

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 STEINHOFF LENDER CONSENT REQUEST

Further to the announcements of 27 July 2020 (the “**July Announcement**”) and 9 October 2020 (the “**October Announcement**”) by Steinhoff International Holdings N.V. (“**SIHNV**” and together with its subsidiaries, “**Steinhoff**”), in relation to the proposal to settle various legacy litigation and claims against Steinhoff (the “**Proposed Settlement**”), and the launch of a consent request to obtain the formal support of Steinhoff’s financial creditors to the terms of the Proposed Settlement (the “**Consent Request**”), Steinhoff is pleased to announce that it has received overwhelming support from its financial creditors in respect of the Proposed Settlement.

There were very high levels of voting participation in response to the Consent Request and all creditors who voted gave their approvals, with the exception of only one institution.

Steinhoff notes that the sole dissenting institution is affiliated with an entity that is currently engaged in a dispute with Steinhoff in relation to the terms of the Proposed Settlement.

Following the application of ‘snooze’ mechanics applicable to non-responding lenders, Steinhoff achieved unanimous support from lenders across the “Hemisphere” and “SEAG” facilities, other than the “SEAG Facility A2 Creditors”, where Steinhoff obtained the support of 93% by value. For the “SFH” facilities, Steinhoff obtained the support of between 94% and 96% by value.

The final votes in respect of the Consent Request are as follows:

Lender groupings	Approval Levels	Rejection Levels	Approval Levels after “Snooze”
SFH 21/22	<ul style="list-style-type: none"> 88.21% Total Commitments 88.31% Facility A1 	<ul style="list-style-type: none"> 3.78% Total Commitments 3.70% Facility A1 	<ul style="list-style-type: none"> 95.89% Total Commitments 95.98% Facility A1
SFH 23	<ul style="list-style-type: none"> 86.40% Total Commitments 	<ul style="list-style-type: none"> 5.16% Total Commitments 	<ul style="list-style-type: none"> 94.3% Total Commitments

Lender groupings	Approval Levels	Rejection Levels	Approval Levels after "Snooze"
	<ul style="list-style-type: none"> 86.36% Facility A2 	<ul style="list-style-type: none"> 5.17% Facility A2 	<ul style="list-style-type: none"> 94.35% Facility A2
SEAG First Lien	<ul style="list-style-type: none"> 88.79% Total Commitments 88.94% Facility A1 	<ul style="list-style-type: none"> 0% Total Commitments 0% Facility A1 	<ul style="list-style-type: none"> 100% Total Commitments 100% Facility A1
SEAG Second Lien	<ul style="list-style-type: none"> 90.40% Total Commitments 88.57% Facility A2 	<ul style="list-style-type: none"> 5.50% Total Commitments 6.60% Facility A2 	<ul style="list-style-type: none"> 94% Total Commitments 93% Facility A2
Hemisphere	<ul style="list-style-type: none"> 96.79% Total Commitments 	<ul style="list-style-type: none"> 0% Total Commitments 	<ul style="list-style-type: none"> 100% Total Commitments

As a result of the overwhelming support of its financial creditors, Steinhoff has obtained the requisite consent from its creditors in respect of all relevant financial instruments, with the sole exception of the "(SEAG) Contingent Payment Undertaking" created by SIHNV in favour of Lucid Trustee Services Limited and Lucid Agency Services Limited dated 12 August 2019 (the "**SEAG CPU**"), in respect of which the support of 100% of voting creditors was required. Due to the sole dissenting institution voting against the Consent Request, Steinhoff was unable to obtain 100% support from the "SEAG Facility A2 Creditors" under the SEAG CPU. As a result, SIHNV now intends to pursue an English law scheme of arrangement to obtain the necessary approval of its creditors under the SEAG CPU.

Consent Request to Financial Creditors

As stated in the October Announcement, SIHNV launched the Consent Request to obtain formal support from Steinhoff's financial creditors for the terms of the Proposed Settlement and to make certain amendments to the relevant underlying finance agreements to facilitate and recognise its implementation. The Consent Request also sought approval for terms on which the maturity date under Steinhoff's financings can be extended in conjunction with a successful implementation of the Proposed Settlement and in certain other circumstances.

Louis du Preez, Chief Executive Officer and Management Board member of SIHNV, said:

"While strong support for the Consent Request was received in all creditor classes with one institution voting against, we anticipated that the 100% consent threshold for certain instruments could pose a significant challenge in obtaining the required support in respect of those instruments. This is particularly the case given the large and disparate lender groups involved. For this reason, at the start of the Consent Request process we retained the option of using an alternative, English law scheme of arrangement, which has a lower consent threshold, in order to implement the amendments required to pursue the Proposed Settlement. We will now take that route for the SEAG CPU, in which we did not obtain the requisite consents, but recognise that this aspect of the process will take longer to complete."

“Settlement of the legacy legal claims against Steinhoff remains our top priority and real progress is being made. We are confident that the Proposed Settlement is in the best interests of all stakeholders and remain fully focused on securing the route towards its implementation.”

SEAG CPU

As noted above, Steinhoff was unable to achieve the required support of 100% of the “SEAG Facility A2 Creditors”.

As a result, and as contemplated in the July Announcement and the October Announcement, SIHNV will now take steps to commence an English law scheme of arrangement pursuant to Part 26 of the Companies Act 2006 in order to obtain the consent of creditors under the SEAG CPU (the “**SEAG CPU Scheme**”). The purpose of the SEAG CPU Scheme is to implement the required amendments to those finance documents and to otherwise facilitate implementation of the Proposed Settlement and the associated amendments sought by the Consent Request. Whilst the SEAG CPU Scheme will take longer to complete than the initial Consent Request process, it will require a lower consent threshold (i.e. a majority in number representing at least 75% by value of the members of each class present and voting).

Indicative SEAG CPU Scheme Timeline

SIHNV anticipates launching the SEAG CPU Scheme with the issuance of a ‘Practice Statement Letter’ to participating creditors in the coming days, following which SIHNV plans to achieve the following timeline for implementation of the SEAG CPU Scheme:

- late November 2020 – scheme convening hearing;
- mid-December 2020 – meeting of participating creditors; and
- late January 2021 – scheme sanction hearing and scheme effective date.

Further information in relation to the SEAG CPU Scheme will be set out in the ‘Practice Statement Letter’, and SIHNV will provide further updates as and when appropriate.

The SEAG CPU will run in parallel with other processes and as such is not expected to delay the intended implementation of the Proposed Settlement. As previously announced, Steinhoff’s intention is to implement the Proposed Settlement as soon as possible.

Further Information

Further information on the Proposed Settlement, including a Frequently Asked Questions document, is available on the following website: <https://www.steinhoffinternational.com/settlement-litigation-claims.php>.

On this website, claimants may submit their contact and claim details, inform Steinhoff of their intention to support the Proposed Settlement and register for updates. Alternatively, Steinhoff’s investor relations team can be contacted by email at settlement@steinhoff.co.za.

As usual, further updates will be provided in due course as the Group continues with the implementation of the Proposed Settlement.

The Company has a primary listing on the Frankfurt Stock Exchange and a secondary listing on the JSE Limited.

JSE Sponsor: PSG Capital

Stellenbosch, South Africa

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