



Amended Business Rescue Plan

Prepared in terms of section 150 of the Companies Act 71 of 2008 (as amended)

In respect of

MANGO AIRLINES SOC LIMITED

(Registration Number 2006/018129/30)

Prepared by the business rescue practitioner Siphso Sono of OPIS Advisory Proprietary Limited

Published on 24 November 2025

Corporate Information and Advisors

Company

Mango Airlines SOC Limited (in business rescue)

Business Rescue Practitioner

Sipho Eric Sono

Independent Liquidation Calculation

Harvard Corporate Rescue Services Proprietary Limited

Legal Advisor to the Business Rescue Practitioner

Bowman Gilfillan Inc.

Restructuring and Corporate Advisory

OPIS Advisory Proprietary Limited

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CHAPTER 1 - INTRODUCTION

1. Important Notice and Actions to be taken by Affected Persons

- 1.1 This document is important and is being sent to all known Affected Persons of Mango Airlines SOC Limited in accordance with the provisions of the Companies Act.
- 1.2 The document contains the amended business rescue plan, prepared in accordance with the requirements of Chapter 6 of the Companies Act, in particular section 150(2) of the Companies Act.
- 1.3 Your rights as a Creditor of the Company will be affected in the manner outlined herein and you are entitled to be present or represented, and vote, at a meeting of creditors to be convened in terms of section 151 of the Companies Act, for the purposes of considering the business rescue plan.
- 1.4 If any Affected Person is in doubt as to what action should be taken arising from the contents of this business rescue plan, such Affected Person is advised to consult an independent attorney, accountant or other professional advisor in addition to any consultation with or direction received from the business rescue practitioner.

2. Interpretation and Preliminary

The headings of the clauses in this business rescue plan are for the purpose of convenience and reference only and shall not be used in the interpretation of nor modify nor amplify the terms of this plan nor any clause hereof. Unless a contrary intention clearly appears:

- 2.1 words importing:
 - 2.1.1 any one gender includes the other gender;
 - 2.1.2 the singular includes the plural and vice versa; and
 - 2.1.3 persons include natural persons, created entities (corporate and unincorporated and

the State) and vice versa.

- 2.2 In this plan, the following words shall have the meanings ascribed to them and cognate expressions shall have a similar meaning:
- 2.2.1 **“Act”** or **“Companies Act”** means the Companies Act 71 of 2008 (as amended), including the regulations promulgated thereunder;
- 2.2.2 **“Adopted”** and/or **“Adoption”** means the date upon which this BR Plan has been approved in accordance with section 152(2), read with sub-sections 3(b) and 3(c)(ii)(aa) of the Act;
- 2.2.3 **“Advisor”** means advisor to the BR Practitioner and/or the Company, including the employees of the Advisor(s);
- 2.2.4 **“Affected Persons”** shall bear the meaning ascribed thereto in section 128(1)(a) of the Act and in relation to the Company means shareholders, creditors, employees of the Company and any registered trade union representing employees of the Company;
- 2.2.5 **“ASLC”** means the Air Services Licensing Council;
- 2.2.6 **“ATNS”** means Air Traffic and Navigation Services SOC Limited;
- 2.2.7 **“Board”** means the board of directors of the Company as at the Commencement Date;
- 2.2.8 **“BR Plan”** means this amended business rescue plan together with all its annexures, prepared and published by the BR Practitioner for consideration and possible adoption by Creditors in accordance with Part D of Chapter 6 of the Act;
- 2.2.9 **“BR Practitioner”** or **“BRP”** means the business rescue practitioner of the Company appointed in terms of the provisions of section 129 (3)(b), being Siphiso Sono;
- 2.2.10 **“Business Day”** means any day which is not a Saturday, Sunday or public holiday in the Republic of South Africa;
- 2.2.11 **“CIPC”** means the Companies and Intellectual Property Commission of South Africa, established by section 185 of the Act;
- 2.2.12 **“Claims”** means the secured, statutory, preferent or concurrent claims of Creditors of the Company, irrespective of when the cause of action arose, including claims, actual and contingent, prospective, conditional and unconditional, liquidated or unliquidated, assessed or unassessed, whether or not due for payment or performance, including for

the avoidance of any doubt all claims arising out of any agreements entered into by the Company, all such claims to be determined, calculated and admitted as secured, statutory preferent or concurrent in accordance with the same ranking as envisaged by the Insolvency Act, and attached to them upon the issue of a winding-up order against the Company, whether or not such claims are proved;

- 2.2.13 **“Commencement Date”** means 28 July 2021, being the date on which the Proceedings commenced in terms of section 129, read with section 132 (1)(a)(i) of the Act;
- 2.2.14 **“Commencement Date Creditors”** means Creditors with Claims against the company as at the Commencement Date;
- 2.2.15 **“Company”** or **“Mango”** means Mango Airlines SOC Limited with registration number 2006/018129/30, incorporated as a state owned company with limited liability in accordance with the laws of South Africa, herein duly represented by the BR Practitioner and currently in business rescue;
- 2.2.16 **“Contingent Claims”** means, as the context may require, a Claim that may or may not become due and payable during the Proceedings depending on the occurrence of a future event or determination of the claim;
- 2.2.17 **“Creditors”** and/or **“Concurrent Creditors”** and/or **“Pre-commencement Concurrent Creditors”**, as the context may require, means Commencement Date Creditors or all persons, including legal entities and natural persons, having unsecured claims against the Company;
- 2.2.18 **“Creditors’ Committee”** means the committee formed in terms of section 145(3), read with section 147(1)(b) of the Act;
- 2.2.19 **“Customers”** means persons in possession of an unused Mango ticket or voucher;
- 2.2.20 **“Disputed Claim”** means any Claim, or part thereof, that is disputed by the Company and not recorded as a Claim in this BR Plan;
- 2.2.21 **“Disputed Creditor”** means a person with a Disputed Claim, alleging to be a Creditor for an amount higher than is reflected in this BR Plan, alleging to be a Secured/Preferent Creditor contrary to what is reflected in this BR Plan, or disputing the value of their security as reflected in this BR Plan;
- 2.2.22 **“DPE”** means the former Department of Public Enterprises of South Africa;
- 2.2.23 **“Employees”** means all employees of the Company that were in its employ as at the

Commencement Date;

- 2.2.24 **"Employee Representatives' Committee"** means the committee formed in terms of section 144(3)(c), read with section 148(1)(b) of the Act;
- 2.2.25 **"Fleet"** means the aircraft operated by the Company;
- 2.2.26 **"Government"** means the Government of the Republic of South Africa;
- 2.2.27 **"Guarantee"** means Guarantee Number M468007 for the sum of R80 million issued on behalf of the Company by Standard Bank dated 10 August 2006, as well as the Addendum to the Guarantee dated 16 August 2011, issued in favour of the ASLC and the IASC;
- 2.2.28 **"Harvard"** means Harvard Corporate Rescue Services Proprietary Limited, a firm of insolvency practitioners practicing as such at No. 7, Seventeenth Avenue, Houghton Estate Johannesburg;
- 2.2.29 **"IASC"** means the International Air Services Council;
- 2.2.30 **"Insolvency Act"** means the Insolvency Act 24 of 1936 (as amended);
- 2.2.31 **"Investor"** means an equity investor in the Company;
- 2.2.32 **"Investor Process"** means the process contemplated in paragraph 6.2;
- 2.2.33 **"Lessors"** means the lessors of aircraft to the Company;
- 2.2.34 **"Macquarie"** means Macquarie Aircraft Leasing Services (Ireland) Limited, an Irish tax resident and a member of the Macquarie group of companies;
- 2.2.35 **"Management"** means pre-existing members of the Company's management and Board as at the Commencement Date;
- 2.2.36 **"Month"** means –
 - 2.2.36.1 in reference to a number of months, from a specific date, a period commencing on that date to the immediately preceding day on the same date of any subsequent month; and
 - 2.2.36.2 in any other context, a month of the calendar, that is, one of the 12 months of the calendar,

and **"Months"** and **"Monthly"** has a corresponding meaning;

- 2.2.37 **“Moratorium”** means the automatic and general moratorium, as contemplated in section 133(1) of the Act, on legal proceedings, including enforcement action, against the Company, or in relation to any property belonging to the Company, or lawfully in its possession;
- 2.2.38 **“PFMA”** means the Public Finance Management Act 1 of 1999;
- 2.2.39 **“Post Commencement Claims”** means the secured, statutory preferent or unsecured claims of creditors of the Company, the cause of action in respect of which arose after the Commencement Date, including claims, actual and contingent, prospective, conditional and unconditional, liquidated or unliquidated, assessed or unassessed, whether or not due for payment or performance, including for the avoidance of any doubt all claims arising out of any agreements entered into by the Company after the Commencement Date, all such claims to be determined, calculated and admitted as secured, statutory preferent or unsecured in accordance with the same ranking as envisaged by the Insolvency Act, and attached to them upon the issue of a winding-up order against the Company, whether or not such claims are proved;
- 2.2.40 **“Post Commencement Period”** means the period from the day immediately succeeding the Commencement Date up to and including the Substantial Implementation Date;
- 2.2.41 **“Preferent Creditor”** means, as the context may require, a Commencement Date Creditor or a Post Commencement Claim, that would rank in whole or in part as a statutory preferent claim as defined in section 2 of the Insolvency Act;
- 2.2.42 **“Proceedings”** means the business rescue proceedings of the Company that commenced on the Commencement Date;
- 2.2.43 **“SAA”** means South African Airways SOC Limited with registration number 1997/022444/30, incorporated as a state owned company with limited liability in accordance with the laws of South Africa;
- 2.2.44 **“SAA SMF”** means the Significance and Materiality Framework developed and agreed upon between SAA and its executive authority;
- 2.2.45 **“SACAA”** means South African Civil Aviation Authority;
- 2.2.46 **“SARS”** means the South African Revenue Service;
- 2.2.47 **“Section 151 Meeting”** means the meeting to determine the future of the Company as

contemplated in terms of section 151 of the Act;

- 2.2.48 **"Secured Creditor"** means, as the context may require, a Creditor whose Claim would rank in whole or in part as a secured claim as defined in section 2 of the Insolvency Act;
- 2.2.49 **"Shareholder"** means the shareholder of the Company at the Commencement Date;
- 2.2.50 **"SMF"** means the Significance and Materiality Framework developed and agreed upon between the Company and its executive authority;
- 2.2.51 **"Special Appropriation Act"** means the Special Appropriation Act 11 of 2021;
- 2.2.52 **"Standard Bank"** means The Standard Bank of South Africa Limited with registration number 1962/000738/06, incorporated as a public company with limited liability in accordance with the laws of South Africa, carrying on business as a registered bank;
- 2.2.53 **"Substantial Implementation Date"** means the date on which the BR Practitioner files a notice with the CIPC in accordance with the requirements of section 152(8) of the Act and as further articulated in clause 7.2;
- 2.2.54 **"Un-flown Ticket Liability"** or **"UTL"** and **"Forward Sales Liability"** means liability incurred as a result of payments received from Customers for which the Customers have not flown due to the Company not being operational;
- 2.2.55 **"Unsecured Creditors"** means a Commencement Date Creditor or a Creditor with a Post Commencement Claim, as the context may require, which is not a Secured Creditor or Preferent Creditor;
- 2.2.56 **"VAT"** means value-added tax in terms of the Value-Added Tax Act 89 of 1991; and
- 2.2.57 **"VSP"** means Voluntary Severance Package.
- 2.3 Any reference to:
 - 2.3.1 a "clause" shall, subject to any contrary indication, be construed as a reference to a clause in this plan;
 - 2.3.2 "law" shall be construed as any law (including common or customary law), or statute, constitution, degree, judgment, treaty, regulation, directive by-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court; and
 - 2.3.3 a "person" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or

not having separate legal personality, of two or more of the foregoing).

- 2.4 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision of this BR Plan.
- 2.5 Unless the context dictates otherwise, an expression which denotes any gender includes both the others; and to a natural person includes an artificial person and to the singular includes the plural, and vice versa in each case.
- 2.6 The annexures to this BR Plan form an integral part hereof and words and expressions defined in this plan shall bear, unless the context otherwise requires, the same meaning in such annexures.
- 2.7 When any number of days is prescribed in this BR Plan same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which the last day shall be the next succeeding Business Day.
- 2.8 In the event that the day for payment of any amount due in terms of this arrangement shall fall on a day that is not a Business Day, the relevant date shall be the immediately succeeding Business Day.
- 2.9 Where any term is defined within the context of any particular clause in this BR Plan, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the same meaning as ascribed to it for all purposes in terms of this BR Plan, notwithstanding that the term has not been defined in the definitions clause.
- 2.10 Any reference in this BR Plan to an enactment is reference to that enactment as at the Commencement Date and as amended or re-enacted from time to time.
- 2.11 Words and expressions defined in the Act which are not defined in this BR Plan shall have the same meanings in this BR Plan as those ascribed to them in the Act.
- 2.12 Save where the contrary is indicated, any reference to this BR Plan shall be construed as a reference to this BR Plan as it may have been, or may from time to time be, amended, varied, novated or supplemented in terms of the Act.

- 2.13 Whilst every effort has been made to present an accurate and complete overview of the affairs of the Company the BR Practitioner has not independently verified all of the information contained herein. None of the BR Practitioner, the Company nor their respective affiliates, employees, officers, directors or agents make any representations or warranties (express or implied) as to the accuracy or completeness of the information contained in this BR Plan or any statements, estimates or projections contained herein. Consequently, none of those parties will have any liability for the recipient's use of the information contained herein. This BR Plan will include certain statements, estimates and projections.
- 2.14 This BR Plan is published in compliance with the provisions of the Companies Act. It is provided for the information of Affected Persons.
- 2.15 This BR Plan is confidential and prepared solely for the purpose(s) set out in the Companies Act. No person may refer to or use the names of the BRP or the BR Plan for any other purpose, disclose or refer to them in any other document, or make them available or communicate them to any other party.
- 2.16 No other party is entitled to rely on this BR Plan for any purpose whatsoever and the BRP accepts no duty of care or liability to any other party who reads it, utilises it or is shown or gains access to it.
- 2.17 This BR Plan is based, *inter alia*, upon information received and provided to the BRP from the commencement of the Proceedings by the Company, its Board, Management, Affected Persons and third parties.
- 2.18 In compiling this BR Plan the BRP has accepted and relied on this information, the representations and the authenticity of the documents that have been provided to him. Should it become necessary to make representations and documents admissible for Court purposes or other legal proceedings, the authors of the representations and documents would have to confirm these in the relevant proceedings should it become necessary to do so.
- 2.19 The statements and opinions expressed in this BR Plan are given in good faith and in the belief that such statements are not false or misleading. Should any new, material information become available between the date of publication of this BR Plan and the date of any subsequent meetings or reports, the BRP reserves his rights to alter any

conclusions reached on the basis of that new information.

- 2.20 In preparing this BR Plan and in formulating the proposals, the BRP has made estimates with respect to *inter alia* the total value of Creditors' Claims. These estimates may change as Creditors continue to prove and/or verify their Claims against the Company. Whilst this BR Plan estimates the likely outcomes for Affected Persons, the estimates are by nature uncertain and apply assumptions, the ultimate outcomes may differ from the estimates in the BR Plan.
- 2.21 Nothing contained in this BR Plan shall constitute legal or Tax advice to any Affected Person, nor does the BRP make any representations in respect thereof.

3. Structure of the Business Rescue Plan

For the purposes of section 150(2) of the Companies Act, this BR Plan is divided into 3 parts as follows:

3.1 Chapter 1 - Introduction

This chapter sets out general information about the BR Plan, including the structure of the BR Plan and with whom Affected Persons should engage for independent advice.

3.2 Chapter 2 – Business Rescue Proposal

This chapter provides the detailed proposal, set out in the form required by the Companies Act.

3.2.1 Part A - Background

This part sets out the background to the Company, the circumstances that resulted in the Company's financial distress and an overview of the Proceedings.

3.2.2 Part B - Terms of the Proposal

This part describes the terms of the BR Plan and includes, *inter alia*, the benefits, for Affected Persons, of adopting the BR Plan as opposed to the Company being placed into liquidation.

3.2.3 Part C – Assumptions And Conditions

This part sets out, *inter alia*, what conditions need to be fulfilled in order for the BR Plan to become effective, and to be implemented.

3.3 Chapter 3 - General

This chapter sets out certain administrative and general matters pertaining to the Proceedings and the BR Plan.

3.4 Chapter 4 – Conclusion and the BRP's Certificate

The chapter contains the BRP's recommendation and the certificate that is required to accompany each business rescue plan in terms of the Companies Act.

4. Notifications

- 4.1 Insofar as possible, notice has been given to the Affected Persons, in terms of the Companies Act and the Regulations thereto, that the Company has been placed under the Proceedings and placed under the control and supervision of the BR Practitioner, in accordance with the Companies Act.
- 4.2 In terms of section 132(3) of the Companies Act, a company whose business rescue proceedings have not ended within three months after the start of those proceedings, or such longer time as the court, on application by the practitioner, may allow, the practitioner must:
 - 4.2.1 prepare a report on the progress of the business rescue proceedings, and update it at the end of each subsequent month until the end of those proceedings; and
 - 4.2.2 deliver the report and each update in the prescribed manner to each affected person, and to the court, if the proceedings have been the subject of a court order; or the Commission, in any other case.
- 4.3 As these Proceedings have not ended within three months from the Commencement Date, the BR Practitioner has prepared and filed the progress reports (and will continue to do so) in accordance with clause 4.2.

CHAPTER 2 – BUSINESS RESCUE PROPOSAL

5. Part A – Background Information

5.1 Corporate and shareholding structure

5.1.1 SAA is the sole shareholder of Mango and owns 100% of the shares in the Company.

5.1.2 The SAA group structure is depicted in 5.4 below.

5.1.3 The issued share capital of the Company comprises 1 120 (one thousand one hundred and twenty) shares.

5.1.4 The authorised but unissued share capital of the Company is 8 880, (eight thousand eight hundred and eighty) shares.

5.2 Directors and Officers

5.2.1 As at the Commencement Date, the directors and officers of the Company were as follows:

Name of Director	Role	Date Appointed
Ndlovu, Moshabe William	Director	20/08/2020
Zwane, Moretlana Martha Bembe	Non-Executive Director	29/07/2021
Van Harte, Edna Lorraine	Non-Executive Director	07/07/2021
Fadugba, Nicholas Olawande	Non-Executive Director	07/07/2021

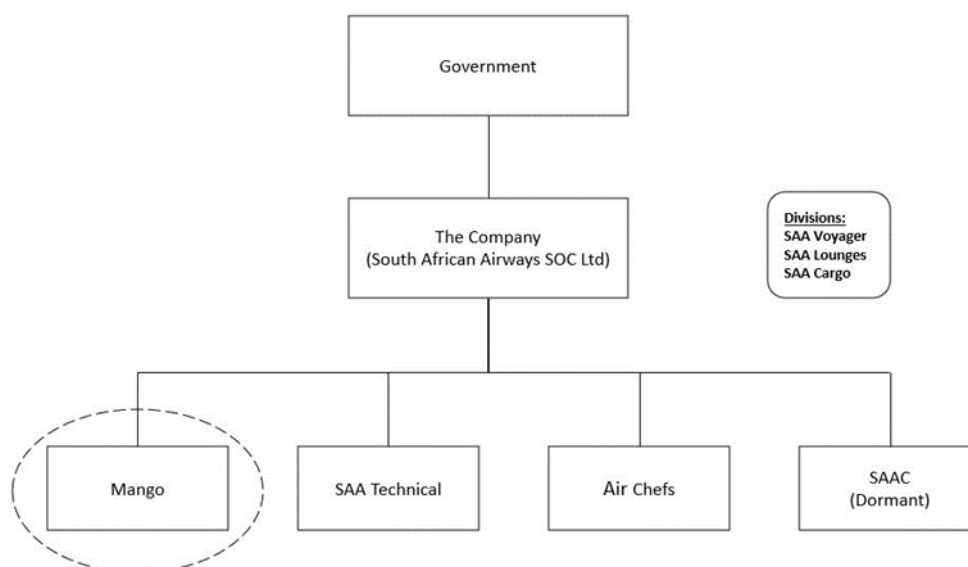
5.2.2 However, the above-named individuals are no longer directors of the Company following resignation or death, in the case of the late Professor Fadugba. The BRP will process these changes with the CIPC in due course.

5.2.3 SAA, as the sole shareholder, has been requested to nominate and appoint the required number of directors to the Board as soon as possible.

5.3 Company Information at Commencement Date

- 5.3.1 Financial year end: 31 March
- 5.3.2 Registered address: Mezzanine Level
Domestic Departures Terminal
Or Tambo International Airport
Kempton Park 1627
- 5.3.3 Business address: c/o OPIS Advisory
Infinity Business Park
4 Pieter Wenning Road
Fourways 2191
- 5.3.4 Auditors: Auditor General South Africa
4 Daventry Street,
Lynnwood Bridge Office Park
Lynnwood Manor
Pretoria, SA

5.4 SAA Group Structure



5.5 Company Background

- 5.5.1 Mango is a state owned company and is a subsidiary of SAA. As a state owned entity it is governed in accordance with the prescripts of the PFMA and applicable regulations.

- 5.5.2 The Company commenced business in 2006 as a low-cost domestic airline facilitating business and tourism air travel in South Africa and regionally. Over the years Mango had built a recognisable brand in the local aviation sector.
- 5.5.3 At the Commencement Date, Mango had a staff complement of 708 active employees and 10 additional employees on disability.
- 5.5.4 The announcement of a hard lock-down in response to the Covid-19 pandemic impacted the tourism and travel industries and resulted in the ceasing of all air traffic travel from 26 March 2020. Mango resumed operations on 20 June 2020 after traveling restrictions were relaxed. In the no-flight period, Mango's Un-Flown Ticket Liability continued to increase.
- 5.5.5 On 16 April 2021 the Board adopted the resolution to place the Company in business rescue in terms of section 129 of the Act. Approval from the former Minister of Public Enterprises, the late Mr Pravin Gordhan (the Executive Authority) ("**Minister**"), was received on 22 July 2021 and on 28 July 2021 the Company was placed in voluntary business rescue.
- 5.5.6 Before the commencement of business rescue, Mango had a Fleet of only 8 aircraft, all leased from Macquarie, down from a total of 14 aircraft in 2019. The Fleet was all nearing the end of life and some of the aircraft and/or engines required significant repairs and maintenance. The leases in respect of the 8 aircraft were subsequently cancelled and applicable damages were finalised with Macquarie and are incorporated in the Claims schedule attached hereto as **Annexure A**.
- 5.5.7 Mango was allocated funding of R819 million from the Government funds granted to parent company SAA to implement SAA's business rescue plan, by way of the Special Appropriation Act. The funding allocation was to cover legacy debt and to provide for the restructuring of Mango. However, only R734 million was received from SAA and the creditors accepted government and SAA's requirement that an amount of R85 million be repatriated to the State.
- 5.6 **Reasons for the Financial Distress of the Company**
- 5.6.1 According to the affidavit filed with the CIPC by the Mango Board, the financial distress of the Company was largely influenced by a number of key factors as follows:

- 5.6.1.1 The Company had been significantly affected by the unprecedented economic effects of the COVID-19 pandemic, the travel bans imposed by the President of South Africa in order to flatten the curve of infections of COVID-19, and the nationwide lock-down ordered by the President on Monday, 23 March 2020, in terms of the Disaster Management Act 57 of 2002 and the regulations promulgated thereunder.
- 5.6.1.2 The Company was forced to suspend all flights operated by it for almost 3 months, from 26 March 2020 due to the lock-down, until 15 June 2020, when essential business travel between Johannesburg, Cape Town and Durban then became possible. The Company generated no revenue during this period.
- 5.6.1.3 South Africa had continued to be under varying levels of lock-down over the course of more than 16 months. The pandemic had unprecedented adverse financial consequences for the tourism industry, and the Company was unfortunately not spared as passengers could at first not fly at all, and then, whilst domestic flights were allowed, choose to fly only in exceptional circumstances in order to avoid exposure to the COVID-19 virus. In addition, limitations on international travel had also had a significant impact on the Company's number of passengers.
- 5.6.1.4 The Company's financial issues were exacerbated by the inability of its shareholder, namely SAA who had only exited its business rescue proceedings on 30 April 2021, to fund the Company.
- 5.6.1.5 Consequently the Company's Board adopted the resolution on 16 April 2021, and reduced its flight schedule from 1 May 2021 and operated only 2 aircraft, whilst compliance with the PFMA was awaited. It had generated limited revenue during this time, whilst it continued to incur certain fixed operational costs, such as rentals on leased aircraft.
- 5.6.1.6 Notwithstanding the above, the directors of the Company believed that there was a reasonable prospect of rescuing the business of the Company, if the Company commenced business rescue immediately and received post-commencement finance.
- 5.6.2 Furthermore, the BR Practitioner has also through his investigations into the affairs of the Company established the following additional reasons for the financial distress of the Company:

- 5.6.2.1 There were issues around technical reliability and in the 2019 and 2020 financial years, technical delays attributed for more than 47% of total delay hours with sales impacted by the consequential irregular operations.
- 5.6.2.2 The combination of operational, technical and competitive challenges resulted in Mango's on-time performance deteriorating to the second worst from being one of the best domestically.
- 5.6.2.3 Mango suffered significant turnover in Management for sustained periods of time. Loss of resources in key positions within the Board and executive Management levels further impacted deliverables and decision making. In addition, as a subsidiary, Mango was not always able to make independent Fleet decisions beneficial to the Company and in some cases was burdened with Fleet that had significant maintenance costs that contributed to cash out flows. Mango was not in a position to adequately provide for the large cost associated with the maintenance events.

5.7 Business Rescue Timeline

EVENT	DATE
Directors' resolution passed to commence Proceedings	16 April 2021
Resolution of directors filed with CIPC	28 July 2021
Order of the Court	10 August 2021
Notice of appointment of BR Practitioner filed with CIPC	10 August 2021
Notice of commencement of Proceedings published	12 August 2021
Notice of appointment of BR Practitioner published	12 August 2021
First meeting of creditors held	18 August 2021
First meeting of employee representatives held	18 August 2021
Last date to publish the BR Plan	8 September 2021
Extended last date to publish the BR Plan	29 October 2021
Second meeting of creditors and shareholder to consider and vote on the BR Plan	15 November 2021
Adjourned meeting of creditors and shareholder to consider and vote on the BR Plan	2 December 2021
Publication of amended BR Plan	29 August 2025
Publication of further amendments to the amended BR Plan	28 October 2025
Meeting of creditors to consider and vote on the Amended BR Plan	18 November 2025

Continuation of the Meeting of creditors to consider and vote on the Amended BR Plan	24 November 2025
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5.8 Management Control

5.8.1 In terms of section 140(1)(a) of the Act, the BR Practitioner took over full management control of the Company in substitution for its Board and pre-existing Management, but as he was entitled to do, the BR Practitioner delegated certain functions to pre-existing senior Management of the Company, as well as the Board where considered appropriate.

5.8.2 The BR Practitioner paid particular attention to the functions entailing the administration of the affairs of the Company and to protect its assets, to ascertain the viability of the Company and to ascertain whether the Company could be rescued or whether it was necessary to dispose of certain of the Company's assets to achieve a better dividend for Creditors in business rescue as compared to the dividend that would accrue to Creditors in a liquidation.

5.9 Tax Affairs

5.9.1 At the date of publication all tax debt that arose during the Proceedings has been paid as and when it became due for payment.

5.9.2 All tax filings for VAT and PAYE are up to date at the date of publication.

5.9.3 With regards to income tax, the last return submitted is for the year ended 31 March 2022. SARS has levied penalties for the tax years from 2019 to 2021, finally assessed at R105,8 million, with SARS having dismissed the objection lodged by Mango. The tax returns for 2023 to 2025 will be submitted as soon as the financial statements and tax computations have been finalised.

5.9.4 Although the Company is in an assessed tax loss position, the tax effects of the compromise will only be confirmed after the audit of the financial statements.

5.9.5 The claim of SARS, as reflected in this BR Plan, is in accordance with the claim form submitted by SARS on or about 29 May 2025. The claims of SARS are susceptible to change due to SARS's right to reassess historical returns at any point.

5.10 Financial Statements of the Company

- 5.10.1 The last set of audited financial statements are in respect of the financial year ended 31 March 2022.
- 5.10.2 As the BR Plan adopted on 2 December 2021 had provided for the sale of the entire shareholding in the Company to an investor that had already been identified by August 2022, at that stage it was anticipated that the audit for the 2023 financial year would be done post the change of ownership facilitated by the investor.
- 5.10.3 Regrettably, the DPE frustrated the implementation of the sale process by, *inter alia*, refusing to approve the application submitted to the Minister in terms of section 54 of the PFMA in respect of the disposal of the shareholding by SAA in Mango.
- 5.10.4 The BRP nevertheless pursued the transaction with the investor, which ultimately collapsed for various reasons as dealt with hereunder under the Investor Process section.
- 5.10.5 SAA has requested the BRP to facilitate the audit of the outstanding financial statements, lodge the relevant income tax returns as part of the implementation steps of this BR Plan.
- 5.10.6 The Company will bear the costs associated with the preparation of the outstanding annual financial statements, the audit process, and the completion of the Company's income tax assessments.

5.11 **Status of the Fleet**

In 2019, ahead of the grounding of operations due to the Covid-19 lockdown, Mango operated a Fleet of 14 aircraft owned by three Lessors. At Commencement Date, the Fleet had reduced to 8 aircraft, all of which were leased from Macquarie. All leases were either cancelled by the Lessors or terminated by consent between the Company and the respective Lessor(s).

5.12 **Status of Trading During the Post Commencement Period**

- 5.12.1 The Company's operations have not resumed since they ceased on 27 July 2021.
- 5.12.2 As indicated above, the Company drew and received R734 million of the originally appropriated amount of R819 million with the balance retained by SAA for repatriation

to the State.

5.12.3 An aircraft engine was disposed of as part of implementing the Investor Process, for an amount of USD5,125 million.

5.12.4 After payment of arrear salaries, restructuring costs and care and maintenance costs, an amount of R385,6 million is available for implementation of this amended BR Plan.

5.13 **Creditors**

5.13.1 The Company's known Creditors as at Commencement Date are set out in **Annexure A** hereto, and in aggregate amounted to R2,834 billion (excluding the UTL), all of which are unsecured. The verified UTL amounts to approximately R29,5 million in total. The main reason for the lesser amount is that COVID 19 vouchers amounting to approximately R100 million have not been claimed during the verification process.

5.13.2 There are no material Post Commencement Claims due at date of publication of the BR Plan.

5.13.3 There are currently no Disputed Claims.

5.13.4 There are currently no Contingent Claims that have come to the attention of the BR Practitioner other than the potential tax consequences of the compromise.

5.13.5 Claims that are denominated in foreign currencies have been translated to the South African Rand at the spot exchange rate at the Commencement Date and will be settled based on the Rand amount translated on this basis.

5.14 **Material Assets and Security**

5.14.1 The only material assets of the Company are:

5.14.1.1 the cash balance of R385,6 million as at the date of publication of this BR Plan, and

5.14.1.2 trademarks registered in the name of Mango as reflected in the schedules attached hereto as **Annexure E**. The BRP has appointed a service provider to conduct a valuation of the trade marks.

5.14.2 There are no secured creditors.

5.15 Probable Liquidation Dividend

- 5.15.1 In accordance with the pro-forma liquidation and distribution account prepared by Harvard, attached hereto as **Annexure C**, in the event of liquidation, Concurrent Creditors are likely to receive a dividend of approximately 2.68 cents to the Rand.
- 5.15.2 SARS, on the other hand, is likely to receive full payment of its Claim(s) as a Preferent Creditor.

5.16 Creditors' Committee

- 5.16.1 Section 145(3) of the Act provides that the creditors of a company are entitled to form a Creditors' Committee, and through that committee are entitled to be consulted by the business rescue practitioner during the development of the business rescue plan.
- 5.16.2 At the first meeting of creditors held in terms of section 147 of the Companies Act, the Creditors of the Company decided to form a Creditors' Committee, and the following members were appointed:

Member	Name of Creditor
Michael Mpanza	South African Airways Technical
Paula de Sousa, Neville Kelly	Amadeus
Andreas Liagos, Silke Sorgenfrei	Lufthansa Technik (LHT)
Lara Kahn, Ryan Smith, Neerasha Singh	Macquarie - represented by Webber Wentzel
Scott Edmundson, Lara Kahn, Ryan Smith	Carlyle / Aergen - represented by Webber Wentzel
Scott Edmundson, Lara Kahn, Ryan Smith	GECAS - represented by Webber Wentzel
Gareth Cremen, Anil Ranchod	Aviation Co-Ordination Services
Heinrich Trizahn Marais	Setcom (Pty) Ltd
Mpolaheng Kekana, Anton Wykmans	Lanseria International Airport
Lwazi Gumede, Elize Mabinya, Alett Crouse	ATNS

- 5.16.3 The Creditors' Committee held meetings on 2 September 2021 to discuss progress of the business rescue of Mango, and again on 20 October 2021 to discuss the proposed restructuring of the Company and the BR Practitioner's indicative business rescue plan

at the time.

5.16.4 A further meeting was held on 5 November 2021 to discuss SAA's letter dated 30 October 2021 (received on 3 November 2021), as well as the BRP's response thereto. The BRP was informed in the SAA letter that:

5.16.4.1 Mango cannot resume sustainable operations before the introduction and on-boarding of a strategic equity partner with requisite funding; and

5.16.4.2 any funding injected into Mango's rescue process should not be applied to or fund working capital aimed at supporting the restart of Mango.

5.17 **Engagement with Creditors**

5.17.1 The BR Practitioner engaged with Macquarie, the only active Lessor at the time, to renegotiate the aircraft lease rates and structure. With the assistance of Macquarie, the BRP had selected a Fleet of 3 aircraft that would be leased on a six-monthly basis, by amending the existing leases to provide for amended terms for the agreed interim period. As indicated in 5.11, ultimately all leases were terminated.

5.17.2 In addition to engagements with the Shareholder and the Lessor, the BR Practitioner dealt with queries from various Creditors, pertaining to their individual claims as and when necessary.

5.18 **Employee Matters**

5.18.1 An Employee Representatives' Committee was formed in terms of section 144(3)(c) of the Companies Act for the purposes of consulting with the BR Practitioner. The Employee Representatives' Committee was comprised of members from each of the unions represented at Mango and also non-unionised members of staff and management where represented.

5.18.2 The Employee Representatives' Committee meetings were held as per the schedule below:

Date	ERC Meeting
18 August 2021	First Meeting of Employees
31 August 2021	o Proposal and discussion on independent Chairperson of the

	<p>Committee</p> <ul style="list-style-type: none"> Discussions of the business rescue and the ongoing investigations into the affairs of the company
21 September 2021	Update on the business rescue
30 September 2021	Employee Workshop – presentation and discussion of proposed operating model
5 October 2021	Update on the business rescue
14 October 2021	Operating model presentation and discussion by labour (NUMSA, SACCA, MPA)
19 October 2021	Preliminary discussions on the VSP
20 October 2021	ERC Meeting – presentation of the proposed operating plan and the VSP
5 November 2021	ERC Meeting – to discuss the SAA letter

5.18.3 Employees were paid their full salaries.

5.18.4 All Employees were retrenched and / or accepted a VSP. Five former Employees were retained on limited duration contracts, to assist with administration functions. In addition, four call centre agents were recruited to assist with the UTL verification exercise, also on limited duration contracts.

5.18.5 The above Employee contracts will be terminated and to the extent required by law, they will be paid all their termination benefits.

5.19 **Engagement with Shareholder and DPE**

5.19.1 On 9 September 2021, the BR Practitioner wrote to the board of SAA to establish the intention of SAA with regards to its continued ownership of Mango by SAA in view of the potential change of control in SAA, as well as possibility that Mango might still need funding support from its Shareholder.

5.19.2 On 6 October 2021, the BR Practitioner received official confirmation from the Chairperson of the SAA Interim Board on behalf of the Board, that no further financial support would be directed to Mango other than the funding already allocated *via* the Special Appropriation Act. The Minister was copied into the correspondence.

5.19.3 On 22 October 2021, the BR Practitioner wrote to SAA to request that the remaining funds allocated to Mango in terms of the Special Appropriation Act be drawn and made available. On 26 October 2021, SAA wrote to the DPE to request the transfer of the

funds in accordance with the BR Practitioner's request.

- 5.19.4 On 3 November 2021, the BR Practitioner received a letter from SAA in terms of which SAA informed the BR Practitioner that Mango must not resume operations before the introduction of an Investor with requisite funding.
- 5.19.5 The BR Practitioner also held several engagements with the DPE at the time to update them on the status of the Proceedings as well as the contemplated restructuring proposals to be funded from the allocated funding.
- 5.19.6 The BR Practitioner instituted litigation against the Minister and DPE, in terms of which the BR Practitioner approached the High Court to compel the Minister to make a decision with regards to the application submitted to him in terms of section 54 of the PFMA in respect of the disposal of the shareholding by SAA in Mango. The BR Practitioner was successful, it being deemed that the approval was granted as the Minister failed to respond within the timeline provided for in the PFMA and ordered by the High Court.

5.20 **Status of the Company's Licences**

- 5.20.1 Both the domestic and international service licences of Mango have been cancelled by the ASLC and IASC respectively, this despite the BR Practitioner having made submissions and engaged regularly with both the ASLC and IASC since his appointment to provide updates on the status of the Proceedings.
- 5.20.2 The ASLC and IASC cancelled Mango's licences on the grounds that the airline had not operated in accordance with its licence conditions and relevant legislation for extended periods of time and this was mainly attributed to *inter alia* the decision taken by SAA that Mango cannot resume operations until an Investor had been secured, the delays caused by the Minister's failure to make a decision in respect of the application submitted to him in terms of section 54 of the PFMA and the litigation that followed thereafter.

5.21 **Investigation of the Affairs of the Company**

- 5.21.1 In terms of section 141(1) of the Act, the business rescue practitioner is required to investigate the affairs, business, property, and financial situation, and after doing so, consider whether there is any reasonable prospect of the company being rescued.

5.21.2 Furthermore, if in the course of such an investigation, a business rescue practitioner concludes that there is evidence of misconduct as contemplated in section 141(2)(c) of the Companies Act, then the business rescue practitioner must forward that evidence to the relevant authorities for further investigation and direct the management of the company to take any necessary steps to rectify the matter.

5.21.3 The BR Practitioner has carried out the investigations contemplated in section 141(1) for the specific purpose of determining whether there are reasonable prospects, and has concluded that there are indeed reasonable prospects of the Company being rescued in the manner dealt with in this BR Plan.

5.21.4 With regards to misconduct contemplated in section 141(2)(c), the BR Practitioner did not come across any evidence of reckless trading, fraud or voidable transactions that occurred in the 12 months prior to the Commencement Date.

5.22 **Moratorium**

5.22.1 The Moratorium imposed by section 133 (as read with section 150(2)(b)(ii)) of the Companies Act prohibits any legal proceedings, including enforcement action, against the Company, or in relation to any property belonging to the Company or lawfully in its possession, from being commenced or being proceeded with for the duration of the Proceedings.

5.22.2 This means that Creditors will not be able to take action against the Company for non-payment of debts during the Proceedings.

5.22.3 In the current circumstances, the Moratorium in relation to the Company commenced on the Commencement Date and will remain in place until the BR Practitioner files a notice of Substantial Implementation of the BR Plan with the CIPC.

5.23 **Conversion of Claims to Equity**

This BR Plan does not contemplate that any Claims will be converted to equity.

5.24 **Creditors Voting Interest**

5.24.1 A Creditor has a voting interest equal to the value of the amount owed to that Creditor by the Company on the date of the publication of this BR Plan.

- 5.24.2 A Post Commencement Creditor has a voting interest equal to the value of the amount owed to that Post Commencement Creditor by the Company on the date of the publication of this BR Plan.
- 5.24.3 A Creditor who would have a subordinated claim in liquidation has a voting interest, as independently appraised and valued at the request of the BR Practitioner, equal to the amount, if any, that the Creditor could reasonably expect to receive in a liquidation of the Company.
- 5.24.4 A Creditor who has a Disputed Claim or a Contingent Claim, will only be allowed to vote to the extent of the undisputed or non-contingent portion of their Claim. For the avoidance of doubt, this will not affect the final distribution to such Creditors as the quantum of their Claims will be finalised mutually between the parties or through the dispute resolution mechanism as set out in clause 9.
- 5.24.5 All liquid proven Claims, including Contingent and suretyship or guarantee Claims will be allowed to vote if the Claim has been accepted and approved by the BR Practitioner. The decision of the BR Practitioner in this regard will, subject to any manifest error, be final and binding on the Creditor concerned.
- 5.24.6 If the value of a Claim of a Commencement Date Creditor has reduced since Commencement Date, that Creditor's voting interest will be the amount of the Claim as at the date of publication of this BR Plan.
- 5.25 **Fee Agreement**
- 5.25.1 The BR Practitioner's remuneration is at the hourly tariff for a large company based on the Company's public interest score at the Commencement Date.
- 5.25.2 A company is regarded as a large company if its public interest score is above 500.
- 5.25.3 The public interest score of the Company, calculated in terms of Regulation 26(2) of the Companies Act, was 4101 points at the Commencement Date.
- 5.25.4 Regulation 128 of the Companies Act sets out the hourly tariffs that a practitioner is entitled to charge, in accordance with section 143(1). The hourly tariff applicable for large companies is R2 000 (including VAT).

5.25.5 The BR Practitioner, in terms of Regulation 143, proposed additional remuneration which was approved by Creditors at a meeting held for that purpose on 2 December 2021. It is specifically recorded that no substantial implementation or success fee will be payable to the BR Practitioner on implementation of a structured wind-down of the Company, as the success fee was conditional on execution of the Investor Process.

5.25.6 The BR Practitioner's remuneration agreement is attached hereto as **Annexure D**.

5.26 **Proposals Made Informally by a Creditor**

5.26.1 This BR Plan does not include any informal proposals made by a Creditor of the Company.

5.27 **Voting by Proxy**

5.27.1 All voting will be conducted by way of proxy. A form of proxy will be included in the notice of the Section 151 Meeting. All forms of proxy given on behalf of a company, a legal entity or a trust must be accompanied by a valid and authorised resolution supporting the appointment of the proxy.

5.27.2 Creditors are encouraged to submit their forms of proxy as soon as possible, however, will be afforded an opportunity to lodge their proxy forms by no later than 17h00 on the day preceding the Section 151 Meeting.

5.27.3 In the event that during the Section 151 Meeting further questions are raised and/or proposed amendments are moved, the BR Practitioner will address such questions and/or proposed amendments and Creditors will be afforded an opportunity to amend their forms of proxy, should they so wish, during the Section 151 Meeting.

5.27.4 Notwithstanding what has been stated in this paragraph, the BR Practitioner has a discretion to accept any form of proxy submitted or change the process referred to in 5.27, which change will be notified to Affected Persons.

6. Part B – Terms of the Proposal

6.1 Objective of the Proposal

6.1.1 The main objective of business rescue, as set out in section 128(1)(b)(iii) of the Act, is to develop and implement a plan that either:

6.1.1.1 rescues the Company by restructuring its affairs, business, property, debt and other liabilities, and equity in a manner that maximises the likelihood of the Company continuing in existence on a solvent basis (“**Primary Objective**”); or

6.1.1.2 if the aforementioned is not possible, results in a better return for the Company’s creditors or shareholders than would result from the immediate liquidation of the Company (“**Secondary Objective**”).

6.1.2 The proposal set out in this BR Plan seeks to achieve the Secondary Objective of business rescue, having failed to successfully implement the Primary Objective as summarised below.

6.2 The Investor Process

6.2.1 Having been informed by SAA that Mango will not form part of the SAA Group, and that the airline could not restart operations utilising funds from the Government, the BRP determined that for Mango to be rescued, and for it to remain sustainable into the future, the Company required an Investor that would fund ongoing operations beyond the restructuring of the Company. Securing an Investor would however trigger a transaction that would require approvals in terms of the PFMA, read with the SMF and the SAA SMF.

6.2.2 An Investor Process was initiated and Ubuntu Air Services Proprietary Limited (“**Ubuntu Air**”) was selected as a successful bidder on 26 August 2022. The offer was based upon, amongst other things, approvals being obtained including *inter alia* from the Minister in terms of section 54 of the PFMA and other regulatory approvals from the ASLC and SACAA. Regrettably, lengthy litigation ensued as the Minister failed to make a decision on the application submitted to him in terms of section 54 of the PFMA resulting in *inter alia* the cancellation of both the international and domestic operating licences in February 2023 and November 2024 respectively. Ubuntu Air could therefore not implement the originally proposed business model due to the cancellations. Ubuntu Air

proposed to proceed with the transaction under a different business model whereby Ubuntu Air would still operate under the Mango brand but would partner with an entity with a valid Air Operators Certificate, aircraft and personnel.

- 6.2.3 However, in addition to the lengthy litigation with the Minister, on 13 December 2022, Aviation Co-ordination Services Proprietary Limited (“ACS”), a creditor of Mango, had issued an application in the High Court seeking *inter alia* a declaratory order that the “compulsory” cession contained in the previously adopted business rescue plan is invalid and of no force and effect, and as a result of the invalidity, the business rescue plan could not be implemented in its current form. On 17 June 2025, the High Court delivered judgment *inter alia* declaring the involuntary cession of the balance of the Creditors’ claims to the Investor as invalid and of no force and effect, and that the plan cannot be implemented.
- 6.2.4 Following delivery of the judgement, Ubuntu Air contacted the BRP expressing concern at the impact of the judgment on Ubuntu Air’s proposed transaction. Although the BRP filed papers to appeal the judgement, on 31 July 2025 Ubuntu Air informed the BRP that it would not proceed with the transaction partially due to the delays that made scheduling of a resumption of operations unrealistic and the commitment of the other funding partner could not be secured.
- 6.2.5 As Ubuntu Air had withdrawn from the Investor Process, the BRP instructed his attorneys to withdraw the application for leave to appeal. The notice of withdrawal was accordingly filed on 8 August 2025, marking the end of the litigation involving ACS.
- 6.2.6 The BRP issued a circular in which he proposed that the Proceedings be converted to a “Structured Wind Down” as Ubuntu Air’s offer had failed, subject to approval of an amended BR Plan that no longer relies on the Investor Process as the primary restructuring option.
- 6.2.7 Notwithstanding the above, should the BRP receive an offer for the acquisition of the issued share capital of the Company which can be implemented within the timelines contemplated in the Wind down process, the BRP will accept such an offer and pay a top-up dividend to the Creditors to increase the wind-down dividend contemplated below.

6.3 **Structured Wind Down**

- 6.3.1 In view of the failed Ubuntu Air transaction, it is proposed that the BR Practitioner immediately takes steps to implement a Structured Wind Down that has reasonable prospects for rescuing the Company in that it results in a better return for creditors than would result from the immediate liquidation of Mango.
- 6.3.2 The Structured Wind Down will entail the following:
- 6.3.2.1 As all of the Company's assets have already been realised, it is proposed that the available cash be applied towards payment of Claims in the manner indicated in the payment waterfall attached hereto as **Annexure B**.
- 6.3.2.2 Due to the uncertainty of the tax consequences of the compromise, which will be ascertained after completion of the audits of the Company's financial statements, it is proposed that an interim dividend of 40% of the estimated dividend payable to Creditors (including UTL Customers whose claims have been verified) be paid within 30 days from Adoption of the BR Plan.
- 6.3.2.3 It is further proposed that the balance of the dividends due to Creditors, net of any taxes that may be due, be paid within 30 days following the assessment of the Company's income tax returns for the years 2023 to 2025. The income tax returns will be submitted soon after the audit of the financial statements for the years ended 2023 to 2025 has been completed. The BRP anticipates scheduling the audit within 60 days from adoption of the BR Plan, or soon thereafter. It is noted that the timeframe for the audit process falls within the control of the Auditor-General and therefore the BRP is not in a position to commit to any timelines in this respect.
- 6.3.2.4 As indicated above, there are several trademarks registered in the name of Mango. It is not yet known what value can be attributed to the trademarks and the BRP is awaiting a valuation thereof. To the extent possible, the BR Practitioner will, as part of the Structured Wind Down, try to sell the trademarks to any interested parties. The Company will bear the reasonable costs associated with the valuation of the trademarks.
- 6.3.2.5 In the event this BR Plan is adopted and substantially implemented, but if there is no purchaser for the trademarks, those trademarks will remain an asset of the Company

upon its exit from business rescue.

- 6.3.2.6 Mango and SAA will, immediately upon adoption of this BR Plan, take all necessary steps, prior to the filing for Substantial Implementation, to recognise the Proceedings in respect of Mango in all the foreign jurisdictions in which Mango previously operated. The costs of running this process will be borne solely by SAA, or alternatively, SAA will indemnify Mango for such costs, provided that all such costs shall be subject to SAA's prior written approval and consent in terms of the Public Finance Management Act 1 of 1999.

6.4 **Property Available to Pay Creditors' Claims**

- 6.4.1 Creditors will be paid from the balance of funds received from Government and the Shareholder for the purposes of restructuring Mango, as well as from the proceeds of the engine sale.
- 6.4.2 In addition, should the BR Practitioner receive and accept an offer as contemplated in 6.3.2.4 above, any additional cash generated from that process will be applied towards the dividend payable to Creditors.

6.5 **Effect of the Proposal on the Customers of the Company**

- 6.5.1 The Un-flown Ticket Liability at the Commencement Date was R169 million.
- 6.5.2 A customer ticket verification process was initiated on 4 June 2025 to enable Customers to verify their un-flown tickets or unused vouchers due to the suspension of Mango's operations. The verification process closed on 1 September 2025. Customers that have failed to verify their Claims on time have forfeited their right to claim a dividend against the Company.
- 6.5.3 The total liability in respect of Customers who verified their Claims amounted to R29,5 million.
- 6.5.4 Customers holding verified unused or un-flown Mango tickets and vouchers will be treated as Creditors in the Proceedings and will receive payment of a dividend representing a portion of the verified value of their ticket or voucher. This dividend is estimated at 12,66 cents on the Rand.

- 6.5.5 As the full UTL will not be fulfilled in a Structured Wind Down as originally anticipated under the Investor Process, affected Customers are required to note the following:
- 6.5.5.1 The Guarantee was issued in favour of the ASLC and IASC as beneficiary, on behalf of Mango, pursuant to Mango's obligations under the Air Services Licensing Act 115 of 1990 and its regulations ("**Air Services Licensing Act**").
- 6.5.5.2 In terms of the Air Services Licensing Act, an applicant for an Air Operator Certificate and related licensing is required to furnish details of a Passenger Protection Plan. The Guarantee was deemed an acceptable form of such passenger protection, intended to provide recourse for passengers in the event that Mango fails to honour un-flown tickets of its Customers. Notably, only the ASLC and IASC (as beneficiary) may demand payment under the Guarantee.
- 6.5.5.3 In order to assist affected Customers, the BR Practitioner addressed correspondence to the ASLC and IASC to request guidance and provide information on what steps affected customers may take in order to claim against the Guarantee through the council.
- 6.5.5.4 The ASLC responded indicating that it had resolved to call up the Guarantee and approach Standard Bank to release the funds to a liquidator as the council does not have the administrative function or capacity to accept and process claims.
- 6.5.5.5 In response, it has been explained to the ASLC that if this BR Plan is Adopted, Mango will proceed in terms of a structured wind-down and the BRP will accordingly be responsible for processing Customer Claims. That being the case, the ASLC has been requested to indicate whether it would be prepared to instruct Standard Bank to release the funds to Mango's estate and ring-fenced for the benefit of Customers, so that the BRP may process payments to Customers in accordance with verified Claims.
- 6.5.5.6 The BR Practitioner is awaiting a response from the ASLC and IASC. Affected Customers will be provided with updates on this as they become available.

6.6 **Effect of the Structured Wind Down on Concurrent Creditors**

- 6.6.1 In terms of the proposed Structured Wind Down, Concurrent Creditors will receive payment of a dividend estimated at approximately 12,66 cents in the Rand and in accordance with the payment waterfall at **Annexure B**.

6.6.2 All of the Claims of Concurrent Creditors as at the Commencement Date will be compromised through settlement in accordance with the terms of this BR Plan.

6.7 **Effect of the Proposal on the Employees of the Company**

6.7.1 All the Employees were retrenched and / or accepted a VSP.

6.7.2 Those Employees required to assist with critical tasks during the period Mango has been under care and maintenance were re-employed on fixed term contracts.

6.8 **Effect of the Proposal on SARS**

6.8.1 In respect of any Claims arising from transactions that occurred prior to the Commencement Date, SARS will be treated in the same manner as all other Unsecured Creditors.

6.9 **Order of Distribution**

6.9.1 In terms of the Companies Act, Creditors are to be paid the amounts to be distributed in the following order of priority (to the extent that there are funds available to pay all categories of Creditors in terms of the waterfall below):

6.9.1.1 the business rescue costs, including but not limited to legal costs, the costs of the Advisors, operating costs and other costs associated with the Proceedings;

6.9.1.2 Employees for any remuneration, reimbursement for expenses or other amount of money relating to employment which becomes due and payable by the Company to the Employees during the Proceedings (to the extent that they have not been paid);

6.9.1.3 any amounts due to a landlord which are not paid to the landlord during the Proceedings, in respect of and not exceeding the aggregate for all public utility services, such as the Company's share of rates and taxes, electricity, water, sanitation and sewer charges paid by the landlord to third parties during the period of the Proceedings;

6.9.1.4 secured post-commencement finance Creditors;

6.9.1.5 unsecured post-commencement finance Creditors;

6.9.1.6 Employees for any remuneration, reimbursement for expenses or other amount of

money relating to employment which became due and payable by the Company to the Employees prior to the Proceedings (to the extent that they were not paid); and

6.9.1.7 unsecured Concurrent Creditors.

6.9.2 The probable dividend, as appears in **Annexure B** hereto, which Creditors will receive, in their respective classes, as a result of the adoption of the BR Plan will be as follows:

Class	Dividend
Employee Post Commencement Claims	100 cents
Pre-Commencement Concurrent Creditors	12,66 cents

6.9.3 The final dividend will be ascertained on conclusion of the audit of the financial statements and after submission of the outstanding income tax returns.

6.10 **Discharge of Debts and Claims**

In terms of section 154(2) of the Companies Act, if this BR Plan is approved and implemented in accordance with its terms, a Creditor will not be entitled to enforce any debt owed by the Company immediately before the beginning of the Proceedings, except to the extent provided for in this BR Plan.

6.11 **Ongoing Role of the Company and Treatment of Existing Agreements**

6.11.1 If this BR Plan proceeds in terms of the proposed Structured Wind Down, the Company will no longer operate in the future.

6.11.2 Once Substantial implementation is deemed to have occurred, the BR Practitioner will file a notice of Substantial Implementation with the CIPC.

6.11.3 As it is contemplated that the Company will not operate in the future, any existing contracts will be cancelled. In the event that the counterparties to the contracts claim damages, whether contractual or delictual, against the Company:

6.11.3.1 litigation in respect of such damages must be brought against the Company before the Substantial Implementation Date, failing which, a Creditor in these circumstances will be precluded from bringing a Claim for damages against the Company;

6.11.3.2 their Claims shall be deemed to have been compromised in terms of this BR Plan and shall be regarded as Unsecured Claims for the purposes of the BR Plan. As such, the counterparties to contracts who bring their damages claim timeously (i.e. before the Substantial Implementation Date) shall only be entitled to receive an amount as an Unsecured Creditor pursuant to the provisions of this BR Plan and if the Claim is not disputed. If such Claim is disputed the matter will be resolved in terms of the Dispute Resolution process set out herein; and

6.11.3.3 any Claim for damages will be limited to either the actual direct damages suffered or to an amount equivalent to a maximum of three months' contractual payment, whichever amount is the lower and no Claims for contingent or indirect damages will be accepted by the BR Practitioner. Such damages will be treated as Unsecured Claims.

6.12 **Benefits of Adopting the Business Rescue Plan Compared to Liquidation**

6.12.1 Dividends envisaged in this BR Plan are likely to be far better than the dividends that would be paid in liquidation.

6.12.2 The BR Plan will be implemented in a far shorter time-frame than liquidation proceedings. The average time it takes to conclude a liquidation process and pay liquidation dividends can be between 18 – 36 months, or longer depending on the complexity of the estate.

6.13 **The Effect of the BR Plan on Holders of the Company's Issued Securities**

6.13.1 This BR Plan will not affect the rights of the holders of the Company's issued securities.

7. Part C – Assumptions and Conditions

7.1 Assumptions

7.1.1 The main assumptions are that -

7.1.2 As regards the amount which Creditors could receive in terms of the BR Plan, the exact quantum could be lower than contemplated herein should the following adverse events, *inter alia*, occur:

7.1.2.1 unforeseen litigation of any nature whatsoever, howsoever arising, from any cause of action whatsoever;

7.1.2.2 late Claims, Contingent Claims and unforeseen damages Claims arising from the cancellation of any contracts or agreements of any nature whatsoever, howsoever arising;

7.1.2.3 any changes in legislation that impacts business rescue;

7.1.2.4 any challenges to this BR Plan, the rejection thereof of any amendments thereto;

7.1.2.5 any regulatory challenges of any nature whatsoever, howsoever arising; and

7.1.2.6 any unforeseen circumstances, outside of the control of the BR Practitioner of any nature whatsoever howsoever arising that impacts on Business Rescue.

7.2 Conditions for the BR Plan to come into operation and Substantial Implementation

7.2.1 The BR Plan will come into operation and Substantial implementation will be deemed to have occurred under the following circumstances:

7.2.1.1 Adoption of the BR Plan;

7.2.1.2 payment to Creditors as contemplated in the BR Plan; and

7.2.1.3 finalisation of the process to recognize the Proceedings in the relevant foreign jurisdictions.

7.3 Termination

The Proceedings will end:

- 7.3.1 if the BR Plan is rejected and neither the BRP, nor an Affected Person acts in any manner contemplated in section 153(1) the Act; or
- 7.3.2 this BR Plan is Adopted and implemented (with the conditions fulfilled) and the BRP has filed a notice of Substantial Implementation of the BR Plan with the CIPC; or
- 7.3.3 a court orders the conversion of the Proceedings into liquidation proceedings. It is specifically recorded that if this BR Plan is not Adopted, and no further amendments are proposed for their consideration, the BRP may determine that there is no longer a reasonable prospect of rescuing Mango. In such circumstances, the BRP will be obliged to apply to court for an order discontinuing the Proceedings and placing Mango into liquidation; or
- 7.3.4 the BRP files a notice of termination of the Proceedings with the CIPC.

7.4 **Projected Balance Sheet and Income Statement**

As it is contemplated that the BR Plan will proceed in terms of the Structured Wind Down and the Company will no longer operate in the future, there is no projected balance sheet and income statement.

CHAPTER 3 - GENERAL

8. Litigation

There is currently no litigation involving the Company and third parties.

9. Dispute Resolution

- 9.1 Save as provided for in section 133 of the Companies Act, in respect of all or any disputes by the BR Practitioner on Claims submitted by Creditors, which disputes include, but are not limited to, disputes on the existence or otherwise of a Claim, on quantum of the Claim, security claimed by a Creditor, the nature of the security, the extent and value of the security and the like ("the dispute"), such dispute can only be resolved in accordance with the dispute mechanism outlined below.
- 9.2 The dispute mechanism procedure will be as follows:
- 9.2.1 Any Creditor that has received a notification from the BR Practitioner of a dispute must contact the BR Practitioner in order to resolve such dispute within 15 days from the date of the notice.
- 9.2.2 If the Creditor does not avail itself of this 15-day opportunity then the BR Practitioner's decision is final. If after having availed itself and the dispute is not resolved within the 15 day period, the Creditor will be afforded 7 days (reckoned from the date of expiry of the 15 days) to nominate a retired judge as an expert (not as an arbitrator or mediator) to preside over and to resolve the dispute. Should the Creditor not make this nomination the BR Practitioner will do so on its behalf and this nomination will be binding on the Creditor.
- 9.3 The retired judge when nominated and who agrees to accept such appointment (hereinafter referred to as the "expert") will endeavour to complete his/her mandate within 30 days of his appointment or within such further time period as he/she in his/her sole discretion may determine. To the extent that any expert as nominated by the Creditor refuses to act or is not available to act, the Creditor, or if he/she refuses or

does not do so within three days of being requested by the BR Practitioner to do so, the BR Practitioner is then entitled to choose another retired judge who is available to act and is agreeable to act.

- 9.3.1.1 The expert will in his/her sole and absolute discretion determine:
- 9.3.1.2 the venue at which the dispute is to be resolved;
- 9.3.1.3 the rules, regulations and procedures that will govern the determination of the dispute;
- 9.3.1.4 the date(s) for the determination of the dispute;
- 9.3.1.5 will give his/her award / determination within 5 days of the completion of the process as determined by him/her; and
- 9.3.1.6 will as part of his/her award / determination determine who is liable for the costs of the determination such costs to include his/her costs, legal costs, venue costs, recording equipment (if applicable), transcript of evidence (if applicable) and the like.
- 9.4 The Creditor agrees that, save for any manifest error the determination of the expert will be final and binding on the Creditor, the Company and the BR Practitioner and will not be subject to any subsequent review or appeal application / procedure / process.
- 9.5 The expert shall be entitled to make an award for costs in his/her discretion.
- 9.6 The Creditor, the Company and the BR Practitioner agree to use their utmost endeavours to ensure that the entire dispute is determined by the expert within the 30-day period as set out above.

10. Amendment of the Business Rescue Plan Subsequent to Adoption

- 10.1 Provided that any amendment will not be prejudicial to any of the Affected Persons, the BR Practitioner shall have the ability, in his sole and absolute discretion, to amend, modify or vary any provision of this BR Plan, provided that at all times the BR Practitioner acts reasonably. The Amendment will be deemed to take effect on the date of written notice of the amendment to all Affected Persons.
- 10.2 Should the BR Practitioner wish to effect an amendment to the BR Plan that will be prejudicial to any of the Affected Persons, he will convene a further meeting of creditors and call for a vote to approve the amendment.

- 10.3 It is specifically recorded that the provisions of business rescue shall *mutatis mutandis* apply to the extension or reduction of any timeframes by the BR Practitioner.

11. Severability

Any provision in this BR Plan which is or may become illegal, invalid or unenforceable shall be ineffective to the extent of such prohibition or unenforceability and shall be treated *pro non scripto* and severed from the balance of this BR Plan, without invalidating the remaining provisions of this BR Plan or affecting the validity or enforceability of such provision in any other jurisdiction.

CHAPTER 4 – CONCLUSION AND BRP CERTIFICATE

12. Conclusion

For the reasons set out above, it is the view of the BRP that, notwithstanding the inevitable risks and challenges:

- 12.1 there is a reasonable prospect that the Company can be rescued within the meaning of the Companies Act;
- 12.2 this BR Plan balances the rights and interests of all relevant stakeholders; and
- 12.3 should the BR Plan not be Adopted, the BRP will file a notice of termination of the Proceedings.

13. BRP's Certificate

I, the undersigned, Sipho Sono, hereby certify to the best of my knowledge and belief that:

- (a) any actual information provided herein appears to be accurate, complete and up to date; and
- (b) projections provided are estimates made in good faith on the basis of factual information and assumptions as set out contained in this BR Plan.

Sipho Sono

Sipho Sono, in his capacity as the duly appointed
Business Rescue Practitioner (in terms of the Act)