

**KAKUZI PLC – 93<sup>RD</sup> ANNUAL GENERAL MEETING**

**SHAREHOLDER QUESTIONS RECEIVED AND RESPONSES**

<b>QUESTION</b>	<b>RESPONSE</b>
1. I want to commend the board and the management for good work done during the year despite the covid-19 ,more congratulations for making the current ratio in good position this is evidenced in Current assets and Current liabilities item. Thanks	Thank You
2. On the consolidated statement of cashflow why was the income tax paid high 3 times than the previous year?	The main reason is that in the previous year (2018) we had overpaid taxes and thus in 2019 offset this overpayment so that in 2019 the actual cash paid out for tax was less.
3. On the Financial position Retained Earnings is 5b , dividend giving to shareholders is 353m how did you come to propose it while retaining more ,give us bonuses also	Retained earnings are kept by the Company to fund fixed assets, working capital as well as expanding into new crops and continue ongoing developments. Bonus shares are kept under constant review by the directors.
4. Why is the REMUNERATION of directors increased year by year?	With the changing business environment more input is required from the Directors. Directors fees are reviewed to be in line with comparative market rates.
5. Note 29 contingent liability, how is the cases doing and I followed a case that you are fined a huge amount of money why have you not mentioned it in the book?	We have a number of ongoing cases in court and these are being referred to under note 29. The case you might be talking about relates to the case in UK against the parent company and this is elaborated upon in Note 9 (a) of the accounts. Please note Kakuzi was not subject to any fine.
6. As directors how do you think on these dormant subsidiaries as you keep reporting year by year?	The subsidiaries are dormant and as not yet liquidated or dissolved we have to keep reporting. Dormant companies are sometimes useful when the Company is considering new investment.
7. I haven't received my dividend for some years. advise	Kindly refer to paragraph 11 on page 4 (b) of the Annual report and financial statements on how to claim any unpaid dividends.
8. how do I get my profit after I have invested with you	As a shareholder you receive dividends which are distributed from the profits earned by the Company.
9. When are u paying the dividend?	The dividend, once approved, will be paid on or before 30 <sup>th</sup> June 2021 to the shareholders on the register as at 31 <sup>st</sup> May 2021.

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10. Which is the venue of the meeting?	This year's AGM will be held by electronic means and you can participate by following instructions on pages 4 (a) and 4 (b) of the Annual report and financial statements.
11. Would you discount your products to shareholders?	If it makes commercial sense we consider trade discounts for volume and prompt payment on purchasers of our products and this is applied to all of our customers.
12. Utube video called Inside Kakuzi: Quality Avocado Production (posted 26.11.2020) mentioned that you plan to scale the avocado operation to 1,200 Ha. What is the estimated time frame for this?	We hope this will be completed by 2026.
13. What are scaling and timeline estimates for macadamia operations?	Plantings will be completed by 2026 but the trees take 7 years after planting to begin yielding with the peak cropping period being after around 14 years
14. Does the quality of the avocado fruit change over the life of the tree (all other factors constant).	If the correct agronomic practices are followed they should not. Kakuzi began planting avocados in 1996 and these trees are still bearing good fruit.
15. Have the goat rearing trials yielded any results yet?	The trial began two months ago and we purchased a small herd of goats in Kid. It is too soon to have any tangible results as yet.
16. Has Kakuzi submitted its proposal to export avocados to Egypt? If so, what size of a market is Egypt?	No, we have not yet submitted any proposal into Egypt yet but the Middle East market is being explored all the time and we will look at all the opportunities if they present value to us.
17. Any progress on the China market for Kenyan avocado?	Currently, the China market is open only to peeled avocados from Kenya and we export only whole fresh fruit.
18. What were the lost volumes of avocado from the Tesco, Sainsburys and Lidl ban?	There were no lost volumes as the ban came when our fruit being was not being exported.
19. Camellia Annual Report 2020 Pg 10 mentions 33ha trial for avocado trial in Kitale Kenya, is this trial under Kakuzi?	No, the trial is not under Kakuzi.

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20. What does cost of sales typically include for Kakuzi?	Cost of sales include fertilizer costs, weeding, irrigation, costs of labour, cost of processing and packing
21. Why are the cash balances largely held in foreign currency?	2020 was largely a Covid 19 pandemic year and was very unpredictable for the Kenyan (as well as the world) economy as a whole. In this regard, your board made a decision to hold a certain amount of Cash in foreign currency to mitigate any possible foreign exchange losses.
22. Do you give your selling agents produces/fruit on credit or its cash terms? If its credit what are the payment terms?	This varies for each of our products and depends on the sales markets and our security of payment.

**BY ORDER OF THE BOARD**

**18<sup>th</sup> MAY 2021**