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The Companie Tribunal
The Chairperson
The dti Campus Block E - 3rd Floor
77 Meintjies Street
Sunnyside
Pretoria
0002

24 August 2026

Dear Sir/Madam

NOVA PROPGROW GROUP HOLDINGS LIMITED – 2011/ 003964/06
EXTENTION GRANTE FOR HOLDING AN AGM IN ACCORDANCE SECTION 61(7) OF THE COMPANIES ACT

Introduction

I refer to my communication addressed to the Companies Tribunal ("the Tribunal") dated 8 July 2026, read together with the initial rejection of the application submitted by Nova PropGrow Group Holdings Limited and its subsidiaries ("the Nova Group") for an extension, as well as the subsequent granting of such extension by the Tribunal pursuant to the ruling published on the Tribunal's website dated 27 July 2026.

Based on the contents of the ruling, it appears that the CEO of the Nova Group submitted an Affidavit in which, inter alia, the following statement was made – *"… the Company was unable to finalise its audited financial statements and the auditors' report within the required timeframe, and that this matter is expected to be resolved by 7 August 2026".*

I am respectfully of the opinion that the CEO of the Nova Group misled the Tribunal by presenting an overly optimistic and wholly unrealistic deadline of **7 August 2026** as the date by which the Annual Financial Statements ("AFS") is anticipated to be approved and the external auditors would be in a position to issue their audit opinion.

As at today's date, more than three weeks after the communicated anticipated deadline of 7 August 2026, there is still no indication whatsoever that the AFS has been completed. The following correspondence confirms that the AFS remains incomplete and unsigned:

- **Annexure A:** An email addressed to the Chairman of the Audit Committee dated 18 July 2026, sent more than two weeks after the anticipated completion date, requesting a signed-off set of AFS. This email remains unanswered to date.
- **Annexure B:** An email received from the external auditors dated 20 August 2026, confirming that, more than two weeks after the anticipated completion date, the audit opinion had still not been issued.

As mentioned above, I am respectfully of the opinion that the CEO of the Nova Group made a material misrepresentation to the Tribunal, based on the following facts:

- It is a well-known and publicly acknowledged fact that the Nova Group is both factually and commercially insolvent. This was confirmed by the CEO in a formal response to Moneyweb regarding the Nova Group's going-concern status, in which the CEO stated: *"Nova has a possible "technical" or "book value" insolvent financial position, which is mainly brought on by the Fair Value Valuations on Investment Properties, which can fluctuate significantly year on year".*
- One of the Group's principal subsidiaries, Flora Centre Investments (Pty) Ltd ("Flora"), is currently in provisional liquidation. The value of the investment property held by Flora significantly exceeds the secured debt owed to Capitec Bank, the creditor that instituted the liquidation proceedings.
- Based on information provided to me, the prospective purchaser of the Flora property has until **31 August 2026** in order to secure the sale of the property. Until such guarantees are provided, the Nova Group is highly unlikely to meet the criteria to continue as a going concern.
- The Nova Group is therefore almost entirely dependent on the successful sale of the Flora property, as the Nova Group has purportedly offered to utilise the net proceeds of the sale to negotiate compromises with various creditors across multiple subsidiaries. It is reasonable to conclude that, should these compromises fail, additional liquidation applications may be instituted against other subsidiaries within the Nova Group.
- The net proceeds from the sale of the Flora property constitute a "windfall" only because the Directors of the Nova Group failed to comply with a High Court order as well as and clause 3.1 of the Debenture Trust Deed, which required the registration of a covering bond over the Flora property in favour of the Flora Debenture Holders prior to the issue of the Debenture Certificates. This matter is elaborated upon below.

The Flora Matter

For the Tribunal's convenience, I attach a Memorandum submitted to the CIPC in the form of a CoR135.1 dated **25 July 2026**, which provides detailed background regarding the Flora matter.

The crux of the issue is as follows:

- The Directors of the Nova Group were required in 2012 to register a covering bond over the Flora property in favour of the Flora Debenture Holders.
- This covering bond was intended to serve as the Debenture Holders' security, ensuring that upon the eventual sale of the property (which is anticipated to happen soon once the guarantees are provided by 31 August 2026), they would receive the net proceeds.
- The Directors failed to register the covering bond, in clear contravention of both the High Court order sanctioning the Scheme of Arrangements and clause 3.1 of the Debenture Trust Deed.
- The Directors nonetheless issued Debenture Certificates to the Flora Debenture Holders, despite knowing, or reasonably ought to have known, that the covering bond had not been registered.
- The Directors therefore made a false representation to the Debenture Holders by assuring them that the required security was in place, when in fact it was not.
- The Directors now seek to utilise the proceeds from the sale of the Flora property, proceeds that ought to have been paid to the Flora Debenture Holders, to negotiate compromises with other creditors in an attempt to avert further possible liquidation applications. This, in my profession opinion, directly impacts the Nova Group's ability to continue as a going-concern and the ability of the external auditors to issue an audit opinion.
- Should the sale not proceed, and the compromises not be concluded, I am respectfully of the opinion that the Nova Group will possibly face multiple additional liquidation applications.
- Furthermore, the only logical conclusion as to why the audit opinion has not yet been issued is that the external auditors are unable to conclude the audit while the Nova Group remains unable to demonstrate that it can continue as a going concern. The proceeds of the Flora sale appear to be the Group's only remaining lifeline to provide evidence that it is still a going concern, barely but still.

I am respectfully of the opinion that these facts were known to the Directors of the Nova Group at the time the extension was requested. It is therefore my respectful submission that the Tribunal urgently request formal feedback from both the Directors of the Nova Group and the external auditors regarding the matters raised above.

Conclusion

In conclusion, it is my respectful submission that the Tribunal should seriously reconsider the factual representations initially placed before it. I am of the opinion that the Directors of the Nova Group deliberately provided an unrealistic completion date in an attempt to create the impression that the audit was nearing completion, despite knowing that the guarantees from the prospective purchaser of the Flora property would likely not be furnishing guarantees before **31 August 2026**.

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Should you require any additional information or further clarification, please do not hesitate to contact me.

Kind regards

J Tromp Digitally signed

J Tromp
In my capacity as the Trustee of the Debenture Trust