

Mahube Infrastructure Limited
(Formerly GAIA Infrastructure Capital Limited)
(Incorporated in the Republic of South Africa)
(Registration number: 2015/115237/06)
ISIN: ZAE000290763
JSE code: MHB
("Mahube" or the "Company")



Further Cautionary Announcement

Mahube shareholders ("**Shareholders**") are referred to the cautionary announcement published on SENS on 15 October 2021 and subsequently renewed, *inter alia*, on 11 January 2022 and are advised that the Company is making good progress in its endeavours to formalise a restructure of its business with the objective of growing its capital and asset base, referred to therein.

1. Background

- 1.1. The restructuring process is aimed at enabling the Company to effectively use its listing to raise equity capital to finance the acquisition of assets.
- 1.2. Mahube wishes to offer its current Shareholders the opportunity to continue to directly participate in the returns of the current asset base of Mahube, through the issue of a participating class of shares in Mahube Capital Fund 1 (RF) Proprietary Limited ("**SubCo**"), a wholly owned subsidiary holding the majority of Mahube's investments, while concurrently freeing the Company to issue new ordinary shares to finance further acquisition of infrastructure assets.

2. Capital restructure of SubCo

The board of directors of Mahube (the "**Board**") has resolved and executed the requisite documents to implement the restructure of the share capital of SubCo (the "**Capital Restructure**") as follows:

- 2.1. SubCo subdivides its currently issued 1 000 ordinary shares into 13 787 750 ordinary shares;
- 2.2. SubCo amends its memorandum of incorporation to create a new class of shares in its authorised share capital, being N shares (the "**N Shares**"), which, *inter alia*:
 - 2.2.1. rank *pari passu* with the ordinary shares in SubCo's share capital in respect of distributions and return of capital;
 - 2.2.2. rank behind the A preference shares and the B preference shares (the "**Preference Shares**") currently held by RMB Investments and Advisory Proprietary Limited ("**RMB**") pursuant to an agreement for the subscription of the Preference Shares (the "**PSSA**"), in respect of distributions and return of capital; and
 - 2.2.3. have no voting rights, other than the class voting rights prescribed by the Companies Act, Act 71 of 2008, as amended;

- 2.3 Mahube subscribes for 55 151 000 N Shares at a subscription price of R9.08 per N Share and settles the subscription price by set off against a portion of its outstanding shareholder loan to SubCo.

3. Condition Precedent

In terms of the PSSA and the terms attaching to the Preference Shares, SubCo requires the written consent of RMB to implement the Capital Restructure, which consent SubCo has formally requested.

4. Rationale and Implementation

- 4.1. Historically Mahube's ability to finance the expansion of its asset base by the issue of new ordinary shares has been constrained due to Shareholder concerns relating to the excessive dilution of their interests in SubCo's assets resulting from a capital raise, implemented by Mahube, in which certain Shareholders are unable to follow their rights.
- 4.2. The implementation of the Capital Restructure will enable Mahube to facilitate direct economic exposure to SubCo (and the current asset base which SubCo represents) for Shareholders, without Mahube relinquishing control of SubCo and is anticipated to entail, *inter alia*, the following:
- 4.2.1. the direct economic exposure to SubCo will take the form of the declaration of a dividend *in specie* by the Board, so that each Shareholder will receive one N Share for each ordinary Mahube share held;
- 4.2.2. in respect of each N Share to which it is entitled, a Shareholder will have the election to receive such number of new ordinary shares in the share capital of Mahube as to ensure that the value of their investment in Mahube remains materially unaffected; and
- 4.2.3. holding N Shares will enable Shareholders to avert dilution of a material part of their interests in SubCo as the Board raises fresh equity by issuing new ordinary shares in the Company.
- 4.3. Shareholders are advised that the implementation of the transaction contemplated in paragraph 4.2.1 above will be subject thereto that:
- 4.3.1. the Board will be satisfied that Mahube will continue to qualify for its listing on the main board of the JSE Limited in terms of the JSE Listings Requirements, post such implementation;
- 4.3.2. such Shareholder and regulatory approval as may be required shall be obtained; and
- 4.3.3. Mahube will be authorised to issue new ordinary shares in order to raise fresh equity.

Subject to the successful implementation of the Capital Restructure, further details of the proposed distribution *in specie* of the N Shares will be published on SENS and in a circular to Shareholders, in due course.

The Company is in the process of finalising further initiatives to achieve its goal to restructure and recapitalise the business and, accordingly, Shareholders are advised to continue to exercise caution when dealing in the Company's securities until the Company issues a further announcement in this regard.

Johannesburg
22 February 2022

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