



MEDIA RELEASE

ILAM FAHARI IREIT ANNOUNCES REDEMPTION OFFER CLOSURE

5th October 2023... Listed real estate investment trust [ILAM Fahari Real Estate Investment Trust \(NSE: FAHR\)](#), redemption offer, ends tomorrow with a preliminary positive subscription outlook.

Speaking when he confirmed the ongoing redemption offer period which paves the way for the conversion process, ICEA LION Asset Management (ILAM) Chief Executive Officer Mr. Einstein Kihanda confirmed that following the closure, the trading of the ILAM Fahari I-REIT will be temporarily suspended from trading at the Nairobi Securities Exchange (NSE) from close of trading on Friday 6th October up to Wednesday 25th October in line with the timetable in the Conversion Offering Memorandum and the Public Notice dated 29th August 2023.

The offer which opened 30 days ago had targeted the redemption of up to 36.5 million REIT units currently trading at the NSE from Non-Professional Investors at a redemption offer price of KSH 11 per unit. The redemption offer price represents, a premium of more than 82% above the trading price as at the announcement date.

"We are pleased with the market's positive response to the conversion and redemption offer so far, and we encourage all Non-Professional Investors who are considering redeeming their units to do so or top up to reach the Professional Investor threshold before the offer closes on Friday 6th October at 5:00pm," Mr Kihanda said.

ICEA LION Asset Management (ILAM) is undertaking a strategic move to reposition ILAM Fahari I-REIT for growth as envisioned when it went public in 2015. The move has been informed by a strategic review that ILAM undertook in 2021 which sought to understand the challenges the I-REIT faced and develop strategies to improve the returns and market performance.

"The redemption offer is pivotal to our ongoing operational restructuring plan aimed at ensuring the REIT's sustainability and improving its ability to generate returns for unitholders. It is also an opportunity for unitholders whose unit value is less than KSH 5 million to exit the REIT at a premium to the current market price," ILAM Fahari I-REIT CEO Raphael Mwito said.

ILAM received regulatory approval from the Capital Markets Authority (CMA) to convert its unrestricted ILAM Fahari Income Real Estate Investment Trust into a restricted I-REIT. As part of the offer, Non-Professional Investors also have the option to top up to the Kshs 5 million professional investors threshold as prescribed by regulatory provisions or opt to be bundled under a nominee account holding all non-professional investors. The REIT Manager has set up the bundled nominee account specifically to cater for Non-Professional Investors who are not able to exit during the transaction period or do not wish to take up the redemption offer, granting them continued participation in the REIT's growth.

"The REIT Trustee will review all redemption applications, and the unitholders who have successfully redeemed their units will be paid on 24th October, 2023, after reconciliation of the transaction," Mr. Mwito added.



ILAM Fahari I-REIT's portfolio includes four real estate properties: Greenspan Mall, Highway House, a three-storey industrial building off Mombasa Road and 67 Gitanga Place.

For more information on the redemption offer, please visit the ILAM Fahari I-REIT website at <https://ilamfahariireit.com> or contact your investment banker or stock broker.

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).

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