
SWORN STATEMENT IN TERMS OF SECTION 129 (3) (a) OF THE COMPANIES
ACT 71 OF 2008


I the undersigned;

SHANIL PARMASUR
(Identity Number 711006 5131 088)

hereby declare under oath as follow;

1.

- 1.1 I am an adult male and a Director of Freshmarket Local Proprietary Limited, a private company with limited liability, duly incorporated in terms of the governing laws of the Republic of South Africa, under registration number 2013/069611/07, with principal place of business at Chilli on Top, Cnr. Rivonia & Leeuwkoop Rd, Sunninghill, Johannesburg, 2191.
- 1.2 The facts contained herein fall within my personal knowledge and are to the best of my knowledge both true and correct unless stated otherwise in this affidavit.
- 1.3 Pursuant to a resolution of the Board of the Company dated 31 October 2021 and by virtue of my status as a director of Freshmarket Local Proprietary Limited (“the Company”), I am duly authorised to depose to this affidavit.



1.4 I make this sworn statement in support of the Company's decision to initiate business rescue proceedings as contemplated by Section 129 of the Companies Act 71 of 2008.

2.

2.1 The Company operates as a Supermarket.

2.2 Despite the poor economic conditions, the Company was trading largely within budget until the Government mandated Covid-19 lock down implemented on 26 March 2020. This placed a severe financial strain on the Company's cash flows given the fixed overheads and payments to creditors that it needed to meet.

2.3 Despite the relaxation of the lock down restrictions, trading levels have not been restored to pre-lock down levels. The Company does not have the liquidity to pay salaries, suppliers and creditors.

2.4 The Company has further faced a substantial increase in competition within its area of operation, with competitors opening stores/revamping current stores within close proximity to the Company's principle place of business.

2.5 Several office blocks/suites in the area have also closed-down due to the increase in "work from home" arrangements with employees since the onset of the Covid-19 pandemic, which has decreased foot-traffic.

2.6 The Board has been considering restructuring to reduce overheads but this required the Company to maintain a certain level of trading, which it has not been able to do as a result of the factors mentioned in paragraphs 2.1 to 2.5 above.

2.7 As a result, the Company is currently financially distressed in that it appears reasonably unlikely that the Company will be able to pay all of its debts as they fall due and payable within the immediately ensuing six months.

A handwritten signature in black ink, appearing to be 'A. Q.', is located in the bottom right corner of the page.

3.

- 3.1 There appears to be a reasonable prospect of rescuing the Company as a high sale value proposal for the Company's business has been tabled. Given the impeccable standard of the Company's store (as evidenced by *inter alia* the store having won an award as Food Lover's Market's Franchisee of the year in 2018), the Company may be in a position to attract further competing investors to recapitalize the business under orderly business rescue circumstances. In any event, if the business is not able to continue, a sale of assets or sale of business will yield a better result for creditors than if the Company was to be placed into liquidation.
- 3.2 Historically, the summer month's reflect high sales of summer fruits such as watermelon and mangos, resulting in an increase of the Company's turnover. Therefore, it will be beneficial if the company can continue to trade under supervision during these profitable months.
- 3.3 Several office blocks/suites referred to in clause 2.5 above are being converted into residential housing units, which will result in an increase in foot traffic. Business rescue will afford the Company the breathing room needed to sustain itself until these residential housing projects are completed.
- 3.4 The Business Rescue process will also allow for -
- i) The temporary assistance with the supervision of the Company and management of its affairs by business rescue practitioners.
 - ii) The development and implementation, if approved, of a business rescue plan in terms of which the trading ability of the Company is restored; by restructuring the Company's affairs, business, liabilities and equity, in a manner that maximises the likelihood of the Company being restored to prosperity, and / or result in a better return for the stakeholders than would result from any potential liquidation of the Company.
 - iii) The Company's assets are of such a nature that the immediate

liquidation of the Company would destroy great value. It would be to the benefit of all affected parties if these assets are placed in the control of a business rescue practitioner and dealt with in a business rescue process.

- iv) As stated above, business rescue will accordingly provide a better return for all affected persons than what would be received in a liquidation.
- v) Business rescue also allows for a temporary moratorium to protect the Company while a plan to restructure its affairs is devised in order to provide for a better return for creditors than liquidation.

3.5 It is accordingly the Boards' view that the business rescue of the Company, as foreshadowed above, would be in the best interest of the Company, its employees, its creditors and all other related stakeholders.



3.6 Based on the aforementioned, I, as Director of the Company, and as appears from the resolution and the CIPC Form 123.1, to which this statement is annexed, has determined that it would be in the best interest of the Company and its creditors to be placed under business rescue, with immediate effect.

4.

To the best of my knowledge, I confirm that there are no active liquidation proceedings or any other litigation proceedings that have been initiated by or against the Company.

5.

The Company has nominated Messrs. Zaheer Cassim and Johannes Frederick Klopper for the appointment as joint business rescue practitioners.


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I hereby reserve my absolute right to amplify the entire affidavit or in part at my sole discretion for clarification purposes.

DATED AT Sandton THIS 02 DAY OF November 2021.


DEPONENT

DECLARATION

I HEREBY CERTIFY THAT THE DEPONENT KNOWS AND UNDERSTANDS THE CONTENTS OF THIS SWORN STATEMENT WHICH WAS SIGNED AND SWORN BEFORE ME AT Sandton Station ON THE ABOVEMENTIONED DATE, THE REGULATIONS CONTAINED IN GN NO. R1258 OF 21 JULY 1972, AS AMENDED AND THAT THE DEPONENT DECLARED THAT THE DEPONENT HAS NO OBJECTIONS TO THE TAKING OF THE PRESCRIBED OATH, THAT THE OATH BE BINDING ON THE DEPONENT'S CONSCIENCE AND THAT THE DEPONENT UNDERSTANDS THE INFORMATION CONTAINED IN THIS AFFIDAVIT AND KNOWS THE CONTENTS THEREOF.




COMMISSIONER OF OATHS

RANK/TITLE: W/O
FULL NAME/S: Sebastian Ephraim Mamp
PHYSICAL ADDRESS: 202 or 201
- 7 Ross, Morningside