

Steinhoff International Holdings N.V.

(Incorporated in the Netherlands)

(Registration number: 63570173)

Share Code: SNH

ISIN: NL0011375019

Steinhoff Investment Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number: 1954/001893/06)

JSE Code: SHFF

ISIN: ZAE000068367

STEINHOFF – MARKET UPDATE

Steinhoff International Holdings N.V. (the “**Company**”) (together with its subsidiaries, the “**Group**”)

Introduction

Steinhoff is today providing a further update on the impact of COVID-19 on the Group, together with details of related changes to its reporting timetable, and an update on its regulatory engagement activities.

COVID-19 – Trading Update

As we face the COVID-19 challenge, the health and safety of our colleagues has been our top priority and we are continuing to adopt all specific public health protocols in our stores, online sales processes and in our office and warehouse facilities.

In its announcements of 20 March 2020 and 20 April 2020, the Group provided detailed updates on the impact of COVID-19 on its trading activities. In common with businesses around the world, we have seen a material impact from COVID-19, as government measures to control the pandemic required stores to close, restricted much economic activity and had a significant effect on customer behaviour and movement.

More recently, lock-down measures have begun to be relaxed in most of the countries in which we operate, allowing a phased process of store re-openings to commence, in line with local circumstances and government guidance. While initial trading has been significantly better across the Group than what was expected during the early stages of the pandemic and related lock-down, as stores benefited from pent-up demand at reopening, the sustainability of this demand is uncertain. The Group’s main trading subsidiaries, with their more resilient and defensive discount and value positioning, are,

however, confident that they are well positioned to gain market share in the post-COVID-19 'new economy'.

The Group expects the broad-based steps implemented to contain the spread of the virus, particularly those limiting movement and public gatherings, as well as the effect of COVID-19 on consumer confidence and economic conditions, to continue to have a negative impact on operations during the rest of the 2020 financial year.

As previously announced, management are taking an active approach, implementing a range of mitigating initiatives, including the redesign of various business processes, and utilisation of selected business support initiatives made available by the respective governments of the countries in which the Group operates, to protect cashflow and profitability. Immediate and significant actions have also been taken to reduce costs and optimise liquidity. While the Group is confident that the actions it is taking to address the impacts of COVID-19 are appropriate and timely, the situation remains fast moving and uncertain and these are being kept under constant review.

The extent and duration of the impact on trade remains uncertain and it is still too early to determine the exact impact of the pandemic on the performance of the Group for the 2020 financial year. However, we expect COVID-19 to have a material negative impact on overall turnover and the underlying business performance during this period.

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

Conforama

In its trading update for the three months ended 31 December 2019, the Group announced that an agreement had been reached for the disposal of the Conforama Iberia business. While an agreement of sale was signed in February 2020, completion was disrupted by the significant uncertainties created by the subsequent onset of the COVID-19 pandemic and the transaction subsequently lapsed.

The position of Conforama's business in France has remained uncertain in the period following the COVID-19 outbreak and to date, the Group has been unable to secure the state-guaranteed loan, for which it was eligible, to support the business through this difficult period. Discussions are continuing and the Group is exploring all possible options.

Regulatory engagement

Steinhoff is co-operating with the various prosecution authorities and regulators in South Africa and other jurisdictions as they continue their investigations into individuals and entities implicated in relation to the events uncovered in December 2017.

The South African authorities have approached PwC, which completed the independent forensic report commissioned by Steinhoff, and engaged them to perform additional expert forensic work to assist in the criminal investigation. Steinhoff supports this initiative and has agreed to contribute funds to cover a substantial portion of the costs of the PwC work, due to the size and complexity of the investigation required. Steinhoff's role is limited to co-operation and providing a portion of the funding for the project only. The funding is to be provided on an arms-length basis, with Steinhoff having no involvement in the investigation, the extent thereof and the report-back process.

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

Litigation

Various legal proceedings have been instituted against the Group and litigation remains a significant challenge. In parallel with these various court processes, the Management Board, assisted by the Company's Litigation Working Group and the Group's legal advisors, continue to work towards a resolution of the outstanding claims against the Group.

Steinhoff International Holdings N.V. 2019 Annual Report

In its announcement of 20 April 2020, the Group noted that operational restrictions relating to COVID-19 were having an impact on the timetable for the publication of the 2019 Annual Report and audited Consolidated Financial Statements. The essential actions to reduce costs and optimise liquidity in response to COVID-19 are also placing additional demands on the various finance teams across the Group and this has also had a direct impact on the financial reporting timelines.

The Group had previously estimated that it would publish its 2019 Annual Report, including the audited Consolidated Financial Statements, on 30 June 2020 but stated that this date was provisional and subject to change as the impacts arising from COVID-19 remained fluid and uncertain.

Good progress has been made and the Group is still aiming to meet the 30 June 2020 publication date.

Steinhoff Investment Holdings Limited 2019 Annual Financial Statements

The audited 2019 Annual Financial Statements for Steinhoff Investment Holdings Limited were released on Friday, 29 May 2020. These are available on the Company's website.

Steinhoff International Holdings N.V. 2020 Half-year Results

In light of the additional demands on the financial reporting teams as a result of COVID-19, the 2020 Half-year results have been delayed, with publication now planned to be prior to the end of July 2020.

AGM

As previously announced, the delay in the release of the 2019 Annual Report has also impacted the timing of the forthcoming Annual General Meeting. This meeting is now scheduled for 28 August 2020.

In light of the current extraordinary circumstances, all of the above dates are being kept under review and the Group will inform shareholders should it become clear that a further change is necessary.

JSE Sponsor: PSG Capital

Stellenbosch, 9 June 2020