

Comair Limited

(Incorporated in the Republic of South Africa)

(Registration Number: 1967/006783/06)

ISIN: ZAE00002983

Share Code: COM

("Comair" or "the Company")



BUSINESS RESCUE PRACTITIONERS OUTLINE PLAN

Shareholders are advised that Comair is unlikely to start operating again before November 2020, notwithstanding the easing of restrictions on air travel as the airline requires a substantial cash injection, the Company's business rescue practitioners have told creditors and employee representatives.

The aircraft are currently in a preservation programme to ensure that they are ready to fly again, the resumption of operations now would however require , securing fuel suppliers and covering numerous other costs which the airline would not be able to meet without a significant cash injection.

The business rescue practitioners confirmed they were in discussions with funders to recapitalise the airline in order to resume domestic passenger operations by 1 November 2020. Over 30 potential funders had been contacted and six are progressing discussions.

Other facets of the business rescue plan included the rationalisation of the current fleet from 27 aircraft, including the grounded Boeing 737 MAX8, to 13 737-800s and three spare 737-400s.

The business rescue practitioners had consulted extensively, both in South Africa and abroad, and it was considered that a downsized fleet would be more in keeping with what the Company could afford to operate and demand for air travel post the Covid-19 crisis.

Shaun Collyer, one of the business rescue practitioners, said that employees had been placed on unpaid leave and retrenchment proceedings are continuing under the auspices of the CCMA.

"This unfortunate hardship has been imposed on Comair employees as a consequence of the Covid-19 lockdown and State-of-Disaster Act."

Comair would focus on its airline business and discussions had commenced with parties interested in acquiring certain operating assets as going concerns.

Creditors would be paid according to the probable liquidation dividend determined in accordance with the provisions of the Companies Act through:

- The sale of non-core assets;
- Any equity capital raised and/ or;

- The issuing of shares.

The target date for this is 31 October 2020.

In terms of the restructuring plan, it is likely that the existing shareholder base will be substantially diluted.

The business rescue practitioners intend to have substantially implemented the plan by 31 March 2021, at which point the Company will be handed back to the board of directors and management.

Bonaero Park
2 June 2020

Sponsor
PSG Capital



IMPORTANT NOTICE TO FOREIGN SHAREHOLDERS AND PROSPECTIVE INVESTORS

FOREIGN SHAREHOLDERS AND PROSPECTIVE INVESTORS IN COMAIR LIMITED (“COMAIR”) SHOULD NOTE THAT, IN ORDER TO ENABLE COMAIR (AS A LICENSED AIR SERVICES OPERATOR IN SOUTH AFRICA) TO REMAIN COMPLIANT WITH THE FOREIGN OWNERSHIP RESTRICTION CONTAINED SECTIONS 16(4)(c) AND 19(a) OF THE AIR SERVICES LICENSING ACT, NO. 115 OF 1990, THE VOTING RIGHTS OF FOREIGN SHAREHOLDERS MAY BE DECREASED PROPORTIONATELY SUCH THAT THE VOTING RIGHTS OF FOREIGN SHAREHOLDERS DO NOT, IN AGGREGATE, EXCEED 24.99%. FOREIGN SHAREHOLDERS AND PROSPECTIVE INVESTORS ARE REFERRED TO THE COMAIR’S MEMORANDUM OF INCORPORATION AND WEBSITE (www.comair.co.za) FOR FURTHER DETAILS. IF FOREIGN SHAREHOLDERS OR PROSPECTIVE INVESTORS ARE IN ANY DOUBT AS TO WHAT ACTION TO TAKE THEY SHOULD SEEK ADVICE FROM THEIR BROKER, ATTORNEY OR OTHER PROFESSIONAL ADVISER.