

CAUTIONARY STATEMENT

Sameer Africa PLC

Company Number 12/94

(Incorporated under the Companies Act (Cap 486) in Kenya on 3 November 1969 as Firestone East Africa (1969) Limited)

The Capital Markets Act Chapter 485A of the Laws of Kenya Regulation 19(2) of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002

CAUTIONARY STATEMENT

EXIT FROM THE TYRE BUSINESS

Sameer Africa PLC (the "Company"), wishes to issue the following public announcement.

That following the closure of the tyre manufacturing plant in Kenya in August 2016 and the commencement of contract manufacturing in China and India, the prevailing economic conditions in the country have not been conducive in aiding the turn-around of the tyre business.

Further, despite the efforts of the Company in introducing new product lines, increasing the retail footprint and in reduction of costs, the Company has not been successful in returning the business to the desired profitability levels. Investors, members of the public and shareholders may wish to make reference to the specific remedial actions and measures undertaken by the Company in the various pronouncements and engagements made at previous (a) General Meetings of the Company, (b) The Integrated Annual Report and (c) Past cautionary announcements and profit warnings published in this regard. The said documents may be found on our website at www.sameerafrica.com

Consequently, in order to ring fence, the key profit units, reduce costs and capitalize on the rental segment of the business, the Board of Directors at a meeting held on 20th April 2020, approved the Company's exit from the tyre business. Regrettably, this change will lead to the closure of our tyre centres and the loss of jobs for some 73 members of staff from both management and union cadres.

The impact of this change is that the Company will henceforth trade mainly in the rental business arena. Exit costs of approximately Kshs 223 Million made up of Kshs 60 Million being payment of staff redundancy costs and Kshs 163 Million being impairment costs on fixed assets will be accrued in the FY2019 Financial Statements. Although the closure of the tyre business will, based on 2019's performance, reduce the Groups revenues by Kshs 1.49 Billion, the profitability of the Group is expected to increase due to the elimination of losses that were generated by the tyre business over the last two years of over Kshs 1 Billion. The full year profit projection in 2021 is forecast at Kshs 185 Million, against a forecast of Kshs 69 Million this financial year 2020.

Lastly, the redundancy of staff will be effected in accordance with labour laws and the changes envisaged herein are in accordance with the Company's Articles of Association. Stakeholders are assured that the Company will continue to trade on the bourse and meet all its current and future obligations.

Investors and the general public are advised to exercise caution while dealing with the securities of the Company.

By Order of the Board

Edgar J. Imbamba

Company Secretary

DISCLAIMER: This announcement is for information purposes only. It has been issued with the approval of the Capital Markets Authority pursuant to the Capital Markets (Securities) (Public Offerings, Listings and Disclosures) Regulations 2002 as amended. As a matter of policy, the Capital Markets Authority assumes no responsibility for the correctness of the statements appearing in this announcement.

