
October 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. Sale of Remaining Assets

The BRPs are still in the process of selling certain new and used IT equipment comprising *inter alia* servers and switches. Should any affected person be, or know of someone who might be, interested in any of the available IT equipment, please contact the BRPs at info@edconbr.co.za.

5. Landlords

5.1. PCF Claims

The BRPs expect to settle the balance of the Landlord PCF Claims by December 2021.

5.2. Pre-Commencement Claims

The finalisation of Landlords' Pre-Commencement Claims is anticipated to be completed in November 2021. Landlords will be notified of the status of their claims.

6. Proof of Claims

6.1. The Pre-Commencement Claims submission period has closed.

6.2. Please direct any queries relating to Claims to creditors@edconbr.co.za.

6.3. 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.

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

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. The BRPs are still in the process of reconciling and finalising the residual value of the Secured Creditors' Claims against the Company, following the realisation of their security, for purposes of determining the

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total Pre-Commencement Concurrent Creditors' Claims. Once this has been determined, a concurrent dividend can be paid.

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.

Yours faithfully

The BRPs

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