STEINHOFF
INTERNATIONAL HOLDINGS N.V.

ANNUAL REPORT

2021

AUDITED RESULTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

We maintained our focus throughout the year ended 30 September 2021 and delivered another year of solid progress and strong operational performance. Our priorities throughout the Reporting Period were and remain clear – drive performance across the Operating Companies ("OpCos") and progress the Litigation Settlement Proposal, in an environment with many complexities, including COVID-19.

The Group's results improved as the OpCos benefitted from the hard work done on strategic alignment and performance improvement initiatives over the last four years as well as fewer COVID-19 restrictions affecting trading. The OpCos demonstrated their resilience during the period of peak pandemic impact. They remain well positioned in their respective markets.

We continued to simplify the business as well as the group structure and took further steps to deleverage the balance sheet while progressing our transition to a global holding company focused on retail sector investments.

Most crucially, major headway was made with step two of the strategic plan, finding a solution to the litigation faced by entities within the Group. The Group's objective has always been to achieve a comprehensive global litigation settlement and with the required approvals being received can now be implemented.

TABLE OF CONTENTS

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In the case of discrepancies between this 'PDF/printed version' and the ESEF reporting package, the latter prevails.

INTRODUCTION

MESSAGE FROM THE MANAGEMENT BOARD

Dear Stakeholders,

We maintained our focus throughout the year ended 30 September 2021 and delivered another year of solid progress and strong operational performance. Our priorities throughout the Reporting Period were and remain clear – drive performance across the Operating Companies ("OpCos") and progress the Litigation Settlement Proposal, in an environment with many complexities, including COVID-19.

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STRATEGIC SUMMARY

The primary focus of the Group remains the successful completion of steps two and three of the three-step strategic plan.

Steinhoff N.V.'s strategy is to transition to a global holding company with investments in retail businesses through a 3-step process

Step 1: Completed	Step 2: Completed	Step 3: In progress
Creditor arrangements (CVAs implemented on 13 August 2019)	Manage litigation risk (Dutch SoP implemented and completed, Composition Plan approved; Court Order approving and sanctioning the S155 Scheme granted; distributions to be paid to all claimants post SED.)	Restructure Group with a view to reducing debt and financing costs (Pepco Group IPO completed, Mattress Firm distribution to shareholders; sale of the Plush business; all proceeds used to reduce debt.)

MANAGEMENT BOARD PRIORITIES IN THE YEAR

1. **Business optimisation and balance sheet restructuring**
   Steinhoff N.V. is managed as a global holding company with investments in the retail sector. These underlying businesses operate a number of strong local brands and are well diversified by geography and business line.

   Working with the operational boards and management teams, over the past four years the Management Board has helped to identify, support and facilitate a range of business improvement initiatives in individual operating businesses. Management teams were strengthened, new debt was introduced at OpCo level to fund operational requirements, the strategic focus was reviewed, and improved governance measures adopted. The results from these initiatives were, and continue to be, encouraging. The strength of the bounce-back in performance as lock downs were lifted also highlights their enduring impact.

   Operating within the varying COVID-19 related constraints applicable to each region, all of the OpCos have continued to trade well, with the breadth of their operations, and their customer focus, enabling them to perform strongly. Revenue at Pepco Group was +18%, Pepkor Holdings +12% and Greenlit Brands +12%. Mattress Firm, an associate business, grew revenue by 24%.

   Significant further progress was also made with the Group's strategy of simplifying its portfolio and deleveraging its balance sheet.

   During May 2021, Pepco Group was successfully listed on the Warsaw Stock Exchange, reducing the Steinhoff Group's holding to 78.9% and raising proceeds of approximately €1 billion for the Group, most of which were used to reduce debt.

   In August 2021 Mattress Firm announced that it was considering a return of share capital and evaluating a range of strategic options, including a potential public listing, and subsequently submitted a registration statement to the US Securities and Exchange Commission. The process remains ongoing. During the 2021 Reporting Period Mattress Firm successfully refinanced its debt and made a distribution to shareholders, with the payment received by the Steinhoff Group (€520 million) being applied to further reduce debt after the Reporting Date.

   Total Group Services debt at the Reporting Date was €9 835 million (2020: €9 873 million) with the funds received during the year helping to mitigate the interest charge and marginally reduce the total year-on-year.

   During the Reporting Period the total staff headcount in the Steinhoff Group reduced from 91 519 to 90 731. To the extent that we continue to realise assets, the headcount is expected to decrease further.

   Finally, on 11 August 2021, the Steinhoff Group obtained confirmation that the necessary approvals had been granted by the financial creditors to extend the maturity date of the Group's debt by 12 months, until 31 December 2022. The extension grants the Group additional time in which to progress the remaining elements of its three-step strategic plan. In addition, subject to the successful implementation of the Litigation Settlement Proposal, a further debt extension to June 2023 has been approved by the financial creditors.

2. **Litigation Settlement Proposal**
   Implementation of the Litigation Settlement Proposal has been a complex and lengthy process. With the Dutch SoP process now final, claimant support and a court order approving and sanctioning the S155 Scheme in South Africa and the required approvals granted by the Group's financial creditors and FinSurv, the process is in its final stages.

   On 16 July 2021 and again on 11 August 2021 the Steinhoff Group announced that the resilience of its performance since the proposal was first announced in July 2020 had allowed it to materially increase the settlement offer. The Steinhoff Group firmly believes that the revised proposal offers claimants a fair outcome, and the best opportunity to recover amounts in respect of any claims in the near term and with certainty.

The Litigation Settlement Proposal received overwhelming support from a substantial number of parties. In the Dutch SoP the Committee of Representation voted unanimously in favour of the Composition Plan. This plan was then approved by the Dutch Court and has become final and unappealable (*in kracht van gewijsde gegaan*). In the South African S155 Scheme the three claimant meetings were successfully held with no votes recorded against the scheme. More recently, in December 2021, Steinhoff N.V. announced that agreements had finally been reached with the last outstanding parties to the settlement. The Court process to sanction the scheme was held on 24 January 2022 with the Court Order approving and sanctioning the S155 Scheme being granted.

In order to assist in the funding of the litigation settlement, in September 2021 the Steinhoff Group sold 370 million shares in Pepkor Holdings in an accelerated bookbuild, which raised €400 million. The disposal reduced the Steinhoff Group's shareholding in Pepkor Holdings to 58.9%.

3. **Stakeholder interaction – including Regulators**
   The Group remains committed to co-operating and maintaining open communication lines with all stakeholders and to regular and co-operative dialogue with regulators and enforcement agencies, as required.

   The 2022 AGM has been scheduled for 25 March 2022 and we look forward to engaging directly once again with the company's shareholders.

OUTLOOK

Trading conditions in the second half of the financial year were more encouraging as the impact of COVID-19 broadly continued to reduce. The progress of vaccination roll-outs, behavioural change, and the lifting of restrictions impacting on Steinhoff Group businesses in most of our major markets have all had a positive effect. The OpCos continue to perform robustly and are well positioned for future growth, however, uncertainty over the future impact of the pandemic persists and trade will continue to be subject to any related restrictions.

Enhancing the terms of the Litigation Settlement Proposal was an important development, strengthening the appeal and demonstrating the commitment of the Group to treating all stakeholders fairly as it sought to address its legacy issues.

Subsequent to receiving all the relevant approvals, management has initiated processes to ensure the effective implementation of the Litigation Settlement Proposal, in order to effect the payments as stated in the Dutch SoP and S155 Scheme, allowing us to focus exclusively on Step 3 of the strategic plan – simplifying the portfolio and deleveraging the balance sheet by reducing debt and financing costs through inter alia further asset disposals. At the same time, it will allow the OpCos to run and build their businesses free from any external distractions.

As we stay focused on this task, we continue to benefit from the breadth and geographic diversity of our retail investments which have proved their resilience through the worst of the pandemic and remain well positioned to thrive in the recovery.

APPRECIATION

We continue to owe our thanks to many organisations, teams and individuals for their continued hard work and commitment to the Steinhoff Group.

We are particularly proud of the way the businesses and staff continue to respond to the multiple challenges, including the litigation uncertainty, COVID-19 and the civil unrest in South Africa, and thank all colleagues for their unwavering support through another testing period.

We are also sincerely grateful for the continuing support of our financial creditors, shareholders, and the Supervisory Board.

Louis du Preez
Chief executive officer

Theodore de Klerk
Chief financial officer

28 January 2022

INTRODUCTION

MESSAGE FROM THE SUPERVISORY BOARD

Dear Stakeholder,

Steinhoff N.V. has made significant and pleasing progress this past year. The Group now has strong governance structures in place and an appropriately robust set of checks and controls across its businesses. The new initiatives have brought stability and clarity to the Group and helped create an environment in which the Management Board and operating companies can focus on improving operational performance. The benefits of this approach can be seen in the robust trading result for the year.

COVID-19 continues to provide many challenges to the business and as the Supervisory Board we focused on ensuring that the unique circumstances of the pandemic and, in particular the dynamic impact of the specific restrictions on each of our operations and employees, did not compromise the Group's ability to continue delivering as needed. The scope of measures taken to protect the health and wellbeing of colleagues and customers was also an important component of our discussions with the Management Board throughout the year.

ACHIEVEMENTS

We can identify four significant achievements over the Reporting Period.

First, the quality and transparency of our Corporate and Financial reporting has improved greatly and despite COVID-19 restrictions requiring remote working, we were able to finalise the 2020 Annual Report in February 2021. For a large and geographically diverse business, we believe this was a notable achievement in what were difficult circumstances. This progress has once again been confirmed, after the Reporting Period, with an unqualified audit opinion included in the 2021 Annual Report.

Second, the successful listing of Pepco Group on the Warsaw Stock Exchange in May 2021. This was a noteworthy achievement as it unlocked considerable value for stakeholders and raised €1 billion in proceeds for the Group.

Third, the strong operational performance by the OpCos as they adapted to the new trading environment that emerged following the COVID-19 restrictions and related changes in consumer behaviour.

Fourth, and finally, the material progress made with resolving the legal claims arising from the legacy accounting issues. Implementation of a litigation settlement proposal remained the clear priority for both the Supervisory Board and the Management Board during the year. As the Supervisory Board, we were pleased to note the overwhelming support recorded in favour of the settlement by the various claimants. We fully support the Litigation Settlement Proposal, first announced in July 2020 and subsequently enhanced, and look forward to its successful implementation once the final outstanding steps are completed.

GOVERNANCE & LEADERSHIP

The Supervisory Board continued to oversee the operations of the Management Board. In Louis du Preez, CEO, Theodore de Klerk, CFO, and their executives, we have a strong and capable management team.

The broad range of experience and skills currently at the disposal of the Supervisory Board are all highly relevant to the challenges faced by the Group.

Each of the committees saw full and busy agendas throughout the year with all necessary duties satisfactorily attended to. Having concluded its work as mandated by the Supervisory Board, the Forensic Investigation Committee was dissolved during the year.

The litigation working group made good progress in resolving the various claims against the Group, and evaluated further potential claims the Group may have against third parties.

Steinhoff N.V. is co-operating with the various prosecution authorities and regulators in South Africa and other jurisdictions as they continue their investigations into individuals and entities implicated in relation to the past events.

AGM

The AGM was held as a hybrid meeting on 30 April 2021. While the majority of the business put before the meeting was concluded successfully, a number of the resolutions proposed to shareholders were not passed, namely:

- The 2020 Financial Statements were not adopted,
- The advisory vote in respect of the remuneration report was not passed, and
- The proposal to amend the remuneration policy applicable to Managing Directors was voted down.

In respect of the Group's Financial Statements, the Supervisory Board recognises that these have been subject to an unusual level of uncertainty and complexity in the past few years which resulted in the Company receiving a disclaimer of opinion from its auditor for those years. The executive team has been working hard to resolve these uncertainties and their impact on the financial statements. The Supervisory Board is therefore delighted to note that there has been a significant reduction in the uncertainties and that this has resulted in an unqualified audit opinion.

In terms of the remuneration report and policy, the Board was firmly of the view that in a situation where the Company remained in an uncertain position, faced with significant litigation challenges and engaged in an elevated level of corporate and regulatory activity, standard remuneration structures and policies would not be effective. The Supervisory Board has taken a constructive approach to the feedback received and having assessed the progress made in terms of the restructuring plan, believes that changes which include an element of equity-based incentives and better alignment with the suggestions received from stakeholders, would be appropriate to implement as we move towards the final step of the plan. A revised policy, including an equity-based element, will be presented to the 2022 General Meeting for approval.

2021 ANNUAL REPORT

The Supervisory Board acknowledges its responsibility to oversee the integrity and quality of the financial reporting process. This Annual Report, including the 2021 Consolidated Financial Statements and the 2021 Separate Financial Statements as well as the audit report, has been presented to the Supervisory Board. The Financial Statements were discussed with the Audit and Risk Committee in the presence of the Management Board and the external auditor. The Supervisory Board reviewed and discussed this Annual Report, approved the 2021 Consolidated Financial Statements and the 2021 Separate Financial Statements, and recommends that the General Meeting adopts the Financial Statements included in this Annual Report.

OUTLOOK

As the Supervisory Board, we fully recognise the importance of implementing the Litigation Settlement Proposal and we are encouraged by the progress made. With this step completed, fuller focus and effort can be employed towards strategies of reducing the Company's debt and financing costs.

We are cognizant that the trading environment in many of our markets remains challenging in these anomalous times and we will remain fully committed to supporting the good work being done by the Management Board and OpCo teams across the business.

APPRECIATION

We would like to thank the financial creditors and their advisors with whom we have been able to build a constructive and collaborative working relationship. Similarly, we would like to thank all of the claimants who backed the Steinhoff Group and voted in favour of the Litigation Settlement Proposal. To our shareholders, thank you for your continued support.

Finally, I thank my fellow Supervisory Board members, the Management Board members and the executive team who have all continued to demonstrate an exceptional level of commitment to providing Steinhoff N.V. with the stability, good governance and robust controls needed to support its ongoing business.

Thank you all for your continuing interest in the Steinhoff Group.

Moira Moses
Chairperson

28 January 2022

TIMELINE OF KEY EVENTS

For more detail please refer to the **Financial and Business Review**.

2020

NOVEMBER

4 NOVEMBER 2020
Update on lender consent request in respect of Litigation Settlement Proposal and proposed launch of English law scheme of arrangement.

25 NOVEMBER 2020
FinSurv approval received for the Litigation Settlement Proposal.

DECEMBER

15 DECEMBER 2020
Resolutions put to relevant classes of creditors at SEAG English law scheme meetings approved by requisite majorities.

18 DECEMBER 2020
Concluded a framework agreement to sell various African properties to Pepkor Holdings.

2021

JANUARY

18 JANUARY 2021
Suspension lifted and trading in SIHL preference shares resumed on the JSE.

FEBRUARY

5 FEBRUARY 2021
High Court of England grants order, sanctioning the SEAG CPU schemes.

15 FEBRUARY 2021
The Amsterdam District Court approved the application for a Dutch SoP procedure.

Steinhoff launched a Litigation Settlement Proposal.

26 FEBRUARY 2021
Steinhoff N.V. published the 2020 Annual Report, including the 2020 Consolidated Financial Statements.

Release of Steinhoff N.V. unaudited trading update for the three-month period ended 31 December 2020.

2021
continued

APRIL

30 APRIL 2021
AGM held and voting results published.

MAY

12 MAY 2021
Application for the provisional liquidation of Steinhoff N.V. filed in the South African courts and opposed by the Company.

The parties subsequently agreed to withdraw this application as part of their settlement announced on 15 December 2021.

26 MAY 2021
Pepco Group lists on the Warsaw Stock Exchange.

JUNE

25 JUNE 2021
Steinhoff N.V. published the unaudited 2021 Half-year results for the six-month period ended 31 March 2021.

JULY

16 JULY 2021
Increased Litigation Settlement Proposal announced.

AUGUST

11 AUGUST 2021
Litigation Settlement Proposal increased further.

12 AUGUST 2021
Interim Debt Extension approved resulting in debt extensions by 12 months until 31 December 2022 to the final "Maturity Date" and/or "Termination Date" under the Steinhoff N.V. finance documents.

27 AUGUST 2021
Released the Steinhoff N.V. unaudited trading update for the nine-month period ended 30 June 2021.

31 AUGUST 2021
Announced that Mattress Firm was considering a return of share capital and evaluating a range of strategic options including a potential IPO.

SEPTEMBER

6 SEPTEMBER 2021
SIHPL financial creditors and the SIHPL Market Purchase Claimants vote in favour of the South African S155 Scheme proposal with no dissenting votes.

The Western Cape High Court ruled that it had jurisdiction to consider a liquidation application against Steinhoff N.V. in South Africa.

8 SEPTEMBER 2021
Committee of Representatives votes unanimously in favour of the Composition Plan in the Dutch SoP.

10 SEPTEMBER 2021
SIHPL Contractual Claimants vote overwhelmingly in favour of the South African S155 Scheme proposal.

13 SEPTEMBER 2021
370 million Pepkor Holdings shares successfully placed raising total gross proceeds of ZAR7.3 billion (c. €409 million) reducing the Group's holding from 68.2% to 58.9%.

2021
continued

SEPTEMBER

16 SEPTEMBER 2021
At the confirmation hearing in the District Court of Amsterdam, the Composition Plan was recommended by the supervisory judges and the Dutch Administrators and was supported by the Company and the attending SoP creditors.

20 SEPTEMBER 2021
Mattress Firm announced that they had submitted a draft registration statement on Form S-1 with the Securities and Exchange Commission in the United States.

22 SEPTEMBER 2021
Mattress Firm successfully refinanced their outstanding debt and made a payment to shareholders of USD1.2 billion.

The sale of Conforama Balkans closed and the cash proceeds were used to pay down Conforama group debt.

23 SEPTEMBER 2021
The District Court of Amsterdam issued an order confirming Steinhoff N.V.'s Composition Plan.

30 SEPTEMBER 2021
Sanction hearing in the South African S155 Scheme deferred by the Western Cape High Court to January 2022.

OCTOBER

5 OCTOBER 2021
Confirmation that Steinhoff N.V.'s Composition Plan became final and unappealable (*in kracht van gewijsde*) as of 2 October 2021, resulting in the termination of the Dutch SoP proceedings.

18 OCTOBER 2021
Further FinSurv approval received for the increased Litigation Settlement Proposal.

28 OCTOBER 2021
Leave to appeal to the Supreme Court of Appeal granted to Steinhoff N.V. with respect to the jurisdictional issue against the Court order of 6 September 2021 in relation to the liquidation application.

NOVEMBER

18 NOVEMBER 2021
Greenlit Brands announced that they had closed the sale of the Plush business for an enterprise value of AUD110 million.

2022

JANUARY

7 JANUARY 2022
Mattress Firm announced that they had filed a registration statement on Form S-1 for a proposed IPO with the Securities and Exchange Commission in the United States.

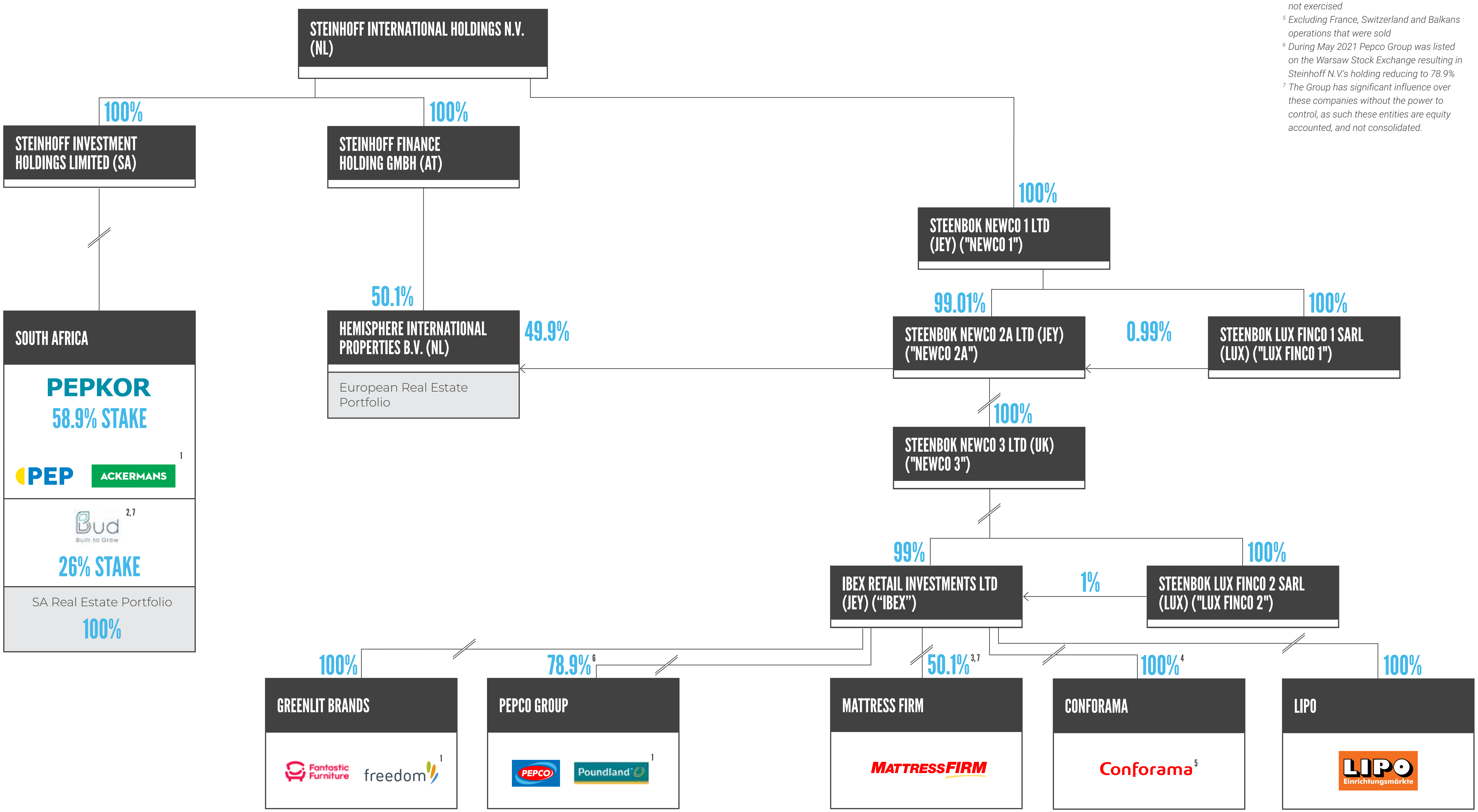
24 JANUARY 2022
Western Cape High Court granted SIHPL's request and granted an order approving and sanctioning the S155 Scheme.

28 JANUARY 2022
Steinhoff N.V. published the 2021 Annual Report, including the 2021 Consolidated Financial Statements.

SUMMARISED GROUP STRUCTURE AS AT 30 SEPTEMBER 2021

Refer to note 17 to the 2021 Consolidated Financial Statements for a breakdown of the Group's loans and borrowings as at 30 September 2021.

[1] *Sample of OpCo brands*
[2] *Held through IEP. IEP owns 80% of BUD Group*
[3] *Subject to future dilution by a management incentive plan*
[4] *Warrants over 49.9% of the economic rights to the future returns of Conforama issued, but not exercised*
[5] *Excluding France, Switzerland and Balkans operations that were sold*
[6] *During May 2021 Pepco Group was listed on the Warsaw Stock Exchange resulting in Steinhoff N.V.'s holding reducing to 78.9%*
[7] *The Group has significant influence over these companies without the power to control, as such these entities are equity accounted, and not consolidated.*



PART I

REPORT OF THE MANAGEMENT BOARD

FINANCIAL AND BUSINESS REVIEW

INTRODUCTION

Steinhoff International Holdings N.V. is a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, has its corporate seat in Amsterdam, the Netherlands, and its principal place of business at Building B2, Vineyard Office Park, Cnr Adam Tas & Devon Valley Road, Stellenbosch 7600, South Africa. The Company is registered with the Trade Register in the Netherlands under number 63570173, with tax residency in South Africa. The Company has a primary listing on the FSE in Germany and a secondary listing on the JSE in South Africa.

Steinhoff N.V. is primarily a global holding company with current investments in retail businesses in Africa, Australasia, Europe, the United Kingdom and the United States of America. Each of these operations procures product direct from a wide range of suppliers for onward sales through an extensive retail footprint. As such, the Group does not make material direct investments into new product research and development.

This Financial and Business Review covers the financial year from 1 October 2020 to 30 September 2021 and addresses the material events subsequent to 30 September 2021 up to the date of this Annual Report.

OVERVIEW

In line with the strategy of longer-term value preservation for stakeholders, the Steinhoff Group continues to engage in a complex restructuring and recovery process. During the Reporting Period, the Management Board focused on continued operational improvements within the Group's businesses; further improvements to governance at all levels; finalising and releasing the audited financial statements for 2020; and dealing with the impact of COVID-19. In parallel, the Group continued to dispose of non-core businesses and made significant progress towards resolving its ongoing litigation challenges through the Litigation Settlement Proposal.

Further details are provided throughout this Annual Report.

Stakeholders have been kept informed by regular announcements released through formal stock exchange channels. All announcements can be found on the Steinhoff N.V. website: www.steinhoffinternational.com/sens.php.

CURRENT TRADING PERFORMANCE

The underlying businesses operate a number of strong local brands and are well diversified by geography and business line. While COVID-19 constraints affected the performance of all businesses during the current and prior year, the extent of the impact varied according to their geographic exposure, business mix, and severity and duration of lock down restrictions at a local level. Individual businesses, such as Pepkor Holdings and Pepco Group, with their everyday value focus, performed robustly, while others, such as Mattress Firm and Greenlit Brands reported strong trade as restrictions moderated and the operations focused strategically on consumers investing in their homes. The accompanying Operational Report deals with their performance in more detail.

REPORTABLE SEGMENT INFORMATION

In compliance with IFRS the Group is reporting on four continuing business segments. One segment from the prior year has been discontinued, as detailed in note 1 to the 2021 Consolidated Financial Statements, and as a result the comparative figures have been restated. This presentation is aligned with how the Management Board views the business and with historical operational reports.

PRESENTATION OF DISCONTINUED OPERATIONS

Intercompany transactions and balances between continuing and discontinued operations are eliminated within both continuing and discontinued operations. The intercompany eliminations are added back as reconciling items for segmental and operational reporting as this more closely reflects the trading conditions within each segment.

KEY ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of consolidated financial statements requires management to make judgements and estimates that affect the application of accounting policies and the reported values of assets, liabilities, income and expenses. Actual results may differ from these estimates. Judgements have been made after taking into account all currently available information, but these could change if additional relevant information comes to light. Key accounting estimates are those that involve complex or subjective judgements or assessments. The details of such judgements and estimates are included as part of the "Basis of Preparation" of the 2021 Consolidated Financial Statements, and readers should take note of the following items:

Key judgements

1. Going concern assumption
2. Consolidation decisions
3. Recoverability of financial and other assets
4. Recognition and derecognition of liabilities
5. Recognition and measurement of provisions (including Litigation Settlement Proposal provision)
6. Correct classification and completeness of contingent liabilities
7. Correct classification of disposal groups and non-current assets held-for-sale
8. Correct classification and completeness of liabilities and events occurring after the Reporting Period

Key estimates

1. Estimation of uncertain tax positions
2. Estimation of future taxable profits in support of recognition of deferred tax assets
3. Estimations of inputs into discounted cash flow models relating to the impairment of goodwill
4. Estimations of inputs into discounted cash flow models relating to the impairment of intangible assets
5. Estimation of the useful life of intangible assets
6. Estimation of the recoverable amount and fair value of properties
7. Estimation of the useful life and residual values of buildings
8. Estimation of the fair value less cost of disposal for non-current assets held-for-sale of disposal groups
9. Estimation of the provision to be raised for the Litigation Settlement Proposal
10. Estimation of the fair value of identifiable assets and liabilities impacting the measurement of goodwill in a business combination
11. Estimation of vesting conditions relating to share-based payments
12. Estimation in determining the lease terms and discount rates applicable to lease agreements

NET DEBT AND CASH FLOW

The net debt for the Group at the Reporting Date was €8 117 million (2020: €9 438 million), calculated as total debt less cash and cash equivalents. The Group Services cash includes the amounts held to cover the Litigation Settlement Provision.

The OpCos have all raised their own external debt and do not rely on the Group for funding. At operational level the total debt decreased from €1 580 million to €1 433 million over the Reporting Period.

Total Group Services debt similarly reduced from €9 873 million to €9 835 million as debt repayments, mainly from the successful IPO of Pepco Group, exceeded the interest accrued. Subsequent to the Reporting Date the debt has been paid down further as a result of a payment received from Mattress Firm and a dividend from Greenlit Brands, as detailed below.

For further details please refer to note 17 to the 2021 Consolidated Financial Statements.

The cash generated from operations was €1 352 million for the Reporting Period (2020: generated €1 171 million). Ordinary and preference dividends of €5 million (2020: €20 million) were paid to non-controlling interest, the Group received dividends from investments of €524 million (2020: nil), and net interest and tax of €447 million was paid (2020: €344 million). This resulted in a cash inflow from operations of €1 424 million (2020: inflow of €807 million).

The cash flows due to investing activities were as follows:

(i) €167 million net capital expenditure;

(ii) Net proceeds from disposals of businesses of €60 million (which mainly relate to the sale of Conforama Balkans); and

(iii) Proceeds from the disposal of investments in equity accounted companies of €10 million (Properties - Africa).

In the 2020 Reporting Period, the cash flows due to investing activities were:

(i) €31 million net capital proceeds;

(ii) Net proceeds from disposals of businesses of €543 million (Conforama €314 million; Unitrans €181 million; Sherwood €44 million; Greenlit Brands €19 million; Blue Group €13 million; Abra €2 million); and

(iii) Proceeds from the disposal of investments in equity accounted companies of €19 million (Cofel SAS €19 million).

GEOGRAPHIC CONTEXT AND IMPACT OF FOREIGN CURRENCIES

The Group earned c. 84% (2020: c. 84%) of its revenue from continuing operations outside of the eurozone area. The Group's assets are spread around the globe and the non-Euro assets are subject to various currency fluctuations including changes in the value of the South African rand, the Australian dollar, the US dollar, the UK pound sterling, the Swiss franc and the Polish zloty.

NON-OPERATIONAL EXPENSES

The Group has identified a number of non-operational expenses which are material due to the significance of their nature and/or amount. These expenses are not included in the segmental results and are listed separately in note 4.2 to the 2021 Consolidated Financial Statements to provide a better understanding of the financial performance of the Group. The more material items are as follows:

LITIGATION SETTLEMENT PROPOSAL PROVISION

A provision of €943 million was raised for the Litigation Settlement Proposal in the 2020 Reporting Period. This provision was increased to €1 573 million in the Reporting Period as explained below and detailed in note 23.4 to the 2021 Consolidated Financial Statements.

In addition, costs of €19 million in relation to a forward exchange agreement, a provision of €30 million for ACG lawyers' fees and a provision of €17 million for the SRF cost contribution were all raised in connection with the Litigation Settlement Proposal, as detailed in note 4.2.7 to the 2021 Consolidated Financial Statements.

ADVISORY FEES

As a consequence of the continued extensive litigation processes, the work in trying to secure the Litigation Settlement Proposal and the restructuring activities, it has been necessary for the Steinhoff Group to engage a wide range of professional advisors to assist it with its investigative, legal, financial and regulatory requirements as it continues its efforts to stabilise and restructure the Group. In addition, the Group is required to pay the advisor costs of each of the respective creditor groupings. The scale and complexity of these tasks has meant that the aggregate advisor costs have continued to be significant.

Advisory fees for the Reporting Period amounted to €57 million (2020: €58 million), as disclosed in note 4.2.5 of the 2021 Consolidated Financial Statements.

IMPAIRMENTS

There were no significant impairments of intangibles for the Reporting Period (2021: €1 million; 2020: €306 million). The impairments in the prior year were mainly recognised in Pepkor Holdings and Pepco Group and were driven by challenging trading and economic conditions created by COVID-19 and the related effect on the economic outlook, which resulted in lower than previously anticipated projected cash flows. Please refer to note 8 to the 2021 Consolidated Financial Statements for further information.

EXPECTED CREDIT LOSS ("ECL")

An ECL of €98 million (2020: €13 million) was recognised on the Titan loan receivable as detailed in note 12.1.2 to the 2021 Consolidated Financial Statements.

FINANCE COSTS

The total finance costs for the Reporting Period reduced marginally to €1 190 million (2020: €1 195 million).

Within the OpCos total finance costs on loans, from continued operations, decreased from €109 million in the prior year to €80 million in the Reporting Period as a result of reduced average debt levels.

The finance costs relating to Group Services debt increased from €923 million to €978 million.

For further details please refer to note 5 and note 17 to the 2021 Consolidated Financial Statements.

TAX

Tax remains an area of focus for management. Significant work has been done in collating information, completing entity stand-alone financial statements and filing of tax returns.

RELATED PARTY AND INTRAGROUP TRANSACTIONS

During the Reporting Period, related party relationships existed between certain shareholders, subsidiaries, joint-venture companies and associate companies within the Group, and its company directors and Group key management personnel. All known material intragroup transactions are eliminated on consolidation.

For further details please refer to note 31 to the 2021 Consolidated Financial Statements.

GOVERNANCE AND LEADERSHIP

There were no changes to the composition of the Management Board during the Reporting Period.

Ms. Khanyisile Kweyama resigned from the Supervisory Board on 19 April 2021.

SUSTAINABILITY (ESG) AND CORPORATE SOCIAL INVESTMENTS (CSI)

As a global holding company with investments in a range of retail businesses, good corporate citizenship, including a focus on diversity and equality, sustainability and social and community engagement, is important to the Group. Responsibility for operational implementation is devolved to each independent operating subsidiary where action can be carried out directly ensuring it has the most impact.

Key areas of focus include the promotion of ethical trading policies and practices within our supply chains, compliance with modern slavery principles, energy consumption, waste, carbon emissions, the development and well-being of our people and the role the businesses play in their wider communities. Steinhoff N.V. uses its influence, as appropriate, to help ensure that each operating business takes these aspects properly into account and is able to show consistent attention to and progress towards these objectives.

Our aim is to work with the OpCos to operate and maintain a modern and efficient infrastructure in respect of their stores, distribution centres and logistics operations, as part of our combined commitment to improving sustainability and ensuring that our workplaces are well-designed and safe for colleagues, and, where necessary, that they are adapted to address any challenges created by climate change. During the Reporting Period the OpCos also began to formalise plans to reduce carbon emissions from their operations over the coming years, in line with national and global plans to limit the rise in global temperatures. The Group also recognises the important role the OpCos play in the communities they serve, with investment in new stores and related infrastructure creating employment and providing value for money products and services to customers.

In addition, the Company manages the various aspects directly under its control, looking continuously for opportunities to reduce or minimise consumption and waste. During the Reporting Period the Group reduced international and local travel, and the associated emissions, significantly by holding almost all of the Supervisory and Management Board meetings virtually rather than in person. Although this was initially driven by the COVID-19 restrictions, it is the Company's intention to continue holding board and other meetings virtually where possible.

The Company intends to ensure readiness of its organisation to provide the disclosures on sustainability that are required by the European Corporate Sustainability Reporting Directive (CSRD) as of 1 January 2023.

CORPORATE ACTIVITY DURING THE REPORTING PERIOD

PROPERTIES – AFRICA

The Group commenced a process, post March 2019, to dispose of the remaining property portfolio within the property division in Africa. Management considered various disposal options in order to optimise the balance sheet and unlock value for shareholders. The portfolio consisted of retail outlets, offices, warehouses, dealerships, truck shops, vacant land and residential properties, and included properties tenanted by the Group and third parties.

Twelve of the remaining properties were leased by Pepkor Holdings. As announced on 14 April 2021 Pepkor Holdings received the approvals necessary to acquire these twelve properties and all conditions precedent of the transaction have been fulfilled. Pepkor Holdings issued 68.7 million ordinary shares, of the transaction total of 70 million, from the end of July 2021 up until September 2021 as purchase consideration for various properties acquired from the Steinhoff Group.

As these properties remain within the Group after the transaction, they no longer met the criteria to be classified as held-for-sale and have been reclassified to Property, Plant and Equipment.

As at 30 September 2021 the portfolio has been materially disposed of. Management believes that the remaining properties will be disposed of within the next 12 months as agreements have already been entered into for all but one property. The portfolio therefore still meets the criteria to be classified as held-for-sale.

PEPKOR HOLDINGS

In August 2020, the Pepkor Holdings Group entered into a sale and purchase agreement for the disposal of the entire issued share capital of The Building Company. Completion of the transaction was subject to approval by the Competition Commission in South Africa. The Competition Commission recommended on 28 May 2021 that the transaction be prohibited. On 12 August 2021 Pepkor Holdings announced that the sale had been terminated and the business has been reclassified out of discontinued operations.

CONFORAMA IBERIA, ITALY AND BALKANS

During the 2020 Reporting Period the Group decided to dispose of its remaining investments in the Conforama businesses and embarked on a process to identify potential buyers. The disposal of the Balkans business closed in September 2021. The remaining businesses met the criteria to be classified as held-for-sale on 30 September 2021.

GREENLIT BRANDS

On 21 February 2021, Greenlit Brands completed a restructure of the ownership of the Fantastic business resulting in Greenlit Brands, shareholder, APAC HoldCo Ltd, a subsidiary of the Group, having a direct interest in Fantastic. This restructure has resulted in Greenlit Brands repaying in full the outstanding secured loans payable to the parent group lenders.

In line with its strategy of longer-term value preservation for all stakeholders, the Group continues to explore and evaluate a range of strategic options for its subsidiary businesses. These options included a potential public listing of the Fantastic Group, Australia's leading, value-focused furniture and bedding retailer. During the Reporting Period all decisions relating to the IPO process were postponed to a later date when it is expected that COVID-19 related uncertainty should reduce, making it easier for investors to assess growth prospects for the business. No definitive decision has been taken with respect to any specific course of action or timing at this point.

LEGAL PROVISION – SEIFERT

The litigation with Seifert relating to the Conforama Group is ongoing and still subject to uncertainty. On the basis of information available and actions taken to date, management concluded that a liability should be attributed to Seifert from the date of termination. A payment of €147 million was made by the Group for Seifert's interest in December 2016. During November 2020, the parties entered into negotiations wherein an additional settlement amount of €100 million was discussed. A settlement was not finalised as the parties could not reach agreement with respect to certain contractual terms. In light of these negotiations, management decided to maintain the settlement provision raised in the 2020 Reporting Period, representing the best estimate for settlement of the claim.

REDUCTION OF SHARE CAPITAL

Effective as of 3 November 2020 the issued share capital of the Company was reduced to 4 269 609 051 Ordinary Shares of €0.01 each, following the cancellation of 40 118 093 Ordinary Shares of €0.01 each.

The resolution to reduce the capital of the Company by cancelling 40 118 093 Ordinary Shares, that were held by the Company (the "Cancelled Shares" and the cancellation of these Cancelled Shares, the "Capital Reduction") was adopted by the General Meeting on 28 August 2020. The Company deposited the resolution to cancel the Cancelled Shares with the Dutch Trade Register and announced the Capital Reduction in a daily nationally distributed newspaper on 2 September 2020. As from the date of the announcement the statutory waiting period of two months for creditors to oppose the Capital Reduction commenced. On 4 November 2020, the District Court of Amsterdam confirmed that no creditors had opposed the Capital Reduction during this period. Therefore, the resolution took effect on 3 November 2020, two months having passed since the announcement had been made. The Capital Reduction was aimed at optimising the Company's equity structure.

IBERIAN PROPERTIES

During February 2021, Conforama Espana S.A. and Conforama Portugal (jointly "Conforama Iberia") entered into a binding offer for a sale and leaseback of their real estate properties for a consideration of €107 million, with certain conditions precedent. Some of these conditions were not met and the deal was terminated during the Reporting Period.

PEPCO GROUP

On 25 January 2021 Steinhoff N.V. announced that the Group had resumed its evaluation of a range of strategic options for the Pepco Group. Following receipt of the necessary consents from its financial creditors and after consultation with the financial institutions advising on a possible IPO of Pepco Group, on 26 April 2021 the Group decided to proceed further with an IPO of Pepco Group on the Warsaw Stock Exchange and the Intention To Float announcement was made available on the Pepco Group website.

On 5 May 2021 Steinhoff N.V. launched the IPO of Pepco Group on the Warsaw Stock Exchange. The IPO included a public offering of up to 101 343 568 existing Pepco Group shares to retail investors and institutional investors in Poland and an offering to institutional investors in selected other countries. The final number of shares, and the offer price, were determined and published on 14 May 2021 and the first day of trading on the Warsaw Stock Exchange was 26 May 2021.

The Group received proceeds of approximately €1 billion from the IPO, most of which was used to reduce debt. The Group's shareholding in the Pepco Group reduced to 78.9% following the full exercise of the over-allotment option.

PEPKOR HOLDINGS

Pepkor Holdings successfully raised ZAR2.2 billion in the South African bond market in an auction held on 30 April 2021. Strong demand from institutional investors resulted in an oversubscription of 2.8 times.

The Domestic Medium Term Note Programme ("Programme") is part of Pepkor Holding's strategy to diversify its sources of funding and to reduce its financing costs. Proceeds from the notes issued were used to replace existing term debt due for repayment in 2022 – thereby strengthening Pepkor Holding's liquidity and debt repayment profile.

Pepkor Holdings further notified shareholders and noteholders that the JSE had granted the listing of the PEP03 and PEP04 Senior Unsecured Floating Rate Notes effective 5 May 2021, in terms of its Programme dated 2 March 2020 and guaranteed by Pepkor Trading Proprietary Limited.

During September 2021 the Steinhoff Group successfully placed 370 million Pepkor Holdings shares in the market raising total gross proceeds of ZAR7.3 billion (c. €409 million) and reducing the holding from 68.2% to 58.9% (including the effect of the Pepkor Holdings share buy-back in September 2021).

MATTRESS FIRM

In line with the Group strategy of simplifying its portfolio and deleveraging its balance sheet the Company announced on 31 August 2021 that Mattress Firm was considering a return of share capital and had commenced evaluating a range of strategic options, including a potential public listing. The confidential draft registration statement on Form S-1 was submitted to the Securities and Exchange Commission in the United States in September 2021.

During the 2021 Reporting Period Mattress Firm successfully refinanced its outstanding debt. In addition, Mattress Firm made a payment to shareholders of USD1.2 billion (€1.0 billion) with the Steinhoff Group receiving USD609 million (€520 million).

On 7 January 2022 Mattress Firm announced that they had filed a registration statement on Form S-1 for a proposed IPO with the Securities and Exchange Commission in the United States. The process remains ongoing.

LIPO

Subsequent to the 2021 Reporting Period the Group entered into a contract to sell the LIPO business. The disposal is subject to anti-trust approval and the terms of the sale remain confidential at this stage. LIPO was therefore classified as held-for-sale on 30 September 2021.

CORPORATE ACTIVITY AFTER THE REPORTING DATE

GREENLIT BRANDS

In line with its strategy of longer-term value preservation for all stakeholders, the Group continues to explore and evaluate a range of strategic options for its subsidiary businesses. During November 2021 Greenlit Brands closed the sale of the Plush business for an enterprise value of AUD110 million. The proceeds were utilised to reduce Group debt.

PEPKOR HOLDINGS – DIVIDEND DECLARATION

The board of directors of Pepkor Holdings declared a dividend of 44.2 South African cents per ordinary share, payable to shareholders on 24 January 2022, in respect of the twelve months ended 30 September 2021.

SETTLEMENT WITH THE FORMER TEKKIE TOWN OWNERS

Certain former owners of the Tekkie Town business instituted claims against the Steinhoff Group (together the "Former Tekkie Town Owner Claimants"). In addition, the Former Tekkie Town Owner Claimants instituted liquidation proceedings (the "Liquidation Application") against Steinhoff N.V. on 12 May 2021. One of those claimants, AJVH Holdings Proprietary Limited, and a related party, Sport City Trust, also attempted to oppose the application for the sanction of the S155 Scheme by arguing that they have SIHPL Market Purchase Claims (as defined in the S155 Scheme).

On 15 December 2021, the Steinhoff Group and the Former Tekkie Town Owner Claimants (including associated parties who have joined or supported their Liquidation Application and S155 Scheme opposition) have agreed that the Former Tekkie Town Owner Claimants will (i) support, and withdraw their opposition to, the S155 Scheme with immediate effect and

(ii) withdraw the Liquidation Application (and their opposition to the appeal pending before the South African Supreme Court of Appeal), subject to implementation of the Litigation Settlement Proposal by 30 June 2022.

This settlement is viewed as an adjusting event for the 2021 Reporting Period and an additional €42 million was raised as part of the Litigation Settlement Proposal provision, representing the best estimate for settlement of the claim. Refer to Note 23.4.

SETTLEMENT WITH TREVO CAPITAL LIMITED

Steinhoff N.V.'s announcement on 11 August 2021 confirmed the treatment of Trevo Capital Limited ("Trevo") as a Non-Qualifying Claimant (being a class of claimants to whom an offer of compromise is not made under the terms of the S155 Scheme). Trevo (supported by others) has opposed the sanction application for the S155 Scheme the hearing of which was scheduled to commence from the 24th of January 2022, notwithstanding that they are not a scheme creditor.

On 15 December 2021, the Company announced that Trevo had agreed to a settlement in which Trevo confirmed its conditional support for the S155 Scheme subject to the satisfaction of suspensive conditions on or before 11 January 2022 unless waived or extended by the parties. Settlement was also reached with other NQCs who had supported Trevo's opposition to the sanction application. On 7 January 2022 Steinhoff N.V. announced that these conditions had all been achieved and that the settlement had become binding. This settlement is viewed as an adjusting event for the 2021 Reporting Period and €28 million was raised as part of the Litigation Settlement Proposal provision, representing the best estimate for settlement of the claim. Refer to Note 23.4.

GROUP DEBT RESTRUCTURE

As part of the Litigation Settlement Proposal and related lender consent requests, the Group proposed that the financial creditors extend the common maturity date of the debt. An interim extension of 12 months to 31 December 2022 was approved by the lenders as announced on 12 August 2021. If the Proposed Litigation Settlement is successful, the due date of the debt will be extended further to 30 June 2023 with an option for a further six-month extension subject to a simple majority approval by the lenders.

LITIGATION

Litigation remained a significant outstanding challenge for the Group during the Reporting Period. In parallel with these various court processes, the Management Board, assisted by the Litigation Working Group and the Group's legal advisors, continued to work towards the implementation of the Litigation Settlement Proposal as explained below.

On 12 May 2021, a provisional liquidation application was filed by entities affiliated with the former shareholders of Tekkie Town Proprietary Limited in the Western Cape Division of the High Court of South Africa (the Liquidation Application referenced above). Steinhoff N.V., together with a number of other interested parties, opposed the application. No judgements have been delivered on the underlying merits of the case and the parties have subsequently agreed to withdraw the application as well as their opposition to the appeal. Refer to the settlement with the former Tekkie Town owners during December 2021, as discussed above.

Please refer to note 23.4 to the 2021 Consolidated Financial Statements for further details.

The Group is also evaluating potential claims it may have against third parties, and recoveries against implicated entities and individuals are being initiated where appropriate.

LITIGATION SETTLEMENT PROPOSAL

On 27 July 2020, the Group released a detailed update on its efforts to resolve the ongoing complex legal claims and litigation proceedings against it, including details of a proposed settlement in respect of these claims. The Group formulated proposed settlement amounts for various claimant groups in light of the characteristics of, and risks affecting, their claims, the Group's ability to continue trading and to maximise the asset values available to it, and the likely outcomes for claimants if the Group was unable to do so and liquidation ensued. The Group's settlement proposal was made on the basis that it does not represent an admission of any liability in respect of any of the various claims made against any member of the Group or any directors, officers, employees or advisors, past or present.

Steinhoff N.V. announced on 15 February 2021 that it was beginning the implementation of its global settlement and had resolved to commence a Dutch SoP to implement a proposal to settle certain multi- jurisdictional legacy litigation and various claims against the Group including those against the former holding company, SIHPL. The District Court of Amsterdam approved the application by the Company for the Dutch SoP and appointed two administrators.

In parallel, the board of SIHPL resolved to commence a S155 Scheme in South Africa, also as part of the implementation of the Litigation Settlement Proposal.

Steinhoff N.V., together with SIHPL, subsequently reached a bilateral conditional agreement with Deloitte pursuant to which Deloitte agreed to support the proposed Steinhoff N.V. global settlement as announced on 27 July 2020 (and as subsequently revised).

Steinhoff N.V. further announced that, together with SIHPL, it had also reached an agreement with certain insurance companies underwriting Steinhoff N.V.'s (primary and excess) Directors and Officers insurance policy (the "D&O Insurers") and certain former directors and officers who have worked for or been associated with a Steinhoff Group company (the "Settling D&Os"). As a result, the bilateral agreement with Deloitte was replaced by a comprehensive Steinhoff Settlement Support Agreement entered into by *inter alia* Steinhoff N.V., SIHPL, Deloitte, the D&O Insurers and the Settling D&Os. In addition to the compensation made available to certain claimants by Steinhoff N.V., Deloitte (up to €77.94 million) and the D&O Insurers (up to €78.1 million), on behalf of the Settling D&Os, are making additional compensation available to certain Steinhoff N.V. claimants, including the Market Purchase Claimants and Contractual Claimants, in exchange for certain waivers and releases, provided that Steinhoff N.V. successfully completes the Dutch SoP process commenced on 15 February 2021 and SIHPL successfully implements the S155 Scheme and certain other conditions are fulfilled. Deloitte, the D&O Insurers and the Settling D&Os do not in any way admit liability for the losses incurred by Steinhoff N.V. and its stakeholders as a result of the alleged accounting irregularities.

The Litigation Settlement Proposal required and received the approval of Steinhoff N.V.'s financial creditors as well as the approval of FinSurv.

Following a unanimous vote (15/15) in favour of the Composition Plan by the Committee of Representation on 8 September 2021 the District Court of Amsterdam issued an order on 23 September 2021 confirming Steinhoff N.V.'s Composition Plan. On 5 October 2021 the Company announced that the Composition Plan had become final and unappealable (*in kracht van gewijsde gegaan*) resulting in the termination of the Dutch SoP proceedings effective as of 2 October 2021.

In the S155 Scheme in South Africa the Financial Creditors and the Market Purchase Claimants voted in favour of the Scheme on 6 September 2021 while the Contractual Creditors voted in favour on 10 September 2021. No votes against the Scheme were recorded.

SIHPL's application for the approval and sanction of the S155 Scheme was heard on 24 January 2022, by the Western Cape High Court. At the close of the hearing the Court granted SIHPL's request and granted an order approving and sanctioning the S155 Scheme. Following receipt of the Order, "Settlement Effective Date" (referred to under the S155 Scheme and the Composition Plan) is expected to occur on or about 15 February 2022. As disclosed in Steinhoff N.V.'s announcement of 15 December 2021, formal withdrawal of the various litigation that has been settled, including the withdrawal of the Liquidation Application against Steinhoff N.V. will occur immediately following Settlement Effective Date. Occurrence of Settlement Effective Date is the remaining condition under the Composition Plan.

For more information, please refer to note 24.3 to the 2021 Consolidated Financial Statements or the various announcements which can be found at www.steinhoffinternational.com/settlement-litigation-claims.php (not audited by Mazars).

INTERNAL GROUP RESTRUCTURE

The Group owns a number of valuable businesses, most of which were held under a common holding structure comprising mostly of UK and Austrian companies. The holding structure had however become complex and unwieldy, since it comprised both of companies which pre-date the 2019 CVA restructuring, and some which were inserted as part of the CVAs to provide security to the Steinhoff Group's external lenders, the Lux Finco 1 lenders and the Lux Finco 2 lenders (together the "CVA Creditors") and to facilitate the restructuring.

As the CVA restructuring has now been completed the Group is in the process of divesting various interests in some of its valuable assets, in order to generate cash to repay the CVA Creditors and is also seeking to wind up surplus companies which are no longer required.

To facilitate the disposal of assets, repatriation of cash and the eventual wind up of surplus companies, the Group and its advisors reviewed the corporate structure and found a number of inefficiencies which needed to be addressed over time.

The Group's valuable assets are held far down the corporate structure, whilst the financing provided by the CVA Creditors' debt is held at a higher level in the corporate structure. Moving any disposal proceeds through the structure to the CVA creditors could have taken a number of months and, in the previous structure may have resulted in cash being trapped in specific subsidiaries.

To address these issues and to facilitate smooth payments to the CVA Creditors, the Group undertook a project which broadly involved simplifying the Group structure by liquidating companies no longer required and restructuring the remaining companies more efficiently, all in order to reduce operating costs and streamline the Group going forward. Some of the steps in this project were completed before the end of the financial year, being 30 September 2021, while others will be ongoing as part of normal business operations.

REGULATORY ENGAGEMENT AND LISTING

The Company remains in contact with its principal stock-market regulators regarding its listings: the AFM in the Netherlands, the FSE and the Federal Financial Supervisory Authority of Germany (*Bundesanstalt für Finanzdienstleistungsaufsicht*), and the JSE and the Financial Sector Conduct Authority (FSCA) in South Africa.

Steinhoff N.V. has co-operated and / or is co-operating with the various prosecution authorities and regulators in South Africa and other jurisdictions as they investigate various individuals and entities implicated in relation to the events uncovered in December 2017. The South African authorities approached PwC and engaged them to perform additional expert forensic work to assist in the criminal investigation. Steinhoff N.V. supported this initiative and is contributing funds to cover a substantial portion of the costs, due to the size and complexity of the investigation required. Steinhoff N.V.'s role is limited to co-operation and providing a portion of funding for the project. The funding is provided on an arms-length basis, with Steinhoff N.V. having no ongoing involvement in the investigation, the extent thereof and report-back process. The total costs contribution commitment from Steinhoff N.V. was €1.6 million (ZAR30 million) (plus VAT) and the Group has honoured the agreement to date and intends to continue doing so going forward.

On 20 October 2020, the JSE issued Steinhoff N.V and SIHPL, jointly, with a public censure and a fine of ZAR13.5 million in respect of alleged disclosure irregularities that occurred prior to December 2017.

On 21 October 2020 under docket number E 6-2020 the FSE imposed a fine of €19 800, which included €17 800 in fines and €2 000 in fees for the administrative proceeding, for late submission of the Company's Half-year Report for the six-month period ending 31 March

2020. On 10 September 2021 under docket number E 1-2021 the FSE imposed a fine of €134 000, which included €124 000 in fines and €10 000 in fees for the administrative proceeding, for late submission of the Company's Annual Report for the financial year ending 30 September 2020.

The Group remains committed to co-operating and maintaining open communication lines with all regulators.

SHAREHOLDER MEETINGS

A hybrid annual meeting of shareholders was held on 30 April 2021.

OPERATIONAL IMPACT COVID-19

With COVID-19 constraints remaining in place, keeping colleagues and customers safe and adhering to all government guidance, while maximising the trading opportunities, remained the primary focus for the operating businesses during the Reporting Period. The impact of the pandemic was in gradual retreat in many of our markets, although the pace at which restrictions were being lifted or re-imposed varied depending on local conditions.

Trading conditions have been more encouraging as the impact of COVID-19 has broadly continued to reduce. While the situation remains far from normal, the progress of vaccination roll-outs, behavioural change, and the lifting of restrictions impacting on Steinhoff Group businesses in most of our major markets are having a positive effect. However, uncertainty over the future impact of the pandemic persists and trade is subject to this volatility.

GOING CONCERN

In determining the appropriate basis of preparation of the 2021 Consolidated Financial Statements and the 2021 Separate Financial Statements of the Company, the Management Board is required to consider whether the Group and the Company can continue in operational existence for the foreseeable future.

In doing so the Board has prepared and assessed the Group's and the Company's cashflow forecasts in order to substantiate the going concern assumption, and has considered the impact of the provision for the Litigation Settlement Proposal, the extension of the maturity date of the debt, and assessed the impacts of the COVID-19 global pandemic on the going concern position.

The Management Board draws stakeholders' attention to the following assumptions that are key in arriving at the forecast cash flows, namely:

LITIGATION

On 15 February 2021 the Company applied for the opening of Dutch SoP proceedings and offered the Steinhoff N.V. Composition Plan to its Dutch SoP creditors. The Dutch Court confirmed the Steinhoff N.V. Composition Plan on 23 September 2021. No appeal was lodged to the Dutch Court's decision and accordingly the order became final and binding and by consequence the Steinhoff N.V. Composition Plan became binding on all Dutch SoP creditors in accordance with its terms. The Steinhoff N.V. Composition Plan was proposed in parallel with the SIHPL S155 Scheme. Both proposals, which are inter-conditional, form part of the Litigation Settlement Proposal to resolve the legacy claims arising from the announcement of accounting irregularities.

The sanctioning of the SIHPL S155 Scheme on 24 January 2022 has resulted in a compromise of claims against SIHPL in accordance with the terms of the SIHPL S155 Scheme. The SIHPL S155 Scheme commenced in February 2021 and has been adopted by all three classes of the scheme creditors during September 2021. Pursuant to the SIHPL S155 Scheme having been adopted by the SIHPL scheme creditors with overwhelming support, SIHPL brought the sanction application.

SIHPL's application for the approval and sanction of the S155 Scheme was heard on 24 January 2022, by the Western Cape High Court. At the close of the hearing the Court granted SIHPL's request and granted an order approving and sanctioning the S155 Scheme. Following receipt of the Order, "Settlement Effective Date" (referred to under the S155 Scheme and the Composition Plan) is expected to occur on or about 15 February 2022. As disclosed in Steinhoff N.V.'s announcement of 15 December 2021, formal withdrawal of the various litigation that has been settled, including the withdrawal of the Liquidation Application against Steinhoff N.V. will occur immediately following Settlement Effective Date. Occurrence of Settlement Effective Date is the remaining condition under the Composition Plan.

The following key considerations were taken into account by the Management Board:

- The maturity date of the Steinhoff N.V. CPU will be extended to June 2023, subject to the Settlement Effective Date; and
- The Litigation Settlement Proposal has reached significant positive milestones, including the adoption and confirmation of the Steinhoff N.V. Composition Plan, the almost unanimous adoption of the SIHPL S155 Scheme by relevant classes of SIHPL creditors, the Court Order approving and sanctioning the S155 Scheme on 24 January 2022 as well as regulatory approval by FinSurv.

At 30 September 2021 the Group's obligation has been classified as a provision and measured as per the Steinhoff N.V.'s Composition Plan as well as the SIHPL S155 Scheme term sheet, which represents the best estimate of the total amount to be incurred to settle the present obligation. In light of the key considerations taking into account by the Management Board as set out above, the obligation is no longer disclosed as a contingent liability.

The Group and the Company's cashflow forecasts are adjusted for the impact of the Litigation Settlement Proposal as detailed in note 23.4 of these 2021 Consolidated Financial Statements.

CLASSIFICATION OF DEBT

As part of the implementation steps of the Litigation Settlement Proposal, the Group delivered the Interim Debt Extension request to its lenders on 6 August 2021 requesting consent to extend the maturity date of the Group's outstanding corporate debt from 31 December 2021 to 31 December 2022.

On 11 August 2021, consent for the Interim Debt Extension was granted by those lenders. Consequently, the maturity date of the Steinhoff N.V. CPU and facility agreements entered into pursuant to the CVA, was extended from 31 December 2021 to 31 December 2022. As a result, in accordance with IAS 1 – Presentation of Financial Statements, the debt is classified as non-current as at 30 September 2021. Refer to note 17. A further term extension will be granted initially to 30 June 2023 on the Settlement Effective Date of the global Litigation Settlement Proposal and such maturity date is capable of further extension to 31 December 2023 with further simple majority lender approval.

COVID-19

The underlying businesses operate a number of strong local brands and are well diversified by geography and business line. While COVID-19 constraints affected the performance of all businesses during the current and prior year, the extent of the impact varied according to their geographic exposure, business mix, and severity and duration of lockdown restrictions at a local level. The Group's unparalleled position in the discount and value retail market segments continues to be increasingly relevant in addressing consumer needs. While the Group is confident that the actions it has taken, and continues to take, to address the impacts of COVID-19 are appropriate and timely, the situation remains fluid. The developments and the mitigating actions are being kept under constant review. The Group has assessed its ECL calculations as well as the impairment of goodwill and intangible assets taking into consideration the constrained retail environment and has concluded that its ECL provisions are reasonable and that no further impairment of goodwill and intangible assets are necessary as at 30 September 2021.

CONCLUSION

In determining the appropriate basis of preparation of these 2021 Consolidated Financial Statements and the 2021 Separate Financial Statements of the Company, the Management Board has considered whether the Group and the Company can continue in operational existence for the foreseeable future. The Management Board draws attention to the following facts:

- At 30 September 2021, the Group's current assets exceed its current liabilities;
- At 30 September 2021, the Group's total liabilities exceed its total assets. However, management draws the user of these financial statements' attention to the 2021 Consolidated Financial Statements' basis of preparation, which is the historical cost convention and therefore the majority of the assets are recognised at book value and not fair value. The fair value of the assets held by the Group, as at 30 September 2021, has been taken into account in the calculation of the Steinhoff N.V. CPU in the separate financial statements of Steinhoff N.V. (Refer to note 9 in the separate financial statements of Steinhoff N.V. for more detail); and
- The Management Board does not intend to liquidate the Company and the underlying boards still plan to recover the assets and settle the debt in the normal course of business. The resolution of the litigation, following the court sanction on 24 January 2022, through the implementation of the Dutch SOP and the S155 scheme will enable management to actively pursue the next step of its strategic plan, being the restructure of the Group with the view to reduce debt and finance costs.

At the time of signing these financial statements, the Management Board has a reasonable expectation that the Group has sufficient resources to continue in operation for the foreseeable future, which is not less than twelve months from the date of authorisation of these 2021 Consolidated Financial Statements. The Management Board has adopted the going concern basis in preparing these 2021 Consolidated Financial Statements.

THE COMPANY'S DIVIDENDS ON ORDINARY SHARES

Given the Group's ongoing liquidity constraints the Management Board, with the approval of the Supervisory Board, has resolved not to propose dividends on the Ordinary Shares until further notice. On the Reporting Date and at the date of publication of this report, the Ordinary Shares remain listed and traded on the FSE and the JSE.

EVENTS AFTER THE REPORTING DATE

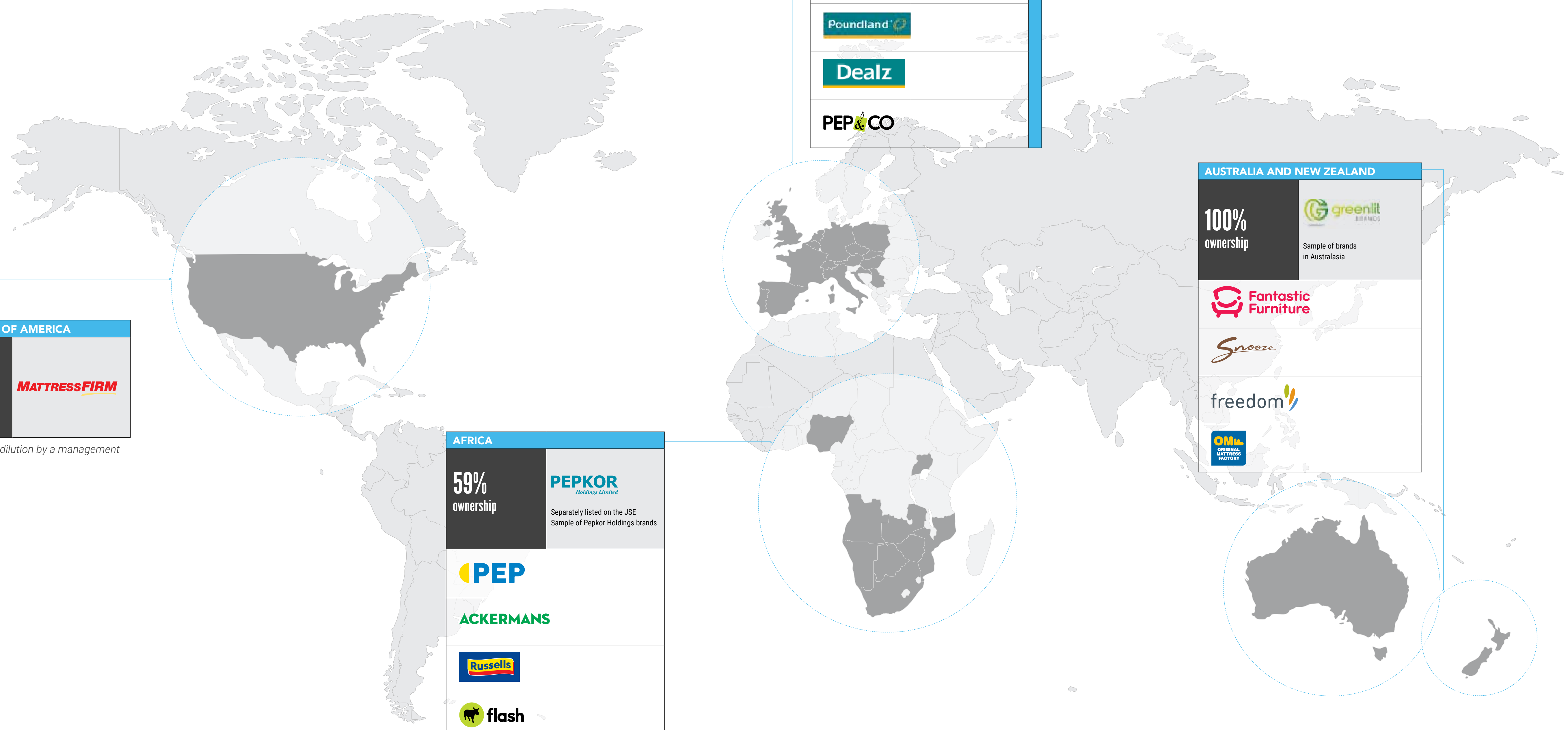
Aside from progress with the Litigation Settlement Proposal, the court processes in connection with the liquidation hearing and the corporate activity, all as set out above, no other material events have occurred after the Reporting Date. For full details please refer to note 36 to the 2021 Consolidated Financial Statements.

EXTERNAL AUDIT

The 2021 Consolidated Financial Statements and separate financial statements of the Company have been audited by the external auditor, Mazars and their opinion is set out in the 2021 Consolidated Financial Statements.

STEINHOFF N.V.

is a global holding company with investments in retail businesses



EUROPE

79% ownership

PEPCO Group

Separately listed on the Warsaw Stock Exchange
Sample of Pepco brands

- PEPCO
- Poundland
- Dealz
- PEP&CO

100% ownership

LIPO Einrichtungsmärkte

AUSTRALIA AND NEW ZEALAND

100% ownership

greenlit brands

Sample of brands in Australasia

- Fantastic Furniture
- Snooze
- freedom
- OMF Original Mattress Factory

UNITED STATES OF AMERICA

50%* ownership

MATTRESSFIRM

* Subject to future dilution by a management incentive plan

AFRICA

59% ownership

PEPKOR Holdings Limited

Separately listed on the JSE
Sample of Pepkor Holdings brands

- PEP
- ACKERMANS
- Russells
- flash

OPERATIONAL REVIEW

FOR THE YEAR ENDED 30 SEPTEMBER 2021

INTRODUCTION

The Group reported a significantly improved performance for the year ended 30 September 2021 with a 14% increase in revenue from continuing operations to €9 193 million (2020: €8 034 million; 2019: €8 388 million; both comparatives have been restated for discontinued operations; 2019 revenue included to illustrate the impact of the COVID-19 trading restrictions on the operations). COVID-19 restrictions, while still in place at various times in almost all of the trading operations, generally eased up throughout the Reporting Period.

EBITDA from continuing operations increased by 29% to €1 336 million (2020: €1 033 million), reflecting the improved sales as well as good expense management. Similarly operating profit adjusted for material non-operational items ("EBIT") increased by 57% to €728 million (2020: €463 million).

Management within the various businesses focused on operational improvements, cash flow and liquidity, expense management and profitability. The businesses in Europe and Africa continue to expand their footprints significantly during the year.

The Building Company, part of Pepkor Holdings, has been reclassified as a continuing operation following the termination of the transaction to dispose of the business while LIPO and Plush (part of Greenlit Brands), have been classified as discontinued following a decision to sell them. The comparative figures have been restated accordingly as all discontinued operations are excluded from this operational review. For full details please refer to note 1 to the 2021 Consolidated Financial Statements.

REVENUE FROM CONTINUING OPERATIONS (€M)	2021	2020	% change	Constant currency %	2019*
Pepco Group	**4 122**	3 506	18	19	3 420
Pepkor Holdings	**4 357**	3 892	12	9	4 307
Greenlit Brands	**714**	636	12	8	658
Corporate and treasury services	**–**	–	–	–	3
Total Group revenue from continuing operations	**9 193**	**8 034**	**14**		**8 388**

** 2019 revenue included, on a consistent basis, to illustrate the impact of the COVID-19 trading restrictions on the operations.*

EBITDA FROM CONTINUING OPERATIONS (€M)	2021	2020	% change	Constant currency %
Pepco Group	**636**	411	55	
Pepkor Holdings	**714**	580	23	20
Greenlit Brands	**96**	89	8	4
Corporate and treasury services	**(110)**	(47)		
Total segmental EBITDA from continuing operations	**1 336**	**1 033**	**29**	

OPERATING PROFIT / (LOSS) ADJUSTED FOR MATERIAL NON-OPERATIONAL ITEMS ("EBIT") FROM CONTINUING OPERATIONS (€M)	2021	2020	% change	Constant currency %
Pepco Group	**307**	112	174	
Pepkor Holdings	**503**	370	36	33
Greenlit Brands	**28**	28	–	(4)
Corporate and treasury services	**(110)**	(47)		
Total segmental EBIT from continuing operations	**728**	**463**	**57**	

MATERIAL ASSOCIATE – MATTRESS FIRM (€M)	2021	2020	% change
Revenue	**3 676**	2 975	24
Profit / (loss) for the period	**237**	(4)	>100

These results are presented on an IFRS basis, represent 100% of Mattress Firm's results and are included for information purposes only. Mattress Firm is considered to be an associated company as the Steinhoff Group owns 50.1% (before management incentive share dilution) and as such it is equity accounted, and not consolidated, into results of Steinhoff N.V.

PEPCO GROUP

Pepco Group, the fast-growing pan-European discount variety retailer, trading from over 3 000 stores in 17 territories across Europe. Pepco Group owns the PEPCO and Dealz brands in Europe and the Poundland brand in the United Kingdom ("UK") and has a clear vision to become Europe's pre-eminent discount variety retailer.

Further information regarding Pepco Group can be found online at www.pepcogroup.eu.

PEPCO GROUP (€M)	2021	2020	% change	Constant currency %	2019
Total revenue	**4 122**	3 506	18	19	3 420
PEPCO	**2 165**	1 732	25	29	
Poundland (including Dealz)	**1 957**	1 774	10	10	
EBITDA	**636**	411	55		
EBIT	**307**	112	>100		

Total revenue increased by 18% to €4 122 million (19% in constant currency) led by PEPCO with 25% growth. PEPCO's like-for-like (LFL) growth was +10% for the full year, including the impacts of COVID-related store closures. The growth was driven by the strength of the proposition, including store and proposition renewal programmes and higher levels of customer demand. Poundland Group's full year LFL growth of 3%, provides a clearer indication of the strengthened customer offer and, in particular, the strong performances across the recently extended categories in clothing and homewares and the introduction of a new frozen and chilled offer in 35 stores in the final quarter (127 in the full financial year). Alongside the renewal programme the proposition transformation continues to drive the multi-price participation to 36% of sales (2020: 26%).

Recognising the significant future store capacity in all of the territories that it operates in, PEPCO expanded its store portfolio in the full year by 364 stores (+17%) which included its first stores in Austria, Spain and Serbia. In addition, PEPCO continued to upsize or relocate stores, numbering 60 in the year-to-date and began the first steps in updating branding in stores to reflect a new, contemporary design. The store renewal programme continues in both PEPCO and Poundland updating nearly 1,000 stores in the year which will deliver sustainable LFL growth.

Following sustained improving performances, Pepco Group continued the roll-out of the Dealz format across Poland and Spain with 65 stores opened in the year and 14 in the quarter, with over 100 stores now trading in Poland.

Closing net debt of €108 million, (€220 million reduction) reflects management's action to reduce stock and optimise working capital across the year. On an IFRS16 basis net debt was €1 207 million (2020: €1 239 million).

EBITDA for the year increased 55% to €636 million while EBIT rose 174% to €307 million.

PEPKOR HOLDINGS

Pepkor Holdings has the largest retail store footprint in southern Africa, with more than 5 400 stores operating across 10 African countries. The majority of its retail brands operate in the discount and value segment of the market.

The Building Company, part of Pepkor Holdings, has been reclassified as a continuing operation following the termination of the transaction to dispose of the business. The comparative figures have been restated accordingly.

For more information visit: www.pepkor.co.za.

PEPKOR HOLDINGS (€M)	2021	2020	% change	Constant currency %	2019
Total revenue	**4 357**	3 892	12	9	4 307
EBITDA	**714**	580	23	20	
EBIT	**503**	370	36	33	

Pepkor Holdings reported strong results for the year ended 30 September 2021. The group entrenched its position as the leading discount and value retailer in South Africa. Pepkor Holdings' ambition to restore profitability to 2019 levels following the impact of COVID-19 was not only achieved but surpassed. From an operating environment perspective, the discount and value retail sectors continue to be favoured by customers, with reduced consumer spending as a result of increased unemployment and the effects of a poor performing economy.

Pepkor Holdings' revenue increased by 12% (9% in constant currency) to €4 357 million. The prior year was disrupted due to COVID-19 related lockdowns.

EBITDA increased by 23% to €714 million while EBIT increased 36% to €503 million.

PEP received the Ask Afrika Orange Index award for the South African business providing the best customer experience in 2021. The brand remains the leading discount retailer in South Africa and provides the lowest prices to customers on basic and essential products.

Ackermans reported a stellar set of results with strong sales growth and continued to deliver on its compelling value proposition to appeal to 'women with kids in their lives'. PEP and Ackermans in aggregate increased sales by 10% with LFL sales 8% higher for the year. Compared to the 2019 financial year, sales in constant currency increased by 13%. PEP Africa's contribution to the total Pepkor Holdings revenue reduced to 2% for the year as operations were consolidated, including the exit from Uganda. The Speciality business benefited from consumer demand for value casual wear and branded footwear in the value market segment. Sales in constant currency increased by 14% and LFL sales increased by 11%. The furniture, appliances and electronics segment increased revenue by 14% for the year. An operating profit was recorded compared to an operating loss in the prior year. The Building Company increased sales by 18% with LFL sales growth of 21%.

The civil unrest that erupted in the KwaZulu-Natal and Gauteng provinces of South Africa during July 2021 resulted in the looting of 549 stores across the group (approximately 10% of the group's total retail store base). One of the JD Group's distribution centres was also looted. Trading was disrupted, with a number of stores intermittently closed in the affected areas as a precautionary measure to ensure the safety of employees and customers. By the end of December 2021, the group reopened 82% of the looted stores with the remainder delayed due to infrastructure rebuild or shopping complexes that have not yet reopened. As previously reported, the group carries insurance cover in terms of material damage and business interruption.

The retail market remains constrained as South Africa is confronted with record levels of unemployment. The full effect of COVID-19 is still playing out and having a major impact on consumers in the lower end of the market. Despite this challenging operating environment, Pepkor Holdings is ideally positioned in the discount and value segment of the market to serve its customers with affordable products and services.

GREENLIT BRANDS

Greenlit Brands is an integrated retailer and manufacturer of household goods, with retail stores throughout Australia and New Zealand.

Plush, part of Greenlit Brands, has been classified as discontinued following the decision to dispose of it. The comparative figures have been restated accordingly.

For further information regarding Greenlit Brands refer to: www.greenlitbrands.com.au.

GREENLIT BRANDS (€M)	2021	2020	% change	Constant currency %	2019
Total revenue	**714**	636	12	8	658
EBITDA	**96**	89	8	4	
EBIT	**28**	28	–	(4)	

The Greenlit Brands group finished the year with record sales and EBITDA despite COVID-19 closures and supply chain disruptions during the Reporting Period. All of the brands demonstrated an agile approach to cost saving strategies and drove online sales growth during the volatile trading periods.

Revenue in the fourth quarter was severely curtailed by COVID-19 lock-downs in Sydney, Melbourne and Auckland after strong trading during the first three quarters of the year. Overall revenue was up 12% (8% in constant currency) for the Reporting Period. The record performance in the current year was a result of the strong execution of brand strategies which allowed each to capitalise on the investment in the digital space. Online trading for the Greenlit Brands group, driven in part by COVID-19-related lockdowns, was up 18% on the prior period, delivering 20% of gross sales and providing a strong foundation for continued trade during any potential further COVID-19 interruptions.

Overall EBITDA increased 8% to €96 million (2020: €89 million – restated) while EBIT remained flat at €28 million (2020: €28 million). The increased sea freight costs were mitigated by a greater share of sales in higher margin brands and a favourable USD/AUD hedge rate.

After the Reporting Date Greenlit Brands entered into a share sale agreement with ASX listed retailer Nick Scali for the divestment of the Plush business. The transaction was finalised in November 2021 subject to further customary working capital adjustments.

STEINHOFF CORPORATE AND TREASURY SERVICES

Segmental information for corporate and treasury services excludes certain one-off or exceptional items (largely consisting of advisory fees and impairments) that are described in note 4 of the 2021 Consolidated Financial Statements.

CORPORATE AND TREASURY SERVICES (€M)	2021	2020	% change
Total EBIT	**(110)**	(47)	>(100)
Head office costs	**(27)**	(20)	>(100)
Insurance costs	**(22)**	–	
Corporate closure costs	**(26)**	–	
Audit fees	**(7)**	(9)	(11)
Forex losses	**(28)**	(18)	(56)

HEAD OFFICE COSTS

This total includes costs such as salaries, running costs including rent, travel and consultancy fees.

CORPORATE CLOSURE COSTS

Corporate closure cost relate to the cancellation of lease guarantees and other costs of historic UK operations that have been discontinued.

AUDIT FEES

In terms of accounting principles expenses can only be recognised once incurred. The audit of the annual results is only finalised after the conclusion of the Reporting Period. The costs incurred after the Reporting Date are expensed in the following Reporting Period.

FOREX LOSSES

The Group operates in a number of different currencies and as such, intragroup loans between Group companies are often denominated in a currency different to the functional currency of the entity granting or receiving the loan. These intragroup loans result in foreign exchange profits or losses on revaluation to spot rate at reporting dates.

MATTRESS FIRM – EQUITY ACCOUNTED

Mattress Firm is the leading speciality bed retailer in the United States, with its 2 353 retail stores nationwide. For more information refer to: www.mattressfirm.com.

Mattress Firm is considered to be an associated company as the Steinhoff Group owns 50.1% (before management incentive share dilution) and as such it is equity accounted, and not consolidated, into results of Steinhoff N.V. The operating commentary below refers to the entire business (100%) and is included for information purposes only.

Revenue for the Reporting Period increased 24% to €3 676 million primarily due to an increase in like-for-like (LFL) sales which was driven by an increase in number of customer transactions and increase in average order value. Measured in local currency (USD) the increase was 32% with LFL 36% higher reflecting the continued improvement in store productivity. The increase in number of transactions is due to traffic and conversions, as well as temporary store closures as a result of COVID-19 in the third quarter. The increase in average order value was driven by consumer shift to luxury products.

E-commerce sales increased 16% year-on-year contributing 7% of the total sales for the year, which was primarily driven by Mattress Firm's ongoing efforts and investments to improve customers' experience in e-commerce over the past several years, in addition to a general shift in customer spending patterns due to the COVID-19 pandemic.

While COVID-19 restrictions continued to inhibit the operations to varying degrees, they were much reduced compared with the prior year. The sales momentum since the relaxation of the lockdowns has been maintained resulting in positive net cashflows.

During the 2021 Reporting Period Mattress Firm successfully refinanced its outstanding debt. In addition, Mattress Firm made a payment to shareholders of USD1.2 billion with the Steinhoff Group receiving USD609 million.

Mattress Firm's results are prepared under US GAAP whereas the Steinhoff Group reports under IFRS. Mattress Firm adopted the new leasing standard, ASC 842 (the US GAAP equivalent of IFRS 16) during the Reporting Period. For further information please refer to note 11.6 to the 2021 Consolidated Financial Statements, including adjustments made to bring Mattress Firm's financial results in line with IFRS.

LIST OF BRANCHES

The table below lists all branches of the Company (if any) as well as all branches of its Subsidiaries whose results were consolidated during the Reporting Period.

Branch	Place of branch	Country of branch	Register of branch	Origin Entity	Country of origin entity	Valid for FY2020	Valid for FY2021
GROUP: SISL							
Steinhoff International Sourcing and Trading Ltd.	Hong Kong	China (Hong Kong)	2461089	Steinhoff International Sourcing and Trading Ltd.	China (Hong Kong)	Y	Y
Blue Rock Sourcing Solution Ltd. (formerly: Steinhoff International Sourcing Ltd.)	Hong Kong	China (Hong Kong)	644662	Steinhoff International Sourcing and Trading Ltd.	China (Hong Kong)	Y	Y
Steinhoff International Trading Services Ltd.	Hong Kong	China (Hong Kong)	2463978	Steinhoff International Sourcing and Trading Ltd.	China (Hong Kong)	Y	N
Steinhoff International Investment HK Ltd	Hong Kong	China (Hong Kong)	2584507	Steinhoff International Investment HK Ltd	China (Hong Kong)	Y	Y (closed in Sept 2021)
Steinhoff International Sourcing Ltd – Indonesia RO	Jakarta	Indonesia	28/1/IUP3A-T/P-4/Nas/2017	Steinhoff International Sourcing and Trading Ltd.	China (Hong Kong)	Y	N
Blue Rock Sourcing Solution Ltd – Pakistan RO (formerly: Steinhoff International Sourcing Ltd – Pakistan RO)	Karachi	Pakistan	0073941	Steinhoff International Sourcing and Trading Ltd.	China (Hong Kong)	Y	Y
Blue Rock Sourcing Solution Ltd - Vietnam RO (formerly: Steinhoff International Sourcing Ltd – Vietnam RO)	Ho Chi Minh City	Vietnam	79-02944-01	Steinhoff International Sourcing and Trading Ltd.	China (Hong Kong)	Y	Y
Steinhoff International Sourcing (Shenzhen) Ltd.	Shenzhen	China	914403000589890340	Steinhoff International Sourcing and Trading Ltd.	China (Hong Kong)	Y	Y
Steinhoff International Sourcing (Shanghai) Ltd.	Shanghai	China	91310000MA1GBH5W31	Steinhoff International Sourcing and Trading Ltd.	China (Hong Kong)	Y	Y
Blue Rock Sourcing Solution India Private Limited (formerly: Steinhoff International Sourcing India Private Limited)	Gurgaon	India	U74999HR2019FTC081761	Steinhoff International Sourcing and Trading Ltd.	China (Hong Kong)	Y	Y
GROUP: STEINHOFF UK							
Steinhoff Europe AG	London	UK	BR020565	Steinhoff Europe AG	Austria	Y	Y
Steinhoff Finance Holding GmbH	London	UK	BR020564	Steinhoff Finance Holding GmbH	Austria	Y	Y
Steenbok Newco 5 Limited	London	UK	BR021702	Steenbok Newco 5 Limited	Jersey	Y	Y
Steenbok Newco 1 Limited	London	UK	BR021700	Steenbok Newco 1 Limited	Jersey	Y	Y
Steenbok Newco 10 Sarl	London	UK	BR022038	Steenbok Newco 10 Sarl	Luxembourg	Y	Y
Steenbok Newco 2A Limited	London	UK	BR021701	Steenbok Newco 2A Limited	Jersey	Y	Y
Ibex Retail Investments Limited	London	UK	BR021703	Ibex Retail Investments Limited	Jersey	Y	Y
Retail Holdings Sarl	Zug	Switzerland	CHE-110.261.548	Retail Holdings Sarl	Luxembourg	Y	N
GROUP: PEPCO							
Fully Sun China Limited – Bangladesh	Bangladesh	Bangladesh	TIN- 4404-3933-6667	Fully Sun China Limited (HK)	China (Hong Kong)	Y	Y
Fully Sun China Limited – Taiwan	Taiwan	China	Reg no 53665194	Fully Sun China Limited (HK)	China (Hong Kong)	Y	Y
Poundland Limited – Isle of Man	Isle of Man	Isle of Man	Tax reference No: C145894-73	Poundland Limited	UK	Y	Y
Poundland Limited – Ireland	Republic of Ireland	Republic of Ireland	Tax reference: 9798866A	Poundland Limited	UK	Y	Y

RISK MANAGEMENT

The Management Board manages the risk associated with the Group's activities in consultation with the operational management teams and reports to the Audit and Risk Committee and the Supervisory Board.

INTRODUCTION

The Management Board has an established risk management framework with clear accountabilities to counter risks at Group Services and OpCo level. The implementation of the framework enables the Management Board to identify and analyse risks associated with the strategy, objectives and activities of the Group. This organisational structure and attribution of accountabilities place the responsibility for the processes of risk review and risk mitigation with the operational subsidiaries' management, who own the risks. Risks are identified, monitored and mitigated on an ongoing basis.

INTERNAL RISK MANAGEMENT AND CONTROL ENVIRONMENT

An overview of the internal risk management and control environment is set out below.

INTERNAL CONTROL FRAMEWORK

The Group draws on global standard ISO 31000 – Risk management and the DCGC to formulate its risk management policy and framework, and to facilitate the timely identification, measurement, analysis, evaluation and treatment of risk.

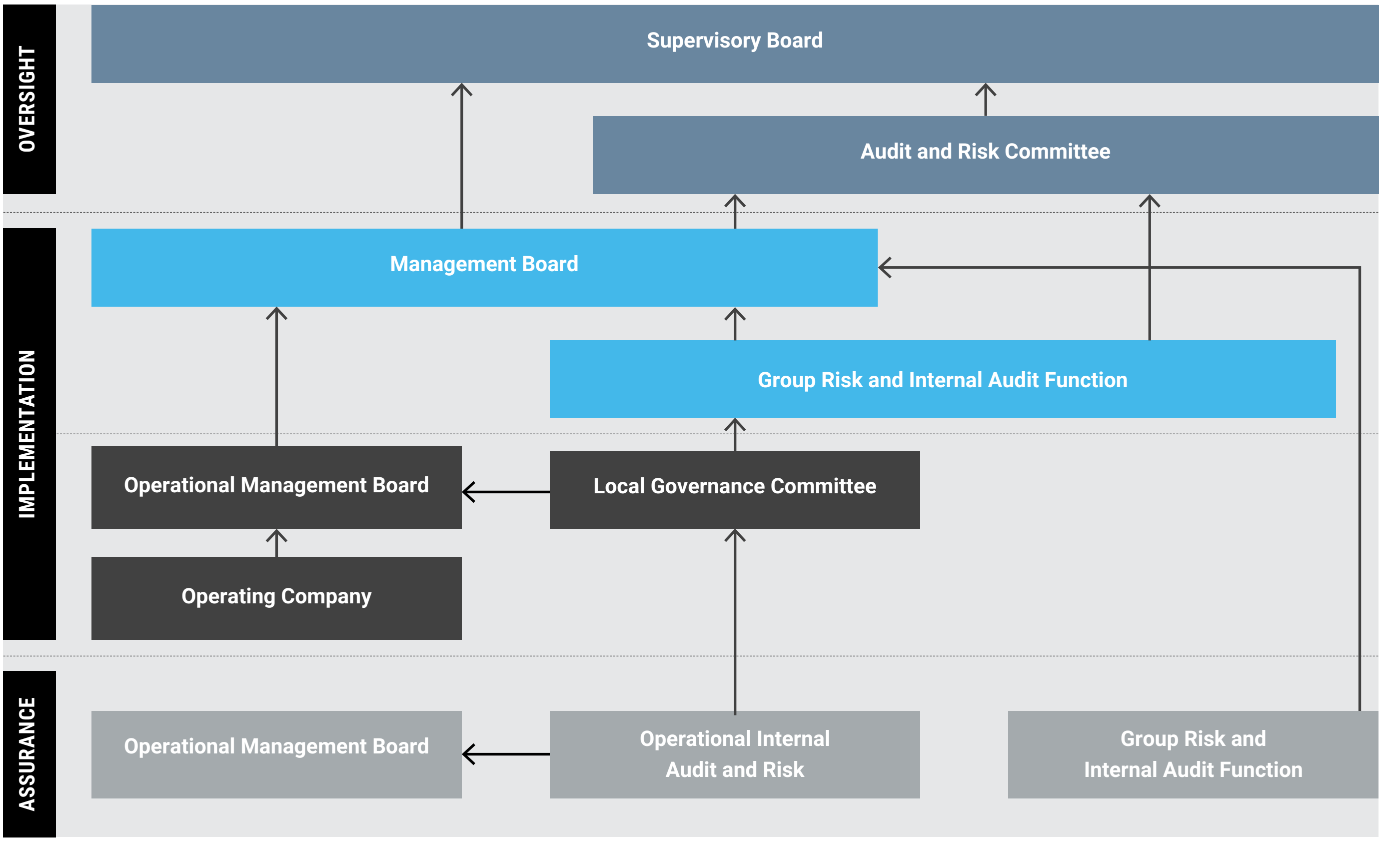
Risk management and control systems established by the risk management framework have been designed to allow each OpCo to own, identify, evaluate and treat risk appropriately, and to ensure effective risk control mechanisms are implemented to mitigate residual risk exposure. The risk management and control systems are reviewed, assessed and monitored by the Management Board with the assistance of the Group Risk function. It remains the responsibility of each OpCo to apply risk management and control systems based on their own unique lines of business. These systems include a risk register detailing, quantifying, classifying and prioritising risks and action plans for mitigation.

The Group internal risk management and control systems allow each OpCo to set its own risk tolerance levels through analyses and adherence to Group operational, financial and strategic objectives. The internal risk management objective is to ensure that uncertainties are responsibly managed with consideration of stakeholder interests and to ensure that risks are optimally addressed.

Quarterly reports are presented to the Audit and Risk Committee, which reports to the Supervisory Board, after due consideration by the Management Board during which follow-up measures are considered and reviewed.

RISK MANAGEMENT FRAMEWORK

The Audit and Risk Committee, which reports to the Supervisory Board, oversees among other aspects, the Management Board's activities with respect to the operation of the Group's risk management and control systems. The risk management framework of responsibility for the Reporting Period is presented on the following page.



RISK APPETITE AND RISK TOLERANCE

Risk appetite is the level of risk that the Company is prepared to accept in pursuit of its strategic objectives, before action is deemed necessary to reduce the risk. It represents a balance between the potential benefits of innovation and the threats that change inevitably brings. Risk appetite levels differ between OpCos based on their specific lines of business, sector, culture and objectives. Operational management, with guidance from the Group, is responsible for assessing its own risk appetite and tolerance as part of the Group's risk management methodology. The Group's risk appetite varies per objective area and type of risk.

RISK MANAGEMENT ASSURANCE

Operational management, as the risk owner, is responsible for managing risk and ensuring that effective internal control systems are in place. Group Risk facilitates and supports the Management Board in the design and operation of internal risk management and control systems. It also supports the Management Board by providing a level of assurance on risk management and internal control practices throughout the OpCos.

The Management Board both appoints and dismisses the chief internal auditor. Both the appointment and the dismissal of the chief internal auditor is submitted to the Supervisory Board for approval, along with the recommendation issued by the Audit and Risk Committee.

Internal audit provides independent assurance and operates under the responsibility of operational management to examine, evaluate, report and make recommendations. The operational internal audit functions report these evaluations and recommendations to operational management and Group Risk. The Group Risk function reports to the Management Board and the Audit and Risk Committee on the information received from the operational internal audit functions. The adequacy and effectiveness of the risk management and internal control systems are included in the internal audit reporting.

The Group Risk and Internal Audit function provides independent assurance and operates under the responsibility of the Management Board to examine, evaluate, report and make recommendations. The Group Risk and Internal Audit function reports to the Management Board and the Audit and Risk Committee on evaluations and recommendations relating to Group Services. The adequacy and effectiveness of risk management and internal control systems in respect of Group Services are included in the internal audit reporting.

No major failings in the internal risk management and control systems were brought to the attention of the Management Board during the Reporting Period.

The Management Board is constantly striving to improve the internal risk and control systems. Any improvements or changes to these systems are discussed with the Audit and Risk Committee and the Supervisory Board.

PRINCIPAL RISKS

The Management Board has identified the following principal risks. These risks, applicable to the business strategy, should not be regarded as exhaustive and do evolve over time due to internal and external factors. There may be additional risks of which the Management Board is unaware.

Most of the principal risks have remained unchanged from the 2020 Risk Management Report.

The risk ratings that were applied are defined as follows:

RISK RATING	DEFINITION
High	A major event that can cause reputational and economic/financial damage that will result in significant or material business losses. The likelihood of occurrence is likely or frequent.
Medium	An event that would result in risks that can cause an impact but not as serious as high. The likelihood of occurrence is either considered to be likely, frequent or possible.
Low	A low rated risk/event is one with little / no impact on the business activities and the reputation of the group and that the likelihood of occurrence is unlikely or even rare.

1 LITIGATION

RISK RATING: Medium

The uncertainty relating to legal actions against the Group has reduced significantly with the enormous progress made in the global litigation settlement.

In terms of the Litigation Settlement Proposal, claims against Directors and Officers ("D&O") insurance are released.

HOW WE ARE MITIGATING THE RISK

A litigation working group oversees and provides guidance to the Management Board on inbound and outbound litigation.

Close monitoring of all outstanding legal matters by the Management Board, the Audit and Risk Committee and the Supervisory Board.

ReedSmith (London) has been appointed to assist with the D&O insurance matters.

The Group has finalised settlement agreements with the major litigants. Several market announcements have been made in this regard since July 2020.

The Steinhoff N.V. Composition Plan was confirmed by the District Court of Amsterdam on 23 September 2021 following the unanimous approval by the committee of representation. Three meetings of SIHPL's creditors were successfully held in respect of the S155 Scheme proposed by it in September 2021 with the proposal receiving overwhelming support.

SIHPL's application for the approval and sanction of the S155 Scheme was heard on 24 January 2022, by the Western Cape High Court. At the close of the hearing the Court granted SIHPL's request and granted an order approving and sanctioning the S155 Scheme. Following receipt of the Order, "Settlement Effective Date" (referred to under the S155 Scheme and the Composition Plan) is expected to occur on or about 15 February 2022. As disclosed in Steinhoff N.V.'s announcement of 15 December 2021, formal withdrawal of the various litigation that has been settled, including the withdrawal of the Liquidation Application against Steinhoff N.V. will occur immediately following Settlement Effective Date. Occurrence of Settlement Effective Date is the remaining condition under the Composition Plan.

The accelerated book build of Pepkor Holdings shares was successfully implemented in anticipation of the settlement effective date.

2 FINANCIAL STABILITY

2.1 GROUP

RISK RATING: Medium

Going concern remains a risk to the Company. The risk has reduced due to the enormous progress made in the global litigation settlement which is subject to implementation by 30 June 2022 and the restructured debt maturing on 31 December 2022.

A provisional liquidation application brought before the court In South Africa on an urgent basis for hearing on 24 May 2021 by entities affiliated with the former shareholders and owners of the business known as Tekkie Town against Steinhoff N.V. has been withdrawn in early January 2022 as part of the litigation settlement.

HOW WE ARE MITIGATING THE RISK

Given the progress of the Litigation Settlement Proposal, its (near) unanimous approval in the Netherlands and South Africa and the binding effect of the Steinhoff N.V. Composition Plan, there are indications for further support of Steinhoff N.V.'s going concern assumption and grounds to conclude that the uncertainties surrounding the going concern previously reported are considerably mitigated.

Growth in underlying assets and repayment of debt during the 2021 Reporting Period.

Detailed financial reporting on operational results to financial creditors.

The introduction of detailed cash management procedures.

Continuous engagement with all stakeholders, including providing market information in the form of quarterly updates.

Ongoing investigations including the PwC forensic investigation (Phase 2) have been completed and draft reports have been considered. The instituting of outbound claims against previous directors and associated entities is in process.

As part of the Litigation Settlement Proposal and related lender consent requests, the Group proposed that the financial creditors extend the common maturity date. An interim extension of 12 months to 31 December 2022 was approved by the lenders as announced on 12 August 2021.

Subject to the successful implementation of the Litigation Settlement Proposal, a further payment extension will be granted to 30 June 2023, with the option to seek a further 6 months extension to 31 December 2023 subject to the approval of a simple majority financial creditor consent.

Appropriate resources, including the appointment of legal liquidation experts have been allocated to respond to the liquidation application.

Publication of the 2020 Consolidated Financial Statements.

2.2 DEBT RESTRUCTURING

RISK RATING: High

As at 30 September 2021, the Group's debt under Corporate and treasury services, the CVA debt, amounts to €9.7 billion (before Mattress Firm repayment of c. €453 million in October 2021) and currently has a maturity date of 31 December 2022. The debt will therefore be classified as non-current liabilities as at 30 September 2021, as required by IFRS.

At 30 September 2021, under the application of IFRS standards, the Group's total liabilities exceed its total assets.

HOW WE ARE MITIGATING THE RISK

The implementation of the CVA in terms of which the financial indebtedness of SEAG and SFHG was restructured effective 13 August 2019, with a maturity date of 31 December 2021. An interim extension of 12 months to 31 December 2022 was approved by the lenders as announced on 12 August 2021.

Entered into a Lock-Up agreement and a Three-year agreement with the Hemisphere financial creditors.

The appointment by the Company of financial creditor nominated experienced Directors as part of the restructuring.

The IPO of circa 21% (Steinhoff still holds 78.89%) of Pepco Group N.V. on 26 May 2021 was successfully implemented with the listing on the Warsaw Stock Exchange. €1 billion was raised through the offering, most of which was utilised to service the restructured debt.

As part of the Litigation Settlement Proposal and related lender consent requests, the Group proposed that the financial creditors extend the common maturity date. An interim extension of 12 months to 31 December 2022 was approved by the lenders as announced on 12 August 2021.

Subject to the successful implementation of the Litigation Settlement Proposal, a further payment extension will be granted to 30 June 2023, with the option to seek a further 6 months extension to 31 December 2023 subject to the approval of a simple majority financial creditor consent.

Consent of the Group's financial creditors as well as SIHPL financial creditors, under the terms of the Group's restructured debt financings. The outcome of this request for consent has been communicated to stakeholders during October and November 2020. Steinhoff N.V. has received the judgement rendered by the court in February 2021 sanctioning two English law scheme of arrangements to obtain the necessary approval of its creditors under the Steinhoff N.V./SEAG CPU.

Continue the disposal process of identified non-core/non-performing assets to reduce debt and support liquidity.

With the assistance of our advisors, developed restructuring plans and engaged with financial creditors in this regard.

Full implementation of strategic options (including IPO processes) in respect of certain operational businesses further mitigates the risk of not being able to service the restructured debt.

During the 2021 Reporting Period Mattress Firm successfully refinanced its outstanding debt. In addition, Mattress Firm paid a dividend to shareholders of USD1.2 billion, of which the Steinhoff portion was utilised to repay debt.

As announced on 28 December 2021, Steinhoff obtained the requisite level of support from its financial creditors for the Tekkie Town and Trevo settlements. Both settlements are subject to the Litigation Settlement Proposal being implemented by 30 June 2022.

3 TAX RISKS

3.1 TAX RISKS RELATING TO HISTORICAL TRANSACTIONS

RISK RATING: High

Due to, inter alia, the restatement of the Group's 2017 Consolidated Financial Statements, various historical transactions in multiple jurisdictions are being investigated by various regulators and stakeholders.

Although the investigations are being managed on a constant basis, the outcome thereof remains uncertain and could lead to cash outflows in order to pay tax. In certain jurisdictions, backlogs exist with respect to the completion and audit of financial statements which will delay the outcome of the investigations by revenue authorities. The impact of potential tax adjustments, fines, penalties and/or refunds is therefore unknown. Loss of people in key business areas and the loss of corporate knowledge further increase the risk, as the rationale for past decisions and transactions may be lost. This may result in Group companies being unable to provide detailed responses to enquiries from tax authorities. Current and future tax audits may give rise to further risks regarding tax positions taken by the Group in the past. Additional tax liabilities may arise in the case of adverse outcomes in any settlement negotiations, which could have an effect on the Group's financial position and liquidity.

The risk would not lead to the ultimate liquidation of the Group. Once the full tax exposure is known a solution would have to be found together with the Group's financial creditors.

HOW WE ARE MITIGATING THE RISK

Group Services monitoring and reporting of tax matters have been implemented and continues, which includes close involvement of the Chief Financial Officer and the Head of Steinhoff International Tax.

Appropriate provisions are created for potential tax liabilities.

Appointment of appropriate tax specialists in the relevant jurisdictions to help advise on strategies and management of positions in those jurisdictions.

3.2 SOUTH AFRICAN CONTROLLED FOREIGN COMPANY RISK DUE TO STEINHOFF N.V. BEING A SOUTH AFRICAN TAX RESIDENT

RISK RATING: Medium

Due to Steinhoff N.V. being the ultimate holding company of the Group, South African Controlled Foreign Company ("CFC") legislation is applicable to all international transactions executed in the Group.

The Group Services tax team must be made aware of all relevant/material transactions in order to identify and mitigate CFC risks. In the event of the miscalculations regarding the amounts this could lead to significant financial exposure for the Company.

HOW WE ARE MITIGATING THE RISK

Timely involvement of the Group Services tax team, with the assistance of South African tax advisors, to monitor transactions, identify where tax consequences may arise, quantify potential tax exposure and propose alternative solutions.

3.3 TAX RISK AS A RESULT OF TRANSFER PRICING

RISK RATING: Medium

As a multi-national group, there are a number of cross-border related party transactions in place in all spheres of the Group's business.

Due to the increased focus of revenue authorities on transfer pricing arrangements, the Group faces potential risks in this context. If a tax authority concludes that the transactions under review are not at arm's length, the Group's tax liability would increase. Due to the bilateral nature of transfer pricing, there is a constant need to harmonise and balance transfer pricing arrangements across jurisdictions, to result in an equitable position for both jurisdictions involved. Furthermore, the Group may incur significant legal expenses and devote substantial time to addressing queries and audits from revenue authorities.

HOW WE ARE MITIGATING THE RISK

Transfer pricing considerations must be taken into account in all transactions planned as well as monitored on an ongoing basis. A transfer pricing specialist is appointed as part of the Group tax team and is available to provide guidance to all jurisdictions where required.

3.4 ONGOING TAX COMPLIANCE

RISK RATING: Medium

Due to a backlog in audited and signed off financial statements in certain jurisdictions, tax compliance is not up to date in all jurisdictions.

HOW WE ARE MITIGATING THE RISK

Regular communication with appropriate tax specialists / advisors in jurisdictions, and regular contact between such advisors and the tax authorities to limit unexpected events (tax audits / assessments).

Significant progress has been made in the South African historical tax compliance backlog and very few tax returns are now overdue.

3.5 TAX RISK RELATING TO COMPLEXITY IN TAX MATTERS DUE TO THE MULTIPICITY OF JURISDICTIONS

RISK RATING: Medium

The large number of jurisdictions in which the group operates creates complexity with regard to ongoing tax compliance. In-depth jurisdictional tax knowledge is required to ensure ongoing compliance.

HOW WE ARE MITIGATING THE RISK

Appointment of appropriate in-country tax specialists / advisors in the relevant affected jurisdictions to help advise on the current position in each jurisdiction.

4 REGULATORY COMPLIANCE

4.1 REGULATORY COMPLIANCE

RISK RATING: Medium

Certain European Group companies have not been or are not compliant with specific laws and regulations as a result of the late completion of annual financial statements due to delays caused by the events of December 2017, the high level of corporate activity within the Group and the COVID-19 pandemic.

The risk of failure to comply with applicable laws and regulations extends across several jurisdictions, is significant and could result in liability, including, but not limited to criminal prosecutions, financial fines and penalties.

HOW WE ARE MITIGATING THE RISK

Completion of the relevant annual financial statements is a key focus of the finance functions across the Group in conjunction with the external statutory auditors.

The African Group Companies have submitted all outstanding financial statements up to the year ending 30 September 2020.

SIHL has published annual financial statements for all outstanding periods, including timeous publication of the company's annual financial statements for the financial year ending 30 September 2020. The JSE has accordingly resumed trade of SIHL's previously suspended preference shares with effect from 18 January 2021.

The compliance of local laws and regulations by all OpCos remains a priority.

The Group is continuously engaging with the relevant regulators.

External legal specialists are engaged to provide regulatory support where required.

4.2 BUNDESANSTALT FÜR FINANZDIENSTLEISTUNGSAUFSICHT ("BAFIN")

RISK RATING: Medium

In February 2021 the BaFin initiated administrative fine proceedings for late submission of the 2017 annual financial statements of Steinhoff N.V. It is expected that the BaFin will also initiate proceedings for subsequent similar late submissions in due course.

In that same month the BaFin has initiated administrative fine proceedings for late publication of certain voting rights notifications in November 2018.

HOW WE ARE MITIGATING THE RISK

The internal processes surrounding the making of notifications and filings with the regulatory authorities in the Netherlands and Germany were improved.

5 COVID-19

5.1 OPCOS

RISK RATING: Medium

As a pro-longed result of the pandemic, the Group faces significant risk in respect of major supply chain issues.

The cost of logistics continues to increase significantly, a reduction in the availability of inventory and an upward trend in price inflation are all factors which are placing pressure on margins. This will be continuously monitored in conjunction with the OpCos. The unpredictability of Governmental actions in the various geographies differ and as a result may have an adverse impact on risk.

HOW WE ARE MITIGATING THE RISK

Continuous monitoring of a resurgence in positive cases in geographic areas and imposition of national lockdowns.

Alternative supply channels are being explored on a continuous basis.

Continuous Management Board interaction with the OpCo management teams.

Rigorous focus on the end-to-end supply chain process.

Focus on liquidity and preservation of cash.

Sourcing of alternative financing and renegotiating supplier credit terms.

Effective health and safety protocols were instituted to protect employees and customers.

Pertinence of business continuity plans.

Improving and readiness for online selling platform demands.

Reprioritising strategic objectives.

Close information technology vulnerability monitoring.

Counter measures to discount market flooding and the impact on retail product lines.

Re-engineering of sales mix aligned with consumer purchasing habits.

Considering forex cover options due to volatile currency markets.

Interacting with Governments to ensure that subsidies and relief aid are utilised.

Cash flow forecasts for the next 6 months have been predicted to be positive.

6 TALENT MANAGEMENT AND RETENTION

RISK RATING: High

A contributing factor to the Group's future success is dependent on its ability to retain and attract skilled and qualified human capital.

The loss of key individuals could result in short term instability.

The service term of both Managing Directors and a majority of the Supervisory Directors ends at the close of the 2022 AGM. The continuity and stability risks of the term of both current Managing Directors not being extended are considered significant as well as the risk that a majority of the Supervisory Directors may not be re-elected by the shareholders at the next AGM.

HOW WE ARE MITIGATING THE RISK

The Human Resources and Remuneration Committee plays an active role in remuneration and employee retention measures.

Opco's endeavour to retain the required skills in order to execute the Opco strategy. Group Services continue to focus on retaining key critical skills required to implement the Corporate Scorecard and the Company's strategy.

The Employer owned Provident Fund and the Balanced Future Fund ("**BFF**") are being closed. All Employee Provident Fund credits were transferred to the Acumen umbrella fund as approved by the Board of Steinhoff Africa. The BFF Trustees have commenced with an application for liquidation of the fund to the FSCA.

The restructuring of Group Services staff both in Germany, South Africa and the UK has been completed or are in progress.

All of the HR Policies have been redrafted and approved.

A new long-term incentive ("**LTI**") scheme has been implemented to replace the previous scheme.

A short-term incentive scheme conditional to achieving key performance targets is in effect.

An interim succession plan has been approved by the Management Board.

The Managing Directors have a 6-month notice period. All LTI Scheme participants have a 3-month notice period.

The Company intends to proactively engage with key stakeholders on any proposals for (re-)appointment of Managing Directors and Supervisory Directors.

PRINCIPAL RISK COMPARISON TO THE 2020 REPORT

In order to provide additional details of the principal risks to our stakeholders, certain principal risks were sub-categorised in comparison to the principal risks disclosed in the 2020 Risk Management Report.

The table below illustrates the changes in the principal risks in comparison to the 2020 Risk Management Report.

No.	Risk	2020 Risk Management Report	Current Risk Rating	Justification for movement
1	Litigation	High	Medium	The Dutch court confirmed the Steinhoff N.V. Composition Plan following the unanimous approval by the committee of representation. All of SIHPL's participating creditors have approved the S155 Scheme. SIHPL's application for the approval and sanction of the S155 Scheme was heard on 24 January 2022, by the Western Cape High Court. At the close of the hearing the Court granted SIHPL's request and granted an order approving and sanctioning the S155 Scheme. Following receipt of the Order, "Settlement Effective Date" (referred to under the S155 Scheme and the Composition Plan) is expected to occur on or about 15 February 2022. As disclosed in Steinhoff N.V's announcement of 15 December 2021, formal withdrawal of the various litigation that has been settled, including the withdrawal of the Liquidation Application against Steinhoff N.V. will occur immediately following Settlement Effective Date. Occurrence of Settlement Effective Date is the remaining condition under the Composition Plan.
2.1	Financial Stability – Group	High	Medium	Recent court findings in respect of the application for the liquidation of Steinhoff N.V. in South Africa, together with the conditional settlement referenced above, have reduced the financial stability risk. Creditor support for the Dutch SoP and S155 Scheme has further mitigated the financial stability risk. Subject to the successful implementation of the Litigation Settlement Proposal, a further payment extension will be granted to 30 June 2023, with the option to seek a further 6 months extension to 31 December 2023 subject to the approval of a simple majority financial creditor consent.
2.3	Financial Stability – OpCos	Medium	Low	The reduction in the risk rating is due to the OpCos refinancing existing borrowings using independent finance facilities debt positions, positive cash flow positions and excellent trading results experienced during FY2020 and FY2021 and the dividends paid by the OpCos.
3.2	South African Controlled Foreign Company Risk due to Steinhoff N.V. being a South African tax resident	High	Medium	Taking into consideration the potential frequency of occurrence and quantum of a potential loss, the likelihood of the occurrence is not considered to be significant anymore and therefore the risk rating has reduced.
3.3	Tax Risk as a result of Transfer Pricing	High	Medium	The decrease in the risk rating is due to the likelihood of these risks occurring having reduced significantly.
3.4	Ongoing Tax Compliance	High	Medium	The risk rating has decreased due to the reduction in the backlog of audited financial statements.
5.2	COVID-19 – Group Services	Medium	Low	The COVID-19 risk at a Group Services level has reduced to "low" due to the strict health and safety protocols and the work-from-home policy in addition to the fact that Group Services is a non-trading business unit.

No.	Risk	2020 Risk Management Report	Current Risk Rating	Justification for movement
6	Talent Management and Retention	Medium	High	The service term of both Managing Directors and a majority of the Supervisory Directors ends at the close the 2022 AGM and have to be re-elected by the shareholders at the AGM.
7	Directors and Officers Insurance	Medium	Low	As a result of obtaining higher coverage, €45.25 million versus €32.9 million, and the removal of insolvency exclusions at all layers this risk's rating has now decreased to "low".

PRINCIPAL RISKS: OPCOS

The principal risks identified by operational management for reporting, evaluation and consideration by the Management Board include the following non-exhaustive list of risks and are not ranked in a critical order of significance:

(i) COVID-19-related operational and business risks;

(ii) Long-term expansion;

(iii) Supply chain failures;

(iv) Business interruption;

(v) Technology infrastructure failure and cyber security

(vi) Currency volatility;

(vii) Legal and regulatory compliance, including health and safety;

(viii) Competition;

(ix) Talent management and retention; and

(x) Failure to meet customer needs.

In order to assess the risks of each of the OpCos, it is important to understand that these businesses operate in different markets across multiple jurisdictions, cultures and geographies.

FINANCIAL RISK MANAGEMENT

The principal financial risks to which the Group is exposed include capital risk, liquidity risk, market risk (relating to interest rate and currency volatility) and credit risk. Financial risks are managed at operational level with guidance from the Management Board to ensure optimal risk mitigation.

The Group's central treasury function reports to the CFO and coordinates access to domestic and international financial markets and monitors the financial risks relating to the operations of the Group. These risks include liquidity risk and market risk. The central treasury function is responsible for considering and managing, at Group Services level, the Group's day-to-day financial market risks by adopting strategies within the guidelines set by the Management Board.

Where relevant, selected derivative and non-derivative hedging instruments are used to mitigate risks. Speculative hedging is prohibited. The Group's financial instruments are listed in the 2021 Consolidated Financial Statements. The Group entered into currency hedges, with specific reference to known liabilities, in order to protect against adverse movements in the exchange rate relating to foreign currency payments.

CAPITAL RISK MANAGEMENT

Capital within the Group is managed at each Opco's board level to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The capital structure of the Group consists of debt, which includes the borrowings, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The Group's objectives when managing capital are to provide an adequate return to shareholders, to appropriately gear the business, to safeguard the ability of the Group to continue as a going concern and to take advantage of opportunities that are expected to provide an adequate return to stakeholders.

In order to optimise cost of capital, the Group may adjust the capital structure by selling assets to reduce debt.

LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk that the Group may suffer financial loss through liquid funds not being available or that excessive finance costs must be paid to obtain funds to meet payment requirements. The ultimate responsibility for liquidity risk rests with the Management Board. The Group manages liquidity risk through forecasting and monitoring cash flow requirements on a daily basis, and by maintaining sufficient undrawn facilities.

The Group's central treasury function arranges the investment of Group Services net cash reserves excluding OpCo level cash managed operationally, in the financial markets, mainly in short-term instruments linked to variable interest rates. The Group weighs up and seeks to find the optimal balance between return and liquidity when investing those net cash reserves.

CURRENCY VOLATILITY RISK MANAGEMENT

Currency risk is the possibility that the Group may suffer financial loss as a consequence of the depreciation in the measurement currency relative to the foreign currency prior to payment of a commitment in that foreign currency or the measurement currency strengthening prior to receiving payment in that foreign currency. Risks from foreign currencies for trading purposes are hedged to the extent that they influence the Group's cash flows. Each OpCo has its own hedging policy applicable to its own trading and supply chain requirements which is reviewed and approved by the underlying boards.

The Group uses forward exchange contracts (FECs), to manage transactional currency risks. During the 2021 Reporting Period and in accordance with FinSurv's approval relating to the Group's euro-denominated payment commitments, the Group entered into FECs to mitigate the risk of depreciation of the rand against the Euro.

Specific translation risks are managed through the selective use of hedge positions. These hedges are tested for hedge effectiveness on a regular basis. When risks and rewards of ownership transfer to the Group, a basis adjustment will be made against the assets. There were no adjustments against the cost of assets during the Reporting Period.

INTEREST RATE RISK MANAGEMENT

Interest rate risk is the probability that the Group may suffer financial loss due to adverse movements in interest rates. The Group is exposed to interest rate risks mainly in South Africa and Europe.

On 14 December 2018, being the CVAs approval date, the lenders agreed to start implementing the restructuring plan once certain conditions precedent had been fulfilled. From this date interest accrued at the newly agreed interest rates as stipulated in the finance documents, which resulted in a substantial modification of the old debt instruments. PIK interest on these facilities accrued from 14 December 2018 at a fixed rate of 10% on all SFHG debt, and a fixed rate of 7.875% to 10.25% on all SEAG debt, compounded semi-annually. The implementation of the CVAs have enabled the Group to focus on improved interest rate management. As the majority of the Group's borrowings are PIK interest the cash flow risk is limited.

The Group is sensitive to movements in the EURIBOR, JIBAR, SA Prime rates and LIBOR rates, which are the primary interest rates to which the Group is exposed on banking institutional investments. The Group is monitoring developments relating to "LIBOR and reference rate reform" but it does not believe that these reforms will have any material impact on the Group's interest rate exposure.

CREDIT RISK MANAGEMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss for the Group. Given the diverse nature of the Group's operations, it does not have significant concentration of credit risk in respect of trade receivables, because exposure is spread over a large number of customers. The trade and other receivables, other than derivative financial assets, are denominated in the functional currency of the various OpCos. The total exposure to credit risk is therefore limited to the carrying value of the receivables.

In addition, the Group does not consider there to be any significant concentration of credit risk which has not been adequately provided for at the year-end.

MANAGEMENT BOARD STATEMENTS

The Management Board has prepared this Annual Report in accordance with IFRS as adopted by the EU and additional Dutch disclosure requirements for annual reports.

RESPONSIBILITY STATEMENTS

As required pursuant to section 5:25c paragraph 2(c) of the Dutch Financial Supervision Act, each of the Managing Directors hereby confirms that as far as each of them is aware:

(i) subject to the judgements and estimates set out in the Basis of Preparation, the 2021 Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the enterprises jointly included in the consolidation; and

(ii) the Management Report gives a true and fair view of the position as at the Reporting Date, the state of affairs during the Reporting Period of the Company and of the enterprises connected with it whose data are included in the 2021 Consolidated Financial Statements and the Management Report describes the substantial risks with which the Company is being confronted.

IN-CONTROL STATEMENT

The Management Board is responsible for the establishment and adequate functioning of a system of governance, risk management and internal controls in the Company. Consequently, the Management Board has implemented a range of processes and procedures designed to improve control by the Management Board over the Company's operations. These processes and procedures include measures regarding the general risk monitoring and management, and the control environment and specific guidelines on governance, including a code of conduct and a whistle-blower policy.

These processes and procedures are aimed at providing the Management Board with a reasonable level of assurance that the significant risks of the Company and the Group have been identified and managed, and that the Company meets its operational and financial objectives in compliance with applicable laws and regulations.

The Group Risk and Internal Audit function assesses the design and the operation of the internal risk management, governance and control systems and reports (i) any flaws in the effectiveness of the internal risk management, governance and control systems, (ii) any findings and observations with a material impact on the risk profile of the Company and its affiliated enterprise, and (iii) any failings in the follow-up of recommendations made by the Group Risk and Internal Audit function and the Internal Audit functions of the OpCos. In doing so, these functions provide assurance to the Management Board and the Supervisory Board that these systems are adequate and effective.

The Management Board has worked at continuing to improve the processes and procedures regarding financial reporting by means of:

(i) disbanding the remote European Consolidation team during December 2021;

(ii) closing the South African head-office structures in Johannesburg;

(iii) closing the remote South African accounting teams and consolidating the accounting functions under the existing Stellenbosch team;

(iv) concluding the outstanding financial statements of certain South African Group entities and clearing the backlog in related tax returns;

(v) making further enhancements and improvements to the newly implemented global consolidation system to allow for full integration, which resulted in quicker processing and ease of auditing;

(vi) implementing a new accounting system for the holding company (Steinhoff N.V.), which will also be rolled out to other South African Group entities during the 2022 financial year;

(vii) preparing management accounts for all material Group Services entities on a monthly basis;

(viii) implementing various clean-up actions within the corporate structure to reduce the number of entities within corporate structure; and

(ix) implementing a SAP system change for all European Group Services entities,

and it is of the opinion that:

(i) the Management Report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;

(ii) the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies; and

(iii) the Management Report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of this Management Report.

The Management Board draws specific attention to the going concern statement included in the Basis of Preparation of the 2021 Consolidated Financial Statements and the 2021 separate Financial Statements of the Company in which a number of assumptions and uncertainties have been detailed. Based on these assumptions and uncertainties, the financial reporting is prepared on a going concern basis. The Management Board has discussed the above opinion and conclusions with the Audit and Risk Committee and the Supervisory Board.

It should be noted that the foregoing does not imply that these systems and procedures provide absolute assurance as to the realisation of operational and strategic business objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud and non-compliance with applicable laws and regulations.

For a detailed description of the risk management system and the principal risks identified, reference is made to the Risk Report.

NON-FINANCIAL STATEMENT

GENERAL

In view of the accounting irregularities, which were uncovered in December 2017 and the consequences thereof for the Group, the Company's primary objective continues to revolve around achieving longer-term value preservation for the Company and its affiliated enterprise.

The Company aims to achieve this financial objective as well as its non-financial objectives by means of the decentralised business model of the Group, which allows for a tailor-made governance on an operational level complemented by the Management Board exercising its rights at operational level where appropriate and maintaining regular contact with local management. The decentralised business model includes sourcing where each operating entity is responsible for the supply chain applicable to its market and customers.

For an overview of the Group's decentralised operational model, reference is made to the Operational Review in this Management Report.

The Group has implemented a number of policies relating to environmental, social, employee-related matters, respect for human rights, and fighting corruption and bribery. The Company's Code of Conduct provides a framework for the aforementioned subjects and the employees, officers and directors of the Company are expected to safeguard the values embodied therein. The Management Board has recommended that management of each operational company in the Group endorse those compliance principles and incorporate the same in its own company policies and guidelines. In view of the markets the Group operates in, and the types of products and services it delivers, the risks associated with these subjects are appropriately addressed given the varying risk profiles of each operating entity. For further information concerning the Code of Conduct, reference is made to the section Code of Conduct in the Corporate Governance Report.

DIVERSITY

The Company's Diversity Policy identifies the following objectives to further improve the diversity within the Supervisory Board and the Management Board:

(i) qualifications and previous experience, particularly in the fields required to ensure balanced boards, shall be key considerations for nominations to both the Supervisory Board and the Management Board;

(ii) with respect to nationality, subject to and taking into account the South African Reserve Bank requirement that the Company be managed from South Africa, the Supervisory Board shall strive to nominate Managing Directors from the regions where the Group Companies operate, and that no nationality should count for more than 75% of the Managing Directors;

(iii) further with respect to nationality, the Supervisory Board shall strive to nominate Supervisory Directors from the regions where the Group Companies operate, and that no nationality should count for more than 75% of the Supervisory Directors;

(iv) with respect to gender, the Supervisory Board shall strive for a composition of both the Supervisory Board and the Management Board of not less than 30% male and not less than 30% female; and

(v) with respect to age, the Supervisory Board shall strive to ensure an appropriate age diversity within the Supervisory Board and the Management Board,

it being understood that, in the selection of a candidate on the basis of the above criteria, the rules and generally accepted principles of non-discrimination (on grounds such as ethnic origin, race, disability or sexual orientation) will be taken into account.

Both Managing Directors who held office during the Reporting Period were male and to the extent applicable Managing Directors appointed have been nominated based on the above criteria, taking into account the qualifications required in view of the challenges faced by the Group. Within the context of the nomination and appointment of Managing Directors, the Supervisory Board selects candidates based on such qualifications and regardless of gender which is in accordance with the Diversity Policy. Due to the resignations of three Managing Directors during the 2019 Reporting Period, on the Reporting Date both remaining Managing Directors had South African nationality (100%) and lived in South Africa. If and when selecting and nominating candidates for the Management Board, the Supervisory Board will take the Diversity Policy into consideration to safeguard a balanced apportionment of the seats of the Management Board, including objective (ii) above.

On the Reporting Date, two out of six Supervisory Directors were female (33.33%) and four out of six Supervisory Directors were male (66.67%). Three out of six Supervisory Directors had South African nationality (50%) and lived in South Africa, one out of six Supervisory Directors had Dutch nationality (16.66%) and lived in the Netherlands, one out of six Supervisory Directors had British nationality (16.66%) and lived in the United Kingdom, and one out of six Supervisory Directors had United States nationality (16.66%) and lived in the United States of America. Hugo Nelson, who lives in South Africa and has both South African and Maltese nationality, is counted as having South African nationality for this purpose. Due to the fact that two Supervisory Directors, who were female and had South African nationality, resigned during the 2020 and the 2021 Reporting Periods and were not replaced, the relevant diversity rates have declined.

If and when selecting and nominating candidates for the Supervisory Board, the profile of the Supervisory Board and the Diversity Policy will be taken into consideration.

The Diversity Policy and the profile of the Supervisory Board can be viewed on the Company's website www.steinhoffinternational.com.

BLACK ECONOMIC EMPOWERMENT

Steinhoff supports the aims of the Broad-Based Black Economic Empowerment legislation in South Africa and focuses on enhancing the South African operating companies' compliance with the relevant laws and scorecards.

SOCIAL RESPONSIBILITY AND SUSTAINABILITY

During the Reporting Period, the Company supported the following two causes.

Extended Family

Steinhoff has been the key financial partner of the Steinhoff Extended Family programme since its official inception in March 2003 when Steinhoff partnered with Abraham Kriel Bambanani (AKB) to provide essential services to orphaned children affected by severe trauma, HIV/Aids and who are not housed in a formal institution like a children's home. To reach more children and have a greater impact Steinhoff and AKB introduced the Steinhoff Extended Family home-based care programme. It started with an initial group of fifteen children, who are called beneficiaries, which gradually expanded to 492 beneficiaries in 2020/2021. Steinhoff's financial contribution is the primary funds used for the programme. The aim of Steinhoff's involvement in this initiative is to provide children who are affected by HIV/Aids and severe trauma with protection from harm, which involves the provision of shelter, physical care, emotional care and development. Beneficiaries are included in the programme on a 'needs only' basis, and the recipients are mostly individuals from child-headed families where the parents have passed away due to HIV/Aids or where the child was removed from an abusive environment by a court judgement. In some instances, they live with another family member or grandparent as part of an already extended family where resources are severely under pressure. The services rendered to these beneficiaries through the partnership include the following:

- Provision of food.
- Enrolment of the children into school.
- Attention to health issues, bereavement counselling, facilitation with proper registrations with government departments and applications for grants to further support the family.
- Regular visits to their homes by the caregivers.
- Where relevant, younger children are enrolled in school after-care programmes.

In addition, with the help of Steinhoff, AKB runs a training facility that equips young adult learners with a skill, i.e. tiling and painting, assistant chef, end-user computing, hydroponic cultivation of food, etc. which they can use to earn an income and break the poverty cycle.

The Steinhoff commitment gave AKB a high level of financial sustainability that allowed for long-term planning to ensure that a real impact could be made. It also allowed for the promise that children could be given the gift to grow and develop so that their dreams have a chance of becoming a reality. Unlike a one-off charity donation, the Steinhoff Extended Family programme is an example of a long-term investment where time and trust are key to its success. This partnership and its extended investment give the programme the time it requires to accomplish what is necessary, especially for raising children.

The Soweto Family Care programme has received the support from Steinhoff up to December 2021, as committed previously.

The expansion of the student accommodation at the Langlaagte property in Johannesburg, South Africa, was approved in March 2021. The provision of student accommodation is a commercial activity carried out by AKB to augment revenue from donors and the state, in order to attain higher levels of sustainability and growth. Steinhoff agreed to contribute towards the capital outlay to initiate the project. The project will roll out over a period of three years expanding the student accommodation from 60 to 300 students by January 2024.

The financial contribution from Steinhoff for the 2021 Reporting Period amounts to ZAR6.3 million. As part of the CVA arrangement of 2018, a Netherlands court appointed entity called 'Steenbok Stichting CVA' that is responsible for the sale of unclaimed debt under the CVA arrangement, has elected Abraham Kriel Bambanani as a beneficiary to some of the proceeds from the sale of unclaimed debt. Abraham Kriel Bambanani remains Steinhoff's corporate social responsibility partner.

Knysna Initiative for Learning and Teaching

Recognising the need for improved access to quality education in South Africa, Steinhoff had a desire to contribute to the advancement of learning and teaching in under-resourced schools. Steinhoff partnered with Knysna Initiative for Learning and Teaching (KILT) in April 2017 to provide support to certain under-resourced and non-fee-paying schools in the Knysna municipal area by way of sponsorship in the form of providing funding for specific needs which include funding for:

- equipment and learning material;
- teacher development;
- additional teachers in order to reduce class sizes;
- the repair of school infrastructure with specific focus on ablution facilities; and
- the establishment of after school study clubs and psycho-social and remedial programmes for both primary and secondary school learners.

KILT is an NGO that works with 17 government schools in the Knysna District of the southern Cape. Four of the schools are high schools, five are rural or farm schools and in total, they serve 13 214 children and 870 school staff. Many of these schools serve communities that are particularly under resourced.

KILT has developed a unique and responsive systems approach to providing support. Each of the 20 KILT projects is designed to enhance the education system in a sustainable and connected way. These projects are developed in partnership with experts and all 20 projects are professionally monitored and evaluated for efficacy, reach and impact.

KILT's initial focus was to provide assistant teachers in key classrooms in order to reduce the learner to teacher ratio. In addition, the safety and hygiene of the children was considered with the introduction of safety patrol officers and upgraded security. Thereafter, projects were introduced that focused on leadership development, capacity building for teachers, remedial and reading support for learners, afternoon study clubs, scholarship support and e-learning to name just a few.

These last 20 months have put extreme pressure on teachers, learners and their families, and the functioning of the schools has been severely impacted. This has been felt particularly in learner attendance at school which has been on a rotational basis because of overcrowding and the imperative of Covid protocols such as social distancing. Classrooms and schools have been closed regularly for several reasons: Covid infections; teachers staying home with co-morbidities which in turn further exacerbated the teacher shortages; a decline in the availability of school nutrition programmes and lack of resources to implement on-line learning. Severe illness and death among teachers and school principals, as well as learner infections, have taken a serious toll on both physical and mental well-being.

There is no quick fix to the challenges the children, teachers and schools face. KILT sees school principals, school management teams and teachers as key to improving education. Despite these challenges and set-backs, KILT's strategy – a systemic locally driven, network supported (LDNS) model – is sound. KILT has forged strong, committed and trusting relationships with its proximate partners (beneficiaries) as well as its delivery partners, the town of Knysna and repeat funders and a growing public following.

KILT's monitoring and evaluation reports demonstrate a significant impact in the areas identified and targeted despite the desperately difficult circumstances facing KILT teams and school staff at schools.

The above outline indicates a remarkable growth from the first introduction of the teacher assistants and safety patrol officers. Since 2017, the partnership with Steinhoff has enabled KILT to substantially improve the learning and teaching environment in one South African town and to create a sense of hope and a striving for excellence in Knysna that would not have been possible without the assured and dedicated funding and interest from Steinhoff.

The financial contribution from Steinhoff for the 2021 Reporting Period amounts to ZAR14 million. The sponsorship with KILT amounts up to ZAR15 million in donation per calendar year for a period of five years starting from 2017.

Environmental sustainability

Under Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (Taxonomy Regulation), with effect from 2022 the Company is obliged to make certain disclosures on the Group's economic activities to the extent such economic activities are serving the environmental objectives of (a) climate change mitigation, and (b) climate change adaptation.

Steinhoff N.V. is primarily a global holding company with current investments in retail businesses in Africa, Australasia, Europe, the United Kingdom and the United States of America. Each of these operations procures product directly from a wide range of suppliers for onward sales through an extensive retail footprint. Responsibility for operational implementation of ESG matters is devolved to each independent operating subsidiary where action can be carried out directly ensuring it has the most impact. Steinhoff N.V. uses its influence, as appropriate, to ensure that each operating business takes these aspects properly into account and is able to show consistent attention to and progress towards these objectives. A number of initiatives have been planned across the Group with the aim to reliably and accurately report on ESG indicators and measurements.

The Company intends to ensure readiness of its organisation to provide the disclosures on sustainability that are required by the European Corporate Sustainability Reporting Directive (CSRD) as of 1 January 2023.

Please refer to the Financial and Business Review section of this annual report for our policy on sustainability (ESG).

PROVISION IN THE ARTICLES REGARDING THE ALLOCATION OF PROFITS

Pursuant to section 35 of the Articles, a dividend may be declared out of net income after appropriation to increase and/or from reserves. The allocation of profit remaining after reservations deemed necessary by the Management Board, with the approval of the Supervisory Board, will then be available for distribution to the ordinary shareholders subject to approval at the General Meeting.

The Management Board, with the approval of the Supervisory Board, may propose that the General Meeting make distributions wholly or partly in the form of ordinary shares.

Distributions on shares may be made only up to an amount which does not exceed the amount of the distributable equity.

The Management Board, with the approval of the Supervisory Board, may declare an interim dividend which does not exceed the amount of the distributable equity.

The Management Board

28 January 2022

L.J. (Louis) du Preez
Chief Executive Officer

T.L. (Theodore) de Klerk
Chief Financial Officer

PART II
CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

Corporate governance in Steinhoff N.V. involves the set of relationships that have been established between the Management Board, the Supervisory Board, shareholders and other stakeholders. Corporate governance also provides the structure through which the Company's objectives are set, and through which the means of attaining those objectives and the processes of monitoring performance are determined.

INTRODUCTION

This report provides an outline of the corporate governance structure of the Company and covers corporate governance matters relevant to the Company during the Reporting Period. Pursuant to the DCGC, the Management Board and the Supervisory Board are responsible for the corporate governance of the Company.

Steinhoff International Holdings N.V. is a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, has its corporate seat in Amsterdam, the Netherlands, and its principal place of business at Building B2, Vineyard Office Park, Cnr Adam Tas & Devon Valley Road, Stellenbosch 7600, South Africa, and is registered with the Dutch Trade Register under number 63570173. The Company has a primary listing on the FSE in Germany and a secondary listing on the JSE in South Africa.

The Company has a two-tier board structure, consisting of the Management Board and the Supervisory Board. The Management Board and the Supervisory Board are accountable to the General Meeting. The Company's corporate governance structure is based on the Articles, the Regulations of the Management Board, the Regulations of the Supervisory Board and its committees, as well as applicable laws and regulations, including the DCGC. The Articles, the Regulations of the Management Board, the Regulations of the Supervisory Board and its committees, together with the Supervisory Board's rotation schedule and the Supervisory Board profile, can be viewed on the Company's website at www.steinhoffinternational.com.

The full text of the DCGC is available at www.mccg.nl.

DUTCH SOP

On 15 February 2021 the Company filed an application to the District Court of Amsterdam for a Dutch suspension of payments procedure (*surseance van betaling*) (**Dutch SoP**) together with the submission of a proposed composition plan (*ontwerp van akkoord*) (**Dutch SoP Scheme Proposal**). The District Court of Amsterdam granted the application and opened the Dutch SoP in respect of the Company also on 15 February 2021.

The District Court of Amsterdam appointed two administrators (*bewindvoerders*) and two supervisory judges (*rechters-commissaris*).

The task of the administrators was to, jointly with the Company's management team, administer the Company's affairs. The administrators would fulfil their task through, among other things, periodically reporting on the state of the Company's estate, reporting on the state of the Dutch SoP Scheme Proposal and advising the Company's management team on how to conduct its affairs.

During the Dutch SoP, the Company required the co-operation, authorisation or support of the administrators for the administration and disposal (*beheer en beschikking*) of assets comprised in its estate (*boedel*). The Company's estate was not bound by obligations the Company entered into without the co-operation, authorisation or support of the administrators, except to the extent those obligations would benefit the Company's estate.

The Company could not take procedural actions in legal proceedings (insofar they relate to the Company's estate) without the co-operation, authorisation or support of the administrators.

The tasks and fiduciary duties of the Management Board and the Supervisory Board were in principle not affected by the Dutch SoP. The Management Board continued to be required to conduct the day-to-day management of the Company and the enterprise connected with it. When doing so, the Management Board was required to act in the interest of the Company and its affiliated enterprise, taking into account the interests of all its stakeholders. The Supervisory Board continued to be required to supervise and monitor the actions of the Management Board, to advise the Management Board in connection therewith and, if needed, assist the Management Board in its conduct with external stakeholders.

On 2 October 2021 the appeal period in respect of the order by the District Court of Amsterdam confirming the Company's composition plan has lapsed. No party had lodged an appeal against this confirmation order. Therefore, the confirmation of the Company's composition plan has become final and unappealable (*in kracht van gewijsde gegaan*), resulting in the termination of the Dutch SoP pursuant to Section 276 of the Dutch Bankruptcy Act.

MANAGEMENT BOARD

GENERAL

The role of the Management Board is to manage the Company and its affiliated enterprise. Pursuant to the DCGC, the Management Board is responsible for the continuity of the Company and focuses on longer-term value creation for the Company, and takes into account all the various stakeholder interests that are relevant in this context. The Supervisory Board monitors the Management Board in this. The Management Board is responsible for identifying and managing the risks associated with the Company's strategy and activities.

DUTIES AND POWERS OF THE MANAGEMENT BOARD

The Management Board derives its powers and duties from Dutch law and the Articles. When discharging its duties, the Management Board shall act in accordance with the interests of the Company and its affiliated enterprise, taking into consideration the interests of the Company's stakeholders. The Management Board shall develop a view on longer-term value creation by the Company and its affiliated enterprise and shall formulate a strategy in line with this.

The Management Board is primarily responsible for:

(i) formulating, communicating and executing the Company's financial strategy;

(ii) drafting the annual budget of the Company, as well as the implementation thereof;

(iii) the appointment and dismissal of members of its Committees and Senior Managers;

(iv) overseeing and ensuring the integrity of the Company's financial statements; and

(v) the financial reporting of the Company.

The Regulations of the Management Board describe the powers, duties, as well as working methods and the decision-making process of the Management Board. The latest version of the Regulations of the Management Board can be viewed on the Company's website www.steinhoffinternational.com.

Pursuant to the Regulations of the Management Board, certain significant resolutions of the Management Board are subject to the approval of the Supervisory Board and the General Meeting. These resolutions are detailed in schedules 2 and 3 of the Regulations of Management Board.

COMPOSITION, APPOINTMENT, REMOVAL, SUSPENSION AND OTHER POSITIONS OF MANAGING DIRECTORS

General

Pursuant to the Articles, the Management Board shall consist of at least two Managing Directors, with the number of Managing Directors to be determined by the Supervisory Board. Following a non-binding nomination by the Supervisory Board, with due observance of the provisions of the Articles, the Managing Directors are appointed by the General Meeting. If and when selecting and nominating candidates for the Management Board, the diversity policy is taken into consideration.

Pursuant to the DCGC, a Managing Director is appointed for a maximum period of four years and a Managing Director may be reappointed for a term of not more than four years at a time, which reappointment should be prepared in a timely fashion and take the diversity policy into account. A Managing Director may be suspended or removed by the General Meeting at any time. Suspension or removal shall be made upon a proposal by the Supervisory Board. A Managing Director may also be suspended by the Supervisory Board at any time. A resolution by the General Meeting to remove or suspend a Managing Director not proposed by the Supervisory Board may only be adopted by at least two-thirds majority of the votes cast, provided that such majority represents more than one-third of the Company's issued capital. If that quorum is not met, a second General Meeting as referred to in Section 2:120, paragraph 3 of the DCC cannot be convened. Any suspension may be extended one or more times, but may not last longer than three months in the aggregate. If, at the end of that period, no decision has been taken on termination of the suspension or on removal, the suspension shall end.

Persons who are (i) a supervisory board member (or non-executive director) of more than two legal persons; and (ii) chairman of the supervisory board of a legal person (or of the board if management duties are allocated amongst executive and non-executive directors) may not be appointed as a director of a company insofar that company has not met at least two of the criteria referred to in Section 2:397, paragraphs 1 and 2 of the DCC (which is the case for Steinhoff N.V.). During the Reporting Period, none of the Managing Directors held positions which would constitute a breach of this requirement.

Composition of the Management Board

As at the Reporting Date and as at the date of this Annual Report, the Management Board consisted and consists of Louis du Preez and Theodore de Klerk.

Biographies of both Managing Directors who have held office during the Reporting Period are given below.

Louis Jacobus (Louis) du Preez
South African, Male
(date of birth: 2 May 1969)

BCom, LLB

The Supervisory Board nominated Louis du Preez as Commercial Director and Managing Director on 19 December 2017. He acted in such capacity until his appointment to the Management Board by the General Meeting on 20 April 2018. Louis du Preez was appointed for a period that runs with effect from the conclusion of the AGM on 20 April 2018 until the close of the Company's annual General Meeting to be held in 2022.

Effective 1 January 2019, the Supervisory Board designated Louis du Preez as CEO.

Louis du Preez obtained his bachelor's degree from the University of Stellenbosch and went on to qualify as an attorney of the High Court of South Africa in 1997 after completing his articles. He joined Jan S de Villiers and was appointed a partner of the firm in 1998. With the merger of Werksmans Attorneys in 2009, he became a member of the national executive committee of the combined firm and served as such until early 2017. While practising as an attorney, he advised clients on a variety of corporate and commercial matters. He joined the Group as General Counsel in mid-2017.

Louis du Preez has served as a non-executive director of Pepkor Holdings Limited since January 2018. He currently continues to serve as a director of several other Group companies, including but not limited to Steinhoff Investment Holdings Limited.

Theodore Le Roux (Theodore) de Klerk
South African, Male
(date of birth: 30 October 1969)

(BCom (Hons), CTA, HDip (Tax), CFM)

The Supervisory Board nominated Theodore de Klerk as Operational Director and Managing Director on 28 February 2018. He acted in such capacity until his appointment to the Management Board by the General Meeting on 20 April 2018. Theodore de Klerk was appointed for a period that runs with effect from the conclusion of the AGM on 20 April 2018 until the close of the Company's annual General Meeting to be held in 2022.

Effective 1 September 2019, the Supervisory Board designated Theodore de Klerk as CFO.

Theodore de Klerk completed his articles with Ernst & Young and worked for four years as a corporate tax consultant. He joined Murray & Roberts as financial director of its marine construction operation and spent five years with Gensec Investment Bank as part of its corporate finance advisory unit, focusing on mergers & acquisitions, capital raisings and related structuring functions. In 2003, he joined Steinhoff as a senior executive with responsibility for corporate advisory services and investor relations. In 2008 he was appointed Chief Executive Officer of the Group's Southern African building materials retail division, a position he held until 2015.

Theodore de Klerk serves as a non-executive director of Pepkor Holdings Limited and IEP Group. He currently also continues to serve as a director of several other Group companies, including but not limited to Steinhoff Investment Holdings Limited.

Positions of Managing Directors on boards of listed companies which are considered Affiliated Companies

As at the date of this Annual Report, both Louis du Preez and Theodore de Klerk are executive directors of Steinhoff Investment Holdings Limited, and non-executive directors of Pepkor Holdings Limited.

The main elements of the contracts with the Managing Directors, who were appointed on 20 April 2018, as at the date of their appointment are available on the Company's website www.steinhoffinternational.com.

MANAGEMENT BOARD MEETINGS, ATTENDANCE, RESOLUTIONS, AUTHORITY TO REPRESENT AND COMMITTEES

Pursuant to the Articles, the Management Board shall meet as often as a Managing Director deems necessary. Meetings of the Management Board are in principle called by the Chief Executive Officer or the Company Secretary in consultation with the Chief Executive Officer. With due observance of the Regulations of the Management Board, each Managing Director has the right to request that a meeting of the Management Board be called and/or that an item be placed on the agenda for a Management Board meeting. The Company Secretary shall assist in relation thereto. A Managing Director may be represented at Management Board meetings by another Managing Director holding a proxy in writing.

Pursuant to the Articles, each Managing Director has the right to cast one vote. Under the Regulations of the Management Board, the Managing Directors shall endeavour to achieve that resolutions are, as much as possible, adopted unanimously.

When determining how many votes are cast by Managing Directors or how many Managing Directors are present or represented, no account shall be taken of Managing Directors that are not allowed to take part in the discussions and decision-making by the Management Board pursuant to the laws of the Netherlands, the Articles or the Regulations of the Management Board. Management Board resolutions may at all times be adopted in writing, provided the proposal concerned is submitted to all Managing Directors then in office in respect of whom no conflict of interest exists and none of them objects to this manner of adopting resolutions, evidenced by written statements from all relevant Managing Directors then in office.

The Management Board follows a regular meeting schedule with meetings held approximately every other week. Towards the end of the Reporting Period the Management Board decided to change the number of formal meetings to once every month going forward.

The Company is represented by the Management Board and each Managing Director also has the individual authority to represent the Company. The Management Board may appoint officers with general or limited power to represent the Company. Each officer shall be authorised to represent the Company, subject to the restrictions imposed on him or her.

Pursuant to the Articles, the Management Board may, as it deems necessary, establish committees pertaining to the Management Board and the performance of its duties. The Management Board appoints the members of each committee and determines the tasks of each committee and may establish rules regarding its working methods and decision-making process. Such rules shall then be put in writing. The Management Board may, at any time, change the duties and the composition of each committee. The Management Board remains collectively responsible for decisions prepared and/or taken by such committee.

REMUNERATION OF MANAGING DIRECTORS

The General Meeting approved the Remuneration Policy for the Management Board on 1 December 2015. A description of the Remuneration Policy and its implementation during the Reporting Period are included in the Remuneration Report. The Remuneration Policy can be viewed on the Company's website www.steinhoffinternational.com.

At the AGM 2020 a proposal to amend the remuneration policy applicable to managing directors to align such current policy with Section 2:135a of the DCC, which became effective on 1 December 2019 to implement the revised EU Shareholders Rights Directive, and taking into account the Company's current circumstances, its challenges and its strategic direction, was tabled as a voting item. The proposal was rejected by the General Meeting. As required by Dutch law, a new draft of the Remuneration Policy applicable to Managing Directors was submitted to the General Meeting at the AGM 2021, where the proposal to amend such Remuneration Policy applicable to Managing Directors was again rejected. Another new draft policy will be submitted to the General Meeting in 2022. Upon resubmission to the General Meeting, a description with explanation of how the voting results and views of the General Meeting were taken into account since the last time the Remuneration Policy was submitted for adoption, shall be made available.

COMPANY SECRETARY

The Company's Secretary is appointed and replaced by the Management Board, subject to the approval of the Supervisory Board. All Managing Directors, Supervisory Directors and committees have access to the advice and services of the Company Secretary. The Company Secretary sees to it that correct Supervisory Board and Management Board procedures are followed and that the obligations of the Supervisory Board and the Management Board under applicable laws, as well as the Regulations of the Supervisory Board, the Regulations of the Management Board and/or the Articles are complied with. The Company Secretary assists the chairperson of the Supervisory Board and the Chief Executive Officer of the Management Board in the organisation of the affairs of the Supervisory Board and the Management Board, respectively. During the Reporting Period, Sarah Radema acted as the Company Secretary of Steinhoff International Holdings N.V.

CHIEF COMPLIANCE AND RISK OFFICER

Louis Strydom CA(SA) is the Chief Compliance and Risk Officer of Steinhoff International Holdings N.V. His duties and responsibilities inter alia include internal audit and risk management. He reports directly to the CEO and has a reporting responsibility to the Audit and Risk Committee.

SUPERVISORY BOARD

GENERAL

The role of the Supervisory Board is to supervise the policies of the Management Board and the general affairs of the Company and the business connected with it, as well as to assist the Management Board by providing advice. In discharging its role, the Supervisory Board shall be guided by the interests of the Company and the business connected with it and shall take into account the relevant interests of the Company's stakeholders.

DUTIES AND POWERS OF THE SUPERVISORY BOARD

The Supervisory Board established the Regulations of the Supervisory Board, which govern its working methods and decision-making process (including its duties). The latest version of the Regulations of the Supervisory Board can be viewed on the Company's website www.steinhoffinternational.com.

The supervision of the Management Board by the Supervisory Board includes monitoring:

(i) the strategy relating to long-term value creation of Company and its affiliated enterprise;

(ii) the activities of the Management Board regarding the creation of a culture aimed at long-term value creation of the Company and its affiliated enterprise;

(iii) the Internal Audit function;

(iv) the effectiveness of the internal risk management and control systems;

(v) the integrity and quality of the financial reporting process;

(vi) the information- and communication technology (ICT) systems of the Company and the managing of the risks associated with cybersecurity;

(vii) the safeguarding of the Management Board's responsibilities and process of providing information to the Supervisory Board;

(viii) compliance with applicable laws and regulations;

(ix) the relations with the shareholders;

(x) the risks associated with the remuneration structure for employees of the Company and its affiliated enterprise;

(xi) the corporate social responsibility issues that are relevant to the Company; and

(xii) handling and deciding on reported (potential) conflicts of interests.

There were no conflicts of interest or transactions which have given rise thereto involving any Managing Directors or Supervisory Directors reported during the Reporting Period, other than a (potential) conflict of interest or the appearance thereof between the Company and Supervisory Director Ms Alexandra Watson in relation to her new position as chairman of the board of Coronation Fund Managers Limited ("**Coronation**") since August 2021. She declared this new position to the chairperson of the Supervisory Board prior to her appointment and to the other Supervisory Directors once appointed with a view to the fact that active claimant group Hamilton/CFE in litigation against the Company submitted alleged Market Purchase Claims it had acquired from Coronation. Ms Watson further provided all other relevant information in respect of this (potential) conflict of interest to the chairperson of the Supervisory Board and to the other Supervisory Directors. The Supervisory Board, excluding Ms Watson, decided that the aforementioned situation could constitute a (potential) conflict of interest or the appearance thereof. Ms Watson has refrained from participating in any deliberations or decision-making at the Supervisory Board meetings regarding such litigation. As such, best practice provisions 2.7.3 and 2.7.4 of the DCGC have been complied with.

COMPOSITION, APPOINTMENT, REMOVAL AND SUSPENSION OF SUPERVISORY DIRECTORS

General

Pursuant to the Articles, the Supervisory Board shall consist of at least five Supervisory Directors. Only individuals can be Supervisory Directors. If the number of Supervisory Directors in office is less than five, the authorities of the Supervisory Board and of the remaining Supervisory Directors or Supervisory Director shall continue to apply in full. The Supervisory Board will then forthwith take measures to increase the number of Supervisory Directors. The Supervisory Board shall determine the exact number of Supervisory Directors. Pursuant to the DCGC, a Supervisory Director is appointed for a period of four years and may then be reappointed once for another four-year period. The Supervisory Director may then subsequently be reappointed again for a period of two years, which appointment may be extended by at most two years. In the event of a reappointment after an eight-year period, reasons should be given in the report of the Supervisory Board. In any appointment or reappointment, the profile of the Supervisory Board should be observed.

Supervisory Directors are appointed by the General Meeting. Appointments shall be made upon a non-binding nomination by the Supervisory Board. The Supervisory Board shall take the profile of the Supervisory Board, the Supervisory Board rotation schedule and the diversity policy into consideration when it makes its non-binding nomination. A non-binding nomination shall be included as an item in the notice of the General Meeting at which the appointment shall be considered. At the General Meeting only candidates whose names are stated on the agenda of the meeting can be voted on for appointment as Supervisory Director.

A resolution by the General Meeting to appoint a Supervisory Director not nominated by the Supervisory Board shall be adopted by at least two-thirds majority of the votes cast, if such majority represents more than one-third of the Company's issued capital. A second General Meeting may not be convened.

A resolution by the General Meeting to remove or suspend a Supervisory Director not proposed by the Supervisory Board shall be adopted by at least two-thirds majority of the votes cast, provided that such majority represents more than one-third of the Company's issued capital. A second General Meeting may not be convened. Any suspension may be extended one or more times but may not last longer than three months in the aggregate. If, at the end of that period, no decision has been taken on termination of the suspension or on removal, the suspension shall end.

Composition of the Supervisory Board

Following the resignation of Khanyisile Kweyama on 19 April 2021, the Supervisory Board as at the Reporting Date and as at the date of this Annual Report consists of the following six members: Moira Moses (chairperson), Peter Wakkie (deputy-chairperson), Paul Copley, Hugo Nelson, David Pauker and Alexandra Watson.

Biographies of all the Supervisory Directors who have at any time held office during the Reporting Period, are given below.

M.A. (Moira) Moses
(South African) (Female)
(date of birth: 27 January 1965)

BA

Moira Moses was appointed to the Supervisory Board on 20 April 2018, for a period that runs with effect from the conclusion of the AGM on 20 April 2018 until the close of the Company's annual General Meeting to be held in 2022.

Since 22 May 2020, Moira Moses has been the Chairperson of the Supervisory Board and the chairperson of the Nomination Committee.

She graduated from the University of the Witwatersrand in 1987 and completed a Management Advancement Programme at the Business School of the University of the Witwatersrand in 1995. She enjoyed a successful career in the motor industry holding the position of Managing Director of Land Rover, Volvo and Jaguar in Southern Africa from 2000 to 2004. Ms Moses was with Transnet Limited from 2005 to 2012 and held the position of Group Executive, Capital Projects. She has held a number of Non-Executive Board positions including Transnet Limited, Viamax (Pty) Ltd, Afrisam Group and MTN Group Limited. From 2007 to 2015 she served on the Board of the Public Investment Corporation, and from 2009 to 2018 at the Government Employees Pension Fund. She is currently on the Board of Kansai Plascon Africa Limited.

With effect from 29 October 2018, she was appointed as non-executive director of Steinhoff Investment Holdings Limited and is a member of the audit and risk committee of Steinhoff Investment Holdings Limited. Since 22 May 2020 Moira has been the chairperson of Steinhoff Investment Holdings Limited.

P.N. (Peter) Wakkie
(Dutch) (Male)
(date of birth: 22 June 1948)

LLM

Peter Wakkie was re-appointed to the Supervisory Board on 30 April 2021, for a period that runs with effect from the conclusion of the AGM on 30 April 2021 until the close of the Company's annual General Meeting to be held in 2023.

He is Deputy-Chairperson of the Supervisory Board and a member of the Litigation Working Group. He was also appointed as a member of the Human Resources and Remuneration Committee on 24 June 2021.

He earned a master's degree in law from the University of Utrecht in 1972. He then joined the Dutch law firm De Brauw Blackstone Westbroek specialising in mergers and acquisitions and corporate litigation and served as the firm's Managing Partner from 1997 to 2001. He then became a founding partner of the firm Spinath & Wakkie B.V. in 2010 (renamed Wakkie & Perrick B.V.). He served as a member of the Executive Board of Royal Ahold N.V. from 2003 to 2009 where he also held the position of Chief Corporate Governance Counsel. He was heavily involved in Royal Ahold's restructuring and divestment program and became chief architect of its corporate responsibility strategy. Peter Wakkie has held numerous roles on supervisory boards throughout his career. He was deputy chairman of the supervisory board of ABN AMRO Bank N.V. from 2009 to 2015 and chairman of the supervisory board of Wolters Kluwer N.V. until 2017. He also served as the chairman of the supervisory board of TomTom N.V. until April 2019.

He is currently chairman of the supervisory board of BCD Holdings N.V. Peter further serves as court appointed liquidator of ZED+ B.V.

P.D. (Paul) Copley
(British) (Male)
(date of birth: 4 May 1975)

BA Hons (English Language & Literature), Chartered Accountant (ICAEW), Insolvency Practitioner (JIEB)

Paul Copley was appointed as Supervisory Director on 30 August 2019, for a period that runs with effect from the conclusion of the AGM on 30 August 2019 until the close of the Company's annual General Meeting to be held in 2022.

He is a member of the Audit and Risk Committee, and the Litigation Working Group.

Paul Copley is a UK chartered accountant and licensed insolvency practitioner. He spent 20 years at PwC, working principally in Business Recovery Services, in both formal insolvency and restructuring roles. Most notably, he was appointed Joint Administrator of Lehman Brothers International (Europe), where he worked full-time from 2008 to 2014. Whilst at PwC, Paul was also Joint Receiver of OW

Bunker, the world's largest independent marine fuel distributor. Paul left PwC in 2016 to take up the role of CEO of Kaupthing ehf. He currently also serves as the Managing Director of Aldan Management and is Concurrent Administrator of Phones 4U Limited. In October 2019, he reprised his role as Joint Receiver of OW Bunker. Paul further serves on the board of Noble Group Holdings Limited as a non-executive director.

K.T. (Khanyisile) Kweyama
(South African) (Female)
(date of birth: 28 November 1964)

PDM

Khanyisile Kweyama was appointed to the Supervisory Board on 20 April 2018, for a period that runs with effect from the conclusion of the AGM on 20 April 2018 until the close of the Company's annual General Meeting to be held in 2022.

On 19 April 2021 Khanyisile Kweyama tendered her resignation from her functions at the Company.

Until her resignation she was a member of the Human Resources and Remuneration Committee.

Khanyisile Kweyama obtained a Postgraduate Diploma in Management from the University of Witwatersrand in 1999. She has extensive commercial experience working in a number of international companies. She served as Group Executive of Human Resources & Industrial Relations at Allied Technologies from 2003 to 2008. She served as Group Executive of Global HR, Transformation and Sustainability at Barloworld Ltd from 2008 to 2011. She also served as Executive Head of Human Resources at Anglo American Platinum Limited from 2011 to 2012 and Executive Director of Anglo American Southern Africa Limited from 2012 to 2015. More recently, she served as Chief Executive Officer of Business Unity SA from 2015 to 2017. She has won a number of awards throughout her career. For example, she was selected as the "Most Influential Woman in the Mining, Resources and Extractive Sector" from 2012 to 2015 and was recognised as one of the "100 Most Inspiring Women in Mining" in 2014 and 2015.

She has also been appointed to various offices at national and statutory bodies. She was appointed to the Employment Equity Commission in South Africa from 2008 to 2012 and elected Vice President of the Chamber of Mines in South Africa in 2013 and 2014. She is a member of both the National Planning Commission and Gauteng Eminent Persons Group, and previously also was Chairperson of the Interim Board of the SABC and she served as chairperson of the board of Passenger Rail Agency of SA (PRASA) from 2018 to 2020.

Dr. H.A. (Hugo) Nelson
(South African and Maltese) (Male)
(date of birth: 3 June 1970)

MBChB, MBA (Oxon), CFA

Hugo Nelson was appointed to the Supervisory Board on 20 April 2018, for a period that runs with effect from the conclusion of the AGM on 20 April 2018 until the close of the Company's annual General Meeting to be held in 2022.

He is the chairperson of the Human Resources and Remuneration Committee and a member of the Audit and Risk Committee.

He was a medical doctor before earning an MBA from the University of Oxford. He is also a chartered financial analyst. He has a wealth of experience in the South African asset management industry. He joined Coronation Fund Managers Limited in 1999 as part of the investment team, initially as an Equity Analyst, then as Portfolio Manager, responsible for both institutional and retail assets. He served as the Chief Executive Officer at Coronation Fund Managers Limited from November 2007 to January 2013. He has also served as the Chief Executive Officer of Coronation Asset Management Proprietary Ltd, as a Non-Executive Director of Namibia Asset Management Ltd. (from May 2008 to January 2013) and as a Director of Coronation Global Fund Managers (Ireland) Limited. He currently serves as an Independent Non-Executive Director of Coronation Fund Managers Limited, is the founding partner of Fortitudine Vincimus Capital Advisors (Pty) Ltd. He is also a trustee of the DG Murray Trust and a patron of George Whitefield College.

With effect from 30 August 2019, he was appointed as non-executive director of Steinhoff Investment Holdings Limited and is a member of the audit and risk committee of Steinhoff Investment Holdings Limited.

D.I. (David) Pauker
(United States) (Male)
(date of birth: 21 March 1959)

B.S. (Industrial and Labor Relations)

David Pauker was appointed as Supervisory Director on 30 August 2019, for a period that runs with effect from the conclusion of the AGM on 30 August 2019 until the close of the Company's annual General Meeting to be held in 2023.

He is a member of the Nomination Committee, the Litigation Working Group, and the Human Resources and Remuneration Committee.

David Pauker earned a bachelor's degree in Industrial and Labor Relations in 1981 and in 1984 he obtained a degree in law from the Columbia Law School. He spent 25 years at Goldin Associates, a turnaround and restructuring advisory firm based in New York, retiring in 2015 as the firm's Executive Managing Director and practice leader. At Goldin, he was senior advisor to companies and institutional investors and oversaw independent investigations of corporate affairs. He has acted as C-suite officer for many companies undergoing reorganisation.

In 2016, he was appointed as Chief Restructuring Officer for Essar Steel Minnesota; the company emerged from bankruptcy and was reorganised as Mesabi Metallics. He has held numerous roles on boards throughout his career and is currently Chairman the Board of the Government Development Bank Debt Recovery Authority of Puerto Rico. He also serves on the boards of Lehman Brothers (post-reorganisation), Social Accountability International and the Residential Capital Trust.

With effect from 14 August 2019 David was appointed as non-executive director of Steinhoff International Holdings Proprietary Limited.

A. (Alexandra) Watson
(South African) (Female)
(date of birth: 13 June 1956)

BCom (Hons) UCT, CA(SA)

Alexandra Watson was appointed to the Supervisory Board on 20 April 2018, for a period that runs with effect from the conclusion of the AGM on 20 April 2018 until the close of the Company's annual General Meeting to be held in 2022.

She is the chairperson of the Audit and Risk Committee, and a member of the Nomination Committee.

She served as a Professor in the College of Accounting at the University of Cape Town until March 2018, where her area of expertise was financial reporting and other forms of corporate reporting. She is also a former Chairman of the Accounting Practices Committee (Technical Accounting Committee of the South African Institute of Chartered Accountants) and is currently the Chairman of the South African Financial Reporting Investigations Panel. She was appointed chairman of Coronation Fund Managers Limited in August 2021. She is a director of WWF – SA, and until December 2019 she was a board member and vice-chairman of the Global Reporting Initiative, an Amsterdam-based organisation promoting understanding and communication of sustainability issues. On 1 July 2021 she joined the board of Petra Diamonds Limited as a non-executive director.

With effect from 29 October 2018, she was appointed as non-executive director of Steinhoff Investment Holdings Limited, and is currently the deputy chairperson of the board of the same company. She is also chairperson of the audit and risk committee of Steinhoff Investment Holdings Limited.

SUPERVISORY BOARD MEETINGS, ATTENDANCE AND DECISION MAKING

Pursuant to the Articles, meetings of the Supervisory Board shall be held as often as a Supervisory Director or the Management Board deems necessary. Under the Regulations of the Supervisory Board, the Supervisory Board shall meet at least four times each financial year. A Supervisory Director may be represented at Supervisory Board meetings by another Supervisory Director holding a proxy in writing. Each Supervisory Director may cast one vote. All resolutions of the Supervisory Board shall be adopted by a simple majority of the votes cast. The Supervisory Board can only adopt valid resolutions in a meeting where the majority of the Supervisory Directors then in office is present or represented.

When determining how many votes are cast by Supervisory Directors or how many Supervisory Directors are present or represented, no account shall be taken of Supervisory Directors that are not allowed to take part in the discussions and decision-making by the Supervisory Board pursuant to the laws of the Netherlands, the Articles or the Regulations of the Supervisory Board. Supervisory Board resolutions may at all times be adopted in writing, provided the proposal concerned is submitted to all Supervisory Directors then in office in respect of whom no conflict of interest exists and none of them objects to this manner of adopting resolutions, evidenced by written statements from all relevant Supervisory Directors then in office.

COMMITTEES OF THE SUPERVISORY BOARD

Standing committees

In compliance with the DCGC, the Supervisory Board has an Audit and Risk Committee, a Human Resources and Remuneration Committee, and a Nomination Committee. The function of the committees is to prepare the decision-making of the Supervisory Board. The Supervisory Board may, as it may deem necessary, establish such other committees pertaining to the Supervisory Board and the performance of its duties. The Supervisory Board appoints the members of each committee, its chairperson and determines the tasks of each committee as well as the rules regarding its working methods and decision-making process. The Supervisory Board may, at any time, change the duties and the composition of each committee. Only Supervisory Directors can be a member of the committees. The Supervisory Board remains collectively responsible for decisions prepared by its committees. The Company Secretary acts as secretary to the Supervisory Board's committees. The Supervisory Board had a voluntary committee, namely the Forensic Investigation Committee, which was dissolved on 24 June 2021.

The Regulations of the Supervisory Board and its standing committees can be viewed on the Company's website www.steinhoffinternational.com.

AUDIT AND RISK COMMITTEE

At least one member of the Audit and Risk Committee must have relevant knowledge of financial reporting and the audit of financial statements. The Audit and Risk Committee may not be chaired by the chairman of the Supervisory Board or by a former Managing Director. The Audit and Risk Committee meets at least four times each financial year and meets at least once each financial year with the External Auditor without the Managing Directors being present.

The Audit and Risk Committee undertakes preparatory work for the Supervisory Board's decision-making regarding the supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems. In carrying out this duty, the Audit and Risk Committee shall focus, among other things, on monitoring the Management Board with regard to:

(i) relations with, and compliance with recommendations and observations and follow up of comments of the internal audit department and the External Auditor;

(ii) the financing of the Company;

(iii) the application of information and communication technology, including risks related to cybersecurity and information at third parties;

(iv) the Company's tax and regulatory compliance policies; and

(v) the role and functioning of the Chief Financial Officer.

The Supervisory Board established regulations for the Audit and Risk Committee. The regulations describe the powers, duties, as well as working methods and the decision-making process of the Audit and Risk Committee. The most recent version of the regulations of the Audit and Risk Committee can be viewed on the Company's website www.steinhoffinternational.com.

HUMAN RESOURCES AND REMUNERATION COMMITTEE

The Human Resources and Remuneration Committee may not be chaired by the chairman of the Supervisory Board or by a former Managing Director of the Company. The Human Resources and Remuneration Committee meets at least twice each financial year. The Human Resources and Remuneration Committee has the following main duties:

(i) to submit, at least once every four years, a clear and understandable proposal to the Supervisory Board concerning the remuneration policy to be pursued with regard to the Management Board, which policy shall in any event take into consideration the requirements of the Dutch Civil Code, the objectives for the strategy for the implementation of longer-term value creation, scenario analyses, pay ratios, the development of the market price of the Shares (if applicable) and an appropriate ratio between the variable and fixed remuneration components;

(ii) to submit, at least once every four years, a clear and understandable proposal to the Supervisory Board concerning the remuneration policy to be pursued with regard to the Supervisory Board, which policy shall in any event take into consideration the requirements of the Dutch Civil Code, the appropriate composition of the Supervisory Board and the proper fulfilment of duties by Supervisory Directors, the effective performance by the Supervisory Directors of their role, the reflection of the time spent, the risk profile and the responsibilities of the role of Supervisory Directors, the strategic view of options available to the Company in the short and medium term, the external governance environment and the interests of all stakeholders, no dependency on the results of the Company, and no granting of any form of variable remuneration;

(iii) to draft proposals for consideration by the Supervisory Board for the remuneration of the individual Managing Directors; and

(iv) to prepare the remuneration report.

The Supervisory Board established regulations for the Human Resources and Remuneration Committee. The regulations describe the powers, duties, as well as working methods and the decision-making process of the Human Resources and Remuneration Committee. The most recent version of the regulations of the Human Resources and Remuneration Committee can be viewed on the Company's website www.steinhoffinternational.com.

NOMINATION COMMITTEE

Pursuant to the regulations of the Nomination Committee, the Nomination Committee meets at least once each financial year. The Nomination Committee has the following main duties:

(i) to draw up selection criteria and appointment procedures for Supervisory Directors and Managing Directors;

(ii) to assess periodically the size and composition of the Supervisory Board and the Management Board, and to make proposals for the profile of the Supervisory Board and Supervisory Board Rotation Schedule;

(iii) to review the Diversity Policy;

(iv) to assess periodically the functioning of individual Supervisory Directors and individual Managing Directors, and to report its findings to the Supervisory Board;

(v) to assess periodically the size and composition of each Committee, and to make any recommendations to the Supervisory Board;

(vi) to draw up a plan for the succession of Managing Directors and Supervisory Directors, taking into account the diversity policy of the Supervisory Board and the profile of the Supervisory Board;

(vii) to make proposals for appointments and reappointments, taking into account the diversity policy of the Supervisory Board and the profile of the Supervisory Board; and

(viii) to supervise the policy of the Management Board regarding the selection criteria and appointment procedures for the Senior Managers.

The Supervisory Board established regulations for the Nomination Committee. The regulations describe the powers, duties, as well as working methods and the decision-making process of the Nomination Committee. The most recent version of the regulations of the Nomination Committee can be viewed on the Company's website www.steinhoffinternational.com.

Voluntary committee

FORENSIC INVESTIGATION COMMITTEE

This voluntary committee engaged with PwC in respect of their forensic investigation. The committee consisted of the following members: Peter Wakkie (chairman), Moira Moses, Alexandra Watson, Paul Copley and Managing Director Louis du Preez. On 24 June 2021 the committee was dissolved because the forensic investigation by PwC had been completed.

Litigation Working Group

The joint working group, established by the Supervisory Board and the Management Board, enables the Supervisory Board to oversee and to provide advice to the Management Board on inbound and outbound litigation. The working group consisted of the following members: Louis du Preez, Peter Wakkie, Paul Copley and David Pauker.

DIVERSITY POLICY AND DUTCH GENDER DIVERSITY REQUIREMENT

In accordance with the Dutch Act on Management and Supervision (*Wet bestuur en toezicht*), the profile of the Supervisory Board states that the Supervisory Board shall strive to ensure that at least 30% of the seats shall be held by men and at least 30% by women. With respect to appointments and nominations, the Company is obliged to take into account, to the extent practicable, a balanced composition of male and female members of the Management Board and Supervisory Board. The Company remains mindful of its obligations to ensure required gender representation in both the Management Board and the Supervisory Board. Both Managing Directors who held office during the Reporting Period were male. If and when selecting and nominating candidates for the Management Board, the diversity policy is taken into consideration.

The Diversity Policy and the profile of the Supervisory Board can be viewed on the Company's website www.steinhoffinternational.com. The Diversity Policy has formed part of the deliberations of the Supervisory Board within the context of nominating and appointing Managing Directors, taking into account the qualifications required in view of the challenges faced by the Group.

On the Reporting Date, two out of six Supervisory Directors were female (33.33%) and four out of six Supervisory Directors were male (66.67%). Three out of six Supervisory Directors had South African nationality (50%) and lived in South Africa, one out of six Supervisory Directors had Dutch nationality (16.66%) and lived in the Netherlands, one out of six Supervisory Directors had British nationality (16.66%) and lived in the United Kingdom, and one out of six Supervisory Directors had United States nationality (16.66%) and lived in the United States of America. Hugo Nelson, who lives in South Africa and has both South African and Maltese nationality, is counted as having South African nationality for this purpose. Due to the fact that two Supervisory Directors, who were female and had South African nationality, resigned during the 2020 and the 2021 Reporting Periods and were not replaced, the relevant diversity rates have declined.

If and when selecting and nominating candidates for the Supervisory Board, the profile of the Supervisory Board and the diversity policy will be taken into consideration.

GENERAL MEETING

AMENDMENT OF THE ARTICLES

The General Meeting may resolve to amend the Articles, provided that such resolution can only be adopted on a proposal by the Management Board, with the approval of the Supervisory Board. When a proposal to amend the Articles is to be made to the General Meeting, the notice convening the General Meeting must state so and a copy of the proposal, including the verbatim text thereof, shall be deposited and kept available at the Company's office for inspection by the shareholders and the other persons with Meeting Rights, until the conclusion of the meeting. From the day of deposit until the day of the meeting, a shareholder or another person with Meeting Rights shall, on application, be provided with a copy of the proposal free of charge. An amendment of the Articles shall be laid down in a notarial deed.

The Articles were last amended on 28 August 2020.

GENERAL MEETINGS

The Company's shareholders exercise their rights through annual and extraordinary General Meetings, held in the Netherlands and conducted in the English language. The Company is required to convene an annual General Meeting each year, no later than six months after the end of the Company's financial year, which is 30 September of any calendar year. Additional General Meetings may be convened at any time by the Supervisory Board or the Management Board, without prejudice to the provisions of Dutch law concerning convening General Meetings.

The AGM 2021 was held in Amsterdam, the Netherlands, and was also accessible via webcast on the Company's website. Because of the ongoing global COVID-19 pandemic the Company had accommodated its shareholders, other persons with Meeting Rights or their proxies in attending the AGM 2021 virtually through electronic means, without the need to physically attend the AGM. Participating virtually in the AGM was subject to the Company's Hybrid Meeting Policy which was published on the Company's website simultaneously with the AGM notice.

ADOPTION OF RESOLUTIONS

Subject to certain exceptions provided by Dutch law or the Articles, resolutions of the General Meeting are passed by a simple majority of the votes cast without a quorum being required. Management Board resolutions on a major change in the identity or character of the Company or the Group shall be subject to the approval of the General Meeting.

The convening of a General Meeting must be published through an announcement by electronic means. The notice must state the business to be discussed, the time and venue of the meeting, the record date, the manner in which persons entitled to attend the General Meeting may register and exercise their rights, the time by which registration for the meeting must have occurred as well as the place where meeting documents may be obtained. The notice must be given by at least the number of days prior to the day of the meeting as required by Dutch law, which is currently 42 days.

Shareholders are entitled to propose items for the agenda of the General Meeting provided that they hold at least 3% of the issued share capital or the Shares that they hold represent a market value of at least 3%. Proposals for agenda items for the General Meeting must be submitted at least 60 days prior to the date of the meeting.

Resolutions for approval or authorisation to be passed by the General Meeting shall be explained in writing.

VOTING RIGHTS

Each Ordinary Share confers the right to cast one vote at a General Meeting, unless and for as long as Preference Shares are in issue, in which case each Ordinary Share confers the right to cast fifty votes and each Preference Share confers the right to cast one vote at a General Meeting. As at the date of this Annual Report, no Preference Shares are outstanding.

Dutch law prescribes a record date to be set 28 days prior to the date of the General Meeting to determine whether a person may attend and exercise the rights relating to the General meeting. Shareholders registered at that date are entitled to attend and exercise their votes.

DISTRIBUTIONS

Distribution of profit shall be made after adoption of the annual financial statements, subject to compliance with Dutch law and the determination of the allocation of profits by the General Meeting, on recommendation by the Management Board and with the approval of the Supervisory Board. The Management Board may resolve, with the approval of the Supervisory Board, that the profit realised during a financial year may be fully or partially appropriated to increase reserves, with the allocation of profit then remaining to be at the disposal of the General Meeting. Proposals for the distribution of profit are shown on the General Meeting agenda as items for separate consideration.

Dividends on Preference Shares, as and when such Shares are issued, will be paid in accordance with the relevant provisions contained in the Articles.

ISSUANCE OF SHARES AND ACQUISITION OF OWN SHARES

Under the Articles, and with due observance of Dutch law, Shares may be issued pursuant to a resolution of the General Meeting or of the Management Board, if and insofar the Management Board has been designated for that purpose pursuant to a resolution of the General Meeting for a fixed period (this period may not exceed five years). A resolution by the General Meeting to issue Shares or to designate the Management Board as the body of the Company authorised to issue Shares may only be taken at the proposal of the Management Board, which proposal requires the approval of the Supervisory Board. On such designation, the number of Shares of each class which may be issued must be specified. The designation may be extended, each time for a period not exceeding five years. Unless the designation provides otherwise, it may not be withdrawn. The authority of the General Meeting to issue Shares shall be without prejudice to the authority of the Management Board to determine, with the approval of the Supervisory Board, the percentage of premium per Preference Share. The same applies by analogy to the granting of rights to subscribe for Shares, but does not apply to the issuance of Shares to a person exercising a right to subscribe for Shares previously granted.

Prior to (and in anticipation of) the Company's listing on the FSE, in December 2015, certain authorisations were granted to the Management Board, details of which rights to issue Shares, to grant rights to subscribe for Shares and to limit or exclude pre-emption rights in relation thereto are contained in the prospectus to shareholders dated 19 November 2015 (available on the Company's website at www.steinhoffinternational.com).

At the General Meeting held on 14 March 2017, without prejudice to any of the other authorisations previously granted to the Management Board by the General Meeting, as referred to above, the General Meeting granted the Management Board the authority to issue Ordinary Shares and to grant rights to subscribe for Ordinary Shares:

i) up to 10% of the total nominal issued share capital of the Company as at 14 March 2017 for all purposes including the granting of stock options, the financing of mergers and acquisitions and the issue of new convertible bonds; plus

(ii) issue up to an additional 10% of the total nominal issued share capital of the Company as at 14 March 2017 to be used only in connection with or on the occasion of mergers and acquisitions and strategic alliances.

Each of the foregoing authorisations were valid for a period of up to eighteen months from 14 March 2017. If the Share Issue Authorisations were used during this 18-month period, then the Management Board, subject to the approval of the Supervisory Board, could propose to the General Meeting that the authorisations granted be restored back up to the 10% level for each of the approved purposes, as set out above.

The authorities granted by the General Meeting enabled the Company to comply with its obligations to issue Ordinary Shares and grant rights under the Group's various share incentive schemes and afforded the Management Board the flexibility to pursue commercial opportunities such as mergers, acquisitions and strategic partnerships.

The General Meeting on 14 March 2017 also authorised the Management Board, in accordance with Section 2:96a, paragraph 6 of the DCC, to limit or exclude any pre-emption rights in relation to the issue of Ordinary Shares or the granting of rights to subscribe for Ordinary Shares; such authority being limited to the number of Shares authorised under the Share Issue Authorisations and to the 18-month period from 14 March 2017.

In addition, in accordance with Section 2:98, paragraph 4 of the DCC, the General Meeting authorised the Management Board, for a period of eighteen months from 14 March 2017, to acquire fully paid-up Shares in the capital of the Company. Under this authority, Shares could be acquired at the stock exchange or otherwise, at a price per Ordinary Share between nominal value and 110% of the opening price on the FSE at the date of the acquisition, up to 20% of the issued share capital at the date of acquisition.

This authority, which replaced the authority to acquire Shares previously granted to the Management Board on 1 December 2015, afforded the Management Board the flexibility to repurchase Shares in the Company, to service share options granted or to cover obligations under share-based compensation plans or for other purposes.

No extension or further authorisations to issue or to grant rights to subscribe for Ordinary Shares have since been proposed.

At the AGM 2020 it was resolved to authorise the Management Board to acquire fully paid-up Ordinary Shares from certain Subsidiaries. The authority conferred by that resolution would expire at the earlier of the conclusion of the following year's AGM or the date which fell eighteen months from the date of the AGM 2020. Ordinary Shares might be acquired at the stock exchange or otherwise, at a price for Ordinary Shares between the nominal value and a price equal to the highest price at which Ordinary Shares traded on the FSE or the JSE on the preceding trading day of the relevant acquisition. Ordinary Shares might be acquired from Subsidiaries only and up to a maximum of 121,267,595 Ordinary Shares. Due to the fact that the 2019 Consolidated Financial Statements were not adopted by the General Meeting, the Management Board has not been able to act on the basis of the authority granted, because according to Dutch law repurchase of shares is not permitted if more than six months have passed since the end of a certain financial year without the annual financial statements having been adopted. The authorisation expired at the date of the AGM 2021.

At the AGM 2021 it was resolved to authorise the Management Board in order for the Company to acquire fully paid-up Ordinary Shares from certain subsidiaries of the Company and other affiliated companies. The authority conferred by this resolution will expire at the earlier of the conclusion of next year's AGM or the date which falls eighteen months from the date of the AGM 2021. Ordinary Shares may be acquired at the stock exchange or otherwise, at a price for Ordinary Shares between the nominal value of €0.01 and a price equal to the highest price at which Ordinary Shares traded on the FSE or the JSE on the preceding trading day of the relevant acquisition. Ordinary Shares may be acquired from certain subsidiaries of the Company and other affiliated companies only and up to a maximum of 54,723,959 Ordinary Shares. Due to the fact that the 2020 Consolidated Financial Statements were not adopted by the General Meeting, the Management Board has to date not been able to act on the basis of the authority granted.

DUTCH CORPORATE GOVERNANCE COMPLIANCE

The Company is required to report on its compliance with the DCGC. Pursuant to the DCGC, any deviations from it require explanation in accordance with the DCGC's 'comply or explain' principle. During the Reporting Period, the Company was compliant with the relevant principles and best practice provisions of the DCGC, with the exception of the following:

3.4.1 (iv) This best practice provision provides that the remuneration report should – inter alia – describe the pay ratios within the company and its affiliated enterprise and, if applicable, any changes in these ratios in comparison with the previous financial year.

In deviation from this best practice provision, the Remuneration Report, however, does not contain a description of the pay ratios within the whole Group because, due to the sale of a number of Group companies and the reorganisation within a number of Group companies during the Reporting Period, and in light of the intended sale of further Group companies and/or the reorganisation within Group companies, no representative reference group could be determined that would allow consistency and comparison in subsequent years. It is expected that after the 3-step strategy is implemented, the Company shall be able to describe pay ratios within a wider representative reference group. To provide as much transparency as possible, the Remuneration Report contains pay ratios within Group Services.

4.1.3 (iv) This best practice provision provides that any proposal to pay out dividends should be dealt with as a separate agenda item of the General Meeting.

In deviation from this best practice provision, the agenda of the AGM 2021 did not include such item, because the Company did not realise profits in the financial year ended 30 September 2020. As a consequence thereof, and in accordance with Dutch law, the Articles and the Company's policy on distributions and reserves, no profits could be added to the reserves of the Company and no distributions of profits could be made to Shareholders.

4.1.3 (v) and 4.1.3 (vi) These best practice provisions provide that resolutions to approve the management conducted by the management board (discharge of management board members from liability) and the supervision exercised by the supervisory board (discharge of supervisory board members from liability), respectively, should be dealt with as separate agenda items of the General Meeting.

In deviation from those two best practice provisions, the agenda of the AGM 2021 did not include such items, because given the circumstances the Company has found itself in since the accounting irregularities had been uncovered in December 2017, the Management Board and the Supervisory Board deemed it inappropriate to propose to the General Meeting that discharge be granted to the Managing Directors and the Supervisory Directors.

DIVERSITY

The Company's Diversity Policy was adopted by the Supervisory Board on 30 August 2018. The policy identifies the following objectives to further improve the diversity within the Supervisory Board and the Management Board:

(i) qualifications and previous experience, particularly in the fields required to ensure balanced boards, shall be key considerations for nominations to both the Supervisory Board and the Management Board;

(ii) with respect to nationality, subject to and taking into account the South African Reserve Bank requirement that the Company be managed from South Africa, the Supervisory Board shall strive to nominate Managing Directors from the regions where the Group companies operate, and that no nationality should count for more than 75% of the Managing Directors;

(iii) further with respect to nationality, the Supervisory Board shall strive to nominate Supervisory Directors from the regions where the Group companies operate, and that no nationality should count for more than 75% of the Supervisory Directors;

(iv) with respect to gender, the Supervisory Board shall strive for a composition of both the Supervisory Board and the Management Board of not less than 30% male and not less than 30% female; and

(v) with respect to age, the Supervisory Board shall strive to ensure an appropriate age diversity within the Supervisory Board and the Management Board,

it being understood that, in the selection of a candidate on the basis of the above criteria, the rules and generally accepted principles of non-discrimination (on grounds such as ethnic origin, race, disability or sexual orientation) will be taken into account.

Both Managing Directors who held office during the Reporting Period were male and to the extent applicable Managing Directors appointed have been nominated based on the above criteria, taking into account the qualifications required in view of the challenges faced by the Group. Within the context of the nomination and appointment of Managing Directors, the Supervisory Board selects candidates based on such qualifications and regardless of gender which is in accordance with the Diversity Policy. Due to the resignations of three Managing Directors during the 2019 Reporting Period, on the Reporting Date both remaining Managing Directors had South African nationality (100%) and lived in South Africa. If and when selecting and nominating candidates for the Management Board, the Supervisory Board will take the Diversity Policy into consideration to safeguard a balanced apportionment of the seats of the Management Board, including objective (ii) above.

On the Reporting Date, two out of six Supervisory Directors were female (33.33%) and four out of six Supervisory Directors were male (66.67%). Three out of six Supervisory Directors had South African nationality (50%) and lived in South Africa, one out of six Supervisory Directors had Dutch nationality (16.66%) and lived in the Netherlands, one out of six Supervisory Directors had British nationality (16.66%) and lived in the United Kingdom, and one out of six Supervisory Directors had United States nationality (16.66%) and lived in the United States of America. Hugo Nelson, who lives in South Africa and has both South African and Maltese nationality, is counted as having South African nationality for this purpose. Due to the fact that two Supervisory Directors, who were female and had South African nationality, resigned during the 2020 and the 2021 Reporting Periods and were not replaced, the relevant diversity rates have declined.

If and when selecting and nominating candidates for the Supervisory Board, the profile of the Supervisory Board and the Diversity Policy will be taken into consideration.

The Diversity Policy and the profile of the Supervisory Board can be viewed on the Company's website www.steinhoffinternational.com.

CODE OF CONDUCT

The Management Board is responsible for ensuring that adequate frameworks and control systems are in place at OpCos to detect fraud and irregularities. The responsibility to detect and prevent fraud remains with management at an operational level. This is emphasised through continuous sensitisation of operational internal audit functions as well as inclusion of such focus in internal audit processes. The operational internal audit function reports fraud and ethics violations to operational management. These reports are escalated to the Management Board and to the Audit and Risk Committee. Such reports include associated remedial actions.

The Management Board has resolved that the Group operates in an open and transparent manner with a view to ensure that information is provided to all stakeholders within the legal parameters.

The Company has adopted a Code of Conduct that sets out general policies and guidance as to how all its temporary and permanent employees, officers, and directors (including the Managing Directors and Supervisory Directors) should conduct business. The Management Board encourages conduct of business that is in keeping with the Company's core values of transparency, fairness, honesty, integrity and good corporate citizenship.

In view of the decentralised business model of the Group, the compliance principles are implemented at OpCo level by operational management. The Management Board has recommended that management of each OpCo endorse those principles and incorporate the same in its own company policies and guidelines. Although the compliance principles are therefore a matter of operational responsibility, the application thereof is monitored by the Management Board at Group level by means of attendance at the local governance committee meetings as members and/or invitees. The Management Board and the Group Risk function have insight into the pack content which is submitted at these meetings which would deal with instances of non-compliance with the Company's and/or OpCo's codes of conduct. In addition, the employees at Group Services have all confirmed their compliance with the Steinhoff Code of Conduct via the online reporting tool. Based on this it appears that there were no incidences of substantial non-compliance with the codes of conduct during the Reporting Period.

Furthermore, the Group has a whistle-blower policy, which establishes the procedure for handling reportable concerns of suspected criminal or unethical conduct by, or within, the Group. The scope of this policy extends not only to concerns involving Managing Directors, Supervisory Directors, officers and employees, but also to matters involving shareholders, consultants, vendors, contractors, outside agencies and/or any other parties in a business relationship with the Group.

Compliance reports are reviewed by the Group Risk function and reported to the Management Board and the Audit and Risk Committee on a quarterly basis. The Company has detailed policies in place governing ownership of, and transactions in, securities by Managing Directors, Supervisory Directors, closely associated persons and employees.

The Code of Conduct, the whistle-blower policy and the policy on inside information, managers' transactions and insider lists are all available on the Company's website www.steinhoffinternational.com.

DISCLOSURES PURSUANT TO DUTCH DECREE IMPLEMENTING ARTICLE 10 EU TAKEOVER DIRECTIVE

Pursuant to the Dutch Decree implementing article 10 EU Takeover Directive, the Company is required to report on the following:

SHARE CAPITAL STRUCTURE

As at the Reporting Date, the structure of the Company's share capital was as follows:

Authorised share capital The authorised share capital of the Company amounted to:
16 000 000 000 Ordinary Shares with a nominal value of €0.01 each
4 000 000 000 Preference Shares with a nominal value of €0.01 each

Issued share capital The issued share capital of the Company amounted to:
4 269 609 051 Ordinary Shares with a nominal value of €0.01 each

Effective as of 3 November 2020, the issued share capital of the Company was reduced from 4 309 727 144 to 4 269 609 051 Ordinary Shares, following the cancellation of 40 118 093 Ordinary Shares.

As such, only Ordinary Shares were issued. No differentiation in class exists between Ordinary Shares. Therefore, the percentage of this issued ordinary share capital represented by each class of shares was 100%.

No Preference Shares were issued during the Reporting Period or in issue on the date of this Annual Report.

RESTRICTIONS ON TRANSFER OF SHARES

Pursuant to article 12 of the Articles, for as long as Shares (or depositary receipts thereof) are admitted to a listing on a regulated stock exchange, as referred to in Section 2:86c of the DCC, the transfer of a Share shall require a private deed to that effect unless the Company itself is a party to such legal act, and the transfer is acknowledged in writing by the Company. The acknowledgement shall be made in the private deed or in a dated statement of acknowledgement on the private deed or on a true copy or extract thereof duly authenticated by a civil law notary or by the transferor. Official service of such private deed, true copy or extract on the Company is considered to have the same effects as an acknowledgement.

SUBSTANTIAL NOTIFIABLE SHAREHOLDINGS

Pursuant to the Dutch Financial Supervision Act, any person who, directly or indirectly, acquires or disposes of an actual or potential interest in the capital or voting rights of the Company must immediately notify the AFM by means of a standard form, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person in the Company reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

Shareholders, holding 3% or more in the issued share capital or voting rights of the Company as at 30 September 2021, as disclosed in the AFM register are set out in the following table:

Date notification requirement	Party obliged to notify	Share capital interest/ Voting right	Percentage
7 December 2015	M.J. Jooste	Share capital interest	1.77%
7 December 2015	M.J. Jooste*	Voting right	32.50%
14 December 2017	Public Investment Corporation SOC Ltd	Share capital interest	9.91%
14 December 2017	Public Investment Corporation SOC Ltd	Voting right	9.91%

** Mr. Jooste was party to the Voting Pool Arrangements, as a result of which he had a combined voting right (reference is made to the Restrictions on voting rights section below).*

The holdings reflected above indicate the percentages of issued share capital and the respective voting rights notified as held by these major shareholders as at the Reporting Date based on the register maintained by the AFM. This overview has been exclusively based on the contents of the public register of substantial notifiable shareholdings of the AFM, which is considered to be correct under Dutch law. However, it is noted that the overview of substantial notifiable shareholdings as at 30 September 2021, as shown above, may not be complete or accurate as the onus to submit updates rests with the investors. According to information provided independently to the Company the Voting Pool Arrangements were terminated in December 2017. Mr. Jooste was part of that voting pool and has not yet notified the AFM of the fact that as a result of its termination his voting right fell below the reporting threshold.

Steinhoff International Holdings N.V. is not responsible for listing the substantial notifiable shareholdings and has replicated the information contained in the AFM public register. For further details refer to the AFM's website www.afm.nl.

There were no transactions concluded between the Company and legal or natural persons who hold at least ten per cent of the Shares during the Reporting Period.

SPECIAL VOTING ATTACHING TO SHARES

Each Ordinary Share confers the right to cast one vote at a General Meeting, unless and for so long as Preference Shares are in issue, in which case each Ordinary Share confers the right to cast fifty votes and each Preference Shares confers the right to cast one vote at a General Meeting. No Preference Shares were outstanding during the Reporting Period and none are outstanding as at the date of this Annual Report. As such, no Shares with special voting rights were outstanding at the time of this Annual Report.

THE SYSTEM OF CONTROL OF AN EMPLOYEE SHARE SCHEME

Share rights under the ESRS do not confer on participants any shareholder rights, until Shares are issued or delivered to participants, whereupon they will rank pari passu with the other issued Shares. Since March 2017, no rights under the ESRS have been granted and at this time the Company has no intention to grant any further rights under the ESRS.

RESTRICTIONS ON VOTING RIGHTS

Neither the Company nor any of its Subsidiaries may cast a vote on any Share they hold in the Company. Such Shares are not taken into account for the purpose of determining how many shareholders are represented or how much of the share capital is represented at any General Meeting. Pursuant to the Articles, for each General Meeting a statutory record date will be applied, in order to determine in which persons voting rights and meetings rights are vested. The record date and the manner in which shareholders and other persons holding Meeting Rights can register and exercise their rights will be set out in the notice convening the meeting.

The Company is not aware of any restrictions on voting rights.

The Company has no anti-takeover measures in place.

AGREEMENTS BETWEEN SHAREHOLDERS WHICH MAY RESULT IN RESTRICTIONS OF THE TRANSFER OF SECURITIES OR VOTING RIGHTS

The Company is not aware of any agreements between shareholders which may result in restrictions of the transfer of securities or voting rights.

RULES GOVERNING THE APPOINTMENT AND REMOVAL OF MANAGING DIRECTORS AND SUPERVISORY DIRECTORS, AND THE AMENDMENT OF THE ARTICLES

Reference is made to the relevant sections in this Corporate Governance Report, which are incorporated by reference.

THE POWERS OF THE MANAGEMENT BOARD, IN PARTICULAR THE POWER TO ISSUE AND BUY BACK SHARES

Reference is made to the relevant sections in this Corporate Governance Report, which are incorporated by reference.

ANY SIGNIFICANT AGREEMENTS TO WHICH THE COMPANY IS A PARTY, AND WHICH TAKE EFFECT, ALTER OR TERMINATE UPON A CHANGE OF CONTROL OF THE COMPANY FOLLOWING A TAKEOVER BID

The ESRS provides that if the Company or the company which employs the participant is taken over, delisted or becomes the subject of a merger which results in the listing of the Shares being suspended or terminated during a measurement period and/or prior to a measurement date, the vesting date will then automatically coincide with the effective date of the relevant corporate action. The Share rights will be adjusted on a time weighted basis and exchanged for equivalent valued rights in the Company's successor (as determined and approved by the Supervisory Board or the Management Board (as applicable) where necessary), provided however that all the measurement criteria have been met up to the effective date of the relevant corporate action.

ANY AGREEMENT BETWEEN THE COMPANY AND ITS MANAGING DIRECTORS OR EMPLOYEES PROVIDING FOR COMPENSATION IF THEIR EMPLOYMENT CEASES BECAUSE OF A TAKEOVER BID

There are no agreements with Managing Directors or employees which entitle any of them to compensation if their employment ceases because of a takeover bid, other than Managing Directors becoming contractually entitled to receiving a severance payment at a maximum equal to their total annual fixed compensation upon termination for reasons other than cause or retirement and in line with the Company's remuneration policy. This severance payment includes any severance payments flowing from the Managing Directors' local employment agreements, insofar as permissible under local law.

PART III

REPORT OF THE SUPERVISORY BOARD

REPORT OF THE SUPERVISORY BOARD

The role of the Supervisory Board is to supervise the policies of the Management Board and the general affairs of the Company and the business connected with it, as well as to assist the Management Board by providing advice. In discharging its role, the Supervisory Board shall be guided by the interests of the Company and the business connected with it and shall take into account the relevant interests of the Company's stakeholders.

COMPOSITION OF THE SUPERVISORY BOARD

As at the Reporting Date, the Supervisory Board consisted of the following six members:

Name	Age	Position	Date of initial appointment	Date of resignation	Current term	Independent	Committee member
Moira Moses	56	Chairperson	20-04-2018	N/A	2018–2022	Yes	Nomination Committee
Peter Wakkie	73	Deputy Chairperson	20-04-2018	N/A	2018–2023	Yes	Human Resources and Remuneration Committee, Litigation Working Group
Paul Copley	46	Member	30-08-2019	N/A	2019-2022	Yes	Audit and Risk Committee, Litigation Working Group
Hugo Nelson	51	Member	20-04-2018	N/A	2018–2022	Yes	Audit and Risk Committee, Human Resources and Remuneration Committee
David Pauker	62	Member	30-08-2019	N/A	2019-2023	Yes	Nomination Committee, Human Resources and Remuneration Committee, Litigation Working Group
Alexandra Watson	65	Member	20-04-2018	N/A	2018–2022	Yes	Audit and Risk Committee, Nomination Committee

INDEPENDENCE

In the opinion of the Supervisory Board, the independence requirements referred to in best practice provisions 2.1.7 to 2.1.9 inclusive of the DCGC were fulfilled.

CONTINUING EDUCATION

As part of the continuing education programme, the Supervisory Directors received presentations on the Dutch proceedings of a confirmation of private restructuring plans (WHOA), suspension of payments and bankruptcy, on judgements and estimates in financial reporting, on conflicts of interest, insider trading and related party transactions as well as on other relevant Dutch legal and corporate governance matters.

SUPERVISORY BOARD MEETINGS, ATTENDANCE, INVOLVEMENT WITH STRATEGY, ACTIVITIES REPORT AND EVALUATIONS

During the Reporting Period, quarterly Supervisory Board meetings were held on 26 November 2020, 25 February 2021, 24 June 2021 and 26 August 2021, where both Managing Directors who were in office during the Reporting Period attended the meetings. In addition, eleven special meetings were held, thus totaling to fifteen meetings.

During the period from 15 February until 2 October 2021 when the Company was subject to the Dutch SoP, both court-appointed administrators (*bewindvoerders*) were invited to all meetings of the Audit and Risk Committee and the Supervisory Board, except for meetings related to Human Resources matters. At most meetings at least one of the administrators was in attendance.

The table below provides the attendance by each Supervisory Director at both the quarterly and special meetings.

	Attendance at Supervisory Board meetings during the Reporting Period				
Name	Date First Meeting	Date Last Meeting	Total Meetings	Missed meetings	Attendance Percentage
M.A. Moses	12 October 2020	26 August 2021	15	4*	73%
P.N. Wakkie	12 October 2020	26 August 2021	15	1	93%
P.D. Copley	12 October 2020	26 August 2021	15	0	100%
K.T. Kweyama**	12 October 2020	12 March 2021	8	0	100%
H.A. Nelson	12 October 2020	26 August 2021	15	1	93%
D.I. Pauker	12 October 2020	26 August 2021	15	0	100%
A. Watson	12 October 2020	26 August 2021	15	1	93%

* *Ms Moses took a short leave of absence because of family circumstances*
** *Resigned on 19 April 2021*

During the Reporting Period, the Supervisory Board, amongst other matters:

(i) discussed the Group strategy, the implementation of this strategy by the Management Board and the principal risks associated with this strategy;

(ii) was advised on all major sale transactions undertaken by the Group;

(iii) received high-level reports on the performance of the Company's major subsidiaries;

(iv) received reports on progress with the litigation strategy;

(v) received reports on the impact of the COVID-19 pandemic on the Group;

(vi) approved the Steinhoff Governance, Risk, Compliance and Internal Audit Framework, the Internal Audit Charter and the annual internal audit plan;

(vii) resolved to dissolve the Forensic Investigation Committee;

(viii) reviewed the profile and the rotation schedule of the Supervisory Board;

(ix) reviewed the diversity policy;

(x) reviewed the Regulations of the Supervisory Board and of all its committees;

(xi) nominated Mr. Peter Wakkie for re-appointment as Supervisory Director until the close of the AGM to be held in 2023;

(xii) adopted selection criteria and appointment procedures, and a succession plan for Managing Directors and Supervisory Directors;

(xiii) discussed the acceleration and forfeiture of certain tranches under the LTI scheme;

(xiv) performed an evaluation of the functioning of the Management Board as a whole and of the individual Managing Directors; and

(xv) performed an evaluation of its own functioning and of all its committees.

STRATEGY

Throughout the Reporting Period, the Management Board and the Supervisory Board had multiple discussions concerning the financial, business and litigation strategy of the Group, the implementation thereof and the associated risks.

EVALUATIONS

Management Board evaluation

The Nomination Committee initiated the Supervisory Board's evaluation of the functioning of the Management Board as a whole and of the individual Managing Directors. The Nomination Committee, through its Chairperson, held various consultations throughout the year with Supervisory Directors and with other key stakeholders to establish a view of the performance of the Management Board through targeted questioning and an observation of performance, results and stakeholder feedback. In addition, a panel consisting of all members of the Nomination Committee and the Chairperson of the Human Resources and Remuneration Committee conducted performance reviews with each of the Managing Directors to establish their opinions on the functioning of the Management Board as well as the Managing Directors during the Reporting Period. The Management Board also completed a self-evaluation questionnaire, which covered substantive aspects, interaction between Managing Directors, interaction with the Supervisory Board, time management, information provision and support to the Supervisory Board , as well as the composition, size, competencies and expertise of the Management Board, and any recommendations for improvement. The results of the questionnaires were summarised by the Company Secretary in anonymous form and the conclusions and recommendations subsequently discussed by the Nomination Committee.

The Managing Directors agreed that the Management Board was functioning well, was appropriately sized and had the necessary expertise and composition to undertake all tasks and perform all duties expected of it. Responsibilities are clearly defined and there is a strong and constructive working relationship between the two Managing Directors. Both are independently minded and comfortable to challenge each other when it is necessary to do so. There is a mutual respect and trust between the CEO and CFO, and they work in a transparent and honest manner. Communication is effective between the Management Board and their respective support teams. Formal meetings take place with the appropriate governance structures in place. The quality of the relationship between the Management Board and the Supervisory Board was highly rated and the oversight provided by the Supervisory Board is considered appropriate.

Supervisory Board evaluation

The Nomination Committee initiated the Supervisory Board's evaluation of its own functioning, the functioning of the Audit and Risk Committee, the Nomination Committee, and the Human Resources and Remuneration Committee during the Reporting Period. The evaluations were conducted through the completion of questionnaires, which covered substantive aspects, interaction between Supervisory Directors, interaction with the Management Board, time management, information provision and support to the Supervisory Board, as well as the composition, size, competencies and expertise of the Supervisory Board, the effectiveness of the committees of the Supervisory Board, and any recommendations for improvement. The results of the questionnaires were summarised by the Company Secretary in anonymous form and the conclusions and recommendations subsequently discussed by the Supervisory Board, outside the presence of the Management Board. The Chairperson discussed with each of the Supervisory Directors their roles within the Supervisory Board and their functioning. The Chairperson's functioning was evaluated in the questionnaires.

The Supervisory Directors agreed that the ratings of the Supervisory Board were good to excellent, and the Supervisory Board was satisfied that it has been able to continue to operate effectively during the Covid-19 pandemic. There was consensus that the current size and composition of the Supervisory Board is effective but that in future, once the restructuring is completed, consideration may be given to the nomination of a director with more global retail experience who could add value to the deliberations of the Supervisory Board.

COMMITTEES OF THE SUPERVISORY BOARD

REPORT OF THE AUDIT AND RISK COMMITTEE

Composition	Meetings
As at the date of this Annual Report, the committee consists of Alexandra Watson (chairperson), Paul Copley and Hugo Nelson.	Pursuant to the Regulations of the committee, the committee meets as often as deemed necessary for the proper functioning of the committee and meets at least four times each financial year. During the Reporting Period, the committee held five meetings.

Meeting attendance

	Attendance of members of the Audit and Risk Committee during the Reporting Period				
Name	Date First Meeting	Date Last Meeting	Total Meetings	Missed meetings	Attendance Percentage
A. Watson	20 October 2020	25 August 2021	5	0	100%
P.D. Copley	20 October 2020	25 August 2021	5	0	100%
H.A. Nelson	20 October 2020	25 August 2021	5	0	100%

Activities of the Audit and Risk Committee	
During the Reporting Period, the Audit and Risk Committee, amongst other matters: (i) reviewed the quarterly financial results; (ii) reviewed reports on compliance with laws and regulations by the Company and its Subsidiaries, regulatory compliance, litigation, treasury, tax, internal control, whistle-blowing and cyber security risks; (iii) reviewed reports from Social & Ethics Committees of Pepkor Holdings and SIHL, the internal reporting lines within the Group and compliance with the code of conduct; (iv) received updates from Mazars with respect to the external audit of the 2020 Consolidated Financial Statements, as well as the separate financial statements; (v) received a presentation from Mazars in respect of their audit of the 2020 Consolidated Financial Statements; (vi) reviewed Mazars' draft audit report in respect of the 2020 Consolidated Financial Statements; (vii) discussed the Management Board's in-control statement with the Management Board and with Mazars; (viii) met with Mazars outside the presence of the Management Board;	(ix) met with the Head of Internal Audit outside the presence of the Management Board; (x) reviewed the effectiveness of the design and operation of the internal risk management, governance, ethics and control systems; (xi) assessed the absence of a separate internal audit function at the Company; (xii) reviewed and recommended that the Supervisory Board approve the Steinhoff Governance, Risk, Compliance and Internal Audit Framework, the Internal Audit Charter and the annual internal audit plan; (xiii) assessed the role and functioning of the CFO; (xiv) assessed the independence and functioning of Mazars and its lead partner; (xv) (re-)assessed any Related Party Transactions as per the relevant policy; (xvi) considered a selection and tender process for the statutory External Auditor for the financial year 2022; and (xvii) performed an evaluation of its own functioning.

REPORT OF THE HUMAN RESOURCES AND REMUNERATION COMMITTEE

Composition	Meetings
As at the date of this Annual Report, the committee consists of Hugo Nelson (chairperson), David Pauker and Peter Wakkie. On 19 April 2021 Khanyisile Kweyama resigned from the Supervisory Board and also as member of the committee. On 24 June 2021 Peter Wakkie was appointed as member of the committee.	Pursuant to the Regulations of the committee, the committee meets as often as deemed necessary for the proper functioning of the committee and meets at least twice each financial year. During the Reporting Period, the committee held five meetings.

Meeting attendance

	Attendance of members of the Human Resources and Remuneration Committee during the Reporting Period				
Name	Date First Meeting	Date Last Meeting	Total Meetings	Missed meetings	Attendance Percentage
H.A. Nelson	9 October 2020	21 May 2021	5	0	100%
K.T. Kweyama*	9 October 2020	24 February 2021	3	1	67%
D.I. Pauker	9 October 2020	21 May 2021	5	0	100%
P.N. Wakkie**	N/A	N/A	0	0	N/A

* *Resigned on 19 April 2021*
** *Joined the committee on 24 June 2021*

Activities of the Human Resources and Remuneration Committee	
During the Reporting Period, the Human Resources and Remuneration Committee, amongst other matters: (i) performed a review of the performance conditions and prepared a proposal for the payment of the annual bonus and the vested tranche of the cash-based long-term incentive in respect of each of the Managing Directors for the 2020 Reporting Period; (ii) prepared a proposal for a conditional annual bonus award and a cash-based long-term incentive award in respect of each of the Managing Directors for the financial year ending 30 September 2021;	(iii) considered the consequences of the acceleration and forfeiture of certain tranches under the LTI scheme; (iv) performed a review of the Supervisory Directors' fees; (v) discussed whether a meaningful reference group could be determined to establish a pay ratio within the Group; (vi) prepared a Remuneration Report in respect of the 2020 Reporting Period; (vii) prepared an amended Remuneration Policy of the Management Board; and (viii) performed an evaluation of its own functioning.

REPORT OF THE NOMINATION COMMITTEE

Composition	Meetings
As at the date of this Annual Report, the committee consists of Moira Moses (chairperson), David Pauker and Alexandra Watson.	Pursuant to the Regulations of the committee, the committee meets as often as deemed necessary for the proper functioning of the committee and meets at least once each financial year. During the Reporting Period, the committee held five meetings.

Meeting attendance

	Attendance of members of the Nomination Committee during the Reporting Period				
Name	Date First Meeting	Date Last Meeting	Total Meetings	Missed meetings	Attendance Percentage
M.A. Moses	9 October 2020	23 June 2021	5	1	80%
D.I. Pauker	9 October 2020	23 June 2021	5	0	100%
A. Watson	9 October 2020	23 June 2021	5	0	100%

Activities of the Nomination Committee	
During the Reporting Period, the Nomination Committee, amongst other matters: (i) prepared selection criteria and appointment procedures, and a succession plan for Managing Directors and Supervisory Directors; (ii) recommended Mr. Peter Wakkie for re-appointment as Supervisory Director until the close of the AGM to be held in 2023; (iii) reviewed the size and composition of the Management Board and the required expertise of the Managing Directors; (iv) reviewed the size and composition of the Supervisory Board and the required expertise of the Supervisory Directors;	(v) reviewed the Supervisory Board profile, the Supervisory Board rotation schedule and the Diversity Policy; (vi) initiated the evaluation of the functioning of individual Managing Directors and Supervisory Directors; (vii) initiated the evaluation of the functioning of the Management Board as well as the Supervisory Board, the Audit and Risk Committee, the Human Resources and Remuneration Committee, and the Nomination Committee; and (viii) performed an evaluation of its own functioning.

PART IV

REMUNERATION REPORT

REMUNERATION REPORT

Our remuneration philosophy dictates that all employees are fairly rewarded for their individual and joint contributions to the execution of the Steinhoff strategy and delivery of the Group's performance.

INTRODUCTION

The main differentiating factor between companies is the calibre of human capital and a company's ability to attract and retain the skill and institutional knowledge of its human capital for the benefit and the achievement of the company's strategy. Despite the challenges the Company is facing and the extraordinary circumstances Steinhoff is currently in, the Management Board, supported by its senior management and other Group Services employees, remains determined to achieve the Company's 3-step strategy.

The 3-step strategy, explained in more detail in the Management Board Report, can be summarised as follows:

Step 1 – Creditors arrangement (CVAs implemented on 13 August 2019),

Step 2 – Manage litigation risk (Dutch SoP implemented and completed, Composition Plan approved, Court Order approving and sanctioning the S155 Scheme granted; distributions to be paid to all claimants post SED); and

Step 3 – Restructure the Group, with a view to reducing debt and financing costs (Pepco Group IPO completed, Mattress Firm distribution to shareholders; sale of the Plush business; all proceeds used to reduce debt).

The journey to achieve the 3-step strategy consists of a multiple of deliverables and processes that must be carefully balanced and executed at the right time for the desired result. The milestones reached were in many instances groundbreaking and significant over the past financial year and can be summarised as follows:

- The Litigation Settlement Proposal is one of, if not the largest, settlement ever offered by a company in distress.
- A significant number of competing interests, including competing interests within each different category (three separate stock exchange listings, more than 100 000 shareholders, €10 billion debt held in different instruments by more than 250 investors, more than 100 litigation cases involving the Group) of which all interests were appropriately balanced over the past four years.
- In the Dutch SoP process, the voting by a Committee of Representation was used for the first time in 60 years.
- The Committee of Representation voted unanimously in favour of the Composition Plan, in three separate S155 Scheme claimant meetings that were successfully held with no votes registered against the scheme.
- Steinhoff continued to address the liquidation and litigation challenges while remaining listed on two international stock exchanges.
- Steinhoff received approval from FinSurv for one of the largest ever foreign exchange transactions as part of the settlement, and
- Steinhoff successfully placed €409 million worth of Pepkor Holdings shares overnight.

In 2018 the Supervisory Board implemented a cash-based remuneration framework that would serve best to attract and retain the talent required to reach the above challenging milestones, and implement the 3-step strategy ensuring business continuation and optionality. In this context, a revised remuneration policy for the Management Board was proposed at the AGM 2020 and another new draft remuneration policy at the AGM 2021. However, since those proposals were rejected at both AGMs, the current remuneration policy (from 1 December 2015) has remained the policy applicable during the year under review. An overview of the remuneration policy as well as a description of how this policy was applied during the 2021 Reporting Period is provided in this Remuneration Report.

It is the ambition of the Supervisory Board, the Management Board as well as all Group Services employees, to complete the 3-step strategy as successfully and timeously as possible. Since the successful sanctioning of the Composition Plan and the termination of the Dutch SoP, and a (near) unanimous vote in favour of the Litigation Settlement Proposal, the Human Resources and Remuneration Committee (the "Remuneration Committee") and the Supervisory Board have been engaged in redesigning the remuneration framework, which resulted in a revised remuneration policy for the Management Board to align it with the Company's retention and incentivisation strategy and milestones reached thus far, while taking into consideration the criticism received from shareholders. The Remuneration Committee, with the assistance of a reputable external service provider, has considered the organisational size and structure and took into account the Dutch Corporate Governance Code, the Dutch Civil Code and market best practices. The Supervisory Board intends to submit the revised remuneration policy to the General Meeting for approval at the AGM to be held in 2022 to demonstrate to the shareholders the Company's continued commitment to shareholder alignment appropriate for the circumstances.

The Remuneration Committee considered the voting results of the AGM 2020 and AGM 2021 and engaged in constructive dialogues with (representatives of) investors as well as proxy advisors in preparation of the agenda of the AGM to be held in 2022. Overall, feedback focused primarily on the lack of an equity-based compensation component with a sufficient long-term character, and the limited level of share ownership amongst executives. Finally, the level of transparency regarding the implementation of the policy was regarded as insufficient, and especially in relation to the disclosure of STIP/ LTIP targets (short-term incentive plan and long-term incentive plan) (ex-post).

Based on this, the Company will submit a revised remuneration policy to the AGM to be held in 2022, which will – once adopted – be applicable from the start of the 2022 financial year, being 1 October 2021. With this proposed remuneration policy, the Remuneration Committee has found a balance between the desire to more clearly align the interests of the Management Board with those of our stakeholders and to hold the Management Board and Senior Managers accountable for the successful delivery of the strategic plan versus its key responsibility to attract and retain high calibre Managing Directors and Senior Managers who are willing to bear the personal reputational and other risk and extreme workload necessary to achieve the 3-step strategy. The Remuneration Committee and the Supervisory Board deem it essential to ensure that Managing Directors and Senior Managers – of whom the majority took up their current roles during or after 2018 – are retained and remunerated adequately for the personal sacrifices and personal risk taken on by committing to the achievement of the 3-step strategy.

The highlights of the newly proposed remuneration policy are included in the last section of this Remuneration Report. The complete version of the proposed remuneration policy will be included in the annexes to the agenda of the AGM to be held in 2022. Compared to the 2015 Remuneration Policy as currently implemented, the proposed remuneration policy includes the following main changes:

1. In light of the milestone achievements over the Reporting Period, the LTI plan is foreseen to become a combination of cash-based and equity-based components. The underlying rationale is explained in more detail in the relevant section of this report; and
2. Further changes relate to refinements which ensure alignment with new legal requirements due to the implementation of the revised Shareholders Rights Directive (2017/828/EU (SRD II)).

Moreover, to further enhance transparency, the Remuneration Committee has included a section (Part 4 of this remuneration report) in which it outlines its anticipated changes to the Remuneration Policy as it would become applicable once further milestones have been achieved and the 3-step strategy has been completed.

The remainder of this report consists of the following parts:

Part 1: Summarising overview

Part 2: Description of the current Remuneration Policy

Part 3: Application of the current Remuneration Policy during the 2021 Reporting Period

Part 4: Highlights from the proposed modification of the Remuneration Policy from 2022 onward

This report is prepared in accordance with the relevant provisions of the Dutch Civil Code and the Dutch Corporate Governance Code.

PART 1: SUMMARISING OVERVIEW

The current Remuneration Policy was approved by the General Meeting on 1 December 2015. This policy applies to both Managing Directors and members of the Executive Committee. The Executive Committee has been dissolved in December 2017 and no new Executive Committee has been established since then. The core components of the Remuneration Policy as well as the application thereof for the Managing Directors during the 2021 Reporting Period are summarised below. The full Remuneration Policy can be viewed on the Company's website www.steinhoffinternational.com.

Element and link to strategy	Description and 2021 opportunity	Realisation 2021
Fixed pay: base salary *Provides a fair and competitive basis for the total compensation package to attract and retain the right calibre of executives.*	Fixed cash compensation paid monthly, based on the role and responsibilities of the position, internal pay differentials and external market data. The remuneration benchmark for the 2021 Reporting Period, performed by a reputable external service provider, confirmed that the annual salary for Managing Directors was appropriate, given the unique circumstances surrounding the Company. More detail on the remuneration benchmark is presented in part 4 of this report.	CEO: €1 384 000 CFO: €1 200 000 The CEO and CFO did not receive a salary increase for the 2021 Reporting Period.
Fixed pay: pension and other benefits *Provides for the employee's health and retirement welfare.*	Membership of an approved retirement fund, life and medical disability insurance and medical aid schemes. These benefits form part of the base salary and are not paid in addition to the base salary.	CEO: €63 000 CFO: €68 000
Annual bonus (short-term incentive, or "STI") *Drives and rewards the continuation of the Company.* *Drives and rewards sound business decisions for possible longer-term value preservation for stakeholders.* *Aligns Management Board and stakeholders' interests.*	A variable pay opportunity, paid out in cash based on the achievement of annual performance targets, of which 100% relate to financial, operational and transformational measures to ensure the operational continuity of the Company. The target bonus and maximum opportunity equals 75% of base salary for both the CEO and CFO. For threshold performance, a pay-out of 50% of base salary will occur, while for below threshold performance there will be no pay-out. **Opportunity in the 2021 Reporting Period** • At target/maximum performance (80% to 100% of all targets): 75% of base salary • Medium performance (70% to 79.99% of all targets): 65% of base salary • Threshold performance (60% to 69.99% of all targets): 50% of base salary • Below threshold performance: no pay-out For the 2021 Reporting Period, objectives were defined for each of the following Key Performance Indicators ("KPIs") which were applied for both the CEO and CFO with individual weightings: CEO KPI weightings • Business optimisation and balance sheet restructuring (40% of total opportunity) • Financial reporting (10%) • Group litigation (40%) • Stakeholder interaction (10%)	CEO: €1 037 812 (based on performance for the 2021 Reporting Period) CFO: €900 000 (based on performance for the 2021 Reporting Period) Based on the realisation of the various objectives, which was on average 100% of the stated target, the resulting pay-out over the 2021 Reporting Period equals 75% of the annual base salary. Achievements include, but are not limited to: • Mattress Firm re-finance of debt, • The proportional equity sale of Pepco Group, • The successful restructure of Freedom (part of Greenlit Brands), • Repayment of debt, • Simplification of European Group structure,

Element and link to strategy	Description and 2021 opportunity	Realisation 2021
	CFO KPI weightings • Business optimisation and balance sheet restructuring (35% of total opportunity) • Financial reporting (40%) • Group litigation (15%) • Stakeholder interaction (10%)	• The preparation and announcement of a Litigation Settlement Proposal, • Cashflow management, • Manage tax audits and securing material refunds, • Implementation of financial steps to enable implementation of the Litigation Settlement Proposal.
Long-term incentive (or "LTI") *Drives and rewards both retention and performance over the longer-term considering the extraordinary circumstances the Company is in.* *Aligns Management Board and stakeholders' interests.* *Supports Managing Director retention over the longer-term.* *The share-based LTI scheme was replaced by a cash-based LTI scheme.*	Under normal circumstances, a variable pay opportunity consisting of a conditional award in Company shares that might vest after 3 years, based on a combination of financial KPIs such as Headline Earnings per Share ("HEPS"), Operating Profit and return on equity measured during a 3-year period. However, in the context of the extraordinary circumstances and the continuous focus on normalising the Company's situation, the Supervisory Board decided to deviate from the policy as follows: • A cash-settled LTI allocation is awarded annually and paid out in three equal tranches over three years on the anniversary of the award, subject to the following conditions: – 50% of the pay-out is for retention purposes and as such is linked to continuous employment, which requires the Managing Director to be employed by the Company at the moment of pay-out, and – 50% of the pay-out is linked to performance and the achievement of all the KPIs that are also used for the Annual Bonus Scheme. This deviation from the policy ensures that the Company will be able to attract and retain the Managing Directors and Senior Managers and remunerate them adequately for the personal sacrifices and personal risk taken on by committing to the achievement of the 3-step strategy. The target and maximum LTI opportunity are equal to 100% of base salary for both the CEO and CFO, payable over a 3-year period in three equal tranches. For threshold performance, a pay-out of 50% of base salary will occur for the performance portion, while for below threshold performance there will be no pay-out. These thresholds do not affect the retention portion. Finally, it should be noted that the Supervisory Board intends to submit a fully revised remuneration policy (outlining an LTI plan with a combined cash and equity component) to the General Meeting to be held in 2022 for approval, to demonstrate shareholder alignment and due to the achievement of certain key milestones in completing the 3-step strategy and the gradual normalisation of the Company's situation. The proposed revised remuneration framework is presented in part 4 of this report.	CEO: €1 372 500 (based on performance in the 2021 Reporting Period) CFO: €1 133 333 (based on performance in the 2021 Reporting Period) Based on the realisation of the various objectives, as highlighted above, which was on average 100% of the stated target, the resulting pay-out over the 2021 Reporting Period equals 99% of the annual base salary for the CEO and 94% of the annual base salary for the CFO. No new share-based awards were made during the 2021 Reporting Period.

PART 2: DESCRIPTION OF THE CURRENT REMUNERATION POLICY (APPROVED 1 DECEMBER 2015)

The current Remuneration Policy dates from 1 December 2015, making it the only Company policy currently in place that was established by the previous Supervisory Board who was in service in December 2017. The Company wishes to move forward from the events of December 2017 and away from the policy that links the current newly restructured business with the old legacy. To move forward, the Supervisory Board, upon the recommendation of the Remuneration Committee, will propose a revised remuneration policy for Managing Directors to the shareholders for approval at the AGM to be held in 2022. An outline of the proposed new remuneration policy can be viewed in Part 4 of this report.

KEY PRINCIPLES AND REMUNERATION ELEMENTS

The Group is an international business with revenue earned in many countries and expects its Managing Directors and other Senior Managers to be internationally mobile and to have knowledge and experience across borders. As a result, the Group competes for skills and talent in a global marketplace and its approach to remuneration needs to be flexible and competitive in all countries in which it operates.

The objective of the Remuneration Policy is therefore to provide remuneration in a form which will attract, retain and motivate Managing Directors and other Senior Managers, while protecting and promoting the objectives of the Group. The Remuneration Policy caters for a variable component, which is linked to pre-determined, assessable and influenceable targets, which are predominantly structured to incentivise Managing Directors and other Senior Managers throughout the business cycle and drive the longer-term sustainability of the business.

The Remuneration Policy is based on the following five key principles:

(i) Remuneration is aligned with the corporate strategy of the Company;

(ii) Total rewards are set at levels that are competitive and relative within the specific market and industry, taking into account the Company's results, including financial and non-financial indicators relevant for the Company's value creation on the longer-term;

(iii) Incentive-based awards are earned through achieving demanding performance measures and targets with due regard for the sustainable wellbeing of all stakeholders over the short-, medium- and longer-term;

(iv) Incentive plans, performance measures and targets are structured to operate effectively throughout the business cycle; and

(v) The design of long-term incentives is prudent and does not expose stakeholders to a position where the sustainability of the Group is placed at risk.

In accordance with the Remuneration Policy, the Supervisory Board seeks to ensure an appropriate balance between the fixed, variable and performance-related elements of the remuneration of the Managing Directors and other Senior Managers. According to the Remuneration Policy, the Supervisory Board should seek to ensure an appropriate balance between those aspects of the package linked to short-term financial performance and those linked to longer-term sustainable stakeholder value creation.

The four elements of remuneration consist of a base salary, annual bonus, LTIs, and benefits. The Supervisory Board has the discretionary power to adjust any variable remuneration component awarded to a Managing Director and a Senior Manager, with respect to a previous financial year, if the Supervisory Board feels that the outcome is unreasonable due to exceptional circumstances during the relevant performance period. In addition, the Supervisory Board shall have the right to recover any bonus awarded to a Managing Director or a Senior Manager on the basis of incorrect information on whether or not the financial performance targets or other qualifying criteria have been met or any other circumstances the bonus was dependent on.

Deviations of the remuneration elements in the Remuneration Policy is permitted only in extraordinary circumstances, when deemed necessary in the interests of the Company. Any deviations from the Remuneration Policy will be disclosed in the Annual Report.

BASE SALARY

The fixed or guaranteed element of remuneration is referred to as the base salary. In determining fair and competitive base salaries that enable the Company to attract and retain the right calibre of executives, the Supervisory Board takes into consideration the individual's responsibilities, Company and individual performance as well as the pay differentials within the Company. Finally, the external perspective is taken into account by using data issued by independent remuneration experts.

ANNUAL BONUS

Managing Directors and other Senior Managers are entitled to an annual performance related bonus payment. The objective of the annual performance related bonus is to incentivise and reward strong short-term operational, financial and personal performance, the implementation of strategic initiatives, such as meeting growth targets, while continuing to be focused on sustainable results which are aligned with the longer-term strategy of the Group. The Remuneration Policy requires the Supervisory Board to set performance conditions on an individual basis at or before the beginning of the relevant financial year. The annual bonus is based on a percentage of the annual base salary.

Performance conditions include financial, operational and transformation targets, representing in excess of 80% of the potential annual bonus. Where performance conditions are supplemented by personal performance objectives, such personal performance objectives represent on average less than 20% of the potential bonus that can be achieved. The Supervisory Board shall review the performance conditions annually to ensure that these are appropriate, given the economic context and the performance expectations for the Company or relevant division.

The Supervisory Board has the discretion to defer all or part of the annual bonus payment on terms to be agreed on an annual basis, dependent on the performance conditions applicable to such bonuses and the longer-term measurement that could be implied by such performance conditions.

LONG-TERM INCENTIVE

Pursuant to the Remuneration Policy, the Managing Directors and other Senior Managers participated in the ESRS, which was approved by the general meeting of the Company's legal predecessor, Steinhoff International Holdings Limited, on 6 December 2010 and amended and approved by the General Meeting on 1 December 2015.

The allocation of LTIs is based on the following key eligibility criteria: (i) individuals who are key to driving the Group's longer-term business strategy; (ii) retention of key talent/scarce skills; and (iii) talent management strategy and succession plans.

The Remuneration Policy provides that the targets for LTIs are set with reference to industry and market benchmark performance. Such benchmarks are determined annually by measuring operational performance against those of peer group companies (in comparable industries and markets) in local currencies.

BENEFITS

Benefits include membership of retirement funds and medical aid schemes, to which contributions are made by a Managing Director or other Senior Managers and the relevant Group Company where such individual is employed. In addition, Managing Directors or other Senior Managers are entitled to expense allowances required for the proper performance of their duties. The contracts with Managing Directors do not contain any 'golden parachute' provisions. There are no Managing Directors with a notice period of more than one (1) year and none of their contracts include predetermined compensation as a result of termination exceeding eighteen (18) month's salary and benefits.

The individual may elect how much the retirement savings portion should be and the relevant contributions, based on his/her election, are paid by the individual. Depending on the terms of the particular medical aid schemes, the member can elect the level of medical cover of their choice and the same is paid by the individual. Due to the individual choices in the level of retirement and medical benefits, the Company has no liability in this regard.

PART 3: APPLICATION OF THE CURRENT REMUNERATION POLICY DURING FINANCIAL YEAR 2021

With the application of the Remuneration Policy during the 2021 Reporting Period, due cognisance was given to the continuous challenges the Company is facing while it seeks to successfully complete Steps 2 and 3 of its strategy, which contributes to the longer-term value preservation for stakeholders. These circumstances include the following:

- Finding a solution to the ongoing litigation against the Steinhoff Group where the scope of claimants was wide ranging, complex and highly technical, involving thousands of claimants, specialist legal and financial advice and parallel processes across multiple jurisdictions;
- Implementing the Litigation Settlement Proposal and dealing with the many related complexities and challenges;
- The sheer volume of announcements made by the Group demonstrates the scale of the activities carried out during the 2021 Reporting Period;
- Ongoing disposal of businesses to reduce debt levels;
- Ongoing management of operations that were impacted by COVID-19 and other disruptions;
- The volume of inbound and outbound litigation activity that continued throughout the 2021 Reporting Period;
- Ongoing engagements with various regulatory bodies as required.

TALENT MANAGEMENT AND RETENTION CHALLENGES

The Company employs a small team of executives with demanding short-term performance horizons to serve the needs of the Company and to complete the 3-step strategy. As such, to attract, retain and reward high calibre executives who have to endure continuously high levels of workload, personal sacrifice and risk, it is deemed imperative to ensure the reward and retention structures are aligned with the extraordinary work expectations. The Supervisory Board, upon the recommendation of the Remuneration Committee, thus had to, under the LTI remuneration element, deviate from conventional retention mechanisms. In 2018 the Supervisory Board replaced the share-based LTI scheme with a cash-based LTI scheme with shorter vesting periods in order to remain relevant to the Company's extraordinary circumstances. This deviation from the Remuneration Policy ensures that the Company will be able to retain the Managing Directors and Senior Managers and remunerate them adequately for the personal sacrifices and personal risk taken on by committing to the achievement of the 3-step strategy. In addition, it prevented windfall gains from potential future share price increase, since providing for a fair and competitive LTI award (to attract and retain the right calibre of executives) would result in the allocation of an undesired large amount of Company shares.

The Remuneration Committee remains vigilant to ensure that Managing Director remuneration remains fair and in line with the extraordinary personal risk and deliverables required to achieve the 3-step strategy successfully. The Supervisory Board intends to submit a fully revised remuneration policy to the AGM to be held in 2022 for approval, since certain key milestones from the 3-step strategy have been completed. The most important change being the introduction of an equity component in the LTI with a vesting period stretching beyond the CEO's and the CFO's appointment terms. The detail of the equity-settled plan is presented in Part 4 of this report.

2021 REMUNERATION OUTCOME FOR THE MANAGING DIRECTORS

Upon the proposal of the Remuneration Committee, the Supervisory Board approved the remuneration for the Managing Directors, which comprised of no increase to their respective base salaries, an STI and the vested portion of their cash-based LTI, with both variable components being conditional upon achievement of specific performance conditions.

The following table provides an overview of the remuneration elements paid to each of the Managing Directors, during the 2020 and 2021 Reporting Periods, in accordance with the currently applicable Remuneration Policy (i.e. approved in 2015). Thereafter, these elements are discussed in more detail. Managing Directors are not paid any additional remuneration by subsidiary or other company's whose financials are consolidated by the Company.

Amounts in thousands of euro (€'000).

	Basic remu-neration[2]	Pension contri-butions	Other company contri-butions[1]	Bonusses		Strategic/ retention bonus paid	Deferred bonus paid	Severance payments	Annual leave paid out	IFRS 2[3] share-based payment expense	Total remu-neration and fees
				STI	LTI						
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
2021											
Louis du Preez	1 321	63	–	1 038	1 373	–	–		76	–	3 871
Theodore de Klerk	1 132	68	–	900	1 133	–	–		73	–	3 306
Subtotal Management Board	2 453	131	–	1 938	2 506	–	–	–	149	–	7 177
Key management personnel	4 045	134	225	2 492	597	900	1 765		3	840	11 001
Total Management Board and other key management	**6 498**	**265**	**225**	**4 430**	**3 103**	**900**	**1 765**	**–**	**152**	**840**	**18 178**
2020											
Louis du Preez	1 330	54	–	1 038	911	–	–	–	116	–	3 449
Theodore de Klerk	1 141	59	–	900	733	–	–	–	43	–	2 876
Subtotal Management Board	2 471	113	–	1 938	1 644	–	–	–	159	–	6 325
Key management personnel	4 244	270	657	748	227	3 137	614	346	20	624	10 887
Total Management Board and other key management	6 715	383	657	2 686	1 871	3 137	614	346	179	624	17 212

[1] *Other contributions mainly include company contributions to medical aid, expense allowances and social taxes.*

[2] *Directors' fees were paid with basic remuneration.*

[3] *Refer to note 33 in the 2021 Consolidated Financial Statements for details regarding the Pepkor Holdings ESRS and cash-settled scheme applicable to certain key management members.*

BASE SALARY

The base salaries of the Managing Directors were applicable as per the beginning of the 2021 Reporting Period and remained unchanged. Despite Louis du Preez (CEO) and Theodore de Klerk (CFO) having a contractual right to an inflationary increase annually, both Managing Directors elected not to receive an inflationary increase for the 2021 Reporting Period.

ANNUAL BONUS

The table below provides insight into the KPIs that were applicable for the STI during the 2021 Reporting Period, as well as how the Managing Directors scored on each of these elements.

KPI	CEO Weightings	CFO Weightings	Illustration of deliverables	2021 performance
Business optimisation and balance sheet restructuring	40%	35%	Sale of certain South African and European assets. South African Properties sale process nearly completed. Sale of Pepkor Holdings' logistical portfolio was a major milestone achieved. Significant progress has been made on the simplification of the South African structure. IPO of Pepco successfully completed and exceeded expectations. Proceeds from the Pepco IPO were used to repay approximately €1 billion of debt. Mattress Firm re-capitalisation payment of USD1.2 billion exceeded expectations. Mattress Firm proceeds were used to repay debt after the 2021 Reporting Period. As announced, IPO readiness assessment commenced as planned and is on track. COVID-19 management throughout the business has remained excellent. Cash and cost management remain key priorities. Strong OpCo performance reflects this. Sale of Plush to Nick Scali. French real estate sales completed. Conforama Balkans business sold. Last remaining Conforama Holding debt repaid. Five new Pepkor Holdings board appointments, exceeding transformation targets with three women and confirmed chairperson.	At target
Financial reporting	10%	40%	Delivery of more than 500 sets of annual financial statements with most companies now up to date. Half-year and quarterly reporting released as required. Submission of South African tax returns have caught up with annual financial statements being finalised. Delivery of various tax submissions and refunds received to the value of ZAR360 million. Funds flow project prepared and ready to implement upon Litigation Settlement Proposal implementation. Successfully placed 370 million Pepkor Holdings shares in the market raising total gross proceeds of ZAR7.3 billion (c. €409 million) and reducing the holding from 68.2% to 58.9% (including the effect of the Pepkor Holdings share buy-back in September 2021). Contribution from Deloitte (up to €77.94 million) and the D&O Insurers (up to €78.1 million), as part of the Litigation Settlement Proposal. Strong operating performance and very strong cash generation at all OpCos. Continued cost reduction.	At target

KPI	CEO Weightings	CFO Weightings	Illustration of deliverables	2021 performance
Group litigation	40%	15%	More than 100 litigation processes managed on a daily basis. No judgements granted or any merit court dates on class actions set to date. Launched Litigation Settlement Proposal. Launched lender consents, as required. Launched UK schemes to extend debt. PwC forensic investigation phase 2 completed. Remuneration claims amended and instituted. Claims against Formal Holdings Limited as well as Malcolm and Nicholas King in process of being instituted. Positive Dutch SoP (the Netherlands) and S155 Scheme (South Africa) claimant votes in support of the Litigation Settlement Proposal.	At target
Stakeholder interaction	10%	10%	Regular interaction, local and abroad, in accordance with requirements. Hybrid AGM held to comply with COVID-19 restrictions. Substantial shareholder communication. Interaction with creditors remains very positive as is evident from overall creditor support. Interactions with regulators (AFM, FSE, BaFin, the South African Reserve Bank, the Companies and Intellectual Property Commission, FSCA, South African Parliament, JSE, criminal authorities in South Africa (including the National Prosecuting Authority and the Hawks) take a significant amount of time. Will remain part of ongoing functions.	At target

The target and maximum opportunity for the 2021 Reporting Period was 75% of base salary for both the CEO and CFO. Based on the realisation of the various objectives, which was on average 100% of target, the resulting pay-out over the 2021 Reporting Period equals 75% of the annual base salary. The amounts were paid out in cash.

LONG-TERM INCENTIVE

As indicated above, the Supervisory Board decided to deviate from the Remuneration Policy by replacing the share-based LTI scheme with a cash-based LTI scheme with shorter vesting periods. This deviation from the Remuneration Policy ensured that the Company was able to retain the Managing Directors and Senior Managers and remunerate them adequately for the personal sacrifices and personal risk taken on by committing to the achievement of the 3-step strategy. In addition, it prevented windfall gains from potential future share price increase, since providing for a fair and competitive LTI award (to attract and retain the right calibre of executives) would result in an undesired large amount of Company shares to be allocated. The variable remuneration operates as a strong motivator to achieve performance conditions and to retain the individual, which ensures continuity, stability, and assurance that the individual's focus is directly aligned to the business needs as articulated in the 3-step strategy at all times. As such, to preserve longer-term value and potential business continuation for stakeholders, alignment between employee performance achievements and strategy is imperative.

IMPACT OF SPECIAL CIRCUMSTANCES ON LTI SCHEME

On 12 May 2021, entities affiliated with the former shareholders and owners of the business known as Tekkie Town initiated separate legal proceedings against the Company claiming in excess of ZAR 1.85 billion in damages, filed in the Western Cape Division of the High Court of South Africa an application for the provisional liquidation of the Company (the "Liquidation Application"). In effect, the consequence of the Liquidation Application was as follows (the "Acceleration"):

- Each Managing Directors' (as well as other LTI scheme participant's) participation in the LTI scheme was automatically terminated as at the date of the Liquidation Application.
- The accrual date (usually the end of the reporting period) for tranches otherwise payable at the end of the prevailing assessment period (usually the end of the reporting period) was brought forward and deemed to be one day prior to the happening of the Liquidation Application.

- The latest performance assessment (otherwise required to determine the percentage of a tranche payable to the scheme participant) undertaken in respect of each Managing Director, irrespective of the date thereof, would automatically be deemed to apply for the purpose of determining the percentage of the tranche payable.
- The tranches payable in relation to the prevailing assessment period (usually the prevailing reporting period) were payable immediately.

As described above, the consequences of the Acceleration were substantively two-fold, being (i) that payments which would otherwise have been due to the Managing Directors at the end of the reporting period were brought forward and paid immediately in May 2021; and (ii) that the Managing Directors' participation in the LTI scheme was terminated. Because of the termination of participation, the portions of grants that were only due for payment in subsequent assessment periods (future reporting periods) were forfeited by the Managing Directors. They therefore forfeited up to three tranches in total payable in October 2022 (two tranches) and October 2023 (one tranche), respectively.

On 26 May 2021 the Supervisory Board, upon recommendation of the Remuneration Committee, approved a cash-settled LTI replacement scheme to replace the scheme that was terminated as a consequence of the Liquidation Application.

The Managing Directors (as well as the other former LTI scheme participants) joined the 2021 cash-settled replacement LTI scheme and were allocated replacement grants to place the participant in a position no less favourable than immediately prior to termination of the old scheme.

The LTI awards that have been conditionally made during the 2021 Reporting Period in replacement of forfeited tranches and its vesting conditions were as follows:

- replacement grant 1: Equal to 1/3rd of the Managing Directors' base salary, payable in one extraordinary tranche in October 2022, subject to the achievement of pre-determined performance conditions.
- replacement grant 2: Equal to 2/3rd of the Managing Directors' base salary, payable in two equal extraordinary tranches in October 2022 and October 2023, subject to the achievement of pre-determined performance conditions.

The pay-out of each tranche is conditional upon the achievement of the KPIs that are also used for the Annual Bonus Scheme.

Considering the change in the LTI scheme for the 2022 Reporting Period, by converting and allocating an equity-settled portion to the total LTI percentage quantum, the 2021 cash-settled LTI scheme will run its course and Managing Director participation in the scheme will come to an end with the payout of the two open replacement grants.

The Supervisory Board also changed the rules of the scheme to withstand any future application for liquidation and to only terminate upon the court order of liquidation after a successful provisional liquidation application.

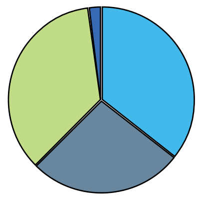
BENEFITS

As part of the base salary, Managing Directors contribute to a company approved retirement fund monthly and in addition also contribute to risk benefits such as life insurance and medical disability insurance. Because Managing Directors contribute to these benefits themselves, they can elect the level of contributions within the minimum and maximum limits of the risk benefit framework. During the 2021 Reporting Period the CEO contributed 5% of base salary, and the CFO contributed 6% of base salary.

PAY MIX

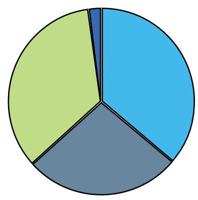
The total remuneration for Louis du Preez for the 2021 Reporting Period consists of 35.8% base salary and 62.2% variable pay and 2% annual leave pay-out. The total remuneration for Theodore de Klerk for the 2021 Reporting Period consists of 36.3% base salary and 61.5% variable pay and 2.2% annual leave pay-out. The fixed and variable apportionment of Managing Director remuneration fulfil the purpose of attracting high calibre individuals during extraordinary circumstances and rewarding challenging performance achievements.

CEO Pay mix for 2021



Base pay	35.8%
STI	26.8%
LTI	35.4%
Leave	2.0%

CFO Pay mix for 2021



Base pay	36.3%
STI	27.2%
LTI	34.3%
Leave	2.2%

SCENARIO ANALYSIS

The Supervisory Board performed a scenario analysis for each individual Managing Director. In doing so, the Remuneration Committee presented to the Supervisory Board the following scenarios for the variable pay opportunity:

a) The "On target" 80% – 100% performance achievement remuneration opportunity based on a maximum annual bonus allocation of 75% of base salary, should the Managing Director achieve all the performance conditions; and

b) The "Medium performance target" 70% – 79.99% performance achievement remuneration opportunity based on an annual bonus allocation of 65% of the base salary for the performance conditions achieved in accordance with their weightings;

c) The "Threshold performance" 60% – 69.99% performance achievement remuneration opportunity based on an annual bonus allocation of 50% of base salary for the performance conditions achieved in accordance with their weightings;

d) The "below threshold performance" no annual bonus allocation and only the retention portion from the cash-based LTI.

The variable pay consists of an STI and LTI that are made up of three tranches (i.e. third tranche of the 2019 LTI plus the second tranche of the 2020 LTI plus the first tranche of the 2021 LTI). The performance measurement applied to determine the LTI tranche payments was the outcome of the interim performance review held in March 2021. As described above, the consequences of the termination of the LTI scheme were that payments which would otherwise have been due to the Managing Directors in October 2021 were brought forward and paid immediately, and the Managing Directors' participation in that LTI scheme was terminated.

CLAW BACKS

On 14 June 2019, claw back proceedings were instituted before the South Africa High Court against two former managing directors for the repayment of annual bonuses, special project bonuses, irregular payments and the value of shares awarded to them for the period 2009 to the date of their termination. These matters are pending.

The Company has not instituted any claw back claims against any of the current Managing Directors or Supervisory Directors.

FIVE-YEAR OVERVIEW

The table below summarises the Managing Directors' total remuneration for the Reporting Period and also provides an overview of total remuneration for the CEO and CFO over the past five years. Remuneration for the CEO and CFO positions have significantly reduced in comparison to five years ago. The remuneration development over the past five years is in line with the Corporate Scorecard development and what is required to ensure the continuation of operations. A major hurdle in normalising the Group balance sheet structure relates to the resolution of litigation challenges, step 2 of the 3-step strategy and therefore the emphasis has been on establishing clear KPIs for the Managing Directors and executives and rewarding appropriate performance in relation thereto. The development of the performance of the Company and the development of average remuneration on a full time equivalent basis of employees are aligned with the diminution in enterprise value, and the sale and reorganisation of a number of Group companies.

Remuneration structure and incentives will be regularly reviewed as the Company's situation develops.

Amounts in thousands of euro.

	2021	2020	2019	2018	2017
Remuneration CEO position	**Current CEO**	**Current CEO**	**Current CEO**	**Former CEO**	**Former CEO**
Base Salary (Basic plus Benefits)	1 384	1 384	1 262	1 028	2 493
STI	1 038	1 038	1 012	600	2 700
LTI (Including retention & strategic bonuses)[1]	1 373	911	450	536	3 279
Other (Leave etc.)	76	116	0	0	0
Year on Year Total Remuneration	**3 871**	**3 449**	**2 724**	**2 164**	**8 472**
• Year on Year Total Remuneration	3 871	3 449	2 724	2 164	8 472
• Year on Year difference	422	725	560	6 308	N/A
• Year on Year difference (%)[2]	12%	27%	26%	(74%)	N/A
Remuneration CFO position	**Current CFO**	**Current CFO**	**Current CFO**	**Former CFO**	**Former CFO**
Base Salary (Basic plus Benefits)	1 200	1 200	1 017	1 267	1 000
STI	900	900	750	1 200	850
LTI (Including retention & strategic bonuses)[1]	1 133	733	333	0	1 533
Other (Leave etc.)	73	43	0	0	0
Year on Year Total Remuneration	**3 306**	**2 876**	**2 100**	**2 467**	**3 383**
• Year on Year Total Remuneration	3 306	2 876	2 100	2 467	3 383
• Year on Year difference	430	776	(367)	(916)	N/A
• Year on Year difference (%)[2]	15%	37%	(15%)	(27%)	N/A
Remuneration Group Services Employees[3]	**145**	**123**	**N/A**	**N/A**	**N/A**
Pay Ratios[4]					
• CEO compared to Group Services Employees	26.7	28.0	N/A	N/A	N/A
• CFO compared to Group Services Employees	22.8	23.3	N/A	N/A	N/A

[1]The 2019 to 2021 variances relate to the number of cash-settled LTI vested tranche payment (2019 – one tranche, 2020 – two tranches, 2021 – three tranches).

[2]The variance in total remuneration from 2019 to 2021 is a combined effect from vested LTI tranche payments and an increase in base salary upon appointment as CEO and CFO, respectively.

[3]Total remuneration consists of basic salary plus company contributions to benefits and bonusses paid during the Reporting Period (excludes the CEO and CFO). Group Services employee data for the period 2017 to 2019 did not produce a meaningful comparison and therefore was excluded.

[4]A meaningful pay ratio for prior years could not be performed due to extraordinary circumstances the Group is in, the diminution in enterprise value, and the sale and reorganisation of a number of Group companies.

Pay ratios

Pursuant to best practice provision 3.4.1 (iv) of the Dutch Corporate Governance Code, the remuneration report should – inter alia – describe the pay ratios within the company and its affiliated enterprise and, if applicable, any changes in these ratios in comparison with the previous financial year. This Remuneration Report, however, does not contain a description of the pay ratios within the whole Group because, due to the sale of a number of Group companies and the reorganisation within a number of Group companies during the Reporting Period, and in light of the intended sale of further Group companies and/or the reorganisation within Group companies, no representative reference group could be determined that would allow consistency and comparison in subsequent years. It is expected that after the 3-step strategy is implemented, the Company shall be able to describe pay ratios within a wider representative reference group. To provide as much transparency as possible, the Remuneration Report contains pay ratios within Group Services.

In this instance, the representative reference group consists of less than 58 employees who are each a specialist in their field. Together they are referred to as Group Services employees and are responsible for deliverables, in support to the Management Board, that are directly linked to the Corporate Scorecard. Group Services employees have reached stability with low staff turnover since 2019. Group Services are responsible for central services that include Finance, Treasury, Tax, Human Resources, Legal, Company Secretarial, Compliance, Risk, Internal Audit and IT services to the Company. Group Services employees have the same remuneration elements as Managing Directors and therefore display a meaningful pay ratio against Managing Directors.

LOANS, ADVANCE PAYMENTS OR GUARANTEES TO MANAGING DIRECTORS

No loans, advance payments or guarantees were made to Managing Directors (or entities controlled by any of them) during the Reporting Period.

CLOSING OUT THE ESRS SCHEME

The ESRS was discontinued during the 2018 Reporting Period. The ESRS remained active for historically allocated open grants to be measured and for the scheme to run its course. The 2017 financial year grant remained the last open grant in the ESRS. No further grants have been awarded since March 2017.

No grants were made under the ESRS in the Reporting Period.

In relation to the below overview, no shares were repurchased or issued in relation to the ESRS during the Reporting Period. Supervisory Directors did not participate in the ESRS and therefore this section does not apply to Supervisory Directors.

	Total shares	
	30 September 2021	30 September 2020
Management Board		
Louis du Preez*	**5 165**	5 165
Theodore de Klerk*	**194 270**	194 270
	199 435	199 435

** No change in shareholding from the previous Reporting Date.*

AMOUNTS CHARGED TO SUBSIDIARIES

There were no remuneration amounts, paid to any current or former Managing Directors or Supervisory Directors, charged to any Group company included in the 2021 Consolidated Financial Statements.

2021 SUPERVISORY DIRECTORS' REMUNERATION

Supervisory Board Remuneration

Pursuant to the Dutch Corporate Governance Code, remuneration for the Supervisory Board members should reflect the time spent and the responsibilities of their role. The remuneration structure of the Supervisory Board contributed to the long-term performance of the Company by contributing to the successful completion of critical milestones and making progress in achieving the 3-step strategy. The Supervisory Board remuneration structure is based on the following principles:

- the remuneration supports the appropriate composition of the Supervisory Board and promotes the proper fulfilment of duties by Supervisory Directors, being independent and fostering critical discussion with each other, the Management Board and in any other respect;
- the remuneration promotes effective performance by the Supervisory Directors of their role, which contributes to the business strategy, longer-term interests and sustainability of the Company (as defined hereinabove);
- the remuneration reflects the time spent, the risk profile and the responsibilities of the role of Supervisory Directors, the strategic view of options available to the Company in the short and medium term, the external governance environment and the interests of all stakeholders;
- the remuneration is not dependent on the results of the Company; and
- Supervisory Directors were not granted any form of variable remuneration, or shares and/or rights to subscribe for shares, by way of remuneration.

Upon the recommendation of the Remuneration Committee, the Supervisory Board resolved to maintain the same fee structure with no increase in membership fees.

The remuneration of the Supervisory Board is in line with the Supervisory Board Remuneration Policy. The Supervisory Board Remuneration Policy is reviewed and evaluated by the Supervisory Board annually. The Supervisory Board Remuneration Policy shall be submitted by the Supervisory Board to the General Meeting for adoption to implement every change to the Supervisory Board Remuneration Policy and in any case at least every four years.

The Supervisory Board fees have remained unchanged since the AGM 2020.

The table below outlines the Supervisory Board fees in comparison to the previous year.

Remuneration of the Supervisory Board	AGM Approved 2021 €'000	AGM Approved 2020 €'000
Supervisory Board member fees		
Chairperson of the Supervisory Board	**300**	300
Deputy-Chairperson of the Supervisory Board	**220**	220
Any other member of the Supervisory Board	**130**	130
Additional committee fees		
Chairperson of the Audit and Risk Committee	**50**	50
Member of the Audit and Risk Committee	**30**	30
Chairperson of the Nomination Committee	**20**	20
Member of the Nomination Committee	**10**	10
Chairperson of the Human Resources and Remuneration Committee	**30**	30
Member of the Human Resources and Remunerations Committee	**15**	15
Chairperson of the Governance, Social and Ethics Committee	**N/A[1]**	20
Member of the Governance, Social and Ethics Committee	**N/A[1]**	10
Member of the Group Litigation Working Group	**30**	30

[1] *The Governance, Social and Ethics Committee was merged into the Audit and Risk Committee on 25 June 2020.*

The remuneration paid to each of the Supervisory Directors during the 2021 Reporting Period in comparison to the 2020 Reporting Period, is set out in the table below. Remuneration paid by other Group entities consists of fees received for serving on the boards of Steinhoff Investment Holdings Limited and Steinhoff International Holdings Proprietary Limited.

	Other Group entities		Steinhoff N.V.	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Supervisory Board members who are in office				
Paul Copley	**–**	–	**190**	190
Moira Moses	**27**	24	**320**	243
Hugo Nelson	**24**	23	**190**	179
David Pauker	**150**	150	**185**	174
Peter Wakkie	**–**	–	**254**	265
Alexandra Watson	**26**	25	**190**	197
Supervisory Board members who resigned during the 2020 and 2021 Reporting Periods				
Heather Sonn[1]	**–**	14	**–**	202
Khanyisile Kweyama [2]	**–**	–	**80**	152
Total remuneration	**227**	236	**1 409**	1 602

[1] *Resigned on 18 May 2020.*
[2] *Resigned on 19 April 2021.*

The remuneration paid to each of the current and former Supervisory Directors during the past five years, is set out in the table below.

Supervisory Directors	2021 €'000	2020 €'000	2019 €'000	2018 €'000	2017 €'000
Steve Booysen[1]					
– Steinhoff International Holdings N.V.	**–**	–	155	175	170
– Other Group entities	**–**	–	42	29	–
Paul Copley[2]	**190**	190	113	14	–
Claas Daun[3]	**–**	–	–	46	110
Thierry Guibert[4]	**–**	–	–	34	100
Len Konar[3]	**–**	–	–	83	200
Khanyisile Kweyama[5]	**80**	152	143	70	–
Theunie Lategan[3]	**–**	–	–	65	155
Moira Moses[6]					
– Steinhoff International Holdings N.V.	**320**	243	162	73	–
– Other Group entities	**27**	24	30	–	–
Jayendra Naidoo[7]	**–**	–	–	29	54
Hugo Nelson[6]					
– Steinhoff International Holdings N.V.	**190**	179	155	73	–
– Other Group entities	**24**	23	–	–	–
David Pauker[8]					
– Steinhoff International Holdings N.V.	**184**	174	73	–	–
– Other Group entities	**150**	150	163	–	–
Heather Sonn[9]					
– Steinhoff International Holdings N.V.	**–**	202	337	285	100
– Other Group entities	**–**	14	61	29	–
Angela Krüger-Steinhoff[1]	**–**	–	107	111	100
Bruno Steinhoff[3, 10]	**–**	–	–	338	450
Johan van Zyl[11]	**–**	–	–	55	100
Peter Wakkie[6]	**254**	265	168	75	–
Alexandra Watson[6]					
– Steinhoff International Holdings N.V.	**190**	197	157	73	–
– Other Group entities	**26**	25	35	–	–
Christo Wiese[12, 13]	**–**	–	–	257	1 764
Jacob Wiese[12]	**–**	–	–	21	100
	1 636	1 838	1 901	1 935	3 403

1 *Resigned on 30 August 2019.*

2 *Paul Copley was nominated to the Supervisory Board in August 2018. Because his appointment did not become final until the AGM held on 30 August 2019, he received fees for his services provided to the Group during that period as a consultant.*

3 *Retired on 28 February 2018.*

4 *Resigned on 2 February 2018.*

5 *Appointed on 20 April 2018 and resigned 19 April 2021.*

6 *Appointed on 20 April 2018.*

7 *Appointed on 14 March 2017 and resigned on 18 January 2018.*

8 *David Pauker was nominated to the Supervisory Board in February 2019. Because his appointment did not become final until the AGM held on 30 August 2019, he received fees for his services provided to the Group during that period as a consultant.*

9 *Resigned on 18 May 2020.*

10 *Paid to Bruno Steinhoff Beratungs-und Verwaltungs GmbH as management fees.*

11 *Resigned on 18 April 2018.*

12 *Resigned on 14 December 2017.*

13 *Paid to various entities as management fees. These entities are Grene Properties Proprietary Limited, Chaircorp Proprietary Limited, Titan Financial Services Proprietary Limited and Toerama Proprietary Limited.*

There were no rights to acquire shares in the capital of the Company nor any Subsidiary granted to any Supervisory Directors.

LOANS, ADVANCE PAYMENTS OR GUARANTEES TO SUPERVISORY DIRECTORS

No loans, advance payments or guarantees were made to Supervisory Directors (or entities controlled by any of them) during the Reporting Period.

CONTRACTS WITH ENTITIES UNDER THE CONTROL OF SUPERVISORY DIRECTORS

There were no contracts with entities under the control of Supervisory Directors during the Reporting Period.

PART 4: HIGHLIGHTS FROM THE PROPOSED MODIFICATION OF THE REMUNERATION POLICY FROM 2022 ONWARD

As stated in the introduction of this Remuneration Report, the Company will submit a revised remuneration policy to the AGM to be held in 2022, which will – once adopted – be applicable as per the start of financial year 2022.

The Management Board Remuneration Policy is reviewed and evaluated by the Supervisory Board annually. The Management Board Remuneration Policy shall be submitted by the Supervisory Board to the General Meeting for adoption to implement every change to the Management Board Remuneration Policy and in any case at least every four years.

With this proposed remuneration policy, the Remuneration Committee has found a balance between the desire to more clearly align the interests of the Management Board with those of our shareholders and to hold the Management Board and Senior Managers accountable for the successful delivery of the strategic plan versus its key responsibility to attract and retain high calibre Managing Directors and Senior Managers who are willing to bear the personal risk and extreme workload in the current extraordinary circumstances. The Remuneration Committee and the Supervisory Board deem it essential to ensure that Managing Directors, who took up their current roles during or after 2018, are retained and remunerated adequately for the personal sacrifices and personal risk taken on by committing to the achievement of the 3-step strategy.

Considering the confirmation of the Dutch SoP process by the Court in the Netherlands, the sanctioning of the S155 Scheme in South Africa, and a possible successful litigation settlement implementation on the horizon, the Remuneration Committee partnered with the remuneration expert division of PwC to conduct a remuneration benchmarking in respect of the Managing Director remuneration and remuneration structure, and requested PwC to guide and advise the committee on:

(i) how each remuneration element benchmarks against suitable comparators in the market, and

(ii) given the possible change in the Company's circumstances, to make a recommendation on a remuneration structure to commence from 1 October 2021 for the 2022 performance period onward, that would speak to the shareholders' interests in the form of equity-based rewards.

The comparator group was determined by considering companies with similar governance structures, foreign listed large retailers, investment holding companies, companies experiencing close to similar extraordinary circumstances as Steinhoff N.V. and companies where the CEO and CFO perform a similar role to that of Steinhoff N.V.'s Managing Directors. This process was complex and difficult as there are very few companies in the world that have had the same extraordinary circumstances as Steinhoff N.V. The Company's positioning relative to the median of the comparator group, was 92% for turnover and 107% for total assets. PwC also provided a second-tier comparator by using a remuneration survey well-known in the international market by financial restructuring specialists. Benchmark results of the second-tier comparator had the same benchmark results as the elected comparator group.

The PwC benchmark results showed that the CEO and CFO were positioned above the median on annual base salary but significantly below the median compared to market on STI and LTI respectively. Overall, the CEO and CFO's total remuneration is positioned under the market median. Based on the benchmark results as well as the progress made to date on the 3-step strategy of the Company, PwC recommended that the Company structure the remuneration elements into an annual base salary (also referred to as Total Guaranteed Pay or "TGP"), a cash-settled variable incentive and an equity-settled variable incentive.

The complete version of the proposed remuneration policy will be included in the annexes to the agenda of the AGM to be held in 2022. The highlights of the proposed remuneration policy are provided below.

PURPOSE OF THE NEW REMUNERATION POLICY

Taking into consideration the feedback received in constructive dialogues with (representatives of) investors as well as proxy advisors and the voting results of the AGM 2020 and AGM 2021, the Supervisory Board believes it is in the best interest of the various stakeholders to ensure that the Company will be able to retain the Managing Directors and Senior Managers by remunerating them adequately for the personal sacrifices and personal risk taken on by committing to the achievement of the 3-step strategy.

In this context, the most significant change in the proposed policy will be the replacement of the current 2021 cash-settled LTI with a combined cash- and equity-settled LTI scheme. By doing this, and retaining the Managing Directors the longer-term opportunities for the Company will be optimised. Moreover, it creates direct alignment with shareholder interests, and future business continuation and optionality.

BASE SALARY

In determining fair and competitive base salaries that enable the Company to attract and retain the right calibre of executives, the Supervisory Board takes into consideration the individual's responsibilities, Company and individual performance as well as the pay differentials within the Company. Finally, the external perspective is taken into account by using data issued by independent remuneration experts.

ANNUAL BONUS

The Annual Bonus Scheme, or STI, will continue to be a performance related cash award. The objective of the annual performance related bonus is to incentivise and reward strong short-term operational, financial and personal performance as well as the implementation of the 3-step strategy. The Remuneration Policy requires the Supervisory

Board to set performance conditions that will ensure the realisation of the 3-step strategy at or before the beginning of the relevant financial year. Over the past three years, no level of discretion has been exercised by the Supervisory Board in the award of incentives. Each award that has been made was made in relation to specific outcomes that enabled the business to progress towards the achievement of the 3-step strategy.

The annual bonus is based on a percentage of the annual base salary. For 2022, the target and maximum bonus opportunity will remain at 75% of base salary for both the CEO and CFO. It is important to note that the performance zone is the average achievement of all performance indicators. Therefore, the Managing Directors are expected to achieve at least 80% of the complete corporate performance scorecard to be awarded an 'At Target' allocation. There are no additional STI awards for exceeding expectations. For threshold performance, a pay-out of 50% of base salary will occur, while for below threshold performance there will be no pay-out.

The Supervisory Board establishes performance criteria for each financial period, which are documented in a corporate scorecard. For the period during which the 3-step strategy is being completed, the corporate scorecard for the annual bonus will predominantly be focusing on critical deliverables to enable the Company to have business continuation with the preservation of shareholder value. The corporate performance targets for 2022 include the following:

CORPORATE SCORECARD AND KEY PERFORMANCE INDICATORS FOR 2022

General note: each of the deliverables described below is outlined in detail in the Corporate Scorecard that was set and approved by the Supervisory Board. Considering the circumstances the Company is in, some of these deliverables are commercially sensitive and will, in the interest of the Company, have to remain confidential until successfully achieved and publicly announced. Furthermore, for the avoidance of doubt, the Corporate Scorecard is the document that outlines what deliverables need to be achieved by the Management Board. It is important to note that the CEO and CFO have individualised weightings relevant to their roles.

No.		Weighting
A.	**Business optimisation and value maximisation** This performance indicator consists of more than 10 deliverables that are important milestones for progression with the achievement of the 3-step strategy and is focused on optimisation, including but not limited to further cost reduction and potential value realisation, of the Group's businesses and group structures in Africa, Australasia, Europe and the United States of America that will ensure protection and maximisation of stakeholder value.	32.5%
B.	**Financial reporting controls and administration** This performance indicator consists of eight deliverables that are important to manage and control all the financial aspects of the Company. This indicator is focused on: 1. Managing the annual audit and publication of the annual financial statements of the Company and its subsidiaries at Group level. In addition, the backlog with certain historical financial statements needs to be addressed. 2. Implementation and alignment of accounting and reporting principles, controls and risk management in all subsidiaries.	12.5%
C.	**Group restructure** This performance indicator consists of four deliverables that are key to the restructuring of the Group and are focused on evaluating underlying current or potential shareholder value with a view to preserving and enhancing embedded shareholder options, and taking a debt restructuring and/or reduction as contemplated by step 3 of the 3-step strategy forward.	17.5%
D.	**Stakeholder interaction** This performance indicator consists of four deliverables that are directly linked to the Company's standing with regulatory authorities. These deliverables are focused on progression and/or the conclusion of several open investigations and continued interactions with these authorities. The deliverables further relate to interaction with other stakeholders, such as financial creditors, shareholders and investors.	12.5%

No.		Weighting
E.	**Litigation settlement proposal** This performance indicator consists of seven deliverables that are important to achieve the successful implementation of the Litigation Settlement Proposal. It is focused on: 1. The implementation of the financial steps once the global settlement proposal is approved and implemented. 2. The progression on outstanding approvals from the courts and any other authorities.	15%
No.		**Weighting**
F.	**Litigation management** This performance indicator consists of five specific deliverables that are important in taking the Company forward towards a normalised course of business. It is focused on the management of all inbound and outbound litigation and the conclusion of current tax investigations in certain jurisdictions.	10%

LONG-TERM INCENTIVE

As indicated above, the proposed remuneration policy will incorporate an LTI component paying out partially in equity and partially in cash, whereas the current LTI Scheme is fully cash-settled. By doing this, retaining the Managing Directors will optimise the longer-term opportunities for the Company. Moreover, it creates direct alignment with shareholder interest, and future business continuation and optionality.

In summary, the main features of the proposed LTI plan are:

- An initial conditional allocation partially in cash (2/3rd) and partially in shares (1/3rd).
- The pay-out will be based on realised performance for the full LTI award, applying a one-year performance period and the same performance scorecard as for the STI.
- The cash component will be paid out in part (50%) one year after the performance period and the remainder after two years.
- The equity component will be converted into restricted shares after the one-year performance period and will vest in four equal installments over the subsequent two years, and
- Vested shares are subject to a forced sale immediately on receipt.

The LTI award will be based on a percentage of the annual base salary. For 2022, the target and maximum LTI opportunity will be 150% of base salary for both the CEO and CFO.

The outlined LTI design provides for a balanced proposal considering the need to retain the Managing Directors in order to optimise longer-term opportunities for the Company, the intention to limit significant windfall gains from potential future share price increases (by not fully paying out in shares) as well as the desire to reflect the preferences and align with the interests of our shareholders.

FORWARD LOOKING

It is the ambition of the Supervisory Board, the Management Board as well as all the other employees, to complete the 3-step strategy as successfully and timeously as possible. Once this has been done, the Supervisory Board intends to revise the Remuneration Policy of the Management Board and optimally align it with the Company's future strategy and organisational size and structure, taking into consideration market best practices. Naturally, the Supervisory Board will submit such a revised Remuneration Policy to the General Meeting for approval.

The main characteristics of such a Remuneration Policy will likely be:

- A market competitive remuneration package aligned with the size and scope of the Company at that point in time.
- A rebalanced remuneration mix, focusing on (longer-term) variable remuneration.
- A long-term incentive plan consisting of a proportionate conditional share award that may vest on the basis of one or more KPIs measured over a multiyear performance period.
- In order to further enhance share ownership amongst Management Board members (and potentially senior executives), share ownership requirements might be introduced and/ or holding periods for vested shares might be incorporated.
- A policy that is in alignment with best practice.

PART V

ANNEXURES

SHARE STATISTICS

STOCK EXCHANGE	FSE	JSE
Stock symbol	**SNH Xetra**	**SNH SJ**
Listing type	**Primary**	**Secondary**
ISIN	**NL0011375019**	**NL0011375019**
Initial listing	**Dec 2015**	**Sep 1998**
Opening share price	**€0.04**	**R0.70**
Closing share price	**€0.18**	**R3.20**
Highest share price during period	**€0.23**	**R3.98**
Lowest share price during period	**€0.04**	**R0.68**
Volume traded during period (million)	**4 312**	**1 661**
Value traded during period (million)	**€487**	**R3 335**
Market capitalisation (million)	**€752**	**R13 223**
Number of shares in issue (million)[1]	**4 132**	**4 132**

[1] *As at 30 September 2021, net of treasury shares.*

EXCHANGE RATES

	AVERAGE TRANSLATION RATE			CLOSING TRANSLATION RATE		
	FY21	**FY20**	**% change**	**30 September 2021**	**30 September 2020**	**% change**
EUR:ZAR	**17.7294**	**18.1836**	**(2.5)**	**17.5629**	**19.7092**	**(10.9)**
EUR:PLN	**4.5366**	**4.3883**	**3.4**	**4.6197**	**4.5462**	**1.6**
EUR:GBP	**0.8737**	**0.8790**	**(0.6)**	**0.8605**	**0.9124**	**(5.7)**
EUR:AUD	**1.5909**	**1.6522**	**(3.7)**	**1.6095**	**1.6438**	**(2.1)**
EUR:USD	**1.1954**	**1.1206**	**6.7**	**1.1579**	**1.1708**	**(1.1)**
EUR:CHF	**1.0873**	**1.0751**	**1.1**	**1.0830**	**1.0804**	**0.2**

FINANCIAL CALENDAR

Q1 Trading update – quarter ended 31 December 2021	**Friday, 25 February 2022**
2022 Annual general meeting	**Friday, 25 March 2022**
2022 Half-year results	**Friday, 24 June 2022**
Q3 Trading update – quarter ended 30 June 2022	**Friday, 26 August 2022**

CORPORATE AND CONTACT INFORMATION

Registration number

63570173

Registered office

Building B2
Vineyard Office Park
Cnr Adam Tas & Devon Valley Road
Stellenbosch 7600
South Africa

Website

www.steinhoffinternational.com

Auditors

Mazars Accountants N.V.
(License number 13000408)
Watermanweg 80
3067 GG Rotterdam
The Netherlands
(PO Box 23123, 3001 KC Rotterdam, The Netherlands)

Company secretary

Sarah Radema

South African sponsor

PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch 7600
(PO Box 7403, Stellenbosch 7599)

South African transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue
Rosebank 2196
(Private Bag X9000, Saxonwold 2132)

Commercial banks

Standard Corporate and Merchant Bank
(A division of The Standard Bank of South Africa Limited)
(Registration number 1962/000738/06)
Ground Floor, 3 Simmonds Street
Johannesburg 2001
(PO Box 61150, Marshalltown 2107)

In addition, the group has commercial facilities with various other banking and financial institutions worldwide.

CAUTIONARY NOTICE

This Annual Report contains forward-looking statements, which do not refer to historical facts but refer to expectations based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those included in such statements.

Many of these risks and uncertainties relate to factors that are beyond Steinhoff N.V.'s ability to control or estimate precisely, including but not limited to, Steinhoff N.V.'s ability to successfully implement and complete its plans and strategies and to meet its targets, the benefits from Steinhoff N.V.'s plans and strategies being less than anticipated, the effect of general economic or political conditions, Steinhoff N.V.'s ability to retain and attract employees who are integral to the success of the business, business and IT continuity, collective bargaining, distinctiveness, competitive advantage and economic conditions, information security, legislative and regulatory environment and litigation risks, product safety, pension plan funding, strategic initiatives, responsible retailing, insurance, other financial risks, unforeseen tax liabilities and other factors discussed in this Annual Report, in particular the paragraphs on how we manage risk and in Steinhoff N.V.'s other public filings and disclosures.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Annual Report. Steinhoff N.V. does not assume any obligation to update any public information or forward-looking statement in this Annual Report to reflect events or circumstances after the date of this Annual Report, except as may be required by applicable laws.

STEINHOFF
INTERNATIONAL HOLDINGS N.V.

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

TABLE OF CONTENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Notes	2021 €m	Restated[1] 2020 €m
Continuing operations			
Revenue	3	**9 193**	8 034
Cost of sales	4.4	**(5 450)**	(4 888)
Gross profit		**3 743**	3 146
Other income	4.1	**76**	49
Distribution expenses	4.3	**(812)**	(682)
Administration expenses	4.3	**(2 265)**	(2 030)
Other expenses	4.2	**(827)**	(1 399)
Operating loss		**(85)**	(916)
Finance costs	5	**(1 190)**	(1 195)
Income from investments	5	**72**	76
Share in result of equity accounted companies	11.2	**519**	(7)
Impairment of equity accounted companies	11.2	**–**	(18)
Loss before taxation		**(684)**	(2 060)
Taxation	6.1	**(187)**	(116)
Loss from continuing operations		**(871)**	(2 176)
Discontinued operations			
Profit/(loss) from discontinued operations	1.2	**21**	(179)
Loss for the period		**(850)**	(2 355)
Loss attributable to:			
Owners of Steinhoff N.V.		**(974)**	(2 264)
Non-controlling interests	30.1	**124**	(91)
Loss for the period		**(850)**	(2 355)
Basic and diluted loss per share (cents)			
From continuing operations	7	**(22.9)**	(51.2)
From discontinued operations	7	**(0.1)**	(3.3)
		(23.0)	(54.5)

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

The accompanying notes form an integral part of the 2021 Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Notes	2021 €m	Restated[1] 2020 €m
Loss for the period		**(850)**	(2 355)
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss (net of tax):			
Net remeasurement adjustments on defined benefit plans		**–**	(37)
		–	(37)
Items that may be reclassified subsequently to profit or loss (net of tax):			
Net exchange gains/(losses) on translation of foreign operations and translation of net investment in foreign operations[2]		**449**	(791)
Foreign currency translation reserve reclassified to profit or loss on disposal of investment – Continuing operations	4.2.2	**19**	(1)
Foreign currency translation reserve reclassified to profit or loss on disposal of investment – Discontinued operations	1.2.3	**(41)**	47
Net fair value gain on cash flow hedges and other assets and liabilities measured at fair value through other comprehensive income		**13**	10
		440	(735)
Total other comprehensive income/(loss) for the period		**440**	(772)
Total comprehensive loss for the period		**(410)**	(3 127)
Total comprehensive loss attributable to:			
Owners of Steinhoff N.V.		**(639)**	(2 875)
Non-controlling interests		**229**	(252)
Total comprehensive loss for the period		**(410)**	(3 127)
Total comprehensive loss attributable to owners of Steinhoff N.V. arises from:			
Continuing operations		**(633)**	(2 786)
Discontinued operations		**(6)**	(89)
Total comprehensive loss for the period		**(639)**	(2 875)

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

[2] *The net exchange gains recognised in Comprehensive Income during the 2021 Reporting Period resulted mostly from the translation of the Group's investment in its South African operations where there was a significant strengthening of the South African rand to the euro.*

The accompanying notes form an integral part of the 2021 Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Notes	30 September 2021 €m	Restated[1] 30 September 2020 €m
ASSETS			
Non-current assets			
Goodwill	8	**3 826**	3 555
Intangible assets	8	**1 431**	1 312
Property, plant and equipment	9	**857**	701
Right-of-use assets	10	**1 760**	1 716
Investments in equity accounted companies	11	**151**	136
Other financial assets	12	**373**	425
Deferred tax assets	6.3	**240**	224
Trade and other receivables	13	**9**	4
		8 647	8 073
Current assets			
Inventories	15	**1 465**	1 314
Trade and other receivables	13	**733**	567
Taxation receivable	13.2	**150**	146
Other financial assets	12	**2**	-
Cash and cash equivalents	16	**3 151**	2 015
		5 501	4 042
Assets classified as held-for-sale and disposal groups	35	**936**	986
		6 437	5 028
Total assets		**15 084**	13 101
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital (net of treasury shares)	28	**41**	41
Share premium (net of treasury shares)	28	**10 605**	10 538
Other reserves		**(704)**	(1 856)
Accumulated losses		**(15 125)**	(13 991)
Total equity attributable to owners of Steinhoff N.V.		**(5 183)**	(5 268)
Non-controlling interests	30	**2 022**	1 087
Total equity		**(3 161)**	(4 181)
Non-current liabilities			
Borrowings	17.2	**10 869**	10 744
Employee benefits	22	**63**	64
Deferred tax liabilities	6.3	**276**	255
Provisions	23	**44**	24
Lease liabilities	18	**1 728**	1 657
Trade and other payables	19.1	**2**	2
		12 982	12 746
Current liabilities			
Trade and other payables	19.1	**1 611**	1 450
Taxation payable	19.2	**312**	295
Employee benefits	22	**106**	87
Provisions	23	**1 734**	1 082
Lease liabilities	18	**443**	422
Borrowings	17.2	**399**	709
		4 605	4 045
Liabilities directly associated with assets classified as held-for-sale and disposal groups	35	**658**	491
		5 263	4 536
Total equity and liabilities		**15 084**	13 101

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

The accompanying notes form an integral part of the 2021 Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Notes	Ordinary share capital €m	Share premium €m	Treasury share capital €m	Treasury share premium €m	Accumulated losses €m	Foreign currency translation reserve €m	Share-based payment reserve €m	Excess of consideration (paid to)/ received from non-controlling interest €m	Sundry reserves €m	Total ordinary equity attributable to owners of Steinhoff N.V. €m	Non-controlling interests €m	Total €m
Total equity at 1 October 2019		43	11 020	(2)	(483)	(11 719)	(1 025)	8	(166)	(47)	(2 371)	1 273	(1 098)
Effect of adopting IFRIC 23		–	–	–	–	98	–	–	–	–	98	–	98
Effect of adopting IFRS 16		–	–	–	–	(78)	–	–	–	–	(78)	(46)	(124)
Restated balance as at 1 October 2019		43	11 020	(2)	(483)	(11 699)	(1 025)	8	(166)	(47)	(2 351)	1 227	(1 124)
Loss for the period		–	–	–	–	(2 264)	–	–	–	–	(2 264)	(91)	(2 355)
Other comprehensive loss for the period		–	–	–	–	–	(584)	–	–	(27)	(611)	(161)	(772)
Total comprehensive loss for the period		–	–	–	–	(2 264)	(584)	–	–	(27)	(2 875)	(252)	(3 127)
Transactions with the owners in their capacity as owners													
Dividends		–	–	–	–	–	–	–	–	–	–	(27)	(27)
Preference dividends		–	–	–	–	–	–	–	–	–	–	(6)	(6)
Ordinary dividends		–	–	–	–	–	–	–	–	–	–	(21)	(21)
Transactions with non-controlling interests without change in control		–	–	–	–	(28)	(7)	–	–	–	(35)	139	104
Pepkor Holdings	30.2	–	–	–	–	(32)	(7)	–	–	–	(39)	147	108
IEP Interest	30.2	–	–	–	–	4	–	–	–	–	4	(8)	(4)
Net treasury shares sold		–	–	–	1	–	–	–	–	–	1	–	1
Attributable share of other reserves relating to equity accounting	11	–	–	–	–	–	–	–	–	(15)	(15)	–	(15)
Share-based payments – Pepkor Holdings ESRS	33.1.1	–	–	–	–	–	–	7	–	–	7	–	7
Total equity at 30 September 2020[1]		43	11 020	(2)	(482)	(13 991)	(1 616)	15	(166)	(89)	(5 268)	1 087	(4 181)
Loss for the period		–	–	–	–	(974)	–	–	–	–	(974)	124	(850)
Other comprehensive income for the period		–	–	–	–	–	322	–	–	13	335	105	440
Total comprehensive (loss)/income for the period		–	–	–	–	(974)	322	–	–	13	(639)	229	(410)
Transactions with the owners in their capacity as owners													
Dividends		–	–	–	–	–	–	–	–	–	–	(5)	(5)
Preference dividends		–	–	–	–	–	–	–	–	–	–	(4)	(4)
Ordinary dividends		–	–	–	–	–	–	–	–	–	–	(1)	(1)
Transactions with non-controlling interests without change in control		–	–	–	–	(62)	50	11	682	(2)	679	703	1 382
Pepkor Holdings	30.2	–	–	–	–	–	–	–	75	–	75	291	366
Pepco Group	30.2	–	–	–	–	(62)	50	11	607	(2)	604	412	1 016
Net treasury shares sold	28.5	–	–	–	67	(59)	–	–	–	–	8	–	8
Treasury shares cancelled	28.2	–	(139)	–	139	–	–	–	–	–	–	–	–
Attributable share of other reserves relating to equity accounting	11.2	–	–	–	–	–	–	–	–	5	5	–	5
Share-based payments		–	–	–	–	–	–	14	3	–	17	8	25
Share-based payments – Pepkor Holdings ESRS exercised	33.1.1	–	–	–	–	–	–	(7)	3	–	(4)	4	–
Share-based payments – Pepco Group Value Creation Plan	33.1.3	–	–	–	–	–	–	13	–	–	13	–	13
Share-based payments – Pepkor Holdings ESRS expense	33.1.1	–	–	–	–	–	–	8	–	–	8	4	12
Net fair value gain on cash flow hedges transferred to inventory		–	–	–	–	–	–	–	–	15	15	–	15
Transfers to other reserves[2]		–	–	–	–	(39)	–	–	–	39	–	–	–
Total equity at 30 September 2021		43	10 881	(2)	(276)	(15 125)	(1 244)	40	519	(19)	(5 183)	2 022	(3 161)

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

[2] *The transfers from other reserves to retained earnings relate to the release of reserves, specifically cash flow hedging reserve, share-based payment reserves, post-employment benefits and capital redemption reserve fund.*

Refer to note 27 for a description of nature and purpose of each reserve.

The accompanying notes form an integral part of the 2021 Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Notes	2021 €m	Restated[1] 2020 €m
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	25.1	**1 352**	1 171
Dividends received	11.2	**524**	–
Ordinary dividends paid		**(1)**	(14)
Preference dividends paid		**(4)**	(6)
Interest received		**56**	44
Interest relating to leases – continued operations	18	**(121)**	(133)
Interest relating to leases – discontinued operations		**(55)**	–
Interest paid	5 & 17.2	**(130)**	(139)
Tax paid		**(197)**	(116)
Net cash inflow from operating activities		**1 424**	807
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment and investment property	9	**(271)**	(239)
Proceeds on disposal of property, plant and equipment and intangible assets		**8**	93
Additions to property, plant and equipment and investment property included under held-for-sale	35	**(14)**	(69)
Proceeds on disposal of property, plant and equipment included under held-for-sale		**152**	310
Additions to intangible assets	8	**(42)**	(64)
Acquisition of subsidiaries and businesses, net of cash on hand at acquisition	26	**(6)**	(3)
Disposal of businesses net of cash	1.4	**66**	543
Proceeds from the disposal of investments in equity accounted companies	11.5, 4.2.4 & 35	**10**	19
Payments for investments in equity accounted companies	11.2	**–**	(1)
Net cash (outflow)/inflow from investing activities		**(97)**	589
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from sale of treasury shares, net of transaction costs		**1**	2
Transaction with non-controlling interest	30.2	**1 342**	104
Pepkor Holdings – bookbuild		**409**	104
Pepkor Holdings – share buyback		**(43)**	–
Pepco Group – IPO (net of directly related cost paid)		**976**	–
Net shares bought from non-controlling interests	30.2	**–**	(4)
Payment of lease commitments	18.1	**(425)**	(428)
Repayments of borrowings	17.2	**(2 158)**	(1 196)
Proceeds from borrowings		**838**	426
Continued operations	17.2	**828**	426
Discontinued operations		**10**	–
Net cash outflow from financing activities		**(402)**	(1 096)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**925**	300
Effects of exchange rate translations on cash and cash equivalents		**154**	(85)
Cash and cash equivalents at beginning of the period		**2 166**	1 951
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**3 245**	2 166
Reconciliation of Cash and Cash Equivalents at end of period			
Cash and cash equivalents	16	**3 151**	2 015
Cash and cash equivalents held-for-sale	35	**94**	151
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**3 245**	2 166

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

The accompanying notes form an integral part of the 2021 Consolidated Financial Statements.

BASIS OF PREPARATION

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

REPORTING ENTITY

Steinhoff N.V. is a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, has its corporate seat in Amsterdam, the Netherlands, and its principal place of business at Building B2, Vineyard Office Park, Cnr Adam Tas & Devon Valley Road, Stellenbosch 7600, South Africa. The Company is registered with the Trade Register in the Netherlands under number 63570173, with tax residency in South Africa. The Company has a primary listing on the FSE in Germany and a secondary listing on the JSE in South Africa. The Consolidated Financial Statements of Steinhoff N.V. for the period ended 30 September 2021 comprise the Group and the Group's interest in equity accounted companies. The Group is primarily a global holding company with investments in retail businesses. The Group operates in Africa, Australasia, Europe, the United Kingdom and the United States of America.

Refer to the Annexure 1: Glossary of Terms applicable to this report.

BASIS OF PREPARATION

Statement of compliance

The 2021 Consolidated Financial Statements and 2021 Separate Financial Statements have been prepared in accordance with IFRS, as adopted by the EU, and also comply with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code. All standards and interpretations issued by the IASB and the IFRIC, effective for periods starting on 1 October 2020, have been endorsed by the EU. Where necessary, adjustments have been made to the financial results of all Group entities to ensure compliance with Group accounting policies.

Accounting policies set out here have been applied consistently to all periods presented and are consistent with policies applied in the 2020 Reporting Period, except for the adoption of new or amended standards during the Reporting Period (refer to note 37). The adoption of these amendments did not have any impact on the amounts recognised in the 2020 Reporting Period.

All new accounting standards that became effective in the 2021 Reporting Period have been applied.

Historical cost convention

The 2021 Consolidated Financial Statements and 2021 Separate Financial Statements are prepared under the historical cost convention adjusted for the effects of inflation where entities operate in hyperinflationary economies and for the revaluation of certain financial instruments to fair value.

Presentation and functional currency

Unless otherwise indicated, the 2021 Consolidated and Separate Financial Statements are prepared on the accrual basis in millions of euro (€m). The euro is the Group's presentation currency and the Company's functional currency.

Going concern

In determining the appropriate basis of preparation of the 2021 Consolidated Financial Statements and the 2021 Separate Financial Statements of the Company, the Management Board is required to consider whether the Group and the Company can continue in operational existence for the foreseeable future.

In doing so the Board has prepared and assessed the Group's and the Company's cashflow forecasts in order to substantiate the going concern assumption, and has considered the impact of the provision for the Litigation Settlement Proposal, the extension of the maturity date of the debt, and assessed the impacts of the COVID-19 global pandemic on the going concern position.

The Management Board draws stakeholders' attention to the following assumptions that are key in arriving at the forecast cash flows, namely:

Litigation

On 15 February 2021, Steinhoff N.V. announced that it was beginning the implementation of its Litigation Settlement Proposal and applied for the opening of a Dutch SoP proceedings and offered the Steinhoff N.V. Composition Plan to its Dutch SoP creditors. The Dutch Court confirmed the Steinhoff N.V. Composition Plan on 23 September 2021. Following expiry of a prescribed 8-day period wherein the court's decision is open to appeal, during which no appeal was lodged, the Dutch Court order became final and binding and by consequence the Steinhoff N.V. Composition Plan became binding on all Dutch SoP creditors in accordance with its terms. The Steinhoff N.V. Composition Plan was proposed in parallel with the proposal by SIHPL in terms of the SIHPL S155 Scheme. Both proposals, which are inter-conditional, form part of the Litigation Settlement Proposal to resolve the legacy claims arising from the announcement of accounting irregularities.

Going concern (continued)

Litigation (continued)

The sanctioning of the SIHPL S155 Scheme on 24 January 2022 has resulted in a compromise of any, and all, claims against SIHPL (whether or not legally established and whether or not admitted or disputed by SIHPL and to substitute all such claims with the rights arising under the terms of the SIHPL S155 Scheme). Pursuant to the SIHPL S155 Scheme having been adopted overwhelmingly by the SIHPL scheme creditors, SIHPL brought a sanction application.

SIHPL's application for the approval and sanction of the S155 Scheme was heard on 24 January 2022, by the Western Cape High Court. At the close of the hearing the Court granted SIHPL's request and granted an order approving and sanctioning the S155 Scheme. Following receipt of the Order, "Settlement Effective Date" (referred to under the S155 Scheme and the Composition Plan) is expected to occur on or about 15 February 2022. As disclosed in Steinhoff N.V.'s announcement of 15 December 2021, formal withdrawal of the various litigation that has been settled, including the withdrawal of the Liquidation Application against Steinhoff N.V. will occur immediately following Settlement Effective Date. Occurrence of Settlement Effective Date is the remaining condition under the Composition Plan.

The following key considerations were taken into account by the Management Board:

- The maturity date of the Steinhoff N.V. CPUs will be extended to June 2023, subject to the Settlement Effective Date; and
- The Litigation Settlement Proposal has reached significant positive milestones, including the adoption and confirmation of the Steinhoff N.V. Composition Plan, the almost unanimous adoption of the SIHPL S155 Scheme by relevant classes of SIHPL creditors, the Court Order approving and sanctioning the S155 Scheme on 24 January 2022 as well as regulatory approval by FinSurv.

At 30 September 2021, the Group's obligation in respect of the Litigation Settlement Proposal has been classified as a provision and measured as per the Steinhoff N.V.'s Composition Plan as well as the SIHPL S155 Scheme term sheet, which represent the best estimate of the total amount to be incurred to settle the obligation. In light of the key considerations taking into account by the Management Board as set out above, the obligation is no longer disclosed as a contingent liability.

The Group and the Company's cash flow forecasts are adjusted for the impact of the Litigation Settlement Proposal as detailed in note 23.4 of these 2021 Consolidated Financial Statements.

Classification of Debt

As part of the implementation steps of the Litigation Settlement Proposal, the Group delivered the Interim Debt Extension request to its lenders on 6 August 2021 requesting consent to extend the maturity date of the Group's outstanding corporate debt from 31 December 2021 to 31 December 2022.

On 11 August 2021, consent for the Interim Debt Extension was granted by those lenders. Consequently, the maturity date of the Steinhoff N.V. CPU and facility agreements entered into pursuant to the CVA, was extended from 31 December 2021 to 31 December 2022. As a result, the debt is classified as non-current as at 30 September 2021. Refer to note 17.
A further term extension will be granted initially to 30 June 2023 on the Settlement Effective Date of the global Litigation Settlement Proposal and such maturity date is capable of further extension to 31 December 2023 with further simple majority lender approval.

COVID-19

The underlying businesses operate a number of strong local brands and are well diversified by geography and business line. While COVID-19 constraints affected the performance of all businesses during the 2021 and 2020 Reporting Periods, the extent of the impact varied according to their geographic exposure, business mix, and severity and duration of lock down restrictions at a local level. The Group's unparalleled position in the discount and value retail market segments continues to be increasingly relevant in addressing consumer needs. While the Group is confident that the actions it has taken, and continues to take, to address the impacts of COVID-19 are appropriate and timely. The developments and the mitigating actions are being kept under constant review. The Group has assessed its ECL calculations as well as the impairment of goodwill and intangible assets taking into consideration the constrained retail environment and has concluded that its ECL provisions are reasonable and that no impairment of goodwill and intangible assets were necessary as at 30 September 2021.

Going concern (continued)

Conclusion

In determining the appropriate basis of preparation of these 2021 Consolidated Financial Statements and the 2021 Separate Financial Statements of the Company, the Management Board has considered whether the Group and the Company can continue in operational existence for the foreseeable future. The Management Board draws attention to the following facts:

- At 30 September 2021, the Group's current assets exceed its current liabilities;
- At 30 September 2021, the Group's total liabilities exceed its total assets. However, management draws the user of these financial statements' attention to the 2021 Consolidated Financial Statements' basis of preparation, which is the historical cost convention and therefore the majority of the assets are recognised at book value and not fair value. The fair value of the assets held by the Group, as at 30 September 2021, has been taken into account in the calculation of the Steinhoff N.V. CPUs in the 2021 Separate Financial Statements of Steinhoff N.V. (Refer to note 11 in the 2021 Separate Financial Statements of Steinhoff N.V. for more detail); and
- The Management Board does not intend to liquidate the Company and the underlying boards still plan to recover their assets and settle their debts in the normal course of business. The resolution of the litigation, following the court sanction on 24 January 2022, through the implementation of the Dutch SOP and the S155 scheme will enable management to actively pursue the next step of its strategic plan, being the restructure of the Group with the view to reduce debt and finance costs.

At the time of signing these 2021 Consolidated and Separate Financial Statements, the Management Board has a reasonable expectation that the Group has sufficient resources to continue in operation for the foreseeable future, which is not less than twelve months from the date of authorisation of these 2021 Consolidated and Separate Financial Statements. The Management Board has adopted the going concern basis in preparing these 2021 Consolidated and Separate Financial Statements.

Further information regarding the Group's business activities, together with the factors likely to affect its future development, performance and position including the response to COVID-19, is set out throughout the Management Report.

AREAS OF KEY JUDGEMENTS AND ESTIMATES

The preparation of Consolidated Financial Statements requires management to make judgements and estimates that affect the application of accounting policies and the reported values of assets, liabilities, income and expenses. Actual results may differ from these estimates. Judgements have been made after taking into account all known information, but these could change if additional relevant information comes to light.

Key accounting estimates are those that involve complex or subjective judgements or assumptions.

Key judgements	Note reference
1. Going concern assumption	Basis of preparation
2. Consolidation decisions	

Management's assessment of whether the Group controls/controlled the following entities required key judgements.

Main Group	Entities related to subsidiaries of the Main Group	Treated as controlled	Note reference
SRF	SRF	No (unconsolidated structured entity)	Basis of preparation

In order to give effect to the Composition Plan and the S155 Scheme upon the Settlement Effective Date, the SRF was incorporated on 24 August 2021. The objectives of the SRF are to become a party to the Litigation Settlement Proposal and fulfil its duties as per the S155 Scheme, Composition Plan and various Steinhoff global settlement agreements (together the "Agreements"), which is mainly to distribute the settlement funds it will receive to the relevant Market Purchase Claimants and Contractual Claimants. Therefore, the SRF has restricted activities with narrow and well-defined objectives and its activities will be funded mainly through the Group. This arrangement falls within the definition of a "structured entity" in terms of IFRS.

The Group has taken the below considerations into account to establish whether the Group controls this structured entity.

SRF is governed by a board of three directors, of which two directors are independent from the Group. The chairperson is independent and has a casting vote in the event of a deadlock in decision making. The SRF is required to fulfil its duties as set out in the Agreements. The SRF board of directors is bound by the Composition Plan as approved through the Dutch SoP and the objectives as set out in the deed of incorporation.

The Group does not have the ability to direct the relevant activities and has no exposure to variable returns. The Group does not control the SRF and therefore its results are not consolidated.

The SRF will receive the total estimated settlement amount to be paid to the Steinhoff N.V. and SIHPL Market Purchase Claimants, the Steinhoff N.V. Contractual Claimants (together the "SoP Settlement Fund") and to the SIHPL Market Purchase Claimants (the "S155 Settlement Fund").

AREAS OF KEY JUDGEMENTS AND ESTIMATES (CONTINUED)

Key judgements (continued)

2. Consolidation decisions (continued)

In the execution of the Composition Plan, the SRF will distribute the SoP Settlement Fund, S155 Settlement Fund and the additional contributions by the Deloitte firms and the D&O insurers as announced to the Steinhoff N.V. Market Purchase Claimants, the SIHPL Market Purchase Claimants and certain Steinhoff N.V. Contractual Claimants. The SRF will do so pursuant to the SRF and claims administration conditions in the Composition Plan. The SRF will become bound to the Composition Plan as of the Settlement Effective Date by countersigning the Composition Plan, which will occur close to Settlement Effective Date.

In order to fund its operations, the SRF will receive a cost contribution of €16.5 million from Steinhoff Africa, €1.1 million from Deloitte and €1.1 million from the D&O insurers. For the 2021 Reporting Period a total of €2 million has been spent by Steinhoff Africa on SRF costs and will be deducted from the committed €16.5 million, once Settlement Effective Date occurs.

On 15 September 2021, Steinhoff Africa ceded and pledged bank accounts to the value of ZAR6.2 billion (€351 million) to the SRF and Ainsley Holdings ceded 283 million Pepkor Holdings shares, in order to prove to the District Court of Amsterdam that the Group will be able to perform under the Composition Plan when Settlement Effective Date occurs.

Main Group	Entities related to subsidiaries of the Main Group	Treated as controlled	Note reference
Newco 3 group		Yes	Basis of preparation
	Pepco Group	Yes	Basis of preparation
	APAC Holdco Limited and its subsidiaries	Yes	Basis of preparation
	Conforama Group*	Yes	Refer below

* *Principal subsidiaries are those identified by management as contributing materially to the consolidated results or financial position of the Group.*

In preparing these Consolidated Financial Statements, Steinhoff N.V. had to conclude whether or not it had control over certain entities following various governance structure changes resulting from the restructuring transactions. Concluding that the Group controls Newco 3, resulted in the full consolidation and disclosure of its debt, assets, cash flow and operating results.

Prior to the implementation of the CVA, management had two options, either to place the Group into liquidation, which would have been value destructive and would not have provided the optimal value preservation in the circumstances for all stakeholders, or to pursue a debt and business restructuring process by entering into agreements with its lenders to ensure that value preservation and maximisation in the underlying assets is achieved as a common objective for all stakeholders.

The Group engaged in lengthy negotiations with its lenders, bondholders and other financial creditors to restructure its finances. These rigorously negotiated agreements resulted in extensive protective rights being provided to the creditors to address historical shortcomings in governance and to improve standards of independence and disclosure. These protective rights are not in the normal course of business and are due to historical extraordinary circumstances.

The Company has setup intermediate holding companies whose purpose, design and relevant activities will include acting as an intermediate holding company for the Newco 3 group in the management of its investments, the resolution of the legacy issues within the Newco 3 group, the repayment of the restructured financial debt and the selection of assets for disposal on appropriate terms. As part of the nomination rights that the creditors have agreed with the Company, the creditors have nominated certain individuals to be considered for appointment by Steinhoff N.V. as directors. These individuals are considered to have the skillset to help oversee the restructure and pay down the debt in an orderly manner thereby extracting greater value out of the assets. The assets and liabilities within Newco 3 represent a substantial portion of the Group.

Although the independent directors represent a majority of the board of Newco 3, being a key body in determining the path to repaying the Group's debt (which is the purpose with which they have been tasked), the Management Board, in concluding that the Group controls Newco 3, has considered various factors surrounding the shareholding and governance structures of Newco 3 and determined that:

- The Company, in consultation with its creditors, has designed the purpose of the entity;
- The Company has oversight, involvement, and the ability to affect change in the course of this intermediate holding company;
- The creditor nominated directors are independent professionals and have no obligation to act in accordance with instructions from creditors and have been nominated based on their skillset relevant to the purpose of the Newco 3 group; and their independence from the legacy issues of Steinhoff N.V.;
- Steinhoff N.V. has the appointment right of the directors on the newly constituted boards;
- Steinhoff N.V. has the legal right to remove these directors. Where a creditor nominated director is removed as a director by the shareholder, the consequences are governed by protective rights included in the facilities agreements.
- These protective rights allows Steinhoff N.V. to dismiss the creditor nominated director with cause, if dismissed without cause then it creates a potential event of default. This leaves a broad discretion with Steinhoff N.V. in exercising its power of dismissal. This includes the ability to dismiss a director who does not act with regard to the interests of the company and its stakeholders generally. Legally the dismissal rights are not diminished due to potential consequences.

AREAS OF KEY JUDGEMENTS AND ESTIMATES (CONTINUED)

Key judgements (continued):

2. Consolidation decisions (continued)

- The debt is the Company's and the debt has not been extinguished;
- The Company has an overall guarantee for the Newco 3 group of entities, refer to the 2021 Separate Financial Statements and the accounting treatment of the underlying CPUs;
- The Company still holds 100% of Newco 3's ordinary shares;
- The Company is accountable for the success of the overall restructuring and therefore has built-in additional ways to influence the outcome despite the design of the entity and the assignment of directors.
- The composition of the body of creditors shifts over time and the creditors do not operate as a single block;
- The relevant board of directors do not act on their own behalf and neither do they act only on behalf of the lenders who nominated them. They act on behalf of the company and therefore need to act on behalf of all stakeholders of the company irrespective of who nominated them;
- The governance rights agreed to by the Group are to ensure that the creditors' interests are protected. Given the significant level of debt, the creditors have been given significantly more protection rights than usual;
- The Group has the power to direct the relevant activities through the strategic roadmap provided to these boards as part of the restructure process, in a way that is consistent with the wider Group strategy.

The Group is fully exposed to the losses of this group of companies and the Group is directing the group wide process of recovering the maximum value for all stakeholders across the whole group. The Management Board has weighed the facts and circumstances as set out above and believes that the Company maintains control of Newco 3 and should therefore continue to consolidate Newco 3, resulting in the debt and underlying assets remaining on its balance sheet.

Main Group	Entities related to subsidiaries of the Main Group	Treated as controlled	Note reference
Conforama Group		Yes	Basis of preparation
	Conforama Investissement SNC	Yes	Basis of preparation
	Conforama Développement SASU	Yes	Basis of preparation
	Conforama Holding SA	Yes	Basis of preparation

The French Commercial Court of Meaux, on 11 April 2019, approved an amicable restructuring agreement entered into between Conforama Group and its creditors, as part of a French law "conciliation" process which provided the framework for the refinancing negotiations. This ruling allowed Conforama Group to implement its financial restructuring. The Conforama Group restructuring resulted in a governance structure being set up in a way that supported the Group's objective of maximizing the recovery for all stakeholders and were instituted with agreement of the Group (via Newco 3) and in a way that was consistent with the objective of the entire Group. At the Reporting Date, the Group has retained its indirect equity ownership of 99.99% of the ordinary shares although the group structure has changed.

The key terms of the financial restructuring included:

- A total nominal value of €316 million new money financing consisting of Tranche A Bonds to the amount of €205 million, which was issued on 15 April 2019, and 111 million Tranche B Bonds at a nominal value of €1 per bond which remain unissued;
- One golden share named "Class 1 Preference Share" (the "Golden Share") was created on 3 April 2019. It was initially owned by Conforama Investissement and was transferred on 15 April 2019 to Equities Gestion acting as trustee under a trust agreement in relation to the Golden Share, also dated 15 April 2019. Pursuant to the terms and conditions of the Golden Share, the specific rights attached to it (including veto rights and the right to direct the appointment of more than half of the board members) are conditional upon the occurrence of a "Triggering Event", i.e., the opening of insolvency/pre-insolvency proceedings and/or an event of default under the Conforama Group finance documents. The Triggering Event would ultimately lead to the activation of a new governance structure. During the 2021 Reporting Period the senior bonds were fully repaid, the Golden Share was automatically converted in one ordinary share, and therefore lost all its specific rights, meaning the Golden Share can no longer be activated to trigger a new governance structure; and
- On 29 May 2019, Conforma Holding SA issued a total of 205 242 947 warrants (the "Warrants") which, if and when exercised, are "convertible" into 205 242 947 Class 2 Preference Shares. Pursuant to their terms and conditions, the Warrants may only be exercised within a certain period of time before the occurrence of an "Exercise Event". An Exercise Event is the occurrence of any of the following:

  (i) any distribution of any nature whatsoever made from time to time by Conforama Holding SA for the benefit of its shareholders;

  (ii) a listing, partial exit or change of control within the meaning given to these terms on the terms and conditions;

  (iii) any voluntary or judicial liquidation of Conforama Holding SA; or

  (iv) the date which is six months prior to 29 May 2029.

AREAS OF KEY JUDGEMENTS AND ESTIMATES (CONTINUED)

Key judgements (continued):

2. Consolidation decisions (continued)

If all the Warrants were to be exercised (which is an individual decision to be made by each holder of Warrants during the relevant Exercise Period), they are "convertible" into 205 242 947 Class 2 Preference Shares. Class 2 Preference Shares bear significant financial rights, as they together give right by priority to 49.90% of all shareholders' proceeds in case of a distribution, exit or liquidation. However, each Class 2 Preference Share bears only one voting right, and therefore the potential exercise of all Warrants would have little impact per se on the allocation of voting powers within the company. In particular, Conforama Développement SASU would continue holding more than 99% of the ordinary shares issued by Conforama Holding SA.

At the 2021 Reporting Date the Golden Share (and the rights attached thereto) can no longer be triggered as it has been converted into an ordinary share and therefore was disregarded for control assessment purposes. Similarly, the Warrants, even though issued, are neither exercised nor exercisable; therefore, the Warrants and the rights attached thereto, were also disregarded for control assessment purposes. The triggering of the Golden Share and the exercise of the Warrants are not linked. The conversion of the Warrants into Class 2 Preference Shares would not result in the loss of control but only provide a financial right to the warrant holder to 49.90% of all shareholders' proceeds in case of a distribution, exit or liquidation.

The Group has the ability to appoint all the directors through Newco 3, with the CEO of the Conforama Group being appointed by the other four Conforama board members. Two of the directors are nominated by the creditors who hold the Warrants.

The creditor nominated directors must be independent from the creditors and are only appointed with the support of the Group. The Group has the right to dismiss all the directors without cause, although there may be repercussions unless there is evidence that the directors were not fulfilling their fiduciary duty to act in the best interest of Conforama Group and they would have to be replaced with creditor nominated directors if applicable.

In reaching the abovementioned conclusion, it is based on the key judgement that the Group controls Newco 3.

Further consideration was given on whether the Warrants issued on 29 May 2019 should be recognised as a non-controlling interest in the Group's Consolidated Financial Statements.

The Class 2 Preference Shares provide the holders thereof the right to 49.9% of dividends (declared at Conforama Group's discretion) as well as to a proportion of the net liquidation proceeds in the event that Conforama Group is liquidated. The Class 2 Preference Shareholders' right to net liquidation proceeds is on substantially the same terms as the ordinary shareholders (i.e. net liquidation proceeds will first be employed to settle the par value of the shares held by all the shareholders pro-rata to their stake in Conforama Group's share capital, following which the remainder will be settled to the ordinary and the Class 2 Preference Shareholders based on the dividend portion formula).

The Class 2 Preference Shares will therefore be classified as a non-controlling interest in the Group's Consolidated Financial Statements as it provides the holders thereof the right to the equity of Conforama Group.

As it has been determined that the Class 2 Preference Shares will be classified as a non-controlling interest in the Consolidated Financial Statements, consideration should be given to whether the unexercised Warrants will also be classified as a non-controlling interest.

Based on the terms governing the exercise of the Warrants, the Warrants will be exercised once any form of equity return is provided to the ordinary shareholders (i.e. a dividend distribution of any form and/or net liquidation proceeds from a liquidation event) and mandatorily by 29 May 2029 if not yet exercised by such date. The Warrants therefore provide the holders thereof with the right to equity returns from issuance date and not only from the date that the Warrants are exercised. This would therefore result in the issued Warrants being classified as a non-controlling interest from issuance date.

Management has therefore determined that 49.9% of Conforama Group's equity should be attributed to non-controlling interest.

The non-controlling interest of the Conforama Group is still the subject of lawsuits. Management has therefore considered the information available, despite ongoing uncertainty in specific areas, and determined that no percentage should be attributed to non-controlling interest relating to the lawsuits. Nevertheless, a litigation provision has been raised for €100 million.

It is management's assessment that Conforama met the classification of held-for-sale during the 2020 Reporting Period. At the Reporting Date all the Conforama businesses have been sold, except for Conforama Iberia and Coforama Italy. These businesses still met the classification as held-for-sale. Refer to note 1.

Entity	Note reference
Conforama: non-controlling interest attributable to Seifert entities	Notes 30 & 23.5

AREAS OF KEY JUDGEMENTS AND ESTIMATES (CONTINUED)

Key judgements (continued):	Note reference
3. Recoverability of financial and other assets	

Financial assets
The recoverability of loans and assets with counterparties have been assessed for impairment as required under IFRS 9 – Financial Instruments.

4. Recognition and derecognition of liabilities	Note 17
5. Recognition and measurement of provisions (including Litigation Settlement Proposal)	Note 23
6. Correct classification and completeness of contingent liabilities	Note 24
7. Correct classification of disposal groups and non-current assets held-for-sale	Note 35
8. Correct classification and completeness of liabilities and events occurring after the Reporting Period	Notes 24 & 36

Key estimates	Note reference
1. Estimation of uncertain tax positions	Note 6
2. Estimation of future taxable profits in support of recognition of deferred tax assets	Note 6
3. Estimation of inputs into discounted cash flow models relating to the impairment of goodwill	Note 8
4. Estimation of inputs into discounted cash flow models relating to the impairment of intangible assets	Note 8
5. Estimation of the useful life of intangible assets	Note 8
6. Estimation of the recoverable amount and fair value of properties	Note 9
7. Estimation of the useful life and residual values of buildings	Note 9
8. Estimation of the fair value less cost of disposal for non-current assets held-for-sale of disposal groups	Notes 1 & 35
9 Estimation of provision to be raised for the Litigation Settlement Proposal	Note 23.4
10. Estimation of fair value of identifiable assets and liabilities impacting the measurement of goodwill in a business combination	Note 26
11. Estimation of vesting conditions relating to share-based payments	Note 33
12. Estimation in determining the lease terms and discount rates applicable to lease agreements	Notes 10 & 18

AREAS OF KEY JUDGEMENTS AND ESTIMATES (CONTINUED)

Accounting policy elections

The following significant accounting policy elections have been made by the Group:

Area	Details
Transitions	
IFRS 16: Leases	The Group has elected to apply IFRS 16 using the modified retrospective approach by recognising the cumulative effect, if any, of initially applying IFRS 16 as an adjustment to opening balance of equity at 1 October 2019.
IFRIC 23: Uncertainty over Income Tax Treatments	The Group has elected to apply IFRIC 23 retrospectively with the cumulative effect of initially applying IFRIC 23 recognised as an adjustment to opening accumulated losses on 1 October 2019.
Statement of profit or loss	
Income from investments	The Group has elected to present income from investments separately on the face of the statement of profit or loss. Income from investments comprise finance income and dividend income.
Discontinued operations	The Group has elected to present the detail of the profit or loss of discontinued operations in a separate note instead of on the face of the statement of profit or loss. **Intercompany transactions between continuing and discontinued operations** Intercompany transactions and balances between continuing and discontinued operations are eliminated within both continuing and discontinued operations. The intercompany eliminations are added back as reconciling items for segmental reporting to present the reportable segments prior to the intercompany eliminations as this more closely reflects the trading conditions within each reportable segment.
Statement of financial position	
Investment properties	The Group has elected to measure all investment properties using the cost model.
Owner-occupied properties	The Group has elected to measure all owner-occupied properties using the cost model.
Statement of cash flows	
Interest paid and received	The Group views interest paid and received as operating activities as these are largely incurred in the funding of operations.
Dividends paid and received	The Group discloses dividends paid and received as operating activities as this demonstrates the Group's ability to pay dividends out of operating cash flows.
Discontinued operations	The Group has elected not to disaggregate all the cash flows from discontinued operations in the statement of cash flows. The detail of the main components of cash flow from discontinued operations are disclosed in the notes to the 2021 Consolidated Financial Statements.
Basis of preparation – Cash flows	The Group has elected to present the cash flows using the indirect method. The indirect method adjusts accrual basis net profit or loss for the effects of non-cash transactions.

Exchange rates

The following table presents the exchange rates used by the Group.

	30 September 2021		30 September 2020	
	Average annual rate 1 euro =	Spot rate 1 euro =	Average annual rate 1 euro =	Spot rate 1 euro =
AUD – Australian Dollar	**1.5909**	**1.6095**	1.6522	1.6438
GBP – Pound Sterling	**0.8737**	**0.8605**	0.879	0.9124
PLN – Polish Zloty	**4.5366**	**4.6197**	4.3883	4.5462
USD – US Dollar	**1.1954**	**1.1579**	1.1206	1.1708
ZAR – South African Rand	**17.7294**	**17.5629**	18.1836	19.7092

Authorisation

The 2021 Consolidated Financial Statements were prepared by the Management Board and were authorised for issue on 28 January 2022. The 2021 Consolidated Financial Statements are subject to adoption by the General Meeting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

1. DISCONTINUED OPERATIONS

In order to fund operations, repay debt and support the Group's short-term liquidity, management decided to dispose of certain non-core assets or assets requiring significant cash commitments.

The majority of the businesses included in the following former reportable segments were disposed of or classified as held-for-sale during the 2020 and 2021 Reporting Periods. These businesses have been presented as discontinued operations:

Identified for inclusion in 2021 Reporting Period: Segment	Businesses
Greenlit Brands	Greenlit Brands – Plush
All Other segment	European Manufacturing, Sourcing and Logistics
	LIPO

Identified for exclusion in 2021 Reporting Period: Segment	Business
Pepkor Holdings	The Building Company

Identified for inclusion in 2020 Reporting Period: Segment	Business
Conforama	Conforama

Identified for inclusion prior to the 2020 Reporting Period: Segment	Businesses
European Properties	Hemisphere properties
Greenlit Brands	Greenlit Brands – General Merchandise
Automotive	Unitrans
All Other segment	Abra
	Blue Group
	Properties – Africa
	Sherwood

These disposals have also necessitated a restatement of segmental reporting (refer to note 2).

Refer to note 35 for more information on the held-for-sale assets and liabilities.

1. DISCONTINUED OPERATIONS (CONTINUED)

Identified for inclusion/exclusion in 2021 Reporting Period:

Pepkor Holdings – The Building Company

During the 2020 Reporting Period, Pepkor Holdings entered into a sale and purchase agreement for the disposal of the entire issued share capital of The Building Company. The approval of the transaction by the Competition Authorities was not fulfilled by the transaction long stop date of 16 August 2021. As a result, the parties have accordingly agreed to terminate the transaction.

The Building Company has performed well and has made substantial progress to restructure and consolidate the business while improving its strategic alignment, performance and profitability. Prior year comparatives have been restated, to account for The Building Company as a continuing operation, where it was previously classified as a discontinued operation.

All Other segment

LIPO

Subsequent to the 2021 Reporting Period the Group entered into a contract to sell the LIPO business. The disposal is subject to anti-trust approval and the terms of the sale remain confidential at this stage.

LIPO was therefore classified as held-for-sale on 30 September 2021.

European Manufacturing, Sourcing and Logistics

The remaining companies in this segment historically supported the operating companies within the Group. A project was undertaken to either merge these entities or to sell them. Management is of the view that these entities will be either deregistered or sold within the next 12 months and has therefore classified these entities as held-for-sale as at 30 September 2021.

Greenlit Brands – Plush

Greenlit Brands conducted a competitive process to sell the Plush business. Bi-lateral negotiations ensued with Nick Scali and a share sale agreement was signed on 2 October 2021 for an enterprise value of AUD110 million.

Greenlit Brands – Plush was therefore classified as held-for-sale on 30 September 2021.

Identified for inclusion in 2020 Reporting Period:

Conforama Group

Conforama France

Conforama France SA ("Conforama France"), the Group's French retail subsidiary, has been in turnaround since the 2019 Reporting Period. In its 2019 Annual Report Steinhoff N.V. confirmed that, following the COVID-19 outbreak in early 2020, the position of Conforama France was uncertain and that the Group had been unable to secure the state-guaranteed loan, for which it was eligible, to support the business through this difficult period. At that point the Group also confirmed that Conforama France was exploring near term options, including a potential sale of the business.

On 8 July 2020, the Group announced the disposal of Conforama France to Mobilux, the parent company of BUT, the leading French retailer of furniture, appliances and consumer electronics. Following the disposal, Conforama France received €500 million of new financing in a combination of state-guaranteed loans and funding from Mobilux.

The disposal secured the future of Conforama France, released the Group from its liabilities in respect of that business and allowed the Group to exit from the French market. The transaction was closed on 21 September 2020 for a purchase price of €1 for 100% of the issued share capital Conforama France, Confo! and Conforama Développement 7 and for the French Conforama trademarks and domain names.

Mobilux also acquired 18 real estate properties owned by Conforama Holding SA and operated by Conforama France for €70 million. These properties were transferred during the 2021 Reporting Period.

Conforama Switzerland

In a separate transaction, on 13 July 2020 Conforama Holding SA concluded an agreement to dispose of Conforama Suisse SA to a Swiss group of private investors for an agreed price of eight times EBITDA, €229 million. The proceeds were used to reduce debt at Conforama. The sale was closed at the end of July 2020.

Conforama Balkans

The businesses in the Balkans were disposed of on 22 September 2021 for €81 million. The proceeds from sale were used to fully repay the Tranche A Bond debt.

Conforama Iberia and Italy

Management has been actively marketing these businesses and the process remains ongoing. These businesses still met the classification as held-for-sale at the Reporting Date. Management remains committed to sell these businesses within the next 12 months.

1. DISCONTINUED OPERATIONS (CONTINUED)

Identified for inclusion prior to the 2020 Reporting Period (continued):

European Properties

Hemisphere properties

Hemisphere is an indirect wholly owned subsidiary of Steinhoff N.V. and held a portfolio of European properties. The European property portfolio comprised office, retail and warehouse space. The majority of the properties were occupied by Group companies.

The Hemisphere property disposal processes have been affected by the COVID-19 outbreak to varying extents. As at 30 September 2021 there is only one property left in the Hemisphere property portfolio. The Group remains committed to a sale of this property and the Management Board continues to believe that the held-for-sale classification remains appropriate for this asset.

Hemisphere property portfolio met the criteria to be classified as held-for-sale on 30 June 2019.

Greenlit Brands – General Merchandise

On 18 November 2019, Greenlit Brands announced its agreement to divest its General Merchandise division to Allegro Funds for approximately €39 million. The brands being disposed include Best & Less, Harris Scarfe, Postie and Debenhams Australia. This transaction was completed in early December 2019. The remaining Household Goods division is recognised as a continuing operation in the Greenlit Brands segment, with the exception of Plush.

At 30 September 2019, Greenlit Brands – General Merchandise met the criteria to be classified as held-for-sale.

Automotive

On 28 March 2019 the Company announced that, it had reached in-principle agreement to dispose of 74.9% of Steinhoff Africa's shares in Unitrans (and its subsidiaries), and 100% of the loan claims against Unitrans held by Steinhoff Africa, to CFAO Holdings South Africa Proprietary Limited. From 30 September 2018, the Automotive business met the criteria to be classified as held-for-sale.

The effective date of sale was 27 November 2019. Unitrans was fully consolidated up to this date.

The remaining 25.1% of the shares were sold to Kapela Holdings, a black-owned investment holding company, on 19 December 2019.

The Automotive business was a separate reportable segment and has therefore been disclosed as a discontinued operation in the 2020 Reporting Period.

All Other Segment

Abra

The Group concluded the sale of Abra during October 2019. Abra was included as a discontinued operation in the 2020 Reporting Period.

Blue Group

On 15 November 2019 the Group announced that, in line with the strategy of simplifying its portfolio and deleveraging the balance sheet, it had reached agreement to sell the Blue Group's household goods division, Blue Group Holdco Limited to Alteri Investors for purchase price of £8.85 million (€9.984 million). The effective date of the sale was 26 February 2020.

Blue Group was included as a discontinued operation in the 2020 Reporting Period.

Properties – Africa

The Group commenced a process post March 2019 to dispose of the remaining African property portfolio. As at the 30 September 2021, the portfolio has been materially disposed of. Management believes that the remaining properties will be disposed of within the next 12 months as agreements have already been entered into for all but one property. The portfolio therefore still meets the criteria to be classified as held-for-sale.

Sherwood

The Group disposed of its 80% interest in Sherwood during January 2020 to Tempur Sealy for approximately €45 million. Sherwood was included as a discontinued operation in the 2020 Reporting Period.

The businesses discussed above are presented as discontinued operations in the consolidated statement of profit or loss, consolidated statement of comprehensive income and consolidated statement of cash flows for the period ended 30 September 2021. Comparative information has been restated accordingly.

The detail of assets and liabilities classified as held-for-sale is presented in note 35.

1. DISCONTINUED OPERATIONS (CONTINUED)

1.1 Adjustment of the prior period statement of profit or loss for discontinued operations

	2020		
	Previously reported €m	Adjustment for discontinued operations €m	Continuing operations presented €m
Continuing operations			
Revenue	**7 899**	135	**8 034**
Cost of sales	**(4 779)**	(109)	**(4 888)**
Gross profit	**3 120**	26	**3 146**
Other income	**49**	–	**49**
Distribution expenses	**(665)**	(17)	**(682)**
Administration expenses	**(2 030)**	–	**(2 030)**
Other expenses	**(1 401)**	2	**(1 399)**
Operating loss	**(927)**	11	**(916)**
Finance costs	**(1 191)**	(4)	**(1 195)**
Income from investments	**74**	2	**76**
Share of result in equity accounted companies	**(7)**	–	**(7)**
Impairment of equity accounted companies	**(18)**	–	**(18)**
Loss before taxation	**(2 069)**	9	**(2 060)**
Taxation	**(123)**	7	**(116)**
Loss for the period	**(2 192)**	16	**(2 176)**
Loss attributable to:			
Owners of Steinhoff N.V.	**(2 141)**	16	**(2 125)**
Non-controlling interests	**(51)**	–	**(51)**
Loss from continuing operations	**(2 192)**	16	**(2 176)**
Basic loss per share (cents)	**(51.5)**	0.3	**(51.2)**

1.2 Statement of profit or loss for discontinued operations

	Notes	2021 €m	Restated[1] 2020 €m
Revenue		**1 022**	3 548
Cost of sales		**(660)**	(2 312)
Gross profit		**362**	1 236
Other income		**(10)**	(130)
Distribution expenses		**(35)**	(173)
Administration expenses		**(268)**	(1 054)
Other expenses		**52**	(175)
Impairments	1.2.1	**–**	(69)
Loss on remeasurement of financial liability and penalties	1.2.4	**(22)**	(140)
Profit on disposal of property, plant and equipment and intangible assets	1.2.2	**33**	81
Cumulative other comprehensive income reclassified to profit or loss on disposal or derecognition of investment	1.2.3 & 1.4	**41**	(47)
Operating profit/(loss)		**101**	(296)
Finance costs		**(92)**	(211)
Income from investments		**–**	2
Gain on disposal of discontinued operations/disposal group	1.4	**38**	241
Profit/(loss) before taxation		**47**	(264)
Taxation[2]	6.1	**(26)**	85
Profit/(loss) for the period		**21**	(179)
Profit/(loss) attributable to:			
Owners of Steinhoff N.V.		**(6)**	(139)
Non-controlling interests		**27**	(40)
Profit/(loss) for the period		**21**	(179)

[1] *Comparative numbers have been restated as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

[2] *Taxation during the 2020 Reporting Period relates mostly to Conforama, where a deferred tax liability was reversed due to brand names included in the sale of Conforama France and Switzerland and other taxes that will no longer become due.*

1. DISCONTINUED OPERATIONS (CONTINUED)

1.2 Statement of profit or loss for discontinued operations

	Notes	2021 €m	Restated[1] 2020 €m
1.2.1 Impairment/(reversal of impairment)			
Property, plant and equipment	9	–	55
Assets held-for-sale	35	–	23
Other		–	(9)
		–	69
1.2.2 Profit on disposal of property, plant and equipment and intangible assets		**(33)**	(81)
The profit during the Reporting Period relates mostly to the 18 properties sold by Conforama France to Mobilux. The 2020 Reporting Period profit relates mostly to the Hemisphere's property sales.			
1.2.3 Cumulative other comprehensive income reclassified to profit or loss on disposal or derecognition of investment			
Reclassification of FCTR		**(41)**	47
1.2.4 Loss on remeasurement of financial liability and penalties			
Remeasurement of financial liability	17.2	–	81
Prepayment premiums and commitment fees	17.2	**22**	19
Release of the prepayment on Tranche B bonds		–	40
		22	140
TOTAL OTHER EXPENSES FROM DISCONTINUED OPERATIONS		**(52)**	175

1.3 Presentation of discontinued operations in the statement of cash flows

	2021 €m	Restated[1] 2020 €m
Cash flows from discontinued operations		
Net cash (outflow)/inflow from operating activities	**(43)**	329
Net cash inflow from investing activities	**262**	314
Net cash outflow from financing activities	**(365)**	(597)
Net cash (outflow)/inflow	**(146)**	46

[1] *Comparative numbers have been restated as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

1. DISCONTINUED OPERATIONS (CONTINUED)

1.4 Details of the disposal of subsidiaries and equity investments classified as discontinued operations

30 September 2021	Conforama-Balkans €m	Other[1] €m	Total €m
Carrying value of assets and liabilities at date of disposal			
Assets			
Right-of-use asset	33	–	33
Property, plant and equipment	19	6	25
Inventories	23	–	23
Trade and other receivables	7	4	11
Cash and cash equivalents	10	–	10
Liabilities			
Trade and other payables	(64)	–	(64)
Carrying value of assets and liabilities at date of disposal	28	10	38
Gain on disposal	37	1	38
Total consideration	65	11	76
Net cash inflow arising on disposals			
Total consideration	65	11	76
Less cash on hand at date of disposal	(10)	–	(10)
Net cash inflow	55	11	66
Gain on sale before reclassification of FCTR	37	1	38
Reclassification of FCTR	43	(2)	41
Gain/(loss) on sale after FCTR reclassification	80	(1)	79

[1] *Other relate to the sale of businesses within the Africa Properties segment.*

30 September 2020	Sherwood €m	Automotive €m	Blue Group €m	Conforama[2] €m	Greenlit Brands €m	Other[1] €m	Total €m
Carrying value of assets and liabilities at date of disposal	38	230	14	(23)	34	2	295
Gain/(loss) on disposal	7	(3)	(4)	252	(9)	(2)	241
Total consideration	45	227	10	229	25	–	536
Net cash inflow arising on disposals							
Total consideration	45	227	10	229	25	–	536
Less cash on hand at date of disposal	(1)	(46)	(23)	85	(6)	(2)	7
Net cash inflow/(outflow)	44	181	(13)	314	19	(2)	543
Gain/(loss) on sale before reclassification of FCTR	7	(3)	(4)	252	(9)	(2)	241
Reclassification of FCTR	–	(17)	12	(24)	(9)	(9)	(47)
Gain/(loss) on sale after FCTR reclassification	7	(20)	8	228	(18)	(11)	194

[1] *Other consists of Pritex and Steinhoff Risk Solutions Proprietary Limited.*
[2] *Relates to Conforama France and Conforama Switzerland*

1. DISCONTINUED OPERATIONS (CONTINUED)

1.5 Segmental information relating to discontinued operations

	2021	2020		
	Discontinued operations €m	Previously reported €m	Adjustment for discontinued operations €m	Discontinued operations presented €m
Segmental revenue from discontinued operations				
European Properties	**1**	15	–	15
Automotive	**–**	282	–	282
Greenlit Brands – General Merchandise	**–**	107	–	107
Greenlit Brands – Plush	**99**	–	79	79
Pepkor Holdings – The Building Company	**–**	399	(394)	5
Conforama	**723**	2 695	–	2 695
All Other				
European Manufacturing, Sourcing and Logistics	**9**	–	8	8
Blue Group	**–**	143	–	143
Properties – Africa	**3**	5	–	5
LIPO	**187**	–	172	172
Sherwood	**–**	37	–	37
Net external revenue from discontinued operations*	**1 022**	3 683	(135)	3 548

* *Revenue between discontinued operations have been eliminated.*

1. DISCONTINUED OPERATIONS (CONTINUED)

1.5 Segmental information relating to discontinued operations (continued)

Operating loss before depreciation and amortisation adjusted for material non-operational items (“EBITDA”)

	Notes	2021 €m	Restated[1] 2020 €m
EBITDA reconciles to the operating loss per statement of profit or loss from discontinued operations as follows:			
Operating gain/(loss) from discontinued operations	1.2	**101**	(296)
Depreciation and amortisation		**21**	137
Other (income)/expenses considered material non-operational items	1.2	**(52)**	175
Intercompany elimination with continuing operations		**14**	20
EBITDA per segment reporting from discontinued operations		**84**	36
European Properties		**(20)**	(45)
Automotive		**–**	6
Greenlit Brands – General Merchandise		**–**	2
Greenlit Brands – Plush		**15**	21
Pepkor Holdings – The Building Company		**–**	(5)
Conforama		**55**	23
All Other		**34**	34
EBITDA from discontinued operations as presented		**84**	36

Operating loss adjusted for material non-operational items (“EBIT”)

	Notes	2021 €m	Restated[1] 2020 €m
EBIT reconciles to the operating loss per statement of profit or loss from discontinued operations as follows:			
Operating gain/(loss) from discontinued operations	1.2	**101**	(296)
Other (income)/expenses considered material non-operational items	1.2	**(52)**	175
Intercompany eliminations with continuing operations		**14**	20
EBIT per segment reporting from discontinued operations		**63**	(101)
European Properties		**(20)**	(45)
Automotive		**–**	6
Greenlit Brands – General Merchandise		**–**	2
Greenlit Brands – Plush		**15**	15
Pepkor Holdings – The Building Company		**–**	(5)
Conforama		**55**	(89)
All Other		**13**	15
EBIT from discontinued operations as presented		**63**	(101)

[1] *Comparative numbers have been restated as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

2. SEGMENT INFORMATION

The Group determined the Management Board to be the chief operating decision maker ("CODM") for all periods under review.

The Group has disclosed the following reportable segments in respect of the 2021 Reporting Period and has restated the segment disclosures of the 2020 Reporting Period accordingly.

The CODM examines the Group's performance both from a product and geographical perspective and has identified the following six reportable segments of its business based on how information is accumulated and reported to the CODM:

- **Pepco Group**
  Pepco Group is listed on the Warsaw Stock Exchange since May 2021. This segment comprises the general merchandise retail business of Pepco (operating in Poland and central, western and eastern Europe) and Poundland (operating mostly in the United Kingdom and Republic of Ireland). The CODM monitors the performance of this listed group on a consolidated basis.
- **Greenlit Brands**
  The Greenlit Brands segment comprises the household goods retailers based in Australasia (majority of the retail stores are in Australia). The General Merchandise and Plush segments have been classified as a discontinued operation. The General Merchandise division was disposed of in December 2019 and Plush was disposed during November 2021. Refer to note 1. Major brands include Fantastic, Freedom and Best & Less. The CODM monitors the performance of Greenlit Brands on a consolidated basis.
- **Pepkor Holdings**
  Pepkor Holdings is listed on the JSE. Revenue in Pepkor Holdings is derived from a portfolio of retail chains focused on selling predominantly clothing, footwear, textiles, cell phones, airtime and fast moving consumer goods. Pepkor Holdings also operates in the furniture divisions where revenue is derived from sales of furniture and appliances. The Pepkor Holdings Group operates within Africa and the majority of its revenue is derived from South Africa. The CODM monitors the performance of this listed group on a consolidated basis.
- **Corporate and treasury services**
  Steinhoff N.V.'s various global corporate offices provide strategic direction and services to the decentralised operations globally. Activities include management of regulator and stakeholder engagement processes, negotiating funding and identifying and implementing corporate activities.
- **All other segment**
  Included in "All Other" were operating segments that did not meet the requirements of a reportable segment per IFRS 8 – Operating Segments. These segments are neither sufficiently material in size nor unique in their geography to warrant separate disclosure. Included in this category in the 2020 Reporting Period were the businesses of LIPO (operating from Switzerland) and the remaining European Logistics and Sourcing businesses. Both of these businesses were classified as discontinued in the Reporting Period.

Measures reported to the CODM

Revenue

Segment revenue excludes Value Added Tax. Intersegment revenue is eliminated in the segment from which it was sold.

Refer to the Basis of Preparation for the accounting policy on the elimination of intercompany transactions between continuing and discontinued operations.

No single customer contributes 10% or more of the Group's revenue.

Segment revenue from continuing operations

	2021			Restated[1] 2020		
	Total segment revenue €m	Intersegment revenue €m	Revenue from external customers €m	Total segment revenue €m	Intersegment revenue €m	Revenue from external customers €m
Pepco Group	**4 127**	**5**	**4 122**	3 529	23	3 506
Greenlit Brands	**714**	**–**	**714**	636	–	636
Pepkor Holdings	**4 361**	**4**	**4 357**	3 894	2	3 892
Corporate and treasury services	**–**	**–**	**–**	–	–	–
	9 202	**9**	**9 193**	8 059	25	8 034
Intercompany revenue from discontinued operations *	**–**	**–**	**–**	–	–	–
	9 202	**9**	**9 193**	8 059	25	8 034

* *The intercompany revenue from discontinued operations has already been eliminated from 'Revenue from external customers'.*

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

2. SEGMENT INFORMATION (CONTINUED)

Revenues from external customers – by geography from continuing operations

	2021 €m	Restated[1] 2020 €m
The Company is domiciled in the Netherlands. Negligible revenues are generated by the Group's Netherlands operations and therefore none are disclosed. The Group is primarily a global holding company with investments in retail businesses. The amount of its revenue from external customers is presented below based on the geographies that contribute materially to the Group's revenue.		
Australasia	**714**	636
Poland	**1 060**	880
Rest of Africa	**441**	551
Rest of Europe	**1 470**	1 303
South Africa	**3 917**	3 341
United Kingdom	**1 591**	1 323
	9 193	8 034

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

Operating performance measures – from continuing operations

The Group's share of equity accounted earnings, finance costs, investment income and income tax expenses are not monitored on a segmental level by the CODM and are therefore not allocated to the segments.

Operating profit or loss before depreciation and amortisation adjusted for material non-operational items ("EBITDA")

Segment performance is measured on continuing operations' EBITDA and represents segment revenue less segment expenses, excluding depreciation, amortisation and other expenses considered material non-operational items as included in note 4.2.

Segment expenses include distribution expenses and administration expenses.

Refer to the Basis of Preparation for the accounting policy on the elimination of intercompany transactions between continuing and discontinued operations.

EBITDA reconciles to the operating loss per statement of profit or loss as follows:

			2020		
	Notes	2021 €m	Previously reported €m	Adjustment for discontinued operations[1] €m	Continuing operations presented €m
Operating loss per statement of profit or loss		**(85)**	(927)	11	(916)
Depreciation and amortisation	4.3.1	**608**	581	(11)	570
Other expenses considered material non-operational items	4.2	**827**	1 401	(2)	1 399
Intercompany eliminations (discontinued operations)		**(14)**	–	(20)	(20)
EBITDA per segment reporting		**1 336**	1 055	(22)	1 033
EBITDA per segment:					
Pepco Group		**636**	411	–	411
Greenlit Brands		**96**	110	(21)	89
Pepkor Holdings		**714**	558	22	580
Corporate and treasury services		**(110)**	(47)	–	(47)
All Other		**–**	23	(23)	–
		1 336	1 055	(22)	1 033

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

2. SEGMENT INFORMATION (CONTINUED)

Operating profit or loss adjusted for material non-operational items ("EBIT")

Segment performance is measured on continuing operations' EBIT and represents segment revenue less segment expenses, excluding material non-operational items included in note 4.2.

Depreciation and amortisation have been allocated to the segments to which they relate.

Refer to the Basis of Preparation for the accounting policy on the elimination of intercompany transactions between continuing and discontinued operations.

EBIT reconciles to the operating loss per statement of profit or loss as follows:

	Notes	2021 €m	2020 Previously reported €m	2020 Adjusted for discontinued operations[1] €m	2020 Continuing operations presented €m
Operating loss per statement of profit or loss		**(85)**	(927)	11	(916)
Other expenses considered material non-operational items	4.2	**827**	1 401	(2)	1 399
Intercompany eliminations (discontinued operations)		**(14)**	–	(20)	(20)
EBIT per segment reporting		**728**	474	(11)	463
EBIT per segment:					
Pepco Group		**307**	112	–	112
Greenlit Brands		**28**	42	(14)	28
Pepkor Holdings		**503**	361	9	370
Corporate and treasury services		**(110)**	(47)	–	(47)
All Other		**–**	6	(6)	–
		728	474	(11)	463

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

Segmental assets

Segment assets are measured in the same way as in the 2020 Consolidated Financial Statements. Assets that are not considered to be segment assets such as cash and cash equivalents, investments in equity accounted companies and current and non-current other financial assets are excluded from the allocation of assets to segments.

Investment in equity accounted companies and current and non-current other financial assets are monitored by the CODM on a Group level as these assets are not related to the underlying operations or impact their performance. Such assets are not allocated to segments.

The segmental assets (both current and non-current) below are presented on a consolidated basis and all intercompany balances and investments in subsidiary companies have been disregarded for purposes of presenting segmental assets.

Reconciliation between total assets per statement of financial position and segmental assets

	30 September 2021 €m	Restated[1] 30 September 2020 €m
Total assets per statement of financial position	**15 084**	13 101
Less: Cash and cash equivalents	**(3 151)**	(2 015)
Less: Investments in equity accounted companies	**(151)**	(136)
Less: Non-current other financial assets	**(373)**	(425)
Less: Current other financial assets	**(2)**	–
Less: Assets classified as held-for-sale	**(936)**	(986)
Segmental assets	**10 471**	9 539
Segmental assets:		
Pepco Group	**3 879**	3 660
Greenlit Brands – Household Goods	**607**	684
Pepkor Holdings	**5 543**	4 809
Corporate and treasury services	**442**	191
All Other	**–**	195
	10 471	9 539

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

2. SEGMENT INFORMATION (CONTINUED)

Segmental non-current assets

The Group operates in a number of countries and the total non-current assets are presented on a geographical aggregation basis as this is more representative of the various factors taken into consideration when allocating resources as well as factors impacting impairment testing such as WACC, peer groups and operating environments.

The total of non-current assets other than financial instruments and deferred tax assets is presented based on the geographies that materially contribute to the Group's non-current assets.

Reconciliation between non-current assets per statement of financial position and segmental assets

	30 September 2021 €m	Restated[1] 30 September 2020 €m
Total non-current assets per statement of financial position	**8 647**	8 073
Less: Deferred tax assets	**(240)**	(224)
Less: Non-current other financial assets	**(373)**	(425)
Segmental non-current assets	**8 034**	7 424
Africa	**4 279**	3 749
Europe (including the United Kingdom)	**3 311**	3 167
Australasia	**444**	508
	8 034	7 424

Segmental net debt

The purpose of the debt or the company in which the debt is raised determines the debt cluster to which the debt, cash and cash equivalents and related finance costs and investment income is allocated. These debt clusters are then reviewed by the CODM. Refer to note 16 (Cash and cash equivalents) and note 17 (Borrowings) for further details.

	Cash and cash equivalents €m	Current and non-current borrowings €m	Net Debt €m
30 September 2021			
Pepco Group	**508**	**(619)**	**(111)**
Greenlit Brands	**114**	**–**	**114**
Pepkor Holdings	**352**	**(636)**	**(284)**
Corporate and treasury services[2]	**2 117**	**(9 835)**	**(7 718)**
European Properties	**37**	**(178)**	**(141)**
All Other	**23**	**–**	**23**
	3 151	**(11 268)**	**(8 117)**

	Cash and cash equivalents €m	Current and non-current borrowings €m	Net Debt €m
30 September 2020 - Restated[1]			
Conforama	–	(188)	(188)
Pepco Group	424	(494)	(70)
Greenlit Brands	119	(24)	95
Pepkor Holdings	298	(656)	(358)
Corporate and treasury services	1 006	(9 873)	(8 867)
European Properties	121	(218)	(97)
All Other	47	–	47
	2 015	(11 453)	(9 438)

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

[2] *The estimated cash to be utilised on SED for the Litigation Settlement Proposal amounts to c. €1 180 million, which includes the €351 million already ceded to the SRF. Refer to note 16 and note 23.4. The cash and cash equivalent value includes €520 million repayment received from Mattress Firm, which was used to repay corporate debt subsequent to the 2021 Reporting Period.*

3. REVENUE

	2021 €m	Restated[1] 2020 €m
Revenue from contracts with customers		
Sale of goods and related revenue	**9 051**	7 866
Other revenue[2]	**20**	22
Other sources of revenue		
Financial services income[3]	**122**	146
Total revenue from continuing operations (note 2)	**9 193**	8 034

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

[2] *Other revenue mainly relates to rental income.*

[3] *Financial services income relates mainly to Capfin SA, a subsidiary of Pepkor Holdings, which provides unsecured credit to customers under the Capfin brand.*

ACCOUNTING POLICY

Revenue from contracts with customers

Revenue is recognised when the Group satisfies performance obligations and transfers control of goods or services to its customers at an amount that reflects the consideration the Group expects to be entitled to in exchange for these goods or services, allocated to each specific performance obligation.

Revenue is not recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods as well as continuing management involvement with goods to a degree usually associated with ownership. Where the Group acts as agent and is remunerated on a commission basis, only the commission income, and not the value of the business transaction, is included in revenue.

Discounts

Different discounts are recognised depending on the nature of the customer. Some discounts are unconditional, such as cash discounts and early payment discounts. Unconditional discounts are recognised as a reduction in revenue at the same moment as the related sales transaction. Conditional discounts to customers such as volume and promotional rebates are recognised based on estimated target realisation. The estimation is based on accumulated experience supported by historical and current sales information.

Right of return

The Group estimates variable consideration to be included in the transaction price for the sale of goods where customers are entitled to a right of return within a specified time frame. The Group uses projection methods to forecast sales returns that are based on historical return data. Any significant changes in experience as compared to historical return patterns will impact the expected return percentages estimated by the Group. Estimated return percentages are updated regularly and the refund liability adjusted accordingly.

Revenue is recognised for the major business activities using the methods outlined below:

Sale of goods and related revenue

The Group operates retail stores selling general merchandise and household goods. Revenue from the sale of goods is recognised at a point in time once control of goods transfers to customers (performance obligation is met).

Payment is usually received via cash, debit card or credit card. Related card transaction costs are recognised in the statement of comprehensive income as other expenses. When goods are sold under instalment sale agreements, the present value of the instalment sale payments is recognised as a receivable using the effective interest rate computed at initial recognition.

Lay-by revenue is recognised on the initiation of the contract with the customer for the clothing and general merchandise segment, as this is deemed to be when control of the goods passes to the customer. The Group recognises revenue at the amount of consideration to which they expect to be entitled and for which a significant reversal of revenue is not considered probable. A contract liability for the expected possible unsuccessful lay-bys is recognised as an adjustment to revenue as well as an asset (with a corresponding adjustment to cost of sales) representing its right to recover the products from the customer. The Group uses projection methods to forecast unsuccessful lay-bys that are based on historical data. Any significant changes in experiences compared to historical patterns will impact the percentages estimated by the Group. Estimated percentages are updated regularly and the contract liability for unsuccessful lay-bys is adjusted accordingly.

Lay-by revenue is recognised when the final payment for the goods is received from the customer for the furniture, appliances and electronics and building materials segments as this is deemed to be when control of the goods passes to the customer and all performance obligations are met. Proceeds from these lay-by sales are recognised as contract liabilities, and the revenue is deferred until all the performance obligations are met.

Deposits received from customers are recognised as deferred revenue. These balances are considered contract liabilities, as they are received prior to the satisfaction of performance obligations.

3. REVENUE (CONTINUED)

ACCOUNTING POLICY (continued)

Financial services revenue

Effective interest income
Financial services revenue comprises mainly of interest income and financial service fee revenue.

Interest earned is recognised on a time-proportion basis. The Group calculates interest income by applying the effective interest rate to the gross carrying amount of the financial assets other than credit-impaired assets. When financial assets become credit-impaired, the Group calculates interest income by applying the effective interest rate to the net amortised cost (gross carrying amount less the allowance for expected credit losses) of the financial asset. If the financial asset is no longer deemed to be credit-impaired, the Group reverts to calculating interest income on a gross basis.

Collection revenue

Service fee revenue is earned based on a fixed percentage of outstanding debtor balances collected on behalf of third parties. Performance obligations are deemed to be met once the Group recovers the outstanding balance from a debtor or portion thereof, at which point the revenue is recognised.

Refund obligations and warranties

Return obligations generally include obligations for refunds and assurance type warrantee obligations and are accounted for as provisions in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.

4. MATERIAL ITEMS INCLUDED IN PROFIT OR LOSS AND BREAKDOWN OF EXPENSES BY NATURE

	Notes	2021 €m	Restated[1] 2020 €m
4.1 Other income			
Commission received[2]		**30**	28
Marketing and advertising income		**6**	4
Cancelled lay-bys and profit on factoring of debtors		**4**	1
Waste and carrier bag income		**8**	1
Business interruption insurance claim recovery – civil unrest		**10**	–
Other income		**18**	15
		76	49

[2] *Relates mainly to commissions received on ancillary services provided by Pepkor Holdings.*

	Notes	2021 €m	Restated[1] 2020 €m
4.2 Other expenses			
4.2.1 Impairment			
Goodwill	8	**1**	300
Intangible assets	8	**–**	6
Property, plant and equipment	9	**4**	4
Right-of-use assets	10	**10**	11
		15	321
4.2.2 Cumulative other comprehensive income reclassified to profit or loss on disposal or derecognition of investment			
Reclassification of FCTR		**19**	(1)
FCTR reclassified to profit on liquidation of a foreign subsidiary			
4.2.3 Profit on disposal of property, plant and equipment and intangible assets		**–**	(6)
4.2.4 Profit on sale and partial sale of investments			
Material equity accounted investments			
Profit on disposal of Cofel SAS	11.5	**–**	(14)
Other		**(2)**	–
		(2)	(14)
4.2.5 Fees relating to forensic investigation, advisory and restructure of the businesses		**57**	58

It has been necessary for the Group to engage a wide range of professional advisers to assist the Group with its legal, financial and regulatory requirements. The scale and complexity of this task has meant that the aggregate adviser costs for the Reporting Period have continued to be significant. The principal adviser relationships included legal advisors and corporate advisory functions that support the Group on discussions and engagement with its litigants, creditors, forensic investigation services and regulatory and taxation advisory services.

	Notes	2021 €m	Restated[1] 2020 €m
4.2.6 Litigation Settlement Proposal provision raised	23.4	**574**	943

On 15 February 2021, the Company applied for the opening of a Dutch SoP proceedings and offered the Steinhoff N.V. Composition Plan to its Dutch SoP creditors. The Dutch Court confirmed the Steinhoff N.V. Composition Plan on 23 September 2021. Following the expiry of a prescribed 8-day period wherein the court's decision is open to appeal, during which no appeal was lodged, the Dutch Court order became final and binding on 2 October 2021 and by consequence the Steinhoff N.V. Composition Plan became binding on all Dutch SoP creditors in accordance with its terms on 2 October 2021. The Steinhoff N.V. Composition Plan was proposed in parallel with the proposal by SIHPL in terms of the SIHPL S155 Scheme which was sanctioned on 24 January 2022. Both proposals, which are inter-conditional, form part of the Litigation Settlement Proposal to resolve the legacy claims arising from the announcement of accounting irregularities. Refer to note 23.4 – Litigation Settlement Proposal for relevant changes made to the provision, as announced throughout the 2021 Reporting Period.

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

4. MATERIAL ITEMS INCLUDED IN PROFIT OR LOSS AND BREAKDOWN OF EXPENSES BY NATURE (CONTINUED)

	Notes	2021 €m	Restated[1] 2020 €m
4.2 Other expenses (continued)			
4.2.7 Costs associated with the Litigation Settlement Proposal provision			
Provision – Active claimants groups ("ACG") lawyer fees		30	–
In order to improve recoveries to Market Purchase Claimants, the Group will be making available an amount of up to €30 million, subject to the implementation of the Litigation Settlement Proposal, to pay in respect of certain fees, costs and work undertaken by the ACGs on the terms to be specified in the settlement documents.			
Provision – SRF cost contribution		17	–
The Group established a new Dutch foundation, the SRF, on 24 August 2021, together with supporting arrangements in South Africa (for South African claimants). The purpose of the SRF is to administer and distribute the settlement consideration paid by, or on behalf of, the Group and other contributing parties. It is governed by a board of newly appointed directors with majority independence from the Group. Claimants are required to submit their claims for verification prior to receiving settlement payments. The SRF has retained Computershare to assist it to administer and verify claims prior to payment of the settlement consideration. The Group will contribute up to €16.5 million to cover the costs of the SRF. This value excludes any additional cost contributions to be made by other parties (i.e. Deloitte firms and D&O insurers) as disclosed in the Steinhoff N.V. Composition Plan. Any costs incurred by the SRF in excess of the cost contributions, will be deducted from the settlement fund, and any surplus cost contribution amount will revert to the parties that have paid such amounts to SRF, pro rata to the cost contribution of each such party. During the 2021 Reporting Period the Group contributed c. €2 million towards costs incurred by the SRF, which amount will be deducted from the anticipated cost contribution, as provided.			
Fair value adjustment – Synthetic Forward		19	–
Steinhoff Africa agreed to pay a portion of the Litigation Settlement Proposal provision on behalf of Steinhoff N.V. As a result, Steinhoff Africa has during the 2021 Reporting Period entered into forward exchange agreements with multiple banks in order to hedge against the foreign currency risk.			
		66	–
4.2.8 Seifert legal provision	23.5	–	85
4.2.9 ECL recognised on Titan loan receivable	12.1.2	98	13
TOTAL OTHER EXPENSES		827	1 399

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

4.3 Operating expenses by nature

Distribution expenses relates to selling activities which mainly include delivery costs, rent paid on warehouses and distribution centres and salaries and wages relating to logistics staff.

Other distribution and administrative expenses include general administration expenses such as electricity, cleaning, stationery, repairs and other general operating costs.

The material items included in distribution and administration expenses are set out below:

4. MATERIAL ITEMS INCLUDED IN PROFIT OR LOSS AND BREAKDOWN OF EXPENSES BY NATURE (CONTINUED)

	Notes	2021 €m	Restated[1] 2020 €m
4.3.1 Depreciation and amortisation			
Depreciation – Property, plant and equipment	9	**179**	155
Depreciation – Right-of-use assets	10	**409**	399
Amortisation	8	**20**	16
		608	570
Included in distribution and administration expenses		**607**	561
Included in cost of sales		**1**	9
		608	570
4.3.2 Employee benefit expenses			
Salaries and wages		**1 272**	1 124
Share-based payments Pepkor Holdings ESRS – equity-settled		**12**	7
Share-based payments Pepco Group Value Creation Plan – equity-settled		**13**	–
Share-based payments – cash-settled	33.1.2	**–**	6
Contributions to defined benefit plans (post-retirement benefit expenses)		**14**	8
Contributions to defined contribution plans (post-retirement benefit expenses)		**29**	25
		1 340	1 170
The Groups manufacturing entities do not comprise a material part of the business and any employee benefit expense included in cost of sales is not considered material.			
4.3.3 Net foreign exchange gains			
Net gain on forward exchange contracts		**(5)**	(20)
Net loss/(gain) on conversion of monetary assets		**1**	(28)
		(4)	(48)
4.3.4 Operating lease charges – properties			
Short-term rentals		**25**	14
Low value asset rentals		**1**	1
Variable lease payments not included in the measurement of lease liabilities		**46**	35
		72	50
4.3.5 Operating lease charges – other			
Leases of plant, equipment, vehicles and other		**–**	1
4.3.6 Lease modification cost	10 & 18.1	**(12)**	(37)
4.3.7 Provision for inventory write downs		**52**	57
4.3.8 Transport cost		**268**	234
4.3.9 Advertising and promotion cost		**136**	121
4.3.10 COVID-19 related (income)/expenses			
Government grants received for COVID-19 pandemic recognised as income		**(30)**	(39)
Expenditure incurred to implement COVID-19 regulations (e.g. screening tools)		**(1)**	5
		(31)	(34)
4.3.11 Other distribution and administration expenses		**649**	637
TOTAL DISTRIBUTION AND ADMINISTRATION EXPENSES		**3 077**	2 712
Distribution expenses		**812**	682
Administration expenses		**2 265**	2 030
TOTAL DISTRIBUTION AND ADMINISTRATION EXPENSES		**3 077**	2 712

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

4. MATERIAL ITEMS INCLUDED IN PROFIT OR LOSS AND BREAKDOWN OF EXPENSES BY NATURE (CONTINUED)

4.3 Operating expenses by nature (continued)

4.3.12 Audit fees

At the annual General Meeting of the Company held on 28 August 2020, Mazars Accountants N.V. was appointed as the Company's statutory audit firm for the periods ending 30 September 2020 and 30 September 2021, respectively.

The budgeted audit fees for the audit of the 2021 financial statements of Steinhoff N.V. and its subsidiaries (continuing and discontinued operations) are as follows:

	Mazars Accountants N.V. €m	Other Mazars member firms and affiliates €m	Total €m
2021			
Audit of the financial statements of Steinhoff N.V. and its subsidiaries	**3**	**2**	**5**
Other audit services	**–**	**–**	**–**
Tax services	**–**	**–**	**–**
Other non-audit services	**–**	**–**	**–**
	3	**2**	**5**
2020			
Audit of the financial statements of Steinhoff N.V. and its subsidiaries	4	2	6
Other audit services	–	–	–
Tax services	–	–	–
Other non-audit services	–	–	–
	4	2	6

Audit fees expensed – continuing operations

	2021 €m	Restated[1] 2020 €m
Audit of the financial statements of Steinhoff N.V. and its subsidiaries	**13**	14
Other audit services	**–**	–
Tax services	**–**	1
Other non-audit services	**–**	–
	13	15

Fees for audit services include the audit of the financial statements of the Company and its subsidiaries. Fees for other audit services include review of interim financial statements, sustainability, subsidy and other audits. Fees for tax services include tax compliance and tax advice. Fees for other non-audit services include agreed-upon procedures and advisory services.

	2021 €m	Restated[1] 2020 €m
4.4 Cost of sales		
Sale of inventory	**5 224**	4 819
Import, customs and excise duties	**209**	48
Personnel cost	**16**	14
Depreciation and amortisation	**1**	8
Other	**–**	(1)
	5 450	4 888

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

5. FINANCE COSTS AND INCOME FROM INVESTMENTS

	Notes	Finance Costs €m	Income from Investments €m	Net income /(cost) €m
2021				
Dividends received*		**–**	**16**	**16**
Finance costs and income from investments				
(Bank overdrafts)/cash and cash equivalents		**(9)**	**47**	**38**
Loans	17.2	**(1 058)**	**–**	**(1 058)**
Transaction costs accrued and amortised	5.1 & 17.2	**8**	**–**	**8**
Lease liability		**(121)**	**–**	**(121)**
Other		**(10)**	**9**	**(1)**
		(1 190)	**72**	**(1 118)**
2020 - Restated[1]				
Dividends received*		–	19	19
Finance costs and income from investments				
(Bank overdrafts)/cash and cash equivalents		(28)	55	27
Loans	17.2	(1 032)	2	(1 030)
Lease liability		(135)	–	(135)
		(1 195)	76	(1 119)

* *The majority of the dividends received relates to accrued dividends on the investment in preference shares of Lancaster 102. Refer to note 12 for terms of the preference share investment.*

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

5.1 Transaction costs accrued and amortised

	2021 €m	2020 €m
Pepco Group	**8**	–
	8	–

Pepco Group obtained loans from credit institutions to the value of €589 million. Costs incurred in obtaining the loans from credit institutions have been capitalised and are allocated to the Consolidated Statement of Profit or Loss over the life of the debt facility. At 30 September 2021, borrowings are stated net of unamortised issue costs of €7.4 million.

ACCOUNTING POLICY

Interest income, finance costs and other finance income and costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Dividend income is recognised in the statement of profit or loss on the date that the Group's right to receive payment is established.

Other net finance income and expenses comprise unwinding of the discount on provisions recognised on investments and interest on the net defined benefit obligation.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

6. TAXATION

Steinhoff N.V. is a South African tax resident.

For periods ending 30 September 2021 and 30 September 2020 the corporate taxation rate in South Africa is 28%. Capital gains are taxed at 22.4%.

ACCOUNTING POLICY

Current taxation

Included within the tax charge are charges relating to:

- Normal corporate taxation;
- Capital gains taxation;
- Dividends withholding taxation

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the Reporting Date, and any adjustment to tax payable in respect of previous periods.

The Group is subject to income taxes in numerous jurisdictions and the calculation of the Group's tax charge and worldwide provisions for income tax necessarily involves a substantial degree of estimation and judgement. At any given time, the Group typically has a number of open tax returns with various tax authorities and engages in active dialogue to resolve these. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty, after taking into account external advice where appropriate. As per IFRIC 23, in preparing estimates of current and deferred tax assets and liabilities, management considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If it is considered probable that an uncertain tax treatment will be accepted, tax estimates are determined in accordance with the tax treatment used or planned to be used in the company's income tax fillings. If it is not considered probable that an uncertain tax treatment will be accepted, tax estimates are made based on the most likely outcome or the expected value, depending on which method best reflects the uncertainty.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact profit or loss, current and deferred income tax assets and liabilities in the period such determination is made.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the Reporting Date.

Deferred tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable, on the basis of all available evidence it is considered more likely than not, that there will be suitable taxable profits against which the reversal of the deferred tax asset can be deducted.

Temporary differences have arisen as a result of the translation of the financial statements of the Group's subsidiaries.

Certain subsidiaries in the Group have undistributed earnings which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but in most cases no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from these subsidiaries and is not expected to distribute these profits in the foreseeable future.

Significant accounting estimate and judgements

Uncertain tax positions

Tax remains an area of focus for management as the tax impact of the accounting irregularities are complex. Significant work has been done in collating information, completing entity stand-alone financial statements, filing of tax returns and constructive progress made with the tax authorities in various jurisdictions.

Appropriate tax specialists and advisors were appointed by the Group in the relevant jurisdictions to advise on positions in such jurisdictions.

Although the investigations are being managed on a continuous basis, the outcome thereof remains uncertain and could lead to material cash outflows. In a singular jurisdiction, a backlog exist with respect to the completion and audit of financial statements which will delay the outcome of the investigations by revenue authorities. The impact of potential tax adjustments, fines, penalties and/or refunds is therefore unknown.

Management did consider the potential tax risks and cash outflow that may result therefrom in its going concern assessment. It is management's view that the tax risk would not lead to the ultimate liquidation of the Group and therefore is no longer considered a material uncertainty in relation to the going concern assessment. Once the full tax exposure is known, a solution will be found together with the Group's stakeholders.

Management has estimated the tax consequences associated with the alleged accounting irregularities. Where specific items were identified that probably would result in an increase or decrease in taxable profit, they were recognised.

The tax position of the single entities impacted by the restatement of the Group's financial statements may give rise to both short- and long-term tax related consequences. Due to backlogs experienced by local tax authorities, the restated financial results would not have been considered by the local tax authorities in all jurisdictions as yet and as a result the impact of potential tax adjustments, fines, penalties and/or refunds is unknown at present. Due to the uncertainty associated with such tax items, there is a possibility that the final outcome may differ from the current estimates.

6. TAXATION (CONTINUED)

Significant accounting estimate and judgments (continued)

Uncertain tax positions (continued)

Furthermore, as a multi-national group, there are a number of cross-border related party transactions in place in all spheres of the Group's business. In light of the revenue authorities' increased focus on transfer pricing matters the Group faces potential risks as its related party transactions may be challenged by the relevant tax authorities.

The steps required to complete the CVA were complex and multi-jurisdictional, which gave rise to an element of risk regarding the tax consequences thereof. The Group engaged with professional tax advisors in the different jurisdictions to mitigate the associated risks.

Investigations are still in progress by the German Tax authorities in respect of certain German legal entities which investigations include the review of Corporate tax, Trade tax, Withholding tax and VAT. Primarily, the tax risk relates to withholding tax ("WHT") on deemed hidden profit distributions, on which German Tax authorities aim to raise assessments. The deemed hidden profit distributions arose due to flows of funds amongst Group companies as a result of transactions which have been identified as sham transactions and restated as part of the Group's restatement process in the 2017 and 2018 Reporting Periods. The potential WHT cash outflow for all German entities could amount to €519 million which excludes the likely amounts that would be available to be reclaimed by another Group subsidiary. Management has applied judgement based on advice received from its tax advisors and concluded that it is of the view that the most likely outcome is that if any WHT should be payable, that the amount would not be material.

It is management's stated intention to reach agreement with the German Tax authorities to collectively settle all uncertain tax positions. These uncertain tax positions are included in the amount provided in terms of IFRIC 23 disclosed in note 19.2. In order to avoid lengthy and costly legal proceedings, it is preferable for a pragmatic solution to be reached with the relevant tax authorities. Management is in active discussions with the German Tax authorities to conclude on the taxes payable.

The Group is addressing the risks identified above. Central Group monitoring and reporting of tax matters have been implemented and continues, which includes close involvement of the Chief Financial Officer together with the appointment of appropriate tax specialists in the relevant affected jurisdictions to help advise on the current position in each jurisdiction.

Recoverability of deferred tax assets

Deferred tax assets have been recognised for the carry forward amount of unused tax losses relating to the Group's operations where there is compelling evidence that it is probable that sufficient taxable profits will be available in the future to utilise the tax losses carried forward, either by the specific company to which it relates or the wider Group. Management has carefully assessed the entities' ability to generate future taxable profits against which the recognised tax losses can be utilised. Such assessments are based on the approved budgets and the forecasts of the entities including their ability to raise funding to maintain and support their operations.

6.1 Income tax expense recognised in profit or loss

	2021 €m	Restated[1] 2020 €m
Current tax		
Income tax		
Current period	**160**	177
Prior period adjustments	**7**	(19)
Withholding tax	**33**	4
	200	162
Deferred tax		
Originating and reversing temporary differences – current period	**(15)**	(48)
Utilisation of previously unrecognised tax losses and temporary differences	**2**	–
Adjustments relating to prior period	**–**	2
	(13)	(46)
Total tax from continuing operations	**187**	116
Components of the tax expense from discontinued operations:		
Current tax	**11**	48
Deferred tax	**15**	(133)
	26	(85)
Total taxation expense recognised in profit or loss	**213**	31

[1] Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.

6. TAXATION (CONTINUED)

6.1 Income tax expense recognised in profit or loss (continued)

	2021 €m	Restated[6] 2020 €m
Reconciliation of rate of taxation		
Loss before income tax from continuing operations	**(684)**	(2 060)
Profit/(loss) before income tax from discontinued operations	**47**	(264)
	(637)	(2 324)
South African standard rate of taxation at 28%	**178**	651
Effect of different statutory taxation rates of subsidiaries in other jurisdictions and capital gains tax in South Africa[1]	**(62)**	24
Effect of non-deductible expenses and tax exempt income[2]	**(189)**	(566)
Unrecognised tax losses[3]	**(251)**	(157)
Effect of equity accounting[4]	**145**	(2)
Prior period adjustments	**(6)**	22
Withholding taxes[5]	**(33)**	(6)
Utilisation of previously unrecognised tax losses and temporary differences	**(2)**	–
Previously unrecognised tax losses raised	**9**	4
Other reconciling items	**(2)**	(1)
Total taxation expense recognised in profit or loss	**(213)**	(31)

[1] The foreign tax rate differential relates predominantly to the European entities with a tax rate of 19% (2020: The foreign tax rate differential relates predominantly to the European entities with a tax rate of 19%).

[2] The effect of non-deductible expenses and tax exempt income mainly relates to non-deductible expenses within the European Corporate and Treasury services companies. (2020: The effect of non-deductible expenses and tax exempt income mainly relates to provisions raised, impairment of goodwill and non-deductible expenses within the Conforama Group).

[3] The unrecognised tax losses related predominantly to Corporate and Treasury services companies. (2020: The unrecognised tax losses related predominantly to Pepco Group and other Corporate and Treasury services companies and the Conforama Group).

[4] Equity accounting relating to the Mattress Firm income received.

[5] Withholding taxes arising from distributions made relating to the IPO of the Pepco Group.

[6] Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.

6.2 Tax payable and receivable

Tax payable balances are disclosed in note 19.2 which includes uncertain tax positions in terms of IFRIC 23. Taxation receivable balances are disclosed in note 13.

6.3 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities attributable to the following categories:

	Assets		Liabilities		Net	
	30 September 2021 €m	Restated[1] 30 September 2020 €m	30 September 2021 €m	Restated[1] 30 September 2020 €m	30 September 2021 €m	Restated[1] 30 September 2020 €m
Intangible assets and goodwill	**(22)**	(21)	**(263)**	(243)	**(285)**	(264)
Property, plant and equipment	**28**	24	**(2)**	(2)	**26**	22
Right-of-use assets	**(269)**	(284)	**–**	–	**(269)**	(284)
Lease liability	**353**	361	**–**	–	**353**	361
Provisions	**94**	81	**(1)**	(2)	**93**	79
Share-based payments	**8**	4	**–**	–	**8**	4
Taxation losses	**27**	24	**–**	–	**27**	24
Other	**21**	35	**(10)**	(8)	**11**	27
Balance at end of the period	**240**	224	**(276)**	(255)	**(36)**	(31)

Included in Other are deferred taxes attributable to prepayments, operating leases and unrealised foreign currency gains.

[1]Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.

6. TAXATION (CONTINUED)

6.3 Deferred tax assets and liabilities (continued)

Reconciliation of movement in deferred tax (liability)/asset

	Notes	Net 30 September 2021 €m	Restated[1] 30 September 2020 €m
Balance at beginning of period		**(31)**	(235)
Effect of adopting IFRS 16		**–**	65
Balance restated		**(31)**	(170)
Deferred tax of subsidiaries derecognised		**–**	(39)
Cash flow hedging reserve and fair value reserves		**(9)**	–
Current period charge			
From continuing operations	6.1	**13**	46
From discontinued operations	6.1	**(15)**	133
Transferred to held-for-sale assets or liabilities		**7**	(17)
Exchange differences on translation of foreign operations		**(1)**	16
Balance at end of the period		**(36)**	(31)

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

	30 September 2021 €m	30 September 2020 €m
Unrecognised tax losses		
Deferred tax assets have not been recognised in respect of the following items:		
Unrecognised taxation losses	**18 107**	9 113

In order to recognise a deferred tax asset, there must be an expectation of sufficient future taxable profits to utilise the tax losses. Deferred tax assets have not been recognised as this balance comprises predominantly of losses which can only be used for potential historic tax adjustments in Austria; further the balance comprises of losses existing in European holding companies which are either dormant entities or companies that are not likely to generate significant taxable income in the foreseeable future.

The Group has accumulated unused tax losses of €18 107 million. This balance is made up of €1 025 million relating to operational entities, €9 134 million is restricted to historic tax adjustments that could arise within Austria and €7 948 million for predominantly dormant holding companies. The movement from the 2020 Reporting Period, principally relates to certainty obtained regarding the calculation of these dormant and holding company historic tax losses and does not relate to the trading results of these entities in the 2021 Reporting Period. Due to the historic restructuring, the Austrian tax losses cannot be utilised for future taxable profits. It is not expected that the holding companies will become profitable in the foreseeable future and thus limit the use of the accumulated unused tax losses. These holding companies' tax losses carried forward relates to the financial years pre-2017 and are based on preliminary tax calculations and unaudited financial statements. Tax reviews by tax authorities and finalisation of the financial statements of these holding companies could result in changes of unrecognised tax losses.

The remaining unused tax losses relating to operational entities are not subject to any expiry date and can be carried forward indefinitely.

	30 September 2021 €m	30 September 2020 €m
Recognised tax losses		
Estimated recognised taxation losses available for offset against future taxable income	**27**	75

The Group reviewed previously unrecognised tax losses and where relevant, determined that if it was probable that taxable profits will be available against which the tax losses can be utilised, these have been recognised.

	30 September 2021 €m	30 September 2020 €m
Total recognised and unrecognised tax losses	**18 134**	9 188

6.4 Expiry profile of taxation losses

Unrecognised tax losses amounting to €9 134 million relate to the Austrian jurisdictions, which due to the restructuring, can only be utilised for taxes before the 2019 financial period and do not expire. €14 million of the tax losses expires over the next 5 years with the remaining balance of €8 959 million not subject to any expiration.

7. LOSS PER SHARE

	2021 Cents	Restated[1] 2020 Cents
For the calculation of the loss per share, the exact unrounded numbers are used. This may result in differences when compared to calculating the numbers using the rounded number of shares and loss as disclosed below.		
Basic and diluted loss per share		
From continuing operations	**(22.9)**	(51.2)
From discontinued operations	**(0.1)**	(3.3)
Basic and diluted loss per share	**(23.0)**	(54.5)
Headline loss per share		
Headline loss is an additional loss number that is permitted by IAS 33: Earnings per Share ("IAS 33"). The starting point is loss as determined in IAS 33, excluding separately identifiable remeasurements, net of related taxation (both current and deferred) and related non-controlling interests other than remeasurements specifically included in headline loss. This number is required to be reported to the JSE, where the Group has a secondary listing, and is defined by Circular 1/2021 Headline Earnings.		
Separately identifiable remeasurements are those where the applicable IFRS explicitly requires separate disclosure of the operating and/or the platform remeasurement in the Consolidated Financial Statements. No adjustments would be permitted on the basis of voluntary disclosure of gains or losses (or components of these).		
From continuing operations	**(22.2)**	(43.7)
From discontinued operations	**(2.2)**	(8.1)
Headline loss per share	**(24.4)**	(51.8)
Adjusted Headline loss per share (non-IFRS)		
Adjusted Headline loss takes the starting point as the headline loss as calculated above and exclude the Litigation Settlement Proposal provision recognised in the 2021 Reporting Period and the 2020 Reporting Period. This is a proforma disclosure item only and does not comply with IAS 33.		
From continuing operations	**(7.5)**	(21.0)
From discontinued operations	**(2.2)**	(8.1)
Headline loss per share	**(9.7)**	(29.1)

All potential ordinary shares were anti-dilutive and therefore diluted per share numbers are the same as basic or headline per share numbers.

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

7. LOSS PER SHARE (CONTINUED)

Reconciliations of denominator and numerator

7.1 Weighted average number of ordinary shares

	Notes	2021 Million	2020 Million
Issued ordinary shares at beginning of the period	28.2	**4 310**	4 310
Effect of treasury shares held (weighted average)		**(68)**	(157)
Weighted average number of ordinary shares at end of the period for the purpose of basic and dilutive loss per share and headline loss per share		**4 242**	4 153

7.2 Basic loss and headline loss attributable to owners of Steinhoff N.V.

	Notes	Continuing operations €m	Discontinued operations €m	Total €m
2021				
Basic loss for the period attributable to owners of Steinhoff N.V.		**(968)**	**(6)**	**(974)**
Adjusted for remeasurement items	7.3	**29**	**(89)**	**(60)**
Headline loss attributable to owners of Steinhoff N.V.		**(939)**	**(95)**	**(1 034)**
Restated 2020[1]				
Basic loss for the period attributable to owners of Steinhoff N.V.		(2 125)	(139)	(2 264)
Adjusted for remeasurement items	7.3	311	(199)	112
Headline loss attributable to owners of Steinhoff N.V.		(1 814)	(338)	(2 152)

7.2.1 Adjusted headline loss attributable to owners of Steinhoff N.V.

	Notes	Continuing operations €m	Discontinued operations €m	Total €m
2021				
Headline loss attributable to owners of Steinhoff N.V.		**(939)**	**(95)**	**(1 034)**
Adjusted for proposed settlement provision	4.2.6 & 4.2.7	**621**	**–**	**621**
Adjusted Headline loss attributable to owners of Steinhoff N.V. (Non-IFRS)		**(318)**	**(95)**	**(413)**
Restated 2020[1]				
Headline loss attributable to owners of Steinhoff N.V.		(1 814)	(338)	(2 152)
Adjusted for proposed settlement provision	4.2.6	943	–	943
Adjusted Headline loss attributable to owners of Steinhoff N.V. (Non-IFRS)		(871)	(338)	(1 209)

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

7. LOSS PER SHARE (CONTINUED)

Reconciliations of denominator and numerator (continued)

7.3 Remeasurement items as defined by the JSE

The presentation of headline earnings per share, as an alternative measure of earnings per share, is mandated under JSE Listing Requirements. It is calculated in accordance with Circular 1/2019 "Headline Earnings" as issued by the South African Institute of Chartered Accountants.

	Notes	2021 Gross of taxation and non-controlling interests €m	2021 Net of taxation and non-controlling interests €m	Restated[1] 2020 Gross of taxation and non-controlling interests €m	Restated[1] 2020 Net of taxation and non-controlling interests €m
Remeasurement items reflect and affect the resources committed in producing operating/trading performance and are not the performance itself. These items deal with the platform/capital base of the entity.					
Refer to note 4 for further details regarding the nature of the remeasurement items.					
Continuing operations					
Impairment		**15**	**11**	339	328
Goodwill	4.2.1	**1**	**1**	300	300
Intangible assets	4.2.1	**–**	**–**	6	4
Property, plant and equipment	4.2.1	**4**	**3**	4	3
Right-of-use asset	4.2.1	**10**	**7**	11	8
Investments in equity accounted companies		**–**	**–**	18	13
FCTR reclassified to profit or loss on disposal of investment	4.2.2	**19**	**19**	(1)	(1)
Profit on disposal of property, plant and equipment and intangible assets	4.2.3	**–**	**–**	(6)	(5)
Profit on sale and partial sale of investments	4.2.4	**(2)**	**(1)**	(14)	(11)
		32	**29**	318	311
Discontinued operations					
Impairment/(reversal of impairment)		**–**	**–**	69	43
Property, plant and equipment	1.2.1	**–**	**–**	55	31
Financial instruments	1.2.1	**–**	**–**	(9)	(6)
Assets held-for-sale	35 & 1.2.1	**–**	**–**	23	19
FCTR reclassified to profit or loss on disposal of investment	1.2.3 & 1.4	**(41)**	**(41)**	47	47
Profit on disposal of property, plant and equipment, intangible assets and scrapping of vehicle rental fleet	1.2.2	**(33)**	**(23)**	(81)	(48)
Profit on disposal of discontinued operations/disposal group	1.4	**(38)**	**(25)**	(241)	(241)
		(112)	**(89)**	(206)	(199)

[1] Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.

8. INTANGIBLE ASSETS

ACCOUNTING POLICY

Goodwill

Goodwill recognised as the excess of the:

- consideration transferred, plus
- the amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net assets acquired in a business combination.

Refer to note 26 for the accounting policy applied to business combinations.

Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Calculation of profits and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Other intangible assets

Trade and brand names

Separately acquired trade and brand names are shown at historical cost. Trade and brand names acquired in a business combination are recognised at fair value at the acquisition date. The Group's trade and brand names have indefinite useful lives and are subsequently carried at cost less accumulated impairment losses. Internally generated trade and brand names are not recognised in the Statement of Financial Position.

Software and ERP systems

Purchased software is measured at cost less accumulated amortisation and impairment losses. Expenditure on internally developed software is capitalised when the expenditure qualifies as development activities, otherwise it is recognised in profit or loss when incurred.

Other intangible assets

Included in other intangible assets are patents, licenses and other contract-related intangible assets.

Amortisation of intangible assets with finite useful lives

Amortisation of intangible assets is recognised in profit or loss on a straight-line basis over the assets' estimated useful lives, unless such lives are indefinite.

Impairment of intangible assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Intangible assets with finite useful lives are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). Intangible assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Significant accounting estimates

Useful life of intangible assets

Software and ERP systems

The Group amortises software and ERP systems over their useful lives ranging between one and eight years using the straight-line method.

Indefinite useful life intangible assets

An indefinite life does not mean an infinite useful life, but rather that there is no foreseeable limit to the period over which the asset can be expected to generate cash flows for the entity.

8. INTANGIBLE ASSETS (CONTINUED)

Trade and brand names

The Group's trade and brand names have been assessed as having indefinite useful lives. These trade names and brand names were assessed independently at the time of the acquisitions, and the indefinite useful life assumptions were supported by the following evidence:

- The industry is a mature, well-established industry.
- The trade and brand names are long established, relative to the market, and have been in existence for a long time.
- The trade and brand names are therefore not vulnerable to typical product lifecycles or to the technical, technological, commercial or other types of obsolescence that can be seen to limit the useful lives of other trade names and brand names.
- There is a relatively low turnover of comparable intangible assets, implying stability within the industry.

	Notes	Goodwill €m	Trade and brand names[4] €m	Software and ERP systems €m	Other intangibles €m	Total €m
Balance at 1 October 2019		4 295	1 585	88	3	5 971
Additions		–	–	41	23	64
Amortisation		–	–	(26)	(1)	(27)
From continuing operations	4.3.1	–	–	(15)	(1)	(16)
From discontinued operations		–	–	(11)	–	(11)
Disposals		–	(8)	(21)	–	(29)
Acquired on acquisition of businesses	26.1	6	–	–	–	6
Eliminated on disposal of subsidiaries[2]		–	(106)	(24)	(3)	(133)
Impairment	8.1	(300)	(6)	–	–	(306)
From continuing operations	4.2.1	(300)	(6)	–	–	(306)
From discontinued operations		–	–	–	–	–
Transfer from property, plant and equipment		–	–	1	–	1
Transferred to assets held-for-sale	35	–	(42)	(7)	(2)	(51)
Reclassification		–	–	16	(16)	–
Exchange differences on translation of foreign operations		(446)	(182)	(5)	4	(629)
Balance at 30 September 2020[1]		**3 555**	**1 241**	**63**	**8**	**4 867**
Additions		**–**	**–**	**38**	**4**	**42**
Amortisation		**–**	**–**	**(20)**	**–**	**(20)**
From continuing operations	4.3.1	**–**	**–**	**(20)**	**–**	**(20)**
From discontinued operations		**–**	**–**	**–**	**–**	**–**
Acquired on acquisition of businesses	26.1	**9**	**–**	**–**	**–**	**9**
Impairment	8.1	**(1)**	**–**	**–**	**–**	**(1)**
Transfer from property, plant and equipment		**–**	**–**	**(1)**	**–**	**(1)**
Transferred to assets held-for-sale	35	**–**	**(20)**	**(2)**	**–**	**(22)**
Exchange differences on translation of foreign operations[3]		**263**	**114**	**6**	**–**	**383**
Balance at 30 September 2021		**3 826**	**1 335**	**84**	**12**	**5 257**
Cost		**5 218**	**1 447**	**179**	**15**	**6 859**
Accumulated amortisation and impairment		**(1 392)**	**(112)**	**(95)**	**(3)**	**(1 602)**
Net book value at 30 September 2021		**3 826**	**1 335**	**84**	**12**	**5 257**
Cost		4 905	1 412	142	11	6 470
Accumulated amortisation and impairment		(1 350)	(171)	(79)	(3)	(1 603)
Net book value at 30 September 2020		3 555	1 241	63	8	4 867

[1] Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations as well as the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.

[2] Relates to the sale of Conforama France and Switzerland (refer to note 1).

[3] The net exchange gains recognised during the 2021 Reporting Period resulted mostly from the translation of the Group's investment in its South African operations where there was a significant strengthening of the South African rand to the euro.

[4] Indefinite useful life

8. INTANGIBLE ASSETS (CONTINUED)

Summary of net carrying value:

	30 September 2021 €m	30 September 2020 €m
Goodwill	**3 826**	3 555
Indefinite useful life trade and brand names	**1 335**	1 241
Other intangible assets	**96**	71
	5 257	4 867

Management has identified the following CGUs to which goodwill and trade and brand names have been allocated. These CGUs do not represent a level higher than the operating segments identified in note 2.

The carrying amount per CGU is presented below:

	Goodwill		Trade and brand names	
	30 September 2021 €m	30 September 2020 €m	30 September 2021 €m	30 September 2020 €m
Goodwill and trade and brand names are considered a significant class of intangible assets to the Group.				
Greenlit Brands – Household Goods	**141**	138	**71**	81
Pepco Group	**1 562**	1 527	**264**	257
Poundland	**700**	651	**124**	114
Pepco Poland	**862**	876	**140**	143
Pepkor Holdings	**2 123**	1 890	**1 000**	891
All Other	**–**	–	**–**	12
	3 826	3 555	**1 335**	1 241
The 2020 Reporting Period carrying amount per segment which was transferred to disposal groups or assets held-for-sale during 2021 Reporting Period is presented below:				
Greenlit – Plush	**–**	–	**10**	–
LIPO	**–**	–	**10**	–
Total carrying amount of disposal groups	**–**	–	**20**	–

8.1 Impairment tests

Key accounting estimates and judgements

The Group tests whether goodwill and indefinite life trade and brand names have suffered any impairment at least on an annual basis. The recoverable amount of the CGU is determined based on either a value-in-use calculation or a fair value less cost of disposal which require the use of assumptions.

The value-in-use calculations use discounted cash flow projections based on financial budgets approved by management. Models were built over a five year period with terminal growth thereafter.

The approved budgets covered a three or five year period. The cash flows that covered a three year period were extrapolated using estimated medium-term growth rates for year four and five. These growth rates are consistent with the industry and geographic location in which the CGU operates.

CGU specific WACC has been calculated as the product of the CGU's cost of debt and cost of equity and weighted in accordance with the CGU's target capital structure.

The cost of equity has also been adjusted with size premiums, where applicable, to take into account the restated size of each CGU.

This is consistent with methods applied to the 2020 Consolidated Financial Statements.

The additional key assumptions relating to the impairment testing of the trade names and brands are based on royalty rates applicable to the specific brand based on the industry in which the brand operates and the profitability of the unit.

8. INTANGIBLE ASSETS (CONTINUED)

8.1 Impairment tests (continued)

Key accounting estimates and judgements (continued)

The following table sets out the key assumptions for those CGU's that have significant goodwill and/or trade and brand names allocated to them:

	Pepco Group – Pepco Poland	Pepco Group – Poundland[2]	Pepkor Holdings[1]
2021			
Pre-tax discount rate	**10.3%**	**8.4%**	**17.5% to 21.2%**
Short- to medium-term growth rate (compound annual growth rate ("CAGR") over the period)	**6.2%**	**2.9%**	**3% to 10.4%**
Long-term growth rate	**1.9%**	**1.2%**	**4.5% to 6.0%**
Forecasted cash flows – Approved budget	**5 years**	**10 years[2]**	**5 years**
2020			
Pre-tax discount rate	10.2%	8.8%	16.9% to 19.2%
Short- to medium-term growth rate (CAGR over the period)	5.7%	3.5%	0.2% to 7.4%
Long-term growth rate	2.1%	1.2%	4.5% to 5.5%
Forecasted cash flows – Approved budget	3 years	10 years[2]	5 years

[1] *Abovementioned disclosure represents a summary of disclosures made by Pepkor Holdings, as part of their published 2021 annual financial statements.*

[2] *Approved 5 year budget extrapolated to 10 years to account for normalisation of depreciation.*

Management has determined the values assigned to each of the above key assumptions as follows:

Pre-tax discount rate — CGU specific WACC has been calculated as the product of the CGU's cost of debt and cost of equity and weighted in accordance with the CGU's target capital structure.

Approved budget — The forecasted cash flow periods take into account management's assumptions of the sales volume, sales price and cost increases expected over the next three to five years. A medium-term growth rate applicable to the industry and geographic location is applied to approved budgets covering a 3-year period for forecast years 4 and 5.

Long term growth rate — This is the weighted average growth rate used to extrapolate cash flows beyond the budget and forecast periods. The rates are consistent with the long term inflation outlook for the countries where the underlying businesses operate or with forecasts included in industry reports.

Material impairment charges

	Goodwill		Indefinite useful life trade and brand names	
	30 September 2021 €m	30 September 2020 €m	30 September 2021 €m	30 September 2020 €m
The impairment charge during the period relates to the following CGUs:				
Continuing operations				
Pepkor Holdings[1]	**(1)**	(258)	**–**	(6)
Pepco Group[2]	**–**	(42)	**–**	–
	(1)	(300)	**–**	(6)

[1] *The impairment during the 2021 Reporting Period relates to the acquisition of Eezi Global Limited ("Eezi"), refer to note 26.3. Goodwill was recognised on acquisition and immediately impaired. The impairment recognised in Pepkor Holdings during the 2020 Reporting Period included the uncertainty around the COVID-19 impact on the businesses and relates to its clothing and general merchandise segment. Pepkor Holdings expect a constrained retail environment going forward as a result of the longer term impact of COVID-19 on the South African economy however the unparalleled position in the discount and value retail market segments continues to be increasingly relevant in addressing consumer needs and all these segments have performed significantly better than expected during the 2021 Reporting Period. No impairments were recognised based on the value in use calculations and these impairment models were not sensitive to reasonable changes in the assumptions.*

[2] *The impairment recognised in Pepco Group in the 2020 Reporting Period related to the Poundland CGU and was also driven by challenging trading and economic conditions created by the COVID-19 crisis. Whilst COVID-19 continues to cause disruption across some of the markets the Pepco Group operates in, it is expected that the impact will be lessened given the consumer behaviour adaption and vaccine rollout. Refer to note 8.1 for a sensitivity analysis.*

8. INTANGIBLE ASSETS (CONTINUED)

8.1 Impairment tests (continued)

Material impairment charges(continued)

Management has adjusted the cash flows of the group of CGUs for entity-specific risk factors to arrive at the future cash flows expected to be generated from the group of CGUs. There is no indication based on a reasonable fluctuation in those risk factors that the goodwill is further impaired.

The below table illustrates how the recoverable amount would increase / decrease if the following key assumptions were to change for CGUs that have significant goodwill and/or trade and brand names allocated to them.

	Goodwill 30 September 2021 €m	Carrying value of CGU €m	Recoverable amount €m	Sensitivity analysis – Recoverable amount (€m)					
				Pre-tax discount rate		Long-term growth rate		Projected adjusted EBITDA[3]	
				Increase 1%	Decrease 1%	Decrease 1%	Increase 1%	Decrease 1%	Increase 1%
Greenlit Brands[2]	141	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pepco Group	1 562								
Poundland	700	904	1 246	1 092	1 450	1 105	1 446	1 121	1 363
Pepco Poland[1]	862	1 330	3 457	n/a	n/a	n/a	n/a	n/a	n/a
Pepkor Holdings[1]	2 123	3 278	5 126	n/a	n/a	n/a	n/a	n/a	n/a
	3 826								

[1] The recoverable amount of Pepco Poland and Pepkor Holdings substantially exceeds the carrying amount of the CGU. No sensitivity analysis is therefore presented in relation to changes in assumptions underpinning the impairment test performed as the impairment models are not sensitive to reasonable changes in the assumptions.

[2] No significant goodwill or trade names are allocated to this CGU.

[3] Projected adjusted EBITDA is expressed as the compound annual growth rates ("CAGR") in the cash-generating units of the plans used for impairment testing. The CAGR is calculated from period ending 30 September 2022 to the terminal year, the CAGR is then increased and decreased by 1% by adjusting the terminal value.

9. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

ACCOUNTING POLICY

Owned assets

Property, plant and equipment are stated at cost to the Group, less accumulated depreciation and impairment losses.

Subsequent costs

The cost is recognised in the carrying amount of an item of property, plant and equipment at the cost of replacing part of such an item when the cost is incurred, if it is probable that additional future economic benefits embodied within the item will flow to the Group and the cost of such item can be measured reliably. Costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as an expense when incurred.

Depreciation

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over the estimated useful lives or in the case of leasehold improvements or other leased assets, the shorter lease term as follows:

- Investment property 15 – 40 years
- Buildings 15 – 50 years
- Plant and machinery 3 – 10 years
- Vehicles 4 – 10 years
- Office equipment and furniture 3 –16 years
- Computer equipment 2 – 4 years

Investment property

Investment property is land and buildings that are held to earn rental income or for capital appreciation, or both.

The Group has elected to measure all investment properties using the cost model.

9. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY (CONTINUED)

	Notes	Investment property €m	Land and buildings €m	Plant and machinery €m	Leasehold improvements €m	Furniture and fittings €m	Other assets €m	Total €m
Balance at 1 October 2019		–	622	225	246	147	112	1 352
Additions		–	35	132	47	–	25	239
Depreciation[2]		–	(7)	(67)	(23)	(33)	(32)	(162)
Disposals		–	(27)	(3)	(21)	(6)	(1)	(58)
Impairment		–	(31)	(3)	(18)	(7)	–	(59)
From continuing operations	4.2.1	–	–	(3)	(1)	–	–	(4)
From discontinued operations	1.2.1	–	(31)	–	(17)	(7)	–	(55)
Eliminated on disposal of subsidiaries[3]		–	(267)	(8)	(52)	(15)	–	(342)
Reclassification		–	(6)	6	1	2	(3)	–
Transfer to intangible assets		–	–	–	–	–	1	1
Transfer to right-of-use assets		–	–	–	5	–	(6)	(1)
Transfer to assets held-for-sale	35	–	(116)	–	(53)	–	(30)	(199)
Exchange differences on consolidation of foreign operations		–	(19)	(32)	(11)	(3)	(5)	(70)
Balance at 30 September 2020[1]		**–**	**184**	**250**	**121**	**85**	**61**	**701**
Additions		**7**	**65**	**58**	**62**	**45**	**34**	**271**
Depreciation[2]		**–**	**(15)**	**(82)**	**(41)**	**(23)**	**(21)**	**(182)**
Disposals		**–**	**(1)**	**(2)**	**(3)**	**(1)**	**(1)**	**(8)**
Impairment		**–**	**–**	**(3)**	**–**	**–**	**(1)**	**(4)**
From continuing operations	4.2.1	**–**	**–**	**(3)**	**–**	**–**	**(1)**	**(4)**
From discontinued operations	1.2.1	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Reclassification		**–**	**2**	**1**	**1**	**2**	**(6)**	**–**
Transfer to intangible assets		**–**	**–**	**–**	**–**	**–**	**1**	**1**
Transfer from assets held-for-sale[4]		**–**	**60**	**–**	**–**	**–**	**–**	**60**
Transfer to assets held-for-sale	35	**(7)**	**–**	**–**	**(11)**	**(1)**	**(2)**	**(21)**
Exchange differences on consolidation of foreign operations		**–**	**9**	**20**	**2**	**(1)**	**9**	**39**
Balance at 30 September 2021		**–**	**304**	**242**	**131**	**106**	**74**	**857**
Cost		**16**	**351**	**556**	**337**	**203**	**185**	**1 648**
Accumulated depreciation and impairment		**(16)**	**(47)**	**(314)**	**(206)**	**(97)**	**(111)**	**(791)**
Net book value at 30 September 2021		**–**	**304**	**242**	**131**	**106**	**74**	**857**
Cost[1]		16	213	507	317	172	172	1 397
Accumulated depreciation and impairment[1]		(16)	(29)	(257)	(196)	(87)	(111)	(696)
Net book value at 30 September 2020		–	184	250	121	85	61	701

Carrying values of the main components of the other assets per category are; Capital-work-in-progress (2021: €19 million; 2020: €9 million), vehicles (2021: €19 million; 2020: €13 million) and computer equipment (2021: €35 million; 2020: €32 million).

Leasehold improvements, land and buildings, and plant and machinery are reclassified from capital-work-in-progress when the asset is finished and available for use.

[1] Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.
[2] Depreciation includes depreciation of continuing operations of €174 million (2020: €161 million) and discontinued operations of €3 million (2020: €1 million).
[3] Relates to the sale of Conforama France and Conforama Switzerland, refer to note 1.
[4] The properties disposed of by Africa Properties to Pepkor Holdings Group were reclassified from held-for-sale to property, plant and equipment during the Reporting Period as these properties will remain within the Group.

2021 Reporting Period

The Reporting Period's impairment losses mainly relate to Pepkor Holdings where stores were looted during the civil unrest and riots in South Africa during July 2021. A total of 549 stores across the Pepkor Holdings Group were impacted by the unrest and subsequent looting in July 2021. Stores were burnt, looted or damaged to varying degrees. In addition one of the distribution centres in Cato Ridge, KwaZulu-Natal, was looted. This led to the impairment and scrapping of various categories of property, plant and equipment to the value of ZAR76 million (€4 million). The Pepkor Holdings Group submitted a claim from its insurers on the replacement value of the covered property, plant and equipment, for which the outcome of the claim and subsequent payment is only expected to be received subsequent to the financial year-end.

2020 Reporting Period

Impairment in the 2020 Reporting Period relates to Conforama Italy stores that were written down to its net realisable value based on fair value less cost of disposal.

10. RIGHT-OF-USE ASSETS

ACCOUNTING POLICY

Leases

The Group's main leasing activities relates to that of retail stores, office space and distribution centres. On entering a contract, the Group assesses whether a contract is, or contains, a lease based on the definition of a lease as per IFRS 16. The criteria to assess a contract includes whether a contract involves the use of an identified asset, the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period in use and the Group has the right to direct the use of the asset. The Group then allocates the consideration in the contract to each lease component on the basis of their stand-alone prices.

If a contract is assessed to be, or contains, a lease the Group recognises a right-of-use asset and corresponding lease liability at the lease commencement date over the lease term. The Group determines the lease term as the non-cancellable period of a lease, including any beneficial occupation periods, together with assessing if the lessee is reasonably certain to exercise an option available on a lease to extend or terminate the lease.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, management exercises judgement to assess the likelihood thereof. The lease term will not include any renewal options where there is no reasonable certainty that the lease will be renewed until the option is exercised.

Right-of-use asset

Initial and subsequent measurement

Right-of-use assets are initially measured at cost, which is made up of the initial measurement of the lease liabilities, any initial direct costs incurred by the Group, and any lease payments made in advance of the lease commencement date, less any lease incentives received. Right-of-use assets are subsequently measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the relating lease liabilities. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life or lease term as noted above. Right-of-use assets are tested for impairment as part of the CGU it relates to (i.e. retail store) when indicators of impairment are identified and periodically reduced by the impairment losses, if required.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Refer to note 18 for initial and subsequent measurement of lease liabilities.

10. RIGHT-OF-USE ASSETS (CONTINUED)

	Land and buildings €m	Plant and machinery €m	Motor vehicles €m	Other assets €m	Total €m
Opening Balance on adoption of IFRS 16 (1 October 2019)	2 505	4	8	13	2 530
Additions	424	7	6	–	437
Remeasurement due to lease modifications	1	–	–	–	1
Eliminated on disposal of subsidiaries	(358)	–	–	(7)	(365)
Derecognition on end of lease term	(25)	–	–	–	(25)
Depreciation	(506)	(3)	(5)	(4)	(518)
From continuing operations	(391)	(3)	(5)	–	(399)
From discontinued operations	(115)	–	–	(4)	(119)
Impairment	(11)	–	–	–	(11)
Acquisition of businesses	1	–	–	–	1
Transfer to assets classified as held-for-sale (note 35)	(191)	–	–	(2)	(193)
Exchange differences on consolidation of foreign subsidiaries	(139)	(1)	(1)	–	(141)
Balance at 30 September 2020[1]	**1 701**	**7**	**8**	**–**	**1 716**
Additions	**624**	**2**	**6**	**–**	**632**
Remeasurement due to lease modifications	**(45)**	**–**	**–**	**–**	**(45)**
Derecognition on end of lease term	**(17)**	**–**	**–**	**–**	**(17)**
Depreciation	**(427)**	**(3)**	**(2)**	**–**	**(432)**
From continuing operations	**(404)**	**(3)**	**(2)**	**–**	**(409)**
From discontinued operations	**(23)**	**–**	**–**	**–**	**(23)**
Impairment	**(10)**	**–**	**–**	**–**	**(10)**
Transfer to assets classified as held-for-sale (note 35)	**(168)**	**–**	**–**	**–**	**(168)**
Exchange differences on consolidation of foreign subsidiaries	**84**	**–**	**–**	**–**	**84**
Balance at 30 September 2021	**1 742**	**6**	**12**	**–**	**1 760**
Cost	2 111	10	13	–	2 134
Accumulated depreciation and impairment	(410)	(3)	(5)	–	(418)
Net book value at 1 October 2019	1 701	7	8	–	1 716
Cost	**2 448**	**12**	**20**	**–**	**2 480**
Accumulated depreciation and impairment	**(706)**	**(6)**	**(8)**	**–**	**(720)**
Net book value at 30 September 2021	**1 742**	**6**	**12**	**–**	**1 760**

[1]Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.

10. RIGHT-OF-USE ASSETS (CONTINUED)

Impairment

Pepkor Holdings

The right-of-use assets relating to retail stores, office space and distribution centres are each seen as an individual CGU. The Group assesses each of these CGU's when indicators of impairment are identified, these mainly include loss-making stores and stores marked for closure. The impairment test compares the carrying amount of the CGU to the higher of the value-in-use, or fair value of the unit. For retail stores the recoverable amount of the CGU is determined from the value-in-use calculation, whereas office space and distribution centres CGU's are determined from its fair value. The key assumptions for the value-in-use calculation are those regarding the discount rates and growth rates. The discount rates are based on the pre-taxation weighted average cost of capital of 12.9% (2020: 12.7%) relating to South Africa (other African countries use different weighted average cost of capital rates, but the effect thereof is immaterial), while growth rates are based on management's experience and expectations which are in line with the growth rates used for the goodwill impairment assessment. Growth rates used do not exceed the long-term average growth rate for the area in which the CGU operates.

Lease term

Right-of-use assets are written off over the shorter of the useful life or the lease term of the specific right-of-use asset. The lease term of the Group is generally between 3 to 5 years and if a lease contains an option to renew, the option period also ranges between 3 – 5 years.

The following considerations were given to whether a termination and/or extension options should be included in the lease term:

- Contractual terms and conditions for optional periods compared with market rates is more favourable.
- Significant leasehold improvements have been undertaken (or expected to be undertaken).
- Costs relating to the termination of the lease/signing of a replacement lease is less than cost which will be avoid if the option is not taken.
- If the underlying asset is a specialised asset or if suitable alternatives are not available.

Remeasurement due to lease modifications

The remeasurement of the right-of-use assets and relating lease liability remeasurement mainly relates to the following:

- Favourable lease renewals
- Retail footprint consolidation in specific retail brands

11. INVESTMENTS IN EQUITY ACCOUNTED COMPANIES

ACCOUNTING POLICY

Principles of equity accounting

Associates
Associates are entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Joint arrangements
Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group only has joint ventures.

Joint ventures
Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost.

Long-term interests
The Group's interest in an associate or joint venture includes long-term interests that form part of the Group's net investment. Such long-term interests include ordinary and preference shares and long-term receivables or loans. The long-term interests are akin to an equity investment.

Goodwill arising on the acquisition of associates and joint ventures is included in the carrying amount of the associates and joint ventures.

Equity method
Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

If a gain or loss previously recognised in other comprehensive income by the investee would be reclassified to profit or loss on disposal of the related assets or liabilities, the entity reclassifies the gain or loss from equity to profit or loss when the equity method is discontinued.

When there is a dilution in the Group's shareholding in an investment in equity accounted company, the dilution ratio is applied to the Group's share of other reserves of the equity accounted company and are released through other comprehensive income or profit or loss depending on the allowable treatment per the IFRS applicable to the transactions that built up in that reserve.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Where the financial year-end of the equity accounted entity differs by more than three months from the Group year-end, the Group will adjust the equity accounted carrying value by any known material transactions that took place between the Group year-end and that of the financial year-end of the equity accounted company.

Changes in ownership interests

When the Group ceases to equity account for an investment because of a loss of joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between the aggregate of the fair value of the consideration received and the fair value of any retained interest and the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate or a joint venture.

Impairment of investments in equity accounted companies

Investments in equity accounted companies are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use.

Losses in an equity accounted investment are only recognised to the extent of the carrying amount. Excess losses are tracked and any subsequent share in profit of the equity accounted investment will first reduce the excess loss.

The carrying amount of equity-accounted investments is tested for impairment when impairment indicators are present.

11. INVESTMENTS IN EQUITY ACCOUNTED COMPANIES (CONTINUED)

Set out below are the associates and joint ventures of the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held, except where indicated otherwise.

11.1 Detail of the equity accounted investments of the Group

Name of business	Place of business/ country of incorpora-tion	Nature of business	Nature of relation-ship	Notes	% holding 30 September 2021	% holding 30 September 2020	Carrying value 30 September 2021	Carrying value 30 September 2020
Unlisted*								
IEP	South Africa	Investment company	Associate		**26.0**	26.0	**148**	125
Mattress Firm	United States of America	Speciality bed retailer	Associate	11.3 & 11.6	**50.1**	50.1	**–**	7
Various other immaterial equity accounted companies		Consulting and other services	Associates		**24.5 – 50.0**	24.5 – 50.0	**3**	4
							151	136

* *Associate and joint venture entities are owned by private equity – no quoted prices are available.*

11.2 Reconciliation of the aggregate carrying values of equity accounted companies

	Notes	30 September 2021 €m	30 September 2020 €m
Balance at the beginning of the period		**136**	208
Additions		**–**	1
Impairments			
From continuing operations	11.4	**–**	(18)
Disposals		**–**	(5)
Share in result of equity accounted companies		**519**	(7)
Profit or loss from continuing operations		**124**	(7)
Dividend received recognised through profit and loss	11.3	**395**	–
Sundry reserves		**5**	(15)
Dividends received	11.3	**(524)**	–
Exchange differences on translation of investments in equity accounted investments		**15**	(28)
Carrying values of equity accounted companies at the end of the period		**151**	136

11. INVESTMENTS IN EQUITY ACCOUNTED COMPANIES (CONTINUED)

11.3 Material transactions with equity accounted investments

Mattress Firm

Mattress Firm carrying value is based on the equity method of accounting. The equity method is where the Group recognises its share of post-acquisition profits or losses of the investee as an increase or decrease respectively of the carrying value of the associate. Dividends received from the associate are recognised as a reduction in the carrying amount of the investment. Where an associate pays a dividend that is greater than the carrying amount of the investment in the investor's books, the carrying amount is reduced to nil, a gain is recognised in profit or loss for the remaining dividend.

The equity accounted carrying value of an associate is not a representation of the fair value of the associate.

During the Reporting Period, Mattress Firm issued an USD550 million (€475 million) new senior secured term loan due 2027. Proceeds from the senior secured term loan, along with USD184 million (€159 million) of balance sheet cash, was used to repay the existing loans, pay for loan prepayment premiums and transaction fees and expenses. The new financing also includes a proposed USD125 million (€108 million) asset-based revolving credit facility (unrated).

During the 2021 Reporting Period Mattress Firm again successfully refinanced its outstanding debt. In addition, Mattress Firm made a payment to shareholders of USD1.2 billion (€1.0 billion) with the Steinhoff Group receiving USD609 million (€520 million).

Mattress Firm announced that it is exploring a potential public offering of its common stock by its shareholders. Immediately following the pricing of an IPO, certain outstanding restricted stock units ("RSUs") and performance stock units ("PSUs") held by current and former members of management and certain non-employee directors will vest, and options held by certain non-employee directors will become exercisable. Pursuant to the agreement among stockholders at the time of Mattress Firm's emergence from bankruptcy, (i) the RSUs and PSUs held by the current and former members of management will be dilutive to all stockholders, and (ii) the RSUs and options held by certain non-employee directors will be dilutive only to the lender stockholders, excluding the Group.

The number of shares outstanding immediately following the pricing of a possible IPO will reflect the issuance of the 318.7960000 shares underlying the RSUs and options held by certain non-employee directors. The RSUs will vest immediately following the pricing of an IPO. Additionally, the options will be exercised pursuant to their terms immediately following the pricing of an IPO.

The Group's shareholding will be diluted from 50.1% to 44.96% following the exercise of these options.

11.4 Key accounting judgements relating to impairment of equity accounted investments

During the 2020 Reporting Period, the outbreak of COVID-19 and the impact on the wider economy is placing unprecedented pressure on businesses and has resulted in significant decline across global economies. The COVID-19 pandemic was an impairment indicator and management did a review on the expected recoverable amount for the Group's investment in equity accounted companies. Based on the revaluation an impairment was recognised for the investment in IEP during the 2020 Reporting Period. There were no impairment indicators for the 2021 Reporting Period, therefore no impairment was recognised during the Reporting Period.

11.5 Disposals

During the 2020 Reporting Period the Group disposed of its 50% share in Cofel SAS for a purchase price of €18.7 million. A profit of €14 million was recognised on the disposal.

11. INVESTMENTS IN EQUITY ACCOUNTED COMPANIES (CONTINUED)

11.6 Summarised information in respect of material equity accounted companies

The table below provides summarised financial information for those equity accounted investments that are material to the Group. The information disclosed reflects the amounts presented in the most recent financial statements of the relevant equity accounted companies and not the Group's share of those amounts.

Adjustments are made for material transactions occurring between equity accounted company's reporting date and Steinhoff N.V.'s Reporting Date (where necessary).

Where relevant, the statements of financial positions of the associates were translated to euro at spot conversion rate at the end of the Group's Reporting Period and the income statements were translated to euro at the average conversion rate applicable to the Group's Reporting Period.

The Group has compared the accounting policies of these companies to those of the Group. Mattress Firm's results are prepared under US GAAP whereas the Steinhoff Group reports under IFRS. Mattress Firm adopted the new leasing standard, ASC 842 (the US GAAP equivalent of IFRS 16) during the 2021 Reporting Period where the Group adopted the IFRS 16 standard during the 2020 Reporting Period.

The Group has made the following adjustments for Mattress Firm to bring its financial statements in line with IFRS and the unwinding of fair value adjustments at acquisition date.

	Mattress Firm		
	Period ended 30 September 2021		
	Mattress Firm under US GAAP €m	IFRS adjustments and fair value at acquisition unwinding €m	Adjusted for accounting policies changes and fair value at acquisition unwinding €m
Revenue	**3 676**	–	**3 676**
Gross margin	**1 558**	–	**1 558**
Other operating cost	**(1 011)**	317	**(694)**
Depreciation and amortisation[1]	**(48)**	(197)	**(245)**
Interest expense[1]	**(46)**	(110)	**(156)**
Loss on early debt retirement[3]	**(410)**	332	**(78)**
Stock based award expense	**(127)**	–	**(127)**
Goodwill and other impairments	**(39)**	33	**(6)**
Income tax expense	**(15)**	–	**(15)**
(Loss)/profit for the period	**(138)**	375	**237**
Other comprehensive income for the period	**–**	–	**–**
Total comprehensive (loss)/income for the period	**(138)**	375	**237**
Non-current assets[2]	**2 582**	(864)	**1 718**
Current assets	**474**	–	**474**
Non-current liabilities	**(2 133)**	–	**(2 133)**
Current liabilities	**(856)**	–	**(856)**
Net assets	**67**	(864)	**(797)**

[1] Under ASC 842, lease expenses are recognised as part of operating expenses where under IFRS 16 it is accounted for as amortisation and interest expense, the adjustment is just an allocation between other operating cost, amortisation and interest expense.

[2] Non-current assets relates to Goodwill that was not recognised on the initial recognition of the associate.

[3] Mattress Firm recorded a loss from debt extinguishments of USD490 million (€410 million) during the Reporting Period which related to the extinguishment of the 2018 Term Loan and 2018 payment-in-kind ("PIK") Loan. Part of the loss is reversed by the Group as it did not recognise the embedded derivative on initial recognition. This loss included USD63.7 million (€53 million) for prepayment penalties, USD379.1 million (€317 million) for the write-off of unamortized discounts, USD9.3 million (€8 million) for the write-off of unamortized deferred financing fees and USD18.3 million (€15 million) for the reversal of the embedded derivative related to the 2018 PIK Loan.

11. INVESTMENTS IN EQUITY ACCOUNTED COMPANIES (CONTINUED)

11.6 Summarised information in respect of material equity accounted companies (continued)

The table below provides summarised financial information on those associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associate and not the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	Mattress Firm		IEP	
	Period ended 30 September 2021 €m	Period ended 30 September 2020 €m	9 months[1] ended 30 September 2021 €m	9 months[1] ended 31 December 2020 €m
Revenue	**3 676**	2 976	**657**	**506**
Investment income	**–**	–	**2**	**3**
Depreciation and amortisation	**(245)**	(270)	**(41)**	**(39)**
Interest expense	**(155)**	(234)	**(17)**	**(22)**
Income tax expense	**(15)**	(32)	**(10)**	**(3)**
Profit/(loss) for the period from continuing operations	**237**	(4)	**44**	**8**
Loss for the period from discontinued operations	**–**	–	**–**	**–**
Profit/(loss) for the period	**237**	(4)	**44**	**8**
Other comprehensive loss for the period	**–**	–	**–**	**(1)**
Total comprehensive income/(loss) for the period	**237**	(4)	**44**	**7**

	Note	As at 30 September 2021 €m	As at 30 September 2020 €m	As at 30 September 2021 €m	As at 31 December 2020 €m
Non-current assets		**1 718**	1 619	**1 123**	1 013
Current assets					
Cash and cash equivalents		**181**	431	**64**	50
Other current assets		**293**	278	**287**	228
Total current assets		**474**	709	**351**	278
Non-current liabilities					
Non-current financial liabilities (excluding trade payables)		**(1 036)**	(539)	**(336)**	(305)
Other non-current liabilities		**(1 097)**	(957)	**(161)**	(167)
Total non-current liabilities		**(2 133)**	(1 496)	**(497)**	(472)
Current liabilities					
Current financial liabilities		**(242)**	(318)	**(4)**	(3)
Other current liabilities		**(614)**	(496)	**(169)**	(126)
Total current liabilities		**(856)**	(814)	**(173)**	(129)
Non-controlling interests		**–**	–	**(161)**	(142)
Net assets		**(797)**	18	**643**	548
Share-based payment expense and other expenses credited to equity		**4**	(9)	**–**	–
Net equity		**(793)**	9	**643**	548
% ownership by Group		**50.1%**	50.1%	**26.0%**	26.0%
Group's share of net equity		**(397)**	5	**167**	142
Adjustment for material transactions and foreign currency differences	11.2	**395**	–	**(19)**	(17)
Goodwill		**2**	2	**–**	–
Carrying amount of the Group's interest		**–**	7	**148**	125

[1] *The financial year-end for IEP is 31 December. At the date of publishing this report management has not yet received the 12 month period ending 31 December 2021 financial information from IEP. However, for the purpose of including the Group's share of associate's results, management uses the 12 month period that coincides with the Group's financial year. The 9 month period information is only for disclosure purposes on what is reflected by the associate in its financial statements or management accounts.*

12. OTHER FINANCIAL ASSETS

	Notes	30 September 2021 €m	30 September 2020 €m
Non-current other financial assets			
At amortised cost	12.1	**373**	425
Current other financial assets			
At amortised cost	12.1	**2**	–
Total other financial assets		**375**	425

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

12.1 At amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the Reporting Period.

Financial assets at amortised cost including the following debt instruments:

	Notes	30 September 2021 €m	30 September 2020 €m
Unlisted preference shares – Lancaster 102	12.1.1	**301**	253
Interest-bearing loans	12.1.2	**71**	168
Unlisted bonds	12.1.3	**3**	3
Non-interest bearing loans		**–**	1
		375	425

12.1.1 Unlisted preference shares

The unlisted preference shares increased with €16 million as a result of additional accrued dividends on the investment in preference shares issued by Lancaster 102, however due to the strengthening of the South African rand during the 2021 Reporting Period a foreign exchange gain of €32 million was recognised. At the beginning of the 2018 Reporting Period, Steinhoff Africa subscribed for 1 000 preference shares to the value of ZAR4 billion in Lancaster 102. The preference shares accrue dividends at 80% of the SA prime lending rate as quoted by Standard Bank Group Limited or its successor in title in South Africa. The preference shares are redeemable after 5 years from issue with the option to extend for a further 2 years. As part of the transaction, Steinhoff Africa also obtained a liability to the value of ZAR4 billion from Lancaster 102. Refer to note 17.

Expected credit losses with regard to the investment have been assessed. The assessment included consideration of the net asset value of Lancaster 102, the fact that the investment is, in essence, supported by the liability owed to Lancaster (refer note 17) and no default on payment has occurred. Based on the assessment it was determined that any provision for expected credit losses on the investment is immaterial.

Interconnected to the aforesaid transaction between Steinhoff Africa and Lancaster 102, Lancaster 102 subscribed for ordinary shares in Thibault for a total subscription amount of ZAR4 billion, and Thibault purported to subscribe for preference shares in Steinhoff Africa for a total subscription amount of ZAR4 billion. In doing so, the Thibault shares held by Lancaster 102 were ceded to Steinhoff Africa by Lancaster 102, as security for Lancaster 102's obligations to Steinhoff Africa under and in terms of the preference shares subscription agreement between Steinhoff Africa and Lancaster 102. Thereafter, Lancaster 102 purported to transfer to Lancaster 102 the Steinhoff Africa preference shares, and Lancaster 102 transferred to Thibault the aforesaid ordinary shares in Thibault, which Thibault subsequently cancelled, notwithstanding the aforesaid security cession.

As set out in note 17.6, Steinhoff Africa contends that the preference shares issued by it were and are void and invalid, and on that basis, has instituted proceedings in the Western Cape Division of the High Court, seeking a declaration that all of the aforesaid agreements between Steinhoff Africa, Lancaster 102 and Thibault, are invalid.

Thibault disputes that the Steinhoff Africa preference shares were and are void and invalid and has opposed Steinhoff Africa's application (as has Lancaster 102), whilst Lancaster 102 relies upon such invalidity in advancing a claim against Thibault, which it has done so in arbitration proceedings between Lancaster 102 and Thibault, which Thibault is opposing. Steinhoff Africa has indemnified Thibault from liability that it might be found to owe to Lancaster 102. Thibault has instituted proceedings in the Western Cape Division of the High Court, seeking an order that all of the disputes between Steinhoff Africa, Lancaster 102 and Thibault be determined by the Court, and not in terms of arbitration proceedings.

12. OTHER FINANCIAL ASSETS (CONTINUED)

12.1 At amortised cost (continued)

12.1.1 Unlisted preference shares (continued)

If it transpires that Lancaster 102 has no such claim against Thibault, it will follow that Steinhoff Africa will not owe any corresponding liability to Thibault. This would constitute a benefit to Steinhoff Africa that can be offset against any credit losses that may result.

Arbitration proceedings were commenced by Lancaster 102 against Thibault, to which Steinhoff Africa is not a party (the "**Arbitration Proceedings**"). In response, on 28 April 2021, Thibault applied to the High Court for a declaratory order that (i) the Arbitration be referred to and determined by the High Court; and (ii) that Steinhoff Africa be joined as a party (the "**Override Application**"). Steinhoff Africa initiated separate proceedings seeking to declare all of the agreements in the loop transaction invalid, alternatively void (the "**Invalidity Application**"). The Override Application was heard on 8 September 2021 and the Invalidity Application was enrolled for hearing on 11 November 2021.

Shortly after the hearing of the Invalidity Application, all of the parties in all of the Lancaster-related matters (including the Override Application, the Invalidity Application and the Arbitration Proceedings) agreed to suspend the process in all of the Lancaster-related litigation, save for the handing down of pending Judgments by the Court (the "**Suspension Agreement**"). The Invalidity Application was accordingly removed from the roll of 11 November 2021. On 1 December 2021, the Court handed down its ruling in the Override Application, dismissing the application with costs. Thibault intended to appeal the Court's Judgment in respect of the Override Application, however such appeal is not necessary at this stage in light of the Suspension Agreement.

In management's view, Lancaster 102's contentions do not give rise to a liability owed by Steinhoff Africa to Lancaster 102, but potentially give rise to a liability owed by Steinhoff Africa to Thibault. If Lancaster 102 is able to establish a claim against Thibault, Steinhoff Africa will assert a claim against Lancaster 102 that will fall within the scope of the indemnity that Steinhoff Africa has provided in that respect.

12.1.2 Interest bearing loans

Loan to Titan

Included in the balance of interest-bearing loans is a loan receivable from Titan of €67 million as at 30 September 2021 (30 September 2020: €165 million) after recognising a credit loss of €98 million (2020: €13 million on adoption of IFRS 9). The loan receivable originated when a prepayment of €200 million was made by the Group in November 2017 to an entity related to Christo Wiese (a Steinhoff Supervisory Board member at the time) as part of the planned Shoprite transaction.

Subsequent to the aborted Shoprite transaction following the events of December 2017, a settlement was concluded in early 2018, pursuant to which Titan owed SFHG an amount of €200 million plus interest. In accordance with the Group's 2019 financial restructuring arrangements, the Titan loan receivable was transferred from SFHG to Newco 2A.

A key consideration/assumption in the assessment below is that management has assessed that it is highly probable that the Litigation Settlement Proposal will be implemented following the S155 Scheme sanctioning on 24 January 2022. Due to this probability assessment, the new terms attached to the Titan Loan (once the Litigation Settlement Proposal is implemented) have been applied for IFRS 9 purposes. The credit loss of €98 million is based on a weighted average multi-scenario taking into account the time value of money. The changes compared to the 2020 Reporting Period in the new terms of the Titan loan are the main drivers for the credit loss.

Conditional upon and subject to the occurrence of the Settlement Effective Date, SIHPL will acquire the Titan Loan from Newco 2A for an amount to be determined subject to an agreed mechanism linked to the prevailing EUR:ZAR exchange rate upon Settlement Effective Date. Payment of the consideration will be deferred resulting in an amount owed by SIHPL to Newco 2A ("Newco 2A Loan Note"). The new terms of the Titan loan will be:

- following implementation, SIHPL will acquire the rights under the legacy loan receivable owed by Titan to Newco 2A (formerly owed to SFHG) for deferred cash consideration of ZAR3.4 billion (€192 million based on the 30 September 2021 spot rate) principal outstanding;
- zero coupon;
- repayment date of 10 years plus one day from the Settlement Effective Date and voluntarily repayable without penalty at any time; and
- secured in favour of SIHPL over 14 813 923 ordinary shares in Shoprite.

It is management's view that the Titan loan receivable remains recoverable based on the key considerations above.

12.1.3 Unlisted bonds

	30 September 2021 €m	30 September 2020 €m
Unlisted bonds held by Pepkor Holdings consist of:		
Standard Bank bond: issued by Standard Bank Angola[1]	**3**	3
	3	3

[1] *Angola government bonds held by Pepkor Holdings are denominated in Angola Kwanza, with a coupon interest rate of 17% and maturity date of 2021/12/11.*

13. RECEIVABLES

13.1 Trade and other receivables

	Notes	30 September 2021 €m	Restated[1] 30 September 2020 €m
Financial assets			
Non-current trade and other receivables			
Instalment sale and loan receivables	13.1.3	**9**	4
		9	4
Current trade and other receivables			
Trade receivables		**122**	123
Instalment sale and loan receivables	13.1.3	**375**	328
Less: Provision for impairments – Trade receivables	21.3	**(24)**	(24)
Less: Provision for impairments – Instalment sale and loan receivables	21.3	**(87)**	(94)
Net trade, instalment sale and loan receivables		**386**	333
Other amounts due	13.1.2	**118**	102
Derivative financial assets	21.1	**80**	39
		584	474
Non-financial assets			
Current trade and other receivables			
Prepayments		**137**	73
Value Added Tax receivable		**12**	20
		149	93
Total			
Non-current trade and other receivables		**9**	4
Current trade and other receivables		**733**	567
		742	571

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

13.1.1 Classification of trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Instalment sale and loan receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 to 90 days and therefore are all classified as current.

13.1.2 Other amounts due

Included in other amounts due are creditors with debit balances, insurance receivables and various other receivables.

13.1.3 Instalment sale and loan receivables

Instalment sale and loan receivables relate mainly to the credit books in Pepkor Holdings.

13. RECEIVABLES (CONTINUED)

13.1 Trade and other receivables (continued)

13.1.4 Fair values of trade and other receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

13.1.5 Derivatives

Refer to notes 20 and 21 for details regarding the determination of their fair values and the types of derivatives, respectively.

13.1.6 Impairment and risk exposure

Information about the impairment of trade and other receivables, the calculation of the loss allowance, their credit quality and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 21.

13.1.7 Translation of foreign operations

During the 2021 Reporting Period there was a significant strengthening of the South African rand to the euro, refer to Basis of preparation for the exchange rates. This had a significant impact on the translation of assets and liabilities of the Group's South African operations in the current period compared to the previous period. The Group had trade and other receivables to the value of ZAR8.3 billion (€472 million) as at 30 September 2021 (2020: ZAR7.8 billion (€396 million)).

13.2 Taxation receivable

	Note	30 September 2021 €m	Restated[1] 30 September 2020 €m
Taxation receivable	13.2.1	**150**	146

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

13.2.1 Taxation receivable

On 1 October 2019, the Group adopted IFRIC 23, effective for financial years beginning on or after 1 January 2019. On adoption of the standard a taxation receivable of €98 million was recognised in the 2020 Reporting Period and a total of €104 million is included in the receivable balance for the 2021 Reporting Period.

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group holds the following financial assets and financial liabilities:

14.1 Total financial assets and liabilities

	Notes	At fair value through profit or loss €m	At amortised cost €m	Total carrying values €m
30 September 2021				
Trade and other receivables	13.1	–	9	9
Other financial assets	12	–	373	373
Non-current financial assets		–	382	382
Trade and other receivables	13.1	80	504	584
Other financial assets	12	–	2	2
Cash and cash equivalents	16	–	3 151	3 151
Current financial assets		80	3 657	3 737
Borrowings	17.2	–	(10 869)	(10 869)
Non-current financial liabilities		–	(10 869)	(10 869)
Borrowings	17.2	–	(399)	(399)
Trade and other payables	19.1	(39)	(1 420)	(1 459)
Current financial liabilities		(39)	(1 819)	(1 858)
		41	(8 649)	(8 608)
30 September 2020[1]				
Trade and other receivables	13.1	–	4	4
Other financial assets	12	–	425	425
Non-current financial assets		–	429	429
Trade and other receivables	13.1	39	435	474
Cash and cash equivalents	16	–	2 015	2 015
Current financial assets		39	2 450	2 489
Borrowings	17	–	(10 744)	(10 744)
Non-current financial liabilities		–	(10 744)	(10 744)
Borrowings	17.2	–	(709)	(709)
Trade and other payables	19.1	(11)	(1 325)	(1 336)
Current financial liabilities		(11)	(2 034)	(2 045)
		28	(9 899)	(9 871)

The Group's exposure to various risks associated with the financial instruments is discussed in note 21. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of financial assets mentioned above.

There were no transfers between categories of financial instruments during either period presented.

15. INVENTORIES

	30 September 2021 €m	Restated[1] 30 September 2020 €m
15.1 Inventory		
Merchandise and finished goods	1 285	1 159
Goods in transit	270	98
Raw materials and other inventories	13	146
Inventory before provision	1 568	1 403
Less: provision for inventory write downs*	(103)	(89)
Net Inventories	1 465	1 314

* *Comprises mainly provision against finished goods and merchandise*

15.2 Amount of write-down of inventories to net realisable value recognised in profit or loss as an expense during the period	(52)	(57)

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

15. INVENTORIES (CONTINUED)

Inventory pledged as security

No inventory has been pledged as security over borrowings in the 2021 and 2020 Reporting Periods.

Merchandise and finished goods

Merchandise and finished goods are stated at the lower of cost and net realisable value. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material and finished goods but excludes borrowing costs.

Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Amounts recognised in profit or loss

Write-downs of inventories to net realisable value were recognised as an expense during the period and included in 'cost of sales' in the statement of profit or loss.

Translation of foreign operations

During the 2021 Reporting Period there was a significant strengthening of the South African rand to the euro. Refer to Basis of preparation for the exchange rates. This had a significant impact on the translation of assets and liabilities of the Group's South African operations in the current period compared to the previous period. The Group's South African operations had inventory to the value of ZAR13.4 billion (€760 million) as at 30 September 2021 (2020: ZAR12.0 billion (€608 million)).

16. CASH AND CASH EQUIVALENTS

	30 September 2021 €m	Restated[1] 30 September 2020 €m
Current assets		
Cash at bank and on hand	**1 884**	1 357
Funds and deposits on call	**1 267**	658
	3 151	2 015

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Term deposits are presented as cash equivalents if they have maturity of three months or less from the date of acquisition and are repayable within 24 hour notice with no loss of interest.

Restricted cash

Total restricted cash balances on a Group level amounted to €158.8 million (2020: €140.0 million).

The Group has restricted cash balances of €38.3 million (2020: €12.7 million Escrow arrangement on the Unitrans sale was released on 30 September 2021) held by Steinhoff Africa relating to Pepco IPO proceeds currently withheld by Standard Bank South Africa pending FinSurv approval for release and €108.5 million (2020: €112.3 million) commercially restricted cash held by Steenbok Newco 10 SARL to be used to settle historic German Tax liabilities.

Local currency cash and short-term deposits of €12 million (2020: €15 million) are held in Angola and Nigeria and are subject to onerous local exchange control regulations. These local exchange control regulations impose restrictions on exporting capital from these countries, other than through normal dividend. These restricted cash balances held by the respective subsidiaries are not available for general use by Steinhoff N.V. or other subsidiaries in the Group.

Cash under cession

In anticipation of the implementation of the Litigation Settlement Proposal on SED, the Group has cash under a security cession in favour of the SRF, amounting to €351 million.

Litigation Settlement Proposal

The estimated cash to be utilised on SED for the Litigation Settlement Proposal amounts to c. €1 180 million, which includes the €351 million already ceded to the SRF.

17. BORROWINGS

ACCOUNTING POLICY

Principles of borrowings

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

An exchange between an existing borrower and lender of debt instruments with substantially different terms should be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Substantially different is if the discounted present value of the cash flows under the new terms, including any fees paid (net of any fees received and discounted using the original effective interest rate), is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

17. BORROWINGS (CONTINUED)

17.1 Analysis of closing balance

		30 September 2021			Restated[1] 30 September 2020		
	Notes	Current €m	Non-current €m	Total €m	Current €m	Non-current €m	Total €m
Operating companies							
European Properties – Hemisphere							
Term loan facility [2]	17.5	**–**	**178**	**178**	218	–	218
Pepco Group							
Term loans and facilities	17.5	**69**	**545**	**614**	1	485	486
Capitalised finance lease	17.5	**4**	**1**	**5**	4	4	8
Conforama							
Syndicated loan facilities and term loans	17.5	**–**	**–**	**–**	188	–	188
Greenlit Brands							
Term loans and facilities	17.5	**–**	**–**	**–**	24	–	24
Pepkor Holdings							
Term loans and facilities[1]	17.5	**25**	**610**	**635**	21	533	554
Preference shares	29.2	**–**	**–**	**–**	–	101	101
Instalment sale agreements	17.5	**–**	**1**	**1**	–	1	1
		98	**1 335**	**1 433**	456	1 124	1 580
Corporate and treasury services							
Steenbok Lux Finco 1 SARL							
21/22 Term loan facility[2]	17.4	**–**	**2 165**	**2 165**	–	1 961	1 961
23 Term loan facility[2]	17.4	**–**	**1 480**	**1 480**	–	1 340	1 340
Steenbok Lux Finco 2 SARL							
First lien term loan facility[2]	17.4	**–**	**1 177**	**1 177**	–	2 081	2 081
Second lien term loan facility[2]	17.4	**–**	**4 712**	**4 712**	–	4 238	4 238
Africa Group (excl. Pepkor Holdings)							
Lancaster Liability	17.6	**301**	**–**	**301**	253	–	253
		301	**9 534**	**9 835**	253	9 620	9 873
Total borrowings		**399**	**10 869**	**11 268**	709	10 744	11 453

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

[2] *Certain tranches are guaranteed by Steinhoff N.V. through the issuance of the CPU. Refer to the Steinhoff N.V. 2021 Separate Financial Statements.*

17. BORROWINGS (CONTINUED)

17.2 Reconciliation of borrowings balances

	Notes	Corporate and treasury services €m	European Properties – Hemisphere €m	Pepkor Holdings €m	Pepco Group €m	Conforama €m	Greenlit Brands €m	Total €m
Opening balance – 1 October 2019		9 187	361	1 049	484	256	33	11 370
Repayable within one year		477	361	113	1	47	–	999
Repayable after one year		8 710	–	936	483	209	33	10 371
Repayment of debt		(188)	(144)	(358)	(57)	(220)	(9)	(976)
Repayment of interest		–	(26)	(70)	(16)	–	(1)	(113)
Partial settlement of preference shares		–	–	(220)	–	–	–	(220)
Additional financing		–	1	364	61	–	–	426
Interest accrued		923	27	70	37	52	2	1 111
Continuing – Loans	5	923	–	70	37	–	2	1 032
Discontinued – Loans		–	27	–	–	52	–	79
Foreign exchange gains or losses		(49)	–	(179)	(15)	–	(1)	(244)
Prepayment premiums[2]		–	–	–	–	7	–	7
Commitment fees[2]		–	–	–	–	12	–	12
Remeasurement of financial liability		–	(1)	–	–	81	–	80
Closing balance – 30 September 2020[1]		9 873	218	656	494	188	24	11 453
Repayable within one year		253	218	21	5	188	24	709
Repayable after one year		9 620	–	635	489	–	–	10 744
Opening balance – 1 October 2020[1]		**9 873**	**218**	**656**	**494**	**188**	**24**	**11 453**
Repayable within one year		**253**	**218**	**21**	**5**	**188**	**24**	**709**
Repayable after one year		**9 620**	**–**	**635**	**489**	**–**	**–**	**10 744**
Repayment of debt		**(1 011)**	**(53)**	**(254)**	**(493)**	**(210)**	**(24)**	**(2 045)**
Repayment of interest		**(36)**	**(6)**	**(42)**	**(23)**	**(13)**	**(1)**	**(121)**
Settlement of preference shares		**–**	**–**	**(113)**	**–**	**–**	**–**	**(113)**
Additional financing		**–**	**1**	**238**	**589**	**–**	**–**	**828**
Interest accrued		**978**	**18**	**46**	**34**	**13**	**–**	**1 089**
Continuing – Loans	5	**978**	**–**	**46**	**34**	**–**	**–**	**1 058**
Discontinued – Loans		**–**	**18**	**–**	**–**	**13**	**–**	**31**
Transaction fees (additional financing)	5	**–**	**–**	**–**	**(8)**	**–**	**–**	**(8)**
Foreign exchange gains or losses		**31**	**–**	**105**	**26**	**–**	**1**	**163**
Prepayment premiums and fees[2]		**–**	**–**	**–**	**–**	**22**	**–**	**22**
Closing balance – 30 September 2021		**9 835**	**178**	**636**	**619**	**–**	**–**	**11 268**
Repayable within one year		**301**	**–**	**25**	**73**	**–**	**–**	**399**
Repayable after one year		**9 534**	**178**	**611**	**546**	**–**	**–**	**10 869**

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

[2] *Prepayment premiums relates to the 10% prepayment premium computed on the principal amount that was repaid for the Senior secured bonds of Conforama. The fees relate to the Tranche B bonds that were due by Conforama but were not issued.*

17. BORROWINGS (CONTINUED)

17.3 Contractual maturities of borrowings

The following are the remaining contractual maturities of borrowings at the Reporting Date. The amounts are gross and undiscounted, and include contractual interest payments.

	Contractual maturities of borrowings					
	1 – 12 months €m	Between 1 and 2 years €m	Between 2 and 5 years €m	Over 5 years €m	Total €m	Carrying amount €m
At 30 September 2021						
Operating companies						
Pepkor Holdings	25	–	659	–	684	636
Term loans and facilities	25	–	658	–	683	635
Instalment sale agreements	–	–	1	–	1	1
Pepco Group	82	9	566	–	657	619
Term loans and facilities	78	8	566	–	652	614
Capitalised finance lease	4	1	–	–	5	5
European Properties – Hemisphere	–	200	–	–	200	178
Term loan facility	–	200	–	–	200	178
	107	209	1 225	–	1 541	1 433
Corporate and treasury services						
21/22 Term loan facility	–	2 219	–	–	2 219	2 165
23 Term loan facility	–	1 517	–	–	1 517	1 480
First lien term loan facility	–	2 295	–	–	2 295	1 177
Second lien term loan facility	–	4 838	–	–	4 838	4 712
Africa Group (excl. Pepkor Holdings)	301	–	–	–	301	301
Lancaster Liability	301	–	–	–	301	301
	301	10 869	–	–	11 170	9 835
Total borrowings	408	11 078	1 225	–	12 711	11 268
At 30 September 2020						
Operating companies						
Pepkor Holdings	–	634	1	–	635	656
Term loans and facilities	–	533	–	–	533	554
Preference shares	–	101	–	–	101	101
Instalment sale agreements	–	–	1	–	1	1
Conforama	188	–	–	–	188	188
Syndicated loan facilities and term loans	188	–	–	–	188	188
Pepco Group	8	490	6	–	504	494
Term loans and facilities	4	490	2	–	496	486
Capitalised finance lease	4	–	4	–	8	8
Greenlit Brands	24	–	–	–	24	24
Term loans and facilities	24	–	–	–	24	24
European Properties – Hemisphere	220	6	–	–	226	218
Term loan facility	220	6	–	–	226	218
	440	1 130	7	–	1 577	1 580
Corporate and treasury services						
21/22 Term loan facility	–	2 219	–	–	2 219	1 961
23 Term loan facility	–	1 517	–	–	1 517	1 340
First lien term loan facility	–	2 295	–	–	2 295	2 081
Second lien term loan facility	–	4 838	–	–	4 838	4 238
Africa Group (excl. Pepkor Holdings)	253	–	–	–	253	253
Lancaster Liability	253	–	–	–	253	253
	253	10 869	–	–	11 122	9 873
Total borrowings	693	11 999	7	–	12 699	11 453

17. BORROWINGS (CONTINUED)

17.4 Impact of implementation of CVAs

The Group has been engaged in substantial and complex debt restructuring processes since December 2017. Financial restructuring activity completed in the 2019 Reporting Period is summarised below.

Company Voluntary Arrangements (CVAs)

As part of the proposed European financial restructuring detailed in the Lock-Up Agreement, on 30 November 2018, the SEAG CVA and the SFHG CVA were filed with the English court. The SEAG CVA and the SFHG CVA implemented the restructuring plan outlined in the Lock-Up Agreement. The CVA proposals, together with certain supporting documentation, can be downloaded from www.steinhoffinternational.com.

The financial restructuring of the Group became effective on 13 August 2019, when the SEAG and SFHG CVAs were successfully implemented. Under the terms of the CVAs, the existing debt instruments in SEAG and SFHG were reissued for accounting purposes effective as of 14 December 2018, which was the date the SEAG CVA and the SFHG CVA were approved by the requisite majorities of the creditors, with a common maturity date of 31 December 2021. No cash interest is payable in this period, as interest will accrue and is only payable when the debt matures, providing the Group with a period in which it can concentrate on reducing debt and restoring value.

The Group has announced it intends to implement a number of steps to reduce its debt burden. Within this, the Steenbok Group in particular is now required to be run for the benefit of its creditors (including those under the Facilities Agreements) ahead of the benefit of its shareholders (which are ultimately controlled by the Company). Planned steps include the managed realisation of investments and assets.

The lenders have additional rights pursuant to the terms of the Facilities Agreements which require their consent ahead of an IPO and the right of certain lenders to participate in the IPO as cornerstone investors.

The implementation of the CVAs resulted in the original SEAG and SFHG debt being replaced by new term loan facilities entered into between the lenders and Steenbok Lux Finco 1 SARL and Steenbok Lux Finco 2 SARL, two newly incorporated entities within the Europe Group. The new facilities have new terms and conditions in terms of the finance documents.

New facility	Facilities replaced
21/22 Term loan facility	2021 and 2022 convertible bonds
23 Term loan facility	2023 convertible bonds
First lien term loan facility	SEAG debt
Second lien term loan facility	SEAG debt

Classification of debt

As part of the implementation steps of the Litigation Settlement Proposal, the Steinhoff N.V. Group delivered the Interim Debt Extension request to its lenders on 6 August 2021 requesting consent to extend the maturity date of the Steinhoff N.V. Group's outstanding debt from December 2021 to December 2022 ("Interim Debt Extension").

On 11 August 2021, consent for the Interim Debt Extension was granted by its lenders. Consequently, the maturity date of the Steinhoff N.V. CPU and facility agreements entered into pursuant to the CVA, was extended from 31 December 2021 to 31 December 2022. As a result, in accordance with IAS 1 – Presentation of Financial Statements, the debt is classified as non-current as at 30 September 2021. Refer to note 17. A further term extension will be granted initially to 30 June 2023 on the Settlement Effective Date of the global Litigation Settlement Proposal and such maturity date is capable of further extension to 31 December 2023 with further simple majority lender approval.

17. BORROWINGS (CONTINUED)

17.4 Impact of implementation of CVAs (continued)

Corporate and treasury services

Facility	Tranche	Maturity date	Interest rate %	30 September 2021 Carrying value €m	30 September 2020 Carrying value €m
21/22 Term loan facility	Super senior	31 December 2022	10%	**30**	27
	A1	31 December 2022	10%	**2 135**	1 934
23 Term loan facility	Super senior	31 December 2022	10%	**18**	16
	A2	31 December 2022	10%	**1 462**	1 324
First lien term loan facility	A1	31 December 2022	7.875%	**1 130**	1 998
	B1	31 December 2022	7.875%	**47**	83
Second lien term loan facility	A2	31 December 2022	10.75%	**4 521**	4 066
	B2	31 December 2022	10.75%	**191**	172
				9 534	9 620
Portion payable within 12 months included in current liabilities				**–**	–
Total non-current borrowings				**9 534**	9 620

No part of the term loan facilities which is repaid may be drawn down again.

Under the term loan facilities, Newco 3 and SFHG have an obligation to provide the lenders with certain monthly, quarterly and annual financial information.

Steinhoff N.V. and SIHPL entered into CPUs with the lenders whereby each of Steinhoff N.V. and SIHPL undertook to repay up to the following amounts for each facility in the event of a default:

Subsidiary	Facility	Agreement date	Steinhoff N.V. €m	SIHPL €m
Steenbok Lux Finco 1 SARL	21/22 Term loan facility	13 August 2019	1 723	1 581
	23 Term loan facility	13 August 2019	1 180	–
Steenbok Lux Finco 2 SARL	First lien term loan facility	13 August 2019	1 913	–
	Second lien term loan facility	13 August 2019	3 591	–
Hemisphere	Term loan facility	5 September 2018	775	–

Trevo instituted motion proceedings in the Western Cape High Court on 15 February 2021, seeking a declaratory order that the Guarantee issued by Steinhoff Investments in 2014 be declared void in terms of Section 45 of the South African Companies Act, 71 of 2008. On 1 July 2021, Judge Bozelak handed down his decision in which he confirmed the validity of the 2014 guarantee, but in relation to the SIHPL CPU found, inter alia, that the financial assistance provisions of section 45 of the South African Companies Act, 71 of 2008, had been breached, and held that the resolution of the SIHPL board authorising entry into the SIHPL CPU and the SIHPL CPU was void (the "**Section 45 Judgement**").

On 12 July 2021, the financial creditors of SIHPL filed their Notice of Application for leave to appeal to the Supreme Court of Appeal against the orders and those parts of the judgment of Judge Bozelak in support thereof, followed by SIHPL on 19 July 2021. On 16 August 2021 Judge Bozelak handed down his judgment in which he granted leave to appeal to SIHPL and the financial creditors. The financial creditor's notice of appeal was served on 9 September 2021. SIHPL's notice of appeal was served on 14 September 2021.

The appealing financial creditors notified SIHPL that, if their appeal of the Section 45 Judgement proved to be unsuccessful, in their opinion they would be entitled to the benefit of the continuing debt claims or restitutionary claims against SIHPL which fall outside the scope of the Section 45 Judgement. The financial creditors contend that SIHPL will owe an English law debt to them either under the original guarantees or on similar terms by way of restitution for unjust enrichment suffered as a result of the loss of the benefit of those guarantees in circumstances where both parties had intended that SIHPL would remain liable to the financial creditors under the SIHPL CPU following the 2019 financial restructuring.

On 15 December 2021, Steinhoff N.V. announced that Trevo had agreed to a settlement in which Trevo confirmed its support for the S155 Scheme. It is viewed as an adjusting event for the 2021 Reporting Period and ZAR500 million (€28 million) was raised as part of the Litigation Settlement Proposal provision, representing the best estimate for settlement of the claim.

On and from Settlement Effective Date, Trevo will withdraw all litigation between them and Steinhoff N.V. Group in full and final settlement of claims against the Steinhoff N.V. Group, directors and officers and auditors.

Refer to note 23.4 for further detail.

17. BORROWINGS (CONTINUED)

17.5 Operating companies debt

Hemisphere

	Maturity date	Interest rate %	30 September 2021 Carrying value €m	30 September 2020 Carrying value €m
Term loan facility	31 December 2022	10%	**178**	218
			178	218
Portion payable within 12 months included in current liabilities			**–**	(218)
Total non-current borrowings			**178**	–

Under the term loan facility, Hemisphere has an obligation to provide the lenders with certain monthly, quarterly and annual financial information.

On 15 October 2019, Hemisphere and its lenders entered into an amendment and restatement deed which amended the term loan agreement and intercreditor agreement in order to incorporate guarantee obligations (between Hemisphere and its subsidiaries in respect of the debt under the term loan facility agreement) and confirm the remaining security to be provided to the lenders.

On 11 August 2021, consent for the Interim Debt Extension was granted by its lenders. Consequently, the maturity date of the Hemisphere term loan facility was extended from 31 December 2021 to 31 December 2022. However, on Settlement Effective Date, the Hemisphere lenders are entitled to an early payment of €66 million (payable in cash) by Steinhoff N.V. under the Hemisphere CPU. From Settlement Effective Date following accession by the Hemisphere Agent to the Umbrella Agreement, the maturity date under the Hemisphere CPU and the Term Loan Facility will be extended to 30 June 2023 with the possible extension to 31 December 2023 with the further consent of the lenders.

Pepco Group

	Facility €m	Maturity date	Interest rate %	30 September 2021 Carrying value €m	30 September 2020 Carrying value €m
Term loan facility	475	February 2022	5.85%	**–**	482
Term loan facility 1	300	21 May 2024	1.70%	**300**	–
Term loan facility 2	250	21 May 2026	1.70%	**248**	–
Revolving Credit Facility	190	21 May 2026	1.70%	**63**	–
Mortgage loan		31 December 2025	WIBOR 1M	**3**	4
Instalment sale agreements					
Capitalised finance lease and instalment sale agreements	–	Various	Various	**5**	8
				619	494
Portion payable within 12 months included in current liabilities				**(73)**	(5)
Total non-current borrowings				**546**	489

No part of the term loan facility which is repaid may be drawn down again.

During the Reporting Period, Pepco Group renegotiated new Term Loans with credit institutions. Costs incurred in obtaining the loans from credit institutions have been capitalised and are allocated to the Consolidated Statement of Profit or Loss over the life of the debt facility. At 30 September 2021, borrowings are stated net of unamortised issue costs of €7.4 million.

In March 2020 a rolling credit facility of €65 million was negotiated of which €53 million has been drawn down as a contingency for the effect of the COVID-19 pandemic.

As a condition of the CVAs, Pepco Group is bound to additional monthly and quarterly information undertakings.

This term loan facility contains financial covenants which are typical for this type of facility and include minimum EBITDA and minimum cash measured at quarterly intervals. The Pepco Group was compliant with these covenants for the Reporting Period.

The loans from credit institutions are secured over amounts owed by the Group to related party Steinhoff entities, share pledges over the shares of material overseas subsidiaries and debentures over other assets of the Group.

Based on discussions with lenders and advisors, and taking into account the Pepco Group's expected leverage ratios, the directors of the Pepco Group believe that they will be able to refinance their debt on acceptable terms before the repayment of the debt becomes due.

17. BORROWINGS (CONTINUED)

17.5 Operating companies debt (continued)

Conforama

	30 September 2021 Carrying value €m	30 September 2020 Carrying value €m
Senior secured bonds	–	188
	–	188
Portion payable within 12 months included in current liabilities	–	(188)
Total non-current borrowings	–	–

On 15 April 2019, Conforama issued senior secured bonds to the amount of €205 million ("Tranche A Bonds") of which the proceeds were used to repay certain intercompany loans and tax liabilities, to finance the turnaround plan and to finance working capital needs of the Conforama group.

As additional consideration for the senior secured bonds, the creditors were granted warrants ("Warrants") that effectively granted them 49.9% of the economic rights to the future returns of Conforama (i.e. 49.9% right to returns arising from distributions, exit and/or a liquidation event) through the right to ownership of Class 2 Preference Shares in the future.

On 8 July 2020 the Group announced the disposal of Conforama France and 18 properties to Mobilux for €70 million. Following the sale of Conforama France it was no longer required to issue the Tranche B Bonds. Fees were due by Conforama Holding SA in connection with these bonds including commitment fee as compensation for Bondholders' commitment to make available Tranche B Bonds between April 2019 and 28 February 2020, and extension fee and backstop fee as compensation for Bondholders' acceptance to extend the availability period of Tranche B Bonds until 30 June 2020 totalling approximately €11.5 million.

In a separate and unrelated transaction on 13 July 2020, the Group concluded an agreement to dispose of Conforama Suisse SA to a Swiss group of private investors for an agreed price of eight times EBITDA. These proceeds were used to fully repay the Tikehau loans and part of the senior secured bonds.

During the 2021 Reporting Period, proceeds from the sale of properties and the sale of the Balkans business on 22 September 2021 were used to repay the senior secured bonds in full.

Greenlit Brands

	30 September 2021 Carrying value €m	30 September 2020 Carrying value €m
Greenlit Brands – Household Goods		
Term loans and facilities	–	24
	–	24
Portion payable within 12 months included in current liabilities	–	(24)
Total non-current borrowings	–	–

Greenlit Brands has fully repaid its external debt during December 2020.

17. BORROWINGS (CONTINUED)

17.5 Operating companies debt (continued)

Pepkor Holdings

	Facility €m	Maturity date	Interest rate %	30 September 2021 Carrying value €m	30 September 2020 Carrying value €m
Term loans and facilities					
Term loan B	–	18 May 2022	Three-month JIBAR plus 215bps	–	101
Term loan C[1]	–	18 May 2023	Three-month JIBAR plus 225bps	–	127
Term loan D	142	30 September 2023	Three-month JIBAR plus 205bps	142	127
Term loan E[1]	28	30 June 2024	Three-month JIBAR plus 159bps	28	–
Term loan F[1]	57	30 June 2025	Three-month JIBAR plus 168bps	57	–
Term loan G[1]	57	30 June 2026	Three-month JIBAR plus 174bps	57	–
Revolving credit facility	142	30 September 2023	Three-month JIBAR plus 210bps	142	127
Bridge facility	57	30 September 2023	Three-month JIBAR plus 205 bps	–	–
Floating rate notes – PEP01	46	10 March 2023	Three-month JIBAR plus 159 bps	46	41
Floating rate notes – PEP02	12	10 March 2025	Three-month JIBAR plus 174 bps	12	10
Floating rate notes – PEP03	82	5 May 2024	Three-month JIBAR plus 152 bps	82	–
Floating rate notes – PEP04	44	5 May 2026	Three-month JIBAR plus 170 bps	44	–
Bank overdrafts and short-term facilities	–		Various	25	21
Preference shares					
Class A cumulative redeemable preference shares	114	23 May 2022	74% of South African prime rate	–	101
Instalment sale agreements					
Capitalised finance lease and instalment sale agreements	–		Various	1	1
Total borrowings				636	656
Portion payable within 12 months included in current liabilities				(25)	(12)
Total non-current borrowings				611	644

Term loans

[1] The Pepkor Holdings Group settled Term loan C which was due in the 2023 financial year during June 2021, and was replaced by Term loans E, F and G.

Class A cumulative redeemable preference shares

During the Reporting Period, the Pepkor Holdings Group settled its debt relating to the Class A Cumulative redeemable preference shares to the value of ZAR2 billion (€113 million).

Floating rate notes

On 5 May 2021, notes to the value of ZAR2.200 billion (10 March 2020: ZAR1.006 billion) were issued under the Domestic Medium-Term Note ("DMTN") programme, which is a further source of funding to the Pepkor Holdings Group. The DMTN is guaranteed by Pepkor Trading Proprietary Limited.

Interest-bearing borrowings bear interest at variable, market-determined rates. These borrowings are measured at amortised cost, which approximates their fair value. Interest on external borrowings are payable quarterly in arrears.

17. BORROWINGS (CONTINUED)

17.5 Operating companies debt (continued)

Pepkor Holdings (continued)

The funding facilities is subject to the following loan covenants:

	Covenant	30 September 2021 Actual
Net debt: EBITDA cover	<3.00	0.58
Interest cover	>3.50	13.47

17.6 Lancaster liability

The reconstituted board of Steinhoff Africa (appointed on 2 February 2018 and 8 July 2019, respectively) mandated an investigation into the process followed with regard to the issue of the preference shares.

On 28 October 2019, the Steinhoff Africa board concluded that the issue of the preference shares was neither authorised nor permitted in terms of its Memorandum of Incorporation and was therefore void.

Although the cancellation of the Steinhoff Africa preference shares occurred during the 2020 Reporting Period, management believes that the conditions causing them to be void already existed at the date of 'issue' and as a result, the issued preference share capital as well as any accrued dividends were retrospectively adjusted affecting the opening balances in the 2020 Reporting Period.

Notwithstanding management's view that the preference shares are void, Steinhoff Africa received ZAR4 billion at the time, for which a liability has been raised equal to the preference share investments disclosed in note 12.1 reflecting management's view that they are directly related.

The increase in the liability is as a result of additional accrued finance costs on the preference share liability.

Arbitration proceedings were commenced by Lancaster 102 against Thibault, to which Steinhoff Africa is not a party (the "**Arbitration Proceedings**"). In response, on 28 April 2021, Thibault applied to the High Court for a declaratory order that (i) the Arbitration be referred to and determined by the High Court; and (ii) that Steinhoff Africa be joined as a party (the "**Override Application**"). Steinhoff Africa initiated separate proceedings seeking to declare all of the agreements in the loop transaction invalid, alternatively void (the "**Invalidity Application**"). The Override Application was heard on 8 September 2021 and the Invalidity Application was enrolled for hearing on 11 November 2021.

Shortly after the hearing of the Invalidity Application, all of the parties in all of the Lancaster-related matters (including the Override Application, the Invalidity Application and the Arbitration Proceedings) agreed to suspend the process in all of the Lancaster-related litigation, save for the handing down of pending Judgments by the Court (the "**Suspension Agreement**"). The Invalidity Application was accordingly removed from the roll of 11 November 2021. On 1 December 2021, the Court handed down its ruling in the Override Application, dismissing the application with costs. Thibault intended to appeal the Court's Judgment in respect of the Override Application, however such appeal is not necessary at this stage in light of the Suspension Agreement.

17.7 Fair value

The majority of the debt classified as non-current was renegotiated during the 2019 and 2020 Reporting Periods, taking into account current market conditions and are therefore expected to approximate fair value.

17.8 Risk exposures

Details of the Group's exposure to risks arising from borrowings are set out in note 21.

18. LEASE LIABILITIES

ACCOUNTING POLICY

Refer to note 10 for the accounting policy on determination of whether a lease should be recognised in terms of IFRS 16.

Lease liabilities

Initial and subsequent measurement

Lease liabilities are initially measured at the present value of future lease payments discounted using the discount rate implicit in the lease or, where this has not been stipulated, the Group's incremental borrowing rate. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that are based on an index or rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the Group exercises the option to terminate. Variable lease payments, that do not depend on an index or a rate, are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease liabilities are subsequently measured at amortised cost using the effective interest method and reduced by future lease payments net of interest charged. It is remeasured, with a corresponding adjustment to right-of-use assets, when there is a change in future lease payments resulting from a rent review, change in relevant index or rate, such as inflation, or change in the Group's assessment of whether it is reasonably certain to exercise a renewal or termination option and thus a change in lease term. The lease liability is remeasured by discounting the revised lease payments using a revised discount rate when there is a change in the lease terms. The remeasurement results in a corresponding adjustment to the carrying amount of right-of-use assets, with the difference recorded in profit or loss if the carrying amount of right-of-use assets has been reduced to zero.

18.1 Reconciliation of lease liability

	30 September 2021 €m	Restated[1] 30 September 2020 €m
Opening Balance	**2 079**	2 895
Additions	**647**	453
Interest cost	**121**	133
Lease liability repayments	**(546)**	(561)
Remeasurement on modification of leases	**(74)**	(61)
Acquisition of businesses	**–**	1
Transfer to liabilities classified as held-for-sale	**(180)**	(209)
Eliminated on disposal of subsidiaries	**–**	(392)
Exchange differences on consolidation of foreign subsidiaries	**124**	(180)
Closing balance	**2 171**	2 079
Less: repayable in the next 12 months included in short-term liabilities	**(443)**	(422)
Non-current liabilities: Lease liability	**1 728**	1 657

18.2 Analysis of repayments

	30 September 2021 €m	Restated[1] 30 September 2020 €m
Repayable within the next year and thereafter – current and non-current split		
Next year	**443**	422
Within two to five years	**1 654**	1 636
Thereafter	**437**	466
	2 534	2 524

18.3 The Group is exposed to the following potential future undiscounted cash outflows which are not included in the measurement of lease liabilities:

	30 September 2021 €m	Restated[1] 30 September 2020 €m
Expense relating to variable lease payments not included in the measurement of lease liabilities	**46**	98

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

18. LEASE LIABILITIES (CONTINUED)

18.4 Short-term and low-value leases

	30 September 2021 €m	Restated[1] 30 September 2020 €m
Short-term or low-value leases not recognised as a liability and included in profit and loss in the current period	**29**	38

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

19. PAYABLES

19.1 Trade And Other Payables

	Notes	30 September 2021 €m	Restated[1] 30 September 2020 €m
Financial liabilities			
Current trade and other payables			
Trade payables		**762**	**646**
Accruals		**374**	**403**
Other payables and amounts due	19.1.3	**284**	**276**
Derivative financial liabilities	21.1 & 19.1.1	**39**	**11**
		1 459	**1 336**
Non-financial liabilities			
Non-current trade and other payables			
Equalisation of operating lease payments		**2**	**2**
Current trade and other payables			
Equalisation of operating lease payments		**–**	**1**
Deferred income	19.1.2	**104**	**44**
Value Added Tax payable	19.1.4	**48**	**69**
		152	**114**
Total			
Non-current trade and other payables		**2**	**2**
Current trade and other payables		**1 611**	**1 450**
		1 613	**1 452**

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

Trade payables are unsecured and are usually paid within 30 to 90 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short term nature.

19.1.1 Derivatives

Refer to note 20 and 21 for details regarding the determination of their fair values and the types of derivatives, respectively.

19.1.2 Deferred income

The majority of the deferred income relates to prepayments made by customers to secure their orders. Revenue is recognised with a corresponding decrease in the liability when the goods are delivered to the customer.

19.1.3 Other payables and amounts due

The other payables and amounts due include payables raised by Greenlit Brands and payables raised by Pepco Group for the settlements of employee related costs and stores.

19.1.4 Value Added Tax payable

The Value Added Tax payable relates mostly to the Pepco Group and Pepkor Holdings.

19. PAYABLES (CONTINUED)

19.1 Trade And Other Payables

19.1.5 Contractual maturities of trade and other payables

	0 – 3 months €m	4 – 12 months €m	Year 2 €m	Year 3 – 5 €m	After 5 years €m	Total €m
At 30 September 2021						
Trade and other payables (financial liabilities)	**1 440**	**19**	**–**	**–**	**–**	**1 459**
At 30 September 2020						
Trade and other payables (financial liabilities)	1 240	96	–	–	–	1 336

19.2 Taxation payable

	30 September 2021 €m	30 September 2020 €m
Taxation payable	**312**	295

Taxation payable

The taxation payable represents Trade tax, Corporate tax, Income tax and €160 million provided for in terms of IFRIC 23. The taxation payable relates mainly to Pepkor Holdings and Steenbok Newco 10 SARL.

20. RECOGNISED FAIR VALUE MEASUREMENTS

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the Consolidated Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the applicable accounting standards.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and listed equities and available-for-sale securities) is based on quoted market prices at the end of the Reporting Period. The quoted market price used for financial assets held by the Group is a 30-day volume weighted average price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and relies as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

20.1 Fair value hierarchy

	Notes	Level 2 €m	Level 3 €m	Total €m
30 September 2021				
Assets measured at fair value				
Financial assets				
Trade and other receivables				
Derivative – foreign currency forward contracts	21.1	**80**	**–**	**80**
Assets held-for-sale[2]	35	**–**	**936**	**936**
Liabilities measured at fair value				
Financial liabilities				
Trade and other payables				
Derivative – foreign currency forward contracts	21.1	**(39)**	**–**	**(39)**
Liabilities held-for-sale[2]	35	**–**	**(658)**	**(658)**
30 September 2020[1]				
Assets measured at fair value				
Financial assets				
Trade and other receivables				
Derivative – foreign currency forward contracts	21.1	39	–	39
Assets held-for-sale[2]	35	–	986	986
Financial liabilities				
Trade and other payables				
Derivative – foreign currency forward contracts	21.1	(11)	–	(11)
Liabilities held-for-sale[2]	35	–	(491)	(491)

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

[2] *Assets and liabilities classified as held-for-sale during the Reporting Period was measured at the lower of its carrying amount and fair value less costs of disposal at the time of the reclassification, resulting in impairments recognised through profit and loss as disclosed above. The fair value, of the disposal groups that were impaired, was determined using signed sales agreements or signed offers. Refer to note 1 for information about the sales agreements and the counterparties to these agreements.*

There were no Level 1 financial instruments identified during either the 2021 Reporting Period or the 2020 Reporting Period.

21. FINANCIAL RISK MANAGEMENT

During both periods under review, the Group had various committees and departments that were tasked with the financial risk management of the Group. In most instances this was successfully managed at the various operating company levels.

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance where this remains relevant as at the end of each reporting period. The processes outlined in this note are the risk management strategies that were in place during the Reporting Period regardless of their effectiveness in addressing the risks faced by the Group. Current profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	• Future commercial transactions • Recognised financial assets and liabilities not denominated in the operating company's functional currency	Cash flow forecasting Sensitivity analysis	Forward foreign exchange and foreign currency option contracts
Market risk – interest rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification
Credit risk	Cash and cash equivalents, trade receivables and instalment sales, derivative financial instruments, loans receivable at amortised cost	Aging analysis Credit rating	Diversification of bank deposits Credit score card implementation and monitoring
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Management Board was responsible for implementing the risk management strategy to ensure that an appropriate risk management framework was operating effectively across the Group. The Supervisory Board and the Audit and Risk Committee were provided with a consolidated view of the risk profile of the Group, and any major exposures and relevant mitigating actions identified.

The system of risk management was designed so that the different business units are able to tailor and adapt their risk management processes to suit their specific circumstances.

21.1 Derivatives

	30 September 2021 €m	30 September 2020 €m
The Group used forward exchange contracts to hedge its foreign currency risk against the functional currency of its various global operations. Most of the forward exchange contracts had maturities of less than one year after the Reporting Date. The Group did not enter into derivative contracts for speculative purposes. The fair values of such contracts at the reporting dates were:		
Current assets		
Trade and other receivables		
Foreign exchange forward contracts	**80**	39
Total current derivative financial instrument assets	**80**	39
Current liabilities		
Trade and other payables		
Foreign exchange forward contracts	**39**	11
Total current derivative financial instrument liabilities	**39**	11

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.1 Derivatives (continued)

21.2.1 Foreign currency risk

The Group's manufacturing and sourcing operating costs and expenses are principally incurred in Chinese yuan, Hungarian forint, Polish zloty, South African rand, UK pounds and US dollars. Its revenue is principally in Australian dollars, euros, Polish zloty, South African rand, Swiss franc, UK pounds and US dollars. The Group's business model is based on the strategy of locating production in, and sourcing materials from, emerging low-cost economies and supplying finished products into developed economies.

It is Group policy to hedge exposure to cash and future contracted transactions in foreign currencies for a range of forward periods, but not to hedge exposure for the translation of reported profits or reported assets and liabilities.

Differences resulting from the translation of subsidiary financial statements into the Group's presentation currency are not taken into consideration.

The carrying amounts of the Group's material foreign currency denominated monetary assets and liabilities (excluding intragroup loan balances) that will have an impact on profit or loss when exchange rates change, at Reporting Date, are as follows:

	Euros €m	US dollars €m
30 September 2021		
Trade and other receivables (financial assets excluding financial derivatives)	**2**	**1**
Cash and cash equivalents	**49**	**532**
Current borrowings	**(66)**	**–**
Trade and other payables (financial liabilities excluding financial derivatives)	**(18)**	**(11)**
Non-current borrowings[1]	**(545)**	**–**
Pre-derivative position	**(578)**	**522**
Derivative effect	**(19)**	**28**
Open position	**(597)**	**550**
30 September 2020		
Trade and other receivables (financial assets excluding financial derivatives)	2	1
Cash and cash equivalents	61	43
Current borrowings	–	(25)
Trade and other payables (financial liabilities excluding financial derivatives)	(5)	(27)
Non-current borrowings[1]	(486)	–
Pre-derivative position	(428)	(8)
Derivative effect	–	5
Open position	(428)	(3)

[1] The euro denominated non-current borrowings relate to the Pepco Group facility which was refinanced in December 2018 with a new term loan facility, refer to note 17.5 Pepco Group's functional currency is Poland zloty.

The following significant exchange rates were applied during the Reporting Period and were used in calculating sensitivities:

	Forecast rate[1]	Forecast rate[1]	Reporting date spot rate	Reporting date spot rate
	30 September 2022	30 September 2021	30 September 2021	30 September 2020
Euro				
US dollar	**1.2000**	1.1200	**1.1579**	1.1708
Poland zloty	**4.5000**	4.4400	**4.6197**	4.5462

[1] The forecast rates represent a weighting of foreign currency rates forecasted by the major banks that the Group transacts with regularly. These rates are not necessarily management's expectations of currency movements.

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.1 Derivatives (continued)

21.2.1 Foreign currency risk (continued)

Sensitivity analysis

The table below indicates the Group's sensitivity at year-end to the movements in the major currencies that the Group is exposed to on its financial instruments. The percentages given below represent a weighting of foreign currency rates forecasted by the major banks that the Group transacts with regularly. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis was performed on the same basis for 2020.

The impact on the reported numbers, using the forecast rates as opposed to the Reporting Date spot rates, is set out below.

	30 September 2021 €m	30 September 2020 €m
Through profit/(loss)		
US dollar weakening by 3.6% (2020: strengthening by 4.3%) to the euro	**(20)**	–

If the foreign currencies were to weaken/strengthen against the euro, by the same percentages as set out in the table above, it would have an equal, but opposite, effect on profit or loss.

Changes in the fair value of forward exchange contracts of economically hedged monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied, are recognised in profit or loss.

21.2.2 Cash flow and fair value interest rate risk

Given the Group's global footprint and its strategy of low-cost manufacturing and sourcing in emerging markets and sales in developed countries, the Group follows a policy of maintaining a balance between fixed and variable rate loans to reflect, as accurately as possible, different interest rate environments, the stability of the relevant currencies, the effect which the relevant interest rates have on Group operations and consumer spending within these environments. These variables are taken into account in structuring the Group's borrowings to achieve a reasonable, competitive, market-related cost of funding.

As part of the process of managing the Group's borrowings mix, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Interest rate exposure is managed within limits agreed by the Management Board.

The interest and related terms of the Group's borrowings are disclosed in note 17. As the majority of the Group's borrowings are at a fixed interest rate the cash flow risk is limited. The Group's borrowings are carried at amortised cost and therefore there is no fair value risk.

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.2 Market Risk (continued)

21.2.2 Cash flow and fair value interest rate risk (continued)

As at the Reporting Date the interest rate profile of the Group's financial instruments were:

	Subject to interest rate movement						
	Variable EURIBOR €m	Variable JIBAR and SA prime €m	Variable LIBOR €m	Variable other €m	Fixed rate €m	Non-interest bearing €m	Total €m
30 September 2021							
Non-current financial assets	**–**	**301**	**–**	**–**	**71**	**10**	**382**
Current financial assets	**40**	**1 702**	**82**	**161**	**782**	**890**	**3 657**
Non-current financial liabilities	**–**	**(610)**	**–**	**–**	**(10 258)**	**(1)**	**(10 869)**
Current financial liabilities	**–**	**(507)**	**–**	**(23)**	**(69)**	**(1 220)**	**(1 819)**
	40	**886**	**82**	**138**	**(9 474)**	**(321)**	**(8 649)**
30 September 2020[1]							
Non-current financial assets	–	255	–	–	168	6	429
Current financial assets	2	1 012	68	172	275	921	2 450
Non-current financial liabilities	(482)	(635)	–	(3)	(9 624)	–	(10 744)
Current financial liabilities	–	(426)	(25)	(9)	(231)	(1 343)	(2 034)
	(480)	206	43	160	(9 412)	(416)	(9 899)

	From continuing operations	
	Interest income €m	Interest expense €m
30 September 2021		
Financial assets at amortised cost	**56**	**–**
Financial liabilities not at fair value through profit or loss	**–**	**1 190**
	56	**1 190**
30 September 2020[1]		
Financial assets at amortised cost	57	–
Financial liabilities not at fair value through profit or loss	–	1 195
	57	1 195

Amounts recognised in profit or loss and other comprehensive income

No material gains/(losses) were recognised in profit or loss and other comprehensive income in relation to interest rate swaps.

Sensitivity analysis

The Group is sensitive to movements in the EURIBOR, JIBAR, SA prime rate and LIBOR, which are the primary interest rates to which the Group is exposed.

The sensitivities calculated below are based on an increase of 100 basis points for each interest category.

	30 September 2021 €m	30 September 2020 €m
Through profit/(loss)		
EURIBOR – 100 basis point increase	**–**	(5)
JIBAR and SA prime rate – 100 basis point increase	**9**	2
LIBOR – 100 basis point increase	**1**	–

A 100 basis point decrease in the above rates would have had an equal, but opposite, effect on profit or loss.

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.3 Credit risk

The Group's concentration of credit risk is assessed as low as its underlying investments are predominantly cash retailers. Potential concentration of credit risk consists principally of short-term cash and cash equivalent investments, trade and other receivables, instalment sale receivables, credit sales through store cards, loans to customers as well as related-party receivables and financial guarantees. The Group deposits short-term cash surpluses with major banks of quality credit standing. Instalment sale receivables, credit sales through store cards and loans to customers comprise a large and widespread customer base and Group companies perform ongoing credit evaluations on the financial condition of their customers. At 30 September 2021, the Group did not consider there to be any significant concentration of credit risk that had not been adequately provided for. The amounts presented in the statement of financial position are net of provisions for expected credit losses, estimated by the Group companies' management based on past events, current conditions and supportable forecasts and economic conditions.

The carrying amounts of financial assets represent the maximum credit exposure.

The maximum exposure to credit risk at the Reporting Date without taking account of the value of any collateral obtained was:

	Notes	30 September 2021 €m	Restated[1] 30 September 2020 €m
Non-current financial assets			
Trade and other receivables[2]	13.1	**9**	4
Other financial assets	12	**373**	425
Current financial assets			
Trade and other receivables[2]	13.1	**504**	435
Other financial assets	12	**2**	–
Cash and cash equivalents	16	**3 151**	2 015
		4 039	2 879
Instalment sale and loan receivables[2]	13.1	**288**	234

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

[2] *Included in the trade and other receivables balance are instalment sale and loan receivables. These have been analysed separately, due to the different credit risk relating to these books.*

21.3.1 Credit risk modelling applied to financial assets at amortised cost

The Group's financial assets measured at amortised cost are subject to impairment under the ECL model. The inputs, assumptions and estimation techniques used in measuring ECL are explained below.

Measurement of ECL in terms of the general model for impairment

ECLs are measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECLs are the discounted value of the Probability of Default (**"PD"**) and Exposure at Default (**"EAD"**), of which PD represents the likelihood of a counterparty defaulting on its financial obligation, either over 12 months (**"12-month PD"**) or over the remaining lifetime (**"lifetime PD"**) of the obligation. EAD is based on the amounts the Group expects to be owed at the time of default over the next 12 months (**"12-month EAD"**) or over the remaining lifetime (**"lifetime EAD"**). The Group calculates Loss Given Default (**"LGD"**) as discounted EAD.

These three components are multiplied together, which effectively calculates the ECL. The ECL is then discounted back to the reporting date, using the original effective interest rate, and aggregated. ECL is a probability weighted outcome.

The 12-month and lifetime EADs are determined based on the probability of default, which varies by type of financial asset.

The Group considers the probability of default on initial recognition of its financial asset measured at amortised cost and whether there has been a Significant Increase in Risk (**"SICR"**) on an ongoing basis throughout each reporting period. To assess whether there is a SICR, the Group compares the risk of a default occurring on these asset as at the reporting date with the risk of default as at the date of initial recognition. The criteria used to identify an SICR are monitored and reviewed periodically for appropriateness by the credit risk team (refer to key judgements and estimates for the Group's key judgement exercised in assessing the SICR). Receivables with a significant financing component are grouped into stage 1, 2 and 3 as described below:

Stage 1: On recognition of financial assets, the Group recognises a loss allowance based on 12-month ECLs. For disclosure purposes the stage 1 ECLs are split between performing and in arrears, where performing represents up to date debt outstanding and its corresponding ECL provision and in arrears represents debt outstanding where debt is outstanding for more than 30 days and its corresponding ECL provision.

Stage 2: When there is an indication that the financial assets have an SICR since origination, the Group records a loss allowance for the lifetime ECLs.

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.3 Credit risk (continued)

21.3.1 Credit risk modelling applied to financial assets at amortised cost (continued)

Stage 3: Financial assets are considered to be credit-impaired. Financial assets are considered to be credit-impaired when one of more events that have an unfavourable impact on its estimated future cash flows have occurred. The Group records a loss allowance for the lifetime ECLs.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Impairment of financial assets judgements

Significant increases in credit risk

In terms of IFRS 9: Financial Instruments, all loans and other receivables are assessed at each reporting date to determine whether there has been a SICR. In cases where SICR has occurred, an impairment equal to the lifetime ECL is recognised. If, at reporting date, the credit risk has not significantly increased, the Group recognises a 12-month ECL. The Group identifies SICR on clients that are up to date on their loans and other receivables, but who have been subject to SICR events of which the most significant are detailed below:

Event trigger	Loans to customers	Instalment sale agreements	Credit sales through store cards
Change in customer behaviour	Triggers includes a customer entering into debt review or rescheduling an existing loan or a customer that is in arrears as defined below.	Application and behavioural scorecards are segmented into ratings. For each application rating, an appropriate notch deterioration in behavioural scorecard will result in SICR. In the event no application rating is available, the loan will be classified as SICR.	Not deemed to be SICR event
Customer defaulting on repayments	A customer's loan is in default when 90% of an instalment is not paid or the account is 30 days in arrears.	A customer is in default when their account is 30 days in arrears. All debt counselling accounts that are less than 90 days in arrears will be classified as SICR.	A customer is in default when their account is 30 days in arrears.
Loan write-off policy	Five consecutive instalments in arrears and three consecutive instalments in arrears on rescheduled accounts.	Nine consecutive instalments in arrears with no qualifying payments made in the last 90 days.	Eight instalments in arrears with no payment in the previous three months.

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.3 Credit risk (continued)

21.3.1 Credit risk modelling applied to financial assets at amortised cost (continued)

Impairment of financial assets estimates

Forward-looking information

The Group further considers available, reasonable and supportive forwarding-looking information without undue cost or effort and for which key judgements and estimates are applied. The following forward-looking information was incorporated in the determination of ECLs:

It is one of the fundamental principles of IFRS 9 that the ECL impairment provision that the Group holds against potential future losses takes into account changes in the economic environment in the future.

In order to quantify the effects of changes to the economic environment, the Group utilises the Bureau of Economic Research's (BER) macroeconomic outlook for the country over a planning horizon of five years. Three economic scenarios (negative, baseline and positive scenario) are taken into account when calculating future expected credit losses. The probability of each scenario is determined by management estimation.

The relevance of the Group's loan and other receivables is proven by the following linear relationship between the change in the following basket of macroeconomic variables for the prior year:

	Loans to customers	Instalment sale agreements	Credit sales through store cards
Macroeconomic variables	No significant variables identified	Electricity price index SARB repo rate Real disposable wages Household debt vs disposable income Gross domestic expenditure Unemployment rate House price index Household debt service cost ratio	No significant variables identified

Forward-looking information of the scenarios considered in determining the Group's forward-looking assumptions for the purposes of its ECL calculation has been applied to each type of credit granted by the Group. Noting the wide range of possible scenarios and macroeconomic outcomes and the relative uncertainty of the social and economic consequences of COVID-19, the forward-looking scenarios analysed and applied represent reasonable and supportable forward-looking views as at the Reporting Date. The Group further raised additional provisions via post-model adjustments (COVID-19 overlays).

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.3 Credit risk (continued)

21.3 Credit risk modelling applied to financial assets at amortised cost (continued)

Impairment of financial assets estimates (continued)

COVID-19 overlays

During the 2021 and 2020 Reporting Periods, the Group applied additional COVID-19 overlays in order to derive the ECLs.

The COVID-19 overlays assumptions for each major type of credit granted by the Group were as follows:

	Loans to customers	Instalment sale agreement	Credit sales through store cards
Macroeconomic variables	Bad debts written off show improvement from the beginning of the current financial year against historic levels due to restricted credit granting between November 2019 and October 2020. Since May 2021, the Company has been on boarding in line with pre-COVID-19 risk appetite. The credit risk of these populations recently on boarded (in the last six months) will not be accurately reflected in the base model coverage ratios. An additional amount of €1.1 million was therefore included in the ECL.	Economic data, as obtained from the BER, was used as forward-looking factors in calculating the ECL provision. These factors include various data points (i.e. real disposable wages, household debt versus disposable income, unemployment rate, etc.) which inherently includes the impact of COVID-19 on the economy.	The current model predicts an improvement in ECLs relative to the prior year due to a tightening in credit granting criteria and increasing yields from collections. Given the significant instability in the economy (COVID-19, unrest, continued impact of load shedding, rising cost of living, etc.), management has applied prudent overlays using a weighted approach of four scenarios to calculate the final ECL allowance. The overlays indicates the level of uncertainty that exists in the economic environment.

Management has assigned a probability of 55% (2020: 59%) to the baseline scenario, 23% (2020: 21%) to the negative scenario and 22% (2020: 20%) to the positive scenario for the 12-month forecast. The impact of incorporating forward-looking information to ECL for instalment sale agreements granted by the Group is as follows:

Probability-weighted impact of all three scenarios	Instalment sale agreements
100% negative scenario	30
% change in ECL	0.11%
100% baseline scenario	30
% change in ECL	0.00%
100% positive scenario	11
% change in ECL	(0.82%)

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.3 Credit risk (continued)

21.3.1 Credit risk modelling applied to financial assets at amortised cost (continued)

Impairment of financial assets estimates (continued)

Event-driven management credit estimates

Certain events or risks arise from time to time that may not be incorporated into the statistical forward-looking model. In such instances, the additional inclusions into the ECL are reviewed and approved by management.

These events, for which an amount was included in ECL, include the introduction of DebiCheck (debit order mandate authentication by client to confirm a debit order with the bank when entering into a contract with a service or credit provider) from October 2019 and the draft new legislation relating to the Debt Relief Bill.

DebiCheck will have an impact on the collection of cash flows on loans and other receivables with customers, change debit order dates or where changes in the rescheduled contractual cash flows are greater than 1.5 times the original debit order. If the client fails to confirm electronically the updated debit order, the Group could fail to collect the agreed upon instalment from the client on the agreed upon loan date.

The Debt Relief Bill is not expected to have a material effect on ECLs as it does not entail a blanket amnesty of debt, but rather a rigorous process to assess a customer's ability to service unsecured debt.

	Impact of the implementation of DebiCheck
Loans to customers	From 1 November 2021, 100% of the loans to customers will be collected using the DebiCheck platform, as non-authenticated early debit orders (Naedo) collections are no longer allowed from this date. For DebiCheck, early tracking is limited to 10 days as at year-end. The Group is concerned on the impact this will have on collections, since the majority of customers get paid early over the festive season. Taking the above into account, the Group is of the view that a percentage of customers will roll from Stage 1 to Stage 2 during this period, increasing the ECL on these accounts. An amount of €1.1 million was therefore included in the ECL to account for the above.
Instalment sale agreements	An additional provision was raised for the potential adverse effects of the final migration from Naedo to DebiCheck. The South African Reserve Bank's second Amended Directive 1 of 2017 will be put into effect where all authenticated early debit orders (AEDO) and Naedo, will be sunset on 31 October 2021. There is a relatively high risk of adverse effects which could cause a deterioration in the quality of the loan book performance due to technical challenges in the current collection systems.
Credit sales through store cards	No significant impact

Default and credit-impaired assets

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

	Criteria used for credit-impaired accounts
Loans to customers	Debt review accounts and non-performing accounts. As a backstop for all other customers, customers with three consecutive unpaid instalments.
Instalment sale agreements	Suspected fraud on a loan and loans exceeding maturity date. As a backstop for all other customers, customers with three consecutive unpaid instalments.
Credit sales through store cards	Three consecutive unpaid instalments/90 days in arrears.

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.3 Credit risk (continued)

21.3.1 Credit risk modelling applied to financial assets at amortised cost (continued

Default and credit-impaired assets (continued)

A credit-impaired account will cure when the customer does not meet the criteria for being a credit-impaired account. For a customer to cure, a significant improvement in the customer's payment behaviour is required.

	Curing occurs in the following instances
Loans to customers	Customers with rescheduled loans are deemed to be rehabilitated once they have made contractual payments for 12 months post rescheduling and are up to date with their amended contractual obligations. For all other customers to cure, the customer is required to make 12 months of clean payments.
Instalment sale agreements	Customers where the facility is 90 days in arrears will cure after the customer has settled arrears causing the 90 days arrears and have maintained less than 90 days arrears for three consecutive months.
Credit sales through store cards	Customer accounts will cure when three consecutive instalments are paid. Accounts in debt counselling will cure when the customer is deemed to no longer be under debt counselling in terms of the National Credit Act.

Measurement of ECL in terms of the provision matrix

For short-term trade receivables, e.g. trade receivables without a significant financing component, the determination of forward-looking economic scenarios may be less significant given that over the credit risk exposure period a significant change in economic conditions may be unlikely, and historical loss rates might be an appropriate basis for the estimate of expected future losses. The Group has elected to apply the provision matrix for trade receivables without a significant financing component and measures the impairment allowance at an amount equal to lifetime ECL. Lifetime ECL is assessed by applying the relevant loss rates to the trade receivable balance outstanding (i.e. a trade receivable age analysis). Due to the diversity of the Group's customer base, the Group used appropriate groupings if the historical credit loss experience showed significantly different loss patterns for different customer segments.

Write-off policy

Financial assets are written off when there is no reasonable expectation of recovery of the receivable or part thereof. The write-off periods differ for each type of financing the Group offers to their respective clients and are detailed in the key judgements and estimates sections above. Where these financial assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Subsequent recoveries made are recognised in profit or loss. Write-offs are included in the "ECL on debtors" line item in the statement of profit or loss.

ECLs for the different financial assets at amortised cost within the Group

Other financial assets

Other financial assets consist of unlisted bonds, unlisted preference shares and interest-bearing and non-interest-bearing loans receivable (refer note 12). The ECL is measured using the general model based on 12-month ECLs as there was no significant increase in credit risk from initial recognition of these other financial assets. There has been no default in payments based on historical information and no significant decrease in credit ratings since initial recognition.

The Group has assessed ECLs based on past events, current conditions and supportable forecasts, and economic conditions that affect the expected collectability of future cash flows at reporting date and has deemed the ECLs to be insignificant.

Refer to note 12 for further considerations on the investment in unlisted preference shares.

Instalment sale agreements

Instalment sale agreements relate to the credit purchases of goods by customers within the furniture, appliances and electronics operating segment (the majority of these borrowings are deemed to be secured by the product purchased by the customer). The Group applies the general approach to calculating the ECL allowance for these balances as they are deemed to have a significant financing component.

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.3 Credit risk (continued)

21.3.1 Credit risk modelling applied to financial assets at amortised cost (continued)

Loans to customers

Loans to customers relates to unsecured loans granted to customers in South Africa for a period of three to 24 months up to the value of ZAR50 000 per loan granted. The Group applies the general approach to calculating the ECL allowance for these balances as they are deemed to have a significant financing component.

The loss allowance provision for the Group as at the Reporting Date is determined as follows:

	Notes	Performing (stage 1) €m	Under-performing (stage 2) €m	Non-performing (stage 3) €m	Total €m
30 September 2021					
Expected credit loss rate		**8.49%**	**18.33%**	**83.08%**	**22.66%**
Estimated gross carrying amount of default	13.1	**259**	**60**	**65**	**384**
12-month ECL		**(20)**	**–**	**–**	**(20)**
Lifetime ECL		**(2)**	**(11)**	**(54)**	**(67)**
Total ECL	13.1	**(22)**	**(11)**	**(54)**	**(87)**
Net carrying amount		**237**	**49**	**11**	**297**
30 September 2020					
Expected credit loss rate		8.25%	33.96%	80.82%	28.31%
Estimated gross carrying amount of default	13.1	206	53	73	332
12-month ECL		(17)	–	–	(17)
Lifetime ECL		–	(18)	(59)	(77)
Total ECL	13.1	(17)	(18)	(59)	(94)
Net carrying amount		189	35	14	238

The loss allowance provision for instalment sale agreements is reconciled to the opening loss allowance as follows:

	Performing (stage 1) €m	Under-performing (stage 2) €m	Non-performing (stage 3) €m	Total €m
Balance at 1 October 2019	(35)	(21)	(23)	(79)
Acquisition of businesses (note 26)	–	–	(2)	(2)
Allowance on credit granted during the period	(21)	(11)	(29)	(61)
Derecognition of allowance due to settlement of outstanding debt	20	21	10	51
Amounts written off	1	2	52	55
Amounts recovered	2	1	1	4
Net remeasurement of loss allowances	16	(10)	(68)	(62)
Balance at 30 September 2020	**(17)**	**(18)**	**(59)**	**(94)**
Allowance on credit granted during the period	**(41)**	**(7)**	**(30)**	**(78)**
Derecognition of allowance due to settlement of outstanding debt	**18**	**15**	**15**	**48**
Amounts written off	**–**	**1**	**61**	**62**
Amounts recovered	**3**	**2**	**3**	**8**
Net remeasurement of loss allowances	**15**	**(4)**	**(44)**	**(33)**
Balance at 30 September 2021	**(22)**	**(11)**	**(54)**	**(87)**

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.3 Credit risk (continued)

21.3.1 Credit risk modelling applied to financial assets at amortised cost (continued)

Trade receivables and other amounts due

The Group applies the simplified approach to calculating the ECL allowance for trade receivables that do not have a significant financing component. Balance of trade receivables with a significant financing component is immaterial. This approach permits the use of the lifetime ECL regardless of stage classification and is based on a provision matrix that incorporates historical credit losses as well as forward-looking information as detailed above.

Trade receivables are written off when the customer's outstanding balance has been outstanding for more than 120 days or 30 days in the case of cash on delivery customers.

The loss allowance provision for trade receivables is reconciled to the opening loss allowance as follows:

	Note	30 September 2021 €m	30 September 2020 €m
Balance at beginning of the period (calculated under IFRS 9)		**(24)**	(22)
Provision raised		**(4)**	(21)
Amounts unused reversed		**3**	1
Amounts used during the period		**5**	–
Net acquisition of subsidiaries and businesses		**(2)**	15
Disposal of subsidiaries		**–**	(1)
Exchange differences on consolidation of foreign operations		**(2)**	4
Balance at end of the period	13.1	**(24)**	(24)

Provision matrix used in the calculation of ECL allowances:

	Expected loss rate %	Gross carrying amount €m	Loss allowance provision €m
2021			
Current	**15.6%**	**109**	**(17)**
More than 30 days past due	**20.0%**	**5**	**(1)**
More than 60 days past due	**0.0%**	**1**	**–**
More than 90 days past due	**85.7%**	**7**	**(6)**
	19.67%	**122**	**(24)**
2020[1]			
Current	16.2%	99	(16)
More than 30 days past due	11.1%	9	(1)
More than 60 days past due	0.0%	3	–
More than 90 days past due	58.3%	12	(7)
	19.51%	123	(24)

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.4 Liquidity risk

Liquidity risk is the risk that the Group may suffer financial loss through liquid funds not being available or that excessive finance costs must be paid to obtain funds to meet payment requirements. The ultimate responsibility for liquidity risk rests with the Management Board. The Group manages liquidity risk through forecasting and monitoring cash flow requirements on a daily basis, and by maintaining sufficient undrawn facilities.

The Group's central treasury function arranges the investment of net cash reserves on the financial markets, mainly in short-term instruments linked to variable interest rates.

As part of the implementation steps of the Litigation Settlement Proposal, the Steinhoff N.V. Group delivered the interim extension option request to its lenders on 6 August 2021, requesting consent to extend the maturity date of the Steinhoff N.V. Group's outstanding debt from December 2021 to December 2022 (**"Interim Debt Extension"**).

On 11 August 2021, consent for the Interim Debt Extension was granted by its lenders. Consequently, the maturity date of the Steinhoff N.V. CPU and facility agreements entered into pursuant to the CVA, was extended from 31 December 2021 to 31 December 2022. As a result, the debt is classified as non-current as at 30 September 2021. Refer to note 17. A further term extension will be granted initially to 30 June 2023 on the Settlement Effective Date of the global Litigation Settlement Proposal and such maturity date is capable of further extension to 31 December 2023 with further simple majority lender approval.

21.5 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The capital structure of the Group consists of debt, which includes the borrowings (note 17), cash and cash equivalents (note 16), and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The Group's objectives when managing capital are to provide an adequate return to shareholders, to appropriately gear the business, to safeguard the ability of the Group to continue as a going concern and to take advantage of opportunities that are expected to provide an adequate return to stakeholders.

In order to optimise the capital structure, the Group may adjust cost of capital, dividends paid to shareholders or sell assets to reduce debt.

Distribution to shareholders

	30 September 2021 Euro Cents	30 September 2020 Euro Cents
Cash dividend to ordinary shareholders No dividends were declared for the period ended 30 September 2021 (2020: Nil).	**–**	–
Distribution to SIHL preference shareholders A preference dividend of 292.43 South African rand cents per share (2020: 416.91 South African rand cents per share) in respect of the period 1 July 2020 to 31 December 2020 (2020: 1 July 2019 to 31 December 2019) was paid on 26 April 2021 (2020: 30 March 2020) to those preference shareholders recorded in the books of SIHL at the close of business on 23 April 2021 (2020: 27 March 2020).	**16.5**	22.9
A preference dividend of 286.38 South African rand cents per share (2020: 356.78 South African rand cents per share) in respect of the period 1 January 2021 to 30 June 2021 (2020: 1 January 2020 to 30 June 2020) was paid on 25 October 2021 (2020: 21 September 2020) to those preference shareholders recorded in the books of SIHL at the close of business on 22 October 2021 (2020: 18 September 2020).	**16.2**	19.6

A solvency and liquidity test was performed by the board of directors of SIHL prior to the declaration of all distributions based on information known and available at that time. The liquidity impact of the Litigation Settlement Proposal has been considered in the SIHL group liquidity calculations. Refer to note 24.3 for details of the Litigation Settlement Proposal.

22. EMPLOYEE BENEFITS

		30 September 2021			30 September 2020[1]		
	Notes	Current €m	Non-current €m	Total €m	Current €m	Non-current €m	Total €m
Leave obligations	22.1	**36**	**–**	**36**	35	–	35
Post-retirement medical benefits		**2**	**3**	**5**	2	3	5
Performance-based bonus accrual	22.3	**54**	**53**	**107**	31	58	89
Other[2]		**13**	**4**	**17**	17	1	18
Defined pension benefits	22.2						
Homestyle Pension Fund	34.1	**–**	**3**	**3**	–	2	2
Other[3]		**1**	**–**	**1**	2	–	2
Total liability		**106**	**63**	**169**	87	64	151

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

[2] *Included in other are provisions relating to 13th cheque or holiday pay and severance pay.*

[3] *Other defined pension benefits comprises immaterial pension funds within the Group.*

22.1 Leave obligations

The leave obligations cover the Group's liability for annual leave.

The leave obligations relate to vesting leave pay to which employees may become entitled on leaving the employment of the Group. The accrual arises as employees render a service that increases their entitlement to future compensated leave and is calculated based on an employee's total cost of employment. The accrual is utilised when employees become entitled to and are paid for the accumulated leave or utilise compensated leave due to them. The majority of the provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

22.2 Pension plans

Defined pension benefits

Various defined benefit plans are in operation throughout the Group with the Homestyle Pension Fund comprising the most material plan assets and liabilities. The plan assets of the various defined benefit plans throughout the Group are held in administered trust funds separate from the Group's assets. Certain funds have surpluses, which have not been recognised as the employer is not entitled to any of the surpluses or unutilised reserves.

Homestyle Pension Fund

Under the scheme, the employees are entitled to retirement benefits based on final salary on attainment of retirement age (or earlier withdrawal or death) and the number of years worked for Homestyle. No other post-retirement benefits are provided.

The present value of funded obligations at the Reporting Date amounted to €87 million (2020: €86 million) and the fair value of the plan asset amounted to €85 million (2020: €84 million).

The fund was valued on 30 September 2021, which is in line with Group policies. The scheme was closed to new entrants.

Refer to note 34 for more detail regarding the present value of the pension fund.

Defined contribution plans

The Group also operates a number of defined contribution plans which receive fixed contributions from Group companies. The Group's legal or constructive obligation for these plans is limited to the contributions. The expense recognised in the 2021 Reporting Period in relation to these contributions was €29 million (2020: €25 million).

22.3 Performance-based bonus accrual

The performance bonus payable is calculated by applying a specific formula based on the employee's achievement of performance targets. The Group has a constructive obligation to pay the performance bonus once the performance bonuses have been approved by management. As the approval by management takes place after each Reporting Period, an amount is accrued based on a probability of the employee having achieved their performance targets and the amount is estimated based on the relative bonus structures in place. The payment of such performance bonus is conditional upon the continuing employment of the employee. Any amounts not approved by management or upon termination of employment are reversed in the subsequent periods.

22. EMPLOYEE BENEFITS (CONTINUED)

22.3 Performance-based bonus accrual (continued)

	30 September 2021 €m	30 September 2020 €m
Balance at the beginning of the period	**89**	118
Accrual raised	**84**	40
Amounts unused reversed	**(1)**	(4)
Amounts utilised	**(29)**	(61)
Derecognition of subsidiaries	**–**	2
Exchange differences on consolidation of foreign operations	**3**	(6)
Reclassification to assets held-for-sale	**(1)**	–
Provisions released on restructuring	**(38)**	–
Balance at the end of the period	**107**	89

23. PROVISIONS

ACCOUNTING POLICY

Provisions

Provisions (except for contingent liabilities recognised in terms of IFRS 3 – Business Combinations) are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there is a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

		30 September 2021			30 September 2020		
	Notes	Current €m	Non-current €m	Total €m	Current €m	Non-current €m	Total €m
Dilapidation, onerous lease and onerous contract provisions	23.1	**4**	**28**	**32**	8	9	17
Provision for ACG lawyer fees and SRF cost contribution	23.3	**45**	**–**	**45**	–	–	–
Warranty provisions	23.2	**4**	**4**	**8**	8	4	12
Legal provision – Seifert claim	23.5	**101**	**–**	**101**	101	–	101
Litigation Settlement Proposal	23.4	**1 573**	**–**	**1 573**	943	–	943
Other		**7**	**12**	**19**	22	11	33
Total Provisions		**1 734**	**44**	**1 778**	1 082	24	1 106

Other provisions include all amounts where there is a present obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

23. PROVISIONS (CONTINUED)

Movement in provisions

	Note	Dilapidation, onerous lease and onerous contract provision €m	Restructuring €m	Warranty provisions €m	Legal provision €m	Litigation Settlement Proposal[1] €m	Provision for ACG lawyer fees and SRF cost contribution €m[1]	Contingent liability €m	Other €m	Total €m
Balance at 1 October 2019		133	185	30	15	–	–	25	20	408
Provision raised		–	–	15	86	943	–	–	18	1 062
Onerous provision released to retained earnings on adoption of IFRS 16		(109)	–	–	–	–	–	–	–	(109)
Amounts unused reversed		–	–	(2)	–	–	–	(21)	–	(23)
Amounts utilised		–	(58)	(10)	–	–	–	(2)	(15)	(85)
Derecognition of subsidiaries	1.4	–	(127)	–	–	–	–	–	–	(127)
Reclassification to liabilities held-for-sale		–	–	(19)	–	–	–	–		(19)
Exchange differences on consolidation of foreign operations		(7)	–	(2)	–	–	–	(2)	10	(1)
Balance at 30 September 2020		**17**	**–**	**12**	**101**	**943**	**–**	**–**	**33**	**1 106**
Provision raised		**9**	**–**	**3**	**–**	**574**	**47**	**–**	**5**	**638**
Amounts unused reversed		**(2)**	**–**	**(1)**	**–**	**–**	**–**	**–**	**(4)**	**(7)**
Amounts utilised		**(2)**	**–**	**(3)**	**–**	**–**	**(2)**	**–**	**(4)**	**(11)**
Reclassifications between provisions		**9**	**–**	**(1)**	**–**	**–**	**–**	**–**	**(8)**	**–**
Exchange differences on consolidation of foreign operations		**1**	**–**	**(2)**	**–**	**56**	**–**	**–**	**(3)**	**52**
Balance at 30 September 2021		**32**	**–**	**8**	**101**	**1 573**	**45**	**–**	**19**	**1 778**

23.1 Dilapidation, onerous lease and onerous contract provisions

A contract is considered onerous when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. Before a separate provision for an onerous contract is established, any impairment loss that has occurred on assets dedicated to that contract is recognised.

The provision for dilapidation of buildings occupied by the Group and in the prior financial year provision for long-term leases containing onerous provisions or terms in comparison with average terms and conditions of leases which was set off against the right-of-use asset in the 2020 Reporting Period due to the adoption of IFRS 16.

23.2 Warranty provisions

The warranty provisions represent management's best estimate, based on past experience, of the Group's liability under warranties granted on products sold. These claims are expected to be settled within the next 12 months.

23.3 Provision for ACG lawyer fees and SRF cost contribution

ACG lawyer fees

In order to improve recoveries to market purchase claimants, the Group will be making available an amount of up to €30 million, subject to the implementation of the Litigation Settlement Proposal, to pay in respect of certain fees, costs and work undertaken by the ACGs.

23. PROVISIONS (CONTINUED)

23.3 Provision for ACG lawyer fees and SRF cost contribution (continued)

SRF cost contribution

The Group established a new Dutch foundation on 24 August 2021, the SRF, together with supporting arrangements in South Africa (for South African claimants) to act as the SRF. The purpose of the SRF is to administer and distribute the settlement consideration paid by, or on behalf of, the Group and other contributing parties. It is governed by a board of newly appointed directors with majority independence from the Group. Claimants are required to submit their claims for verification prior to receiving settlement payments. SRF has retained Computershare to assist it to administer and verify claims prior to payment of the settlement consideration. The Group will contribute up to €16.5 million to cover the costs of the SRF. This value excludes any additional cost contributions to be made by other parties (i.e. Deloitte firms and D&O insurers) as disclosed in the Composition Plan. Any costs incurred by the SRF in excess of the cost contributions, will be deducted from the settlement fund, and any surplus cost contribution amount will revert to the parties that have paid such amounts to SRF, pro rata to the cost contribution of each such party. During the 2021 Reporting Period, the Group contributed c. €2 million towards costs incurred by the SRF, which amount will be deducted from the anticipated cost contribution, as provided.

23.4 Provision – Litigation Settlement Proposal

On 27 July 2020, the Group released a detailed update on its efforts to resolve the ongoing complex legal claims and litigation proceedings, including details of a proposed Global Settlement in respect of these claims. The Group formulated proposed Global Settlement amounts for various claimant groups in light of the characteristics of, and risks affecting, their claims, the Group's ability to continue trading and to maximise the asset values available to it.

On 15 February 2021, Steinhoff N.V. announced that it was beginning the implementation of its Litigation Settlement Proposal and applied for the opening of a Dutch SoP proceedings and offered the Steinhoff N.V. Composition Plan to its Dutch SoP creditors. The Dutch Court confirmed the Steinhoff N.V. Composition Plan on 23 September 2021. Following expiry of a prescribed 8-day period wherein the court's decision is open to appeal, during which no appeal was lodged, the Dutch Court order became final and binding and by consequence the Steinhoff N.V. Composition Plan became binding on all Dutch SoP creditors in accordance with its terms. The Steinhoff N.V. Composition Plan was proposed in parallel with the proposal by SIHPL in terms of the SIHPL S155 Scheme which was sanctioned on 24 January 2022. Both proposals, which are inter-conditional, form part of the Litigation Settlement Proposal to resolve the legacy claims arising from the announcement of accounting irregularities.

On 15 February 2021, Steinhoff N.V., together with SIHPL, also reached a bilateral conditional agreement with Deloitte Accountants B.V. and Deloitte & Touche South Africa (together **"Deloitte"**) pursuant to which Deloitte agreed to support the Litigation Settlement Proposal as announced on 27 July 2020 (and as subsequently revised).

Steinhoff N.V. further announced on 23 March 2021 that, together with SIHPL, it had also reached an agreement with certain insurance companies underwriting Steinhoff N.V.'s (primary and excess) Directors and Officers insurance policy (the "**D&O Insurers**") and certain former directors and officers who have worked for or been associated with a Steinhoff N.V. Group company (the "**Settling D&Os**"). As a result, the bilateral agreement with Deloitte was replaced by a comprehensive Steinhoff Settlement Support Agreement entered into by inter alia Steinhoff N.V., SIHPL, Deloitte, the D&O Insurers and the Settling D&Os. In addition to the compensation made available to certain claimants by Steinhoff N.V., Deloitte (up to €77.94 million) and the D&O Insurers (up to €78.1 million), on behalf of the Settling D&Os, are making additional compensation available to certain Steinhoff N.V. claimants, including the Market Purchase Claimants and certain Contractual Claimants, in exchange for certain waivers and releases, provided that Steinhoff N.V. successfully completes the Dutch SoP process commenced on 15 February 2021 and SIHPL successfully implements the SIHPL S155 Scheme and certain other conditions are fulfilled.

Below is a summary of the main substantive approvals obtained and still required for the Litigation Settlement Proposal to be implemented on the Settlement Effective Date (**"SED"**). The SED is the date on which the Steinhoff N.V. Composition Plan and the SIHPL S155 Scheme have each become effective.

- **Financial Creditor consent**
  Various creditor consent requests were launched from October 2020 to obtain the formal support of the financial creditors to the terms and proposed implementation of the Litigation Settlement Proposal which were obtained when the High Court of England sanctioned the terms of the SEAG CPU Scheme on 5 February 2021. As reported in its announcements on 16 July 2021 and 11 August 2021, Steinhoff N.V. required further consents under the existing finance documents for the revised terms to the Litigation Settlement Proposal set out in those announcements. To this end, on 20 August 2021, Steinhoff distributed "Consent Request No.3" to the facility agents under the relevant Steinhoff finance documents. In summary, Consent Request No.3 sought consents from lenders for the following:

  a) Approval of amendments to the terms of the Litigation Settlement Proposal to include the terms as announced by Steinhoff N.V. on 16 July 2021 and 11 August 2021;

  b) Approval of the SIHPL finance documents required to be entered into as part of the SIHPL settlement terms to have effect following SED, including the new Section 155 Settlement Note to be issued by SIHPL and the SIHPL Intercreditor Agreement both as described in the SIHPL S155 Scheme;

  c) Approval of an outline of the steps to be taken in connection with the SED; and

  d) Approval of the amendments required to the Steinhoff N.V. CPU to support the establishment of the Committee of Representation appointed under the Dutch SoP proceedings (as to which, see the 28 May 2021 Steinhoff press release).

23. PROVISIONS (CONTINUED)

23.4 Provision – Litigation Settlement Proposal (continued)

Steinhoff N.V. has obtained the necessary approvals and confirms that Consent Request No.3 has been approved by the requisite majorities of financial creditors in respect of each of the consents requested.

The consent request dated 25 November 2021 "Consent Request No.4", for the approval of the extension of the "Long Stop Date" of the Litigation Settlement Proposal to 30 June 2022 and the amendment to the Titan payment agreement (refer to note 12.1.2) as defined in Consent Request No.4, was obtained on or about 15 December 2021.

As announced on 28 December 2021, Steinhoff obtained the requisite level of support from its financial creditors for the SIHPL NQC and Tekkie Town settlements "Consent Request No. 5".

- **Regulatory consent from FinSurv**

  Steinhoff N.V. required approval from FinSurv. Steinhoff N.V. received approval on 25 November 2020, valid for 12 months, for the original proposed settlement amount.

  On 11 August 2021 Steinhoff N.V. announced an increased offer, following this announcement the Steinhoff Group had to seek further approval from FinSurv. Steinhoff N.V. announced on 18 October 2021 that it has received approval from FinSurv for the cross-border transfers contemplated by the revised Litigation Settlement Proposal. The approval is valid until 31 May 2022.

- **Eligible claimants' consent of Steinhoff N.V.**

  The Dutch SoP administrators, in consultation with Steinhoff N.V., and in accordance with the relevant provisions in the Dutch Bankruptcy Act, requested the Amsterdam District court to appoint a Committee of Representation consisting of representatives of the most important creditors and categories of creditors at Steinhoff N.V. level. On 28 May 2021, the Amsterdam District Court granted the request. The Committee of Representation members have cast a vote on the Composition Plan instead of individual creditors at the voting hearing.

  On 3 September 2021, the supervisory judges in the Dutch SoP proceedings opened the creditors' meeting to discuss the claims as submitted in the procedures. The creditors' meeting was reopened on 8 September 2021 to consider the Composition Plan. Following these discussions, the members of the Committee of Representation were asked to cast their votes on the Composition Plan. The supervisory judges confirmed that there was a positive decision supporting the Composition Plan with all fifteen members voting in favour. Accordingly, the Composition Plan was adopted unanimously. On 16 September 2021, the Dutch court held the Confirmation hearing. On 23 September 2021, the Dutch court confirmed the Composition Plan.

  On 2 October 2021, following an eight-day appeal period where no appeals were received, the Dutch SoP proceedings terminated, and the Composition Plan became binding on all Dutch SoP creditors in accordance with its terms. The Composition Plan differentiates various groups of Dutch SoP unsecured creditors, including litigation claimants and financial creditors, and is subject to certain conditions precedent. In short:

  a) Litigation claimants are offered partial payment on their claims against full and final release of all claims against Steinhoff N.V. and without any further recourse right against Steinhoff N.V.;

  b) Financial creditors retain their contractual rights under the Steinhoff N.V. CPU, which will be extended to 30 June 2023 on Settlement Effective Date with the ability to obtain a further 6 months' extension;

  c) All Dutch SoP creditors grant certain further releases against, amongst others, Steinhoff Group companies, auditors, D&O Insurers and (former) directors and officers. The release means that the claimants agree that they will suspend, or procure the suspension of, the proceedings vis-a-vis any Steinhoff party and that it will not, and will procure that none of its affiliates will, continue or commence any legal process against any Steinhoff Group company in relation to or in connection with the released claims, the Market Purchase Claims or any of them; and

  d) It is essential to note, that the Composition Plan is inter-conditional with, and dependent on the success of, a proposal by SIHPL for the settlement and compromise of its litigation and financial liabilities in accordance with the terms of the SIHPL S155 Scheme. SIHPL's application for the approval and sanction of the S155 Scheme was heard on 24 January 2022, by the Western Cape High Court. At the close of the hearing the Court granted SIHPL's request and granted an order approving and sanctioning the S155 Scheme.

23. PROVISIONS (CONTINUED)

23.4 Provision – Litigation Settlement Proposal (continued)

- **Eligible claimants' consent of SIHPL**

Creditors' meetings in terms of the SIHPL S155 Scheme, were held on 6 and 10 September 2021 in which over 8 500 claimants representing approximately ZAR91.7 billion of claims voted in favour of the SIHPL S155 Scheme, with no votes against.

The SIHPL S155 Scheme was accordingly adopted by all three classes of the SIHPL scheme creditors. During September 2021, and pursuant to the SIHPL S155 Scheme having been adopted by the SIHPL scheme creditors with overwhelming support, SIHPL made an application in the Western Cape High Court for the approval and sanction of the SIHPL S155 Scheme.

The sanctioning of the SIHPL S155 Scheme on 24 January 2022 has resulted in a compromise of any, and all, claims against SIHPL (whether or not legally established and whether or not admitted or disputed by SIHPL and to substitute all such claims with the rights arising under the terms of the SIHPL S155 Scheme).

Subsequently the Court received intervention applications to the sanction application from the following:

a) a party who under the SIHPL S155 Scheme is a Non-Qualifying Claimant being: Trevo, a Mauritian entity associated with the former CEO of Pepkor Holdings Limited, Mr Erasmus; with the support of six individuals (who are also all Non-Qualifying Claimants); and

b) parties purporting to be Market Purchase Claimants under the Proposal, being: (i) the trustees of Sport City Trust, (ii) AJVH Holdings Proprietary Limited, both of which are associated with the former owners of Tekkie Town, and (iii) an individual, Mr Lamprecht.

In support of SIHPL's sanction application, Deloitte submitted an intervention application.

SIHPL filed papers in opposition to the intervention of Trevo and all of the opposing parties, as it continues to work towards implementing the SIHPL S155 Scheme that has achieved the overwhelming support of so many claimants and so that those claimants can receive the settlement consideration as soon as possible under the terms of the SIHPL S155 Scheme. Refer below on the settlement reached with Trevo during December 2021. Refer below to the settlements reached with the objecting parties referenced above during December 2021.

SIHPL's application for the approval and sanction of the S155 Scheme was heard on 24 January 2022, by the Western Cape High Court. At the close of the hearing the Court granted SIHPL's request and granted an order approving and sanctioning the S155 Scheme. Following receipt of the Order, "Settlement Effective Date" (referred to under the S155 Scheme and the Composition Plan) is expected to occur on or about 15 February 2022. As disclosed in Steinhoff N.V.'s announcement of 15 December 2021, formal withdrawal of the various litigation that has been settled, including the withdrawal of the Liquidation Application against Steinhoff N.V. will occur immediately following Settlement Effective Date. Occurrence of Settlement Effective Date is the remaining condition under the Composition Plan.

- **Settlement with Trevo and others**

Steinhoff N.V.'s announcement on 11 August 2021 confirmed the treatment of Trevo as a Non-Qualifying Claimant (being a class of claimants to whom an offer of compromise is not made under the terms of the S155 Scheme). Trevo, supported by others, has opposed the sanction application for the S155 Scheme the hearing of which was scheduled to commence from the 24th of January 2022, notwithstanding that they are not a S155 Scheme creditor.

On 15 December 2021, Steinhoff N.V. announced that Trevo had agreed to a settlement in which they confirmed their support for the S155 Scheme (**"SIHPL NQC Settlements"**). It is viewed as an adjusting event for the 2021 Reporting Period and ZAR500 million (€28 million) was raised as part of the Litigation Settlement Proposal provision, representing the best estimate for settlement of the claim.

The key commercial terms of the settlement will have effect from the implementation of the Settlement Effective Date, and are as follows:

a) Ainsley Holdings will grant to Trevo call options to purchase 120 million Pepkor Holdings shares exercisable in three years' time at an exercise price of ZAR24.9215 per share. Ainsley Holdings will also grant to the other Non-Qualifying Claimants that were supporting Trevo's opposition call options to purchase 5 million Pepkor Holdings shares; and

b) following satisfaction of the suspensive conditions but prior to the Settlement Effective Date, SIHPL NQCs will support the Litigation Settlement Proposal. On and from Settlement Effective Date, Trevo will withdraw all litigation between them and Steinhoff N.V. Group in full and final settlement of claims against the Steinhoff N.V. Group, directors and officers and auditors.

The settlement of the SIHPL NQCs' alleged claims will not impact the recoveries of other scheme creditors under the S155 Scheme other than the financial creditors. As announced on 28 December 2021, Steinhoff obtained the requisite level of support from its financial creditors for the SIHPL NQC Settlement.

The Group further reported on 7 January 2022, that all the suspensive conditions set out in the SIHPL NQC Settlements have been fully satisfied.

Under the SIHPL NQC Settlements, the SIHPL NQCs agreed to withdraw their opposition to the S155 Scheme, to support the sanction application and implementation of the Litigation Settlement Proposal.

Both the Trevo settlement and the Tekkie Town settlement are subject to the Litigation Settlement Proposal being implemented by 30 June 2022.

23. PROVISIONS (CONTINUED)

23.4 Provision – Litigation Settlement Proposal (continued)

- **Settlement with the former Tekkie Town owners**

Certain former owners of the Tekkie Town business instituted claims against the Steinhoff N.V. Group (together the **"Former Tekkie Town Owner Claimants"**). In addition, the Former Tekkie Town Owner Claimants instituted liquidation proceedings (the **"Liquidation Application"**) against Steinhoff N.V. on 12 May 2021. One of those claimants, AJVH Holdings Proprietary Limited, and a related party, Sport City Trust, also attempted to oppose the application for the sanction of the S155 Scheme by arguing that they have SIHPL Market Purchase Claims (as defined in the S155 Scheme).

On 15 December 2021, the Steinhoff N.V. Group and the Former Tekkie Town Owner Claimants (including associated parties who have joined or supported their Liquidation Application and S155 Scheme opposition) have agreed that the Former Tekkie Town Owner Claimants will (i) support, and withdraw their opposition to, the S155 Scheme with immediate effect and (ii) withdraw the Liquidation Application (and their opposition to the appeal pending before the South African Supreme Court of Appeal), subject to implementation of the Litigation Settlement Proposal. It is viewed as an adjusting event for the 2021 Reporting Period and an additional ZAR741 million (€42 million) was raised as part of the Litigation Settlement Proposal provision, representing the best estimate for settlement of the claim.

The key commercial terms of the settlement will take effect from and subject to the Settlement Effective Date, and are as follows:

a) Steinhoff Africa will pay the Former Tekkie Town Owner Claimants ZAR500 million (€28 million) in aggregate, and Ainsley Holdings will transfer 29.5 million Pepkor Holdings shares subject to a lock-up of 180 calendar days following transfer, in order to acquire control of all Steinhoff-related claims alleged by the Former Tekkie Town Owner Claimants and their related parties; and

b) the Former Tekkie Town Owner Claimants will accordingly transfer control of all their Steinhoff-related claims to Steinhoff Africa, so that the claims between them, Steinhoff, Pepkor Holdings, directors and officers and auditors (including the Liquidation Application) will be settled and withdrawn on terms that enable Steinhoff Africa and Steinhoff to benefit from the compensation allocated to the Former Tekkie Town Owner Claimants under the Steinhoff N.V. Composition Plan.

As announced on 28 December 2021, Steinhoff obtained the requisite level of support from its financial creditors for the Tekkie Town settlement. Both the Trevo settlement (refer above) and the Tekkie Town settlement are subject to the Litigation Settlement Proposal being implemented by 30 June 2022. No other suspensive conditions are pending.

Considerations by management for the measurement of the Litigation Settlement Proposal provision for the 2021 Reporting Period:

Since the announcement of the original Steinhoff Litigation Settlement Proposal in July 2020, the Steinhoff Group's underlying businesses have shown resilient financial and operational performance and there have been increases in the value of a number of its investments. As a direct consequence of these developments, positive currency movements and improved outlook, Steinhoff N.V. and SIHPL announced on 16 July 2021 an increase in the settlement offer under the Litigation Settlement Proposal. As a result, the amount of the provision for the Litigation Settlement Proposal has been increased from c. €943 million to c. €1 573 million during the 2021 Reporting Period.

During the 2020 Reporting Period, the Group's obligation was classified as a provision to the value of the settlement amount (as expected outflow), in addition the full claim amounts were disclosed as contingent liability.

During the 2021 Reporting Period, there has been significant progress on the Litigation Settlement Proposal. The Composition Plan was confirmed by the Dutch Court on 23 September 2021, the SIHPL S155 Scheme was adopted by the eligible claimants and SIHPL's application for the approval and sanction of the S155 Scheme was heard and approved on 24 January 2022. Therefore, a much less uncertain obligation exists for Steinhoff N.V. and SIHPL towards their Dutch SoP creditors and the eligible claimants for SIHPL, respectively, to deliver a specified amount cash or Pepkor Holdings shares as specified in the Composition Plan and SIHPL S155 Scheme.

In the 2020 Reporting Period there was a higher amount of uncertainty related to the likelihood of outflow for legal claims included in the Litigation Settlement Proposal provision. Management, therefore, chose to include both a provision and more elaborate disclosure as part of the contingent liabilities. For the 2021 Reporting Period management is of the view that the uncertainty has decreased and therefore chose to only include a provision for the legal claims included in the Litigation Settlement Proposal.

The legal provision was reviewed at the end of the Reporting Period and adjusted to reflect the current best estimate to settle the obligation. Based on the current status of the Litigation Settlement Proposal, the expected outflow of economic benefit will be the value as included under the Composition Plan and the SIHPL S155 Scheme which will be settled in cash and Pepkor Holdings shares.

23. PROVISIONS (CONTINUED)

23.4 Provision – Litigation Settlement Proposal (continued)

The Litigation Settlement Proposal provision is set out below:

	30 September 2021 €m	30 September 2020 €m
Market Purchase Claimants – SIHPL	**183**	–
Market Purchase Claimants – Steinhoff N.V.	**436**	266
Contractual Claimants – SIHPL	**659**	543
Contractual Claimants – Steinhoff N.V.	**169**	104
Other (Non-qualifying claimants i.e. SIHPL NQCs and Tekkie Town)	**126**	30
Total Litigation Settlement Proposal provision	**1 573**	943

The increased settlement offer and several other amendments to the Litigation Settlement Proposal are set out in a summary term sheet dated July 2021 available at www.steinhoffsettlement.com (not audited by Mazars).

After the implementation of the Litigation Settlement Proposal the percentage ownership held in Pepkor Holdings will reduce to 50.6%. The likelihood of exercising the call option provided to Trevo will be re-assessed at each reporting period.

23.5 Seifert claim

HLSW GmbH (**"HLSW"**) an entity owned and/or controlled by Seifert, filed a complaint in March 2015 in terms of which HLSW requested the transfer of a 50% shareholding in AIH Investment Holding GmbH ("AIH") to it. On 1 April 2021, HLSW withdrew this claim with prejudice. Steinhoff was awarded procedural costs of €33,065, which HLSW paid to it in July of 2021.

LSW GmbH (**"LSW"**), owned and/or controlled by Seifert, filed a further complaint against AIH and SEAG in October 2015 with LSW requesting the repayment of an alleged loan granted to SEAG and AIH in the amount of €299.9 million and interest in the amount of approximately €29.4 million (**"the Loan Proceedings"**). SEAG and AIH have filed an answer to the complaint and contested the relief requested by LSW in its entirety. In addition, LSW requested solely from SEAG financing costs and default interest in the amount of €58.93 million as of October 2015 as well as default interest on the amount of €388.3 million at a rate of 5.14% per annum above the 6-months-EURIBOR since 12 October 2015. Thus LSW initially demanded approximately €388.3 million plus default interest since October 2015 and the costs of the proceedings from SEAG and approximately €329.33 million plus costs of the proceedings from SEAG and AIH.

On 21 December 2016, SEAG paid LSW an amount of €146.7 million. LSW reduced its claim on 17 February 2017 to approximately €265.4 million (plus interest at a rate of 5.14% per annum above the 6-months-EURIBOR from 22 December 2016) vis-à-vis SEAG and approximately €249.2 million vis-à-vis AIH, plus costs of the proceedings from both parties. On 20 July 2018 (rejected on formal grounds) and again on 20 September 2018, LSW filed for a preliminary injunction against SEAG and AIH in order to secure its claim arising from the Loan Proceedings. The competent judge of the Loan Proceedings rejected LSW's 20 September 2018 application for a preliminary injunction on all alleged grounds with his decision dated 1 October 2018. LSW did not file an appeal against the court order of 1 October 2018.

During November 2020, the parties entered into negotiations wherein a settlement amount of €100 million was discussed. A settlement was not finalized as the parties could not reach an agreement with respect to certain contractual terms. Considering these negotiations management decided to increase the settlement provision relating to Seifert in the 2020 Reporting Period. Management has considered other possible outcomes of the legal proceedings but it remains management's view that the current provision remains the best estimate to settle the current obligation and therefore retains the provision at €100 million as at 30 September 2021. The next court hearings are scheduled to take place on 3 and 4 March 2022. Testimony in the matter is ongoing.

24. COMMITMENTS AND CONTINGENCIES

	30 September 2021 €m	30 September 2020 €m
24.1 Capital expenditure		
Significant capital expenditure contracted for at the end of the Reporting Period but not recognised as liabilities is as follows:		
Contracts for capital expenditure authorised	**106**	44
Capital expenditure authorised but not contracted for	**44**	16

Capital expenditure will be financed from cash and existing loan facilities.

24.2 Contingent assets

Loss adjustors were appointed by SASRIA to assess the material damage loss due to the political and social unrest, and by Emerald for the quantification of the business interruption loss. Initial estimates have been submitted to the insurers. Indicative values show that material damage estimates are within policy limits for both SASRIA and business interruption losses.

24.3 Contingent liabilities

- **Competition Commission vs SIHPL and Other**

  This matter involves two referrals issued by the Competition Commission during the 2019 Reporting Period. Under the first referral, the Commission has charged a previous subsidiary of SIHPL, namely KAP Diversified Industrial Proprietary Limited (**"KAP"**) of having colluded during the period 2009 to 2014 with its sole local competitor, namely Sonae Arauco South Africa Proprietary Limited (**"Sonae"**) in that they allegedly fixed prices of certain timber products which they both manufactured and sold to merchants.

  In the second (related) referral, the Commission has charged SIHPL itself with having committed the same offence during that period. The Commission contends that the actual perpetration of the transgressions occurred between representatives of the sale staff of a subsidiary of KAP and their colleagues employed by Sonae. It is not alleged that any SIHPL employee participated in the alleged price fixing or that SIHPL knew or ought to have known that the transgressions were being perpetrated.

  The Commission seeks a conviction against SIHPL exclusively on a contention that by virtue of its shareholding in the KAP Group it controlled the business and affairs of KAP and its subsidiaries.

  Werksmans attorneys has been appointed to represent SIHPL in these proceedings. SIHPL has initiated a review application with the aim of setting aside the Competition Commission's decision to refer the complaint against SIHPL to the Tribunal. The matter was heard on an opposed basis on 10 August 2021.

  On 26 January 2022 the Court has set aside the Competition Commission's decision to refer the complaint against SIHPL to the Tribunal.

- **Geros Financial Services Proprietary Limited v Steinhoff at Work**

  On 2 November 2021, Geros Financial Services Proprietary Limited (**"Geros"**) served a simple summons against Steinhoff at Work claiming an aggregate of c. R64 million which was allegedly loaned by Geros to Steinhoff at Work and which is now due for repayment (plus interest at a rate of the prime lending rate less 3.5% per annum from the date that the amount was advanced to the date of final payment). Steinhoff at Work's legal representatives are in the process of preparing replying papers that will be served in accordance with the rules of Court. Management's view is that the claim holds no merit.

- **Access to a copy of the overview of the forensic investigation published in March 2019 ("PwC Report")**

  Application brought by Tiso Blackstar and others (owners of prominent South African media outlets) vs Steinhoff N.V. on 23 October 2019 on a public interest basis (as well as separate applications by Jooste) for access to a copy of the PwC Report. Exchange of pleadings ongoing. Damages are not sought in this matter and accordingly there can be no economic outflow arising from these proceedings. Matter is being heard on the 28 January 2022.

- **Late submission of the 2016 and 2017 annual financial statements of Steinhoff N.V.**

  On 8 February 2021, Steinhoff N.V. received a letter from the Bundesanstalt für Finanzdienstleistungsaufsicht (**"BaFin"**) stating that they had initiated administrative fine proceedings concerning the late submission of the 2016/2017 annual financial statements of Steinhoff N.V. and the missing announcements of certain voting rights notifications, which Steinhoff N.V. tried to rectify by publishing a catch-up announcement on 20 November 2018. The Company responded to BaFin on 8 March 2021. To date no reaction from BaFin has been received.

25. CASH FLOW INFORMATION

25.1 Cash generated from operations

	Notes	2021 €m	Restated[1] 2020 €m
Operating (loss)/profit from:			
Continuing operations		**(85)**	(916)
Discontinued operations		**139**	(55)
Adjusted for non-cash adjustments included in continuing and discontinued operations:			
Profit or loss movement in provision for doubtful debt		**47**	93
Depreciation and amortisation	8 & 9	**202**	189
Depreciation of right-of-use asset	10	**432**	518
Unrealised foreign exchange losses/(gains)		**4**	(10)
Impairments – Continuing operations:			
Goodwill	8	**1**	300
Intangible assets	8	**–**	6
Property, plant and equipment	9	**4**	4
Right-of-use asset	10	**10**	11
Other financial assets	12	**–**	11
Titan receivable ECL	4.2.9	**98**	13
Impairments – Discontinued operations:			
Property, plant and equipment	9	**–**	55
Held-for-sale assets	1.2.1	**–**	23
Other financial assets	1.2.1	**–**	(9)
Inventories written down to net realisable value and movement in provision for inventories	15	**52**	61
Net gain on disposal and scrapping of property, plant and equipment and intangible assets	1.2.2 & 4.2.3	**(33)**	(87)
Net loss on sale of treasury shares		**6**	–
Gain on disposal, part disposal and bargain purchase of investments	4.2.4 & 1.4	**(40)**	(255)
Share-based payment expense	4.3.2	**25**	13
Cumulative other comprehensive income reclassified to profit or loss on disposal or derecognition of investment	1.2.3 & 4.2.2	**(41)**	47
Lease modification cost – continued operations	4.3.6	**(12)**	(37)
Derecognition on end of lease term on right-of-use asset – discontinued operations	35	**37**	–
Litigation Settlement Proposal provision	23	**574**	943
Seifert legal provision	4.2.8	**–**	85
Transactions, prepayment and commitment fees	17.2	**(8)**	12
Revaluation of financial liability	17.2	**–**	80
Other non-cash adjustments		**20**	(40)
Cash generated before working capital changes		**1 432**	1 055
Working capital changes			
(Increase)/decrease in inventories		**(146)**	205
(Increase)/decrease in trade and other receivables		**(171)**	60
Movement in net derivative financial liabilities/assets		**13**	52
Increase/(decrease) in non-current and current provisions		**63**	(164)
Increase/(decrease) in non-current and current employee benefits		**95**	(50)
Increase in trade and other payables		**66**	13
Net changes in working capital		**(80)**	116
Cash generated from operations		**1 352**	1 171

[1] *Comparative numbers have been restated as a result of classifying certain segments as discontinued operations as well as for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

26. BUSINESS COMBINATIONS

ACCOUNTING POLICY:

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the acquired entity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred in terms of IFRS 3 – Business Combinations.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recognised as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. Contingent consideration classified as equity shall not be remeasured and its subsequent settlement shall be accounted for within equity.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

26. BUSINESS COMBINATIONS (CONTINUED)

26.1 The fair value of assets and liabilities assumed at date of acquisition

	Notes	Total 30 September 2021 €m	Total 30 September 2020 €m
Group's share of total assets and liabilities acquired		(3)	6
Goodwill attributable to acquisition	8	9	6
Total consideration		6	12
Cash on hand at date of acquisition		–	(9)
Net cash outflow on acquisition of subsidiaries		6	3

The goodwill arising on the acquisition of these companies is attributable to the strategic business advantages acquired, principal retail locations and leases, as well as knowledgeable employees and management strategies that did not meet the criteria for recognition as other intangible assets on the date of acquisition.

2021 Reporting Period

26.2 Acquisition of Fulton

On 8 October 2020 the Group acquired 100% of the share capital of Viewtone Trading Group Limited, the parent company of a group (Fulton's Group) for €5.5 million. Fulton's principal activity is the sale of food on a retail basis. The strategic reason for the acquisition was to secure supply chain knowledge to accelerate the roll out of the chilled and frozen offering within Pepco Group.

26.3 Acquisition of Eezi Poland

Effective 22 December 2020, Pepkor Holdings purchased 100% of the issued share capital of Eezi Poland for a purchase price of €0.6 million. Eezi offers similar products and services to FLASH in the Polish market and is included in the FinTech segment as part of the FLASH business.

2020 Reporting Period

26.4 Acquisition of Abacus

Effective 1 December 2019, Pepkor Holdings acquired 100% of the issued share capital of Abacus Holdco Proprietary Limited and its subsidiaries (**"Abacus"**) for a purchase price of ZAR183 million (€10 million). The acquisition has been approved by the relevant regulatory authorities. The Abacus product offering includes life- and short-term insurance. Abacus provides insurance products via its subsidiaries to customers of JD Group and other Group businesses.

26.5 Acquisition of S.P.C.C. and CODE

Effective 1 June 2020 and 1 September 2020 respectively, Pepkor Holdings acquired S.P.C.C. and CODE for a combined purchase price of ZAR46 million (€2 million). Both entities are retailers of clothing and general merchandise.

27. NATURE AND PURPOSE OF RESERVES

Ordinary share capital and share premium

The share capital and share premium reserve records the movements in the issued share capital of the Company.

Treasury share capital and share premium

Treasury shares are recognised as equity when Group companies (including employee share trusts) purchase Steinhoff shares, when the Company reacquires its own shares, or when the Company shares are under the control of the Group through unconsolidated structured entities. The amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from share premium or accumulated losses.

Accumulated losses

Retained earnings/accumulated losses comprise distributable reserves accumulated through the consolidation of the profit or loss of consolidated companies and the share of profit or loss of equity accounted companies. Reclassifications and transfers to and from other reserves are also accumulated in this reserve. Ordinary dividends declared reduce this reserve. Preference dividends on preference shares, classified as equity, also reduce this reserve.

Foreign currency translation reserve

Foreign operation definition

A foreign operation is either a subsidiary, associate, joint venture or an intermediate parent where the intermediate parent's subsidiaries on its own is immaterial and form an integral part of the intermediate parent's reporting structure. An intermediate parent will not be larger than an operating segment.

Translation method

The Group's foreign translation is done by electing the step-by-step method. This is where the financial statements of a foreign operation are translated into the functional currency of any intermediate parent. If the functional currency of the intermediate parent is different to the Group's presentation currency, then the intermediate parent's financial statements, which includes the foreign operation, are translated into euro.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated to euro at exchange rates at the Reporting Date. The income and expenses of foreign operations are translated to euro at exchange rates approximating to the exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised in other comprehensive income and aggregated within equity in the FCTR. However, if the operation is not a wholly owned subsidiary, the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

Reclassification of FCTR to profit or loss

- *Disposal of foreign operation*
  When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

- *Intercompany loans forming part of net investment in foreign operations*
  Foreign exchange gains and losses arising from an intercompany loan balance of which settlement is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the FCTR. They are released to profit or loss upon disposal of that foreign operation.

- *Impairment*
  In the event of a write-down of the carrying amount of a foreign operation, either because of its own losses or because of an impairment recognised by the investor, it does not constitute a partial disposal. Consequently, no amount of the FCTR is reclassified to profit or loss.

- *Restructuring*
  The sale of immaterial subsidiaries below an intermediate parent designated as a foreign operation is viewed as a restructure and not a partial disposal and therefore no realisation through profit and loss. It is only on the sale or partial sale of the Intermediate parent which will be viewed as a realisation of its investment in foreign operation.

- *Liquidation*
  A complete liquidation of a foreign operation where all assets are disposed, and all liabilities and contingent liabilities are settled, and the business is no longer active and the entity has no immediate plan to recommence activities this will be treated as a disposal.

27. NATURE AND PURPOSE OF RESERVES (CONTINUED)

Equity component of convertible bonds

Bonds which are convertible to share capital, where the number of shares to be issued does not vary with changes in their fair value, are accounted for as compound financial instruments. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of the proceeds. The equity component of the convertible bonds is calculated as the excess of the issue proceeds over the present value of the future interest and principal payments, discounted at the market rate of interest applicable to similar liabilities that do not have a conversion option. The interest expense recognised in profit or loss is calculated using the effective-interest method.

Share-based payment reserve relating to equity-settled share based payment scheme

The fair value of the deferred delivery shares and the share rights granted to employees is recognised as an employee expense with a corresponding increase in equity. Refer to note 33. Once the share rights in a share scheme vests or becomes highly unlikely to vest, the relevant portion of the share-based payment reserve is transferred to accumulated losses.

Excess of consideration (paid to)/received from non-controlling interest

Any increases or decreases in ownership interest in subsidiaries without a change in control are recognised as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received are recognised directly in equity and attributed to owners of the company.

Sundry reserves

Sundry reserves comprise fair valuations of available-for-sale financial assets, cash flow hedge reserves and actuarial gains or losses recognised on the measurement of the defined benefit plans.

28. ORDINARY SHARE CAPITAL

		Note	30 September 2021 Number of shares	30 September 2020 Number of shares
28.1	**Authorised**			
	Balance at beginning of the period		**16 000 000 000**	17 500 000 000
	Decrease in authorised ordinary shares[1]		**–**	(1 500 000 000)
	Cancellation of shares	28.2	**(40 118 093)**	–
	Total authorised ordinary shares of €0.01 each		**15 959 881 907**	16 000 000 000

[1] *By amendment to the Articles of Association on 28 August 2020, the aggregate number of authorised ordinary shares was decreased from 17 500 000 000 to 16 000 000 000.*

		Note	30 September 2021 Number of shares	30 September 2020 Number of shares
28.2	**Issued**			
	Balance at beginning of the period		**4 309 727 144**	4 309 727 144
	Cancellation of shares		**(40 118 093)**	–
	Balance at the end of the period		**4 269 609 051**	4 309 727 144

Cancellation of shares

Effective as of 3 November 2020, the issued share capital of Steinhoff N.V. was reduced by 40 118 093 ordinary shares.

The resolution to reduce the capital of the Company by cancelling 40 118 093 Ordinary Shares, that were held by the Company (the **"Cancelled Shares"** and the cancellation of these Cancelled Shares, the **"Capital Reduction"**) was adopted by the General Meeting on 28 August 2020. The Company deposited the resolution to cancel the Cancelled Shares with the Dutch Trade Register and announced the Capital Reduction in a daily nationally distributed newspaper on 2 September 2020. As from the date of the announcement the statutory waiting period of two months for creditors to oppose the Capital Reduction commenced. On 4 November 2020, the Court of Amsterdam confirmed that no creditors had opposed to the Capital Reduction during this period. Therefore, the resolution took effect after two months having passed since the announcement had been made. The Capital Reduction was aimed at optimising the Company's equity structure.

		Note	30 September 2021 Number of shares	30 September 2020 Number of shares
28.3	**Treasury shares**			
	Balance at beginning of the period		**(137 564 468)**	(161 385 688)
	Cancellation of shares		**40 118 093**	–
	Disposal of Steinhoff shares by a subsidiary company		**45 873 096**	23 821 220
	Treasury shares held by subsidiaries of the Group		**(51 573 279)**	(137 564 468)
	Balance at the end of the period		**(51 573 279)**	(137 564 468)
	Total issued ordinary share capital		**4 218 035 772**	4 172 162 676

28. ORDINARY SHARE CAPITAL (CONTINUED)

		Notes	30 September 2021 Share capital €m	30 September 2020 Share capital €m	30 September 2021 Share premium €m	30 September 2020 Share premium €m
28.4	**Issued**					
	Balance at beginning of the period		**43**	43	**11 020**	11 020
	Cancellation of shares	28.2	**–**	–	**(139)**	–
	Balance at the end of the period		**43**	43	**10 881**	11 020
28.5	**Treasury shares**					
	Balance at beginning of the period		**(2)**	(2)	**(482)**	(483)
	Cancellation of shares	28.2	**–**	–	**139**	–
	Shares sold during the period		**–**	–	**67**	1
	Balance at the end of the period		**(2)**	(2)	**(276)**	(482)
	Total issued ordinary share capital and share premium		**41**	41	**10 605**	10 538

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the General Meetings of the Company.

Sale of treasury shares

During the 2021 Reporting Period, subsidiary companies of the Group sold 42 722 416 shares it held in the Company. The number of treasury shares were further reduced by 3 150 680 on disposal of a subsidiary.

All issued ordinary shares have been fully paid-up.

		30 September 2021 Number of shares	30 September 2020 Number of shares
28.6	**Unissued shares**		
	Shares reserved for future participation in share scheme	**105 831 130**	105 831 130
	Unissued shares	**11 584 441 726**	11 584 441 726
	Total unissued shares	**11 690 272 856**	11 690 272 856

29. PREFERENCE SHARE CAPITAL

29.1 Authorised

	Classification of preference shares			30 September 2021	30 September 2020	30 September 2021	30 September 2020
	Redemption	Payment of dividends	Classification of instrument	Number of shares	Number of shares	€m	€m
Steinhoff N.V.							
Non-cumulative financing preference shares of €0.01 each	Non-redeemable	Discretionary	Equity	**4 000 000 000**	4 000 000 000	**40**	40
SIHPL							
Cumulative, non-participating preference shares of no par value	Non-redeemable	Discretionary	Equity	**1 000 000 000**	1 000 000 000	**–**	–
SIHL							
Variable rate, cumulative, non-participating preference shares of ZAR0.0001 each	Non-redeemable	Discretionary	Equity	**495 000 000**	495 000 000	*	*
Steinhoff Africa							
Class A perpetual preference shares (par value ZAR0.01)	Non-redeemable	Discretionary	Equity	**2 000**	2 000	*	*
Class B perpetual preference shares of no par value	Redeemable	Discretionary	Compound	**2 000**	2 000	**–**	–
Cumulative redeemable preference shares (par value ZAR0.01)	Redeemable	Determined upon issue	Financial liability/ compound instrument	**2 000**	2 000	*	*
Pepkor Holdings							
Non-redeemable, non-cumulative, non-participating preference shares of no par value	Non-redeemable	Discretionary	Equity	**5 000 000**	5 000 000	*	*
Non-redeemable, cumulative, non-participating preference shares of no par value	Non-redeemable	Discretionary	Equity	**2 500 000**	2 500 000	*	*
Redeemable, non-cumulative, non-participating preference shares of no par value	Redeemable	Discretionary	Financial liability	**2 500 000**	2 500 000	*	*
Class A1 redeemable, cumulative, non-participating preference shares of no par value	Redeemable	Discretionary	Financial liability	**10 000 000**	10 000 000	*	*
Class A2 redeemable, cumulative, non-participating preference shares of no par value	Redeemable	Discretionary	Financial liability	**10 000 000**	10 000 000	*	*
Class A3 redeemable, cumulative, non-participating preference shares of no par value	Redeemable	Discretionary	Financial liability	**10 000 000**	10 000 000	*	*
Class A4 redeemable, cumulative, non-participating preference shares of no par value	Redeemable	Discretionary	Financial liability	**10 000 000**	10 000 000	*	*
Class A5 redeemable, cumulative, non-participating preference shares of no par value	Redeemable	Discretionary	Financial liability	**10 000 000**	10 000 000	*	*
BVI							
Cumulative, redeemable, no par value preference shares	Redeemable	Non-discretionary	Financial liability	**7 850**	7 850	*	*

* *Amount less than €500 000.*

29. PREFERENCE SHARE CAPITAL (CONTINUED)

29.2 Issued

	30 September 2021 Number of shares	30 September 2020 Number of shares	30 September 2021 €m	30 September 2020 €m
Classified as equity				
SIHL[1]				
In issue at the beginning and end of the period	**15 000 000**	15 000 000	**134**	134
Total issued preference share capital classified as equity	**15 000 000**	15 000 000	**134**	134
Classified as liabilities				
BVI[2]				
In issue at the beginning of the period	–	3 550	–	28
Shares redeemed during the period	–	(3 550)	–	(28)
In issue at the end of the period	–	–	–	–
Pepkor Holdings (class A cumulative redeemable preference shares)[3]				
In issue at the beginning of the period	**2 000**	6 000	**101**	365
Shares redeemed during the period	**(2 000)**	(4 000)	**(113)**	(220)
Exchange differences on consolidation of foreign operations			**12**	(44)
In issue at the end of the period	–	2 000	–	101
Summary of preference shares in issue				
Non-controlling interest (note 28)			**134**	134
Liability			–	101
			134	235

[1] ***Terms of issued SIHL preference shares***
The preference shares earn dividends on the issue price at the rate of 82.5% of the SA prime lending rate quoted by Absa Bank Limited or its successor in title in South Africa. Although the rights to receive dividends are cumulative, declaration of such dividends is at the discretion of the board of directors of SIHL.

[2] ***Term of issued BVI preference shares***
The preference shares were issued during the 2012 financial year and earn dividends on the aggregate of the issue price and accumulated dividends which remain unpaid at the rate of 83.5% of the SA prime lending rate. Various subsidiaries of the Pepkor Holdings Group were guarantors of the debt until June 2020 when the shares were redeemed.

[3] ***Term of issued Pepkor Holdings preference shares***
During the 2018 Reporting Period, Pepkor Holdings issued 6 000 cumulative redeemable preference shares. The preference shares earn dividends on the issue price at the rate of 74% of the SA prime lending rate. The preference shares are redeemable in May 2022. ZAR4 billion (€220 million) of the total ZAR6 billion preference shares were settled early during the 2020 Reporting Period and the remaining ZAR2 billion (€113 million) was settled during the first half of the 2021 Reporting Period.

Accrued dividends relating to preference shares classified as equity are presented as part of the profit or loss attributable to non-controlling interest in the period to which the accrual relates, regardless of whether these dividends have been declared. Any preference dividends actually paid have been presented as dividends paid to non-controlling interests.

30. NON-CONTROLLING INTERESTS

ACCOUNTING POLICY

Non-controlling interest

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Financial Position respectively.

Subsequently, any losses applicable to the non-controlling interests are allocated to the non-controlling interests even if this results in the non-controlling interests having deficit balances.

Initial measurement of non-controlling interests

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Treatment of non-controlling interest upon loss of control

When the Group ceases to consolidate an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the Group retains no interest, the carrying value of the non-controlling interest is disposed of and forms part of the net asset value of the investment upon disposal. The difference between the proceeds received and the net asset value disposed is recognised in profit or loss.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

Non-controlling interest: Preference shares

Preference shares classified as equity are attributable to shareholders other than the Company's shareholders. These preference shares are therefore attributable to non-controlling interests of the Group and are classified as a component of equity attributable to non-controlling interests.

The voting and participation rights of preference shareholders differ to those of non-controlling ordinary equity shareholders. Preference shareholders do not share in the underlying net asset value of the various businesses and have no voting rights except in certain instances.

Preference shares are therefore presented as a separate component of non-controlling interests within equity.

30. NON-CONTROLLING INTERESTS (CONTINUED)

30.1 Details of material non-controlling interests:

	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	30 September 2021 %	30 September 2020 %	30 September 2021 €m	Restated[1] 30 September 2020 €m	30 September 2021 €m	Restated[1] 30 September 2020 €m
Pepkor Holdings[2]	**41.07**	32.25	**90**	(54)	**1 361**	869
Pepco Group	**21.11**	–	**11**	–	**424**	–
Conforama[3]	**–**	–	**19**	(40)	**103**	84
Individually immaterial subsidiaries with non-controlling interests			**–**	(3)	**–**	–
			120	(97)	**1 888**	953
Preference shares classified as equity (note 29.2)			**4**	6	**134**	134
Total non-controlling interests			**124**	(91)	**2 022**	1 087

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

[2] *On 15 September 2021, Ainsley Holdings ceded 283 million Pepkor Holdings shares to the SRF in order to prove to the District Court of Amsterdam that Steinhoff will be able to perform under the Composition Plan when the Settlement Effective Date occurs.*

[3] *The Group owns more than 99.99% of the 98 billion ordinary shares of Conforama Holding SA, however warrants were issued to senior secured bond holders that effectively grant them 49.9% of the economic rights to the future returns of Conforama. Refer to note 30.2.*

Any non-controlling interests recognised by the subsidiaries are included in the balances above.

30.2 Material transactions with non-controlling interests

Pepkor Holdings

2021 Reporting Period

In March 2021, Pepkor Holdings issued 6 234 974 of its shares to qualifying employees under the Pepkor Holdings ESRS. This diluted the Group's shareholding in Pepkor Holdings from 67.8% to 67.6%.

As announced on 14 April 2021, the transaction for Pepkor Holdings to acquire twelve properties included in the Africa Properties portfolio currently leased from the Group, received the necessary approvals and all conditions precedent were fulfilled. The total consideration for the properties consist of a total of 70 million new Pepkor Holdings shares. These shares were issued with the transfer of each property which occurred between July and September 2021. As at the Reporting Date, 68 720 747 shares have been issued resulting in an increase in the Group's shareholding in Pepkor Holdings to 68.2%.

On 13 September 2021, the Group announced the successful completion of a bookbuild, having placed 370 million Pepkor Holdings shares at ZAR19.75 per share, representing a discount of 9% and raising ZAR7.3 billion (€409 million). This diluted the Group's shareholding in Pepkor Holdings to 58.3%.

During September 2021, Pepkor Holdings repurchased 38 million shares on the open market on the JSE for €43 million. This increased the Group's shareholding to 58.9%.

After the implementation of the Litigation Settlement Proposal the percentage ownership held in Pepkor Holdings will reduce to 50.6%. The likelihood of exercising the call option provided to Trevo will be re-assessed at each reporting period.

2020 Reporting Period

On 23 June 2020, Pepkor Holdings announced a non-pre-emptive placement of up to 172.5 million ordinary shares in the authorised but unissued share capital of Pepkor Holdings to certain institutional investors, representing up to 4.95% of Pepkor Holdings existing issued ordinary shares.

On 24 June 2020, Pepkor Holdings announced the successful completion of this bookbuild, having placed the full 172.5 million shares at ZAR11.00 per share, representing a discount of 6%, and raising ZAR1.898 billion (€105 million). The Group did not participate in this transaction, reducing its effective shareholding in Pepkor Holdings from c.71% to c.68%. The script dividend to non-controlling interest was where shareholders did not elect the alternative cash dividend and were entitled to 1.22426 shares for every 100 Pepkor Holdings shares held.

30. NON-CONTROLLING INTERESTS (CONTINUED)

30.2 Material transactions with non-controlling interests (continued)

Pepco Group

2021 Reporting Period

On 26 May 2021, following a successful IPO process, shares in Pepco Group began trading on the Warsaw Stock Exchange with the ticker symbol "PCO". The final offer price of shares in the IPO was PLN40 per share, giving Pepco Group an implied market capitalisation of approximately PLN23 billion (€5 billion).

Steinhoff received proceeds of approximately €1 billion from the sale of shares in the IPO, which together with the intercompany loan repayments, was applied to reduce the Group's outstanding debt.

IEP interest

2020 Reporting Period

During May 2020, Steinhoff Finance Investments Proprietary Limited, the registered beneficial holder of 92% of the issued share capital in Mons Bella Private Partner Investment Proprietary Limited, holder of the IEP interest, has acquired the remaining 8% of Mons Bella Private Partner Investment Proprietary Limited's issued shares from Chestnut Hill Investments 288 Proprietary Limited (an entity otherwise unrelated to the Group) for ZAR72 million (€4 million). The purchase also concluded all legal disputes between the parties. This transaction closed on 15 May 2020.

Conforama Warrants issued to senior bond holders

2020 Reporting Period

On 15 April 2019, Conforama issued senior secured bonds to the amount of €205 million (**"Tranche A Bonds"**) .

As additional consideration for the senior secured bonds, the creditors were granted warrants (**"Warrants"**) that effectively granted them 49.9% of the economic rights to the future returns of Conforama (i.e. 49.9% right to returns arising from distributions, exit and / or a liquidation event) through the right to ownership of Class 2 Preference Shares in the future.

The Warrant agreement came into effect on 15 April 2019, with 205,242,947 Warrants issued to bondholders on 29 May 2019.

An Exercise Event, that would trigger the conversion of the warrants into Class 2 Preference Shares, includes any of the following events:

- Listing, partial exit or change in control of Conforama;
- Voluntary or involuntary liquidation of Conforama;
- Any distribution by any nature whatsoever by Conforama for the benefit of shareholders; or
- Six months prior to 29 May 2029.

The Class 2 Preference Shares will therefore be classified as a non-controlling interest in the Consolidated Financial Statements of Steinhoff N.V. as it provides the holders thereof the right to the equity (i.e. dividends and a portion of net liquidation proceeds) of Conforama.

The Warrants therefore provide the holders thereof with the right to equity returns from issuance date and not only from the date that the Warrants are exercised. This would therefore result in the issued Warrants being classified as a non-controlling interest from issuance date, at a consolidated Steinhoff N.V. level.

The Warrants carry no voting rights. In the case that all the Warrants were to be exercised (which is an individual decision to be made by each holder of Warrants during the relevant Exercise Period), they would "convert" into 205,242,947 Class 2 Preference Shares. Class 2 Preference Shares bear significant financial rights, as they together give right by priority to 49.90% of all shareholders' proceeds. However, Class 2 Preference Shares do not carry any particular voting rights, such as any right to change the governance structure at the level of Conforama Holding SA.

In particular, each Class 2 Preference Share will only bear one voting right, and therefore exercise of all Warrants (if and when it happens) will have little impact per se on the allocation of voting powers within the Company: Conforama Développement would continue holding more than 99% of the ordinary shares (98 billion) issued by the Company.

Dividends

2020 Reporting Period

Ordinary dividends to non-controlling interest during the 2020 Reporting Period relate to Pepkor Holdings ZAR209 million (€11.5 million) of which ZAR75 million (€4 million) was paid in cash and ZAR134 million (€7.5 million) was a script dividend and Sherwood USD11 million (€10 million).

30. NON-CONTROLLING INTERESTS (CONTINUED)

30.3 Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests:

	30 September 2021			30 September 2020		
	Pepco Group €m	Conforama €m	Pepkor Holdings €m	Pepco Group €m	Conforama €m	Restated[1] Pepkor Holding €m
The summarised financial information below represents amounts before intragroup eliminations and consolidation entries.						
Summarised Statement of Financial Position						
Non-current assets	**2 349**	**398**	**4 291**	2 050	532	3 821
Current assets	**1 232**	**215**	**1 612**	1 020	323	1 352
Non-current liabilities	**(1 460)**	**(170)**	**(1 541)**	(1 434)	(89)	(1 558)
Current liabilities	**(1 114)**	**(225)**	**(1 050)**	(883)	(564)	(906)
Summarised Statement of Profit or Loss and Other Comprehensive Income						
Revenue	**4 122**	**723**	**4 362**	3 518	2 695	3 895
Profit/(Loss) for the period	**155**	**(49)**	**275**	(1)	(163)	(157)
Profit/(Loss) attributable to owners of the parent	**155**	**(49)**	**275**	(1)	(163)	(157)
Profit attributable to the non-controlling interests[2]	**–**	**–**	**–**	–	–	–
Profit/(Loss) for the period	**155**	**(49)**	**275**	(1)	(163)	(157)
Total comprehensive income attributable to owners of the parent	**242**	**(49)**	**227**	(53)	(134)	(97)
Total comprehensive income attributable to the non-controlling interests[2]	**–**	**–**	**–**	–	–	–
Total comprehensive income/(loss) for the period	**242**	**(49)**	**227**	(53)	(616)	(97)
Summarised Statement of Cash Flows						
Net inflow from operating activities	**702**	**85**	**401**	579	242	477
Net (outflow)/inflow from investing activities	**(183)**	**202**	**(99)**	(165)	13	(120)
Net outflow from financing activities	**(415)**	**(202)**	**(281)**	(243)	(167)	(254)
Net cash inflow	**104**	**85**	**21**	171	88	103
Dividends paid to the non-controlling interests[2]	**–**	**–**	**1**		–	–

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

[2] *This relates to non-controlling interest at the subsidiary level and not at the Group's level.*

31. RELATED-PARTY TRANSACTIONS

Key judgements

Key Management Personnel

The Group considered the various entities related and affiliated with certain key management personnel during the periods presented, to determine whether any material transactions were concluded between the Group and these entities.

The Group's considerations are explained in this note.

Jayendra Naidoo related and affiliated entities

Jayendra Naidoo was a Supervisory Board member from March 2017 until January 2018. Jayendra Naidoo was also the Chairman of Pepkor Holdings, a material subsidiary, until 30 November 2020. Jayendra Naidoo was therefore considered a related party to the Group in the 2020 Reporting Period. On 18 November 2020, Pepkor Holdings announced that Jayendra Naidoo, who had been in office since August 2017, would not make himself available for re-election as chairman of the Pepkor Holdings board of directors when his term ended on 30 November 2020. On 20 January 2021, Pepkor Holdings announced that Jayendra Naidoo had resigned as a director effective 1 February 2021.

The following were identified by the Group as being material related parties to the Group as a result of the transactions between the Group and these entities related or affiliated to Jayendra Naidoo during the periods presented:

- Lancaster 101 and Lancaster 102
- Lancaster Electricity Solutions Proprietary Limited

Other

Related-party relationships also exist between shareholders, subsidiaries, joint-venture companies and associate companies within the Group and its company directors and Group key management personnel.

All material intragroup transactions are eliminated on consolidation.

31.1 Directorate

The directorate below reflects the Management and Supervisory Board members as at the date this report was approved.

Management Board		
Louis du Preez	Appointed:	20 April 2018
Theodore de Klerk	Appointed:	20 April 2018
Supervisory Board		
Moira Moses	Appointed:	20 April 2018
Hugo Nelson	Appointed:	20 April 2018
Peter Wakkie	Reappointed:	30 April 2021
Alexandra Watson	Appointed:	20 April 2018
Paul Copley	Appointed:	30 August 2019
David Pauker	Appointed:	30 August 2019
Supervisory Board members that resigned during the 2020 and 2021 Reporting Periods		
Heather Sonn	Resigned:	18 May 2020
Khanyisile Kweyama	Resigned:	19 April 2021

Details relating to directors' emoluments, shareholding in the Company and interest of directors and officers are disclosed in note 32.

31.2 Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. In the current period the following groups were considered to be key management:

- Management Board
- Supervisory Board
- CEOs of significant OpCos
- Group Services employees

The number of key management members as at 30 September 2021 is 18 (2020: 20).

31. RELATED-PARTY TRANSACTIONS (CONTINUED)

31.2 Key management personnel (continued)

Compensation of key management personnel

	2021 €m	2020 €m
Short-term employee benefits	**11**	15
Accrued short-term and long-term bonus	**8**	4
Share-based payments – related expense	**1**	1
Total compensation for the period	**20**	20

Refer to note 32 for detailed remuneration disclosures.

31.3 Interest of key management personnel in contracts

During the periods presented, the following contracts related to key management personnel of the Group were concluded with the Group:

2021 Reporting Period

No material transactions occurred during the 2021 Reporting Period.

2020 Reporting Period

No material transactions occurred during the 2020 Reporting Period.

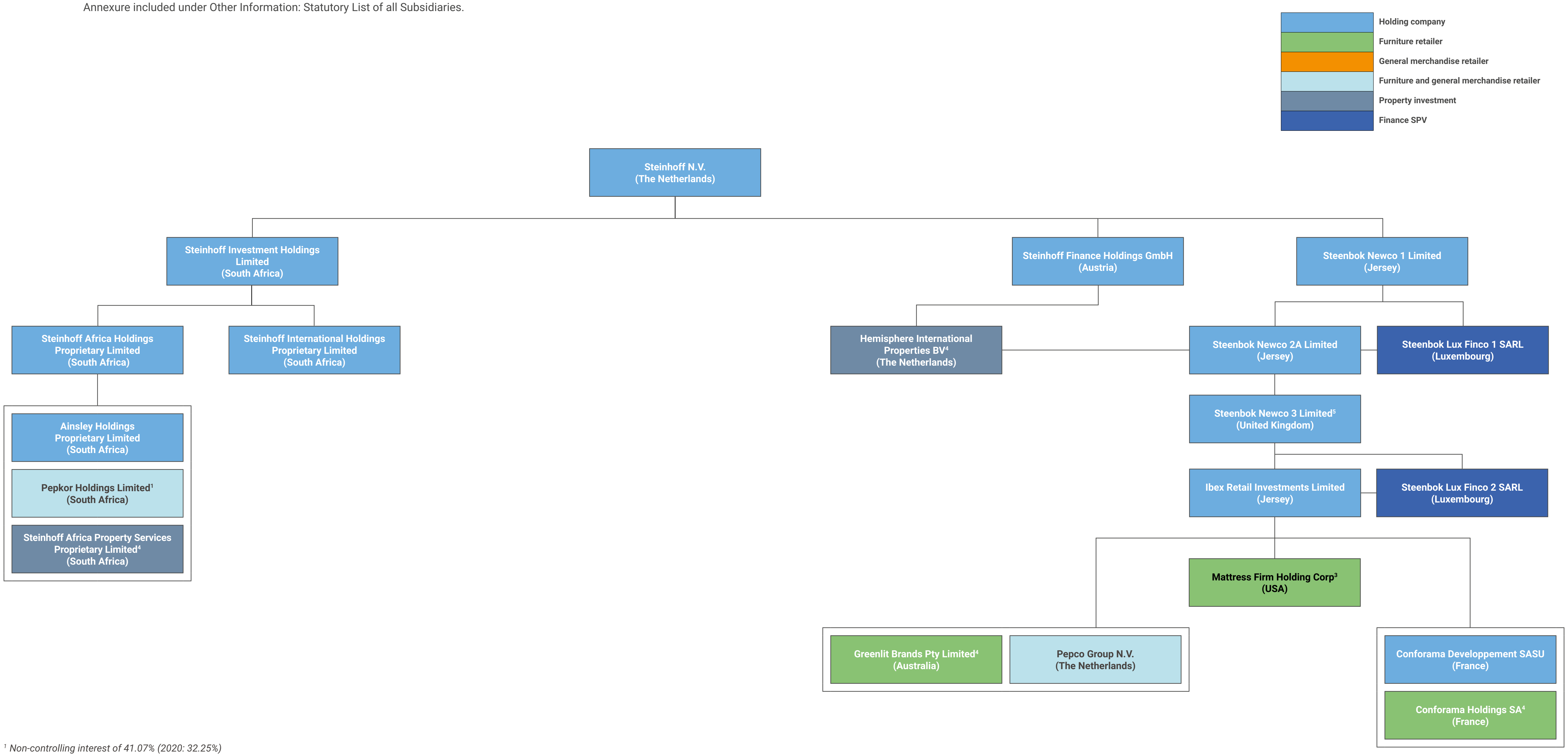
31. RELATED-PARTY TRANSACTIONS (CONTINUED)

31.4 Principal subsidiaries

The Group's principal subsidiaries as at 30 September 2021 are set out below in a simplified group structure. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, as at 30 September 2021, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Principal subsidiaries are those identified by management as contributing materially to the consolidated results or financial position of the Group.

The statutory list of all subsidiaries and affiliated companies, prepared in accordance with the relevant legal requirements (Dutch Civil Code, Book 2, section 379), forms part of the notes to the 2021 Separate Financial Statements and is included herein as an Annexure included under Other Information: Statutory List of all Subsidiaries.



[1] Non-controlling interest of 41.07% (2020: 32.25%)
[2] Non-controlling interest of 21.11% (2020: 2.12%)
[3] As from 21 November 2018, the Group owns 50.1% of Mattress Firm and recognised the investment as an equity accounted investment from this date.
[4] Classified as held for sale at 30 September 2020.
[5] Certain companies were incorporated within the Group to create a new intermediate holding structure below the Company but above the key no-South African businesses and assets of the Steinhoff Group (the "Steenbok Group").

31. RELATED-PARTY TRANSACTIONS (CONTINUED)

31.5 Trading transactions

The following is a summary of material trading transactions and balances outstanding at year-end in relation to transactions with investments in equity accounted companies:

30 September 2021

	Note	Dividends received by Group €m
Equity Accounted Companies		
Mattress Firm	a	520
IEP		4
		524

a During the 2021 Reporting Period Mattress Firm again successfully refinanced its outstanding debt. In addition, Mattress Firm made a payment to its shareholders of USD1.2 billion (€1.0 billion) with the Steinhoff Group receiving USD609 million (€520 million).

30 September 2020

During the 2020 Reporting Period, Sherwood sold €23 million of inventory to Mattress Firm prior to the disposal of Sherwood by the Group.

31.6 Elimination of transactions with equity accounted companies

Management assessed the upstream and downstream transactions between Group companies and equity accounted companies. Inventory turnover of stock items purchased is relatively fast and therefore no material inventory is on hand at period-end that should be eliminated. The remaining transactions are related to services which are recognised as they are delivered and therefore no further eliminations are required.

32. REMUNERATION REPORT

32.1 Remuneration

32.1.1 Remuneration of the Management Board and key management personnel

				Annual bonus							
	Basic remuneration[2] €'000	Pension contributions €'000	Other company contributions[1] €'000	STI €'000	LTI €'000	Strategic/ retention bonus paid €'000	Deferred bonus paid €'000	Severance payments €'000	Annual leave paid out €'000	IFRS 2[3] share-based payment expense €'000	Total remuneration and fees €'000
2021											
Louis du Preez	**1 321**	**63**	**–**	**1 038**	**1 373**	**–**	**–**	**–**	**76**	**–**	**3 871**
Theodore de Klerk	**1 132**	**68**	**–**	**900**	**1 133**	**–**	**–**	**–**	**73**	**–**	**3 306**
Subtotal Management Board	**2 453**	**131**	**–**	**1 938**	**2 506**	**–**	**–**	**–**	**149**	**–**	**7 177**
Key management personnel[4]	**4 045**	**134**	**225**	**2 492**	**597**	**900**	**1 765**	**–**	**3**	**840**	**11 001**
Total Management Board and other key management	**6 498**	**265**	**225**	**4 430**	**3 103**	**900**	**1 765**	**–**	**152**	**840**	**18 178**
2020											
Louis du Preez	1 330	54	–	1 038	911	–	–	–	116	–	3 449
Theodore de Klerk	1 141	59	–	900	733	–	–	–	43	–	2 876
Subtotal Management Board	2 471	113	–	1 938	1 644	–	–	–	159	–	6 325
Key management personnel	4 244	270	657	748	227	3 137	614	346	20	624	10 887
Total Management Board and other key management	6 715	383	657	2 686	1 871	3 137	614	346	179	624	17 212

[1] Other contributions mainly include company contributions to the medical aid, expense allowances and social taxes.
[2] Directors' fees were paid with basic remuneration.
[3] Refer to note 33 for details regarding the Pepkor Holdings ESRS and cash-settled scheme applicable to certain key management members.
[4] With the key management personnel of one of the subsidiaries, additional fee schedules were agreed on for achieving defined benchmarks. As at the Reporting Date, these benchmarks have not been met and therefore no accrual is recorded for the additional fees.

There are numerous incentive plans for the Management Board based on future key performance indicators on which fulfilment and subsequent approval by the Human Resources and Remuneration Committee will result in performance bonuses. Performance bonusses are only recognised once it is probable that the key performance indicators will be achieved.

32. REMUNERATION REPORT (CONTINUED)

32.1 Remuneration (continued)

32.1.2 Remuneration of the Supervisory Board members

	Other Group entities		Steinhoff N.V.	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Supervisory Board members that are in office				
Paul Copley	**–**	–	**190**	190
Moira Moses	**27**	24	**320**	243
Hugo Nelson	**24**	23	**190**	179
David Pauker	**150**	150	**185**	174
Peter Wakkie	**–**	–	**254**	265
Alexandra Watson	**26**	25	**190**	197
Supervisory Board members that resigned/retired during the 2020 and 2021 Reporting Periods				
Khanyisile Kweyama[1]	**–**	–	**80**	152
Heather Sonn[2]	**–**	14	**–**	202
	227	236	**1 409**	1 602

[1] *Resigned on 19 April 2021.*
[2] *Resigned on 18 May 2020.*

32.2 Interest in Steinhoff N.V. share capital based on active Management Board members as at 30 September 2021

	Total shares 30 September 2021	Total shares 30 September 2020
Management Board		
Louis du Preez**	**5 165**	5 165
Theodore de Klerk**	**194 270**	194 270
	199 435	199 435

** *No change in shareholding from the previous Reporting Date.*

The shares disclosed above are the number of shares as declared by the Management Board members.

33. SHARE-BASED PAYMENTS

33.1 Employee share scheme

33.1.1 Pepkor Holdings Executive Share Rights Scheme

Pepkor Holdings grants share rights to share scheme participants under the Pepkor Holdings ESRS. The grants remain subject to meeting certain performance conditions (vesting conditions) over the vesting period.

The Pepkor Holdings ESRS is subject to the following conditions:

a) Rights are granted to qualifying senior executives on an annual basis.

b) Vesting of rights occur on the third anniversary of grant date, provided performance criteria, as set by the Pepkor Holdings remuneration committee at or about the time of the grant date, have been achieved.

c) In the event of performance criteria not being satisfied by the third anniversary of the relevant annual grant, all rights attaching to the particular grant will lapse.

Refer to note 4.3.2 for the share-based payment expense.

	2021 Number Of rights	2020 Number Of rights
The number of Pepkor Holdings share rights outstanding is:		
Outstanding at the beginning of the period	**37 237 358**	22 473 038
Granted during the year	**26 408 733**	15 904 961
Forfeited during the period[1]	**(3 590 162)**	(1 140 641)
Vested during the period	**(6 234 794)**	–
Outstanding at the end of the period	**53 821 135**	37 237 358

[1] *Forfeited share rights consist of certain individuals who left the group and therefore forfeited their share rights relating to the initial grants made as well as share rights that did not vest in the current year relating to the 2018 grant.*

Assumptions

The fair value of services received in return for share rights granted is measured by reference to the fair value of the share rights granted. The estimated fair value of the services received is measured based on the assumption that all vesting conditions are met and all employees remain in service. The pricing model used was the Monte Carlo simulation. The equity volatility was determined using an exponentially weighted average of Pepkor Holdings' historical daily share price.

	2021 grant	2020 grant	2019 grant
Fair value of share rights and assumptions:			
Fair value at grant date	**R13.56**	R13.03	R19.51
Share price at grant date	**R14.64**	R13.96	R20.50
Strike price	**nil**	nil	nil
Expected volatility	**41.20%**	28.20%	35.90%
Dividend yield	**2.50%**	2.30%	1.70%
Risk-free interest rate	**4.80%**	6.50%	7.20%
Option life	**3 years**	3 years	3 years

33.1.2 Pepco Group Cash-settled scheme

The Group has one cash-settled share scheme at a Pepco Group level. During the Reporting Period it was replaced with the equity-settled Value Creation Plan, refer to note 33.1.3. The total expense arising from the cash-settled share-based payment of €nil million (2020: €6 million), was recognised in the statement of profit or loss as part of the employee benefit expense. The liability was released during the Reporting Period and a share-based payment reserve was recognised.

33.1.3 Pepco Group Value Creation Plan

The Pepco Group put in place a Value Creation Plan (**"VCP"**) that was adopted on 3 March 2020 (the **"Grant Date"**). The scheme aligns the remuneration of Executive Directors with the value generated for shareholders. The VCP scheme was originally granted by Pepco Group Limited, which was acquired by Pepco Group N.V on 13 May 2021. On acquisition the VCP plan was novated up from Pepco Group Limited to Pepco Group N.V..

Nature of conditional award

Under the VCP, participants are granted a conditional award giving the potential right to earn nil-cost options based on the absolute total shareholder return generated above a hurdle (the **"Threshold Total Shareholder Return"**) at the end of each plan year (the **"Measurement Date"**) over a five-year VCP period.

33. SHARE-BASED PAYMENTS (CONTINUED)

33.1 Employee share scheme (continued)

33.1.3 Pepco Group Value Creation Plan (continued)

At each Measurement Date, up to 6.9% of the value created above the hurdle will be "banked" in the form of share awards. The initial price for the VCP was the average valuation for the Group available on the grant date. Participants will receive the right at the end of each year of the performance period to share awards with a value representing the level of the Company's total shareholder return ("**TSR**"), measured using the 30-day average market capitalisation, above the Threshold Total Shareholder Return at the relevant Measurement Date.

The Threshold Total Shareholder Return or hurdle which has to be exceeded before share awards can be earned by participants is the higher of:

- the highest previous measurement of Total Shareholder Return; and
- the initial price compounded by 10% p.a.

If the value created at the end of a given plan year does not exceed the Threshold Total Shareholder Return, nothing will accrue in that year under the VCP.

The first Measurement Date was in January 2021, 30 days after publication of the 2020 full year results.

Vesting conditions

The vesting schedule provides that 50% of the cumulative number of share awards will vest following the third Measurement Date and 50% of the cumulative balance following the fourth Measurement Date, with 100% of the cumulative number of share awards vesting following the fifth Measurement Date. At each vesting date, vesting of awards is subject to:

a. a minimum TSR performance level of 10% Compound Annual Growth Rate being maintained:
   - where the TSR underpin has been achieved at the third Measurement Date, 50% of the cumulative balance will vest. If the underpin has not been achieved no share awards will vest at this point but they will not lapse;
   - where the TSR underpin has been achieved at the fourth Measurement Date, 50% of the cumulative balance will vest. If the underpin has not been achieved no share awards will vest at this point but they will not lapse; and
   - where the TSR underpin has been achieved at the fifth Measurement Date, 100% of the cumulative balance will vest. If the underpin has not been achieved no share awards will vest at this point and the remaining cumulative balance will lapse;

b. any shares vesting cannot be sold prior to the fifth anniversary of the date of the implementation of the VCP; and

c. an annual cap on vesting of €20.0m for the CEO and a proportionate limit for other participants:
   - in the event that in any year vesting as described above would exceed the annual cap, any share awards above the cap will be rolled forward and allowed to vest in subsequent years provided the cap is not exceeded in those years, until the VCP is fully paid out or after five years after the fifth Measurement Date when any unvested share awards will automatically vest. Rolled forward share awards will not be subject to further underpins, performance conditions or service conditions.

Valuation of awards

The fair value of awards granted under the VCP is €45.3m and employer's National Insurance liability of €9.7m spread over the five-year period. An expense of €15.4m was recognised during the period (2020: €13.3m). The expense recognised consisted of €12.0m in relation to share awards and €3.4m for employer's National Insurance liability. In determining the fair value of the VCP awards granted during the period, a Monte Carlo model was used.

34. DEFINED PENSION BENEFITS

34.1 The financial details of the different funds and the effect on the Group's Consolidated Financial Statements are:

	Homestyle Pension Fund	
	30 September 2021 €m	**30 September 2020 €m**
The amount included in the consolidated statement of financial position arising from the entity's obligation in respect of its defined benefit plans are as follows:		
Present value of funded defined benefit obligations	**(87)**	(86)
Fair value of plan asset	**85**	84
Net liability arising from defined benefit obligations	**(2)**	(2)
Components of defined benefit cost recognised in total comprehensive income		
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	**–**	(32)
Remeasurement gains/(losses) arising from changes in:		
Demographic assumptions	**(2)**	(1)
Financial assumptions	**2**	–
Experience adjustments	**–**	(5)
Components of defined benefit cost recognised in other comprehensive income	**–**	(38)
Movements in the present value of the defined benefit obligations		
Opening defined benefit obligations	**(86)**	(85)
Net interest expense	**(1)**	(1)
Remeasurement losses arising from changes in:		
Demographic assumptions	**–**	(1)
Experience adjustments	**–**	(5)
Benefits paid	**6**	4
Exchange differences on consolidation of foreign operations	**(6)**	2
Closing defined benefit obligations	**(87)**	(86)
Movements in the fair value of the plan assets		
Opening fair value of plan assets	**84**	89
Interest income	**1**	1
Return on plan assets (excluding amounts included in net interest expense)	**–**	(32)
Employer contributions	**–**	32
Benefits paid	**(6)**	(4)
Exchange differences on consolidation of foreign operations	**6**	(2)
Closing fair value of plan assets	**85**	84

34. DEFINED PENSION BENEFITS (CONTINUED)

34.1 The financial details of the different funds and the effect on the Group's Consolidated Financial Statements are:

	Homestyle Pension Fund	
	30 September 2021 €m	**30 September 2020 €m**
The major categories of plan assets are:		
Insurance policy*	**84**	83
Cash	**1**	1
Total market value of assets	**85**	84
The principal assumptions used for the purposes of the actuarial valuations are:		
Discount rate	**2.0%**	1.5%
Expected rates of salary increase	**n/a**	n/a
Inflation	**2.7%**	2.0%

* *The trustees entered into a buy-in contract with Aviva on 28 August 2020, meaning from this date, Aviva pay the majority of members' benefits (although the legal obligation to pay benefits remains with the trustees). A premium was paid by the trustees to Aviva of GBP103.3 million on 28 August 2020 and from this date, the scheme has held an asset in respect of the buy-in policy. As per the requirements of IAS19 – Employee Benefits, the value of the buy-in contract (asset) is set equal to the present value of the related obligations on an IAS 19 basis at the balance sheet date.*

35. ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE

The following table presents detail of the assets and liabilities that have been classified as held-for-sale as at 30 September 2021. The balances disclosed below include impairments recognised on the date of classification as held-for-sale.

	Notes	European Properties €m	Africa Properties €m	Greenlit Brands – Plush €m	LIPO €m	Conforama €m	Other €m	Total €m
Balance at 30 September 2021								
Assets								
Intangible assets		–	–	10	12	55	–	77
Property, plant and equipment		1	1	4	11	167	–	184
Right-of-use assets		–	–	15	157	133	–	305
Investment properties		–	12	–	–	–	7	19
Other financial assets	12	–	–	–	–	25	–	25
Deferred tax assets		–	–	8	1	2	–	11
Inventories		–	1	10	33	113	–	157
Trade receivables		1	6	1	2	42	4	56
Other receivables		1	1	–	–	5	1	8
Cash and cash equivalents		–	–	9	11	74	–	94
Total assets		3	21	57	227	616	12	936
Liabilities								
Borrowings	17	–	–	–	–	(9)	–	(9)
Lease liabilities		–	–	(16)	(160)	(145)	–	(321)
Provisions	23	–	–	(5)	(4)	(40)	(2)	(51)
Deferred tax liabilities		–	(1)	(8)	(4)	(5)	–	(18)
Trade payables		(1)	(2)	(19)	(27)	(201)	(3)	(253)
Other payables		–	(1)	–	–	(4)	(1)	(6)
Total liabilities		(1)	(4)	(48)	(195)	(404)	(6)	(658)
Net assets after impairments		2	17	9	32	212	6	278
Non-controlling interest		–	–	–	–	103	–	103
Impairments recognised through profit or loss		–	–	–	–	–	–	–
Reserves relating to assets held-for-sale and disposal groups		(24)	–	4	22	–	–	2

Fair values of assets and liabilities classified as held-for-sale

Assets and liabilities classified as held-for-sale during the Reporting Period were measured at the lower of its carrying amount and fair value less cost of disposal at the time of the reclassification, resulting in impairments recognised through profit and loss as disclosed above. The fair value of the disposal groups that were impaired were determined using signed sales agreements. Refer to note 1 for information about the sales agreements and the counterparties to these agreements.

35. ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE (CONTINUED)

The following table presents detail of the assets and liabilities that have been classified as held-for-sale as at 30 September 2020. The balances disclosed below include impairments recognised on the date of classification as held-for-sale.

	Notes	European Properties €m	Africa Properties €m	Conforama €m	Total €m
Balance at 30 September 2020[1]					
Assets					
Intangible assets		–	–	48	48
Property, plant and equipment		22	58	258	338
Right-of-use assets		–	–	190	190
Investment properties		–	29	–	29
Investment in equity accounted companies	11	–	8	–	8
Other financial assets	12	–	4	–	4
Deferred tax assets	6.3	–	–	11	11
Inventories		–	1	158	159
Trade receivables		6	3	33	42
Other receivables		–	–	6	6
Cash and cash equivalents		–	–	151	151
Total assets		28	103	855	986
Liabilities					
Lease liabilities	17	–	–	(200)	(200)
Provisions	23	–	–	(16)	(16)
Trade payables		(23)	(2)	(250)	(275)
Total liabilities		(23)	(2)	(466)	(491)
Net assets after impairments		5	101	389	495
Non-controlling interest		–	–	–	–
Impairments recognised through profit or loss		–	23	–	23
Reserves relating to assets held-for-sale and disposal groups		–	(4)	35	19

[1] *Prior year comparatives have been restated for the effect of the reclassification of The Building Company from a discontinued operation to a continuing operation.*

Fair values of assets and liabilities classified as held-for-sale

Assets and liabilities classified as held-for-sale during the Reporting Period were measured at the lower of its carrying amount and fair value less cost of disposal at the time of the reclassification, resulting in impairments recognised through profit and loss as disclosed above. The fair value of the disposal groups that were impaired were determined using signed sales agreements. Refer to note 1 for information about the sales agreements and the counterparties to these agreements.

35. ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE (CONTINUED)

The following table present a roll-forward of certain non-current assets transferred to held-for-sale during the 2021 Reporting Period

	Notes	Goodwill €m	Other intangible assets €m	Property, plant and equipment and Investment property €m	Right-of-use asset €m
Balance at 30 September 2019		24	72	612	–
Transfer to assets held-for-sale	8 & 9	–	51	199	190
Disposal of subsidiary	1.4	(24)	(70)	(217)	–
Additions		–	–	69	–
Disposals		–	–	(229)	–
Impairments in accordance with IFRS 5	1.2.1	–	–	(23)	–
Exchange differences on consolidation of foreign operations		–	(5)	(42)	–
Balance at 30 September 2020		**–**	**48**	**369**	**190**
Transfer to assets held-for-sale	8, 9 & 10	**–**	**22**	**21**	**168**
Transfer to continued operations	9	**–**	**–**	**(60)**	**–**
Disposal of subsidiary	1.4	**–**	**–**	**(25)**	**(33)**
Amortisation/lease modification		**–**	**–**	**–**	**(37)**
Additions		**–**	**3**	**7**	**14**
Disposals		**–**	**(4)**	**(119)**	**–**
Exchange differences on consolidation of foreign operations		**–**	**8**	**10**	**3**
Balance at 30 September 2021		**–**	**77**	**203**	**305**

36. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- **Dividend to Preference Shareholders**

  The board of directors of SIHL declared a gross dividend of 286.37671 South African cents per share in respect of the period 1 January 2021 to 30 June 2021, payable to the shareholders of the 15 000 000 cumulative, non-redeemable, non-participating, variable rate preference shares issued by SIHL. The dividend was paid on 25 October 2021.

- **Termination of the Dutch SoP proceedings for Steinhoff N.V.**

  On 2 October 2021, the appeal period in respect of the order by the District Court of Amsterdam confirming Steinhoff N.V.'s Composition Plan lapsed. No party lodged an appeal against this confirmation order. Thus the confirmation of Steinhoff N.V.'s Composition Plan become final and unappealable (*in kracht van gewijsde*), resulting in the termination of the Dutch SoP proceedings of Steinhoff N.V. pursuant to Section 276 of the Dutch Bankruptcy Act.

- **Litigation Settlement Proposal – FinSurv Approval**

  Steinhoff N.V. and SIHPL received the necessary approvals from FinSurv on 18 October 2021, for the implementation of the cross-border transfers contemplated by the revised Litigation Settlement Proposal. The approval is valid until 31 May 2022.

- **Pepkor Holdings – Dividend declaration**

  The board of directors of Pepkor Holdings, declared a dividend of 44.2 South African cents per ordinary share, which is payable to shareholders on 24 January 2022 in respect of the twelve months ended 30 September 2021.

- **Greenlit Brands – Sale of Plush**

  In line with its strategy of longer-term value preservation for all stakeholders, the Group continues to explore and evaluate a range of strategic options for its subsidiary businesses. During November 2021 Greenlit Brands closed the sale of the Plush business for an enterprise value of AUD110 million.

- **Settlement with Trevo and others**

  Steinhoff N.V.'s announcement on 11 August 2021 confirmed the treatment of Trevo as a Non-Qualifying Claimant (being a class of claimants to whom an offer of compromise is not made under the terms of the S155 Scheme). Trevo, supported by others, has opposed the sanction application for the S155 Scheme the hearing of which was scheduled to commence from the 24th of January 2022, notwithstanding that they are not a S155 Scheme creditor.

  On 15 December 2021, Steinhoff N.V. announced that Trevo had agreed to a settlement in which Trevo confirmed its conditional support for the S155 Scheme subject to the satisfaction of suspensive conditions on or before 11 January 2022 unless waived or extended by the parties. Settlement was also reached with the other Non-Qualifying Claimants who were supporting Trevo's opposition to the sanction application. On 7 January 2022 Steinhoff N.V. announced that these conditions had all been achieved and that the settlements had become binding. It is viewed as an adjusting event for the 2021 Reporting Period and R500 million (€28 million) was raised as part of the Litigation Settlement Proposal provision, representing the best estimate for settlement of the claim.

  The Group further reported on 7 January 2022, that all the suspensive conditions set out in the SIHPL NQC Settlements have been fully satisfied.

  Under the SIHPL NQC Settlements, the SIHPL NQCs agreed to withdraw their opposition to the S155 Scheme, to support the sanction application and implementation of the Litigation Settlement Proposal. On 24 January 2022 the Western Cape High Court granted an order approving and sanctioning SIHPL's S155 Scheme. Refer to note 23.4.

- **Tekkie Town Settlement and Liquidation Application Proceedings**

  On 6 September 2021, the Court granted an Order (**"the 6 September Order"**) in terms of which it dismissed the preliminary argument raised by inter alia Steinhoff N.V. that a South African Court does not have jurisdiction to wind up Steinhoff N.V. by virtue of the fact that Steinhoff N.V. is an external foreign company (**"the jurisdictional issue"**). On 10 September 2021, the Court gave a further Order, amongst other things, refusing a postponement of the liquidation application (**"the 10 September Order"**). On 28 October 2021, the Court granted Steinhoff N.V., and its financial creditors, leave to appeal to the Supreme Court of Appeal with respect to the jurisdictional issue, the financial creditors' intervention application and also granted the appeals against the 10 September Order. The Court also granted Steinhoff N.V. applications for postponement of the liquidation application. The liquidation application is pending the outcome of those appeals.

  Certain former owners of the Tekkie Town business instituted claims against the Steinhoff N.V. Group (together the **"Former Tekkie Town Owner Claimants"**). In addition, the Former Tekkie Town Owner Claimants instituted liquidation proceedings (the **"Liquidation Application"**) against Steinhoff N.V. on 12 May 2021. One of those claimants, AJVH Holdings Proprietary Limited, and a related party, Sport City Trust, also attempted to oppose the application for the sanction of the S155 Scheme by arguing that they have SIHPL Market Purchase Claims (as defined in the S155 Scheme).

  On 15 December 2021, the Steinhoff N.V. Group and the Former Tekkie Town Owner Claimants (including associated parties who have joined or supported their Liquidation Application and S155 Scheme opposition) have agreed that the Former Tekkie Town Owner Claimants will (i) support, and withdraw their opposition to, the S155 Scheme with immediate effect and (ii) withdraw the Liquidation Application (and their opposition to the appeal pending before the South African Supreme Court of Appeal), subject to implementation of the Litigation Settlement Proposal. It is viewed as an adjusting event for the 2021 Reporting Period and an additional ZAR741 million (€42 million) was raised as part of the Litigation Settlement Proposal provision, representing the best estimate for settlement of the claim. On 24 January 2022 the Western Cape High Court granted an order approving and sanctioning SIHPL's S155 Scheme. Refer to Note 23.4.

36. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- **Mattress Firm – Proposed IPO**

  On 7 January 2022, Mattress Firm announced that they had filed a registration statement on Form S-1 for a proposed IPO with the Securities and Exchange Commission in the United States. The process remains ongoing.

- **Litigation Settlement Proposal – S155 Scheme sanctioning**

  SIHPL's application for the approval and sanction of the S155 Scheme was heard on 24 January 2022, by the Western Cape High Court. At the close of the hearing the Court granted SIHPL's request and granted an order approving and sanctioning the S155 Scheme. This is a non-adjusting subsequent event.

  Following receipt of the Order, "Settlement Effective Date" (referred to under the S155 Scheme and the Composition Plan) is expected to occur on or about 15 February 2022. As disclosed in Steinhoff N.V.'s announcement of 15 December 2021, formal withdrawal of the various litigation that has been settled, including the withdrawal of the Liquidation Application against Steinhoff N.V. will occur immediately following Settlement Effective Date. Occurrence of Settlement Effective Date is the remaining condition under the Composition Plan.

37. OTHER INFORMATION

New and amended standards adopted by the Group

The Group has applied the following relevant standards and amendments for the first time for their annual reporting period commencing 1 October 2020. The adoption of these amendments did not have any impact on the amounts recognised in the 2020 Reporting Period. Most of the amendments will also not affect the 2021 Reporting Period or future periods.

- Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions (issued on 28 May 2020)
- Amendments to IFRS 3 Business Combinations (issued on 22 October 2018)
- Amendments to IFRS 9, IAS 39 and IFRS7: Interest Rate Benchmark Reform (issued on 26 September 2019)
- Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018)
- Amendments to IAS 1 and IAS 8: Definition of Material

New and amended standards and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 2021 Reporting Period and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

	Date required to be adopted by the Group
Amended standards not yet effective for the 2021 Reporting Period	
• IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)	1 January 2023*
• Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (issued on 31 March 2021)	1 October 2021*
• Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (All issued 14 May 2020)	1 January 2022*
• Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (issued on 27 August 2020)	1 October 2021*
• Amendments to IFRS 4 Insurance Contracts – deferral of IFRS19 (issued on 25 June 2020)	1 October 2021*
Amended standards not yet endorsed	
• Amendments to IAS 1 Presentation of Financial Statements: Classification of liabilities as current or non-current	1 January 2023
• Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
• Amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
• Amendment to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
• Amendment to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information	1 January 2023

* *These amendments are not expected to have a significant impact on the Group upon adoption.*

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Number of full-time equivalent employees from continuing operations

	30 September 2021	30 September 2020
Pepco Group	**42 045**	38 770
Greenlit Brands	**1 925**	3 115
Pepkor Holdings	**46 697**	48 725
Corporate and treasury services	**64**	89
All Other*	**–**	820
	90 731	91 519

* *This includes LIPO and the remaining European Logistics and Sourcing businesses at the 2020 Reporting Date. The prior period has not been restated for discontinued operations.*

37. OTHER INFORMATION (CONTINUED)

ALLOCATION OF PROFITS

Articles of Association provisions governing the allocation of profits

The holders of Ordinary Shares are entitled to one vote per share and to participate in the distribution of (interim) dividends and liquidation proceeds.

Pursuant to section 35 of the Articles, a dividend may be declared out of net income after appropriation to increase and/or from reserves. The allocation of profit remaining after reservations deemed necessary by the Management Board, with the approval of the Supervisory Board, will then be available for distribution to the ordinary shareholders subject to approval at the General Meeting.

The Management Board, with the approval of the Supervisory Board, may propose that the General Meeting make distributions wholly or partly in the form of ordinary shares.

Distributions on shares may be made only up to an amount which does not exceed the amount of the distributable equity.

The Management Board, with the approval of the Supervisory Board, may declare an interim dividend which does not exceed the amount of the distributable equity.

Distribution of profits

Given the Group's ongoing liquidity constraints, the Management Board, with the approval of the Supervisory Board, has resolved not to propose dividends on the Ordinary Shares for the 2021 Reporting Period.

APPROVAL AND SIGNATORIES

Stellenbosch (South Africa), 28 January 2022

Management Board

Louis du Preez, Chief Executive Officer and Managing Director

Theodore de Klerk, Chief Financial Officer and Managing Director

Supervisory Board

Moira Moses, Chairperson and Supervisory Director

Peter Wakkie, Deputy-Chairperson and Supervisory Director

Paul Copley, Supervisory Director

Hugo Nelson, Supervisory Director

David Pauker, Supervisory Director

Alexandra Watson, Supervisory Director

STEINHOFF
INTERNATIONAL HOLDINGS N.V.

SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Notes	2021 €'000	Restated[1] 2020 €'000
Interest income	1	**379**	230
Total income		**379**	230
Other income	2	**6 721**	7 841
Administrative expenses	3	**(46 040)**	(34 356)
Other gains/(losses) – net	4	**2 824 104**	(1 716 681)
Operating profit/(loss) for the period before finance cost and tax		**2 785 164**	(1 742 966)
Finance cost	5	**(9 329)**	(9 353)
Operating profit/(loss) for the period before tax		**2 775 835**	(1 752 319)
Taxation	6	**–**	8 307
Net profit/(loss) for the period attributable to Steinhoff N.V. shareholders		**2 775 835**	(1 744 012)
Other comprehensive income		**–**	–
Total comprehensive income/(loss) for the period attributable to Steinhoff N.V. shareholders		**2 775 835**	(1 744 012)

The accompanying notes form an integral part of the financial statements.

[1]*Refer to note 17 for details of the restatement to the 2020 Reporting Period.*

SEPARATE STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2021

	Notes	30 September 2021 €'000	Restated[1] 30 September 2020 €'000
ASSETS			
Non-current assets			
Investment in subsidiary companies	7	**2 745 075**	1 064 983
Current assets			
Cash and cash equivalents	8	**4 346**	30 932
Trade and other receivables	9	**18**	2 429
Taxation receivable	9	**–**	4 942
Related party loans receivable	15	**175 078**	156 117
		179 442	194 420
Total assets		**2 924 517**	1 259 403
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital	10	**42 697**	43 098
Share premium reserve	10	**7 385 398**	7 522 465
Treasury shares	10	**–**	(137 468)
Accumulated losses		**(7 306 955)**	(10 082 790)
		121 140	(2 654 695)
Non-current liabilities			
Borrowings	11	**1 204 777**	2 598 503
Related party loans payable	15	**941 353**	905 501
		2 146 130	3 504 004
Current liabilities			
Other payables and accruals	12	**9 634**	10 494
Provision – Litigation Settlement Proposal	13	**641 646**	399 600
Related party loans payable	15	**5 967**	–
		657 247	410 094
Total equity and liabilities		**2 924 517**	1 259 403

The accompanying notes form an integral part of the financial statements.

[1]Refer to note 17 for details of the restatement to the 2020 Reporting Period.

SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Notes	Ordinary stated share capital €'000	Share premium €'000	Treasury shares €'000	Accumulated losses €'000	Total €'000
Total equity at 1 October 2019		43 098	7 522 465	(137 468)	(8 338 778)	(910 683)
Total comprehensive loss for the year before restatements		–	–	–	(1 489 355)	(1 489 355)
Balance at 30 September 2020 as previously reported		43 098	7 522 465	(137 468)	(9 828 133)	(2 400 038)
Restatements	17	–	–	–	(254 657)	(254 657)
Balance at 30 September 2020 – Restated		**43 098**	**7 522 465**	**(137 468)**	**(10 082 790)**	**(2 654 695)**
Total comprehensive income for the year		**–**	**–**	**–**	**2 775 835**	**2 775 835**
Transactions with owners in their capacity as owners						
Cancellation of treasury shares	10.3	**(401)**	**(137 067)**	**137 468**	**–**	**–**
Balance at 30 September 2021		**42 697**	**7 385 398**	**–**	**(7 306 955)**	**121 140**

Ordinary stated capital and reserves

The ordinary stated share capital and share premium reserve records the movements in the issued share capital of the Company.

SEPARATE STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Note	2021 €'000	2020 €'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilised in operations	14	**(38 130)**	(28 156)
Tax received/(paid)		**4 942**	(36)
Net cash outflow from operating activities		**(33 188)**	(28 192)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds received on repayments of related party loans receivable		**–**	2 893
Net cash inflow from investing activities		**–**	2 893
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds received from related party loans payable		**5 814**	–
Repayments of related party loans payable		**(31)**	(140)
Net cash inflow/(outflow) from financing activities		**5 783**	(140)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(27 405)**	(25 439)
Cash and cash equivalents at beginning of the period		**30 932**	58 736
Effects of exchange rate changes on cash and cash equivalents		**819**	(2 365)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**4 346**	30 932

BASIS OF PREPARATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

REPORTING ENTITY
The 2021 Separate Financial Statements of the Company are included as part of the Consolidated Financial Statements of Steinhoff N.V.

The Company is a South African tax resident.

BASIS OF PREPARATION
Statement of compliance
The 2021 Separate Financial Statements have been prepared in accordance with IFRS as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code.

Unless otherwise indicated, these financial statements are prepared on the accrual basis in thousands of euro (€'000). The euro is the Company's presentation and functional currency.

Historical cost convention
The 2021 Separate Financial Statements have been prepared on a historical cost basis.

Going-concern assessment
The 2021 Separate Financial Statements have been prepared on a going concern basis.

In the 2021 Reporting Period, the Company's current liabilities exceed the current assets.

Refer to the basis of preparation section of the 2021 Consolidated Financial Statements for a detailed going concern assessment of the Group, including the Company.

KEY ACCOUNTING POLICIES
If not stated otherwise, the accounting policies applied are the same as those in the Consolidated Financial Statements.

Shareholders' equity
The reserves were previously formed under, and are still recognised in accordance with, the Dutch Civil Code.

Statement of cash flows
The statement of cash flows is prepared using the indirect method. Assets and liabilities acquired as part of a business combination are included in investing activities (net of cash acquired). Dividends paid to shareholders are included in operating activities. Dividends received are classified as operating activities, as well as interest received and paid.

Contingent payment undertakings ("CPUs")
The CPUs were classified as financial liabilities with the adoption of IFRS 9 during the 2019 Reporting Period.

The CPU contracts, excluding the contingent component, are initially and subsequently measured as the amount that Steinhoff N.V. expects to settle under these contracts ('the shortfall'). The shortfall is calculated as the excess of the carrying amount of the debt at year-end in relation to the estimated value of the subsidiaries by whom these debts are owed. In determining these estimated values for continued operations, management utilised the same information that was applied for impairment testing and in the case of discontinued operations, the fair value less cost to sell. For listed entities, the closing share price on the Reporting Date was used in the valuations. The contingent liability component is accounted for in accordance with IAS 37.

KEY ACCOUNTING POLICIES (CONTINUED)

Contingent payment undertakings ("CPUs") (continued)

IAS 37, Provisions, Contingent Liabilities and Contingent Assets, requires an entity to treat the part of a joint and several liability that is expected to be met by other parties as a contingent liability. The guidance in IAS 37 is applicable to contingent liabilities. However, the measurement approach in IAS 37 for joint and several liabilities is generally consistent with the measurement approach for the CPUs. In accordance with IAS 37, it may be possible that under extremely rare circumstances, no reliable estimate of a liability can be made, and as a consequence that contingent liability component may not be recognised, but disclosed.

The impact of IFRIC 23 Uncertain tax positions was taken into account. A liability was also recognised in SIHPL and the Company for the Litigation Settlement Proposal and is taken into account in the measurement of the CPUs shortfall. The best estimate of the Litigation Settlement Proposal, as provided for in the Consolidated Financial Statements, was used in the valuation of the CPUs. The Litigation Settlement Proposal provision raised in the Company is not taken into account in the CPU shortfall due to it being recognised in these financial statements. Withholding and dividend taxes that may be payable upon disposal of the underlying business were not included in the valuation of the CPUs as these taxes will be influenced by the outcome of the specifics surrounding the disposal in question and the jurisdiction in which the buyer is domiciled. As such, it is considered impracticable to quantify the taxes that may have to be paid.

Subsequently the CPUs are measured at amortised cost by adjusting the gross carrying amount of the financial liability to reflect the actual and revised shortfall as at the end of the Reporting Period. Any adjustments are recognised in profit or loss.

CHANGES IN ACCOUNTING POLICIES

Refer to note 37 of the Consolidated Financial Statements for disclosure regarding new accounting standards adopted by the Company and the Group.

AREAS OF KEY JUDGEMENTS AND ESTIMATES

Key judgements and estimates used for the value-in-use calculations used in CPU valuations

The estimated disposal values of the underlying businesses are key estimates in determining the value of the CPUs. Apart from the fact that the valuation techniques used are inherently subject to estimation uncertainty, the following items may also result in material differences between the actual and estimated disposal values:

- the potential impact of legal claims, should the Litigation Settlement Proposal not be implemented;
- future performance of the underlying businesses and the markets in which they operate;
- potential discounts on the sale of the underlying businesses that may be required in order to dispose of these businesses within the required time frame;
- withholding and dividend taxes that may be payable upon disposal of the underlying business were included in the valuation of the CPUs;
- key sources of estimation uncertainty as disclosed in note 8 of the Consolidated Financial Statements;
- the assumptions applied in the value-in-use calculations take into account the COVID-19 impact; and
- litigation claims are included in the valuation of the CPUs to the extent that a liability has been recognised in the Consolidated Financial Statements.

Refer to note 6 (Taxation), note 23 (Provisions), note 24 (Contingent liabilities) and note 36 (Events occurring after the Reporting Period) of the Consolidated Financial Statements for more details of pending litigation and tax uncertainties.

The calculation of the CPUs is subject to significant judgements which include the following:

- The ability of the Group to utilise loans owed to SIHPL by South African entities in order to settle European debts and the recoverability of these loans. Management considers that these loans could be called on to service the European debts and that they are fully recoverable.

1. INTEREST INCOME

	Notes	2021 €'000	2020 €'000
Cash and cash equivalents		**216**	230
South African Revenue Services		**163**	–
		379	230

2. OTHER INCOME

	Notes	2021 €'000	2020 €'000
Recovery of legal fees from insurance		**1 700**	2 185
Recovery of Directors & Officers insurance expenses	15.2	**3 905**	3 398
Recovery of legal expenses	15.2	**22**	–
Recovery of German real estate transfer tax		**1 076**	–
Other		**18**	2 258
		6 721	7 841

3. ADMINISTRATIVE EXPENSES

	2021 €'000	2020 €'000
Administration expenses consists of the following:		
Appointed Dutch Administrators' fees	**(2 361)**	–
Audit fees	**(5 575)**	(7 332)
Bad debts	**–**	(2 811)
Consulting fees	**(3 026)**	(3 850)
Supervisory Board fees	**(1 613)**	(1 825)
Directors and officers insurance	**(20 867)**	(3 341)
Legal fees	**(12 156)**	(13 521)
Reversal of penalty fees	**–**	203
Other administrative expenses	**(442)**	(1 879)
	(46 040)	(34 356)

Refer to note 4 in the Consolidated Financial Statements for the Group's salary, wage and contribution to pension schemes as well as note 37 for employee numbers. No employees are employed by the Company.

Refer to note 32.1 in the Consolidated Financial Statements for the remuneration of the Management Board and Supervisory Board.

4. OTHER GAINS/(LOSSES)

		Notes	2021 €'000	Restated[1] 2020 €'000
4.1	**Net foreign exchange (losses)/gains** Foreign exchange gains and losses are recognised in profit or loss on foreign denominated loans and bank accounts in the separate financial statements.		**(7 668)**	9 321
4.2	**Reversal of impairment/(impairment) of investment in subsidiary companies** a) In the 2020 Reporting Period an impairment of €18 million was recognised on the investment in Steinhoff US Holdings I Inc after the underlying operating activities were sold. b) An impairment reversal of €1.7 billion (2020: impairment of €688 million) has been recognised on the SIHL investment due to an increase in the fair values of the remaining underlying assets and the appreciation of the ZAR:EUR exchange rate. c) In the 2021 Reporting Period, an additional impairment of €5.9 million (2020: €2.4 million) was recognised on the investment in SUKGS.	7.1	**1 680 092**	(708 707)
4.3	**Reversal of impairment provision of receivables from related parties** The SUKGS loan was repaid during the 2020 Reporting Period, resulting in the reversal of the impairment of €1.3 million recognised previously.		**–**	1 295
4.4	**Financial liabilities remeasured by the Company in profit or loss** The amount that the Company is expected to pay under the various CPUs decreased by €1.4 billion (2020: increased by €619 million) in the 2021 Reporting Period.	11.2	**1 393 726**	(618 990)
4.5	**Litigation Settlement Proposal provision raised** Refer to notes 23, 24 and 36 of the Consolidated Financial Statements for a detailed overview of these proceedings and the Litigation Settlement Proposal provision that has been raised.		**(242 046)**	(399 600)
	TOTAL OTHER GAINS/(LOSSES)		**2 824 104**	(1 716 681)

[1]*Refer to note 17 for details of the restatement to the 2020 Reporting Period.*

5. FINANCE COST

	Note	2021 €'000	2020 €'000
Cash and cash equivalents		**44**	157
Related parties	15.2	**9 285**	9 186
Other		**–**	10
		9 329	9 353

6. TAXATION

	2021 €'000	Restated[1] 2020 €'000
Major components of the tax expense:		
Current tax (2020: overprovision of prior year tax)	–	(8 307)
Reconciliation of the tax expense		
Net profit/(loss) before taxation	**2 775 835**	(1 752 319)
Tax at the applicable rate of 28% (South African corporate taxation rate)	**777 234**	(490 649)
Tax effect of adjustments on taxable income		
Impact of not recognising deferred tax assets for losses as recoverability is not assured	**(777 234)**	490 649
Overprovision of prior year tax	–	(8 307)
Taxation expense during the period	–	(8 307)
No tax liability has been recognised, as the Company has no taxable income for the year.		
Unrecognised tax losses	**150 492**	26 759

Assessed tax losses have not been recognised due to it not being probable that the Company will utilise these losses against future taxable income. These losses have no expiration date.

[1]*Refer to note 17 for details of the restatement to the 2020 Reporting Period.*

7. INVESTMENT IN SUBSIDIARY COMPANIES

ACCOUNTING POLICY

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment provisions as per IAS 27. Investments in subsidiaries are impaired to their recoverable amount.

SFHG, Genesis Investments Gamma GmbH and Steinhoff US Holdings I Inc

At the end of the 2021 Reporting Period, management considered whether any events or circumstances have occurred that would justify the reversal of the impairments accounted for in the prior reporting periods. It was concluded that a reversal of impairment was not justified as no expectation of future dividends could be reasonably supported due to the high debt levels in its subsidiaries and facility agreements with Group creditors preventing dividends from flowing to the Company.

SIHL

As at 30 September 2021, management has determined that the recoverable amount of this investment exceeds its carrying amount. However, legal claims not included in the Litigation Settlement Proposal and the value of the claims, should the settlement be unsuccessful (refer to note 23 and 24 of the Consolidated Financial Statements for details) were not considered in determining the recoverable amount of this investment as a reliable estimate of these matters cannot be made.

The recoverability of the investment in SIHL was determined in terms of a sum-of-the parts calculation performed on a SIHL group level. The increase in the recoverable amount is mainly due to the increase of the share price of Pepkor Holdings from a closing price of R11.14 on 30 September 2020 to a closing price of R21.57 on 30 September 2021 and the appreciation of the rand against the euro from R19.7092 per euro on 30 September 2020 to R17.5629 per euro on 30 September 2021. An impairment reversal of €1.7 billion (2020: impairment of €709 million) has therefore been raised against the investment.

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

	Country of incorporation	Issued share capital	Shareholding %	Total carrying value €'000
30 September 2021				
Genesis Investments Gamma GmbH	**Austria**	**€35 000**	**100**	**–**
SFHG	**Austria**	**€100 000**	**100**	**–**
SIHL	**South Africa**	**ZAR275 000**	**100**	**2 745 075**
SUKGS	**United Kingdom**	**GBP200 000**	**100**	**–**
Steinhoff US Holdings I Inc	**United States of America**	**USD1**	**100**	**–**
Steenbok Newco 1 Limited	**Jersey**	**GBP100**	**100**	*****
				2 745 075
30 September 2020 – Restated				
Genesis Investments Gamma GmbH	Austria	€35 000	100	–
SFHG	Austria	€100 000	100	–
SIHL	South Africa	ZAR275 000	100	1 059 217
SUKGS	United Kingdom	GBP200 000	100	5 766
Steinhoff US Holdings I Inc	United States of America	USD1	100	–
Steenbok Newco 1 Limited	Jersey	GBP100	£100	*
				1 064 983

* *Less than €500.*

	Note	30 September 2021 €'000	30 September 2020 €'000
Shares at cost		**4 640 986**	4 747 680
Less: Impairment provision		**(1 895 911)**	(3 682 697)
Shares at carrying value	7.1	**2 745 075**	1 064 983

7.1 Reconciliation of cost of investment and related impairment provisions per subsidiary

	Notes	SIHL €'000	Steinhoff US Holdings I Inc €'000	SUKGS €'000	Total €'000
Carrying value of investment in subsidiaries – 1 October 2019		1 747 368	18 144	8 178	1 773 690
Additional impairment of investment in subsidiaries through profit or loss	4.2	(688 151)	(18 144)	(2 412)	(708 707)
Carrying value of investment in subsidiaries – 30 September 2020 – Restated		1 059 217	–	5 766	1 064 983
Reversal of/(additional) impairment of investment in subsidiaries through profit or loss	4.2	**1 685 858**	**–**	**(5 766)**	**1 680 092**
Carrying value of investment in subsidiaries – 30 September 2021		**2 745 075**	**–**	**–**	**2 745 075**

8. CASH AND CASH EQUIVALENTS

	30 September 2021 €'000	30 September 2020 €'000
Cash at bank and on hand	**4 346**	30 932

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Restricted cash
The Company does not have cash and cash equivalents that are restricted.

9. RECEIVABLES

		Note	30 September 2021 €'000	30 September 2020 €'000
9.1	**Trade receivables**			
	Related party receivables	15.3	**–**	2 420
	Other receivables – accrued interest		**18**	9
			18	2 429
	The 2020 Reporting Date related party receivables relate to directors and officer insurance paid by the Company on behalf of subsidiaries that have been on-charged.			
9.2	**Tax receivable**			
	Current tax receivable		**–**	4 942

10. SHARE CAPITAL

10.1 Authorised – ordinary

	30 September 2021 Number of shares	30 September 2020 Number of shares
Ordinary shares of €0.01 each	**15 959 881 907**	16 000 000 000

10.2 Issued – ordinary

	30 September 2021 Number of shares	30 September 2020 Number of shares
Balance at beginning of the period	**4 309 727 144**	4 309 727 144
Cancellation of shares	**(40 118 093)**	–
Total issued ordinary stated share capital	**4 269 609 051**	4 309 727 144

	30 September 2021 Share capital €'000	30 September 2020 Share capital €'000	30 September 2021 Share premium €'000	30 September 2020 Share premium €'000
Balance at beginning of the period	**43 098**	43 098	**7 522 465**	7 522 465
Cancellation of shares	**(401)**		**(137 067)**	
Total issued ordinary stated share capital	**42 697**	43 098	**7 385 398**	7 522 465

All issued ordinary shares have been fully paid-up.

10.3 Treasury shares

	30 September 2021 Number of shares	30 September 2020 Number of shares
Balance at beginning of the period	**40 118 093**	40 118 093
Cancellation of shares	**(40 118 093)**	–
Balance at the end of the period	**–**	40 118 093

Effective as of 3 November 2020 the issued share capital of the Company was reduced to 4 269 609 051 Ordinary Shares of €0.01 each, following the cancellation of 40 118 093 Ordinary Shares of €0.01 each.

The resolution to reduce the capital of the Company by cancelling 40 118 093 Ordinary Shares, that were held by the Company (the "Cancelled Shares" and the cancellation of these Cancelled Shares, the "Capital Reduction") was adopted by the General Meeting on 28 August 2020. The Company deposited the resolution to cancel the Cancelled Shares with the Dutch Trade Register and announced the Capital Reduction in a daily nationally distributed newspaper on 2 September 2020. As from the date of the announcement the statutory waiting period of two months for creditors to oppose the Capital Reduction commenced. On 4 November 2020, the Court of Amsterdam confirmed that no creditors had opposed the Capital Reduction during this period. Therefore, the resolution took effect after two months having passed since the announcement had been made. The Capital Reduction was aimed at optimising the Company's equity structure.

	30 September 2021 Share capital €'000	30 September 2020 Share capital €'000	30 September 2021 Share premium €'000	30 September 2020 Share premium €'000
Balance at beginning of the year	**(401)**	(401)	**(137 067)**	(137 067)
Cancellation of shares	**401**	–	**137 067**	–
Balance at the end of the period	**–**	(401)	**–**	(137 067)

10. SHARE CAPITAL (CONTINUED)

10.4 Unissued shares

	30 September 2021 Number of shares	30 September 2020 Number of shares
Shares reserved for future participation in share schemes	**105 831 130**	105 831 130
Unissued shares	**13 084 441 726**	13 084 441 726
Total unissued shares	**13 190 272 856**	13 190 272 856

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the general meetings of the Company.

10.5 Authorised – Preference

	30 September 2021 Number of shares	30 September 2020 Number of shares	30 September 2021 €'000	30 September 2020 €'000
Non-cumulative financing preference shares of €0.01	**4 000 000 000**	4 000 000 000	**40 000**	40 000

No preference shares were issued during either period presented.

11. BORROWINGS

11.1 Financial liabilities

	Notes	30 September 2021 €'000	30 September 2020 €'000
Recognised financial liabilities:			
Hemisphere CPU	11.3.1	**85 607**	89 695
SEAG CPU	11.3.2	**–**	1 209 974
SFHG 21/22 CPU	11.3.3	**262 941**	104 840
SFHG 23 CPU	11.3.4	**856 229**	1 193 994
		1 204 777	2 598 503
Portion payable within 12 months included in current liabilities		**–**	–
Non-current borrowings		**1 204 777**	2 598 503

11.2 Reconciliation of financial liabilities

	Hemisphere CPU €'000	SEAG CPU €'000	SFHG 21/22 CPU €'000	SFHG 23 CPU €'000	Total €'000
30 September 2021					
Opening balance	**89 695**	**1 209 974**	**104 840**	**1 193 994**	**2 598 503**
Remeasurement of CPUs	**(4 088)**	**(1 209 974)**	**158 101**	**(337 765)**	**(1 393 726)**
Closing balance	**85 607**	**–**	**262 941**	**856 229**	**1 204 777**
30 September 2020					
Opening balance	8 825	1 282 099	–	688 589	1 979 513
Remeasurement of CPUs	80 870	(72 125)	104 840	505 405	618 990
Closing balance	89 695	1 209 974	104 840	1 193 994	2 598 503

11.3 Information regarding CPUs

CPU	Maturity date	Facility guaranteed	Tranche	Borrower	Initial payment amount* €'000	Outstanding facility 2021 €'000	Outstanding facility 2020 €'000
Hemisphere CPU	31 December 2022	Hemisphere Term Loan Facility		Hemisphere	772 500	177 919	220 395
SEAG CPU	31 December 2022	First Lien Term Loan Facility	A1	Lux Finco 2	1 913 419	1 130 675	1 998 457
		Second Lien Term Loan Facility	A2	Lux Finco 2	3 591 040	4 520 828	4 065 629
SFHG 21/22 CPU	31 December 2022	21/22 Term Loan Facility	A1	Lux Finco 1	1 722 596	2 134 809	1 933 776
SFHG 23 CPU	31 December 2022	23 Term Loan Facility	A2	Lux Finco 1	1 179 806	1 462 131	1 324 443
					9 179 361	9 426 362	9 542 700

* *In terms of the CPU agreements, the maximum amount that may be recovered from Steinhoff N.V. is limited to the initial payment amount.*

The CPUs all rank pari passu with each other.

11. BORROWINGS (CONTINUED)

11.3 Information regarding CPUs (continued)

11.3.1 Hemisphere CPU

On 5 September 2018, the Company was released as guarantor of the Hemisphere group's syndicated rolling credit facility, which was replaced with a new Term Loan Facility agreement. The Hemisphere CPU was entered into between the Company and the lender group which had the effect of replacing the Steinhoff N.V. parent guarantee provided on the previous syndicated rolling credit facility.

The value of the financial liability to be recognised by the Company is based on the estimated fair value of the remaining properties within the Hemisphere group.

On 11 August 2021, consent for the Interim Debt Extension was granted by its lenders. Consequently, the maturity date of the Hemisphere term loan facility was extended from 31 December 2021 to 31 December 2022. However, on Settlement Effective Date, the Hemisphere lenders are entitled to an early payment of €66 million (payable in cash) by Steinhoff N.V. under the Hemisphere CPU. From Settlement Effective Date following accession by the Hemisphere Agent to the Umbrella Agreement, the maturity date under the Hemisphere CPU and the Term Loan Facility will be extended to 30 June 2023 with the possible extension to 31 December 2023 with the further consent of the lenders.

11.3.2 SEAG CPU

The SEAG CPU was entered into between Steinhoff N.V. and the lender group whereby Steinhoff N.V. is the sole guarantor to the First Lien Term Loan Facility and the Second Lien Term Loan Facility.

Due to a material improvement in the underlying financial and operational performance of the Steinhoff Europe Group in the Reporting Period and the listing of the Pepco Group, it is expected that the full First Lien Term Loan Facility and Second Lien Term Loan Facility will be paid, resulting in a decrease in the financial liability to €nil.

The SEAG CPU valuation is based on the assumption that the Litigation Settlement Proposal will be implemented. Should the Litigation Settlement Proposal not be implemented, underlying assets may need to be sold at lower values in order to raise cash to settle potential legal claims.

11.3.3 SFHG 21/22 CPU

The SFHG 21/22 CPU was entered into between Steinhoff N.V. and the lender group, whereby Steinhoff N.V. is the co-guarantor of the 21/22 Term Loan Facility.

The 21/22 facility is co-guaranteed by SIHPL in terms of the SIHPL CPU, whereby SIHPL guarantees €1.6 billion. Refer to note 17.4 of the Consolidated Financial Statements for the court ruling on the validity of the SIHPL CPU. While the SIHPL CPU may have been declared null and void, the financial creditors have an equitable legal claim under the terms of the 2019 financial restructuring for a similar amount to what is due under the SIHPL CPU. This obligation arises under the provisions of the existing contracts and SIHPL has little to no ability to avoid settlement of such obligation.

In the case where the Company is a co-guarantor, and its co-guarantor and subsidiary have sufficient value to carry the obligation of the guarantee, such guarantee is recognised directly by the co-guarantor. The amount that SIHPL will have available to repay, is dependent on SIHL and Steinhoff Africa repaying intercompany loans to the value of €1.1 billion to SIHPL. In terms of a sum-of-the parts calculation performed on the SIHL Group, the Steinhoff Africa and SIHL loans are considered to be recoverable.

The disposal value of the assets under the SIHPL CPU have been reduced by the Litigation Settlement Proposal that SIHPL is expected to pay.

The SFHG 21/22 CPU valuation is based on the assumption that the Litigation Settlement Proposal will be implemented. Should the Litigation Settlement Proposal not be implemented, underlying assets may need to be sold at lower values in order to raise cash to settle potential legal claims.

11.3.4 SFHG 23 CPU

The SFHG 23 CPU was entered into between Steinhoff N.V. and the lender group, whereby Steinhoff N.V. is the sole guarantor of the 23 Term Loan Facility. The 21/22 Term Loan Facility, the 23 Term Loan Facility and the SIHPL-Newco 2A intercompany loan rank pari-passu to each other and is repaid on a pro rata basis. Funds received by SIHPL will ultimately be used by SIHPL to perform against the SIHPL CPU, therefore distributing the funds to the 21/22 Term Loan Facility lenders.

The SFHG 23 CPU valuation is based on the assumption that the Litigation Settlement Proposal will be implemented. Should the Litigation Settlement Proposal not be implemented, underlying assets may need to be sold at lower values in order to raise cash to settle potential legal claims.

11. BORROWINGS (CONTINUED)

11.3 Information regarding CPUs (continued)

Extension of facility maturity dates as part of the Litigation Settlement Proposal

On 11 August 2021, consent for the Interim Debt Extension was granted by its lenders. Consequently, the maturity date of the Steinhoff N.V. CPU and facility agreements entered into pursuant to the CVA, was extended from 31 December 2021 to 31 December 2022. As a result, the debt is classified as non-current as at 30 September 2021. A further term extension will be granted initially to 30 June 2023 on the Settlement Effective Date of the global Litigation Settlement Proposal and such maturity date is capable of further extension to 31 December 2023 with further simple majority lender approval.

12. OTHER PAYABLES AND ACCRUALS

	30 September 2021 €'000	30 September 2020 €'000
Other payables and accruals	**9 634**	10 494

The majority of the amounts accrued in the 2021 Reporting Period relates to advisory and consulting fees payable at period-end, which include an outstanding balance of €1.9 million (2020: €2.6 million) of the administrative penalty of €3.2 million imposed by the FSCA in the 2019 Reporting Period.

The fair values of other payables and accruals are disclosed in note 16.

13. PROVISIONS – LITIGATION SETTLEMENT PROPOSAL AND CONTINGENT LIABILITIES

Provision – Litigation Settlement Proposal

The Company is engaged in a number of legal proceedings. Refer to notes 23.4, 24 and 36 of the 2021 Consolidated Financial Statements for a detailed overview of these proceedings and the Litigation Settlement Proposal provision that has been raised.

The Litigation Settlement Proposal provision raised by the Company is set out below:

	30 September 2021 €'000	30 September 2020 €'000
Market Purchase Claimants – Steinhoff N.V.	**436 393**	266 070
Contractual Claimants – Steinhoff N.V.	**169 406**	103 530
Other (Non-qualifying claimants i.e. Trevo and others and Tekkie Town)	**35 847**	30 000
	641 646	399 600

The increased settlement offer and several other amendments to the Litigation Settlement Proposal are set out in a summary term sheet dated July 2021 available at www.steinhoffsettlement.com (not audited by Mazars).

Contingent Liabilities

- **Access to a copy of the overview of the forensic investigation published in March 2019 ("PwC Report")**

  Application brought by Tiso Blackstar and others (owners of prominent South African media outlets) vs Steinhoff N.V. on 23 October 2019 on a public interest basis (as well as separate applications by Jooste) for access to a copy of the PwC Report. Exchange of pleadings ongoing. Damages are not sought in this matter and accordingly there can be no economic outflow arising from these proceedings.

- **Late submission of the 2016 and 2017 annual financial statements of Steinhoff N.V.**

  On 8 February 2021, Steinhoff N.V. received a letter from the Bundesanstalt für Finanzdienstleistungsaufsicht ("**BaFin**") stating that they had initiated administrative fine proceedings concerning the late submission of the 2016/2017 annual financial statements of Steinhoff N.V. and the missing announcements of certain voting rights notifications, which Steinhoff N.V. tried to rectify by publishing a catch-up announcement on 20 November 2018. The Company responded to BaFin on 8 March 2021. To date no reaction from BaFin has been received.

14. CASH FLOW INFORMATION

14.1 Cash generated from operations

	Notes	30 September 2021 €'000	30 September 2020 €'000
Profit/(loss) before tax		**2 775 835**	(1 752 319)
Adjusted for:			
Net foreign exchange losses/(gains)	4.1	**7 115**	(9 321)
(Reversal of impairment)/impairment of investments in subsidiaries	4.2	**(1 680 092)**	708 707
Reversal of impairment provision of receivables from related parties	4.3	**(3 880)**	(1 295)
Bad debts		**3 880**	2 550
Remeasurement/recognition of financial liabilities	4.4	**(1 393 726)**	618 990
Litigation Settlement Proposal provision raised	4.5	**242 046**	399 600
Finance cost accrued	5	**9 285**	9 186
Other non-cash expenses		**(37)**	–
Cash utilised in operations before other payables and accruals changes		**(39 574)**	(23 902)
Changes in working capital			
Decrease/(Increase) in trade receivables		**2 411**	(2 429)
Decrease in other payables and accruals		**(967)**	(1 825)
Net changes in working capital		**1 444**	(4 254)
Cash utilised in operations		**(38 130)**	(28 156)

14.2 Net debt reconciliation

	30 September 2021 €'000	30 September 2020 €'000
Cash and cash equivalents	**4 346**	30 932
Related party loans payable – repayable within one year	**(5 967)**	–
Related party loans payable – repayable after one year	**(941 353)**	(905 501)
Borrowings – financial liabilities – repayable after one year	**(1 204 777)**	(2 598 503)
	(2 147 751)	(3 473 072)

14.3 Reconciliation of liabilities arising from financing activities

	Opening balance €'000	Remeasurement of CPUs €'000	Foreign exchange movements €'000	Other non-cash movements €'000	Cash flows €'000	Closing balance €'000
30 September 2021						
Borrowings	**2 598 503**	**(1 393 726)**	**–**	**–**	**–**	**1 204 777**
Loans from related parties	**905 501**	**–**	**26 788**	**9 248**	**5 783**	**947 320**
	3 504 004	**(1 393 726)**	**26 788**	**9 248**	**5 783**	**2 152 097**
30 September 2020						
Borrowings	1 979 513	618 990	–	–	–	2 598 503
Loans from related parties	937 193	–	(41 754)	10 202	(140)	905 501
	2 916 706	618 990	(41 754)	10 202	(140)	3 504 004

15. RELATED PARTY TRANSACTIONS

Related party relationships exist between the Company, its subsidiaries and key management personnel.

15.1 Subsidiaries

Details of investments in direct subsidiaries are disclosed in note 5.

15.2 Trading transactions

The following is a summary of transactions with subsidiary companies during the period and balances at the end of the period:

	Notes	30 September 2021 €'000	30 September 2020 €'000
Finance cost:			
Newco 2A (note 15.4)	5	**9 285**	9 186
Recovery of Directors & Officers insurance expense:			
SIHL		**347**	268
SIHPL		**335**	261
Newco 2A		**405**	315
Steenbok Newco 10 SARL		**236**	183
Ibex Retail Investments Limited		**740**	514
Steinhoff Properties Proprietary Limited		**95**	74
Conforama Holding S.A.		**334**	260
Steinhoff International Sourcing and Trading Limited		**101**	78
Hemisphere		**290**	226
SUKGS		**28**	88
Steinhoff UK Holdings Limited		**200**	156
Steinhoff Services Proprietary Limited		**110**	85
Steinhoff Möbel Holding GmbH		**198**	154
AIH Investment Holding AG		**296**	230
Steinhoff Europe AG (Switzerland)		**190**	148
Steinhoff US Holdings I Inc.		**–**	68
Blue Group Hold Co Limited		**–**	290
	2	**3 905**	3 398
Recovery of legal expense:			
SIHPL	2	**22**	–

15. RELATED PARTY TRANSACTIONS (CONTINUED)

15.3 Loans and receivables

	Notes	30 September 2021 €'000	30 September 2020 €'000
Loans			
Current			
SIHL	a	**175 078**	156 117
SIHPL	b	**3 576**	3 188
Steinhoff Europe AG (Switzerland)[1]	b	**–**	3 880
Ibex Retail Investments Limited[1]	c	**26 500**	20 778
		205 154	183 963
Less: Impairment provision		**(30 076)**	(27 846)
		175 078	156 117
Receivables			
Newco 2A		**–**	315
Steenbok Newco 10 SARL		**–**	183
Ibex Retail Investments Limited		**–**	514
Conforama Holding S.A.		**–**	260
Steinhoff International Sourcing and Trading Limited		**–**	78
Hemisphere		**–**	226
SUKGS		**–**	88
Steinhoff UK Holdings Ltd		**–**	156
Steinhoff Möbel Holding GmbH		**–**	154
AIH Investment Holding AG		**–**	230
Steinhoff Europe AG (Switzerland)		**–**	148
Steinhoff US Holdings I Inc.		**–**	68
	d	**–**	2 420

[1] *The loans receivable from companies within the European Group were deemed irrecoverable. The recoverability of these loans was assessed on the basis of the European Group's inability to repay the loans based on debt levels within the European Group exceeding the European Group's liquid or realisable assets post restatements. A forex adjustment of €0.4 million was recognised in the 2021 Reporting Period as well as an impairment reversal of €3.8 million.*

Notes

a The loan to SIHL is unsecured, interest-free and is repayable on demand.

b All other loans bear no interest and have no fixed terms of repayment.

c The loan to Ibex Retail Investments Limited is unsecured, carries interest at JIBAR plus 1.5% and is repayable on demand. Due to the loan being fully impaired, no interest was recognised.

d These amounts relate to insurance expenses paid on behalf of subsidiaries which has been recharged.

15. RELATED PARTY TRANSACTIONS (CONTINUED)

15.3 Loans and receivables (continued)

Credit loss allowances

	Internal credit rating	Basis of allowance	Gross carrying amount €'000	Loss Allowance €'000	Amortised cost €'000
30 September 2021					
SIHL	Performing	12-month ECL	**175 078**	**–**	**175 078**
SIHPL	Non-performing	Lifetime ECL	**3 576**	**(3 576)**	**–**
Ibex Retail Investments Limited	Non-performing	Lifetime ECL	**26 500**	**(26 500)**	**–**
			205 154	**(30 076)**	**175 078**

	Internal credit rating	Basis of allowance	Gross carrying amount €'000	Loss Allowance €'000	Amortised cost €'000
30 September 2021					
SIHL	Performing	12-month ECL	156 117	–	156 117
SIHPL	Non-performing	Lifetime ECL	3 188	(3 188)	–
Steinhoff Europe AG (Switzerland)	Non-performing	Lifetime ECL	3 880	(3 880)	–
Ibex Retail Investments Limited	Non-performing	Lifetime ECL	20 778	(20 778)	–
			183 963	(27 846)	156 117

15.4 Loans payable

	Notes	30 September 2021 €'000	30 September 2020 €'000
Non-current			
Steenbok Lux Finco 1 SARL	a	**–**	(12)
Steinhoff Africa	b	**(245 801)**	(219 222)
Newco 2A	c	**(695 552)**	(686 267)
		(941 353)	(905 501)
Current			
SUKGS	d	**(5 967)**	–
		(5 967)	–
		(947 320)	(905 501)

Notes

a The loan from Steenbok Lux Finco 1 SARL is unsecured, interest-free and was repaid in January 2021.

b The loan from Steinhoff Africa is unsecured, interest-free and is repayable on 31 December 2022.

c The loan from Newco 2A is unsecured, accrues payment-in-kind interest at EURIBOR +1.33% per annum, with a minimum interest rate of 1.33% per annum, and is repayable on 31 December 2022.

d The loans is unsecured, bears no interest and has no fixed terms of repayment.

15.5 Management Board members and Supervisory Board members

For details of the Management Board members and Supervisory Board members, remuneration, share rights, interests of key management personnel in contracts and interest in Steinhoff N.V.'s ordinary share capital, please refer to notes 31 and 32 of the Consolidated Financial Statements.

16. FINANCIAL RISK MANAGEMENT

The Management Board is responsible for implementing the risk management strategy to ensure that an appropriate risk management framework is operating effectively within the Company. The Company does not speculate in the trading of derivative or other financial instruments.

16.1 Total financial assets and liabilities

	Notes	Loans and receivables and other financial liabilities at carrying and fair value 30 September 2021 €'000	30 September 2020 €'000
Related party loans receivable	15.3	**175 078**	156 117
Trade receivables	9.1	**18**	2 429
Cash and cash equivalents	8	**4 346**	30 932
Current financial assets		**179 442**	189 478
Borrowings	11	**(1 204 777)**	(2 598 503)
Related party loans payable	15.4	**(941 353)**	(905 501)
Non-current financial liabilities		**(2 146 130)**	(3 504 004)
Other payables	12	**(9 634)**	(10 494)
Related party loans payable	15.4	**(5 967)**	–
Current financial liabilities		**(15 601)**	(10 494)
Realised and unrealised foreign exchange (losses)/gains	4.1	**(7 668)**	9 321
Interest income	1	**216**	230

No items were classified as "at fair value through profit or loss" or "at fair value through other comprehensive income" during the 2021 Reporting Period.

The carrying amount of financial assets and liabilities approximates its fair value.

The fair value calculation of the financial assets and liabilities was performed at the Reporting Date. Between the Reporting Date and the date of this report, the fair values reported may have fluctuated with changing market conditions and therefore the fair values are not necessarily indicative of the amounts the Company could realise in the normal course of business subsequent to the Reporting Date.

16.2 Market risk

16.2.1 Foreign currency risk

The financial assets and liabilities of the Company are denominated in the functional currency except for the following South African rand and British pounds denominated related party loans receivable, related party loans payable, other payables and accruals and cash and cash equivalents.

	Notes	British Pound €'000	SA Rand €'000
30 September 2021			
Related party loans receivable	15.3	**–**	**175 078**
Cash and cash equivalents		**8**	**4 317**
Other payables and accruals		**(2 941)**	**(1 923)**
Related party loans payable	15.4	**–**	**(245 801)**
		(2 933)	**(68 329)**
30 September 2020			
Related party loans receivable	15.3	–	156 117
Cash and cash equivalents		3 831	4 239
Other payables and accruals		(1 342)	(125)
Related party loans payable	15.4	–	(219 222)
		2 489	(58 991)

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

16.2 Market risk (continued)

16.2.1 Foreign currency risk (continued)

The following significant exchange rates applied during the period and were used in calculating sensitivities:

	Forecast rate[1]	Forecast rate[1]	Reporting Date spot rate	Reporting Date spot rate
	30 September 2022	30 September 2021	30 September 2021	30 September 2020
South African rand: euro	**17.8400**	19.8900	**17.5629**	19.7092
British pound: euro	**0.8600**	0.8700	**0.8605**	0.9124

[1] *The forecast rates represent a weighting of foreign currency rates forecasted by the major banks that the Company transacts with regularly. These rates are not necessarily management's expectations of currency movements.*

Sensitivity analysis

The table below indicates the Company's sensitivity at the Reporting Date to the movements in the rand and the British pound that the Company is exposed to on its financial instruments. The percentage given below represents a weighting of foreign currency rates forecasted by the major banks that the Company transacts with regularly. This analysis assumes that all other variables, in particular interest rates, remain constant.

The impact on the reported numbers, using the forecast rates as opposed to the Reporting Date spot rates is set out below.

	30 September 2021 €'000	30 September 2020 €'000
Through profit/(loss)		
Rand weakening by 1.58% (2020: weakening by 0.9%) to the euro	**1 078**	541
British pound strengthening by 0.1% (2020: strengthening by 4.7%) to the euro	**(2)**	116

If the foreign currencies were to weaken/strengthen against the euro, by the same percentages as set out in the table above, it would have an equal, but opposite, effect on profit or loss.

16.2.2 Interest rate risk

At the Reporting Date the interest rate profile of the Company's financial instruments was:

	Subject to interest rate movement				
	Variable South African (SA) prime €'000	Variable EURIBOR €'000	Fixed rate €'000	Non-interest bearing €'000	Total €'000
30 September 2021					
Current financial assets	**4 317**	**–**	**29**	**175 096**	**179 442**
Non-current financial liabilities	**–**	**(695 552)**	**–**	**(1 450 578)**	**(2 146 130)**
Current financial liabilities	**–**	**–**	**–**	**(15 601)**	**(15 601)**
	4 317	**(695 552)**	**29**	**(1 291 083)**	**(1 982 289)**
30 September 2020					
Current financial assets	4 239	–	26 693	158 546	189 478
Non-current financial liabilities	–	(686 267)	–	(2 817 737)	(3 504 004)
Current financial liabilities	–	–	–	(10 494)	(10 494)
	4 239	(686 267)	26 693	(2 669 685)	(3 325 020)

Sensitivity analysis

The Company is sensitive to movements in the SA prime rate, EURIBOR and LIBOR.

The sensitivities calculated are based on an increase of 100 basis points for each interest category. These rates are also used when reporting sensitivities internally to key management personnel.

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

16.2 Market risk (continued)

16.2.2 Interest rate risk (continued)

	30 September 2021 €'000	30 September 2020 €'000
Increase/(decrease) in pre-tax profit		
SA prime – 100 basis point increase	**43**	42
EURIBOR – 100 basis point increase	**(6 956)**	(6 863)
	(6 913)	(6 821)

A 100 basis point decrease in the above rates would have had an equal, but opposite, effect on profit or loss before tax.

16.3 Credit risk

	30 September 2021 €'000	30 September 2020 €'000
Potential concentration of credit risk consists principally of cash and cash equivalents, trade receivables and related party loans receivable. The Company deposits short-term cash surpluses with major banks of quality credit standing. At 30 September 2021, the Company did not consider there to be any significant concentration of credit risk which had not been adequately provided for.		
The carrying amounts of financial assets represent the maximum credit exposure.		
The maximum remaining exposure to credit risk at the Reporting Date, without taking account of the value of any collateral obtained was:		
Current financial assets (notes 8, 9.1 and 15.3)	**179 442**	189 478
The maximum exposure to credit risk at the Reporting Date by geographical region was (carrying amounts):		
Continental Europe	**21**	25 291
Southern Africa	**179 413**	160 356
United Kingdom	**8**	3 831
	179 442	189 478

Refer to note 14.2 for impairment provisions relating to irrecoverable or past due loans.

16.4 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the entity could be required to pay its liabilities earlier than expected.

The Company manages liquidity risk by monitoring forecast cash flows and by ensuring that adequate borrowing facilities are available.

The following table details the Company's remaining contractual maturity for its financial liabilities. The table has been drawn up on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows:

	Notes	Within 1 year €'000	Years 2 – 5 €'000
30 September 2021			
Other payables and accruals	12	**(9 634)**	**–**
Related party loans payable	15.4	**(5 967)**	**(941 353)**
Borrowings	11	**–**	**(1 204 777)**
		(15 601)	**(2 146 130)**
30 September 2019			
Other payables and accruals	12	(10 494)	–
Related party loans payable	15.4	–	(905 501)
Borrowings	11	–	(2 598 503)
		(10 494)	(3 504 004)

16.5 Capital risk management

The capital structure of the Company consists of cash and cash equivalents and equity, comprising issued ordinary stated capital and accumulated losses as disclosed in the statement of changes in equity.

17. RESTATEMENTS

While performing the calculation of the 2021 recoverable amount for Steinhoff N.V.'s investment in its subsidiary, SIHL, management noticed that the Lancaster liability of €255 million was not included as part of the calculation for the estimate of the 2020 recoverable amount due to a mathematical error in the underlying calculation not linking to the correct supporting file.

The opening balance of the 2020 Reporting Period has not changed, and therefore, a third period has not been presented in these financial statements.

The result of this error is that the investment in subsidiary was overstated by €255 million.

30 September 2020
Statement of Financial Position (extract)

	Previously reported €'000	Adjustment €'000	Restated €'000
Investment in subsidiary companies	1 319 640	(254 657)	1 064 983
Accumulated losses	(9 828 133)	(254 657)	(10 082 790)

30 September 2020
Statement of Profit or Loss and Other Comprehensive Income

	Previously reported €'000	Adjustment €'000	Restated €'000
Interest income	230	–	230
Total income	230	–	230
Other income	7 841	–	7 841
Administrative expenses	(34 356)	–	(34 356)
Other gains/(losses) – net	(1 462 024)	(254 657)	(1 716 681)
Operating loss for the period before finance cost and tax	(1 488 309)	(254 657)	(1 742 966)
Finance cost	(9 353)	–	(9 353)
Operating loss for the period before tax	(1 497 662)	(254 657)	(1 752 319)
Taxation	8 307	–	8 307
Net loss for the period attributable to Steinhoff N.V. shareholders	(1 489 355)	(254 657)	(1 744 012)
Other comprehensive income	–	–	–
Total comprehensive loss for the period attributable to Steinhoff N.V. shareholders	(1 489 355)	(254 657)	(1 744 012)

18. RECONCILIATION OF THE NET PROFIT AND SHAREHOLDERS' EQUITY OF THE COMPANY WITH THE CONSOLIDATED RESULTS AS AT 30 SEPTEMBER 2021

	Notes	30 September 2021 Total equity €'000	30 September 2021 Net loss for the period €'000	30 September 2020 Total equity €'000	30 September 2020 Net loss for the period €'000
Company equity and net loss for the period		**121 140**	**2 775 835**	(2 654 695)	(1 744 012)
Adjusted for:		**(5 304 140)**	**(3 749 835)**	(2 613 305)	(519 988)
Elimination of intragroup transactions:					
Elimination of (reversal of impairment)/impairment of investment in subsidiary companies	4.2	**(1 680 092)**	**(1 680 092)**	708 707	708 707
Elimination of impairment reversal of intragroup loans receivable	4.3	**–**	**–**	(1 295)	(1 295)
Elimination of remeasurement of financial liabilities	4.4	**(1 393 726)**	**(1 393 726)**	618 990	618 990
Share of subsidiaries consolidated loss for the period		**(676 017)**	**(676 017)**	(1 846 390)	(1 846 390)
Share of subsidiaries consolidated other comprehensive income for the period		**335 000**	**–**	(611 000)	–
Other reserve movements		**724 000**	**–**	(42 000)	–
Effect of adopting IFRS 16		**–**	**–**	(78 000)	–
Effect of adopting IFRIC 23		**–**	**–**	98 000	–
Cumulative prior periods consolidated total comprehensive loss/(income) and other reserve movements		**(2 613 305)**	**–**	(1 460 317)	–
Group equity and loss after tax for the period attributable to owners of Steinhoff N.V.		**(5 183 000)**	**(974 000)**	(5 268 000)	(2 264 000)

19. EVENTS OCCURRING AFTER THE REPORTING PERIOD

The Company is engaged in a number of legal proceedings. Refer to notes 23, 24 and 36 of the 2021 Consolidated Financial Statements for a detailed overview of these proceedings.

Refer to note 36 of the 2021 Consolidated Financial Statements for other events occurring after the Reporting Period.

20. PRINCIPAL SUBSIDIARIES

The statutory list of all subsidiaries and affiliated companies, prepared in accordance with the relevant legal requirements (Dutch Civil Code, Book 2, section 379), forms part of the notes to the 2021 Separate Financial Statements and is included herein as an Annexure included under Other Information: Statutory List of all Subsidiaries.

APPROVAL AND SIGNATORIES

Stellenbosch (South Africa), 28 January 2022

Management Board

Louis du Preez, Chief Executive Officer and Managing Director

Theodore de Klerk, Chief Financial Officer and Managing Director

Supervisory Board

Moira Moses, Chairperson and Supervisory Director

Peter Wakkie, Deputy-Chairperson and Supervisory Director

Paul Copley, Supervisory Director

Hugo Nelson, Supervisory Director

David Pauker, Supervisory Director

Alexandra Watson, Supervisory Director

OTHER INFORMATION

INDEPENDENT AUDITOR'S REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

To the Annual General Meeting and Supervisory Board of Steinhoff International Holdings N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 INCLUDED IN THE ANNUAL REPORT

OUR UNQUALIFIED OPINION

We have audited the accompanying financial statements for the year ended 30 September 2021 (hereafter "financial statements") of Steinhoff International Holdings N.V. (the "Company" or "Group"), based in Amsterdam, the Netherlands. The Company is at the head of a group of entities ("components"). The financial information of this Group is included in the 2021 Consolidated Financial Statements of the Group. The financial statements include the 2021 Consolidated Financial Statements and the 2021 Separate Financial Statements.

In our opinion:

- the accompanying 2021 Consolidated Financial Statements give a true and fair view of the financial position of the Group as at 30 September 2021 and of its result and its cash flows for the year ended 30 September 2021 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- the accompanying 2021 Separate Financial Statements give a true and fair view of the financial position of the Company as at 30 September 2021 and of its results for the year ended 30 September 2021 in accordance with International Financial Reporting Standards as adopted by the EU and with Part 9 of Book 2 of the Dutch Civil Code.

The 2021 Consolidated Financial Statements comprise:

- the consolidated statement of financial position as at 30 September 2021;
- the following statements for the year ended 30 September 2021: the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows; and
- the notes comprising a summary of the key accounting policies and other explanatory information.

The 2021 Separate Financial Statements comprise:

- the separate statement of financial position as at 30 September 2021;
- the following statements for the year ended 30 September 2021: the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows; and
- the notes comprising a summary of the key accounting policies and other explanatory information.

BASIS FOR OUR OPINION

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIALITY

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement we determined the materiality for the financial statements as a whole at €92 million (prior year €79 million). The materiality is based on approximately 1% of the total revenues of continuing operations.

We communicated with the Supervisory Board that misstatements in excess of €2.8 million, which are identified during the audit, have been reported to them, as well as smaller misstatements that, in our view, must be reported on qualitive grounds.

SCOPE OF THE GROUP AUDIT

As part of designing our audit, we assessed the risk of material misstatement in the financial statements whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where management made subjective judgements such as making assumptions on key accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the Group, its environment, controls and critical processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

The Company is at the head of a group of entities ("components"). The financial information of this Group is included in the 2021 Consolidated Financial Statements of the Group.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for the components. We considered the size and/or financial interest or where significant risks or complex activities, were present when deciding (or in making those decisions). On this basis, we selected components for which an audit or review had to be carried out and whether the complete set of financial information or specific items were required.

We performed audit procedures at group level on areas such as consolidation, disposals, financial statement disclosures, impairment testing for goodwill and brands, litigation and claims, contingent payment undertakings ("CPU"), investments in equity accounted companies and uncertain tax positions.

We also involved component auditors from the Mazars network and other audit firms, who are familiar with local laws and regulations.

For these component auditors, the group audit team provided detailed written instructions, which included the requirements of component audit teams and audit approach for significant audit areas, information obtained centrally and the need for awareness for risk related to management override of controls.

Our oversight procedures also included (remote-) working paper reviews for the components in South Africa, United Kingdom, France, Australia, Poland and USA, virtual meetings with the component auditor and component management and reviewing component audit team deliverables to gain sufficient understanding of the work performed. We varied the nature, timing and extent of these procedures based on both quantitative and qualitative considerations.

For smaller components we have performed desktop and analytical reviews, review procedures or specific audit procedures.

By performing the procedures mentioned above at components, together with the additional audit procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the consolidated financial information and to provide an opinion on the 2021 Consolidated Financial Statements as a whole.

We ensured that the audit teams both at group and at component levels have the appropriate skills and competences which are needed for the audit of a listed international retail company. Specialists were involved, amongst others, in the areas of litigation and claims, fraud, forensic, information technology, tax, accounting, valuations and going concern.

SCOPE OF FRAUD AND NON-COMPLIANCE WITH LAWS AND REGULATIONS

In accordance with Dutch Standards on Auditing, we are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatements, whether due to fraud or error. Inherent to our responsibilities for the audit of the financial statements, there is an unavoidable risk that material misstatements are undetected, even though the audit is planned and performed in accordance with Dutch law. The risk of undetected material misstatements due to fraud is even higher, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Also, we are not responsible for the prevention and detection of fraud and non-compliance with all laws and regulations. Our audit procedures differ from a forensic or legal investigation, which often has a more in-depth character and conducted to resolve specific allegations.

SCOPE OF FRAUD AND NON-COMPLIANCE WITH LAWS AND REGULATIONS (CONTINUED)

AUDIT APPROACH FRAUD RISKS AND RISK OF NON-COMPLIANCE OF LAWS AND REGULATIONS

Observation

In conclusion, our procedures did not identify any fraudulent misstatements as a result of management override in the financial statement closing and consolidation process. Our risk assessments and audit procedures are further described below.

Our risk assessment

We have identified and assessed the risks of material misstatements due to fraud in accordance with the Dutch Standards on Auditing. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes. We refer to the risk Management Report for management's risk assessment and the Supervisory Board report in which the Supervisory Board reflects on this risk assessment.

It is standard practise to assume there is an inherent risk of fraud relating to revenue recognition. This risk should be considered together with the potential risk of management override of controls that could result in a misstatement of the financial accounts. The risk of management override is related to the areas of key judgement and estimates made by management included in the notes to the 2021 Consolidated Financial Statements. Therefore, it is assumed by the auditing standards that Management is in an unique position to manipulate accounting records. In addition, fraudulent manual journal entries could result in revenue being either under or overstated.

Our response to the identified and assessed fraud risks

We performed the following specific procedures:

- We evaluated the design and implementation of relevant internal controls in the financial statement and consolidation process, such as segregation of duties and systems of authorisations.
- We used data analytics, including analyses off high risk journals within the consolidation with a pre assessed risk of material misstatements, as part of our audit approach to address fraud risks which could have a risk of material misstatement on the financial statements.
- We made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.
- We selected journal entries and other adjustments made at the end of the reporting period relating both to areas of key judgments and estimates made by management and revenue.
- We reviewed the underlying audit documentation off the selected journal entries.
- We performed supplementary substantive audit procedures via detailed testing of journal entries to underlying audit documentation.
- We assessed the accounting estimates and evaluated whether the circumstance producing the bias, if any, represent a risk of material misstatement due to fraud. Reference is made to the key audit matters, which are all subject to management estimates.

In addition, we also performed the following more general procedures:

- We assessed whether the findings of the forensic investigations (as a result of the accounting irregularities uncovered in December 2017 and the consequences thereof for the Group) have an impact on the current year fraud risk assessment and financial statements.
- We assessed the whistleblowing and complaints matters followed up by management and internal audit.
- We evaluated whether (unusual) transactions with related parties have been identified and appropriately disclosed.
- We performed a sourcing analysis in order to determine the risk associated with the selection of vendors and use of agents.
- We have incorporated an element of unpredictability in the selection of the nature, timing and extent of our audit procedures. We will not disclose these audit procedures here in detail, because we do not want that individuals within the entity become familiar with these audit procedures, because they can exploit this knowledge to conceal fraudulent financial reporting in the future.

Our response to the risk of non-compliance of laws and regulations

Resulting from our risk assessment procedures, and whilst considering that effects from non-compliance could vary considerably, we considered adherence to (corporate) tax law and financial reporting requirements with a direct effect on the financial statements as an integrated part of our audit procedures to the extent material for the related financial statements. Apart from these, the Group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance through imposing fines or litigation. Examples of such other laws and regulations are those relating to anti-bribery and corruption, competition and data privacy laws, and human rights. As required by auditing standards, we performed audit procedures to identify non-compliance with these laws and regulations through inquiries with management, those charged with governance and others within the group and inspection of relevant correspondence with regulatory authorities. We also inspected lawyers' letters and remained alert to indications of (suspected) non-compliance throughout the audit, held inquiries with group legal counsel and internal audit, and obtained a written representation from management that all known instances of (suspected) non-compliance with laws and regulations were disclosed to us.

OUR KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

The matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter 1	Our audit work
Accounting treatment of the provision for the Litigation Settlement Proposal *Refer to note 23.4 to the 2021 Consolidated Financial Statements* Following the accounting irregularities uncovered in December 2017, various entities within the Group are subject to multiple legal claims and regulatory investigations. On 27 July 2020, the Group announced the terms of a proposed settlement to conclude the ongoing and disputed legal claims and pending litigation proceedings arising from the legacy accounting irregularities first announced in December 2017. The Litigation Settlement Proposal was subsequently revised during the financial year 2021. The Company reported a Litigation Settlement Proposal provision of €0.9 billion as at 30 September 2020. The €0.7 billion increase in the 2021 Reporting Period of the provision and the costs associated with the Litigation Settlement Proposal provision were recognised in other expenses. As a result, a total amount of €1.6 billion is reported as a provision as at 30 September 2021. The reported provision is exposed to the jurisdictional legal proceedings as initiated in the Netherlands and South Africa. This matter was of particular significance for our audit due to the material amounts of the provision as well as underlying assumptions.	In order to audit the recognition, measurement and presentation of the provision for the Litigation Settlement Proposal, our work included the following: • Gaining an understanding of the processes put in place by the Group to make substantive preparations for the legal proceedings, and assessing the progress made in implementing the multiple steps of the settlement proposal process. • Comparing this knowledge with the legal substantiation of independent experts engaged by management. • Using substantive procedures in order to verify the completeness of the claimants and further assessing of the inputs to the calculation of the provision. • Using the latter as a basis to evaluate the likelihood of the outflow of economic resources and to evaluate the calculation of the provision. • As part of a targeted selection of key procedures, we inspected the correspondence relating to the litigation and, with the assistance of our legal experts, we challenged the assessments made.

Observation

Applying materiality and taking into consideration the information provided and statements made in the section entitled "Litigation" in the Basis of Preparation and in the section entitled "Provisions" in note 23.4 to the 2021 Consolidated Financial Statements and in the section entitled "Litigation" in the Group management report, we believe that, overall, the assessment on the likelihood of the outflow of economic resources and assumptions and inputs underlying the calculation are appropriate to properly recognize, measure and disclose the Litigation Settlement Proposal provision.

Key Audit Matter 2	Our audit work
Contingent payment undertakings ("CPU") valuation in the 2021 Separate Financial Statements *Refer to note 11 to the 2021 Separate Financial Statements* In the 2019 Reporting Period, the original parent guarantees related to the debt were cancelled and replaced by the CPU's. The Company recognised a financial liability equal to the shortfall, being the difference of the outstanding external debt and the fair value of the underlying investments and assets. The financial liability amounts to €1.2 billion as at 30 September 2021 (€2.6 billion as at 30 September 2020). Due to a significant improvement in the underlying value of its subsidiaries in the 2021 Reporting Period the financial liability decreased by €1.4 billion in the 2021 Reporting Period. The estimated fair value of the underlying businesses include significant estimates in determining the value of the CPU's shortfall. Valuation techniques used in the calculation are inherently subject to estimation uncertainty, which predominantly focuses on future cash flows, which are, amongst other, dependent on economic conditions (including the impact of COVID-19). The CPU valuation is based on the assumption that the Litigation Settlement Proposal will be implemented.	For our audit we used, amongst others, valuation specialists to assist us in evaluating the assumptions and methodologies used by management. Our audit procedures relating to the measurement of the CPU included the following: • Obtaining an understanding of management's process for the determination of the values and the allocation to the individual CPU's. • Evaluating sensitivities in management's projections that could cause a substantial change to the values of the underlying assets. • Involving our valuation experts to validate the weighted average cost of capital as applied by the Group and the appropriateness of certain assumptions and possible management bias in the fair value calculations of the underlying businesses, or when applicable, assessing the external valuations or used listed share prices.

Key Audit Matter 2 (continued)	Our audit work
	• Testing the mathematical accuracy of the CPU calculation, including testing the source information underlying the determination of the CPU. • Evaluating whether the main assumptions and related uncertainties are appropriately reflected in the disclosures in the separate financial statements.

Observation

Applying materiality and taking into consideration the information provided, we believe that management's basis of determining the financial liability and the corresponding disclosures in note 11 in the 2021 Separate Financial Statements is appropriate. By nature, the assumptions applied in measuring the fair value of the underlying businesses are subject to developments and changes in later periods. This could potentially lead to changes in the fair value of the underlying businesses going forward and therefore the measurement.

Key Audit Matter 3	Our audit work
Uncertain tax positions ***Refer to note 6 and note 19.2 to the 2021 Consolidated Financial Statements*** The Group operates across numerous jurisdictions which have differing tax legislation. Also as a result of the accounting irregularities, material restatements were recognised in the restated 2017 Consolidated Financial Statements of the Group, affecting multiple years and multiple tax-jurisdictions. The Group is in the process of restating the local statutory financial statements and corresponding tax returns for the effected financial years. Furthermore, several tax audits/investigations by local tax authorities for prior financial years are ongoing and the outcome is uncertain. The tax liability recognised for uncertain tax positions amount to €160 million as at 30 September 2021. Determination of the amounts which should be recognised for uncertain tax positions is subject to management's judgement, including consideration of law and regulations of various tax authorities. The uncertain tax positions are provided for based on either the most probable outcome method or the expected value of the taxation position for each type of taxation exposure.	Determining the amount that should be recognised for uncertain tax positions for the Group was considered to be a matter of most significance to our current year's audit due to the significant judgement applied by management in each jurisdiction. As a result, our audit procedures included using our tax specialists to assist us in evaluating the assumptions and methodologies applied by management. Our audit procedures relating to uncertain tax positions included the following: • Obtaining an understanding of management's process over the assessment of the uncertain tax positions. • Challenging management's judgement of the most probable outcome by considering alternative views and probability factors in terms of assessing tax risks, legislative developments, tax regulations, contingencies and the recognition thereof. • Performing sensitivity analyses around the key assumptions, such as probability, used in management's assessments and the calculation of the tax positions. • Using the information obtained as referred to above to challenge Group's tax liability. - Assessing and evaluating the presentation and disclosure of the risks related to the uncertain tax positions in the 2021 Consolidated Financial Statements of the Group.

Observation

Applying materiality, we believe that management's basis of determining the provisions and disclosures for uncertain tax positions is appropriate.

<table>
<tr><th>Key Audit Matter 4</th><th>Our audit work</th></tr>
<tr><td>

Impairment testing of intangible assets

Refer to note 8 to the 2021 Consolidated Financial Statements

Intangible assets (including goodwill and brands) amounted to € 5.3 billion at 30 September 2021 (€ 4.9 billion at 30 September 2020) and represented 35% (37%) of the consolidated total assets. For purposes of impairment testing, intangibles (including goodwill and brands) are allocated and monitored on a Cash Generating Unit ("CGU") basis. For goodwill and brands with an indefinite lifetime, management is required to assess the recoverable amount of the respective CGUs annually or when there is a triggering event. Management has assessed all CGUs containing goodwill or brands, or where there was a triggering event for property plant and equipment, for impairment at the Reporting Date. The estimated sales volumes and gross profit margins used in management's impairment tests involved a high degree of uncertainty due to the current market circumstances. Management made significant judgements to estimate the recoverable amounts in the current economic climate, procedures to evaluate the reasonableness of estimated sales volumes and gross profit margins used in management's impairment tests of intangible assets (including goodwill and brands) and property, plant and equipment.

</td><td>

We involved our valuation specialists during our audit procedures.

Our audit procedures included the following:

- Obtaining an understanding of management's process for impairment testing of the CGUs.
- Evaluating management's ability to accurately forecast by comparing actual results to management's historical forecasts (so called "backtesting").
- Evaluating sensitivities in management's projections that could cause a substantial change to the impairments recorded, and cause headroom to change in an impairment.
- Evaluating projected cash flows and review of management's scenario-analyses by:
  - comparing the projections (and scenarios) to historical forecasts and information included in internal communications to the component management and the Management Board.
  - challenging and comparing the estimated sales volumes and gross profit margins to, for example, external economic outlook data, external market data on the retail market and expected inflation rates.
  - evaluating the reasonableness of discount rates, including testing the source information underlying the determination of the discount rates, testing the mathematical accuracy of the calculation, and developing a range of independent estimates and comparing those to the discount rates selected by management.

</td></tr>
<tr><th colspan="2">Observation</th></tr>
<tr><td colspan="2">Applying materiality, we believe that management's assessment of the recoverability of intangible assets (including goodwill and brands) and the disclosures on key uncertainties and scenarios assumed in management impairment testing are appropriate.</td></tr>
</table>

EMPHASES OF MATTERS

Going concern assessment

We draw your attention to the "Basis of preparation" section on the going concern assessment in the 2021 Consolidated Financial Statements, where it is confirmed that these financial statements are based on the going concern assumption. As described, the going concern assessment involved numerous complex and subjective judgements.

In determining the appropriate basis of preparation of the financial statements of the Group, the Management Board is required to consider whether the Group can continue in operational existence for the foreseeable future. In doing so the Management Board has considered the impact of the provision for the Litigation Settlement Proposal, the extension of the maturity date of the debt, and assessed the impacts of COVID-19 on the going concern position. At the time of signing these 2021 Consolidated Financial Statements, the Management Board has a reasonable expectation that the Group has sufficient resources to continue in operation for the foreseeable future, which is not less than twelve months from the date of signing of the 2021 Consolidated Financial Statements and the 2021 Separate Financial Statements. The Management Board has adopted the going concern basis in preparing these Financial Statements.

Control conclusions on certain entities

We draw your attention to the "Basis of preparation" section in the areas of key judgements and estimates in the 2021 Consolidated Financial Statements (consolidation decisions), which describes the conclusion from management's assessment that the Group has control over Newco 3. As described, the control assessment involved numerous complex and subjective judgements.

In preparing these Financial Statements the Management Board had to conclude whether or not it had control over certain entities following various governance structure changes resulting from restructuring transactions in prior reporting periods. Concluding that the Group controls Newco 3 resulted in the full consolidation and disclosure of debts, assets, cash flow and operation results of Newco 3 and its subsidiaries.

Notification

Our audit opinion is not modified in respect to these matters.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT 2021

In addition to the financial statements and our auditor's report thereon, the Annual Report 2021 contains other information that consists of:

- Introduction;
- Report of the Management Board;
- Corporate governance report;
- Report of the Supervisory Board;
- Remuneration report;
- Annexures – Other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the management report and the other information as required by Part 9 Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of other information, including the Report of the Management Board in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Engagement

We were engaged by the Supervisory Board as auditor of the Company on 12 November 2019 for the audit for the year ended 30 September 2019 and have operated as statutory auditor ever since that financial year.

No Prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5 (1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

EUROPEAN SINGLE ELECTRONIC FORMAT ("ESEF")

The Company has prepared its Annual Report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the Annual Report prepared in XHTML-format, including the partially marked-up Consolidated Financial Statements as included in the reporting package by the Group, complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the Annual Report including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the Annual Report in this reporting package complies with the RTS on ESEF.

Our procedures, taking into account Alert 43 of NBA (the Netherlands Institute of Chartered Accountants), included amongst others:

- Obtaining an understanding of the Group's financial reporting process, including the preparation of the reporting package.
- Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF.
- Examining the information related to the 2021 Consolidated Financial Statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of the Management Board and the Supervisory Board for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS-EU and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal controls as management determines are necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Group's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management Board should disclose events and circumstances that may cast significant doubt on the Group's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Group's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit consisted of, among other things, the following:

- identifying and assessing the risks of material misstatements of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with the Supervisory Board regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submitted an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provided the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters being: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 28 January 2022
MAZARS ACCOUNTANTS N.V.

Original has been signed by: O. Opzitter RA

ARTICLES OF ASSOCIATION PROVISIONS GOVERNING THE ALLOCATION OF PROFITS

The holders of Ordinary Shares are entitled to one vote per share and to participate in the distribution of (interim) dividends and liquidation proceeds.

Pursuant to section 35 of the Articles, a dividend may be declared out of net income after appropriation to increase and/or from reserves. The allocation of profit remaining after reservations deemed necessary by the Management Board, with the approval of the Supervisory Board, will then be available for distribution to the ordinary shareholders subject to approval at the General Meeting.

The Management Board, with the approval of the Supervisory Board, may propose that the General Meeting make distributions wholly or partly in the form of ordinary shares.

Distributions on shares may be made only up to an amount which does not exceed the amount of the distributable equity.

The Management Board, with the approval of the Supervisory Board, may declare an interim dividend which does not exceed the amount of the distributable equity.

DISTRIBUTION OF PROFITS

Given the Group's ongoing liquidity constraints, the Management Board, with the approval of the Supervisory Board, has resolved not to propose dividends on the Ordinary Shares for the 2021 Reporting Period.

LIST OF BRANCHES

The table below lists all branches of the Company (if any) as well as all branches of its Subsidiaries whose results were consolidated during the Reporting Period.

Branch	Place of branch	Country of branch	Register of branch	Origin Entity	Country of origin entity	Valid for FY2020	Valid for FY2021
GROUP: SISL							
Steinhoff International Sourcing and Trading Ltd.	Hong Kong	China (Hong Kong)	2461089	Steinhoff International Sourcing and Trading Ltd.	China (Hong Kong)	Y	Y
Blue Rock Sourcing Solution Ltd. (formerly: Steinhoff International Sourcing Ltd.)	Hong Kong	China (Hong Kong)	644662	Steinhoff International Sourcing and Trading Ltd.	China (Hong Kong)	Y	Y
Steinhoff International Trading Services Ltd.	Hong Kong	China (Hong Kong)	2463978	Steinhoff International Sourcing and Trading Ltd.	China (Hong Kong)	Y	N
Steinhoff International Investment HK Ltd	Hong Kong	China (Hong Kong)	2584507	Steinhoff International Investment HK Ltd	China (Hong Kong)	Y	Y (closed in Sept 2021)
Steinhoff International Sourcing Ltd – Indonesia RO	Jakarta	Indonesia	28/1/IUP3A-T/P-4/Nas/2017	Steinhoff International Sourcing and Trading Ltd.	China (Hong Kong)	Y	N
Blue Rock Sourcing Solution Ltd – Pakistan RO (formerly: Steinhoff International Sourcing Ltd – Pakistan RO)	Karachi	Pakistan	0073941	Steinhoff International Sourcing and Trading Ltd.	China (Hong Kong)	Y	Y
Blue Rock Sourcing Solution Ltd - Vietnam RO (formerly: Steinhoff International Sourcing Ltd – Vietnam RO)	Ho Chi Minh City	Vietnam	79-02944-01	Steinhoff International Sourcing and Trading Ltd.	China (Hong Kong)	Y	Y
Steinhoff International Sourcing (Shenzhen) Ltd.	Shenzhen	China	914403000589890340	Steinhoff International Sourcing and Trading Ltd.	China (Hong Kong)	Y	Y
Steinhoff International Sourcing (Shanghai) Ltd.	Shanghai	China	91310000MA1GBH5W31	Steinhoff International Sourcing and Trading Ltd.	China (Hong Kong)	Y	Y
Blue Rock Sourcing Solution India Private Limited (formerly: Steinhoff International Sourcing India Private Limited)	Gurgaon	India	U74999HR2019FTC081761	Steinhoff International Sourcing and Trading Ltd.	China (Hong Kong)	Y	Y
GROUP: STEINHOFF UK							
Steinhoff Europe AG	London	UK	BR020565	Steinhoff Europe AG	Austria	Y	Y
Steinhoff Finance Holding GmbH	London	UK	BR020564	Steinhoff Finance Holding GmbH	Austria	Y	Y
Steenbok Newco 5 Limited	London	UK	BR021702	Steenbok Newco 5 Limited	Jersey	Y	Y
Steenbok Newco 1 Limited	London	UK	BR021700	Steenbok Newco 1 Limited	Jersey	Y	Y
Steenbok Newco 10 Sarl	London	UK	BR022038	Steenbok Newco 10 Sarl	Luxembourg	Y	Y
Steenbok Newco 2A Limited	London	UK	BR021701	Steenbok Newco 2A Limited	Jersey	Y	Y
Ibex Retail Investments Limited	London	UK	BR021703	Ibex Retail Investments Limited	Jersey	Y	Y
Retail Holdings Sarl	Zug	Switzerland	CHE-110.261.548	Retail Holdings Sarl	Luxembourg	Y	N
GROUP: PEPCO							
Fully Sun China Limited – Bangladesh	Bangladesh	Bangladesh	TIN- 4404-3933-6667	Fully Sun China Limited (HK)	China (Hong Kong)	Y	Y
Fully Sun China Limited – Taiwan	Taiwan	China	Reg no 53665194	Fully Sun China Limited (HK)	China (Hong Kong)	Y	Y
Poundland Limited – Isle of Man	Isle of Man	Isle of Man	Tax reference No: C145894-73	Poundland Limited	UK	Y	Y
Poundland Limited – Ireland	Republic of Ireland	Republic of Ireland	Tax reference: 9798866A	Poundland Limited	UK	Y	Y

STATUTORY LIST OF ALL SUBSIDIARIES AND AFFILIATED COMPANIES as at 30 September 2021

This list forms part of the notes to the 2021 Separate Financial Statements and has been referenced therein.

Entity Name	Incorp.	Reg. No.	Shareholding	Principal place of Business	FY2020	FY2021
Genesis Investment Gamma GmbH	AUT	FN 381969 w	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
Steenbok Newco 1 Ltd (Jersey)	JEY	127918	100%	3rd Floor, 44 Esplanade, St Helier, JE4 9WG	Y	Y
Steenbok Newco 2A Ltd (Jersey)	JEY	127926	100%	3rd Floor, 44 Esplanade, St Helier, JE4 9WG	Y	Y
Steenbok Newco 2B Ltd (UK)	GBR	11728129	100%	Pall Mall Works, 17 – 19 Cockspur Street, London, SW1Y 5BL	Y	Y
Steenbok Newco 3 Ltd (UK)	GBR	11728460	100%	Pall Mall Works, 17 – 19 Cockspur Street, London, SW1Y 5BL	Y	Y
Steenbok Newco 4 Ltd (UK)	GBR	11728633	100%	Pall Mall Works, 17 – 19 Cockspur Street, London, SW1Y 5BL	Y	Y
Steinhoff Möbel Holding Alpha GmbH	AUT	FN 202439 f	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
GT Branding Holding SA (in liquidation)	CHE	CHE-250.489.667	100%	46b Avenue de la Gare, 1920 Martigny	Y	Y
GT Global Trademarks SA (in liquidation)	CHE	CHE-112.398.098	100%	46b Avenue de la Gare, 1920 Martigny	Y	Y
Steinhoff Europe AG	AUT	FN 38031 d	100%	Pall Mall Works, 17 – 19 Cockspur Street, London, SW1Y 5BL	Y	Y
Steenbok Newco 10 SARL (LUX)	LUX	B 235 929	100%	56 rue Charles Martel, L2134	Y	Y
Steinhoff Service GmbH	DEU	HR B 121300	100%	Zum Stadtpark 2, Westerstede, 26655	Y	Y
Steinhoff Europe Consult Sp. z o.o.	POL	KRS 0000013715	100%	ul. Ruska 37/38, 50-079 Wroclaw	Y	Y
Steenbok Newco 5 Ltd (Jersey)	JEY	127924	100%	3rd Floor, 44 Esplanade, St Helier, JE4 9WG	Y	Y
Steenbok Lux Finco 2 SARL (LUX)	LUX	B 230 871	100%	56 rue Charles Martel, 230883	Y	Y
Ibex Retail Investments Limited (previously Steenbok Newco 6A Ltd (Jersey))	JEY	127930	100%	3rd Floor, 44 Esplanade, St Helier, JE4 9WG	Y	Y
Ibex Retail Investments (Europe) Limited (previously Pepco Holdco Limited)	GBR	12899084	100%	4th Floor Pall Mall Works, 17 – 19 Cockspur Street, London, SW1Y 5BL	Y	Y
Flow Newco Limited (to be struck off)	GBR	12638560	100%	Suite 1, London, SW1Y 4LB	Y	Y
Steenbok Newco 7 Ltd (UK)	GBR	11729104	100%	Pall Mall Works, 17 – 19 Cockspur Street, London, SW1Y 5BL	Y	Y
Steinhoff UK Holdings Ltd.	GBR	03738136	100%	Pall Mall Works, 17 – 19 Cockspur Street, London, SW1Y 5BL	Y	Y
Homestyle Pension Company Ltd (previously Homestyle 2007 Scheme Pension Company Ltd)	GBR	12035045	100%	Pall Mall Works, 17 – 19 Cockspur Street, London, SW1Y 5BL	Y	Y
Homestyle 2007 Pension Scheme Trustee Ltd.	GBR	06364468	100%	Pall Mall Works, 17 – 19 Cockspur Street, London, SW1Y 5BL	Y	Y
Steenbok Newco 8 Ltd (UK)	GBR	11729128	100%	Pall Mall Works, 17 – 19 Cockspur Street, London, SW1Y 5BL	Y	Y
Steinhoff Holding Beta GmbH	AUT	FN 360096d	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
AIH Investment Holding AG	AUT	FN 360230 a	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
Laguna Holdings B.V.	NLD	KvK 52198588	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y
Laguna Investments Beta B.V.	NLD	KvK 52199258	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y
Laguna Investments Alpha B.V.	NLD	KvK 52199061	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y
Conforama Investissement SNC	FRA	RCS 530 636 695	100%	80 Boulevard du Mandinet, Lognes 77432 Marne la Vallee Cedex 2	Y	Y
Conforama Developpement SASU	FRA	RCS 530 637 149	100%	80 Boulevard du Mandinet, Lognes 77432 Marne la Vallee Cedex 2	Y	Y
Maison Depot SASU	FRA	RCS 823 272 752	100%	80 Boulevard du Mandinet, Lognes 77432 Marne la Vallee Cedex 2	Y	Y
Conforama Holding SA	FRA	RCS 582 014 445	100%	80 Boulevard du Mandinet, Lognes 77432 Marne la Vallee Cedex 2	Y	Y
Conforama Developpement 18 SASU	FRA	RCS 842 434 821	100%	80 Boulevard du Mandinet, Lognes 77432 Marne la Vallee Cedex 2	Y	Y
Conforama Developpement 15 SASU	FRA	RCS 830 937 389	100%	80 Boulevard du Mandinet, Lognes 77432 Marne la Vallee Cedex 2	Y	Y

This list forms part of the notes to the 2021 Separate Financial Statements and has been referenced therein.

Entity Name	Incorp.	Reg. No.	Shareholding	Principal place of Business	FY2020	FY2021
SNC Baptiste	FRA	RCS 837 559 525	100%	80 Boulevard du Mandinet, Lognes 77432 Marne la Vallee Cedex 2	Y	Y
Alpha I Beta Omega SNC	FRA	RCS 750 366 213	100%	80 Boulevard du Mandinet, Lognes 77432 Marne la Vallee Cedex 2	Y	Y
SCI Manda	FRA	RCS 791 955 396	100%	80 Boulevard du Mandinet, Lognes 77432 Marne la Vallee Cedex 2	Y	Y
Adour Expansion (ADEX) SA	FRA	RCS 384 699 864	100%	80 Boulevard du Mandinet, Lognes 77432 Marne la Vallee Cedex 2	Y	Y
Steinhoff International Sourcing and Logistics SASU	FRA	RCS 518 495 619	99.99%	80 Boulevard du Mandinet, Lognes 77432 Marne la Vallee Cedex 2	Y	Y
Immoconfo 2 SA	PRT	NIF 513596275	100%	Cascais Shopping – E.N. 9, Freguesia de Alcabideche, Concelho de Cascais, Distrito de Lisboa, 2645 543 Alcabideche	Y	Y
Immoconfo 1 SA	PRT	NIF 513596259	100%	Cascais Shopping – E.N. 9, Freguesia de Alcabideche, Concelho de Cascais, Distrito de Lisboa, 2645 543 Alcabideche	Y	Y
Conforama Luxemburg SA	LUX	RCS B48369	100%	1 Rue Jean Piret, L-2350	Y	Y
Conforama Espana SA	ESP	CIF A-79103222	100%	Av Baix Llobregat, 1-3 Modulo B. Polg. Blau, El Prat de Llobregat	Y	Y
Realinvest Conforama SL	ESP	CIF B-64762354	100%	Centro Comercial la Laguna, Autopsita Santa Cruz la Laguna – 38205, Santa Cruz de Tenerife	Y	Y
Conforama Portugal SA	PRT	NIPC 500625980	100%	Cascais Shopping – E.N. 9, Freguesia de Alcabideche, Concelho de Cascais, Distrito de Lisboa, 2645 543 Alcabideche	Y	Y
Conforama Italy SpA	ITA	REA 1646414	100%	Viale Alcide de gasperi 2, 20151 Milano	Y	Y
Emmezeta Moda Srl	ITA	REA 7776860	100%	Viale Alcide de gasperi 2, 20151 Milano	Y	Y
Conforama Developpement 6 SASU	FRA	RCS 814 646 550	100%	80 Boulevard du Mandinet, Lognes 77432 Marne la Vallee Cedex 2	Y	Y
SICA International Services SARL (in process of liquidation)	CHE	CHE-429.218.390	50%	C/O Interexperts SA, Quai du Seujet 30, 1201 Geneve	Y	Y
LIPO Beteiligungen AG	CHE	CH-270.3.001.910-6	100%	Eichenstrasse 6, 8808 Pfäffikon	Y	Y
LIPO Service AG	CHE	CH-320.3.007.687-9	100%	Eichenstrasse 6, 8808 Pfäffikon	Y	Y
LIPO Einrichtungsmärkte AG	CHE	CH-270.3.001.072-7	100%	Rütiweg 7, 4133 Pratteln	Y	Y
Pepco Group N.V. (previously Albion Newco B.V.)	NLD	CCI 81928491	78.88%	Unit B, 120 Weston Street, London, SE1 4GS	N	Y
Pepco Group Limited (previously Pepkor Europe Ltd)	GBR	09127609	100%	Unit B, 120 Weston Street, London, SE1 4GS	Y	Y
PEU (Fin) Ltd	GBR	11808114	100%	Unit B, 120 Weston Street, London, SE1 4GS	Y	Y
PEU (Tre) Ltd	GBR	11808312	100%	Unit B, 120 Weston Street, London, SE1 4GS	Y	Y
Fully Sun China Ltd	HKG	CR 1075298	100%	19/F, Seaview Commercial Building, 21-24 Connaught Road West	Y	Y
Pepkor GPS (Shanghai) Co Ltd.	CHN	310104000350743	100%	8th Floor, H Zone (East), 666 Beijing East Road, Huangpu District, Shanghai	Y	Y
PGS Partner India (Private) Ltd	IND	U74999HR2018FTC073537	100%	Unit No-128, Suncity Success Tower Sector-65, Golf Course Extn Road, Gurugram, Gurgaon, HR 122005	Y	Y
Dealz Poland Sp. z o.o.	POL	KRS 0000692949	100%	Budynek Biurowy OMEGA, ul. J.H. Dabrowskiego 79A p.4, Poznan, 60-529	Y	Y
Dealz Espana SL	ESP	B86867512	100%	C/Bravo Murillo 192, Madrid	Y	Y
Poundland UK and Europe Ltd.	GBR	09127615	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Stores Ltd.	GBR	02376949	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Group Ltd.	GBR	08861243	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Group Holdings Ltd.	GBR	07036164	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Holdings Ltd.	GBR	04386329	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Trustee Ltd.	GBR	05018557	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
M&O Business Systems Ltd.	GBR	01317353	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Homes & More Ltd.	GBR	03501298	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Family Bargains (Retail) Ltd.	GBR	07248690	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Dealz Retailing Ireland Ltd.	GBR	541977	100%	Unit 3 Westend Retail Park, Blanchardstown, Dublin 15	Y	Y
Bargain Ltd.	GBR	03856013	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y

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Entity Name	Incorp.	Reg. No.	Shareholding	Principal place of Business	FY2020	FY2021
Sheptonview Ltd.	GBR	01721545	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Value Retailing Ltd.	GBR	07115506	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Retail Ltd.	GBR	07115540	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Willenhall Ltd.	GBR	04386315	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Ltd.	GBR	02495645	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Elgin Limited	GBR	12111238	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Pepkor UK Retail Ltd.	GBR	09288913	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Pepkor Europe Ltd (previously GHM Stores Ltd)	GBR	09015100	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Viewtone Trading Group Limited	GBR	07398652	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	N	Y
Viewtone Limited	GBR	03271182	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	N	Y
Frozen Value Limited	GBR	01003192	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	N	Y
Jack Fulton Limited	GBR	02317009	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	N	Y
Viewtone Trustees Limited	GBR	04560070	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	N	Y
Minaldi Limited	GBR	09151610	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	N	Y
Poundland International Ltd.	GBR	03484379	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Vaucluse Diffusion SASU	FRA	RCS 306 487 075	100%	19 Rue du Musee, 13001 Marseille	Y	Y
Pepkor Import B.V.	NLD	KvK 61649112	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y
Pepkor France SASU	FRA	RCS 805 402 104	100%	1 Place Boieldieu, Paris, 75002	Y	Y
Pepkor Europe GmbH	CHE	CH-194.732.602	100%	c/o Kanzlei Pilatushof, Hirschmattstrasse 15, 6003 Luzern	Y	Y
Pepco, trogvina na drono, d.o.o. (Pepco Slovenia d.o.o.)	SVN	7176457000	100%	Trzaska cesta 515, Brezovica pri Ljubljani, 1351	Y	Y
Pepco d.o.o. Beograd-Novi Beograd (previously Pepco d.o.o. (Beograd-Stari Grad, SRB))	SRB	21457345	100%	Bulevar Mihaila Pupina 10L, 11070 Novi Beograd	Y	Y
Pepco Slovakia s.r.o.	SVK	84895/B	100%	Nevadzova 6, Ruzinov, Bratislava, 821 01	Y	Y
Pepco Retail s.a.	ROU	J40/4655/2013	100%	3rd Floor, District 1, 17 Ceasornicului Street, Bucharest	Y	Y
Pepco Lithuania UAB	LTU	304488450	100%	Virsuliskiu skg. 34-1, Vilniaus, 05131	Y	Y
Pepco Latvia SIA	LVA	40203062113	100%	Strelnieku iela 9-7, Riga, LV-1010	Y	Y
Pepco Hungary Kft (previously Pepkor Hungary Kft)	HUN	Cg. 01-09-192750	100%	Vaci ut 187, H-1138 Budapest	Y	Y
Pepco Estonia OÜ	EST	14249111	100%	Sopruse Pst 145, Kristiine District , Tallinn, 13417	Y	Y
Pepco Czech Republic s.r.o.	CZE	IfåO 24294420	100%	Prague 4 – Nusle, Hvezdova 1716/2b, PSC 14078	Y	Y
Pepco Croatia d.o.o.	HRV	MBS 081038164	100%	Zagreb (Grad Zagreb), Damira Tomljanovica Gavrana 11	Y	Y
Pepco Bulgaria EOOD	BGR	205119149	100%	Fl. 4 Building BSR 2, Nikola Tesla No.5 Str., Sofia 1574	Y	Y
Pepco Retail Espana S.L. (previously Pepkor Retail Espana S.L.)	ESP	B66809526	100%	Avda. Baix Llobregat, 1-3 Modulo A, Planta Baja Par No., Esc. P, El Prat de Llobregat	Y	Y
Pepco Holdings sp. Z.o.o. (PL)	POL	791461	100%	ul. Strzeszynska 73A, 60-479 Poznan	Y	Y
Pepco Germany GmbH	DEU	HRB 224064 B	100%	Markgrafenstr. 33, Berlin, 10117	N	Y
Pepco Espana SL	ESP	B01963644	100%	Number 58, 5th Floor, Avenida Cortes Valencianas, 46015 Valencia	N	Y
Pepco Austria GmbH	AUT	FN 534293 a	100%	Porzellangasse 51, 1090 Vienna	N	Y
Pepco Properties sp. z o.o. (previously Pepkor Properties sp. z o.o.)	POL	KRS 0000356422	100%	ul. Strzeszynska 73A, 60-479 Poznan	Y	Y
Pepco Poland sp. z o.o.	POL	KRS 0000111962	100%	ul. Strzeszynska 73A, 60-479 Poznan	Y	Y
Konopacka Holdings B.V.	NLD	853214219	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y
Evarts Investments sp. z o.o.	POL	KRS 0000471011	100%	ul. Strzeszynska 73B lok. 5, 60-479 Poznan	Y	Y
Cardina Investments sp. z o.o.	POL	KRS 0000424893	100%	ul. Strzeszynska 73B lok. 4, 60-479 Poznan	Y	Y
Pepco Ingatlan Kft (previously Pepkor Ingatlan Kft)	HUN	Cg. 01-09-300734	100%	Vaci ut 187, H-1138 Budapest	Y	Y
Rawska Holdings B.V.	NLD	853214153	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y

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Entity Name	Incorp.	Reg. No.	Shareholding	Principal place of Business	FY2020	FY2021
Pepco Italy S.r.l.	ITA	10941920968	100%	Via Michelangelo Buonarroti 39, 20145 Milano	Y	Y
Pepco Group Services Ltd (previously Pepkor Marketing Ltd)	GBR	10972213	100%	Unit B, Weston Street, London, SE1 4GS	Y	Y
European Furniture New Holdco Limited	GBR	12899076	100%	4th Floor Pall Mall Works, 17 – 19 Cockspur Street, London, SW1Y 5BL	Y	Y
APAC Holdco Limited	GBR	12899054	100%	4th Floor Pall Mall Works, 17-19 Cockspur Street, London, SW1Y 5BL	Y	Y
Greenlit Brands Pty Ltd. (formerly Steinhoff Asia Pacific Group Holdings Pty Ltd.)	AUS	612 890 874 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Greenlit Brands Household Goods Pty Ltd (previously Steinhoff Asia Pacific Holding Pty Ltd)	AUS	105 828 957 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Greenlit Brands Corporate Solutions Pty Ltd	AUS	108395651 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
GLB Household Good IP Company Pty Ltd (previously Asteria Australia Pty Ltd)	AUS	080461338 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
G&G Furniture Imports Pty Ltd	AUS	092 130 688 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Futuresleep Pty Ltd (previously Steinhoff Bedding Australia Pty Ltd)	AUS	602775959 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Freedom Furniture Australia Pty Ltd (previously Steinhoff Asia Pacific Pty Ltd)	AUS	051 493 764 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Unitrans Asia Pacific Pty Ltd	AUS	096 249 393 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Freedom Furniture New Zealand Ltd	NZL	1334871	100%	18-26 Amelia Earhart Avenue, Mangere, Auckland, 2022	Y	Y
Fantastic Holdings Pty Limited (previously Fantastic Holdings Limited)	AUS	004 000 075 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Fantastic Holdings Performance Hurdle Employee Share Trust	AUS		100%	n/a	Y	Y
Fantastic Furniture Share Plan Pty Limited	AUS	094 240 874 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Fantastic Dandenong Property Trust	AUS	ABN 15 782 170 944	100%	n/a	Y	Y
White Label Investments Pty Ltd	AUS	129 690 160 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
White Label Innovations Pty Ltd	AUS	129 691 443 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
State Marketing and Innovation Corporation Pty Ltd	AUS	129 691 158 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Royal Comfort Bedding Pty Ltd	AUS	120 315 068 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Plush – Think Sofas Pty Limited	AUS	080 012 595 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Original Mattress Factory Pty Limited	AUS	116 339 470 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Fantastic Property Pty Limited	AUS	109 359 122 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Fantastic Metal Furniture Manufacturers Pty Limited	AUS	080 586 983 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Fantastic Manufacturing Vietnam Company Ltd (previously Cong Ty Tnhh Fantastic Manufacturing (VN)) (in process of deregistration)	VNM	502043000224	100%	Cantavil Hoan Cau Apartment, Room 503, 600A Dien Bien Phu Street, Ward 22, Binh Thanh District, Ho Chi Minh City	Y	Y
Bravoscar Wholesaling Pty Ltd	AUS	108395633 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Bossanenja Pty Ltd	AUS	060569593 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Big Brand Outlet Pty Ltd	AUS	104 924 129 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Bayswiss Pty Ltd	AUS	086409869 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Swiss Delicatessen & Restaurant Pty Ltd	AUS	003323117 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Swiss Deli Retail Pty Ltd	AUS	075854572 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Reconquista Pty Ltd	AUS	064817223 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Beyond the Square Promotions Pty Ltd	AUS	070951343 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Bayteak Pty Ltd	AUS	068270575 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Bay Leather Republic Pty Ltd	AUS	099 553 036 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y

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Entity Name	Incorp.	Reg. No.	Shareholding	Principal place of Business	FY2020	FY2021
Aigls Pty Ltd	AUS	079371654 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
A.C.N. 115 732 315 Pty Ltd (previously Freedom Furniture Australia Pty Ltd)	AUS	115 732 315 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Steinhoff Pacific Pty Ltd	AUS	097 115 369 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Steinhoff Australia Pty Ltd	AUS	080 752 807	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Prosequi Pty Ltd	AUS	055371625 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Freedom Unit Trust	AUS	59620954087 (ABN)	100%	n/a	Y	Y
Panda Sofa Pty Ltd	AUS	081 479 656 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Lonaka Manufacturing Pty Ltd	AUS	051752124 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Freedom Properties Holding Ltd	AUS	103605474 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Moore Park Bedding Pty Ltd	AUS	103605456 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Freedom Property WA No.2 Pty Ltd	AUS	103605349 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Freedom Home & Cafe Pty Ltd	AUS	124 661 409 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Freedom Brands Pty Ltd	AUS	105100525 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Freedom Bedroom Pty Ltd	AUS	055781069 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
F.G.L. Property Tee Pty Ltd	AUS	111 023 299 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Bravoscar Finance Company Pty Ltd	AUS	107 085 325 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Unitrans Unit Trust	AUS		100%	n/a	Y	Y
Unitrans Property Pty Ltd	AUS	611000321 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Steinhoff Commercial Holdings Pty Ltd	AUS	108481821 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Snooze Sleep Well Pty Ltd	AUS	006 298 755 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Snooze Management Pty Ltd	AUS	006 232 720 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
POCO Australia Pty Ltd	AUS	109 214 495 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
FF HoldCo Pty Ltd (previously The Package Deal Kings Pty Ltd)	AUS	085825912 (ACN)	100%	62 Hume Highway, Chullora, New South Wales, 2190	Y	Y
FF Brands Pty Ltd (previously Fantastic Furniture (Licensing) Pty Limited)	AUS	074 780 555 (ACN)	100%	62 Hume Highway, Chullora, New South Wales, 2190	Y	Y
Fantastic Manufacturing Pty Ltd (previously Best Buy Furniture Pty Limited)	AUS	158 159 230 (ACN)	100%	62 Hume Highway, Chullora, New South Wales, 2190	Y	Y
Fantastic Furniture Pty Limited	AUS	003 688 855 (ACN)	100%	62 Hume Highway, Chullora, New South Wales, 2190	Y	Y
Fantastic Furniture Limited	NZL	1015180	100%	Freedom Furniture NZ, 18-26 Amelia Earhart Avenue, Mangere, Auckland, 2022	Y	Y
Fantastic Furniture – The Package Deal Kings Limited	NZL	1015185	100%	Freedom Furniture NZ, 18-26 Amelia Earhart Avenue, Mangere, Auckland, 2022	Y	Y
FHL Distribution Centre Pty Limited	AUS	114 853 315 (ACN)	100%	62 Hume Highway, Chullora, New South Wales, 2190	Y	Y
Steenbok Newco 6 Ltd (UK)	GBR	11728916	100%	Pall Mall Works, 17 – 19 Cockspur Street, London, SW1Y 5BL	Y	Y
Norfolk Reinsurance Company Ltd	BMU	26416	100%	19 Hidden Cove, Smiths, HS01	Y	Y
Lidstone Investments SA	BEL	BE.0477.506.650	100%	Avenue Jules Bordet 160, 1140 Brussels (Evere)	Y	Y
LiVest Management GmbH & Co. KG	DEU	HR A 3438	100%	Zum Stadtpark 2, Westerstede, 26655	Y	Y
LiVest GmbH	DEU	HR B 5991	99.99%	Zum Stadtpark 2, Westerstede, 26655	Y	Y
LiVest Management Verwaltungs GmbH	DEU	HR B 6479	100%	Zum Stadtpark 2, Westerstede, 26655	Y	Y
Genesis Investment Holding GmbH	AUT	FN 392734 a	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
Genesis Branding Holding AG	AUT	FN 381078 i	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
Steinhoff Global Investments GmbH	AUT	FN 359664 v	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
Steinhoff Retail GmbH	AUT	FN 328490 z	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
White Rock Insurance (Gibraltar) PCC Ltd.	GIB	83887	100%	Suite 913 Europort, 1st Floor , GX11 1AA	Y	Y
Steinhoff Möbel Holding GmbH	AUT	FN 216023 g	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
Pat Cornick International B.V.	NLD	KvK 33238663	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y

OTHER INFORMATION // Statutory list of all subsidiaries and affiliated companies as at 30 September 2021 continued

This list forms part of the notes to the 2021 Separate Financial Statements and has been referenced therein.

Entity Name	Incorp.	Reg. No.	Shareholding	Principal place of Business	FY2020	FY2021
Global Warehouse and Logistics AG	CHE	CH-170.3.039.166-1	100%	Fabrikstrasse 18, 4552 Derendingen	Y	Y
Westersteder ST GmbH (previously Bruno Steinhoff Trading GmbH)	DEU	HR B 120856	100%	Zum Stadtpark 2, Westerstede, 26655	Y	Y
Steinhoff Schweiz AG	CHE	CH-170.3.026.394-1	100%	c/o Swiss Reliance AG, Zugerstrasse 76B, 6340 Baar	Y	Y
Steinhoff International Sourcing and Logistics Poland Sp. z o.o.	POL	KRS 0000163475	100%	Ul. Poleczki 23H, 02-822 Warszawa	Y	Y
Steinhoff International Sourcing and Trading Ltd.	HKG	CR 2461089	100%	19/F, Seaview Commercial Building, 21-24 Connaught Road West	Y	Y
Blue Rock Sourcing Solution Limited (previously Steinhoff International Sourcing Ltd)	HKG	CR 0644662	100%	19/F, Seaview Commercial Building, 21-24 Connaught Road West	Y	Y
Blue Rock Sourcing Solution India Private Limited (previously Steinhoff International Sourcing India Private Limited)	IND	U74999HR2019FTC081761	100%	Suncity Success Tower, Unit No.124, 1st Floor, Golf Course Extension Road, Sector 65, Gurgaon, 122005, Haryana	Y	Y
Steinhoff International Sourcing (Shenzhen) Ltd.	CHN	440301503446654	100%	3/F Tower 2,Shenzhen Beihang Mansion, No.53, Gaoxin South 9th Road, Nanshan District, Shenzhen	Y	Y
Steinhoff International Sourcing (Shanghai) Ltd.	CHN	91310000MA1GBH5W31	100%	Room 710,Block T1,Venke Zone One, No 168 Tai Hong Road, Minhang District, Shanghai,P.R	Y	Y
Blue Rock Sourcing Solutions Limited – Vietnam RO (previously Steinhoff International Sourcing Limited – Vietnam RO)	VNM	79-02944-01	100%	5A Tong Huu Dinh Street, Thao Dien Ward, Dist. 2, Ho Chi Minh City	Y	Y
Blue Rock Sourcing Solutions Limited – Pakistan LO (previously Steinhoff International Sourcing Limited – Pakistan RO)	PAK	0073941	100%	Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrah-e-Faisal, Karachi	Y	Y
Steinhoff Europe AG (Switzerland)	CHE	CH-130.0.009.701-2	100%	c/o Swiss Reliance AG, Zugerstrasse 76B, 6340 Baar	Y	Y
Retail Interests Ltd (in liquidation)	GBR	00054380	100%	Pall Mall Works, 17 – 19 Cockspur Street, London, SW1Y 5BL	Y	Y
JWC (Int) Ltd (in liquidation)	GBR	05468786	100%	Pall Mall Works, 17 – 19 Cockspur Street, London, SW1Y 5BL	Y	Y
Steenbok Newco 9 Ltd (UK)	GBR	11729105	100%	Pall Mall Works, 17 – 19 Cockspur Street, London, SW1Y 5BL	Y	Y
Mattress Firm Group Inc. (previously Stripes US Holding, Inc.)	USA	6114835	50.1%	10201 S Main Street, Houston, TX 77025	Y	Y
Mattress Firm Holding Corp.	USA	4280344	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Mattress Holdco, Inc.	USA	4277595	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Mattress Holding Corp.	USA	3580672	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Mattress Firm, Inc.	USA	3577556	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Mattress Firm – Arizona, LLC	USA	L-1077824-3	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Maggies Enterprises, LLC	USA	S354948-4	100%	10201 S Main Street, Houston, TX 77025	Y	Y
HMK Mattress Holdings, LLC	USA	5106196	100%	10201 S Main Street, Houston, TX 77025	Y	Y
HMK Intermediate Holdings, LLC	USA	5111362	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Dial Operations, LLC	USA	4840559	100%	10201 S Main Street, Houston, TX 77025	Y	Y
1800mattress.com, LLC	USA	3777268	100%	10201 S Main Street, Houston, TX 77025	Y	Y
1800mattress.com IP, LLC	USA	3777266	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Acker Realty Holdings, LLC	USA	2594196	100%	10201 S Main Street, Houston, TX 77025	Y	Y
669 Sunrise Realty, LLC	USA	2341422	100%	10201 S Main Street, Houston, TX 77025	Y	Y
45 South York Associates, LLC	USA	2785428	100%	10201 S Main Street, Houston, TX 77025	Y	Y
1520 Sunrise Highway, LLC	USA	2441495	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Whitehall Management Partners, LLC	USA	2959805	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Viewmont Drive Realty, LLC	USA	605162	100%	10201 S Main Street, Houston, TX 77025	Y	Y
South Oyster Bay Realty, LLC	USA	3389116	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Scranton Avenue Associates, LLC	USA	3434068	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Route 352 Management Partners, LLC	USA	569704	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Robbinsville 7A Warehouse Group, LLC	USA	0600160138	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Maple Shade Partners, LLC	USA	0600086359	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Hazlet Partners, LLC	USA	0600106166	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Craftsman Realty, LLC	USA	0766481	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Bethlehem Pike Realty, LLC	USA	3076997	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Aramingo Avenue Associates, LLC	USA	2785430	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Sleepys, LLC	USA	4327760	100%	10201 S Main Street, Houston, TX 77025	Y	Y
SINT, LLC	USA	4327737	100%	10201 S Main Street, Houston, TX 77025	Y	Y
MD Acquisition, LLC	USA	5237507	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Mattress Discounters Operations, LLC	USA	5241000	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Mattress Discounters IP, LLC	USA	5239543	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Mattress Discounters Group, LLC	USA	S2754036	100%	10201 S Main Street, Houston, TX 77025	Y	Y

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Entity Name	Incorp.	Reg. No.	Shareholding	Principal place of Business	FY2020	FY2021
Custom Fundraising Solutions, LLC	USA	1769508	100%	10201 S Main Street, Houston, TX 77025	Y	Y
American Internet Sales, LLC	USA	5319077	100%	10201 S Main Street, Houston, TX 77025	Y	Y
The Sleep Train, Inc.	USA	C1277162	100%	10201 S Main Street, Houston, TX 77025	Y	Y
ST San Diego, LLC	USA	200136210056	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Sleep Country USA, LLC	USA	1785936	100%	10201 S Main Street, Houston, TX 77025	Y	Y
The Mattress Venture, LLC	USA	800930049	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Mattress Giant Corporation	USA	122977500	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Steenbok Lux Finco 1 SARL (LUX)	LUX	B 230 883	100%	56 rue Charles Martel, 230883	Y	Y
Steinhoff Finance Holding GmbH	AUT	FN 345159m	100%	Rennweg 77, 2345 Brunn am Gebirge	Y	Y
Hemisphere International Properties B.V.	NLD	KvK 17228592	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y
HIP DutchCo 1 B.V.	NLD	74299611	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y
HIP DutchCo 2 B.V.	NLD	74299484	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y
Genesis Properties Investment GmbH	AUT	FN 265906 p	100%	Rennweg 77, 2345 Brunn am Gebirge	Y	Y
Standard Properties Sp. z o.o.	POL	KRS 0000011112	100%	Ruska 37/38, 50-079 Wroclaw	Y	Y
Nova Properties Kft.	HUN	Cg. 20-09-068522	100%	8800 Nagykanizsa, Szemere utca 4	Y	Y
MIVG Upravljanjenekretninama d.o.o.	HRV	MBS 080769092	100%	Velimira Skorpika 25, Zagreb	Y	Y
Kika Upravljanjenekretninama d.o.o.	HRV	MBS 030098550	100%	Velimira Skorpika 25, Zagreb	Y	Y
Kappa Immobilien Investment GmbH	DEU	HR B 120873	100%	Zum Stadtpark 2, Westerstede, 26655	Y	Y
Gamma Enterprises GmbH	DEU	HR B 200922	100%	Zum Stadtpark 2, Westerstede, 26655	Y	Y
Hemisphere Zagreb Properties d.o.o.	HRV	080170626	100%	Velimira Skorpika 25, Zagreb	Y	Y
Alvaglen Estates Ltd (in liquidation)	BHS	IBC 84615 B	100%	West Bay Street & Blake Road 3, Bayside Executive Park, Nassua	Y	Y
Steinhoff Properties AG	CHE	CH-170.3.038.665-0	100%	Sihlbruggstrasse 105, Baar, CH-6340	Y	Y
Standard France SARL	FRA	RCS 821 510 427	100%	80 Boulevard du Mandinet, 77432 Marne La Vallee Cedex 02	Y	Y
Relyon Holland B.V.	NLD	KvK 16081779	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y
Steinhoff Investment Holdings Limited	ZAF	1954/001893/06	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Taycol Investments Proprietary Limited	ZAF	1973/007137/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Steinhoff International Holdings Proprietary Limited	ZAF	1998/003951/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Steinhoff Africa Holdings Proprietary Limited	ZAF	1969/015042/07	100%	Building B2, Vineyard Office Park, Cnr Devon Valley and Adam Tas Roads, Devon Park, Stellenbosch, 7600	Y	Y
Phahamiso Trading and Investments Proprietary Limited	ZAF	2010/003510/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Newshelf 1093 Proprietary Limited	ZAF	2010/018630/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Mons Bella Private Partner Investments Proprietary Limited	ZAF	2015/363987/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Loungefoam Proprietary Limited (Dormant)	ZAF	1996/001546/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Boundary Terraces No 012 (RF) (Pty) Limited	ZAF	2017/227519/07	70%	7th Floor Letterstedt House, Cnr Main and Campground Roads, Newlands, 7700	Y	Y
Ainsley Holdings Proprietary Limited	ZAF	1964/010191/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Pepkor Holdings Limited (previously Steinhoff Africa Retail Limited)	ZAF	2017/221869/06	58.3%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pepkor Holdco Proprietary Limited (previously Pepkor Holdings Proprietary Limited)	ZAF	2003/020009/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pepkor Capital (RF) Proprietary Limited	ZAF	2017/515996/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pepkor Proprietary Limited	ZAF	1965/007765/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pepkor IP Proprietary Limited (in process of deregistration)	ZAF	2004/014533/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pep Proprietary Limited	ZAF	1945/018945/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Ultimo Holdings Proprietary Limited	ZAF	1980/000294/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pep Beleggings Proprietary Limited (Pep Investments)	ZAF	1969/004549/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pep Angola Wholesale Limitada	AGO	3.656/2010	100%	Angola	Y	Y
Pep Angola Retail Limitada	AGO	3.667/2010	100%	Angola	Y	Y
Harties Stores Botswana Proprietary Limited	BWA	1988/892	100%	Botswana	Y	Y
At the Ready Wholesalers Limited (Zambia)	ZMB	48312/01	100%	Zambia	Y	Y
Translink Services S.a.r.l (Luxemburg) (in voluntary liquidation)	LUX	B92931	100%	Luxembourg	Y	Y
Tendril S.a.r.l. (Luxemburg)	LUX	B149493	100%	Luxembourg	Y	Y
Pep Africa Limited (Malawi)	MWI	4717	100%	Malawi	Y	Y
Pepkor Sourcing (Shanghai) Co. Ltd	CHN		100%	China	N	Y

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Pepkor Africa Proprietary Limited	ZAF	1983/010915/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pep Vervaardiging Proprietary Limited	ZAF	1985/005679/07	100%	Radnor Road, Parow Industria, 6270	Y	Y
Printkor Proprietary Limited	ZAF	1974/003641/07	100%	Radnor Road, Parow Industria, 7493	Y	Y
Pepclo Proprietary Limited	ZAF	1953/001317/07	100%	Radnor Road, Parow Industria, 7500	Y	Y
Mfumu Clothing Proprietary Limited Malawi	MWI		100%	Malawi	Y	Y
Pep Stores Zambia Limited	ZMB	31470	100%	Zambia	Y	Y
Pep Stores Uganda Limited	UGA	206990	100%	Uganda	Y	Y
Pep Stores Proprietary Limited (Lesotho)	LSO	72/15	100%	Lesotho	Y	Y
Pep Stores Proprietary Limited (Swaziland)	SWZ	77/72	100%	Swaziland	Y	Y
Pep Stores Proprietary Limited (Nigeria)	NGA	969937	100%	Nigeria	Y	Y
Pep Retail Proprietary Limited	ZAF	1984/002042/07	100%	Radnor Road, Parow Industria, 6270	Y	Y
Pep Stores Peninsula Holdings Proprietary Limited	ZAF	1973/012536/07	100%	Radnor Road, Parow Industria, 6270	Y	Y
Pepprop Mitchells Plain Proprietary Limited	ZAF	1985/000662/07	100%	Radnor Road, Parow Industria, 6270	Y	Y
Pep Stores (Pvt) Ltd Zimbabwe	ZWE	93/72	100%	Zimbabwe	Y	Y
Pep SA Limited	ZAF	1972/010710/06	100%	6th Floor Alris Building, 3 Rissik Street, Johannesburg, 2198	Y	Y
Pep Mozambique Limitada	MOZ	7205	100%	Mozambique	Y	Y
Pep Botswana Holdings Limited	BWA	1151/72	100%	Botswana	Y	Y
Odvest 155 Proprietary Limited	ZAF	2011/001544/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
N Jacobs and Company (Pty) Ltd t/a Pepkor Installations	ZAF		100%	South Africa	Y	Y
Manrotrade Four Proprietary Limited (in process of deregistration)	ZAF	2001/004514/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
John Craig Proprietary Limited	ZAF	1950/036084/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
John Craig Namibia Proprietary Limited (dormant)	NAM	2011/0678/07	100%	Namibia	Y	Y
Metrotoy Proprietary Limited	ZAF	1924/008058/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Jofander Proprietary Limited	ZAF	1984/002078/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Capfin Proprietary Limited	ZAF	1980/005783/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Zamori 339 Proprietary Limited	ZAF	2010/002397/07	50%	323 Lynnwood Road, Menlo Park, 0081	Y	Y
Africa Retail Properties Limited	ZMB		100%	Zambia	Y	Y
Formatix Ten Proprietary Limited (in process of deregistration)	ZAF	2001/021137/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Flat Rock Mobility Solutions Proprietary Limited	ZAF	2008/026096/07	15%	101 Rubicor House, 17 Old Stanhope Road, Claremont, 7708	Y	Y
Flash Mobile Vending Proprietary Limited	ZAF	2010/000777/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Eezi Global Limited (previously Sapphire 117 Ltd)	GBR	09000588	100%	United Kingdom	Y	Y
Eezi Czechia	CZE		100%	Czechia	N	Y
1Voucher Limited	GBR	12505099	100%	Unit B, 120 Weston Street, London, SE1 4GS	Y	Y
Sedloc LLC	USA		100%	United States of America	N	Y
Jump Topup Limited	GBR	12860643	100%	Unit B, 120 Weston Street, London, SE1 4GS	N	Y
Eezi Limited	GBR	13188577	100%	Unit B, 120 Weston Street, London, SE1 4GS	N	Y
Go 121 Proprietary Limited	ZAF	2019/552514/07	26%	78 Rooiberg Street, Willow Park Manor, 0184	N	Y
Flash IP Proprietary Limited	ZAF	2010/001879/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Capfin SA Proprietary Limited (previously Southern View Finance SA Proprietary Limited)	ZAF	2011/126985/07	100%	1 Industrie Street, Kuils River, 7580	Y	Y
Ackermans Proprietary Limited	ZAF	1921/002170/07	100%	Production Street, Kuils River, 7580	Y	Y
Ackermans Namibia Proprietary Limited	ZAF	90/393	100%	South Africa	Y	Y
Ackermans Lesotho Proprietary Limited	ZAF	88/229	100%	South Africa	Y	Y
Ackermans Botswana Proprietary Limited	ZAF	95/1379	100%	South Africa	Y	Y
Ackermans Bophuthatswana Proprietary Limited	ZAF	1991/070355/07	100%	Kelgor House, 14 Tillard Street, Mahikeng, 2745	Y	Y
ACKERX (Pty) Ltd (previously Ackermans Transvaal Proprietary Limited)	ZAF	1926/008492/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Tots n Teens Clothing Proprietary Limited	ZAF	1981/003196/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Refinery Stores (Namibia) Proprietary Limited	NAM	2010/0416/07	100%	Namibia	Y	Y
K Fashion Group Proprietary Limited (Previously Justcor Fashion Group (Pty) Ltd) (in process of deregistration)	ZAF	2006/015570/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Ackermans Zambia Proprietary Limited	ZMB		100%	Zambia	Y	Y
Ackermans Transkei Proprietary Limited	ZAF	1990/060196/07	100%	Production Street, Kuils River, 7580	Y	Y
Ackermans Swaziland Proprietary Limited	SWZ	32/1972	100%	Swaziland	Y	Y
Van As and Associates Recoveries Proprietary Limited (dormant)	ZAF	2014/074508/07	100%	1 Industrie Street, Kuils River, 7580	Y	Y
Ultimo Properties Proprietary Limited	ZAF	1960/003498/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y

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Sim Dynamix Proprietary Limited	ZAF	2011/008149/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Sim Dynamix IP Proprietary Limited	ZAF	2012/025212/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
S Ya Phanda (Pty) Ltd	ZAF	2019/431627/07	46%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Maplewave Holdings (Pty) Ltd	ZAF	2013/155357/07	76.5%	12 Platinum Drive Longmeadow Business Estate, Hereford Road, Modderfontein, 1645	Y	Y
Bradian Logistics (Pty) Ltd	ZAF	1999/009646/07	100%	12 Platinum Drive Longmeadow Business Estate, Hereford Road, Modderfontein, 1645	Y	Y
S Ya Phanda Trading (Pty) Ltd (previously Ackermans Management Services (Pty) Ltd)	ZAF	1984/010534/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pepkorfin Proprietary Limited	ZAF	1980/003231/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pepkor Trading Proprietary Limited	ZAF	1958/003362/07	100%	Stellenberg Road, Parow Industria, 7493	Y	Y
Moreprop Property Holdings Cape Proprietary Limited (in process of deregistration)	ZAF	1987/004969/07	100%	6 Eastern Service Road, Eastgate, Sandton, 2090	Y	Y
JD Group Botswana t/a Hi – Finance	ZAF	88/220	100%	South Africa	Y	Y
JD Group (Swaziland) Proprietary Limited t/a Bradlows	ZAF	181/1972	100%	South Africa	Y	Y
JD Group (Namibia) Proprietary Limited t/a Morkels and Joshua Doore (Dormant)	ZAF	93/208	100%	South Africa	Y	Y
JD Financial Services Proprietary Limited (in Namibia)	ZAF	2008/0148	100%	South Africa	Y	Y
Cloverpark Investments Proprietary Limited (to be deregistered)	ZAF	2001/000108/07	100%	11th Floor JD House, 27 Stiemens Street, 27 Stiemens Street, Johannesburg, 2001	Y	Y
Sleepmasters Proprietary Limited	ZAF	2011/112932/07	100%	1st Floor , 6 Eastern Service Road, 6 Eastern Service Road, 2090	Y	Y
Profurn Proprietary Limited	ZAF	1968/015363/07	100%	1st Floor , 6 Eastern Service Road, Eastgate Sandton, 2090	Y	Y
Joshua Doore Russells (Botswana) Proprietary Limited	BWA	89/166	100%	Botswana	Y	Y
Sovereign Proprietary Limited (Botswana) (in process of deregistration)	BWA	99/4755	100%	Botswana	Y	Y
JD Consumer Electronics and Appliances Proprietary Limited	ZAF	1963/002315/07	100%	1st Floor , 6 Eastern Service Road, Eastgate, Sandton, 2090	Y	Y
Incredible Connection (Namibia) Proprietary Limited	NAM	2001/475	100%	Namibia	Y	Y
Incredible Connection (Botswana) Proprietary Limited	BWA	2001/2501	100%	Botswana	Y	Y
HiFi Corp Zambia Limited	ZMB	97974	100%	Zambia	Y	Y
Hi – Fi and Electric Warehouse Proprietary Limited (Botswana) t/a Hi – Fi Corp	BWA	99/1776	100%	Botswana	Y	Y
Furniture Traders (Botswana) Proprietary Limited (Dormant)	BWA	89/1217	100%	Botswana	Y	Y
Connect Financial Solutions Proprietary Limited	ZAF	2018/431596/07	100%	Marlboro House, 6 Eastern Service Road, 6 Eastern Service Road, 2090	Y	Y
Aazad Electrical Construction (Botswana) Proprietary Limited t/a Morkels	BWA	98/497	100%	Botswana	Y	Y
Supreme Furnishers (Namibia) Proprietary Limited	NAM	93/451	100%	Namibia	Y	Y
Protea Furnishers (Namibia) Proprietary Limited t/a Hi – Finance	NAM	93/450	100%	Namibia	Y	Y
Pepkor Speciality Proprietary Limited (previously Steinhoff Speciality Fashion and Footwear Proprietary Limited)	ZAF	1998/007991/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
New Dunns Proprietary Limited	ZAF	1972/013426/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Dunns Stores Botswana Proprietary Limited	BWA	87/840	100%	Botswana	Y	Y
Shoe City Holdings Proprietary Limited	ZAF	1996/008674/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Shoe City Proprietary Limited	ZAF	1995/010615/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
SPCC Clothing Company (Pty) Ltd	ZAF	2018/590277/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pepkor Speciality Stores Swaziland Proprietary Limited	SWZ	65/1972	100%	Swaziland	Y	Y
Pepkor Speciality Stores Proprietary Limited (Namibia)	NAM	79/064	100%	Namibia	Y	Y
Pepkor Speciality Stores Lesotho Proprietary Limited	LSO	73/21	100%	Lesotho	Y	Y
Pepkor Retail Proprietary Limited	ZAF	1986/003435/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pepkor Retail Learning Academy (previously D and A Timbers (Pty) Ltd)	ZAF	1998/025853/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
JD Group Proprietary Limited (to be deregistered)	ZAF	1981/009108/07	100%	2nd Floor Execujet Building Tower R, Cape Town International Airport, Cape Town, 7525	Y	Y
Abacus Holdco Proprietary Limited	ZAF	2008/004217/07	100%	Building 3, 171 Katherine Street, Sandown, 2196	Y	Y

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Abacus Resources Proprietary Limited	ZAF	2018/280731/07	100%	Building 3, 171 Katherine Street, Sandown, 2196	Y	Y
Abacus Life Limited	ZAF	2007/032597/06	100%	Building 3, 171 Katherine Street, Sandown, 2196	Y	Y
Abacus Insurance Limited	ZAF	2007/035136/06	100%	Building 3, 171 Katherine Street, Sandown, 2196	Y	Y
The Building Company Proprietary Limited (previously Steinhoff Doors and Building Materials Proprietary Limited)	ZAF	1972/004708/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Swish Global Trading (Mauritius)	MUS		100%	Mauritius	Y	Y
Sean Gannon Building Materials Trust	ZAF	IT3560/2004	100%	South Africa	Y	Y
RG Williams Buildings Materials Trust	ZAF	IT1865/2004	100%	South Africa	Y	Y
Pennypinchers Trusses Western Cape Proprietary Limited	ZAF	2011/127617/07	100%	South Africa	Y	Y
Pennypinchers Sand and Stone Proprietary Limited	ZAF	2007/027317/07	100%	South Africa	Y	Y
Pennypinchers Port Alfred Building Materials Trust	ZAF	IT584/2007	100%	South Africa	Y	Y
Pennypinchers George Trust	ZAF	IT1184/96	100%	South Africa	Y	Y
Pennypinchers East London Building Materials Trust	ZAF	IT604/2004	100%	South Africa	Y	Y
Matola Buildware Limitada (Mozambique)	MOZ		100%	Mozambique	Y	N
Marais Schonfeldt Building Materials Trust	ZAF	IT3691/97	100%	South Africa	Y	Y
John Mager Timbercity East London Trust	ZAF	IT1461/2006	100%	South Africa	Y	Y
Johann van Schalkwyk Boards Trust	ZAF		100%	South Africa	Y	Y
James Bruce Sholto Douglas Building Materials Trust	ZAF	IT413/2006	100%	South Africa	Y	Y
Iliad Africa Limited	ZAF	1997/011938/06	100%	South Africa	Y	Y
Iliad Africa Investments (Pty) Ltd	ZAF	1999/010559/07	100%	South Africa	Y	Y
Iliad Africa Trading (Pty) Ltd	ZAF	1997/010059/07	100%	South Africa	Y	Y
D and A Truss Company (Pty) Ltd	ZAF	2002/019276/07	100%	South Africa	Y	N
Cachet International Holdings (Pty) Ltd (trading as Cachet)	ZAF	1997/013442/07	100%	South Africa	Y	Y
CMG Holdings (Pty) Ltd	ZAF	1999/004206/07	100%	South Africa	Y	N
BYM Building Supplies (Pty) Ltd	ZAF	1995/003883/07	100%	South Africa	Y	N
BUCO Western Cape Proprietary Limited (previously Campwell Hardware (Pty) Ltd)	ZAF	2006/016431/07	100%	South Africa	Y	Y
Patin Trading 222 Proprietary Limited	ZAF	2007/020531/07	100%	South Africa	Y	Y
B One Holdings (Pty) Ltd (trading as B One)	ZAF	1988/006069/07	100%	South Africa	Y	Y
United Steel and Pipe Supplies (Pty) Ltd	ZAF	1994/003538/07	100%	South Africa	Y	Y
Henk Louwrens Building Materials Trust	ZAF	IT3788/99	100%	South Africa	Y	Y
Hardware Warehouse Limited	ZAF	2007/004302/06	100%	South Africa	Y	Y
Golden Dividend 235 Proprietary Limited	ZAF	2005/034562/07	100%	South Africa	Y	N
In line Trading 142 Proprietary Limited	ZAF	2003/011574/07	100%	South Africa	Y	N
Gunnar Jensen Building Materials Trust (Namibia)	NAM	T130/05	100%	Namibia	Y	Y
Frans Loots Building Materials Trust	ZAF	IT3317/96	100%	South Africa	Y	Y
Chris Eloff Building Material Trust (Namibia)	NAM	T2/07	100%	Namibia	Y	Y
Building Supply Group Proprietary Limited	ZAF	2010/008725/07	100%	South Africa	Y	Y
Tiletoria Cape Proprietary Limited	ZAF	2007/002174/07	100%	South Africa	Y	Y
Floormark Proprietary Limited	ZAF	2013/058548/07	100%	South Africa	Y	Y
Tiletoria Supplies Western Africa (Pty) Limited (Namibia)	NAM		100%	Namibia	Y	Y
Tiletoria Spec Studio Proprietary Limited	ZAF	1996/017299/07	100%	South Africa	Y	Y
MacNeil Proprietary Limited	ZAF	1985/005691/07	100%	South Africa	Y	Y
MacNeil JHB Proprietary Limited	ZAF	1998/012832/07	100%	South Africa	Y	Y
Brands 4 Africa Distribution and Logistics Proprietary Limited	ZAF	2005/036944/07	100%	South Africa	Y	Y
One Owl Enterprises Proprietary Limited	ZAF	1999/014348/07	100%	South Africa	Y	Y
Lodge Stock and Barrel Proprietary Limited	ZAF	2005/011901/07	100%	South Africa	Y	Y
MacNeil George Proprietary Limited	ZAF	MacNeil George	100%	South Africa	Y	Y
MacNeil Eastern Cape Proprietary Limited	ZAF	2002/010074/07	100%	South Africa	Y	Y
DCLSA Proprietary Limited	ZAF	2005/041644/07	100%	South Africa	Y	Y
Citiwood Holdings (Pty) Ltd (previously MacNeil Durban Proprietary Limited)	ZAF	2006/026347/07	100%	South Africa	Y	Y
Erf 117746 Nourse Avenue Proprietary Limited	ZAF	2012/203652/07	100%	South Africa	Y	Y

This list forms part of the notes to the 2021 Separate Financial Statements and has been referenced therein.

Entity Name	Incorp.	Reg. No.	Shareholding	Principal place of Business	FY2020	FY2021
BUCO Buildware and Hardware (Pty)¬†Ltd (Namibia)	NAM		100%	Namibia	N	Y
Anthony Wentworth Building Materials Trust	ZAF	IT5717/96	100%	South Africa	Y	Y
Wayne Gerber Building Materials Trust	ZAF	IT1456/98	50%	South Africa	Y	Y
Warren Collier Building Materials Trust	ZAF	IT1305/98	100%	South Africa	Y	Y
Timbercity Witbank Trust	ZAF	IT4540/2007	100%	South Africa	Y	Y
Timbercity Roodepoort Boards Trust	ZAF	IT8273/2005	100%	South Africa	Y	Y
Timbercity Lowveld Proprietary Limited	ZAF	2001/008196/07	100%	South Africa	Y	Y
Timbercity Inland Proprietary Limited (previously KH International Proprietary Limited)	ZAF	1944/016830/07	100%	South Africa	Y	Y
Timbercity Alberton Trust	ZAF	IT3754/2007	100%	South Africa	Y	Y
The Unitraco Trust	ZAF	IT1028/2000	100%	South Africa	Y	Y
The Timbercity Potchefstroom Trust	ZAF	IT1758/2008	100%	South Africa	Y	Y
The Steinbuild Port Elizabeth Trust (previously The Steinbuild William Moffett Trust)	ZAF	IT1119/2006	100%	South Africa	Y	Y
The Pennypinchers Uitenhage Building Materials Trust	ZAF	IT2397/2007	100%	South Africa	Y	Y
The Pennypinchers Longbeach Trust	ZAF	IT1868/2004	100%	South Africa	Y	Y
The Pennypinchers Knysna Trust	ZAF	IT2472/2000	100%	South Africa	Y	Y
The Pennypinchers Kimberley Trust	ZAF	IT1757/2008	100%	South Africa	Y	Y
The Pennypinchers Hermanus Trust	ZAF	IT1983/98	100%	South Africa	Y	Y
The Pennypinchers Claremont Trust	ZAF	IT5/97	100%	South Africa	Y	Y
The Pennypinchers City Trust	ZAF	IT3789/99	100%	South Africa	Y	Y
The Pennypinchers Brackenfell Trust	ZAF	IT40/99	100%	South Africa	Y	Y
The I-Glaze Trust	ZAF	IT4242/2007	100%	South Africa	Y	Y
Tekkie Town Proprietary Limited	ZAF	2007/020629/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Tekkie Town Lesotho Proprietary Limited	LSO		100%	Lesotho	Y	Y
Tekkie Town Footwear Namibia Proprietary Limited	NAM		100%	Namibia	Y	Y
SA POCO Retail Proprietary Limited (dormant)	ZAF	1996/011622/07	100%	28 6th Street, Wynberg, Sandton, 2090	Y	Y
Roadway Properties Proprietary Limited	ZAF	1997/008647/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Town Investments Proprietary Limited	ZAF	2016/159084/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Steinhoff Services Proprietary Limited	ZAF	1983/006201/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Steinhoff Secretarial Services Proprietary Limited	ZAF	1992/004646/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Steinhoff Manufacturing Proprietary Limited	ZAF	1968/007966/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Steinhoff Finance Investments Proprietary Limited	ZAF	2002/010738/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Steinhoff Bedding (Namibia) Proprietary Limited – Namibia (Dormant)	NAM	2001/210	100%	24 Orban Street, Klein Windhoek, Windhoek	Y	Y
Steinhoff At Work Proprietary Limited	ZAF	1950/037849/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Steinhoff Africa Property Services Proprietary Limited	ZAF	1997/007703/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Makhutzi Wild Ondernemings Eiendoms Beperk	ZAF	1971/003354/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Lurand Investments Proprietary Limited	ZAF	1962/004286/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
JD Group Property Holdings Proprietary Limited	ZAF	2011/006582/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Edidor 197 Proprietary Limited (in process of deregistration)	ZAF	2011/006996/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	N
Copperzone 185 Proprietary Limited	ZAF	2011/006981/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Ansec 223 Proprietary Limited (Dormant) (in process of deregistration)	ZAF	2011/007487/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Tanzanite Treasure Trading 7 Proprietary Limited	ZAF	2011/006190/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Showboat Trade and Invest 17 Proprietary Limited	ZAF	2008/018137/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Dhlamini 2389 Proprietary Limited (previously Bisonbord Properties Proprietary Limited)	ZAF	1966/009368/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Adoscore Proprietary Limited	ZAF	2016/003567/07	50%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y

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Entity Name	Incorp.	Reg. No.	Shareholding	Principal place of Business	FY2020	FY2021
263 Oxford Road Proprietary Limited	ZAF	1959/001962/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Valuline 203 Proprietary Limited	ZAF	2011/010601/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Steinhoff Properties Proprietary Limited	ZAF	2001/005911/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
EastWest Real Estate Investments Proprietary Limited (previously Greggaleighk)	ZAF	2008/010249/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Steinhoff UK Group Services Ltd (in liquidation)	GBR	10068169	100%	Pall Mall Works, 17 – 19 Cockspur Street, London, SW1Y 5BL	Y	Y
Steinhoff US Holdings I, Inc (previously Sherwood Group Holdings, Inc)	USA	6454341	100%	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, New Castle County	Y	Y
Steinhoff US Holdings II, LLC (previously Sherwood Acquisition Holdings LLC)	USA	6438336	80%	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, New Castle County	Y	Y
Pada Sp. z o.o. (in process of liquidation)	POL	KRS 0000020830	Company liquidated on 06/11/2020	ul. Ruska 37/38, 50-079 Wroclaw, Poland	Y	N
FGL Property Discretionary Trust	AUS		Trust dissolved on 02/07/2021	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	N
Freedom Furniture Partnership	AUS		Partnership dissolved on 25/04/2021	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	N
Genesis Investments Beta GmbH (in liquidation)	AUT	FN 373249 x	Company liquidated on 24/09/2019	2345 Brunn am Gebirge, Rennweg 77	Y	N
Genesis Investments Alpha GmbH (in liquidation)	AUT	FN 373251 z	Company liquidated on 24/09/2019	2345 Brunn am Gebirge, Rennweg 77	Y	N
Steinhoff Eta GmbH	DEU	HR B 121276	Merged with Westersteder ST GmbH (German merger) on 24/06/2021	26655 Westerstede, Zum Stadtpark 2	Y	N
SBG Service GmbH	DEU	HR B 229923	Company deregistered and merged with Westersteder ST GmbH on 01/05/2021	26655 Westerstede, Zum Stadtpark 2	Y	N
Pike Sp. z o.o. (previously Global Warehouse and Logistics Sp. z o.o.)	POL	KRS 0000492122	Company liquidated on 05/01/2021	ul. Ruska 37/38, 50-079 Wroclaw, Poland	Y	N
Nova Engineering sp. z o.o	POL		Company liquidated on 11/01/2021	ul. Ruska 37/38, 50-079 Wroclaw, Poland	Y	N
LTW Transport GmbH	DEU	HR B 121277	Company deregistered and merged with Westersteder ST on 01/05/2021	26655 Westerstede, Zum Stadtpark 2	Y	N
Global Warehouse and Logistics West GmbH	DEU	HR B 14908	Company deregistered and merged with Westersteder ST on 01/05/2021	26655 Westerstede, Zum Stadtpark 2	Y	N
Global Warehouse and Logistics Service GmbH	DEU	HR B 209015	Company deregistered and merged with Westersteder ST on 01/05/2021	26655 Westerstede, Zum Stadtpark 2	Y	N
Global Warehouse and Logistics GmbH	DEU	HR B 405797	Company merged with Westersteder ST GmbH (German merger) on 07/06/2021	26655 Westerstede, Zum Stadtpark 2	Y	N

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Entity Name	Incorp.	Reg. No.	Shareholding	Principal place of Business	FY2020	FY2021
WL Westersteder Lagerhaus GmbH	DEU	HR B 201637	Company deregistered and merged with Westersteder ST on 01/05/2021	26655 Westerstede, Zum Stadtpark 2	Y	N
Steinhoff International Trading Services Ltd	HKG	CR 2463978	Company dissolved on 27/02/2021	China (Hong Kong)	Y	N
Steinhoff Digital GmbH	DEU	HR B 225441	Company deregistered and merged with Westersteder ST on 01/05/2021	26655 Westerstede, Zum Stadtpark 2	Y	N
CXV Holdings, LLC	USA	5122848	Company merged with and into Mattress Firm Inc on 23/09/2021	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, New Castle County	Y	N
CCP IV SBS Holdings, LLC	USA	5122844	Company merged with and into Mattress Firm Inc on 23/09/2021	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, New Castle County	Y	N
CCP IV Holdings, LLC	USA	5122846	Company merged with and into Mattress Firm Inc on 23/09/2021	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, New Castle County	Y	N
Retail Holdings Sarl	LUX	B94093	Company dissolved on 30/09/2021	56 rue Charles Martel, Luxembourg, 230883	Y	N
Universal Insurances PCC Ltd (in process of liquidation)	GGY	32243	Company liquidated on 01/07/2021	PO Box 313 Lefebvre House Lefebvre Street St Peter Port GUERNSEY GY1 3TF	Y	N
Tulo France SASU	FRA	RCS 823 294 681	Merged into Conforama Developpement SASU (Q1: 31/03/2021)	80 Boulevard du Mandinet, 77185 Lognes, France	Y	N
Digital Inv SASU	FRA	RCS 800 321 382	Merged into Conforama Developpement SASU (Q1: 31/03/2021)	80 Boulevard du Mandinet, 77185 Lognes, France	Y	N
Fliba doo	HRV	80220197	Company sold to a third party on 22/09/2021	Croatia	Y	N
Emmezeta Srbija d.o.o.	SRB		Company sold to a third party on 22/09/2021	Serbia	Y	N
Emma Real Estate d.o.o.	SRB		Company sold to a third party on 22/09/2021	Serbia	Y	N
SCI Stella	FRA	RCS 800 540 304	Company merged into SNC Baptiste on 28/09/2021	80 Boulevard du Mandinet, 77185 Lognes, France	Y	N
SCI Ophelia	FRA	RCS 819 922 733	Company merged into SNC Baptiste on 28/09/2021	80 Boulevard du Mandinet, 77185 Lognes, France	Y	N
SCI Chloe	FRA	RCS 819 941 691	Company merged into SNC Baptiste on 28/09/2021	80 Boulevard du Mandinet, 77185 Lognes, France	Y	N
SCI La Vallee	FRA	RCS 750 787 459	Company merged into SNC Alpha I Beta Omega on 28/09/2021	80 Boulevard du Mandinet, 77185 Lognes, France	Y	N

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Entity Name	Incorp.	Reg. No.	Shareholding	Principal place of Business	FY2020	FY2021
SCI EVA	FRA	RCS 750 790 628	Company merged into SNC Alpha I Beta Omega on 28/09/2021	80 Boulevard du Mandinet, 77185 Lognes, France	Y	N
SCI Dina	FRA	RCS 791 955 537	Company merged into SNC Alpha I Beta Omega on 28/09/2021	80 Boulevard du Mandinet, 77185 Lognes, France	Y	N
Alpha II Beta Omega SCI	FRA	RCS 750 366 346	Company merged into SNC Alpha I Beta Omega on 28/09/2021	80 Boulevard du Mandinet, 77185 Lognes, France	Y	N
Conforama-Casino-Achats SARL (MANO)	FRA	RCS 823 395 686	Company sold to a third party (Q1: 31/03/2021)	80 Boulevard du Mandinet, 77185 Lognes, France	Y	N
Conforama Developpement 14 SASU	FRA	RCS 831 498 787	Merged into Conforama Developpement SASU (Q1: 31/03/2021)	80 Boulevard du Mandinet, 77185 Lognes, France	Y	N
Steinhoff International Investment HK Ltd (previously Steinhoff Global Sourcing Ltd)	HKG	CR 2584507	Company dissolved on 29/09/2021	19/F, Seaview Commercial Building, 21-24 Connaught Road West	Y	N
Steinbuild Holdings Proprietary Limited	ZAF	1995/008188/07	Company deregistered on 09/09/2021	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	N
IB Investment Holdings Proprietary Limited (Dormant) (in process of deregistration)	ZAF	1994/003585/07	Company deregistered on 11/11/2020	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	N
Pepkor Manufacturing Proprietary Limited	ZAF	1969/009505/07	Company deregistered on 17/06/2021	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N
Pepkor Clothing Industries Proprietary Limited	ZAF	1965/005478/07	Company deregistered on 17/06/2021	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N
Beneficiary of: Pep Limited Share Incentive Trust No. 2	ZAF		Dormant Trust	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N
Beneficiary of: Pep Limited Share Incentive Trust	ZAF		Dormant Trust	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N
IL Black Properties Aandeleblokmaatskappy Proprietary Limited	ZAF	1958/002836/07	Company deregistered on 17/06/2021	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N
Pep Limited (Ghana)	GHA	79/073	Company deregistered on 17/06/2020	Ghana	Y	N
Pep Reef Properties Proprietary Limited	ZAF	1989/004910/07	Company deregistered on 15/02/2021	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N
Pep Namibia Holdings Limited	ZAF	1987/086	Company deregistered on 24/05/2021	Namibia	Y	N
Pepkor IT Proprietary Limited	ZAF	1946/022121/07	Company deregistered on 17/06/2021	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N
W M Twee Proprietary Limited	ZAF	1986/000789/07	Company deregistered on 17/06/2021	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N
Tenacity Financial Services Proprietary Limited	ZAF	2007/003071/07	Company deregistered on 17/06/2021	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N
Maravedi Group Proprietary Limited	ZAF	1998/023066/07	Company deregistered on 19/11/2020	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N
JD Group International Proprietary Limited	ZAF	1965/004413/07	Company deregistered on 11/11/2020	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N
JD Group (Lesotho) Proprietary Limited (Dormant)	ZAF	1985/11/01	Company deregistered on 24/06/2020	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N
Secureco Three Proprietary Limited (in Namibia) (Dormant)	ZAF	2001/090	Company deregistered on 03/07/2020	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N

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Entity Name	Incorp.	Reg. No.	Shareholding	Principal place of Business	FY2020	FY2021
Connection Group Holdings Proprietary Limited	ZAF	1997/005390/07	Company deregistered on 02/09/2020	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N
Profurn (Mozambique) Limitada	MOZ		Company dissolved on 28/08/2019	Mozambique	Y	N
Finserve Mauritius Limited	MUS	19561/3643	Company deregistered on 30/04/2021	Mauritius	Y	N
Prosure Insurance Limited	MUS	19548/3639	Company deregistered on 07/09/2020	Mauritius	Y	N
Supreme Furnishers Proprietary Limited	ZAF	1961/001935/07	Company deregistered on 19/11/2020	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N
Supreme Furnishers (Lesotho) Proprietary Limited	LSO	1992/002839/10	Company deregistered on 23/06/2020	Lesotho	Y	N
Protea Furnishers (Botswana) Proprietary Limited	BWA	84/4992	Company deregistered on 03/12/2020	Botswana	Y	N
Hi – Fi and Electric City (Namibia) Proprietary Limited	NAM	98/339	Company deregistered on 03/07/2020	Namibia	Y	N
Gomotsa Proprietary Limited	BWA	99/4849	Company deregistered (effective date unknown)	Botswana	Y	N
Barnetts (Swaziland) Proprietary Limited	SWZ	778/9/1966	Company deregistered on 31/05/2021	Swaziland	Y	N
The Tax Free Warehouse Proprietary Limited Namibia	NAM	97/427	Company deregistered on 23/07/2020	Namibia	Y	N
Pefki Wood Products Proprietary Limited	ZAF	1993/004401/07	Company deregistered on 11/11/2020	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N
Next SA Trading Proprietary Limited	ZAF	2009/012785/07	Company sold on 01/06/2021	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N
Link International (L) BHD (Malaysia)	MYS		Company sold on 01/06/2021	Malaysia	Y	N
Link Quality Control and Services Co (China)	CHN		Company sold on 01/06/2021	China	Y	N
Link International KL Limited (Malaysia)	MYS		Company sold on 01/06/2021	Malaysia	Y	N
Yebomanzi Proprietary Limited	ZAF	2005/038950/07	Company sold on 30/06/2021	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N
Victoria Lewis Furniture Manufacturers Proprietary Limited (Dormant)	ZAF	1973/016301/07	Company deregistered on 11/10/2021	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	N
Steinhoff Africa Internal Audit Services Proprietary Limited	ZAF	1988/000809/07	Company deregistered on 11/10/2021	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	N
Rainford Aviation Investments Proprietary Limited	ZAF	1994/004899/07	Company deregistered on 09/09/2021	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	N
Oshikango Foam and Mattress Company Proprietary Limited – Namibia	NAM	1997162	Company sold on 31/10/2020	Windhoek, Namibia	Y	N
Hallie Investments Number Three Thousand And Fifty One Proprietary Limited Namibia	NAM	2011/0811	Company sold on 31/10/2020	Windhoek, Namibia	Y	N
Steinhoff Group Services Proprietary Limited (Dormant)	ZAF	1988/000802/07	Company deregistered on 09/09/2021	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	N
Attstein Proprietary Limited	ZAF	2005/028978/07	Company sold on 13/04/2021	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	N
Nulane Investments 40 Proprietary Limited	ZAF	2004/027788/07	Company sold on 13/04/2021	Die Klubhuis, Cnr 18th Street and Pi, Hazelwood, 0081, South Africa	Y	N
Broadway Business Centre Proprietary Limited	ZAF	2006/029967/07	Company sold on 09/02/2021	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	N
Rainford Isle of Man Ltd (IoM)	IMN	014512V	Liquidation finalised on 09/03/2021	Douglas Chamers, North Quay, Douglas, IM1 4LA, Isle of Man	Y	N
Steinhoff Sikhulasonke Investments (RF) Proprietary Limited	ZAF	1971/008683/07	Shares in the company sold on 21/07/2021	28 6th Street, Wynberg, Sandton, 2090	Y	N

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Entity Name	Incorp.	Reg. No.	Shareholding	Principal place of Business	FY2020	FY2021
IEP Group Proprietary Limited	ZAF	2015/173069/07	25.99%	15 Chaplin Road, 3rd Floor Illovo, Gauteng, 2196, South Africa	Y	Y
Business Venture Investments No 1499 (RF) Proprietary Limited	ZAF	2011/002155/07	Deemed control	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	Y
Beneficiary of Steinhoff International Share Trust	ZAF	T9633/98	Deemed control	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Aru Game Lodges Proprietary Limited	NAM	CY/2005/0072	49%	Namibia	Y	N
Aru Hunting Proprietary Limited	NAM	CY/1998/0383	49%	Namibia	Y	N
Veronica Farming Proprietary Limited	NAM	CY/1970/4770	49%	Namibia	Y	N
Micawber 455 Proprietary Limited	ZAF	M2005036683	Deemed control	Silver Stream Business Park, 10 Muswell Road, Bryanston, 2060, South Africa	Y	Y

GLOSSARY OF TERMS APPLIED TO THE ANNUAL REPORT

The capitalised words and expressions used herein shall have the respective meanings attributed thereto below:

2019 Consolidated Financial Statements	Consolidated Financial Statements of the Group for the financial year ended 30 September 2019.
2020 Consolidated Financial Statements	Consolidated Financial Statements of the Group for the financial year ended 30 September 2020.
2021 Consolidated Financial Statements	Consolidated Financial Statements of the Group for the financial year ended 30 September 2021.
2019 Reporting Date	30 September 2019.
2020 Reporting Date	30 September 2020.
2021 Reporting Date or Reporting Date	30 September 2021.
2019 Reporting Period	Period starting on 1 October 2018 up to and including 30 September 2019.
2020 Reporting Period	Period starting on 1 October 2019 up to and including 30 September 2020.
2021 Reporting Period or Reporting Period	Period starting on 1 October 2020 up to and including 30 September 2021.
Affiliated Company	Each legal entity belonging to the same group as the Company or in which the Company has a direct or indirect equity interest of more than ten per cent. (10%).
AFM	Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*).
African Group	SIHL, together with its subsidiaries, amongst others Pepkor Holdings Group, IEP and the African property portfolio.
AGM	Annual General Meeting.
AGM 2020	The annual general meeting of the Company held on 28 August 2020.
AGM 2021	The annual general meeting of the Company held on 30 April 2021.
Ainsley Holdings	Ainsley Holdings Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registered under number 1964/010191/07.
Articles	Articles of association of the Company, as amended from time to time.
Audit and Risk Committee	Audit and risk committee established by the Supervisory Board.
BSG	Building Supply Group Proprietary Limited, a company incorporated under the laws of the Republic of South Africa and registered under number 2010/008725/07, which is a subsidiary of Pepkor Holdings.
BVI	Business Venture Investments 1449 (RF) Proprietary Limited, a company incorporated under the laws of the Republic of South Africa and registered under number 2011/002155/07.
CEO	Chief executive officer of the Company.
CFO	Chief financial officer of the Company.
CGU	Cash-generating unit.
CCRO	Chief compliance and risk officer of the Company.

Christo Wiese	Christo Wiese, former member and Chairman of Supervisory Board.
Code of Conduct	Code of conduct as referred to in best practice provision 2.5.2 of the DCGC.
Committee of Representation	The committee of representation appointed pursuant to the Dutch SoP, comprised of fifteen members, including four independent members, seven members on behalf of the SIHNV Market Purchase Claimants (as defined in the Dutch SoP) and four members on behalf of the SIHNV Contractual Claimants (as defined in the Dutch SoP), who voted on the Composition Plan as proposed by Steinhoff N.V. instead of the individual creditors.
Company or Steinhoff N.V.	Steinhoff International Holdings N.V., a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, and its principal place of business at Building B2, Vineyard Office Park, Cnr Adam Tas & Devon Valley Road, Stellenbosch 7600, South Africa, and registered with the Dutch Trade Register under number 63570173, and, where appropriate, the Subsidiaries and possible other Group companies, whose financial information is incorporated in the consolidated financial statements of the Company.
Company Secretary	Company secretary of the Company or, in absence of the Company Secretary, his or her deputy designated by the Management Board in the manner provided for in the Articles.
Composition Plan	The composition plan proposed pursuant to the Dutch SoP.
Conforama and/or Conforama Group	Conforama Investissement SNC, the holding company of Conforama Holding SA, a company incorporated under the laws of France and registered under number RCS 582 014445, together with its subsidiaries.
Contractual Claims	Claims by those claimants who, in accordance with the terms of their respective contractual arrangements involving the Company, sold businesses, shares or otherwise.
Corporate Scorecard	A list of performance conditions that sets out the deliverables by Managing Directors in order to achieve the Company's short- to medium-term strategy.
COVID-19	An ongoing pandemic of coronavirus disease 2019 (COVID-19) caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).
CPU	Contingent Payment Undertaking.
CVA	Company Voluntary Arrangements, in respect of SEAG CVA and/or the SFHG CVA (as applicable).
DCC	Dutch Civil Code.
DCGC	Dutch Corporate Governance Code.
Decree	Decree Additional Requirements Annual Report (*Vaststellingsbesluit nadere voorschriften inhoud bestuursverslag*).
Deloitte	Deloitte Accountants B.V. and Deloitte & Touche South Africa.
Dutch Administrators	F. Verhoeven and C.R. Zijderveld, the administrators appointed pursuant to the Dutch SoP.
Dutch Financial Supervision Act	Dutch Financial Supervision Act (*Wet op het financieel toezicht*).
Dutch SoP	Dutch Suspension of Payments procedure (*surseance van betaling*).
EBIT	Operating profit or loss adjusted for capital and reclassification items.
EBITDA	Operating profit or loss before depreciation and amortisation adjusted for capital and reclassification items.
ECL	Expected credit losses.
Enterprise Chamber	Enterprise Chamber of the Amsterdam Court of Appeal.
ESRS	Employee Share Right Scheme of the Company
EU	European Union.
European Group	Newco 3, together with its subsidiaries, amongst others Pepco Group, Greenlit Brands, European Properties and Conforama.
European Properties	European properties and property companies held by Hemisphere.
Executive Committee	Executive committee designated as such in clause 6 of the Regulations of the Management Board.
External Auditor	Organisation in which certified public accountants cooperate, as referred to in section 2:393 paragraph 1, of the Dutch Civil Code, that is charged with the audit of the financial statements (*jaarrekening*).

Fantastic	Fantastic Holdings Limited, a company incorporated under the laws of Australia and registered under number 004 000 075 (ACN).
FCTR	Foreign currency translation reserve.
FinSurv	The Financial Surveillance Department of the South African Reserve Bank responsible for the administration of exchange control on behalf of the South African Minister of Finance.
FSCA	Financial Sector Conduct Authority.
FSE	Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).
General Meeting	The body of the Company consisting of the person or persons to whom as a Shareholder or otherwise, voting rights attached to Steinhoff shares accrue, or (as the case may be) a meeting of such persons (or their representatives) and other persons with Meeting Rights.
Greenlit Brands	Greenlit Brands Pty Limited, a company incorporated under the laws of Australia and registered under number 612890874, together with its subsidiaries, including Fantastic.
Group or Steinhoff Group	The group of companies consisting of Steinhoff International Holdings N.V. together with its subsidiaries.
Group Company	Group company of the Company as referred to in section 2:24b of the Dutch Civil Code.
Group Risk function	The Group Risk and Internal Audit function of the Company headed by the CCRO.
Group Services	Group functions outside of OpCos and Subsidiaries, including the following functions: Finance, Treasury, Tax, Human Resources, Legal, Company Secretarial, Compliance, Risk, Internal Audit and IT.
Hemisphere	Hemisphere International Properties B.V., a private company with limited liability incorporated under the laws of the Netherlands and registered with the Dutch Trade Register under number 17228592, which is an indirect wholly owned subsidiary of Steinhoff N.V. and holds a portfolio of European properties and property companies.
Human Resources and Remuneration Committee or Remuneration Committee	Human resources and remuneration committee established by the Supervisory Board.
IAS	International Accounting Standards.
IEP	IEP Group Proprietary Limited, a South African investment holding company with controlling and scalable strategic interests in a number of select investment platforms, including the Bud Group
IFRS	International Financial Reporting Standards.
IFRS 5	IFRS 5: Non-current Assets Held-for-Sale and Discontinued Operations.
IFRS 9	IFRS 9: Financial Instruments.
IFRS 16	IFRS 16: Leases.
Interim Debt Extension	The amendment of the definition of the “Maturity Date” in each of the Steinhoff N.V. CPU, the SIHPL CPU and the definition of “Termination Date” under (and as defined in) each of the facility agreements entered into pursuant to the CVA, each extended by 12 months to, 31 December 2022.
Internal Auditor	Internal auditor as referred to in principle 1.3 of the DCGC.
IPO	Initial public offering.
IT	Information technology.
JD Group	JD Group Proprietary Limited, a company incorporated under the laws of the Republic of South Africa and registered under number 1981/009108/07.
JSE	The stock exchange operated by JSE Limited in the Republic of South Africa.
KPI	Key Performance Indicator
Lancaster 101	Lancaster 101 (RF) Proprietary Limited, a company incorporated under the laws of the Republic of South Africa and registered under number 2016/272750/07.
Lancaster 102	Lancaster 102 Proprietary Limited, a company incorporated under the laws of the Republic of South Africa and registered under number 2017/277500/07.
Lancaster Group	Lancaster Group Proprietary Limited, a company incorporated under the laws of the Republic of South Africa and registered under number 2012/065956/07, together with its subsidiaries.

LIPO	LIPO Beteiligungen AG, a company incorporated under the laws of Switzerland together with its subsidiaries and registered under number CH- 040.3.001.910-6.
Litigation Settlement Proposal	A proposal for the settlement of the outstanding litigation announced on 27 July 2020, as amended from time to time, and detailed in the Settlement Term Sheet.
LTIs	Long-term incentive schemes awarded with the primary aim of promoting the sustainability of the Company through business cycles, aligning performance of key management with the interests of investors and retaining key management, all over the longer term. The LTIs can comprise of a share rights scheme and/or a cash settled scheme.
Management Board	Management board of the Company.
Management Report	Management report (*bestuursverslag*) as referred to in section 2:391 of the Dutch Civil Code.
Managing Director	Member of the Management Board.
Market Purchase Claimants	Market purchase claims arisen in respect of market traded securities. In respect of the period prior to the Company's Frankfurt Stock Exchange listing becoming effective on 7 December 2015, any such claims are in respect of shares acquired in SIHPL (the former holding company of the Group) and thereafter, any such claims are in respect of shares acquired in the Company.
Mattress Firm	Mattress Firm Holding Corp, a company incorporated under the laws of the United States of America and registered under number EIN – 20-8185960, together with its subsidiaries, including Mattress Firm Inc.
Mazars	Mazars Accountants N.V., the Company's External Auditor appointed for the financial years 2019, 2020 and 2021.
Meeting Rights	Right to be invited to General Meetings and to speak at such meetings, as a Shareholder or as a person to whom these rights have been attributed in accordance with the Articles.
Newco 2A	Steenbok Newco 2A Limited, a company incorporated and registered under the laws of Jersey with registered number 127926 and with its registered address at 3rd Floor, 44 Esplanade, St Hellier, Jersey.
Newco 3	Steenbok Newco 3 Limited, a private limited company incorporated under the laws of England and Wales, having its registered office at Pall Mall Works, 17-19 Cockspur Street, London, SW1Y 5BL and company number 11728460.
Nomination Committee	Nomination committee established by the Supervisory Board.
OpCos	The Steinhoff Group's operating companies, amongst others Pepkor Holdings, Conforama, Hemisphere, Greenlit Brands, Mattress Firm and Pepco Group.
Ordinary Share or Steinhoff Share	Ordinary share in the capital of the Company.
Pepkor Holdings	Pepkor Holdings Limited, a public company incorporated under the laws of the Republic of South Africa and registered under number 2017/221869/06, which is an indirect subsidiary of Steinhoff N.V.
Pepkor Holdings ESRS	The Executive Share Right Scheme of Pepkor Holdings
Pepkor Holdings Group	Pepkor Holdings, together with its subsidiaries.
Pepco	Pepco Group N.V., a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands and registered with the Dutch Trade Register under number 81928491, which is an indirect subsidiary of Steinhoff N.V.
Pepco Group	The pan-European discount variety retailer that includes the brands PEPCO, Poundland and Dealz.
Poundland	Poundland Group Limited, a private limited company incorporated under the laws of the United Kingdom, registered under number 08861243.
Preference Share	Non-cumulative financing preference share in the capital of the Company.
PwC	PricewaterhouseCoopers.
Regulations of the Management Board	Rules effective as at 17 December 2020 regarding the working methods and decision-making process of the Management Board, in addition to the relevant provisions of the Articles.
Regulations of the Supervisory Board	Rules effective as at 11 July 2019 regarding the working methods and decision-making process of the Supervisory Board, in addition to the relevant provisions of the Articles.

Remediation Plan	Plan of the Management Board – forming part of its duty to monitor the operation of the internal risk management and control systems and to carry out a systematic assessment of their design and effectiveness – containing appropriate measures to prevent any reoccurrence of the irregularities and non-compliance with laws and regulations in the future.
Remuneration Policy	Policy as referred to in article 15.11 of the Articles and as adopted by the General Meeting on 1 December 2015.
S155 Scheme	A statutory compromise with creditors proposed in terms of section 155 of the South African Companies Act, 71 of 2008.
SEAG	Steinhoff Europe AG, a company incorporated under the laws of Austria and registered under number FN 38031d, which is a wholly owned subsidiary of the Company.
SEAG CVA	English law company voluntary arrangement proposed by SEAG, approved on 15 December 2018 and implemented on 13 August 2019.
Segmental EBITDA	EBITDA adjusted to exclude exceptional expenses incurred.
Seifert	Dr. Andreas Seifert and entities affiliated to Seifert.
Senior Managers	Employees with a direct reporting line to the Management Board as a whole or to a Managing Director.
Settlement Effective Date or SED	The date on which all suspensive conditions and conditions precedent (as defined in the Steinhoff N.V. Composition Plan and the S155 Scheme) are fulfilled.
Settlement Term Sheet	A document detailing the terms of the global Litigation Settlement Proposal and placed on the Steinhoff N.V. website.
SFHG	Steinhoff Finance Holdings GmbH, a company incorporated under the laws of Austria, registered under number FN345159m.
SFHG CVA	English law company voluntary arrangement proposed by SFHG, approved on 15 December 2018 and implemented on 13 August 2019.
Share	A share in the capital of the Company. Unless the contrary is apparent, this shall include each Ordinary Share and each Preference Share.
Shareholder	Holder of one or more Shares.
Share Issue Authorisation	Authorisation of the Management Board granted by the General Meeting to issue Ordinary Shares and to grant rights to subscribe for Ordinary Shares.
Sherwood	Steinhoff US Holdings I Inc. (formerly: Sherwood Group Holdings Inc), a company incorporated under the laws of the United States of America, registered under number 6454341.
SIHL	Steinhoff Investment Holdings Limited, a public company incorporated under the laws of the Republic of South Africa, registered under number 1954/001893/06.
SIHPL	Steinhoff International Holdings Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registered under number 1998/003951/06, previously listed on the JSE and formerly known as Steinhoff International Holdings Limited.
SIHPL Contractual Claimants	Persons holding alleged Contractual Claims against SIHPL.
SIHPL Financial Creditors	The beneficiaries or alleged beneficiaries of the SIHPL CPU.
SIHPL MPCs	Persons holding alleged Market Purchase Claims against SIHPL.
SRF	Stichting Steinhoff Recovery Foundation, a Dutch foundation (*stichting*) incorporated under the laws of the Netherlands, registered under number 83737065.
Steinhoff Africa	Steinhoff Africa Holdings Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registered under number 1969/015042/07.
Steinhoff at Work	Steinhoff at Work Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registered under number 1950/037849/07.
Steinhoff N.V. Scheme	English law scheme of arrangement that Steinhoff N.V. launched in November 2020 and approved on 5 February 2021, to implement the consents required from certain financial creditors to pursue the proposed global settlement of contingent and litigation claims against the Group arising from legacy accounting issues first announced in December 2017.
STI/Annual Bonus Scheme	Short-term incentive scheme. Similar to an annual performance bonus.

Subsidiary	Subsidiary of the Company as referred to in section 2:24a of the Dutch Civil Code.
SUKGS	Steinhoff Group Services Limited, a company incorporated under the laws of the United Kingdom, registered under number 10068169.
Supervisory Board	Supervisory board of the Company.
Supervisory Board Remuneration Policy	Policy as referred to in article 24.12 of the Articles and as adopted by the General Meeting on 28 August 2020.
Supervisory Director	Member of the Supervisory Board.
SUSHI	Stripes US Holding Inc., a company incorporated under the laws of the United States of America, registered under number EIN-38-4012800, which is the holding company of Mattress Firm.
Steenbok Group	Newco 3, together with its subsidiaries, which holds the Steinhoff Group's non-South African businesses.
Tekkie Town	Tekkie Town Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registered under number 2007/020629/07.
Thibault	Thibault Square Financial Services Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registration number 1992/004170/07.
Titan	Titan Premier Investments Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registration number 1979/000776/07.
Trevo	Trevo Capital Limited, a Mauritian entity associated with the former CEO of Pepkor Holdings Limited, Mr Pieter Erasmus.
Unitrans	Unitrans Motor Holdings Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registered under number 1997/017428/07.
WACC	Weighted average cost of capital.
Warrants	A total of 205 242 947 warrants issued by Conforama Holding SA on 29 May 2019 which, if and when exercised, are "convertible" into 205 242 947 Class 2 Preference Shares.