28 August 2026

CIRCULAR ADDRESSED TO ALL AFFECTED PARTIES IN THE BUSINESS RESCUE PROCEEDINGS OF RENTOZA (PTY) LTD (IN BUSINESS RESCUE) (“THE COMPANY”)

Introduction

1. We refer to the above matter.

2. This circular will set out a summary of the BRP’s investigations, as required by Section 141 of the Companies Act (“the Act”), into the affairs of the Company.

3. This circular will highlight some of the important issues which the BRP encountered since his appointment on 01 July 2026 in terms of Section 129 of the Act.

4. From the outset, the BRP submits that there is no reasonable prospect for the Company to be rescued, as will be set out more fully herein below.

5. We will proceed by addressing the material issues and concerns faced by the Company, before dealing with the steps that will be implemented going forward.

Short-Term Liquidity (Cashflow and Working Capital)

6. The Company is not generating sufficient revenue at this stage to settle its short-term running costs, and the projections indicate the business will find itself in a negative cash flow position in the near term. The company’s current collections are averaging R2,4 million a month with monthly costs of ca R3,2 million. Without any urgent post-commencement finance (“PCF”), the business simply has no liquidity.

7. The business is currently not able to fulfil any new orders because of the current lack of liquidity. It has therefore lost its revenue generating ability which would help to reduce costs.

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8. It is highly unlikely that the Company will be able to attract the required short-term PCF to remedy its distressed cashflow position.

Lack of Financial Information

9. The Company has been unable to finalise its audits for the financial years ending 2024, 2025 and 2026. The presentation of these financials is a requirement from potential investors seeking to provide PCF. This failure is mainly due to the Company being unable to provide the outstanding information requested timeously and its inability to pay the required audit fees for these financials to be prepared.

10. The lack of audited financial information means the BRP cannot determine what the true assets and liabilities of the company are. The BRP's investigation revealed that the Company does not have a settled finance team that has stayed long enough to ensure its financial affairs are in order.

Impairment of Assets

11. Prior to the Company filing for Business rescue, it had stopped paying the license fees for the software that allows it to track mobile devices of non-paying customers. This has significantly reduced the Company's ability to trace these assets and collect outstanding debtors.

12. It is therefore a reasonable assumption that the recorded book value of R88 million in assets reflected on the balance sheet, is likely to be further impaired significantly owing to the Company's reduced ability to collect assets from non-paying subscribers.

13. Similarly, the current book of debtors of the Company could potentially have high write-offs as a significant proportion of the book has been outstanding for more than 180 days.

Reputational Damage

14. The Company has suffered significant reputational damage which is very important in the direct-to-consumer market. The collection of customer deposits and the Company's inability to provide the product/service, has resulted in various consumer complaints.

15. A search of the Company's online reviews form consumers indicates that the Company has predominantly negative reviews. A significant investment will need to be made to repair this reputational damage.

16. The BRP has received some of these customer complaints directly from customers regarding unpaid refunds.

17. The negative media coverage from recent shows such as the "Devi Show" has further hampered the Company's reputation, which will have detrimental impact on its ability to attract future business.

Security Interests

18. The Company has ceded most of its assets including debtors' book, bank accounts and subscription agreements with various creditors/investors.

19. This has created a significant challenge for the BRP to execute his duties freely with the security holders reserving their right to pursue the securities as various consents need to be obtained.

20. One of the Company's major creditors, Vumela, addressed a letter to the BRP enforcing its security held over, *inter alia*, the Company's banking accounts, subscription collections and debtors book. In terms of this arrangement, the Company is required to make payment of all amounts collected from the aforesaid security to Vumela, subject to their consent to use a portion of the amounts collected.

21. This has further hampered the Company's ability to meet its short-term operations related expenses.

Credit Listing of the Company

22. The Company has been listed on credit bureau for non-payment by three of its creditors.

23. This results in major suppliers being unable to do future business with the Company until it has been removed from the credit bureaus.

24. The Company is currently unable to settle these debts with the respective creditors in order to be able to do business with such suppliers. As such, the Company will remain listed on the credit bureaus for the indefinite future.

Strategic Equity Partner

25. The BRP has held discussions with institutional investors and strategic equity partners for a potential offer to acquire the business as a going concern, alternatively, certain assets of the

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Company such as the debtors book. None of these discussions have yielded any firm interest for the BRP to consider and, in light of the Company's short-term cashflow constraints, it is unlikely that such a process will yield a positive result.

Structural Causes of Financial Distress

26. The Company has a significant amount of debt and with its current cash generation, it will simply not be able to settle its debt obligations in the ordinary course of business and provide the creditors a better return than they would in liquidation. The strategy to rapidly grow the Company by increasing its debt and revenue, and not managing its cash flow appropriately, has resulted in a negative cash flow situation where inflows do not match outflows.

27. The claims that have been received from all creditors are currently R324,8 million.

These are broken down as follows:

27.1 Concurrent Creditors – R249,3 million

27.2 Preferent Creditors – R4,2 million

27.3 Secured Creditors – R71,3 million

28. Against the reported monthly collections of on average R2,4 million and operating costs of ca. R3,2 million, it is not plausible that the Company will be able to settle the Creditors with the cash flows of the Company.

29. Because the Company is also not a traditional credit provider and is not regulated under by the NCR, it means its credit checks are less strict, which in turn increased the likelihood of higher bad debts.

30. This, coupled with the Company's inability to collect its outstanding debtors, has resulted in the Company being financially distressed and being unable to make payment of creditor claims in the ensuing future.

Pending Litigation

31. Following the commencement of business rescue proceedings, additional information came to the attention of the BRP regarding pending litigation, legal proceedings and creditor claims involving

the Company which were not disclosed in the sworn statement accompanying the resolution adopted in terms of Section 129 of the Companies Act 71 of 2008 ("the Companies Act").

32. On 29 July 2026, the BRP addressed a circular to all known affected parties setting out a summary of the pending litigation and the amounts claimed by the various Plaintiffs. For the sake of brevity, the contents of that circular are incorporated herein by reference.

33. The pending litigation presents a significant risk to any prospect of the Company being rescued successfully.

34. In addition, owing to the nature of the pending litigation it is highly likely that the plaintiffs may institute applications to lift the legal moratorium provided for in Section 133 of the Companies Act, which will expose the Company to a plethora of legal claims whilst it is in business rescue.

Steps Going Forward

35. The aforesaid is a summary of the Company's investigations into the affairs of the Company. The BRP is of the considered view that the Company will be unable to overcome its ailing financial issues and repay creditors.

36. In terms of Section 141(2) of the Act, if at any time during the Company's business rescue proceedings, there is no longer a reasonable prospect for the Company to be rescued, the BRP is obliged to apply to a court of competent jurisdiction to discontinue the said proceedings and convert same into liquidation proceedings.

37. The BRP has instructed the attorneys of record to prepare the application. Same should be launched within the ensuing two weeks.

38. In the interim, the BRP will commence a process of winding down the Company's operations. In terms of this process:

    38.1. The Company will not execute on any further orders.

    38.2. Will reduce the number of employees to a skeleton staff that will manage general Company affairs and debtor collections.

    38.3. Continue to communicate with secured creditors in managing the inflows that are secured by the Company's assets.

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38.4. Maintain the general operations of the Company as far as reasonably possible and implement measures to secure the Company's assets, subject to its restricted cashflow position.

38.5. Accelerate the liquidation of inventory to cover critical costs.

39. The BRP will address the employees on the manner in which the operations will be conducted pending the hearing of the liquidation application and will continue to engage creditors on an ongoing basis.

40. Should affected parties seek any further clarity, please feel free to enquire from the BRP by sending an email.

41. We trust that you find the above in order.

Yours faithfully,

Mpoti Moalusi

Senior Business Rescue Practitioner

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