

ILAM FAHARI I-REIT
10TH ANNUAL GENERAL MEETING

Date: 22nd April 2026
Time: 09.00 AM

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Part 2: Performance Overview

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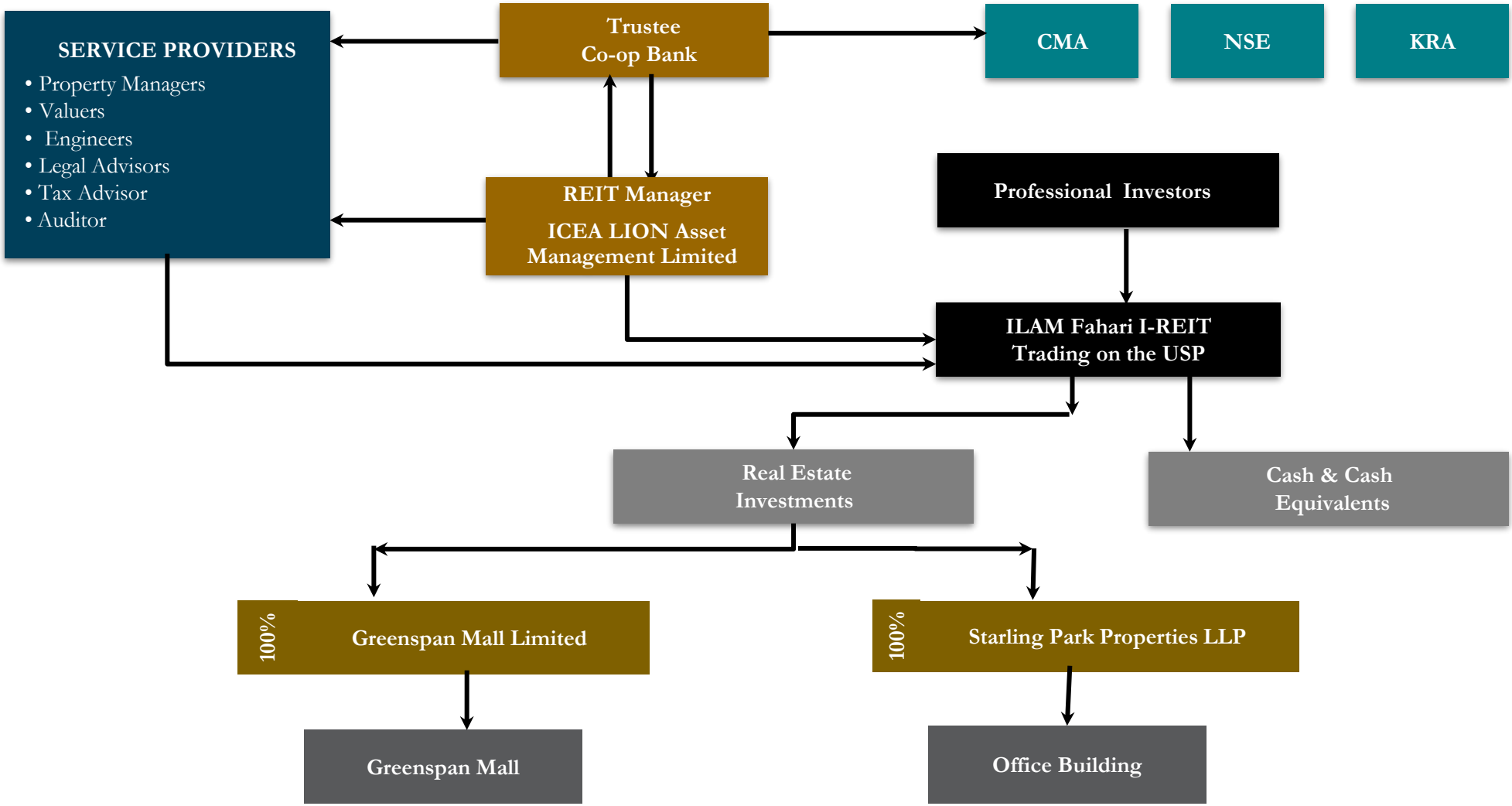


About the REIT Manager - ILAM

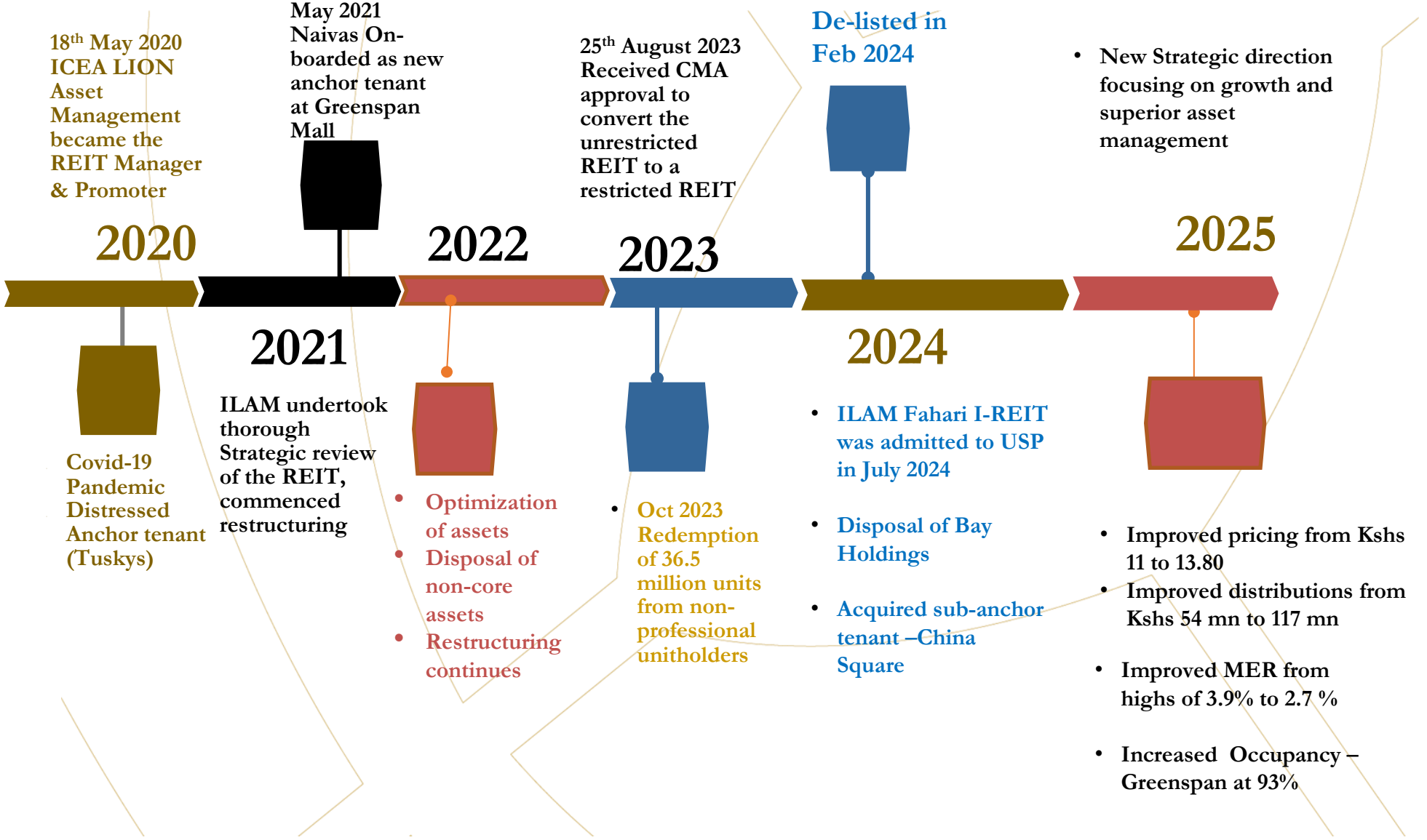
- ICEA LION Asset Management (ILAM) is part of ICEA LION Group
- Credible – Licensed by Capital Markets Authority & Retirement Benefits Authority.
- 40+ years of professional investment experience with proven stellar performance backed by research driven investments.
- Holds a **REIT manager license** and extensive experience in managing diverse real estate portfolios for individuals and institutional investors
- ICEA LION Asset Management leverages a structured governance framework—supported by the **Investment and Audit & Risk Committees—*to direct, attain, and monitor*** the REIT's strategic performance
- Strong assets under management growth, currently at over Kshs 419 Billion including Fahari's Kshs 3.75 Billion



ILAM Fahari I-REIT Structure



ILAM Fahari I-REIT Journey

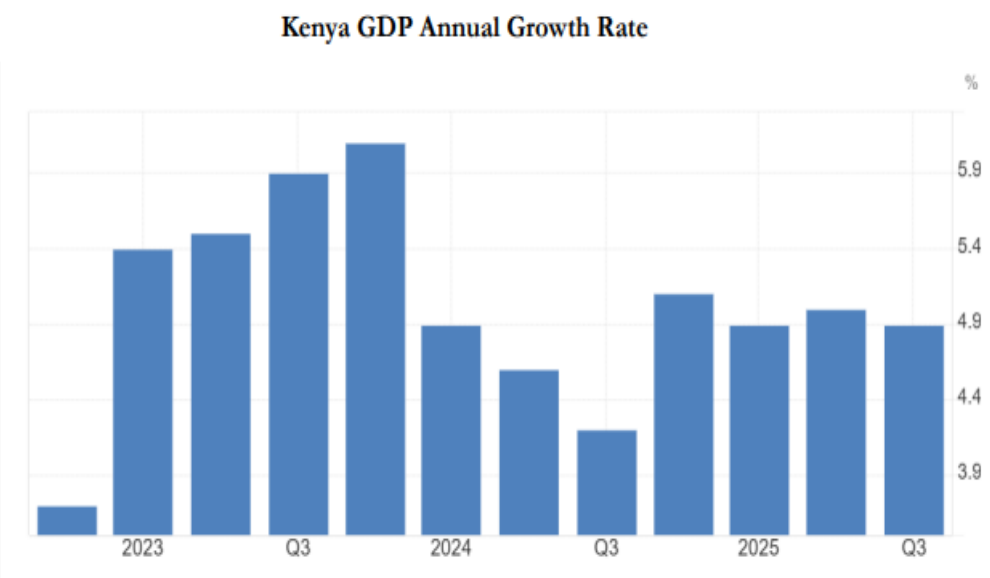


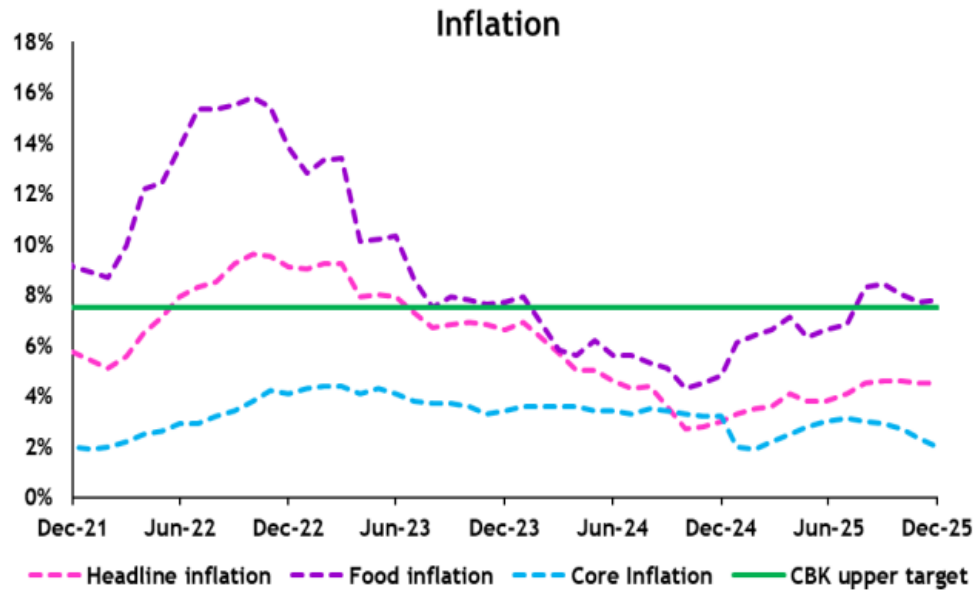


2025 Macroeconomic Review

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Macroeconomic Performance

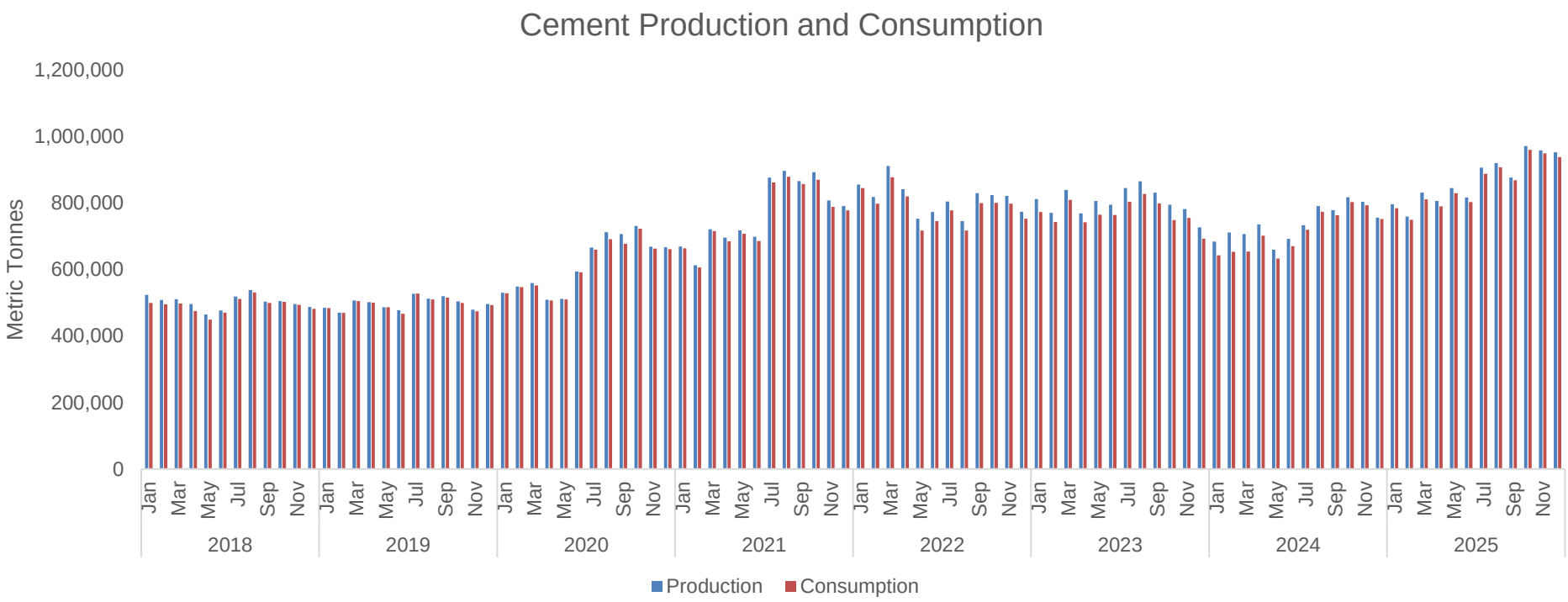




- ✓ GDP accelerated to 4.9% (vs 4.2% Q3 2024) driven by lower borrowing costs
- ✓ Private sector investment surge across real estate, transport, manufacturing, trade & construction
- ✓ Real Estate + Construction: 8.6% of GDP (-20 bps YoY) due to construction slowdown to 5.5%

- ✓ **Headline inflation**: 4.1% (within CBK target 2.5%-7.5%); Core inflation: 2.5% well-contained
- ✓ **Dual-speed environment**: Food inflation at 7.2% offset by declining utility costs & stable currency
- ✓ **Downside risks**: Commodity volatility from geopolitical tensions; Brent crude -18% YoY provides buffer

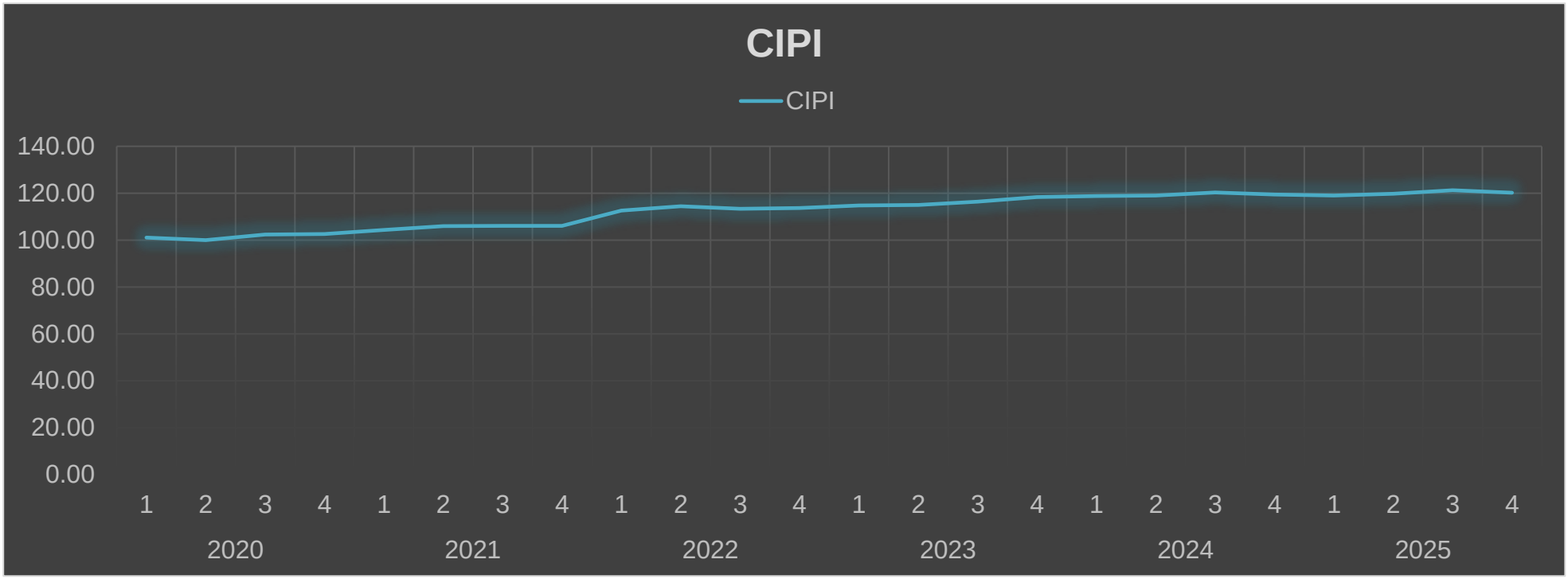
Cement Production and Consumption



- ✓ **Surging Growth**: In 2025, the cement sector saw massive expansion, with consumption growth (20.3%) outpacing production growth (18.0%).
- ✓ **Tightening Supply**: The market surplus nearly halved to 162,545 MT, signaling that demand is rapidly catching up to production capacity.

Construction Material

Other Construction Materials



- ✓ **Plummeting Inflation**: Construction input inflation cooled significantly in 2025, remaining extremely stable under 1% compared to the 3.56% highs of 2024.
- ✓ **Record Costs & Seasonality:** Despite slower inflation, actual material costs hit a new peak of 121.27 in Q3 2025 before following a consistent year-end seasonal drop.

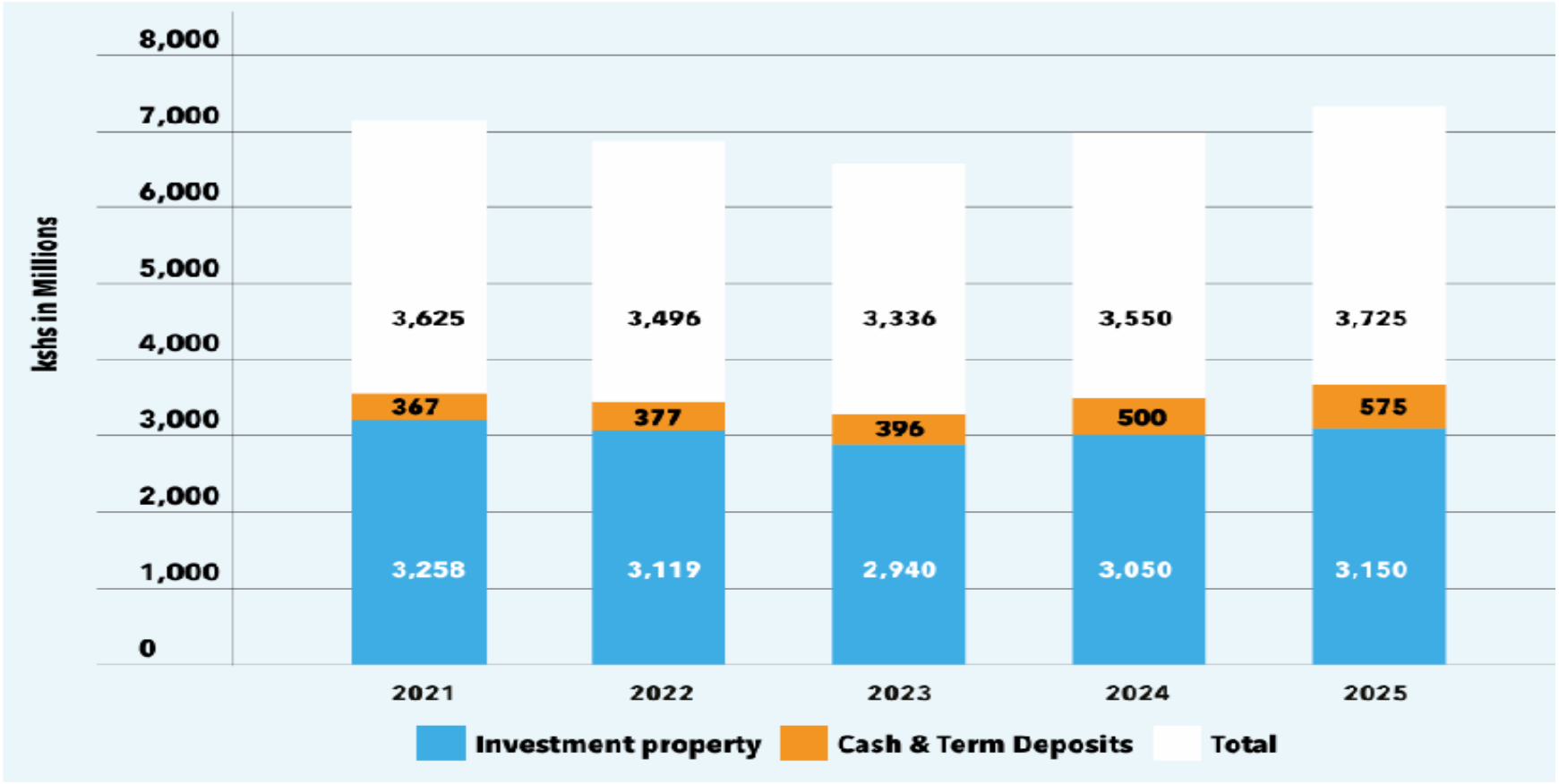


2025 Operational Performance Report
Fund Level

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Prudent Cost Management

ASSETS UNDER MANAGEMENT (AUM)



Expense ratio	2025	2024	2023	2022	2021
MER (%)	2.7	3.1	3.9	3.3	3.0

Notable Capital appreciation since delisting



Improved dividend yield and NAV

NET ASSET VALUE PRIOR AND POST DISTRIBUTION OF EARNINGS

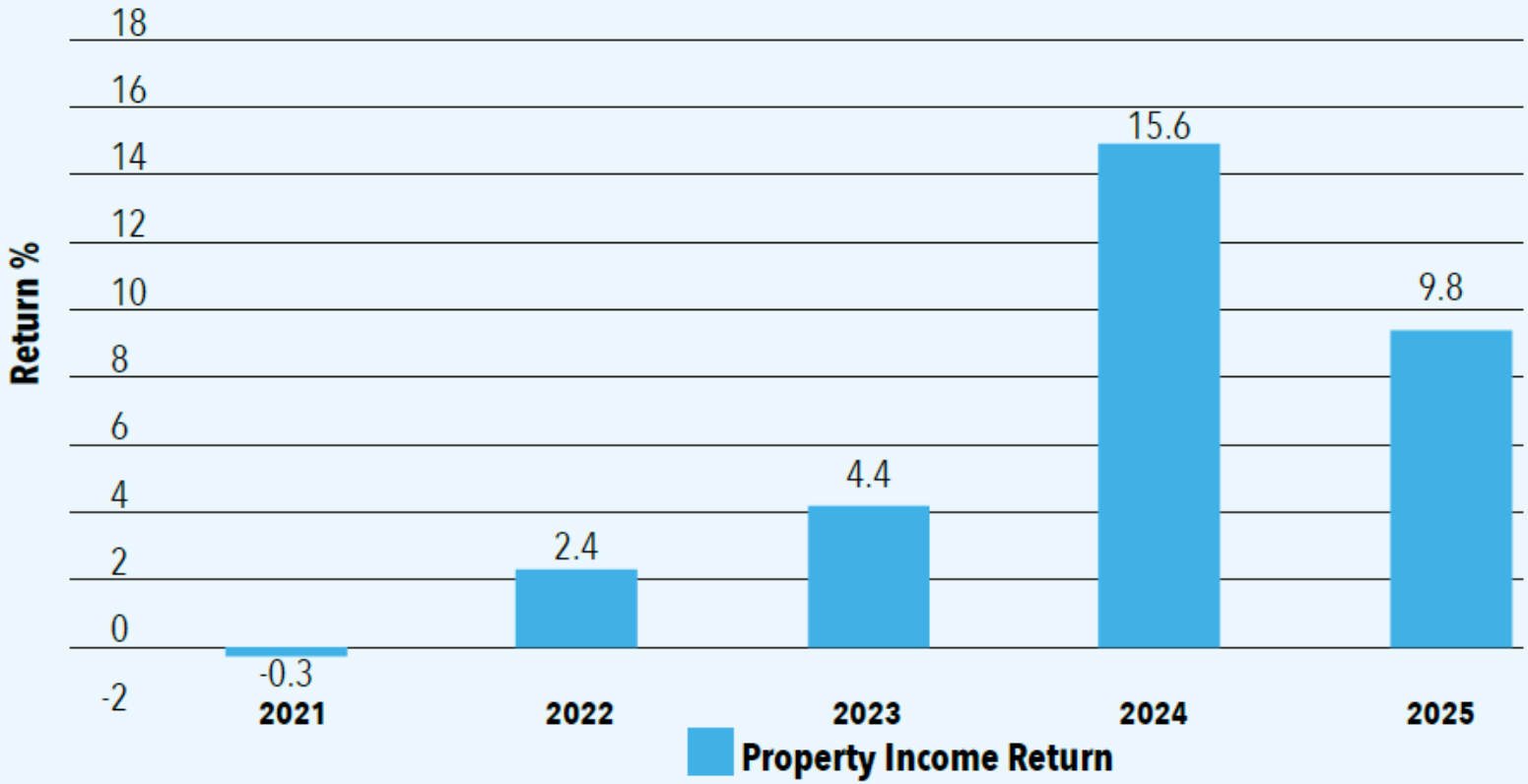
As at 31 December (KShs)	2025	2024	2023	2022	2021
Net asset value prior to distribution	3,748,424,278	3,556,949,033	3,306,424,969	3,424,354,606	3,543,204,347
Net asset value post distribution	3,630,792,283	3,502,657,343	3,179,744,359	3,306,722,611	3,452,718,197
Net asset value per unit prior to distribution	20.71	19.65	18.27	18.92	19.58
Net asset value per unit post distribution	20.06	19.35	17.57	18.27	19.08
Dividend yield based on the value of the unit as at 31 December	**5.9%**	**2.7%**	**11.1%**	**10.0%**	**8.0%**

Stable 5 year distribution in line with Regulations

Sources of distribution (KShs)	2025	2024	2023	2022	2021
Net rental/dividend income from wholly owned property companies	196,823,659	168,946,236	225,239,784	223,019,921	183,808,700
Fund interest and other income	49,087,311	54,761,654	38,777,696	31,021,470	25,664,245
Realized (loss)/gain on disposal (current year)	-	(350,000)	13,365,500	-	-
	245,910,969	**223,357,890**	**277,382,980**	**254,041,391**	**209,472,945**
Less:					
Fund operating expenses	(100,144,035)	(109,729,078)	(128,636,334)	(112,092,872)	(107,499,674)
Realized loss on disposal (prior years devaluation)	-	(51,500,000)	(85,500,000)	-	-
Total potential distributable income from current earnings income	**145,766,935**	**62,128,812**	**63,246,646**	**141,948,519**	**101,973,271**
Distribution from prior years retained earnings	-	-	63,433,964	-	-
Distribution	**117,631,995**	**54,291,690**	**126,680,610**	**117,631,995**	**90,486,150**
Distribution as a % and in compliance with Regulation 72	**81%**	**87%**	**>100%**	**83%**	**89%**

Improving Total Return post sale of non-core assets

Total portfolio return



- The average split between property and cash instruments has been 85% and 15% in 2025, respectively (2024: 87% and 13%).

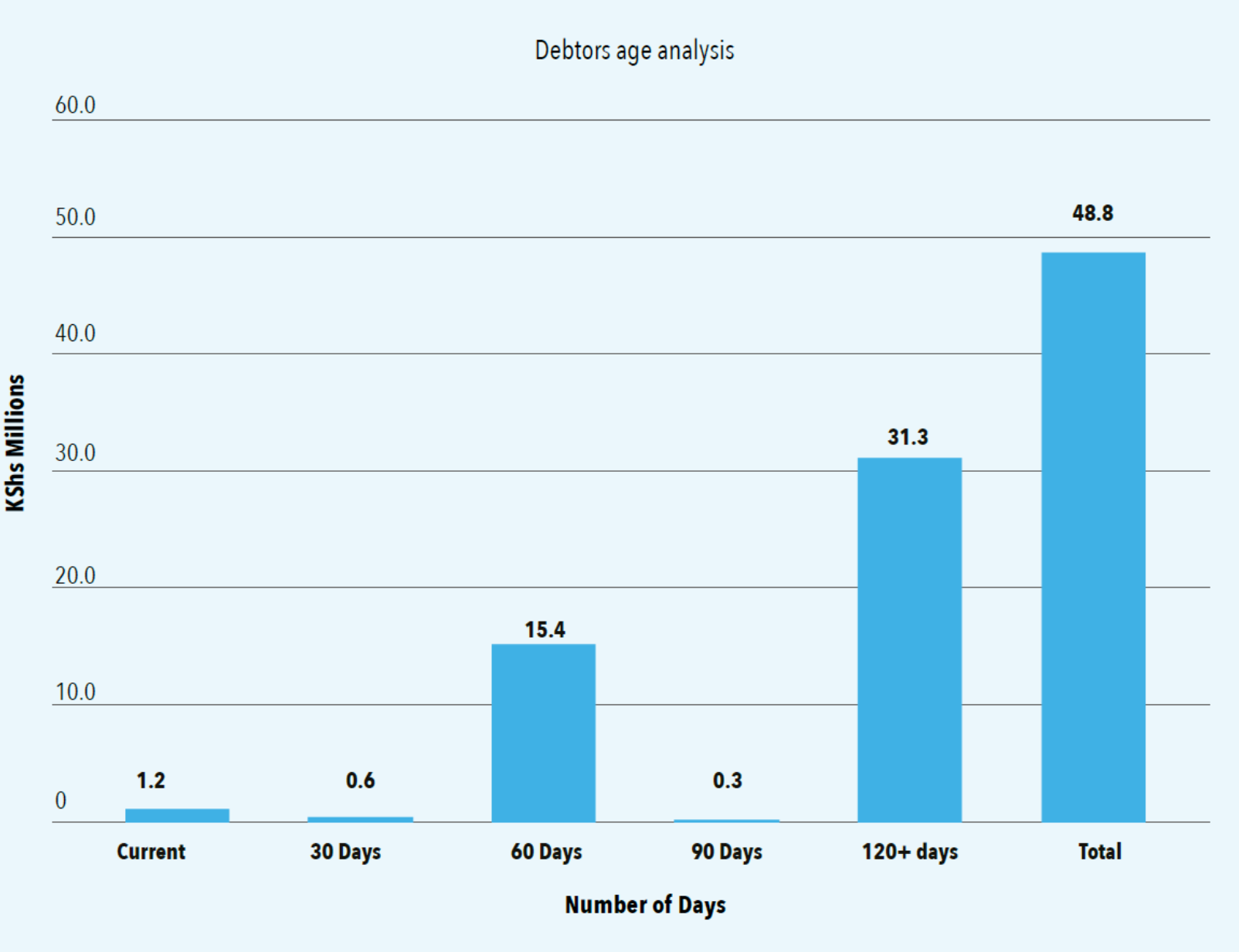
- The valuation uplift of KShs 100 million was attributable to improved performance at Greenspan Mall, where occupancy increased from 86% to 93% in 2025 while the valuation of 67 Gitanga Place remained unchanged.



2025 Operational Performance Report – Asset Level

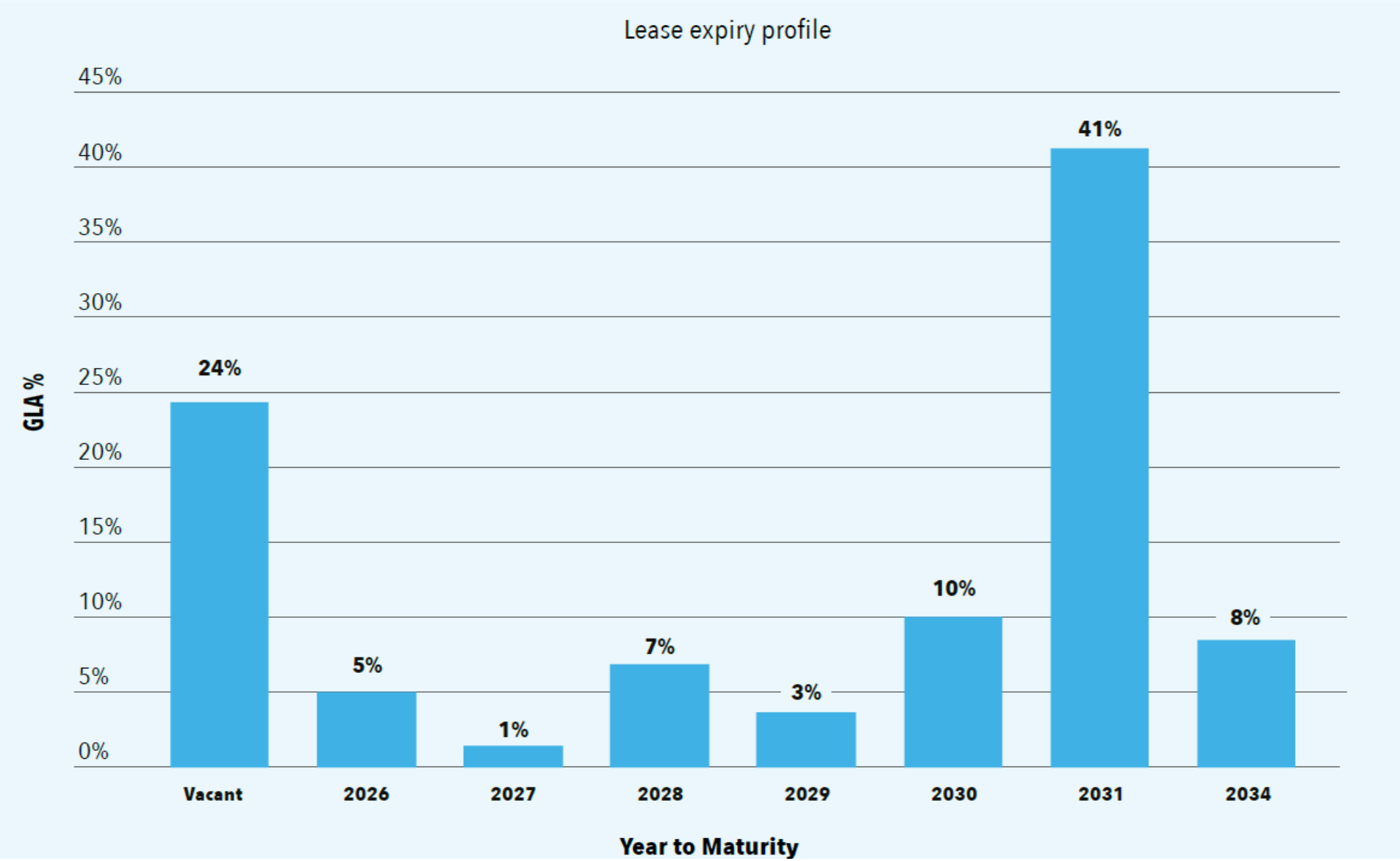
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Key Performance Indicators



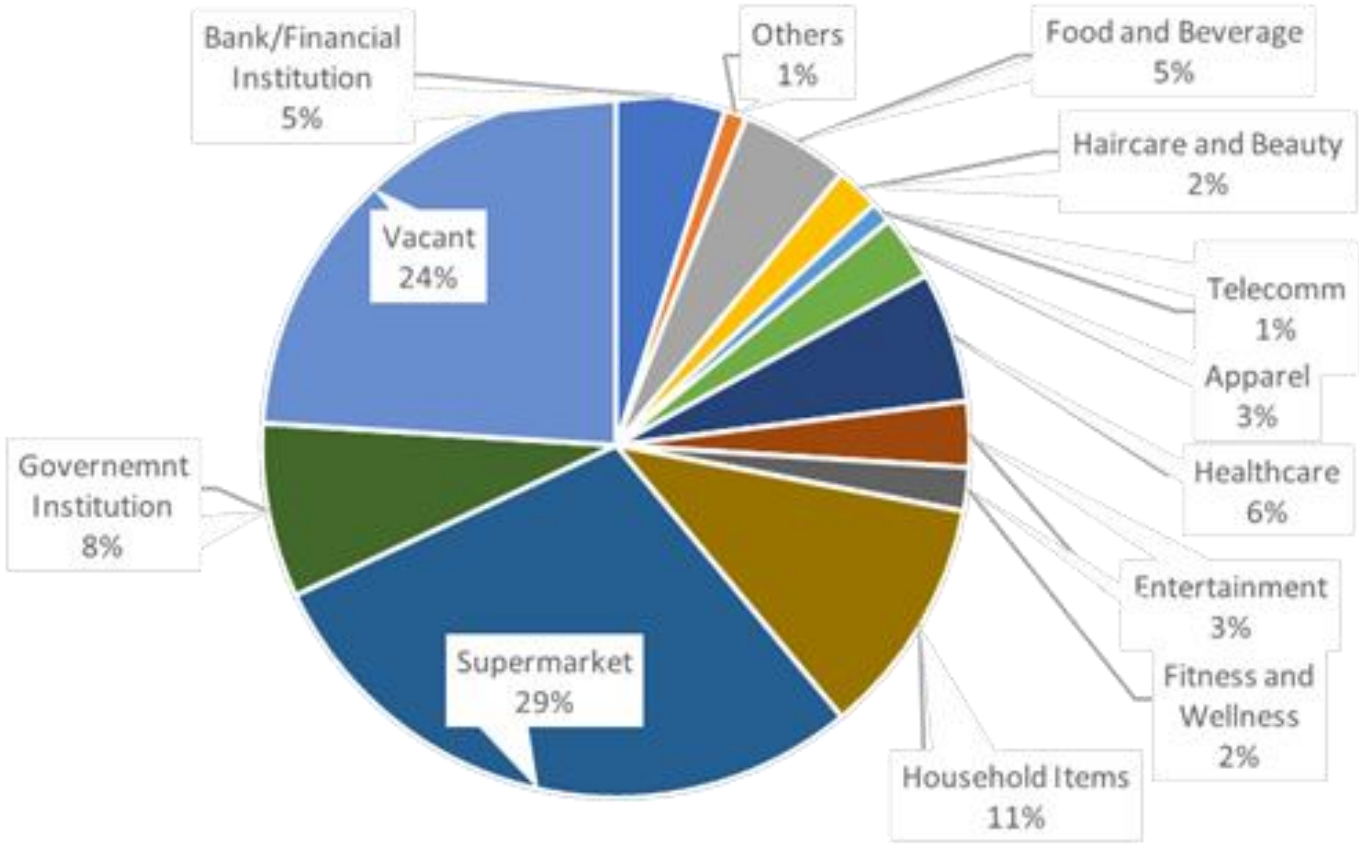
Tenant arrears stood at KShs. 48.8 million at the end of 2025 (2024: KShs. 43.3 million). The slight increase in arrears was mainly due to some payments being received outside the billed quarter, i.e. some payments for Q4 billings were received in January 2026.

Key Performance Indicators



The lease expiry profile continues to be well spread with 49% of the GLA expiring from six years after the reporting date. The 41% in 2031 relate mainly to the anchor tenant while the 8% in 2034 relates to the sub-anchor tenant at Greenspan Mall.

Diversified Tenant Mix



•**Well-diversified tenant base**: Anchor tenants (Naivas, China Square) at 29% Gross Lettable Area ; balance in line shops across multiple sectors - *Fashion, finance, entertainment, F&B, healthcare, apparel, utilities (Nairobi Water) - ensures foot traffic & sectoral resilience*

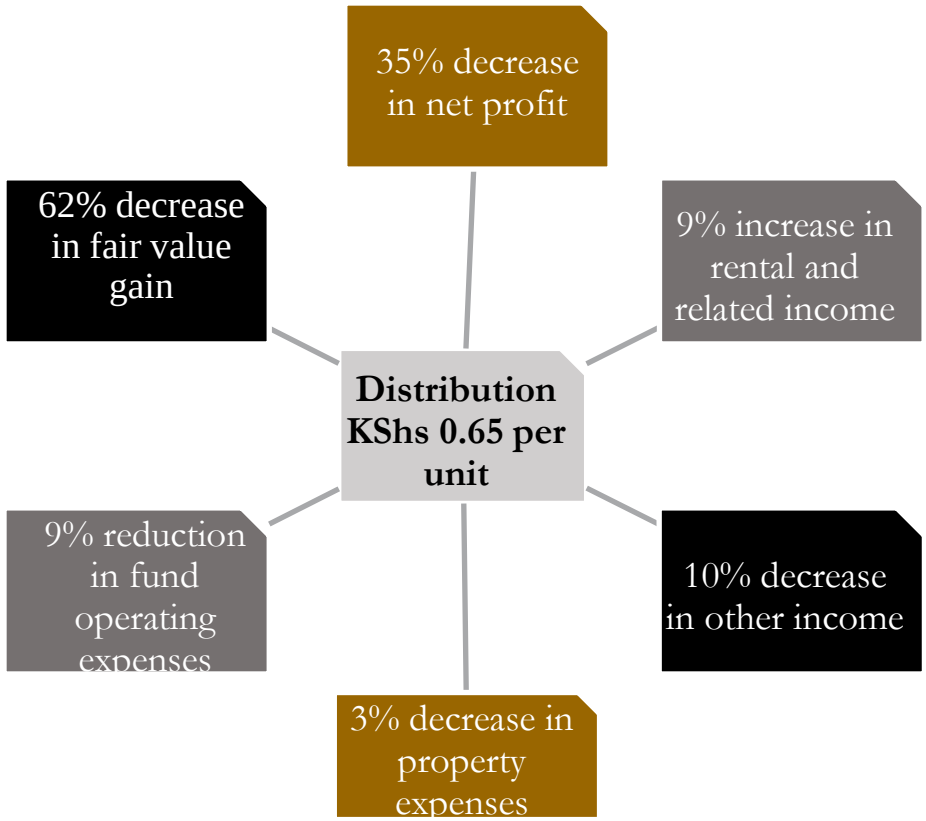
•**Vacancy rate: 24%** - primarily due to lease expiry at 67 Gitanga Place; REIT Manager finalizing discussion for a replacement tenancy.



2025 Financial Performance Report

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Performance Highlights



Commentary

- **35% decrease** in net profit (from KShs 377.2 million in prior year to KShs 245.7 million) mainly due to lower fair value gains on investment property.
- **9% increase** in rental and related income due to increased occupancy at Greenspan Mall.
- **3% decrease** in property expenses mainly due to a reduction in consultancy costs.
- **9% reduction** in fund operating expenses on the account of restructuring costs incurred during the prior year.
- Fair value gains of KShs 100 million recorded compared to KShs 263 million in the prior year, a **decline of 62%**.

Consolidated Statement of Profit or Loss

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
	2025	**2024**
	KShs	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)	1.36	2.08
Distributable earnings per unit (KShs)	0.81	0.34

Consolidated Statement of Financial Position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2025	2024
ASSETS	KShs	KShs
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**

Commentary;

- Increase in investment property due to fair value gains recorded on revaluation of Greenspan Mall.
- Increase in Net Asset Value (NAV) per unit mainly attributable to the increase in fair value gain during the year under review
- Proposed distribution of KShs 117 million to be paid to unitholders by 30th April 2026.

Consolidated Statement of Cash Flows

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 from investing activities	**(121,868,787)**	**5,095,978**
Cash flows from financing activities		
Distribution paid	(54,291,690)	(126,680,610)
Net cash outflow 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 beginning of year	142,250,622	218,790,974
Cash and cash equivalents at end of year	**55,745,317**	**142,250,622**

Commentary;

- Distribution of KShs **54 million** relating to FY2024 paid in April 2025 in line with the REITs Regulations.



2025 Compliance report and 2026 Strategy

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Risk Management and Compliance

REGULATION	REGULATORY LIMIT	ACTUAL AS AT 31 DECEMBER 2025	COMPLIED (√) / NOT COMPLIED (X)/ N/A
Minimum number of REIT securities holders*	7	35*	√
Minimum Free Float	25%	100%	√
Minimum Promoter investment and retention**	25% of NAV	24.25%	N/A
Eligible Investments	75% real estate	84.6% real estate	√
Minimum income generation	70% of rental income	86.1%	√
Maximum gearing	35% of total asset value	0%	√
Minimum distributions	80%	81%***	√

*Minimum number of REIT securities holders - A nominee account under The Co-operative Bank of Kenya Ltd that holds units for 4,007 non-professional investors

**Regulation 74 (minimum retained investments by the Promoter and lock-in period) does not apply to ILAM

*** This is in respect of the proposed distribution to be paid out by 30 April 2026.

Strategic pillars and initiatives



Accretive Acquisition & Diversification

1. Finalize redevelopment of excess land at Greenspan
2. Target high-yield, high-quality properties in defensive locations
3. Pursue strategic partnerships e.g with developers for quality assets



Capital Structure & Risk Management

4. Target a balanced capital structure (guided by regulations)
5. Raise c. KES 3 billion to support growth of which KES 1billion should be green funding.
6. Implement prudent capital and risk management framework



Superior Asset Management

7. Enhance the operational efficiency of property assets.
8. Undertake tenant-centric management and enhance overall experience in our properties
9. Integrate ESG principles for sustainable growth. /Integrate ESG and sustainable initiatives.



Proactive Stakeholder Management

10. Maintain transparent and regular communication with all stakeholders.
11. Implement comprehensive feedback mechanisms
12. Ensure continued strict adherence to all legal and regulatory requirements.


Q&A
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THANK YOU
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