

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
		2024 (KShs)	2023 (KShs)
<b>ASSETS</b>			
<b>Non-current assets</b>			
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
		<b>3,118,165,697</b>	<b>2,829,952,190</b>
<b>Current assets</b>			
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
		<b>552,632,658</b>	<b>639,438,470</b>
<b>Total assets</b>		<b>3,670,798,355</b>	<b>3,469,390,660</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Capital and reserves</b>			
Trust capital		3,479,540,745	3,479,540,745
Fair value reserve		(4,287,333)	(319,363,195)
Retained earnings		8,169,621	146,247,419
		<b>3,556,949,033</b>	<b>3,306,424,969</b>
<b>Current liabilities</b>			
Trade and other payables		113,849,322	162,965,691
<b>Total equity &amp; liabilities</b>		<b>3,670,798,355</b>	<b>3,469,390,660</b>
<b>Net asset value per unit</b>		<b>19.65</b>	<b>18.27</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY				
	Trust capital (KShs)	Revaluation reserve (KShs)	Retained earnings (KShs)	Total (KShs)
<b>2024</b>				
<b>Balance at 1 January 2024</b>	3,479,540,745	(319,363,195)	146,247,419	3,306,424,969
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)	-
<b>Transactions with owners of equity</b>				
Distribution to unitholders	-	-	(126,680,610)	(126,680,610)
<b>Balance at 31 December 2024</b>	<b>3,479,540,745</b>	<b>(4,287,333)</b>	<b>81,695,621</b>	<b>3,556,949,033</b>
<b>2023</b>				
<b>Balance at 1 January 2023</b>	3,479,540,745	(255,818,907)	200,632,768	3,424,354,606
<b>Total comprehensive income</b>				
Loss for the year	-	-	(297,642)	(297,642)
Transfer to non-distributable reserve	-	(149,044,288)	149,044,288	-
Transfer to distributable reserve	-	85,500,000	(85,500,000)	-
<b>Transactions with owners of the REIT</b>				
Distribution	-	-	(117,631,995)	(117,631,995)
<b>Balance at 31 December 2023</b>	<b>3,479,540,745</b>	<b>(319,363,195)</b>	<b>146,247,419</b>	<b>3,306,424,969</b>

CONSOLIDATED STATEMENT OF CASH FLOWS		
	2024 (KShs)	2023 (KShs)
<b>Cash flows from operating activities</b>		
Cash generated from operations	45,044,280	71,930,047
<b>Net cash inflow from operating activities</b>	<b>45,044,280</b>	<b>71,930,047</b>
<b>Cash flows from investing activities</b>		
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
<b>Net cash (used in)/generated from investing activities</b>	<b>5,095,978</b>	<b>174,584,331</b>
<b>Cash flows from financing activities</b>		
Distribution paid	(126,680,610)	(117,631,995)
<b>Net cash from financing activities</b>	<b>(126,680,610)</b>	<b>(117,584,331)</b>
<b>Net movement in cash and cash equivalents</b>	<b>(76,540,352)</b>	<b>128,882,383</b>
Cash and cash equivalents at 1 January	218,790,974	89,908,591
<b>Cash and cash equivalents at 31 December</b>	<b>142,250,622</b>	<b>218,790,974</b>

NOTES		
	2024 (KShs)	2023 (KShs)
<b>1. Basic and headline earnings</b>		
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
<b>Headline earnings</b>	<b>127,657,127</b>	<b>142,956,782</b>
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)
<b>Distributable earnings</b>	<b>62,128,812</b>	<b>63,246,646</b>
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

## COMMENTARY

**1. Basis of preparation**  
The audited condensed consolidated financial statements presented above have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRSs), and the Capital Markets (Real Estate Investment Trusts) (Collective Investment Schemes) Regulations, 2013. The Financials have been audited by KPMG Kenya 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](http://www.ilamfahariireit.com) from 31<sup>st</sup> March 2025.

**2. Business review**  
The REIT made a net profit of KShs 377.2 mln compared to a loss of KShs 0.3 mln in the comparative period. The significant turnaround was on the account of fair value gain on investment property resulting from increased occupancy.  
◆ Rental and related income declined by 13% primarily due to the vacancy at 67 Gitanga Place. The management is in the process of finding a replacement tenant.  
◆ Property expenses increased by 14% mainly due to rising costs in property management resulting from a challenging economic environment  
◆ Fund operating expenses decreased by 15% on the account of less restructuring costs incurred during the year under review compared to prior year.

**3. Distribution**  
The REIT Manager has recommended, and the Trustee has approved, a first and final distribution of KShs. 54,291,690 in relation to the year ended 31<sup>st</sup> December 2024 (2023: KShs. 126,680,610) subject to Unitholders approval at the Annual General Meeting scheduled for 23<sup>rd</sup> April 2025. This amounts to 30 cents per unit (2023: 70 cents per unit) and is payable no later than 30<sup>th</sup> April 2025.

**Approval of the financial statements**  
The financial statements were approved for issue by the Trustee and the Board of the REIT Manager on 26<sup>th</sup> March 2025 and signed on their behalf

**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 NINTH ANNUAL GENERAL MEETING

Notice is hereby given that the Ninth Annual General Meeting of the Unitholders of the ILAM Fahari I-REIT ("REIT") will be held virtually on Wednesday, 23<sup>rd</sup> April 2025, commencing at 10:00am for the purpose of transacting the business as set out below:

- AGENDA**
- To read the notice convening the meeting and determine if a quorum is present.
  - To receive, consider and if thought fit, adopt the Annual Report and the Audited Annual Financial Statements for the year ended 31<sup>st</sup> December 2024.
  - To note and ratify the first and final distribution for the year ended 31<sup>st</sup> December 2024, of KShs. 54,291,690 (30 cents per unit in issue) as recommended by the REIT Manager and approved by the Trustee.
  - To note that KPMG continue as Auditors for the REIT.
  - 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 Company Secretary  
The Co-operative Bank of Kenya Limited  
P.O. Box 48231 – 00100 Nairobi, Kenya  
Date: 26<sup>th</sup> March 2025

**NOTE:**

- Professional Investors:** The Form of Proxy will be available on the ILAM Fahari I-REIT website at [www.ilamfahariireit.com](http://www.ilamfahariireit.com) starting from 31<sup>st</sup> March 2025.
- Retail Unitholders:** The Voting Instruction Form will be available on the ILAM Fahari I-REIT website at [www.ilamfahariireit.com](http://www.ilamfahariireit.com) starting from 31<sup>st</sup> March 2025.
- 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.