DECEMBER 8TH 2025

# ALP INDUSTRIAL REAL ESTATE INVESTMENT TRUST OFFERING MEMORANDUM

**ALP REIT**: East Africa's Pioneering Industrial Real Estate Investment Trust

**(Authorised in Kenya on 8th December 2025 under the Capital Markets (Real Estate Investment Trusts) (Collective Investment Schemes) Regulations, 2013**

# ALP INDUSTRIAL REAL ESTATE INVESTMENT TRUST OFFERING MEMORANDUM

**ISSUED IN RELATION TO THE ISSUANCE OF UP TO 45,000,000 UNITS IN THE ALP INDUSTRIAL REAL ESTATE INVESTMENT TRUST (ALP REIT), COMPRISING OF UP TO 15,000,000 UNITS ISSUED TO THE PROMOTER IN EXCHANGE FOR PROPERTY TRANSFER AT AN OFFER PRICE OF USD 1.00 (PAR VALUE USD 1.00)**
**AND**

**UP TO 30,000,000 UNITS OFFERED BY WAY OF RESTRICTED OFFER AT AN OFFER PRICE OF USD 1.00 (PAR VALUE USD 1.00), WITH A GREEN SHOE OPTION OF UP TO 30% (EQUIVALENT TO 9,000,000 NEW UNITS) TO CATER FOR OVERSUBSCRIPTION**

**Strictly Private and Confidential**

***This Is Not an Invitation to the Public but to Professional Investors only***

***THIS OFFERING MEMORANDUM IS ONLY MEANT FOR THE PERSON TO WHOM IT HAS BEEN ADDRESSED AND IS STRICTLY NOT FOR THE USE OR CONSIDERATION OF ANY OTHER PERSON***

The date of this Information Memorandum is 8th December 2025

# I. IMPORTANT NOTICE AND STATEMENTS

# I. IMPORTANT NOTICE AND STATEMENTS

This document comprises an Offering Memorandum (the "Offering Memorandum") relating to the ALP Industrial Real Estate Investment Trust (the "ALP REIT") of the Laws of Kenya as amended or modified from time to time and has been prepared in accordance with the Capital Markets Act, Chapter 485A (the "Act") and the Capital Markets (Real Estate Investment Trusts) (Collective Investment Schemes) Regulations, 2013 as amended or modified from time to time (the "REIT Regulations").

The Offering Memorandum is issued by Africa Logistics Properties Holdings Ltd (the "Promoter", "Issuer" or "ALPH") for the purpose of providing information to Professional Investors with respect to the issuance of up to 45,000,000 units in the ALP REIT, comprising:

a) Up to 15,000,000 units issued to the Promoter in exchange for property transfer at an Offer Price of USD 1.00 per unit (par value USD 1.00 per unit); and

b) Up to 30,000,000 units offered by way of a Restricted Offer at an Offer Price of USD 1.00 (par value USD 1.00), with a green shoe option of up to 30% (equivalent to 9,000,000 new units) to cater for oversubscription.

This Scheme has been authorised by the Capital Markets Authority (the "CMA") but this authorization is not a recommendation or a statement by the CMA in relation to the suitability of the REIT for investment or as to the risks associated with such investment. The Authority assumes no liability. As a matter of policy, the CMA accepts no responsibility for the correctness of any statements or opinions made with respect to the ALP REIT.

The Offering Memorandum has been approved by the Issuer, the Trustee and the CMA. The approval of the CMA is not a recommendation or a statement by the Authority in relation to the suitability of the REIT for investment. The CMA has not verified and will not verify the accuracy of information contained in this Offering Memorandum and therefore accepts no responsibility or liability for the correctness of statements made therein or a prospective investor's investment decision.

In making your investment decision to invest in REIT securities, you should be aware that there is very limited, if any, recourse to the assets of the Issuer, REIT Manager or the Trustee.

Your investment in REIT securities and as a REIT Unitholder in the REIT Scheme is an equity investor. Distributions and return of capital are not guaranteed and are entirely dependent on the performance of the assets of the real estate investment trust.

Your rights in most cases will be limited solely to the assets of the ALP REIT. If the Trustee is authorised to borrow on behalf of the ALP REIT then your rights to distributions and to the assets will rank after the payments to lenders.

The REIT Trustee, REIT Manager and other parties are also entitled to receive payment of fees and expenses ahead of payments to REIT Unitholders who invest in REIT securities.

The definitions commencing in Section 1 of the Offering Memorandum have, where applicable been used on this cover page.

## Offering Memorandum

This Offering Memorandum together with the documents specified herein, having been approved by the Issuer and the REIT Trustee, have been approved by the CMA. This Offering Memorandum is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents available for inspection" in Section 17). This Offering Memorandum shall be read and construed on the basis that such documents are incorporated into and form part of this Offering Memorandum.

This Offering Memorandum is issued under the provisions of the REIT Regulations. The REIT Scheme has been authorised and registered as a Real Estate Investment Trust by CMA.

No REIT securities can be issued based on this Offering Memorandum more than six months after the stated date of publication of the Offering Memorandum.

No person has been authorised to give any information or make any representation not contained in or not consistent with this Offering Memorandum or any information supplied in connection with the Scheme and, if given or made, such information or representation must not be relied upon as having been authorised by the REIT Trustee, the Issuer or any Placing Agent.

Each prospective investor contemplating the purchase of any Units should make its own independent investigation of the financial condition and affairs, and its own appraisal of the condition (financial or otherwise) of the ALP REIT. If you are in any doubt about the contents of this Offering Memorandum or the nature of the transaction or investment or the risks attached to an investment in the Units then you should consult a person licensed under the Act who specialises in advising on investments in or acquisition of units, including units in a real estate investment trust.

All references in this document to "Shillings", "KES", "Kenya Shillings" and "KSH" refer to the currency of the Republic of Kenya. All references in this document to "Dollars", "USD" and "United States Dollar" refer to the currency of the United States of America.

Where any term is defined within the context of any particular clause or section in this Offering Memorandum, the term so defined, unless it is clear from the clause or section in question that the term so defined has limited application to the relevant clause or section, shall bear the meaning ascribed to it for all purposes in this Offering Memorandum, unless the context otherwise requires. Expressions defined in this Offering Memorandum shall bear the same meanings in supplements to this Offering Memorandum, which do not themselves contain their own definitions.

## Supplementary Offering Memorandum

If, prior to the closing of the Restricted Offer, a significant new development occurs in relation to the information contained in this Offering Memorandum or a material mistake or inaccuracy is found in the Offering Memorandum that may affect the assessment of the ALP REIT, a supplement to this Offering Memorandum will be published. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Memorandum or in a document that is incorporated by reference in this Offering Memorandum. Any statements so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Memorandum.

## Forward Looking Statements

This Offering Memorandum contains forward-looking statements relating to ALP REIT's proposed business. These forward-looking statements can be identified by the use of forward looking terminology such as believes, expects, may, is expected to, will, will continue, should, would be, seeks or anticipates or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions.

These statements reflect the current views of the Issuer with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the ALP REIT to be materially different from the future results, performance or achievements that may be expressed or implied by such forward-looking statements. Some of these factors are discussed in more detail under "Risk Factors" in Section 11. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Offering Memorandum as anticipated, believed, estimated or expected.

## Industry, Economic and Other Information

The industry, real estate and economic data including industry forecasts used throughout the Offering Memorandum have been sourced from internal data, market research data, and publicly available information and industry publications. We have also made statements on the basis of information from third-party sources that we believe are reliable, such as the Central Bank of Kenya and Kenya National Bureau of Statistics among others. Industry and government publications, including those referenced here, generally state that the information presented therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Although we have no reason to believe that any of this information or these reports is inaccurate in any material respect, we have not independently verified the industry or other data provided by third parties or by industry or other publications. The Issuer and the Transaction Advisor do not make any representation as to the accuracy of such information.

## Selling Restrictions

Potential investors should not assume that the information in this Offering Memorandum is accurate as at any date other than its date of publication. No person is or has been authorised to give any information or make any representation in connection with the Offer, other than as contained in this Offering Memorandum. Delivery of this Offering Memorandum at any time after the date hereof will not under any circumstances, create any implication that there has been no change or that the information set out in this Offering Memorandum is correct at any time since its date. This Offering Memorandum does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Units to any person in any jurisdiction where it would be unlawful to make such offer or solicitation in such jurisdiction.

No Units have been marketed to, nor are they available for purchase in whole or in part by, the public in any jurisdiction other than Kenya in conjunction with the Offer. In particular, Units do not qualify for distribution under any of the relevant laws of Canada, Australia or Japan, nor has any prospectus in relation to the Units been lodged with or registered by the Canadian Securities Administrators, Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exceptions, the Units may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into or within Canada, Australia or Japan.

The Offer consists of an offering outside the United States of America, its territories and possessions, any state of the United States, and the District of Columbia (the "United States") of Units pursuant to Regulation S ("Regulation S") under the US Securities Act 1933, as amended (the "Securities Act"). The Units have not been and will not be registered under the Securities Act or under the securities laws of any state of the United States. Accordingly, subject to certain exceptions, the Units may not be, directly or indirectly, offered, sold, pledged, taken up, delivered or otherwise transferred in or into or within the United States absent registration or an exemption from registration under the Securities Act.

This Offering Memorandum must not be acted on or relied on (i) in the United Kingdom, by persons who are not qualified investors ("Qualified Investors") within the meaning of Article 2(e) of Regulation (EU) No. 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "Prospectus Regulation") and (ii) in any member state of the EEA other than the United Kingdom, by persons who are not Qualified Investors. Any investment or investment activity to which this Offering Memorandum relates is available only to Relevant Persons in the United Kingdom and Qualified Investors in any member state of the EEA other than the United Kingdom and will be engaged in only with such persons.

This Offer does not constitute a public offer or the solicitation of a public offer in the United Kingdom to subscribe for or purchase any Units nor a marketing in the United Kingdom or the EU under the Alternative Investment Fund Managers (the "AIFM Directive") or under the applicable implementing legislation (if any) of the United Kingdom or any EEA member state. To the extent that any Units are made available for purchase to persons in the United Kingdom, they shall only be made available to Qualified Investors: (i) who are persons who have professional experience in matters relating to investments falling within the definition of "investment professionals" in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "FPO"); (ii) who are high net worth bodies corporate, unincorporated associations and partnerships or the trustees of high value trusts falling within article 49(2)(a) to (d) of the FPO, or (iii) who are other persons to whom it may otherwise lawfully be communicated.

The Offer does not constitute an "offer to the public" (as such expression is defined in the South African Companies Act and this Offering Memorandum does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act. Accordingly, to the extent that the Units are offered for subscription or sale in South Africa, such Offer is made: (i) only to selected persons falling within one of the specified categories listed in Section 96(1)(a) of the South African Companies Act; and/or (ii) selected persons, acting as principal, acquiring Offer Shares for a total acquisition cost of ZAR1,000,000 or more, as contemplated in terms of Section 96(1)(b) of the South African Companies Act, and to whom the Offer will specifically be addressed, and only by whom the Offer will be capable of acceptance ("Appropriate Persons").

## Consents

Dyer & Blair Investment Bank Limited as Transaction Advisor, Coulson Harney LLP as Legal and Tax Advisor; Deloitte & Touche LLP as Reporting Accountants; CBRE Excellerate Valuation Services Kenya Ltd ("CBRE") as the Valuer and FBW Kenya Ltd as the Structural Engineer, have consented in writing to act in the stated capacities and to their names being included in this Offering Memorandum and have not withdrawn their consent prior to the publication of this Offering Memorandum. None of the above advisors have been employed on a contingent basis by the Promoter and none of them own Units in the ALP REIT which would be material to that person or has a material, direct or indirect economic interest in the ALP REIT.

Coulson Harney LLP has given and has not withdrawn its consent to the inclusion in this Offering Memorandum of its Legal Opinion, and the references to its name, in the form and context in which it appears, and it has authorised the contents of the said Legal Opinion which forms part of the Documents available for inspection. See Section 17.

CBRE Excellerate Valuation Services Kenya Ltd, the Valuer, has given and not withdrawn its consent to the inclusion in this Offering Memorandum of its report, and the references to its name, in the form and context in which it appears, and it has authorised the contents of the said report. See Section 10.

FBW Kenya Ltd, the Structural Engineer, has given and not withdrawn its consent to the inclusion in this Offering Memorandum of its report, and the references to its name, in the form and context in which it appears, and it has authorised the contents of the said report. See Section 9.

Deloitte & Touche LLP, the Reporting Accountant, has given and not withdrawn its consent to the inclusion in this Offering Memorandum of its report, and the references to its name, in the form and context in which it appears, and it has authorised the contents of the said report. See Section 19.

## Declaration

The Issuer assumes full accountability for liability for any statements and representations included in this Offering Memorandum including the statements of other parties and experts, except expert opinions issued by the respect experts.

Each expert named in the Offering Memorandum shall be liable solely for misrepresentations and omissions arising from statements made by them, provided that due consent has been obtained from the relevant expert for the inclusion of such statements in the Offering Memorandum.

The Transaction Advisor, Placing Agents and other professional advisors have not separately verified the information contained herein except with regards to specific expert reports provided by the Legal Advisor, Reporting Accountant, Valuer and Structural Engineer. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Transaction Advisor, Placing Agents or other professional advisors as to the accuracy or completeness of the information contained in this Offering Memorandum or any other information provided by the Issuer. The Transaction Advisor, Placing Agents and the professional advisors do not accept any liability in relation to the information contained in this Offering Memorandum or any other information provided by the Issuer in connection with the Restricted Offer.

The Directors of the Issuer, hereby state that this Offering Memorandum and the Scheme Documents comply with the Act and the REIT Regulations.

The Directors of the Issuer have, collectively and individually, made all reasonable enquires and confirm to the best of their knowledge and belief, that there are no false or misleading statements or omissions of other facts which would make any statement in this Offering Memorandum false or misleading and have duly authorised the undersigned to sign this declaration on their behalf.

Signed on behalf of the Directors of the Promoter:

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| ..... | ..... |
| **Charles Tryon**<br>**Chairman**<br>**Africa Logistics**<br>**Properties Holdings Ltd** | **Raghav Gandhi**<br>**Chief Executive Officer**<br>**Africa Logistics**<br>**Properties Holdings Ltd** |

We, the Transaction Adviser and the Legal Adviser, hereby state that this Offering Memorandum and the Scheme Documents comply with the Act and the REIT Regulations

| | |
|---|---|
| ..... | ..... |
| **Cynthia Mbaru**<br>**Director**<br>**Dyer & Blair Investment Bank Limited** | **Wathingira Gituro**<br>**Partner**<br>**Coulson Harney LLP** |

# II. SALIENT FEATURES OF THE TRANSACTION

## II. SALIENT FEATURES OF THE TRANSACTION

The information set out in this salient features section of the Offering Memorandum is not intended to be comprehensive. All investors are encouraged to read the Offering Memorandum in its entirety. This Offering Memorandum is restricted to Professional Investors only. No REIT securities can be issued based on this Offering Memorandum more than six months after the stated date of the publication of the Offering Memorandum.

| Terms | Details |
|---|---|
| Name | The ALP Industrial Real Estate Investment Trust |
| Domicile and Legal Form | The Trust was established and approved by the CMA as an income real estate investment trust ("I-REIT") on 8th December 2025 |
| Promoter and its Role | Africa Logistics Properties Holdings Ltd ("ALPH"). ALPH is also the developer of the Initial Properties which will be seeded to ALP REIT |
| REIT Manager | ALP REIT Management Limited |
| Property Manager | ALP Management Kenya Limited |
| Trustee | Co-operative Bank of Kenya Limited |
| Objectives of the ALP REIT | The objective of ALP REIT is to generate net income for distribution to the Unitholders from rental income from institutional industrial real estate investments, improve returns over the REIT's term as well as grow the asset base of the REIT.<br><br>The ALP REIT aims to maximise returns for Unitholders through efficient management of existing assets to generate dividends and capital growth as well as acquisition of new assets.<br><br>In this regard, the ALP REIT will undertake the following:<br>a) Acquisition of Eligible Real Estate that:<br>i. Provides attractive investment returns; and<br>ii. Is consistent with the investment guidelines and risk management objectives of the REIT.<br><br>Any material changes to these objectives can only be made if authorised by the Act and the REIT Regulations and approved by the Unitholders. |
| Type, class and security identification | The Units of the ALP REIT. Such Units signify a participation interest in the ALP REIT which entitles the holder to a undivided share, right, interest or entitlement in the REIT Assets as a whole, but do not confer an interest in a particular REIT Asset.<br><br>In the offer, the Issuer will offer up to 30,000,000 units with a green shoe option of 30% to cater for oversubscription (9,000,000 units) as a Restricted Offer.<br><br>The Units will be listed on the Restricted Board of the Main Investment Market Segment ("MIMS") of the Nairobi Securities Exchange. |

| Terms | Details |
|---|---|
| Currency of the units | The Units will be denominated in United States Dollar |
| Nominal value of the Units | As at the date of the Offering Memorandum, the Units have a nominal value of USD 1.00 |
| Rights attached to the Units | The Units shall rank pari passu in all respects.<br><br>Each Unit shall confer the right to one vote at all meetings of Unitholders and to participate pro rata in any distributions by ALP REIT. |
| Transferability of the Units | The Units are freely transferable to Professional Investors only and the Trustee shall not impose any restriction on the transfer of Units other than restrictions already existing in law or regulation. The minimum lot size on the NSE will be 10,000 Units.<br><br>The Units may not be transferred to persons who do not qualify as Professional Investors. |
| Distribution Policy | The Trustee, on the recommendation of the REIT Manager shall, subject to the Trust Deed and the REIT Regulations, distribute in each financial year, with the distribution being made by the Distribution Date, a minimum of 80 per cent of the profit after tax income, if any, of the fund from sources other than from realised capital gains on the disposal of real estate assets. |
| Offer Size | USD 30,000,000 |
| Offer Price | USD 1.00 per Unit |
| Minimum subscription amounts | The minimum subscription per applicant is USD 100,000 or 100,000 Units |
| Minimum aggregate subscription for the Restricted Offer | USD 11,000,000 |
| Anchor Investor Participation | InfraCo Africa Investment Limited (InfraCo Africa") will invest up to USD 15 million in ALP REIT with USD 10 million to be deployed through the Restricted Offer |
| Issue of Units | On completion of the Offer, the ALP REIT will issue Units to successful applicants equivalent their cash investment into the ALP REIT. The Promoter will receive units equivalent to the market value of the Initial Properties it has contributed that has not been paid off by cash.<br><br>Each Unit shall confer the right to one vote at all meetings of security holders and to participate pro rata in any distribution by the ALP REIT |
| Eligible Investors | The REIT Securities will only be available to Professional Investors |
| Securities to be listed | The Units will be listed on the Restricted Board of the Main Investment Market Segment of the NSE. |

| Terms | Details |
|---|---|
| Summary of the transaction | *The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of, this Offering Memorandum*<br><br>The ALP REIT aims to provide investors with income derived from investing up to 75% of Total Asset Value in real estate assets in Kenya. The REIT will also be allowed to invest no more than 25% of Total Asset Value in cash and cash equivalent assets. Investors are encouraged to read through the "Risk Factors" found in Section11.<br><br>The Promoter will contribute the Initial Properties and will receive partial payment in cash and units. (See Section 5.3.4) |
| Use of Funds | The funds raised will be used to acquire the properties highlighted in Section 8 (ALP REIT INVESTMENT OVERVIEW) |
| Status of the REIT | The ALP REIT will be a listed, closed ended REIT domiciled in Kenya. During its first years, it will primarily focus on acquiring rent stabilised properties developed by ALPH in Kenya. In the medium term, the strategy for the REIT will be to acquire properties developed by ALPH within the wider East African region as well as engage in disposals if the appropriate return target has been met. Aside from assets developed by ALPH, it will also seek to identify third party assets that achieve the investment strategy and return hurdles for investments by the REIT. |
| Trading of the REIT | The Units will be listed on the Restricted Board of the MIMS of the NSE. Only Professional Investors will be able to trade in the Units. However, there is no assurance that there will be an active market for ALP REIT securities on the Restricted Board. |
| Transferability of Units | The Units may not be transferred to persons who do not qualify as Professional Investors. |
| Distribution of Realised Capital Gains | The REIT Regulations require the ALP REIT to make annual distributions to security holders of a minimum of 80% of the profit after tax income (if any) generated by the ALP REIT from sources other than Realised Capital Gains. |

| Terms | Details |
|---|---|
| Proposed Initial Properties | The Initial Properties proposed to be acquired by the ALP REIT following authorisation are:<br><br>• A portion of Tilisi Logistics Park Plot C relating to Parcel Number TLP 1-9 being a portion of Land Reference Number 30564 (Original Number 11532/2) registered in favour of ALP West Limited, located in Limuru (Courtyard).<br>• A portion of Tilisi Logistics Park Plot B relating to Parcel Number TLP 1-9 being a portion of Land Reference Number 30564 (Original Number 11532/2) registered in favour of ALP West Two Limited, located in Limuru (Kyoga).<br>• Tatu City Unit Number L3-47B Precinct 3BA being a portion of Land Reference Number 28867/1 registered in favour of ALP North Two Limited, located in Tatu City (ALP North Two).<br><br>Post authorisation and transfer of initial properties, ALP REIT will make an offer to acquire the following properties once their rental income has been stabilised. This is expected to take place within the first 12 months.<br><br>• Tatu City Unit Number L3-47C Precinct Number 3BA being a portion of Land Reference Number 28867/1 registered in favour of ALP North Three Limited, located in Tatu City (ALP North Three). |
| Promoter stake and lock-in | The Promoter intends to maintain a minimum 20% stake for the first 3years from the closing date of this offer.<br><br>The Promoter will retain a relationship with the REIT through related parties that will be responsible for REIT Management and Property Management of the REIT. |

| Terms | Details |
|---|---|
| Borrowing Policy | The REIT will be limited to a gearing ratio of 35% of Total Asset Value as per the REIT Regulations.<br><br>The Trustee, as advised by the REIT Manager, may use gearing to enhance the potential for income returns and long-term capital appreciation. The REIT Manager may use gearing to enhance the capital structure of the REIT.<br><br>Failure by the Trustee to comply with the borrowing limitation set out above and in the Trust Deed shall not constitute an offence, however, where the Trustee exceeds the borrowing limitation:<br>• The ALP REIT may cease to be classified as a REIT Scheme for taxation purposes.<br>• The Security Holders may institute a cause of action against the Trustee or the REIT Manager.<br>• The Authority may revoke the authorisation issued to the ALP REIT.<br><br>Debt may be secured with or without a charge over some or all of the ALP REIT's assets, depending on the optimal structure for the ALP REIT and having consideration to key metrics including lender diversity, cost of debt, debt type and maturity profile. |
| Financial Structuring | The REIT may organise debt funding for its activities to enhance the return for Unitholders. Any borrowing arrangements considered by the Trustee (whether on its own initiative or upon the recommendation of the REIT Manager) shall be in the interest of the Scheme provided that the total debt financing of the Scheme shall not exceed the limit prescribed under the Scheme Documents and the REIT Regulations. |

| Terms | Details |
|---|---|
| Connected Parties | The Promoter, the REIT Manager and Property Manager are connected parties. They have entered into agreements with the REIT to ensure that all transactions are at arm's length. Under the REIT Regulations, other connected parties include:<br><br>a. any valuer appointed to undertake a valuation of the Scheme.<br>b. the Trustee.<br>c. a Substantial Unitholder in the Scheme.<br>d. a director, a senior executive or an officer of any of the persons mentioned in this definition.<br>e. an associate of any person under the foregoing paragraphs.<br>f. a controlling entity, a holding company, a subsidiary or an associated company of any person under the foregoing paragraphs.<br><br>Section 5 highlights the roles of the various connected parties.<br><br>The corporate governance structure has been set up by the Promoter and REIT Manager to mitigate any conflicts of interest. In this regard, the REIT Manager has established a corporate governance framework that provides:<br><br>a. strategic guidance of the REIT Manager, promotes the effective monitoring of the management and accountability of the board.<br>b. for availability and documentation of timely and accurate information relating to the REIT Manager, including its performance governance and<br>c. governance committees comprising:<br>i. Investment Committee; and<br>ii. Audit and Risk Committee.<br><br>All connected party transactions shall be:<br><br>a. carried out at arm's length;<br>b. consistent with the objectives and strategy of the Scheme;<br>c. in the best interests of the REIT Securities Holders;<br>d. properly disclosed to the REIT Securities Holders; and<br>e. conducted on terms no less favourable than standard commercial terms and shall be subject to the prior approval of the Trustee and, where required under the Trust Deed, the Act or REIT Regulations, by the Unitholders. |

| Terms | Details |
|---|---|
| Governing Law | Laws of the Republic of Kenya |
| Key Investment Highlights | • Strong Promoter Profile;<br>• Attractive existing real estate portfolio with stable, high quality tenants paying rental income in USD;<br>• Experienced REIT Manager team; and<br>• Strong corporate governance framework<br><br>See Section 4.3 (Key Investment Highlights) and Section 8 for further details. |
| Summary of Investment Policy | The objective of ALP REIT will be to acquire long term investment generating real estate assets in the industrial sector that meet ALP's investment criteria. This also includes the management of the real estate assets of the REIT to maximise return for security holders and to ensure capital appreciation.<br><br>The initial properties to be acquired by the REIT are multi tenant industrial grade A and B warehouses with a total lettable area of 33,129 sqm. The tenant base is quite diversified with long term tenants in logistics, agro processing, light manufacturing and other sectors.<br><br>See Section 5.2. |
| REIT Manager Compensation | The REIT Manager will be paid:<br><br>a. An annual management fee of 1% per annum on Assets under Management based on the last published financial statements, payable quarterly in arrears; and<br>b. A performance fee payable upon the disposal of each assets based on the asset's performance over its holding period if, at the point of disposal, the unitholders achieve an asset Internal Rate of Return (IRR) of 7%, the REIT Manager shall earn a 20% carried interest on the portion of returns exceeding the 7% IRR hurdle. |
| Trustee Compensation | The Trustee will be paid 0.5% of AUM per annum |
| Property Manager Compensation | The Property will be paid:<br>a. Property Management Fee of 3% of gross rental income;<br>b. Leasing Fee of up to 2 months' rent under the specific lease if the Property Manager brings in the tenant (or payable to third party agents); and<br>c. Lease Renewal Fee of 1 month's rent based on last year's escalated rent for a standard 5 year lease |

| Terms | Details |
|---|---|
| Summary of Key Risks | • Country risks<br>  • Macroeconomic and political risk<br>  • Taxation risk<br>  • Regulatory risk<br><br>• Industry risks<br>  • Land and lease registration<br>  • Sector competition<br>  • Excessive supply of formal and informal industrial real estate affecting rental income<br>  • Illiquidity of real estate assets<br><br>• Risks related to the structure of the ALP REIT<br>  • Market risk<br>  • Income risk<br>  • Illiquidity of REIT Units<br>  • Gearing risk<br>  • Regulatory risk<br>  • Taxation risk<br><br>• Risks associated with the Scheme's proposed investment portfolio<br>  • Risks from acquisition of SPV<br>  • Taxation risk from treatment of SPVs<br>  • Land and lease registration risk<br>  • Tenant concentration risk<br><br>See Section 11 for further details. |

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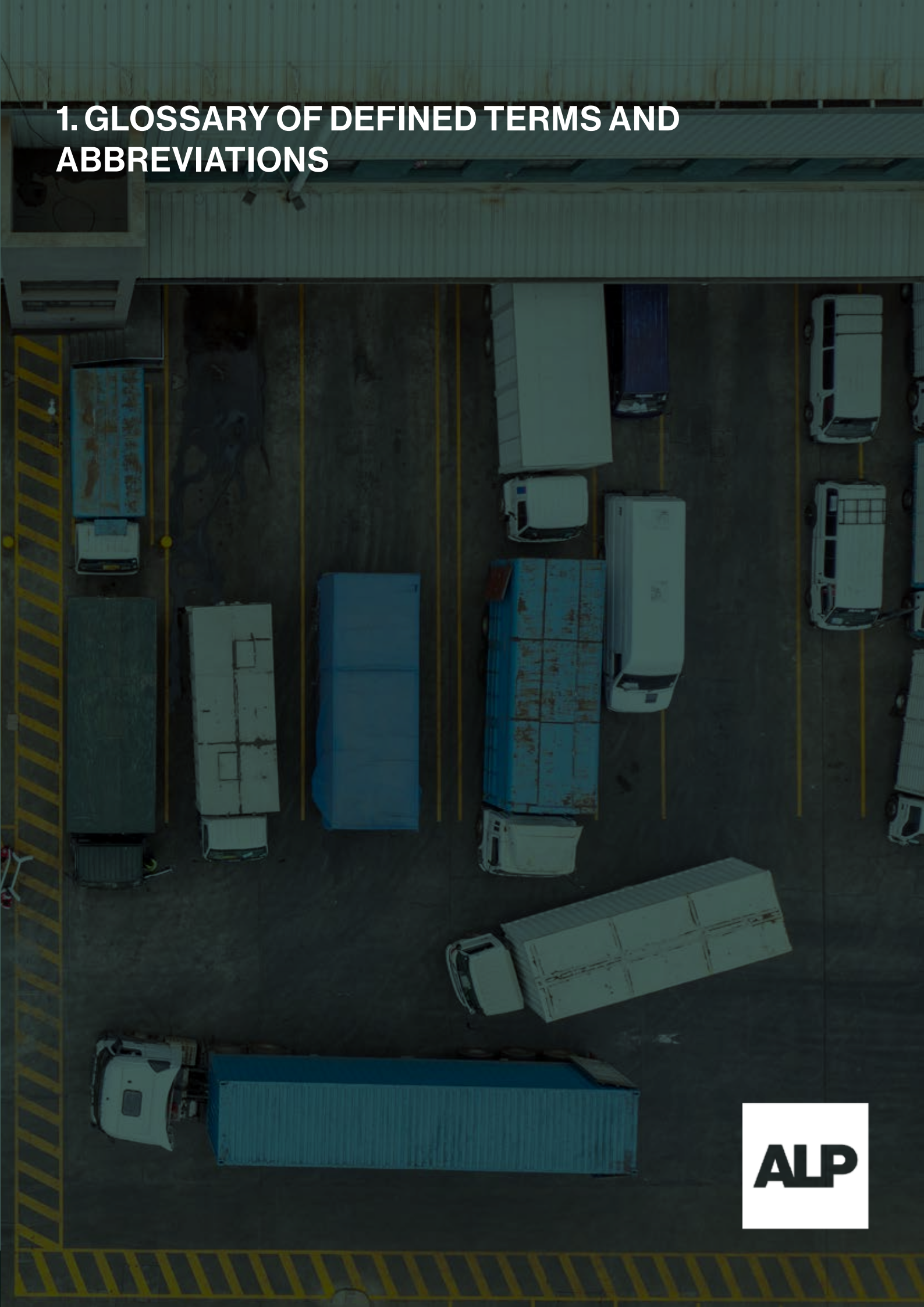
## FIGURE REFERENCE

## TABLE REFERENCE

# 1. GLOSSARY OF DEFINED TERMS AND ABBREVIATIONS



# 1. GLOSSARY OF DEFINED TERMS AND ABBREVIATIONS

In this Offering Memorandum (including its annexures), unless a contrary indication appears, the following expressions shall have the meanings indicated in the table below:
Words in the singular shall include the plural and vice versa, references to a person shall include references to a body corporate, and reference to a gender includes the other gender.

*Table 1: Definitions and Abbreviations*

| Term or Abbreviation | Definition |
|---|---|
| "Act" | means the Capital Markets Act, Chapter 485A of the Laws of Kenya as amended or modified from time to time; |
| "Additional Information" | means information provided to supplement the information contained in the Offering Memorandum; |
| "ALP REIT" | means the Africa Logistics Properties Industrial Real Estate Investment Trust whose Promoter is ALPH and is an I-REIT; |
| "ALPH" | means the Africa Logistics Properties Holdings Ltd; |
| "Anchor Investor" | means InfraCo Africa Investment Limited so long as it holds Units in the ALP REIT; |
| "Applicant(s)" | means one or more prospective investors that subscribes for Units in the Offer by submitting a completed application form during the Offer Period; |
| "Application(s)" | means one or more completed application forms submitted by or on behalf of a prospective investor during the Offer, for purposes of subscribing for the offer of Units in terms of the Offer; |
| "Application Form" | means the application form to be used by prospective investors for purposes of subscribing for the offer of Units in terms of the Offer, a sample of which is attached to this Offering Memorandum and which will be made available to prospective investors; |
| "Applicable Law" | means any applicable laws or regulations (including any foreign exchange rules or regulations) of any governmental or other regulatory authority which may govern the Offer, the Units and the Scheme Documents; |
| "ARML" | means the ALP REIT Management Limited; |
| "Associated Person" | means in relation to a Group Entity, any other Group Entity and any senior employee, director or officer of such Group Entity; |
| "Auditors" or "Reporting Accountant" | means Deloitte & Touche LLP; |
| "AUM" | means assets under management; |
| "Authorised Units" | means all the Units that may be issued at any given time by the ALP REIT, whether they have been issued (and are therefore "Units in Issue") or not; |
| "Beneficiary" | means any holder of Units from time to time; |
| "Board" | means the Board of Directors of the Promoter, REIT Manager or Trustee as constituted from time to time; |

| Term or Abbreviation | Definition |
|---|---|
| "Business Day" | means any day other than a Saturday, Sunday or official public holiday in Kenya; |
| "CAGR" | means Compounded Annual Growth Rate; |
| "Calculation Date" | means 31 December in each year; |
| "Cash Yield" | means the annual cash distributions an investor will receive as a percentage of their initial cash investment; |
| "CBK" | means the Central Bank of Kenya; |
| "Closed Ended Fund" | means a fund or trust in which:<br>a. A person invests by subscribing for an issue of units or by acquiring units in a secondary market;<br>b. The value of the investment fluctuates over time as determined by market price for the units;<br>c. The number of the units issued remains constant over time except where a new issue of units is made or there is a reduction in the capital of the fund initiated by the Trustee or as a consequence of termination or winding up of the Trust; and<br>d. The Unitholders, except where there is a reduction in the capital of the fund initiated by the Trustee or as a consequence of termination or winding up of the Trust –<br>1. Is not entitled to require the Trustee to redeem the units; and<br>ii. May only exit the investment in the Units by selling the Units in a secondary market; |
| Closing Date | means the date on which the Offer closes; |
| "CMA" or "Capital Markets Authority" or "Authority" | means the Capital Markets Authority established under the Act; |
| "Connected Person" or "Connected Party" | Means in relation to any person, an Associated Person of that person or an associated of that person (as associate is defined in the Act, as amended from time to time) and, in relation to the ALP REIT specifically, includes:<br>a. The Promoter<br>b. The REIT Manager;<br>c. A valuer appointed to undertake a valuation of the Scheme;<br>d. The Trustee;<br>e. A Substantial Unitholder in the Scheme;<br>f. A director, a senior executive or an officer of any person referred to in (a) (b) and (c) above;<br>g. An associate (as "Associate" is defined in the Act, as amended from time to time) of any person referred to in (d) and (e) above; and<br>h. A controlling entity, a holding company, a subsidiary or an associated company of any person referred above; |
| "Co-op Bank" | means the Co-operative Bank of Kenya Limited; |
| "Director" | means a Director of the REIT Manager, Promoter or Trustee |
| "Distribution Date" | means date by which distributions to Unitholders is required to be made, being 30 April annually; |

| Term or Abbreviation | Definition |
|---|---|
| "Distribution Yield" | means the distribution available to a holder of a Unit in any consecutive 12-month period divided by the relevant market price of that security at the beginning of that 12- month period; |
| "EBITDA" | means Earnings Before Interest, Tax, Depreciation, and Amortisation |
| "EFT" | means Electronic Funds Transfer; |
| "Eligible Assets" | means the eligible real estate and/or eligible cash investments that the ALP REIT is permitted to invest in. See Section 5; |
| "Eligible Investments" | means in respect of the ALP REIT, the assets and investments specified under Regulation 65 of the Regulations; |
| "Eligible Real Estate" | Means real estate as captured in the REIT Regulations with respect to the I-REIT |
| "FDI" | means Foreign Direct Investment; |
| "Foreign Institutional Investors" | means any person who is not a local investor; |
| "GDP" | means Gross Domestic Product; |
| "GLA" | means gross lettable area, being the total area of a building that can be let to a tenant. GLA comprises primary GLA plus supplementary areas which include for example, storerooms, balconies, terraces, patios and signage/advertising areas dedicated for the use by the tenant and exclude basements and parking. Unless otherwise noted, any reference within the Offering Memorandum to m2 is based on GLA; |
| "Gross Rental Income" | means the gross rental, being basic rental plus operational costs, excluding rates and taxes, measured in United States Dollar; |
| "Gross Proceeds" or "Estimated Gross Proceeds" | means the total proceeds raised during the Offer, prior to the deduction of the Initial Estimated Expenses; |
| "Hurdle Rate" | means minimum acceptable rate of return before performance fees are accrued; |
| "IBG" | means Irrevocable Bank Guarantee substantially in the form set out in Section 25; |
| "IFRS" | means the International Financial Reporting Standards; |
| "ILU" | means Irrevocable Letter of Undertaking substantially in the form set out in Section 26; |
| "Initial Estimated Expenses" | means all expenses including costs, fees and charges associated with the establishment of the REIT Scheme and the Offer; |
| "Initial Properties" | means the properties for which acquisition by the ALP REIT is to be completed within the first six months after authorisation of the I-REIT. These include<br><br>a. Courtyard (ALP West)<br>b. Kyoga (ALP West Two)<br>c. ALP North Two<br><br>ALP North Three will be acquired within the first 12 months.<br><br>See Section 5.3.4 for more details; |

| Term or Abbreviation | Definition |
|---|---|
| "IMF" | means International Monetary Fund; |
| "Independent Property Valuers" or "Valuers" | means the independent property valuers of the I-REIT, being CBRE Excellerate Valuation Services Kenya Ltd; |
| "Internal Rate of Return" or "IRR" | means internal rate of return achieves on the ALP REIT; |
| "Investee LLP" | means a limited liability partnership which meets the requirements of Regulation 65 as adopted to limited liability partnerships; |
| "Investee SPV" | means a special purpose vehicle wholly owned by the Scheme (including an Investee LLC, Investee LLP or investment trust) which meets the eligibility criteria provided or envisaged under Regulation 65 of the REIT Regulations (or that is otherwise permitted or considered eligible by the Authority) used by the Scheme to hold Real Estate Assets or to execute its Projects in accordance with the objectives of the Scheme and reference to Investee SPVs shall be construed accordingly; |
| "Investee Trust" | means an investment trust set up in accordance with Chapter 161 of the Perpetuities and Accumulations Act; |
| "Investment Policy" | means the Investment Policy of the ALP REIT set out in the Trust Deed; |
| "Investor" | means a Professional Investor under the Regulations and a holder of Units and who is a beneficiary under the Trust Deed; |
| "IPS" | means the Investment Policy Statement; |
| "I-REIT" | means Income REIT; |
| "Issuer" or "Promoter" | means, in relation to this Offer, Africa Logistics Properties Holdings Ltd; |
| "Issue Price" | means the price at which the Units will be issued by the ALP REIT pursuant to the Offer, being USD 1.00 per unit; |
| "KES" or "KSH" or "Kenya Shillings" | means Kenya Shilling; |
| "Legal Adviser" | means the legal adviser to the Issuer, in relation to this Offer, being Coulson Harney LLP; |
| "m2" or "sqm" | means square metres; |
| "Management Fee" | means the amount payable by the Trustee to the REIT Manager for managing the ALP REIT in accordance with the terms of the REIT Management Agreement; |
| "MER" | means the management expense ratio; |
| "NAV" | means net asset value, being the value of all the ALP REIT's assets after subtracting the value of all its liabilities as determined in accordance with the consolidated financial statements of ALP REIT; |
| "NAV per Unit" | means the NAV divided by the number of Units issued and not redeemed on the day the calculation is made; |
| "Net Operating Income" or "NOI" | means total revenue less operating expenses and non-cash rents. Operating expenses include, but are not limited to, real estate taxes, utilities, insurance, property management fees, advertising, basic repairs and maintenance; |

| Term or Abbreviation | Definition |
|---|---|
| "Net Proceeds" or "Estimated Net Proceeds" | means the Gross Proceeds raised during the Offer, net of the Initial Estimated Expenses; |
| "NSE" | means the Nairobi Securities Exchange, approved as a securities exchange under the Act; |
| "Offer" | means the period from the Opening Date to the Closing Date, both days inclusive; |
| "Offer Price" | means the price at which the Units will be issued by the ALP REIT pursuant to the Offer, being USD 1.00 per Unit; |
| "Offer Timetable" | means the timetable for the Offer as detailed in the Important Dates and Times section on Section 2; |
| "Offering Memorandum" | means this document inclusive of all annexures and accompanying sample application form dated 8th December 2025, prepared in compliance with the Act, the REIT Regulations and the NSE Listing Rules |
| "Opening Date" | means the date at which the Offer opens; |
| "Ordinary Resolution" | means a resolution passed by a simple majority of the total number of votes cast by Unitholders entitled to vote (in person or by proxy) at a duly quorate general meeting of Unitholders convened in accordance with the Trust Deed |
| "p.a." | means per annum; |
| "Placing Agent" | means Dyer & Blair Investment Bank Limited; |
| "Primary GLA" | means the rentable area dedicated to the use of the tenant comprising usable and common areas for offices and excluding common area for retail buildings; |
| "PEB" | means Pre-Engineered Building; |
| "Performance Fee" | means the performance fee payable by ALP REIT to the REIT Manager calculated in accordance with Section 12.1.4; |
| "Person" or "person" | means an individual, corporation, company, firm, organisation, partnership, limited partnership, limited liability partnership, trust (including business trust), unincorporated association, joint venture syndicate, estate, Governmental Entity or other form of entity or organisation of any nature whatsoever (in each case whether or not having legal separate legal personality); |
| "Pipeline Property" | means an asset that has been identified for acquisition by ALP REIT in the future when it meets the investment criteria as per the Investment Policy; |
| "Professional Investor" | means:<br>a. any person licensed under the Act;<br>b. an authorised scheme or collective investment scheme;<br>c. a bank or subsidiary of a bank, insurance company, co-operative, statutory fund, pension or retirement fund; or<br>d. a person including a company, partnership, association or a trustee on behalf of a trust which, either alone, or with any associates on a joint account subscribes for REIT securities with an issue price equal to at least Five Million Kenya Shillings (KSH 5 million); |

| Term or Abbreviation | Definition |
|---|---|
| "Property Manager" | means ALP Management Kenya Limited and any replacement (from time to time) appointed pursuant to the REIT Property Management Agreement in accordance with the provisions of the Regulations and whose role is the provision of certain property management services in relation to the Eligible Real Estate of ALP REIT pursuant to the REIT Property Management Agreement and the Regulations; |
| "Prospective Investors" | means investing public but limited to Professional Investors; |
| "Qualified Institutional Investors (East African)" | means a body corporate including a financial institution, collective investment scheme, fund manager, dealer or other body corporate whose ordinary business includes the management or investment of funds whether as principal or on behalf of clients; |
| "Real Estate" | means land, and in addition includes:<br>a. all things which are a natural part of the land or growing on the land;<br>b. attachments above and below the land;<br>c. things which are fixtures or are developed, installed or constructed on the land including buildings and site improvements;<br>d. improvements and permanent building, plant and equipment or attachments such as plumbing, heating and cooling systems, electrical wiring and built-in items such as elevators, and items of a similar nature which might be used in connection with the land; and<br>e. all rights and interests attaching to the land; |
| "Realised Capital Gains" | means the capital gains realised by the ALP REIT following the disposal of a REIT Asset; |
| "RCC" | means Reinforced Cement Concrete; |
| "Receiving Bank" | means Co-operative Bank of Kenya; |
| "Registrar" | means the registrar of REIT securities in relation to the ALP REIT, Image Registrars Ltd; |
| "REIT" | means Real Estate Investment Trust, an unincorporated common law trust that has been established by the Trust Deed and has been authorised as such by the CMA; |
| "REIT Assets" | means all assets of the ALP REIT, including the Initial Assets (for so long as Initial Assets are owned by ALP REIT); |
| "REIT Manager" | means ALP REIT Management Limited and any replacement from time to time appointed pursuant to the Trust Deed and the REIT Management Agreement in accordance with the provisions of the REIT Regulations and whose role is the management of the ALP REIT pursuant to the Trust Deed, the REIT Management Agreement and the REIT Regulations; |
| "REIT Management Agreement" | means an agreement entered into between the Trustee and the REIT Manager (from time to time) with respect to the management of the ALP REIT; |
| "REIT Property Management Agreement" | means an agreement entered into between the Trustee, the REIT Manager and the Property Manager (from time to time) with respect to the provision of certain property management services in relation to the Eligible Real Estate of ALP REIT as at Section 5.1.4; |

| Term or Abbreviation | Definition |
|---|---|
| "REIT Regulations" | means the Capital Markets (Real Estate Investment Trusts) (Collective Investment Schemes) Regulations, 2013 as may be amended or modified from time to time; |
| "REIT Scheme" or "Scheme" | means an income real estate investment trust scheme authorised as such by the CMA under the REIT Regulations; |
| "REIT Trustee" or "Trustee" | means the Co-operative Bank of Kenya Limited; |
| "Restricted Board" | means the Restricted Board of the Main Investment Market Segment of the NSE which is for Professional Investors only; |
| "Restricted Offer" | means an Issue or Offer made to Professional Investors; |
| "Recoverable Expenses" | means all expenses recovered from or charged to the ALP REIT as a results of the expenses incurred by the operation of the ALP REIT expressed as a fixed amount as set out in Regulation 95(2); |
| "RTGS" | means Real Time Gross Settlement; |
| "Scheme" | means the Real Estate Investment Trust Scheme as defined in the REIT Regulations; |
| "Scheme Documents" | means the documents specified in the Regulations and include –<br>a. the Offering Memorandum and includes any conversion or supplementary offering memorandum or offering memorandum;<br>b. the Trust Deed and any amending, supplemental or replacement Trust Deed;<br>c. any document appointing a REIT Manager or setting out the terms of appointment and the role or obligations of a REIT Manager;<br>d. any document appointing a Property Manager, Project Manager Certifier or Structural Engineer or setting out the terms of appointment, the role or obligations of such persons;<br>e. any documents described in paragraph (b), (c) or (d) relating to an investee trust; and<br>f. the Memorandum and Articles of Association of any investee company and any shareholders' agreement including any amending, supplemental or replacement Memorandum and Articles of Association or shareholder's agreement; |
| "Security" | means any instrument defined as such under the Act and, in relation to the ALP REIT, includes Units established; |
| "Special Resolution" | means a resolution passed by not less than three quarters of the Unitholders present and entitled to vote in person (or where proxies are permitted by proxy) at general meeting of Unitholders, provided that at least twenty-one days written notice specifying the intention to propose the Special Resolution has been given; |
| "Square Feet" or "Sq Ft" | means square feet or feet squared; |
| "Structural Engineer" | means FBW Kenya Ltd; |
| "Subsidiary" or "Subsidiaries" | means a subsidiary or the subsidiaries of the ALP REIT, being an entity or entities owned more than 50 percent by the REIT Trustee on behalf of the REIT; |

| Term or Abbreviation | Definition |
|---|---|
| "Substantial Unitholder" | means a person who holds fifteen per centum (15%) or more of the issued Units, where for the purposes of calculating the fifteen per centum, in addition to any Units held by the Unitholder, that person is also considered to be the holder of any Units held by:<br>a. an associate (as Associate is defined in the Act, as amended from time to time) of a holder who is an individual; or<br>b. an Associated Person, if the holder is an entity other than a natural person; |
| "Tangible NAV" | means NAV less intangible assets; |
| "Target Net Asset Value per Unit" | means (a) the Net Asset Value per Unit at the Launch Date, in relation to the first Performance Period, and (b) thereafter the Net Asset Value per Unit on the first Business Day of a Performance Period, in each case as increased by 7% per annum over the relevant Performance Period; |
| "TAV" | means total asset value, being the value of all the ALP REIT's assets prior to any adjustments or deduction of liabilities; |
| "Tax Advisers" | means Coulson Harney LLP; |
| "Transaction Adviser" or "Dyer & Blair" | means the transaction adviser, in relation to this Offer, being Dyer & Blair Investment Bank Limited; |
| "Trust Deed" | means the trust deed between ALPH, the REIT Manager and Co-operative Bank establishing the ALP REIT as an Income Real Estate Investment Trust Scheme, dated 9th December 2025; |
| Trustee | means Co-op Bank and any replacement from time to time appointed pursuant to the Trust Deed in accordance with the provisions of the REIT Regulations and whose role is to act as trustee of the ALP REIT pursuant to the Trust Deed and the REIT Regulations; |
| "Units" | means units of the ALP REIT, with a nominal value of USD 1.00 each; |
| "Unitholder(s)" or "REIT Unitholders(s)" or "Securities Holder" | means any person including the Promoter, who has purchased or otherwise acquired (including through the exchange, or in consideration of any transfer, of Property) and holds any Units and is registered in the Register as evidence that he holds the Units; |
| "USD" | means United States Dollar; |
| "Valuation Report" | means the valuation report dated 26th September 2025, in relation to the Initial Properties prepared by the Valuer, further details of which are set out in this Offering Memorandum |
| "VAT" | means Value-Added Tax as defined in the Value-Added Tax Act, Chapter 476 of the Laws of Kenya, as amended or modified from time to time; |
| "Weighted Average Unexpired Lease Term" | means the average time remaining on lease contracts weighted by rental income; |

# 2. TIMETABLE OF IMPORTANT DATES

## 2. TIMETABLE OF IMPORTANT DATES

The table below outlines the indicative dates for the transaction.

*Table 2: Offer Timetable*

| | Dates |
|---|---|
| CMA Authorisation of the REIT and approval of the Restricted Offer | 8th December 2025 |
| Opening Date | 17th December 2025, 9am |
| Closing Date | 27th February 2025, 5pm |
| Allotment | 4th March 2026 |
| Results Announcement Date | 5th March 2026 |
| Date of Processing Refunds | 5th March 2026 |
| Expected Settlement Date | 9th March 2026 |
| Electronic crediting of CDS accounts with the Units | 10th March 2026 |
| Listing date and commencement of trading of Units on the NSE | 11th March 2026 |

**Note: The above dates and times are subject to amendment and notification to the investing public, where appropriate, with the approval of CMA.**

# 3. CORPORATE INFORMATION

## 3. CORPORATE INFORMATION

The ALP REIT
Registered name and office of the ALP REIT:

ALP REIT
ALP HQ & West Logistics Park
Tilisi Developments, Ngecha Chunga Road
P.O. 1925-00502
Limuru, Kenya

Established as a common law trust via a Trust Deed dated 9th December 2025 and approved by the CMA as a REIT Scheme on 8th December 2025.

The names and addresses of the Promoter and Issuer and of each person associated with the Offer, the Offering Memorandum or any part thereof, and their functions are set out below:

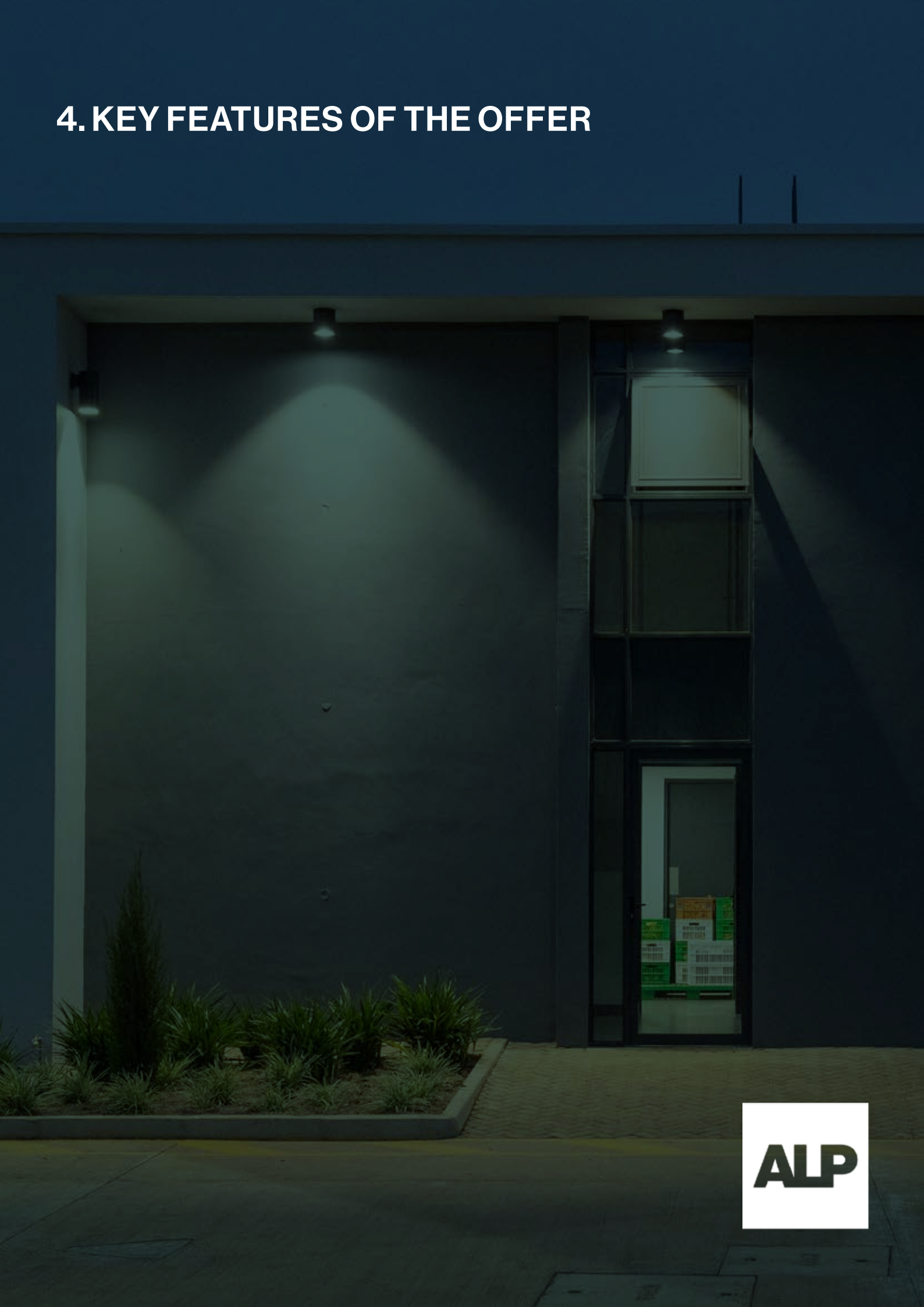
*Table 2: Offer Timetable*

| Role | Entity and Address | Logo |
|---|---|---|
| Promoter and Issuer | Africa Logistics Properties Holdings Ltd<br>Office FFO1, CrossInvest Global Management Services Ltd<br>Endemika Business Park Phase 2<br>Petit Raffray, Mauritius<br>Tel: +230 2825864/+230 57795052<br>Email: info@africawarehouses.com | ALP Africa Logistics Properties |
| REIT Manager | ALP REIT Management Limited<br>ALP HQ & West Logistics Park, Tilisi Developments, Ngecha Chunga Road<br>P.O.Box 1925-00502<br>Nairobi, Kenya<br>Tel: +254 715111444<br>Email: info@africawarehouses.com | ALP Africa Logistics Properties |
| Property Manager | ALP Management Kenya Limited<br>ALP HQ & West Logistics Park, Tilisi Developments, Ngecha Chunga Road<br>P.O.Box 1925-00502<br>Nairobi, Kenya<br>Tel: +254 715111444<br>Email: info@africawarehouses.com | ALP Africa Logistics Properties |

| Role | Entity and Address | Logo |
|---|---|---|
| Legal Adviser | Coulson Harney LLP<br>5th Floor, West Wing, ICEA LION Centre<br>Riverside Park, Chiromo Road<br>P.O.Box 10643 - 00100<br>Nairobi, Kenya<br>Tel: +254 709966000<br>Email: wathingira.gituro@bowmanslaw.com | |
| Tax Adviser | Coulson Harney LLP<br>5th Floor, West Wing, ICEA LION Centre<br>Riverside Park, Chiromo Road<br>P.O.Box 10643 - 00100<br>Nairobi, Kenya<br>Tel: +254 709966000<br>Email: alex.mathini@bowmanslaw.com | |
| Transaction Adviser and Sponsoring Broker | Dyer and Blair Investment Bank Limited<br>7th Floor, Goodman Tower<br>Off Waiyaki Way<br>P.O.Box 45396 – 00100<br>Nairobi, Kenya<br>Tel: +254 709930000<br>Email: corporate@dyerandblair.com | |
| Trustee | The Co-operative Bank of Kenya Limited<br>Co-operative House<br>Haile Selassie Avenue<br>P.O.Box 48231 – 00100<br>Nairobi, Kenya<br>Tel: + 254 703027000<br>Email:trusteeservices<br>@co-opbank.co.ke;<br>custodial@co-opbank.co.ke | |
| Structural Engineer | FBW Kenya Ltd<br>4th Floor, Tsavo, Eldama Park<br>Eldama Ravine Road<br>P.O.Box 2157 – 00202<br>Nairobi, Kenya<br>Tel: +254 720274272<br>Email: nairobi@fbwgroup.com | |
| Independent Property Valuer | CBRE Excellerate Valuation<br>Services Kenya Ltd<br>2nd Floor, Grenadier Tower<br>1 Woodvale Close<br>P.O.Box 2428-00606<br>Nairobi, Kenya<br>Tel: 254 204442061<br>Email: ryan.pape@cbreexcellerate.com | |

| Role | Entity and Address | Logo |
|---|---|---|
| Reporting Accountant and Auditor | Deloitte & Touche LLP<br>Deloitte Place, Waiyaki Way<br>P.O. Box 40092<br>Nairobi, Kenya<br>Tel: +254 719039000<br>Email: admin@deloitte.co.ke | |
| REIT Securities Registrar | Image Registrars Ltd<br>5th Floor, Absa Towers, Loita Street<br>P.O.Box 9287 - 00100<br>Nairobi, Kenya<br>Email: info@image.co.ke<br>Tel: +254 (0) 709 170000/735 565666 | |
| Lead Placing Agent | Dyer and Blair Investment Bank Limited<br>7th Floor, Goodman Tower<br>Off Waiyaki Way<br>P.O.Box 45396 – 00100<br>Nairobi, Kenya<br>Tel: +254 709930000<br>Email: corporate@dyerandblair.com | |

# 4. KEY FEATURES OF THE OFFER



# 4. KEY FEATURES OF THE OFFER

## 4.1. The Offer

Africa Logistics Properties Holdings Ltd ("ALPH") is the Promoter of the Units made available for subscription after authorisation of the real estate investment trust scheme, with a nominal value of USD 1.00 per unit.

The ALP REIT is offering for subscription up to 45,000,000 units, comprising:

a. Up to 15,000,000 units issued to the Promoter in exchange for property transfer at an Offer Price of USD 1.00 per unit (par value USD 1.00 per unit); and
b. Up to 30,000,000 units offered by way of a Restricted Offer at an Offer Price of USD 1.00 (par value USD 1.00), with a green shoe option of up to 30% (equivalent to 9,000,000 new units) to cater for oversubscription.

These Units will be issued to the Promoter in exchange for the Initial Properties and Pipeline Property to be transferred in the first 12 months and to Professional Investors in exchange for cash.

If the Restricted Offer is undersubscribed, the units allocated to the Promoter will increase proportionally (i.e. Promoter will take more units instead of cash for the Initial Properties) to enable the transfer of the Initial Properties into ALP REIT. The investment by the Anchor Investor (See Section 4.7) will also be staggered with USD 10 million invested during the Restricted Offer and USD 5 million invested when the Pipeline Property is ready to be transferred into ALP REIT within 12 months in accordance with the Investment Policy.

## 4.2. Key Offer Statistics

*Table 3: Key Offer Statistics*

| | |
|---|---|
| Opening Date | 17th December 2025, 9am |
| Closing Date | 27th February 2026, 5pm |
| Offer Price per Unit | USD 1.00 |
| Minimum Subscription Amount | USD 100,000, thereafter in multiplies of USD 10,000 |
| Total Number of Units available under the Restricted Offer | 30,000,000 units with a green shoe of 9,000,000 units |
| Estimated Gross Proceeds of the Offer | USD 30,000,000 |
| Initial Estimated Expenses of the Offer | USD 1,045,028 |
| Estimated Net Proceeds | USD 28,984,972 |

**Note: The above dates and times are subject to amendment and notification to the investing public, where appropriate, with approval of the CMA.**

### 4.3. Key Investment Highlights

The investment highlights of ALP REIT include the following:

*Table 4: Key Investment Highlights*

| Metric | |
|---|---|
|  | Stabilised Cash Yield [1]<br><br>7.3% |
|  | Internal Rate of Return (USD) over a 10 year holding period<br><br>9.7% |
|  | Average MER[2]<br><br>1.8% |
|  | Weighted Average Unexpired Lease Term (WAULT)<br><br>70 months |
|  | Diversified tenant mix |
|  | Addressable market<br><br>0.33million sqm[3] |

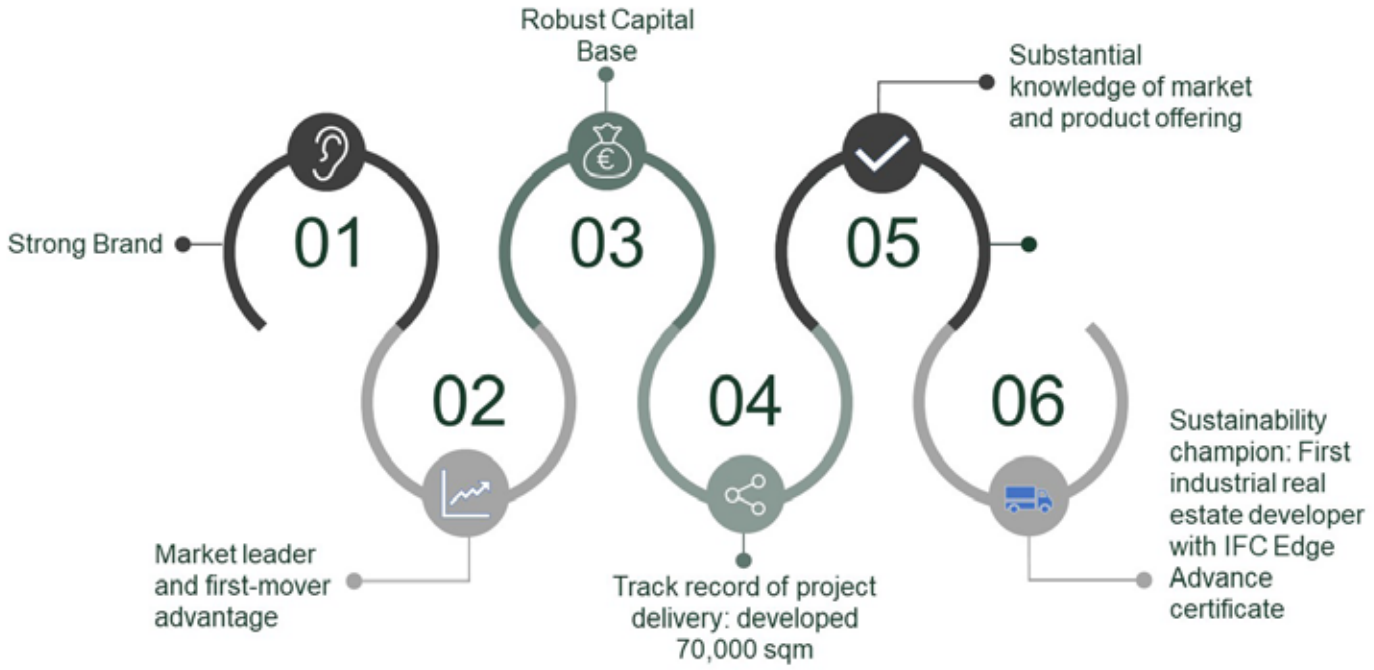
The Promoter is a pioneer in the development of institutional grade warehousing in Kenya with a strong and experienced REIT management team. Other key strengths are outlined next page.

[1] This is net of fund management costs

[2] This includes placement fees which are one-off costs tied to the capital raise

[3] Tilisi is projected to capture 25% of future institutional grade demand which is ~ 90,000 sqm

*Figure 1: ALPH Strengths*




### 4.4. Minimum Aggregate Subscription

The minimum aggregate subscription amount will be USD 11,000,000 which equates to approximately 36% of the units on offer under the restricted offer.

### 4.5. Minimum Application Size

The minimum application size is USD 100,000 equivalent to 100,000 units (in multiples of USD 10,000 thereafter). The offer is restricted to Professional Investors only.

### 4.6. Underwriting

There are no underwriting arrangements regarding this Offer.

### 4.7. Anchor Investor

InfraCo Africa Investment Limited ("InfraCo Africa") has committed to investing USD 15 million in the ALP REIT. Infra-Co Africa will invest USD 10 million in the Restricted Offer with the balance of USD 5 million to be invested when ALP North Three is transferred into the REIT.

### 4.8. Application Procedure

a. Prospective Investors may find copies of this Offering Memorandum and accompanying Application Form, as appears in Section 23 as below:
i. By accessing the Application Portal found on ALP REIT's website (www.africawarehouses.com); or
ii. Obtaining a copy of the Offering Memorandum and Application Form from the offices of the Trustee, ALP REIT or the Placing Agent as referred to in Section 3 during business hours.
b. Persons who qualify as Professional Investors wishing to apply for Units must complete the appropriate Application Form: either
i. through the Application Portal; or
ii. submit a physical form.

The Application Form must be completed in accordance with the provisions contained in this Offering Memorandum and the instructions set out on the Application Form and returned to the Placing Agent listed in Section 3. In the section of a rejection, for any of the reasons set out in the "Rejection Policy" below in Section 4.10, any such Application Forms shall be returned to the relevant Applicant. The return or refund of any payment received in respect of any rejected Application will be effected by way of EFT provided that EFT details have been provided and are accurate;

a. Save in the case of negligence or wilful default on the part of the ALP REIT, its Advisers or of the Placing Agent, neither the Promoter, nor any of the Advisers nor the Placing Agent shall be under the liability whatsoever should an Application Form not be received by the Closing Date as indicated in Section 2;

b. Joint Applications may only be made by a person including a company, partnership, association or a trustee on behalf of a trust which, either alone or with any associates on a joint account subscribes for Units with an issue price equal to at least United States Dollar 1.00; and in all cases joint Applicants submitting an Application must fall within the same allocation category. Joint Applications must not be used to defeat the Allocation Policy. For purposes of the minimum initial allocation under the Allocation Policy, the Promoter reserves the right to consider each joint Application as an Application by each joint Applicant alone, namely two separate applications, jointly for the number of Units applied for;

c. Receipt of funds transferred shall not amount to the acceptance of any Application;

d. All alterations to the Application Form, other than the deletion of alternatives, must be authenticated by the full signature of the Applicant;

e. Applications sent by facsimile or by any means other than the methods stipulated in this Offering Memorandum will not be accepted;

f. Applications once given are irrevocable and may not be withdrawn once submitted;

g. By signing an Application Form, each Applicant:

i. Agrees that having had the opportunity to read this Offering Memorandum, the Applicant shall be deemed to have had notice of all information and representations concerning the ALP REIT contained herein;

ii. Confirms that in making such Application it is not relying on any information or representation in relation to the ALP REIT other than those contained in this Offering Memorandum and accordingly agrees that no person responsible solely or jointly for this Offering Memorandum or any part thereof shall have any liability for any other information or representation;

iii. Accepts to receive any communication from the Trustee and Unit Registrar, including notices for meetings, through electronic means including but not limited to email or placement of such notices on the ALP REIT's website (hosted by the REIT Manager), as well as notification through the mass media;

iv. Represents and warrants that, except in cases where the Applicant is licensed to apply for and hold Units for other persons, the Applicant applies for the Units on his/its own account, will be the beneficial owner of the Units, has not represented himself/itself as a different person in any other application nor applied for Units under a different name, and is not applying for the Units on the instructions of or on behalf of any other person and has not instructed any other person to apply for Units as his nominee;

v. Acknowledges that the Promoter and/or the Transaction Adviser reserve the right to reject any Application found to be in contravention of subparagraph (iv) above; and

vi. Units will be credited in Applicant's CDS accounts as proof of ownership.

h. By signing an Application Form or submitting a completed form through the Application Portal, an Applicant agrees to the allotment and issue of such number of Units (not exceeding the number applied for) as shall be allotted and issued to the Applicant upon the terms and conditions of the Offer as set out in this Offering Memorandum and subject to the ALP REIT Trust Deed, and agrees that the Trustee may enter the Applicant's name in the Register of Unitholders as the holder of such Units.

### 4.9. Application Money

a. A prospective investor wishing to apply for the Units pursuant to the Offer must duly complete and sign the accompanying Application Form through the Application Portal or physically return the same in its entirety so that it is received by the Placing Agent by the Closing Date, together with either an EFT confirmation, RTGS confirmation or deposit slip. For prospective investors applying for Units who wish to make payment after the allotment of Units, payment must be secured by an IBG from a licensed commercial bank, for the value of the Units applied for.

b. Payment for the Units allotted will be made as per (c) below, following the Promoter notifying the Applicant of its proposed allocation of Units. If such payment is not made, then the Promoter shall reserve the right to call in the IBG. Units shall only be issued to Applicants after payment in full for the Units (in cleared funds net of any bank transfer charges) has been received by the ALP REIT;.

c. Payment for Units must be effected in United States Dollar by EFT or RTGS to the bank details provided that the Applicant completes the relevant section of the Application Form, EFT and RTGS payments should be made to:

Account Name: ALP REIT Trust Collection Account
Bank: Co-operative Bank of Kenya Ltd
Bank Code:11
Branch: Upper Hill
Account No: 02102520875002
Branch Code: 1037
Swift Code: KCOOKENA
Reference: Application Serial Number

| Payment Mode | Description | Proof of Payment |
|---|---|---|
| Funds Transfer | • Payment via EFT or RTGS to the Receiving Bank account (Name: ALP REIT Trust Collection Account, Account No: 02102520875002, Co-operative Bank) or to the Authorised Placing Agent's account for onward transmission | • Upload of payment remittance receipt to the Application Portal.<br>• Attachment of payment remittance receipt to the physical form. |
| Irrevocable Bank Guarantee ("IBG") | • IBGs shall be used in the format provided in Section 24. and should be authenticated by the guaranteeing bank via a Swift message forwarded to the Receiving Bank on or before 5.00pm on the Closing Date<br>• The IBG shall be drawn down at the sole discretion of the ALP REIT | • The original IBG should be attached to the physical Application Form.<br>• If applying through the Application Portal, please upload a scanned copy and send the original to the Authorised Placing Agent. |
| Irrevocable Letter of Undertaking ("ILU") | • ILUs shall be used in the format provided in Section 26 and forwarded to the Authorised Placing Agent on or before 5.00pm on the Closing Date | • The original ILU should be attached to the physical Application Form<br>w<br>• If applying through the Application Portal, please upload a scanned copy and send the original to the Authorised Placing Agent |

d. The Placing Agent and the Trustee are entitled to ask for sufficient identification to verify that the person(s) making the Application has authority or capacity to duly complete and sign the Application Form. The Placing Agent is therefore expected to undertake all "Know your Client" and AML procedures and activities on nominee accounts as required by law. The Transaction Adviser and the Trustee have the right to demand and be provided with the details of the nominee accounts to ascertain the eligibility of any Application by nominees. In default, the Trustee may at its sole discretion treat such applications as invalid;

e. Every Applicant is required to tick the appropriate box on the Application Form as regards his/her residency and or citizenship/other status, where applicable;

f. No interest will be paid on monies received in respect of applications for Units, nor will interest be paid on any amounts refunded or deposited at the time of Application;

g. All transactions relating to the Offer shall be transacted in United States Dollar.

### 4.10. Rejection Policy

a. Delivery of an Application Form accompanied with evidence of EFT/RTGS remittance or deposit slip will constitute a warranty that the payment will be honoured on first demand;

b. The Promoter and the Trustee shall not be under any liability whatsoever should any Application Form fail to be received by the Placing Agent or be submitted to the Application Portal by the Closing Date. In this regard, such Application Forms and accompanying payments shall be returned to the Applicant;

c. Applications shall be rejected if full value is not received; and

d. Applications may also be rejected for the following reasons:

I. Missing or illegible name of primary or joint Applicant in any Application Form;
II. Missing or illegible identification number, including corporation registration number, or in the case of Kenyan residents (other than citizens), missing or illegible alien registration number;
III. Missing or illegible address (either postal or street address);
IV. Missing residence and citizenship indicators for primary Applicant in the case of an individual or missing residency for tax purposes for corporate investors;
V. Insufficient documentation forwarded, including missing tax exemption certificate copies for Applicants that claim to be tax exempt;
VI. In the case of nominee applications, incomplete information, failure to satisfy the Promoter and the Trustee of nominee status or lack of declaration from the agent submitting the Application;
VII. Missing or inappropriately signed Application Form including:
   a. Primary signature missing from Signature Box 1;
   b. Joint signature missing from Signature Box 2 (if applicable);
   c. Two directors or a director and the respective company secretary having not signed or seal having not been affixed in the case of a corporate application;
VIII. Amount as payment for number of Units applied for is less than the correct calculated amount;
IX. Such other reason as the Issuer may provide to the Applicant upon rejection of an application.

### 4.11. Refund Policy

Applicant(s) monies will be refunded through EFT and will apply as follows:

a. Refunds will only apply where funds for the Application are not pledged through guarantees on behalf of the Applicant;

b. No interest will be paid on any application monies received in respect of applications for Units, nor will interest be paid on amounts refunded to the Applicant. Any interest earned, if any, on any Application Money is payable to the CMA Investor Compensation Fund at a rate of 3.00% per annum for the period between the Closing Date and the date of crediting of accounts or issuing refund payments;

c. Refunds in respect of unsuccessful Applications (if any) shall be made by the ALP REIT in the form of EFT or RTGS;

d. EFTs will only be credited to accounts held at commercial banks. In the case of Applicants whose Units are pledged, refund money/monies in the name of the Applicant will be delivered to the financier indicated on the Application Form.

Refunds to Foreign Investors and East African investors outside Kenya will be effected through EFT or RTGS in United States Dollar (net of transaction charges) to the Applicant's bank account provided on the Application Form. Any exchange rate differences will be for the account of the Applicant.

### 4.12. Allocation Policy

The allocation policy set out below, has been designed to comply with the requirements of the REIT Regulations and therefore upon completion of the offer:

i. The ALP REIT will allocate units to the property owners including the Promoter who have accepted units as compensation (partially or in full) for their properties to be transferred into the REIT in equivalent value as outlined in the sale agreements;

ii. The ALP REIT will allocate units to professional investors who applied for units in exchange for cash on a pro-rata basis if the offer is oversubscribed subject to the Anchor Investor receiving a minimum of 10,000,000 units;

iii. The allocation policy will comply with Regulation 29 of the REIT Regulations;

iv. The ALP REIT will announce the manner in which the Units have been allocated to Applicants on the date set out in Section 2 for announcement of allocation results. The announcement will be published in at least two newspapers with national circulation in Kenya..

### 4.13. Foreign Investors

Any purchase of Units by investors who are not residents of Kenya ("Foreign Investors") may be affected by laws and regulatory requirements of the relevant jurisdictions in which such Foreign Investors are located. Any Foreign Investors wishing to apply for the Units must satisfy themselves as to the full observance of the laws of the relevant territory and governmental and other consents to ensure that all requisite formalities are adhered to, and must pay any issue, transfer or other taxes due in such territory.

Foreign Investors are advised to consult their own professional advisors as to whether they require any governmental or other consents or need to observe any applicable legal, tax or regulatory requirements to enable them to apply for and purchase the Units.

# 5. PARTICULARS OF THE ALP REIT

# 5. PARTICULARS OF THE ALP REIT

## 5.1. Overview of the ALP REIT

### 5.5.1. Overview of the ALP REIT

The ALP REIT is structured as a closed ended Income Real Estate Investment Trust Scheme which is authorised by the CMA under the REIT Regulations. The term of the REIT will be 80 years in accordance with Chapter 161 of the Perpetuities and Accumulations Act. The REIT will be a Restricted REIT and the Offer will be restricted to Professional Investors only. The Promoter will seek approval from the NSE for the admission of its units to the Restricted Board of the Main Investment Market Segment ("MIMS"). **However, Investors should be aware that there is no guarantee that they will find buyers/sellers for their Units through the trading of units on the Restricted Board of the NSE.**

The Initial Properties will be contributed by the Promoter in exchange (partially or in full) for uptake of Units in the REIT. The REIT establishment is part of the Promoter's strategy to manage its real estate assets more efficiently and offer prospective investors access to an attractive return in USD whilst investing in green assets. The Initial Properties all meet the "Eligible Assets" criteria of the REIT Regulations.

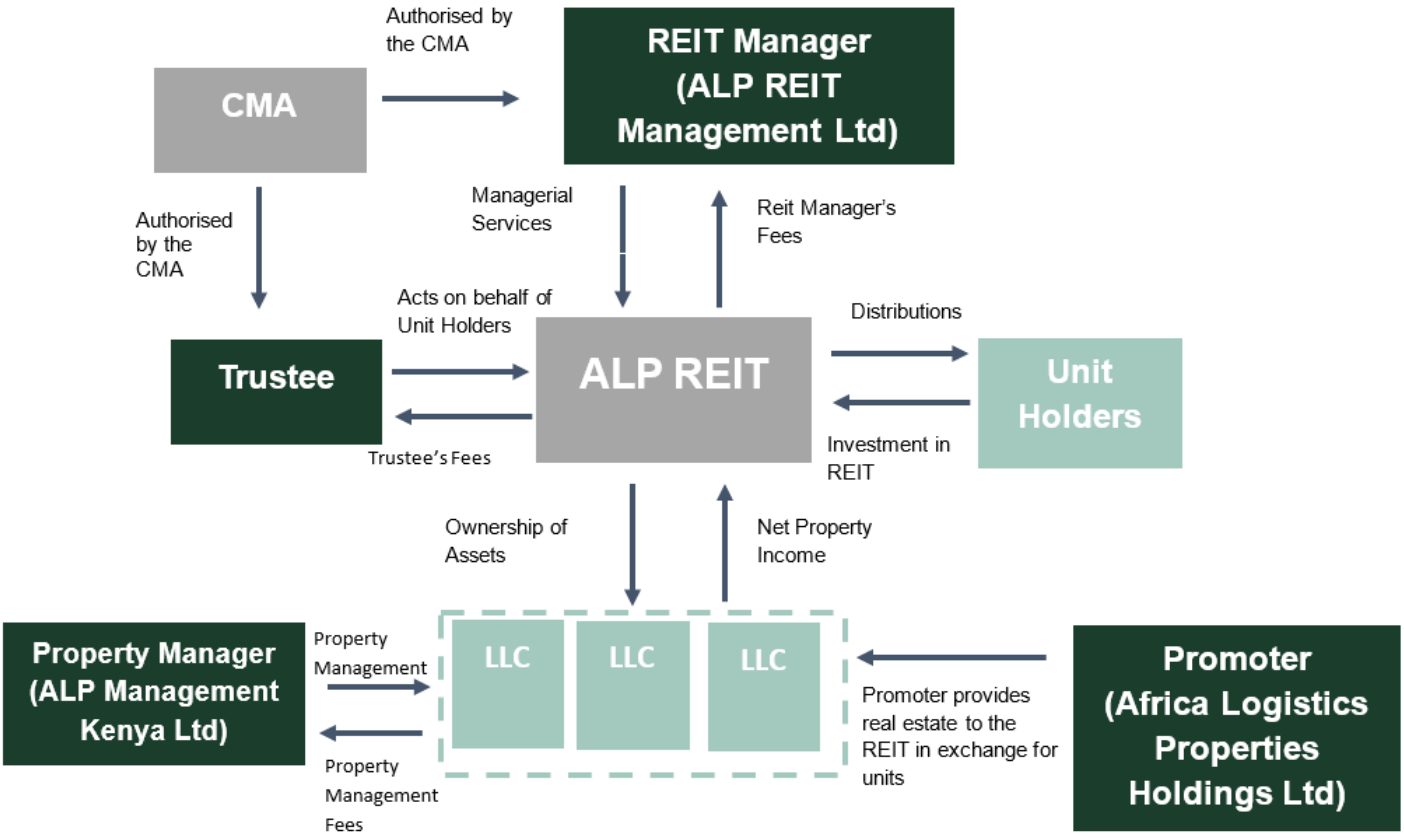
Upon completion of the transfer of all Initial Properties and the Pipeline Property into the ALP REIT, the REIT will have an approximate total asset value of approximately USD 44,976,214. The REIT will also be the first set up with a focus on investing in industrial real estate. The REIT Manager has also identified additional properties for acquisition which will result in the REIT eventually growing its asset base to USD 60,000,000 in the next two years.

The Trustee will be responsible for the governance of the ALP REIT, including the supervision of the REIT Manager and providing approval of the REIT Manager's investment policy. The Trustee must always act in the best interests of the Unitholders. The REIT Manager is responsible for the management of the ALP REIT's investments including the appointment of necessary advisers in consultation with the Trustee. The ALP REIT's investments must be as per the Investment Policy, but ultimately the REIT Manager is required to find suitable Eligible Real Estate properties for investment and disposal as the REIT grows.

In addition, the REIT Manager must ensure that any funds not invested in Eligible Real Estate (which funds may be invested in cash, deposits, bonds, securities and money market instruments), shall be spread across a number of issuers, securities and instruments so that not more than five percent (5%) of the ALP REIT Scheme's Total Asset Value, is exposed to any one issuer or institution or members of the same Group. The REIT Manager will also be responsible for managing the other ALP REIT advisers that are appointed by the Trustee and to provide recommendations to the Trustee, including the distribution in line with the Distribution Policy.

### 5.1.2. Structure of ALP REIT

*Figure 2: REIT Structure*




Africa Logistics Properties Holdings Ltd ("ALPH") is the Promoter of the ALP REIT and will commit to maintaining a minimum unitholding of at least 20% for the first three years. The Promoter has appointed the Trustee and together with the REIT Manager have appointed the other experts including the Valuer, Structural Engineer and Property Manager.

### 5.1.3. The Objectives of the ALP REIT

The objective of ALP REIT is to generate net income for distribution to the Unitholders from rental income from green industrial real estate investments, improve returns over the REIT's term as well as grow the asset base of the REIT.

The ALP REIT aims to maximise returns for Unitholders through efficient management of existing assets to generate dividends and capital growth as well as acquisition of new assets.

In this regard, the ALP REIT will undertake the following:

**a. Acquisition of Eligible Real Estate** that:
   i. Provides attractive investment returns; and
   i. Is consistent with the investment guidelines and risk management objectives of the REIT.

**b. Finance purchases of real estate assets** with the proceeds from income to the extent permitted by the investment policy statement and the distribution policy statement;

**c. Utilize leverage** to increase potential returns to Unitholders through borrowings and facilitate asset acquisitions;

**d. Minimize rental payment risk** by structuring a diversified tenant pool with a variety of characteristics; and

**e. Issue new units** and increase the size of the balance sheet in the long term when opportunities in the market for real estate are likely to allow growth in earnings per share.

### 5.1.4. Eligible Investments

The eligible investments of the ALP REIT refer to assets and investments specified under Regulation 65 of the REIT Regulations and as outlined in the Investment Policy (See Section 5.2) which includes:

a. Investment directly in eligible real estate in accordance with the REIT Regulations;

b. Investment in eligible real estate assets through investment in an Investee SPV registered in Kenya which directly owns the eligible real estate, and which is wholly beneficially owned and controlled by the Trustee in its capacity as the trustee of the ALP REIT where:

   i. The Trustee has the absolute power at any time to appoint and, without incurring any liability, to remove the Partners, board of directors, trustee(s) or other authorised representatives of any such Investee SPV;

   ii. The Trustee has control of the Investee SPV through a partnership agreement, articles, trust deed or similar governing documents;

   iii. The REIT Manager is appointed as the manager of the investments of the Investee SPV;

iv. The Memorandum and Articles of Association, Shareholders' agreement (if any) partnership agreement, trust deed or other constitutional or governing documents (contractual or otherwise) of the Investee SPV (as applicable)limit the objectives of the Investee SPV and the powers of the shareholders, partners, trustees, directors, managers or authorised representatives (as the case may be) and impose the same obligations on the Investee SPV and its shareholders, partners, trustees, directors, managers or authorised representatives as if the Investee SPV was a I-REIT and an authorized scheme under the Act and the Regulations and was subject to the same obligations and restrictions as are imposed by the Regulations;

v. The provisions of the REIT Regulations on the carrying out of a valuation, reporting and audit apply to the Investee SPV as if it is an authorised Scheme under the REIT Regulations; and

vi. The Investee SPV invests directly in the Eligible Real Estate and is recorded on the certificate of title or certificate of lease or register as the sole owner.

c. Investment in eligible real estate assets through an Investee SPV constituted as an investee trust in which the Trustee of the ALP REIT in its capacity as Trustee is the sole beneficiary and has absolute control of voting and right to appoint and remove the trustee of the investee trust and where

i. The Investee Trust is formed under the Laws of Kenya as an unincorporated common law trust;

ii. The REIT Trustee is also the Trustee of the Investee Trust;

iii. The REIT Manager is also the Manager of the Investee Trust;

iv. The terms of the Trust Deed for the investee trust limit the objectives of the investee trust, the Trustee's powers and impose the same obligations on the Trustee and the manager of the trust as if the investee trust was an I-REIT and an authorized scheme under the Regulations and subject to the same obligations and restrictions as are imposed under the Regulations;

v. The provisions of the Regulations on the carrying out of a valuation, reporting and audit apply to the investee trust as if the investee trust was an I-REIT and an authorized scheme under the Act and the Regulations;

vi. The Trustee as trustee for the investee trust invests directly in the eligible real estate and is recorded on the certificate of title or certificate of lease or register as the sole owner.

d. Investment in cash, deposits, bonds or Units and money market instruments;

e. Investment in a wholly beneficially owned and controlled company which conducts real estate related activities; and

f. Investment in income producing assets including shares in property companies incorporated in Kenya whose principal business is real estate related or Units in other Kenyan real estate investment trust schemes.

In accordance with Regulation 66 of the REIT Regulations, the failure to invest in assets within 180 days will require the Trustee to refund in full all monies paid into ALP REIT by investors in the REIT units together with any interest or earnings on the amount subscribed and without any deductions except the amounts required by law in respect of interest or other income within 14 days.

## 5.2. Investment Policy

### 5.2.1. Scope and Purpose of the Investment Policy Statement

The ALP REIT will invest in assets in accordance with the Trust Deed, REIT Regulations and the Investment Policy Statement ("IPS") which is highlighted in Section 5.2. The main purpose of the IPS is to:

i. Define the responsibilities of the parties involved in investment decision making process;

ii. Ensure all parties understand the investment goals and objectives of the portfolio assets;

iii. Set out limitations in terms of investment of the assets;

iv. Assist the REIT Manager and the Trustee in effectively supervising, monitoring and evaluating the performance of the REIT assets;

v. This Investment Policy Statement will govern the investment portfolios of the ALP REIT; and

vi. Ensure that the portfolios assets are managed diligently with the best-in-class investment practices.

Investment portfolios governed by the IPS includes all assets and income of the ALP REIT.

### 5.2.2. Governance Structures to support the Investment Policy Statement

The IPS will be supported by the governance structure of the ALP REIT and the REIT Manager:

i. REIT Manager governance structure – See Section 5.4.1. This highlights the position of the Investment Committee as the custodian of the investment plan and strategy as well as the importance of the Audit and Risk Committee, which will oversee the financial reporting and related internal controls, risk and ethics and compliance; and

ii. REIT governance structure – See Section 5.1.2. This highlights the relationship between different parties involved in the REIT structure. The structure highlights the role of the REIT Manager as the active manager of the portfolio while being ultimately accountable to the Trustee. The REIT Manager also supports the Trustee to meet regulatory obligations and safeguard the Unitholders' investments.

### 5.2.3. Investment Philosophy

The ALP REIT shall invest in investment assets in compliance with the Act and the REIT Regulations with the aim of delivering steady capital growth and dividends over the medium to long term.

Basic Policies

The REIT Manager will seek to achieve the investment objectives within the framework of basic policies provided by the constitutional documents including the Trust Deed. The key basic policies are as follows:

- The REIT Manager shall invest in superior industrial real estate assets that are strategically located, where market research indicates an inherent demand-supply gap
- The REIT Manager will conduct an investigation and a comprehensive review of all relevant information regarding any prospective acquisition target, such as anticipated future revenues from the property and related risks, redevelopment feasibility and costs specific to that exact location, environmental and topographical features, regulatory constraints and related rights attached to such a property.

Types of Investment Assets

The REIT Manager will invest primarily in real estate, which refers to the following:

- Directly in Real Estate, through wholly owned subsidiaries
- Real Estate leasing rights
- Investee Trusts, which are primarily invested in Real Estate
- Investee body corporates, which are primarily invested in Real Estate
- Invest surplus cash in deposits, bonds, securities and money market instruments

Notwithstanding the above, the REIT may invest in all eligible investments in accordance with Regulation 65 of the REIT Regulations.

Period of Ownership

The REIT Manager will, in principle, hold assets for the medium to long-term (five years or more). The ALP REIT does not expect to acquire assets for short-term trading (less than one year) as it is not expected that these would generate returns in line with the investment objectives.

Size

The ALP REIT does not have any limitations on the size of the development as long as it is of the requisite standard and is leased to the extent that the demand risk is mitigated.

Underwriting Target Yield: 6% (in USD terms) or more.

### 5.2.4. Investment Constraints

ALP REIT's focus is to invest in institutional grade warehousing real estate assets. Within two years, ALP REIT shall invest at least 75% of total NAV in income producing real estate. ALP REIT may invest in cash, deposits, bonds and money market instruments with no more than 5% of total asset value exposed to any one issuer (except if the issuer is Government of Kenya).

### 5.2.5. Asset Acquisition Policy

**Investment Process**

Any asset that is sourced will be evaluated initially by the in-house professional investment team of the REIT Manager. They will evaluate on the basis of criteria, such as location, building quality, tenant profile, robust rent visibility and portfolio fit.

If an asset passes initial screening, then a valuation will be conducted by an independent valuation firm, which will be appointed by the REIT. There will also be a structural engineer's report prepared to assess the structural integrity of the asset. A feasibility report will then be prepared, which will comprise of the analysis by the investment team along with the summary findings of the valuation and building due diligence. This will then be evaluated by the Investment Committee, which will then pass its recommendation the REIT Manager's Board as well as the Trustee's Board of Trustees. If the asset is approved for acquisition, then the transaction can move towards closure.

Investment Criteria:

- Property Quality: The ALP REIT targets institutional Grade A and Grade B facilities, which are modern, high-quality assets designed to meet the demands of contemporary supply chains.

- Strategic Locations: The REIT prioritizes properties situated in key Kenya and potentially East Africa locations that are underserved in the provision of quality industrial real estate. This approach ensures proximity to major consumption centres and transportation networks, enhancing distribution efficiency.

Portfolio Diversification:

- Property Types: The REIT will invest in a mix of multi-tenant and build-to-suit facilities. Multi-tenant facilities cater to various customers, while build-to-suit properties are customized for specific tenants, ensuring a balanced and stable income stream.

- Geographical Diversification: The REIT will build a geographically diverse portfolio by investing in key micro-markets within cities and then also across cities, which will also diversify sectoral and economic exposures. This strategy mitigates risks associated with regional economic fluctuations and localized events.

Operational Excellence:

Leveraging its extensive experience, ALP focuses on efficient property management, fostering strong relationships with tenants, and contributing positively to local communities. The company also offers value-added services, such as providing sustainable energy solutions, to enhance tenant satisfaction and operational efficiency.

By adhering to these strategies, ALP aims to maximize value for its stakeholders while supporting the infrastructure essential to economic development.

**Portfolio Management Strategy**

Aside from identifying key strategic locations and ensuring diversification in the portfolio across various facets, the REIT Manager will also undertake:

Active Asset Management:

- Customer-Centric Approach: ALP emphasizes strong tenant relationships, offering value-added services such as renewable energy solutions and common area security systems and personnel to enhance tenant satisfaction and retention.

- Innovation and Sustainability: investments in proprietary research, data analytics and renewable energy ensure that ALP's properties remain future-proof and aligned with evolving industry trends.

Capital Recycling:

- Strategic Dispositions: The company will regularly evaluate its portfolio to identify and divest non-core assets, reallocating capital to higher-growth opportunities.

- Development and Redevelopment: the ALP REIT may engage in selective redevelopment projects to modernize facilities and meet emerging customer demands.

By implementing this multifaceted portfolio management strategy, ALP REIT aims to deliver consistent, long-term value to its investors while adapting to the dynamic landscape of industrial real estate.

**Risk Management Framework**

The ALP REIT will operate within the confines of a comprehensive risk management framework to identify, assess, and manage various risks associated with its operations. Key components of this framework will include:

Governance Structure:

- Board Oversight: The Board, comprising independent and sponsor-nominated board members, will oversee corporate governance and responsibility, playing an active role in managing corporate governance and reputational risk.

Risk Management Framework:

- Integrated Approach: Risk awareness is embedded throughout ALP's operations, underpinned by an integrated framework for identifying, assessing, and managing risk.

- Regular Assessments: The company conducts regular assessments to identify potential risks and implements strategies to mitigate them, ensuring the resilience and long-term preservation of value for the business.

Ethics and Compliance:

- Code of Ethics: ALP abides by a strong code of ethics and business conduct, which covers anti-corruption, and equal employment.

- Supplier Code of Conduct: The company seeks to do business with customers and partners who share its values.

Climate-Related Risk Management:

- Environmental Stewardship: ALP REIT integrates environmental considerations into its risk management processes, focusing on building a portfolio with modern, efficient assets in strategic locations to stay ahead of customer needs while positively impacting the environment and addressing climate change risks.

By implementing this comprehensive risk management policy, ALP REIT aims to maintain high ethical standards, ensure operational resilience, and uphold its commitment to environmental stewardship.

### 5.2.6. Green Asset Management Policy

Majority of assets are targeted to have green certification (e.g. from IFC EDGE, Leadership in Energy and Environmental Design ("LEED") or Building Research Establishment Environment Assessment Method ("BREEAM").

### 5.2.7. REIT Manager Reports

Majority of assets are targeted to have green certification (e.g. from IFC EDGE, Leadership in Energy and Environmental Design ("LEED") or Building Research Establishment Environment Assessment Method ("BREEAM").

a. Every quarter the REIT Manager will furnish the Investment Committee with a report showing a breakdown of the investment portfolio at the beginning and end of each period;

b. Investment returns will be calculated on current market values. Returns for the quarter (annualized) as well as annualized returns for the previous six months and one year periods will be reflected;

c. The REIT Manager shall present as deemed necessary on a quarterly interval an economic overview, recent market conditions, and economic developments and anticipated investment conditions focusing on both local and international markets;

d. The report shall include an appendix that discloses all transactions during the past quarter; and

e. Each quarterly report shall indicate if there are any areas of policy concern and suggested or planned revisions of investment strategies.

### 5.2.8. Investment Policy Review

Any proposed changes by the REIT Manager to the Investment Policy will be approved by the Investment Committee and Board of Directors of the REIT Manager and the Trustee.

## 5.3. Details of the Promoter

### 5.3.1. Overview of Africa Logistics Properties Holdings Limited

Africa Logistics Properties Holdings Limited ("ALPH") is a specialist integrated property investment and development company that acquires, develops and manages modern Grade A and B warehousing across East Africa. ALPH is headquartered in Mauritius but has a dedicated team of international and local professionals in Kenya with a track record in the delivery and management of grade-A and B logistics and distribution facilities across the Eastern African region.

The ALPH management team has developed over 70,000 square metres of modern warehousing in emerging markets over the last 11 years.

ALPH has a strong balance sheet and its shareholders comprise major global institutional investors including British International Investment ("BII"), the International Finance Corporation ("IFC"), UK Pension Funds and European private equity groups. ALPH is working with existing tenants and new customers to develop modern, Grade A and B facilities beyond our base in Kenya. Our mission is to help businesses develop throughout East Africa without having to lock up capital in their industrial property. Our focus markets: Rwanda, Ethiopia, Uganda, Tanzania, etc.

#### 5.3.1.1. Role of the Promoter and Lock In

As the Promoter of ALP REIT, ALPH will be responsible for the provision of the required resources to structure the I-REIT and obtain the relevant regulatory approvals to enable authorisation of the I-REIT.

ALPH is also responsible for the identification of the initial I-REIT assets which includes assets held directly by the Promoter. In accordance with Section 74 of the REIT Regulations, the Promoter is required to maintain an investment in the ALP REIT as below:

Under the REIT Regulations, a Promoter who sells or transfers any real estate or proposes to transfer or sell any real estate to the Trustee of an I-REIT within a period of one year of the establishment of the ALP REIT shall maintain an investment of at least 20% of their investment from the date of the first listing of the units on the NSE and the date of transfer of the real estate to the I-RERIT. Accordingly, no units held by the Promoter shall be sold or transferred during the lock in period except where the transfer is as a result of the death or insolvency of the Promoter, in line with regulatory constraints.

The Promoter targets to maintaining an investment of 20% in the I-REIT for the first three years. The Trustee shall not register any transfer by the Promoter, if the transfer results in the Promoter holding units which are below the minimum level the promoter is required to retain during the lock in period.

The Promoter may but has no obligation to fund any cost overruns for ALP REIT.

ALP REIT will have the right of first offer and right of first refusal for any properties developed by the Promoter.

### 5.3.1.2. Structure of ALPH

The Promoter is domiciled in Mauritius. Through sub holding companies, it owns the SPVs that directly own the properties that are domiciled in Kenya. The shareholders of ALPH represent a diverse mix of institutional investors as outlined below.

The REIT Manager and Property Manager are also subsidiaries of ALPH.

### 5.3.1.3. Shareholding Structure of ALPH

*Table 5: Shareholding Structure of ALPH*

| Shareholder | Shareholding (%) |
|---|---|
| British International Investment | 41.79% |
| IFC | 16.72% |
| Maris Limited | 12.72% |
| Others | 28.77% |
| Total | 100.00% |

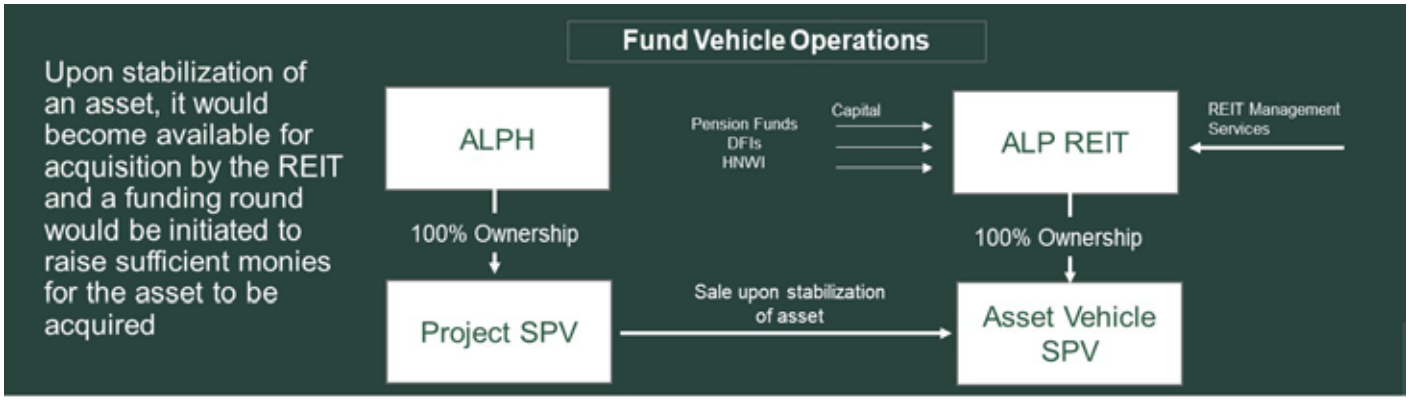
### 5.3.1.4. Business Model

ALPH is set up as an integrated real estate platform to develop and manage industrial grade assets. ALPH has three business lines namely: Development Management, Asset Management and Fund Management.

*Figure 3: ALPH Business Lines*


Whilst the Development Management and Asset Management business lines have been established since inception, the Fund Management business line will be actualised through the set up of ALP REIT. ALP REIT which will initially acquire ALPH's developed assets and explore third party industrial assets on an opportunistic basis. ALPH will develop and manage the asset until its income is stabilised for acquisition by ALP REIT. ALP REIT will target to acquire assets which have reached 75% occupancy.

*Figure 4: Relationship between ALPH and ALP REIT*




### 5.3.1.5. Tenant Profile

ALPH target tenants are the following:

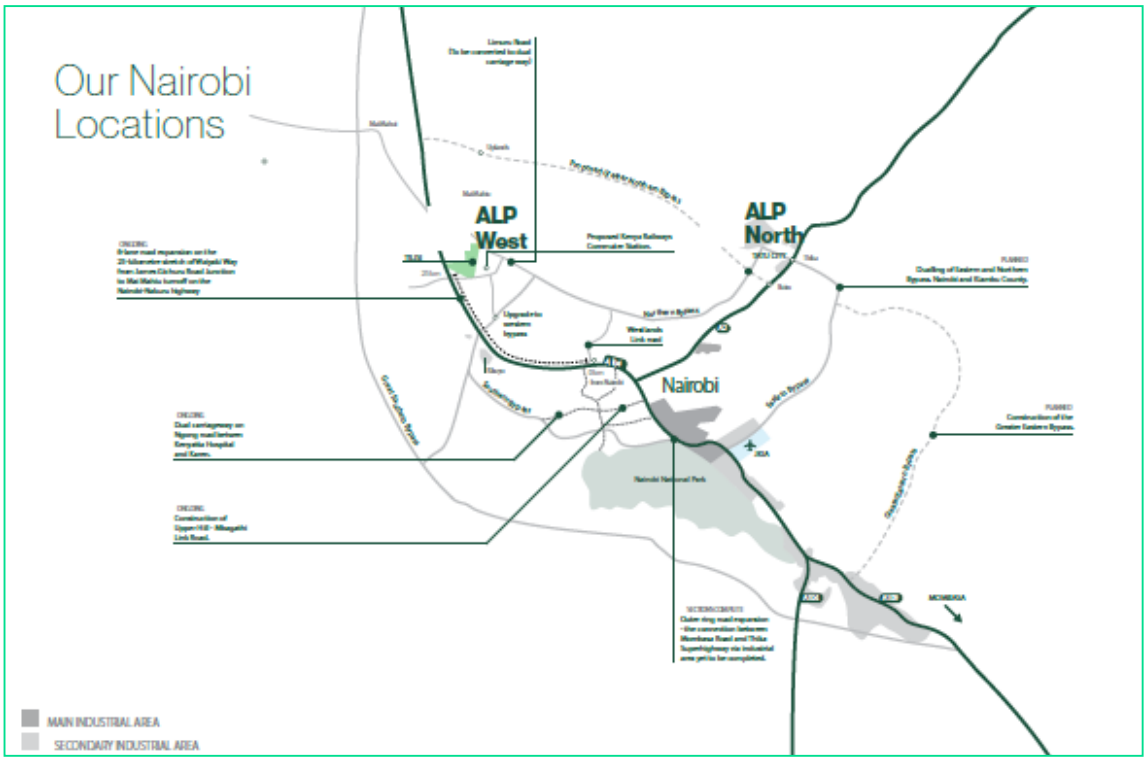
*Figure 5: ALPH Tenant Profile*

| Client | Overview |
|---|---|
| Multinational Companies | These are companies that are seeking grade A or grade B supply chain facilities to enable cost-efficient entry into growth markets and/or consolidation of existing poor-quality warehousing into a purpose built distribution hub |
| Regional Companies | These are companies that are seeking distribution centres in order to expand locally and across borders |
| Medium Sized Local Companies | These are companies that now have the opportunity to rent affordable international quality warehousing with ALPH from 500 sqm upwards in order to grow their businesses |

Current customers include:

### 5.3.1.6. Location of ALPH Assets

*Figure 6: Nairobi Locations of ALPH Assets*



### 5.3.1.7. ALPH Asset Overview

*Figure 7: ALPH Asset Overview*


**Courtyard – ALP West**

**Location**: Tilisi Developments, Nairobi
**Build Area**:8,061 sqm
**Clients**: 7
**Current Occupancy**: 93%

**Kyoga – ALP West**

**Location**: Tilisi Developments, Nairobi
**Build Area**: 9,925 sqm
**Clients:** 3
**Current Occupancy**: 100%

**ALP North Two**

**Location**: Tatu City Industrial Park, Nairobi
**Build Area**: 15,138 sqm
**Clients**: 3
**Current Occupancy: 100%**

**ALP North Three**

**Location**: Tatu City Industrial Park, Nairobi
**Build Area**: 21,628 sqm
**Clients**: Prospective Teanant[1]
**Target Stabilized Occupancy**: 80%

Courtyard, Kyoga and ALP North Two will be transferred into ALP REIT immediately whilst ALP North Three will be transferred within 12 months.

### 5.3.1.8. Sustainability

ALPH assets and future REIT assets may be green certified with the initial seed assets certified at EDGE Advanced. It is the intention of ALP REIT and its promoter to ensure all REIT assets maintain this certification. ALPH is recognised as an IFC EDGE Champion for its commitment to sustainability and its target of achieving net zero by 2030.





| Embodied Energy | Energy Efficient | Water Conservation |
|---|---|---|
| Up to 50% reduction in embodied energy on extraction, processing, manufacture and delivery of building materials | Up to 40% energy saving achieved by skylights, LED highway lamps, roof insulation , reflecting paint e.t.c | Up to 50% water saving through rainwater harvesting, dual flash water closets and low flow water |

### 5.3.2. Africa Logistics Properties Holdings Limited Board of Directors

*Table 6: Bios of ALPH's Board of Directors*

| Name | Profile |
|---|---|
| **Ilaria Benucci**<br>**Non- Executive Director** | Ilaria Benucci joined British International Investment ("BII") in 2013 and is currently Director and Head of Consumer Services and Social Infrastructure. She represents BII on the board.<br><br>Previously, Ilaria worked for AIG Global Real Estate where she was responsible for investments in emerging Europe, Russia and Turkey. Prior to that, she spent over 10 years at the European Bank for Reconstruction and Development where she was Head of the Property and Tourism team.<br>In her current role at BII, Ilaria is responsible for our equity investments in Africa and South Asia in the CRE sector. Current portfolio includes logistics, hotels, mixed use developments and residential.<br><br>She has a Masters degree in Business Administration from University of Rome La Sapienza. |
| **Harris Harjan**<br>**Non-Executive Director** | Harris Harjan is a Managing Director at CrossInvest. He is a senior executive with extensive expertise in turn-around operations, change management, strategic planning and investment management.<br><br>He specialises in identifying and unlocking value, leading and managing change, business strategy & strategic planning, corporate governance and investment analysis.<br><br>He has BA (Hons) in Law and Management from the University of Mauritius and a MSc in Banking and Finance from the University of Technology Mauritius. He is a Chartered Secretary with the Institute of Chartered Secretaries and Administrators. |

| Name | Profile |
|---|---|
| **Charles Tryon**<br>**Non-Executive Director** | Charles Tryon is the Chief Executive Officer of Maris Limited and Acting Chief Executive Office of Mopani Gold. He co-founded Maris in 2009 and is a Director of Maris Limited. He oversees the group from East Africa.<br><br>Prior to establishing Maris, he developed a successful portfolio of venture businesses in Afghanistan and East Africa. He worked for Societe General in its investment banking division in London.<br><br>He has a BSc in Environmental Economics from the University of Edinburgh. |
| **Harry Sutherland**<br>**Non-Executive Director** | Harry Sutherland is the Chairman of Crossinvest Global Management Services. Harry co-founded Crossinvest in 2010 and is also Chairman of the Harland Capital Group which he established in 1997. Prior to this he worked for ten years in a variety of management and project development roles for Lonrho Plc across the continent. |
| **Michiel Timmerman**<br>**Non-Executive Director** | Michiel has 19 years' institutional asset management experience. He was most recently MD and CIO of Ignis Advisors, a $3.5bn institutional alternative investment business. Michiel is co-founder & chair of EFTA, a Tanzanian SME equipment leasing company. He is also NED and IC chairman of LAFCo, a pan-African SME agribusiness lender and a former NED and IC member of AgdevCo, an African agribusiness investment company.<br><br>He has a BSc (Hons) in Physiology from University College London and a DPhil in Physiology from Oxford University, |
| **Seema Dhanani**<br>**Non-Executive Director** | Seema Dhanani joined British International Investment as Head of Office and Coverage Director for Kenya in November 2019. Previously, Seema worked for Mauritius Commercial Bank in Nairobi where she was the Chief Representative Officer for East & West Africa. She has previously worked for Standard Chartered Bank as head of Private Clients and Executive Director for Strategy for East Africa. Prior to moving to Kenya, she worked for Standard Chartered Bank in the UK as portfolio manager for structured credit.<br><br>At British International Investment, Seema is responsible for originating investment opportunities and supporting deal execution and portfolio management activities in Kenya. She also leads our in-country stakeholder engagement (including with HMG) and British International Investment office administration in Kenya.<br><br>She has a Bachelors in Law & Business from Warwick University and is a qualified Certified Financial Analyst (CFA). |

| Name | Profile |
|---|---|
| **Karim Jetha**<br>**Non-Executive Director** | Karim Jetha is an experienced investment professional, passionate about financial markets and the investment industry. Overtime, he has built a track record of devising investment and asset allocation strategies, constructing resilient portfolios, managing risk and delivering superior risk-adjusted returns.<br><br>He holds a Bachelor of Arts Degree in International Relations from Tufts University (USA) and a French Baccalaureate in Economics and Mathematics from Lycee University, France. |
| **Nikhil Hira**<br>**Non-Executive Director** | Nikhil Hira is currently the Executive Director of the Eastern African Association in Kenya and a partner in Kody Africa LLP which has been set up to offer outsourcing and tax advisory services to clients. He is a Non-Executive Director of I&M Bank Kenya, I&M Bank Rwanda, Securex Agencies Limited, Shalimar Flowers Limited and Chairman of GA Insurance Limited in Kenya. He advises various clients ranging from family businesses to large multi-nationals covering tax and financial matters. Prior to this, he was a Senior Tax Partner with Deloitte in East Africa leasing the tax practice in the region.<br><br>He has a BSc (Joint Honours) in Accountancy and Process Engineering from University of Salford. He is a Fellow of the Institute of Chartered Accountants in England and Wales, FCPA (K) of the Institution of Certified Public Accountants in Kenya, he's registered with the Ugandan Institute and the Tanzanian National Board of Accountants and Auditors. |
| **Raghav Gandhi**<br>**Executive Director** | Raghav Gandhi is the Chief Executive Officer for Africa Logistics Properties and is in charge of the strategic direction as well as the management of the organization. He is an experienced real estate professional with a proven track record of delivering results globally across asset classes.<br><br>He has been working in Kenya since 2020 when he arrived to establish Africa's first real estate investment trusts (REITs), dedicated to purpose-built student accommodation. He subsequently managed the REITs raising equity capital of approximately $50mn from a development finance institution and local institutional investors. He was also responsible for securing $100mn in debt from banks and through Kenya's first green bond.<br><br>Previously, he has jointly led the growth of a major commercial real estate start-up venture in India and headed the development of projects across the MENA region for a major real estate developer in Kuwait, where he was also responsible for optimizing returns from a number of underperforming investments. He subsequently established his own consulting practice, which advised GCC families and corporates on real estate transactions and projects in the UK and the Middle East.<br><br>Raghav holds an MBA from The Wharton School, University of Pennsylvania, and a Bachelor of Sciences in Economics from the London School of Economics. |

### 5.3.3. Africa Logistics Properties Holdings Limited Management

*Table 7: Bios of ALPH's Management*

| Name | Profile |
|---|---|
| Raghav Gandhi<br>Chief Executive Officer | See bio in Section 5.3.2 |
| Douglas Tuva<br>Finance Director | A seasoned Finance Executive with over 15 years of experience leading strategic financial operations across global markets, Douglas has a proven track record in optimizing financial frameworks and driving business growth.<br><br>Currently serving as Finance Director at Africa Logistics Properties, he directs financial operations across Development, Leasing, and Property Management. He has a strong background in finance transformation, having previously held senior roles such as VP of Finance at Kyosk.app and Head of Finance at Pernod Ricard. He has successfully led regional expansions, achieved significant sales growth, and delivered strong profitability across multiple regions, including Africa and the GCC. With a solid foundation in commercial finance, strategic financial management, and business strategy, he brings expertise in financial forecasting, data analytics, and driving operational efficiencies.<br><br>He holds an MBA from the University of Cape Town, an Executive Education from INSEAD, and a bachelor's degree in accounting and finance from Strathmore University. |

### 5.3.4. Initial Properties

The Promoter will contribute three properties for immediate transfer which have over 80% occupancy. These properties will be paid through a combination of cash and units. All the properties are currently located in Nairobi.

*Table 8: Initial Properties*

| Project Name | Property Reference No | Location | Occupancy | Net Lettable Area (sqm) |
|---|---|---|---|---|
| ALP West (Courtyard) | A portion of Tilisi Logistics Park Plot C relating to Parcel Number TLP 1-9 being a portion of Land Reference Number 30564 (Original Number 11532/2) registered in favour of ALP West Limited (Courtyard) | Tilisi, Limuru | 85% | 8,066 |
| ALP West (Kyoga) | A portion of Tilisi Logistics Park Plot B relating to Parcel Number TLP 1-9 being a portion of Land Reference Number 30564 (Original Number 11532/2) registered in favour of ALP West Two Limited (Kyoga) | Tilisi, Limuru | 100% | 9,925 |
| ALP North Two | Tatu City Unit Number L3-47B Precinct 3BA being a portion of Land Reference Number 28867/1 registered in favour of ALP North Two Limited (ALP North Two) | Tatu City Industrial Park, Nairobi | 100% | 15,257 |
| Total | | | | 33,248 |

The following property will be transferred into ALP within the first 12 months.

*Table 9: Properties to be transferred into ALP within first 12 months*

| Project Name | Property Reference No | Location | Occupancy | Net Lettable Area (sqm) |
|---|---|---|---|---|
| ALP North Three | Tatu City Unit Number L3-47C Precinct Number 3BA being a portion of Land Reference Number 28867/1 registered in favour of ALP North Three Limited, located in Tatu City (ALP North Three) | Tatu City Industrial Park, Nairobi | 40%[4] | 21,628 |
| Total | | | | 21,628 |

[4] The vacant space is currently under offer

### 5.3.5. Use of Funds and REIT Units issued in exchange for Cash and Properties

The table below highlights the units that ALPH and other investors will receive in exchange for cash and ALPH's property contribution. This table assumes that up to USD 30 million in cash is raised at an Offer Price of USD 1.00 per unit. If the capital raise target is not reached, the cash payout for ALPH will be adjusted accordingly.

*Table 10: Sources and Uses*

| Sources of Funds | | | | Uses of Funds | | |
|---|---|---|---|---|---|---|
| **Sources** | **Amount (USD)** | **%** | | **Use** | **Amount (USD)** | **%** |
| Promoter Units (issued in exchange for property) | 15,000,000 | 33% | | Loan Repayments | 25,412,611 | 56% |
| ALP REIT Units paid in cash | 29,976,214 | 67% | | REIT Set Up Costs | 1,045,028 | 2% |
| | | | | Cash for Asset Transfer | 3,518,575 | 8% |
| | | | | Non-Cash contribution for Initial Properties | 15,000,000 | 33% |
| Total | 44,976,214 | | | Total | 44,976,214[5] | |

*Investor amount may be subject to change depending on capital raise.*

ALP North Three, a pipeline asset, is expected to come to market within 12 months at an indicative value of USD 18.18 million, subject to independent valuation

Once all 4 properties are in ALP REIT, the AUM of the REIT will be as outlined below.

*Table 11: Fund Size and AUM Table*

| Fund Size | Amount (USD) | % | | AUM | Amount (USD) | % |
|---|---|---|---|---|---|---|
| ALP REIT | 44,976,214 | 100% | | ALP North Two | 13,057,247 | 29% |
| | | | | Kyoga | 7,362,947 | 16% |
| | | | | Courtyard | 6,376,020 | 14% |
| | | | | ALP North Three | 18,180,000 | 41% |
| Total | 44,976,214 | 100% | | Total | 44,976,214[5] | 100% |

[5] Property valuation includes stamp duty capitalised at 1%

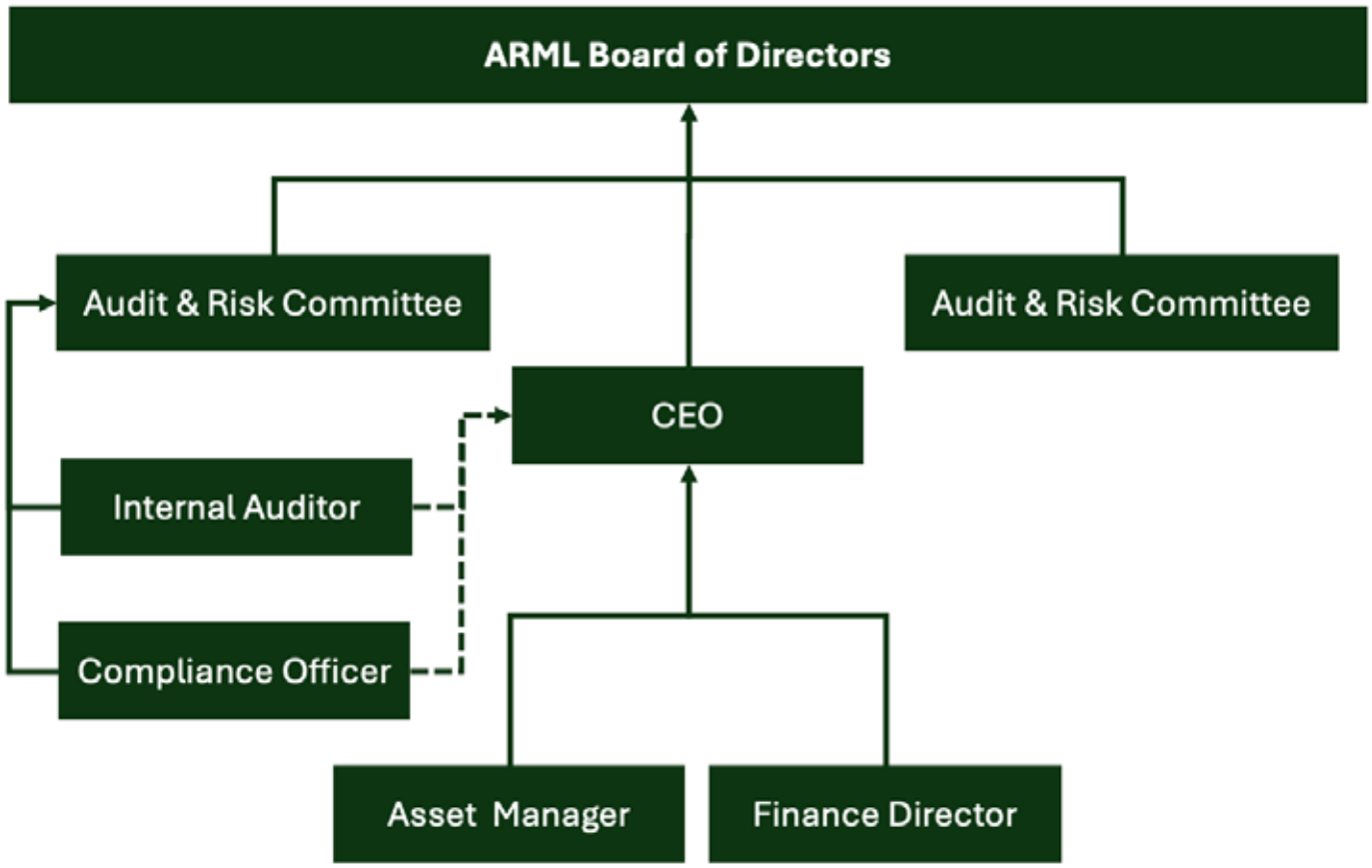
### 5.4. Details of the REIT Manager

The REIT Manager will be ALP REIT Management Ltd which is a subsidiary of the Promoter. ALP REIT Management Ltd was licensed by CMA in 3rd November 2025. The team has significant experience in REIT management and institutional grade warehousing.

#### 5.4.1. ALP REIT Management Ltd Structure

ALP REIT Management Ltd has a corporate governance structure in place to ensure independence and to manage conflict of interest.

*Figure 8: Structure of ALP REIT Management Ltd*




The Board of Directors will be comprised of 3 Directors representing the Promoter and 2 Independent and Non-Executive Directors. Post Launch, the Board will be expanded to include representation from the Anchor Investor and will have a majority of Non-Promoter members as the REIT Manager and Promoter are related parties.

#### 5.4.1.1. Investment Committee

The Investment Committee duties are as follows:

a. Review all proposals concerning transactions, as defined below, and recommend such transactions to the ALP REIT Manager's Board of Directors. A transaction is defined as follows:

   i. The acquisition of eligible investments as outlined of the ALP REIT Trust Deed and applicable regulations;
   ii. The investment of surplus cash in deposits, bonds, securities and money market instruments;
   iii. The amendment of the Investment Policy and operational policies; and
   iv. The disposition of assets.

b. Evaluate investment proposals and present them to the REIT Manager's Board of Directors for recommendation to the Trustee for acquisition or disposal;

c. Ensure that all transactions are conducted on an arm's length basis;

d. Conduct detailed reviews of the performance, risk profile and management of the investment portfolio; and

e. Provide expert investment related advice to the REIT Manager.

The Investment Committee will be comprised of:

- 1 Director representing the Promoter
- 1 Director representing the Anchor Investor
- 1 Independent and Non-Executive Director

### 5.4.1.2. Audit & Risk Committee

The Audit & Risk Committee duties are as follows:

a. Preparing, or ensuring the preparation on behalf of the REIT Manager, of semi-annual and annual reports for each REIT scheme under the REIT Manager 's management, including financial statements for the relevant reporting periods, and presenting such reports to the trustee for consideration;

b. Reviewing periodic internal audit reports prepared by the REIT Manager 's internal auditor, evaluating management's response thereto, and providing recommendations where necessary;

c. Examining the REIT Manager's periodic financial statements, as well as any other financial reports or financial information, as may be required;

d. Engaging with management and external auditors to review and assess:
   i. the audited and unaudited financial statements of the REIT prior to their submission to the relevant regulatory authority; and
   ii. the effectiveness of the documented risk management policy, including the assessment, monitoring, and mitigation of potential risk exposures;

e. Evaluating the effectiveness of the REIT Manager 's internal controls and identifying any matters that may impact its financial performance and reporting, including but not limited to information technology security and control measures;

f. Reviewing the external auditors' proposed audit scope and approach and making appropriate recommendations;

g. Monitoring the REIT Manager's adherence to its Code of Conduct and Ethics, and ensuring compliance with all relevant regulatory and corporate governance requirements;

h. Reviewing and considering the REIT Manager's compliance activity work plan to ensure alignment with statutory and regulatory obligations;

i. Providing regular reports to the Board on the Committee's activities, key issues, and any associated recommendations;

j. Initiating and overseeing special investigations as may be deemed necessary to safeguard the interests of the REIT Manager and its stakeholders; and

k. Supervising and providing oversight of the internal audit function.

The Audit & Risk Committee will be comprised of:

- 1 Director representing the Promoter
- 2 Independent and Non-Executive Directors

### 5.4.2. ALP REIT Management Ltd's Board of Directors

*Table 12: Bios of ALP REIT Management's Board of Directors*

| Name | Profile |
|---|---|
| **Calvin Nyachoti**<br>**Independent and Non-Executive Director** | Calvin Nyachoti serves as the Corporation Secretary and Director of Legal Services for Kenyatta National Hospital. He is also the Chairman of the Kenya Pension Fund Investment Consortium, a collaborative group of leading Kenyan retirement funds focused on making long-term investments in infrastructure and alternative assets across the region. With over 10 years of experience, he is an Advocate of the High Court, a certified Corporate Secretary, and a practicing Arbitrator, Mediator, and Trainer.<br><br>Mr. Nyachoti is a member of various Professional bodies among them: Chartered Institute of Arbitrators (CIArb.); Institute of Certified Public Secretaries of Kenya (ICPSK); Law Society of Kenya (LSK); East Africa Law Society (EALS); International Law Association (ILA); UK Institute of Management of Information Systems (IMIS) and is a registered Environmental Impact Assessment/Audit Expert.<br><br>He holds a Master's in Business Administration (MBA Strategic Management) from Daystar University, Master's degree in Law (International Environmental Law) from University of Nottingham, Bachelor of Laws Degree from Moi University, and a postgraduate Diploma in Law and various studies in governance, team skills, retirement benefits amongst others. |
| **Nikhil Hira**<br>**Non-Executive Director** | See Bio in Section 5.3.2 |
| **Charles Tyron**<br>**Non-Executive Director** | See Bio in Section 5.3.2 |

| Name | Profile |
|---|---|
| **Nirav Nathwani**<br>**Independent and Non-Executive Director** | Nirav Nathwani is a seasoned finance leader with over 20 years' experience in financial leadership, governance, and business transformation across manufacturing, healthcare, distribution, and construction. He serves as an independent non-executive director on two regional boards, including chairing the Board Audit & Risk Committee of one, where he oversees financial reporting, internal audit, and enterprise risk management.<br><br>His career spans high-growth businesses and organisations undergoing significant restructuring. He has led M&A transactions from preparation to execution, including due diligence, financial modelling, restructuring, and transaction strategy. He has also worked with founders and boards to strengthen governance, unlock working capital, and align systems to commercial strategy.<br><br>Trained as a Chartered Accountant in the UK and based in East Africa since 2009, Nirav combines global best practice with a deep understanding of local tax, regulatory, and operating environments, bringing commercially grounded, practical insight to boards and leadership teams navigating growth, change, or complexity. |
| **Raghav Gandhi**<br>**Executive Director & Chief Executive Officer** | See Bio in Section 5.3.2 |

### 5.4.3. ALP REIT Management Ltd's Management

*Table 13: Bios of ALP REIT Management's Management*

| Name | Profile |
|---|---|
| **Raghav Gandhi**<br>**Chief Executive Officer** | See Bio in Section 5.3.2 |
| **Douglas Tuva**<br>**Finance Director** | See Bio in Section 5.3.3 |

| Name | Profile |
|---|---|
| **Barrack Mandela**<br>**ALP REIT Asset Manager** | Barrack is a finance and investment professional with extensive expertise in project finance, investment appraisals, and deal structuring within the broader real estate sector. He currently serves as the Investment and Strategy Manager at Africa Logistics Properties, where he drives the strategic direction of real estate investments<br><br>Previously, Barrack was a Financial and Investment Associate at Lordship Africa, where he led transformative development projects, managing the entire project lifecycle from feasibility studies to completion. His focus was on fostering growth, delivering superior risk-adjusted returns, and managing investor relations, financial planning, and compliance to optimize both asset and organizational performance. Barrack also has notable experience in Real Estate Investment Trust (REIT) management. As a Development REIT Asset Manager at Acorn Holdings Limited, he optimized REIT returns for purpose-built student accommodation assets while overseeing REIT reporting and engagement with unit holders.<br><br>In his previous roles, Barrack has managed the full project lifecycle, from origination to successful exits, with a focus on driving growth, delivering superior risk-adjusted returns, and overseeing investor relations, financial planning, and compliance to optimize asset and organizational performance.<br><br>He holds a Bachelor of Business Science in Financial Economics (First Class Honours) from Strathmore University and is a CFA Charter holder. |
| **Basil Ogolla**<br>**Internal Auditor** | Basil is a highly skilled Finance Manager at Africa Logistics Properties, with experience spanning over 8 years in financial operations with a focus on financial reporting and controls, management accounting, tax and strategic planning. Prior to joining ALP Kenya, Basil has worked for various organizations locally and internationally including leading financial reporting at Acorn Holdings, where he gained extensive experience in REIT reporting and compliance. He brings in diverse and valuable insights into a complex financial environment.<br><br>He holds a BSc in Economics and Finance from Kenyatta University. Basil is also a certified Public Accountant (CPA) and a member of the Institute of Certified Public Accountants of Kenya. |

| Name | Profile |
|---|---|
| **Brian Mailu**<br>**Compliance Officer** | Brian Mailu is an accomplished compliance professional with over a decade of experience advising on capital markets transactions, regulatory compliance, and REIT governance. A Master of Laws graduate from the University of Warwick, specializing in International Corporate Governance and Financial Regulation, he has consistently implemented regulatory best practices across his career.<br><br>As Chief Compliance Officer (External Consultant) at ALP REIT Management Limited, Brian ensures compliance with the Capital Markets Act, REIT Regulations, and scheme documentation. His responsibilities include preparing quarterly compliance reports, reporting material breaches to the Capital Markets Authority (CMA), maintaining compliance records, and serving as the Board's liaison for all compliance-related engagements with the CMA.<br><br>In parallel, Brian is a Partner and Head of Corporate & Commercial Practice at TripleOKLaw Advocates LLP, one of Nairobi's leading law firms. He has been recognized as Kenya's leading legal adviser on REITs, having advised three-quarters of the authorized REITs in the country, including on several pioneering "first-of-their-kind" transactions.<br><br>Beyond REITs, his compliance expertise spans multiple sectors, including dispute resolution between multinational competitors, advertisers, and marketers, during his tenure on the Advertising Standards Body of Kenya's committee.<br><br>Brian is also deeply engaged in the international arbitration community. In 2017, he became the youngest individual in the 53-year history of CIArb Kenya to attain Fellowship status with the Chartered Institute of Arbitrators (UK and Kenya branches). He is a member of the Nairobi Centre for International Arbitration (NCIA) Journal Editorial Committee, the Young International Arbitration Group (YIAG) of the London Court of International Arbitration, and serves on the Steering Committee of the CIArb Young Members Group (Kenya Branch), which supports members aged 40 and below. |

| Name | Profile |
|---|---|
| **Diana Osellu**<br>**Financial Planning and Analysis** | Diana is a driven finance professional with 9 years of experience in the residential and industrial real estate space, specializing in financial reporting, planning, and analysis. She is skilled in financial accounting, budgeting, data analysis, and cost rationalization mechanisms, and is noted for her leadership, communication, and adaptability.<br><br>Diana has held various roles, including FP&A, Senior Financial Accountant, and Senior Finance Analyst, and has been involved in strategic planning, audit processes, and risk management. She recently participated in a USD 35 million 5-year debt refinance and is currently part of the team at ALP working to establish an I-REIT.<br><br>She has a Bachelor of Commerce – Finance degree and is pursuing her ACCA certification. She is proficient in QuickBooks, SAP, and MS Office, and she has shown a dedication to ongoing professional development through numerous courses and workshops. |

### 5.4.4. Duties and Obligations of the REIT Manager

The obligations of the REIT Manager as captured in the REIT Regulations are outlined below:

- Carry out the administration of the REIT Assets including the management of the portfolio of investments in accordance with the provisions of this Trust Deed and the Act;
- Advise the Trustee on the asset classes which are available for investment;
- Formulate a prudent investment policy;
- Invest the REIT Fund in accordance with the investment policy of the REIT Scheme;
- Reinvest any income of the ALP REIT which is not required for immediate payments;
- Ensure that the units in the REIT are priced in accordance with the provisions of this Trust Deed, the Regulations and the Act;
- Not issue any units otherwise than on the terms and at a price calculated in accordance with the provisions of this Trust Deed, the Regulations and the Act;
- Rectify any breach of matters relating to incorrect pricing of units or to the late payment in respect of the issue or redemption of units;
- Prepare and dispatch in a timely manner all cheques, warrants, notices, accounts, summaries, declarations, offers and statements under the provisions of this Trust Deed and the Act;
- Make available for inspection to the Trustee or any auditor appointed by the Trustee, the records and the books of accounts of the REIT, giving either oral or written information as required with respect to all matters relating to the REIT, its properties and its affairs;
- Be fair and equitable in the event of any conflict of interest;
- Credit to the REIT all monetary benefits or commissions arising out of managing the Fund, other than the REIT Manager's fees;
- Account to the Trustee within thirty days after receipt by the REIT Manager any monies payable to the Trustee;

- Keep and maintain records of the REIT at all times;
- Not engage or contract any advisory or management services on behalf of the ALP REIT without prior written approval of the Trustee;
- Provide instructions to the Trustee to implement the objectives of the REIT and, in consultation with the Trustee, appoint a property manager or other person as its agent to assist it in undertaking its functions as REIT Manager; and
- Be liable for any acts or omissions of its agents.

### 5.4.5. REIT Manager Compensation

The REIT Manager fees will be governed by the appointment contract for the REIT Manager. The agreement currently provides for an annual REIT Manager fee broken down as follows:

a. An annual management fee of 1% per annum on Assets under Management based on the last published financial statements, payable quarterly in arrears; and
b. A performance fee payable upon the disposal of each assets based on the asset's performance over its holding period if, at the point of disposal, the Unitholders achieve an asset Internal Rate of Return (IRR) of 7%, the REIT Manager shall earn a 20% carried interest on the portion of returns exceeding the 7% IRR hurdle.

REIT Manager will be entitled, in addition to any fee payable, to recover and pay out of or charge to the REIT, expenses directly related and necessary in setting up, operating and administering the REIT, as well as taxes and duties levied.

## 5.5. Details of the Property Manager

### 5.5.1. ALP Management Kenya Ltd Structure

ALP Management Kenya Ltd is a direct subsidiary of ALPH.

### 5.5.2. ALP Management Kenya Ltd's Board of Directors

*Table 14: Bios of ALP REIT Management's Management*

| Name | Profile |
|---|---|
| **Raghav Gandhi**<br>**Director** | See Bio in Section 5.3.2 |

### 5.5.3. ALP Management Kenya Ltd's Management

*Table 15: Bios of ALP Management Kenya Ltd's Management*

| Name | Profile |
|---|---|
| **Beatrice Kuria**<br>**Property Manager** | Beatrice is an experienced property professional, a range of experience in property management of different assets including, management of Real Estate Investment Trust REITs listed portfolio, retail, commercial, land banks, mixed use developments and industrial property. Beatrice is also experienced in property valuation, project management, feasibility studies and investment appraisal.<br><br>She is responsible for assisting in overseeing the property management portfolio, ensuring increased returns to investors and ensuring client satisfaction. In addition, to ensure a reduction of costs to increase the investment life span and ensure the highest & best use of property. She is keen on sustainable developments, ESG, maximizing returns in investments while saving costs and preserving the environment.<br><br>She holds a degree in Real Estate from the Technical University of Kenya and Executive program in circular economy and sustainability strategies at Cambridge Judge Business School. She is a registered member of the Institution of Surveyors of Kenya ("ISK") & Estate Agents Board ("REA"). Beatrice is passionate about mentorship and has grown her leadership skills by training the Strathmore Business School; Leader as Coach program. |
| **Pat Wambua**<br>**Communications & Client Relations Manager** | Pat is a Creative Communications professional with over 7 years of experience developing and executing innovative communication strategies across diverse platforms. She currently serves as the Communications & Client Relations Manager at Africa Logistics Properties (ALP), where she leads the company's communications, marketing, and brand presence across both internal and external stakeholders.<br><br>Previously, Pat was the Communications Lead at Acorn Holdings Limited where she directed comprehensive communications, branding, and marketing strategies for the company and its affiliates. Her career spans multiple industries – including real estate, PR, advertising, and marketing – where she has consistently driven audience engagement and business growth through strategic messaging and innovative storytelling.<br><br>She holds a Master of Arts in Media, Communications and Critical Practice and a Bachelor of Arts in Advertising, both from the University of the Arts London (LCC), UK. |

| Name | Profile |
|---|---|
| **Dave Rakiro**<br>**Finance Accountant** | Dave is a Certified Public Accountant (CPA) with more than 5 years of experience in Accounting, Finance, and Compliance across the real estate, energy and financial services. He is currently a Financial Accountant at Africa Logistics Properties, where he plays a key role in financial reporting, budgeting, compliance, and internal controls, while actively participating in financial management processes that strengthen organizational performance.<br>Previously, Dave worked as a Finance Accountant at Starsight Premier Energy Group, and a Finance Officer & Credit Compliance Specialist at Fin. These roles enabled him to deepen his expertise in financial planning, credit policy management, audit coordination, and risk assessment.<br><br>He holds a Master of Science in Finance and Investments from the University of Nairobi and a Bachelor of Commerce from the Co-operative University of Kenya and is a member of ICPAK in good standing. His credentials are further strengthened by certifications in Corporate Finance, Data Analytics, and AI Essentials, equipping him with both traditional accounting expertise and modern analytical tools. |
| **Erick Oroche**<br>**ALP West Site Manager** | Erick joined ALP as a facility maintenance technician. He ensures the smooth running of properties by coordinating activities repair and maintenance of the buildings, leading all maintenance processes and operations by conducting regular inspections of the facilities to detect and resolve problems. He oversees site operation health & safety by implementing compliance for the set policies and procedures within the premise and documenting progress reports.<br><br>Eric is a qualified electrical technician with over 10 years of experience in electrical power generation, distribution and maintenance. Ericks work experience includes working with H Young & Co ( E.A) as senior technician/quality control in Olkaria geothermal power plant 140mw with KenGen, Ezeetec limited as safety officer/technician/commissioning team, Suswa substation 400k (a Ketraco project) , Lake Turkana Wind Power Project with Azicon Kenya where he dealt mostly with installation and commissioning of pumps, power transmission, industrial installation, HVAC, control and instrumentation(KPC project). |

| Name | Profile |
|---|---|
| **Joshua Oranga**<br>**ALP North Site Manager** | Joshua Oranga is a licensed electrician by EPRA of over 10 years' experience. An effective technician deeply familiar with residential and commercial electrical installation and maintenance with high regards to safety.<br><br>Joshua has worked for Kenya Pipeline under Azicon (K) Ltd installing, testing and commissioning monitoring and measurements control equipment, pumps & motors, access control, Hvac and fire alarm system (clean agent). He has also worked as a senior technician working in Lake Turkana Wind Power Project (Loyangalani substation) mainly dealing with earthing, L.V and M.V cable preparation and termination, testing and commissioning of equipment.<br><br>At ALP, Joshua ensures the smooth running of properties by coordinating activities repair and maintenance of the buildings, leading all maintenance processes and operations by conducting regular inspections of the facilities to detect and resolve problems. He oversees site operation health & safety by implementing compliance for the set policies and procedures within the premise and documenting progress reports |

### 5.5.4. Duties and Obligations of the Property Manager

The Duties and Obligations are outlined below:

a. Comply with all reasonable instructions given by the REIT Manager and shall secure instructions on a regular and diligent basis;

b. Provide the Property Management Services in accordance with the provisions of the Property Management Agreement;

c. Except as provided in this Agreement the Property Manager shall not implement any variation to the services or engage any additional resources to carry out the services and the obligations set out the Agreement without authority from the REIT Manager to do so;

d. Provide or procure the provision of the property management services with the requisite skill, care, diligence to be expected from a qualified, competent and experienced provider of services of a similar nature to the Property Management Services;

e. Use all reasonable endeavours to ensure that all the premises are available for letting and remain available for letting (save where damaged) for the duration of the Agreement;

f. Establish regular reporting procedures with the REIT Manager and identify those matters requiring the REIT Manager's approval and introduce procedures to obtain those approvals and instructions;

g. Keep the REIT Manager regularly informed of all material matters regarding the provision of the Services;

h. Take all reasonable steps, in conjunction with the REIT Manager, to let vacant space in the property as soon as this becomes available whilst ensuring in the process of letting that no tenancies that may be construed as controlled tenancies are created;

i. Comply with any obligations to tenants as set out in the leases and to act properly reasonably and responsibly with the tenants;

j. At the ALP REIT Property Manager's Cost, procure the employment or engagement , payment and proper supervision of all persons necessary to be employed at an I-REIT Property in connection with the provision of the Services, pay all wages, salaries and applicable statutory deductions including without limitation Pay As You Earn (PAYE), National Hospital Insurance Fund (NHIF) and National Social Security Fund (NSSF) contributions and any other payments and taxes or assessments required in connection with the employment or engagement of such employees; and

k. On an annual basis prepare a property operating budget and a revised or updated version (if appropriate) of the rental schedule relating to the next following four quarters and provide copies thereof to the REIT Manager and the Trustee three (3) months prior to the end of each calendar year for approval. The REIT Manager shall before the end of each calendar year be entitled to conduct a review of the rental schedule for the following year.

### 5.5.5. Property Manager Compensation

The Property Manager will be paid the following fees:

*Table 16: Property Manager Fee Schedule*

| Fee Type | Fee Structure |
|---|---|
| Property Management Fee | 3% of Gross Rental Income payable monthly in arrears |
| Leasing Fee for new tenants | Up to 2 months' rent under the specific lease if Property Manager brings in the tenant (or payable to third party agents) |
| Lease Renewal Fee | 1 months' rent based on last year's escalated rent for a standard 5-year lease |

## 5.6. Details of the Trustee

Co-operative Bank of Kenya Limited ("Co-op Bank") is incorporated in Kenya under the Companies' Act and is licensed to carry out the business of banking under the Banking Act, Chapter 488 of the Laws of Kenya. Co-op Bank was formed by Co-operators through their Co-operative Societies in 1968 to ensure delivery of affordable financial services to the Co-operative movement for maximum benefit of the societies' members. Co-op Bank converted into a full-fledged commercial bank in the year 1994. It opened its doors to customers beyond the Co-operative movement to include individuals, corporates and institutions.

Co-op Bank was listed on the NSE in December 2008. Shares previously held by the 3,805 Co-operatives Societies and Unions were ring-fenced under Co-opholdings Co-operative Society Limited in order to retain the critical co-operative identity of the Bank. Co-opholdings Co-operative Society Ltd became the strategic investor in the Bank with a 64.56% stake. The balance of the shareholding at 35.40% are the shares traded by the minority shareholders on the NSE.

### 5.6.1. Trustee Structure

*Figure 9: Structure of Co-op Bank*

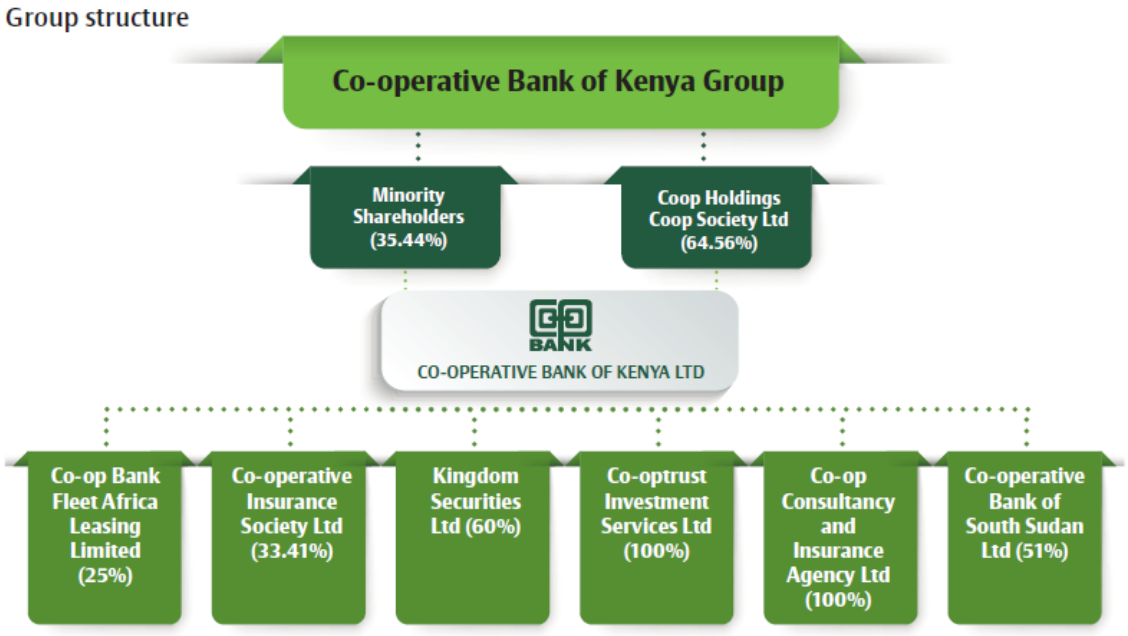
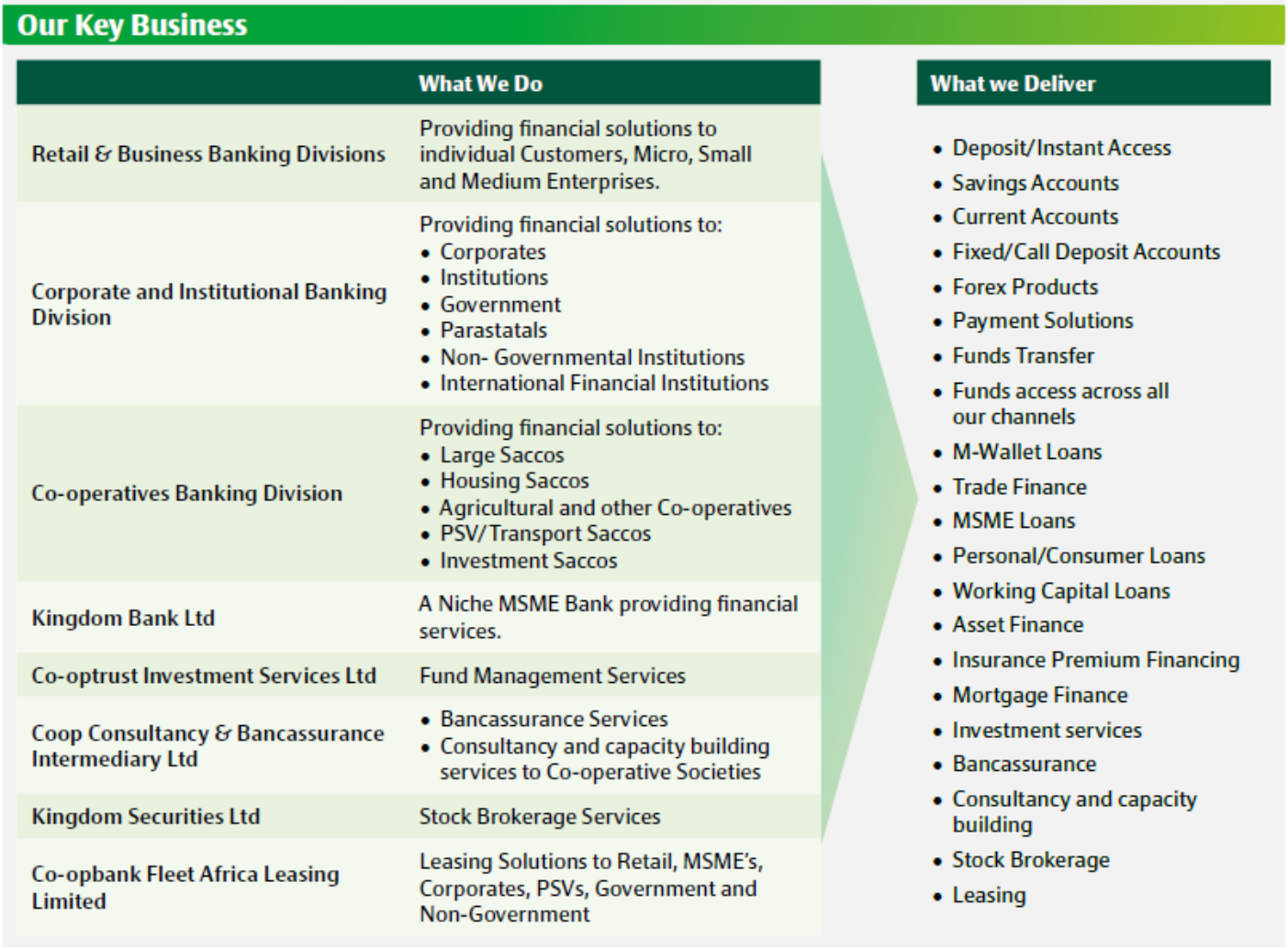


*Figure 10: Co-op Bank Key Business Lines*




### 5.6.2. Trustee's Board of Directors

*Table 17: Bios of Co-operative Bank's Board of Directors*

| Name | Profile |
|---|---|
| **John Murugu, OGW**<br>**Chairman** | John joined the Board of Directors on 27th May 2015 and became Bank Chairman on 01st October 2017.<br><br>He is a leading banker and public finance expert; served as the Director-Debt Management Ministry of Finance - Treasury. He has previously been an alternate director for the Permanent Secretary-Treasury, in Kenya Commercial Bank, Industrial Development Bank, and at Jomo Kenyatta University of Agriculture and Technology.<br><br>He has over 25 years of banking experience at the Central Bank of Kenya Limited notably as the Director Bank Supervision. He holds a Bachelor of Education Degree, a Master of Arts degree in Economics and is an Associate of the Chartered Institute of Bankers ("ACIB"). |

| Name | Profile |
|---|---|
| **Macloud Malonza, HSC**<br>**Vice Chairman** | Macloud joined the Board of Directors in 2005 and became the Bank Vice Chairman on 01st October 2017. He is notably the Chairman of Co-op Holdings Co-operative Society Ltd, the 65% strategic investor in the bank.<br><br>He has served in various positions in the Civil Service and is the Chairman of Harambee Co-operative Society Limited that serves employees of the various Government departments under the Office of the President. He is a Director of Kingdom Bank Ltd.<br><br>He holds a Bachelor of Arts degree, a master's in organizational change and development, Master of Business administration degree, Post-graduate Diploma in Management and Information Systems, Certificate in Strategic Planning and Management and CPS 1. He has also attended Senior Management and Strategic Leadership development courses. |
| **Dr Gideon Muriuki**<br>**Group Managing Director & CEO** | Dr Gideon was appointed Managing Director in 2001 and has presided over the Bank's turnaround from a massive loss position of KES. 2.3 billion in the year 2000, to a profit before tax of KES 32.4 Billion in 2023. He has over 35 years of experience in banking and finance.<br><br>He holds a Bachelor of Science degree in Mathematics, is a Fellow of the Kenya Institute of Bankers and was awarded an Honorary Doctorate in Business Management in 2011, a Doctorate of Humane Letters (Honoris Causa) –DLitt from the African International University and Honorary Doctorate of Humane Letter from the Co-operative University of Kenya in 2022. |
| **Weda Welton**<br>**Director, Independent** | Weda is currently an Independent Human Resources Consultant. She has 35 years of experience in Human Resource Management in the banking and financial sectors.<br><br>She holds a Bachelors degree in Arts from the University of Delhi, a Diploma in International Law and Diplomacy and a Master's degree in Human Resource Management and Development from Manchester University, UK. She is the Chairperson of the Board Audit Committee. |
| **Lawrence Karissa**<br>**Director** | Lawrence joined the Board of Directors on 27th May 2015. He has over 25 years of experience in banking having previously served in various senior positions in PricewaterhouseCoopers, Kenya Commercial Bank and Co-operative Bank of Kenya.<br><br>He holds a Bachelor of Commerce degree in Accounting and is a Certified Public Accountant of Kenya CPA (K). He is the Chairman of the Staff and Nomination Committee. |

| Name | Profile |
|---|---|
| **Julius Sitienei**<br>**Director** | Julius joined the Board of Directors in 2003. He is a businessman and an educationist with over 20 years of experience in the teaching profession before he took leadership positions in the management of Co-operative Societies. He is a Director of Co-op Holdings Co-operative Society Limited and the Chairman of Kingdom Securities Limited.<br><br>He holds a Bachelor of Business Administration degree in Human Resources Management. |
| **Margaret Karangatha**<br>**Director** | Margaret was appointed as a Director of the Bank in 2020. She specialised in Organisational Planning, Leadership, Human Resources Management and Finance for Finance and Non-Finance Managers.<br><br>She holds a B.Comm (Accounting Option) from the University of Nairobi, a MBA (Strategic Management) from USIU and is a Certified Public Accountant-Kenya (ICPAK). She is the Chairperson of the Board Credit Committee, Board Risk Committee and Kingdom Bank Limited. |
| **Wilfred Ongoro**<br>**Director** | Wilfred joined the Board of Directors in 2006. He is an Educationist with over 20 years of experience and has served the Co-operative movement in various positions. He is a Director of Co-op holdings Co-operative Society Limited. |
| **Richard Kimanthi**<br>**Director** | Richard joined the Board of Directors in 1994. He is a businessman and has served in various leadership positions in the co-operative movement for a considerable period. He holds a Diploma in Co-operative Management. He is a Director of Co-op Holdings Co-operative Society Limited |
| **Benedict W. Simuyu**<br>**Director** | Benedict joined the Board of Directors in 2014. He is an Educationist and holds a Diploma in Education Management. He has also attended various management courses. He is an Non-Executive Board Member of Ng'arisha Sacco. He is a Director of Co-op Holdings Co-operative Society Limited. |
| **Alice Mwololo**<br>**Director, Independent** | Alice is an Economist by profession with over 30 years of experience as a career civil servant in various departments as the National Treasury and Economic Planning dockets. She is notably the current Director of Planning, Financial and Sectorial Affairs. She has served as an Alternate Director to the Principal Secretary – National Treasury in various boards and also represents the National Treasury in several inter-ministerial Committees and Taskforces on key Government Agendas.<br><br>She holds a Bachelor of Arts degree in Economics, a Masters of Arts in Economics both from the University of Nairobi and a Post Graduate Diploma in Development Planning Techniques with Computer Applications with the Institute of Social Sciences in the Netherlands. |

| Name | Profile |
|---|---|
| **Samuel Kibugi**<br>**Company Secretary** | Samuel has over 20 years of experience as a lawyer and prior to joining Co-op Bank in 2008, worked for a leading bank as a Legal Counsel. He is an Advocate of the High Court of Kenya, a member of the Institute of Certified Public Secretaries ICPS (K) and an Associate Member of the Chartered Institute of Arbitrators.<br><br>As the Company Secretary of the Co-op Bank Group, he has responsibility for overall provision of legal counsel and company secretarial services, fraud prevention and investigations. He is also the Trust Secretary for the Cooperative Bank Foundation, a corporate social responsibility vehicle of the Bank. |

### 5.6.3. Trustee's Board of Trustees

*Table 18: Bios of Co-operative Bank's Board of Trustees*

| Name | Profile |
|---|---|
| **Lydia Rono** | Lydia has held many senior positions in the Bank and has over 35 years banking experience. She has played a critical role in the Operations division providing leadership and support to a key function for the bank. She is currently the Director of Corporate & Institutional banking division that drives business growth through corporates as well as government bodies, ministries and agencies.<br><br>She holds a bachelor's degree in Commerce and an MBA from University of Nairobi and has attended various courses. |
| **Caroline Karimi** | Caroline joined the bank in 2012 and has overall group responsibility of Finance and strategy. Previously she oversaw financial reporting and information management of the business. She has a career spanning 22 years as Finance professional and has worked in key corporates including Unilever, Safaricom and Toyota East Africa.<br><br>She holds an MBA in strategic management, Bachelor of Commerce degree from the University of Nairobi, Certified Public Accountant and certified public secretary. She is also a Certified productivity coach CEPC (ICF) and is a graduate of Harvard Kennedy School leadership program. She is a member of the institute of Certified Public accountants of Kenya (ICPAK) |
| **Samuel Kibugi**<br>**Company Secretary** | Samuel has over 20 years of experience as a lawyer and prior to joining Co-op Bank in 2008, worked for a leading bank as a Legal Counsel. He is an Advocate of the High Court of Kenya, a member of the Institute of Certified Public Secretaries ICPS (K) and an Associate Member of the Chartered Institute of Arbitrators.<br><br>As the Company Secretary of the Co-op Bank Group, he has responsibility for overall provision of legal counsel and company secretarial services, fraud prevention and investigations. He is also the Trust Secretary for the Cooperative Bank Foundation, a corporate social responsibility vehicle of the Bank. |

| Name | Profile |
|---|---|
| **Arthur Muchangi**<br>**Director, Special Project** | Arthur joined the bank in 2003. He has over 27 years of banking experience, spanning extensively across Corporate, Retail Banking, Risk & Compliance. He currently in charge of the Special Projects division, with the critical mandate of leading and managing the Group's Special Projects by providing leadership and guidance in key projects that are critical for the Group sustainability model. Immediately prior to this he was in charge of Credit Management driving proactive Credit Management including supporting asset book growth, proactive NPL management and implementation of enhanced credit management frameworks under the Covid-19 Pandemic crisis. He previously held the role of Director Retail & Business Banking, Director Compliance and Chief Risk Officer. He is also a Director of Kingdom Securities Ltd.<br><br>He holds a Bachelor of Arts Degree in Economics. |
| **Andrew Wanjau** | Andrew joined the bank in 2011. He has extensive experience in Change Management, Business Analysis, Project Management and Enterprise-wide Transformation programs management. He is responsible for the Cooperative Bank's "Soaring Eagle" transformation in the Transformation Office, which provides leadership in delivery of the Bank's Transformation initiatives. He has extensive experience in Organizational change having worked with Big 4 Consultancy firms to deliver ICT Projects and Process reengineering.<br><br>He holds a B.Sc. in Computer Science and Engineering, Project Management and Business Analysis Certifications among them CISA, ITIL, CBAP and Prince2. He is also a graduate of Harvard Kennedy School Leadership programme, The Aga Khan University and is a Certified Engagement and Productivity Coach. |
| **Henry Karanja**<br>**Head of Compliance** | Henry is responsible for the AML/CFT compliance function for the Bank, its subsidiaries, and related companies. He is an experienced professional in Risk, compliance, and Anti-Money Laundering.<br><br>He holds a bachelor's degree in business management, Certified Public Accountants of Kenya CPA (K), Certified Information Systems Auditor (CISA), and Certified Public Secretary (CPS). He has attended various AML/CFT training both locally and internationally. He is a member of the Institute of Public Accountants of Kenya (ICPAK). |

### 5.6.4. Duties and Obligations of the Trustee

Subject to the provisions of the Trust Deed, the Regulations and the Act, the Trustee shall have all powers necessary to protect the interests of Security Holders in terms of the Act, the Regulations and the Trust Deed and shall, save as otherwise provided in the Trust Deed, have authority necessary to carry out the function and purposes of the Trust to secure the fulfilment of the objects of the ALP REIT.

In particular, the Trustee shall:

a. Act in accordance with the terms of the Trust Deed, the Scheme Documents, the Act and the Regulations;

b. Act honestly and in a fiduciary capacity as Trustee in the best interests of the Security Holders as beneficiaries of the real estate investment trust and the Trustee's discretions;

c. Fulfil the obligations and duties set out in the Trust Deed, the Scheme Documents and in conformity with the Regulations;

d. Act in accordance with any other law applicable to Trustees, including the Trustee Act;

e. Maintain custody, hold and protect all the REIT Assets, ensure they are held in the name of, and where registration is provided for are registered in the name of, the Trustee or Investee LLPs owned and controlled by the Trustee and, if required, in the name of any secondary disposition trustee and ensure that all the necessary filings and registrations are recorded, undertaken and maintained;

f. Protect interests of the ALP REIT in any asset;

g. Ensure that the REIT Assets are:

   i. Clearly identified as the assets of the trust and the scheme;
   ii. Held separately from any other assets of the Trustee and of any secondary disposition trustee and any other trust, scheme or person;
   iii. Not included in the accounts of the Trustee; and
   iv. Not charged, pledged or dealt with except in accordance with the provisions of the Trust Deed, the Act and the Regulations.

h. Appoint the REIT Manager and, if necessary, to protect the interests of beneficiaries, remove the REIT Manager and appoint a substitute REIT Manager in accordance with the Act, the Regulations and any relevant Scheme Document;

i. Act as the REIT Manager on a temporary basis in any period where there is no other REIT Manager until a new REIT Manager is appointed;

j. Supervise the activities of the REIT Manager to ensure that they comply with the terms of the Scheme Documents, the Act and the Regulations;

k. Not delegate to the REIT Manager except if appointed by the Authority as a secondary disposition trustee or to any other person not being an officer or employee of the Trustee any function of or involving:
   i. Supervision of the REIT Manager; or
   ii. The custody or control of the assets of the scheme;

l. Ensure that:
   i. The Fund and the REIT Assets are invested in accordance with the terms of the Trust Deed, the Act and the Regulations;
   ii. Income of the scheme is applied in accordance with the terms of the Scheme Documents;
   iii. REIT Assets which are insurable are insured and valued as required by the Scheme Documents, the Act and the Regulations;
   iv. All payments and distributions made out of the REIT Assets are made in accordance with the terms of the Scheme Documents, the Act and the Regulations;
   v. Any borrowing limitations set out in the Scheme Documents, the Act and the Regulations are complied with;

m. Act in the best interests of the Securities Holders and if there is a conflict between the interests of the Trustee or any member of the Trustee Group and those of any Security Holders (other than any member of the Trustee Group), then the Trustee shall give priority and preference to the interest of the Security Holders;

n. Not make use of confidential information acquired when acting as the Trustee to gain an improper advantage for itself or for another person or to cause detriment to a Security Holder;

o. Where a trustee or secondary disposition trustee contravenes an obligation imposed on it by the scheme documents, the Act or these Regulations, any person who:
   i. has been involved materially in;
   ii. participated materially in; or
   iii. authorized, such contravention shall also be considered to have contravened these Regulations.

p. The Trustee shall act in accordance with the instructions of the REIT Manager provided that the instructions are:
   i. In accordance with the terms of any Scheme Document;
   ii. In accordance with the provisions of the Act or these Regulations and the law relating to Trusts and Trustees,
   iii. In the Trustee's opinion is in the best interests of the Security Holders.

q. The Trustee has power to appoint valuers, lawyers, accountants and other professionals for the purpose of permitting it to carry out its duties and perform its obligations and shall charge the fees, cost and expenses of such as an expense to the ALP REIT. Failure by the Trustee to comply with the borrowing limitation set out in the Act, the Regulations or the Trust Deed shall not constitute an offence. However, where the Trustee exceeds the borrowing limitation:
   i. the ALP REIT may cease to be classified as a REIT Scheme for taxation purposes;
   ii. the Security Holders may institute a cause of action against the Trustee or the REIT Manager; and
   iii. the Authority may revoke the authorization issued to the ALP REIT.

All legal proceedings which may be instituted by or against the ALP REIT shall be instituted by or against the Trustee in its capacity as such, and the Trustee shall have the power and be capable of instituting, prosecuting, intervening in or defending any legal proceedings of whatsoever nature relating to or concerning the ALP REIT or its affairs and as a prerequisite to such action, to require the REIT Manager to indemnify it against all costs and expenses thereby incurred.

The Trustee shall in no way be liable to make any payment hereunder to any Security Holder except out of any funds held by or paid to it for that purpose under the provisions hereof. The Trustee shall cause a valuation of the REIT Assets to be conducted and ensure that other assets of the trust are appropriately valued:

i. Prior to acquisition or disposal of any asset;
ii. Prior to the initial issue or offer of any Units;
iii. On an annual basis or shorter period as is necessary to enable the Trustee and or the REIT Manager to prepare the reports required to be prepared under the Trust Deed, the Act or the Regulations or to fulfil its obligations as trustee;
iv. If the Auditor, the Anchor Investor or the Security Holders request (acting by way of an Ordinary Resolution);
v. In accordance with Clause 14 of the Trust Deed; and

At any other time, if the Trustee or the REIT manager or the auditor is of the opinion that it is desirable in the interests of the Security Holders that a valuation be conducted or that there has been a material change that may result in the then current valuation being incorrect. '
Save as disclosed herein, the Trustee does not have any potentially conflicting nor competing roles nor any current pending or threatened litigation which might materially affect the resources or financial capacity of the Trustee to fulfil its role or responsibilities as the trustee of the ALP REIT.

### 5.7. Details of the Valuer

CBRE Excellerate Valuation Services Kenya Ltd ("CBRE") is a subsidiary of CBRE Excellerate Kenya Ltd which provides high-quality real estate services across Africa and the Middle East. Our integrated offering includes facilities management, advisory and transaction services, project management, broking, valuations, and property management (outside of South Africa). This extensive capability enables us to expand the self-delivery of integrated facilities management solutions to enterprise-level clients.

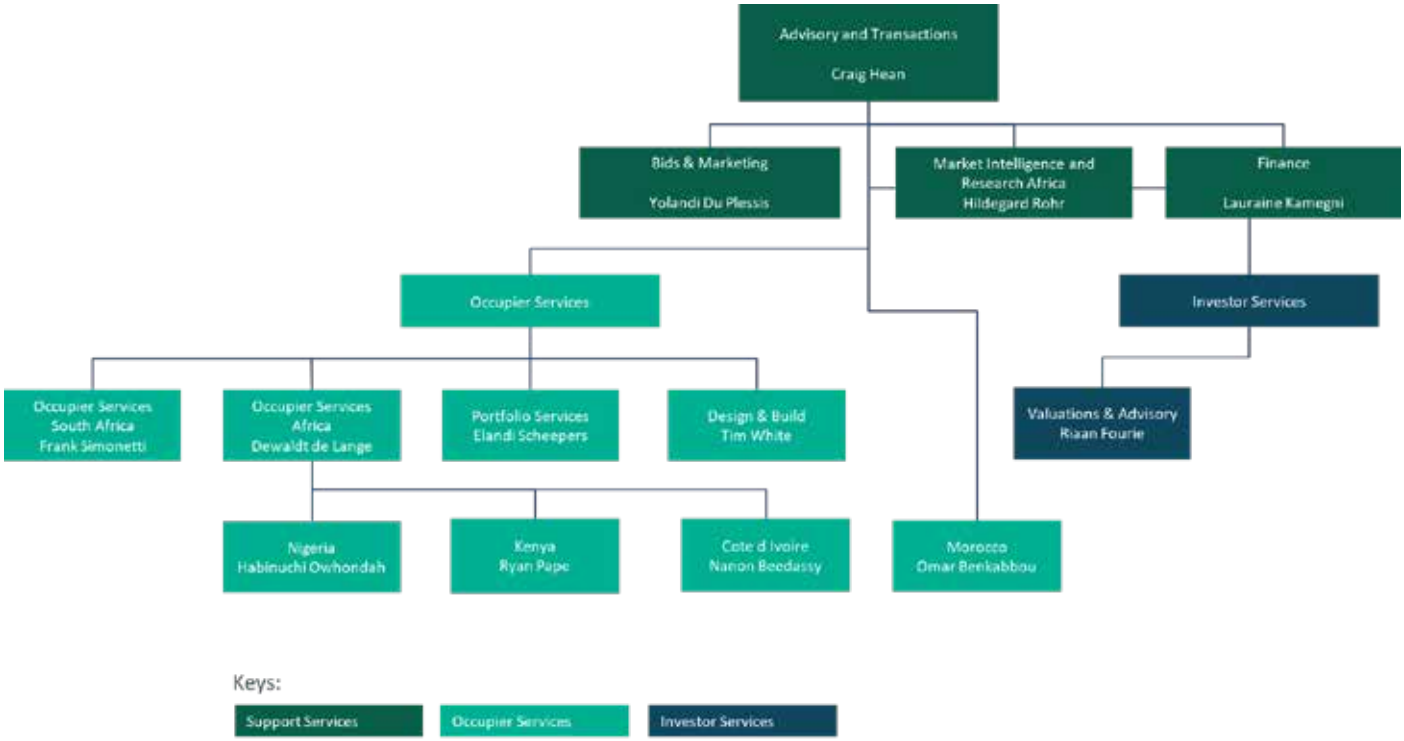
CBRE specialises in delivering integrated real estate solutions across large, multi-disciplinary property portfolios. They partner primarily with corporate occupiers, providing services under long-term contracts across the Middle Their services include:

- Valuations & Advisory
- Tenant Representation
- Account & Transaction Management
- Portfolio Services
- Lease Administration
- Capital Markets
- Strategy Consulting

- Investor Sales
- Debt & Equity Advisory

### 5,7.1. Valuer Corporate Structure

*Figure 11: CBRE Corporate Structure*



### 5.7.2. Valuer's Board of Directors

*Table 19: Bios of CBRE's Board of Directors*

| Name | Profile |
|---|---|
| **Gloria Awinja RV, MISK, REA**<br>**Director** | Gloria Awinja is a highly real estate professional with over 15 years of comprehensive experience spanning consultancy, valuation, property management, and leasing. Her credentials include a Bachelor's in Land Economics from the University of Nairobi, full membership in the Institution of Surveyors of Kenya, and professional membership in Women in Real Estate (WIRE). She is a registered and practicing valuer and estate agent, a certified mediator, and holds a Senior Management Certificate from the Kenya School of Government |
| **Rohan Baloobhai Patel**<br>**Director** | Rohan Patel is a seasoned business leader with over 25 years of professional experience spanning investment management, real estate, financial advisory, and corporate strategy. He has spent 17 years at a diversified investment company with interests in real estate investment and services, hotel administration, industrial gas, cement, insurance, and asset management. Prior to this, he worked for 8 years in management consulting and business and financial advisory services. He has a proven track record of leading multi-functional teams in strategy, new ventures, business planning, operations, and organisational development across multiple industries.<br><br>He has a Bachelors from London School of Economics and an MBA from IMD. |
| **Jayant Devdas Morar**<br>**Director** | Jayant is an action-oriented leader and innovative thinker with over 18 years of experience spanning audit, corporate finance, and financial control. Beginning his career with three years of Articles at BDO International, he went on to build 15 years of post-articles experience, including senior auditing roles and corporate finance leadership within the ICT sector across Africa. His background includes working with large multinational corporations as well as privately held companies, giving him a broad perspective on financial management and strategy.<br><br>He is a qualified Chartered Accountant and is registered with SAICA. |

### 5.7.3. Valuer's Management

*Table 20: Bios of CBRE's Board of Directors*

| Name | Profile |
|---|---|
| **Riaan Fourie FRICS** | Riaan is the Head of Valuation and Advisory Services for Sub-Saharan Africa, responsible for strategic leadership and management of the skill line across the region. He has over 25 years' valuation experience and has built a reputation within the industry for his valuation expertise and commitment to quality and risk management. He has been involved in many complex valuations & consultancy assignments and specialises in the valuation of commercial, retail, industrial and trade-related properties.<br><br>Riaan is a Fellow Member of the Royal Institution of Chartered Surveyors (MRICS), Chartered Valuation Surveyor, RICS Registered Valuer, RICS Licenced Assessor Trainer (Sub-Saharan Africa) and RSA Registered Professional Valuer of the South African Council for the Property Valuers Profession (SACPVP). |
| **Jeet Kotedia MRICS** | Jeet started off his career as a property manager as well as property transactions before moving into valuation and property finance. Jeet has three years of valuation experience, mostly in Income Capitalisation Approach, Sales Comparison Approach, Depreciated Replacement Cost and Discounted Cash Flow with valuation experience in Industrial, commercial, agriculture, servitudes, land and residential across Africa. Jeet has a broad understanding of the valuation profession, with background in valuing industrial buildings, commercial, vacant land, and servitudes for both private and listed companies.<br><br>Jeet holds a Bachelor's degree in Business Management from the Coventry University, and has a Master's Degree in Real Estate from the University College of Estate Management and is a Member of the Royal Institution of Chartered Surveyors (MRICS). |
| **Chumisa Mapempeni AssocRICS** | Chumisa started off her career as an intern in the valuation department at JLL, conducting market research, compiling valuation reports, and supporting the senior valuation managers, while also given the chance to learn her way through the valuation profession. Chumisa joined CBRE Excellerate in November 2021 as a Candidate Valuer. She is a valuable addition to the team having worked with Riaan previously throughout South Africa and Sub-Saharan Africa<br><br>Chumisa has four years of valuation experience, including the Discounted Cash Flow, Income Capitalisation and Comparison Approaches Valuation experience includes industrial, commercial, retail, land and residential. |

| Name | Profile |
|---|---|
| **Gloria Awinja, RV, MISK, REA** | Gloria is a highly accomplished real estate professional with over 15 years of comprehensive experience spanning consultancy, valuation, property management, and leasing. Her career trajectory includes notable tenures at industry leaders like Regent Management, Housing Finance, UAP Old Mutual, Jones Lang LaSalle, and Knight Frank, providing her with a well-rounded expertise across all facets of the real estate sector.<br><br>Gloria holds a Bachelor's in Land Economics from the University of Nairobi, full membership in the Institution of Surveyors of Kenya, and professional membership in Women in Real Estate (WIRE). She is a registered and practicing valuer and estate agent, a certified mediator, and holds a Senior Management Certificate from the Kenya School of Government. |

### 5.7.4. Duties and Obligations of the Valuer

The scope of services undertaken by the Valuer includes the following:

- Summary of market valuation including methodology applied;
- Identification of encumbrances registered against the property;
- Providing a summary of statutory payments due, including outstanding amounts;
- Comments on:
  - Whether or not the property has ever been set aside for public use;
  - Use of property and significant developments within the neighbourhood that could have an effect on future value/use of the property;
  - Evidence of pollution and/or land contamination either on the subject site or an adjoining site that may affect the current or future development;
  - Topography of the plot, soil types and the likely effect on development;
  - Material matters on the leases which may adversely affect future income growth performance of the property;
- Any material matter known or evident which may significantly affect the ownership of the property and future use; and
- Copy of the certificate of official search

The REIT Valuer is appointed for a maximum consecutive term of three years. The appointment of a new Independent Property Valuer will be subject to the approval of the Unitholders.

### 5.8. Details of the Structural Engineer

FBW Group is a British architectural and engineering consultancy, established in 1995, to provide professional building services throughout Eastern Africa and the wider region from our East African base in Uganda and established centres of operation in Rwanda, Kenya and the Netherlands. They are a multi-disciplinary 'one-stop-shop' providing a full range of in-house professional services including architecture, civil engineering, structural engineering, MEP engineering and project oversight to all sectors of construction and development.

In 30 years of operation, they have built up considerable expertise and experience within East Africa and the wider region and have established a proven track record of successfully delivering high quality, complex and internationally compliant construction projects within a wide range of sectors. In this period, they have completed over 135 projects and undertaken project works in 16 project country locations across Africa.

FBW Group develops long term relationships with its clients built on trust and understanding of the client's needs. They acknowledge the importance of understanding the client, their culture and business objectives for us to add value to prospective projects. Their services and processes are designed to provide an alignment of deliverability and long-term quality within the vision, aims and objectives, budget parameters, timescale, stakeholder's interests, and risk management. They aim to develop responsive solutions to meets and exceed the expectations of the client.

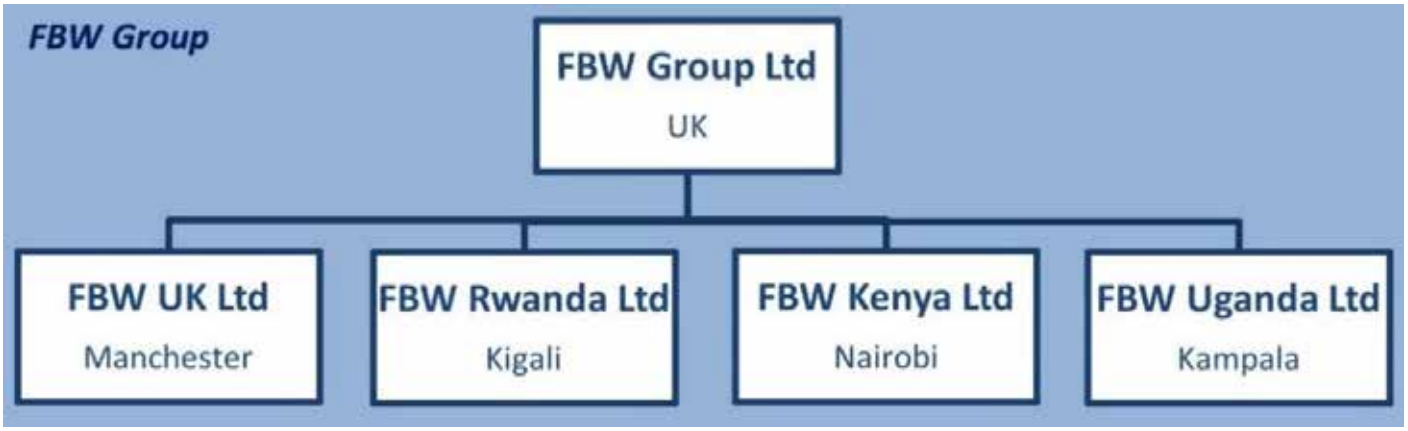
FBW Group's Directors and senior management all possess wide ranging experience of undertaking projects within Africa and carry with them many years of experience of design and delivery of projects in all sectors. We bring demonstrable proven commitment, competence and highest degree of professional ethics and integrity to all our projects. Their strengths include:

- Multi-disciplinary structure providing single source contact for all disciplines
- 30 years' proven track record of delivering prestigious, sensitive and high value construction projects throughout the region
- Interrelated company structure able to draw on a wide skills base and resources
- Building consultancy services from in-house or established partner resources
- Established office presence and experienced management in Kenya, Uganda and Rwanda
- Wide experience of construction and contracting practices within the region
- Operating to international standards
- Diverse and complimentary skill range and experience within group structure
- Established and thorough understand of the standards and compliance requirements for the master-planning, design and delivery of international projects within the leisure and education sector undertaken in Sub-Saharan Africa

FBW Kenya Ltd was established in 2012.

### 5.8.1. Structural Engineer Corporate Structure

*Figure 12: Corporate Structure of FBW Kenya Ltd*




### 5.8.1. Structural Engineer's Board of Directors

*Table 21: Bios of FBW Kenya's Board of Directors*

| Name | Profile |
|---|---|
| **Geoff Wilks**<br>**Group Chairman** | Geoff Wilks is a Founding Director of FBW Group and was based in Tanzania from 1992 to 2000. He is a Chartered Engineer, now resident in Manchester, UK and is responsi-ble for Group direction and overall business strategy. |
| **Paul Moores**<br>**Group Managing Director** | Paul Moores is a Founding Director of FBW Group and has been based in Kam-pala, Uganda since 1998. He is respon-sible for all Group activities and business development in Eastern Africa and is the primary contact for FBW Group globally. Paul is a qualified Architect, registered in UK, Uganda, Kenya and Rwanda. |
| **Antje Eckoldt**<br>**Director, Kenya** | Antje Eckoldt is a FBW Group Director and the Director of the Kenyan office re-sponsible for all Kenyan office activi-ties. She is a qualified Architect, registered in the UK, Kenya and Uganda who gained experience in Germany and the UK before joining FBW in 1999.<br><br>Antje relocated to Kenya in mid-2017 after being instrumen-tal in setting up the new office in 2015. Prior to that she joint-ly established and managed the Rwan-dan office from 2011 to 2017 as Director of Architecture in Rwanda. |

### 5.8.2. Structural Engineer's Management

*Table 22: Bios of FBW Kenya's Management*

| Name | Profile |
|---|---|
| **Antje Eckoldt**<br>**Group Director and Director Kenya** | Antje is the Country Manager for FBW Kenya and a Regis-tered Architect in Kenya, Uganda and UK. She jointly opened and has managed the Rwandan office from 2011 to 2017. She relocated to Kenya in 2017 after setting up FBW's Kenya office in 2015 and is responsible for man-agement, business development and overseeing of archi-tecture output in Kenya and East Africa.<br>She is a Chartered Architect in UK, Kenya and Uganda, hold a post-graduate Diploma in Architecture (The Bartlett, UK) and from HFBK in Hamburg, Germany. She is regis-tered with the Board of Architects and Quantity Surveyors in Kenya BORAQS, Architects Registration Board ARB (UK/UG), Member of the Architectural Association Kenya AAK. |
| **Charles Nganga**<br>**Associate and Senior Structural Engineer** | Charles Nganga joined FBW from the start of 2018. He is a Structural Engineer with wide ranging experience of engi-neering projects undertaken in Europe before joining FBW Group in East Africa. He has twenty years of experience with many different types of buildings and in varying sec-tors. His experience working as Structural Engineer at WSP in the UK since 2012 includes concept, scheme and detailed design in various forms of construction including the design of a new 45 storey residential tower in London's Docklands area. At FBW he is responsible for overseeing the Civil & Structural Engineering team across East Africa.<br>He has a Msc, Meng (Hons) in Structural Engineering with Architecture, a member of the Institute of Engineers of Kenya ("IEK") and is a Registered Engineer in Kenya with the Engineers Board of Kenya ("EBK"). |
| **Diana Keter**<br>**Senior Electrical Engineer** | Diana is an experienced electrical engineer with a demonstrated history of working in the construction industry. Skilled in AutoCAD, Electrical Wiring, Energy Efficiency, Fire Alarms and Project Management. Strong engineering professional with a BSc focused in Mechatronics from Jomo Kenyatta University of Agriculture and Technology. Prior to joining FBW, she worked at Atkins Kenya Limited.<br><br>She has a BSc in Electrical Engineering, a member of the Institute of Engineers of Kenya ("IEK") and is a Registered Professional Engineer in Kenya with the Engineers Board of Kenya ("EBK"). |
| **Edwin Rutto**<br>**Senior Mechanical Engi-neer** | Edwin Rutto has over 8 years' experience in the building services as a Mechanical Engineer. His key areas of re-sponsibility over the period covers feasibility studies, presentations and reporting, preparation of design draw-ings, bills of quantities, tender documents, implementation supervision, preparation of valuations and final accounts, testing and commissioning, and handing over documents.<br><br>He has a BSc in Mechanical Engineering, a member of the Institute of Engineers of Kenya ("IEK"), member of the Insti-tute of Engineers of Rwanda ("IER") and is a Registered Engineer in Kenya with the Engineers Board of Kenya ("EBK"). |

### 5.8.3. Duties and Obligations of the Structural Engineer

**Standard Requirements**

a. Assessment of buildings and infrastructure of the whole plot based upon property survey and study all available documentation to determine quality standard and condition of:

- Structural Review:
  - Desk review of all built documentation relating to the structure, including architectural drawings, structural drawings, council approval documents and quality control documentation; and
  - Any visual distress in the load bearing structures (from loading, corrosion of the existing reinforcements, etc.) shall be noted and the required solutions to the problems shall be succinctly provided. The solutions shall not be accompanied with any design but shall be given as guidelines as well as any interventions that are required to be made to the structure.

It is noted that a review of the structural reinforcement of the building, if necessary, as well as the laboratory inspections of the load bearing structures are not included.

- Mechanical and electrical installations review:
  - Assessment of the overall quality of design of the mechanical and electrical installations with particular regard to the functionality; and
  - Assessment of quality, condition.

b. List of defects and recommended rectification thereof:

- Indicate which are high and low priority items

c. Health and Safety Audit

- Report any significant issues concerning safety with particular emphasis on fire escape, fire detection and firefighting.

The Structural Engineer is independent of the Promoter, REIT Manager and Trustee and has no existing relationship with any of the parties

# 6. KENYA ECONOMIC OVERVIEW

## 6. KENYA ECONOMIC OVERVIEW

### 6.1. GDP Growth

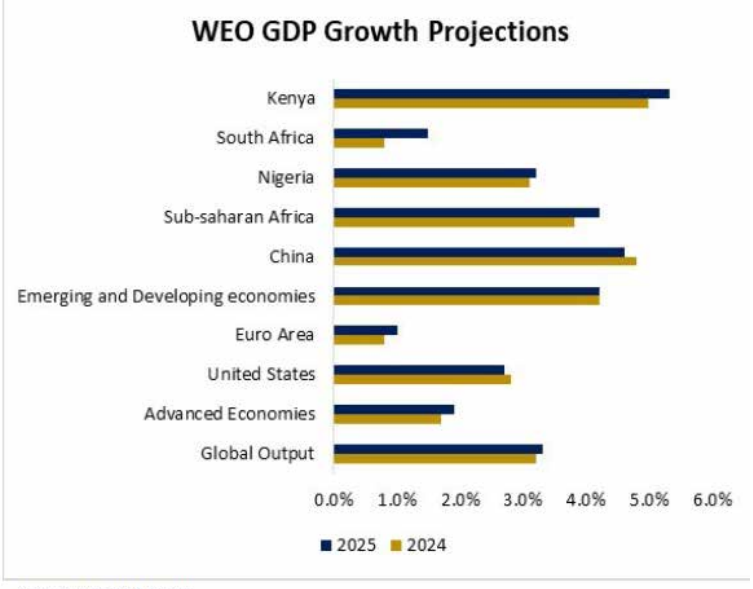
According to the IMF's World Economic Outlook Update January 2025 (WEO) report, global growth is projected to marginally increase from an estimated 3.2% in 2024 to 3.3% in 2025 but still remain below the historical average (2000-2019) of 3.7%. Global economic activity in 2025 is principally expected to be affected by the easing monetary policies, easing supply chain constraints and the spillover effects of US foreign policies and trade tariffs. The forecast indicates better-than-anticipated growth in some of the advanced economies with growth expected to pick up in the euro area while growth in emerging market economies is expected to broadly match growth in 2024.

In advanced economies, GDP growth forecasts are mixed with the United States expected to grow by 2.7% in 2025 down by 0.1% from 2024. This mainly due to robust underlying demand reflecting strong wealth effects, supportive financial conditions and less restrictive monetary policy. The euro area is expected to grow at 1.0% in 2025 with the downward revision by 20 bps owed to weaker than expected momentum at the end of 2024, especially in manufacturing, and heightened political and policy uncertainty. Growth in advanced economies is anticipated to improve from 1.7% in 2024 to 1.9% in 2025 primarily owing to the view that monetary easing will continue but held back by trade policy uncertainty.

For emerging market and developing economies, growth forecast in 2025 is expected to match that of 2024 at 4.2%. China is projected to grow by 4.6% in 2025 due to the fiscal package announced in November largely offsetting the negative effect of investment from heightened trade policy uncertainty and property market drag. Growth in India is expected to be solid at 6.5% in 2025.

A moderate growth of 4.2% is projected for sub-Saharan Africa in 2025, up from 3.8% in 2024. Nigeria's economic growth in 2025 is placed at 3.2%, a marginal rise than the estimated 3.1% in 2024 owing to the country's currency stabilizing after rapidly weakening against major currencies in 2024. In South Africa, a greater growth of 0.7% is anticipated in 2025 (0.8% in 2024).

*Figure 13: World GDP Growth*




*Source: IMF WEO Jan 25*

### 6.2. Global Inflation

The IMF's January 2025 World Economic Outlook Update (WEO) report projects global disinflation to continue from 5.7% in 2024 to 4.2% in 2025. Even with the anticipation of worldwide disinflation, inflation is still predicted to stay above the pre-pandemic average of 3.5% (2017-2019 average). Inflation continues to slow down globally but there are signs that the progress is stalling in some countries where elevated inflation remains persistent. In regions where inflation is showing greater persistence, central banks are proceeding with caution in their easing cycles while monitoring economic activity, labour market trends, and fluctuations in exchange rates. Some central banks including Bank of Japan and Central Bank of Brazil are increasing interest rates, highlighting a divergence in monetary policy approaches. Disinflation in 2025 is premised on declining global fuel and non-fuel prices with cooling labour markets expected to keep demand pressures at bay.

Energy commodity prices are projected to decline by 2.6% in 2025. This reflects a drop in oil prices driven by weak Chinese demand and robust supply from non-OPEC+ which are partly offset by rising gas prices due to colder-than-expected weather and supply issues, such as the ongoing conflict in the Middle East and disruptions in gas production.

#### Potential Shocks to Global Economic Outlook

- **Easing monetary policy**: As monetary authorities continue easing their monetary stance, interest rates are expected to decline further in 2025. This continues to pose a big relief to emerging markets and developing economies which are still struggling with high debt levels with repayment likely to be impeded by lower debt service costs (on interest payments and easing limitations in raising debt in external markets).

- **Sticky inflation**: In the US, inflation has stalled in the recent months at 3.3% while still being above the fed target rate of 2.0% leading to a more caution-ary Fed that we believe will be reluctant to cut rates at a faster pace. This also translates to interest rates remaining elevated for longer.

- **Trump Trade Tariffs and Policies**: Uncertainty among Trump's trade tariffs and trade policies have left advanced economies jittery with the US president planning a 25% tariff on imports from Canada and Mexico and a 10% addition-al tariff on imports from China. We see the aggressive foreign policies having some negative impact on the emerging markets especially in terms of foreign aid and grant funding which have been cut leading to insufficient funding and job cuts.

- **Ukraine-Russia conflict**: The new US administration is aiming to find a solution between Russia and Ukraine with assistance from European NATO allies. We believe a solution to this conflict would be a massive boost especially to European markets but we see a prolonged stalemate before an absolute solution is achieved between the two warring countries.

## 6.3. Kenyan Economic Growth

*Figure 14: Quarterly Growth in GDP in Kenya*


Source: KNBS, CBK and DBIB analysis

In 2025, Kenya's GDP growth is expected to pick up supported by a resurgence in the private sector. Monetary easing is anticipated to accelerate private sector credit growth which slowed down in 2024 and posted a decline of 1.1% in November, 2024 due to high interest rates. With interest rates expected to decline, the CBK Governor projects credit to private sector to grow by 10% in 2025. A recovery in private sector credit is likely to drive moderate growth in majority of the economic sectors, comprising the trade, transport, finance, education and construction sectors.

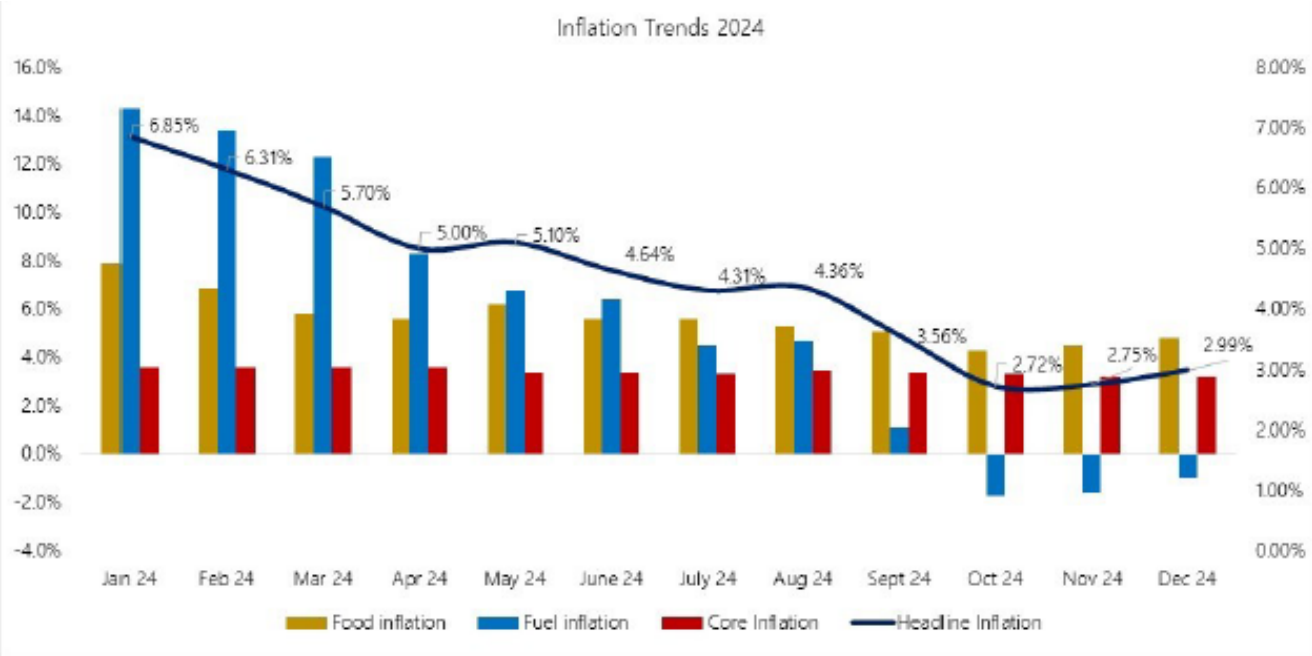
The trade sector is expected to be largely supported by resilient diaspora remittances, access to credit (especially to the private sector) and government interventions to reduce prices of select food items. Both the construction and real estate sectors are poised to continue benefitting from the government's affordable housing program agenda and declining interest rates.

The agricultural sector is expected to be supported by reduced fertilizer prices (through the continuing National Fertilizer Subsidy Program) but held back by forecasted erratic rainfall during the March–May rainfall season.

Against these factors, our projections for GDP growth in 2025 range between 4.5% and 5.5% supported in part by strong credit growth to the private sector, resilient diaspora remittances and government spending; but curtailed by con-straining debt service obligations and forecasted erratic rainfall.

## 6.4. Kenyan Inflation Overview

*Figure 15: Kenya Inflation*




*Source: KNBS, CBK & DBIB Analysis*

Inflation is expected to pick up in 2025 after slowing down in 2024 and hitting a 17 year low of 2.72% in October 2024. The increase in inflationary pressures is in-formed by:

- Continued monetary easing by the CBK leading to more cash circulation in the economy.
- Forecasted erratic rainfalls that might distort food prices.
- Increasing transportation costs associated with inflation and labour costs.
- elevated non-core inflation.

It is anticipated that the increase in inflation in Kenya will be curtailed by declining global oil prices. The expectation of lower global crude oil prices is due to increased pro-duction from countries outside of OPEC+, slower demand growth of oil and reduced geopolitical risk.

Taking the aforementioned forces into consideration, we expect average inflation to range to between 5.0% and 5.5% from an average of 4.7% in 2024.

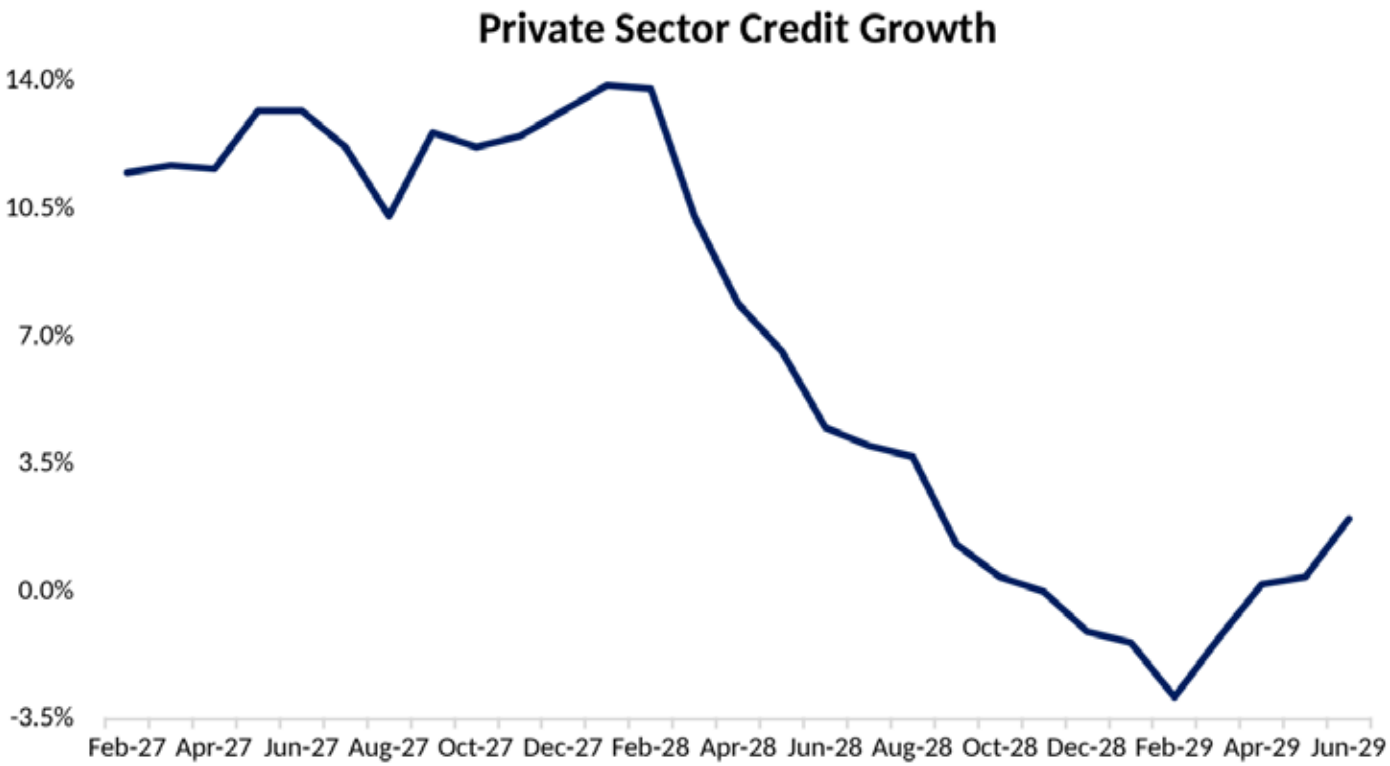
### 6.5. Private Sector Credit

Owing to tight monetary policy, we saw private sector credit growth slowdown in 2024. Private sector credit growth shrunk by 1.1% in November 2024. The CBK Governor stated that the private sector credit growth was projected to grow at 10.0% in 2025.

Growth in credit to the private sector is expected to accelerate in 2025 as a result of continued monetary easing, leading to lower interest rates and pivoting banks to lend more to the private sector. This is backed by expected lower returns from government securities and availability of more capital to lend to the private sector. The main sectors we see benefiting from the strong growth in private sector credit are transport & communication, agriculture, manufacturing, mining and trade.

A key risk to growth in credit to the private sector is the deteriorating asset quality owing to macroeconomic challenges. The listed banks NPL ratio has been on an upward trajectory from June 2024 where it stood at 13.3% to 13.6% in September 2024

*Figure 16: Private Sector Credit Growth in Kenya*




Source: CBK & DBIB Analysis

### 6.6. Current Account Deficit

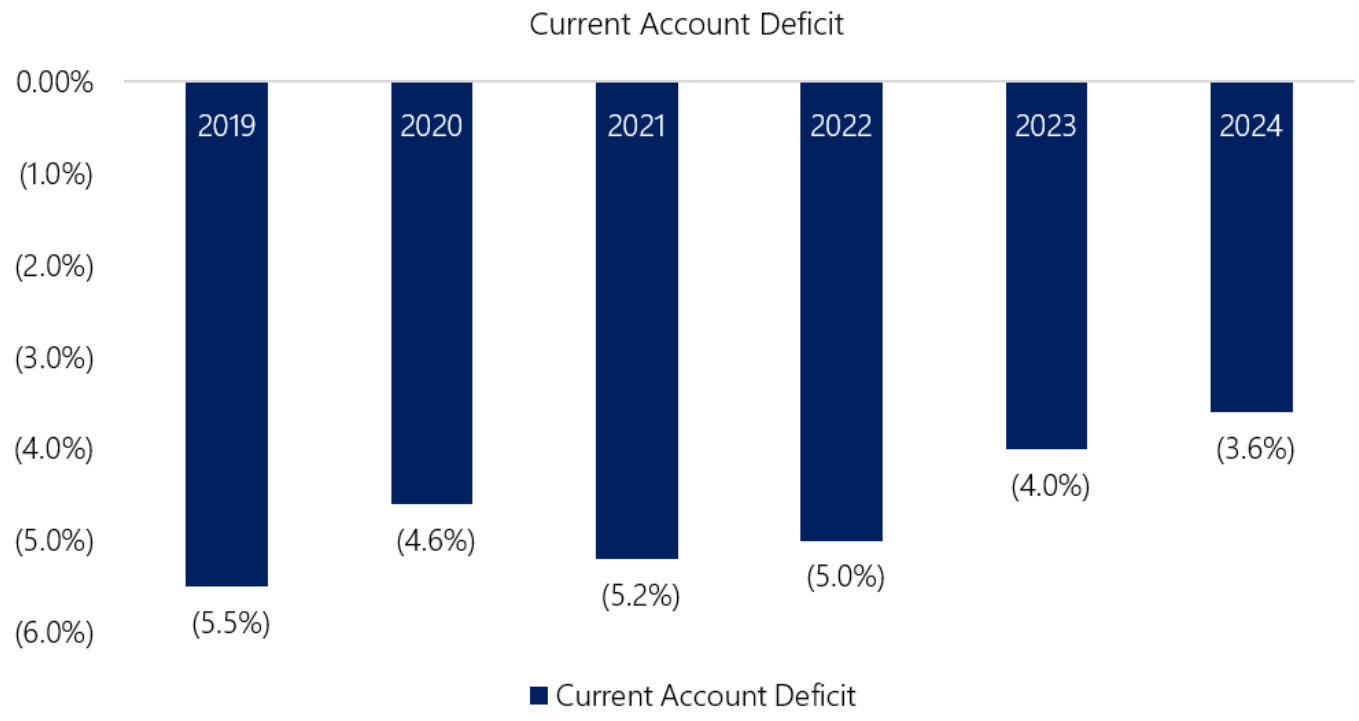
Import expenditure in 2025 is expected to be impacted positively by the expectation of falling global crude oil prices, the stability of the Kenya Shilling (KES) against the US Dollar (USD), decreased importation of food products (bolstered by increased local harvests from improved rainfall and subsidized fertilizer from the government) and increased importation of machinery and transportation equipment.
Recent economic data for the US points to sticky inflation with the Fed's tone be-coming more cautionary on rate cuts. With US inflation remaining stubbornly above the 2.0% inflation target, we expect to see the Fed hold rates for the better part of 2025. This should pile pressure on the KES/USD exchange rate.

The current account deficit is expected to narrow, supported by rising foreign remittances and increasing forex reserves from the extension of the importation of oil on a 180-day credit period (G-to-G oil import deal).

Export earnings in 2025 are expected to be supported by receipts from manufactured goods, horticultural products and earnings from coffee exports especially with rising coffee prices.
There is optimism about the continued stabilization of the KES/USD exchange rate in the short-term, although a longer period is necessary for these changes to crystallize before the shilling comes under pressure.

Taking all these factors into consideration, we expect the current account deficit to remain largely unchanged in 2025 ranging between 4.0% and 4.5% of GDP

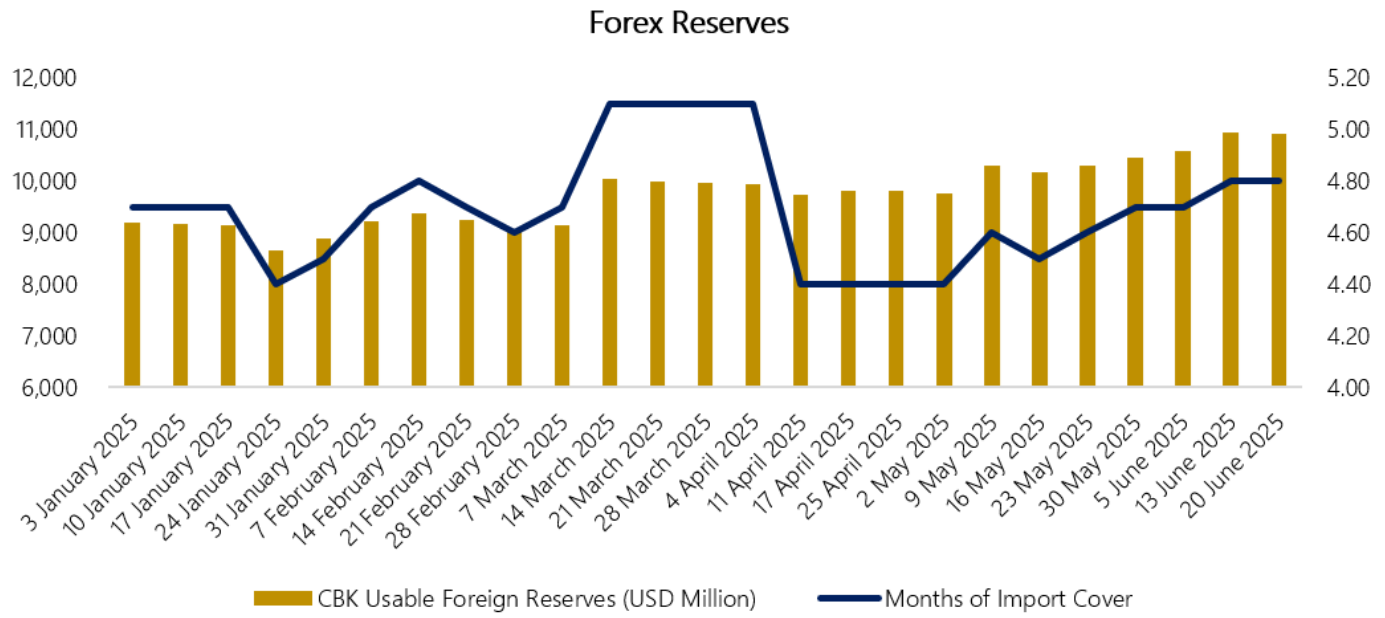
*Figure 17: Current Account Deficit Overview*




Source: CBK

## 6.7. Forex Reserves

*Figure 18: Foreign Exchange Reserves*



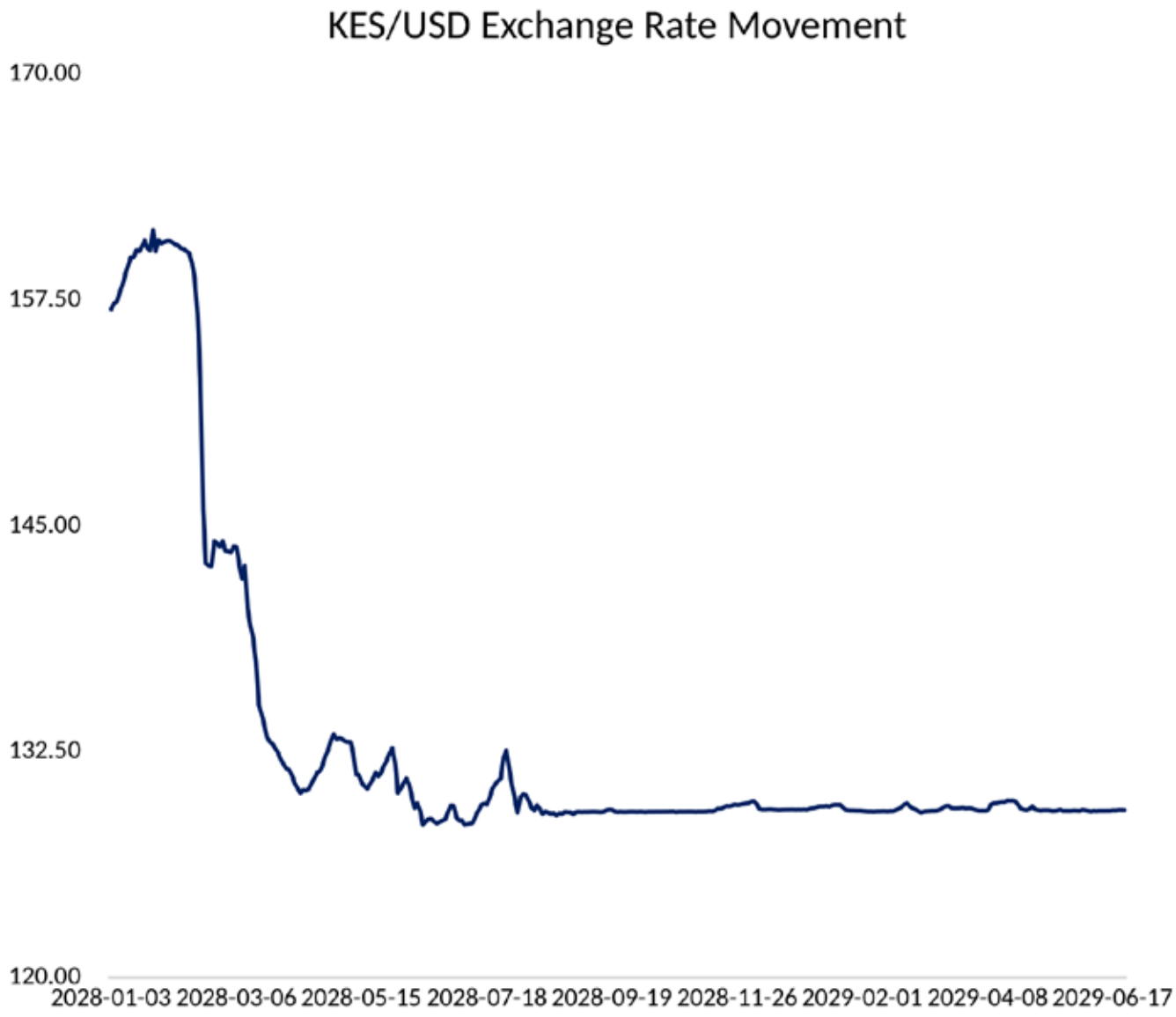

Source: CBK

The Kenyan Government extended the G-to-G oil import deal in December 2024 just as it was set to expire at the end of the year. The extension is expected to continue providing short term support to forex reserves, although the duration of the extension currently remains uncertain. Pressure on forex reserves could re-emerge if the oil payments should resume on a monthly settlement basis.

Foreign debt service obligations might also put a strain on forex reserves; however, this will be curtailed by diaspora remittances.

### 6.8. Exchange Rate

*Figure 19: Exchange Rate Overview*




Source: CBK

The Federal Reserve is anticipated to hold interest rates for the better part of 2025 due to sticky inflation in the US. With this resolve to keep interest rates higher in order to tame inflation down to the target range of 2.0%, this hawkish stance is expected to continue resulting in a relatively stronger US Dollar in comparison to the Kenya Shilling, resulting in depreciation of the KES/USD exchange rate in 2025. However, increased dollar inflows from foreign remittances and continued intervention of the CBK are expected to help stabilize the shilling.

It is believed that the immigration policies set by the new US administration will negatively impact the Kenyan Shilling. Majority of foreign remittances, about 55.0%, are from the US. From the aforementioned factors, we expect a slight depreciation in the KES/USD exchange rate to KES 140 against the Dollar.

### 6.9. Interest Rates and Fixed Income Securities

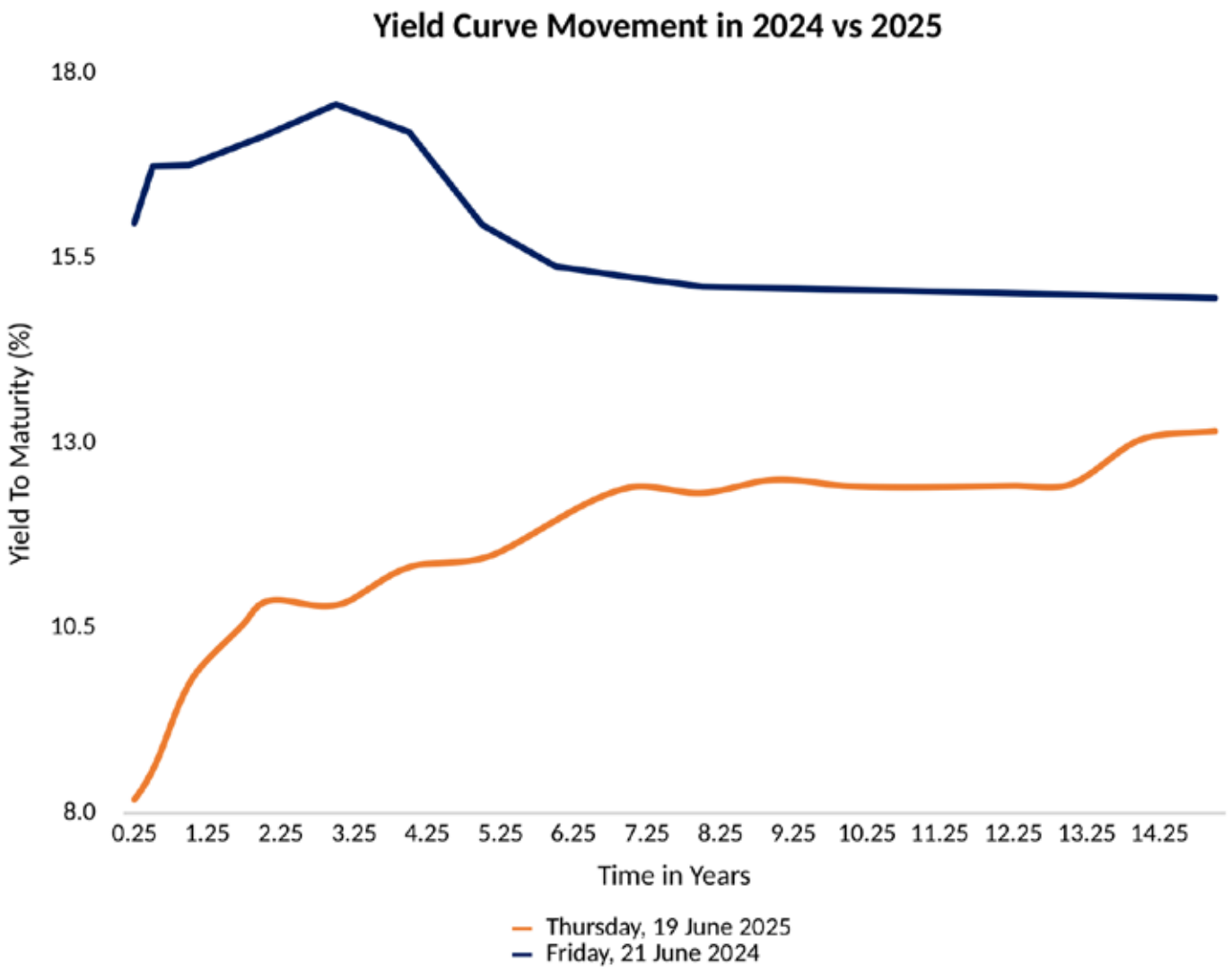
By the end of 2023, the yield curve had risen by 350 bps on average across all maturities on a year-to-date basis. This was due to monetary tightening undertaken by the CBK in 2022 and 2023 in order to tame high inflation. This led to an invert-ed yield curve by the end of 2023.

By the end of 2024, the yield curve had declined by 336 bps on average across all maturities on a year-to-date basis.

The decrease in the yield curve in 2024 compared to 2023 was mainly due to the beginning of monetary easing by the CBK in the latter half of 2024.

In 2025, interest rates have continued decreasing with the yield curve having declined by 105 bps on average across all maturities YTD. The CBK's Monetary Policy Committee is expected to lower the Central Bank Rate further this year, supported by contained inflation, although the pace for easing may be slower than that observed in the latter half of 2024

*Figure 20: Yield Curve Movement*




Source: CBK

# 7. KENYA INDUSTRIAL REAL ESTATE OVERVIEW

# 7. KENYA INDUSTRIAL REAL ESTATE OVERVIEW

## 7.1. Introduction

Industrial and logistics real estate has become one of the most dynamic asset classes globally. In emerging economies, it represents a critical enabler of trade efficiency, supply chain resilience, and economic diversification. Kenya is no exception. As the commercial and logistics hub of East and Central Africa, Kenya's warehousing and industrial property sector is at a pivotal inflection point.

## 7.2. Uses for Warehousing in Kenya

Warehousing is a vital cog for numerous sectors in Kenya which need facilities for storage of their raw materials, finished goods as well as space for packaging and distribution. The location and accessibility of the warehousing is also increasing important as companies start to move away for Industrial Area. Higher quality facilities that are safe for goods and workers as well as equipped with fire firefighting facilities are increasingly in demand. The table below outlines the sector and how they use warehousing.

*Table 23: Uses of Warehousing by Sector*

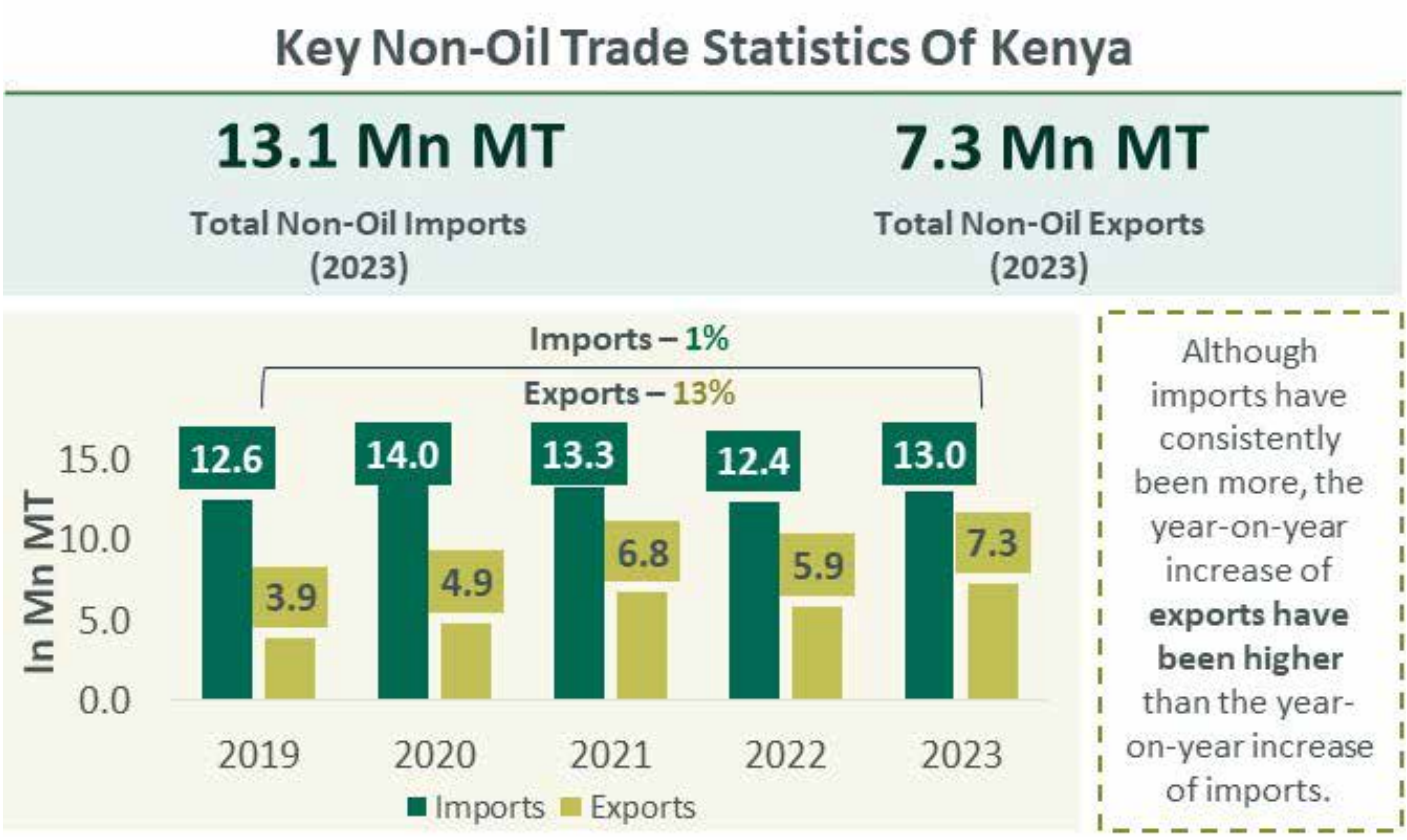
| Sector | Warehouse Usage |
|---|---|
| Manufacturing | • Storage for raw materials and inputs<br>• Packing and assembling of goods<br>• Storage for finished goods<br>• Distribution facilities |
| Fast Moving Consumer Goods | • Distribution facilities<br>• Storage for finished goods |
| Logistics | • Fulfilment centres, last mile delivery |
| Distribution | • Storage and restocking facilities for retail and wholesale |
| Agribusiness and Agro-processing | • Packing and distribution facilities<br>• Cold storage facilities<br>• Post harvest storage |
| Pharmaceuticals and Healthcare | • Temperature controlled storage facilities<br>• Distribution facilities for medical supplies |
| Relief and Aid Organisations | • Storage for emergency supplies |

### 7.3. Economic factors underpinning demand for Industrial Real Estate

Growth in Kenya's industrial real estate sector is underpinned by growth in the export sector vis a vis the import sector. Both sectors have increased the demand for warehousing be it informal sheds/go downs to higher quality warehousing.

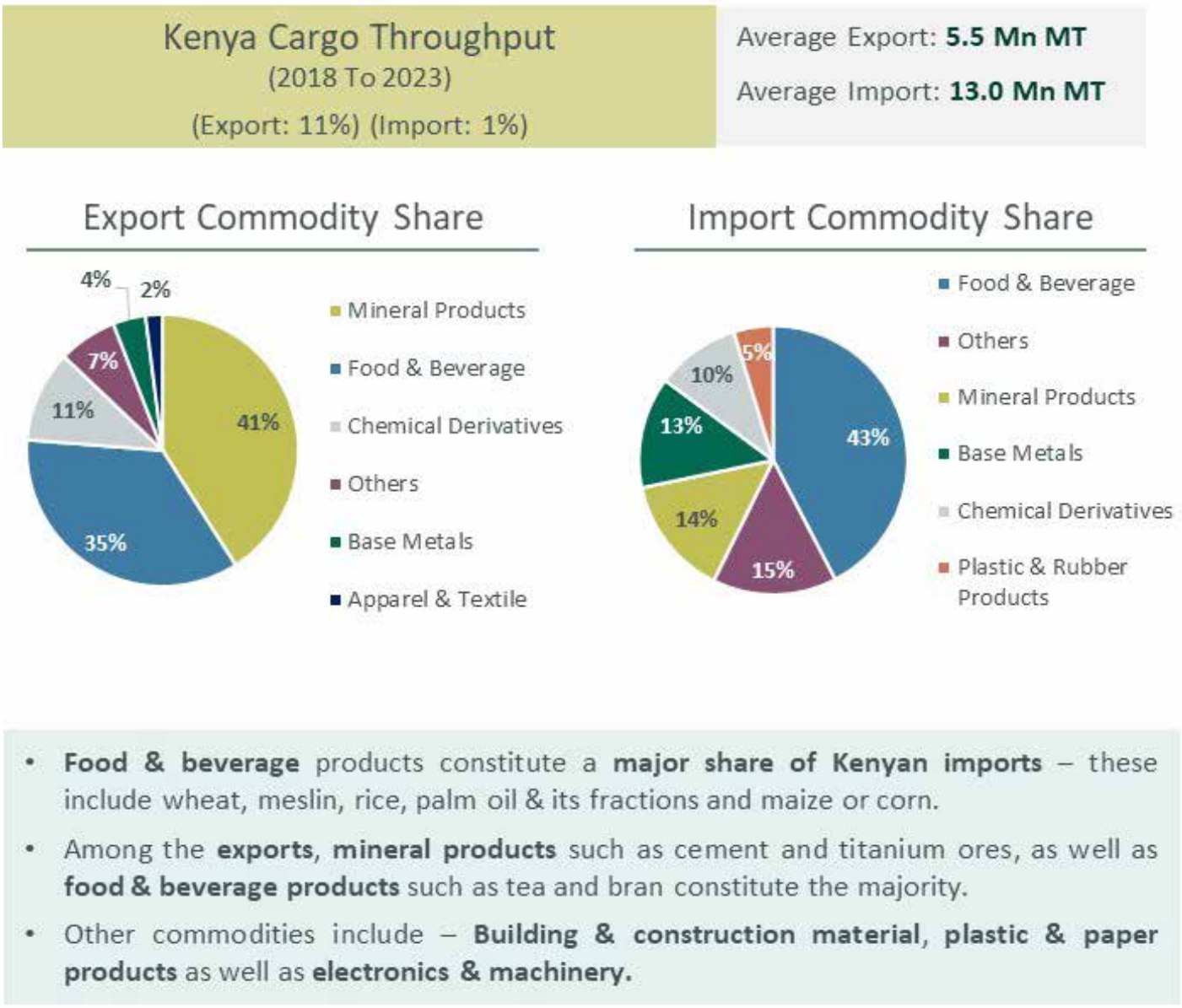
Kenya's strategic location makes it the trade and logistics gateway for East and Central Africa. The Port of Mombasa handles transit cargo for Uganda, Rwanda, Burundi, South Sudan, and the Democratic Republic of Congo. In 2023, total non-oil imports reached 13.1 million metric tonnes while exports stood at 7.3 million metric tonnes. Although imports dominate in volume, exports are expanding at a faster pace, highlighting Kenya's diversification into higher-value goods.

*Figure 21: Key Non-Oil Trade Statistics*




Source: CBRE

*Figure 22: Kenya Cargo Throughput 2018 - 2023*




Source: CBRE

The growth rate for imported commodities has also been increasing thus driving demand for warehousing. This is attributed to the increasing GDP per capita and per capita consumer spending.

*Figure 23: Kenya High-Growth Import Commodities*

| Commodity Category | Commodities (% Share In Category) | CAGR (From 2018 To 2023) |
|---|---|---|
| Electronics & Machinery Equipment | • Medical & surgical apparatuses (12%)<br>• Insulated electric cables & wires (6%)<br>• Discs, tapes & solid-state storage devices (6%) | 39% |
| Automobile & Auto Parts | • Passenger Motor Vehicles (28%)<br>• Parts & accessories for passenger motor vehicles & tractors (25%)<br>• Cargo transport motor vehicles (11%) | 31% |
| Building & Construction Material | • Ceramic flags and tiles (36%)<br>• Carboys, bottles and other containers (14%)<br>• Float glass & polished glass (9%) | 23% |
| Wood & Wood Related Products | • Plywood & similar laminated wood (28%)<br>• Lengthwise sawn wood (22%)<br>• Wooden fibreboard (20%) | 13% |
| Food & Beverages[6] | • Wheat (34%) Rice, (12%), Palm Oil (16%), Maize (8%), Sugar (8%), | 5% |

Source: CBRE

The growth rate of export commodities has been driven by the increased GDP per capita and per capita consumer spending of Kenya's neighbouring countries.

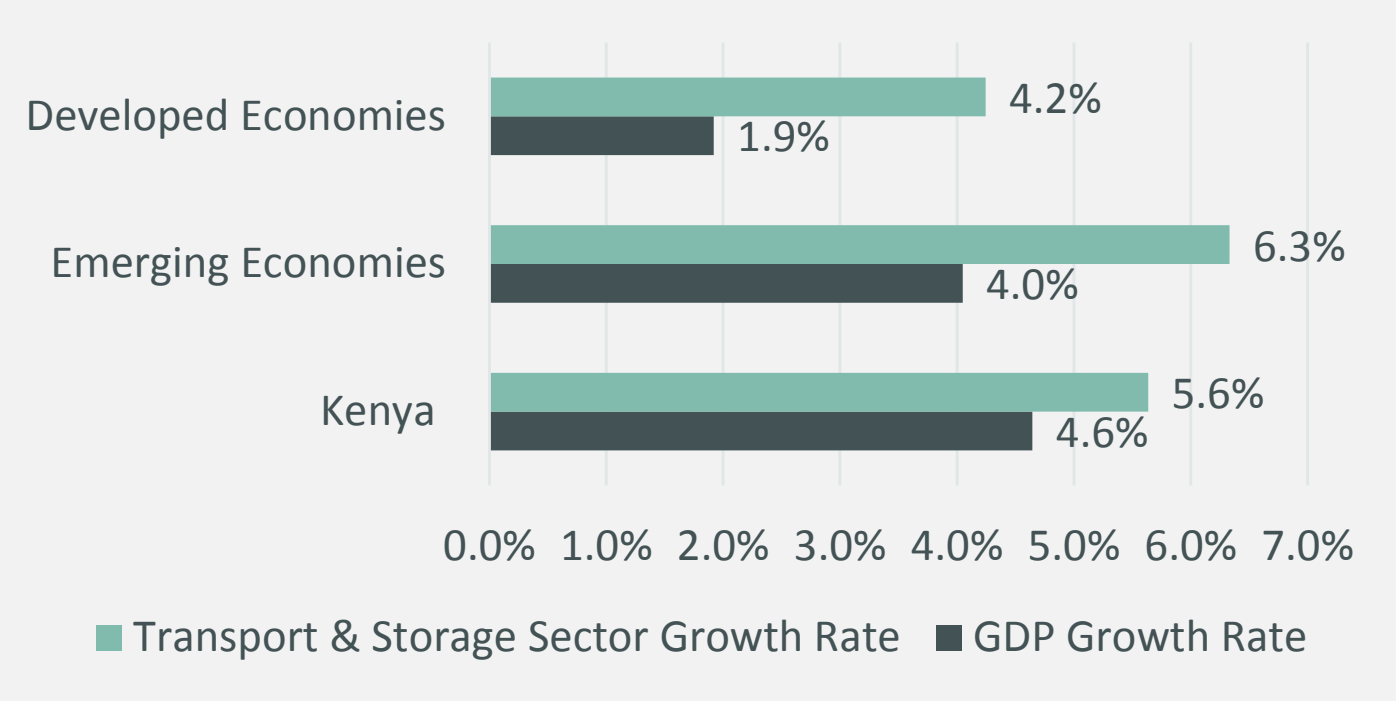
*Figure 24: Kenya High-Growth Export Commodities*

| Commodity Category | Commodities (% Share In Category) | CAGR (From 2018 To 2023) |
|---|---|---|
| Automobile & Auto Parts | • Trailers & semi-trailers (33%)<br>• Cargo transport motor vehicles with chassis (23%)<br>• Carriage containers for fluid transportation (9%) | 80% |
| Electronics & Machinery Equipment | • Medical & surgical apparatuses (57%)<br>• Electric accumulators (10%)<br>• Self-propelled bulldozers and angledozers (7%) | 71% |
| Wood & Wood Related Products | • Wooden sheets for veneering (25%)<br>• Wooden fibreboard (23%)<br>• Prefabricated wooden buildings (22%) | 37% |
| Building & Construction Materials | • Ceramic flags and tiles (51%)<br>• Carboys, bottles and other containers (26%)<br>• Siliceous bricks, blocks & tiles (6%) | 30% |
| Food & Beverages[7] | • Tea (28%)<br>• Fruits & Vegetable (15%)<br>• Food Related products (5%) | 8% |

[6] Low value but high volume

All this has translated to Kenya's transport and storage sector growing at a rate comparable to other developing economies, reflecting its alignment with global emerging market trends. This growth trajectory mirrors the early-stage logistics and infrastructure expansion seen in countries like India and Vietnam during their development phases. The sector's performance signals strong underlying demand and readiness for modern warehousing solutions to support Kenya's evolving trade and industrial base.

*Figure 25: GDP and Transport & Storage Sector CAGR (2014-24)*



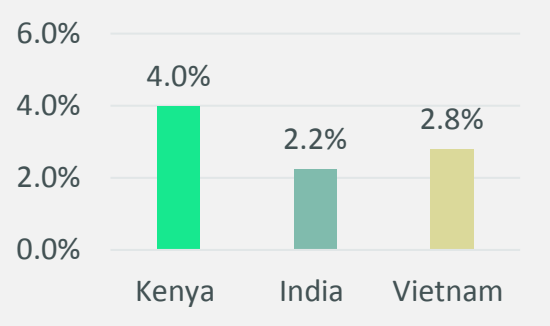

Source: CBRE

Therefore, Kenya's shifting GDP Structure and robust transport sector growth reflect a typical emerging economy trajectory, driving warehousing demand.

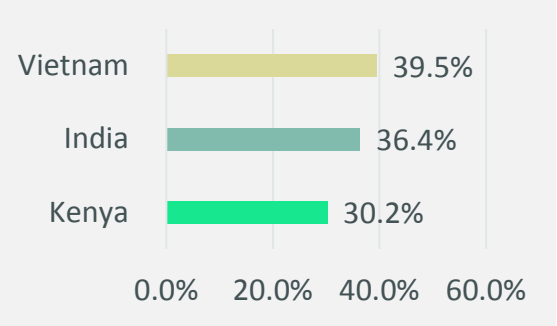
Rising urbanization and digital adoption will also fuel consumer-led warehousing demand.

[7] Low value but high volume

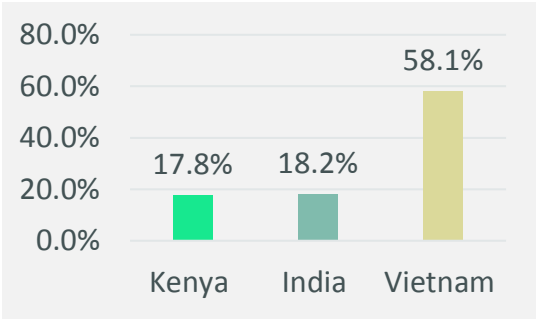
Urban Population CAGR (2019-2024)



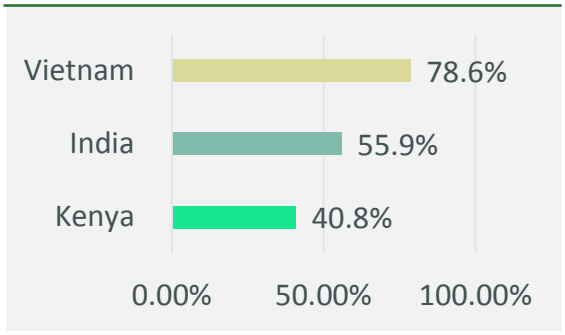

Urban Population Share



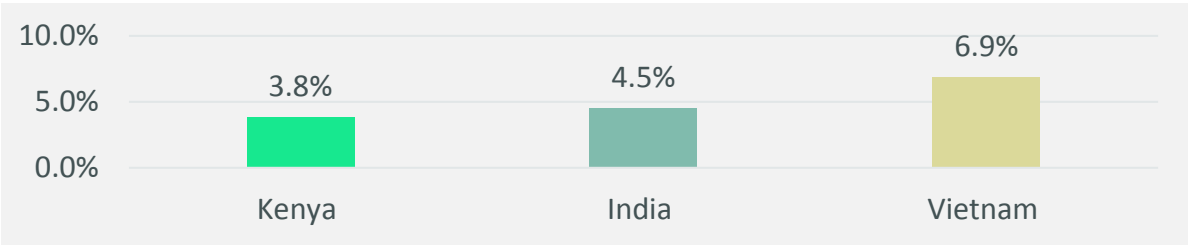

Internet Penetration CAGR (2019-2024)




Share of Internet Penetration




Consumer Spending CAGR (2019-2024)




Source: CBRE & Oxford Economics

- Kenya's urban population is experiencing rapid growth, suggesting that the proportion of urban population will increase over the next ten years, mirroring trends observed in other emerging economies.
- With internet penetration increasing at over 17.8% annually, Kenya is poised for a surge in digital access and connectivity.
- This digital growth is supporting a steady rise in consumer spending, currently expanding at a CAGR of 3.8%.
- Together, rising urbanization and digital consumption are driving demand for modern warehousing infrastructure to support retail, e-commerce, and FMCG distribution

### 7.4. Classification of Warehousing

There are two types of warehouse building structures: Pre-Engineered Buildings ("PEB") and Reinforced Cement Concrete ("RCC").

*Table 24: Types of Warehouse Structures*

| Warehouse Structure | Description |
|---|---|
| Pre-Engineered Building ("PEB") | Warehouse building is a structure made by using pre-designed and pre-fabricated steel components. These components are manufactured off-site and assembled on-site providing a fast and cost-effective solution for warehouse construction. |
| Reinforced Cement Concrete ("RCC") | Warehouse building where the main structural components like slabs, beams and columns are made of concrete which is reinforced with steel bars. |

Warehousing is classified according to different grades with Grade A and Grade B representing institutional grade warehousing. The classification depends on the following criteria:

- Structure Type ie PEB, RCC
- Centre Height measured in metres
- Floor Capacity measures in tonnes per sqm
- Canopy Length measured in metres

As warehousing in assessed on a volumetric basis, the greater the height and floor capacity, the more a customer can store in the facilities through the use of racking.

Other differentiating factors include fire-fighting facilities, sprinkler systems, truck courts and truck parking.

*Figure 26: Classification of Warehousing*


Source: CBRE

### 7.5. Existing Supply of Warehousing in Nairobi

The supply of quality warehousing in Nairobi remains constrained, with limited new Grade A developments entering the market. The total stock of 37.4 million sq. ft. is heavily skewed towards Grade C facilities, which dominate due to their lower development costs and legacy stock. However, demand patterns are shifting, as multinational tenants and large corporates increasingly seek high-quality space. Vacancy rates in Grade A developments remain very low, indicating absorption outpacing new supply.

Key industrial clusters include Athi River, Syokimau, and the environs of Jomo Kenyatta International Airport (JKIA). Emerging hubs such as Tilisi and Tatu City are expected to play a significant role in the next phase of market evolution, offering planned, fully serviced Grade A stock. Constraints to additional supply include high construction costs, limited access to financing, and infrastructure gaps in secondary cities.

This should mean that institutional players that can develop at scale with access to capital can benefit from the significant market gap that exists in the provision of quality warehousing.

### 7.6. Estimated Addressable Market for Warehousing

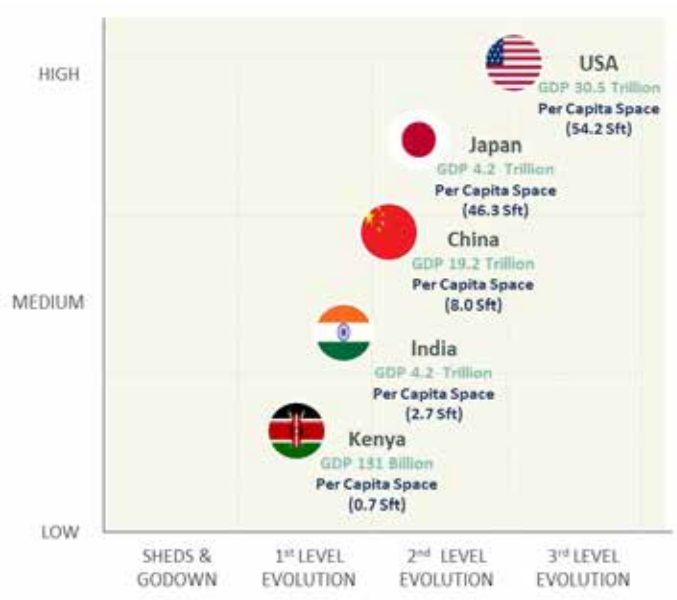
Globally, warehousing continues to attract institutional investor interest from strategic investors to private equity firms such as Blackstone, Prologis and Brookfield. These investments are in the form of Logistics REITs and Investment Trusts particularly seen in India and South-East Asia.
This should mean that institutional players that can develop at scale with access to capital can benefit from the significant market gap that exists in the provision of quality warehousing.

*Figure 27: Overview of Warehousing as a Core Asset in Global Portfolios*


Source: CBRE

The warehousing sector is well established in the US and Asia with high warehousing per capita rates vis a vis South East Asia and Africa.

*Figure 28: Warehousing Space per Capita*




- **Sheds & godown :** a building with four walls and asbestos sheet used for storage.
- **1st level evolution (basic warehouses):** Specifications include: clear height – 8 to 10 m, floor load – 3 to 5 t/sqm, plinth height – 1.2 to 1.3 m, fire hydrant and size ranging between 50,000 to 60,000 sft.
- **2nd level evolution (quality warehouses):** specifications include: clear height – 8.5 to 10.5 m, floor load – 5 to 6 t/sq m, plinth height – 1.2 to 1.3 m, ESFR sprinkler system, smoke sensor, ventilator, rainwater harvesting and size ranging between 100,000 to 150,000 sft.
- **3rd level evolution (quality warehouses):** Specifications include: clear height – 8.5 to 12.5 m, floor load – 6 to 8.5 t/sq m, plinth height – 1.2 to 1.3 m, esfr sprinkler system, smoke sensor, ventilator, co2 reduction, rainwater harvesting, energy conservation, waster management, colour CCTV real time scanner, centralized facility management, 24x7 security system and size ranging between 200,000 to 250,000 sft.

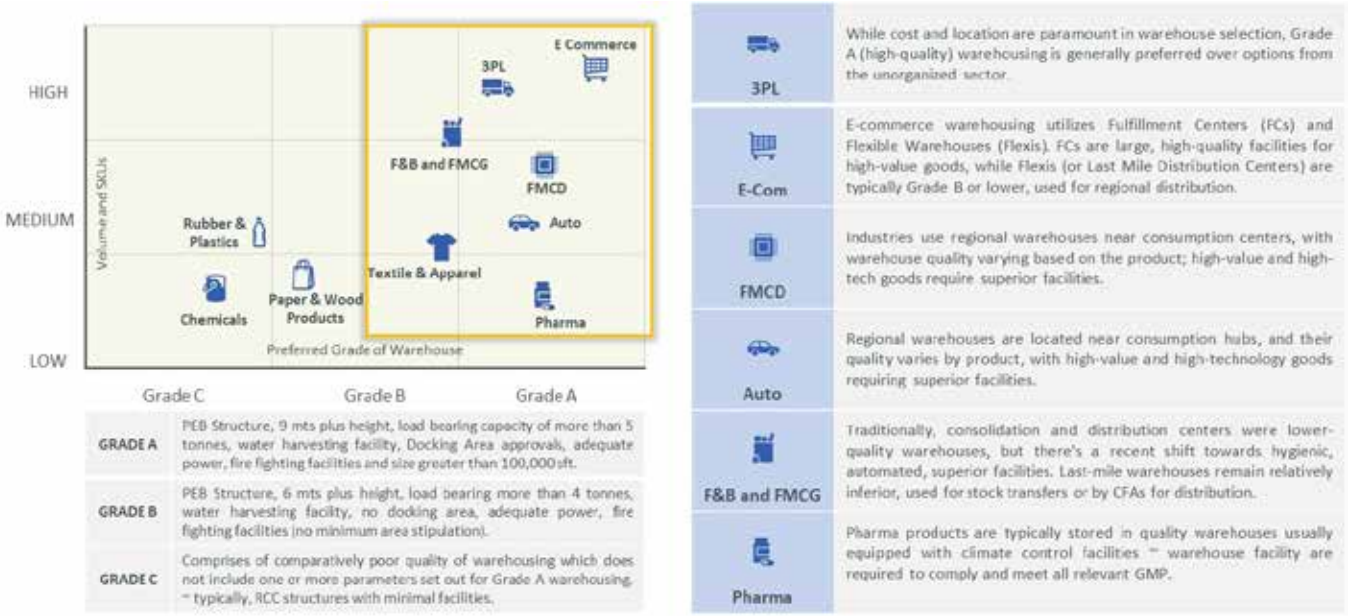
Source: CBRE

*Table 25: Warehousing Comparative Analysis between Kenya, India and USA*

| Parameters | Kenya | India | USA |
|---|---|---|---|
| Market Maturity | Low — Highly fragmented industry dominate by unorganized formats | Moderate — Fragmented industry wherein the top 20 companies account for 15% of revenues | High — Top 20 companies contribute to approx. 30% of the market |
| Warehouse Infrastructure | Prominence of unorganized warehouses/ godowns ~ size typically ranges between 10,000 to 50,000 sft.<br>Scattered presence in multiple states.<br>High pilferage and loss owing to poor infrastructure. | Fragmented market in terms of operator's geographical presence. | Individual market players operating single facility admeasuring greater than 200,000 sft with excellent warehousing infrastructure. |
| Inflection Points | Shift currently being witnessed **towards the 1st level of evolution .**<br>Demand primarily driven **by emergence of organised retail, agriculture & 3PL** industry primarily servicing the Tier I cities. | **First wave of e-commerce witnessed in year 2006 to 2007 wherein the warehouse space off take was concentrated in the Tier I cities**<br>However, since year 2011 major e-commerce firms have **set up distribution centers in emerging inland retail markets as well.** | The country is in the **third level of evolution** ~ characterized by presence of large-scale superior quality warehouses.<br>Further, e-retailers continue to drive demand for warehousing space in the country. |

Source: CBRE

*Figure 29: Overview of sectors driving warehousing*




Source: CBRE

*Figure 30: Warehousing Demand in Kenya*


- **Warehousing Dominance**: Light industrial activities constitutes 79% of Nairobi's industrial and logistics market, **with warehousing comprising the remaining 21%.**
- **Consumer-Driven Sectors:** A substantial 40% of the demand originates from consumer-oriented sectors such as **FMCG, FMCD, Agriculture, etc..**
- **Infrastructure development:** Ongoing redevelopment and greenfield projects in the city are driving demand for construction materials, accounting for 9% of the total demand.
- **Third-Party Logistics (3PL):** The 3PL sector is a major demand driver, contributing 19% of the total demand.

In conclusion, forecasts suggest cumulative demand in Nairobi will grow from 33.4 million sq. ft. in 2024 to approximately 69.0 million sq. ft. by 2035, equivalent to a CAGR of around 7%. Demand growth is underpinned by population expansion, manufacturing growth, retail and FMCG consumption, and regional trade flows. Scenario analysis indicates that if e-commerce adoption and FDI inflows accelerate faster than baseline, demand could exceed 75 million sq. ft. by 2035.

Absorption of Grade A and B developments is expected to remain strong, particularly in micro-markets with superior connectivity such as Tilisi, Eastern Bypass, and Athi River. Tilisi alone is projected to capture 20–25% of Grade A/B demand in the next decade as per an independent addressable market study.

Based on a multi-methodology approach, using macroeconomic multi-variable regression analysis, tenant sector growth rate and absorption scenario breakdown, **it is estimated that demand for Grade A/B in Nairobi will amount to 3.6 million square feet / 330,000 square metres.**

# 8. ALP REIT INVESTMENT OVERVIEW

# 8. ALP REIT INVESTMENT OVERVIEW

This section provides an overview of the portfolio metrics for all the properties and for individual properties as well. The Initial Properties (Courtyard, Kyoga and ALP North Two) will be transferred immediately whilst ALP North Three will be transferred within the first 12 months.

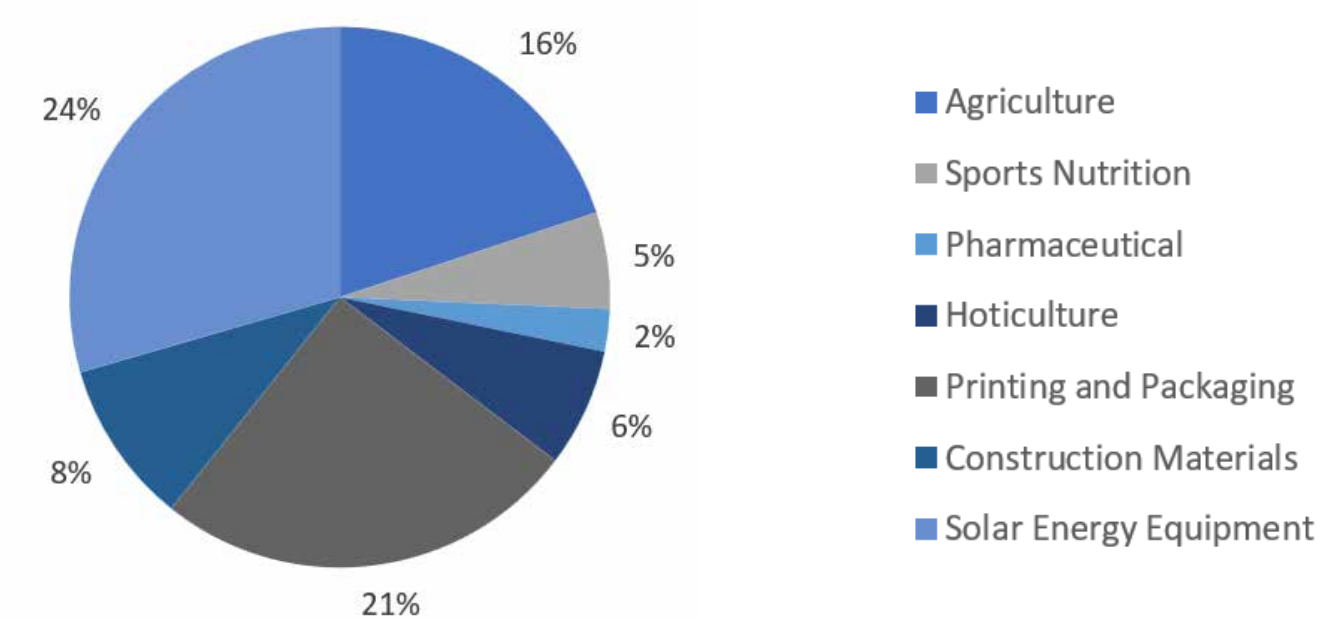
## 8.1. Key Portfolio Metrics

*Table 26: Key Portfolio Metrics for all Initial Properties[8] (excluding pipeline assets)*

| Asset Summary | FY2024 |
|---|---|
| Book Value (USD) | 26,796,214 |
| Net Lettable Area (sqm) | 33,248 |
| Green Statistics | Advance EDGE Certified |

## 8.2. Tenant Composition (as %) by income (excluding pipeline assets)

*Figure 31: Tenant Composition (%) by income for all Properties (excluding pipeline assets)*

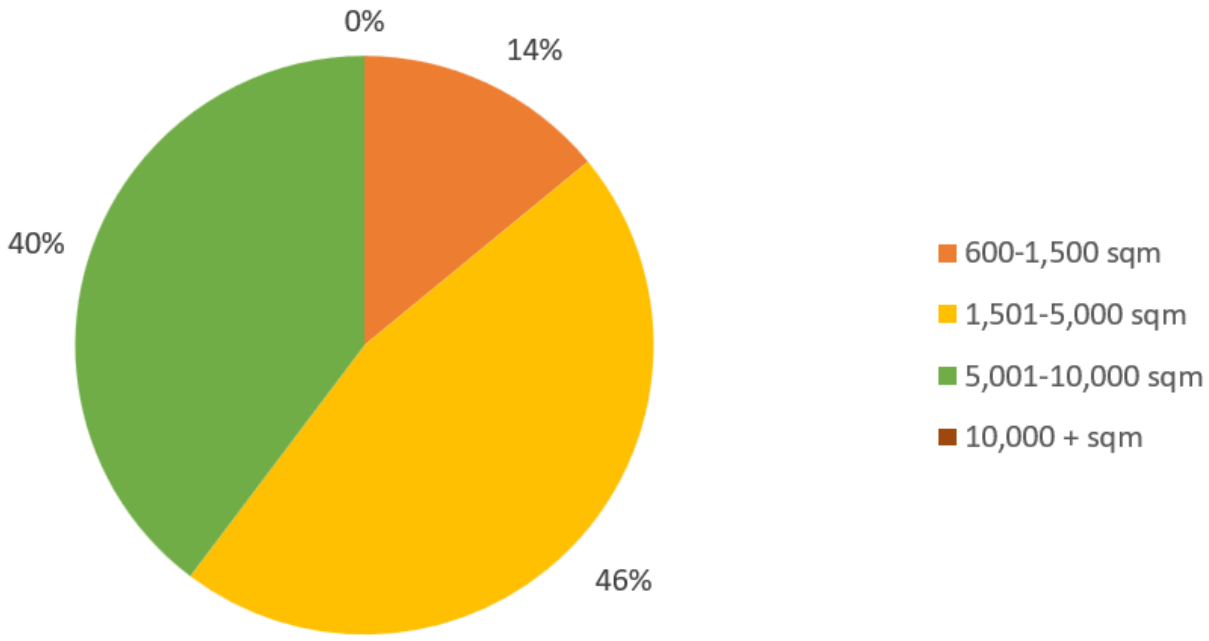



Source: ALP Analysis

[8] Initial Properties are Kyoga, Courtyard and ALP North

### 8.3. Tenant Profile (as %) by size

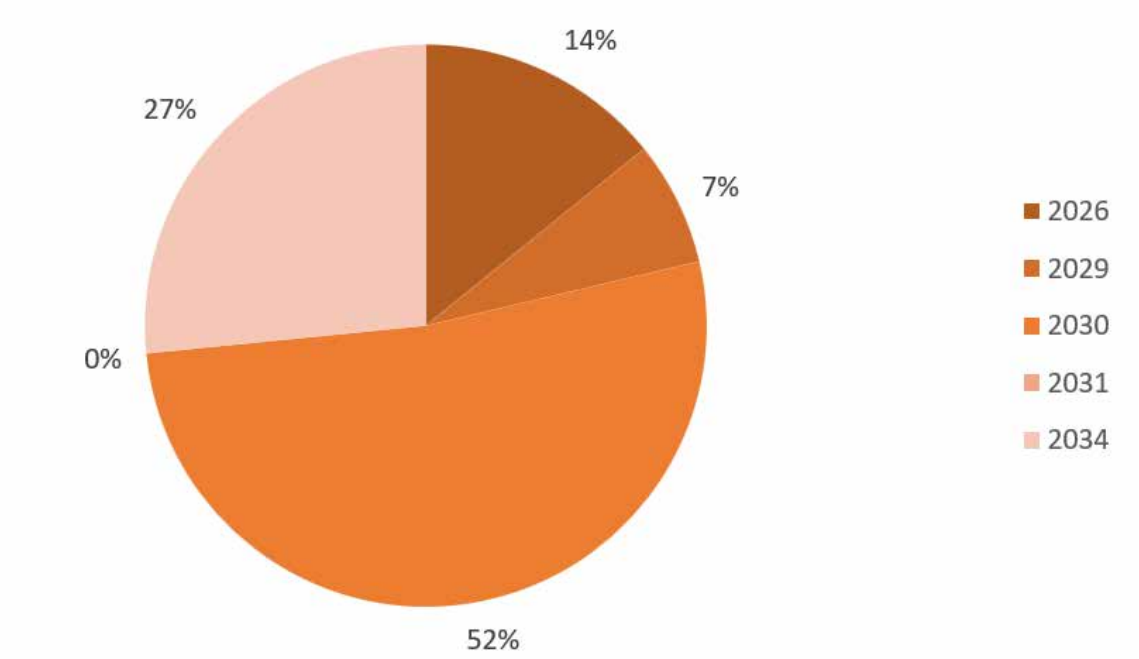
*Figure 32: Tenant Profile (as %) by Size*




Source: ALP Analysis

### 8.4. Lease Expiry (as %) by income

*Figure 33: Lease Expiry (as %) by Income*




Source: ALP Analysis

## 8.5. ALP West Ltd (Courtyard) and ALP West Two Ltd (Kyoga)

### 8.5.1. Overview of ALP West Ltd (Courtyard)

*Figure 34: Photos of ALP West Ltd (Courtyard)*




ALP West Ltd (Courtyard) is located in the Tilisi Development in Limuru. It is fully developed with 85% occupancy rate. Its tenants are in agriculture, sports nutrition, pharmaceuticals and agricultural biotechnology.

### 8.5.2. Portfolio Metrics of ALP West Ltd (Courtyard)

*Table 27: Portfolio Metrics for ALP West Ltd (Courtyard)*

| Asset Summary | |
|---|---|
| Property Type | Industrial Warehouse |
| Ownership Interest | 100% owned by ALPH |
| Title Type | Lease |
| Property Reference Number | A portion of Tilisi Logistics Park Plot C relating to Parcel Number TLP 1-9 being a portion of Land Reference Number 30564 (Original Number 11532/2) registered in favour of ALP West Limited (Courtyard Property) |

| Tenancy Summary | |
|---|---|
| Total lettable area (sqm) | 8,066 |
| Occupancy (by lettable area) | 85% |
| Total Number of Leases | 8 |

| Valuation Summary | |
|---|---|
| Valuation | USD 6,312,891 |
| Valuation Date | August 2025 |
| Valuer | CBRE Excellerate Valuation Services Kenya Ltd |

### 8.5.3. Overview of ALP West Two Ltd (Kyoga)

*Figure 35: Photos of ALP West Two Ltd (Kyoga)*


ALP West Two Ltd (Kyoga) is located in Tilisi Development in Limuru. It is fully developed with 100% occupancy rate. Its tenants are in agriculture, horticulture and printing and packaging.

### 8.5.4. Portfolio Metrics of ALP West Two Ltd (Kyoga)

*Table 28: Portfolio Metrics for ALP West Two Ltd (Kyoga)*

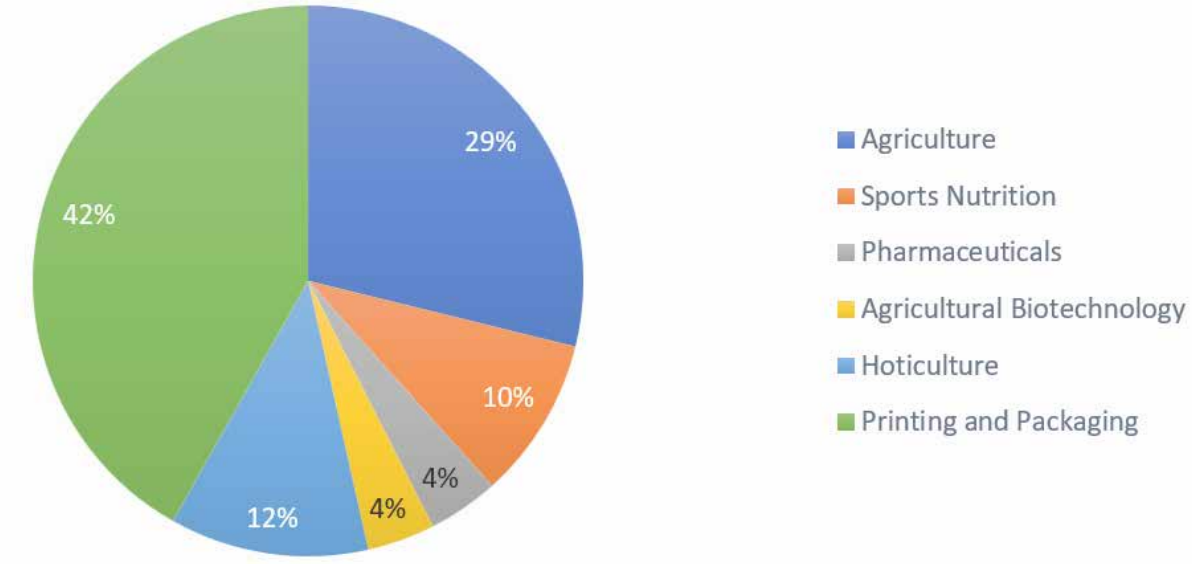
| Asset Summary | |
|---|---|
| Property Type | Industrial Warehouse |
| Ownership Interest | 100% owned by ALPH |
| Title Type | Lease |
| Property Reference Number | A portion of Tilisi Logistics Park Plot B relating to Parcel Number TLP 1-9 being a portion of Land Reference Number 30564 (Original Number 11532/2) registered in favour of ALP West Two Limited (Kyoga Property) |

| Tenancy Summary | |
|---|---|
| Total lettable area (sqm) | 9,925 |
| Occupancy (by lettable area) | 100% |
| Total Number of Leases | 3 |

| Valuation Summary | |
|---|---|
| Valuation | USD 7,290,047 |
| Valuation Date | August 2025 |
| Valuer | CBRE Excellerate Valuation Services Kenya Ltd |

### 8.5.5. Tenant Composition of ALP West Ltd (Courtyard) and ALP West Two Ltd (Kyoga) (as %) by income

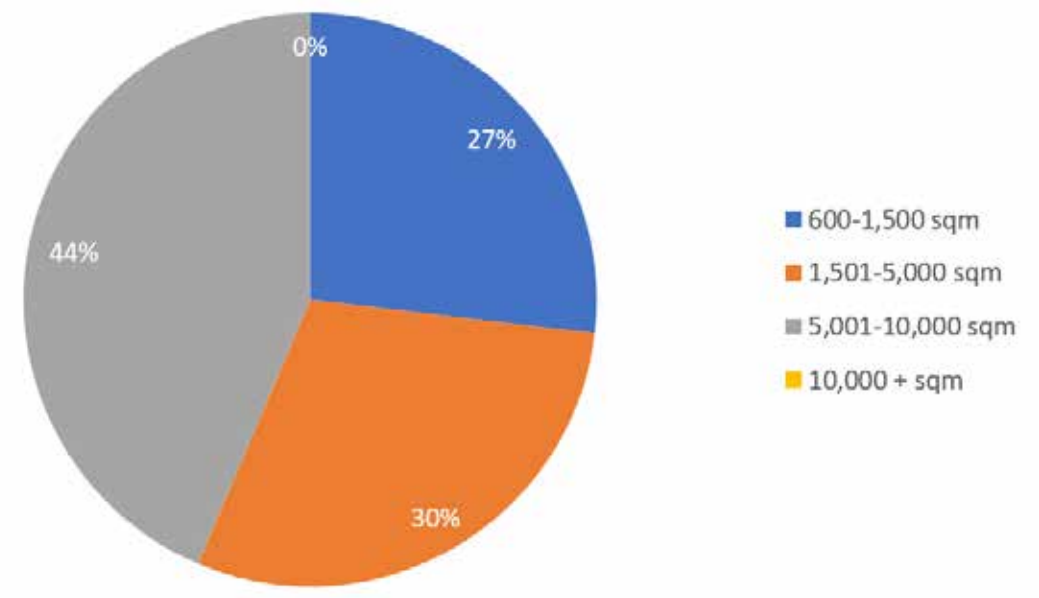
*Figure 36: Tenant Composition (as %) by income for ALP West Ltd (Courtyard) and ALP West Two Ltd (Kyoga)*




Source: ALP Analysis

### 8.5.6. Tenant Profile of ALP West Ltd (Courtyard) and ALP West Two Ltd (Kyoga) (as %) by size

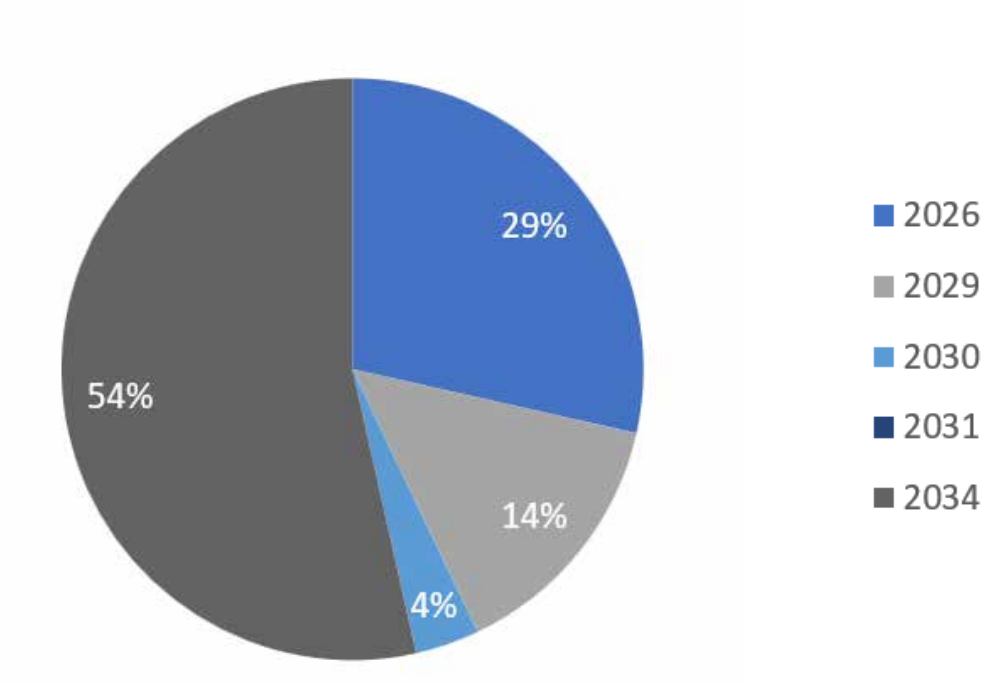
*Figure 37: Tenant Profile (as %) by size for ALP West Ltd (Courtyard) and ALP West Two Ltd (Kyoga)*




Source: ALP Analysis

### 8.5.7. Lease Expiry of ALP West Ltd (Courtyard) and ALP West Two Ltd (Kyoga) (as %) by income

*Figure 38: Lease Expiry (as %) by income for ALP West Ltd (Courtyard) and ALP West Two Ltd (Kyoga)*




Source: ALP Analysis

## 8.6. ALP North Two Ltd

*Figure 39: Photos of ALP North Two Ltd*

ALP North Two Ltd is located in Tatu City. It will be a seed asset for ALP REIT and will be transferred into the REIT within 12 months once it achieves an occupancy above 75%.

### 8.6.1. Portfolio Metrics

*Table 29: Portfolio Metrics for ALP North Two Ltd*

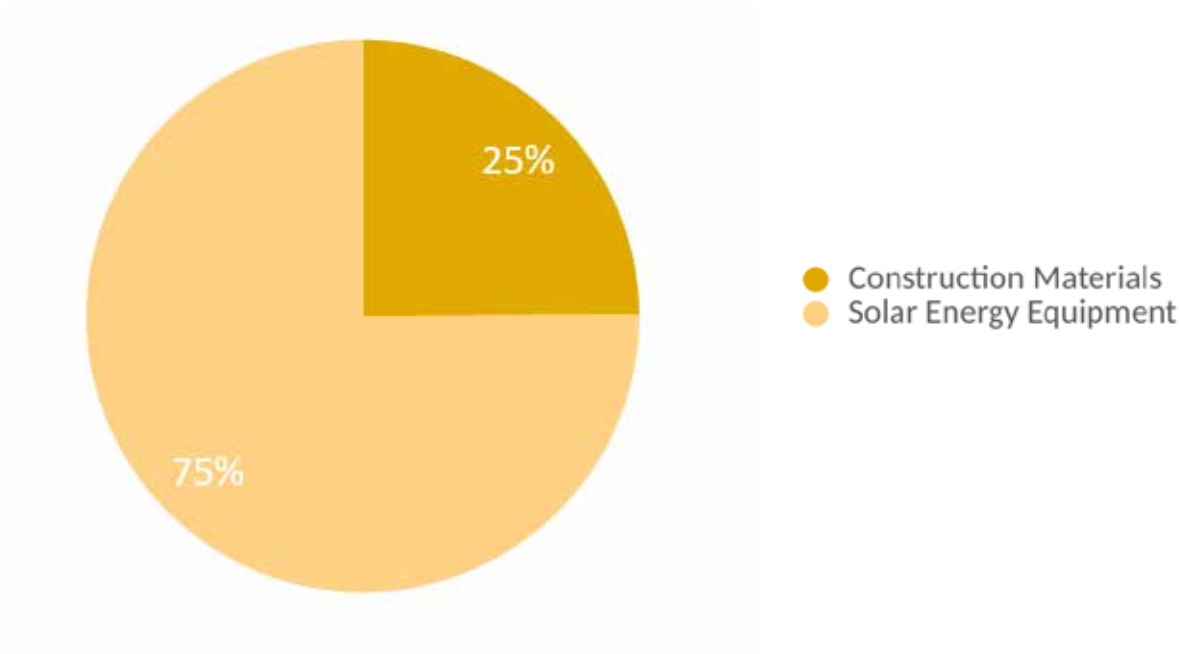
| Asset Summary | |
|---|---|
| Property Type | Industrial Warehouse |
| Ownership Interest | 100% owned by ALPH |
| Title Type | Lease |
| Property Reference Number | Tatu City Unit Number L3-47B Precinct 3BA being a portion of Land Reference Number 28867/1 registered in favour of ALP North Two Limited (North Two Property) |

| Tenancy Summary | |
|---|---|
| Total lettable area (sqm) | 15,257 |
| Occupancy (by lettable area) | 100% |
| Total Number of Leases | 2 |

| Valuation Summary | |
|---|---|
| Valuation | USD 12,927,967 |
| Valuation Date | August 2025 |
| Valuer | CBRE Excellerate Valuation Services Kenya Ltd |

### 8.6.2. Tenant Composition (as %) by income

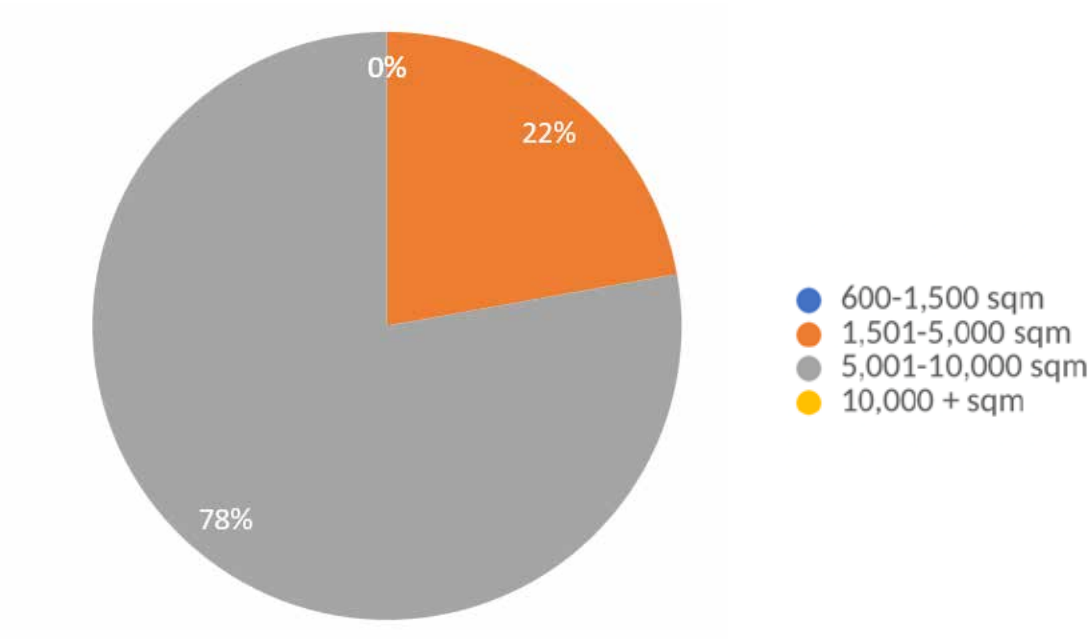
*Figure 40: Tenant Composition (as %) by income for ALP North Two Ltd*




Source: ALP Analysis

### 8.6.3. Tenant Profile (as %) by volume

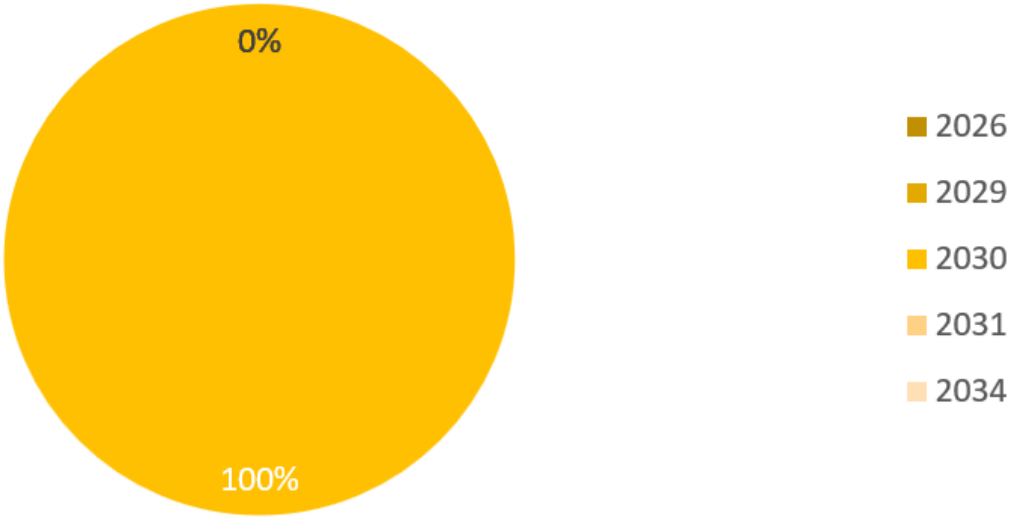
*Figure 41: Tenant Profile (as %) by size for ALP North Two Ltd*




Source: ALP Analysis

### 8.6.4. Lease Expiry (as %) by volume

*Figure 42: Lease Expiry (as %) by income for ALP North Two Ltd*




Source: ALP Analysis

## 8.7. ALP North Three Ltd

*Figure 43: Photo of ALP North Three*

ALP North Three Ltd is located in Tatu City. Whilst it is fully developed and with 40% occupancy, it is a pipeline asset for ALP REIT as the vacant space is currently under offer. Once the rental income has been stabilised, it will be transferred into ALP REIT within the first 12 months.

### 8.7.1. Portfolio Metrics

*Table 30: Portfolio Metrics for ALP North Three Ltd*

| Asset Summary | |
|---|---|
| Property Type | Industrial Warehouse |
| Ownership Interest | 100% owned by ALPH |
| Title Type | Lease |
| Title Number | Tatu City Unit Number L3-47C Precinct Number 3BA being a portion of Land Reference Number 28867/1 registered in favour of ALP North Three Limited (ALP North Three Property) |

| Tenancy Summary | |
|---|---|
| Total lettable area (sqm) | 21,628 |
| Occupancy (by lettable area) | 40%[9] |
| Total Number of Leases | 1 |

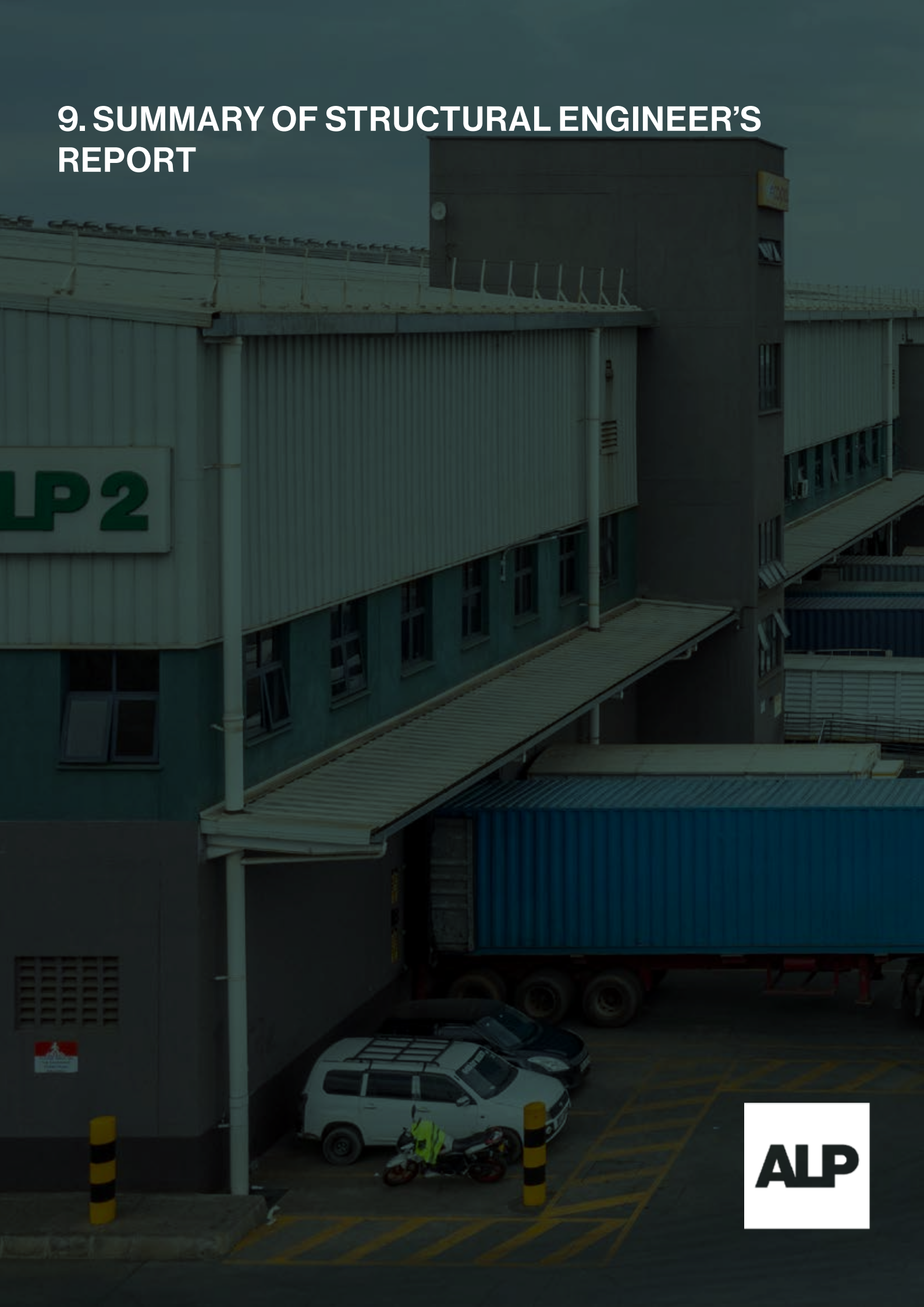
| Valuation Summary | |
|---|---|
| Valuation | To be valued before being acquired by ALP REIT |

## 8.8. Investment Return Highlights

| | 2026 F | 2027 F | 2028 F |
|---|---|---|---|
| Net Yield (excluding placement) | 6.64% | 6.87% | 6.92% |
| Notional Return | 2.50% | 2.50% | 2.50% |
| Total | 9.14% | 9.37% | 9.42% |

[9] The remaining vacant area is currently under offer.

# 9. SUMMARY OF STRUCTURAL ENGINEER'S REPORT



# 9. SUMMARY OF STRUCTURAL ENGINEER'S REPORT

This section provides an overview of the portfolio metrics for all the properties and for individual properties as well. The Initial Properties (Courtyard, Kyoga and ALP North Two) will be transferred immediately whilst ALP North Three will be transferred within the first 12 months.

## 9.1. Summary Structural Engineer Report for ALP West Ltd (Courtyard)

*Figure 44: Summary Structural Engineer Report for ALP West Ltd (Courtyard)*

## 1.0 Executive Summary

FBW were commissioned by Africa Logistics Properties (ALP) to carry out a condition survey of ALP West Courtyard at Tilisi, Limuru. The purpose of the inspection was to assess the condition of the property including its structure, fabric, services, systems, plant and equipment, and determine whether any repairs to the property were required.

This report records the observations made during visual inspections carried out on 16th June 2025 and 18th June 2025 and 23rd June 2025, and provides a summary of defects noted and any repairs identified as required.

The general condition of the structure appeared to be reasonable. No major defects were observed during the survey.

The electrical installation is generally in good condition. We highly recommend a thorough maintenance regime for all electrical services to avoid costly repairs, proper labelling of circuits and provision of schematic drawings within each electrical panel/board. Finally, the maintenance issues raised during scheduled maintenance must be followed through and be addressed. Defects noted have been summarised in Appendix 2.

The mechanical and public health systems are functional with no major issues identified. Generally, the plant, sanitary fittings and adjoining pipework appear to be in good condition. Few instances of defects require minor repairs that can be carried out during the scheduled maintenance.

FBW have not reviewed the project design nor any design parameters. FBW were not the originators of the design and did not carry out any inspections during construction. As such FBW cannot be held liable for any failure in the structure or the services installations.

In accordance with our standard practice, we confirm that this report is for the attention and purposes of the addressees only and consequently this practice cannot accept any third party liability for the whole or any part hereof. Neither may the whole nor any part of this report, nor any reference there to, be published in any way nor included in any published document, circular or statement without our prior written approval of the form and context in which it may appear.

Source: FBW Structural Engineer Report for Courtyard

### 9.2. Summary Structural Engineer Report for ALP West Two Ltd (Kyoga)

*Figure 45: Summary Structural Engineer Report for ALP West Two Ltd (Kyoga)*

# 1.0 Executive Summary

FBW were commissioned by Africa Logistics Properties (ALP) to carry out a condition survey of ALP West Kyoga at Tilisi, Limuru. The purpose of the inspection was to assess the condition of the property including its structure, fabric, services, systems, plant and equipment, and determine whether any repairs to the property were required.

This report records the observations made during visual inspections carried out on 16th June 2025 and 18th June 2025 and 23rd June 2025, and provides a summary of defects noted and any repairs identified as required.

The general condition of the structure appeared to be reasonable. No major defects were observed during the survey.

The electrical installation is generally in good condition. We highly recommend a thorough maintenance regime for all electrical services to avoid costly repairs, proper labelling of circuits and provision of schematic drawings within each electrical panel/board. Finally, the maintenance issues raised during scheduled maintenance must be followed through and be addressed. Defects noted have been summarised in Appendix 2.

The mechanical and public health systems are functional with no major issues identified; the plant, sanitary fittings and adjoining pipework appear to be in good condition. The few instances of defects observed are minor and should be addressed within routine maintenance schedules. Obstructed portable fire extinguishers due to poor housekeeping and storage can be addressed by safety awareness and regular inspections.

FBW have not reviewed the project design nor any design parameters. FBW were not the originators of the design and did not carry out any inspections during construction. As such FBW cannot be held liable for any failure in the structure or the services installations.

In accordance with our standard practice, we confirm that this report is for the attention and purposes of the addressees only and consequently this practice cannot accept any third party liability for the whole or any part hereof. Neither may the whole nor any part of this report, nor any reference there to, be published in any way nor included in any published document, circular or statement without our prior written approval of the form and context in which it may appear.

Source: FBW Structural Engineer Report for Kyoga

### 9.3. Summary Structural Engineer Report for ALP North Two Ltd (ALP North Two)

*Figure 46: Summary Structural Engineer Report for ALP North Two Ltd (ALP North Two)*

# 1.0 Executive Summary

FBW were commissioned by Africa Logistics Properties (ALP) to carry out a condition survey of ALP North 2 at Tatu City, Kiambu. The purpose of the inspection was to assess the condition of the property including its structure, fabric, services, systems, plant and equipment, and determine whether any repairs to the property were required.

This report records the observations made during visual inspections carried out on 13th June 2025, 16th June 2025 and 20th June 2025, and provides a summary of defects noted and any repairs identified as required.

The general condition of the structure appeared to be reasonable. No major defects were observed during the survey.

The electrical installation is generally in good condition. We highly recommend a thorough maintenance regime for all electrical services to avoid costly repairs, proper labelling of circuits and provision of schematic drawings within each electrical panel/board. Additionally, the fire alarm and detection system should be checked comprehensively to attend and clear all system faults. Finally, the maintenance issues raised during scheduled maintenance must be followed through and be addressed. Defects noted have been summarised in Appendix 2.

The mechanical and public health systems are functional with no major issues identified; the plant, sanitary fittings and adjoining pipework appear to be in good condition. The ventilation systems for the warehouse and office areas are in good working condition.

FBW have not reviewed the project design nor any design parameters. FBW were not the originators of the design and did not carry out any inspections during construction. As such FBW cannot be held liable for any failure in the structure or the services installations.

In accordance with our standard practice, we confirm that this report is for the attention and purposes of the addressees only and consequently this practice cannot accept any third party liability for the whole or any part hereof. Neither may the whole nor any part of this report, nor any reference there to, be published in any way nor included in any published document, circular or statement without our prior written approval of the form and context in which it may appear.

Source: FBW Structural Engineer Report for ALP North Two

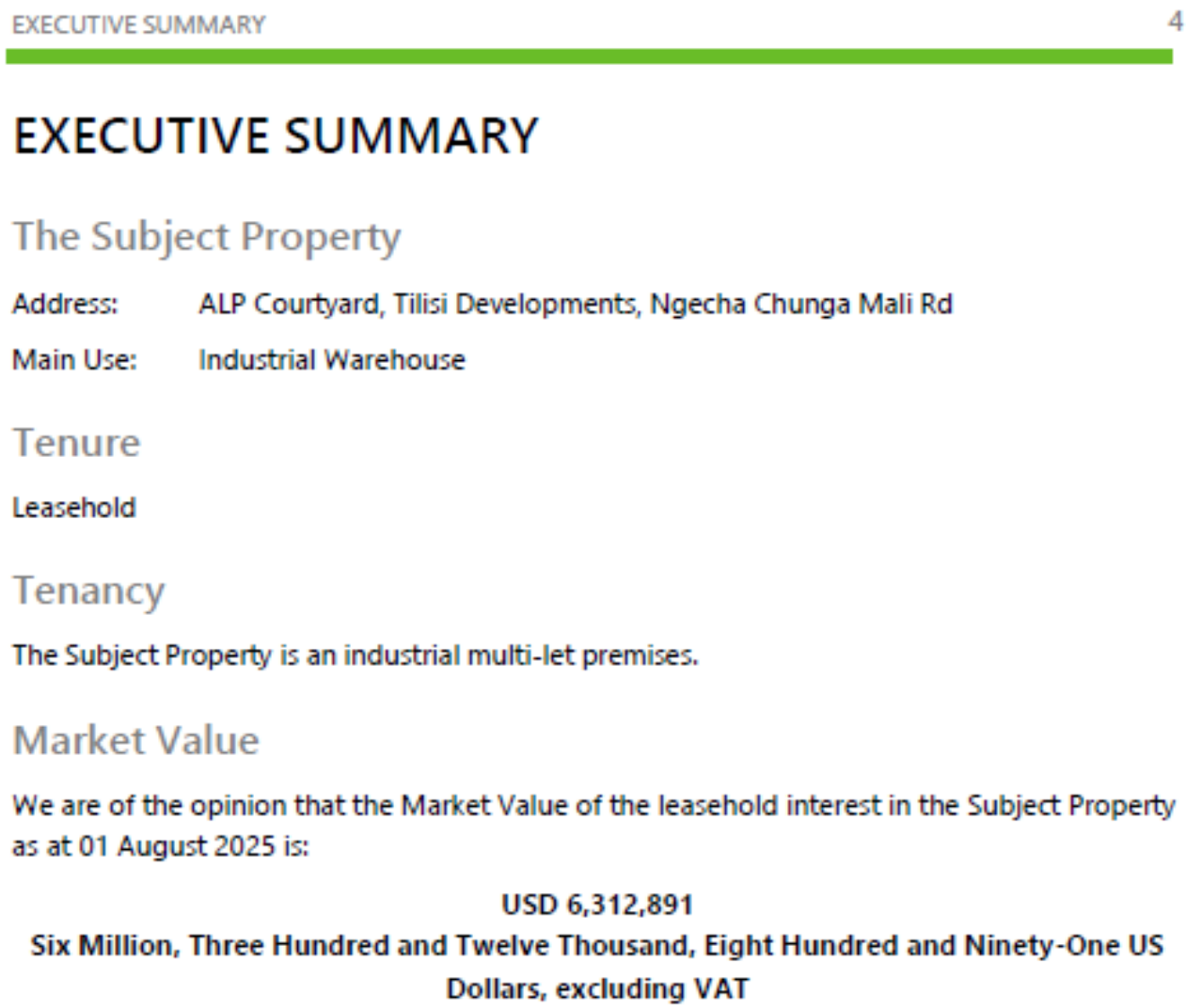
# 10. PORTFOLIO VALUATION SUMMARY

# 10. PORTFOLIO VALUATION SUMMARY

This section provides an overview of the portfolio metrics for all the properties and for individual properties as well. The Initial Properties (Courtyard, Kyoga and ALP North Two) will be transferred immediately whilst ALP North Three will be transferred within the first 12 months.

## 10.1. Summary Valuation for ALP West Ltd (Courtyard)

*Figure 47: Summary Valuation for ALP West Ltd (Courtyard)*



EXECUTIVE SUMMARY 4

EXECUTIVE SUMMARY

The Subject Property

Address: ALP Courtyard, Tilisi Developments, Ngecha Chunga Mali Rd

Main Use: Industrial Warehouse

Tenure

Leasehold

Tenancy

The Subject Property is an industrial multi-let premises.

Market Value

We are of the opinion that the Market Value of the leasehold interest in the Subject Property as at 01 August 2025 is:

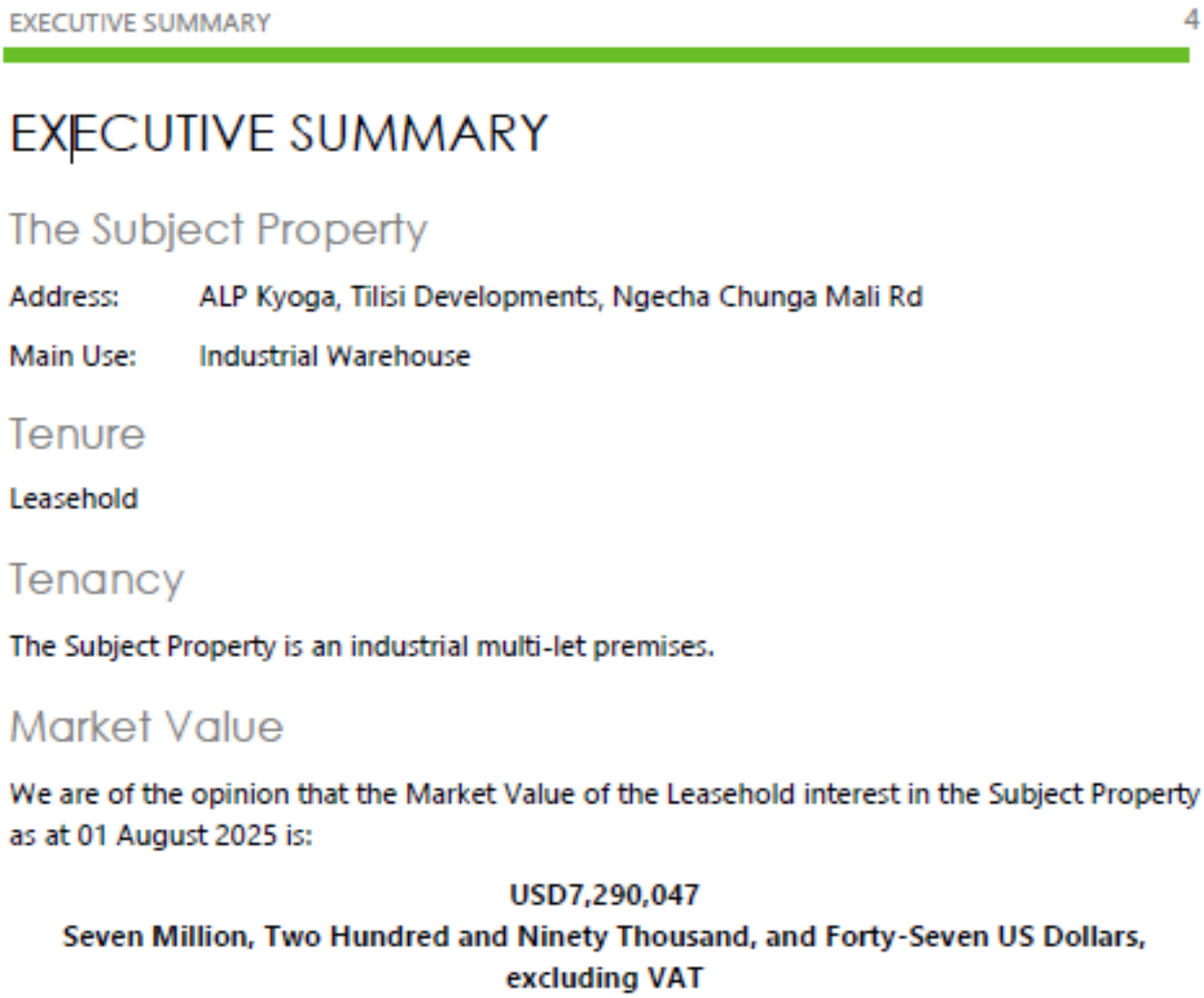
**USD 6,312,891**

**Six Million, Three Hundred and Twelve Thousand, Eight Hundred and Ninety-One US Dollars, excluding VAT**

Source: CBRE Valuation Report for Courtyard

### 10.2. Summary Valuation for ALP West Two Ltd (Kyoga)

*Figure 48: Summary Valuation for ALP West Two Ltd (Kyoga)*



EXECUTIVE SUMMARY 4

# EXECUTIVE SUMMARY

## The Subject Property

Address: ALP Kyoga, Tilisi Developments, Ngecha Chunga Mali Rd

Main Use: Industrial Warehouse

## Tenure

Leasehold

## Tenancy

The Subject Property is an industrial multi-let premises.

## Market Value

We are of the opinion that the Market Value of the Leasehold interest in the Subject Property as at 01 August 2025 is:

**USD7,290,047**
**Seven Million, Two Hundred and Ninety Thousand, and Forty-Seven US Dollars, excluding VAT**

Source: CBRE Valuation Report for Kyoga

### 10.3. Summary Valuation for ALP North Two Ltd (ALP North Two)

*Figure 49: Summary Valuation for ALP North Two Ltd (ALP North Two)*

EXECUTIVE SUMMARY 4

# EXECUTIVE SUMMARY

## The Subject Property

Address: ALP North, Tatu City

Main Use: Industrial Warehouse

## Tenure

Leasehold

## Tenancy

The Subject Property is an industrial multi-let premises.

## Market Value

We are of the opinion that the Market Value of the leasehold interest in the Subject Property as at 01 August 2025 is:

**USD12,927,967**

**Twelve Million, Nine Hundred and Twenty-Seven Thousand, Nine Hundred and Sixty-Seven US Dollars, excluding VAT**

Source: CBRE Valuation Report for ALP North Two

# 11. RISK FACTORS

# 11. RISK FACTORS

Prospective Investors should read the entire Offering Memorandum and reach their own views prior to making any investment decision. They should ensure that they fully understand all the risks relating to the units and where they deem it necessary, should seek independent financial advice prior to subscribing for the Units.

ALP REIT believes that the factors described below represent the principal risks inherent in subscribing to the units issued under this Offering Memorandum. Additional risks and uncertainties relating to the REITs or the Promoter that are not currently known to it, or that the REIT currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, financial condition, results of operations and prospects and, if any such risk should occur, Unitholders could lose part or all of their investment.

The information given is as of the date of this document and, except as required by the Act and the REIT Regulations, any forward-looking statements are made subject to the reservations specified under the Important Notice at the beginning of this document.

Prospective Investors should seek independent financial advice prior to subscribing to the units.

## 11.1. General Risks of Investment in REIT Securities

### 11.1.1. Country Risks

#### i. Macroeconomic and Political Risk

I-REITs are subject to inherent risks relating to general economic conditions in the countries in which they are based and operate. These conditions include changing economic cycles that affect demand for rental properties, the market value of such properties and borrowing costs. These cycles may be influenced by global political events such as war, terrorist acts and other hostilities, as well as market specific events, such as shifts in consumer confidence and consumer spending, rates of unemployment, industrial output, labour or social unrest and political uncertainty. Also, as some of the tenants of ALP REIT are export oriented, global macroeconomic factors such as increased tariffs would have a negative impact on their ability to pay rents.

Whilst Kenya is a stable and peaceful country, the run up to the next general elections in 2027, economic and political instability may impact the businesses of our tenants. However, it is important to note that Kenya continues to experience overall political stability with minimal business interruption.

Mitigating Factor: The REIT Manager will conduct active research on economic cycles and conduct sensitivity analysis on the REIT's development model to assess short- and long-term economic impacts on returns. Outcome of this exercise may include the need to enhance cash reserves during down terms.

For political risk, the REIT Manager will mitigate this by monitoring the political environment and its impact on the tenant pool. Together with the Property Manager, the REIT Manager will review the health, safety and security measures for each property as well as ensure there are sufficient insurance covers in place.

### ii. Taxation Risk

The REIT framework in Kenya enjoys several tax incentives includes income tax exemption on income earned by the REIT or earned by investee companies of the REIT. The REIT also enjoys capital gains tax exemption on disposal of properties owned directly or via investee companies. As of 1st January 2023, stamp duty is payable for any properties transferred into the REIT.

Failure to obtain and retain registration of the Trust and its investee companies with KRA, failure of the REIT to distribute at least 80 percent of its net after tax income to Unitholders, changes to the interpretation of current tax laws and any new laws and regulations that may be introduced in the future could adversely impact the tax liability of the REIT Scheme. Such changes may reduce income, distributions and Unitholder returns.

The REIT is also subject to taxes that affect its underlying properties including land rates.

Mitigating Factor: The REIT Manager and Trustee intend to mitigate these tax risks by:

a. Monitoring and taking proactive action to help ensure that the Scheme remains compliant with tax registration requirements and local country regulations;
b. Ensuring that at least 80 percent of the net after tax income of the REIT is distributed to Unitholders; and
c. By participating actively in industry forums such as the REITS Association of Kenya ("RAK") to discuss and debate proposed changes to the tax legislation.

### iii. Regulatory Risk

The ALP REIT is subject to the REIT Regulations and the Capital Markets (Public Offers, Listing and Disclosure) Regulations, 2023 as it will be listed on the Restricted Board of the NSE. The CMA is in the process of reviewing both regulations and thus future changes may occur that may impact the REIT. Alternatively, there may be changes to enforcement or regulatory interpretation of laws leading to changes in the legal requirements affecting the REIT.

The REIT's underlying properties are also subject to Building and Environment Regulations imposed by County Governments and National Environmental Management Agency ("NEMA"). Changes to these regulations may incur additional costs for the REIT as the REIT Manager seeks to bring it into compliance with the changing regulations.

Mitigating Factor: The REIT Manager intends to mitigate these regulatory risks by continuous engagement with the CMA through RAK and with local agencies. The REIT Manager will regularly monitor any regulatory developments, ensure compliance with existing regulations and engage with legal advisors to stay informed about potential changes in the regulations

### 11.1.2. Industry Risks

#### i. Land and Lease Registration

The REIT is dependent on the certainty of the title to the properties and enforceability of rental lease agreements. Uncertainty of title presents the risk of:

a. Delays in completion of the purchase of properties until titles and leases are regularised; and
b. Delays in enforcement of lease contractual arrangements both of which could have adverse impacts on the business, financial condition and results of operations of the REIT.

The Lands Registry is undergoing a digitisation process which may cause delays in the eventual transfer of properties into the REIT.

Mitigating Factor: The REIT's policy is to conduct a thorough due diligence on properties to be purchased and to require the current owners to regularise titles and leases before the purchases are completed. As ALP REIT will only purchase properties from its related party, ALPH, there is an assurance that strict vetting has taken place.

#### ii. Sector Competition

The ALP REIT will be the 5th REIT to be authorised with 2 other REITS already in the commercial real estate sector. However, ALP REIT will be the 1st REIT with an industrial real estate focus. Whilst there is limited Grade A and B warehousing in Kenya, there are a lot of family offices and individuals offering informal warehousing which may pose a tenant and valuation risk to the REIT.

Mitigating Factor: The REIT Manager has an Acquisition and Disposal Policy which will guide any property investment decisions. The Property Manager will also actively target tenants who underlying clients require the tenant to be situated in high quality facilities that meet minimum standards.

#### iii. Illiquidity of Real Estate Assets

The underlying asset portfolio of the REIT comprises primarily of real estate property. REIT Regulations require that an I-REIT must invest at least 75 percent of its Total NAV in income producing real estate, after an initial two-year grace period. The nature of real estate property investments means that it is difficult to find buyers for property assets quickly, particularly for the larger, iconic, REIT-quality properties. As a result, it may be difficult for REITs to re-balance their investment portfolio or sell their assets on short notice should there be adverse economic conditions or exceptional circumstances.

Mitigating Factor: As part of its strategy, the REIT Manager intends to diversify outside of Nairobi to acquire assets developed by ALPH (and other third parties) where demand for industrial warehousing exists particularly in industrial parks, special economic zones and export processing zones across Kenya. In the medium term, the REIT Manager will also look to diversify outside of Kenya to acquire assets developed by the Promoter in the wider East African region.. This will ensure that the portfolio is diversified with large portfolios spread across the region hence an increase in the number of prospective buyers. In addition, there are upcoming I-REITs that may be able to acquire the properties from ALP REIT.

## 11.2. Risks related to the structure of the ALP REIT

### 11.2.1. Market risk

This is the risk that prevailing market conditions may negatively impact the REIT's underlying asset values and its ability to attain projected performance. The market values of the Initial Properties and other properties that the REIT owns will be impacted by fluctuations in supply and demand for rental properties in Kenya.

This risk may impact the REIT's reported financial results as they may be affected by losses recognised on the revaluation of investment properties being charged to the profit and loss statement. The REIT intends to prepare its financial statements in accordance with International Financial Reporting Standards ("IFRS"). As currently permitted by IFRS investment properties held to earn rentals and for capital appreciation are stated at annual valuation performed by independent professional valuers on an open market value for existing use basis. Any revaluation surpluses or deficits arising from the revaluation of investment properties will be reflected in the profit and loss statement.

Mitigating Factor: The REIT Manager intends to mitigate the impact of these risks on REIT's underlying asset values and operating performance by ensuring adherence to the REIT's Revaluation and Investment Policy.

### 11.2.2. Income risk

Reduction in reported rental income and operating profits may arise, for example, if tenancy agreements of the underlying properties are renewed at a lower rental rate than the previous agreement or if the occupancy rate falls that in turn, reduces property income and the REIT's ability to recover certain operating costs such as service charges. Other factors could include changes in the REIT's ability to collect rent from tenants on a timely basis or at all; changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in the management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the Building Standards Regulations or County Government Planning Regulations, or the enactment of new laws related to construction and redevelopment.

Mitigating Factor: The REIT Manager through the property manager intends to mitigate the impact of such factors by implementing the Property Management Policy which includes rental income management; lease audit and data integrity review; vacancy management and leasing strategy; review of lease structures; and cost optimisation management.

### 11.2.3. Illiquidity of REIT Units

The ALP REIT Units will be listed on the Restricted Board of the Main Investment Market Segment of the NSE. Only Professional Investors will be allowed to trade in the REIT Units. Listing on the NSE does not guarantee that there will be a liquid market for the Units in the secondary market.

Mitigating Factor: The Promoter to mitigate this risk by ensuring the prospective Professional Investors are aware about the trading restriction and understand the implications of investing in the REIT.

### 11.2.4. Gearing risk

Under the REIT Regulations, ALP REIT's total borrowings may not exceed 35% of its total asset value. Should the REIT use debt to finance the acquisition of underlying properties, then the REIT will be subject to gearing-related risks, as is the case with listed companies that borrow. These gearing-related risks include, for example, the risk that fluctuations in borrowing costs impact reported operating income, refinancing risks that the REIT may not be able to borrow on similar terms when existing borrowings expire or are recalled and, in extreme circumstances, the risk of having to dispose of property assets in adverse market circumstances to meet repayment obligations.

Mitigating Factor: The REIT Manager intends to mitigate these risks by ensuring that the ALP REIT complies with the maximum borrowing requirements specified in the Trust Deed and CMA Regulations at all times. However, significantly , it is not expected for the REIT to secure any debt in the initial phase until it makes commercial and economic sense.

### 11.2.5. Regulatory risk

The ALP REIT will be subject to the REIT Regulations. The regulatory regime governing I-REITS in Kenya is currently under review by the CMA. Future changes may occur in laws and regulations that would impact the REIT. Alternatively, there may be changes to enforcement or regulatory interpretation of laws leading to changes in the legal requirements affecting the REIT.

Mitigating Factor: The REIT Manager intends to mitigate this regulatory risk by participating actively in RAK and other industry forums to discuss potential regulatory changes and their potential impact.

### 11.2.6. Taxation risk

Refer to Section 11.1.1 ii).

## 11.3. Risks associated with the Scheme's proposed investment portfolio

### 11.3.1 Risks from acquisition of SPV

All the initial properties will be acquired through a mix of cash and units where property owners will be allocated units in the REIT in exchange for shares in the Limited Liability Companies ("LLC") or Limited Liability Partnerships ("LLP") that own the underlying properties. In the future, the REIT will continue to acquire properties owned by SPVs.

The REIT's Acquisition Policy will be to complete thorough due diligence on any vehicle it intends to purchase. Further, the REIT's policy is to enter into contractual arrangements that include obligations for the vendor to identify and settle liabilities of the company prior to the sale and to provide certain, limited, ability for the REIT and the vehicle to make claims against the vendors in the event that they suffer losses relating to pre-acquisition liabilities and claims that may only come to light and crystallise after the acquisition.

However, there remains a residual risk that the REIT may not be able to claim full reimbursement for the losses that it might suffer in respect of such pre-acquisition liabilities and claims that are identified and crystallise after the acquisition because of contractual limitations and because the REIT may be unable to collect claim reimbursements on a timely basis or at all.

Mitigating Factor: The REIT Manager intends to mitigate this risk by ensuring that it monitors liabilities and claims against the vehicles that the Scheme purchases carefully and puts in place appropriate processes to identify potential claims, to submit claims and to follow up and collect such claims.

### 11.3.2. Taxation risk from treatment of SPVs

Currently, the REIT Regulations state that investee companies of the REIT are also exempt from income tax. However, there may be a future risk in the interpretation of what is an investee company by the KRA which may result in tax leakages if there are any disputes. Also, there is a risk of tax leakage post acquisition of an company as each investee company has to be individually registered with the KRA.

Mitigating Factor: The REIT Manager will continue to participate in industry forums such as RAK to lobby the automatic application of tax exemption status to investee companies once acquired to minimise tax leakages.

### 11.3.3. Land and lease registration risk

See Section 11.1.2 i)

### 11.3.4. Tenant concentration risk

Some of the initial properties of the REIT have only two or three tenants. The multi-tenant properties also include large anchor tenants. Should their leases end and the tenant chooses not to renew, the REIT will face a loss of income if it does not find suitable replacement tenants. Multi-tenant properties also have tenants in similar sectors so such the sector experience a shock, those tenants may face challenges paying rent and thus the REIT may face a loss of income.

Mitigating Factor: The REIT Manager has a Property Management Policy it will implement in conjunction with the Property Manager to ensure that any potential challenges with tenants are dealt with appropriately. Active engagement with key tenants will be critical to manage upcoming expiry of leases.

# 12. INVESTING IN ALP REIT

# 12. INVESTING IN ALP REIT

## 12.1. Expenses of the ALP REIT

### 12.1.1. Estimated Expenses of the Offer

*Table 31: Estimated Expenses of the Offer*

| Expense | Total (USD) |
|---|---|
| Transaction Adviser | 89,204 |
| Legal and Due Diligence Costs | 255,200 |
| Reporting Accountant | 23,200 |
| Tax Adviser | 26,796 |
| Trustee | 19,210 |
| Valuer | 13,920 |
| Structural Engineer | 17,864 |
| Placement | 219,624 |
| Registrar | 13,920 |
| CMA Application Fee | 20 |
| CMA REIT Authorisation Fee | 67,161* |
| CMA Approval Fee | 50,371* |
| NSE Approval | 11,538* |
| Market Research | 63,000 |
| Business Development and Marketing | 98,600 |
| Contingency and Miscellaneous | 75,400 |
| Total | 1,045,028 |

**Regulatory fees are based on an estimated transaction size of USD 45 million*

The expenses of the Offer amount to 2.32% of total assets.

The set-up costs of the ALP REIT will be funded by the Promoter and reimbursed in cash.

### 12.1.2. Expenses payable by the Trustee

The following are the estimated annual costs for running the ALP REIT. These costs are subject to change during the life of the REIT scheme. These expenses are payable out of the REIT Assets.

*Table 32: Expenses payable by the Trustee*

| Expense | USD ('000) | Description |
|---|---|---|
| REIT Management Fee | Management Fee of 1.00% of AUM Performance Fee – 20% of carried interest payable upon disposal of an asset if Unitholders achieve an asset IRR above the 7% Hurdle Rate | Base annual fee of the Assets Under Management based on last published financial statements, payable quarterly in arrears |
| Trustee and Custodian Fees | 0.5% of AUM | Calculated based on Total REIT Assets |
| Valuer Fees | USD 3,000 per asset | Estimated |
| Auditor's Fees | USD 7,100 per SPV | Estimated |
| Regulatory Fees (CMA, NSE, CDSC) | ~0.9% of NAV per year | Estimated |

### 12.1.3. Trustee Fees, Costs and Expenses

The REIT Manager shall pay the Trustee, by way of remuneration for its services, such sums as an Annual Fee as may from time to time be agreed with the REIT Manager, which will be disclosed to the Unitholders in the annual report each year.

The Trustee's fees may be paid by instalments during the year.

The Trustee shall in addition to such remuneration be entitled to be paid by the REIT Manager on demand the amount of all its disbursements other than disbursements expressly required or authorised to be paid out of the REIT and other than disbursements incurred by it as a result of its own negligent, wrongful or unlawful conduct.

Such remuneration and disbursements shall be in addition to any sums the Trustee may be entitled to receive or retain pursuant to any other provision of this Deed, and shall be paid in priority to any other payment by the Trust.

The Trustee shall be entitled to first priority for the payment of the fees and expenses out of the fund. The Trustee will be entitled to refrain from taking any action if there are insufficient funds in the trust to pay the Trustee's costs and expenses incurred in the taking of such action, and the REIT securities holders in general meeting fail to agree to pay the Trustee's costs and expenses.

### 12.1.4. REIT Manager's Fees, Costs and Expenses

The REIT Manager fees will be governed by the appointment contract for the REIT Manager. The agreement currently provides for an annual REIT Manager fee broken down as follows:

a. An annual management fee of 1% per annum on Assets under Management based on the last published financial statements, payable quarterly in arrears; and

b. A performance fee payable upon the disposal of each assets based on the asset's performance over its holding period if, at the point of disposal, the Unitholders achieve an asset Internal Rate of Return (IRR) of 7%, the REIT Manager shall earn a 20% carried interest on the portion of returns exceeding the 7% IRR hurdle

### 12.1.5 Estimated MER of the ALP REIT

The Management Expense Ratio ("MER") of the sum of fees and recoverable expenses of the real estate investment to the average value of the fund calculated on a daily basis.
Based on our calculations, the estimated average annual management expense ratio for the projection period 2026 – 2028 is 1.90%.

$$MER = \left( \frac{Fees\ of\ the\ Fund + Recovered\ Expenses\ of\ the\ Fund}{Average\ value\ of\ the\ Fund\ calculated\ on\ a\ daily\ basis} \right) \times 100$$

Where

Fees = all outgoing fees deducted or deductible directly from the fund in respect of the period covered by the management expense ratio, expressed as a fixed amount, calculated on a daily basis and includes any management fee, the annual trustee fee and any other fees deducted or deductible directly from the fund;

Recoverable Expenses = all expenses recovered from or charged to the fund as a result of the expenses incurred by the operation of the fund expressed as a fixed amount but should not include expenses that would otherwise have been incurred by an individual investor, for example taxes; and

Average value of the REIT securities = the Net Asset Value of the trust, including net income value, less expenses on an accrued basis, for the period covered by the management expense ratio, calculated on a daily basis.

### 12.1.6. Expenses Review

The overheads and costs of services expected to be provided by the REIT manager in its capacity as REIT manager shall not be charged to the fund.

The Trustee and the Auditor shall review all expenses charged to the fund and only allow such expenses which they reasonably determine are legitimate and in accordance with standard arm's length commercial rates generally prevailing in Kenya.

The Trustee and the Auditor shall review all expenses charged to the fund and only allow such expenses which they reasonably determine are legitimate and in accordance with standard arm's length commercial rates generally prevailing in Kenya.

The table below sets out the forecast REIT management expenses for the accounting periods ended 2026, 2027 and 2028 on the basis of the assumptions set out in Section 15.

*Table 33: Forecast REIT Expenses 2026 – 2028*

| REIT Management Expenses | 31 Dec 2026 | 31 Dec 2027 | 31 Dec 2028 |
|---|---|---|---|
| | USD | USD | USD |
| Trustee Fees | 118,800 | 134,400 | 168,000 |
| REIT Manager Fees | 408,000 | 534,000 | 672,000 |
| Other REIT Expenses | 122,490 | 282,665 | 266,140 |
| **Total** | **649,290** | **951,065** | **1,106,140** |

## 12.2. Distribution Policy and Factors Determining Distribution

### 12.2.1. Objective of the Distribution Policy

The objective of this Distribution Policy is to provide clarity to stakeholders on the dividend distribution framework to be adopted by the ALP REIT and to lay down a consistent approach to dividend declaration. The REIT Manager shall recommend dividends in compliance with the Capital Markets (Real Estate Investment Trusts) (Collective Investment Trusts) Regulations 2013, Trust deed and this policy. The policy endeavours to strike an optimum balance between rewarding Unitholders through dividend payments and ensuring that sufficient profits are retained for growth of the ALP REIT and other needs.

The dividend is the amount paid by the ALP REIT, to its Unitholders in proportion to the amount paid up on the units held. The dividend can be paid as interim or final.

### 12.2.2. Declaration and Payment of Dividends

a. The REIT Manager may only recommend and the Trustee only make distributions to REIT securities holders from realized gains, realized income or from cash held in the REIT which is surplus to the investment requirements of the REIT.

b. The distributions shall be paid semi-annually as will be proposed by the REIT Manager for the Trustee's consideration subject to the conditions in Section 12.2.2 f).

c. Any interim distribution or final distribution will be proposed by the REIT Manager and considered for approval by the REIT Trustee.

d. The Trustee shall distribute within the stipulated time, a minimum of 80% of the net after-tax income after adjustments, if any, of the REIT from sources other than from realized capital gains on the disposal of real estate assets.

e. Net after tax income shall be calculated in accordance with the IFRS and tax standards applying in Kenya based on the assumption that, for calculation purposes only, the REIT is subject to the general income tax provisions applicable generally to trusts.

f. The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among Unitholders and amount of profit to be retained in business. The REIT Manager will endeavour to take a decision with an objective to enhance security holder's wealth and market value of the units. However, the decision regarding pay-out is subject to several factors and hence, an optimal balance needs to be arrived at considering the interest of Unitholders and that of the ALP REIT. The distribution of income shall be made on the basis proposed by the REIT manager taking into consideration the following:

   i. Income for the period;
   ii. Total returns for the period;
   iii. liabilities and financial obligations;
   iv. cash flow available for distribution;
   v. need to preserve and maintain the condition of the assets of the REIT;
   vi. stability and sustainability of distribution of income;
   vii. investment objective of the REIT;
   viii. distribution policy of the REIT;
   ix. Requirements of the trust documents;
   x. Capital Markets Performance; and
   xi. Statutory Restrictions.

g. Where the Trustee is of the opinion that the level of distribution recommended by the REIT manager is not in the interest of the Unitholders, the Trustee shall call a meeting of the REIT Unitholders for the purpose of approving, by way of ordinary resolution, a lower distribution.

h. The REIT Manager shall, where it recommends a distribution lower than 80%, submit to the Trustee a statement of:

   i. The reasons for proposing a lower distribution; and
   ii. When the minimum distribution level of 80% is likely to be restored.cash flow available for distribution;

i. Failure by the Trustee to distribute the income under the Distribution Policy as a consequence of the REIT Manager not proposing or REIT securities holders not voting to receive a distribution which is below 80%, shall not constitute a breach. Despite this and where the Trustee fails to distribute income under this policy:

i. The REIT may cease to be classified as a real estate investment trust for taxation purposes;
ii. Subject to the Trust Deed, the REIT Securities Holders may institute a cause of action against the Trustee or the REIT Manager; and
iii. The CMA may revoke the authorisation issued by it.

j. The REIT manager may propose and the Trustee may pay a distribution in excess of the current income where the REIT manager, after consultation with the Trustee, certifies on reasonable grounds that:

i. Immediately after making such distribution, the REIT shall be able to pay, out of the assets of the REIT, the liabilities incurred on behalf of the trust as and when they fall due and the projected liabilities for at least the next year; and
ii. The payment will not adversely affect the capacity to maintain and preserve the assets

k. In the event that the above happens, the REIT Manager shall:

i. Disclose to the Trustee the basis of calculation of the distribution of income proposed; and
ii. Report such proposal as part of the Continuing Disclosure requirements.

l. The list of Unitholders entitled to receive dividends shall be prepared by the Registrar at the book closure according to the REIT Manager's instruction and legislation. The time, procedure and mode of payment of dividends shall be publicly communicated to Unitholders.

### 12.2.3. Distribution of Realised Capital Gains

a. The Trustee on the recommendation of the REIT manager may, and subject to the provisions of the trust documents, distribute realized capital gains. Any realized capital gains may be retained and invested subject to the REIT investment policy statement, trust documents and regulations. Provided that any realized capital gains which have not been invested within a period of two years from the date of realization shall be distributed to REIT securities holders within two months of the second year of such realization. Failure by the Trustee to make the minimum distribution shall not constitute an offence.

b. Where the Trustee or REIT manager fails to make a distribution, the REIT may cease to be classified as a REIT for taxation purposes; subject to the trust documents, the REIT securities holders may institute a cause of action against the Trustee or the REIT manager; and the CMA may revoke the authorization issued by it under the regulations.

Where the REIT Manager predicts, based on appropriate analysis, that the REIT can put retained earnings to better use and increase the earnings substantially or has the ability to increase earnings at a higher than market rate, the REIT may utilise the retained earnings for the following purposes:

i. To expand the REIT by potential real estate acquisition opportunities, as permissible by regulations and the acquisition policy;
ii. To invest in technology / modernization/ sustainability plan;
iii. To consider buy back of units;
iv. Repayment of debt;
v. To expand capacity / facilities utilizing internal accruals to capitalize upon new opportunities in view of regulatory changes; and
vi. Such other purposes, as the REIT manager may think appropriate from time to time to maintain / enhance the REIT's competitive advantage.

### 12.2.4. Amendment

This Distribution Policy will be effective from the date of authorisation of the ALP REIT and may, subject to compliance with the CMA Regulations and approval by the REIT Trustee, be amended by the REIT Manager from time to time.

## 12.3. Taxation

The Trust has been structured in compliance with the REIT Regulations. The Income Tax Act, Section 20, requires schemes authorised by the CMA to be registered with the Kenya Revenue Authority ("KRA") as a REIT to be exempted from Income Tax.

| Tax | Description |
|---|---|
| Income Tax | The income of an REIT and that of its investee companies is exempt from Income Tax. This is subject to Section 20 of the Income Tax Act, which provides that the income of a Real Estate Investment Trust and that of its Investee Companies which are registered by the Commissioner of Taxes will be exempt from Income Tax except for the payment of withholding tax on interest income and dividends to its Unitholders and Shareholders who are not exempt persons.<br><br>Further, Section 20(2) of the Income Tax Act provides that all distributions of income, and all payments for redemption of Units or sale of shares received by Unitholders and Shareholders shall be deemed to have been already tax paid. Consequently, the Unitholders and Shareholders will not be liable to pay any tax on the income received from the REIT, on payment from redemption of Units and on the sale of shares. |
| Value Added Tax | The REIT is not exempted from obligations under the Value Added Tax Act and will charge VAT where VAT is applicable. The Trustee will also determine all the VAT that is recoverable on the expenses of the REIT and shall include this in the determination of the VAT payable to the KRA. |

| Tax | Description |
|---|---|
| Stamp Duty | The transfer of properties into a REIT will be subject to Stamp Duty at 4% if it is held directly. It is 1% if the property is owned by a company and the REIT acquires the shares of the company. |
| Capital Gains Tax | The REIT is exempt from Capital Gains Tax when disposing of a property. |

The Tax Opinion issued by Coulson Harney LLP is available for inspection and listed in Section 17.

### 12.4. Transferability of REIT Securities, Listing and Redemption

#### 12.4.1. Transferability

The Units are freely transferable to Professional Investors only in minimum lot sizes of 10,000, and the Trustee shall not impose any restriction on the transfer of Units. Subject to the Trust Deed, all transfers of the ALP REIT units shall be subject to the Rules of the Securities Exchange on which the units are listed from time to time. Notwithstanding the foregoing, no transfer of REIT Units shall be effective as against the Trustee or shall be in any way binding upon the Trustee until the transfer has been recorded on the Register and no transfer of a REIT Unit shall be recognized unless such transfer is of a whole REIT Unit.

#### 12.4.2. Listing

The NSE has approved the admission of the REIT Units to the Official REITs List of the Restricted Main Investment Market Segment of the NSE on 9th December 2025 and may be listed on such other securities exchange as the Unitholders may resolve from time to time.

#### 12.4.3. Right to Redemption

The REIT shall have the right, but not the obligation, to offer to purchase for cancellation at any time the whole or from time to time any part of the outstanding Units in issue, at a price per Unit and on a basis determined by the Trustee, subject to compliance with all applicable securities laws, instruments, regulations, rules, notices or policies or the rules or applicable policies of the securities exchange on which the REIT Securities are listed.

The REIT shall have the right, but not the obligation, to offer to redeem or partially redeem without cancellation at any time any part of the outstanding Units in issue, at a price per Unit and on a basis determined by the Trustee, subject to compliance with all applicable securities laws, instruments, regulations, rules, notices or policies or the rules or applicable policies of the securities exchange on which the REIT Securities are listed. Any fully redeemed Units not cancelled shall remain as unissued Units capable of being issued in future.

**A Unitholder shall not have the right to request the Trustee to redeem its holding of REIT Units.**

# 13. SUMMARY OF TRUST DEED AND SCHEME DOCUMENTS

# 13. SUMMARY OF TRUST DEED AND SCHEME DOCUMENTS

## 13.1. Trust Deed

*Table 34: Summary of the Trust Deed*

| Summary of key aspects of the Trust Deed | |
|---|---|
| **Item** | **Key Aspects** |
| Roles, Responsibilities and Obligations of the Trustee, REIT Manager, Valuer, Structural Engineer, and Auditor | **Trustee (The Co-operative Bank of Kenya Limited):**<br><br>• Acts in the best interests of Unitholders.<br>• Holds the REIT assets in trust and ensures their segregation from its own assets.<br>• Supervises compliance by the REIT Manager with the Trust Deed, the Act, and the Regulations.<br>• Appoints and oversees the valuer, structural engineer, and auditors.<br><br>Trustees' roles, responsibilities and obligations are covered in clauses 16,18.1.6 & 18.3. |
| | **REIT Manager (ALP REIT Management Ltd):**<br><br>• Responsible for the day-to-day management of the REIT.<br>• The REIT Manager must act in the best interests of Unitholders, maintain proper records, prepare budgets, manage tax affairs, and ensure legal and regulatory compliance.<br>• The REIT Manager is also responsible for appointing and supervising service providers, including property managers.<br><br>REIT Manager's roles, responsibilities and obligations are covered in clauses 17 & 18.2. |
| | **Valuer:**<br><br>• Appointed by the Trustee in consultation with the REIT Manager.<br>• Conducts independent valuations of all real estate assets to be acquired or disposed of.<br>• Valuations must comply with applicable standards and be conducted at least annually or as required by the Regulations.<br><br>The Valuer's roles, responsibilities and obligations are covered in clauses 14.2 and 14.4. |
| | **Structural Engineer:**<br><br>• Appointed by the Trustee in consultation with the REIT Manager.<br>• Shall independently assess the state of repair and latent defects of the REIT's real estate assets, with findings to be disclosed in offering documents and considered in valuations.<br><br>The Structural Engineer's roles, responsibilities and obligations are covered in clause 15. |

| Item | Key Aspects |
|---|---|
| | Auditor: The Auditor is appointed by the Trustee to audit the financial statements of the REIT annually and report to the Trustee and Unitholders on the financial health and reporting practices of the REIT.<br><br>The Auditor's roles, responsibilities and obligations are covered in clauses 21.2, 25 & 26.3-4. |
| Liability of the REIT Manager | Under clause 17.3, the REIT Manager is not liable for any loss, damage, or depreciation in the value of the REIT or its income unless such arises from the REIT Manager's negligence, wilful default, or fraud, or that of its agents, employees, or associates. |
| Liability of the Trustee | Under clauses 16.6 and 16.8, the Trustee's liability is limited to the assets of the REIT. The Trustee is entitled to be indemnified out of the REIT Property for all losses, expenses, fees, and charges incurred in the performance of its duties, except where caused by fraud, negligence, wilful default, or breach of trust. |
| Trustee's Powers | • Execute or procure letting, sub-letting, leasing, licensing or surrender of real estate; negotiate with tenants and manage related repairs and improvements.<br>• Institute, defend, or settle legal proceedings including those related to the Deed or Offering Memorandum.<br>• Develop, demolish, alter, repair or reconstruct real estate forming part of REIT Property.<br>• Create, vary or renew mortgages, charges or encumbrances on REIT Property to secure obligations.<br>• Provide guarantees or indemnities (secured or unsecured) relating to REIT obligations.<br>• Buy or sell REIT Property for cash or other consideration (including Units), and deal in options.<br>• Perform or enforce contracts to which the REIT is a party.<br>• Issue powers of attorney to third parties acting in compliance with the Deed.<br>• Raise or finance money (with or without security) for REIT purposes.<br>• Subdivide, consolidate, or dedicate land to authorities for development purposes.<br>• Pay REIT-related outgoings not borne by the REIT Manager, including taxes.<br>• Review annual budgets submitted by the REIT Manager.<br>• Manage and maximise returns from REIT Property generally.<br>• Execute contracts for REIT risk management and operations, upon REIT Manager's recommendation.<br>• Undertake any other incidental action necessary to exercise the above powers.<br>The Trustee's powers are covered in clause 16. |

| Item | Key Aspects |
|---|---|
| Appointment, Retirement, Removal and Replacement of the Trustee | • Trustee may retire by giving at least 3 months' written notice to the REIT Manager, the Authority, and the Unitholders, explaining the reason.<br>• Retirement is not effective until a replacement trustee (eligible under the Act and Regulations and approved by the Authority) is appointed.<br>• Trustee may be removed in accordance with the Act and Regulations including:<br>* With approval of the Authority (except where Court-ordered);<br>* By special resolution of Unitholders;<br>* By the REIT Manager (with Authority approval), under certain circumstances. REIT Manager must convene a Unitholders' meeting within 1 month of learning of the above events to consider appointment of a replacement or court application.<br>* If Unitholders reject the replacement, the REIT Manager must notify the Authority and apply to Court for appointment of a replacement or temporary trustee. |
| Appointment, Retirement, Removal and Replacement of the REIT Manager | • May retire by giving at least 3 months' written notice to the Trustee, Authority, and Unitholders, with reasons.<br>• Retirement not effective unless a replacement (eligible under the Act and Regulations and approved by the Authority) is appointed.<br>• If no replacement is found or approved before expiry of the notice period, the retiring REIT Manager may apply to Court (at its own expense) for the appointment of a replacement.<br>• May be removed in accordance with the Act and Regulations, including:<br>* With approval of the Authority (unless Court-ordered);<br>* By ordinary resolution of Unitholders at a properly convened meeting;<br>* By the Trustee (with Authority approval), under certain circumstances. Trustee must convene a Unitholders' meeting within 1 month of becoming aware of any of the above events to consider appointment of a replacement or application to Court.<br>• If Unitholders reject the proposed replacement, the Trustee must inform the Authority and apply to Court for appointment of a replacement or temporary REIT Manager. |
| Appointment of Structural Engineer | The Trustee, in consultation with the REIT Manager, shall appoint a structural engineer to assess the condition of real estate assets prior to acquisition, disposal, or public offering, and to report on any defects or required further assessments. |
| Appointment of Valuers | The Trustee appoints a qualified valuer to value real estate assets prior to acquisition, disposal, or as otherwise required. The valuer's term is not more than three years, and reappointment requires the Authority's approval. |

| Item | Key Aspects |
|---|---|
| Appointment of Auditor | The Trustee shall appoint an auditor to audit the REIT's financial statements annually and as necessary to protect Unitholders' interests. |
| Valuation | • Valuations are required prior to acquisition or disposal of assets, prior to the initial issue or offer of REIT securities (except to the Promoter or connected parties), upon request by the Auditor or Unitholders, or if material changes occur.<br>• The Trustee must provide valuer with all necessary information, including lease terms and rent rolls.<br>• The Trustee must ensure that a valuation is carried out by a qualified valuer on all real estate assets to be acquired or disposed of by the REIT. |
| Meetings, Reports and Financial Statements | The obligation to call meetings and the rights of Unitholders to call meetings are covered in Schedule 1 of the Trust Deed. In summary, Unitholders' meetings must be convened at least once annually, with appropriate notice and quorum.<br>The REIT Manager must prepare and submit quarterly and annual reports, including audited financial statements, to the Trustee and CMA, and publish summaries for Unitholders. |
| Items that Require a Vote of REIT Unitholders | Unitholder approval is required for:<br>• Imposition of additional funding obligations;<br>• appointment or removal of the Trustee;<br>• acquisition or disposal of real estate at prices outside specified valuation thresholds;<br>• major disposals;<br>• borrowings above certain limits;<br>• lower distributions than proposed;<br>• alteration of scheme documents;<br>• material fee increases;<br>• removal or appointment of the REIT Manager; and<br>• winding up of the REIT. |
| REIT Unitholders' Rights, Limitations and Decisions or Actions Requiring Approval | Unitholders have rights to vote at meetings, receive reports, and approve key actions including subdivision or consolidation of Units, amendments to the Trust Deed. |
| Requirement for Listing and Right to Redemption of REIT Securities | The REIT is a closed-ended, income real estate investment trust, with Units listed on the NSE and tradable in accordance with the Central Depositories Act. Redemption and repurchase of Units are subject to the Deed and applicable laws.<br>See clauses 18.1.1 & 3.6. |
| Termination and Winding Up of the REIT Scheme | The REIT may be wound up by:<br>• court order;<br>• special resolution;<br>• expiry of a fixed period; or<br>• occurrence of specified events.<br>Upon winding up, the Trustee arranges for final audit, distribution of assets, and reporting to Unitholders and the Authority. |

| Item | Key Aspects |
|---|---|
| REIT Manager's Costs, Fees and Expenses | The REIT Manager is entitled to fees and reimbursement of reasonable expenses incurred in the performance of its functions, as approved by the Trustee and disclosed to Unitholders. |
| Other Material Provisions | • The Promoter must maintain a minimum investment for a lock-up period.<br>• The REIT Manager must promptly provide the Trustee with the monthly management accounts, including the profit and loss account and balance sheet, as soon as such accounts are available.<br>• The Trustee is appointed to act for the REIT and declares that it will hold the REIT Property in trust for the Unitholders, in accordance with the terms of the Trust Deed. The REIT Property shall be vested in and to the order of the Trustee, but kept separate from the Trustee's own assets or any other assets held in trust.<br>• The REIT's objectives are to provide Unitholders with stable Distributable Income and capital growth through: (i) long-term investment in income-generating real estate and Authorised Investments; (ii) provision of quality industrial real estate; (iii) marketing, leasing, and sale of assets; (iv) retention and management of real estate for income generation; (v) incidental or related activities; and (vi) any other activities permitted under the Regulations. Any material change to these objectives requires Unitholder approval in accordance with the Regulations. |

### 13.2. REIT Management Agreement

*Table 35: Summary of the REIT Management Agreement*

| Summary of key aspects of the REIT Management Agreement | |
|---|---|
| **Item** | **Key Aspects** |
| Duration of Appointment (Clause 2) | The REIT Manager is appointed by the Trustee to provide management services to the REIT starting from the Commencement Date. The initial term is three years, with further three-year renewals permitted if both parties agree and the renewal is approved by an Ordinary Resolution of the Unitholders |
| Services (Clause 3) | • The REIT Manager must perform its services diligently and professionally, in good faith, and in the best interests of the REIT and its Unitholders.<br>•<br>• The Trustee may issue directions on how services should be delivered, provided such directions do not conflict with the REIT Manager's legal or fiduciary duties.<br>•<br>• Service variations require mutual agreement, and any additions trigger good faith negotiations on fees.<br>•<br>• The REIT Manager may unilaterally adjust services to comply with legal requirements but must promptly inform the Trustee.<br>•<br>• REIT Manager is required to ensure fair treatment of all Unitholders and continued regulatory compliance. |

| Item | Key Aspects |
|---|---|
| Representations and Undertakings (Clause 4) | • The Trustee warrants that it has the legal authority to appoint and authorise the REIT Manager to perform its functions and enter into the Agreement.<br>• The REIT Manager confirms it is duly licensed and regulated by the Authority to provide the Services under the Regulations.<br>• The REIT Manager undertakes to:<br>* use reasonable endeavours to maintain its licence throughout the term.<br>* Promptly inform the Trustee of any disciplinary or regulatory actions affecting its licensed status. |
| Management Fees (Clause 5) | • The Trustee agrees to pay the REIT Manager the management fees in consideration of the services provided in respect of the REIT.<br>• The Trustee shall ensure that REIT assets cover any commissions, custodial or management fees properly incurred by the REIT Manager in the course of providing the Services. |
| REIT Manager's Obligations (Clause 8) | In providing the Services, the REIT Manager agrees with the Trustee that it will:<br>• Comply with all proper and reasonable directions from the Trustee.<br>• Keep the Trustee informed of progress and notify of any material adverse matters affecting the REIT.<br>• Collaborate with the REIT's Professional Team.<br>• Not derive unauthorised profit or commission beyond Management Fees without prior written consent.<br>• Comply with the terms of any Financing Agreement affecting Real Estate Assets.<br>• Maintain adequate staffing and board committees per the Act and Regulations.<br>• Conduct services in line with the Investment Policy to ensure efficient and cost-effective delivery.<br>• Ensure third-party appointments by the Trustee are on competitive terms.<br>The Trustee will cooperate with the REIT Manager and provide timely approvals, instructions, authorisations, and assistance as requested. |

| Item | Key Aspects |
|---|---|
| Trustee Obligations (Clause 9) | The Trustee agrees with the REIT Manager to:<br>• Provide the REIT Manager, within a reasonable timeframe, with necessary information, data, and approvals that the Trustee possesses or can obtain but which the REIT Manager cannot.<br>• Perform all lawful acts reasonably necessary to enable the REIT Manager to perform its Services.<br>• Cooperate with the REIT Manager to enable the discharge of its duties and respond promptly and in writing to proper requests for approvals, consents, instructions, information, and assistance.<br>• Receive and consider the REIT Manager's advice, while retaining discretion not to follow it.<br>• Avoid altering any instruction or authority previously given to the REIT Manager without reasonable cause or prior written notice. Where changes are made, the REIT Manager will not be liable for consequences arising from good faith reliance on the earlier authority, subject to mitigation obligations.<br>• Pay the management fees to the REIT Manager. |
| Reporting Obligations | The REIT Manager and Trustee to hold quarterly meetings, with either party entitled to convene additional meetings upon reasonable written notice. The REIT Manager must follow the reporting obligations set out in Schedule 1 of the REIT Management Agreement and to provide the Trustee with any additional information reasonably required for the purposes of such meetings. |
| Conflict of Interest | Restricts the REIT Manager and its personnel from engaging in transactions on behalf of the REIT where they or their affiliates have a material interest or conflicting relationship, unless prior consent is obtained from the Trustee. It incorporates the conflict of interest provisions of the Trust Deed by reference and requires the REIT Manager to fully disclose any actual or potential conflicts to the Trustee. This ensures transparency and safeguards the REIT's integrity against self-dealing. |

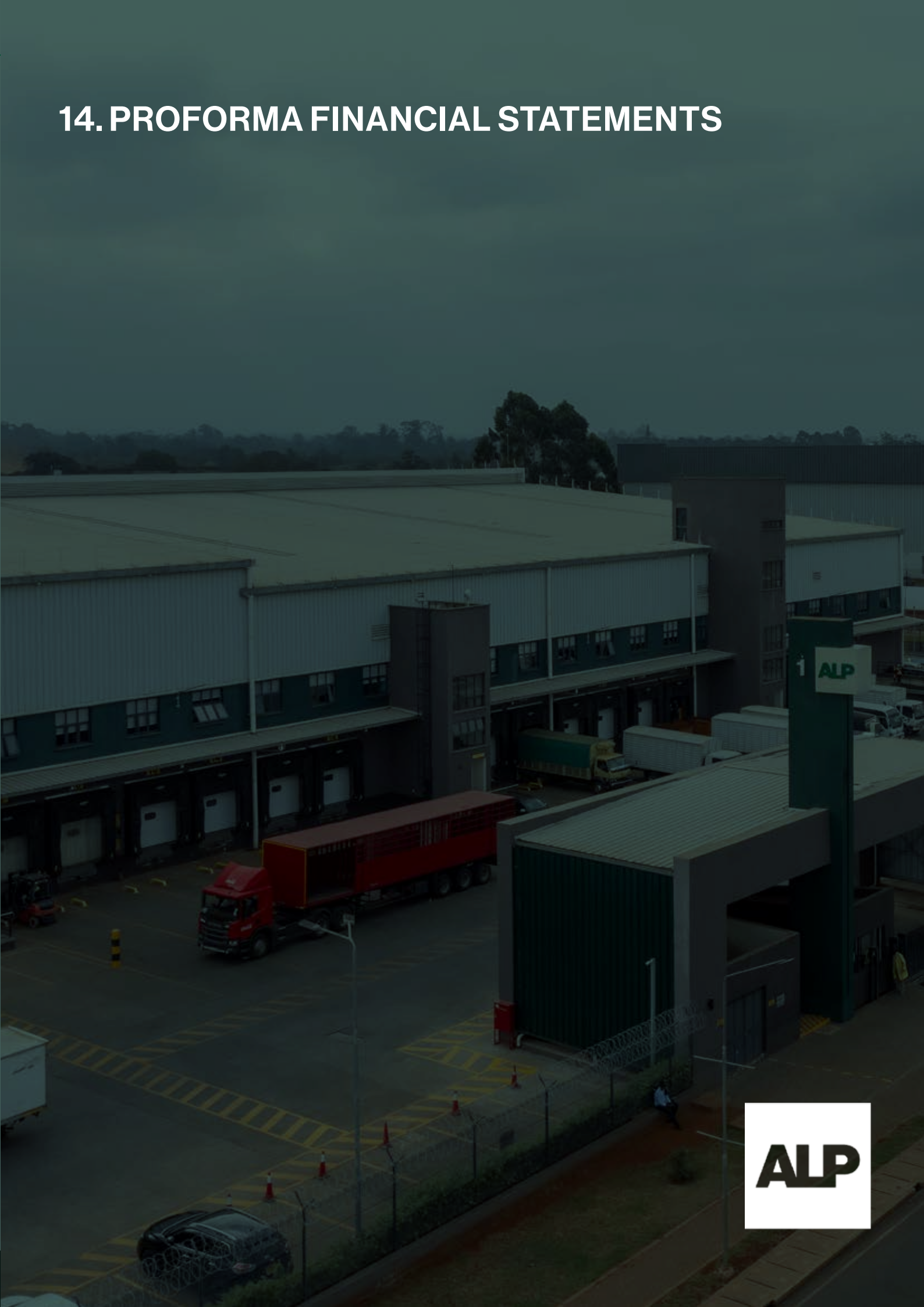
### 13.3. Property Management Agreement

*Table 36: Summary of the Property Management Agreement*

| Summary of key aspects of the Property Management Agreement | |
|---|---|
| **Item** | **Key Aspects** |
| Duration of Appointment (Clause 2) | The Property Manager is appointed by the Trustee to provide property management services to the REIT from the Commencement Date. The agreement remains in force indefinitely, unless and until terminated. |
| Services (Clause 3) | • Services must be rendered in line with the standards expected for properties of comparable class and standing in Kenya and within the limits of the approved Agreed Budget and Property Management Account.<br>• The Property Manager must:<br>* Keep the REIT Manager informed on all material or extraordinary matters affecting the Real Estate Assets.<br>* Act as the principal rental agent; no external rental agent may be appointed without the REIT Manager's prior written consent.<br>* Use reasonable efforts to secure and retain financially responsible tenants.<br>* Coordinate negotiation, execution, renewal, modification, or cancellation of leases, which must conform to a standard form lease approved by the Trustee.<br>• The Property Manager may:<br>* Engage third-party leasing agents at the REIT's expense;<br>* Prepare and deploy advertising and promotional materials at REIT's cost, subject to Trustee's prior written approval for use of REIT's name. |
| Standards of Performance (Clause 4 | • The Property Manager acknowledges the potentially developing environment in which the Agreement will be implemented and confirms that no such conditions shall excuse failure to meet its obligations.<br>• The Property Manager will:<br>* Have all necessary powers and authority to perform the Services, subject to limitations set out in the Property Management Agreement.<br>* Comply with all directions given by the REIT Manager concerning the performance of the Services.<br>* Perform the Services with utmost care, good faith, diligence, and in a professional, business-like manner, in accordance with internationally recognised best practices.<br>* Be entitled and obliged to enforce the Trustee's contractual rights regarding tenancies of the Real Estate Assets. |

| Item | Key Aspects |
|---|---|
| Reporting Obligations of the Property Manager (Clause 7) | • The Property Manager must prepare and submit reports, statements, and information required by the REIT Manager and the Trustee to comply with the Trust Deed, the Regulations, and applicable law.<br><br>• The Property Manager shall deliver the following reports and information, at its own cost, in the form and frequency reasonably required:<br><br>* Financial and operational reports;<br>* Leasing and tenancy reports;<br>* Maintenance and capital works reports;<br>* Compliance and risk reports;<br>* Ad hoc and special reports;<br>* Support for regulatory and investor reporting;<br><br>• All reports must be accurate, complete, and delivered timely.<br><br>• Material changes affecting the Real Estate Assets or performance must be promptly disclosed.<br><br>• The Property Manager must fully cooperate with the REIT Manager, Trustee, auditor, qualified valuer, and other professionals, providing necessary access.<br><br>• The Property Manager acknowledges reliance on its reports and shall indemnify the REIT Manager and Trustee against losses resulting from false, misleading, or incomplete information. |
| Fees (Cause 8) | The Property Manager shall be paid as follows:<br><br>• Property Management Fee:<br>* Payable monthly in arrears<br>* Calculated at 3% of the Gross Rental Income for the month<br>* Commences from the date of settlement of the Initial Assets into the REIT.<br><br>• Leasing Fee:<br>* Equivalent to up to two (2) months' rent for any new Lease originated by the Property Manager<br>* For Lease renewals or extensions by existing tenants under the facilitation of the Property Manager, one (1) month's rent shall be payable<br>* Calculated based on the escalated rent in the final year of a standard five-year Lease<br>* Any third-party leasing agents' fees shall be paid from the Leasing Fee, if engaged<br><br>• Additional compensation Payable for specific additional services (e.g. extraordinary construction works) as agreed between the parties. |

# 14. PROFORMA FINANCIAL STATEMENTS



# 14. PROFORMA FINANCIAL STATEMENTS

The proforma financial statements have been prepared in accordance with IFRS.

## 14.1. Consolidated Proforma Statements of Profit or Loss and Other Comprehensive Income

**REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF CONSOLIDATED PROFORMA FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS COMPANY I-REIT**

**1.0 PROFORMA FINANCIAL STATEMENTS**

**1.1 Consolidated Proforma Statements of Profit or Loss and Other Comprehensive Income**

The consolidated proforma statements of profit or loss and other comprehensive income for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 are stated below :

*For illustrative purposes only based on a number of assumptions that may or may not eventuate.*

| | Notes | 2022 USD | 2023 USD | 2024 USD |
|---|---|---|---|---|
| **Revenue** | | | | |
| Rental income | 3.1, 3.4, 3.5 | 1,535,262 | 2,256,028 | 2,256,028 |
| | | 1,535,262 | 2,256,028 | 2,256,028 |
| Other income | | 512 | 1,253 | 1,584 |
| **Total revenue** | | 1,535,774 | 2,257,281 | 2,257,612 |
| **Expenses** | | | | |
| Void cost | | (32,974) | (30,532) | (21,398) |
| Audit fees | | (13,537) | (17,078) | (18,010) |
| Legal fees | | (3,819) | (4,270) | (4,632) |
| Company secretary fees | | (1,015) | (1,139) | (1,201) |
| Bank charges | | (51,778) | (43,977) | (46,375) |
| KRA Audit | | - | - | (7,730) |
| Property management fee | 3.6 | (46,058) | (67,681) | (67,681) |
| Fund operating expenses | | (225,249) | (331,723) | (360,156) |
| Pre-operating expenses | | (529,651) | - | - |
| **Total expenses** | | (904,081) | (496,400) | (527,183) |
| **Net operating income (NOI)** | | 631,693 | 1,760,881 | 1,730,429 |
| *NOI Margin:* | | *41.13%* | *78.01%* | *76.65%* |
| **EBITDA** | | 631,693 | 1,760,881 | 1,730,429 |
| Fair value gain on investment properties | | 1,344,130 | 1,832,684 | 728,170 |
| **Profit before taxation** | | 1,975,823 | 3,593,565 | 2,458,599 |
| Income tax | | - | - | - |
| Total comprehensive income for the year | | 1,975,823 | 3,593,565 | 2,458,599 |

The proforma financial information is to be read in conjunction with the assumptions forming part of this report as set out in Section 3.

## 14.2. Consolidated Proforma Statements of Financial Position

**REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF CONSOLIDATED PROFORMA FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS COMPANY I-REIT**

**1.0 PROFORMA FINANCIAL STATEMENTS (Continued)**

**1.2 Consolidated Proforma Statement: of Financial Position**

The consolidated proforma statements of financial position as at 31 December 2022, 31 December 2023 and 31 December 2024 are stated below:

***For illustrative purposes only based on a number of assumptions that may or may not eventuate.***

| | Notes | 2022 USD | 2023 USD | 2024 USD |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Investment property | 3.8 | 15,957,295 | 24,273,534 | 25,008,873 |
| Sinking Fund | 3.6 | 38,486 | 95,231 | 152,258 |
| | | 15,995,781 | 24,368,765 | 25,161,131 |
| **Current assets** | | | | |
| Trade and other receivables | 3.11 | 2,460,133 | 3,757,386 | 3,757,386 |
| Bank and cash balances | | 1,605,754 | 2,143,140 | 2,963,328 |
| | | 4,065,887 | 5,900,526 | 6,720,714 |
| **TOTAL ASSETS** | | 20,061,668 | 30,269,291 | 31,881,845 |
| **EQUITY AND LIABILITIES** | | | | |
| **Capital and reserves** | | | | |
| Retained earnings | | 847,471 | 2,733,466 | 3,514,948 |
| Trust capital | 3.9 | 14,455,550 | 20,395,243 | 20,395,243 |
| Proposed dividends | | 565,893 | 859,628 | 841,056 |
| Other reserves | 3.13 | 3,833,328 | 5,911,380 | 6,751,380 |
| **Total equity and reserve** | | 19,702,242 | 29,899,717 | 31,502,627 |
| **Current liabilities** | | | | |
| Trade and other payables | 3.12 | 359,426 | 369,574 | 379,218 |
| **TOTAL EQUITY AND LIABILITIES** | | 20,061,668 | 30,269,291 | 31,881,845 |

This proforma financial information on pages 4 to 13 was approved and authorised for issue by the Board of Directors of the Issuer on 2025 and was signed on their behalf by:

## 14.3. Consolidated Proforma Statements of Changes in Equity

**REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF CONSOLIDATED PROFORMA FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS COMPANY I-REIT**

**1.0 PROFORMA FINANCIAL STATEMENTS (Continued)**

**1.3 Consolidated Proforma Statements of Changes in Equity**

The consolidated proforma statements of changes in equity for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 are stated below:

***For illustrative purposes only based on a number of assumptions that may or may not eventuate.***

| | Retained earnings USD | Proposed Dividends USD | Trust Capital USD | Other Reserves USD | Total Equity USD |
|---|---|---|---|---|---|
| **At 1 January 2022** | - | - | - | - | - |
| Capital contribution | - | - | 14,455,550 | - | 14,455,550 |
| Total comprehensive income for the year | 1,978,015 | - | - | - | 1,978,015 |
| Interim and final 2022 dividends | (1,128,352) | 1,128,352 | - | - | - |
| Dividend paid out | - | (562,459) | - | - | (562,459) |
| Other reserves | - | - | - | 3,979,460 | 3,979,460 |
| **At 31 December 2022** | 849,663 | 565,893 | 14,455,550 | 3,979,460 | 19,850,566 |
| **At 1 January 2023** | 849,663 | 565,893 | 14,455,550 | 3,979,460 | 19,850,566 |
| Additional trust capital contribution | - | - | 5,939,693 | - | 5,939,693 |
| Total comprehensive loss for the year | 3,596,654 | - | - | - | 3,596,654 |
| Interim and final 2023 dividends | (1,707,570) | 1,707,570 | - | - | - |
| Dividend paid out | - | (1,416,475) | - | - | (1,416,475) |
| Other reserves | - | - | - | 2,137,856 | 2,137,856 |
| **At 31 December 2023** | 2,738,747 | 856,988 | 20,395,243 | 6,117,316 | 30,108,294 |
| **At 1 January 2024** | 2,738,747 | 856,988 | 20,395,243 | 6,117,316 | 30,108,294 |
| Total comprehensive income for the year | 2,461,688 | - | - | - | 2,461,688 |
| Interim and final 2024 dividends | (1,677,117) | 1,677,117 | - | - | - |
| Dividend paid out | - | (1,698,778) | - | - | (1,698,778) |
| Other reserves | - | - | - | 840,000 | 840,000 |
| **At 31 December 2024** | 3,523,318 | 835,327 | 20,395,243 | 6,957,316 | 31,711,204 |

## 14.4. Consolidated Proforma Statements of Cash Flows

**REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF CONSOLIDATED PROFORMA FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS COMPANY I-REIT**

**1.0 PROFORMA FINANCIAL STATEMENTS (Continued)**

**1.4 Consolidated Proforma Statements of Cash Flows**

The consolidated proforma statements of cash flows for the financial period ended 31 December 2022, 31 December 2023 and 31 December 2024 are stated below:

***For illustrative purposes only based on a number of assumptions that may or may not eventuate.***

| | Notes | 2022 USD | 2023 USD | 2024 USD |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Profit for the year | | 1,975,823 | 3,593,565 | 2,458,599 |
| Adjustments for: | | | | |
| Interest income: Sinking Fund | | (104) | (345) | (627) |
| Fair value gain on revaluation of investment property | | (1,344,130) | (1,832,684) | (728,170) |
| Operating profit before working capital changes | | 631,589 | 1,760,536 | 1,729,802 |
| **Changes in working capital** | | | | |
| Increase in trade and other receivables | | (127,939) | (60,064) | - |
| Increase in trade and other payables | | 358,329 | 10,149 | 9,646 |
| Income tax paid | 3.10 | - | - | - |
| Net cash flows generated from operating activities | | 861,979 | 1,710,621 | 1,739,448 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Capital expenditure | | - | (503,196) | (7,169) |
| Sinking fund | 3.6 | (38,382) | (56,401) | (56,401) |
| Investment in SPV | | (9,109,398) | (2,703,621) | 2,040,000 |
| Net cash flows (used in)/generated from investing activities | | (9,147,78) | (3,263,218) | 1,976,430 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| Return of capital to REIT | | (1,080,000) | (1,180,000) | (1,200,000) |
| Capital contributions from the partners | | 11,532,917 | 4,743,621 | - |
| Dividend pay out | 3.14 | (562,459) | (1,416,475) | (1,698,778) |
| Net cash flows generated from financing activities | | 9,890,458 | 2,147,146 | (2,898,778) |
| Net increase in cash and cash equivalents | | 1,752,799 | 597,563 | 820,189 |
| CASH AND CASH EQUIVALENTS AT 1 JANUARY | | - | 1,752,799 | 2,350,362 |
| CASH AND CASH EQUIVALENTS AT 31 DECEMBER | | 1,752,799 | 2,350,362 | 3,170,551 |

The proforma financial information is to be read in conjunction with the assumptions forming part of this report as set out in section 3.

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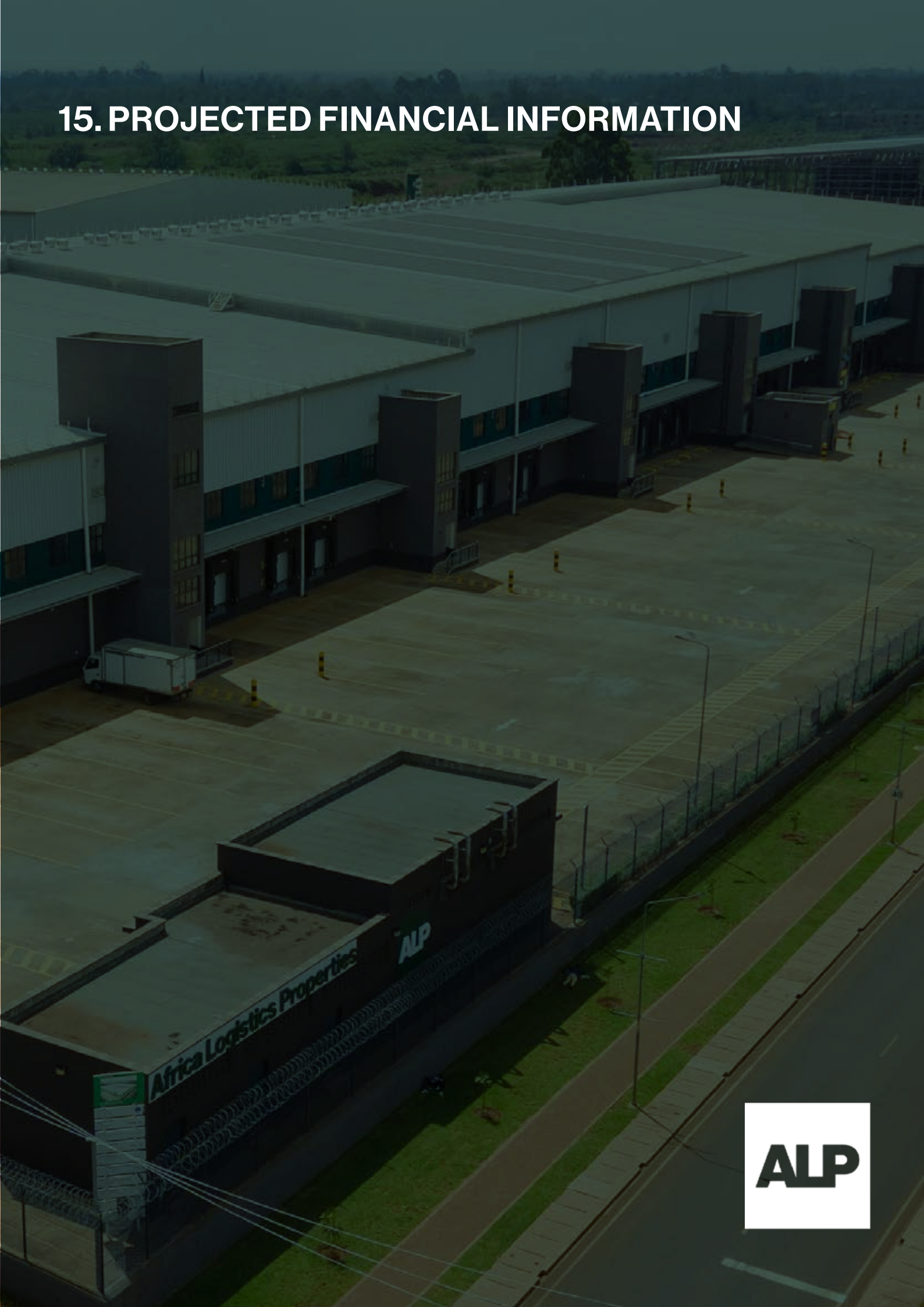
# 15. PROJECTED FINANCIAL INFORMATION



# 15. PROJECTED FINANCIAL INFORMATION

## 15.1. Projected Statement of Profit or Loss and Other Comprehensive Income

**INDEPENDENT REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2027**

**1.0 PROJECTED FINANCIAL STATEMENTS**

**1.1 Projected statement of profit or loss and other comprehensive income**

**For illustrative purposes only based on a number of assumptions that may or may not eventuate.**
Base case - Aggregated management assumptions

| **For the year ended** | *Notes* | **2025 USD** | **2026 USD** | **2027 USD** |
|---|---|---|---|---|
| **Revenue** | | | | |
| Rental income | 2.1, 2.4 | 2,185,014 | 2,443,589 | 3,934,565 |
| | | **2,185,014** | **2,443,589** | **3,934,565** |
| Other income | | 1,881 | 2,146 | 2,524 |
| **Total revenue** | | **2,186,895** | **2,445,735** | **3,937,089** |
| **Expenses:** | | | | |
| Void cost | | (21,642) | - | - |
| Audit fees | | (18,411) | (18,783) | (25,320) |
| Legal fees | | (4,614) | (4,701) | (5,988) |
| Company secretary fees | | (1,227) | (1,252) | (1,595) |
| Leasing/agency fee | | - | (568) | (5,503) |
| KRA Audit | | (3,788) | - | (7,866) |
| Bank charges | | (47,410) | (48,366) | (49,761) |
| Property management fee | | (65,550) | (73,308) | (118,037) |
| Fund operating expenses | | (370,155) | (373,431) | (630,248) |
| **Total expenses** | | **(532,797)** | **(520,409)** | **(844,518)** |
| **Net operating income (NOI):** | | **1,654,098** | **1,925,326** | **3,092,571** |
| *NOI margin:* | | *75.64%* | *78.72%* | *78.55%* |
| **EBITDA** | | 1,654,098 | 1,925,326 | 3,092,571 |
| Fair value gain on investment properties | | (173,670) | 396,961 | 1,246,088 |
| **Profit before taxation** | | **1,480,428** | **2,322,287** | **4,338,659** |
| Income tax | | - | - | - |
| Total comprehensive income for the year | | 1,480,428 | 2,322,287 | 4,338,659 |

**For illustrative purposes only based on a number of assumptions that may or may not eventuate.**

The projected financial information is to be read in conjunction with the assumptions forming part of this report as set out in section 2.

## 15.2. Projected Statement of Financial Position

**INDEPENDENT REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2027**

**1.0 PROJECTED FINANCIAL STATEMENTS (Continued)**

**1.2 Consolidated Proforma Statement of Financial Position**

The consolidated projected statements of financial position as at 31 December 2025, 31 December 2026 and 31 December 2027 are stated below as follows:

***For illustrative purposes only based on a number of assumptions that may or may not eventuate.***

| | Notes | 2025 | 2026 | 2027 |
|---|---|---|---|---|
| | | USD | USD | USD |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Investment property | | 24,855,823 | 25,252,783 | 44,735,329 |
| Sinking fund | | 207,786 | 270,070 | 370,035 |
| | | 25,063,609 | 25,522,853 | 45,105,364 |
| **Current assets** | | | | |
| Trade and other receivables | | 3,758,234 | 3,790,899 | 3,918,058 |
| Bank and cash balances | | 3,762,284 | 4,673,120 | 4,955,681 |
| | | 7,520,518 | 8,464,019 | 8,873,739 |
| **TOTAL ASSETS** | | 32,584,127 | 33,986,872 | 53,979,103 |
| **EQUITY AND LIABILITIES** | | | | |
| **Capital and reserves** | | | | |
| Trust capital | | 20,395,243 | 20,395,243 | 38,507,692 |
| Retained earnings | | 3,388,093 | 3,843,054 | 5,182,071 |
| Proposed dividends | | 2,448,339 | 2,559,283 | 3,123,037 |
| Other reserves | | 7,591,380 | 8,431,380 | 8,373,023 |
| **Total equity and reserves** | | 33,823,055 | 35,228,960 | 55,185,823 |
| **Current liabilities** | | | | |
| Trade and other payables | 2.7 | (1,238,928) | (1,242,088) | (1,206,720) |
| **TOTAL EQUITY AND LIABILITIES** | | 32,584,127 | 33,986,872 | 53,979,103 |

This projected financial information on pages 5 to 10 was approved and authorized for issue by the Board of Directors of the Issuer on 2025 and was signed on their behalf by:

## 15.3. Projected Statements of Changes in Equity

**INDEPENDENT REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2027**

**1.0 PROJECTED FINANCIAL STATEMENTS (Continued)**

**1.3 Projected statement of changes in unitholders' equity**

***For illustrative purposes only based on a number of assumptions that may or may not eventuate.***

| | Retained Earnings USD | Proposed Dividends USD | Trust Capital USD | Other Reserves USD | Total Equity USD |
|---|---|---|---|---|---|
| **At 1 January 2025** | 3,523,318 | 835,327 | 20,395,243 | 6,957,316 | 31,711,204 |
| Total comprehensive income for the year | 1,483,517 | - | - | - | 1,483,517 |
| Interim and final 2025 dividends | (1,607,283) | 1,607,283 | - | - | - |
| Dividend paid out | - | (1,616,325) | - | - | (1,616,325) |
| Other reserves | - | - | - | 840,000 | 840,000 |
| **At 31 December 2025** | 3,399,552 | 2,442,610 | 20,395,243 | 7,797,316 | 32,418,396 |
| **At 1 January 2026** | 3,399,552 | 2,442,610 | 20,395,243 | 7,797,316 | 32,418,396 |
| Additional capital contribution | - | - | - | - | - |
| Total comprehensive income for the year | 2,325,376 | - | - | - | 2,325,376 |
| Interim and final 2026 dividends | (1,867,326) | 1,867,326 | - | - | - |
| Dividend paid out | - | (1,759,471) | - | - | (1,759,471) |
| Other reserves | - | - | - | 840,000 | 840,000 |
| **At 31 December 2026** | 3,857,602 | 2,550,465 | 20,395,243 | 8,637,316 | 33,824,301 |
| **At 1 January 2027** | 3,857,602 | 2,550,465 | 20,395,243 | 8,637,316 | 33,824,301 |
| Additional capital contribution | - | - | 18,112,449 | - | 18,112,449 |
| Total comprehensive income for the year | 4,344,095 | - | - | - | 4,344,095 |
| Interim and final 2027 dividends | (2,999,642) | 2,999,642 | - | - | - |
| Dividend paid out | - | (2,440,151) | - | - | (2,440,151) |
| Other reserves | - | - | - | 124,008 | 124,008 |
| **At 31 December 2027** | 5,202,055 | 3,109,956 | 38,507,692 | 8,761,324 | 53,964,702 |

The projected financial information is to be read in conjunction with the assumptions forming part of this report as set out in section 2.

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## 15.4. Projected Statements of Cash Flows

**INDEPENDENT REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2027**

**1.0 PROJECTED FINANCIAL STATEMENTS (Continued)**

**1.4 Projected statement of cash flows**

*For illustrative purposes only based on a number of assumptions that may or may not eventuate*

| | Notes | 2025 USD | 2026 USD | 2027 USD |
|---|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit for the year | | 1,480,428 | 2,322,287 | 4,338,659 |
| Adjustments for: | | | | |
| Interest income: Sinking fund | | (902) | (1,195) | (1,601) |
| Fair value gain on revaluation of investment property | | 173,670 | (396,961) | (1,246,088) |
| Operating profit before working capital changes | | 1,653,196 | 1,924,131 | 3,090,970 |
| **Changes in working capital** | | | | |
| Increase in trade and other receivables | | (848) | (15,267) | (123,114) |
| Increase in prepaid expenses | | - | (17,399) | (4,044) |
| (Decrease)/increase in trade and other payables | | (4,912) | (3,157) | 35,565 |
| Income tax paid | 2.3 | - | - | - |
| Net cash flows generated from operating activities | | 1,647,436 | 1,888,308 | 2,999,177 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Capital expenditure | | (20,619) | - | - |
| Sinking fund | | (54,625) | (61,090) | (98,364) |
| Investment in SPV | | 2,040,000 | 2,040,000 | (12,607,522) |
| Net cash flows generated from/(used in) investing activities | | 1,964,756 | 1,978,910 | (12,705,886) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Return of capital to REIT | | (1,200,000) | (1,200,000) | (2,040,000) |
| Capital contributions | | - | - | 14,465,158 |
| Dividend pay out | | (1,613,236) | (1,756,382) | (2,435,888) |
| Net cash flow (used in)/generated from financing activities | | (2,813,236) | (2,956,382) | 9,989,270 |
| Net increase in cash and cash equivalents | | 798,956 | 910,836 | 282,561 |
| CASH AND CASH EQUIVALENTS AT 1 JANUARY | | 2,963,328 | 3,762,284 | 4,673,120 |
| CASH AND CASH EQUIVALENTS AT 31 DECEMBER | | 3,762,284 | 4,673,120 | 4,955,681 |

The projected financial information is to be read in conjunction with the assumptions forming part of this report as set out in section 2

## 15.5. Sensitivities on Projected Financial Information

**INDEPENDENT REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2027**

**4.0 SENSITIVITIES ON PROJECTED FINANCIAL INFORMATION**

**4.1 Forecast sensitivity table - change in rent, occupancy levels & property operating costs.**

Sensitivities are based on FY2027, which represents the first fully stabilized year reflecting all seed assets within the REIT. While the REIT may acquire additional assets post-2027, this year best reflects the initial stabilized operating performance

| **Occupancy** | **75%** | **80%** | **90%** | **100%** |
|---|---|---|---|---|
| | | | | |
| Gross Yield | 7% | 7% | 8% | 9% |
| Net Yield | 6% | 7% | 7% | 8% |
| Distributable Income | 2,087,412 | 2,268,770 | 2,631,488 | 2,994,206 |
| (Management expense ratio) MER | 1.4% | 1.4% | 1.4% | 1.4% |

*Note: Occupancy FY27 has been assumed at 100%*

| **Cap Rate** | **8.75%** | **9.00%** | **9.25%** | **9.50%** |
|---|---|---|---|---|
| | | | | |
| Asset Valuation | 46,013,481 | 44,735, 329 | 43,526,266 | 42,380,838 |

*Note: Capitalization rate for the forecast years has been assumed at 9%*

| **Dividend payout (Post sinking Fund)** | **83%** | **90%** | **100%** |
|---|---|---|---|
| | | | |
| Dividends declared | 2,009,606 | 2,192,298 | 2,435,886 |
| Dividend Yield | 5% | 6% | 7% |

*Note: Dividend payout assumed at 90% and above of distributable income*

| **Fund Operating Expenses Factor (2027)** | **100%** | **110%** | **120%** | **130%** |
|---|---|---|---|---|
| | | | | |
| (Management expense ration) MER | 1.4% | 1.5% | 1.7% | 1.8% |
| Distributable Income | 2,994,206 | 2,931,181 | 2,868,156 | 2,805,131 |
| Dividend Yield | 7% | 7% | 7% | 6% |

*Note: Fund operating expenses have been stress-tested by applying increases of 10%, 20%, and 30% in order to assess their impact on the adjacent outputs*

# 16. STATUTORY AND GENERAL INFORMATION

# 16. STATUTORY AND GENERAL INFORMATION

## 16.1. Authorisations

The Promoter has obtained necessary consents, approvals and authorisations in connection with the issue of Units proposed including a resolution from the Board of Directors of the Promoter dateddated 27th November 2024 to establish the ALP REIT.

## 16.2. Registration

The ALP REIT was authorised by CMA on 8th December 2025.

## 16.3. Approvals

### 16.3.1. Capital Markets Authority

This Offering Memorandum has been delivered to the CMA and approval has been granted to offer Units for subscription and sale in Kenya restricted to Professional Investors.

### 16.3.2. Listing of the Units on the Nairobi Securities Exchange

The Promoter has obtained authorisation from the NSE on 9th December 2025 to list the Units on the Restricted Main Investment Market Segment of the NSE.

### 16.3.3. Dematerialised Form

The Units are issued in dematerialised form only

## 16.4. Meetings of the REIT Unitholders

The Trustee shall convene an Annual General Meeting of the REIT Unitholders within three months after the relevant accounting reference date of the REIT Scheme. Not less than 21 days written notice, inclusive of the date in which the notice is deemed to be served, and the day of the meeting, shall be given to the Unitholders of the general meeting. This provision shall not apply to the notice of an adjourned meeting. The failure by a Unitholder to receive notice shall not invalidate the proceedings at any meeting.

The Trustee, the REIT Manager or Unitholders, as the case may be, may convene an extra-ordinary meeting of Unitholders at any time but not later than six weeks after receipt of a requisition. A requisition shall:

- state the objects of the meeting;
- be dated;
- be signed by a majority in number of all Unitholders who, at that date, are registered as the Unitholders representing not less than one – tenth in value of all of the Units in the REIT Scheme funds then in issue; and
- be delivered.

### 16.4.1. Items requiring a Special Resolution

- Appointment of a new Trustee on resignation of the immediate former trustee;
- The removal and replacement of the Trustee unless an order of the Court has been issued for the same;
- The approval of special circumstances under which the REIT Manager may, with the approval of the CMA, remove a Trustee without need to revert to the Unitholders;
- If an investment in real estate has not been completed within 180 days of the close of the initial offer, a special resolution will be required to determine whether:
  * the period for registration should be extended and the period of extension; or
  * all monies paid into the fund together with any interest or earnings should be refunded within fourteen days of the date of the meeting; and
  * what other action should be taken by the Trustee or REIT Manager.
- Winding up of the REIT Scheme;
- The alteration of Scheme Documents.

### 16.4.2. Matters requested to be put to vote by REIT Unitholders

- The imposition of an obligation to Unitholders to provide additional funds necessary to enable the Trustee to pay any costs and expenses necessary in connection with the REIT Scheme assets;
- The acquisition of real estate at a price which exceeds the price in the valuation report by more than 10 percent;
- The disposal of real estate at a price lower than 90 percent of the value assessed in the valuation report;
- The entry, by the Trustee into a contract for the disposal of an asset where such disposal exceed 50 percent of the total asset value of the REIT Scheme;
- Borrowing or the entry by the Trustee into a financing arrangement of amounts greater than 35 percent but not more than 40 percent of the total asset value, for a temporary purpose for a term not exceeding six months;
- The approval of a lower distribution than that proposed by the REIT Manager;
- The alteration of Scheme Documents;
- The approval of any proposed material increase in fees or change in the method of calculating the fees charged by the REIT manager, if the same is not deemed fair and reasonable by the Trustee;
- Removal, Appointment and re-appointment of the REIT Manager by the Unitholders;

- Removal of the Auditor (Trustee may act on its own instance too);

- Additional acquisitions or disposals if:

  * the proposed acquisition or disposal is from/to a person who is not the promoter or connected person and the total consideration represents more than 15 percent of the latest published net asset value;
  * the proposed acquisition or disposal is from/to the promoter or a connected person and the total consideration represents more than 5 percent of the latest published net asset value.

- Removal of the Valuer, otherwise than by effluxion of time;

- Connected party transactions where the supply of goods or services is not subjected to an open bidding process and the value of the contract when aggregated with all other transactions conducted with connected persons relating to the provision of goods and services in the immediately preceding twelve months exceeds or would exceed 15 percent of the amount spent on connected party provided goods and services; and

- Approval of the issue of additional REIT securities to persons other than existing Unitholders or in a manner other than on pro rata basis to existing Unit holders

### 16.4.3. Voting Rights

At any meeting a resolution put to the vote shall be decided on a show of hands unless a poll is, before or on the declaration of the results of the show of hands, demanded by the Trustee or by Security Holders not less than one tenth of the Units in Issue present in person or by proxy.

On a show of hands, every Security Holder who, being an individual is present in person or being a corporation, is present by its representative duly authorized in that regard, shall have one vote. If the number of votes recorded in favour or against a resolution on a show of hands is not conclusive evidence of a unanimous vote or by a particular majority or lost, a poll may be demanded.

Votes may be given either personally or by proxy and the voting rights attached to each shall be such proportion of the voting rights attached to all of the Units in Issue.

In the case of joint Security Holders of a Unit, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Security Holders and for this purpose, seniority shall be determined by the order in which the names stand in the register of Security Holders.

A Unitholder that is entitled to attend and vote at a meeting of the REIT Scheme is also entitled to appoint another person to attend and vote in his place whether such a person is a Unitholder or not.

The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or, if the appointer is a corporation, under the hand of an officer or attorney duly authorised. A proxy need not be a Unitholder. An instrument appointing a proxy shall be in the usual common form or such form as may be submitted with the notice convening the meeting.

An instrument appointing a proxy or any other document necessary to show the validity of or otherwise relating to, the appointment of a proxy shall be required to be received by the REIT Manager or the Trustee, as the case may be, at least 48 hours before the meeting or adjourned in order that the appointment may be effective. In default the instrument of proxy shall not be treated as valid.

Where REIT Units are issued to a promoter, the REIT Manager or any other associated or connected party to finance the funding of an unscheduled cost overrun on a development or construction, such REIT Units during the time that they are held by the promoter, REIT Manager or a connected person or associated party shall not be entitled to voting rights in respect of such additional REIT Units but may be entitled to participate in any distribution in respect of such REIT securities.

### 16.5. Material Contracts

The Trustee and the REIT Manager have entered into an Agreement dated 9th December 2025 for the provision of REIT Management services by the REIT Manager to the REIT.

The REIT Manager has entered into a contract with ALP Management Kenya Ltd, a property manager, dated 9th December 2025 for the provision of Property Management services to the REIT.

The Promoter is party on behalf of the Trustee and the REIT Scheme to the following contracts, each of which will be novated to the Trustee:

- Property Sale and Purchase Agreements to acquire:
  * A portion of Tilisi Logistics Park Parcel Number TLP 1-9 (Courtyard) located in Limuru
  * A portion of Tilisi Logistics Park Plot B (Kyoga) located in Limuru
  * Tatu City Unit Number L3-47B Precinct 3BA being a portion of Land Reference Number 28867/1 registered in favour of ALP North Two Limited, located in Tatu City

- A Sale and Purchase Agreement has also been entered into for:
  * Tatu City Unit Number L3-47C Precinct Number 3BA being a portion of Land Reference Number 28867/1 registered in favour of ALP North Three Limited. This property will only be transferred into the REIT within the first 12 months after due diligence is completed.

- Service Contracts with the following persons:
  * CBRE Excellerate Valuation Services Kenya Ltd for the provision of valuation services
  * Image Registrars Ltd for the provision of unit registrar services
  * FBW Kenya Ltd for the provision of structural engineering services

### 16.6. Material Litigation

Save as disclosed herein, the Trustee does not have any potentially conflicting nor competing roles nor any current pending or threatened litigation which might materially affect the resources or financial capacity of the Trustee to fulfil its role or responsibilities as the trustee of the ALP REIT.

### 16.7. Consents

The following have given and not withdrawn their consent to being named in the Offering Memorandum in the form and context in which the names appear:

| Name | Profile |
|---|---|
| Africa Logistics Properties Holdings Ltd | Promoter and Issuer |
| ALP REIT Management Limited | REIT Manager |
| Co-operative Bank of Kenya Limited | Trustee |
| Dyer and Blair Investment Bank Limited | Transaction Adviser and Placing Agent |
| Coulson Harney LLP | Legal Adviser |
| Coulson Harney LLP | Tax Adviser |
| ALP Management Kenya Ltd | Property Manager |

The following have given and not withdrawn their written consents prior to the issue of this Offering Memorandum and the inclusion of their respective reports in the form and context in which they appear:

| Name | Profile |
|---|---|
| Deloitte & Touche LLP | Auditor/ Reporting Accountant |
| CBRE Excellerate Valuation Services Kenya Ltd | Valuer |
| FBW Kenya Limited | Structural Engineer |
| Coulson Harney LLP | Legal Adviser |

### 16.8. Details of encumbrances, easements or restrictions

As at the date of this Offering Memorandum, and as expected on the completion date of the agreement to acquire the SPVs, there are no encumbrances or restrictions (save for normal planning and zoning restrictions) to the use of any of the Properties in the Scheme.

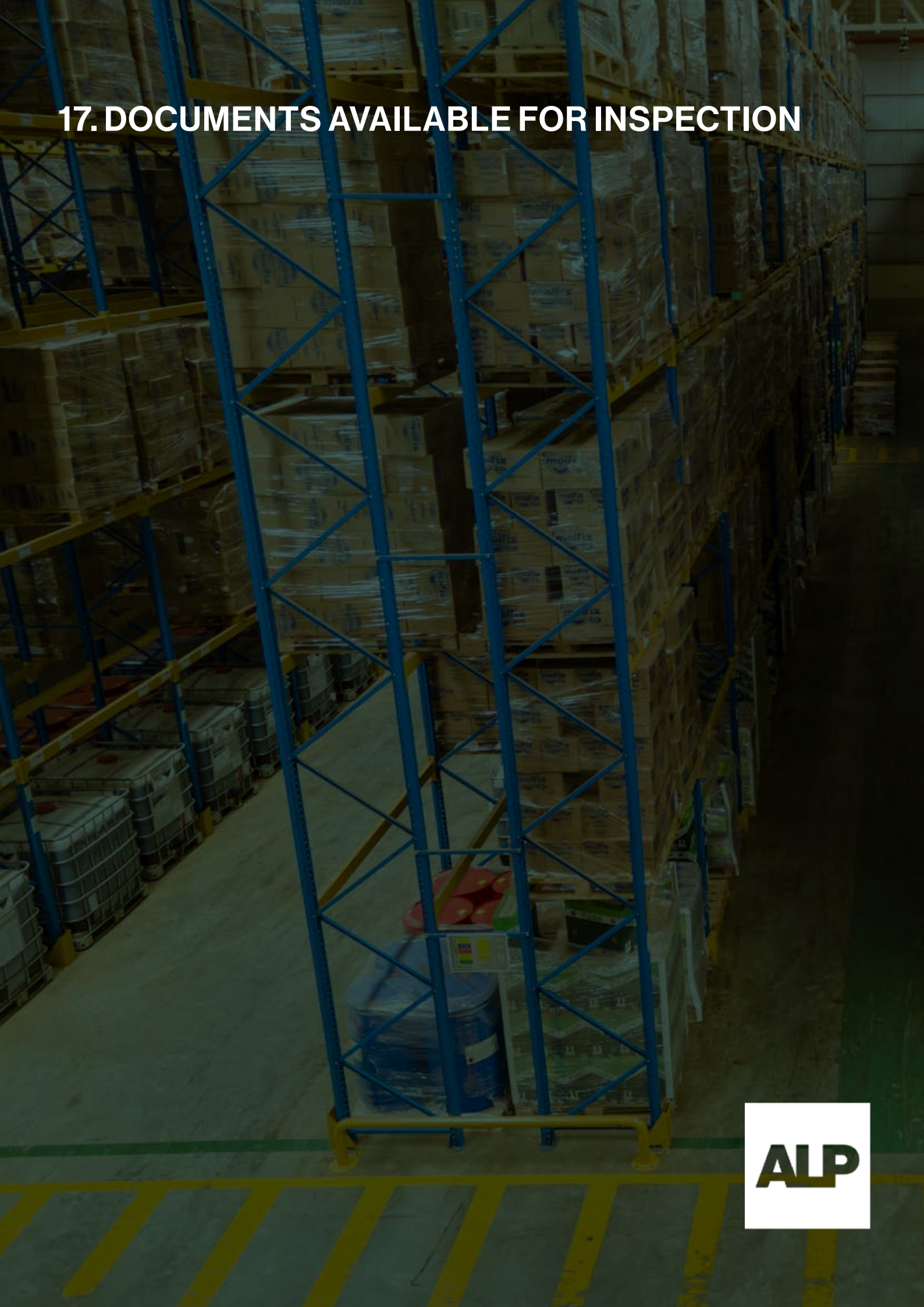
### 16.9. Borrowings and Financial Structuring

The Trustee has not entered into any borrowing arrangements on behalf of the REIT.
It is the intention of the REIT to borrow within the gearing ratios stipulated in the REIT Regulations as part of enhancing the return for Unitholders.

### 16.10. Connected Parties

The Promoter is a connected party to the REIT Manager and Property Manager. There are no other connected parties involved in the transaction.

# 17. DOCUMENTS AVAILABLE FOR INSPECTION



## 17. DOCUMENTS AVAILABLE FOR INSPECTION

On giving fourteen days' written notice to the Trustee, copies of the following documents will be available for inspection on any business day for a period of not less than three years from the date of the approval of the Offering Memorandum by the Authority, at the registered office of the Trustee or such other address as the Authority may approve and subsequently shall be made available by the Trustee for inspection for a period of not less than eight years from the date of approval.

a. the Trust Deed;
b. the Investment Policy;
c. each contract disclosed in the Offering Memorandum, including:
   - agreement with the REIT Manager
   - agreement with the Property Manager
   - and in the case of a contract not reduced to writing, a memorandum setting out the parties, date and full particulars;
d. All Valuation Reports obtained in respect of the real estate assets;
e. Sale and Purchase Agreements for the properties;
f. Structural engineer reports;
g. Legal Opinions;
h. Tax Opinions;
i. Reporting Accountant Report;
j. Audited Financial Statements for the Trustee and REIT Manager for whichever is the later of the three years prior to the date of approval of the Offering Memorandum or from the date of formation of the entity;
k. All reports, letters, opinions or other documents and statements by any expert, any part of which is extracted in or summarized in or referred to in the Offering Memorandum and where an extract or summary is included the corresponding full report shall be made available for inspection;
l. ISigned and dated consents given by any experts and copies of any withdrawals of consents (if any);
m. Any letters with any parties whether enforceable or not;
n. Copies of any court orders or other documents relating to court actions commenced against the Trustee or the REIT Manager in the previous three years relating respectively to the conduct of their duties as a Trustee or REIT Manager;
o. Approvals (and all exemptions therein) from the Authority and NSE; and
p. A copy of this approved Offering Memorandum

# 18. LEGAL OPINION

## 18. LEGAL OPINION

BOWMANS

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The Co-operative Bank of Kenya Limited
Cooperative House
Haile Selassie Avenue
P O Box 48231-00100
Nairobi
*(as REIT Trustee of the ALP REIT)*

**Attention: Lydia Muchiri, Head, Custodial & Investor Services**

Dear Sirs,

**LEGAL OPINION ON THE RESTRICTED OFFER OF ALP INCOME REAL ESTATE INVESTMENT TRUST (ALP REIT)[1]**

We refer to the above matter in which we act as legal advisers to Africa Logistics Properties Holdings Ltd (**the Promoter**) in relation to setting up of the ALP REIT (the **ALP REIT**) by the Promoter and the offer of REIT Securities of the ALP REIT to the public pursuant to the offering memorandum (the **Offering Memorandum**) to which this legal opinion (**Opinion**) is annexed.

This Opinion is issued pursuant to Regulation 17(1)(j) and Part 17 of the Fourth Schedule to the Capital Markets (Real Estate Investment Trusts) (Collective Investment Schemes) Regulations, 2013 (the **Regulations**), the Capital Markets (Public Offers, Listing and Disclosures) Regulations, 2023 (the **Listing Regulations**) and the Capital Markets (Real Estate Investment Trusts) (Collective Investment Schemes) (Amendment) Regulations, 2023.

We are Advocates of the High Court of Kenya, practicing and qualified as such to practice in Kenya, and to advise upon the laws of Kenya.

This Opinion is given in relation to the proposed establishment and offer to the public of units in the proposed ALP REIT (**Offer**) by the Promoter.

[1] IMPORTANT NOTE: This Opinion is issued and is subject to receipt of all necessary regulatory consents and approvals in respect of the ALP REIT and the contents hereof may change as a result thereof and is a working draft subject to approval by the Authority and insertion of the relevant details left in placeholders

BOWMANS

1. **PRELIMINARY MATTERS**

1.1 Unless (a) otherwise stated; or (b) the context otherwise requires, words and terms defined in the Offering Memorandum bear the same meanings in this Opinion.

1.2 This Opinion is limited to Kenyan Law as applied in the Courts of Kenya and as of the date hereof and to matters of fact prevailing as of the date of this Opinion.

2. **DOCUMENTS EXAMINED AND ENQUIRIES MADE**

2.1 For the purposes of this Opinion, we have examined originals or copies certified to our satisfaction of the following documents:

2.1.1 Memorandum and Articles of Association of Africa Logistics Properties Holdings Ltd, as Promoter, in force as at the date of this Opinion;

2.1.2 Memorandum and Articles of Association of ALP REIT Management Limited (the **REIT Manager**[2]), in force as at the date of this Opinion;

2.1.3 Memorandum and Articles of Association of the Co-operative Bank of Kenya Limited (the **REIT Trustee**) in force as at the date of this Opinion;

2.1.4 The annual returns for the last three years for the REIT Manager, the Promoter and the REIT Trustee;

2.1.5 The licence to conduct business as a REIT Manager [insert Number][3] issued to the REIT Manager and [dated][4];

2.1.6 The licence to conduct business as a REIT Trustee (No. [•]) issued to the REIT Trustee and [dated];

2.1.7 The draft of the ALP Trust Deed accompanying this Opinion;

2.1.8 The draft of the contracts between the REIT Manager or the REIT Trustee and service providers to the REIT and in particular the contract with the Valuer, the Property Manager and the Structural Engineer accompanying this Opinion.

[2] REIT Manager has applied for a licence to act as such and is awaiting the approval of the CMA
[3] The REIT Managers licence number to be inserted once issued
[4] The date of the REIT Managers licence will be inserted once the licence is issued

BOWMANS

2.1.9 The original documents of title (**Title Documents**) and search results in respect of the following properties:

2.1.9.1 A portion of Tilisi Logistics Park Plot C relating to Parcel Number TLP 1-9 being a portion of Land Reference Number 30564 (Original Number 11532/2) registered in favour of ALP West Limited (**Courtyard**);

2.1.9.2 A portion of Tilisi Logistics Park Plot B relating to Parcel Number TLP 1-9 being a portion of Land Reference Number 30564 (Original Number 11532/2) registered in favour of ALP West Two Limited (**Kyoga**); and

2.1.9.3 Tatu City Unit Number L3-47B Precinct 38A being a portion of Land Reference Number 28867/1 registered in favour of ALP North Two Limited (**ALP North Two Property**).

(together, the **Properties or Seed Assets**)

2.1.10 Where the Properties are owned by special purpose companies (the **SPVs** or **Investee Companies**), the constitution documents of those companies together with their statutory records;

2.1.11 Any material contracts entered into on behalf of the REIT Trustee; and

2.1.12 Such other records and documents as we have considered necessary or appropriate for the purposes of this Opinion in respect of the Properties, proposed REIT, Promoter, the proposed REIT Manager and the REIT Trustee.

(together, the **Documents**).

## 3. OPINION

Regulation 17(1)(j)(i) requires a Promoter and Trustee, in making an application for an authorisation of a Scheme, to submit to the Authority a legal opinion in respect of the title, encumbrances, terms of contracts and status of registration of the real estate and other assets to be vested in or set out in the Offering Memorandum that are to be vested in, acquired or transferred to the Trustee as REIT Assets.

Based upon and subject to (1) the foregoing; (2) the reservations set out below; and (3) to any matters not disclosed to us, we are of the Opinion that:

BOWMANS

3.1 **Declaration of the REIT Trust**

The draft Trust Deed proposing to establish the ALP REIT will, when duly executed be legal, valid and binding on the Promoter and the Trustee, and the proposed REIT Scheme will then be duly established as a common law unincorporated trust in accordance with the law and will at such time, be duly authorized as an Income Real Estate Investment Trust[5] (**I-REIT**).

3.2 **Licensing and appointment of the REIT Manager and Trustee**

3.2.1 The REIT Trustee is duly incorporated under the laws of Kenya and licensed to carry on the business of a REIT Trustee and is duly appointed to be the REIT Trustee of the ALP REIT. The REIT Trustee is independent of the Promoter and satisfies the requirements of Regulation 43 and 44.

3.2.2 The proposed REIT Manager is duly incorporated under the laws of Kenya and will be licensed to carry on the business of a REIT Manager and will also be duly appointed to be the REIT Manager of the proposed ALP REIT[6]. The proposed REIT Manager is ALP REIT Management Limited and is associated with the Promoter. The REIT Manager will need to satisfy the requirements of Regulation 55. In particular, the board of the REIT Manager will need to be comprised of two independent directors, one of whom shall be the chairperson of the board in compliance with Regulation 55(4); and

3.2.3 The Investee Company is duly incorporated under the laws of Kenya and has the requisite corporate power under its articles of association to enter into and execute the documents and transaction contemplated therein.

3.2.4 The REIT Management Agreement shall, when executed, be legally valid, binding and enforceable and shall comply with the Regulations.

3.3 **The Properties And Assets**

3.3.1 Regulation 7 requires that all REIT Assets be held in the name and under the control of the Trustee for the benefit of Securities Holders while Regulation 68 restricts the Trustee of an I-REIT to, *inter alia*:

[5] This will be subject to receipt of all necessary regulatory consents and approvals
[6] The REIT Manager is awaiting the licensing by CMA

BOWMANS

3.3.1.1 invest in Eligible Real Estate assets through investment in an Investee Company incorporated in Kenya which directly owns the Eligible Real Estate and which is wholly beneficially owned and controlled by the Trustee in its capacity as the Trustee of the I-REIT; or

3.3.1.2 invest in a wholly owned and controlled company which conducts real estate related activities.

3.3.2 The Act and the Regulations refer to investment by REITs through Investee Companies and state that an Investee Company must meet the requirements of Regulation 65 in respect of an I-REIT.

3.3.3 In compliance with the Regulations, within 180 days after the close of the proposed Offer, Courtyard and Kyoga shall be transferred to ALP North Two Limited. Subsequently, the transfer of the Properties into the REIT shall be effected through the acquisition of shares in ALP North Two Limited, by the Trustee on behalf of the REIT.

3.3.4 With respect to the proposed Investee Company, it meets the eligibility requirements set out under Regulation 65(1)(b) and the Authority will, upon review and upon confirmation that it meets the eligibility requirements, will approve the investment of the Eligible Real Estate assets through investment in an Investee Company as set out in the draft Trust Deed and Offering Memorandum.

3.3.5 Regulation 65(4) provides that the Promoter of an I-REIT and the REIT Manager shall propose and specify, in the Offering Memorandum, at least one real estate asset that is already vested in or proposed to be acquired and vested in the trust and for which all legal registration requirements will have been completed within one hundred and eighty (180) days of the closing of the proposed Offer. As part of the initial assets, three (3) real estate properties have been earmarked to be transferred by the Promoter to the Trustee or be vested in the Trustee through the Investee Company within 180 days of the closing of the initial offer in accordance with Regulation 65(4), as identified in section 3.3.3 above.

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3.3.6 Regulation 66(1) then provides that where an investment in a particular real estate identified in the Offering Memorandum as an initial asset has not been completed in accordance with Regulation 65(4) within one hundred and eighty (180) days, the Trustee shall, within fourteen (14) days after the expiry of the period for investment, refund in full all monies paid into the fund by investors in the REIT securities, together with any interest or earnings on the amount subscribed and without any deductions except the amounts required by law in respect of interest or other income.

3.3.7 It is not clear from the wording of Regulation 66(1) whether the refund of all monies paid into the fund by investors in the REIT securities refers to a refund of all monies paid into the fund for the acquisition of the particular real estate identified in the Offering Memorandum as an initial asset that has not been completed within one hundred and eighty (180) days, or to a refund of all monies paid into the fund (including monies allocated to the acquisition of any other real estate identified in the Offering Memorandum as an initial asset that has already been completed within one hundred and eighty (180) days.

3.3.8 It is our considered view that it is not the intent of Regulation 66(1) to require the Trustee to refund monies allocated already utilized to acquire any other real estate identified in the Offering Memorandum as an initial asset that has already been completed and transferred to the REIT in accordance with Regulation 65(4), rather, to refund monies paid into the fund for the acquisition of the particular real estate identified in the Offering Memorandum as an initial asset that has not been completed in accordance with Regulation 65(4).

3.3.9 Section 26 of the Land Registration Act, Cap 300 (the **Land Registration Act**), provides that the issuance of a certificate of title by the Registrar upon registration, or to a purchaser of land upon a transfer or transmission by the proprietor shall be taken by all courts as prima facie evidence that the person named as proprietor of the land is the absolute and indefeasible owner. This is however subject to the encumbrances, easements, restrictions and conditions contained or endorsed in the certificate of title. The title of that proprietor shall not be subject to challenge, except on the ground of fraud or misrepresentation to which the person is proved to be a party or where the certificate of title has been acquired illegally, un-procedurally or through a corrupt scheme. We have therefore, sought to establish the root of title for the Properties, based on documents available to us as at the time of this Opinion.

BOWMANS

3.3.10 Pursuant to Regulation 2 of the Regulations, eligible real estate is defined to mean in respect of real estate situated in Kenya to include real estate whose the applicable form of tenure is leasehold in respect of which either a certificate of title or certificate of lease has been issued or is a long term lease, as defined in the Land Act, Cap 280 of the laws of Kenya, which has a registered separate title number and where, in the case of each leasehold title:

3.3.10.1 as at the latter date on which the leasehold is transferred to or acquired by the trustee, investee company or trustee of the investee trust and the date on which the scheme is authorised by the Authority, the leasehold has an unexpired residual term of at least twenty-five (25) years;

3.3.10.2 the shares in the management company and any common management company established in respect of the leasehold has been or are transferred or acquired by the trustee at the same time.

3.3.11 We confirm that the unexpired residual term for Properties is more than twenty-five (25) years, being:

3.3.11.1 **Courtyard**: 99 years from 1 December 2014, less the last thirty (30) days thereof.

3.3.11.2 **Kyoga**: 99 years from 1 December 2014, less the last sixty (60) days thereof.

3.3.11.3 **ALP North Two Property**: 99 years from 1 November 2008, less the last thirty (30) days thereof.

3.3.12 We have examined copies of the long term leases[7] to the Properties together with copies of the head Certificates of Title/ Certificates of Lease and obtained searches from the Lands registry at Nairobi and confirms as follows:

[7] Under Kenyan law, long term leases for 21 years or more are deemed to be title to land.

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3.3.13 **The Properties**

**ALP WEST SEED ASSETS (Courtyard and Kyoga)**

**Ownership of the Properties – ALP West Seed Assets:**

3.3.13.1 Tilisi Developments PLC (**Tilisi**) is registered as the owner of Land Reference Number 30564 (Original Land Reference Number 11532/2) (and now converted to Tigoni/Tigoni/2[8]) (the **Tilisi Property**), pursuant to a ninety-nine (99) year lease from the Government of the Republic of Kenya from 01 December 2014.

3.3.13.2 The Tilisi Property is situated in Kiambu County and measures approximately 284.18 acres (155.0 Ha).

3.3.13.3 A title search dated 7 February 2025[9] confirms that Tilisi owns the Tilisi Property.

3.3.13.4 We have carried out a root of title review in respect of Tilisi Property based on documents available to us as at the date of this Opinion, and have established that:

3.3.13.4.1 In pursuance of surrenders registered in the Crown Lands Registry at Nairobi in Volume N. 35 Folio 262/8 and as No. IR 6263/17, 6264/22 and 6672/10, the Republic of Kenya granted Land Reference Number 11532 (original numbers part of 173/3, 7526, 7527/1 and 7527/2 and public land) comprised in Grant No. IR 20907 to Horace Hubble. Land Reference number 11532 is comprised in Deed Plan number 82305, which notes the land around it as Trust Land.

3.3.13.4.2 On 3 June 2004 Horace Hubble transferred Land Reference Number 11532 to Boxton Farmers Company Limited vide a transfer registered as Number I.R 20907/17.

3.3.13.4.3 On 27 February 2013 Boxton Farmers Company Limited transferred Land Reference Number 11532 to Red Coral Properties Limited.

3.3.13.4.4 Red Coral Properties Limited first changed its name to Tilisi Developments Limited, and subsequently to Tilisi Developments PLC.

[8] The conversion of the title is an ongoing process. A new title number has been issued by the Survey of Kenya, in respect of the Tilisi Property and the title deed bearing the new number is in the process of being issued.
[9] An updated official search will be obtained prior to proposed Offer.

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3.3.13.5 The current certificate of title number I.R **179308** for land reference11532/2 now known as Land reference number **30564** was issued pursuant to a Lease and is registered in favour of Tilisi Developments PLC.

3.3.13.6 Of the 284.18 acres (155.0 Ha) owned by Tilisi, 49.148 acres (19.889 Ha) (**ALP Property**) was leased to ALP West Limited for the remainder of 99 years from 01 December 2014 and designated as Parcel Number TLP 1-9 (**ALP West Head Lease**).

3.3.13.7 Of the 49.148 acres (19.889 Ha) under the ALP West Head Lease:

3.3.13.7.1 an area of 10.317 acres/4.175 hectares remained under the ALP West Head Lease (and includes **Courtyard, measuring only 1.598 hectares**) (**ALP West Property**); and

3.3.13.7.2 an area of 12.831 acres/5.192 hectares was subleased to ALP West Two (**ALP West Two Long Term Lease**) (including **Kyoga, measuring only 1.966 hectares**) (**ALP West Two Property**); and

3.3.13.7.3 the other property was subleased to a wholly owned subsidiary of ALPH. This portion is not part of the Seed Assets.

3.3.13.8 The georeferencing of the ALP West Head Lease has commenced in order to comply with the law requiring geo-referencing of all long term leases, being, Section 54(5) of the Land Registration Act, Regulation 77 of the Land Registration (General) Regulations, 2017, and the provisions of the Sectional Properties Act (Chapter 286 of the Laws of Kenya) and the Sectional Properties Regulations, 2021 (**Georeferencing Legal Framework**)[10].

3.3.13.9 As part of the geo-referencing process, ALP West Limited has re-organised the initial three (3) parcels of land held under long term leases as set out in paragraph 3.3.13.7 into seven (7) new parcels (pursuant to Section 22(2) of the Land Registration Act), namely:

3.3.13.9.1 Tigoni/Tigoni Block 2/LTL/13/LTL/1 (**Courtyard**)

3.3.13.9.2 Tigoni/Tigoni Block 2/LTL/13/LTL/2

3.3.13.9.3 Tigoni/Tigoni Block 2/LTL/13/LTL/3

3.3.13.9.4 Tigoni/Tigoni Block 2/LTL/13/LTL/4 (**Kyoga**)

[10] Upon completion of the georeferencing, we will update our Opinion

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3.3.13.9.5 Tigoni/Tigoni Block 2/LTL/13/LTL/5

3.3.13.9.6 Tigoni/Tigoni Block 2/LTL/13/LTL/6

3.3.13.9.7 Tigoni/Tigoni Block 2/LTL/13/LTL/7

3.3.14 For purposes of this Opinion, the relevant properties are Courtyard and Kyoga. The outstanding steps in relation to the georeferencing process are registration of the sectional plan at the Lands Registry, during which the Land Administration Officer and the Lands Registrar will endorse the plan.[11]

3.3.15 Registration of the Tilisi Property sectional plan must precede that of the ALP West Property sectional plan, as the Head Title (for the Tilisi Property), must first be registered at the Lands Registry[12], before the sectional plans for all the underlying titles/long term subleases can be processed, including, for purposes of this Transaction, the sectional plan for the ALP West Head Lease.

3.3.16 Registration of the Tilisi Property sectional plan is expected to take approximately 45 to 60 days, after which registration of the ALP West Property sectional plan will follow, taking approximately 30 to 60 days.[13]

3.3.17 A title search dated 7 February 2025 confirms that ALP West Limited owns the ALP West Property (including Courtyard) and ALP West Two Limited owns the ALP West Two Property, including Kyoga [14].

3.3.18 **Proposed Structure of Transfer of ALP West Seed Assets to the REIT**

Kyoga and Courtyard will be transferred to ALP North Two Limited, which will then hold Kyoga, Courtyard, and the ALP North Two Seed Asset. Thereafter, all shares in ALP North Two Limited are to be transferred to the REIT Trustee. The REIT Trustee would, post transaction, transfer Kyoga and Courtyard into subsidiaries of ALP North Two Limited to achieve operational separation.

[11] Upon completion of the georeferencing, we will update our Opinion

[12] The conversion of the title is an ongoing process. A new title number has been issued by the Survey of Kenya, in respect of the Tilisi Property and the title deed bearing the new number is in the process of being issued.

[13] Whilst these are estimated timelines, the process is dependent on registration formalities at the Lands Registry

[14] An updated official search will be obtained prior to proposed Offer.

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3.3.19 **Encumbrances**

3.3.19.1 Upon reviewing the title document in respect of the Tilisi Property (**Tilisi Title**), we note that:

3.3.19.1.1 the Tilisi Title is free from any charges, and no cautions are registered against it;

3.3.19.1.2 there are various long term leases registered against the Tilisi Title, relating both to properties sold to third parties (including ALP West Limited and its related parties) and to properties retained by Tilisi.

3.3.19.2 ALP West Limited and ALP West Two Limited have charged ALP West Property (**Courtyard**) and ALP West Two Property (**Kyoga**) in favour of Stamford TC Limited (as security trustee for Standard Bank of South Africa Limited - SBSA) for USD 35,508,000[15]. These legal charges will be discharged prior to settlement of the ALP West Seed Assets in the REIT Trustee.

3.3.19.3 There are various tenant leases (**Tenant Leases**) registered against the ALP West and ALP West Two Property leases. The key particulars of the Tenant Leases are contained in Schedule 1.

3.3.20 **Disclosure of Historical Injustice Claims**

3.3.20.1 Pursuant to the Constitution of Kenya 2010, and the National Land Commission Act (Chapter 281 of the Laws of Kenya) and the Historical Land Injustice Rules 2016, the National Land Commission may initiate investigations, on its own, or on a complaint, on any present or historical land injustice, and recommend appropriate redress.

3.3.20.2 A historical land injustice claim means a grievance which:

3.3.20.2.1 was occasioned by a violation of a land right on the basis of any law or policy,

3.3.20.2.2 resulted in displacement from their habitual place of residence,

3.3.20.2.3 occurred between 15 June 1895 and 27th August 2010, has not been sufficiently resolved and subsists unto the period described, and meets the following criteria:

a. it is verifiable that the act resulted in displacement of the claimant; and

[15] We understand from the Promoter that the outstanding loan amount is approximately USD 25,000,000 as a portion of the loan has been pre-paid and the Promoter will provide written evidence of this directly to the CMA.

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b. the claim has not and is not capable of redress through the ordinary court system either due to the fact that it (i) contradicts a law that was in force at the time the injustice began; or (ii) is time barred under the Limitations of Actions Act (Chapter 22 of the laws of Kenya) or any other law among other factors.

3.3.20.3 A claim for historical land injustice is permissible if it was occasioned by, among other things, colonial occupation, independence struggle, pre-independence treaties, development induced displacement without adequate compensation, or corruption.

3.3.20.4 Tilisi Developments PLC has been served with three (3) petitions claiming historical land injustice. The petitions cover a large section of the entire Limuru Sub-County and are not localized to the Tilisi Property only. The area of land covered by each claim is several kilometers squared. The petitions are follows:

3.3.20.4.1 Petition dated 10 January 2018 by Mbari ya Githua Mutonga Association;

3.3.20.4.2 Petition dated 10 January 2019 by Mbari ya Nyamu Association; and

3.3.20.4.3 Petition dated 24 March 2021 by Mbari ya Kabui Association;

3.3.20.4.4 The petitions have not yet been finally heard and determined[16].

3.3.20.5 There are legal and practical complexities that would likely arise. For example, most, if not all land in Kenya was under colonial occupation between 1895 and 1963 when Kenya gained its independence. Therefore, if a historical land injustice were to be allowed on the basis of, among other elements, colonial occupation, then most of Kenya's title deeds would in our view, likely to be susceptible to challenge.

3.4 **Tenant Leases**

The Tenant Leases are duly and validly executed, registered and in full force and effect as at the date hereof and at least 75% of each of the Properties are presently occupied and are expected to be fully occupied by commercial tenants within two (2) years from the date of its authorization by the Capital Markets Authority, and that such occupancy is expected to generate income to meet the requirements of Regulation 69(1).

[16] To be updated in the event these petitions are determined prior to going to market.

BOWMANS

3.5 **Easement**

3.5.1 We have reviewed the Grant of Easement dated 20 April 2021 between ALP West Limited (as Grantor) and ALP West Two Limited and ALP West Three Limited (as Grantees), which relates to a 7.07- acre portion of TLP 1–9, the ALP West Head Lease.

3.5.2 The easement confers rights and privileges over, along, and through the Retained Parts of the ALP West Head Lease, being those areas not leased or adapted for leasing or occupation by the Grantor or any other permitted occupiers. These include the access road within the ALP West Property as well as common infrastructure.

3.5.3 **The Properties**

**ALP NORTH SEED ASSET**

**Ownership of the Property – ALP North Two Seed Asset:**

3.5.3.1 Tatu City Limited (**Tatu City**) is registered as the owner of Land Reference Number 28867/1 (Original Land Reference Number 28867) (and now converted to Ruiru West Block 71/2[17])(the **Tatu City Property**), pursuant to a ninety-nine (99) year lease from the Government of the Republic of Kenya from 01 November 2008, title number I.R. 137858.

3.5.3.2 The Tatu City Property is situated in Kiambu County and measures approximately 963.87 hectares (2.381.77 acres), following excision of 32.65 hectares (80.67 acres), designated as Land Reference Number 28867/2 and Numbers I.R. 137858/9 and I.R 158766.

3.5.3.3 A title search dated 7 February 2025 confirms that Tatu City owns the Tatu City Property[18].

3.5.3.4 We have carried out a root of title review in respect of Tatu City Property based on documents available to us as at the date of this Opinion, and have established that:

[17] The conversion of the title is an ongoing process. A new title number has been issued by the Survey of Kenya, in respect of the Tatu City Property and the title deed bearing the new number is in the process of being issued. We will update our Opinion to reflect the position prior to the Offer.
[18] An updated official search will be obtained prior to proposed Offer.

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3.5.3.5 Tatu City Property was granted by the Government of Kenya under Grant No. I.R. 137858, following the extension of user and amalgamation of five parcels, namely, Land Reference Numbers **28078, 28079, 28080, 28081, and 28091**. Its dimensions and boundaries are set out in Land Survey Plan 326405, while those of the ALP North Two Seed Asset, Parcel Number L3-47B, are detailed in a parcel plan registered in Volume D1 Folio 286/4876 File MMXVII at the Nairobi Registry of Documents.

3.5.3.6 Land Reference Number 91/1, measuring approximately 398.3 hectares and held on a freehold basis, was acquired by Kofinaf in 1951 and subsequently transferred to Waguthu Holdings (now Tatu City) in 2008. Following a change of user from agricultural to residential/commercial use in 2009, the property was surrendered and reissued as Land Reference Number **28078** for a term of 99 years from 1 November 2008, before being surrendered again in 2012 to facilitate amalgamation and extension of use resulting in the current Tatu City Property.

3.5.3.7 Land Reference Number 104, measuring approximately 650 acres and held on a freehold basis, was acquired by Kofinaf in 1951 and transferred to Waguthu Holdings in 2008. A change of user was completed in 2009, resulting in the issuance of a new title and Land Reference Number **28081**, for a term of 99 years from 1 November 2008, before being surrendered again in 2012 to facilitate amalgamation and extension of use resulting in the current Tatu City Property.

3.5.3.8 Land Reference Number 8182, measuring approximately 46.5 hectares and held on a 952-year lease from 1952 under Grant IR 9150, was owned by Kofinaf before being transferred to Waguthu Holdings in 2008, with details on change of user and subsequent surrender or amalgamation yet to be determined. However, it is what became Land Reference **28080**, which parcel of land was subsequently surrendered in 2012 to facilitate the amalgamation and extension of use resulting in the current Tatu City Property.

3.5.3.9 Land Reference Number 10901/22, measuring approximately 1.446 hectares and held on a 940-year lease from 1963 under Certificate of Title IR 43611, was owned by Kofinaf and transferred to Waguthu Holdings in 2008. Following a change of user in 2009, a new title and Land Reference Number **28091**, was issued for a term of 99 years from 1 November 2008, and the property was subsequently surrendered in 2012 to facilitate amalgamation and extension of use resulting in the current Tatu City Property.

BOWMANS

3.5.3.10 Land Reference Number 11538/6, measuring approximately 367 hectares and held on a 938-year lease from 1965 under Certificate of Title IR 112370, was owned by Kofinaf before being transferred to Waguthu Holdings in 2008. A change of user was completed in 2009, resulting in the issuance of a new title and Land Reference Number **28079**, for a term of 99 years from 1 November 2008, after which the property was surrendered in 2012 to facilitate amalgamation and extension of use resulting in the current Tatu City Property.

3.5.3.11 The ALP North Two Property measures approximately 6.6 acres (2.67 Ha) being a portion of the Tatu City Property and comprised in the ALP North Two Lease (the **ALP North Two Seed Asset**).

3.5.3.12 The georeferencing of the ALP North Two Lease will soon commence in order to comply with the Georeferencing Legal Framework[19].

3.5.3.13 The outstanding steps in relation to the georeferencing process are (a) completing formalities connected to georeferencing and (b) registration of the sectional plan at the Lands Registry by Tatu City in compliance with the Georeferencing Legal Framework.

3.5.3.14 Registration of the Tatu City Property sectional plan must precede that of the ALP North Two Property sectional plan[20], as the Head Title (for the Tatu City Property), must first be registered at the Lands Registry, before the sectional plans for all the underlying titles/long term subleases can be processed, including, for purposes of this Transaction, the section plan for the ALP North Two Lease.

3.5.3.15 We have requested Tatu City to provide the timeline for completion of the registration of its sectional plan to pave way for registration of the sectional plan for ALP North Two Seed Asset. The timeline has not yet been provided.

3.5.4 **Proposed Structure for Settlement of the ALP North Two Seed Asset into the REIT**

Kyoga and Courtyard will be transferred to ALP North Two Limited, which will then hold Kyoga, Courtyard, and the ALP North Two Seed Asset. Thereafter, all shares in ALP North Two Limited are transferred to the REIT Trustee. The REIT Trustee would, post transaction, transfer Kyoga and Courtyard into subsidiaries of ALP North Two Limited to achieve operational separation.

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[19] Upon completion of the georeferencing, we will update our Opinion

[20] The conversion of the title is an ongoing process. A new title number has been issued by the Survey of Kenya, in respect of the Tatu City Property and the title deed bearing the new number is in the process of being issued. We will update our Opinion to reflect the position prior to the Offer.

BOWMANS

3.5.5 **Encumbrances**

Upon reviewing the title document in respect of the Tatu City Property (the **Tatu City Title**), we note that the following interests are registered against the title:

3.5.5.1 the Master Declaration;

3.5.5.2 approximately 700 long-term leases including the ALP North Two Lease; and

3.5.5.3 various partial discharges relating to a charge registered on 29 March 2013 in favour of Renaissance Partners Investors Limited including a partial discharge of the ALP North Two Property;

3.5.5.4 ALP North Two Limited has charged ALP North Two Property in favour of Stamford TC Limited (as security trustee for Standard Bank of South Africa Limited - SBSA) for USD 35,508,000. It is proposed that this legal charge will be discharged prior to transfer of shares in ALP North Two Limited to the REIT Trustee;

3.5.5.5 there are various tenant leases (Tenant Leases) registered against the ALP North Two Property Lease. The key particulars of the Tenant Leases are contained in Schedule 2.

3.5.6 **Master Declaration**

3.5.6.1 The Master Declaration is registered by Tatu City over the Tatu City Property which sets out the covenants, conditions and restrictions imposed by Tatu City on all owners of parcels, including ALP North Two Property, occupiers and invitees on the Tatu City Property.

3.5.6.2 We have highlighted some of the covenants in the Master Declaration that will affect the ALP North Two Property below. Additional covenants are as set out in the Master Declaration.

3.5.6.3 Tatu City is entitled to lease back from a parcel owner any unutilized part of the roof space for purposes of installation of solar panels/photovoltaic cells for electricity production for the benefit of all the occupiers of the Tatu City Property. There are existing solar panels on the roof of the ALP North Two Seed Asset owned and operated by ALP North Two Limited so no space for Tatu City to lease-back.

3.5.6.4 Parcel owners are prohibited from drilling and abstracting water from boreholes on their parcels.

BOWMANS

3.5.6.5 Parcel owners (including ALP North Two Limited) are required to pay service charge quarterly for purposes of maintenance of the common areas within the Tatu City Property and to cover the costs of the common services offered. Where service charge remains unpaid for fourteen (14) days from the due date, then penalty interest is levied on the outstanding service charge at the rate of 3% per month until payment in full.

3.5.6.6 All developments and improvements to the parcels within the Tatu City Property (including the Property) must be approved in writing by the Tatu City Development Control Company Limited (the Development Control Company) before commencement of actual construction. Review and approval of the building plans submitted by parcel owners shall be subject to payment of design review fees to the Development Control Company.

3.5.6.7 In the event that a parcel owner fails to complete construction within four (4) years from the date of registration of its parcel's lease, such owner shall be liable to pay a fine/delay damages to Tatu City Limited at the rate of 1% per month of the lease premium paid for the parcel, and such fine shall be compounded annually for the period the parcel owner's development remains incomplete.

3.5.6.8 Tatu City Limited is entitled to promulgate Internal Environmental Standards setting out various responsibilities in respect of environmental sustainability within the Tatu City Property. All parcel owners are required to comply with the Internal Environmental Standards and are liable for all costs incurred in remedying any violations and fines imposed by Tatu City.

3.6 **Tenant Leases**

The Tenant Leases are duly and validly executed, registered and in full force and effect as at the date hereof and at least 75% of the Property is presently occupied and is expected to be fully occupied by commercial tenants within two (2) years from the date of its authorization by the Capital Markets Authority, and that such occupancy is expected to generate income to meet the requirements of Regulation 69(1).

3.7 **Disclosure of ongoing disputes**

3.7.1 We confirm that there are no Historical Land Injustice Claims in relation to the Tatu City Property.

BOWMANS

3.7.2 We have carried out a case search on the National Council of Law Reporting website, the Kenya Law Reports (http://kenyalaw.org/caselaw/) and came across no reported decisions relating to the ALP North Two Limited or the ALP North Two Seed Asset.

3.7.3 We have identified several reported cases relating to the Tatu City Property and Tatu City which have been listed in Schedule 3.

3.7.4 As at the date of this Opinion, there are no matters known to us which lead us to believe that Offering Memorandum contains any untrue statement of a material fact relating to the Properties or otherwise omits a material fact relating to the Properties which should be disclosed in the Offering Memorandum. We are not aware of any matter relating to the Properties which is likely to or could have a material adverse effect on the proposed ALP REIT which is not disclosed in the Offering Memorandum.

3.8 **Compliance**

The disclosure made in the Offering Memorandum is in compliance with the Regulations and the Listing Regulations in respect of an I-REIT.

3.9 **Licenses and Consents**

3.9.1 All authorizations, approvals, consents, licenses, exemptions, filings or registrations of or with any governmental or public bodies or authorities of or in Kenya required in connection with the Properties of the proposed REIT will be obtained in proper form and shall be in full force and effect when the proposed Offer is made.

3.9.2 All authorizations, approvals, consents, licenses, exemptions, filings or registrations of or with any governmental or public bodies or authorities of or in Kenya required in connection with the carrying on of the business of proposed REIT Manager and REIT Trustee by the proposed REIT Manager and the REIT Trustee respectively will have been obtained in proper form and shall be in full force and effect when the proposed Offer is made.

3.10 **Authorized and issued REIT Units**

3.10.1 The proposed REIT Units of the proposed Trust will as at the date of the Offer, subject to receipt of authorization, be unlimited and have a nominal value of United States Dollars (USD [insert][21]) per Unit.

[21] Amount to be confirmed on approval of the REIT

BOWMANS

3.10.2 There shall be no issued REIT Units of the proposed Trust as of the date of the Offer.

3.10.3 The Promoter shall be subject to Lock-in provisions as set out in Regulation 74 of the Regulations.

3.10.4 Liability of any Unitholders in the proposed REIT will be limited to their interests in the units held.

3.10.5 The Units in the proposed ALP REIT will be freely transferable subject only to compliance with the trading rules of the Nairobi Securities Exchange Limited.

## 4. COMPLIANCE OF THE TRUST DEED WITH THE REGULATIONS

4.1 Declaration of the ALP REIT Scheme:

4.1.1 Regulation 17 (1) (j) (ii) requires a Promoter and Trustee, in making an application for authorization of a Scheme, to submit to the Authority a legal opinion on the compliance of the Trust Deed with the Regulations.

4.1.2 The proposed ALP REIT will be duly structured as a common law unincorporated trust, in accordance with the law, which is divided into Units and shall be duly authorized[22] by the Authority as an income real estate investment trust.

4.1.3 The ALP REIT has will have unlimited duration subject to the Perpetuities and Accumulations Act (Chapter 161 of the Laws of Kenya) as provided for in Clause 30.1 of the draft Trust Deed.

4.1.4 The draft Trust Deed proposing to establish the proposed ALP REIT will on executed by the Promoter, the proposed REIT Manager and the Trustee be legal, valid, and enforceable, and shall comply with the Regulations and constitute legal, valid and binding obligations of the Promoter, the proposed REIT Manager and the Trustee, and enforceable by the Trustee[23].

4.1.5 The Authority is yet to authorize the proposed ALP REIT and an application such authorisation has accompanied this Opinion[24].

4.2 The draft Trust Deed sets out the following matters as specified in the First Schedule of the Regulations:

4.2.1 Establishment of the ALP REIT and vesting of property:

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[22] The application for authorisation has been made to the CMA.
[23] To be updated prior to the Offer
[24] This paragraph will be updated once the outcome of the application for authorisation is received from the CMA

BOWMANS

4.2.2 Appointment of the Trustee and duty of Trustee;

4.2.3 Requirement for segregation of assets and acknowledgement that the Trustee has no claim on the REIT Assets;

4.2.4 Securities Holders as Beneficiaries;

4.2.5 Initial role of the Promoter and obligations;

4.2.6 Promoter's Covenants;

4.2.7 Appointment of the REIT Manager[25] and duties of the REIT Manager;

4.2.8 Appointment retirement, removal and replacement of the REIT Manager;

4.2.9 Objectives of the ALP REIT and Eligible Assets;

4.2.10 Trustee's powers;

4.2.11 Trustee's borrowing capacity and ability to charge the REIT Assets as security and right to indemnity;

4.2.12 Trustee's covenants;

4.2.13 Appointment, retirement, removal and replacement of the Trustee;

4.2.14 REIT Manager's covenants;

4.2.15 Joint covenants of Trustee, Promoter and the REIT Manager;

4.2.16 Income and capital gains entitlements and distributions;

4.2.17 Initial issue of Units;

4.2.18 New issues of Units;

4.2.19 Right to redemption of Units;

4.2.20 Appointment of Valuers and valuation of assets;

[25] The REIT Manager is awaiting the licensing by CMA, as at the date of this Opinion

BOWMANS

4.2.21 Trustee's costs, fees and expenses;

4.2.22 REIT Manager's costs, fees and expenses;

4.2.23 Amendments to the Scheme Documents;

4.2.24 Connected Person Transactions;

4.2.25 Meetings of Securities Holders;

4.2.26 Transfers and restrictions on transfers; and

4.2.27 Termination and winding up of the ALP REIT.

## 5. MATERIAL MATTERS

We note the following material matters:

### 5.1 Material Litigation

To the best of our knowledge and after due and careful inquiry, save as disclosed in this Opinion, the proposed REIT and the Properties are not subject or party to any material litigation.

### 5.2 Material Contracts

Save for contracts entered into by the Promoter for purposes of and in the ordinary course of setting up the proposed REIT, the proposed REIT has not entered into any material contracts which are not disclosed in the Offering Memorandum. As at the date of this Opinion, the proposed REIT is not in breach of any material contractual obligations.

### 5.3 Material Borrowings

The Trustee has not entered into any borrowing arrangements on behalf of the REIT.

### 5.4 Other Material Matters

To the best of our knowledge, there are no other material items not mentioned in the Offering Memorandum of which we are aware with regard to the legal status of the proposed REIT, the Initial Properties and the SPVs and the proposed Offer contemplated in the Offering Memorandum.

BOWMANS

6. **CONSENT**

We consent to the inclusion of this Opinion in the Offering Memorandum to be issued for the Offer in the form and context in which it appears. We confirm that we have given and, as at the date of issue of the Offering Memorandum, have not withdrawn our consent to the inclusion of our legal opinion, being this Opinion, in the Offering Memorandum.

7. **REGISTRATION AND APPROVALS**

7.1 The Offering Memorandum does not require to be registered in any registry but does require the approval of the Capital Markets Authority which approval has been sought[26].

7.2 The listing of the proposed REIT Securities of the proposed ALP REIT requires the approval of the Nairobi Securities Exchange (**NSE**) pursuant to the NSE Listing Manual, which approval will be sought and be obtained prior to such listing[27].

8. **ASSUMPTIONS AND QUALIFICATIONS**

8.1 This Opinion is strictly limited to the matters stated herein and is not to be read as extending by implication to any other matter related to the subject matter hereof or otherwise.

8.2 This Opinion is issued on the following assumptions:

8.2.1 All information contained in the Offering Memorandum and all information provided to us by the Promoter and the proposed REIT Manager and the respective officers and advisers is true, accurate and up to date;

8.2.2 None of the Documents have been amended and all Documents remain in full force and effect in the same form reviewed and/or prepared by us and none of the parties has taken any action or entered into any agreement, document or arrangement which is inconsistent with any of the documents to which it is a party or any of its rights and obligations thereunder;

8.2.3 In relation to each of the Documents, each party to the Documents has taken all necessary corporate or other action required to authorise execution and delivery of the Documents and the exercise of its rights and performance of its obligations under the Document;

[26] To be updated once the CMA renders its decision on the application for approval made on or about the date of this Opinion.
[27] To be updated once NSE approval is sought and obtained

BOWMANS

8.2.4 All Documents submitted to us are authentic and signatures thereto genuine and all individuals acting as corporate officers or public officials had capacity to enter into or perform their obligations thereunder;

8.2.5 The searches from the Companies Registry are accurate and reflect the current interest in the Investee Company;

8.2.6 The searches from the Lands Registry and information contained in the copies of the Title Documents are accurate and reflect the accurate records held by the Ministry of Lands and Physical Planning;

8.2.7 All information provided to us by offices of public record is accurate and complete;

8.2.8 All material statements of fact, opinions and views expressed to us by or on behalf of the Promoter, the proposed REIT Manager, Property Manager and Investee Company and relevant to this Opinion were honestly held by them and that all such opinions expressed were made and continue to be based on reasonable assumptions and continue to be true, accurate and not misleading in any way; and

8.2.9 There is no other fact, matter or document which would, or might, materially affect this Opinion and which was not revealed by the Documents examined and the searches and enquiries made.

8.3 This Opinion is strictly limited to Kenyan law and does not purport to provide an opinion on matters arising from the law in any other jurisdictions.

8.4 We express no opinion as to any document other than the material documents expressly referred to in this Opinion.

8.5 We express no opinion as to any matter not stated herein.

Yours faithfully,

Coulson Harney

**Coulson Harney LLP**

Cc: The Directors
Africa Logistics Properties Holdings Ltd
Post Office Box Number 1925-00502
Karen

BOWMANS

**SCHEDULE 1**

**ALP WEST SEED ASSETS - SUMMARY OF TENANT LEASES REVIEW**

| Number | Lease | Term | Properly Executed | Stamped | Registered |
|---|---|---|---|---|---|
| 1. | Sublease between ALP West Limited and Tigoni Grown Limited over Unit F in Warehouse Number 1 and 2, ALP West Logistics Park, Tilisi, situated in Plot C. | 6 years from 1 January 2021 | Yes | Yes | Yes |
| 2. | Sublease between ALP West Limited and SP-Logistics Holdings Limited over Unit C2, the courtyard, situated in Plot C, ALP West Logistics Park, Tilisi[28] | 5 years and 2 months from 1 July 2021 | Yes | Yes | Yes |
| 3. | Sublease between ALP West Limited and Ultimate Sports Nutrition (Kenya) Limited over Units B1 and B2, the Courtyard, situated in Plot C, ALP West Logistics Part, Tilisi as varied by Further Lease and Deed of Variation dated 18 August 2025. | 8 years from 1 December 2026 (which in addition to the previous 5 years 3 months on the original Sublease is a total 13 years 3 months from 1 September 2021) | Yes | Yes | The Sublease is duly registered.<br><br>The registration of the Further Lease and Deed of Variation is ongoing[29]. |

[28] This lease was assigned to Oximio Limited via a deed of assignment, novation and variation dated 10 September 2021. We understand that the registration of this deed of assignment has just been completed. We have however not been provided with a copy of the registered deed

[29] The lawyers handling the registration of this lease are in the process of agreeing the terms of the professional undertaking in terms of which security agent and lender (SBSA) will release the original title deed (which is charged to the security agent on behalf of SBSA as earlier disclosed), will be released to them for purposes of registration of this lease.

BOWMANS

| Number | Lease | Term | Properly Executed | Stamped | Registered |
|---|---|---|---|---|---|
| 4. | Sublease between ALP West Limited, Yamy Yago Fruits Limited, and Sekar Varun over Units 1 and 2 at the Courtyard, situated in Plot C, ALP West Logistics Park Tilisi | 5 years and 6 months from 1 October 2023. | Yes | Yes | Yes |
| 5. | Sublease between ALP West Limited and Yamy Yago Fruits Limited (Guarantor: Sekar Varun) over Unit D1, the Courtyard, ALP West Logistics Park, Tilisi, situated in Plot C. | 5 years 3 months from 1 May 2025 | Yes | Yes | No. This is ongoing. [30] |
| 6. | Sublease between ALP West Limited and Kathy's Properties Limited (Guarantor: Kathy's Fresh Limited) over Units A1 and A2, the Courtyard, ALP West Logistics Park, Tilisi, situated in Plot C.<br>Kathy's Properties Limited have issued a notice to vacate by 30 October 2025. | 5 years 3 months from 1 June 2024 | Yes | Yes | No. This is ongoing. [31] |
| 7. | Sublease between ALP West Two Limited and Packed at Source Africa over Unit D1, D2 and part C2 at Kyoga, ALP West Logistics Park, Tilisi. | 10 years 6 months from 1 October 2023 | Yes | Yes | Yes |

[30] The lawyers handling the registration of this lease are in the process of agreeing the terms of the professional undertaking in terms of which security agent and lender (SBSA) will release the original title deed (which is charged to the security agent on behalf of SBSA as earlier disclosed, will be released to them for purposes of registration of this lease.

[31] The lawyers handling the registration of this lease are in the process of agreeing the terms of the professional undertaking in terms of which security agent and lender (SBSA) will release the original title deed (which is charged to the security agent on behalf of SBSA as earlier disclosed, will be released to them for purposes of registration of this lease.

BOWMANS

| Number | Lease | Term | Properly Executed | Stamped | Registered |
|---|---|---|---|---|---|
| 8. | Sublease between ALP West Two Limited and Printcare Packaging East Africa Limited Sublease over Units A, B, C, E2, F and G at Kyoga, ALP West Logistics Park, Tilisi. | 10 years 6 months from 1 December 2023 | Yes | Yes | Yes |
| 9. | Sublease between ALP West Two Limited and Geneplus Global Limited over Unit C1, ALP West Logistics Park, Tilisi. | 5 years 3 months from 29 October 2024 | Yes | Yes | No. This is ongoing[32] |

[32] The lawyers handling the registration of this lease are in the process of agreeing the terms of the professional undertaking in terms of which security agent and lender (SBSA) will release the original title deed (which is charged to the security agent on behalf of SBSA as earlier disclosed), will be released to them for purposes of registration of this lease.

BOWMANS

**SCHEDULE 2**

**ALP NORTH SEED ASSET - SUMMARY OF TENANT LEASES REVIEW**

| No. | Lease | Term | Properly Executed | Stamped | Registered |
|---|---|---|---|---|---|
| 1. 7 | Sublease between ALP North Two Limited and Mapei East Africa Limited over a portion of Warehouse No. 2, ALP North Logistics Park, Tatu, situated in Plot L3-47B, Precinct 3BA | 5 years from 1 May 2025 | Yes | Yes | No. This is ongoing. [33] |
| 2. | Sublease between ALP North Two Limited and Greenlight Planet Kenya Limited (Guarantor: Greenlight Planet Hong Kong Limited) over a portion of Warehouse No. 2, ALP North Logistics Park, Tatu. | 5 years 2 months from 13 January 2025 | Yes | Yes | No. This is ongoing.[34] |

[33] The lawyers handling the registration of this lease are in the process of agreeing the terms of the professional undertaking in terms of which security agent and lender (SBSA) will release the original title deed (which is charged to the security agent on behalf of SBSA as earlier disclosed), will be released to them for purposes of registration of this lease.

[34] The lawyers handling the registration of this lease are in the process of agreeing the terms of the professional undertaking in terms of which security agent and lender (SBSA) will release the original title deed (which is charged to the security agent on behalf of SBSA as earlier disclosed), will be released to them for purposes of registration of this lease.

BOWMANS

**SCHEDULE 3**

**TATU CITY LITIGATION**

The court cases listed below are disclosed in relation to the ALP North Two Seed Asset and ALP North Two Limited, as at the date of this Opinion.

1. Tatu City Limited, Kofinaf Company Limited, Nahashon Ngige Nyagah & Vimalkumar Bhimji Depar Shah v. Stephen Jennings & 6 others (Civil Case Number 46 of 2015)

2. Dubai Gems Limited v Tatu City Limited & Cedar IV Limited (Civil Case Number E308 of 2023)

3. Tatu City Limited & another v Ethics & Anti-Corruption Commission & another (ACEC Case Numbers 1 and 37 of 2019)

4. Republic & 2 others v Ethics & Anti-Corruption Commission & another; Tatu City Limited & another (*Ex parte*); SG & 3 others (Interested Parties) (Anti-Corruption and Economic Crimes Judicial Review 1 of 2019 & Anti-Corruption and Economic Crime Petition 37 of 2019 (Consolidated)) [2022]

5. Home Bridge Limited v. Tatu City Limited & Another (Ruiru CM CC No. E339 of 2021)

6. Tatu City Limited & Another v. Home Bridge Limited (Commercial Appeal E010 of 2024 – Thika)

7. Tatu City Limited v. Home Bridge Limited (ELC E046 of 2023)

8. William K. Gitau v. Stephen Jennings & Others (High Court Civil Case Number E629 of 2021)

9. Tatu City Limited, Kofinaf Company Limited, Nahashon Ngige Nyagah & Vimal Kumar Bhimji Depar Shah v. Stephen Jennings, Frances Holiday, Hans Jochum Horn, Pius Mbugua Ngugi, Frank Mosier, Anthony Njoroge & Christopher Barron (Civil Appeal Number 259 of 2015)

10. Vimalkumar Bhimji Depar Shah & another v Stephen Jennings & 5 others (Civil Case Number 300 of 2015)

11. Ongata Works Limited v Tatu City Limited (Civil Suit 504 of 2017)

12. Gilulu Investments Limited & 2 others v Gunga Properties Limited & 9 others (Civil Case E594 of 2021)

13. Republic v Senior Principal Magistrate's Court at Kiambu & 3 others Ex Parte; Tatu City Limited & another (Miscellaneous Civil Application Judicial Review 3 of 2018)

14. Joseph Muigai Muroki v Tatu City Limited (ELC E079 of 2022)

15. Tatu City Limited & another versus Taibjee Bhalla Advocates (Originating Summons Number E702 of 2021)

16. P.M. Wamae & Company Advocates vs Rosemary Wanjiru, Tatu City Limited & others (Nairobi High Court Commercial Case Number 93 of 2019)

BOWMANS

17. Ongata Works Limited versus Tatu City Limited (High Court Milimani Commercial Arbitration Number E038 of 2024)

18. Tatu City Limited & Kofinaf Company Limited versus Rosemary Wanja (Nairobi Civil Appeal Number 349 of 2013)

19. Calla Limited versus Tatu City Limited (Chief Magistrate Court Milimani Commercial Court Civil Case Number E119 of 2020)

20. Republic (through Director of Criminal Investigations) versus Meteor Properties, Tatu City Limited and 9 others (Court Miscellaneous Criminal Application Case Number 331 of 2024)

# 19. REPORTING ACCOUNTANTS' REPORT

# 19. REPORTING ACCOUNTANTS REPORT

## 19.1. Historical Financials

Deloitte.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF CONSOLIDATED PROFORMA FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I -REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2024**

**SEPTEMBER 2025**

Deloitte.

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The Board of Directors
Africa Logistics Properties Holdings Limited
C/o Cross Invest Global Management Services Ltd
Office: Endemika Business Park
Republic of Mauritius

Dear Sirs

**REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF CONSOLIDATED PROFORMA FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2024**

We have completed our assurance engagement to report on the compilation of the consolidated proforma financial information of the Africa Logistics Properties Holding Limited I-REIT (the "I-REIT") prepared by the Directors of Africa Logistics Properties Holding Limited (the 'company'). The proforma consolidated financial information consists of the proforma consolidated statement of financial position as at 31 December 2022, 31 December 2023 and 31 December 2024, the proforma consolidated statement of profit or loss and other comprehensive income, the proforma consolidated statement of changes in equity and proforma consolidated statement of cash flows for the periods then ended, and related notes. The proforma financial information has been compiled in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the accounting policies recommended by the REIT manager and adopted by the Trustee on behalf of the REIT.

The proforma financial information has been compiled by the Directors to be used for seeking approval of the Africa Logistics Properties Holdings Limited I-REIT from the Capital Markets Authority. As part of the process, the I-REIT's historical financial position and performance have been prepared on the basis of assumptions, in line with regulatory requirements, to present the position as if the REIT were already in operation.

**Directors' Responsibility for the Consolidated Proforma Financial Information**

The Directors are responsible for compiling the consolidated proforma financial information in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the accounting policies recommended by the REIT manager and adopted by the Trustee on behalf of the REIT.

**Reporting Accountants' Responsibility**

Our responsibility is to express an opinion about whether the consolidated proforma financial information has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the accounting policies recommended by the REIT manager and adopted by the Trustee on behalf of the REIT.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Proforma Financial Information Included in the Prospectus*. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the consolidated proforma financial information has been compiled in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the accounting policies recommended by the REIT manager and adopted by the Trustee on behalf of the REIT.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical information used in compiling the consolidated proforma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the consolidated proforma financial information.

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**REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF CONSOLIDATED PROFORMA FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT (Continued)**

**Reporting Accountants' Responsibility (Continued)**

The purpose of proforma financial information included in a prospectus is solely to be used for seeking approval from the Capital Markets Authority on the Africa logistics properties holdings Limited I-REIT. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at the end of the reporting periods would have been as presented.

A reasonable assurance engagement to report on whether the consolidated proforma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the consolidated proforma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event, and to obtain sufficient appropriate evidence about whether:

- The related proforma adjustments give appropriate effect to those criteria; and
- The proforma financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the I-REIT, the event or transaction in respect of which the proforma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the proforma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the proforma financial information has been compiled in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the accounting policies recommended by the REIT manager and adopted by the Trustee on behalf of the REIT.

Signing Partner responsible for the examination procedures resulting in this practitioners' assurance report.
**CPA Freda Mitambo, Practicing certificate No. 2174**

Freda Mitambo

**Certified Public Accountants (Kenya)**
**Nairobi, Kenya**

**26 September 2025**

## REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF CONSOLIDATED PROFORMA FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS COMPANY I-REIT

### 1.0 PROFORMA FINANCIAL STATEMENTS

### 1.1 Consolidated Proforma Statements of Profit or Loss and Other Comprehensive Income

The consolidated proforma statements of profit or loss and other comprehensive income for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 are stated below:

***For illustrative purposes only based on a number of assumptions that may or may not eventuate.***

| | Notes | 2022 USD | 2023 USD | 2024 USD |
|---|---|---|---|---|
| **Revenue** | | | | |
| Rental income | 3.1, 3.2, 3.3 | 1,535,262 | 2,256,028 | 2,256,028 |
| | | **1,535,262** | **2,256,028** | **2,256,028** |
| Other income | 3.6 | 512 | 1,253 | 1,584 |
| **Total revenue** | | **1,535,774** | **2,257,281** | **2,257,612** |
| **Expenses** | | | | |
| Void cost | | (32,974) | (30,532) | (21,398) |
| Audit fees | | (13,537) | (17,078) | (18,010) |
| Legal fees | | (3,819) | (4,270) | (4,632) |
| Company secretary fees | | (1,015) | (1,139) | (1,201) |
| Bank charges | | (51,778) | (43,977) | (46,375) |
| Tax Audit | | - | - | (7,730) |
| Property management fee | 3.7 | (46,058) | (67,681) | (67,681) |
| Fund operating expenses | | (225,249) | (331,723) | (360,156) |
| Pre-operating expenses | | (529,651) | - | - |
| **Total expenses** | | **(904,081)** | **(496,400)** | **(527,183)** |
| **Net operating income (NOI)** | | **631,693** | **1,760,881** | **1,730,429** |
| *NOI Margin:* | | *41.13%* | *78.01%* | *76.65%* |
| **Earnings before interest, taxes, depreciation, and amortization (EBITDA)** | | **631,693** | **1,760,881** | **1,730,429** |
| Fair value gain on investment properties | 3.9 | 1,344,130 | 1,832,684 | 728,170 |
| **Profit before taxation** | | **1,975,823** | **3,593,565** | **2,458,599** |
| Income tax expense | 3.11 | - | - | - |
| Total comprehensive income for the year | | **1,975,823** | **3,593,565** | **2,458,599** |

The proforma financial information is to be read in conjunction with the assumptions forming part of this report as set out in section 3.

**REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF CONSOLIDATED PROFORMA FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT**

## 1.0 PROFORMA FINANCIAL STATEMENTS (Continued)

### 1.2 Consolidated Proforma Statements of Financial Position

The consolidated proforma statements of financial position as at 31 December 2022, 31 December 2023 and 31 December 2024 are stated below:

***For illustrative purposes only based on a number of assumptions that may or may not eventuate.***

| | Notes | 2022 USD | 2023 USD | 2024 USD |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Investment property | 3.9 | 15,957,295 | 24,273,534 | 25,008,873 |
| Sinking fund | 3.7 | 38,486 | 95,231 | 152,258 |
| | | 15,995,781 | 24,368,765 | 25,161,131 |
| **Current assets** | | | | |
| Trade and other receivables | 3.12 | 2,460,133 | 3,757,386 | 3,757,386 |
| Bank and cash balances | | 1,605,754 | 2,143,140 | 2,963,328 |
| | | 4,065,887 | 5,900,526 | 6,720,714 |
| **TOTAL ASSETS** | | 20,061,668 | 30,269,291 | 31,881,845 |
| **EQUITY AND LIABILITIES** | | | | |
| **Capital and reserves** | | | | |
| Trust capital | 3.10 | 14,455,550 | 20,395,243 | 20,395,243 |
| Retained earnings | | 847,471 | 2,733,466 | 3,514,948 |
| Proposed dividends | | 565,893 | 859,628 | 841,056 |
| Other reserves | 3.14 | 3,833,328 | 5,911,380 | 6,751,380 |
| **Total equity and reserve** | | 19,702,242 | 29,899,717 | 31,502,627 |
| **Current liabilities** | | | | |
| Trade and other payables | 3.13 | 359,426 | 369,574 | 379,218 |
| **TOTAL EQUITY AND LIABILITIES** | | 20,061,668 | 30,269,291 | 31,881,845 |

This proforma financial information on pages 4 to 14 was approved and authorized for issue by the Board of Directors of the Issuer on 26 September 2025 and was signed on their behalf by:

Raghav Gandhi
Director

The proforma financial information is to be read in conjunction with the assumptions forming part of this report as set out in section 3.

**REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF CONSOLIDATED PROFORMA FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS COMPANY I-REIT**

## 1.0 PROFORMA FINANCIAL STATEMENTS (Continued)

### 1.3 Consolidated Proforma Statements of Changes in Equity

The consolidated proforma statements of changes in equity for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 are stated below:

***For illustrative purposes only based on a number of assumptions that may or may not eventuate.***

| | Retained earnings USD | Proposed Dividends USD | Trust Capital USD | Other Reserves USD | Total Equity USD |
|---|---|---|---|---|---|
| **At 1 January 2022** | - | - | - | - | - |
| Capital contribution | - | - | 14,455,550 | - | 14,455,550 |
| Total comprehensive income for the year | 1,975,823 | - | - | - | 1,975,823 |
| Interim and final 2022 dividends declared | (1,128,352) | 1,128,352 | - | - | - |
| Dividend paid out (note 3.15) | - | (562,459) | - | - | (562,459) |
| Other reserves | - | - | - | 3,833,328 | 3,833,328 |
| **At 31 December 2022** | 847,471 | 565,893 | 14,455,550 | 3,833,328 | 19,702,242 |
| **At 1 January 2023** | 847,471 | 565,893 | 14,455,550 | 3,833,328 | 19,702,242 |
| Additional trust capital contribution | - | - | 5,939,693 | - | 5,939,693 |
| Total comprehensive loss for the year | 3,593,565 | - | - | - | 3,593,565 |
| Interim and final 2023 dividends declared | (1,707,570) | 1,707,570 | - | - | - |
| Dividend paid out | - | (1,413,835) | - | - | (1,413,835) |
| Other reserves | - | - | - | 2,078,052 | 2,078,052 |
| **At 31 December 2023** | 2,733,466 | 859,628 | 20,395,243 | 5,911,380 | 29,899,717 |
| **At 1 January 2024** | 2,733,466 | 859,628 | 20,395,243 | 5,911,380 | 29,899,717 |
| Total comprehensive income for the year | 2,458,599 | - | - | - | 2,458,599 |
| Interim and final 2024 dividends declared | (1,677,117) | 1,677,117 | - | - | - |
| Dividend paid out | - | (1,695,689) | - | - | (1,695,689) |
| Other reserves | - | - | - | 840,000 | 840,000 |
| **At 31 December 2024** | 3,514,948 | 841,056 | 20,395,243 | 6,951,380 | 31,502,627 |

The proforma financial information is to be read in conjunction with the assumptions forming part of this report as set out in section 3

**REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF CONSOLIDATED PROFORMA FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS COMPANY I-REIT**

## 1.0 PROFORMA FINANCIAL STATEMENTS (Continued)

### 1.4 Consolidated Proforma Statements of Cash Flows

The consolidated proforma statements of cash flows for the financial period ended 31 December 2022, 31 December 2023 and 31 December 2024 are stated below:

***For illustrative purposes only based on a number of assumptions that may or may not eventuate.***

| | Notes | 2022 USD | 2023 USD | 2024 USD |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Profit for the year | | 1,975,823 | 3,593,565 | 2,458,599 |
| Adjustments for: | | | | |
| Interest income: Sinking Fund | | (104) | (345) | (627) |
| Fair value gain on revaluation of investment property | 3.9 | (1,344,130) | (1,832,684) | (728,170) |
| Operating profit before working capital changes | | 631,589 | 1,760,536 | 1,729,802 |
| **Changes in working capital** | | | | |
| Increase in trade and other receivables | | (127,939) | (60,064) | - |
| Increase in trade and other payables | | 358,329 | 10,149 | 9,646 |
| Income tax paid | 3.11 | - | - | - |
| Net cash flows generated from operating activities | | 861,979 | 1,710,621 | 1,739,448 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Capital expenditure | | - | (503,196) | (7,169) |
| Sinking fund | 3.7 | (38,382) | (56,401) | (56,401) |
| Investment in SPV | | (9,109,398) | (2,703,621) | 2,040,000 |
| Net cash flows (used in)/generated from investing activities | | (9,147,780) | (3,263,218) | 1,976,430 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| Return of capital to REIT | | (1,080,000) | (1,180,000) | (1,200,000) |
| Capital contributions from the partners | | 11,532,917 | 4,743,621 | - |
| Dividend pay out | 3.15 | (561,362) | (1,413,835) | (1,695,690) |
| Net cash flows generated from financing activities | | 9,891,555 | 2,149,786 | (2,895,690) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 1,605,754 | 537,386 | 820,188 |
| CASH AND CASH EQUIVALENTS AT 1 JANUARY | | - | 1,605,754 | 2,143,140 |
| CASH AND CASH EQUIVALENTS AT 31 DECEMBER | | 1,605,754 | 2,143,140 | 2,963,328 |

The proforma financial information is to be read in conjunction with the assumptions forming part of this report as set out in section 3.

**REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF CONSOLIDATED PROFORMA FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS COMPANY I-REIT**

## 2.0 NOTES TO THE FINANCIAL INFORMATION

### 2.1 Reporting entity

Africa Logistics Properties Holding Limited I-REIT (ALP I-REIT) is an unincorporated trust that owns and operates income producing real estate assets through investments vehicles registered as limited companies. The investment trust, "ALP I-REIT" is a regulated investment vehicle, whose principal activity is investments holdings, with a view of distributing at least 80% of its earnings to unit holders herein referred to as beneficial owners.

The proforma financial information has been prepared based on acquisition of the following properties:

- ALP North Two
- ALP West
- ALP West Two

### 2.2 Basis of preparation

#### 2.2.1 Statement of compliance

ALP I-REIT and its investee companies prepare its financial statements on a going concern basis, in accordance with IFRS issued and effective at the time of preparing these consolidated and separate financial statements, the Capital Markets Real Estate Investment Trusts Collective Investment Schemes Regulations 2013, and the Companies Act 2015. The REIT operates as a pass-through tax-exempt entity.

#### 2.2.2 Basis of measurement

The consolidated financial statements have been prepared on a historical basis except for the measurement of investment property that has been measured at fair value.

#### 2.2.3 Functional and presentation currency

This financial information is presented in United States Dollars (USD), which is the I-REIT's presentation currency. The I-REIT's functional currency is United States Dollars (USD).

#### 2.2.4 Use of estimates and judgements

ALP I-REIT preparation of consolidated financial statements in conformity with IFRS Accounting Standards as issued by the IASB requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The trust also applies IAS 8 when recognizing the impact of changes in accounting estimates, generally accounted for prospectively and correction of errors retrospectively.

Information about the assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment in the financial information is included in note 3.

#### 2.2.5 Consolidation

ALP I-REIT consolidated financial statements incorporate the separate financial statements of the REIT and all the subsidiaries. Subsidiaries are entities which are controlled by the trust. Results of subsidiaries are included in the consolidated and separate financial statements from the date of obtaining control until the date that control is lost. Investment in subsidiaries is accounted for using equity method.

The accounting policies of all subsidiaries are the same as those of the parent.

**REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF CONSOLIDATED PROFORMA FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS COMPANY I-REIT**

## 2.0 NOTES TO THE FINANCIAL INFORMATION (Continued)

### 2.2.5 Consolidation (Continued)

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

### 2.3 Material accounting policies

### 2.3.1 Investment properties

Investment property consists of operating properties held to earn rentals and/or for capital appreciation.

Investment property is initially recognised at cost, including transaction costs and subsequently measured at fair value based on annual independent valuations using the discounted cash flow (DCF) method, with changes in fair value recognized in profits or loss in the period in which it arises. Valuation assumptions typically include a market-based discount rate and an exit yield, consistent with the latest observable market data. Gains or losses from fair value movements are recognized in profit or loss in accordance with IAS 40.

However, for the purposes of the Pro Forma Financial Statements, valuation has been simplified by applying a capitalization rate ("cap rate") to the 12-month forward exit revenue. This approach reflects a high-level proxy of market value and is appropriate for indicative modelling, pending full external valuation during onboarding.

On disposal of the investment property, the gains on losses on disposal is recognized in profit or loss.

### 2.3.2 Revenue recognition

ALP I-REIT recognizes revenue when performance obligation is satisfied, upon signing of lease with the tenant, which is when the tenant obtains control of the space let. The trust recognizes revenue throughout the period of the lease agreement except where the tenant terminates the lease before its expiry.

Rental income from operating leases is recognized on a straight-line basis over the lease term as per requirement of IFRS 16. Lease incentives are amortized over the lease period as reductions deferred income. Service charge expenses and income is recognized as the services are rendered on zero sum basis, in which excess income is refunded as a credit to the tenant and underbilled costs recharged to the tenant on an annual basis.

### 2.3.3 Financial instruments

Financial instruments are recognised when the I-REIT becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus or minus transaction costs, if any, and subsequently measured at amortized cost or FVTPL, or FVTOCI depending on their classification. The accounting policies for each type of financial instrument held by the I-REIT are presented below.

Trade and other receivables are measured, subsequent to initial recognition, at amortised cost and are subject to the Expected Credit Loss (impairment losses). The amortised cost is the amount recognised on the receivable initially, minus principal repayments plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance. Gains or losses arising on the derecognition of trade and other receivables are included in profit or loss in derecognition gains (losses) on financial assets at amortised cost. Regarding other receivables, only VAT receivables will be transferred to the REIT, at recoverable value and reviewed periodically for impairment.

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

**REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF CONSOLIDATED PROFORMA FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS COMPANY I-REIT**

**2.0 NOTES TO THE FINANCIAL INFORMATION (Continued)**

**2.3 Material accounting policies (Continued)**

**2.3.3 Financial instruments (Continued)**

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

**Derecognition of financial instruments**

ALP I-REIT and its investee companies derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the I-REIT neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the I-REIT recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the I-REIT retains substantially all the risks and rewards of ownership of a transferred financial asset, the I-REIT continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The I-REIT derecognises financial liabilities when its obligations are discharged, cancelled or they expire. The difference between the carrying amount of financial liability derecognised and the consideration paid and payable, including any non- cash assets transferred or liabilities assumed, is recognised in profit or loss.

**2.3.4 Impairment – Expected credit losses and write offs**

ALP I-REIT uses a provision matrix that is used as a practical expedient when determining expected credit losses. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast conditions.
The measurement of expected credit losses incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The movement in credit loss allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of the instrument through a loss allowance account.

The I-REIT writes off an instrument when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Instruments written off may still be subject to enforcement activities under the I-REIT's recovery procedures. Any recoveries made are recognised in profit or loss.

**2.3.5 Taxation**

ALP I-REIT and its underlying investee companies are exempt from corporate income tax except for payment of withholding tax on interest income and dividends. In some instances, REITs are equally exempted from capital gains tax and stamp duty. Standard withholding taxes on dividends and interest distributions (if applicable) shall remain applicable and are recognized when declared.

Effective from the asset exit date, the special purpose vehicle (SPV) is fully owned by a REIT that is exempt from corporate income tax under Section 20 of the Income Tax Act, as amended by the Finance Act, 2019, and in accordance with the Income Tax (REITs) Rules, 2020. The REIT or SPV must apply to the Commissioner for exemption. Accordingly, the SPV does not recognize current or deferred income tax. All deferred tax assets and liabilities are derecognized at the investee entity (SPV) level prior to onboarding, as they are not realizable within the REIT due to its tax-exempt status under the Income Tax Act.

**REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF CONSOLIDATED PROFORMA FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS COMPANY I-REIT**

## 2.0 NOTES TO THE FINANCIAL INFORMATION (Continued)

### 2.3 Material accounting policies (Continued)

#### 2.3.6 Borrowings

ALP I-REIT and its investments vehicles are debt-free. All liabilities, including shareholder loans and external borrowings, will either be fully settled or re-assigned to entities outside the REIT structure prior to transfer into ALP I-REIT. This ensures that no financing obligations are assumed by the REIT. Any subsequent borrowings must comply with the REIT's trust deed, regulatory expectations, and a maximum Loan-to-Value (LTV) limit of 35%, aligning with the regulations.

#### 2.3.7 Related party transactions

All related party balances must be cleared or appropriately disclosed before transfer to the REIT. Transactions are to be conducted at arm's length and in compliance with IAS 24. Transactions with related parties are conducted at arm's length and disclosed in accordance with IAS 24.

Any balances outstanding prior to onboarding were either cleared or restructured as necessary.

#### 2.3.8 Investment in subsidiaries (SPVs) (Amendments to IAS 27 & IAS 28)

Entities are permitted to use the equity method in separate financial statements for investments in subsidiaries, joint ventures and associates. In Dec 2013, IASB amended IAS 27 to add the option of accounting for investment in subsidiaries using equity method. As such, entities can account for these investments either at cost, in accordance with IFRS 9 (or IAS 39) or using equity method. ALP I-REIT accounts for its investment in SPVs using the equity method. In this case, investment is initially recorded at cost and subsequently adjusted thereafter by the investor's post-acquisition change in share of the net assets of the investee company.

#### 2.3.9 Unit holder contributions

Unit holder contributions may be in cash or in-kind (e.g., investment property). All contributions are recognized at fair value based on independent valuation at the transfer date and presented as unit holders' capital.

#### 2.3.10 Distribution to unit holders

At least 80% of the REIT's distributable income will be distributed to unit holders annually, in compliance with the REIT Regulations. Distributions are recognized as a liability once declared and approved by the Trustee.

## REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF CONSOLIDATED PROFORMA FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS HOLDINGS I-REIT

### 3.0 ASSUMPTIONS AND ADJUSTMENTS MADE TO THE PROFORMA FINANCIAL INFORMATION

#### 3.1 Rental Income

Rental income is based on the assumption that the REIT had been in existence from the first historical year (2022), in line with regulatory requirements to present pro forma financials covering a three-year historical period. Based on this and stabilized occupancy levels as per the scheme documents, the financial start dates for the seed assets are as follows: ALP West (2022), ALP North Two (2022) and ALP West Two (2023).

#### 3.2 Rental income estimates basis

Rental income estimates are illustrative and based on prevailing market assumptions, existing lease terms, and the REIT's stabilized occupancy levels. These estimates are provided for illustrative purposes only and may differ from actual historical performance.

#### 3.3 Annual rent escalation rate

Annual rent escalation rate of 3% has been applied across the years under review. The escalation rate was based on escalation rates as per the respective leases until expiry of the same.

#### 3.4 Occupancy and stabilization assumption.

ALP West and ALP North Two were already income-generating in 2022, though neither had yet achieved the 80% stabilization threshold until 2023. ALP West Two commenced income generation in 2023 and reached stabilization in 2024. For periods where actual occupancy fell below the 80% threshold, we have assumed stabilized occupancy for illustrative purposes, in line with REIT regulations. This adjustment is intended to present a consistent view of stabilized asset performance and illustrate the income-generating potential of the portfolio and does not represent actual historical occupancy.

#### 3.5 I-REIT expenses

Proforma I-REIT related expenses have been estimated using the contracted rates for capital raising and on-going operations.

#### 3.6 Other income

Other income consists of Interest Income on Sinking fund and water income. Interest income on Sinking fund refers to interest earned on the sinking fund investments. The sinking fund is typically set aside for future major repairs or replacements. Water Income represents revenue generated from supplying water to tenants. The entity charges tenants for water usage from the entity's boreholes, and the amounts collected are recognised as income.

#### 3.7 Property management fee and sinking fund

Included in the expenses is a property management fee of 3%, which is based on 3% of the rental monthly turnover. This expense is used to cater for general property management. Funds are also channelled to a sinking fund to ensure funds are available in case any capital expenditures are needed to be spent in future. The sinking fund is assumed at 2.5% of the revenue monthly and is excluded from distributable income along with one-off costs such as set–up costs.

#### 3.8 Asset acquisition policy

The seed properties are acquired as going-concern and, the I-REIT will not acquire any other assets except the investment property/warehouses.

**REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF CONSOLIDATED PROFORMA FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS HOLDINGS I-REIT**

**3.0 ASSUMPTIONS AND ADJUSTMENTS MADE TO THE PROFORMA FINANCIAL INFORMATION (Continued)**

**3.9 Investment property**

Properties are valued at the end of each year at a blended average capitalization rate of 9%. The applied capitalization rate was based on yields of other close comparable logistics assets.

Investment property movement

| | 2022 | 2023 | 2024 |
|---|---|---|---|
| | USD | USD | USD |
| **As at 1 January** | - | 15,957,295 | 24,273,534 |
| Asset exit into REIT | 14,613,164 | 5,980,359 | - |
| Additions in the year | - | 503,196 | 7 ,169 |
| Fair value gain | 1,344,130 | 1,832,684 | 728,170 |
| **As at 31 December** | **15,957,295** | **24,273,534** | **25,008,873** |

**3.10 Capital structure and promoter contribution**

The financial information has assumed a capital raise of 80% from unit holders with the promoter contributing 20% in kind (as assets). An assumption is made that the capital expenditure includes amounts spent to improve investment properties and further assumes the investment properties are valued at the end of each year at the same capitalization rate. The regulations stipulate promoters selling/transferring real estate to an I-REIT within a year of its establishment must maintain a 20% investment of the net asset value for the first year from the offer close or listing. Promoters can't sell/transfer REIT securities during the lock-in period, except due to death/insolvency. Holdings can reduce to 10% after the first year and to 0% after the second anniversary.

**3.11 Income tax exemption status**

The base case assumption is that the I-REIT will be registered with the Capital Markets Authority (CMA) and Kenya Revenue Authority (KRA) and, consequently, will not be subject to any income taxes on its operations.

**3.12 Trade and other receivables**

The balance comprises of the accounts receivables and VAT receivables for the SPVs as at the respective periods. Accounts receivable is calculated on a rolling monthly basis to reflect the timing difference between rent recognition and cash collection. In line with the assumption that rent is billed quarterly in advance but only two months' rent is received in cash, the third month's rent is carried as a receivable.

**3.13 Trade and other payables**

Assumes that trade and other payables have a 30-day credit period of property operating expenses plus I-REIT running costs for that period.

**3.14 Other reserves**

The amounts presented under other reserves in the consolidated statement of financial position includes the difference between the REIT's recorded investment in its SPVs and the underlying net assets (share capital and retained earnings) of the SPVs at the point of consolidation, in line with IFRS 10.

**REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF CONSOLIDATED PROFORMA FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS HOLDINGS I-REIT**

**3.0 ASSUMPTIONS AND ADJUSTMENTS MADE TO THE PROFORMA FINANCIAL INFORMATION (Continued)**

**3.15 Distribution policy**

The REIT is expected to maintain a strong and consistent distribution policy, with 90% or more of reported profit distributed to unit holders. This reflects both regulatory standards and the REIT's commitment to delivering regular returns to investors. Dividends are declared twice annually, with an interim dividend declared in June (paid by September) and a final dividend declared in December (paid by March of the following year). This ensures a structured and predictable distribution schedule for unit holders.

## 19.2. Projected Financials

Deloitte.

**INDEPENDENT REPORTING ACCOUNTANTS'**
**REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION**
**FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT**
**FOR THE THREE YEARS ENDED 31 DECEMBER 2027**

**SEPTEMBER 2025**

Deloitte.

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The Board of Directors
Africa logistics properties Holdings Limited
C/o CrossInvest Global Management Services Ltd Office
Endemika Business Park
Republic of Mauritius

Dear Sirs

**REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDING 31 DECEMBER 2027**

We have completed our assurance engagement to report on the compilation of the consolidated projected financial information of the Africa Logistics Properties Holding Limited I-REIT (the "I-REIT") by the Directors. The projected consolidated financial information consists of the projected consolidated statements of financial position as at 31 December 2025, 31 December 2026 and 31 December 2027, the projected consolidated statement of profit or loss and other comprehensive income, the projected consolidated statement of changes in equity and projected consolidated statement of cash flows for the periods then ended, and related notes. The projected financial information has been compiled in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the accounting policies recommended by the REIT manager and adopted by the Trustee on behalf of the REIT.

The projected financial information has been compiled by the Directors to be used for seeking approval of the Africa Logistics properties holdings Limited I-REIT from the Capital Markets Authority. As part of the process, the I-REIT's projected financial position and performance have been prepared on the basis of assumptions, in line with regulatory requirements, to present the position as if the REIT were already in operation.

**Directors' responsibility for the financial information**

The Directors are responsible for the forecasts including the assumptions set out in Note 3 on which it is based. The projected financial information has been prepared in relation to the Africa logistics properties holdings limited I-REIT, using a set of assumptions that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur and in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the accounting policies recommended by the REIT manager and adopted by the Trustee on behalf of the REIT. Consequently, readers are cautioned that the projected financial information is not used for purposes other than that described.

**Reporting Accountants' Responsibility**

Our responsibility is to express an opinion about whether the projected financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the accounting policies recommended by the REIT manager and adopted by the Trustee on behalf of the REIT.

MAKING AN IMPACT THAT MATTERS since 1845

## REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDING 31 DECEMBER 2027 (Continued)

### Reporting Accountants' Responsibility

We conducted our engagement in accordance with the International Standard on Assurance Engagements 3400 – *The Examination of Prospective Financial Information ("ISAE 3400") to Report on the Prospective Financial Information Included in the Reporting Accountants Report, issued by the International Auditing and Assurance Standards Board.* This standard requires that the auditor comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors of the company have prepared the prospective financial information in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the accounting policies recommended by the REIT manager and adopted by the Trustee on behalf of the REIT.

### Opinion

We have examined the prospective financial information in accordance with the International Standard on Assurance Engagements applicable to the examination of prospective financial information (ISAE 3400). Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the forecasts. Further, in our opinion the forecast is properly prepared on the basis of the assumptions and is presented in accordance with the International Financial Reporting Standards and the accounting policies recommended by the REIT manager and adopted by the Trustee on behalf of the REIT.

Actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation may be material.

Signing Partner responsible for the examination procedures resulting in this practitioners' assurance report **CPA Freda Mitambo, Practicing certificate No. 2174**

**Certified Public Accountants (Kenya)**
**Nairobi, Kenya**

**26 September 2025**

**INDEPENDENT REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2027**

## 1.0 PROJECTED FINANCIAL STATEMENTS

### 1.1 Projected statement of profit or loss and other comprehensive income

**For illustrative purposes only based on a number of assumptions that may or may not eventuate.**
Base case - Aggregated management assumptions

| **For the year ended** | *Notes* | **2025 USD** | **2026 USD** | **2027 USD** |
|---|---|---|---|---|
| **Revenue** | | | | |
| Rental income | 3.1 | 2,185,014 | 2,443,589 | 3,934,565 |
| | | **2,185,014** | **2,443,589** | **3,934,565** |
| Other income | 3.2 | 1,881 | 2,146 | 2,524 |
| **Total revenue** | | **2,186,895** | **2,445,735** | **3,937,089** |
| **Expenses:** | | | | |
| Void cost | | (21,642) | - | - |
| Audit fees | | (18,411) | (18,783) | (25,520) |
| Legal fees | | (4,614) | (4,701) | (5,988) |
| Company secretary fees | | (1,227) | (1,252) | (1,595) |
| Leasing/agency fee | | - | (568) | (5,503) |
| Tax audit | | (3,788) | - | (7,866) |
| Bank charges | | (47,410) | (48,366) | (49,761) |
| Property management fee | 3.13 | (65,550) | (73,308) | (118,037) |
| Fund operating expenses | | (370,155) | (373,431) | (630,248) |
| **Total expenses** | | **(532,797)** | **(520,409)** | **(844,518)** |
| **Net operating income (NOI):** | | **1,654,098** | **1,925,326** | **3,092,571** |
| *NOI margin:* | | *75.64%* | *78.72%* | *78.55%* |
| **Earnings before interest, taxes, depreciation, and amortization** | | 1,654,098 | 1,925,326 | 3,092,571 |
| Fair value gain on investment properties | 3.8 | (173,670) | 396,961 | 1,246,088 |
| **Profit before taxation** | | **1,480,428** | **2,322,287** | **4,338,659** |
| Income tax expense | 3.4 | - | - | - |
| Total comprehensive income for the year | | 1,480,428 | 2,322,287 | 4,338,659 |

**For illustrative purposes only based on a number of assumptions that may or may not eventuate.**

The projected financial information is to be read in conjunction with the assumptions forming part of this report as set out in section 3.

**INDEPENDENT REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2027**

## 1.0 PROJECTED FINANCIAL STATEMENTS (Continued)

### 1.2 Consolidated Projected Statement of Financial Position

The consolidated projected statements of financial position as at 31 December 2025, 31 December 2026 and 31 December 2027 are stated below:

***For illustrative purposes only based on a number of assumptions that may or may not eventuate.***

| | Notes | 2025 USD | 2026 USD | 2027 USD |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Investment property | 3.8 | 24,855,823 | 25,252,783 | 44,735,329 |
| Sinking fund | 3.13 | 207,786 | 270,070 | 370,035 |
| | | 25,063,609 | 25,522,853 | 45,105,364 |
| **Current assets** | | | | |
| Trade and other receivables | 3.6 | 3,758,234 | 3,790,899 | 3,918,058 |
| Bank and cash balances | | 3,762,284 | 4,673,120 | 4,955,681 |
| | | 7,520,518 | 8,464,019 | 8,873,739 |
| **TOTAL ASSETS** | | 32,584,127 | 33,986,872 | 53,979,103 |
| **EQUITY AND LIABILITIES** | | | | |
| **Capital and reserves** | | | | |
| Trust capital | 3.14 | 20,395,243 | 20,395,243 | 38,507,692 |
| Retained earnings | | 3,388,093 | 3,843,054 | 5,182,071 |
| Proposed dividends | | 2,448,339 | 2,559,283 | 3,123,037 |
| Other reserves | 3.11 | 7,591,380 | 8,431,380 | 8,373,023 |
| **Total equity and reserves** | | 33,823,055 | 35,228,960 | 55,185,823 |
| **Current liabilities** | | | | |
| Trade and other payables | 3.7 | (1,238,928) | (1,242,088) | (1,206,720) |
| **TOTAL EQUITY AND LIABILITIES** | | 32,584,127 | 33,986,872 | 53,979,103 |

This projected financial information on pages 4 to 15 was approved and authorized for issue by the Board of Directors of the Issuer on 26 September 2025 and was signed on their behalf by:

Raghav Gandhi
Director

The projected financial information is to be read in conjunction with the assumptions set out in section 3.

## INDEPENDENT REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2027

### 1.0 PROJECTED FINANCIAL STATEMENTS (Continued)

### 1.3 Projected statement of changes in unit holders' equity

*For illustrative purposes only based on a number of assumptions that may or may not eventuate.*

| | Retained Earnings USD | Proposed Dividends USD | Trust Capital USD | Other Reserves USD | Total Equity USD |
|---|---|---|---|---|---|
| **At 1 January 2025** | 3,514,948 | 841,056 | 20,395,243 | 6,951,380 | 31,502,627 |
| Total comprehensive income for the year | 1,480,428 | - | - | - | 1,480,428 |
| Interim and final 2025 dividends declared | (1,607,283) | 1,607,283 | - | - | - |
| Dividend paid out (note 3.5) | - | (1,613,236) | - | - | (1,613,236) |
| Other reserves | - | - | - | 840,000 | 840,000 |
| **At 31 December 2025** | 3,388,093 | 2,448,339 | 20,395,243 | 7,591,380 | 33,823,055 |
| **At 1 January 2026** | 3,388,093 | 2,448,339 | 20,395,243 | 7,591,380 | 33,823,055 |
| Additional capital contribution | - | - | - | - | - |
| Total comprehensive income for the year | 2,322,287 | - | - | - | 2,322,287 |
| Interim and final 2026 dividends declared | (1,867,326) | 1,867,326 | - | - | - |
| Dividend paid out | - | (1,756,382) | - | - | (1,756,382) |
| Other reserves | - | - | - | 840,000 | 840,000 |
| **At 31 December 2026** | 3,843,054 | 2,559,283 | 20,395,243 | 8,431,380 | 35,228,960 |
| **At 1 January 2027** | 3,843,054 | 2,559,283 | 20,395,243 | 8,431,380 | 35,228,960 |
| Additional capital contribution | - | - | 18,112,449 | - | 18,112,449 |
| Total comprehensive income for the year | 4,338,659 | - | - | - | 4,338,659 |
| Interim and final 2027 dividends declared | (2,999,642) | 2,999,642 | - | - | - |
| Dividend paid out | - | (2,435,888) | - | - | (2,435,888) |
| Other reserves | - | - | - | (58,357) | (58,357) |
| **At 31 December 2027** | 5,182,071 | 3,123,037 | 38,507,692 | 8,373,023 | 55,185,823 |

The projected financial information is to be read in conjunction with the assumptions forming part of this report as set out in section 3.

**INDEPENDENT REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2027**

## 1.0 PROJECTED FINANCIAL STATEMENTS (Continued)

### 1.4 Projected statement of cash flows

***For illustrative purposes only based on a number of assumptions that may or may not eventuate***

| | Notes | 2025 USD | 2026 USD | 2027 USD |
|---|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit for the year | | 1,480,428 | 2,322,287 | 4,338,659 |
| Adjustments for: | | | | |
| Interest income: Sinking fund | | (902) | (1,195) | (1,601) |
| Fair value gain on revaluation of investment property | 3.8 | 173,670 | (396,961) | (1,246,088) |
| Operating profit before working capital changes | | 1,653,196 | 1,924,131 | 3,090,970 |
| **Changes in working capital** | | | | |
| Increase in trade and other receivables | | (848) | (15,267) | (123,114) |
| Increase in prepaid expenses | | - | (17,399) | (4,044) |
| (Decrease)/increase in trade and other payables | | (4,912) | (3,157) | 35,565 |
| Income tax paid | 3.4 | - | - | - |
| Net cash flows generated from operating activities | | 1,647,436 | 1,888,308 | 2,999,177 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Capital expenditure | | (20,620) | - | - |
| Sinking fund | 3.13 | (54,624) | (61,090) | (98,364) |
| Investment in SPV | | 2,040,000 | 2,040,000 | (12,607,522) |
| Net cash flows generated from/ (used in) investing activities | | 1,964,756 | 1,978,910 | (12,705,886) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Return of capital to REIT | | (1,200,000) | (1,200,000) | (2,040,000) |
| Capital contributions | | - | - | 14,465,158 |
| Dividend pay out | 3.9 | (1,613,236) | (1,756,382) | (2,435,888) |
| Net cash flow (used in)/generated from financing activities | | (2,813,236) | (2,956,382) | 9,989,270 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 798,956 | 910,836 | 282,561 |
| CASH AND CASH EQUIVALENTS AT 1 JANUARY | | 2,963,328 | 3,762,284 | 4,673,120 |
| CASH AND CASH EQUIVALENTS AT 31 DECEMBER | | 3,762,284 | 4,673,120 | 4,955,681 |

The projected financial information is to be read in conjunction with the assumptions forming part of this report as set out in section 3.

## INDEPENDENT REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2027

### 2.0 NOTES TO THE FINANCIAL INFORMATION

### 2.1 Reporting entity

Africa Logistics Properties Holding Limited I-REIT (ALP I-REIT) is an unincorporated trust that owns and operates income producing real estate assets through investments vehicles registered as limited companies. The investment trust, "ALP I-REIT" is a regulated investment vehicle, whose principal activity is investments holdings, with a view of distributing at least 80% of its earnings to unit holders herein referred to as beneficial owners.

The projected financial information has been prepared based on acquisition of the following properties:

- ALP North Two
- ALP West
- ALP West Two
- ALP North Three

### 2.2 Basis of preparation

#### 2.2.1 Statement of compliance

ALP I-REIT and its investee companies prepare its financial statements on a going concern basis, in accordance with IFRS issued and effective at the time of preparing these consolidated and separate financial statements, the Capital Markets Real Estate Investment Trusts Collective Investment Schemes Regulations 2013, and the Companies Act 2015. The REIT operates as a pass-through tax-exempt entity.

#### 2.2.2 Basis of measurement

The consolidated financial statements have been prepared on a historical basis except for the measurement of investment property that has been measured at fair value.

#### 2.2.3 Functional and presentation currency

This financial information is presented in United States Dollars (USD), which is the I-REIT's presentation currency. The I-REIT's functional currency is United States Dollars (USD).

#### 2.2.4 Use of estimates and judgements

ALP I-REIT preparation of consolidated and separate financial statements in conformity with IFRS Accounting Standards as issued by the IASB requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The trust also applies IAS 8 when recognizing the impact of changes in accounting estimates, generally accounted for prospectively and correction of errors retrospectively.

Information about the assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment in the financial information is included in note 3.

#### 2.2.5 Consolidation

ALP I-REIT consolidated financial statements incorporate the separate financial statements of the REIT and all the subsidiaries. Subsidiaries are entities which are controlled by the trust. Results of subsidiaries are included in the consolidated and separate financial statements from the date of obtaining control until the date that control is lost. Investment in subsidiaries is accounted for using equity method.

The accounting policies of all subsidiaries are the same as those of the parent.

**INDEPENDENT REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2027**

## 2.0 NOTES TO THE FINANCIAL INFORMATION (Continued)

### 2.2.5 Consolidation (Continued)

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

### 2.3 Material accounting policies

### 2.3.1 Investment properties

Investment property consists of operating properties held to earn rentals and/or for capital appreciation.

Investment property is initially recognised at cost, including transaction costs and subsequently measured at fair value based on annual independent valuations using the discounted cash flow (DCF) method, with changes in fair value recognized in profits or loss in the period in which it arises. Valuation assumptions typically include a market-based discount rate and an exit yield, consistent with the latest observable market data. Gains or losses from fair value movements are recognized in profit or loss in accordance with IAS 40.

However, for the purposes of the Pro Forma Financial Statements, valuation has been simplified by applying a capitalization rate ("cap rate") to the 12-month forward exit revenue. This approach reflects a high-level proxy of market value and is appropriate for indicative modelling, pending full external valuation during onboarding.

On disposal of the investment property, the gains on losses on disposal is recognized in profit or loss.

### 2.3.2 Revenue recognition

ALP I-REIT recognizes revenue when performance obligation is satisfied, upon signing of lease with the tenant, which is when the tenant obtains control of the space let. The trust recognizes revenue throughout the period of the lease agreement except where the tenant terminates the lease before its expiry.

Rental income from operating leases is recognized on a straight-line basis over the lease term as per requirement of IFRS 16. Lease incentives are amortized over the lease period as reductions deferred income. Service charge expenses and income is recognized as the services are rendered on zero sum basis, in which excess income is refunded as a credit to the tenant and underbilled costs recharged to the tenant on an annual basis.

### 2.3.3 Financial instruments

Financial instruments are recognised when the I-REIT becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus or minus transaction costs, if any, and subsequently measured at amortized cost or FVTPL, or FVTOCI depending on their classification. The accounting policies for each type of financial instrument held by the I-REIT are presented below.

Trade and other receivables are measured, subsequent to initial recognition, at amortised cost and are subject to the Expected Credit Loss (impairment losses). The amortised cost is the amount recognised on the receivable initially, minus principal repayments plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance. Gains or losses arising on the derecognition of trade and other receivables are included in profit or loss in derecognition gains (losses) on financial assets at amortised cost. Regarding other receivables, only VAT receivables will be transferred to the REIT, at recoverable value and reviewed periodically for impairment.

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost

**INDEPENDENT REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2027**

**2.0 NOTES TO THE FINANCIAL INFORMATION (Continued)**

**2.3 Material accounting policies (Continued)**

**2.3.3 Financial instruments (Continued)**

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

**Derecognition of financial instruments**

ALP I-REIT and its investee companies derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the I-REIT neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the I-REIT recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the I-REIT retains substantially all the risks and rewards of ownership of a transferred financial asset, the I-REIT continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The I-REIT derecognises financial liabilities when its obligations are discharged, cancelled or they expire. The difference between the carrying amount of financial liability derecognised and the consideration paid and payable, including any non- cash assets transferred or liabilities assumed, is recognised in profit or loss.

**2.3.4 Impairment – Expected credit losses and write offs**

ALP I-REIT uses a provision matrix that is used as a practical expedient when determining expected credit losses. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast conditions.
The measurement of expected credit losses incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The movement in credit loss allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of the instrument through a loss allowance account.

The I-REIT writes off an instrument when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Instruments written off may still be subject to enforcement activities under the I-REIT's recovery procedures. Any recoveries made are recognised in profit or loss.

**2.3.5 Taxation**

ALP I-REIT and its underlying investee companies are exempt from corporate income tax except for payment of withholding tax on interest income and dividends. In some instances, REITs are equally exempted from capital gains tax and stamp duty. Standard withholding taxes on dividends and interest distributions (if applicable) shall remain applicable and are recognized when declared.

Effective from the asset exit date, the special purpose vehicle (SPV) is fully owned by a REIT that is exempt from corporate income tax under Section 20 of the Income Tax Act, as amended by the Finance Act 2019, and in accordance with the Income Tax (REITs) Rules, 2020. The REIT or SPV must apply to the Commissioner for exemption. Accordingly, the SPV does not recognize current or deferred income tax. All deferred tax assets and liabilities are derecognized at the investee entity (SPV) level prior to onboarding, as they are not realizable within the REIT due to its tax-exempt status under the Income Tax Act.

**INDEPENDENT REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2027**

## 2.0 NOTES TO THE FINANCIAL INFORMATION (Continued)

### 2.3 Material accounting policies (Continued)

#### 2.3.6 Borrowings

ALP I-REIT and its investments vehicles are debt-free. All liabilities, including shareholder loans and external borrowings, will either be fully settled or re-assigned to entities outside the REIT structure prior to transfer into ALP I-REIT. This ensures that no financing obligations are assumed by the REIT. Any subsequent borrowings must comply with the REIT's trust deed, regulatory expectations, and a maximum Loan-to-Value (LTV) limit of 35%, aligning with the regulations.

#### 2.3.7 Related party transactions

All related party balances must be cleared or appropriately disclosed before transfer to the REIT. Transactions are to be conducted at arm's length and in compliance with IAS 24. Transactions with related parties are conducted at arm's length and disclosed in accordance with IAS 24.

Any balances outstanding prior to onboarding were either cleared or restructured as necessary.

#### 2.3.8 Investment in subsidiaries (SPVs) (Amendments to IAS 27 & IAS 28)

Entities are permitted to use the equity method in separate financial statements for investments in subsidiaries, joint ventures and associates. In Dec 2013, IASB amended IAS 27 to add the option of accounting for investment in subsidiaries using equity method. As such, entities can account for these investments either at cost, in accordance with IFRS 9 (or IAS 39) or using equity method. ALP I-REIT accounts for its investment in SPVs using the equity method. In this case, investment is initially recorded at cost and subsequently adjusted thereafter by the investor's post-acquisition change in share of the net assets of the investee company.

#### 2.3.9 Unit holder contributions

Unit holder contributions may be in cash or in-kind (e.g., investment property). All contributions are recognized at fair value based on independent valuation at the transfer date and presented as unit holders' capital.

#### 2.3.10 Distribution to unit holders

At least 80% of the REIT's distributable income will be distributed to unit holders annually, in compliance with the REIT Regulations. Distributions are recognized as a liability once declared and approved by the Trustee.

**INDEPENDENT REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2027**

## 3.0 ASSUMPTIONS USED IN DERIVING THE PROJECTED FINANCIAL INFORMATION

### 3.1 Rental income earned

Rental income is based on the assumption that the REIT had been in existence from the first historical year (2022), in line with regulatory requirements to present pro forma financials covering a three-year historical period and a three-year forecast period. Based on this and stabilized occupancy levels, the financial start dates for the seed assets are as follows: ALP West (2022), ALP North Two (2022), ALP West Two (2023) and ALP North Three (2027).

Rental income estimates for the four properties are based on an analysis of current lease schedules and escalation factors until expiry of the leases. The rental income for the pipeline asset (ALP North Three) is based on the current market base rent assumptions.

Annual rent escalation rate of 3% has been applied across the years under review. The escalation rate was based on escalation rates as per the respective leases until expiry of the same.

### 3.2 Other income

Other income consists of Interest Income on Sinking fund and water income. Interest income on Sinking fund refers to interest earned on the sinking fund investments. The sinking fund is typically set aside for future major repairs or replacements. Water Income represents revenue generated from supplying water to tenants. The entity charges tenants for water usage from the entity's boreholes, and the amounts collected are recognised as income

### 3.3 I-REIT expenses

The I-REIT Manager has estimated the annual running costs of the I-REIT scheme based on the contracted rates with service providers. The details of the basis of annual service provider charges are set out below:

| | | |
|---|---|---|
| Trustee fees | 0.25% | of assets under management (AUM) |
| **REIT Manager's fee** | | |
| REIT Management fee | 1% | of assets under management |
| Structural engineer | KES 500,000 | Per asset upon exit |
| Valuer fees | KES' 388,200 | per asset. |
| Transaction advisor | KES' 10m | |
| Auditors (REIT consolidation) | KES 450,000 | annual fee rising with inflation |
| Placement fee | 0.85% | to be paid to the placement agent at any time the IREIT buys a project. |

### 3.4 Income tax

The base case assumption is that the I-REIT will be registered with the Capital Markets Authority (CMA) and Kenya Revenue Authority (KRA) and, consequently, will not be subject to any income taxes on its operations.

### 3.5 Distribution percentage

Assumes distribution is at 90% of reported profits.

### 3.6 Trade and other receivables

Accounts Receivable (AR) is calculated on a rolling monthly basis to reflect the timing difference between rent recognition and cash collection. In line with the assumption that rent is billed quarterly in advance but only two months' rent is received in cash, the third month's rent is carried as a receivable.

**INDEPENDENT REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2027**

## 3.0 ASSUMPTIONS USED IN DERIVING THE PROJECTED FINANCIAL INFORMATION (Continued)

### 3.7 Trade and other payables

Assumes that trade and other payables at the end of a period amount to 30 days of property operating expenses plus I-REIT running costs for that period.

### 3.8 Investment properties

As at 31 December 2024, the investment properties were fair valued at USD 25 million, subsequently the properties are valued at the end of each year at a blended average capitalization rate of 9%. The applied capitalization rate was based on yields of other close comparable logistics assets.

Investment properties movement

| | 2025 | 2026 | 2027 |
|---|---|---|---|
| | USD | USD | USD |
| **As at 1 January** | 25,008,873 | 24,855,823 | 25,252,783 |
| Asset exit into REIT | - | - | 18,236,457 |
| Additions in the year | 20,620 | - | - |
| Fair Value (loss)/gain | (173,670) | 396,961 | 1,246,088 |
| **As at 31 December** | **24,855,823** | **25,252,783** | **44,735,329** |

### 3.9 Dividends

Dividends are declared twice annually: the interim dividend, based on distributable income from January to June, is declared in June and paid in September; the final dividend, based on distributable income from July to December, is declared in December and paid in March. Payments occur three months after each declaration, ensuring a structured and predictable dividend schedule.

The REIT is expected to maintain a strong and consistent distribution policy, with 90% or more of reported profit distributed to unit holders. This reflects both regulatory standards and the REIT's commitment to delivering regular returns to investors. The distribution to unit holders is based on comprehensive income adjusted for the sinking fund, set off costs and fair value gain on investment properties.

### 3.10 Occupancy and stabilization assumption.

ALP West and ALP North Two were already income-generating in 2022, though neither had yet achieved the 80% stabilization threshold until 2023. ALP West Two commenced income generation in 2023 and reached stabilization in 2024. ALP North Three is a pipeline asset which is assumed to reach stabilized occupancy in 2027. For periods where actual occupancy fell below the 80% threshold, we have assumed stabilized occupancy for illustrative purposes, in line with REIT regulations. This adjustment is intended to present a consistent view of stabilized asset performance and illustrate the income-generating potential of the portfolio and does not represent actual historical occupancy.

### 3.11 Other reserves

The amounts presented under other reserves in the consolidated statement of financial position includes the difference between the REIT's recorded investment in its SPVs and the underlying net assets (share capital and retained earnings) of the SPVs at the point of consolidation, in line with IFRS 10.

**INDEPENDENT REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2027**

### 3.12 Asset acquisition policy

The seed properties are acquired as going-concern and, the I-REIT will not acquire any other assets except the investment property/warehouses.

### 3.13 Property management fee and sinking fund

Included in the expenses is a property management fee of 3%, which is based on 3% of the rental monthly turnover. This expense is used to cater for general property management. Funds are also channelled to a sinking fund to ensure funds are available in case any capital expenditures are needed to be spent in future. The sinking fund is assumed at 2.5% of the revenue monthly and is excluded from distributable income along with one-off costs such as set–up costs.

### 3.14 Capital structure and promoter contribution

The financial information has assumed a capital raise of 80% from unit holders with the promoter contributing 20% in kind (as assets). An assumption is made that the capital expenditure includes amounts spent to improve investment properties and further assumes the investment properties are valued at the end of each year at the same capitalization rate. The regulations stipulate promoters selling/transferring real estate to an I-REIT within a year of its establishment must maintain a 20% investment of the net asset value for the first year from the offer close or listing. Promoters can't sell/transfer REIT securities during the lock-in period, except due to death/insolvency. Holdings can reduce to 10% after the first year and to 0% after the second anniversary.

**INDEPENDENT REPORT ON THE EXAMINATION OF THE PROJECTED FINANCIAL INFORMATION FOR THE AFRICA LOGISTICS PROPERTIES HOLDINGS LIMITED I-REIT FOR THE THREE YEARS ENDED 31 DECEMBER 2027**

## 4.0 SENSITIVITIES ON PROJECTED FINANCIAL INFORMATION

### 4.1 Forecast sensitivity table - change in rent, occupancy levels & property operating costs.

Sensitivities are based on FY2027, which represents the first fully stabilized year reflecting all seed assets within the REIT. While the REIT may acquire additional assets post-2027, this year best reflects the initial stabilized operating performance

| **Occupancy** | **75%** | **80%** | **90%** | **100%** |
|---|---|---|---|---|
| | | | | |
| Gross Yield | 7% | 7% | 8% | 9% |
| Net Yield | 6% | 7% | 7% | 8% |
| Distributable Income | 2,087,412 | 2,268,770 | 2,631,488 | 2,994,206 |
| (Management expense ratio) MER | 1.4% | 1.4% | 1.4% | 1.4% |

*Note: Occupancy FY27 has been assumed at 100%*

| **Cap Rate** | **8.75%** | **9.00%** | **9.25%** | **9.50%** |
|---|---|---|---|---|
| | | | | |
| Asset Valuation | 46,013,481 | 44,735, 329 | 43,526,266 | 42,380,838 |

*Note: Capitalization rate for the forecast years has been assumed at 9%*

| **Dividend payout (Post sinking Fund)** | **83%** | **90%** | **100%** |
|---|---|---|---|
| | | | |
| Dividends declared | 2,009,606 | 2,192,298 | 2,435,886 |
| Dividend Yield | 5% | 6% | 7% |

*Note: Dividend payout assumed at 90% of distributable income*

| **Fund Operating Expenses Factor (2027)** | **100%** | **110%** | **120%** | **130%** |
|---|---|---|---|---|
| | | | | |
| (Management expense ratio) MER | 1.4% | 1.5% | 1.7% | 1.8% |
| Distributable Income | 2,994,206 | 2,931,181 | 2,868,156 | 2,805,131 |
| Dividend Yield | 7% | 7% | 7% | 6% |

*Note: Fund operating expenses have been stress-tested by applying increases of 10%, 20%, and 30% in order to assess their impact on the adjacent outputs*

# 20. PROMOTER FINANCIAL STATEMENTS

# 20. PROMOTER FINANCIAL STATEMENTS

## INDEPENDENT AUDITOR'S REPORT

**Report on the Audit of the Consolidated and Separate Financial Statements (Continued)**

*Other Information*

The directors are responsible for the other information. The other information comprises the general information, chairman's statement, CEO's report, secretary's certificate, statement of directors' responsibilities and directors' report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Report on Other Legal and Regulatory Requirements**

*Mauritius Companies Act 2001*

We have no relationship with or interests in the Company other than in our capacity as auditor and tax advisor.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

*Other Matter*

This report has been prepared for and only for the Company's shareholders, as a body , in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed to our prior consent in writing.

Baker Tilly

**Baker Tilly**

Date: 07 July 2025

**Sin C. LI, CPA, CGMA**
Licensed by FRC

Africa Logistics Properties Holdings Limited and its subsidiaries
Consolidated And Separate Financial Statements for the year ended 31 December 2024

# Statement of Financial Position as at 31 December 2024

| | | Group | | Company | |
|---|---|---|---|---|---|
| Figures in American Dollar | Notes | 2024 | 2023 | 2024 | 2023 |
| **Assets** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 3 | 173,351 | 172,421 | - | - |
| Investment property | 5 | 61,251,740 | 81,720,000 | - | - |
| Investments in subsidiaries | 6 | - | - | 10,727,040 | 109 |
| Loans to related companies | 7 | - | - | 15,375,002 | 48,917,50 |
| Trade and other receivables | 9 | - | - | 11,548,444 | 13,196,802 |
| Deferred tax assets | 8 | 7,559,986 | 5,397,253 | - | - |
| **Total non-current assets** | | 68,985,077 | 87,289,674 | 37,850.856 | 62,114,412 |
| **Current Assets** | | | | | |
| Trade and other receivables | 9 | 5,788,669 | 3,961,334 | 8,635 | 10,060 |
| Amounts due from related parties | 9 | - | - | 291,565 | 288,775 |
| Contract assets | 9 | 978,882 | 2,114,866 | - | - |
| Financial assets | 4 | 1,946,190 | - | 500,000 | - |
| Current tax assets | 10 | 227,791 | 182,547 | - | - |
| Cash and cash equivalents | 11 | 1,423,167 | 3,985,054 | 185,302 | 1,551,608 |
| | | 10,364,699 | 10,243,801 | 985,502 | 1,850,443 |
| Non-current assets held for sale | 12 | 16,630,026 | - | 10,254,420 | - |
| **Total Assets** | | **95,979,802** | **97,533,475** | **49,090,408** | **63,964,855** |
| **Equity and Liabilities** | | | | | |
| **Equity** | | | | | |
| Stated capital | 13 | 54,167,858 | 54,157,233 | 54,167,858 | 54,157,233 |
| Other reserves | 14 | 2,914,714 | (1,666,876) | - | - |
| Retained earnings | | 2,760,253 | 9,410,626 | (5,224,046) | 9,410,839 |
| | | **59,842,825** | **61,900,983** | **48,943,812** | **63,568,072** |
| **Non-Current Liabilities** | | | | | |
| Borrowings | 15 | 25,412,611 | 31,920,597 | - | - |
| Deferred tax liabilities | 8 | 2,020,671 | 1,047,186 | - | - |
| **Non-current liabilities** | | 27,433,282 | 32,967,783 | - | - |
| **Current Liabilities** | | | | | |
| Trade and other payables | 16 | 1,499,182 | 2,031,369 | 122,549 | 396,783 |
| Amounts due to related parties | 16 | - | - | 24,047 | - |
| Contract liabilities | 16 | 77,309 | - | - | - |
| Borrowings | 15 | - | 633,340 | - | - |
| | | 1,576,491 | 2,664,709 | 146,596 | 396,783 |
| Liabilities of disposal groups | 12 | 7,127,204 | - | - | - |
| **Total Liabilities** | | **36,136,977** | **35,632,492** | **146,596** | **396,783** |
| **Total Equity and Liabilities** | | **95,979,802** | **97,533,475** | **49,090,408** | **63,964,855** |

The consolidated and separate financial statements and the notes were approved by the directors on the 02 July 2025 and were signed on its behalf by:

**Harris Harjan**

**Harry Sutherland**

The accounting policies on pages 17 to 25 and the notes on pages 26 to 46 form an integral part of the consolidated and separate financial statements

# Statement of Profit or Loss and Other Comprehensive Income

| | | Group | | Company | |
|---|---|---|---|---|---|
| **Figures in American Dollar** | **Notes** | **2024** | **2023** | **2024** | **2023** |
| Revenue | 18 | 3,498,606 | 4,369,891 | - | - |
| Fair value loss on investment property | 19 | (6,154,563) | (6,458,313) | - | - |
| Impairment loss on investment in subsidiaries | 6 | - | - | (15,711,648) | - |
| Other income | 18 | 1,145,110 | 1,605 | - | - |
| Administrative expenses | 21 | (6,278,443) | (986,105) | (541,833) | (1,331,449) |
| **Operating loss** | | **(7,789,290)** | **(3,072,922)** | **(16,253,481)** | **(1,331,449)** |
| Loss on disposal of subsidiaries | 20 | (105,983) | (5,443) | (105,983) | - |
| Finance income | 22 | 80,607 | - | 2,023,877 | 4,213,679 |
| Finance costs | 23 | (524,788) | (1,258,735) | - | - |
| **(Loss)/ profit before taxation** | | **(8,339,454)** | **(4,337,100)** | **(14,335,587)** | **2,882,230** |
| Taxation | 24 | 1,829,793 | 2,578,935 | (299,298) | (613,592) |
| (Loss)/profit from continuing operations | | **(6,509,661)** | **(1,758,165)** | **14,634,885** | **2,268,638** |
| Loss from discontinued operation | 12 | **(140,712)** | **(809,918)** | | |
| **(Loss)/profit for the period** | | **(6,650,373)** | **(2,568,083)** | **14,634,885** | **2,268,638** |
| Other comprehensive income net of tax; | | | | | |
| Items that may be reclassified to profit or loss: | | | | | |
| Exchange differences on translation of foreign operations | | 4,581,590 | (569,011) | - | - |
| **Total comprehensive (loss)/profit for the year** | | **(2,068,783)** | **(3,137,094)** | **(14,634,885)** | **2,268,638** |
| Total comprehensive (loss)/profit for the year arises from | | | | | |
| Continuing operations | | (5,083,381) | (2,052,677) | | |
| Discontinued operations | 12 | 3,014,598 | (1,084,417) | | |
| | | **(2,068,783)** | **(3,137,094)** | **(14,634,885)** | **2,268,638** |

The notes on pages 26 to 46 form an integral part of these financial statements

Africa Logistics Properties Holdings Limited and its subsidiaries
Consolidated And Separate Financial Statements for the year ended 31 December 2024

# Statement of Changes in Equity

| Figures in American Dollar | Stated capital | Other Reserves | Retained income | Total equity |
|---|---|---|---|---|
| **Group** | | | | |
| **Balance at 01 January 2023** | **54,109,937** | **(2,226,286)** | **11,978,709** | **63,862,360** |
| Loss for the year | - | - | (2,568,083) | (2,568,083) |
| Other comprehensive income | - | 559,410 | - | 559,410 |
| **Total comprehensive Loss for the year** | **-** | **559,410** | **(2,568,083)** | **(2,008,673)** |
| Issue of shares | 47,296 | - | - | 47,296 |
| **Total contributions by owners** | **47,296** | **-** | **-** | **47,296** |
| **At 31 December 2023** | **54,157,233** | **(1,666,876)** | **9,410,626** | **61,900,983** |
| **At 01 January 2024** | **54,157,233** | **(1,666,876)** | **9,410,626** | **61,900,983** |
| Loss for the year | - | - | (6,650,373) | (6,650,373) |
| Other comprehensive income | - | 4,581,590 | - | 4,581,590 |
| **Total comprehensive loss for the year** | **-** | **4,581,590** | **(6,650,373)** | **(2,068,783)** |
| Issue of shares | 10,625 | - | - | 10,625 |
| **Total contribution by owners** | **10,625** | **-** | **-** | **10,625** |
| **Balance at 31 December 2024** | **54,167,858** | **2,914,714** | **2,760,253** | **59,842,825** |
| Notes | 13 | 14 | | |
| **Company** | | | | |
| **Balance at 01 January 2023** | **54,109,937** | **-** | **7,142,201** | **61,252,138** |
| Profit for the year | - | - | 2,268,638 | 2,268,638 |
| Other Comprehensive income | | - | | - |
| **Total comprehensive Loss for the year** | **-** | **-** | **2,268,638** | **2,268,638** |
| Issue of shares | 47,296 | - | - | 47,296 |
| **Total contribution by owners** | **47,296** | **-** | **-** | **47,296** |
| **At 31 December 2023** | **54,157,233** | **-** | **9,410,839** | **63,568,072** |
| **At 01 January 2024** | **54,157,233** | **-** | **9,410,839** | **63,568,072** |
| Profit for the year | - | - | (14,634,885) | (14,634,885) |
| Other comprehensive income | - | - | - | - |
| **Total comprehensive income for the year** | **-** | **-** | **(14,634,885)** | **(14,634,885)** |
| Issue of shares | 10,625 | - | - | 10,625 |
| **Total contribution by owners** | **10,625** | **-** | **-** | **10,625** |
| **Balance at 31 December 2024** | **54,167,858** | **-** | **(5,224,046)** | **48,943,812** |
| Notes | 13 | 14 | | |

The notes on pages 26 to 46 form an integral part of these financial statement

Africa Logistics Properties Holdings Limited and its subsidiaries
Consolidated And Separate Financial Statements for the year ended 31 December 2024

# Statement of Cash Flows

| Figures in American Dollar | Notes | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| (Loss)/Profit before tax | | (8,339,454) | (5,176,498) | (14,335,587) | 2,882,230 |
| ***Adjustments for non-cash items*** | | | | | |
| Depreciation & Amortization | 21 | 48,552 | 66,796 | - | - |
| Finance costs | | 2,488,045 | 2,289,010 | - | - |
| Fair value loss on investment property | 5 | 5,706,627 | 9,011,393 | - | - |
| Impairment loss on investments in subsidiaries | 6 | - | - | 15,711,648 | - |
| Assets held for sale adjustment | | - | 4,215,418 | - | 7,823,395 |
| Non-cash movements in borrowings | 15 | - | 8,160,866 | - | - |
| Foreign exchange gain on borrowings | 15 | (14,439,786) | (7,903,184) | - | - |
| Foreign exchange loss /(gain) on investment property | 5 | 16,458,219 | (1,684,544) | - | - |
| Losses/(gains) on exchange differences | | 15,638 | (1,859,390) | - | - |
| Finance income | 22 | (80,607) | - | (2,023,877) | (4,213,679) |
| Impairment losses | 21 | (40,544) | - | - | - |
| Loss on disposal | 20 | 105,983 | 5,443 | 105,983 | - |
| **Operating profit before working capital changes** | | **1,922,673** | **7,125,310** | **(541,833)** | **6,491,946** |
| ***Changes in working capital items*** | | | | | |
| Trade and other receivables | | 381,761 | (2,591,113) | 300,723 | (11,745,066) |
| Amounts due from related parties | | - | - | (100,556) | - |
| Trade and other payables | | (613,387) | 1,734,967 | (254,318) | 278,984 |
| Contract assets | | 871,772 | - | - | - |
| Amounts due to related parties | | - | - | (4,083) | - |
| Contract liabilities | | 121,691 | - | - | - |
| **Cash generated from/(used in) operations** | | **2,684,510** | **6,269,164** | **(600,067)** | **(4,974,136)** |
| Interest received | 22 | 80,607 | - | 22,434 | 4,213,679 |
| Interest paid | 23 | (3,142,670) | (2,289,010) | - | - |
| Income tax paid | | (357,341) | (1,045,607) | (299,298) | (613,592) |
| **Net cash (used in)/from operating activities** | | **(734,894)** | **2,934,547** | **(876,931)** | **(1,374,049)** |
| **Cash flows from investing activities** | | | | | |
| Purchase of property, plant and equipment | 3 | (5,277) | (213,238) | - | - |
| Proceeds from sale of property and equipment | | - | (410) | - | - |
| Disposal of right of-use-assets | | - | 431 | - | - |
| Purchases of investment property | 5 | (207,590) | (3,298,049) | - | - |
| Purchases of investments in subsidiaries | | - | - | - | (4) |
| Purchase of financial assets | | (1,885,330) | - | (500,000) | - |
| **Net cash used in investing activities** | | **(2,098,197)** | **(3,511,266)** | **(500,000)** | **(4)** |
| **Cash flows from financing activities** | | | | | |
| Proceeds on issue of share capital | | 10,625 | 47,296 | 10,625 | 47,296 |
| Repayments of borrowings | | (715,913) | (1,230,622) | - | - |
| Proceeds from borrowings | | 551,510 | - | - | - |
| Repayments on lease liabilities | | - | (4,587) | - | - |
| **Net cash used in financing activities** | | **(153,778)** | **(1,187,913)** | **10,625** | **47,296** |
| **Net decrease in cash and cash equivalents** | | **(2,986,869)** | **(1,764,632)** | **(1,366,306)** | **(1,326,757)** |
| Cash and cash equivalents at the start of the year | | 3,985,054 | 3,332,154 | 1,551,608 | 2,878,365 |
| Effects of exchanges rate changes | | 439,158 | (195,673) | - | - |
| Held for sale asset | 12 | (14,176) | 2,613,205 | - | - |
| **Cash and cash equivalents at the end of the year** | | **1,423,167** | **3,985,054** | **185,302** | **1,551,608** |

The notes on pages 26 to 46 form an integral part of these financial statements.

# 21. TRUSTEE FINANCIAL STATEMENTS

# 21. TRUSTEE FINANCIAL STATEMENTS

## Note: The Unitholders only have recourse to the assets of the ALP REIT and not to the assets of the Trustee.

**The Board of Directors is pleased to announce the Audited results of the Group and the Bank for the Period ended 31 December 2024**

| | | GROUP | | KINGDOM BANK | | CO-OP BANK | |
|---|---|---|---|---|---|---|---|
| | | 31-Dec-24 KSHS.'000 Audited | 31-Dec-23 KSHS.'000 Audited | 31-Dec-24 KSHS.'000 Audited | 31-Dec-23 KSHS.'000 Audited | 31-Dec-24 KSHS.'000 Audited | 31-Dec-23 KSHS.'000 Audited |
| **I** | **STATEMENT OF FINANCIAL POSITION** | | | | | | |
| **A** | **ASSETS** | | | | | | |
| 1 | Cash (local and foreign) | 10,691,648 | 10,372,273 | 783,739 | 735,430 | 9,095,783 | 8,709,925 |
| 2 | Balances due from Central Bank of Kenya | 24,092,217 | 22,120,397 | 1,091,004 | 1,232,174 | 21,348,472 | 19,305,088 |
| 3 | Kenya Government and other securities held for dealing purposes | | | | | | |
| 4 | Financial Assets at Fair Value through profit and loss(FVTPL) | - | - | | | - | - |
| 5.a.a | Investment Securities: Held at Amortised Cost- Kenya Government Securities | 113,386,361 | 90,352,052 | 7,397,674 | 7,396,041 | 105,988,687 | 82,956,012 |
| a.b | Investment Securities: Held at Amortised Cost- Other Securities | - | - | | | - | - |
| b.a | Investment Securities: Fair Value through other comprehensive income(-FVOCI) Kenya Government Securities | 104,187,398 | 98,695,811 | 13,103,849 | 13,563,745 | 90,382,274 | 84,804,458 |
| b.b | Investment Securities: Fair Value through other comprehensive income(FVOCI)- Other Securities | 1,304,062 | 1,775,185 | | | 1,234,190 | 1,703,461 |
| 6 | Deposits and balances due from local banking institutions | 22,048,183 | 10,220,865 | 782,647 | 527,343 | 14,943,315 | 4,911,513 |
| 7 | Deposits and balances due from banking institutions abroad | 30,114,552 | 17,054,265 | 109,250 | 272,647 | 32,083,780 | 16,817,539 |
| 8 | Tax recoverable | - | 654,776 | 279,897 | - | - | 790,836 |
| 9 | Loans and advances to customers (net) | 373,732,927 | 374,227,421 | 14,009,959 | 9,816,134 | 356,257,992 | 360,387,386 |
| 10 | Balances due from banking institutions in the group | | | | | - | - |
| 11 | Investments in associates | 3,656,036 | 2,711,086 | 9,767 | 10,916 | 706,444 | 706,444 |
| 12 | Investments in subsidiary companies | - | - | 255,039 | 255,039 | 3,884,925 | 3,884,925 |
| 13 | Investment in joint ventures | - | - | - | - | - | - |
| 14 | Investment in properties | - | - | - | - | - | - |
| 15 | Property, plant and equipment | 12,266,285 | 11,127,243 | 1,213,922 | 1,093,073 | 10,536,094 | 9,340,487 |
| 16 | Prepaid lease rentals | 31,473 | 32,083 | | | 31,473 | 32,083 |
| 17 | Intangible assets | 5,509,826 | 5,964,704 | 70,090 | 31,235 | 2,016,187 | 2,595,668 |
| 18 | Deferred tax asset | 6,830,998 | 6,338,746 | - | 129,511 | 6,831,659 | 6,163,371 |
| 19 | Retirement benefit asset | - | - | | | - | - |
| 20 | Other assets | 35,338,178 | 19,484,376 | 2,078,987 | 1,657,110 | 32,482,194 | 21,145,425 |
| **21** | **TOTAL ASSETS** | **743,190,144** | **671,131,286** | **41,185,824** | **36,720,398** | **687,823,471** | **624,254,621** |
| **B** | **LIABILITIES** | | | | | | |
| 22 | Balances due to Central Bank of Kenya | - | - | 849,918 | 2,282,595 | - | 7,000,000 |
| 23 | Customer deposits | 506,112,147 | 451,642,048 | 21,631,506 | 12,296,313 | 478,183,582 | 432,548,298 |
| 24 | Deposits and balances due to local banking institutions | 590,717 | 4,457,255 | | | 2,265,963 | 4,106,575 |
| 25 | Deposits and balances due to banking institutions abroad | 2,210,361 | 23 | | | 2,210,361 | 1,645,509 |
| 26 | Other money market deposits | - | - | | | - | - |
| 27 | Borrowed funds | 55,406,100 | 67,334,316 | 15,036,303 | 19,859,303 | 39,584,754 | 40,086,007 |
| 28 | Balances due to banking institutions in the group | - | - | | | - | - |
| 29 | Tax payable | 230,128 | | 32,001 | 185,873 | 563,960 | - |
| 30 | Dividends payable | - | - | | | - | - |
| 31 | Deferred tax liability | - | - | 59,158 | | - | - |
| 32 | Retirement benefit liability | - | - | | | - | - |
| 33 | Other liabilities | 33,037,956 | 34,018,543 | 531,815 | 619,556 | 30,026,541 | 32,307,963 |
| **34** | **TOTAL LIABILITIES** | **597,587,408** | **557,452,186** | **38,140,701** | **35,243,640** | **552,835,160** | **517,694,352** |
| **C** | **SHAREHOLDERS' FUNDS** | | | | | | |
| 35 | Paid up/Assigned capital | 5,867,180 | 5,867,180 | 1,867,947 | 1,867,947 | 5,867,180 | 5,867,180 |
| 36 | Share premium/(discount) | 1,911,925 | 1,911,925 | 3,087,449 | 3,087,449 | 1,911,925 | 1,911,925 |
| 37 | Revaluation reserve | 1,602,390 | 1,624,156 | - | - | 1,427,363 | 1,448,823 |
| 38 | Retained earnings/ Accumulated losses | 128,583,636 | 111,887,778 | (947,651) | (1,496,645) | 117,140,227 | 102,921,832 |
| 39 | Statutory Loan Loss Reserve | 53,059 | 53,490 | - | - | - | - |
| 40 | Other Reserves | (1,789,920) | (16,956,216) | (962,622) | (1,981,993) | (510,191) | (14,759,773) |
| 41 | Proposed dividends | 8,800,770 | 8,800,770 | - | - | 8,800,770 | 8,800,770 |
| 42 | Capital grants | 351,036 | 369,512 | | | 351,036 | 369,512 |
| 43 | TOTAL SHAREHOLDERS' FUNDS | 145,380,078 | 113,558,596 | 3,045,123 | 1,476,758 | 134,988,312 | 106,560,269 |
| 43.1 | Non-Controlling Interest | 222,657 | 120,504 | | | - | - |
| **44** | **TOTAL LIABILITIES & SHAREHOLDERS' FUNDS** | **743,190,144** | **671,131,286** | **41,185,824** | **36,720,398** | **687,823,471** | **624,254,621** |
| **II** | **STATEMENT OF COMPREHENSIVE INCOME** | **31-Dec-24 KSHS.'000 Audited** | **31-Dec-23 KSHS.'000 Audited** | **31-Dec-24 KSHS.'000 Audited** | **31-Dec-23 KSHS.'000 Audited** | **31-Dec-24 KSHS.'000 Audited** | **31-Dec-23 KSHS.'000 Audited** |
| 1.0 | INTEREST INCOME | | | | | | |
| 1.1 | Loans and advances | 55,854,237 | 44,853,706 | 1,559,305 | 986,263 | 53,822,127 | 43,366,267 |
| 1.2 | Government securities | 26,875,486 | 23,132,315 | 2,560,288 | 2,703,597 | 24,315,198 | 20,428,718 |
| 1.3 | Deposits and placements with banking Institutions | 3,520,236 | 1,080,048 | 245,243 | 45,912 | 2,578,983 | 680,788 |
| 1.4 | Other Interest Income | - | - | - | 2,599 | - | - |
| 1.5 | Total Interest Income | 86,249,958 | 69,066,068 | 4,364,835 | 3,738,371 | 80,716,308 | 64,475,772 |
| **2.0** | **INTEREST EXPENSE** | | | | | | |
| 2.1 | Customer deposits | 29,332,588 | 18,228,414 | 2,096,285 | 905,937 | 27,187,252 | 17,304,740 |
| 2.2 | Deposits and placements from banking institutions | 1,090,855 | 1,246,586 | 164,337 | 21,021 | 926,518 | 1,225,565 |
| 2.3 | Other Interest Expenses | 4,304,633 | 4,360,186 | - | 18,607 | 4,355,783 | 4,272,291 |
| **2.4** | **Total Interest Expenses** | **34,728,075** | **23,835,187** | **2,260,622** | **945,565** | **32,469,553** | **22,802,596** |
| **3** | **NET INTEREST INCOME/(LOSS)** | **51,521,883** | **45,230,881** | **2,104,213** | **2,792,806** | **48,246,755** | **41,673,176** |
| **4** | **NON- INTEREST INCOME** | | | | | | |
| 4.1 | Fees and commissions on loans and advances | 11,033,718 | 12,254,271 | 237,312 | 154,457 | 10,257,723 | 11,499,023 |
| 4.2 | Other Fees and commissions | 12,066,724 | 10,125,725 | 205,884 | 191,763 | 10,099,885 | 8,320,843 |
| 4.3 | Foreign exchange trading income/ (loss) | 4,974,885 | 3,181,189 | (33,403) | 105,366 | 4,099,341 | 2,877,509 |
| 4.4 | Dividend income | | | | | 87,065 | 86,668 |
| 4.5 | Other income | 1,050,219 | 900,563 | 119,844 | 15,498 | 623,962 | 487,609 |
| **4.6** | **Total Non-interest income** | **29,125,546** | **26,461,749** | **529,638** | **467,084** | **25,167,976** | **23,271,652** |
| **5.0** | **TOTAL OPERATING INCOME** | **80,647,429** | **71,692,630** | **2,633,850** | **3,259,890** | **73,414,731** | **64,944,828** |
| **6.0** | **OTHER OPERATING EXPENSES** | | | | | | |
| 6.1 | Loan loss provision | 8,663,289 | 6,008,159 | 270,806 | 320,933 | 8,350,075 | 5,541,094 |
| 6.2 | Staff costs | 18,322,559 | 16,690,247 | 717,353 | 552,297 | 16,557,685 | 15,247,267 |
| 6.3 | Directors' emoluments | 353,474 | 264,494 | 15,410 | 10,486 | 274,632 | 192,496 |
| 6.4 | Rentals charges | 916,640 | 779,080 | 84,515 | 47,526 | 792,021 | 701,845 |
| 6.5 | Depreciation charge on property and equipment | 2,721,037 | 2,744,813 | 71,410 | 50,076 | 2,585,770 | 2,584,704 |
| 6.6 | Armortisation charges | 1,008,242 | 978,732 | 10,468 | 15,346 | 933,051 | 956,371 |
| 6.7 | Other operating expenses | 14,704,242 | 12,208,981 | 461,864 | 1,199,694 | 12,618,290 | 10,104,594 |
| **6.8** | **Total other operating expenses** | **46,689,482** | **39,674,506** | **1,631,827** | **2,196,358** | **42,111,524** | **35,328,371** |

| | | GROUP | | KINGDOM BANK | | CO-OP BANK | |
|---|---|---|---|---|---|---|---|
| | | 31-Dec-24 KSHS.'000 Audited | 31-Dec-23 KSHS.'000 Audited | 31-Dec-24 KSHS.'000 Audited | 31-Dec-23 KSHS.'000 Audited | 31-Dec-24 KSHS.'000 Audited | 31-Dec-23 KSHS.'000 Audited |
| 7 | Profit/(Loss) before tax and exceptional items | 33,957,947 | 32,018,124 | 1,002,023 | 1,063,532 | 31,303,207 | 29,616,457 |
| 8 | Exceptional items-Early Retirement Costs | | - | | | - | - |
| 8 | Exceptional items-Share of profit of associate | 822,372 | 345,725 | | | - | - |
| **9** | **Profit/(Loss) before tax** | **34,780,319** | **32,363,849** | **1,002,023** | **1,063,532** | **31,303,207** | **29,616,457** |
| 10 | Current tax | 9,876,192 | 9,367,564 | 264,362 | 185,981 | 8,974,080 | 8,653,052 |
| 11 | Deferred tax | (552,217) | (192,081) | 188,666 | 222,392 | (658,967) | (510,089) |
| **12** | **Profit/(loss) after tax and exceptional items** | **25,456,345** | **23,188,367** | **548,995** | **655,159** | **22,988,094** | **21,473,494** |
| **13.0** | **OTHER COMPREHENSIVE INCOME:** | | | | | | |
| 13.1 | Gains/(Losses) from translating the financial statements of foreign operations | | | | | - | - |
| 13.2 | Fair value changes in available-for-sale financial assets | 15,328,480 | (8,361,591) | 1,019,371 | (996,073) | 14,249,582 | (7,363,660) |
| 13.3 | Revaluation Surplus on property, Plant and Equipment | - | - | | | - | - |
| 13.4 | Share of other comprehensive income of associates | 2,032,282 | - | | | - | - |
| 13.5 | Income tax relating to components of other comprehensive income | - | - | | | - | - |
| **14** | **OTHER COMPREHENSIVE INCOME NET OF TAX** | **17,360,762** | **(8,361,591)** | **1,019,371** | **(996,073)** | **14,249,582** | **(7,363,660)** |
| **15** | **TOTAL COMPREHENSIVE INCOME** | **42,817,107** | **14,826,776** | **1,568,366** | **(340,914)** | **37,237,676** | **14,109,834** |
| | Basic Earnings per share | 4.33 | 3.92 | | | 3.92 | 3.66 |
| | Diluted Earnings per share | 4.33 | 3.92 | | | 3.92 | 3.66 |
| | Dividend per share | 1.50 | 1.50 | | | 1.50 | 1.50 |
| **III** | **OTHER DISCLOSURES** | **31-Dec-24 KSHS.'000 Audited** | **31-Dec-23 KSHS.'000 Audited** | **31-Dec-24 KSHS.'000 Audited** | **31-Dec-23 KSHS.'000 Audited** | **31-Dec-24 KSHS.'000 Audited** | **31-Dec-23 KSHS.'000 Audited** |
| **1** | **NON PERFORMING LOANS AND ADVANCES** | | | | | | |
| a) | Gross non-performing loans and advances | 71,079,784 | 66,942,745 | 2,977,825 | 3,209,562 | 66,952,396 | 62,803,777 |
| | Less | | | | | | |
| b) | Interest in suspense | 5,115,196 | 5,161,035 | 478,671 | 540,428 | 4,556,851 | 4,561,732 |
| c) | Total Non-performing loans and advances (a-b) | 65,964,588 | 61,781,710 | 2,499,154 | 2,669,134 | 62,395,545 | 58,242,046 |
| | Less | | | | | | |
| d) | Loan loss provisions | 40,337,945 | 33,104,524 | 867,401 | 1,231,386 | 39,136,283 | 31,559,060 |
| e) | Net Non performing loans (c-d) | 25,626,643 | 28,677,186 | 1,631,753 | 1,437,748 | 23,259,262 | 26,682,986 |
| f) | Discounted Value of Securities | 29,787,441 | 32,297,222 | 1,545,554 | 1,365,103 | 24,821,749 | 30,032,617 |
| **g)** | **Net NPLs Exposure (e-f)** | **(4,160,798)** | **(3,620,035)** | **86,199** | **72,645** | **(1,562,487)** | **(3,349,630)** |
| **2** | **Insider loans and advances** | | | | | | |
| a) | Directors, shareholders and associates | 8,376,734 | 6,799,691 | 11,023 | 9,076 | 8,365,711 | 6,790,615 |
| b) | Employees | 12,758,784 | 12,807,278 | 348,225 | 267,683 | 12,410,537 | 12,521,785 |
| **c)** | **Total insider loans, advances and other facilities** | **21,144,569** | **19,606,969** | **359,248** | **276,759** | **20,776,248** | **19,312,400** |
| **3** | **Off-Balance Sheet Items** | | | | | | |
| a) | Letters of credit,guarantees, acceptances | 18,011,188 | 21,018,871 | 634,737 | 461,879 | 17,221,340 | 20,504,640 |
| b) | Forwards, swaps and options | 13,119,489 | 12,873,967 | - | 697,835 | 13,119,489 | 12,176,132 |
| c) | Other contingent liabilities | - | - | - | - | - | - |
| **d)** | **Total contingent liabilities** | **31,130,677** | **33,892,838** | **634,737** | **1,159,714** | **30,340,830** | **32,680,772** |
| | **CAPITAL STRENGTH** | | | | | | |
| a) | Core capital | 122,825,895 | 106,748,413 | 4,007,745 | 3,329,239 | 114,793,785 | 101,262,154 |
| b) | Minimum Statutory Capital | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| c) | Excess/( deficiency) | 121,825,895 | 105,748,413 | 3,007,745 | 2,329,239 | 113,793,785 | 100,262,154 |
| d) | Supplementary capital | 19,148,039 | 25,439,927 | - | - | 19,104,282 | 25,396,094 |
| e) | Total capital | 141,973,934 | 132,188,340 | 4,007,745 | 3,329,239 | 133,898,067 | 126,658,247 |
| f) | Total risk weighted assets | 670,824,019 | 587,050,961 | 21,009,574 | 16,830,450 | 639,757,936 | 570,279,516 |
| g) | Core capital/total deposit liabilities | 24.2% | 23.4% | 18.5% | 27.1% | 23.8% | 23.1% |
| h) | Minimum Statutory Ratio | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% |
| i) | Excess/( deficiency) | 16.2% | 15.4% | 10.5% | 19.1% | 15.8% | 15.1% |
| j) | Core capital/total risk weighted assets | 18.3% | 18.2% | 19.1% | 19.8% | 17.9% | 17.8% |
| k) | Minimum Statutory Ratio | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% |
| l) | Excess/( deficiency)(j-k) | 7.8% | 7.7% | 8.6% | 9.3% | 7.4% | 7.3% |
| m) | Total capital/total risk weighted assets | 21.2% | 22.5% | 19.1% | 19.8% | 20.9% | 22.2% |
| n) | Minimum Statutory Ratio | 14.5% | 14.5% | 14.5% | 14.5% | 14.5% | 14.5% |
| o) | Excess/( deficiency)(m-n) | 6.7% | 8.0% | 4.6% | 5.3% | 6.4% | 7.7% |
| **5** | **LIQUIDITY** | | | | | | |
| a) | Liquidity Ratio | 59.9% | 52.0% | 91.7% | 162.0% | 56.1% | 52.1% |
| b) | Minimum Statutory Ratio | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% |
| c) | Excess/ (deficiency)(a-b) | 39.9% | 32.0% | 71.7% | 142.0% | 36.1% | 32.1% |

**DIVIDENDS:**

The Board of Directors recommends to the Members at the forthcoming Annual General Meeting the payment of a first and final dividend for the year 2024 of Kshs.1.50 per ordinary share held (2023-Kshs.1.50) to be paid on or about 10th June 2025 to the shareholders registered on the Bank's register at the close of business on 28th April 2025.The register will remain closed for one day on 29th April 2025 for the preparation of the dividend warrants.

**ANNUAL GENERAL MEETING:**

A 'virtual' General Meeting will be held in the year as per the separate notice to be issued.

**MESSAGE FROM THE DIRECTORS:**

The above Consolidated Statement of Comprehensive Income and Statement of Financial Position are extracts from the Bank's Financial Statements which have been audited by Ernst & Young LLP. A full set of these Financial Statements will be available at our registered office at Co-operative House and online at www.co-opbank.co.ke for inspection after approval by members at the Annual General Meeting.

The financial statements were approved by the Board of Directors on 19th March 2025 and signed on its behalf by:

Signed: Mr. John Murugu, OGW
Chairman

Signed: Dr. Gideon Muriuki - CBS, MBS
Group Managing Director & CEO

CO-OPERATIVE BANK
We are you
The Co-operative Bank is regulated by the Central Bank of Kenya

# 22. PROPERTY MANAGER FINANCIAL STATEMENTS

# 22. PROPERTY MANAGER FINANCIAL STATEMENTS

**REPORT OF THE INDEPENDENT AUDITOR**
**TO THE MEMBERS OF ALP MANAGEMENT KENYA LIMITED**

**Opinion**

We have audited the financial statements of ALP Management Kenya Limited,(the Company), set out on pages 6 to 24, which comprise the statement of financial position as at 31st December 2024, the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes, including material accounting policy information.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2024 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard and the requirements of the Kenyan Companies Act, 2015.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The directors are responsible for the other information. Other information comprises the information in the reports accompanying the Annual Financial Statements, other than our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, other than that prescribed by the Kenyan Companies Act, 2015, as set out below.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or other wise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Directors' responsibility for the financial statements**

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**REPORT OF THE INDEPENDENT AUDITOR (CONTINUED)**
**TO THE MEMBERS OF ALP MANAGEMENT KENYA LIMITED**

**Auditor's responsibilities for the audit of the financial statements (continued)**

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on other matters prescribed by the Kenyan Companies Act, 2015**
In our opinion the information given in the report of the directors on page 2 and 3 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Rishi Bhandari. P/No. 2216.

**Baker Tilly**
**Certified Public Accountants**
**P.O. Box 67486 - 00200, Nairobi**

**Date**..27 JUNE.....**2025**

*ALP Management Kenya Limited*
*Financial statements*
*For the year ended 31 December 2024*

**STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31ST DECEMBER 2024**

| | Notes | 2024 Kshs | 2023 Kshs |
|---|---|---|---|
| Revenue | 5 | 191,905,703 | 230,846,539 |
| Administrative expenses | | (173,282,698) | (188,280,426) |
| Establishment expenses | | (751,640) | (3,573,092) |
| **Operating profit** | | 17,871,365 | 38,993,021 |
| Finance costs | 6 | 12,533,576 | (75,202,410) |
| **Profit/(loss) before tax expense** | 7 | 30,404,941 | (36,209,389) |
| Tax (expense)/income | 8(a) | (9,167,034) | 5,710,951 |
| **Profit/(loss) for the year attributable to the owners of the company** | | 21,237,907 | (30,498,437) |

*ALP Management Kenya Limited*
*Financial statements*
*For the year ended 31 December 2024*

**STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER 2024**

| EQUITY AND LIABILITIES | Notes | 2024 Kshs | 2023 Kshs |
|---|---|---|---|
| **Capital and reserves** | | | |
| Share capital | 9 | 2,308,000 | 2,308,000 |
| Share premium | 9 | 218,592,000 | 218,592,000 |
| Accumulated loss | | (92,536,358) | (113,774,266) |
| | | 128,363,642 | 107,125,734 |
| **Non-current liabilities** | | | |
| Borrowings | 10 | 76,069,984 | 92,055,919 |
| | | 76,069,984 | 92,055,919 |
| | | **204,433,626** | **199,181,653** |
| **REPRESENTED BY** | | | |
| **Non-current assets** | | | |
| Property and equipment | 11 | 3,004,861 | 3,040,306 |
| Deferred tax | 12 | 14,403,226 | 18,055,468 |
| | | 17,408,087 | 21,095,774 |
| **Current assets** | | | |
| Trade and other receivables | 13 | 137,686,471 | 175,331,190 |
| Cash and cash equivalents | 14 | 28,185,641 | 9,979,438 |
| Tax recoverable | 8b | 28,343,078 | 26,066,244 |
| | | 194,215,190 | 211,376,872 |
| **Current liabilities** | | | |
| Trade and other payables | 15 | 7,189,651 | 33,290,993 |
| **Net current asset** | | 187,025,539 | 178,085,879 |
| | | **204,433,626** | **199,181,653** |

The financial statements on pages 6 to 24 were approved for issue by the Board of Directors on 26 JUNE 2025 and were signed on its behalf by:

..... .....

**Director** **Director**

*ALP Management Kenya Limited*
*Financial statements*
*For the year ended 31 December 2024*

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2024**

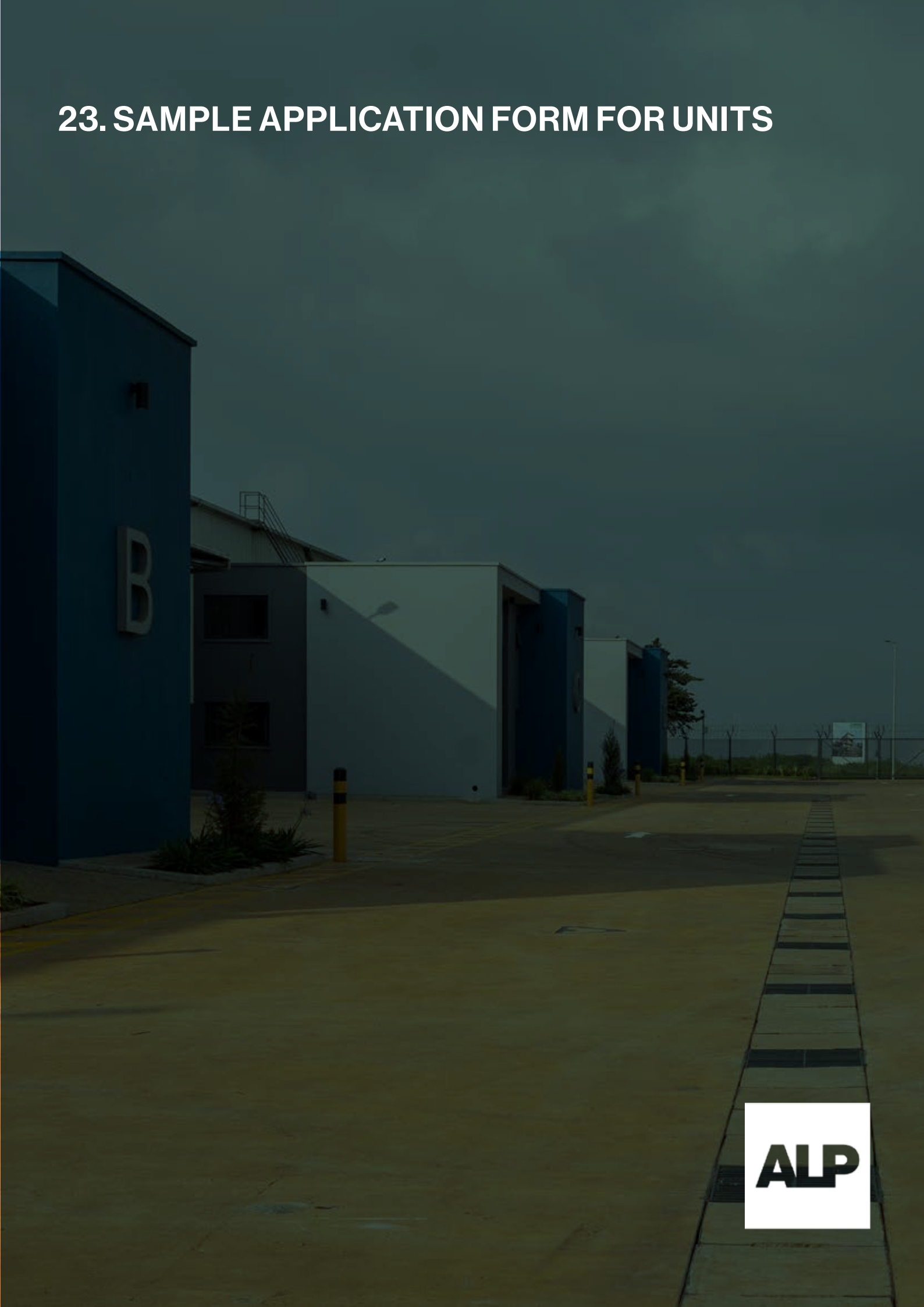
| | Share capital Kshs | Share premium Kshs | Accumulated Loss Kshs | Total Kshs |
|---|---|---|---|---|
| **1st January 2024** | 2,308,000 | 218,592,000 | (113,774,265) | 107,125,735 |
| Profit for the year | - | - | 21,237,907 | 21,237,907 |
| **31st December 2024** | **2,308,000** | **218,592,000** | **(92,536,358)** | **128,363,642** |
| **1st January 2023** | 100,000 | - | (83,275,829) | (83,175,829) |
| Issue of ordinary share capital | 2,208,000 | 218,592,000 | - | 220,800,000 |
| Loss for the year | - | - | (30,498,437) | (30,498,437) |
| **31st December 2023** | **2,308,000** | **218,592,000** | **(113,774,266)** | **107,125,734** |

*ALP Management Kenya Limited*
*Financial statements*
*For the year ended 31 December 2024*

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2024

| | Notes | 2024 Kshs | 2023 Kshs |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit/(loss) for the year | | 30,404,941 | (36,209,389) |
| Adjustments for: | | | |
| Interest paid on lease liabilities | | - | 4,183 |
| Interest expense | | - | 16,608,758 |
| Unrealised foreign exchange losses on borrowings | | - | 60,767,737 |
| Net foreign exchange gain on right of use asset | | - | (7,049) |
| Amortisation of right of use asset | | - | 515,771 |
| Depreciation on property and equipment | 11 | 678,084 | 1,213,193 |
| Loss on disposal of property and equipment | | - | 760,217 |
| **Operating profit before working capital changes** | | 31,083,025 | 43,653,422 |
| Changes in working capital | | | |
| - Increase in trade and other receivables | | 37,644,721 | (64,503,905) |
| - Increase in trade and other payables | | (26,101,342) | 21,980,794 |
| Cash used in operations | | 42,626,404 | 1,130,311 |
| Tax paid | | (7,791,627) | (12,360,515) |
| **Net cash from operating activities** | | 34,834,777 | (11,230,204) |
| **Investing activities** | | | |
| Purchase of property and equipment | 11 | (642,639) | (3,115,843) |
| Proceeds from disposal of property and equipment | | - | 27,184 |
| **Net cash used in investing activities** | | (642,639) | (3,088,659) |
| **Financing activities** | | | |
| Repayment of borrowings | 10 | (15,985,935) | (220,800,000) |
| Payment of withholding tax | | - | (2,491,322) |
| Repayment of principal and interest on lease liabilities | | - | (570,039) |
| Issuance of ordinary share capital | | - | 220,800,000 |
| **Net cash used in financing activities** | | (15,985,935) | (3,061,361) |
| **(Decrease) in cash and cash equivalents** | | 18,206,203 | (17,380,224) |
| Cash and cash equivalents at start of year | | 9,979,438 | 27,359,662 |
| Cash and cash equivalents at end of year | 14 | **28,185,641** | **9,979,438** |

# 23. SAMPLE APPLICATION FORM FOR UNITS



# 23. SAMPLE APPLICATION FORM FOR UNITS

## USE BLOCK LETTERS TO COMPLETE THE FORM

<table>
<tr><td>Africa Logistics Properties</td><td>APPLICATION FORM FOR THE ALP REIT RESTRICTED OFFER AS PER THE OFFERING MEMORANDUM DATED 8th DECEMBER 2025. PLEASE CONSULT YOUR ADVISER. READ NOTES ON THE REVERSE OF THIS APPLICATION FORM. RESTRICTED OFFER OPENS AT 9:00 A.M. ON 17th DECEMBER 2025 AND CLOSES AT 5:00 P.M. ON 27th FEBRUARY 2026.</td><td>Application No:</td></tr>
<tr><td>RESTRICTED OFFER 2025</td><td>Authorised Placing Agent Stamp</td><td colspan="2">CDS A/C</td></tr>
<tr><td colspan="2">OFFICIAL USE ONLY<br>PART 1 - APPLICATION<br>Unitholders Name and Address</td><td>BOX 1<br>Number of Units Applied<br><br>BOX 2<br>Amount payable (USD) in full</td><td>OFFICIAL USE ONLY</td></tr>
<tr><td>ATTORNEY</td><td colspan="3">Unitholders who wish to appoint an attorney to deal with the Restricted Offer may do so via the Appointment of Attorney Form available from an Authorised Placing Agent or downloaded from www.africawarehouses.com.</td></tr>
</table>

| | | | | | | |
|---|---|---|---|---|---|---|
| PART 2 PAYMENT | Tick √ | | 1. Direct Amount Payment | USD | Transfer Ref No/ Deposit Ref No | Bank Name & Branch |
| | | | | | | |
| | Tick √ | | 2. Payment to Agent | USD | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | Tick √ | | 3. Irrevocable: Bank Guarantee/Letter of Undertaking | | 4. Financier Details | |
| | | | | | CDS Form 5 Serial No | |
| | | | | | Institution and Branch | |
| PART 4 REFUNDS | Account Name (as per statement | | | Bank Name | Branch Code | |
| | | | | | | |
| | Country & Swift if Not Kenya | | | Account Number (full Account No) | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| PART 5 | Signature of Unitholder or Authorised Attorney | | | | | |
| | Sign | | | | Date: | |
| PART 6 | Email | | | | | |
| | Mobile No: | | | | | |

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Tear off----------

| | | | |
|---|---|---|---|
| ALP REIT – RESTRICTED OFFER 2025 APPLICATION FORM | APPLICATION No. | UNITHOLDER | Authorised Placing Agent |

## NOTES ON FILLING THE APPLICATION FORM

### General Instructions

- Please complete the Application Form in BLOCK LETTERS.

- A copy of the Offering Memorandum can be obtained from the ALPH's website at this link www.africaware-houses.com.
- The Application Form is subject to the terms and conditions in the Offering Memorandum.
- Capitalised terms in the Offering Memorandum shall have the same meaning in this Application Form unless otherwise defined.
- For advice on the Restricted Offer and completion of this Application Form, the Prospective Unitholder should consult their stockbroker, investment adviser, banker, financial consultant or other professional adviser, who specialises in advising on the acquisition of shares and other securities.
- The Application Form may be rejected as per the policy set out in the Offering Memorandum.
- All alterations on the Application Form, other than the deletion of alternatives, must be authenticated by the signature of the Prospective Unitholder.
- Presentation of receipt of funds transferred shall not amount to the acceptance of any application.
- A completed Application Form must be physically returned to an Authorised Placing Agent. Once returned, it is irrevocable and may not be withdrawn.
- The Application Form and proof of payment of the Application Money should be received by the Authorised Placing Agents by 5:00 p.m. on 27th February 2026. Placing Agents shall be under any liability whatsoever should an Application Form not be received by 5.00pm on the Closing Date.
- This Application Form and the Offering Memorandum shall be governed by and construed in accordance with the laws of Kenya.

### PART 1 APPLICATION

1. Indicate the TOTAL NUMBER OF UNITS to be applied for in Box 1
   a. The minimum application size is 100,000 units
   b. Thereafter, units can be applied for in multiplies of 10,000
   c. Applications will be rounded down to the nearest 10,000 units subject to a minimum of 100,000 units if instruction (b) above is not followed
2. Indicate the TOTAL AMOUNT TO BE PAID IN USD in Box 2 (The Offer Price of one unit is USD 1.00)
3. Application and allotment are subject to terms and conditions in the Offering Memorandum.

### PART 2 PAYMENT

1. All payments of the Application Money must be made in United States Dollar (USD).
2. Section 4.9 in the Offering Memorandum sets out details on Modes of Payment.
3. Complete paragraph 1 with the funds transfer number and name of remitting/paying bank.
   a. Please ensure to include your application number or CDS number in the narration for ease of reconciliation
4. Complete paragraph 2 with the name of the Authorised Agent who will make the payment on your behalf (only licensed CMA stockbrokers and investment banks).
5. If payment for Units is via Irrevocable Bank Guarantee or Letter of Undertaking, tick the box provided and attach the Bank Guarantee or Letter of Undertaking to the Application Form.
6. If a bank is involved, complete section labelled '4. Financier Details' by providing the CDS Form 5 Reference and bank's name and branch.
7. All Application Money must be paid in cleared funds on or before 5:00 P.M. on 27th February 2026 (Closing Date).

| **PART 3 REFUNDS** |
|---|
| 1. A bank account is mandatory for eligible investors. (USD denominated bank account is recommended)<br>2. All refunds will be paid in USD.<br>3. Please refer to Section 4.11 in the Offering Memorandum for details on Refunds. |

| **PART 5 SIGNATURE** |
|---|
| The Application Form must be signed. For companies and legal entities, signatures can be affixed by the authorised signatories. |

| **PART 6 EMAIL AND/OR MOBILE NO** |
|---|
| A space in PART 6 has been provided to insert this information so that contact can be established if required. |

| |
|---|
| For Assistance contact:<br>The Issuer: info@africawarehouses.com<br>Data Processing Agent: ALPREIT@image.co.ke, +254 709 170 000/034 |

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Tear off----------

| |
|---|
| **APPLICATION FORM RECEIPT**. Eligible Shareholder must ensure that this tear off this section stamped by the Authorised Placing Agent and returned to the Prospective Unitholders for their safe custody together with the proof of payment. |

The last date and time for acceptance and payment of the Units is on or before 5:00 P.M. on 27th February 2026.

# 24. IRREVOCABLE BANK GUARANTEE

## 24. IRREVOCABLE BANK GUARANTEE

[To be typed on the letter head of the Issuing Bank]

Ref:[ ]
Date: [ ]

The Directors
Africa Logistics Properties Holdings Ltd
Office FFO1, CrossInvest Global Management Services Ltd
Endemika Business Park Phase 2
Petit Raffray, Mauritius

Dear Sirs,

ALP REIT RESTRICTED OFFER 2025 IRREVOCABLE GUARANTEE IN RESPECT OF PAYMENT FOR ALLOCATION OF NEW UNITS {INSERT NAME OF THE INVESTOR} (the "IBG")

WHEREAS [name of Investor] [the "Investor"] has by an Application Form No. [Insert Number] date [insert date] applied for [insert the number of units] New Units in the ALP REIT RESTRICTED OFFER 2025 as set out in the Offering Memorandum dated [insert date] (capitalised terms used in this IBG shall have the meaning and interpretation given to such terms in the ALP REIT Offering Memorandum),

AND WHEREAS it has been stipulated in the ALP REIT Offering Memorandum that the investor shall furnish you with an irrevocable on demand guarantee for the full value payable for the New units applied for at the Offer Price.

AND WHEREAS we [Name of Guarantor] have agreed to give this IBG,

NOW, at the request of the investor and in consideration of your allocation to the investor the New units or such lesser number as you shall in your absolute discretion determine, we hereby irrevocably undertake to pay you in United States Dollar, promptly upon your first written demand through Co-operative Bank of Kenya Limited in full without set off or counter claim and free from any deduction or withholding whatsoever, such sum as may be demanded by you up to a maximum some of United States Dollar ([words][ figures]) without your needing to prove or to show grounds or reasons for your demand or the sum specified therein by way of EFT/RTGS within 24 hours of the said demand on or before 3:00 p.m. on 9th March 2026 as set out in the ALP REIT Offering Memorandum.

This IBG will remain in force up to and including 3:00 p.m. on 9th March 2026 and shall be governed and construed in accordance with the Laws of the Republic of Kenya.

IN WITNESS WHEREOF THIS LETTER OF IRREVOCABLE BANK GUARANTEE HAS BEEN EXECUTED BY US ON THIS [date on or before [Date].

[Signed as per the Guarantor]

# 25. IRREVOCABLE LETTER OF UNDERTAKING

## 25. IRREVOCABLE LETTER OF UNDERTAKING

[ON LETTERHEAD OF ISSUING INVESTOR/CUSTODIAN]

Ref:[ ]
Date: [ ]

The Directors
Africa Logistics Properties Holdings Ltd
Office FFO1, CrossInvest Global Management Services Ltd
Endemika Business Park Phase 2
Petit Raffray, Mauritius

Dear Sirs

ALP REIT RESTRICTED OFFER 2025 IRREVOCABLE LETTER OF UNDERTAKING IN RESPECT OF PAYMENT FOR ALLOCATION OF NEW UNITS TO [name of investor] (the "ILU")

WHEREAS [name of investor] (the "Investor") has by an Application Form of No [ ] applied for [ ] New Units in the ALP REIT RESTRICTED OFFER 2025 as set out in the Offering Memorandum dated [ ] 2025 (capitalised terms used in this ILU shall have the meaning and interpretation given to such terms in the ALP REIT Offering Memorandum),

AND WHEREAS it has been stipulated in the ALP REIT Offering Memorandum that the Investor shall furnish you with a letter of undertaking for the full value of the New Units applied for at the Offer Price,

AND WHEREAS we [name of guarantor] have agreed to give this ILU,

NOW, at the request of the Investor and in consideration of you allocating to the Investor the New Shares or such lesser number as you shall in your sole and absolute discretion determine, we hereby irrevocably undertake to pay you in United States Dollar, upon your first written demand (vide email, fax, hand delivered letter or SWIFT) and without any delay or argument, such sums as may be demanded by you up to a maximum of United States Dollar [amount in words] (USD [amount in figures]) without your needing to prove or show grounds or reasons for your demand or the sum specified therein by way of EFT/ RTGS within 24 hours of the said demand or before 3.00 p.m on 9th March 2026 whichever occurs earlier, as set out in the ALP REIT Offering Memorandum.

This ILU shall remain in force up to and including 3.00 p.m. on 9th March 2026 and any demand in respect thereof should reach our office not later than the above date and time. Should such payment not be made within two business weekdays by 3:00 p.m. following the deemed service of such notice then Africa Logistics Properties Holdings Ltd shall be entitled without further notice to either: treat our application as having been repudiated and cancel the provisional allotment to us and re-allocate the provisionally New Units on such terms and conditions as it shall think fit without prejudice to any rights to damages for such repudiation, or to allow us further time for payment on such terms and conditions as it shall think fit in which event we shall pay default interest on all sums outstanding at an agreed rate per annum calculated on daily balances and compounded monthly.

This ILU shall remain in force up to and including 3.00 p.m. on [ Insert Settlement Date] 2025 and any demand in respect thereof should reach our office not later than the above date and time. Should such payment not be made within two business weekdays by 3:00 p.m. following the deemed service of such notice then Africa Logistics Properties Holdings Ltd shall be entitled without further notice to either: treat our application as having been repudiated and cancel the provisional allotment to us and re-allocate the provisionally New Units on such terms and conditions as it shall think fit without prejudice to any rights to damages for such repudiation, or to allow us further time for payment on such terms and conditions as it shall think fit in which event we shall pay default interest on all sums outstanding at an agreed rate per annum calculated on daily balances and compounded monthly.

This ILU shall be governed and construed in accordance with the Laws of the Republic of Kenya.

IN WITNESS WHEREOF THIS IRREVOCABLE LETTER OF UNDERTAKING HAS BEEN EXECUTED BY US ON THIS [ • ] DAY OF [ • ] 2025.

[signed as per mandate]

# Kenya Office

**ALP HQ & West Logistics Park**
Tilisi Developments, Ngecha Chunga Road,
Off Nairobi – Nakuru Highway
P.O. Box 1925-00502, Nairobi, Kenya

**ALP North Logistics Park**
Tatu city, Ruiru
P.O. Box 1925-00502, Nairobi, Kenya

**ALP North Logistics Park**
Tatu city, Ruiru
P.O. Box 1925-00502, Nairobi, Kenya

**Website:** www.africawarehouses.com
**Email:** info@africawarehouses.com
**Phone:** +254 715 111 444

# Mauritius Office

**ALP Holdings Office**
CrossInvest Global Management Services Ltd
Office FF01, Endemika Business Part Phase 2
Petit Raffray, Mauritius

**ALP REIT**: East Africa's Pioneering Industrial Real Estate Investment Trust

ALP