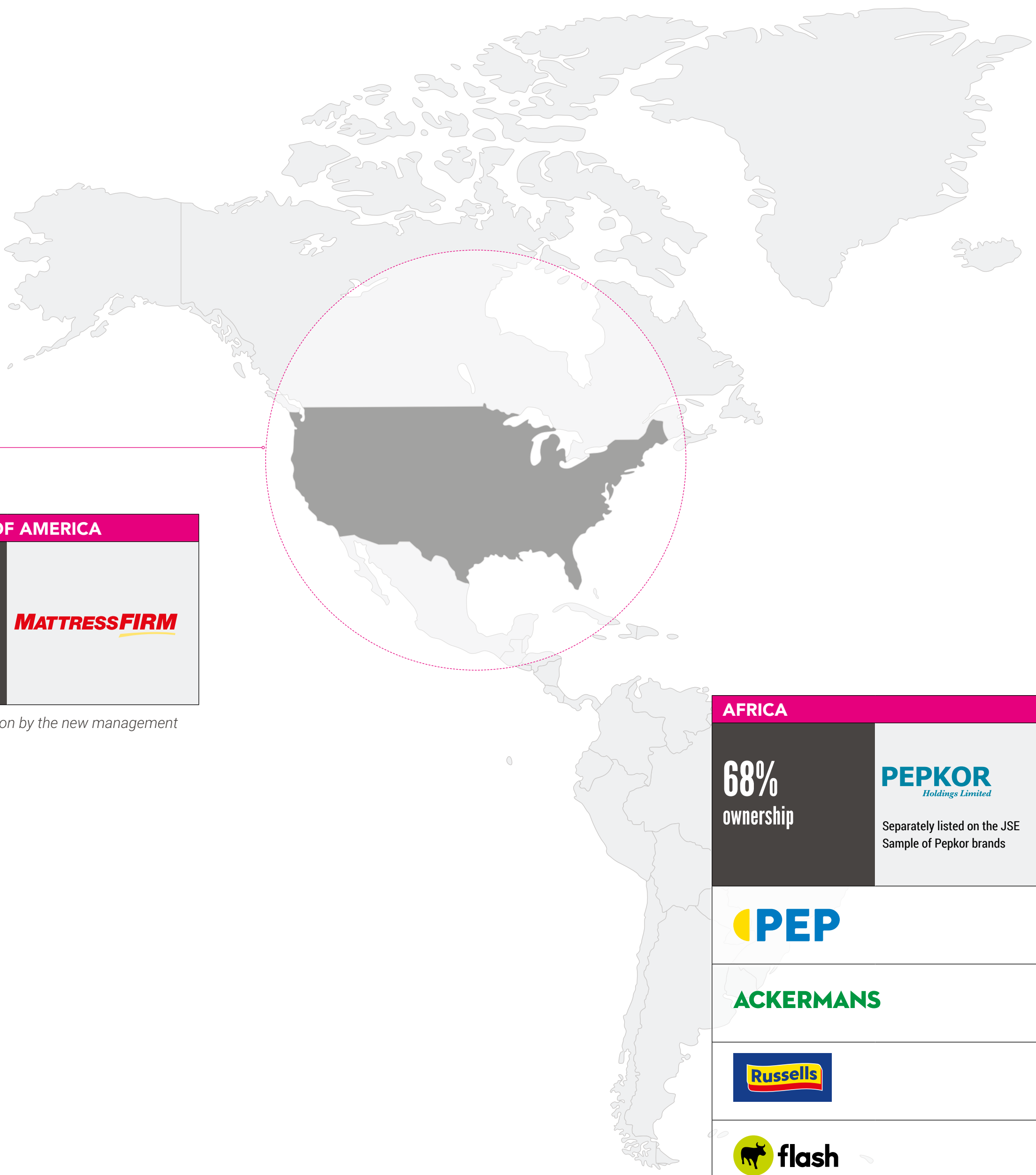
STEINHOFF
INTERNATIONAL HOLDINGS N.V.

QUARTERLY UPDATE

FOR THE THREE MONTHS ENDED 31 DECEMBER 2020

STEINHOFF TODAY ...

... is a global holding company with investments in retail businesses



UNITED STATES OF AMERICA

50%* ownership

MATTRESSFIRM

* Subject to future dilution by the new management incentive plan

AFRICA

68% ownership

PEPKOR Holdings Limited

Separately listed on the JSE
Sample of Pepkor brands

PEP

ACKERMANS

Russells

flash

EUROPE

100% ownership

PEPCO Group

PEPCO

Poundland

Dealz

PEP&CO

100% ownership

LIPO Einrichtungsmärkte

AUSTRALIA AND NEW ZEALAND

100% ownership

greenlit BRANDS

Sample of brands in Australasia

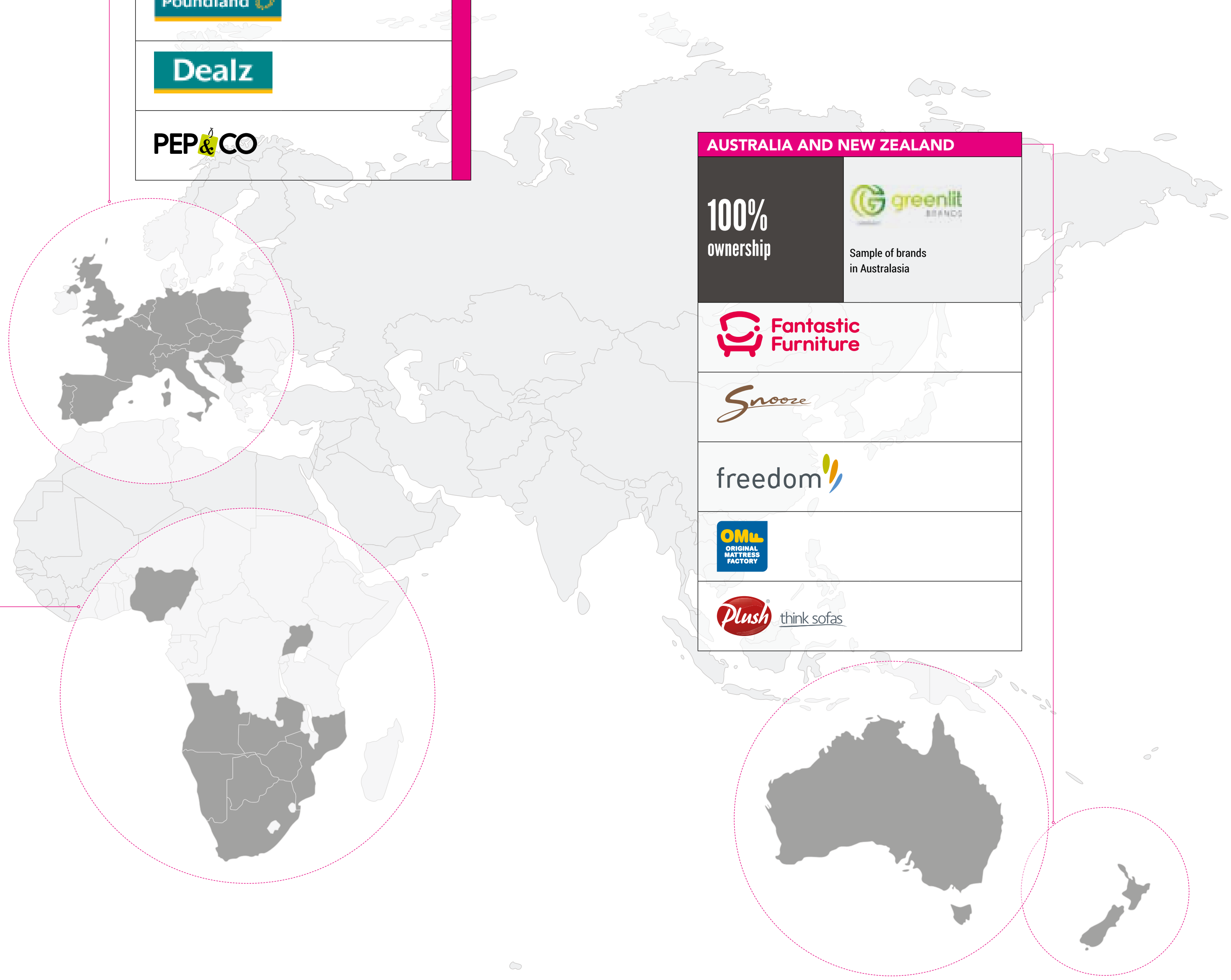
Fantastic Furniture

Snooze

freedom

OMF ORIGINAL MATTRESS FACTORY

Plush think sofas



MESSAGE FROM THE MANAGEMENT BOARD

Dear Stakeholder

We started our 2021 financial year with managing the impacts of COVID-19 on our lives and business environment remaining a top priority. In addition, from a Group Company perspective we focused primarily on step two of our three-step plan, finding a solution to the litigation faced by entities within the Group. The objective throughout has been to achieve a comprehensive global litigation settlement, and good progress has been made in this regard with the launch of the SoP and s155 earlier this month.

Steinhoff N.V. is 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. The breadth of these operations, and their value focus, has enabled them to perform resiliently through another testing period.

While COVID-19 constraints affected the performance of all our businesses, the extent of the impact varied according to their geographic exposure, business mix and the severity and duration of lockdown restrictions at a local level. Individual businesses, such as Pepkor Africa and Pepco Group, with their everyday value focus, continued to perform robustly. Mattress Firm and Fantastic Furniture (part of the Greenlit Brands Group), reported strong trade as consumers invested in their homes.

We do, however, remain cautious about the trading outlook until such time as the pandemic has been brought under control. In the interim, the safety and wellbeing of our colleagues and customers remain paramount.

Further information on the performance of the Group's individual operating businesses is contained in the accompanying Operational Review.

We have made good progress on the Group's three-step process:

Step 1	Step 2	Step 3
Creditors arrangement (CVAs implemented on 13 August 2019)	Manage litigation risk (launched both SoP and s155)	Restructure Group with a view to reduce debt and financing costs

Since 30 September 2020, we have:

1. obtained creditor support for the Litigation Settlement Proposal through two English law schemes that were sanctioned by the UK Court in February 2021;
2. received the required approval from the South African Reserve Bank; and
3. initiated the various legal and other processes required to implement the Litigation Settlement Proposal through a Dutch SoP and a South African s155.

As we look ahead, it is important to secure the legal settlement which will progress us to step three of the strategic plan – reducing our debt and financing costs. This will be our clear focus in the period ahead. The ongoing asset realisations and restructures discussed in the 2020 Annual Report will support progress on step three.

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

We are particularly proud of the way the businesses and staff have responded to the COVID-19 crisis and thank all colleagues for their unwavering support through an exceptionally testing period.

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

Louis du Preez	**Theodore de Klerk**
Chief executive officer	*Chief financial officer*

26 February 2021

OPERATIONAL REVIEW

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

REVENUE FROM CONTINUING OPERATIONS (€M)	3M2021	3M2020	% change	Constant currency %
Pepco Group	**1 188**	1 143	4	
Pepkor Africa (separately listed)	**1 089**	1 159	(6)	7
Greenlit Brands – household goods	**207**	162	28	29
All other	**60**	50	20	
Total Group revenue from continuing operations	**2 544**	**2 514**	**1**	

Introduction

The disruption from COVID-19 remained an ongoing challenge during the three-month period ended 31 December 2020 as differing levels of trading restriction were once again imposed on a number of our businesses at various times. Overall trading was better than expected despite these restrictions. The Group's main trading subsidiaries, with their more resilient and defensive discount and value offering, are well positioned to continue gaining market share in this 'new economy'.

The Group reported an increase in revenue, from continuing operations, of 1% to €2 544 million for the Reporting Period (3M2020: €2 514 million) with all operations increasing revenue in their local currency.

The focus of management remains on employee and customer safety, and liquidity and working capital management. Despite the COVID-19 challenges facing the businesses in Europe and Africa, they continued to expand their footprints during the Reporting Period.

Further simplification of the portfolio has been a key objective for the Group. Significant progress was made during the previous Reporting Period. This operational review covers the continuing operations only.

Pepco Group

Pepco Group is a fast-growing pan-European discount variety retailer, trading from over 3 200 stores in 16 territories across Europe. Pepco Group owns the PEPCO and Dealz brands in Europe and the Poundland brand in the United Kingdom ("UK") 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.

TOTAL REVENUE (€M)	3M2021	3M2020	% change	Constant currency %
Pepco Group	**1 188**	1 143	4	9
PEPCO (central and eastern Europe)	**624**	597	5	10
Poundland (including Dealz)	**564**	546	3	8

Pepco Group continued to trade resiliently and make strong strategic progress in the first quarter – which represents approximately one third of full year revenue and contributes a more significant proportion of earnings – despite the impact of significant COVID-19-related lockdown restrictions on consumer behaviour in many of its operating territories. Trading stores performed strongly, delivering 5.5% like-for-like growth, similar to recent historic levels, clearly demonstrating both the continued strength of the business and proposition and its ability to rebound quickly when COVID-19-related restrictions were lifted. This strong recovery bodes well for the period following the eventual lifting of current restrictions.

Strategic progress included increasing the size of the store portfolio while strengthening the customer proposition in all brands. PEPCO added 87 new stores in both central and eastern Europe (CEE) and western Europe (WE) and enlarged or relocated a further 18 stores, including opening further new stores in Italy, its first western European market, and opening the first stores outside the EU in Serbia. Each of these countries is trading measurably ahead of expectation. The roll-out of the Dealz format continued in Poland, Republic of Ireland and Spain.

318 existing stores were updated through store conversion programmes in both PEPCO and Poundland, including 38 refits in Poundland, which introduce both a chilled and frozen proposition alongside the roll-out of new price points to all categories. The acquisition and integration of Fultons Foods in the period adds significantly to Group capability in the key expansion category of frozen food.

As a non-essential retailer, PEPCO was impacted by COVID-19-related closures with 3 273 (c. 12%) of trading weeks across the quarter lost to full closure and with periods of full country closure, primarily in November and late December impacting Czechia (six weeks) and Slovenia (seven weeks). Stores not impacted by COVID-19 closure traded strongly, delivering like-for-like growth of 6.6%, consistent with that delivered in the first quarter of FY20, underpinned by continued investment to strengthen the customer offer.

As an essential retailer, Poundland was able to trade throughout the quarter, albeit experiencing significantly reduced footfall as our customers sought to both consolidate their shopping activity and avoid shopping centre or high street locations, where the majority of our stores are located. In the context of a volatile trading environment, trading store like-for-like growth of 4.3% is considered likely to have resulted in market share gains in the UK, providing further evidence of the successful change programme the Poundland brand is undertaking.

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.

TOTAL REVENUE (€M)	3M2021	3M2020	% change	Constant currency %
Pepkor Africa	**1 089**	1 159	(6)	7

Operating conditions during the first quarter of Pepkor's 2021 financial year included restrictions imposed in South Africa to deal with the second wave of the COVID-19 pandemic. The evolution of COVID-19 and the lockdown restrictions continued to weigh on unemployment and consumer spending, which contributed to a constrained retail market.

Pepkor performed well in challenging conditions and continued to grow market share as its defensive market positioning continued to resonate with customers in search of value. According to the latest Retailers' Liaison Committee ("RLC") data to November 2020, the group expanded its market share by 270 basis points, indicating an acceleration from the 240 basis point gain reported to September 2020.

Most of Pepkor's brands saw good sales momentum continue during the quarter, with growth achieved on the comparable quarter last year which excluded any impact from COVID-19. Trading was very strong during the first six weeks of the quarter, weakened significantly towards the end of November, and normalised in December.

The PEP and Ackermans brands in aggregate reported sales growth of 8.9% and like-for-like sales growth of 6.3% in constant currency.

Retail selling price inflation in clothing, footwear and homeware ("CFH") product categories approximated 5.0%, driven by fluctuations in exchange rates. Both PEP and Ackermans protected and entrenched their market positions as price leaders in the discount and value markets, continuing to expand market share according to RLC data.

Retail space in PEP and Ackermans increased by 2.1% year-on-year and included 38 new store openings during the quarter, reflecting a more conservative store expansion programme as planned.

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.

TOTAL REVENUE (€M)	3M2021	3M2020	% change	Constant currency %
Greenlit Brands – household goods	**207**	162	28	29

Greenlit Brands enjoyed strong trading in the second half of the prior year and this pleasing revenue performance continued into Q1 FY21 for the Greenlit portfolio. Overall revenue was up 29% in constant currency for the three-month period.

All retail brands enjoyed exceptionally strong trading with like-for-like sales growth strengthening across the quarter to deliver an increase of 22% on prior year.

Online sales were up 44% on the prior year, providing a strong foundation for continued trade within the unpredictable COVID-19 interruptions.

The Group has been considering a possible public listing of the Fantastic Group. During the quarter, the IPO process was postponed until later in the 2021 Reporting Period when it is expected COVID-19-related uncertainty will be reduced, making it easier for investors to assess growth prospects for the business. No definitive decision has been taken with respect to any specific course of action or timing at this point.

All other

TOTAL REVENUE (€M)	3M2021	3M2020	% change	Constant currency %
	60	50	20	
Lipo	**57**	48	19	17
Sourcing and logistics	**3**	2	50	50

Lipo

Lipo's reported revenue increased by 19% to €57 million (3M2020: €48 million), while like-for-like revenue increased by 15%. Positive market share gains resulted from LIPO's repositioning, which was initiated 10 months ago, together with fast-growing eCommerce sales (+115%) which supported growth and also margin expansion.

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

Mattress Firm – equity accounted

Mattress Firm is the leading speciality bed retailer in the United States, with 2 386 retail stores nationwide, making it the largest bed retail footprint in the country. 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. The operating information below is included in this report at 100% and for the full period for information purposes only.

TOTAL REVENUE (€M)	3M2021	3M2020	% change	Constant currency %
Mattress Firm	**785**	697	13	21

Revenue, in constant currency, increased by 21.3% on the comparative period in the prior year. COVID-19-related restrictions, while reduced from the middle of 2020, continued to inhibit operations to various degrees, however the post-COVID-19 sales momentum continued strongly. Encouragingly, same store sales continued to grow, increasing by 25.3% in the quarter. eCommerce sales grew by 134.2% year-on-year and contributed 7.6% of total sales for the quarter. The store count reduced further during the quarter, ending on 2 386.

In November 2020, Mattress Firm successfully raised USD550 million in new debt. As part of the process both Moody's and S&P issued new ratings for Mattress Firm. The proceeds raised, together with USD184 million balance sheet cash, were used to repay the existing USD465 million term loan and the USD192 million HoldCo payment-in-kind ("PIK") loan, leaving Mattress Firm in a strong operational position.

SHARE CAPITAL

The number of shares in issue at 31 December 2020 was **4 270 million** shares and at 31 December 2019 was **4 310 million** shares.

Notes to investors

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

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 2020 Annual 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		
	3M2021	**3M2020**	**% change**
EUR:ZAR	**18.6356**	**16.3062**	**14.3**
EUR:PLN	**4.5051**	**4.2871**	**5.1**
EUR:GBP	**0.9033**	**0.8608**	**4.9**
EUR:AUD	**1.6319**	**1.6205**	**0.7**
EUR:USD	**1.1929**	**1.1071**	**7.7**
EUR:CHF	**1.0779**	**1.0962**	**(1.7)**

CORPORATE AND CONTACT INFORMATION

Registration number

63570173

Registered office

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Company secretary

Sarah Radema

South African sponsor

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South African transfer secretaries

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

www.**steinhoff**international.com