

SUPPLEMENTARY INFORMATION MEMORANDUM TO THE INFORMATION MEMORANDUM DATED 25TH OCTOBER 2024

ISSUED IN RELATION TO THE RIGHTS ISSUE OF 1,153,842,504 NEW ORDINARY SHARES (WITH A PAR VALUE OF KES 5.00 PER SHARE) AND AN OFFER PRICE OF KES 4.00 PER SHARE IN THE RATIO OF 2 NEW ORDINARY SHARES FOR EVERY 1 ORDINARY SHARE HELD (RATIO OF 2:1) WITH AN OPTION TO APPLY FOR ONE OR MORE ADDITIONAL SHARES FOR EVERY 1 ORDINARY SHARE HELD). THERE IS A GREENSHOE OPTION OF UP TO 30% OF THE RIGHTS ISSUE (EQUIVALENT TO 346,152,751 NEW ORDINARY SHARES) TO CATER FOR OVERSUBSCRIPTION

Strictly Private and Confidential

THIS SUPPLEMENTARY INFORMATION 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 Supplementary Information Memorandum 12th November 2024.

1. IMPORTANT NOTICE AND STATEMENTS

THIS DOCUMENT CONTAINS IMPORTANT INFORMATION FOR CONSIDERATION WHICH REQUIRES YOUR CAREFUL ATTENTION.

On 25th October 2024, HF Group PLC (“HF Group” or “HF” or the “Group”) published an Information Memorandum (the “Information Memorandum” or “IM”) in respect of the offering by HF Group of One Billion, One Hundred and Fifty-Three Million, Eight Hundred and Forty-Two Thousand, Five Hundred and Four (1,153,842,504) ordinary shares of a par value of KES 5.00 each (the “New Shares”) and a green shoe option of up to 30% (the “Green Shoe Option Shares”) (the “Transaction”) at an issue price of KES 4.00 per share (the “Offer Price”). Subject to applicable regulations and terms and conditions set out in the IM, the holders of ordinary shares in the Group (the “Shareholders”) at 3pm on 4th November 2024 (“Record Date”) will be granted renounceable rights to subscribe for the New Shares pro rata to their shareholding in the Group.

A copy of the Information Memorandum and this Supplementary Information Memorandum are available on the Group’s website (www.hfgroup.co.ke).

This is NOT the Information Memorandum. It is a supplementary memorandum and MUST be read in conjunction with the Information Memorandum which is important for making a decision to invest in the Rights Issue. This supplementary memorandum requires your careful attention as it includes disclosures on certain matters contained in the Information Memorandum which are detailed below. If in doubt as to the contents of this supplementary information memorandum, it is recommended that you consult your investment bank, financial advisor, stockbroker, or other professional advisor, duly authorized by the CMA, who specialise in advising on the purchase of shares and other securities.

The Directors of the Issuer, whose names appear in the Information Memorandum, accept responsibility for the information contained in this Supplementary Information Memorandum. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplementary Information Memorandum is in accordance with facts and does not omit anything likely to affect the importance of such information.

Unless otherwise specifically provided, terms used in this supplementary information memorandum shall be deemed to be as defined in the Information Memorandum.

Additional Information with respect to the issuance of the New Shares at the Offer Price of KES 4.00 and the allotment of the New Shares at a par value of KES 5.00

Introduction

HF Group is currently in the process of conducting a Rights Issue at an offer price of KES 4.00. The Offer is set to open on 13th November 2024. As the Offer Price is below the par value, this Supplementary Information Memorandum has been produced to provide additional clarity to shareholders and the investing public regarding the treatment of the New Shares at allotment.

Mechanics of the Allotment of the New Shares

The prevailing six-month volume weighted average price (“VWAP”) of HF Group shares as at 30th September 2024 was KES 4.19. The offer price for the new shares was set at a discount of 4.44% to the VWAP to encourage investors to participate in the issue. The resultant offer price of KES 4.00 was below the par value of KES 5.00.

Section 356 of the Companies Act states that shares are not to be allotted at a discount (i.e. below par value). In this regard, HF Group clarifies that the New Shares will be allotted at the par value. The deficit will be paid for through the Group’s share premium account through the issuance of fully paid bonus shares in compliance with Section 386 (3) of the Companies Act.

Practically this means for every 5 shares that a shareholder applies and pays for at the Offer Price, the 5 shares will be allotted at par value. These shares will be allotted and accounted for as follows: a) 4 shares will be fully paid up by the shareholder and b) 1 share will be accounted for as a bonus share paid through the share premium account. No fractional New Shares will be issued.

Allocation Policy

There is no change to the Allocation Policy.

Directors Authority with respect to the Transaction

On 4th September 2024, the shareholders authorised the Directors to offer and issue for such consideration as they may deem fit up to 1,499,995,255 new ordinary shares.

Impact on the Transaction

There is no change to the Transaction structure, the number of New Shares available for subscription and the application process. The explanation seeks to clarify how the share premium account will be used to ensure the New Shares are allotted at par value.

Shareholders should carefully consider the matters set forth under Section 15 of the IM called the “**Key Risk Factors**”. Shareholders are encouraged to consult their investment bank, financial advisor, stockbroker, or other professional advisor, duly authorized by the CMA, who specialise in advising on the purchase of shares and other securities.

Timetable of Events

The timetable of events remains the same as per the Public Announcement dated 1st November 2024.

Action	Date
Shareholder Approval for the Rights Issue at the Extra-Ordinary General Meeting	4 th September 2024
CMA approval of the Information Memorandum	25 th October 2024
New Record Date	4 th November 2024, 3pm
Upload of entitlement to CDS accounts	13 th November 2024
Rights Issue Opens	13 th November 2024, 9am
Commencement of trading of Rights on the NSE	13 th November 2024
Last day of renunciation by way of private transfer/Last day for splitting (Private Transfer Renunciation Date)	2 nd December 2024, 3pm
Last day for trading of nil paid Rights on the NSE	2 nd December 2024, 3pm
Offer Close	9 th December 2024, 5pm
Allocation	18 th December 2024
Last date of payment of irrevocable bank guarantees	20 th December 2024
Announcement of results	20 th December 2024
Electronic crediting of CDS accounts with the New Shares	23 rd December 2024
Dispatch of payment of refunds	23 rd December 2024
Listing date and commencement of trading of New Shares on the NSE	24 th December 2024

These dates have been approved by the CMA but are subject to change and are indicative only. The Group reserves the right to amend this indicative timetable subject to the approval of the CMA. In particular, the Group reserves the right, subject to CMA’s approval to close the Offer early, to extend the Closing Date or to withdraw the Offer. Any extension of the Closing Date will have a consequential effect on the date of the issue of New Shares. Any changes or amendments shall be publicly announced.