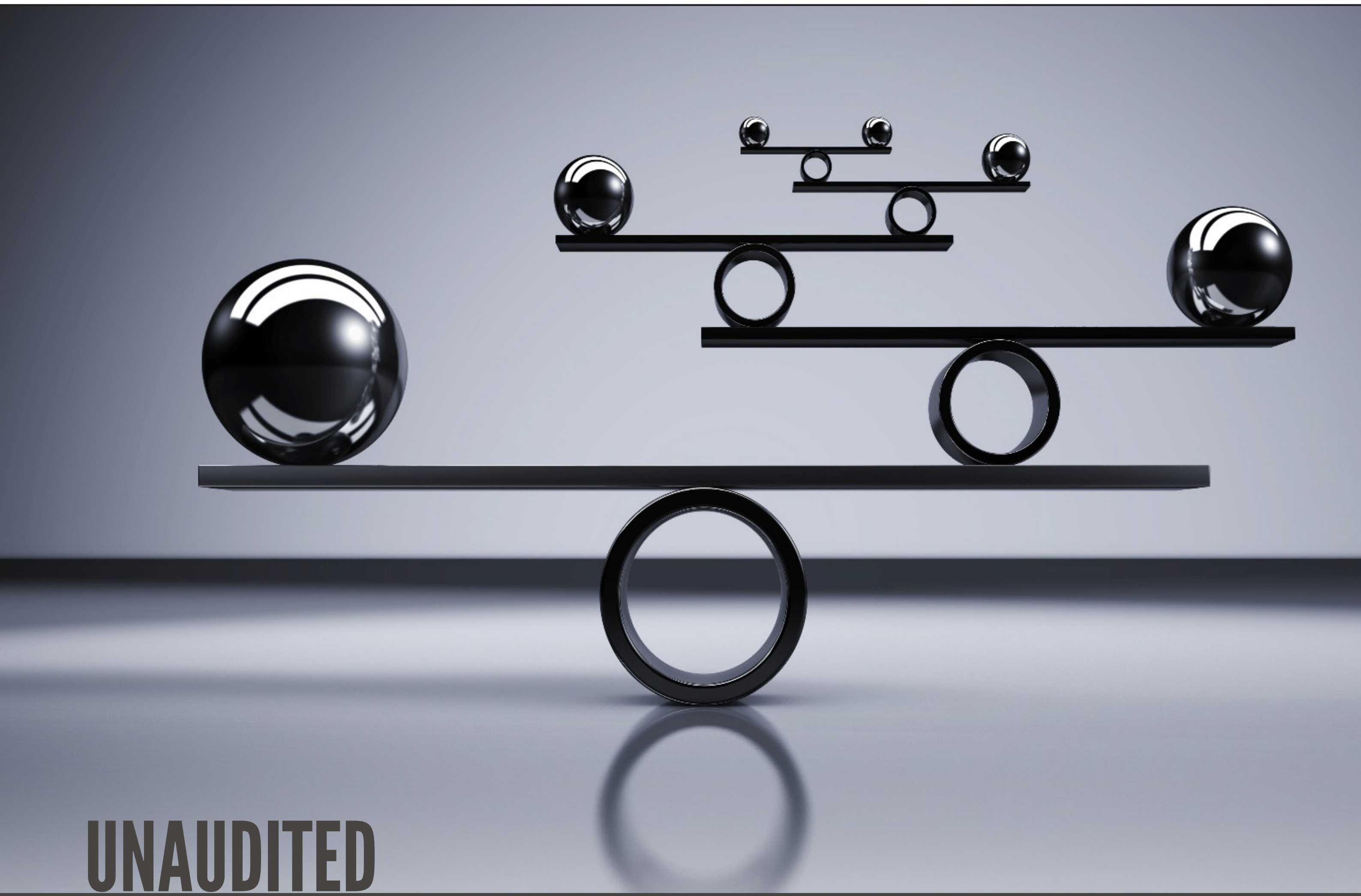
STEINHOFF
INVESTMENT HOLDINGS LTD
Registration number: 1954/001893/06



UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2022

SALIENT FEATURES

Revenue from continuing operations, comprising Pepkor Holdings only, increased by 3.3% to R42 billion.

Operating profit from continuing operations improved by 221% from a profit of R5.4 billion to a profit of R17.2 billion. The derecognition of the SIHPL CPU and the recognition and subsequent measurement of the S155 Settlement Note with limited recourse resulted in a net gain of R17.5 billion (refer to detail in note 4.5).

Operating profit from continuing operations, before material items as included in note 4, increased by 15% from a profit of R4.5 billion to a profit of R5.2 billion (refer to segmental EBIT in note 2.2).

The majority of the Group's Litigation Settlement provision was utilised during the period. The Steinhoff Investments Group's share of the settlements consisted of R8.6 billion in cash and R6.9 billion in Pepkor Holdings shares. The balance was paid by the holding company, Steinhoff International Holdings N.V.

Headline earnings per share improved from 4 890.90 cents to 26 636.31 cents.

Basic earnings per share improved from 4 941.81 cents to 26 543.59 cents.

On 24 March 2022, the Board declared a gross dividend of 293.55308 cents per preference share, which was paid on 25 April 2022.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2022

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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 2022 (the "**Reporting Period**") and also addresses the material events subsequent to 31 March 2022 (the "**Reporting Date**") up to the publication date of this report.

The 2022 Condensed Consolidated Interim Financial Statement has not been audited or reviewed by the Company's auditors.

DIRECTORS' RESPONSIBILITY STATEMENT

These 2022 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 2022 Condensed Consolidated Interim Financial Statements give a true and fair view of the assets, liabilities, financial and cashflow position, profit or loss of Steinhoff Investments and the enterprises included in the Group's 2022 Condensed Consolidated Interim Financial Statements.

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

FINANCIAL PERFORMANCE

Despite a high base in the comparable period, Pepkor Holdings Limited ("**Pepkor Holdings**"), Steinhoff Investments' material subsidiary, achieved another commendable set of results for the six-month period ended 31 March 2022. The Pepkor Holdings group's defensive business model and unparalleled position within the South African discount and value sectors continue to drive growth and underpin resilient performance in an increasingly challenging operating environment. Revenue growth was muted, impacted by a high base and a product mix change in the Flash business but did, however, strengthen during the second quarter. On a two-year comparable basis the Pepkor Holdings group achieved exceptional sales growth of 15.4%, underpinned by substantial market share gains across various product categories. This further entrenched Pepkor Holdings' leading position in the discount and value sectors.

On 15 February 2022, Steinhoff N.V., and the former South African holding company of the Steinhoff Group, Steinhoff International Holdings Proprietary Limited ("**SIHPL**"), provided an update on Steinhoff's settlement of pending litigation proceedings pursuant to Steinhoff N.V.'s Dutch law composition plan ("**Composition Plan**"), SIHPL's South African law S155 Scheme proposal ("**SIHPL S155 Scheme**") and related contractual arrangements ("**Global Litigation Settlement**"). Settlement Effective Date for the purpose of the Global Litigation Settlement occurred on 15 February 2022.

The financial creditors have agreed to a compromise of any and all claims and actions against SIHPL arising under, out of, or in connection with the contingent payment undertaking ("**SIHPL CPU**"), the Convertible Bonds, the Guarantees and/or any other related matter on the terms set out in the SIHPL S155 Scheme. In consideration for the compromise described above, SIHPL issued the S155 Settlement Note the amount of €1.581 billion on 15 February 2022. The loan note carries no interest, has a maturity date falling 5 years and 6 months following the Settlement Effective Date, has a third ranking security over SIHPL's assets and has limited recourse ("**S155 Settlement Note**"). The derecognition of the SIHPL CPU and the recognition and subsequent measurement of the S155 Settlement Note with limited recourse resulted in a net gain of R17.5 billion (refer to note 4.5).

CORPORATE ACTIVITY DURING THE REPORTING PERIOD

Pepkor Holdings

Share Capital

The following movements in the ordinary shares of Pepkor Holdings were recorded during the Reporting Period:

a) The Pepkor Holdings group issued 11.8 million ordinary shares on 1 March 2022 for share rights that vested under the Pepkor Holdings Executive Share Rights Scheme.

b) The Pepkor Holdings group repurchased 1.8 million ordinary shares during March 2022 from the open market on the JSE.

Update on July 2021 civil unrest impact

To date, the Pepkor Holdings group has reopened 479 (87%) of the 549 stores looted and damaged in the civil unrest that erupted in the KwaZulu-Natal and Gauteng provinces of South Africa during July 2021. The group carries comprehensive insurance cover in terms of South African Special Risks Insurance Association ("**SASRIA**") for material damage and business interruption. The final SASRIA claim for material damage was revised to c.R1.0 billion and an interim payment of R500 million (net of VAT) was received and accounted for in the 2021 Reporting Period results. The business interruption claim was revised to an estimated R440 million, with an interim payment of R171 million (net of VAT) received and accounted for in the 2021 Reporting Period results. A second interim payment for the business interruption claim of R132 million (net of VAT) was received during April 2022 and accounted for in the Reporting Period. It is expected that the final insurance payments will be received during the remainder of this financial year.

Acquisition of Grupo Avenida

The acquisition of an interest of approximately 87% in the well-established Brazilian value retailer, Grupo Avenida ("**Avenida**"), was completed in February 2022. The remaining 13% was retained by the founders and management of Avenida. This represents Pepkor Holdings' entry into the Brazilian value retail market, which holds enormous long-term growth potential for the group.

Board Appointment - Pepkor Holdings

Mr. Pieter Erasmus was appointed as a non-executive director to the board of Pepkor Holdings with effect from 12 January 2022 and serves as a member on the human resources and remuneration committee and the investment committee of Pepkor Holdings. His appointment enhances the retail industry experience of the Pepkor Holdings board.

Interest-bearing loans and borrowings

During March 2022, the Pepkor Holdings group replaced Term Loan D of R2.5 billion, which carried interest at three-month JIBAR plus 205 bps, and revolving credit facility B of R2.5 billion, which carried interest at three-month JIBAR plus 210 bps, with the following two term loans and revolving credit facility:

a) Term loan H: four-year term loan of R1 billion at three-month JIBAR plus 150 bps

b) Term loan I: five-year term loan of R2.5 billion at three-month JIBAR plus 155 bps

c) Revolving credit facility C: three-year facility of R1.5 billion at three-month JIBAR plus 140 bps

Steinhoff Investments Group

Global Litigation Settlement

The Steinhoff Group confirmed that the following steps were taken on 15 February 2022 pursuant to the Global Litigation Settlement:

- Payment of the settlement funds required under the Composition Plan and the SIHPL S155 Scheme to Stichting Steinhoff Recovery Foundation ("**SRF**"), which holds the settlement funds for the benefit of valid Market Purchase Claimants ("**MPCs**") and the Steinhoff N.V. contractual claimants. The SRF's individual claims verification process remains ongoing and they have informed the Company that claimants can expect payments at the earliest opportunity in 2023;
- Payment or initiation of payment arrangements in respect of Steinhoff's contribution to the costs of the Active Claimant Groups ("**ACGs**") as required under the Composition Plan;
- Payment of €66 million to the Hemisphere Facility Agent for application in discharge of an equivalent amount of indebtedness of Hemisphere International Properties BV;
- Payments of cash and transfers of Pepkor Holdings shares to the SIHPL contractual claimants which were required to be paid or transferred on or around Settlement Effective Date;
- Due to the successful implementation of the Global Litigation Settlement on 15 February 2022, a further payment extension on Steinhoff N.V.'s corporate debt was 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. To date this option has not been exercised by Steinhoff N.V.;
- SIHPL acquired a receivable owing by Titan Premier Investments Proprietary Limited ("**Titan Receivable**") to Steenbok Newco 2A Limited ("**Newco 2A**") from Newco 2A for €220 million on loan account. The Newco 2A loan payable is interest free, repayable on 15 August 2027 and has a first ranking over SIHPL's assets ("**Newco 2A Loan Note**");
- The Titan Receivable was restructured as a ZAR denominated receivable to the value of R3.4 billion, accruing no interest and repayable in 10 years following Settlement Effective Date. A loss to the amount of R484 million was recognised on initial recognition by SIHPL through the Statement of Profit or Loss on acquisition of the receivable. The receivable is also secured by a cession of up to 14 813 923 ordinary shares in Shoprite Holdings Limited;
- In consideration for Steinhoff N.V. undertaking the MPC settlement on behalf of SIHPL, SIHPL shall be liable to Steinhoff N.V. for the amounts paid by Steinhoff N.V. pursuant to the MPC settlement. A loan to the amount of €164 million is therefore payable to Steinhoff N.V. by SIHPL ("**Steinhoff N.V. Loan Note**"). The Steinhoff N.V. Loan Note is interest free, repayable on 15 August 2027 and has a second ranking security over SIHPL's assets; and
- The financial creditors have agreed to compromise any and all claims and actions against SIHPL arising under, out of, or in connection with the SIHPL CPU, the Convertible Bonds, the Guarantees and/or any other related matter on the terms set out in the SIHPL S155 Scheme. In consideration for the compromise described above, SIHPL issued the S155 Settlement Note to the amount of €1.581 billion on 15 February 2022.

Further steps have been taken since Settlement Effective Date in accordance with the terms of the Composition Plan, SIHPL S155 Scheme and related contractual settlements.

As a result of the occurrence of Settlement Effective Date, the pending legal proceedings against the Steinhoff Group, that have been compromised under the Global Litigation Settlement, were withdrawn and discontinued.

Steinhoff N.V. Managing Directors - Shareholding Notifications

At the Steinhoff N.V. Annual General Meeting held on 25 March 2022, the amended share plan was not approved by the requisite simple majority shareholders. As a result, in accordance with their terms, the conditional share awards that were granted to the Steinhoff N.V.'s managing directors automatically converted into phantom shares, which falls within the scope of IFRS 2: Share-based payment - cash-settled. Apart from the change to phantom shares, the other conditions remained unchanged, as set out below:

Managing Director	Issuing Institution	Date of Transaction	Number of phantom share awards
Louis J. du Preez	Steinhoff N.V.	25 March 2022	7 316 589
Theodore L. de Klerk	Steinhoff N.V.	25 March 2022	6 345 011

Appointment of independent directors

On 23 February 2022, David Pauker (a supervisory board director of Steinhoff N.V.) was appointed as an independent, non-executive director and a member of the Audit and Risk Committee of the Company.

CORPORATE ACTIVITY AFTER THE REPORTING PERIOD

Pepkor Holdings

Moody's upgrades Pepkor Holdings' credit ratings

As announced by Pepkor Holdings on 19 April 2022, the rating agency Moody's Investors Service ("**Moody's**") has on 14 April 2022, upgraded Pepkor Holdings' Corporate Family Rating to Ba2 from Ba3. In addition, Moody's has upgraded Pepkor Holdings' Probability of Default Rating to Ba2-PD from Ba3-PD and National Scale Long Term Rating by four levels to Aa1.za from A2.za and revised the outlook on the credit ratings to stable from negative.

Impact of KwaZulu-Natal Floods on Pepkor Holdings

During April 2022, KwaZulu-Natal experienced severe weather conditions which led to wide-scale flooding across the region. PEP's Isipingo distribution centre in Durban sustained significant damage, while the PEP Africa distribution centre was damaged to a lesser extent due to the flooding. Supply chain operations were also adversely affected. Further trading in a number of stores was temporarily disrupted due to inaccessibility. The Pepkor Holdings group is not currently in a position to quantify the full extent of the losses suffered in terms of merchandise, infrastructure and disruption of operations. Adequate insurance cover is, however, in place and the claims process has been initiated.

Steinhoff Investments Group

Lancaster 102, Thibault vs Steinhoff Africa proceedings

Arbitration proceedings were initiated by Lancaster 102 Proprietary Limited ("**Lancaster 102**") against Thibault Square Financial Services Proprietary Limited ("**Thibault**"), to which Steinhoff Africa Holdings Proprietary Limited ("**Steinhoff Africa**") was not a party (the "**Arbitration Proceedings**"). On 28 April 2021, Thibault applied to the High Court of South Africa for a declaratory order that (i) the Arbitration be referred to and determined by the High Court of South Africa; and (ii) that Steinhoff Africa be joined as a party (the "**Override Application**"). Steinhoff Africa initiated separate proceedings seeking to declare all of the agreements in the loop transaction invalid, alternatively void (the "**Invalidity Application**").

During May 2022, the Arbitration Proceedings, the Override and the Invalidity Application were withdrawn. In addition a settlement agreement was reached whereby all previous preference share agreements were cancelled resulting in the derecognition of both the preference share investment and the Lancaster financial liability. Refer to note 10.3. This brings the various matters between the parties to an end and the removal/closure of the Lancaster loop transaction.

In February 2022, the settlement for claims of the PIC against the Steinhoff Group, dated 18 August 2021, was amended in accordance with which Steinhoff Africa paid the PIC R400 million to resolve the ongoing matter with the PIC and Lancaster parties. Payment to the PIC was executed during May 2022.

OPERATIONAL PERFORMANCE

Pepkor Holdings has the largest retail store footprint in southern Africa, with more than 5 700 stores operating across 10 African countries as well as Brazil. 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 2022 on 26 May 2022. 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.

Pepkor Holdings' revenue growth was muted, impacted by a high base and a product mix change in the Flash business. Revenue growth, however, strengthened during the second quarter. On a two-year comparable basis the Pepkor Holdings group achieved exceptional sales growth of 15.4%, underpinned by substantial market share gains across various product categories. This further entrenched Pepkor Holdings' leading position in the discount and value sectors. The Pepkor Holdings group's ability to achieve ongoing organic growth is evidenced by its robust store expansion programme. During the period under review, 144 new stores were opened (108 stores on a net basis). In line with Pepkor Holdings' strategy, the plan to open more than 300 stores in the 2022 financial year remains on track.

Revenue increased by 3.3% to R42 billion for the six months ended 31 March 2022. Earnings per share and headline earnings per share from continuing operations increased by 442% and 444%, respectively, due to the inclusion of certain material items detailed in note 4 and note 6.2.

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. The Pepkor Holdings group delivered a solid performance for the first half of the 2022 financial year, based on a stronger second quarter and even more so when considering performance on a two-year comparable basis, which eliminates volatility caused by COVID-19.

Supply chain disruption and uncertainty have continued. The Pepkor Holdings group's merchandise teams have done exceptionally well to mitigate the impact of disruption on merchandise inflows and in-store availability. While global supply chain uncertainties persist, it seems that shipping costs have stabilised and may trend downwards.

Strong trading is expected during the second half of the year for Pepkor Holdings, supported by the lower base in the comparable period, which was affected by the civil unrest. Trading in April 2022 was strong across most businesses, with softer trading in May 2022. Pepkor Holdings' plans to open more than 300 stores in the 2022 financial year remain on track.

The successful implementation of the Global Litigation Settlement during the Reporting Period was an important development for the Steinhoff Group, as pending legal proceedings against the Steinhoff Group, that have been compromised under the Global Litigation Settlement, were withdrawn and discontinued.

This allowed management to focus exclusively on Step 3 of the strategic plan – simplifying the portfolio and deleveraging the balance sheet by reducing debt and financing costs through inter alia further asset disposals. At the same time, it will allow the operating companies within the Group to run and build their businesses free from any external distractions.

DIVIDEND DECLARATIONS - Preference shares

On 24 March 2022, the board declared a gross dividend of 293.55308 cents per preference share. This dividend was paid on Monday 25 April 2022 in respect of the period 1 July 2021 to 31 December 2021.

The preference share dividends are payable in South African Rand and are subject to local dividend tax of 20%.

DIVIDEND DECLARATIONS - Ordinary shares

On 15 February 2022, the Company declared a gross dividend of R8.7 billion to Steinhoff N.V. R8.5 billion of this dividend relates to payments made by the Group on behalf of Steinhoff N.V. as part of the implementation of the Global Litigation Settlement.

EVENTS AFTER THE REPORTING DATE

Aside from the corporate activity as set out above, no other material events have occurred after the Reporting Date. Refer to note 16 of the 2022 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.

M Moses
Independent non-executive Chairperson

L.J. (Louis) du Preez
Chief executive officer

T.L. (Theodore) de Klerk
Chief financial officer

17 June 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED 31 MARCH 2022

	Notes	Six months Ended 31 March 2022 Unaudited Rm	Restated[1] Six months Ended 31 March 2021 Reviewed Rm
Continuing operations			
Revenue	3	**42 010**	40 665
Cost of sales[2]		**(26 333)**	(26 302)
Gross profit		**15 677**	14 363
Operating income[3]		**555**	382
Distribution expenses		**(859)**	(423)
Administration expenses		**(9 730)**	(9 331)
Debtors' costs[4]		**(426)**	(470)
Other income	4	**11 992**	838
Operating profit		**17 209**	5 359
Finance costs	5.1	**(1 352)**	(1 250)
Income from investments	5.2	**1 364**	686
Share of profit of equity accounted companies	7.2	**71**	10
Profit before taxation from continuing operations		**17 292**	4 805
Taxation		**(1 270)**	(1 229)
Profit from continuing operations		**16 022**	3 576
Discontinued operations			
(Loss)/profit from discontinued operations	1.2	**(8)**	25
Profit for the period		**16 014**	3 601
Profit attributable to:			
Owners of Steinhoff Investments		**14 599**	2 718
Preference shareholders of Steinhoff Investments		**45**	43
Non-controlling interests		**1 370**	840
Profit for the period		**16 014**	3 601
Basic and diluted earnings/(loss) per share (cents):			
From continuing operations	6	**26 558.14**	4 896.36
From discontinued operations	6	**(14.55)**	45.45
		26 543.59	4 941.81

[1] *Refer to note 1 for details regarding the restatement of comparative numbers for the effect of the reclassification of The Building Company from discontinued to continuing operations. The results of the 2021 Reporting Period was reviewed by the Group's auditors, with exception to the restatement.*

[2] *The material component of cost of sales comprises the cost of sales of inventory (R25 billion).*

[3] *Operating income includes business interruption insurance claim recoveries of R132 million recognised by Pepkor Holdings.*

[4] *Debtors' cost in the Reporting Period consists of Bad debt written off: (R608 million), Bad debt recovered: R174 million and Movement in bad debt provision: R8 million.*

The accompanying notes form an integral part of the 2022 Condensed Consolidated Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 MARCH 2022

	Six months Ended 31 March 2022 Unaudited Rm	Restated[1] Six months Ended 31 March 2021 Reviewed Rm
Profit for the period	**16 014**	3 601
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss (net of tax):		
Net fair value gain on assets measured at fair value through other comprehensive income	**18**	49
	18	49
Items that may be reclassified subsequently to profit or loss (net of tax):		
Net exchange gain/(loss) on translation of foreign operations and translation of net investment in foreign operations	**79**	(117)
Net fair value gain/(loss) on cash flow hedges	**198**	(449)
Other comprehensive income of equity accounted companies	**2**	-
	279	(566)
Total other comprehensive income/(loss) for the period	**297**	(517)
Total comprehensive income for the period	**16 311**	3 084
Total comprehensive income attributable to:		
Owners of Steinhoff Investments	**14 943**	2 447
Preference shareholders of Steinhoff Investments	**45**	43
Non-controlling interests	**1 323**	594
Total comprehensive income for the period	**16 311**	3 084

[1] *Refer to note 1 for details regarding the restatement of comparative numbers for the effect of the reclassification of The Building Company from discontinued to continuing operations. The prior year comparatives have further been restated in order to directly account for the net fair value gain/(loss) on cash flow hedges transferred to inventory directly in reserves, and not Other Comprehensive Income as previously disclosed in error, in terms of IFRS 9: Financial Instruments (refer to note 15). The results of the 2021 Reporting Period was reviewed by the Group's auditors, with exception to these restatements.*

The accompanying notes form an integral part of the 2022 Condensed Consolidated Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2022

	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 2021 - Audited	**119 020**	**(96 991)**	**(264)**	**(165)**	**21 600**	**1 382**	**23**	**1 405**	**23 665**	**46 670**
Profit for the period	**-**	**14 599**	**-**	**-**	**14 599**	**-**	**45**	**45**	**1 370**	**16 014**
Other comprehensive income for the period	**-**	**-**	**47**	**297**	**344**	**-**	**-**	**-**	**(47)**	**297**
Total comprehensive income for the period	**-**	**14 599**	**47**	**297**	**14 943**	**-**	**45**	**45**	**1 323**	**16 311**
Transactions with the owners in their capacity as owners										
Ordinary dividends[2]	**-**	**(8 732)**	**-**	**-**	**(8 732)**	**-**	**-**	**-**	**(671)**	**(9 403)**
Preference dividends	**-**	**-**	**-**	**-**	**-**	**-**	**(44)**	**(44)**	**-**	**(44)**
Transactions with non-controlling interests without change in control	**-**	**-**	**-**	**1 927**	**1 927**	**-**	**-**	**-**	**4 895**	**6 822**
Global Litigation Settlement - settled with Pepkor Holdings shares (note 10)	**-**	**-**	**-**	**1 948**	**1 948**	**-**	**-**	**-**	**4 910**	**6 858**
Pepkor Holdings share buy-back	**-**	**-**	**-**	**(21)**	**(21)**	**-**	**-**	**-**	**(15)**	**(36)**
Acquired on acquisition of subsidiaries[3]	**-**	**-**	**-**	**(575)**	**(575)**	**-**	**-**	**-**	**167**	**(408)**
Attributable share of other reserves relating to equity accounting	**-**	**-**	**-**	**4**	**4**	**-**	**-**	**-**	**-**	**4**
Share-based payments	**-**	**21**	**-**	**(30)**	**(9)**	**-**	**-**	**-**	**159**	**150**
Pepkor Holdings share-based payment expense	**-**	**-**	**-**	**68**	**68**	**-**	**-**	**-**	**61**	**129**
Pepkor Holdings shares issued under share scheme	**-**	**21**	**-**	**(98)**	**(77)**			**-**	**98**	**21**
Recognition of call option[4]	**-**	**-**	**-**	**500**	**500**	**-**	**-**	**-**	**-**	**500**
Net fair value gain on cash flow hedges transferred to inventory	**-**	**-**	**-**	**(390)**	**(390)**	**-**	**-**	**-**	**-**	**(390)**
Total equity at 31 March 2022 - Unaudited	**119 020**	**(91 103)**	**(217)**	**1 568**	**29 268**	**1 382**	**24**	**1 406**	**29 538**	**60 212**
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 income/(loss) for the period	-	2 602	(80)	(390)	2 132	-	43	43	541	2 716
Transactions with the owners in their capacity as owners										
Preference dividends	-	-	-	-	-	-	(44)	(44)	-	(44)
Ordinary dividends	-	-	-	-	-	-	-	-	(4)	(4)
Transactions with non-controlling interests without change in control	-	-	-	(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	-	(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
Effect of reclassification of discontinued operation to continuing operation[5]	-	115	-	-	115	-	-	-	53	168
Fair value loss on cash flow hedges transferred to inventory previously recognised in other comprehensive income[5]	-	-	-	199	199	-	-	-	-	199
Fair value loss on cash flow hedges transferred to inventory directly accounted for in reserves[5]	-	-	-	(199)	(199)	-	-	-	-	(199)
Restated balance at 31 March 2021	119 020	(100 846)	(232)	(1 827)	16 115	1 382	22	1 404	17 618	35 137

[1] *The main components of Sundry reserves at the Reporting Date were premium or discount on changes in non-controlling interest: R1.5 billion, share of other reserves of equity accounted companies: R296 million and share-based payment reserve: (R276 million).*

[2] *On 15 February 2022, the Company declared a gross dividend of R8.7 billion to Steinhoff N.V. R8.5 billion of this dividend relates to payments made by the Group on behalf of Steinhoff N.V. as part of the implementation of the Global Litigation Settlement.*

[3] *The negative reserves acquired on acquisition of subsidiaries relate to the put option liability recognised by Pepkor Holdings on acquisition of Avenida. Refer to note 14.*

[4] *As part of the Global Litigation Settlement, Trevo Capital Limited ("**Trevo**") and others were granted call options by Ainsley Holdings Proprietary Limited ("**Ainsley**") over 125 million Pepkor Holdings shares which can be exercised 3 years from inception of the options on Settlement Effective Date.*

[5] *Prior year comparatives have been restated for the effect of releasing the provision for the loss on sale of The Building Company due to it being reclassified from discontinued operation to continuing operation. The prior year comparatives have further been restated in order to directly account for the net fair value gain/(loss) on cash flow hedges transferred to inventory directly to reserves, and not Other Comprehensive Income as previously disclosed in error, in terms of IFRS 9 Financial Instruments.*

The accompanying notes form an integral part of the 2022 Condensed Consolidated Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	31 March 2022 Unaudited Rm	30 September 2021 Audited Rm
ASSETS			
Non-current assets			
Goodwill		**39 013**	37 280
Intangible assets		**18 810**	18 090
Property, plant and equipment		**7 554**	6 877
Right-of-use assets		**10 913**	10 239
Investments in equity accounted companies	7.1	**2 735**	2 659
Other financial assets	8	**6 767**	5 482
Deferred tax assets		**2 844**	2 764
Intragroup loans and receivables	12	**11 912**	14 008
		100 548	97 399
Current assets			
Inventories		**15 444**	13 347
Trade and other receivables		**9 951**	8 554
Taxation receivable		**706**	694
Intragroup loans and receivables	12	**3 083**	11
Other financial assets	8	**161**	31
Cash and cash equivalents	2.5	**6 640**	28 870
		35 985	51 507
Assets classified as held-for-sale and disposal groups	13	**99**	367
		36 084	51 874
Total assets		**136 632**	149 273
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital and premium		**119 020**	119 020
Other reserves		**1 351**	(429)
Accumulated losses		**(91 103)**	(96 991)
Total ordinary equity attributable to owners of Steinhoff Investments		**29 268**	21 600
Preference share capital and premium		**1 382**	1 382
Accumulated profit attributable to preference shareholders		**24**	23
Total equity attributable to preference shareholders of Steinhoff Investments		**1 406**	1 405
Non-controlling interests		**29 538**	23 665
Total equity		**60 212**	46 670
Non-current liabilities			
Borrowings	9	**19 803**	38 511
Employee benefits		**131**	146
Deferred tax liabilities		**5 067**	4 782
Provisions		**284**	91
Lease liabilities		**12 326**	11 960
Put option liability	14	**575**	-
Intragroup loans and payables	12	**6 210**	-
		44 396	55 490
Current liabilities			
Trade and other payables		**13 356**	12 736
Taxation payable		**1 996**	2 019
Intragroup loans and payables	12	**3 143**	3 197
Employee benefits		**859**	1 314
Provisions		**186**	3 128
Provision - Global Litigation Settlement	10	**1 102**	16 552
Lease liabilities		**2 575**	2 380
Borrowings	9	**8 753**	5 717
		31 970	47 043
Liabilities directly associated with assets classified as held-for-sale and disposal groups	13	**54**	70
		32 024	47 113
Total equity and liabilities		**136 632**	149 273

The accompanying notes form an integral part of the 2022 Condensed Consolidated Interim Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2022

	Notes	Six months Ended 31 March 2022 Unaudited Rm	Six months Ended 31 March 2021 Reviewed Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11.1	**2 712**	4 676
Ordinary and preference dividends paid		**(9 173)**	(4)
Interest received		**504**	382
Interest paid		**(1 151)**	(1 065)
Taxation paid		**(1 037)**	(1 168)
Global Litigation Settlement - cash settled	10	**(8 567)**	-
Net cash (outflow)/inflow from operating activities		**(16 712)**	2 821
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment and investment property		**(879)**	(549)
Proceeds on disposal of property, plant and equipment and intangible assets		**201**	319
Additions to intangible assets		**(72)**	(63)
Acquisition of businesses, net of cash on hand at acquisition		**(1 843)**	-
Disposal of businesses net of cash	1.3	**-**	43
Payments for investments in equity accounted companies		**-**	(7)
Loan advanced to holding company		**(3 077)**	-
Decrease in other financial assets		**143**	42
Net cash outflow from investing activities		**(5 527)**	(215)
CASH FLOWS FROM FINANCING ACTIVITIES			
Transactions with non-controlling interests		**(36)**	-
Payment of lease liabilities		**(1 311)**	(1 200)
Repayments of borrowings	9.4	**(5 032)**	(2 001)
Proceeds from borrowings	9.4	**6 448**	88
Net cash inflow/(outflow) from financing activities		**69**	(3 113)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		**(22 170)**	(507)
Effects of exchange rate translations on cash and cash equivalents		**(51)**	(156)
Cash and cash equivalents at beginning of the period		**28 871**	18 876
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**6 650**	18 213
Reconciliation of Cash and Cash Equivalents at end of period			
Cash and cash equivalents	2.5	**6 640**	17 536
Cash and cash equivalents held-for-sale	13	**10**	677
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**6 650**	18 213

The accompanying notes form an integral part of the 2022 Condensed Consolidated Interim Financial Statements.

BASIS OF PREPARATION

FOR THE PERIOD ENDED 31 MARCH 2022

REPORTING ENTITY

Steinhoff Investments is a South African registered company, with tax residency in South Africa. The 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 and South America (Brazil).

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 2022 Condensed Consolidated Interim Financial Statements are unchanged from those used for the 2021 Consolidated Financial Statements of Steinhoff Investments and are included in the 2021 Annual Financial Statements on the Group's website www.steinhoffinternational.com. The Group adopted all the new IFRS and interpretations that were effective for financial periods beginning on or after 1 October 2021, none of which had a material impact on the Group.

Presentation and functional currency and historical cost convention

The 2022 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 2022 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 Global Litigation Settlement on the going concern position. The Group's cash flow forecast was adjusted for the remaining impact of the Global Litigation Settlement as well as the new debt instruments as part of the SIHPL intercreditor agreements, as detailed in note 9, 10 and 12. 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 2022 Condensed Consolidated Interim Financial Statements.

The board of directors draw attention to the key assumptions and disclosures made throughout the 2022 Condensed Consolidated Interim Financial Statements. Key matters considered by the board of directors for the Steinhoff Investments Group's going concern assessment are highlighted below:

Global Litigation Settlement

Settlement Effective Date for the purpose of the Global Litigation Settlement occurred on 15 February 2022. Refer to the steps undertaken by the Steinhoff Group on 15 February 2022 pursuant to the Global Litigation Settlement as part of the Commentary section. As a result of the occurrence of Settlement Effective Date on 15 February 2022, the pending legal proceedings against the Steinhoff Group that have been compromised under the Global Litigation Settlement, were withdrawn and discontinued. Refer to note 10 for further details.

BASIS OF PREPARATION (continued)

Going concern (continued)

SIHPL CPU & S155 Settlement Note

In connection with the SIHPL S155 Scheme, the financial creditors have agreed to compromise any and all claims and actions against SIHPL arising under, out of, or in connection with the SIHPL CPU, the Convertible Bonds, the Guarantees and/or any other related matter on the terms set out in the SIHPL S155 Scheme. In consideration of the compromise described above, SIHPL issued the S155 Settlement Note to the amount of €1.581 billion on 15 February 2022. The loan note carries no interest, has a maturity date falling 5 years and 6 months following the Settlement Effective Date, has a third ranking security over SIHPL's assets and has limited recourse. A gain on derecognition of financial liabilities to the amount of R27.1 billion was recognised on derecognition of the SIHPL CPU and a loss on recognition of financial liabilities to the amount of R9.6 billion (loss of R11.55 billion on initial recognition and a subsequent measurement adjustment of R1.94 billion, consisting of a R0.74 billion forex gain and a limited recourse adjustment of R1.2 billion. Refer to note 4.5) relating to the S155 Settlement note was recognised through the Statement of Profit or Loss.

Conclusion

In determining the appropriate basis of preparation of the 2022 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:

- at 31 March 2022, the Group and Company's current assets exceed its current liabilities,
- at 31 March 2022, the Group and Company's non-current assets exceeds its non-current liabilities,
- on Settlement Effective Date, SIHPL and its major creditors entered into an intercreditor agreement. In terms of this agreement, SIHPL's obligations to the creditors are limited to the proceeds from the realisation of its available assets and therefore SIHPL will have no liability to pay any shortfall. The creditors waived their rights to claim such shortfalls. The effect thereof is that the third ranking liabilities, from 15 February 2022, are recognised to the extent that SIHPL has sufficient assets to repay it,
- the Group will be able to meet its liabilities, as they become due, as at the Reporting Date, and
- management does not intend to liquidate the Group or the Company and plans to recover its assets and settle its debt in the normal course of business.

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 2022 Condensed Consolidated Interim Financial Statements.

AREAS OF KEY JUDGEMENTS AND ESTIMATES

The preparation of the 2022 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.

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

Refer to the 2021 Consolidated Financial Statements for a list of key accounting estimates and judgements that are also applicable to the 2022 Condensed Consolidated Interim Financial Statements.

Additional key judgement during the Reporting Period	
1. Consolidation decisions	Basis of preparation

Management's assessment of whether the Group controls/controlled the following entities required key judgements.

Main Group	Entities related to/subsidiaries of the Main Group	Treated as controlled?	Note reference
Steinhoff Africa Group	Steinhoff Africa, together with its subsidiaries, amongst others Pepkor Holdings group, IEP Group Proprietary Limited and the African property portfolio.	Yes	Basis of preparation

In preparing these Condensed Consolidated Financial Statements, Steinhoff Investments had to conclude whether or not it continued to control Steinhoff Africa following a governance structure change resulting from the Global Litigation Settlement on Settlement Effective Date. Concluding that the Group controls Steinhoff Africa, resulted in the full consolidation and disclosure of its debt, assets, cash flow and operating results.

As part of the negotiations for the Global Litigation Settlement it was agreed with the Steinhoff N.V. Group's financial creditors that Steinhoff Africa's governance would be changed. The agreement required Steinhoff Africa to appoint certain Steinhoff N.V. supervisory directors as non-executive directors. In addition, the board of Steinhoff Africa now comprise of a total of one executive director and two non-executive directors. The governance changes were implemented shortly after the Settlement Effective Date.

The results of subsidiaries and associates for the six months ended 31 March 2022 are not necessarily indicative of the results to be expected for the entire financial period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. DISCONTINUED OPERATIONS

Classified as discontinued operations

The businesses included in the following former reportable segments were disposed of or classified as held-for-sale during the periods ended 31 March 2022, 31 March 2021 and 30 September 2021 . These businesses have been presented as discontinued operations:

Africa Properties

The Group commenced a process post March 2019 to dispose of the remaining African property portfolio. As at the Reporting Date, the portfolio has been materially disposed of. Management believes that the two remaining properties will be disposed of within the next 12 months as agreements have already been entered into for the last remaining properties. The portfolio therefore still meets the criteria to be classified as held-for-sale.

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 2022, 31 March 2021 and 30 September 2021, as required by IFRS. Comparative information has been restated accordingly.

The detail of assets classified as held-for-sale is presented in note 13.

Reclassification out of discontinued operations

Pepkor Holdings - The Building Company

During the 2020 Reporting Period, Pepkor Holdings entered into a sale and purchase agreement for the disposal of the entire issued share capital of The Building Company. The approval of the transaction by the Competition Authorities was not fulfilled by the transaction long stop date of 16 August 2021 and the parties could not reach agreement on an extension to the long stop date.

The Building Company has performed well and has made substantial progress to restructure and consolidate the business while improving its strategic alignment, performance and profitability. While the disposal of The Building Company would have enabled the Pepkor Holdings group to streamline its portfolio of businesses in order to focus on its core business of discount and value retail, the Pepkor Holdings group believes this outcome to be in the best interest of value creation for the group’s shareholders and note holders. Prior year comparatives have been restated, to account for The Building Company as a continuing operation, where it was previously classified as a discontinued operation.

1. DISCONTINUED OPERATIONS (continued)

1.1 ADJUSTMENT OF THE PRIOR PERIOD STATEMENT OF PROFIT OR LOSS

	Six months ended 31 March 2021		
	Previously reported Rm	Adjustment for discontinued operations reclassified to continuing operations Rm	Continuing operations presented Rm
Revenue	36 469	4 196	40 665
Cost of sales	(23 260)	(3 042)	(26 302)
Gross profit	13 209	1 154	14 363
Other income	360	22	382
Distribution expenses*	(349)	(74)	(423)
Administration expenses*	(8 403)	(928)	(9 331)
Debtor's cost	(470)	-	(470)
Other expenses	835	3	838
Operating profit	5 182	177	5 359
Finance costs	(1 191)	(59)	(1 250)
Income from investments	683	3	686
Share of profit of equity accounted companies	10	-	10
Profit before taxation	4 684	121	4 805
Taxation	(1 206)	(23)	(1 229)
Profit for the period	3 478	98	3 576

** R198 million was reclassified between Distribution expenses and Administration expenses to better reflect the nature of the costs. Depreciation and amortisation of R134 million was raised in Administration expenses in order to reflect the carrying value of the assets had it never been classified as held-for-sale.*

1.2 STATEMENT OF PROFIT OR LOSS FOR DISCONTINUED OPERATIONS

	Six months ended 31 March 2022 Unaudited Rm	Restated[1] Six months ended 31 March 2021 Reviewed Rm
Revenue	**6**	39
Cost of sales	**-**	(5)
Gross profit	**6**	34
Operating income	**2**	9
Administration expenses	**(10)**	(34)
Other income/(expenses)	**-**	38
Impairments	**-**	(10)
Net gain on disposal of property, plant and equipment and investment property	**-**	45
Profit on disposal of discontinued operations/disposal group	**-**	3
Operating (loss)/profit	**(2)**	47
Share of loss of equity accounted companies	**-**	(9)
(Loss)/profit before taxation	**(2)**	38
Taxation	**(6)**	(13)
(Loss)/profit for the period	**(8)**	25
(Loss)/profit attributable to:		
Owners of Steinhoff Investments	**(8)**	25
Non-controlling interests	**-**	-
(Loss)/profit for the period	**(8)**	25

[1] *Comparative numbers have been restated for the effect of the reclassification of The Building Company from discontinued to continuing operations.*

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*

1.4 SEGMENTAL INFORMATION RELATING TO DISCONTINUED OPERATIONS

	Six months ended 31 March 2022 Unaudited Rm	Restated[1] Six months ended 31 March 2021 Reviewed Rm
Segmental revenue from discontinued operations		
Properties - Africa	6	39
Net external revenue from discontinued operations*	6	39

** Revenue between discontinued operations have been eliminated.*

[1] *Comparative numbers have been restated for the effect of the reclassification of The Building Company from discontinued to continuing operations.*

1. DISCONTINUED OPERATIONS (continued)

1.4 SEGMENTAL INFORMATION RELATING TO DISCONTINUED OPERATIONS (continued)

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

	Note	Six months ended 31 March 2022 Unaudited Rm	Restated[1] Six months ended 31 March 2021 Reviewed Rm
EBITDA reconciles to the operating (loss)/profit per Statement of Profit or Loss for Discontinued Operations as follows:			
Operating (loss)/profit from discontinued operations	1.2	**(2)**	47
Depreciation and amortisation		**-**	-
Other income		**-**	(38)
Intercompany elimination with continuing operations		**2**	61
EBITDA per segment reporting from discontinued operations		**-**	70
Properties - Africa		**-**	70
EBITDA from discontinued operations as presented		**-**	70

Operating (loss)/profit adjusted for material items ("EBIT")

	Note	Six months ended 31 March 2022 Unaudited Rm	Restated[1] Six months ended 31 March 2021 Reviewed Rm
EBIT reconciles to the operating (loss)/profit per Statement of Profit or Loss for Discontinued Operations as follows:			
Operating (loss)/profit from discontinued operations	1.2	**(2)**	47
Other income		**-**	(38)
Intercompany eliminations with continuing operations		**2**	61
EBIT per segment reporting from discontinued operations		**-**	70
Properties - Africa		**-**	70
EBIT from discontinued operations as presented		**-**	70

[1] *Comparative numbers have been restated for the effect of the reclassification of The Building Company from discontinued to continuing operations.*

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 2022 Reporting Period and has restated the segment disclosures of the 2021 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**
  Pepkor Holdings is listed on the JSE. Revenue in Pepkor Holdings is derived from a portfolio of retail chains focused on selling predominantly clothing, footwear, textiles, cell phones, airtime and fast moving consumer goods ("**FMCG**"). Pepkor Holdings also operates in the building supplies and furniture divisions where revenue is derived from sales of do-it-yourself building supplies and materials and furniture and appliances respectively. The Pepkor Holdings group operates within Africa and South America 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 2022 Unaudited			Restated[1] Six months ended 31 March 2021 Reviewed		
	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	**42 010**	**-**	**42 010**	40 665	-	40 665

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

Revenues from external customers - by geography from continuing operations

	Six months ended 31 March 2022 Unaudited Rm	Restated[1] Six months ended 31 March 2021 Reviewed Rm
The Company is domiciled in South Africa. The Group operates within Africa and South America. The amount of its revenue from external customers is presented below based on the geographies that contribute materially to the Group's revenue.		
South Africa	**37 626**	36 523
Other countries	**4 384**	4 142
	42 010	40 665

[1] Refer to note 1 for details regarding the restatement of comparative numbers for the effect of the reclassification of The Building Company from discontinued to continuing operations.

2. SEGMENT INFORMATION (continued)

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.

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 material items included in note 4.

Segment expenses include Distribution expenses and Administration expenses.

	Notes	Six months ended 31 March 2022 Unaudited Rm	Restated[1] Six months ended 31 March 2021 Reviewed Rm
Operating profit per Statement of Profit or Loss		**17 209**	5 359
Depreciation and amortisation		**2 080**	1 905
Other income	4	**(11 992)**	(838)
Intercompany eliminations (discontinued operations)	1.4	**(2)**	(61)
EBITDA per segment reporting		**7 295**	6 365
EBITDA per segment:			
Pepkor Holdings		**7 429**	6 639
Corporate and treasury services		**(134)**	(274)
		7 295	6 365

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 profit per Statement of Profit or Loss as follows:

	Notes	Six months ended 31 March 2022 Unaudited Rm	Restated[1] Six months ended 31 March 2021 Reviewed Rm
Operating profit per Statement of Profit or Loss		**17 209**	5 359
Other income	4	**(11 992)**	(838)
Intercompany eliminations (discontinued operations)	1.4	**(2)**	(61)
EBIT per segment reporting		**5 215**	4 460
EBIT per segment:			
Pepkor Holdings		**5 352**	4 737
Corporate and treasury services		**(137)**	(277)
		5 215	4 460

[1] *Refer to note 1 for details regarding the restatement of comparative numbers for the effect of the reclassification of The Building Company from discontinued to continuing operations.*

2. SEGMENT INFORMATION (continued)

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 2022 Unaudited Rm	30 September 2021 Audited Rm
Total assets per Statement of Financial Position	**136 632**	149 273
Less: Cash and cash equivalents	**(6 640)**	(28 870)
Less: Investments in equity accounted companies	**(2 735)**	(2 659)
Less: Non-current other financial assets	**(6 767)**	(5 482)
Less: Current other financial assets	**(161)**	(31)
Less: Intragroup loans and receivables	**(14 995)**	(14 019)
Less: Assets classified as held-for-sale and disposal groups	**(99)**	(367)
Segmental assets	**105 235**	97 845
Segmental assets:		
Pepkor Holdings	**104 542**	97 351
Corporate and treasury services	**693**	494
	105 235	97 845

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 2022 Unaudited Rm	30 September 2021 Audited Rm
Total non-current assets per Statement of Financial Position	**100 548**	97 399
Less: Deferred taxation assets	**(2 844)**	(2 764)
Less: Non-current other financial assets	**(6 767)**	(5 482)
Segmental non-current assets	**90 937**	89 153
Pepkor Holdings	**76 337**	72 529
Corporate and treasury services	**14 600**	16 624
	90 937	89 153

2. SEGMENT INFORMATION (continued)

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.

31 March 2022 - Unaudited	Cash and cash equivalents Rm	Current and non-current borrowings Rm	Net Debt Rm
Pepkor Holdings	**4 577**	(13 504)	(8 927)
Corporate and treasury services	**2 063**	(15 052)	(12 989)
	6 640	(28 556)	(21 916)

30 September 2021 - Audited	Cash and cash equivalents Rm	Current and non-current borrowings Rm	Net Debt Rm
Pepkor Holdings	6 174	(11 151)	(4 977)
Corporate and treasury services	22 696	(33 077)	(10 381)
	28 870	(44 228)	(15 358)

The Corporate and treasury services cash balance includes a balance of R619 million which relates to loan repayments from Ibex Retail Investments (a European fellow subsidiary) which has not been cleared by FinSurv as at the Reporting Date as well as a reserved cash amount of R162.2 million pending the final determination of Mayfair Speculators Proprietary Limited's ("**Mayfair**") claim (refer to note 10).

3. REVENUE

	Note	Six months ended 31 March 2022 Unaudited Rm	Restated[1] Six months ended 31 March 2021 Reviewed Rm
Revenue from contracts with customers			
Sale of goods and related revenue		**40 528**	39 464
Service fee income		**207**	194
Other revenue		**76**	22
Other sources of revenue			
Financial services income		**975**	830
Insurance revenue		**224**	155
	2.1	**42 010**	40 665

[1] *Refer to note 1 for details regarding the restatement of comparative numbers for the effect of the reclassification of The Building Company from discontinued to continuing operations.*

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

		Notes	Six months ended 31 March 2022 Unaudited Rm	Restated[1] Six months ended 31 March 2021 Reviewed 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*		**-**	-
	Intangible assets		**3**	-
	Property, plant and equipment		**16**	29
	Right-of-use asset		**55**	(29)
			74	-
	**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	**Impairment of other financial assets**			
	Newco 2A loan receivable	12.1	**1 985**	-
	At the Reporting Date an assessment was performed on the recoverability of SIHPL's loan receivable from Newco 2A ("**Newco 2A Loan Receivable**"). Based on the decrease in the fair value of the underlying assets in the Steinhoff Europe group, there was a resulting decrease in the recoverability of the loan and as such, an impairment was recognised.			
4.3	**(Gain)/loss on disposal of property, plant and equipment and intangible assets**		**(4)**	3
4.4	**Foreign currency (gains)/losses**			
	Foreign currency gain on SIHPL CPU	9.2	**(665)**	(3 713)
	The SIHPL CPU was euro denominated. The rand/euro exchange rate strengthened from 17.5629 at 30 September 2021 to 17.1539 at 15 February 2022 when the CPU was derecognised (refer to note 4.5), resulting in a foreign exchange gain being recognised.			
	Foreign currency loss on loans receivable from Ibex Retail Investments (Europe) Limited	12.1	**270**	415
	The rand/euro exchange rate strengthened from 17.5629 at 30 September 2021 to 16.1727 at 31 March 2022, resulting in a foreign exchange loss being recognised.			
	Foreign currency gain on loan with Steinhoff N.V. Loan Note	12.2	**(161)**	-
	The rand/euro exchange rate strengthened from 17.1539 at 15 February 2022 (initial recognition date) to 16.1727 at 31 March 2022, resulting in a foreign exchange gain being recognised.			
	Foreign currency gain on Newco 2A Loan Note	12.2	**(216)**	-
	The rand/euro exchange rate strengthened from 17.1539 at 15 February 2022 (initial recognition date) to 16.1727 at 31 March 2022, resulting in a foreign exchange gain being recognised.			
	Foreign currency loss on Newco 2A Loan Receivable	12.1	**586**	-
	The rand/euro exchange rate strengthened from 17.5629 at 30 September 2021 to 16.1727 at 31 March 2022, resulting in a foreign exchange loss being recognised.			
	Realised foreign currency loss on funds held for Global Litigation Settlement		**96**	-
	Foreign currency losses were recognised on funds held in the bank accounts of Steinhoff Africa in anticipation of the Global Litigation Settlement until final settlement, when most of the foreign currency exchange hedges were exercised (from 15 February 2022 until the end of March 2022).			
			(90)	(3 298)

[1] *Refer to note 1 for details regarding the restatement of comparative numbers for the effect of the reclassification of The Building Company from discontinued to continuing operations.*

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

	Notes	Six months ended 31 March 2022 Unaudited Rm	Restated[1] Six months ended 31 March 2021 Reviewed Rm
OTHER (INCOME)/EXPENSES (continued)			
4.5 Derecognition of SIHPL CPU and recognition of S155 Settlement Note			
In connection with the SIHPL S155 Scheme, and with the occurrence of the Settlement Effective Date, the financial creditors had agreed to a compromise of any and all claims and actions against SIHPL arising under, out of, or in connection with the SIHPL CPU, the Convertible Bonds, the Guarantees and/or any other related matter on the terms set out in the SIHPL S155 Scheme.			
In consideration of the compromise described in above, SIHPL had agreed to issue to the creditors a loan note to the amount of €1.581 billion (with limited recourse), the S155 Settlement Note. The S155 Settlement Note carries no interest, has a maturity date falling 5 years and 6 months following the Settlement Effective Date and has a third ranking security over SIHPL's assets. The S155 Settlement Note is a limited recourse loan and based on SIHPL's available assets, only a portion of the loan will be payable and was therefore only recognised to that extent.			
Gain on derecognition of SIHPL CPU	9.2	(27 125)	-
Recognition of S155 Settlement Note	9.2	9 612	
Loss on initial recognition of S155 Settlement Note		11 554	-
Subsequent measurement:			
Foreign currency gain		(744)	
Limited recourse adjustment - S155 Settlement Note		(1 198)	-
		(17 513)	-
4.6 Recognition of financial assets and liabilities			
Loss on recognition of Steinhoff N.V. Loan Note	12.2	2 813	-
All or certain of the MPC's against SIHPL had been settled (in full or in part) by Steinhoff N.V. on behalf of SIHPL from funds which shall be made available by Steinhoff N.V. and paid via the SRF. In consideration for Steinhoff N.V. undertaking the MPC Settlement on behalf of SIHPL, SIHPL shall be liable to Steinhoff N.V. for the amounts paid by Steinhoff N.V. pursuant to the MPC Settlement. The Steinhoff N.V. Loan Note to the amount of €164 million is therefore payable to Steinhoff N.V. The Steinhoff N.V. Loan Note is interest free, repayable on 15 August 2027 and has a second ranking over SIHPL's assets. Since the Steinhoff N.V. Loan Note is euro denominated, a monthly forex adjustment is recognised on the loan. The loan is a limited recourse loan. Based on SIHPL's available assets and the loan's ranking, the full loan amount will be paid.			
Limited recourse adjustment on Steinhoff N.V. loan		(39)	
In terms of the SIHPL intercreditor agreement entered into on 15 February 2022, the loan has a third ranking over SIHPL's assets and has become a limited recourse loan. Based on SIHPL's available assets, only a portion of this loan will be payable. An adjustment was therefore recognised to reduce the loan amount to the balance that will be payable based on the available assets of SIHPL.			
Loss on initial recognition of Titan Receivable	8.1.2	484	
The Titan Receivable is a ZAR denominated receivable to the value of R3.4 billion, accruing no interest and repayable in 10 years following Settlement Effective Date. A loss to the amount of R484 million was recognised on initial recognition by SIHPL through the Statement of Profit or Loss on acquisition of the receivable. The receivable is also secured by a cession of up to 14 813 923 ordinary shares in Shoprite Holdings Limited.			
		3 258	-
4.7 Fees relating to legal advisory and regulatory support		76	137

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.

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

	Note	Six months ended 31 March 2022 Unaudited Rm	Restated[1] Six months ended 31 March 2021 Reviewed Rm
OTHER (INCOME)/EXPENSES (continued)			
4.8 Movement in Litigation Settlement provision	10	**246**	1 192
As announced by the Steinhoff Group, Settlement Effective Date for the purpose of the Global Litigation Settlement occurred on 15 February 2022. For further details refer to note 10.			
4.9 Costs associated with the Global Litigation Settlement			
Fair value adjustment - Synthetic Forward Steinhoff Africa paid a portion of the Global Litigation Settlement provision on behalf of Steinhoff N.V.. As a result, Steinhoff Africa has, since December 2020, entered into forward exchange agreements with multiple banks in order to hedge against the foreign currency risk. All hedges have been exercised during the Reporting Period and foreign exchange losses realised.		**285**	261
Provision - ACG Lawyer fees In order to improve recoveries to MPCs, the Steinhoff N.V. Group made available an amount of up to R520 million (€30 million), to pay in respect of certain fees, costs and work undertaken by the ACGs on the terms to be specified in the settlement documents. The movements during the Reporting Period mostly relate to foreign exchange movements.		**(21)**	520
Provision - SRF Cost contribution A provision of up to c.R347 million (€20 million) was provided for during the 2021 Reporting Period as the Steinhoff N.V. Group's contribution to cover the costs of the SRF. On finalisation of the agreements between the Steinhoff N.V. Group and the SRF a total contribution of €16.5 million was agreed on, resulting in a reduction of R62 million in the provision in the current Reporting Period. The remaining movements during the Reporting Period mostly relate to foreign exchange movements.		**(68)**	347
		196	1 128
4.10 Recognition of Steinhoff Africa rights to Tekkie Town proceeds from SRF		**(220)**	-
As part of the Global Litigation Settlement with the former Tekkie Town owners (of which the terms were agreed on 15 December 2021), it was agreed that the former Tekkie Town owners will transfer control of all their Steinhoff related claims to Steinhoff Africa on Settlement Effective Date in exchange for the settlement as set out in the 2021 Consolidated Annual Financial Statements. On 15 February 2022, Steinhoff Africa's claim against the SRF became virtually certain and was therefore recognised through the Statement of Profit or Loss. The value of the claim is dependent on the final pay-out ratio based on the total number of claims received by the SRF.			
TOTAL OTHER INCOME FROM CONTINUING OPERATIONS		**(11 992)**	(838)

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

5. FINANCE COSTS AND INCOME FROM INVESTMENTS

5.1 Finance costs

	Note	Six months ended 31 March 2022 Unaudited Rm	Restated[1] Six months ended 31 March 2021 Reviewed Rm
Borrowings	9.4	**611**	522
Lease liabilities		**685**	673
Other		**56**	55
		1 352	1 250

5.2 Income from investments

	Note	Six months ended 31 March 2022 Unaudited Rm	Restated[1] Six months ended 31 March 2021 Reviewed Rm
Dividends received[2]	8.1.1	**153**	141
Cash and cash equivalents		**432**	348
Intragroup loans[3]		**691**	127
Other		**88**	70
		1 364	686

[1] *Refer to note 1 for details regarding the restatement of comparative numbers for the effect of the reclassification of The Building Company from discontinued to continuing operations.*

[2] *The dividends received relate to accrued dividends on the investment in preference shares of Lancaster 102.*

[3] *In the previous reporting periods, the interest on the loans receivable from Newco 2A and Steenbok Lux Finco 2 were reversed as the loans were fully impaired. At 30 September 2021 impairments on these loans were reversed following reassessment of recoverability and interest on the loans were recognised from this point onwards, resulting in a significant increase in the Reporting Period from the previous Reporting Period.*

6. EARNINGS PER SHARE

	Six months ended 31 March 2022 Unaudited Cents	Restated[1] Six months ended 31 March 2021 Reviewed 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 earnings as disclosed below.		
Basic and diluted earnings per share		
From continuing operations	**26 558.14**	4 896.36
From discontinued operations	**(14.55)**	45.45
Basic and diluted earnings per share	**26 543.59**	4 941.81
Headline earnings per share		
Headline earnings is an additional earnings/(loss) number that is permitted by IAS 33: Earnings per Share ("**IAS 33**"). The starting point is the earnings 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 earnings. This number is required to be reported by the JSE, where the Group is listed, and is defined by Circular 1/2021 Headline Earnings.		
Separately identifiable remeasurements are those where the applicable IFRS explicitly requires separate disclosure of the operating and/or the platform remeasurement in the Consolidated Financial Statements. No adjustments would be permitted on the basis of voluntary disclosure of gains or losses (or components of these).		
From continuing operations	**26 650.86**	4 899.99
From discontinued operations	**(14.55)**	(9.09)
Headline earnings per share	**26 636.31**	4 890.90

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.*

RECONCILIATIONS OF DENOMINATOR AND NUMERATOR

6.1 Weighted average number of ordinary shares

	Six months ended 31 March 2022 Unaudited Million	Six months ended 31 March 2021 Reviewed 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 earnings per share and headline earnings 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 2022 - Unaudited				
Basic earnings/(loss) for the period attributable to owners of Steinhoff Investments		**14 607**	**(8)**	**14 599**
Adjusted for remeasurement items	6.3	**51**	**-**	**51**
Headline earnings/(loss) attributable to owners of Steinhoff Investments		**14 658**	**(8)**	**14 650**
Six months ended 31 March 2021 - Reviewed				
Basic earnings for the period attributable to owners of Steinhoff Investments		2 693	25	2 718
Adjusted for remeasurement items	6.3	2	(30)	(28)
Headline earnings/(loss) attributable to owners of Steinhoff Investments		2 695	(5)	2 690

6. EARNINGS PER SHARE (continued)

RECONCILIATIONS OF DENOMINATOR AND NUMERATOR (continued)

6.3 Remeasurement items as defined by the HEPS circular

	Notes	Six months ended 31 March 2022 Gross of taxation and non-controlling interests Rm	Six months ended 31 March 2022 Net of taxation and non-controlling interests Rm	Six months ended 31 March 2021 Gross of taxation and non-controlling interests Rm	Six months ended 31 March 2021 Net of taxation and non-controlling interests Rm
Remeasurement items reflect and affect the resources committed in producing operating/trading performance and are not the performance itself. These items deal with the platform/capital base of the entity.					
Refer to note 4 for further details regarding the nature of the remeasurement items.					
Continuing operations					
Impairment		**74**	**54**	-	-
Intangible assets	4.1	**3**	**2**	-	-
Property, plant and equipment	4.1	**16**	**12**	29	23
Right-of-use asset	4.1	**55**	**40**	(29)	(23)
(Profit)/loss on disposal of property, plant and equipment and intangible assets	4.3	**(4)**	**(3)**	3	2
		70	**51**	3	2
Discontinued operations					
Impairment		**-**	**-**	10	8
Assets held-for-sale	1.2	**-**	**-**	10	8
Profit on disposal of property, plant and equipment and intangible assets	1.2	**-**	**-**	(45)	(35)
Profit on sale of disposal of discontinued operations/disposal group	1.2	**-**	**-**	(3)	(3)
		-	**-**	(38)	(30)

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

Name of business	Place of business / country of incorporation	Nature of business	% holding 31 March 2022 Unaudited	% holding 30 September 2021 Audited	Carrying value Rm 31 March 2022 Unaudited	Carrying value Rm 30 September 2021 Audited
Unlisted*						
IEP Group Proprietary Limited	South Africa	Investment company	**25.99**	25.99	**2 679**	2 604
S'Ya Phanda Proprietary Limited	South Africa	BEE consulting services	**46.0**	46.0	**56**	55
					2 735	2 659

** Private equity - no quoted price available.*

7.2 Reconciliation of the aggregate carrying values of equity accounted companies

	31 March 2022 Unaudited Rm	31 March 2021 Reviewed Rm
Balance at the beginning of the period	**2 659**	2 526
Share of profit or loss:		
From continuing operations	**71**	10
Share of other comprehensive income	**1**	-
Share of other reserves	**4**	35
Carrying values of equity accounted companies at the end of the period	**2 735**	2 571

8. OTHER FINANCIAL ASSETS

	Notes	31 March 2022 Unaudited	30 September 2021 Audited
Non-current other financial assets			
At amortised cost	8.1	**6 626**	5 361
At fair value through other comprehensive income		**141**	121
		6 767	5 482
Current other financial assets			
At amortised cost	8.1	**161**	31
Total other financial assets		**6 928**	5 513

8.1 At amortised cost

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the Reporting Period.

	Notes	31 March 2022 Unaudited	30 September 2021 Audited
Financial assets at amortised cost including the following debt instruments:			
Unlisted preference shares – Lancaster 102	8.1.1	**5 440**	5 286
Unlisted bonds		**-**	52
Interest-bearing loans		**235**	54
Titan Receivable	8.1.2	**1 097**	-
Other non-interest bearing loans		**15**	-
		6 787	5 392

8.1.1 Unlisted preference shares

Lancaster 102

The increase in unlisted preference shares is as a result of additional accrued dividends on the investment in preference shares issued by Lancaster 102. At the beginning of the 2018 Reporting Period, Steinhoff Africa subscribed for 1 000 preference shares to the value of R4 billion in Lancaster 102. The preference shares accrue dividends at 80% of the SA prime lending rate as quoted by Standard Bank Group Limited or its successor in title in South Africa. The preference shares are redeemable after 5 years from issue with the option to extend for a further 2 years.

Subsequent to the adoption of IFRS 9 and at the Reporting Date, expected credit losses were assessed. The assessment included consideration of the net asset value of Lancaster 102, the fact that the investment will, to the extent that Lancaster 102 is entitled to claim against Thibault, be supported by such liability owed to Lancaster 102 (refer to note 9.3) and no default on payment has occurred. Based on the assessment it was determined that any provision for expected credit losses on the investment is immaterial.

Interconnected to the aforesaid transaction between Steinhoff Africa and Lancaster 102, Lancaster 102 subscribed for ordinary shares in Thibault for a total subscription amount of R4 billion, and Thibault purported to subscribe for preference shares in Steinhoff Africa for a total subscription amount of R4 billion. In doing so, the Thibault shares held by Lancaster 102 were ceded to Steinhoff Africa by Lancaster 102, as security for Lancaster 102's obligations to Steinhoff Africa under and in terms of the preference shares subscription agreement between Steinhoff Africa and Lancaster 102. Thereafter, Lancaster 102 purported to transfer to Lancaster 102 the Steinhoff Africa preference shares, and Lancaster 102 transferred to Thibault the aforesaid ordinary shares in Thibault, which Thibault subsequently cancelled, notwithstanding the aforesaid security cession.

Subsequent to the Reporting Period, a settlement agreement was reached whereby all previous preference share agreements were cancelled resulting in the derecognition of both the preference share investment and the Lancaster financial liability. Refer to note 10.3 and note 16.

8. OTHER FINANCIAL ASSETS (continued)

8.1 At amortised cost (continued)

8.1.2 Non-interest bearing loans

Titan Receivable

As part of the implementation of the Global Litigation Settlement, SIHPL issued the Newco 2A Loan Note to Newco 2A on Settlement Effective Date, to the amount of €220 million in consideration for SIHPL's acquisition of the Titan Receivable.

The Titan Receivable has the following terms:

- R3.4 billion principal outstanding;
- Zero coupon;
- Repayment date of 10 years plus one day from Settlement Effective Date and voluntarily repayable without penalty at any time; and
- Security in favour of SIHPL over up to 14 813 923 ordinary shares in Shoprite Holdings Limited.

As SIHPL had already entered into a loan commitment in the 2021 Reporting Period to obtain a financial asset at more than its fair value, a R2.2 billion loan commitment was accounted for in the 2021 Reporting Period. This provision was set-off against the Titan Receivable on initial recognition.

On initial recognition the Titan Receivable was recognised at its fair value, resulting in an additional loss of R484 million being recognised (refer to note 4.6).

Interest recognised on the effective interest method:

The Titan Receivable's gross carrying amount was calculated using the effective interest method as required by IFRS. The gross carrying amount is calculated by discounting the estimated future cash flows of the financial asset through the expected life of it using the effective interest rate.

The effective interest rate (12.07%) was calculated considering the contractual terms of the instrument but without including the expected credit loss ("**ECL**"). The difference between the effective interest rate and the coupon rate (0%) is the amortisation during the period recognised as interest income in the Statement of Profit or Loss.

9. BORROWINGS

9.1 Analysis of closing balance

		31 March 2022 Unaudited			30 September 2021 Audited		
	Notes	Current Rm	Non-current Rm	Total Rm	Current Rm	Non-current Rm	Total Rm
Secured financing							
Pepkor Holdings		**3 313**	**10 191**	**13 504**	431	10 720	11 151
Term loans and facilities		**800**	**6 700**	**7 500**	-	7 500	7 500
Floating rate notes		**-**	**3 206**	**3 206**	-	3 206	3 206
Bank overdraft		**1 879**	**-**	**1 879**	431	-	431
Avenida term loans		**634**	**271**	**905**	-	-	-
Instalment sale agreements		**-**	**14**	**14**	-	14	14
Corporate and treasury services							
S155 Settlement Note	9.2	**-**	**9 612**	**9 612**	-	-	-
		3 313	**19 803**	**23 116**	431	10 720	11 151
Unsecured financing							
Corporate and treasury services							
SIHPL CPU	9.2	**-**	**-**	**-**	-	27 791	27 791
Lancaster liability	9.3	**5 440**	**-**	**5 440**	5 286	-	5 286
		5 440	**-**	**5 440**	5 286	27 791	33 077
Total borrowings		**8 753**	**19 803**	**28 556**	5 717	38 511	44 228

9.2 SIHPL CPU and S155 Settlement Note

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. SIHPL's obligation under the SIHPL CPU is limited to the principal amount of the facility, €1.581 billion.

In connection with the SIHPL S155 Scheme, and with the occurrence of the Settlement Effective Date, the financial creditors had agreed to a compromise of any and all claims and actions against SIHPL arising under, out of, or in connection with the SIHPL CPU, the Convertible Bonds, the Guarantees and/or any other related matter on the terms set out in the SIHPL S155 Scheme.

The value of the SIHPL CPU was euro denominated. The rand/euro exchange rate strengthened from 17.5629 at 30 September 2021 to 17.1539 at 15 February 2022 when the SIHPL CPU was derecognised (Refer to note 4.5 for the impact of the derecognition), resulting in a foreign exchange gain being recognised (Refer to note 4.4 for the foreign currency impact).

In consideration of the compromise described above, SIHPL issued the S155 Settlement Note to the amount of €1.581 billion (with limited recourse). The S155 Settlement Note carries no interest, has a maturity date falling 5 years and 6 months following the Settlement Effective Date and has a third ranking security over SIHPL's assets.

As a result of the S155 Settlement Note being a limited recourse loan with third ranking security over SIHPL's assets, the liability is limited to SIHPL's available assets after taking into account the available assets required to settle the first and second ranking security liabilities. As a result only a portion of the loan will be payable and was therefore only recognised to that extent.

On initial recognition, the S155 Settlement Note was recognised at its fair value (based on SIHPL's available assets for third ranking liabilities) resulting in a loss on recognition of R11.55 billion. Subsequently, the S155 Settlement Note is measured at amortised cost, taking into account expected future cashflows from realisation of SIHPL's available assets. As at the Reporting Date, SIHPL's available assets decreased resulting in a limited recourse adjustment of R1.2 billion being recognised, together with a forex gain of R0.74 billion.

9.3 Lancaster liability

Refer to note 8 for detail on the Lancaster preference share investment as well as the origination of the Lancaster financial liability.

Subsequent to the Reporting Period, a settlement agreement was reached whereby all previous preference share agreements were cancelled resulting in the derecognition of both the preference share investment and the Lancaster financial liability. Refer to note 10.3 and note 16.

9. BORROWINGS (continued)

9.4 Reconciliation of borrowings balances

	Corporate and treasury services Rm	Pepkor Holdings Rm	Total Rm
Opening balance - 1 October 2021 - Audited	**33 077**	**11 151**	**44 228**
Repayable within one year	**5 286**	**431**	**5 717**
Repayable after one year	**27 791**	**10 720**	**38 511**
Repayment of debt	**-**	**(5 032)**	**(5 032)**
Repayment of interest	**-**	**(458)**	**(458)**
Additional financing	**-**	**6 448**	**6 448**
Acquired on acquisition of subsidiary	**-**	**976**	**976**
Derecognition of SIHPL CPU	**(27 125)**	**-**	**(27 125)**
Recognition of S155 Settlement Note	**11 554**	**-**	**11 554**
Limited recourse adjustment - S155 Settlement Note	**(1 198)**	**-**	**(1 198)**
Interest accrued	**153**	**458**	**611**
Foreign exchange movement	**(1 409)**	**(39)**	**(1 448)**
Closing balance - 31 March 2022 - Unaudited	**15 052**	**13 504**	**28 556**
Repayable within one year	**5 440**	**3 313**	**8 753**
Repayable after one year	**9 612**	**10 191**	**19 803**
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	-	(381)	(381)
Additional financing	-	88	88
Interest accrued	141	381	522
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

10. PROVISION - GLOBAL LITIGATION SETTLEMENT

	Notes	Global Litigation Settlement provision Rm
Balance at 30 September 2021 - Audited	10.1	**16 552**
SIHPL MPCs		**3 222**
SIHPL Contractual Claimants		**12 318**
Other (including Non-qualifying claimants i.e. Trevo and Tekkie Town)		**1 012**
Adjusted for:	4.8	**246**
Reversal of Mayfair provision	10.2	**(162)**
Additional provisions raised		**200**
Changes in provision as a result of exchange rate and Pepkor Holdings share price adjustments		**208**
Settlements:		
Cash settlement		**(8 567)**
Call options granted (Trevo and others) - SIHPL portion[1]		**(270)**
Share settlement		**(6 859)**
Balance at 31 March 2022 - Unaudited	10.3	**1 102**
SIHPL Contractual Claimants		**702**
Other		**400**

[1] *As part of the Global Litigation Settlement, Trevo and others were granted call options by Ainsley over 125 million Pepkor Holdings shares which can be exercised 3 years from inception of the options on Settlement Effective Date. In terms of IAS 32: Financial Instruments Presentation, the options are classified as equity instruments as a fixed number of shares can be exchanged for a fixed amount of cash on the exercise date. As a result, the call options are recognised directly in the Statement of Changes in Equity and no subsequent changes in fair value will be recognised. The call options were recognised in the Statement of Changes in Equity for the full settlement value of R500 million which was provided for by SIHPL (R270 million) and Steinhoff N.V. (R230 million) in the 2021 Reporting Period. The call options were valued by an independent valuator using the Black-Scholes model, the three key variables are volatility, dividend yield and interest rates.*

10.1 Global Litigation Settlement

Settlement Effective Date for the purpose of the Global Litigation Settlement occurred on 15 February 2022. Refer to the steps undertaken by the Steinhoff Group on 15 February 2022 pursuant to the Global Litigation Settlement as part of the Commentary section. As a result of the occurrence of Settlement Effective Date on 15 February 2022, the pending legal proceedings against the Steinhoff Group that have been compromised under the Global Litigation Settlement, were withdrawn and discontinued.

10.2 Disputed Contractual Claim

Mayfair vs SIHPL

Mayfair issued a summons on 26 November 2020 against Steinhoff N.V., SIHPL and Markus Jooste claiming up to R4 billion on a joint and several basis. The claim is founded on damages suffered as a result of a share swap transaction in respect of shares in PSG Group Limited swapped by Mayfair for shares in SIHPL. SIHPL has filed a notice of intention to defend and certain other procedural notices, but is yet to file a plea. In terms of SIHPL's court-sanctioned S155 Scheme with its creditors, SIHPL has reserved a cash amount of R162.2 million pending the final determination of Mayfair's claim.

Refer to note 2.5.

10. PROVISION - GLOBAL LITIGATION SETTLEMENT (continued)

10.3 Closing balance as at 31 March 2022

As at 31 March 2022, the following settlement liabilities remains:

	Global Litigation Settlement provision Rm
SIHPL Contractual Claimants:	
Conservatorium & Margin lenders	**702**
Other:	
PIC/Lancaster Settlement	**400**
Total remaining Global Litigation Settlement provision - 31 March 2022	**1 102**

- **Conservatorium & Margin Lenders**

  On 14 February 2021, the Steinhoff Group entered into a settlement agreement ("**Margin Lender Settlement Agreement**") with Conservatorium Holdings LLC ("**Conservatorium**") and certain entities linked to Christo Wiese ("**Margin Lenders**"). In terms of the agreement, Steinhoff Africa will pay €61 million to Conservatorium and the Margin Lenders in two tranches of €30.5 million on behalf of SIHPL.

  On 6 October 2021, in light of the failure of one of its conditions (the requirement that Settlement Effective Date occur by 30 September 2021), an amendment to the Margin Lender Settlement Agreement was agreed. In terms of the amendment agreement and SENS announcement published by Steinhoff N.V. on 14 October 2021, the amount of the second tranche increased to €43.4 million and is only payable on the receipt of proceeds, received subsequent from Settlement Effective Date, from the repayment of the Ibex Retail Investments (Europe) Limited loan. The €12.9 million increase will be carried by Steinhoff Africa and not SIHPL.

- **PIC/Lancaster Settlement**

  In February 2022, the settlement for claims of the PIC against the Steinhoff Group, dated 18 August 2021, was amended in accordance with which Steinhoff Africa paid the PIC R400 million to resolve the ongoing matter with the PIC and Lancaster parties. Payment to the PIC was executed during May 2022. Refer to note 16 for detail on withdrawal of litigation proceedings.

10.4 SIHPL Non-Qualifying Claims - Contingent Liabilities

- **Mantessa Equities Proprietary Limited ("Mantessa") vs SIHPL**

  In November 2020 Mantessa instituted a claim for damages arising from a transaction in terms of which Mantessa acquired Steinhoff N.V. shares from a third party entity, which shares were originally received from Business Venture Investments 1499 (RF) Proprietary Limited ("**BVI**"). The claim is based on damages arising from alleged misrepresentations in SIHPL's financial statements. SIHPL raised an exception to Mantessa's claim on the basis that the particulars of claim lack the necessary averments to sustain a cause of action against SIHPL. Mantessa's claim is listed as a non-qualifying claim in SIHPL's court-sanctioned S155 Scheme with its creditors. SIHPL has not reserved for the claim.

- **Competition Commission vs SIHPL**

  SIHPL has initiated a review application with the aim of setting aside the Commission's decision to refer the complaint against SIHPL to the Tribunal. The matter was heard on an opposed basis on 10 August 2021 and judgment was delivered on 25 January 2022 wherein the Commission's decision to refer the complaint against SIHPL to the Tribunal was set aside.

  The Commission subsequently filed an application for leave to appeal which was heard on 30 March 2022. SIHPL awaits the judgement on the matter. This matter is listed as a non-qualifying claim in SIHPL's court-sanctioned S155 Scheme with its creditors. SIHPL has not reserved for the claim, on the basis of the Commission's limited prospects of success.

10.5 Other Group litigation - Contingent Liabilities

Geros Financial Services Proprietary Limited vs SAWPL

On 2 November 2021, Geros Financial Services Proprietary Limited ("**Geros**") served a simple summons against SAWPL claiming an aggregate of R46 million which was allegedly loaned by Geros to SAWPL and which is now due for repayment (plus interest at a rate of the prime lending rate less 3.5% per annum from the date that the amount was advanced to the date of final payment).

SAWPL has filed a notice of intention to defend the matter, but there have been no further developments. Management's view is that the claim holds no merit.

11. CASH FLOW INFORMATION

11.1 Cash generated from operations

	Notes	Six months ended 31 March 2022 Unaudited Rm	Six months ended 31 March 2021 Reviewed Rm
Operating profit/(loss) from:			
Continuing operations		**17 209**	5 359
Discontinued operations		**(2)**	47
Adjusted for non-cash items included in continuing and discontinued operations:			
Debtors' write-off and movement in provision		**688**	645
Depreciation and amortisation:			
Property, plant and equipment and Intangible assets		**715**	689
Right-of-use asset		**1 365**	1 216
Unrealised foreign exchange gains		**(786)**	(2 889)
Impairments:			
Continuing operations	4.1 & 4.2	**2 059**	-
Discontinued operations	1.2	**-**	10
Inventories written down to net realisable value and movement in provision for inventories		**552**	276
Pepkor Holdings share-based payment expense		**129**	97
Net profit on disposal and scrapping of property, plant and equipment and intangible assets	1.2 & 4.3	**(4)**	(42)
Profit on disposal and part disposal of investments	1.2	**-**	(3)
Profit on lease modification		**(279)**	(232)
Gain on derecognition of SIHPL CPU	4.5	**(27 125)**	-
Loss on recognition of S155 Settlement Note	4.5	**11 554**	-
Limited recourse adjustment - S155 Settlement Note	4.5	**(1 198)**	-
Loss on recognition of Steinhoff N.V. Loan Note	4.6	**2 813**	-
Limited recourse adjustment on Steinhoff N.V. loan	4.6	**(39)**	
Loss on initial recognition of Titan Receivable	4.6	**484**	-
Global Litigation Settlement provision raised	4.8	**246**	1 192
Provision for ACG lawyer fees and SRF cost contribution	4.9	**(89)**	867
Recognition of Steinhoff Africa rights to Tekkie Town proceeds from SRF	4.10	**(220)**	-
Other non-cash adjustments		**(36)**	15
Cash generated before working capital changes		**8 036**	7 247
Working capital changes:			
Increase in inventories		**(2 820)**	(1 716)
Increase in trade and other receivables		**(1 151)**	(799)
Movement in net derivative financial liabilities/assets		**(133)**	322
Decrease in trade and other payables		**(1 220)**	(378)
Net changes in working capital		**(5 324)**	(2 571)
Cash generated from operations		**2 712**	4 676

12. INTRAGROUP BALANCES WITH THE STEINHOFF N.V. GROUP

12.1 Loans and receivables from the Steinhoff N.V. Group Companies (only positive balances shown)

	Notes	31 March 2022 Unaudited Rm	30 September 2021 Audited Rm
Loans Receivable			
Steinhoff N.V.	a.	**3 077**	-
Ibex Retail Investments (Europe) Limited	b.	**2 504**	2 617
Steenbok Lux Finco 2 SARL	c.	**4 573**	4 337
Newco 2A (receivable by SIHPL)	d.	**4 835**	7 054
Gross carrying amount		**21 661**	23 241
Credit loss allowance		**(16 826)**	(16 187)
		14 989	14 008
Receivables			
Pepco Group		**4**	3
Ibex Retail Investments Limited		**2**	8
		6	11
Total loans and receivables		**14 995**	14 019
Current loans and receivables		**3 083**	11
Non-current loans and receivables		**11 912**	14 008
		14 995	14 019

a. This loan was recognised as part of the Global Litigation Settlement relating to payments made by the Group on behalf of Steinhoff N.V.

b. Steinhoff Africa and Newshelf 1093 Proprietary Limited (“**Newshelf**”) have loans receivable from Ibex Retail Investments (Europe) Limited of €67.5 million and €106.4 million respectively. The loans are euro-denominated, carry interest at 8% per annum and are repayable on 30 June 2023.

c. Steinhoff Africa’s loan with Steenbok Lux Finco 2 SARL (“**Lux Finco 2**”) is ZAR denominated, unsecured, bears interest at 10.75% and is repayable on 30 June 2023.

d. SIHPL’s loan receivable from Newco 2A is euro-denominated, unsecured, bears interest at 10% and is repayable on 30 June 2023 (following Settlement Effective Date). The loan is credit impaired and on 30 September 2021, it was assessed that the loan will be partially recoverable based on the improvement of the fair value of the underlying assets in the Steinhoff Europe group. SIHPL’s loan with Newco 2A is a first lien intercompany loan and ranks pari passu with the A1 tranche of the Steenbok Lux Finco 1 SARL (“**Lux Finco 1**”) 21/22 Term Loan Facility and A2 tranche of the Lux Finco 1 23 Term Loan Facility.

   At the Reporting Date an assessment was performed on the recoverability of SIHPL’s loan receivable from Newco 2A. Based on the decrease in the fair value of the underlying assets in the Steinhoff Europe group, there was a resulting decrease in the recoverability of the loan and as such, an impairment of R1 985 million was recognised.

   The impact of the above impairment on the total credit loss allowance was offset by a foreign currency gain of R1 346 million, resulting in a net movement of R639 million on the credit loss allowance.

12. INTRAGROUP BALANCES WITH THE STEINHOFF N.V. GROUP (continued)

12.2 Loans and payables owed to the Steinhoff N.V. Group Companies

	Notes	31 March 2022 Unaudited Rm	30 September 2021 Audited Rm
Loans Payable			
Steinhoff N.V. (payable by Steinhoff Investments)	a.	**(3 077)**	(3 077)
Steinhoff N.V. (payable by SIHPL)	b.	**(24)**	(63)
Gross carrying amount		**(63)**	(63)
Limited recourse adjustment		**39**	-
Steinhoff N.V. Loan Note	c.	**(2 652)**	-
Newco 2A Loan Note	d.	**(3 558)**	-
Steinhoff UK Holdings Limited		**(42)**	(42)
		(9 353)	(3 182)
Payables			
Pepco Group		**-**	(15)
		-	(15)
Total loans and payables		**(9 353)**	(3 197)
Current loans and payables		**(3 143)**	(3 197)
Non-current loans and payables		**(6 210)**	-
		(9 353)	(3 197)

a. This loan payable to Steinhoff N.V. is non-interest bearing and repayable on demand.

b. This loan payable to Steinhoff N.V. is repayable on demand.

In terms of the SIHPL intercreditor agreement entered into on 15 February 2022, the loan has a third ranking security over SIHPL's assets and have become a limited recourse loan. Based on SIHPL's available assets, only a portion of this loan will be payable. An adjustment was therefore recognised to reduce the loan amount to the balance that will be payable based on the available assets of SIHPL.

c. All or certain of the MPC's against SIHPL have been settled (in full or in part) by Steinhoff N.V. on behalf of SIHPL from funds which shall be made available by Steinhoff N.V. and paid via the SRF. In consideration for Steinhoff N.V. undertaking the MPC Settlement on behalf of SIHPL, SIHPL shall be liable to Steinhoff N.V. for the amounts paid by Steinhoff N.V. pursuant to the MPC Settlement. A loan to the amount of €164 million is therefore payable to Steinhoff N.V. The loan is euro-denominated, interest free, repayable on 15 August 2027 and has a second ranking security over SIHPL's assets. The loan is a limited recourse loan. Based on SIHPL's available assets and the loan's ranking, the full loan amount will be paid.

d. SIHPL acquired the Titan Receivable from Newco 2A for €220 million on Settlement Effective Date (refer to note 8). The Newco 2A loan payable is euro-denominated, interest free, repayable on 15 August 2027 and has a first ranking security over SIHPL's assets. The loan is a limited recourse loan. Based on SIHPL's available assets and the loan's ranking, the full loan amount will be paid.

13. 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 2022 and relate to the assets and liabilities of the Properties - Africa segment. The balances disclosed below include impairments recognised on the date of classification as held-for-sale.

	31 March 2022 Unaudited Rm	30 September 2021 Audited Rm
Assets		
Property, plant and equipment	**26**	30
Investment properties	**45**	219
Inventories	**12**	12
Trade receivables	**5**	103
Other receivables	**1**	2
Cash and cash equivalents	**10**	1
Total gross assets	**99**	367
Loss recognised due to remeasurement of disposal group to fair value less cost to sell	**-**	-
Total assets post impairment	**99**	367
Liabilities		
Deferred tax liabilities	**(26)**	(6)
Provisions	**(5)**	(10)
Employee benefits	**(1)**	(21)
Trade payables	**(21)**	(30)
Other payables	**(1)**	(3)
Total liabilities	**(54)**	(70)
Net assets post impairments	**45**	297

14. BUSINESS COMBINATIONS

The Pepkor Holdings group acquired the following business during the financial period. The board is of the opinion that this acquisition presents an attractive investment opportunity that is aligned with the group's strategy to grow through value accretive acquisitions.

Effective 3 February 2022, 81.7% of the issued share capital of Avenida was acquired for a purchase price of R1.899 billion. The Pepkor Holdings group further injected R969 million into the business which increased its shareholding to 87.1%. Avenida is a leading and recognised brand with a successful value and discount business model. It has a highly regarded management team with a proven track record and a culture that resonates with the group's own values and beliefs. Between the two organisations there is opportunity for synergies and for Avenida to leverage off the core assets and competencies of Pepkor Holdings. This platform allows Pepkor Holdings the ideal opportunity to enter the Brazilian market and enable Avenida to fulfil its potential over time.

The Pepkor Holdings group entered into put/call arrangements as part of the purchase agreement. The Pepkor Holdings group has the right to acquire and the minority holders of Avenida has the right to sell the minority shareholding in three tranches of which the arrangements differ with each tranche. As these put/call arrangements are a consequence of the business combination, they are accounted for as a financial liability of R575 million in the Statement of Financial Position.

Certain fair values are provisional and subject to further review for a period of up to one year from the acquisition date. Provisional at-acquisition values are presented below:

	Six months ended 31 March 2022 Unaudited Rm
Assets	
Intangible assets	743
Property, plant and equipment	422
Right-of-use assets	360
Deferred tax assets	264
Trade and other receivables	733
Inventories	213
Taxation receivable	21
Other financial assets	217
Cash on hand	1 025
Liabilities	
Borrowings	(976)
Employee benefits	(29)
Deferred tax liabilities	(275)
Provisions	(194)
Lease liabilities	(392)
Trade and other payables	(741)
Taxation payable	(88)
Non-controlling interest	(167)
Group's share of total assets and liabilities acquired	1 136
Goodwill attributable to acquisition	1 732
Total consideration	2 868
Cash on hand at date of acquisition	(1 025)
Net cashflow on acquisition of subsidiaries	1 843

The goodwill arising on the acquisition of Avenida is attributable to the strategic business advantages acquired, principal retail locations, as well as knowledgeable employees and management strategies that did not meet the criteria for recognition as other intangible assets on the date of acquisition.

Contingent liabilities on the business combination amounted to R176 million.

15. REPRESENTATION OF CASH FLOW HEDGE MOVEMENTS FROM STATEMENT OF OTHER COMPREHENSIVE INCOME TO STATEMENT OF CHANGES IN EQUITY

The prior year comparatives have further been restated in order to directly account for the net fair value loss on cash flow hedges transferred to inventory directly in reserves, and not other comprehensive income as previously disclosed in error, in terms of IFRS 9 Financial Instruments.

	Six months ended 31 March 2021		
	Previously reported Rm	Adjustment for discontinued operations reclassified to continuing operations Rm	Continuing operations presented Rm
Consolidated statement of other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net exchange loss on translation of foreign operations and translation of net investment in foreign operations	**(117)**	-	**(117)**
Net fair value loss on cash flow hedges	**(648)**	199	**(449)**
	(765)	199	**(566)**
Consolidated statement of changes in equity			
Sundry reserves	**(1 827)**	-	**(1 827)**
Fair value loss on cash flow hedges transferred to inventory previously recognised in other comprehensive income	**-**	199	**199**
Fair value loss on cash flow hedges transferred to inventory directly accounted for in reserves	**-**	(199)	**(199)**

16. EVENTS OCCURING AFTER THE REPORTING PERIOD

- **Moody's upgrades Pepkor Holdings' credit ratings**

  As announced by Pepkor Holdings on 19 April 2022, the rating agency Moody's Investors Service ("**Moody's**") has on 14 April 2022, upgraded Pepkor Holdings' Corporate Family Rating to Ba2 from Ba3. In addition, Moody's has upgraded Pepkor Holdings' Probability of Default Rating to Ba2-PD from Ba3-PD and National Scale Long Term Rating by four levels to Aa1.za from A2.za and revised the outlook on the credit ratings to stable from negative.

- **Impact of KwaZulu-Natal Floods on Pepkor Holdings**

  During April 2022, KwaZulu-Natal experienced severe weather conditions which led to wide-scale flooding across the region. PEP's Isipingo distribution centre in Durban sustained significant damage, while the PEP Africa distribution centre was damaged to a lesser extent due to the flooding. Supply chain operations were also adversely affected. Further trading in a number of stores was temporarily disrupted due to inaccessibility. The Pepkor Holdings group is not currently in a position to quantify the full extent of the losses suffered in terms of merchandise, infrastructure and disruption of operations. Adequate insurance cover is, however, in place and the claims process has been initiated.

- **Lancaster 102, Thibault vs Steinhoff Africa proceedings**

  Arbitration proceedings were initiated by Lancaster 102 against Thibault, to which Steinhoff Africa was not a party (the "**Arbitration Proceedings**"). On 28 April 2021, Thibault applied to the High Court of South Africa for a declaratory order that (i) the Arbitration be referred to and determined by the High Court of South Africa; and (ii) that Steinhoff Africa be joined as a party (the "**Override Application**"). Steinhoff Africa initiated separate proceedings seeking to declare all of the agreements in the loop transaction invalid, alternatively void (the "**Invalidity Application**").

  During May 2022, the Arbitration Proceedings, the Override and the Invalidity Application were withdrawn. In addition a settlement agreement was reached whereby all previous preference share agreements were cancelled resulting in the derecognition of both the preference share investment and the Lancaster financial liability. Refer to note 10.3. This brings the various matters between the parties to an end and the removal/closure of the Lancaster loop transaction.

  In February 2022, the settlement for claims of the PIC against the Steinhoff Group, dated 18 August 2021, was amended in accordance with which Steinhoff Africa paid the PIC R400 million to resolve the ongoing matter with the PIC and Lancaster parties. Payment to the PIC was executed during May 2022.

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
Moira Moses (Chairperson)*, Alex Watson (Deputy Chairperson)*, Hugo Nelson*, David Pauker*

** Indepenent*

Registration number	1954/001893/06
Share code	SHFF
ISIN	ZAE000068367
Registered office	Building B2, Vineyard Office Park, Cnr Adam Tas & Devon Valley Roads, Stellenbosch 7660, Western Cape, South Africa
Postal address	PO Box 122, Stellenbosch 7599, Western Cape, South Africa
Website	www.steinhoffinternational.com
Transfer securities	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	17 June 2022

M Moses *Independent non-executive Chairperson* 17 June 2022	**L.J. (Louis) du Preez** *Chief executive officer*	**T.L. (Theodore) de Klerk** *Chief financial officer*

www.**steinhoff**international.com