



MEDIA RELEASE

ILAM Fahari I-REIT to Trade on NSE's Unquoted Securities Platform, Aims for Main Market Listing in Three Years

10th July 2024... ILAM Fahari Real Estate Investment Trust has today listed at the Unquoted Securities Platform (USP) of the Nairobi Securities Exchange (NSE) following a comprehensive restructuring of the REIT.

In February, ILAM received regulatory approval from the Capital Markets Authority (CMA) to delist the REIT from the Main Investment Market Segment (MIMS) of the NSE. This restructuring process involved converting from unrestricted ILAM Fahari Income Real Estate Investment Trust (IFIR) into a restricted I-REIT.

Delisting from MIMS and trading over the counter on the Unquoted Securities Platform will provide greater flexibility in managing the REIT's portfolio and will not affect the unitholders' ability to trade their units, with Non-Professional investors (investors whose unit value are less than Kshs. 5 million) bundled into a Nominee Account.

Speaking during a bell-ringing event to commemorate the REIT's admission to the Unquoted Securities Platform, ILAM CEO Einstein Kihanda expressed confidence in the REIT's ability to thrive. He said the move will enable the company to unlock the REIT's full growth potential, reduce costs, attract new investment, and acquire additional properties to reach a sustainable asset base size.

“We are upbeat about the potential of the REIT following its listing at the USP. This move provides us with increased flexibility and potential for growth. The new structure aligns with ILAM Fahari's strategic vision to optimize its investments and provide investors with innovative avenues to diversify their portfolio,” Mr. Kihanda said.

The decision to convert and restructure stems from the ILAM Fahari I-REIT's comprehensive strategic review in 2021, which sought to understand the challenges the I-REIT faced and develop potential strategies to improve the returns and market performance. The long-term plan will elevate returns and market performance through asset optimization and the growth of Assets Under Management (AUM).

Upon successful implementation of the strategy, the REIT will consider relisting on the NSE after 3 years. Under this new segment, ILAM Fahari I-REIT will remain regulated by the Capital Markets Authority.

“The unquoted securities platform plays a crucial role in our capital markets ecosystem by providing a gateway for innovative financial instruments. It promotes inclusivity, allowing a diverse range of issuers to access capital and enabling investors to participate in emerging sectors of our economy. ILAM Fahari I-REIT's presence on this platform exemplifies the platform's role in fostering growth and unlocking value in Kenya's real estate market,” Capital Markets Authority Chief Executive Officer Wycliffe Shamiah said.

ILAM will seek high-quality assets in prime locations with strong tenants and aims to double its portfolio value from Kshs 3.5 billion to Kshs 7 billion within the next three years.

The restructuring is expected to create several benefits for unitholders, including increased flexibility to pursue a broader range of investment opportunities, including direct real estate acquisitions and developments, improved ability to align the REIT's investment strategy with the long-term needs of



its unitholders, and reduced costs and administrative burdens associated with being a listed REIT.

The ILAM Fahari I-REIT's concept is globally recognized. It operates in line with international standards, allowing the REIT to own and manage income-generating real estate for the benefit of its investors. The REIT provides regular distributions to investors, underpinned by commercial leases.

Ends-

About ILAM Fahari I-REIT

The ILAM Fahari I-REIT is a real estate investment trust licenced under the REIT's Regulations. The REIT was authorised by the Capital Markets Authority on 30 September 2015 and became the first REIT in East Africa. It later became listed on the Nairobi Securities Exchange on 26 November 2015, raising capital of KShs. 3.6 billion. The REIT's duration is a maximum of 80 years subject to the provisions of the Trust Deed. The REIT Scheme is a closed ended Scheme and trades as "FAHR" on the Nairobi Securities Exchange ("NSE").

The principal activities of the REIT include but are not limited to:

- The acquisition, for long-term investment, of income-generating eligible real estate and eligible investments, but not limited to housing, commercial and other real estate;
- Undertaking of such development and construction activities as may be permitted by the Capital Markets Act, Chapter 485A of the Laws of Kenya and the REIT's Regulations; and
- Investing in cash, deposits, bonds, securities and money market instruments.
- ILAM Fahari I-REIT is advised by Dyer and Blair Investment Bank (Transaction Advisor), TripleOKLaw Advocates LLP (Legal Advisor), Co-operative Bank of Kenya (Trustee), CDSC Registrars Limited (Registrar) and Oxygene Marketing Communications (PR & Marketing)

For media inquiry, please contact: Oxygène Marketing Communications Account Director, Don Kogai
| +254720112604 | Donald.Kogai@oxygene.co.ke or