
August 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 of Edcon (“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

The BRPs have continued with the realisation of the remaining assets not sold pursuant to the Accelerated Sales Process and the collection of sundry debtors.

5. Landlords

5.1. PCF Claims

5.1.1. The Landlords have been paid approximately R222 million (approximately 70% of their total PCF claims outstanding) to date.

5.1.2. The BRPs will endeavour to complete the reconciliation and payment process relating to the Landlords' PCF Claims as soon as possible.

5.2. Pre-Commencement Claims

Due to the high number and complexity of Landlords' Pre-Commencement Claims, the verification and reconciliation of Landlords' Pre-Commencement Claims is still ongoing.

6. Proof of Claims

6.1. As advised in the previous update report, those Pre-Commencement Creditors who had not yet submitted their Pre-Commencement Claims were afforded until 31 August 2021 to do so.

6.2. Due to the late submission of Claims by certain Creditors and/or delayed responses by Creditors in the Claim reconciliation process, Edcon, together with the BRPs, are still in the process of finalising the reconciliation of the Claims received and will continue to communicate with Creditors, individually, regarding the status of their Claims.

6.3. To date, the BRPs have accepted 1,151 Concurrent Creditors' Claims in the amount of approximately R1.68 billion.

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

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

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

Dividends

7. Subject to the reconciliation and finalisation of Claims, including disputed Claims in accordance with Edcon's records, 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 lodged by Creditors, the BRPs are not in a position to pay a concurrent dividend at this stage.
9. Subject to the reconciliation and finalisation of Claims, the BRPs anticipate that a concurrent dividend will be paid in the second half of 2021.

Conclusion

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

Yours faithfully

The BRPs

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