

KQ Statement and Q&A - Share Trade Suspension

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Statement

Nairobi, July 10th 2020, Kenya Airways Plc (KQ) has applied for suspension of trading in its shares and closure of register, effective from 3 July 2020, for a period of three calendar months. Following the tabling of the Kenya Aviation Management Bill 2020 in Parliament on June 18, the price of Kenya Airways shares went up as investors bought the shares in anticipation of being bought out by the Government at a premium. The COVID-19 pandemic and the prospect of a Government Buy-Out may also have created a buyer's market, as share prices were at an all-time low.

The suspension was approved and issued by the Capital Markets Authority (CMA) in terms of the Capital Markets Act and the Capital Markets (Securities). The suspension of trade and closure of share register is a necessary step in this process in order to not only protect investors but also helping in determining the true value attributed to the Shares in connection with any Government Buy-Out.

KQ remains committed to serving Kenya's aviation needs in a sustainable manner going forward. The restructuring and buy-out will put the airline on a sound financial footing and provide certainty to all stakeholders.

Q&A

1) Will Kenya Airways be closing?

No, Kenya Airways will be bought out by the Kenyan government and restructured in order for it to be on a sound financial footing.

2) Why is share trade being suspended?

In order for the share buyout to be finalised, it is necessary to close the share register so that current shareholders can be included in the buyout.

3) Will airline routes / destinations change?

We are looking into all aspects of KQ's operations including routes, so that we put the airline on a sustainable footing as quickly as possible. Any decisions on routes will be communicated soon as they are made.