

Below is a summary of the ILAM Fahari I-REIT's FY'2025 Performance;

<i>Values in Kshs bn unless stated otherwise</i>							
Balance Sheet	FY'2022	FY'2023	H1'2024	FY'2024	H1' 2025	FY'2025	Δ Y/Y (FY' 2025/FY'2024)
Total Assets	3.6	3.5	3.4	3.7	3.7	3.8	4.6%
Total Equity	3.4	3.3	3.2	3.6	3.6	3.7	5.4%
Total Liabilities	0.2	0.2	0.1	0.1	0.1	0.1	(21.5%)

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Income Statement	FY'2022	FY'2023	H1'2024	FY'2024	H1' 2025	FY'2025	Δ Y/Y (FY' 2025/FY'2024)
Rental Income	0.4	0.3	0.1	0.3	0.1	0.3	8.9%
Income from Other Sources	0.0	0.1	0.0	0.1	0.0	0.05	(9.8%)
Operating Expenses	0.2	0.2	0.1	0.2	0.1	0.21	(5.7%)
Profit/Loss	(0.03)	(0.0003)	0.1	0.4	0.1	0.2	(34.8%)
Basic EPS	(0.2)	(0.002)	0.3	2.1	0.4	1.4	(34.8%)

Ratios Summary	FY'2022	FY'2023	H1 2024	FY'2024	H1' 2025	FY'2025	Δ Y/Y (FY' 2025/FY'2024)
ROA	(0.8%)	(0.01%)	1.6%	10.3%	1.8%	6.4%	(3.9%)
ROE	(0.8%)	(0.01%)	1.7%	10.6%	1.8%	6.6%	(4.0%)
Debt Ratio	5.3%	4.7%	4.3%	3.1%	2.6%	2.3%	(0.8%)
PBT Margin	(8.4%)	(0.1%)	38.4%	128.5%	44.1%	80.8%	(47.7%)
Annualized Rental Yield	9.8%	11.6%	10.2%	9.2%	9.6%	9.7%	0.5%

Income Statement:

- The basic earnings per unit decreased by 34.8% to Kshs 1.4 bn in FY'2025 from Kshs 2.1 in FY'2024. The performance is attributed to a decrease in ILAM Fahari's comprehensive profit by 19.5% to Kshs 245.8 mn in FY'2025, from Kshs 377.2 mn recorded in FY'2024. This was mainly driven by a 62.1% decrease in fair value adjustment to investment property of Kshs 100.0 mn realized in FY'2025 from Kshs 263.6 mn in FY'2024. Additionally, operating expenses declined by 5.7% to Kshs 207.6 mn in FY'2025 from Ksh 220.3 mn in FY'2024,
- Rental income increased by 8.9% to Kshs 304.3 mn in FY'2025, from Kshs 279.5 mn recorded in FY' 2024, mainly due to increased occupancy at Greenspan Mall which increased by 3.0% to 93.0% in FY'2025 from 90.0% in FY'2024
- Interest income decreased by 10.4% to Kshs 49.1 mn in FY'2025, from Kshs 54.8 mn realized in the similar period in 2024, owing to the low interest rates experienced in the market during the year which decreased by 2.3% points to 9.0% in FY'2025 from 11.3% in FY'2024,
- The total operating expenses declined by 5.7% to Kshs 207.6 mn in FY'2025 from Ksh 220.3 mn in FY'2024, driven by a 8.7% decrease in Fund-Operating expenses to Kshs 100.1 mn in FY'2025, from Kshs 109.7 mn in FY'2024. There was a 2.8% decrease in the property expenses to Kshs 107.5 mn in

FY'2025, from Kshs 110.6 mn in FY'2024. The decrease in expenses was mainly due to the reduction in consultancy fees by 83.3% to 890.5 mn from 5,336.8 mn FY'2024.

- Distributable earnings per unit came in at Kshs 0.8 in FY'2025, a 13.4% increase from Kshs 0.7 recorded during a similar period in 2024 due to increased rental income resulting from increased occupancy at Greenspan Mall.
- The REIT Manager recommended a first and final distribution of Kshs 117.6 mn in relation to FY'2025 amounting to 65 cents per unit. This translates to a dividend yield of 5.9% and an implied capitalization rate of 10.2%.
- The annualized rental yield, increased by 0.5% points to 9.7% in FY'2025 from 9.2% recorded in FY'2024. This was mainly driven by a 8.9% increase in rental and related income of Kshs 304.3 mn realized in FY'2025 from Kshs 279.5 mn in FY'2024.

Balance Sheet:

- Total assets increased by 4.6% to Kshs 3.8 bn in FY'2025, from Kshs 3.7 bn in FY'2024. This was primarily attributable to a 45.2% increase in investment securities to Kshs 0.5 bn in FY' 2025, from Kshs 0.4 bn recorded in FY'2024,
- Total liabilities decreased by 21.5% to Kshs 89.4 mn in FY'2025, from Kshs 113.9 mn in FY'2024 attributable to a similar decrease in the trade and other payables to Kshs 89.4 mn in FY'2025, from Kshs 113.9 mn in FY'2024. The REIT remained without non-current liabilities as at FY'2025,
- The shareholder's funds increased by 5.4% to Kshs 3.7 bn in FY'2025, from Kshs 3.6 bn in FY'2024, following an increase in proposed distributed earnings of 116.6% to Kshs 117.6 mn in FY' 2025 from Kshs 54.3 mn FY'2024, and,
- The REIT currently has a Return on Assets of 6.4% which was a 3.9%-point decrease from 10.3% in FY' 2024 and a Return on Equity of 6.6% which was a 4.0%-point decrease from 10.6% in FY'2024.

Going forward, ILAM Fahari I-REIT's strategic focus will be on enhancing asset performance through active portfolio management, tenant retention, and targeted capital improvements, particularly at high-potential assets such as Greenspan Mall. With increased occupancy already evident, the REIT is well-positioned to drive further rental income growth. Additionally, prudent cost management and operational efficiency will remain key levers for sustaining profitability and distributable income. The REIT also aims to optimize its investment portfolio by exploring yield-accretive opportunities and diversifying income streams. Supported by a stronger balance sheet, low leverage, and positive earnings momentum, ILAM Fahari is set to deliver stable returns to investors while reinforcing its market position as a leading listed property income fund in Kenya.