

SdK e.V. - Hackenstraße 7b - 80331 München

Steinhoff International Holdings N.V.
Herrn Louis du Preez
Herrn Theodore de Klerk

investors@steinhoffinternational.com

Munich, 07. February 2023

Restructuring proposal according to the publication of 15th of December 2022

Dear Mr. du Preez,
Dear Mr. de Klerk,

SdK Schutzgemeinschaft der Kapitalanleger e.V. is an investor protection organization with approximately 8,200 members. We represent the specific interests of approximately 190,000 investors which transfer their voting rights to SdK at approximately 450 annual general meetings each year.

In recent weeks, we have been contacted by numerous members and investors who are shareholders of Steinhoff International Holdings N.V.. We intend to represent them at the upcoming Annual General Meeting of the Company. Thus, we have intensively dealt with the published restructuring proposal of the company dated December 15, 2022. In our view, this proposal raises numerous questions and we have strong doubts whether the interests of the shareholders have been adequately taken into account.

Since 2017, the company has consistently communicated its intention to reduce its debt in the long run by selling valuable investments, and consequently reducing the interest payments and achieving a financially sustainable level of debt. By the end of the 2020/21 financial year, this approach also appeared to be successful, with a positive equity of EUR 121 million in the separate financial statements for the first time since the accounting scandal became public. In mid-2022, the company continued to communicate its intention to stick to this path trying to extend the maturity date of its financial debt beyond June 30, 2023.

Against this background, the restructuring proposal of December 15, 2022 came as a great surprise in our view. From our point of view, this does not represent a proposal acceptable for the owners. The main critical points are as follows:

- 1) An extension of the maturity date of the debt gives the company more time to repay these liabilities. However, since the interest rate will remain nearly

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unchanged, the restructuring proposal will not lead to any balance sheet restructuring. Thus, a future increase in the value of the company's existing assets is required that is higher than the average return on equity of comparable companies.

- 2) It is not clear to us, why the value of the shareholders' equity should currently be zero. If all the company's shareholdings are valued at a for sale level, it does not seem unlikely to us that the three major shareholdings in the Pepco Group, Pepkor and Mattress Firm alone already exceed the accrued financial debt. In our view, however, this would require the sale of all shares of at least one of the three major companies as part of a long-term strategy in order to reduce financial debt to a sustainable level. In this context, it is regrettable that the IPO plans of Mattress Firm have been canceled.
- 3) The future structure of ownership rights envisaged in the reorganization plan is not acceptable under any circumstances. The current shareholders, irrespective of the percentage they will hold in a future company, require tradable shares. Furthermore, all shares must also carry voting rights.

We therefore ask you to publish further details of the restructuring plan as soon as possible so that we can examine them before the Annual General Meeting. We already have numerous questions, which we have attached. We will also make this letter and the questions public, and ask you to answer the questions publicly in advance of the Annual General Meeting. In our view, this is necessary so that shareholders can consider the appropriateness of the restructuring plan in advance. A decision on the approval of such a significant reorganization plan in such a complex matter cannot be made in a few days or even within an Annual General Meeting. This requires a sufficient period of time to consider the proposals.

Please do not hesitate to contact me if you have any questions.

Yours sincerely



Daniel Bauer
CEO