

STEINHOFF ANNUAL GENERAL MEETING PRESENTATION

28 AUGUST 2020



Agenda

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- | | |
|--|-------------------|
| 1. Opening: Welcome and introduction | Moira Moses |
| 2. Presentation to shareholders | Louis du Preez |
| 3. Shareholder Q&A | Moira Moses |
| 4. Annual Reporting 2019 | |
| 4.1 2019 Annual Report | Moira Moses |
| 4.2 Remuneration Report | Moira Moses |
| 4.3 Dutch Corporate Governance Code | Moira Moses |
| 4.4 Policy on profits and reserves | Theodore de Klerk |
| 4.5 Adoption of the 2019 Financial Statements | Alex Watson |
| 5. Remuneration | |
| 5.1 Remuneration Policy – Managing Directors | Hugo Nelson |
| 5.2 Remuneration Policy – Supervisory Directors | Hugo Nelson |
| 5.3 Supervisory Directors' remuneration | Hugo Nelson |
| 6. Amendment of the Company's articles of association | Peter Wakkie |
| 7. Capital Reduction | Theodore de Klerk |
| 8. Authorisation of the Management Board to acquire Shares | Theodore de Klerk |
| 9. Appointment of the statutory audit firm – 2020 and 2021 | Alex Watson |
| 10. Any other business | Moira Moses |
| 11. Closing | Moira Moses |



1. OPENING: WELCOME AND INTRODUCTION

MOIRA MOSES





2. PRESENTATION TO SHAREHOLDERS (discussion item)

LOUIS DU PREEZ

Group CEO



- Presentation to Shareholders

- | | |
|--|-------------------|
| • Progress made | Louis du Preez |
| • 2019 Annual Report and 2020 Half-year Report | Theodore de Klerk |
| • Statutory Auditor – Mazars | Onno Opzitter |
| • Strategy and management focus | Louis du Preez |

Progress made

- CVA implemented on 13 August 2019
- Various asset disposals concluded
- 2019 Annual Report released
- 2020 Half-Year Report released
- COVID-19 pandemic and business response
- Proposed settlement of litigation claims



THEODORE DE KLERK

Group CFO



- Significant Group activity
 - Discontinued operations
 - Subsequent events period
 - Asset disposals
 - Refinancing implementation
- New Group structure post CVA
 - Assets / Liabilities moved to Newcos
 - Governance structures / people
 - Reporting requirements
- Audit process
 - Change of auditor (Mazars appointed November 2019)
 - Weekly work streams
 - Technical analysis
 - Audit committee oversight
 - COVID-19 challenges

- CVA becoming effective
- Refinancing of Mattress Firm
- Conforama Refinance
- Discontinued Operations
 - Numerous entities
 - Significant disclosure
- IFRS
 - Change in accounting policy – adopted IFRS 9
 - New and amended standards
 - IFRS 16 – estimated impact calculated and disclosed

- Going Concern
 - Assessment made during June 2020
 - Assumptions made re:
 - Litigation
 - Debt facilities
 - Taxation
 - COVID-19 impact
- Consolidation decisions
 - Newco 3
 - Conforama
- Presentation of liabilities

2019 Financial year – subsidiary disposals or held-for-sale assets

- Change in segmental reporting from 7 to 6 continuing segments
- Disposals in 2019

POCO

Steinpol

KAP

Unitrans

Properties – Africa

Hemisphere

ABRA

- Other Corporate activity

Mattress Firm

Pepkor Africa

Campion

Conforama restructure

Pepco Group

- Disposals finalised post 2019

Blue Group (Bensons, Harveys)

Greenlit Brands (General Merchandise)

Sherwood Bedding

Conforama France

Conforama Switzerland

Segmental Revenue

– from continuing operations

Segmental Revenue from continuing operations	H12020 €m	FY2019 €m	FY2018 €m
Pepco Group	1 905	3 420	3 049
Pepkor Africa	2 261	4 307	4 126
Conforama	1 666	3 417	3 402
Greenlit Brands	315	658	648
Other	91	187	209
Corporate and treasury services	3	3	1
Total segmental revenue from continuing operations	6 241	11 992	11 435
Mattress Firm (equity accounted)	1 430	2 686	2 660

Segmental EBITDA

– from continuing operations

Segmental EBITDA from continuing operations (before IFRS 16 adoption, and excluding exceptional items)	H12020 €m	FY2019 €m	FY2018 €m
Pepco Group	151	326	243
Pepkor Africa	251	496	489
Conforama	(23)	42	32
Greenlit Brands	(31)	21	36
Other	(3)	(8)	(6)
Corporate and treasury services	20	(86)	(23)
Total segmental EBITDA from continuing operations	365	791	771

Consolidated debt position

	H12020	FY2019
	€m	€m
Total SEAG debt (Steenbok Lux Finco 2)	6 019	5 884
New Lux Finco 2 First Lien Loan	2 001	2 075
New Lux Finco 2 Second Lien Loan	4 018	3 809
Total SFHG debt (Steenbok Lux Finco 1)	3 142	2 989
New Lux Finco 1 21/22 Loan	1 866	1 775
New Lux Finco 1 23 Loan	1 276	1 214
Total SEAG and SFHG debt	9 161	8 873
Hemisphere	294	361
Total	9 455	9 234
Opco debt	1 765	1 822
SINVH Group	278	314
Total borrowings	11 498	11 370

Professional fees

Legal fees

Group restructure
Litigation (inbound / outbound)
Settlement proposal
Transaction agreements
Governance structures
Regulatory interactions & compliance

Financial advisors

Group restructure (incl. taxation)
Transaction advice
Settlement proposal

Other

Accounting support
Recruitment
Forensic

Advisory fees	H12020 €m	FY2019 €m	FY2018 €m
Total advisory fees	58	158	117
Company advisory fees	35	75	50
Creditor advisory fees	21	67	43
Forensic investigation and technical accounting support	2	16	24
Audit fees			
Audit fees	8	27	28

- Audit opinion
 - Three types of modified opinions: qualified; adverse; and disclaimer
 - The Group received a “disclaimer”
 - Exceptional circumstances
 - Number of uncertainties
 - The reasons noted in the 2019 Annual Report were:
 - Litigation
 - Taxation
 - Conforama ownership
 - Conforama audit evidence
 - Foreign currency translation reserve
 - Going concern
 - Emphasis of matter:
 - Control conclusions
 - CPU valuation in separate AFS

Share Capital

Agenda Items 6, 7 and 8)

- 6 Proposal to partially amend the Company's articles of association
 - Decreasing the authorised capital of the Company
 - Pursuant to Dutch law, authorised capital may not exceed five times the aggregate nominal value of the issued capital
 - The authorised capital reduced to:
 - two hundred million euro (€200,000,000) (from €215,000,000)
 - sixteen billion (16 bn) Ordinary Shares (from 17.5 bn)
 - four billion (4 bn) Preference Shares (unchanged)
 - nominal value remains one euro cent (€0.01) each

- 7 Proposal to reduce the capital of the Company by cancelling Shares held by the Company
 - Cancel 40,118,093 Shares, currently held by the Company

- 8 Proposal to authorise the Management Board to acquire Shares
 - Ordinary Shares,
 - acquired from subsidiaries of the Company only, and
 - up to a maximum of 121,267,595 Ordinary Shares



FEEDBACK FROM MAZARS ACCOUNTANTS N.V.

ONNO OPZITTER





STRATEGY AND MANAGEMENT FOCUS

LOUIS DU PREEZ

Group CEO



- Supervisory Board comprising 7 independent directors
- Manage Steinhoff N.V. as a global holding company, with investments in a diverse range of retailers
- Implemented the Remediation Plan
 - Ensuring appropriate governance
 - Transparent reporting
 - Co-operating with regulators and enforcement agencies
- Revised and updated regulations, policies and documentation

Overview of Litigation Claims

- Complex legal claims and litigation proceedings in excess of €7 billion
- Deteriorating financial position following:
 - COVID-19 restrictions
 - Deteriorating ZAR / EUR exchange rate
- Proposed settlement in the best interests of the Group's stakeholders
- No admission of liability
- Nature of claims:
 - Market purchase claimants
 - Contractual claimants
- Affecting both SIHNV and SIHPL

Proposed Settlement – Benefits

- Settle and remove uncertainty for all parties, including:
 - Shareholders
 - Financial creditors
 - Litigants
 - Management
- Avoid expensive, lengthy and unpredictable court processes
- Allow management to focus on the businesses
- Allow management to focus on step 3 – reduce debt and finance costs

Proposed Settlement – Details

- Market purchase claimants
 - c. €266 million
 - 50% in cash; 50% in PPH shares @R15/share
 - No lock-up
 - Allocation methodology proposed by the Company as set out in the term sheet
- SIHNV contractual claims
 - c. €104 million
 - Same relative rate as per MPC's
 - 50% in cash; 50% in PPH shares @R15/share
 - No lock-up
- SIHPL contractual claims
 - c. €76 million (excl. Thibault and Wiesfam)
 - c. €406 million Thibault and Wiesfam
 - Thibault and Wiesfam at a lower rate
 - 50% in cash; 50% in PPH shares @R15/share
 - 180-day lock-up on PPH shares
 - BVI and Cronje & Others 100% PPH shares @R13.5/share and 3-year lock-up

Proposed Settlement – Timeline

- Considering implementation options:
 - Suspension of proceedings – Netherlands
 - Section 155 compromise – South Africa
- Both processes would run in parallel
- Expected to take 4 – 6 months to finalise
- Initial payment shortly thereafter

Key management focus

Step 1: ✓

Creditors arrangement
(CVAs implemented on 13 August 2019)

Step 2: in progress

Manage litigation risk
(investigate possible solutions and implement)

Step 3:

Restructure Group with a view to reducing debt and financing costs

Provide support to regulators and enforcement agencies



2. QUESTIONS RECEIVED IN ADVANCE

LOUIS DU PREEZ

Group CEO





3. SHAREHOLDER Q&A (discussion item)

MOIRA MOSES





4. ANNUAL REPORTING 2019

MOIRA MOSES



4. Annual Reporting 2019

4.1	2019 Annual Report (discussion item)	Moira Moses
4.2	Remuneration Report (voting item)	Moira Moses
4.3	Dutch Corporate Governance Code (discussion item)	Moira Moses
4.4	Policy on profits and reserves (discussion item)	Theodore de Klerk
4.5	Adoption of the 2019 Financial Statements (voting item)	Alex Watson



4. ANNUAL REPORTING 2019 – Questions

MOIRA MOSES





5. REMUNERATION

HUGO NELSON



5. Remuneration

5.1	Remuneration Policy – Managing Directors (voting item)	Hugo Nelson
5.2	Remuneration Policy – Supervisory Directors (voting item)	Hugo Nelson
5.3	Supervisory Directors' remuneration (voting item)	Hugo Nelson



5. REMUNERATION – Questions

MOIRA MOSES





6. ARTICLES OF ASSOCIATION (voting item)

PETER WAKKIE





6. ARTICLES OF ASSOCIATION – Questions

MOIRA MOSES





7. CAPITAL REDUCTION (voting item)

THEODORE DE KLERK





7. CAPITAL REDUCTION – Questions

MOIRA MOSES





8. AUTHORITY TO ACQUIRE SHARES (voting item)

THEODORE DE KLERK





8. AUTHORITY TO BUY SHARES – Questions

MOIRA MOSES





9. APPOINTMENT OF STATUTORY AUDIT FIRM (voting item)

ALEX WATSON





9. APPOINTMENT OF STATUTORY AUDIT FIRM – Questions

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10. ANY OTHER BUSINESS

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10. ANY OTHER BUSINESS – Questions

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11. CLOSING

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