

ILAM FAHARI I-REIT
AUDITED CONDENSED RESULTS FOR THE YEAR
ENDED 31 DECEMBER 2023



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
NOTE		2023 (KShs)	2022 (KShs)
Revenue		316,630,698	336,820,221
Rental and related income		322,420,562	354,291,682
Straight-lining of lease income		(5,789,864)	(17,471,461)
Other income		52,143,196	31,021,470
Interest income		38,777,696	31,021,470
Realized gain on disposal of investment property		13,365,500	-
Operating expenses		(225,817,112)	(243,364,633)
Property expenses		(97,180,778)	(131,271,761)
Fund operating expenses		(128,636,334)	(112,092,872)
Decrease in fair value of investment property		(143,254,424)	(152,840,649)
Fair value adjustment to investment property		(149,044,288)	(170,312,110)
Straight-lining of lease income		5,789,864	17,471,461
Net loss for the year		(297,642)	(28,363,591)
Other comprehensive income		-	-
Total comprehensive income attributable to unitholders for the year		(297,642)	(28,363,591)
Basic earnings per unit (KShs)	1	(0.00)	(0.16)
Headline earnings per unit (KShs)	1	0.79	0.69

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
		2023 (KShs)	2022 (KShs)
ASSETS			
Non-current assets			
Investment property		2,779,700,000	2,918,200,000
Fair value of investment property for accounting purposes		2,739,041,169	2,871,751,305
Straight-line lease adjustment		40,658,831	46,448,695
Property and equipment		50,252,190	34,620,979
		2,829,952,190	2,952,820,979
Current assets			
Investment property		160,000,000	200,400,000
Investment securities		176,760,959	287,049,120
Trade and other receivables		83,886,537	85,385,530
Cash and cash equivalents		218,790,974	89,908,591
		639,438,470	662,743,241
Total assets		3,469,390,660	3,615,564,220
EQUITY & LIABILITIES			
Capital and reserves			
Trust capital		3,479,540,745	3,479,540,745
Fair value reserve		(319,363,195)	(255,818,907)
Retained earnings		146,247,419	200,632,768
		3,306,424,969	3,424,354,606
Current liabilities			
Trade and other payables		162,965,691	191,209,614
Total equity & liabilities		3,469,390,660	3,615,564,220
Net asset value per unit		18.27	18.92

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY				
	Trust capital (KShs)	Revaluation reserve (KShs)	Retained earnings (KShs)	Total (KShs)
2023				
Balance at 1 January 2023	3,479,540,745	(255,818,907)	200,632,768	3,424,354,606
Net loss for the period	-	-	(297,642)	(297,642)
Transfer to non-distributable reserve	-	(149,044,288)	149,044,288	-
Transfer to distributable reserve	-	85,500,000	(85,500,000)	-
Transactions with owners of equity				
Distribution to unitholders	-	-	(117,631,995)	(117,631,995)
Balance at 31 December 2023	3,479,540,745	(319,363,195)	146,247,419	3,306,424,969
2022				
Balance at 1 January 2022	3,479,540,745	(85,506,797)	149,170,399	3,543,204,347
Total comprehensive income				
Net loss for the year	-	-	(28,363,591)	(28,363,591)
Transfer to non-distributable reserve	-	(170,312,110)	170,312,110	-
Transactions with owners of the REIT				
Distribution	-	-	(90,486,150)	(90,486,150)
Balance at 31 December 2022	3,479,540,745	(255,818,907)	200,632,768	3,424,354,606

CONSOLIDATED STATEMENT OF CASH FLOWS		
	2023 (KShs)	2022 (KShs)
Cash flows from operating activities		
Cash generated from operations	110,707,743	153,939,334
Net cash inflow from operating activities	110,707,743	153,939,334
Cash flows from investing activities		
Proceeds from sales of investment property	43,365,500	-
Additions to Investment property	(144,288)	(30,912,110)
Additions to property and equipment	(17,702,738)	(22,563,955)
Increase /(decrease) in investment securities	110,288,161	(40,362,688)
Net cash generated from/ (used in) investing activities	135,806,635	(93,838,753)
Cash flows from financing activities		
Distribution paid	(117,631,995)	(90,486,150)
Net cash outflow from financing activities	(117,631,995)	(90,486,150)
Net movement in cash and cash equivalents	128,882,383	(30,385,569)
Cash and cash equivalents at beginning of period	89,908,591	120,294,160
Cash and cash equivalents at end of period	218,790,974	89,908,591

NOTES	2023 (KShs)	2022 (KShs)
1. Basic and headline earnings		
Basic earnings - comprehensive income attributable to unitholders for the period	(297,642)	(28,363,591)
Adjusted for:		
Fair value adjustment to investment properties (including straight-line lease accrual movement)	143,254,424	152,840,649
Headline earnings	142,956,782	124,477,058
Adjusted for:		
Straight-line lease accrual movement	5,789,864	17,471,461
Realised loss on disposal of investment property	(85,500,000)	-
Distributable earnings	63,246,646	141,948,519
Distributable earnings per unit (KShs)	0.35	0.78
Basic and diluted earnings per unit (KShs)	-	(0.16)
Headline earnings per unit (KShs)	0.79	0.69
Weighted average units in issue (units)	180,972,300	180,972,300
Units in issue at the end of the period (units)	180,972,300	180,972,300

COMMENTARY
1. Basis of preparation The audited condensed consolidated financial statements presented above have been prepared in accordance with the requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), and the Capital Markets (Real Estate Investment Trusts) (Collective Investment Schemes) Regulations, 2013. The Financials have been audited by KPMG Kenya and received an unqualified audit opinion. These, together with the REIT Manager’s Annual Report will be available on the REIT’s website www.ilamfahariireit.com from 31 st March 2024.
2. Business review ◆ Net loss reduced significantly by 99% to KShs. 0.3 mln (2022: KShs. 28.4 mln) on the account of reduction in fair value loss on investment property. ◆ Rental and related income reduced by 9% owing to the lease expiry at 67 Gitanga Place property, which was single tenanted. The REIT Manager is in the process of finding a replacement tenant. ◆ Property expenses decreased by 26% mainly due to lower repairs and maintenance costs as well as reduced provision for doubtful debts. ◆ Fund operating expenses increased by 15% on the account of restructuring costs incurred during the year under review.
3. Distribution The REIT Manager has recommended and the Trustee has approved a first and final distribution of KShs. 126,680,610 in relation to the year ended 31 st December 2023 (2022: KShs. 117,631,995) subject to Unitholders approval at the annual general meeting scheduled for 18 th April 2024. This amounts to 70 cents per unit (2022: 65 cents per unit) and is payable by no later than 30 th April 2024. Approval of the financial statements 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

NOTICE OF THE EIGHTH ANNUAL GENERAL MEETING
Notice is hereby given that the Eighth Annual General Meeting (AGM) of the Unitholders of the ILAM Fahari I-REIT (“REIT”) will be held virtually on Thursday, 18 th April 2024, commencing at 10:00 am for the purpose of transacting the business as set out below: AGENDA 1. To read the notice convening the meeting and determine if a quorum is present. 2. To receive, consider and if thought fit, adopt the Annual Report and the Audited Annual Financial Statements for the year ended 31 st December 2023. 3. To note and ratify the first and final distribution for the year ended 31 st December 2023, of KShs. 126,680,610 (70 cents per unit in issue) as recommended by the REIT Manager and approved by the Trustee. 4. To note that KPMG continue as Auditors for the REIT. 5. To ratify the remuneration of the REIT manager for the financial year ended 31 st December 2023 as disclosed in the annual report 6. To transact any other business which may be properly transacted at an Annual General Meeting of the REIT Unitholders. BY ORDER OF THE TRUSTEE Lucy Muthama Trustee Company Secretary The Co-operative Bank of Kenya Limited P.O. Box 48231 – 00100 Nairobi, Kenya Date: 26th March 2024
NOTE: 1. The Form of Proxy will be available on the ILAM Fahari I-REIT website at www.ilamfahariireit.com from 31 st March 2024. 2. The duly completed Form of Proxy should reach the REIT Manager no later than 48 hours before the time set for the meeting.