

AA Kenya Restricted Public Offer (RPO)



Investor Briefing

24th October 2023, 10 a.m.

Meeting Agenda

- 1. Introduction and Opening Remarks**
- 2. AA Kenya Today**
- 3. Recap of the last EGM**
- 4. Progress made in Demutualization**
- 5. The Restricted Public Offer (RPO)**
- 6. Frequently Asked Questions**
- 7. Next Steps**
- 8. Conclusion**



Introduction

AA Kenya has been a market leader in mobility solutions. The Association has evolved over the last 104 years.

- Navigating roads and setting up of petrol depots
- Managing Safari Rally
- Importing vehicles on behalf of members
- Pioneering motor vehicle inspection and valuation
- Setting up of the first driving school



Global Connections

- AA Kenya is part of the global mobility organization Federation Internationale de L'Automobile (FIA) which represents over 100 million motorists and their families globally.
- The FIA brings together 243 international motoring and sporting organizations from 146 countries on 5 continents.
- AA Kenya's strategy seeks to benchmark and upgrade its offerings to align to standards in other AA clubs globally



AA Kenya Offerings

Today, AA provides a wide array of mobility products and services including;

1. Driving School

**3. Inspection and
Valuation**

2. Membership

**4. Technical
Training**

**6. Licensing
(IDPs and Carnets)**

**5. Road Rescue
Road Assist &
Towing**

**7. Driver Assessment
and Recruitment**

**9. Garage Inspection
and Certification**

**8. Mileage &
Vehicle Running
Costs**

**10. Fleet
Management**

**11. Insurance
Brokerage**

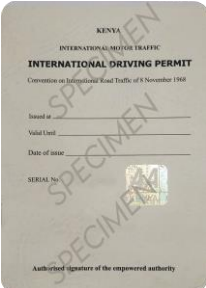
12. Tours & Travel



AA Kenya Offerings



Driving School



International Driving Permits



Towing and Recovery



AA Institute



Appointed Garages



AA Insurance Brokers



Carnet de Passage (Car Passport)



Motor Inspection and Valuation



AA Mileage Rates



Fleet Management



Defensive Driving



Flight Delay Assistant



AA Destinations

AA Kenya Today – Innovations

Driving Test App

To help drivers when they are preparing for the NTSA Driving Test



Basic Autocare

Basic mechanics for drivers and vehicle owners

Tips on Road safety and introduction to Defensive Driving

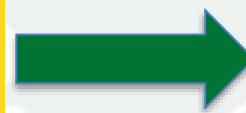


AA Kenya Today – Innovations

Flight Delay Assistance

- Free access to Airport VIP Lounges for all AA Members
- Collaboration with FIA & AA Spain (RACE)

✈ DEPARTURES					18:02
TIME	DESTINATION	FLIGHT	GATE	REMARKS	
18:08	NEW YORK	AC 103	13	CANCELLED	
18:16	BERLIN	CI5723	22	CANCELLED	
18:38	LONDON	MU5984	12	CANCELLED	
18:49	TOKYO	JL 608	14	DELAYED	
19:07	HONG KONG	CX6471	25	CANCELLED	
19:18	MADRID	IB3941	03	DELAYED	
19:29	SYDNEY	LH5021	17	CANCELLED	
19:35	TORONTO	KA 197	11	CANCELLED	
19:44	PARIS	AF5870	02	DELAYED	
19:50	ROME	FM 324	04	CANCELLED	



AA Kenya Today – Innovations

AA Automart

- An online vehicle selling and buying platform by the trusted mobility brand AA Kenya
- Buyers identify their dream vehicles from any car yard or any seller from AA platform
- AA will guarantee by inspecting and doing due diligence on the vehicle
- Sellers will benefit more from free marketing



AA Automart

FIND YOUR
PERFECT RIDE.
TRUST
AA AUTOMART



AA Kenya Today – Innovations

Safe to Load Inspections

- AA inspects Heavy Commercial Vehicles before they are loaded with hazardous materials
- This includes inspection of fuel trucks before loading and transporting fuel
- Working with multinationals such as TotalEnergies



AA Kenya Today – Innovations

Heavy Goods Vehicle Technical Inspection

- AA has just imported a state-of-the-art Roller brakes testing machines
- In collaboration with fuel importers, AA has set up an inspection centre in Industrial area
- This will be a new business line that will focus on advanced inspection of Heavy Goods Vehicles supporting road safety



AA Kenya Today – Innovations

AA Mileage Calculator

- The Finance Act 2023 gave AA the exclusive right to guide this country on mileage rates
- In addition to our mileage booklet, AA has now come up with the e-Mileage which can be accessed online



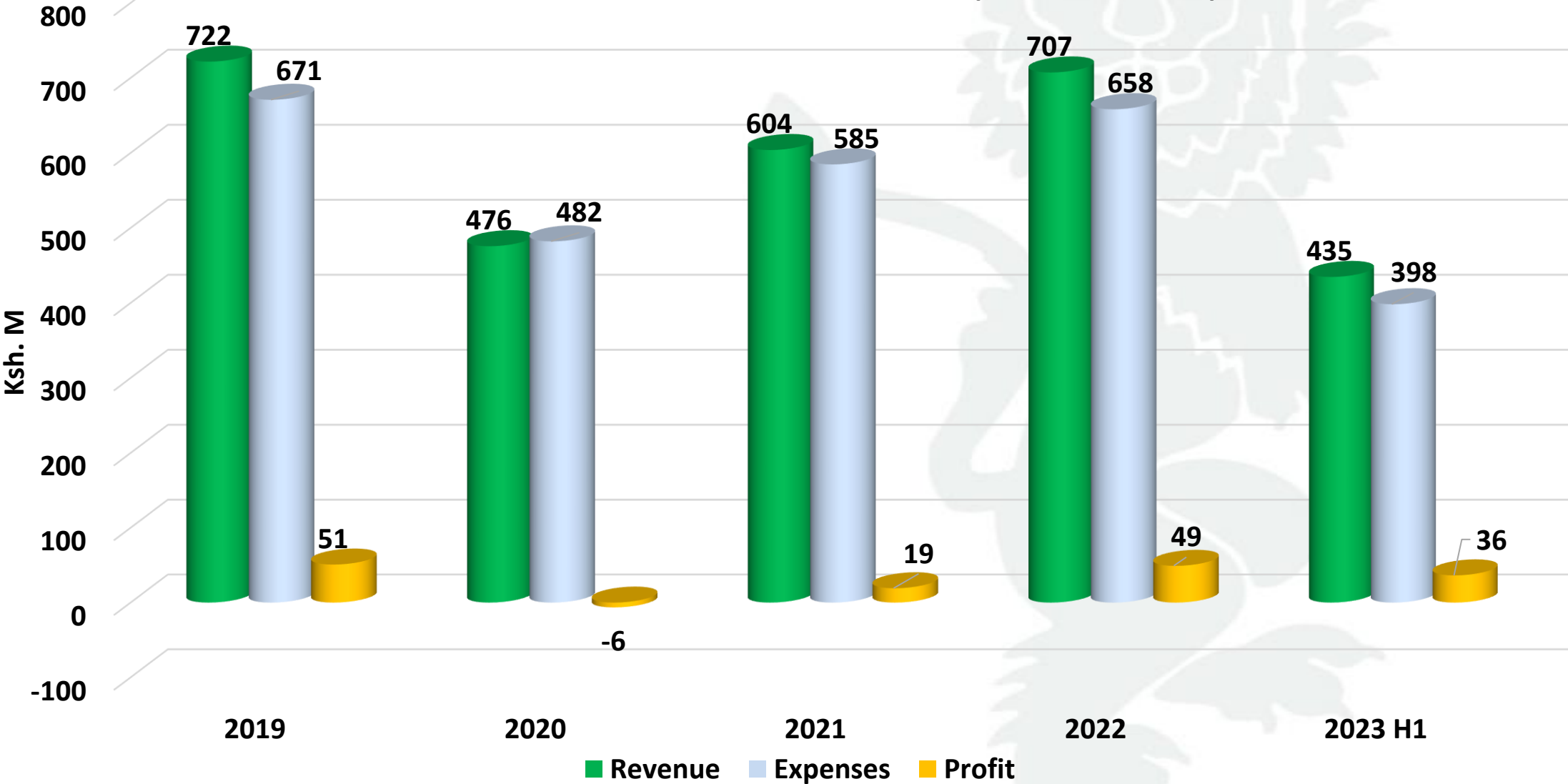
Accident Scene Management

- AA is partnering with various stakeholders to manage accident scenes in a better way
- AA will be the first responder and will secure the accident scene
- With drone technology, AA will reconstruct the accident scene and send live photos to all the concerned parties
- AA will then assess the damage and guide on repair costs



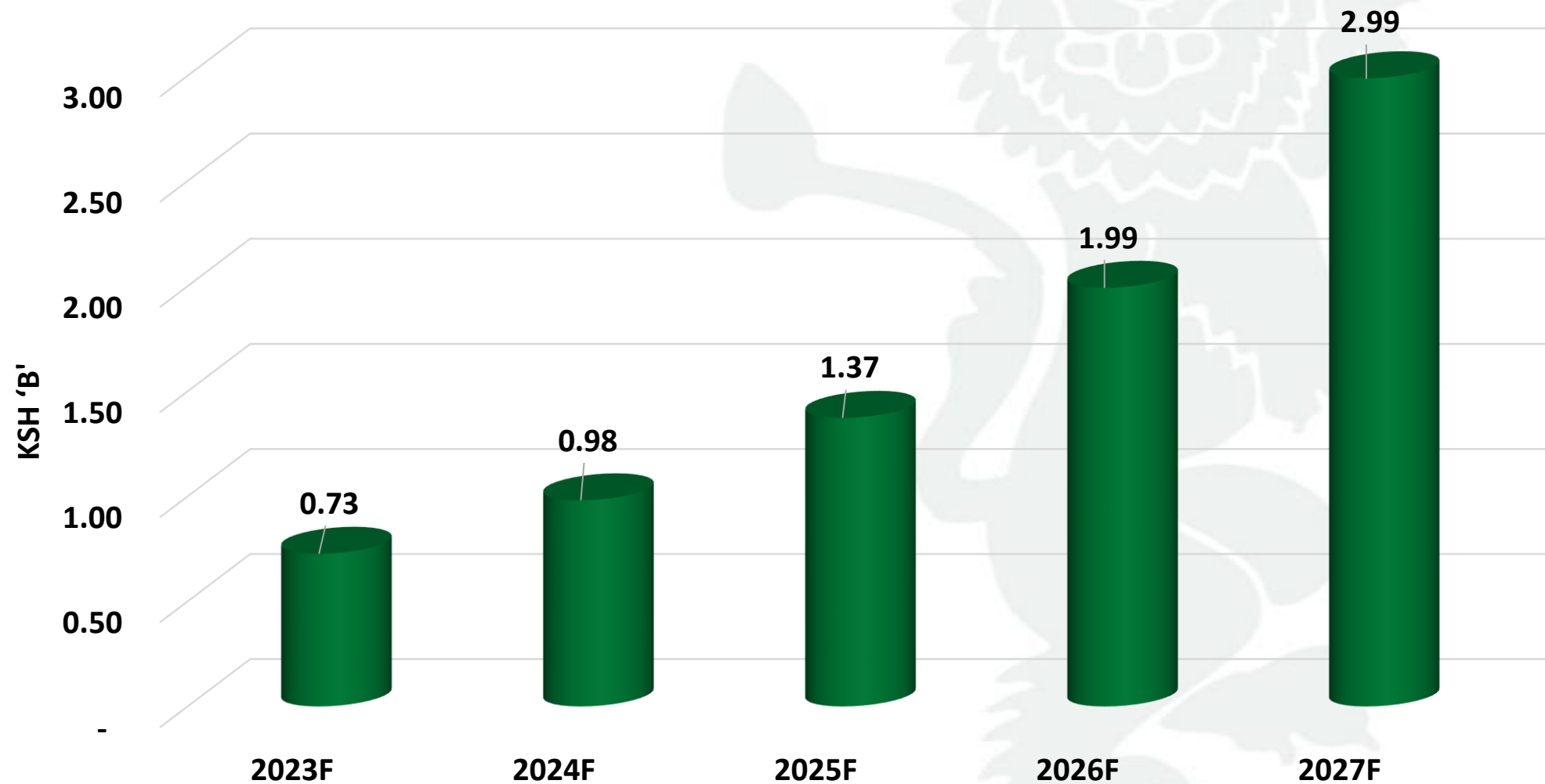
Financial Performance

Revenue, Costs and Profit Performance (2019 - 2023 H1)



Projected Performance

Projected Revenue (2023 – 2027) Kes 'B'



?

The Journey to Demutualisation and Capital Raising



The Demutualization Project

- In the last EGM, members approved that the Association demutualizes and raise capital through a Restricted Public Offer
- Demutualization – Process of transitioning AA from a society to a Public Limited Company
- Why Demutualize? As a society we are restricted in terms of what we can do.
- Why capital raise - To fund the strategic projects & innovations

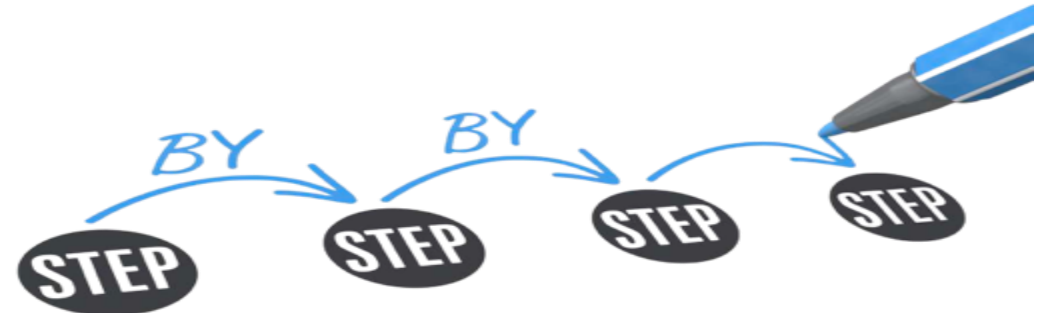
Recap -Resolutions from past EGM



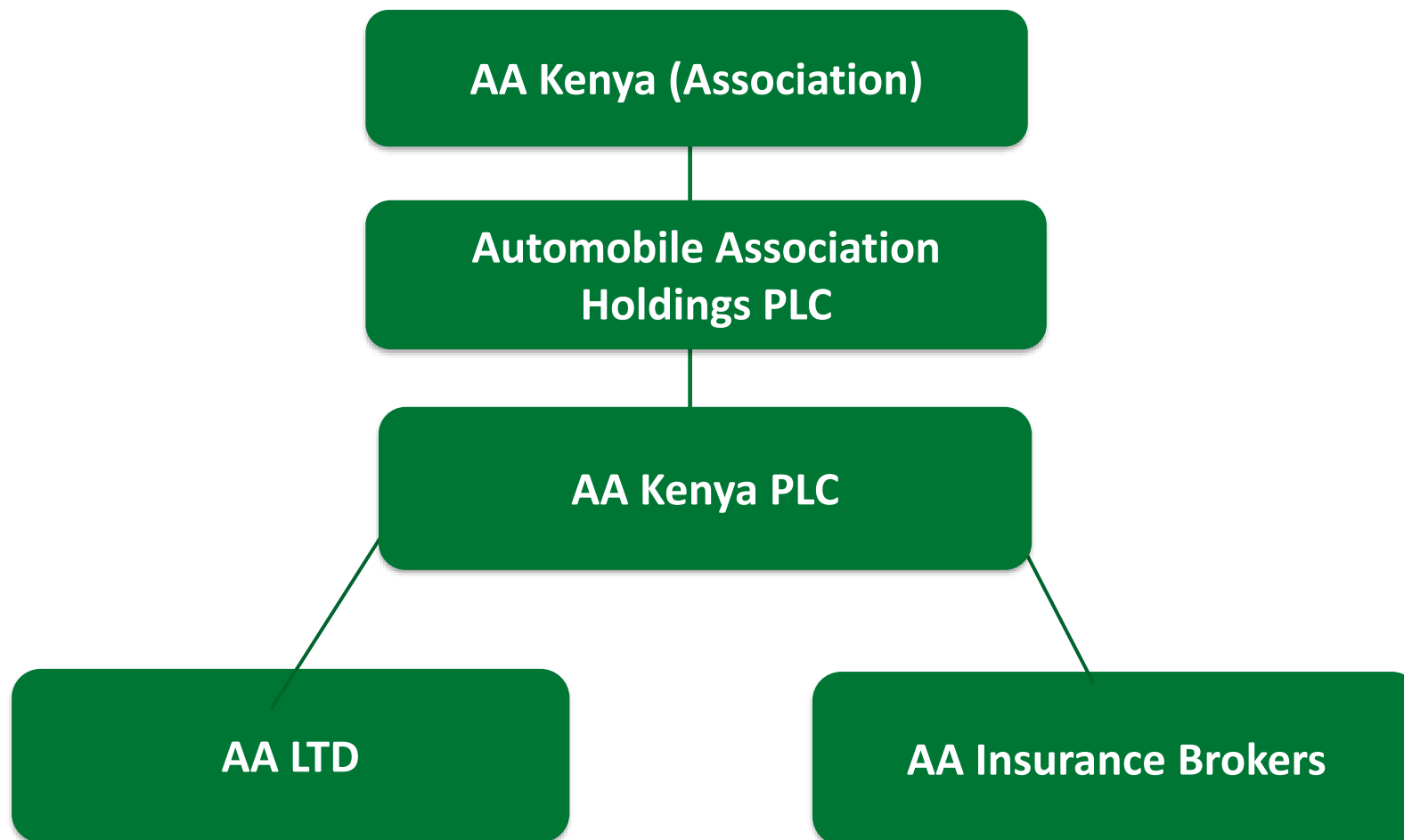
1. Demutualization of the Association and Capital Raising
2. Full Membership category approved @ a one-off fee of Kshs. 50,000, a 20% discount for existing members and free for life members
3. An amended Constitution and Rules of the Association, capturing all the approved changes was adopted
4. The Governing Council was given exclusive mandate of driving forward the demutualization and capital raising process to conclusion.

Progress Made in the Demutualization Journey

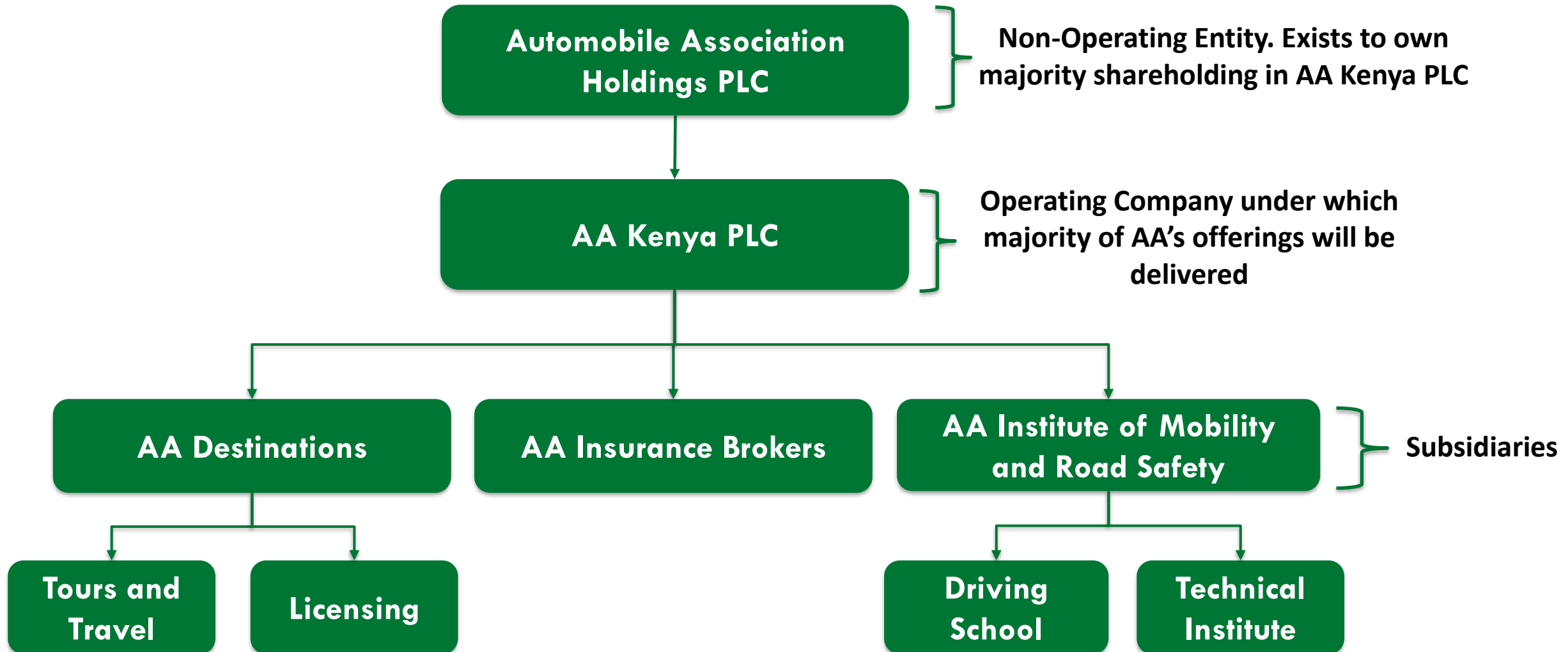
- ✓ Oct 2021 – March 2022: Onboarding of Full Members
- ✓ Formation of a new company, Automobile Association Holding Company
- ✓ Share Allotment in AAH to all 1,807 Full Members on 25th August 2022
- ✓ Share Certificate Distribution to Shareholders
- ✓ Formation of a new company, AA Kenya PLC, the trading Company
- ✓ The Association is now demutualized and business has already been transferred to AA Kenya Plc.



The Demutualization Process



The Resultant Structure



Why Diversify and Expand?

- AA has done a lot in the mobility industry in this country. It is time to scale the business to include additional mobility offerings, serve a wider market and guide the next generation
- Its time to appreciate:
 - The changing mobility landscape globally, e.g., green driving
 - Changing needs of our customers and partners
 - Lessons from our operating environment, e.g., Covid-19



AA Strategic Projects



Our strategy defines the need to diversify AA in the following ways:

- Set up of Service Centres
- Mobility products innovations: Alternative Business Channels e.g. home assist,
- Upscale our institute bringing in the African School of Mobility. Plant operations, Valuation courses, DS Instructor Courses, Road safety (Defensive, First Aid)
- Regional training Centre targeting FIA Clubs (ACTA training next month)
- Regional Expansion – Rwanda, Ethiopia, DRC & Burundi (sharing Model)

Capital Raising



- After demutualisation the next step is to raise capital
- AA Kenya applied for approval from the Capital Markets Authority (CMA) to undertake the Restricted Public Offer through our Lead Transaction Advisors and this was granted on 22nd September 2023
- Through the RPO, AA intends to raise Kes 229,738,322.00

Use of Funds

Aligned to AA's strategic focus areas on diversification, expansion, and alignment with global AA clubs, the funds from the RPO shall be allocated as follows:

Use of Funds	Amount (Kes '000)
Expansion of AA's Geographical Footprint	51,550
AA Service Centres	50,000
Africa School of Mobility	60,000
Digitization	38,450
Transaction Advisors Fee	29,738
Total	299,738

Investing in AA

How do you buy the Shares in AA?

The RPO: Share Buying Process



- ✓ Shareholders have received a link to an online platform, through which they will make the share application
- ✓ Payments can be made through bank transfer, bankers cheque, or Mpesa
- ✓ On payment, shareholders will then login to the online portal and apply for the shares accordingly
- ✓ If one wishes to add more shares, the same process shall be followed
- ✓ On closure of the offer period on 27th November, shares will be allotted and, shareholders communicated to accordingly

RPO Details



Offer Information	Details
Period	11 th October to 27 th November 2023
Share Price	Kes 25.80 per share
Minimum number of shares	1,000
Additional in multiples	100
Maximum number of shares	No Maximum for now
Minimum Spend	Kes 25,800
Payment Modes	Bank transfer- Equity Bank Mpesa Paybill 4121517 Bankers Cheque

Frequently asked Questions



FAQ	Response
Why 230Million?	<ul style="list-style-type: none"> ▪ The RPO is the first stage of capital raising. This offer is restricted to shareholders of AA HoldCo giving you the first priority to take up a stake in AA Kenya ▪ The next stage will involve raising capital from the public through an IPO
What do you stand to gain from investing in AA Kenya PLC?	<ul style="list-style-type: none"> ▪ Capital gains expected from investing in a company with a positive growth trajectory ▪ Dividends ▪ Voting Rights

Frequently asked Questions



FAQ	Response
<p>What is the difference between this RPO and the shares bought in 2022?</p>	<ul style="list-style-type: none"> ■ In 2021/22, The public was invited to buy into full membership by paying Kes 40,000 & 50,000. Thereafter, they were allotted 1 share each in AA Holdings. ■ This RPO invites AA Holdings shareholders to take up stake in AA Kenya PLC
<p>Can you sell your share in the Holding Company?</p>	<ul style="list-style-type: none"> ■ Not for now. Soon after the RPO, AA will register on the Nairobi Securities Exchange Unlisted Securities Platform and from here you can sell the shares if you must.

Frequently asked Questions



FAQ	Response
When can the shareholders enjoy dividends	<ul style="list-style-type: none">▪ After transition period, the performance of AA Kenya will determine the dividend to be paid▪ The timings and amounts of dividends to be paid will also be based on a dividend policy
What happens if there is an over-subscription?	<ul style="list-style-type: none">▪ In the event of an over subscription, the transaction advisors will guide on the process of allocation

Frequently asked Questions



FAQ	Response
What next after the Restricted Public Offer?	<ul style="list-style-type: none">▪ AA will be able to fund investments in the strategic projects▪ Subject to regulatory approvals, AA plans to list at the Nairobi Securities Exchange Main Markets and/or go for an IPO.

Take this opportunity and be part of a bright future

- Buy at the RPO and watch your shares grow
- AA is at the Growth and Expansion stage. The journey to Maturity stage should make you money
- Our International connections gives us a huge advantage
- Our relationship with the Government, Corporate world and the insurance industry presents a huge growth opportunity
- The leadership of AA is strong and visionary. We have doubled our footprint in the last 5 years, with an average break even of 6 months
- The mobility industry is growing

Let us create some wealth for you

Next steps

- The AA Team will be calling you to support and guide you through the process
- There is quite a lot of information in our website, we request you to login and access the shareholders portal
- CDSCR – (EFSR) are our registrar and will continue to guide and communicate to you during the offer period

Thank you

