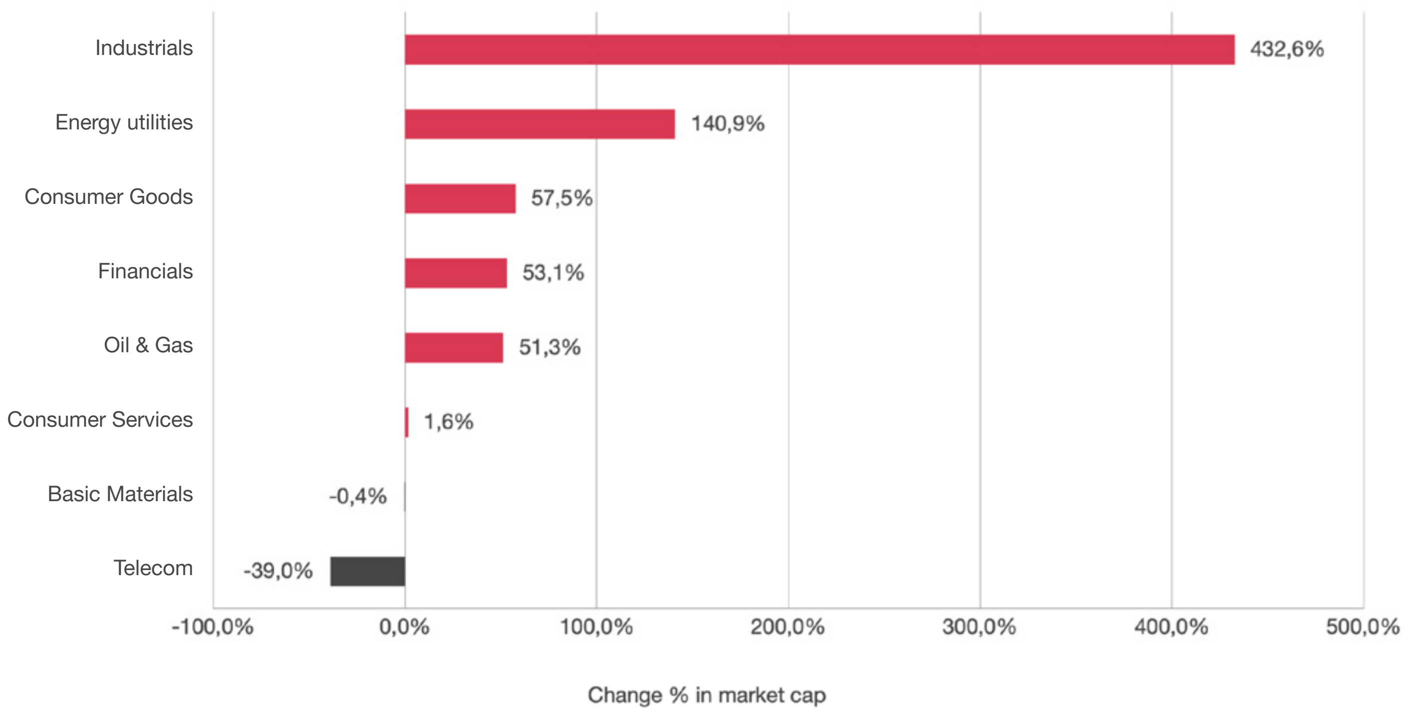
2021 and 2020 Market cap - ZMW' million

Source: PwC analysis



2021 and 2020 Market cap - ZMW' million

Source: PwC analysis



Impact of kwacha performance on value of companies in USD terms

The year ended 31 December 2021 saw the kwacha appreciate against other major currencies including the US dollar. The kwacha's appreciation against the US dollar has been favourable to the stock market and the value of the companies listed. According to the Bank of Zambia, the kwacha closed 2021 at K16.7/US$ compared to K21.2/US$ at the end of 2020 – an increase of 21%.

The market capitalisation of LuSE in dollar terms was US$4 billion as at 31 December 2021 compared to US$2.7 billion as at 31 December 2020 .

Performance of the LuSE All Share Index

The table below summarises the performance of the LuSE All Share Index between the two reporting dates under consideration.

Between 31 December 2020 and 31 December 2021, the index rose 55% from a close of 3,912.33 points on 31 December 2020 to a close of 6,059.68 points on 31 December 2021.

The table below shows the companies that recorded an increase in their share price between 31 December 2020 and 31 December 2021. Eleven companies recorded an increase in their share price, which in turn resulted in an increase in the All Share Index of 6059.68 points (2020: 3912.33 points).

Name of entity	Closing share price 31 Dec 2021	Closing share price 31 Dec 2020	Change %
Chilanga Cement	13.85	2.07	569%
Zambia Sugar	14.5	2.55	469%
Zambia National Commercial Bank	1.9	0.47	304%
Real Estate Investments Zambia	1.25	0.39	221%
Copperbelt Energy Corporation	2.65	1.1	141%
Puma Energy Zambia	1.21	0.8	51%
Zambeef Products	1.61	1.1	46%
CEC Africa Investments	0.19	0.13	46%
AECI Mining Explosives	29.4	20.5	43%
Investrust Bank	15	12	25%
Shoprite Holdings	64	63	2%

The table below shows the companies whose share price fell in 2021. Airtel Networks Zambia recorded the biggest share price drop. Its share price fell from K29.49 per share as at 31 December 2020 to K18 at the end of 2021 – a fall of 39%.

Name of entity	Closing share price 31 Dec 2021	Closing share price 31 Dec 2020	Change %
National Breweries	9.20	9.21	-0.1%
Zambia Reinsurance	2.79	2.80	-0.4%
Zambia Bata Shoe Company	2.59	2.60	-0.4%
ZCCM Investment Holdings	37.98	38.80	-2.1%
Pamodzi Hotels	0.60	0.62	-3.2%
First Quantum Minerals	3.50	3.70	-5.4%
Zambian Breweries	6.75	7.23	-6.6%
Zambia Forestry and Forest Industries Corporation	1.95	2.12	-8.0%
Madison Financial Services	2.47	2.88	-14.2%
Standard Chartered Bank Zambia	1.20	1.40	-14.3%
British American Tobacco Zambia	1.45	1.80	-19.4%
Airtel Networks Zambia	18.00	29.49	-39.0%

Of the 24 companies that were trading on LuSE on 31 December 2021 only one company did not record a change in its share price.

Name of company	Closing share price 31 Dec 2021	Closing share price 31 Dec 2020	Change %
Metal Fabricators of Zambia	4.78	4.78	0.00%

LuSE was not the only regional stock market to enjoy broad gains in 2021. We noticed a similar upward trend in other stock markets in Southern and East Africa. Most notably, the Zimbabwe Stock Exchange grew 311% in 2021, Malawi's Stock Exchange grew 40%, and Africa's biggest stock market, the JSE, saw an increase of 15%. Meanwhile, the Nairobi Securities Exchange rose 9% during the year following a 9% fall the previous year. Not all regional markets rose, however. The Rwanda Stock Exchange fell 2% following a 9% gain in 2020, closing 2021 at 145.34 (2020: 148.15).

The below tables shows the percentage change in eight stock markets in Southern and East Africa:

Description	Country	31-Dec-21	31-Dec-20	Change	Change %
JSE/FTSE All share index (ASI)	South Africa	68,614.98	59,409.00	9,295.98	15%
ZSE All share index (ASI)	Zimbabwe	10,822.36	2,636.00	8,186.36	311%
USE All share index (ASI)	Uganda	1,420.69	1,309.86	110.83	8%
RSE All share index (ASI)	Rwanda	145.34	148.15	-2.81	(2)%
NSE All share index (ASI)	Kenya	166.46	152.11	14.35	9%
Malawi MSE All share index (ASI)	Malawi	45,367.68	32,392.84	1,2974.84	40%
DSE All share index (ASI)	Tanzania	1,896.71	1,816.88	79.83	4%
Botswana Domestic Companies Index	Botswana	7,009.61	6,879.35	130.26	2%

Source: African Markets (african-markets.com)

LuSE liquidity

Below is a summary of trading statistics showing the stock, number of trades, volume of shares, stock price and turnover for the 12-month period to 31 December 2021.

Stock	Number of trades	Closing Price K	Volume	Turnover K
AECI Mining Explosives	209	29.38	129,654	3,347,896
Airtel Networks Zambia	116	18	9,782	213,079
Zambia Bata Shoe Company	64	2.59	1,266,307	3,290,847
British American Tobacco Zambia	82	1.45	4,484,427	6,279,521
Cavmont Capital Holdings	7	0	1,313	2,626
Copperbelt Energy Corporation	3,395	2.65	36,743,312	55,015,230
Investrust Bank	113	15	1,966,667	29,499,966
Chilanga Cement	627	13.85	152,295,176	1,984,988,510
Madison Financial Services	33	2.47	1,087	2,692
Metal Fabricators of Zambia	62	4.78	278,751	1,322,430
National Breweries	25	9.2	42,243	388,639
PAMODZI	68	0.6	63,360	38,016
Zambia Reinsurance	45	2.79	420,095	1,174,650
Puma Energy Zambia	340	1.21	8,015,174	9,191,378
Real Estate Investments Zambia	119	1.25	8,776,657	9,618,503
Shoprite Holdings	80	64	234,912	14,996,740
Standard Chartered Bank Zambia	444	1.2	1,793,626	1,855,642
Zambeef	453	1.61	8,524,110	12,411,068
Zambia Sugar	270	14.5	2,515,712	11,244,613
Zambia Breweries	111	6.75	4,131,307	27,539,111
Zambia National Commercial Bank	1,008	1.9	60,721,955	40,925,174
ZCCM Investment Holdings	64	37.98	19,201	735,047
ZAFFICO	80	1.95	312,975	610,184
Total	**7,815**			**2,214,691,562**

From the above, we see that Chilanga Cement recorded the highest turnover during the year as well as the highest volume of shares traded. Its turnover accounted for 89.6% of the entire turnover generated on the stock market in 2021. Copperbelt Energy Corporation had the highest number of trades, with the company's share price recovering from a low of K0.70 to end the year at K2.65 - a new high. During the previous year, the company's share price appreciated by 139%.

3. Business and financial performance

Economic performance

Zambia's economy faced significant inflationary pressures in 2021. Consequently, the Bank of Zambia's monetary policy focused on containing these pressures to anchor inflation expectations. While overall inflation rose during the first half of 2021, peaking at 24.6% in June, inflationary pressures moderated in the second half of the year. In December 2021, inflation had declined to 16.4% compared to 19.2% recorded in December 2020 (Source: Bank of Zambia Annual Report 2021).

The kwacha's strong recovery in 2021, particularly in the second half of the year, was mainly due to higher inflows into Government securities from non-resident investors as well as positive market sentiments attributed to the country's improved economic prospects. In particular, the allocation of special drawing rights in August 2021 by the IMF combined with the country's peaceful elections and subsequent change of Government that same month contributed to renewed investor confidence in Zambia's economy.

Interest rates movements were mixed. The overnight interbank rate rose slightly to 8.7% in December 2021 from 8.1% in December 2020 but was contained within the policy rate corridor. This was in line with the increase in the policy rate and the contractionary open market operations conducted in the second half of the year.

Sector analysis of listed entities

The companies listed on LuSE are categorised in sectors as below:

Sector	Entities analysed
Financial services	
Commercial banks	• Standard Chartered Bank Zambia • Zambia National Commercial Bank
Non-bank financial institutions	• Real Estate Investments Zambia • Zambia Reinsurance
Basic materials	• AECI Mining Explosives • First Quantum Minerals • Zambia Forestry and Forest Industries Corporation • Copperbelt Energy Corporation
Utilities	• Chilanga Cement
Industrials and oil and gas	• Metal Fabricators of Zambia • Puma Energy Zambia
Consumer goods	• British American Tobacco Zambia • National Breweries • Zambia Bata Shoe Company • Zambia Sugar • Zambian Breweries • Zambeef Products
Consumer services	• Shoprite Holdings
Telecoms	• Airtel Networks Zambia

i) Financial services

Commercial banks

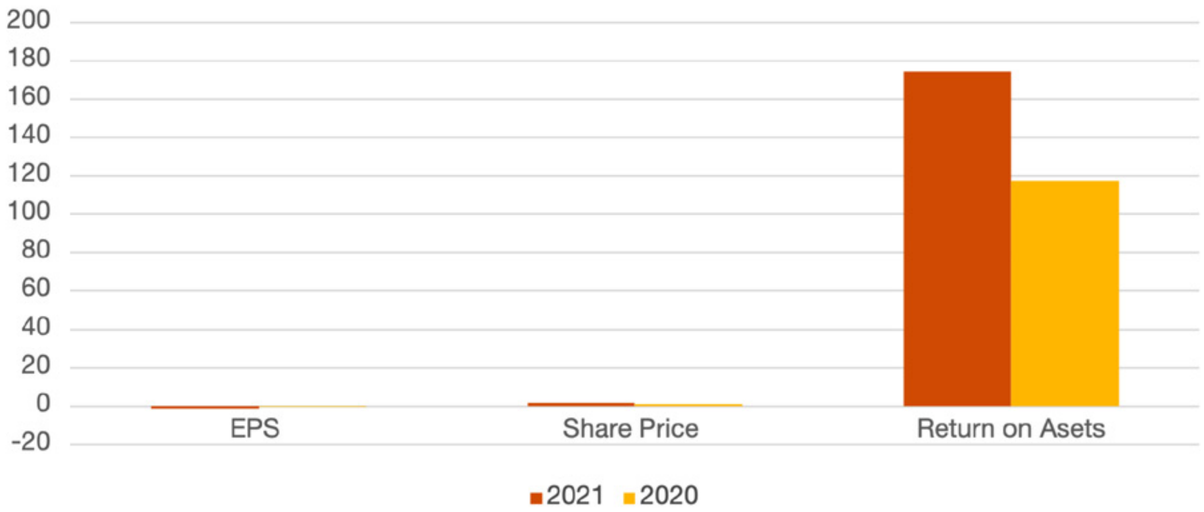
Profitability among commercial banks improved significantly in 2021. The sector posted profits for the year of K1.4 billion, 648% higher than the previous year's profits of K186 million. Higher profits in the sector were driven mainly by Zambia National Commercial Bank, which registered a profit of K1 billion in 2021, driven by interest income and lower provisioning due to fewer IFRS-9 related impairments.

Total assets in the sector rose 17% to K39.5 billion in 2021 from K33.5 million in 2020 as investments in Government securities, balances held with the Bank of Zambia, and net loans and advances increased. Loans and advances and customer deposits remained relatively stable in 2021. Asset quality improved on account of the decline in non-performing loans (NPLs).

On average, market indicators such as earnings per share and share price recorded marginal growth, while the return on assets improved significantly in 2021, indicating better financial performance and prospects of economic growth.

Market Indicator Ratios
Financial sector – commercial banks

Source: PwC analysis



Non-bank financial institutions

Real Estate Investments Zambia's top-line was negatively impacted by increased vacancy rates and fair value losses registered on dollar denominated assets arising from the kwacha's appreciation. Meanwhile, Zambia Reinsurance's profitability was negatively affected by foreign-denominated liabilities, which resulted in exchange losses on translation. Overall, profitability in the non-bank financial services sectors marginally improved in 2021 compared to 2020.

As at the end of December 2021, the overall financial performance of the banking and non-banking financial sector was satisfactory. Favourable capital adequacy, asset quality, earnings performance and liquidity conditions were the main factors behind this. (Source: Bank of Zambia Annual Report 2021).

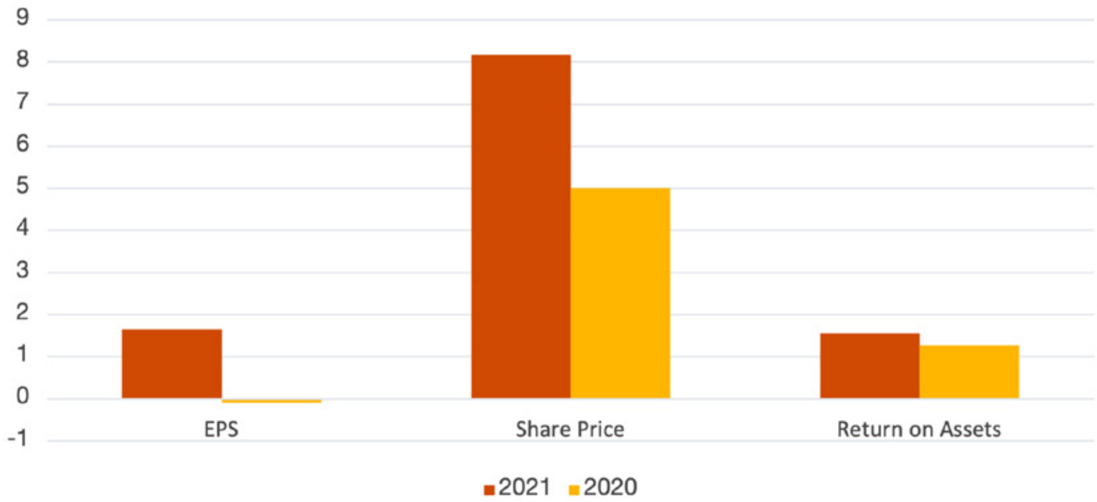
ii) Basic materials, utilities, industrials, and oil and gas sectors.

The sector saw an increase in profitability in 2021, posting a profit for the year of K21.4 billion compared to the previous year's loss of K3.9 billion. Higher profits in the sector were driven mainly by First Quantum Minerals, which registered a profit of K18.1 billion on the back of strong revenue growth coupled with improved operating efficiencies through cost optimisation.

On average, market indicators such as earnings per share, share price and return on assets improved in 2021, indicating better financial performance and prospects for economic growth.

Market Indicator Ratios

Source: PwC analysis



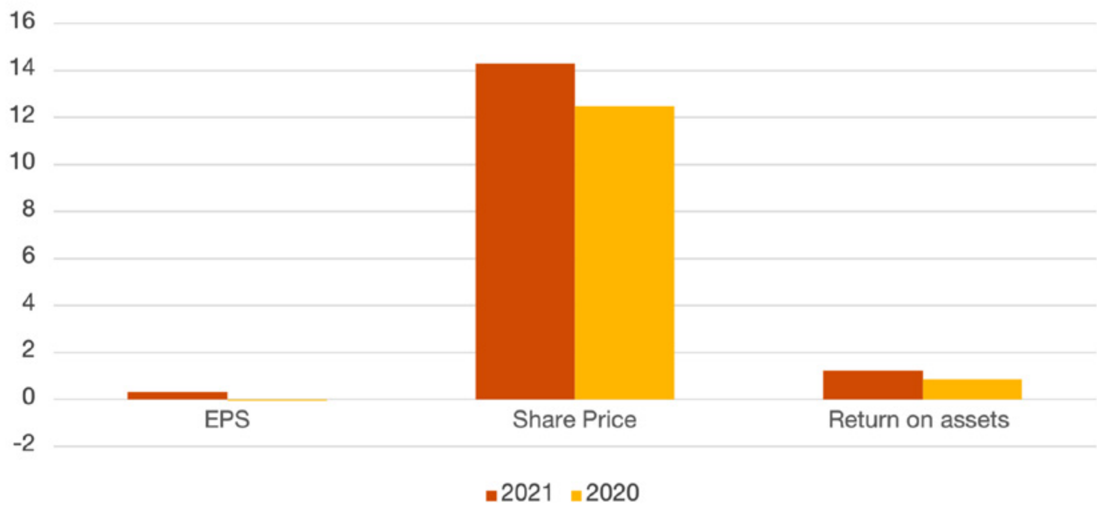
iii) Consumer services and goods sectors

Higher profits in the sector were driven mostly by Shoprite Holdings, which registered a profit of K5 billion in 2021. This was due to an increase in profit margins coupled with the company successfully containing operating costs. Overall, the sector registered a profit for the year of K6.4 billion, 96% higher than the previous year's profit of K3.2 billion.

On average, market indicators such as earnings per share, share price and return on assets improved in 2021, again indicating better financial performance and prospects for economic growth.

Market Indicator Ratios

Source: PwC analysis



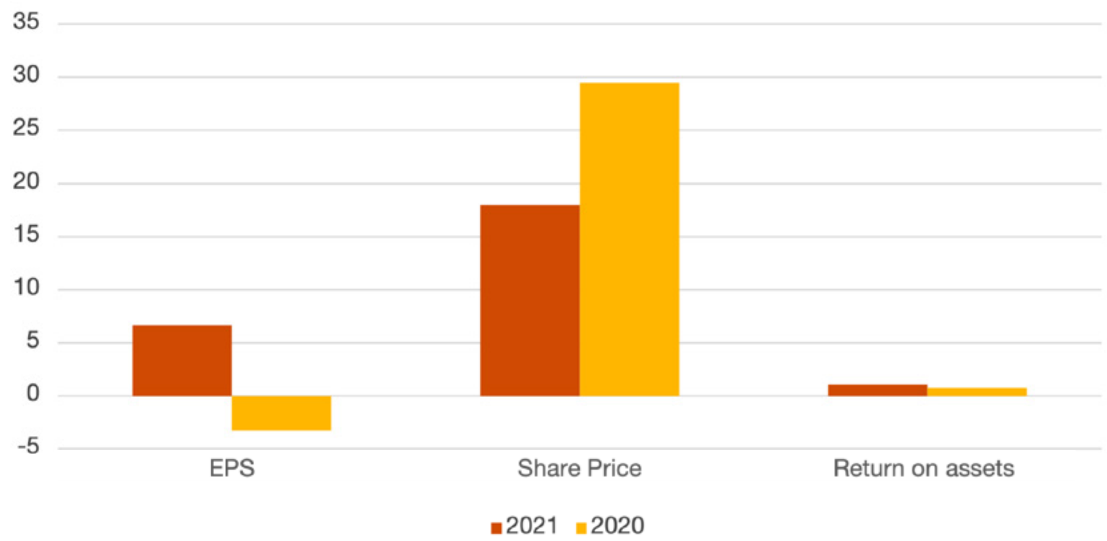
iv) Telecoms

Airtel Networks Zambia, the only listed company in the telecoms sector, posted a profit of K693 million in 2021, a 304% improvement on the previous year's loss of K341 million. This was mainly due to strong revenue performance, improved operating efficiencies and the kwacha's appreciation against the US dollar leading to reduced exchange losses on foreign denominated balances.

Despite a 39% fall in Airtel Networks Zambia's share price from K29.5 per share to K18 per share, other indicators, such as earnings per share and asset turnover, improved in 2021, implying better financial performance and prospects for the company.

Market Indicator Ratios

Source: PwC analysis



4. Company dividend behaviour and share performance

Covid-19 continued to affect every aspect of life in Zambia in 2021 and, as a result, companies were forced to adapt and implement strategies to survive. Most listed companies adopted strategies to contain costs and reduce operating expenses.

Companies such as Airtel Networks Zambia and Zambia National Commercial Bank implemented digital strategies with the aim of ensuring affordability and increased access to communication for customers. Similarly, Chilanga Cement was able to sell its products through digital platforms, enabling customers to place orders online and use last-mile delivery companies like AfriDelivery and Tigmoo.

Meanwhile, Zambia Breweries and Zambeef Products invested in expanding production and increased the number of distribution outlets to address market shortages. Zambia Breweries said in its annual report that it had completed a US$18 million capacity upgrade at its Lusaka and Ndola breweries during the year. Zambeef Products increased their concession to operate Shoprite Holdings' in-store butcheries (73 in 2021 compared to 71 in 2020).

Due to travel restrictions, Zambia Reinsurance was unable to market its products outside Zambia and therefore focused on the local market, which led to strong top-line growth in 2021. According to their annual report, "the significant increase in gross written premiums in 2021 (K78.9 million compared to K50 million in 2020) can be attributed to an increase in the fire business, which is attributed to the few large risks acquired during the year."

We have analysed dividend behaviour in relation to the stock performance of the listed companies on LuSE below.

Dividend analysis

Our analysis shows that in the second year of the Covid-19 pandemic dividends were paid out by companies operating in the following sectors: basic materials (AECI Mining Explosives, First Quantum Minerals, and Zambia Forestry and Forest Industries Corporation); consumer goods (British American Tobacco Zambia, Zambia Bata Shoe Company and Zambia Sugar); consumer services (Shoprite Holdings); financials (Standard Chartered Bank Zambia and Zambia National Commercial Bank); industrials (Chilanga Cement); telecoms (Airtel Networks Zambia); and utilities (Copperbelt Energy Corporation).

Our analysis shows that nine companies on LuSE increased their dividend per share by between 14% and 500%.

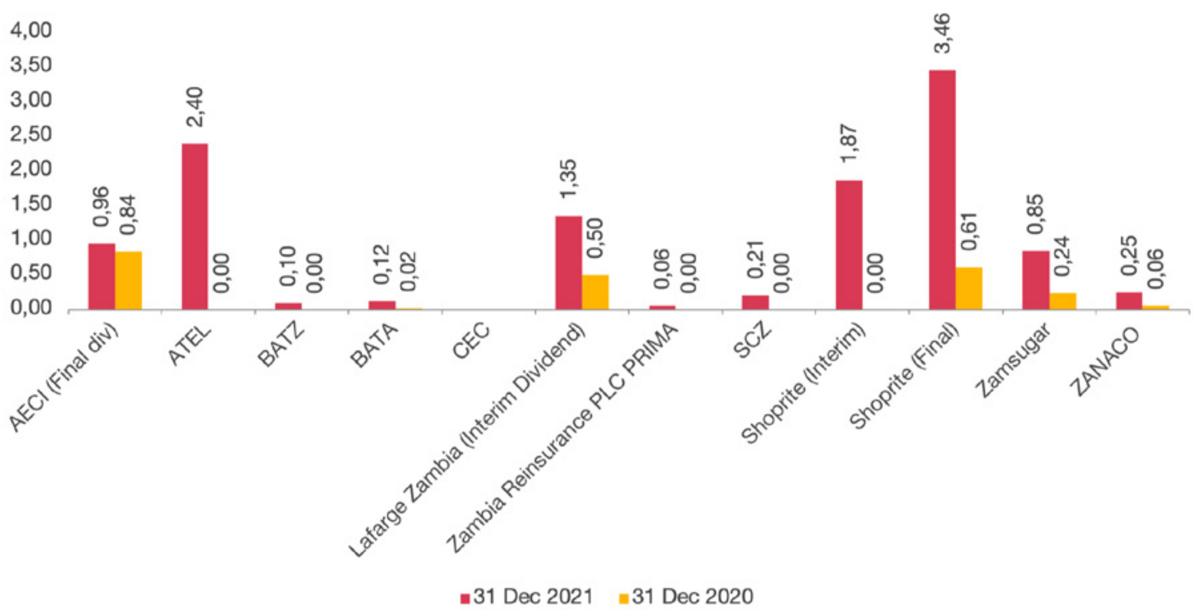
Companies whose dividend amount per share increased

Six of the nine companies that paid out dividends in 2020 increased the dividend amount per share in 2021. Furthermore, four companies that did not pay dividends in 2020 paid out dividends in 2021. These companies operated in the following sectors: consumer goods (British American Tobacco Zambia), financial services (Zambia Reinsurance and Standard Chartered Bank Zambia) and telecoms (Airtel Networks Zambia).

According to their annual reports, the four companies that did not pay a dividend in 2020 paid dividends in 2021 because of: increased revenue, which led to higher gross and net profit; a reduction in finance costs; localisation of the companies' US dollar loans, which reduced financing costs; and branch restructuring, which led to a reduction in expenses.

Increase in dividend per share payout (Figures in K)

Source: PwC analysis

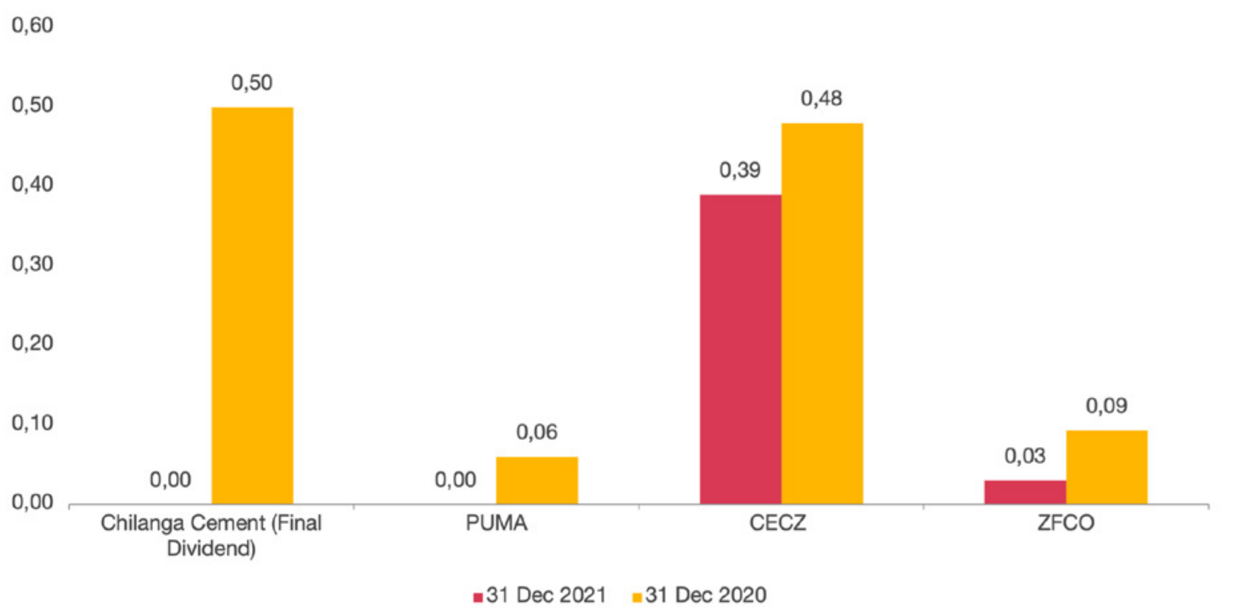


Furthermore, two companies operating in the basic materials and consumer services sectors, First Quantum Minerals and Shoprite Holdings, generated positive cash flows all year round and were therefore able to pay out both the interim and final dividends to shareholders. PwC also noted that Chilanga Cement was the only company that paid out interim dividends twice during the period under review (September and November).

Companies whose dividend amount per share reduced
We noted that three of the nine companies that paid out final dividends in 2020 reduced the dividend amount per share in 2021. Furthermore, Chilanga Cement chose not to pay a final dividend after paying two interim dividend payments during 2021. According to their annual financial statements, Puma Energy Zambia opted not to pay a dividend because of liquidity challenges brought up as a result of value added taxes owed to them by the Zambia Revenue Authority arising from introduction of withholding VAT agents and customs duty receivables. This can be seen in the graph below:

Reduction in dividend per share payout (Figures in K)

Source: PwC analysis



Copperbelt Energy Corporation increased its dividend from 2.1 US cents per share to 2.3 US cents per share which, when converted to kwacha, meant the dividend payout was reduced due to the appreciation of the kwacha.
Source: PwC analysis

Companies whose dividend amount per share has stayed static
Our analysis shows that one of the two companies that had a static final dividend payout in 2019 and 2020 also had a static dividend in 2021. First Quantum Minerals' final dividend, which is based on the financial performance of the previous applicable financial year, remained the same at CDN$0.10 (Canadian dollars) in 2021, 2020 and in 2019. Meanwhile, Zambia Bata Shoe Company's dividend increased from K0.02 at the end of 2020 to K0.12 at the end of December 2021. This can be seen in the table below:

	31 Dec 2019	31 Dec 2020	31 Dec 2021
First Quantum Minerals	CDN$0.10	CDN$0.10	CDN$0.10
Zambia Bata Shoe Company	K0.02	K0.02	K0.12

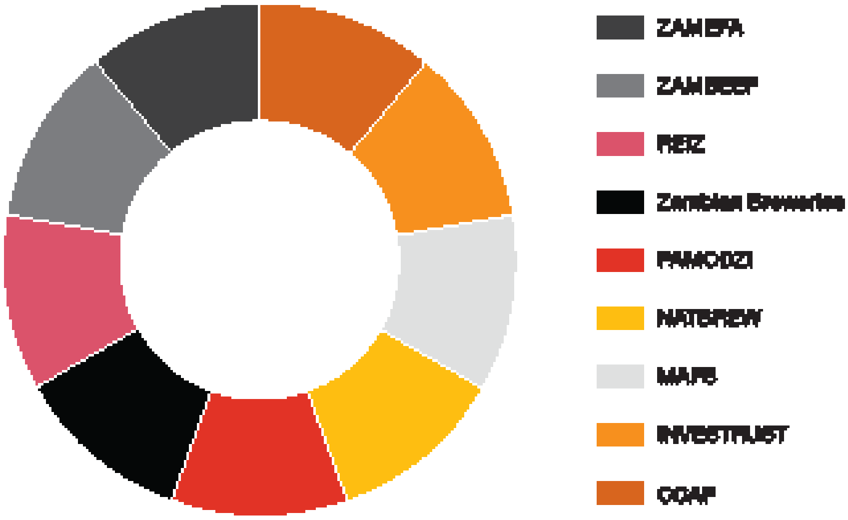
Source: PwC analysis

In its annual report, First Quantum Minerals said: "A new dividend policy (the "dividend policy") has been adopted by the company. The company intends to pay, on a semi-annual basis, a performance dividend that represents, in the aggregate, 15% of available cash flows generated after planned capital spending and distributions to non-controlling interests. It is expected that a minimum annual base dividend of CDN$0.10 per share consisting of semi-annual dividends of CDN$0.05 per share will be part of the performance dividend. Dividend payments will however remain at the discretion of the board."

Companies which did not pay dividends
Ten companies did not pay dividends in both 2020 and 2021. Four of the ten companies are classified under the financial sector and these included, CEC Africa Investments, Investrust Bank, Madison Financial Services and Real Estate Investments Zambia. The other companies that did not pay dividends included, Metal Fabricators of Zambia, National Breweries, Pamodzi Hotels, Zambia Breweries, Zambeef Products and ZCCM Investment Holdings.

Listed companies: Dividend not paid in 2020 and 2021

Source: PwC analysis



According to their annual reports, both Pamodzi Hotels and Zambeef Products did not pay dividends following board recommendations. Pamodzi Hotels did not pay a dividend because the business was loss-making in 2021. Meanwhile, no dividend was paid by Zambeef, whose articles state that the company may only declare a dividend if the directors have recommended it.

Metal Fabricators of Zambia also chose not to pay a dividend. The company said it continued to face liquidity issues due to the non-payment by Zambia Revenue Authority of long-outstanding VAT refunds.

Real Estate Investments Zambia opted not to pay dividends because the company said implementing tenant retention measures such as rental discounts and capping of rental invoice values at a pegged kwacha rate had led to revenue loss. Furthermore, Real Estate Investments Zambia said it opted not to pay dividends because it was implementing fiscal consolidation and needed to retain some liquidity to meet debt finance obligations.

Share price - major gainers and losers

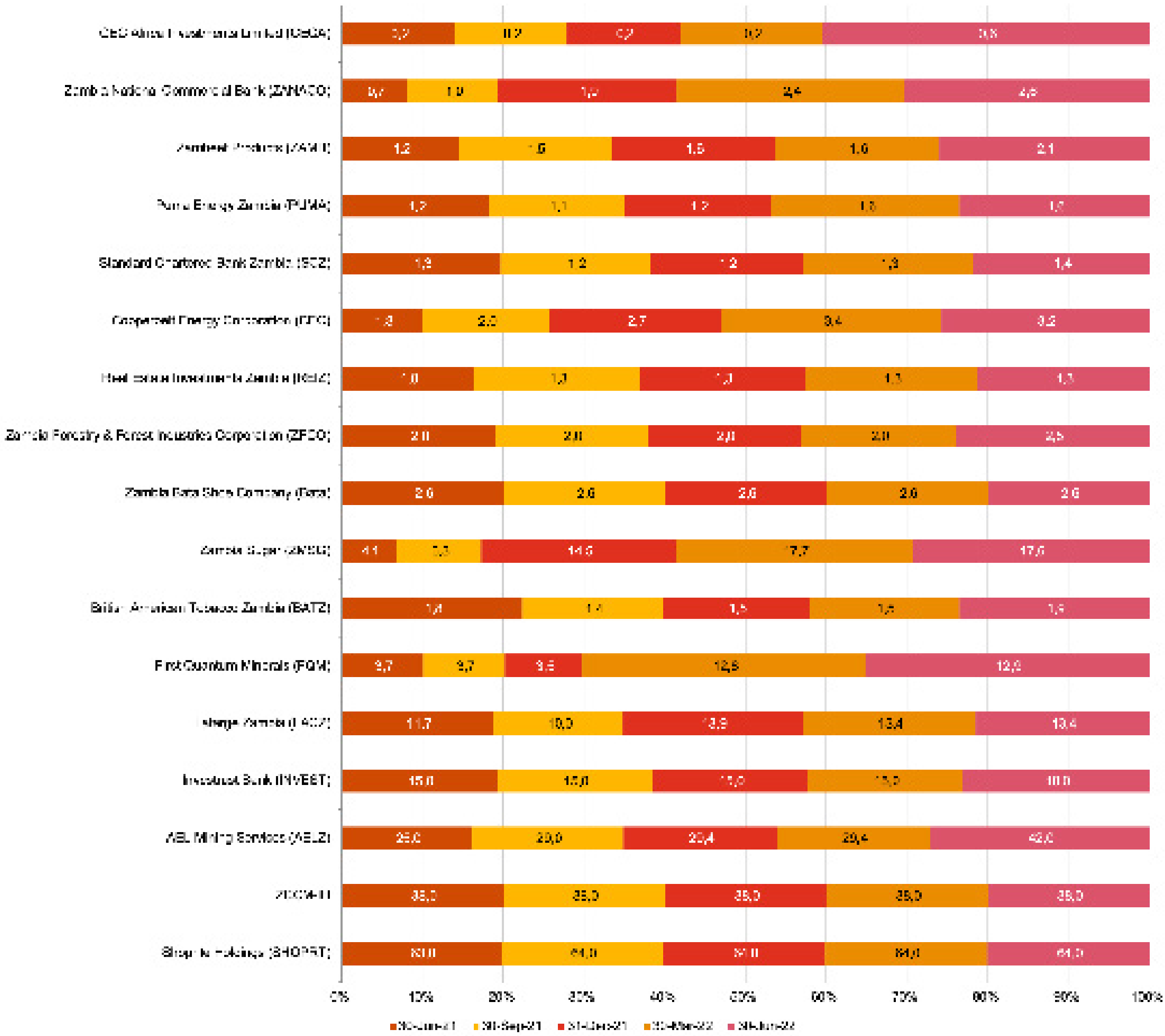
Companies whose share price increased

Our analysis shows that the share price of 16 companies listed on LuSE increased by between 2% and 330% in 2021.

This can be seen in the graph below:

Companies whose share price has increased

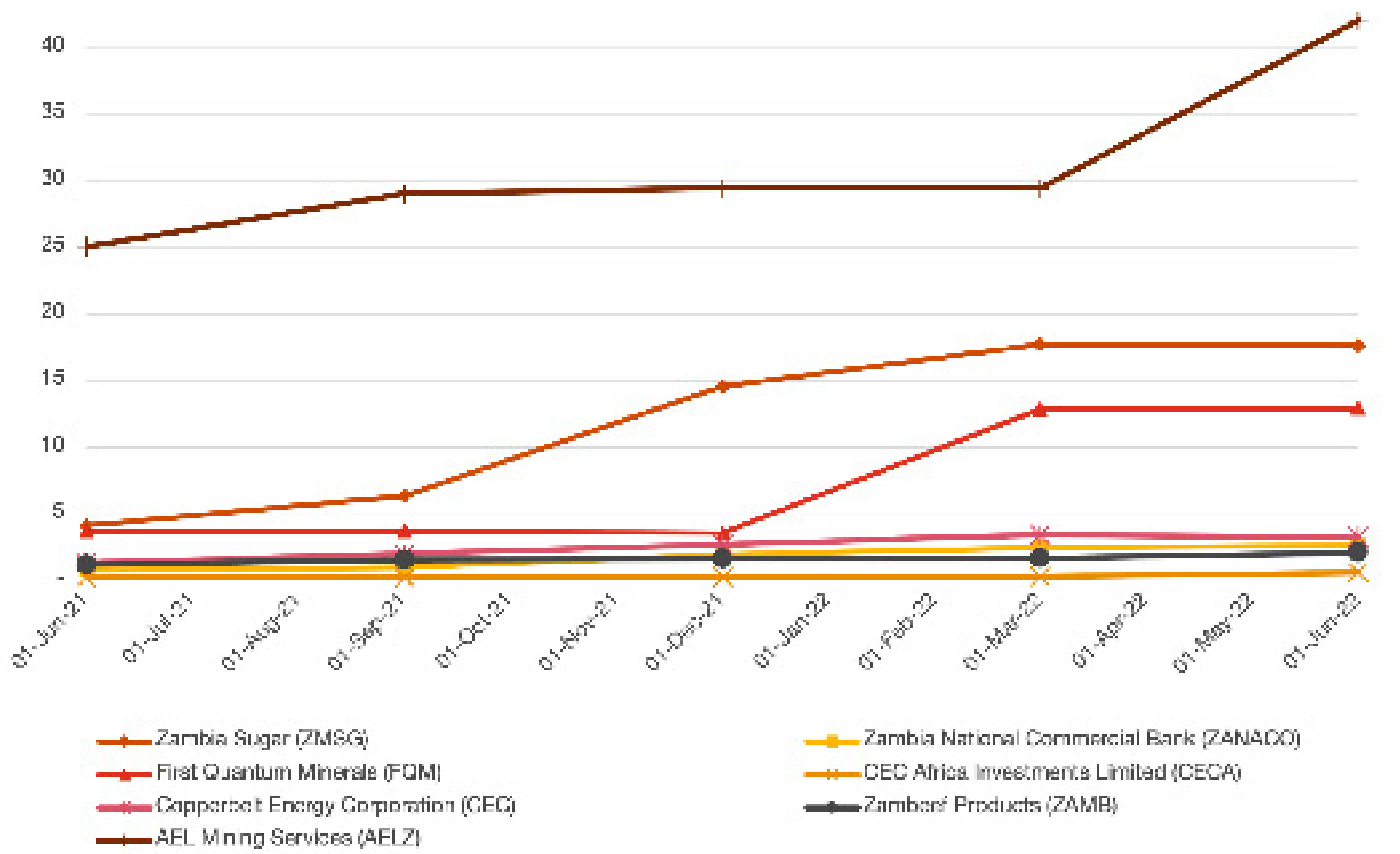
Source: PwC analysis



Zambia Sugar (330%), Zambia National Commercial Bank (271%), First Quantum Minerals (247%), CEC Africa Investments (189%), Copperbelt Energy Corporation (156%), Zambeef Products (79%) and AECI Mining Explosives (68%) were the major gainers between 30 June 2021 and 30 June 2022. This can be seen in the graph below:

Major share gainers

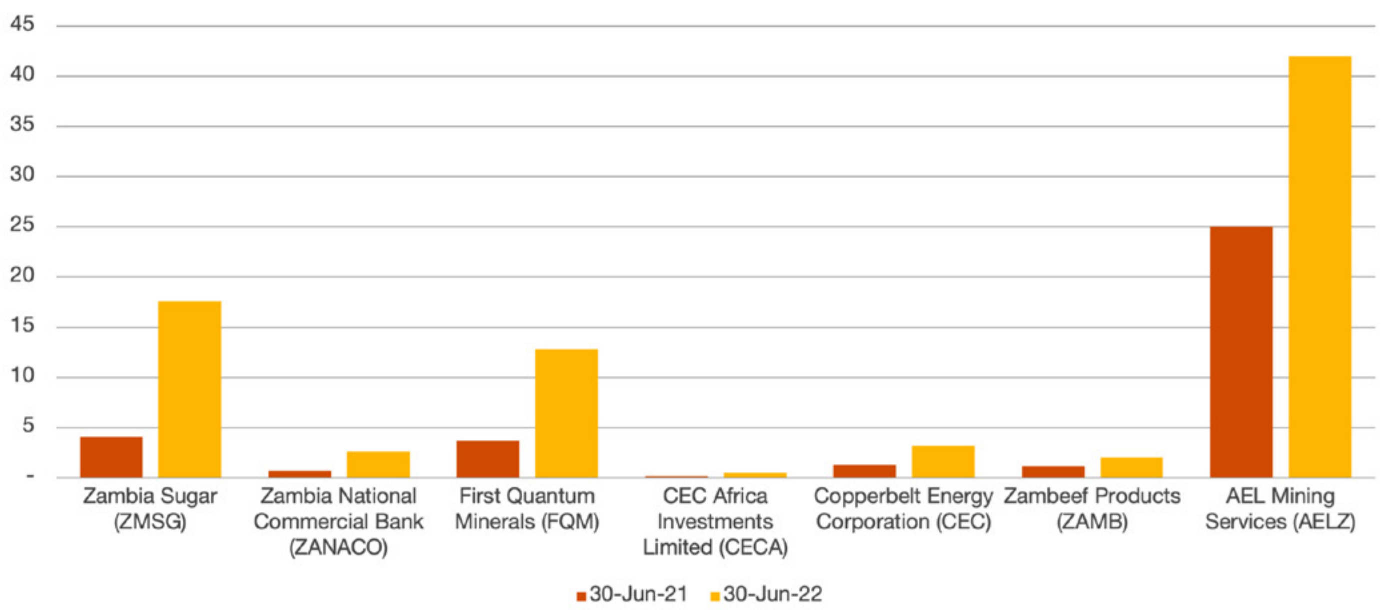
Source: PwC analysis



The share price of these companies rose for two reasons. Firstly, the share price rose as soon as a dividend payment was announced. This mostly applied to growth/value stocks such as AECI Mining Explosives and Copperbelt Energy Corporation. The dividend announcements stated that the companies had positive financial performance and cash flows which enabled them to pay out dividends. We also noted a spike in stock trading once the dividend was announced, as illustrated in the graphs below:

Share Price Comparison (June 21 v June 22)

Source: PwC analysis



Our analysis shows that Copperbelt Energy Corporation's share prices rose from a low of K1.11 to K2.65 after an interim dividend declaration was announced on 13 September 2021. Meanwhile, Zambia Sugar's share price increased from K10 to K14.5 during December 2021 after a final dividend declaration was announced on 1 December 2021.

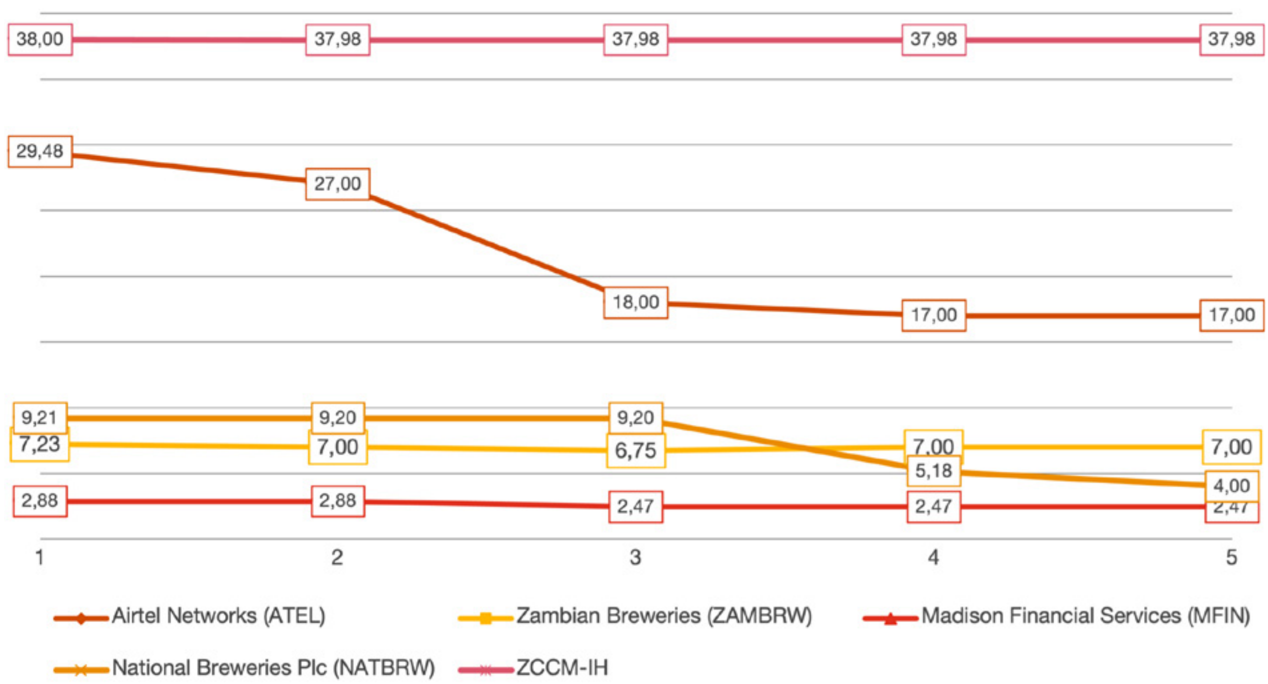
Secondly, we noted that the share price of Real Estate Investments Zambia increased by 30% after the purchase of a high quantity of shares. LHG Malta Holdings Limited acquired 8,620,114 shares during the year, meaning they now hold 16% of the company's paid up share capital.

Thirdly, the share price of Chilanga Cement increased by 14% during the period in which Holcim Limited sold 75% of the issued share capital of Chilanga Cement to Huaxin (Hainan) Investment Co.

Companies whose share price fell
Five companies saw their share price fall over the period under review. This can be seen in the graph below:

Share Price – Losers

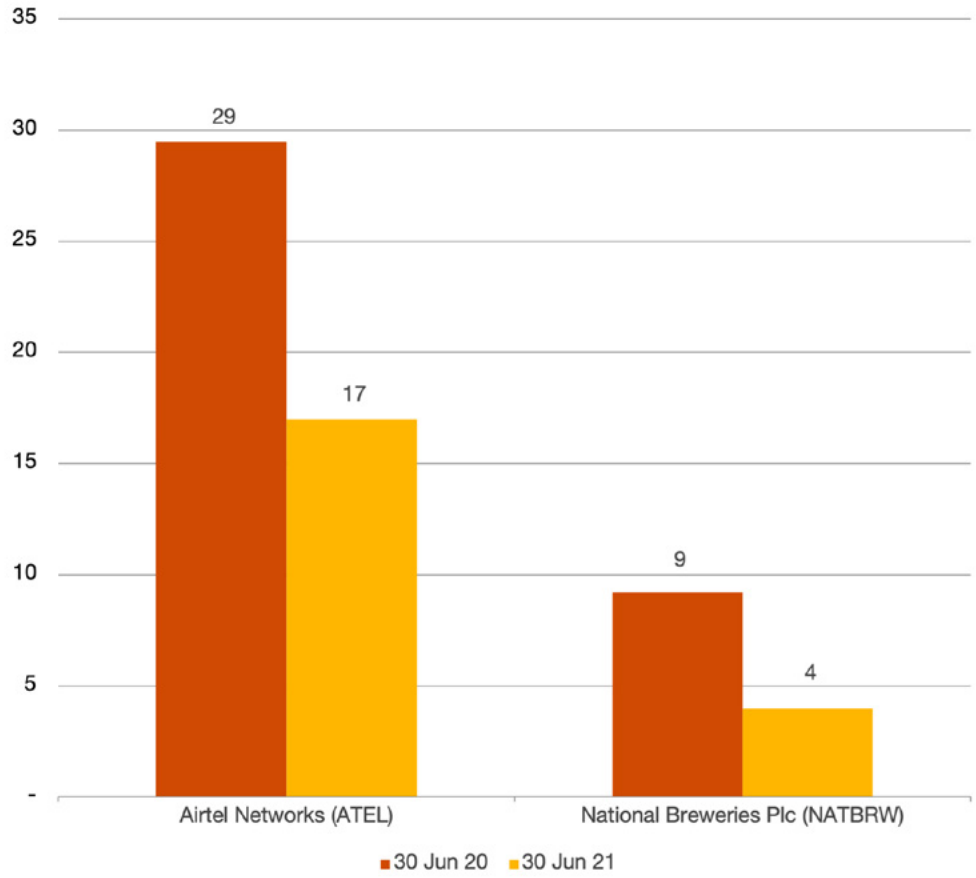
Source: PwC analysis



Of these five, the two companies that saw the biggest share price falls were in the consumer goods (National Breweries) and the telecoms (Airtel Networks Zambia) sectors. National Breweries' share price fell 57% between June 2021 and June 2022, while Airtel Networks Zambia's share price fell 42% respectively.

Share Price – Losers

Source: PwC analysis



The other three companies whose share price fell in 2021 are found in basic materials (ZCCM Investment Holdings), consumer goods (Zambian Breweries) and financials (Madison Financial Services).

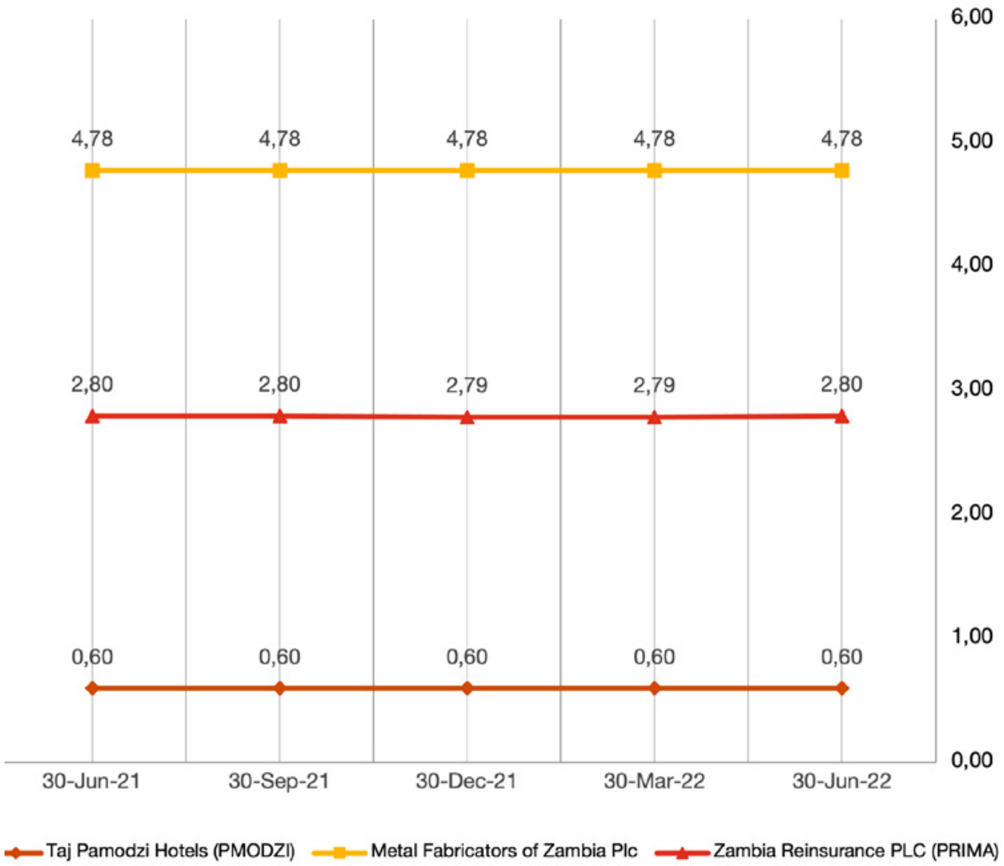
Airtel Networks Zambia's share price dropped by K3 between 21 and 22 October 2021 and by a further K4 between 18 and 19 November 2021. National Breweries' share price dropped by K4 between 7 and 10 February 2022.

Companies whose share price stayed static

We noted that the share price of three companies operating in the consumer services, industrials and financials sectors stayed the same during the period under review. These companies were Pamodzi Hotels, Metal Fabricators of Zambia and Zambia Reinsurance. This can be seen in the table below:

Companies with static share price

Source: PwC analysis



5. Corporate governance and company compliance

Corporate governance is crucial in any organisation because it ensures a company operates correctly and determines how a company structures its leadership. The board of director's responsibilities and performance is a key focus of corporate governance because their performance has a direct impact on shareholder value. Directors are chosen by shareholders to manage the business on their behalf and the board is answerable to shareholders for its decisions.

The LuSE listing rules outline what listed entities should disclose in their annual report in order to conform to good practices. The table below outlines the corporate governance requirements as listed by LuSE and evaluates the level of compliance by listed companies based on the published 2021 annual reports.

Guidelines as per LuSE	% compliant	Number of companies	% not compliant	Number of companies	% not disclosed	Number of companies
There must be a policy detailing the procedures for appointments to the board. Such appointments must be formal and transparent, and a matter for the board as a whole, assisted where appropriate by a nomination committee.	85%	17	0%	0	15%	3
There must be a policy evidencing a clear division of responsibilities at board level to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making	95%	19	0%	0	5%	1
The chief executive officer must not also hold the position of chairperson	90%	18	5%	1	5%	1
Appointment of an audit committee	100%	20	0%	0	0%	0
The composition of such committees (i.e risk, nomination etc), a brief description of their mandates, the number of meetings held and other relevant information must be disclosed in the annual report	95%	19	0%	0	5%	1
A brief CV of each director should be contained in the annual report	80%	16	20%	4	0%	0
The capacity of each director must be categorised as executive, non-executive or independent	95%	19	0%	0	5%	1
The audit committee must set the principles for recommending the use of the external auditors for non-audit services.	95%	19	0%	0	5%	1

Source: PwC analysis

The above analysis only covered 20 companies whose annual reports were availale at the time of the analysis and to the extent that they disclosed corporate governance data. Below is a summary of our analysis::

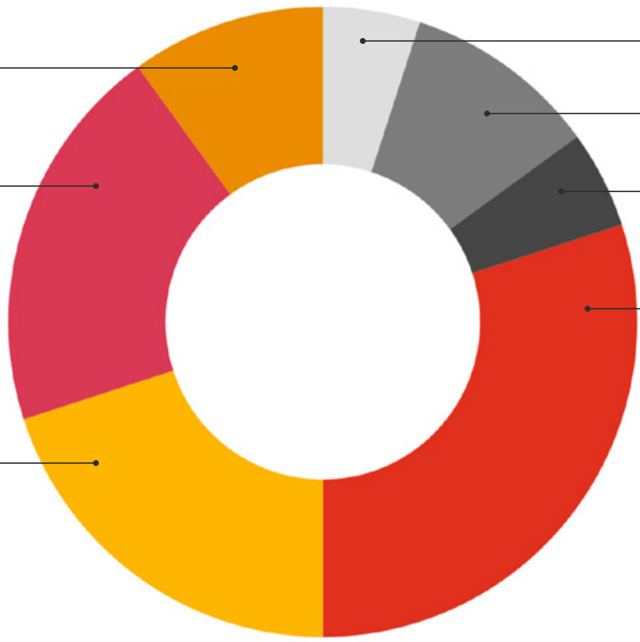
- There was 100% compliance with appointing an audit committee.
- 95% of the 20 companies analysed were compliant with the following requirements:
    i. There must be a policy evidencing a clear division of responsibilities at board level to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.
    ii. The composition of such committees (i.e risk, nomination etc), a brief description of their mandates, the number of meetings held and other relevant information must be disclosed in the annual report.
    iii. The capacity of each director must be categorised as executive, non-executive or independent.
    iv. The audit committee must set the principles for recommending the use of the external auditors for non-audit services.
- 85% of the 20 companies complied with detailing the procedures for appointments to the board, which should be formal and transparent and a matter for the board, assisted where appropriate by a nomination committee.
- 80% of the companies included in their annual reports a brief CV of the directors on the board.

It is mandatory for listed companies to have, an audit committee and a risk management committee, although how each company structures its internal governance will differ from company to company.

Usually, the audit and risk committees are combined into one committee. This is the case for several of the companies listed on LuSE. These committees hold regular meetings throughout the financial year and are a crucial component of the governance structure.

Audit committee meetings held during the year

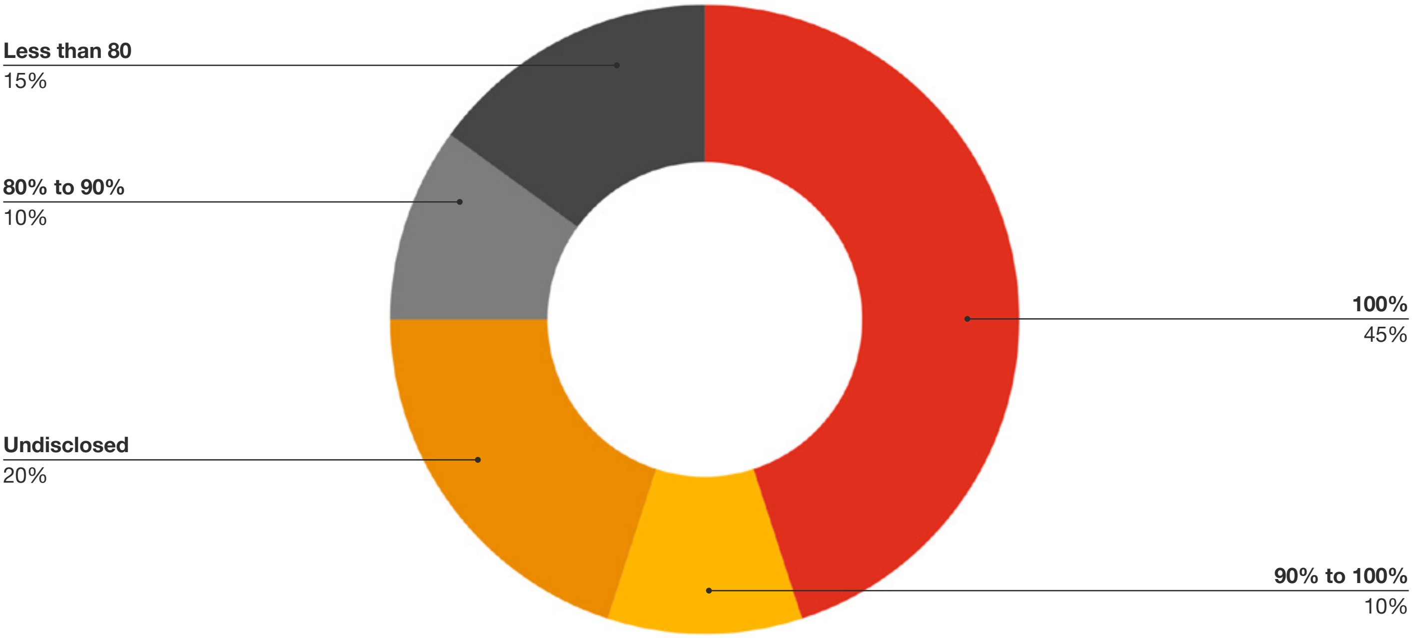
Source: PwC analysis



The chart above represents the number of audit committee meetings held in the financial year 2021. From our analysis, 30% held four audit committee meetings, 20% of listed companies held three audit committee meetings, another 20% held two audit committee meetings, 5% of companies held six meetings ie 10% of companies held five audit committee meetings, 5% of companies held six meetings and 5% of companies held eight meetings. 10% of companies held six audit committee meetings and 5% of companies held eight meetings. The remaining 10% of companies did not disclose this information in their annual reports.

Average % audit committee meeting attendence

Source: PwC analysis

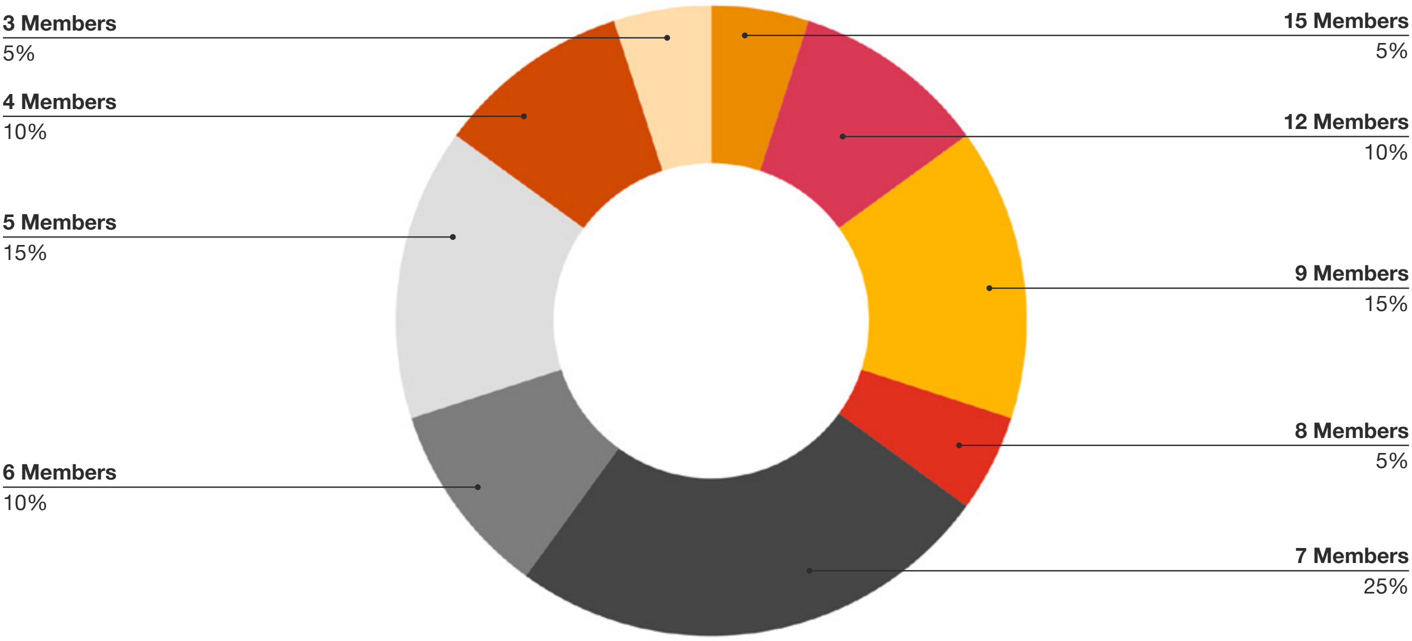


Attendance at audit committee meetings was broadly high among the listed companies. In the 2021 financial year, 45% of the companies had a 100% attendance. 10% of the companies had an attendance of 90% to 100%, and another 10% had 80% to 90% attendance. 15% of companies had less than 80% attendance. Twenty percent of the companies did not disclose this information in their annual report.

Forty five percent of the listed companies recorded 100% attendance at nomination committee meetings. Ten percent saw 90% to 100% attendance and another 10% recorded 80% to 90% attendance. Fifteen percent of the listed companies had less than 80% attendance. Twenty percent did not disclose this information.

Board member composition (number)

Source: PwC analysis



The number of members sitting on the board of the listed companies ranged from three to 15. Seven was the most common number of board members among the companies.

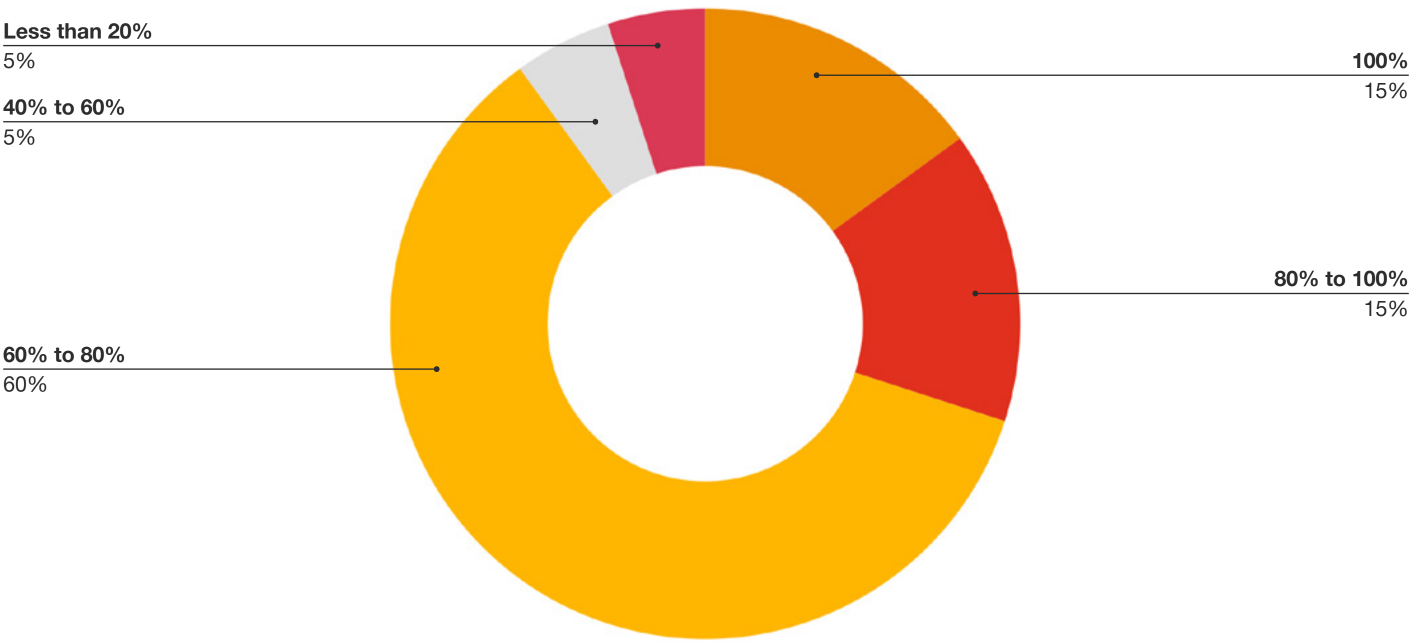
Board composition

How a company's board is structured has a big impact on a company's performance. The board of directors is responsible for providing oversight over the company's operations and will usually comprise a mix of executive and non-executive members who bring their individual expertise to the company. For all listed companies, at least one third of the board of directors should comprise non-executive members.

The chart below shows the percentage of non-executive members that comprise the board at each of the 20 listed companies.

Percentage of non-executive in entity

Source: PwC analysis



6. Environmental social governance

Introduction to ESG and sustainability reporting

The world has witnessed a period of unsustainable growth in populations, cities, resource consumption, greenhouse gas emissions and pollution in recent years. Society is becoming more aware of this and, as concerns about environmental pressures grow, there has been a major shift in the priorities and objectives of businesses.

Social factors, including health and safety management, inclusive workforces and customer engagement, as well as governance factors such as structure, oversight, transparency and cyber risks, have also created a new set of risks and opportunities for businesses. Today, companies are under increasing pressure to move beyond charitable and philanthropic activities to instead integrate sustainability into their corporate strategies, measuring and managing their impact on the environment and society, and communicating this publicly.

This increased awareness of ESG issues has also been partly prompted by the United Nations Sustainable Development Goals, which have set the stage for the global transformation of energy, industrial, agricultural and construction technologies to re-establish a healthy and balanced relationship between human civilisation and the future. It is this global transformation that has birthed the concept of enterprise value based on ESG factors.

ESG means using environmental, social and governance factors to evaluate how far advanced companies and countries are regarding sustainability. Sustainability reporting is about considering the ways in which non-financial issues, from diversity to climate change, contribute towards or impact value creation. In recent years, ESG criteria have increasingly been used to inform strategic goals, for operational execution and in reporting sustainable business practices to key stakeholders.

It is important to note that ESG is not only focused on climate change and environmental performance, but also social aspects and the organisation's governance of both. All three pillars of ESG are equally important.

Environmental

Climate change, Green house gas emissions, energy consumption, energy efficiency, waste management, pollution, water and resource preservation, preventon of deforestaion.

Social

Working conditions, human rights, health and safety, diversity and inclusion, community engagement, social insurance, land rights, equal pay.

Governance

Board diversity, bribery and corruption, cybersecurity and data protection, shareholder rights, ethical behaviour, tax reporting, whistle blowing, risk and opportunity oversight disclousre

Why is ESG important?

Some believe ESG is only a focus for companies operating in developed markets, with little or no relevance in the developing world. However, customer and supply chain pressures are now driving the need for ESG considerations along the supply chain of large organisations. These organisations are requesting evidence of documented ESG strategies, carbon footprint monitoring and diversity quotas from their suppliers, and overall alignment with their own ESG strategies.

Policy reforms suggested by the European Union's green deal, the union's new growth strategy to become the first climate neutral continent by 2050, include carbon footprint reporting requirements, moving to carbon intensity restrictions and mandatory supply chain due diligence. These reforms are likely to have an impact on businesses in Zambia and on international trading opportunities. It is therefore imperative that local organisations respond to these changes and requirements to secure commercial opportunities.

Globally, there is growing pressure on the private sector to scale up investments dedicated to mitigating climate change. Developed market regulators are using a combination of regulations, guidelines, taxation, fiscal and non-fiscal incentives, and award schemes to incentivise such investments. Of the top 20 ranking countries on the annual Sustainability Development Goal index for 2022, 95% were in Europe.

Financial institutions are increasingly tracking the green share of their lending portfolio vis-à-vis their sustainability goals, and redirecting capital flows to meet set targets, further incentivising organisations to adopt ESG transformative strategies to maintain and increase their access to capital.

In Zambia, it is likely that regulators will demand greater compliance with enhanced ESG standards as the newly elected government sets out to meet the environmental sustainability commitments made in the 2023 National Budget speech. The Government through the newly founded Ministry of Green Economy and Environment plans to support innovative climate financing through green bonds and has already gazetted green bond guidelines and listing rules for LuSE. The new ministry has indicated that green bond incentives, such as zero-rating withholding tax on interest and tax deductibility for issuance costs of green bonds, among others, could be on the horizon for issuers. A green bond is a fixed-income instrument that finances environment-friendly projects. Green bonds appeal to an expanding pool of investors who are interested in making a measurably beneficial social and environmental impact, while earning commercially appealing returns.

The Government also participated in the United Nations Climate Change Conference of Parties (CoP26) in the UK in November 2021, where the international rules which will govern trading in carbon trading instruments were finalised. Steps have since been taken to incorporate the outcomes of CoP26 in the national climate strategy. Most notably, the Government recently *promulgated Statutory Instrument No. 66 of 2021 The Forest Act (Carbon Stock Management)* in order to ensure that carbon trading is regulated and the interests of communities protected. Additionally, with expectations for even more active participation in carbon markets amongst local companies, calls have been made by the Government for more private sector participation.

What is expected of listed companies?

The role of listed companies in the national ESG agenda goes beyond simply meeting the requirements of code H (integrated sustainable reporting), which is included in the LuSE Corporate Governance Code. Listed companies are key players in the local economy and their active participation is vital in putting the commitments made by the Government at CoP26 into action to ensure the sustainable growth of the local economy.

Internationally, listed companies on the JSE, New York Stock Exchange and the NASDAQ are at the forefront of developing transformative agendas aimed at tackling climate risks and global sustainability. As internal and external pressures mount, listed companies in Zambia are expected to display an awareness of the importance of ESG and global sustainability, including monitoring and reporting on specific ESG criteria despite the the fact that there is no specific requirements that have been issued by LuSE. Stakeholders may require these companies to have tailored ESG strategies and sustainability reporting frameworks aimed at transforming their businesses to meet new global standards. With convergence in global sustainability reporting standards through the creation of institutions such as the International Sustainability Standards Board, sustainability reporting will enable easier compliance monitoring and due diligence by foreign entities and investors in determining suitable counterparties.

Where are we at now?

PwC Zambia undertook a survey to investigate the local ESG landscape, compliance with LuSE requirements, and sustainability reporting and perceived benefits amongst listed entities. The survey focused on three main areas of interest:

1. Whether or not companies have a deliberate and intentional ESG strategy aimed at maximising their enterprise value.
2. If listed companies faced internal or external pressures to develop and implement an ESG strategy and where that pressure came from.
3. If any of the global sustainability reporting standards/ frameworks are used by the listed companies when preparing the non-financial information in their annual reports as required by code H.

We surveyed all the companies listed on LuSE, which, as a bare minimum, are required to comply with the LuSE Corporate Governance Code on integrated sustainable reporting. The following are the survey questions and results obtained from 38% of the survey participants.

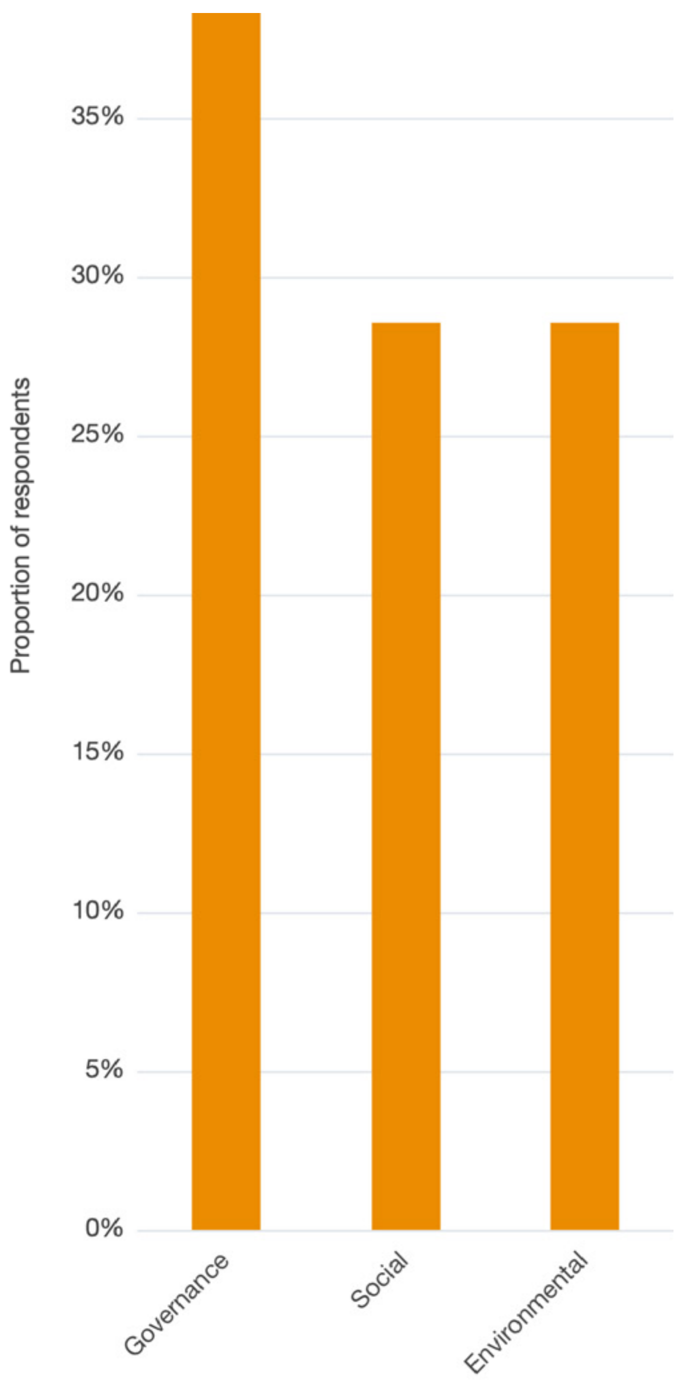
a. Companies have designed and implemented specific ESG strategies

Given the anticipated changes in regulatory standards, enhanced global awareness of environmental and social issues, as well as new opportunities in green finance, it has become imperative that ESG is incorporated as an important component of corporate strategy. Companies must identify key aspects of the three pillars of ESG and tailor relevant strategies that go beyond the minimum guidelines provided under Code H to increase their enterprise and societal value.

The survey results show that listed entities are cognisant of the need for having more comprehensive ESG strategies, with 75% of respondents indicating that they already have an ESG strategy that supersedes the minimum requirements of code H. As would be expected in a developing local market where ESG matters are yet to gain traction seen in the developed world, our survey results further show that the governance pillar, as opposed to environment or social issues, is the key area of focus amongst listed entities in their ESG strategies. We noted that 43% of respondents designated governance as the most pertinent pillar in their current strategy.

ESG pillar of primary focus

Source: PwC analysis



For the remaining entities that indicated that they did not have an ESG strategy in place, 100% stipulated that they would design and implement strategies over the next two to three years.

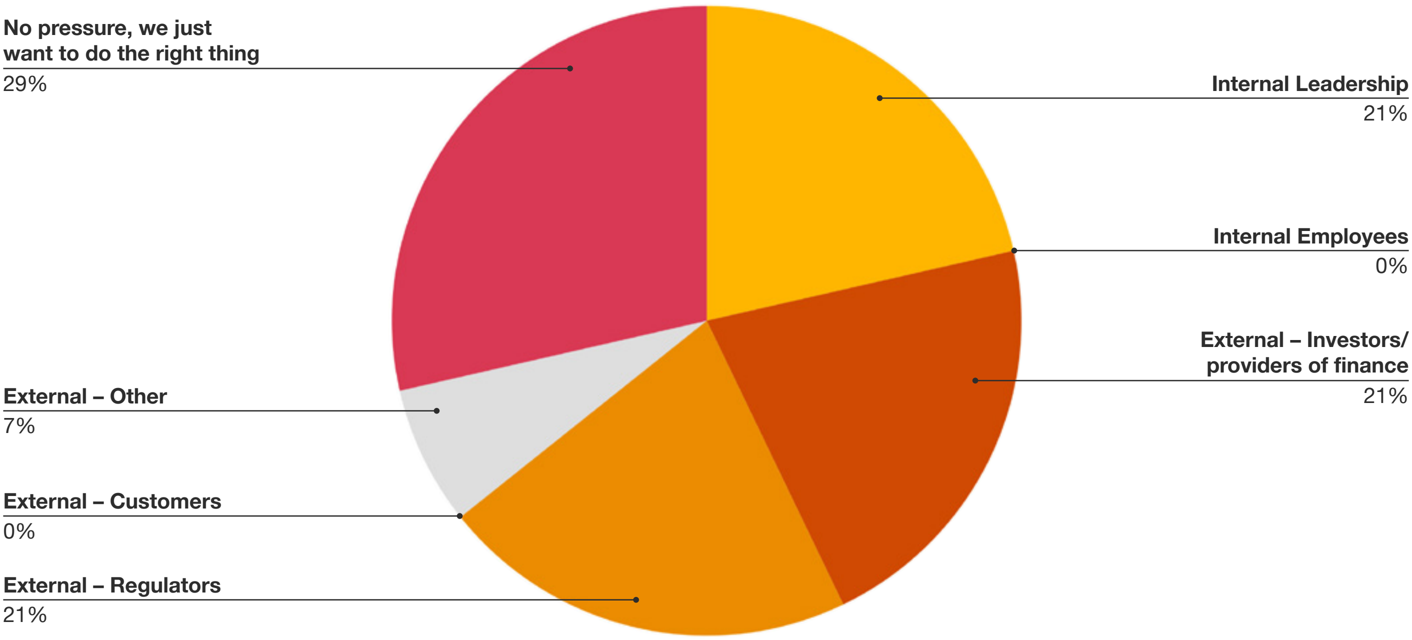
b. Internal and external motivations to develop and implement an ESG strategy

As part of our survey, we asked listed companies if they felt pressured by either internal or external stakeholders such as the newly formed Ministry of Green Economy and Environment to take a bigger interest in ESG and develop appropriate strategies.

Interestingly, our study showed that a large proportion of companies currently do not perceive any undue pressure from stakeholders to develop ESG strategies. Twenty nine percent of the respondents indicated that they did not face internal or external pressures, but instead took an interest in and are developing ESG strategies on the premise of doing the right thing. Among the respondents that did indicate that they faced some pressure to act, motivation for doing so was spread evenly amongst external pressure from providers of finance, external pressure from regulators and directives from company leadership/ those charged with governance. Neither internal pressure from employees nor external pressure from customers were highlighted as sources of motivation. The pie chart below depicts the main internal and external stakeholders pressuring entities to develop ESG strategies.

Stakeholder pressure for developing an ESG strategy

Source: PwC analysis



c. Frameworks for sustainability reporting

A sustainability reporting framework is meant to provide a set of guidelines for determining what topics and disclosures a sustainability report should cover. Companies largely address the diverse interests of their stakeholders when reporting on ESG related activities. However, unlike financial disclosures, sustainability disclosures need not conform to shared standards. Over the years, several standard-setting bodies, including the Sustainability Accounting Standards Board, the Global Reporting Initiative and the Task Force on Climate Related Financial Disclosures, among others, have developed a plethora of sustainability reporting standards for which businesses have discretion to apply as they see fit. A resounding call amongst stakeholders to address challenges in reconciling corporate sustainability disclosures finally culminated in the formation of the International Sustainability Standards Board (ISSB) at CoP 26. The ISSB's mandate is to deliver a global baseline of sustainability disclosures to meet capital market needs.

As part of our survey, we asked local listed companies if they used any of the existing global sustainability reporting standards as a frame of reference when preparing non-financial information reporting required in Code H of LuSE's Corporate Governance Code. Our results revealed that the use of global sustainability standards to guide non-financial information reporting is split almost evenly, with 57% of respondents disclosing that they make use of global standards as a frame of reference for their reporting on ESG-related activities as required by Code H. Among respondents using global sustainability reporting standards, 75% indicated that they use the Global Reporting Initiative standards. It is expected, however, that as the reporting standards are harmonised by the ISSB, more locally listed companies will use these new standards as a framework for reporting on non-financial information.

What is the way forward?

While ESG is gaining momentum, it is still in an evolving landscape, which makes it difficult to assess, implement and manage programmes in an organisation. PwC is a community of solvers combining human ingenuity and technology innovation to deliver sustained outcomes and build trust. We are ready to partner with you to further embrace your ESG commitments.

Our global network has more than 1,900 dedicated specialists providing ESG and sustainability services in 60 territories. We bring a breadth of experience and a multi-competency approach and skillset - crossing strategy, operations, risk, deals, regulatory, reporting, workforce, controls, assurance, technology, tax and more.

That means that no matter what your challenge, we are positioned to help you get insight and solutions aligned to your unique goals and values. Knowing the meaningful actions to take requires real world experience and commitment to change so companies can move from ESG theory to action. Our ESG teams are human-led and tech-powered, and through this powerful combination we can help you build a roadmap for your ESG journey now for tomorrow.

7. Integrated reporting

Understanding integrated reporting

Integrated reporting is an evolution in accounting that gives an overview of how the qualitative and quantitative resources of the organisation are utilised to achieve its objectives and add value to stakeholders. Integrated reporting has been developed and promoted by the International Integrated Reporting Council (IIRC), a global coalition of regulators, investors, companies, standard setters, the accounting profession and non-governmental organisations. Integrated reporting is included as part of an organisation's annual report or presented as a separate communication. It gives stakeholders a clear idea of how the organisation is running the business and what it is planning to achieve in the short, medium and long-term.

Key elements of integrated reporting:

Organisation overview and the external environment

- This focuses on the company's organisational structure, its mission, stakeholders and external events.

Opportunities and risks

- This element speaks about the qualitative indication of the opportunities and risks both internally and externally.

Strategy and resource allocation

- This gives valuable information to investors relating to changes in the market and how the organisation will respond to the changes. It also provides an understanding of how resources are allocated and managed to achieve the organisation's objectives.

Business model

- The business model addresses how the organisation intends to use its resources to achieve its objectives in the short, medium and long-term and create value.

Performance

- This gives the quantitative results of the organisation's performance and its key outcomes.

Future outlook

- Here, the organisation focuses on the potential challenges and uncertainties that may prevent the organisation achieving its objectives.

Why integrated reporting?

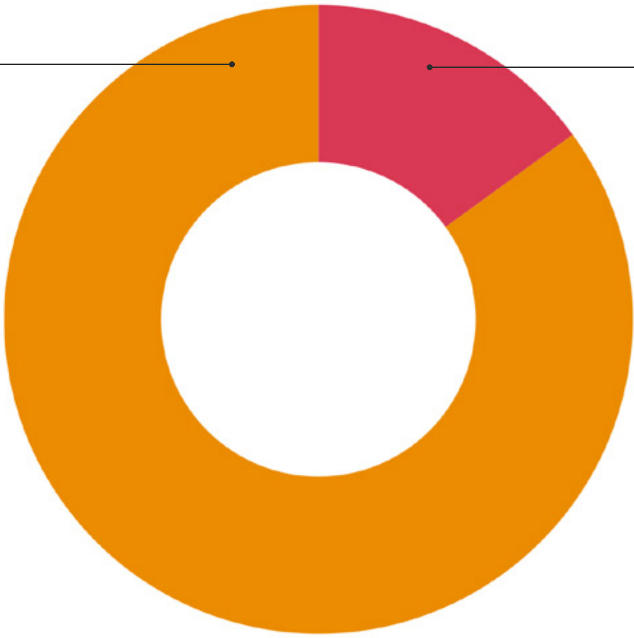
The main benefit of using integrated reporting is that it is not just reporting. It is about the organisation as a whole and how that organisation creates value to all the relevant stakeholders. This helps stakeholders understand the business better and leads to improved decision-making.

Integrated reporting on listed companies

We analysed the 2021 annual reports for the companies listed on LuSE to better understand how integrated reporting is evolving. Our analysis is based on 20 out of 24 companies listed on LuSE in 2021. Of the 20 companies analysed, three are either in the process of adopting or have already adopted integrated reporting in their annual reports or issue the integrated report as a separate report.

Percentage of LuSE listed companie sthat adopted IR

Source: PwC analysis



LuSE Corporate Governance Code: integrated sustainability reporting

LuSE has issued a Corporate Governance Code for listed and quoted companies. The code aims to enhance corporate governance and ascertain whether any corporate governance issues related to a listed company should be brought to attention. Integrated sustainability reporting is one of the corporate governance codes. There are seven integrated sustainability reporting rules for companies listed on LuSE. These are:

1. The board should specifically integrate into its business practice human capital development in areas of demographics, gender, people with disabilities, corporate training initiatives, employee development and financial investment committed to the development of these areas.
2. The board should adopt or formulate an appropriate strategy, plan and policy to address and manage the potential impact of HIV/AIDS.
3. The board should actively promote plant safety and accident prevention where this is applicable.
4. Pension plan actuarial assumptions and investment performance should be reviewed by the board of directors.
5. The organisation must have an environmental policy in relation to itself and to its suppliers or customers.
6. The organisation should have a policy of supporting local as well as national charitable or educational appeals.
7. The social and environmental effects of projects in which the organisation is involved, or of those it is contemplating, should be monitored by the board.

We understand that the integrated sustainability reporting introduced by LuSE has a different approach compared to the integrated reporting developed by the IIRC.

Our analysis shows that only three companies have adopted the integrated reporting approach in their annual reports. Integrated reporting is a new concept and there are challenges in the implementation of the integrated reporting framework. The Association of Chartered Certified Accountants and the IIRC worked with 41 companies outside Zambi who volunteered and adopted the integrated reporting framework in their annual report. The exercise was performed in order to understand the challenges in implementing integrated reporting and to give practical insight into how improvements can be made. Even though it has challenges, this is the future of reporting and Zambia should take part in the evolution process.

8. The LuSE Alternative Market – an opportunity for smaller companies

Promoting alternative markets as an intervention for economic inclusion

The Zambian economy has faced challenges over the last three years including:

1. Reduced economic activity brought about by an energy crisis, erratic weather patterns and the impact of the Covid-19 pandemic.
2. Low commodity prices.
3. High public debt and expenditure levels.
4. Poor performance of the kwacha against major currencies.

The economy has improved in 2022, driven by stronger commodity prices and the strengthened kwacha. However, more needs to be done to increase economic activity and drive broader economic growth.

Supporting the development of small and medium enterprises (SMEs) through economic inclusion programmes is one way to encourage sustainable private sector development. Various programmes have been developed in Zambia to support SMEs, offering interventions such as grants, subsidised debt and asset finance. Despite this, access to alternative financing remains a barrier to growth for many SMEs.

In recent years, African stock exchanges and policy makers have set up alternative exchanges for SMEs that would otherwise struggle to list on exchanges where large companies trade. These alternative exchanges give SMEs a chance to take advantage of the benefits of listing and overcome the barriers SMEs face. Below is a summary of the notable beneifts and barriers of listing a company:

Common barriers to listing	Common benefits of listing
Costly listing requirements	Access to long-term funding at potentially lower costs
Information asymmetries	Access to the capital markets and a lower cost
Absence of investor demand	Incentivise employees with share options
Lack of collateral and financial illiteracy	Improve ability to attract new investors

Two notable alternative markets in Africa are the JSE's AltX in South Africa and the Stock Exchange of Mauritius's Development and Enterprise Market.

Since the JSE's AltX was established in 2003, it has listed over 100 companies which have collectively raised more than US$3 billion. Over 30 of these companies have subsequently migrated from the AltX to the main JSE. Mauritius's Development and Enterprise Market was launched in 2006 and opened with 43 companies, with a collective market capitalisation of approximately US$1 billion.

Country	Alternative Market	Established
Botswana	Venture Capital Boardv	2004
Egypt	Nile Stock Exchange	2007
Ghana	Ghana Alternative Market	2013
Kenya	Growth Enterprise Market Segment	2013
Malawi	MSE AltX	2007
Nigeria	Alternative Securities Market	2013
Rwanda	Alternative Market Segment	2013
Tanzania	Enterprise Growth Market	2013
Tunisia	Alternative Market	2007
Uganda	Growth Enterprise Market Segment	2013
Zambia	Alternative Market	2015

LuSE Alternative Market

The LuSE Alternative Market was launched in 2015 as a sub-market to help SMEs raise long-term finance in the capital market, much like on the main exchange but with more lenient requirements regarding listing and corporate governance. Though more lenient, the corporate governance requirements sill remain to ensure shareholder interests are protected.

The main purpose is to provide a platform that will enable SMEs to grow to a point that they can reach the main exchange board listing requirements and graduate to the larger main board.

A notable requirement is the need for an appointed financial and investment advisor which has been approved and authorised by LuSE and licensed by the Securities and Exchange Commission. The advisor guides the SME on how to follow the rules and regulations and conduct due diligence and feasibility assessments.

LuSE Alt Market listing requirements

- Annual turnover between K250,000 to K20 million
- Must have employees between 20 (minimum) and 150 (maximum)
- Five years in operation, or increased revenues for three years, or one year audited financials or a business plan.
- Not less than 500,000 equity shares in issue.
- The public must hold a minimum of 10% of each class of equity securities and the number of public shareholders shall be at least 30.
- Must have a designated advisor who is an appointed financial advisor authorised by the LuSE and licensed by the SEC.

LuSE Alt Market corporate governance requirements

- A minimum of five board directors with the majority being non-family members.
- The offices of the chairman and chief executive shall be separated after five years.
- Appoint an accountant that the designated advisor is satisfied with their expertise.
- Directors and senior managers must complete the LuSE Alt-M director induction programme.

Despite the various potential benefits, no companies have listed on the LuSE Alternative Market in the seven years since it was set up. It is not clear why this is the case, but there are some steps that could be taken to address this. These include:

1. **Creating awareness** by establishing a communications strategy that involves working with business incubation hubs, business chambers of commerce, the National Development Agency and any other organisations that have a large outreach to SMEs.

2. **Further incentivisation for SMEs and potential investors** that are both beneficial and relevant to stakeholders.

A local case study could be the drive to promote business activity in the designated Multi-Facility Economic Zones (MFEZ). Incentives offered include fiscal ones, such as tax breaks and waivers on import duty for capital equipment and machinery, and non-fiscal ones, such as free facilitation for application of immigration permits, secondary licences, land acquisition and utilities.

As a result of these incentives, the MFEZs have attracted investors in a wide range of industries. The Lusaka Multi-Facility Economic Zone, for example, has attracted SMEs that are involved in the manufacture of edible oils, ceramics, household chemicals and other products.

There could be value in undertaking discussions with the relevant stakeholders to design an incentive programme that could be used to either replace or complement the existing incentives offered by the LuSE Alternative Market.

LuSE Alt Market incentives

- Waiver of 10% property transfer tax on the sale of shares.
- No capital gains payable.
- 3% waiver on corporate income tax and a further 5% discount in listed entities where 33% of shares are held by indigenous Zambians.
- Waiver of 15% withholding tax on dividends payable to individuals.

A key stakeholder in these discussions would be the various chambers of commerce due to their frequent and close communications with members and local business communities. These include the Zambian Chamber of Commerce and Industry, the American Chamber of Commerce, the British Chamber of Commerce and other chambers of commerce located in different districts.

3. **Partnerships with development agencies** with funds allocated towards economic inclusion through entrepreneurship development.

Key funding agencies in this area in Zambia include but are not limited to the World Bank and the United Nations Capital Development Fund (UNCDF). These agencies have allocated significant amounts of funding to programmes targeted at agro-processing (the World Bank) and fintech (UNCDF).

These entrepreneurship development programmes have components of funding targeted towards capacity development and grants provided to SMEs.

There is the potential for these programmes to work through the LuSE Alternative Market to make programme beneficiaries more visibile to private investors. The requisite corporate governance practices give some assurances with regards to the utilisation of the grant funding that is provided.

The alternative market offers a great opportunity to foster the growth of SMEs while addressing challenges that development agencies face with the implementation of their programmes. Conversations should be encouraged between the key stakeholders to drive this agenda.

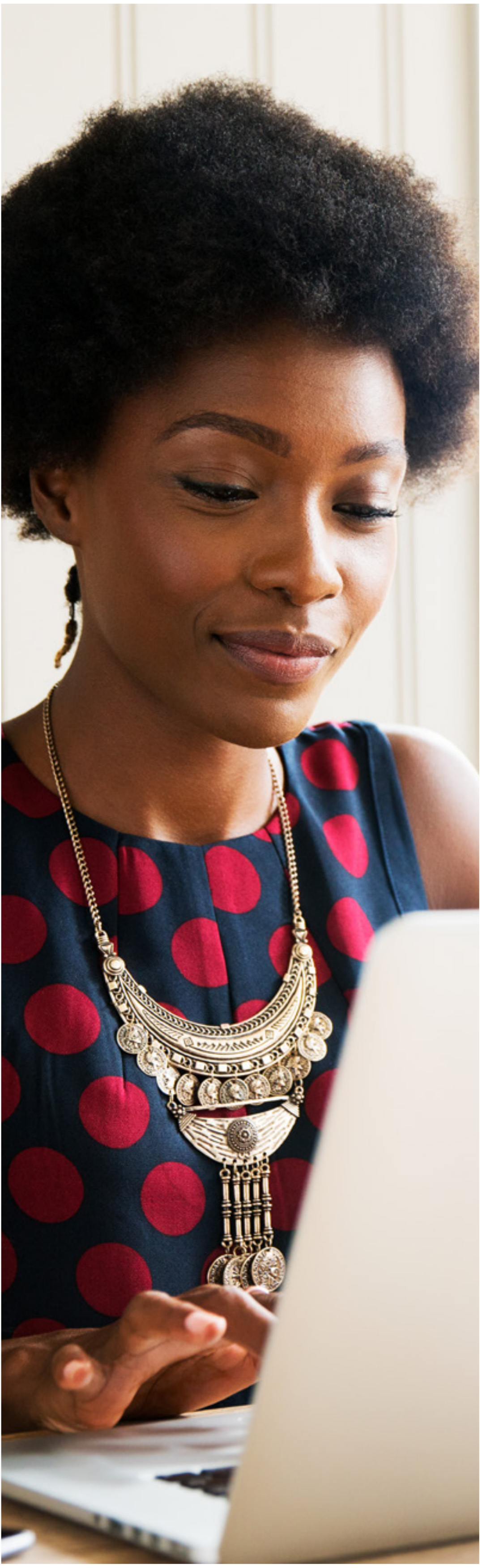
9. Summary of key developments post 31 December 2021

Below we summarise key market developments announced by companies listed on LuSE. The summary only covers plans that affect the future prospects of the companies in question.

- Zambeef Products announced a US$100 million expansion programme. The programme is expected to significantly enhance production efficiencies and capacity across the downstream food value chains, as well as double the Zambeef Mpongwe Farm's row cropping capacity. The company intends to finance the programme from its operating cash flows and new debt facilities.
- Zambian Breweries announced plans to invest US$80 million in a development programme for its current plant infrastructure. The project is to be funded through a combination of company funds and new and existing loan facilities. This investment is expected to improve the production capacity of the company as well as contribute to the economy through direct and indirect employment.
- ZCCM Investment Holdings announced it contracted an investment bank, Rothschild & Co, based in South Africa, to provide strategic advice on a review of Mopani Copper Mines. This is to guarantee its long-term viability.
- Chilanga Cement announced a mandatory offer from Huaxin (Hainan) Investment Co. Limited, the majority shareholder in Chilanga Cement, to purchase Chilanga Cement's ordinary shares at a price of K13.4 per share. Huaxin is offering to buy the 50,013468 shares, or 25%, of Chilanga Cement that it does not currently own.

  Secondly, Huaxin approached several Zambian institutional investors to seek their support for Huaxin to maintain Chilanga Cement's listing on LuSE with the full free float of 25%. The Zambian institutional investors, who were willing to participate and support the full free float of 25%, were requested to buy back all the shares that Huaxin would have acquired from minorities under the mandatory offer exercise at a price K13.4 per share.
- Copperbelt Energy Corporation announced the regulatory approval of the company's electricity bulk supply agreement with ZESCO. The approval was granted by the Energy Regulation Board. The approval paved the way for the signing of the 13-year bulk supply agreement between the two parties.

10. State of the equity market



By Pangaea Securities

The local equity market was bullish throughout 2021 and the sustained momentum spilled into the first six months of 2022 (H1). The LuSE All Share Index was up by 55% in 2021 compared to a drop of 8% in 2020. The year 2021 closed at a record high of 6059.68 after opening the year at 3,904.51 (including ZCCM Investment Holdings). It is our opinion that the increased investor activity was carried into H1-2022 as the index increased by 49% to 6854.00 (including ZCCM Investment Holdings) from 4611.79 (including ZCCM Investment Holdings) from H1-2021. We are of the considered view that this corresponds to the increase in total market turnover in H1-2022 of K1 billion compared to K97 million in H1-2021.

In H1-2022 the LuSE market capitalisation increased by 38% to K36 billion (excluding Shoprite Holdings) compared to K26.1 billion (excluding Shoprite Holdings) in H1-2021. This upward trajectory has been maintained and as at the close of August 2022 LuSE market capitalisation was approximately K36.7 billion.

In H1-2022, Copperbelt Energy Corporation maintained its position as the most traded stock, resulting in 35% of the total market trades compared to 44% of the total market trades in H1-2021. We anticipate there will have been increased trades in Copperbelt Energy Corporation in October following a K0.3727 dividend per share announcement on 9 September 2022, subject to an ex-dividend date of 26 October 2022. We also saw Zambia National Commercial Bank being the second most traded stock, resulting in 16% of the total market trades compared to 13% in H1-2021.

Notable share price movements

AECI Mining Explosives' share price increased 43% to K42 per share from K29.38 per share at the beginning of the year. The company's share price also increased during the same period in 2021, with a positive price movement of 22%.

In contrast, National Breweries' share price fell 57% at the beginning of the year to K4 per share from K9.20 per share. It is our considered view that the reduction in price was a reaction of investors given the sustained negative bottom line earnings that have been recorded over the last three financial years. When compared to a similar period last year, there was no share price movement recorded. Despite the reduction in share price, we are of the view that some retail investors still have confidence in the stock as the earnings per share ratio increased by 38% over the last two comparative financial years.

Airtel Networks Zambia also recorded a share price fall of 6% to K17 per share from K18 per share at the beginning of the year. No price movements were recorded in a comparative period under review for last year.

In the period under review, there were sustained price movements recorded in Chilanga Cement from a positive movement of about 470% in the comparative period last year to a price movement of 12% this year. It is our opinion that the aggressive price movement last year was underpinned by the majority shareholder exiting the company. We expect the share price to be sustained within a range of K13 to K10. Furthermore, there were sustained positive price movements recorded in Zambeef Products of 27% (H1-2021: 5%), Zambia Sugar of 22% (H1-2021: 60%) and in Zambia National Commercial Bank of 37% (H1-2021: 49%).

Capital market developments

Chilanga Cement mandatory offer

Chilanga Cement, formerly known as Lafarge Cement, was one of the first companies to list on LuSE. The change back to its original name was initiated when the majority of shareholders, Financière Lafarge SAS and Pan African Cement, sold 75% of their combined holding in the then Lafarge Cement to Huaxin Investment Company, the holding company of Huaxin Cement Company. This transaction was concluded at a share price of K13.16 per share. According to the *Securities Act No 10 of 2016 of Zambia*, when a shareholder acquires more than 35% of a company's issued shares it triggers a mandatory offer, in which case the shareholder has to make the same offer to the other existing shareholders.

In view of this, the mandatory offer process was undertaken, the results of which saw Huaxin increase its holding to 81.2%.

It is our considered view that the change of ownership in the cement manufacturing company by the largest shareholder is a strategic move. Our preliminary understanding of the current majority shareholder is that they are one of the world's largest cement manufacturers and are listed on the Shanghai Stock Exchange. Huaxin has over 115 years of experience in this industry and is involved in the provision of cement technical services, research, manufacturing, installation and maintenance of cement equipment. It has operations around the world, including in Tajikistan, Kyrgyzstan, Uzbek, Cambodia, Nepal and Tanzania, with a total cement capacity of 115 million tons per year and cement equipment manufacturing capacity of 50,000 tons/year.

With local economic growth forecasted to grow by 3.5% in 2022, 3.7% in 2023 and 4.4% in 2024, and with positive macroeconomic forecasts, we believe that the company's main product, cement, will be in high demand given the massive infrastructure projects that are being undertaken in Zambia and the Southern African region.

Regarding the new owners, Huaxin, we believe they bring a wealth of experience and expertise in the cement industry to the business. Based on these considerations, we expect sustainability and a significant turnaround in the operations of the business.

The company's 2021 domestic sales were hampered by uncertain economic conditions. In 2022, with the reduction in the inflation rate as well as the appreciation of the kwacha against major currencies, we foresee enhanced domestic sales. We further anchor our consideration with content in the 2023 National Budget, which had multiple provisions for construction projects. Considering this, despite the existing competition, Chilanga Cement is uniquely positioned to supply these projects given its strong brand presence and the ability to make custom cement for special projects.

Copperbelt Energy Corporation

Copperbelt Energy Corporation is currently the largest privately owned power utility company listed on LuSE. It is our view that Copperbelt Energy Corporation has demonstrated resilience in both challenging economic and legislative environments.

One of the key contractual agreements that was a major concern to all stakeholders was the bulk supply agreement between Copperbelt Energy Corporation and ZESCO. This agreement was in relation to Copperbelt Energy Corporation being a power off-taker from ZESCO, which was then supplied to the mining houses and residential customers on the Copperbelt. Post March 2020, this agreement expired, and the two parties did not reach a mutual agreement. We maintained our position, which was that the non-renewal of the bulk supply agreement affected Copperbelt Energy Corporation's ability to operate as a going concern. This was based on our analysis of the FY2020 financial statements of the company that showed almost 75% of Copperbelt Energy Corporation's gross profit margin was generated from the local mines supply, which was greatly underpinned by the bulk supply agreement.

According to a Securities Exchange News Service announcement issued on 22 June 2022, the company confirmed that they had signed a new bulk supply agreement to succeed the previous agreement which expired on 31 March 2020. According to the company's chief executive officer, Owen Silavwe, "the new agreement was signed on mutually beneficial terms."

Copperbelt Energy Corporation is a resilient company, and this is further demonstrated by both the board and management's response to the various legal disputes that affected the company. In May 2020, Statutory Instrument No.57 of 2020 (SI-57) was issued which declared Copperbelt Energy Corporation's transmission and distribution lines as a common carrier. Copperbelt Energy Corporation challenged this directive through the High Court and in February 2021 the High Court ruled in favour of Copperbelt Energy Corporation, quashing SI-57. Further, in April 2021, Statutory Instrument No. 24 of 2021 (SI-24) was issued which redeclared Copperbelt Energy Corporation's transmission and distribution lines as a common carrier, which Copperbelt Energy Corporation challenged in the High Court. In December 2021, Statutory Instrument No. 94 of 2021 (SI-94) was issued which revoked SI-24. We are of the considered view that these latest legislation developments will reinstate and protect the company's property and the commercial rights of the business. Furthermore, we are of the view this development will positively impact the financial position of the business and protect shareholders' investment.

We foresee a strong and enhanced financial performance for the company in the 2022 financial year, which will be a result of the positive developments identified above as well as the forecasted growing demand for electricity across its business segments.

According to the company, prospects for the future are positive, with expansionary plans in all markets where they are present, as well as investment plans for new transmission and distribution lines. Copperbelt Energy Corporation currently has a pipeline development of renewable energy with the 34 MW Riverside solar project as well as the 60 MW Garnerton solar project.

The company also has an infrastructure project that will connect three new mining customers following successful negotiations and the signing of supply contracts.

However, we have identified that a major risk to the business's prospects is Konkola Copper Mines' contractual issues, which carry with them a great deal of debt. As it stands, this matter is far from resolution. Therefore, the negotiations on the 2014 tariff impasse are ongoing.

Despite the large capital investment announcements that have been made by some of the listed entities, the LuSE continues to be characterised by considerable challenges, such as illiquidity and inactivity, among others.

Zambia as a prospective hub for the Southern African region has ticked all the boxes for an investor wish list. The macroeconomic environment has stabilised and this is forecast to stabilise further given Zambia's successful engagement with the IMF's US$1.3 billion Extended Credit Facility. The political environment is stable, as illustrated by a smooth transition of power from former president Edgar Lungu to President Hakainde Hichilema in August 2021. The financial markets of the country have responded positively to these changes with a stabilised and appreciated exchange rate in the period under review.

It is our view that the Government and relevant stakeholders should consider the following proposals if Zambia's capital markets are to experience a new dawn. Firstly, local pension funds should be engaged on the 'buy and hold' approach, which is and has been the prevailing status quo. It is our view that with this approach, low liquidity levels in the market will be the trend for the foreseeable future. Relevant stakeholders should re-visit the Investment Guidelines for institutional investors to address this.

Local institutional investors such as pension funds must employ an outsourcing function of the investment function to external fund managers who are private sector asset managers. That way, market activity can be stimulated to increase volumes traded and, ultimately, liquidity in the market.

The current rate of fees that are required for the registration of securities is high and constitutes a significant proportion of the aggregate fees for any corporate issuance. It is our opinion that this has constrained corporate activities in the securities market. In most transactions, there is no guaranteed underwriter, if any, and such commitments normally come at high underwriting charges. We are of the view that the Government should consider setting aside funds to financially assist capital market regulatory bodies. As it stands, fees payable on each transaction are their main source of income.

Appendix I – Summary of share prices and market capitalisation as 31 December 2021 and 31 December 2020

			Year ended 31 December 2021			Year ended 31 December 2020		
Name of entity	**Sector**	**Number of shares in issue**	**Closing share price**	**Market cap – ZMW' million**	**Market cap – USD million**	**Closing share price**	**Market cap – USD million**	**Market cap – USD million**
ZCCM Investment Holdings	Basic Materials	160,789,474	37.98	6,107	366	38.8	6,239	295
Zambia Forestry and Forest Industries Corporation	Basic Materials	400,000,000	1.95	780	47	2.12	848	40
Mining Explosives	Basic Materials	20,400,000	29.38	599	36	20.5	418	20
First Quantum Minerals*	Basic Materials	40,540,541	3.5	142	9	3.7	150	7
Zambia Sugar	Consumer Goods	315,403,423	14.5	4,573	274	2.55	804	38
Zambian Breweries	Consumer Goods	546,334,716	6.75	3,688	221	7.23	3,950	187
National Breweries	Consumer Goods	63,043,478	9.2	580	35	9.21	581	27
Zambeef Products	Consumer Goods	250,000,000	1.61	403	24	1.1	275	13
British American Tobacco Zambia	Consumer Goods	211,111,111	1.45	306	18	1.8	380	18
Zambia Bata Shoe Company	Consumer Goods	76,923,077	2.59	199	12	2.6	200	9
Shoprite Holdings	Consumer Services	543,405,809	64	34,778	2,087	63	34,235	1,618
Pamodzi Hotels	Consumer Services	100,000,000	0.6	60	4	0.62	62	3
Copperbelt Energy Corporation	Energy utilities	1,622,047,244	2.65	4,298	258	1.1	1,784	84
Zambia National Commercial Bank	Financials	1,447,058,824	1.9	2,749	165	0.47	680	32
Standard Chartered Bank Zambia	Financials	1,664,000,000	1.2	1,997	120	1.4	2,330	110
CEC Africa Investments	Financials	1,631,578,947	0.19	310	19	0.13	212	10
Madison Financial Services	Financials	48,611,111	2.47	120	7	2.88	140	7
Investrust Bank	Financials	8,000,000	15	120	7	12	96	5
Zambia Reinsurance	Financials	28,571,429	2.79	80	5	2.8	80	4
Real Estate Investments Zambia	Financials	60,000,000	1.25	75	4	0.39	23	1
Chilanga Cement	Industrials	199,818,347	13.85	2,767	166	2.07	414	20
Metal Fabricators of Zambia	Industrials	27,196,653	4.78	130	8	4.78	130	6
Puma Energy Zambia	Oil & Gas	500,000,000	1.21	605	36	0.8	400	19
Airtel Networks Zambia	Telecom	104,138,399	18	1,874	112	29.49	3,071	145
Total				**67,341**	**4,040**	**212**	**57,502**	**2,718**

** Company was delisted subsequent to 31 December 2021*

Contributors

Andrew Chibuye
Country Senior Partner
Assurance Services
andrew.chibuye@pwc.com

George Chitwa
Partner
Tax Services
george.chitwa@pwc.com

Andrew Sikwanda
Associate Director
Assurance Services
andrew.s.sikwanda@pwc.com

Muchemwa Silavwe
Senior Manager
Assurance Services
muchemwa.silavwe@pwc.com

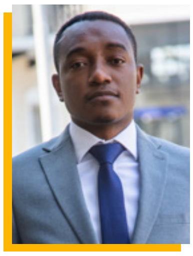
Fayson Munkombwe
Senior Manager
Assurance Services
fayson.x.munkombwe@pwc.com

Evelyn Tembo
Manager
Clients & Markets Development
evelyn.tembo@pwc.com

Mutinta Mukuyamba
Senior Associate
Assurance Services
mutinta.mukuyamba@pwc.com

Ranjani Suriamoorthy
Senior Associate
Assurance Services
ranjani.x.suriamoorthy@pwc.com

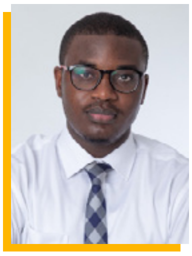
Kasongo Lufuma
Senior Associate
Clients Markets Development
kasongo.lufuma@pwc.com



Nyankhundi Phiri
Senior Associate
Advisory Services
nyankhundi.phiri@pwc.com

Malama Mwilwa
Associate
Advisory Services
malama.mwilwa@pwc.com

Elizabeth Monga
Intern
Assurance Services
elizabeth.monga@pwc.com



M'khuzo Mwachande
Associate – Investment Banking
Pangaea Securities Limited
mmwachande@pangaea.co.zm

Mahongo Chilembo
Analyst – Investment Banking
Pangaea Securities Limited
mchilembo@pangaea.co.zm

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 152 countries with over 327,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.