ILAM FAHARI I-REIT EARNINGS NOTE– H1'2026
31st July 2026

Below is a summary of the ILAM Fahari I-REIT's H1'2026 Performance;

Values in Kshs bn unless stated otherwise							
Balance Sheet	**FY'2023**	**H1'2024**	**FY'2024**	**H1'2025**	**FY'2025**	**H1'2026**	**Δ Y/Y (H1' 2026/H1'2025)**
Total Assets	3.5	3.4	3.7	3.7	3.8	3.8	4.7%
Total Equity	3.3	3.2	3.6	3.6	3.7	3.7	4.2%
Total Liabilities	0.2	0.1	0.1	0.1	0.1	0.1	26.9%

Values in Kshs bn unless stated otherwise							
Income Statement	**FY'2023**	**H1'2024**	**FY'2024**	**H1'2025**	**FY'2025**	**H1'2026**	**Δ Y/Y (H1' 2026/H1'2025)**
Rental Income	0.3	0.1	0.3	0.1	0.3	0.2	14.0%
Income from Other Sources	0.1	0.0	0.1	0.0	0.05	0.02	(13.5%)
Operating Expenses	0.2	0.1	0.22	0.1	0.21	0.10	(3.7%)
Profit/Loss	**(0.0003)**	**0.1**	**0.4**	**0.1**	**0.2**	**0.1**	**31.6%**
Basic EPS	**(0.002)**	**0.3**	**2.1**	**0.4**	**1.4**	**0.5**	**32.2%**

Ratios Summary	**FY'2023**	**H1 2024**	**FY'2024**	**H1'2025**	**FY'2025**	**H1'2026**	**Δ Y/Y (H1' 2026/H1'2025)**
ROA	(0.01%)	1.6%	10.3%	1.8%	6.4%	2.2%	**(3.9%)**
ROE	(0.01%)	1.7%	10.6%	1.8%	6.6%	2.3%	**(4.0%)**
Debt Ratio	4.7%	4.3%	3.1%	2.6%	2.3%	3.1%	**(0.8%)**
PBT Margin	(0.1%)	38.4%	128.5%	44.1%	80.8%	52.0%	**(47.7%)**
Annualized Rental Yield	11.6%	10.2%	9.2%	9.6%	9.7%	10.6%	**0.5%**

<u>Income Statement:</u>

- The basic earnings per unit increased by 32.2% to Kshs 0.5 bn in H1'2026 from Kshs 0.4 in HY'2025. The performance is attributed to an increase in ILAM Fahari's comprehensive profit by 31.6% to Kshs 84.7 mn in H1'2026, from Kshs 64.4 mn recorded in H1'2025. This was mainly driven by a 7.7% increase in total income of Kshs 185.4 mn realized in H1'2026 from Kshs 172.2 mn in H1'2025. Additionally, operating expenses declined by 3.7% to Kshs 100.8 mn in H1'2026 from Ksh 104.7 mn in H1'2025,
- Rental income increased by 14.0% to Kshs 162.7 mn in H1'2026, from Kshs 142.8 mn recorded in H1' 2025, mainly due to increased occupancy at Greenspan Mall which increased by 8.0% points to 94.0% in H1'2026 from 86.0% in H1'2025.
- Interest income decreased by 13.5% to Kshs 22.7 mn in H1'2026, from Kshs 26.2 mn realized in the similar period in 2025, owing to the low interest rates experienced in the market during the year which decreased by 1.0% points to 8.75% in H1'2026 from 9.75% in H1'2025,
- The total operating expenses declined by 3.7% to Kshs 100.8 mn in H1'2026 from Ksh 142.8 mn in H1'2025, driven by a 1.4% decrease in Fund-Operating expenses to Kshs 52.0 mn in H1'2026, from Kshs 52.8 mn in H1'2025. There was a 6.0% decrease in the property expenses to Kshs 48.8 mn in H1'2026, from Kshs 51.9 mn in H1'2025. The decrease in expenses was mainly due to lower repairs

and maintenance at the properties as well as a one-off disposal cost that was incurred the previous year and was not present during the period under review.

- Distributable earnings per unit came in at Kshs 0.5 in H1’2026, a 31.6% increase from Kshs 0.4 recorded during a similar period in 2025 due to increased rental income resulting from increased occupancy at Greenspan Mall.
- The REIT Manager did not recommend an interim distribution for the period ended 30th June 2026.
- The annualized rental yield, increased by 1.0% points to 10.6% in H1’2026 from 9.7% recorded in H1’2025. This was mainly driven by a 14.0% increase in rental and related income of Kshs 162.7 mn realized in H1’2026 from Kshs 142.8 mn in H1’2025.

Balance Sheet:

- Total assets increased by 4.7% to Kshs 3.8 bn in H1’2026, from Kshs 3.7 bn in H1’2025. This was primarily attributable to a 45.2% increase in investment securities to Kshs 0.5 bn in H1’2026, from Kshs 0.4 bn recorded in H1’2025,
- Total liabilities increased by 26.9% to Kshs 120.1 mn in H1’2026, from Kshs 94.7 mn in H1’2026 attributable to a similar increase in the trade and other payables to Kshs 120.1 mn in H1’2026, from Kshs 94.7 mn in H1’2025. The REIT remained without non-current liabilities as at H1’2026,
- The shareholder’s funds increased by 4.2% to Kshs 3.7 bn in H1’2026, from Kshs 3.6 bn in H1’2025, following an increase retained earnings of 52.8% to Kshs 140.2 mn in H1’2026 from Kshs 91.8 mn H1’2025, and,
- The REIT currently has a Return on Assets of 2.2% which was a 0.4%-point increase from 1.8% in H1’ 2025 and a Return on Equity of 2.3% which was a 1.8%-point increase from 1.8% in H1’2025.

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.