

PUBLIC ANNOUNCEMENT

KENYA AIRWAYS PLC

(Incorporated in the Republic of Kenya under the Companies Act)

Company Registration No. C.28/2005

("Kenya Airways", "KQ" or "the Company")

ANNOUNCEMENT OF MATERIAL INFORMATION AND CAUTIONARY NOTICE TO SHAREHOLDERS AND THE INVESTING PUBLIC

GOVERNMENT APPROVAL OF A SHAREHOLDER LOAN OF US\$350,000,000 AND PROPOSED BALANCE SHEET RESTRUCTURE WITH REGARD TO EXISTING GOVERNMENT LOANS

1. INTRODUCTION

- 1.1 The Board of Directors of Kenya Airways PLC (the "Company") wishes to notify shareholders, the Capital Markets Authority ("CMA"), the Nairobi Securities Exchange PLC ("NSE") and the investing public that the Government of Kenya has granted approval for two related measures intended to support the Company's planned turnaround by addressing its immediate recapitalisation, liquidity and balance sheet restructuring requirements.
- 1.2 This announcement is issued pursuant to the Company's continuing disclosure obligations under the Capital Markets Act, the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023, applicable CMA corporate governance requirements and the Listing Rules of the NSE, and is intended to ensure that all shareholders and investing public are informed of material information on an equal and timely basis.

2. APPROVED SHAREHOLDER LOAN OF USD 350 MILLION

- 2.1 The Government of Kenya has agreed to provide the Company with a shareholder loan of US\$350,000,000, equivalent to approximately Kes45.15 billion, to enable the Company to meet immediate and non-deferrable operational obligations and support continuity of operations as it implements its broader long-term turnaround plan and return to sustainable profitability.
- 2.2 The facility is earmarked to support the Company's critical operational requirements, including aircraft maintenance, the return to service of grounded aircraft and other immediate critical operational obligations.
- 2.3 The proposed terms of the loan include a tenor of 10 years and may, subject to receipt of applicable shareholder and regulatory approvals, be convertible into equity at the option of the Government of Kenya as part of a future capital restructuring, or be repaid earlier on terms to be agreed between the Company and the Government of Kenya.

3. IN-PRINCIPLE APPROVAL OF CONVERSION OF EXISTING GOVERNMENT LOANS

- 3.1 As part of the requisite restructure and clean-up of the Company's balance sheet, the Government of Kenya has also approved the conversion of existing Government shareholder loans of approximately Kes122 billion, together with accrued interest, into an equity-qualifying tradeable instrument, subject to the completion of the necessary corporate, shareholder, regulatory and transaction approvals.
- 3.2 The proposed conversion is intended to restore the Company from its current negative equity position to a positive equity position, strengthen its balance sheet and creditworthiness, support the Company's planned long-term capital raise initiatives to be undertaken through the market by way of an Investment Memorandum, and facilitate the full capital raise process as well as the onboarding of suitable strategic partners and investors.

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4. MATTERS OUTSTANDING AND REGULATORY APPROVALS

- 4.1 The implementation of the above approved measures remains subject to, among other matters, negotiation and execution of definitive transaction documents, approval by shareholders where required, receipt of approvals and/or no-objections from the CMA and the NSE, any required exemptions or confirmations, and all other applicable statutory, regulatory and third-party consents.
- 4.2 The Company will make further announcements in compliance with applicable capital markets laws and regulations once these matters are sufficiently determined.

5. CAUTIONARY NOTICE

- 5.1 Shareholders and the investing public are advised that the proposed conversion of existing Government shareholder loans and proposed future conversion thereof to create or issue of new instruments or securities, will be subject to receipt of specific shareholders and regulatory approvals.
- 5.2 Accordingly, shareholders and investors are advised to exercise caution when dealing in the securities of the Company until the outstanding terms are determined and announced to the market in accordance with applicable capital markets laws and regulations.
- 5.3 This cautionary notice shall remain in force and will be renewed at intervals of not more than sixty (60) days, or such other period as may be required under applicable capital markets laws and regulations, until a further announcement is issued or the cautionary notice is formally withdrawn.

6. FURTHER INFORMATION

- 6.1 The Company will keep shareholders, the CMA, the NSE and the investing public informed of all material developments relating to the approved measures and will publish further announcements, including upon execution of definitive agreements and determination of any material terms, in accordance with its continuing disclosure obligations.
- 6.2 Shareholders and investors should not rely on any information relating to the approved measures other than information formally released by the Company through the NSE, the Company's official communication channels or such other channels as may be required by the CMA.
- 6.3 Enquiries may be directed to the Company through the following email address investor.relations@kenya-airways.com.

By Order of the Board



Habil Waswani
AG. GROUP MANAGING DIRECTOR & CEO

Dated at Nairobi this 9th day of October 2026.