

WEFIX RETAIL (PTY) LTD
(Registration Number: 2018/578958/07)

SWORN STATEMENT

(In support of a Notice Beginning Business Rescue Proceedings)


I, the undersigned

ARIEL EVER KOLIN
IDENTITY NUMBER: 760405 6544 184

do hereby make oath and say:

- 1 I am the sole director of WeFix Retail (Pty) Ltd ("the Company") with registration number 2018/578958/07 and with the Company's registered office situated at 2 Francis Street, Zonnebloem, Cape Town, Western Cape, 7925.
- 2 The contents of this sworn statement are true and correct and, unless stated otherwise, the facts contained herein fall within my own personal knowledge and belief.
- 3 I was duly appointed as director of the Company on 10 January 2019.
- 4 I make this sworn statement in support of the Company's notice to commence business rescue proceedings as contemplated in terms of Section 129 of the Companies Act, 71 of 2008 ("the Act").
- 5 On 3rd of January 2022, the board of directors of the Company unanimously resolved that the Company voluntarily commence business rescue proceedings as envisaged in terms of the Act. The resolution will be filed together with this sworn statement.
- 6 The Company is the property arm of weFix (Pty) Ltd which main business is that of device repair, including MacBooks and smart phones, and tablets.
- 7 A number of factors led to the Company being financially distressed as envisaged in terms of the Act. The relevant facts upon which the resolution to commence with business rescue proceedings were founded include:
 - 7.1 The Company experienced increased competition from independent stores as many of its landlords allowed numerous competitors to open in the vicinity of weFix stores.
 - 7.2 According to the Company's management accounts and as is reflected in its draft balance sheet as at 30 November 2021 the Company is indebted to its creditors in an amount of R 4,170,845.
 - 7.3 The prevailing economic circumstances which decreased consumer spending and the impact of the Covid 19 further contributed to the weFix's financial distress. The lockdown which followed pursuant to the pandemic negatively impacted on the weFix's business as it had to close for several weeks and lost several millions in revenue which were never recouped.
 - 7.4 Landlords were not willing to negotiate better rental and as a consequence some of the stores became uneconomical and will have to be closed.

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- 7.5 The aforesaid factors and weFix's projected cash flow indicates that weFix is unlikely to meet its current liabilities within the next 6 (six) months as they fall due. As mentioned in 8 below weFix is therefore financially distressed as envisaged in terms of the Act.
- 7.6 Consequently The Company requires time in order to restructure its affairs, debt and equity so that the creditors of the Company are afforded maximum benefit.
- 7.7 Funding from sources such as shareholder loans and loans the company's financiers has ceased or is about to cease.
- 7.8 The Company is faced with the situation where it needs to realise its assets or to procure further funding to best effect and to negotiate with its creditors which process will be best achieved under business rescue proceedings as envisaged in terms of the Act.
- 8 As director I investigated the Company's affairs and concluded that the Company is "financially distressed" as defined in section 128 of the Act as it is reasonably unlikely to be able to pay all its debts as they become due and payable within the immediately ensuing six months and/or the Company is reasonably likely to become insolvent within the immediately ensuing six months.
- 9 There appears, in my opinion, to at least be a reasonable prospect that creditors will directly benefit from the Company being afforded additional time to restructure its affairs, business, property, debt, other liabilities and equity in a manner that maximises the likelihood of the Company continuing in existence on a solvent basis.
- 10 weFix has started a new business of selling refurbished devices which are showing positive signs of growth and business rescue proceedings will allow weFix to restructure its affairs, procure additional funding or to achieve a compromise or come to an arrangement acceptable to its creditors and other stakeholders.
- 11 The Business Rescue process will allow for:
- 11.1 The temporary supervision of the Company, and for the management of its affairs, business and property;
- 11.2 A temporary moratorium on the rights of claimants against the Company or in respect of property in its possession;
- 11.3 The development and implementation, if approved, of a plan to realise the Company's assets will result in a better return for the Company's creditors or shareholders than would result from the immediate liquidation of the Company.




ARIEL EVER KOLIN

I certify that:

I the deponent acknowledged to me that:

- (a) he knows and understands the contents of this declaration;
- (b) he has no objection to taking the prescribed oath;
- (c) he considers the prescribed oath to be binding on her conscience;

- II the deponent thereafter uttered the words "I swear that the contents of this declaration are true, so help me God";
- III the deponent signed this declaration in my presence at the address set out hereunder on this the day of 2022.


13/01/2022.
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