Conforama

Financing Presentation Materials
15 April 2019

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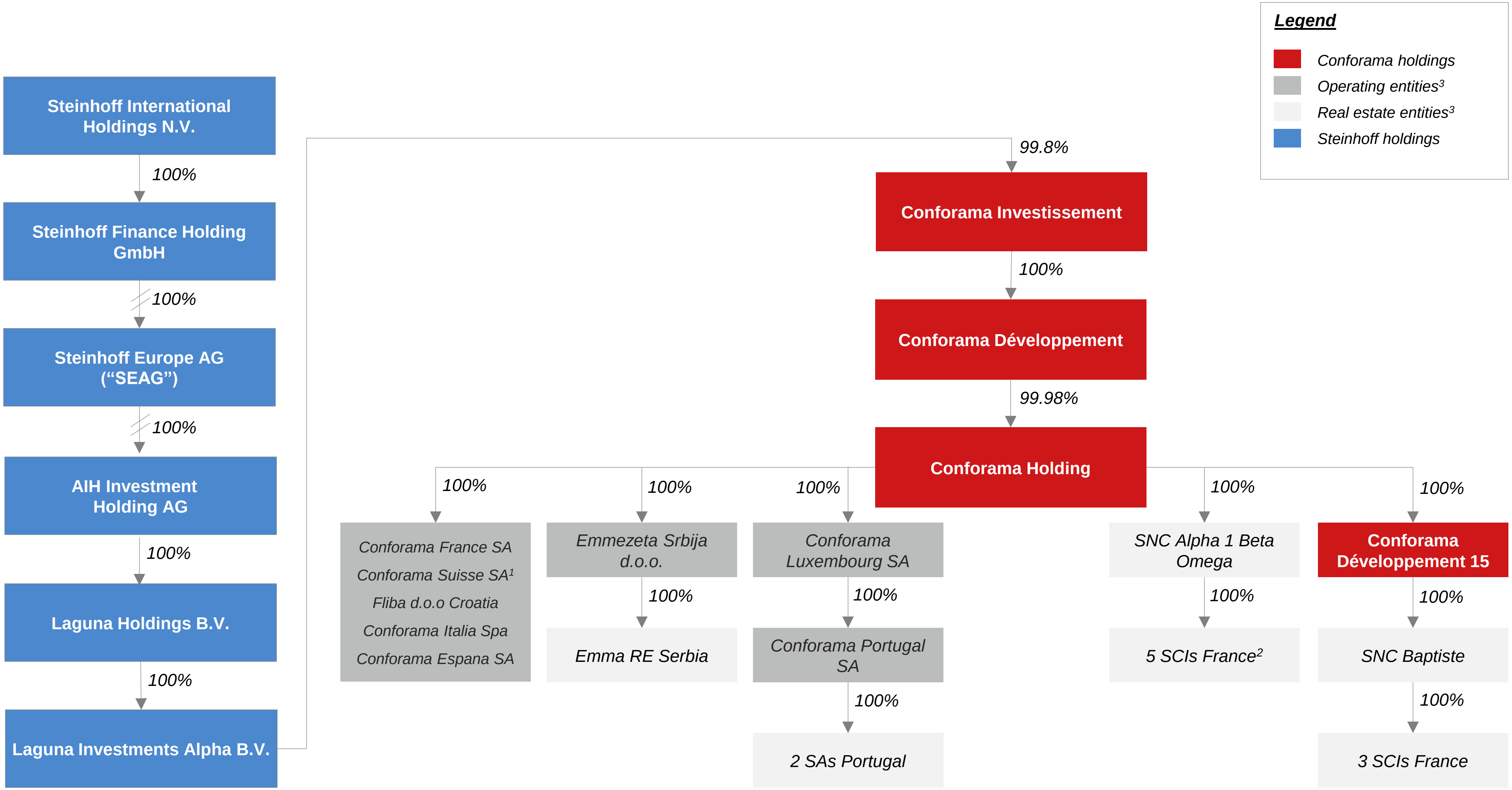
Introduction: Conforama within the Steinhoff Group



Indicates indirect holding through subsidiaries

1. Tikehau debt = €60m, security package: guarantee of Conforama Holding, pledge over intragroup receivables and 1st rank mortgage over real estate.
2. Tikehau debt = €55m, security package: guarantee of Conforama Holding, pledge over intragroup receivables, pledge over the shares of 5 SCIs and conciliation privilege.
3. Subsidiaries pledged to financing.

Introduction – New Money Financing (1/2)

- By a ruling rendered on 11 April 2019, the French Commercial Court of Meaux has approved the Conciliation agreement entered into between amongst other Conforama Développement, Conforama Investissement, Conforama Holding SA ("Conforama" or "the Company"), SNC Alpha 1 Beta Omega, Conforama Suisse and their creditors on 3 April 2019, as part of a French law conciliation process which provided the framework for the negotiation of the refinancing of Conforama (the "Ruling").
  - The issuance of this Ruling will allow Conforama to proceed to implement its financial restructuring.
- The Company has raised a total nominal value of circa €316m New Money financing[1] to ensure the stability of its capital structure and operations
  - New Money raised and funded by eligible parties as per principles of the Lock-up Agreement dated 11 July 2018 entered into by Steinhoff International Holdings NV, Steinhoff Europe AG ("SEAG"), Steinhoff Finance Holding GmbH and Stripes US Holding Incorporated and certain creditors
- Key terms of the New Money financing include:
  - ***Quantum:*** Total cash amount of €301m (including undrawn and conditional commitments)
  - ***Tenor:*** 4 years
  - ***Interest:*** 3 month Euribor+10% cash (possibly 3 month Euribor+12% PIK at the election of the company under certain circumstances)
  - ***Fees:*** 2.50% Backstop fee, 97.5 Original Issuer Discount, 6% commitment fees on undrawn committed amounts
  - ***Warrants:*** Issue of warrants in an amount equal to 49.9%. of the issued share capital of Conforama Holding SA to the New Money providers, which confer enhanced governance rights by way of certain reserved matters and provide the right for New Money providers to appoint two independent directors to the board of Conforama Holding. The warrant issuance date is subject to certain milestones, but ultimately 31 December 2019 or in event of a sale before that date
  - ***Premium Amount:*** Call protection of 10 per cent. on any repayments or prepayments for the first 3 years together with interest which may accrue up to the end of year 2. Call protection of 5 per cent. shall apply from year 3 onwards. Call protection shall be 6 per cent. with respect to any disposal of the Iberian business initiated at the request of the majority New Money providers
  - **Security package**, notably consisting of:
    - French Fiducie security[2] over the issued share capital of and intergroup loans from key holding and operating entities (including SNC Alpha 1 Beta Omega) and Golden Shares[3] in fiducie for the benefit of the New Money providers issued by key entities of the Conforama group
    - First priority security over the real estate properties of Fliba d.o.o (Croatia)
  - **Iberia conversion:** New Money providers benefit from a right to credit bid their claim for the share capital of the entities owning the Iberian operations of the Conforama group at fair market value

1. *Including undrawn and conditional commitments. Funds available on closing date, expected to be 15 April 2019*
2. *French fiducies are property-based security, i.e. the asset transferred in fiducie is immediately removed from the estate of the settlor to be held in trust by a trustee (fiduciaire) for the benefit of the beneficiaries (in the case at hand, the relevant settlor or the New Money financing creditors).*
3. *Mechanism that would see incremental governance rights for the new money providers upon (i) the acceleration of any amount outstanding under the New Money financing or (ii) the opening of pre-insolvency or insolvency proceedings of Conforama France, Conforama Holding, Conforama Développement or Conforama Investissement*

Introduction – New Money Financing (2/2)

- Treatment of other existing creditors and financing providers to Conforama:
  - €50m in SEAG bridge financing provided to Conforama entities will be repaid in full in cash at closing of the New Money financing from proceeds of the New Money
  - Existing €115m Tikehau ("TKO") financing to remain in place with its maturity extended co-terminus with the New Money, while retaining its existing security package:
    - Conforama Suisse SA issued loan: €60m financing and security package notably consisting of guarantee of Conforama Holding, pledge over intragroup receivables and 1st rank mortgage over real estate;
    - SNC Alpha 1 Beta Omega issued loan: €55m financing and security package notably consisting of guarantee of Conforama Holding, pledge over intragroup receivables, pledge over the shares of 5 SCIs and conciliation privilege
  - Other finance providers, including trade credit insurers and factoring providers, of Conforama will maintain their existing exposures
    - Existing short-term credit providers which will remain in place in consideration for the granting of an inventory pledge

Conforama Summary Balance Sheet and Net Debt as of 31 December 2018

Balance sheet (in €m)	Dec-18
Goodwill	-
Intangible assets	550.6
Tangible assets	928.6
Financial assets	29.6
Fixed assets	**1,508.8**
Inventories	589.3
Trade receivables	(51.7)
Trade payables	(616.4)
Trade WCR	**(78.8)**
Other receivables	185.3
Other payables	(286.3)
Non-trade WCR	**(101.0)**
WCR	**(179.7)**
Provisions	**(83.8)**
Deferred tax	**(103.0)**
Discontinued activities	**(0.6)**
Net cash	50.6
Long term debt	(118.1)
Short term debt	(38.7)
Intercompany debt to SEAG entities	(1,613.2)
Net financial debt	**(1,719.4)**
Equity	**(577.8)**

Net Debt (in €m)	Dec-18
Cash and Cash Equivalents	86.4
Overdraft	(35.8)
Net Cash	**50.6**
Tikehau Financing	(115.0)
Lease Financing	(3.1)
Long Term Debt	**(118.1)**
SEAG Bridge[1]	(30.0)
Other[2]	(8.7)
Short Term Debt	**(38.7)**
External Net Debt	**(106.2)**
Intercompany Debt to SEAG Entities	**(1,613.2)**
IFRS Indebtedness	**(1,719.4)**

1. €20m additional SEAG bridge in February 2019
2. Other mainly includes Switzerland pension and Tikehau accrued interests

Source: *Unaudited consolidated management accounts at Conforama Investissement SNC level*
Notes: *There are no consolidated accounts within the Conforama Group as Conforama entities are consolidated at the level of Steinhoff International Holdings N.V.*
FY17-FY18 figures are still subject to audit in course of finalization

Conforama Financing Facilities as of 31 December 18

Financing Facilities (in €m)		Facility Limit Dec-18	Amount Drawn Dec-18
France	Net debt	43.0	(34.3)
Switzerland	Net debt	10.0	(1.5)
Balkans	Net debt	5.3	0.0
Overdraft Facility		**58.3**	**(35.8)**
Tikehau Financing	Net debt	115.0	(115.0)
SEAG Bridge[1]	Net debt	50.0	(30.0)
Financing Facilities Included in Net Debt		**223.3**	**(180.8)**
LCs and Sourcing Financing	Suppliers	113.5	(105.2)
Reverse Factoring France	Suppliers	25.0	(22.1)
Other Financing Facilities[2]		**138.5**	**(127.3)**
Total		**361.8**	**(308.1)**

1. €20m additional SEAG bridge in February 2019
2. Working capital facilities

- Conforama benefits from several external financing facilities, both short-term and mid-term.

Short-term Financing (Dec-18)

- Conforama has significant available liquidity mainly through its overdraft capacity (€58.3m) and the cash in bank.
- Other short-term facilities mainly relate to (i) the LCs and sourcing financing, whose total capacity amounts to USD130m (€113.5m) plus €0.3m and (ii) the reverse factoring line of Conforama France (total capacity of €25m).

Mid-term Financing

- Fully drawn Tikehau loan that was issued in early 2018.
- It represents €115m of which:
  - €55m issued by SNC Alpha 1 Beta Omega;
  - €60m issued by Conforama Suisse SA.

Source: Unaudited consolidated management accounts at Conforama Investissement SNC level
Notes: There are no consolidated accounts within the Conforama Group as Conforama entities are consolidated at the level of Steinhoff International Holdings N.V.
FY17-FY18 figures are still subject to audit in course of finalization

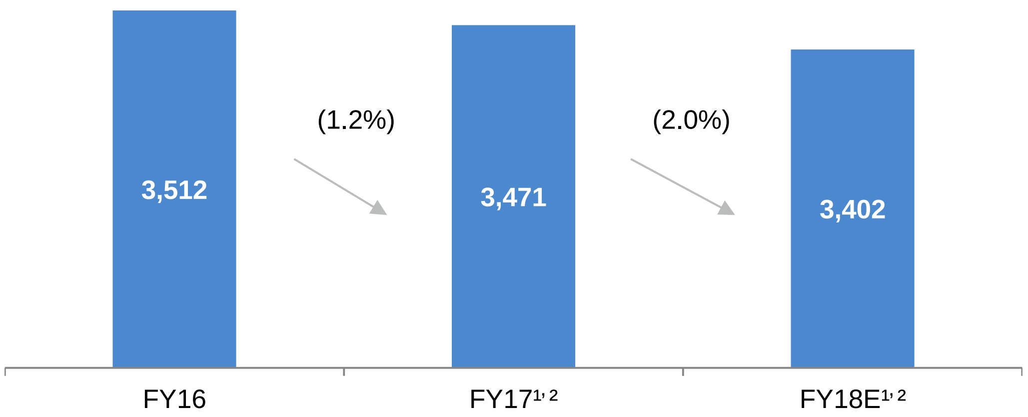
Real Estate Valuation – Overview

	Market Value (€m)	Vacant Possession Value (€m)
France Propcos (SNC Alpha 1 Beta Omega)	155	101
Adour	16	10
Conforama France	478	297
3 SCIs France (Conforama Developpement 15)	14	8
Iberia	125	115
Switzerland	117	67
Balkans (Fliba d.o.o.)	46	37
Italy	67	32
Total	**1,018**	**667**

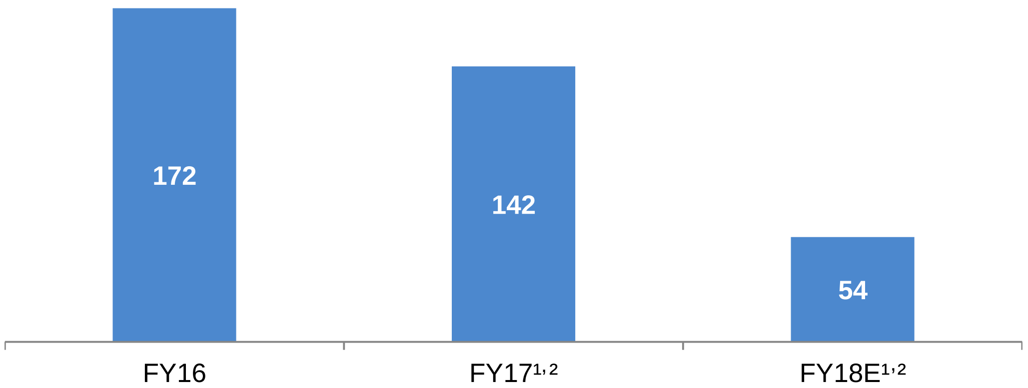
Source: Real estate valuations performed by independent third-party

Business Update – Overview

Revenue (€m)



Reported (IFRS) EBITDA (€m)



Source: Unaudited consolidated management accounts at Conforama Investissement SNC level

Notes:

1. *FY17-FY18 figures are still subject to audit in course of finalization*
2. *FY18 EBITDA excludes advisory costs following the Steinhoff Group announcement on 6 December 2017*

Conforama Performance

- Conforama's revenue has eroded between FY16 and FY18 while operating expenses have increased driven by store opening plans, new marketing campaigns and numerous projects initiated before the Steinhoff Group's announcements on 6-Dec-17
- Revenue has significantly deteriorated over the FY17—FY18 period (-4% on like-for-like) mainly driven by:
  - Lower revenue contribution from France operations, linked to overall strong decrease of market;
  - The effect of the Steinhoff Group distress in early 2018, especially the loss of credit insurance resulting in lack of product availability;
  - Negative contribution from new business initiatives launched in France in 2017;
  - Underperformance in Italy and lower contribution of Switzerland in FY18 are both driven by difficult market environment.
- As of end of January 2019, Conforama operates through a network of :
  - 313 stores of which 212 in France and 101 internationally;
  - 22 affiliates of which 14 Mon Lit Et Moi, 3 in France and 5 in French Overseas Departments and Territories.

Business Plan Overview

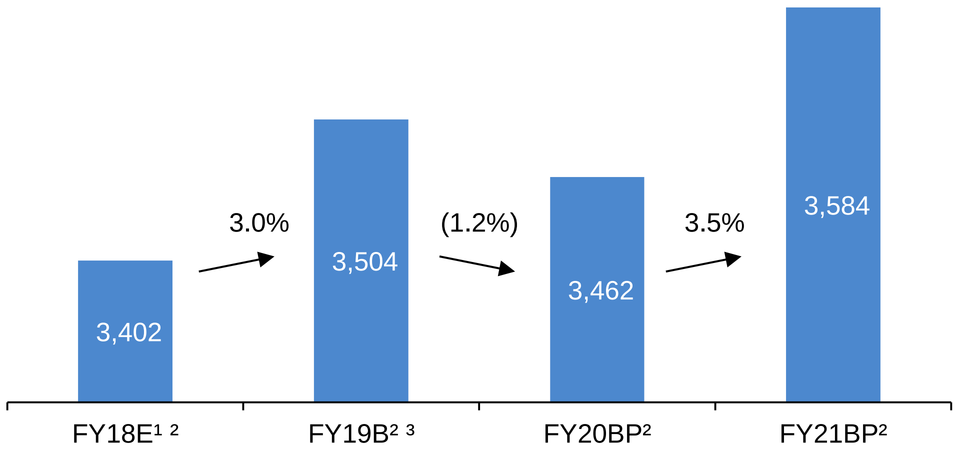
- **Five different growth** levers have been integrated into the business plan:
  - Offer tactical review;
  - Optimize promotion and pricing;
  - Optimize in-store sales;
  - Control local markdown;
  - Develop e-commerce.

- **Efforts on costs** have been identified to reach a cost structure in line with the size and the complexity of Conforama business in France:
  - Rationalization of suppliers portfolio and professionalization of purchasing team;
  - Optimization and standardization of store productivity;
  - Centralization and control of indirect procurement.

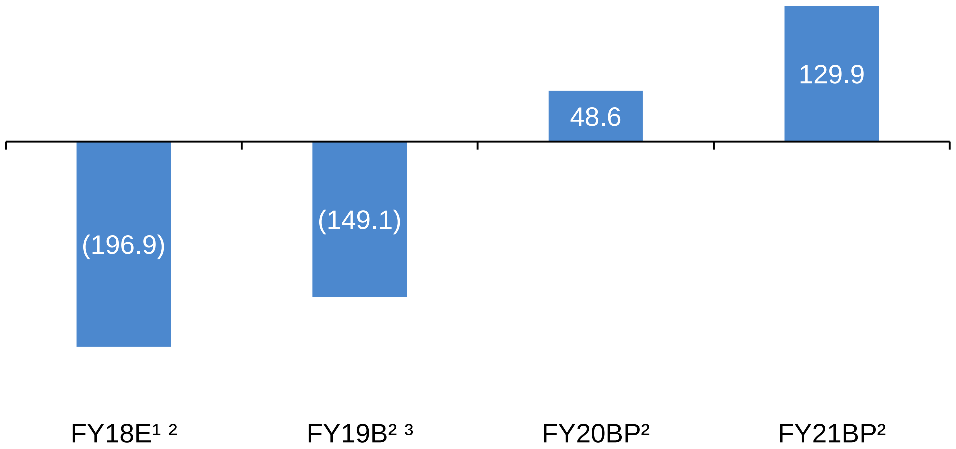
- **Several efforts** to be launched or continued in 2019/20 are strategic to ensure long term business sustainability
  - Strategic positioning, consumer-centric offer and services;
  - Omni channel customer experience and logistics;
  - Store concept and store operating model.

Business Plan – Key Financials

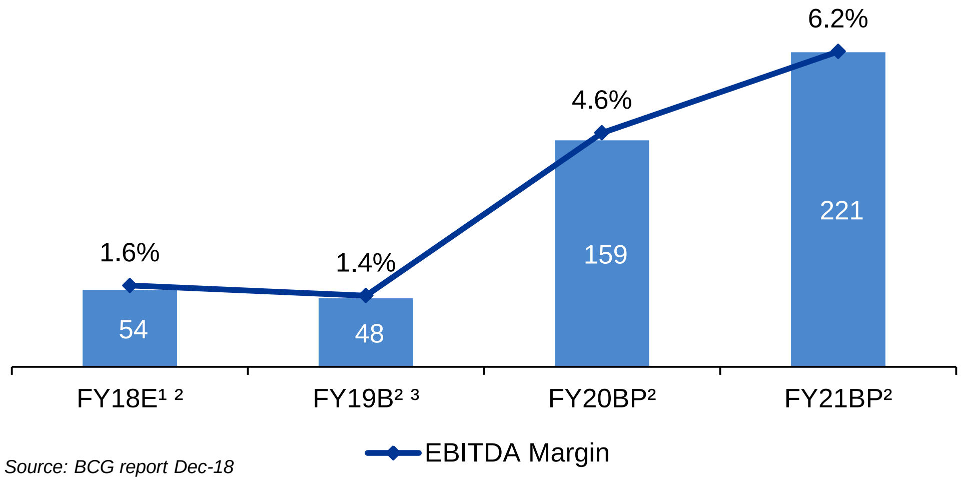
Revenue (€m)



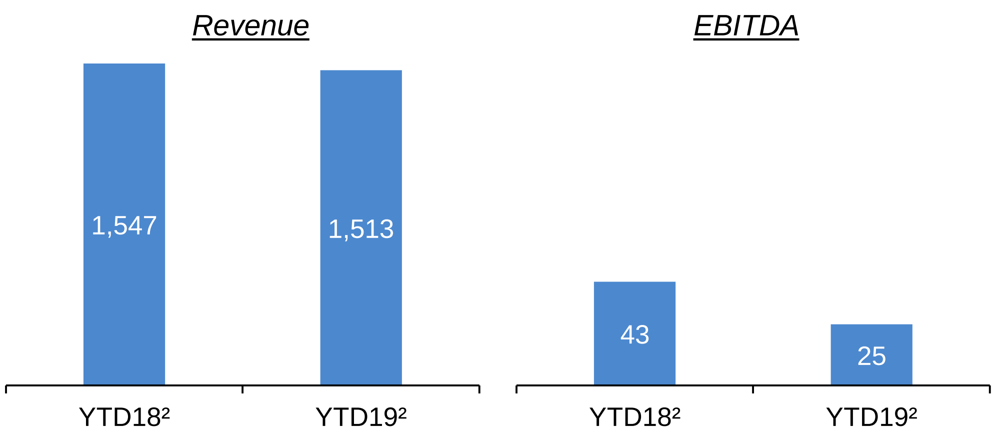
Unlevered Operational Cash Flow After Capex (€m)



Reported (IFRS) EBITDA (€m)



YTD EBITDA at end of February (€m)



- YTD19 performance suffered a negative impact due to *Gilets Jaunes* protests of -€26m on revenue and -€10m on EBITDA.

Source: BCG report Dec-18

Notes:

1. *FY18 figures are still subject to audit in course of finalization.*
2. *FY18-FY21 EBITDA exclude exceptional costs and advisory costs.*
3. *Including actual figures from October 2018 to December 2018.*