

**2020 ANNUAL GENERAL MEETING
10 DECEMBER 2020**

QUESTIONS & ANSWERS

Question 1: Are we going to receive dividends for the year 2020?

Answer: We remain committed to delivering healthy returns to our shareholders. However, in view of the difficult economic and market conditions and the need to investment in new opportunities, the The Directors do not recommend the payment of a dividend for the year 2020.

Question 2: How much did UGP pay for the minority interest (and what % was the minority interest) in Unga Millers (U) Ltd?

Answer: Unga Group Plc did not have (and still does not have) a direct investment in Unga Millers (U) Limited (UMUL). The investment in UMUL is held through Unga Holdings Limited (UHL). In 2012 UHL paid the minority shareholders as per the agreed price for their 40% non-controlling interest in UMUL. Per our confidentiality obligations, it is not appropriate to disclose the amounts paid.

Question 3: What is the status of the assets? Has a valuation been done to determine a reasonable expectation of the net proceeds after the sale?

Answer: Valuation of the property was carried out in January 2020. The property will be sold or retained for future investments if an appropriate amount cannot be realised from its sale.

Question 4: What is the value at which Ennsvalley Bakery Limited is carried on the Balance Sheet? What was the total amount UGP paid for Ennsvalley? Is it profitable? Have partners been identified to take a stake in the business?

Answer: Unga Group Plc does not have a direct investment in Ennsvalley Bakery Limited. As indicated in the Chairman's statement which is on page 2 of the Annual Report and Financial Statements and Page 50 of the Integrated Report, the business is currently not profitable.

No partner has been identified, though several have shown interest.

Question 5: How has the year to-date (July-Nov 2020) been for UGP?

Answer: In the last 5 months, the Group has experienced a drop in profitability compared to the same period in the prior year. However, volumes have picked-up in the animal nutrition business with margins improving over the past month or so. Cost and availability of milling by-products remains a challenge; the material is scarce during the current period where demand for flour is low.

Any progress (Pg 21) in recovering any of the amounts for the VAT or GoK subsidy program?

Answer: No progress has been made on recovering any of the amounts. The VAT matter is before a court of law after KRA appealed in the High Court of Kenya against a Tax Appeals Tribunal ruling in Unga's favor. The GoK subsidy program debt is still outstanding as at the date of the AGM.

Question 6: Has Unga seen tangible gains in e-commerce? Please share some numbers both value and quantity.

Answer: Though mobile shopping has been launched through "*Bidhaa Mlangoni*" the benefits are not significant. An e-commerce portal through our website is under development.

Question 7: Estimated retrenchment (staff reduction) costs in FY2021?

Answer: About Kes 70million has been incurred as at end of November 2020.

Question 8: What did the sponsorship TGKBO (Sn 2) cost UGP? What tangible benefits has Unga experienced?

Answer: We are bound by confidentiality agreements and cannot therefore publish the contract values without the consent of our counterparties. The benefits expected to accrue to the business are increased Exe[®]/Unga brand visibility and top of mind awareness for our wheat flour with younger consumers. The show has gained notable traction, especially going into season 2.

Question 9: Regarding the Key Audit Matter, has there been a material change in the Trade Receivables since June? If yes, please provide more information.

Answer: There has been no material change in Trade Receivables since June 2020.

Question 10: Given the inevitable change in lifestyles of Unga's customers, has Unga looked at new products?

Answer: Unga is constantly reviewing its product offering as the customer's needs change. We have recently introduced new Famila[®] porridge brand extensions targeted at specific segments. On the animal nutrition business, the most recent introduction is catfish feed.

Question 11: Has Unga considered expanding into "finished" [ready to consume] products? The market for plant-based "Ready to Eat" products e.g. Impossible Foods, Beyond Meat, Quorn has taken off among consumers in many countries. Has Unga looked into this growing market?

Answer: Research is ongoing for the development of new ready to consume products. So far, nothing is ready to be offered to the market.

Question 12: Pg 142 The Leasehold land is valued at 2.65bn (28 Feb 2018). Please provide a further breakdown on which properties are included and what each was valued at.

Answer: The valuation of leasehold land includes all properties for all Unga sites in Kenya. These are the properties in Eldoret, Nakuru and Nairobi.

Question 13: Has there been any progress with the disposal of the land along Ngong Road in view of the expansion of the road?

Answer: No progress has been made on the disposal of the land on Ngong Road.

Question 14: There is a Railway City Masterplan that was presented by the relevant governmental authorities. It seemed to me that Unga's Commercial Road properties (where the silos and mills stand) were included in the plan. Has there been any communication from the relevant governmental bodies on this? When does the lease on the Commercial Street property expire?

Answer: No communication has been received from any government body regarding the Commercial Street properties. According to information in the public domain, The Nairobi Railway City is a development to be situated within the property that currently serves as the Nairobi Railway Station. The project is one of the strategies for the expansion of Nairobi's Central Business District. The proposed primary planning area is situated within the site containing the Nairobi Central Railway Station, the marshalling yard, the Kenya Railways Pension Scheme Land (Landimawe Estate), the locomotive and wagons workshops and the section of Nairobi's Industrial Area that borders the southern boundary of the Nairobi Railway Station.

Nairobi Railway City is anticipated to reinforce Nairobi's symbolic status as the leading Capital City within East Africa, a standing that will boost the capital's and the country's image and economic status. This may or may not have an impact on Unga's economic status.

Question 15: Has the USD/FX exposure been hedged? How is the depreciation of the KES being managed? Has Unga managed to pass on the costs?

Answer: Forex is managed through accumulation of USD when the rates are favorable as well as by buying raw material (soya, maize etc) in local currency as much as possible. We are only able to pass on a less than proportionate amount of the foreign currency conversion cost within market limitations.

Question 17: Is interest payable on the loans during the moratorium?

Answer: We are paying interest on the Absa loan. For the NCBA loan, interest will be capitalized at the end of the moratorium period.

Question 18: Is the Retirement Benefits Scheme allowed to lend (in a limited manner and at arms length) to Unga?

Answer: The Unga Holdings Limited Staff Pension Scheme rules and regulations and investment policy do not allow the scheme to lend money as one of its class of investments.

Question 19: Note 30ii. What are these "Other Expenses" that Unga pays Seaboard Overseas Management Company?

Answer: Seaboard Corporation through its subsidiary Seaboard Overseas Management Limited provides technical support to Unga's production operations. The support is in the form of time charged for site and off-site support, travel and accommodation expenses or employment compensation & benefits for staff seconded to Unga on contract.

Question 20: How shall we get gifts?

Answer: Under the current circumstances, the Company will not be giving out gifts to the shareholders.

Board of Directors
10 December 2020