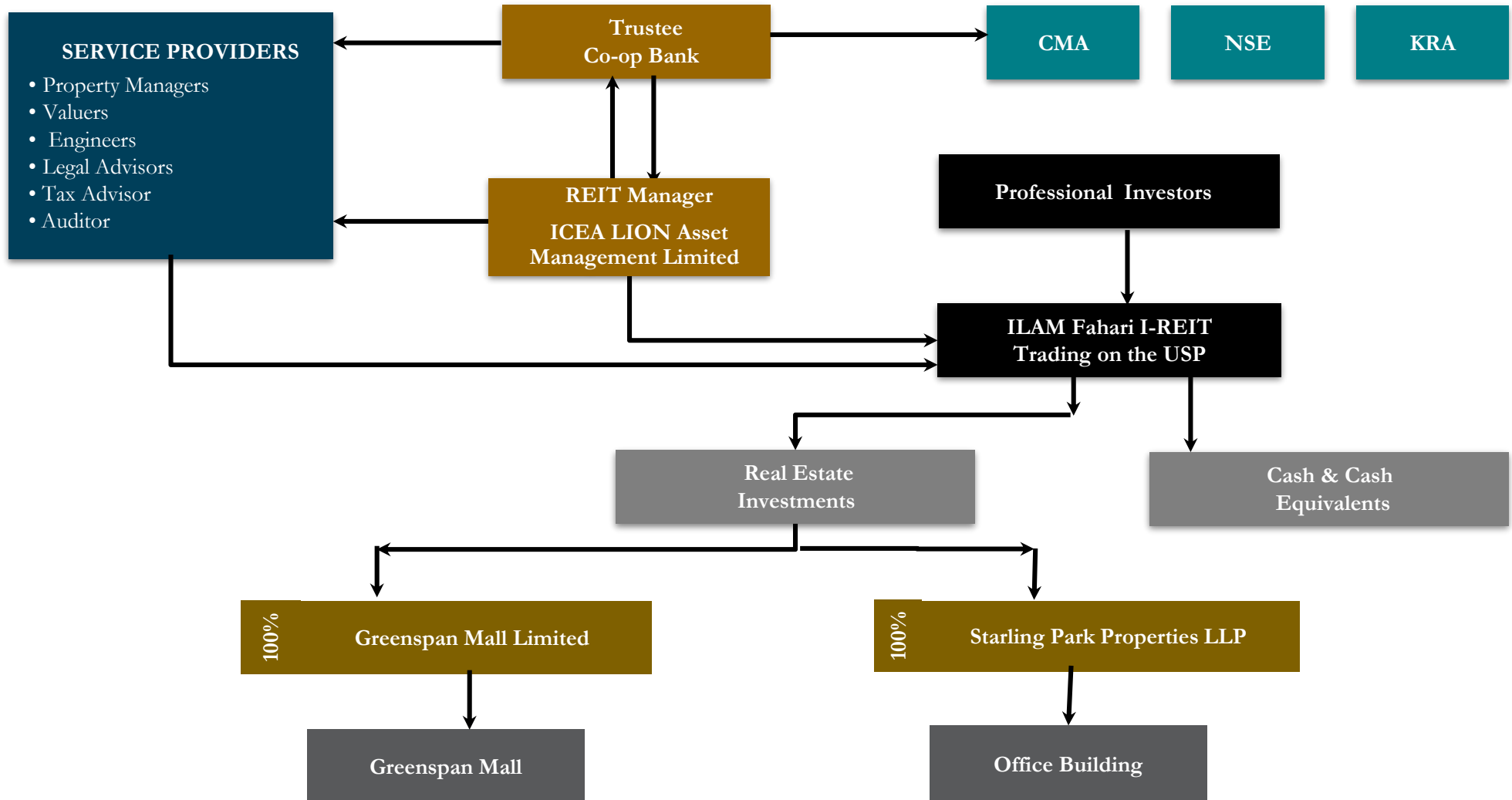


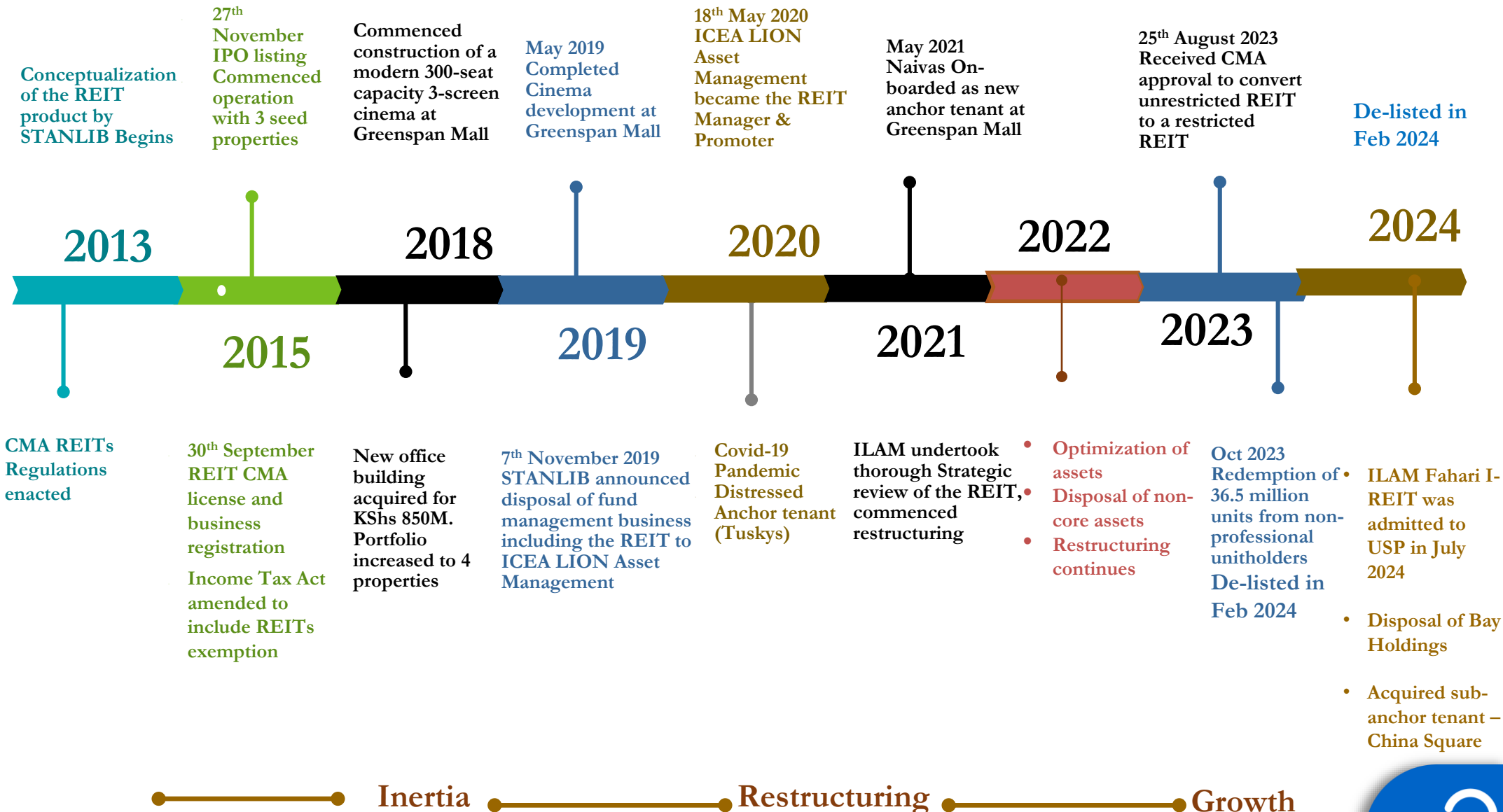


ILAM FAHARI I-REIT 9TH ANNUAL GENERAL MEETING

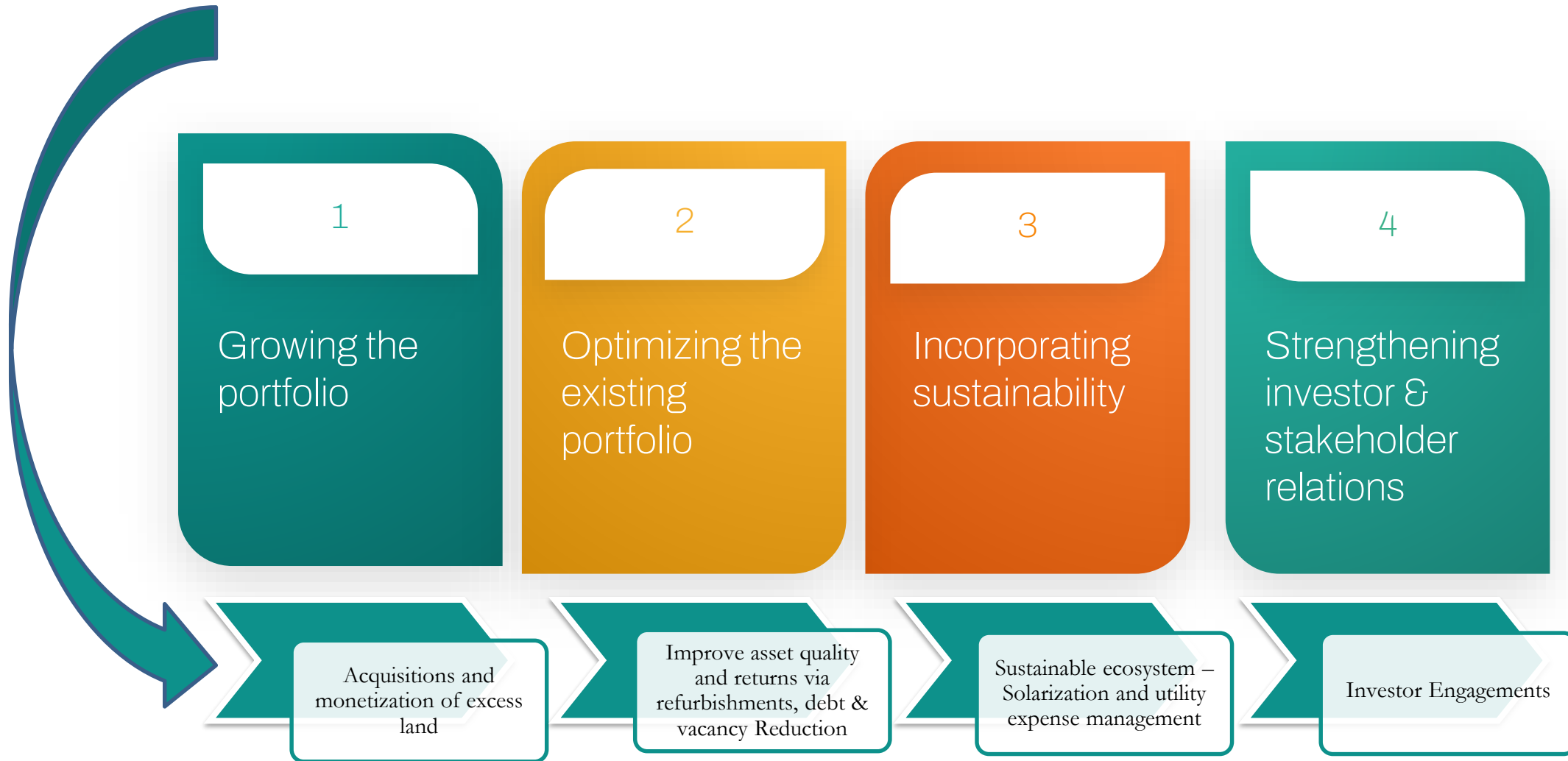
ILAM Fahari I-REIT Structure



ILAM Fahari I-REIT Journey

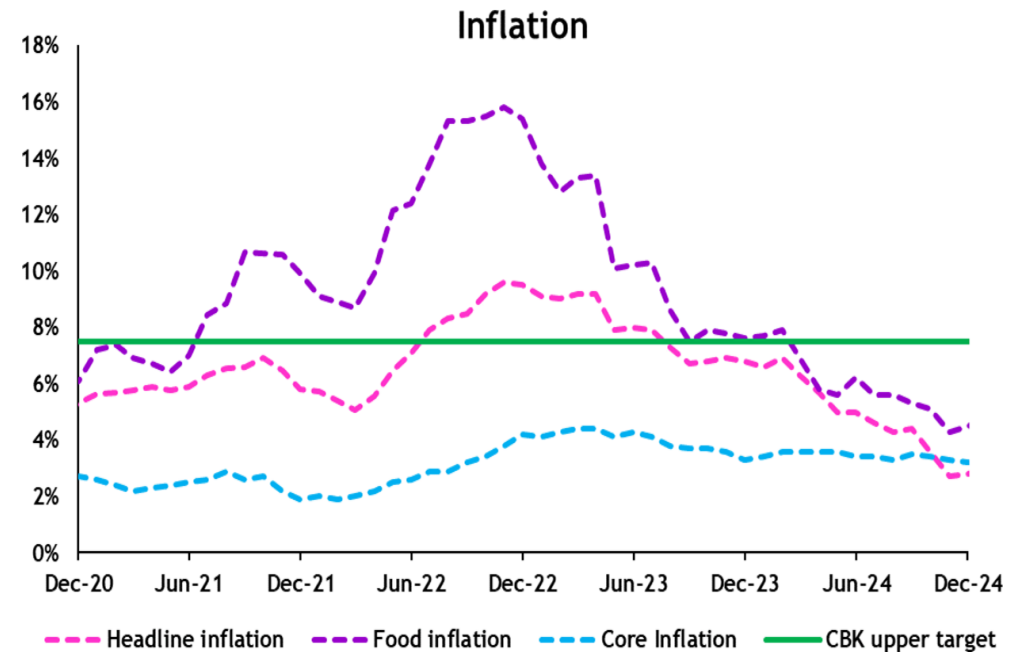
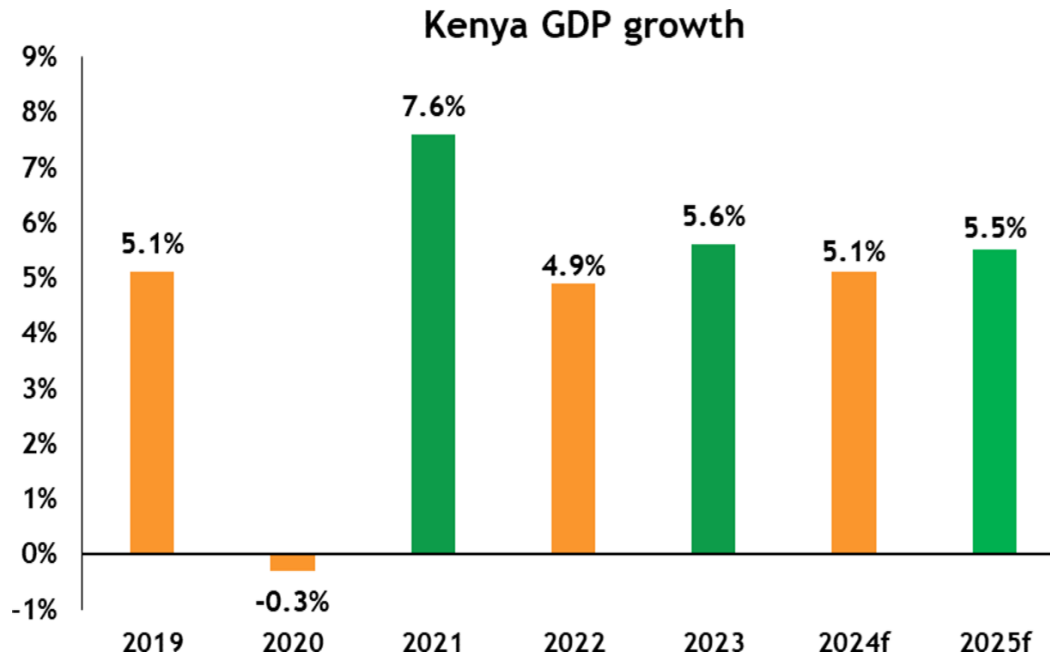


Strategic Priorities



2024 Macroeconomic Review

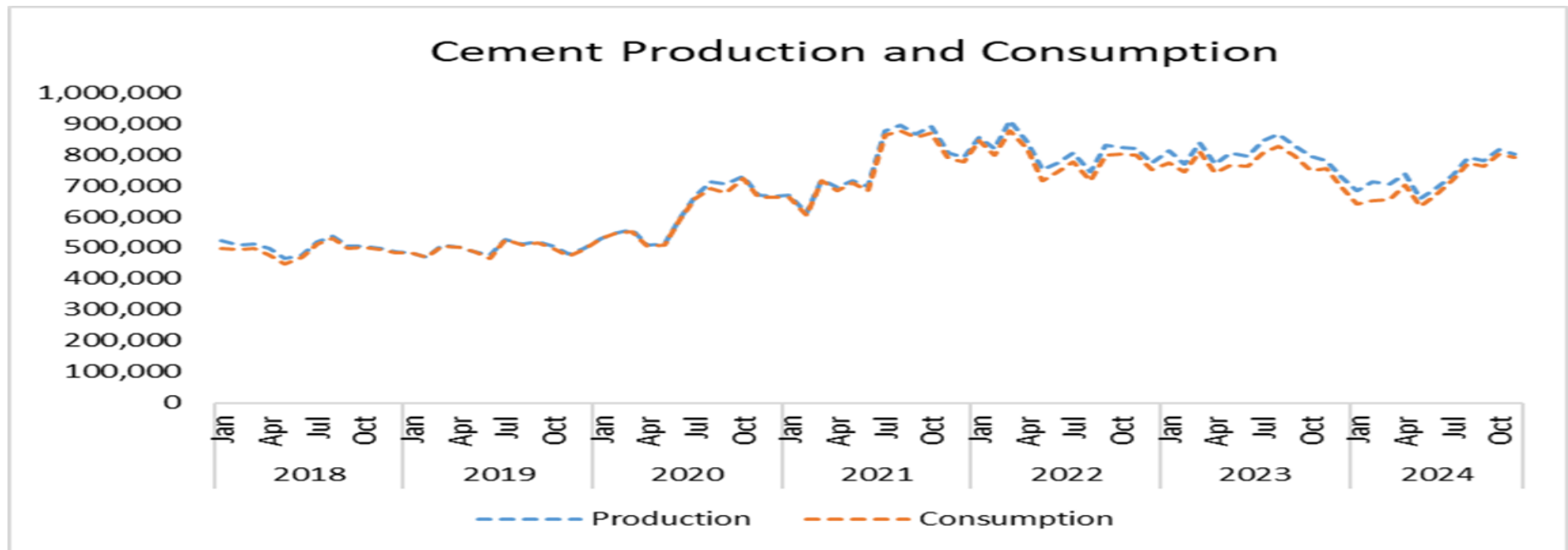
Macroeconomic Performance



- ✓ Kenya's GDP is projected to **grow to 5.5%** in 2025, up from 5.1% in 2024. However, **Q3 2024 saw a decline** in GDP growth to **4.0% from 6.0%** in Q3 2023 due to sectoral slowdowns.
- ✓ The real estate sector experienced **slower growth in Q3 2024** at 5.5%, down from 7.7% in Q3 2023, while the construction sector **contracted by 2.0% in Q3 2024**, mainly due to rising non-performing loans and increased construction costs.

- Headline inflation in Kenya **decreased to 4.5% in 2024 from 7.7% in 2023**. This decline was primarily driven by lower food inflation (5.6% vs. 9.8% in 2023) and reduced utilities inflation (4.0% vs. 8.1% in 2023). Additionally, fuel prices saw a significant year-on-year decrease, with petrol declining by 17% and diesel by 18%..

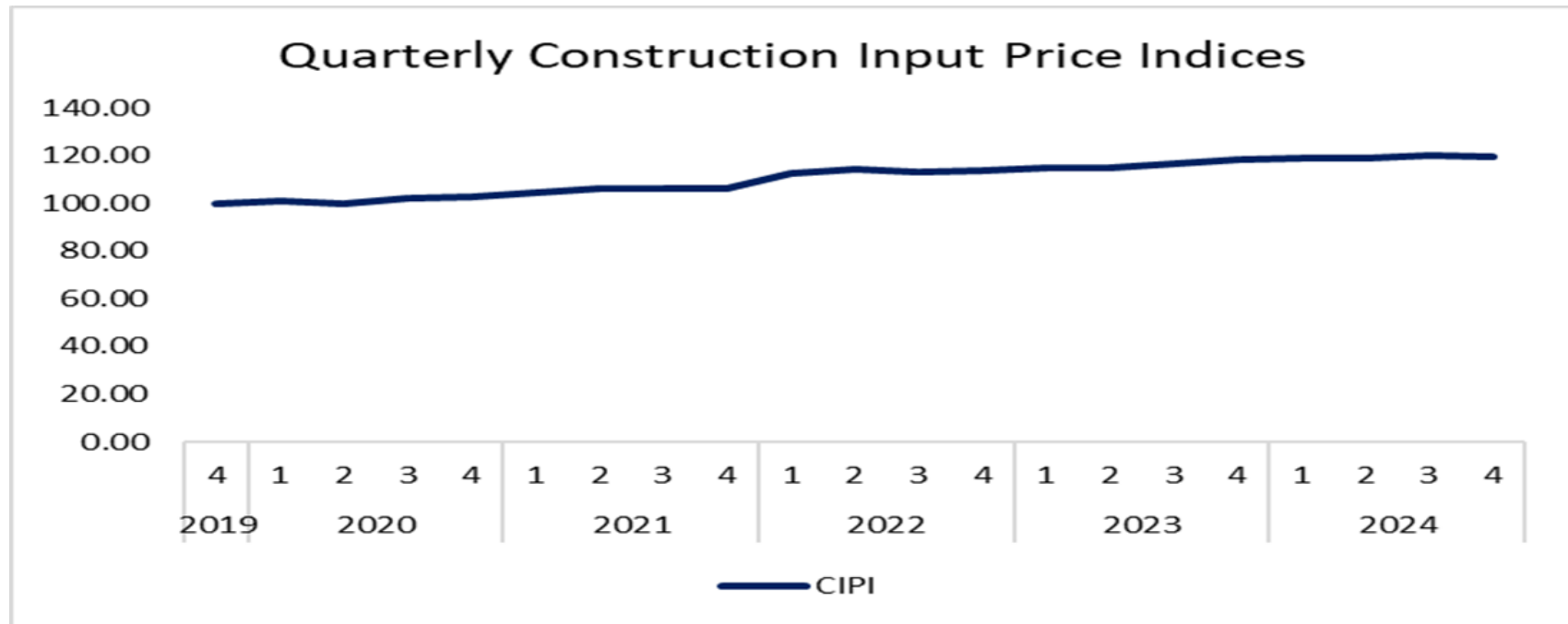
Cement Production and Consumption



- ✓ Cement Consumption: 793,239 tonnes in November 2024, down 5% year-on-year.
- ✓ Cement Production: 803,632 tonnes in November 2024, up 3% year-on-year.
- ✓ Price Increase: Cement rose to KShs 830 per bag, from KShs 750 in 2023, due to:
 - New 5% tax on coal (key for clinker production).
 - 35% excise duty on ceramic tiles and higher steel levies.

Construction Material

Other Construction Materials



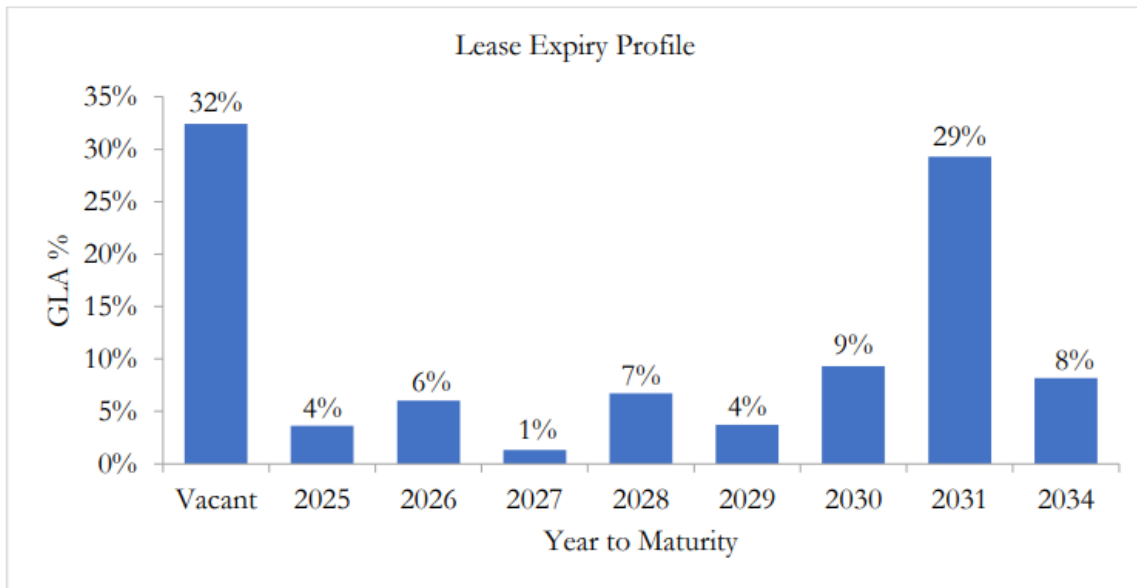
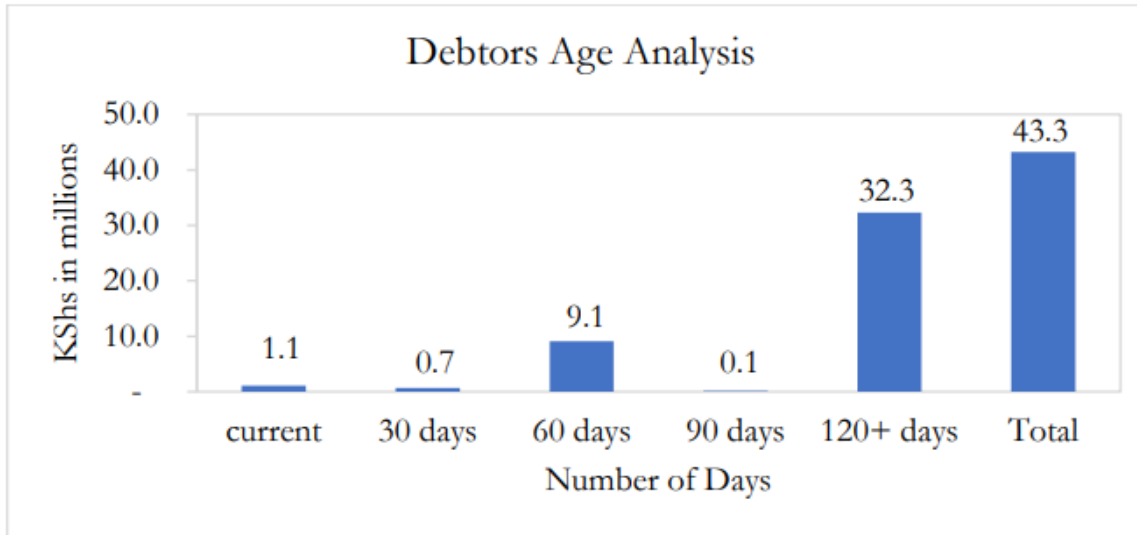
✓ **Construction cost inflation declined** to 0.87% in Q4 2024.

✓ **Material Price Movements:**

- **Cement costs fell by 1.94% in Q4 2024.**
- **Steel reinforcement bars declined by 1.97%.**
- **Ballast and crushed stones fell by 2.37%.**

2024 Operational Performance Report

Key Performance Indicators



- Tenant arrears **decreased to KShs. 43.3 million at the end of 2024** (from KShs. 49.9 million in 2023) due to stringent collections processes.
- The lease expiry profile is **well-distributed, with 46% of the Gross Leasable Area (GLA)** expiring more than six years after the reporting date; notable expirations include the anchor tenant (29% in 2031) and sub-anchor tenant (8% in 2034) at the Greenspan Mall
- The 32% vacancy rate is primarily due to 67 Gitanga Place, and the REIT Manager is actively working to lease this property in 2025.

Key Performance Indicators ...(continued)

Vacancies

Property	GLA	Vacant GLA	Vacancy %
Greenspan Mall	154,457	22,157	14%
67 Gitanga Place	41,312	41,312	100%
Total weighted average	195,769	63,469	32%

- The **portfolio vacancy rate improved**, decreasing by 3% to 32% from the previous year's 35%.
- China Square leased approximately 20,000 square feet at Greenspan Mall and officially opened on January 13, 2025; efforts to lease 67 Gitanga Place are also intensified for 2025.

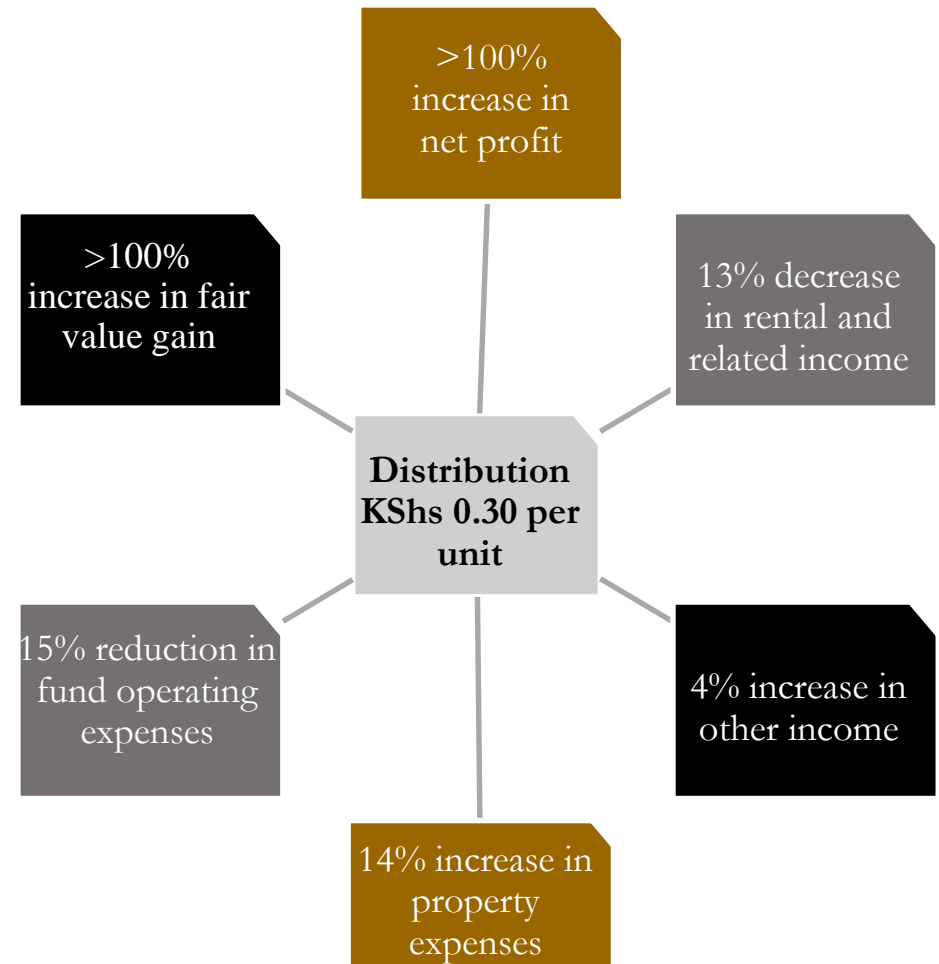


2024 Financial Performance Report

Performance Highlights

Commentary

- **>100 increase in net profit** (from a **slight loss of KShs 297,642** in prior year **to profit of KShs 377 Million**) mainly due to a fair value gain in the investment property portfolio.
- **13% decrease in rental and related income** owing to vacancy at 67 Gitanga Place which persisted throughout the year.
- **14% increase in property expenses** mainly due to rising costs in property management resulting from the challenging economic environment
- **15% reduction** in fund operating expenses on the account of less costs incurred towards the concluded restructuring, having admitted the REIT's units to the Unquoted Securities Platform of the NSE on 10th July 2024.
- >100 increase in fair value gain in investment. The two assets recorded valuation gains due to the increased occupancy at Greenspan Mall from 75% to 86% and improvement on market yields for office buildings impacting 67 Gitanga Place.



Consolidated Statement of Profit or Loss

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
	NOTE	2024 (KShs)	2023 (KShs)
Revenue		293,528,287	316,630,698
Rental and related income		279,499,972	322,420,562
Straight-lining of lease income		14,028,315	(5,789,864)
Other income		54,411,654	52,143,196
Interest income		54,761,654	38,777,696
Realised (loss)/gain on disposal		(350,000)	13,365,500
Operating expenses		(220,282,814)	(225,817,112)
Property expenses		(110,553,736)	(97,180,778)
Fund operating expenses		(109,729,078)	(128,636,334)
Change in fair value of investment property		249,547,547	(143,254,424)
Profit /(loss) for the year		377,204,674	(297,642)
Other comprehensive income		-	-
Total comprehensive income attributable to unitholders for the year		377,204,674	(297,642)
Basic earnings per unit (KShs)	1	2.08	-
Headline earnings per unit (KShs)	1	0.71	0.79
Supplementary information			
Distributable earnings per unit (KShs)	1	0.34	0.82

Consolidated Statement of Financial Position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	2024 (KShs)	2023 (KShs)
ASSETS		
Non-current assets		
Investment property	3,050,000,000	2,779,700,000
Fair value of investment property for accounting purposes	2,995,312,854	2,739,041,169
Straight-line lease accrual	54,687,146	40,658,831
Property and equipment	68,165,697	50,252,190
	3,118,165,697	2,829,952,190
Current assets		
Investment property	-	160,000,000
Term deposits	357,629,740	176,760,959
Trade and other receivables	52,752,296	83,886,537
Cash and cash equivalents	142,250,622	218,790,974
	552,632,658	639,438,470
Total assets	3,670,798,355	3,469,390,660
EQUITY & LIABILITIES		
Capital and reserves		
Trust capital	3,479,540,745	3,479,540,745
Fair value reserve	(4,287,333)	(319,363,195)
Retained earnings	8,169,562	146,247,419
	3,556,949,033	3,306,424,969
Current liabilities		
Trade and other payables	113,849,322	162,965,691
Total equity & liabilities	3,670,798,355	3,469,390,660
Net asset value per unit	19.65	18.27

Commentary

- Assets that were held for sale under current assets decreased to zero due to the disposal of Bay Holdings property which had a book value of KShs 160 million by end of 2023. The disposal increased the cash and investment securities by KShs. 159.7 million.
- Increase in Net Asset Value (NAV) per unit mainly attributable to the increase in fair value gain as well as net operating profit for the year under review

Consolidated Statement of Cash Flows

CONSOLIDATED STATEMENT OF CASH FLOWS		
	2024 (KShs)	2023 (KShs)
Cash flows from operating activities		
Cash generated from operations	45,044,280	71,930,047
Net cash inflow from operating activities	45,044,280	71,930,047
Cash flows from investing activities		
Proceeds from sale of investment property	159,650,000	43,365,500
Additions to investment property	(6,724,138)	(144,288)
Interest received	54,761,654	38,777,696
Additions to property and equipment	(21,722,757)	(17,702,738)
Additions to term deposits	(180,868,781)	-
Proceeds from maturity of term deposits	-	110,288,161
Net cash (used in)/generated from investing activities	5,095,978	174,584,331
Cash flows from financing activities		
Distribution paid	(126,680,610)	(117,631,995)
Net cash from financing activities	(126,680,610)	(117,584,331)
Net movement in cash and cash equivalents	(76,540,352)	128,882,383
Cash and cash equivalents at 1 January	218,790,974	89,908,591
Cash and cash equivalents at 31 December	142,250,622	218,790,974

NOTES	2024 (KShs)	2023 (KShs)
1. Basic and headline earnings		
Basic earnings - comprehensive income attributable to unitholders for the period	377,204,674	(297,642)
Adjusted for:		
Fair value adjustment to investment property (including straight-line lease accrual movement)	(249,547,547)	143,254,424
Headline earnings	127,657,127	142,956,782
Adjusted for:		
Straight-line lease accrual movement	(14,028,315)	5,789,864
Realised loss on disposal of property	(51,500,000)	(85,500,000)
Distributable earnings	62,128,812	63,246,646
Distributable earnings per unit (KShs)	0.34	0.35
Basic earnings per unit (KShs)	2.08	-
Headline earnings per unit (KShs)	0.71	0.79
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

- Distribution of KShs 127 million relating to FY2023 paid in April 2024 in line with the REIT's Regulations.



ILAM

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THANK YOU