

Steinhoff International Holdings N.V.

(Incorporated in the Netherlands)

(Registration number: 63570173)

Share Code: SNH

ISIN: NL0011375019

Steinhoff Investment Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1954/001893/06)

JSE Code: SHFF

ISIN: ZAE000068367

UPDATE ON PROGRESS

Steinhoff International Holdings N.V. ("**Steinhoff**" or the "**Company**" and with its subsidiaries, the "**Group**").

Steinhoff is today updating stakeholders on developments since the implementation of the financial restructuring in August 2019.

Overview

The Group has continued to progress the strategy outlined at the Investor Presentation on 13 August 2019, and again at the Steinhoff AGM on 30 August 2019. Specifically, the financial restructuring having been implemented on 13 August 2019, at the AGM the Management Board identified two primary areas of future focus for Steinhoff as the Group strives to recover from the events of December 2017 and to protect and maximise value for stakeholders: (1) to manage litigation risk and to continue the implementation of the Remediation Plan; and (2) to reduce the Group's debt and financing costs. These areas of focus were also highlighted by Louis Du Preez, Steinhoff CEO, at the South African Parliamentary Hearing on 4 September 2019.

Pepco Group

On 30 September 2019 the Group announced that Pepkor Europe, the fast-growing multi-format pan-European discount variety retailer, had been renamed to Pepco Group, to directly link the business to its market leading Central Europe operations – PEPCO.

During August 2019 Pepco Group concluded a refinancing of its banking facilities and, in doing so, reduced the overall level of financing costs for the Pepco Group business. The new financing will provide additional facilities to Pepco Group to support the implementation of its business plan.

In addition, as previously announced, Steinhoff is considering and evaluating a range of strategic options for the Pepco Group, including a potential public listing. This process remains in its early stages

and no definitive decision has been taken with respect to any specific course of action at this point.
<https://www.pepcogroup.eu/>

Litigation and Remediation Plan Update

As reported at the Steinhoff AGM and at the Parliamentary Hearing in South Africa, Steinhoff continues to manage the various litigation claims against the Group as well as assessing claims available to Steinhoff against third parties. The Litigation Working Group, appointed as a sub-committee of the Supervisory Board, is intimately involved in the conduct of litigation and the litigation strategy generally. As shareholders are aware, Steinhoff faces multiple claims brought in South Africa, the Netherlands and Germany by numerous parties, making the situation highly complex.

Steinhoff is continuing to conduct its investigations and prepare its defences in the various proceedings and will bring claims or counter claims against parties where it is appropriate to do so. As part of its overall litigation strategy, Steinhoff will also consider early resolution of the claims brought against it and the possibility of using the permitted settlement arrangements introduced into the new terms of the Steinhoff finance documents and approved as part of the financial restructuring implemented in August 2019. These arrangements may include, among other options, an equity issuance by Steinhoff. Given the complexity of the Steinhoff litigation landscape there can be no certainty that resolution of the disputes can be achieved prior to a final determination by the relevant Courts but the Litigation Working Group continues to explore the possibility of finding an acceptable solution to the current disputes.

In addition, the Group is seeking to build on progress made to date to strengthen its recovery, with the clear objective of stabilising the Group in a way that ensures the long-term security and growth of its underlying operations, maximises stakeholder returns and protects value.

The Group is therefore continuing to implement the Remediation Plan developed to address previously identified weaknesses in, and to substantially enhance standards of, corporate governance and control. The plan is fundamental to strengthening the governance structure of the business and is being rolled out with determination.

Steinhoff EGM

As shareholders are aware, the Company will be holding an EGM in Amsterdam on 12 November 2019, when the resolution to appoint Mazars Accountants N.V. as its new statutory audit firm will be proposed. The details are set out in the Notice of EGM, available on <http://www.steinhoffinternational.com/index.php>

A live audio webcast of the EGM will be available on <https://steinhoff.nepgroup-webinars.com/steinhoff-egm-2019>

Pepkor Holdings

Pepkor Holdings, the largest non-grocery retailer in South Africa with more than 5 300 stores operating across more than 10 African countries, including many of the most trusted brands on the

continent, is scheduled to release its annual results for 2019 on 25 November 2019.
<https://www.pepkor.co.za/>

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