
February 2021

Attention: **All Affected Persons of Edcon Limited (in business rescue) (“Edcon”)**

RE: REPORT ON THE PROGRESS OF THE BUSINESS RESCUE PROCEEDINGS OF EDCON

Introduction

1. In terms of section 132(3) of the Companies Act 71 of 2008 (“Act”), if a company’s business rescue proceedings have not ended within three (3) months after the start of those proceedings, or such longer time as the Court, on application by the practitioner, may allow, the practitioner must –
 - 1.1. prepare a report on the progress of the business rescue proceedings, and update it at the end of each subsequent month until the end of those proceedings; and
 - 1.2. deliver the report and each update in the prescribed manner to each affected person, and to the:
 - 1.2.1. Court, if the proceedings have been the subject of a court order; or
 - 1.2.2. Commission (“CIPC”), in any other case.
2. Therefore, as required, this **Update Report** is being delivered by the business rescue practitioners (“BRPs”) in terms of section 132(3) of the Act.
3. Reference is made in this Update Report to the adopted business rescue plan (“Plan”). Any capitalised terms not defined herein shall have the meaning ascribed to same in the Plan. It is therefore important that this Update Report be read in conjunction with the Plan and the previous update reports.

Business Rescue Proceedings

4. Wind-Down Process - Sale of Remaining Assets

4.1. Trademarks

Following the sale of the Edgars and Jet businesses, there are certain trademarks that remain in the name of Edcon. The list of remaining trademarks is available on www.matusonassociates.co.za/edcon or by clicking on the following link [Provisional List of Available Trademarks](#). Should any affected person be, or know of someone who might be, interested in any of the available trademarks, please contact the BRPs at info@edconbr.co.za.

5. Edcon Group and Related Transactions

5.1. Edcon's Subsidiaries in Africa

5.1.1. It is still anticipated that the sale agreement in respect of the Edgars business of Edgars Stores Namibia ("**sale of business agreement**") will become unconditional by 31 March 2021.

5.1.2. The BRPs will update affected persons with any further developments in subsequent update reports.

5.2. Second Look Book ("**SLB**")

5.2.1. The sale agreement in respect of Edgars Stores Namibia's SLB is subject to the sale of business agreement becoming unconditional. As per paragraph 4.1.1 above, the BRPs still anticipate this date to be by 31 March 2021.

5.2.2. The BRPs will update affected persons with any further developments in subsequent update reports.

6. Proof of Claims

6.1. There remains a large number of pre-commencement creditors who have yet to submit their claims, and who are encouraged to do so.

6.2. A claim form, online or manual, is available on www.matusonassociates.co.a/edcon.

6.3. **Please ensure that your vendor number (where available) is clearly highlighted, as this will assist the team with the reconciliation process.**

6.4. To the extent that any claims are disputed, paragraph 39 of the Plan makes provision for a dispute resolution mechanism.

EDGARS | JET

Chief Executive Officer: G M Pattison
Directors: G M Pattison | A R Bisogno
Group Secretary: C M Vikisi

- 6.5. Edcon, together with the BRPs, are reconciling the claims received to date and will communicate with creditors, individually, regarding the status of their claims.

Dividends

7. Subject to the reconciliation and finalisation of all claims, including disputed claims, the BRPs anticipate that the estimated business rescue dividend to concurrent creditors will be in accordance with what has been set out in paragraph 27.2 of the Plan.
8. Due to the high number of claims and the verification, reconciliation and finalisation required in regard to each claim, including the resolution of any disputes and the determination of the concurrent portion of Secured Creditors in respect of any residual Claim remaining after realisation of their security, the BRPs are not in a position to pay a concurrent dividend at this stage. Subject to the finalisation of all claims as aforesaid, the BRPs anticipate that a concurrent dividend will be paid in the second half of 2021.

Conclusion

9. The BRPs will continue implementing the Plan in accordance with their statutory obligations.
10. All relevant notices in respect of the business rescue proceedings of Edcon Limited can be found on www.matusonassociates.co.za/edcon.
11. Please direct any queries to creditors@edconbr.co.za.

Yours faithfully

The BRPs of Edcon

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Edcon Limited Registration No. 2007/003525/06 Credit Provider Number: NCRCP82