

TAKATSO AVIATION NOTES RECOMMENDATION BY THE COMPETITION COMMISSION FOR THE APPROVAL OF ITS ACQUISITION OF A CONTROLLING STAKE IN THE SOUTH AFRICAN AIRWAYS GROUP.

ISSUED BY: TAKATSO AVIATION

DATE: 12 MAY 2023

EMBARGO: NONE

KEY HIGHLIGHTS

- **Competition Commission recommends merger clearance of DPE and Takatso Aviation SAA transaction.**
 - **The transaction will see Takatso acquire a controlling stake in SAA.**
 - **The Commission's recommendation for approval is subject to Takatso minority shareholders divesting from the company.**
 - **The recommendation also places a five year moratorium on merger-related retrenchments.**
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Takatso Aviation (Pty) Ltd ("Takatso Aviation") has received the Competition Commission's recommendation regarding the SAA Strategic Equity Partnership transaction. This marks a critical milestone in progressing towards finalizing the SAA transaction, which will pave the way for Takatso Aviation to acquire a controlling stake in SAA. The recommendation is the culmination of an extensive engagement process between Takatso Aviation and the Commission to ensure that the merger clearance would be recommended.

COMMISSION RECOMMENDATION FOR DIVESTMENT OF SOME TAKATSO SHAREHOLDERS

Takatso Aviation notes the Commission's proposed condition for the transaction to be approved subject to its minority shareholders (Global Aviation and Syranix) relinquishing their shareholding in Takatso Aviation. The minority shareholders were made aware that this condition was under consideration by the Commission.

Takatso Aviation, has cooperated fully with the Competition Commission and provided all the relevant information to date including proposing mitigation strategies to alleviate confidentiality concerns raised. Despite that similar mitigation strategies have been accepted by the Competition Commission in relation to other transactions concluded previously, the Commission did not accept the proposals made.

COMMISSION RECOMMENDATION AGAINST RETRENCHMENTS FOR 5 YEARS

Takatso Aviation accepts the proposed condition to maintain a minimum number of employees at SAA, for a period of five years post merger-clearance. “Our aim throughout this process has been to ensure that the final regulatory conditions around SAA’s staffing align with, and support our business-plan. We firmly believe our plan will ensure a commercially-viable, competitive and sustainable business that also meets the socio-economic needs of South Africa” said Takatso Aviation Spokesperson Thulasizwe Simelane. “Takatso has never harboured an unyielding desire to effect retrenchments as the first order of business. We will seek to ensure that the airline is optimally staffed, especially at the key management, technical and flight-operations levels, in order to ensure its agility in a highly competitive environment” concluded Simelane.

Takatso Aviation looks forward to finalising the merger clearance through the next stage of the process at the Competition Tribunal, as well as to ensure a fair and competitive South African airline industry.

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FOR MORE INFORMATION AND INTERVIEWS CONTACT

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