ILAM FAHARI I-REIT
AUDITED CONDENSED RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTE	2025 (KShs)	2024 (KShs)
Revenue			
Rental and related income		304,311,612	279,499,972
Interest income		49,087,311	54,761,654
		353,398,923	**334,261,626**
Operating expenses			
Realised loss on disposal		-	(350,000)
Property expenses		(107,487,953)	(110,553,736)
Fund operating expenses		(100,144,035)	(109,729,078)
		(207,631,988)	**(220,632,814)**
Increase in fair value of investment property		**100,000,000**	**263,575,862**
Net profit for the year		**245,766,935**	**377,204,674**
Other comprehensive income		-	-
Total comprehensive income attributable to unitholders for the year		**245,766,935**	**377,204,674**
Basic earnings per unit (KShs)	1	1.36	2.08
Distributable earnings per unit (KShs)	1	0.81	0.34

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2025 (KShs)	2024 (KShs)
ASSETS		
Non-current assets		
Investment property	3,150,000,000	3,050,000,000
Property and equipment	64,162,896	68,165,697
Inventory - property work in progress	9,442,802	-
	3,223,605,698	**3,118,165,697**
Current assets		
Term deposits	519,143,036	357,629,740
Trade and other receivables	39,352,374	52,752,296
Cash and bank balances	55,745,317	142,250,622
	614,240,727	**552,632,658**
Total assets	**3,837,846,425**	**3,670,798,355**
EQUITY & LIABILITIES		
Capital and reserves		
Trust capital	3,479,540,745	3,479,540,745
Fair value reserve	95,712,667	(4,287,333)
Retained earnings	55,538,871	27,403,931
Proposed distribution	117,631,995	54,291,690
	3,748,424,278	**3,556,949,033**
Current liabilities		
Trade and other payables	89,422,147	113,849,322
Total equity & liabilities	**3,837,846,425**	**3,670,798,355**
Net asset value per unit	**20.71**	**19.65**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Trust capital (KShs)	Fair value reserve (KShs)	Proposed distribution (KShs)	Retained earnings (KShs)	Total (KShs)
2025					
Balance at 1 January 2025	3,479,540,745	(4,287,333)	54,291,690	27,403,931	3,556,949,033
Total comprehensive income					
Profit for the year	-	-	-	245,766,935	245,766,935
Transfer to non-distributable reserve	-	100,000,000	-	(100,000,000)	-
Transactions with owners of the REIT					
Distribution to unitholders - paid out	-	-	(54,291,690)	-	(54,291,690)
Current year proposed distribution to unitholders	-	-	117,631,995	(117,631,995)	-
Balance at 31 December 2025	**3,479,540,745**	**95,712,667**	**117,631,995**	**55,538,871**	**3,748,424,278**
2024					
Balance at 1 January 2024	3,479,540,745	(319,363,195)	126,680,610	19,566,809	3,306,424,969
Total comprehensive income					
Profit for the year	-	-	-	377,204,674	377,204,674
Transfer to non-distributable reserve	-	263,575,862	-	(263,575,862)	-
Transfer to distributable reserve	-	51,500,000	-	(51,500,000)	-
Transactions with owners of the REIT					
Distribution to unitholders - paid out	-	-	(126,680,610)	-	(126,680,610)
Current year proposed distribution to unitholders	-	-	54,291,690	(54,291,690)	-
Balance at 31 December 2024	**3,479,540,745**	**(4,287,333)**	**54,291,690**	**27,403,931**	**3,556,949,033**

CONSOLIDATED STATEMENT OF CASH FLOWS

	2025 (KShs)	2024 (KShs)
Cash flows from operating activities		
Cash generated from operations	89,655,172	45,044,280
Net cash inflow from operating activities	**89,655,172**	**45,044,280**
Cash flows from investing activities		
Additions to inventory - property work in progress	(9,442,802)	-
Additions to term deposits	(161,513,296)	(180,868,781)
Interest received	49,087,311	54,761,654
Disposal of investment property	-	159,650,000
Additions to investment property	-	(6,724,138)
Additions to property and equipment	-	(21,722,757)
Net cash (outflow)/ inflow from investing activities	**(121,868,787)**	**5,095,978**
Cash flows from financing activities		
Distribution paid	(54,291,690)	(126,680,610)
Net cash from financing activities	**(54,291,690)**	**(126,680,610)**
Net movement in cash and cash equivalents	(86,505,305)	(76,540,352)
Cash and cash equivalents at 1 January	142,250,622	218,790,974
Cash and cash equivalents at 31 December	**55,745,317**	**142,250,622**

NOTES

	2025 (KShs)	2024 (KShs)
1. Basic and distributable earnings		
Basic earnings - comprehensive income attributable to unitholders for the period	245,766,935	377,204,674
Adjusted for:		
Fair value adjustment to investment property	(100,000,000)	(263,575,862)
Realised loss on disposal of investment property	-	(51,500,000)
Distributable earnings	**145,766,935**	**62,128,812**
Distributable earnings per unit (KShs)	0.81	0.34
Basic earnings per unit (KShs)	1.36	2.08
Weighted average units in issue (units)	180,972,300	180,972,300
Units in issue at the end of the period (units)	180,972,300	180,972,300

COMMENTARY

1. Basis of preparation

The audited condensed consolidated financial statements presented above have been prepared in accordance with the requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board, and in the manner required by the Capital Markets (Real Estate Investment Trusts) (Collective Investment Schemes) Regulations, 2013. These financial statements have been audited by Grant Thornton LLP and received an unqualified audit opinion. These, together with the REIT Manager's Annual Report will be available on the REIT's website www.ilamfahariireit.com from 31st March 2026.

2. Business review

The REIT made a net profit of KShs 245.8 million compared to KShs 377.2 million in the comparative period. The decline was on the account of lower fair value gain on investment property recorded in the current year. Distributable income however, increased by 135% to KShs 145.8 million from Kshs 62.1 million in the prior year.

- ◆ Rental and related income increased by 9% as a result of increased occupancy at Greenspan Mall.
- ◆ Property expenses decreased slightly by 3% mainly due to a reduction in consultancy fees.
- ◆Fund operating expenses decreased by 9% mainly due to the restructuring costs incurred during the prior year.

3. Distribution

The REIT Manager has recommended and the Trustee has approved a first and final distribution of KShs. 117,631,995 in relation to the year ended 31st December 2025 (2024: KShs. 54,291,690) subject to unitholders approval at the annual general meeting scheduled for 22nd April 2026. This amounts to 65 cents per unit (2024: 30 cents per unit) and is payable by no later than 30th April 2026.

Approval of the financial statements

The financial statements were approved for issue by the Trustee and the Board of the REIT Manager on 26th March 2026 and signed on their behalf by:

Andrew Ndegwa: Chairman, ICEA LION Asset Management Limited
Einstein Kihanda: Chief Executive Officer, ICEA LION Asset Management Limited
Henry Karanja : Trustee Compliance Officer, The Co-operative Bank of Kenya Limited

NOTICE OF THE TENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Tenth Annual General Meeting (AGM) of the unitholders of the ILAM Fahari I-REIT ("REIT") will be held virtually on Wednesday, 22nd April 2026, commencing at 9:00am for the purpose of transacting the business as set out below:

AGENDA

1. To read the notice convening the meeting and determine if a quorum is present.
2. To receive, consider and if thought fit, adopt the Annual Report and the Audited Annual Financial Statements for the year ended 31st December 2025.
3. To note and ratify the first and final distribution for the year ended 31st December 2025, of KShs. 117,631,995 (65 cents per unit in issue) as recommended by the REIT Manager and approved by the Trustee.
4. To note that Grant Thornton LLP, having been appointed in the year 2025 continue as Auditors for the REIT.
5. To transact any other business which may be properly transacted at an Annual General Meeting of the REIT unitholders.

BY ORDER OF THE TRUSTEE

Lucy Muthama
Trustee Secretary
The Co-operative Bank of Kenya Limited
P.O. Box 48231 – 00100 Nairobi, Kenya
Date: 26th March 2026

NOTE:

1. **Pofessional Investors:** The Form of Proxy will be available on the ILAM Fahari I-REIT website at www.ilamfahariireit.com starting from 31st March 2026.
2. **Retail Unitholders:** The Voting Instruction Form will be available on the ILAM Fahari I-REIT website at www.ilamfahariireit.com starting from 31st March 2026.
3. The duly completed Form of Proxy or Voting Instruction Form should reach the REIT Manager no later than 48 hours before the time set for the meeting.

WHAT'S YOUR PLAN?