

3 August 2026

CIRCULAR 03

THIS DOCUMENT IS A CIRCULAR TO THE AFFECTED PERSONS RELATING TO THE BUSINESS RESCUE PROCESS OF **BERKLEY FOODS (PTY) LTD** WITH REGISTRATION NUMBER **2019 / 051353 / 07** IN TERMS OF SECTION 129 OF THE COMPANIES ACT, 71 OF 2008 AS AMENDED (THE ACT).

OUTCOME OF THE FIRST MEETING OF CREDITORS

The business rescue practitioner¹ wishes to advise all affected persons of the outcome of the first meeting of creditors of **Berkley Foods (Pty) Ltd** (hereinafter referred to as "**Berkley Foods**" or "**the Company**"), held on **30 July 2026**, in accordance with the provisions of section 147 of the Companies Act.

The following meeting excerpt is rather long – the most important note to be made is that the rescue plan would have been due for publication on the 17th of August 2026. As voted for by the creditors, as extension has been granted as follows: another creditors meeting will be called for on the 13th of August 2026 so that the practitioner may give another update – at this meeting, the practitioner will confirm reasonable prospect and will either publish a Rescue Plan 25 business days after the meeting, or request additional extensions as needed.

Mr Pattinson welcomed all attendees to the meeting and confirmed that the proceedings were being recorded solely for purposes of accurately recording the discussions and preparing the meeting outcome. It was confirmed that the recording itself would not be circulated, but that a written summary of the meeting would be distributed to all affected persons following the conclusion of the meeting.

The Business Rescue Practitioner thereafter introduced the Business Rescue team and outlined the respective roles that would be performed throughout the business rescue proceedings.

¹ Quinton Pat Pattinson, Senior Business Rescue Practitioner

It was explained that Mr Pat Pattinson had been appointed as the sole Business Rescue Practitioner of Berkley Foods and would be responsible for the statutory investigation, the preparation of the Business Rescue Plan and the overall supervision of the proceedings.

Mr Jaco Durandt would assist with the administrative aspects of the rescue, including communications with affected persons, the administration of proof of claims, publication of statutory notices and the maintenance of the Business Rescue website.

Before proceeding with the formal agenda, the Practitioner advised creditors that the meeting would be conducted as informally as possible whilst still complying with the procedural requirements of Chapter 6 of the Companies Act. Creditors were encouraged to raise questions throughout the presentation and were further advised that an opportunity would be afforded at the conclusion of the meeting for any creditor wishing to discuss matters privately with the Practitioner.

CONDITIONS FOR BUSINESS RESCUE:

The Business Rescue Practitioner commenced by providing creditors with a brief overview of the legislative framework governing business rescue proceedings. It was explained that although several attendees had previous exposure to business rescue proceedings, many creditors were unfamiliar with the process and accordingly a brief explanation of the statutory requirements and objectives of business rescue was considered appropriate before dealing with the affairs of Berkley Foods specifically.

The Practitioner explained that, in terms of section 129(1) of the Companies Act, the board of directors of a company may resolve to voluntarily commence business rescue proceedings where the company is financially distressed and there appears to be a reasonable prospect of rescuing the company. Particular emphasis was placed on the fact that the decision to commence business rescue was not taken lightly by Berkley Foods and that the directors carefully consider both the financial position of the company and the interests of all affected persons before submitting to business rescue.

Reference was also made to section 129(7) of the Companies Act, which requires directors who conclude that a company is financially distressed, but elect not to commence business

rescue proceedings, to provide written notice to all affected persons setting out the reasons for such decision.

The Practitioner confirmed that, based upon the information presently available, Berkley Foods is financially distressed as contemplated by section 128(1)(f) of the Companies Act in that it is presently unable to satisfy its financial obligations as and when they become due and payable. The Practitioner further confirmed that, notwithstanding the Company's financial distress, there presently appears to be a reasonable prospect of rescuing the business through an appropriate restructuring of its affairs, business, property and liabilities.

The Practitioner further explained that the objective of the current proceedings is to rehabilitate the Company and restore it to a sustainable trading position. However, creditors were also reminded that the Companies Act recognises a secondary objective where rehabilitation is no longer reasonably achievable. In such circumstances, the Business Rescue Practitioner remains obliged to pursue an outcome that provides creditors and other affected persons with a better return than they would ordinarily receive in an immediate and traditional liquidation.

Reference was made to the judgment in *Carroll v Michael Carroll CC*, which confirmed that business rescue may remain appropriate where a structured winding-down of the company's affairs would produce a superior outcome to liquidation.

The Practitioner also confirmed, for the record, that his appointment is independent of both the directors and shareholders of the Company. Although management will continue to conduct the day-to-day operations of the business under supervision during the business rescue proceedings, the Practitioner acts on behalf of the Company itself and is required at all times to balance the interests of all affected persons as contemplated by the Companies Act.

The Practitioner confirmed that his statutory investigation would therefore be conducted independently and objectively and that all decisions taken during the course of the rescue would be guided by what is ultimately in the best interests of the body of affected persons as a whole.

Finally, creditors were reminded that the information presented during this first meeting represents the preliminary assessment of the Business Rescue Practitioner based upon the information presently available.

INFORMATION PROVIDED:

The Business Rescue Practitioner advised creditors that the information presented during the first meeting should be regarded as preliminary and subject to ongoing investigation. Whilst considerable information had already been obtained from the Company's management, the statutory investigation contemplated by section 141 of the Companies Act had only recently commenced and remained ongoing. As a result, creditors were requested to appreciate that certain information presented during the meeting may be refined or supplemented as additional documentation is received and verified.

It was explained that the Business Rescue Practitioner would continue to investigate the Company's financial position, operational requirements, contractual obligations, creditor claims and trading prospects over the coming weeks. The findings of this investigation, together with the proposed strategy for the rehabilitation of the business, will be incorporated into the Business Rescue Plan to be published in due course.

The Practitioner reiterated that the investigation remains entirely independent and that all information received from management will be critically assessed and verified wherever reasonably possible before being relied upon in the Business Rescue Plan.

REASONS FOR THE FINANCIAL DISTRESS:

The Business Rescue Practitioner advised creditors that the Company's financial distress appears to have arisen from a combination of commercial and operational challenges that have developed over an extended period, rather than as the result of a single isolated event.

One of the principal factors identified during the meeting was the financial impact associated with a significant product recall. The Practitioner explained that investigations conducted into the recall had indicated that the Company itself was not responsible for the underlying cause of the issue. Nevertheless, the operational disruption, costs associated with the recall process and the consequential loss of production and revenue placed considerable strain on the Company's financial position.

Creditors were further advised that the business has experienced reduced production volumes following these events, which in turn affected turnover and the Company's ability to recover from the financial impact already suffered.

Particular attention was also drawn to the substantial increase in the cost of plastic packaging and other raw materials utilised by the Company. The Practitioner explained that global supply chain disruptions and international market conditions have resulted in significant increases in packaging costs. Unfortunately, the Company has been unable to recover these increased costs from one of its major customers due to existing pricing arrangements, with the result that products have, in certain instances, continued to be supplied at margins that are no longer commercially sustainable.

The Practitioner emphasised that these factors, when considered collectively, have materially affected the Company's cash flow and profitability, ultimately resulting in the financial distress presently being experienced.

The Practitioner confirmed that these preliminary findings will continue to be tested during the course of the statutory investigation and that creditors will receive a far more comprehensive analysis of the Company's financial position, together with the proposed restructuring strategy, in the Business Rescue Plan.

IMPORTANT DATES:

Below are the notable dates regarding the business rescue proceedings to date:

Board Resolution Submitted	: 10 July 2026 (133 Protection date)
CIPC returned	: 13 July 2026
Practitioner Appointment Submitted	: 14 July 2026
CIPC returned	: 17 July 2026
1 st Meeting of Creditors	: 30 July 2026

FORMATION OF A CREDITORS' COMMITTEE:

In accordance with section 147 of the Companies Act, the Business Rescue Practitioner advised creditors of their right to establish a creditors' committee for the duration of the business rescue proceedings. The purpose of such a committee, should creditors elect to establish one, would be to facilitate communication between the Business Rescue Practitioner and the body of creditors, allowing representatives of the committee to engage directly with the Practitioner and thereafter relay information back to the broader creditor body.

The Practitioner explained that, whilst creditor committees may prove beneficial in large or particularly complex business rescue proceedings, he was of the preliminary view that Berkley Foods was of a size where direct communication between the Business Rescue Practitioner and all affected persons would be both practical and preferable. It was his view that direct engagement would minimise delays, reduce the possibility of misunderstandings and ensure that all creditors receive the same information simultaneously.

The Practitioner nevertheless emphasised that the decision remained entirely that of the creditors and invited any creditor wishing to motivate for the establishment of a committee to do so.

During the ensuing discussion, certain creditors expressed the view that the question of whether a committee should be established would be better considered once additional financial information had been made available and creditors had been afforded an opportunity to consider the Business Rescue Plan. It was suggested that creditors would then be in a better position to determine whether the formation of a committee would add value to the process.

Following discussion, no formal proposal was made to establish a creditors' committee at this stage of the proceedings. It was therefore agreed that the Business Rescue Practitioner would continue communicating directly with all affected persons. The Practitioner confirmed that the matter may be revisited at any future meeting should creditors consider a committee necessary as the business rescue proceedings progress.

DISCUSSION WITH CREDITORS:

A substantial portion of the meeting was devoted to questions and comments from creditors concerning both the circumstances giving rise to the commencement of business rescue proceedings and the manner in which the rescue process would be conducted. The Practitioner welcomed the discussion and encouraged creditors to raise any concerns they may have, confirming that open engagement is an important component of an effective business rescue process.

Several creditors advised that they had previously participated in unrelated business rescue proceedings and expressed concern that, in their experience, such proceedings frequently resulted in the disposal of a company's assets without achieving a meaningful rehabilitation of the business. Certain creditors questioned whether business rescue often merely delayed an inevitable liquidation whilst increasing administration costs.

The Practitioner responded by explaining that the success of a business rescue should not be measured solely by whether a company continues trading in its existing form. Reference was made to the objectives of Chapter 6 of the Companies Act, which provide that business rescue may either result in the rehabilitation of the company or, where rehabilitation is no longer reasonably achievable, produce a better outcome for affected persons than would result from an immediate and traditional liquidation. It was explained that a structured disposal of assets may, in appropriate circumstances, constitute a successful business rescue where it maximises value for creditors and preserves greater value than would otherwise be realised through liquidation.

Questions were also raised regarding the remuneration of Business Rescue Practitioners generally, with certain creditors expressing concern that business rescue proceedings can become unnecessarily prolonged whilst practitioner remuneration continues to accrue.

The Practitioner confirmed, for the record, that practitioner remuneration is regulated by the Companies Act and that any fee arrangements applicable to this matter would be disclosed to creditors in accordance with the statutory framework. The Practitioner further advised that he had agreed a remuneration structure with the Company that reduced his standard hourly rate below the maximum prescribed for a small company and that any contingent remuneration would remain subject to the statutory requirements governing such fees. He reiterated that the

details of the remuneration structure would be fully disclosed to creditors during the course of the proceedings.

A number of creditors further expressed concern regarding the communication that had taken place between the Company and its suppliers during the period leading up to the commencement of business rescue proceedings. Certain creditors advised that they had continued supporting the Company by extending credit facilities notwithstanding the Company's deteriorating financial position and were disappointed that greater engagement had not taken place before the commencement of business rescue proceedings.

The Practitioner acknowledged these concerns and confirmed that the comments had been noted. He advised creditors that his appointment had only recently taken effect and that he had not been involved in the management or affairs of the Company prior to the commencement of business rescue proceedings. Accordingly, whilst he was unable to comment on the historical relationship between the Company and its suppliers, these matters would form part of his broader statutory investigation into the affairs of the Company.

The Practitioner further confirmed, for the record, that his role as Business Rescue Practitioner is entirely independent of the directors and shareholders of the Company. He emphasised that he neither represents nor takes instructions from management, but is required to exercise his powers independently in balancing the interests of all affected persons as contemplated by the Companies Act.

The Practitioner also confirmed that his investigation would remain objective throughout the business rescue proceedings. Creditors were advised that should the statutory investigation reveal that the Company no longer enjoys a reasonable prospect of rescue, or that business rescue would not provide creditors with a better outcome than an immediate liquidation, he would act accordingly in compliance with the provisions of the Companies Act. Conversely, should the investigation confirm that a reasonable prospect of rescue continues to exist, the Business Rescue Plan will set out the restructuring proposals together with the reasons why creditors are requested to support such proposals.

Throughout the discussion, the Practitioner encouraged creditors to assess the proposed rescue on the merits of the Business Rescue Plan ultimately presented to them, rather than on previous experiences involving unrelated business rescue proceedings. He acknowledged

that several creditors had experienced unsuccessful rescues in the past, but submitted that each business rescue must be evaluated on its own facts and circumstances. Creditors were assured that transparent communication would remain a priority throughout the duration of the proceedings and that they would continue receiving regular updates as the investigation progresses.

REQUEST FOR AN EXTENSION:

The plan is currently due to be published on the 17th of August 2026 – having given consideration to the dies non days in terms of upcoming public holidays.

Based on the discussions had in this meeting, it is proposed that another meeting similar to this one is held on the 13th of August 2026 so that the practitioner can provide further feedback to the creditors.

Thereafter, a rescue plan will be published within 25 business days after the meeting unless an additional extension is sought at the meeting.

A unanimous vote was achieved in this regard and therefore the next meeting will be on the 13th of August 2026 where a further update will be given, and further extensions be requested should it be necessary.

PROOF OF CLAIMS:

The practitioner confirmed that Jaco Durandt has sent out the proof of claim forms and these proof of claim forms must be completed and returned to Jaco Durandt on the prescribed document. Same is also available – along with all other documentation relating to the business rescue – on the website of the practitioner at <https://pattinson.biz/> under the “Business Rescue” tab at the top right of the page.

PROJECT BASED FINANCE:

The practitioner took some time to explain what post commencement finance (PCF) is and how project-based finance differs from PCF. Project-based finance being similar in nature to PCF, but for a far more specific nature and the ordinary course of action would be that the Project-based finance will be provided on a relatively short-term basis until the goal or purpose for which the funding is granted, is achieved.

CONCLUSION:

The Business Rescue Practitioner thanked all affected persons for attending the first meeting of creditors and for the constructive engagement that took place throughout the proceedings. Creditors were encouraged to continue supporting the business rescue process by submitting their proof of claims timeously, maintaining open lines of communication with the Business Rescue team and participating in future meetings as the proceedings progress.

Further updates will be communicated to all affected persons as material developments occur and creditors will be advised of the date of the next meeting, together with the anticipated publication date of the Business Rescue Plan, in due course.

The Business Rescue Practitioner once again thanked all attendees for their participation and looked forward to working constructively with all affected persons in seeking the best possible outcome for Berkley Foods and its stakeholders.

If there are any affected persons who require further information, please feel free to contact the Business Rescue Practitioner, who's details reflect below.

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