31 Spanner Road
Clayville
Olifantsfontein
1666

17 September 2025

TO WHOM IT MAY CONCERN

DAYBREAK FOODS // STATUS OF COMPANY'S BUSINESS RESCUE PROCEEDINGS

1. We refer to the above matter.

2. This letter is aimed at addressing the issues faced by the employees and will emphasise the manner in which the business rescue proceedings have affected the employees.

3. The Company commenced business rescue proceedings on 12 June 2025. Mr. Tebogo Maoto was appointed on the same day as the Company's senior business rescue practitioner ("BRP").

4. Since the commencement of business rescue proceedings, the Company has made payment of employees salaries as follows:

   4.1. Employees who continue to render their services on an ongoing basis, received full remuneration. These are largely the employees stationed at the Company's hatchery and breeder facilities, as well as certain employees stationed at head office.

   4.2. Employees who are not rendering services and who have been placed on temporary lay-off, have been paid as follows:

DAYBREAK FOODS

31 Spanner Road
Clayville
Olifantsfontein
1666

4.2.1. During the periods May, June and July 2025 these employees received 50% of their salaries;

4.2.2. Since August 2025, employees who earn less than R15,000.00 per month have received a stipend of R1,5000. Employees who earn more than R15,000.00 per month received 10% of their salaries.

5. The aforesaid arrangement has been ongoing and will be applicable for the month of September 2025 due to the financial constraints of the Company.

6. The business rescue plan was published on 22 August 2025. Pursuant to creditor inputs, an amended plan was published on 12 September 2025. The business rescue plan will be put to the vote on 26 September 2025 at the second meeting of creditors.

7. In terms of the proposed amended business rescue plan, the Company aims to obtain assistance from TERS to provide temporary salaries support to the Company. TERS have indicated that this assistance will only be considered upon the adoption of the published business rescue plan.

8. The Company's financial distress has placed significant social and financial strain on the employees ability to make payment of their obligations due to their creditors.

9. We request that these creditors remain patient whilst the Company's business rescue proceedings remain ongoing, by providing the employees with the required breathing space whilst the adoption and implementation of the amended business rescue plan remains pending.

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

DAYBREAK FOODS

31 Spanner Road
Clayville
Olifantsfontein
1666

Tebogo Maoto
Senior Business Rescue Practitioner