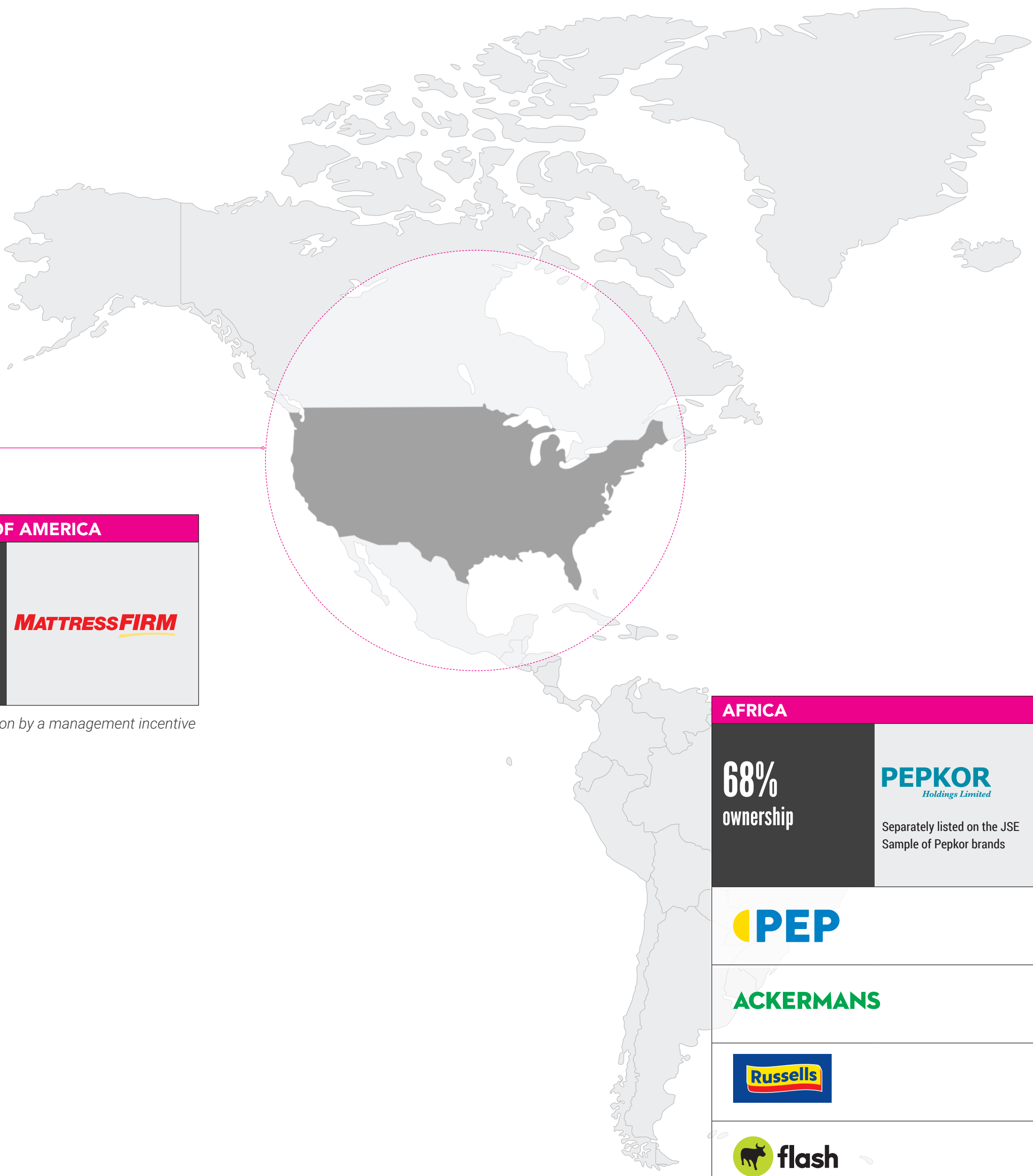
STEINHOFF
INTERNATIONAL HOLDINGS N.V.

QUARTERLY UPDATE

FOR THE NINE MONTHS ENDED 30 JUNE 2021

STEINHOFF N.V.

is a global holding company with investments in retail businesses



UNITED STATES OF AMERICA

50%* ownership

MATTRESS FIRM

* *Subject to future dilution by a management incentive plan*

AFRICA

68% ownership

PEPKOR Holdings Limited

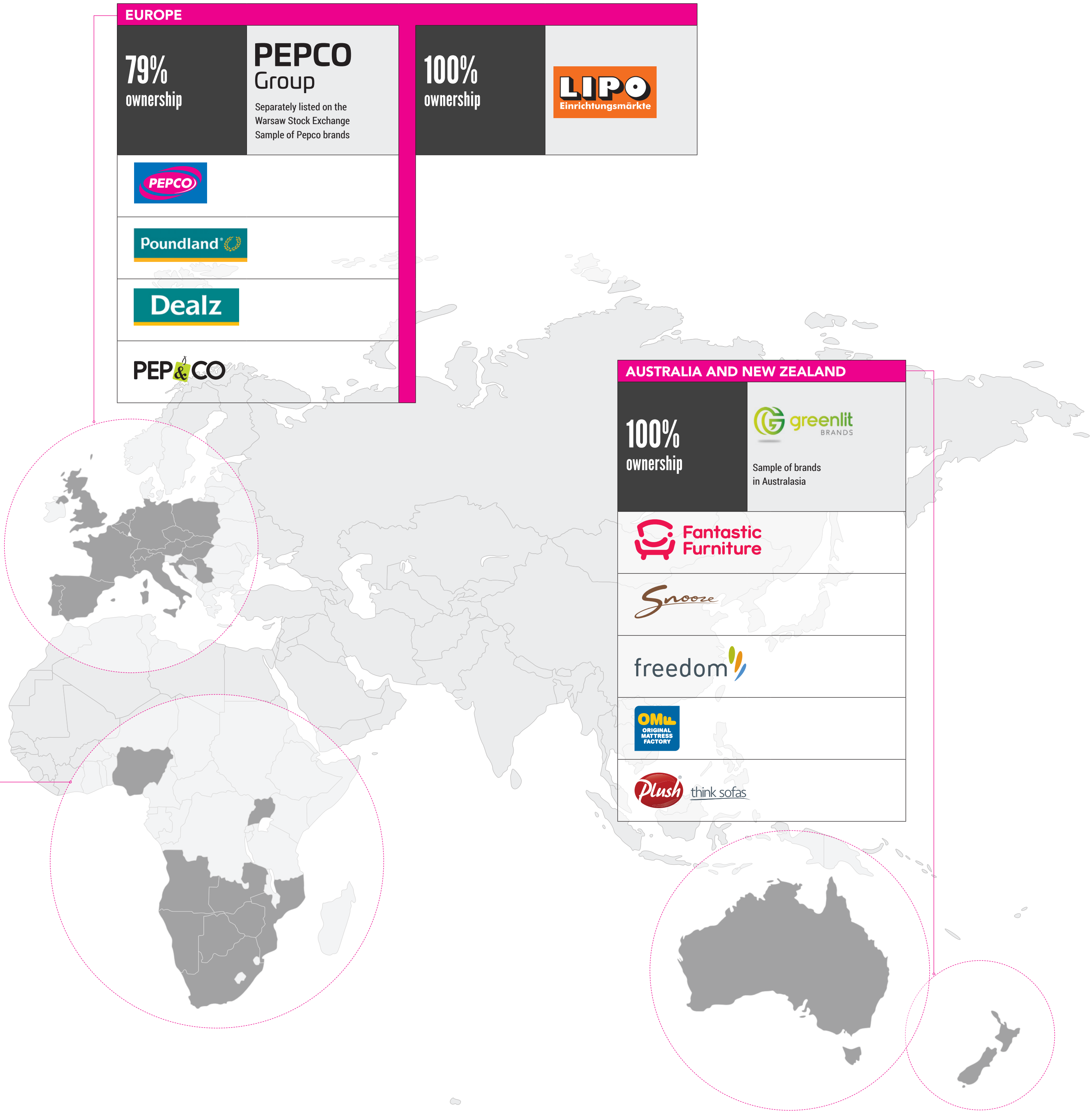
Separately listed on the JSE
Sample of Pepkor brands

PEP

ACKERMANS

Russells

flash


EUROPE
79%
ownership
PEPCO
Group
Separately listed on the
Warsaw Stock Exchange
Sample of Pepco brands
PEPCO
Poundland
Dealz
PEP&CO
100%
ownership
LIPO
Einrichtungsmärkte
AUSTRALIA AND NEW ZEALAND
100%
ownership
greenlit
BRANDS
Sample of brands
in Australasia
Fantastic
Furniture
Snooze
freedom
OMF
ORIGINAL
MATTRESS
FACTORY
Plush
think sofas

MESSAGE FROM THE MANAGEMENT BOARD

Dear Stakeholder

The Group's operating businesses continued to trade well, with their geographic diversity and value positioning serving us well in the recovery. Further detail is provided below and in the accompanying Operational Review.

With COVID-19 constraints remaining in place, keeping colleagues and customers safe and adhering to all government guidance, while maximising the trading opportunities, remained the primary focus for the operating businesses during the Reporting Period. The pandemic was in gradual retreat in many of our markets, although the pace at which restrictions were being lifted varied depending on local conditions. However, the momentum towards greater trading freedom was clear, and the operating businesses were well placed to benefit. We also made further progress with the remaining pillars of the strategic plan, including announcements of a material enhancements of certain of the terms of the Litigation Settlement Proposal, and the agreement of dates for the various meetings required to seek the necessary approvals and finalise the settlement.

MANAGEMENT PRIORITIES IN THE PERIOD

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

   Within the COVID-19-related constraints applicable to each region, all the operating businesses have continued to trade well, with the breadth of their operations, and their customer focus, enabling them to perform strongly. In local currencies revenue at Pepco Group was +19%, Pepkor Africa +14%, Greenlit Brands +22%, and LIPO +18%. Mattress Firm, an associate business, grew revenues in local currency by 41% in the third quarter.

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

   While approximately 10% of Pepkor Africa's total retail store base and one regional distribution centre were affected by the recent civil unrest in South Africa, recovery plans have been implemented to minimise the impact.

2. **Litigation Settlement Proposal**
   The Steinhoff Group continues to progress the implementation of its global settlement proposal, notwithstanding the various legal challenges. These challenges have unfortunately added time and additional complexity to an already complex process. During the Reporting Period the Litigation Settlement Proposal received support from a substantial number of parties, including Contractual Claimants, ACGs and Market Purchase Claimants.

   Subsequent to the period-end, the Steinhoff Group announced that the resilience of its performance since the proposal was first announced in July 2020 had allowed it to materially increase the settlement offer by approximately €457 million resulting in the in-principle support from one of the ACGs that had been opposing the settlement proposal (please refer to the detailed announcements published on 16 July 2021 and 11 August 2021).

   Steinhoff N.V. believes that the increased and adjusted settlement proposal can resolve both the legacy claims and recent disputes relating to the settlement process itself. We firmly believe that the revised proposal offers claimants a fair outcome, and the best opportunity to recover amounts in respect of any claims in the near term and with certainty.

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

OUTLOOK

Trading conditions in the third quarter of the financial year have been more encouraging as the impact of the COVID-19 pandemic has broadly continued to reduce. While the situation remains far from normal, the progress of vaccination roll-outs, behavioural change, and the lifting of restrictions impacting on Steinhoff Group businesses in most of our major markets are having a positive effect. The operating companies continue to perform robustly and are well positioned for the continuation of this recovery. However, significant uncertainty over the future impact of the pandemic persists and trade is subject to this volatility.

Announcing the enhanced terms of the Litigation Settlement Proposal was an important development, strengthening the appeal and demonstrating the commitment of the Group to treating all stakeholders fairly as it seeks to address its legacy issues. The Committee of Representatives is scheduled to vote on the Dutch SoP process on 3 September 2021, and the virtual section 155 creditors meetings in South Africa will be held on 6 September 2021. Successful implementation of the Litigation Settlement Proposal remains critical to the future of the Steinhoff Group, allowing us to focus exclusively on Step 3 of the strategic plan – reducing our debt and financing costs. At the same time, it will allow the operating companies to run and build their businesses free from any external distractions.

Finally, on 11 August 2021, the Steinhoff Group obtained confirmation that the necessary approvals had been granted by the financial creditors to extend the maturity date of the Group's debt by 12 months, until 31 December 2022. The extension grants the Group an additional period in which to progress the remaining elements of its three-step strategic plan.

APPRECIATION

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

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

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

Louis du Preez
Chief executive officer

Theodore de Klerk
Chief financial officer

27 August 2021

OPERATIONAL REVIEW

This report covers the Reporting Period (1 October 2020 to 30 June 2021) and it has not been audited or reviewed by the Company's auditors.

REVENUE FROM CONTINUING OPERATIONS (€M)	9M2021	9M2020	% change	Constant currency %
Pepco Group	**3 038**	2 611	16	19
Pepkor Africa	**3 005**	2 682	12	14
Greenlit Brands	**624**	489	28	22
LIPO	**144**	124	16	18
Corporate and treasury services	**–**	1		
Total Group revenue from continuing operations	**6 811**	**5 907**	**15**	

Introduction

The disruption from COVID-19 remained an ongoing challenge during the nine-month period ended 30 June 2021 as differing levels of trading restriction affected a number of our businesses at various times during the Reporting Period. Trading continued to be better than expected relative to the prior period as restrictions reduced throughout the period. The Group's main trading subsidiaries, with their more resilient and defensive discount and value offering, remain well positioned to continue gaining market share in this 'new economy'.

The Group reported an increase in revenue, from continuing operations, of 15% to €6 811 million for the Reporting Period (9M2020: €5 907 million). In addition, Mattress Firm, an associate and as such not consolidated into the Group results, recorded a 29% increase in revenue (+41% in local currency). All operations performed well in the third quarter while results in the comparative quarter reflected a period when significant lockdown restrictions were in force.

Management within the operating businesses continued to focus on employee and customer safety, liquidity and working capital management and supply chain management. Despite the COVID-19 challenges facing the businesses, both Pepco Group and Pepkor Africa continued to expand their store footprints during the Reporting Period.

Ongoing simplification of the portfolio remains a key objective for the Group and significant progress was made during the previous Reporting Period, with the disposal of various properties and other non-core assets. This operational review covers the continuing operations only.

Pepco Group

Pepco Group is a fast-growing pan-European variety discount retailer, trading from over 3 200 stores in 16 territories across Europe. Pepco Group owns the PEPCO and Dealz brands in mainland Europe and the Poundland brand in the United Kingdom and has a clear vision to become the pre-eminent discount variety retailer in Europe.

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

PEPCO GROUP (€M)	9M2021	9M2020	% change	Constant currency %
Total revenue	**3 038**	2 611	16	19
PEPCO	**1 577**	1 273	24	28
Poundland (including Dealz)	**1 461**	1 338	9	10

The third quarter represented the most significantly disrupted quarter in the prior year, as a consequence of the COVID-19 pandemic, with 6 895 (18.4%) total trading weeks lost. The situation was significantly improved in Q3 2021 with the number of trading weeks lost reducing to 3 222 (7.5%) in the most recent reported quarter. The trading profile in the current year mirrored the easing of COVID-19-related closures such that by the final week of the quarter all stores were open and trading.

Customer restrictions were progressively eased over the Reporting Period, with the quarter beginning with 1 075 (33%) stores closed across 11 territories and progressing to a full reopening by 27 June, with an associated rebound in consumer demand. The resulting like-for-like ("LFL") performance in the quarter of +29.3% (+6.8% YTD) should be considered in this context, with trading store LFL (+14.8% in the quarter and +9.6% YTD) being a more appropriate indicator of the underlying performance.

Strategic progress centered on increasing the size of the store portfolio while strengthening the customer proposition in all brands. PEPCO added 95 new stores in the third quarter with openings in all of its 14 current markets, including opening its first stores in Spain, its second Western European market. The programme to remodel existing stores continued with eight stores either enlarged and/or relocated.

The roll-out of the Dealz format continued in Poland and Spain with 51 stores opened YTD and 24 in the quarter.

In the third quarter, 302 existing stores were refitted (627 YTD) through ongoing store conversion programmes in both PEPCO and Poundland. PEPCO conversions updated the store look and feel while rebalancing space to general merchandise ranges, particularly home décor. Poundland refits now total 171 stores across the entire estate, expanding the addressable market by introducing a new chilled and frozen proposition, enabled by the acquisition of Fultons Foods, a market leading regional operator with 82 stores on acquisition.

Pepkor Africa

Pepkor Africa has the largest retail store footprint in southern Africa, with more than 5 000 stores operating across 10 African countries. The majority of its retail brands operate in the discount and value segment of the market.

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

PEPKOR AFRICA (€M)	9M2021	9M2020	% change	Constant currency %
Total revenue	**3 005**	2 682	12	14

Pepkor Africa revenue for the nine months ended 30 June 2021 increased by 12% (constant currency +14%) to €3 005 million. This includes revenue growth in constant currency of 8% reported for the six months ended 31 March 2021 and revenue growth of 28% for the three months ended 30 June 2021. Trading during the third quarter was volatile with moderate trading in April 2021, being followed by strong trading in May 2021 and a return to more subdued trading in June 2021.

Performance during the third quarter compares to the corresponding third quarter ended 30 June 2020 which was affected to varying degrees by store closures due to COVID-19 lockdowns. The group was also not able to trade on its full product range in certain retail brands until June 2020. In addition, very strong trading was reported once stores reopened due to pent-up consumer demand.

All segmental commentary refers to the reporting currency of Pepkor Africa, being South African rand.

Segmental revenue from clothing and general merchandise for the nine-month period increased by 14% and by 29% for the third quarter. PEP and Ackermans continued to grow market share on a 12-month rolling view according to the latest Retailers' Liaison Committee data, albeit at a slower rate, which was expected given the strong comparator and significant market share gains achieved since May 2020. Retail space expanded by 3.2% year-on-year with 56 new store openings during the third quarter. Like-for-like ("LFL") sales growth for the third quarter based on the corresponding third quarter ended 30 June 2020 was 10.3%.

PEP Africa performed well in constant currency terms as sales increased by 14% and LFL sales increased by 17% for the nine-month period.

The Speciality business continued to benefit from strong consumer demand for casualwear and branded footwear in the value market segment. LFL sales growth for the third quarter based on the corresponding third quarter ended 30 June 2020 was 12%.

Furniture, appliances and electronics segmental revenue for the nine-month period increased by 22% and by 51% for the third quarter. LFL sales growth for the third quarter based on the corresponding third quarter ended 30 June 2020 was 22% in the JD Group.

The Pepkor Africa group continues to expect a constrained retail environment going forward as a result of the longer-term impact of COVID-19 on the South African economy, further exacerbated by the recent civil unrest which resulted in damage to c.10% of Pepkor Africa group's store base. Recovery plans have been formulated and implementation has commenced. The pace at which stores will be reopened is dependent on factors such as access to materials and equipment for store refitment purposes and the ability of property owners to restore premises which suffered extensive damage. The process to quantify damages and initiate insurance claims has started and the necessary cover is in place to mitigate losses incurred.

Pepkor Africa's unparalleled position in the discount and value retail market segments is ensuring that it is increasingly relevant to current consumer needs.

Subsequent to the quarter-end, on 12 August 2021 Pepkor Africa announced that the sale of The Building Company ("TBC"), which is classified as a discontinued operation in these results, had been terminated. TBC 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 TBC would have enabled Pepkor Africa to streamline its portfolio of businesses in order to focus on its core business of discount and value retail, Pepkor Africa believes this outcome to be in the best interest of value creation for Pepkor Africa's shareholders and noteholders. The Pepkor Africa group will consider future opportunities to unlock value as these may arise.

Greenlit Brands

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

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

GREENLIT BRANDS (€M)	9M2021	9M2020	% change	Constant currency %
Total revenue	**624**	489	28	22

Greenlit Brands' trading remained strong during the third quarter with revenue for the nine months up 28% (+22% in constant currency) for the Greenlit Brands portfolio. Greenlit continued to benefit from the transfer of consumer spending from travel and entertainment to home improvement and its performance is the result of the strong execution of brand strategies designed to capitalise on robust consumer confidence. The prior period revenue benefited from unprecedented COVID-19 government subsidies.

All retail brands recorded strong trading with positive like-for-like sales growth on the prior year. Online trading YTD for the Greenlit Brands group, driven in part by COVID-19-related lockdowns during late 2020, was up 6% on the prior period, delivering 16% of gross sales and providing a strong foundation for continued trade during any further COVID-19 interruptions.

Lipo

LIPO is one of the largest furniture brands in Switzerland and offers customers everything they need to create a stylish, trendy home with guaranteed quality products at the lowest prices.

For further information regarding LIPO refer to www.lipo.ch/de.

LIPO (€M)	9M2021	9M2020	% change	Constant currency %
Total revenue	**144**	124	16	18

LIPO reported a 16% increase in turnover to €144 million (9M2020: €124 million). When measured in constant currency against the Swiss franc, LIPO's total revenue increased by 18%. During 2020 LIPO expanded its store network to 23 stores in Switzerland. eCommerce turnover nearly doubled compared to the previous period and contributed 10% to the total revenue. In addition, an initial repositioning of the business, including a redesigned corporate identity, together with further improvements to the product ranges, all contributed positively.

Mattress Firm – equity accounted

Mattress Firm is the leading speciality bed retailer in the United States, with its 2 360 retail stores nationwide making it the largest bed retail footprint in the country. For further information regarding Mattress Firm refer to www.mattressfirm.com.

Mattress Firm is considered to be an associated company and as such is equity accounted, and not consolidated, into the results of Steinhoff N.V.

MATTRESS FIRM (€M)	9M2021	9M2020	% change	Constant currency %
Total revenue	**2 631**	2 035	29	41

Revenue for the nine-month period increased by 29% to €2 631 million despite a 3.7% reduction in the store base year-on-year and store closures due to COVID-19. In constant currency the increase was 41%, and encouragingly, like-for-like ("LFL") sales increased by 46.2%. In addition, store productivity continued to improve. eCommerce sales grew 24.5% year-on-year and contributed 7.1% of the total sales for the Reporting Period.

While COVID-19-related restrictions continued to inhibit operations to various degrees, they were much reduced. Sales momentum since the end of the 2020 lockdown has continued to improve and the resulting cash position at Mattress Firm remains strong.

SHARE CAPITAL

The number of shares in issue at 30 June 2021 was **4 270 million** shares and at 30 June 2020 was **4 310 million** shares.

Notes to investors

The revenue and other financial information on the Group contained in this quarterly update are unaudited and unreviewed.

Forward-looking statements

This update contains management's view on future developments based on information currently available and is subject to risks and uncertainties, as described in the risk management section in the 2021 Half-year Report, which can be accessed on the Group's website at www.steinhoffinternational.com. These risks are outside the control of management, and in the event that underlying assumptions turn out to be inaccurate, or risks contained in the risk report materialise, actual results may differ materially from those included in these statements. Management and the Group do not assume any obligation to update any forward-looking statements made beyond statutory disclosure obligations.

EXCHANGE RATES

	AVERAGE TRANSLATION RATE		
	9M2021	**9M2020**	**% change**
EUR:ZAR	**17.9025**	17.6358	1.5
EUR:PLN	**4.5264**	4.3699	3.6
EUR:GBP	**0.8800**	0.8700	1.1
EUR:AUD	**1.5862**	1.6583	(4.3)
EUR:USD	**1.2011**	1.1038	8.8
EUR:CHF	**1.0889**	1.0750	1.3

CORPORATE AND CONTACT INFORMATION

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In addition, the Group has commercial facilities with various other banking and financial institutions worldwide.

www.**steinhoff**international.com