

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

## **DISCLOSURE OF INSIDE INFORMATION PURSUANT TO ART. 17 OF THE EU MARKET ABUSE REGULATION (EU 596/2014, MAR)**

### **STEINHOFF INTERNATIONAL HOLDINGS N.V. – UPDATE ON SETTLEMENT IMPLEMENTATION PROGRESS AND AN INCREASED SETTLEMENT PROPOSAL**

Steinhoff International Holdings N.V. (“**SIHNV**” or the “**Company**”, together with its subsidiaries, “**Steinhoff**” or the “**Steinhoff Group**”) is providing its stakeholders with updates on two important matters. As previously, this offer does not constitute an admission of liability by any member of the Steinhoff Group, or its directors, officers or employees in respect of any legal claims or litigation proceedings.

#### **Increased Settlement Proposal**

Since the announcement of the original Steinhoff global settlement proposal on 27 July 2020, the Group's underlying businesses have shown resilient financial and operational performance and an increase in the value of a number of its investments, notwithstanding that they continue to face challenging markets. As a direct consequence of these developments, positive currency movements and improved outlook, SIHNV and SIHPL have concluded that they will increase the settlement offer as follows:

- An additional EUR 243m is to be contributed by SIHNV and allocated proportionately among SIHNV claimants (both SIHNV Market Purchase Claimants and SIHNV Contractual Claimants) and SIHPL Market Purchase Claimants, on top of which a separate EUR 26m pro rata increase will be paid to Hemisphere CPU creditors.
- As a result the total settlement offer to SIHNV Contractual Claimants and SIHPL and SIHNV Market Purchase Claimants will increase from EUR 370m to EUR 613m (a 66 per cent increase). The total settlement amount now available to SIHNV and SIHPL Market Purchase Claimants is estimated to be approximately EUR 442m.
- As previously, the precise level of distribution to such claimants will depend on the final level of accepted claims made by the applicable bar date under the scheme plans, since the settlement sum will be applied for the benefit only of those SIHNV Contractual

Claimants and SIHNV and SIHPL Market Purchase Claimants that establish their claims by that date.

- SIHNV and SIHPL will retain their option to provide settlement consideration in respect of any claim in cash, or, 50 per cent in cash and 50 per cent in Pepkor Holdings Limited ("**PPH**") shares (at R15 per share).
- SIHPL will pay for the increase in the SIHPL Market Purchase Claims on a deferred basis by increasing the new loan note issued by SIHPL payable to SIHNV (secured by SIHPL on a second ranking basis as described in the original settlement proposal) to an estimated value of approximately EUR 166m.
- In respect of claims against SIHPL that are not Market Purchase Claims, no additional consideration will be payable.

A summary term sheet setting out a summary of the improved terms can be found at: <https://www.steinhoffinternational.com/settlement-litigation-claims.php>.

Following this announcement SIHNV and SIHPL will seek further approval from the South Africa Reserve Bank and the necessary consents of their respective financial creditors to support the proposed increase of the settlement proposal.

### **Intention to progress implementation of the global settlement proposal**

As previously announced, SIHNV has been granted Dutch suspension of payments proceedings (the "**SoP**") on 15 February 2021 following which the District Court of Amsterdam (the "**Amsterdam Court**") appointed Mr. F. Verhoeven and Mr. C.R. Zijdeveld as administrators ("**Administrators**"). On the same date, the Company submitted its composition plan (the "**SoP Proposal**") to the Amsterdam Court.

SIHNV announces the following updates with respect to recent disputes:

- As previously announced, an application has been filed in the Western Cape High Court in South Africa for a South African provisional liquidation of SIHNV by parties related to the previous owners of the Tekkie Town businesses (the "**Tekkie Town Parties**") acquired by Steinhoff in 2016. As part of the technical amendments made to the SoP Proposal on 15 June 2021, SIHNV confirmed that the SoP Proposal does not seek to compromise "in rem" claims, hence the Tekkie Town Parties will not be precluded from pursuing their claim for restitution of those businesses against SIHNV and/or PPH.
- As also previously announced, the Western Cape High Court handed down a judgment on 2 July 2021 (the "**S.45 Judgment**"), finding that financial assistance rules had been breached and held that the resolution of the SIHPL board authorising entry into the SIHPL contingent payment undertaking issued in 2019 (the "**SIHPL CPU**") and the SIHPL CPU itself were void.

SIHPL has been notified that a number of financial creditors with interests in the SIHPL CPU have appealed against the S.45 Judgment. In addition, those financial creditors have also asserted continuing debt claims and restitutionary claims against SIHPL which are independent of the determination of the appeal of the S.45 Judgment.

SIHPL has considered the S.45 Judgment and its consequences. The overall net effect on SIHPL following the S.45 Judgment is that SIHPL now faces greater uncertainty and further claims and, in absence of a successful appeal, a long and complicated series of multi-jurisdictional legal disputes.

Accordingly, SIHPL intends to apply for leave to appeal the S.45 Judgment before the time for doing so expires and believes that it has reasonable prospects of success on appeal.

Steinhoff continues to assess the settlement implementation timetable. It remains Steinhoff's objective to give claimants (or in the SoP their representatives) the opportunity to vote on its proposals and, if approved, to obtain sanction of those proposals by the relevant courts. The section 155 process is capable of addressing the legacy claims and outstanding disputes including in relation to the S.45 Judgment and, with sufficient support, it can achieve a binding compromise of those claims and disputes. Accordingly, SIHNV and SIHPL will continue to work towards a co-ordinated global settlement based on the increased settlement proposal detailed above.

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

Stellenbosch, South Africa

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