

Introductory remarks

- ✓ HEMA is on an exciting journey to transition from a Dutch retailer to a winning, global, multi-channel brand
- ✓ The HEMA brand is instantly recognizable, both in the home market and across the globe
- ✓ HEMA is a staple in the Dutch retail landscape with 1,100 stores throughout the country, employing c.15,000 people in the Netherlands, paying c.€400m in wages and taxes and supporting c.1,100 Dutch companies supplying the stores
- ✓ In the last 12 months, HEMA entered into Jumbo and Franprix partnerships and expanded in the GCC and Mexico
- ✓ However, the Coronavirus situation is having a major impact on HEMA's performance and liquidity position. A short-term solution must be found to address these issues
- ✓ HEMA requires [10.1.c](#); [10.2.g](#) in order to table a concrete proposal to its legacy lenders for an agreed restructuring of the company
- ✓ Should debt holders hold out there may be no alternative than administration proceedings despite the operational healthy underlying business



HEMA at a glance

HEMA key facts and figures



10.1.c;
10.2.g



10.1.c;
10.2.g



11 countries across 3 continents



10.1.c;
10.2.g



c.1,100 small and medium suppliers in the Netherlands



10.1.c;
10.2.g

Source: Company information

Note: Financial and operational information as of FY19, except otherwise stated. February FYE. Store numbers as of Jan-2020.

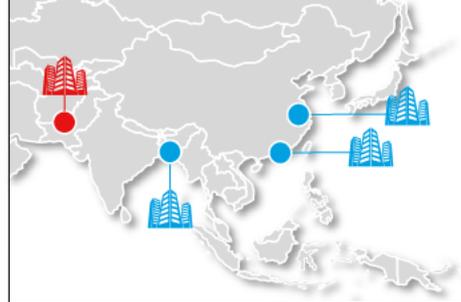
¹ Includes 259 franchise stores, 250 in the Netherlands and 9 in the Middle East.

² EBITDA pre-IFRS16 including rental expense as operational cost.

³ Includes financial services, photo, and pastry.

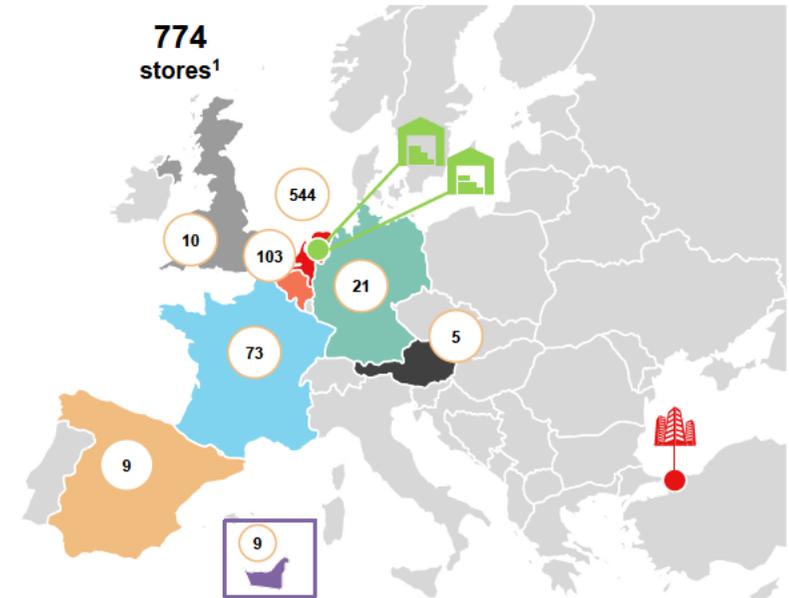
Proven global brand and concept

Asia sourcing setup:



- Buying office agent
- Sourcing locations
- Warehouse locations

774 stores¹



Key Partners

JUMBO

Walmart

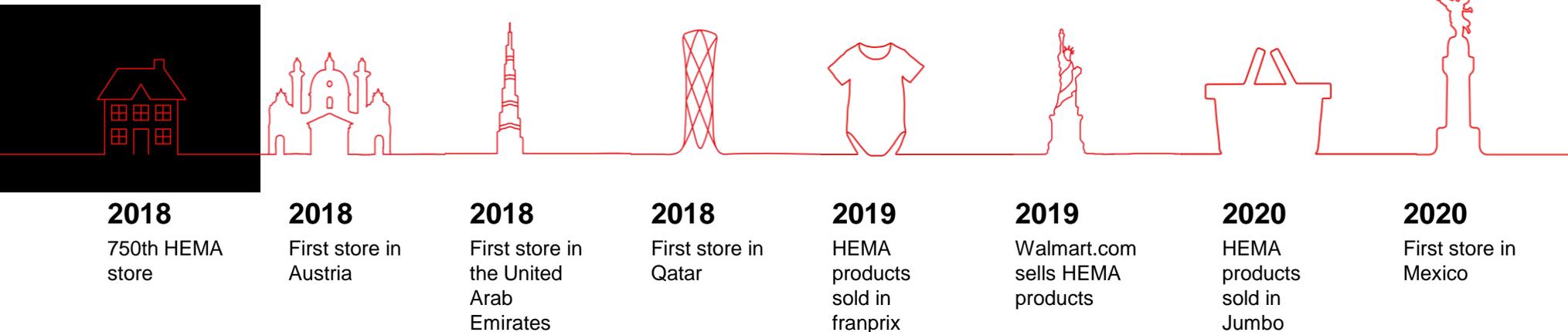
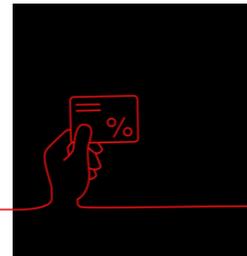
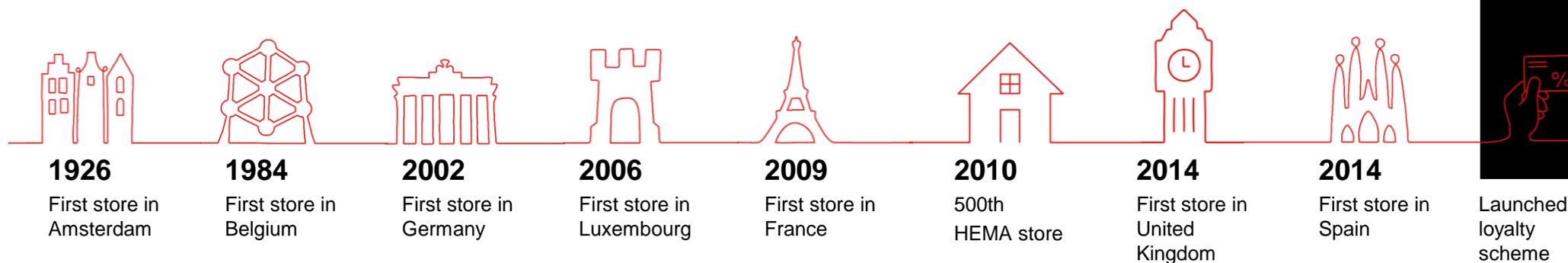
franprix

wehkamp

10.1.c; 10.2.g

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90+ Years of history



Unique presence and offering in Dutch retail landscape

- HEMA is a sustainable value retailer with a very comprehensive product offering at attractive price points
- HEMA serves the entire Dutch society, from rich to poor, from all ethnic backgrounds, covering all shopping missions

HEMA covers all shopping missions

Leader in subcategories

Market share (the Netherlands)

Food (ambient, fresh restaurant)

Apparel¹

Apparel (baby, kids, men/women)

Beauty

Household goods & personal care²

Home

Stationary

Household

Food & catering

Personal care

10.1.c; 10.2.g

Source: GFK, IRI, Nielsen, Foodstep, CBS, NPD, DVS research 2019, company filings

Note: Market shares refer to November 2019YTD for Apparel and Hardgoods, and December 2019YTD for Beauty and Food, in the Netherlands.

¹ Excludes shoes. ² Excludes luminaires, bicycle articles.

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HEMA's relevance to the Dutch economy

HEMA is one of the largest private employers in the Netherlands

Overview of NL suppliers to HEMA

c. 8,000 employees in own stores

c. 7,000 employees in franchise stores

500 employees in DC

250 bakery employees

700 head office jobs

c. €400m annual total wage bill



of employees in NL

c. 1,100 Dutch companies supply to HEMA



Key suppliers to HEMA include:



HEMA plays a vital role in the Dutch high streets

✓ HEMA stores drive traffic in Dutch high-streets and – in smaller cities – are one of the few remaining retailers of essential food and non-food items

✓ HEMA serves 5 million customers, every week

✓ HEMA stores are a key part of the social fabric of every city and town where we are present

✓ 90%+ of the Dutch population has a store within a 5 minute bike ride

✓ HEMA provides ATMs and public bathrooms on high streets

Store count
in the
Netherlands

10.1.c; 10.2.g

Unparalleled
store presence in
the Netherlands



Note: Today as of Jan-2020. FYE February.

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Our brand is instantly recognizable both in our home market and across the globe

Netherlands



- **Customer:** women, 35+ years old
- **Categories:** women's apparel, baby/kids
- **Brand:** reliable, value for money, great quality – brand awareness close to 100%
- **Store footprint:** Dense store network, a HEMA is just a 5 minute bike ride away

Global



- **Customer:** women, younger than 35 years, metropolitan
- **Categories:** celebration, study, gifting
- **Brand:** browsing, trendy, pleasure to shop
- **Store footprint:** mainly large cities in high traffic locations, e.g. Paris, London, Dubai, Barcelona

HEMA is the leading sustainable value brand in the world and plays a leading role in our society

Sustainable materials

A HEMA product consists of sustainable materials



From the start of the supply chain HEMA tries to reduce the impact via sourcing

Responsible production

A HEMA product is made responsibly



Good insight into the production is a prerequisite to achieve this

Consider society

A HEMA product takes society into account



HEMA is firmly rooted in society, feels responsible for their employees and contributes to the local communities

Sustainable products



HEMA is going to replace disposable plastic single use products in all cases where a more sustainable alternative is available



HEMA's sustainability milestones

✓ 2019

100% sustainable cotton

✓ End of 2020

Single-use plastic banned from the range



✓ 2020

100% sustainable paper

✓ Ahead of industry peers

HEMA promotes an inclusive society

HEMA Foundation

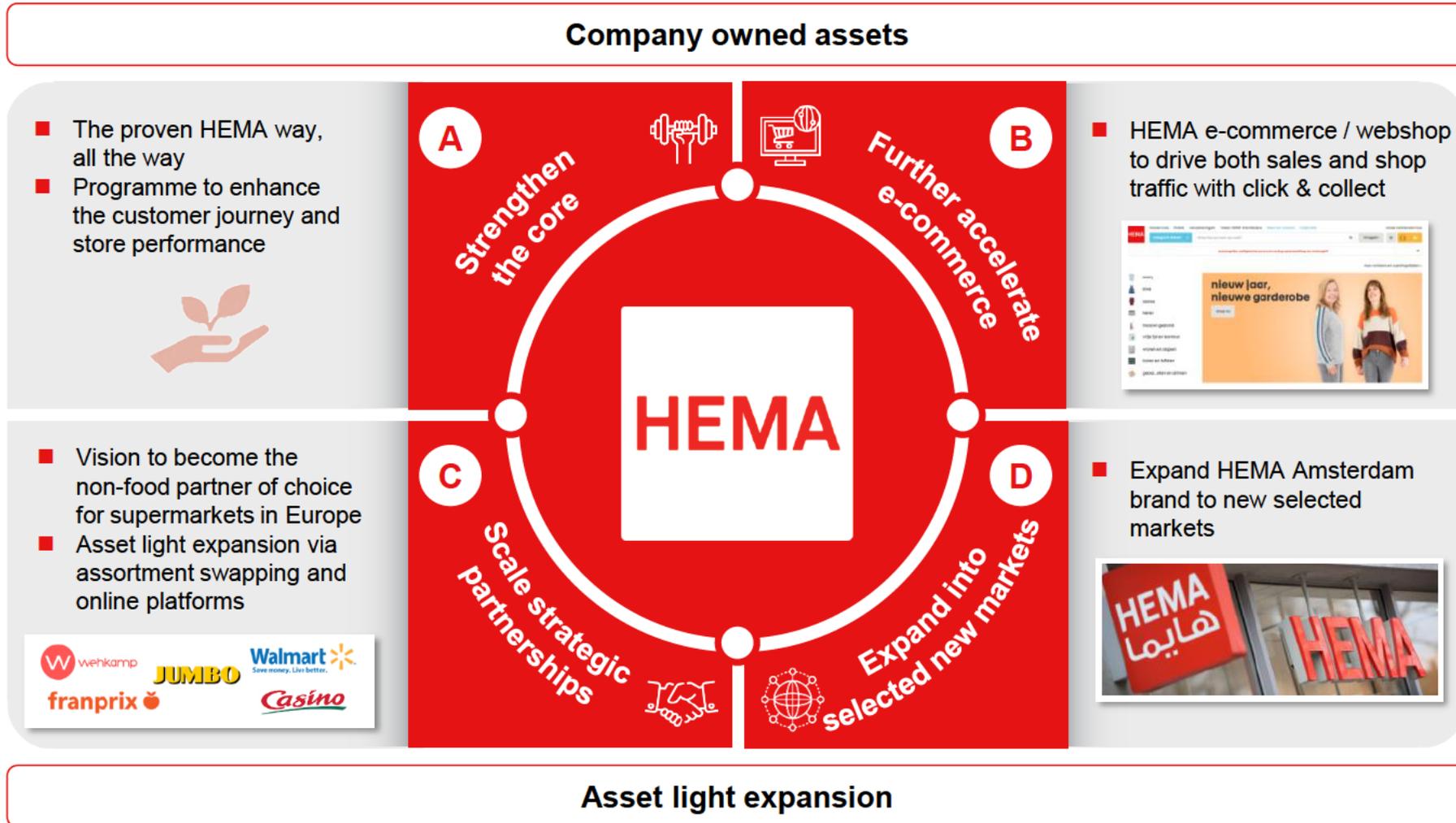


Selected Initiatives:

- HEMA Foundation
- Pride Support
- Voorleeshoek
- Design Academy
- Gender neutral kids apparel

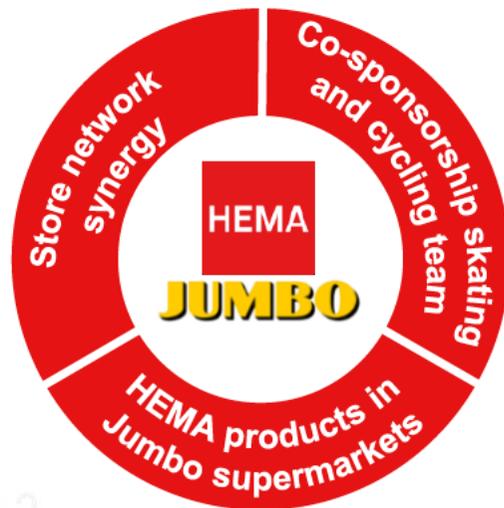
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Our multi-pillar strategy: *From Dutch retailer to global multichannel brand*



Scale strategic partnerships: Jumbo

'The non-food partner of choice in Europe'

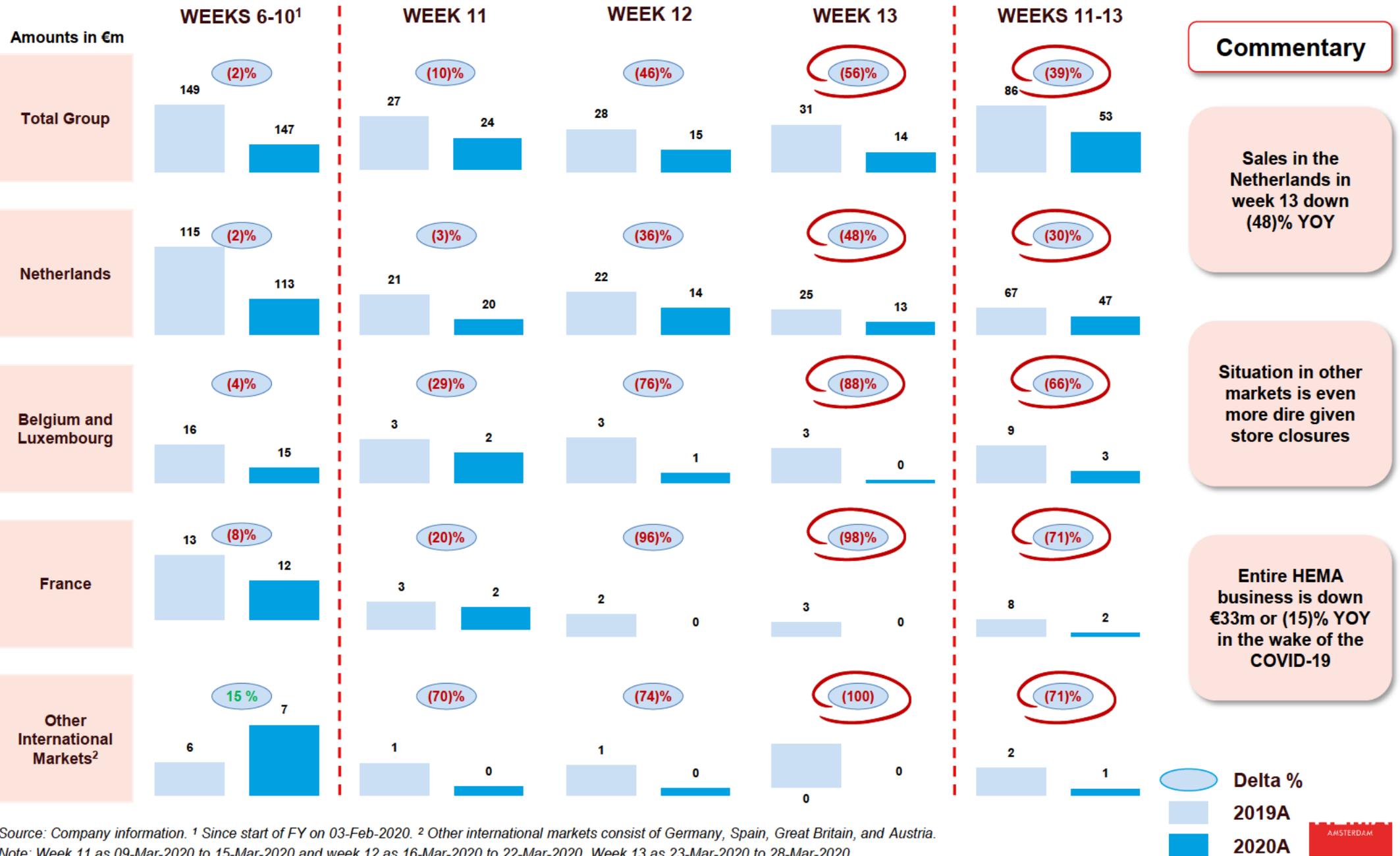


Jumbo partnership overview

- Commercial partnership with Jumbo becoming HEMA's food partner in selected stores and HEMA products being sold in all Jumbo stores across Belgium and the Netherlands
- Sale of 19 stores while selectively opening new smaller stores in the same catchment area



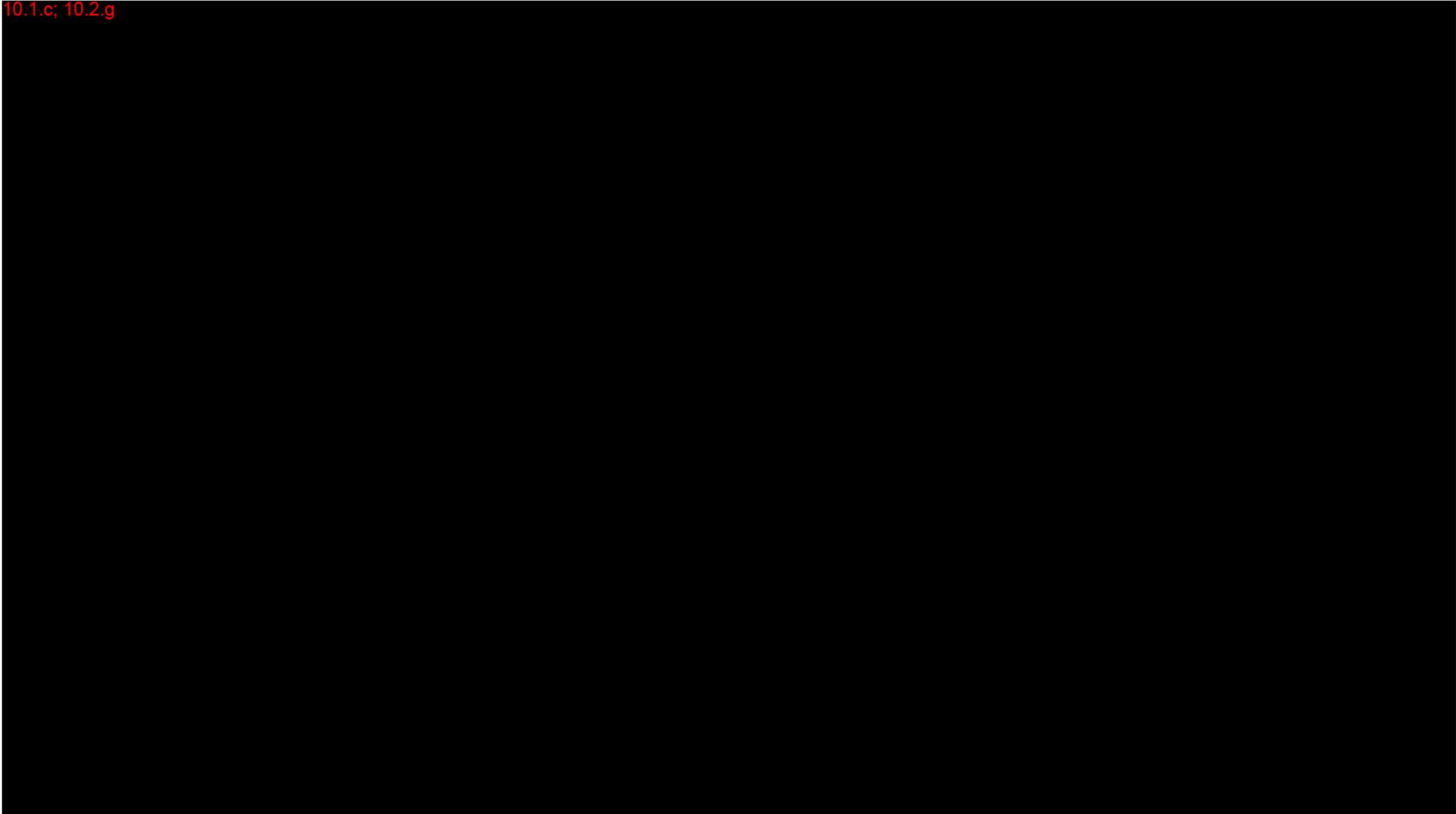
Trading update since COVID-19 – Retail sales (weeks 11-13)



Source: Company information. ¹ Since start of FY on 03-Feb-2020. ² Other international markets consist of Germany, Spain, Great Britain, and Austria.
 Note: Week 11 as 09-Mar-2020 to 15-Mar-2020 and week 12 as 16-Mar-2020 to 22-Mar-2020. Week 13 as 23-Mar-2020 to 28-Mar-2020.

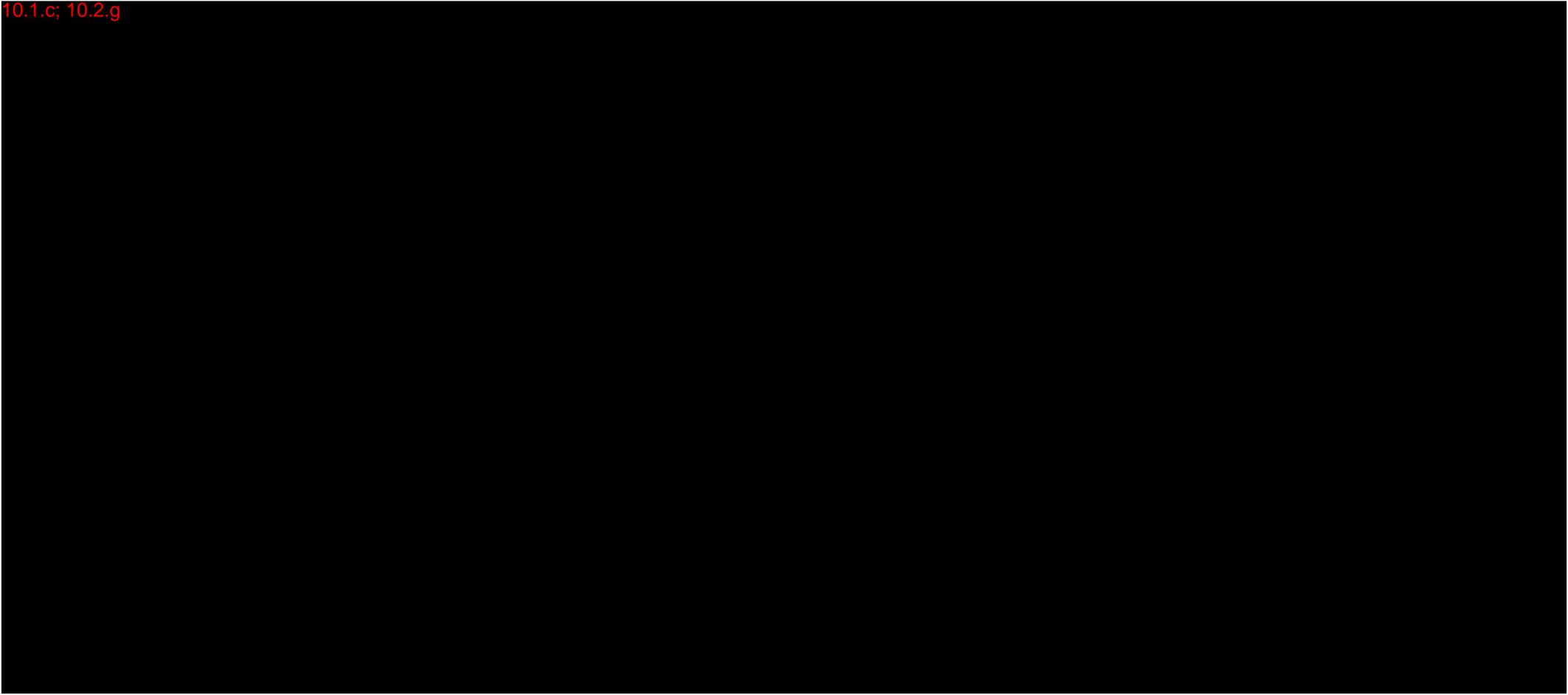
2020 liquidity forecast: key assumptions

10.1.c; 10.2.g



Illustrative 2020 liquidity: six month forecast

10.1.c; 10.2.g



Note: Total available liquidity is based on the intra-week low (in practice cash could be 10.1.c; lower)



COVID-19 has substantially impacted traffic and operations across HEMA markets

1

In-store traffic has deteriorated materially across markets depending on closure

- HEMA Netherlands stores remain open though with decreased revenues (50)%
- Stores in Austria, Luxembourg, Spain, France, Germany, Belgium and Great Britain remain closed¹
- High streets are empty as people are staying home

2

HEMA operations are adjusting to new environment

- The company's headquarters staff have been working from home since Mar-13
- Cautionary procedures were communicated to all employees as soon as Feb-27
- Supply for products to stores secured for the time being

3

Overview of cash savings

NOW Subsidy	€14m cash saving
Defer VAT payment	10.1.c; 10.2.g
Defer wage tax	10.1.c; 10.2.g
Defer pension contribution	10.1.c; 10.2.g
Rent April-June	10.1.c; 10.2.g
Monthly creditors payments	10.1.c; 10.2.g
Other cost savings	10.1.c; 10.2.g
Marketing savings	10.1.c; 10.2.g
Capex reductions	10.1.c; 10.2.g

Anticipating a minimum of 8 weeks of further significant disruption

Despite measures implemented productivity declines are unavoidable

HEMA is pulling all levers to keep sales going, reduce costs and improve liquidity

¹ Store closures as following: Austria 16-Mar-2020, Luxembourg 18-Mar-2020, Spain 15-Mar-2020, France 15-Mar-2020, Germany 20-Mar-2020, Belgium 17-Mar-2020, Great Britain 24-Mar-2020, Spain 15-Mar-2020, Austria 16-Mar-2020, Luxembourg 18-Mar-2020.

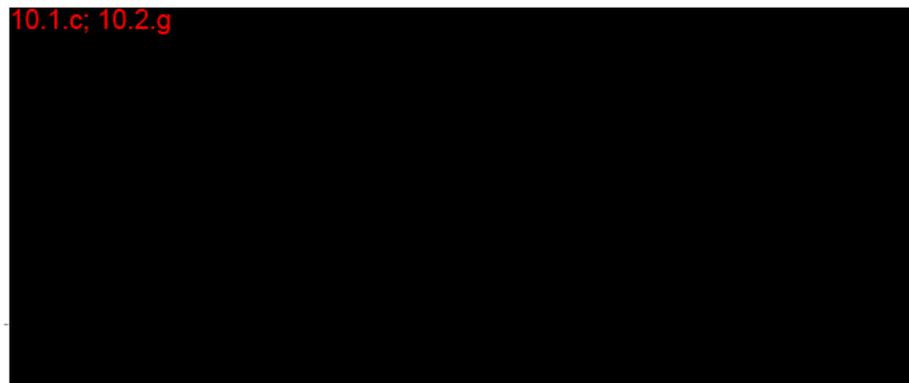


E-commerce home deliveries have grown rapidly due to COVID-19 and significant capacity is added to seize opportunity

4

Sales of home deliveries have grown significantly

- **10.1.c; 10.2.g** [Redacted]
- **10.1.c; 10.2.g** [Redacted]
- **10.1.c; 10.2.g** [Redacted]
- Demand has been **suppressed to bring capacity in line with backlog**



■ Weekly HEMA 'Home Delivery' sales ○ YoY increase

HEMA is adding additional capacity

- **Capacity increase** from current **10.1** to **10.1.c** pieces per day driven by:
 - **Three shift operation** **10.1.c; 10.2.g** [Redacted]
 - **Pick & Ship** from 20 large stores **1** [Redacted]
- Leading to **sales increase** in e-commerce from **10.1.c;** per week to **10.1.c;** per week
- **E-Commerce channel will provide key income stream for HEMA in case of further lockdown**
- **Elevated online levels expected to remain post-COVID19** as customer become more familiar with HEMA's seamless online shopping experience

¹ Pick & ship from store has potential to role out to 40-60 stores.

HEMA's measures to safeguard our customers and our employees

Policies	<ul style="list-style-type: none"> ■ HEMA strictly follows RIVM and GGD guidelines ■ Employees work in shifts to minimize contact ■ Stock shelves only when stores are closed 	Social Distancing	<ul style="list-style-type: none"> ■ Plexi-glass screen at counters to protect store staff ■ “PIN-only” transactions strongly encouraged ■ Clear signs and communication to keep 1.5m distance at all times
Hygiene	<ul style="list-style-type: none"> ■ Reminded to wash hands often ■ Hand gels and sanitizers available for all staff and customers ■ Intensified cleaning ■ Self-scan check-out 	Staff well-being	<ul style="list-style-type: none"> ■ Provide guidance for healthy lifestyles ■ Offering extra breaks ■ Fruit and smoothies offered to employees to stay healthy ■ Special attention to vulnerable groups
Instructions and Signs	<ul style="list-style-type: none"> ■ Staff positioned at store entrance to inform customers on measures in place ■ Posters, stickers, digital screens and signs at strategic areas in stores ■ No consumption of food in stores / restaurants (take-away only) 	Other	<ul style="list-style-type: none"> ■ Support Office staff helps in stores to alleviate workload ■ All measures are monitored 24/7 by dedicated Corona Team and Regional Management ■ Commercial promotions on hold to prevent attracting large groups of customers to stores ■ Clear protocols in place to manage staff / customers showing signs of infection ■ Increased security in stores

Contemplated steps to protect HEMA

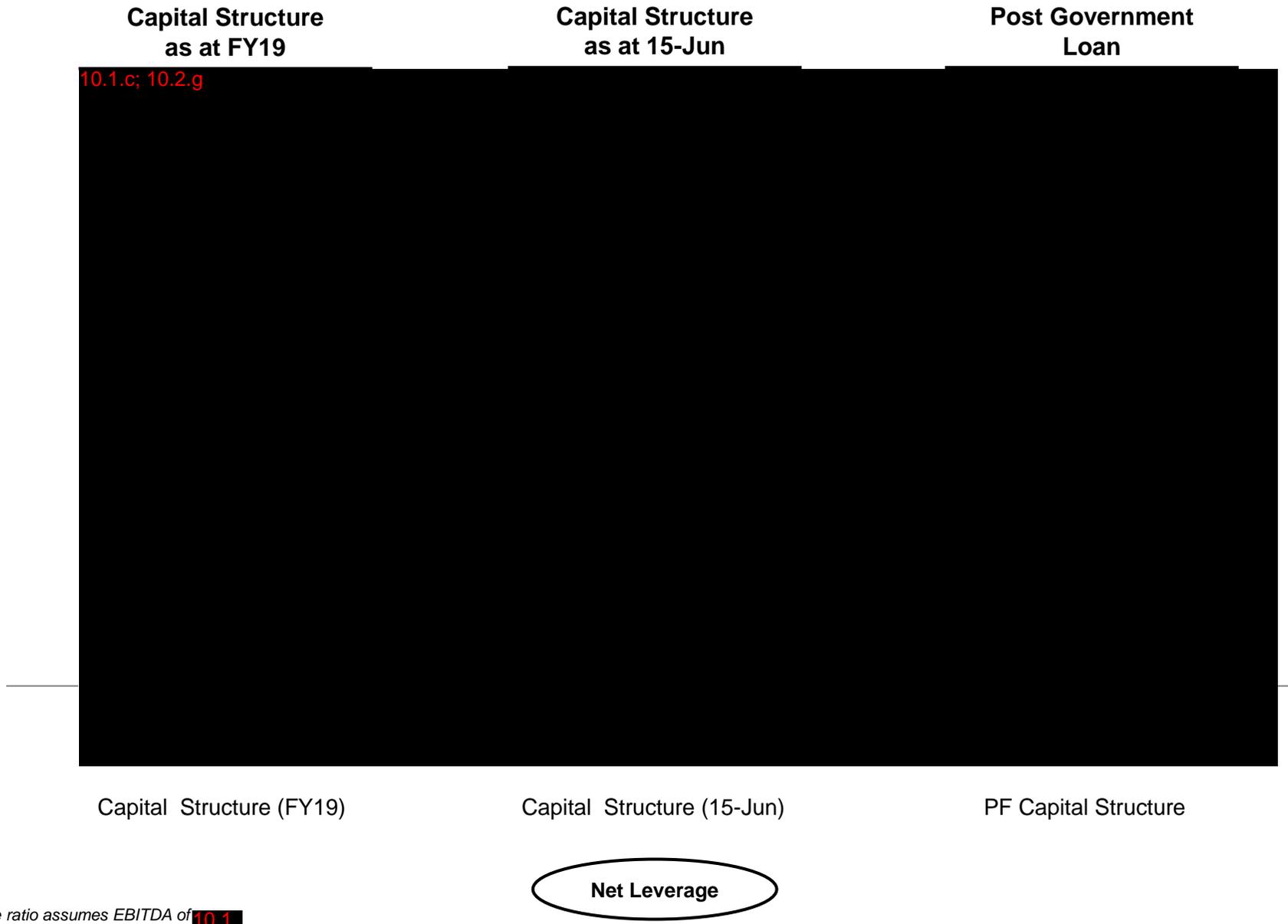
- **HEMA needs capital from the Government for liquidity and stabilization**
 - 10.1.c; 10.2.g capital required to ensure stability in all contingencies
 - Illustrative instruments to consider include a loan and / or non-voting convertible capital securities in HEMA B.V. or a new continuity foundation
 - Capital will be used for short term liquidity needs, working capital and capital reduction

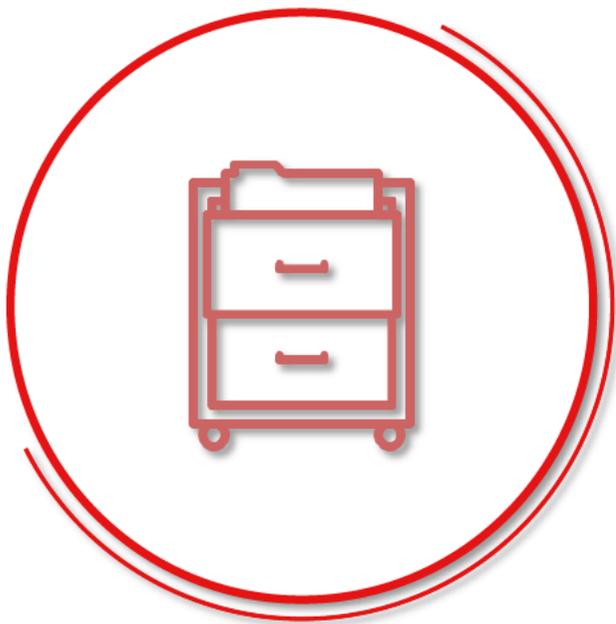
- **No dividends paid to shareholders and top management is willing to adjust compensation for period that Government backed capital support is in place**

- **HEMA is exploring all possible measures to maintain operational health**
 - Increase in the Revolving Credit Facility with Government guarantee 10.1.c; 10.2.g
 - Assessing ability to negotiate haircuts with Noteholders
 - COVID19 turmoil means that currently there are no alternatives in the private market
 - Cash saving measures to ensure continuity including deferring tax, rent and capital expenditure

- **Without funding the Company will be forced into taking value destructive steps such as a liquidation of the business**
 - Jeopardize jobs of 19,000 people
 - Knock-on effect to 1,100 Dutch suppliers

Capital structure





Appendix: Additional materials

Trading update prior to COVID-19 – Group performance up to 8 March 2020

€m	Netherlands			Belgium & Luxembourg			France			Other International Markets ¹		
	Week 6-10			Week 6-10			Week 6-10			Week 6-10		
	2019 Actual	2020 Actual	Delta	2019 Actual	2020 Actual	Delta	2019 Actual	2020 Actual	Delta	2019 Actual	2020 Actual	Delta
All Store Retail Sales ²	10.1	10.1	10.1	10.	10.	10.1	10.	10.	10.1	10	10	10
LFL Retail sales ²	10.1	10.1	10.1	10.	10.	10.1	10.	10.	10.1	10	10	10.1
Home Delivery ³	10	10	10	10	10	10	10	10	10	10	10	10.1
% of total sales	10.1	10.1	10.1.c	10.1	10.1	10.1.c	10.1	10.1	10.1.c	10.1.c	10.1	10.1.c
Total HEMA Sales ⁴	10.1	10.1	10.1	10.	10.	10.1	10.	10.	10.1	10	10	10

Source: Company information

¹ Other international markets consist of Germany, Spain, Great Britain, and Austria. ² Retail sales is in-store sales. ³ Home Delivery is sales via online platform and delivered to the home and not in-store pick-up. ⁴ Total sales sum of Retail sales and Home Delivery sales. Note: Week 6 as 03-Feb-2020 to 09-Feb-2020 and week 10 as 02-Mar-2020 to 8-Mar-2020.



Capital structure

€m	Amount			xFY19 Adj. EBITDA		25-Mar-20				
	Committed	Outstanding	Maturity	Pre IFRS 16	Post IFRS 16	Margin / Coupon	Rating	Pricing	YTW	
Super Senior RCF	10.1.c; 10.2.g									
Senior Secured FRNs due 2022										
Total First Ranking Secured Debt										
8.50% Senior Notes due 2023										
Total Second Ranking Debt										
Senior PIK Notes due 2020										
Cash and Equivalents										
Total Net Debt										
Lease Liabilities										
Total Net Debt (incl. Capital Leases)										
FY19 Pre-IFRS 16 LTM Adj. EBITDA						10.1.c; 10.2.g				
FY19 Post-IFRS 16 LTM Adj. EBITDA										
CCR (S&P/ Moody's)						CCC / Caa1				

Notes: (1) Amount drawn against Super Senior RCF includes 10. of bank guarantees; (2) Financial debt only; excludes 10. in finance leases



Capital structure observations

“Today”

Notional Value	Market Value	Refinanceable Capital Structure
[Redacted content]		

10.1.c; 10.2.g

Notes: (1) Based on Pre-IFRS 16 FY19A EBITDA of 10.1.c (2) Secondary prices as of Mar-25 of 45 for SSNs and 20 for SNs; (3) 'other' includes 10.1 of bank guarantees and 10.1 of finance leases



Illustrative balance sheet summary

€m	YE 2019	June 2020	September 2020
Total assets	10.1.c	10.1.c	10.1.c
Equity	10.1	10.1	10.
Debt	10.	10.	10.
Other Liabilities	10.1.c	10.1.c	10.1.c
Total Liabilities	10.1.c	10.1.c	10.1.c

Source: Company Business Plan



Quarterly EBITDA summary

€m	May-20	Aug-20	Nov-20	Feb-20	FY20	May-21	Aug-21	Nov-21	Feb-21	FY21
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
EBITDA (post-IFRS 16)	10.1	10.1	10.1	10.1	10.1.c	10.1	10.1	10.1	10.1	10.1.c
IFRS 16 Impact	10.1.c	10.1.c	10.1.c	10.1.c	10.1.c;	10.1.c	10.1.c	10.1.c	10.1.c	10.1.c;
EBITDA (pre-IFRS 16)	10.1.c	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1
YoY (%)	10.1.c;	10.1.c;	10.1.	10.1	10.1.c	n.m.	n.m.	10.1	10.	10.1.c

Key assumptions

- 2020E is based on the original 2020E Business Plan, adjusted for COVID-19
- 2021E is the prior Business Plan, i.e. assumes a return to normal
- Pre-COVID-19 HEMA had sufficient headroom

Source: Company Business Plan

Note: Year-on-year growths are based on pre-IFRS 16 numbers



COVID-19 in-store measures

Signage to keep 1.5m distance



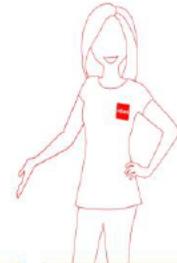
Plexi-glass protection at counters



Examples of in-store instructions

alert op hygiëne

We vinden de gezondheid van jou als klant en onze medewerkers belangrijk. Daarom houden we de hygiënerichtlijnen van het RIVM aan en vragen we iedereen hiermee rekening te houden. Zo verkleinen we samen de kans op besmetting. **Echt HEMA.**



HEMA

was regelmatig je handen

hoest en nies in je elleboog

houd gepaste afstand

Aangepaste richtlijnen

Vanaf vandaag is het alleen mogelijk om met de pin te betalen.

Dank voor uw begrip.



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