

LAPTRUST IMARA I I-REIT EARNINGS NOTE– H1'2025

3rd August 2025

Laptrust released the FY'2024 financial results for the Imara I-REIT for the period ended 30th June 2025. The I-REIT was authorized by the Capital Markets Authority (CMA) on 1st November 2022. Laptrust Imara I-REIT holds several properties across the country including; Pension towers, CPF House, Metro Park, Freedom Heights mall, Freedom Heights serviced plot, Man apartments, and Nova Pioneer in Eldoret.

Below is a summary of the Laptrust Imara I-REIT's H1'2025 Performance.

<i>Figures in Kshs bn unless stated otherwise</i>			
Balance Sheet	H1'2024	H1'2025	H1'2025/H1'2024 Change
Total Assets	7.3	6.9	(5.27%)
Total Equity	6.9	6.4	(8.19%)
Total Liabilities	0.4	0.5	25.00%

<i>Figures in Kshs mn unless stated otherwise</i>			
Income Statement	H1'2024	H1'2025	H1'2025/H1'2024 Change
Rental Income	198.3	247.2	24.63%
Income from Other Sources	73.8	57.9	(2.63%)
Operating Expenses	109.8	224.2	104.13%
Profit/Loss	162.4	80.9	(50.17%)
Basic EPS (Kshs)	0.5	0.2	(50.17%)

<i>Figures in Kshs mn unless stated otherwise</i>			
Ratios Summary	FY'2023	FY'2024	FY'2024/FY'2023 Change
ROA	2.22%	1.17%	(1.05%)
ROE	2.34%	1.27%	(1.07%)
Debt Ratio	4.9%	7.8%	2.93%
PBT Margin	81.9%	32.7%	(49.13%)
Rental Yield	3.0%	4.0%	1.04%

Income Statement:

- The basic earnings per unit came in at Kshs 0.2 in H1'2025, a 50.2% decline from Kshs 0.5 recorded in H1'2024. The performance was driven by a 50.2% decline in net earnings to a profit of Kshs 80.9 mn in H1'2025 from Kshs 162.4 mn recorded in H1'2024,
- Rental and related income for the REIT stood at Kshs 247.2 mn in H1'2025, a 24.6% increase from Kshs 198.3 mn in H1'2024, implying a gross annualized rental yield of 8.1% in H1'2025 on interest-earning assets, higher than the 3.0% rental yield recorded during H1'2024. This increase in rental income was driven by faster growth in rental rates than property prices supported by higher demand for rentals and delayed home ownership. The annual rental yield currently stands at 8.1%,
- Total operating expenses in H1'2025 for the REIT came in at Kshs 224.2 mn, 104.1% higher than the Kshs 109.8 mn recorded in H1'2024, attributed to Kshs 149.8 mn incurred in utility expenses, 39.7 mn in property expenses, and Kshs 34.7 mn in fund operating expenses.

Balance Sheet:

- Total assets for the REIT stood at Kshs 6.9 bn in H1'2025, a 5.3% decrease from Kshs 7.3 bn recorded in H1'2024, comprising of Kshs 6.2 bn in investment property that saw a 5.3% decrease from Kshs 6.7 bn in H1'2024 attributable to a Kshs 0.3 bn in cash and cash equivalents, and Kshs 0.3 bn in trade and other receivables,
- Total liabilities in H1'2025 came in at Kshs 0.5 bn, recording a 25.0% increase from Kshs 0.4 bn in H1'2024 wholly attributable to an increase in trade and other payables,
- The shareholder's funds decreased by 8.2% to Kshs 6.4 bn from Kshs 6.9 bn in H1'2024, attributable to 6.9 bn in trust capital which recorded no change, and 200.6 mn in retained earnings
- The REIT currently has a Return on Asset and a Return on Equity of 1.2% and 1.3% respectively.

Going forward,

- We expect the three-year trading restriction period to be crucial for the I-REIT to establish a solid performance track record, thereby enhancing investor confidence in this asset class. However, at present, only high-net-worth individuals can invest in the I-REIT, as trading is limited to professional investors, excluding retail investors from participation.