

West Pack Lifestyle – “Group”

West Pack Lifestyle (Pty) Ltd

West Pack Lifestyle Distribution Centre (Pty) Ltd

West Pack Lifestyle Franchise (Pty) Ltd

FIRST MEETING OF CREDITORS

3 June 2024

Agenda

1. Welcome
2. Business rescue process
3. Actions taken to date
4. Opinion of the business rescue practitioners
5. Proof of claims
6. Formation and appointment of creditors' committee
7. Request for extension
8. Questions
9. Conclusion

1 // Welcome

Welcome



- Welcome and Introduction
- As West Pack Lifestyle, West Pack Franchise and West Pack DC are closely related, it was the view of the BRPs to combine the presentation for these entities into one First Meeting of Creditors (“Meeting”).
- House Keeping
 - For attendance register purposes, creditors were requested to register for the Meeting.
 - Given the number of creditors, questions can be raised at the end of the presentation. When speaking or asking a question via the Chat function, please state your name, the company you are representing, and the entity in which you are a creditor.
 - During the Meeting, creditors will be required to vote on i) a request for an extension of the publication of the business rescue plan and ii) whether a creditors’ committee is necessary.
 - While the entities are related, the BRPs will require creditors to vote in relation to the entity in which their exposure lies

First Meeting of Creditors

- The main objectives of today’s meeting are as follows:
 - The business rescue practitioners (“BRPs”) need to inform creditors as to whether or not the BRPs believe there is a reasonable prospect of rescuing:
 - West Pack Lifestyle (Pty) Ltd (“West Pack”);
 - West Pack Lifestyle Franchise (Pty) Ltd (“Franchise”); and
 - West Pack Lifestyle Distribution Centre (Pty) Ltd (“DC”).
 - The receipt of proof of claims by creditors.
 - The determination of whether or not a committee of creditors should be appointed, per entity.
 - Time extension and relevant timelines.

2 // Business Rescue Process

The Business Rescue Process

Business Rescue Process

- Business rescue involves proceedings to facilitate the rehabilitation of a company that is financially distressed by providing for:
 - A temporary supervision of the company, and of the management of its affairs, business and property; and
 - A temporary moratorium on the rights of claimants against the company or in respect of property in its possession.

Primary Objective of Business Rescue

- The development and implementation, if approved, of a Business Rescue Plan to rescue the company by either:
 - A.** Restructuring its affairs, business, property, debt and other liabilities and equity in a manner that maximizes the likelihood of the company continuing in existence on a solvent basis; OR
 - B.** A process that results in a better return for the company's creditors or shareholders than would result from the immediate liquidation of the company.

Business Rescue Timeline

Event	Date (2024)
Board resolution to commence the business rescue proceedings	9 May
Commencement of business rescue proceedings (CIPC)	15 May
Appointment of business rescue practitioners (“BRPs”)	17 May
Notice of commencement of business rescue to all affected persons	20 May
Notice of appointment of BRPs to all affected persons	21 May
Notice of first meeting of creditors and employees	27 May
First meeting of creditors and employees	3 June
Publication of the business rescue plan <i>25 days after appointment of business rescue practitioners</i>	24 June
Notice of meeting to determine business rescue plan	TBA
Meeting to determine business rescue plan <i>10 days after publication of business rescue plan</i>	TBA

3 // Actions Taken to Date

Overview of Group

West Pack Lifestyle

West Pack Lifestyle
Franchise

West Pack Lifestyle
Distribution Centre

Number of Staff: **919**

Number of Stores: **52**

Number of Staff: **90**

Number of Stores: **51**

Number of Staff: **170**

Number of Stores: -

Actions to Date - Business Rescue Practitioners



- Taking effective control of entities – in place of board.
- Taken control of bank accounts.
- Requested information in terms of section 142 of the Act.
- Notices sent to various affected parties and engagements commenced with:
 - Financiers
 - Landlords
 - Key stakeholders and creditors
- Closure of non-performing stores.
- Preparation of information and packs for Post-Commencement Finance requests.
- Valuations requested on movable assets.
- Preparation of an interest parties list to target for proposed transaction/s.
- Commenced process to sell non-core assets.
- Meetings with employee representatives (in terms of section 148 of the Act)

4 // Opinion of BRPs

Opinion of the Business Rescue Practitioners



- The Group has a valuable brand and market position that can possibly be preserved through business rescue.
- It is the view of the BRPs that, notwithstanding inevitable risks and challenges, there is a reasonable prospect of rescuing West Pack, Franchise and DC, subject to:
 - Availability of post-commencement finance.
 - Ongoing support from all stakeholders, including employees, trade suppliers and landlords.
 - Assessment of the underlying viability of the business.
 - Potential investor or acquisition/disposal transaction/s.
- We believe that the business rescue process will provide a reasonable prospect in achieving a better outcome for all stakeholders than an immediate liquidation.

Termination of Business Rescue Proceedings

- The business rescue plan proposed is rejected and proceedings are not extended.
- The court orders the conversion of the business rescue proceedings into liquidation proceedings.
- The BRPs conclude that the Group is no longer in financial distress and file a notice of termination of the business rescue proceedings.
- The BRPs file a notice of substantial implementation of the approved business rescue plan.
- In terms of the Companies Act, should the BRPs at any time conclude that there is no longer a reasonable prospect of rescuing the Group, the BRPs must advise affected persons and apply to court for an order discontinuing the proceedings and placing the Group into liquidation.

5 // Proof of Claims

Proof of Claims

- Outstanding amounts for services rendered and goods delivered prior to 15 May 2024, being the date of commencement of business rescue, are subject to the moratorium.
- A claim form will need to be submitted for such amounts - these claims will be reconciled to the company's records and any discrepancies investigated.
- The claim form is available at the following link: www.matusonassociates.co.za/wpl
- A manual claim form is available for those creditors who experience difficulties submitting their claim form online.
- Manual claims can be submitted to the BRPs at creditors@westpackbr.co.za
- The payment of these amounts will be dealt with in terms of the business rescue plan.

6 // Creditors' Committee

Creditors' Committee

- Creditors may determine whether or not a committee of creditors should be appointed, and if so, may appoint the members of the committee.
- A committee, appointed in terms of s147 of the Companies Act, may:
 - Consult with the BRPs about any matter relating to the business rescue proceedings;
 - Receive and consider reports relating to the business rescue proceedings; and
 - Acts independently of the BRPs to ensure fair and unbiased representation of creditors' interests.
- It is the view of the BRPs that the input of a pro-active creditors' committee will be helpful in achieving the goals set out in the business rescue plans.
- Nominations for the creditors' committee can be directed to creditors@westpackbr.co.za

7 // Extension

Extension

- In terms of s150(5) of the Companies Act, 71 of 2008 (“Companies Act”), the business rescue plan must be published within 25 business days after the date on which the business rescue practitioners were appointed, or such longer time as may be allowed by the court or the holders of a majority of the creditors’ voting interests.
- For the reasons set out below, the business rescue practitioners require a further extension for the publication of the West Pack, Franchise and DC business rescue plans in terms of section 150(5) of the Act:
 - Assessment of operations and the financial review of the companies and its related parties.
 - Commencement of an accelerated corporate finance process
 - Consideration of a consolidated Business Rescue Plan vs individual Business Rescue Plans to ensure best return for creditors at an individual (per entity) and consolidated basis
 - Completion of historical financial statements and ensuring submissions to allocate SARS claims
- The BRPs request the creditors’ consent to an extension of the publication of the business rescue plans to 30 August 2024.

8 // Questions?

Questions

- When speaking or asking a question via the Chat function, please state your name, the company you are representing, and the entity in which you are a creditor.
- Where there are questions relating specifically to your account or claim related queries, please contact us directly at creditors@westpackbr.co.za
- Frequently Asked Questions
 - How long does the business rescue last?
 - What is the impact of the business rescue proceedings on franchisees?
 - What is the process going forward in terms of new orders placed and services being provided?

9 // Conclusion

Conclusion

- The BRPs will communicate timeously with all stakeholders, in writing, as required by the Companies Act.
- Further information relevant to the business rescue proceedings of West Pack, Franchise and the DC can be found on www.matusonassociates.co.za/wpl , including this presentation.
- If you have any queries relating to any operational issues, including ongoing trading and payment please continue to engage through the normal channels.
- For any queries specifically related to business rescue, please do not hesitate to contact us at creditors@westpackbr.co.za

