



Steinhoff International Holdings Proprietary Limited

S155 PROJECTED FINANCIAL STATEMENTS

for the 3 years ending 31 January 2024

Prepared and issued on: 13 February 2021

STEINHOFF INTERNATIONAL HOLDINGS PROPRIETARY LIMITED
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GLOSSARY

SIHPL	Steinhoff International Holdings Proprietary Limited
SIST	Steinhoff International Share Trust
SAH	Steinhoff Africa Holdings Proprietary Limited
SINVH	Steinhoff Investment Holdings Limited
Steinhoff N.V.	Steinhoff International Holdings N.V.
SFHG	Steinhoff Finance Holdings GmbH
Pepkor Africa	Pepkor Holdings Limited
Titan	Titan Premier Investment Proprietary Limited
Newco 2A	Steenbok Newco 2A Limited

EXCHANGE RATES USED

	Average annual rate	Spot rate
30 September 2020	18.1836	19.7092
30 September 2021	19.8900	19.8900
30 September 2022	20.2300	20.2300
30 September 2023	19.8600	19.8600
31 December 2023	19.8600	19.8600

1. Litigation settlement proposal

On 27 July 2020, Steinhoff International Holdings N.V., the ultimate holding company, and SIHPL, the former ultimate holding company, announced the terms of a proposed settlement to conclude the majority of the ongoing and disputed legal claims and pending litigation proceedings arising from the legacy accounting issues first announced in December 2017. The settlement is subject to financial creditor and regulatory consents, as well as support from eligible claimants, and is subject to final implementation.

In terms of the litigation settlement proposal, SIHPL is expected to pay a portion in cash to the amount of c.R4.288 billion and a portion in Pepkor Africa shares to the amount of R5 095 billion. These amounts are subject to change based on the ZAR:EUR exchange rate and Pepkor Africa share price. The exchange rate used in the determination of these amounts was R19.46 and Pepkor Africa share price R15.00.

For purposes of the projected financial statements, it has been assumed that the settlement effective date will be 31 March 2021 at the above mentioned rates and amounts.

The cash settlement amount will be funded via the repayment of intercompany loans receivable from SAH and SINVH.

2. Steenbok Newco 2A Limited loan receivable

SIHPL has a euro denominated loan receivable from Steenbok Newco 2A Limited to the amount of R25.3 billion (capital and accrued interest). The capital amount has however been impaired and based on IFRS 15, no interest should be recognised for accounting purposes. Therefore, no interest has been recognised in the financial statements of SIHPL and the capital amount has been impaired.

3. Acquisition of Titan loan receivable by SIHPL

Subsequent to the aborted Shoprite transaction following the events of December 2017, a settlement was concluded in early 2018, pursuant to which Titan owed SFHG an amount of EUR 200m plus interest ("Titan Loan"). In accordance with the 2019 financial restructuring arrangements, the Titan Loan was transferred from SFHG to Newco 2A.

Immediately prior to, or immediately following, the purchase of the Titan Loan, the Titan Loan will be amended to include the following terms:

- R3.4 billion principal outstanding;
- coupon payable of 5.04% PIK per annum
- repayment date of 5 years plus one day from the Settlement Effective Date and voluntarily repayable without penalty at any time; and
- secured in favour of SIHPL on terms satisfactory to SIHPL.

Conditional upon and subject to the occurrence of the Settlement Effective Date, SIHPL will acquire the Titan Loan from Newco 2A for an amount to be determined subject to an agreed mechanism linked to the prevailing EUR-ZAR exchange rate upon Settlement Effective Date. Payment of the consideration will be deferred resulting in an amount owed by SIHPL to Newco 2A ("Newco 2A Loan Note"), including the following terms:

- zero coupon;
- repayment date: final maturity date of 6 months after the date of the Titan Loan final maturity;
- quarterly cash sweep at SIHPL and across the South African sub-group;
- first ranking security over SIHPL's assets, subject to arrangements in respect of Non-Qualifying Claims finally determined or agreed by SIHPL; and
- limited recourse to the available assets of SIHPL and a solvent winding up of SIHPL

For purposes of the projected financial statements, it has been assumed that the settlement will occur in March 2021 and therefore the loans have been recognised as at 31 March 2021.

4. Steinhoff N.V. loan note

In consideration of the settlement by Steinhoff N.V. of SIHPL market purchase claims, SIHPL will issue a loan Note to Steinhoff N.V. ("Steinhoff N.V. Loan Note") of not more than €100 million, including the following terms:

- zero coupon;
- repayment date: final maturity date of 6 months after the date of the Titan Loan final maturity;
- quarterly cash sweep at SIHPL and across the South African sub-group;
- second ranking security over SIHPL assets, subject to arrangements in respect of Non-Qualifying Claims finally determined or agreed by SIHPL; and
- limited recourse to the available assets of SIHPL.

For purposes of the projected financial statements, it has been assumed that the settlement will occur in March 2021 and therefore the Steinhoff N.V. loan note has been recognised as at 31 March 2021.

5. Advisory fees

Annual advisor fees of R20 million has been budgeted for September 2021 with an annual 6.9% increase for the following two years.

6. Extension of debt maturity

As part of project Universe, the SIHPL creditors will be asked to an extension of the payment date under the SIHPL CPU date which is approximately 5 years, 6 months and 1 day from the implementation of the project Universe settlement. In exchange for this extension, SIHPL will grant third-ranking security over all of its assets (which are primarily intercompany receivables in South Africa).

7. Margin lenders non-qualifying claims settlement

- €61 million will be settled 50% in cash and 50% in Pepkor Africa shares at R15 basis per share on the same effective date as the Global Settlement.
- Settlement to be funded by SIHPL utilising the loan receivable from SAH who will make payment on SIHPL's behalf, resulting in a reduction of SAH loan payable to SIHPL.
- This settlement value will be cash neutral for SIHPL as it will reduce the funds available to pay against the SIHPL CPU. The payment represents an additional profit or loss impact as it is not included in the current litigation provision.
- The Steinhoff N.V. loan note will not be adjusted.
- Adjustments being made to the existing funds flow balances, with the result that the balance of the SINVH intercompany that would otherwise have been owing after payment of the SIHPL contractual claims following the settlement effective date will reduce by the ZAR equivalent of the additional settlement consideration.

STEINHOFF INTERNATIONAL HOLDINGS PROPRIETARY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3 YEARS ENDING 31 JANUARY 2024

		4 Months ended 31 January 2024	12 Months ended 30 September 2023	12 Months ended 30 September 2022	12 Months ended 30 September 2021	12 Months ended 30 September 2020
		Projected Management Statements				Actual
Notes		R'000	R'000	R'000	R'000	R'000
Interest income	1	64 034	187 565	178 711	88 730	4 660
Other income	2	-	-	-	-	16 602
Net foreign exchange gain/(loss) on financial instruments		-	697 931	(3 131 861)	2 204 619	(4 983 477)
Legal settlement provision		-	-	-	(1 109 230)	(9 379 000)
Recognition of Steinhoff N.V. loan note		-	-	-	(1 989 000)	-
Loss on acquisition of Titan loan		-	-	-	(677 450)	-
Administrative expenses	3	(10 567)	(35 653)	(33 555)	(88 752)	(135 793)
Operating (loss)/profit for the period before finance cost and tax		53 467	849 843	(2 986 705)	(1 571 083)	(14 477 008)
Finance costs		-	-	-	-	-
Operating (loss)/profit for the period before tax		53 467	849 843	(2 986 705)	(1 571 083)	(14 477 008)
Taxation		-	-	-	-	921
(Loss)/profit for the period		53 467	849 843	(2 986 705)	(1 571 083)	(14 476 087)
Other comprehensive income/(loss)		-	-	-	-	-
Total comprehensive income/(loss) for the year		53 467	849 843	(2 986 705)	(1 571 083)	(14 476 087)

NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		4 Months ended 31 January 2024	12 Months ended 30 September 2023	12 Months ended 30 September 2022	12 Months ended 30 September 2021	12 Months ended 30 September 2020
		Projected Management Statements				Actual
Notes		R'000	R'000	R'000	R'000	R'000

1. Interest income

Interest on bank accounts	1 011	3 033	3 033	3 050	4 055
South African Revenue Services	-	-	-	-	605
Titan Premier Investment Proprietary Limited	63 023	184 532	175 678	85 680	-
Steenbok Newco 2A Limited	653 348	1 960 045	1 960 045	2 057 242	1 951 644
Steenbok Newco 2A Limited - Interest reversal	(653 348)	(1 960 045)	(1 960 045)	(2 057 242)	(1 951 644)
	64 034	187 565	178 711	88 730	4 660

2. Other income

Loan correction	-	-	-	-	13 510
Unclaimed dividends forfeited	-	-	-	-	3 092
	-	-	-	-	16 602

3. Net foreign exchange gain/(loss) on financial instruments

SIHPL CPU	-	585 081	(3 028 161)	2 204 619	(4 983 477)
Steenbok Newco 2A Limited loan note	-	75 850	(69 700)	-	-
Steinhoff N.V. loan note	-	37 000	(34 000)	-	-
	-	697 931	(3 131 861)	2 204 619	(4 983 477)

4. Administrative expenses

Company Advisory Fees	7 618	22 855	21 749	78 911	124 112
Non-Executives Fees	-	3 426	3 474	2 749	3 224
Audit fees	-	527	493	543	3 195
Directors and officers insurance	2 934	8 801	7 795	6 504	5 203
Other administrative expenses	15	44	44	45	59
	10 567	35 653	33 555	88 752	135 793

STEINHOFF INTERNATIONAL HOLDINGS PROPRIETARY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2024

	Notes	31 January	30 September	30 September	30 September	30 September
		2024	2023	2022	2021	2020
		Projected Management Statements				Actual
		R'000	R'000	R'000	R'000	R'000
ASSETS						
Non-current assets						
Related party loans receivable	1.	8 928 046	8 937 601	8 881 289	9 372 091	10 231 221
Other financial assets	2.	3 908 914	3 845 891	3 661 358	3 485 680	654
		12 836 960	12 783 492	12 542 647	12 857 771	10 231 875
Current assets						
Cash and cash equivalents		70 215	70 215	70 215	70 215	84 635
Tax receivable		1 236	1 236	1 236	1 236	1 638
Related party loans receivable	1.	4 803 062	4 803 062	4 891 994	4 431 714	14 136 936
		4 874 513	4 874 513	4 963 445	4 503 165	14 223 209
Total assets		17 711 473	17 658 005	17 506 092	17 360 936	24 455 084
EQUITY AND LIABILITIES						
Capital and reserves						
Ordinary stated share capital		53 318 304	53 318 304	53 318 304	53 318 304	53 318 304
Fair value reserve		-	-	-	-	(1 336)
Accumulated loss		(73 169 760)	(73 223 228)	(74 073 072)	(71 086 368)	(69 513 995)
Total equity		(19 851 456)	(19 904 924)	(20 754 768)	(17 768 064)	(16 197 027)
Non-current liabilities						
Borrowings	3.	26 631 116	26 631 116	27 127 265	24 559 385	26 428 902
Related party loans payable	4.	6 057 300	6 057 300	6 170 150	6 066 450	-
		32 688 416	32 688 416	33 297 415	30 625 835	26 428 902
Current liabilities						
Trade and other payables		-	-	-	-	5 942
Related party trade payables	5.	38 171	38 171	38 171	38 171	38 171
Related party loans payable	4.	62 840	62 840	62 840	62 840	62 840
Borrowings	3.	4 773 502	4 773 502	4 862 434	4 402 154	4 737 256
Litigation settlement proposal provision		-	-	-	-	9 379 000
		4 874 513	4 874 513	4 963 445	4 503 165	14 223 209
Total equity and liabilities		17 711 473	17 658 005	17 506 092	17 360 936	24 455 084

STEINHOFF INTERNATIONAL HOLDINGS PROPRIETARY LIMITED
NOTES TO THE STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2024

	31 January 2024	30 September 2023	30 September 2022	30 September 2021	30 September 2020
	Projected Management Statements				Actual
	R'000	R'000	R'000	R'000	R'000
1. Related party loans receivable					
Steenbok Newco 2A Limited	19 600 448	19 600 448	19 600 448	19 600 448	21 092 479
Steenbok Newco 2A Limited - impairment	(19 600 448)	(19 600 448)	(19 600 448)	(19 600 448)	(21 092 479)
Steinhoff Africa Holdings Proprietary Limited	-	-	-	-	6 620 473
Steinhoff Investments Holdings Limited	13 731 108	13 740 663	13 773 283	13 803 805	17 747 684
Steinhoff International Share Trust	20 197	20 197	20 197	20 197	20 197
Steinhoff International Share Trust - impairment	(20 197)	(20 197)	(20 197)	(20 197)	(20 197)
	13 731 108	13 740 663	13 773 283	13 803 805	24 368 157
Non-current asset	8 928 046	8 937 601	8 881 289	9 372 091	10 231 221
Current asset	4 803 062	4 803 062	4 891 994	4 431 714	14 136 936
	13 731 108	13 740 663	13 773 283	13 803 805	24 368 157
2. Other Financial assets					
Listed Investments-Steinhoff N.V.	-	-	-	-	654
Titan Premier Investment Proprietary Limited	3 908 914	3 845 891	3 661 358	3 485 680	-
	3 908 914	3 845 891	3 661 358	3 485 680	654
Refer to significant assumption 3 for the Titan loan terms.					
3. Borrowings					
SIHPL CPU	31 404 618	31 404 618	31 989 699	28 961 539	31 166 158
Initial recognition	25 986 610	25 986 610	25 986 610	25 986 610	25 986 610
Forex movement	5 418 008	5 418 008	6 003 089	2 974 929	5 179 548
Non-current liability	26 631 116	26 631 116	27 127 265	24 559 385	26 428 902
Current liability	4 773 502	4 773 502	4 862 434	4 402 154	4 737 256
	31 404 618	31 404 618	31 989 699	28 961 539	31 166 158
4. Related party loans payable					
Steenbok Newco 2A Limited loan note	4 071 300	4 071 300	4 147 150	4 077 450	-
Steinhoff N.V. loan note	1 986 000	1 986 000	2 023 000	1 989 000	-
Steinhoff N.V.	62 840	62 840	62 840	62 840	62 840
	6 120 140	6 120 140	6 232 990	6 129 290	62 840
Non-current liability	6 057 300	6 057 300	6 170 150	6 066 450	-
Current liability	62 840	62 840	62 840	62 840	62 840
	6 120 140	6 120 140	6 232 990	6 129 290	62 840
Refer to significant assumption 3 for the Steenbok Newco 2A loan terms and significant assumption 4 for the Steinhoff N.V. loan note terms.					
5. Related party trade payables					
Steinhoff At Work Proprietary Limited	38 171	38 171	38 171	38 171	38 171
6. Funds available for payment of CPU					
Total assets	17 711 473	17 658 005	17 506 092	17 360 936	24 455 084
Total liabilities excluding CPU	(6 158 311)	(6 158 311)	(6 271 161)	(6 167 461)	(9 485 953)
Maximum amount payable for CPU	11 553 162	11 499 694	11 234 931	11 193 475	14 969 131
CPU	(31 404 618)	(31 404 618)	(31 989 699)	(28 961 539)	(31 166 158)
Shortfall (equals negative equity)	(19 851 456)	(19 904 924)	(20 754 768)	(17 768 064)	(16 197 027)

The CPU is a limited recourse liability and SIHPL's payments thereunder will thus be limited to the maximum amount payable shown in this note 6. No other Steinhoff Group entity has an obligation to contribute in any manner towards this shortfall.

STEINHOFF INTERNATIONAL HOLDINGS PROPRIETARY LIMITED
 PROJECTED CASH FLOW
 FOR THE 3 YEARS ENDING 31 JANUARY 2024

	4 Months ended 31 January 2024	12 Months ended 30 September 2023	12 Months ended 30 September 2022	12 Months ended 30 September 2021	12 Months ended 30 September 2020
	Projected Management Statements				Actual
	R'000	R'000	R'000	R'000	R'000
Opening balance	70 215	70 215	70 215	84 635	72 680
Cash receipts					
Interest received on bank accounts	1 011	3 033	3 033	3 050	4 055
Intercompany loan: Steinhoff Africa Holdings Proprietary Limited	-	-	-	4 346 900	96 900
Intercompany loan: Steinhoff Investment Holdings Limited	9 556	32 620	30 522	20 872	1 500
Proceeds on sale of Steinhoff N.V. Shares	-	-	-	699	-
Tax refunds	-	-	-	402	23 807
Other receipts	-	-	-	-	151
Total cash receipts	10 567	35 653	33 555	4 371 923	126 413
Cash payments					
Advisory fees	(7 618)	(22 855)	(21 749)	(13 678)	-
Werksmans Attorneys	-	-	-	(4 270)	(4 822)
Linklaters	-	-	-	(61 715)	(83 286)
Moelis & Company	-	-	-	(3 800)	(10 358)
External audit fees - Mazars	-	(527)	(493)	(568)	(582)
Non-executive fees - DI Pauker	-	(2 979)	(3 021)	(3 262)	(3 001)
Corporate law alliance	-	-	-	(139)	(132)
Deloitte & Touche	-	-	-	-	(2 588)
Legal expenses	-	-	-	-	(2 245)
Penalties paid	-	-	-	-	(9)
Value added tax	-	(447)	(453)	(319)	(93)
Bank charges	(15)	(44)	(44)	(45)	(48)
Directors and officers insurance	(2 934)	(8 801)	(7 795)	(6 897)	(5 203)
Settlement of litigation	-	-	-	(4 288 000)	-
Intercompany loan: Steinhoff Africa Holdings Proprietary Limited	-	-	-	(3 650)	(850)
Provisional tax paid	-	-	-	-	(1 238)
Other operating costs	-	-	-	-	(3)
Total cash payments	(10 567)	(35 653)	(33 555)	(4 386 343)	(114 458)
Closing balance	70 215	70 215	70 215	70 215	84 635