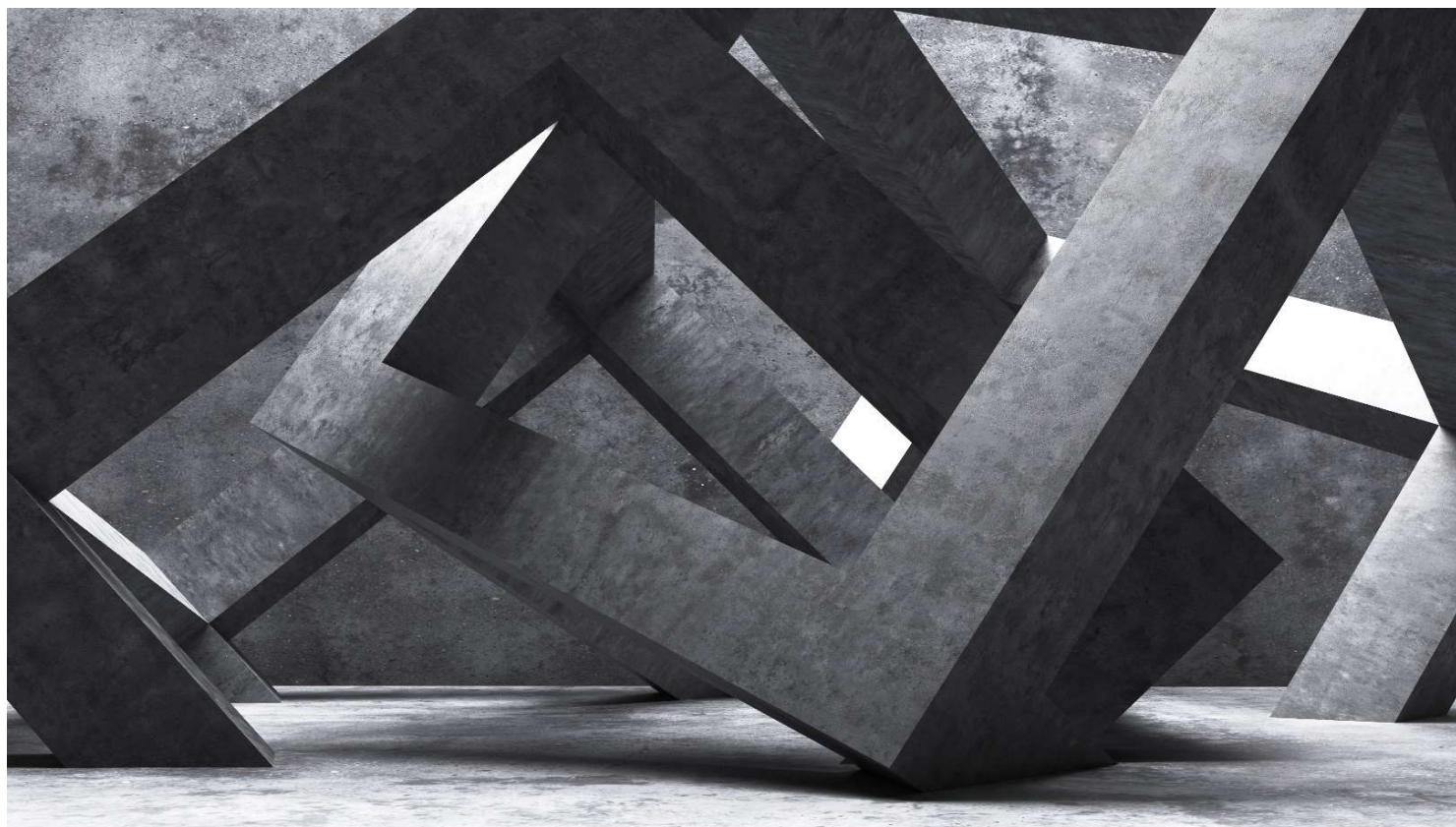




STEINHOFF

INVESTMENT HOLDINGS LTD

Registration number: 1954/001893/06



REVIEWED
CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 MARCH 2021

SALIENT FEATURES

Revenue from continuing operations increased by 8% to R36.5 billion.

Operating profit from continuing operations, before other material expenses, increased from a profit of R3.8 billion to a profit of R4.3 billion.

Operating profit from continuing operations, after other material expenses, improved by 149% from a loss of R10.6 billion to a profit of R5.2 billion.

The Litigation Settlement Proposal provision was increased from R9.4 billion to R10.6 billion resulting in an additional expense of R1.2 billion.

A foreign exchange gain of R3.7 billion (2020: loss of R4.8 billion) has been recognised on the SIHPL CPU liability.

Headline earnings per share improved from a loss of 23 716.32 cents to earnings of 5 054.54 cents.

Basic earnings per share improved from a loss of 24 187.23 cents to earnings of 4 730.90 cents.

On 27 January 2021, the Board declared a gross dividend of 292.43 cents per preference share, paid on 26 April 2021.

REVIEWED
CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 MARCH 2021

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COMMENTARY

OVERVIEW

Steinhoff Investment Holdings Limited ("**Steinhoff Investments**" or the "**Company**") and its subsidiaries (together referred to as the "**Steinhoff Investments Group**" or "**Group**"), is a wholly-owned subsidiary of Steinhoff International Holdings N.V. ("**Steinhoff N.V.**") and is the issuer of variable rate, cumulative, non-redeemable, non-participating preference shares with a capital value of R1.5 billion. These preference shares are listed on the JSE.

This report covers the six-month period ending 31 March 2021 (the "**Reporting Period**") and also addresses the material events subsequent to 31 March 2021 (the "**Reporting Date**") up to the publication date of this report. This report has been reviewed by the external auditors, Mazars.

DIRECTORS' RESPONSIBILITY STATEMENT

These reviewed 2021 Condensed Consolidated Interim Financial Statements together with the announcement, are the responsibility of the directors of the Company.

The directors of the Company hereby confirm, subject to the judgements and estimates set out in the Basis of Preparation, that the Group will continue as a going concern for the foreseeable future and as far as each of them are aware, the 2021 Condensed Consolidated Interim Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Steinhoff Investments and the enterprises included in the Group's 2021 reviewed Condensed Consolidated Interim Financial Statements.

These results have been prepared under the supervision of TLR de Klerk (director); BCom (Hons), CTA, HDip (Tax), CFM.

INDEPENDENT REVIEW

These 2021 Condensed Consolidated Interim Financial Statements have been reviewed by the Company's auditors, Mazars and their findings are set out on page 8 to 10.

FINANCIAL PERFORMANCE

The quality of the operational performance of Steinhoff Investments' material subsidiary, Pepkor Holdings Limited ("**Pepkor Holdings**"), during the Reporting Period was highlighted by the fact that the business had to deal with volatile operating conditions during the second wave of the Coronavirus pandemic ("**COVID-19**") and disruptions caused by the delayed start to the academic school year. The performance is also commendable in that the comparable six-month period ended 31 March 2020 (the comparable period) was largely unaffected by COVID-19.

The Pepkor Holdings group's business model and market positioning have sustained performance since the onset of COVID-19 by responding effectively to changes in the operating environment and consumer behaviour, thereby entrenching its position in the discount and value sector. During this time Pepkor Holdings has made excellent progress in strengthening its balance sheet and liquidity, which will support investment in growth opportunities.

A provision of R10.6 billion (2020: R9.4 billion) in respect of the Proposed Litigation Settlement has been recognised in the current Reporting Period and previous reporting period, together with an additional provision for the implementation of the Proposed Litigation Settlement of R867 million (Refer to note 4.7 and note 9 for further details).

In addition, as a result of the change in the ZAR/EUR exchange rate during the Reporting Period a foreign currency gain on the Steinhoff International Holdings Proprietary Limited contingent payment undertaking ("SIHPL CPU") of R3,7 billion was recognised (2020: foreign currency loss of R4.8 billion).

COMMENTARY

CORPORATE ACTIVITY DURING THE REPORTING PERIOD

Properties - Africa

The Group commenced a process, post-March 2019, to dispose of the remaining properties within its African property division. Portfolio has been materially disposed of. Twelve of the remaining properties are used by Pepkor Holdings' operating entities as distribution centres with one property being used as a corporate head office and one property being used as a call centre. As announced on 14 April 2021 the transaction for Pepkor Holdings to acquire these twelve properties currently leased from the Group, received the necessary approvals and all conditions precedent were fulfilled. Pepkor Holdings will issue a total of 70 million new Pepkor Holdings shares as consideration. The new shares will be issued by Pepkor Holdings on a proportional basis as the transfer of each property is completed. As the above properties will remain within the Group after the disposal, it no longer meets the criteria to be classified as held-for-sale and have therefore been reclassified to Property, plant and equipment.

The disposal process has experienced significant delays as a result of COVID-19, however management remains committed to dispose of the remaining properties. At 31 March 2021 the remaining Africa property portfolio still met the criteria to be classified as held-for-sale.

Pepkor Holdings

The Building Company disposal

The Pepkor Holdings Group entered into a sale and purchase agreement for the disposal of the entire issued share capital of The Building Company for a total purchase price, including permitted leakages, of R1.2 billion. Completion of the transaction was subject to approval by the Competition Commission in South Africa at the Reporting Date. The Competition Commission announced its recommendation on 28 May 2021 that the transaction be prohibited. The recommendation made by the Competition Commission will be considered by the Competition Tribunal at a hearing where arguments from all parties will be considered in finalisation of its ruling.

The prior year comparative income statement has been restated to reflect the results of The Building Company as a discontinued operation in line with the requirements of IFRS 5. During the Reporting Period, an additional impairment of R264 million was recognised to impair the Group's investment in the Building Company to its fair value less cost to sell. The cumulative impairment amounts to R436 million at the end of the period. Refer to note 11 for further details.

Settlement of Pepkor Holdings preference share funding

Following the settlement of R4.0 billion in preference share funding by Pepkor Holdings during the 2020 financial year, the remaining R2.0 billion in preference share funding was settled during the Reporting Period.

Changes to the board and committees of Pepkor Holdings during and after the Reporting Period

Wendy Luhabe was appointed as the independent chairman of Pepkor Holdings on 1 December 2020. As chairman of the company it was appropriate that Wendy be appointed as chairman of the nomination committee. She was appointed to the audit and risk committee in order to fill the vacancy and ensure compliance with the minimum membership of this committee in terms of the Companies Act. Jayendra Naidoo resigned as a non-executive director and as member of the nomination, human resources and remuneration committees on 1 February 2021. Jacob Wiese did not make himself available for re-election at Pepkor Holdings' 2021 annual general meeting and formally retired as a non-executive director from the board on 10 March 2021. Johann Cilliers resigned from the board and the relevant committees of Pepkor Holdings on 16 February 2021. Johann was the lead independent director, the chairman of the audit and risk committee and a member of the nomination committee. Fagmeedah Petersen-Cook was appointed as the interim chairman of the audit and risk committee.

On 28 May 2021, the board of Pepkor Holdings announced the appointment of independent non-executive directors to the board of Pepkor Holdings, effective 1 June 2021. The appointments have been made with the objectives of enhancing and widening the skill set of the Pepkor Holdings' board and to strengthen the independence and diversity components of the board. The appointees are Paula Disberry, Hester Hickey, Zola Malinga, Ian Kirk and Isaac Mophatlane.

COMMENTARY

Lifting of suspension of Steinhoff Investments' preference shares

In the 2018 Reporting Period, the JSE announced that the listing of the variable rate, cumulative, non-redeemable, non-participating preference shares of Steinhoff Investments had been suspended for failure by Steinhoff Investments to submit its annual report for the 2017 Reporting Period on time. With the release of the Steinhoff Investments' 2020 Reporting Period financial results, all outstanding annual financial statements were published, resulting in the decision by the JSE to resume trade of the preference shares with effect from 18 January 2021.

JSE Fine

On 20 October 2020, Steinhoff N.V and SIHPL, jointly, receive a public censure and a fine of R13.5 million from the JSE in respect of alleged disclosure irregularities that occurred prior to December 2017. This was subsequently paid during February 2021.

CORPORATE ACTIVITY AFTER THE REPORTING PERIOD

Pepkor Holdings

Pepkor Holdings Domestic Medium Term Note Programme

Pepkor Holdings successfully raised R2.2 billion in the South African bond market following an auction held on 30 April 2021. The Domestic Medium Term Note Programme is part of Pepkor Holdings' strategy to diversify its sources of funding and to reduce its cost of funding. Proceeds from the notes issued will be used to replace existing term debt due for repayment in 2022; thereby strengthening the Pepkor Holdings group's liquidity and debt repayment profile.

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

LITIGATION

Litigation remains a significant outstanding challenge for the wider group and has been a major focus for management. In parallel with these various court processes, the Board, assisted by the Group's legal advisors, continued to work towards a resolution of outstanding claims against the Group throughout the period.

On 27 July 2020, Steinhoff N.V. released a detailed update on its efforts to resolve the ongoing complex legal claims and litigation proceedings, including details of a proposal for the settlement of the outstanding litigation ("**Litigation Settlement Proposal**") in respect of these claims. The investment market has been kept informed through a number of subsequent news releases. The process remains ongoing. Further details of the proposal are provided in the referenced announcements.

The expense of R1 243 million relating to the increase in the Litigation Settlement Proposal provision was offset by a foreign currency gain of R51 million, resulting in a net increase of R1 193 million (2020: R9 379 million) in the provision, as detailed in note 4 and note 9 to the Condensed Consolidated Interim Financial Statements. All qualifying claims are still disclosed as contingent liabilities to the point of implementation of the Litigation Settlement Proposal.

OPERATIONAL PERFORMANCE

Pepkor Holdings has the largest retail store footprint in southern Africa, with more than 5 000 stores operating across 10 African countries. The majority of its retail brands operate in the discount and value segment of the market. Pepkor Holdings is separately listed on the JSE and released their interim results for the six months ended 31 March 2021 on 27 May 2021. For more information please visit www.pepkor.co.za

The Pepkor Holdings group continued to outperform and expand its market share in a challenging and uncertain South African consumer retail market.

The quality of the performance during the period is further highlighted by the fact that businesses had to deal with volatile operating conditions during the second wave of the COVID-19 and disruptions caused by the delayed start to the academic school year. The performance is also commendable in that the comparable six-month period ended 31 March 2020 (the "comparable period") was largely unaffected by COVID-19.

COMMENTARY

Revenue increased by 8.1% to R36.5 billion for the six months ended 31 March 2021. Cash sales increased by 10.7% while credit sales decreased by 3.8%. The credit contribution to total sales reduced to 7% for the period from 8% in the comparable period. Earnings per share and headline earnings per share from continuing operations increased by 56.7% and 50.6%, respectively.

OUTLOOK

The Pepkor Holdings Group's business model and market positioning have sustained performance since the onset of COVID-19 by responding effectively to changes in the operating environment and consumer behaviour, thereby entrenching its position in the discount and value sector. During this time Pepkor Holdings has made excellent progress in strengthening its balance sheet and liquidity which will support its investment in growth opportunities.

Varying degrees of government-mandated lockdown protocols were put in place since April 2020 to mitigate the spread of COVID-19. It would therefore be more meaningful for trading subsequent to March 2021 to be considered against the Pepkor Holdings Group's 2019 trading performance. Based on this comparison, Pepkor Holdings is pleased to report positive trading momentum in all retail brands subsequent to March 2021. This includes a good start to the winter-season trade in the CFH brands and continued demand for furniture, appliances and consumer electronics.

Pepkor Holdings' product mix and value positioning is ideally suited to the changing consumer behaviour, focusing on essential and everyday products. Pepkor Holdings' footprint will continue to expand, especially in the most robust brands such as PEP and Ackermans with 200 new stores planned during this financial year.

DIVIDEND DECLARATIONS - Preference shares

On 27 January 2021, the board declared a gross dividend of 292.43 cents per preference share. This dividend was paid on Monday 26 April 2021.

The preference shares dividends are payable in the currency of South Africa and are subject to local dividend tax of 20%.

DIVIDEND DECLARATIONS - Ordinary shares

In line with prior periods, no interim dividend has been declared on the ordinary shares.

EVENTS AFTER THE REPORTING DATE

Aside from the corporate activity, the continued impact of the COVID-19 pandemic and the update on the Litigation Settlement Proposal, all as set out above, no other material events have occurred after the Reporting Date. Refer to note 13 of the 2021 Condensed Consolidated Interim Financial Statements.

APPRECIATION

We would like to take this opportunity to thank senior management and employees in the Group's operating businesses for their hard work and loyalty in extremely challenging circumstances.

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

18 June 2021

M Moses
*Independent non-executive
chairperson*

L du Preez
Executive director

TLR de Klerk
Executive director

Independent Reviewer's Report

To the Shareholder of Steinhoff Investment Holdings Limited and its subsidiaries ("the Group")

Report on the Review of the Condensed Consolidated Interim Financial Statements

Qualified Conclusion on the condensed consolidated interim financial statements for the period ended 31 March 2021

We have reviewed the condensed consolidated interim financial statements of Steinhoff Investment Holdings Limited (together with its subsidiaries, the "Group") set out on pages 11 to 48, which comprise the condensed consolidated statement of financial position as at 31 March 2021 and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period then ended, and notes to the condensed consolidated interim financial statements, including a summary of significant accounting policies.

Directors' Responsibility for the Condensed Consolidated Interim Financial Statements

The directors are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with the International Financial Reporting Standard (IAS) 34 Interim Financial Reporting and the Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the 31 March 2021 condensed consolidated interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of condensed consolidated interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated interim financial statements.

Basis for Qualified Conclusion for the period ended 31 March 2021

Provision – proposed legal settlement

On 27 July 2020, the Group along with Steinhoff International Holdings N.V. (Steinhoff N.V.) announced the terms of a proposed settlement to conclude certain of the complex legal claims and ongoing pending litigation proceedings arising from the historic events first announced in December 2017. The provision of R 10,571 million raised is in respect of management's best assessment of the proposed legal settlement. As disclosed in Note 9 (Commitments, Contingencies and Provisions) it is proposed that this foreign denominated settlement will consist of cash and Pepkor Holdings Limited shares, subject to Steinhoff N.V.'s settlement election. Due to the complex nature of the claims and proposed settlement thereof as described in Note 9 the settlement is subject to acceptance from claimants and creditors as well as legal and regulatory processes which have not yet been finalised. We were unable to obtain sufficient appropriate review evidence to substantiate the likelihood of the expected outcome of the proposed legal settlement and therefore the provision raised in that regard, due to the legal processes not being finalised.

Comparability

The condensed consolidated interim financial statements for the comparative 6 month period ending 31 March 2020 include the unreviewed results of this Group and its significant subsidiaries Pepkor Holdings Limited and Unitrans Motor Holdings Proprietary Limited. At the interim reporting date of 31 March 2020, the audit of the Group's 30 September 2019 year had not yet been finalised. The Group's audited financial statements for the year ended 30 September 2019, was subsequently released on 28 May 2020 and Pepkor Holdings Limited unreviewed interim financial statements for the 6 month period was released on 27 May 2020.

As disclosed in the 31 March 2020 condensed consolidated interim financial statements, released on 3 September 2020, the directors stated that the Group was publishing the condensed consolidated unreviewed interim results ("HY20 Interim Results") in circumstances where a review was required in terms of the JSE Listings Requirements, for the following reasons:

- The Group believed that the timely publication of useful and relevant financial information was in the best interests of its stakeholders, particularly its preference shareholders, in circumstances where they were prejudiced by a suspension of trade.
- Publication of the HY20 Interim Results was an important step toward regularising the Group's periodic financial reporting.
- In light of the Steinhoff N.V. proposed global settlement of litigation, it was the Group's view that the publication of timely information relevant to the Group's preference shareholders was of great value to them.
- The audit and risk committee and the board confirmed that they were satisfied that the HY20 Interim Results fairly presents the Group's financial position.
- The Group's stakeholders had access to both the Pepkor Holdings Limited unaudited summary consolidated interim financial statements for the six months ended 31 March 2020 and the unaudited results for the Half Year Results for the six months ended 31 March 2020 of Steinhoff N.V., being the Group's major asset and holding company respectively.

Under these circumstances we were unable to perform a review on the 31 March 2020 condensed consolidated interim financial statements due to it being impracticable to perform retrospective procedures on historic financial information of the Group and its significant subsidiaries for the 6 month period ended 31 March 2020. We were thus unable to obtain sufficient appropriate evidence to express a conclusion on the results for the 6 month period ended 31 March 2020.

Our conclusion on the current period's condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period ended 31 March 2021 is modified because of the possible effects of the matter described above on the comparability of the current period's condensed consolidated interim financial statements with that of the period ended 31 March 2020.

Qualified Conclusion for the period ended 31 March 2021

Based on our review, except for the possible effects of the matters described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that these condensed consolidated interim financial statements do not present fairly, in all material respects, the financial position of Steinhoff Investment Holdings Limited as at 31 March 2021, and its financial performance and cash flows for the period then ended in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.



Mazars
Partner: Yolandie Ferreira
Registered Auditor
Date: 18 June 2021
Cape Town

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED 31 MARCH 2021

	Notes	Six months ended 31 March 2021 Reviewed Rm	Restated ¹ Six months ended 31 March 2020 Unaudited Rm
Continuing operations			
Revenue	3	36 469	33 768
Cost of sales ²		(23 260)	(21 240)
Gross profit		13 209	12 528
Operating income ³		360	411
Distribution expenses		(349)	(285)
Administration expenses ^{4,5}		(8 403)	(8 050)
Debtors' costs ⁴		(470)	(849)
Other income/(expenses)	4	835	(14 358)
Operating profit/(loss)		5 182	(10 603)
Finance costs	5.1	(1 191)	(1 841)
Income from investments	5.2	683	769
Share of profit/(loss) of equity accounted companies	7.2	10	(87)
Impairment of equity accounted companies	7.2	-	(414)
Profit/(loss) before taxation from continuing operations		4 684	(12 176)
Taxation		(1 206)	(948)
Profit/(loss) from continuing operations		3 478	(13 124)
Discontinued operations			
(Loss)/profit from discontinued operations	1.2	(46)	277
Profit/(loss) for the period		3 432	(12 847)
Profit/(loss) attributable to:			
Owners of Steinhoff Investments		2 602	(13 303)
Preference shareholders of Steinhoff Investments		43	61
Non-controlling interests		787	395
Profit/(loss) for the period		3 432	(12 847)
Basic and diluted earnings/(loss) per share (cents)			
From continuing operations	6	4 814.54	(24 689.05)
From discontinued operations	6	(83.64)	501.82
		4 730.90	(24 187.23)

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 (R22.8 billion).

³ Operating income mostly comprises commission received on ancillary services provided by Pepkor Holdings.

⁴ Debtors' cost has been disclosed separately from administration expenses on the face of the statement of profit or loss in the current year in order to report this information in a more useful and transparent manner. Comparative figures have been restated accordingly.

⁵ Debtors' cost in the Reporting Period consists of Bad debt written off: (R791 million), Bad debt recovered: R56 million and Movement in bad debt provision: R265 million.

The accompanying notes form an integral part of the 2021 Condensed Consolidated Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 MARCH 2021

	Six months ended 31 March 2021 Reviewed Rm	Restated ¹ Six months ended 31 March 2020 Unaudited Rm
Profit/(loss) for the period	3 432	(12 847)
Items that may be reclassified subsequently to profit or loss (net of tax):		
Net exchange (loss)/gain on translation of foreign operations and translation of net investment in foreign operations	(117)	22
Net fair value (loss)/gain on cash flow hedges and other assets and liabilities measured at fair value through other comprehensive income	(599)	888
Total other comprehensive (loss)/income for the period	(716)	910
Total comprehensive income/(loss) for the period	2 716	(11 937)
Total comprehensive income/(loss) attributable to:		
Owners of Steinhoff Investments	2 132	(12 394)
Preference shareholders of Steinhoff Investments	43	61
Non-controlling interests	541	396
Total comprehensive income/(loss) for the period	2 716	(11 937)

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

The accompanying notes form an integral part of the 2021 Condensed Consolidated Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2021

	Ordinary share capital Rm	Accumulated losses Rm	Foreign currency translation reserve Rm	Sundry reserves ¹ Rm	Total ordinary equity attributable to owners of Steinhoff N.V. Rm	Preference share capital and premium Rm	Accumulated profit/loss due to preference shareholders Rm	Preference equity attributable to preference shareholders Rm	Non- controlling interests Rm	Total Rm
Balance at 30 September 2020 - Audited	119 020	(103 113)	(152)	(1 925)	13 830	1 382	23	1 405	16 932	32 167
Profit for the period	-	2 602	-	-	2 602	-	43	43	787	3 432
Other comprehensive loss for the period	-	-	(80)	(390)	(470)	-	-	-	(246)	(716)
Total comprehensive (loss)/income for the period	-	2 602	(80)	(390)	2 132	-	43	43	541	2 716
Transactions with the owners in their capacity as owners										
Ordinary dividends	-	-	-	-	-	-	-	-	(4)	(4)
Preference dividends	-	-	-	-	-	-	(44)	(44)	-	(44)
Transactions with non-controlling interests without change in control ²	-	-	-	(63)	(63)	-	-	-	65	2
Attributable share of other reserves relating to equity accounting	-	-	-	35	35	-	-	-	-	35
Share-based payments	-	-	-	66	66	-	-	-	31	97
Release of fair value reserves on disposal of investments	-	(51)	-	51	-	-	-	-	-	-
Transfers from other reserves ³	-	(399)	-	399	-	-	-	-	-	-
Total equity at 31 March 2021 - Reviewed	119 020	(100 961)	(232)	(1 827)	16 000	1 382	22	1 404	17 565	34 969

¹ The main components of Sundry reserves at the Reporting Date were Premium or discount on changes in non-controlling interest: R1 797 million, share of other reserves of equity accounted companies: R353 million and share-based payment reserve: (R217 million).

² During the Reporting Period Pepkor Holdings issued 6 234 974 of its shares to qualifying employees under the Pepkor share-rights scheme. This diluted the Group's shareholding in Pepkor Holdings from 67.75% to 67.64%.

³ The transfers from other reserves to retained earnings relate to the release of reserves, specifically cash flow hedging reserve, share-based payment reserves and capital redemption reserve fund.

Balance at 30 September 2019 - Audited	119 020	(88 446)	(228)	(1 838)	28 508	1 382	32	1 414	16 582	46 504
Effect of adopting IFRS 16	-	(1 745)	-	-	(1 745)	-	-	-	(711)	(2 456)
Restated balance at beginning of the period	119 020	(90 191)	(228)	(1 838)	26 763	1 382	32	1 414	15 871	44 048
Loss for the period	-	(13 303)	-	-	(13 303)	-	61	61	395	(12 847)
Other comprehensive income for the period	-	-	22	887	909	-	-	-	1	910
Total comprehensive (loss)/income for the period	-	(13 303)	22	887	(12 394)	-	61	61	396	(11 937)
Transactions with the owners in their capacity as owners										
Preference dividends	-	-	-	-	-	-	(63)	(63)	-	(63)
Ordinary dividends	-	-	-	-	-	-	-	-	(76)	(76)
Transactions with non-controlling interests without change in control	-	-	-	(4)	(4)	-	-	-	5	1
Derecognition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	5	5
Attributable share of other reserves relating to equity accounting	-	-	-	29	29	-	-	-	-	29
Share-based payments	-	-	-	31	31	-	-	-	-	31
Total equity at 31 March 2020 - Unaudited	119 020	(103 494)	(206)	(895)	14 425	1 382	30	1 412	16 201	32 038

The accompanying notes form an integral part of the 2021 Condensed Consolidated Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Notes	31 March 2021 Reviewed Rm	30 September 2020 Audited Rm
ASSETS			
Non-current assets			
Goodwill		37 280	37 280
Intangible assets		18 039	18 028
Property, plant and equipment		5 986	5 195
Right-of-use assets		9 315	9 949
Investments in equity accounted companies	7	2 571	2 526
Other financial assets		5 308	5 200
Deferred tax assets		2 280	2 385
Trade and other receivables		4	81
Intergroup loans and receivables		-	3 429
		80 783	84 073
Current assets			
Inventories		11 740	10 729
Trade and other receivables		7 568	7 844
Taxation receivable		730	779
Intergroup loans and receivables		3 773	706
Other financial assets		15	5
Cash and cash equivalents	2.5	17 536	18 240
		41 362	38 303
Assets classified as held-for-sale and disposal groups	11	4 770	6 133
		46 132	44 436
Total assets		126 915	128 509
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital and premium		119 020	119 020
Other reserves		(2 059)	(2 077)
Accumulated losses		(100 961)	(103 113)
Total ordinary equity attributable to owners of Steinhoff Investments		16 000	13 830
Preference share capital and premium		1 382	1 382
Accumulated profit attributable to preference shareholders		22	23
Total equity attributable to preference shareholders of Steinhoff Investments		1 404	1 405
Non-controlling interests		17 565	16 932
Total equity		34 969	32 167
Non-current liabilities			
Borrowings	8	10 520	38 949
Employee benefits		24	86
Deferred tax liabilities		3 930	3 936
Provisions		91	91
Lease liabilities		11 098	11 922
		25 663	54 984
Current liabilities			
Trade and other payables		11 178	10 820
Taxation payable		1 809	2 051
Intergroup loans and payables		3 228	3 217
Employee benefits		907	884
Provisions		1 002	174
Provision - proposed legal settlement	9	10 571	9 379
Lease liabilities		1 942	2 048
Borrowings	8	32 921	9 977
		63 558	38 550
Liabilities directly associated with assets classified as held-for-sale and disposal groups	11	2 725	2 808
		66 283	41 358
Total equity and liabilities		126 915	128 509

The accompanying notes form an integral part of the 2021 Condensed Consolidated Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2021

	Notes	Six months ended 31 March 2021 Reviewed Rm	Six months ended 31 March 2020 Unaudited Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10.1	4 676	4 972
Ordinary and preference dividends paid		(4)	(139)
Interest received		382	640
Interest paid		(1 065)	(826)
Taxation paid		(1 168)	(1 015)
Net cash inflow from operating activities		2 821	3 632
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment and investment property		(549)	(1 743)
Proceeds on disposal of property, plant and equipment and intangible assets		319	490
Additions to intangible assets		(63)	(41)
Acquisition of businesses, net of cash on hand at acquisition		-	(29)
Clawback on acquisition of business		-	26
Disposal of businesses net of cash	1.3	43	3 011
Payments for investments in equity accounted companies		(7)	(1)
Proceeds from disposal of and repayments received resulting in decrease in other financial assets		42	63
Net cash (outflow)/inflow from investing activities		(215)	1 776
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of leases liabilities		(1 200)	(1 925)
Repayments of borrowings	8.3	(2 001)	(995)
Proceeds from borrowings	8.3	88	1 201
Net cash outflow from financing activities		(3 113)	(1 719)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS			
Effects of exchange rate translations on cash and cash equivalents		(507)	3 689
Cash and cash equivalents at beginning of the period		(156)	57
CASH AND CASH EQUIVALENTS AT END OF PERIOD		18 876	13 202
		18 213	16 948
Reconciliation of Cash and Cash Equivalents at end of period			
Cash and cash equivalents		17 536	16 941
Cash and cash equivalents held-for-sale		677	7
CASH AND CASH EQUIVALENTS AT END OF PERIOD		18 213	16 948

The accompanying notes form an integral part of the 2021 Condensed Consolidated Interim Financial Statements.

BASIS OF PREPARATION

FOR THE PERIOD ENDED 31 MARCH 2021

REPORTING ENTITY

Steinhoff Investments is a South African registered company, with tax residency in South Africa. The reviewed Condensed Consolidated Interim Financial Statements of Steinhoff Investments comprise Steinhoff Investments and its subsidiaries (together referred to as the "**Steinhoff Investments Group**" or "**Group**") and the Group's interest in associate companies and joint-ventures. The Group is primarily involved in the retailing of general merchandise. The Group operates in Africa.

BASIS OF PREPARATION

Statement of compliance

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with and containing information required by IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listing Requirements and the requirements of the South African Companies Act, 71 of 2008, as amended.

The accounting policies applied for these 2021 Condensed Consolidated Interim Financial Statements are unchanged from those used for the 2020 Consolidated Financial Statements of Steinhoff Investments and are included in the 2020 Annual Financial Statements 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 2020, none of which had a material impact on the Group.

Presentation and functional currency and historical cost convention

The 2021 Condensed Consolidated Interim Financial Statements have been presented in millions of rands (Rm) and are prepared on the historical-cost basis, except for certain assets and liabilities carried at amortised cost, certain financial instruments which are carried at fair value and assets held-for-sale which are carried at the lower of carrying amount and fair value less cost of disposal.

Going concern

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

In doing so the Board has considered the impact of the provision for the Litigation Settlement Proposal and the possibility of a interim extension of the maturity date for the debt from 31 December 2021 to 31 December 2022 on the going concern position. The Group's cash flow forecasts was adjusted for the impact of the Litigation Settlement Proposal as detailed in note 9. At the time of signing these interim financial statements, the Board has a reasonable expectation that the Group has sufficient resources to continue in operation for the foreseeable future, which is not less than twelve months from the date of authorisation of these 2021 Condensed Consolidated Interim Financial Statements.

The board of directors draw attention to the critical assumptions and disclosures made throughout the Condensed Consolidated Interim Financial Statements. Significant matters considered by the board of directors for the Steinhoff Investments Group's going concern assessment are highlighted below:

Litigation and Regulation

Various entities within the group of which Steinhoff N.V. is the ultimate holding company (collectively "**the Steinhoff N.V. Group**"), are subject to multiple legal claims and regulatory investigations. Steinhoff N.V. and SIHPL have received several shareholder and vendor claims and notices of regulatory investigation. These legal proceedings and regulatory investigations have been initiated subsequent to the December 2017 events. The board of directors, assisted by the litigation working group of Steinhoff N.V. ("**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 relevant regulatory bodies. Several defences have already been filed by the Steinhoff N.V. Group, in these legal proceedings (also refer to Note 24.3 – Commitments and Contingencies of the 2020 Consolidated Financial Statements). A key assumption in the Group's cash flow forecasts is that no material judgements or fines are issued against the Steinhoff N.V. Group that will become payable during the next 12 months. The board of directors, 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. Pleadings 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 9 for additional disclosure.

BASIS OF PREPARATION

FOR THE PERIOD ENDED 31 MARCH 2021

BASIS OF PREPARATION (continued)

Going concern (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 Litigation Settlement Proposal has been initiated but implementation thereof remains subject to completion of the requisite legal processes.

The quantum of the provision raised is based on the estimated financial outcome of the Litigation Settlement Proposal as announced on 27 July 2020, amended for additional items as announced from this date. Management draws the user of the financial statements' attention to the fact that the above litigation has not been resolved and any form of the proposed settlement, if implemented, could differ from the provision raised.

The full negative equity of SIHPL has been included in the consolidated results of Steinhoff Investments Group, as required by IFRS. The legal claims are ring-fenced against SIHPL and no other Steinhoff Investments Group company has an obligation to settle the legal claims on SIHPL's behalf.

The outcome of the proposed pre-prepared compromise plan pursuant to section 155 of the Companies Act in South Africa by SIHPL, has no significant impact on the going concern assessment for Steinhoff Investments, as SIHPL is ringfenced and holds no material assets, other than intercompany loan receivables.

Classification of debt as short-term (SIHPL CPU)

The SIHPL CPU has a maturity date of 31 December 2021 and is therefore due less than twelve months from the Reporting Date. As a result, the SIHPL CPU, in accordance with IAS 1, is classified as current as at 31 March 2021. Refer to note 8. Due to the classification of the SIHPL CPU as short-term debt, the Steinhoff Investments Group's current liabilities exceed its current assets.

Subject to the successful implementation of the global Litigation Settlement Proposal, a further payment extension will be granted to 30 June 2023, with the option to seek a further 6 months extension to 31 December 2023 subject to the approval of a simple majority financial creditor consent. Prior to the successful implementation of the global Litigation Settlement Proposal, Steinhoff N.V. (on behalf of itself and other Steinhoff holding company obligors,) has the option to seek an interim extension on debt maturities for up to 12 months (i.e. 31 December 2022) including under the SIHPL CPU subject to the approval of a simple majority financial creditor consent. To date this option has not been exercised by Steinhoff N.V.

COVID-19

Operational management are continuing to take an active approach, implementing a range of mitigating strategies to protect profitability and cashflow. While the Steinhoff Investments Group is confident that these actions to address the ongoing impacts of COVID-19 are appropriate and timely, the situation remains uncertain and is being kept under constant review.

Conclusion

In determining the appropriate basis of preparation of the 2021 Condensed Consolidated Interim Financial Statements of Steinhoff Investments, the board of directors is required to consider whether the Steinhoff Investments Group can continue in operational existence for the foreseeable future. The board of directors draw attention to the following facts:

- Even though Steinhoff Investments Group's current liabilities exceed its current assets as at 31 March 2021, due to the classification of the SIHPL CPU as short-term debt (as explained above), it is notwithstanding management's view that the Group will be able to meet its liabilities, as they become due, regardless of the SIHPL CPU debt classification as at the Reporting Date;
- management does not intend to liquidate the Company and plans to recover its assets and settle its debt in the normal course of business; and
- that the matters as discussed above, extend beyond the foreseeable future.

Given due cognisance of the Steinhoff Investments Group's current financial position, we are of the opinion that the Steinhoff Investments Group will be able to meet its liabilities as they become due and therefore is a going concern for the 12 month period following the date of issue of these 2021 Condensed Consolidated Interim Financial Statements.

BASIS OF PREPARATION

FOR THE PERIOD ENDED 31 MARCH 2021

AREAS OF CRITICAL JUDGEMENTS AND ESTIMATES

The preparation of the 2021 Condensed Consolidated Interim 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 materially 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 2020 Consolidated Financial Statements for a list of critical accounting estimates and judgements that are also applicable to the 2021 Condensed Consolidated Interim Financial Statements.

The results of operations for the six months ended 31 March 2021 are not necessarily indicative of the results to be expected for the entire financial period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

1. DISCONTINUED OPERATIONS

Management decided to dispose of certain non-core assets or assets requiring significant cash commitments.

The businesses included in the following former reportable segments were disposed of or classified as held-for-sale during the periods ended 31 March 2021, 31 March 2020 and 30 September 2020. These businesses have been presented as discontinued operations:

Automotive

On 28 March 2019 the Company announced that it had reached in-principle agreement to dispose of 74.9% of Steinhoff Africa Holdings Proprietary Limited's ("**Steinhoff Africa**") shares in Unitrans Motor Holdings Proprietary Limited ("**Unitrans**") (and its subsidiaries), and 100% of the loan claims against Unitrans held by Steinhoff Africa, to CFAO Holdings South Africa Proprietary Limited. From 30 September 2018 the Automotive business met the criteria to be classified as held-for-sale.

The effective date of disposal was 25 November 2019. Unitrans was 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 empowerment consortium, Kapela Holdings (a black-owned investment holding company), on 19 December 2019.

Africa Properties

The Group commenced a process post March 2019 to dispose of the remaining African property portfolio. Portfolio has been materially disposed of.

Twelve of the remaining properties are used by Pepkor Holdings' operating entities as distribution centres with one property being used as a corporate head office and one property being used as a call centre. As announced on 14 April 2021 the transaction for Pepkor Holdings to acquire these twelve properties currently leased from the Group, received the necessary approvals and all conditions precedent were fulfilled. Pepkor Holdings will issue a total of 70 million new Pepkor Holdings shares as consideration. The new shares will be issued by Pepkor Holdings on a proportional basis as the transfer of each property is completed.

As the above properties will remain within the Group after the disposal, it no longer meets the criteria to be classified as held-for-sale and have therefore been reclassified to Property, plant and equipment.

The disposal process has experienced significant delays as a result of COVID-19, however management remains committed to dispose of the remaining properties. Based on reassessment done at the Reporting Date, management believes that the remaining properties still meet the criteria to be classified as held-for-sale. Negotiations are ongoing with regards to the disposal of the remaining properties.

Pepkor Holdings - The Building Company

The Pepkor Holdings Group entered into a sale and purchase agreement for the disposal of the entire issued share capital of The Building Company for a total purchase price, including permitted leakages, of R1.2 billion. Completion of the transaction was subject to approval by the Competition Commission in South Africa at the Reporting Date. The Competition Commission announced its recommendation on 28 May 2021 that the transaction be prohibited. The recommendation made by the Competition Commission will be considered by the Competition Tribunal at a hearing where arguments from all parties will be considered in finalisation of its ruling.

During the Reporting Period, an additional impairment of R264 million was recognised to impair the Group's investment in the Building Company to its fair value less cost to sell. The cumulative impairment amounts to R436 million at the end of the period. The fair value of the disposal group was determined with reference to the sales prices per the agreement between the parties.

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 2021, 31 March 2020 and 30 September 2020, as required by IFRS. Comparative information has been restated accordingly.

The detail of assets classified as held-for-sale is presented in note 11.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

1. DISCONTINUED OPERATIONS (continued)

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

	Six months ended 31 March 2020		
	Previously reported Rm	Adjustment for discontinued operations Rm	Continuing operations presented Rm
Revenue	37 597	(3 829)	33 768
Cost of sales	(24 033)	2 793	(21 240)
Gross profit	13 564	(1 036)	12 528
Other income	443	(32)	411
Distribution expenses	(564)	279	(285)
Administration expenses	(9 578)	679	(8 899)
Other expenses	(14 373)	15	(14 358)
Operating loss	(10 508)	(95)	(10 603)
Finance costs	(1 923)	82	(1 841)
Income from investments	805	(36)	769
Share of loss of equity accounted companies	(87)	-	(87)
Impairment of equity accounted companies	(414)	-	(414)
Loss before taxation	(12 127)	(49)	(12 176)
Taxation	(966)	18	(948)
Loss for the period	(13 093)	(31)	(13 124)

1.2 STATEMENT OF PROFIT OR LOSS FOR DISCONTINUED OPERATIONS

	Notes	Six months ended 31 March 2021 Reviewed Rm	Restated ¹ Six months ended 31 March 2020 Unaudited Rm
Revenue		4 235	8 578
Cost of sales		(3 047)	(6 878)
Gross profit		1 188	1 700
Other income		31	238
Distribution expenses		(272)	(279)
Administration expenses		(631)	(1 383)
Other (expenses)/income		(223)	181
Impairments		(274)	(17)
Net gain on disposal of property, plant and equipment and investment property		48	255
Profit/(loss) on disposal of discontinued operations/disposal group		3	(57)
Operating profit		93	457
Finance costs		(60)	(115)
Income from investments		3	50
Share of loss of equity accounted companies		(9)	(1)
Impairment of equity accounted companies		-	(7)
Profit before taxation		27	384
Taxation		(73)	(107)
(Loss)/profit for the period		(46)	277
(Loss)/profit attributable to:			
Owners of Steinhoff Investments		(46)	276
Non-controlling interests		-	1
(Loss)/profit for the period		(46)	277

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

1. DISCONTINUED OPERATIONS (continued)

1.3 DETAILS OF THE DISPOSAL OF SUBSIDIARIES CLASSIFIED AS DISCONTINUED OPERATIONS

	Broadway* Rm	Total Rm
31 March 2021 - Reviewed		
Carrying amount of net assets sold	45	45
Profit on disposal of discontinued operations/disposal group	3	3
Total consideration	48	48
Net cash inflow arising on disposals		
Total consideration	48	48
Less cash on hand at date of disposal	-	-
Less receivable recognised for consideration payable later	(5)	(5)
Net cash inflow	43	43

* Broadway Business Centre Proprietary Limited formed part of the Properties - Africa segment

	Unitrans Rm	Total Rm
31 March 2020 - Unaudited		
Carrying amount of net assets sold	3 826	3 826
Loss on disposal of discontinued operations/disposal group	(52)	(52)
Total consideration	3 774	3 774
Net cash inflow arising on disposals		
Total consideration	3 774	3 774
Less cash on hand at date of disposal	(763)	(763)
Net cash inflow	3 011	3 011

1.4. SEGMENTAL INFORMATION RELATING TO DISCONTINUED OPERATIONS

	Six months ended 31 March 2021 Reviewed Rm	Restated ¹ Six months ended 31 March 2020 Unaudited Rm
Segmental revenue from discontinued operations		
Automotive	-	4 694
Properties - Africa	39	55
Pepkor Holdings - The Building Company	4 196	3 829
Net external revenue from discontinued operations*	4 235	8 578

* Revenue between discontinued operations have been eliminated.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

1. DISCONTINUED OPERATIONS (continued)

1.4 SEGMENTAL INFORMATION RELATING TO DISCONTINUED OPERATIONS

Operating profit before depreciation and amortisation adjusted for material items ("EBITDA")

	Six months ended 31 March 2021 Reviewed Rm	Restated ¹ Six months ended 31 March 2020 Unaudited Rm
EBITDA reconciles to the operating profit per statement of profit or loss from discontinued operations as follows:		
Operating profit from discontinued operations	93	457
Depreciation and amortisation	-	100
Other material expenses/(income)	223	(181)
Intercompany elimination with continuing operations	61	-
EBITDA per segment reporting from discontinued operations	377	376
Automotive	-	132
Properties - Africa	70	34
Pepkor Holdings - The Building Company	307	210
EBITDA from discontinued operations as presented	377	376

Operating loss adjusted for material items ("EBIT")

	Six months ended 31 March 2021 Reviewed Rm	Restated ¹ Six months ended 31 March 2020 Unaudited Rm
EBIT reconciles to the operating loss per statement of profit or loss from discontinued operations as follows:		
Operating loss from discontinued operations	93	457
Other material expenses/(income)	223	(181)
Intercompany eliminations with continuing operations	61	-
EBIT per segment reporting from discontinued operations	377	276
Automotive	-	132
Properties - Africa	70	34
Pepkor Holdings - The Building Company	307	110
EBIT from discontinued operations as presented	377	276

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

2. SEGMENT INFORMATION

The Group determined the board of directors to be the chief operating decision maker for all periods under review.

The Group has disclosed the following reportable segments in respect of the 2021 Reporting Period and has restated the segment disclosures of the 2020 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 reportable segments of its business based on how information is accumulated and reported to the chief operating decision maker:

- **Pepkor Holdings**

Revenue in Pepkor Holdings is derived from a portfolio of retail chains focused on selling predominantly clothing, footwear, textiles, cell phones, airtime and fast moving consumer goods ("FMCG"). The Pepkor Holdings 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**

The Group's corporate offices provide strategic direction and services to the decentralised operations both globally and in Africa. Activities include management of regulator and stakeholder engagement processes, negotiating funding and identifying and implementing corporate activities.

Measures reported to the chief operating decision maker

2.1 SEGMENTAL REVENUE

Intersegment revenue is eliminated in the segment from which it was sold.

No single customer contributes 10% or more of the Group's revenue.

Segment revenue from continuing operations

	Six months ended 31 March 2021 Reviewed			Restated ¹ Six months ended 31 March 2020 Unaudited		
	Total segment revenue Rm	Intersegment revenue Rm	Revenue from external customers Rm	Total segment revenue Rm	Intersegment revenue Rm	Revenue from external customers Rm
Pepkor Holdings	36 469	-	36 469	33 768	-	33 768
Corporate and treasury services	-	-	-	-	-	-
	36 469	-	36 469	33 768	-	33 768

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

2. SEGMENT INFORMATION (continued)

2.1 SEGMENTAL REVENUE (continued)

Revenues from external customers - by geography from continuing operations

	Six months ended 31 March 2021 Reviewed Rm	Restated ¹ Six months ended 31 March 2020 Unaudited Rm
The Company is domiciled in South Africa. The Group operates within Africa. The amount of its revenue from external customers is presented below based on the geographies that contribute materially to the Group's revenue.		
Rest of Africa	3 915	4 387
South Africa	32 554	29 381
	36 469	33 768

2.2 OPERATING PERFORMANCE MEASURES - 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.

2.2.1. Operating profit or loss before depreciation and amortisation adjusted for material 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 items as included in note 4.

Segment expenses include distribution expenses and administration expenses.

EBITDA reconciles to the operating loss per statement of profit or loss as follows:

	Notes	Six months ended 31 March 2021 Reviewed Rm	Restated ¹ Six months ended 31 March 2020 Unaudited Rm
Operating profit per statement of profit or loss		5 182	(10 603)
Depreciation and amortisation		1 770	1 791
Other material (income)/expenses	4	(835)	14 358
Intercompany eliminations (discontinued operations)		(61)	-
EBITDA per segment reporting		6 056	5 546
EBITDA per segment:			
Pepkor Holdings		6 330	5 649
Corporate and treasury services		(274)	(103)
		6 056	5 546

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

2. SEGMENT INFORMATION (continued)

2.2 OPERATING PERFORMANCE MEASURES - CONTINUING OPERATIONS

2.2.2. Operating profit or loss adjusted for material items ("EBIT")

Segment performance is measured on continuing operations' EBIT and represents segment revenue less segment expenses excluding material items included in note 4.

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

EBIT reconciles to the operating loss per statement of profit or loss as follows:

	Notes	Six months ended 31 March 2021 Reviewed Rm	Restated ¹ Six months ended 31 March 2020 Unaudited Rm
Operating profit/(loss) per statement of profit or loss		5 182	(10 603)
Other material (income)/expenses	4	(835)	14 358
Intercompany eliminations (discontinued operations)		(61)	-
EBIT per segment reporting		4 286	3 755
EBIT per segment:			
Pepkor Holdings		4 563	3 863
Corporate and treasury services		(277)	(108)
		4 286	3 755

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

2.3 SEGMENTAL ASSETS

Assets that are not considered to be segment assets such as cash and cash equivalents, investments in equity accounted companies and current and non-current other financial assets are excluded from the allocation of assets to segments.

Investment in equity accounted companies and current and non-current other financial assets are monitored by the 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 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 2021 Reviewed Rm	30 September 2020 Audited Rm
Total assets per statement of financial position	126 915	128 509
Less: Cash and cash equivalents	(17 536)	(18 240)
Less: Investments in equity accounted companies	(2 571)	(2 526)
Less: Non-current other financial assets	(5 308)	(5 200)
Less: Current other financial assets	(15)	(5)
Less: Intergroup loans and receivables	(3 773)	(4 135)
Less: Assets classified as held-for-sale and disposal groups	(4 770)	(6 133)
Segmental assets	92 942	92 270
Segmental assets:		
Pepkor Holdings*	92 113	91 404
Corporate and treasury services	829	866
	92 942	92 270

* Includes properties that will be disposed by Properties - Africa to Pepkor Holdings which were reclassified from held-for-sale to property, plant and equipment during the Reporting Period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

2. SEGMENT INFORMATION (continued)

2.4 SEGMENTAL NON-CURRENT ASSETS

The total of non-current assets other than financial instruments and deferred taxation assets is presented per segment below.

Reconciliation between non-current assets per statement of financial position and segmental assets

	31 March 2021 Reviewed Rm	30 September 2020 Audited Rm
Total non-current assets per statement of financial position	80 783	84 073
Less: Deferred taxation assets	(2 280)	(2 385)
Less: Non-current other financial assets	(5 308)	(5 200)
Segmental non-current assets	73 195	76 488
 Pepkor Holdings*	 70 663	 70 560
Corporate and treasury services	2 532	5 928
	73 195	76 488

* Includes properties that will be disposed by Properties - Africa to Pepkor Holdings which were reclassified from held-for-sale to property, plant and equipment during the Reporting Period.

2.5 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.

	Cash and cash equivalents Rm	Current and non-current borrowings Rm	Net Debt Rm
31 March 2021 - Reviewed			
Pepkor Holdings	4 285	(10 848)	(6 563)
Corporate and treasury services	13 251	(32 593)	(19 342)
	17 536	(43 441)	(25 905)
 30 September 2020 - Audited			
Pepkor Holdings	5 241	(12 761)	(7 520)
Corporate and treasury services	12 999	(36 165)	(23 166)
	18 240	(48 926)	(30 686)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

3. REVENUE

	Six months ended 31 March 2021 Reviewed Rm	Restated ¹ Six months ended 31 March 2020 Unaudited Rm
Revenue from contracts with customers		
Sale of goods and related revenue	35 268	32 030
Service fee income	194	165
Other revenue	22	168
Other sources of revenue		
Financial services income	830	1 289
Insurance revenue	155	116
2.1	36 469	33 768

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

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

	Notes	Six months ended 31 March 2021 Reviewed Rm	Restated ¹ Six months ended 31 March 2020 Unaudited Rm
OTHER (INCOME)/EXPENSES			
The Group has identified a number of material 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.			
4.1 Impairment/(reversal of impairment)			
Goodwill*		-	35
Property, plant and equipment		29	9
Right of use asset		(29)	25
Other		-	(7)
		-	62
*The entire goodwill balance of the Group relate to Pepkor Holdings. During the Reporting Period there were no indicators of impairment, therefore no impairments were recognised.			
4.2 Reversal of impairment of other financial assets			
Intergroup loans and receivables		-	(17)
Reversals of impairment were recognised in the 2020 Interim Reporting Period upon recovery of receivables.			
4.3 Loss on disposal of property, plant and equipment and intangible assets		6	4
4.4 Foreign currency (gains)/losses			
Foreign currency (gain)/loss on SIHPL CPU		(3 713)	4 826
The SIHPL CPU is euro denominated. The rand/euro exchange rate strengthened from 19.7092 at 30 September 2020 to 17.3484 at 31 March 2021, resulting in a foreign exchange gain being recognised.			
Foreign currency loss on loans with Pepco Holdco Limited		415	-
In terms of an intergroup restructure in September 2020, Pepco Holdco Limited was introduced into the European Group structure and acquired the shares in Steenbok Newco 7 Limited ("Newco 7"), which holds the underlying Pepco Group shares. Upon the acquisition of the shares in Newco 7, Steinhoff Africa and Newshelf 1093 Proprietary Limited ("Newshelf") released Steinhoff Retail GmbH from its loan commitment and it was deemed that Steinhoff Africa and Newshelf have provided Pepco Holdco Limited with loans of €67.5 million and €106.4 million respectively. The Pepco Holdco Limited loans are Euro denominated, carry interest at 8% per annum and are repayable on 31 December 2021.			
The rand/euro exchange rate strengthened from 19.7092 at 30 September 2020 to 17.3484 at 31 March 2021, resulting in a foreign exchange loss being recognised.			
		(3 298)	4 826

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

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

	Notes	Six months ended 31 March 2021 Reviewed Rm	Restated ¹ Six months ended 31 March 2020 Unaudited Rm
OTHER (INCOME)/EXPENSES (continued)			
4.5 Fees relating to legal advisory and regulatory support		137	104

As a result of the December 2017 events, it has been necessary for the Group to engage a wide range of professional advisers to assist the Group with its legal, financial and regulatory requirements. The scale and complexity of this task has meant that the aggregate advisor costs for the Reporting Period have once again been significant. The principal advisor relationships included legal advisors and corporate advisory functions that support the Group on discussions and engagement with its litigants, creditors, forensic investigation services, and regulatory and taxation advisory services.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

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

	Notes	Six months ended 31 March 2021 Reviewed Rm	Restated ¹ Six months ended 31 March 2020 Unaudited Rm
OTHER (INCOME)/EXPENSES (continued)			
4.6 Litigation Settlement Proposal provision raised	9	1 192	9 379

Legal claims, as set out in note 24.3 of the 2020 Consolidated Financial Statements, have been received by the Group and are all being defended.

On 27 July 2020 and 16 February 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. The Litigation Settlement Proposal terms that were announced resulted from intensive effort and management believes they are firmly in the best interests of all stakeholders and claimants.

As announced on 14 February 2021, Steinhoff N.V. and SIHPL have entered into an agreement with Conservatorium and other margin lenders to settle such claims. Titan related entities are also party to that agreement. Under the terms of the agreement, on the settlement effective date and in exchange for mutual releases and support for the global Litigation Settlement Proposal, Conservatorium and the other margin lenders will be entitled to the settlement recovery at Steinhoff N.V. and Steinhoff Africa will pay on behalf of SIHPL an additional amount of R1.058 billion (€61 million) in settlement of the remaining claims.

This includes a foreign currency gain of R51 million on the Conservatorium claim.

For further details refer to note 9.

Management draws the user of these financial statements' attention to the fact that any form of the proposed settlement, if implemented, could differ from the provision raised.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

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

	Notes	Six months ended 31 March 2021 Reviewed Rm	Restated ¹ Six months ended 31 March 2020 Unaudited Rm
OTHER (INCOME)/EXPENSES (continued)			
4.7 Costs associated with the Litigation Settlement Proposal provision			
Fair value adjustment - Synthetic Forward Steinhoff Africa agreed to pay a portion of the Litigation Settlement Proposal provision on behalf of Steinhoff N.V.. As a result, Steinhoff Africa has during the 2020 Reporting Period entered into a forward exchange agreement with multiple banks in order to hedge against the foreign currency risk.	12	261	-
Provision - ACG Lawyer fees In order to improve recoveries to market purchase claimants, the Group will be making available an amount of up to R520 million (€30 million), subject to the implementation of the Litigation Settlement Proposal, 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.		520	-
Provision - SRF Cost contribution Subject to the implementation of the Litigation Settlement Proposal, the Group will establish a new Dutch foundation ("Stichting") 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 Group. It will be governed by a board of newly appointed directors with majority independence from the 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. The Group will contribute up to R347 million (€20 million) to cover the costs of the SRF. Any costs in excess will be deducted from the settlement payment, and any surplus amount will revert to the Group.		347	-
		1 128	-
TOTAL OTHER (INCOME)/EXPENSES FROM CONTINUING OPERATIONS		(835)	14 358

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

5. FINANCE COSTS AND INCOME FROM INVESTMENTS

5.1. FINANCE COSTS

		Six months ended 31 March 2021 Reviewed Rm	Restated ¹ Six months ended 31 March 2020 Unaudited Rm
	Notes		
Borrowings	8.3	512	1 010
Lease liabilities		626	744
Other		53	87
		1 191	1 841

5.2. INCOME FROM INVESTMENTS

		Six months ended 31 March 2021 Reviewed Rm	Restated ¹ Six months ended 31 March 2020 Unaudited Rm
Dividends received		141	179
Cash and cash equivalents		347	482
Intergroup loans		127	-
Other		68	108
		683	769

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

6. EARNINGS PER SHARE

	Six months ended 31 March 2021 Reviewed Cents	Restated ¹ Six months ended 31 March 2020 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 earnings/(loss) per share		
From continuing operations	4 814.54	(24 689.05)
From discontinued operations	(83.64)	501.82
Basic and diluted earnings/(loss) per share	4 730.90	(24 187.23)
Headline earnings/(loss) per share		
Headline earnings/(loss) is an additional earnings/(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 is listed, and is defined by Circular 1/2019 Headline Earnings.		
Separately identifiable remeasurements are those where the applicable IFRS explicitly requires separate disclosure of the operating and/or the platform remeasurement in the Consolidated Financial Statements. No adjustments would be permitted on the basis of voluntary disclosure of gains or losses (or components of these).		
From continuing operations	4 823.63	(23 996.32)
From discontinued operations	230.91	280.00
Headline earnings/(loss) per share	5 054.54	(23 716.32)

All potential ordinary shares (Share-based payments of Pepkor Holdings) 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

6. LOSS PER SHARE (continued)

RECONCILIATIONS OF DENOMINATOR AND NUMERATOR

6.1 Weighted average number of ordinary shares

	Six months ended 31 March 2021 Reviewed Million	Six months ended 31 March 2020 Unaudited Million
Issued ordinary shares at beginning of the period	55	55
Weighted average number of ordinary shares at end of the period for the purpose of basic and diluted loss per share and headline loss per share	55	55

6.2 Basic and headline earnings/(loss) attributable to owners of Steinhoff Investments

	Notes	Continuing operations Rm	Discontinued operations Rm	Total Rm
Six months ended 31 March 2021 - Reviewed				
Basic earnings/(loss) for the period attributable to owners of Steinhoff Investments		2 648	(46)	2 602
Adjusted for remeasurement items	6.3	5	173	178
Headline earnings attributable to owners of Steinhoff Investments		2 653	127	2 780
Six months ended 31 March 2020 - Unaudited				
Basic (loss)/earnings for the period attributable to owners of Steinhoff Investments		(13 579)	276	(13 303)
Adjusted for remeasurement items	6.3	381	(122)	259
Headline (loss)/earnings attributable to owners of Steinhoff Investments		(13 198)	154	(13 044)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

6. EARNINGS PER SHARE (continued)

RECONCILIATIONS OF DENOMINATOR AND NUMERATOR (continued)

6.3 Remeasurement items as defined by the HEPS circular

		Six months ended 31 March 2021		Six months ended 31 March 2020	
		Gross of taxation and non-controlling interests Rm	Net of taxation and non- controlling interests Rm	Gross of taxation and non- controlling interests Rm	Net of taxation and non- controlling interests Rm
Notes					
<p>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.</p> <p>Refer to note 4 for further details regarding the nature of the remeasurement items.</p>					
Continuing operations					
Impairment		-	-	476	378
Goodwill	4.1	-	-	35	35
Property, plant and equipment	4.1	29	23	9	7
Investments in equity accounted companies	7.2	-	-	414	321
Other	4.1	-	-	(7)	(5)
Right of use asset	4.1	(29)	(23)	25	20
Profit on disposal of property, plant and equipment and intangible assets		6	5	4	3
		6	5	480	381
Discontinued operations					
Impairment		274	213	25	19
Assets held-for-sale		274	213	-	-
Right-of-use assets		-	-	17	13
Investments in equity accounted companies		-	-	8	6
Profit on disposal of property, plant and equipment and intangible assets		(48)	(37)	(255)	(198)
(Profit)/Loss on sale of disposal of discontinued operations/disposal Group		(3)	(3)	57	57
		223	173	(173)	(122)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

7. 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.

7.1 Detail of the equity accounted investments of the Group

			% holding		Carrying value Rm	
			31 March 2021 Reviewed	30 September 2020 Audited	31 March 2021 Reviewed	30 September 2020 Audited
Name of business	Place of business / country of incorporation	Nature of business				
Unlisted*						
IEP Group Proprietary Limited	South Africa	Investment company	26.0	26.0	2 516	2 474
S'Ya Phanda Proprietary Limited	South Africa	BEE consulting services	46.0	46.0	55	52
					2 571	2 526

* Private equity - no quoted price available.

7.2 Reconciliation of the aggregate carrying values of equity accounted companies

	31 March 2021 Reviewed Rm	31 March 2020 Unaudited Rm
Balance at the beginning of the period	2 526	3 226
Impairments from continuing operations	-	(414)
Share of profit or loss:		
From continuing operations	10	(87)
Share of other reserves	35	25
Carrying values of equity accounted companies at the end of the period	2 571	2 750

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

8. BORROWINGS

8.1 Analysis of closing balance

	Notes	31 March 2021 Reviewed			30 September 2020 Audited		
		Current Rm	Non- current Rm	Total Rm	Current Rm	Non- current Rm	Total Rm
Secured financing							
Pepkor Holdings							
Term loans and facilities		-	9 500	9 500	-	9 500	9 500
Floating rate notes		-	1 006	1 006	-	1 006	1 006
Bank overdraft		328	-	328	241	-	241
Preference shares		-	-	-	-	2 000	2 000
Instalment sale agreements		-	14	14	-	14	14
		328	10 520	10 848	241	12 520	12 761
Unsecured financing							
Corporate and treasury services							
SIHPL CPU	8.2	27 453	-	27 453	4 737	26 429	31 166
Lancaster liability		5 140	-	5 140	4 999	-	4 999
Other		-	-	-	-	-	-
		32 593	-	32 593	9 736	26 429	36 165
Total borrowings		32 921	10 520	43 441	9 977	38 949	48 926

8.2 SIHPL CPU

SIHPL served as co-guarantor for the 2021 and 2022 convertible bonds issued in 2014 and 2015 by Steinhoff Finance Holdings GmbH ("SFHG"), a subsidiary of the Steinhoff N.V. Group. Prior to the approval of SFHG's Company Voluntary Arrangement ("CVA") in December 2018, the 2021 and 2022 convertible bonds were accelerated against SFHG (as issuer) and SIHPL and Steinhoff N.V. (as guarantors). As part of the CVA implementation in August 2019 the 2021 and 2022 convertible bonds were restructured into the 21/22 Term Loan Facility and SIHPL's due payment obligation arising from its 2014 and 2015 guarantee was deferred to 31 December 2021 on terms set out in the SIHPL CPU. The amounts payable by SIHPL continue to be euro-denominated. SIHPL's obligation under the SIHPL CPU is limited to the principal amount of the facility, €1,581,300,000.

The value of the SIHPL CPU, as at 31 March 2021, recognised at the closing ZAR:EUR exchange rate of R17.34:€1.00, is R27.5 billion. The rand/euro exchange rate strengthened from 19.7092 at 30 September 2020 to 17.3484 at 31 March 2021, resulting in a foreign exchange gain being recognised. Refer to note 4.4.

The SIHPL CPU has a maturity date of 31 December 2021 and is therefore due less than twelve months from the Reporting Date. As a result, in accordance with IAS 1, the SIHPL CPU is classified as current as at 31 March 2021.

Subject to the successful implementation of the global Litigation Settlement Proposal, a further payment extension will be granted to 30 June 2023, with the option to seek a further 6 months extension to 31 December 2023 subject to the approval of a simple majority financial creditor consent. Prior to the successful implementation of the global Litigation Settlement Proposal, Steinhoff N.V. (on behalf of itself and other Steinhoff holding company obligors, including SIHPL) has the option to seek an interim extension on debt maturities for up to 12 months (i.e. 31 December 2022) including under the SIHPL CPU subject to the approval of a simple majority financial creditor consent. To date this option has not been exercised by Steinhoff N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

8. BORROWINGS (continued)

8.3 Reconciliation of borrowings balances

	Corporate and treasury services Rm	Pepkor Holdings Rm	Total Rm
Opening balance - 1 October 2020 - Audited	36 165	12 761	48 926
Repayable within one year	9 736	241	9 977
Repayable after one year	26 429	12 520	38 949
Repayment of debt	-	(2 001)	(2 001)
Repayment of interest	-	(371)	(371)
Additional financing	-	88	88
Interest accrued	141	371	512
Foreign exchange movement	(3 713)	-	(3 713)
Closing balance - 31 March 2021 - Reviewed	32 593	10 848	43 441
Repayable within one year	32 593	328	32 921
Repayable after one year	-	10 520	10 520
Opening balance - 1 October 2019 - Audited	31 415	17 365	48 780
Repayable within one year	9 212	1 857	11 069
Repayable after one year	22 203	15 508	37 711
Repayment of debt	-	(995)	(995)
Repayment of interest	-	(826)	(826)
Additional financing	-	1 201	1 201
Interest accrued	210	835	1 045
From continuing operations	210	800	1 010
From discontinued operations	-	35	35
Foreign exchange movement	4 825	-	4 825
Closing balance - 31 March 2020 - Unaudited	36 450	17 580	54 030
Repayable within one year	10 155	1 069	11 224
Repayable after one year	26 295	16 511	42 806

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

9. COMMITMENTS, CONTINGENCIES AND PROVISIONS

Contingent liabilities and other litigation

Legal proceedings

The detail of all legal claims are set out in the 2020 Consolidated Financial Statements in note 24.3. The disclosures below only include relevant updates to legal claims/proceedings since the previous reporting period, 30 September 2020.

The base currency of the claims has been converted to the reporting currency by using the closing exchange rates of the 2021 Interim Reporting Period.

9.1 Litigation Settlement Proposal provision

The 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 Steinhoff N.V. and SIHPL in the Netherlands, Germany and South Africa.

In addition to proceedings against Group entities, claims have also been made against, amongst others, former directors and officers of Group entities. In parallel, 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. The outcome of any recoveries remain uncertain.

A) The following events occurred since the previous reporting period:

- **1 December 2020** : During October 2020, Steinhoff N.V. applied to the Financial Surveillance Department of the South African Reserve Bank ("**Finsurv**") for consent to the cross-border payments to be made as part of the Litigation Settlement Proposal. On 1 December 2020, Steinhoff N.V. announced that it had satisfied another key condition after it received approval from Finsurv, on 25 November 2020, for the cross-border transfers contemplated by the Litigation Settlement Proposal. The approval, on its terms, is valid for 12 months from the date of grant (25 November 2021);
- **15 February 2021** : Steinhoff N.V. announced that it has resolved to lodge with the Amsterdam District Court an application for Dutch "suspension of payments" procedure ("**Dutch SoP**") as soon as practicable to implement its proposal to settle certain multi-jurisdictional legacy litigation and various claims against Steinhoff N.V.;
- **15 February 2021** : Steinhoff N.V. informed the market that following a number of constructive engagements between the parties an agreement was reached between, among others, Steinhoff N.V., SIHPL, Conservatorium and certain entities linked to Christo Wiese. The agreement was subject to a number of conditions. The result of the agreement reached among the parties was that Conservatorium withdrew its application.

By way of background, Conservatorium had brought significant claims arising out of its ownership of certain margin loans which financed Upington Investment Holdings B.V.'s acquisition of shares in Steinhoff N.V. which represent non-qualifying claims in the October 2020 settlement term sheet (refer to the disclosure contained in the Steinhoff N.V. Annual report published on 26 February 2021, Upington 3 Claim/Lenders Claim on page 196).

As announced on 15 February 2021, Steinhoff N.V. and SIHPL have entered into a conditional agreement with Conservatorium and other margin lenders to settle such claims. Titan related entities are also party to that agreement. Under the terms of the agreement, on the settlement effective date and in exchange for mutual releases and support for the global Litigation Settlement Proposal, Conservatorium and the other margin lenders will be entitled to the settlement recovery at Steinhoff N.V. attributable to the Upington 1 Claim and Steinhoff Africa will pay on behalf of SIHPL an additional amount of R1.058 billion (€61 million) in settlement of the remaining claims.

- **15 February 2021** : Steinhoff N.V. also announced that together with SIHPL it reached an agreement with Deloitte Accountants B.V. and Deloitte & Touche South Africa (together: "**Deloitte**") pursuant to which Deloitte will support the proposed Steinhoff global Litigation Settlement Proposal announced on 27 July 2020. This means that Deloitte will make additional compensation available to certain Steinhoff claimants, including the market purchase claimants (the "**MPC Claimants**") in exchange for certain waivers and releases, provided that Steinhoff successfully completes the contemplated Dutch SoP and the statutory compromise process under South African law ("**S155 Scheme**"). A settlement between Deloitte and the Dutch Vereniging van Effectenbezitters ("**VEB**") was previously announced in October 2020. Deloitte does not in any way admit liability for the losses incurred by Steinhoff and its stakeholders as a result of the accounting irregularities at Steinhoff;

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

9. COMMITMENTS, CONTINGENCIES AND PROVISIONS (continued)

9.1 Litigation Settlement Proposal provision (continued)

Provided that the Group successfully completes the contemplated Dutch SoP and the S155 Scheme and certain other conditions are fulfilled, Deloitte has agreed to offer an amount of up to R960 million (€55.34 million) for distribution to MPC Claimants in exchange for certain waivers and releases (the "**Deloitte MPC Settlement Fund**").

In addition to the offer to the MPC Claimants above, provided that the Group successfully completes the Dutch SoP and the S155 Scheme and certain other conditions are met, Deloitte has further agreed to offer an amount of R260 million (€15 million) for distribution to certain contractual claimants. Eligible contractual claimants will receive individual notice from Steinhoff on the manner in which they can apply to receive a share of the offered amount.

- **15 February 2021** : The Amsterdam District Court approved Steinhoff N.V.'s application for the opening of a Dutch SoP in respect of Steinhoff N.V. The court set the following key dates in respect of the Dutch SoP:
 - 15 June 2021: voting record date; and
 - 30 June 2021 at 10am (CET): creditor's meeting.
- **24 February 2021** : Notice was given to inter alia certain creditors ("**Scheme Creditors**") of SIHPL, of the S155 Scheme, and of the availability of the proposal / Scheme document (the "**Proposal**"). SIHPL took steps to launch its statutory compromise process under section 155 of the South African Companies Act. Scheme Creditors were advised on 25 March 2021 that the voting deadline date was 5 May 2021, and accordingly any Scheme Creditors wishing to participate in and vote at the meeting must file their claims prior to such date;

The Dutch SoP relates only to Steinhoff N.V. and the S155 Scheme relates only to SIHPL. These processes, which are inter-conditional, do not directly affect any of the other entities in the Steinhoff Group nor any of its operating businesses.

The purpose of the Dutch SoP process and the S155 Scheme is to implement the Litigation Settlement Proposal to settle certain multi-jurisdictional legacy litigation and various claims against Steinhoff N.V. and SIHPL.

Implementation of the Steinhoff global Litigation Settlement Proposal will require the requisite support of claimants and approvals by the Dutch and South African courts, and the process of obtaining such approvals is expected to take several months.

- **23 March 2021** : Director and Officer ("**D&O**") Insurers and certain former D&Os supported the Litigation Settlement Proposal. As a result, the bilateral agreement with Deloitte announced on 15 February 2021, will be replaced by a comprehensive Steinhoff Settlement Support Agreement ("**SSSA**") entered into by inter alia Steinhoff N.V., SIHPL, Deloitte, the D&O Insurers and the Settling D&Os. The settlement agreement reached between Deloitte and the VEB was unaffected;

Steinhoff N.V. further announced that, together with SIHPL, it had also reached an agreement with certain insurance companies underwriting Steinhoff N.V.'s (primary and excess) D&O Insurers and certain former D&Os who have worked for or been associated with a Steinhoff N.V. Group company (the "**Settling D&Os**"). In addition to the compensation made available to certain claimants by Steinhoff N.V., Deloitte (up to R1 353 million (€78 million)) and the D&O Insurers (up to R1 353 million (€78 million)), on behalf of the Settling D&Os, are making additional compensation available to certain Steinhoff N.V. claimants, including the MPC Claimants, in exchange for certain waivers and releases, provided that Steinhoff N.V. successfully completes the Dutch SoP commenced on 15 February 2021 and SIHPL successfully implements the S155 Scheme. Deloitte, the D&O Insurers and the Settling D&Os do not in any way admit liability for the losses incurred by Steinhoff N.V. and its stakeholders as a result of the alleged accounting irregularities.

- **31 March 2021** : The four large active claimant groups ("**ACGs**") who represent MPC Claimants based in South Africa and elsewhere, have confirmed their support for, and will recommend that their respective constituents support, the Steinhoff global Litigation Settlement Proposal and its implementation by way of the Dutch SoP and the S155 Scheme. Any litigation initiated by these ACGs against Steinhoff and its former D&Os was suspended immediately. After the successful implementation of the Dutch SoP and the S155 Scheme, this litigation will be terminated. The four ACGs include: Burford Capital LLC, Deminor Recovery Services (Luxembourg), SA/DRS Belgium SC and DRRT/Therium (Stichting Steinhoff International Compensation Claims);

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

9. COMMITMENTS, CONTINGENCIES AND PROVISIONS (continued)

9.1 Litigation Settlement Proposal provision (continued)

- **12 May 2021** : Entities affiliated with the former shareholders of Tekkie Town (Pty) Ltd ("**Tekkie Town Claimants**") filed an application for inter alia the provisional liquidation of Steinhoff N.V. in the Western Cape Division of the High Court of South Africa. The Tekkie Town Claimants requested the matter be heard on an urgent basis on 24 May 2021. On 25 May 2021, the Court directed that the hearing will take place between 1 September and 3 September 2021. The Court also set a timetable for the Parties, including any intervening parties, to deliver papers in the Liquidation Application and / or in support of applications to intervene in the liquidation application, prior to the hearing of the liquidation application;
- **25 May 2021** : The Court decided to hear the unilateral requests made by parties other than the Administrators (i.e. Hamilton and Lancaster) on Friday 4 June 2021. In short, the unilateral requests were:
 - interim measures related to the claim analysis (Hamilton);
 - the termination of the Dutch SoP (Lancaster);
 - certain information (Lancaster);
 - the appointment of experts (Lancaster); and
 - the adjournment of the creditor meeting and voting date as currently scheduled for 30 June 2021 (Lancaster).On 4 June 2021, the court heard the above requests, which Steinhoff N.V. opposed. During and by the conclusion of the hearing, Lancaster withdrew all of its requests. As a consequence, these requests are no longer pending and do not need to be resolved by the Court. Hamilton, however, continued with its request for interim measures. Steinhoff N.V., Steinhoff N.V.'s Administrators and other attending parties all opposed this request. Shortly following the hearing Hamilton lodged an appeal against the 28 May 2021 decision to appoint the CoR. Steinhoff N.V. will continue its defence against any attempt to disrupt the Litigation Settlement Proposal and Steinhoff N.V.'s ongoing Dutch SoP. The Court of Appeal in Amsterdam will on 22 June 2021 hear argument from the interested parties exclusively on the topic of the admissibility of the Hamilton appeal.
- **28 May 2021** : Steinhoff N.V. announced that further to the announcement of the court-appointed administrators (the "**Administrators**") in the Dutch SoP on 23 April 2021, the Amsterdam District Court (the "**Court**") has rendered its decision on the Administrators' application for the appointment of a committee of representation ("**CoR**") and for measures regarding the list of claims as referred to in Article 259 of the Dutch Bankruptcy Act (Faillissementswet) (the "**List**"). This means that the members of the CoR will vote on the composition plan as proposed by Steinhoff N.V. (the "**Composition Plan**") instead of the creditors in a creditors meeting. The principal consideration was the large number of Steinhoff N.V. MPC Claimants (as defined in the Composition Plan) in the proceedings. All ordinary non-preferred creditors of Steinhoff N.V. ("**Creditors**") are still eligible to file their claims in the Dutch SoP ultimately on 15 June 2021.
- **9 June 2021** : The submissions by all parties before the Cape High Court dealing with the attack on the original SIHPL guarantees and SIHPL CPU were completed. Judgement was reserved. No indication was given by the judge as to when judgement will be expected.
- **16 June 2021** : The Court refused to grant the additional requests made by Hamilton for interim measures related to the Dutch SoP claim analysis and voting process. Steinhoff N.V., Steinhoff N.V.'s administrators and certain other parties to the proceedings had previously opposed those requests. The ruling of the Court of 16 June 2021 is non-appealable.

As announced previously, Hamilton has separately lodged an appeal against the 28 May 2021 decision of the Court to appoint the CoR. That appeal is currently pending before the Amsterdam Court of Appeal with a hearing on the admissibility of the appeal being scheduled for 22 June 2021. Steinhoff N.V. will continue its defence against any attempt to disrupt the Litigation Settlement Proposal and Steinhoff N.V.'s ongoing Dutch SoP.

The appeal lodged by Hamilton has not caused the Court to reschedule the deadline of 15 June 2021 for the submission of claims against Steinhoff N.V. ('voting record date'). The claims administrator will now commence a review of the claims that have been received in the Dutch SoP.

Steinhoff N.V.'s administrators have requested the supervisory judges in the Dutch SoP to defer the creditors' meeting of 30 June 2021. This request is currently pending, and no revised date for the creditors' meeting has yet been scheduled.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

9. COMMITMENTS, CONTINGENCIES AND PROVISIONS (continued)

9.1 Litigation Settlement Proposal provision (continued)

B) Impact on and measurement of Litigation Settlement Proposal provision:

The amounts are subject to change based on the ZAR:EUR exchange rate and the prevailing Pepkor Holdings share price at date of settlement. The exchange rate used in the determination of these amounts was ZAR17.35 and a Pepkor Holdings share price of ZAR15.00. Steinhoff has the right, at its election, to settle the settlement consideration in a greater portion, or in full amount, in cash and in accordance with the settlement term sheets as published on 27 July 2020 and 9 October 2020. All qualifying claims are still disclosed as contingent liabilities to the point of implementation of the Litigation Settlement Proposal.

	Notes	Provision Rm
Balance at 30 September 2020 - Audited		
Balance at the beginning of the period - SIHPL Contractual Claimants (both cash and PPH shares)		9 379
Adjusted for:		
Conservatorium settlement (both cash and PPH shares)	4.6	1 109
Conservatorium settlement - Forex exchange adjustment	4.6	(51)
Changes from initial termsheet as announced on July 2020 which was updated in October and November 2020, respectively.		134
Balance at 31 March 2021 - Reviewed		10 571

The Group will pay the cash portion of the settlement amount in ZAR to the extent this is consistent with the denomination of the participant's underlying transaction and in euros to the extent this is consistent with the denomination of the participant's underlying transaction. The settlement consideration provided by the Group will be independent of any recoveries made by claimants from third parties. Any such recoveries will be incremental to payments to be made to litigants.

Management draws the user of these financial statements' attention to the fact that any form of the Litigation Settlement Proposal, if implemented, could differ from the provision raised.

The Group's view remains that the global Litigation Settlement Proposal, provides the means to substantially resolve the historical claims against it and remains firmly in the best interests of all stakeholders.

For further information refer to www.steinhoffsettlement.com.

9.2 Other Non-Qualifying Claims not included in Litigation Settlement Proposal

Non-Qualifying Claims

No specific proposal is being made for the settlement of Non-Qualifying Claims. Such claims will subsist and Steinhoff N.V. or SIHPL will continue to defend them on the basis that any liability in respect of the same is denied. A non-qualifying claim against Steinhoff N.V. that ultimately succeeds will be entitled to settlement consideration at the same rate as MPC Claimants and contractual claims. A non-qualifying claim against SIHPL that ultimately succeeds will be entitled to the amount awarded in court proceedings.

Following implementation of the settlement, any disputed claims will be subject to the ordinary course litigation process or the dispute resolution process set out by the Group in the settlement documentation, unless an alternative dispute resolution process is agreed by the Group and such disputed claimant.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

10. CASH FLOW INFORMATION

10.1 Cash generated from operations

	Notes	Six months ended 31 March 2021 Reviewed Rm	Six months ended 31 March 2020 Unaudited Rm
Operating profit/(loss) from:			
Continuing operations		5 182	(10 603)
Discontinued operations		93	457
Adjusted for non-cash adjustments included in continuing and discontinued operations:			
Debtors' write-off and movement in provision		645	865
Depreciation and amortisation:			
Property, plant and equipment and Intangible assets		643	671
Right-of-use asset		1 127	1 220
Unrealised foreign exchange (gains)/losses		(2 889)	4 818
Impairments:			
Continuing operations	4.1 & 4.2	-	45
Discontinued operations	1.2	274	17
Inventories written down to net realisable value and movement in provision for inventories		276	185
Share-based payment expense		97	31
Net profit on disposal and scrapping of property, plant and equipment and intangible assets	1.2 & 4.3	(42)	(251)
(Profit)/loss on disposal and part disposal of investments	1.2	(3)	57
Profit on lease modification		(232)	-
Proposed settlement provision raised	4.6	1 192	9 379
Provision for ACG Lawyer fees and SRF cost contribution	4.7	867	-
Other non-cash adjustments		17	209
Cash generated before working capital changes		7 247	7 100
Working capital changes			
(Increase)/decrease in inventories		(1 716)	100
Increase in trade and other receivables		(799)	(1 540)
Movement in net derivative financial liabilities/assets		322	(89)
Decrease in trade and other payables		(378)	(599)
Net changes in working capital		(2 571)	(2 128)
Cash generated from operations		4 676	4 972

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

11. 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 2021. The balances disclosed below include impairments recognised on the date of classification as held-for-sale.

Balance at 31 March 2021 - Reviewed	Pepkor Holdings - The Building Company				
	Pre-impairment Rm	Cumulative impairment* Rm	Post impairment Rm	Africa Properties Rm	Total Rm
Assets					
Intangible assets	3	(1)	2	-	2
Property, plant and equipment	396	(170)	226	113	339
Right of use asset	565	(265)	300	-	300
Investment properties	-	-	-	515	515
Investment in equity accounted companies	-	-	-	156	156
Deferred tax assets	410	-	410	-	410
Inventories	1 510	-	1 510	12	1 522
Trade receivables	775	-	775	34	809
Other receivables	24	-	24	16	40
Cash and cash equivalents	671	-	671	6	677
Total gross assets	4 354	(436)	3 918	852	4 770
Loss recognised due to remeasurement of disposal group to fair value less cost to sell	(436)	436	-	-	-
Total assets post impairment	3 918	-	3 918	852	4 770
Liabilities					
Borrowings	(180)	-	(180)	-	(180)
Lease liabilities	(890)	-	(890)	-	(890)
Deferred tax liabilities	(229)	-	(229)	-	(229)
Provisions	(6)	-	(6)	-	(6)
Employee benefits	(83)	-	(83)	(1)	(84)
Trade payables	(1 308)	-	(1 308)	(26)	(1 334)
Other payables	-	-	-	(2)	(2)
Total liabilities	(2 696)	-	(2 696)	(29)	(2 725)
Net assets post impairments	1 222	-	1 222	823	2 045

* During the Reporting Period, an additional impairment of R264 million was recognised to impair the Group's investment in the Building Company to its fair value less cost to sell. The cumulative impairment amounts to R436 million at the end of the period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

11. ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE (continued)

The following table presents detail of the assets and liabilities that have been classified as held-for-sale as at 30 September 2020. The balances disclosed below include impairments recognised on the date of classification as held-for-sale.

Balance at 30 September 2020 - Audited	Pepkor Holdings - The Building Company			Africa Properties Rm	Total Rm
	Pre-impairment Rm	Cumulative impairment Rm	Post impairment Rm		
Assets					
Intangible assets	4	(1)	3	-	3
Property, plant and equipment	387	(71)	316	1 295	1 611
Right-of-use asset	548	(100)	448	-	448
Investment properties	-	-	-	567	567
Investment in equity accounted companies	-	-	-	159	159
Other financial assets	-	-	-	4	4
Deferred tax assets	409	-	409	-	409
Inventories	1 357	-	1 357	16	1 373
Trade receivables	823	-	823	46	869
Taxation receivable	40	-	40	14	54
Cash and cash equivalents	629	-	629	7	636
Total gross assets	4 197	(172)	4 025	2 108	6 133
Loss recognised due to remeasurement of disposal group to fair value less cost to sell	(172)	172	-	-	-
Total assets post impairment	4 025	-	4 025	2 108	6 133
Liabilities					
Borrowings	(178)	-	(178)	-	(178)
Lease liabilities	(1 042)	-	(1 042)	-	(1 042)
Provisions	(8)	-	(8)	-	(8)
Employee benefits	(60)	-	(60)	(8)	(68)
Deferred taxation liabilities	(207)	-	(207)	(1)	(208)
Trade payables	(1 267)	-	(1 267)	(35)	(1 302)
Other payables	-	-	-	(2)	(2)
Total liabilities	(2 762)	-	(2 762)	(46)	(2 808)
Net assets	1 263	-	1 263	2 062	3 325

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

11. ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE (continued)

Reconciliation of assets and liabilities classified as held-for-sale balances

	Assets Rm	Liabilities Rm	Net assets Rm
Classified as held-for-sale on 30 September 2020 – Audited	6 133	(2 808)	3 325
Africa Properties	2 108	(46)	2 062
Pepkor Holdings - The Building Company	4 025	(2 762)	1 263
Reclassified out of held-for-sale	(949)	-	(949)
Africa Properties	(949)	-	(949)
Disposal of assets	(275)	-	(275)
Africa Properties	(275)	-	(275)
Impairments recognised	(274)	-	(274)
Africa Properties	(10)	-	(10)
Pepkor Holdings - The Building Company	(264)	-	(264)
Other changes in carrying values	135	83	218
Africa Properties	(22)	17	(5)
Pepkor Holdings - The Building Company	157	66	223
Classified as held-for-sale 31 March 2021 - Reviewed	4 770	(2 725)	2 045
Africa Properties	852	(29)	823
Pepkor Holdings - The Building Company	3 918	(2 696)	1 222

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

12. FOREIGN CURRENCY FORWARD CONTRACT - SYNTHETIC FORWARD

Steinhoff Africa agreed to pay a portion of the Litigation Settlement Proposal provision on behalf of Steinhoff N.V.. As a result, Steinhoff Africa has, during the Reporting Period, entered into a forward exchange agreement with multiple banks in order to hedge against the foreign currency risk.

All other foreign currency forward contracts of the Group are in line with the contracts in place as at 30 September 2020.

The Synthetic Forward is classified as under level 2 of the fair value hierarchy as prescribed under the relevant accounting standards.

Valuation technique:

The fair value is determined using quoted forward exchange rates at the Reporting Date and present value calculations based on high credit quality yield curves of the euro.

	Notional amount Rm	Fair value adjustment Rm	Average forward rate	Reporting date revaluation rate
31 March 2020 - Reviewed			EUR: ZAR	EUR: ZAR
Euro	4 090	(261)	18.7675	17.5665
	4 090	(261)		

The Synthetic Forward has a maturity date of 30 June 2021, however the Group may choose to extend the maturity date.

Changes in the fair value of forward exchange contracts of economically hedged monetary assets and liabilities in foreign currencies for which no hedge accounting is applied, are recognised in profit or loss.

The loss on the Synthetic Forward recognised within profit or loss comprises:

		Six months ended 31 March 2021 Reviewed Rm
Fair value adjustment	4.7	261
		261

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2021

13. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Corporate activity after the reporting date

Pepkor Holdings

- **Pepkor Holdings Domestic Medium Term Note Programme**

Pepkor Holdings successfully raised R2.2 billion in the South African bond market following an auction held on 30 April 2021. The Domestic Medium Term Note Programme is part of Pepkor Holdings' strategy to diversify its sources of funding and to reduce its cost of funding. Proceeds from the notes issued will be used to replace existing term debt due for repayment in 2022; thereby strengthening the Pepkor Holdings group's liquidity and debt repayment profile.

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

- **Appointment of independent non-executive directors**

On 28 May 2021, the board of Pepkor Holdings announced the appointment of independent non-executive directors to the board of Pepkor Holdings, effective 1 June 2021. The appointments have been made with the objectives of enhancing and widening the skill set of the Pepkor Holdings' board and to strengthen the independence and diversity components of the board. The appointees are Paula Disberry, Hester Hickey, Zola Malinga, Ian Kirk and Isaac Mophatlane.

Legal proceedings

Various legal proceedings have been instituted against the Group and there are continuous movement on these claims. Updates regarding legal proceedings during and after the Reporting Period are discussed in note 9.

CORPORATE INFORMATION

STEINHOFF INVESTMENT HOLDINGS LIMITED

("Steinhoff Investments" or "the Company" or "the Group")

(Incorporated in the Republic of South Africa)

Executive directors

Louis du Preez, Theodore de Klerk

Non-executive directors

Moirá Moses (Chairperson)*, Alex Watson (Deputy Chairperson)*, Hugo Nelson*

** Independent*

Registration number: 1954/001893/06

Share code: SHFF

ISIN: ZAE000068367

Registered office

Building B2, Vineyard Office Park, Cnr Adam Tas & Devon Valley Roads, Stellenbosch 7600,
Western Cape, South Africa

Postal address

PO Box 122, Stellenbosch 7599, Western Cape, South Africa

Website: www.steinhoffinternational.com

Transfer secretaries

Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue,
Rosebank, 2196

Company secretary: Steinhoff Secretarial Services Proprietary Limited

Auditors: Mazars Accountants

JSE sponsor: PSG Capital Proprietary Limited

Announcement date: 18 June 2021