STEINHOFF
INTERNATIONAL HOLDINGS N.V.

UNAUDITED RESULTS

FOR THE SIX MONTHS ENDED 31 MARCH 2020

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MESSAGE FROM THE MANAGEMENT BOARD

Dear Stakeholders,

We have been actively engaged on a number of critical projects, both during the Reporting Period and subsequently, as we continued making progress with the Group restructuring.

Significantly, after the period end, we achieved a favourable outcome with the sale of Conforama Switzerland and addressed two of our major challenges, agreeing the disposal of Conforama France and announcing a proposal to settle the outstanding litigation facing the Group. These are significant landmarks in our ongoing journey to restructure the Group.

Upon implementation of the financial restructuring in August 2019, a key focus for the Management Board then became finding a solution to the variety of legal actions brought against the Group by a diverse set of litigants across a number of countries. In seeking a solution our clear objective was to preserve and protect value. This process, unfortunately, is extremely lengthy and complex.

On 27 July 2020, the Group announced details of a proposal for the settlement of the outstanding litigation ("Litigation Settlement Proposal"). Although there is no certainty yet that we will be able to conclude this settlement, in our view these terms are firmly in the best interests of all stakeholders. We urge all claimants to engage positively with us and support our proposal to resolve the outstanding legacy claims. Further details of the proposal are provided in the referenced announcement.

In this update, we concentrate on three distinct periods:

i) the first half up until the outbreak of COVID-19 in mid-March 2020;
ii) our COVID-19 response; and
iii) events in the months after the Reporting Period, during which a number of significant milestones were achieved.

Financial performance

At the operating company level, the Group retains significant strengths as a well-diversified global retail business with a number of strong local brands and leading positions in attractive growth markets.

Despite the continued challenges we faced in the six months ended 31 March 2020, including the trading restrictions imposed during March, the Group's consolidated net sales from continuing operations increased by 1% to €6 241 million (H12019: €6 152 million), with strong contributions from Pepco Group (+10%), Pepkor Africa (+3%), Mattress Firm (+15%) and Fantastic Furniture (+6%). On a pro forma basis, EBIT, from continuing operations, decreased by 10% to €250 million (H12019: €279 million). Further information on the performance of the Group's individual operating businesses is contained within the accompanying Operational Review.

The costs of the restructuring process, both in terms of financial resource and management time, while reducing materially year-on-year, continues to be substantial. They have once again had an impact on our reported results for the period. The restructuring process is being implemented within a substantially leaner and lower cost corporate structure. Since January 2018 the Management Board has reduced from five to two executives, the Supervisory Board has reduced from eight to seven members and headcount in the Group's central services function has reduced from more than 350 to c. 85.

Advisory fees for the Reporting Period amounted to €58 million, a reduction on the prior period's figure of €82 million. Advisory fees reflect only the need for Steinhoff N.V. to engage professional advisors to assist it with the financial and legal aspects of work essential to the restructuring of the Group, not with the everyday operation of its business. While every effort is made to limit costs, we expect that the advisory fees will remain a feature of our results for some time.

COVID-19

The COVID-19 pandemic had a material impact on the Group's retail businesses from mid-March 2020, shortly before the end of the Reporting Period, when lockdowns were initiated in most of the countries in which we operate. These measures resulted in the closure of many of our general merchandise stores and our central office and warehousing facilities. A detailed commentary on our response to COVID-19 is included within the accompanying Financial and Business Review.

Given the significant and immediate impact on revenues and cash, management acted swiftly to implement a definitive COVID-19 response strategy. This focused on ensuring employee and customer safety, securing liquidity and preserving the Group's cash position.

Throughout this period, the safety of our employees and customers has been paramount and significant operational changes have been made in our stores and offices to ensure they can operate safely.

With the exception of a few stores that were able to continue trading under the "essential retail" dispensation, the majority of our stores were closed during April. As restrictions began to be lifted during May, reopenings commenced on a selective basis and by the end of June almost all stores had reopened. Encouragingly, initial trade has been better than expected, with revenue trending back towards pre-lockdown levels. With post-lockdown sales performance materially better than our forecast assumptions, the Group's cash position as of early July was significantly stronger than anticipated at the outbreak of the pandemic.

While the sustainability of this demand is uncertain, the Group's main trading subsidiaries, with their more resilient and defensive discount and value offering, are well-positioned to take market share in this environment.

The strength of Steinhoff N.V.'s recovery from COVID-19 to date is testament to the hard work, dedication and adaptability of colleagues across the Group and we would like to thank them all for their outstanding support through this most challenging period.

Subsequent events

Subsequent to the Reporting Period, in the months from April to July 2020, the Group announced a number of important further steps:

Conforama France

On 8 July 2020 the Group announced the disposal of Conforama France and 18 properties to Mobilux Sàrl ("Mobilux") for €70 million. Following the disposal, Conforama France will receive €500 million of new financing in a combination of state-guaranteed loans and funding from Mobilux.

The disposal agreement is a major milestone in the Group's restructuring effort and will secure the future of Conforama France, release the Group from its liabilities in respect of that business and allow Steinhoff N.V. to exit from the French market.

Conforama Switzerland

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 will be used to reduce debt at Conforama Holdings.

Greenlit Brands

Greenlit Brands is continuing to explore and evaluate a range of strategic options for its subsidiary businesses. These include a possible public listing of the Fantastic Group, Australia's leading, value-focused furniture and bedding retailer. This process remains in its early stages and no definitive decision has been taken with respect to any specific course of action or timing at this point.

Litigation

As discussed above, on 27 July 2020, the Group announced details of a proposal to settle the outstanding litigation. The Management Board believes that the terms of the proposed settlement are firmly in the best interests of all stakeholders and urge all claimants to take this opportunity to conclude a settlement. The consequences of a further delay or failure to reach a litigation solution could be detrimental for the business and its stakeholders.

Outlook

As we look back on activity since the beginning of the 2020 financial year, we are encouraged by what has been achieved. We know that uncertainties persist and that we still face many tough challenges, but consistent progress is being made.

Crucially, the hard work to secure the financial restructuring in 2019 brought the stability necessary for us to concentrate fully on addressing the COVID-19 challenge.

The full impact of COVID-19 on the performance of the Group for the 2020 financial year remains uncertain. It is clear, however, that the virus outbreak and resulting restrictions will have a negative impact on overall turnover and the underlying business performance during this period. However, we are encouraged by the performance of the Group's retail businesses in the period since lockdown restrictions were lifted, which is ahead of our previous expectations. While the sustainability of this demand is uncertain, the Group's main trading subsidiaries, with their more resilient and defensive discount and value offering, are well positioned to gain market share in the post-COVID-19 environment.

Step 1	Step 2	Step 3
Creditors arrangement (CVAs implemented on 13 August 2019)	Manage litigation risk (investigate possible solutions and implement)	Restructure Group with a view to reducing debt and financing costs

The proposal to settle the outstanding litigation is considered to be significant progress towards completion of the second stage of our three-step restructuring process. The asset realisations and restructures are in support of the third and final stage to reduce the Group's debt and interest payments.

Our strategic objectives for the period ahead are clear: we will focus on our operations, work to secure the Litigation Settlement Proposal and realise value where appropriate in order to reduce our debt levels. These are all substantial tasks, but we have a plan and our progress to date demonstrates the potential of this business and its people to deliver.

Appreciation

We are grateful for the continuing support of our financial creditors, shareholders, almost 110 000 staff, management and Supervisory Board. We thank them all.

30 July 2020

L.J. (Louis) du Preez	**T.L. (Theodore) de Klerk**
Chief executive officer	*Chief financial officer*

Summarised Group structure

as at 30 June 2020

STEINHOFF INTERNATIONAL HOLDINGS N.V. (NL)

100%

STEINHOFF INVESTMENT HOLDINGS LIMITED

SOUTH AFRICA

PEPKOR

68% STAKE

PEP ACKERMANS [1]

Bud Built to Grow [2]

26% STAKE

SA Real Estate Portfolio (100%)

100%

STEINHOFF FINANCE HOLDING GmbH (AT)

50.1%

HEMISPHERE INTERNATIONAL PROPERTIES B.V. (NL)

European Real Estate Portfolio

49.1%

100%

GREENLIT BRANDS

Fantastic Furniture freedom [1]

100%

PEPCO GROUP

PEPCO Poundland [1]

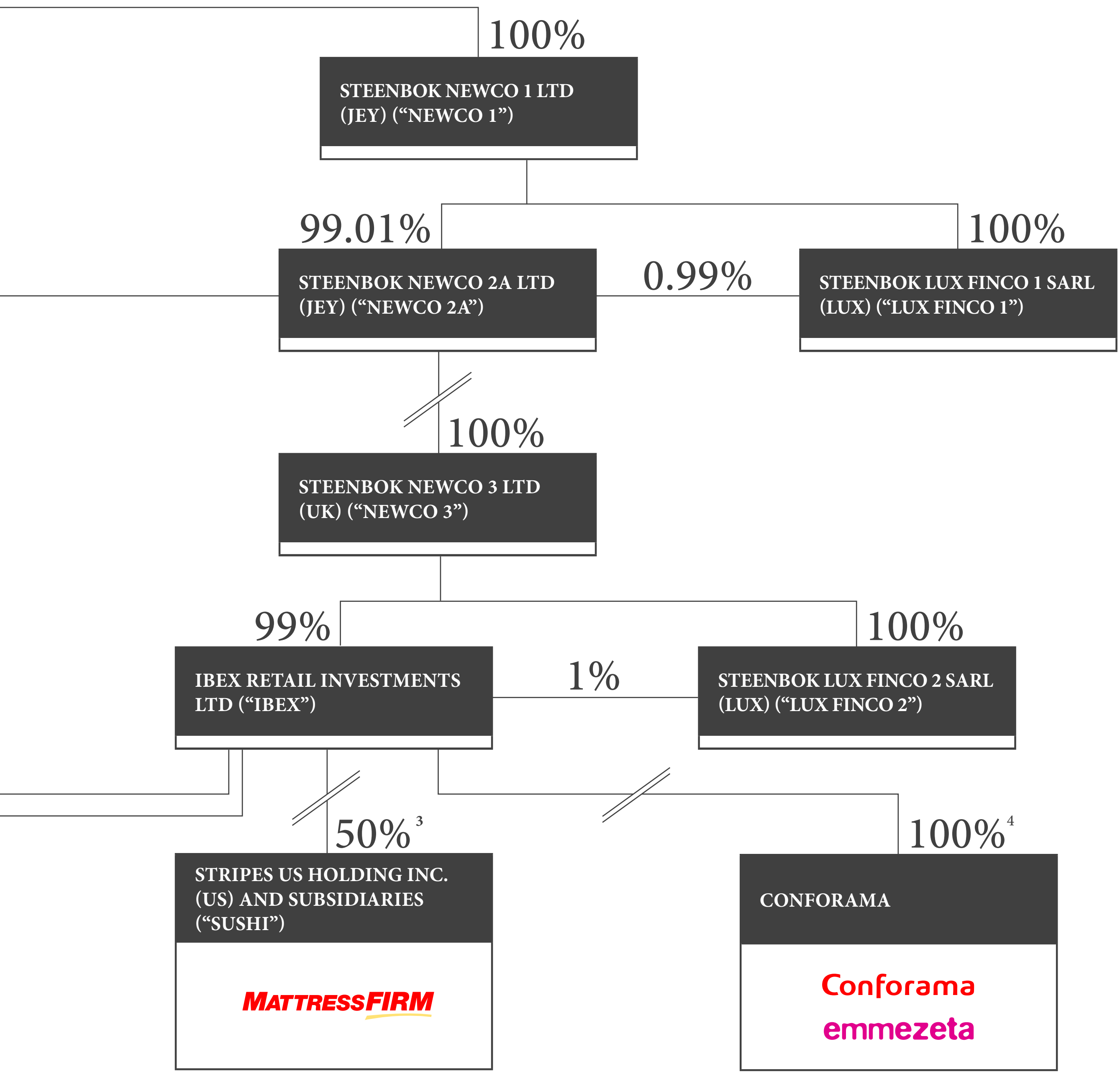
Refer to note 10 to the 2020 Condensed Financial Statements for a breakdown of the Group's loans and borrowings as at 31 March 2020.

[1] *Sample of OPCO brands*

[2] *Formerly IEP*

[3] *Subject to future dilution by the new management incentive plan.*

[4] *Warrants over 49.9% of the economic rights to the future returns of Conforama issued, but not exercised*


100%
STEENBOK NEWCO 1 LTD (JEY) ("NEWCO 1")
99.01%
100%
STEENBOK NEWCO 2A LTD (JEY) ("NEWCO 2A")
0.99%
STEENBOK LUX FINCO 1 SARL (LUX) ("LUX FINCO 1")
100%
STEENBOK NEWCO 3 LTD (UK) ("NEWCO 3")
99%
100%
IBEX RETAIL INVESTMENTS LTD ("IBEX")
1%
STEENBOK LUX FINCO 2 SARL (LUX) ("LUX FINCO 2")
50% 3
100% 4
STRIPES US HOLDING INC. (US) AND SUBSIDIARIES ("SUSHI")
MATTRESSFIRM
CONFORAMA
Conforama
emmezeta

MANAGEMENT BOARD RESPONSIBILITY STATEMENT

Introduction

The Management Board comments on the 2020 Half-year Results of Steinhoff International Holdings N.V. ("Steinhoff N.V." and/or the "Group"), a public limited liability company incorporated under the laws of the Netherlands, registered with the Trade Register in the Netherlands under number 63570173, and with tax residency in South Africa. Its registered address is at Building B2, Vineyard Office Park, Cnr Adam Tas and Devon Valley Road, Stellenbosch 7600, South Africa. Steinhoff N.V. has a primary listing on the Frankfurt Stock Exchange ("FSE") with a secondary listing on the Johannesburg Stock Exchange ("JSE").

The 2020 Half-year Report for the six months ended 31 March 2020 consists of this Responsibility Statement, the Financial and Business Review, the Operational Review and the unaudited 2020 Condensed Financial Statements.

Management Board statement

The Management Board draws specific attention to the going concern statement included in both the Financial and Business Review as well as the Basis of Preparation section of the 2020 Half-year Report in which a number of assumptions and uncertainties have been detailed, namely:

- Litigation and Regulation,
- Tax, and
- COVID-19.

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.

Responsibility statement

As required pursuant to section 5:25d paragraph 2(c) of the Dutch Financial Supervision Act, each of the Managing Directors hereby confirms that, subject to the items mentioned above enabling the Group to continue as a going concern for the foreseeable future, as far as each of them is aware:

(i) subject to the judgements and estimates set out in the Financial and Business Review the 2020 Condensed Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Steinhoff N.V. and the enterprises jointly included in the consolidation; and

(ii) the 2020 Half-year Report gives a true and fair overview of the information required pursuant to section 5:25d paragraphs 8 and 9 of the Dutch Financial Supervision Act.

Steinhoff International Holdings N.V.

The Management Board
30 July 2020

L.J. (Louis) du Preez	**T.L. (Theodore) de Klerk**
Chief executive officer	*Chief financial officer*

FINANCIAL AND BUSINESS REVIEW

Introduction

Steinhoff N.V. is a public limited liability company incorporated under the laws of the Netherlands and 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 Frankfurt Stock Exchange ("FSE") with a secondary listing on the Johannesburg Stock Exchange ("JSE").

The Group is primarily a global holding company with investments in a diverse range of retail businesses in Africa, Australasia, Europe, the United Kingdom and the United States of America.

This Financial and Business Review covers the six-month period ending 31 March 2020 ("Reporting Period") and also addresses the material events subsequent to the Reporting Date up to the publication date of this Half-year Report. This Half-year Report has not been audited or reviewed by the Company's auditors.

Overview

In line with the strategy of long-term value preservation for stakeholders, the Group was engaged in a complex restructuring process encompassing all aspects of its business throughout the Reporting Period, which has had a significant impact on its reported results. The Management Board's priorities were restoring stability to the Group's operations; improving governance at all levels; disposing of non-core businesses; working towards a resolution of outstanding legal claims against the Group; and finalising the audited financial results for 2019. Substantial progress has been made in each of these areas.

Towards the end of the Reporting Period, the Group was impacted by the outbreak of the COVID-19 pandemic. In mid-March, management acted swiftly to implement a definitive COVID-19 response strategy and further details are provided elsewhere in this report. The long-term impact on both the supply and demand sides of our businesses is as yet unknown but has the potential to be significant.

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

Current trading performance

Steinhoff N.V. is a global holding company with a broad range of interests in the retail sector. These businesses operate a number of strong local brands and are well diversified by geography and business line. The accompanying Operational Review provides further detail on the performance of the trading divisions of the Group during the Reporting Period.

Reportable segment information

In compliance with International Financial Reporting Standards ("IFRS"), and in line with the prior year presentation, the Group reports on six continuing business segments. This presentation is aligned with the Management Board's view of 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.

Critical 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. Critical 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 2019 Consolidated Financial Statements, and readers should take note of the following:

Judgements

1. Going concern assumptions
2. Consolidation decisions
3. Classification and completeness of related parties and affiliated parties
4. Recoverability of financial and other assets
5. Treatment of transactions involving Steinhoff N.V. shares funded by the Group
6. Presentation of liabilities
7. Impact assessment of the new IFRS 16: Leases
8. Recognition and measurement of provisions
9. Correct classification and completeness of contingent liabilities
10. Correct classification and completeness of liabilities and events occurring after the Reporting Period

Estimates

1. Estimates of uncertain tax positions
2. Estimates of future taxable profits in support of recognition of deferred tax assets
3. Estimates of inputs into discounted cash flow models relating to the impairment of goodwill
4. Estimates of inputs into discounted cash flow models relating to the impairment of intangible assets
5. Estimates of the useful life of intangible assets
6. Estimates of the recoverable amount and fair value of properties
7. Estimates of the useful life and residual values of buildings
8. Estimates of the fair value of identifiable assets and liabilities impacting the measurement of goodwill in a business combination
9. Estimates of vesting conditions relating to share-based payment
10. Estimates of provision to be raised for the proposed settlement

Net debt and cash flow

The debt of the Group remains high, with net debt of €9.7 billion (FY2019: €9.6 billion) at the Reporting Date. The net debt balance increased over the Reporting Period, mostly from interest and fee accruals, following the implementation of the financial restructuring. This increase was offset by proceeds from the disposals listed in the corporate activities section of this report. For further details refer to the Consolidated Statement of Cash Flows.

Geographic context and impact of foreign currencies

The Group earned c. 67% (H12019: 66%) of its revenue from continuing operations outside of the eurozone area. The Group's assets are spread around the globe and the non-European 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.

Advisory fees (not included in segmental results)

It has been necessary for Steinhoff N.V. to continue to engage a wide range of professional advisors as it seeks to stabilise and restructure the Group. Advisory fees for the Reporting Period amounted to €58 million (H12019: €82 million), as disclosed in note 3.7 of the 2020 Condensed Financial Statements. Advisory fees relate only to work that is essential to the restructuring and survival of the Group and every effort is being made to reduce them where possible.

In addition, audit fees are billed monthly for work performed and are expensed as incurred. All of the 2019 audit work was performed after the end of the 2019 Reporting Period and as such will be expensed in the 2020 financial year.

Legal advisory fees are expected to remain significant in the period ahead as we attempt to resolve and deal with outstanding litigation and seek redress against former executives and related parties.

Finance costs

The finance costs for the half-year increased to €698 million (H12019: €482 million). This increase is as a result of increased interest on borrowings following the implementation of the CVAs effective from 14 December 2018, as well as from the adoption of IFRS 16: Leases. Please refer to notes 4 and 10 of the 2020 Condensed Financial Statements for more information.

Related party and intergroup 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 intergroup transactions are eliminated on consolidation.

Governance and leadership

There were no changes to the Management Board during the Reporting Period or subsequently. The Chairperson of the Supervisory Board during the Reporting Period, Heather Sonn, resigned on 18 May 2020 and was succeeded by Moira Moses on 22 May 2020.

Corporate activity during the Reporting Period

Since December 2017 the Group has been engaged in an exceptional level of corporate activity as it stabilises and restructures its operations, and this elevated activity level has continued during the Reporting Period.

Unitrans – Automotive

On 27 November 2019, the Group announced the financial closing of the sale of a 74.9% stake in Unitrans to CFAO, effective 25 November 2019, and that an agreement had been reached to sell the remaining 25.1% to Kapela, a Broad-Based Black Economic Empowerment investment group. This second transaction had an effective date of 19 December 2019.

Properties – Africa

The Group commenced a process, post-March 2019, to dispose of the remaining properties within its African property division. Management is considering various disposal options in order to optimise the balance sheet and unlock value for shareholders. The portfolio consists of retail, office, warehouse, dealership, truck shop and residential properties, including properties tenanted by the Group and third parties, as well as land for development. At 31 March 2020 the Africa property portfolio met the criteria to be classified as held-for-sale.

Hemisphere

The Company remains committed to a sale of the Hemisphere properties and the directors continue to believe that the held-for-sale classification remains appropriate for these assets.

ABRA

On 18 September 2019 it was resolved to sell the Group's shareholding in ABRA. The transaction was concluded in October 2019. At 30 September 2019 ABRA met the criteria to be classified as held-for-sale.

Blue Group

On 15 November 2019, Steinhoff N.V. announced that, in line with its strategy of simplifying the Group's portfolio and deleveraging its balance sheet, it had reached an agreement to sell the Blue Group Hold Co Ltd, the owner of Bensons for Beds, Harveys Furniture and upholstery and bedding manufacturers Relyon, Steinhoff UK Beds and Formation Furniture, to Alteri Investors. At 30 September 2019 the Blue Group met the criteria to be classified as held-for-sale.

Greenlit Brands

On 18 November 2019, Greenlit Brands announced that it had reached an agreement to sell its General Merchandise division, including the Best & Less, Harris Scarfe, Postie (NZ) and Debenhams Australia brands, to Allegro Funds. The transaction was completed in early December 2019, enabling Greenlit Brands to concentrate on its core household goods brands, which enjoy strong positions in the Australian and New Zealand markets. Greenlit Brands remains a wholly owned subsidiary of Steinhoff N.V. At 30 September 2019 the Greenlit Brands General Merchandise division met the criteria to be classified as held-for-sale.

Sherwood Bedding

The Group's shareholding in Sherwood Bedding, a leading manufacturer in the US private label/original equipment manufacturer bedding market, was sold to Tempur Sealy in January 2020. Sherwood Bedding operates four manufacturing facilities in the United States of America. At 30 September 2019 Sherwood Bedding met the criteria to be classified as held-for-sale.

Conforama Iberia

During the period the Conforama group decided to dispose of the Conforama Iberia business and embarked on a process to identify potential buyers. An agreement of sale was signed in February 2020, however, following the uncertainties around COVID-19 this transaction subsequently lapsed.

Pepco Group

On 8 November 2019, the Group stated that it was considering and evaluating a range of strategic options for the Pepco Group, including a potential IPO. This process is continuing, and no definitive decision has been taken with respect to any specific course of action, although the likely timing for any such activity has inevitably been impacted by the COVID-19 pandemic.

Pepkor Africa

As part of Pepkor Africa's stated ambition to reduce gearing and the cost of funding while diversifying its sources of funding, Pepkor Africa successfully raised R1 billion in three and five-year bonds issued on 10 March 2020 under its R10 billion domestic medium-term note programme at favourable interest rates. The proceeds from the bond issuance were used to settle the majority of the R1.5 billion bridge funding facility that was repayable in 2020. Pepkor Africa's credit rating was affirmed by Moody's Investors Services on 6 April 2020.

Corporate activity after the Reporting Date

Pepkor Africa

On 23 June 2020, Pepkor Africa announced a non-pre-emptive placement of up to 172.5 million ordinary shares in the authorised but unissued share capital of Pepkor Africa to certain institutional investors, representing up to 4.95% of Pepkor Africa's existing issued ordinary shares. The placement was a precautionary measure to strengthen Pepkor Africa's financial flexibility and liquidity position in the light of the continuing COVID-19 pandemic and resulting macroeconomic pressure. In addition to other cash-saving initiatives already undertaken by Pepkor Africa, the placement further increased the resilience of Pepkor Africa's balance sheet, and enhances its liquidity profile, should a more negative macroeconomic scenario materialise. On 24 June 2020 Pepkor Africa announced the successful implementation of this bookbuild, having placed the full 172.5 million shares at R11.00 per share, representing a discount of 6%, and raising R1.9 billion. Steinhoff N.V. did not participate in this transaction, reducing its effective shareholding in Pepkor Africa from 71% to 68%.

Conforama France

Conforama France SA ("Conforama France"), the Group's French retail subsidiary, has been in turnaround since 2019. 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.

Subsequently, on 8 July 2020, the Group announced the disposal of Conforama France to Mobilux Sàrl ("Mobilux"), the parent company of BUT, the leading French retailer of furniture, appliances and consumer electronics. Following the disposal, Conforama France will receive €500 million of new financing in a combination of state-guaranteed loans and funding from Mobilux.

The disposal agreement is a major milestone in the Group's restructuring effort. The disposal will secure the future of Conforama France, release the Group from its liabilities in respect of that business and allow Steinhoff N.V. to exit from the French market. Steinhoff N.V. believes the sale of the business is in the best interests of all stakeholders. It is anticipated that the transaction will close by the end of September 2020.

Conforama Switzerland

In a separate transaction, on 13 July 2020 Conforama Holding S.A. 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 will be used to reduce debt at Conforama Holdings. The sale is subject to regulatory approvals and is expected to close by the end of July 2020.

Greenlit Brands

In line with its strategy of long-term value preservation for all stakeholders, the Group is continuing to explore and evaluate a range of strategic options for its subsidiary businesses. These options include a possible public listing of the Fantastic Group, Australia's leading, value-focused furniture and bedding retailer, which is part of Greenlit Brands, the Group's Australasian business. This process remains in its early stages and no definitive decision has been taken with respect to any specific course of action or timing at this point.

Group debt restructure

The Group completed a substantial and complex debt restructuring process during the prior financial year. 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 with effect from 13 August 2019, 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. As part of the Litigation Settlement Proposal and related lender consent requests, the Group will propose that the financial creditors extend the common maturity date to 30 June 2023, with a possibility of a further six-month extension thereafter.

On 14 December 2018, being the CVA 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, which resulted in a substantial modification of the old debt instruments.

For more information please refer to the 2019 Annual Report.

Forensic investigation

PwC was requested to undertake a further phase of investigative work in respect of certain issues identified which, although they are not deemed to be material to the Company's financial statements, may be significant for other reasons, including recovery proceedings, and which therefore required further investigation, conclusion and resolution. This work is ongoing.

Litigation

Litigation remains a significant outstanding challenge for the Group. It has been a major focus for management in the period since implementation of the financial restructuring in August 2019. In parallel with these various court processes, the Management Board, assisted by a litigation working group and the Group's legal advisors, continued to work towards a resolution of outstanding claims against the Group throughout the period.

On 27 July 2020, the Group released a detailed update on efforts to resolve the ongoing complex legal claims and litigation proceedings, including details of a proposed settlement in respect of these claims. For more information please refer to that announcement.

In this regard a provision of €882 million has been raised as detailed in note 11.2 to the 2020 Condensed Financial Statements. In addition, as this proposal has not yet been agreed to by any party, the claims are still being disclosed as contingent liabilities.

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. Proceedings against members of the former management team were instituted as a first step in this process. Subsequently, claims were initiated against Top Global, an entity linked to the Talgarth Group, and Mayfair Speculators, a company linked to Mr Markus Jooste.

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. 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 the 2017 events. During the Reporting Period, the South Africa authorities approached PwC, which completed the independent forensic report commissioned by the Steinhoff Group, and engaged them to perform additional expert forensic work to assist in the criminal investigation. Steinhoff N.V. supports this initiative and has agreed to contribute funds to cover a substantial portion of the costs of the PwC work due to the size and complexity of the investigation required. Steinhoff N.V.'s role is limited to providing a portion of funding for the project and co-operation only. This is to be provided on an arm's-length basis, with Steinhoff N.V. having no ongoing involvement in the investigation and report-back process.

The Group remains committed to co-operating with and maintaining open communication lines with all regulators and this approach forms an integral part of the Group's Remediation Plan.

Shareholder meetings

Mazars Accountants N.V. in the Netherlands was appointed as the external auditor for the Steinhoff Group for the 2019 financial year at an extraordinary general meeting held in Amsterdam on 12 November 2019.

COVID-19

The COVID-19 pandemic had a material impact on the Group's retail businesses from mid-March 2020, shortly before the end of the Reporting Period, when lockdowns were initiated in Europe and South Africa. These measures resulted in the partial or full closure of many of our general merchandise stores, or restrictions on trading hours, and the closure of our offices.

Given the significant impact on revenues and consequent adverse impact on cash, in mid-March management acted swiftly to implement a definitive COVID-19 response strategy. Initially this focused on ensuring employee and customer safety, securing liquidity and preserving and maximising the Group's cash position. Thereafter attention turned to the actions necessary to return to a more normal trading position, particularly with regard to enhanced online trading (where regulations allowed), securing seasonal inventory, and to positioning the businesses to take advantage of the longer-term opportunities resulting from the changed competitive environment.

The Group's liquidity position was addressed at operating entity level, in co-operation with the respective financiers where applicable. Cash positions were maximised through the immediate draw-down of committed facilities, working collaboratively with key suppliers to defer or cancel stock commitments, appropriate use of government support and funding schemes in territories where criteria were met and reducing discretionary expenditure.

Throughout this period, the safety of our employees and customers has been paramount. Significant operational changes have been made in our stores and offices, including PPE provision where relevant for colleagues and customers, the installation of Perspex screens at till points, introduction of sanitisation stations, adoption of rigorous social distancing practices and encouraging payment by card. All of this has been achieved while adhering strictly to country-specific government regulations and has required clear communication to our customers. By the end of June almost all stores had reopened.

While initial trading has been better than expected, as stores benefited from pent-up demand at reopening, the sustainability of this demand is uncertain. The Group's main trading subsidiaries, with their more resilient and defensive discount and value offering, are, however, confident that they are well positioned to gain market share in the post-COVID-19 'new economy'.

The outlook remains uncertain and it is too early to determine the full impact of the pandemic on the performance of the Group for the 2020 financial year. It is clear, however, that the virus outbreak and resulting restrictions will have a negative impact on overall turnover and the underlying business performance during this period.

Each of the Group's large operating subsidiaries is independently funded and is not dependent on the Group for financial support. Currently all subsidiaries, excluding Conforama France, are producing stronger cash flows than originally anticipated and have sufficient liquidity to support their current management forecast.

As certain countries have eased lockdown measures earlier than the Group's forecasts anticipated, and with post-lockdown sales performance materially better than our forecast assumptions, the Group's cash position as of early July 2020 was significantly stronger than anticipated at the outbreak of the pandemic. The Group's cash forecast and requirements are being kept under active review, and structures enabling quick decision-making are in place to ensure that if any further initiatives are required to protect the Group's position they can be implemented swiftly.

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 fast moving and uncertain and these are being kept under constant review.

Going concern

In determining the appropriate basis of preparation for the 2020 Condensed Financial Statements, the Management Board is required to consider whether the Group can continue in operational existence for the foreseeable future. The Group and the Company's cash flow forecasts indicate that the Group and the Company can, based on certain critical assumptions, continue in operational existence for the foreseeable future, namely for 12 months after the date of this report. The Management Board draws attention to the following material uncertainties that are key in arriving at the forecasted cash flows, namely:

Litigation and Regulation
As disclosed above, various legal proceedings and regulatory investigations have been instituted against the Group and Company. A key assumption in both the Group and Company cash flow forecast is that no material judgements or fines are awarded or imposed against the Group or Company that will become payable during the next 12 months. There remains a material uncertainty as to the ultimate impact of litigation and regulatory enforcement on the liquidity of the Group. The majority of the claims and fines do not have an impact on the 2020 Condensed Financial Statements. Notwithstanding the provision detailed in note 11.2 to the 2020 Condensed Financial Statements, these claims remain contingent liabilities and have been disclosed in note 11 to the 2020 Condensed Financial Statements. The cash flow effect thereof has been included in the cash flow forecasts referred to above.

Tax
Tax remains a material uncertainty, as the tax impact of the accounting irregularities identified, and the consequential effects thereof, remain uncertain. This situation is exacerbated by the fact that these irregularities impact multiple jurisdictions and the finalisation of their treatment will require substantial analysis and negotiation with multiple tax authorities. A key assumption is therefore that the tax assumptions built into the current cash forecast, for both the Group and Company, continue to apply and that no unexpected material assessments are received.

The steps to implement the CVAs were complex and multi-jurisdictional, giving rise to an element of risk regarding the tax consequences thereof. The Group has engaged with professional tax advisors in numerous jurisdictions to determine the ultimate tax consequences, with a view to ensuring that the associated element of risk arising from the restructuring is mitigated.

COVID-19
As detailed above, the COVID-19 pandemic has had a material impact on the Group's retail businesses from mid-March 2020, shortly before the end of the Reporting Period, to date.

As a result, turnover reduced, particularly in general merchandise, for the duration of these restrictions. The performance of the Group's fast-moving consumer goods focused businesses has been more resilient, partially offsetting this impact.

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 fast moving and uncertain and these are being kept under constant review.

Conclusion
The Management Board draws attention to the following facts:

(i) that in the Group's 2020 Condensed Financial Statements liabilities exceed assets; and

(ii) that these material uncertainties extend beyond the foreseeable future.

These facts therefore cast significant doubt upon the Company and Group's ability to continue as a going concern beyond the foreseeable future. If the Group and the Company are to continue as a going concern, the Management Board and operational management team require sufficient time to stabilise the Group and re-establish value at operational level. This will enable the Group and the Company to continue realising assets in a non-distressed fashion and thus maximise value and enhance the Group's ultimate ability to repay or reduce debt to manageable levels. At the same time a solution for the potential litigation against the Group will need to be sought and implemented (refer note 11.2 to the 2020 Condensed 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 Group's ordinary shares until further notice.

Preference shares and dividends

Suspension of the Steinhoff Investment Holdings Limited preference shares on the JSE

Steinhoff Investment Holdings Limited ("SINVH") is a wholly owned subsidiary of the Company and is the issuer of variable rate, cumulative, non-redeemable, non-participating preference shares with a capital value of ZAR1.5 billion. The preference shares are listed on the JSE. Following the events of December 2017, SINVH was unable to publish its Consolidated Financial Statements for the year ended 30 September 2017 by the requisite date, namely 28 February 2018. The listing of the preference shares was therefore suspended by the JSE effective 1 March 2018 and remains suspended. The consolidated and separate annual financial statements for the year ended 30 September 2019 were released on 29 May 2020, ahead of the release of the delayed annual financial statements for the earlier years, in order to give the market the most recent financial information as soon as possible. It is SINVH's intention that the financial statements for the earlier years will be released before the end of 2020 and that regular reporting will resume with effect from the 2020 full year results. These preference shares are included as non-controlling interest: preference share capital.

Preference share dividends – SINVH

On 21 February 2020, the board of SINVH declared a gross dividend of 416.90753 South African cents per SINVH preference share. This dividend was paid on Monday, 30 March 2020. The SINVH preference shares dividends are payable in the currency of South Africa and are subject to local dividend tax of 20%.

Risk management

The Management Board has established a clear risk management framework, based on the principles of ISO 31 000 and the Dutch Corporate Governance Code, with well-defined accountabilities to mitigate risks at Group and operational subsidiary level. The Management Board identifies and analyses risks associated with the strategy and the activities of the Group. Operational subsidiaries are responsible for their own processes of risk review and risk mitigation in terms of the Group's organisational structure and strategy of distribution of accountabilities. Risks are identified, monitored and mitigated on an ongoing basis. The ongoing evolution of the risk management and internal control systems remains a priority.

The Company is a holding company and as such the risk management process takes cognisance of the risks within the Company, as well as the risks inherent to its operating subsidiaries. The principal risks faced by the Company are presented in the table below:

Principal risks

Material uncertainty	External: Operational risk
COVID-19 pandemic	External: Legal and compliance risk
Litigation	Internal: Financial risk
Financial stability	External: Legal and compliance risk
Tax compliance	Internal: Legal and compliance risk
Regulatory compliance	Internal: Strategic risk
Commercial sustainability of operating entities	Internal: Operational risk
Talent management and retention	External: Strategic risk

Risk summary

The Group faces a significant risk in respect of the COVID-19 pandemic and the impact on the financial well-being and performance of the operating companies. The Management Board is closely involved with the operational management teams in monitoring and managing the risks associated with the pandemic on the retail industry, the health and safety of employees and customers, and the financial needs of the operating companies due to the restrictions on sales in bricks and mortar stores. The uncertainty relating to legal actions against the Company and Group is critical, with potential liabilities resulting in material exposure. The fact that multiple actions, including class actions, have been filed by, and on behalf of, individual and institutional investors in various countries adds additional complexity to this risk. The outcome of litigation against current and past directors of Group entities is uncertain. The management of both solvency and liquidity risk remains a primary concern and focus area for the Company to ensure the ongoing financial stability of the Group, especially given the restriction of trade due to national lockdowns experienced globally. As the Group has operations across several jurisdictions, each with its own tax regulations, in-depth knowledge is required to ensure ongoing tax compliance. Consequently, reliance is placed on in-country advisors. The risk of failure to comply with laws or regulations extends across several jurisdictions, is significant and could result in liability, including, but not limited to, financial penalties, and injunctive action. Tax reviews by authorities in these jurisdictions may result in additional taxes and could have a significant adverse effect on equity. The Company's future operating results and value will depend upon the ability of each operating division to preserve and increase its value through, in the main, organic growth and improved productivity. Although this risk is lower, the ability to retain talent and/or attract experienced senior staff remains constrained. The effectiveness of Group Services will depend on its ability to manage, attract and retain skilled and qualified human capital. The risk of losing organisational knowledge is high and this places stress on an already limited group resource.

The Company has experienced significant reputational damage, which continues to impact negatively on investor confidence. The stability in the Management Board, finalisation of annual financial reporting and transparent processes initiated with all stakeholders further contribute towards rebuilding the brand.

Principal risks (Operating entities)

Operational management is responsible for managing risk and ensuring an effective control environment within each operating company. Each operating company is continuously reviewing its governance, risk and compliance policies and approach. Operational matters relating to governance, risk and compliance are identified and reported to operational management and to local audit and risk governance structures. The operational management structure is responsible for reviewing assurance of controls, addressing identified discrepancies and reporting material breaches to the Management Board and the Audit and Risk Committee. The material risks identified at operating companies include the following:

- COVID-19 pandemic;
- Adverse economic cycles and trends;
- Supply chain failure;
- Adverse supplier credit facilities/terms;
- Competition;
- Talent management and retention;
- Regulatory compliance, including health and safety;
- Failure to meet customer needs;
- Reputation and brand association with Steinhoff N.V.;
- Fraud and ethics violations; and
- Technology infrastructure failure and cyber security.

Remediation Plan

The Management Board, with the assistance of the Chief Compliance and Risk Officer, has made significant progress with the implementation of the Remediation Plan, which was designed to address the causes of the various governance failures and their consequential impacts on the Group. The Remediation Plan addresses all the potential areas of weakness that were identified as a result of the PwC investigation. The Supervisory Board oversees the implementation with the assistance of Group Compliance and Risk. The Company is also considering findings from its own investigation, and the contents of the PwC report, in order to pursue, where appropriate, the recovery of losses incurred, and damages suffered. It is envisaged that all the identified areas will be fully implemented by the end of the 2020 financial year.

Events after the Reporting Date

Aside from the corporate activity, the impact of the COVID-19 pandemic and the Litigation Settlement Proposal, all as set out above, no other material events have occurred after the Reporting Date. Refer to note 16 of the 2020 Condensed Financial Statements.

Appreciation

The Group has made significant progress since 30 September 2019 and this is a substantial achievement that required a tremendous effort by all involved.

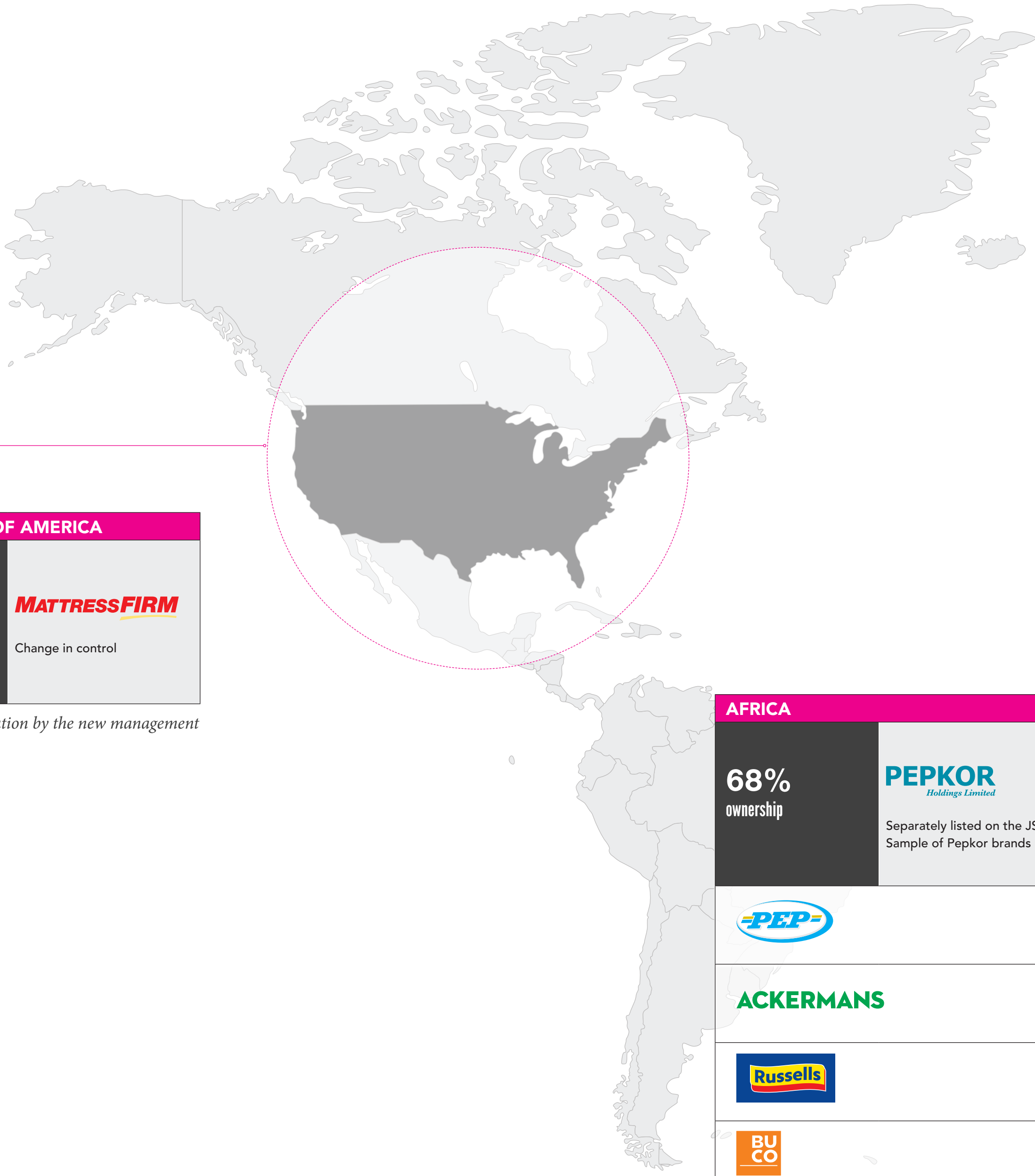
We would like to take this opportunity to thank senior management and our almost 110 000 employees in the Group's operating businesses for their hard work and loyalty, for persevering and preserving value for the Group under extremely challenging circumstances.

We would also like to thank all members of the Supervisory Board, who have provided guidance and support.

Finally, to all employees at the various central offices of the Group, our most sincere thanks for your relentless hard work and determination to help us overcome the many challenges we faced, including the COVID-19 pandemic, during the Reporting Period and thereafter.

Steinhoff today …

… is a global holding company with investments in a diverse range of retailers.



UNITED STATES OF AMERICA

50%* ownership

MATTRESSFIRM

Change in control

* *Subject to future dilution by the new management incentive plan*

AFRICA

68% ownership

PEPKOR Holdings Limited

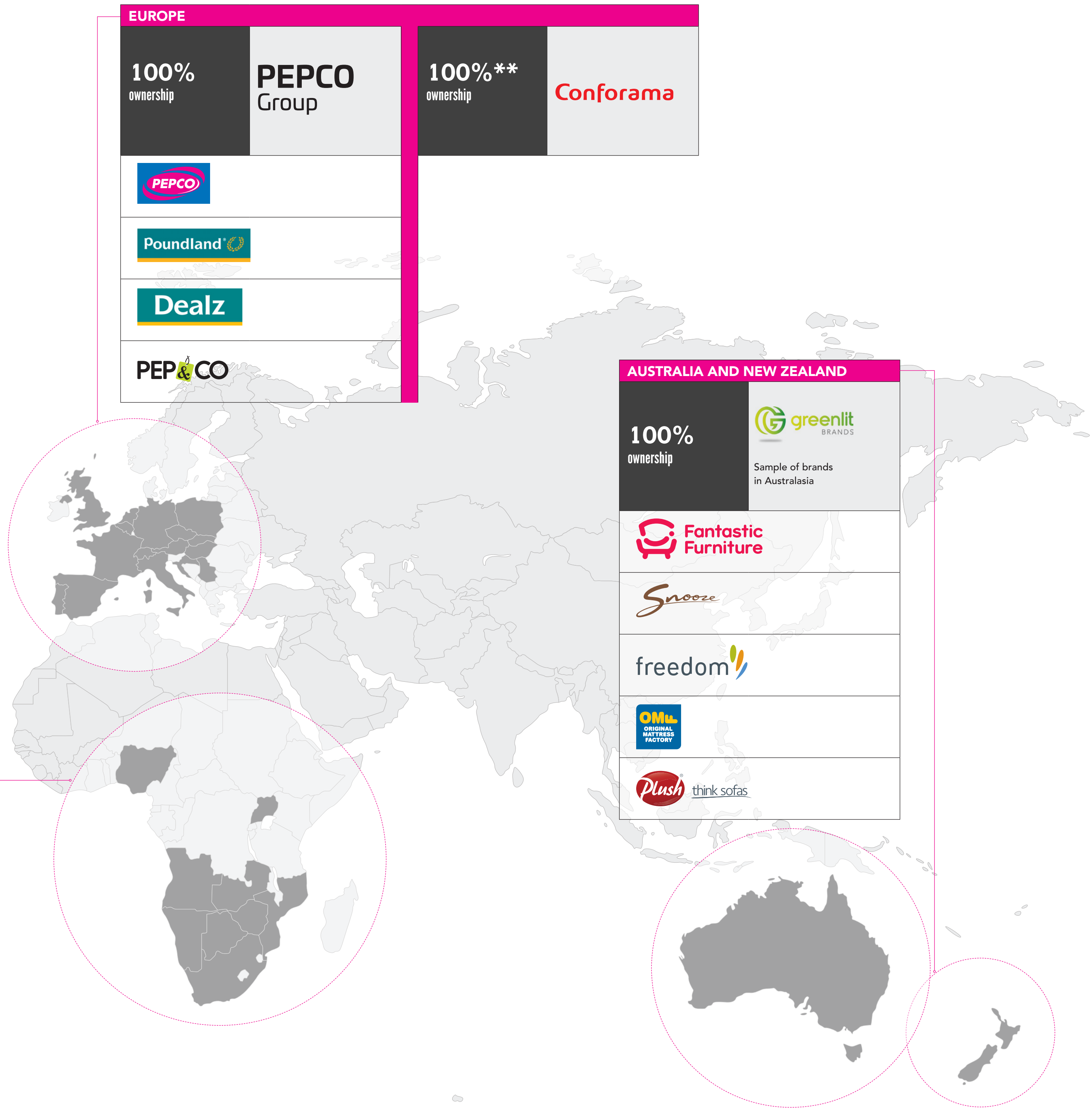
Separately listed on the JSE
Sample of Pepkor brands

PEP

ACKERMANS

Russells

BUCO



** *Warrants over 49.9% of the economic rights to the future returns of Conforama issued, but not exercised*

OPERATIONAL REVIEW

This report covers the period 1 October 2019 to 31 March 2020 ("Reporting Period"). This report has not been audited by the Company's auditors.

Introduction

Despite the operational and economic challenges faced during the six months ended 31 March 2020, including the COVID-19-related trading restrictions imposed during March 2020, the Group reported revenue growth from continuing operations of 1% to €6 241 million for the period under review (H12019: €6 152 million).

The Group adopted IFRS 16 using the modified retrospective approach, therefore comparative information has not been restated and is reported under IAS 17: Leases and IFRIC 4: Determining Whether an Arrangement Contains a Lease. For more information refer to note 17.4 of the 2020 Condensed Financial Statements.

On a pro forma basis, excluding the IFRS 16 adjustments from the current period's results, EBITDA from continuing operations decreased by 7% to €365 million, reflecting the impact of lost sales during March 2020. The reported EBITDA, from continuing operations, increased by 80% to €702 million for the period (H12019: €391 million) as the adoption of IFRS 16 resulted in a reduction of rental or lease expenses and an increase in depreciation and amortisation and finance charges.

Similarly, on a pro forma basis, operating profit before other expenses considered material non-operational items, from continuing operations ("EBIT"), decreased by 10% to €250 million. Reported EBIT increased by 15% to €320 million (H12019: €279 million).

Management within the various businesses continued to focus on operational improvements, cash flow and liquidity, expense management and profitability. Following the outbreak of the COVID-19 pandemic, the focus moved to employee and customer safety and liquidity and working capital management. The general merchandise businesses in Europe and Africa continued to expand their footprints during the Reporting Period.

Further simplification of the portfolio has been a key objective for the Group. Significant progress was made during the Reporting Period with the disposals of the Blue Group (UK household goods), Greenlit Brands' general merchandise division, the Unitrans automotive business, ABRA and Sherwood all being completed. The results for those businesses are therefore presented as discontinued operations and are excluded from this operations review.

REVENUE FROM CONTINUING OPERATIONS (€M)

	H12020	H12019	% change
Pepco Group	1 905	1 726	10
Pepkor Africa (separately listed)	2 261	2 192	3
Conforama[#]	1 666	1 797	(7)
Greenlit Brands – household goods	315	333	(5)
All other	91	103	(12)
Corporate and treasury services	3	1	>100
Total Group revenue from continuing operations	**6 241**	**6 152**	**1**

EBITDA FROM CONTINUING OPERATIONS (€M) (AS REPORTED)

	H12020	H12019	% change
Pepco Group	271	151	79
Pepkor Africa (separately listed)	353	248	42
Conforama[#]	49	19	>100
Greenlit Brands – household goods	–	10	(100)
All other	9	1	>100
Corporate and treasury services	20	(38)	>100
Total segmental EBITDA from continuing operations	**702**	**391**	**80**

EBITDA FROM CONTINUING OPERATIONS (€M) (PRO FORMA*)

	H12020	H12019	% change
Pepco Group	151	151	–
Pepkor Africa (separately listed)	251	248	1
Conforama[#]	(23)	19	>(100)
Greenlit Brands – household goods	(31)	10	>(100)
All other	(3)	1	>(100)
Corporate and treasury services	20	(38)	>100
Total segmental EBITDA from continuing operations	**365**	**391**	**(7)**

[#] *At 31 March 2020 Conforama France and Conforama Switzerland were still classified as continuing operations.*
* *Pro forma impact of IFRS 16 on EBITDA and EBIT*

OPERATING PROFIT/(LOSS) ADJUSTED FOR MATERIAL NON-OPERATIONAL ITEMS ("EBIT") FROM CONTINUING OPERATIONS (€M) (AS REPORTED)	H12020	H12019	% change
Pepco Group	129	117	10
Pepkor Africa (separately listed)	239	210	14
Conforama#	(33)	(9)	>(100)
Greenlit Brands – household goods	(35)	3	>(100)
All other	–	–	–
Corporate and treasury services	20	(42)	>100
Total segmental EBIT from continuing operations	**320**	**279**	**15**

OPERATING PROFIT/(LOSS) ADJUSTED FOR MATERIAL NON-OPERATIONAL ITEMS ("EBIT") FROM CONTINUING OPERATIONS (€M) (PRO FORMA*)	H12020	H12019	% change
Pepco Group	111	117	(5)
Pepkor Africa (separately listed)	210	210	–
Conforama#	(49)	(9)	>(100)
Greenlit Brands – household goods	(40)	3	>(100)
All other	(2)	–	–
Corporate and treasury services	20	(42)	>100
Total segmental EBIT from continuing operations	**250**	**279**	**(10)**

 # At 31 March 2020 Conforama France and Conforama Switzerland were still classified as continuing operations.
** Pro forma impact of IFRS 16 on EBITDA and EBIT*

In the reported results the comparative information has not been restated and has been reported under the previous IAS 17 and IFRIC 4. To provide a more meaningful comparison of the current period's financial performance to the prior period, in the current period the pro forma financial information has been adjusted to remove the effect of IFRS 16 to reflect comparisons with the IAS 17 basis used in prior periods.

The pro forma financial information, which is the responsibility of the Group's directors, has been presented for illustrative purposes only and is consistent with the prior reporting period. Therefore, because of its nature, the pro forma financial information may not fairly present the Group's financial position, results of operations or cash flows. The pro forma financial information has not been reviewed or reported on by the Group's external auditors.

For further information refer to note 17.4 of the 2020 Condensed Financial Statements.

Pepco Group

Pepco Group is a fast-growing, multi-format, pan-European discount variety retailer, trading through the PEPCO, Poundland and Dealz brands from over 2 800 stores in 14 territories across Europe. Pepco Group's vision is to become the largest discount variety retailer in Europe.

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

PEPCO GROUP (€M)	H12020	H12020 Pro forma	H12019	% change Reported	% change Pro forma
Total revenue	1 905	1 905	1 726	10	10
Pepco (central and eastern Europe)	925	925	805	15	15
Poundland (including Dealz)	980	980	921	6	6
EBITDA	271	151	151	79	–
Operating profit	129	111	117	10	(5)

Pepco Group continued to report strong growth with revenue increasing 10%, driven by space expansion in PEPCO & Dealz brands plus positive like-for-like growth. Prior to the outbreak of COVID-19, growth was over 14%. Pro forma operating profit for the Reporting Period was 5% below the prior period, reflecting the COVID-19 impact in March 2020 with significantly reduced store trading footprint and customer footfall. Operating profit to February 2020 reflected a 16% year-on-year growth. The Pepco Group balance sheet remains strong with net debt of €478 million, representing 1.5x last 12 months' pre-IFRS 16 EBITDA.

More recently, revenue started returning to pre-COVID-19 levels with virtually all group stores trading from mid-June 2020, but like-for-like remains negative.

Pepco Group maintained its store expansion programme for both the PEPCO and Dealz brands, ending the Reporting Period trading from 2 844 stores, an increase of 15.0%, having opened 371 new stores in the last 12 months. PEPCO opened 126 new stores in the Reporting Period, with new stores opened in ten of its 14 current territories. In addition, PEPCO upsized or relocated a further 23 stores to better represent its enhanced and expanded customer offer.

Reflecting the improving economics of Dealz stores, its disciplined store roll-out continued with 32 stores opened in total, increasing the portfolio to 85, with 11 stores opening in Spain and 21 in Poland.

Poundland continued to progress its strategy to reduce operating costs, particularly store rent, where a further 76 stores were renegotiated successfully in the period with rent reductions continuing to be ahead of the 25% expectation, while enhancing the customer proposition. The Reporting Period saw the successful introduction of an expanded multi-price offer in the three core categories of grocery, household, and health and beauty, and the trial of a chilled and frozen offer in 30 stores. The results of each of these developments were encouraging with further multi-price categories and chilled and frozen stores to be added in the second half.

Delivering its long-term growth ambition demands continued investment in high quality infrastructure. In the Reporting Period, PEPCO's new distribution centre in Hungary completed its construction and facilitation and is fully operational and, while delayed due to the impact of COVID-19, the implementation of Oracle as the group's ERP system was, until that point, progressing positively and in line with plan.

Pepkor Africa

Pepkor Africa has the largest retail store footprint in southern Africa, with more than 5 400 stores operating across 11 African countries. The majority of its retail brands operate in the discount and value segment of the market.

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

PEPKOR AFRICA (€M)	H12020	H12020 Pro forma	H12019	% change Reported	% change Pro forma
Total revenue	2 261	2 261	2 192	3	3
EBITDA	353	251	248	42	1
Operating profit	239	210	210	14	–

The Pepkor Africa Group achieved commendable results for the Reporting Period as its proven defensive discount and value market positioning, disciplined focus on customer needs and leading low cost of doing business underpinned performance.

The retail environment was constrained with low consumer spending, high levels of unemployment, load shedding and low economic growth. This was exacerbated during March 2020 with the spread of COVID-19 across South Africa and the globe – resulting in the declaration of a national state of disaster and the implementation of a national lockdown effective from 27 March 2020 until 30 April 2020.

The Pepkor Africa Group's operations achieved revenue growth of 3% to €2 261 million (6% in constant currency) for the Reporting Period. Pro forma operating profit before other expenses considered material non-operational items was in line with the 2019 Half-year Reporting Period, while reported operating profit increased by 14% to €239 million. Operating profit growth was significantly impacted by increased debtors' costs while higher funding costs weighed on earnings growth.

The discount and value positioning of PEP and Ackermans proved resilient during the Reporting Period as confirmed by continued market share growth according to Retail Liaison Committee ("RLC") data. In aggregate, PEP and Ackermans reported merchandise sales growth of 7% and like-for-like growth of 4%.

PEP outperformed the market, further strengthening its position as leader in the discount clothing segment. While customers face financial pressure and high levels of unemployment, PEP continues to fulfil their need for basic and essential products and services and maintained its price-leading position, with best price leadership ("BPL") remaining above 95%. A 26% positive price differential was achieved compared to other retailers.

The customer value proposition of Ackermans aimed at 'women with kids in their lives' again delivered strong performance, with double-digit growth in the Babies product category. Women's wear benefited from improved visual merchandising and successful marketing campaigns. The store base of the Ackermans Woman retail concept was expanded to 20 stand-alone stores.

PEP Africa remains profitable and continues to consolidate amid adverse macroeconomic conditions across most countries of operation, while performance of the Speciality division has been most severely affected by the challenging retail environment of more discretionary products such as footwear and adult apparel.

Sales in the furniture division were severely impacted from middle-March in the lead-up to the implementation of the national lockdown. The electronics and appliances division benefited from the investment in online transacting and fulfilment systems and achieved strong growth in online transactions. The contribution from online sales in this division increased to 6% for the Reporting Period.

Trading activity continued to weaken in a contracting building industry. Good progress was made in the retail division through margin improvement, centralised procurement and automatic replenishment initiatives.

FLASH, with its reach into the informal market, continues to report strong growth with virtual turnover in its trader business increasing during the period. The number of FLASH traders increased to 172 000 from 156 000 in the comparative period and investments in new products, channels and geographies are gaining momentum.

Capfin increased active accounts to 333 000. Credit granting was severely curtailed towards the end of March as a result of COVID-19 and the focus has now turned to debt collections.

Conforama

Conforama operates an extensive retail network across Europe, with more than 300 stores in France, Spain, Portugal, Italy, Switzerland, Croatia and Serbia.

Conforama's core product lines comprise furniture, decoration, a range of homeware appliances and electronic goods. For more information visit www.conforama.fr.

CONFORAMA (€M)	H12020	H12020 Pro forma	H12019	% change Reported	% change Pro forma
Total revenue	1 666	1 666	1 797	(7)	(7)
EBITDA	49	(23)	19	>100	>(100)
Operating (loss)	(33)	(49)	(9)	>(100)	>(100)

The COVID-19 pandemic had a big impact on Conforama's business in March 2020 as all trading stopped in order to comply with the containment measures imposed by the various governments. The management team within each country set up its own business continuity plan to protect and inform employees and customers, secure cash through supplier negotiations, understand the government restrictions and manage other ongoing initiatives and to prepare the business for recovery. Stores reopened progressively from late April 2020, with all stores open from early June 2020.

As a result, in the Reporting Period, the Conforama Group reported revenue of €1 666 million, a 7% reduction on the prior period (H12019: €1 797 million).

During the Reporting Period, Conforama France recorded an 8% reduction in revenue while Conforama's international operations, comprising all Conforama territories outside of France, recorded a reduction in revenue of 4%. The best performing operations were Iberia and Switzerland, where the decline in revenue for the period was less than 1%. The revenue reduction was experienced across all product types.

In line with the reduction in revenue, on a pro forma basis, excluding the adoption of IFRS 16, EBITDA reduced to a loss of €23 million (H12019: €19 million profit). Operational EBITDA for the Reporting Period, as reported, increased to €49 million, mainly as a result of the adoption of IFRS 16.

The pro forma operating loss increased to €49 million (reported: €33 million loss; H12019: €9 million loss), impacted by increased finances charges, the costs associated with the restructuring plan as well as the COVID-19 restrictions.

In July 2020 the Group announced that an agreement to dispose of Conforama France had been signed. Subsequently an agreement to sell Conforama Suisse has also been concluded. For more information refer to the Financial and Business Review.

Greenlit Brands

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

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

GREENLIT BRANDS (€M) HOUSEHOLD GOODS	H12020	H12020 Pro forma	H12019	% change Reported	% change Pro forma
Total revenue	315	315	333	(5)	(5)
EBITDA	–	(31)	10	(100)	>(100)
Operating (loss)/profit	(35)	(40)	3	>(100)	>(100)

Performance has been mixed across the Greenlit portfolio during the first half of the financial year. Overall revenue was down 5% (2% in constant currency). Fantastic Furniture has enjoyed continued strong trading with like-for-like sales growth strengthening across the second quarter to be up 6% for the Reporting Period. Order system implementation issues and COVID-19-related supply-chain delays have seen revenue in other brands impacted negatively – leaving Greenlit's overall new sales orders down 2% like-for-like at the end of the first half. Rectification of system issues has incurred material expenditure exacerbating the bottom-line impact.

A softening in the Australian dollar during the Reporting Period has placed pressure on margins, and this was somewhat offset via retail price reviews. Online trading was up 30% on the prior year delivering 17% of gross sales and providing a strong foundation for continued trade during the COVID-19 lockdown in the second half of the year.

Consumer sentiment was impacted by COVID-19 in late March 2020, with precipitous sales drops experienced in the portfolio brands operating in higher market segments and higher ticket categories. All brands, with the exception of Fantastic Furniture, endured a period of shopfront closure for a four- to five-week period during April 2020. Encouragingly, consumer demand has rebounded strongly in May 2020 and June 2020 with all brands trading and record sales levels being achieved. These sales, coupled with the direct and indirect impact of government subsidies, are expected to contribute toward a profitable second-half performance for Greenlit.

The Group is considering a possible public listing of the Fantastic Group. This process remains in its early stages and no definitive decision has been taken with respect to any specific course of action or timing at this point.

All other

LIPO (€M)	H12020	H12020 Pro forma	H12019	% change	% change
Total revenue	88	88	88	–	–
EBITDA	7	(2)	2	>100	>(100)
Operating profit	(1)	(2)	1	>(100)	>(100)

SOURCING AND LOGISTICS (€M)	H12020	H12020 Pro forma	H12019	% change	% change
Total revenue	3	3	15	>(100)	>(100)
EBITDA	2	(1)	(1)	>100	>(100)
Operating profit/(loss)	1	–	(1)	>100	>100

Lipo

In a competitive Swiss market, the furniture retailer Lipo reported revenue at the same level as in the prior period (H12019: €88 million) despite the COVID-19 lockdown from 17 March 2020. When measured in constant currency against the Swiss franc, Lipo's total revenue decreased by 5%. The e-commerce business is running well but margins remain under pressure.

The business produced a pro forma €2 million EBITDA loss (reported €7 million profit; H12019: €2 million profit) and €2 million pro forma operating loss (reported €1 million operating loss; H12019: €1 million profit).

Sourcing and logistics

The businesses that have been retained consist of a small number of selected sourcing and logistics businesses.

Steinhoff N.V. 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 3 of the 2020 Condensed Financial Statements.

CORPORATE AND TREASURY SERVICES (€M)	H12020	H12019	% change Reported
Total operating gain/(loss)	20	(42)	>100
Head office costs	(22)	(21)	5
Audit fees	(8)	(11)	27
Forex gains/(losses)	36	(10)	>100
Reversal of provisions	14	–	

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

Audit fees
The scope of external audit services increased significantly during the 2018 and 2019 Reporting Periods. In terms of accounting principles, these expenses can only be recognised once incurred. As the 2017 and 2018 Annual Reports were only finalised in May and June 2019 respectively, certain audit fees relating to these Annual Reports were included within the 2019 Reporting Period. Similarly, the audit of the 2019 Annual Results only commenced after the conclusion of the 2019 financial year and are being expensed in the 2020 financial year.

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

Reversal of provisions
Reversal of provisions raised in prior years no longer required.

Mattress Firm – equity accounted

Mattress Firm is the leading speciality bed retailer in the United States, with its approximately 2 500 retail stores nationwide making it the largest bed retail footprint in the country. www.mattressfirm.com

On 21 November 2018, following the completion of the Chapter 11 restructuring, the Group's shareholding in Mattress Firm decreased from 100% to 50.1%. As a result of the change in governance structure and the reduction in shareholding, for accounting purposes, the Group was deemed to have lost control of Mattress Firm and the remaining 50.1% stake has been equity accounted with effect from that date. In accordance with accounting standards, following the change in control, 100% of Mattress Firm's results were deemed to be discontinued operations up to and until 21 November 2018, although the Group retained a 50.1% shareholding in Mattress Firm, subject to dilution from the management incentive plan.

The operating information below is for the full six-month period, does not take into account IFRS 16, and is provided as pro forma results for information purposes only.

MATTRESS FIRM (€M)	H12020	H12019	% change
Total revenue	1 430	1 243	15
EBITDA	80	(39)	>100
Operating profit/(loss)	107	(39)	>100

In October 2018, Mattress Firm entered into a voluntary Chapter 11 restructuring process, which was successfully completed in November 2018. This process was the cornerstone of Mattress Firm's turnaround plan as it enabled Mattress Firm to restructure its balance sheet, secure additional new funding, and optimise its retail store portfolio by exiting 640 economically inefficient retail store locations. In addition, approximately 100 stores were closed during the period under review through natural lease expirations. Following the successful exit from Chapter 11 in November 2018, the performance trends in the business have been far more encouraging.

Despite a 3% reduction in the store base year-on-year, USD revenue increased by 12% for the six months under review. Encouragingly, like-for-like sales increased by 13% in the second quarter, representing the eighth consecutive quarter of positive like-for-like sales growth. In addition, store productivity and product margins continued to improve.

Profitability represented a significant improvement compared to the prior period and the business continues to trade ahead of budget.

Towards the end of March 2020, a significant number of stores were required to close due to the COVID-19-related government imposed restrictions. Management implemented a wide range of actions to reduce expenses and preserve liquidity. With effect from early May 2020, the stores were allowed to reopen, and as at the end of June 2020, 88% of stores had reopened. Revenues since reopening have been better than expected and the current liquidity position at Mattress Firm remains strong.

STEINHOFF

INTERNATIONAL HOLDINGS N.V.

UNAUDITED RESULTS

FOR THE SIX MONTHS ENDED 31 MARCH 2020

Condensed Consolidated Statement of Profit or Loss

FOR THE PERIOD ENDED 31 MARCH 2020

	Notes	**Six months ended 31 March 2020 Unaudited €m**	Restated[1] Six months ended 31 March 2019 Unaudited €m
Continuing operations			
Revenue	2	**6 241**	6 152
Cost of sales[2]		**(3 829)**	(3 762)
Gross profit		**2 412**	2 390
Other income		**62**	60
Distribution expenses		**(306)**	(349)
Administration expenses		**(1 846)**	(1 795)
Other expenses	3	**(1 003)**	(44)
Operating (loss)/profit		**(681)**	262
Finance costs	4	**(698)**	(482)
Income from investments		**59**	38
Share of loss of equity accounted companies		**(10)**	(11)
Impairment of equity accounted companies	8.2	**(25)**	–
Loss before taxation		**(1 355)**	(193)
Taxation		**(83)**	(113)
Loss from continuing operations		**(1 438)**	(306)
Discontinued operations			
Loss from discontinued operations	1.2	**(82)**	(265)
Loss for the period		**(1 520)**	(571)
(Loss)/profit attributable to:			
Owners of Steinhoff N.V.		**(1 523)**	(617)
Non-controlling interests		**3**	46
Loss for the period		**(1 520)**	(571)
Basic and diluted loss per share (cents)[3]			
From continuing operations	6	**(34.7)**	(8.5)
From discontinued operations	6	**(2.0)**	(6.4)
		(36.7)	(14.9)

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations.*

[2] *The material component of cost of sales comprises the cost of sales of inventory.*

[3] *Refer to note 6 for normalised basic and diluted loss per share. The Company regards normalised loss as the appropriate basis to evaluate business performance as it eliminates the impact of the provision for the proposed settlement during the Reporting Period. Refer to note 11.2 for more detail on the proposed settlement provision raised.*

On 1 October 2019, the Group adopted IFRS 16 Leases. Comparative information for the 2019 Half-year Reporting Period has not been restated, as permitted under the specific transition provisions in the standard. Additional pro-forma note disclosure is provided of the current period, adjusted to remove the impact of IFRS 16 in order to provide a more meaningful comparison with the prior period. Refer to note 17.4.

The accompanying notes form an integral part of the 2020 Condensed Financial Statements.

Condensed Consolidated Statement of Comprehensive Income

FOR THE PERIOD ENDED 31 MARCH 2020

	Six months ended 31 March 2020 Unaudited €m	Restated[1] Six months ended 31 March 2019 Unaudited €m
Loss for the period	**(1 520)**	(571)
Items that may be reclassified subsequently to profit or loss (net of tax):		
Net exchange losses on translation of foreign operations and translation of net investment in foreign operations[2]	**(785)**	34
Foreign currency translation reserve and cash flow hedge reclassified to profit or loss on disposal of investment - Continued operations	**–**	81
Foreign currency translation reserve and cash flow hedge reclassified to profit or loss on disposal of investment - Discontinued operations	**34**	–
Net fair value gain on cash flow hedges and other assets and liabilities measured at fair value through other comprehensive income	**53**	5
Other comprehensive income of equity accounted companies	**–**	1
Total other comprehensive (loss)/income for the period	**(698)**	121
Total comprehensive loss for the period	**(2 218)**	(450)
Total comprehensive (loss)/income attributable to:		
Owners of Steinhoff N.V.	**(2 066)**	(505)
Non-controlling interests	**(152)**	55
Total comprehensive loss for the period	**(2 218)**	(450)

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations.*

[2] *The net exchange losses recognised in Comprehensive Income during the Reporting Period resulted mostly from the translation of the Group's investment in its South African operations where there was a significant deterioration of the South African rand to the Euro. The exchange rates used to translate the South African operations during the Reporting Period were EUR:ZAR 16.6270 for the average translation rate and EUR:ZAR 19.6095 for the closing translation rate.*

The accompanying notes form an integral part of the 2020 Condensed Financial Statements.

Condensed Consolidated Statement of Financial Position

AS AT 31 MARCH 2020

	Notes	31 March 2020 Unaudited €m	30 September 2019 Audited €m
ASSETS			
Non-current assets			
Goodwill	7	**3 814**	4 295
Intangible assets	7	**1 506**	1 676
Property, plant and equipment		**1 277**	1 352
Right-of-use assets	17	**2 395**	–
Investments in equity accounted companies	8	**149**	208
Other financial assets	9	**279**	332
Deferred tax assets		**210**	162
Trade and other receivables		**4**	9
		9 634	8 034
Current assets			
Inventories		**1 954**	2 130
Trade and other receivables		**943**	954
Taxation receivable		**49**	65
Other financial assets	9	**178**	178
Cash and cash equivalents		**1 810**	1 795
		4 934	5 122
Assets classified as held-for-sale and disposal groups	15	**343**	1 445
		5 277	6 567
Total assets		**14 911**	14 601
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital (net of treasury shares)		**41**	41
Share premium (net of treasury shares)		**10 537**	10 537
Other reserves		**(1 769)**	(1 230)
Accumulated losses		**(13 329)**	(11 719)
Total equity attributable to owners of Steinhoff N.V.		**(4 520)**	(2 371)
Non-controlling interests		**1 071**	1 273
Total equity		**(3 449)**	(1 098)
Non-current liabilities			
Borrowings	10	**10 793**	10 371
Employee benefits		**135**	133
Deferred tax liabilities		**377**	397
Provisions		**174**	118
Lease liabilities	17	**1 865**	–
Trade and other payables		**22**	49
		13 366	11 068
Current liabilities			
Trade and other payables		**2 077**	2 402
Taxation payable		**170**	216
Employee benefits		**63**	109
Provisions		**178**	290
Lease liabilities	17	**871**	–
Provision – Litigation Settlement Proposal	11.2	**882**	–
Borrowings	10	**705**	999
		4 946	4 016
Liabilities directly associated with assets classified as held-for-sale and disposal groups	15	**48**	615
		4 994	4 631
Total equity and liabilities		**14 911**	14 601

The accompanying notes form an integral part of the 2020 Condensed Financial Statements.

The Group has elected to apply the impact of IFRS 16 retrospectively with an adjustment to opening accumulated losses on 1 October 2019, therefore comparative information for the 2019 Reporting Period has not been restated. Refer to note 17.3 for financial impact of IFRS 16 on the 1 October 2019 Statement of Financial Position.

Condensed Consolidated Statement of Changes in Equity

FOR THE PERIOD ENDED 31 MARCH 2020

	Notes	Ordinary share capital & Treasury share capital €m	Share premium & Treasury share premium €m
Balance at 30 September 2019 – Audited		**41**	**10 537**
Effect of adopting IFRS 16 Leases	17	–	–
Restated balance at beginning of the period		**41**	**10 537**
Loss for the period		–	–
Other comprehensive income for the period		–	–
Total comprehensive (loss)/income for the period		–	–
Transactions with the owners in their capacity as owners			
Ordinary dividends		–	–
Preference dividends		–	–
Share-based payments[1]		–	–
Transfers to/(from) other reserves upon disposal of subsidiaries and equity accounted investments		–	–
Total equity at 31 March 2020 – Unaudited		**41**	**10 537**
Balance at 30 September 2018 – Audited		2 070	8 364
Effect of adopting IFRS 9 – Financial Instruments, net of taxation		–	–
Restated balance at beginning of the period		2 070	8 364
Loss for the period		–	–
Other comprehensive income for the period		–	–
Total comprehensive (loss)/income for the period		–	–
Transactions with the owners in their capacity as owners			
Net treasury shares purchased and attributed		3	33
Preference shares redeemed (Mattress Firm restructure)		–	–
Ordinary dividends		–	–
Attributable share of other reserves relating to equity accounting		–	–
Share-based payments		–	–
Transfers to/(from) other reserves upon disposal of subsidiaries and equity accounted investments		–	–
Restated balance at 31 March 2019 – Unaudited		2 073	8 397

[1] *Share-based payments in the Reporting Period relates only to Pepkor Africa.*

The accompanying notes form an integral part of the 2020 Condensed Financial Statements.

Accumulated losses €m	Foreign currency translation reserve €m	Reserves relating to assets held-for-sale and disposal groups €m	Sundry reserves €m	Total ordinary equity attributable to owners of Steinhoff N.V. €m	Non-controlling interests €m	Total €m
(11 719)	(1 025)	–	(205)	(2 371)	1 273	(1 098)
(76)	–	–	–	(76)	(43)	(119)
(11 795)	(1 025)	–	(205)	(2 447)	1 230	(1 217)
(1 523)	–	–	–	(1 523)	3	(1 520)
–	(596)	–	53	(543)	(155)	(698)
(1 523)	(596)	–	53	(2 066)	(152)	(2 218)
–	–	–	–	–	(14)	(14)
(4)	–	–	–	(4)	–	(4)
–	–	–	4	4	–	4
(7)	–	–	–	(7)	7	–
(13 329)	(1 621)	–	(148)	(4 520)	1 071	(3 449)
(9 778)	(1 000)	(148)	(29)	(521)	1 162	641
(4)	–	–	–	(4)	–	(4)
(9 782)	(1 000)	(148)	(29)	(525)	1 162	637
(617)	–	–	–	(617)	46	(571)
–	4	102	6	112	9	121
(617)	4	102	6	(505)	55	(450)
(36)	–	–	–	–	–	–
33	–	–	–	33	(33)	–
–	–	–	–	–	(18)	(18)
–	–	–	2	2	–	2
12	–	–	(11)	1	–	1
8	(12)	12	(8)	–	–	–
(10 382)	(1 008)	(34)	(40)	(994)	1 166	172

Condensed Consolidated Statement of Cash Flows

FOR THE PERIOD ENDED 31 MARCH 2020

	Notes	Six months ended 31 March 2020 Unaudited €m	Six months ended 31 March 2019 Unaudited €m
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/(utilised in) in operations	12	**472**	(156)
Ordinary and preference dividends paid		**(28)**	(18)
Interest received		**21**	23
Interest paid		**(87)**	(88)
Taxation paid		**(130)**	(88)
Net cash inflow/(outflow) from operating activities		**248**	(327)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment and investment property		**(141)**	(109)
Proceeds on disposal of property, plant and equipment and intangible assets		**144**	67
Additions to intangible assets		**(22)**	(14)
Proceeds on disposal of kika-Leiner[1]		**–**	397
Acquisition of businesses, net of cash on hand at acquisition		**(2)**	–
Clawback on acquisition of business		**2**	–
Disposal of businesses net of cash	1.3	**251**	–
Proceeds from the disposal of investments in equity accounted companies		**–**	294
Decrease in net assets classified as held-for-sale and disposal groups		**–**	413
Payments for other financial assets		**–**	(2)
Net cash inflow from investing activities		**232**	1 046
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares bought from non-controlling interests		**–**	(3)
Payment of lease liabilities		**(269)**	–
Repayments of borrowings	10.2	**(295)**	(266)
Proceeds from borrowings	10.2	**161**	–
Net cash inflow from financing activities		**(403)**	(269)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**77**	450
Effects of exchange rate translations on cash and cash equivalents		**(218)**	8
Cash and cash equivalents at beginning of the period		**1 951**	1 275
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**1 810**	1 733
Reconciliation of Cash and Cash Equivalents at end of period			
Cash and cash equivalents		**1 810**	1 795
Cash and cash equivalents held-for-sale		**–**	(62)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**1 810**	1 733

[1] Kika-Leiner was sold during the 2018 reporting period the proceeds were received during the 2019 Half-year Reporting Period.

On 1 October 2019, the Group adopted IFRS 16 Leases. Comparative information for the 2019 Half-year Reporting Period has not been restated, as permitted under the specific transition provisions in the standard. Additional pro-forma note disclosure is provided of the current period adjusted to remove the impact of IFRS 16 in order to provide a more meaningful comparison with the prior period. Refer to note 17.4.

The accompanying notes form an integral part of the 2020 Condensed Financial Statements.

Basis of preparation

FOR THE PERIOD ENDED 31 MARCH 2020

Reporting entity

Steinhoff N.V. is a public limited liability company incorporated under the laws of the Netherlands and is registered with the Trade Register in the Netherlands under number 63570173, and with tax residency in South Africa. The Company has a primary listing on the FSE with a secondary listing on the JSE. The unaudited Condensed Consolidated Half-year Financial Statements ("2020 Condensed Financial Statements") of Steinhoff N.V. for the six-month period ended 31 March 2020 comprise the Group and the Group's interest in equity accounted companies. The Group is primarily a global holding company with investments in a diverse range of retail businesses. The Group operates in Africa, Australasia, Europe, the United Kingdom and the United States of America.

Refer to the Glossary of Terms in the Annexures applicable to this report.

Basis of preparation

Statement of compliance

The 2020 Condensed Consolidated Financial Statements have been prepared in accordance with IFRS, as endorsed by the European Union ("EU"). All standards and interpretations issued by the IASB and the IFRIC, effective for periods starting on 1 October 2019, 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.

The accounting policies applied for these 2020 Condensed Financial Statements are unchanged, except for the adoption of new IFRS standards as discussed below, from those used for the 2019 Consolidated Financial Statements and are included in the 2019 Annual Report on the Group's website www.steinhoffinternational.com. The Group adopted all the IFRS and interpretations that were effective for financial periods beginning on or after 1 October 2019.

On 1 October 2019, the Group adopted IFRS 16, effective for financial years commencing on or after 1 January 2019. The Group adopted this standard using the modified retrospective approach, therefore comparative information has not been restated and is reported under IAS 17: Leases (IAS 17) and IFRIC 4: Determining Whether an Arrangement Contains a Lease (IFRIC 4). Refer to note 17 for detail.

Presentation and functional currency and historical cost convention

The 2020 Condensed Financial Statements have been presented in millions of euros (€m) and are prepared on the historical-cost basis, except for certain assets and liabilities carried at amortised cost, certain financial instruments and defined benefit pension plans which are carried at fair value, assets held-for-sale which are carried at the lower of carrying amount and fair value less cost of disposal and accounting for operations for which hyperinflationary accounting is applied.

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 2020 Condensed Financial Statements, the Management Board is required to consider whether the Group and the Company can continue in operational existence for the foreseeable future.

The Group's going concern assessment is similar to the going concern assessment included in the 2019 Consolidated Financial Statements.

With the conclusion and implementation of the CVA (also refer to Note 16 - Borrowings of the 2019 Consolidated Financial Statements), the existing debt instruments in SEAG and SFHG were reissued with effect from 13 August 2019, 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 and the Company's cash flow forecasts, adjusted for the impact of the proposed legal settlement detailed in note 11.2, indicate that both the Group and the Company can, based on certain critical assumptions, continue in operational existence for the foreseeable future, namely for 12 months after the date of authorisation of the 2020 Condensed Financial Statements.

However, the Management Board draws shareholders' attention to the following material uncertainties that are key in arriving at the forecasted cash flows, namely:

Litigation and Regulation

The Group and the Company are subject to several legal claims and regulatory investigations (also refer to Note 22 – Commitments and Contingencies of the 2019 Consolidated Financial Statements). A key assumption in both the Group and the Company's cash flow forecasts is that no material judgements or fines are issued against the Group or Company that will become payable during the next 12 months. The Supervisory Board and the Management Board, assisted by the Litigation Working Group, and in consultation with the Group's attorneys, continue to assess the merits of, and responses to, these claims, and provide feedback to the regulatory bodies. Pleading and notices have been filed by the Group in various legal proceedings and the Company and applicable subsidiaries have co-operated with various regulators in their investigations. However, there remains a material uncertainty as to the ultimate impact of litigation and regulatory enforcement on the liquidity of the Group. Refer to note 11 for more information on claims and fines.

Basis of preparation (continued)

***Litigation and Regulation** (continued)*

Notwithstanding the ongoing litigation and claims the Group have received, and continue to defend, it has announced a proposed settlement to conclude substantially all the various litigation proceedings. The latest settlement proposal was sent to the key counterparties, although limited feedback has yet been received.

The quantum of the provision raised during the Reporting Period is based on the estimated financial outcome of the settlement proposal as announced on 27 July 2020.

Management draws the user of the financial statements' attention to the fact that the above litigation has not been resolved and therefore material uncertainties relating to litigation for going concern purposes remain. The actual settlement could also differ substantially from the provision raised.

The Group's settlement proposal is 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. Refer to note 11.2 for more information.

At the same time, the Group is also evaluating its position on potential claims it may have against third parties and recoveries against implicated entities and individuals are being initiated where appropriate. Certain individuals have been joined as parties to proceedings on the basis that if claims against the Group are successful, the Group should be entitled to an indemnity in respect of, or a contribution towards, those claims. The Group also intends to recover amounts paid to certain former members of, inter alia, the Management Board of Steinhoff N.V. On 19 June 2019 the Company launched proceedings against former CEO Markus Jooste and former CFO Ben la Grange in the High Court of South Africa, Western Cape Division, Cape Town, South Africa to recover certain salary and bonus payments paid to the former CEO and CFO.

Tax

Tax remains a material uncertainty, as the tax impact of the accounting irregularities identified, and the consequential effects thereof, remain uncertain. This is exacerbated by the fact that these irregularities impact multiple jurisdictions and the finalisation of their treatment will require substantial analysis and negotiation with multiple tax authorities. A key assumption is therefore that the tax assumptions built into the current cash forecasts, for both the Group and Company, continue to apply and that no unexpected valid material assessments are issued by the relevant tax authorities. The steps necessary for the implementation of the CVAs were complex and multi-jurisdictional, potentially giving rise to an element of risk regarding the tax consequences thereof. The Group has engaged with professional tax advisors in numerous jurisdictions to determine the ultimate tax consequences, with a view to ensuring that the associated element of risk arising from the CVAs is mitigated.

COVID-19

The COVID-19 pandemic had a material impact on the Group's retail businesses from mid-March 2020, shortly before the end of the Reporting Period, when lockdowns were initiated in most of the countries in which the Group operates. These measures resulted in the closure of many of the Group's general merchandise stores and central office and warehousing facilities.

Given the significant and immediate impact on revenues and cash, management acted swiftly to implement a definitive COVID-19 response strategy. This focused on ensuring employee and customer safety, securing liquidity and preserving the Group's cash position.

The full impact of COVID-19 on the performance of the Group for the 2020 Reporting Period remains uncertain. It is clear, however, that the virus outbreak and resulting restrictions will have a negative impact on overall turnover and the underlying business performance during this period. However, management is encouraged by the performance of the Group's retail businesses in the period since lockdown restrictions were lifted, which is ahead of management's previous expectations.

While the sustainability of this demand is uncertain, the Group's main trading subsidiaries, with their more resilient and defensive discount and value offering, are well positioned to gain market share in the post-COVID-19 environment.

While the Group is confident that the actions it is taking to address the impact of the COVID-19 pandemic are appropriate and timely, the situation is rapidly changing and remains uncertain and is subject to continuous review.

Conclusion

The Management Board draws attention to the following facts:

- that in the Group's 2020 Condensed Financial Statements liabilities exceed assets, and
- that these material uncertainties extend beyond the foreseeable future (except for COVID-19).

These facts therefore cast significant doubt upon the Company and Group's ability to continue as a going concern beyond the foreseeable future. If the Group and the Company are to continue as a going concern, the Management Board and the operational management team require sufficient time to continue stabilising the Group and re-establishing value at operational level. This will enable the Group and the Company to realise assets in a non-distressed fashion and thus maximise value, enhancing the Group's ultimate ability to repay or reduce debt and to protect and maximise value to all stakeholders. At the same time a solution for the litigation initiated against the Group will need to be sought and implemented.

Areas of critical judgements and estimates

The preparation of 2020 Condensed Financial Statements requires management to make judgements and estimates that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates, and judgements have been made after taking into account all currently available information but could change if additional relevant information comes to light.

Critical accounting estimates are those which involve complex or subjective judgements or assessments.

Refer to the Financial and Business review section of this report and the 2019 Consolidated Financial Statements for a list of critical accounting estimates and judgements that are also applicable to the 2020 Condensed Financial Statements.

The results of operations for the six months ended 31 March 2020 are not necessarily indicative of the results to be expected for the entire financial period.

Critical estimate included in the preparation of 2020 Condensed Financial Statements not in the list applicable to 2019 Consolidated Financial Statements:

Estimate	Note
• Estimates of provision to be raised for the Litigation Settlement Proposal	11.2

Adopted new significant accounting policy

Leases

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 lease term, which is determined by the Group as the non-cancellable period of the lease including any extension options where the Group is reasonably certain it will be exercised. Right-of-use assets are tested for impairment when indicators of impairment are identified.

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 at which the future lease payments is discounted takes into account lease term, country, currency and start date of the lease. Incremental borrowing rates are based on a series of inputs of which the most significant inputs include the interbank average lending rate, credit risk adjustments and country-specific adjustment.

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. 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.

Notes to the Condensed Consolidated Half-year Financial Statements

FOR THE PERIOD ENDED 31 MARCH 2020

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 2019 Half-year Reporting Period and Reporting Period . These businesses have been presented as discontinued operations:

Identified for inclusion in the Reporting Period: Segment	Businesses
European Properties	Hemisphere properties
Greenlit Brands	General Merchandise division
All Other segment	Abra
	Blue Group
	Pritex
	Properties – Africa
	Sherwood

These disposals have also necessitated a restatement of segmental reporting (refer note 2).

Identified for inclusion in the 2019 Half-year Reporting Period: Segment	Businesses
European Manufacturing, Sourcing and Logistics	Steinpol
Mattress Firm	Mattress Firm
Automotive	Unitrans

Refer to note 15 for more information on the held-for-sale assets and liabilities.

European Properties

Hemisphere properties

Hemisphere is an indirect wholly owned subsidiary of Steinhoff N.V. and holds a portfolio of European properties. The European property portfolio comprises office, retail and warehouse space.

Hemisphere property portfolio met the criteria to be classified as held-for-sale on 30 June 2019.

The Hemisphere property portfolio disposal processes have been affected by the COVID-19 pandemic to varying extents. Some of the processes have experienced delays and, in the case of the Industrial & Logistics portfolio, the buyer was not willing and able to complete Phase 1 of the disposal on 31 March 2020 as required by the sale and purchase agreement. Irrespective of these developments, the Company remains committed to a sale of the Hemisphere properties and the directors continue to believe that the held-for-sale classification remains appropriate for these assets.

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 (previously Australasia) segment.

At 30 September 2019 Greenlit Brands - General Merchandise met the criteria to be classified as held-for-sale.

All Other segment

Abra

The Group concluded the sale of Abra during October 2019. Abra met the criteria to be classified as held-for-sale on 30 September 2019.

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 Group's household goods division, Blue Group Holdco Limited to Alteri Investors.

At 30 September 2019 the Blue Group met the criteria to be classified as held-for-sale.

1. DISCONTINUED OPERATIONS (continued)

All Other segment (continued)

Pritex

Pritex Limited, the manufacturer of acoustic and thermo-acoustic insulation products for the diverse range of automotive and industrial markets was disposed of on 24 May 2019 together with a real estate property it occupied to Saint-Gobain High Performance Solutions UK Limited.

Properties – Africa

The Group has commenced a process post March 2019 to dispose of the remaining property portfolio of the African property portfolio. Management considered various disposal options for their African property portfolio in order to optimise the balance sheet and unlock value for shareholders.

The disposal portfolio consists of retail, office, warehouse, vacant land and residential properties, which includes properties tenanted by third party tenants. The list of properties in each portfolio have been identified and offers are currently being assessed against the valuations conducted for each of the properties.

At 30 September 2019 the Africa property portfolio met 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 €47 million. At 30 September 2019 Sherwood met the criteria to be classified as held-for-sale.

European Manufacturing, Sourcing and Logistics

Steinpol

Steinpol is a non-core manufacturing business in Poland and management decided to dispose of the business to reduce the Group's exposure to its funding requirements.

The transaction closed on 11 March 2019. Management concluded that the Steinpol business met the criteria to be classified as held-for-sale on 30 September 2018.

Automotive

Unitrans

On 28 March 2019 the Company announced that it has 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 sale date has been determined as 25 November 2019. Unitrans will be fully consolidated up to this date.

The Automotive business was a separate reportable segment and has therefore been disclosed as a discontinued operation.

The remaining 25.1% of the shares were sold to a Broad-Based Black Economic Empowerment investment group, Kapela on 19 December 2019.

Mattress Firm

On 21 November 2018, in consideration for providing the financing required by Mattress Firm to emerge from Chapter 11, certain of the Group's lenders that provided the exit financing received 49.9% of the shares in SUSHI, the indirect owner of Mattress Firm.

The Group retained a 50.1% equity interest in Mattress Firm. Both the lenders' and the Group's shareholding are subject to a total dilution up to 10% by a management incentive plan.

The Management Board has considered the shareholding and governance structures of Mattress Firm and determined that the Group lost control of Mattress Firm on 21 November 2018. The value of the associate recognised on the day the Group loss control was based on 5x EBITDA multiple (forecasted September 2021 EBITDA).

Mattress Firm was included as a discontinued operation until 21 November 2018, and thereafter as an equity accounted investment.

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 periods ended 31 March 2020, 31 March 2019 and 30 September 2019, as required by IFRS. Comparative information has been restated accordingly.

The detail of assets classified as held-for-sale is presented in note 15.

1. DISCONTINUED OPERATIONS (continued)

1.1 ADJUSTMENT OF THE PRIOR PERIOD STATEMENT OF PROFIT OR LOSS ON CONTINUING OPERATIONS FOR THE RESTATED DISCONTINUED OPERATIONS

	Six months ended 31 March 2019		
	Previously reported €m	Adjustment for discontinued operations €m	Continuing operations presented €m
Continuing operations			
Revenue	6 862	(710)	6 152
Cost of sales	(4 136)	374	(3 762)
Gross profit	2 726	(336)	2 390
Other income	70	(10)	60
Distribution expenses	(364)	15	(349)
Administration expenses	(2 177)	382	(1 795)
Other expenses	(43)	(1)	(44)
Operating profit	212	50	262
Finance costs	(483)	1	(482)
Income from investments	39	(1)	38
Share of profit of equity accounted companies	(10)	(1)	(11)
Loss before taxation	(242)	49	(193)
Taxation	(114)	1	(113)
Loss for the period	(356)	50	(306)
Loss attributable to:			
Owners of Steinhoff N.V.	(402)	50	(352)
Non-controlling interests	46	–	46
Loss from continuing operations	(356)	50	(306)
Basic loss per share (cents)	(9.7)	1.2	(8.5)

1.2 STATEMENT OF PROFIT OR LOSS FOR DISCONTINUED OPERATIONS

	Notes	Six months ended 31 March 2020 Unaudited €m	Restated[1] Six months ended 31 March 2019 Unaudited €m
Revenue		584	1 865
Cost of sales		(399)	(1 195)
Gross profit		185	670
Other income		15	30
Distribution expenses		(6)	(56)
Administration expenses		(221)	(705)
Other expenses		(15)	(60)
Impairments		–	(53)
Net gain on disposal of property, plant and equipment		52	26
(Loss)/profit on disposal of discontinued operations/disposal group	1.3	(33)	36
Foreign currency translation reserve reclassified to profit or loss		(34)	(88)
Other		–	19
Operating loss		(42)	(121)
Finance costs		(21)	(146)
Income from investments		–	3
Loss before taxation		(63)	(264)
Taxation		(19)	(1)
Loss for the period		(82)	(265)
Loss attributable to:			
Owners of Steinhoff N.V.		(82)	(265)
Non-controlling interests		–	–
Loss for the period		(82)	(265)

[1] *Comparative numbers have been restated as a result of classifying certain segments as discontinued operations.*

1. DISCONTINUED OPERATIONS (continued)

1.3 DETAILS OF THE DISPOSAL OF SUBSIDIARIES CLASSIFIED AS DISCONTINUED OPERATIONS

	Unitrans €m	Sherwood €m	Greenlit Brands €m	Blue Group €m	Abra €m	Total Unaudited
Carrying amount of net assets sold	230	37	34	37	2	340
(Loss)/profit on disposal of discontinued operations/disposal group	(3)	8	(10)	(26)	(2)	(33)
Total consideration	227	45	24	11	–	307
Net cash inflow arising on disposals						
Total consideration	227	45	24	11	–	307
Less cash on hand at date of disposal	(46)	(1)	(6)	(1)	(2)	(56)
Net cash inflow	181	44	18	10	(2)	251

1.4 PRESENTATION OF DISCONTINUED OPERATIONS IN THE STATEMENT OF CASH FLOWS

	Six months ended 31 March 2020 Unaudited €m	Restated[1] Six months ended 31 March 2019 Unaudited €m
Cash flows from discontinued operations		
Net cash outflow from operating activities	(30)	(356)
Net cash inflow from investing activities*	(109)	(1)
Net cash inflow from financing activities	10	355
Net cash outflow	(129)	(2)

[1] Comparative numbers have been restated as a result of classifying certain segments as discontinued operations.

1.5 SEGMENTAL INFORMATION RELATING TO DISCONTINUED OPERATIONS

	Six months ended 31 March 2020 Unaudited	Restated[1] Six months ended 31 March 2019 Unaudited			
	Discontinued operations €m	Previously reported €m	Adjustment for cut-off €m	Adjustment for discontinued operations €m	Discontinued operations presented €m
Segmental revenue from discontinued operations					
European Properties	7	–	–	6	6
Mattress Firm[2]	–	384	(45)	–	339
Automotive	281	750	–	–	750
Greenlit Brands – General Merchandise	109	–	–	311	311
All Other					
European Manufacturing, Sourcing and Logistics	–	66	–	–	66
Blue Group	147	–	–	314	314
Properties – Africa	3	–	–	4	4
Abra	–	–	–	27	27
Sherwood	37	–	–	48	48
Net external revenue from discontinued operations*[2]	584	1 200	(45)	710	1 865

** Revenue between discontinued operations have been eliminated.*

[1] Comparative numbers have been restated as a result of classifying certain segments as discontinued operations.

[2] The revenue previously reported has been decreased by €45 million after cut-off procedures were performed during the audit of the 2019 Consolidated Financial Statements.

1. DISCONTINUED OPERATIONS (CONTINUED)

1.5 SEGMENTAL INFORMATION RELATING TO DISCONTINUED OPERATIONS

Operating loss before depreciation and amortisation adjusted for material non-operational items ("EBITDA")

	Six months ended 31 March 2020 Unaudited	Restated[1] Six months ended 31 March 2019 Unaudited
EBITDA reconciles to the operating loss per statement of profit or loss from discontinued operations as follows:		
Operating loss from discontinued operations	(42)	(121)
Depreciation and amortisation	22	22
Other expenses considered material non-operational items	15	60
Intercompany elimination with continuing operations	2	27
EBITDA per segment reporting from discontinued operations	(3)	(12)
European Properties	(17)	–
Mattress Firm[2]	–	(47)
Automotive	6	32
Greenlit Brands – General Merchandise	27	4
All Other	(19)	(1)
EBITDA from discontinued operations as presented	(3)	(12)

[1] *Comparative numbers have been restated as a result of classifying certain segments as discontinued operations.*

[2] *The EBITDA previously reported has been decreased by €21 million after cut-off procedures were performed during the audit of the 2019 Consolidated Financial Statements.*

Operating loss adjusted for material non-operational items ("EBIT")

	Six months ended 31 March 2020 Unaudited	Restated[1] Six months ended 31 March 2019 Unaudited
EBIT reconciles to the operating loss per statement of profit or loss from discontinued operations as follows:		
Operating loss from discontinued operations	(42)	(121)
Other expenses considered material non-operational items	15	60
Intercompany eliminations with continuing operations	2	27
EBIT per segment reporting from discontinued operations	(25)	(34)
European Properties	(31)	(4)
Mattress Firm[2]	–	(47)
Automotive	6	32
Greenlit Brands – General Merchandise	25	(2)
All Other	(25)	(13)
EBIT from discontinued operations as presented	(25)	(34)

[1] *Comparative numbers have been restated as a result of classifying certain segments as discontinued operations.*

[2] *The EBIT previously reported has been decreased by €21 million after cut-off procedures were performed during the audit of the 2019 Consolidated Financial Statements.*

2. SEGMENT INFORMATION

The Group determined the Management Board to be the Chief operating decision maker for all periods under review.

The Group has disclosed the following reportable segments in respect of the Reporting Period and has restated the segment disclosures of the 2019 Half-year Reporting Period accordingly:

The Chief operating decision maker 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 Chief operating decision maker:

- **Conforama**
  Conforama operates furniture retail stores across Europe with the majority of its stores in France, Switzerland, Italy and Iberia. This segment includes the Conforama property portfolio. The Chief operating decision maker monitors the performance of Conforama on a consolidated basis.
- **Pepco Group (previously Pepkor Europe)**
  This segment comprises the general merchandise retail business of Pepco (operating in Poland and central and eastern Europe) and Poundland (operating mostly in the United Kingdom and Republic of Ireland). These businesses' performances are reviewed together as Pepco Group by the Chief operating decision maker.
- **Australasia (Greenlit Brands)**
  The Australasia segment comprises the household goods and general merchandise retailers based in Australasia (majority of the retail stores are in Australia). The General Merchandise segment has been classified as a discontinued operation. Refer to note 1. Major brands include Fantastic, Freedom and Best & Less. The Chief operating decision maker monitors the performance of Greenlit Brands on a consolidated basis.
- **Pepkor Africa**
  Pepkor Africa is listed on the JSE. Revenue in Pepkor Africa is derived from a portfolio of retail chains focused on selling predominantly clothing, footwear, textiles, cell phones, airtime and fast moving consumer goods ("FMCG"). Pepkor Africa also operates in the building supplies and furniture divisions where revenue is derived from sales of do-it-yourself building supplies and materials and furniture and appliances respectively. The Pepkor Group operates within Africa and the majority of its revenue is derived from South Africa. The Chief operating decision maker 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 segments**
  Included in "All Other" are operating segments that did not meet the requirements of a reportable segment per IFRS 8. These segments are neither sufficiently material in size nor unique in their geography to warrant separate disclosure. Included in this category are the businesses of Lipo (operating from Switzerland) and the remaining European Logistics and Sourcing businesses.

2. SEGMENT INFORMATION (continued)

Measures reported to the Chief operating decision maker

Revenue

Segment revenue excludes Value Added Taxation. Intersegment revenue is eliminated in the segment from which it was sold.

Refer to note 1 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

	Six months ended 31 March 2020 Unaudited			Restated[1] Six months ended 31 March 2019 Unaudited		
	Total segment revenue €m	Inter-segment revenue €m	Revenue from external customers €m	Total segment revenue €m	Inter-segment revenue €m	Revenue from external customers €m
Conforama	1 666	–	1 666	1 797	–	1 797
Pepco Group	1 917	12	1 905	1 729	3	1 726
Greenlit Brands	315	–	315	338	5	333
Pepkor Africa	2 261	–	2 261	2 192	–	2 192
Corporate and treasury services	3	–	3	4	3	1
All Other	105	14	91	123	20	103
	6 267	26	6 241	6 183	31	6 152
Intercompany revenue from discontinued operations *	–	–	–	–	–	–
	6 267	26	6 241	6 183	31	6 152

**The intercompany revenue from discontinued operations has already been eliminated from 'Revenue from external customers'.*

Revenues from external customers - by geography from continuing operations

	Six months ended 31 March 2020 Unaudited €m	Restated[1] Six months ended 31 March 2019 Unaudited €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 a global retailer and operates within many geographies. The amount of its revenue from external customers is presented below based on the geographies that contribute materially to the Group's revenue.		
Australasia	315	335
France	998	1 113
Poland	457	432
Rest of Africa	276	75
Rest of Europe	1 059	991
South Africa	1 983	2 117
Switzerland	306	281
United Kingdom	847	808
	6 241	6 152

[1] Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations.

2. SEGMENT INFORMATION (continued)

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 Chief operating decision maker 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 3.

Segment expenses include distribution expenses and administration expenses.

Refer to note 1 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:

			Restated[1] Six months ended 31 March 2019 Unaudited		
	Notes	Six months ended 31 March 2020 Unaudited €m	Previously reported €m	Adjustment for discontinued operations €m	Continuing operations presented €m
Operating profit per statement of profit or loss		(681)	212	50	262
Depreciation and amortisation		382	134	(22)	112
Other expenses considered material non-operational items	3	1 003	43	1	44
Intercompany eliminations (discontinued operations)		(2)	4	(31)	(27)
EBITDA per segment reporting		702	393	(2)	391
EBITDA per segment:					
Conforama		49	19	–	19
Pepco Group		271	151	–	151
Greenlit Brands		–	14	(4)	10
Pepkor Africa		353	248	–	248
Corporate and treasury services		20	(38)	–	(38)
All Other		9	(1)	2	1
		702	393	(2)	391

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations.*

On 1 October 2019, the Group adopted IFRS 16 Leases. Comparative information for the 2019 Half-year Reporting Period has not been restated, as permitted under the specific transition provisions in the standard. Additional pro-forma note disclosure is provided of the current period adjusted to remove the impact of IFRS 16 in order to provide a more meaningful comparison with the prior period. Refer to note 17.4.

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 3.

Depreciation and amortisation have been allocated to the segments to which they relate.

Refer to note 1 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	Six months ended 31 March 2020 Unaudited €m	Restated[1] Six months ended 31 March 2019 Unaudited		
			Previously reported €m	Adjustment for discontinued operations €m	Continuing operations presented €m
Operating profit per statement of profit or loss		(681)	212	50	262
Other expenses considered material non-operational items	3	1 003	43	1	44
Intercompany eliminations (discontinued operations)		(2)	4	(31)	(27)
EBIT per segment reporting		320	259	20	279
EBIT per segment:					
Conforama		(33)	(9)	–	(9)
European Properties		–	(4)	4	–
Pepco Group		129	117	–	117
Greenlit Brands		(35)	1	2	3
Pepkor Africa		239	210	–	210
Corporate and treasury services		20	(41)	(1)	(42)
All Other		–	(15)	15	–
		320	259	20	279

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations.*

On 1 October 2019, the Group adopted IFRS 16 Leases. Comparative information for the 2019 Half-year Reporting Period has not been restated, as permitted under the specific transition provisions in the standard. Additional pro-forma note disclosure is provided of the current period adjusted to remove the impact of IFRS 16 in order to provide a more meaningful comparison with the prior period. Refer to note 17.4.

2. SEGMENT INFORMATION (continued)

Segmental assets

Segment assets are measured in the same way as in the 2019 Consolidated Financial Statements. Assets that are not considered to be segment assets such as cash and cash equivalents, investments in equity accounted companies, short and long term investments and loans are excluded from the allocation of assets to segments.

Investment in equity accounted companies and short and long term investments (financial assets) are monitored by the Chief operating decision maker 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

	31 March 2020 Unaudited €m	30 September 2019 Audited €m
Total assets per statement of financial position	14 911	14 601
Less: Cash and cash equivalents	(1 810)	(1 795)
Less: Investments in equity accounted companies	(149)	(208)
Less: Long-term investments and loans	(279)	(332)
Less: Short-term investments and loans	(178)	(178)
Less: Assets classified as held-for-sale	(343)	(1 445)
Less: Right-of-use asset	(2 395)	–
Segmental assets	**9 757**	10 643
Segmental assets:		
Conforama	1 468	1 608
Pepco Group[1]	2 971	2 933
Greenlit Brands	417	446
Pepkor Africa[2]	4 698	5 398
Corporate and treasury services[1]	147	203
All Other	56	55
	9 757	10 643

[1] *Reclassification of total assets per segment in accordance with the audited 2019 Consolidated Financial Statements, to improve disclosure.*

[2] *The decrease in Pepkor Africa assets is mainly due to the weakening of the South African rand against the Euro during the Reporting Period.*

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

	31 March 2020 Unaudited €m	30 September 2019 Audited €m
Total non-current assets per statement of financial position	9 634	8 034
Less: Deferred taxation assets	(210)	(162)
Less: Long-term investments and loans (financial assets)	(279)	(332)
Less: Right-of-use assets	(2 395)	–
Segmental non-current assets	6 750	7 540
Africa[1]	3 479	4 150
Europe (including the United Kingdom)	3 030	3 054
Australasia	241	336
	6 750	7 540

[1] *The decrease in Pepkor Africa assets is mainly due to the weakening of the South African rand against the Euro during the Reporting Period.*

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 Chief operating decision maker.

31 March 2020 – Unaudited	Cash and cash equivalents €m	Current and non-current borrowings €m	Net Debt €m
Conforama	78	(292)	(214)
Pepco Group	318	(532)	(214)
Greenlit Brands	68	(44)	24
Pepkor Africa	200	(897)	(697)
Corporate and treasury services	1 044	(9 439)	(8 395)
European Properties	63	(294)	(231)
All Other	39	–	39
	1 810	(11 498)	(9 688)

30 September 2019 – Audited	Cash and cash equivalents €m	Current and non-current borrowings €m	Net Debt €m
Conforama	198	(256)	(58)
Pepco Group	274	(484)	(210)
Greenlit Brands	29	(33)	(4)
Pepkor Africa	237	(1 049)	(812)
Corporate and treasury services	980	(9 187)	(8 207)
European Properties	36	(361)	(325)
All Other	41	–	41
	1 795	(11 370)	(9 575)

3. MATERIAL ITEMS INCLUDED IN PROFIT OR LOSS AND BREAKDOWN OF EXPENSES BY NATURE

		Notes	Six months ended 31 March 2020 Unaudited €m	Restated[1] Six months ended 31 March 2019 Unaudited €m
OTHER EXPENSES				
The Group has identified a number of non-operational items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Group.				
3.1	**Impairment/(reversal of impairment)**			
	Goodwill	7	44	–
	Property, plant and equipment		9	(7)
	Right of use asset		20	–
			73	(7)
	These impairments during the Reporting Period were driven by challenging trading and economic conditions created by the COVID-19 pandemic crisis and the effects it has on the economic outlook. Management has reassessed the value of the Group's investments based on lower than previously anticipated projected cash flows. Recoverable amounts are based on their value in use and where it was lower than the carrying value an impairment was recognised.			
	It is still too early to quantify the full impact of COVID-19 pandemic on the Group's businesses as it will depend on the duration of the lockdown and the residual effects that the pandemic will have on the economy in general.			
3.2	**Impairment of financial assets**		–	17
	The Fulcrum loan was settled as part of the Campion Group settlement in the 2019 Reporting Period by the delivery of 25.5 million shares in Brait. Prior to the settlement of the Plum Tree loan, a further impairment of €17 million was recognised in the 2019 Half-year Reporting Period.			
3.3	**Cumulative other comprehensive income reclassified to profit or loss on disposal or derecognition of investment**		–	(7)
3.4	**Share-based payments – equity-settled relating to loans granted**		–	1
3.5	**(Profit)/loss on disposal of property, plant and equipment and intangible assets**		(10)	12
3.6	**Loss/(profit) on sale and partial sale of investments**			
	Material Equity accounted investments			
	Profit on the partial disposal of KAP		–	(55)
	Other		–	1
			–	(54)

3. MATERIAL ITEMS INCLUDED IN PROFIT OR LOSS AND BREAKDOWN OF EXPENSES BY NATURE (continued)

	Notes	Six months ended 31 March 2020 Unaudited €m	Restated[1] Six months ended 31 March 2019 Unaudited €m
OTHER EXPENSES (continued)			
3.7 Fees relating to forensic investigation, advisory and restructure of the businesses		**58**	82
As a result of the December 2017 events, it has been necessary for the Group to engage a wide range of professional advisors to assist the Group with its investigative, legal, financial and regulatory requirements as it seeks to stabilise and restructure the Group. The scale and complexity of this task has meant that the aggregate adviser costs for the Reporting Period have been substantial. The principal advisor relationships included legal advisors, financial restructuring and corporate advisory functions that support the Group on discussions and engagement with its creditors, liquidity management and operational measures, forensic investigation services and regulatory and taxation advisory services.			
In addition, as part of the restructuring process, the Group is required to pay the advisor costs of each of the respective creditor groupings including legal advisors, financial structuring advisors, regulatory and taxation advisors.			
3.8 Litigation Settlement Proposal provision raised	11.2	**882**	–
Legal claims, as set out in note 22 of the 2019 Consolidated Financial Statements, have been received by the Group and are all being defended.			
On 27 July 2020, the Group announced a proposed settlement to conclude the complex legal claims and ongoing pending litigation proceedings arising from the legacy accounting issues first announced in December 2017. Settlement of the outstanding litigation is essential to securing a future for the Group. The Litigation Settlement Proposal terms that were announced are the culmination of 12 months' intensive effort and management believe they are firmly in the best interests of all stakeholders and claimants.			
The IFRS standards requires a provision to be raised once management has an estimate of the expenditure that the Group will incur to settle the present obligation. The provision raised during the Reporting Period is based on the estimated financial outcome of the Litigation Settlement Proposal, although limited feedback has yet been received. Refer to note 11.2.			
Management draws the user of this financial statements' attention to the fact that the actual settlement could differ from the provision raised.			
TOTAL OTHER EXPENSES FROM CONTINUING OPERATIONS		**1 003**	44

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations.*

4. FINANCE COSTS

	Notes	Six months ended 31 March 2020 Unaudited €m	Restated[1] Six months ended 31 March 2019 Unaudited €m
Borrowings	10.2	**561**	411
Transaction costs accrued and amortised		**–**	62
Lease liabilities		**115**	–
Other		**22**	9
		698	482

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations.*

5. TAXATION

Steinhoff N.V. is a South African tax resident.

For the six-month reporting periods ended 31 March 2020 and 31 March 2019 the corporate tax rate in South Africa is 28%. Capital gains is taxed at 22.4%.

Significant accounting estimate and judgments

Uncertain tax positions

Uncertainty exists regarding the tax impact of the items described hereunder. A comprehensive review of these items and an investigation by tax authorities could result in a restatement of unrecognised tax losses.

Management has estimated the tax consequences associated with the alleged accounting irregularities. Where specific items were identified that probably would result in an increase in taxable profit, they were recognised. In the case of specific items that could result in a reduction of taxable profit and where it is uncertain whether they will be allowed by the relevant tax authorities, these items were ignored.

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 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 significantly from the current estimates.

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 are complex and multi-jurisdictional, which gives rise to an element of risk regarding the tax consequences thereof. The Group has 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, Withholding tax and Value Added Tax.

Certain of these risks may be significant and could result in a potential outflow of resources.

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 of the Company 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 taxation 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. LOSS PER SHARE

	Six months ended 31 March 2020 Unaudited Cents	Restated[1] Six months ended 31 March 2019 Unaudited Cents
The calculation of per share numbers uses the exact unrounded numbers. 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	**(34.7)**	(8.5)
From discontinued operations	**(2.0)**	(6.4)
Basic and diluted loss per share	**(36.7)**	(14.9)
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 the 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 by the JSE, where the Group has a secondary listing, and is defined by Circular 4/2018 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 2020 Condensed Financial Statements. No adjustments would be permitted on the basis of voluntary disclosure of gains or losses (or components of these).		
From continuing operations	**(32.8)**	(9.6)
From discontinued operations	**(1.3)**	(5.1)
Headline loss per share	**(34.1)**	(14.7)
Normalised basic loss per share		
The Company regards normalised loss as the appropriate basis to evaluate business performance as it eliminates the impact of the provision for the proposed settlement during the Reporting Period, refer to note 11.2.		
From continuing operations	**(13.4)**	(9.6)
From discontinued operations	**(2.0)**	(5.1)
Headline loss per share	**(15.4)**	(14.7)

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.

6. LOSS PER SHARE (continued)

RECONCILIATIONS OF DENOMINATOR AND NUMERATOR

6.1 Weighted average number of ordinary shares

	Notes	Six months ended 31 March 2020 Unaudited Million	Restated[1] Six months ended 31 March 2019 Unaudited Million
Issued ordinary shares at beginning of the period	13.2	**4 310**	4 310
Effect of treasury shares held	13.3	**(161)**	(166)
Weighted average number of ordinary shares at end of the period for the purpose of basic loss per share and headline loss per share		**4 149**	4 144

6.2 Basic loss and headline loss attributable to owners of Steinhoff N.V.

	Notes	Continuing operations €m	Discontinued operations €m	Total €m
Six months ended 31 March 2020 – Unaudited				
Basic loss for the period attributable to owners of Steinhoff N.V.		**(1 441)**	**(82)**	**(1 523)**
Adjusted for remeasurement items	6.4	**82**	**26**	**108**
Headline loss attributable to owners of Steinhoff N.V.		**(1 359)**	**(56)**	**(1 415)**
Restated[1] Six months ended 31 March 2019 – Unaudited				
Basic loss for the period attributable to owners of Steinhoff N.V.		(352)	(265)	(617)
Adjusted for remeasurement items	6.4	(44)	52	8
Headline loss attributable to owners of Steinhoff N.V.		(396)	(213)	(609)

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations.*

6.3 Normalised basic loss attributable to owners of Steinhoff N.V.

	Notes	Continuing operations €m	Discontinued operations €m	Total €m
Six months ended 31 March 2020 – Unaudited				
Basic loss for the period attributable to owners of Steinhoff N.V		**(1 441)**	**(82)**	**(1 523)**
Adjusted for Litigation Settlement Proposal provision raised	3.8	**882**	**–**	**882**
Normalised basic loss attributable to owners of Steinhoff N.V.		**(559)**	**(82)**	**(641)**

6. LOSS PER SHARE (continued)

RECONCILIATIONS OF DENOMINATOR AND NUMERATOR (continued)

6.4 Remeasurement items as defined by the JSE

	Notes	Six months ended 31 March 2020 Unaudited		Restated[1] Six months ended 31 March 2019 Unaudited	
		Gross of taxation and non-controlling interests €m	Net of taxation and non-controlling interests €m	Gross of taxation and non-controlling interests €m	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		**98**	**90**	(7)	(7)
Goodwill	3.1	**44**	**44**	(7)	(7)
Property, plant and equipment	3.1	**9**	**7**	–	–
Investments in equity accounted companies		**25**	**25**	–	–
Right-of-use asset	3.1	**20**	**14**	–	
Foreign currency translation reserve and fair value reserve reclassified to profit or loss on disposal of investment	3.3	**–**	**–**	(7)	(7)
Profit/(loss) on disposal of property, plant and equipment and intangible assets	3.5	**(10)**	**(8)**	12	9
(Profit)/loss on sale and partial sale of investments	3.6	**–**	**–**	(54)	(39)
		88	**82**	(56)	(44)
Discontinued operations					
Assets classified as held-for-sale		**–**	**–**	26	20
Foreign currency translation reserve and cash flow hedge reserve reclassified to profit or loss on disposal of investment	1.2	**34**	**34**	88	88
(Profit)/loss on disposal of property, plant and equipment and intangible assets	1.2	**(52)**	**(41)**	(26)	(20)
(Profit)/loss on sale of disposal of discontinued operations/disposal group	1.2	**33**	**33**	(36)	(36)
		15	**26**	52	52

[1] *Refer to note 1 for details regarding the restatement of comparative numbers as a result of classifying certain segments as discontinued operations.*

7. INTANGIBLE ASSETS

Reconciliation of closing balance

	31 March 2020 Unaudited €m	30 September 2019 Audited €m
Goodwill		
Carrying amount at beginning of the period	4 295	4 485
Impairment from continuing and discontinued operations[1]	(44)	(42)
Transferred to discontinued operations and assets classified as held-for-sale	–	(107)
Exchange differences on translation of foreign operations[2]	(437)	(41)
Carrying amount at end of the period	3 814	4 295
Intangible assets (excluding goodwill)		
Carrying amount at beginning of the period	1 676	1 826
Additions	22	41
Amortisation from continuing and discontinued operations	(16)	(34)
Disposals	(9)	(22)
Reclassification from property, plant and equipment	–	1
Impairment from continuing and discontinued operations	–	(71)
Transferred to discontinued operations and assets classified as held-for-sale	–	(49)
Exchange differences on translation of foreign operations[2]	(167)	(16)
Carrying amount at end of the period	1 506	1 676
Intangible assets comprise the Group's trade and brand names, software and ERP systems		
Carrying amount per category of intangible assets:		
Goodwill	3 814	4 295
Trade and brand names	1 396	1 585
Software and ERP systems	105	88
Other intangibles assets	5	3
	5 320	5 971

[1] *Impairments during the Reporting Period were driven by challenging trading and economic conditions created by the COVID-19 pandemic crisis and the effects it has on the economic outlook. Management has reassessed the value of the Group's investments based on lower than previously anticipated projected cash flows. Recoverable amounts are based on their value in use and where it was lower than the carrying value an impairment was recognised.*

It is still too early to quantify the full impact of COVID-19 pandemic on the Group's businesses as it will depend on the duration of the lockdown and the residual effects that the pandemic will have on the economy in general. Impairment in the current period relates to Poundland (€42 million) and Pepkor Africa (€2 million).

[2] *The exchange differences on translation of foreign operations recognised during the Reporting Period resulted mostly from the translation of the Group's investment in its South African operations where the South African rand weakened significantly against the Euro during the Reporting Period.*

7. INTANGIBLE ASSETS (continued)

The carrying amount per segment is presented below:

	Goodwill		Trade and brand names	
	31 March 2020 Unaudited €m	30 September 2019 Audited €m	**31 March 2020 Unaudited €m**	30 September 2019 Audited €m
Goodwill and trade and brand names are considered a significant class of intangible assets to the Group.				
Conforama	**–**	–	**148**	148
Greenlit Brands – Household Goods	**126**	141	**75**	83
Pepco Group	**1 550**	1 626	**262**	268
Poundland	**675**	717	**119**	120
Pepco Poland	**875**	909	**143**	148
Pepkor Africa	**2 138**	2 528	**901**	1 067
All Other	**–**	–	**10**	19
Total carrying amount for all segments	**3 814**	4 295	**1 396**	1 585

8. INVESTMENTS IN EQUITY ACCOUNTED COMPANIES

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.

8.1 Detail of the equity accounted investments of the Group

				% holding		Carrying value €m	
Name of business	Place of business/ country of incorporation	Nature of business	Nature of relationship	31 March 2020 Unaudited	30 September 2019 Audited	31 March 2020 Unaudited	30 September 2019 Audited
Unlisted*							
Cofel SAS	France	Manufacturing	Associate	50.0	50.0	3	3
IEP Group	South Africa	Investment company	Associate	26.0	26.0	138	192
Mattress Firm	USA	Speciality bed retailer	Associate	50.1	50.1	4	9
Various other immaterial equity accounted companies	Various	Property, insurance, manufacturing, retail, logistics and financial services	Associates and Joint Ventures	24.5 – 50.0	24.5 – 50.0	4	4
						149	208

** Private equity – no quoted price available.*

8.2 Reconciliation of the aggregate carrying values of equity accounted companies

	31 March 2020 Unaudited €m	30 September 2019 Audited €m
Balance at the beginning of the period	208	430
Additions	–	44
Impairments		
From continuing operations[1]	(25)	–
Disposals	–	(238)
KAP	–	(238)
Transferred to assets held-for-sale	–	(12)
Share of:		
Profit or loss		
From continuing operations	(10)	11
From discontinued operations	–	3
Other comprehensive income	–	1
Dividends received	–	(37)
Other movements	–	6
Exchange differences on translation of investments in equity accounted investments[2]	(24)	–
Carrying values of equity accounted companies at the end of the period	149	208

[1] The outbreak of COVID-19 pandemic and the impact on the wider economy is placing unprecedented pressure on businesses and has resulted in significant decline across global economies. COVID-19 pandemic is an impairment indicator and management has done a review on the expected recoverable amount for the Group's investment in equity accounted companies. Based on the revaluation an impairment has been recognised for the investment in IEP Group during the Reporting period.

[2] The exchange differences on translation of investments in equity accounted investments during the Reporting Period relates to IEP Group due to the significant weakening of the South African rand against the Euro during the Reporting Period.

9. OTHER FINANCIAL ASSETS

	Notes	31 March 2020 Unaudited €m	30 September 2019 Audited €m
Non-current other financial assets			
At amortised cost	9.1	279	332
Current other financial assets			
At amortised cost	9.1	178	178
Total other financial assets		457	510

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.

9.1 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	31 March 2020 Unaudited €m	30 September 2019 Audited €m
Unlisted preference shares – Lancaster 102	a	248	282
Interest-bearing loans	b	209	227
Non-interest bearing loans		–	1
		457	510

a) Unlisted preference shares

The unlisted preference shares are an investment in preference shares issued by Lancaster 102 during the 2018 reporting period. The Group started negotiations in the 2017 reporting period regarding the planned Shoprite Transaction. Prior to the transaction being cancelled, Steinhoff Africa subscribed for 1 000 preference shares to the value of R4 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. As part of the transaction, Steinhoff Africa also issued debt to the value of R4 billion to Lancaster 102. Refer to note 10. The decrease in value of the unlisted preference shares in the Reporting Period is due to weakening of the South African Rand ("ZAR") against the Euro, the investment is denominated in ZAR.

b) Interest bearing loans

Loan to Titan

Included in the balance of interest-bearing loans is a loan receivable from Titan of €178 million as at 31 March 2020 (30 September 2019: €178 million) after recognising an expected credit loss ("ECL") of €34 million on adoption of IFRS 9. The loan originated when prepayments of €125 million and €200 million were made by the Group in October and November 2017 to entities related to Christo Wiese (a Steinhoff Supervisory Board Chairman at the time) as part of the planned Shoprite Transaction. Agreements have been entered into during February 2018 in terms of which €125 million has been settled.

A letter of demand was issued by Newco 2A to Titan, dated 22 October 2019 as a result of the failure by Titan to make repayment in accordance with the terms of the Titan Receivable Settlement. Subsequently, on 28 October 2019 Titan initiated a claim against SFHG and Newco 2A for €200 million in response to the letter of demand. SFHG and NewCo2A have filed appearances to defend. It is management's view that the Titan receivable remains recoverable.

Rent deposit

Included in the Reporting Period balance of interest-bearing loans is deposits on rent paid by Conforama of €20.5 million.

10. BORROWINGS

10.1 Analysis of closing balance

	31 March 2020 Unaudited			30 September 2019 Audited		
	Current €m	Non-current €m	Total €m	Current €m	Non-current €m	Total €m
Operating companies						
European Properties – Hemisphere	294	–	294	361	–	361
Pepco Group	1	531	532	1	483	484
Conforama	77	215	292	47	209	256
Greenlit Brands	–	44	44	–	33	33
Pepkor Africa	55	842	897	113	936	1 049
	427	1 632	2 059	522	1 661	2 183
Corporate and treasury services						
Steenbok Lux Finco 1						
21/22 Term loan facility[1]	–	1 866	1 866	–	1 775	1 775
23 Term loan facility[1]	–	1 276	1 276	–	1 214	1 214
Steenbok Lux Finco 2						
First lien term loan facility[1]	–	2 001	2 001	163	1 912	2 075
Second lien term loan facility[1]	–	4 018	4 018	–	3 809	3 809
SINVH Group						
Loan – Lancaster	248	–	248	282	–	282
Preference shares – BVI[2]	26	–	26	28	–	28
Other	4	–	4	4	–	4
	278	9 161	9 439	477	8 710	9 187
Total borrowings	705	10 793	11 498	999	10 371	11 370

[1] *Guaranteed by Steinhoff N.V. through the issuance of Contingent Payment Undertaking "CPU".*

[2] *Classified as current due to the guarantee provided for the preference share funding.*

10. BORROWINGS (continued)

10.2 Reconciliation of borrowings balances

	Corporate and treasury services €m	European Properties – Hemisphere €m	Pepkor Africa €m	Pepco Group €m	Conforama €m	Greenlit Brands €m	Total €m
Opening balance – 1 October 2019 – Audited	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	(152)	(67)	(60)	(2)	(5)	(9)	(295)
Repayment of interest	(3)	(16)	(50)	(16)	–	(2)	(87)
Additional financing	–	–	72	53	17	19	161
Interest accrued	456	16	50	13	24	2	561
Foreign exchange gains or losses	(49)	–	(164)	–	–	1	(212)
Closing balance – 31 March 2020 – Unaudited	9 439	294	897	532	292	44	11 498
Repayable within one year	278	294	55	1	77	–	705
Repayable after one year	9 161	–	842	531	215	44	10 793

10.3 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 cash flows					
	1 - 12 months €m	Between 1and 2 years €m	Between 2 and 5 years €m	Over 5 years €m	Total €m	Carrying amount €m
At 31 March 2020 – Unaudited						
Operating companies						
Pepkor Africa	203	374	683	–	1 260	897
Conforama	31	–	488	–	519	292
Pepco Group	69	519	–	–	588	532
Greenlit Brands	43	–	–	–	43	44
European Properties – Hemisphere	–	346	–	–	346	294
	346	1 239	1 171	–	2 756	2 059
Corporate and treasury services						
21/22 Term loan facility	–	2 219	–	–	2 219	1 866
23 Term loan facility	–	1 517	–	–	1 517	1 276
First lien term loan facility	–	2 295	–	–	2 295	2 001
Second lien term loan facility	–	4 838	–	–	4 838	4 018
SINVH Group						
Loan – Lancaster	248	–	–	–	248	248
Preference shares – BVI	26	–	–	–	26	26
Other	4	–	–	–	4	4
	278	10 869	–	–	11 147	9 439
Total borrowings	624	12 108	1 171	–	13 903	11 498

11. COMMITMENTS, CONTINGENCIES AND PROVISIONS

11.1 Contingent liabilities and other litigation

Taxation

There is uncertainty regarding future taxes as a result of the impact of the alleged accounting irregularities as well as a number of ongoing tax audits and investigations. Details are provided in note 5.

Legal claims

Legal claims as set out in the 2019 Consolidated Financial Statements in note 22 together with those detailed below were received by the relevant parties up to and after the Reporting Period. They are all being defended. As these claims are based on the claimants' view that the financial reports provided to them were misleading, it is deemed that the claims received after the Reporting Period are, in terms of IAS 10, adjusting events.

The following legal proceedings have been instituted against the Group during the Reporting Period:

- Michael John Morris vs SIHPL
- Paul Ronald Potter vs SIHPL
- PIC et al vs Steinhoff N.V. and Others
- Conservatorium Holdings LLC vs SIHPL, Steinhoff N.V. (Netherlands)

The following legal proceedings have been instituted against the Group after the Reporting Period and have been deemed as material adjusting events after Reporting Period. Refer to notes 22 and 35 of the 2019 Consolidated Financial Statements for more information.

- Francois Johan Malan vs SIHPL
- Peter Andrew Berry vs SIHPL
- Andre Frederick Botha vs SIHPL
- Warren Wendell Steyn vs SIHPL
- Conservatorium Holdings LLC vs SIHPL, Steinhoff N.V. and 5 Others (South Africa)
- Hamilton vs Steinhoff N.V. and SIHPL

Refer to note 22 of the 2019 Consolidated Financial Statements for a detailed description of all of the legal claims up to 30 June 2020.

11.2 Litigation Settlement Proposal provision

The above legal claims the Group faces are complex, multi-jurisdictional claims initiated by multiple parties relating to the alleged accounting irregularities announced in December 2017. Various proceedings have been commenced against the Company and SIHPL in the Netherlands, Germany and South Africa. Not all claimants have sought to quantify their alleged damages at the outset of proceedings, but the combined claims of those that have sought to do so are in excess of ZAR136 billion (€7 billion at a ZAR/Euro rate of ZAR19.5). In addition to proceedings against Group entities, claims have also been made against, amongst others, former directors and officers of Group entities.

All claims are being disputed in ongoing litigation proceedings and there remains uncertainty as to the outcome of all of those legal proceedings. If all such claims were ultimately established in the amounts asserted, it is clear that the net asset value of the Group would fall far short of the amount required to satisfy them in full. In such circumstances, liquidation proceedings would ensue which would, in the Company's view, materially impair the value of assets available for distribution and adversely affect the timing and amount of the claimants' recoveries relative to the proposed settlement.

The Group has 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 proposed settlement terms also have regard to the adverse impact of the COVID–19 pandemic on the value of the Group's underlying businesses and the effect of currency movements.

The proposed terms of the settlement provide for payments materially in excess of the permission granted by financial creditors in 2019 and will require fresh consent from financial creditors. The financial creditors are being asked to make additional concessions including the extension to the maturity of their loans to the Group.

The IFRS standards requires a provision to be raised once management has an estimate of the expenditure that the Group will incur to settle the present obligation.

11. COMMITMENTS, CONTINGENCIES AND PROVISIONS (continued)

11.2 Litigation Settlement Proposal provision (continued)

The announcement was subsequent to the Reporting Date and, in terms of IAS 10, determined to be an adjusting event. The provision raised during the Reporting Period is based on the estimated financial outcome of the proposed settlement, although limited feedback has yet been received.

Management draws the user of this financial statements' attention to the fact that the actual settlement could differ from the provision raised.

The Group's settlement proposal is 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 advisers, past or present.

Settlement proposal details

The detailed terms of the proposal ("**Settlement Term Sheet**") can be found on the Company's website at the following web-address: https://www.steinhoffinternational.com/settlement-litigation-claims.php.

The terms of the proposal reflect key features of the parties' respective claims, including:

- the legal basis for the claim;
- the laws of the jurisdiction in which the claim is brought;
- the nature and extent of the loss claimed;
- legal uncertainties affecting the claim and recoverability of loss; and
- the financial position of the Steinhoff entity against which the claim is asserted.

The terms of the settlement proposal are, in summary, as follows:

- Market purchase claimants ("MPC"):
  The Company will settle eligible Steinhoff N.V. MPCs and SIHPL MPCs for a total settlement consideration amount of €266 million.

  This settlement consideration will be paid 50 per cent in cash funded from the South African sub-group and 50 per cent in shares of PPH (the South African retail subsidiary), settled at a deemed price per share of ZAR15. No lock up restriction on sale of the PPH shares is required in respect of PPH shares issued to the MPC claimants. Steinhoff N.V. estimates that approximately up to 173 million PPH shares (or 4.6 per cent of the total PPH issued share capital) will be transferred to MPC claimants as a result of the settlement.

  In addition, in order to facilitate recoveries to market purchase claimants the Group is considering making available an amount of up to €30 million to pay in respect of certain fees, costs and work undertaken by the active claimant groups ("ACGs") on the terms to be specified in the settlement documents. The specific terms of the proposal remain under consideration.

- Steinhoff N.V. contractual claims:
  Contractual claims against the Company will be settled at the same relative recovery rate as the MPCs against the Company. The Company estimates the total amount to be required to settle such contractual claimants to be in the region of €104 million. Such settlement consideration will also be paid 50 per cent in cash and 50 per cent in PPH shares settled at a deemed price per share of ZAR15. Consistent with the proposal in relation to the market purchase claimants settled by Steinhoff N.V., no lock up restriction on sales is required in respect of PPH shares allocated to Company contractual claimants.

  The Company estimates that up to 67 million PPH shares (or 1.8 per cent of the total PPH issued share capital) will be transferred to Company contractual claimants.

11. COMMITMENTS, CONTINGENCIES AND PROVISIONS (continued)

11.2 Litigation Settlement Proposal provision (continued)

- SIHPL contractual claims:
  SIHPL will settle the claims made against it by contractual claimants from its own resources. SIHPL contractual claims (other than claims by Thibault and Wiesfam) will be settled for a total amount of approximately ZAR1.5 billion (€76 million at a ZAR/euro rate of 19.5). The claims of Thibault and Wiesfam will be settled for a proportionally lower recovery rate in the total nominal amount of approximately ZAR7.9 billion (€406 million at a ZAR/euro rate of 19.5). The settlement consideration will also be paid 50 per cent in cash and 50 per cent in PPH shares at a deemed price per share of ZAR15. Subject as follows, SIHPL contractual claimants will be required to agree to lock up PPH shares allocated to them for 180 days from the effective date of settlement.

  In respect of the SIHPL contractual claimants BVI and Cronje & others who are current employees and managers of PPH, SIHPL proposes that their settlement consideration be entirely in the form of PPH shares at a deemed settlement price of ZAR13.5 per share, provided they agree to a three year lock up restriction of sale of those PPH shares from the effective date of the settlement.

  The Company estimates that approximately 345 million PPH shares (or 9.3 per cent of the total PPH issued share capital) will be transferred to SIHPL contractual claimants assuming BVI and Cronje & others take up their option to be paid entirely in PPH shares.

- Non-qualifying claims
  No specific proposal is being made for the settlement of other claims, and the Company or SIHPL will continue to defend them on the basis that any liability in respect of the same is denied. If any such claim against the Company ultimately succeeds, it will be entitled to settlement consideration at the same rate as MPC and contractual claims against the Company. If any such claim against SIHPL ultimately succeeds, it will be entitled to payment in full.

- Claim verification & disputes:
  The Company is contemplating establishing a new Dutch stichting foundation together with supporting arrangements in South Africa (for South African claimants) to act as the Steinhoff Recovery Foundation ("SRF"). The purpose of the SRF will be to administer and distribute the settlement consideration paid by, or on behalf of, the Company. It will be governed by a board of newly appointed directors with majority independence from the Steinhoff Group. Claimants will be required to submit their claims for verification prior to receiving settlement payments. SRF will retain Computershare to assist it to administer and verify claims prior to payment of the settlement consideration.

- Financial creditors:
  The Steinhoff N.V. and SIHPL financial creditors holding contingent payment undertakings ("CPUs") (other than creditors holding Hemisphere International Properties B.V. CPUs), will not be eligible to receive any distribution as part of the proposed settlement in respect of their contractual claims under the Steinhoff N.V. CPUs and the SIHPL CPUs. Instead, they will be asked to provide their consent for the proposed global settlement and to waive any tortious (delictual) claims they may have against the Group, D&O insurers and auditors. In addition, the financial creditors will be asked for a consent to extend the maturity date of the CPUs and the underlying debt obligations by 18 months to 30 June 2023 with an option for a further 6 months extension on the approval of a lower CPU creditor voting threshold. As part of these arrangements, effective from implementation of the proposed settlement the Company will provide security to its CPU creditors over its shares in SINVH and over any outstanding loan claim payable by SINVH to Steinhoff N.V. This extension is an important component of the overall settlement and of the continuation of the stable platform for the Steinhoff Group. To the extent necessary, the Group will consider English law schemes of arrangement to implement the consent required. Otherwise, the Steinhoff N.V. financial creditors will retain their contractual rights against Steinhoff N.V. and SIHPL under the terms of the CPUs.

- Post settlement PPH Holding:
  - PPH: The Company estimates that the settlement will result in Steinhoff continuing to hold in excess of 50 per cent of PPH shares.

11. COMMITMENTS, CONTINGENCIES AND PROVISIONS (continued)

11.2 Litigation Settlement Proposal provision (continued)

- Implementation and conditionality:
  The detailed terms of the proposal ("**Settlement Term Sheet**") can be found on the Company's website at the following web-address: https://www.steinhoffinternational.com/.

  The competing stakeholder interests, the financial position of Steinhoff and the complex multi-jurisdictional nature of the litigation make implementation of the proposed settlement uniquely challenging. The Company has therefore been considering a number of options to achieve the necessary certainty and finality required by the Company and stakeholders.

  One of the options currently available to Steinhoff to implement the global settlement is by a composition plan which will be submitted in draft form ("ontwerp van akkoord") immediately on the filing of the request for a Suspension of Payments ("surseance van betaling") procedure in the Netherlands by the Company and a pre-prepared compromise plan pursuant to section 155 of the Companies Act 71 of 2008 in South Africa by SIHPL. The Company and SIHPL continue to consider appropriate settlement mechanisms to supplement and/or replace such implementation procedures.

  Steinhoff N.V. has the right, at its option, to settle the settlement consideration in a greater portion, or in full amount, in cash and in accordance with the Settlement Term Sheet.

  In addition to achievement of the necessary levels of support by claimants to the Group's proposal, the settlement will be conditional on, among other things:

  – Consent of the Group's financial creditors under the terms of the Group's restructured debt financings. A request for consent from the Group's financial creditors will be launched shortly.

  – Consent of the South African Reserve Bank in respect of certain elements of the proposal and to facilitate the funding of the settlement proposal.

  There is no current indication as to whether those consents will be forthcoming.

The Group's settlement proposal is 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 advisers, past or present.

12. CASH FLOW INFORMATION

12.1 Cash generated from operations

	Notes	Six months ended 31 March 2020 Unaudited €m	Restated[1] Six months ended 31 March 2019 Unaudited €m
Operating (loss)/profit from:			
Continuing operations		(681)	262
Discontinued operations		(42)	(121)
Adjusted for non-cash adjustments included in continuing and discontinued operations:			
Profit or loss movement in provision for doubtful debt		51	6
Depreciation and amortisation			
Property, plant and equipment, Intangible assets		137	134
Right-of-use asset		267	–
Net impairment of loans receivable and other related provisions		–	36
Net impairment on investments in equity accounted companies		25	–
Fair value (gains)/loss on financial instruments		–	9
Unrealised foreign exchange (gains)/losses		(7)	26
Impairments/(Reversal of impairments)			
Goodwill	3.1	44	–
Property, plant and equipment	3.1	9	(7)
Right-of-use asset	3.1	20	–
Assets held-for-sale		–	26
Inventories written down to net realisable value and movement in provision for inventories		–	33
Net profit on disposal and scrapping of property, plant and equipment, vehicle rental fleet and intangible assets		(62)	(15)
(Profit)/loss on disposal and part disposal of investments		–	(54)
Gain on disposal, part disposal and bargain purchase of investments		33	45
Cumulative other comprehensive income reclassified to profit or loss on disposal or derecognition of investment		34	(7)
Litigation Settlement Proposal provision raised	3.8	882	–
Other non-cash adjustments		(10)	31
Cash generated before working capital changes		700	404
Working capital changes			
Decrease/(increase) in inventories		185	(104)
Increase in trade and other receivables		(42)	(149)
Movement in net derivative financial liabilities/assets		(15)	(5)
Decrease in trade and other payables		(356)	(302)
Net changes in working capital		(228)	(560)
Cash generated from operations		472	(156)

13. ORDINARY SHARE CAPITAL

		Notes	31 March 2020 Unaudited Number of shares	30 September 2019 Audited Number of shares
13.1	**Authorised**			
	Ordinary shares of €0.01 each		**17 500 000 000**	17 500 000 000
13.2	**Issued**			
	Balance at beginning of the period		**4 309 727 144**	4 309 727 144
	Balance at the end of the period		**4 309 727 144**	4 309 727 144
13.3	**Treasury shares**			
	Balance at beginning of the period		**(161 385 688)**	(170 770 692)
	Purchases of Steinhoff N.V. shares		**–**	(12 102 710)
	Disposal of Steinhoff N.V. shares by a subsidiary company		**–**	409 288
	Shares issued upon conversion of bonds		**–**	1 291 027
	Shares returned to Company		**–**	(315 317)
	Treasury shares held by subsidiaries of the Group		**(161 385 688)**	(181 488 404)
	Steinhoff shares held by third parties and recognised as treasury shares			
	Modification in the terms of share option to SSUK (shares retained)		**–**	8 000 006
	Shares returned from SSUK with Campion Group settlement		**–**	12 102 710
	Balance at the end of the period		**(161 385 688)**	(161 385 688)
	Total issued ordinary share capital		**4 148 341 456**	4 148 341 456

14. RELATED-PARTY TRANSACTIONS

Reporting Period

During the Reporting Period, the Group entered into related-party transactions in the ordinary course of business, the substance of which are similar to those disclosed in the Group's annual financial statements for the year ended 30 September 2019. There were no material movements in the balances for the six months ended 31 March 2020.

2019 Half-year Reporting Period

- Campion Group settlement agreement:
  In January 2019 the Group concluded various agreements with the Campion Group, the main terms of which included the settlement of a number of outstanding loans owing to the Group in exchange for the receipt by the Group of a number of investments including:
  - Approximately 25.5 million Brait shares
  - Approximately 30 million Steinhoff shares held by SSUK and Town Investments
  - Legal ownership of Town Investments
  - Legal ownership of remaining 55% of GT Branding Holding SA
- At 31 March 2019 these Brait shares were carried at €40 million after recognising a fair value loss of €9 million. Subsequent to the Reporting Date, SFHG instructed the sale of listed Brait securities it acquired through the Campion Group settlement for €37 million, resulting in a further fair value loss of €3 million.

15. 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 31 March 2020. The balances disclosed below include impairments recognised on the date of classification as held-for-sale.

Balance at 31 March 2020 – Unaudited	Notes	European Properties €m	Africa Properties €m	Conforama – France store closure	Total €m
Assets					
Property, plant and equipment		139	75	60	274
Investment properties		–	40	–	40
Investment in equity accounted companies		–	10	–	10
Deferred tax assets		2	5	–	7
Inventories		–	1	–	1
Trade receivables		5	5	–	10
Other receivables		1	–	–	1
Total assets		147	136	60	343
Liabilities					
Trade payables		(25)	(4)	–	(29)
Other payables		(19)	–	–	(19)
Total liabilities		(44)	(4)	–	(48)
Net assets after impairments		103	132	60	295

Reconciliation of assets and liabilities classified as held-for-sale balances	Assets €m	Liabilities €m	Net assets €m
Classified as held-for-sale on 30 September 2019 – Audited	1 445	(615)	830
Automotive	564	(289)	275
Blue Group	158	(156)	2
Greenlit Brands – General Merchandise	161	(133)	28
European Properties	233	(12)	221
Africa Properties	187	(3)	184
Sherwood	66	(13)	53
Abra	12	(9)	3
Conforama – France store closure	64	–	64
Change in carrying values	(141)	(33)	(174)
European Properties	(86)	(32)	(118)
Africa Properties	(51)	(1)	(52)
Conforama – France store closure	(4)	–	(4)
Derecognition	(961)	600	(361)
Automotive	(564)	289	(275)
Blue Group	(158)	156	(2)
Greenlit Brands – General Merchandise	(161)	133	(28)
Sherwood	(66)	13	(53)
Abra	(12)	9	(3)
Classified as held-for-sale 31 March 2020 – unaudited	343	(48)	295
European Properties	147	(44)	103
Africa Properties	136	(4)	132
Conforama – France store closure	60	–	60

16. EVENTS OCCURING AFTER THE REPORTING PERIOD

Disposals of non-core assets to raise funds to repay debt

- ***Conforama France***

  On 8 July 2020, the Group announced that Conforama Holding, its wholly-owned subsidiary, has agreed to dispose of its shares in Conforama France, and certain related trademarks and domain names, to Mobilux for a nominal sum. In addition, it will sell a number of properties currently occupied by Conforama France. The disposal is structured in a series of related transactions ("the Disposal"), as follows:
  - 100% of the share capital and voting rights of Conforama France SA ("Conforama France") for a nominal sum;
  - certain trademarks and domain names, owned by Conforama Holding, related to Conforama France and its franchisees for a nominal sum;
  - 18 real estate properties currently occupied by Conforama France for approximately €70 million; and
  - subject to competition clearance and other consents, an option over 100% of the share capital and voting rights of Conforama Casino Achats Sàrl, a joint venture company which is 50% owned by EMC Distribution.

  The business operation did not meet the criteria to be classified as held-for-sale or a disposal group as at 31 March 2020.

- ***Conforama Switzerland***

  In a separate transaction, on 13 July 2020 Conforama Holding S.A. concluded an agreement to dispose of Conforama Suisse SA to a Swiss group of private investors for an agreed price of 8 times EBITDA . The sale is subject to regulatory approvals and is expected to close by the end of July 2020.

  The business operation did not meet the criteria to be classified as held-for-sale or a disposal group as at 31 March 2020.

- **European Properties**

  Subsequent to the Reporting Date, properties within the European Properties group have been disposed for total proceeds of €161 million.

Buyout of minority interest

- 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 IEP interest, has acquired the remaining 8% of Mons Bella's issued shares from Chestnut Hill Investments 288 Proprietary Limited (an entity otherwise unrelated to the Group) ("Chestnut Hill") for ZAR72 million (€4 million). The purchase also concludes all legal disputes between the parties. Deal closed on 15 May 2020.

Corporate activity after the Reporting Date

- On 23 June 2020 Pepkor Africa announced a non-pre-emptive placement of up to 172.5 million ordinary shares in the authorised but unissued share capital of the Pepkor Africa to certain institutional investors, representing up to 4.95% of Pepkor Africa's existing issued ordinary shares. The placement was a precautionary measure to strengthen Pepkor Africa's financial flexibility and liquidity position in the light of the continuing COVID-19 pandemic and resulting macro-economic pressure. On 24 June 2020 Pepkor Africa announced the successful implementation of this bookbuild having placed the full 172.5 million shares and raised ZAR1.9 billion (€97 million). Steinhoff N.V. did not participate in this transaction, reducing its effective shareholding in Pepkor Africa from c.71% to c.68%.

Changes to the Supervisory Board

- Ms. Heather Sonn, Chairperson of the Supervisory board of the Company, has tendered her resignation from all functions at the Group, and specifically as the Chairperson of both the Company and SINVH, as of 18 May 2020.
- On 22 May 2020, the Supervisory Board appointed Ms Moira Moses as Chairperson of the Supervisory Board, effective immediately.

Legal proceedings

Various legal proceedings have been instituted against the Group during and after the Reporting Period. The Group has carefully considered the legal proceedings and those deemed to be material adjusting events after the Reporting Period have been disclosed as contingent liabilities in note 11. Legal proceedings not considered adjusting subsequent events are included in this note.

16. EVENTS OCCURING AFTER THE REPORTING PERIOD (continued)

Legal proceedings (continued)

- ***Consolidation ruling***

  Steinhoff N.V. is engaged in a host of legal proceedings in South Africa and, while the individual litigants differ, Steinhoff considers that there are sufficient overlapping issues and witnesses that renders it more efficient for these proceedings to be consolidated. On 30 April 2020 the Cape High Court dismissed an application for the consolidation of all the litigation based in South Africa. The consolidation application was a procedural request and did not deal with the merits of the underlying matters. The suitability of a consolidation application may be reconsidered by the Court at a later date once matters have been set down and dates for trial applied for, providing an opportunity for Steinhoff N.V. to re-assess this option at that point.

- ***De Bruyn ruling***

  On 26 June 2020, De Bruyn's application for certification was dismissed by the Johannesburg High Court. De Bruyn was ordered to pay the costs of the respondents who had opposed the application, including the costs of two counsel, where two counsel were employed. No appeal was filed within the time periods prescribed by the rules of court.

- ***Vereniging van Effectenbezitters ("VEB")***

  On 28 July 2020, Steinhoff N.V. and VEB agreed terms under which VEB will cooperate to support the Litigation Settlement Proposal. On that basis, VEB has agreed to withdraw its collective action against Steinhoff in the Netherlands with immediate effect. VEB, as a collective representative organization under article 3:305a Dutch Civil Code, started this collective action against Steinhoff in 2018 in the Dutch court on behalf of all investors who bought or held shares from the start of the accounting irregularities at Steinhoff until 7 December 2017.

The following legal proceedings have been instituted against the Group after the Reporting Period and has been deemed as material adjusting events after the Reporting Period. Refer to notes 22 and 35 of the 2019 Consolidated Financial Statements for more information.

- Francois Johan Malan vs SIHPL
- Peter Andrew Berry vs SIHPL
- Andre Frederick Botha vs SIHPL
- Warren Wendell Steyn vs SIHPL
- Conservatorium Holdings LLC vs SIHPL, Steinhoff N.V. and 5 Others

Proposed Settlement of Litigation Claims Arising from Legacy Accounting Issues

The Company announced the terms of a settlement proposal on 27 July 2020 to resolve substantially all of the above relevant legal claims and proceedings. There is no certainty yet that the Group will be able to conclude this settlement and the litigation proceedings are ongoing and are being disputed by the Group. There remains material uncertainty as to outcome of all of these legal proceedings. The IFRS standards requires a provision to be raised once management has an estimate of the expenditure that the Group will incur to settle the present obligation. A provision has been raised during the Reporting Period based on the estimated financial outcome of the proposed settlement, although limited feedback has yet been received. Refer to note 11.2 for more information.

COVID-19

The COVID-19 pandemic had a material impact on the Group's retail businesses from mid-March 2020, shortly before the end of the Reporting Period, when lockdowns were initiated in most of the countries in which the Group operates. These measures resulted in the closure of many of the Group's general merchandise stores and central office and warehousing facilities.

Given the significant and immediate impact on revenues and cash, management acted swiftly to implement a definitive COVID-19 response strategy. This focused on ensuring employee and customer safety, securing liquidity and preserving the Group's cash position.

The full impact of COVID-19 on the performance of the Group for the 2020 Reporting Period remains uncertain. It is clear, however, that the virus outbreak and resulting restrictions will have a negative impact on overall turnover and the underlying business performance during this period. However, management is encouraged by the performance of the Group's retail businesses in the period since lockdown restrictions were lifted, which is ahead of management's previous expectations.

While the sustainability of this demand is uncertain, the Group's main trading subsidiaries, with their more resilient and defensive discount and value offering, are well positioned to gain market share in the post-COVID-19 environment.

16. EVENTS OCCURING AFTER THE REPORTING PERIOD (continued)

Conclusion

The extent and duration of the current restrictions on trade remain uncertain and it is too early to determine the exact impact of the pandemic on the performance of the Group for the 2020 financial year. It is clear, however, that the virus outbreak and resulting restrictions will have a negative impact on overall turnover and the underlying business performance during this period.

Operating companies are implementing plans to strengthen their cashflows through both proactive management of their forward purchase order commitments and, where appropriate, by the use of flexible working contracts. The inherent strength and flexibility of the Group's sourcing arrangements is also providing important additional support.

Management are continuing to take an active approach, implementing a range of mitigating strategies to protect profitability and cashflow. Immediate and significant actions are being implemented to reduce costs and optimise liquidity. These include reducing operating expenditures, reducing stock of goods impacted by the trading restrictions, actions to optimise working capital, stopping all but essential capital expenditure, and making use of tax payment and other government relief measures where available.

17. CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of IFRS 16 Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 October 2019.

The Group has adopted IFRS 16 using the modified retrospective approach, therefore comparative information has not been restated and is reported under IAS 17: Leases and IFRIC 4: Determining Whether an Arrangement Contains a Lease. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 October 2019.

17.1 Adjustments recognised on adoption of IFRS 16

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 October 2019.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date. The remeasurements to the lease liabilities were recognised as adjustments to the related right of use assets immediately after the date of initial application.

	1 October 2019 €m
Operating lease commitments disclosed as at 30 September 2019	3 224
Discounted using the lessee's incremental borrowing rate at the date of initial application	(352)
Add: Finance lease liabilities recognised as at 30 September 2019	5
(Less): short-term leases recognised on straight-line basis as expense	(81)
(Less): low-value leases recognised on a straight-line basis as expense	(60)
Lease liability recognised as at 1 October 2019	2 736
Of which	
Current lease liability	871
Non-current lease liability	1 865
	2 736

The associated right-of-use assets for property leases on transition were measured on a lease by lease basis electing one of the following approaches:

- The right-of-use asset is made equal to the lease liability, adjusted by the amount of any previously recognised prepaid or accrued lease payments; or
- The right-of-use asset is retrospectively calculated, using a discount rate based on the lessee's incremental borrowing rate at the date of initial application.

	31 March 2020 €m	1 October 2019 €m
The recognised right of use assets relate to the following types of assets:		
Properties	2 366	2 587
Equipment	22	27
Motor vehicles	7	8
	2 395	2 622

17.2 Practical expedients applied

As the Group has elected to follow the simplified method in transitioning to IFRS 16, each entity is allowed to use any of the following practical expedients on a lease-by-lease basis:

- Discount rate: The same Discount rate was applied to a portfolio of leases with reasonably similar characteristics; Initial direct costs: Initial direct costs were excluded from the measurement of the right-of-use asset on transition;
- Onerous lease determination: A lessee used its onerous contract assessment under IAS 37 Provisions, Contingent Liabilities and Contingent Assets ("IAS 37") immediately before transition instead of performing an impairment review of the right-of-use asset under the requirements of IAS36 Impairment of Assets ("IAS 36"); and
- Short-term leases: For leases with a remaining lease term of less than one year at date of adoption, a lessee chose to apply the short-term lease exemption in IFRS 16 and expense lease payments instead of recognising a right-of-use asset and a lease liability at adoption date.
- Use of hindsight: A lessee used hindsight to determine whether renewal and termination options were included/excluded from the lease term on transition;

17. CHANGES IN ACCOUNTING POLICIES (continued)

17.3 Effect of adopting IFRS 16: Leases

The Group has elected to apply the impact of IFRS 16 retrospectively with an adjustment to opening accumulated losses on 1 October 2019, therefore comparative information for the 2019 Reporting Period has not been restated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	1 October 2019 Restated Unaudited €m	IFRS 16 adjustments Unaudited €m	30 September 2019 As originally presented Audited €m
ASSETS			
Non-current assets			
Goodwill	**4 295**	–	4 295
Intangible assets	**1 676**	–	1 676
Property, plant and equipment	**1 347**	(5)	1 352
Right-of-use assets	**2 622**	2 622	–
Investments in equity accounted companies	**208**	–	208
Other financial assets	**332**	–	332
Deferred tax assets	**217**	55	162
Trade and other receivables	**9**	–	9
	10 706	2 672	8 034
Current assets			
Inventories	**2 130**	–	2 130
Trade and other receivables	**954**	–	954
Taxation receivable	**65**	–	65
Other financial assets	**178**	–	178
Cash and cash equivalents	**1 795**	–	1 795
	5 122	–	5 122
Assets classified as held-for-sale and disposal groups	**1 445**	–	1 445
	6 567	–	6 567
Total assets	**17 273**	2 672	14 601
LIABILITIES			
Non-current liabilities			
Borrowings	**10 371**	–	10 371
Employee benefits	**133**	–	133
Deferred tax liabilities	**397**	–	397
Provisions	**118**	–	118
Lease liabilities	**2 077**	2 077	–
Trade and other payables	**–**	(49)	49
	13 096	2 028	11 068
Current liabilities			
Trade and other payables	**2 402**	–	2 402
Taxation payable	**216**	–	216
Employee benefits	**109**	–	109
Provisions	**143**	(147)	290
Lease liabilities	**910**	910	–
Borrowings	**999**	–	999
	4 779	763	4 016
Liabilities directly associated with assets classified as held-for-sale and disposal groups	**615**	–	615
	5 394	763	4 631
Total liabilities	**18 490**	2 791	15 699
Net assets	**(1 217)**	(119)	(1 098)
Capital and reserves	**9 348**	–	9 348
Non-controlling interest	**1 230**	(43)	1 273
Retained earnings	**(11 795)**	(76)	(11 719)
Total equity	**(1 217)**	(119)	(1 098)

17. CHANGES IN ACCOUNTING POLICIES (continued)

17.4 Pro forma financial information

Comparative information has not been restated and has been reported under the previous IAS 17 and IFRIC 4. To provide a more meaningful comparison of the current period's financial performance to the prior period, the current period has been adjusted to illustrate the impact should IFRS 16 not have been applied.

The pro forma financial information excludes the impact of IFRS 16 presented in the 2020 Condensed Financial Statements.

The pro forma financial information, which is the responsibility of the Group's directors, has been presented for illustrative purposes only and is consistent with the prior reporting period. Therefore, because of its nature, the pro forma financial information may not fairly present the Group's financial position, results of operations or cash flows. The pro forma financial information has not been reviewed or reported on by the Group's external auditors.

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS	**Six months ended 31 March 2020 Unaudited €m**	**Effect of adopting IFRS 16 Six months ended 31 March 2020 Unaudited €m**	**Pro forma under IAS 17 Six months ended 31 March 2020 Unaudited €m**	Six months ended 31 March 2019 Unaudited €m
Revenue	6 241	–	6 241	6 152
Cost of sales	(3 829)	11	(3 818)	(3 762)
Gross profit	2 412	11	2 423	2 390
Operating loss before other expenses considered material non-operational items	322	(70)	252	306
Other expenses	(1 003)	20	(983)	(44)
Operating (loss)/profit	(681)	(50)	(731)	262
Finance cost	(698)	115	(583)	(482)
Income from investments	59	–	59	38
Share of profit of equity accounted companies including impairment	(35)	–	(35)	(11)
Loss before taxation	(1 355)	65	(1 290)	(193)

PRO FORMA EBITDA	**Six months ended 31 March 2020 Unaudited €m**	**Effect of adopting IFRS 16 Six months ended 31 March 2020 Unaudited €m**	**Pro forma under IAS 17 Six months ended 31 March 2020 Unaudited €m**	Six months ended 31 March 2019 Unaudited €m
Operating (loss)/profit	(681)	(50)	(731)	262
Depreciation and amortisation	382	(267)	115	112
Other expenses considered material non-operational items	1 003	(20)	983	44
Intercompany eliminations (discontinued operations)	(2)	–	(2)	(27)
EBITDA	702	(337)	365	391
EBITDA per segment:				
Conforama	49	(72)	(23)	19
Pepco Group	271	(120)	151	151
Greenlit Brands	–	(31)	(31)	10
Pepkor Africa	353	(102)	251	248
Corporate and treasury services	20	–	20	(38)
All Other	9	(12)	(3)	1
	702	(337)	365	391

17. CHANGES IN ACCOUNTING POLICIES (continued)

17.4 Pro forma financial information (Continued)

PRO FORMA EBIT	Six months ended 31 March 2020 Unaudited €m	Effect of adopting IFRS 16 Six months ended 31 March 2020 Unaudited €m	Pro forma under IAS 17 Six months ended 31 March 2020 Unaudited €m	Six months ended 31 March 2019 Unaudited €m
Operating (loss)/profit per statement of profit or loss	(681)	(50)	(731)	262
Other expenses considered material non-operational items	1 003	(20)	983	44
Intercompany eliminations (discontinued operations)	(2)	–	(2)	(27)
EBIT per segment reporting	320	(70)	250	279
EBIT per segment:				
Conforama	(33)	(16)	(49)	(9)
Pepco Group	129	(18)	111	117
Greenlit Brands	(35)	(5)	(40)	3
Pepkor Africa	239	(29)	210	210
Corporate and treasury services	20	–	20	(42)
All Other	–	(2)	(2)	–
	320	(70)	250	279

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS	Six months ended 31 March 2020 Unaudited €m	Effect of adopting IFRS 16 Six months ended 31 March 2020 Unaudited €m	Pro forma under IAS 17 Six months ended 31 March 2020 Unaudited €m	Six months ended 31 March 2019 Unaudited €m
Net cash flow from operating activities	248	(269)	(21)	(327)
Net cash flow from investing activities	232	–	232	1 046
Net cash flow from finance activities	(403)	269	(134)	(269)

STEINHOFF
INTERNATIONAL HOLDINGS N.V.

ANNEXURES

STORE NETWORK

CONTINUING OPERATIONS		Sept 2019	STORE Openings	STORE Closings	March 2020	Retail m^2 ('000)
PEPCO GROUP		2 694	**168**	(18)	**2 844**	1 754
Pepco	Poland, Romania, Czech Republic, Hungary, Slovakia, Croatia, Slovenia, Lithuania, Latvia, Estonia, Bulgaria	1 804	**128**	(2)	**1 930**	877
Poundland, Dealz, PEP&CO stand-alone stores	United Kingdom, Republic of Ireland, Spain, Poland	890	**40**	(16)	**914**	877
PEPKOR AFRICA		5 415	**145**	(62)	**5 498**	2 446
PEP	Southern Africa	2 327	**44**	(14)	**2 357**	839
Ackermans	Southern Africa	806	**33**	(2)	**837**	487
PEP Africa	Rest of Africa	313	**10**	(3)	**320**	119
Speciality	Southern Africa	949	**18**	(24)	**943**	239
Furniture and appliances	Southern Africa	761	**38**	(15)	**784**	344
Appliances and electronics	Southern Africa	139	**2**	(4)	**137**	84
Building materials	Southern Africa	120			**120**	334
CONFORAMA		340	**1**		**341**	1 303
	France	236			**236**	766
	Iberia	50	**1**		**51**	215
	Switzerland	22			**22**	95
	Italy	19			**19**	134
	Croatia	10			**10**	76
	Serbia	3			**3**	17
OTHER		21	**2**	(1)	**22**	75
Lipo	Switzerland	21	**2**	(1)	**22**	75
GREENLIT BRANDS		317		(6)	**311**	378
Fantastic	Australia	167		(1)	**166**	179
Snooze	Australia	88		(5)	**83**	78
Freedom	Australia and New Zealand	62			**62**	121
TOTAL CONTINUING OPERATIONS		8 787	**316**	(87)	**9 016**	5 940
MATERIAL ASSOCIATE						
MATTRESS FIRM	United States of America	2 534	**10**	(64)	**2 480**	1 219

EXCHANGE RATES

	AVERAGE TRANSLATION RATE			CLOSING TRANSLATION RATE		
	H12020	H12019	% change	31-Mar-20	31-Mar-19	% change
EUR:ZAR	16.6270	16.1091	3	19.6095	16.2642	21
EUR:PLN	4.3056	4.3004	0	4.5506	4.3006	6
EUR:GBP	0.8615	0.8796	(2)	0.8864	0.8583	3
EUR:AUD	1.6498	1.5923	4	1.7967	1.5821	14
EUR:USD	1.1049	1.1386	(3)	1.0956	1.1235	(2)
EUR:CHF	1.0815	1.1345	(5)	1.0585	1.1181	(5)

SHARE STATISTICS

Stock exchange	FSE	JSE
Stock symbol	SNH Xetra	SNH SJ
Listing type	Primary	Secondary
ISIN	NL0011375019	NL0011375019
Initial listing	December 2015	September 1998[1]
Opening share price[2]	€0.06	R0.98
Closing share price[3]	€0.05	R1.11
Highest share price during period	€0.12	R2.05
Lowest share price during period	€0.04	R0.78
Volume traded during period (million)	1 736	755
Value traded during period (million)	€130	R801
Market capitalisation (million)[3]	€210	R4 605
Number of shares in issue (million)[4]	4 148	4 148

[1] *Original listing of Steinhoff International Holdings Limited on the JSE Limited*

[2] *Closing share price as at 28 September 2019*

[3] *As at 31 March 2020*

[4] *As at 31 March 2020, net of treasury shares*

FINANCIAL CALENDAR

Annual general meeting	**Friday, 28 August 2020**
Q3 Trading update – quarter ended 30 June 2020	**Friday, 28 August 2020**

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 Half-Year 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's ability to control or estimate precisely, including but not limited to, Steinhoff's ability to successfully implement and complete its plans and strategies and to meet its targets, the benefits from Steinhoff's plans and strategies being less than anticipated, the effect of general economic or political conditions, Steinhoff'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 Half-year Report, in particular the paragraphs on how we manage risk and in Steinhoff'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 Half-Year Report. Steinhoff does not assume any obligation to update any public information or forward-looking statement in this Half-Year Report to reflect events or circumstances after the date of this Half-Year Report, except as may be required by applicable laws.

GLOSSARY

Glossary of Terms applied to the 2020 Condensed Financial Statements

2019 Annual Report	Management Report (*bestuursverslag*) as referred to in article 2:391 of the Dutch Civil Code for the financial year ended 30 September 2019, together with the audited Consolidated Financial Statements
2019 Condensed Financial Statements	The unaudited condensed Consolidated Half-year Financial Statements for the six months ended 31 March 2019
2019 Consolidated Financial Statements	Consolidated Financial Statements for the Steinhoff Group for the financial year ended 30 September 2019
2019 Half-year Report	Management Report (*bestuursverslag*) as referred to in article 2:391 of the Dutch Civil Code for the six months ended 31 March 2019, the Management Board Responsibility Statement and the unaudited 2019 Condensed Consolidated Half-year Financial Statements
2020 Half-year Results	The results for the Steinhoff Group for the six months ended 31 March 2020
2020 Condensed Financial Statements	The unaudited condensed Consolidated Half-year Financial Statements for the six months ended 31 March 2020
2020 Half-year Report	Management Report (*bestuursverslag*) as referred to in article 2:391 of the Dutch Civil Code for the six months ended 31 March 2020, the Management Board Responsibility Statement and the unaudited 2020 Condensed Consolidated Half-year Financial Statements
2019 Half-year Reporting Period	Period starting 1 October 2018 up to and including 31 March 2019
2019 Reporting Period	Period starting 1 October 2018 up to and including 30 September 2019
ABRA	ABRA S.A., a company incorporated under the laws of Poland and registered under number KRS0000003143
Audit and Risk Committee	Audit and risk committee established by the Supervisory Board
Brait	Brait S.E., a company incorporated under the laws of Malta, registered under number SE1 and whose shares are listed, inter alia, on the JSE Limited
BVI	Business Venture Investments 1449 (RF) Proprietary Limited, a company incorporated under the laws of South Africa and registered under number 2011/002155/07
Campion Group	Campion Capital S.A., a company incorporated under the laws of Switzerland and registered under number CH-621.3.008.743-1, together with its subsidiaries, amongst others, the Fulcrum UK Group, the Fulcrum SA Group, Sunnyside, Sutherland UK and Town Investments
Conforama	Conforama Holdings S.A., a company incorporated under the laws of France together with its subsidiaries and registered under number RCS 582 014445
Contractual claims	Claims by those claimants who, in accordance with the terms of the contractual arrangement involving the Company, sold businesses, shares or otherwise received consideration directly

COVID-19	An ongoing pandemic of coronavirus disease 2019 (COVID-19) caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The pandemic has led to severe global socioeconomic disruption, the closure of a number of businesses and widespread shortages of supplies
CVA	Company Voluntary Arrangements, in respect of SEAG CVA and/or the SFHG CVA (as applicable)
Dutch Financial Supervision Act	Dutch Financial Supervision Act *(Wet op het financieel toezicht)*
Fantastic	Fantastic Holdings Limited
Fulcrum UK	Fulcrum Investment Partners (UK) Limited, a company incorporated under the laws of the United Kingdom and registered under number 9795056
Group	The group of companies consisting of Steinhoff International Holdings N.V. together with its subsidiaries
Hemisphere	Hemisphere International Properties B.V., a company incorporated under the laws of the Netherlands and registered under number 17228592. An indirect wholly owned subsidiary of Steinhoff N.V. and holds a portfolio of European properties
IEP Group	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
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
JSE	Johannesburg Stock Exchange
KAP	KAP Industrial Holdings Limited, a public company incorporated under the laws of the Republic of South Africa and registered under number 1978/000181/06
Kapela	Kapela Holdings is a black owned investment holding company
Lancaster 101	Lancaster 101 (RF) Proprietary Limited
Lancaster 102	Lancaster 102 Proprietary Limited
Management Board	Management board of the Company
Market purchase claimants	Market purchase claims arise 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 of SIHPL (the former holding company of the Group) and, following such event, any such claims are in respect of shares of 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, Mattress Firm Inc.
Pepkor Africa, PPH or Pepkor Africa Group	Pepkor Holdings Limited, a public company incorporated under the laws of the Republic of South Africa and registered under number 2017/221869/06. An indirect subsidiary of Steinhoff N.V.
Pepco Group	The pan-European discount variety retailer that includes the brands PEPCO, Poundland and Dealz
Plum Tree	Plum Tree Consultants Limited, a company incorporated under the laws of Mauritius and registered under number 126319C2/GBL
Reporting Date	31 March 2020
Reporting Period	Period starting 1 October 2019 up to and including 31 March 2020
SARB	South African Reserve Bank

SEAG	Steinhoff Europe AG, a company incorporated under the laws of Austria and registered under number FN 38031d. A wholly owned subsidiary of Steinhoff N.V.
SEAG CVA	English law company voluntary arrangement proposed by SEAG dated 28 November 2018
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 dated 28 November 2018
SIHPL	Steinhoff International Holdings Proprietary Limited, a company incorporated under the laws of South Africa, registered under number 1998/003951/06, previously listed on the JSE and known as Steinhoff
SINVH	Steinhoff Investment Holdings Limited, a company incorporated under the laws of the Republic of South Africa, registered under number 1954/001893/06
Sherwood	Sherwood Group Holdings Inc, a company incorporated under the laws of the United States of America, registered under number 6454341
SSUK	Sutherland Investment Partner UK Limited, a company incorporated under the laws of the United Kingdom and registered under number 9803849, and Sunnyside Investment Partners Limited, a company incorporated under the laws of the United Kingdom and registered under number 9892333, collectively
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 N.V. or the Company	Steinhoff International Holdings N.V., a public limited liability company incorporated under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, and its head office in South Africa, and registered with the Trade Register in the Netherlands under number 63570173
Steinhoff shares or Ordinary Shares	Ordinary shares in the capital of the Company
SUSHI	Stripes US Holding Inc. a company incorporated under the laws of the United States of America, registered under number EIN-38-4012800. The holding company of Mattress Firm
Titan	Titan Premier Investments Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registration number 1979/000776/07
Top Global	Top Global Investments GmbH, a company incorporated under the laws of Austria and registered under number FN343334d
Town Investments	Town Investments Proprietary Limited, a company incorporated under the laws of South Africa and registered under number 2016/159084/07. The company served as a special purpose vehicle during the acquisition of Tekkie Town Proprietary Limited
Unitrans	Unitrans Motor Holdings Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registered under number 1997/017428/07

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