

ALP I I-REIT EARNINGS NOTE– H1'2026

31st July 2026

ALP released the maiden financial results (H1'2026) for the ALP I-REIT for the period ended 30th June 2026. The I-REIT was authorized by the Capital Markets Authority (CMA) on 8th December 2025 and listed on the Nairobi Securities Exchange on 11th March 2026. The USD-denominated income REIT invests in institutional-grade industrial and logistics Real Estate. As at 30th June 2026, the REIT's seed portfolio comprised three operational assets, ALP North Two in Tatu City, and Courtyard and Kyoga in Tilisi, Limuru, with ALP North Three identified as the immediate pipeline asset for acquisition.

Below is a summary of the ALP I-REIT's H1'2026 Performance.

<i>Figures in USD mn unless stated otherwise</i>	
Balance Sheet	H1'2026
Total Assets	45.2
Total Equity	41.7
Total Liabilities	3.5

<i>Figures in USD unless stated otherwise</i>	
Income Statement	H1'2026
Rental Income	399,737.0
Income from Other Sources	2,284.0
Operating Expenses	356,538.0
Profit/Loss	233,088.0
Basic EPS (Kshs)	0.0058

<i>Figures in USD unless stated otherwise</i>	
Ratios Summary	H1'2026
ROA	0.5%
ROE	0.6%
Debt Ratio	7.8%
PBT Margin	58.3%
Rental Yield	1.5%
Annualized Rental Yield	3.0%

Income Statement:

- The basic earnings per unit (EPU) came in at USD 0.0058 in H1'2026, with a net profit of USD 233,088. The relatively modest EPU reflects the REIT's maiden reporting period, during which only 2 months of rental income were recognized following the transfer of the seed assets. Profitability was also weighed down by USD 243,287.0 in one-off REIT set-up expenses incurred during the launch and listing of the fund.
- Rental and related income for the REIT stood at USD 399,737.0 in H1'2026, implying a gross rental yield of 1.5% and an annualized rental yield of 3.0% based on the six-month reporting period. However, the REIT only began accruing rental income from 1st May 2026 following the transfer of the seed assets, meaning the reported income reflects only 2 months of rental operations. On a normalized two-month operating basis, the portfolio would have generated an annualized gross rental yield of approximately

9.4%, providing a more representative indication of the underlying income-generating capacity of the investment properties, which were valued at USD 26.5 mn.

- Total operating expenses in H1'2026 for the REIT came in at USD 356,538.0, attributed to USD 243,287.0 incurred in REIT set-up expenses, USD 81,289.0 in fund operating expenses, and USD 31,962.0 in administrative expenses. Notably, the REIT set-up expenses accounted for 68.2% of total operating expenses, highlighting the significant non-recurring costs associated with the establishment and listing of the REIT.

Balance Sheet:

- Total assets for the REIT stood at USD 45.2 mn in H1'2026. Total non-current assets stood at USD 26.6 in H1'2026, consisting mainly of USD 26.5 mn in investment, while total current assets stood at USD 18.6 in H1'2026, consisting mainly of USD 14.7 mn cash and cash equivalents and USD 3.1 mn in trade and other receivables. The substantial cash balance reflects the unutilized IPO proceeds earmarked for the acquisition of ALP North Three, underscoring the REIT's strong liquidity position and capacity to expand its income-generating portfolio in the near term.
- Total liabilities in H1'2026 came in at USD 3.5 mn, with USD 2.2 mn in provision for VAT payable and USD 1.3 mn in trade and other payables,
- The shareholder's funds recorded in H1'2026 was USD 41.7 mn, with Trust capital at USD 39.6 mn and other reserve at USD 1.9 mn.
- The REIT currently has a Return on Asset and a Return on Equity of 0.5% and 0.6% respectively.

Going forward,

- We expect the REIT's financial performance to strengthen as it transitions from its maiden reporting period into a fully operational phase. The reported H1'2026 results reflect only two months of rental income, with rental accrual commencing on 1 May 2026 following the transfer of the seed assets. The REIT continues to benefit from a resilient portfolio characterized by a 98.0% occupancy rate and a weighted average unexpired lease term (WAULT) of 64 months, providing strong income visibility and stable cash flows. In addition, the remaining IPO proceeds of approximately USD 13.9 mn, earmarked for the acquisition of ALP North Three, are expected to enhance the portfolio's income-generating capacity once deployed, with the asset contributing recurring rental income in place of the current interest income earned on unutilized cash. We also expect the REIT to continue benefiting from sustained demand for Grade A industrial and logistics assets, supported by Kenya's expanding logistics, manufacturing, and e-commerce sectors. Nevertheless, investors should monitor key risks, including potential delays in completing the pipeline acquisition, elevated interest rates that may exert pressure on property valuations and capitalization rates, and any slowdown in tenant demand within the industrial real estate market. Overall, while the maiden results were weighed down by one-off establishment costs and the limited rental contribution during the reporting period, the REIT's high-quality portfolio, fully equity-funded balance sheet, strong occupancy, and visible acquisition pipeline provide a solid foundation for stronger recurring earnings and sustainable distributions in the periods ahead.