

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

STEINHOFF PROPERTIES

Steinhoff International Holdings N.V. (the “**Company**” and with its subsidiaries, the “**Steinhoff Group**”). Shareholders of the Company, and holders of the cumulative, non-redeemable, non-participating, variable rate preference shares issued by Steinhoff Investments Holdings Limited, are referred to the SENS announcement published by Pepkor Holdings Limited (“**Pepkor**”) today (“**Pepkor Announcement**”).

The Steinhoff Group commenced a process post March 2019 to dispose of the remaining properties in the African property portfolio. Management considered various disposal options in order to optimise the balance sheet and unlock value for stakeholders. The disposal portfolio consists of retail, office, warehouse, vacant land and residential properties, which includes properties tenanted by Steinhoff Group companies, third party tenants, as well as land for development.

A number of these properties are used by Pepkor’s operating entities as distribution centres with one property being used as a corporate head office and one property being used as a call centre. As such, from a Steinhoff Group strategic perspective, it makes sense to sell these properties to Pepkor.

The transaction is expected to result in the following benefits for the Pepkor Group, and, as the majority shareholder, for the Company indirectly:

- i. operational cost savings which is expected to be accretive on an earnings per share basis (without taking IFRS16 into account) and a cash saving for the Pepkor group;
- ii. secures ownership of high roof distribution centre buildings for Ackermans, Pepkor Speciality and JD Group that are strategically important to their businesses; and
- iii. secures ownership of Tenacity’s call centre and JD Group’s corporate head office, the locations of which are ideally suited to cater for their operational needs.

Today, the Company has entered into *inter alia* a framework agreement with two wholly-owned subsidiaries of Pepkor. The aggregate purchase consideration payable to the Steinhoff Group in terms of the transaction is R1,050,000,000 (one billion fifty million rand), which will be settled by Pepkor issuing, in aggregate, 70 000 000 (seventy million) new Pepkor shares (“**Pepkor Consideration Shares**”) to the respective Steinhoff subsidiaries.

The Pepkor Consideration Shares will be issued at an issue price of R15 per share which represents a premium of 16.0% to the volume weighted average trading price of Pepkor’s shares traded on the JSE over the 30 trading days up to and including 19 November 2020, being the date prior to the board of directors of Pepkor approving the key terms of the Transaction.

This transaction is subject to a number of standard terms and conditions, as set out in the Pepkor Announcement.

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

Sponsor: PSG Capital
Stellenbosch, 18 December 2020