



**SEMI-ANNUAL REPORT AND UNAUDITED CONDENSED FINANCIAL
STATEMENTS AS AT 30 JUNE 2025**

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REPORT OF THE REIT MANAGER

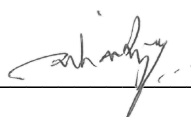
The REIT Manager submits its interim report together with the unaudited condensed financial statements for the six-month period ended 30th June 2025, which show the state of affairs of ILAM Fahari I-REIT (“the REIT”).

1. APPROVAL OF THE REIT MANAGER’S SEMI-ANNUAL REPORT AND UNAUDITED INTERIM FINANCIAL STATEMENTS

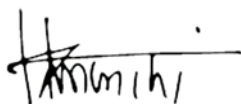
The REIT Manager’s semi-annual report and unaudited condensed financial statements of ILAM Fahari I-REIT for the interim period ended 30th June 2025 have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRSs), the Accounting Standard IAS 34: Interim Reporting, and the Capital Markets (Real Estate Investment Trusts) (Collective Investment Schemes) Regulations, 2013. These were approved by the Board of the REIT Manager and by the REIT Trustee on 29th July 2025 and are signed on their behalf by:



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

2. NATURE OF BUSINESS AND DURATION OF THE SCHEME

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

On 25th August 2023, the REIT received approval from the CMA to convert from an unrestricted into a restricted I-REIT and to delist from the Main Investment Market Segment (“MIMS”) of the NSE. This followed the successful conclusion of the Redemption Offer and the passing of the delisting resolution at the Extra-Ordinary General Meeting (“EGM”) held on 24th November 2023. The REIT was subsequently delisted from the NSE on 12th February 2024, and its units admitted to the Unquoted Securities Platform (“USP”) of the NSE on 10th July 2024.

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, including 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 REITs Regulations; and
- ✓ investing in cash, deposits, bonds, securities and money market instruments.

3. SCHEME'S OBJECTIVES AS AT THE DATE OF THE REPORT AND ANY CHANGES SINCE LAST REPORT

The objectives of the REIT Scheme have not changed since the last report. The primary objective of the REIT Scheme is to provide Unitholders with stable annual cash distributions from investment in a diversified portfolio of income generating real estate assets.

A further objective is to improve and maximise unit value through the on-going management of the REIT Scheme's assets, future acquisitions and the development of additional income producing real estate assets within regulatory limits.

4. DIRECTORS OF THE REIT MANAGER

The directors of ICEA LION Asset Management Limited during the period under review and up to the date of this report were:

Director's name	Role	Appointment date
Andrew Ndegwa	Non-executive Chairman	18 May 2020
Einstein Kihanda	Chief Executive Officer	18 May 2020
Patrick Mugambi	Non-executive Director	18 May 2020
Stephen Mallowah	Non-executive Director	18 May 2020
Kairo Thuo	Non-executive Director	18 May 2020
Paul Muthaura	Non-executive Director	17 March 2022
Philip Lopokoityit	Non-executive Director	23 November 2022

5. ACQUISITIONS

a. Acquisitions during the period

During the period under review, the REIT did not acquire any real estate assets.

b. Real estate assets contracted for purchase or sale

At the time of report date, no real estate assets were contracted for purchase or sale.

c. Compliance with Regulation 66

The Scheme completed the acquisitions of the nominated real estate investment within regulatory limits.

d. Other non-direct real estate assets

Other than the assets mentioned in this report, the REIT does not hold any other non-direct real estate assets.

6. CONSTRUCTION ARRANGEMENTS

a. Construction and development activities

During the period under review, the Scheme did not enter into any construction and development activities.

b. Contractual arrangements to enter into construction and development activities in the next six months

The Scheme has not entered into any contractual arrangements to commence construction and development activities in the next six months.

7. DETAILS OF ANY MATERIAL LITIGATION AND POTENTIAL IMPACT

As at the date of this report, the REIT Manager is unaware of any material litigation.

8. BORROWINGS

The Scheme has not entered into any borrowings or financial arrangement in the period under review.

9. BUSINESS REVIEW

Net profit for the six months ended 30th June 2025 increased by 20% to KShs 64.3 million compared to KShs 53.8 million in the same period last year. This translates to distributable earnings of 36 cents per unit (June 2024: 30 cents). The increase is mainly due to higher rental income resulting from increased occupancy at Greenspan Mall, which rose to 86% (from 75% in June 2024), as well as rent escalation in line with lease agreements. Additionally, property expenses decreased slightly by 8% contributing to the higher net profit.

Key performance highlights are as follows:

- Rental and related income increased slightly by 3%, mainly due to increased occupancy at Greenspan Mall, as highlighted above.
- Interest income increased by 5%, despite the significant decline in market interest rates. The increase is attributable to additional cash from the disposal of Bay Holdings Property, which is available for investment.

Property expenses decreased by 8% compared to the same period last year, mainly due to a decline in electricity expense resulting from the installation of solar panels at Greenspan Mall. Additionally, there was a significant decline in provisions for doubtful debts, owing to increased collections at the mall

9. BUSINESS REVIEW - Continued

- Fund operating expenses decreased slightly by 2% due to a one-off business restructuring expense incurred in the same period last year, which was not present in the current period under review.
- As at 30th June 2025, total assets under management stood at KShs 3.55 billion comprising investment property valued at KShs 3.05 billion and cash reserves of KShs 502 million.

10. DISTRIBUTION

The distribution of KShs 54,291,690 as disclosed in the 2024 annual report (2023: KShs 126,680,610) was paid in April 2025 in line with the REIT's Regulations. The distribution was declared out of distributable earnings and met the requirements of a minimum distribution in terms of the REIT's Regulations, which require that a minimum of 80% of net profit after tax, from sources other than realised gains from disposal of real estate assets, is distributed. No interim distribution has been declared for the period ended 30th June 2025.

The table below shows how the December 2024, 2023, 2022, 2021, and 2020 distribution was derived:

Details	Dec 2024	Dec 2023	Dec 2022	Dec 2021	Dec 2020
Distributable earnings (KShs)	62,128,814	63,246,646	141,948,519	101,973,271	134,420,916
Minimum distribution per Trust Deed and Regulations	49,703,051	50,597,317	113,558,815	81,578,617	107,536,733
Distribution (KShs)	54,291,690	126,680,610	117,631,995	90,486,150	108,583,380
Distribution as a % of distributable earnings (%)	87%	>100	83	89	81
Weighted average units in issue (number)	180,972,300	180,972,300	180,972,300	180,972,300	180,972,300
Distributable earnings per unit (KShs)	0.34	0.35	0.78	0.56	0.74
Distribution per unit (KShs)	0.30	0.70	0.65	0.50	0.60

10. DISTRIBUTION - Continued

The declaration of the above distribution occurred after the end of the annual financial period resulting in a non-adjusting event at the end of that period and full recognition in the subsequent financial year.

The source of the above distribution was as follows:

Sources of distribution	Dec 2024	Dec 2023	Dec 2022	Dec 2021	Dec 2020
Net rental/dividend income from wholly owned property companies	168,946,236	225,239,784	223,019,921	183,808,700	211,258,848
Fund interest and other income	54,761,654	38,777,696	31,021,470	25,664,245	22,412,016
Realized (loss)/gain on disposal (full year)	(350,000)	13,365,500	-	-	-
	223,357,890	277,382,980	254,041,391	209,472,945	233,670,864
LESS:					
Fund operating expenses	(109,729,078)	(128,636,334)	(112,092,872)	(107,499,674)	(99,249,948)
Realized loss on disposal of property	(51,500,000)	(85,500,000)	-	-	-
Total potential distributable income	62,128,812	63,246,646	141,948,519	101,973,271	134,420,916
Distribution from prior year retained earnings	-	63,433,964	-	-	-
Distribution	54,291,690	126,680,610	117,631,995	90,486,150	108,583,380
Distribution as a % of distributable income	87%	>100%	83%	89%	81%

11. GOING CONCERN

The condensed unaudited financial statements of the REIT have been prepared using appropriate accounting policies consistent with those applied at the last report, supported by reasonable and prudent judgments and estimates. The REIT Manager has a reasonable expectation based on an appropriate assessment of a comprehensive range of factors, that the REIT has adequate resources to continue as a going concern for the foreseeable future and at least for the next twelve months from the date of this report.

12. AUDITORS

The condensed consolidated financial statements of the REIT for the interim period ended 30th June 2025 have not been audited by the REIT's independent auditors.

13. ONGOING REQUIREMENT FOR REIT AUTHORIZATION

In order to retain its authorization as an I-REIT, the REIT Scheme must comply with the requirements set out in the REIT's Regulations, including:

- ✓ Investing only in eligible investments;
- ✓ Investing at least 75% of the total NAV in income producing real estate;
- ✓ Earning at least 70% of its income from rent, licence fees or access or usage rights or other income streams of a similar nature generated by eligible investments in income producing real estate; and
- ✓ Distributing, within four months of the end of each financial year, a minimum of 80% of the net after tax income of the Scheme, unless otherwise authorised by unitholders. Failure to comply with this requirement could have tax implications for the REIT Scheme such that its income may no longer be treated as tax exempt.

All the above requirements have been complied with.

14. REIT MANAGER'S OPERATIONAL REVIEW

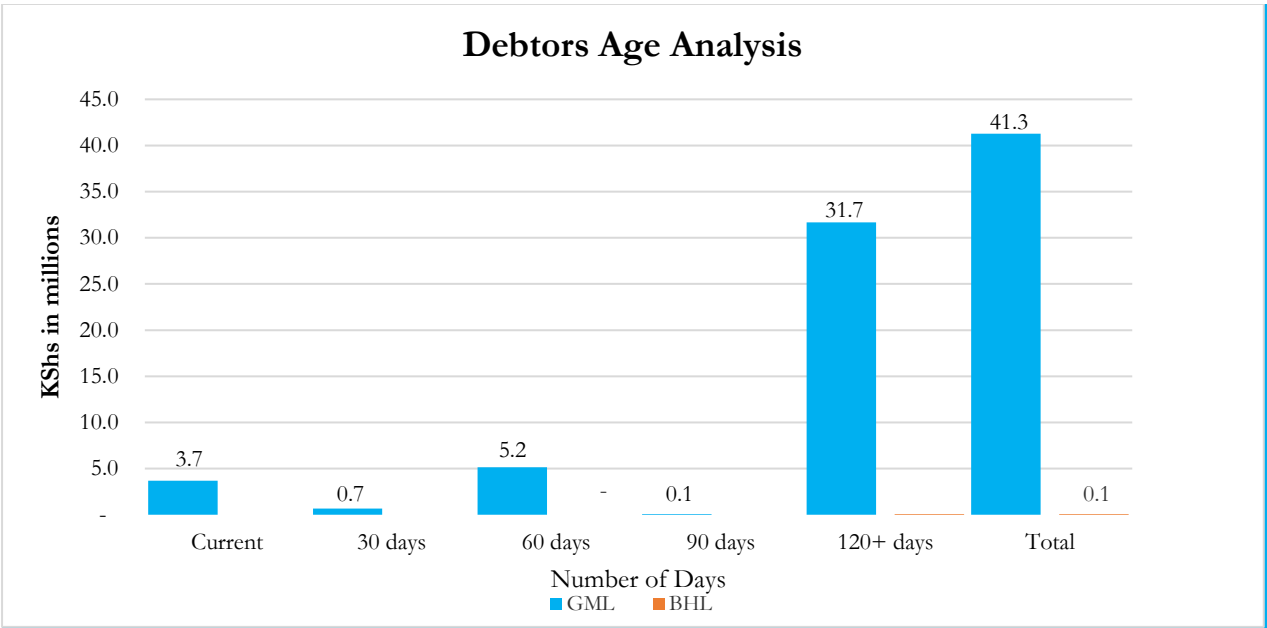
During the 6 months ended 30th June 2025, the REIT Manager continued to offer strategic and operational management to the REIT in order to deliver returns to the investors as well as comply with regulatory and legislative requirements. Some of the key accomplishments during the period under review includes:

- ❖ REIT Strategy - Development of a comprehensive ILAM Fahari I-REIT Growth Strategy for 2025-2027 which is focused on repositioning the Fund for long-term, sustainable value creation is complete. The strategy builds on Fahari's progress, recent restructuring efforts, and will focus on achieving resilience amidst a challenging macroeconomic landscape.
- ❖ Progress on proposed development of excess land at Greenspan Mall.
 - M/s Turner and Townsend appointed the Project Manager Certifier (PMC) on the project.
 - PMC has held a number of initial planning meetings with the client, architects and quantity surveyors.

- PMC led evaluations for key consultancy services: i.e. Civil & Structural Engineering, Mechanical, Electrical, Plumbing, and Fire (MEPF) Engineering, Geotechnical & Topographical Services among others.
 - Geotech investigations have been completed and the findings incorporated in the project.
 - Project drawings have been presented to the Nairobi County Government for initial review and in principle approval.
 - The full business case with inputs from all the consultants is finalized and has been presented to the Board of the REIT Manager awaiting approval before progressing to Stage 3 of design.
- ❖ Yield Investment -A business case has been submitted for Board and Trustee approval for a proposed brownfield development of a bespoke facility for lease to a leading retailer and distributor of electronic appliances in East Africa, at Greenspan Mall. This investment aligns with the REIT's strategic objectives to enhance returns and expand its tenancy mix to cater to a diverse consumer base.
 - ❖ Disposal of non-core assets - The sale of Bay Holdings was completed and the proceeds invested in competitive interest earning deposits awaiting deployment in line with the REIT Regulations and investment policy statement.
 - ❖ Cash management (all cash collected from rentals is invested in a diversified portfolio of near-cash instruments, in line with a dedicated Investment Policy Statement ("IPS"), to ensure optimal returns with minimal exposure to financial-sector risk);
 - ❖ Liquidity planning (once the cash is optimally invested, sufficient liquidity is available to make payments when due);
 - ❖ Exploration of mechanisms to raise additional capital (such as debt financing, vendor placement, and general issuances of new equity);
 - ❖ Efficient use of capital at the SPV level, through management of capital expenditure to improve core asset value;

15. KEY PERFORMANCE INDICATORS

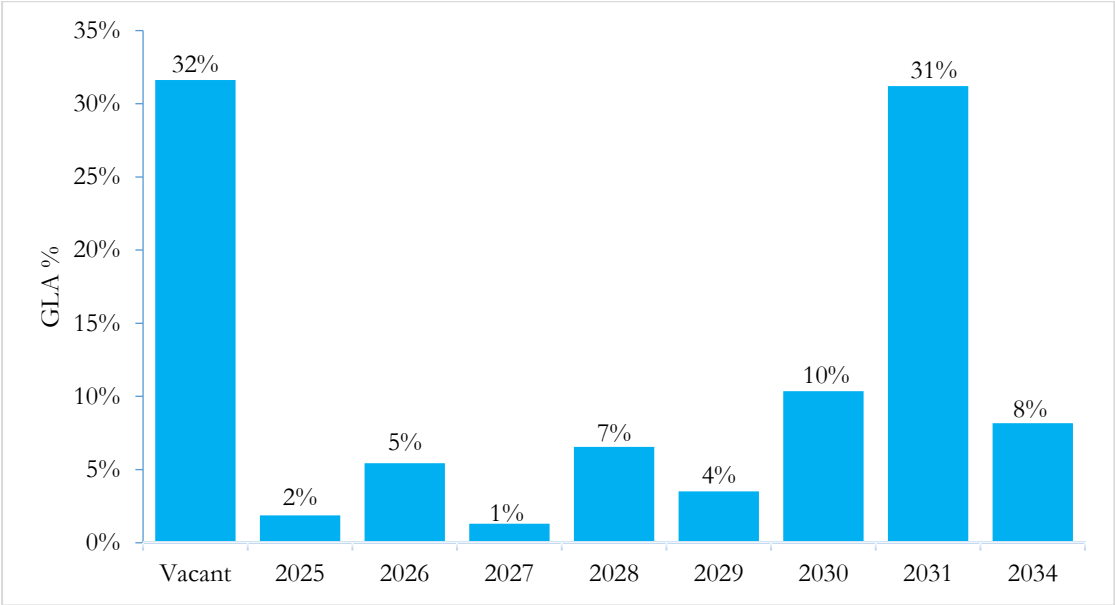
15.1 Debtors Age Analysis



Tenant debtors for the portfolio stood at KShs 41.3 million as of 30th June 2025, before taking into account the provision for doubtful debts of KShs 37.0 million. The significant outstanding amount is attributable to the former anchor tenant (Tuskys), who still owes Greenspan Mall Limited about KShs 26 million after the sale of distressed goods. The matter is still ongoing in court. There has been improved collection at the mall despite the tough economic conditions, which has resulted in a significant reduction in provisions for doubtful debts.

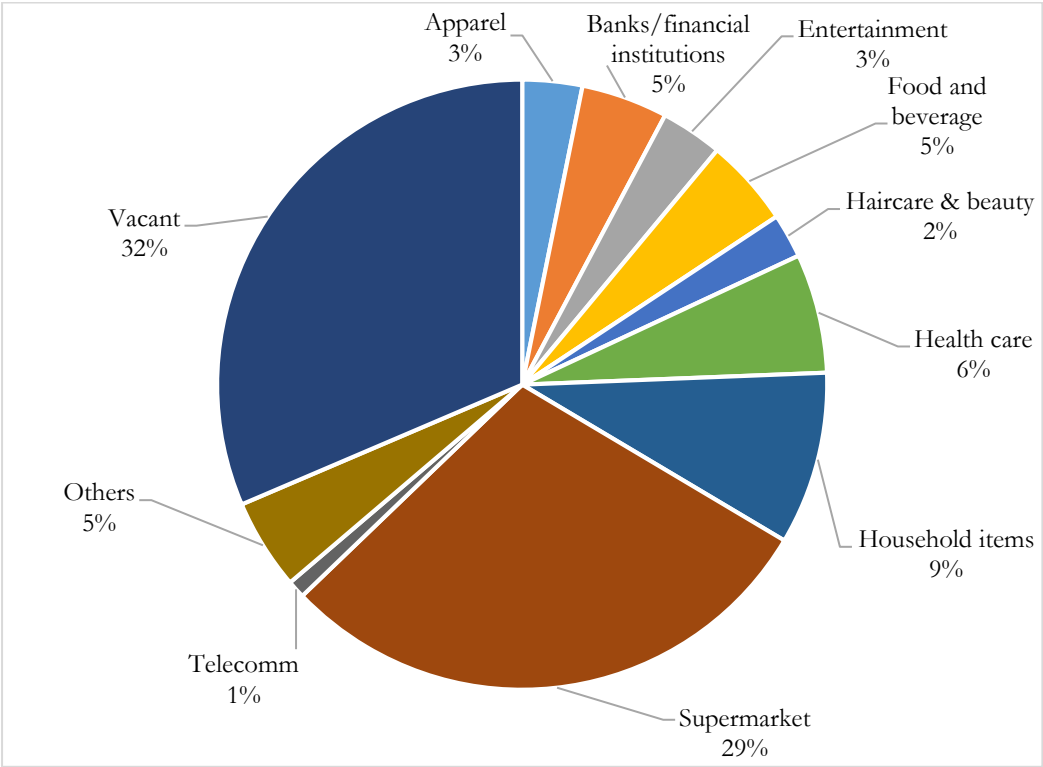
15. KEY PERFORMANCE INDICATORS (Continued)

15.2 Lease Expiry Profile by GLA



The lease expiry profile is well spread, with 49% of the leases expiring from 2030 and beyond. The expiry in 2031 relate mainly to the anchor tenant while the 8% in 2034 relate to a sub-anchor tenant at Greenspan Mall who was on-boarded during the last quarter of 2024.

15.3 Portfolio Tenancy Mix



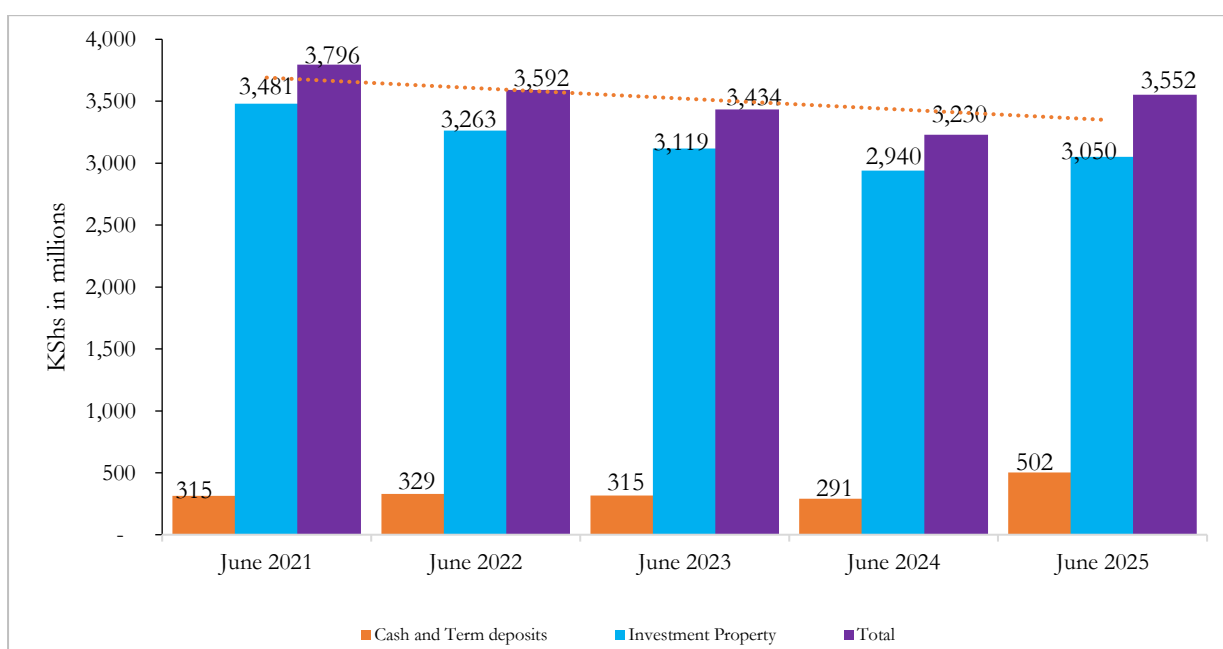
The portfolio has a strong and well diversified tenant base to cushion it at times of sectoral weaknesses. The high vacant space of 32% is due to the vacancy at 67 Gitanga place. The REIT Manager continues to strategize on further diversification as part of the reduction of the vacant space within the properties.

15.3 Vacancies

Property	GLA	Vacancy GLA	Vacancy %
Greenspan Mall	155,477	20,585	13.3%
67 Gitanga Place	41,312	41,312	100.0%
Total / weighted average	230,054	79,850	31.6%

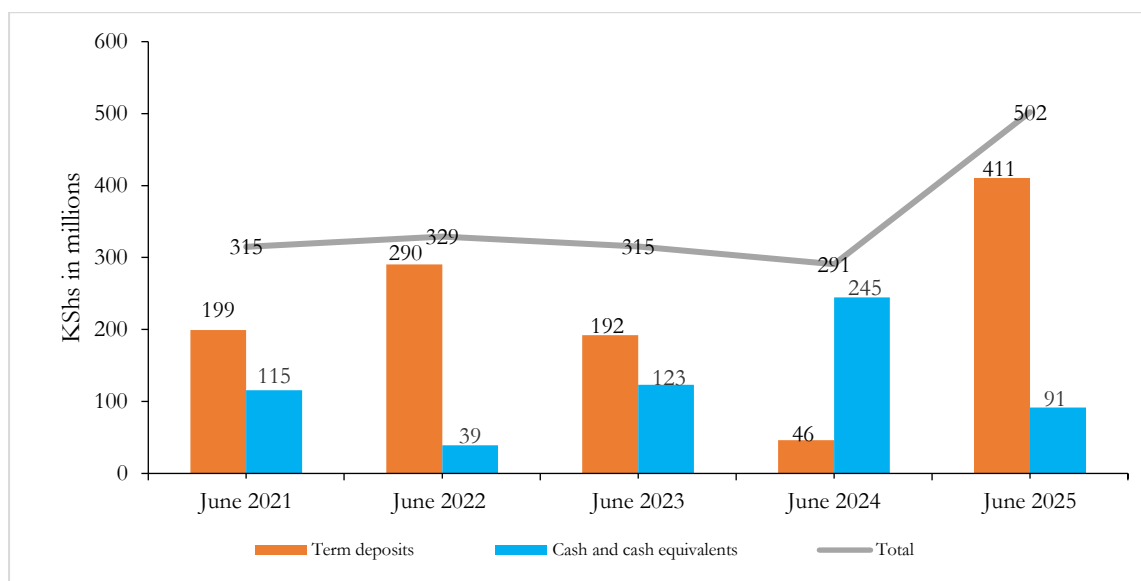
The portfolio vacancy remains elevated due to tough economic times that has made it difficult to let out spaces mainly at Starling Park and Greenspan Mall. The REIT Manager is pursuing various options to ensure the vacancy is reduced to the desired levels.

16. ASSETS UNDER MANAGEMENT



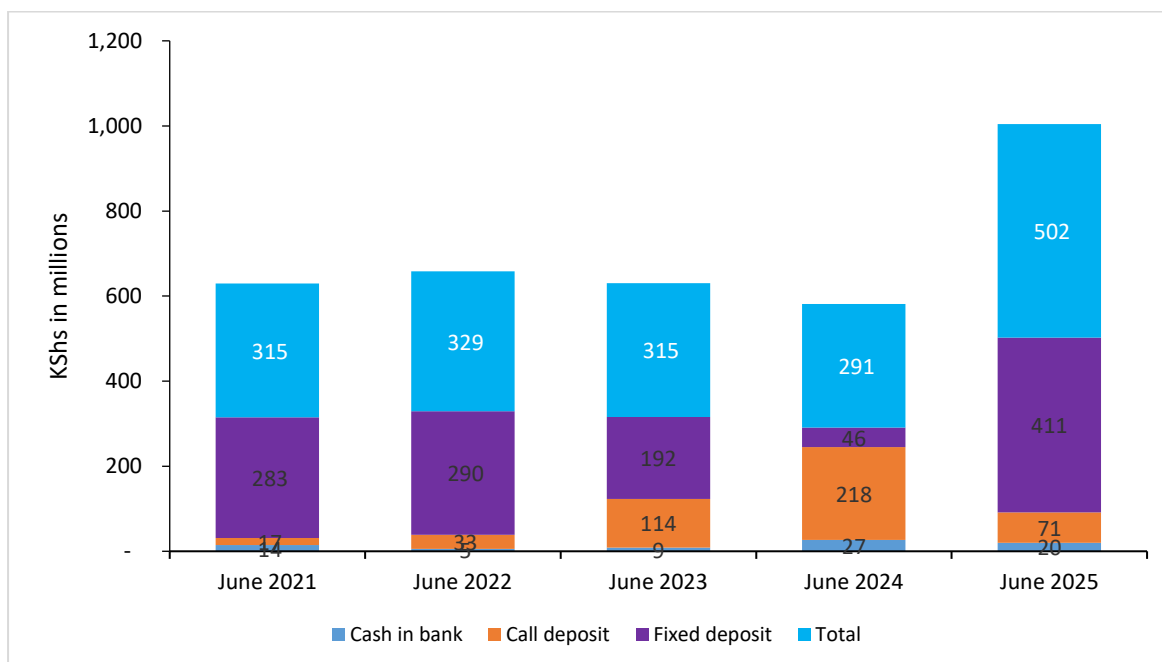
Total assets under management increased slightly compared to the comparative period. This was due to fair value gain recorded mainly from the property portfolio as per the valuation conducted in December 2024. Cash and term deposits increased to KShs 502.0 million from KShs 291 million as a result of the disposal of Bay Holdings property during the third quarter of 2024.

17. CASH AND NEAR CASH ASSETS



To ensure optimisation of interest income returns, cash from property subsidiaries is swept into the REIT's investment account on a daily basis and is then invested in competitively priced call and term deposits. In the above table, fixed deposits that have a maturity greater than 90 days at inception are classified as term deposits; otherwise, they are included in cash and cash equivalents.

Breakdown of cash and near cash assets



Investment in longer-dated instruments increased during the first half of 2025 to lock in higher returns amidst declining interest rates in the market.

18. NET ASSET VALUE

18.1 Movement in Net Asset Value (KShs)

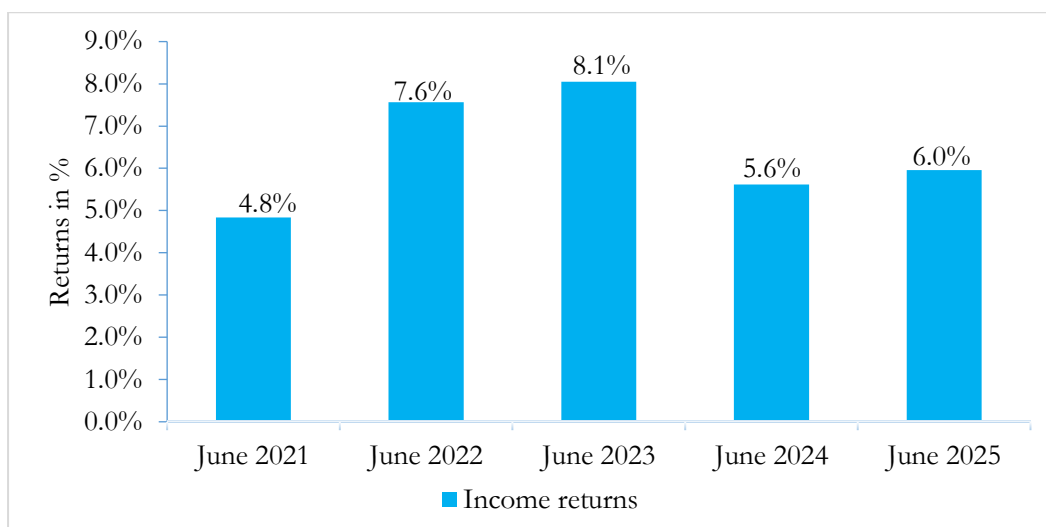
	June 2025	June 2024	June 2023	June 2022	June 2021
Total asset value	3,661,667,147	3,377,646,332	3,566,601,109	3,687,742,447	3,896,064,240
Net asset value	3,567,005,914	3,233,571,557	3,392,754,636	3,538,881,055	3,709,367,148
Number of units in issue	180,972,300	180,972,300	180,972,300	180,972,300	180,972,300
Net asset value per unit	19.71	17.87	18.75	19.55	20.50

18.2 Net Asset Value Prior and Post Distribution of Earnings

(KShs)	At 31.12.2024	At 31.12.2023	At 31.12.2022	At 31.12.2021	At 31.12.2020
Net asset value prior to distribution	3,556,949,033	3,306,424,969	3,424,354,606	3,543,204,347	3,775,738,737
Net asset value post distribution	3,502,657,343	3,179,744,359	3,306,722,611	3,452,718,197	3,667,155,357
Net asset value per unit prior to distribution	19.65	18.27	18.92	19.58	20.86
Net asset value per unit post distribution	19.35	17.57	18.27	19.08	20.26
Yield based on the value of the unit as at 31 December	2.7%	11.1%	10.0%	8.0%	10.6%

19. FUND RETURNS

19.1 Property Returns (annualised)

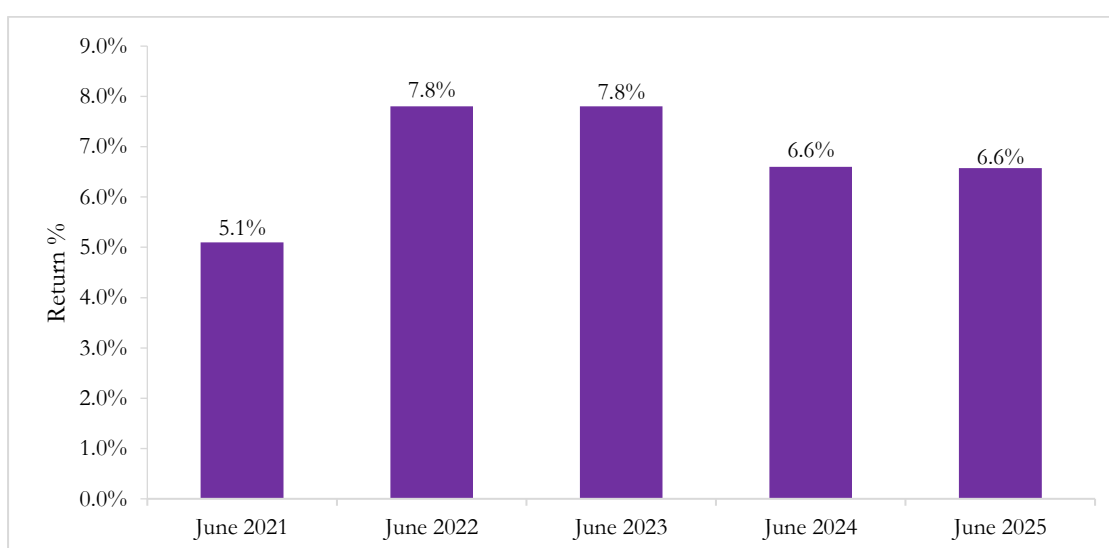


Property is valued once at the end of the financial year by an independent valuer. Therefore, no capital return is realised mid-year. Income returns for the period under review increased slightly to 6.0% mainly due to higher occupancy at Greenspan Mall.

19.2 Interest Income Return (annualised) (%)

	June 2025	June 2024	June 2023	June 2022	June 2021
Fixed and call deposit interest return	11.2	16.5	10.7	9.7	8.2

19.3 Total Portfolio Return



The total portfolio return comprises the weighted property and interest income return over the various reporting periods. The average split for the current period under review is 91%/9% leading to cash instruments contributing much less to the total returns.

19.4 Management Expense Ratio

The management expense ratio (“MER”) is the total fees and expenses incurred at a fund level expressed as a percentage of the average NAV for the period under review. The MER numbers displayed below **have not been annualised**.

	June 2025	June 2024	June 2023	June 2022	June 2021
MER (%)	1.5	1.7	1.7	1.5	1.4

The MER reduced slightly to 1.5% from 1.7% the same period last year, mainly due to a one-off restructuring expense incurred previously but not during the current period under review.

20. DETAILED ANALYSIS OF UNITHOLDINGS

ILAM Fahari I-REIT is trading as FAHR on the NSE under the Unquoted Securities Platform of the NSE and may be listed on such other securities exchanges as the unitholders may resolve from time to time.

The units are registered for trading with ISIN code KE5000003656, are freely transferable on the USP, and bear no restriction on transfer.

20.1 Closed-ended Fund, Details of any Restrictions on Applications for Redemption

ILAM Fahari I-REIT is a closed-ended fund. Its units can only be traded through the USP. The price of the units is market driven and may not necessarily be equal to the NAV of the REIT. The REIT Scheme may undertake secondary offers as and when the need arises.

20.2 Free Float as Required by Regulation 27 and 29

The free float as at 30th June 2025 amounted to 100% (30th June 2024: 100%). None of the ILAM Fahari I-REIT issued units were subjected to any lock-in conditions as at that date.

20.3 Statement of number and type of units outstanding as at the date of the report and last financial statements

The REIT has 180,972,300 units in issue as at 30th June 2025. The total number of authorised units is 625,000,000. These have not changed since the last audited financial statements.

20.4 Statement of Restriction on Transferability of Units

The units are freely transferable on the NSE USP, and the Trustee has not imposed any restriction on the transfer of units.

20.5 Details of number and price at which units were issued or redeemed and total value of units issued or redeemed during the period covered by the report

Units in issue	Number
Units in issue at beginning of period	180,972,300
Units issued during period	-
Units cancelled or redeemed	-
Units in issue at period end	180,972,300

The REIT has only one class of authorised and issued units. No units were redeemed or issued within the reporting period.

20.6 Breakdown of REIT Securities Holdings by Class

The distribution of the REIT's unitholders as at 30th June 2025 was as follows:

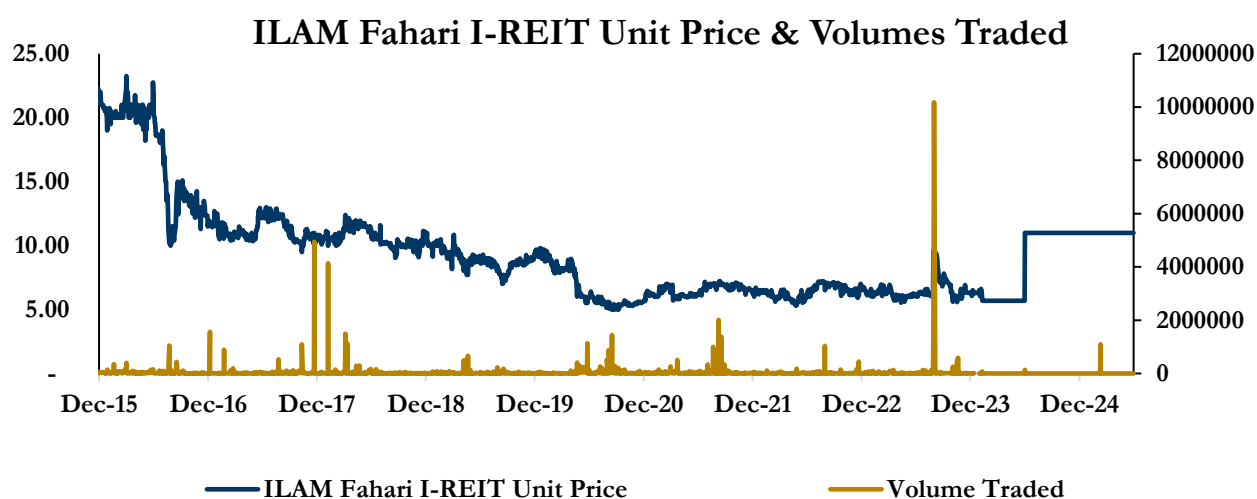
RANGE	Units	Units %	Unitholders	Unit holders %
Less than 100	-	-	-	-
100-1000	-	-	-	-
1001-10000	-	-	-	-
10001-100000	-	-	-	-
100001-less than 5% of no. of units in issue	49,808,421	27.5	28	80.0
Holdings above 5% of no. of units in issue	131,163,879	72.5	7	20.0
TOTAL	180,972,300	100.0	35	100.0

20.7 Top Ten Investor Holdings

Top ILAM Fahari I-REIT Unitholders as at 30 th June 2024	Units	% Holding
Standard Chartered Nominees Non Resd A/C Ke11752	23,900,000	13.21
ICEA LION Life Assurance Company Ltd-Share Holders	22,621,538	12.50
The Co-operative Bank of Kenya Ltd *	21,595,436	11.75
ICEA Asset Management Limited A/C 2000	20,862,605	11.53
STANLIB Kenya Limited	18,384,300	10.16
Standard Chartered Nominees Resd A/C Ke11436	11,900,000	6.58
Standard Chartered Nominees Resd A/C Ke11401	11,900,000	6.58
Liberty Group Ltd	7,700,700	4.26
Stanbic Nominees Ltd A/C R1018467-C	6,805,158	3.76
One Globe Holdings Limited	5,200,000	2.87
TOTAL	150,869,737	83.18

*The Co-operative Bank of Kenya Ltd relates to a nominee account that holds units for 4,005 nonprofessional investors who did not take up the redemption offer in 2023.

21. CLOSING PRICE HISTORY



The REIT's closing price at the various reporting periods is outlined below:

	30 Jun 2025	30 Jun 2024	30 Jun 2023	30 Jun 2022	30 Jun 2020
Closing price per unit (KShs)	11	5.68	6.04	6.00	6.14

22. CONNECTED PARTY TRANSACTIONS

The following are connected parties to the REIT, who had dealings with the REIT and the relevant transactions:

(a) Identification of connected parties who had dealings with the REIT

Connected party	Relationship	Transaction
ICEA LION Asset Management Limited	REIT Manager	Asset management fees
The Co-operative Bank of Kenya Limited	Trustee	Trustee and custodial fees
Knight Frank Kenya Limited	Property Manager	Property management fees
Viva Africa Consulting	Tax Advisor	Tax consultancy services

(b) Connected party transactions – fees paid

Transaction	June 2025	June 2024
Asset management fee paid to ICEA LION Asset Management Limited	35,006,312	35,000,000
Trustee and custodial fees paid to Co-op Bank	11,632,717	10,530,352
Property management fees paid to Knight Frank Kenya	7,653,662	7,356,921
Leasing fee paid to Knight Frank Kenya	107,460	160,534
Tax consultancy services fee paid to Viva Africa Consulting	314,400	279,400
Total	54,714,551	53,327,207

(c) **Connected party balances**

The REIT had the following cash balances held with Co-operative Bank:

Bank account name	June 2025	June 2024
Investment account – fixed deposits	189,261,062	45,000,000
Investment account – call deposits	58,673,753	130,000,000
Investment account	8,621,365	12,388,817
Rent collection account – Greenspan Mall	2,820,869	3,355,558
Service charge account – Greenspan Mall	5,568,311	6,612,777
Rent collection account – Bay Holdings	782,663	1,753,688
Rent collection account – Signature International	325,487	636,325
Service charge account – Starling Park	2,128,500	1,863,795
Total	268,182,010	201,610,960

23. INVESTMENTS IN ANY WHOLLY OWNED AND CONTROLLED COMPANY CARRYING OUT REAL ESTATE RELATED ACTIVITIES

- The asset known as Greenspan Mall is held within the wholly-owned subsidiary Greenspan Mall Limited.
- The asset known as 67 Gitanga Place is held through the partnership – Starling Park Properties LLP. Starling Park Properties is 99% owned by the REIT and 1% by Greenspan Mall Limited which holds the 1% partnership in trust on behalf of the REIT.

Save as disclosed in the case of Starling Park Properties LLP, the above entities are all held in trust by The Co-operative Bank of Kenya Limited in its capacity as REIT Trustee.

24. FEES PAID BY THE REIT AS PER REGULATIONS

	June 2025	June 2024
ICEA LION Asset Management Limited - asset management fees	35,006,312	35,000,000
Co-operative Bank – trustee and custodial fees	11,632,717	10,530,352
Knight Frank Kenya Limited – property management	7,761,122	7,356,921
Total	54,400,151	52,887,273

25. PROPERTIES DETAILED REPORT

25.1 GREENSPAN MALL

Greenspan Mall is a modern decentralized mixed-use development, situated on 3.8 hectares (9.5 acres), within the middle-income area of Donholm approximately 12 km to the east of the Nairobi CBD. The development comprises a retail centre with a Gross Lettable Area (GLA) of approximately 14,350 m² (154,457 sq. Ft.) with 1,000 parking spaces.

The acquisition price (on 11 December 2015) was KShs 2,093,576,710.

The property is registered as L.R. No. Nairobi/Block 82/8759 (F1, F2, F3, F4 & F5). It is held as leasehold interest for a term of 99 years less 7 days, with lease commencement date 1 September 2007 at peppercorn rent, if demanded. As at 30th June 2025, the property has an unexpired leasehold term of 82 years.



The mall has a parking ratio in excess of 4 bays per 100 m² of GLA, has a captive middle-income market within the larger Greenspan Estate and offers opportunity to develop an additional 2 acres of vacant land forming part of the acquisition.

The property presents an ideal location with potential to improve the returns through development of excess land and reconfiguration of the mall/tenant mix. Anchored by Naivas who occupy 37% of the GLA, the mall offers fast food restaurants and bars, as well as various service-related tenants such as banks, cinema, wellness centres, salons and small non-branded fashion and apparel component.

25.3 67 GITANGA PLACE



The property is a three-storey office building located on Gitanga Road off James Gichuru Road in Lavington, Nairobi.

The property is registered as L.R. No. 3734/1426 (original L.R. No. 3734/917) measuring 0.2830 hectares for a term of 99 years from 1st April 2016 and registered as Title Number LR 191014. The property has an unexpired leasehold term of 90 years as at 30th June 2025.

The acquisition of Starling Park Properties LLP was concluded on 29th May 2018 for an amount of KShs 850,037,500 including the value of equipment and deposits valued at KShs 37,500.

The property has a GLA of 3,838 m² (41,312 sq.ft.) and has basement parking. On 31st May 2023, the property became vacant upon expiry of the previous tenant's lease. The REIT Manager is in the process of finding a replacement tenant.

26. SUMMARY OF RECENT VALUATIONS

The REIT did not revalue the real estate portfolio during the interim reporting period ended 30th June 2025.

Copies of the valuation reports as at 31st December 2024 are available for inspection free of charge at the offices of the REIT Manager, and may be inspected between the hours of 09h30 - 15h00, Monday to Friday (excluding public holidays).

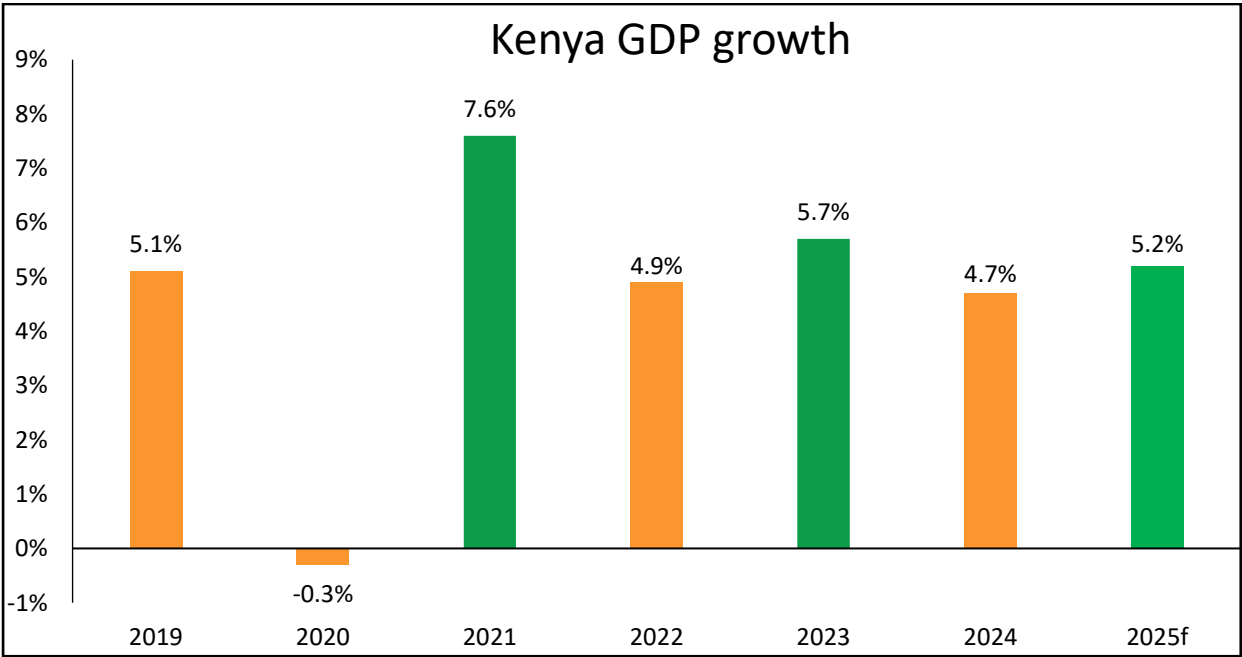
27. PROPERTY MARKET UPDATE

27.1 Gross Domestic Product

In the first quarter of 2025, Kenya's Gross Domestic Product (GDP) growth remained consistent at 4.9%, mirroring the performance observed in the first quarter of 2024. This steady growth was bolstered by improved performance across several key sectors, including agriculture, manufacturing, trade, construction, and education.

Looking ahead, the Central Bank of Kenya anticipates a positive shift in the nation's economic trajectory, projecting an increase in GDP growth to 5.2% in 2025 from 4.7% in 2024. This optimistic outlook is primarily driven by expected higher growth contributions from a broad range of sectors: agriculture, manufacturing, construction, trade, transport, information and communication technology (ICT), real estate, and education.

In the first half of 2025, Kenya's Real Estate sector showed significant growth in property transactions and development, leading to a 5.3% increase in its contribution to Gross Domestic Product (GDP). This contribution rose to KShs 358.4 billion in Q1'2025 from KShs 334.1 billion in Q1'2024. The sector maintained its 10.2% share of the country's GDP in Q1'2025, consistent with Q1'2024. However, the combined contribution of the Real Estate and construction sectors to GDP slightly decreased by 0.1% points, from 15.6% in Q1'2024 to 15.5% in Q1'2025. This minor decline was due to a 0.1%-point decrease in the construction sector's GDP contribution, which fell to 5.2% in Q1'2025 from 5.3% in Q1'2024.

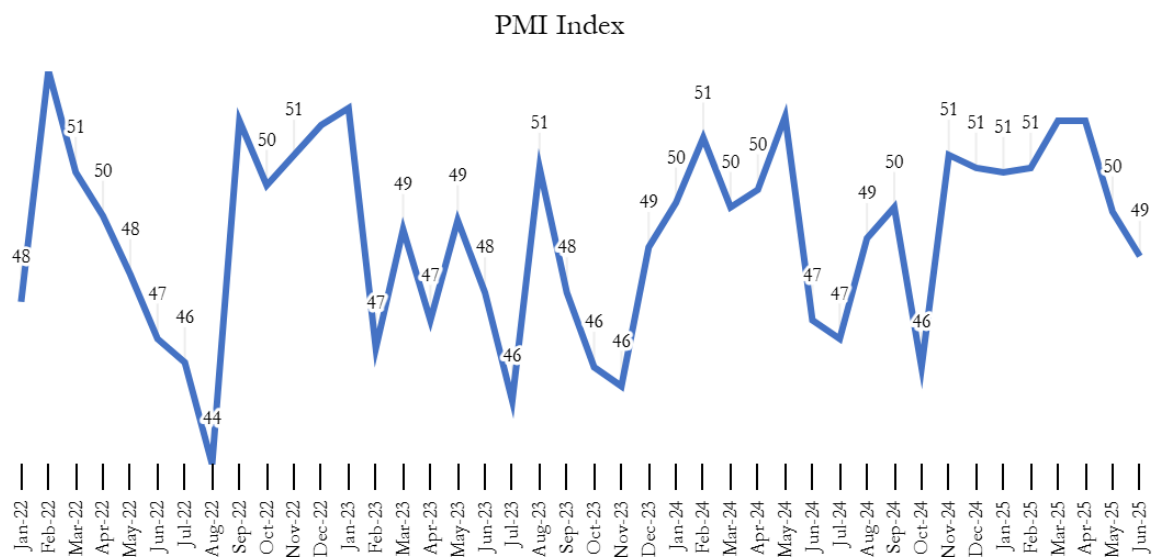


Source: Kenya National Bureau of Statistics, Central Bank of Kenya

27.2 Stanbic Purchasing Managers Index

In June, the Kenya Purchasing Managers' Index (PMI) continued its decline, falling to 48.6 from 49.6 in May. This marks the second consecutive month the index has been below the 50.0 neutral mark, indicating a modest deterioration in business conditions. This downturn was the most significant experienced in the past 11 months, primarily driven by a solid contraction in business activity. Surveyed businesses attributed this decline to reduced customer spending, challenging economic conditions, and operational disruptions stemming from protests. The situation was further exacerbated by a sharper fall in new orders, with over a third of surveyed firms reporting decreased sales, while only 20% saw an increase. Difficult conditions for clients were consistently cited as the main reason for the diminishing new business.

Despite these headwinds, Kenyan businesses demonstrated a notable surge in optimism regarding their future prospects, with sentiment levels reaching their highest point since May 2024. Roughly 18% of respondents expressed confidence in their ability to increase output over the next year, anticipating improved sales and market expansion. This increased optimism represents a significant improvement compared to the more subdued sentiment observed earlier in the year.



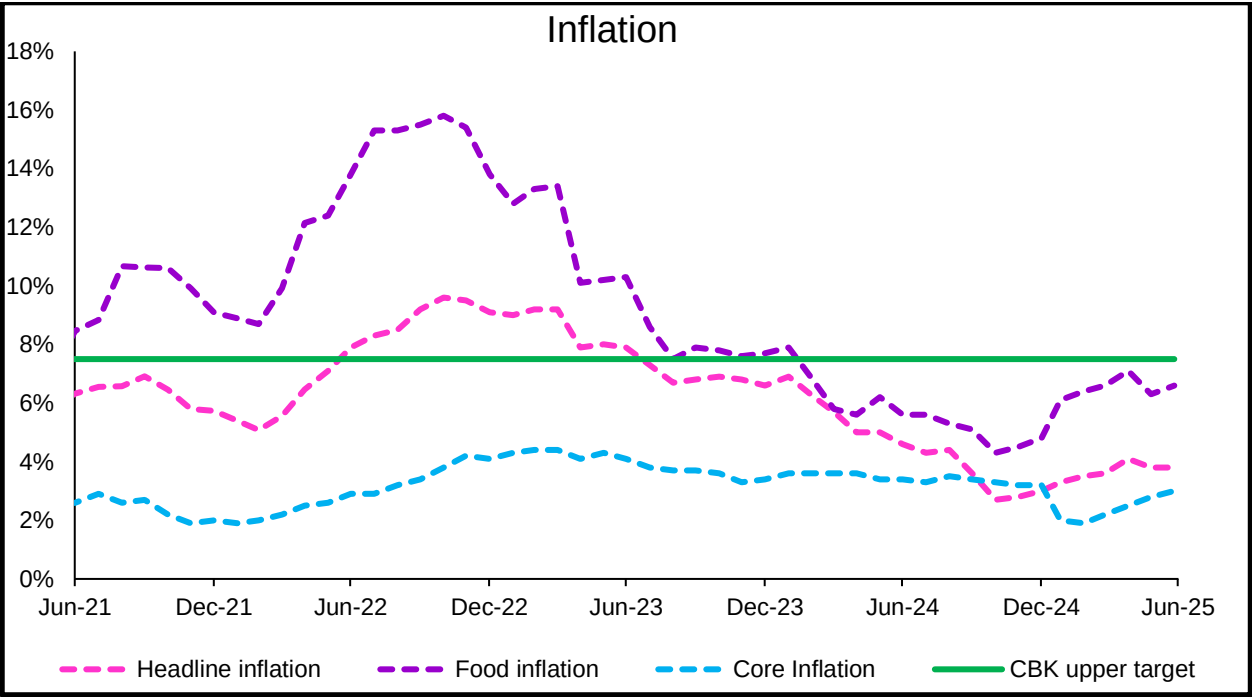
Source: Stanbic Bank Kenya

27.3 Inflation

Kenya's headline inflation saw a significant decrease in the second quarter of 2025, averaging 3.9%, a notable reduction from the 4.9% recorded in the same period of 2024. This decline was primarily driven by lower utilities inflation, which encompasses housing, water, electricity, and gas. Specifically, utilities inflation averaged a mere 0.6% in Q2 2025, a substantial drop from 3.8% in Q2 2024, largely due to reduced costs of electricity and gas. Furthermore, core inflation remained stable and below 3%, averaging 2.8%, indicating muted demand pressures within the economy.

However, this positive trend was partially offset by an increase in food inflation, which rose to an average of 6.7% in Q2 2025, up from 5.8% in Q2 2024. This uptick was attributed to price increases in select food items. In terms of fuel prices, local petrol pump prices experienced a marginal increase of 0.4% quarter-on-quarter, while diesel pump prices declined by 2.5% quarter-on-quarter. Year-on-year, petrol and diesel prices saw declines of 6.6% and 5.9% respectively, supported by a stable exchange rate. The global fuel market also contributed positively to the inflation outlook, with Brent crude ending the quarter at USD 67.61 per barrel, marking a 9.5% decline quarter-on-quarter.

Looking ahead, inflation is broadly expected to remain well within the Central Bank's target range of 2.5% to 7.5%. Nevertheless, potential risks to this outlook persist. These include the impact of shifts in global trade policies and domestic fiscal concerns that could potentially weaken the currency, thus posing challenges to maintaining the current inflation trajectory.



Source: Kenya National Bureau of Statistics, Central Bank of Kenya (CBK)

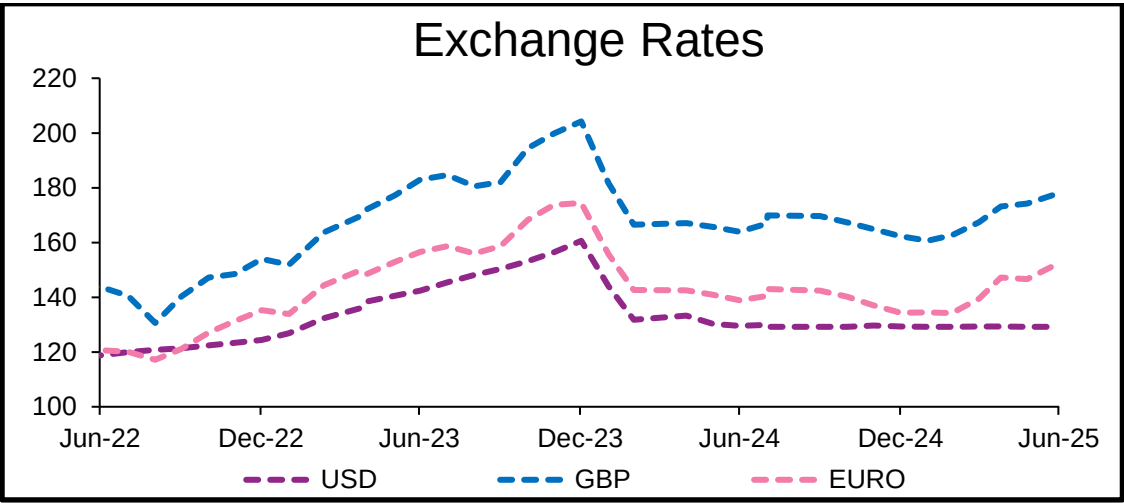
27.4 Foreign Exchange

In Q2 2025, the Kenyan shilling saw a slight appreciation of 0.1% against the US dollar. This marginal strengthening was primarily bolstered by healthy remittance inflows and an increase in the country's foreign exchange reserves. Despite this, it is worth noting that the shilling also experienced a weakening trend against most other major global currencies during the same period, coinciding with a broader weakening of the US dollar internationally.

During a recent Monetary Policy Committee press briefing, the Central Bank Governor confirmed that Kenya is set to begin discussions with the International Monetary Fund (IMF) in September 2025. These discussions will focus on establishing a new funding arrangement for the country, alongside an Article IV consultation, which is a regular health check of a country's economic and financial policies.

This upcoming engagement follows a mutual understanding reached in March between Kenyan authorities and IMF staff, where it was decided that the ninth review under the existing Extended Fund Facility and Extended Credit Facility programs would not proceed. The IMF has since formally acknowledged Kenya's request for a new program and will continue to engage with the authorities on this matter. Adding to Kenya's financial outlook, there have been reports that the government anticipates receiving an additional USD 950 million from various external sources, including key international partners such as the World Bank, the African Development Bank, Italy, and Germany.

Looking ahead, the stability of the shilling in the near term is likely to be supported by continued remittance inflows and the maintenance of adequate foreign exchange reserves. However, the currency's stability could face challenges from domestic policy decisions and geopolitical uncertainties, which have the potential to exert downward pressure on its value.



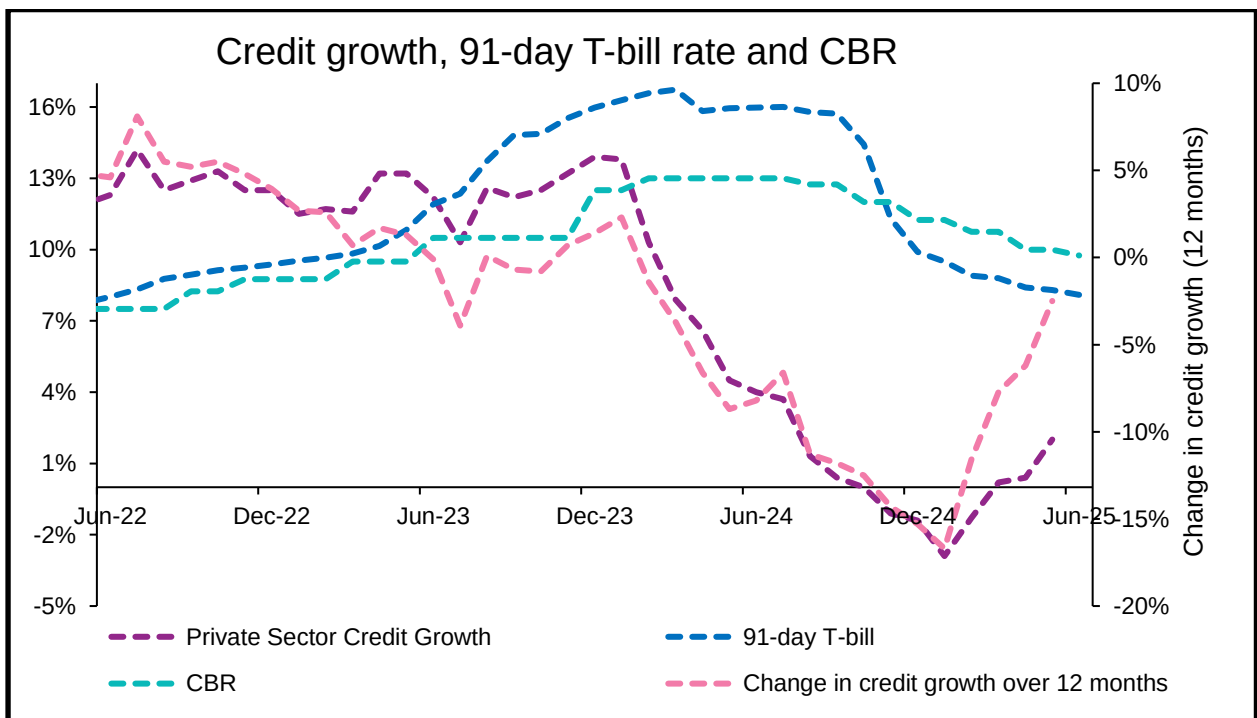
Source: Central Bank of Kenya, Bloomberg

27.5 Credit Sector Growth

In June, the Monetary Policy Committee (MPC) took a significant step to bolster economic activity by reducing the Central Bank Rate (CBR) by 0.25%, bringing it down to 9.75%. This decision followed an earlier 0.75% reduction in April. The primary aim of these cuts is to stimulate lending from banks to the private sector, thereby supporting broader economic growth while simultaneously ensuring the stability of the national currency.

This strategic move by the MPC aligns with its optimistic outlook on inflation, which the Committee expects to remain below the midpoint of its target range in the near term. The decision also reflects an acknowledgement of the ongoing shift in global monetary policy, where many central banks are adjusting their stances. The MPC's actions are a calculated effort to align domestic monetary conditions with both internal economic forecasts and external financial trends.

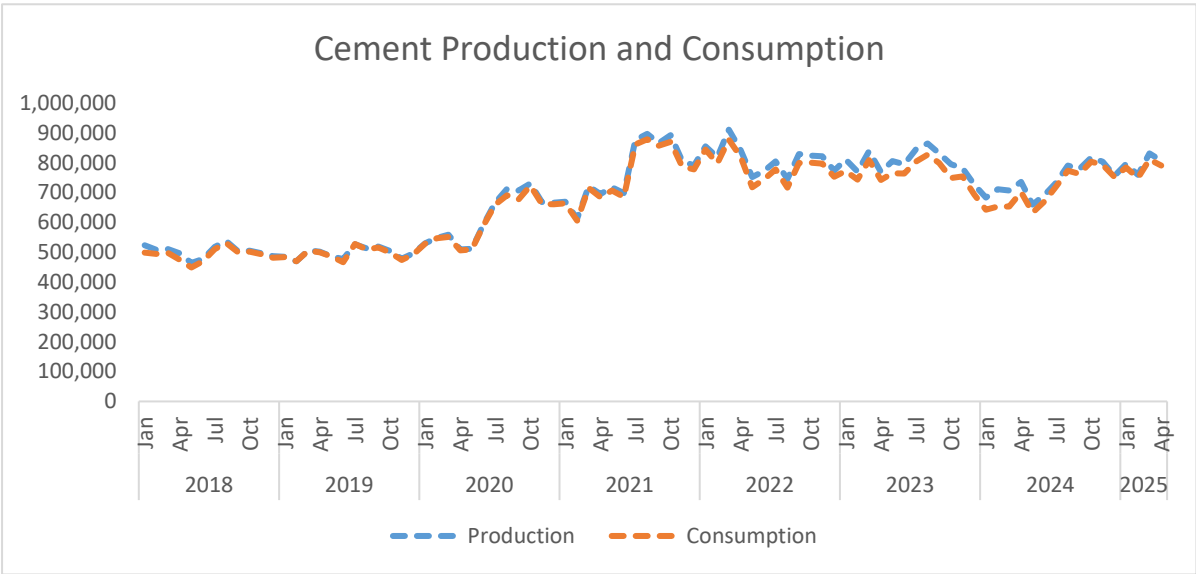
Evidence of the effectiveness of these measures can be seen in the improved private sector credit growth. As of May 2025, credit growth reached 2.2% year-on-year, marking its highest level in 10 months. This is a substantial improvement compared to the 1.4% contraction recorded in the 12 months leading up to December 2024. This positive trend indicates an increased demand for credit, which is attributed to declining lending rates and the dissipation of exchange rate valuation effects on foreign currency-denominated loans, largely due to the appreciation of the shilling.



Source: Central Bank of Kenya, Kenya National Bureau of Statistics

27.6 Real estate market indicators

a) Cement Production and Consumption



Source: Kenya National Bureau of Statistics

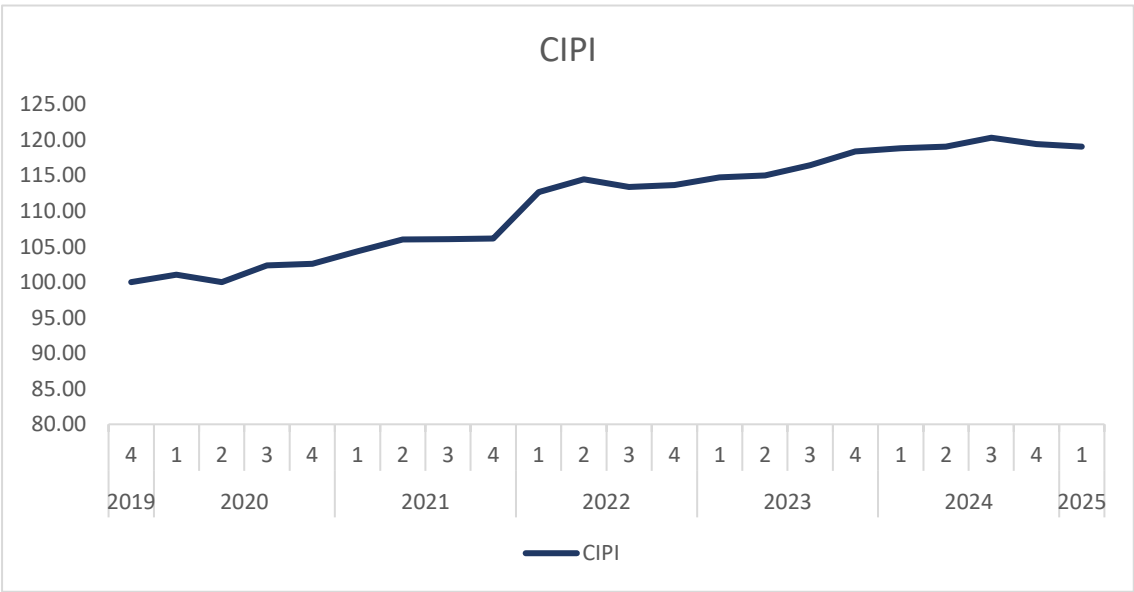
According to data from the Kenya National Bureau of Statistics (KNBS), as of March 2025, the provisional results for cement consumption in Kenya were 811.187 million tonnes, representing a 17.0% increase from 693.249 million tonnes recorded in Q1 2024. Cement production increased by 17.6% from 706,871 million tonnes in Q1 2024 to 831,216 million tonnes in Q1 2025.

Bamburi Cement Plc, a subsidiary of the Pan-African Amsons Group, has significantly expanded its manufacturing footprint in Kenya's Coast region. The company recently launched a Sh100 million Ready-Mix (RMX) concrete plant in Mombasa County. This strategic investment is part of a larger commitment by Amsons Group, which plans to inject Sh51 billion (\$400 million) into expanding its Kenyan operations over the next three years.

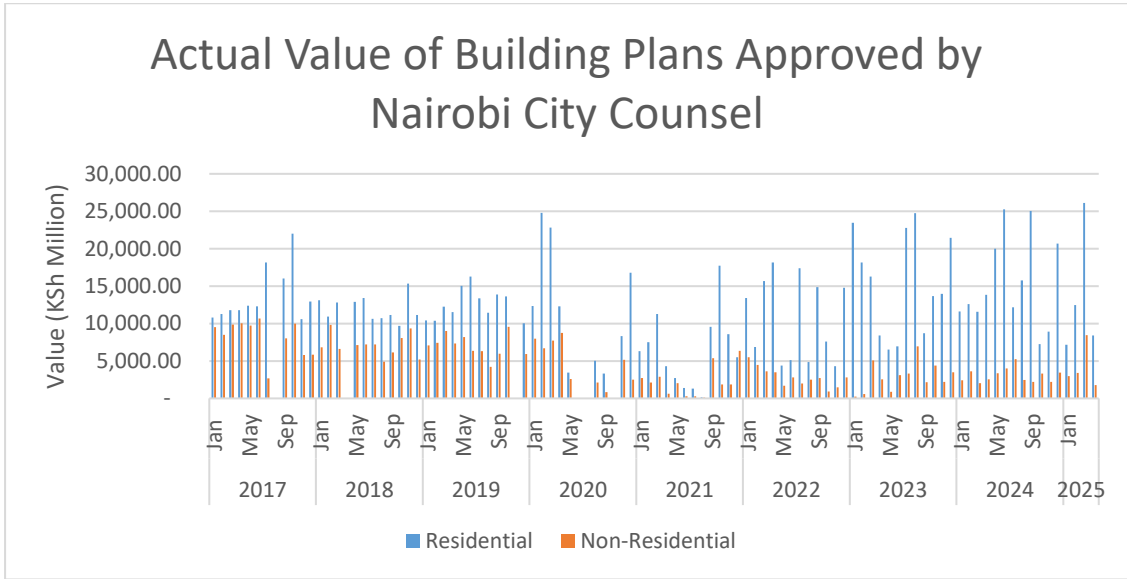
This expansion comes at a pivotal time for Kenya's construction sector. The Kenya National Bureau of Statistics projects the industry will experience robust growth, with an annual increase of over 5 % between 2025 and 2028. Such a growth trajectory underscores the construction sector's crucial role as a significant contributor to the nation's GDP, making Bamburi Cement's new plant a timely and impactful development.

b) Other Construction Materials

The KNBS CIPI Q1 2025 report also provided insights into the price movements of other key construction materials. The index for quarry products increased by 1.15%, and the sand index rose by 0.61%. Conversely, the indices for Steel and Reinforcement bars, Dense Bitumen Macadam, Mix and pre-coated chippings, and Concrete & Asphalts all experienced declines. Specifically, the Steel and Reinforcement bars index saw a decrease of 2.16%, while Dense Bitumen Macadam and Mix and pre-coated chippings fell by 2.12% and 1.78%, respectively. The decrease in steel prices could offer some relief to developers, potentially offsetting part of the increased costs associated with cement and quarry products. The mixed trends observed across different construction material prices highlight the complex interplay of supply and demand dynamics within the sector. Specific price indices for other materials like wood, windows glazing, flooring, plumbing, electrical, and painting for Q1 2025 were not detailed in the provided snippets. However, the overall inflation rate and the general construction sector outlook can provide some context for potential trends in these areas.



c) Value of Approved Building Plans



Building plans approved decreased significantly by 70.5% to KShs 10.2 billion in April 2025, from KShs 34.6 billion in March 2025. This also represents a 38% decrease compared to KShs 16.4 billion recorded in the same period in 2024

27.7 Retail

In the first half of 2025, Kenya's retail sector saw a significant improvement in its average occupancy rate, which rose by 3.8 percentage points to 83.3%, up from 79.5% in the same period of 2024. This growth was fuelled by several factors. Major retailers, both local and international like Naivas, QuickMart, Carrefour, and Magunas, continued their aggressive expansion. This was supported by a consistent demand for consumer goods and services, bolstered by favourable demographic trends. The sector also effectively adapted to changing market dynamics, with initiatives like Jaza Stores and Carrefour's WhatsApp ordering system catering to evolving consumer preferences. Additionally, ongoing infrastructure improvements not only strengthened existing retail hubs but also opened up new areas for retail development, further broadening the sector's reach.

Alongside the increased occupancy, average asking rents per square foot also experienced a slight uptick in H1 2025, rising by 0.2% to KShs 185.5 from KShs 185.0 in H1 2024. This modest increase was primarily driven by sustained demand for premium retail spaces in prime Nairobi Metropolitan Area (NMA) locations such as Karen, Kilimani, Westlands, and along Kiambu and Limuru roads. These areas are highly sought after by businesses, including multinational organizations and embassies, due to their quality offerings and international clientele. The limited availability of new retail space in these desirable locations further intensified demand for existing properties. The ongoing recovery in

consumer footfall and retail activity, coupled with the entry of renowned global brands like Adidas, Puma, Michael Kors, and Aldo, also contributed to the upward pressure on rental rates as these brands competed for prime spots.

Consequently, the average rental yield for the NMA retail sector improved by 0.3 percentage points to 8.5% in H1 2025, up from 8.2% in H1 2024, a direct result of the improved asking rents and occupancy rates. Sub-markets like Kilimani, Karen, and Mombasa Road significantly outperformed the market average, boasting impressive rental yields of 10.0%, 9.6%, and 9.1% respectively. This strong performance in these areas can be attributed to heightened demand for retail offerings, the presence of high-quality retail spaces commanding premium rents, and excellent infrastructure. Conversely, Eastlands recorded the lowest average rental yield at 7.4%. This was largely due to rental rates being significantly below the market average at KShs 161 per square foot, a reflection of lower-quality spaces or lower spend per basket. Inadequate infrastructure and the prevalence of informal retail spaces and service stations offering competitive rates also intensified market competition, further impacting demand and rental yields in the region.

27.8 Office

In the first half of 2025, the Nairobi Metropolitan Area (NMA) office market experienced a modest increase in average asking rents. Rents per square foot rose by 1.8% to KShs 105, up from KShs 103 in H1 2024. This increase was primarily driven by a surge in the supply of Grade A offices, including prominent developments like Purple Tower, The Atrium, Mandrake, Highway Heights, and Matrix One, which ultimately pushed asking prices higher. On a quarter-on-quarter (q/q) basis, however, performance remained relatively unchanged, a trend that can be attributed to the Kenyan Shilling's recent gains against the US dollar and its subsequent moderate stability.

The commercial office sector also saw an improvement in its average occupancy rate, which increased by 0.8 percentage points to 80.9% in H1 2025, compared to 80.1% recorded in H1 2024. Quarter-on-quarter, occupancy rose by 0.6%. The year-on-year increase in occupancy can be linked to a decline in the supply of new office space witnessed in 2024, which constrained available stock and supported higher occupancy rates. The quarter-on-quarter increase, meanwhile, is attributable to a growing demand from technology firms and multinational corporations actively seeking high-quality, Grade A office spaces equipped with modern amenities and sustainable features.

The average rental yield for the NMA office sector saw a slight year-on-year increase of 0.1% to 7.72% from 7.65% in H1 2024, with a similar 0.1% increase quarter-on-quarter. These modest improvements

are a result of sustained leasing activity in prime submarkets, which boosted occupancy levels, and a slight decline in average property prices across the NMA. Looking at sub-market performance, Westlands emerged as the top performer with an average rental yield of 9.4% in H1 2025, significantly outpacing the market average of 7.7%. Gigiri and Karen followed closely with rental yields of 8.7% and 8.0%, respectively. This strong performance in these areas is attributed to a high concentration of Grade A offices, robust infrastructure, close proximity to residential areas, increasing demand from embassies, international organizations, and multinational companies, and the presence of attractive after-work amenities. Conversely, Mombasa Road was the weakest performing node, recording an average rental yield of 6.4% in H1 2025, 1.3 percentage points below the market average. This underperformance is due to relatively low demand for office spaces given its industrial zoning and lower concentration of premium tenants, a preference among corporates for more established commercial zones, inadequate presence of high-end office developments, and the prevalence of relatively lower-quality offices that command lower rents.

27.9 Industrial

The Nairobi Metropolitan Area (NMA) stands at the forefront of Kenya's industrial real estate sector, contributing approximately 90.0% of the country's total industrial space. This dominance is largely concentrated in Nairobi, Kiambu, Machakos, and Kajiado counties, with Nairobi County holding the lion's share at 66.0% due to its status as the capital city. Kiambu County follows closely, housing significant industrial investments such as Tatu City, Nairobi Gate Industrial Park (NGIP), Tilisi, and Northlands City. These developments, including major projects like ALP West in Tilisi and ALP North in Tatu City, have significantly bolstered Kiambu's market share. The remarkable growth in the NMA's industrial sector is fueled by several factors: a surge in e-commerce, increasing demand for high-quality facilities, favorable demographics, enhanced infrastructure, government-led initiatives aligned with Vision 2030, and Nairobi's strategic role as East Africa's business hub, which continues to attract substantial foreign investments.

A key component of this industrial growth is the development of Special Economic Zones (SEZs). These zones encompass various sectors, including free port zones, free trade zones, ICT parks, business service parks, industrial parks, and agricultural zones. Notable examples in Kenya include Konza Technopolis and Tatu City SEZ. Businesses operating within these designated areas enjoy a range of benefits designed to foster economic activity and attract investment. These benefits primarily include tax and fiscal incentives, such as reduced corporate tax rates and exemptions from customs duties, VAT, and import/export levies, with Kenya offering specific tax holidays for SEZ firms.

Furthermore, SEZs provide modern infrastructure development, including robust transport links, utilities, and telecommunications, all essential for supporting industrial and commercial operations. They also boast simplified regulations, offering "one-stop-shop" services that streamline bureaucratic procedures for licensing, permitting, and approvals, thereby reducing administrative burdens on businesses. This attractive environment significantly increases Foreign Direct Investment (FDI) by offering a stable, predictable, and business-friendly policy framework with guaranteed investor protection. Lastly, SEZs play a crucial role in export promotion, enabling businesses to compete effectively in global markets, often with preferential trade agreements, and contribute to economic diversification by fostering new industries and technologies beyond traditional sectors.

28. REGULATORY LIMITS

REGULATION	REGULATORY LIMIT	ACTUAL AS AT 30 JUNE 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	24.0%	N/A
Eligible Investments	75% real estate	85.5% real estate**	✓
Minimum income generation	70% of rental income	84.5%	✓
Maximum gearing	35% of total asset value	0%	✓
Minimum distributions	80%	87%	✓

***Regulation 74**, being the minimum retained investments by the promoter and lock-in period, does not apply.

******measured as a % of NAV.

29. PROSPECT STATEMENT AND PIPELINE

Two property development projects utilizing part of the vacant land at Greenspan Mall is currently being evaluated. If considered viable, the projects will be implemented.

30. ASSET HOLDINGS VERSUS PRESCRIBED LIMITS

The table below highlights the asset holdings versus the subscribed limits in the investment mandate.

I-REIT Eligible Investments (Assets) Regulation 65	Regulation and maximum limit %	Regulation and minimum limit %	Limit in scheme document %	% as at the reporting date	Highest % level during reporting period	Date of most recent valuation/s and ref. to report detailing valuation
If the REIT is an Islamic REIT percentage of Shariah compliant total. If not 100% then for each category set out below specify % that is Shariah compliant	N/A	N/A	N/A	N/A	N/A	N/A
All direct eligible real estate:						
a) Freehold	None	None	None	None	None	None
b) Leasehold	None	None	None	None	None	None
All indirect eligible real estate:						
a) Freehold held through investee companies or investee trusts	N/A	N/A	N/A	N/A	N/A	N/A
b) Leasehold held through investee companies or investee trusts	None	At least 25 years at inception	At least 25 years at inception	Refer to Section 28	Refer to Section 28	31.12.2024

I-REIT Eligible Investments (Assets) Regulation 65	Regulation and maximum limit %	Regulation and minimum limit %	Limit in scheme document %	% as at the reporting date	Highest % level during reporting period	Date of most recent valuation/s and ref. to report detailing valuation
Income producing real estate Regulation 65 (6) Minimum of 75% of NAV within 2 years of authorisation	N/A	75%	None	85.5%	85.5%	31.12.2024
Land and cost of construction Regulation 70 Maximum 15% TAV	None	None	None	None	None	None
Cash, Deposits, bonds and money market instruments Regulation 65 (11) Maximum 5% to single issuer, institution, or members of group	5%	0%	5%	0%	0%	30.06.2025
Wholly owned and controlled company which conducts real estate activities Regulation 65 (14) Maximum 10% TAV with REIT securities holder consent	N/A	N/A	N/A	N/A	N/A	N/A
Income producing assets including listed shares in Kenyan property companies and units in Kenyan IREITs. Regulation 68 (2) Maximum	10%	0%	10%	0%	0%	None

I-REIT Eligible Investments (Assets) Regulation 65	Regulation and maximum limit %	Regulation and minimum limit %	Limit in scheme document %	% as at the reporting date	Highest % level during reporting period	Date of most recent valuation/s and ref. to report detailing valuation
10% of value of investment and TAV at time of acquisition						
For an IREIT that has converted from a DREIT Mortgages or other secured loans etc.; authorised under Regulation 12 provided to purchasers of real estate developed or constructed Regulation 12	N/A	N/A	N/A	N/A	N/A	N/A
Other assets (eligible) include description	None	None	None	None	None	None
Other assets (not eligible) include description	None	None	None	None	None	None

31. MEETINGS OF REIT SECURITIES HOLDERS

The Trustee, pursuant to the Capital Market Authority's approval, convened and held the 9th REIT Annual General Meeting (AGM) of the securities holders on 23rd April 2025 via electronic means where Unitholders duly attended and considered the below agenda items as follows;

- ✓ Considered and approved the Consolidated Annual Report and the Audited Annual Financial Statements for the financial years ended 31st December 2024.
- ✓ Unitholders noted and ratified the first and final distribution for the year ended 31st December 2024, of KShs. 54,291,690 (30 cents per unit in issue) as recommended by the REIT Manager, approved by the Trustee and paid to Unitholders in April 2025.
- ✓ Unitholders noted the continuation of KPMG as the REIT auditors having expressed their interest to continue as auditors. The REIT Manager and REIT Trustee had no objection of them continuing as the REIT auditors.

REPORT OF THE TRUSTEE

The Trustee's report is prepared in accordance with Regulation 101(3) and the Fifth Schedule of the REITs Regulations.

1. Confirmation of all matters relating to the title particulars of real estate properties and other assets of the fund

We confirm the below titles particulars for the real estate properties:

- Nairobi Block 82/8759 (Nos. F1, F2, F3, F4 & F5) – Property known as Greenspan Mall under the SPV Greenspan Mall Limited;
- L.R No. 3734/1426 (Original Number 3734/917) – Property known as 67 Gitanga Place under the SPV Starling Park Properties LLP.

We confirm that the other assets of the fund are as detailed in the accounts.

Details of other matters:

Requirement under the Fifth Schedule	Trustee's report
a) Any appointment of a secondary disposition Trustee together with details of purpose of the appointment and of any documents executed by the secondary disposition trustee	There was no appointment to this effect.
b) Any matter arising during the period which has been, or should have been, notified to the Authority pursuant to the Regulations	There was no matter arose in the period.
c) Any failures by the trustee to comply with the provisions of the scheme documents, the Act or the Regulations and action taken to remedy the failure	There were no failures to this effect.
d) Any action taken by the Trustee during the period to protect assets of the trust or the interests of REIT securities holders	There were no matters that necessitated such action to be taken by the Trustee.

Requirement under the Fifth Schedule	Trustee's report
e) Meetings of REIT securities holders convened by the trustee, resolutions put and the outcome of voting.	The Trustee, pursuant to the Capital Market Authority's approval, convened and held the 9th REIT Annual General Meeting of the securities holders on 23rd April 2025 via electronic means where unit holders duly attended and considered the below agenda items as follows; - Considered and approved the Consolidated Annual Report and the Audited Annual Financial Statements for the financial year ended 31st December 2024. - Unitholders noted and ratified the first and final distribution for the year ended 31st December 2024, of KShs. 54,291,690 (30 cents per unit in issue) as recommended by the REIT Manager, approved by the Trustee and paid to unit holders in April 2025. - Unitholders noted the continuation of KPMG as the REIT auditors having expressed their interest to continue as auditors. The REIT Manager and REIT Trustee had no objection of them continuing as the REIT auditors.

2. A summary of the meetings of REIT securities holders called or held during the period, a summary of the purpose of the meeting, resolutions put to the REIT securities holders and of attendees and votes cast.

The Trustee convened the 9th AGM of the Unitholders on 23rd April 2025 at 10am via electronic means. At the commencement of the meeting, proxies representing 93.2% of units were received, and 27 unitholders had registered to attend electronically. The resolutions put to the Unitholders were as outlined above and were unanimously approved.

3. Trustee's opinion on whether the REIT Manager has managed the scheme in accordance with the provisions of the scheme documents, the Act and REITs Regulations.

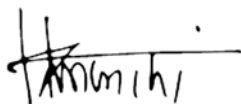
In the Trustee's opinion the REIT Manager - ICEA LION Asset Management Limited - has managed the scheme in accordance with the provisions of the scheme documents, the Act and the REITs Regulations.

4. Comments by the Trustee on the REIT Manager's report, performance of the REIT Manager or of any other person or other material matter.

Despite the shilling holding steady against the US dollar and increased investor confidence in the capital markets, businesses continued to face challenges in the first half of the year due to sustained high taxation, tightened fiscal policies, and disruption caused by protests.

During this period, a notable decline in interest rates—driven by fiscal policy adjustments by the Treasury—negatively affected returns on investors' funds, particularly in money market instruments. However, this contraction in interest rates contributed to lowering inflation levels to 3.8% in June 2025, steady from May's reading and down from an eight-month high of 4.1% in April. Inflation remained well within the Central Bank of Kenya's target range of 2.5% to 7.5%. Consequently, the REIT's overall performance continued to be impacted, as detailed in the financial report.

Signed by



The Compliance Officer

The REIT Trustee

The Co-operative Bank of Kenya Limited

Date: 29th July 2025

REIT MANAGER'S COMPLIANCE REPORT

In accordance with Regulation 101 and the Fifth Schedule of the **Capital Markets (Real Estate Investment Trusts) (Collective Investment Schemes) Regulations, 2013**, (the Regulations) the Compliance Officer notes the following for the period ended 30th June 2025:

1. In line with the regulatory requirements, the audited annual financial statements for the REIT for the year ended 31st December 2024, were submitted to the relevant authorities and published within the prescribed timelines.
2. The REIT is compliant with Regulation 65(6) of the regulations which requires that investment property should form at least 75% of the total net asset value of the Fund.
3. The REIT Manager is proactively reviewing and monitoring its compliance framework, systems, policies and procedures as well as monitor its risks, implement measures to mitigate their effects and cushion the REIT from adverse effects.
4. The half year unaudited financial statements will be submitted to the Capital Markets Authority and Nairobi Securities Exchange by 30th July 2025 as prescribed in law.
5. The Annual General Meeting for the year ended 31st December 2024 was held on 23rd April 2024 within the stipulated regulatory timeline.
6. The distribution payment was done by 30th April 2025 within the prescribed timeline.
7. In addition to the foregoing and in line with the requirements under part J of the Fifth Schedule of the Regulations, the REIT Manager states as follows for the period under review:
 - a. Matters arising during the period which have been, or should have been, notified to the Capital Markets Authority pursuant to the REIT's Regulations:
None
 - b. Any failures by the REIT Manager, Trustee or any other party to comply with the provisions of the of the scheme documents, the Act or the Regulations and action taken to remedy the failure:
None

- c. Any action taken by the REIT Manager or which the Trustee was requested to take during the period to protect assets of the trust or the interests of REIT securities holders:

None

- d. An update of any matters reported in prior periods and action taken to rectify:
- i. **Commercial and Tax Division Insolvency Cause No. E018 of 2020 TUSKER MATTRESSES LIMITED and THE INSOLVENCY ACT (ACT NO. 18 OF 2015)**

The Trustee is pursuing unpaid rent from Tuskers via Insolvency Cause No. E018 of 2020. Following various injunctions, mentions and objection hearings, the court issued an interim liquidation order on 31st May 2023 and appointed Kolluri V.S. Kamasastri as the provisional liquidator of Tusker Mattresses Limited. Mr. Kamasastri declined appointment and the parties reached a mutual consent for the appointment of Mr. Owen Koimburi which consent was adopted by the court on 17th August 2023. The REIT has subsequently filed formal proof of the amounts owed.

At a creditors meeting held on 20th November 2023, the liquidator confirmed that the assets he had collected so far had depreciated in value over time and the last statements of account he had received were from 2019. The liquidator proposed, and the creditors present agreed that a forensic audit would be carried out to determine the value of available assets.

On 5th April 2024, the liquidator filed an application seeking to restrain Diamond Trust Bank from exercising its statutory power of sale over L.R. No. 337/646 and any other property of Tusker Mattresses Limited (in liquidation) over which it holds as security pending the hearing and determination of the application.

The ruling on the matter was not delivered on 29th May 2025 as scheduled and was instead deferred to 31st July 2025.

Signed by:


Olga Gmalla

Compliance Officer:

ICEA LION Asset Management Limited

Date: 29th July 2025

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited 6 months 30 June 2025 KShs	Unaudited 6 months 30 June 2024 KShs	Audited 12 months 31 December 2024 KShs
Revenue	145,907,784	140,029,401	293,528,286
Rental and related income	142,770,285	138,738,189	279,499,972
Straight-lining of lease income	3,137,499	1,291,212	14,028,314
Other income	26,242,474	24,931,315	54,411,654
Interest income	26,242,474	24,931,315	54,761,654
Realised loss on disposal of property	-	-	(350,000)
Operating expenses	(104,664,188)	(109,842,306)	(220,282,814)
Property expenses	(51,878,541)	(56,207,247)	(110,553,736)
Fund operating expenses	(52,785,647)	(53,635,059)	(109,729,078)
Change in fair value of investment property	(3,137,499)	(1,291,212)	249,547,548
Fair value adjustment to investment property	-	-	263,575,862
Straight-lining of lease income	(3,137,499)	(1,291,212)	(14,028,314)
Net profit for the period	64,348,571	53,827,198	377,204,674
Other comprehensive income	-	-	-
Total comprehensive income attributable to unitholders for the period	64,348,571	53,827,198	377,204,674
Basic earnings per unit (KShs)	0.36	0.30	2.08
Headline earnings per unit (KShs)	0.37	0.30	0.71
Supplementary information:			
Distributable earnings per unit (KShs)	0.36	0.30	0.34

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 6 months 30 June 2025 KShs	Unaudited 6 months 30 June 2024 KShs	Audited 12 months 31 December 2024 KShs
ASSETS			
Non-current assets			
Investment property	3,050,000,000	2,779,700,000	3,050,000,000
Fair value of investment property for accounting purposes	2,992,175,355	2,737,749,957	2,995,312,854
Straight-line lease accrual	57,824,645	41,950,043	54,687,146
Property and equipment	66,164,296	69,992,869	68,165,697
	3,116,164,296	2,849,692,869	3,118,165,697
Current assets			
Investment property	-	160,000,000	-
Term deposits	410,600,801	46,089,863	357,629,740
Trade and other receivables	43,515,431	77,214,421	52,752,296
Cash and cash equivalents	91,386,619	244,649,179	142,250,622
	545,502,851	527,953,463	552,632,658
Total assets	3,661,667,147	3,377,646,332	3,670,798,355
EQUITY AND LIABILITIES			
Capital and reserves			
Trust capital	3,479,540,745	3,479,540,745	3,479,540,745
Revaluation reserve	(4,287,333)	(319,363,195)	(4,287,333)
Retained earnings	91,752,502	73,394,007	8 1,695,621
	3,567,005,914	3,233,571,557	3,556,949,033
Current liabilities			
Trade and other payables	94,661,233	144,074,775	113,849,322
Total equity and liabilities	3,661,667,147	3,377,646,332	3,670,798,355
Net asset value per unit	19.71	17.87	19.65

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Trust capital KShs	Revaluation reserve KShs	Retained earnings KShs	Total KShs
Audited balance at 31 December 2023	3,479,540,745	(319,363,195)	146,247,419	3,306,424,969
Net profit for the period	-	-	53,827,198	53,827,198
Transactions with owners of equity				
Distribution to unitholders	-	-	(126,680,610)	(126,680,610)
Unaudited balance at 30 June 2024	3,479,540,745	(319,363,195)	73,394,007	3,233,571,557
Net profit for the period	-	-	323,377,476	323,377,476
Transfer to non-distributable reserve	-	263,575,862	(263,575,862)	-
Transfer to distributable reserves	-	51,500,000	(51,500,000)	-
Audited balance at 31 December 2024	3,479,540,745	(4,287,333)	81,695,621	3,556,949,033
Net profit for the period			64,348,571	64,348,571
Transactions with owners of equity				
Distribution to unitholders			(54,291,690)	(54,291,690)
Unaudited balance at 30 June 2025	3,479,540,745	(4,287,333)	91,752,502	3,567,005,914

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months 30 June 2025	Unaudited 6 months 30 June 2024	Audited 12 months 31 December 2024
	KShs	KShs	KShs
Cash flows from operating activities			
Cash generated from operations	30,156,275	43,375,019	45,044,280
Net cash inflow from operating activities	30,156,275	43,375,019	45,044,280
Cash flows from investing activities			
Proceeds from sale of investment property	-	-	159,650,000
Additions to investment property	-	-	(6,724,138)
Additions to property and equipment	-	(21,507,300)	(21,722,757)
Interest received	26,242,474	-	54,761,654
Additions to term deposits	(52,971,062)	-	(180,868,781)
Proceeds from maturity of term deposits	-	130,671,096	-
Net cash generated from investing activities	(26,728,588)	109,163,796	5,095,978
Cash flows from financing activities			
Distribution paid	(54,291,690)	(126,680,610)	(126,680,610)
Net cash outflow from financing activities	(54,291,690)	(126,680,610)	(126,680,610)
Net movement in cash and cash equivalents	(50,864,003)	25,858,205	(76,540,352)
Cash and cash equivalents at beginning of period	142,250,622	218,790,974	218,790,974
Cash and cash equivalents at end of period	91,386,619	244,649,179	142,250,622

COMMENTARY ON THE INTERIM FINANCIAL STATEMENTS

1. Introduction

ILAM Fahari I-REIT ("the REIT") is a real estate investment trust, trading on the Unquoted Securities Platform of the NSE. It currently owns two properties (a shopping centre and an office building) valued at KShs 3.0 billion, all held through special purpose vehicles.

2. Basis of preparation

The unaudited condensed consolidated financial statements of ILAM Fahari I-REIT for the six months ended 30th June 2025 have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRSs), the Accounting Standard IAS 34: Interim Reporting and the requirements of the Capital Markets (Real Estate Investment Trusts) (Collective Investment Schemes) Regulations, 2013. IFRS and the Financial Pronouncements as issued by the Financial Reporting Standards Council require interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements required by IAS 34: Interim Financial Reporting. The interim consolidated financial statements have not been audited by ILAM Fahari I-REIT's independent auditors. They have been prepared by the REIT Manager (ICEA LION Asset Management Limited) to give a true and fair view of the financial position, financial performance and cash flows of the REIT.

3. Financial results

Net profit for the six months ended 30th June 2025 increased by 20% to KShs 64.3 million compared to KShs 53.8 million in the same period last year. This translates to distributable earnings of 36 cents per unit (June 2024: 30 cents). The increase is mainly due to higher rental income resulting from increased occupancy at Greenspan Mall, which rose to 86% (from 75% in June 2024), as well as rent escalation in line with lease agreements. Additionally, property expenses decreased slightly by 8% contributing to the higher net profit.

4. Borrowings

ILAM Fahari I-REIT is currently ungeared.

5. Interim distribution

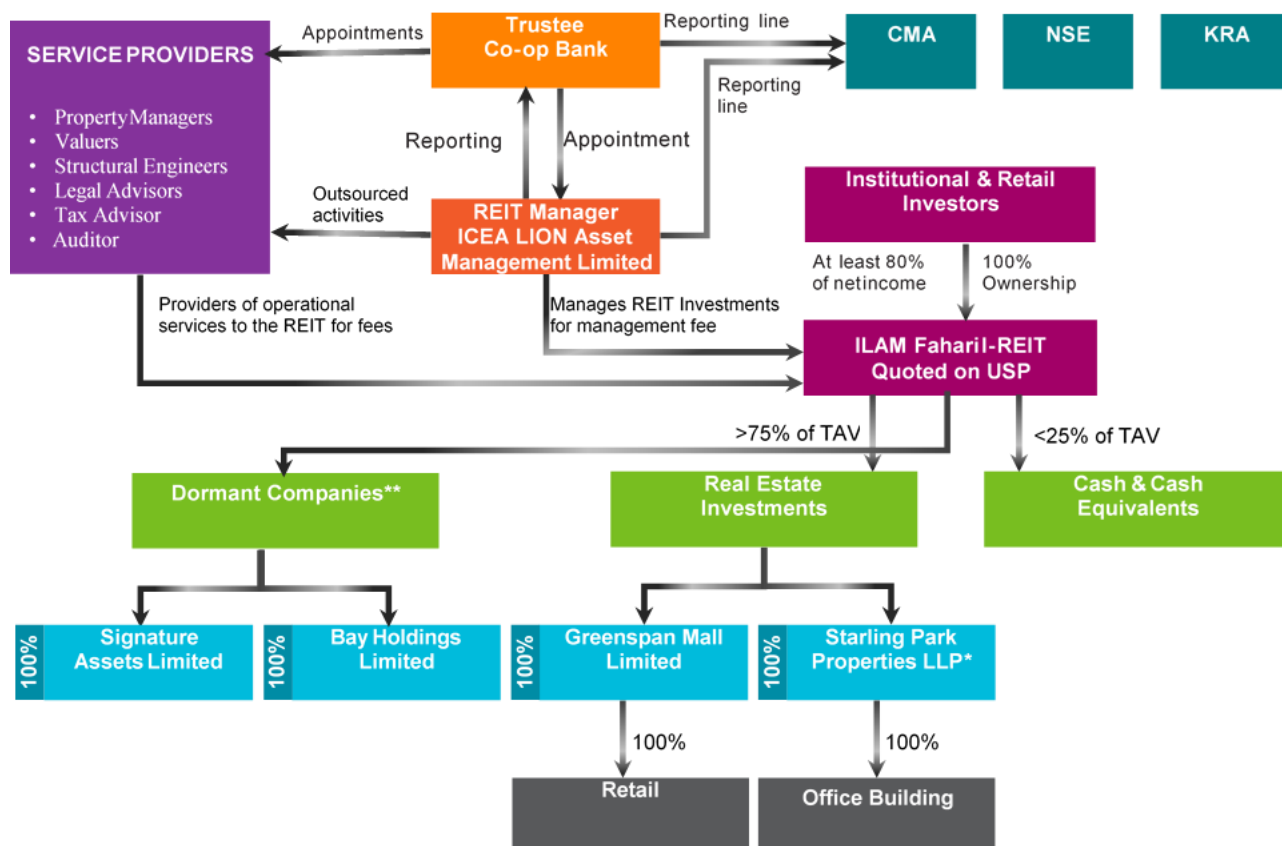
A first and final distribution of 30 cents per unit was paid in April 2025 in respect of the 2024 financial year. The REIT Manager has not recommended an interim distribution for the period ended 30th June 2025. A full distribution will be declared in line with the requirements of the REIT's Regulations to

distribute a minimum of 80% of distributable earnings within four months after the end of the financial year.

6. Website information

The REIT Manager's semi-annual report and unaudited condensed financial statements will be available on the ILAM Fahari I-REIT website at www.ilamfahariireit.com from 31st July 2025.

ANNEXURE A: DETAILS OF THE PARTIES – ORGANOGRAM



*Greenspan Mall Limited holds 1% of the partnership interest in Starling Park Properties LLP in trust on behalf of ILAM Fahari I-REIT. No economic benefit flows to Greenspan Mall Limited as a result of this arrangement.

**The dormant companies relate to the entities whose investment properties were disposed in line with the strategic initiative to divest from non-core assets.

ANNEXURE B: PROFILES OF THE DIRECTORS OF THE REIT MANAGER

1. Andrew Ndegwa | Chairman

Andrew is the Executive Director of First Chartered Securities, a private investment holding company with interests in financial services, logistics, real estate, manufacturing and agriculture. He holds a Bachelor of Arts (Hons) degree in Philosophy, Politics and Economics from Oxford University.

Andrew began his career in the banking industry, and between 1990 and 1994 worked at Mercantile Finance Company, its affiliate The African Mercantile Banking Company and at Citibank Nairobi. His association with First Chartered Securities began in 1994, where he assumed the role of Group Planning Manager. Recognizing his strategic acumen, he was appointed to the Board as Executive Director in 2000.

Andrew is also a Non-Executive Director of several other companies, including NCBA Group Plc and Unga Group Plc, both of which are quoted on the Nairobi Securities Exchange. In addition, he is a trustee of Faraja Cancer Support Trust.

2. Einstein Kihanda | Executive Director

Einstein is the Chief Executive Officer of ICEA LION Asset Management Limited. His academic credentials include a Bachelor of Science Degree in Business Administration (Accounting & Finance Major), and a Master of Science degree in Management and Organizational Development both from the United States International University (USIU). He also holds a Master of Science degree in Finance from the University of Strathclyde in Scotland, U.K.

With over 26 years of experience in investment analysis, research, and fund management, Einstein's career began as a Research Analyst at Equity Stockbrokers in February 1999. He subsequently held key roles, including Head of Portfolio Management Services at ICEA Investment Services, and other positions at Old Mutual Asset Managers, CFC Stanbic Financial Services, and Sanlam Investment Management Kenya. His journey led him back to ICEA LION Asset Management Limited, where he assumed the role of Chief Investment Officer before being promoted to CEO in December 2015.

Einstein also serves as a Director of ICEA LION Asset Management (Uganda), is the immediate former Chairman of the Institute of Certified Investment and Financial Analysts (ICIFA), and a past Chairman of the Fund Managers Association (FMA). He is currently, the Vice Chairman of the Stakeholders Committee of the FMA.

3. Patrick Mugambi | Non-executive Director

Patrick is the Planning & Projects Director of First Chartered Securities Ltd, a private investment holding company with interests in financial services, logistics, real estate, manufacturing and agriculture. He holds a BSC in Business Administration from USIU and is a Certified Public Accountant and alumnae of IESE Business School.

Patrick previously worked for PricewaterhouseCoopers and Shell Exploration and Production Kenya BV between 1988 and 1992. Prior to his present position, he was the Executive Director and Chief Operating Officer of Mitchell Cotts Kenya Group until January 2006.

Patrick is also a Non-Executive Director of Mitchell Cotts Group and a director of several other companies. He is a Member of the Institute of Certified Public Accountants of Kenya (ICPAK) and a Member of the Overseas Technical Scholarship (AOTS) Japan.

4. Philip Lopokoityit | Non-Executive Director

Philip is the CEO of ICEA LION Group, based in Nairobi, Kenya. He was previously the CEO of ICEA LION General Insurance company having joined the Group in September 2021. He has a wealth of experience in Finance, Risk Management and Corporate Governance, having worked for over 20 years in various senior management capacities in multinational companies.

Philip holds a BCom from the University of Nairobi and is a member of the Institute of Certified Public Accountants of Kenya. He also holds other accounting qualifications being a member of the Chartered Management Accountants and a Fellow of the Institute of Chartered Accountants of England and Wales. He holds an MBA degree from Warwick Business School, UK.

Philip is currently the Chair of the Nairobi Declaration on Sustainable Insurance (NDSI). He is also a Non-Executive Director of NCBA Bank.

5. Stephen Mallowah | Non-executive Director

Stephen is a distinguished Commercial and Corporate Law partner at the renowned regional law firm, TripleOKLaw Advocates LLP, headquartered in Nairobi with a broad regional presence. As an Advocate of the High Court of Kenya, Stephen holds a Bachelor of Laws (Hons) degree from the University of Zambia, a Master of Laws Degree in Corporate and Commercial Law as a Chevening Scholar from the University of London, a Master of Science Degree in Oriental & African Studies and an Advanced Management Program from IESE Business School. Stephen further enhanced his legal expertise with a Postgraduate Diploma from the Kenya School of Law.

Stephen's professional expertise spans various specialized areas of law. Notably, in Capital Markets and Financial Services, he advised a major commercial bank on establishing a Unit Trust. His involvement in Structured and Project Finance includes advising a developer on a significant 140MW geothermal power generation project. In the realms of Mining, Oil, and Gas, Stephen has provided counsel to large multinationals in the extractives sector, particularly on legislative engagement related to the Mining Act and Petroleum Act. Additionally, he has excelled in Public Policy and Regulatory Compliance, offering guidance to a leading telecommunications company on regulatory and compliance matters surrounding the rollout of advanced digital service offerings. Beyond his legal practice, Stephen has shared his extensive knowledge as a law lecturer at prominent institutions such as Kenyatta University, Catholic University of East Africa, the Kenya School of Law, and the Kenya School of Monetary Studies.

Stephen is also a certified Corporate Governance Trainer with the Centre for Corporate Governance.

6. Kairo Thuo | Non-Executive Director

Kairo is a seasoned professional with a dual background in law and accounting. He is a founder partner of Viva Africa Consulting LLP and Viva Africa Consulting Limited. He holds an LLB (Hons) from Strathmore and the University of Nairobi, along with CPA-K and CPA-T qualifications.

Previously, he established and led the Tax Transaction Advisory Group at Deloitte and Touche, serving as the Director of the unit. He specialized in mergers, acquisitions, transaction arrangements, wealth structuring, funds management, and corporate/legal structuring. He has extensive experience in all areas of taxation, covering Kenya, Uganda, Rwanda, Tanzania, and other African countries. He contributed to the establishment of specialized tax service lines in direct and indirect taxation, including customs, international tax, and transfer pricing. He was actively involved in capacity enhancement initiatives for the East Africa Law Society and the Institute of Certified Public Secretaries of Kenya.

Kairo also serves on the Boards of Kenya Power, Special Economic Zones Authority and NCBA Bank Kenya Plc.

7. Paul Muthaura | Non-Executive Director

Paul is the CEO of the Africa Carbon Markets Initiative (ACMI). He is an Independent Board member of the International Ethics Standards Board for Accountants; British American Tobacco (BAT) Kenya; ICEA LION Asset Management; and the Financial Sector Deepening Trust, Kenya.

Paul holds a Bachelor of Laws from the University of Warwick, a Masters in Banking and Finance Law from the London School of Economics and Political Science, and a Master of Philosophy from the Maastricht School of Management. He is an Advocate of the High Court of Kenya and an Honorary Fellow of the Institute of Certified Public Secretaries of Kenya (ICS-K). Paul is also an Academy of Executive Coaching (AoEC) Certified Executive Coach and Systemic Team Coach.

He has previously been the Chief Executive Officer of ICEA LION General Insurance Kenya, the first African member of the Financial Stability Board TCFD insurer pilot group. Prior to that, he was the Chief Executive of the Capital Markets Authority of Kenya. In his term at CMA, he was the Africa and Middle East Regional Chair on the Board of the International Organization of Securities Commissions (IOSCO).

In December 2017, Paul was awarded the National Honor of the Order of the Moran of the Burning Spear (MBS) by His Excellency the President of the Republic of Kenya for his services to the development, deepening and reform of the capital markets in Kenya.

ANNEXURE C: REIT MANAGER STAFF AND SUPPORT PERSONNEL

1. Raphael Mwito | Chief Executive Officer

Raphael is the Chief Executive Officer of ILAM Fahari I-REIT. He holds a Bachelor of Architecture (B.Arch) from the University of Nairobi and is a Chartered Financial Analyst [CFA Charter holder].

With over 20 years of experience, Raphael has a diverse background in planning and design, real estate investment, development management, project financing, and structuring. Throughout his career, Raphael has been involved in various prestigious projects, taking on roles such as architect, investment manager, and development manager. Some notable projects include the Standard Group HQ, Langata Heights, Mtwapa Heights, Garden City, Nairobi Gate, Holy Family Basilica Parking, Somerset Westview Kilimani, and others. He has led cross-functional teams to successfully deliver these projects and meet Profit & Loss targets. In addition to his project involvement, Raphael has provided valuable expertise in advising on a KShs 10 billion Mixed Use Development in Eastleigh, the repositioning of ILAM Fahari I-REIT, the Musyi Affordable Housing Scheme in Kitui, and a USD 250 million mixed-use scheme in Douala, Cameroon.

Raphael is a registered architect with the Board of Registration of Architects and Quantity Surveyors (Boraqs), a member of the Architectural Association of Kenya, the CFA Society of East Africa and the Institute of Certified Investment and Financial Analysts (ICIFA).

2. Gerald Gondo | Chief Investment Officer

Gerald is the Chief Investment Officer at ICEA LION Group. He holds a Master of Commerce in Financial Management, Bachelor of Social Science in Politics, Philosophy and Economics and Bachelor of Commerce in Financial Analysis and Portfolio Management from the University of Cape Town, South Africa.

Gerald is an investment professional with over 18 years expertise in investment strategy, asset allocation, and portfolio management across a wide range of asset classes. In addition, he has a proven track record of implementing robust governance frameworks and aligning investments with client liability profiles to deliver exceptional outcomes in complex, global markets.

He is a passionate advocate for the growth of Africa's capital markets and has spearheaded numerous research initiatives for global development finance institutions and industry associations. He previously worked with RisCura Africa as the Executive Director, Atria Africa as a Partner, Imara as a Fund Manager, Business Partners International as the Regional Investment Manager and at FutureGrowth Asset Management as a Credit Analyst.

3. Ruth Okal | Assistant General Manager

Ruth is the Assistant General Manager of ILAM Fahari I-REIT. She holds a Master of Arts degree in Property Management and Valuation, and a Bachelor of Arts degree in Land Economics both from the University of Nairobi. She also holds a Diploma in Valuation & Property Management from the Institution of Surveyors of Kenya. In addition, she has completed Chartered Financial Analyst (CFA) Level 2 and currently pursuing Level 3.

Ruth is a seasoned real estate investment professional with over two decades of experience in the real estate and asset management sectors. She has consistently demonstrated exceptional leadership and results-driven approach in portfolio construction, asset allocation, and asset management of high-value property assets across East Africa. Having served in the REIT sector since 2013, Ruth has been at the forefront of pioneering initiatives within the region's real estate market, such as the transformation of East Africa's first listed Real Estate Investment Trust (I-REIT) and the ground breaking restructuring of the REIT into a restricted structure. She previously worked at STANLIB Kenya Limited and Knight Frank Kenya Limited where she was actively involved in originating, negotiating and closing numerous property transactions.

Ruth is a member of The Land Acquisition Tribunal and the immediate former Vice Chairperson of the Valuers Registration Board, a main committee member of the REIT Association of Kenya where she chairs the policy, research and publications sub-committee. She is a full member of The Institution of Surveyors of Kenya (ISK) where she is also an examiner. In addition, she is both a registered valuer and estate agent.

4. Irene Maloba | Finance Manager

Irene is the Finance Manager for ILAM Fahari I-REIT. She holds a Master of Science (MSc) in Finance from the University of Nairobi and a Bachelor's degree in Business Management (Finance and Banking) from Moi University. She is also a Certified Public Accountant of Kenya. Additionally, she completed Chartered Financial Analyst (CFA) level 1 and currently pursuing level 2.

With over 13 years of experience, Irene's expertise lies in budget forecasting, financial planning, financial reporting and analysis, treasury operations, and banking. She previously served as a Management Accountant at Centum Investment Company Plc. In this capacity, she handled financial reporting and analysis for the Holding Company, as well as Two Rivers Development and its subsidiaries. Prior to Centum, Irene spent over three years at Equity Group Holdings Limited, progressing to the role of overseeing the finance department of Equity Investment Bank.

Irene is a member of the Institute of Certified Public Accountants of Kenya.

5. Maureen Mugambi | Financial Accountant

Maureen is the Financial Accountant of ILAM Fahari I-REIT. She holds a Bachelor of Commerce degree in Finance from Jomo Kenyatta University of Agriculture and Technology (JKUAT) and an ACCA Advanced Diploma in Accounting and Business.

With over 9 years of experience in the finance sector, Maureen is proficient in financial reporting, cash flow management, budgeting, and treasury management. She previously served as a Financial Accountant at Centum Investment Company Plc. In this capacity, she played a key role in financial reporting, budgeting, and analysis for subsidiary companies.

6. Olga Omalla | Risk and Compliance Officer.

Olga is the Risk and Compliance Manager of ILAM Fahari I-REIT. She holds a Bachelor of Law degree from the University of Nairobi, a Post Graduate Diploma from the Kenya School of Law, a Post Graduate Certificate in Commercial and Corporate Law, a Post Graduate Diploma in Financial Services Law and a Masters in in Financial Services Law all from the University of London. Olga is also an advocate of the High Court of Kenya, a Certified Professional Mediator and a Certified Retirement Benefits Scheme Trustee under Kenyan Law.

With over 14 years of experience in legal and compliance matters, Olga plays a crucial role at ILAM Fahari I-REIT. In her capacity as the Legal and Compliance Officer, she is responsible for regulatory compliance, drafting and reviewing legal documents, ensuring adherence to client mandates, and managing all legal correspondence for the company. Olga's extensive legal expertise, combined with her compliance knowledge, makes her a key contributor to the risk management and regulatory compliance framework. She previously worked at a law firm in Kenya under the Commercial and Corporate Division.

7. Barbra Rotich | Property Investment Analyst

Barbra is the Property Investment Analyst for ILAM Fahari I-REIT. She holds a Bachelor of Science degree in Financial Engineering from Jomo Kenyatta University of Agriculture and Technology, complemented by certifications as a Financial Modelling and Valuation Analyst from the Corporate Finance Institute. Additionally, Barbra has acquired certifications in Data Science, advanced Excel, and Tax Administration.

Barbra's professional journey began through internships and analyst trainee roles at notable organizations, including the Ministry of Treasury and Planning and ILAM Fahari I-REIT. During these experiences, she gained practical skills in financial analysis, modelling, forecasting, and valuation. Barbra is proficient in various analytical tools such as Excel, Power BI, Python, and R. Her proactive approach to innovation and process improvement is evident in her keen interest in seeking opportunities to enhance operational efficiency.

ANNEXURE D: DETAILS OF SERVICE PROVIDERS

REGISTERED OFFICE OF THE FUND 4 th Floor, ICEA LION Centre Chiromo Road P.O. Box 46143 – 00100 GPO Nairobi, Kenya Tel: +254 20 275 0000 Email: ilamreit@icealion.com	COMMERCIAL BANKER The Co-operative Bank of Kenya Limited Co-operative House Haile Selassie Avenue P.O. Box 48231 – 00100 Nairobi, Kenya Tel: +254 703 027 000 Email: customerservice@co-opbank.co.ke ; custodial@co-opbank.co.ke
TRUSTEE The Co-operative Bank of Kenya Limited Co-operative House Haile Selassie Avenue P.O. Box 48231 – 00100 Nairobi, Kenya Tel: +254 703 027 000 Email: customerservice@co-opbank.co.ke ; custodial@co-opbank.co.ke	CUSTODIAN The Co-operative Bank of Kenya Limited Co-operative House Haile Selassie Avenue P.O. Box 48231 – 00100 Nairobi, Kenya Tel: +254 703 027 000 Email: customerservice@co-opbank.co.ke ; custodial@co-opbank.co.ke
REIT MANAGER ICEA LION Asset Management Limited 4 th Floor, ICEA LION Centre Chiromo Road P.O. Box 46143 – 00100 GPO Nairobi, Kenya Tel: +254 20 275 0000 Email: einstein.kihanda@icealion.com	AUDITORS KPMG Kenya 8 th Floor, ABC Towers ABC Place, Waiyaki Way P. O. Box 40612 – 00100 Nairobi, Kenya Tel: +254 20 280 6000 Email: info@kpmg.co.ke
COMPLIANCE OFFICER – TRUSTEE Henry Karanja Co-operative House Haile Selassie Avenue P.O. Box 48231 – 00100 Nairobi, Kenya Tel: +254 20 327 6965 Email: hmkaranja@co-opbank.co.ke	COMPLIANCE OFFICER – REIT MANAGER Olga Omalla 4 th Floor, ICEA LION Centre Chiromo Road P.O. Box 46143 – 00100 GPO Nairobi, Kenya Tel: +254 20 275 0000 Email: olga.omalla@icealion.com

COMPANY SECRETARY Lucy Muthama Co-operative House Haile Selassie Avenue P.O. Box 48231 – 00100 Nairobi, Kenya Tel: +254 20 327 6474 Email: lmuthama@co-opbank.co.ke	REGISTRAR CDSC Registrars Limited 10th Floor, Nation Centre Kimathi Street P.O. Box 3464 – 00100 Nairobi, Kenya Tel: +254 20 291 2000 Email: helpdesk@cdsckenya.com
LEGAL ADVISORS Mboya Wangong’u & Waiyaki Advocates Lex Chambers, Maji Mazuri Road Off James Gichuru Road P.O. Box 74041 – 00200 Lavington, Nairobi Tel: +254 20 216 0312 Email: gmbuya@lexgroupafrica.com	LEGAL ADVISORS Hamilton Harrison & Mathews Advocates 1st Floor, Delta Office Suites, Waiyaki Way, P.O. Box 30333 Nairobi, Kenya
LEGAL ADVISORS Bowmans Coulson Harney 5th Floor, West Wing, ICEA LION Centre, Riverside Park, Chiromo Road P.O. Box 10643 – 00100 Nairobi, Kenya Tel: +254 20 289 9000/ +254 709 966 000 Email: cecil.kuyo@bowmanslaw.com	LEGAL ADVISORS TripleOKLaw Advocates LLP 5th Floor, Block C, ACK Garden House 1st Ngong Avenue, off Bishops Road P.O. Box 43170 – 00100 Nairobi, Kenya Tel: +254 709830100 Email: info@tripleoklaw.com
TRANSACTION ADVISER Dyer and Blair Investment Bank Limited 7th Floor, Goodman Tower Off Waiyaki Way, Westlands P.O. Box 45396 – 00100 Nairobi, Kenya Tel: +254 709930000 Email: corporate@dyerandblair.com	INDEPENDENT VALUERS Tysons Limited 1st Floor, Jubilee Insurance House Wabera Street P.o Box 40228-00100 Nairobi, Kenya Tel: +254 20 222 2011 Email: info@tysons.co.ke

PROPERTY MANAGER Knight Frank Kenya Limited Lions Place, Waiyaki Way Westlands P.O. Box 39773 – 00623 Nairobi, Kenya Tel: +254 20 423 9000 Email: info@ke.knightfrank.com	TAX ADVISORS Viva Africa Consulting LLP 3 rd Floor, Kiganjo House Rose Avenue, Off Denis Pritt Road P.O. Box 75079 – 00200 Nairobi, Kenya Tel: +254 20 246 5567 Email: KThuo@vivaafriallp.com
MEP ENGINEER Feradon Associates Ltd Kasuku Drive, Off Bogani Road –Karen P.O. Box 7375 -00300, Ronald Ngala Nairobi, Kenya Tel: +254 20 2392149/ 0722 209 730 Email: consult@feradon.com	MEP ENGINEER Howard Humphreys (East Africa) Limited 13 th Floor, The address Muthangari Drive, off Waiyaki Way P.O Box 30156-00100, Nairobi Email: Beatrice.wanjau@howardhumphreys.co.ke
PROJECT MANAGER CERTIFIER Turner & Townsend Consulting Limited 11 th Floor, Sanlam Tower, Waiyaki Way, Westlands, Nairobi Email: Robert.gichohi@turntown.com	CIVIL AND STRUCTURAL ENGINEER Civil One Consulting Engineers 3rd Floor, Suite 33, Signature Mall Mombasa Road P.O Box 103409-00101, Nairobi Tel: +254 798 322828/ +254 721 726497 Email: info@civilone.co.ke

No expert referenced above is or has been, engaged or interested or connected with the Trustee or the REIT Manager save as disclosed in this report.

ANNEXURE E: KEY RISKS

Industry specific risks

As is common in other investment classes, property goes through different performance cycles and trends affected by several factors including socio-economic and regulatory changes. Any changes in property industry dynamics may impact growth trends. However, experience in other markets suggests that I-REITs that invest in portfolios of high-quality investment properties provide sustained returns and operating performance even in a less favourable market environment of slower growth in rental incomes and property values for the industry as a whole.

Title

Weaknesses in land title and rental lease registration can adversely impact the operations of REIT Schemes.

All I-REIT Schemes are dependent on the certainty of the title to the properties and enforceability of rental lease agreements. Uncertainty of title presents the risk of (i) delays in completion of the purchase of properties until titles and leases are regularized, and (ii) delays in enforcement of lease contractual arrangements both of which could have adverse impacts on the business, financial condition and results of operations of I-REITs.

As a mitigating factor, the ILAM Fahari I-REIT's policy is to conduct a thorough due diligence on properties to be purchased and to require the current owners to regularize titles and leases before the purchases are completed.

Risks associated with the ILAM Fahari I-REIT structure

Market risk

The underlying asset value of ILAM Fahari I-REIT's properties may be impacted by fluctuations in supply and demand for the type of rental properties that the REIT has invested in. The REIT's reported financial results may be affected by losses recognised on the revaluation of investment properties being charged to the profit or loss statement. The REIT prepares its financial statements in accordance with IFRS Accounting Standards. As currently permitted by IFRS Accounting Standards, investment properties held to earn rentals and for capital appreciation are stated at annual fair valuation performed by independent professional valuers on an open market value for

existing use basis. Any revaluation surpluses or deficits arising from the revaluation of investment properties are reflected in the profit or loss statement.

The REIT Manager mitigates the impact of these risks on the REIT's underlying asset values and operating performance by applying a careful investment evaluation process. This ensures that the properties the REIT may invest in the future are in line with the REIT's stated investment philosophy and objectives and meet the minimum investment return criteria.

Income risk

Rental income earned from, and the value of, REIT's investment properties may be adversely affected by a number of factors and distributions may not be made if the REIT reports an operating loss. Reduction in reported rental income and operating profits may arise, for example, if tenancy agreements of the underlying properties are renewed at a lower rental rate than the previous agreement or if the occupancy rate falls. This in turn, reduces property income and the REIT's ability to recover certain operating costs such as service charges. Other factors could include changes in the REIT's ability to collect rent from tenants on a timely basis or at all; changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in the management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the building standards laws or the city planning laws, or the enactment of new laws related to construction and redevelopment.

The REIT Manager mitigates the impact of such factors by implementing portfolio specific strategies and operational initiatives. These include activities such as: income flow management; lease audit and data integrity review; vacancy management and leasing strategy; review of lease structures; and cost optimization management. In particular, the leasing strategy includes procuring of payment upfront and contractual lock-ins of rental rates and other clauses in tenancy agreements.

Securities liquidity risk

The ILAM Fahari I-REIT is the first I-REIT to have its units listed on the NSE. As with other listed securities listing and quotation does not guarantee that a highly-liquid trading market for the units will remain strong.

Regulatory risk

Changes to the regulatory framework applicable to a REIT could impact the REIT's financial performance and after-tax returns to unitholders. The ILAM Fahari I-REIT is subject to the REITs Regulations and the Governing Authority. Future changes may occur in laws and regulations that impact the REIT Scheme. Alternatively, there may be changes to enforcement or regulatory interpretation of laws leading to changes in the legal requirements affecting the REIT Scheme.

The REIT Manager mitigates this regulatory risk by participating actively in industry forums to discuss and debate potential regulatory changes and their potential impact.

Tax risk

The REIT and its wholly owned subsidiaries are exempt from income tax in line with section 20(1)(c) and 20(1)(d) of the Income Tax Act. Any changes to the interpretation of current tax laws and any new laws and regulations that may be introduced in the future could adversely impact the tax liability of the REIT Scheme. Among the latest changes is the exemption of stamp duty when acquiring assets for the REITs, which expired in December 2022. The CMA together with the REITs' industry players are lobbying for reinstatement of the same.

The REIT Manager and Trustee mitigates these tax risks by, firstly, monitoring and taking proactive action to help ensure that the REIT remains compliant with tax registration requirements. The REIT Manager also participates actively in industry forums alongside industry bodies such as the REITs Association of Kenya, in lobbying for the required tax reforms affecting REITs in Kenya.

Risks arising from acquisition of special purpose vehicles

The REIT has and continues to acquire investment properties through the purchase of shares in limited liability companies or partnerships (special purpose vehicles) that own underlying investment properties rather than purchasing the underlying properties directly. As is common with acquisitions of this type, the REIT's policy is to complete due diligence on any such company it wishes to purchase. Further, the REIT's policy is to enter into contractual arrangements that include obligations for the vendor to identify and settle liabilities of the target company prior to the sale and to provide certain, limited, ability for the REIT and the target company to make claims against the vendors in the event that they suffer losses relating to pre-acquisition liabilities and claims that may only come to light and crystallize after the acquisition.

However, there remains a residual risk that the REIT may not be able to claim full reimbursement for the losses that it might suffer in respect of such pre-acquisition liabilities and claims that are identified and crystallize after the acquisition because of contractual limitations and because the REIT may be unable to collect claim reimbursements on a timely basis or at all.

The REIT Manager mitigates this risk by ensuring that it monitors liabilities and claims against the companies that the Scheme purchases carefully and puts in place appropriate processes to identify potential claims, to submit claims and to follow up and collect such claims.

ANNEXURE F: GLOSSARY

Term or abbreviation	Meaning
“the Act”	means The Capital Markets Act, Chapter 485A of the Laws of Kenya, (Amended by Act No. 48 of 2013);
“AGM”	means Annual General Meeting;
“CBD”	means central business district;
“CDSC”	means Central Depository and Settlement Corporation Limited;
“CMA” or “Capital Markets Authority” or “Authority”	means the Capital Markets Authority in Kenya established by statute (and includes any successor thereto (whether immediate or derivative));
“Co-op Bank”	means The Co-operative Bank of Kenya Limited;
“Distribution Date”	means date by which distributions to Unitholders are required to be made, being 30 April annually;
“Eligible Assets”	means the eligible real estate and/or eligible cash investments that the ILAM Fahari Property Income Fund is permitted to invest in;
“GDP”	means Gross Domestic Product;
“GLA”	means gross lettable area, being the total area of a building that can be let to a tenant. GLA comprises primary GLA plus supplementary areas which include for example, storerooms, balconies, terraces, patios and signage/advertising areas dedicated for the use by the tenant and exclude basements and parking. Unless otherwise noted, any reference within the report to m ² is based on GLA;
“IFRS”	means the International Financial Reporting Standards;
“I-REIT”	means Income REIT;

“KRA”	means Kenya Revenue Authority;
“LLP”	means Limited Liability Partnership;
“m²” or “sqm”	means square metres;
“MEP”	means mechanical, electrical and plumbing;
“MER”	means the management expense ratio as defined in the REIT’s Regulations;
“NAV”	means net asset value, being the value of all the ILAM Fahari I-REIT’s assets after subtracting the value of all of its liabilities as determined in accordance with the consolidated financial statements of ILAM Fahari I-REIT;
“NSE”	means Nairobi Securities Exchange Limited, approved as a securities exchange under the Act;
“REIT”	means Real Estate Investment Trust, an unincorporated common law trust that has been authorised as such by the CMA;
“REIT Manager”	means ICEA LION Asset Management Limited
“REITs Regulations”	means the Capital Markets (Real Estate Investment Trusts) (Collective Investment Schemes) Regulations, 2013 as may be amended or modified from time to time;
“REIT Trustee” or “Trustee”	means The Co-operative Bank of Kenya Limited;
“SPV”	means special purpose vehicle;
“sq.ft.”	means square foot or square feet;
“Subsidiary” or “Subsidiaries”	means a subsidiary or the subsidiaries of the ILAM Fahari I-REIT property fund, being an entity or entities owned more than 50% by the REIT Trustee on behalf of the REIT;

“TAV”	means total asset value, being the value of all the ILAM Fahari I-REIT assets prior to any adjustments or deduction of liabilities;
“Trust Deed”	means the trust deed between ICEA LION Asset Management Limited and Co-op Bank establishing the ILAM Fahari I-REIT property fund as an Income Real Estate Investment Trust Scheme, 30 September 2015;
“Unitholder(s)” or “REIT Unitholder(s)” or “Securities holder”	means any person including the Promoter, who has purchased or otherwise acquired (including through the exchange, or in consideration of any transfer, of Property) and holds any Units and is registered in the Register as evidence that he holds the Units;
“USP”	Means Unquoted Securities Platform