

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
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STEINHOFF INTERNATIONAL HOLDINGS N.V. – FURTHER INCREASED SIHPL SETTLEMENT OFFER AND NOTICE OF SECTION 155 CREDITORS' MEETING

Steinhoff International Holdings N.V. (“**SIHNV**” or the “**Company**”, together with its subsidiaries, “**Steinhoff**” or the “**Steinhoff Group**”) and the former South African holding company for such subsidiaries, Steinhoff International Holdings Proprietary Limited (“**SIHPL**”), provide the following updates on their global litigation settlement proposal.

Further increase in SIHPL's contribution to settlement offer

SIHNV refers to its announcement on 16 July 2021 setting out terms of a revised settlement offer, (“**16 July Offer**”).

As has been reported by Steinhoff in previous announcements (published at <https://www.steinhoffinternational.com/sens.php>), SIHPL is subject to various legal disputes arising from the proposed settlement arrangements in addition to those disputes arising from the legacy accounting issues.

Whilst Steinhoff has received positive responses to its 16 July Offer, indications have been that it has attracted insufficient overall support to achieve certainty of outcome in the proposed SIHPL section 155 process. Recognising that the recent disputes focus on the proposed SIHPL settlement arrangements, Steinhoff has given consideration to whether a further and final increase to the SIHPL settlement offer can be made in order to achieve the necessary levels of support.

Therefore, Steinhoff now proposes that SIHPL make an additional contribution to the SIHPL market purchase claimants' settlement consideration of ZAR 3,214 million. Steinhoff believes that the adjusted proposed settlement can resolve both legacy claims and, in SIHPL's case, the more recent disputes.

In relation to this additional contribution by SIHPL:

- The additional contribution will not be available to any other SIHPL claimants nor SIHNV claimants (whether SIHNV market purchase claimants or contractual claimants).
- The additional contribution is being made available by SIHPL alone and does not of itself result in an adjustment to the increased amount of the SIHPL/SIHNV loan note announced

in the 16 July Offer (but the SIHPL/SIHNV loan note will be subject to minor downward adjustment as a result of the Trevo proposal described below).

- The additional contribution will be allocated proportionately among SIHPL Market Purchase Claimants based on their respective claims as determined under the existing Allocation Plan rules.
- As previously clarified, 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 SIHPL market purchase claimants that establish claims submitted by the bar date.
- SIHPL will retain its option to provide settlement consideration in respect of any claim in cash, or 50 per cent in cash and 50 per cent in PPH shares (at R15 per share), other than in relation to the proposals previously announced in relation to BVI and certain PPH managers.
- As previously, this revised offer is subject to necessary regulatory approvals and financial creditor approvals described below and 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.

Steinhoff has received confirmation that the Active Claimant Group, Hamilton, supports in principle the Steinhoff global settlement based on this increased contribution by SIHPL, and will withdraw from the class composition application which has been adjourned until 13 August 2021 on that basis. Hamilton's final approval of the \$155 proposal will be subject to the ongoing claim verification process.

SIHPL confirms that it has received confirmation that four large Steinhoff financial creditors – funds managed or advised by The Baupost Group, LLC, Farallon Capital, Sculptor Capital Management and Silver Point Capital – are supportive of this further revision to the settlement terms.

Louis du Preez, Chief Executive Officer and Management Board member, said: "We recognise that SIHPL has faced opposition resulting in legal proceedings relating to the particular terms of its settlement proposal. The proposed additional contribution by SIHPL to the overall settlement is in response to those challenges. We still believe that a global settlement is in the interests of both SIHNV and SIHPL and indeed the entire Group. With this additional contribution and the positive response from Hamilton and our proposal in relation to Trevo, we will move ahead to hold the creditors' meetings in the SIHPL process and to continue the SoP process with a vote on the SIHNV Composition Plan by the Committee of Representation, to seek the necessary approvals and to finalise the Steinhoff settlement."

Oscar McLaren, a director of Hamilton said in relation to the increased SIHPL offer: "We are pleased to confirm our in-principle support for the increased offer by SIHPL and we believe that the overall Steinhoff settlement is now at a financial level at which we can add our in-principle support. We look forward to continuing to work with Steinhoff towards implementation of the Steinhoff settlement for the benefit of all market purchase claimants."

Summary of Cumulative Increased Settlement Proposal (including the 16 July Offer)

A summary of the increased settlement offer including the 16 July Offer is as follows:

	Original settlement amount (July 2020)		Revised total settlement amount (inc. 16 July 2021 & 11 August 2021 offers)		Total increase in settlement amount since July 2020		
	EURm	ZARm	EURm	ZARm	EURm	ZARm	% Inc.
SIHNV & SIHPL Market Purchase Claimants	267		442		175		66%
SIHNV Contractual Claimants	103		171		68		66%
Hemisphere CPU	40		66		26		66%
SIHPL Contractual Claimants: Titan		7,904		7,904		-	-
SIHPL Contractual Claimants: Other		1,653		1,653		-	-
SIHPL Market Purchase Claimants (current increase)		-		3,214		3,214	n.m.
EUR Total (of EUR and ZAR amounts)	969		1,426		457		47%

Notes:

(1) The values in this table were calculated for illustrative purposes using an FX rate of 17.0906 and exclude certain cost provisions.

(2) In addition, as announced on 14 February 2021, the settlement terms with Conservatorium include consideration payable by Steinhoff Africa Holdings Pty Limited (on behalf of SIHPL) in the amount EUR 61m.

(3) The "SIHPL Contractual Claimants: Other" values in this table include the amount reserved in relation to Mayfair's disputed Contractual Claim against SIHPL. This component of the consideration will only be paid to Mayfair if it is successful in its dispute with SIHPL and will otherwise revert to SIHPL.

Amendment to treatment of Trevo claims under the SIHPL Section 155 Proposal

As part of the forthcoming amendments to the SIHPL Section 155 Proposal, SIHPL will provide that Trevo will be treated as a Non-Qualifying Claimant, instead of as a SIHPL Market Purchase Claimant as previously proposed. SIHPL disputes and will continue to dispute Trevo's claim. However, SIHPL recognises that the particular circumstances giving rise to Trevo's claim cast doubt on the appropriateness of treating it as a SIHPL Market Purchase Claimant and justify its reclassification as a Non-Qualifying Claimant.

In the circumstances, SIHPL has therefore amended the Section 155 Proposal to provide that Trevo's claim will be removed from the SIHPL Market Purchase Claimants class (being a class of claimants to whom an offer of compromise is made in terms of the Section 155 Proposal) and, in accordance with Trevo's proposal and stated preference, that Trevo be treated as a Non-Qualifying Claimant (being a party who has asserted claims against SIHPL which have been disputed by SIHPL, and to whom the offer of compromise is not made in terms of the Proposal).

Steinhoff believes that this approach removes Trevo's legal standing in the Section 155 proposal, and provides a basis for the discontinuance of Trevo's further participation in the class composition application that has been brought in the Cape Town High Court, the hearing of which is currently adjourned to 13 August 2021.

For the avoidance of doubt, Trevo's alleged claim will not be compromised under the Section 155 Proposal and thus Trevo's treatment is not expected to impact the finalisation and anticipated approval of the Section 155 Proposal.

Trevo's treatment as a Non-Qualifying Claimant will result in a minor downward adjustment of the SIHPL/SIHNV loan note from €166 million to €164 million.

Next Steps

Expected key next steps in connection with the Steinhoff Litigation Settlement Proposal include the following:

- **Section 155 Proposal – Claim Process:** The Claims Administrator will shortly send a notice to potential SIHPL market purchase claimants who lodged their claims prior to the 5 May 2021 deadline advising those claimants whether or not they are eligible to participate in and vote at the Section 155 Creditors' Meetings.

Potential SIHPL market purchase claimants who receive an Initial SIHPL Claim Value Notification (received by SIHPL market purchase claimants who are eligible to participate in and vote at the Section 155 Creditors' Meetings) or a Deficiency Notification (received by potential SIHPL market purchase claimants whose claims have been found by the Claims Administrator to be deficient and therefore not eligible to participate in or vote at the Section 155 Creditors' Meetings) will be directed to the 's155 Validation Process' tab on www.SteinhoffSettlement.com for further information.

SIHPL market purchase claimants who did not file their claims prior to the 5 May deadline will not be entitled to participate in, or vote at, the Section 155 Creditors' Meetings, but may still be eligible to receive a settlement distribution and accordingly are encouraged to file their claims with the Claims Administrator in accordance with the relevant provisions of the Section 155 Proposal prior to the Bar Date.

- **Section 155 Proposal – Creditors Meetings:** SIHPL will also shortly give notice to the verified Scheme Creditors of the virtual meetings (the "**Section 155 Creditors' Meetings**") convened in terms of section 155(6) of the South African Companies Act, for the purposes of considering and voting on the Section 155 Proposal. The notice will confirm the date for the Section 155 Creditors' Meetings, which is expected to take place in early September 2021. The notice will be available under the 'Case Documents' tab on www.SteinhoffSettlement.com, and on www.steinhoffinternational.com.

Due to the restrictions in South Africa on travel and physical gatherings in relation to the global COVID-19 pandemic, the Section 155 Creditors' Meetings will be held virtually and it will not be possible to physically attend the Section 155 Creditors' Meetings. For further details regarding the Section 155 Creditors' Meetings, including registration details for verified Scheme Creditors and information as to the manner in which persons other than verified Scheme Creditors (or their proxies) will be able to observe the Section 155 Creditors' Meetings, and for any updates in relation thereto, please regularly visit the 's155 Virtual Meeting' tab on www.SteinhoffSettlement.com.

- **SARB Process:** Following this announcement, SIHNV and SIHPL will proceed to seek further approval from the South Africa Reserve Bank/FINSURV for necessary approvals.

- **Financial Creditor Approval:** In addition, SIHNV will seek the requisite approval from the Steinhoff financial creditors, to the revised settlement offer, as announced in the 16 July Offer and today under the terms of its finance documents.
- **Scheme Plan Updates:** The formal changes to the SIHPL Section 155 proposal and to the SIHNV Composition Plan will be made and updated versions will be available under the 'Case Documents' tab on www.SteinhoffSettlement.com shortly.

All claimants are encouraged to support the further revised terms of the Steinhoff Litigation Settlement Proposal and to work with Steinhoff to conclude the approval process as soon as possible.

Further Information

Further updates will be provided as and when appropriate.

Claimants will be able to review additional information in relation to the Steinhoff Group global settlement and submit their claim details on the following website: www.SteinhoffSettlement.com.

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

Stellenbosch, South Africa

11 August 2021

JSE Sponsor: PSG Capital