STEINHOFF
INTERNATIONAL HOLDINGS N.V.

ANNUAL REPORT 2022

AUDITED RESULTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

During the 2022 Reporting Period the Steinhoff Group was faced with the many challenges associated globally with increased interest rates, higher inflation and elevated supply-chain costs. Operational management teams implemented various strategic initiatives in order to mitigate the potentially negative impact on their business results. Subsequent to the Reporting Date Steinhoff released details of the proposed Maturity Extension Transaction, as detailed throughout this Annual Report.

Implementation of the Maturity Extension Transaction will result in:

- the creation of a stable platform across the Group to optimise the orderly, expeditious and value enhancing monetisation of assets;
- achieving the consents necessary to extend the maturity of the Group Services' Debt from the current maturity date 30 June 2023 to at least 30 June 2026; and
- significant changes to equity voting and economic rights, and is expected to result in the delisting of the Company.

The contents of this Annual Report have to be considered in the context of these announcements.

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Disclaimer PDF/printed version – This copy of the Annual Report of Steinhoff International Holdings N.V. for the 2022 Reporting Period is not in the ESEF-format as specified by the European Commission in Regulatory Technical Standard on ESEF (Regulation (EU) 2019/815). The ESEF reporting package is available at https://www.steinhoffinternational.com/annual-reports.php.

In the case of discrepancies between this 'PDF/printed version' and the ESEF reporting package, the latter prevails.

INTRODUCTION

MESSAGE FROM THE MANAGEMENT BOARD

Dear Stakeholders,

During the 2022 Reporting Period the Steinhoff Group was faced with the many challenges associated globally with increased interest rates, higher inflation and elevated supply-chain costs. Operational management teams implemented various strategic initiatives in order to mitigate the potentially negative impact on their business results. Subsequent to the Reporting Date Steinhoff released details of the proposed Maturity Extension Transaction, as detailed below and throughout this Annual Report.

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- achieving the consents necessary to extend the maturity of the Group Services' Debt from the current maturity date 30 June 2023 to at least 30 June 2026; and
- significant changes to equity voting and economic rights, and is expected to result in the delisting of the Company.

There is a reasonable and informed expectation that the Maturity Extension Transaction will be implemented and therefore in preparing these 2022 Consolidated Financial Statements and 2022 Separate Financial Statements, the going concern basis has not been adopted. IFRS does not provide definitive guidance when the going concern basis is not appropriate. There is also no general dispensation from the measurement, recognition and disclosure requirements of IFRS if an entity is not expected to continue as a going concern. As a result, the Management Board has deemed it appropriate to continue to recognise and measure all assets and liabilities in terms of the applicable IFRS standards as at the Reporting Date.

The contents of this Annual Report have to be considered in the context of these announcements.

OPERATIONAL ENVIRONMENT

The operational environment across all territories remained difficult throughout the Reporting Period as a result of the heightened macro risk scenario. On the one hand, the lifting of COVID-19-related trading restrictions, together with the emergence of a larger discount and variety market in some of the key jurisdictions within which the Group operates, have both had a positive effect on the underlying businesses. On the other hand the invasion of Ukraine, a country which borders three of Pepco Group's largest operating territories, created volatility and unpredictability.

STRATEGIC UPDATE

The primary strategic focus of the Group remains the successful completion of the three-step plan.

Step 1: Completed	Step 2: Completed	Step 3: Current focus
Creditor arrangements (CVAs implemented on 13 August 2019)	Manage litigation risk (Global Litigation Settlement implemented post 15 February 2022)	Restructure Group Services' Debt with a view to extending the maturity dates (Support Agreement entered into on 15 December 2022)

SIGNIFICANT ACHIEVEMENTS

OPERATIONAL PERFORMANCE

The underlying businesses operate a number of strong local brands and are well diversified by geography and business line. Individual businesses, such as Pepkor Holdings and Pepco Group, with their everyday value focus, have continued to perform well throughout the Reporting Period, while others, such as Greenlit Brands and Mattress Firm, reported declining trade in line with their respective markets. Overall operational results have been under pressure as costs increased with rising inflation while revenue has been dampened by the economic uncertainty. The Operational Review deals with the operating environment and performance in more detail. During the Reporting Period the total staff headcount (full-time equivalent) in the Steinhoff Group increased from 90 731 to 94 754.

CONCLUSION OF AND IMPLEMENTATION OF THE GLOBAL LITIGATION SETTLEMENT

The finalisation of the Global Litigation Settlement marked a significant milestone in a very long and complex process. The successful conclusion of the settlement was the result of constructive participation by many interested parties. We are thankful to all claimants who were willing to accept the settlement, the financial creditors, Deloitte and the D&O insurers for the roles they all played. As a team we are very proud of this outcome. The resulting pay-out is one of the highest settlements ever concluded worldwide.

ASSET DISPOSALS AND RECOVERIES

We have concluded the sale of many assets during the past five years, some in order to conserve working capital and others to meet short-term liquidity needs or to reduce the total Group Services' Debt. A number of potential disposals, however, had to be put on hold due to unfavourable market conditions. The Group is also evaluating potential claims against third parties. Where appropriate, recoveries against implicated entities and individuals have been initiated and some assets have been recovered. Further details are set out in the Financial and Business Review.

REGULATORY ENGAGEMENT

The Group has assisted various regulators and prosecution agencies in their investigations over the past few years. Some of these investigations have progressed to the point where public action has been taken against certain entities and individuals. The Steinhoff Group is continuing to co-operate with regulators and prosecution agencies when requested.

STEP 3 – RESTRUCTURING THE GROUP SERVICES' DEBT

With the completion of step 2 in February 2022 management's full focus shifted to the final step – restructuring the Group Services' Debt totalling approximately €10 billion. This debt is split into five different facilities, as set out in the table below (as disclosed in note 17 to the 2022 Consolidated Financial Statements), each with different rights and obligations. The debt accrues payment-in-kind ("PIK") interest at an average rate of c.10% per annum. During this reporting period the accrued interest was €985 million and debt repayments amounted to €469 million. The Group Services' Debt facilities are held by a number of different financial creditors some of whom are invested across several facilities.

€m	FY2022 Total	FY2021 Total
Hemisphere	**126**	178
Steenbok Lux Finco 1 S.à r.l.		
21/22 Term loan facility	**2 390**	2 165
23 Term loan facility	**1 634**	1 480
Steenbok Lux Finco 2 S.à r.l.		
First lien term loan facility	**681**	1 177
Second lien term loan facility	**5 235**	4 712
Africa Group – Lancaster	**–**	301
Total Group Services' Debt	**10 066**	10 013

The objective of pursuing a maturity extension of the Group Services' Debt is to create a stable platform across the Group to optimise the orderly, expeditious and value enhancing monetisation of assets. Extending the maturity date of debt of this very large quantum and complexity would be an extremely difficult and complex task in normal markets, however, the nature of the facility agreements, together with the developments during the year, including those listed below, have made this process even more challenging:

- There are complexities inherent in the nature of the Group Services' Debt, including cross defaults, inter-connectivity and multiple investors each with unique time horizons and interests.
- The current global uncertainties have increased both risk aversion and interest rates.
- The market values of Steinhoff's operating entities (ultimately the underlying security for the Group Services' Debt) have been under pressure broadly in line with the global capital markets.
- The significant liabilities under the Group Services' Debt continue to accrue PIK interest at material levels.

Developments during the Reporting Period have resulted in the net equity of the Company as a separate legal entity moving from positive €121 million at 30 September 2021 to negative €3.5 billion at 30 September 2022, mainly as a result of the increase in the liability arising from the CPU shortfall (refer to the Basis of Preparation of the 2022 Separate Financial Statements). This increase in the CPU shortfall was largely caused by the decline in the Pepco Group share price and the accrual of PIK interest on the debt. The Group held 453 594 616 Pepco Group shares at the Reporting Date, the closing share price was PLN29.90 per share (2021: PLN51 per share). The Company's equity position approximates the net fair value of the Group's assets and liabilities as at the Reporting Date. The fair value of the Group's assets continues to be less than its liabilities and it is expected that this will remain so as at the current debt maturity date of 30 June 2023.

To date it has not been possible to de-lever the Group through investment and asset disposals and/or refinancing as quickly as originally anticipated and this has migrated the emphasis of step 3 to focus on debt extension and associated equity restructuring. In order to maintain financial stability and therefore avoid the consequences of the Group Services' Debt maturing on 30 June 2023, the proposed Maturity Extension Transaction and related terms, as announced on 15 and 16 December 2022, address the total Group Services' Debt and allow further time to fully realise the Group's investments and assets in an orderly manner. The equity elements of the proposed transaction will be subject to a shareholders' general meeting scheduled to take place on 16 March 2023. That meeting will be called with the required notice period and the resolutions for the meeting will be explained and set out in a circular to shareholders.

The Group has the option to seek a further six months extension of its Group Services' Debt to 31 December 2023 subject to approval by a simple majority of financial creditors. The Group engaged with its largest lenders who indicated that they would not support a formal extension request and therefore, to date, this option has not been exercised.

OUTLOOK

While the macroeconomic operating conditions remain far from normal, the emergence of a larger discount and variety market in some of the key jurisdictions within which the Group entities operate is having a positive effect on some of the Group businesses. These OpCos continue to perform resiliently and are well positioned within their respective markets. Growth at operational level has been supported by both acquisition and continued store growth and refurbishing. Making new investments at Group level, however, is not part of the strategy of longer-term value preservation for stakeholders.

Significant trading and other operational uncertainties persist. The rising inflationary outlook together with increasing interest rates are putting both consumers and businesses under pressure. The markets within which the OpCos operate are likely to remain volatile in the near term, due to these ongoing economic challenges.

As we look ahead, it is important that we make further progress with step 3 of the strategic plan – restructuring the Group Services' Debt. Whilst the Group believes that the Maturity Extension Transaction constitutes an important and positive step towards extending the Group Services' Debt, there is no certainty that the necessary commercial and legal agreements and arrangements will be concluded to successfully implement the proposed transaction.

APPRECIATION

We continue to owe our thanks to many organisations, teams and individuals for their continued hard work and commitment to the Steinhoff Group. We are particularly proud of the way the businesses and staff have responded to the multiple challenges we have faced over the past five years and thank all colleagues for their unwavering support.

We are also sincerely grateful for the continuing support of the Supervisory Board.

Louis du Preez
Chief executive officer

Theodore de Klerk
Chief financial officer

27 January 2023

INTRODUCTION

MESSAGE FROM THE SUPERVISORY BOARD

Dear Stakeholders,

In December 2022 Steinhoff released details of the proposed Maturity Extension Transaction, as detailed throughout this Annual Report, including the terms of the debt extension which is expected to result in the delisting of the Company and, if the shareholders agree, the right to retain up to 20% of the economic interest in the equity for the existing shareholders. The contents of this Annual Report have to be considered in the context of these announcements.

The operating companies within the Group performed exceptionally well in managing to adapt to the unusually demanding operating requirements of the COVID-19 period. This past year has once again proved to be both challenging and changeable. Exacerbated by the war in Ukraine, negative macroeconomic developments have seen a significant rise in interest rates and substantial inflationary increases on commodities, particularly food and energy. Various new governance initiatives introduced over the past few years have brought stability and clarity to the Group and have helped create an environment in which the Management Board and Operating Companies could focus on improving operational performance. The benefits of this approach can be seen in the pleasing trading results of the Operating Companies for the year. Strong governance structures and an appropriately robust set of checks and controls have been embedded across the Group. Strategically valuable progress has been made with the three-step plan in supporting the best interests of the Company.

ACHIEVEMENTS

There are four achievements of significance which occurred over the Reporting Period.

Firstly, the successful conclusion and implementation of the Global Litigation Settlement which has proved to be substantial in both its complexity and value. The Supervisory Board took an active role in this process over a lengthy period, ensuring appropriate oversight and providing guidance as required. The Supervisory Board remains engaged to ensure that the recoveries are paid out to the investors who suffered losses in a timeous manner.

Secondly, the quality and transparency of Steinhoff's Corporate and Financial reporting has continued to improve. The 2021 Annual Report was finalised well within the time requirements for reporting and with an unqualified audit opinion.

Thirdly, the resilient performance by the Operating Companies is commendable. There was continued growth in most markets and the strong leadership within our teams throughout the organisation, demonstrated a continued commitment to serving their customers despite challenging conditions.

Fourthly, progress has been made in addressing the outstanding Group Services' Debt. Following the successful implementation of the Global Litigation Settlement, the Group Services' Debt maturity date was extended from 31 December 2022 to 30 June 2023. Since then, the Steinhoff Group, together with the assistance of market experts, has engaged with the various lender groups in exploring whether there were terms on which the Group Services' Debt could be further extended. The deteriorating macroeconomic environment has adversely affected the market values of the Operating Companies and, together with the accrued PIK interest on the debt, has resulted in the Company recording negative equity of €3.5 billion, on a standalone basis, as at the Reporting Date (2021: positive €121 million). The Company's equity position approximates the net fair value of the Group's assets and liabilities as at the Reporting Date. The fair value of the Group's assets continues to be less than its liabilities and it is expected that this will remain so as at the current debt maturity date of 30 June 2023. The Management Board, with the assistance of these market experts, has investigated and reviewed a number of potential

actions to remedy the resulting challenges and has kept the Supervisory Board abreast of all of these actions and activities during the period. Taking all relevant factors into account, the Supervisory Board unanimously supported the proposed Maturity Extension Transaction, as announced on 15 and 16 December 2022. Implementing the restructuring of the Group Services' Debt, and keeping all stakeholders informed of progress, remains a priority for the Management and Supervisory Boards.

There is a reasonable and informed expectation that the Maturity Extension Transaction will be implemented and therefore these 2022 Consolidated Financial Statements and 2022 Separate Financial Statements have not been prepared on a going concern basis.

GOVERNANCE AND LEADERSHIP

The Supervisory Board continued to oversee the operations of the Management Board and provide guidance and advice when it was required. Mr. Louis du Preez, the Chief Executive Officer, and Mr. Theodore de Klerk, the Chief Financial Officer, substantially achieved all of the objectives that were set for them by the Supervisory Board and they continue to provide exceptional leadership to a capable and committed management team.

Within the Supervisory Board, there is a diverse range of experience and skills all highly relevant to the ongoing challenges faced by the Group. The Supervisory Board was supported by various committees, as detailed in the Corporate Governance Report, and all necessary duties were satisfactorily attended to. Following the successful implementation of the Global Litigation Settlement, the litigation working group, having served its purpose, was dissolved shortly afterwards.

Importantly, Steinhoff is continuing to co-operate 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 past events.

2022 AGM

The 2022 AGM was held as a hybrid meeting on 25 March 2022 and the majority of the business put before the meeting was concluded successfully. Mr. Louis du Preez and Mr. Theodore de Klerk were reappointed to the Management Board and Mr. Paul Copley, Mrs. Alex Watson, Dr. Hugo Nelson and Mrs. Moira Moses were reappointed to the Supervisory Board. The Remuneration Committee, with the assistance of market experts in this area, reviewed and revised the Remuneration policy of the Company after engagement with many key stakeholders ahead of the AGM. While there was an improvement in support of the approach proposed over the previous year, unfortunately the amendment to the remuneration policy and share plan for Managing Directors were not passed. The advisory vote in respect of the remuneration report for the period was not sufficiently supported and the resolutions for the limited release from liability of the Managing Directors and the Supervisory Directors, and the authorisations to issue shares were similarly not passed.

2022 ANNUAL REPORT

The Supervisory Board acknowledges its responsibility to oversee the integrity and quality of the financial reporting process. This Annual Report, including the 2022 Consolidated Financial Statements and the 2022 Separate Financial Statements as well as the audit report, has been presented to the Supervisory Board. The Financial Statements were discussed with the Audit and Risk Committee in the presence of the Management Board and the external auditor. The Supervisory Board reviewed and discussed this Annual Report, approved the 2022 Consolidated Financial Statements and the 2022 Separate Financial Statements, and recommends that the General Meeting adopts the Financial Statements included in this Annual Report.

OUTLOOK

Steinhoff has managed to overcome a great number of unique and remarkably challenging obstacles since the events of December 2017. There has been considerable effort invested in creating a stable governance and financial base for the Operating Companies to grow and to perform better, which despite substantial challenges, has been achieved in most of our markets. We believe, however, that the trading environment in many of our markets will remain challenging and that consumers will continue to be negatively impacted. At a Group Services level it is disappointing that the constrained global economic environment has been the cause of market values of the operating subsidiaries not being able to grow at the rate required to cover the PIK interest that has been added to the Group Services' Debt. Despite the many hurdles we are encouraged by the commitment shown by all parties, as well as the progress made to date in moving towards a meaningful and more certain agreement on restructuring the debt in the interests of the Company.

The Supervisory Board will continue to support the good work being done by the Management Board and the OpCo teams across the various businesses.

APPRECIATION

Once again, this year has been challenging and yet it is extremely rewarding to be able to be part of such a committed and capable team. We would like to thank the Management Board and their team for their outstanding work. I thank my fellow Supervisory Board members who have continued to demonstrate an exceptional level of commitment to providing Steinhoff with stability, good governance and wise council. We thank our stakeholders for their continued interest and collaborative working relationship in the interests of the Steinhoff Group.

Moira Moses
Chairperson

27 January 2023

INTRODUCTION

TIMELINE OF KEY EVENTS

For more detail please refer to the **Financial and Business Review** as well as the 2022 Consolidated Financial Statements.

2021

OCTOBER

5 OCTOBER 2021
Confirmation that Steinhoff's Composition Plan became final and unappealable (*in kracht van gewijsde*) as of 2 October 2021, resulting in the termination of the Dutch SoP proceedings.

18 OCTOBER 2021
Further FinSurv approval received for the increased Litigation Settlement Proposal.

28 OCTOBER 2021
Leave to appeal to the Supreme Court of Appeal granted to Steinhoff with respect to the jurisdictional issue against the Court order of 6 September 2021 in relation to the liquidation application.

NOVEMBER

18 NOVEMBER 2021
Greenlit Brands announced that they had closed the sale of the Plush business for an enterprise value of AUD110 million.

DECEMBER

15 DECEMBER 2021
Steinhoff announced that settlement agreements had been concluded with both the former Tekkie Town Owner Claimants and Trevo Capital Limited.

2022

JANUARY

7 JANUARY 2022
Mattress Firm announced that they had filed a registration statement on Form S-1 for a proposed IPO with the Securities and Exchange Commission in the United States.

24 JANUARY 2022
Western Cape High Court granted SIHPL's request and granted an order approving and sanctioning the S155 Scheme.

28 JANUARY 2022
Steinhoff published the 2021 Annual Report, including the 2021 Consolidated Financial Statements.

2022
continued

FEBRUARY

15 FEBRUARY 2022
Settlement Effective Date

25 FEBRUARY 2022
Release of Steinhoff's unaudited trading update for the three-month period ended 31 December 2021.

MARCH

25 MARCH 2022
AGM held and voting results published.

APRIL

29 APRIL 2022
Last day of trading on Xetra following the withdrawal of clearing eligibility by Eurex Clearing AG.

MAY

15 MAY 2022
The Bar Date, being the deadline up to which Market Purchase Claimants were able to validly lodge claims against the Steinhoff Group.

JUNE

24 JUNE 2022
Steinhoff published the unaudited 2022 Half-year results for the six-month period ended 31 March 2022.

JULY

13 JULY 2022
BaFin published that they had imposed an administrative fine of €11 290 000 on Steinhoff for the late publication of historical financial reports and certain voting rights notifications.

29 JULY 2022
Analyst Day presentation

AUGUST

29 AUGUST 2022
Release of Steinhoff's unaudited trading update for the nine-month period ended 30 June 2022.

DECEMBER

15 AND 16 DECEMBER 2022
Updates released regarding proposals to extend the maturity date of the Group Services' Debt.

2023

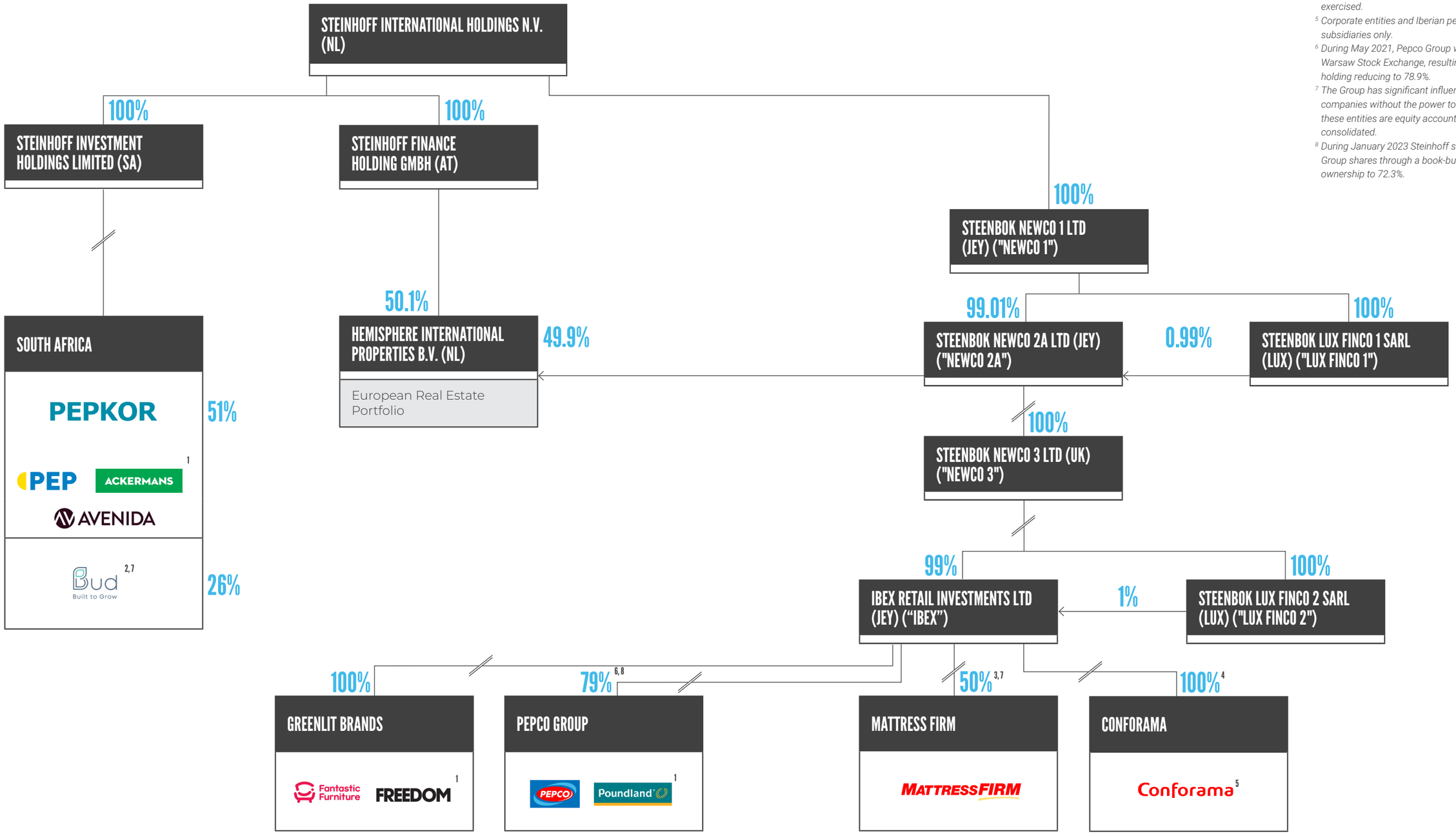
JANUARY

9 JANUARY 2023
Mattress Firm elected to withdraw its registration statement on Form S-1.

18 JANUARY 2023
Steinhoff announced that it had sold 38 million ordinary shares in Pepco Group, reducing the Group's stake to 72.3%.

27 JANUARY 2023
Steinhoff published the 2022 Annual Report, including the 2022 Consolidated Financial Statements.

SUMMARISED GROUP STRUCTURE AS AT 30 SEPTEMBER 2022



Refer to note 17 to the 2022 Consolidated Financial Statements for a breakdown of the Group's loans and borrowings as at 30 September 2022.

[1] *Sample of OpCo brands.*
[2] *Held through IEP. IEP owns 80% of BUD Group.*
[3] *Subject to future dilution by a management incentive plan.*
[4] *Warrants over 49.9% of the economic rights to the future returns of Conforama issued, but not exercised.*
[5] *Corporate entities and Iberian peninsula subsidiaries only.*
[6] *During May 2021, Pepco Group was listed on the Warsaw Stock Exchange, resulting in Steinhoff's holding reducing to 78.9%.*
[7] *The Group has significant influence over these companies without the power to control, as such these entities are equity accounted, and not consolidated.*
[8] *During January 2023 Steinhoff sold Pepco Group shares through a book-build, reducing the ownership to 72.3%.*

PART I

REPORT OF THE MANAGEMENT BOARD

FINANCIAL AND BUSINESS REVIEW

INTRODUCTION

Steinhoff International Holdings N.V. is a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands, and its principal place of business at Building B2, Vineyard Office Park, Cnr Adam Tas & Devon Valley Road, Stellenbosch 7600, South Africa. The Company is registered with the Trade Register in the Netherlands under number 63570173, LEI code 724500PSNX8EVPOZ1M58 and has tax residency in South Africa. The Company has a primary listing on the FSE in Germany and a secondary listing on the JSE in South Africa. As announced on 15 and 16 December 2022, Steinhoff released details of the proposed Maturity Extension Transaction, including the terms of the debt extension which is expected to result in the delisting of the Company and, if the shareholders agree, the right to up to 20% of the economic interest in the equity for the existing shareholders. The equity elements of the proposed transaction will be subject to a shareholders' general meeting. That meeting will be called with the required notice period and the resolutions for the meeting will be explained and set out in a circular to shareholders.

Steinhoff holds investments in retail businesses that are based in Africa, Australasia, Europe and the United States of America. Each of these operations procures product directly from a wide range of suppliers for onward sales through an extensive retail footprint. As such, the Group does not make material direct investments into new product research and development.

This Financial and Business Review covers the financial year from 1 October 2021 to 30 September 2022 and addresses the material events subsequent to 30 September 2022 up to the date of this Annual Report.

OVERVIEW

Current economic realities make the Group strategy of longer-term value preservation for stakeholders challenging, given the respective legal rights of the various stakeholders in different scenarios. This is the main consideration for the Group as Steinhoff continues to engage in a complex restructuring process. During the Reporting Period, the Management Board focused on continued operational improvements within the OpCos and ensuring appropriate governance and financial reporting at all levels. In parallel, the Group successfully finalised and implemented the Global Litigation Settlement and made progress with step 3 – restructuring the Group Services' Debt. Further details are provided throughout this Annual Report and on the Steinhoff website: www.steinhoffsettlement.com.

Whilst the impact of COVID-19 progressively eased over the Reporting Period, the invasion of Ukraine, a country which borders three of Pepco Group's largest operating territories, created further unpredictability. In addition, significant pressure has been experienced in the quoted share prices of the Group's publicly listed investments, with similar impacts being experienced on the valuations of the unlisted operations. In addition rising world interest rates and general risk aversion by investors have negatively impacted debt markets.

Stakeholders have been kept informed by regular announcements released through the formal stock exchange channels. All announcements can be found on the Steinhoff website: www.steinhoffinternational.com/sens.php.

CURRENT TRADING PERFORMANCE

The underlying businesses operate a number of strong local brands and are well diversified by geography and business line. The Operational Review deals with their performance in more detail.

REPORTABLE SEGMENT INFORMATION

In compliance with IFRS the Group is reporting on four continuing business segments as detailed in note 2 to the 2022 Consolidated Financial Statements. This presentation aligns with how the Management Board views the business and with historical operational reports.

PRESENTATION OF DISCONTINUED OPERATIONS

Intercompany transactions and balances between continuing and discontinued operations are eliminated within both continuing and discontinued operations. The intercompany eliminations are added back as reconciling items for segmental and operational reporting as this more closely reflects the trading conditions within each segment.

KEY ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of consolidated financial statements requires management to make judgements and estimates that affect the application of accounting policies and the reported values of assets, liabilities, income and expenses. Actual results may differ from these estimates. Judgements have been made after taking into account all currently available information, but these judgements could change if additional relevant information comes to light. Key accounting estimates are those that involve complex or subjective judgements or assessments. The details of such judgements and estimates are included as part of the "Basis of Preparation" of the 2022 Consolidated Financial Statements.

NET DEBT AND CASH FLOW

The net debt for the Group at the Reporting Date was €10 231 million (2021: €8 117 million), calculated as total debt less cash and cash equivalents. The Group Services cash in 2021 included amounts held back to cover the Global Litigation Settlement.

The OpCos have all raised their own external debt and do not rely on the Group for funding. At operational level the total debt increased from €1 255 million to €1 302 million over the Reporting Period. Total Group Services' Debt similarly increased from €10 013 million to €10 066 million as the PIK interest accrued at an average rate of c. 10%, exceeded the debt repayments made during the Reporting Period. For further details please refer to note 17 to the 2022 Consolidated Financial Statements.

The cash generated by operations was €980 million for the Reporting Period (2021: €1 321 million). Ordinary and preference dividends of €44 million (2021: €5 million) were paid to non-controlling interests, the Group received dividends from investments of €3 million (2021: €524 million), and net interest and taxes of €532 million were paid (2021: €447 million). The cash outflow for the Global Litigation Settlement totalled €1 137 million. This resulted in a cash outflow from operations of €730 million (2021: inflow of €1 393 million).

The cash flows due to investing activities in the Reporting Period were as follows:

(i) €376 million net capital expenditure;

(ii) Net proceeds from disposals of businesses of €68 million (which mainly relate to the sale of Plush, part of Greenlit Brands, and LIPO);

(iii) Acquisition of businesses, net of cash on hand at acquisition of €108 million (Pepkor Holdings) ; and

(iv) Net advances received from other assets of €18 million.

In the 2021 Reporting Period, the cash flows due to investing activities were as follows:

(i) €136 million net capital expenditure;

(ii) Net proceeds from disposals of businesses of €66 million (which mainly relate to the sale of Conforama Balkans); and

(iii) Proceeds from the disposal of investments in equity accounted companies of €10 million (Properties – Africa).

GEOGRAPHIC CONTEXT AND IMPACT OF FOREIGN CURRENCIES

The Group earned c. 81% (2021: c. 84%) of its revenue from continuing operations outside of the eurozone area. The Group's assets are spread around the globe and the non-euro denominated assets are subject to various currency fluctuations including changes in the value of the South African rand, the Australian dollar, the US dollar, the UK pound sterling, the Brazilian real and the Polish zloty.

NON-OPERATIONAL EXPENSES

The Group has identified a number of non-operational expenses which are material due to the significance of their nature and/or amount. These expenses are not included in the segmental results and are listed separately in note 4.2 to the 2022 Consolidated Financial Statements to provide a better understanding of the financial performance of the Group. The more material items are as follows:

GLOBAL LITIGATION SETTLEMENT

An additional amount of €15 million was raised in the Reporting Period mainly as a result of exchange rate and Pepkor Holdings share price movements as detailed in notes 4.2 and 23.5 to the 2022 Consolidated Financial Statements.

In addition, costs of €17 million in relation to a forward exchange agreement as well as a claim of €13 million against the SRF were raised in connection with the settlement as detailed in notes 4.2.10 and 4.2.13 to the 2022 Consolidated Financial Statements.

TITAN RECEIVABLE

New terms came into effect on SED for the Titan Receivable, refer to note 4.2.12 to the 2022 Consolidated Financial Statements. The new terms are viewed as a substantial modification of the financial asset and it was therefore derecognised on SED and re-recognised at fair value, resulting in a €5 million net loss on substantial modification.

ADVISORY FEES

The Steinhoff Group engaged and continues to engage a wide range of professional advisors to assist with the litigation processes, the work in securing the Global Litigation Settlement and the restructuring activities. In addition, the Group is required to pay the advisor costs of each of the respective lender groupings.

Advisory fees for the Reporting Period reduced to €28 million (2021: €57 million), as disclosed in note 4.2.5 of the 2022 Consolidated Financial Statements.

SEIFERT LEGAL PROVISION

The accounting provision was increased by €102 million based on a potential settlement as detailed in notes 4.2.8 and 23.6 to the 2022 Consolidated Financial Statements.

FINANCE COSTS

The total finance costs for the Reporting Period increased marginally to €1 198 million (2021: €1 190 million). Within the OpCos total finance costs on loans, from continued operations, decreased from €80 million in the prior year to €64 million in the Reporting Period as a result of reduced average debt levels.

The finance costs relating to Group Services' Debt, capitalised PIK interest, increased from €978 million to €985 million.

For further details please refer to note 5 and note 17.2 to the 2022 Consolidated Financial Statements.

TAX

Tax remains an area of focus for management. There are a number of ongoing tax audits relating to historic transactions and constructive progress has been made with the tax authorities in various jurisdictions. Appropriate tax specialists and advisors have been appointed by the Group to advise on positions in such jurisdictions.

Although the tax audits are being managed on a continuous basis, the outcome thereof remains uncertain and could lead to material cash outflows. The audit of annual financial statements for some Group companies, relating to historic years, still needs to be finalised and this will delay the outcome of the investigations by revenue authorities. The impact of potential tax adjustments, fines, penalties and/or refunds is therefore unknown.

The steps required to complete the CVA were complex and multi-jurisdictional, which gave rise to an element of risk regarding the tax consequences thereof. The Group engaged with professional tax advisors in the different jurisdictions to mitigate the associated risks.

RELATED PARTY AND INTRAGROUP TRANSACTIONS

During the Reporting Period, related party relationships existed between subsidiaries, joint-venture companies and associate companies within the Group, and its company directors and Group key management personnel. All known material intragroup transactions are eliminated on consolidation. For further details please refer to note 31 to the 2022 Consolidated Financial Statements.

GOVERNANCE AND LEADERSHIP

There were no changes to the composition of either the Management Board or the Supervisory Board during the Reporting Period. At the AGM held on 25 March 2022 both Managing Directors and four Supervisory Directors were re-appointed, each for a term running until the close of the Company's annual general meeting to be held in 2026.

SUSTAINABILITY (ESG) AND CORPORATE SOCIAL INVESTMENTS (CSI)

As a global holding company with investments in a range of retail businesses, good corporate citizenship, including a focus on diversity and equality, sustainability and social and community engagement, is important to the Group. Responsibility for operational implementation is devolved to each independent operating subsidiary where action can be carried out directly ensuring it has the most impact.

The OpCos' key areas of focus include the promotion of ethical trading policies and practices within our supply chains, compliance with modern slavery principles, energy consumption, waste, carbon emissions, the development and well-being of our people and the role the businesses play in their wider communities. Through its representation at the appropriate governance structures, Steinhoff participates as appropriate, to help ensure that each operating business takes these aspects properly into account and is able to show consistent attention to and progress towards these objectives.

Our aim is to work with the OpCos to operate and maintain a modern and efficient infrastructure in respect of their stores, distribution centres and logistics operations, as part of our combined commitment to improving sustainability and ensuring that our workplaces are well-designed and safe for colleagues, and, where necessary, that they are adapted to address any challenges created by climate change. The Group also recognises the important role the OpCos play in the communities they serve, with investment in new stores and related infrastructure creating employment and providing value for money products and services to customers. The Group, through the OpCos, continued to strive towards reducing and minimising consumption and waste, opting to be more eco-friendly, together with developing appropriate measurement tools to support sustainability initiatives and also facilitate compliance with the reporting required by the various Sustainability Reporting Regulators.

For further information please refer to the annual reports of the listed subsidiaries available on their websites (https://www.pepcogroup.eu/investors/financial-reports/; https://www.pepkor.co.za/sustainability/)

During the Reporting Period the Group managed international and local travel, and the associated emissions, by holding almost all of the Supervisory and Management Board meetings virtually rather than in person. Although this was initially driven by the COVID-19 restrictions, it is the Company's intention to continue holding board and other meetings virtually where possible.

The Management Report contains the Company's disclosures on environmental sustainability as required by the European Taxonomy Regulation. The Company intends to ensure the readiness of its organisation to provide the disclosures on sustainability that will be required by the European Corporate Sustainability Reporting Directive (CSRD).

CORPORATE ACTIVITY DURING THE REPORTING PERIOD

GREENLIT BRANDS

During November 2021 Greenlit Brands closed the sale of the Plush business for an enterprise value of €71 million (AUD110 million). The proceeds were utilised to reduce Group Services' Debt.

PEPKOR HOLDINGS – DIVIDEND DECLARATION

The board of directors of Pepkor Holdings declared a dividend of 44.2 South African cents per ordinary share, payable to shareholders on 24 January 2022, in respect of the twelve months ended 30 September 2021.

SETTLEMENT WITH THE FORMER TEKKIE TOWN OWNERS

On 15 December 2021, the Steinhoff Group and the former Tekkie Town owner claimants agreed that the former Tekkie Town owner claimants would (i) support, and withdraw their opposition to, the S155 Scheme with immediate effect, and (ii) withdraw the liquidation application (and their opposition to the appeal pending before the South African Supreme Court of Appeal), subject to implementation of the Global Litigation Settlement by 30 June 2022.

The South African liquidation petition against Steinhoff brought by certain former owners of the Tekkie Town business was withdrawn on SED and an agreed settlement of ZAR500 million (€30.3 million) was paid, together with 29.5 million Pepkor Holdings' shares at a value of €38.4 million which were delivered during March 2022.

SETTLEMENT WITH TREVO CAPITAL LIMITED

On 15 December 2021, the Company announced that Trevo had agreed to a settlement in which Trevo confirmed its conditional support for the S155 Scheme. Settlement was also reached with other non-qualifying claimants who had supported Trevo's opposition to the sanction application. For the settlement Trevo and others received call options to acquire 125 million Pepkor Holdings' shares from the Group at a strike price of ZAR24.9215 per share in a 30 day window from 15 December 2024.

The Trevo and others call options have been classified as equity and included at a fair value of €29 million in Sundry reserves. For further details refer to note 23.5 to the 2022 Consolidated Financial Statements.

IMPLEMENTATION OF THE GLOBAL LITIGATION SETTLEMENT

Following a unanimous vote (15/15) in favour of the Composition Plan by the Committee of Representation on 8 September 2021 the District Court of Amsterdam issued an order on 23 September 2021 confirming Steinhoff's Composition Plan. On 5 October 2021 the Company announced that the Composition Plan had become final and unappealable (*in kracht van gewijsde gegaan*) resulting in the termination of the Dutch SoP proceedings effective as of 2 October 2021.

In the S155 Scheme in South Africa the financial creditors and the Market Purchase Claimants voted in favour of the S155 Scheme on 6 September 2021 while the contractual creditors voted in favour on 10 September 2021. No votes against the S155 Scheme were recorded. SIHPL's application for the approval and sanction of the S155 Scheme was heard on 24 January 2022 by the Western Cape High Court. At the close of the hearing the Court granted SIHPL's request and granted an order approving and sanctioning the S155 Scheme.

Following receipt of the Order, Settlement Effective Date ("SED") (as referred to under the S155 Scheme and the Composition Plan) was 15 February 2022. SED was the final condition under the Composition Plan.

The implementation of the Global Litigation Settlement required a number of steps to be taken and payments to be made on and from SED. Steinhoff confirmed to the market on 15 February 2022 that the following steps were completed:

- Payment of the settlement funds required under the Steinhoff Composition Plan and the SIHPL S155 Scheme to the SRF, which holds the settlement funds for the benefit of valid Market Purchase Claimants and certain Steinhoff Contractual Claimants. The SRF's claims verification process is 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 ACGs (€30 million) 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;
- Payments of cash and initiation of transfers of Pepkor Holdings shares to the SIHPL Contractual Claimants that were required to be paid or transferred on or around SED;
- Due to the successful implementation of the Global Litigation Settlement on 15 February 2022, a further payment extension on Steinhoff's Group Services' Debt was granted to 30 June 2023, with the option to seek a further 6 months extension to 31 December 2023 subject to approval by a simple majority of financial creditors;
- SIHPL acquired a receivable owing by Titan to Newco 2A for €220 million on loan account. The Newco 2A loan payable is interest free, repayable on 15 August 2027 and has first ranking security over SIHPL's assets;
- In consideration for Steinhoff undertaking the Market Purchase Claimants settlement on behalf of SIHPL, SIHPL shall be liable to Steinhoff for the amounts paid by Steinhoff pursuant to the Market Purchase Claimants settlement. A loan to the amount of €164 million is therefore payable to Steinhoff by SIHPL ("Steinhoff Loan Note"). The Steinhoff Loan Note is interest free, repayable on 15 August 2027 and has second ranking security over SIHPL's assets; and
- The financial creditors have agreed to enter into 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 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. The loan note has a third ranking security over SIHPL's assets and has limited recourse.

Following the transfer of the Pepkor Holdings shares, Steinhoff informed Pepkor Holdings and on 18 February 2022 Pepkor Holdings informed the market that the total interest in the ordinary shares of Pepkor Holdings held by Steinhoff reduced to 51.52%. It was also disclosed that it was anticipated that Steinhoff would further reduce its holding in Pepkor Holdings in the course of the implementation of its Global Litigation Settlement.

The Bar Date (being the deadline up to which Market Purchase Claimants were able to validly lodge claims against Steinhoff) was 15 May 2022. Refer to note 23.5 to the 2022 Consolidated Financial Statements for further detail.

PEPKOR HOLDINGS

On 3 February 2022 Pepkor Holdings announced that it had acquired a controlling interest in Avenida, a Brazilian value retail group, for a purchase price of ZAR1.899 billion (€111.2 million), on the same day, the group further injected ZAR969 million (€56.8 million) into the business which increased its shareholding to 87.1%. Refer to note 26 to the 2022 Consolidated Financial Statements for further detail.

On 13 April 2022 Pepkor Holdings informed the market that their Isipingo distribution centre in Durban had sustained significant damage due to the floods and that the supply chain operations had been adversely affected. The distribution centre was closed temporarily to ensure the safety and well-being of their employees and to commence recovery operations. Pepkor Holdings, through their PEP division, operates three distribution centres across South Africa, situated in Durban, Cape Town and Johannesburg. Contingency plans were put in place for stores to be serviced in the short-term from the unaffected distribution facilities.

On 19 April 2022 Pepkor Holdings advised that the rating agency Moody's had upgraded Pepkor Holdings' Global Scale Long Term Rating to Ba2 from Ba3. In addition, Moody's upgraded Pepkor Holdings' National Scale Long Term Rating by four levels to Aa1.za from A2.za and revised the outlook on the credit rating to stable from negative.

SALE OF LIPO

During the Reporting Period, the Group entered into an agreement with CLSH Holding GmbH to sell the LIPO business. The disposal was subject to anti-trust approval which was obtained on 25 May 2022 and the business was transferred for a purchase price of €27 million (CHF28 million). Refer to note 1.3 to the 2022 Consolidated Financial Statements for more detail.

SALE OF CONFORAMA ITALY

On 16 February 2022, Conforama entered into an agreement to sell 100% of the Italian business, subject to certain conditions precedent. These conditions were met on 19 May 2022 and the business was transferred for a purchase consideration of €0.2 million. Refer to note 1.3 to the 2022 Consolidated Financial Statements for more detail.

LANCASTER PROCEEDINGS

Following SED the Arbitration Proceedings, the Override and the Invalidity Application in the Lancaster proceedings were all 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 at a value of €320 million and the Lancaster financial liability at an equal value of €320 million. Refer to notes 12.1.1 and 17.6 to the 2022 Consolidated Financial Statements.

PIC/LANCASTER SETTLEMENT

In February 2022, the settlement for claims of the PIC against the Steinhoff Group, dated 18 August 2021, was amended in terms of which Steinhoff Africa paid the PIC ZAR400 million (€25 million) to resolve the ongoing matter with the PIC and Lancaster parties. Payment to the PIC was executed during May 2022.

IEP

The IEP shareholders have approved a restructure to facilitate an exit by certain IEP shareholders, including Steinhoff, by way of a share buyback. The restructure entails the transfer of certain assets to a Newco, to facilitate the orderly disposal of those assets. As Newco disposes of the assets the consideration received for the disposal will be advanced to exiting shareholders on an interest free loan account ("Exit Loan") until such time that the share buyback is complete. The repurchase of the shares by IEP from exiting shareholders will then be settled by offsetting it against the Exit Loan.

The Group will also no longer have rights to dividends declared after 1 December 2022 from operational profits generated by IEP from non-disposal assets, instead this will be offset against the Exit Loans. In substance the Group has entered into an earnout arrangement for the disposal of shares held in IEP. The interest in IEP will change, once all the conditions precedent on the Transaction Implementation Agreement ("TIA") are met, from an investment in equity instrument to a contractual right to cash for the future buy-back of shares held in IEP. The last conditions precedent to the TIA were fulfilled on 30 November 2022 and accordingly the restructure is unconditional and the Group will account for IEP as a financial asset from this date. The first disposals are estimated to occur within 12 months, IEP was classified as held-for-sale accordingly.

MAYFAIR VS SIHPL

Mayfair issued a summons on 26 November 2020 against Steinhoff, SIHPL and Markus Jooste claiming up to ZAR4 billion (€247 million) on a joint and several basis. The claim was 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. The parties have settled the proceedings in terms of which Mayfair has agreed to limit its claim to an amount of ZAR1.00 (one South African rand). As part of the same settlement Steinhoff Group companies agreed to limit their claims against Mayfair to an amount of ZAR200 million (€11.4 million). To date a total of ZAR44.3 million (€2.5 million) was recovered by the Steinhoff Group.

CORPORATE ACTIVITY AFTER THE REPORTING DATE

PEPKOR HOLDINGS – DIVIDEND DECLARATION

On 22 November 2022 the board of directors of Pepkor Holdings declared a dividend of 55.2 South African cents per ordinary share, payable to shareholders on 23 January 2023, in respect of the twelve months ended 30 September 2022.

IEP DIVIDEND DECLARATION AND SHARE BUY-BACK

The board of directors of IEP declared a dividend to its ordinary shareholders of ZAR1.33 per share. A total dividend of ZAR33.25 million (€1.8 million) was paid to Mons Bella. A portion of this dividend was used to purchase additional shares in IEP from an existing minority shareholder. This forms part of the greater plan as set out above.

MATTRESS FIRM IPO PROCESS

In light of the ongoing volatility in the IPO market and following careful consideration with external advisors, Mattress Firm elected to withdraw its related registration statement on Form S-1 on 9 January 2023. As previously noted, Mattress Firm continues to actively explore all options and paths forward, including resuming the IPO process once the markets are favourable.

PLACEMENT OF PEPCO GROUP SHARES

On 18 January 2023, the Company announced that the Steinhoff Group had sold an aggregate of 38 million ordinary shares in the capital of Pepco Group at a price of PLN38.95 per share through an accelerated placement, raising aggregate gross sale proceeds of approximately PLN1 480.1 million (€315.2 million). Following closing of the placement, the Company indirectly holds 415 594 616 ordinary shares, representing approximately 72.3% of Pepco Group's issued share capital. The Steinhoff Group intends to use the proceeds from the placement to reduce its outstanding debt.

GROUP SERVICES' DEBT RESTRUCTURE

On the Reporting Date the Group had €11.4 billion (2021: €11.3 billion) debt comprising €1.3 billion (2021: €1.3 billion) in the OpCos and €10.1 billion (2021: €10.0 billion) within Group Services. On the successful implementation of the Global Litigation Settlement, the due date of the Group Services' Debt was automatically extended to 30 June 2023 with an option for a further six-month extension subject to a simple majority approval by the lenders. The Group engaged with its largest lenders who indicated that they would not support a formal extension request and therefore, to date, this option has not been exercised.

This debt is broadly split into five different facilities, as set out in note 17 to the 2022 Consolidated Financial Statements, each with different rights and obligations. The Group Services' Debt facilities are held by a number of different financial creditors, some of whom are invested across several facilities.

The objective of pursuing a maturity extension of the Group Services' Debt is to create a stable platform across the Group to optimise the orderly, expeditious and value enhancing monetisation of assets. Extending the maturity date of debt of this very large quantum and complexity would be an extremely difficult and complex task in normal markets, however the nature of the facility agreements, together with the developments during the year including those listed below, have made this process even more challenging:

- There are complexities inherent in the nature of the Group Services' Debt, including cross defaults, inter-connectivity and multiple investors each with unique time horizons and interests.
- The current global uncertainties have increased both risk aversion and interest rates.
- The market values of Steinhoff's operating entities (ultimately the underlying security for the Group Services' Debt) have been under pressure broadly in line with the global capital markets.
- The significant liabilities under the Group Services' Debt continue to accrue PIK interest at material levels.

Developments during the Reporting Period have resulted in the Company's net equity moving from positive €121 million at 30 September 2021 to negative €3.5 billion at 30 September 2022, mainly as a result of the increase in the CPU shortfall (refer to the Basis of Preparation of the 2022 Separate Financial Statements) during the Reporting Period driven largely by the decline in the Pepco Group share price and the accrual of PIK interest on the debt.

To date it has not been possible to de-lever the Group through investment and asset disposals and/or refinancing as quickly as originally anticipated and this has migrated the emphasis of step 3 to focus on debt extension and associated equity restructuring. In order to maintain financial stability and therefore avoid the consequences of the Group Services' Debt maturing on 30 June 2023, the proposed Maturity Extension Transaction and related terms, as announced on 15 and 16 December 2022, address the total Group Services' Debt and allow further time to fully realise the Group's investments and assets in an orderly manner.

LITIGATION

Litigation has been a significant challenge for the Group. On SED all material litigation against the Group was settled. The pending legal proceedings against Steinhoff that had been compromised under the Global Litigation Settlement were withdrawn and discontinued and the South African liquidation petition brought by certain former owners of the Tekkie Town business was withdrawn.

FORENSIC REPORT RULING

The Western Cape Division of the High Court of South Africa ruled on 10 May 2022 that Steinhoff must supply Tiso Blackstar and amaBhungane with a copy of the PwC forensic report within ten days. The Court found that Steinhoff had failed to establish that the report was protected by legal privilege and that Steinhoff had already contemplated that there would be litigation when the report was commissioned. After due consideration and after taking legal advice on the matter, Steinhoff filed a notice applying for leave to appeal on 23 May 2022 and this leave to appeal was granted on 11 August 2022.

REGULATORY ENGAGEMENT

The Company remains in contact with the Company's principal stock-market regulators: the AFM in the Netherlands, the FSE and the Federal Financial Supervisory Authority of Germany (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (BaFin) in Germany, and the JSE and the Financial Sector Conduct Authority (FSCA) in South Africa. Steinhoff remains committed to co-operating and maintaining open communication lines with prosecution authorities and regulators in South Africa and in other jurisdictions as they investigate various individuals and entities implicated in relation to the events uncovered during and subsequent to December 2017.

During 2019 the South African authorities approached PwC and engaged them to perform additional expert forensic work to assist in the criminal investigation. Steinhoff supported this initiative and has contributed funds to cover a substantial portion of the costs, due to the size and complexity of the investigation required. Steinhoff's role is limited to co-operation and providing a portion of funding for the project. The funding is provided on an arms-length basis, with Steinhoff having no involvement in the investigation, the extent thereof and report-back process. The total costs contribution commitment from Steinhoff was €1.6 million (ZAR30 million) (plus VAT) and the Group has honoured the agreement to date and intends to continue doing so going forward.

Steinhoff engaged with BaFin on the late publication of historical financial reports and certain voting rights notifications. On 13 July 2022 BaFin published that they had imposed an administrative fine of €11 290 000 on Steinhoff for not making the annual financial report for the 2016/2017 financial year available within the prescribed period to the public and also for failing to publish voting rights notifications it had received within the prescribed period. The administrative fine also effectively resolved other late filings of financial reports and voting rights notifications. BaFin confirmed that the fine amount and administrative costs are payable in three tranches as follows: €3 763 000 on 31 March 2023, €3 763 000 on 31 March 2024 and €3 771 500 on 30 September 2024.

SHAREHOLDER MEETING

A hybrid annual meeting of shareholders was held on 25 March 2022. While the majority of the business put before the meeting was concluded successfully, a few of the resolutions proposed to shareholders were not passed, namely:

- The limited release from liability of the Managing Directors and the Supervisory Directors,
- The advisory vote in respect of the remuneration report,
- The amendment to the remuneration policy and share plan for Managing Directors, and
- The authorisations to issue shares.

A revised remuneration policy will be presented to the 2023 General Meeting for approval. In accordance with the terms of the share plan the conditional share awards that were granted to the Steinhoff's managing directors automatically converted into phantom shares. Apart from the change to phantom shares, the other conditions remained unchanged.

OPERATIONAL IMPACT COVID-19

Trading conditions have been more encouraging as the COVID-19-related trading restrictions were lifted during the Reporting Period. Uncertainty over the future impact of the pandemic persists and as a result trade remains subject to potential volatility.

BASIS OF PREPARATION – CONSOLIDATED FINANCIAL STATEMENTS

There is a reasonable and informed expectation that the Maturity Extension Transaction will be implemented and therefore in preparing these 2022 Consolidated Financial Statements, the going concern basis has not been adopted. This assessment was treated as an adjusting event occurring after the Reporting Period (refer to note 37 of the 2022 Consolidated Financial Statements).

IFRS does not provide definitive guidance when the going concern basis is not appropriate. There is also no general dispensation from the measurement, recognition and disclosure requirements of IFRS if an entity is not expected to continue as a going concern. As a result, the Management Board has deemed it appropriate to continue to recognise and measure all assets and liabilities in terms of the applicable IFRS standards as at the Reporting Date.

The Maturity Extension Transaction provides, inter alia, for (i) a maturity extension of the Group Services' Debt in order to provide a stable platform across the Group which will allow for the orderly realisation and value enhancing monetisation of assets, and (ii) a "solvent distribution regime" at extended maturity of Group Services' Debt (refer note 17).

This regime will be more beneficial than the existing debt arrangements given that it provides the basis for avoiding potential insolvency and/or lengthy and complex insolvency processes arising following the new proposed maturity date or at an earlier acceleration.

It is the view of the Management Board that, even though the regime is more beneficial to the Group and creates a stable platform for the orderly realisation of assets (namely the Company's direct and indirect shareholding in the underlying OpCos), it creates a specific scenario where the going concern basis is no longer deemed to be appropriate.

There is no intention to file for insolvency of any of the OpCos included as continuing operations in the 2022 Consolidated Financial Statements.

In determining an appropriate basis of preparation of the 2022 Consolidated Financial Statements, the Management Board has considered the impact of the Group Services' Debt restructure, the proposed equity re-organisation and available cash resources for the foreseeable future.

The Management Board draws stakeholders' attention to the following assumptions that are key in arriving at the appropriate basis of preparation, namely:

GROUP SERVICES' DEBT RESTRUCTURE

The conclusion of all material litigation, following the successful implementation of the Dutch SoP and the S155 Scheme has enabled the Management Board to actively

pursue the next step of its strategic plan, being the restructuring of the Group Services' Debt.

The Group entered into a Support Agreement on 15 December 2022 with its Original Participating Lenders, representing more than 64% of the total Group Services' Debt, and has subsequently received support from more than 80% (being the requisite support required for a consensual transaction with lenders) for all Group Services' Debt except for the First lien term loan facility where the current support is above 76% but below the requisite support required. The Steinhoff Group remains entitled to repay or refinance the existing First lien term loan facility and therefore the successful implementation of the Maturity Extension Transaction is not dependent on obtaining the support of the First lien term loan facility lenders. Steinhoff will evaluate its options for this facility.

The Support Agreement provides a stable platform for the Group to achieve the consents necessary to extend the maturity of the Group Services' Debt from the current maturity date 30 June 2023 to at least 30 June 2026 (together with equity re-organisation steps and transactions, the "Maturity Extension Transaction").

EQUITY RE-ORGANISATION

In light of the assessment that the value of the Group's assets continues to be less than its liabilities and will remain so as at 30 June 2023, it is proposed that, subject to further structuring considerations and approval by the financial creditors, the voting rights will be granted to new separate Dutch trust foundations with the financial creditors receiving interests in at least 80% of the economic interest in the post-closing equity of the Group (Steinhoff or any successor entity or other entity replacing the Company as ultimate parent of the Group). The remaining 20% of economic interests in the equity will be issued to existing shareholders of the Company in the form of a new instrument ranking economically pari passu with the equity instruments issued to the financial creditors, provided that the equity re-organisation is approved by shareholders at a general meeting scheduled to take place on 16 March 2023.

If the equity restructuring referred to in the preceding paragraph is not approved by the shareholders at the general meeting, it is intended that 100% of the economic interests and voting rights in the post-closing equity of the Group will be issued to the individual financial creditors either through a Dutch restructuring process or, if that is not pursued or is not achieved by 30 June 2023, as a result of the financial creditors becoming entitled to implement the equity re-organisation by way of a share pledge enforcement alongside the implementation of other terms of the Maturity Extension Transaction. In these circumstances, the Company would lose its interests in the underlying Group businesses and assets and shareholders would retain no economic interest in the restructured Group.

The expectation is that following implementation of the Maturity Extension Transaction, the existing Company shares including their current listings will fall away with no financial compensation payable to existing shareholders (except for the shareholders retaining the 20% economic interest in the equity if the equity re-organisation is approved by shareholders at a general meeting as explained above). The ultimate holding company of the post-closing Group is anticipated to be an unlisted company.

For the Consolidated Financial Statements, the reporting entity is considered to be the Steinhoff Group as a whole, rather than the legal form of the Company, which is currently the ultimate holding company.

The equity re-organisation, as discussed above, proposed the contribution and transfer of all assets and liabilities of the Company to a new holding company ("NewCo"). All the shares in the NewCo will be transferred to new Dutch trust foundations for the benefit of the Group Services' Debt lenders. At the next General Meeting there will also be a vote to approve the dissolution and liquidation of the Company. If the shareholders grant these approvals, NewCo shall issue a contingent value right directly to the shareholders of the Company, entitling them to 20% of the economic value of NewCo upon liquidation of the Company. It is management's view that the introduction of NewCo, as proposed by the equity re-organisation, does not have a significant economic impact on the Group as a whole and therefore there is no substance to the introduction. The NewCo is merely an extension of the current Group.

The equity re-organisation is considered to be a common control transaction and will be accounted for as a capital re-organisation.

GROUP SERVICES CASH RESOURCES

While the Group continues to engage with the various lender groups on extending the duration of the debt, it entered into the Intercreditor Agreement ("ICA") on SED which governs various aspects of the rights and obligations of SIHPL and its creditors. In terms of the ICA the creditors have agreed that the Group can hold back a cumulative total of €55 million on any quarterly cash sweeps from the cash received from disposals of any investments or assets, existing cash reserves or dividends received by Group Services. This is sufficient cash resources for Group Services' day to day operations on a 24 month rolling period.

CONCLUSION

In preparing these 2022 Consolidated Financial Statements, the going concern basis has not been adopted. However, the Management Board has deemed it appropriate to continue to recognise and measure all assets and liabilities in terms of the applicable IFRS standards as at the Reporting Date. The Management Board draws attention to the following facts:

- The objective of the proposed Maturity Extension Transaction is to create a stable platform across the Group to optimise the orderly, expeditious and value enhancing monetisation of assets up to extended maturity;
- The proposed Maturity Extension Transaction includes a "solvent distribution regime" to facilitate an efficient distribution of any remaining Group's assets at fair value directly to the financial creditors at extended maturity (or following any earlier acceleration). The regime includes limited recourse terms and "solvent liquidation" provisions for the benefit of the Company (including any new ultimate parent of the Group) and its subsidiaries;

- At 30 September 2022, the Group's current liabilities exceed its current assets. However, due to the ICA agreement entered into on SED the Group has sufficient cash resources to settle its day-to-day financial obligations as it becomes due. Furthermore, all interest on Group Services' Debt is PIK, which further limits the risk to cash flow;
- At 30 September 2022, the Group's total liabilities exceed its total assets. However, management draws the user of these financial statements' attention to the Support Agreement entered into on 15 December 2022 with its largest financial creditors in relation to financial creditors' support to achieve the consents necessary to extend the maturity of the Group Services' Debt from the current maturity date of 30 June 2023 to at least 30 June 2026 (the Maturity Extension Transaction). Subsequently the Group received support from more than 80% (being the requisite support required for a consensual transaction with lenders) for all debt facilities except for the First lien term loan facility where the current support is above 76% but below the requisite support required. The Steinhoff Group remains entitled to repay or refinance the existing First lien term loan facility and therefore the successful implementation of the Maturity Extension Transaction is not dependent on obtaining the support of the First lien term loan facility lenders. Steinhoff will evaluate its options for this facility.
- The equity re-organisation included in the Maturity Extension Transaction is considered to have no significant economic impact on the Group as a whole, it is considered to be a common control transaction and will be accounted for as a capital re-organisation; and
- Furthermore, it is management's view that due to the Group's assets continuing to be materially less than its liabilities, and will remain so as at 30 June 2023, the commercial terms indicate that the Group Services' Debt lenders are the primary stakeholders of the Company.

BASIS OF PREPARATION – SEPARATE FINANCIAL STATEMENTS

The Management Board has a reasonable and informed expectation that the Company is likely to be dissolved through the proposed equity re-organisation as announced on 15 December 2022. Unlike in the Consolidated Financial Statements, the legal form is more important in the context of Separate Financial Statements being the financial statements of a legal entity. In preparing these 2022 Separate Financial Statements, the Management Board has not adopted the going concern basis.

The Management Board has deemed it appropriate to continue to recognise and measure all assets and liabilities in terms of the applicable IFRS standards as at the Reporting Date.

DIVIDEND ON ORDINARY SHARES

Given the Group's ongoing liquidity constraints and the negative reserves, the Management Board, with the approval of the Supervisory Board, has resolved not to propose any dividend on the Ordinary Shares for the 2022 Reporting Period.

EVENTS AFTER THE REPORTING DATE

Subsequent to the Reporting Date, on 15 and 16 December 2022 Steinhoff released details of the proposed Maturity Extension Transaction, including the terms of the debt extension which is expected to result in the delisting of the Company and, if the shareholders agree, the right to up to 20% of the economic interest in the equity for the existing shareholders. The proposed Maturity Extension Transaction and related terms address the total Group Services' Debt and allow further time to fully realise the Group's investments and assets. The equity elements of the proposed transaction will be subject to a shareholders' general meeting. That meeting will be called with the required notice period and the resolutions for the meeting will be explained and set out in a circular to shareholders.

Apart from the events set out above, no other material events have occurred after the Reporting Date. For full details please refer to note 37 to the 2022 Consolidated Financial Statements.

SEPARATE FINANCIAL STATEMENTS RELATING TO STEINHOFF

The Company's separate financial statements, reflecting the Company as a holding company, are included after the 2022 Consolidated Financial Statements. The Separate Statement of Financial Position reflects negative equity of €3 526 million (2021: positive equity of €121 million).

During the 2022 Reporting Period, the Company recognised additional financial liabilities of €3 584 million relating to the remeasurement of financial liabilities in relation to the various CPUs (2021: reversal of €1 539 million). This financial liability is measured as the difference between the outstanding external Group Services' Debt and the fair value of the underlying European investments and net asset, (the "Shortfall"). This significant increase in the Shortfall during the Reporting Period relates mainly to the accrued interest on the outstanding Group Services' Debt, which is PIK, and the decline of the Pepco Group's quoted share price on the Warsaw Stock Exchange.

In addition, the Company recognised dividend income of €513 million (2021: nil), impaired investment in subsidiary companies by €739 million (2021: reversed €1 680 million), reversed the provision for the Global Litigation Settlement by €16 million (2021: raised €242 million) and recorded a gain on recognition of the SIHPL loan note of €164 million (2021: n/a).

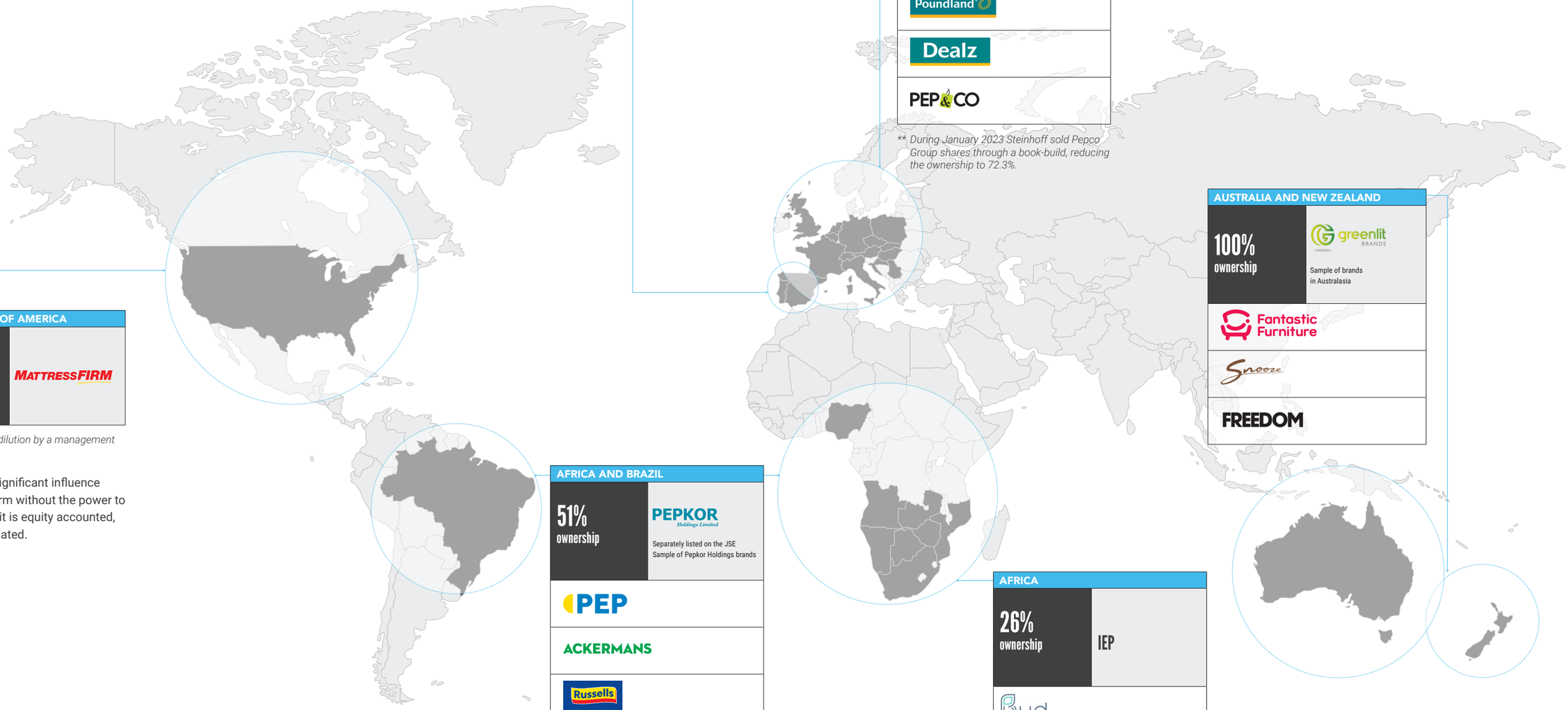
For further information refer to notes 5.2, 5.4, 5.5 and 5.6 to the 2022 Separate Financial Statements.

EXTERNAL AUDIT

The 2022 Consolidated Financial Statements and separate financial statements of the Company have been audited by the external auditor, Mazars and their unqualified opinion is set out at the end of this Annual Report.

STEINHOFF INTERNATIONAL HOLDINGS N.V.

is a global holding company with investments in retail businesses



UNITED STATES OF AMERICA

50%* ownership — MATTRESSFIRM

* Subject to future dilution by a management incentive plan

The Group has significant influence over Mattress Firm without the power to control, as such it is equity accounted, and not consolidated.

EUROPE

100% ownership — Conforama Iberia

Warrants over 49.9% of the economic rights to the future returns of Conforama issued, but not exercised

EUROPE

79%** ownership — PEPCO Group

Separately listed on the Warsaw Stock Exchange
Sample of Pepco brands

- PEPCO
- Poundland
- Dealz
- PEP&CO

** During January 2023 Steinhoff sold Pepco Group shares through a book-build, reducing the ownership to 72.3%.

AUSTRALIA AND NEW ZEALAND

100% ownership — greenlit BRANDS

Sample of brands in Australasia

- Fantastic Furniture
- Snooze
- FREEDOM

AFRICA AND BRAZIL

51% ownership — PEPKOR Holdings Limited

Separately listed on the JSE
Sample of Pepkor Holdings brands

- PEP
- ACKERMANS
- Russells
- flash
- AVENIDA

AFRICA

26% ownership — IEP

- Bud Built to Grow

The Group has significant influence over IEP without the power to control, as such IEP is equity accounted, and not consolidated.

OPERATIONAL REVIEW

FOR THE YEAR ENDED 30 SEPTEMBER 2022

INTRODUCTION

The Group's operations reported commendable performances for the year ended 30 September 2022 with a collective 12% increase in revenue from continuing operations to €10 333 million (2021: €9 193 million). In addition, associate investment Mattress Firm recorded a 10% increase in revenue to €4 040 million (2021: €3 676 million).

EBITDA from continuing operations increased by 19% to €1 550 million (2021 restated: €1 305 million), reflecting the improved sales as well as good expense management. Similarly operating profit adjusted for material non-operational items ("EBIT") increased by 23% to €859 million (2021 restated: €698 million).

Management within the OpCos are focusing on enhancing revenue, reducing costs, managing cash flow and improving supply chain efficiencies. Both Pepco Group and Pepkor Holdings continue to expand their footprints significantly through store expansion and acquisition. The broad operational strategy across the Group is to provide affordable and accessible products that serve the needs of customers in the current tough consumer and macroeconomic environment. The various merchandise teams continue to focus on supporting customers by minimising price increases while maintaining gross margins.

Since the onset of COVID-19 three years ago, trading has been extremely volatile and it is pleasing that the main operating entities achieved compound annual like-for-like sales growth. This highlights their ability to produce consistent results through times of market uncertainty and demonstrates the strength of the Group's positioning in the market. The operations remains highly cash generative. Growth at operational level has been supported by acquisition and continued store growth and refurbishing. Making new investments at Group level, however, is not part of the strategy of longer-term value preservation for stakeholders.

All discontinued operations are excluded from this operational review. For full details please refer to note 1 to the 2022 Consolidated Financial Statements.

REVENUE FROM CONTINUING OPERATIONS (€M)	2022	2021	% change	Constant currency %
Pepco Group	**4 824**	4 122	17	17
Pepkor Holdings	**4 751**	4 357	9	5
Greenlit Brands	**758**	714	6	1
Total Group revenue from continuing operations	**10 333**	**9 193**	**12**	

EBITDA FROM CONTINUING OPERATIONS (€M)	2022	2021 Restated[1]	% change	Constant currency %
Pepco Group	**664**	605	10	
Pepkor Holdings	**835**	714	17	13
Greenlit Brands	**86**	96	(10)	(14)
Group Services	**(35)**	(110)	68	
Total segmental EBITDA from continuing operations	**1 550**	**1 305**	**9**	

OPERATING PROFIT/(LOSS) ADJUSTED FOR MATERIAL NON-OPERATIONAL ITEMS ("EBIT") FROM CONTINUING OPERATIONS (€M)	2022	2021 Restated[1]	% change	Constant currency %
Pepco Group	**288**	277	4	
Pepkor Holdings	**584**	503	16	12
Greenlit Brands	**22**	28	(21)	(25)
Group Services	**(35)**	(110)	68	
Total segmental EBIT from continuing operations	**859**	**698**	**23**	

MATERIAL ASSOCIATE – MATTRESS FIRM (€M)	2022	2021	% change	Constant currency %
Revenue	**4 040**	3 676	10	0
Profit / (loss) for the period	**398**	237	68	52

[1] *Prior year comparatives for Pepco Group have been restated as a result of the change in accounting policy (refer to note 36 to the 2022 Consolidated Financial Statements).*

These Mattress Firm results are presented on an IFRS basis, represent 100% of Mattress Firm's results and are included for information purposes. Mattress Firm is considered to be an associated company and as such it is equity accounted and not consolidated into the results of Steinhoff.

PEPCO GROUP

Pepco Group, the fast-growing pan-European discount variety retailer, trading through c. 4 000 stores in 17 territories across Europe. Pepco Group owns the Pepco and Dealz brands present across Europe and the Poundland brand in the United Kingdom and has a clear vision to become Europe's pre-eminent discount variety retailer.

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

PEPCO GROUP (€M)	2022	2021 Restated[1]	% change	Constant currency %
Total revenue	**4 824**	4 122	17	17
EBITDA	**664**	605	10	
EBIT	**288**	277	4	

[1] *Prior year comparatives for Pepco Group have been restated as a result of the change in accounting policy (refer to note 36 to the 2022 Consolidated Financial Statements).*

Total revenue increased by 17% to €4 824 million (17% in constant currency) led by Pepco with 25% growth. Pepco's like-for-like (LFL) growth was 7% for the full year, including the impacts of COVID-related store closures during the first half of the year. The growth was driven by the strength of the proposition, including store and proposition renewal programmes and higher levels of customer demand. Poundland's full year LFL growth of 3%, provides a clearer indication of the strengthened customer offer and, in particular, the strong performances across the recently extended categories in clothing and homewares and the introduction of a new frozen and chilled offer in 127 stores.

Pepco Group delivered a record number of 516 net new stores under their accelerated store expansion programme – the Pepco Group's single biggest driver of value creation – in FY 2022, ahead of their upgraded target of 450 new stores. In Pepco 446 new stores were opened, ahead of their 400 guidance, including 163 new stores in the strategically important Western European markets of Italy, Spain, Germany and Austria. Within Poundland 70 new stores were opened almost exclusively in the Dealz Poland business (excluding the closure of 59 Fulton's stores).

Following an encouraging performance in new and existing markets, Pepco Group are further accelerating their store expansion programme and are now targeting opening at least 550 net new stores in FY 2023 alongside entry into the new territories of Greece and Portugal for the Pepco brand.

Demand for Pepco Group products remains strong even against the backdrop of significant uncertainty in the macroeconomic environment, exacerbated by the impact of geopolitical events. Whilst inflation remains at recent historic highs, in their core markets of Poland, Hungary and Romania inflation in clothing and footwear has been running at only around a third of the headline inflation rate. Both clothing and food remain resilient categories in the Polish and wider CEE retail sector. The outlook across the UK remains challenging as constraints on consumers' disposable income continue. That said, the Pepco Group value-led proposition becomes even more relevant in these challenging times and continues to drive new customers to their stores, expanding their target market, across Europe.

Supply side conditions in retail have been more positive recently; the price of cotton has fluctuated but remains below recent peaks. There has also been some easing of freight costs which continue to fall from peak but remain high against historical levels, while supply chains are not yet fully recovered from the pandemic.

EBITDA for the year increased 10% to €664 million while EBIT increased 4% to €288 million.

PEPKOR HOLDINGS

Pepkor Holdings has the largest retail store footprint in southern Africa, with more than 5 800 stores operating across 11 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 HOLDINGS (€M)	2022	2021	% change	Constant currency %
Total revenue	**4 751**	4 357	9	5
EBITDA	**835**	714	17	13
EBIT	**584**	503	16	12

Pepkor Holdings reported strong results for the year ended 30 September 2022. Pepkor Holdings Group revenue increased by 9% to €4 751 million (5% in constant currency), coming off a high base in the prior year where revenue growth of 12% was reported (9% in constant currency). Excluding the Flash business, where lower revenue was recognised due to a planned change in product mix, and ZAR460 million in lost sales as a result of the flood damage to PEP's distribution centre, revenue growth in constant currency is estimated at 8%.

Since the onset of COVID-19 three years ago, trading has been extremely volatile and it is pleasing that the Pepkor Holdings Group achieved compound annual like-for-like sales growth in constant currency of 4% over this period.

This highlights Pepkor Holdings' ability to produce consistent results through times of market uncertainty and demonstrates the strength of the Pepkor Holdings Group's positioning in the market.

Pepkor Holdings' market share expanded by a substantial 123 basis points across various product categories over the last three years, further underscoring the discount and value leadership of Pepkor Holdings' retail brands.

The Pepkor Holdings Group remains highly cash generative with 92% of sales in cash. Cash of ZAR11.2 billion was generated by the group during the year.

The Pepkor Holdings Group processed 1.9 billion sales transactions in FY2022, leveraging its close proximity to customers through its expansive retail store footprint of 5 830 stores and reach into the informal market through 202 000 Flash traders. Pepkor Holdings' retail store footprint was expanded by 319 new store openings during the year (215 on a net basis) spanning across 2.6 million m2. The newly acquired Avenida value retail business in Brazil exceeded expectations in many respects as the value creation plan is rolled out. Five new stores were opened during the year.

EBITDA increased by 17% to €835 million while EBIT increased 16% to €584 million.

Higher levels of inflation are expected during the coming winter season and the Pepkor Holdings Group's merchandise teams continue to focus on supporting customers by minimising price increases. Supply chain disruptions have reduced, including the cost of shipping.

As the leader in the discount and value retail space, Pepkor Holdings has an unparalleled ability to operate in close proximity to customers from both the formal and informal retail market perspectives, enabled by its physical and virtual presence and capability.

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)	2022	2021	% Change	Constant currency %
Total revenue	**758**	714	6	1
EBITDA	**86**	96	(10)	(14)
EBIT	**22**	28	(21)	(25)

Greenlit Brands enjoyed exceptional revenue uplift during the second half of the Reporting Period to end the year with 6% year-on-year growth at €758 million (2021: €714 million), after being down 4% for the first half which was predominately driven by logistic challenges. In constant currency revenue was up 1% for the Reporting Period.

Online trading remains steady for the Greenlit Brands group, up 1.5% on the higher base of the comparative period which was driven in part by COVID-19-related lockdowns for an extended period, and delivering 20.5% of gross sales. This channel is providing a solid foundation for continued trade during any potential further COVID-19 interruptions.

Overall EBITDA decreased 10% to €86 million (2021: €96 million) while EBIT reduced by 21% to €22 million (2021: €28 million). The increased ocean freight costs and COVID-19-related logistic challenges had a non-recurring overall costs impact for the year.

GROUP SERVICES

Segmental information for Group Services excludes certain one-off or exceptional items (largely consisting of advisory fees and impairments) that are described in note 4 of the 2022 Consolidated Financial Statements.

GROUP SERVICES (€M)	2022	2021	% change
Total EBIT	**(35)**	(110)	68
Head office costs	**(23)**	(27)	15
Insurance costs	**(8)**	(24)	67
Insurance income	**9**	2	>(100)
Regulatory fines	**(11)**	–	>(100)
Corporate closure costs	**–**	(26)	>100
Audit fees	**(4)**	(7)	43
Forex gains/(losses)	**2**	(28)	>100

HEAD OFFICE COSTS

This total includes costs such as salaries, running costs including rent, travel and consultancy fees.

REGULATORY FINES

Regulatory fines include the fine payable to BaFin.

CORPORATE CLOSURE COSTS

Corporate closure cost in the prior year related to the cancellation of lease guarantees and other costs of historic UK operations that have been discontinued.

AUDIT FEES

In terms of accounting principles expenses can only be recognised once incurred. The audit of the annual results is only finalised after the conclusion of the Reporting Period. The costs incurred after the Reporting Date are expensed in the following Reporting Period.

FOREX GAINS/(LOSSES)

The Group operates in a number of different currencies and as such, intragroup loans between Group companies are often denominated in a currency different to the functional currency of the entity granting or receiving the loan. These intragroup loans result in foreign exchange gains or losses on revaluation to spot rate at reporting dates.

MATTRESS FIRM – EQUITY ACCOUNTED

Mattress Firm is the largest omni-channel mattress speciality retailer in the United States, with more than 2 300 retail stores nationwide, giving it the largest national, coast-to-coast retail footprint of any mattress speciality retailer in the United States. For more information refer to: www.mattressfirm.com.

Mattress Firm is considered to be an associated company and as such it is equity accounted and not consolidated into the results of Steinhoff. The operating commentary below refers to the entire business (100%) and is included for information purposes. For further information please refer to note 11.6 to the 2022 Consolidated Financial Statements, including adjustments made to bring Mattress Firm's financial results in line with IFRS.

MATTRESS FIRM (€M)	2022	2021	% change	Constant currency %
Total revenue	**4 040**	3 676	10	0
Profit for the year	**398**	237	68	52

Revenue increased by 10% on the prior year (a decrease of 0.3% in constant currency) to €4 040 million (2021: €3 676 million).

In the current year, comparable sales decreased by 0.2%, which was driven by a 9.1 % decrease in the number of customer transactions, partially offset by an 8.9% increase in the average order value for comparable sales. This decrease in revenue includes a 1.3% decrease in brick and mortar sales as well as a 2.5% decrease in digital sales, driven by demand softening in the second half of fiscal 2022 as a result of various macroeconomic factors.

Total revenue was favourably impacted by an increase from Mattress Firm's "Other Business" operating segment, which is largely reliant on large gatherings of potential customers, such as rodeos, state fairs and fundraisers, among others, which were starting to increase in number as COVID-19 restrictions eased.

Profit for the year increased 68% (89% in constant currency) to €398 million (2021: €237 million). The store count reduced further ending on 2 342 (2021: 2 353).

RISK MANAGEMENT

The Management Board manages the risk associated with the Group's activities in consultation with the operational management teams and reports to the Audit and Risk Committee and the Supervisory Board.

INTRODUCTION

The Management Board has an established risk management framework with clear accountabilities to counter risks at Group Services and OpCo level. The implementation of the framework enables the Management Board to identify and analyse risks associated with the strategy, objectives and activities of the Group. This organisational structure and attribution of accountabilities place the responsibility for the processes of risk review and risk mitigation with the operational subsidiaries' management, who own the risks. Risks are identified, monitored and mitigated on an ongoing basis.

INTERNAL RISK MANAGEMENT AND CONTROL ENVIRONMENT

An overview of the internal risk management and control environment is set out below.

INTERNAL CONTROL FRAMEWORK

The Group draws on global standard ISO 31000 – Risk management and the DCGC to formulate its risk management policy and framework, and to facilitate the timely identification, measurement, analysis, evaluation and treatment of risk.

Risk management and control systems established by the risk management framework have been designed to allow each OpCo to own, identify, evaluate and treat risk appropriately, and to ensure effective risk control mechanisms are implemented to mitigate residual risk exposure. The risk management and control systems are reviewed, assessed and monitored by the Management Board with the assistance of the Group Risk function. The Management Board and the Supervisory Board continue to demonstrate their commitment to upholding integrity and ethical values throughout the Group. In addition, the established organisational structure, reporting lines, authority and responsibilities to pursue business objectives enhances the internal control framework.

It remains the responsibility of each OpCo to apply risk management and control systems based on their own unique lines of business. These systems include a risk register detailing, quantifying, classifying and prioritising risks and action plans for mitigation.

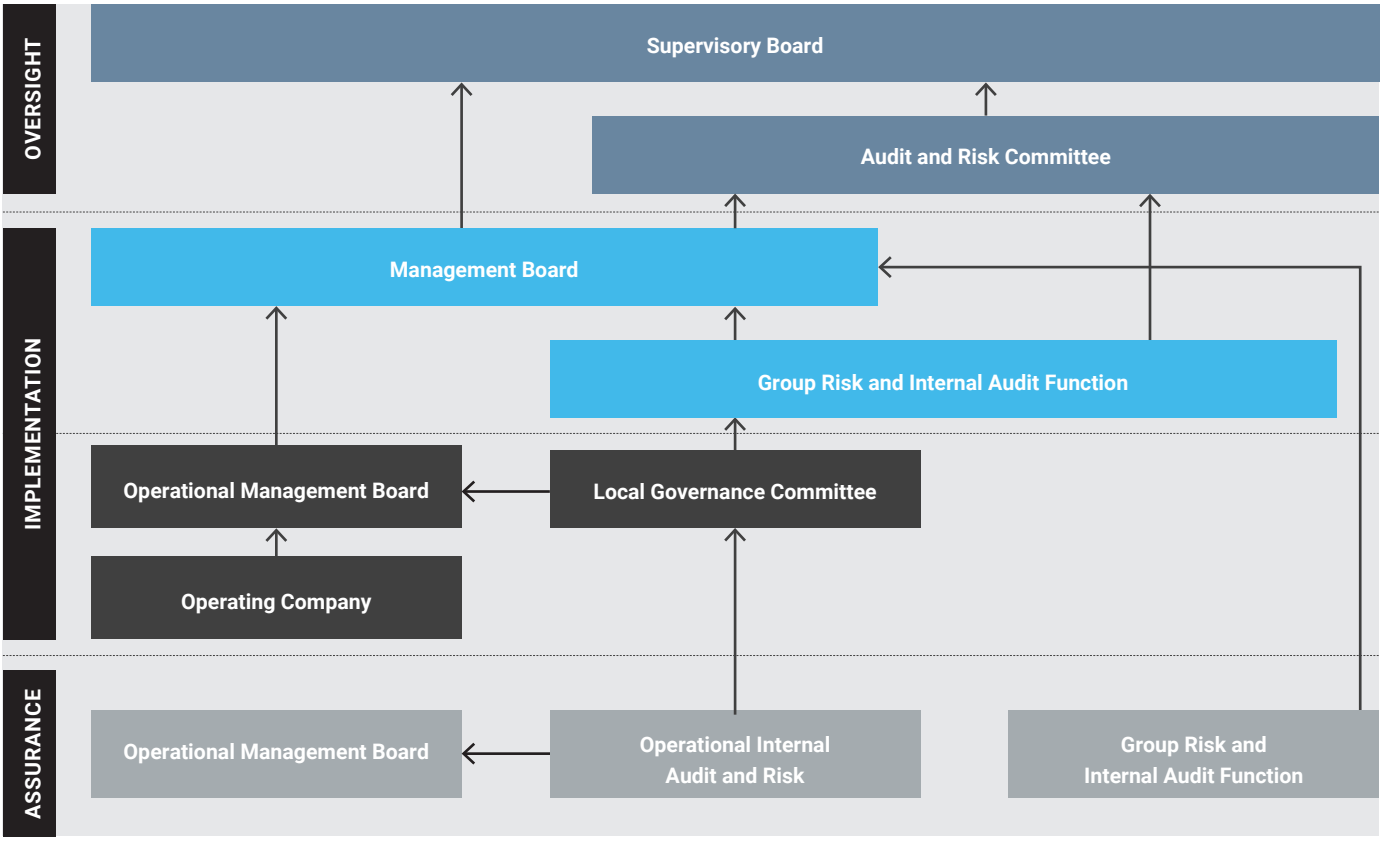
The Group internal risk management and control systems allow each OpCo to set its own risk tolerance levels through analyses and adherence to Group operational, financial and strategic objectives. The internal risk management objective is to ensure that uncertainties are responsibly managed with consideration of stakeholder interests and to ensure that risks are optimally addressed.

Quarterly reports are presented to the Audit and Risk Committee, which in turn reports to the Supervisory Board, after due consideration by the Management Board. Follow-up measures are considered and reviewed on a regular basis.

The Management Board is responsible for ensuring that adequate frameworks and control systems are in place at OpCos to detect fraud, corruption and irregularities. The responsibility to detect and prevent fraud remains with management at an operational level. This is emphasised through continuous sensitisation of operational internal audit functions as well as inclusion of such focus in internal audit and risk management processes. The operational internal audit function reports fraud, corruption and/or ethics violations to operational management. These reports are escalated to the Management Board and to the Audit and Risk Committee. Such reports include associated remedial actions.

RISK MANAGEMENT FRAMEWORK

The Audit and Risk Committee, which reports to the Supervisory Board, oversees among other aspects, the Management Board's activities with respect to the operation of the Group's risk management and control systems. The risk management framework of responsibility for the Reporting Period is presented on the following page.



RISK APPETITE AND RISK TOLERANCE

Risk appetite is the level of risk that the Company is prepared to accept in pursuit of its strategic objectives before action is deemed necessary to reduce the risk. It represents a balance between the potential benefits of innovation and the threats that change inevitably brings. Risk appetite levels differ between OpCos based on their specific lines of business, sector, culture and objectives. Operational management, with guidance from the Group, is responsible for assessing and setting its own risk appetite and tolerance as part of the Group's risk management methodology. The Group's risk appetite varies per objective area and type of risk.

RISK MANAGEMENT ASSURANCE

Operational management, as the risk owner, is responsible for managing risk and ensuring that effective internal control systems are in place. Group Risk facilitates and supports the Management Board in the design and operation of internal risk management and control systems. It also supports the Management Board by providing a level of assurance on risk management and internal control practices throughout the OpCos.

The Management Board both appoints and dismisses the chief internal auditor. Both the appointment and the dismissal of the chief internal auditor is submitted to the Supervisory Board for approval, along with the recommendation issued by the Audit and Risk Committee.

Internal audit provides independent assurance and operates under the responsibility of operational management to examine, evaluate, report and make recommendations. The operational internal audit functions report these evaluations and recommendations to operational management and Group Risk. The Group Risk function reports to the Management Board and the Audit and Risk Committee on the information received from the operational internal audit functions. The adequacy and effectiveness of the risk management and internal control systems are included in the internal audit reporting.

The Group Risk and Internal Audit function provides independent assurance and operates under the responsibility of the Management Board to examine, evaluate, report and make recommendations. The Group Risk and Internal Audit function reports to the Management Board and the Audit and Risk Committee on evaluations and recommendations relating to Group Services. The adequacy and effectiveness of risk management and internal control systems in respect of Group Services are included in the internal audit reporting.

No major failings in the internal risk management and control systems were brought to the attention of the Management Board during the Reporting Period.

The Management Board is constantly striving to improve the internal risk and control systems. Any improvements or changes to these systems are discussed with the Audit and Risk Committee and the Supervisory Board.

PRINCIPAL RISKS

The Management Board has identified the following principal risks. These risks, applicable to the business strategy, should not be regarded as exhaustive and do evolve over time due to internal and external factors. There may also be additional risks of which the Management Board is unaware.

Several principal risks have remained unchanged from the 2021 Risk Management Report. Changes in Principal Risks from the 2021 Risk Management Report are discussed in further detail in the next section of this report.

The risk ratings that were applied are defined as follows:

Risk Rating	Definition
High	A major event that can cause reputational and economic/financial damage that will result in significant or material business losses. The likelihood of occurrence is likely.
Medium	An event that would result in risks that can cause an impact but not as serious as high. The likelihood of occurrence is either considered to be likely, frequent or possible.
Low	A low rated risk/event is one with little / no impact on the business activities and the reputation of the Group. The likelihood of occurrence is unlikely or even rare.

1	FINANCIAL STABILITY
1.1	DEBT RESTRUCTURING

RISK RATING: High (2021: High)

As at 30 September 2022, the Group's debt under Group Services, the CVA debt, amounted to €10.1 billion and currently has a maturity date of 30 June 2023, with an option for a further 6 months extension to 31 December 2023 subject to approval by a simple majority of financial creditors. The debt was classified as a current liability on 30 September 2022, as required by IFRS.

At 30 September 2022, under the application of IFRS standards, the Group's total liabilities exceeded its total assets.

HOW WE ARE MITIGATING THE RISK

The implementation of the CVA in terms of which the financial indebtedness of SEAG and SFHG was restructured effective 13 August 2019.

The appointment by the Company of financial creditor nominated experienced Directors as part of the CVA restructuring as well as the Global Litigation Settlement.

The Company has repaid the following debt, since the CVA restructuring:

- 2021 Reporting Period: The IPO of circa 21% (Steinhoff still holds 78.89%) of Pepco Group N.V. on 26 May 2021 was successfully implemented with the listing on the Warsaw Stock Exchange. €1 billion was raised through the offering most of which was utilised to service the restructured debt.
- During the 2021 Reporting Period Mattress Firm successfully refinanced its outstanding debt. In addition, Mattress Firm made a payment to shareholders of USD1.2 billion, of which the Steinhoff portion was utilised to repay debt.
- The proceeds from the sale of Greenlit – Plush in November 2021 of €71 million were applied to the Group Services' Debt.
- As part of the global litigation settlement, payment of €66 million to the Hemisphere facility agent for application in discharge of an equivalent amount of indebtedness of Hemisphere.

The Group entered into a Support Agreement on 15 December 2022 with its Original Participating Lenders, representing more than 64% of the total Group Services' Debt.

The Support Agreement provides a stable platform for the Group to achieve the consents necessary to extend the maturity of the Group Services' Debt from the current maturity date 30 June 2023 to at least 30 June 2026 (the Maturity Extension Transaction).

The Maturity Extension Transaction includes a "solvent distribution regime" to facilitate an efficient distribution of the Group's assets at fair value directly to financial creditors, subject to any legal and regulatory restrictions, if debt has not been discharged in full at extended maturity (or following any earlier acceleration). The regime includes limited recourse terms and "solvent liquidation" provisions for the benefit of the Company (including any new ultimate parent of the Group) and its subsidiaries.

The proposed Maturity Extension Transaction and related terms allow further time to fully realise the Group's investments and assets. The equity elements of the proposed transaction will be subject to a shareholders' general meeting expected to take place on 16 March 2023. That meeting will be called with the required notice period and the resolutions for the meeting will be explained and set out in a circular to shareholders.

1.2	INSOLVENCY RISK

RISK RATING: Medium (2021: Medium)

Insolvency remains a risk to the Group.

The risk has reduced due to (i) the Global Litigation Settlement which was implemented on 15 February 2022; (ii) the extension of the maturity date of the restructured debt to 30 June 2023. This maturity date is capable of further extension to 31 December 2023 with simple majority lender approval, and (iii) the Support Agreement entered into on 15 December 2022 which provides a stable platform for the Group to achieve the consents necessary to extend the maturity of the Group Services' Debt from 30 June 2023 to at least 30 June 2026 (the Maturity Extension Transaction).

HOW WE ARE MITIGATING THE RISK

Repayment of debt during the 2021 and 2022 Reporting Periods.

Detailed financial reporting on operational results to the financial creditors on a quarterly basis.

The introduction of detailed cash management reporting and expense forecasting to effectively manage liquidity needs.

Continuous engagement with all stakeholders, including providing market information in the form of quarterly updates.

Regular engagement with the various lender groups to keep them informed.

Ongoing investigations including the PwC forensic investigation (Phase 2) have been completed and draft reports have been considered. The instituting of outbound claims against former directors and officers and associated entities is in process.

The Company has the option to seek a further six-month extension to 31 December 2023, subject to consent of a simple majority of the financial creditors.

The Group entered into the Support Agreement on 15 December 2022 which provides a stable platform for the Group to achieve consents necessary to extend the maturity of the Group Services' Debt to at least 30 June 2026, together with the Maturity Extension Transaction.

The Maturity Extension Transaction includes a "solvent distribution regime" to facilitate an efficient distribution of the Group's assets at fair value directly to financial creditors, subject to any legal and regulatory restrictions, if debt has not been discharged in full at extended maturity (or following any earlier acceleration). The regime includes limited recourse terms and "solvent liquidation" provisions for the benefit of the Company (including any new ultimate parent of the Group) and its subsidiaries. The Management Board has a reasonable expectation that the Group has sufficient resources to continue in operation for the foreseeable future.

Debt documents allow management to retain agreed levels of liquidity in order to meet expense/liabilities as and when they fall due.

2	TAX RISKS
2.1	TAX RISKS RELATING TO HISTORICAL TRANSACTIONS

RISK RATING: Medium (2021: High)

Due to, inter alia, the restatement of the Group's 2017 Consolidated Financial Statements, various historical transactions in multiple jurisdictions are being investigated by various regulators and stakeholders.

The investigations are ongoing and the outcome thereof remains uncertain. Then investigations could lead to cash outflows in order to service tax liabilities. In certain jurisdictions, backlogs exist with respect to the completion and audit of financial statements which could delay the outcome of the investigations by revenue authorities. The impact of potential tax adjustments, fines, penalties and/or refunds is therefore unknown. Loss of people in key business areas and the loss of corporate knowledge further increase the risk, as the rationale for past decisions and transactions may be lost. This may result in Group companies being unable to provide detailed responses to enquiries from tax authorities. Current and future tax audits may give rise to further risks regarding tax positions taken by the Group in the past. Additional tax liabilities may arise in the case of adverse outcomes in any settlement negotiations, which could have an effect on the Group's financial position and liquidity.

The risk would not lead to the ultimate liquidation of the Group. Once the full tax exposure is known a solution would have to be found together with the Group's financial creditors.

HOW WE ARE MITIGATING THE RISK

Group Services monitoring and reporting of tax matters has been implemented and continues, including close involvement of the Chief Financial Officer and the Head of Steinhoff Tax.

Appropriate provisions have been created for potential tax liabilities.

Appointment of appropriate tax specialists in the relevant jurisdictions to help advise on strategies and management of positions in those jurisdictions.

Based on advice from tax advisors the exposure has largely been ringfenced and management has reserved cash against this exposure. Management and their advisors have had various interactions with the relevant tax authorities.

2.2	SOUTH AFRICAN CONTROLLED FOREIGN COMPANY RISK DUE TO STEINHOFF BEING A SOUTH AFRICAN TAX RESIDENT

RISK RATING: Medium (2021: Medium)

Due to Steinhoff being the ultimate holding company of the Group, South African Controlled Foreign Company ("CFC") legislation is applicable to all international transactions effected in the Group.

The Group Services tax team must be made aware of all relevant/ material transactions in order to identify and mitigate CFC risks. In the event of the miscalculations regarding the amounts this could lead to significant financial exposure for the Company.

HOW WE ARE MITIGATING THE RISK

Timely involvement of the Group Services tax team, with the assistance of South African tax advisors, to monitor transactions, identify where tax consequences may arise, quantify potential tax exposure and propose alternative solutions.

The likelihood of occurrence may be low, however the financial impact may be material.

2.3	TAX RISK AS A RESULT OF TRANSFER PRICING

RISK RATING: Medium (2021: Medium)

As a multi-national group, there are a number of cross-border related party transactions in place in all spheres of the Group's business.

Due to the increased focus of revenue authorities on transfer pricing arrangements, the Group faces potential risks in this context. If a tax authority concludes that the transactions under review are not at arm's length, the Group's tax liability would increase. Due to the bilateral nature of transfer pricing, there is a constant need to harmonise and balance transfer pricing arrangements across jurisdictions, to result in an equitable position for both jurisdictions involved. Furthermore, the Group may incur significant tax expenses and devote substantial time to addressing queries and audits from revenue authorities.

HOW WE ARE MITIGATING THE RISK

Transfer pricing considerations must be taken into account in all transactions planned as well as monitored on an ongoing basis. A transfer pricing specialist is appointed as part of the Group Services tax team and is available to provide guidance to all jurisdictions where required.

2.4	TAX RISK RELATING TO COMPLEXITY IN TAX MATTERS DUE TO THE MULTIPICITY OF JURISDICTIONS

RISK RATING: Medium (2021: Medium)

The large number of jurisdictions in which the group operates creates complexity with regard to ongoing tax matters and transactions in general. In-depth jurisdictional tax knowledge is required to respond to the aforementioned.

HOW WE ARE MITIGATING THE RISK

Appointment of appropriate in-country tax specialists / advisors in the relevant affected jurisdictions to help advise on the current position in each jurisdiction.

3	TALENT MANAGEMENT AND RETENTION

3.1	MANAGEMENT BOARD

RISK RATING: Medium (2021: High)

A contributing factor to the Group's future success is dependent on its ability to retain and attract skilled and qualified human capital.

The Company proposed an amended Remuneration Policy for the Management Board to its shareholders, with the aim of aligning the Policy with the Company's operational strategy, given its current circumstances. The proposed policy was voted down by the general meeting, being the third consecutive proposal voted down by the shareholders. The uncertainty surrounding an outdated Remuneration Policy may contribute to uncertainty and talent losses.

Loss of institutional knowledge due to loss of a Management Board member.

HOW WE ARE MITIGATING THE RISK

The Human Resources and Remuneration Committee plays an active role in remuneration and employee retention measures.

The combined cash and equity long-term incentive ("LTI") scheme that was implemented for Managing Directors in FY2022, was revised for FY2023 to align it more closely with the Company's current realities.

The LTI scheme quantum was reduced by 25% and the short-term incentive ("STI") scheme quantum was increased by 25% resulting in placing emphasis on the immediate to short-term motivation and retention of Managing Directors due to the Company's current realities.

Both current Managing Directors were reappointed at the 2022 Annual General Meeting for a term that runs until the close of the Company's annual general meeting to be held in 2026.

The Managing Directors must observe a six-month notice period.

Integrated working relationship and knowledge sharing between the two Managing Directors and the executive team to ensure continued knowledge transfer and transparency.

3.2	KEY AND CORE STAFF

RISK RATING: Medium (NEW RISK)

A contributing factor to the Group's future success is dependent on its ability to retain and attract skilled and qualified human capital.

The loss of key individuals could result in short term instability.

Talented employees with ambitions may seek career advancement elsewhere due to a reduction in stimulus.

Insufficient transfer of skills and knowledge due to the thinly spread headcount at Group Services where for example one individual is responsible for a department's output.

HOW WE ARE MITIGATING THE RISK

Group Services continue to focus on retaining key critical skills required to implement the Corporate Scorecard and the Company's strategy.

A short and long-term cash-based incentive scheme for purposes of retention for all key and core staff is in effect.

The interim advance STI payment during April of the financial year has developed into an effective retention mechanism and not solely an accelerated portion of the reward system for key and core staff.

The cash STI for staff for FY2023 was temporarily increased by 25% to place focus on the motivation and retention of critical staff and skills required to withstand the current uncertain realities.

All LTI Scheme participants must observe a three-month notice period to ensure structured exits.

An interim succession plan has been approved by the Management Board.

4	REGULATORY COMPLIANCE
4.1	HISTORICAL REGULATORY COMPLIANCE

RISK RATING: Medium (2021: Medium)

The risk of failure in respect of historical compliance to applicable laws and regulations extends across several jurisdictions and could result in liability, including, but not limited to criminal prosecutions, financial fines and penalties.

Certain European Group companies have not been or are not compliant with specific laws and regulations as a result of the late completion of annual financial statements due to delays caused by the events of December 2017, the high level of corporate activity within the Group and the COVID-19 pandemic.

Ongoing regulatory investigations on historical transactions preceding December 2017 have not been concluded on.

HOW WE ARE MITIGATING THE RISK

Completion of the relevant annual financial statements is a key focus of the finance functions across the Group in conjunction with the external statutory auditors.

The compliance of local laws and regulations by all OpCos remains a priority.

The Group is continuously engaging and cooperating with the regulators.

Independent legal specialists are engaged to provide regulatory support where required.

5	GLOBAL EVENTS
5.1	COVID-19-OPCOS

RISK RATING: Medium (2021: Medium)

As a pro-longed result of the pandemic, the Group faces significant risk in respect of major supply chain issues.

The cost of logistics continues to increase significantly, a reduction in the availability of inventory due to shipping log jams and an ongoing upward trend in price inflation are all factors which are placing pressure on margins. This will be continuously monitored in conjunction with the OpCos. The unpredictability of Governmental actions in the various geographies differ and as a result could have an adverse impact on Risk.

HOW WE ARE MITIGATING THE RISK

Continuous monitoring of a resurgence in positive cases in geographic areas and imposition of national lockdowns.

Alternative supply channels are being explored, on a continuous basis.

Continuous Management Board interaction with the OpCo management teams.

Rigorous focus on the end-to-end supply chain process.

Build-up of inventory in distribution centres and stores to de-risk supply chain logistics.

Constant monitoring by OpCo management of delays and shipping forecasts.

Sourcing of alternative financing and renegotiating supplier credit terms.

Pertinence of Business Continuity Plans.

Reprioritising strategic objectives.

Close IT vulnerability monitoring.

Re-engineering of sales mix aligned with consumer purchasing habits.

Considering forex cover options due to volatile currency markets.

Cash flow forecasts remain a focus area for the OpCos.

5.2	WAR IN UKRAINE-OPCOS

RISK RATING: Medium (NEW RISK)

The war in Ukraine continues to cause disruptions in trade and investment.

World trade is estimated to drop by one percent, lowering global gross domestic product by just under one percent. Manufacturing exporters see a sharp decline, especially in energy intensive sectors. Net exporters of crops, and of fossil fuels, see a surge in their exports, attenuating the negative effects of the war. The economic ripples are predominantly moving through commodity markets, logistics networks, supply chains, foreign direct investment, and other sectors such as tourism.

The war comes at a difficult moment for the world economy. The recovery from the pandemic-induced recession has been slowing as new coronavirus variants emerged and governments reined in spending. Rising inflation has prompted the major central banks to raise interest rates. Disruptions in world trade and investment will curb growth in developing countries and add to declined consumer demand.

Continued inflationary pressure across markets, which is somewhat offset by wage inflation benefits for consumers.

Europe and the United Kingdom's cost-of-living crises have impacted both customer confidence and disposable incomes, as they reduce even essential purchases due to the large increase in energy costs for consumers and businesses alike.

HOW WE ARE MITIGATING THE RISK

Pertinence of Business Continuity Plans.

Provision of lower cost products to ensure affordability for consumers.

OpCo management are exploring options to save on operational expenses by continuously reducing costs where possible.

More effective labour practices.

PRINCIPAL RISK COMPARISON TO THE 2021 REPORT

The table below illustrates the changes in the principal risks in comparison to the 2021 Risk Management Report.

2021 No.	Risk	2021 Risk Rating	Current Risk Rating	Justification for movement
1	Litigation	Medium	Low	The Dutch court confirmed the Steinhoff Composition Plan following the unanimous approval by the committee of representation. All of SIHPL's participating creditors approved the S155 Scheme. SIHPL's application for the approval and sanction of the S155 Scheme was heard on 24 January 2022, by the Western Cape High Court. At the close of the hearing the Court granted SIHPL's request and granted an order approving and sanctioning the S155 Scheme. Following receipt of the Order, SED (referred to under the S155 Scheme and the Composition Plan) occurred on 15 February 2022. As disclosed in Steinhoff's announcement of 15 December 2021, formal withdrawal of the various litigation that has been settled, including the withdrawal of the Liquidation Application against Steinhoff has occurred immediately following SED. Occurrence of SED was the remaining condition under the Composition Plan.
3.1	Tax Risks Relating to Historical Transactions	High	Medium	Based on the advice from tax advisors the exposure has largely been ringfenced and management has reserved cash against this exposure and are of the opinion that the tax exposure is sufficiently provided for, therefore this risk has been reduced to medium during the Reporting Period.
3.4	Tax Risks – Ongoing Tax Compliance	Medium	Low	The historical tax compliance backlog has by and large been resolved upon finalisation of historical annual financial statements and has thus reduced the risk rating from medium to low.
4.2	Regulatory Compliance – BaFin	Medium	Low	During the reporting period, BaFin imposed an administrative fine for the violations in respect of the late publication of historical financial reports and certain voting rights notifications. The administrative fine has also effectively resolved other late filings of financial reports and voting rights notifications.
6.1	Talent Management and Retention – Management Board	High	Medium	The reappointment of both Managing Directors at the 2022 AGM has ensured the continued and future stability in the Management Board and has thereby reduced the risk rating from high to medium.

PRINCIPAL RISKS: OPCOS

The principal risks identified by operational management for reporting, evaluation and consideration by the Management Board include the following non-exhaustive list of risks and are not ranked in a critical order of significance:

(i) Long-term expansion;

(ii) Supply chain disruptions;

(iii) Technology infrastructure failure and cyber security;

(iv) Consumer trends and behaviours;

(v) Socio-political and macro-economic environment's instability;

(vi) Increasing competition;

(vii) Inventory management; and

(viii) Legal and regulatory compliance, including health and safety.

In order to assess the risks of each of the OpCos, it is important to understand that these businesses operate in different markets across multiple jurisdictions, cultures and geographies.

FINANCIAL RISK MANAGEMENT

The principal financial risks to which the Group is exposed include capital risk, liquidity risk, market risk (relating to interest rate and currency volatility) and credit risk. Financial risks are managed at operational level with guidance from the Management Board to ensure optimal risk mitigation.

The Group's central treasury function reports to the CFO and coordinates access to domestic and international financial markets and monitors the financial risks relating to the Group Services functions. These risks include liquidity risk and market risk. The central treasury function is responsible for considering and managing, at Group Services level, the Group's day-to-day financial market risks by adopting strategies within the guidelines set by the Management Board.

Where relevant, selected derivative and non-derivative hedging instruments are used to mitigate risks. Speculative hedging is prohibited. The Group's financial instruments are listed in the 2022 Consolidated Financial Statements. The Group enters into currency hedges, with specific reference to known liabilities, in order to protect against adverse movements in the exchange rate relating to foreign currency payments.

CAPITAL RISK MANAGEMENT

Capital within the Group is managed at each Opco's board level to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The capital structure of the Group consists of net debt, which includes the borrowings, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The Group's objectives when managing capital are to provide an adequate return to stakeholders, to appropriately gear the business, to safeguard the ability of the OpCos to continue as a going concern and to take advantage of opportunities that are expected to provide an adequate return to stakeholders.

In order to optimise cost of capital, the Group may adjust the capital structure by selling assets to reduce debt.

LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk that the Group may suffer financial loss through liquid funds not being available or that excessive finance costs must be paid to obtain funds to meet payment requirements. The ultimate responsibility for liquidity risk rests with the Management Board. The Group manages liquidity risk through forecasting and monitoring cash flow requirements on a daily basis, and by maintaining sufficient undrawn facilities.

The Group's central treasury function arranges the investment of Group Services net cash reserves excluding OpCo level cash managed operationally, in the financial markets, mainly in short-term instruments linked to variable interest rates. The Group weighs up and seeks to find the optimal balance between return and liquidity when investing those net cash reserves.

CURRENCY VOLATILITY RISK MANAGEMENT

Currency risk is the possibility that the Group may suffer financial loss as a consequence of the depreciation in the measurement currency relative to the foreign currency prior to payment of a commitment in that foreign currency or the measurement currency strengthening prior to receiving payment in that foreign currency. Risks from foreign currencies for trading purposes are hedged to the extent that they influence the Group's cash flows. Each OpCo has its own hedging policy applicable to its own trading and supply chain requirements which is reviewed and approved by the underlying boards.

The Group uses forward exchange contracts (FECs), to manage transactional currency risks when required.

Specific translation risks are managed through the selective use of hedge positions. These hedges are tested for hedge effectiveness on a regular basis. When risks and rewards of ownership transfer to the Group, a basis adjustment will be made against the assets. There were no adjustments against the cost of assets during the Reporting Period.

Currency volatility was high over the past year driven primarily by the uncertainty around geo-political issues (such as the war in Ukraine) and the effect of these issues on energy-prices, inflation and interest rates across the globe. A dominant theme over this period was the persistent strengthening of the US dollar against a broad basket of currencies. This was particularly evident in the EUR/USD exchange rate which reached, and then breached, parity-levels during 2022.

INTEREST RATE RISK MANAGEMENT

Interest rate risk is the probability that the Group may suffer financial loss due to adverse movements in interest rates. The Group is exposed to interest rate risks mainly in South Africa and Europe.

On 14 December 2018, being the CVAs approval date, the lenders agreed to start implementing the restructuring plan once certain conditions precedent had been fulfilled. From this date interest accrued at the newly agreed interest rates as stipulated in the finance documents, which resulted in a substantial modification of the old debt instruments. PIK interest on these facilities accrued from 14 December 2018 at a fixed rate of 10% on all SFHG debt, and a fixed rate of 7.875% to 10.25% on all SEAG debt, compounded semi-annually. The implementation of the CVAs have enabled the Group to focus on improved interest rate management. As the majority of the Group's borrowings are PIK interest the cash flow risk is limited.

The Group is sensitive to movements in the EURIBOR, JIBAR, SA Prime rates and LIBOR rates, which are the primary interest rates to which the Group is exposed on banking institutional investments. The Group is monitoring developments relating to "LIBOR and reference rate reform" but it does not believe that these reforms will have any material impact on the Group's interest rate exposure.

Interest rates in most markets increased over the past year as economies staged their respective recoveries from the effects of the COVID-19 pandemic, a period during which interest rates had been reduced in support of economic growth. Supply-side inflation, added to the need for higher interest rates across the globe. Eurozone-, US- and South African- interest rates were hiked aggressively over the past year in response to that higher inflation.

CREDIT RISK MANAGEMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss for the Group. Given the diverse nature of the Group's operations, it does not have significant concentration of credit risk in respect of trade receivables, because exposure is spread over a large number of customers. The trade and other receivables, other than derivative financial assets, are denominated in the functional currency of the various OpCos. The total exposure to credit risk is therefore limited to the carrying value of the receivables.

In addition, the Group does not consider there to be any significant concentration of credit risk which has not been adequately provided for at the Reporting Date.

MANAGEMENT BOARD STATEMENTS

The Management Board has prepared this Annual Report in accordance with IFRS as adopted by the EU and additional Dutch disclosure requirements for annual reports.

RESPONSIBILITY STATEMENT

As required pursuant to section 5:25c paragraph 2(c) of the Dutch Financial Supervision Act, each of the Managing Directors hereby confirms that as far as each of them is aware:

(i) subject to the judgements and estimates set out in the Basis of Preparation, the 2022 Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the enterprises jointly included in the consolidation; and

(ii) the Management Report gives a true and fair view of the position as at the Reporting Date, the state of affairs during the Reporting Period of the Company and of the enterprises connected with it whose data are included in the 2022 Consolidated Financial Statements and the Management Report describes the substantial risks with which the Company is being confronted.

IN-CONTROL STATEMENT

The Management Board is responsible for the establishment and adequate functioning of a system of governance, risk management and internal controls in the Company. Consequently, the Management Board has implemented a range of processes and procedures designed to improve control by the Management Board over the Company's operations. These processes and procedures include measures regarding the general risk monitoring and management, and the control environment and specific guidelines on governance, including a code of conduct and a whistle-blower policy.

These processes and procedures are aimed at providing the Management Board with a reasonable level of assurance that the significant risks of the Company and the Group have been identified and managed, and that the Company meets its operational and financial objectives in compliance with applicable laws and regulations.

The Group Risk and Internal Audit function assesses the design and the operation of the internal risk management, governance and control systems, and reports (i) any flaws in the effectiveness of the internal risk management, governance and control systems, (ii) any findings and observations with a material impact on the risk profile of the Company and its affiliated enterprise, and (iii) any failings in the follow-up of recommendations made by the Group Risk and Internal Audit function and the internal audit functions of the OpCos. In doing so, these functions provide assurance to the Management Board and the Supervisory Board that these systems are adequate and effective.

The Management Board has worked at continuing to improve the processes and procedures regarding financial reporting by means of:

(i) disbanding the remote European consolidation team during December 2021;

(ii) concluding the outstanding financial statements of certain South African Group entities and clearing the backlog in related tax returns;

(iii) making further enhancements and improvements to the global consolidation system to allow for further automation and simplification of processing accounting data;

(iv) implementing a new accounting system for the holding company (Steinhoff), which was also rolled out to other South African Group entities;

(v) preparing management accounts for all material Group Services entities on a monthly basis;

(vi) implementing various clean-up actions to reduce the number of entities within the corporate structure;

(vii) implementing various enhancements to the global banking and treasury process;

(viii) implementing in-house typesetting for certain financial statements; and

(ix) implementing global corporate cashflow forecasting,

and it is of the opinion that:

(i) the Management Report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;

(ii) the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies; and

(iii) the Management Report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of this Management Report.

The Management Board draws specific attention to the Basis of Preparation of the 2022 Consolidated Financial Statements in which a number of facts have been detailed, including:

- Group Services' Debt restructure;
- Equity re-organisation; and
- Group Services cash resources.

Based on these facts, and the view that there is a reasonable and informed expectation that the Maturity Extension Transaction will be implemented, the Management Board has not adopted the going concern basis for the preparation of the financial reporting of the 2022 Consolidated Financial Statements.

Further, specific attention is drawn to the basis of preparation of the 2022 Separate Financial Statements of the Company. In preparing these 2022 Separate Financial Statements, the Management Board has not adopted the going concern basis.

The Management Board has discussed the above opinions and conclusions with the Audit and Risk Committee, and the Supervisory Board.

It should be noted that the foregoing does not imply that these systems and procedures provide absolute assurance as to the realisation of operational and strategic business objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud and non-compliance with applicable laws and regulations.

For a detailed description of the risk management system and the principal risks identified, reference is made to the Risk Report.

NON-FINANCIAL STATEMENT

GENERAL

The Company's primary objective continues to revolve around achieving longer-term value preservation for the Company and its affiliated enterprise.

The Company aims to achieve this financial objective as well as its non-financial objectives by means of the decentralised business model of the Group, which allows for a tailor-made governance structure on an operational level complemented by the Management Board exercising its rights at operational level where appropriate and maintaining regular contact with local management. The decentralised business model includes sourcing where each operating entity is responsible for the supply chain applicable to its market and customers. For an overview of the Group's decentralised operational model, reference is made to the Operational Review in this Management Report.

The Group has implemented a number of policies relating to environmental, social, employee-related matters, respect for human rights, and fighting corruption and bribery. The Company's Code of Conduct provides a framework for the aforementioned subjects and the employees, officers and directors of the Company are expected to safeguard the values embodied therein. The Management Board has recommended that management of each operational company in the Group endorse those compliance principles and incorporate the same in its own company policies and guidelines. In view of the markets the Group operates in, and the types of products and services it delivers, the risks associated with these subjects are appropriately addressed given the varying risk profiles of each operating entity. For further information concerning the Code of Conduct, reference is made to the section Code of Conduct in the Corporate Governance Report.

DIVERSITY

The Company's Diversity Policy as applicable during the Reporting Period identifies the following objectives to further improve the diversity within the Management Board and the Supervisory Board:

(i) qualifications and previous experience, particularly in the fields required to ensure balanced boards, shall be key considerations for nominations to both the Management Board and the Supervisory Board;

(ii) with respect to nationality, subject to and taking into account the South African Reserve Bank's requirement that the Company be managed from South Africa, the Supervisory Board shall strive to nominate Managing Directors from the regions where the Group Companies operate, and that no nationality should count for more than 75% of the Managing Directors;

(iii) further with respect to nationality, the Supervisory Board shall strive to nominate Supervisory Directors from the regions where the Group Companies operate, and that no nationality should count for more than 75% of the Supervisory Directors;

(iv) with respect to gender, the Supervisory Board shall strive for a composition of the Management Board and the Supervisory Board of not less than 30% male and not less than 30% female; and

(v) with respect to age, the Supervisory Board shall strive to ensure an appropriate age diversity within the Management Board and the Supervisory Board,

it being understood that, in the selection of a candidate on the basis of the above criteria, the rules and generally accepted principles of non-discrimination (on grounds such as ethnic origin, race, disability or sexual orientation) will be taken into account.

Both Managing Directors who held office during the Reporting Period were male and to the extent applicable Managing Directors appointed have been nominated based on the above criteria, taking into account the qualifications required in view of the challenges faced by the Group. Within the context of the nomination and appointment of Managing Directors, the Supervisory Board selects candidates based on such qualifications and regardless of gender which is in accordance with the Diversity Policy. On the Reporting Date both Managing Directors had South African nationality (100%) and lived in South Africa. If and when selecting and nominating candidates for the Management Board, the Supervisory Board will take the Diversity Policy into consideration to safeguard a balanced apportionment of the seats of the Management Board, including objective (ii) above.

On the Reporting Date, two out of six Supervisory Directors were female (33.33%) and four out of six Supervisory Directors were male (66.67%). Three out of six Supervisory Directors had South African nationality (50%) and lived in South Africa, one out of six Supervisory Directors had Dutch nationality (16.66%) and lived in the Netherlands, one out of six Supervisory Directors had British

nationality (16.66%) and lived in the United Kingdom, and one out of six Supervisory Directors had United States nationality (16.66%) and lived in the United States of America. Hugo Nelson, who lived in South Africa and has both South African and Maltese nationality, is counted as having South African nationality for this purpose.

If and when selecting and nominating candidates for the Supervisory Board, the profile of the Supervisory Board and the Diversity Policy will be taken into consideration.

The latest versions of the Diversity Policy and the profile of the Supervisory Board can be viewed on the Company's website www.steinhoffinternational.com.

BLACK ECONOMIC EMPOWERMENT

The Steinhoff Group supports the aims of the Broad-Based Black Economic Empowerment legislation in South Africa and focuses on enhancing the South African operating companies' compliance with the relevant laws and scorecards.

SOCIAL RESPONSIBILITY AND SUSTAINABILITY

During the Reporting Period, the Company supported the following two causes.

Extended Family

The Steinhoff Group has been the key financial partner of the Steinhoff Extended Family programme since its official inception in March 2003 when the Steinhoff Group partnered with Abraham Kriel Bambanani ("AKB") to provide essential services to orphaned children affected by severe trauma, HIV/Aids and who are not housed in a formal institution like a children's home. To reach more children and have a greater impact the Steinhoff Group and AKB introduced the Steinhoff Extended Family home-based care programme. It started with an initial group of fifteen children, who are called beneficiaries, which gradually expanded to 532 beneficiaries in 2021/2022. The Steinhoff Group's financial contribution is the primary funds used for the programme. The aim of the Steinhoff Group's involvement in this initiative is to provide children who are affected by HIV/Aids and severe trauma with protection from harm, which involves the provision of shelter, physical care, emotional care and development. Beneficiaries are included in the programme on a 'needs only' basis, and the recipients are mostly individuals from child-headed families where the parents have passed away due to HIV/Aids or where the child was removed from an abusive environment by a court judgement. In some instances, they live with another family member or grandparent as part of an already extended family where resources are severely under pressure. The services rendered to these beneficiaries through the partnership include the following:

- Provision of food.
- Enrolment of the children into school.
- Attention to health issues, bereavement counselling, facilitation with proper registrations with government departments and applications for grants to further support the family.
- Regular visits to their homes by the caregivers.
- Where relevant, younger children are enrolled in school after-care programmes.

In addition, with the help of the Steinhoff Group, AKB runs a training facility that equips young adult learners with a skill, i.e. tiling and painting, assistant chef, end-user computing, hydroponic cultivation of food, etc. which they can use to earn an income and break the poverty cycle.

The Steinhoff Group's commitment gave AKB a high level of financial sustainability that allowed for long-term planning to ensure that a real impact could be made. It also allowed for the promise that children could be given the gift to grow and develop so that their dreams have a chance of becoming a reality. Unlike a one-off charity donation, the Steinhoff Extended Family programme is an example of a long-term investment where time and trust are key to its success. This partnership and its extended investment give the programme the time it requires to accomplish what is necessary, especially for raising children.

The Soweto Family Care programme has received the support from the Steinhoff Group up to December 2021, as committed previously.

The expansion of the student accommodation at the Langlaagte property in Johannesburg, South Africa, was approved in March 2021. The provision of student accommodation is a commercial activity carried out by AKB to augment revenue from donors and the state, in order to attain higher levels of sustainability and growth. The Steinhoff Group agreed to contribute towards the capital outlay to initiate the project. The project will roll out over a period of three years expanding the student accommodation from 60 to 300 students.

The financial contribution from the Steinhoff Group for the 2022 Reporting Period amounts to ZAR3 140 286 (€183 416). The support from Steinhoff ended at the end of March 2022.

Knysna Initiative for Learning and Teaching

Recognising the need for improved access to quality education in South Africa, the Steinhoff Group had a desire to contribute to the advancement of learning and teaching in under-resourced schools. The Steinhoff Group partnered with Knysna Initiative for Learning and Teaching ("KILT") in April 2017 to provide support to certain under-resourced and non-fee-paying schools in the Knysna municipal area by way of sponsorship in the form of providing funding for specific needs which include funding for:

- equipment and learning material;
- teacher development;
- additional teachers in order to reduce class sizes;
- the repair of school infrastructure with specific focus on ablution facilities; and
- the establishment of after school study clubs and psycho-social and remedial programmes for both primary and secondary school learners.

KILT works with 17 government schools in the Knysna District of the southern Cape. Four of the schools are high schools, five are rural or farm schools and in total, they serve

13 214 children and 870 school staff. Many of these schools serve communities that are particularly under resourced.

KILT has developed a unique and responsive systems approach to providing support. Each of the now 18 KILT projects is designed to enhance the education system in a sustainable and connected way. These projects are developed in partnership with experts and all 18 projects are professionally monitored and evaluated for efficacy, reach and impact.

KILT's initial focus was to provide assistant teachers in key classrooms in order to reduce the learner to teacher ratio. In addition, the safety and hygiene of the children was considered with the introduction of safety patrol officers, upgraded security and ablution supervisors. Thereafter, projects were introduced that focused on leadership development, capacity building for teachers, psycho-social counselling, remedial and reading support for learners, afternoon study clubs and sport, scholarship support and e-learning to name just a few.

The past few years have put extreme pressure on teachers, learners and their families, and the functioning of the schools has been severely impacted as a result of the COVID-19 pandemic. This was felt particularly in learner attendance at school where attendance was on a rotational basis because of overcrowding and the imperative of COVID-19 protocols such as social distancing. Classrooms and schools closed regularly for several reasons: COVID-19 infections; teachers staying home with co-morbidities which in turn further exacerbated the teacher shortages; a decline in the availability of school nutrition programmes and lack of resources to implement on-line learning. Severe illness and death among teachers and school principals, as well as learner infections, have taken a serious toll on both physical and mental well-being.

During this time KILT responded with PPEs, additional psycho-social support of staff, learners and their families, soup kitchens and school and family food gardens. These initiatives are still in place as the fallout of the lockdowns is still very prevalent.

KILT's monitoring and evaluation reports demonstrate a significant impact in the areas identified and targeted despite the desperately difficult circumstances facing KILT teams and school staff at schools.

Since 2017, the partnership with the Steinhoff Group has enabled KILT to substantially improve the learning and teaching environment in one South African town and to create a sense of hope and a striving for excellence in Knysna that would not have been possible without the assured and dedicated funding and interest from the Steinhoff Group.

The financial contribution from the Steinhoff Group for the 2022 Reporting Period amounts to ZAR4 million (€0.2 million). The sponsorship agreement with KILT amounted to ZAR15 million (€0.9 million) in donation per calendar year for a period of five years starting from 2017 and ended in accordance with its term at the end of the 2021 calendar year. This substantial investment in KILT's work in the first five years has allowed it to create strong foundations and to forge new relationships with other investors to continue its important work.

Environmental sustainability

Steinhoff holds investments in retail businesses that are based in Africa, Australasia, Europe and the United States of America. Each of these operations procures product directly from a wide range of suppliers for onward sales through an extensive retail footprint. Responsibility for operational implementation of ESG matters is devolved to each independent operating subsidiary where action can be carried out directly ensuring it has the most impact. Through its representation at the appropriate governance structures, Steinhoff participates, as appropriate, to ensure that each operating business takes these aspects properly into account and is able to show consistent attention to and progress towards these objectives. A number of initiatives have been planned across the Group with the aim to reliably and accurately report on ESG indicators and measurements.

Under Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ("Taxonomy Regulation"), the Company is obliged to make certain disclosures on the Group's economic activities to the extent such economic activities are serving the environmental objectives of (a) climate change mitigation, and (b) climate change adaptation.

Steinhoff and its OpCos assessed if they are engaged in activities that are included in the scope of economic activities that qualify as contributing to the EU's environmental objectives ("eligible activities"). For the eligible activities, it is required to disclose three specific key performance indicators ('Turnover', 'CAPEX' and 'OPEX').

Following such assessment of economic activities, it was concluded that the main revenue-generating activity of the Steinhoff Group (retail) is not included in the current Taxonomy Regulation, and therefore the Company is reporting zero Taxonomy-eligible Turnover and OPEX for the Reporting Period.

However, CAPEX spent on activities related to the purchase of output from taxonomy-aligned economic activities that support our core activity was identified. It was determined that these activities should be allocated to the climate change mitigation objective, as the contribution to climate change adaptation objective is of lesser importance and the Taxonomy Regulation does not allow for double counting.

This CAPEX spent relates to the following categories:

- 7.3 Installation, maintenance and repair of energy efficiency equipment – installation and replacement of energy efficient air conditioning units in Poundland stores and installation of energy efficient LED lighting in Pepco and Poundland stores, installation of LED lighting and smart meters in Pepkor Holdings Group stores, as well as installation of LED lighting in Greenlit Brands and Fantastic stores;
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) - installation of electric vehicle charging points at Poundland head office and warehouse sites.

The percentage of eligible CAPEX is calculated by dividing the taxonomy-eligible CAPEX as described above, by total CAPEX, as defined in IFRS.

The below table presents the share of eligible and non-eligible activities for each of the key performance indicators required under the Taxonomy Regulation.

	Share of eligible activities	Share of non-eligible activities
Turnover	0%	100%
CAPEX	2%	98%
OPEX	0%	100%

The Company intends to ensure readiness of its organisation to provide the disclosures on sustainability that will be required by the European Corporate Sustainability Reporting Directive (CSRD).

Please refer to the Financial and Business Review section of this annual report for our policy on sustainability (ESG).

PROVISION IN THE ARTICLES REGARDING THE ALLOCATION OF PROFITS

Pursuant to article 35 of the Articles, a dividend may be declared out of net income after application to increase and/or form reserves. The allocation of profit remaining after reservations deemed necessary by the Management Board, with the approval of the Supervisory Board, will then be available for distribution to the ordinary shareholders subject to adoption by the General Meeting.

Distributions on shares may be made only up to an amount which does not exceed the amount of the distributable equity. The Management Board, with the approval of the Supervisory Board, may declare an interim dividend which does not exceed the amount of the distributable equity.

The Management Board, with the approval of the Supervisory Board, may propose to the General Meeting that distributions be wholly or partly made in the form of ordinary shares.

The Management Board

27 January 2023

L.J. (Louis) du Preez
Chief Executive Officer

T.L. (Theodore) de Klerk
Chief Financial Officer

PART II

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

Corporate governance in Steinhoff International Holdings N.V. involves the set of relationships that have been established between the Management Board, the Supervisory Board, shareholders and other stakeholders. Corporate governance also provides the structure through which the Company's objectives are set, and through which the means of attaining those objectives and the processes of monitoring performance are determined.

INTRODUCTION

This report provides an outline of the corporate governance structure of the Company and covers corporate governance matters relevant to the Company during the Reporting Period. Pursuant to the DCGC, the Management Board and the Supervisory Board are responsible for the corporate governance of the Company.

Steinhoff International Holdings N.V. is a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands, and its principal place of business at Building B2, Vineyard Office Park, Cnr Adam Tas & Devon Valley Road, Stellenbosch 7600, South Africa, is registered with the Dutch Trade Register under number 63570173 and has LEI code 724500PSNX8EVPOZ1M58. The Company has a primary listing on the FSE in Germany and a secondary listing on the JSE in South Africa.

The Company has a two-tier board structure, consisting of the Management Board and the Supervisory Board. The Management Board and the Supervisory Board are accountable to the General Meeting. The Company's corporate governance structure is based on the Articles, the Regulations of the Management Board, the Regulations of the Supervisory Board and its committees, as well as applicable laws and regulations, including the DCGC. The Articles, the Regulations of the Management Board, the Regulations of the Supervisory Board and its committees, together with the Supervisory Board's rotation schedule and the Supervisory Board profile, can be viewed on the Company's website at www.steinhoffinternational.com.

The full text of the DCGC is available at www.mccg.nl.

MANAGEMENT BOARD

GENERAL

According to its Regulations the role of the Management Board is to manage the Company and the investment in its affiliated enterprise. Pursuant to the DCGC, the Management Board is responsible for the continuity of the Company and focuses on long-term value creation for the Company, and takes into account all the various stakeholder interests that are relevant in this context. The Supervisory Board monitors the Management Board in this. The Management Board is responsible for identifying and managing the risks associated with the Company's strategy and activities.

DUTIES AND POWERS OF THE MANAGEMENT BOARD

The Management Board derives its powers and duties from Dutch law and the Articles. When discharging its duties, the Management Board shall act in accordance with the interests of the Company and its affiliated enterprise, taking into consideration the interests of the Company's stakeholders. The Management Board shall develop a view on long-term value creation by the Company and its affiliated enterprise and shall formulate a strategy in line with this. Depending on market dynamics, it may be necessary to make short-term adjustments to the strategy, which has been the case for the Company since the accounting irregularities were uncovered in December 2017.

The Management Board is also responsible for:

(i) formulating, communicating and executing the Company's financial strategy;

(ii) preparing and implementing an annual budget of the Company;

(iii) drawing up a code of conduct, an insider trading policy, a whistle-blower policy, a policy on profit and reserves, a policy on bilateral contacts with shareholders, a related party transactions policy and a diversity policy for senior management;

(iv) overseeing and ensuring the integrity of the Company's financial statements; and

(v) the financial reporting of the Company.

The Regulations of the Management Board describe the powers, duties, as well as working methods and the decision-making process of the Management Board. The latest version of the Regulations of the Management Board can be viewed on the Company's website www.steinhoffinternational.com.

Pursuant to the Regulations of the Management Board, certain significant resolutions of the Management Board are subject to the approval of the Supervisory Board. Certain other significant resolutions are subject to the approval of the General Meeting pursuant to Section 2:107a of the DCC.

COMPOSITION, APPOINTMENT, REMOVAL, SUSPENSION AND OTHER POSITIONS OF MANAGING DIRECTORS

General

Pursuant to the Articles, the Management Board shall consist of two or more Managing Directors, with the number of Managing Directors to be determined by the Supervisory Board. Following a non-binding nomination by the Supervisory Board, with due observance of the provisions of the Articles, the Managing Directors are appointed by the General Meeting. If and when selecting and nominating candidates for the Management Board, the diversity policy is taken into consideration.

Pursuant to the DCGC, a Managing Director is appointed for a maximum period of four years and a Managing Director may be re-appointed for a term of not more than four years at a time, which re-appointment should be prepared in a timely fashion and take the diversity policy into account. A Managing Director may be suspended or removed by the General Meeting at any time. Suspension or removal shall be made upon a proposal by the Supervisory Board. A Managing Director may also be suspended by the Supervisory Board at any time. A resolution by the General Meeting to remove or suspend a Managing Director not proposed by the Supervisory Board may only be adopted by at least two-thirds majority of the votes cast, provided that such majority represents more than one-third of the Company's issued capital. If that quorum is not met, a second General Meeting as referred to in Section 2:120, paragraph 3 of the DCC cannot be convened. Any suspension may be extended one or more times, but may not last longer than three months in the aggregate. If, at the end of that period, no decision has been taken on termination of the suspension or on removal, the suspension shall end.

Persons who are (i) a supervisory board member (or non-executive director) of more than two legal entities; and (ii) chairman of the supervisory board of a legal entity (or of the board if management duties are allocated amongst executive and non-executive directors) may not be (re-)appointed as a managing director of a company insofar that company has not met at least two of the criteria referred to in Section 2:397, paragraphs 1 and 2 of the DCC (which is the case for the Company). During the Reporting Period, none of the Managing Directors held positions which would constitute a breach of this requirement.

Composition of the Management Board

As at the Reporting Date and as at the date of this Annual Report, the Management Board consists of Louis du Preez and Theodore de Klerk. Biographies of both Managing Directors who have held office during the Reporting Period are given below.

Louis Jacobus (Louis) du Preez
South African, Male
(date of birth: 2 May 1969)

BCom, LLB

The Supervisory Board nominated Louis as Commercial Director and Managing Director on 19 December 2017. He acted in such capacity until his first appointment to the Management Board by the General Meeting on 20 April 2018 for a term up to the close of the Company's annual General Meeting held in 2022. Louis was re-appointed for a period that runs with effect from the conclusion of the AGM on 25 March 2022 until the close of the Company's annual General Meeting to be held in 2026.

Effective 1 January 2019, the Supervisory Board designated Louis as CEO.

Louis obtained his bachelor's degree from the University of Stellenbosch and went on to qualify as an attorney of the High Court of South Africa in 1997 after completing his articles. He joined Jan S de Villiers and was appointed a partner of the firm in 1998. With the merger of Werksmans Attorneys in 2009, he became a member of the national executive committee of the combined firm and served as such until early 2017.

He joined the Group as General Counsel in mid-2017.

Louis has served as a non-executive director of Pepkor Holdings Limited since January 2018. He currently continues to serve as a director of several other Group companies, including but not limited to Steinhoff Investment Holdings Limited.

Theodore Le Roux (Theodore) de Klerk
South African, Male
(date of birth: 30 October 1969)

(BCom (Hons), CTA, HDip (Tax), CFM)

The Supervisory Board nominated Theodore as Operational Director and Managing Director on 28 February 2018. He acted in such capacity until his first appointment to the Management Board by the General Meeting on 20 April 2018 for a term up to the close of the Company's annual General Meeting held in 2022. Theodore was re-appointed for a period that runs with effect from the conclusion of the AGM on 25 March 2022 until the close of the Company's annual General Meeting to be held in 2026.

Effective 1 September 2019, the Supervisory Board designated Theodore as CFO.

Theodore completed his articles with Ernst & Young and worked for four years as a corporate tax consultant. He joined Murray & Roberts as financial director of its marine construction operation and spent five years with Gensec Investment Bank as part of its corporate finance advisory unit, focusing on mergers & acquisitions, capital raisings and related structuring functions. In 2003, he joined the Steinhoff Group as a senior executive with responsibility for corporate advisory services and investor relations. In 2008 he was appointed Chief Executive Officer of the Group's Southern African building materials retail division, a position he held until 2015.

Theodore serves as a non-executive director of Pepkor Holdings Limited and IEP Group.

He currently continues to serve as a director of several other Group companies, including but not limited to Steinhoff Investment Holdings Limited.

Positions of Managing Directors on boards of listed companies which are considered Affiliated Companies

As at the date of this Annual Report, both Louis du Preez and Theodore de Klerk are executive directors of Steinhoff Investment Holdings Limited, and non-executive directors of Pepkor Holdings Limited.

The main elements of the contracts with the Managing Directors, who were both re-appointed on 25 March 2022, as at the date of their re-appointment are available on the Company's website www.steinhoffinternational.com.

MANAGEMENT BOARD MEETINGS, ATTENDANCE, RESOLUTIONS, AUTHORITY TO REPRESENT AND COMMITTEES

Pursuant to the Articles, the Management Board shall meet as often as a Managing Director deems necessary. Meetings of the Management Board are in principle called by the Chief Executive Officer. With due observance of the Regulations of the Management Board, each Managing Director has the right to request that a meeting of the Management Board be called and/or that an item be placed on the agenda for a Management Board meeting. A Managing Director may be represented at Management Board meetings by another Managing Director holding a proxy in writing.

Pursuant to the Articles, each Managing Director has the right to cast one vote. Under the Regulations of the Management Board, the Managing Directors shall endeavour to achieve that resolutions are, as much as possible, adopted unanimously.

When determining how many votes are cast by Managing Directors or how many Managing Directors are present or represented, no account shall be taken of Managing Directors that are not allowed to take part in the discussions and decision-making by the Management Board pursuant to the laws of the Netherlands, the Articles or the Regulations of the Management Board. Management Board resolutions may at all times be adopted in writing, provided the proposal concerned is submitted to all Managing Directors then in office in respect of whom no conflict of interest or potential conflict of interest exists and none of them objects to this manner of adopting resolutions, evidenced by written statements from all relevant Managing Directors then in office.

There were no conflicts of interest or transactions which have given rise thereto involving any Managing Directors reported during the Reporting Period.

The Management Board follows a regular meeting schedule with formal meetings held once every month.

The Company is represented by the Management Board and each Managing Director also has the individual authority to represent the Company. The Management Board may appoint officers with general or limited power to represent the Company. Each officer shall be authorised to represent the Company, subject to the restrictions imposed on them.

Pursuant to the Articles, the Management Board may, as it deems necessary, establish committees pertaining to the Management Board and the performance of its duties. The Management Board appoints the members of each committee and determines the tasks of each committee and may establish rules regarding its working methods and decision-making process. Such rules shall then be put in writing. The Management Board may, at any time, change the duties and the composition of each committee. The Management Board remains collectively responsible for decisions prepared and/or taken by such committee.

The Management Board has one standing committee, being the Compliance Committee. This committee is tasked with ensuring compliance with the Company's Policy on Inside Information, Managers' Transactions and Insider Lists, and with applicable laws and regulations relating to the public disclosure of inside information.

REMUNERATION OF MANAGING DIRECTORS

The General Meeting approved the Remuneration Policy for the Management Board on 1 December 2015. A description of the Remuneration Policy and its implementation during the Reporting Period are included in the Remuneration Report. The Remuneration Policy can be viewed on the Company's website www.steinhoffinternational.com.

At the AGM 2020 a proposal to amend the remuneration policy applicable to managing directors to align the current policy with Section 2:135a of the DCC, which became effective on 1 December 2019 to implement the revised EU Shareholders Rights Directive, and taking into account the Company's current circumstances, its challenges and its strategic direction, was tabled as a voting item. The proposal was rejected by the General Meeting. As required by Dutch law, a new draft of the Remuneration Policy applicable to Managing Directors was submitted to the General Meeting at the AGM 2021, where the proposal to amend the Remuneration Policy applicable to Managing Directors was again rejected. Another new draft policy was submitted at the AGM 2022, which was also voted down. Yet another new draft policy will be submitted to the General Meeting in 2023. Upon resubmission to the General Meeting, a description with explanation of how the voting results and views of the General Meeting were taken into account since the last time the Remuneration Policy was submitted for adoption, shall be made available.

COMPANY SECRETARY

The Company's Secretary is appointed and dismissed by the Management Board, either on the motion of the Supervisory Board or otherwise, after the approval of the Supervisory Board has been obtained. All Managing Directors, Supervisory Directors and Committees shall have access to the advice and services of the Company Secretary. The Company Secretary sees to it that correct Supervisory Board and Management Board procedures are followed and that the obligations of the Supervisory Board and the Management Board under applicable laws, as well as the Regulations of the Supervisory Board, the Regulations of the Management Board and/or the Articles are complied with. The Company Secretary assists the chairperson of the Supervisory Board and the Chief Executive Officer of the Management Board in the organisation of

the affairs of the Supervisory Board and the Management Board, respectively. During the Reporting Period, Sarah Radema acted as the Company Secretary of Steinhoff International Holdings N.V.

CHIEF COMPLIANCE AND RISK OFFICER

Louis Strydom CA(SA) is the Company's Chief Compliance and Risk Officer. His duties and responsibilities inter alia include internal audit and risk management. He reports directly to the CEO and has a reporting responsibility to the Audit and Risk Committee.

SUPERVISORY BOARD

GENERAL

According to its Regulations the role of the Supervisory Board is to supervise the policies of the Management Board and the general affairs of the Company and of the investment in its affiliated enterprise, as well as to assist the Management Board by providing advice. In discharging its role, the Supervisory Board shall be guided by the interests of the Company and its affiliated enterprise and shall take into account the relevant interests of the Company's stakeholders.

DUTIES AND POWERS OF THE SUPERVISORY BOARD

The Supervisory Board established the Regulations of the Supervisory Board, which govern its working methods and decision-making process (including its duties). The latest version of the Regulations of the Supervisory Board can be viewed on the Company's website www.steinhoffinternational.com.

The supervision of the Management Board by the Supervisory Board includes monitoring:

(i) the strategy relating to long-term value creation of Company and its affiliated enterprise;

(ii) the activities of the Management Board regarding the creation of a culture aimed at long-term value creation of the Company and its affiliated enterprise;

(iii) the Internal Audit function;

(iv) the effectiveness of the internal risk management and control systems;

(v) the integrity and quality of the financial reporting process;

(vi) the information- and communication technology (ICT) systems of the Company and the managing of the risks associated with cybersecurity;

(vii) the safeguarding of the Management Board's responsibilities and process of providing information to the Supervisory Board;

(viii) compliance with applicable laws and regulations;

(ix) the relations with the shareholders;

(x) the risks associated with the remuneration structure for employees of the Company and its affiliated enterprise;

(xi) the corporate social responsibility issues that are relevant to the Company; and

(xii) handling and deciding on reported conflicts of interests or potential conflicts of interest.

COMPOSITION, APPOINTMENT, REMOVAL AND SUSPENSION OF SUPERVISORY DIRECTORS

General

Pursuant to the Articles, the Supervisory Board shall consist of at least five Supervisory Directors. Only individuals can be Supervisory Directors. If the number of Supervisory Directors in office is less than five, the authorities of the Supervisory Board and of the remaining Supervisory Directors or Supervisory Director shall continue to apply in full. The Supervisory Board will then forthwith take measures to increase the number of Supervisory Directors. The Supervisory Board shall determine the exact number of Supervisory Directors.

Pursuant to the DCGC, a Supervisory Director is appointed for a period of four years and may then be re-appointed once for another four-year period. The Supervisory Director may then subsequently be re-appointed again for a period of two years, which appointment may be extended by at most two years. In the event of a re-appointment after an eight-year period, reasons should be given in the report of the Supervisory Board.

Supervisory Directors are appointed by the General Meeting. Appointments shall be made upon a non-binding nomination by the Supervisory Board. The Supervisory Board shall take the profile of the Supervisory Board, the Supervisory Board rotation schedule and the diversity policy into consideration when it makes its non-binding nomination. A non-binding nomination shall be included as an item in the notice of the General Meeting at which the appointment shall be considered. At the General Meeting only candidates whose names are stated on the agenda of the meeting can be voted on for appointment as Supervisory Director.

A resolution by the General Meeting to appoint a Supervisory Director not nominated by the Supervisory Board shall be adopted by at least two-thirds majority of the votes cast, if such majority represents more than one-third of the Company's issued capital. A second General Meeting may not be convened.

A resolution by the General Meeting to remove or suspend a Supervisory Director not proposed by the Supervisory Board shall be adopted by at least two-thirds majority of the votes cast, provided that such majority represents more than one-third of the Company's issued capital. A second General Meeting may not be convened. Any suspension may be extended one or more times but may not last longer than three months in the aggregate. If, at the end of that period, no decision has been taken on termination of the suspension or on removal, the suspension shall end.

Persons who are a supervisory board member (or non-executive director) of five or more other legal entities may not be (re-)appointed as a supervisory director of a company insofar that company has not met at least two of the criteria referred to in Section 2:397, paragraphs 1 and 2 of the DCC (which is the case for the Company). During the Reporting Period, none of the Supervisory Directors held positions which would constitute a breach of this requirement.

Composition of the Supervisory Board

As at the Reporting Date and as at the date of this Annual Report, the Supervisory Board consists of the following six members: Moira Moses (chairperson), Peter Wakkie (deputy-chairperson), Paul Copley, Hugo Nelson, David Pauker and Alexandra Watson. Biographies of all the Supervisory Directors who have at any time held office during the Reporting Period, are given below.

M.A. (Moira) Moses
South African, Female
(date of birth: 27 January 1965)

BA

Moira was first appointed to the Supervisory Board on 20 April 2018. She was re-appointed as a Supervisory Director on 25 March 2022 for a period that runs with effect from the conclusion of the AGM on 25 March 2022 until the close of the Company's annual General Meeting to be held in 2026.

Since 22 May 2020, Moira has been the Chairperson of the Supervisory Board and the chairperson of the Nomination Committee.

She graduated from the University of the Witwatersrand in 1987 and completed a Management Advancement Programme at the Business School of the University of the Witwatersrand in 1995. She enjoyed a successful career in the motor industry holding the position of Managing Director of Land Rover, Volvo and Jaguar in Southern Africa from 2000 to 2004. Moira was with Transnet Limited from 2005 to 2012 and held the position of Group Executive, Capital Projects. She has held several Non-Executive Board positions including Transnet Limited, Viamax (Pty) Ltd, Afrisam Group and MTN Group Limited. From 2007 to 2015 she served on the Board of the Public Investment Corporation, and from 2009 to 2018 at the Government Employees Pension Fund. She is currently on the Board of Kansai Plascon Africa Limited.

With effect from 29 October 2018, she was appointed as non-executive director of Steinhoff Investment Holdings Limited and a member of its audit and risk committee. Since 22 May 2020 Moira has been the chairperson of Steinhoff Investment Holdings Limited.

P.N. (Peter) Wakkie
Dutch, Male
(date of birth: 22 June 1948)

LLM

Peter was first appointed to the Supervisory Board on 20 April 2018. He was re-appointed as a Supervisory Director on 30 August 2019 for two years and re-appointed for a second time on 30 April 2021 for a period that runs with effect from the conclusion of the AGM on 30 April 2021 until the close of the Company's annual General Meeting to be held in 2023.

He is Deputy-Chairperson of the Supervisory Board and a member of the Human Resources and Remuneration Committee, and he was a member of the Litigation Working Group until its dissolution on 24 February 2022.

He earned a master's degree in law from the University of Utrecht in 1972. He then joined the Dutch law firm De Brauw Blackstone Westbroek specialising in mergers and acquisitions and corporate litigation and served as the firm's Managing Partner from 1997 to 2001. He then became a founding partner of the firm Spinath & Wakkie B.V. in 2010 (renamed Wakkie & Perrick B.V.). He served as a member of the Executive Board of Royal Ahold N.V. from 2003 to 2009 where he also held the position of Chief Corporate Governance Counsel. He was heavily involved in Royal Ahold's restructuring and divestment programme and became chief architect of its corporate responsibility strategy. Peter has held numerous roles on supervisory boards throughout his career. He was deputy chairman of the supervisory board of ABN AMRO Bank N.V. from 2009 to 2015 and chairman of the supervisory board of Wolters Kluwer N.V. until 2017. He also served as the chairman of the supervisory board of TomTom N.V. until April 2019.

He is currently chairman of the supervisory board of BCD Holdings N.V. Peter further serves as court appointed liquidator of ZED+ B.V. In June 2022 he became a liquidator of DSB N.V. and in November 2022 the court appointed Peter as temporary director and CEO of Centric Holding B.V.

P.D. (Paul) Copley
British, Male
(date of birth: 4 May 1975)

BA Hons (English Language & Literature), Chartered Accountant (ICAEW), Insolvency Practitioner (JIEB)

Paul was first appointed to the Supervisory Board on 30 August 2019. He was re-appointed as a Supervisory Director on 25 March 2022 for a period that runs with effect from the conclusion of the AGM on 25 March 2022 until the close of the Company's annual General Meeting to be held in 2026.

He is a member of the Audit and Risk Committee, and he was a member of the Litigation Working Group until its dissolution on 24 February 2022.

Paul is a UK chartered accountant and licensed insolvency practitioner. He spent 20 years at PwC, working principally in Business Recovery Services, in both formal insolvency and restructuring roles. Most notably, he was appointed Joint Administrator of Lehman Brothers International (Europe), where he worked full-time from 2008 to 2014. Whilst at PwC, Paul was also Joint Receiver of OW Bunker, the world's largest independent marine fuel distributor. Paul left PwC in 2016 to take up the role of CEO of Kaupthing ehf, from which position he resigned on 2 August 2022 to become a member of its winding-up committee. He currently also serves as the Managing Director of Aldan Management and is Concurrent Administrator of Phones 4U Limited. In October 2019, he reprised his role as Joint Receiver of OW Bunker.

Paul further serves on the boards of Noble Group Holdings Limited, Noble Resources Trading Holdings Limited, and Missouri Topco Limited (the parent company of Matalan Group, and several of its subsidiaries) as a non-executive director. Paul also serves from time to time on governance committees at the request of lenders.

In February 2022 Paul was appointed as a non-executive director of Steinhoff Africa Holdings Proprietary Limited.

Dr. H.A. (Hugo) Nelson
South African & Maltese, Male
(date of birth: 3 June 1970)

MBChB, MBA (Oxon), CFA

Hugo was first appointed to the Supervisory Board on 20 April 2018. He was re-appointed as a Supervisory Director on 25 March 2022 for a period that runs with effect from the conclusion of the AGM on 25 March 2022 until the close of the Company's annual General Meeting to be held in 2026.

He is the chairperson of the Human Resources and Remuneration Committee, and a member of the Audit and Risk Committee.

He was a medical doctor before earning an MBA from the University of Oxford. He is also a chartered financial analyst. He has a wealth of experience in the South African asset management industry. He joined Coronation Fund Managers Limited in 1999 as part of the investment team, initially as an Equity Analyst, then as Portfolio Manager, responsible for both institutional and retail assets. He served as the Chief Executive Officer at Coronation Fund Managers Limited from November 2007 to January 2013. He has also served as the Chief Executive Officer of Coronation Asset Management Proprietary Ltd, as a Non-Executive Director of Namibia Asset Management Ltd. (from May 2008 to January 2013) and as a Director of Coronation Global Fund Managers (Ireland) Limited. He currently serves as an Independent Non-Executive Director of Coronation Fund Managers Limited. He is a founding partner of Fortitudine Vincimus Capital Advisors (Pty) Ltd. He is also a trustee of the DG Murray Trust and a patron of George Whitefield College.

With effect from 30 August 2019, he was appointed as non-executive director of Steinhoff Investment Holdings Limited and is a member of its audit and risk committee.

D.I. (David) Pauker
United States, Male
(date of birth: 21 March 1959)

B.S. (Industrial and Labor Relations)

David was appointed as a Supervisory Director on 30 August 2019 for a period that runs with effect from the conclusion of the AGM on 30 August 2019 until the close of the Company's annual General Meeting to be held in 2023.

He is a member of the Nomination Committee, and the Human Resources and Remuneration Committee, and he was a member of the Litigation Working Group until its dissolution on 24 February 2022.

David earned a bachelor's degree in Industrial and Labor Relations from Cornell University in 1981 and in 1984 he obtained a degree in law from the Columbia Law School. He spent 25 years at Goldin Associates, a turnaround and restructuring advisory firm based in New York, retiring in 2015 as the firm's Executive Managing Director and practice leader. At Goldin, he was senior advisor to companies and institutional investors and oversaw independent investigations of corporate affairs. He has acted as C-suite officer for many companies undergoing reorganisation.

In 2016, he was appointed as Chief Restructuring Officer for Essar Steel Minnesota; the company emerged from bankruptcy and was reorganised as Mesabi Metallics. He has held numerous roles on boards throughout his career and is currently Chairman of the Board of the Government Development Bank Debt Recovery Authority of Puerto Rico. He also serves on the boards of Lehman Brothers (post-reorganisation), Social Accountability International and the Residential Capital Trust.

With effect from 14 August 2019 David was appointed as non-executive director of Steinhoff International Holdings Proprietary Limited. In February 2022 he became a non-executive director of Steinhoff Investment Holdings Limited and a member of its audit and risk committee. In that same month David was appointed as a non-executive director of Steinhoff Africa Holdings Proprietary Limited.

A. (Alexandra) Watson
South African, Female
(date of birth: 13 June 1956)

BCom (Hons) UCT, CA(SA)

Alexandra was first appointed to the Supervisory Board on 20 April 2018. She was re-appointed as a Supervisory Director on 25 March 2022 for a period that runs with effect from the conclusion of the AGM on 25 March 2022 until the close of the Company's annual General Meeting to be held in 2026.

She is the chairperson of the Audit and Risk Committee, and a member of the Nomination Committee.

She served as a Professor in the College of Accounting at the University of Cape Town until March 2018, where her area of expertise was financial reporting and other forms of corporate reporting. She is also a former Chairman of the Accounting Practices Committee (Technical Accounting Committee of the South African Institute of Chartered Accountants) and is currently the Chairman of the South African Financial Reporting Investigations Panel. She was appointed chairman of Coronation Fund Managers Limited in August 2021. She is a director of WWF – SA, and until December 2019 she was a board member and vice-chairman of the Global Reporting Initiative, an Amsterdam-based organisation promoting understanding and communication of sustainability issues. On 1 July 2021 she joined the board of Petra Diamonds Limited as a non-executive director. Alexandra became an independent director of ADvTECH Limited on 1 November 2022.

With effect from 29 October 2018, she was appointed as non-executive director of Steinhoff Investment Holdings Limited, and is currently the deputy-chairperson of the board of the same company. She is also chairperson of its audit and risk committee.

SUPERVISORY BOARD MEETINGS, ATTENDANCE AND DECISION MAKING

Pursuant to the Articles, meetings of the Supervisory Board shall be held as often as a Supervisory Director or the Management Board deems necessary. A Supervisory Director may be represented at Supervisory Board meetings by another Supervisory Director holding a proxy in writing. Each Supervisory Director may cast one vote. All resolutions of the Supervisory Board shall be adopted by a simple majority of the votes cast. The Supervisory Board can only adopt valid resolutions in a meeting where the majority of the Supervisory Directors then in office is present or represented.

When determining how many votes are cast by Supervisory Directors or how many Supervisory Directors are present or represented, no account shall be taken of Supervisory Directors that are not allowed to take part in the discussions and decision-making by the Supervisory Board pursuant to the laws of the Netherlands, the Articles or the Regulations of the Supervisory Board. Supervisory Board resolutions may at all times be adopted in writing, provided the proposal concerned is submitted to all Supervisory Directors then in office in respect of whom no conflict of interest or potential conflict of interest exists and none of them objects to this manner of adopting resolutions, evidenced by written statements from all relevant Supervisory Directors then in office.

There were no conflicts of interest or transactions which have given rise thereto involving any Supervisory Directors reported during the Reporting Period.

COMMITTEES OF THE SUPERVISORY BOARD

Standing committees

In compliance with the DCGC, the Supervisory Board has an Audit and Risk Committee, a Human Resources and Remuneration Committee, and a Nomination Committee. The function of the committees is to prepare the decision-making of the Supervisory Board. The Supervisory Board may, as it may deem necessary, establish such other committees pertaining to the Supervisory Board and the performance of its duties. The Supervisory Board appoints the members of each committee, its chairperson and determines the tasks of each committee as well as the rules regarding its working methods and decision-making process. The Supervisory Board may, at any time, change the duties and the composition of each committee. Only Supervisory Directors can be a member of the committees. The Supervisory Board remains collectively responsible for decisions prepared by its committees. The Company Secretary acts as secretary to the Supervisory Board's committees.

The Regulations of the Supervisory Board and its standing committees can be viewed on the Company's website www.steinhoffinternational.com.

AUDIT AND RISK COMMITTEE

At least one member of the Audit and Risk Committee must have relevant knowledge of financial reporting and the audit of financial statements. The Audit and Risk Committee may not be chaired by the chairman of the Supervisory Board or by a former Managing Director. The Audit and Risk Committee meets at least four times each financial year and meets at least once each financial year with the External Auditor without the Managing Directors being present.

The Audit and Risk Committee undertakes preparatory work for the Supervisory Board's decision-making regarding the supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems. In carrying out this duty, the Audit and Risk Committee shall focus, among other things, on monitoring the Management Board with regard to:

(i) relations with, and compliance with recommendations and observations and follow up of comments of the internal audit department and the External Auditor;

(ii) the financing of the Company;

(iii) the application of information and communication technology, including risks related to cybersecurity and information at third parties;

(iv) the Company's tax and regulatory compliance policies; and

(v) the role and functioning of the Chief Financial Officer.

The Supervisory Board established regulations for the Audit and Risk Committee. The regulations describe the powers, duties, as well as working methods and the decision-making process of the Audit and Risk Committee. The most recent version of the regulations of the Audit and Risk Committee can be viewed on the Company's website www.steinhoffinternational.com.

HUMAN RESOURCES AND REMUNERATION COMMITTEE

The Human Resources and Remuneration Committee may not be chaired by the chairman of the Supervisory Board or by a former Managing Director of the Company. The Human Resources and Remuneration Committee meets at least twice each financial year. The Human Resources and Remuneration Committee has the following main duties:

(i) to submit, at least once every four years, a clear and understandable proposal to the Supervisory Board concerning the remuneration policy to be pursued with regard to the Management Board, which policy shall in any event take into consideration the requirements of the Dutch Civil Code, the objectives for the strategy for the implementation of longer-term value creation, scenario analyses, pay ratios, the development of the market price of the Shares (if applicable) and an appropriate ratio between the variable and fixed remuneration components;

(ii) to submit, at least once every four years, a clear and understandable proposal to the Supervisory Board concerning the remuneration policy to be pursued with regard to the Supervisory Board, which policy shall in any event take into consideration the requirements of the Dutch Civil Code, the appropriate composition of the Supervisory Board and the proper fulfilment of duties by Supervisory Directors, the effective performance by the Supervisory Directors of their role, the reflection of the time spent, the risk profile and the responsibilities of the role of Supervisory Directors, the strategic view of options available to the Company in the short and medium term, the external governance environment and the interests of all stakeholders, no dependency on the results of the Company, and no granting of any form of variable remuneration;

(iii) to draft proposals for consideration by the Supervisory Board for the remuneration of the individual Managing Directors; and

(iv) to prepare the remuneration report.

The Supervisory Board established regulations for the Human Resources and Remuneration Committee. The regulations describe the powers, duties, as well as working methods and the decision-making process of the Human Resources and Remuneration Committee. The most recent version of the regulations of the Human Resources and Remuneration Committee can be viewed on the Company's website www.steinhoffinternational.com.

NOMINATION COMMITTEE

Pursuant to the regulations of the Nomination Committee, the Nomination Committee meets at least once each financial year. The Nomination Committee has the following main duties:

(i) to draw up selection criteria and appointment procedures for Supervisory Directors and Managing Directors;

(ii) to assess periodically the size and composition of the Supervisory Board and the Management Board, and to make proposals for the profile of the Supervisory Board and Supervisory Board Rotation Schedule;

(iii) to draw up a Diversity Policy for the Management Board and the Supervisory Board;

(iv) to select and appoint the Managing Directors' performance evaluation panel;

(v) to assess periodically the functioning of individual Supervisory Directors and individual Managing Directors, and to report its findings to the Supervisory Board;

(vi) to assess periodically the size and composition of each Committee, and to make any recommendations to the Supervisory Board;

(vii) to draw up a plan for the succession of Managing Directors and Supervisory Directors, taking into account the diversity policy of the Supervisory Board and the profile of the Supervisory Board;

(viii) to make proposals for appointments and re-appointments, taking into account the diversity policy of the Supervisory Board and the profile of the Supervisory Board; and

(ix) to supervise the policy of the Management Board regarding the selection criteria and appointment procedures for the Senior Managers.

The Supervisory Board established regulations for the Nomination Committee. The regulations describe the powers, duties, as well as working methods and the decision-making process of the Nomination Committee. The most recent version of the regulations of the Nomination Committee can be viewed on the Company's website www.steinhoffinternational.com.

Litigation Working Group

The joint working group, established by the Supervisory Board and the Management Board, enabled the Supervisory Board to oversee and to provide advice to the Management Board on inbound and outbound litigation. The working group consisted of the following members: Louis du Preez, Peter Wakkie, Paul Copley and David Pauker. Following the successful implementation of the Global Litigation Settlement the Litigation Working Group, having served its purpose, was dissolved on 24 February 2022.

DIVERSITY POLICY

The profile of the Supervisory Board as applicable during the Reporting Period states that the Supervisory Board shall strive to ensure that not less than 30% of the seats shall be held by men and not less than 30% by women. With respect to appointments and nominations, the Company is obliged to take into account a balanced composition of male and female members of the Management Board and Supervisory Board. Both Managing Directors who held office during the Reporting Period were male. If and when selecting and nominating candidates for the Management Board, the diversity policy is taken into consideration.

The latest versions of the Diversity Policy and the profile of the Supervisory Board can be viewed on the Company's website www.steinhoffinternational.com. The Diversity Policy has formed part of the deliberations of the Supervisory Board within the context of nominating and appointing Managing Directors, taking into account the qualifications required in view of the challenges faced by the Group.

On the Reporting Date, two out of six Supervisory Directors were female (33.33%) and four out of six Supervisory Directors were male (66.67%). Three out of six Supervisory Directors had South African nationality (50%) and lived in South Africa, one out of six Supervisory Directors had Dutch nationality (16.66%) and lived in the Netherlands, one out of six Supervisory Directors had British nationality (16.66%) and lived in the United Kingdom, and one out of six Supervisory Directors had United States nationality (16.66%) and lived in the United States of America. Hugo Nelson, who lived in South Africa and has both South African and Maltese nationality, is counted as having South African nationality for this purpose.

If and when selecting and nominating candidates for the Supervisory Board, the profile of the Supervisory Board and the diversity policy will be taken into consideration.

GENERAL MEETING

AMENDMENT OF THE ARTICLES

The General Meeting may resolve to amend the Articles, provided that such resolution can only be adopted on a proposal by the Management Board, with the approval of the Supervisory Board. When a proposal to amend the Articles is to be made to the General Meeting, the notice convening the General Meeting must state so and a copy of the proposal, including the verbatim text thereof, shall be deposited and kept available at the Company's office for inspection by the shareholders and the other persons with Meeting Rights, until the conclusion of the meeting. From the day of deposit until the day of the meeting, a shareholder or another person with Meeting Rights shall, on application, be provided with a copy of the proposal free of charge. An amendment of the Articles shall be laid down in a notarial deed.

The Articles were last amended on 28 August 2020.

GENERAL MEETINGS

The Company's shareholders exercise their rights through annual and extraordinary General Meetings, held in the Netherlands and conducted in the English language. The Company is required to convene an annual General Meeting each year, no later than six months after the end of the Company's financial year, which is 30 September of any calendar year. Additional General Meetings may be convened at any time by the Supervisory Board or the Management Board, without prejudice to the provisions of Dutch law concerning convening General Meetings.

The AGM 2022 was held in Amsterdam, the Netherlands, and was also accessible via webcast on the Company's website. Because of the global COVID-19 pandemic the Company had accommodated its shareholders, other persons with Meeting Rights or their proxies in attending the AGM 2022 virtually through electronic means, without the need to physically attend the AGM. Participating virtually in the AGM was subject to the Company's Hybrid Meeting Policy which can be viewed on the Company's website www.steinhoffinternational.com.

ADOPTION OF RESOLUTIONS

Subject to certain exceptions provided by Dutch law or the Articles, resolutions of the General Meeting are passed by a simple majority of the votes cast without a quorum being required. Management Board resolutions on a major change in the identity or character of the Company or the Group shall be subject to the approval of the General Meeting. Within three months of it becoming apparent to the Management Board that the equity of the Company has decreased to an amount equal to or lower than one half of the paid-up portion of the Company's capital, a General Meeting will be held to discuss any requisite measures. As at the Reporting Date, it became apparent to the Management Board that the equity of the Company has fallen below this threshold. The General Meeting to be held for this purpose shall coincide with the 2023 annual General Meeting, as is permitted under Dutch law.

The convening of a General Meeting must be published through an announcement by electronic means. The notice must state the business to be discussed, the time and venue of the meeting, the record date, the manner in which persons entitled to attend the General Meeting may register and exercise their rights, the time by which registration for the meeting must have occurred as well as the place where meeting documents may be obtained. The notice must be given by at least the number of days prior to the day of the meeting as required by Dutch law, which is currently 42 days.

Shareholders are entitled to propose items for the agenda of the General Meeting provided that they hold at least 3% of the issued share capital or the Shares that they hold represent a market value of at least 3%. Proposals for agenda items for the General Meeting must be submitted at least 60 days prior to the date of the meeting.

Resolutions for approval or authorisation to be passed by the General Meeting shall be explained in writing.

VOTING RIGHTS

Each Ordinary Share confers the right to cast one vote at a General Meeting, unless and for as long as Preference Shares are in issue, in which case each Ordinary Share confers the right to cast fifty votes and each Preference Share confers the right to cast one vote at a General Meeting. As at the date of this Annual Report, no Preference Shares are outstanding.

Dutch law prescribes a record date to be set 28 days prior to the date of the General Meeting to determine whether a person may attend and exercise the rights relating to the General meeting. Shareholders registered at that date are entitled to attend and exercise their votes.

DISTRIBUTIONS

Distribution of profit shall be made after adoption of the annual financial statements, subject to compliance with Dutch law and the determination of the allocation of profits by the General Meeting, on recommendation by the Management Board and with the approval of the Supervisory Board. The Management Board may resolve, with the approval of the Supervisory Board, that the profit generated during a financial year may be fully or partially applied to increase reserves, with the allocation of profit then remaining to be at the disposal of the General Meeting. Proposals for the distribution of profit are shown on the General Meeting agenda as items for separate consideration.

Dividends on Preference Shares, as and when such Shares are issued, will be paid in accordance with the relevant provisions contained in the Articles.

ISSUANCE OF SHARES AND ACQUISITION OF OWN SHARES

Issuance of shares

Under the Articles, and with due observance of Dutch law, Shares may be issued pursuant to a resolution of the General Meeting or of the Management Board, if and insofar the Management Board has been designated for that purpose pursuant to a resolution of the General Meeting for a fixed period, not exceeding five years. Such resolutions may only be taken at the proposal of the Management Board, which proposal requires the approval of the Supervisory Board. On such designation, the number of Shares of each class which may be issued must be specified. The designation may be extended, each time for a period not exceeding five years. Unless the designation provides otherwise, it may not be withdrawn. The authority of the General Meeting to issue Shares shall be without prejudice to the authority of the Management Board to determine, with the approval of the Supervisory Board, the percentage of premium per Preference Share. The same applies by analogy to the granting of rights to subscribe for Shares, but does not apply to the issuance of Shares to a person exercising a right to subscribe for Shares previously granted.

Prior to each single issuance of Shares, the right of pre-emption may be limited or excluded pursuant to a resolution of the General Meeting or of the Management Board, if and insofar the Management Board has been designated for that purpose pursuant to a resolution of the General Meeting for a fixed period, not exceeding five years. Such resolutions may only be taken at the proposal of the Management Board, which proposal requires the approval of the Supervisory Board.

As at the date of this Annual Report, no valid authorisations to the Management Board to issue (or grant rights to subscribe for) Shares or to limit or exclude shareholders' pre-emption rights are in place.

Acquisition of own shares

At the AGM 2021 it was resolved to authorise the Management Board in order for the Company to acquire fully paid-up Ordinary Shares from certain subsidiaries of the Company and other affiliated companies. The authority conferred by this resolution would expire at the earlier of the conclusion of the AGM 2022 or the date which fell eighteen months from the date of the AGM 2021. Ordinary Shares might be acquired at the stock exchange or otherwise, at a price for Ordinary Shares between the nominal value of €0.01 and a price equal to the highest price at which Ordinary Shares traded on the FSE or the JSE on the preceding trading day of the relevant acquisition. Ordinary Shares might be acquired from certain subsidiaries of the Company and other affiliated companies only and up to a maximum of 54 723 959 Ordinary Shares. Due to the fact that the 2020 Consolidated Financial Statements were not adopted by the General Meeting, the Management Board has not been able to act on the basis of the authority granted. This authorisation expired at the date of the AGM 2022 (25 March 2022).

At the AGM 2022 it was resolved to authorise the Management Board in order for the Company to acquire fully paid-up Shares in connection with the Company's long-term incentive plan as well as for various other purposes, such as funding of acquisitions. The authority conferred by the General Meeting will expire at the earlier of the conclusion of next year's AGM or the date which falls eighteen months from the date of the AGM 2022. Shares may be acquired at the stock exchange or otherwise, at a price for Shares between the nominal value of €0.01 and a price equal to 110% of the highest price at which Shares traded on the FSE or the JSE, as the case may be, on the preceding trading day of the relevant acquisition. Under these authorisations Shares may be acquired up to a joint maximum of 10% of the issued share capital of the Company as at the date of the AGM 2022. The maximum number of Shares that the Company will hold in its own share capital at any time shall not exceed 10% of its issued share capital. Due to the fact that the proposed amended Share Plan was not approved by the General Meeting, the Management Board has to date not been able to act on the basis of the authority granted in connection with the Company's long-term incentive plan.

DUTCH CORPORATE GOVERNANCE COMPLIANCE

GENERAL

The Company is required to report on its compliance with the DCGC. Pursuant to the DCGC, any deviations from it require explanation in accordance with the DCGC's 'comply or explain' principle.

DEVIATIONS

During the Reporting Period, the Company was compliant with the relevant principles and best practice provisions of the DCGC, with the exception of the following:

3.4.1 (iv) This best practice provision provides that the remuneration report should – inter alia – describe the pay ratios within the company and its affiliated enterprise and, if applicable, any changes in these ratios in comparison with the previous financial year.

In deviation from this best practice provision, the Remuneration Report, however, does not contain a description of the pay ratios within the whole Group because, due to the sale of a number of Group companies and the continued reorganisation within a number of Group companies during the Reporting Period, and in light of the intended sale of further Group companies and/or the reorganisation within Group companies, no representative reference group could be determined that would allow consistency and comparison in subsequent years. It is expected that after the 3-step strategy is implemented, the Company shall be able to describe pay ratios within a wider representative reference group. To provide as much transparency as possible, the Remuneration Report contains pay ratios within Group Services.

4.1.3 (iv) This best practice provision provides that any proposal to pay out dividends should be dealt with as a separate agenda item of the General Meeting.

In deviation from this best practice provision, the agenda of the AGM 2022 did not include such item. While the Company did generate profits on a stand-alone basis, on a consolidated basis the Group did not generate any profits in the 2021 financial year. Given the Group's ongoing liquidity constraints, the Management Board, with the approval of the Supervisory Board, had resolved in accordance with the Company's articles of association and policy on profit and reserves, that the profit generated during the 2021 financial year would be fully applied to increase reserves, and therefore not to propose any dividend on the Ordinary Shares for the 2021 Reporting Period.

DIVERSITY

The Company's Diversity Policy as applicable during the Reporting Period identifies the following objectives to further improve the diversity within the Management Board and the Supervisory Board:

(i) qualifications and previous experience, particularly in the fields required to ensure balanced boards, shall be key considerations for nominations to both the Management Board and the Supervisory Board;

(ii) with respect to nationality, subject to and taking into account the South African Reserve Bank's requirement that the Company be managed from South Africa, the Supervisory Board shall strive to nominate Managing Directors from the regions where the Group Companies operate, and that no nationality should count for more than 75% of the Managing Directors;

(iii) further with respect to nationality, the Supervisory Board shall strive to nominate Supervisory Directors from the regions where the Group Companies operate, and that no nationality should count for more than 75% of the Supervisory Directors;

(iv) with respect to gender, the Supervisory Board shall strive for a composition of the Management Board and the Supervisory Board of not less than 30% male and not less than 30% female; and

(v) with respect to age, the Supervisory Board shall strive to ensure an appropriate age diversity within the Management Board and the Supervisory Board,

it being understood that, in the selection of a candidate on the basis of the above criteria, the rules and generally accepted principles of non-discrimination (on grounds such as ethnic origin, race, disability or sexual orientation) will be taken into account.

Both Managing Directors who held office during the Reporting Period were male and to the extent applicable Managing Directors appointed have been nominated based on the above criteria, taking into account the qualifications required in view of the challenges faced by the Group. Within the context of the nomination and appointment of Managing Directors, the Supervisory Board selects candidates based on such qualifications and regardless of gender which is in accordance with the Diversity Policy. On the Reporting Date both Managing Directors had South African nationality (100%) and lived in South Africa.

If and when selecting and nominating candidates for the Management Board, the Supervisory Board will take the Diversity Policy into consideration to safeguard a balanced apportionment of the seats of the Management Board, including objective (ii) above.

On the Reporting Date, two out of six Supervisory Directors were female (33.33%) and four out of six Supervisory Directors were male (66.67%). Three out of six Supervisory Directors had South African nationality (50%) and lived in South Africa, one out of six Supervisory Directors had Dutch nationality (16.66%) and lived in the Netherlands, one out of six Supervisory Directors had British nationality (16.66%) and lived in the United Kingdom, and one out of six Supervisory Directors had United States nationality (16.66%) and lived in the United States of America. Hugo Nelson, who lived in South Africa and has both South African and Maltese nationality, is counted as having South African nationality for this purpose.

If and when selecting and nominating candidates for the Supervisory Board, the profile of the Supervisory Board and the Diversity Policy will be taken into consideration.

The latest versions of the Diversity Policy and the profile of the Supervisory Board can be viewed on the Company's website www.steinhoffinternational.com.

CULTURE

Under the guidance of both the Management Board and the Supervisory Board a culture of ethical behaviour has been developed across the Group. This foundation has become the moral DNA of the business as it continues to repair trust in relationships with stakeholders.

In building and enhancing an ethical culture that is focused on longer-term value preservation for stakeholders the Management Board took into consideration, among other things:

1. the current strategy and business model,
2. the environment in which the businesses operate, and
3. the existing culture within the Group.

The following five core values have been identified and adopted by the Company:

- Transparency
- Fairness
- Honesty
- Integrity
- Good corporate citizenship

The Management Board actively encourages behaviour that is in keeping with these values, and propagates these values through leading by example.

CODE OF CONDUCT

The Management Board is responsible for ensuring that adequate frameworks and control systems are in place at OpCos to detect fraud and irregularities. The responsibility to detect and prevent fraud remains with management at an operational level. This is emphasised through continuous sensitisation of operational internal audit functions as well as inclusion of such focus in internal audit processes. The operational internal audit function reports fraud and ethics violations to operational management. These reports are escalated to the Management Board and to the Audit and Risk Committee. Such reports include associated remedial actions.

The Management Board has resolved that the Group operates in an open and transparent manner with a view to ensure that information is provided to all stakeholders within the legal parameters.

The Company has adopted a Code of Conduct that sets out general policies and guidance as to how all its temporary and permanent employees, officers, and directors (including the Managing Directors and Supervisory Directors) should conduct business. The Management Board encourages conduct of business that is in keeping with the Company's core values of transparency, fairness, honesty, integrity and good corporate citizenship.

In view of the decentralised business model of the Group, the compliance principles are implemented at OpCo level by operational management. The Management Board has recommended that management of each OpCo endorse those principles and incorporate the same in its own company policies and guidelines. Although the compliance principles are therefore a matter of operational responsibility, the application thereof is monitored by the Management Board at Group level by means of attendance at the local governance committee meetings as members and/or invitees. The Management Board and the Group Risk function have insight into the pack content which is submitted at these meetings which would deal with instances of non-compliance with the Company's and/or OpCo's codes of conduct. In addition, the employees at Group Services have all confirmed their compliance with the Steinhoff Code of Conduct via the online reporting tool. Based on this it appears that there were no incidences of substantial non-compliance with the codes of conduct during the Reporting Period.

The Code of Conduct refers to the Company's Policy on Inside Information, Managers' Transactions and Insider Lists, which policy contains rules that the Company requires the Group's employees to follow when executing a transaction in Steinhoff securities and how to conduct themselves when in possession of inside information. The policy further sets out the relevant notification obligations for managers and their persons closely associated. The Company's Compliance Committee is tasked with ensuring compliance with the Policy on Inside Information, Managers' Transactions and Insider Lists, and with applicable laws and regulations relating to the public disclosure of inside information. The Compliance Committee reports any instances of non-compliance to the Management Board and to the Audit and Risk Committee.

Further the Group has a whistle-blower policy, which establishes the procedure for handling reportable concerns of suspected criminal or unethical conduct by, or within, the Group. The scope of this policy extends not only to concerns involving Managing Directors, Supervisory Directors, officers and employees, but also to matters involving shareholders, consultants, vendors, contractors, outside agencies and/or any other parties in a business relationship with the Group.

Compliance reports are reviewed by the Group Risk function and reported to the Management Board and the Audit and Risk Committee on a quarterly basis.

The Code of Conduct, the Policy on Inside Information, Managers' Transactions and Insider Lists, and the whistle-blower policy are all available on the Company's website www.steinhoffinternational.com.

DISCLOSURES PURSUANT TO DUTCH DECREE IMPLEMENTING ARTICLE 10 EU TAKEOVER DIRECTIVE

Pursuant to the Dutch Decree implementing article 10 EU Takeover Directive, the Company is required to report on the following:

SHARE CAPITAL STRUCTURE

As at the Reporting Date, the structure of the Company's share capital was as follows:

Authorised share capital The authorised share capital of the Company amounted to:
16 000 000 000 Ordinary Shares with a nominal value of €0.01 each
4 000 000 000 Preference Shares with a nominal value of €0.01 each

Issued share capital The issued share capital of the Company amounted to:
4 269 609 051 Ordinary Shares with a nominal value of €0.01 each

Only Ordinary Shares were in issue on the date of this Annual Report. No differentiation in class exists between Ordinary Shares. Therefore, the percentage of this issued ordinary share capital represented by each class of shares was 100%.

No Preference Shares were issued during the Reporting Period or in issue on the date of this Annual Report.

RESTRICTIONS ON TRANSFER OF SHARES

Pursuant to article 12 of the Articles, for as long as Shares (or depositary receipts thereof) are admitted to a listing on a regulated stock exchange, as referred to in Section 2:86c of the DCC, the transfer of a Share shall require a private deed to that effect unless the Company itself is a party to such legal act, and the transfer is acknowledged in writing by the Company. The acknowledgement shall be made in the private deed or in a dated statement of acknowledgement on the private deed or on a true copy or extract thereof duly authenticated by a civil law notary or by the transferor. Official service of such private deed, true copy or extract on the Company is considered to have the same effects as an acknowledgement.

SUBSTANTIAL NOTIFIABLE SHAREHOLDINGS

Pursuant to the Dutch Financial Supervision Act, any person who, directly or indirectly, acquires or disposes of an actual or potential interest in the capital or voting rights of the Company must immediately notify the AFM by means of a standard form, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person in the Company reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

Shareholders, holding 3% or more in the issued share capital or voting rights of the Company as at 30 September 2022, as disclosed in the AFM register are set out in the following table:

Date notification requirement	Party obliged to notify	Share capital interest/ Voting right	Percentage
14 December 2017	Public Investment Corporation SOC Ltd	Share capital interest	9.91%
14 December 2017	Public Investment Corporation SOC Ltd	Voting right	9.91%

The holdings reflected above indicate the percentages of issued share capital and the respective voting rights notified as held by these major shareholders as at the Reporting Date based on the register maintained by the AFM. This overview has been exclusively based on the contents of the public register of substantial notifiable shareholdings of the AFM, which is considered to be correct under Dutch law. However, it is noted that the overview of substantial notifiable shareholdings as at 30 September 2022, as shown above, may not be complete or accurate as the onus to submit updates rests with the investors.

Steinhoff is not responsible for listing the substantial notifiable shareholdings and has replicated the information contained in the AFM public register. For further details refer to the AFM's website www.afm.nl.

There were no transactions concluded between the Company and legal or natural persons who hold at least 10% of the Shares during the Reporting Period.

SPECIAL VOTING RIGHTS ATTACHING TO SHARES

Each Ordinary Share confers the right to cast one vote at a General Meeting, unless and for so long as Preference Shares are in issue, in which case each Ordinary Share confers the right to cast fifty votes and each Preference Shares confers the right to cast one vote at a General Meeting. No Preference Shares were outstanding during the Reporting Period and none are outstanding as at the date of this Annual Report. As such, no Shares with special voting rights were outstanding at the time of this Annual Report.

THE SYSTEM OF CONTROL OF AN EMPLOYEE SHARE SCHEME

Share rights under the ESRS do not confer on participants any shareholder rights, until Shares are issued or delivered to participants, whereupon they will rank pari passu with the other issued Shares. Since March 2017, no rights under the ESRS have been granted and at this time the Company has no intention to grant any further rights under the ESRS.

RESTRICTIONS ON VOTING RIGHTS

Neither the Company nor any of its Subsidiaries may cast a vote on any Share they hold in the Company. Such Shares are not taken into account for the purpose of determining how many shareholders are represented or how much of the share capital is represented at any General Meeting. Pursuant to the Articles, for each General Meeting a statutory record date will be applied, in order to determine in which persons voting rights and meetings rights are vested. The record date and the manner in which shareholders and other persons holding Meeting Rights can register and exercise their rights will be set out in the notice convening the meeting.

The Company is not aware of any restrictions on voting rights.

The Company has no anti-takeover measures in place.

AGREEMENTS BETWEEN SHAREHOLDERS WHICH MAY RESULT IN RESTRICTIONS OF THE TRANSFER OF SECURITIES OR VOTING RIGHTS

The Company is not aware of any agreements between shareholders which may result in restrictions of the transfer of securities or voting rights.

RULES GOVERNING THE APPOINTMENT AND REMOVAL OF MANAGING DIRECTORS AND SUPERVISORY DIRECTORS, AND THE AMENDMENT OF THE ARTICLES

Reference is made to the relevant sections in this Corporate Governance Report, which are incorporated by reference.

THE POWERS OF THE MANAGEMENT BOARD, IN PARTICULAR THE POWER TO ISSUE AND BUY BACK SHARES

Reference is made to the relevant sections in this Corporate Governance Report, which are incorporated by reference.

ANY SIGNIFICANT AGREEMENTS TO WHICH THE COMPANY IS A PARTY, AND WHICH TAKE EFFECT, ALTER OR TERMINATE UPON A CHANGE OF CONTROL OF THE COMPANY FOLLOWING A TAKEOVER BID

The ESRS provides that if the Company or the company which employs the participant is taken over, delisted or becomes the subject of a merger which results in the listing of the Shares being suspended or terminated during a measurement period and/or prior to a measurement date, the vesting date will then automatically coincide with the effective date of the relevant corporate action. The Share rights will be adjusted on a time weighted basis and exchanged for equivalent valued rights in the Company's successor (as determined and approved by the Supervisory Board or the Management Board (as applicable) where necessary), provided however that all the measurement criteria have been met up to the effective date of the relevant corporate action.

ANY AGREEMENT BETWEEN THE COMPANY AND ITS MANAGING DIRECTORS OR EMPLOYEES PROVIDING FOR COMPENSATION IF THEIR EMPLOYMENT CEASES BECAUSE OF A TAKEOVER BID

There are no agreements with Managing Directors or employees which entitle any of them to compensation if their employment ceases because of a takeover bid, other than Managing Directors becoming contractually entitled to receiving a severance payment at a maximum equal to their total annual fixed compensation upon termination for reasons other than cause or retirement and in line with the Company's remuneration policy. This severance payment includes any severance payments flowing from the Managing Directors' local employment agreements, insofar as permissible under local law.

PART III

REPORT OF THE SUPERVISORY BOARD

REPORT OF THE SUPERVISORY BOARD

According to its Regulations the role of the Supervisory Board is to supervise the policies of the Management Board and the general affairs of the Company and of the investment in its affiliated enterprise, as well as to assist the Management Board by providing advice. In discharging its role, the Supervisory Board shall be guided by the interests of the Company and its affiliated enterprise and shall take into account the relevant interests of the Company's stakeholders.

COMPOSITION OF THE SUPERVISORY BOARD

As at the Reporting Date, the Supervisory Board consisted of the following six members:

Name	Age	Position	Date of first appointment	Current term	Date of resignation	Independent	Committee member
Moira Moses	57	Chairperson	20-04-2018	2022–2026	N/A	Yes	Nomination Committee
Peter Wakkie	74	Deputy Chairperson	20-04-2018	2021–2023	N/A	Yes	Human Resources and Remuneration Committee
Paul Copley	47	Member	30-08-2019	2022–2026	N/A	Yes	Audit and Risk Committee
Hugo Nelson	52	Member	20-04-2018	2022–2026	N/A	Yes	Audit and Risk Committee, Human Resources and Remuneration Committee
David Pauker	63	Member	30-08-2019	2019–2023	N/A	Yes	Nomination Committee, Human Resources and Remuneration Committee
Alexandra Watson	66	Member	20-04-2018	2022–2026	N/A	Yes	Audit and Risk Committee, Nomination Committee

INDEPENDENCE

In the opinion of the Supervisory Board, the independence requirements referred to in best practice provisions 2.1.7 to 2.1.9 inclusive of the DCGC were fulfilled.

CONTINUING EDUCATION

As part of the continuing education programme, the Supervisory Directors received presentations on trends in the global retail market, corporate sustainability reporting, the business judgement rule under Dutch and South African laws as well as on other relevant Dutch legal and corporate governance matters.

SUPERVISORY BOARD MEETINGS, ATTENDANCE, INVOLVEMENT WITH STRATEGY, ACTIVITIES REPORT AND EVALUATIONS

During the Reporting Period, quarterly Supervisory Board meetings were held on 25 November 2021, 24 February 2022, 23 June 2022 and 25 August 2022, where both Managing Directors who were in office during the Reporting Period attended the meetings. In addition, five special meetings were held, thus totaling to nine meetings.

The table below provides the attendance by each Supervisory Director at both the quarterly and special meetings.

	Attendance at Supervisory Board meetings during the Reporting Period				
Name	Date First Meeting	Date Last Meeting	Total Meetings	Missed meetings	Attendance Percentage
M.A. Moses	18 October 2021	25 August 2022	9	0	100%
P.N. Wakkie	18 October 2021	25 August 2022	9	0	100%
P.D. Copley	18 October 2021	25 August 2022	9	0	100%
H.A. Nelson	18 October 2021	25 August 2022	9	1	89%
D.I. Pauker	18 October 2021	25 August 2022	9	0	100%
A. Watson	18 October 2021	25 August 2022	9	0	100%

During the Reporting Period, the Supervisory Board, amongst other matters:

(i) discussed the Group strategy, the implementation of this strategy by the Management Board and the principal risks associated with this strategy;

(ii) was advised on all major sale transactions undertaken by the Group;

(iii) received high-level reports on the performance of the Company's major subsidiaries;

(iv) received reports on progress with the litigation strategy and the debt restructuring strategy;

(v) received reports on the impact of the COVID-19 pandemic on the Group;

(vi) approved the Steinhoff Governance, Risk, Compliance and Internal Audit Framework, the Internal Audit Charter and the annual internal audit plan;

(vii) approved a continuing education programme;

(viii) resolved to dissolve the Litigation Working Group;

(ix) reviewed the profile and the rotation schedule of the Supervisory Board;

(x) reviewed the diversity policy;

(xi) reviewed the Regulations of the Supervisory Board and of all its committees;

(xii) nominated Mr. Louis du Preez and Mr. Theodore de Klerk for re-appointment as Managing Directors until the close of the AGM to be held in 2026;

(xiii) nominated Ms. Moira Moses, Mr. Paul Copley, Dr. Hugo Nelson and Ms. Alexandra Watson for re-appointment as Supervisory Directors until the close of the AGM to be held in 2026;

(xiv) approved the Managing Directors' remuneration (fixed and variable) structure for the Reporting Period onwards;

(xv) performed an evaluation of the functioning of the Management Board as a whole and of the individual Managing Directors; and

(xvi) performed an evaluation of its own functioning and of all its committees.

STRATEGY

Throughout the Reporting Period, the Management Board and the Supervisory Board had multiple discussions concerning the financial, business, litigation and debt restructuring strategy of the Group, the implementation thereof and the associated risks.

EVALUATIONS

Management Board evaluation

The Nomination Committee initiated the Supervisory Board's evaluation of the functioning of the Management Board as a whole and of the individual Managing Directors. The Nomination Committee, through its Chairperson, held various consultations throughout the year with Supervisory Directors and with other key stakeholders to establish a view of the performance of the Management Board through targeted questioning and an observation of performance, results and stakeholder feedback. In addition, a panel consisting of all members of the Nomination Committee and the Chairperson of the Human Resources and Remuneration Committee conducted performance reviews with each of the Managing Directors to establish their opinions on the functioning of the Management Board as well as the Managing Directors during the Reporting Period. The Management Board also

completed a self-evaluation questionnaire, which covered substantive aspects, interaction between Managing Directors, interaction with the Supervisory Board, time management, information provision and support to the Supervisory Board, as well as the composition, size, competencies and expertise of the Management Board, and any recommendations for improvement. The results of the questionnaires were summarised by the Company Secretary in anonymous form. The conclusions and recommendations were subsequently discussed by the Nomination Committee.

The Nomination Committee concluded that – similar to the outcome of last year's evaluation – the Management Board was functioning well, was appropriately sized and had the necessary skill set and composition to undertake all tasks and perform all duties expected of it. Responsibilities are clearly defined and there is a strong and constructive working relationship between the two Managing Directors. Both are independently minded and comfortable to challenge each other when it is necessary to do so. There is a mutual respect and trust between the CEO and CFO, and they work in a transparent and honest manner. Communication is effective between the Management Board and their respective support teams. Formal meetings take place regularly with the appropriate governance structures in place. The quality of the relationship between the Management Board and the Supervisory Board was highly rated and the oversight provided by the Supervisory Board is considered appropriate.

SUPERVISORY BOARD EVALUATION

The Nomination Committee initiated the Supervisory Board's evaluation of its own functioning, the functioning of the Audit and Risk Committee, the Nomination Committee, and the Human Resources and Remuneration Committee during the Reporting Period. The evaluations were conducted through the completion of questionnaires, which covered substantive aspects, interaction between Supervisory Directors, interaction with the Management Board, time management, information provision and support to the Supervisory Board, as well as the composition, size, competencies and expertise of the Supervisory Board, the effectiveness of the committees of the Supervisory Board, and any recommendations for improvement. The results of the questionnaires were summarised by the Company Secretary in anonymous form. The conclusions and recommendations were subsequently discussed by the Supervisory Board, outside the presence of the Management Board. The Chairperson discussed with each of the Supervisory Directors their roles within the Supervisory Board and their functioning. The Chairperson's functioning was evaluated in the questionnaires.

The self-evaluation ratings of the Supervisory Board were again *good* to *excellent*, and the Supervisory Board was satisfied that it can continue to carry out its duties and operate effectively. The Supervisory Board is seen to be diverse and to have a good spread of expertise with appropriate competencies, and backgrounds. The interaction between Supervisory Directors and between the Supervisory Board and Management Board is seen to be excellent with clear alignment and focus on the priorities of the Company and a constructive working relationship between the two boards.

The quality of information the Supervisory Board receives and is required to use in decision-making has improved substantially and was rated highly. Acknowledgement was given to the strength of the chairpersons of the various committees who put in a true effort to make things work. The continuing education programme was also received with good ratings.

COMMITTEES OF THE SUPERVISORY BOARD

REPORT OF THE AUDIT AND RISK COMMITTEE

Composition	Meetings
As at the date of this Annual Report, the committee consists of Alexandra Watson (chairperson), Paul Copley and Hugo Nelson.	Pursuant to the Regulations of the committee, the committee meets as often as deemed necessary for the proper functioning of the committee and meets at least four times each financial year. During the Reporting Period, the committee held five meetings.

Meeting attendance					
	Attendance of members of the Audit and Risk Committee during the Reporting Period				
Name	Date First Meeting	Date Last Meeting	Total Meetings	Missed meetings	Attendance Percentage
A. Watson	24 November 2021	24 August 2022	5	0	100%
P.D. Copley	24 November 2021	24 August 2022	5	0	100%
H.A. Nelson	24 November 2021	24 August 2022	5	0	100%

ACTIVITIES OF THE AUDIT AND RISK COMMITTEE

During the Reporting Period, the Audit and Risk Committee, amongst other matters:

(i) reviewed the annual, half-yearly and quarterly financial results;

(ii) reviewed reports on compliance with laws and regulations by the Company and its Subsidiaries, regulatory compliance, litigation, treasury, tax, internal control, whistle-blowing and cyber security risks;

(iii) reviewed reports from Social & Ethics Committees of Pepkor Holdings and SIHL, the internal reporting lines within the Group and compliance with the code of conduct;

(iv) received updates from Mazars with respect to the external audit of the 2021 Consolidated Financial Statements, as well as the 2021 separate Financial Statements;

(v) received a presentation from Mazars in respect of their audit of the 2021 Consolidated Financial Statements;

(vi) reviewed Mazars' draft audit report in respect of the 2021 Consolidated Financial Statements;

(vii) discussed the Management Board's in-control statement with the Management Board and with Mazars;

(viii) met with Mazars outside the presence of the Management Board;

(ix) met with the Head of Internal Audit outside the presence of the Management Board;

(x) reviewed the effectiveness of the design and operation of the internal risk management, governance, ethics and control systems;

(xi) assessed the absence of a separate internal audit function at the Company;

(xii) reviewed and recommended that the Supervisory Board approve the Steinhoff Governance, Risk, Compliance and Internal Audit Framework, the Internal Audit Charter and the annual internal audit plan;

(xiii) assessed the role and functioning of the CFO;

(xiv) assessed the independence and functioning of Mazars and its lead partner;

(xv) (re-)assessed any Related Party Transactions as per the relevant policy;

(xvi) considered a selection and tender process for the statutory External Auditor for the financial year 2024; and

(xvii) performed an evaluation of its own functioning.

REPORT OF THE HUMAN RESOURCES AND REMUNERATION COMMITTEE

Composition	Meetings
As at the date of this Annual Report, the committee consists of Hugo Nelson (chairperson), David Pauker and Peter Wakkie.	Pursuant to the Regulations of the committee, the committee meets as often as deemed necessary for the proper functioning of the committee and meets at least twice each financial year. During the Reporting Period, the committee held six meetings.

Meeting attendance

Name	Attendance of members of the Human Resources and Remuneration Committee during the Reporting Period				
	Date First Meeting	Date Last Meeting	Total Meetings	Missed meetings	Attendance Percentage
H.A. Nelson	13 October 2021	13 September 2022	6	0	100%
D.I. Pauker	13 October 2021	13 September 2022	6	0	100%
P.N. Wakkie	13 October 2021	13 September 2022	6	0	100%

ACTIVITIES OF THE HUMAN RESOURCES AND REMUNERATION COMMITTEE

During the Reporting Period, the Human Resources and Remuneration Committee, amongst other matters:

(i) performed a review of the performance conditions and prepared a proposal for the payment of the annual bonus and the vested tranche of the long-term incentive in respect of each of the Managing Directors for the 2021 Reporting Period;

(ii) prepared a proposal for a conditional annual bonus award and a long-term incentive award in respect of each of the Managing Directors for the financial year ending 30 September 2022;

(iii) performed a review of the Supervisory Directors' fees;

(iv) discussed whether a meaningful reference group could be determined to establish a pay ratio within the Group;

(v) prepared a Remuneration Report in respect of the 2021 Reporting Period;

(vi) prepared an amended Remuneration Policy of the Management Board, Share Plan and Managing Directors' Long-Term Incentive Rules; and

(vii) performed an evaluation of its own functioning.

REPORT OF THE NOMINATION COMMITTEE

Composition	Meetings
As at the date of this Annual Report, the committee consists of Moira Moses (chairperson), David Pauker and Alexandra Watson.	Pursuant to the Regulations of the committee, the committee meets as often as deemed necessary for the proper functioning of the committee and meets at least once each financial year. During the Reporting Period, the committee held four meetings.

Meeting attendance

Name	Attendance of members of the Nomination Committee during the Reporting Period				
	Date First Meeting	Date Last Meeting	Total Meetings	Missed meetings	Attendance Percentage
M.A. Moses	13 October 2021	22 April 2022	4	1	75%
D.I. Pauker	13 October 2021	22 April 2022	4	0	100%
A. Watson	13 October 2021	22 April 2022	4	0	100%

ACTIVITIES OF THE NOMINATION COMMITTEE

During the Reporting Period, the Nomination Committee, amongst other matters:

(i) recommended Mr. Louis du Preez and Mr. Theodore de Klerk for re-appointment as Managing Directors until the close of the AGM to be held in 2026;

(ii) recommended Ms. Moira Moses, Mr. Paul Copley, Dr. Hugo Nelson and Ms. Alexandra Watson for re-appointment as Supervisory Directors until the close of the AGM to be held in 2026;

(iii) reviewed the size and composition of the Management Board and the required expertise of the Managing Directors;

(iv) reviewed the size and composition of the Supervisory Board and the required expertise of the Supervisory Directors;

(v) reviewed the Supervisory Board profile, the Supervisory Board rotation schedule and the Diversity Policy;

(vi) initiated the evaluation of the functioning of individual Managing Directors and Supervisory Directors;

(vii) initiated the evaluation of the functioning of the Management Board as well as the Supervisory Board, the Audit and Risk Committee, the Human Resources and Remuneration Committee, and the Nomination Committee; and

(viii) performed an evaluation of its own functioning.

PART IV

REMUNERATION REPORT

REMUNERATION REPORT

Our remuneration philosophy dictates that all employees are fairly rewarded for their individual and joint contributions to the execution of the Steinhoff strategy and delivery of the Group's performance.

INTRODUCTION

The main differentiating factor between companies is the calibre of human capital and a company's ability to attract and retain the skill and institutional knowledge of its human capital for the benefit and the achievement of the company's strategy. Despite the continued uncertainties and challenges the Company is facing and the extraordinary circumstances Steinhoff is currently in, the Management Board, supported by its senior management and other Group Services employees, remains determined to achieve the Company's 3-step strategy.

The 3-step strategy, explained in more detail in the Management Board Report, can be summarised as follows:

Step 1 – Creditor arrangements (CVAs implemented on 13 August 2019),
Step 2 – Manage litigation risk (Global Litigation Settlement implemented post 15 February 2022); and
Step 3 – Restructure Group Services' Debt with a view to extending the maturity dates (Support Agreement entered into on 15 December 2022).

The journey to achieve the 3-step strategy consists of a multiple of deliverables and processes that must be carefully balanced and executed at the right time for the desired result. The milestones reached thus far were in many instances ground-breaking and significant and can be summarised as follows:

- The Global Litigation Settlement, as implemented post 15 February 2022, is one of, if not the largest, settlement ever offered by a company in distress.
- A significant number of competing interests, including competing interests within each different category (three separate stock exchange listings, more than 100 000 shareholders, €10 billion debt held in different instruments by more than 250 investors, more than 100 litigation cases involving the Group) of which all interests were appropriately balanced over the past five years.
- In the Dutch SoP process, the voting by a Committee of Representation was used for the first time in 60 years.
- The Committee of Representation voted unanimously in favour of the Composition Plan, in three separate S155 Scheme claimant meetings that were successfully held with no votes registered against the scheme.
- Steinhoff continued to address the liquidation and litigation challenges while remaining listed on two international stock exchanges.
- Steinhoff received approval from FinSurv for one of the largest ever foreign exchange transactions as part of the settlement.

In 2018 the Supervisory Board decided to deviate from the 2015 Remuneration Policy and implemented a cash-based remuneration framework that would serve best to attract and retain the talent required to reach the above challenging milestones, and implement the 3-step strategy ensuring business continuation and optionality. In this context, a revised remuneration policy for the Management Board was proposed at the AGM 2020 and another new draft remuneration policy at the AGM 2021. However, since those proposals were rejected at both AGMs, another new draft Remuneration Policy for the Management Board was proposed at the AGM 2022. Despite the movement from a pure cash-based remuneration structure to a hybrid scheme consisting of cash and shares, the proposed remuneration policy was also voted down. As such, the current remuneration policy (from 1 December 2015) has remained the policy applicable during the year under review. An overview of the remuneration policy as well as a description of how this policy was applied during the 2022 Reporting Period is provided in this Remuneration Report.

It is the ambition of the Supervisory Board, the Management Board as well as all Group Services employees, to complete the 3-step strategy as successfully and timeously as possible. Since the achievement of numerous critical milestones required to progress in the achievement of the Company's 3-step strategy, the Human Resources and Remuneration Committee (the "Remuneration Committee") and the Supervisory Board have been engaged in redesigning the remuneration framework for Managing Directors. This has resulted in a revised remuneration policy for the Management Board to align it with the Company's retention and incentivisation strategy while taking into consideration the criticism received from shareholders over the past three years. The Remuneration Committee, with the assistance of a reputable external service provider, has considered the organisational size and structure and took into account the Dutch Corporate Governance Code, the Dutch Civil Code and market best practices. The Supervisory Board intends to submit the revised remuneration

policy to the General Meeting for approval at the AGM to be held in 2023 to demonstrate the Company's continued commitment to shareholder alignment appropriate for the circumstances.

The Remuneration Committee considered the voting results of the last three AGMs and engaged with (representatives of) investors as well as proxy advisors in preparation of the agenda of the AGM to be held in 2023. Feedback from the AGMs held in 2020 and 2021 focused primarily on the lack of an equity-based compensation component with a sufficient long-term character, and the limited level of share ownership amongst executives. In considering those concerns, the Remuneration Committee proposed a remuneration structure that consisted of a cash element and an equity element at the AGM held in 2022. Although overall, feedback from that AGM was positive and supportive of the proposed remuneration policy, the Company received some criticism on the lack of a multi-year performance measurement period applicable to the vesting conditions of the Long-Term Incentive, the vesting periods being shorter than three years, the lack of metric targets in the Corporate Scorecard for the Management Board, the lack of share ownership guidelines due to a mandatory disposal upon vesting and the Long-Term Incentive still containing a cash element.

In considering this, it is the Supervisory Board's responsibility, through the recommendation of the Remuneration Committee, to ensure that the Remuneration Policy is aligned with the business strategy and business needs. The Company will submit a revised remuneration policy to the AGM to be held in 2023, which will – once adopted – be applicable from the start of the 2023 financial year, being 1 October 2022. With this proposed remuneration policy, the Remuneration Committee has found a balance between the desire to align the interests of the Management Board with those of our stakeholders and to hold the Management Board accountable for the successful delivery of the strategic plan versus its key responsibility to attract and retain high calibre Managing Directors who are willing to bear the personal reputational and other risks and extreme workload necessary to achieve the 3-step strategy. The Remuneration Committee and the Supervisory Board deem it essential to ensure that Managing Directors – who both took up their current roles during 2018 – are retained and remunerated adequately for the personal sacrifices and personal risk taken on by committing to the achievement of the 3-step strategy.

The highlights of the newly proposed remuneration policy are included in the last section of this Remuneration Report. The complete version of the proposed remuneration policy will be included in the annexes to the agenda of the AGM to be held in 2023. Compared to the 2015 Remuneration Policy as currently implemented, the proposed remuneration policy includes the following main changes:

1. In light of the progress made on the 3-step strategy and the uncertainty caused by the Group Services' Debt maturing on 30 June 2023, it is proposed to change the LTI plan from a combined cash- and equity-based scheme in a fifty-fifty ratio (as per the deviation from the 2015 Remuneration Policy that was approved by the Supervisory Board in 2021) into a scheme with a lower cash portion and the same equity portion in the form of phantom shares in a forty-sixty ratio; and
2. Further changes relate to refinements which ensure alignment with new legal requirements due to the implementation of the revised Shareholders Rights Directive (2017/828/EU (SRD II)).

Moreover, to further enhance transparency, the Remuneration Committee has included a section (Part 4 of this remuneration report) in which it outlines its anticipated changes to the Remuneration Policy as it would become applicable once further milestones have been achieved and the 3-step strategy has been completed.

The remainder of this report consists of the following parts:

Part 1: Summarising overview
Part 2: Description of the current Remuneration Policy
Part 3: Application of the current Remuneration Policy during the 2022 Reporting Period
Part 4: Highlights from the proposed modification of the Remuneration Policy for 2023

This report is prepared in accordance with the relevant provisions of the Dutch Civil Code and the Dutch Corporate Governance Code.

PART 1: SUMMARISING OVERVIEW

The current Remuneration Policy was approved by the General Meeting on 1 December 2015. This policy applies to both Managing Directors and members of the Executive Committee. The Executive Committee was dissolved in December 2017 and no new Executive Committee has been established since then. The core components of the Remuneration Policy as well as the application thereof for the Managing Directors during the 2022 Reporting Period are summarised below. The full Remuneration Policy can be viewed on the Company's website www.steinhoffinternational.com.

Element and link to strategy	Description and 2022 opportunity	Realisation 2022
Fixed pay: base salary *Provides a fair and competitive basis for the total compensation package to attract and retain the right calibre of executives.*	Fixed cash compensation paid monthly, based on the role and responsibilities of the position, internal pay differentials and external market data. The remuneration benchmark, performed in 2021 by a reputable external service provider, confirmed that the annual salary for Managing Directors was appropriate, given the unique circumstances surrounding the Company.	CEO: €1 404 506 CFO: €1 218 000 The CEO and CFO received a Netherlands based inflationary salary increase of 1.5% for the 2022 Reporting Period.
Fixed pay: pension and other benefits *Provides for the employee's health and retirement welfare.*	Membership of an approved retirement fund, life and medical disability insurance and medical aid schemes. These benefits form part of the base salary and are not paid in addition to the base salary.	CEO: €65 466 CFO: €70 255
Annual bonus (short-term incentive, or "STI") *Drives and rewards the continuation of the Company.* *Drives and rewards sound business decisions for possible longer-term value preservation for stakeholders.* *Aligns Management Board and stakeholders' interests.*	A variable pay opportunity, paid out in cash based on the achievement of annual performance targets, of which 100% relates to financial, operational and transformational measures to ensure the operational continuity of the Company. The target bonus and maximum opportunity equals 75% of base salary for both the CEO and CFO. For threshold performance, a pay-out of 50% of base salary will occur, while for below threshold performance there will be no pay-out. **Opportunity in the 2022 Reporting Period** • At target/maximum performance (80% to 100% of all targets): 75% of base salary • Medium performance (70% to 79.99% of all targets): 65% of base salary • Threshold performance (60% to 69.99% of all targets): 50% of base salary • Below threshold performance: no pay-out For the 2022 Reporting Period, objectives were defined for each of the following Key Performance Indicators ("KPIs") which were applied for both the CEO and CFO with individual weightings: CEO KPI weightings • Business optimisation and value maximisation (32.5% of total opportunity) • Financial reporting, controls and administration (12.5%) • Group restructure (17.5%) • Stakeholder interaction (12.5%) • Group Litigation proposal (15%) • Litigation management (10%)	CEO: €1 053 380 (based on performance for the 2022 Reporting Period) CFO: €913 500 (based on performance for the 2022 Reporting Period) Based on the realisation of the various objectives, which was on average 100% of the stated target, the resulting pay-out over the 2022 Reporting Period equals 75% of the annual base salary. Achievements include, but are not limited to: • B-BBEE targets met at Pepkor Holdings Level • The sale of certain South African and European assets, • The Brazil expansion acquisition successful, • Successful sale of OMF, • Freedom/Fantastic 'post-COVID' turnaround successful.

Element and link to strategy	Description and 2022 opportunity	Realisation 2022
	CFO KPI weightings • Business optimisation and value maximisation (22.5% of total opportunity) • Financial reporting, controls and administration (32.5%) • Group restructure (15%) • Stakeholder interaction (10%) • Litigation settlement proposal (12.5%) • Litigation management (7.5%)	• Successful litigation settlement, • Cashflow management, • Manage tax audits and securing material refunds, • Strong operational performance and very strong cash generation at all OpCos.
Long-term incentive (or "LTI") *Drives and rewards both retention and performance over the longer-term considering the extraordinary circumstances the Company is in.* *Aligns Management Board and stakeholders' interests.* *Supports Managing Director retention over the longer-term.* *The share based LTI scheme was replaced by a hybrid LTI scheme that consists of a cash portion and an equity portion.*	Under normal circumstances, a variable pay opportunity consisting of a conditional award in Company shares that might vest after 3 years, based on a combination of financial KPIs such as Headline Earnings per Share ("HEPS"), Operating Profit and return on equity measured during a 3-year period. However, in the context of the extraordinary circumstances and the continuous focus on normalising the Company's situation, the Supervisory Board decided to deviate from the current policy as follows: • A hybrid LTI allocation that consists of a conditional award of two equal portions of cash and equity, granted annually. The quantum of the conditional award is determined at the end of the performance period, subject to the percentage achievement of the corporate scorecard, and becomes payable as follows: – Payment of the cash portion is deferred to be paid in two equal halves on the 24th and 36th month anniversary of the award. – Vesting of the equity portion occurs 6-monthly in four equal quarters in the 2nd and 3rd year after the award. This deviation from the policy is aimed at aligning Managing Directors' interest to shareholders' interests and also ensures that the Company will be able to attract and retain the Managing Directors and remunerate them adequately for the personal sacrifices and personal risk taken on by committing to the achievement of the 3-step strategy. The target and maximum LTI opportunity are equal to 150% of base salary for both the CEO and CFO. Finally, it should be noted that the Supervisory Board intends to submit a revised remuneration policy (outlining an LTI plan with a combined cash and equity component) to the General Meeting to be held in 2023 for approval, to demonstrate shareholder alignment and taking into account the progress made on the 3-step strategy and the uncertainty caused by the Group Services' Debt maturing on 30 June 2023. The proposed revised remuneration framework is presented in part 4 of this report.	CEO: €922 500 (based on performance in the 2022 Reporting Period) CFO: €800 000 (based on performance in the 2022 Reporting Period) Based on the realisation of the various objectives, as highlighted above, which was on average 100% of the stated target, the resulting pay-out over the 2022 Reporting Period equals 65% of the annual base salary for the CEO and 65% of the annual base salary for the CFO. For the CEO 7 316 589 conditional shares were awarded during the 2022 Reporting Period. For the CFO 6 345 011 conditional shares were awarded during the 2022 Reporting Period.

PART 2: DESCRIPTION OF THE CURRENT REMUNERATION POLICY (APPROVED 1 DECEMBER 2015)

The current Remuneration Policy dates from 1 December 2015 and is the only Company policy currently in place that was established by the previous Supervisory Board who was in service in December 2017. The Company wishes to move forward from the events of December 2017 and away from the policy that links the current newly restructured business with the old legacy. To move forward, the Supervisory Board, upon the recommendation of the Remuneration Committee, will propose a revised remuneration policy for Managing Directors to the shareholders for approval at the AGM to be held in 2023. An outline of the proposed new remuneration policy can be viewed in Part 4 of this report.

KEY PRINCIPLES AND REMUNERATION ELEMENTS

The Group is an international business with revenue earned in many countries and expects its Managing Directors to be internationally mobile and to have knowledge and experience across borders. As a result, the Group competes for skills and talent in a global marketplace and its approach to remuneration needs to be flexible and competitive in all countries in which it operates.

The objective of the Remuneration Policy is therefore to provide remuneration in a form which will attract, retain and motivate Managing Directors, while protecting and promoting the objectives of the Group. The Remuneration Policy caters for a variable component, which is linked to pre-determined, assessable and influenceable targets, which are predominantly structured to incentivise Managing Directors throughout the business cycle and drive the longer-term sustainability of the business.

The Remuneration Policy is based on the following five key principles:

(i) Remuneration is aligned with the corporate strategy of the Company;

(ii) Total rewards are set at levels that are competitive in relation to the specific market and industry, taking into account the Company's results, including financial and non-financial indicators relevant for the Company's value creation on the longer-term;

(iii) Incentive-based awards are earned through achieving demanding performance measures and targets with due regard for the sustainable wellbeing of all stakeholders over the short-, medium- and longer-term;

(iv) Incentive plans, performance measures and targets are structured to operate effectively throughout the business cycle; and

(v) The design of long-term incentives is prudent and does not expose stakeholders to a position where the sustainability of the Group is placed at risk.

In accordance with the Remuneration Policy, the Supervisory Board seeks to ensure an appropriate balance between the fixed, variable and performance-related elements of the remuneration of the Managing Directors. According to the Remuneration Policy, the Supervisory Board should seek to ensure an appropriate balance between those aspects of the package linked to short-term financial performance and those linked to longer-term sustainable stakeholder value creation.

The four elements of remuneration consist of a base salary, annual bonus, LTIs, and benefits. The Supervisory Board has the discretionary power to adjust any variable remuneration component awarded to a Managing Director, with respect to a previous financial year, if the Supervisory Board feels that the outcome is unreasonable due to exceptional circumstances during the relevant performance period. In addition, the Supervisory Board shall have the right to recover any bonus awarded to a Managing Director on the basis of incorrect information on whether or not the financial performance targets or other qualifying criteria have been met or any other circumstances the bonus was dependent on.

Deviation of the remuneration elements in the Remuneration Policy is permitted only in extraordinary circumstances, when deemed necessary in the interests of the Company. Any deviations from the Remuneration Policy will be disclosed in the Annual Report.

BASE SALARY

The fixed or guaranteed element of remuneration is referred to as the base salary. In determining fair and competitive base salaries that enable the Company to attract and retain the right calibre of executives, the Supervisory Board takes into consideration the individual's responsibilities, Company and individual performance as well as the pay differentials within the Company. Finally, the external perspective is taken into account by using data issued by independent remuneration experts.

ANNUAL BONUS

Managing Directors are entitled to an annual performance related bonus payment. The objective of the annual performance related bonus is to incentivise and reward strong short-term operational, financial and personal performance, the implementation of strategic initiatives, such as meeting growth targets, while continuing to be focused on sustainable results which are aligned with the longer-term strategy of the Group. The Remuneration Policy requires the Supervisory Board to set performance conditions on an individual basis at or before the beginning of the relevant financial year. The annual bonus is based on a percentage of the annual base salary.

Performance conditions include financial, operational and transformation targets, representing in excess of 80% of the potential annual bonus. Where performance conditions are supplemented by personal performance objectives, such personal performance objectives represent on average less than 20% of the potential bonus that can be achieved. The Supervisory Board shall review the performance conditions annually to ensure that these are appropriate, given the economic context and the performance expectations for the Company or relevant division.

The Supervisory Board has the discretion to defer all or part of the annual bonus payment on terms to be agreed on an annual basis, dependent on the performance conditions applicable to such bonuses and the longer-term measurement that could be implied by such performance conditions.

LONG-TERM INCENTIVE

Pursuant to the Remuneration Policy, the Managing Directors and other Senior Managers participated in the ESRS, which was approved by the general meeting of the Company's legal predecessor, Steinhoff International Holdings Limited, on 6 December 2010 and amended and approved by the General Meeting on 1 December 2015.

The allocation of LTIs is based on the following key eligibility criteria: (i) individuals who are key to driving the Group's longer-term business strategy; (ii) retention of key talent/ scarce skills; and (iii) talent management strategy and succession plans.

The Remuneration Policy provides that the targets for LTIs are set with reference to industry and market benchmark performance. Such benchmarks are determined annually by measuring operational performance against those of peer group companies (in comparable industries and markets) in local currencies.

BENEFITS

Benefits include membership of retirement funds and medical aid schemes, to which contributions are made by a Managing Director and the relevant Group Company where such individual is employed. In addition, Managing Directors are entitled to expense allowances required for the proper performance of their duties. The contracts with Managing Directors do not contain any 'golden parachute' provisions. There are no Managing Directors with a notice period of more than one (1) year and none of their contracts include predetermined compensation as a result of termination exceeding eighteen (18) month's salary and benefits.

The individual may elect how much the retirement savings portion should be and the relevant contributions, based on their election, are paid by the individual. Depending on the terms of the particular medical aid schemes, the member can elect the level of medical cover of their choice and the same is paid by the individual. Due to the individual choices in the level of retirement and medical benefits, the Company has no liability in this regard.

PART 3: APPLICATION OF THE CURRENT REMUNERATION POLICY DURING FINANCIAL YEAR 2022

With the application of the Remuneration Policy during the 2022 Reporting Period, due cognisance was given to the continuous challenges the Company faced while it sought to successfully complete Steps 2 and 3 of its strategy, which contributes to the longer-term value preservation for stakeholders. These circumstances included the following:

- Finding a solution to the ongoing litigation against the Steinhoff Group where the scope of claimants was wide ranging, complex and highly technical, involving thousands of claimants, specialist legal and financial advice and parallel processes across multiple jurisdictions;
- Implementation of the Global Litigation Settlement, once approved, including the many complexities and challenges;
- The volume of inbound and outbound litigation activity that continued predominantly during the first half of the 2022 Reporting Period;
- The volume of announcements made by the Group during the first eight months of the Reporting Period is indicative of the scale of the activities carried out;
- The extraordinary size of the Group Services' Debt, together with the approaching maturity date, and the challenges faced in the attempts to restructure it;
- Ongoing disposals of businesses to generate cash flow or to reduce debt levels;
- Ongoing management of operations that was made more challenging as a result of the deteriorating financial markets and energy crisis;
- Continued engagements with multiple regulatory bodies as required; and
- Managing regulatory and other engagements with the various, and potentially competing, stakeholder groups.

TALENT MANAGEMENT AND RETENTION CHALLENGES

The Company employs a small team of executives with demanding short-term performance horizons to serve the needs of the Company and to complete the 3-step strategy. As such, to attract, retain and reward high calibre executives who have to endure continuously high levels of workload, personal sacrifice and risk, it is deemed imperative to ensure the reward and retention structures are aligned with the extraordinary work expectations. The Supervisory Board, upon the recommendation of the Remuneration Committee, thus had to, under the LTI remuneration element, deviate from conventional retention mechanisms. In 2018 the Supervisory Board replaced the share-based LTI scheme with a pure cash-based LTI scheme with shorter vesting periods in order to remain relevant to the Company's extraordinary circumstances. This deviation from the Remuneration Policy ensured that the Company were able to retain the Managing Directors and Senior Managers and remunerate them adequately for the personal sacrifices and personal risk taken on by committing to the achievement of the 3-step strategy. In addition, it prevented windfall gains from potential future share price increase, since providing for a fair and competitive LTI award (to attract and retain the right calibre of executives) would result in the allocation of an undesired large amount of Company shares.

In response to the feedback received from shareholders and proxy advisors, together with the progress made on the 3-step strategy, the Remuneration Committee, with the assistance of a reputable external service provider, changed the LTI plan for the Managing Directors in October 2021. The LTI Plan was changed to a hybrid scheme that consists of a cash and an equity portion. The new LTI structure was included in the proposed Remuneration Policy for the Management Board at the AGM held on 25 March 2022 but was voted down. As such, the LTI plan as implemented in October 2021 constituted a deviation from the current Remuneration Policy (from 1 December 2015).

The Remuneration Committee remains vigilant to ensure that Managing Director remuneration remains fair and in line with the extraordinary personal risk and deliverables required to achieve the 3-step strategy successfully. The Supervisory Board intends to submit a revised remuneration policy to the AGM to be held in 2023 for approval in light of the progress made on the 3-step strategy and the uncertainty caused by the Group Services' Debt maturing on 30 June 2023. The detail of the equity-settled plan is presented in Part 4 of this report.

2022 REMUNERATION OUTCOME FOR THE MANAGING DIRECTORS

Upon the proposal of the Remuneration Committee, the Supervisory Board approved the remuneration for the Managing Directors, which comprised of a 1.5% increase to their respective base salaries, an STI and the vested portion of their cash-based LTI from 2020, with both variable components being conditional upon achievement of specific performance conditions.

The following table provides an overview of the remuneration elements paid to each of the Managing Directors, during the 2021 and 2022 Reporting Periods, in accordance with the currently applicable Remuneration Policy (i.e. approved in 2015). Thereafter, these elements are discussed in more detail. Managing Directors are not paid any additional remuneration by subsidiary or other company's whose financials are consolidated by the Company.

				Annual bonus							
	Basic remu-neration[1] €'000	Pension contri-butions €'000	Other company contri-butions[2] €'000	Short-term incentive €'000	Long-term incentive €'000	Strategic/ retention bonus paid €'000	Deferred bonus paid €'000	Severance payments €'000	Annual leave paid out €'000	IFRS 2[3] share-based payment expense €'000	Total rem-uneration and fees €'000
2022											
Louis du Preez	**1 340**	**65**	**–**	**1 053**	**923**	**–**	**–**	**–**	**19**	**145**	**3 545**
Theodore de Klerk	**1 148**	**70**	**–**	**914**	**800**	**–**	**–**	**–**	**16**	**126**	**3 074**
Subtotal Management Board	**2 488**	**135**	**–**	**1 967**	**1 723**	**–**	**–**	**–**	**35**	**271**	**6 619**
Key management personnel	**4 337**	**179**	**210**	**2 631**	**–**	**–**	**7 272**	**–**	**62**	**2 779**	**17 470**
Total Management Board and other key management	**6 825**	**314**	**210**	**4 598**	**1 723**	**–**	**7 272**	**–**	**97**	**3 050**	**24 089**
2021											
Louis du Preez	1 321	63	–	1 038	1 373	–	–		76	–	3 871
Theodore de Klerk	1 132	68	–	900	1 133	–	–		73	–	3 306
Subtotal Management Board	2 453	131	–	1 938	2 506	–	–	–	149	–	7 177
Key management personnel	4 045	134	225	2 492	597	900	1 765		3	840	11 001
Total Management Board and other key management	6 498	265	225	4 430	3 103	900	1 765	–	152	840	18 178

[1] *Directors' fees were paid with basic remuneration.*
[2] *'Other contributions mainly includes company contributions to the medical aid, expense allowances and social taxes.*
[3] *Refer to note 33 to the 2022 Consolidated Financial Statements for details regarding the Pepkor ESRS and cash-settled scheme applicable to certain key management personnel.*

There are short- and long-term incentive plans for the Management Board based on future key performance indicators on which fulfilment and subsequent approval by Remuneration Committee will result in performance bonuses. Performance bonusses are only recognised once it is probable that the key performance indicators will be achieved.

BASE SALARY

The base salaries of the Managing Directors were applicable as per the beginning of the 2022 Reporting Period and remained unchanged. Louis du Preez (CEO) and Theodore de Klerk (CFO) have a contractual right to an inflationary increase annually based on the Netherlands inflation rate as calculated for the preceding 12 months on 30 September 2021. Each of the Managing Directors received an inflationary increase of 1.5% for the 2022 Reporting Period.

ANNUAL BONUS

The table below provides insight into the KPIs that were applicable for the STI during the 2022 Reporting Period, as well as how the Managing Directors scored on each of these elements.

KPI	CEO Weightings	CFO Weightings	Illustration of deliverables	2022 performance
Business optimisation and value maximisation	32.5%	22.5%	Governance remained a paramount pillar of the restructure process. Sale of certain South African and European assets. South African Properties sale process completed. IEP/BUD restructure plan agreed – sale of first assets totaling R3bn. Significant progress has been made on the simplification of the South African structure. Sale of Pepkor stake (+/- 10%) for the litigation settlement was well executed with resultant sustained increased liquidity in stock. Brazil expansion acquisition successful and well received by market. B-BBEE targets achieved on Pepkor level and new targets set for FY2023. Successful transition of CEO of Pepkor. Mattress Firm remains IPO ready – placed on hold due to market conditions. COVID-19 management throughout the business has remained excellent. Macro events that resulted in the financial and energy crisis in Europe impacted European OpCos significantly. However, Cash and cost management remain key priorities. Continued positive OpCo performance reflects this. Successful sale of OMF. Freedom/Fantastic 'post-COVID' turnaround successful.	At target
Financial reporting, controls and administration	12.5%	32.5%	Delivery of more than 400 sets of annual financial statements with most companies now up to date. Half-year and quarterly reporting released as required. Merger of Lidstone/Livest successfully completed. Submission of South African tax returns have caught up with annual financial statements being finalised. Strong operating performance and very strong cash generation at all OpCos. Continued cost reduction.	At target
Group Restructure	17.5%	15%	Debt restructure plan designed and presented for consideration. Macro events resulting in the financial and energy crisis in Europe contributed to a negative equity of more than EUR3bn.	At target

KPI	CEO Weightings	CFO Weightings	Illustration of deliverables	2022 performance
Stakeholder interaction	12.5%	10%	Good working relationship with creditors remained critical throughout the year and played a key part in achieving the Global Litigation Settlement. Hybrid AGM held to comply with COVID-19 restrictions. Substantial shareholder communication. Interaction with creditors remains very positive as is evident from overall creditor support. Interactions with regulators (AFM, FSE, BaFin, the South African Reserve Bank, the Companies and Intellectual Property Commission, FSCA, South African Parliament, JSE, criminal authorities in South Africa (including the National Prosecuting Authority and the Hawks) take a significant amount of time. Will remain part of ongoing functions.	At target
Litigation Settlement Proposal	15%	12.5%	Achievement of the court approval process. Resolving several outlying claims to progress with the Global Litigation Settlement. Implementation of the Global Litigation Settlement.	At target
Litigation Management	10%	7.5%	More than 100 litigation processes managed on a daily basis. No judgements granted or any merit court dates on class actions set to date. Various important litigation matters settled.	At target

The target and maximum opportunity for the 2022 Reporting Period was 75% of base salary for both the CEO and CFO. Based on the realisation of the various objectives, which was on average 100% of target, the resulting pay-out over the 2022 Reporting Period equals 75% of the annual base salary. The amounts were paid out in cash.

LONG-TERM INCENTIVE

As indicated above, the Supervisory Board decided to deviate from the Remuneration Policy by replacing the share-based LTI scheme with a cash-based LTI scheme with shorter vesting periods in 2018. This deviation from the Remuneration Policy ensured that the Company was able to retain the Managing Directors and Senior Managers and remunerate them adequately for the personal sacrifices and personal risk taken on by committing to the achievement of the 3-step strategy. In addition, it prevented windfall gains from potential future share price increase, since providing for a fair and competitive LTI award (to attract and retain the right calibre of executives) would result in an undesired large amount of Company shares to be allocated. The variable remuneration operates as a strong motivator to achieve performance conditions and to retain the individual, which ensures continuity, stability, and assurance that the individual's focus is directly aligned to the business needs as articulated in the 3-step strategy at all times. As such, to preserve longer-term value and potential business continuation for stakeholders, alignment between employee performance achievements and strategy remains imperative.

IMPACT OF SPECIAL CIRCUMSTANCES ON 2021 LTI SCHEME (CONTINUING FROM THE 2021 REPORTING YEAR)

As disclosed in the 2021 Remuneration Report, on 12 May 2021, entities affiliated with the former shareholders and owners of the business known as Tekkie Town initiated separate legal proceedings against the Company claiming in excess of ZAR1.85 billion in damages, filed in the Western Cape Division of the High Court of South Africa an application for the provisional liquidation of the Company (the "Liquidation Application"). In effect, the consequence of the Liquidation Application was as follows (the "Acceleration"):

- Each Managing Directors' (as well as other LTI scheme participant's) participation in the LTI scheme was automatically terminated as at the date of the Liquidation Application.
- The accrual date (usually the end of the reporting period) for tranches otherwise payable at the end of the prevailing assessment period (usually the end of the reporting period) was brought forward and deemed to be one day prior to the happening of the Liquidation Application.
- The latest performance assessment (otherwise required to determine the percentage of a tranche payable to the scheme participant) undertaken in respect

of each Managing Director, irrespective of the date thereof, would automatically be deemed to apply for the purpose of determining the percentage of the tranche payable.

- The tranches payable in relation to the prevailing assessment period (usually the prevailing reporting period) were payable immediately.

As described above, the consequences of the Acceleration were substantively two-fold, being (i) that payments which would otherwise have been due to the Managing Directors at the end of the reporting period were brought forward and paid immediately in May 2021; and (ii) that the Managing Directors' participation in the LTI scheme was terminated. Because of the termination of participation, the portions of grants that were only due for payment in subsequent assessment periods (future reporting periods) were forfeited by the Managing Directors. They therefore forfeited up to three tranches in total payable in October 2022 (two tranches) and October 2023 (one tranche), respectively.

On 26 May 2021 the Supervisory Board, upon recommendation of the Remuneration Committee, approved a cash-settled LTI replacement scheme to replace the scheme that was terminated as a consequence of the Liquidation Application.

The Managing Directors (as well as the other former LTI scheme participants) joined the 2021 cash-settled replacement LTI scheme and were allocated replacement grants to place the participant in a position no less favourable than immediately prior to termination of the old scheme.

The LTI awards that have been conditionally made during the 2021 Reporting Period in replacement of forfeited tranches and its vesting conditions were as follows:

- replacement grant 1: Equal to 1/3rd of the Managing Directors' base salary, payable in one extraordinary tranche in October 2022, subject to the achievement of pre-determined performance conditions.
- replacement grant 2: Equal to 2/3rd of the Managing Directors' base salary, payable in two equal extraordinary tranches in October 2022 and October 2023, subject to the achievement of pre-determined performance conditions.

The pay-out of each tranche is conditional upon the achievement of the KPIs that are also used for the Annual Bonus Scheme and as such, based on the 'at-target performance outcome' for both Managing Directors, each of them was paid the value of replacement grant 1 and half of the value of replacement grant 2. These tranches were paid in cash. The Supervisory Board also changed the rules of the 2021 LTI scheme to withstand any future application for liquidation and to only terminate upon the court order of liquidation after a successful provisional liquidation application.

HYBRID LTI PLAN (FY2022 LTI SCHEME IMPLEMENTED ON 1 OCTOBER 2021)

The conditional FY2022 LTI award is subject to the achievement of the approved Corporate Scorecard and as stipulated by the LTI Rules, the actual cash and equity portions payable are determined by the Performance Condition Modifier. The "Performance Condition Modifier" is a percentage (based on the performance review outcomes, also used to determine the STI allocation) used in the calculation of the LTI award, which is determined based on the satisfactory achievement of the applicable performance conditions, relative to the set performance targets for the 2022 performance period, as determined by the Supervisory Board. The Performance Conditions Modifier percentage can only be one of the following:

a) **0%** (zero percent) of the conditional award where less than 59.99% of all targets were achieved;

b) **66.67%** (sixty-six point six seven percent) of the conditional award where 60% to 69.99% of all targets were achieved;

c) **86.67%** (eighty-six point six seven percent) of the conditional award where 70% to 79.99% of all targets were achieved; or

d) **100%** (one hundred percent) of the conditional award where 80% to 100% of all targets were achieved.

Upon the recommendation from the Remuneration Committee and based on the evaluation of the Managing Directors' performance, the Supervisory Board determined that a 100% "Performance Condition Modifier" for the FY2022 Hybrid LTI Award was applicable in accordance with the LTI Rules. This means the following:

(i) 100% of the LTI cash portion conditionally awarded to Managing Directors in October 2021 will become payable in two equal payments on the 24th and 36th month anniversary of the award month, and

(ii) 100% of the LTI equity portion conditionally awarded to Managing Directors in October 2021 will vest in 4 equal tranches every 6 months from the first anniversary of the award month.

- 25% of the equity award will vest in March 2023,
- 25% of the equity award will vest in September 2023,
- 25% of the equity award will vest in March 2024, and
- the remaining 25% of the equity award will vest in September 2024.

Because the equity portion is based on a 'forced sale condition' each 25% portion that vests will be sold in the open market and paid over to Managing Directors as per the LTI Rules approved by the Supervisory Board on 26 January 2022.

The conditional share awards that were granted to the Managing Directors on 26 November 2021 and the number of which was adjusted effective as of 15 February 2022, remained subject to approval from the Company's general meeting of shareholders and the outcome of a performance assessment at the end of the performance period.

In the proposed remuneration policy for the Managing Directors that was attached to the notice of AGM held on 25 March 2022 as Appendix 7, it was stated that if the proposed share plan was not approved, equity awards would automatically become awards in the form of phantom shares.

At the AGM 2022 the amended share plan was not approved by the requisite simple majority as 49.49% of the votes were cast in favour and 51.51% of the votes were cast against. As a result, the condition of obtaining approval from the Company's general meeting of shareholders was no longer capable of being fulfilled. In accordance with their terms, the conditional share awards that were granted to the Managing Directors have therefore automatically become conditional equity awards in the form of phantom shares.

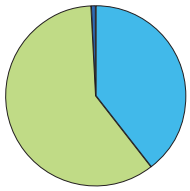
BENEFITS

As part of the base salary, Managing Directors contribute to a company approved retirement fund monthly and in addition also contribute to risk benefits such as life insurance and medical disability insurance. Because Managing Directors contribute to these benefits themselves, they can elect the level of contributions within the minimum and maximum limits of the risk benefit framework. During the 2022 Reporting Period the CEO contributed 4.8% of base salary, and the CFO contributed 6% of base salary.

PAY MIX

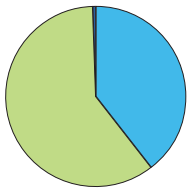
The total remuneration for Louis du Preez for the 2022 Reporting Period consists of 39.61% base salary and 59.83% variable pay and 0.56% annual leave pay-out. The total remuneration for Theodore de Klerk for the 2022 Reporting Period consists of 39.62% base salary and 59.85% variable pay and 0.53% annual leave pay-out. The fixed and variable apportionment of Managing Director remuneration fulfil the purpose of attracting high calibre individuals during extraordinary circumstances and rewarding challenging performance achievements.

Louis du Preez (FY2022 Actual)



Base pay	39.61%
Variable pay	59.83%
Leave	0.56%

Theodore de Klerk (FY2022 Actual)



Base pay	39.62%
Variable pay	59.85%
Leave	0.53%

SCENARIO ANALYSIS

The Supervisory Board performed a scenario analysis for each individual Managing Director. In doing so, the Remuneration Committee presented to the Supervisory Board the following scenarios for the variable pay opportunity:

a) The "On target" 80% – 100% performance achievement remuneration opportunity based on a maximum annual bonus allocation of 75% of base salary, should the Managing Director achieve all the performance conditions; and

b) The "Medium performance target" 70% – 79.99% performance achievement remuneration opportunity based on an annual bonus allocation of 65% of the base salary for the performance conditions achieved in accordance with their weightings;

c) The "Threshold performance" 60% – 69.99% performance achievement remuneration opportunity based on an annual bonus allocation of 50% of base salary for the performance conditions achieved in accordance with their weightings;

d) The "below threshold performance" no annual bonus allocation and only the retention portion from the cash-based LTI.

The variable pay consists of an STI and an LTI that is made up of two replacement grants consisting of the following:

- replacement grant 1: Equal to 1/3rd of the Managing Directors' base salary, payable in one extraordinary tranche in October 2022, subject to the achievement of pre-determined performance conditions, and
- replacement grant 2: Equal to 2/3rd of the Managing Directors' base salary, payable in two equal extraordinary tranches in October 2022 and October 2023, subject to the achievement of pre-determined performance conditions.

The 2021 LTI scheme will runs its course and pay out in accordance with the 2021 LTI Rules as approved by the Supervisory Board on 26 May 2021, subject to the achievement of performance conditions set by the Supervisory Board each year.

CLAW BACKS

On 14 June 2019, claw back proceedings were instituted before the South Africa High Court against two former managing directors for the repayment of annual bonuses, special project bonuses, irregular payments and the value of shares awarded to them for the period 2009 to the date of their termination. Although some progress has been made, these matters remain pending.

The Company has not instituted any claw back claims against any of the current Managing Directors or Supervisory Directors.

FIVE-YEAR OVERVIEW

The table below summarises the Managing Directors' total remuneration for the Reporting Period and also provides an overview of total remuneration for the CEO and CFO over the past five years. Remuneration for the CEO and CFO positions has significantly reduced in comparison to pre-FY2018. The remuneration development over the past five years is in line with the Corporate Scorecard development and what is required to ensure the continuation of operations. A major hurdle in normalising the Group balance sheet structure related to the resolution of litigation challenges, step 2 of the 3-step strategy, and therefore the emphasis has been on establishing clear KPIs for the Managing Directors and executives and rewarding appropriate performance in relation thereto. The development of the performance of the Company and the development of average remuneration on a full time equivalent basis of employees are aligned with the diminution in enterprise value, and the sale and reorganisation of a number of Group companies. Due to such diminution in enterprise value, and sale and reorganisation of a number of Group companies no meaningful comparison between the annual change of remuneration of each Managing Director and the developments described in the previous sentence can be made. The below table does, however, contain pay ratios compared to Group Services Employees.

Remuneration structure and incentives will be regularly reviewed as the Company's situation develops.

Amounts in thousands of euro.

	FY2022	FY2021	FY2020	FY2019	FY2018
Remuneration CEO position	**Current CEO**	**Current CEO**	**Current CEO**	**Current CEO**	**Former CEO**
Base Salary (Basic plus Pension)	1 405	1 384	1 384	1 262	1 028
STI	1 053	1 038	1 038	1 012	600
LTI (Including retention & strategic bonuses)[1]	1 068	1 373	911	450	536
Other (Leave etc.)	19	76	116	0	0
Year on Year Total Remuneration	**3 545**	**3 871**	**3 449**	**2 724**	**2 164**
• Year on Year Total Remuneration	3 545	3 871	3 449	2 724	2 164
• Year on Year difference (EUR '000)	(326)	422	725	560	(6 308)
• Year on Year difference (%)[2]	(8%)	12%	27%	26%	(74%)
Remuneration CFO position	**Current CFO**	**Current CFO**	**Current CFO**	**Current CFO**	**Former CFO**
Base Salary (Basic plus Pension)	1 218	1 200	1 200	1 017	1 267
STI	914	900	900	750	1 200
LTI (Including retention & strategic bonuses)[1]	926	1 133	733	333	0
Other (Leave etc.)	16	73	43	0	0
Year on Year Total Remuneration	**3 074**	**3 306**	**2 876**	**2 100**	**2 467**
• Year on Year Total Remuneration	3 074	3 306	2 876	2 100	2 467
• Year on Year difference (EUR '000)	(232)	430	776	(367)	(916)
• Year on Year difference (%)[2]	(7%)	15%	37%	(15%)	(27%)
Remuneration Group Services Employees[3]	**168**	**145**	**123**	**N/A**	**N/A**
Pay Ratios[4]					
• CEO compared to Group Services Employees	21.1	26.7	28.0	N/A	N/A
• CFO compared to Group Services Employees	18.3	22.8	23.3	N/A	N/A

[1] The FY2019 to FY2021 variances relate to the number of cash-settled LTI vested tranche payment. FY2022 consists of two tranches and a phantom share value accrual.
[2] The variance in Total Remuneration from FY2021 to FY2022 is a combined effect from only two vested LTI Tranche payments and an increase in base salary. Total Remuneration consists of basic salary plus company contributions to benefits and bonusses paid during the Reporting Period. (Excludes the CEO and CFO).
[3] Group Services Employee data for the period FY2018 and FY2019 did not produce a meaningful comparison and were therefore excluded.
[4] A meaningful pay ratio for prior years could not be performed due to extraordinary circumstances.

PAY RATIOS

Pursuant to best practice provision 3.4.1 (iv) of the Dutch Corporate Governance Code, the remuneration report should – inter alia – describe the pay ratios within the company and its affiliated enterprise and, if applicable, any changes in these ratios in comparison with the previous financial year. This Remuneration Report, however, does not contain a description of the pay ratios within the whole Group because, due to the sale of a number of Group companies and the continued reorganisation within a number of Group companies during the Reporting Period, and in light of the intended sale of further Group companies and/or the reorganisation within Group companies, no representative reference group could be determined that would allow consistency and comparison in subsequent years. It is expected that after the 3-step strategy is implemented, the Company shall be able to describe pay ratios within a wider representative reference group. To provide as much transparency as possible, the Remuneration Report contains pay ratios within Group Services.

In this instance, the representative reference group consists of 48 employees who are each a specialist in their field. Together they are referred to as Group Services employees and are responsible for deliverables, in support to the Management Board, that are directly linked to the Corporate Scorecard. Group Services employees have reached stability with low staff turnover since 2019. Group Services are responsible for central services that include Finance, Treasury, Tax, Human Resources, Legal, Company Secretarial, Compliance, Risk, Internal Audit and IT services to the Company. Group Services employees have the same remuneration elements as Managing Directors and therefore display a meaningful pay ratio against Managing Directors.

LOANS, ADVANCE PAYMENTS OR GUARANTEES TO MANAGING DIRECTORS

No loans, advance payments or guarantees were made to Managing Directors (or entities controlled by any of them) during the Reporting Period.

CLOSING OUT THE ESRS SCHEME

The ESRS was discontinued during the 2018 Reporting Period. The ESRS remained active for historically allocated open grants to be measured and for the scheme to run its course. The 2017 financial year grant remained the last open grant in the ESRS. No further grants have been awarded since March 2017.

No grants were made under the ESRS in the Reporting Period.

In relation to the below overview, no shares were repurchased or issued in relation to the ESRS during the Reporting Period. Supervisory Directors did not participate in the ESRS and therefore this section does not apply to Supervisory Directors.

	Total shares	
	30 September 2022	30 September 2021
Management Board		
Louis du Preez*	**5 165**	5 165
Theodore de Klerk*	**194 270**	194 270
	199 435	199 435

** No change in shareholding from the previous Reporting Date.*

The shares disclosed above are the number of shares as declared by the Board members.

CONDITIONAL SHARE AWARDS IN FY2022

The conditional share awards that were granted to the Managing Directors on 26 November 2021 and the number of which was adjusted effective as of 15 February 2022 are set out in the table below. As the proposed share plan was not approved at the AGM 2022, equity awards have automatically become awards in the form of phantom shares.

Main conditions of the Phantom Share award plans						Information regarding the reporting period FY2022					
						Opening balance	During the year		Closing balance		
Name of Director	Award name	Performance period	Award date	Vesting date(s) 4 x 25% of award	End of holding period	Phantom shares awarded at the beginning of the year[1]	Phantom shares awarded[2]	Phantom shares vested	Phantom shares subject to performance conditions	Phantom shares awarded and unvested at year-end	Phantom shares subject to a holding period
Louis du Preez	FY2022 Award	FY2022	Nov-2022	Mar-2023 Sep-2023 Mar-2024 Sep-2024	N/A	5 720 636	1 595 953	–	7 316 589	7 316 589	N/A
Theodore de Klerk	FY2022 Award		Nov-2022	Mar-2023 Sep-2023 Mar-2024 Sep-2024	N/A	4 960 986	1 384 025	–	6 345 011	6 345 011	N/A

[1] 180-Day VWAP at 30 September 2021.
[2] 90-Day VWAP at close of 14 February 2022.

AMOUNTS CHARGED TO SUBSIDIARIES

There were no remuneration amounts, paid to any current or former Managing Directors charged to any Group company included in the 2022 Consolidated Financial Statements. The remuneration amounts, paid to current or former Supervisory Directors are disclosed in the next section (2022 SUPERVISORY DIRECTORS' REMUNERATION) under 'Other Group entities'.

2022 SUPERVISORY DIRECTORS' REMUNERATION

Supervisory Board Remuneration

Pursuant to the Dutch Corporate Governance Code, remuneration for the Supervisory Board members should reflect the time spent and the responsibilities of their role. The remuneration structure of the Supervisory Board contributed to the long-term performance of the Company by contributing to the successful completion of critical milestones and making progress in achieving the 3-step strategy. The Supervisory Board remuneration structure is based on the following principles:

- the remuneration supports the appropriate composition of the Supervisory Board and promotes the proper fulfilment of duties by Supervisory Directors, being independent and fostering critical discussion with each other, the Management Board and in any other respect;
- the remuneration promotes effective performance by the Supervisory Directors of their role, which contributes to the business strategy, longer-term interests and sustainability of the Company (as defined hereinabove);
- the remuneration reflects the time spent, the risk profile and the responsibilities of the role of Supervisory Directors, the strategic view of options available to the Company in the short and medium term, the external governance environment and the interests of all stakeholders;
- the remuneration is not dependent on the results of the Company; and
- Supervisory Directors were not granted any form of variable remuneration, or shares and/or rights to subscribe for shares, by way of remuneration.

The remuneration of the Supervisory Board is in line with the Supervisory Board Remuneration Policy. The Supervisory Board Remuneration Policy is reviewed and evaluated by the Supervisory Board annually. The Supervisory Board Remuneration Policy shall be submitted by the Supervisory Board to the General Meeting for adoption to implement every change to the Supervisory Board Remuneration Policy and in any case at least every four years.

Upon the recommendation of the Remuneration Committee, the Supervisory Board resolved to maintain the same fee structure with no increase in membership fees for the Reporting Period. The Supervisory Board fees have remained unchanged since the AGM 2020.

The table below outlines the Supervisory Board fees in comparison to the previous year.

Remuneration of the Supervisory Board	AGM Approved 2022 €'000	AGM Approved 2021 €'000
Supervisory Board member fees		
Chairperson of the Supervisory Board	**300**	300
Deputy-Chairperson of the Supervisory Board	**220**	220
Any other member of the Supervisory Board	**130**	130
Additional committee fees		
Chairperson of the Audit and Risk Committee	**50**	50
Member of the Audit and Risk Committee	**30**	30
Chairperson of the Nomination Committee	**20**	20
Member of the Nomination Committee	**10**	10
Chairperson of the Human Resources and Remuneration Committee	**30**	30
Member of the Human Resources and Remunerations Committee	**15**	15
Member of the Group Litigation Working Group[1]	**30**	30

[1] *The Litigation Working Group was dissolved on 24 February 2022.*

The remuneration paid to each of the Supervisory Directors during the 2022 Reporting Period in comparison to the 2021 Reporting Period, is set out in the table below. Remuneration paid by other Group entities consists of fees received for serving on the boards of Steinhoff Investment Holdings Limited, Steinhoff Africa Holdings Proprietary Limited and Steinhoff International Holdings Proprietary Limited.

	Other Group entities		Steinhoff	
	2022 €'000	2021 €'000	2022 €'000	2021 €'000
Supervisory Board members who are in office				
Paul Copley	**14**	–	**190**	190
Moira Moses	**25**	27	**320**	320
Hugo Nelson	**25**	24	**190**	190
David Pauker	**83**	150	**167**	185
Peter Wakkie	**–**	–	**247**	254
Alexandra Watson	**26**	26	**190**	190
Supervisory Board members who resigned during the 2021 Reporting Period				
Khanyisile Kweyama[1]	**–**	–	**–**	80
	173	227	**1 304**	1 409

[1] *Resigned on 19 April 2021.*

The remuneration paid to each of the current and former Supervisory Directors during the past five years, is set out in the table below. Remuneration for the Supervisory Directors has significantly reduced in comparison to pre-FY2018. In 2019 the fees were reset with reference to market practice in companies comparable in size, market sector, business complexity, circumstances and international scope.

The development of the performance of the Company and the development of average remuneration on a full time equivalent basis of employees are aligned with the diminution in enterprise value, and the sale and reorganisation of a number of Group companies. Due to such diminution in enterprise value, and sale and reorganisation of a number of Group companies no meaningful comparison between the annual change of remuneration of each Supervisory Director and the developments described in the previous sentence can be made.

Supervisory Directors	2022 €'000	2021 €'000	2020 €'000	2019 €'000	2018 €'000
Steve Booysen[1]					
– Steinhoff International Holdings N.V.	**–**	–	–	155	175
– Other Group entities	**–**	–	–	42	29
Paul Copley[2]					
– Steinhoff International Holdings N.V.	**190**	190	190	113	14
– Other Group entities	**14**	–	–	–	–
Claas Daun[3]	**–**	–	–	–	46
Thierry Guibert[4]	**–**	–	–	–	34
Len Konar[3]	**–**	–	–	–	83
Khanyisile Kweyama[5]	**–**	80	152	143	70
Theunie Lategan[3]	**–**	–	–	–	65
Moira Moses[6]	**–**				
– Steinhoff International Holdings N.V.	**320**	320	243	162	73
– Other Group entities	**25**	27	24	30	–
Jayendra Naidoo[7]	**–**	–	–	–	29
Hugo Nelson[6]					
– Steinhoff International Holdings N.V.	**190**	190	179	155	73
– Other Group entities	**25**	24	23	–	–
David Pauker[8]					
– Steinhoff International Holdings N.V.	**167**	184	174	73	–
– Other Group entities	**83**	150	150	163	–
Heather Sonn[9]					
– Steinhoff International Holdings N.V.	**–**	–	202	337	285
– Other Group entities	**–**	–	14	61	29
Angela Krüger-Steinhoff[1]	**–**	–	–	107	111
Bruno Steinhoff[3, 10]	**–**	–	–	–	338
Johan van Zyl[11]	**–**	–	–	–	55
Peter Wakkie[6]	**247**	254	265	168	75
Alexandra Watson[6]					
– Steinhoff International Holdings N.V.	**190**	190	197	157	73
– Other Group entities	**26**	26	25	35	–
Christo Wiese[12, 13]	**–**	–	–	–	257
Jacob Wiese[12]	**–**	–	–	–	21
	1 477	1 636	1 838	1 901	1 935

[1] *Resigned on 30 August 2019.*
[2] *Paul Copley was nominated to the Supervisory Board in August 2018. Because his appointment did not become final until the AGM held on 30 August 2019, he received fees for his services provided to the Group during that period as a consultant.*
[3] *Retired on 28 February 2018.*
[4] *Resigned on 2 February 2018.*
[5] *Appointed on 20 April 2018 and resigned 19 April 2021.*
[6] *Appointed on 20 April 2018.*
[7] *Appointed on 14 March 2017 and resigned on 18 January 2018.*
[8] *David Pauker was nominated to the Supervisory Board in February 2019. Because his appointment did not become final until the AGM held on 30 August 2019, he received fees for his services provided to the Group during that period as a consultant.*
[9] *Resigned on 18 May 2020.*
[10] *Paid to Bruno Steinhoff Beratungs-und Verwaltungs GmbH as management fees.*
[11] *Resigned on 18 April 2018.*
[12] *Resigned on 14 December 2017.*
[13] *Paid to various entities as management fees. These entities are Grene Properties Proprietary Limited, Chaircorp Proprietary Limited, Titan Financial Services Proprietary Limited and Toerama Proprietary Limited.*

There were no rights to acquire shares in the capital of the Company nor any Subsidiary granted to any Supervisory Directors.

LOANS, ADVANCE PAYMENTS OR GUARANTEES TO SUPERVISORY DIRECTORS

No loans, advance payments or guarantees were made to Supervisory Directors (or entities controlled by any of them) during the Reporting Period.

CONTRACTS WITH ENTITIES UNDER THE CONTROL OF SUPERVISORY DIRECTORS

There were no contracts with entities under the control of Supervisory Directors during the Reporting Period.

PART 4: HIGHLIGHTS FROM THE PROPOSED MODIFICATION OF THE REMUNERATION POLICY FOR 2023

As stated in the introduction of this Remuneration Report, the Company will submit a revised remuneration policy to the AGM to be held in 2023, which will – once adopted – be applicable as per the start of financial year 2023.

The Management Board Remuneration Policy is reviewed and evaluated by the Supervisory Board annually. The Management Board Remuneration Policy shall be submitted by the Supervisory Board to the General Meeting for adoption to implement every change to the Management Board Remuneration Policy and in any case at least every four years.

With this proposed remuneration policy, the Remuneration Committee has found a balance between the desire to align the interests of the Management Board with those of our shareholders and to hold the Management Board accountable for the successful delivery of the strategic plan versus its key responsibility to attract and retain high calibre Managing Directors who are willing to bear the personal risk and extreme workload in the current extraordinary circumstances. The Remuneration Committee and the Supervisory Board deem it essential to ensure that Managing Directors – who both took up their current roles during 2018 – are retained and remunerated adequately for the personal sacrifices and personal risk taken on by committing to the achievement of the 3-step strategy.

As disclosed in the 2021 Remuneration Report, in 2021 the Remuneration Committee partnered with the remuneration expert division of PwC to conduct a remuneration benchmarking in respect of the Managing Director remuneration and remuneration structure, and requested PwC to guide and advise the committee on:

(i) how each remuneration element benchmarks against suitable comparators in the market, and

(ii) given the possible change in the Company's circumstances at the time, to make a recommendation on a remuneration structure to commence from 1 October 2021 for the 2022 performance period onward, that would speak to the shareholders' interests in the form of equity-based rewards.

The comparator group was determined by considering companies with similar governance structures, foreign listed large retailers, investment holding companies, companies experiencing close to similar extraordinary circumstances as Steinhoff and companies where the CEO and CFO perform a similar role to that of Steinhoff's Managing Directors. This process was complex and difficult as there are very few companies in the world that have had the same extraordinary circumstances as Steinhoff. The Company's positioning relative to the median of the comparator group, was 92% for turnover and 107% for total assets. PwC also provided a second-tier comparator by using a remuneration survey well-known in the international market by financial restructuring specialists. Benchmark results of the second-tier comparator had the same benchmark results as the elected comparator group.

The PwC benchmark results showed that the CEO and CFO were positioned above the median on annual base salary but significantly below the median compared to market on STI and LTI respectively. Overall, the CEO and CFO's total remuneration is positioned under the market median. Based on the benchmark results as well as the progress made on the 3-step strategy of the Company, PwC recommended that the Company structure the remuneration elements into an annual base salary (also referred to as Total Guaranteed Pay or "TGP"), a cash-settled variable incentive and an equity-settled variable incentive.

The Remuneration Committee and the Supervisory Board are of the view that the benchmark conducted in 2021 continues to bear relevance for designing the remuneration structure for 2023.

The complete version of the proposed remuneration policy will be included in the annexes to the agenda of the AGM to be held in 2023. The highlights of the proposed remuneration policy are provided below.

PURPOSE OF THE NEW REMUNERATION POLICY

Taking into consideration the feedback received from (representatives of) investors as well as proxy advisors and the voting results of the AGM 2022, the Supervisory Board believes it is in the best interest of the various stakeholders to ensure that the Company will be able to retain the Managing Directors by remunerating them adequately for the personal sacrifices and personal risk taken on by committing to the achievement of the 3-step strategy.

In this context, the most significant change in the proposed policy for 2023 in comparison to the policy that was proposed in 2022 will be the increase in the short-term incentive and the reduction in the long-term incentive scheme. The equity portion will remain the same at 75% of base salary which means that the balance of cash and equity in the hybrid LTI scheme has shifted from a fifty-fifty ratio to a forty-sixty ratio cash and equity award in the form of phantom shares. By doing this, retaining the Managing Directors the longer-term opportunities for the Company will be optimised. Moreover, it creates direct alignment with shareholder interests, and future business continuation and optionality.

BASE SALARY

In determining fair and competitive base salaries that enable the Company to attract and retain the right calibre of executives, the Supervisory Board takes into consideration the individual's responsibilities, Company and individual performance as well as the pay differentials within the Company. Finally, the external perspective is taken into account by using data issued by independent remuneration experts.

ANNUAL BONUS

The Annual Bonus Scheme, or STI, will continue to be a performance related cash award. The objective of the annual performance related bonus is to incentivise and reward strong short-term operational, financial and personal performance as well as the implementation of the 3-step strategy. The Remuneration Policy requires the Supervisory Board to set performance conditions that will ensure the realisation of the 3-step strategy at or before the beginning of the relevant financial year. Over the past four years, no level of discretion has been exercised by the Supervisory Board in the award of incentives. Each award that has been made was made in relation to specific outcomes that enabled the business to progress towards the achievement of the 3-step strategy.

The annual bonus is based on a percentage of the annual base salary. For 2023, the target and maximum bonus opportunity will be 100% of base salary for both the CEO and CFO. It is important to note that the performance zone is the average achievement of all performance indicators. Therefore, the Managing Directors are expected to achieve at least 80% of the complete corporate performance scorecard to be awarded an 'At Target' allocation. There are no additional STI awards for exceeding expectations. For threshold performance, a pay-out of 57.5% of base salary will occur, while for below threshold performance there will only be a 40% retention portion payable to Managing Directors.

The Supervisory Board establishes performance criteria for each financial period, which are documented in a corporate scorecard. For the period during which the 3-step strategy is being completed, the corporate scorecard for the annual bonus will predominantly be focusing on critical deliverables to enable the Company to have business continuation with the preservation of stakeholder value. The corporate performance targets for 2023 include the following:

CORPORATE SCORECARD AND KEY PERFORMANCE INDICATORS FOR 2023

General note: each of the deliverables described below is outlined in detail with achievement targets in the Corporate Scorecard that was set and approved by the Supervisory Board. Considering the circumstances the Company is in, the achievement targets and detailed deliverables are commercially sensitive and will, in the interest of the Company, have to remain confidential until successfully achieved and publicly announced.

It is important to note that, amongst other things, the macro-economic circumstances together with the impact of the war in Ukraine on financial markets may have a material impact on the delivery of the performance indicators.

No.	Description of KPIs	Weighting
A.	**Steinhoff Group debt restructuring** This performance indicator consists of three (3) clear deliverables that are each mission critical to concluding step three of the 3-step strategy (Restructure Group Services' Debt with a view to extending the maturity dates).	50%
B.	**Financial reporting, controls and administration** This performance indicator consists of seven (7) deliverables in respect of financial reporting, controls and administration, including: 1. Managing the annual audit and publishing consolidated and separate Annual Financial Statements of the Company as well as its subsidiaries. 2. Implementation and alignment of accounting and reporting principles, controls and risk management in all subsidiaries.	15%
C.	**Operational returns** This performance indicator consists of three (3) deliverables that are key to protecting and maximising stakeholder value at OpCo level.	20%
D.	**Other** This performance indicator consists of twelve (12) deliverables including: 1) Progression and/or the conclusion of several open investigations and continued interactions with prosecuting and other regulatory authorities in South Africa and other jurisdictions. 2) Interaction and relationship management with other stakeholders, such as financial creditors, shareholders and other investors. 3) Management of advisory costs, and 4) Further rationalisation and simplification of the Group structure.	15%

LONG-TERM INCENTIVE

As indicated above, the proposed remuneration policy will incorporate an LTI component whereby 60% of the award will be paying out in equity and 40% of the award will be paying out in cash. By doing this, retaining the Managing Directors will optimise the longer-term opportunities for the Company. Moreover, it creates direct alignment with shareholder interest, and future business continuation and optionality.

In summary, the main features of the proposed LTI plan are:

- A conditional allocation partially in cash (40% of award) and partially in equity in the form of phantom shares (60% of award).
- The pay-out will be based on realised performance for the full LTI award, applying a one-year performance period and the same performance scorecard as for the STI.
- The cash component will be paid out in in three equal tranches over three years with the first 1/3rd at the end of the performance period, the second 1/3rd two years after award date and the third 1/3rd after three years from the award date.
- The equity component in the form of phantom shares will be determined after a one-year performance period and will vest in four equal instalments over the subsequent two years.

The LTI award will be based on a percentage of the annual base salary. For 2023, the target and maximum LTI opportunity will be reduced from 150% of base salary to 125% of base salary for both the CEO and CFO.

The outlined LTI design provides for a balanced proposal considering the need to retain the Managing Directors in order to optimise longer-term opportunities for the Company, the intention to limit significant windfall gains from potential future share price increases (by not fully paying out in phantom shares) as well as the desire to reflect the preferences and align with the interests of our shareholders.

PART V

ANNEXURES

SHARE STATISTICS

Stock Exchange	FSE	JSE
Stock symbol	SNH	SNH
Listing type	Primary	Secondary
ISIN	NL0011375019	NL0011375019
Initial listing	Dec 2015	Sep 1998
Opening share price	€0.16	ZAR2.99
Closing share price	€0.10	ZAR1.76
Highest share price during period	€0.33	ZAR5.79
Lowest share price during period	€0.10	ZAR1.76
Volume traded during period (million)	5 522	1 294
Value traded during period (million)	€1 100	ZAR3 949
Market capitalisation at Reporting Date (million)	€439	ZAR7 515
Number of shares in issue (million)	4 270	4 270

EXCHANGE RATES

	AVERAGE TRANSLATION RATE			CLOSING TRANSLATION RATE		
	FY22	FY21	% change	30 September 2022	30 September 2021	% change
EUR:ZAR	17.1211	17.7294	(3.4)	17.5353	17.5629	(0.2)
EUR:PLN	4.6582	4.5366	2.7	4.8483	4.6197	4.9
EUR:GBP	0.8473	0.8737	(3.0)	0.8830	0.8605	2.6
EUR:AUD	1.5207	1.5909	(4.4)	1.5076	1.6095	(6.3)
EUR:USD	1.0840	1.1954	(9.3)	0.9748	1.1579	(15.8)
EUR:BRL	5.3229	6.3921	(16.7)	5.2584	6.2631	(16.0)
EUR:CHF	1.0225	1.0873	(6.0)	0.9561	1.0830	(11.7)

FINANCIAL CALENDAR

Q1 Trading update – quarter ended 31 December 2022	**Friday, 24 February 2023**
2023 Annual general meeting	**Thursday, 16 March 2023**
2023 Half-year Report – half-year ended 31 March 2023	**Friday, 23 June 2023**
Q3 Trading update – quarter ended 30 June 2023	**Friday, 25 August 2023**

CORPORATE AND CONTACT INFORMATION

Commercial register number

63570173

Registered office

Building B2
Vineyard Office Park
Cnr Adam Tas & Devon Valley Road
Stellenbosch 7600
South Africa

Website

www.steinhoffinternational.com

Auditors

Mazars Accountants N.V.
(License number 13000408)
Watermanweg 80
3067 GG Rotterdam
The Netherlands
(PO Box 23123, 3001 KC Rotterdam, The Netherlands)

Company secretary

Sarah Radema

South African sponsor

PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch 7600
(PO Box 7403, Stellenbosch 7599)

South African transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue
Rosebank 2196
(Private Bag X9000, Saxonwold 2132)

Commercial banks

Standard Corporate and Merchant Bank
(A division of The Standard Bank of South Africa Limited)
(Registration number 1962/000738/06)
Ground Floor, 3 Simmonds Street
Johannesburg 2001, South Africa
(PO Box 61150, Marshalltown 2107)

RMB
(A division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
Think Precinct, 1 Merchant Place
Cnr Fredman Drive & Rivonia Road
Sandton 2196, South Africa
(PO Box 786273, Sandton 2146)

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

CAUTIONARY NOTICE

In preparing these 2022 Consolidated and Separate Financial Statements, the going concern assumption was not adopted (refer to the Basis of Preparation of the 2022 Consolidated and Separate Financial Statements).

This Annual Report contains forward-looking statements, which do not refer to historical facts but refer to expectations based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those included in such statements.

Many of these risks and uncertainties relate to factors that are beyond Steinhoff's ability to control or estimate precisely, including but not limited to, Steinhoff's ability to successfully implement and complete its plans and strategies and to meet its targets, the benefits from Steinhoff's plans and strategies being less than anticipated, the effect of general economic or political conditions, Steinhoff's ability to retain and attract employees who are integral to the success of the business, business and IT continuity, collective bargaining, distinctiveness, competitive advantage and economic conditions, information security, legislative and regulatory environment and litigation risks, product safety, pension plan funding, strategic initiatives, responsible retailing, insurance, other financial risks, unforeseen tax liabilities and other factors discussed in this Annual Report, in particular the paragraphs on how we manage risk and in Steinhoff's other public filings and disclosures.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Annual Report. Steinhoff does not assume any obligation to update any public information or forward-looking statement in this Annual Report to reflect events or circumstances after the date of this Annual Report, except as may be required by applicable laws.

STEINHOFF
INTERNATIONAL HOLDINGS N.V.

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Notes	2022 €m	Restated[1] 2021 €m
Continuing operations			
Revenue	3	**10 333**	9 193
Cost of sales	4.4	**(6 206)**	(5 450)
Gross profit		**4 127**	3 743
Other income	4.1	**111**	76
Distribution expenses	4.3	**(867)**	(812)
Administration expenses	4.3	**(2 512)**	(2 295)
Other expenses	4.2	**(162)**	(827)
Operating profit/(loss)		**697**	(115)
Finance costs	5	**(1 198)**	(1 190)
Income from investments	5	**60**	72
Share in result of equity accounted companies	11.2	**9**	519
Impairment of equity accounted companies	11.2	**(32)**	–
Loss before taxation		**(464)**	(714)
Taxation	6.1	**(195)**	(181)
Loss from continuing operations		**(659)**	(895)
Discontinued operations			
(Loss)/profit from discontinued operations	1.1	**(165)**	21
Loss for the period		**(824)**	(874)
(Loss)/profit attributable to:			
Owners of Steinhoff		**(917)**	(994)
Non-controlling interests	30.1	**93**	120
Loss for the period		**(824)**	(874)
Basic and diluted loss per share (cents)			
From continuing operations	7	**(20.2)**	(23.3)
From discontinued operations	7	**(1.5)**	(0.1)
		(21.7)	(23.4)

[1] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Notes	2022 €m	Restated[1] 2021 €m
Loss for the period		**(824)**	(874)
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss (net of tax):			
Net exchange (losses)/gains on translation of foreign operations and translation of net investment in foreign operations[2]		**(51)**	449
Foreign currency translation reserve reclassified to profit or loss on disposal of investment – Continuing operations	4.2.2	**1**	19
Foreign currency translation reserve reclassified to profit or loss on disposal of investment – Discontinued operations	1.1.3	**(1)**	(41)
Net fair value gain on cash flow hedges and other assets and liabilities measured at fair value through other comprehensive income		**128**	13
		77	440
Total other comprehensive income for the period		**77**	440
Total comprehensive loss for the period		**(747)**	(434)
Total comprehensive loss attributable to:			
Owners of Steinhoff		**(878)**	(659)
Non-controlling interests		**131**	225
Total comprehensive loss for the period		**(747)**	(434)
Total comprehensive loss attributable to owners of Steinhoff arises from:			
Continuing operations		**(816)**	(653)
Discontinued operations		**(62)**	(6)
Total comprehensive loss for the period		**(878)**	(659)

[1] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*

[2] *The net exchange gains recognised in Comprehensive Income during the 2021 Reporting Period resulted mostly from the translation of the Group's investment in its South African operations where there was a significant strengthening of the South African rand to the euro.*

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

	Notes	30 September 2022 €m	Restated[1] 30 September 2021 €m
ASSETS			
Non-current assets			
Goodwill	8	**3 891**	3 826
Intangible assets	8	**1 428**	1 375
Property, plant and equipment	9	**1 024**	857
Right-of-use assets	10	**1 834**	1 760
Investments in equity accounted companies	11	**4**	151
Other financial assets	12	**70**	373
Deferred tax assets	6.3	**288**	251
Trade and other receivables	13	**14**	9
		8 553	8 602
Current assets			
Inventories	15	**2 087**	1 465
Trade and other receivables	13	**1 003**	733
Taxation receivable	13.2	**156**	150
Other financial assets	12	**6**	2
Cash and cash equivalents	16	**1 137**	3 151
		4 389	5 501
Assets classified as held-for-sale and disposal groups	35	**347**	936
		4 736	6 437
Total assets		**13 289**	15 039
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital (net of treasury shares)	28	**41**	41
Share premium (net of treasury shares)	28	**10 607**	10 605
Other reserves		**(452)**	(698)
Accumulated losses		**(16 170)**	(15 166)
Total equity attributable to owners of Steinhoff		**(5 974)**	(5 218)
Non-controlling interests	30	**2 334**	2 012
Total equity		**(3 640)**	(3 206)
Non-current liabilities			
Borrowings	17.2	**1 137**	10 869
Employee benefits	22	**44**	63
Deferred tax liabilities	6.3	**318**	276
Put option liability	19.3	**39**	–
Provisions	23	**75**	44
Lease liabilities	18	**1 665**	1 728
Trade and other payables	19.1	**56**	2
		3 334	12 982
Current liabilities			
Trade and other payables	19.1	**1 960**	1 611
Taxation payable	19.2	**315**	312
Employee benefits	22	**105**	106
Provisions	23	**234**	1 734
Lease liabilities	18	**527**	443
Borrowings	17.2	**10 231**	399
		13 372	4 605
Liabilities directly associated with assets classified as held-for-sale and disposal groups	35	**223**	658
		13 595	5 263
Total equity and liabilities		**13 289**	15 039

[1] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Notes	Ordinary share capital €m	Share premium €m	Treasury share capital €m	Treasury share premium €m	Accumulated losses €m	Foreign currency translation reserve €m	Share-based payment reserve €m	Excess of consideration (paid to)/ received from non-controlling interest €m	Sundry reserves €m	Total ordinary equity attributable to owners of Steinhoff €m	Non-controlling interests €m	Total €m
Total equity at 1 October 2020		43	11 020	(2)	(482)	(13 991)	(1 616)	15	(166)	(89)	(5 268)	1 087	(4 181)
Effect of change in accounting policies		–	–	–	–	(21)	–	–	–	–	(21)	–	(21)
Restated balance at beginning of the period		43	11 020	(2)	(482)	(14 012)	(1 616)	15	(166)	(89)	(5 289)	1 087	(4 202)
Restated loss for the period		–	–	–	–	(994)	–	–	–	–	(994)	120	(874)
Other comprehensive loss for the period		–	–	–	–	–	322	–	–	13	335	105	440
Total comprehensive loss for the period		–	–	–	–	(994)	322	–	–	13	(659)	225	(434)
Transactions with the owners in their capacity as owners													
Dividends		–	–	–	–	–	–	–	–	–	–	(5)	(5)
Preference dividends		–	–	–	–	–	–	–	–	–	–	(4)	(4)
Ordinary dividends		–	–	–	–	–	–	–	–	–	–	(1)	(1)
Transactions with non-controlling interests without change in control		–	–	–	–	(62)	50	11	688	(2)	685	697	1 382
Pepkor Holdings	30.2	–	–	–	–	–	–	–	75	–	75	291	366
Pepco Group	30.2	–	–	–	–	(62)	50	11	613	(2)	610	406	1 016
Net treasury shares sold	28.5	–	–	–	67	(59)	–	–	–	–	8	–	8
Treasury shares cancelled	28.5	–	(139)	–	139	–	–	–	–	–	–	–	–
Attributable share of other reserves relating to equity accounting	11	–	–	–	–	–	–	–	–	5	5	–	5
Share-based payments		–	–	–	–	–	–	14	3	–	17	8	25
Share-based payments – Pepkor Holdings ESRS exercised	33.1.1	–	–	–	–	–	–	(7)	3	–	(4)	4	–
Share-based payments – Pepco Group Value Creation Plan	33.1.3	–	–	–	–	–	–	13	–	–	13	–	13
Share-based payments – Pepkor Holdings ESRS expense	33.1.1	–	–	–	–	–	–	8	–	–	8	4	12
Net fair value gain on cash flow hedges transferred to inventory		–	–	–	–	–	–	–	–	15	15	–	15
Transfers to other reserves[2]		–	–	–	–	(39)	–	–	–	39	–	–	–
Total equity at 30 September 2021[1]		**43**	**10 881**	**(2)**	**(276)**	**(15 166)**	**(1 244)**	**40**	**525**	**(19)**	**(5 218)**	**2 012**	**(3 206)**
Loss for the period		**–**	**–**	**–**	**–**	**(917)**	**–**	**–**	**–**	**–**	**(917)**	**93**	**(824)**
Other comprehensive income for the period		**–**	**–**	**–**	**–**	**–**	**(38)**	**–**	**–**	**77**	**39**	**38**	**77**
Total comprehensive (loss)/income for the period		**–**	**–**	**–**	**–**	**(917)**	**(38)**	**–**	**–**	**77**	**(878)**	**131**	**(747)**
Transactions with the owners in their capacity as owners													
Dividends		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(44)**	**(44)**
Preference dividends		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(5)**	**(5)**
Ordinary dividends		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(39)**	**(39)**
Recognition of put option liability	19.3	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(20)**	**(20)**	**(15)**	**(35)**
Acquisition of subsidiaries with non-controlling interests	26	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**10**	**10**
Derecognition of subsidiaries with non-controlling interests[4]		**–**	**–**	**–**	**–**	**(43)**	**–**	**–**	**48**	**–**	**5**	**(1)**	**4**
Transactions with non-controlling interests without change in control		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**114**	**–**	**114**	**249**	**363**
Global Litigation Settlement – settled with Pepkor Holdings shares	23.5 & 30.2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**117**	**–**	**117**	**284**	**401**
Pepkor Holdings share buy-back	30.2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3)**	**–**	**(3)**	**(35)**	**(38)**
Net treasury shares sold	28.5	**–**	**–**	**–**	**2**	**–**	**–**	**–**	**–**	**–**	**2**	**–**	**2**
Share-based payments		**–**	**–**	**–**	**–**	**1**	**–**	**16**	**–**	**–**	**17**	**13**	**30**
Share-based payments – Pepkor Holdings ESRS exercised	33.1.1	**–**	**–**	**–**	**–**	**1**	**–**	**(6)**	**–**	**–**	**(5)**	**6**	**1**
Share-based payments – Pepkor Holdings ESRS expense	33.1.1	**–**	**–**	**–**	**–**	**–**	**–**	**8**	**–**	**–**	**8**	**7**	**15**
Share-based payments – Pepco Group Value Creation Plan	33.1.3	**–**	**–**	**–**	**–**	**–**	**–**	**14**	**–**	**–**	**14**	**–**	**14**
Recognition of call option[3]	23.5	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**29**	**29**	**–**	**29**
Net fair value gain on cash flow hedges transferred to inventory		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(25)**	**(25)**	**(21)**	**(46)**
Transfers to other reserves[2]		**–**	**–**	**–**	**–**	**(45)**	**–**	**–**	**2**	**43**	**–**	**–**	**–**
Total equity at 30 September 2022		**43**	**10 881**	**(2)**	**(274)**	**(16 170)**	**(1 282)**	**56**	**689**	**85**	**(5 974)**	**2 334**	**(3 640)**

[1] Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).
[2] The transfers from other reserves to retained earnings for the 2022 Reporting Period relate mainly to the release of Conforama's actuarial gains reserve and for the 2021 Reporting Period to the release of reserves, specifically cash flow hedging reserve, share-based payment reserves post-employment benefits and capital redemption reserve fund.
[3] As part of the Global Litigation Settlement, Trevo and others were granted call options by Ainsley Holdings over 125 million Pepkor Holdings shares which can be exercised 3 years from inception of the options on SED at a strike price of ZAR24.9215 per share.
[4] The disposal relates to BVI. BVI settled its outstanding loan with Pepkor Holdings on 28 February 2022 as part of the Global Litigation Settlement. As a result, the Group lost control of BVI from 1 March 2022 and all reserves relating to BVI were released to retained earnings.

Refer to note 27 for a description of nature and purpose of each reserve.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Notes	2022 €m	Restated[1] 2021 €m
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	25.1	**980**	1 321
Dividends received	11.2	**3**	524
Ordinary dividends paid		**(39)**	(1)
Preference dividends paid		**(5)**	(4)
Interest received		**45**	56
Interest relating to leases – continued operations	18.1	**(136)**	(121)
Interest relating to leases – discontinued operations		**(25)**	(55)
Interest paid		**(213)**	(130)
Tax paid		**(203)**	(197)
Global Litigation Settlement – cash settled	23.5	**(1 137)**	–
Net cash (outflow)/inflow from operating activities		**(730)**	1 393
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment and investment property		**(358)**	(271)
Proceeds on disposal of property, plant and equipment and intangible assets		**–**	8
Additions to property, plant and equipment and investment property included under held-for-sale	35	**(5)**	(14)
Proceeds on disposal of property, plant and equipment included under held-for-sale		**16**	152
Additions to intangible assets		**(29)**	(11)
Acquisition of subsidiaries and businesses, net of cash on hand at acquisition	26	**(108)**	(6)
Disposal of businesses net of cash	1.3	**68**	66
Proceeds from the disposal of investments in equity accounted companies		**–**	10
Advances received from other financial assets		**19**	–
Payments made to other financial assets		**(1)**	–
Net cash outflow from investing activities		**(398)**	(66)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from sale of treasury shares, net of transaction costs		**2**	1
Transaction with non-controlling interest	30.2	**(38)**	1 342
Pepkor Holdings – bookbuild		**–**	409
Pepkor Holdings – share buyback		**(38)**	(43)
Pepco Group – IPO (net of directly related cost paid)		**–**	976
Payment of lease commitments	18.1	**(514)**	(425)
Repayments of borrowings	17.2	**(829)**	(2 158)
Proceeds from borrowings		**344**	838
Continued operations	17.2	**344**	828
Discontinued operations		**–**	10
Net cash outflow from financing activities		**(1 035)**	(402)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(2 163)**	925
Effects of exchange rate translations on cash and cash equivalents		**77**	154
Cash and cash equivalents at beginning of the period		**3 245**	2 166
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**1 159**	3 245
Reconciliation of Cash and Cash Equivalents at end of period			
Cash and cash equivalents	16	**1 137**	3 151
Cash and cash equivalents held-for-sale	35	**22**	94
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**1 159**	3 245

[1] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*

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

BASIS OF PREPARATION

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

REPORTING ENTITY

Steinhoff International Holdings N.V. is a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands, and its principal place of business at Building B2, Vineyard Office Park, Cnr Adam Tas & Devon Valley Road, Stellenbosch 7600, South Africa. The Company is registered with the Trade Register in the Netherlands under number 63570173 and has LEI code 724500PSNX8EVPOZ1M58, with tax residency in South Africa. The Company has a primary listing on the FSE in Germany and a secondary listing on the JSE in South Africa. The Consolidated Financial Statements of Steinhoff for the period ended 30 September 2022 comprise the Group and the Group's interest in equity accounted companies. Steinhoff holds investments in retail businesses that are based in Africa, Australasia, Europe and the United States of America.

Refer to the Annexure 1: Glossary of Terms applicable to this report.

BASIS OF PREPARATION

Assessment of the going concern assumption

There is a reasonable and informed expectation that the Maturity Extension Transaction will be implemented and therefore in preparing these 2022 Consolidated Financial Statements, **the going concern basis has not been adopted**. This assessment was treated as an adjusting event after the Reporting Period (refer to note 37).

IFRS does not provide definitive guidance when the going concern basis is not appropriate. There is also no general dispensation from the measurement, recognition and disclosure requirements of IFRS if an entity is not expected to continue as a going concern. As a result, the Management Board has deemed it appropriate to continue to recognise and measure all assets and liabilities in terms of the applicable IFRS standards as at the Reporting Date.

The Maturity Extension Transaction provides, inter alia, for (i) a maturity extension of the Group Services' Debt in order to provide a stable platform across the Group which will allow for the orderly realisation and value enhancing monetisation of assets, and (ii) a "solvent distribution regime" at extended maturity of Group Services' Debt (refer note 17).

This regime will be more beneficial than the existing debt arrangements given that it provides the basis for avoiding potential insolvency and/or lengthy and complex insolvency processes arising following the new proposed maturity date or at an earlier acceleration.

It is the view of the Management Board that, even though the regime is more beneficial to the Group and creates a stable platform for the orderly realisation of assets (namely the Company's direct and indirect shareholding in the underlying OpCos), it creates a specific scenario where the going concern basis is no longer deemed to be appropriate.

There is no intention to file for insolvency of any of the OpCos included as continuing operations in the 2022 Consolidated Financial Statements.

In determining an appropriate basis of preparation of the 2022 Consolidated Financial Statements, the Management Board has considered the impact of the Group Services' Debt restructure, the proposed equity re-organisation and available cash resources for the foreseeable future.

The Management Board draws stakeholders' attention to the following assumptions that are key in arriving at the appropriate basis of preparation, namely:

Group Services' Debt Restructure

The conclusion of all material litigation, following the successful implementation of the Dutch SoP and the S155 Scheme has enabled the Management Board to actively pursue the next step of its strategic plan, being the restructuring of the Group Services' Debt.

The Group entered into a Support Agreement on 15 December 2022 with its Original Participating Lenders, representing more than 64% of the total Group Services' Debt, and has subsequently received support from more than 80% (being the requisite support required for a consensual transaction with lenders) for all Group Services' Debt except for the First lien term loan facility A1 and B1 where current support equals 76%.

The Support Agreement provides a stable platform for the Group to achieve the consents necessary to extend the maturity of the Group Services' Debt from the current maturity date 30 June 2023 to at least 30 June 2026, (together with equity re-organisation steps and transactions the "Maturity Extension Transaction").

BASIS OF PREPARATION (CONTINUED)

Equity Re-organisation

In light of the assessment that the value of the Group's assets continues to be less than its liabilities and will remain so as at 30 June 2023, it is proposed that, subject to further structuring considerations and approval by the financial creditors, the voting rights will be granted to new separate Dutch trust foundations with the financial creditors receiving interests in at least 80% of the economic interest in the post-closing equity of the Group (Steinhoff or any successor entity or other entity replacing the Company as ultimate parent of the Group). The remaining 20% of economic interests in the equity will be issued to existing shareholders of the Company in the form of a new instrument ranking economically pari passu with the equity instruments issued to the financial creditors, provided that the equity re-organisation is approved by shareholders at a general meeting scheduled to take place on 16 March 2023.

If the equity restructuring referred to in the preceding paragraph is not approved by the shareholders at the general meeting, it is intended that 100% of the economic interests and voting rights in the post-closing equity of the Group will be issued to the individual financial creditors either through a Dutch restructuring process or, if that is not pursued or is not achieved by 30 June 2023, as a result of the financial creditors becoming entitled to implement the equity re-organisation by way of a share pledge enforcement alongside the implementation of other terms of the Maturity Extension Transaction. In these circumstances, the Company would lose its interests in the underlying Group businesses and assets and shareholders would retain no economic interest in the restructured Group.

The expectation is that following implementation of the Maturity Extension Transaction the existing Company shares including their current listings will fall away with no financial compensation payable to existing shareholders (except for the shareholders retaining the 20% economic interest in the equity if the equity re-organisation is approved by shareholders at a general meeting as explained above). The ultimate holding company of the post-closing Group is anticipated to be an unlisted company.

For the Consolidated Financial Statements, the reporting entity is considered to be the Steinhoff Group as a whole, rather than the legal form of the Company which is currently the ultimate holding company.

The equity re-organisation, as discussed above, proposed the contribution and transfer of all assets and liabilities of the Company to a new holding company ("NewCo"). All the shares in the NewCo will be transferred to new Dutch trust foundations for the benefit of the Group Services' Debt lenders. At the next General Meeting there will also be a vote to approve the dissolution and liquidation of the Company. If the shareholders grant these approvals, NewCo shall issue a contingent value right directly to the shareholders of the Company, entitling them to 20% of the economic value of NewCo upon liquidation of the Company. It is management's view that the introduction of NewCo, as proposed by the equity re-organisation, does not have a significant economic impact on the Group as a whole and therefore there is no substance to the introduction. The NewCo is merely an extension of the current Group.

The equity re-organisation is considered to be a common control transaction and will be accounted for as a capital re-organisation.

Group Services cash resources

While the Group continues to engage with the various lender groups on extending the duration of the debt, it entered into the Intercreditor Agreement ("ICA") on SED which governs various aspects of the rights and obligations of SIHPL and its creditors. In terms of the ICA the creditors have agreed that the Group can hold back a cumulative total of €55 million on any quarterly cash sweeps from the cash received from disposals of any investments or assets, existing cash reserves or dividends received by Group Services. This is sufficient cash resources for Group Services' day to day operations on a 24 month rolling period.

Conclusion

In preparing these 2022 Consolidated Financial Statements, the going concern basis has not been adopted. However, the Management Board has deemed it appropriate to continue to recognise and measure all assets and liabilities in terms of the applicable IFRS standards as at the Reporting Date. The Management Board draws attention to the following facts:

- The objective of the proposed Maturity Extension Transaction is to create a stable platform across the Group to optimise the orderly, expeditious and value enhancing monetisation of assets up to extended maturity;
- The proposed Maturity Extension Transaction includes a "solvent distribution regime" to facilitate an efficient distribution of any remaining Group's assets at fair value directly to the financial creditors at extended maturity (or following any earlier acceleration). The regime includes limited recourse terms and "solvent liquidation" provisions for the benefit of the Company (including any new ultimate parent of the Group) and its subsidiaries;
- At 30 September 2022, the Group's current liabilities exceed its current assets. However, due to the ICA agreement entered into on SED the Group has sufficient cash resources to settle its day to day financial obligations as it becomes due. Furthermore, all interest on Group Services' Debt is PIK, which further limits the risk to cash flow;
- At 30 September 2022, the Group's total liabilities exceed its total assets. However, management draws the user of these financial statements' attention to the Support Agreement entered into on 15 December 2022 with its largest financial creditors in relation to financial creditors' support to achieve the consents necessary to extend the maturity of the Group Services' Debt from the current maturity date of 30 June 2023 to at least 30 June 2026 (the Maturity Extension Transaction). Subsequently the Group received support from more than 80% (being the requisite support required for a consensual transaction with lenders) for all debt facilities except for the First lien term loan facility where the current support is above 76% but below the requisite support required. The Steinhoff Group remains entitled to repay or refinance the existing First lien term loan facility and therefore the successful implementation of the Maturity Extension Transaction is not dependent on obtaining the support of the First lien term loan facility lenders. Steinhoff will evaluate its options for this facility;
- The equity re-organisation included in the Maturity Extension Transaction is considered to have no significant economic impact on the Group as a whole, it is considered to be a common control transaction and will be accounted for as a capital re-organisation; and
- Furthermore, it is management's view that due to the Group's assets continuing to be materially less than its liabilities, and will remain so as at 30 June 2023, the commercial terms indicate that the Group Services' Debt lenders are the primary stakeholders of the Company.

BASIS OF PREPARATION (CONTINUED)

Statement of compliance

The 2022 Consolidated Financial Statements and 2022 Separate Financial Statements have been prepared in accordance with IFRS, as adopted by the EU, and also comply with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code. All standards and interpretations issued by the IASB and the IFRIC, effective for periods starting on 1 October 2021, have been endorsed by the EU. Where necessary, adjustments have been made to the financial results of all Group entities to ensure compliance with Group accounting policies.

Accounting policies set out here have been applied consistently to all periods presented and are consistent with policies applied in previous accounting periods, except for the adoption of the new or revised IFRS accounting standards and interpretations for financial periods beginning on or after 1 October 2021 and the change in accounting policies for the treatment of configuration or customisation costs in a cloud computing arrangement under IAS 38 – Intangible Assets. Refer to note 36 for details on the changes in accounting policy.

Historical cost convention

The 2022 Consolidated Financial Statements and 2022 Separate Financial Statements are prepared under the historical cost convention adjusted for the effects of inflation where entities operate in hyperinflationary economies and for the revaluation of certain financial instruments to fair value.

Presentation and functional currency

Unless otherwise indicated, the 2022 Consolidated and Separate Financial Statements are prepared on the accrual basis in millions of euro (€m). The euro is the Group's presentation currency and the Company's functional currency.

AREAS OF CRITICAL JUDGEMENTS AND ESTIMATES

The preparation of Consolidated Financial Statements requires management to make judgements and estimates that affect the application of accounting policies and the reported values of assets, liabilities, income and expenses. Actual results may differ from these estimates. Judgements have been made after taking into account all currently available information, but these could change if additional relevant information comes to light.

Judgements	Note reference
Going Concern assumption	**Basis of preparation**
Consolidation decisions	

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

Main Group	Treated as controlled	Note reference
SRF	No (unconsolidated structured entity)	Basis of preparation

In order to give effect to the Composition Plan and the S155 Scheme upon SED, the SRF was incorporated on 24 August 2021. The object of the SRF is to fulfil its duties as per the S155 Scheme, Composition Plan and various Steinhoff Global Settlement agreements (together the "Agreements"), which is mainly to distribute the settlement funds it received to the relevant MPCs and Contractual Claimants.

The SRF does not have any shareholders. The SRF is governed by a board of directors, of which two out of three directors are independent from the Group. The chairperson is independent and has a casting vote in the event of a deadlock in decision making. The SRF is required to fulfil its duties as set out in the Agreements. The SRF board of directors is bound by the Composition Plan as approved through the Dutch SoP and the objectives as set out in the deed of incorporation.

The Group does not have the current ability to direct the relevant activities and has no exposure to variable returns. The Group does not control the SRF and therefore its results are not consolidated.

The SRF received the total settlement amount to be paid to the Steinhoff MPCs and the Steinhoff Contractual Claimants (together the "SoP Settlement Fund") and to the SIHPL MPCs (the "S155 Settlement Fund").

In the execution of the Composition Plan, the SRF will distribute the SoP Settlement Fund, S155 Settlement Fund and the additional contributions by the Deloitte firms and the D&O insurers as announced to the Steinhoff MPCs, the SIHPL MPCs and certain Steinhoff Contractual Claimants. The SRF will do so pursuant to the SRF and claims administration conditions in the Composition Plan. The SRF became bound by the Composition Plan as of the SED by countersigning the Composition Plan, which occurred close to SED.

In order to fund its operations, the SRF received a cost contribution of €16.5 million from Steinhoff Africa, €1.1 million from Deloitte and €1.1 million from the D&O insurers. Any costs incurred by the SRF in excess of the cost contributions, will be deducted from the settlement fund, and any surplus cost contribution amount will revert to the parties that have paid such amounts to SRF, pro rata to the cost contribution of each such party. Steinhoff has no further financial obligation to the SRF.

In terms of the Steinhoff Settlement Implementation Support Agreement, the SRF shall, from the SED until the final distribution or repayment by the SRF of the Settlement Funds (as defined in the SRF and Claims Administration Conditions), be entitled to instruct Ainsley Holdings by written notice to deliver the required number of Pepkor Holdings shares (as determined at the sole and absolute discretion of the SRF) to the SIHPL Pepkor Holdings Election MPCs on payment by the SRF to Ainsley Holdings of only the SRF Option Price, being ZAR19.82. The amount of shares to be delivered is expected to be *c.* 6.2 million.

Main Group	Entities related to subsidiaries of the Main Group	Treated as controlled	Note reference
Newco 3 group		Yes	Basis of preparation
	Pepco Group	Yes	Basis of preparation
	APAC Holdco Limited and its subsidiaries	Yes	Basis of preparation
	Conforama Group	Yes	Refer below

In preparing these Consolidated Financial Statements, Steinhoff had to conclude whether or not it had control over certain entities following various governance structure changes resulting from the restructuring transactions. Concluding that the Group controls Newco 3, resulted in the full consolidation and disclosure of its debt, assets, cash flow and operating results.

The Group engaged in tireless negotiations with its lenders, bondholders and other financial creditors to implement the CVA. These rigorously negotiated agreements resulted in extensive protective rights being provided to the creditors to address historical shortcomings in governance and to improve standards of independence and disclosure. These protective rights are not in the normal course of business and are due to historical extraordinary circumstances. The Company has set up intermediate holding companies whose purpose, design and relevant activities includes acting as an intermediate holding company for the Newco 3 group in the management of its investments, the resolution of the legacy issues within the Newco 3 group, the repayment of the restructured financial debt and the selection of assets for disposal on appropriate terms. As part of the nomination rights that the creditors have agreed with the Company, the creditors have nominated certain individuals to be considered for appointment by Steinhoff as directors. These individuals are considered to have the skillset to help oversee the restructure and pay down the debt in an orderly manner thereby extracting greater value out of the assets. The assets and liabilities within Newco 3 represent a substantial portion of the Group.

AREAS OF CRITICAL JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued)	Note reference
Consolidation decisions (continued)	

Although the independent directors represent a majority of the board of Newco 3, being a key body in determining the path to repaying the Group Services' Debt (which is the purpose with which they have been tasked), the Management Board in concluding that the Group controls Newco 3 has considered various factors surrounding the shareholding and governance structures of Newco 3 and determined that:

- The Company, in consultation with its creditors, has designed the purpose of the entity;
- The Company has oversight, involvement, and the ability to affect change in the course of this intermediate holding company;
- The creditor nominated directors are independent professionals and have no obligation to act in accordance with instructions from creditors and have been nominated based on their skillset relevant to the purpose of the Newco 3 group;
- Steinhoff has the appointment right of the directors on the newly constituted boards;
- Steinhoff has the legal right to remove these directors. Where a creditor nominated director is removed as a director by the shareholder, the consequences are governed by protective rights included in the facilities agreements;
- These protective rights allows Steinhoff to dismiss the creditor nominated director with cause, if dismissed without cause then it creates a potential event of default. This leaves a broad discretion with Steinhoff in exercising its power of dismissal. This includes the ability to dismiss a director who does not act with regard to the interests of the company and its stakeholders generally. Legally the dismissal rights are not diminished due to potential consequences;
- The Company has provided a Contingent Payment Undertaking for the Group Services' Debt, and this debt has not been extinguished;
- The Company has an overall guarantee for the Newco 3 group of entities, refer to the 2022 Separate Financial Statements and the accounting treatment of the underlying CPUs;
- The Company still holds 100% of Newco 3's ordinary shares;
- The Company is accountable for the success of the overall restructuring and therefore has built-in additional ways to influence the outcome despite the design of the entity and the assignment of directors;
- The composition of the body of creditors shifts over time and the creditors do not operate as a single block;
- The relevant boards of directors act on behalf of the company and therefore need to act on behalf of all stakeholders of the company irrespective of who nominated them;
- The governance rights agreed to by the Group are to ensure that the creditors' interests are protected. Given the significant level of debt, the creditors have been given significantly more protection rights than usual; and
- The Group has the power to direct the relevant activities through the strategic roadmap provided to these boards as part of the restructure process, in a way that is consistent with the wider Group strategy.

The Group is fully exposed to the losses of this group of companies and the Group is directing the group wide process of recovering the maximum value for all stakeholders across the whole group. The Management Board has weighed the facts and circumstances as set out above and believes that the Company maintains control of Newco 3 and should therefore continue to consolidate Newco 3 and its subsidiaries, resulting in the debt and underlying assets remaining on its balance sheet.

Main Group	Entities related to subsidiaries of the Main Group	Treated as controlled	Note reference
Conforama Group		Yes	Basis of preparation
	Conforama Investissement SNC	Yes	Basis of preparation
	Conforama Développement SASU	Yes	Basis of preparation
	Conforama Holding SA	Yes	Basis of preparation

The non-controlling interest of the Conforama Group was subject to lawsuits as at the Reporting Date. Management has therefore considered the information available, despite ongoing uncertainty in specific areas, and determined that no percentage should be attributed to non-controlling interest relating to the lawsuits. A litigation provision has been raised for €202.5 million. During the Reporting Period, Steinhoff and the Seifert entities continued with negotiations to settle the outstanding litigation between the parties, in which negotiations a settlement amount of €202.5 million was discussed.

	Note reference
Litigation regarding Seifert	Notes 23.5

AREAS OF CRITICAL JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued):			
Consolidation decisions (continued)			
Main Group	**Entities related to subsidiaries of the Main Group**	**Treated as controlled**	**Note reference**
SIHL, Steinhoff Africa (Africa Group)	SIHL, together with its subsidiaries, amongst others Pepkor Holdings Group and its associate investments in IEP.	Yes	Basis of preparation

In preparing the 2022 Consolidated Financial Statements, Steinhoff had to conclude whether or not it had control over certain entities following a governance structure change resulting from the Global Litigation Settlement on SED. Concluding that the Group controls SIHL and Steinhoff Africa, resulted in the full consolidation and disclosure of their debt, assets, cash flow and operating results.

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

The Management Board has taken the following factors into consideration to determine if the Group controls SIHL and Steinhoff Africa:

- Steinhoff Group controlled 100% of the voting rights at general meetings of SIHL and Steinhoff Africa.
- All board members of SIHL and Steinhoff Africa were also board members of Steinhoff.
- The Group is exposed to the variable returns of both Steinhoff Africa and SIHL.

The Management Board has weighed the facts and circumstances as set out above and believes that the Company maintains control of SIHL and Steinhoff Africa and should therefore continue to consolidate them, resulting in the debt and underlying assets remaining on its Statement of Financial Position.

Entity	Treated as controlled	Note reference
Pepkor Holdings Limited	Yes	Basis of preparation

The Group's shareholding in Pepkor Holdings decreased during the Reporting Period, from 58.93% as at 30 September 2021 to 51.03% (excluding treasury shares held by Pepkor Holdings' subsidiaries) as at 30 September 2022. The decrease related mostly to Pepkor Holdings shares that were delivered to claimants as part of the Global Litigation Settlement (refer to note 23.5), detail on the movements in shareholding is presented in note 30. Also as part of the Steinhoff Global Settlement, Trevo and others received options to acquire 125 million Pepkor shares from the Group at a strike price of ZAR24.9215 per share in a 30 day window from 15 December 2024.

In preparing these Consolidated Financial Statements, the Group assessed whether it continued to control Pepkor Holdings. The potential voting rights attached to the call option of Trevo and others were not considered for the control consideration as they will only become substantive from 15 December 2024, the date on which they become exercisable. As the Group still owns 51.03% of the shares in Pepkor Holdings as at 30 September 2022, it continues to hold the majority of voting rights and therefore has the majority of power to appoint members of the Pepkor Holdings board.

Classification of assets and disposal groups as held-for-sale	**Note 1**
Recoverability of financial and other assets	**Note 12**

Financial assets
The recoverability of loans and assets with counterparties have been assessed for impairment as required under IFRS 9 – Financial Instruments.

Recoverability of deferred taxation assets	**Note 6**
Recognition and derecognition of financial liabilities	**Note 17**
Recognition and measurement of provisions	**Note 23**
Correct classification and completeness of contingent liabilities	**Note 24**
Correct classification of disposal groups and non-current assets held-for-sale	**Note 35**
Correct classification and completeness of liabilities and events occurring after the Reporting Period	**Notes 24 & 37**

AREAS OF CRITICAL JUDGEMENTS AND ESTIMATES (CONTINUED)

Key estimates	Note reference
Estimation of uncertain tax positions	Note 6
Estimation of future taxable profits in support of recognition of deferred tax assets	Note 6
Estimation of inputs into discounted cash flow models relating to the impairment of goodwill	Note 8
Estimation of inputs into discounted cash flow models relating to the impairment of intangible assets	Note 8
Estimation of the useful life of intangible assets	Note 8
Estimation of the recoverable amount and fair value of properties	Note 9
Estimation of the useful life and residual values of buildings	Note 9
Estimation of the fair value less cost of disposal for non-current assets held-for-sale of disposal groups	Notes 1 & 35
Estimation in determining impairment of equity accounted investments	Note 11.3
Recognition of call option	Note 23.5
Estimation of fair value of identifiable assets and liabilities impacting the measurement of goodwill in a business combination	Note 26
Estimation in determining the lease terms and discount rates applicable to lease agreements	Notes 10 & 18
Recognition of put option derivate and non-controlling interest	Note 19.3

ACCOUNTING POLICY ELECTIONS

The following significant accounting policy elections have been made by the Group:

Area	Details
Statement of profit or loss	
Income from investments	The Group has elected to present income from investments separately on the face of the statement of profit or loss. Income from investments comprise finance income and dividend income.
Discontinued operations	The Group has elected to present the detail of the profit or loss of discontinued operations in a separate note instead of on the face of the statement of profit or loss. **Intercompany transactions between continuing and discontinued operations** Intercompany transactions and balances between continuing and discontinued operations are eliminated within both continuing and discontinued operations. The intercompany eliminations are added back as reconciling items for segmental reporting to present the reportable segments prior to the intercompany eliminations as this more closely reflects the trading conditions within each reportable segment.
Statement of financial position	
Owner-occupied properties	The Group has elected to measure all owner-occupied properties using the cost model.
Intangible assets	The Group has elected to measure all intangible assets using the cost model.
Statement of cash flows	
Interest paid and received	The Group views interest paid and received as operating activities as these are largely incurred in the funding of operations.
Dividends paid and received	The Group discloses dividends paid and received as operating activities as this demonstrates the Group's ability to pay dividends out of operating cash flows.
Discontinued operations	The Group has elected not to disaggregate cash flows from discontinued operations in the Statement of Cash Flows. The detail of the main components of cash flow from discontinued operations are disclosed in the notes to the 2022 Consolidated Financial Statements. Refer to note 1.3.
Basis of preparation – Cash flows	The Group has elected to present the cash flows using the indirect method. The indirect method adjust accrual basis net profit or loss for the effects of non-cash transactions.

Authorisation

The 2022 Consolidated Financial Statements were prepared by the Management Board and were authorised for issue on 27 January 2023. The 2022 Consolidated Financial Statements are subject to adoption by the General Meeting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1. DISCONTINUED OPERATIONS

In order to fund operations, repay debt and support the Group's short-term liquidity, management decided to dispose of certain assets.

The majority of the businesses included in the following former reportable segments were disposed of or classified as held-for-sale during the 2022 and 2021 Reporting Periods. These businesses have been presented as discontinued operations if it represents a separate major line of business or geographical area of operations.

No businesses were identified as additional discontinued operations for inclusion in the 2022 Reporting Period.

Identified for inclusion in 2021 Reporting Period:				
Segment	Businesses	Classified as discontinued operations	Included in held-for-sale assets and liabilities as at the Reporting Date	Disposed or part of disposed during the Reporting Period
All Other segment	LIPO	Yes	No	Yes
	European Manufacturing, Sourcing and Logistics	Yes	No	Yes
Greenlit Brands	Greenlit Brands – Plush	Yes	No	Yes

Identified for inclusion in previous Reporting Periods:				
Segment	Businesses	Classified as discontinued operations	Included in held-for-sale assets and liabilities as at the Reporting Date	Disposed or part of disposed during the Reporting Period
Conforama	Conforama	Yes	Yes, partly	Yes, partly
European Properties	Hemisphere properties	Yes	Yes, partly	Yes
All Other segment	Properties – Africa	Yes	No	Yes

Refer to note 35 for more information on the held-for-sale assets and liabilities.

Identified for inclusion in the 2021 Reporting Period

All Other segment

LIPO

On 23 December 2021, the Group signed a share purchase agreement for the sale of its 100% share interest in LIPO, to XLCH Holding GmbH, a subsidiary of the XXXLutz group, with conditions precedent. On 25 May 2022, these conditions were met and the business was transferred for a purchase price of €27 million (CHF28 million). Refer to note 1.3 for more detail.

European Manufacturing, Sourcing and Logistics

The European Manufacturing, Sourcing and Logistics Group has now been fully disposed or liquidated.

1. DISCONTINUED OPERATIONS (CONTINUED)

Identified for inclusion in the 2021 Reporting Period (continued)

Greenlit Brands – Plush

Greenlit Brands conducted a competitive process to sell the Plush business. Bi-lateral negotiations ensued with Nick Scali and a share sale agreement was signed on 2 October 2021 for an enterprise value of €71 million (AUD110 million). The Plush business was classified as discontinued in the second half of 2021 and disposed of on 1 November 2021.

Refer to note 1.3 for more information.

Current status of businesses identified for inclusion in previous Reporting Periods:

Conforama Group

Conforama Italy

On 16 February 2022, Conforama entered into a Sale and Purchase Agreement of Shares to sell 100% of the Italy business, with certain conditions precedent. These conditions were met on 19 May 2022, the purchase consideration was €0.2 million. Refer to note 1.4 for more detail.

Conforama Balkans

The businesses in the Balkans were disposed of on 22 September 2021 for €81 million. The proceeds from the sale were used to fully repay the Conforama Tranche A Bond debt.

Conforama Iberia

This business still met the classification as held-for-sale at the Reporting Date.

European Properties

Hemisphere properties

Hemisphere is an indirect wholly owned subsidiary of Steinhoff and held a portfolio of European properties.

During the Reporting Period, the last remaining property was sold and the European Properties group substantially liquidated resulting in the FCTR to be released to the Statement of Profit or Loss. The wind-up and closing down of this segment remains ongoing and is expected to be completed in the 2023 Reporting Period.

The Hemisphere debt will remain with the Group and is therefore classified together with the Group Services' Debt for the Reporting Period and going forward.

All Other segment

Properties – Africa

The Group commenced a process post March 2019 to dispose of the remaining African property portfolio. As at the Reporting Date, all properties within the portfolio has been disposed of and a process is underway to deregister majority of these companies.

1. DISCONTINUED OPERATIONS (CONTINUED)

1.1 Statement of profit or loss for discontinued operations

	Notes	2022 €m	2021 €m
Revenue		**668**	1 022
Cost of sales		**(441)**	(660)
Gross profit		**227**	362
Other income		**23**	(10)
Distribution expenses		**(31)**	(35)
Administration expenses		**(200)**	(268)
Other (expenses)/gains		**(206)**	52
Impairments	1.1.1	**(207)**	–
Loss on remeasurement of financial liability and penalties	1.1.4	**–**	(22)
Profit on disposal of property, plant and equipment and intangible assets	1.1.2	**–**	33
Cumulative other comprehensive income reclassified to profit or loss on disposal or derecognition of investment	1.1.3	**1**	41
Operating (loss)/profit		**(187)**	101
Finance costs		**(25)**	(92)
Income from investments		**1**	–
Gain on disposal of discontinued operations/disposal group	1.3	**39**	38
(Loss)/profit before taxation		**(172)**	47
Taxation	6.1	**7**	(26)
(Loss)/profit for the period		**(165)**	21
(Loss)/profit attributable to:			
Owners of Steinhoff		**(62)**	(6)
Non-controlling interests		**(103)**	27
(Loss)/profit for the period		**(165)**	21

	Notes	2022 €m	2021 €m
1.1.1 Impairment			
Assets held-for-sale	35	**207**	–
The impairment relates to Conforama Iberia. The Iberian Peninsula's performance during the 2022 Reporting Period was disappointing and significantly decreased compared to last year. The economic situation in Spain and Portugal has not improved, which weighs heavily on all businesses dependent on the sale of durable consumer goods such as Conforama. The fair value less cost to sell of Conforama Iberia was adjusted accordingly.			
1.1.2 Profit on disposal of property, plant and equipment and intangible assets		**–**	(33)
The profit during the 2021 Reporting Period relates mostly to the 18 properties sold by Conforama France to Mobilux.			

1. DISCONTINUED OPERATIONS (CONTINUED)

	Notes	2022 €m	2021 €m
1.1.3 Cumulative other comprehensive income reclassified to profit or loss on disposal or derecognition of investment			
Reclassification of FCTR		**(1)**	(41)
LIPO	1.3	**(23)**	–
European Manufacturing, Sourcing and Logistics	1.3	**(1)**	–
European Properties[1]		**24**	–
Conforama – Balkans		**–**	(43)
Other[1]		**(1)**	2
1.1.4 Loss on remeasurement of financial liability and penalties			
Prepayment premiums and commitment fees	17.2	**–**	22
TOTAL OTHER EXPENSES FROM DISCONTINUED OPERATIONS		**206**	(52)

[1] *A complete liquidation of a foreign operation where all assets are disposed, and all liabilities and contingent liabilities are settled, and the business is no longer active and the entity has no immediate plan to recommence activities, this will be treated as a disposal. When a foreign operation is disposed the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. Determining whether a foreign operation has been in substance liquidated may involve judgement based on the specific facts and circumstances.*

1.2 Presentation of discontinued operations in the statement of cash flows

	2022 €m	2021 €m
Cash flows from discontinued operations		
Net cash outflow from operating activities	**(22)**	(43)
Net cash (outflow)/inflow from investing activities	**(17)**	262
Net cash outflow from financing activities	**(27)**	(365)
Net cash outflow	**(66)**	(146)

1. DISCONTINUED OPERATIONS (CONTINUED)

1.3 Details of the disposal of subsidiaries classified as discontinued operations

30 September 2022	Greenlit Brands – Plush €m	Conforama – Italy €m	LIPO €m	European Manufacturing, Sourcing and Logistics €m	Total €m
Carrying value of assets and liabilities at date of disposal					
Assets					
Intangible assets	14	–	12	–	26
Property, plant and equipment	4	40	13	1	58
Investment properties	–	–	–	7	7
Right-of-use asset	15	25	155	–	195
Other financial assets	–	1	–	–	1
Deferred tax assets	9	1	1	–	11
Inventories	9	32	37	–	78
Trade and other receivables	1	12	4	5	22
Taxation receivable	–	1	2	–	3
Cash and cash equivalents	5	15	8	14	42
Liabilities					
Borrowings	–	(10)	(9)	–	(19)
Lease liabilities	(16)	(29)	(159)	–	(204)
Provisions	(3)	–	(2)	–	(5)
Employee benefits	(2)	(9)	(2)	–	(13)
Deferred tax liabilities	(9)	(1)	(4)	–	(14)
Trade and other payables	(18)	(70)	(28)	(1)	(117)
Carrying value of assets and liabilities at date of disposal	9	8	28	26	71
Profit/(loss) on disposal of discontinued operations/disposal group	62	(8)	(1)	(14)	39
Total consideration	71	–	27	12	110
Net cash inflow arising on disposals					
Total consideration	71	–	27	12	110
Less cash on hand at date of disposal	(5)	(15)	(8)	(14)	(42)
Net cash inflow/(outflow)	66	(15)	19	(2)	68
Contingent payment included in other receivables	–	–	–	6	6
Net inflow/(outflow)	66	(15)	19	4	74
Gain/(loss) on sale before reclassification of FCTR	62	(8)	(1)	(14)	39
Reclassification of FCTR	–	–	23	1	24
Gain/(loss) on sale after FCTR reclassification	62	(8)	22	(13)	63

1. DISCONTINUED OPERATIONS (CONTINUED)

1.3 Details of the disposal of subsidiaries classified as discontinued operations (continued)

30 September 2021	Conforama – Balkans €m	Other[1] €m	Total €m
Carrying value of assets and liabilities at date of disposal	28	10	38
Gain on disposal	37	1	38
Total consideration	65	11	76
Net cash inflow arising on disposals			
Total consideration	65	11	76
Less cash on hand at date of disposal	(10)	–	(10)
Net cash inflow	55	11	66
Gain on sale before reclassification of FCTR	37	1	38
Reclassification of FCTR	43	(2)	41
Gain/(loss) on sale after FCTR reclassification	80	(1)	79

[1] *Other relates to the sale of businesses within the Africa Properties segment.*

1.4 Segmental information relating to discontinued operations

Segmental revenue from discontinued operations

	2022 €m	2021 €m
European Properties	–	1
Greenlit Brands – Plush	7	99
Conforama	529	723
All Other		
European Manufacturing, Sourcing and Logistics	1	9
Properties – Africa	1	3
LIPO	130	187
Net external revenue from discontinued operations	668	1 022

Operating gain before depreciation and amortisation adjusted for material non-operational items ("EBITDA")

	Notes	2022 €m	2021 €m
EBITDA reconciles to the operating gain per statement of profit or loss from discontinued operations as follows:			
Operating (loss)/gain from discontinued operations	1.1	(187)	101
Depreciation and amortisation		–	21
Other expenses/(gains) considered material non-operational items	1.1	206	(52)
Intercompany elimination with continuing operations		–	14
EBITDA per segment reporting from discontinued operations		19	84
European Properties		(4)	(20)
Greenlit Brands – Plush		1	15
Conforama		25	55
All Other		(3)	34
EBITDA from discontinued operations as presented		19	84

1. DISCONTINUED OPERATIONS (CONTINUED)

1.4 Segmental information relating to discontinued operations (continued)

Operating gain adjusted for material non-operational items ("EBIT")

	Notes	2022 €m	2021 €m
EBIT reconciles to the operating gain per statement of profit or loss from discontinued operations as follows:			
Operating (loss)/gain from discontinued operations	1.1	**(187)**	101
Other expenses/(gains) considered material non-operational items	1.1	**206**	(52)
Intercompany eliminations with continuing operations		**–**	14
EBIT per segment reporting from discontinued operations		**19**	63
European Properties		**(4)**	(20)
Greenlit Brands – Plush		**1**	15
Conforama		**25**	55
All Other		**(3)**	13
EBIT from discontinued operations as presented		**19**	63

2. SEGMENT INFORMATION

The Group determined the Management Board to be the chief operating decision maker ("CODM") 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 Reporting Period accordingly.

The CODM examines the Group's performance both from a product and geographical perspective and has identified the following four reportable segments of its business based on how information is accumulated and reported to the CODM:

- **Pepco Group**
  Pepco Group has been listed on the Warsaw Stock Exchange since May 2021. This segment comprises the general merchandise retail business of Pepco (operating in Poland and central, western and eastern Europe) and Poundland (operating mostly in the United Kingdom and Republic of Ireland). The CODM monitors the performance of this listed group on a consolidated basis.
- **Greenlit Brands**
  The Greenlit Brands segment comprises the household goods retailers based in Australasia (majority of the retail stores are in Australia). Major brands include Fantastic and Freedom. The CODM monitors the performance of Greenlit Brands on a consolidated basis. Greenlit – Plush was disposed during November 2021 (refer to note 1).
- **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. 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 (Brazil) with the majority of its revenue being derived from South Africa. The CODM monitors the performance of this listed group on a consolidated basis.
- **Group Services**
  Steinhoff's various global corporate offices provide strategic direction and services to the decentralised operations globally. Activities include management of regulator and stakeholder engagement processes, negotiating funding as well as identifying and implementing corporate activities. This segment was previously named Corporate and treasury Services.

Measures reported to the CODM

Revenue

Segment revenue excludes Value Added Tax. 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

	2022			2021		
	Total segment revenue €m	Intersegment revenue €m	Revenue from external customers €m	Total segment revenue €m	Intersegment revenue €m	Revenue from external customers €m
Pepco Group	**4 825**	**1**	**4 824**	4 127	5	4 122
Greenlit Brands	**758**	**–**	**758**	714	–	714
Pepkor Holdings	**4 754**	**3**	**4 751**	4 361	4	4 357
Group Services	**–**	**–**	**–**	–	–	–
	10 337	**4**	**10 333**	9 202	9	9 193
Intercompany revenue from discontinued operations*	**–**	**–**	**–**	–	–	–
	10 337	**4**	**10 333**	9 202	9	9 193

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

2. SEGMENT INFORMATION (CONTINUED)

Revenues from external customers – by geography from continuing operations

	2022 €m	2021 €m
The Company is domiciled in the Netherlands. Negligible revenues are generated by the Group's Netherlands operations and therefore none are disclosed. Steinhoff holds investments in retail businesses that operate in Africa, Australasia, Europe, the United Kingdom, the United States of America 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.		
Australasia	**758**	714
Brazil	**113**	–
Poland	**1 193**	1 060
Rest of Africa	**465**	441
Rest of Europe	**1 970**	1 470
South Africa	**4 174**	3 917
United Kingdom	**1 660**	1 591
	10 333	9 193

Operating performance measures – from 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 CODM and are therefore not allocated to the segments.

Operating profit or loss before depreciation and amortisation adjusted for material non-operational items ("EBITDA")

Segment performance is measured on continuing operations' EBITDA and represents segment revenue less segment expenses, excluding depreciation, amortisation and other expenses considered material non-operational items as included in note 4.2.

Segment expenses include distribution expenses and administration expenses.

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

			2021		
	Notes	2022 €m	Previously reported €m	Adjustment for change in accounting policy[1] €m	Continuing operations presented €m
Operating profit/(loss) per statement of profit or loss		**697**	(85)	(30)	(115)
Depreciation and amortisation	4.3.1	**691**	608	(1)	607
Other expenses considered material non-operational items	4.2	**162**	827	–	827
Intercompany eliminations (discontinued operations)		**–**	(14)	–	(14)
EBITDA per segment reporting		**1 550**	1 336	(31)	1 305
EBITDA per segment:					
Pepco Group		**664**	636	(31)	605
Greenlit Brands		**86**	96	–	96
Pepkor Holdings		**835**	714	–	714
Group Services		**(35)**	(110)	–	(110)
		1 550	1 336	(31)	1 305

[1] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*

2. SEGMENT INFORMATION (CONTINUED)

Operating profit or loss adjusted for material non-operational items ("EBIT")

Segment performance is measured on continuing operations' EBIT and represents segment revenue less segment expenses, excluding material non-operational items included in note 4.2.

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

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

	Note	2022 €m	2021 Previously reported €m	2021 Adjustment for change in accounting policy[1] €m	2021 Continuing operations presented €m
Operating profit/(loss) per statement of profit or loss		**697**	(85)	(30)	(115)
Other expenses considered material non-operational items	4.2	**162**	827	–	827
Intercompany eliminations (discontinued operations)		**–**	(14)	–	(14)
EBIT per segment reporting		**859**	728	(30)	698
EBIT per segment:					
Pepco Group		**288**	307	(30)	277
Greenlit Brands		**22**	28	–	28
Pepkor Holdings		**584**	503	–	503
Group Services		**(35)**	(110)	–	(110)
		859	728	(30)	698

[1] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*

Segmental assets

Segment assets are measured in the same way as in the 2021 Consolidated Financial Statements. 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 CODM 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 (both current and non-current) 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

	30 September 2022 €m	Restated[1] 30 September 2021 €m
Total assets per statement of financial position	**13 289**	15 039
Less: Cash and cash equivalents	**(1 137)**	(3 151)
Less: Investments in equity accounted companies	**(4)**	(151)
Less: Non-current other financial assets	**(70)**	(373)
Less: Current other financial assets	**(6)**	(2)
Less: Assets classified as held-for-sale	**(347)**	(936)
Segmental assets	**11 725**	10 426
Segmental assets:		
Pepco Group	**4 607**	3 834
Greenlit Brands	**634**	607
Pepkor Holdings	**6 180**	5 543
Group Services	**304**	442
	11 725	10 426

[1] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*

2. SEGMENT INFORMATION (CONTINUED)

Segmental non-current assets

The Group operates in a number of countries and the total non-current assets are presented on a geographical aggregation basis as this is more representative of the various factors taken into consideration when allocating resources as well as factors impacting impairment testing such as WACC, peer groups and operating environments.

The total of non-current assets other than financial instruments and deferred tax assets is presented based on the geographies that materially contribute to the Group's non-current assets.

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

	30 September 2022 €m	Restated[1] 30 September 2021 €m
Total non-current assets per statement of financial position	**8 553**	8 602
Less: Deferred tax assets	**(288)**	(251)
Less: Non-current other financial assets	**(70)**	(373)
Segmental non-current assets	**8 195**	7 978
Africa	**4 249**	4 279
Europe (including the United Kingdom)	**3 317**	3 255
Australasia	**446**	444
South America	**183**	–
	8 195	7 978

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 CODM.

30 September 2022	Cash and cash equivalents €m	Current and non-current borrowings €m	Net Debt €m
Pepco Group	**344**	**(614)**	**(270)**
Greenlit Brands	**48**	**–**	**48**
Pepkor Holdings	**282**	**(688)**	**(406)**
Group Services	**463**	**(10 066)**	**(9 603)**
	1 137	**(11 368)**	**(10 231)**
	Note 16	Note 17	

30 September 2021	Cash and cash equivalents €m	Current and non-current borrowings €m	Net Debt €m
Pepco Group	508	(619)	(111)
Greenlit Brands	114	–	114
Pepkor Holdings	352	(636)	(284)
Group Services[3, 4]	2 154	(10 013)	(7 859)
All Other[2]	23	–	23
	3 151	(11 268)	(8 117)
	Note 16	Note 17	

[1] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*

[2] *All Other relates to cash held in the previous European Manufacturing, Sourcing and Logistics businesses that was upstreamed to Group Services entities in the Reporting Period.*

[3] *Included in the prior year cash and cash equivalents is €1 137 million which was utilised on SED for the Global Litigation Settlement, refer to note 23.5, as well as €520 million repayment received from Mattress Firm, which was used to repay Group Services' Debt during the Reporting Period, refer to note 11.3.*

[4] *Net debt disclosed as part of the European Properties segment in the 2021 Consolidated Financial Statements has been reclassified to the Group Services segment in the comparative figures.*

3. REVENUE

	2022 €m	2021 €m
Revenue from contracts with customers		
Sale of goods and related revenue	**10 176**	9 051
Other revenue	**12**	20
Other sources of revenue		
Financial services income[1]	**145**	122
Total revenue from continuing operations (note 2)	**10 333**	9 193

[1] *Financial services income relates mainly to Capfin SA, a subsidiary of Pepkor Holdings, which provides unsecured credit to customers under the Capfin brand.*

ACCOUNTING POLICY

Revenue from contracts with customers

Revenue is recognised when the Group satisfies performance obligations and transfers control of goods or services to its customers at an amount that reflects the consideration the Group expects to be entitled to in exchange for these goods or services, allocated to each specific performance obligation.

Revenue is not recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods as well as continuing management involvement with goods to a degree usually associated with ownership. Where the Group acts as agent and is remunerated on a commission basis, only the commission income, and not the value of the business transaction, is included in revenue.

Discounts

Different discounts are recognised depending on the nature of the customer. Some discounts are unconditional, such as cash discounts and early payment discounts. Unconditional discounts are recognised as a reduction in revenue at the same moment as the related sales transaction. Conditional discounts to customers such as volume and promotional rebates are recognised based on estimated target realisation. The estimation is based on accumulated experience supported by historical and current sales information.

Right of return

The Group estimates variable consideration to be included in the transaction price for the sale of goods where customers are entitled to a right of return within a specified time frame. The Group uses projection methods to forecast sales returns that are based on historical return data. Any significant changes in experience as compared to historical return patterns will impact the expected return percentages estimated by the Group. Estimated return percentages are updated regularly and the refund liability adjusted accordingly.

Revenue is recognised for the major business activities using the methods outlined below:

Sale of goods and related revenue

The Group operates retail stores selling general merchandise and household goods. Revenue from the sale of goods is recognised at a point in time once control of goods transfers to customers (performance obligation is met).

Payment is usually received via cash, debit card or credit card. Related card transaction costs are recognised in the statement of comprehensive income as other expenses. When goods are sold under instalment sale agreements, the present value of the instalment sale payments is recognised as a receivable using the effective interest rate computed at initial recognition.

Lay-by revenue is recognised on the initiation of the contract with the customer for the clothing and general merchandise segment, as this is deemed to be when control of the goods passes to the customer. The Group recognises revenue at the amount of consideration to which they expect to be entitled and for which a significant reversal of revenue is not considered probable. A contract liability for the expected possible unsuccessful lay-bys is recognised as an adjustment to revenue as well as an asset (with a corresponding adjustment to cost of sales) representing its right to recover the products from the customer. The Group uses projection methods to forecast unsuccessful lay-bys that are based on historical data. Any significant changes in experiences compared to historical patterns will impact the percentages estimated by the Group. Estimated percentages are updated regularly and the contract liability for unsuccessful lay-bys is adjusted accordingly.

Lay-by revenue is recognised when the final payment for the goods is received from the customer for the furniture, appliances and electronics and building materials segments as this is deemed to be when control of the goods passes to the customer and all performance obligations are met. Proceeds from these lay-by sales are recognised as contract liabilities, and the revenue is deferred until all the performance obligations are met.

Deposits received from customers are recognised as deferred revenue. These balances are considered contract liabilities, as they are received prior to the satisfaction of performance obligations.

3. REVENUE (CONTINUED)

ACCOUNTING POLICY (continued)

Financial services revenue

Effective interest income

Financial services revenue comprises mainly of interest income and financial service fee revenue.

Interest earned is recognised on a time-proportion basis. The Group calculates interest income by applying the effective interest rate to the gross carrying amount of the financial assets other than credit-impaired assets. When financial assets become credit-impaired, the Group calculates interest income by applying the effective interest rate to the net amortised cost (gross carrying amount less the allowance for expected credit losses) of the financial asset. If the financial asset is no longer deemed to be credit-impaired, the Group reverts to calculating interest income on a gross basis.

Collection revenue

Service fee revenue is earned based on a fixed percentage of outstanding debtor balances collected on behalf of third parties. Performance obligations are deemed to be met once the Group recovers the outstanding balance from a debtor or portion thereof, at which point the revenue is recognised.

Refund obligations and warranties

Return obligations generally include obligations for refunds and assurance type warranty obligations and are accounted for as provisions in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.

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

4.1 Other income

	Notes	2022 €m	2021 €m
Commission received[1]		**31**	30
Marketing and advertising income		**7**	6
Cancelled lay-bys and profit on factoring of debtors		**1**	4
Waste and carrier bag income		**9**	8
Business interruption insurance claim recovery – social unrest and KwaZulu-Natal floods		**30**	10
Insurance income		**8**	2
Other income		**25**	16
		111	76

[1] *Relates mainly to commissions received on ancillary services provided by Pepkor Holdings.*

4.2 Other expenses/(income)

	Notes	2022 €m	2021 €m
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.			
4.2.1 Impairment			
Goodwill	8	**–**	1
Property, plant and equipment	9	**10**	4
Right-of-use assets	10	**7**	10
		17	15
4.2.2 Cumulative other comprehensive income reclassified to profit or loss on disposal or derecognition of investment			
Reclassification of FCTR[1]		**2**	19
[1] *FCTR reclassified to profit or loss on liquidation of a foreign subsidiary.*			
4.2.3 Loss on disposal of property, plant and equipment and intangible assets		**5**	–
4.2.4 Profit on sale and partial sale of investments			
Other		**–**	(2)
4.2.5 Fees relating to forensic investigation, advisory and restructure of the businesses		**28**	57
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.			
4.2.6 Movement in Global Litigation Settlement Provision	23.5	**15**	574
As announced by the Steinhoff Group, SED for the purpose of the Global Litigation Settlement occurred on 15 February 2022. Formal withdrawal of the various legal proceedings against Steinhoff and SIHPL has occurred immediately following SED.			

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

4.2 Other expenses/(income) (continued)

	Notes	2022 €m	2021 €m
4.2.7 Mayfair settlement		(3)	–
Mayfair issued a summons on 26 November 2020 against Steinhoff, SIHPL and Markus Jooste claiming up to ZAR4 billion (€247 million) 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. The parties have settled the proceedings in terms of which Mayfair has agreed that its claim (as listed in SIHPL's S155 Proposal) will be fully compromised and limited to an amount of ZAR1.00 (one rand). In exchange, certain other Steinhoff Group companies have agreed to limit their claims against Mayfair in Mayfair's own S155 proceedings to an amount of ZAR200 million (€11.4 million) of which ZAR44.3 million (€2.5 million) was recovered to date. Refer to note 24.3.			
4.2.8 Seifert legal provision	23.6	102	–
During the Reporting Period, Steinhoff and the Seifert entities continued with negotiations to settle the outstanding litigation between the parties, in which negotiations a settlement amount of €202.5 million was discussed. Considering these negotiations management decided to increase the settlement provision relating to Seifert by €102 million in the 2022 Reporting Period.			
4.2.9 Gain on disposal of businesses – Greenlit Brands – OMF		(1)	–
On 1 July 2022, the Greenlit Brands - OMF business was disposed of as part of a Greenlit management buy-out for a purchase price of €4 million (AUD6 million).			
4.2.10 Costs associated with the Global Litigation Settlement			
Provision – ACGs lawyer fees In order to improve recoveries to MPCs the Group has made available an amount of €30 million, to pay in respect of certain fees, costs and work undertaken by the ACGs. The movement during the Reporting Period mostly relates to foreign exchange movements.		(1)	30
Provision – SRF cost contribution The Group contributed €16.5 million to cover the costs of the SRF. This value excludes any additional cost contributions made by other parties (i.e. Deloitte firms and D&O insurers) as disclosed in the Steinhoff Composition Plan. Any costs incurred by the SRF in excess of the cost contributions, will be deducted from the settlement fund, and any surplus cost contribution amount will revert to the parties that have paid such amounts to SRF, pro rata to the cost contribution of each such party.		–	17
Fair value adjustment – Synthetic Forward Steinhoff Africa agreed to fund a portion of a Global Litigation Settlement on behalf of Steinhoff. As a result, Steinhoff Africa entered into forward exchange agreement 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.		17	19
		16	66
4.2.11 Titan Receivable – ECL recognition	12.1.2	–	98
In anticipation of the new terms that would come into effect on SED for the Titan Receivable, an ECL was recognised during the 2021 Reporting Period.			

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

4.2 Other expenses/(income) (continued)

	Notes	2022 €m	2021 €m
4.2.12 Titan Receivable – loss on substantial modification		5	–
On SED, SIHPL acquired the Titan Receivable from Newco 2A for €220 million. Payment of the consideration will be deferred resulting in an amount owed by SIHPL to Newco 2A. In addition, new terms came into effective on SED for the Titan Receivable (refer to note 12). The new terms are viewed as a substantial modification of the financial asset and therefore the Titan receivable was derecognised on SED and re-recognised at fair value. This resulted in a loss on substantial modification of the financial asset.			
4.2.13 Recognition of Steinhoff Africa rights to Tekkie Town proceeds from SRF		(13)	–
As part of the 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 would transfer control of all their Steinhoff related claims to Steinhoff Africa on SED in exchange for the settlement as set out in the 2021 Consolidated Annual Financial Statements. On 15 February 2022 (SED), 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 and value of claims received by the SRF.			
4.2.14 Realised foreign currency loss on funds held for Global Litigation Settlement		6	–
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).			
4.2.15 Business interruption insurance income		(17)	–
During the 2021 Reporting Period a total of 549 stores across the Pepkor Holdings Group were impacted by the unrest and subsequent looting in July 2021. Stores were burnt, looted or damaged to varying degrees. In addition one of the distribution centres was looted. This led to an impairment and scrapping of various categories of property, plant and equipment to the value of ZAR76 million (€4 million) in the 2021 Reporting Period. The Pepkor Holdings Group submitted a claim to its insurers on the replacement value of the covered property, plant and equipment, which was paid out during September 2022 to the value of ZAR297 million (€17 million).			
4.2.16 Derecognition of Lancaster 102 preference share investments and liability	12.1.1 & 17.6		
During the 2022 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 102 financial liability.			
Loss on derecognition of the Lancaster 102 preference share investment		320	–
Gain on derecognition of the Lancaster 102 liability		(320)	–
		–	–
TOTAL OTHER EXPENSES		162	827

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

4.3 Operating expenses by nature

Other distribution and administrative expenses include general administration expenses such as electricity, cleaning, stationery, repairs and other general operating costs.

The material items included in distribution and administration expenses are set out below:

	Notes	2022 €m	Restated[1] 2021 €m
4.3.1 Depreciation and amortisation			
Depreciation – Property, plant and equipment	9	**193**	179
Depreciation – Right-of-use assets	10	**478**	409
Amortisation	8	**20**	19
		691	607
Included in distribution and administration expenses		**687**	606
Included in cost of sales		**4**	1
		691	607
4.3.2 Employee benefit expenses			
Salaries and wages		**1 365**	1 272
Share-based payments Pepkor Holdings ESRS – equity-settled		**15**	12
Share-based payments Pepco Group Value Creation Plan – equity-settled		**14**	13
Contributions to defined benefit plans (post-retirement benefit expenses)		**13**	14
Contributions to defined contribution plans (post-retirement benefit expenses)		**17**	29
		1 424	1 340
The Groups manufacturing entities do not comprise a material part of the business and any employee benefit expense included in cost of sales is not considered material.			
4.3.3 Net foreign exchange losses/(gains)			
Net loss/(gain) on forward exchange contracts		**2**	(5)
Net (gain)/loss on conversion of monetary assets		**(17)**	1
		(15)	(4)
4.3.4 Lease related expenses			
Short-term rentals		**21**	25
Low value asset rentals		**1**	1
Variable lease payments not included in the measurement of the right-of-use asset/lease liability		**66**	46
		88	72
4.3.5 Operating lease charges – other			
Leases of plant, equipment, vehicles and other		**3**	–
4.3.6 Lease modification cost	10 & 18.1	**(37)**	(12)
4.3.7 Provision for inventory write downs		**55**	52
4.3.8 Transport cost		**309**	268

[1] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*

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

4.3 Operating expenses by nature (continued)

	Notes	2022 €m	Restated[1] 2021 €m
4.3.9 Advertising and promotion cost		**148**	136
4.3.10 COVID-19 related expenses/(income)			
Government grants received for COVID-19 pandemic recognised as income		**–**	(30)
Expenditure incurred to implement COVID-19 regulations (e.g. screening tools)		**1**	(1)
		1	(31)
4.3.11 Other distribution and administration expenses		**716**	680
TOTAL DISTRIBUTION AND ADMINISTRATION EXPENSES		**3 379**	3 107
Distribution expenses		**867**	812
Administration expenses		**2 512**	2 295
TOTAL DISTRIBUTION AND ADMINISTRATION EXPENSES		**3 379**	3 107

[1] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*

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

4.3.12 Audit fees

At the annual General Meeting of the Company held on 25 March 2022, Mazars Accountants N.V. was appointed as the Company's statutory audit firm for the periods ending 30 September 2022 and 30 September 2023, respectively.

The budgeted audit fees for the audit of the 2022 financial statements of Steinhoff and its subsidiaries (continuing and discontinued operations) are as follows:

	Mazars Accountants N.V. €m	Member firms and affiliates €m	Total €m
2022			
Audit of the financial statements of Steinhoff and its subsidiaries	**3**	**2**	**5**
Other audit services	**–**	**–**	**–**
Tax services	**–**	**–**	**–**
Other non-audit services	**–**	**–**	**–**
	3	**2**	**5**
2021			
Audit of the financial statements of Steinhoff and its subsidiaries	3	2	5
Other audit services	–	–	–
Tax services	–	–	–
Other non-audit services	–	–	–
	3	2	5

Audit fees expensed – continuing operations

	2022 €m	2021 €m
Audit of the financial statements of Steinhoff and its subsidiaries	**10**	13
Other audit services	**–**	–
Tax services	**–**	–
Other non-audit services	**–**	–
	10	13

Fees for audit services include the audit of the financial statements of the Company and its subsidiaries. Fees for other audit services include sustainability, subsidy and other audits. Fees for tax services include tax compliance and tax advice. Fees for other non-audit services include agreed-upon procedures and advisory services.

4.4 Cost of sales

	2022 €m	2021 €m
Sale of inventory	**5 925**	5 224
Import, customs and excise duties	**262**	209
Personnel cost	**16**	16
Depreciation and amortisation	**3**	1
	6 206	5 450

5. FINANCE COSTS AND INCOME FROM INVESTMENTS

	Notes	Finance Costs €m	Income from Investments €m	Net income /(cost) €m
2022				
Dividends received*		–	11	11
Finance costs and income from investments				
(Bank overdrafts)/cash and cash equivalents		(2)	37	35
Borrowings	17.2	(1 049)	–	(1 049)
Lease liability	18.1	(136)	–	(136)
Other		(11)	12	1
		(1 198)	60	(1 138)
2021				
Dividends received*		–	16	16
Finance costs and income from investments				
(Bank overdrafts)/cash and cash equivalents		(9)	47	38
Borrowings	17.2	(1 058)	–	(1 058)
Transaction costs accrued and amortised	17.2	8	–	8
Lease liability	18.1	(121)	–	(121)
Other		(10)	9	(1)
		(1 190)	72	(1 118)

* *The majority of the dividends received relates to accrued dividends on the investment in preference shares of Lancaster 102. Refer to note 12: Other Financial Assets for more detail regarding the cancellation of the preference shares.*

ACCOUNTING POLICY

Interest income, finance costs and other finance income and costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Dividend income is recognised in the statement of profit or loss on the date that the Group's right to receive payment is established.

Other net finance income and expenses comprise unwinding of the discount on provisions recognised on investments and interest on the net defined benefit obligation.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

5.1 Transaction costs accrued and amortised

	2022 €m	2021 €m
Pepco Group	–	8

During the 2021 Reporting Period, Pepco Group obtained loans from credit institutions to the value of €589 million. Costs incurred in obtaining the loans from credit institutions have been capitalised and are allocated to the Consolidated Statement of Profit or Loss over the life of the debt facility.

6. TAXATION

Steinhoff is a South African tax resident.

For the periods ending 30 September 2022 and 30 September 2021 the corporate taxation rate in South Africa is 28%. Capital gains are taxed at 22.4%.

On 23 February 2022, the Minister of Finance in South Africa announced that the corporate income tax rate would be reduced to 27%, effective from years of assessment ending on or after 31 March 2023.

ACCOUNTING POLICY

Current taxation

Included within the tax charge are charges relating to:

- Normal corporate taxation;
- Capital gains taxation;
- Dividends withholding taxation

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the Reporting Date, and any adjustment to tax payable in respect of previous periods.

The Group is subject to income taxes in numerous jurisdictions and the calculation of the Group's tax charge and worldwide provisions for income tax necessarily involves a substantial degree of estimation and judgement. At any given time, the Group typically has a number of open tax returns with various tax authorities and engages in active dialogue to resolve these. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty, after taking into account external advice where appropriate. As per IFRIC 23, in preparing estimates of current and deferred tax assets and liabilities, management considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If it is considered probable that an uncertain tax treatment will be accepted, tax estimates are determined in accordance with the tax treatment used or planned to be used in the company's income tax fillings. If it is not considered probable that an uncertain tax treatment will be accepted, tax estimates are made based on the most likely outcome or the expected value, depending on which method best reflects the uncertainty.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact profit or loss, current and deferred income tax assets and liabilities in the period such determination is made.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the Reporting Date.

Deferred tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable, on the basis of all available evidence it is considered more likely than not, that there will be suitable taxable profits against which the reversal of the deferred tax asset can be deducted.

Temporary differences have arisen as a result of the translation of the financial statements of the Group's subsidiaries.

Certain subsidiaries in the Group have undistributed earnings which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but in most cases no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from these subsidiaries and is not expected to distribute these profits in the foreseeable future.

Significant accounting estimate and judgements

Uncertain tax positions

Tax remains an area of focus for management. There are a number of ongoing tax audits relating to historic transactions and constructive progress has been made with the tax authorities in various jurisdictions. Appropriate tax specialists and advisors are appointed by the Group to advise on positions in such jurisdictions. Although the tax audits are being managed on a continuous basis, the outcome thereof remains uncertain and could lead to material cash outflows. The audit of a few sets of annual financial statements for Group companies, relating to historic years, still needs to be finalised and this will delay the outcome of the investigations by revenue authorities. The impact of potential tax adjustments, fines, penalties and/or refunds is therefore unknown.

Management considered the potential tax risks and cash outflow that may result therefrom in its going concern assessment. It is management's view that the tax risk would not lead to the ultimate liquidation of the Group. Once the full tax exposure is known a solution will be found together with the Group's stakeholders.

Management has estimated the tax consequences associated with the alleged accounting irregularities. Where specific items were identified that probably would result in an increase in taxable profit, they were recognised.

The tax position of the single entities impacted by the restatement of the Group's financial statements may give rise to both short and long-term tax related consequences. Due to backlogs experienced by local tax authorities, the restated financial results would not have been considered by the local tax authorities as yet and as a result the impact of potential tax adjustments, fines, penalties and/or refunds is unknown at present. Due to the uncertainty associated with such tax items, there is a possibility that the final outcome may differ from the current estimates.

6. TAXATION (CONTINUED)

Significant accounting estimate and judgements (continued)

Uncertain tax positions (continued)

Furthermore, as a multi-national group, there are a number of cross-border related party transactions in place in all spheres of the Group's business. In light of the revenue authorities' increased focus on transfer pricing matters the Group faces potential risks as its related party transactions may be challenged by the relevant tax authorities.

The steps required to complete the CVA were complex and multi-jurisdictional, which gave rise to an element of risk regarding the tax consequences thereof. The Group engaged with professional tax advisors in the different jurisdictions to mitigate the associated risks.

Investigations are still in progress by the German Tax authorities in respect of certain German legal entities which investigations include the review of Corporate tax, Trade tax, Withholding tax and Value Added Tax.

Primarily, the tax risk relates to withholding tax ("WHT") on deemed hidden profit distributions, on which German Tax authorities aim to raise assessments. The deemed hidden profit distributions arose due to flows of funds amongst Group companies as a result of transactions which have been identified as sham transactions and restated as part of the Group's restatement process in the 2017 and 2018 Reporting Periods. The potential WHT cash outflow for all German entities could amount to €597 million which excludes the likely amounts that would be available to be reclaimed by another Group subsidiary. Management has applied judgement based on advice received from its tax advisors and concluded that it is of the view that the most likely outcome is that if any WHT should be payable, that the amount would not be material.

It is management's stated intention to reach agreement with the German Tax authorities to collectively settle all uncertain tax positions. These uncertain tax positions are included in the amount provided in terms of IFRIC 23 and disclosed in note 19.2. In order to avoid lengthy and costly legal proceedings, it is preferable for a pragmatic solution to be reached with the relevant tax authorities. Management is in active discussions with the German Tax authorities to conclude on the taxes payable. Discussions remain ongoing, but management and their advisors are of the view that progress is being made. Objections and applications for suspension of enforcement have been lodged for all assessments received.

The Group is addressing the risks identified above. Central Group monitoring and reporting of tax matters have been implemented and continues, which includes close involvement of the Chief Financial Officer together with the appointment of appropriate tax specialists in the relevant affected jurisdictions to help advise on the current position in each jurisdiction.

Recoverability of deferred tax assets

Deferred tax assets have been recognised for the carry forward amount of unused tax losses relating to the Group's operations where there is compelling evidence that it is probable that sufficient taxable profits will be available in the future to utilise the tax losses carried forward, either by the specific company to which it relates or the wider Group. Management has carefully assessed the entities' ability to generate future taxable profits against which the recognised tax losses can be utilised. Such assessments are based on the approved budgets and the forecasts of the entities including their ability to raise funding to maintain and support their operations.

6.1 Income tax expense recognised in profit or loss

Major components of the tax expense from continuing operations:

	2022 €m	Restated[1] 2021 €m
Current tax		
Income tax		
Current period	**206**	160
Prior period adjustments	**(8)**	7
Withholding tax	**3**	33
	201	200
Deferred tax		
Originating and reversing temporary differences – current period	**4**	(21)
Utilisation of previously unrecognised tax losses and temporary differences	**(37)**	2
Changes in taxation rates	**(3)**	–
Adjustments relating to prior period	**30**	–
	(6)	(19)
Total tax from continuing operations	**195**	181
Components of the tax expense from discontinued operations:		
Current tax	**(1)**	11
Deferred tax	**(6)**	15
	(7)	26
Total taxation expense recognised in profit or loss	**188**	207

[1] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*

6. TAXATION (CONTINUED)

6.1 Income tax expense recognised in profit or loss (continued)

	2022 €m	Restated[8] 2021 €m
Reconciliation of rate of taxation		
Loss before income tax from continuing operations	**(464)**	(714)
(Loss)/profit before income tax from discontinued operations	**(172)**	47
	(636)	(667)
South African standard rate of taxation at 28%	**178**	187
Effect of different statutory taxation rates of subsidiaries in other jurisdictions and capital gains tax in South Africa[1]	**(119)**	(62)
Effect of non-deductible expenses and tax exempt income[2]	**(184)**	(192)
Unrecognised tax losses[3]	**(84)**	(251)
Effect of equity accounting[4]	**3**	145
Prior period adjustments[5]	**(22)**	(6)
Withholding taxes[6]	**(3)**	(33)
Utilisation of previously unrecognised tax losses and temporary differences[7]	**37**	7
Other reconciling items	**6**	(2)
Total taxation expense recognised in profit or loss	**(188)**	(207)

[1] *The foreign tax rate differential relates predominantly to the European entities with a tax rate of 19% (2021: The foreign tax rate differential relates predominantly to the European entities with a tax rate of 19%).*

[2] *The effect of non-deductible expenses and tax exempt income mainly relates to non-deductible expenses within the European Group Services companies and provisions raised. (2021: The effect of non-deductible expenses and tax exempt income mainly relates to non-deductible expenses within the European Group Services companies).*

[3] *The unrecognised tax losses related predominantly to Group Services companies. (2021: The unrecognised tax losses related predominantly to Group Services companies.).*

[4] *Equity accounting relating to the investment in IEP. (2021: Equity accounting relating to the Mattress Firm income received).*

[5] *Prior period adjustments relates mainly to the recognition of a deferred tax liability based on the IFRS assessment as to whether interest is recoverable in future. (2021: Prior period adjustments relates to the Pepkor Holdings Group)*

[6] *Withholding taxes arising from distributions made by the Pepkor Holdings Group (2021: Withholding taxes arising from distributions made relating to the IPO of the Pepco Group).*

[7] *Previously unrecognised tax losses raised relates mainly to Greenlit Brands, Conforama and Pepkor Holdings. (2021: Previously unrecognised tax losses raised relates mainly to the African properties group)*

[8] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*

6.2 Tax payable and receivable

Tax payable balances are disclosed in note 19.2 which includes uncertain tax positions in terms of IFRIC 23. Taxation receivable balances are disclosed in note 13.2.

6. TAXATION (CONTINUED)

6.3 Deferred tax assets and liabilities

	Assets		Liabilities		Net	
	30 September 2022 €m	Restated[1] 30 September 2021 €m	30 September 2022 €m	30 September 2021 €m	30 September 2022 €m	Restated[1] 30 September 2021 €m
Recognised deferred tax assets and liabilities attributable to the following categories:						
Intangible assets and goodwill	**(15)**	(11)	**(266)**	(263)	**(281)**	(274)
Property, plant and equipment	**27**	28	**(5)**	(2)	**22**	26
Right-of-use assets	**(345)**	(269)	**–**	–	**(345)**	(269)
Lease liability	**418**	353	**–**	–	**418**	353
Provisions	**120**	94	**3**	(1)	**123**	93
Share-based payments	**9**	8	**–**	–	**9**	8
Taxation losses	**53**	27	**–**	–	**53**	27
Other	**21**	21	**(50)**	(10)	**(29)**	11
Balance at end of the period	**288**	251	**(318)**	(276)	**(30)**	(25)

Included in Other are deferred taxes attributable to prepayments, operating leases, other financial assets and unrealised foreign currency gains.

Reconciliation of movement in deferred tax (liability)/asset

	Notes	Net	
		30 September 2022 €m	Restated[1] 30 September 2021 €m
Balance at beginning of period		**(25)**	(31)
Effect of change in accounting policy[1]		**–**	5
Balance restated		**(25)**	(26)
Deferred tax of businesses acquired	26	**3**	–
Deferred tax of subsidiaries derecognised[2]		**(2)**	–
Amounts charged directly to other comprehensive income:			
Cash flow hedging reserve and fair value reserves		**(18)**	(9)
Amounts charged directly to equity:			
Share based payment reserves		**3**	–
Current period charge			
From continuing operations	6.1	**6**	19
From discontinued operations[3]	6.1	**–**	(15)
Transferred to held-for-sale assets or liabilities		**–**	7
Exchange differences on translation of foreign operations		**3**	(1)
Balance at end of the period		**(30)**	(25)

[1] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*
[2] *This relates to the Greenlit Brands - OMF business, which was sold in-between held-for-sale assessment dates and was therefore not classified as held-for-sale before the sale was completed.*
[3] *No additional deferred tax assets or liabilities were transferred to held-for-sale in the Reporting Period.*

6. TAXATION (CONTINUED)

6.3 Deferred tax assets and liabilities (continued)

	30 September 2022 €m	30 September 2021 €m
Unrecognised tax losses		
Deferred tax assets have not been recognised in respect of the following items:		
Unrecognised taxation losses	**18 974**	18 107

In order to recognise a deferred tax asset, there must be an expectation of sufficient future taxable profits to utilise the tax losses. Deferred tax assets have not been recognised as this balance comprises predominantly of losses which can only be used for potential historic tax adjustments in Austria; further the balance comprises of losses existing in European holding companies, which are either dormant entities or companies that are not likely to generate significant taxable income in the foreseeable future.

The Group has accumulated unused tax losses of €18 974 million. This balance is made up of €1 163 million relating to operational entities, €9 134 million is restricted to historic tax adjustments that could arise within Austria and €8 677 million for predominantly dormant holding companies. The movement from the 2021 Reporting Period, principally relates to certainty obtained regarding the calculation of these dormant and holding company's historic tax losses and does not relate to the trading results of these entities in the 2022 Reporting Period. Due to the historic restructuring, the Austrian tax losses cannot be utilised for future taxable profits. It is not expected that the holding companies will become profitable in the foreseeable future and thus limit the use of the accumulated unused tax losses. Tax reviews by tax authorities and finalisation of the financial statements of these holding companies could result in changes of unrecognised tax losses. The remaining unused tax losses relating to operational entities are not subject to any expiry date and can be carried forward indefinitely.

Recognised tax losses		
Estimated recognised taxation losses available for offset against future taxable income	**53**	27

The Group reviewed previously unrecognised tax losses and where relevant, determined that if it was probable that taxable profits will be available against which the tax losses can be utilised, these have been recognised.

Total recognised and unrecognised tax losses	**19 027**	18 134

6.4 Expiry profile of taxation losses

Unrecognised tax losses amounting to €9 134 million relate to the Austrian jurisdictions, which due to the restructuring, can only be utilised for taxes before the 2019 financial period and do not expire. €10 million of the tax losses expires over the next 5 years with the remaining balance of €9 830 million not subject to any expiration.

7. LOSS PER SHARE

	2022 Euro Cents	Restated[1] 2021 Euro Cents
For the calculation of the loss per share, the exact unrounded numbers are used. This may result in differences when compared to calculating the numbers using the rounded number of shares and loss as disclosed below.		
Basic and diluted loss per share		
From continuing operations	**(20.2)**	(23.3)
From discontinued operations	**(1.5)**	(0.1)
Basic and diluted loss per share	**(21.7)**	(23.4)
Headline loss per share		
Headline loss is an additional loss number that is permitted by IAS 33: Earnings per Share ("IAS 33"). The starting point is loss as determined in IAS 33, excluding separately identifiable remeasurements, net of related taxation (both current and deferred) and related non-controlling interests other than remeasurements specifically included in headline loss. This number is required to be reported to the JSE, where the Group has a secondary listing, and is defined by Circular 1/2021Headline 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	**(19.5)**	(22.6)
From discontinued operations	**1.1**	(2.2)
Headline loss per share	**(18.4)**	(24.8)

All potential ordinary shares were anti-dilutive and therefore diluted per share numbers are the same as basic or headline per share numbers.

[1] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*

Reconciliations of denominator and numerator

7.1 Weighted average number of ordinary shares

	Note	2022 Million	2021 Million
Issued ordinary shares at beginning of the period	28.2	**4 270**	4 310
Effect of treasury shares held (weighted average)		**(42)**	(68)
Weighted average number of ordinary shares at end of the period for the purpose of basic and dilutive loss per share and headline loss per share		**4 228**	4 242

7.2 Basic loss and headline loss attributable to owners of Steinhoff

	Notes	Continuing operations €m	Discontinued operations €m	Total €m
2022				
Basic loss for the period attributable to owners of Steinhoff		**(855)**	**(62)**	**(917)**
Adjusted for remeasurement items	7.3	**33**	**107**	**140**
Headline loss attributable to owners of Steinhoff		**(822)**	**45**	**(777)**
Restated[1]				
2021				
Basic loss for the period attributable to owners of Steinhoff		(988)	(6)	(994)
Adjusted for remeasurement items	7.3	29	(89)	(60)
Headline loss attributable to owners of Steinhoff		(959)	(95)	(1 054)

[1] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*

7. LOSS PER SHARE (CONTINUED)

Reconciliations of denominator and numerator (continued)

7.3 Remeasurement items as defined by the JSE

The presentation of headline earnings per share, as an alternative measure of earnings per share, is mandated under JSE Listing Requirements. It is calculated in accordance with Circular 1/2021 "Headline Earnings" as issued by the South African Institute of Chartered Accountants.

	Notes	2022 Gross of taxation and non-controlling interests €m	2022 Net of taxation and non-controlling interests €m	2021 Gross of taxation and non-controlling interests €m	2021 Net of taxation and non-controlling interests €m
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		**49**	**34**	15	11
Goodwill	4.2.1	**–**	**–**	1	1
Property, plant and equipment	4.2.1	**10**	**6**	4	3
Right-of-use asset	4.2.1	**7**	**3**	10	7
Investments in equity accounted companies		**32**	**25**	–	–
FCTR and fair value reserve reclassified to profit or loss on disposal of investment	4.2.2	**2**	**2**	19	19
Loss on disposal of property, plant and equipment and intangible assets	4.2.3	**5**	**3**	–	–
Profit on sale and partial sale of investments	4.2.4	**–**	**–**	(2)	(1)
Gain on disposal of businesses – Greenlit Brands – OMF	4.2.9	**(1)**	**–**	–	–
Business interruption insurance income	4.2.15	**(17)**	**(6)**	–	–
Remeasurement items – Continuing operations		**38**	**33**	32	29
Discontinued operations					
Impairment		**207**	**136**	–	–
Assets held-for-sale	35 & 1.1.1	**207**	**136**	–	–
FCTR and cash flow hedge reserve reclassified to profit or loss on disposal of investment	1.1.3 & 1.3	**(1)**	**(1)**	(41)	(41)
Profit on disposal of property, plant and equipment and intangible assets	1.1.2	**–**	**–**	(33)	(23)
Profit on disposal of discontinued operations/disposal group	1.3	**(39)**	**(28)**	(38)	(25)
Remeasurement items – Discontinued operations		**167**	**107**	(112)	(89)

8. INTANGIBLE ASSETS

ACCOUNTING POLICY

Goodwill

Goodwill recognised as the excess of the:

- consideration transferred, plus
- the amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net assets acquired in a business combination.

Refer to note 26 for the accounting policy applied to business combinations.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Calculation of profits and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Other intangible assets

Trade and brand names

Separately acquired trade and brand names are shown at historical cost. Trade and brand names acquired in a business combination are recognised at fair value at the acquisition date. The Group's trade and brand names have indefinite useful lives and are subsequently carried at cost less accumulated impairment losses. Internally generated trade and brand names are not recognised in the Statement of Financial Position.

Software and ERP systems

Purchased software is measured at cost less accumulated amortisation and impairment losses. Expenditure on internally developed software is capitalised when the expenditure qualifies as development activities, otherwise it is recognised in profit or loss when incurred.

Other intangible assets

Included in other intangible assets are patents, licenses and other contract-related intangible assets.

Amortisation of intangible assets with finite useful lives

Amortisation of intangible assets is recognised in profit or loss on a straight-line basis over the assets' estimated useful lives, unless such lives are indefinite.

Impairment of intangible assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Intangible assets with finite useful lives are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). Intangible assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Significant accounting estimates

Useful life of intangible assets

Software and ERP systems

The Group amortises software and ERP systems over their useful lives ranging between one and eight years using the straight-line method.

Indefinite useful life intangible assets

An indefinite life does not mean an infinite useful life, but rather that there is no foreseeable limit to the period over which the asset can be expected to generate cash flows for the entity.

Trade and brand names

The Group's trade and brand names have been assessed as having indefinite useful lives. These trade names and brand names were assessed independently at the time of the acquisitions, and the indefinite useful life assumptions were supported by the following evidence:

- The industry is a mature, well-established industry.
- The trade and brand names are long established, relative to the market, and have been in existence for a long time.
- The trade and brand names are therefore not vulnerable to typical product lifecycles or to the technical, technological, commercial or other types of obsolescence that can be seen to limit the useful lives of other trade names and brand names.
- There is a relatively low turnover of comparable intangible assets, implying stability within the industry.

8. INTANGIBLE ASSETS (CONTINUED)

	Notes	Goodwill €m	Trade and brand names[3] €m	Software and ERP systems €m	Other intangibles €m	Total €m
Balance at 1 October 2020 – restated[1]		3 555	1 241	36	8	4 840
Additions		–	–	8	4	12
Amortisation		–	–	(19)	–	(19)
From continuing operations	4.3.1	–	–	(19)	–	(19)
From discontinued operations		–	–	–	–	–
Acquired on acquisition of businesses		9	–	–	–	9
Impairment	8.1	(1)	–	–	–	(1)
Transfer from property, plant and equipment		–	–	(1)	–	(1)
Transferred to assets held-for-sale	35	–	(20)	(2)	–	(22)
Exchange differences on translation of foreign operations[2]		263	114	6	–	383
Balance at 30 September 2021[1]		**3 826**	**1 335**	**28**	**12**	**5 201**
Additions		**–**	**–**	**26**	**3**	**29**
Amortisation		**–**	**–**	**(19)**	**(1)**	**(20)**
From continuing operations	4.3.1	**–**	**–**	**(19)**	**(1)**	**(20)**
From discontinued operations		**–**	**–**	**–**	**–**	**–**
Disposals		**–**	**–**	**(2)**	**–**	**(2)**
Acquired on acquisition of businesses	26	**101**	**39**	**2**	**3**	**145**
Transfer from property, plant and equipment		**–**	**–**	**1**	**–**	**1**
Reclassification		**–**	**–**	**6**	**(6)**	**–**
Exchange differences on translation of foreign operations		**(36)**	**3**	**(2)**	**–**	**(35)**
Balance at 30 September 2022		**3 891**	**1 377**	**40**	**11**	**5 319**
Cost		**5 284**	**1 489**	**155**	**15**	**6 943**
Accumulated amortisation and impairment		**(1 393)**	**(112)**	**(115)**	**(4)**	**(1 624)**
Net book value at 30 September 2022		**3 891**	**1 377**	**40**	**11**	**5 319**
Cost		5 218	1 447	122	15	6 802
Accumulated amortisation and impairment		(1 392)	(112)	(94)	(3)	(1 601)
Net book value at 30 September 2021		3 826	1 335	28	12	5 201

[1] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*
[2] *The net exchange gains recognised during the 2021 Reporting Period resulted mostly from the translation of the Group's investment in its South African operations where there was a significant strengthening of the South African rand to the euro.*
[3] *Indefinite useful life.*

8. INTANGIBLE ASSETS (CONTINUED)

Summary of net carrying value:

	30 September 2022 €m	Restated[1] 30 September 2021 €m
Goodwill	**3 891**	3 826
Indefinite useful life trade and brand names	**1 377**	1 335
Other intangible assets	**51**	40
	5 319	5 201

Management has identified the following CGUs to which goodwill and trade and brand names have been allocated. These CGUs do not represent a level higher than the operating segments identified in note 2.

The carrying amount per CGU is presented below:

	Goodwill		Trade and brand names	
	30 September 2022 €m	30 September 2021 €m	30 September 2022 €m	30 September 2021 €m
Goodwill and trade and brand names are considered a significant class of intangible assets to the Group.				
Greenlit Brands – Household Goods	**149**	141	**75**	71
Pepco Group	**1 506**	1 562	**259**	264
Poundland	**685**	700	**125**	124
Pepco Poland	**821**	862	**134**	140
Pepkor Holdings	**2 236**	2 123	**1 043**	1 000
	3 891	3 826	**1 377**	1 335

8.1 Impairment tests

Significant accounting estimates and judgements

The Group tests whether goodwill and indefinite life trade and brand names have suffered any impairment at least on an annual basis. The recoverable amount of the CGU is determined based on either an income approach (value-in-use calculations) or a market approach (fair value less cost of disposal), which require the use of assumptions.

The value-in-use calculations use discounted cash flow projections based on financial budgets approved by management. Models were built over a five year period with terminal growth thereafter.

The approved budgets covered a three or five year period. The cash flows that covered a three year period were extrapolated using estimated medium-term growth rates for year four and five. These growth rates are consistent with the industry and geographic location in which the CGU operates.

CGU specific WACC has been calculated as the product of the CGU's cost of debt and cost of equity and weighted in accordance with the CGU's target capital structure.

The cost of equity has also been adjusted with size premiums, where applicable, to take into account the restated size of each CGU.

This is consistent with methods applied to the 2021 Consolidated Financial Statements.

The additional key assumptions relating to the impairment testing of the trade names and brands are based on royalty rates applicable to the specific brand based on the industry in which the brand operates and the profitability of the unit.

8. INTANGIBLE ASSETS (CONTINUED)

8.1 Impairment tests (continued)

Significant accounting estimates and judgements (continued)

The following table sets out the key assumptions for those CGUs that have significant goodwill and/or trade and brand names allocated to them:

	Pepco Group – Pepco Poland	Pepco Group – Poundland	Pepkor Holdings[1]
2022			
Pre-tax discount rate	**10.5%**	**11.3%**	**17.9% to 23.1%**
Short- to medium-term growth rate (compound annual growth rate ("CAGR") over the period)	**7.4%**	**4.0%**	**5.0% to 26.2%**
Long-term growth rate	**2.5%**	**1.2%**	**4.5% to 6.0%**
Forecasted cash flows – Approved budget	**5 years**	**10 years[2]**	**5 –10 years[3]**
2021			
Pre-tax discount rate	10.3%	8.4%	17.5% to 21.2%
Short- to medium-term growth rate (CAGR over the period)	6.2%	2.9%	3.0% to 10.4%
Long-term growth rate	1.9%	1.2%	4.5% to 6.0%
Forecasted cash flows – Approved budget	5 years	10 years[2]	5 years

[1] *This represents a summary of the Pepkor Holdings group's various goodwill models disclosed as part of their published 2022 annual financial statements.*

[2] *Approved 5 year budget extrapolated to 10 years to account for normalisation of depreciation.*

[3] *Forecasted cash flows of 10 years was used relating to the calculation of the fair value less cost to sell of Avenida (which forms part of the Pepkor Holdings Group) as the Pepkor Holdings Group is of the opinion that the synergies and expansion plans for this recent acquisition will only start maturing after 5 years.*

Management has determined the values assigned to each of the above key assumptions as follows:

Pre-tax discount rate CGU specific WACC has been calculated as the product of the CGU's cost of debt and cost of equity and weighted in accordance with the CGU's target capital structure.

Approved budget The forecasted cash flow periods take into account management's assumptions of the sales volume, sales price and cost increases expected over the next three to five years. A medium-term growth rate applicable to the industry and geographic location is applied to approved budgets covering a 3-year period for forecast years 4 and 5.

Long term growth rate This is the weighted average growth rate used to extrapolate cash flows beyond the budget and forecast periods. The rates are consistent with the long term inflation outlook for the countries where the underlying businesses operate or with forecasts included in industry reports.

Material impairment charges

	Goodwill		Indefinite useful life trade and brand names	
	30 September 2022 €m	30 September 2021 €m	30 September 2022 €m	30 September 2021 €m
The impairment charge during the period relates to the following CGUs:				
Continuing operations				
Pepkor Holdings[1]	–	(1)	–	–
	–	(1)	–	–

[1] *The impairment during the 2021 Reporting Period relates to the acquisition of Eezi Global Limited ("Eezi"), refer to note 26. Goodwill was recognised on acquisition and immediately impaired.*

8. INTANGIBLE ASSETS (CONTINUED)

8.1 Impairment tests (continued)

Material impairment charges (continued)

Management has adjusted the cash flows of the group of CGUs for entity-specific risk factors to arrive at the future cash flows expected to be generated from the group of CGUs. There is no indication based on a reasonable fluctuation in those risk factors that the goodwill is further impaired.

The below table illustrates how the recoverable amount would increase/decrease if the following key assumptions were to change for CGUs that have significant goodwill and/or trade and brand names allocated to them.

	Goodwill 30 September 2022 €m	Carrying value of the CGU €m	Recoverable amount €m	Pre-tax discount rate		Long-term growth rate		Projected adjusted EBITDA[1]	
				Increase 1% €m	Decrease 1% €m	Decrease 1% €m	Increase 1% €m	Decrease 1% €m	Increase 1% €m
Poundland[1]	685	1 304	1 476	1 348	1 645	1 399	1 750	1 361	1 672

[1] *Projected adjusted EBITDA is expressed as the CAGR in the cash-generating units of the plans used for impairment testing. The CAGR is calculated from period ending 30 September 2022 to the terminal year, the CAGR is then increased and decreased by 1% by adjusting the terminal value. Any years before the terminal year were adjusted down if their growth is higher than the ultimate growth rate of the terminal year.*

The recoverable amount of Pepco Poland and Pepkor Holdings substantially exceeds the carrying amount of the CGU and no significant goodwill or trade names are allocated to Greenlit Brands. No sensitivity analysis is therefore presented in relation to changes in assumptions underpinning the impairment test performed as the impairment models are not sensitive to reasonable changes in the assumptions.

9. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

ACCOUNTING POLICY

Owned assets

Property, plant and equipment are stated at cost to the Group, less accumulated depreciation and impairment losses.

Subsequent costs

The cost is recognised in the carrying amount of an item of property, plant and equipment at the cost of replacing part of such an item when the cost is incurred, if it is probable that additional future economic benefits embodied within the item will flow to the Group and the cost of such item can be measured reliably. Costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as an expense when incurred.

Depreciation

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over the estimated useful lives or in the case of leasehold improvements or other leased assets, the shorter lease term as follows:

- Investment property 15 – 40 years
- Buildings 15 – 50 years
- Plant and machinery 3 – 10 years
- Vehicles 4 – 10 years
- Office equipment and furniture 3 –16 years
- Computer equipment 2 – 4 years

Land is not depreciated.

The depreciation methods estimated useful lives and residual values are reassessed annually, with the effect of any changes in estimate being accounted for on a prospective basis.

Investment property

Investment property is land and buildings that are held to earn rental income or for capital appreciation, or both.

The Group has elected to measure all investment properties using the cost model.

9. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY (CONTINUED)

	Notes	Investment property €m	Land and buildings €m	Plant and machinery €m	Leasehold improvements €m	Furniture and fittings €m	Other assets €m	Total €m
Balance at 1 October 2020		–	184	250	121	85	61	701
Additions		7	65	58	62	45	34	271
Depreciation[1]		–	(15)	(82)	(41)	(23)	(21)	(182)
Disposals		–	(1)	(2)	(3)	(1)	(1)	(8)
Impairment		–	–	(3)	–	–	(1)	(4)
From continuing operations	4.2.1	–	–	(3)	–	–	(1)	(4)
From discontinued operations	1.1.1	–	–	–	–	–	-	–
Reclassification		–	2	1	1	2	(6)	–
Transfer to intangible assets	8	–	–	–	–	–	1	1
Transfer from assets held-for-sale[2]	35	–	60	–	–	–	-	60
Transfer to assets held-for-sale	35	(7)	–	–	(11)	(1)	(2)	(21)
Exchange differences on consolidation of foreign operations		–	9	20	2	(1)	9	39
Balance at 30 September 2021		**–**	**304**	**242**	**131**	**106**	**74**	**857**
Additions		**–**	**65**	**115**	**81**	**59**	**40**	**360**
Depreciation[1]		**–**	**(17)**	**(78)**	**(47)**	**(30)**	**(21)**	**(193)**
Disposals		**–**	**–**	**(4)**	**(2)**	**1**	**(2)**	**(7)**
Impairment		**–**	**(9)**	**(1)**	**–**	**–**	**-**	**(10)**
From continuing operations	4.2.1	**–**	**(9)**	**(1)**	**–**	**–**	**–**	**(10)**
From discontinued operations	1.1.1	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Acquisition of businesses	26	**–**	**–**	**1**	**20**	**–**	**2**	**23**
Eliminated on disposal of subsidiaries[3]		**–**	**–**	**–**	**(2)**	**–**	**–**	**(2)**
Reclassification		**–**	**–**	**5**	**4**	**3**	**(12)**	**–**
Transfer to intangible assets	8	**–**	**–**	**–**	**–**	**–**	**(1)**	**(1)**
Transfer from assets held-for-sale		**–**	**1**	**–**	**–**	**–**	**–**	**1**
Exchange differences on consolidation of foreign operations		**–**	**(1)**	**(1)**	**1**	**(2)**	**(1)**	**(4)**
Balance at 30 September 2022		**–**	**343**	**279**	**186**	**137**	**79**	**1 024**
Cost		**–**	**393**	**636**	**456**	**254**	**207**	**1 946**
Accumulated depreciation and impairment		**–**	**(50)**	**(357)**	**(270)**	**(117)**	**(128)**	**(922)**
Net book value at 30 September 2022		**–**	**343**	**279**	**186**	**137**	**79**	**1 024**
Cost		16	351	556	337	203	185	1 648
Accumulated depreciation and impairment		(16)	(47)	(314)	(206)	(97)	(111)	(791)
Net book value at 30 September 2021		–	304	242	131	106	74	857

Carrying values of the main components of the other assets per category are; capital-work-in-progress (2022: €19 million; 2021: €19 million), vehicles (2022: €17 million; 2021: €19 million) and computer equipment (2022: €41 million; 2021: €35 million).

Leasehold improvements, land and buildings, and plant and machinery are reclassified from capital-work-in-progress when the asset is finished and available for use.

[1] Depreciation includes depreciation of continuing operations of €193 million (2021: €179 million) and discontinued operations of €0 (2021: €3 million)

[2] The properties disposed of by Africa Properties to Pepkor Holdings Group were reclassified from held-for-sale to property, plant and equipment during the 2021 Reporting Period as these properties will remain within the Group. The final property was reclassified from held-for-sale during the 2022 Reporting Period.

[3] This relates to the Greenlit Brands - OMF business, which was sold in-between held-for-sale assessment dates and was therefore not classified as held-for-sale before the sale was completed.

2022 Reporting Period

The current year impairment losses mainly relate to assets of ZAR14 million (€820 000) of property, plant and equipment damaged in the KwaZulu-Natal floods in April 2022 and ZAR5 million (€290 000) for assets no longer in use.

KwaZulu-Natal flooding

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. An amount of ZAR14 million (€820 000) was written off for property, plant and equipment damaged by the flooding. The Pepkor Holdings Group is adequately insured for these types of events expected to receive an insurance claim payout relating to the replacement value of these property, plant and equipment in the 2023 financial year.

2021 Reporting Period

Social unrest

The 2021 Reporting Period's impairment losses mainly relate to Pepkor Holdings where stores were looted during the civil unrest and riots in South Africa during July 2021. A total of 549 stores across the Pepkor Holdings Group were impacted by the unrest and subsequent looting in July 2021. Stores were burnt, looted or damaged to varying degrees. In addition one of the distribution centres in Cato Ridge, KwaZulu-Natal, was looted. This led to the impairment and scrapping of various categories of property, plant and equipment to the value of ZAR76 million (€4 million). The Pepkor Holdings Group submitted a claim from its insurers on the replacement value of the covered property, plant and equipment, of which the payment was received in the Reporting Period (refer to note 4.2.15).

10. RIGHT-OF-USE ASSETS

Significant accounting estimates

Leases

Lease terms applicable to lease agreements, relating to the Group's lease liabilities, are negotiated on an individual basis and contain a wide range of different terms and conditions. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Judgement is exercised in determining the likelihood of exercising termination or extension options in determining the lease term including considerations of the initial term/age of the lease, economic uncertainty of countries the Group trades in and uncertainty over the feasibility of certain business units.

Subsequent to the commencement date of lease agreements, lease terms are reassessed when there is a significant event or change in circumstances that is within the Group's control and affects its ability to exercise or not to exercise the option to renew or to terminate. Significant events could include a change in the Group's assessment of whether it is reasonably certain to exercise a renewal or termination option, which includes if a store is flagged for relocation or closure or if it is more favourable not to exercise the option.

Incremental borrowing rates applied in the measurement of certain lease liabilities are specific to the country, term, currency and start date of the applicable lease agreement. Incremental borrowing rates are based on a series of inputs including the prime lending rate, the JIBAR rate, a credit risk adjustment and a country specific adjustment.

ACCOUNTING POLICY

Leases

The Group's main leasing activities relate to that of retail stores, office space and distribution centres. On entering a contract the Group assesses whether a contract is, or contains, a lease based on the definition of a lease as per IFRS 16. The criteria to assess a contract includes whether a contract involves the use of an identified asset, the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period in use and the Group has the right to direct the use of the asset. The Group then allocates the consideration in the contract to each lease component on the basis of their stand-alone prices.

If a contract is assessed to be, or contains, a lease the Group recognises a right-of-use asset and corresponding lease liability at the lease commencement date over the lease term. The Group determines the lease term as the non-cancellable period of a lease, including any beneficial occupation periods, together with assessing if the lessee is reasonably certain to exercise an option available on a lease to extend or terminate the lease.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, management exercises judgement to assess the likelihood thereof. The lease term will not include any renewal options where there is no reasonable certainty that the lease will be renewed until the option is exercised.

Right-of-use asset

Initial and subsequent measurement

Right-of-use assets are initially measured at cost, which is made up of the initial measurement of the lease liabilities, any initial direct costs incurred by the Group, and any lease payments made in advance of the lease commencement date, less any lease incentives received. Right-of-use assets are subsequently measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the relating lease liabilities. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life or lease term as noted above. Right-of-use assets are tested for impairment as part of the CGU it relates to (i.e. retail store) when indicators of impairment are identified and periodically reduced by the impairment losses, if required.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Refer to note 18 for initial and subsequent measurement of lease liabilities.

10. RIGHT-OF-USE ASSETS (CONTINUED)

	Notes	Land and buildings €m	Plant and machinery €m	Motor vehicles €m	Total €m
Balance on 1 October 2020		1 701	7	8	1 716
Additions		624	2	6	632
Remeasurement due to lease modifications		(45)	–	–	(45)
Derecognition on end of lease term		(17)	–	–	(17)
Depreciation		(427)	(3)	(2)	(432)
From continuing operations	4.3.1	(404)	(3)	(2)	(409)
From discontinued operations		(23)	–	–	(23)
Impairment		(10)	–	–	(10)
Transfer to assets classified as held-for-sale	35	(168)	–	–	(168)
Exchange differences on consolidation of foreign subsidiaries		84	–	–	84
Balance at 30 September 2021		**1 742**	**6**	**12**	**1 760**
Additions		**687**	**–**	**4**	**691**
Remeasurement due to lease modifications		**(134)**	**–**	**–**	**(134)**
Eliminated on disposal of subsidiaries[1]		**(10)**	**–**	**–**	**(10)**
Derecognition on end of lease term		**1**	**–**	**–**	**1**
Depreciation		**(464)**	**(2)**	**(12)**	**(478)**
From continuing operations	4.3.1	**(464)**	**(2)**	**(12)**	**(478)**
From discontinued operations		**–**	**–**	**–**	**–**
Impairment		**(7)**	**–**	**–**	**(7)**
Acquired on acquisition of businesses	26	**21**	**–**	**–**	**21**
Exchange differences on consolidation of foreign subsidiaries		**(11)**	**1**	**–**	**(10)**
Balance at 30 September 2022		**1 825**	**5**	**4**	**1 834**
Cost		2 448	12	20	2 480
Accumulated depreciation and impairment		(706)	(6)	(8)	(720)
Net book value at 30 September 2021		1 742	6	12	1 760
Cost		**2 874**	**12**	**23**	**2 909**
Accumulated depreciation and impairment		**(1 049)**	**(7)**	**(19)**	**(1 075)**
Net book value at 30 September 2022		**1 825**	**5**	**4**	**1 834**

[1] *This relates to the Greenlit Brands – OMF business, which was sold in-between held-for-sale assessment dates and was therefore not classified as held-for-sale before the sale was completed.*

10. RIGHT-OF-USE ASSETS (CONTINUED)

Impairment

Pepkor Holdings

The right-of-use assets relating to retail stores, office space and distribution centres are each seen as an individual CGU. The Group assesses each of these CGUs when indicators of impairment are identified, these mainly include loss-making stores and stores marked for closure. The impairment test compares the carrying amount of the CGU to the higher of the value-in-use, or fair value of the unit. For retail stores the recoverable amount of the CGU is determined from the value-in-use calculation, whereas office space and distribution centres CGUs are determined from its fair value. The key assumptions for the value-in-use calculation are those regarding the discount rates and growth rates. The discount rates are based on the pre-taxation weighted average cost of capital of 13.4% (2021: 12.9%) relating to South Africa (other African countries use different weighted average cost of capital rates, but the effect thereof is immaterial), while growth rates are based on management's experience and expectations which are in line with the growth rates used for the goodwill impairment assessment. Growth rates used do not exceed the long-term average growth rate for the area in which the CGU operates.

Lease term

Right-of-use assets are written off over the shorter of the useful life or the lease term of the specific right-of-use asset. The lease term of the Group is generally between 3 to 5 years and if a lease contains an option to renew which is included in the lease term and if it is reasonably certain that the option will be exercised, the option period also ranges between 3 – 5 years.

The following considerations were given to whether a termination and/or extension options should be included in the lease term:

- Contractual terms and conditions for optional periods compared with market rates is more favourable.
- Significant leasehold improvements have been undertaken (or expected to be undertaken).
- Costs relating to the termination of the lease/signing of a replacement lease is less than cost which will be avoid if the option is not taken.
- If the underlying asset is a specialised asset or if suitable alternatives are not available.

Remeasurement due to lease modifications

The remeasurement of the right-of-use assets and relating lease liability remeasurement mainly relate to the following:

- Favourable lease renewals.
- Retail footprint consolidation in specific retail brands.

11. INVESTMENTS IN EQUITY ACCOUNTED COMPANIES

ACCOUNTING POLICY

Principles of equity accounting

Associates

Associates are entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

If a gain or loss previously recognised in other comprehensive income by the investee would be reclassified to profit or loss on disposal of the related assets or liabilities, the entity reclassifies the gain or loss from equity to profit or loss when the equity method is discontinued.

When there is a dilution in the Group's shareholding in an investment in equity accounted company, the dilution ratio is applied to the Group's share of other reserves of the equity accounted company and are released through other comprehensive income or profit or loss depending on the allowable treatment per the IFRS applicable to the transactions that built up in that reserve.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Where the financial year-end of the equity accounted entity differs by more than three months from the Group year-end, the Group will adjust the equity accounted carrying value by any known material transactions that took place between the Group year-end and that of the financial year-end of the equity accounted company.

Changes in ownership interests

When the Group ceases to equity account for an investment because of a loss of joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between the aggregate of the fair value of the consideration received and the fair value of any retained interest and the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate or a joint venture.

Impairment of investments in equity accounted companies

Investments in equity accounted companies are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use.

Losses in an equity accounted investment are only recognised to the extent of the carrying amount. Excess losses are tracked and any subsequent share in profit of the equity accounted investment will first reduce the excess loss.

The carrying amount of equity-accounted investments is tested for impairment when impairment indicators are present.

11. INVESTMENTS IN EQUITY ACCOUNTED COMPANIES (CONTINUED)

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.

11.1 Detail of the equity accounted investments of the Group

Name of business	Place of business / country of incorp-oration	Nature of business	Nature of Relation-ship	Notes	% holding		Carrying value €m	
					30 September 2022	30 September 2021	30 September 2022	30 September 2021
Unlisted*								
IEP	South Africa	Investment company	Associate	11.3	**25.99**	25.99	**–**	148
Mattress Firm	United States of America	Speciality bed retailer	Associate	11.3 & 11.4	**50.1**	50.1	**–**	–
Various other immaterial equity accounted companies	Various	Consulting and other services	Associates		**24.5 – 50.0**	24.5 – 50.0	**4**	3
							4	151

** Associate and joint venture entities are owned by private equity – no quoted prices are available.*

11.2 Reconciliation of the aggregate carrying values of equity accounted companies

	Notes	30 September 2022 €m	30 September 2021 €m
Balance at the beginning of the period		**151**	136
Impairments[1]		**(32)**	–
Transferred to assets held-for-sale		**(126)**	–
Share in result of equity accounted companies		**9**	519
Profit or loss from continuing operations		**9**	124
Dividend received recognised through profit and loss	11.3	**–**	395
Sundry reserves		**–**	5
Dividends received	11.3	**(3)**	(524)
Exchange differences on translation of investments in equity accounted investments		**5**	15
Carrying values of equity accounted companies at the end of the period		**4**	151

[1] The impairment during the Reporting Period relates to IEP. The value of IEP has been written down to the expected realisation value (fair value less cost to sell) of the disposal assets, refer to note 11.3 for further details.

11. INVESTMENTS IN EQUITY ACCOUNTED COMPANIES (CONTINUED)

11.3 Material transactions with equity accounted investments

Mattress Firm

Mattress Firm's carrying value is based on the equity method of accounting. The equity method is where the Group recognises its share of post-acquisition profits or losses of the investee as an increase or decrease respectively of the carrying value of the associate. Dividends received from the associate are recognised as a reduction in the carrying amount of the investment. Where an associate pays a dividend that is greater than the carrying amount of the investment in the investor's books, the carrying amount is reduced to nil, a gain is recognised in profit or loss for the remaining dividend.

The equity accounted carrying value of an associate is not a representation of the fair value of the associate.

During the 2021 Reporting Period Mattress Firm made a payment to shareholders of USD1.2 billion (€1 billion) with the Steinhoff Group receiving USD609 million (€520 million). The payment of €520 million received from Mattress Firm during the 2021 Reporting Period exceeded the carrying value of Mattress Firm in the 2021 Consolidated Financial Statements of the Group with €395 million, the "Excess". The payment was recognised as a reduction in the carrying amount of Mattress Firm until it reduced the carrying value to zero. The "Excess" of €395 million was recognised as a gain in the Group's Statement of Profit or Loss during the 2021 Reporting Period as per the Group's accounting policy. All subsequent period profits from Mattress Firm will first be adjusted against this Excess before being recognised in the Group's Statement of Profit or Loss. This "Excess" is called the clawback.

During the Reporting Period, the Group's calculated share of Mattress Firm's profits was USD216 million (€199 million) based on their results. However, no profits could be recognised in profit or loss as it first needs to be adjusted against the clawback. The Group's share of Mattress Firm's earnings reduced the clawback to €202 million during the Reporting Period. The carrying value of Mattress Firm is still zero, however, this is not an indication of the fair value of the investment the Group has in Mattress Firm.

Mattress Firm is exploring a range of strategic options including a potential public offering of its common stock by its shareholders. However, in light of the ongoing volatility in the IPO market and following careful consideration with external advisors, Mattress Firm elected to withdraw its related registration statement on Form S-1 on 9 January 2023. As previously noted, Mattress Firm continues to actively explore all options and paths forward, including resuming the IPO process once the markets are favourable.

IEP

IEP has a majority shareholding in Bud Group. The Bud Group consists of various sub-groups (subsidiaries) and associate investments with businesses in the chemicals, minerals and industrial services sectors.

Held for sale classification:
The IEP shareholders have approved a restructure to facilitate an exit by certain IEP shareholders, including the Steinhoff Group through Mons Bella, by way of a share buyback. The restructure entails the transfer of certain assets to a newco, to facilitate the orderly disposal of those assets. As the newco disposes of the assets, the consideration received for the disposal will be advanced to exiting shareholders on an interest-free loan account ("Exit Loan") until such time that the share buyback is complete. The repurchase of the shares by IEP from exiting shareholders will then be settled by offsetting it against the Exit Loan. IEP management is deemed committed to the plan, the assets are in a condition that is ready for disposal, active buyers are being sourced and the assets are being marketed for reasonable price as determined by management. The Group will also no longer have rights to dividends declared after 1 December 2022 from operational profits generated by IEP from non-disposal assets, instead this will be offset against the Exit Loans. In substance the Group has entered into an earnout arrangement for the disposal of shares held in IEP. The interest in IEP will change, once all the conditions precedent on the Transaction Implementation Agreement ("TIA") are met, from an investment in equity instrument to a contractual right to cash for the future buy-back of shares held in IEP. The last conditions precedent to the TIA were fulfilled on 30 November 2022 and accordingly the restructure is unconditional and the Group will account for IEP as a financial asset from this date. The first disposals are estimated to occur within 12 months, IEP was classified as held-for-sale accordingly.

Impairment:
The value of IEP has been written down to the expected realisation value (fair value less cost to sell) of the disposal assets, resulting in an impairment of ZAR556 million (€32 million) being recognised.

11. INVESTMENTS IN EQUITY ACCOUNTED COMPANIES (CONTINUED)

11.4 Summarised information in respect of material equity accounted companies

The table below provides summarised financial information for those equity accounted investments that are material to the Group. The information disclosed reflects the amounts presented in the most recent financial statements of the relevant equity accounted companies and not the Group's share of those amounts.

Adjustments are made for material transactions occurring between equity accounted company's reporting date and Steinhoff's Reporting Date (where necessary).

Where relevant, the statements of financial positions of the associates were translated to euro at spot conversion rate at the end of the Group's Reporting Period and the income statements were translated to euro at the average conversion rate applicable to the Group's Reporting Period.

The Group has compared the accounting policies of these companies to those of the Group. Mattress Firm's results are prepared under US GAAP whereas the Steinhoff Group reports under IFRS. Mattress Firm adopted the new leasing standard, ASC 842 (the US GAAP equivalent of IFRS 16) during the 2021 Reporting Period where the Group adopted the IFRS 16 standard during the 2020 Reporting Period.

The Group has made the following adjustments for Mattress Firm to bring its financial statements in line with IFRS and the unwinding of fair value adjustments at acquisition date.

	Mattress Firm		
	Period ended 30 September 2022		
	Reported by Mattress Firm under US GAAP €m	IFRS adjustments and fair value at acquisition unwinding €m	Adjusted for accounting policies changes and fair value at acquisition unwinding €m
Revenue	4 040	–	4 040
Gross margin	1 613	363	1 976
Other operating cost	(1 133)	2	(1 131)
Depreciation and amortisation[1]	(76)	(258)	(334)
Interest expense[1]	(66)	(104)	(170)
Stock based award expense	(4)	–	(4)
Goodwill and other impairments	(1)	–	(1)
Income tax expense	159	(97)	62
Profit for the period from continuing operations	492	(94)	398
Loss for the period from discontinued operations	–	–	–
Profit for the period	492	(94)	398
Other comprehensive income for the period	–	–	–
Total comprehensive income for the period	492	(94)	398
Non-current assets[2]	3 284	(1 032)	2 252
Current assets	678	–	678
Non-current liabilities	(2 354)	–	(2 354)
Current liabilities	(983)	–	(983)
Net assets	625	(1 032)	(407)

[1] *Under ASC 842, lease expenses are recognised as part of operating expenses where under IFRS 16 it is accounted for as amortisation and interest expense, the adjustment is just an allocation between other operating cost, amortisation and interest expense.*

[2] *Non-current assets relates to Goodwill that was not recognised on the initial recognition of the associate.*

11. INVESTMENTS IN EQUITY ACCOUNTED COMPANIES (CONTINUED)

11.4 Summarised information in respect of material equity accounted companies (continued)

The table below provides summarised financial information on those associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associate and not the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	Mattress Firm		IEP
	Period ended 30 September 2022 €m	Period ended 30 September 2021 €m	9 months ended 30 September 2021 €m
Revenue	**4 040**	3 676	657
Investment income	**–**	–	2
Depreciation and amortisation	**(334)**	(245)	(41)
Interest expense	**(170)**	(155)	(17)
Income tax	**62**	(15)	(10)
Profit for the period from continuing operations	**398**	237	44
Loss for the period from discontinued operations	**–**	–	–
Profit for the period	**398**	237	44
Other comprehensive income for the period	**–**	–	–
Total comprehensive income for the period	**398**	237	44

		Mattress Firm		IEP
	Note	As at 30 September 2022 €m	As at 30 September 2021 €m	As at 30 September 2021 €m
Non-current assets		**2 252**	1 718	1 123
Current assets				
Cash and cash equivalents		**322**	181	64
Other current assets		**356**	293	287
Total current assets		**678**	474	351
Non-current liabilities				
Non-current financial liabilities (excluding trade payables)		**(1 170)**	(1 036)	(336)
Other non-current liabilities		**(1 184)**	(1 097)	(161)
Total non-current liabilities		**(2 354)**	(2 133)	(497)
Current liabilities				
Current financial liabilities		**(270)**	(242)	(4)
Other current liabilities		**(713)**	(614)	(169)
Total current liabilities		**(983)**	(856)	(173)
Non-controlling interests		**–**	–	(161)
Net assets		**(407)**	(797)	643
Share-based payment expense credited to equity		**–**	4	–
Net equity		**(407)**	(793)	643
% ownership by Group		**50.1%**	50.1%	26.0%
Group's share of net equity		**(204)**	(397)	167
Adjustment for material transactions and foreign currency differences	11.2	**202**	395	(19)
Goodwill		**2**	2	–
Carrying amount of the Group's interest		**–**	–	148

12. OTHER FINANCIAL ASSETS

	Notes	30 September 2022 €m	30 September 2021 €m
Non-current other financial assets			
At amortised cost	12.1	**69**	373
At fair value through other comprehensive income		**1**	–
		70	373
Current other financial assets			
At amortised cost	12.1	**6**	2
Total other financial assets		**76**	375

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

12.1 At amortised cost

The Group recognises its financial assets as 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.

Financial assets at amortised cost including the following debt instruments:

	Notes	30 September 2022 €m	30 September 2021 €m
Unlisted preference shares – Lancaster 102	12.1.1	**–**	301
Titan receivable	12.1.2	**66**	67
Interest-bearing loans		**2**	4
Unlisted bonds		**–**	3
Non-interest bearing loans		**1**	–
Investments with banking institutions serving as security over term loans	12.1.3	**6**	–
		75	375

12.1.1 Unlisted preference shares

During 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 4.2.16.

12. OTHER FINANCIAL ASSETS (CONTINUED)

12.1 At amortised cost (continued)

12.1.2 Titan receivable

Included in the balance of other financial assets is a receivable from Titan of €66 million as at 30 September 2022 (30 September 2021: €67 million). The loan originated when a prepayment of €200 million was made by the Group in November 2017 to an entity related to Christo Wiese (Steinhoff's Supervisory Board Chairman at the time) as part of the planned Shoprite transaction.

Subsequent to the aborted Shoprite transaction following the events of December 2017, a settlement was concluded in early 2018, pursuant to which Titan owed SFHG an amount of €200 million plus interest. In accordance with the Group's 2019 financial restructuring arrangements, the Titan loan receivable was transferred from SFHG to Newco 2A.

On SED, SIHPL acquired the Titan Receivable from Newco 2A for €220 million on loan account. Payment of the consideration will be deferred resulting in an amount owed by SIHPL to Newco 2A. The new terms of the Titan Receivable are as follows:

- ZAR3.4 billion (€193 million based on 30 September 2022 closing translation rate) principal outstanding;
- zero coupon;
- repayment date of 10 years plus one day from the SED 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.

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 and is inclusive of counterparty credit risk. 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.

ECL
The Titan Receivable is a purchased credit-impaired financial assets, as a result the ECL is calculated on lifetime losses.

As noted, Titan has provided security in the form of 14 813 923 Shoprite ordinary shares. The collateral forms part of the payment agreement entered into between the parties. These shares are held in a custody account by RMB (the custodian). In the event of a default, the security is expected to significantly reduce the loss. Management concluded that, based on the current and estimated future value of the shares, using a long-term inflation rate, the security provided will be sufficient to cover the receivable should a default occur. The current and estimated future value of the shares equals the fair value at the reporting date. As a result, any ECL is immaterial.

12.1.3 Investments with banking institutions serving as security over term loans

Investments with banking institutions relates to cash held as security over the Avenida term loans and bank guarantees. The investments held as security bear interest at 100%-103% of the Brazilian Interbank Deposit Certificates rate and are invested mostly with bank institutions with a Ba3 credit rating. These investments approximate 30% of the outstanding term loans and can be redeemed as the term loans are settled.

13. RECEIVABLES

13.1 Trade and other receivables

	Notes	30 September 2022 €m	30 September 2021 €m
Financial assets			
Non-current trade and other receivables			
Instalment sale and loan receivables	13.1.3	**9**	9
Derivative financial assets	21.1	**5**	–
		14	9
Current trade and other receivables			
Trade receivables		**124**	122
Instalment sale and loan receivables	13.1.3	**465**	375
Less: Provision for ECL – Trade receivables	21.3	**(16)**	(24)
Less: Provision for ECL – Instalment sale and loan receivables	21.3	**(102)**	(87)
Net trade, instalment sale and loan receivables		**471**	386
Other amounts due	13.1.2	**115**	118
Derivative financial assets	21.1	**207**	80
		793	584
Non-financial assets			
Current trade and other receivables			
Prepayments		**191**	137
Value Added Tax receivable		**19**	12
		210	149
Total			
Non-current trade and other receivables		**14**	9
Current trade and other receivables		**1 003**	733
		1 017	742

13.1.1 Classification of trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Instalment sale and loan receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 to 90 days and therefore are all classified as current.

13.1.2 Other amounts due

Included in other amounts due are creditors with debit balances, insurance receivables and various other receivables.

13.1.3 Instalment sale and loan receivables

Instalment sale and loan receivables relates mainly to the credit books in Pepkor Holdings and consists of instalment sale receivables, credit sales through store cards and loans to customers.

For normal trade receivables the credit period on the sale of goods is between 30 and 90 days, whereas the credit period for credit granted through store cards is between 30 and 360 days, and instalment sales can be up to three to five years. Where relevant, interest is charged at rates as determined by the National Credit Act on the gross outstanding balances, unless the outstanding balance is credit-impaired, in which case interest is calculated on the net outstanding balance.

Before accepting any new customers, credit risk management uses various credit bureaux and performs credit assessments. These customers' credit ratings are reviewed on a regular basis. To assess the new customer's credit potential and credit limit, the credit rating together with the customer affordability, as detailed below, is taken into consideration.

For credit sales through instalment sale receivables customer affordability is also taken into consideration before accepting any new customers. This process involves collecting information regarding the customer's income, current debt obligations and additional expenses. The Group has its own expense model, in addition to the National Credit Regulator's expense table. The following factors are then taken into consideration, in consultation with the customer, to conclude the affordability of each: assessing existing financial means and prospects, existing financial obligations and debt repayment history.

13. RECEIVABLES (CONTINUED)

13.1 Trade and other receivables (continued)

13.1.3 Instalment sale and loan receivables (continued)

For credit sales through store cards in South Africa and Botswana, Lesotho, Namibia, Eswatini (BLNE) countries, customer affordability is also taken into consideration before accepting any new customers. This process involves collecting information regarding the customer's income and expenses as well as independently obtained data regarding the prescribed minimum expenses and listed credit commitments. The customer's disposable income is then derived and the calculation with the most conservative value is used in determining the potential customer's credit limit.

For credit sales through store cards in Brazil, customer affordability is also taken into consideration before accepting any new customers. This process involves collecting information regarding the customer's income and expenses as well as credit score models obtained from authorised agencies regarding the credit approval and purchase limits.

Given the diverse nature of the Group's operations, it does not have significant concentration of credit risk in respect of trade receivables, with exposure spread over a large number of customers.

No customer represents more than 5% of the total trade receivables at the Reporting Date.

Loans to customers consist of unsecured lending with repayment terms of between 3 and 12 months and existing customers rescheduled loans of between 3 and 24 months. These loans attract interest based on rates determined by the National Credit Act of South Africa.

13.1.4 Fair values of trade and other receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for ECL.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

13.1.5 Derivatives

Refer to notes 20 and 21 for details regarding the determination of their fair values and the types of derivatives, respectively.

13.1.6 Impairment and risk exposure

Information about the impairment of trade and other receivables, the calculation of the loss allowance, their credit quality and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 21.

13.2. Taxation receivable

	Note	30 September 2022 €m	30 September 2021 €m
Taxation receivable	13.2.1	**156**	150

13.2.1 Taxation receivable

Tax receivable comprises mainly of receivables recognised in terms of IFRIC 23. As at the 2022 Reporting Date, €104 million of taxes were provided for in terms of IFRIC 23 (30 September 2021: €104 million).

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group holds the following financial assets and financial liabilities:

14.1 Total financial assets and liabilities

	Notes	At fair value through profit or loss €m	At fair value through other comprehensive income[1] €m	At amortised cost[4] €m	Total carrying values €m
30 September 2022					
Trade and other receivables	13.1	–	5	9	14
Other financial assets	12	–	1	69	70
Non-current financial assets		–	6	78	84
Trade and other receivables[1]	13.1	1	206	586	793
Other financial assets	12	–	–	6	6
Cash and cash equivalents	16	–	–	1 137	1 137
Current financial assets		1	206	1 729	1 936
Borrowings	17.2	–	–	(1 137)	(1 137)
Lease liabilities[2]	18.1	–	–	(1 665)	(1 665)
Trade and other payables	19.1.4	–	(8)	(8)	(16)
Non-current financial liabilities		–	(8)	(2 810)	(2 818)
Borrowings	17.2	–	–	(10 231)	(10 231)
Lease liabilities[2]	18.1	–	–	(527)	(527)
Trade and other payables[1]	19.1	(2)	(37)	(1 711)	(1 750)
Current financial liabilities		(2)	(37)	(12 469)	(12 508)
		(1)	167	(13 472)	(13 306)
30 September 2021					
Trade and other receivables	13.1	–	–	9	9
Other financial assets	12	–	–	373	373
Non-current financial assets		–	–	382	382
Trade and other receivables[1]	13.1	–	80	504	584
Other financial assets	12	–	–	2	2
Cash and cash equivalents	16	–	–	3 151	3 151
Current financial assets		–	80	3 657	3 737
Borrowings	17.2	–	–	(10 869)	(10 869)
Lease liabilities[2, 3]	18	–	–	(1 728)	(1 728)
Non-current financial liabilities		–	–	(12 597)	(12 597)
Borrowings	17.2	–	–	(399)	(399)
Lease liabilities[2, 3]	18.1	–	–	(443)	(443)
Trade and other payables[1]	19.1	(25)	(14)	(1 420)	(1 459)
Current financial liabilities		(25)	(14)	(2 262)	(2 301)
		(25)	66	(10 820)	(10 779)

[1] *Includes derivative financial instruments.*
[2] *Measured in terms of IFRS 16.*
[3] *Lease liabilities were incorrectly omitted from the above disclosure in the 2021 Consolidated Financial Statements. The comparatives have therefore been updated to include lease liabilities.*
[4] *The carrying amount of financial assets and liabilities approximates their fair value.*

The Group's exposure to various risks associated with the financial instruments is discussed in note 21. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of financial assets mentioned above.

There were no transfers between categories of financial instruments during either period presented.

15. INVENTORIES

	30 September 2022 €m	30 September 2021 €m
15.1 Inventory		
Merchandise and finished goods	**1 796**	1 285
Goods in transit	**388**	270
Raw materials and other inventories	**15**	13
Inventory before provision	**2 199**	1 568
Less: provision for inventory write downs*	**(112)**	(103)
Net Inventories	**2 087**	1 465
** Comprises mainly provision against finished goods and merchandise*		
15.2 Amount of write-down of inventories to net realisable value recognised in profit or loss as an expense during the period	**(55)**	(52)

Inventory pledged as security

No inventory has been pledged as security over borrowings in the 2022 and 2021 Reporting Periods.

Merchandise and finished goods

Merchandise and finished goods are stated at the lower of cost and net realisable value. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material and finished goods but excludes borrowing costs.

Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Amounts recognised in profit or loss

Write-downs of inventories to net realisable value were recognised as an expense during the period and included in 'cost of sales' in the statement of profit or loss.

16. CASH AND CASH EQUIVALENTS

	30 September 2022 €m	30 September 2021 €m
Current assets		
Cash at bank and on hand	**948**	1 884
Funds and deposits on call	**189**	1 267
	1 137	3 151

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Term deposits are presented as cash equivalents if they have maturity of three months or less from the date of acquisition and are repayable within 24 hour notice with no loss of interest.

Restricted cash

Total restricted cash balances on a Group level amounted to €153.6 million (2021: €158.8 million).

The Group has restricted cash balance of €38.3 million (2021: €38.3 million) held by Steinhoff Africa relating to Pepco IPO proceeds currently withheld by Standard Bank South Africa pending FinSurv approval for release and €102.3 million (2021: €108.5 million) commercially restricted cash held by Steenbok Newco 10 S.à r.l. to be used to settle historic German Tax liabilities.

Local currency cash and short-term deposits of €13 million (2021: €12 million) are held in Angola and Nigeria and are subject to onerous local exchange control regulations. These local exchange control regulations impose restrictions on exporting capital from these countries, other than through normal dividends. These restricted cash balances held by the respective subsidiaries of the Pepkor Holdings Group are not available for general use by the rest of the group.

17. BORROWINGS

ACCOUNTING POLICY

Recognition and measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

An exchange between an existing borrower and lender of debt instruments with substantially different terms should be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Substantially different is if the discounted present value of the cash flows under the new terms, including any fees paid (net of any fees received and discounted using the original effective interest rate), is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

17. BORROWINGS (CONTINUED)

17.1 Analysis of closing balance

	Notes	30 September 2022			30 September 2021		
		Current €m	Non-current €m	Total €m	Current €m	Non-current €m	Total €m
Operating companies							
Pepco Group							
Term loans and facilities	17.5	**68**	**546**	**614**	69	545	614
Capitalised finance lease	17.5	**–**	**–**	**–**	4	1	5
Pepkor Holdings							
Term loans and facilities	17.5	**18**	**452**	**470**	–	426	426
Floating rate notes	17.5	**46**	**138**	**184**	–	184	184
Bank overdraft	17.5	**33**	**–**	**33**	25	–	25
Other loans	17.5	**–**	**1**	**1**	–	1	1
		165	**1 137**	**1 302**	98	1 157	1 255
Group Services							
Hemisphere							
Term loan facility1	17.4	**126**	**–**	**126**	–	178	178
Steenbok Lux Finco 1 S.à r.l.							
21/22 Term loan facility[1]	17.4	**2 390**	**–**	**2 390**	–	2 165	2 165
23 Term loan facility[1]	17.4	**1 634**	**–**	**1 634**	–	1 480	1 480
Steenbok Lux Finco 2 S.à r.l.							
First lien term loan facility[1]	17.4	**681**	**–**	**681**	–	1 177	1 177
Second lien term loan facility[1]	17.4	**5 235**	**–**	**5 235**	–	4 712	4 712
Africa Group (excl. Pepkor Holdings)							
Lancaster Liability	17.6	**–**	**–**	**–**	301	–	301
		10 066	**–**	**10 066**	301	9 712	10 013
Total borrowings		**10 231**	**1 137**	**11 368**	399	10 869	11 268

[1] *Certain tranches are guaranteed by Steinhoff through the issuance of CPUs. Refer to the Steinhoff Separate Financial Statements.*

17. BORROWINGS (CONTINUED)

17.2 Reconciliation of borrowings balances

	Notes	Group Services €m	Pepkor Holdings €m	Pepco Group €m	Conforama €m	Greenlit Brands €m	Total €m
Opening balance – 1 October 2020		10 091	656	494	188	24	11 453
Repayable within one year		471	21	5	188	24	709
Repayable after one year		9 620	635	489	–	–	10 744
Repayment of debt		(1 064)	(254)	(493)	(210)	(24)	(2 045)
Repayment of interest		(42)	(42)	(23)	(13)	(1)	(121)
Settlement of preference shares		–	(113)	–	–	–	(113)
Additional financing		1	238	589	–	–	828
Interest accrued		996	46	34	13	–	1 089
Continuing – Loans	5	978	46	34	–	–	1 058
Discontinued – Loans		18	–	–	13	–	31
Transaction fees (additional financing)	5	–	–	(8)	–	–	(8)
Foreign exchange gains or losses		31	105	26	–	1	163
Prepayment premiums[1]		–	–	–	22	–	22
Closing balance – 30 September 2021[1]		10 013	636	619	–	–	11 268
Repayable within one year		301	25	73	–	–	399
Repayable after one year		9 712	611	546	–	–	10 869
Opening balance – 1 October 2021		**10 013**	**636**	**619**	**–**	**–**	**11 268**
Repayable within one year		**301**	**25**	**73**	**–**	**–**	**399**
Repayable after one year		**9 712**	**611**	**546**	**–**	**–**	**10 869**
Repayment of debt		**(469)**	**(312)**	**(48)**	**–**	**–**	**(829)**
Repayment of interest		**(147)**	**(54)**	**(10)**	**–**	**–**	**(211)**
Derecognition of financial liability[2]		**(324)**	**–**	**–**	**–**	**–**	**(324)**
Additional financing		**–**	**300**	**44**	**–**	**–**	**344**
Acquired at acquisition of subsidiary		**–**	**57**	**–**	**–**	**–**	**57**
Interest accrued		**985**	**54**	**10**	**–**	**–**	**1 049**
Continuing – Loans	5	**985**	**54**	**10**	**–**	**–**	**1 049**
Discontinued – Loans		**–**	**–**	**–**	**–**	**–**	**–**
Foreign exchange gains or losses		**8**	**7**	**(1)**	**–**	**–**	**14**
Closing balance – 30 September 2022		**10 066**	**688**	**614**	**–**	**–**	**11 368**
Repayable within one year		**10 066**	**97**	**68**	**–**	**–**	**10 231**
Repayable after one year		**–**	**591**	**546**	**–**	**–**	**1 137**

[1] *Prepayment premiums relates to the 10% prepayment premium computed on the principal amount that was repaid for the Senior secured bonds of Conforama. The fees relate to the Tranche B bonds that were due by Conforama but were not issued.*

[2] *During the Reporting Period, a settlement agreement was reached whereby all previous preference share agreements were cancelled resulting in the derecognition of both the preference shares investment and the Lancaster financial liability.*

17. BORROWINGS (CONTINUED)

17.3 Contractual maturities of borrowings

The following are the remaining contractual maturities of borrowings at the Reporting Date. The amounts are gross and undiscounted, and include contractual interest payments.

	Contractual maturities of borrowings					
	1 – 12 months €m	Between 1 and 2 years €m	Between 2 and 5 years €m	Over 5 years €m	Total €m	Carrying amount €m
At 30 September 2022						
Operating companies						
Pepkor Holdings	152	177	523	–	852	688
Term loans and facilities	60	86	460	–	606	470
Floating rate notes	59	91	62	–	212	184
Bank overdraft	33	–	–	–	33	33
Other loans	–	–	1	–	1	1
Pepco Group	77	305	258	–	640	614
Term loans and facilities	77	305	258	–	640	614
Capitalised finance lease	–	–	–	–	–	–
	229	482	781	–	1 492	1 302
Group Services[1]						
Hemisphere Term loan facility	136	–	–	–	136	126
21/22 Term loan facility	2 573	–	–	–	2 573	2 390
23 Term loan facility	1 758	–	–	–	1 758	1 634
First lien term loan facility	722	–	–	–	722	681
Second lien term loan facility	5 666	–	–	–	5 666	5 235
	10 855	–	–	–	10 855	10 066
Total borrowings	11 084	482	781	–	12 347	11 368

[1] *Refer to note 17.4 for information regarding the proposal to extend upcoming maturities of Steinhoff Group Services' Debt.*

At 30 September 2021						
Operating companies						
Pepkor Holdings	25	–	659	–	684	636
Term loans and facilities	–	–	475	–	475	426
Floating rate notes	–	–	183	–	183	184
Bank overdraft	25	–	–	–	25	25
Other loans	–	–	1	–	1	1
Pepco Group	82	9	566	–	657	619
Term loans and facilities	78	8	566	–	652	614
Capitalised finance lease	4	1	–	–	5	5
	107	9	1 225	–	1 341	1 255
Group Services						
Hemisphere Term loan facility	–	200	–	–	200	178
21/22 Term loan facility	–	2 219	–	–	2 219	2 165
23 Term loan facility	–	1 517	–	–	1 517	1 480
First lien term loan facility	–	2 295	–	–	2 295	1 177
Second lien term loan facility	–	4 838	–	–	4 838	4 712
Africa Group (excl. Pepkor Holdings)	301	–	–	–	301	301
Lancaster liability	301	–	–	–	301	301
	301	11 069	–	–	11 370	10 013
Total borrowings	408	11 078	1 225	–	12 711	11 268

17. BORROWINGS (CONTINUED)

17.4 Group Services' Debt

The Group has been engaged in substantial and complex debt restructuring processes since December 2017.

Company Voluntary Arrangements (CVAs)

As part of the proposed European financial restructuring detailed in the Lock-Up Agreement, on 30 November 2018, the SEAG CVA and the SFHG CVA were filed with the English court. The SEAG CVA and the SFHG CVA implemented the restructuring plan outlined in the Lock-Up Agreement.

The financial restructuring of the Group became effective on 13 August 2019, when the SEAG and SFHG CVAs were successfully implemented. Under the terms of the CVAs, the existing debt instruments in SEAG and SFHG were reissued for accounting purposes effective as of 14 December 2018, which was the date the SEAG CVA and the SFHG CVA were approved by the requisite majorities of the creditors, with a common maturity date of 31 December 2021. No cash interest was payable in this period, as interest would accrue and was only payable when the debt matures, providing the Group with a period in which it could concentrate on reducing debt and restoring value.

As part of the implementation steps of the Global Litigation Settlement, the Steinhoff Group delivered the Interim Debt Extension request to its lenders on 6 August 2021 requesting consent to extend the maturity date of the Steinhoff Group's outstanding debt from December 2021 to December 2022 ("Interim Debt Extension").

On 11 August 2021, consent for the Interim Debt Extension was granted by its lenders. Consequently, the maturity date of the Steinhoff CPUs and facility agreements entered into pursuant to the CVA, was extended from 31 December 2021 to 31 December 2022. Following the successful implementation of the Global Litigation Settlement on 15 February 2022, a further payment extension to 30 June 2023 was granted.

The Group has announced it intends to implement a number of steps to reduce its debt burden. Within this, the Steenbok Group in particular is now required to be run for the benefit of its creditors (including those under the Facilities Agreements) ahead of the benefit of its shareholders. Planned steps include the managed realisation of investments and assets.

The lenders have additional rights pursuant to the terms of the Facilities Agreements which require their consent ahead of an IPO and the right of certain lenders to participate in the IPO as cornerstone investors.

The implementation of the CVAs resulted in the original SEAG and SFHG debt being replaced by new term loan facilities entered into between the lenders and Steenbok Lux Finco 1 S.à r.l. and Steenbok Lux Finco 2 S.à r.l., two newly incorporated entities within the Europe Group. The new facilities have new terms and conditions in terms of the finance documents.

New facility	Facilities replaced
21/22 Term loan facility	2021 and 2022 convertible bonds
23 Term loan facility	2023 convertible bonds
First lien term loan facility	SEAG debt
Second lien term loan facility	SEAG debt

Classification of Group Services' Debt

Due to the successful implementation of the Global Litigation Settlement on 15 February 2022, a further payment extension on Steinhoff's Group Services' Debt was granted to 30 June 2023, with the option to seek a further six months extension to 31 December 2023 subject to approval by a simple majority of financial creditors. The Group engaged with its largest lenders who indicated that they would not support a formal extension request and therefore, to date, this option has not been exercised.

Proposal to extend upcoming maturities of Steinhoff Group Services' Debt

On 15 December 2022 and 16 December 2022, Steinhoff announced that it has entered into a framework support agreement ("Support Agreement") with its largest financial creditors representing approximately 64% of the total Group Services' Debt, and has subsequently received support from more than 80% (being the requisite support required for a consensual transaction with lenders) for all Group Services' Debt except for the First lien term loan facility where the current support is above 76% but below the requisite support required. The Steinhoff Group remains entitled to repay or refinance the existing First lien term loan facility and therefore the successful implementation of the Maturity Extension Transaction is not dependent on obtaining the support of the First lien term loan facility lenders. Steinhoff will evaluate its options for this facility. The Board considers that the Support Agreement provides a stable platform for Steinhoff to achieve the consents necessary to extend the maturity of the Group Services' Debt from the current maturity date of 30 June 2023 to at least 30 June 2026, together with various related re-organisation steps and transactions (the "Maturity Extension Transaction").

Overview of key terms of the proposed Maturity Extension Transaction

The Maturity Extension Transaction will result in:

- An extension of the maturity date under the Group Services' Debt Facilities, associated CPUs of the Company and intercompany loans to at least 30 June 2026, with two 12-month extension options available with majority lender consent under each of the Group Services' Debt Facilities (inter-conditional consents);

17. BORROWINGS (CONTINUED)

17.4 Group Services' Debt (continued)

Proposal to extend upcoming maturities of Steinhoff Group Services' Debt (continued)

Overview of key terms of the proposed Maturity Extension Transaction (continued)

- The refinancing or amendment and extension of First lien term loan facility A1 and B1, with Second lien term loan facility A2 lenders receiving the full benefit of the SEAG CPU thereafter. Second lien term loan facility A2 lenders will also benefit from a reclassification of existing facility A2 into an instrument which is fully covered by the SEAG CPU (sized at 87% of the existing Second lien term loan facility A2), with the excess (13%) to be reclassified to Second lien term loan facility B2 or a new tranche fungible with Second lien term loan facility B2 (which does not benefit from a CPU). This represents an increase in CPU coverage for the Second lien term loan facility A2 lenders from 80.3% to 87%.
- Lenders with commitments in excess of €100 million across the 21/22 Term loan and 23 Term loan facilities, the First lien term loan and Second lien term loan facilities and the Hemisphere facilities who become party to the Support Agreement on or before 31 December 2022 (and who do not subsequently breach the terms of the Support Agreement) benefiting from a right of first offer and right of first refusal, on a pro rata basis, in respect of the refinancing of the First lien term loan facility A1 and B1.
- A resetting of the Second lien term loan facility A2 coupon at 10.0% (compounding semi-annually) from 30 June 2023 from the current 10.75%. To ensure full CPU coverage for Second lien term loan facility A2 going forwards, the notional rate under the SEAG CPU will be aligned to grow at the same rate.
- A resetting of the Hemisphere term loan facility coupon at 15.0% (compounding semi-annually) from 30 June 2023 from the current 10.0%. The Steinhoff Group is entitled to repay or refinance the existing outstanding facilities under the Hemisphere term loan facility at par plus accrued interest (and without any prepayment premium) on or before the earlier of (a) 30 June 2023 or (b) the amendment date.
- A consent fee of 1% of the total outstanding principal amount under the Hemisphere term loan facility A to be paid on a cashless basis by being added to the outstanding principal amount under the Hemisphere term loan facility.
- Amendments to the relevant debt documents of the Group resulting in CPU holders being paid ahead of any holders of equity instruments issued by Steinhoff.
- A "solvent distribution regime" to facilitate an efficient distribution of the Group's assets at fair value directly to financial creditors, subject to any legal and regulatory restrictions, if debt has not been discharged in full at extended maturity (or following any earlier acceleration). The regime includes limited recourse terms and "solvent liquidation" provisions for the benefit of Steinhoff (including any new ultimate parent of the Group) and its subsidiaries.

Financial Creditor Accession and Early Bird Fee

Financial creditors who signed or acceded to the Support Agreement by 5.00 p.m. London time on 31 December 2022 (the "Early Bird Fee Deadline"), and who do not subsequently breach the terms of the Support Agreement, will be eligible for an early bird fee (the "Early Bird Fee") equal to their pro-rata share of:

- in respect of 21/22 Term loan facility A1 and 23 Term loan facility A2 financial creditors, a fee payable by Steenbok Lux Finco 1 S.à r.l. in an amount equal to 0.50% of the total 21/22 Term loan facility A1 and 23 Term loan facility A2 debt; and
- in respect of the Second lien term loan facility A2 and B2 financial creditors, a fee payable by Steenbok Lux Finco 2 S.à r.l. in an amount equal to 0.50% of the total Second lien term loan facility A2 and B2 debt.

Work Fee

Each of the Original Participating Lenders who remains signed up to the Support Agreement and is not in breach of any of its terms, shall be paid a work fee (the "Work Fee") equal to their pro-rata share of:

- in respect of their 21/22 Term loan facility A1 and 23 Term loan facility A2 debt, a fee payable by Steenbok Lux Finco 1 S.à r.l. in an amount equal to 0.50% of the total 21/22 Term loan facility A1 and 23 Term loan facility A2 debt; and
- in respect of their Second lien term loan facility A2 and B2 debt, a fee payable by Steenbok Lux Finco 2 S.à r.l. in an amount equal to 0.50% of the total Second lien term loan facility A2 and B2 debt.

The Early Bird Fee and Work Fee are to be paid on a cashless basis, through the issuance of commitments under new debt tranches in each of the Steenbok Lux Finco 1 S.à r.l. and Steenbok Lux Finco 2 S.à r.l. debt (as applicable), on a super-senior basis, accruing interest at 10% PIK on a semi-annual basis after 31 December 2022, with no CPU, maturing on 30 June 2026.

17. BORROWINGS (CONTINUED)

17.4 Group Services' Debt (continued)

Facility	Tranche	Maturity date	Interest rate %	30 September 2022 Carrying value €m	30 September 2021 Carrying value €m
21/22 Term loan facility	Super senior	30 June 2023	10%	**33**	30
	A1	30 June 2023	10%	**2 357**	2 135
23 Term loan facility	Super senior	30 June 2023	10%	**19**	18
	A2	30 June 2023	10%	**1 614**	1 462
First lien term loan facility	A1	30 June 2023	7.875%	**654**	1 130
	B1	30 June 2023	7.875%	**27**	47
Second lien term loan facility	A2	30 June 2023	10.75%	**5 023**	4 521
	B2	30 June 2023	10.75%	**212**	191
				9 939	9 534
Portion payable within 12 months included in current liabilities				**(9 939)**	–
Total non-current borrowings				**–**	9 534

No part of the term loan facilities which is repaid may be drawn down again.

Under the term loan facilities, Newco 3 and SFHG have an obligation to provide the lenders with certain monthly, quarterly and annual financial information.

Steinhoff entered into CPUs with the lenders whereby Steinhoff undertook to repay up to the following amounts for each facility in the event of a default:

Subsidiary	Facility	Effective date	Steinhoff €m
Steenbok Lux Finco 1 S.à r.l.	21/22 Term loan facility	13 August 2019	1 723
	23 Term loan facility	13 August 2019	1 180
Steenbok Lux Finco 2 S.à r.l.	First lien term loan facility	13 August 2019	1 913
	Second lien term loan facility	13 August 2019	3 591
Hemisphere	Term loan facility	5 September 2018	775

S155 Settlement Note

On SED, 15 February 2022, the financial creditors 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. SIHPL has agreed to issue to the creditors a loan note (the "S155 Settlement Note") to the amount of €1.581 billion (with limited recourse). The loan note carries no interest, has a maturity date of 15 August 2027 and has a third ranking security over SIHPL's assets. The S155 Settlement Note will remain in place as part of the debt restructure.

	Maturity date	Interest rate %	30 September 2022 Carrying value €m	30 September 2021 Carrying value €m
Hemisphere term loan facility	30 June 2023	10%	**126**	178
			126	178
Portion payable within 12 months included in current liabilities			**(126)**	–
Total non-current borrowings			**–**	–

Under the term loan facility, Hemisphere has an obligation to provide the lenders with certain monthly, quarterly and annual financial information.

On SED, the Hemisphere lenders received a cash payment of €66 million from Steinhoff under the Hemisphere CPU as part of the Global Litigation Settlement. Consequently the maturity date of the term loan facility was extended to 30 June 2023, with the ability for Steinhoff to seek a further six months' extension to 31 December 2023 subject to approval by a simple majority of financial creditors. The Group engaged with its largest lenders who indicated that they would not support a formal extension request and therefore, to date, this option has not been exercised.

17. BORROWINGS (CONTINUED)

17.5 Operating companies debt

Pepco Group

	Facility €m	Maturity date	Interest rate %	30 September 2022 Carrying value €m	30 September 2021 Carrying value €m
Term loan facility 1	300	26 May 2024	1.35%	**298**	300
Term loan facility 2	250	26 May 2026	1.50%	**248**	248
Revolving Credit Facility	190	21 May 2026	1.70%	**68**	63
Mortgage loan		31 December 2025	WIBOR 1M	**–**	3
Instalment sale agreements					
Capitalised finance lease and instalment sale agreements	–	Various	Various	**–**	5
				614	619
Portion payable within 12 months included in current liabilities				**(68)**	(73)
Total non-current borrowings				**546**	546

No part of the term loan facility which is repaid may be drawn down again.

During the 2021 Reporting Period, the Pepco Group renegotiated new Term Loans with credit institutions. Costs incurred in obtaining the loans from credit institutions have been capitalised and are allocated to the Consolidated Statement of Profit or Loss over the life of the debt facility. At 30 September 2022, borrowings are stated net of unamortised issue costs of €6.1 million (2021: €7.4 million). Interest is being charged on the net borrowings amount at an effective rate of 1.7%.

As a condition of the CVAs, Pepco Group is bound to additional monthly and quarterly information undertakings.

This facility contains financial covenants which are typical for this type of facility and include minimum leverage and interest cover. The Pepco Group was compliant with these covenants for the Reporting Period.

The loans from credit institutions are secured over amounts owed by the Group to related party Steinhoff entities, share pledges over the shares of material overseas subsidiaries and debentures over other assets of the Group.

17. BORROWINGS (CONTINUED)

17.5 Operating companies debt (continued)

Pepkor Holdings

	Facility €m	Maturity date	Interest rate %	30 September 2022 Carrying value €m	30 September 2021 Carrying value €m
Term loans and facilities					
Term loan D[1]	143	30 September 2023	Three-month JIBAR plus 205bps	**–**	142
Term loan E	29	30 June 2024	Three-month JIBAR plus 159bps	**29**	28
Term loan F	57	30 June 2025	Three-month JIBAR plus 168bps	**57**	57
Term loan G	57	30 June 2026	Three-month JIBAR plus 174bps	**57**	57
Term loan H[1]	57	31 March 2026	Three-month JIBAR plus 150bps	**57**	–
Term loan I[1]	143	31 March 2027	Three-month JIBAR plus 155bps	**142**	–
Term loans – Avenida	43	Various (30 January 2023 – 18 May 2027)	Various rates linked to CDI and IPCA	**43**	–
Revolving credit facility B	143	30 September 2023	Three-month JIBAR plus 210bps	**–**	142
Revolving credit facility C[1]	86	31 March 2025	Three-month JIBAR plus 140bps	**85**	–
Bridge facility	57	31 March 2025	Three-month JIBAR plus 140 bps	**–**	–
Floating rate notes – PEP01	46	10 March 2023	Three-month JIBAR plus 159 bps	**46**	46
Floating rate notes – PEP02	12	10 March 2025	Three-month JIBAR plus 174 bps	**12**	12
Floating rate notes – PEP03	82	5 May 2024	Three-month JIBAR plus 152 bps	**82**	82
Floating rate notes – PEP04	44	5 May 2026	Three-month JIBAR plus 170 bps	**44**	44
Other loans	–	21 September 2025	Prime	**1**	–
Bank overdrafts and short-term facilities	–	Various	Various	**33**	25
Instalment sale agreements					
Capitalised finance lease and instalment sale agreements	–	Various	Various	**–**	1
Total borrowings				**688**	636
Portion payable within 12 months included in current liabilities				**(97)**	(25)
Total non-current borrowings				**591**	611

[1] *During March 2022, the Pepkor Holdings Group settled Term Loan D which was replaced with Term loan H and I. The Pepkor Holdings Group also settled Revolving Credit Facility B and replaced it with Revolving Credit Facility C.*

Interest on external borrowings is payable quarterly in arrears except for the Avenida term loans on which interest is paid monthly in arrears.

The funding facilities are subject to the following loan covenants:

Covenant	30 September 2022 Achieved	30 September 2022 Required
Net debt : EBITDA cover	**0.71**	**<3.00**
EBITDA : Net interest cover	**12.32**	**>3.50**

17. BORROWINGS (CONTINUED)

17.6 Lancaster liability

During the Reporting Period, a settlement agreement was reached whereby all previous preference share agreements were cancelled resulting in the derecognition of both the preference shares investment and the Lancaster financial liability.

17.7 Fair value

Interest-bearing borrowings bear interest at variable, market-determined rates. These borrowings are measured at amortised cost, which approximates their fair value. Interest on external borrowings are payable quarterly in arrears.

17.8 Risk exposures

Details of the Group's exposure to risks arising from borrowings are set out in note 21.

18. LEASE LIABILITIES

ACCOUNTING POLICY

Refer to note 10 for the accounting policy on determination of whether a lease should be recognised in terms of IFRS 16.

Lease liabilities

Initial and subsequent measurement

Lease liabilities are initially measured at the present value of future lease payments discounted using the discount rate implicit in the lease or, where this has not been stipulated, the Group's incremental borrowing rate. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that are based on an index or rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the Group exercises the option to terminate. Variable lease payments, that do not depend on an index or a rate, are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease liabilities are subsequently measured at amortised cost using the effective interest method and reduced by future lease payments net of interest charged. It is remeasured, with a corresponding adjustment to right-of-use assets, when there is a change in future lease payments resulting from a rent review, change in relevant index or rate, such as inflation, or change in the Group's assessment of whether it is reasonably certain to exercise a renewal or termination option and thus a change in lease term. The lease liability is remeasured by discounting the revised lease payments using a revised discount rate when there is a change in the lease terms. The remeasurement results in a corresponding adjustment to the carrying amount of right-of-use assets, with the difference recorded in profit or loss if the carrying amount of right-of-use assets has been reduced to zero.

18. LEASE LIABILITIES (CONTINUED)

		Notes	30 September 2022 €m	30 September 2021 €m
18.1	**Reconciliation of lease liability**			
	Opening Balance		**2 171**	2 079
	Recognition of lease liability		**696**	647
	Interest cost	5	**136**	121
	Lease liability repayments		**(650)**	(546)
	Remeasurement on modification of leases		**(170)**	(74)
	Acquisition of businesses	26	**(23)**	–
	Transfer to liabilities classified as held-for-sale		**–**	(180)
	Eliminated on disposal of subsidiaries[1]		**(14)**	–
	Exchange differences on consolidation of foreign subsidiaries		**46**	124
	Closing balance		**2 192**	2 171
	Less: repayable in the next 12 months included in short-term liabilities		**(527)**	(443)
	Non-current liabilities: Lease liability		**1 665**	1 728

[1] This relates to the Greenlit Brands - OMF business, which was sold in-between held-for-sale assessment dates and was therefore not classified as held-for-sale before the sale was completed.

18.2	**Analysis of repayments**		
	Repayable within the next year and thereafter – current and non-current split		
	Next year	**527**	443
	Within two to five years	**1 654**	1 654
	Thereafter	**336**	437
		2 517	2 534
18.3	**The Group is exposed to the following potential future undiscounted cash outflows which are not included in the measurement of lease liabilities:**		
	Expense relating to variable lease payments not included in the measurement of lease liabilities	**91**	46
18.4	**Short-term and low-value leases**		
	Short-term or low-value leases not recognised as a liability and included in profit and loss in the current period	**36**	29

19. PAYABLES AND OTHER LIABILITIES

19.1 Trade and other payables

	Notes	30 September 2022 €m	30 September 2021 €m
Financial liabilities			
Non-current trade and other payables			
Other payables and amounts due	19.1.4	**8**	–
Derivative financial liabilities	21.1	**8**	–
		16	–
Current trade and other payables			
Trade payables		**1 160**	762
Accruals		**312**	374
Other payables and amounts due		**239**	284
Derivative financial liabilities	21.1 & 19.1.1	**39**	39
		1 750	1 459
Non-financial liabilities			
Non-current trade and other payables			
Equalisation of operating lease payments		**3**	2
Deferred income		**37**	–
		40	2
Current trade and other payables			
Equalisation of operating lease payments		**1**	–
Deferred income	19.1.2	**111**	104
Value Added Tax payable	19.1.3	**98**	48
		210	152
Total			
Non-current trade and other payables		**56**	2
Current trade and other payables		**1 960**	1 611
		2 016	1 613

Trade payables are unsecured and are usually paid within 30 to 90 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short term nature.

19.1.1 Derivatives

Refer to note 20 and 21 for details regarding the determination of their fair values and the types of derivatives, respectively.

19.1.2 Deferred income

The majority of the deferred income relates to prepayments made by customers to secure their orders. Revenue is recognised with a corresponding decrease in the liability when the goods are delivered to the customer.

19.1.3 Value Added Tax payable

The Value Added Tax payable relates mostly to the Pepco Group and Pepkor Holdings.

19.1.4 BaFin penalty

During the 2022 Reporting Period, BaFin imposed an administrative fine of €11.29 million on Steinhoff to be paid in instalments up to 30 September 2024. The fine was for not making the annual financial report for the 2016/2017 financial year available within the prescribed period to the public and also for failing to publish voting rights notifications it had received within the prescribed period. The administrative fine also effectively resolved other late filings of financial reports and voting rights notifications. The fine amount and administrative costs are payable in three tranches as follows: €3.76 million on 31 March 2023, €3.76 million on 31 March 2024 and €3.77 million on 30 September 2024, resulting in €7.53 million being disclosed as non-current.

19.1.5 Contractual maturities of trade and other payables

	0 – 3 months €m	4 – 12 months €m	Year 2 €m	Year 3 – 5 €m	After 5 years €m	Total €m
At 30 September 2022						
Trade and other payables (financial liabilities)	**1 352**	**398**	**16**	**–**	**–**	**1 766**
At 30 September 2021						
Trade and other payables (financial liabilities)	1 440	19	–	–	–	1 459

19. PAYABLES AND OTHER LIABILITIES (CONTINUED)

19.2 Taxation payable

	30 September 2022 €m	30 September 2021 €m
Taxation payable	315	312

Taxation payable

The taxation payable represents Corporate Income Tax, Trade tax and €132 million taxes provided for in terms of IFRIC 23 (30 September 2021: €160 million). The taxation payable relates mainly to Pepkor Holdings and Pepco Group.

19.3 Put option liability

ACCOUNTING POLICY

Where a minority shareholder has the right to put equity instruments of a subsidiary to another group entity, the Group records a financial liability for its obligation to pay the put option exercise price. This recognition occurs when the put option contract is signed. Where the put option is entered into as part of a business combination, the put option is accounted for as a financial liability at the present value of the redemption amount with a corresponding charge directly to equity.

Given that the value varies with non-financial variables that are specifically to the parties in the contract, management has classified the put option as a financial liability at amortised cost. As such the put option liability is subsequently accreted through finance cost in profit or loss for the period, using the effective interest rate method, up to the redemption amount that is payable at the date at which the options becomes exercisable or vests.

	30 September 2022 €m	30 September 2021 €m
Reconciliation of put option liability		
Recognition of put option liability	35	–
Interest cost	3	–
Exchange differences on consolidation of foreign subsidiaries	1	–
Closing Balance	39	–

Effective 3 February 2022 the Pepkor Holdings Group acquired 81.7% of the issued share capital of Avenida and further increased its shareholding to 87.1% through a capital injection (refer to note 26). As part of the transaction the Pepkor Holdings Group entered into a written symmetrical put and call agreement, with three natural persons with an equal number of share options, over the remaining 12.9% interest in Avenida which can be exercised in three tranches. Tranche one and two each representing 25% of the remaining shareholding, and tranche three representing 50% of the remaining shareholding. Each tranche may be exercised within 60 days from the date Avenida delivers to the group its audited annual financial statements for the financial year ending 30 September 2024 (tranche one), 30 September 2026 (tranche two) and 30 September 2028 (tranche three). In the case the put options are not exercised within a certain exercise window, these options shall accumulate to the following exercise window.

The consideration on exercise will be determined based on the growth ratio (determined as the actual or forecasted EBITDA divided by the targeted EBITDA over the period determined), net debt value and EBITDA figures of Avenida at a point in time. The exercise price is formula based. In the current year valuation, a growth ratio of between 22% and 32% was used and an EBITDA multiple of 10 times. The Pepkor Holdings Group did not revise its estimates of payments by adjusting the amortised cost of a financial liability as the multiple remained unchanged at 10 times, with no major fluctuations to the EBITDA and net debt inputs used in the valuation for the put option liability as at 3 February 2022.

The amount that may become payable under the option on exercise date is initially recognised at the present value of the redemption amount. The corresponding charge is accounted for directly as a reduction in the parent's equity since the risks and rewards have not been transferred to the parent until the option is exercised. The liability is subsequently adjusted for changes in the estimated performance and increased/decreased up to the redemption amount that is payable at the date at which the option is exercised.

Given that the value varies with non-financial variables that are specific to the parties in the contract, management has classified this put option as a financial liability at amortised cost.

The following details the remaining contractual maturity of the put option liability at the Reporting Date. It represents the undiscounted cash flows based on the earliest date on which the Group can be required to pay.

	30 September 2022 €m
Next year	–
Within two years	–
Within three to five years	(25)
Thereafter	(49)
	(74)

20. RECOGNISED FAIR VALUE MEASUREMENTS

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the Consolidated Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the applicable accounting standards.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and listed equities and available-for-sale securities) is based on quoted market prices at the end of the Reporting Period. The quoted market price used for financial assets held by the Group is a 30-day volume weighted average price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and relies as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

20.1 Fair value hierarchy

	Notes	Level 2 €m	Level 3 €m	Total €m
30 September 2022				
Assets measured at fair value				
Financial assets				
Trade and other receivables				
Derivative – foreign currency forward contracts	21.1	**212**	**–**	**212**
Other financial assets	12	**–**	**1**	**1**
Liabilities measured at fair value				
Financial liabilities				
Trade and other payables				
Derivative – foreign currency forward contracts	21.1	**(47)**	**–**	**(47)**
30 September 2021				
Assets measured at fair value				
Financial assets				
Trade and other receivables				
Derivative – foreign currency forward contracts	21.1	80	–	80
Liabilities measured at fair value				
Financial liabilities				
Trade and other payables				
Derivative – foreign currency forward contracts	21.1	(39)	–	(39)

There were no Level 1 financial instruments identified during either the 2022 Reporting Period or the 2021 Reporting Period. There were no transfers between levels during the year.

Refer to note 21 for the accounting policy regarding hedge accounting.

Valuation techniques and key inputs for level 2 financial instruments

The fair values of forward exchange contracts for inventory purchases are based on their listed market price, if available. If a listed market price is not available, then the fair value is estimated by discounting the difference between the contractual forward price and current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

21. FINANCIAL RISK MANAGEMENT

During both periods under review, the Group had various committees and departments that were tasked with the financial risk management of the Group. In most instances this was successfully managed at the various operating company levels.

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance where this remains relevant as at the end of each reporting period. The processes outlined in this note are the risk management strategies that were in place during the Reporting Period regardless of their effectiveness in addressing the risks faced by the Group. Current profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in the operating company's functional currency	Cash flow forecasting Sensitivity analysis	Forward foreign exchange and foreign currency option contracts
Market risk – interest rate	Borrowings at variable rates	Sensitivity analysis	Maintaining combination of fixed and variable rate loans
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification
Credit risk	Cash and cash equivalents, trade receivables and instalment sales derivative financial instruments, loans receivable at amortised cost	Aging analysis Credit rating	Diversification of bank deposits Credit score card implementation and monitoring
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Management Board was responsible for implementing the risk management strategy to ensure that an appropriate risk management framework was operating effectively across the Group. The Supervisory Board and the Audit and Risk Committee were provided with a consolidated view of the risk profile of the Group, and any major exposures and relevant mitigating actions identified.

The system of risk management was designed so that the different business units are able to tailor and adapt their risk management processes to suit their specific circumstances.

ACCOUNTING POLICY

Hedge accounting

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges in foreign exchange risk on firm commitments are accounted for as cash flow hedges. These derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

When forward contracts are used to hedge forecast transactions, the Group allows an election for each designation to either designate the change in the fair value of the forward contract related to the spot component as the hedging instruments or alternatively to designate the change in the fair value of the forward contract as the hedging instrument. In accordance with the provisions of IFRS 9, the application of hedge accounting requires management to adjust the cost of inventory to incorporate the impact of forward exchange hedging contracts. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item is recognised within operating expenses.

Amounts accumulated in equity are reclassified to profit and loss in the periods when the hedged item is recognised in profit or loss, and it is included in the same line of the income statement as the recognised hedged item.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.1 Derivatives

The Group used forward exchange contracts to hedge its foreign currency risk against the functional currency of its various global operations. Most of the forward exchange contracts had maturities of less than one year after the Reporting Date. The Group did not enter into derivative contracts for speculative purposes. The fair values of such contracts as at the reporting dates were:

	30 September 2022 €m	30 September 2021 €m
Non-current assets		
Trade and other receivables		
Foreign exchange forward contracts	5	–
Total non-current derivative financial instrument assets	5	–
Current assets		
Trade and other receivables		
Foreign exchange forward contracts	207	80
Total current derivative financial instrument assets	207	80
Non-current liabilities		
Trade and other payables		
Foreign exchange forward contracts	8	–
Total non-current derivative financial instrument liabilities	8	–
Current liabilities		
Trade and other payables		
Foreign exchange forward contracts	39	39
Total current derivative financial instrument liabilities	39	39

For information about the methods and assumptions used in determining the fair value of derivatives please refer to note 20.

The fair value calculation of the financial assets and liabilities was performed at the Reporting Date. The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment-grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs, including the credit quality of counterparties, foreign exchange spot and forward rates and forward rate curves of the underlying index. At year-end, the marked-to-market value of derivative asset positions is net of a debit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value. Between the Reporting Date and the date of this report, the fair values reported may have fluctuated with changing market conditions and therefore the fair values are not necessarily indicative of the amounts the Group could realise in the normal course of business after the Reporting Date. These contracts are to hedge the foreign currency exposure of the anticipated purchase of goods. Derivatives are expected to mature within 12 months.

Currency options are only purchased as a cost-effective alternative to forward currency contracts.

It is the policy of the Group to enter into forward exchange contracts to cover specific foreign currency payments based on a predefined profile that takes into account the future expected date of payment. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. The risk is measured through a forecast of highly probable US dollar and Chinese yuan expenditures. The risk is hedged with the objective of minimising the volatility of the South African rand cost of highly probable forecast inventory purchases.

The Group uses forward exchange contracts to hedge its foreign currency risk against the functional currency of its various global operations. Most of the forward exchange contracts have maturities of less than one year after Reporting Date. The Group's risk management policy is to hedge between 60% and 80% of forecast US dollar and Chinese yuan cash flows for inventory purchases up to 12 months in advance, subject to a review of the cost of implementing each hedge. As a matter of policy, the Group does not enter into derivative contracts for speculative purposes.

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the entity or the derivative counterparty. There was no significant ineffectiveness during 2022 or 2021 in relation to the forward exchange contracts.

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward exchange contracts.

The fair value of the forward exchange contracts has been classified as Level 2.

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.1 Derivatives (continued)

Cash flow hedges

The Group classifies certain of its foreign exchange contracts that hedge forecast transactions as cash flow hedges. The fair value of such contracts recognised as derivative assets and liabilities and adjusted against the hedging reserve at year-end was:

	30 September 2022 €m	30 September 2021 €m
The gains/(losses) on financial instruments recognised within other comprehensive income comprises:		
Forward exchange contracts	**146**	26
Transferred to inventory	**(25)**	15
Fair value adjustment on cash flow hedges	**121**	41

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

21.2 Market Risk

21.2.1 Foreign currency risk

The Group's manufacturing and sourcing operating costs and expenses are principally incurred in Chinese yuan, Hungarian forint, Polish zloty, South African rand, UK pound and US dollar. Its revenue is principally in Australian dollar, euro, Polish zloty, South African rand, UK pound and Brazilian real. The Group's business model is based on the strategy of locating production in, and sourcing materials from, emerging low-cost economies and supplying finished products into developed economies.

It is Group policy to hedge exposure to cash and future contracted transactions in foreign currencies for a range of forward periods, but not to hedge exposure for the translation of reported profits or reported assets and liabilities.

ACCOUNTING POLICY

Exposure to currency risk

Currency risk (or foreign exchange risk), as defined by IFRS 7, arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of IFRS 7, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.2 Market Risk (continued)

21.2.1 Foreign currency risk (continued)

Differences resulting from the translation of subsidiary financial statements into the Group's presentation currency are not taken into consideration.

The carrying amounts of the Group's material foreign currency denominated monetary assets and liabilities (excluding intragroup loan balances) that will have an impact on profit or loss when exchange rates change, as at the Reporting Date, are as follows:

	Euro €m	US dollar €m
30 September 2022		
Trade and other receivables (financial assets excluding financial derivatives)	**3**	**5**
Cash and cash equivalents	**70**	**23**
Current borrowings	**(69)**	**(22)**
Trade and other payables (financial liabilities excluding financial derivatives)	**(20)**	**(26)**
Non-current borrowings[1]	**(546)**	**–**
Pre-derivative position	**(562)**	**(20)**
Derivative effect	**(7)**	**149**
Open position	**(569)**	**129**
30 September 2021		
Trade and other receivables (financial assets excluding financial derivatives)	2	1
Cash and cash equivalents	49	532
Current borrowings	(66)	–
Trade and other payables (financial liabilities excluding financial derivatives)	(18)	(11)
Non-current borrowings[1]	(545)	–
Pre-derivative position	(578)	522
Derivative effect	(19)	28
Open position	(597)	550

[1] *The euro denominated non-current borrowings relate to the Pepco Group term facilities, refer to note 17.5. Pepco Group's functional currency is Poland zloty.*

The following significant exchange rates were applied during the Reporting Period and were used in calculating sensitivities:

	Forecast rate[1] 30 September 2023	Forecast rate[1] 30 September 2022	Reporting date spot rate 30 September 2022	Reporting date spot rate 30 September 2021
Euro				
US dollar	**1.1400**	1.2000	**0.9748**	1.1579
Poland zloty	**4.3500**	4.5000	**4.8483**	4.6197

[1] *The forecast rates represent a weighting of foreign currency rates forecasted by the major banks that the Group transacts with regularly. These rates are not necessarily management's expectations of currency movements.*

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.2 Market Risk (continued)

21.2.1 Foreign currency risk (continued)

Sensitivity analysis

The table below indicates the Group's sensitivity at the reporting date to the movements in the major currencies that the Group is exposed to on its financial instruments. The percentages given below represent a weighting of foreign currency rates forecasted by the major banks that the Group transacts with regularly. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis was performed on the same basis for 2021.

The impact on the reported numbers, using the forecast rates as opposed to the Reporting Date spot rates, is set out below.

	30 September 2022 €m	30 September 2021 €m
Through profit/(loss)		
US dollar weakening by 16.9% (2021: weakening by 3.6%) to the euro	**(68)**	(20)

If the foreign currencies were to weaken/strengthen against the euro, by the same percentages as set out in the table above, it would have an equal, but opposite, effect on profit or loss.

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

	Average translation rate			Closing translation rate		
	FY22	FY21	% change	30 September 2022	30 September 2021	% change
EUR:ZAR	**17.1211**	17.7294	(3.4)	**17.5353**	17.5629	(0.2)
EUR:PLN	**4.6582**	4.5366	2.7	**4.8483**	4.6197	4.9
EUR:GBP	**0.8473**	0.8737	(3.0)	**0.8830**	0.8605	2.6
EUR:AUD	**1.5207**	1.5909	(4.4)	**1.5076**	1.6095	(6.3)
EUR:USD	**1.0840**	1.1954	(9.3)	**0.9748**	1.1579	(15.8)
EUR:BRL	**5.3229**	6.3921	(16.7)	**5.2584**	6.2631	(16.0)
EUR:CHF	**1.0225**	1.0873	(6.0)	**0.9561**	1.0830	(11.7)

21.2.2 Cash flow and fair value interest rate risk

Given the Group's global footprint and its strategy of low-cost manufacturing and sourcing in emerging markets and sales in developed countries, the Group follows a policy of maintaining a balance between fixed and variable rate loans to reflect, as accurately as possible, different interest rate environments, the stability of the relevant currencies, the effect which the relevant interest rates have on Group operations and consumer spending within these environments. These variables are taken into account in structuring the Group's borrowings to achieve a reasonable, competitive, market-related cost of funding.

As part of the process of managing the Group's borrowings mix, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Interest rate exposure is managed within limits agreed by the Management Board.

The interest and related terms of the Group's borrowings are disclosed in note 17. As the majority of the Group's borrowings are at a fixed interest rate the cash flow risk is limited. The Group's borrowings are carried at amortised cost and therefore there is no fair value risk.

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.2 Market Risk (continued)

21.2.2 Cash flow and fair value interest rate risk (continued)

As at the Reporting Date the interest rate profile of the Group's financial instruments were:

	Subject to interest rate movement						
	Variable EURIBOR €m	Variable JIBAR and SA prime €m	Variable LIBOR €m	Variable other €m	Fixed rate €m	Non-interest-bearing €m	Total €m
30 September 2022							
Non-current financial assets	–	–	–	1	–	77	78
Current financial assets	18	439	1	101	331	839	1 729
Non-current financial liabilities	(538)	(566)	–	(13)	(20)	(8)	(1 145)
Current financial liabilities	(77)	(227)	(40)	(225)	(10 057)	(1 316)	(11 942)
	(597)	(354)	(39)	(136)	(9 746)	(408)	(11 280)
30 September 2021							
Non-current financial assets	–	301	–	–	71	10	382
Current financial assets	40	1 702	82	161	782	890	3 657
Non-current financial liabilities	–	(610)	–	–	(10 258)	(1)	(10 869)
Current financial liabilities	–	(507)	–	(23)	(69)	(1 220)	(1 819)
	40	886	82	138	(9 474)	(321)	(8 649)

	From continuing operations	
	Interest income €m	Interest expense €m
30 September 2022		
Financial assets at amortised cost	49	–
Financial liabilities not at fair value through profit or loss	–	1 198
	49	1 198
30 September 2021		
Financial assets at amortised cost	56	–
Financial liabilities not at fair value through profit or loss	–	1 190
	56	1 190

Amounts recognised in profit or loss and other comprehensive income

No material gains/(losses) were recognised in profit or loss and other comprehensive income in relation to interest rate swaps.

Sensitivity analysis

The Group is sensitive to movements in the EURIBOR, JIBAR, SA prime rate and LIBOR, which are the primary interest rates to which the Group is exposed.

The sensitivities calculated below are based on an increase of 100 basis points for each interest category.

	30 September 2022 €m	30 September 2021 €m
Through profit/(loss)		
EURIBOR – 100 basis point increase	(6)	–
JIBAR and SA prime rate – 100 basis point increase	(4)	9
LIBOR – 100 basis point increase	–	1

A 100 basis point decrease in the above rates would have had an equal, but opposite, effect on profit or loss.

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.3 Credit risk

The Group's concentration of credit risk is assessed as low as its underlying investments are predominantly cash retailers. Potential concentration of credit risk consists principally of short-term cash and cash equivalent investments, trade and other receivables, instalment sale receivables, credit sales through store cards, loans to customers as well as related-party receivables and financial guarantees. The Group deposits short-term cash surpluses with major banks of quality credit standing. Instalment sale receivables, credit sales through store cards and loans to customers comprise a large and widespread customer base and Group companies perform ongoing credit evaluations on the financial condition of their customers. As at the Reporting Date, €98 million (2021: €19 million) of receivables were insured. At 30 September 2022, the Group did not consider there to be any significant concentration of credit risk that had not been adequately provided for. The amounts presented in the Statement of Financial Position are net of provisions for ECL, estimated by the Group companies' management based on past events, current conditions and supportable forecasts and economic conditions.

The carrying amounts of financial assets represent the maximum credit exposure.

The maximum exposure to credit risk at the Reporting Date without taking account of the value of any collateral obtained was:

	Notes	30 September 2022 €m	30 September 2021 €m
Non-current financial assets			
Trade and other receivables[1]	13.1	**9**	9
Other financial assets	12	**69**	373
Current financial assets			
Trade and other receivables[1]	13.1	**586**	504
Other financial assets	12	**6**	2
Cash and cash equivalents	16	**1 137**	3 151
		1 807	4 039
Instalment sale and loan receivables[1]	13.1	**363**	288

[1] *Included in the trade and other receivables balance are instalment sale and loan receivables. These have been analysed separately, due to the different credit risk relating to these books.*

21.3.1 Credit risk modelling applied to financial assets at amortised cost

The Group's financial assets measured at amortised cost are subject to impairment under the ECL model. The inputs, assumptions and estimation techniques used in measuring ECL are explained below.

Measurement of ECL in terms of the general model for impairment

ECLs are measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECLs are the discounted value of the Probability of Default ("PD") and Exposure at Default ("EAD"), of which PD represents the likelihood of a counterparty defaulting on its financial obligation, either over 12 months ("12-month PD") or over the remaining lifetime ("lifetime PD") of the obligation. EAD is based on the amounts the Group expects to be owed at the time of default over the next 12 months ("12-month EAD") or over the remaining lifetime ("lifetime EAD"). The Group calculates Loss Given Default ("LGD") as discounted EAD.

These three components are multiplied together, which effectively calculates the ECL. The ECL is then discounted back to the reporting date, using the original effective interest rate, and aggregated. ECL is a probability weighted outcome.

The 12-month and lifetime EADs are determined based on the probability of default, which varies by type of financial asset.

The Group considers the probability of default on initial recognition of its financial asset measured at amortised cost and whether there has been a Significant Increase in Risk ("SICR") on an ongoing basis throughout each reporting period. To assess whether there is a SICR, the Group compares the risk of a default occurring on these asset as at the reporting date with the risk of default as at the date of initial recognition. The criteria used to identify an SICR are monitored and reviewed periodically for appropriateness by the credit risk team (refer to critical judgements and estimates for the Group's significant judgement exercised in assessing the SICR). Receivables with a significant financing component are grouped into stage 1, 2 and 3 as described below:

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.3 Credit risk (continued)

21.3.1 Credit risk modelling applied to financial assets at amortised cost (continued)

Measurement of ECL in terms of the general model for impairment (continued)

Stage 1: On recognition of financial assets, the Group recognises a loss allowance based on 12-month ECLs. For disclosure purposes the stage 1 ECLs are split between performing and in arrears, where performing represents up to date debt outstanding and its corresponding ECL provision and in arrears represents debt outstanding where debt is outstanding for more than 30 days and its corresponding ECL provision.

Stage 2: When there is an indication that the financial assets have an SICR since origination, the Group records a loss allowance for the lifetime ECLs.

Stage 3: Financial assets are considered to be credit-impaired. Financial assets are considered to be credit-impaired when one of more events that have an unfavourable impact on its estimated future cash flows have occurred. The Group records a loss allowance for the lifetime ECLs.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Impairment of financial assets judgements

Significant increases in credit risk

In terms of IFRS 9: Financial Instruments, all loans and other receivables are assessed at each reporting date to determine whether there has been a SICR. In cases where SICR has occurred, an impairment equal to the lifetime ECL is recognised. If, at reporting date, the credit risk has not significantly increased, the Group recognises a 12-month ECL. The Group identifies SICR on clients that are up to date on their loans and other receivables, but who have been subject to SICR events of which the most significant are detailed below:

Event trigger	Loans to customers	Instalment sale agreements	Credit sales through store cards
Change in customer behaviour	Triggers includes a customer entering into debt review or rescheduling an existing loan or a customer that is in arrears as defined below.	Application and behavioural scorecards are segmented into ratings. For each application rating, an appropriate notch deterioration in behavioural scorecard will result in SICR. In the event no application rating is available, the loan will be classified as SICR.	Not deemed to be SICR event
Customer defaulting on repayments	A customer's loan is in default when 90% of an instalment is not paid or the account is 30 days in arrears.	A customer is in default when their account is 30 days in arrears. All debt counselling accounts that are less than 90 days in arrears will be classified as SICR.	A customer is in default when their account is 30 days in arrears.
Loan write-off policy	Five consecutive instalments in arrears and three consecutive instalments in arrears on rescheduled accounts.	Nine consecutive instalments in arrears with no qualifying payments made in the last 90 days.	Eight instalments in arrears with no payment in the previous three months.

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.3 Credit risk (continued)

21.3.1 Credit risk modelling applied to financial assets at amortised cost (continued)

Impairment of financial assets estimates

Forward-looking information

The Group further considers available, reasonable and supportive forwarding-looking information without undue cost or effort and for which significant judgements and estimates are applied. The following forward-looking information was incorporated in the determination of ECLs:

It is one of the fundamental principles of IFRS 9 that the ECL provision that the Group holds against potential future losses takes into account changes in the economic environment in the future.

In order to quantify the effects of changes to the economic environment, the Group utilises the Bureau of Economic Research's (BER) macroeconomic outlook for the country over a planning horizon of five years. Three economic scenarios (negative, baseline and positive scenario) are taken into account when calculating future ECL. The probability of each scenario is determined by management estimation.

The relevance of the Group's loan and other receivables is proven by the following linear relationship between the change in the following basket of macroeconomic variables for the prior year:

	Loans to customers	Instalment sale agreements	Credit sales through store cards
Macroeconomic variables	Forward-looking factors surrounding high levels of unemployment, rising costs of living and higher interest rates.	Forward-looking factors surrounding private sector wages, repo rate, gross domestic expenditure lagged 4 months, household debt to disposable income, petrol price index and credit extension to households. In addition to this an overlay for the lagged effect of the increases in the interest rates, prices of energy (fuel, diesel, electricity etc.) was incorporated, inflationary increases together with the detrimental effect of loadshedding on the GDP of South Africa.	Forward-looking factors surrounding the rising cost of living for the retail credit consumer.

Management has assigned a probability of 49% (2021: 55%) to the baseline scenario, 37% (2021: 23%) to the negative scenario and 14% (2021: 22%) to the positive scenario for the 12-month forecast. The impact of incorporating forward-looking information to ECL for instalment sale agreements granted by the Group is as follows:

Probability-weighted impact of all three scenarios	Instalment sale agreements
100% negative scenario	32
% change in ECL	0.11%
100% baseline scenario	31
% change in ECL	0.00%
100% positive scenario	31
% change in ECL	(0.82%)

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.3 Credit risk (continued)

21.3.1 Credit risk modelling applied to financial assets at amortised cost (continued)

Default and credit-impaired assets

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

	Criteria used for credit-impaired accounts
Loans to customers	Debt review accounts and non-performing accounts. As a backstop for all other customers, customers with three consecutive unpaid instalments.
Instalment sale agreements	Suspected fraud on a loan and loans exceeding maturity date. As a backstop for all other customers, customers with three consecutive unpaid instalments.
Credit sales through store cards	Three consecutive unpaid instalments/90 days in arrears.

A credit-impaired account will cure when the customer does not meet the criteria for being a credit-impaired account. For a customer to cure, a significant improvement in the customer's payment behaviour is required.

	Curing occurs in the following instances
Loans to customers	Customers with rescheduled loans are deemed to be rehabilitated once they have made contractual payments for 12 months post rescheduling and are up to date with their amended contractual obligations. For all other customers to cure, the customer is required to make 12 months of clean payments.
Instalment sale agreements	Customers where the facility is 90 days in arrears will cure after the customer has settled arrears causing the 90 days arrears and have maintained less than 90 days arrears for three consecutive months.
Credit sales through store cards	Customer accounts will cure when three consecutive instalments are paid. Accounts in debt counselling will cure when the customer is deemed to no longer be under debt counselling in terms of the National Credit Act.

Measurement of ECL in terms of the provision matrix

For short-term trade receivables, e.g. trade receivables without a significant financing component, the determination of forward-looking economic scenarios may be less significant given that over the credit risk exposure period a significant change in economic conditions may be unlikely, and historical loss rates might be an appropriate basis for the estimate of expected future losses. The Group has elected to apply the provision matrix for trade receivables without a significant financing component and measures the impairment allowance at an amount equal to lifetime ECL. Lifetime ECL is assessed by applying the relevant loss rates to the trade receivable balance outstanding (i.e. a trade receivable age analysis). Due to the diversity of the Group's customer base, the Group used appropriate groupings if the historical credit loss experience showed significantly different loss patterns for different customer segments.

Write-off policy

Financial assets are written off when there is no reasonable expectation of recovery of the receivable or part thereof. The write-off periods differ for each type of financing the Group offers to their respective clients and are detailed in the critical judgements and estimates sections above. Where these financial assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Subsequent recoveries made are recognised in profit or loss.

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.3 Credit risk (continued)

21.3.1 Credit risk modelling applied to financial assets at amortised cost (continued)

ECLs for the different financial assets at amortised cost within the Group

Other financial assets

Other financial assets consist of unlisted bonds, unlisted preference shares and interest-bearing and non-interest-bearing loans receivable (refer note 12). The ECL is measured using the general model based on 12-month ECLs as there was no significant increase in credit risk from initial recognition of these other financial assets. There has been no default in payments based on historical information and no significant decrease in credit ratings since initial recognition.

The Group has assessed ECLs based on past events, current conditions and supportable forecasts, and economic conditions that affect the expected collectability of future cash flows at reporting date and has deemed the ECLs to be insignificant.

Instalment sale and loan receivables

Instalment sale and loan receivables relate mainly to the credit books in Pepkor Holdings and consists of instalment sale agreements, credit sales through store cards and loans to customers.

Instalment sale agreements

Instalment sale agreements relate to the credit purchases of goods by customers within the furniture, appliances and electronics operating segment (the majority of these borrowings are deemed to be secured by the product purchased by the customer) (refer to note 13 for more detail on the process of granting instalments to customers). The Group applies the general approach to calculating the ECL allowance for these balances as they are deemed to have a significant financing component.

Credit sales through store cards

Credit sales through store cards relate to the credit purchases of goods by customers in South Africa (with an insignificant portion in Botswana and Swaziland) and Brazil within the clothing and general merchandise operating segment (these borrowings are deemed to be unsecured) (refer to note 13 for more detail on the process of granting credit to customers). The group elected to apply the general approach to calculating the ECL allowance for these balances.

Loans to customers

Loans to customers relates to unsecured loans granted to customers in South Africa for a period of three to 24 months up to the value of ZAR50 000 per loan granted. The Group applies the general approach to calculating the ECL allowance for these balances as they are deemed to have a significant financing component.

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.3 Credit risk (continued)

21.3.1 Credit risk modelling applied to financial assets at amortised cost (continued)

The loss allowance provision for the Group as at the Reporting Date is determined as follows:

	Notes	Performing (stage 1) €m	Under-performing (stage 2) €m	Non-performing (stage 3) €m	Total €m
30 September 2022					
Expected credit loss rate		**7.10%**	**29.58%**	**73.42%**	**21.52%**
Estimated gross carrying amount of default	13.1	**324**	**71**	**79**	**474**
12-month ECL		**(23)**	**–**	**–**	**(23)**
Lifetime ECL		**–**	**(21)**	**(58)**	**(79)**
Total ECL	13.1	**(23)**	**(21)**	**(58)**	**(102)**
Net carrying amount		**301**	**50**	**21**	**372**
30 September 2021					
Expected credit loss rate		8.49%	18.33%	83.08%	22.66%
Estimated gross carrying amount of default	13.1	259	60	65	384
12-month ECL		(20)	–	–	(20)
Lifetime ECL		(2)	(11)	(54)	(67)
Total ECL	13.1	(22)	(11)	(54)	(87)
Net carrying amount		237	49	11	297

The loss allowance provision for instalment sale agreements is reconciled to the opening loss allowance as follows:

	Performing (stage 1) €m	Under-performing (stage 2) €m	Non-performing (stage 3) €m	Total €m
Balance at 1 October 2020	(17)	(18)	(59)	(94)
Allowance on credit granted during the period	(41)	(7)	(30)	(78)
Derecognition of allowance due to settlement of outstanding debt	18	15	15	48
Amounts written off	–	1	61	62
Amounts recovered	3	2	3	8
Net remeasurement of loss allowances	15	(4)	(44)	(33)
Balance at 30 September 2021	**(22)**	**(11)**	**(54)**	**(87)**
Acquisition of business	**(1)**	**(1)**	**(6)**	**(8)**
Allowance on credit granted during the period	**(41)**	**(20)**	**(14)**	**(75)**
Derecognition of allowance due to settlement of outstanding debt	**22**	**14**	**14**	**50**
Amounts written off	**–**	**1**	**78**	**79**
Amounts recovered	**3**	**2**	**2**	**7**
Net remeasurement of loss allowances	**16**	**(6)**	**(77)**	**(67)**
Exchange differences on consolidation of foreign subsidiaries	**–**	**–**	**(1)**	**(1)**
Balance at 30 September 2022	**(23)**	**(21)**	**(58)**	**(102)**

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.3 Credit risk (continued)

21.3.1 Credit risk modelling applied to financial assets at amortised cost (continued)

Trade receivables and other amounts due

The Group applies the simplified approach to calculating the ECL allowance for trade receivables that do not have a significant financing component. Balance of trade receivables with a significant financing component is immaterial. This approach permits the use of the lifetime ECL regardless of stage classification and is based on a provision matrix that incorporates historical credit losses as well as forward-looking information as detailed above.

Trade receivables are written off when the customer's outstanding balance has been outstanding for more than 120 days.

The loss allowance provision for trade receivables is reconciled to the opening loss allowance as follows:

	Note	30 September 2022 €m	30 September 2021 €m
Balance at beginning of the period (calculated under IFRS 9)		**(24)**	(24)
Provision raised		**(5)**	(4)
Amounts unused reversed		**5**	3
Amounts used during the period		**1**	5
Amounts written off		**7**	–
Net acquisition of subsidiaries and businesses		**–**	(2)
Disposal of subsidiaries		**–**	–
Exchange differences on consolidation of foreign operations		**–**	(2)
Balance at end of the period	13.1	**(16)**	(24)

Provision matrix used in the calculation of ECL allowances:

	Expected loss rate %	Gross carrying amount €m	Loss allowance provision €m
2022			
Current	**8.7%**	**115**	**(10)**
More than 30 days past due	**33.3%**	**3**	**(1)**
More than 60 days past due	**0.0%**	**1**	**–**
More than 90 days past due	**100.0%**	**5**	**(5)**
	12.90%	**124**	**(16)**
2021			
Current	15.6%	109	(17)
More than 30 days past due	20.0%	5	(1)
More than 60 days past due	0.0%	1	–
More than 90 days past due	85.7%	7	(6)
	19.67%	122	(24)

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

21.4 Liquidity risk

Liquidity risk is the risk that the Group may suffer financial loss through liquid funds not being available or that excessive finance costs must be paid to obtain funds to meet payment requirements. The ultimate responsibility for liquidity risk rests with the Management Board. The Group manages liquidity risk through forecasting and monitoring cash flow requirements on a daily basis, and by maintaining sufficient undrawn facilities.

The Group's central treasury function arranges the investment of net cash reserves on the financial markets, mainly in short-term instruments linked to variable interest rates.

Due to the successful implementation of the Global Litigation Settlement on 15 February 2022, a further payment extension on Steinhoff's corporate debt was granted to 30 June 2023, with the option to seek a further six months extension to 31 December 2023 subject to approval by a simple majority of financial creditors. The Group engaged with its largest lenders who indicated that they would not support a formal extension request and therefore, to date, this option has not been exercised.

On 15 December 2022 and 16 December 2022, Steinhoff announced that it has entered into a framework support agreement ("Support Agreement") with its largest financial creditors representing approximately 64% of the total Group Services' Debt. The Board considers that the Support Agreement provides a stable platform for Steinhoff to achieve the consents necessary to extend the maturity of the Group Services' Debt from the current maturity date of 30 June 2023 to at least 30 June 2026, together with various related re-organisation steps and transactions. Refer to note 17.4 for an overview of the key terms.

21.5 Capital risk management

Capital within the Group is managed at each Opco's board level to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The capital structure of the Group consists of debt, which includes the borrowings (note 17), cash and cash equivalents (note 16), and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses.

The Group's objectives when managing capital are to provide an adequate return to shareholders, to appropriately gear the business, to safeguard the ability of the Opcos to continue as a going concern and to take advantage of opportunities that are expected to provide an adequate return to stakeholders.

In order to optimise the capital structure, the Group may adjust cost of capital, dividends paid to shareholders or sell assets to reduce debt.

Distribution to shareholders

	30 September 2022 Euro Cents	30 September 2021 Euro Cents
Cash dividend to ordinary shareholders		
No dividends were declared for the period ended 30 September 2022 (2021: Nil).	**–**	–
Distribution to SIHL preference shareholders		
A preference dividend of 293.55 South African rand cents per share (2021: 292.43 South African rand cents per share) in respect of the period 1 July 2021 to 31 December 2021 (2021: 1 July 2020 to 31 December 2020) was paid on 25 April 2022 (2021: 26 April 2021) to those preference shareholders recorded in the books of the company at the close of business on 22 April 2021 (2021: 23 April 2021).	**17.1**	16.5
A preference dividend of 315.59 South African rand cents per share (2021: 286.38 South African rand cents per share) in respect of the period 1 January 2022 to 30 June 2022 (2021: 1 January 2021 to 30 June 2021) was paid on 24 October 2022 (2021: 25 October 2021) to those preference shareholders recorded in the books of the company at the close of business on 21 October 2022 (2021: 22 October 2021).	**18.4**	16.2

A solvency and liquidity test was performed by the board of directors of SIHL prior to the declaration of all distributions based on information known and available at that time.

22. EMPLOYEE BENEFITS

	Notes	30 September 2022			30 September 2021		
		Current €m	Non-current €m	Total €m	Current €m	Non-current €m	Total €m
Leave obligations	22.1	**37**	**–**	**37**	36	–	36
Post-retirement medical benefits		**2**	**3**	**5**	2	3	5
Performance-based bonus accrual	22.3	**50**	**34**	**84**	54	53	107
Other[1]		**16**	**4**	**20**	13	4	17
Defined pension benefits	22.2						
Homestyle Pension Fund	34.1	**–**	**3**	**3**	–	3	3
Other [2]		**–**	**–**	**–**	1	–	1
Total liability		**105**	**44**	**149**	106	63	169

[1] *Included in other are provisions relating to 13th cheque or holiday pay and severance pay.*
[2] *Other defined pension benefits comprises immaterial pension funds within the Group.*

22.1 Leave obligations

The leave obligations cover the Group's liability for annual leave.

The leave obligations relate to vesting leave pay to which employees may become entitled on leaving the employment of the Group. The accrual arises as employees render a service that increases their entitlement to future compensated leave and is calculated based on an employee's total cost of employment. The accrual is utilised when employees become entitled to and are paid for the accumulated leave or utilise compensated leave due to them. The majority of the provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

22.2 Pension plans

Defined pension benefits

Various defined benefit plans are in operation throughout the Group with the Homestyle Pension Fund comprising the most material plan assets and liabilities. The plan assets of the various defined benefit plans throughout the Group are held in administered trust funds separate from the Group's assets. Certain funds have surpluses, which have not been recognised as the employer is not entitled to any of the surpluses or unutilised reserves.

Homestyle Pension Fund

Under the scheme, the employees are entitled to retirement benefits based on final salary on attainment of retirement age (or earlier withdrawal or death) and the number of years worked for Homestyle. No other post-retirement benefits are provided.

The present value of funded obligations at the Reporting Date amounted to €59 million (2021: €87 million) and the fair value of the plan asset amounted to €57 million (2021: €85 million).

The fund was valued on 30 September 2022, which is in line with Group policies. The scheme was closed to new entrants.

Refer to note 34 for more detail regarding the present value of the pension fund.

Defined contribution plans

The Group also operates a number of defined contribution plans which receive fixed contributions from Group companies. The Group's legal or constructive obligation for these plans is limited to the contributions. The expense recognised in the Reporting Period in relation to these contributions was €17 million (2021: €29 million).

22. EMPLOYEE BENEFITS (CONTINUED)

22.3 Performance-based bonus accrual

The performance-based bonus payable is calculated by applying a specific formula based on the employee's achievement of performance targets. The Group has a constructive obligation to pay the performance bonus once the performance bonuses have been approved by management. As the approval by management takes place after each reporting period, an amount is accrued based on a probability of the employee having achieved their performance targets and the amount is estimated based on the relative bonus structures in place. The payment of such performance bonus is conditional upon the continuing employment of the employee. Any amounts not approved by management or upon termination of employment are reversed in the subsequent periods.

	30 September 2022 €m	30 September 2021 €m
Balance at the beginning of the period	**107**	89
Accrual raised	**54**	84
Amounts unused reversed	**(20)**	(1)
Amounts utilised	**(56)**	(29)
Exchange differences on consolidation of foreign operations	**(1)**	3
Reclassification to assets held-for-sale	**–**	(1)
Provisions released on restructuring	**–**	(38)
Balance at the end of the period	**84**	107

23. PROVISIONS

ACCOUNTING POLICY

Provisions

Provisions (except for contingent liabilities recognised in terms of IFRS 3 – Business Combinations) are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there is a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

23. PROVISIONS (CONTINUED)

	Notes	30 September 2022 Current €m	30 September 2022 Non-current €m	30 September 2022 Total €m	30 September 2021 Current €m	30 September 2021 Non-current €m	30 September 2021 Total €m
Dilapidation provision	23.1	**12**	**9**	**21**	4	28	32
Contingent liability raised on business combinations	23.2	**–**	**11**	**11**	–	–	–
Warranty provisions	23.3	**4**	**2**	**6**	4	4	8
Provision for ACG lawyer fees and SRF cost contribution	23.4	**8**	**–**	**8**	45	–	45
Provision – Global Litigation Settlement	23.5	**–**	**43**	**43**	1 573	–	1 573
Legal provision – Seifert claim	23.6	**203**	**–**	**203**	101	–	101
Other		**7**	**10**	**17**	7	12	19
Total Provisions		**234**	**75**	**309**	1 734	44	1 778

Other provisions include all amounts where there is a present obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Movement in provisions

	Note	Dilapidation provision €m	Contingent liability raised on business combinations €m	Warranty provisions €m	Legal provision €m	Provision – Global Litigation Settlement €m	Provision for ACG lawyer fees and SRF cost contribution €m	Other €m	Total €m
Balance at 1 October 2020		17	–	12	101	943	–	33	1 106
Provision raised		9	–	3	–	574	47	5	638
Amounts unused reversed		(2)	–	(1)	–	–	–	(4)	(7)
Amounts utilised		(2)	–	(3)	–	–	(2)	(4)	(11)
Reclassifications between provisions		9	–	(1)	–	–	–	(8)	–
Exchange differences on consolidation of foreign operations		1	–	(2)	–	56	–	(3)	52
Balance at 30 September 2021		**32**	**–**	**8**	**101**	**1 573**	**45**	**19**	**1 778**
Provision raised		**4**	**–**	**1**	**102**	**15**	**–**	**–**	**122**
Amounts unused reversed		**(1)**	**–**	**(1)**	**–**	**–**	**–**	**(7)**	**(9)**
Amounts utilised		**(13)**	**–**	**(2)**	**–**	**(1 567)**	**(37)**	**–**	**(1 619)**
Acquisition of subsidiaries	26	**–**	**10**	**–**	**–**	**–**	**–**	**1**	**11**
Derecognition of subsidiaries[1]		**–**	**–**	**(1)**	**–**	**–**	**–**	**–**	**(1)**
Exchange differences on consolidation of foreign operations		**(1)**	**1**	**1**	**–**	**22**	**–**	**4**	**27**
Balance at 30 September 2022		**21**	**11**	**6**	**203**	**43**	**8**	**17**	**309**

[1] *This relates to the Greenlit Brands – OMF business, which was sold in-between held-for-sale assessment dates and was therefore not classified as held-for-sale before the sale was completed.*

23. PROVISIONS (CONTINUED)

23.1 Dilapidation provision

This includes provision for dilapidation of buildings occupied by the Group. Both the timing and the amount of the provision is uncertain. Key uncertainties include estimated dilapidation costs to cover repairs and restorations at the end of the lease term. The amount of the provision raised is estimated based on the most likely amount/the expected value for each item and is expected to be settled within one to three years.

23.2 Contingent liability raised on business combinations

IFRS 3 requires certain contingent liabilities of the acquiree to be recognised and measured in a business combination at acquisition date fair value. Therefore, contrary to IAS 37: Provision, Contingent Liabilities and Contingent Assets, the acquirer recognises a contingent liability assumed in a business combination at the acquisition date even if it is not probable that an outflow of economic benefits will be required to settle the obligation. This provision includes amounts for employee disputes and indirect tax credits. Both the timing and the amount of the provision is uncertain. Key uncertainties in the contingent liabilities raised on a business combination includes the estimation of the amount relating to uncertain indirect tax credits and employee disputes. The amount of the provision raised is estimated based on the most likely amount/the expected value for each item and is expected to be settled within 1-7 years.

23.3 Warranty provisions

The warranty provisions represent management's best estimate, based on past experience, of the Group's liability under warranties granted on products sold. These claims are expected to be settled within the next 12 months.

23.4 Provision for ACG lawyer fees and SRF cost contribution

ACG lawyer fees

In order to improve recoveries to MPCs, the Group made available an amount of up to €30 million to pay in respect of certain fees, costs and work undertaken by the ACGs. €22.5 million was paid on the occurrence of SED, with the remainder being payable on final distribution made by the SRF.

SRF cost contribution

A provision of €16.5 million was provided for during the 2021 Reporting Period as the Steinhoff Group's contribution to cover the costs of the SRF (also refer to Basis of Preparation). This value excludes any additional cost contributions to be made by other parties (i.e. Deloitte firms and D&O insurers) as disclosed in the Composition Plan. Any costs incurred by the SRF in excess of the cost contributions, will be deducted from the settlement fund, and any surplus cost contribution amount will revert to the parties that have paid such amounts to SRF, pro rata to the cost contribution of each such party. During the 2021 Reporting Period, the Group contributed c. €2 million towards costs incurred by the SRF, which amount was deducted from the cost contribution, as provided. On SED the full outstanding amount provided for was paid to the SRF.

23.5 Provision – Global Litigation Settlement

SED for the purpose of the Global Litigation Settlement was 15 February 2022. The following steps have been taken pursuant to the Global Litigation Settlement:

- Payment of the settlement funds required under the Composition Plan and the S155 Scheme to the SRF, which is independent of the Group and holds the settlement funds for the benefit of valid MPCs and the Steinhoff 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 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;
- Payments of cash and transfers of Pepkor Holdings shares to the SIHPL Contractual Claimants that were required to be paid or transferred on or around SED;
- Due to the successful implementation of the Global Litigation Settlement on 15 February 2022, a further payment extension on Steinhoff'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 approval by a simple majority of financial creditors. The Group engaged with its largest lenders who indicated that they would not support a formal extension request and therefore, to date, this option has not been exercised
- SIHPL acquired a receivable owing by Titan to Newco 2A for €220 million on loan account. The Newco 2A loan payable is interest free, repayable on 15 August 2027 and has first ranking security over SIHPL's assets;
- In consideration for Steinhoff undertaking the MPCs settlement on behalf of SIHPL, SIHPL shall be liable to Steinhoff for the amounts paid by Steinhoff pursuant to the MPCs settlement. A loan to the amount of €164 million is therefore payable to Steinhoff by SIHPL ("Steinhoff Loan Note"). The Steinhoff Loan Note is interest free, repayable on 15 August 2027 and has second ranking security over SIHPL's assets;

23. PROVISIONS (CONTINUED)

23.5 Provision – Global Litigation Settlement (continued)

- The financial creditors have agreed to enter into 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 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; and
- 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 ZAR400 million (€23.6 million) to resolve the ongoing matter with the PIC and Lancaster parties. Payment to the PIC was executed during May 2022 and all litigation proceedings have been withdrawn.

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

As a result of the occurrence of SED, the pending legal proceedings against Steinhoff that have been compromised under the Global Litigation Settlement have now been withdrawn and discontinued. The South African liquidation petition against Steinhoff brought by certain former owners of the Tekkie Town business has been withdrawn on SED.

The movement in the Global Litigation Settlement provision is set out below:

	30 September 2022 €m	30 September 2021 €m
Market Purchase Claimants – SIHPL	–	183
Market Purchase Claimants – Steinhoff	–	436
Contractual Claimants – SIHPL	**43**	659
Contractual Claimants – Steinhoff	–	169
Other (Non-qualifying claimants i.e. SIHPL NQCs and Tekkie Town)	–	126
Total Global Litigation Settlement provision	**43**	1 573

23. PROVISIONS (CONTINUED)

23.5 Provision – Global Litigation Settlement (continued)

	Note	30 September 2022 €m	30 September 2021 €m
Balance at 30 September 2021		**1 573**	943
Market Purchase Claimants – SIHPL		**183**	–
Market Purchase Claimants – Steinhoff		**436**	266
Contractual Claimants – SIHPL		**659**	543
Contractual Claimants – Steinhoff		**169**	104
Other (Non-qualifying claimants i.e. SIHPL NQCs and Tekkie Town)		**126**	30
Global Litigation Settlement adjusted for:		**15**	574
Additional provisions raised for Global Litigation Settlement		**(5)**	574
Changes in provision as a result of exchange rate and Pepkor Holdings share price adjustments		**26**	–
D&O Insurers and Deloitte Firms contribution to Tekkie Town settlement		**(6)**	–
Global Litigation Settlements:		**(1 567)**	–
Cash settlements		**(1 137)**	–
Call option granted (Trevo and others)[1]		**(29)**	–
Pepkor Holdings share settlements		**(401)**	–
		22	56
Foreign exchange gains or losses on the Global Litigation Settlement provision through OCI		**22**	56
Balance at 30 September 2022		**43**	1 573
Market Purchase Claimants – SIHPL		**–**	183
Market Purchase Claimants – Steinhoff		**–**	436
Contractual Claimants – SIHPL	a	**43**	659
Contractual Claimants – Steinhoff		**–**	169
Other (Non-qualifying claimants i.e. SIHPL NQCs and Tekkie Town)		**–**	126

[1] *As part of the Global Litigation Settlement, Trevo and others were granted call options by Ainsley Holdings over 125 million Pepkor Holdings shares which can be exercised 3 years from inception of the options on SED at a strike price of ZAR24.9215 per share. 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 ZAR500 million (€29 million), which was provided for by SIHPL (R270 million (€16 million)) and Steinhoff (R230 million (€13 million)) in the 2021 Reporting Period. The option premium was considered to be equal to the settlement value of the claims and was advanced on loan account to SIHPL and Steinhoff – these loans were settled prior to the Reporting Date. The call options were valued by an independent valuator using the Black-Scholes model, the three key variables were volatility, dividend yield and interest rates.*

a. 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 would 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 SED occur by 30 September 2021), an amendment to the Margin Lender Settlement Agreement was agreed. In terms of the amendment agreement and announcement published by Steinhoff on 14 October 2021, the amount of the second tranche increased to €43.4 million and is only payable on the receipt of proceeds from the repayment of the Ibex Retail Investments (Europe) Limited loan, which is depending on proceeds from the disposal of or dividends received from the Pepco Group. The €12.9 million increase will be carried by Steinhoff Africa and not SIHPL.

The first tranche of €30.5 million was paid within the prescribed 30 days since SED. The second tranche will only be payable on the receipt of proceeds from the disposal of or the receipt of dividends from the Pepco Group. As at 30 September 2022, management had no plans to dispose of any shares in the Pepco Group and therefore the liability was classified as non-current.

23. PROVISIONS (CONTINUED)

23.6 Provision – Litigation Seifert claim

	30 September 2022 €m	30 September 2021 €m
Opening balance	**101**	101
Additional provisions raised for Seifert litigation	**102**	–
Closing balance	**203**	101

HLSW GmbH ("HLSW") an entity owned and/or controlled by Seifert, filed a complaint in March 2015 in terms of which HLSW requested the transfer of a 50% shareholding in AIH Investment Holding GmbH ("AIH") to it. On 1 April 2021, HLSW withdrew this claim with prejudice. Steinhoff was awarded procedural costs of €33 065, which HLSW paid to it in July 2021.

LSW GmbH ("LSW"), owned and/or controlled by Seifert, filed a further complaint against AIH and SEAG in October 2015 with LSW requesting the repayment of an alleged loan granted to SEAG and AIH in the amount of €299.9 million and interest in the amount of approximately €29.4 million ("the Loan Proceedings"). SEAG and AIH have filed an answer to the complaint and contested the relief requested by LSW in its entirety. In addition, LSW requested solely from SEAG financing costs and default interest in the amount of €58.93 million as of October 2015 as well as default interest on the amount of €388.3 million at a rate of 5.14% per annum above the 6-months-EURIBOR since 12 October 2015. Thus LSW initially demanded approximately €388.3 million plus default interest since October 2015 and the costs of the proceedings from SEAG and approximately €329.33 million plus costs of the proceedings from SEAG and AIH.

On 21 December 2016, SEAG paid LSW an amount of €146.7 million. LSW reduced its claim on 17 February 2017 to approximately €265.4 million (plus interest at a rate of 5.14% per annum above the 6-months-EURIBOR from 22 December 2016) vis-à-vis SEAG and approximately €249.2 million vis-à-vis AIH, plus costs of the proceedings from both parties. On 20 July 2018 (rejected on formal grounds) and again on 20 September 2018, LSW filed for a preliminary injunction against SEAG and AIH in order to secure its claim arising from the Loan Proceedings. The competent judge of the Loan Proceedings rejected LSW's 20 September 2018 application for a preliminary injunction on all alleged grounds with his decision dated 1 October 2018. LSW did not file an appeal against the court order of 1 October 2018.

During the Reporting Period, the parties continued with negotiations wherein a settlement amount of €202.5 million was discussed. Considering these negotiations management decided to increase the settlement provision relating to Seifert by €102 million.

24. COMMITMENTS AND CONTINGENCIES

	30 September 2022 €m	30 September 2021 €m
24.1 Capital expenditure		
Significant capital expenditure contracted for at the end of the Reporting Period but not recognised as liabilities is as follows:		
Contracts for capital expenditure authorised	**77**	106
Capital expenditure authorised but not contracted for	**23**	44

Capital expenditure will be financed from cash and existing loan facilities.

24.2 Contingent assets

Loss adjustors were appointed for the quantification of the material losses and business interruption loss relating to the KwaZulu-Natal floods in April 2022. Initial estimates have been submitted to the insurers. Indicative values show that the estimates are within policy limits.

As at the Reporting Date, the Pepkor Holdings Group submitted gross claims for material damage loss and business interruption to the value of c. ZAR800 million (€46 million) (of which ZAR396 million (€23 million) was recognised at the Reporting Date).

24. COMMITMENTS AND CONTINGENCIES (CONTINUED)

24.3 Contingent liabilities

SIHPL Non-Qualifying Claims – Contingent Liabilities

- **Mantessa Equities Proprietary Limited "Mantessa" vs SIHPL**
  In November 2020 Mantessa Equities Proprietary Limited instituted a claim for damages arising from a transaction in terms of which Mantessa Equities Proprietary Limited acquired Steinhoff shares from a third party entity, which shares were originally received from BVI. The claim was based on damages arising from alleged misrepresentations in SIHPL's financial statements. On or about 7 December 2022, the SRF accepted a claim filed by Hamilton on behalf of Mantessa leading Mantessa to formally withdraw its claim against SIHPL.

- **Competition Commission vs SIHPL and Other**
  This matter involves two referrals issued by the Competition Commission during the 2019 Reporting Period:

  Under the first referral, the Commission has charged a previous subsidiary of SIHPL, namely KAP Diversified Industrial Proprietary Limited ("KAP") of having colluded during the period 2009 to 2014 with its sole local competitor, namely Sonae Arauco South Africa Proprietary Limited ("Sonae") in that they allegedly fixed prices of certain timber products which they both manufactured and sold to merchants.

  In the second (related) referral, the Commission has charged SIHPL itself with having committed the same offence during that period. The Commission contends that the actual perpetration of the transgressions occurred between representatives of the sale staff of a subsidiary of KAP and their colleagues employed by Sonae. It is not alleged that any SIHPL employee participated in the alleged price fixing or that SIHPL knew or ought to have known that the transgressions were being perpetrated.

  The Commission seeks a conviction against SIHPL exclusively on a contention that by virtue of its shareholding in the KAP Group it controlled the business and affairs of KAP and its subsidiaries.

  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 was recently granted leave to appeal to the Supreme Court of Appeal. This matter is listed as a non-qualifying claim in SIHPL's court-sanctioned S155 Compromise with its creditors. SIHPL has not reserved for the claim, on the basis of the Commission's limited prospects of success.

Other Group litigation – Contingent Liabilities

- **Geros Financial Services Proprietary Limited v Steinhoff at Work**
  On 2 November 2021, Geros Financial Services Proprietary Limited ("Geros") served a simple summons against Steinhoff at Work claiming an aggregate of c. ZAR64 million (€3.7 million) which was allegedly loaned by Geros to Steinhoff at Work and which, according to Geros, 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).

  Proceedings are ongoing and management's view is that the claim holds no merit.

- **Access to a copy of the overview of the forensic investigation published in March 2019 ("PwC Report")**
  Application brought by Tiso Blackstar and others (owners of prominent South African media outlets) vs Steinhoff on 23 October 2019 on a public interest basis (as well as separate applications by Markus Jooste) for access to a copy of the PwC Report. On 10 May 2022, the High Court ruled that Steinhoff is directed to supply Tiso Blackstar and amaBhungane with a copy of the PwC Report. Steinhoff was granted leave to appeal to the Supreme Court of appeal and those proceedings are ongoing. Damages are not sought in this matter and accordingly there should be no economic outflow arising from these proceedings.

Previously disputed Contractual Claim

- **Mayfair vs SIHPL**
  Mayfair issued a summons on 26 November 2020 against Steinhoff, SIHPL and Markus Jooste claiming up to ZAR4 billion (€247 million) 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. The parties have settled the proceedings in terms of which Mayfair has agreed that its claim (as listed in SIHPL's S155 Proposal) will be fully compromised and limited to an amount of ZAR1.00 (one rand). In exchange, certain other Steinhoff Group companies have agreed to limit their claims against Mayfair in Mayfair's own S155 proceedings to an amount of ZAR200 million (€11.4 million) of which ZAR44.3 million (€2.5 million) was recovered to date.

25. CASH FLOW INFORMATION

25.1 Cash generated from operations

	Notes	2022 €m	Restated[1] 2021 €m
Operating profit/(loss) from:			
Continuing operations		**697**	(115)
Discontinued operations		**(148)**	139
Adjusted for non-cash adjustments included in continuing and discontinued operations:			
Profit or loss movement in provision for doubtful debt		**58**	47
Depreciation and amortisation	8 & 9	**213**	201
Amortisation of right-of-use asset	10	**478**	432
Unrealised foreign exchange losses	4.3.3	**15**	4
Impairments – Continuing operations:			
Goodwill	8	**–**	1
Property, plant and equipment	9	**10**	4
Right-of-use asset	10	**7**	10
Titan Receivable – ECL recognition	4.2.11	**–**	98
Titan Receivable – loss on substantial modification	4.2.12	**5**	–
Recognition of Steinhoff Africa rights to Tekkie Town proceeds from SRF	4.2.13	**(13)**	–
Impairments – Discontinued operations:			
Assets held-for-sale	1.1.1	**207**	–
Inventories written down to net realisable value and movement in provision for inventories	15.2	**55**	52
Net loss/(gain) on disposal and scrapping of property, plant and equipment and intangible assets	1.1.2 & 4.2.3	**5**	(33)
Net loss on sale of treasury shares		**–**	6
Gain on disposal, part disposal and bargain purchase of investments	4.2.4 & 1.3	**(39)**	(40)
Share-based payment expense	4.3.2 & 33	**29**	25
Cumulative other comprehensive income reclassified to profit or loss on disposal or derecognition of investment	1.1.3 & 4.2.2	**(3)**	(41)
Lease modification cost – continuing operations	10 & 18.1	**(37)**	(12)
Derecognition on end of lease term on right-of-use asset – discontinued operations	35	**–**	37
Global Litigation Settlement provision	23.5	**15**	574
Transactions fees and remeasurement of financial liability	17.2	**–**	(8)
Seifert legal provision	4.2.8 & 23.6	**102**	–
Other non-cash adjustments		**(23)**	20
Cash generated before working capital changes		**1 633**	1 401
Working capital changes			
Increase in inventories		**(714)**	(146)
Increase in trade and other receivables		**(150)**	(171)
Movement in net derivative financial liabilities/assets		**(29)**	13
(Decrease)/increase in non-current and current provisions		**(79)**	63
(Decrease)/increase in non-current and current employee benefits		**(6)**	95
Increase in trade and other payables		**325**	66
Net changes in working capital		**(653)**	(80)
Cash generated from operations		**980**	1 321

[1] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*

26. BUSINESS COMBINATIONS

ACCOUNTING POLICY

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the acquired entity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred in terms of IFRS 3 – Business Combinations.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recognised as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. Contingent consideration classified as equity shall not be remeasured and its subsequent settlement shall be accounted for within equity.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

26. BUSINESS COMBINATIONS (CONTINUED)

2022 Reporting Period

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:

	Notes	Avenida €m	Poundshop €m	30 September 2022 €m
The fair value of assets and liabilities assumed at date of acquisition:				
Assets				
Intangible assets	8	44	*	44
Property, plant and equipment	9	23	*	23
Right-of-use assets	10	21	–	21
Deferred tax assets	6.3	15	–	15
Trade and other receivables		43	*	43
Inventories		13	*	13
Taxation receivable		1	–	1
Other financial assets		13	–	13
Cash and cash equivalents		60	*	60
Liabilities				
Borrowings	17.2	(56)	(1)	(57)
Employee benefits		(2)	–	(2)
Deferred tax liabilities	6.3	(12)	–	(12)
Provisions	23	(11)	–	(11)
Lease liabilities	18.1	(23)	–	(23)
Trade and other payables		(45)	(1)	(46)
Taxation payable		(5)	–	(5)
Non-controlling interest		(10)	–	(10)
Group's share of total assets and liabilities acquired		69	(2)	67
Goodwill attributable to acquisition	8	99	2	101
Total consideration		168	–	168
Cash on hand at date of acquisition		(60)	*	(60)
Net cash outflow on acquisition of subsidiaries		108	–	108

** Less than €500 000.*

The goodwill arising on the acquisition of these companies is attributable to the strategic business advantages acquired, principal retail locations and leases, 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 recognised as part of the initial accounting for the acquisition of Avenida amounted to €10 million (refer to note 23).

Acquisition of Avenida

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 Grupo Avenida SA ("Avenida") was acquired for a purchase price of ZAR1.899 billion. The Pepkor Holdings Group further injected €55 million (ZAR969 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.

26. BUSINESS COMBINATIONS (CONTINUED)

2022 Reporting Period (continued)

Acquisition of Avenida (continued)

The remaining 12.9% non-controlling interests measured in the net assets (excluding goodwill) of Avenida are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination (the proportionate share method). The Pepkor Holdings Group entered into put/call arrangements as part of the purchase agreement 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 in the statement of financial position. Refer to note 19.3 for more detail.

Trade and other receivables acquired consist of the following:	€m
Trade receivables	38
Less: Provision for expected credit losses	(9)
Prepayments	2
Value Added Tax receivable	10
Other amounts due	1
	42

Revenue contribution from Avenida:	€m
Revenue since acquisition date	113
Revenue as if from the beginning of the financial year	191

Acquisition of Poundshop

On 25 February 2022, Poundland Limited executed a Share Purchase Agreement for the purchase of the entire issued share capital of Online Poundshop Limited ("Poundshop") for total consideration of £1. Poundshop is an online discount retailer using the brand name Poundshop.com. The principal reason for the acquisition was to provide Poundland Limited with improved e-commerce.

2021 Reporting Period

	30 September 2021 €m
The fair value of assets and liabilities assumed at date of acquisition:	
Group's share of total assets and liabilities acquired	(3)
Goodwill attributable to acquisition	9
Total consideration	6
Cash on hand at date of acquisition	–
Net cash outflow on acquisition of subsidiaries	6

The goodwill arising on the acquisition of these companies is attributable to the strategic business advantages acquired, principal retail locations and leases, 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.

Acquisition of Fulton

On 8 October 2020, the Group acquired 100% of the share capital of Viewtone Trading Group Limited, the parent company of a group (Fulton's Group) for €5.5 million. Fulton's principal activity is the sale of food on a retail basis. The strategic reason for the acquisition was to secure supply chain knowledge to accelerate the roll out of the chilled and frozen offering within Pepco Group.

Acquisition of Eezi Poland

Effective 22 December 2020, Pepkor Holdings purchased 100% of the issued share capital of Eezi Poland for a purchase price of €0.6 million. Eezi offers similar products and services to FLASH in the Polish market and is included in the FinTech segment as part of the FLASH business.

27. NATURE AND PURPOSE OF RESERVES

Ordinary share capital and share premium

The share capital and share premium reserve records the movements in the issued share capital of the Company.

Treasury share capital and share premium

Treasury shares are recognised as equity when Group companies (including employee share trusts) purchase Steinhoff shares, when the Company reacquires its own shares, or when the Company shares are under the control of the Group through unconsolidated structured entities. The amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from share premium or accumulated losses.

Accumulated losses

Retained earnings/accumulated losses comprise distributable reserves accumulated through the consolidation of the profit or loss of consolidated companies and the share of profit or loss of equity accounted companies. Reclassifications and transfers to and from other reserves are also accumulated in this reserve. Ordinary dividends declared reduce this reserve. Preference dividends on preference shares, classified as equity, also reduce this reserve.

Foreign currency translation reserve

Foreign operation definition

A foreign operation is either a subsidiary, associate, joint venture or an intermediate parent where the intermediate parent's subsidiaries on its own is immaterial and form an integral part of the intermediate parent's reporting structure. An intermediate parent will not be larger than an operating segment.

Translation method

The Group's foreign translation is done by electing the step-by-step method. This is where the financial statements of a foreign operation are translated into the functional currency of any intermediate parent. If the functional currency of the intermediate parent is different to the Group's presentation currency, then the intermediate parent's financial statements, which includes the foreign operation, are translated into euro.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated to euro at exchange rates at the Reporting Date. The income and expenses of foreign operations are translated to euro at exchange rates approximating to the exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised in other comprehensive income and aggregated within equity in the FCTR. However, if the operation is not a wholly owned subsidiary, the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

Reclassification of FCTR to profit or loss

- *Disposal of foreign operation*
  When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.
- *Intercompany loans forming part of net investment in foreign operations*
  Foreign exchange gains and losses arising from an intercompany loan balance of which settlement is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the FCTR. They are released to profit or loss upon disposal of that foreign operation.
- *Impairment*
  In the event of a write-down of the carrying amount of a foreign operation, either because of its own losses or because of an impairment recognised by the investor, it does not constitute a partial disposal. Consequently, no amount of the FCTR is reclassified to profit or loss.
- *Restructuring*
  The sale of immaterial subsidiaries below an intermediate parent designated as a foreign operation is viewed as a restructure and not a partial disposal and therefore no realisation through profit and loss. It is only on the sale or partial sale of the Intermediate parent which will be viewed as a realisation of its investment in foreign operation.
- *Liquidation*
  A complete liquidation of a foreign operation where all assets are disposed, and all liabilities and contingent liabilities are settled, and the business is no longer active and the entity has no immediate plan to recommence activities this will be treated as a disposal.

27. NATURE AND PURPOSE OF RESERVES (CONTINUED)

Equity component of convertible bonds

Bonds which are convertible to share capital, where the number of shares to be issued does not vary with changes in their fair value, are accounted for as compound financial instruments. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of the proceeds. The equity component of the convertible bonds is calculated as the excess of the issue proceeds over the present value of the future interest and principal payments, discounted at the market rate of interest applicable to similar liabilities that do not have a conversion option. The interest expense recognised in profit or loss is calculated using the effective-interest method.

Share-based payment reserve relating to equity-settled share based payment scheme

The fair value of the deferred delivery shares and the share rights granted to employees is recognised as an employee expense with a corresponding increase in equity. Refer to note 33. Once the share rights in a share scheme vests or becomes highly unlikely to vest, the relevant portion of the share-based payment reserve is transferred to accumulated losses.

Excess of consideration (paid to)/received from non-controlling interest

Any increases or decreases in ownership interest in subsidiaries without a change in control are recognised as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received are recognised directly in equity and attributed to owners of the company.

Sundry reserves

Sundry reserves comprise fair valuations of available-for-sale financial assets, cash flow hedge reserves, call option reserve, put option reserve and actuarial gains or losses recognised on the measurement of the defined benefit plans.

28. ORDINARY SHARE CAPITAL

	30 September 2022 Number of shares	30 September 2021 Number of shares
28.1 Authorised		
Balance at beginning of the period	**16 000 000 000**	16 000 000 000
Total authorised ordinary shares of €0.01 each	**16 000 000 000**	16 000 000 000
28.2 Issued		
Balance at beginning of the period	**4 269 609 051**	4 309 727 144
Cancellation of shares	**–**	(40 118 093)
Balance at the end of the period	**4 269 609 051**	4 269 609 051
28.3 Treasury shares		
Balance at beginning of the period	**(51 573 279)**	(137 564 468)
Cancellation of shares	**–**	40 118 093
Disposal of Steinhoff shares by a subsidiary company	**11 386 807**	45 873 096
Treasury shares held by subsidiaries of the Group	**(40 186 472)**	(51 573 279)
Balance at the end of the period	**(40 186 472)**	(51 573 279)
Total issued ordinary share capital	**4 229 422 579**	4 218 035 772

Cancellation of shares

Effective as of 3 November 2020, the issued share capital of Steinhoff was reduced by 40 118 093 ordinary shares.

The resolution to reduce the capital of the Company by cancelling 40 118 093 Ordinary Shares, that were held by the Company (the "Cancelled Shares" and the cancellation of these Cancelled Shares, the "Capital Reduction") was adopted by the General Meeting on 28 August 2020. The Company deposited the resolution to cancel the Cancelled Shares with the Dutch Trade Register and announced the Capital Reduction in a daily nationally distributed newspaper on 2 September 2020. As from the date of the announcement the statutory waiting period of two months for creditors to oppose the Capital Reduction commenced. On 4 November 2020, the Court of Amsterdam confirmed that no creditors had opposed to the Capital Reduction during this period. Therefore, the resolution took effect after two months having passed since the announcement had been made. The Capital Reduction was aimed at optimising the Company's equity structure.

28. ORDINARY SHARE CAPITAL (CONTINUED)

		Notes	30 September 2022 Share capital €m	30 September 2021 Share capital €m	30 September 2022 Share premium €m	30 September 2021 Share premium €m
28.4	**Issued**					
	Balance at beginning of the period		**43**	43	**10 881**	11 020
	Cancellation of shares	28.2	**–**	–	**–**	(139)
	Balance at the end of the period		**43**	43	**10 881**	10 881
28.5	**Treasury shares**					
	Balance at beginning of the period		**(2)**	(2)	**(276)**	(482)
	Cancellation of shares	28.2	**–**	–	**–**	139
	Shares sold during the period		**–**	–	**2**	67
	Balance at the end of the period		**(2)**	(2)	**(274)**	(276)
	Total issued ordinary share capital and share premium		**41**	41	**10 607**	10 605

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the General Meetings of the Company.

All issued ordinary shares have been fully paid-up.

		30 September 2022 Number of shares	30 September 2021 Number of shares
28.6	**Unissued shares**		
	Shares reserved for future participation in share scheme	**–**	105 831 130
	Unissued shares	**11 730 390 949**	11 624 559 819
	Total unissued shares	**11 730 390 949**	11 730 390 949

29. PREFERENCE STATED SHARE CAPITAL

29.1 Authorised

	Classification of preference shares						
	Redemption	Payment of dividends	Classification of instrument	30 September 2022 Number of shares	30 September 2021 Number of shares	30 September 2022 €m	30 September 2021 €m
Steinhoff							
Non-cumulative financing preference shares of €0.01 each	Non-redeemable	Discretionary	Equity	**4 000 000 000**	4 000 000 000	**40**	40
SIHPL							
Cumulative, non-participating preference shares of no par value	Non-redeemable	Discretionary	Equity	**1 000 000 000**	1 000 000 000	**–**	–
SIHL							
Variable rate, cumulative, non-participating preference shares of ZAR0.0001 each	Non-redeemable	Discretionary	Equity	**495 000 000**	495 000 000	*	*
Steinhoff Africa							
Class A perpetual preference shares (par value ZAR0.01)	Non-redeemable	Discretionary	Equity	**2 000**	2 000	*	*
Class B perpetual preference shares of no par value	Redeemable	Discretionary	Compound	**2 000**	2 000	**–**	–
Cumulative redeemable preference shares (par value ZAR0.01)	Redeemable	Determined upon issue	Financial liability/ compound instrument	**2 000**	2 000	*	*
Pepkor Holdings							
Non-redeemable, non-cumulative, non-participating preference shares of no par value	Non-redeemable	Discretionary	Equity	**5 000 000**	5 000 000	*	*
Non-redeemable, cumulative, non-participating preference shares of no par value	Non-redeemable	Discretionary	Equity	**2 500 000**	2 500 000	*	*
Redeemable, non-cumulative, non-participating preference shares of no par value	Redeemable	Determined upon issue	Financial liability/ compound instrument	**2 500 000**	2 500 000	*	*
Class A1 redeemable, cumulative, non-participating preference shares of no par value	Redeemable	Determined upon issue	Financial liability/ compound instrument	**10 000 000**	10 000 000	*	*
Class A2 redeemable, cumulative, non-participating preference shares of no par value	Redeemable	Determined upon issue	Financial liability/ compound instrument	**10 000 000**	10 000 000	*	*
Class A3 redeemable, cumulative, non-participating preference shares of no par value	Redeemable	Determined upon issue	Financial liability/ compound instrument	**10 000 000**	10 000 000	*	*
Class A4 redeemable, cumulative, non-participating preference shares of no par value	Redeemable	Determined upon issue	Financial liability/ compound instrument	**10 000 000**	10 000 000	*	*
Class A5 redeemable, cumulative, non-participating preference shares of no par value	Redeemable	Determined upon issue	Financial liability/ compound instrument	**10 000 000**	10 000 000	*	*

** Amount less than €500 000.*

29. PREFERENCE STATED SHARE CAPITAL (CONTINUED)

29.2 Issued

	30 September 2022 Number of shares	30 September 2021 Number of shares	30 September 2022 €m	30 September 2021 €m
Classified as equity				
SIHL[1]				
In issue at the beginning and end of the period	**15 000 000**	15 000 000	**134**	134
Total issued preference stated share capital classified as equity	**15 000 000**	15 000 000	**134**	134
Classified as liabilities				
Pepkor Holdings (class A cumulative redeemable preference shares)[2]				
In issue at the beginning of the period	**–**	2 000	**–**	101
Shares redeemed during the period	**–**	(2 000)	**–**	(113)
Exchange differences on consolidation of foreign operations			**–**	12
In issue at the end of the period	**–**	–	**–**	–
Summary of preference shares in issue				
Non-controlling interest (note 30)			**134**	134

[1] ***Terms of issued SIHL preference shares***
The preference shares earn dividends on the issue price at the rate of 82.5% of the SA prime lending rate quoted by Absa Bank Limited or its successor in title in South Africa. Although the rights to receive dividends are cumulative, declaration of such dividends is at the discretion of the board of directors of SIHL.

[2] ***Term of issued Pepkor Holdings preference shares***
During the 2018 Reporting Period, Pepkor Holdings issued 6 000 cumulative redeemable preference shares. The preference shares earned dividends on the issue price at the rate of 74% of the SA prime lending rate. The preference shares were redeemable in May 2022. ZAR4 billion (€220 million) of the total ZAR6 billion preference shares were settled early during the 2020 Reporting Period and the remaining ZAR2 billion (€113 million) was settled during the first half of the 2021 Reporting Period.

Accrued dividends relating to preference shares classified as equity are presented as part of the profit or loss attributable to non-controlling interest in the period to which the accrual relates, regardless of whether these dividends have been declared. Any preference dividends actually paid have been presented as dividends paid to non-controlling interests.

30. NON-CONTROLLING INTERESTS

ACCOUNTING POLICY

Non-controlling interest

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Financial Position respectively.

Subsequently, any losses applicable to the non-controlling interests are allocated to the non-controlling interests even if this results in the non-controlling interests having deficit balances.

Initial measurement of non-controlling interests

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Treatment of non-controlling interest upon loss of control

When the Group ceases to consolidate an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the Group retains no interest, the carrying value of the non-controlling interest is disposed of and forms part of the net asset value of the investment upon disposal. The difference between the proceeds received and the net asset value disposed is recognised in profit or loss.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

Non-controlling interest: Preference shares

Preference shares classified as equity are attributable to shareholders other than the Company's shareholders. These preference shares are therefore attributable to non-controlling interests of the Group and are classified as a component of equity attributable to non-controlling interests.

The voting and participation rights of preference shareholders differ to those of non-controlling ordinary equity shareholders. Preference shareholders do not share in the underlying net asset value of the various businesses and have no voting rights except in certain instances.

Preference shares are therefore presented as a separate component of non-controlling interests within equity.

30. NON-CONTROLLING INTERESTS (CONTINUED)

30.1 Details of material non-controlling interests:

	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	30 September 2022 %	30 September 2021 %	30 September 2022 €m	Restated[1] 30 September 2021 €m	30 September 2022 €m	Restated[1] 30 September 2021 €m
Pepkor Holdings	**48.97**	41.07	**160**	90	**1 763**	1 361
Pepco Group	**21.11**	21.11	**31**	7	**437**	414
Conforama Group[2]	**–**	–	**(104)**	19	**–**	103
			87	116	**2 200**	1 878
Preference shares classified as equity (note 29.2)			**6**	4	**134**	134
Total non-controlling interests			**93**	120	**2 334**	2 012

[1] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*

[2] *The Group owns more than 99.99% of the 98 billion ordinary shares of Conforama Holding SA, however warrants were issued to senior secured bond holders that effectively grant them 49.9% of the economic rights to the future returns of Conforama.*

Any non-controlling interests recognised by the subsidiaries are included in the balances above.

30.2 Material transactions with non-controlling interests

Pepkor Holdings

2022 Reporting Period

On 15 February 2022, the Group settled a portion of the Global Litigation Settlement with 273 785 820 Pepkor Holdings shares. This diluted the Group's shareholding to 51.50%.

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. This diluted the Group's shareholding to 51.36%.

On 16 March 2022, the Group settled the litigation with the Tekkie Town Claimants with 29 500 000 Pepkor Holdings shares. This diluted the Group shareholding to 50.56%.

During March 2022, Pepkor Holdings repurchased 1.8 million shares from the open market on the JSE. This increased the Group's shareholding to 50.59%.

During June 2022, Pepkor Holdings repurchased 10 million shares from the open market on the JSE. This increased the Group's shareholding to 50.73%.

As announced on 14 April 2021 the transaction for Pepkor Holdings to acquire twelve properties included in the Africa Properties portfolio currently leased from the Group, received the necessary approvals and all conditions precedent were fulfilled. The transfer of one of the properties was delayed. In September 2022 1 279 253 shares were issues at ZAR15 per share with the transfer of the property. This increased the Group's shareholding to 50.74%.

During July to September 2022, Pepkor Holdings repurchased 20.38 million shares from the open market on the JSE. This increased the Group's shareholding to 51.03% (excluding treasury shares held by Pepkor Holdings' subsidiaries).

30. NON-CONTROLLING INTERESTS (CONTINUED)

30.2 Material transactions with non-controlling interests (continued)

Pepkor Holdings (continued)

2021 Reporting Period

In March 2021, Pepkor Holdings issued 6 234 974 of its shares to qualifying employees under the Pepkor share-rights scheme. This diluted the Group's shareholding in Pepkor Holdings from 67.75% to 67.64%.

As announced on 14 April 2021, the transaction for Pepkor Holdings to acquire twelve properties included in the Africa Properties portfolio currently leased from the Group, received the necessary approvals and all conditions precedent were fulfilled. The total consideration for the properties consist of a total of 70 million new Pepkor Holdings shares. These shares were issued at a price of ZAR15 per share with the transfer of each property, which occurred between July and September 2021. As at the 2021 Reporting Date, 68 720 747 shares have been issued resulting in an increase in the Group's shareholding in Pepkor Holdings to 68.23%.

On 13 September 2021, the Group announced the successful completion of a bookbuild, having placed 370 million Pepkor Holdings shares at ZAR19.75 per share, representing a discount of 9% and raising ZAR7.3 billion (€409 million). This diluted the Group's shareholding in Pepkor Holdings to 58.33%.

During September 2021, Pepkor Holdings repurchased 38 million shares from the open market on the JSE for €43 million. This increased the Group's shareholding to 58.93%.

Pepco Group

2021 Reporting Period

On 26 May 2021, following a successful IPO process, shares in Pepco Group began trading on the Warsaw Stock Exchange with the ticker symbol “PCO”. The final offer price of shares in the IPO was PLN40 per share, giving Pepco Group an implied market capitalisation of approximately PLN23 billion (€5 billion).

Steinhoff received proceeds of approximately €1 billion from the sale of shares in the IPO, which together with the intercompany loan repayments, was applied to reduce the Group’s outstanding debt.

Dividends

2022 Reporting Period

Ordinary dividends to non-controlling interests, which was paid in cash, relate to Pepkor Holdings and amounted to ZAR671 million (€39 million).

30. NON-CONTROLLING INTERESTS (CONTINUED)

30.3 Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests:

	30 September 2022			30 September 2021		
	Pepco Group €m	Conforama €m	Pepkor Holdings €m	Restated[1] Pepco Group €m	Conforama €m	Pepkor Holdings €m
The summarised financial information below represents amounts before intragroup eliminations and consolidation entries.						
Summarised Statement of Financial Position						
Non-current assets	**2 456**	**302**	**4 607**	2 305	398	4 291
Current assets	**1 543**	**139**	**1 869**	1 232	215	1 612
Non-current liabilities	**(1 446)**	**(1 229)**	**(1 578)**	(1 460)	(1 272)	(1 541)
Current liabilities	**(1 408)**	**(747)**	**(1 309)**	(1 114)	(851)	(1 050)
Summarised Statement of Profit or Loss and Other Comprehensive Income						
Revenue	**4 823**	**529**	**4 754**	4 122	723	4 362
Profit/(loss) for the period	**174**	**(10)**	**357**	131	(49)	275
Profit/(loss) attributable to owners of the parent	**174**	**(10)**	**357**	131	(49)	275
Profit attributable to the non-controlling interests[2]	**–**	**–**	**–**	–	–	–
Profit/(loss) for the period	**174**	**(10)**	**357**	131	(49)	275
Total comprehensive income attributable to owners of the parent	**170**	**(10)**	**464**	218	(49)	227
Total comprehensive income attributable to the non-controlling interests[2]	**–**	**–**	**–**	–	–	–
Total comprehensive income/(loss) for the period	**170**	**(10)**	**464**	218	(49)	227
Summarised Statement of Cash Flows						
Net inflow from operating activities	**363**	**(27)**	**319**	673	85	401
Net (outflow)/inflow from investing activities	**(224)**	**(7)**	**(203)**	(154)	202	(99)
Net outflow from financing activities	**(299)**	**–**	**(220)**	(415)	(202)	(281)
Net cash inflow/(outflow)	**(160)**	**(34)**	**(104)**	104	85	21
Dividends paid to the non-controlling interests[2]	**–**	**–**	**–**	–	–	1

[1] *Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36).*
[2] *This relates to non-controlling interest at the subsidiary level and not at the Group's level.*

31. RELATED-PARTY TRANSACTIONS

Critical judgements

Key Management Personnel

The Group considered the various entities related and affiliated with certain key management personnel during the periods presented, to determine whether any material transactions were concluded between the Group and those entities.

The Group's considerations are explained in this note.

Other

Related-party relationships also exist between shareholders, subsidiaries, joint-venture companies and associate companies within the Group and its company directors and Group key management personnel.

All material intragroup transactions are eliminated on consolidation.

31.1 Directorate

The directorate below reflects the Management and Supervisory Board members as at the date this report was approved.

Management Board		
Louis du Preez	Reappointed:	25 March 2022
Theodore de Klerk	Reappointed:	25 March 2022
Supervisory Board		
Moira Moses	Reappointed:	25 March 2022
Hugo Nelson	Reappointed:	25 March 2022
Peter Wakkie	Reappointed:	30 April 2021
Alexandra Watson	Reappointed:	25 March 2022
Paul Copley	Reappointed:	25 March 2022
David Pauker	Appointed:	30 August 2019

Details relating to directors' emoluments, shareholding in the Company and interest of directors and officers are disclosed in note 32.

31.2 Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. In the current period the following groups were considered to be key management:

- Management Board
- Supervisory Board
- CEOs of significant OpCos
- Senior Managers

The number of key management personnel as at 30 September 2022 is 18 (2021: 18).

31. RELATED-PARTY TRANSACTIONS (CONTINUED)

31.2 Key management personnel (continued)

Compensation of key management personnel

	2022 €m	2021 €m
Short-term employee benefits	**17**	11
Accrued short-term and long-term bonus	**6**	8
Share-based payments – related expense	**3**	1
Total compensation for the period	**26**	20

Refer to note 32 for detailed remuneration disclosures.

31.3 Interest of key management personnel in contracts

During the periods presented, the following contracts related to key management personnel of the Group were concluded with the Group:

2022 Reporting Period

As part of the Global Litigation Settlement, Trevo and others were granted call options by Ainsley Holdings over 125 million Pepkor Holdings shares. Trevo (which was granted call options over 120 million Pepkor shares) is associated with Pieter Erasmus (non-executive director of Pepkor Holdings from 12 January 2022 and Chief executive officer from 1 October 2022). The options are exercisable in the 2025 financial year at an exercise price ZAR24.9215 per share subject to adjustments applicable for certain limited circumstances.

No other contracts related to key management personnel of the Group were concluded during the 2022 Reporting Period.

2021 Reporting Period

No material transactions occurred during the 2021 Reporting Period.

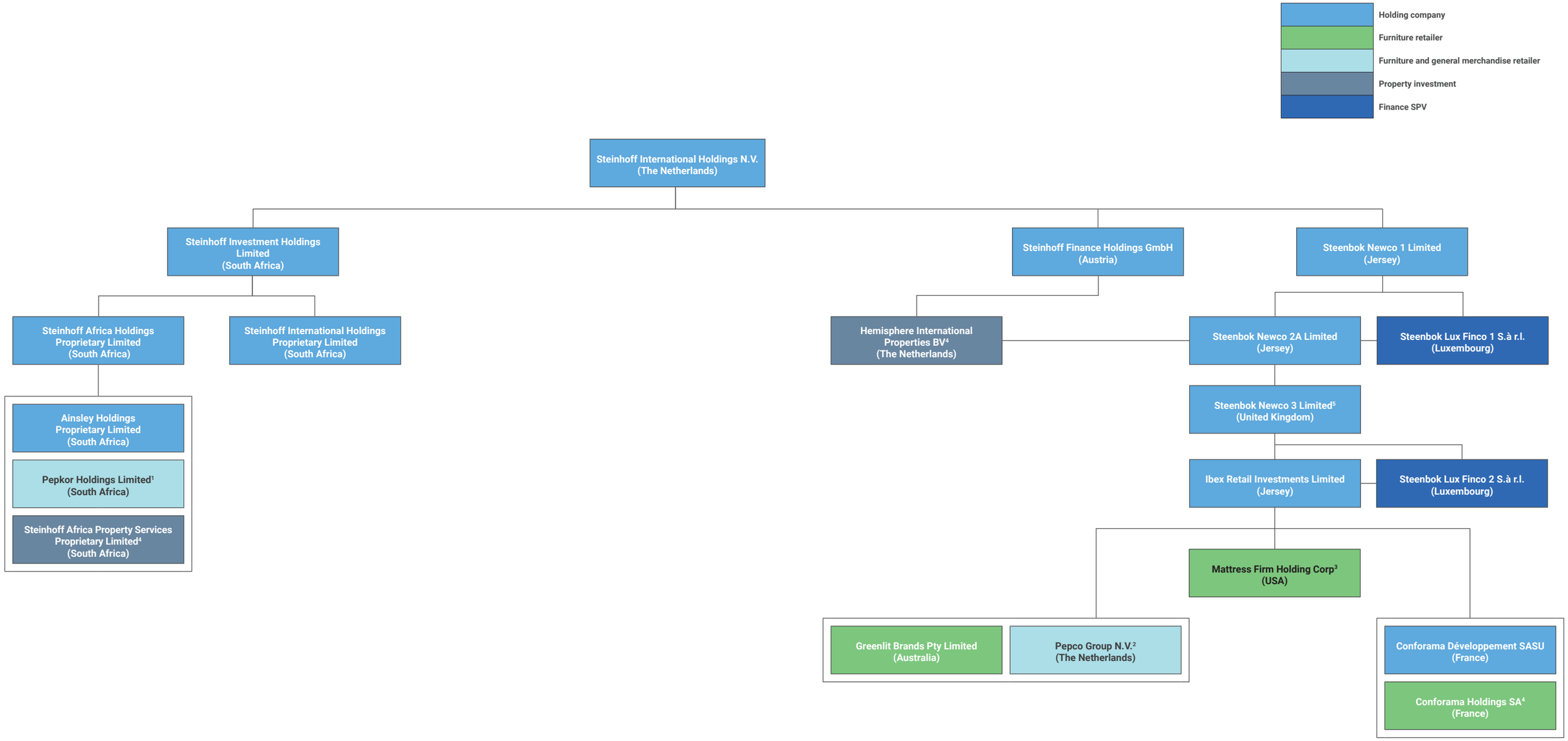
31. RELATED-PARTY TRANSACTIONS (CONTINUED)

31.4 Principal subsidiaries

The Group's principal subsidiaries as at 30 September 2022 are set out below in a simplified group structure. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, as at 30 September 2022, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Principal subsidiaries are those identified by management as contributing materially to the consolidated results or financial position of the Group.

The statutory list of all subsidiaries and affiliated companies, prepared in accordance with the relevant legal requirements (Dutch Civil Code, Book 2, section 379), forms part of the notes to the 2022 Separate Financial Statements and is included herein as an Annexure included under Other Information: Statutory List of all Subsidiaries.



[1] *Non-controlling interest of 48.97% (2021: 41.07%)*
[2] *Non-controlling interest of 21.11% (2021: 21.11%)*
[3] *As from 21 November 2018, the Group owns 50.1% of Mattress Firm and recognised the investment as an equity accounted investment from this date.*
[4] *Classified as held-for-sale at 30 September 2022.*
[5] *Certain companies were incorporated within the Group to create a new intermediate holding structure below the Company but above the key no-South African businesses and assets of the Steinhoff Group (the "Steenbok Group").*

31. RELATED-PARTY TRANSACTIONS (CONTINUED)

31.5 Trading transactions

The following is a summary of material trading transactions and balances outstanding at year-end in relation to transactions with investments in equity accounted companies:

30 September 2022

	Note	Dividends received by Group €m	Loan and receivables due to Group €m
Equity Accounted Companies			
S'Ya Phanda Proprietary Limited		–	3
IEP		3	–
		3	3

30 September 2021

	Note	Dividends received by Group €m	Loan and receivables due to Group €m
Equity Accounted Companies			
S'Ya Phanda Proprietary Limited		–	3
Mattress Firm	a	520	–
IEP		4	–
		524	3

a. During September 2021, Mattress Firm again successfully refinanced its outstanding debt. In addition, Mattress Firm made a payment to its shareholders of USD1.2 billion (€1.0 billion) with the Steinhoff Group receiving USD609 million (€520 million).

31.6 Elimination of transactions with equity accounted companies

Management assessed the upstream and downstream transactions between Group companies and equity accounted companies. Inventory turnover of stock items purchased is relatively fast and therefore no material inventory is on hand at period-end that should be eliminated. The remaining transactions are related to services which are recognised as they are delivered and therefore no further eliminations are required.

32. REMUNERATION REPORT

32.1 Remuneration

32.1.1 Remuneration of the Management Board and key management personnel

				Annual bonus							
	Basic remuneration[2] €'000	Pension contributions €'000	Other company contributions[1] €'000	STI €'000	LTI €'000	Strategic/ retention bonus paid €'000	Deferred bonus paid €'000	Severance payments €'000	Annual leave paid out €'000	IFRS 2[3] share-based payment expense €'000	Total remuneration and fees €'000
2022											
Louis du Preez	**1 340**	**65**	**–**	**1 053**	**923**	**–**	**–**	**–**	**19**	**145**	**3 545**
Theodore de Klerk	**1 148**	**70**	**–**	**914**	**800**	**–**	**–**	**–**	**16**	**126**	**3 074**
Subtotal Management Board	**2 488**	**135**	**–**	**1 967**	**1 723**	**–**	**–**	**–**	**35**	**271**	**6 619**
Key management personnel	**4 337**	**179**	**210**	**2 631**	**–**	**–**	**7 272**	**–**	**62**	**2 779**	**17 470**
Total Management Board and other key management	**6 825**	**314**	**210**	**4 598**	**1 723**	**–**	**7 272**	**–**	**97**	**3 050**	**24 089**
2021											
Louis du Preez	1 321	63	–	1 038	1 373	–	–	–	76	–	3 871
Theodore de Klerk	1 132	68	–	900	1 133	–	–	–	73	–	3 306
Subtotal Management Board	2 453	131	–	1 938	2 506	–	–	–	149	–	7 177
Key management personnel[4]	4 045	134	225	2 492	597	900	1 765	–	3	840	11 001
Total Management Board and other key management	6 498	265	225	4 430	3 103	900	1 765	–	152	840	18 178

[1] Other contributions mainly includes company contributions to the medical aid, expense allowances and social taxes.
[2] Directors' fees were paid with basic remuneration.
[3] Refer to note 33 for details regarding the Pepkor Holdings ESRS and cash-settled scheme applicable to certain key management personnel.
[4] With the key management personnel of one of the subsidiaries, additional fee schedules were agreed on for achieving defined benchmarks. As at the 2021 Reporting Date, these benchmarks were not met and therefore no accrual was recorded for the additional fees.

There are short- and long-term incentive plans for the Management Board based on future key performance indicators on which fulfilment and subsequent approval by the Human Resources and Remuneration Committee will result in performance bonuses. Performance bonusses are only recognised once it is probable that the key performance indicators will be achieved.

32. REMUNERATION REPORT (CONTINUED)

32.1 Remuneration (continued)

32.1.2 Remuneration of the Supervisory Board members

	Other Group entities		Steinhoff	
	2022 €'000	2021 €'000	2022 €'000	2021 €'000
Supervisory Board members who are in office				
Paul Copley	**14**	–	**190**	190
Moira Moses	**25**	27	**320**	320
Hugo Nelson	**25**	24	**190**	190
David Pauker	**83**	150	**167**	185
Peter Wakkie	**–**	–	**247**	254
Alexandra Watson	**26**	26	**190**	190
Supervisory Board members who resigned during the 2021 Reporting Period				
Khanyisile Kweyama[1]	**–**	–	**–**	80
	173	227	**1 304**	1 409

[1] *Resigned on 19 April 2021.*

32.2 Interest in Steinhoff share capital based on active Management Board members as at 30 September 2022

	Total shares	
	30 September 2022	30 September 2021
Management Board		
Louis du Preez*	**5 165**	5 165
Theodore de Klerk*	**194 270**	194 270
	199 435	199 435

* *No change in shareholding from the previous Reporting Date.*

The shares disclosed above are the number of shares as declared by the Management Board members.

32.3 Number of full-time equivalent employees from continuing operations

	30 September 2022	30 September 2021
Pepco Group	**43 212**	42 045
Greenlit Brands	**1 738**	1 925
Pepkor Holdings	**49 741**	46 697
Group Services	**63**	64
	94 754	90 731

33. SHARE-BASED PAYMENTS

33.1 Employee share scheme

33.1.1 Pepkor Holdings Executive Share Rights Scheme

Pepkor Holdings grants share rights to share scheme participants under the Pepkor Holdings ESRS. The grants remain subject to meeting certain performance conditions (vesting conditions) over the vesting period.

The Pepkor Holdings ESRS is subject to the following conditions:

a) Rights are granted to qualifying senior executives on an annual basis.

b) Vesting of rights occur on the third anniversary of grant date, provided performance criteria, as set by the Pepkor Holdings remuneration committee at or about the time of the grant date, have been achieved.

c) In the event of performance criteria not being satisfied by the third anniversary of the relevant annual grant, all rights attaching to the particular grant will lapse.

Refer to note 4.3.2 for the share-based payment expense.

	2022 Number of rights	2021 Number of rights
The number of Pepkor Holdings share rights outstanding is:		
Outstanding at the beginning of the period	**53 821 135**	37 237 358
Granted during the year	**15 333 958**	26 408 733
Forfeited during the period[1]	**(2 177 066)**	(3 590 162)
Vested during the period	**(11 824 414)**	(6 234 794)
Outstanding at the end of the period	**55 153 613**	53 821 135

[1] *Forfeited share rights consist of certain individuals who left the group and therefore forfeited their share rights relating to the initial grants made as well as share rights that did not vest in the current year relating to the 2019 grant (2021: 2018 grant).*

Assumptions

The fair value of services received in return for share rights granted is measured by reference to the market value (2021: fair value) of the share rights granted. The estimated fair value of the services received is measured based on the assumption that all vesting conditions are met and all employees remain in service. The value of the share rights granted is measured by reference to the market value of the shares. (2021: The pricing model used was the Monte Carlo simulation model. The equity volatility was determined using an exponentially weighted average of Pepkor Holdings' historical daily share price.)

	2022 grant	2021 grant	2020 grant
Fair value of share rights and assumptions:			
Fair value at grant date	**ZAR22.02**	ZAR13.56	ZAR13.03
Share price at grant date	**ZAR22.02**	ZAR14.64	ZAR13.96
Strike price	**n/a**	nil	nil
Expected volatility	**n/a**	41.2%	28.2%
Dividend yield	**n/a**	2.5%	2.3%
Risk-free interest rate	**n/a**	4.8%	6.5%
Option life	**3 years**	3 years	3 years

33. SHARE-BASED PAYMENTS (CONTINUED)

33.1 Employee share scheme (continued)

33.1.2 Cash-settled share scheme

At the Steinhoff Annual General Meeting held on 25 March 2022, the proposed amended share plan was not approved by the requisite simple majority of votes. As a result, in accordance with their terms, the conditional share awards that were granted to the Steinhoff's managing directors automatically converted into phantom shares, which falls within the scope of IFRS 2: Share-based payment – cash-settled. The value of these phantom shares is equal to the Steinhoff share price and will be settled in cash upon vesting.

The phantom shares vest in four equal tranches (25% each) on a 6-monthly basis commencing on the first anniversary of the award date (October 2021). The grant date is deemed to be 25 March 2022 as it is the date on which the amended share plan was not approved by the General Meeting and thus the awards automatically became conditional equity awards in the form of phantom shares. The Managing Directors are required to remain in employment during the vesting period. The first tranche will vest on 31 March 2023, subject to fulfilment of KPI's as set out in the Remuneration Report included in the 2022 Annual Report of Steinhoff and subsequent approval by Steinhoff's remuneration committee. There are no Market Conditions relating to the scheme.

The cash-settled share-based payment is remeasured to its actual settlement amount; therefore, the cumulative cost that will ultimately be recognised will be equal to the cash payment to the counterparty. At 30 September 2022, the share-based payment has been remeasured to ZAR4.8 million (calculated by taking into account the number of phantom shares, total remaining period before vesting of each tranche and the Steinhoff share price) which is included in employee benefits in note 22. The remeasurement of ZAR4.8 million was recognised in the Statement of Profit or Loss as part of employee cost.

	2022 Number of phantom shares	2021 Number of phantom shares
The number of phantom shares outstanding is:		
Outstanding at the beginning of the period	–	–
Granted during the year	13 661 600	–
Vested during the period	–	–
Outstanding at the end of the period	13 661 600	–

33.1.3 Pepco Group Value Creation Plan

The Pepco Group put in place a Value Creation Plan ("VCP") that was adopted on 3 March 2020 (the "Grant Date"). The scheme aligns the remuneration of senior management with the value generated for shareholders. The VCP scheme was originally granted by Pepco Group Limited, which was acquired by Pepco Group on 13 May 2021. On acquisition the VCP plan was novated up from Pepco Group Limited to Pepco Group; the novation also included the 2021 VCP charged recognised in Pepco Group Limited for 2021 (€11.8m).

Nature of conditional award

Under the VCP, participants are granted a conditional award giving the potential right to earn nil-cost options based on the absolute total shareholder return generated above a hurdle (the "Threshold Total Shareholder Return") at the end of each plan year (the "Measurement Date") over a five-year VCP period.

At each Measurement Date, up to 6.9% of the value created above the hurdle will be "banked" in the form of share awards. The initial price for the VCP was the average valuation for the Group available on the grant date. Participants will receive the right at the end of each year of the performance period to share awards with a value representing the level of the Company's total shareholder return ("TSR"), above the Threshold Total Shareholder Return at the relevant Measurement Date.

The Threshold Total Shareholder Return or hurdle which has to be exceeded before share awards can be earned by participants is the higher of:

- the highest previous measurement of Total Shareholder Return; and
- the initial price compounded by 10% p.a.

If the value created at the end of a given plan year does not exceed the Threshold Total Shareholder Return, nothing will accrue in that year under the VCP.

The next Measurement Date was in January 2023, 30 days after publication of the 2022 Pepco Group full year results.

33. SHARE-BASED PAYMENTS (CONTINUED)

33.1 Employee share scheme (continued)

33.1.3 Pepco Group Value Creation Plan (continued)

Vesting conditions

The vesting schedule provides that 50% of the cumulative number of share awards will vest following the third Measurement Date and 50% of the cumulative balance following the fourth Measurement Date, with 100% of the cumulative number of share awards vesting following the fifth Measurement Date. At each vesting date, vesting of awards is subject to:

a. a minimum TSR performance level of 10% CAGR being maintained:

- where the TSR underpin has been achieved at the third Measurement Date, 50% of the cumulative balance will vest. If the underpin has not been achieved no share awards will vest at this point but they will not lapse;
- where the TSR underpin has been achieved at the fourth Measurement Date, 50% of the cumulative balance will vest. If the underpin has not been achieved no share awards will vest at this point but they will not lapse; and
- where the TSR underpin has been achieved at the fifth Measurement Date, 100% of the cumulative balance will vest. If the underpin has not been achieved no share awards will vest at this point and the remaining cumulative balance will lapse;

b. any shares vesting cannot be sold prior to two years from the first vesting date (save to cover tax liabilities); and

c. an annual cap on vesting of €20.0 million for the Pepco Group CEO and a proportionate limit for other participants:

- in the event that in any year vesting as described above would exceed the annual cap, any share awards above the cap will be rolled forward and allowed to vest in subsequent years provided the cap is not exceeded in those years, until the VCP is fully paid out or after five years after the fifth Measurement Date when any unvested share awards will automatically vest. Rolled forward share awards will not be subject to further underpins, performance conditions or service conditions.

Valuation of awards

The fair value of awards granted under the VCP is €45.3 million and employer's National Insurance liability of €9.7 million spread over the five-year period. An expense of €14.0 million was recognised during the period (2021: €15.4 million). The expense recognised consisted of €12.0 million (2021: €12.0 million) in relation to share awards and €2.0 million (2021: €3.4 million) for employer's National Insurance liability. In determining the fair value of the VCP awards granted during the period, a Monte Carlo model was used.

34. DEFINED PENSION BENEFITS

34.1 The financial details of the different funds and the effect on the Group's Consolidated Financial Statements are:

	Homestyle Pension Fund	
	30 September 2022 €m	30 September 2021 €m
The amount included in the consolidated statement of financial position arising from the entity's obligation in respect of its defined benefit plans are as follows:		
Present value of funded defined benefit obligations	(59)	(87)
Fair value of plan asset	57	85
Net liability arising from defined benefit obligations	(2)	(2)
Components of defined benefit cost recognised in total comprehensive income		
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(25)	–
Remeasurement losses arising from changes in:		
Demographic assumptions	1	(2)
Financial assumptions	26	2
Experience adjustments	(2)	–
Components of defined benefit cost recognised in other comprehensive income	–	–
Movements in the present value of the defined benefit obligations		
Opening defined benefit obligations	(87)	(86)
Net interest expense	(2)	(1)
Remeasurement gains/(losses) arising from changes in:		
Demographic assumptions	1	(2)
Financial assumptions	26	2
Experience adjustments	(2)	–
Benefits paid	4	6
Exchange differences on consolidation of foreign operations	1	(6)
Closing defined benefit obligations	(59)	(87)
Movements in the fair value of the plan assets		
Opening fair value of plan assets	85	84
Interest income	2	1
Return on plan assets (excluding amounts included in net interest expense)	(25)	–
Benefits paid	(4)	(6)
Exchange differences on consolidation of foreign operations	(1)	6
Closing fair value of plan assets	57	85
The major categories of plan assets are:		
Insurance policy	56	84
Cash	1	1
Total market value of assets	57	85
The principal assumptions used for the purposes of the actuarial valuations are:		
Discount rate	5.4%	2.0%
Expected rates of salary increase	n/a	n/a
CPI Inflation	3.0%	2.7%

35. 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 30 September 2022. The balances disclosed below include impairments recognised on the date of classification as held-for-sale.

	European Properties €m	Africa Properties €m	Conforama €m	IEP €m	Total €m
Balance at 30 September 2022					
Assets					
Intangible assets	–	–	1	–	1
Property, plant and equipment	–	–	36	–	36
Right-of-use assets	–	–	22	–	22
Investment in equity accounted companies	–	–	–	123	123
Other financial assets	–	–	22	–	22
Deferred tax assets	–	–	1	–	1
Inventories	–	1	85	–	86
Trade receivables	1	–	29	–	30
Other receivables	–	–	4	–	4
Cash and cash equivalents	–	–	22	–	22
Total assets	1	1	222	123	347
Liabilities					
Lease liabilities	–	–	(91)	–	(91)
Provisions	–	–	(14)	–	(14)
Deferred tax liabilities	–	–	(3)	–	(3)
Trade payables	(1)	–	(109)	–	(110)
Other payables	–	–	(5)	–	(5)
Total liabilities	(1)	–	(222)	–	(223)
Net assets after impairments	–	1	–	123	124
Non-controlling interest	–	–	–	–	–
Impairments recognised through profit or loss	–	–	207	32	239
Reserves relating to assets held-for-sale and disposal groups	–	–	–	(8)	(8)

Fair values of assets and liabilities classified as held-for-sale

Assets and liabilities classified as held-for-sale during the Reporting Period were measured at the lower of their carrying amount and fair value less costs of disposal at the time of the reclassification, resulting in impairments recognised through profit and loss as disclosed above. The fair value of the disposal groups that were impaired were determined using signed sales agreements. Refer to note 1 for information about the sales agreements and the counterparties to these agreements.

Identified as held-for-sale in the 2022 Reporting Period

IEP

The IEP shareholders have approved a restructure to facilitate an exit by certain IEP shareholders, including the Steinhoff Group through Mons Bella, by way of a share buyback. The restructure entails the transfer of certain assets to a newco, to facilitate the orderly disposal of those assets. As the newco disposes of the assets, the consideration received for the disposal will be advanced to exiting shareholders on an interest-free loan account ("Exit Loan") until such time that the share buyback is complete. The repurchase of the shares by IEP from exiting shareholders will then be settled by offsetting it against the Exit Loan. IEP management is deemed committed to the plan, the assets are in a condition that is ready for disposal, active buyers are being sourced and the assets are being marketed for reasonable price as determined by management. The Group will also no longer have rights to dividends declared after 1 December 2022 from operational profits generated by IEP from non-disposal assets, instead this will be offset against the Exit Loans. In substance the Group has entered into an earnout arrangement for the disposal of shares held in IEP. The interest in IEP will change, once all the conditions precedent on the Transaction Implementation Agreement ("TIA") are met, from an investment in equity instrument to a contractual right to cash for the future buy-back of shares held in IEP. The last conditions precedent to the TIA were fulfilled on 30 November 2022 and accordingly the restructure is unconditional and the Group will account for IEP as a financial asset from this date.

As a result IEP met the criteria to be classified as held-for-sale on 30 June 2022. However, it did not meet the criteria to be classified as a discontinued operation therefore the share of profit and the impairment recognised is still recognised in continuing operations (refer to note 11.2).

Refer to note 1 for businesses classified as held-for-sale in the prior reporting periods.

35. ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE (CONTINUED)

The following table presents detail of the assets and liabilities that have been classified as held-for-sale as at 30 September 2021. The balances disclosed below include impairments recognised on the date of classification as held-for-sale.

	European Properties €m	Africa Properties €m	Greenlit Brands - Plush €m	LIPO €m	Conforama €m	Other €m	Total €m
Balance at 30 September 2021							
Assets							
Intangible assets	–	–	10	12	55	–	77
Property, plant and equipment	1	1	4	11	167	–	184
Right-of-use assets	–	–	15	157	133	–	305
Investment properties	–	12	–	–	–	7	19
Other financial assets	–	–	–	–	25	–	25
Deferred tax assets	–	–	8	1	2	–	11
Inventories	–	1	10	33	113	–	157
Trade receivables	1	6	1	2	42	4	56
Other receivables	1	1	–	–	5	1	8
Cash and cash equivalents	–	–	9	11	74	–	94
Total assets	3	21	57	227	616	12	936
Liabilities							
Borrowings	–	–	–	–	(9)	–	(9)
Lease liabilities	–	–	(16)	(160)	(145)	–	(321)
Provisions	–	–	(5)	(4)	(40)	(2)	(51)
Deferred tax liabilities	–	(1)	(8)	(4)	(5)	–	(18)
Trade payables	(1)	(2)	(19)	(27)	(201)	(3)	(253)
Other payables	–	(1)	–	–	(4)	(1)	(6)
Total liabilities	(1)	(4)	(48)	(195)	(404)	(6)	(658)
Net assets after impairments	2	17	9	32	212	6	278
Non-controlling interest	–	–	–	–	103	–	103
Impairments recognised through profit or loss	–	–	–	–	–	–	–
Reserves relating to assets held-for-sale and disposal groups	(24)	–	4	22	–	–	2

Fair values of assets and liabilities classified as held-for-sale

Assets and liabilities classified as held-for-sale during the Reporting Period were measured at the lower of their carrying amount and fair value less costs of disposal at the time of the reclassification, resulting in impairments recognised through profit and loss as disclosed above. The fair value of the disposal groups that were impaired were determined using signed sales agreements. Refer to note 1 for information about the sales agreements and the counterparties to these agreements.

35. ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE (CONTINUED)

The following table present a roll-forward of certain non-current assets transferred to held-for-sale during the 2022 Reporting Period.

	Notes	Other intangible assets €m	Property, plant and equipment and Investment property €m	Right-of-use asset €m
Balance at 30 September 2020		48	369	190
Transfer to assets held-for-sale	8, 9 & 10	22	21	168
Transfer to continued operations	9	–	(60)	–
Disposal of subsidiary	1.3	–	(25)	(33)
Amortisation/lease modification		–	–	(37)
Additions		3	7	14
Disposals		(4)	(119)	–
Exchange differences on consolidation of foreign operations		8	10	3
Balance at 30 September 2021		**77**	**203**	**305**
Transfer to assets held-for-sale	8, 9 & 10	**–**	**(1)**	**–**
Disposal of subsidiaries	1.3	**(26)**	**(65)**	**(195)**
Additions		**3**	**5**	**5**
Disposals		**–**	**(16)**	**–**
Amortisation/lease modification		**–**	**–**	**(43)**
Impairments in accordance with IFRS 5	1.1.1	**(56)**	**(93)**	**(58)**
Exchange differences on consolidation of foreign operations		**3**	**3**	**8**
Balance at 30 September 2022		**1**	**36**	**22**

36. CHANGE IN ACCOUNTING POLICY

In April 2021, the IFRS Interpretations Committee published an agenda decision regarding the treatment of Configuration or Customisation Costs in a Cloud Computing Arrangement under IAS 38 – Intangible Assets. During the Reporting Period, the Group has revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing Software-as-a-Service ("SaaS") arrangements in response to this IFRS Interpretations Committee decision. In addition, the Group has assessed the impact of this change in accounting policy on any cloud computing arrangements entered into during the prior periods and restated the comparative figures. This has impacted the Statement of Profit or Loss, Statement of Financial Position and Statement of Changes in Equity and resulted in costs that were previously capitalised now being expensed.

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

In a contract where the cloud provider provides both the SaaS configuration and customisation as well as the SaaS access over the contract term, then the configuration and customisation costs are expensed over the contract term only if the services provided are not distinct and are otherwise expensed upfront as the software is configured or customised.

Some of the costs incurred relate to the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of, and the recognition criteria for, an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight line basis.

The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

No other new standards, new interpretations or amendments to standards or interpretations have been published which are expected to have a significant impact on the Group's financial statements.

The impact of the adoption of this revised accounting policy is set out below. Comparatives have been restated accordingly. The disclosure of a third Statement of Financial Position for the impact on the 2020 reporting period has been evaluated and the impact thereon is not material. A third Statement of Financial Position has therefore not presented in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

Statement of Profit or Loss

		For the period ended 30 September 2021		
	Notes	Previously reported €m	Adjusted for accounting policy adoption €m	As presented €m
Continuing operations				
Revenue		9 193	–	9 193
Cost of sales		(5 450)	–	(5 450)
Gross profit		3 743	–	3 743
Other income		76	–	76
Distribution expenses		(812)	–	(812)
Administration expenses	4.3	(2 265)	(30)	(2 295)
Other expenses		(827)	–	(827)
Operating (loss)/profit		(85)	(30)	(115)
Finance costs		(1 190)	–	(1 190)
Income from investments		72	–	72
Share of profit of equity accounted companies		519	–	519
Loss before taxation		(684)	(30)	(714)
Taxation	6.1	(187)	6	(181)
Loss from continuing operations		(871)	(24)	(895)
Discontinued operations				
(Loss)/profit from discontinued operations	1.1	21	–	21
Loss for the period		(850)	(24)	(874)
(Loss)/profit attributable to:				
Owners of Steinhoff		(974)	(20)	(994)
Non-controlling interests		124	(4)	120
Loss for the period		(850)	(24)	(874)
Basic and diluted loss per share (cents)				
From continuing operations		(22.9)	(0.4)	(23.3)
From discontinued operations		(0.1)	–	(0.1)
	7	(23.0)	(0.4)	(23.4)

36. CHANGE IN ACCOUNTING POLICY (CONTINUED)

Statement of Financial Position (extract)

	Notes	As at 30 September 2021		
		Previously reported €m	Adjusted for accounting policy adoption €m	As presented €m
ASSETS				
Non-current assets				
Intangible assets	8	**1 431**	(56)	**1 375**
Deferred tax assets	6.3	**240**	11	**251**
Total assets		**15 084**	(45)	**15 039**
EQUITY AND LIABILITIES				
Capital and reserves				
Other reserves		**(704)**	6	**(698)**
Accumulated losses		**(15 125)**	(41)	**(15 166)**
Total equity attributable to owners of Steinhoff		**(5 183)**	(35)	**(5 218)**
Non-controlling interests	30	**2 022**	(10)	**2 012**
Total equity		**(3 161)**	(45)	**(3 206)**

Statement of Cash Flows (extract)

	For the period ended 30 September 2021		
	Previously reported €m	Adjusted for accounting policy adoption €m	As presented €m
Net cash inflow from operating activities	**1 424**	(31)	**1 393**
Net cash outflow from investing activities	**(97)**	31	**(66)**

37. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Non-adjusting events occurring after the Reporting Period

- **Pepkor Holdings – Dividend declaration**
  The board of directors of Pepkor Holdings, declared a dividend of 55.2 South African rand cents per ordinary share, which is payable to shareholders on 23 January 2023 in respect of the twelve months ended 30 September 2022. The dividend will be payable to the holders of ordinary shares in the share capital of the company recorded in the securities register of the company on 20 January 2023. The last date to trade in order to be eligible to receive the dividend will be 17 January 2023, and the ex-dividend date will be 18 January 2023.

- **IEP dividend declaration and share buy-back**
  The board of directors of IEP declared a dividend to its ordinary shareholders of ZAR1.33 per share. A total dividend of ZAR33.25 million was paid to Mons Bella, a subsidiary of the Group and holder of the investment in IEP, on 1 December 2022. A portion of this dividend was used to purchase additional shares in IEP from an existing minority shareholder. This forms part of the greater plan to exit the investment in IEP.

- **Dividend to Preference Shareholders**
  The board of directors of SIHL declared a gross dividend on 29 September 2022 of 315.59 South African rand cents per share in respect of the period 1 January 2022 to 30 June 2022, payable to the shareholders of the 15 000 000 cumulative, non-redeemable, non-participating, variable rate preference shares issued by SIHL. The dividend was paid on 24 October 2022.

- **Sale of Steinhoff shares by Steinhoff Africa**
  On 11 November 2022, the Steinhoff Africa board resolved to dispose of its Steinhoff shares in order to utilise funds to repay Group Services' Debt. Steinhoff Africa disposed of 3 652 584 Steinhoff shares in the open market for a total consideration of ZAR6.3 million (€0.4 million).

- **Proposal to extend upcoming maturities of Steinhoff Group Services' Debt**
  Subsequent to the Reporting Date, Steinhoff entered into a framework support agreement ("Support Agreement") with its largest financial creditors representing approximately 64% of the total Group Services' Debt. The Support Agreement provides a stable platform for Steinhoff to achieve the consents necessary to extend the maturity of the Group Services' Debt from the current maturity of 30 June 2023 to at least 30 June 2026.

  If Steinhoff shareholders agree to the Maturity Extension Transaction, they will retain 20% of the economic interest in the post-closing equity of the Group, with the financial creditors being entitled to receive the balance. If they do not agree, shareholders will no longer have any interest in the Group.

  Steinhoff now seeks the support of its financial creditors and shareholders for the terms of the Maturity Extension Transaction, including long term maturity extensions across the Group Services' Debt. The Maturity Extension Transaction will maintain the stable platform for the orderly realisation of Steinhoff's portfolio of assets.

  Refer to announcements by Steinhoff on 15 December 2022, 16 December 2022 and 5 January 2023 for further information and note 17.4.

- **Mattress Firm IPO process**
  In light of the ongoing volatility in the IPO market and following careful consideration with external advisors, Mattress Firm elected to withdraw its related registration statement on Form S-1 on 9 January 2023. As previously noted, Mattress Firm continues to actively explore all options and paths forward, including resuming the IPO process once the markets are favourable.

- **Placement of Pepco Group shares**
  On 18 January 2023, the Company announced that the Steinhoff Group had sold an aggregate of 38 million ordinary shares in the capital of Pepco Group at a price of PLN38.95 per share through an accelerated placement, raising aggregate gross sale proceeds of approximately PLN1 480.1 million (€315.2 million). Following closing of the placement, the Company indirectly holds 415 594 616 ordinary shares, representing approximately 72.3% of Pepco Group's issued share capital. The Steinhoff Group intends to use the proceeds from the placement to reduce its outstanding debt.

Adjusting events occurring after the Reporting Period

- **Assessment of the going concern assumption**
  There was a reasonable and informed expectation that the Maturity Extension Transaction will be implemented following the entering into the Support Agreement and having subsequently received support from more than 80% (being the requisite support required for a consensual transaction with lenders) for all Group Services' Debt except for the First lien term loan facility. Based on this expectation, the going concern basis was not adopted in preparing these 2022 Consolidated Financial Statements. This was an event after the Reporting Period.

  An assessment was performed to determine whether the Group's Consolidated Financial Statements still comply with the recognition, measurement and disclosure requirements of IFRS, considering that a going concern basis has not been adopted. No adjusting entries were identified as part of the assessment.

38. OTHER INFORMATION

New and amended standards adopted by the Group

The Group has applied the following relevant standards and amendments for the first time for their annual reporting period commencing 1 October 2021.

- COVID-19 - Related Rent Concessions - Amendment to IFRS 16
- Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7

The adoption of these amendments did not have any impact on the amounts recognised in current or prior periods. Most of the amendments will also not affect the current or future periods.

New standards and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 2022 Reporting Period and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

Amended standards not yet effective for the 2022 Reporting Period

Standard	Details of amendment	Issued	Date required to be adopted by the Group
IFRS 3: Business Combinations	*Reference to the Conceptual Framework:* The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.	14 May 2020	1 October 2022*
IAS 16: Property, Plant and Equipment	*Proceeds before Intended Use:* The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.	14 May 2020	1 October 2022*
IAS 37: Provisions, Contingent Liabilities and Contingent Assets	*Onerous Contracts – Cost of Fulfilling a Contract:* The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making.	14 May 2020	1 October 2022*
Various	*Annual Improvements to IFRS Standards 2018–2020:*	14 May 2020	1 October 2022*
IFRS 17: Insurance Contracts	*Amendments to IFRS 17 Insurance contracts:* This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.	9 December 2021	1 October 2023*
IAS 1: Presentation of Financial Statements & IFRS Practice Statement 2	*Disclosure of Accounting Policies:* The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.	12 February 2021	1 October 2023*
IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors	*Definition of Accounting Estimates:* The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.	12 February 2021	1 October 2023*

38. OTHER INFORMATION (CONTINUED)

New standards and interpretations not yet effective (continued)

Amended standards not yet effective for the 2022 Reporting Period (continued)

Standard	Details of amendment	Issued	Date required to be adopted by the Group
IAS 12: Income Taxes	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction:* The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.	7 May 2021	1 October 2023*

Amended standards not yet endorsed

Standard	Details of amendment	Issued	Date required to be adopted by the Group
IAS 1: Presentation of Financial Statements	*Classification of Liabilities as Current or Non-current:* Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.	23 January 2020	1 October 2024*
	Non-current liabilities with Covenants: The amendment clarifies that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current, with additional guidance to explain how an entity should disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within twelve months.	31 October 2022	1 October 2024*
IFRS 16: Leases	*Lease Liability in a Sale and Leaseback:* The narrow-scope amendment requires a seller-lessee in a sale and leaseback transaction to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of a gain or loss relating to the right of use retained by the seller-lessee. The new requirement does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.	22 September 2022	1 October 2024*

* *These amendments are not expected to have a significant impact on the Group upon adoption.*

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

38. OTHER INFORMATION (CONTINUED)

ALLOCATION OF PROFITS

Articles of Association provisions governing the allocation of profits

The holders of Ordinary Shares are entitled to one vote per share and to participate in the distribution of (interim) dividends and liquidation proceeds.

Pursuant to article 35 of the Articles, a dividend may be declared out of net income after application to increase and/or form reserves. The allocation of profit remaining after reservations deemed necessary by the Management Board, with the approval of the Supervisory Board, will then be available for distribution to the ordinary shareholders subject to adoption by the General Meeting.

Distributions on shares may be made only up to an amount which does not exceed the amount of the distributable equity.

The Management Board, with the approval of the Supervisory Board, may declare an interim dividend which does not exceed the amount of the distributable equity.

The Management Board, with the approval of the Supervisory Board, may propose to the General Meeting that distributions be wholly or partly made in the form of ordinary shares.

Distribution of profits

Given the Group's ongoing liquidity constraints and the negative reserves, the Management Board, with the approval of the Supervisory Board, has resolved not to propose any dividend on the Ordinary Shares for the 2022 Reporting Period.

APPROVAL AND SIGNATORIES

Stellenbosch (South Africa), 27 January 2023

Management Board

Louis du Preez	Chief Executive Officer and Managing Director
Theodore de Klerk	Chief Financial Officer and Managing Director

Supervisory Board

Moira Moses	Chairperson and Supervisory Director
Peter Wakkie	Deputy-Chairman and Supervisory Director
Paul Copley	Supervisory Director
Hugo Nelson	Supervisory Director
David Pauker	Supervisory Director
Alexandra Watson	Supervisory Director

STEINHOFF
INTERNATIONAL HOLDINGS N.V.

SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Notes	2022 €'000	Restated[1] 2021 €'000
Dividend income	1	**512 655**	–
Interest income	2	**196**	379
Other income	3	**13 370**	6 721
Total income		**526 221**	7 100
Administrative expenses	4	**(22 319)**	(46 040)
Other (losses)/gains – net	5	**(4 138 700)**	2 969 185
Operating (loss)/profit for the period before finance cost and tax		**(3 634 798)**	2 930 245
Finance cost	6	**(12 262)**	(9 329)
Operating (loss)/profit for the period before tax		**(3 647 060)**	2 920 916
Taxation	7	**–**	–
Net (loss)/profit for the period attributable to Steinhoff shareholders		**(3 647 060)**	2 920 916
Other comprehensive income		**–**	–
Total comprehensive (loss)/income for the period attributable to Steinhoff shareholders		**(3 647 060)**	2 920 916

The accompanying notes form an integral part of the financial statements.

[1] *Refer to note 18 for details of the restatement to the 2021 Reporting Period.*

SEPARATE STATEMENT OF FINANCIAL POSITION

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Notes	30 September 2022 €'000	Restated[1] 30 September 2021 €'000	Restated[1] 1 October 2020 €'000
ASSETS				
Non-current assets				
Investment in subsidiary companies	8	**2 071 805**	2 745 075	1 064 983
Related party loans receivable	16	**164 000**	–	–
		2 235 805	2 745 075	1 064 983
Current assets				
Cash and cash equivalents	9	**2 509**	4 346	30 932
Trade and other receivables	10	**711**	18	2 429
Taxation receivable		**–**	–	4 942
Related party loans receivable	16	**176 785**	175 078	156 117
		180 005	179 442	194 420
Total assets		**2 415 810**	2 924 517	1 259 403
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital	11	**42 697**	42 697	43 098
Share premium reserve	11	**7 385 398**	7 385 398	7 522 465
Treasury shares	11	**–**	–	(137 468)
Accumulated losses		**(10 954 015)**	(7 306 955)	(10 227 871)
		(3 525 920)	121 140	(2 799 776)
Non-current liabilities				
Borrowings	12	**–**	1 059 696	2 598 503
Other payables and accruals	13	**7 542**	–	–
Related party loans payable	16	**–**	1 086 434	1 050 582
		7 542	2 146 130	3 649 085
Current liabilities				
Borrowings	12	**4 643 948**	–	–
Other payables and accruals	13	**9 667**	9 634	10 494
Provision – Global Litigation Settlement	14	**–**	641 646	399 600
Related party loans payable	16	**1 280 573**	5 967	–
		5 934 188	657 247	410 094
Total equity and liabilities		**2 415 810**	2 924 517	1 259 403

The accompanying notes form an integral part of the financial statements.

[1] *Refer to note 18 for details of the restatement to the 2021 and 2020 Reporting Periods.*

SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Notes	Ordinary stated share capital €'000	Share premium €'000	Treasury shares €'000	Accu-mulated losses €'000	Total €'000
Total equity at 1 October 2020		43 098	7 522 465	(137 468)	(10 082 790)	(2 654 695)
Restatements[1]	18	–	–	–	(145 081)	(145 081)
Total equity at 1 October 2020 – Restated		43 098	7 522 465	(137 468)	(10 227 871)	(2 799 776)
Total comprehensive income for the year		–	–	–	2 920 916	2 920 916
Transactions with owners in their capacity as owners						
Cancellation of treasury shares	11.3	(401)	(137 067)	137 468	–	–
Balance at 30 September 2021		**42 697**	**7 385 398**	**–**	**(7 306 955)**	**121 140**
Total comprehensive loss for the year		**–**	**–**	**–**	**(3 647 060)**	**(3 647 060)**
Balance at 30 September 2022		**42 697**	**7 385 398**	**–**	**(10 954 015)**	**(3 525 920)**

Ordinary stated capital and reserves

The ordinary stated share capital and share premium reserve records the movements in the issued share capital of the Company.

[1] *Refer to note 18 for details of the restatement to the 2021 and 2020 Reporting Periods.*

SEPARATE STATEMENT OF CASH FLOWS

AS AT 30 SEPTEMBER 2022

	Note	2022 €'000	2021 €'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilised in operations	15	**(1 765)**	(38 130)
Tax received		**–**	4 942
Net cash outflow from operating activities		**(1 765)**	(33 188)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds received from related party loans payable		**–**	5 814
Repayments of related party loans payable		**–**	(31)
Net cash inflow from financing activities		**–**	5 783
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(1 766)**	(27 405)
Cash and cash equivalents at beginning of the period		**4 346**	30 932
Effects of exchange rate changes on cash and cash equivalents		**(71)**	819
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**2 509**	4 346

BASIS OF PREPARATION

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

REPORTING ENTITY

The 2022 Separate Financial Statements of the Company are included as part of the 2022 Consolidated Financial Statements of Steinhoff International Holdings N.V.

The Company is a South African tax resident.

BASIS OF PREPARATION

The Management Board has a reasonable expectation that the Company is likely to be dissolved through the proposed equity re-organisation as announced on 15 December 2022. Refer to the Basis of Preparation in the 2022 Consolidated Financial Statements for more detail on the proposed equity re-organisation. Unlike in the Consolidated Financial Statements, the legal form is more important in the context of Separate Financial Statements being the financial statements of a legal entity. In preparing these 2022 Separate Financial Statements, the Management Board has not adopted the going concern basis. This assessment was treated as an adjusting event after the Reporting Period.

IFRS does not provide definitive guidance when the going concern basis is not appropriate. There is also no general dispensation from the measurement, recognition and disclosure requirements of IFRS if an entity is not expected to continue as a going concern. As a result, the Management Board has deemed it appropriate to continue to recognise and measure all assets and liabilities in terms of the applicable IFRS standards as at the Reporting Date.

Statement of compliance

The 2022 Separate Financial Statements have been prepared in accordance with IFRS, as adopted by the EU, and also comply with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code. All standards and interpretations issued by the IASB and the IFRIC, effective for periods starting on 1 October 2021, have been endorsed by the EU.

Unless otherwise indicated, these financial statements are prepared on the accrual basis in thousands of euro (€'000). The euro is the Company's presentation and functional currency.

Historical cost convention

The 2022 Separate Financial Statements have been prepared on a historical cost basis.

KEY ACCOUNTING POLICIES

If not stated otherwise, the accounting policies applied are the same as those in the 2022 Consolidated Financial Statements.

Shareholders' equity

The reserves were previously formed under, and are still recognised in accordance with, the Dutch Civil Code.

Statement of cash flows

The statement of cash flows is prepared using the indirect method. Assets and liabilities acquired as part of a business combination are included in investing activities (net of cash acquired). Dividends paid to shareholders are included in operating activities. Dividends received are classified as operating activities, as well as interest received and paid.

CPUs

The CPUs were classified as financial liabilities with the adoption of IFRS 9 during the 2019 Reporting Period.

The CPU contracts, excluding the contingent component, are initially and subsequently measured as the amount that Steinhoff expects to settle under these contracts ('the shortfall'). The shortfall is calculated as the excess of the carrying amount of the debt at year-end in relation to the estimated value of the underlying subsidiaries. In determining these estimated values for listed entities the closing share price on the Reporting Date was used in the valuations. For unlisted entities, management utilised the same information that was applied for impairment testing in the Consolidated Financial Statements. The contingent liability component is accounted for in accordance with IAS 37.

KEY ACCOUNTING POLICIES (CONTINUED)

CPUs (continued)

IAS 37 Provisions, Contingent Liabilities and Contingent Assets, requires an entity to treat the part of a joint and several liability that is expected to be met by other parties as a contingent liability. The guidance in IAS 37 is applicable to contingent liabilities. However, the measurement approach in IAS 37 for joint and several liabilities is generally consistent with the measurement approach for the CPUs. In accordance with IAS 37, it may be possible that under extremely rare circumstances, no reliable estimate of a liability can be made, and as a consequence that contingent liability component may not be recognised, but disclosed.

SIHPL's Global Litigation Settlement provision was taken into account in the measurement of the CPUs shortfall, where the Company's Global Litigation Settlement liability was included on the face of the Statement of Financial Position under Provisions – Global Litigation Settlement (refer to note 14). Withholding-and-dividend taxes that may be payable upon disposal of the underlying business were not included in the valuation of the CPUs as these taxes will be influenced by the outcome of the specifics surrounding the disposal in question and the jurisdiction in which the buyer is domiciled. As such, it is considered impracticable to quantify the taxes that may have to be paid.

Subsequently the CPUs are measured by adjusting the gross carrying amount of the financial liability to reflect the actual and revised shortfall as at the end of the Reporting Period as calculated in terms of the methodology disclosed above. Any adjustments are recognised in profit or loss.

CHANGES IN ACCOUNTING POLICIES

Refer to note 38 of the Consolidated Financial Statements for disclosure regarding new accounting standards adopted by the Company and the Group. Standards adopted had no significant impact on the Company's Financial Statements.

AREAS OF KEY JUDGEMENTS AND ESTIMATES

Key judgements and estimates used in CPU valuations

The estimated fair value of the underlying businesses are significant estimates in determining the value of the CPUs. A value-in-use calculation is considered an appropriate approach to estimate the fair value. Apart from the fact that the valuation techniques used are inherently subject to estimation uncertainty, the following items may also result in material differences between the actual and estimated disposal values:

- future performance of the underlying businesses and the markets in which they operate;
- potential discounts on the sale of the underlying businesses that may be required if these businesses are required to be disposed of within a required time frame;
- withholding and dividend taxes that may be payable upon disposal of the underlying business were included in the valuation of the CPUs;
- key sources of estimation uncertainty as disclosed in note 8 of the 2022 Consolidated Financial Statements;
- the assumptions applied in the value-in-use calculations; and
- remaining litigation claims are included in the valuation of the CPUs to the extent that a liability has been recognised in the 2022 Consolidated Financial Statements.

Refer to note 6 of the 2022 Consolidated Financial Statements for more details of tax uncertainties.

The calculation of the CPUs is subject to significant judgments which include the following:

- The ability of the Group to utilise loans owed to SIHPL by South African entities in order to settle European debts and the recoverability of these loans. Management considers that these loans could be called on to service the European debts and that they are fully recoverable in terms of a sum-of-the parts calculation performed on the SIHL Group.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

1. DIVIDEND INCOME

	Note	2022 €'000	2021 €'000
Subsidiary companies	16.2	**512 655**	–

The dividend received from SIHL is a non-cash distribution which relates to payments made by Steinhoff Africa on behalf of the Company as part of the implementation of the Global Litigation Settlement.

2. INTEREST INCOME

	2022 €'000	2021 €'000
Cash and cash equivalents	**34**	216
South African Revenue Service	**–**	163
Other	**162**	–
	196	379

3. OTHER INCOME

	Notes	2022 €'000	2021 €'000
Recovery from insurance		**6 753**	1 700
Recovery of Directors & Officers insurance expenses from related parties	16.2	**6 573**	3 905
Recovery of legal expenses from related parties	16.2	**–**	22
Recovery of legal expenses		**44**	–
Recovery of German real estate transfer tax		**–**	1 076
Other		**–**	18
		13 370	6 721

4. ADMINISTRATIVE EXPENSES

	Notes	2022 €'000	2021 €'000
Administration expenses consists of the following:			
Appointed Dutch Administrators' fees		**–**	(2 361)
Audit fees		**(3 469)**	(5 575)
Consulting fees		**(2 127)**	(3 026)
S155 Risk fee	4.1	**(2 026)**	–
Supervisory Board fees		**(1 470)**	(1 613)
Directors & Officers insurance		**(7 830)**	(20 867)
Legal fees		**(2 959)**	(12 156)
Penalty fees	4.2	**(11 432)**	–
Reversal of Administrators' fees	4.3	**882**	–
Reversal of Value Added Tax on legal fees	4.4	**6 028**	–
Reversal of legal fees	4.5	**2 500**	–
Other administrative expenses		**(416)**	(442)
		(22 319)	(46 040)

Refer to note 4 in the 2022 Consolidated Financial Statements for the Group's salary, wage and contribution to pension schemes as well as note 38 for employee numbers. No employees are employed by the Company.

Refer to note 32.1 in the 2022 Consolidated Financial Statements for the remuneration of the Management Board and Supervisory Board.

4.1 A risk fee was issued by SIHPL as consideration for the risk that SIHPL took in entering the S155 Settlement Agreement in favour of Steinhoff financial creditors.

4.2 The FSE imposed a fine of €134 thousand for the late submission of the Company's Annual Report for the 2020 Reporting Period, which was paid in February 2022.

Steinhoff has been further informed that BaFin imposed an administrative fine of €11.29 million on Steinhoff. Refer to note 13.

4.3 An amount was previously accrued for administrator fees payable to Houthoff Coöperatief U.A. but was reversed in the 2022 Reporting Period. This was due to court approved fees being less than expected and accrued for.

4.4 An investigation which pertains to Value Added Tax incorrectly charged by an advisor on legal fees for the period 2018 to 2021, has been concluded after which a credit note for the Value Added Tax portion thereof was received. Refer to note 10.

4.5 A success fee relating to the implementation of the Global Litigation Settlement that was recognised in the 2020 Reporting Period, was reversed since a subsidiary carried the costs.

5. OTHER (LOSSES)/GAINS

		Notes	2022 €'000	Restated[1] 2021 €'000
5.1	**Net foreign exchange gains/(losses)**		**3 763**	(7 668)
	Foreign exchange gains and losses are recognised in profit or loss on foreign denominated related party loans and bank accounts in the Separate Financial Statements.			
5.2	**(Impairment)/reversal of impairment of investment in subsidiary companies**	8.1	**(739 270)**	1 680 092
	a) In the 2022 Reporting Period, a prepayment of €66 million was made by the Company in terms of the Hemisphere CPU. This resulted in an impairment loss being recognised on the investments in Steenbok Newco 1 Limited and SFHG.			
	b) An impairment of €673 million (2021: impairment reversal of €1.69 billion) has been recognised on the SIHL investment mainly due to the non-cash dividend the Company received from Steinhoff Africa as part of the implementation of the Global Litigation Settlement (refer to note 1) which decreased the absolute value of the underlying assets.			
	c) In the 2021 Reporting Period, an additional impairment of €5.8 million was recognised on the investment in SUKGS.			
5.3	**Reversal of impairment provision of receivables from related parties**		**1 441**	–
	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 the loan will be payable and an impairment reversal of €1.4 million was therefore recognised.			
5.4	**Financial liabilities remeasured by the Company in profit or loss**	12.2	**(3 584 252)**	1 538 807
	The amount that the Company is expected to pay under the various CPUs increased by €3.6 billion (2021: decreased by €1.5 billion) in the 2022 Reporting Period.			
	The increase in the CPU shortfall during the 2022 Reporting Period was largely driven by the decline in the share price of Pepco Group, which is listed on the Warsaw Stock Exchange, and the accrual of PIK interest on the Group Services' Debt (refer to note 17 of the 2022 Consolidated Financial Statements). The Group held 453 594 616 Pepco Group shares at the Reporting Date, the closing share price was PLN29.90 per share (2021: PLN51 per share).			
	Although the increase in the CPU shortfall was driven mainly by these two elements, similar impacts were experienced on the market values of all Steinhoff's operating entities which have been under pressure broadly in line with global capital markets.			
5.5	**Global Litigation Settlement provision reversed/(raised)**		**15 618**	(242 046)
	The Global Litigation Settlement was successfully implemented on 15 February 2022. The movement during the 2022 Reporting Period relates to the PIC settlement reversal as well as to exchange rate adjustments to the SED provision value.			
5.6	**Gain on recognition of SIHPL loan note**		**164 000**	–
	All or certain of the SIHPL MPCs have been settled (in full or in part) by the Company on behalf of SIHPL from funds which were made available by the Company and shall be paid via the SRF. In consideration for the Company undertaking the Market Purchase Claimants Settlement on behalf of SIHPL, SIHPL became liable to the Company for the amounts paid by the Company pursuant to the Market Purchase Claimants Settlement. A loan to the amount of €164 million is therefore payable to the Company by SIHPL.			
	TOTAL OTHER (LOSSES)/GAINS		**(4 138 700)**	2 969 185

[1] Refer to note 18 for details of the restatement to the 2021 Reporting Period.

6. FINANCE COST

	Note	2022 €'000	2021 €'000
Cash and cash equivalents		**8**	44
Related parties	16.2	**12 254**	9 285
		12 262	9 329

7. TAXATION

	2022 €'000	Restated[1] 2021 €'000
Reconciliation of the tax expense		
Net (loss)/profit before taxation	**(3 647 060)**	2 920 916
Tax at the applicable rate of 28% (South African corporate taxation rate)	**(1 021 177)**	817 856
Tax effect of adjustments on taxable income		
Impact of not recognising deferred tax assets for losses as recoverability is not assured	**1 021 177**	(817 856)
Taxation expense during the period	**–**	–
Unrecognised tax losses	**66 599**	150 492

Assessed tax losses have not been recognised due to it not being probable that the Company will utilise these losses against future taxable income. These losses have no expiration date.

[1] *Refer to note 18 for details of the restatement to the 2021 Reporting Period.*

8. INVESTMENT IN SUBSIDIARY COMPANIES

ACCOUNTING POLICY

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment provisions as per IAS 27. Investments in subsidiaries are impaired to their recoverable amount.

SFHG, Genesis Investments Gamma GmbH and Steinhoff US Holdings I Inc

At the end of the 2022 Reporting Period, management considered whether any events or circumstances have occurred that would justify the reversal of the impairments accounted for in the prior reporting periods. It was concluded that a reversal of impairment was not justified as no expectation of future dividends could be reasonably supported due to the high debt levels in its subsidiaries, and facility agreements with Group creditors preventing dividends from flowing to the Company.

SIHL

As at 30 September 2022, management has determined that the carrying amount of this investment exceeds its recoverable amount.

The recoverability of the investment in SIHL was determined in terms of a sum-of-the-parts calculation performed on a SIHL group level. The decrease in the recoverable amount is mainly due to the decrease of the indirect investment in Steinhoff Africa due to the non-cash dividend the Company received as part of the Global Litigation Settlement (refer to note 1) and to a lesser extent the share price of Pepkor Holdings moving from a closing price of R21.57 on 30 September 2021 to a closing price of R20.77 on 30 September 2022. An impairment of €673 million (2021: impairment reversal of €1.69 billion) has been recognised on the SIHL investment.

	Country of incorporation	Issued share capital	Shareholding %	Total carrying value €'000
30 September 2022				
Genesis Investments Gamma GmbH	**Austria**	**€35 000**	**100**	**–**
SFHG	**Austria**	**€100 000**	**100**	**–**
SIHL	**South Africa**	**R275 000**	**100**	**2 071 805**
SUKGS	**United Kingdom**	**£200 000**	**100**	**–**
Steinhoff US Holdings I Inc	**United States of America**	**$1**	**100**	**–**
Steenbok Newco 1 Limited	**Jersey**	**£100**	**100**	**–**
				2 071 805
30 September 2021				
Genesis Investments Gamma GmbH	Austria	€35 000	100	–
SFHG	Austria	€100 000	100	–
SIHL	South Africa	R275 000	100	2 745 075
SUKGS	United Kingdom	£200 000	100	–
Steinhoff US Holdings I Inc	United States of America	$1	100	–
Steenbok Newco 1 Limited	Jersey	£100	100	*
				2 745 075

** Less than €500.*

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

	Note	30 September 2022 €'000	30 September 2021 €'000
Shares at cost		**4 706 986**	4 640 986
Less: Impairment provision		**(2 635 181)**	(1 895 911)
Shares at carrying value	8.1	**2 071 805**	2 745 075

8.1. Reconciliation of cost of investment and related impairment provisions per subsidiary

	Notes	SIHL €'000	SFHG €'000	Steenbok Newco 1 Limited €'000	SUKGS €'000	Total €'000
Carrying value of investment in subsidiaries – 1 October 2020		1 059 217	–	–	5 766	1 064 983
Reversal of/(additional) impairment of investment in subsidiaries through profit or loss	5.2	1 685 858	–	–	(5 766)	1 680 092
Carrying value of investment in subsidiaries – 30 September 2021		2 745 075	–	–	–	2 745 075
Capital contribution		**–**	**33 066**	**32 934**	**–**	**66 000**
Additional impairment of investment in subsidiaries through profit or loss	5.2	**(673 270)**	**(33 066)**	**(32 934)**	**–**	**(739 270)**
Carrying value of investment in subsidiaries – 30 September 2022		**2 071 805**	**–**	**–**	**–**	**2 071 805**

9. CASH AND CASH EQUIVALENTS

	30 September 2022 €'000	30 September 2021 €'000
Cash at bank and on hand	**2 509**	4 346

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Restricted cash

The Company does not have cash and cash equivalents that are restricted.

10. RECEIVABLES

	30 September 2022 €'000	30 September 2021 €'000
Other receivables	**711**	–
Other receivables – accrued interest	**–**	18
	711	18

In the past, an advisor incorrectly charged Value Added Tax on their invoices amounting to €6 million. Dutch tax authorities conducted an investigation into whether Value Added Tax was correctly charged by the advisor to the Company and found that a total amount of €4.9 million was incorrectly charged to the Company, of which €2.9 million was paid and €2 million remained unpaid. The remaining portion was paid directly by the Company's insurers to the advisor. The investigations have been concluded and the advisor issued credit notes for the Value Added Tax portion. The portion of the Value Added Tax that was paid by the Company, will be refunded once the advisor receives the refund from the Dutch tax authorities. To date, an amount of €2.2 million has been received by the Company.

11. SHARE CAPITAL

11.1 Authorised – ordinary

	30 September 2022	30 September 2021
	Number of shares	Number of shares
Ordinary shares of €0.01 each	**16 000 000 000**	16 000 000 000

11.2 Issued – ordinary

	30 September 2022	30 September 2021
	Number of shares	Number of shares
Balance at beginning of the period	**4 269 609 051**	4 309 727 144
Cancellation of shares	**–**	(40 118 093)
Total issued ordinary stated share capital	**4 269 609 051**	4 269 609 051

	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	Share capital €'000	Share capital €'000	Share premium €'000	Share premium €'000
Balance at beginning of the period	**42 697**	43 098	**7 385 398**	7 522 465
Cancellation of shares	**–**	(401)	**–**	(137 067)
Total issued ordinary stated share capital	**42 697**	42 697	**7 385 398**	7 385 398

All issued ordinary shares have been fully paid-up.

11.3 Treasury shares

	30 September 2022	30 September 2021
	Number of shares	Number of shares
Balance at beginning of the period	**–**	40 118 093
Cancellation of shares	**–**	(40 118 093)
Balance at the end of the period	**–**	–

Effective as of 3 November 2020, the issued share capital of the Company was reduced to 4 269 609 051 Ordinary Shares of €0.01 each, following the cancellation of 40 118 093 Ordinary Shares of €0.01 each.

The resolution to reduce the capital of the Company by cancelling 40 118 093 Ordinary Shares, that were held by the Company (the "Cancelled Shares" and the cancellation of these Cancelled Shares, the "Capital Reduction") was adopted by the General Meeting on 28 August 2020. The Company deposited the resolution to cancel the Cancelled Shares with the Dutch Trade Register and announced the Capital Reduction in a daily nationally distributed newspaper on 2 September 2020. As from the date of the announcement the statutory waiting period of two months for creditors to oppose the Capital Reduction commenced. On 4 November 2020, the Court of Amsterdam confirmed that no creditors had opposed the Capital Reduction during this period. Therefore, the resolution took effect after two months having passed since the announcement had been made. The Capital Reduction was aimed at optimising the Company's equity structure.

	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	Share capital €'000	Share capital €'000	Share premium €'000	Share premium €'000
Balance at beginning of the year	**–**	(401)	**–**	(137 067)
Cancellation of shares	**–**	401	**–**	137 067
Balance at the end of the period	**–**	–	**–**	–

11. SHARE CAPITAL (CONTINUED)

11.4 Unissued shares

	30 September 2022	30 September 2021
	Number of shares	Number of shares
Shares reserved for future participation in share schemes	–	105 831 130
Unissued shares	**11 730 390 949**	11 624 559 819
Total unissued shares	**11 730 390 949**	11 730 390 949

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the general meetings of the Company.

11.5 Authorised – Preference

	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	Number of shares	Number of shares	€'000	€'000
Non-cumulative financing preference shares of €0.01	**4 000 000 000**	4 000 000 000	**40 000**	40 000

No preference shares were issued during either period presented.

12. BORROWINGS

12.1 Financial liabilities

	Notes	30 September 2022 €'000	Restated[1] 30 September 2021 €'000
Recognised financial liabilities:			
Hemisphere CPU	12.3.1	**15 542**	85 607
SEAG CPU	12.3.2	**2 008 090**	–
SFHG 21/22 CPU	12.3.3	**1 440 510**	160 123
SFHG 23 CPU	12.3.4	**1 179 806**	813 966
		4 643 948	1 059 696
Portion payable within 12 months included in current liabilities		**(4 643 948)**	–
Non-current borrowings		**–**	1 059 696

12.2 Reconciliation of financial liabilities

	Hemisphere CPU €'000	SEAG CPU €'000	SFHG 21/22 CPU €'000	SFHG 23 CPU €'000	Total €'000
30 September 2022					
Opening balance – restated[1]	**85 607**	**–**	**160 123**	**813 966**	**1 059 696**
Remeasurement of CPUs	**(70 065)**	**2 008 090**	**1 280 387**	**365 840**	**3 584 252**
Closing balance	**15 542**	**2 008 090**	**1 440 510**	**1 179 806**	**4 643 948**
30 September 2021 – Restated[1]					
Opening balance	89 695	1 209 974	104 840	1 193 994	2 598 503
Remeasurement of CPUs	(4 088)	(1 209 974)	55 283	(380 028)	(1 538 807)
Closing balance	85 607	–	160 123	813 966	1 059 696

12.3 Information regarding CPUs

CPU	Maturity date	Facility guaranteed	Tranche	Borrower	Initial payment amount* €'000	Outstanding facility 2022 €'000	Outstanding facility 2021 €'000
Hemisphere CPU	30 June 2023	Hemisphere Term Loan Facility		Hemisphere	772 500	126 260	177 919
SEAG CPU	30 June 2023	First Lien Term Loan Facility	A1	Lux Finco 2	1 913 419	653 819	1 130 675
		Second Lien Term Loan Facility	A2	Lux Finco 2	3 591 040	5 022 923	4 520 828
SFHG 21/22 CPU	30 June 2023	21/22 Term Loan Facility	A1	Lux Finco 1	1 722 596	2 356 741	2 134 809
SFHG 23 CPU	30 June 2023	23 Term Loan Facility	A2	Lux Finco 1	1 179 806	1 614 132	1 462 131
					9 179 361	9 773 875	9 426 362

** In terms of the CPU agreements, the maximum amount that may be recovered from Steinhoff is limited to the initial payment amount.*

The CPUs all rank pari passu with each other.

[1] Refer to note 18 for details of the restatement to the 2021 Reporting Period.

12. BORROWINGS (CONTINUED)

12.3 Information regarding CPUs (continued)

12.3.1 Hemisphere CPU

On 5 September 2018, the Company was released as guarantor of the Hemisphere group's syndicated rolling credit facility, which was replaced with a new Term Loan Facility agreement. The Hemisphere CPU was entered into between the Company and the lender group which had the effect of replacing the Steinhoff parent guarantee provided on the previous syndicated rolling credit facility.

The value of the financial liability to be recognised by the Company is based on the estimated fair value of the remaining assets within the Hemisphere group.

As part of the Global Litigation Settlement, the Hemisphere lenders received an early payment of €66 million in cash by Steinhoff under the Hemisphere CPU.

12.3.2 SEAG CPU

The SEAG CPU was entered into between Steinhoff and the lender group whereby Steinhoff is the sole guarantor to the First Lien Term Loan Facility and the Second Lien Term Loan Facility.

There was a significant decrease in the share price of the Pepco Group to PLN29.90 per share as at 30 September 2022 (30 September 2021: PLN51 per share), resulting in an increase in the financial liability.

The SEAG CPU valuation is based on the assumption that the debt will be extended and that assets can be realised in the ordinary course of business in order to repay debt. Should the refinancing not be implemented, underlying assets may need to be sold at lower values in order to raise cash to settle debt.

12.3.3 SFHG 21/22 CPU

The SFHG 21/22 CPU was entered into between Steinhoff and the lender group, whereby Steinhoff is the co-guarantor of the 21/22 Term Loan Facility.

The 21/22 facility is co-guaranteed by SIHPL in terms of the S155 Settlement Note, whereby SIHPL guarantees €1.6 billion, limited to the value of its underlying assets.

In the case where the Company is a co-guarantor, and its co-guarantor and subsidiary has sufficient value to carry the obligation of the guarantee, such guarantee is recognised directly by the co-guarantor. The amount that SIHPL will have available to repay, is dependent on SIHL and Steinhoff Africa repaying intercompany loans to the value of €600 million to SIHPL. In terms of a sum-of-the parts calculation performed on the SIHL Group, the Steinhoff Africa and SIHL loans are considered to be recoverable.

The disposal value of the assets under the SIHPL CPU have been reduced by the Global Litigation Settlement that SIHPL paid.

The SFHG 21/22 CPU valuation is based on the assumption that the debt will be extended and that assets can be realised in the ordinary course of business in order to repay debt. Should the refinancing not be implemented, underlying assets may need to be sold at lower values in order to raise cash to settle debt.

S155 Settlement Note

Trevo instituted motion proceedings in the Western Cape High Court on 15 February 2021, seeking a declaratory order that the Guarantee issued by Steinhoff Investments in 2014 be declared void in terms of Section 45 of the South African Companies Act, 71 of 2008. On 1 July 2021, Judge Bozelak handed down his decision in which he confirmed the validity of the 2014 guarantee, but in relation to the SIHPL CPU, found, inter alia, that the financial assistance provisions of section 45 of the South African Companies Act, 71 of 2008, had been breached, and held that the resolution of the SIHPL board authorising entry into the SIHPL CPU and the SIHPL CPU was void (the "Section 45 Judgement").

On 12 July 2021, the financial creditors of SIHPL filed their Notice of Application for leave to appeal to the Supreme Court of Appeal against the orders and those parts of the judgment of Judge Bozelak in support thereof, followed by SIHPL on 19 July 2021. On 16 August 2021, Judge Bozelak handed down his judgment in which he granted leave to appeal to SIHPL and the financial creditors. The financial creditor's notice of appeal was served on 9 September 2021. SIHPL's notice of appeal was served on 14 September 2021.

12. BORROWINGS (CONTINUED)

12.3 Information regarding CPUs (continued)

12.3.3 SFHG 21/22 CPU (continued)

S155 Settlement Note (continued)

The appealing financial creditors notified SIHPL that, if their appeal of the Section 45 Judgement proved to be unsuccessful, in their opinion they would be entitled to the benefit of the continuing debt claims or restitutionary claims against SIHPL which fall outside the scope of the Section 45 Judgement. The financial creditors contend that SIHPL will owe an English law debt to them either under the original guarantees or on similar terms by way of restitution for unjust enrichment suffered as a result of the loss of the benefit of those guarantees in circumstances where both parties had intended that SIHPL would remain liable to the financial creditors under the SIHPL CPU following the 2019 financial restructuring.

On 15 December 2021, Steinhoff announced that Trevo had agreed to a settlement in which Trevo confirmed its support for the S155 Scheme.

On 16 February 2022, after the occurrence of SED, Trevo withdrew all litigation between them and Steinhoff and SIHPL in full and final settlement of claims against Steinhoff and SIHPL, directors and officers and auditors.

While the SIHPL CPU may have been declared null and void, the financial creditors had an equitable claim under the terms of the 2019 financial restructuring for a similar amount to what is due under the SIHPL CPU. This obligation arose under the provisions of the existing contracts and the company had little to no ability to avoid settlement of such obligation.

On SED, 15 February 2022, the financial creditors 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. SIHPL has agreed to issue to the creditors a loan note (the "S155 Settlement Note") to the amount of €1.581 billion (with limited recourse). The loan note carries no interest, has a maturity date falling 5 years and 6 months following the SED and has a third ranking security over SIHPL's assets. The S155 Settlement Note will remain in place as part of the debt restructure.

12.3.4 SFHG 23 CPU

The SFHG 23 CPU was entered into between Steinhoff and the lender group, whereby Steinhoff is the sole guarantor of the 23 Term Loan Facility. The 21/22 Term Loan Facility, the 23 Term Loan Facility and the SIHPL-Newco 2A intercompany loan rank pari-passu to each other and is repaid on a pro rata basis. Funds received by SIHPL will ultimately be used by SIHPL to perform against the S155 Settlement Note, therefore distributing the funds to the 21/22 Term Loan Facility lenders.

The SFHG 23 CPU valuation is based on the assumption that the debt will be extended and that assets can be realised in the ordinary course of business in order to repay debt. Should the refinancing not be implemented, underlying assets may need to be sold at lower values in order to raise cash to settle debt.

Pledge and cession

On SED, the Company pledged and ceded to and in favour of the Steinhoff CPUs and Steinhoff intragroup creditors all of the below rights as a continuing general covering collateral security for the due, proper and timeous payment and performance in full of all of the following obligations secured in terms of the pledge agreement:

- all of the issued ordinary shares in SIHL ("SIHL Shares") held by the Company;
- any rights attaching to the SIHL Shares to acquire any securities of whatsoever class and including any securities acquired pursuant to a rights issue, conversion, capitalisation issue and/or bonus issue, and/or scrip dividend in respect of SIHL;
- any rights to dividends and other distributions attaching to the SIHL Shares;
- the intercompany loan owing from SIHL to the Company dated 12 August 2019 to the extent outstanding;
- the Company's current and future claims against SIHL, whether in the form of a shareholder loan, intercompany loan, any other form of credit provided or otherwise; and
- any proceeds of sale, transfer or other disposal, lease, licence, sub-licence, or agreement for sale, transfer or other disposal, lease, licence or sub-licence, of the pledged assets.

The pledgee shall be entitled to enforce any or all of these rights if the following enforceable events occur:

- If any of the relevant primary agents exercise their rights to declare that the maturity date has occurred under the Steinhoff CPUs; or
- the Steinhoff intragroup creditors exercising any of their rights to accelerate the amounts payable under the Steinhoff intragroup loans.

12. BORROWINGS (CONTINUED)

12.3 Information regarding CPUs (continued)

Extension of facility maturity dates

Due to the successful implementation of the Global Litigation Settlement on 15 February 2022, a further payment extension on the Group Services' Debt was granted to 30 June 2023, with the option to seek a further six months extension to 31 December 2023 subject to approval by a simple majority of financial creditors. The Group engaged with its largest lenders who indicated that they would not support a formal extension request and therefore, to date, this option has not been exercised.

Proposal to extend upcoming maturities of Steinhoff Group Services' Debt

On 15 December 2022 and 16 December 2022, Steinhoff announced that it has entered into a framework support agreement ("Support Agreement") with its largest financial creditors representing approximately 64% of the total Group Services' Debt, and has subsequently received support from more than 80% (being the requisite support required for a consensual transaction with lenders) for all Group Services' Debt except for the First lien term loan facility where the current support is above 76% but below the requisite support required. The Steinhoff Group remains entitled to repay or refinance the existing First lien term loan facility and therefore the successful implementation of the Maturity Extension Transaction is not dependent on obtaining the support of the First lien term loan facility lenders. Steinhoff will evaluate its options for this facility. The Board considers that the Support Agreement provides a stable platform for Steinhoff to achieve the consents necessary to extend the maturity of the Group Services' Debt from the current maturity date of 30 June 2023 to at least 30 June 2026, together with various related re-organisation steps and transactions (the "Maturity Extension Transaction").

Overview of key terms of the proposed Maturity Extension Transaction

The Maturity Extension Transaction will result in:

- An extension of the maturity date under the Group Services' Debt Facilities, associated CPUs of the Company and intercompany loans to at least 30 June 2026, with two 12-month extension options available with majority lender consent under each of the Group Services' Debt Facilities (inter-conditional consents);
- The refinancing or amendment and extension of First lien term loan facility A1 and B1, with Second lien term loan facility A2 lenders receiving the full benefit of the SEAG CPU thereafter. Second lien term loan facility A2 lenders will also benefit from a reclassification of existing facility A2 into an instrument which is fully covered by the SEAG CPU (sized at 87% of the existing Second lien term loan facility A2), with the excess (13%) to be reclassified to Second lien term loan facility B2 or a new tranche fungible with Second lien term loan facility B2 (which does not benefit from a CPU). This represents an increase in CPU coverage for the Second lien term loan facility A2 lenders from 80.3% to 87%;
- Lenders with commitments in excess of €100 million across the 21/22 Term loan and 23 Term loan facilities, the First lien term loan and Second lien term loan facilities and the Hemisphere facilities who become party to the Support Agreement on or before 31 December 2022 (and who do not subsequently breach the terms of the Support Agreement) benefiting from a right of first offer and right of first refusal, on a pro rata basis, in respect of the refinancing of the First lien term loan facility A1 and B1;
- A resetting of the Second lien term loan facility A2 coupon at 10.0% (compounding semi-annually) from 30 June 2023 from the current 10.75%. To ensure full CPU coverage for Second lien term loan facility A2 going forwards, the notional rate under the SEAG CPU will be aligned to grow at the same rate;
- A resetting of the Hemisphere term loan facility coupon at 15.0% (compounding semi-annually) from 30 June 2023 from the current 10.0%. The Steinhoff Group is entitled to repay or refinance the existing outstanding facilities under the Hemisphere term loan facility at par plus accrued interest (and without any prepayment premium) on or before the earlier of (a) 30 June 2023 or (b) the amendment date;
- A consent fee of 1% of the total outstanding principal amount under the Hemisphere term loan facility A to be paid on a cashless basis by being added to the outstanding principal amount under the Hemisphere term loan facility;
- Amendments to the relevant debt documents of the Group resulting in CPU holders being paid ahead of any holders of equity instruments issued by Steinhoff; and
- A "solvent distribution regime" to facilitate an efficient distribution of the Group's assets at fair value directly to financial creditors, subject to any legal and regulatory restrictions, if debt has not been discharged in full at extended maturity (or following any earlier acceleration). The regime includes limited recourse terms and "solvent liquidation" provisions for the benefit of the Company (including any new ultimate parent of the Group) and its subsidiaries.

12. BORROWINGS (CONTINUED)

12.3 Information regarding CPUs (continued)

Proposal to extend upcoming maturities of Steinhoff Group Services' Debt (continued)

Financial Creditor Accession and Early Bird Fee

Financial creditors who signed or acceded to the Support Agreement by 5.00 p.m. London time on 31 December 2022 (the "Early Bird Fee Deadline"), and who do not subsequently breach the terms of the Support Agreement, will be eligible for an early bird fee (the "Early Bird Fee") equal to their pro-rata share of:

- in respect of 21/22 Term loan facility A1 and 23 Term loan facility A2 financial creditors, a fee payable by Steenbok Lux Finco 1 S.à r.l. in an amount equal to 0.50% of the total 21/22 Term loan facility A1 and 23 Term loan facility A2 debt; and
- in respect of the Second lien term loan facility A2 and B2 financial creditors, a fee payable by Steenbok Lux Finco 2 S.à r.l. in an amount equal to 0.50% of the total Second lien term loan facility A2 and B2 debt.

Work Fee

Each of the Original Participating Lenders who remains signed up to the Support Agreement and is not in breach of any of its terms, shall be paid a work fee (the "Work Fee") equal to their pro-rata share of:

- in respect of their 21/22 Term loan facility A1 and 23 Term loan facility A2 debt, a fee payable by Steenbok Lux Finco 1 S.à r.l. in an amount equal to 0.50% of the total 21/22 Term loan facility A1 and 23 Term loan facility A2 debt; and
- in respect of their Second lien term loan facility A2 and B2 debt, a fee payable by Steenbok Lux Finco 2 S.à r.l. in an amount equal to 0.50% of the total Second lien term loan facility A2 and B2 debt.

The Early Bird Fee and Work Fee are to be paid on a cashless basis, through the issuance of commitments under new debt tranches in each of the Steenbok Lux Finco 1 S.à r.l. and Steenbok Lux Finco 2 S.à r.l. debt (as applicable), on a super-senior basis, accruing interest at 10% PIK on a semi-annual basis after 31 December 2022, with no CPU, maturing on 30 June 2026.

The Support Agreement seeks to secure the support of at least 80% of the financial creditors under each Group Services' Debt Facility.

13. OTHER PAYABLES AND ACCRUALS

	30 September 2022 €'000	30 September 2021 €'000
Other payables and accruals	**17 209**	9 634
Portion payable within 12 months included in current liabilities	**(9 667)**	(9 634)
Non-current other payables and accruals	**7 542**	–

The majority of the amounts accrued in the 2022 Reporting Period relates to advisory and consulting fees payable at period-end, which includes an outstanding balance of €1.3 million (2021: €1.9 million) of the administrative penalty of €3.2 million imposed by the FSCA in the 2019 Reporting Period.

During the 2022 Reporting Period, BaFin imposed an administrative fine of €11.29 million on Steinhoff to be paid in instalments up to 30 September 2024.

The fine was for not making the annual financial report for the 2016/2017 financial year available within the prescribed period to the public and also for failing to publish voting rights notifications it had received within the prescribed period. The administrative fine also effectively resolved other late filings of financial reports and voting rights notifications.

The fine amount and administrative costs are payable in three tranches as follows: €3.76 million on 31 March 2023, €3.76 million on 31 March 2024 and €3.77 million on 30 September 2024.

The fair values of other payables and accruals are disclosed in note 17.

14. PROVISIONS – LITIGATION SETTLEMENT

SED for the purpose of the Global Litigation Settlement was 15 February 2022. Refer to notes 23 and 24 of the Consolidated Financial Statements for a detailed overview of the steps have been taken pursuant to the Global Litigation Settlement.

The Litigation Settlement provision raised by the Company in the 2021 Reporting Period is set out below:

	30 September 2022 €'000	30 September 2021 €'000
Market Purchase Claimants – Steinhoff	–	436 393
Contractual Claimants – Steinhoff	–	169 406
Other (Non-qualifying claimants i.e. Trevo and others and Tekkie Town)	–	35 847
	–	641 646

The movement during the 2022 Reporting Period relates to the PIC settlement reversal as well as to exchange rate adjustments to the SED provision value. Refer to note 5.5.

Reconciliation of the movement during the 2022 Reporting Period:

	30 September 2022 €'000
Opening balance	**641 646**
Market Purchase Claimants – Steinhoff	**436 393**
Contractual Claimants – Steinhoff	**169 406**
Other (Non-qualifying claimants i.e. Trevo and others and Tekkie Town)	**35 847**
Global Litigation Settlement adjusted for:	
Additional provisions raised for Global Litigation Settlement	**(22 760)**
PIC settlement moved to SIHL level	**(22 760)**
Changes in provision as a result of exchange rate and Pepkor Holdings share price adjustments	**7 142**
Steinhoff Contractual and Market Purchase Claimants (exchange rate)	**6 821**
Trevo adjustment	**321**
Global Litigation Settlements:	**(626 028)**
Cash settlements	**(612 620)**
Call options granted (Trevo and others) – SIHPL portion	**(13 408)**
Closing balance	**–**

Contingent Liabilities

Access to a copy of the overview of the forensic investigation published in March 2019 ("PwC Report")

- Application brought by Tiso Blackstar and others (owners of prominent South African media outlets) vs Steinhoff on 23 October 2019 on a public interest basis (as well as separate applications by Markus Jooste) for access to a copy of the PwC Report. On 10 May 2022, the High Court ruled that Steinhoff is directed to supply Tiso Blackstar and amaBhungane with a copy of the PwC Report. Steinhoff was granted leave to appeal to the Supreme Court of appeal and those proceedings are ongoing. Damages are not sought in this matter and accordingly there can be no economic outflow arising from these proceedings.

15. CASH FLOW INFORMATION

15.1 Cash generated from operations

	Notes	30 September 2022 €'000	Restated[1] 30 September 2021 €'000
(Loss)/profit before tax		**(3 647 060)**	2 920 916
Adjusted for:			
Net foreign exchange (gains)/losses	5.1	**(3 805)**	7 115
Impairment/(reversal of impairment) of investments in subsidiaries	5.2	**739 270**	(1 680 092)
Reversal of impairment provision of receivables from related parties	5.3	**(1 441)**	(3 880)
Bad debts		**–**	3 880
Remeasurement/recognition of financial liabilities	5.4	**3 584 252**	(1 538 807)
Litigation Settlement provision (reversed)/raised	5.5	**(15 618)**	242 046
Gain on recognition of SIHPL loan note	5.6	**(164 000)**	–
Finance cost accrued	6	**12 254**	9 285
Non-cash dividends received	1	**(512 655)**	–
Other non-cash expenses		**45**	(37)
Cash utilised in operations before other payables and accruals changes		**(8 758)**	(39 574)
Changes in working capital			
(Increase)/decrease in trade receivables		**(693)**	2 411
Increase/(decrease) in other payables and accruals		**7 686**	(967)
Net changes in working capital		**6 993**	1 444
Cash utilised in operations		**(1 765)**	(38 130)

15.2 Net debt reconciliation

	30 September 2022 €'000	Restated[1] 30 September 2021 €'000
Cash and cash equivalents	**2 509**	4 346
Related party loans payable – repayable within one year	**(1 280 573)**	(5 967)
Related party loans payable – repayable after one year	**–**	(1 086 434)
Borrowings – financial liabilities – repayable within one year	**(4 643 948)**	–
Borrowings – financial liabilities – repayable after one year	**–**	(1 059 696)
	(5 922 012)	(2 147 751)

15.3 Reconciliation of liabilities arising from financing activities

	Opening balance €'000	Remeasurement of CPUs €'000	Foreign exchange movements €'000	Other non-cash movements €'000	Cash flows €'000	Closing balance €'000
30 September 2022						
Borrowings	**1 059 696**	**3 584 252**	**–**	**–**	**–**	**4 643 948**
Loans from related parties	**1 092 401**	**–**	**(3 501)**	**191 673**	**–**	**1 280 573**
	2 152 097	**3 584 252**	**(3 501)**	**191 673**	**–**	**5 924 521**
30 September 2021 – Restated[1]						
Borrowings	2 598 503	(1 538 807)	–	–	–	1 059 696
Loans from related parties	905 501	–	26 788	154 329	5 783	1 092 401
	3 504 004	(1 538 807)	26 788	154 329	5 783	2 152 097

[1] *Refer to note 18 for details of the restatement to the 2021 Reporting Period.*

16. RELATED PARTY TRANSACTIONS

Related party relationships exist between the Company, its subsidiaries and key management personnel.

16.1 Subsidiaries

Details of investments in direct subsidiaries are disclosed in note 5.

16.2 Trading transactions

The following is a summary of transactions with subsidiary companies during the period and balances at the end of the period:

	Notes	30 September 2022 €'000	30 September 2021 €'000
Finance cost:			
Newco 2A		**10 139**	9 285
Ibex Retail Investments Limited		**2 115**	–
	6	**12 254**	9 285
Recovery of Directors & Officers insurance expense:			
SIHL		**771**	347
SIHPL		**790**	335
Newco 2A		**944**	405
Steenbok Newco 10 SARL		**559**	236
Ibex Retail Investments Limited		**1 176**	740
Steinhoff Properties Proprietary Limited		**366**	95
Conforama Holding S.A.		**559**	334
Steinhoff International Sourcing and Trading Limited		**–**	101
Hemisphere		**–**	290
SUKGS		**–**	28
Steinhoff UK Holdings Limited		**–**	200
Steinhoff Services Proprietary Limited		**–**	110
Steinhoff Möbel Holding GmbH		**405**	198
AIH Investment Holding AG		**598**	296
Steinhoff Europe AG (Switzerland)		**405**	190
	3	**6 573**	3 905
Recovery of legal expense:			
SIHPL	3	**–**	22
Dividends received:			
SIHL	1	**512 655**	–
S155 Risk fee:			
SIHPL	4	**2 026**	–
Operating expenses paid:			
Ibex Retail Investments Limited	4	**363**	–

16. RELATED PARTY TRANSACTIONS (CONTINUED)

16.3 Loans and receivables

	Notes	30 September 2022 €'000	30 September 2021 €'000
Loans			
Non-current			
SIHPL – Loan Note	a	**164 000**	–
Current			
SIHL	b	**175 472**	175 078
SIHPL	c	**3 584**	3 576
Ibex Retail Investments Limited[1]	d	**28 153**	26 500
		207 209	205 154
Less: Impairment provision		**(30 424)**	(30 076)
		176 785	175 078
		340 785	175 078

[1] *The loans receivable from companies within the European Group were deemed irrecoverable. The recoverability of these loans was assessed on the basis of the European Group's inability to repay the loans based on debt levels within the European Group exceeding the European Group's liquid or realisable assets post restatements.*

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

b As part of the Global Litigation Settlement implementation, the loan receivable from SIHL, was settled. FinSurv approval is however still required to clear the loan account, resulting in a loan payable to SIHL of the same amount. The loans are denominated in rand, unsecured, interest-free and have no fixed terms of repayment.

c The loan to SIHPL is denominated in rand, unsecured, interest-free and is repayable on demand. In terms of the SIHPL intercreditor agreement entered into on 15 February 2022, the loan payable to the Company has a third ranking over the SIHPL's assets and has become a limited recourse loan. Based on SIHPL's available assets, only a portion of the loan will be payable and was therefore only recognised to that extent.

d The loan to Ibex Retail Investments Limited is denominated in rand, unsecured, accrues payment-in-kind interest at JIBAR plus 1.5%, with a minimum interest rate of 1.5% per annum, and is repayable on demand. Due to the loan being fully impaired, no interest was recognised.

16. RELATED PARTY TRANSACTIONS (CONTINUED)

16.3 Loans and receivables (continued)

Credit loss allowances

	Internal credit rating	Basis of allowance	Gross Carrying amount €'000	Loss Allowance €'000	Amortised cost €'000
30 September 2022					
SIHPL – Loan Note	Performing	12-month ECL	**164 000**	**–**	**164 000**
SIHL	Performing	12-month ECL	**175 472**	**–**	**175 472**
SIHPL	Under-performing	Lifetime ECL	**3 584**	**(2 271)**	**1 313**
Ibex Retail Investments Limited	Non-performing	Lifetime ECL	**28 153**	**(28 153)**	**–**
			371 209	**(30 424)**	**340 785**

	Internal credit rating	Basis of allowance	Gross Carrying amount €'000	Loss Allowance €'000	Amortised cost €'000
30 September 2021					
SIHL	Performing	12-month ECL	175 078	–	175 078
SIHPL	Non-performing	Lifetime ECL	3 576	(3 576)	–
Ibex Retail Investments Limited	Non-performing	Lifetime ECL	26 500	(26 500)	–
			205 154	(30 076)	175 078

16. RELATED PARTY TRANSACTIONS (CONTINUED)

16.4 Loans and payables

	Notes	30 September 2022 €'000	Restated[1] 30 September 2021 €'000
Loans			
Non-current			
Steinhoff Africa	a	–	(245 801)
Newco 2A	b	–	(695 552)
Ibex Retail Investments Limited	c	–	(145 081)
		–	(1 086 434)
Current			
Steinhoff Africa	a	**(246 399)**	–
Newco 2A	b	**(705 691)**	–
Ibex Retail Investments Limited	c	**(147 196)**	–
SUKGS	d	**(5 815)**	(5 967)
SIHL	e	**(175 472)**	–
		(1 280 573)	(5 967)
		(1 280 573)	(1 092 401)
Payables			
Ibex Retail Investments Limited	f	**(120)**	–
SIHPL	g	**(2 026)**	–
		(2 146)	–

[1] *Refer to note 18 for details of the restatement to the 2021 Reporting Period.*

a The loan from Steinhoff Africa is denominated in rand, secured by shares in SIHL, interest-free and is repayable on 30 June 2023.

b The loan from Newco 2A is denominated in euro, secured by shares in SIHL, accrues payment-in-kind interest at EURIBOR +1.33% per annum, with a minimum interest rate of 1.33% per annum, and is repayable on 30 June 2023.

c The loan from Ibex Retail Investments is denominated in euro, unsecured, accrues payment-in-kind interest at EURIBOR + 1.33% per annum, with a minimum interest rate of 1.33% per annum, and is repayable on 30 June 2023.

d The loan from SUKGS is denominated in pound, unsecured, interest-free and is repayable on demand.

e As part of the Global Litigation Settlement implementation, the loan receivable from SIHL, was settled. FinSurv approval is however still required to clear the loan account, resulting in a loan payable to SIHL of the same amount. The loans are denominated in rand, unsecured, interest-free and have no fixed terms of repayment.

f The payable amount to Ibex Retail Investments Limited relates to advisor fees that was recharged to the Company.

g A risk fee was issued by SIHPL as consideration for the risk that SIHPL took in entering the S155 Settlement Agreement in favour of Steinhoff financial creditors.

16.5 Management Board members and Supervisory Board members

For details of the Management Board members and Supervisory Board members, remuneration, share rights, interests of key management personnel in contracts and interest in Steinhoff's ordinary share capital, please refer to note 31 and 32 of the Consolidated Financial Statements.

17. FINANCIAL RISK MANAGEMENT

The Management Board is responsible for implementing the risk management strategy to ensure that an appropriate risk management framework is operating effectively within the Company. The Company does not speculate in the trading of derivative or other financial instruments.

17.1 Total financial assets and liabilities

	Notes	Loans and receivables and other financial liabilities at carrying and fair value	
		30 September 2022 €'000	Restated[1] 30 September 2021 €'000
Related party loans receivable	16.3	**164 000**	–
Non-current financial assets		**164 000**	–
Related party loans receivable	16.3	**176 785**	175 078
Trade receivables	10	**711**	18
Cash and cash equivalents	9	**2 509**	4 346
Current financial assets		**180 005**	179 442
Borrowings	12	**–**	(1 059 696)
Other payables and accruals	13	**(7 542)**	–
Related party loans payable	16.4	**–**	(1 086 434)
Non-current financial liabilities		**(7 542)**	(2 146 130)
Borrowings	12	**(4 643 948)**	–
Other payables and accruals	13	**(9 667)**	(9 634)
Related party loans payable	16.4	**(1 280 573)**	(5 967)
Current financial liabilities		**(5 934 188)**	(15 601)
Realised and unrealised foreign exchange gains/(losses)	5.1	**3 763**	(7 668)
Finance cost	6	**(12 262)**	(9 329)
Interest income	2	**196**	216

[1] Refer to note 18 for details of the restatement to the 2021 Reporting Period.

No items were classified as "at fair value through profit or loss" or "at fair value through other comprehensive income" during the 2022 Reporting Period.

The carrying amount of financial assets and liabilities approximates its fair value.

The fair value calculation of the financial assets and liabilities was performed at the Reporting Date. Between the Reporting Date and the date of this report, the fair values reported may have fluctuated with changing market conditions and therefore the fair values are not necessarily indicative of the amounts the Company could realise in the normal course of business subsequent to the Reporting Date.

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

17.2 Market risk

17.2.1 Foreign currency risk

The financial assets and liabilities of the Company are denominated in the functional currency except for the following South African rand, US dollar and British pound denominated related party loans receivable, related party loans payable, other payables and accruals and cash and cash equivalents.

	Notes	US dollar €'000	British pound €'000	SA rand €'000
30 September 2022				
Related party loans receivable	16.3	**–**	**–**	**176 785**
Cash and cash equivalents		**–**	**1**	**466**
Other payables and accruals		**(102)**	**(483)**	**(3 307)**
Related party loans payable	16.4	**–**	**(5 815)**	**(421 871)**
		(102)	**(6 297)**	**(247 927)**
30 September 2021				
Related party loans receivable	16.3	–	–	175 078
Cash and cash equivalents		–	8	4 317
Other payables and accruals		–	(2 941)	(1 923)
Related party loans payable	16.4	–	–	(245 801)
		–	(2 933)	(68 329)

The following significant exchange rates applied during the period and were used in calculating sensitivities:

	Forecast rate[1]	Forecast rate[1]	Reporting Date spot rate	Reporting Date spot rate
	30 September 2023	30 September 2022	30 September 2022	30 September 2021
South African rand: euro	**19.4400**	17.8400	**17.5353**	17.5629
US dollar: euro	**1.1400**	1.1200	**0.9748**	1.1579
British pound: euro	**0.8900**	0.8600	**0.8830**	0.8605

[1] *The forecast rates represent a weighting of foreign currency rates forecasted by the major banks that the Company transacts with regularly. These rates are not necessarily management's expectations of currency movements.*

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

17.2 Market risk (continued)

17.2.1 Foreign currency risk (continued)

Sensitivity analysis

The table below indicates the Company's sensitivity at the Reporting Date to the movements in the South African rand, US dollar and British pound that the Company is exposed to on its financial instruments. The percentage given below represents a weighting of foreign currency rates forecasted by the major banks that the Company transacts with regularly. This analysis assumes that all other variables, in particular interest rates, remain constant.

The impact on the reported numbers, using the forecast rates as opposed to the Reporting Date spot rates is set out below.

	30 September 2022 €'000	30 September 2021 €'000
Through profit/(loss)		
Rand weakening by 10.86% (2021: weakening by 1.58%) to the euro	**26 930**	1 078
US dollar weakening by 16.95% (2021: strengthening by 3.3%) to the euro	**17**	–
British pound weakening by 0.8% (2021: strengthening by 0.1%) to the euro	**50**	(2)

If the foreign currencies were to weaken/strengthen against the euro, by the same percentages as set out in the table above, it would have an equal, but opposite, effect on profit or loss.

17.2.2 Interest rate risk

At the Reporting Date the interest rate profile of the Company's financial instruments was:

	Subject to interest rate movement				
	Variable South African (SA) prime €'000	Variable EURIBOR €'000	Fixed rate €'000	Non-interest-bearing €'000	Total €'000
30 September 2022					
Current financial assets	**466**	**711**	**–**	**178 828**	**180 005**
Non-current financial liabilities	**–**	**(147 196)**	**–**	**(7 542)**	**(154 738)**
Current financial liabilities	**–**	**(705 691)**	**–**	**(5 081 301)**	**(5 786 992)**
	466	**(852 176)**	**–**	**(4 910 015)**	**(5 761 725)**
30 September 2021 – Restated[1]					
Current financial assets	4 317	–	29	175 096	179 442
Non-current financial liabilities	–	(840 633)	–	(1 305 497)	(2 146 130)
Current financial liabilities	–	–	–	(15 601)	(15 601)
	4 317	(840 633)	29	(1 146 002)	(1 982 289)

[1] Refer to note 18 for details of the restatement to the 2021 Reporting Period.

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

17.2 Market risk (continued)

17.2.2 Interest rate risk (continued)

Sensitivity analysis

The Company is sensitive to movements in the SA prime rate and EURIBOR.

The sensitivities calculated are based on an increase of 100 basis points for each interest category. These rates are also used when reporting sensitivities internally to key management personnel.

	30 September 2022 €'000	Restated[1] 30 September 2021 €'000
Increase/(decrease) in pre tax profit		
SA prime – 100 basis point increase	**5**	43
EURIBOR – 100 basis point increase	**(8 522)**	(8 406)
	(8 517)	(8 363)

[1] *Refer to note 18 for details of the restatement to the 2021 Reporting Period.*

A 100 basis point decrease in the above rates would have had an equal, but opposite, effect on profit or loss before tax.

17.3 Credit risk

	30 September 2022 €'000	30 September 2021 €'000
Potential concentration of credit risk consists principally of cash and cash equivalents, trade receivables and related party loans receivable. The Company deposits short-term cash surpluses with major banks of quality credit standing. At 30 September 2022, the Company did not consider there to be any significant concentration of credit risk which had not been adequately provided for.		
The carrying amounts of financial assets represent the maximum credit exposure.		
The maximum remaining exposure to credit risk at the Reporting Date, without taking account of the value of any collateral obtained was:		
Non-current financial assets (note 16.3)	**164 000**	–
Current financial assets (note 9, 10 and 16.3)	**180 005**	179 442
	344 005	179 442
The maximum exposure to credit risk at the Reporting Date by geographical region was (carrying amounts):		
Continental Europe	**2 753**	21
Southern Africa	**341 251**	179 413
United Kingdom	**1**	8
	344 005	179 442

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

17.4 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the entity could be required to pay its liabilities earlier than expected.

The Company manages liquidity risk by monitoring forecast cash flows and by ensuring that adequate borrowing facilities are available.

The following table details the Company's remaining contractual maturity for its financial liabilities. The table has been drawn up on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows:

	Notes	Within 1 year €'000	Years 2 – 5 €'000
30 September 2022			
Other payables and accruals	13	**(9 667)**	**(7 542)**
Related party loans payable	16.4	**(1 280 573)**	**–**
Borrowings	12	**(4 643 948)**	**–**
		(5 934 188)	**(7 542)**
30 September 2021 – Restated[1]			
Other payables and accruals	13	(9 634)	–
Related party loans payable	16.4	(5 967)	(1 086 434)
Borrowings	12	–	(1 059 696)
		(15 601)	(2 146 130)

[1] Refer to note 18 for details of the restatement to the 2021 Reporting Period.

17.5 Capital risk management

The capital structure of the Company consists of cash and cash equivalents and equity, comprising issued ordinary stated capital and accumulated losses as disclosed in the statement of changes in equity.

18. RESTATEMENTS

Management became aware of certain amounts paid to Mattress Firm by SEAG (prior to December 2017) on behalf of the Company that were incorrectly recognised by SEAG as operating expenses. The amounts paid were correctly recorded as capital contributions from the Company in Mattress Firm's financial statements. These prior period contributions should have been accounted by the Company as a loan payable to SEAG with a corresponding increase in its investment in Mattress Firm. The investment in Mattress Firm would have been subsequently written down to its impaired value. This loan, as part of the CVA implementation, would have subsequently been hived down to Ibex Retail Investments Limited.

As at 30 September 2020, the opening accumulated loss and the liabilities were understated by €145 million, being the intragroup loan payable to Ibex Retail Investments Limited that was not recognised as well as the prior period impairment of the investment in Mattress Firm (opening accumulated losses).

During the 2021 Reporting Period, the CPU shortfall decreased due to the inclusion of the loan receivable in the underlying asset values of Ibex Retail Investments Limited. This resulted in a decrease in borrowings and increase in other gains.

Statement of Financial Position (extract)

	Previously reported €'000	Adjustment €'000	Restated €'000
30 September 2021			
Accumulated losses	7 306 955	–	7 306 955
Borrowings	(1 204 777)	145 081	(1 059 696)
Related party loans payable	(947 320)	(145 081)	(1 092 401)

Statement of Profit or Loss and Other Comprehensive Income

	Previously reported €'000	Adjustment €'000	Restated €'000
30 September 2021			
Interest income	379	–	379
Total income	379	–	379
Other income	6 721	–	6 721
Administrative expenses	(46 040)	–	(46 040)
Other gains – net	2 824 104	145 081	2 969 185
Operating profit for the period before finance cost and tax	2 785 164	145 081	2 930 245
Finance cost	(9 329)	–	(9 329)
Operating profit for the period before tax	2 775 835	145 081	2 920 916
Taxation	–	–	–
Net profit for the period attributable to Steinhoff shareholders	2 775 835	145 081	2 920 916
Other comprehensive income	–	–	–
Total comprehensive profit for the period attributable to Steinhoff shareholders	2 775 835	145 081	2 920 916

Statement of Financial Position (extract)

	Previously reported €'000	Adjustment €'000	Restated €'000
30 September 2020			
Accumulated losses	10 082 790	145 081	10 227 871
Borrowings	(2 598 503)	–	(2 598 503)
Related party loans payable	(905 501)	(145 081)	(1 050 582)

19. RECONCILIATION OF THE NET PROFIT AND SHAREHOLDERS' EQUITY OF THE COMPANY WITH THE CONSOLIDATED RESULTS AS AT 30 SEPTEMBER 2022

	Notes	30 September 2022		Restated[1] 30 September 2021	
		Total equity €'000	Net loss for the period €'000	Total equity €'000	Net income for the period €'000
Company equity and net (loss)/income for the period		**(3 525 920)**	**(3 647 060)**	121 140	2 920 916
Adjusted for:		**(2 448 080)**	**2 730 060**	(5 339 140)	(3 914 916)
Elimination of intragroup transactions:					
Elimination of impairment/(reversal of impairment) of investment in subsidiary companies	5.2	**739 270**	**739 270**	(1 680 092)	(1 680 092)
Elimination of impairment reversal of intragroup loans receivable	5.3	**(1 441)**	**(1 441)**	–	–
Elimination of remeasurement of financial liabilities	5.4	**3 584 252**	**3 584 252**	(1 538 807)	(1 538 807)
Share of subsidiaries consolidated loss for the period		**(1 592 021)**	**(1 592 021)**	(696 017)	(696 017)
Share of subsidiaries consolidated other comprehensive income for the period		**39 000**	**–**	335 000	–
Other reserve movements		**122 000**	**–**	709 000	–
Prior period share of subsidiaries consolidated total comprehensive loss for the period and other reserve movements		**(5 339 140)**	**–**	(2 468 224)	–
Group equity and loss after tax for the period attributable to owners of Steinhoff		**(5 974 000)**	**(917 000)**	(5 218 000)	(994 000)

[1] Prior year comparatives have been restated as a result of the change in accounting policy (refer to note 36 of the Consolidated Financial Statements).

20. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Refer to note 37 of the 2022 Consolidated Financial Statements for events occurring after the Reporting Period.

21. PRINCIPAL SUBSIDIARIES

The statutory list of all subsidiaries and affiliated companies, prepared in accordance with the relevant legal requirements (Dutch Civil Code, Book 2, section 379), forms part of the notes to the 2022 Separate Financial Statements and is included herein as an Annexure included under Other Information: Statutory List of all Subsidiaries.

APPROVAL AND SIGNATORIES

Stellenbosch (South Africa), 27 January 2023

Management Board

Louis du Preez	Chief Executive Officer and Managing Director
Theodore de Klerk	Chief Financial Officer and Managing Director

Supervisory Board

Moira Moses	Chairperson and Supervisory Director
Peter Wakkie	Deputy-Chairman and Supervisory Director
Paul Copley	Supervisory Director
Hugo Nelson	Supervisory Director
David Pauker	Supervisory Director
Alexandra Watson	Supervisory Director

INDEPENDENT AUDITOR'S REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

To the Annual General Meeting and Supervisory Board of Steinhoff International Holdings N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022 INCLUDED IN THE ANNUAL REPORT

OUR UNQUALIFIED OPINION

We have audited the accompanying financial statements for the year ended 30 September 2022 (hereafter "financial statements") of Steinhoff International Holdings N.V. (hereafter "Company" refers to the legal entity, and "Group" refers to the consolidated level), based in Amsterdam, the Netherlands. The Company is at the head of a group of entities ("components"). The financial information of this Group is included in the 2022 Consolidated Financial Statements of the Group. The financial statements include the 2022 Consolidated Financial Statements and the 2022 Separate Financial Statements.

In our opinion:

- the accompanying 2022 Consolidated Financial Statements give a true and fair view of the financial position of the Group as at 30 September 2022 and of its result and its cash flows for the year ended 30 September 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- the accompanying 2022 Separate Financial Statements give a true and fair view of the financial position of the Company as at 30 September 2022 and of its results for the year ended 30 September 2022 in accordance with International Financial Reporting Standards as adopted by the EU and with Part 9 of Book 2 of the Dutch Civil Code.

The 2022 Consolidated Financial Statements comprise:

- the consolidated statement of financial position as at 30 September 2022;
- the following statements for the year ended 30 September 2022: the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows; and
- the notes comprising a summary of the key accounting policies and other explanatory information.

The 2022 Separate Financial Statements comprise:

- the separate statement of financial position as at 30 September 2022;
- the following statements for the year ended 30 September 2022: the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows; and
- the notes comprising a summary of the key accounting policies and other explanatory information.

Both the 2022 Consolidated and Separate Financial Statements are based on the assumption that the Group and the Company are no longer a Going Concern.

BASIS FOR OUR OPINION

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of the Group and the Company in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INFORMATION IN SUPPORT OF OUR OPINION

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

MATERIALITY

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate, to the financial statements as a whole.

Based on our professional judgement we determined the materiality for the financial statements as a whole at €103 million (prior year €92 million). The materiality is based on approximately 1% of the total revenues of continuing operations. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We communicated with the Supervisory Board that individual misstatements in excess of €3.1 million, which have been identified during the audit, have been reported to them, as well as smaller misstatements that, in our view, must be reported on qualitative grounds.

EMPHASIS OF MATTER

GOING CONCERN ASSESSMENT

We draw your attention to the "Basis of preparation" in the 2022 Consolidated Financial Statements and the 2022 Separate Financial Statements, where it is stated that the Group and the Company are not a going concern and the accounting principles are not impacted. As described, the assessment to come to the conclusion that the Group and the Company are not a going concern involved complex and subjective judgements.

In determining the appropriate basis of preparation of the financial statements, the Management Board should consider whether the Group and the Company can continue in operational existence for the foreseeable future. In doing so, the Management Board has considered all events and scenarios that are expected to take place as a result of the restructuring of the Group Services' Debt. At the time of signing these 2022 Financial Statements, the Management Board has a reasonable expectation that the Group and the Company will no longer be a going concern.

Our audit opinion is not modified in respect to this matter.

SCOPE OF THE GROUP AUDIT

The Company is at the head of a group of entities ("components"). The financial information of this Group is included in the 2022 Consolidated Financial Statements of the Group.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the Group, its environment, controls and critical processes, to consider qualitative factors in order to ensure that we obtained sufficient audit coverage across all financial statement line items.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where management made subjective judgements such as making assumptions on key accounting estimates.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be performed regarding the components. When making this decision, we considered the size and/or financial interest of the components, and where significant risks or complex activities were present. On this basis, we selected components for which an audit or review had to be performed on the complete set of financial information or on specific items.

We performed audit procedures at group level on areas such as consolidation, disposals of investments, financial statement disclosures, impairment testing for goodwill and brands, litigation and claims, contingent payment undertakings ("CPU"), investments in equity accounted companies and uncertain tax positions.

We also involved component auditors from the Mazars network and other audit firms, who are familiar with local laws and regulations.

For these component auditors, the group audit team provided detailed written instructions, which include the requirements for component audit teams, the audit approach for significant audit areas, other information obtained centrally and the need for awareness for fraud risks.

Our oversight procedures also included a combination of remote and on-site reviews of working papers of the auditors of the significant components in South Africa, United Kingdom, Australia, Poland and USA, virtual meetings with the component auditors and management of the components, and reviewing deliverables supplied by the component auditors to gain sufficient understanding of the work performed. We varied the nature, timing and extent of these procedures based on both quantitative and qualitative considerations.

For smaller components we have performed desktop and analytical reviews or specific audit procedures.

We ensured that the audit teams both at group and at component levels have the appropriate skills and competences which are needed for the audit of a listed international retail company. Specialists were involved, amongst others, in the areas of litigation and claims, forensic, information technology, tax, financial accounting and valuations.

By performing the procedures mentioned above at components, together with additional audit procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the consolidated financial information and to provide an opinion on the 2022 Financial Statements as a whole.

AUDIT RESPONSE TO THE RISKS OF FRAUD

We refer to section 'Risk management' of the Management Board report for management's fraud risk assessment and section 'Dutch Corporate Governance Code – Code of Conduct' of the supervisory board report in which the supervisory board reflects on this fraud risk assessment.

We identified fraud risk factors with respect to financial reporting fraud, misappropriation of assets and corruption. We evaluated if those factors may indicate a risk of material misstatement in the financial statements due to fraud. We have identified the following fraud risks:

Fraud risk 1	Our audit work
Revenue recognition Two of the components are listed and at several components management has bonus schemes based on financial targets. This creates an incentive to overstate the financial performance of these components by recognising fictitious revenue through inappropriate manual transactions when processing journal entries or other adjustments during and at the end of the reporting period.	We performed the following specific audit procedures: • we assessed the internal control framework and evaluated the design and implementation of the relevant controls in the financial closing process and other processes; • we assessed the IT environment and relevant systems; • we performed audit procedures on journal entries based on fraud selection criteria, among others immediately before and after the Group's and the Company's year-end; and • for all significant components we performed a mix of the following tests, the mix was determined by the specific situation at hand: – the reconciliation of the point of sales systems to cash; – a detailed margin analysis; – movement-in-goods reconciliation; – attending stock-taking at year end; – analytical procedures on prices; and – specific testing on prices.
Fraud risk 2	**Our audit work**
Management override of controls As a result of step 3 of the strategic plan, as included in the Management Board Report, the Group's and the Company's objective is to restructure the financial debt. Management also has an incentive to realize the restructuring based on the KPIs in their annual bonus scheme as included in the Remuneration Report, we identified two directions in which they can direct this. The first direction is to make the group look more solid to lenders (current or new) to facilitate renegotiation of the Group Services' Debt, which could lead to overstating assets and revenue and/or understating liabilities and cost. In particular this applied to assets and liabilities whose valuation is based on accounting estimates The second direction is to make the group look less solid in order to facilitate the equity restructuring combined with the Group Services' Debt restructuring in order to change the ownership of the Group and the Company from the current shareholders to the lenders, which could lead to understating assets and revenues and/or overstating liabilities and costs.	With regard to management's key accounting estimates, we evaluated judgements and decisions for bias by management including retrospective reviews of judgements and assumptions related to significant accounting estimates of the prior year, for which we refer to our key audit matters. We performed the following specific audit procedures: • we evaluated the design and implementation of relevant internal controls in the financial statement and consolidation process, such as segregation of duties and systems of authorisations; • we used data analytics, including analyses of high risk journals within the consolidation with a pre assessed risk of material misstatements, as part of our audit approach to address fraud risks which could have a risk of material misstatement on the financial statements;

Fraud risk 2 (continued)	Our audit work (continued)
This applied in particular to assets and liabilities whose valuation is based on accounting estimates. At several components management has bonus schemes based on financial performance targets. This creates an incentive to overstate the financial performance of these components. We assess this risk of management override of controls at both the Group and component level to be applicable to: • The appropriateness of journal entries and other adjustments made during the year and in the preparation of the financial statements, this includes the consolidation at various levels within the group. • Potential biases in estimates. • Significant transactions, if any, outside the normal course of business.	• we made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments; • we performed audit procedures on journal entries in the various processes, amongst others closing and consolidation, based on fraud selection criteria; • we assessed the appropriateness of significant judgements and estimates, related party transactions and transactions outside of the regular course of business; • we performed a retrospective review of accounting estimates of previous year.

In addition, we also performed the following more general procedures:

- we assessed the whistleblowing and compliance matters followed up by management and internal audit;
- we evaluated whether transactions, both usual and unusual, with related parties have been identified and appropriately disclosed;
- we performed a sourcing analysis in order to determine the risk associated with the selection of vendors and use of agents; and
- we have incorporated an element of unpredictability in the selection of the nature, timing and extent of our audit procedures.

OUR RESPONSE TO THE RISK OF NON-COMPLIANCE OF LAWS AND REGULATIONS

Resulting from our risk assessment procedures, and whilst considering that effects from non-compliance could vary considerably, we considered adherence to (corporate) tax law and financial reporting requirements with a direct effect on the financial statements as an integrated part of our audit procedures to the extent material for the related financial statements. Apart from these, the Group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and disclosures in the financial statements, for instance through imposing fines or litigation. Examples of such other laws and regulations are those relating to anti-bribery and corruption, competition and data privacy laws, and human rights. As required by auditing standards, we performed audit procedures to identify non-compliance with these laws and regulations through inquiries with management, those charged with governance and others within the group and inspection of relevant correspondence with regulatory authorities.

We also inspected lawyers' letters and throughout the audit remained alert to indications of non-compliance. We have made inquiries with group legal counsel and internal audit, and obtained a written representation from management that all known instances of non-compliance with laws and regulations were disclosed to us.

OBSERVATIONS

The aforementioned audit procedures have been performed in the context of the audit of the financial statements. Consequently they are not planned and performed as a specific investigation regarding fraud and non-compliance with laws and regulations. Our audit procedures have not led to any findings.

OUR KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

The matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter 1	Our audit work
Contingent payment undertakings ("CPU") valuation in the 2022 Separate Financial Statements *Refer to note 5 and 12 to the 2022 Separate Financial Statements* In the 2019 Reporting Period, the original parent guarantees related to the debt were cancelled and replaced by the CPUs. The Company recognised a financial liability equal to the shortfall, being the difference of the outstanding external debt and the fair value of the underlying investments and assets. The financial liability amounts to €4.6 billion as at 30 September 2022 (€1.1 billion as at 30 September 2021). Due to a significant decrease in the underlying value of the Company investments in the 2022 Reporting Period and the increase in Group Services' Debt resulting from the €985 million capitalised payment-in-kind interest thereon, the financial liability increased by €3.5 billion in the 2022 Reporting Period. The estimated fair value of the underlying businesses include significant estimates in determining the value of the CPUs shortfall. Valuation techniques used in the calculation are inherently subject to estimation uncertainty, which predominantly focuses on the trading price of listed investments and future cash flows, which are, among others, dependent on economic conditions.	For our audit we used, amongst others, valuation specialists to assist us in evaluating the assumptions and methodologies used by management. Our audit procedures relating to the measurement of the CPU included the following: • obtaining an understanding of management's process for the determination of the values and the allocation to the individual CPUs; • evaluating sensitivities in management's projections that could cause a substantial change to the values of the underlying assets; • involving our valuation experts to validate the weighted average cost of capital as applied by the Group and the appropriateness of certain assumptions and possible management bias in the fair value calculations of the underlying businesses, or when applicable, assessing the external valuations or used listed share prices; • testing the mathematical accuracy of the CPU calculation, including testing the source information underlying the determination of the CPU; • evaluating whether the main assumptions and related uncertainties are appropriately reflected in the disclosures in the separate financial statements.
Observation	
Applying materiality, we believe that management's basis of determining the financial liability and the corresponding disclosures in note 5 and 12 to the 2022 Separate Financial Statements is appropriate. By nature, the assumptions applied in measuring the fair value of the underlying businesses are subject to developments and changes in later periods. This could potentially lead to changes in the fair value of the underlying businesses going forward and therefore the measurement.	

Key Audit Matter 2	Our audit work
Uncertain tax positions ***Refer to note 6 and note 19.2 to the 2022 Consolidated Financial Statements*** The Group operates across numerous jurisdictions which have differing tax legislation. In the 2017 Consolidated Financial Statements, as a result of then reported accounting irregularities, material restatements have been recognised, affecting multiple years and multiple tax-jurisdictions. The Group is in the process of restating the local statutory financial statements and corresponding tax returns for the effected financial years. Furthermore, several tax audits/investigations by local tax authorities for prior financial years are ongoing and the outcome is uncertain. The tax liability recognised for uncertain tax positions amounted to €132 million at 30 September 2022 (€164 million at 30 September 2021). Determination of the amounts which should be recognised for uncertain tax positions is subject to management's judgement, including consideration of law and regulations of various tax jurisdictions. The uncertain tax positions are provided for based on either the most probable outcome method or the expected value of the taxation position for each type of taxation exposure. Determining the provision that should be recognised for uncertain tax positions for the Group was considered to be a matter of most significance to our current year's audit due to the significant judgement applied by management in each jurisdiction.	As a result, our audit procedures included using our tax specialists to assist us in evaluating the assumptions and methodologies applied by management. Our audit procedures relating to uncertain tax positions included the following: • obtaining an understanding of management's process over the assessment of the uncertain tax positions; • challenging management's judgement of the most probable outcome by considering alternative views and probability factors in terms of assessing tax risks, legislative developments, tax regulations, contingencies and the recognition thereof; • performing sensitivity analyses around the key assumptions, such as probability, used in management's assessments and the calculation of the tax positions; • we reviewed the work performed by management's experts and assessed the reasonableness of their conclusions; • using the information obtained as referred to above to challenge Group's tax liability; and • assessing and evaluating the presentation and disclosure of the risks related to the uncertain tax positions in the 2022 Financial Statements of the Group.
Observation	
Applying materiality, we believe that management's basis of determining the provisions and disclosures for uncertain tax positions is appropriate.	

Key Audit Matter 3	Our audit work
Global Litigation Settlement *Refer to note 23.5 to the 2022 Consolidated Financial Statements* The Global Litigation Settlement which concluded certain of the complex legal claims and ongoing pending litigation proceedings arising from the historic events first announced in December 2017, was sanctioned and Settlement Effective Date ("SED") occurred on 15 February 2022. Cash settlement, call options and share settlements have been made during the current financial year directly to Claimants and other non-qualifying claimants, or to the Stichting Steinhoff Recovery Foundation ("SRF"), which holds the settlement funds for distribution in accordance with the terms of the Global Litigation Settlement to valid Market Purchase Claimants and Contractual Claimants. The SRF is considered an unconsolidated structured entity. We considered the accounting for the litigation settlements and the related disclosures to be a matter of most significance to our current year audit due to the following: • the significance of the settlements reached in terms of the historic irregularities; • the previous critical judgement applied by management in the estimation and recognition of the Global Litigation Settlement provision; • the complex legal requirements applicable to the settlement; • the magnitude of the Litigation Settlements that occurred during the year; and • the appropriateness of the presentation and disclosure of the Litigation Settlement.	Our audit procedures included an assessment of the litigation settlements by management in the current year. The detailed procedures are as follows: • we inspected the acceptance of the claimants of the Dutch Suspension of Payments ("SoP") and the Section 155 ("S155") proposal and inspected court approvals confirming the sanctioning of the SoP process by the Dutch court and the S155 proposal by the Western Cape Court; • we considered the results of the procedures performed in regards of media coverage and whether there is any indication of other possible litigation facing the Group and the Company that has not been settled or taken into account and that was not included in the settlement process; • we inspected the withdrawals of the claims in the applicable courts that verified the acceptance of the settlement terms; • we reviewed the work performed by management's experts and assessed the reasonableness of their conclusions; • we discussed with management and management experts to assess accuracy and completeness of the settlements made and corroborated the evidence obtained with legal agreements; • we agreed the settlement pay-outs to payment confirmations and bank statements, call options issued to call option agreements and share transfers to security transfer forms; • we agreed the prior year settlement provision and tested any differences with applicable supporting documentation arising out of the settlement; • we obtained legal confirmations verifying the status of the legal process; • we reviewed management's assessment and conclusion as to whether the Group controls or has significant influence over the SRF; and • we assessed and evaluated the presentation and disclosure of the above matter.
Observation	
Applying materiality, we believe that management's basis of determining the provisions and disclosures for Global Litigation Settlement is appropriate and represents the actual situation per balance sheet date.	

Key Audit Matter 4	Our audit work
Impairment testing of goodwill and other intangible assets ***Refer to note 8 to the 2022 Consolidated Financial Statements*** Intangible assets (including goodwill and brands) amounted to €5.3 billion at 30 September 2022 (€5.2 billion at 30 September 2021) and represented 40% (35%) of the consolidated total assets. For purposes of impairment testing, intangibles (including goodwill and brands) are allocated and monitored on a Cash Generating Unit ("CGU") basis. For goodwill and brands with an indefinite lifetime, management is required to assess the recoverable amount of the respective CGUs annually and whenever there is a triggering event. Management has assessed all CGUs containing goodwill and/or brands, or where there was a triggering event for property plant and equipment, for impairment at 30 September 2022. The estimated sales volumes and gross profit margins used in management's impairment tests involved a high degree of uncertainty due to the current market circumstances. Management made significant judgements to estimate the recoverable amounts in the current economic climate.	We involved our valuation specialists during our audit procedures. Our audit procedures included the following: • obtaining an understanding of management's process for impairment testing of the CGUs; • evaluating management's ability to accurately forecast by comparing actual results to management's historical forecasts (so called "backtesting"); • evaluating sensitivities in management's projections that could cause a substantial change to the impairments recorded, and cause headroom to change in an impairment; • evaluating projected cash flows and review of management's scenario-analyses by: – comparing the projections (and scenarios) to historical forecasts and information included in internal communications to the component management and the Management Board. – challenging and comparing the estimated sales volumes and gross profit margins to, among other things, external economic outlook data, external market data on the retail market and expected inflation rates. – evaluating the reasonableness of discount rates, including testing the source information underlying the determination of the discount rates, testing the mathematical accuracy of the calculation, and developing a range of independent estimates and comparing those to the discount rates selected by management.
Observation	
Applying materiality, we believe that management's assessment of the recoverability of intangible assets (including goodwill and brands) and the disclosures on key uncertainties and scenarios assumed in management impairment testing are appropriate.	

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT 2022

In addition to the financial statements and our auditor's report thereon, the Annual Report 2022 contains other information that consists of:

- Introduction;
- Report of the Management Board;
- Corporate governance report;
- Report of the Supervisory Board;
- Remuneration report;
- Annexures – Other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the management report and the other information as required by Part 9 Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of other information, including the Report of the Management Board in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

ENGAGEMENT

We were engaged by the Supervisory Board as auditor of the Company on 12 November 2019 for the audit for the year ended 30 September 2019 and have operated as statutory auditor ever since that financial year.

NO PROHIBITED NON-AUDIT SERVICES

We have not provided prohibited non-audit services as referred to in Article 5 (1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

EUROPEAN SINGLE ELECTRONIC FORMAT ("ESEF")

The Company has prepared its Annual Report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the Annual Report prepared in XHTML-format, including the partly marked-up Consolidated Financial Statements as included in the reporting package by the Group, complies in all material respects with the RTS on ESEF.

The Management Board is responsible for preparing the Annual Report including the financial statements in accordance with the RTS on ESEF, whereby the Management Board combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the Annual Report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance engagements relating to compliance with criteria for digital reporting' (assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument').

Our examination included amongst others:

- obtaining an understanding of the Group's financial reporting process, including the preparation of the reporting package;
- identifying and assessing the risks that the annual report does not comply in all material respects with the RTs on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - examining the information related to the 2022 Consolidated Financial Statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

RESPONSIBILITIES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS-EU and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal controls as management determines are necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management Board should disclose events and circumstances that may impact the Group's and the Company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Group's and the Company's financial reporting process.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our responsibility is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit consisted of, among other things, the following:

- identifying and assessing the risks of material misstatements of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtaining an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal controls;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board;
- concluding on the appropriateness of management's use of the assumption that the Group and the Company will cease to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with the Supervisory Board regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submitted an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provided the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters being: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 27 January 2023
Mazars Accountants N.V.

Original has been signed by: O. Opzitter RA

ARTICLES OF ASSOCIATION PROVISIONS GOVERNING THE ALLOCATION OF PROFITS

The holders of Ordinary Shares are entitled to one vote per share and to participate in the distribution of (interim) dividends and liquidation proceeds.

Pursuant to article 35 of the Articles, a dividend may be declared out of net income after application to increase and/or form reserves. The allocation of profit remaining after reservations deemed necessary by the Management Board, with the approval of the Supervisory Board, will then be available for distribution to the ordinary shareholders subject to adoption by the General Meeting.

Distributions on shares may be made only up to an amount which does not exceed the amount of the distributable equity. The Management Board, with the approval of the Supervisory Board, may declare an interim dividend which does not exceed the amount of the distributable equity.

The Management Board, with the approval of the Supervisory Board, may propose to the General Meeting that distributions be wholly or partly made in the form of ordinary shares.

DISTRIBUTION OF PROFITS

Given the Group's ongoing liquidity constraints and the negative reserves, the Management Board, with the approval of the Supervisory Board, has resolved not to propose any dividend on the Ordinary Shares for the 2022 Reporting Period.

LIST OF BRANCHES

The table below lists all branches of the Company (if any) as well as all branches of its Subsidiaries whose results were consolidated during the Reporting Period.

Branch	Place of branch	Country of branch	Register of branch	Origin Entity	Country of origin entity	FY2021	FY2022
GROUP: SISL							
Steinhoff International Sourcing and Trading Limited	Hong Kong	China (Hong Kong)	2461089	Steinhoff International Sourcing and Trading Limited	China (Hong Kong)	Y	Y (sold in FY2022)
Blue Rock Sourcing Solution Limited (formerly: Steinhoff International Sourcing Limited)	Hong Kong	China (Hong Kong)	644662	Steinhoff International Sourcing and Trading Limited	China (Hong Kong)	Y	Y (sold in FY2022)
Steinhoff International Investment HK Limited	Hong Kong	China (Hong Kong)	2584507	Steinhoff International Investment HK Limited	China (Hong Kong)	Y (closed in Sept 2021)	N
Blue Rock Sourcing Solution Ltd – Pakistan RO (formerly: Steinhoff International Sourcing Ltd – Pakistan RO)	Karachi	Pakistan	0073941	Steinhoff International Sourcing and Trading Limited	China (Hong Kong)	Y	Y (sold in FY2022)
Blue Rock Sourcing Solutions Ltd – Vietnam RO (formerly: Steinhoff International Sourcing Ltd – Pakistan RO)	Ho Chi Minh City	Vietnam	79-02944-01	Steinhoff International Sourcing and Trading Limited	China (Hong Kong)	Y	Y (sold in FY2022)
Steinhoff International Sourcing (Shenzhen) Limited	Shenzhen	China	914403000589890340	Steinhoff International Sourcing and Trading Limited	China (Hong Kong)	Y	Y (sold in FY2022)
Steinhoff International Sourcing (Shanghai) Limited	Shanghai	China	91310000MA1GBH5W31	Steinhoff International Sourcing and Trading Limited	China (Hong Kong)	Y	Y (sold in FY2022)
Blue Rock Sourcing Solutions India Private Ltd (formerly: Steinhoff International Sourcing India Private Limited)	Gurgaon	India	U74999HR2019FTC081761	Steinhoff International Sourcing and Trading Limited	China (Hong Kong)	Y	Y (sold in FY2022)
GROUP: STEINHOFF UK							
Steinhoff Europe AG	London	UK	BR020565	Steinhoff Europe AG	Austria	Y	Y
Steinhoff Finance Holding GmbH	London	UK	BR020564	Steinhoff Finance Holding GmbH	Austria	Y	Y
Steenbok Newco 5 Limited	London	UK	BR021702	Steenbok Newco 5 Limited	Jersey	Y	Y
Steenbok Newco 1 Limited	London	UK	BR021700	Steenbok Newco 1 Limited	Jersey	Y	Y
Steenbok Newco 10 S.à r.l.	London	UK	BR022038	Steenbok Newco 10 S.à r.l.	Luxembourg	Y	Y
Steenbok Newco 2A Limited	London	UK	BR021701	Steenbok Newco 2A Limited	Jersey	Y	Y
Ibex Retail Investments Limited	London	UK	BR021703	Ibex Retail Investments Limited	Jersey	Y	Y
GROUP: PEPCO							
Fully Sun China Limited – Bangladesh	Bangladesh	Bangladesh	TIN- 4404-3933-6667	Fully Sun China Limited (HK)	China (Hong Kong)	Y	Y
Fully Sun China Limited – Taiwan	Taiwan	China	Reg no 53665194	Fully Sun China Limited (HK)	China (Hong Kong)	Y	Y
Poundland Limited – Isle of Man	Isle of Man	Isle of Man	Tax reference No: C145894-73	Poundland Limited	UK	Y	Y
Poundland Limited – Ireland	Republic of Ireland	Republic of Ireland	Tax reference: 9798866A	Poundland Limited	UK	Y	Y

STATUTORY LIST OF ALL SUBSIDIARIES AND AFFILIATED COMPANIES as at 30 September 2022

This list forms part of the notes to the 2022 Separate Financial Statements and has been referenced therein.

Entity Name	Country	Reg. No.	Shareholding	Address	FY2021	FY2022
1520 Sunrise Highway, LLC	USA	2441495	100%	10201 S Main Street, Houston, TX 77025	Y	Y
1800mattress.com IP, LLC	USA	3777266	100%	10201 S Main Street, Houston, TX 77025	Y	Y
1800mattress.com, LLC	USA	3777268	100%	10201 S Main Street, Houston, TX 77025	Y	Y
1Voucher Limited	GBR	12505099	100%	Unit B, 120 Weston Street, London, SE1 4GS	Y	Y
263 Oxford Road Proprietary Limited (deregistered)	ZAF	1959/001962/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
45 South York Associates, LLC	USA	2785428	100%	10201 S Main Street, Houston, TX 77025	Y	Y
669 Sunrise Realty, LLC	USA	2341422	100%	10201 S Main Street, Houston, TX 77025	Y	Y
99p Stores Limited	GBR	04058808	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	N	Y
A.C.N. 115 732 315 Proprietary Limited (previously Freedom Furniture Australia Proprietary Limited)	AUS	115 732 315 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
ACKERX Proprietary Limited (previously Ackermans Transvaal Proprietary Limited)	ZAF	1926/008492/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
ACN 003 323 117 Proprietary Limited (previously Swiss Delicatessen & Restaurant Proprietary Limited)	AUS	003323117 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
ACN 055 781 069 Proprietary Limited (previously Freedom Bedroom Proprietary Limited)	AUS	055781069 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
ACN 068 270 575 Proprietary Limited (previously Bayteak Proprietary Limited)	AUS	068270575 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
ACN 075 854 572 Proprietary Limited (previously Swiss Deli Retail Proprietary Limited)	AUS	075854572 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
ACN 086 409 869 Proprietary Limited (previously Bayswiss Proprietary Limited)	AUS	086409869 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
ACN 094 240 874 Proprietary Limited (previously Fantastic Furniture Share Plan Proprietary Limited)	AUS	094 240 874 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
ACN 099 553 036 Proprietary Limited (previously Bay Leather Republic Proprietary Limited)	AUS	099 553 036 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
ACN 103 605 349 Proprietary Limited (previously Freedom Property WA No.2 Proprietary Limited)	AUS	103605349 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
ACN 103 605 474 Proprietary Limited (previously Freedom Properties Holding Limited)	AUS	103605474 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
ACN 105 100 525 Proprietary Limited (previously Freedom Brands Proprietary Limited)	AUS	105100525 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
ACN 109 214 495 Proprietary Limited (previously POCO Australia Proprietary Limited)	AUS	109 214 495 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
ACN 109 359 122 Proprietary Limited (previously Fantastic Property Proprietary Limited)	AUS	109 359 122 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
ACN 120 315 068 Proprietary Limited (previously Royal Comfort Bedding Proprietary Limited)	AUS	120 315 068 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
ACN 124 661 409 Proprietary Limited (previously Freedom Home & Cafe Proprietary Limited)	AUS	124 661 409 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
AIH Investment Holding AG	AUT	FN 360230 a	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
APAC Holdco Limited	GBR	12899054	100%	The Space (Floor 3), 120 Regent Street, London, W1B 5FE	Y	Y
Aazad Electrical Construction (Botswana) Proprietary Limited t/a Morkels (deregistered)	BWA	98/497	100%	Botswana	Y	Y
Abacus Holdco Proprietary Limited	ZAF	2008/004217/07	100%	Building 3, 171 Katherine Street, Sandown, 2196	Y	Y
Abacus Insurance Limited	ZAF	2007/035136/06	100%	Building 3, 171 Katherine Street, Sandown, 2196	Y	Y
Abacus Life Limited	ZAF	2007/032597/06	100%	Building 3, 171 Katherine Street, Sandown, 2196	Y	Y

Entity Name	Country	Reg. No.	Shareholding	Address	FY2021	FY2022
Abacus Resources Proprietary Limited	ZAF	2018/280731/07	100%	Building 3, 171 Katherine Street, Sandown, 2196	Y	Y
Acker Realty Holdings, LLC	USA	2594196	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Ackermans Bophuthatswana Proprietary Limited	ZAF	1991/070355/07	100%	Kelgor House, 14 Tillard Street, Mafikeng, 2745	Y	Y
Ackermans Botswana Proprietary Limited	BWA	95/1379	100%	Botswana	Y	Y
Ackermans Lesotho Proprietary Limited	LSO	88/229	100%	Lesotho	Y	Y
Ackermans Namibia Proprietary Limited	NAM	90/393	100%	Namibia	Y	Y
Ackermans Proprietary Limited	ZAF	1921/002170/07	100%	Production Street, Kuils River, 7580	Y	Y
Ackermans Swaziland Proprietary Limited	SWZ	32/1972	100%	Swaziland	Y	Y
Ackermans Transkei Proprietary Limited (deregistered)	ZAF	1990/060196/07	100%	Production Street, Kuils River, 7580	Y	Y
Ackermans Zambia Proprietary Limited	ZMB		100%	Zambia	Y	Y
Adoscore Proprietary Limited	ZAF	2016/003567/07	50%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Adour Expansion (ADEX) SA (closed)	FRA	RCS 384 699 864	100%	80 Boulevard du Mandinet, Lognes 77432 Marne la Vallee Cedex 2	Y	Y
Africa Retail Properties Limited	ZMB		100%	Zambia	Y	Y
Aigls Proprietary Limited	AUS	079371654 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Ainsley Holdings Proprietary Limited	ZAF	1964/010191/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Alpha I Beta Omega SNC (closed)	FRA	RCS 750 366 213	100%	80 Boulevard du Mandinet, Lognes 77432 Marne la Vallee Cedex 2	Y	Y
Alvaglen Estates Limited (dissolved)	BHS	IBC 84615 B	100%	West Bay Street & Blake Road 3, Bayside Executive Park, Nassau	Y	Y
American Internet Sales, LLC	USA	5319077	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Ansec 223 Proprietary Limited (deregistered)	ZAF	2011/007487/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Anthony Wentworth Building Materials Trust	ZAF	IT5717/96	100%	South Africa	Y	Y
Aramingo Avenue Associates, LLC	USA	2785430	100%	10201 S Main Street, Houston, TX 77025	Y	Y
At the Ready Wholesalers Limited	ZMB	48312/01	100%	Zambia	Y	Y
B One Holdings Proprietary Limited (trading as B One)	ZAF	1988/006069/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
BUCO Buildware and Hardware Proprietary Limited	NAM	2016/0880	100%	Namibia	Y	Y
BUCO Western Cape Proprietary Limited (previously Campwell Hardware Proprietary Limited)	ZAF	2006/016431/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Bargain Limited (dissolved)	GBR	03856013	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Beneficiary of Steinhoff International Share Trust	ZAF	T9633/98	Deemed control	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Bethlehem Pike Realty, LLC	USA	3076997	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Beyond the Square Promotions Proprietary Limited	AUS	070951343 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Big Brand Outlet Proprietary Limited	AUS	104 924 129 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Blue Rock Sourcing Solution India Private Limited (previously Steinhoff International Sourcing India Private Limited) (sold)	IND	U74999HR2019FTC081761	100%	Suncity Success Tower, Unit No.124, 1st Floor, Golf Course Extension Road, Sector 65, Gurgaon, 122005, Haryana	Y	Y
Blue Rock Sourcing Solution Limited (previously Steinhoff International Sourcing Limited) (sold)	HKG	CR 0644662	100%	19/F, Seaview Commercial Building, 21-24 Connaught Road West	Y	Y
Blue Rock Sourcing Solutions Limited – Pakistan LO (previously Steinhoff International Sourcing Limited – Pakistan RO) (sold)	PAK	0073941	100%	Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrah-e-Faisal, Karachi	Y	Y
Blue Rock Sourcing Solutions Limited – Vietnam RO (previously Steinhoff International Sourcing Limited – Vietnam RO) (sold)	VNM	79-02944-01	100%	5A Tong Huu Dinh Street, Thao Dien Ward, Dist. 2, Ho Chi Minh City	Y	Y
Bossanenja Proprietary Limited	AUS	060569593 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Boundary Terraces No 012 (RF) Proprietary Limited (deregistered)	ZAF	2017/227519/07	70%	7th Floor Letterstedt House, Cnr Main and Campground Roads, Newlands, 7700	Y	Y
Bradian Logistics Proprietary Limited	ZAF	1999/009646/07	100%	12 Platinum Drive Longmeadow Business Estate, Hereford Road, Modderfontein, 1645	Y	Y
Brands 4 Africa Distribution and Logistics Proprietary Limited	ZAF	2005/036944/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Bravoscar Finance Company Proprietary Limited	AUS	107 085 325 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y

Entity Name	Country	Reg. No.	Shareholding	Address	FY2021	FY2022
Bravoscar Wholesaling Proprietary Limited	AUS	108395633 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Building Supply Group Proprietary Limited	ZAF	2010/008725/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Business Venture Investments No 1499 (RF) Proprietary Limited	ZAF	2011/002155/07	Deemed control	36 Stellenberg Road, Parow Industria, 7493, South Africa	Y	N
Cachet International Holdings Proprietary Limited (trading as Cachet)	ZAF	1997/013442/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Capfin Proprietary Limited	ZAF	1980/005783/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Capfin SA Proprietary Limited (previously Southern View Finance SA Proprietary Limited)	ZAF	2011/126985/07	100%	1 Industrie Street, Kuils River, 7580	Y	Y
Cardina Investments sp. z o.o.	POL	KRS 0000424893	100%	ul. Strzeszynska 73B lok. 4, 60-479 Poznan	Y	Y
Chris Eloff Building Material Trust	NAM	T2/07	100%	Namibia	Y	Y
Citiwood Holdings Proprietary Limited (previously MacNeil Durban Proprietary Limited)	ZAF	2006/026347/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Cloverpark Investments Proprietary Limited	ZAF	2001/000108/07	100%	11th Floor JD House, 27 Stiemens Street, 27 Stiemens Street, Johannesburg, 2001	Y	Y
Club Mais Administradors de Cartòes Limiteda	BRA	21.600.988/0001-08	100%	Brazil	N	Y
Conforama Développement SASU	FRA	RCS 530 637 149	100%	Regus Business Centre, Montevrain, 77144	Y	Y
Conforama Développement 15 SASU (closed)	FRA	RCS 830 937 389	100%	80 Boulevard du Mandinet, Lognes 77432 Marne la Vallee Cedex 2	Y	Y
Conforama Développement 18 SASU	FRA	RCS 842 434 821	100%	Regus Business Centre, Montevrain, 77144	Y	Y
Conforama Développement 6 SASU	FRA	RCS 814 646 550	100%	Regus Business Centre, Montevrain, 77144	Y	Y
Conforama Espana SA	ESP	CIF A-79103222	100%	Av Baix Llobregat, 1-3 Modulo B. Polg. Blau, El Prat de Llobregat	Y	Y
Conforama Holding SA	FRA	RCS 582 014 445	100%	Regus Business Centre, Montevrain, 77144	Y	Y
Conforama Investissement SNC	FRA	RCS 530 636 695	100%	Regus Business Centre, Montevrain, 77144	N	Y
Conforama Italy SpA (sold)	ITA	REA 1646414	100%	Viale Alcide de gasperi 2, 20151 Milano	Y	Y
Conforama Luxemburg SA	LUX	RCS B48369	100%	1 Rue Jean Piret, L-2350	Y	Y
Conforama Portugal SA	PRT	NIPC 500625980	100%	Cascais Shopping – E.N. 9, Freguesia de Alcabideche, Concelho de Cascais, Distrito de Lisboa, 2645 543 Alcabideche	Y	Y
Connect Financial Solutions Proprietary Limited	ZAF	2018/431596/07	100%	Marlboro House, 6 Eastern Service Road, 6 Eastern Service Road, 2090	Y	Y
Copperzone 185 Proprietary Limited (deregistered)	ZAF	2011/006981/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Craftsman Realty, LLC	USA	0766481	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Custom Fundraising Solutions, LLC	USA	1769508	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Dealz Espana SL	ESP	B86867512	100%	C/Bravo Murillo 192, Madrid	Y	Y
Dealz Poland Sp. z o.o.	POL	KRS 0000692949	100%	ul. Jana Henryka, Dabrowskiego, Poznan, 60-529	Y	Y
Dealz Retailing Ireland Limited.	IRL	541977	100%	Unit 3 Westend Retail Park, Blanchardstown, Dublin 15	Y	Y
Dhlamini 2389 Proprietary Limited (previously Bisonbord Properties Proprietary Limited) (deregistered)	ZAF	1966/009368/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Dial Operations, LLC	USA	4840559	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Dunns Stores Botswana Proprietary Limited	BWA	87/840	100%	Botswana	Y	Y
EastWest Real Estate Investments Proprietary Limited (previously Greggaleighk) (sold)	ZAF	2008/010249/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Edidor 197 Proprietary Limited (deregistered)	ZAF	2011/006996/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Eezi Czechia	CZE		100%	Czechia	Y	Y
Eezi Global Limited (previously Sapphire 117 Limited)	GBR	09000588	100%	C/O Harrison Clark Rickerbys 62 Cornhill London EC3V 3NH	Y	Y
Eezi Limited (deregistered)	GBR	13188577	100%	Unit B, 120 Weston Street, London, SE1 4GS	Y	Y
Emmezeta Moda Srl (sold)	ITA	REA 7776860	100%	Viale Alcide de gasperi 2, 20151 Milano	Y	Y
Erf 117746 Nourse Avenue Proprietary Limited	ZAF	2012/203652/07	100%	21 Bertie Avenue, Epping 2 Industria, Cape Town, 7460	Y	Y
European Furniture New Holdco Limited	GBR	12899076	100%	The Space (Floor 3), 120 Regent Street, London, W1B 5FE	Y	Y
Evarts Investments sp. z o.o.	POL	KRS 0000471011	100%	ul. Strzeszynska 73B lok. 5, 60-479 Poznan	Y	Y

Entity Name	Country	Reg. No.	Shareholding	Address	FY2021	FY2022
F.G.L. Property Tee Proprietary Limited	AUS	111 023 299 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
FF Brands Proprietary Limited (previously Fantastic Furniture (Licensing) Proprietary Limited)	AUS	074 780 555 (ACN)	100%	62 Hume Highway, Chullora, New South Wales, 2190	Y	Y
FF HoldCo Proprietary Limited (previously The Package Deal Kings Proprietary Limited)	AUS	085825912 (ACN)	100%	62 Hume Highway, Chullora, New South Wales, 2190	Y	Y
FHL Distribution Centre Proprietary Limited	AUS	114 853 315 (ACN)	100%	62 Hume Highway, Chullora, New South Wales, 2190	Y	Y
Family Bargains (Retail) Limited	GBR	07248690	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Fantastic Dandenong Property Trust (dissolved)	AUS	ABN 15 782 170 944	100%	Australia	Y	Y
Fantastic Furniture – The Package Deal Kings Limited	NZL	1015185	100%	Freedom Furniture NZ, 18-26 Amelia Earhart Avenue, Mangere, Auckland, 2022	Y	Y
Fantastic Furniture Limited	NZL	1015180	100%	Freedom Furniture NZ, 18-26 Amelia Earhart Avenue, Mangere, Auckland, 2022	Y	Y
Fantastic Furniture Proprietary Limited	AUS	003 688 855 (ACN)	100%	62 Hume Highway, Chullora, New South Wales, 2190	Y	Y
Fantastic Holdings Performance Hurdle Employee Share Trust (dissolved)	AUS		100%	Australia	Y	Y
Fantastic Holdings Proprietary Limited (previously Fantastic Holdings Limited) (sold)	AUS	004 000 075 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Fantastic Manufacturing Proprietary Limited (previously Best Buy Furniture Proprietary Limited)	AUS	158 159 230 (ACN)	100%	62 Hume Highway, Chullora, New South Wales, 2190	Y	Y
Fantastic Manufacturing Vietnam Company Limited (previously Cong Ty Tnhh Fantastic Manufacturing)	VNM	502043000224	100%	Cantavil Hoan Cau Apartment, Room 503, 600A Dien Bien Phu Street, Ward 22, Binh Thanh District, Ho Chi Minh City	Y	Y
Fantastic Metal Furniture Manufacturers Proprietary Limited	AUS	080 586 983 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Flash IP Proprietary Limited	ZAF	2010/001879/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Flash Mobile Vending Proprietary Limited	ZAF	2010/000777/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Flat Rock Mobility Solutions Proprietary Limited	ZAF	2008/026096/07	15%	101 Rubicor House, 17 Old Stanhope Road, Claremont, 7708	Y	Y
Floormark Proprietary Limited	ZAF	2013/058548/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Flow Newco Limited (dissolved)	GBR	12638560	100%	Suite 1, London, SW1Y 4LB	Y	Y
Formatix Ten Proprietary Limited (deregistered)	ZAF	2001/021137/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Frans Loots Building Materials Trust	ZAF	IT3317/96	100%	South Africa	Y	Y
Freedom Furniture Australia Proprietary Limited (previously Steinhoff Asia Pacific Proprietary Limited)	AUS	051 493 764 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Freedom Furniture New Zealand Limited	NZL	1334871	100%	Freedom Furniture NZ, 18-26 Amelia Earhart Avenue, Mangere, Auckland, 2022	Y	Y
Freedom Unit Trust (deregistered)	AUS	59620954087 (ABN)	100%	Australia	Y	Y
Frozen Value Limited	GBR	01003192	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Fully Sun China Limited	HKG	CR 1075298	100%	19/F, Seaview Commercial Building, 21-24 Connaught Road West	Y	Y
Furniture Traders (Botswana) Proprietary Limited	BWA	89/1217	100%	Botswana	Y	Y
Futuresleep Proprietary Limited (previously Steinhoff Bedding Australia Proprietary Limited)	AUS	602775959 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
G&G Furniture Imports Proprietary Limited	AUS	092 130 688 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
GLB Household Good IP Company Proprietary Limited (previously Asteria Australia Proprietary Limited)	AUS	080461338 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
GT Branding Holding SA	CHE	CHE-250.489.667	100%	46b Avenue de la Gare, 1920 Martigny	Y	Y
GT Global Trademarks SA	CHE	CHE-112.398.098	100%	46b Avenue de la Gare, 1920 Martigny	Y	Y
Gamma Enterprises GmbH	DEU	HR B 200922	100%	Zum Stadtpark 2, Westerstede, 26655	Y	Y
Genesis Branding Holding AG (closed)	AUT	FN 381078 i	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
Genesis Investment Gamma GmbH	AUT	FN 381969 w	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
Genesis Investment Holding GmbH	AUT	FN 392734 a	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
Genesis Investments Alpha GmbH	AUT	FN 373251 z	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
Genesis Investments Beta GmbH	AUT	FN 373249 x	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
Genesis Properties Investment GmbH	AUT	FN 265906 p	100%	Rennweg 77, 2345 Brunn am Gebirge	Y	Y
Global Warehouse and Logistics AG (sold)	CHE	CH-170.3.039.166-1	100%	Fabrikstrasse 18, 4552 Derendingen	Y	Y

Entity Name	Country	Reg. No.	Shareholding	Address	FY2021	FY2022
Go 121 Proprietary Limited	ZAF	2019/552514/07	26%	78 Rooiberg Street, Willow Park Manor, 0184	Y	Y
Greenlit Brands Corporate Solutions Proprietary Limited	AUS	108395651 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Greenlit Brands Household Goods Proprietary Limited (previously Steinhoff Asia Pacific Holding Proprietary Limited)	AUS	105 828 957 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Greenlit Brands Proprietary Limited. (formerly Steinhoff Asia Pacific Group Holdings Proprietary Limited.)	AUS	612 890 874 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Group Avenida SA	BRA	09.532.889/0001-22	100%	Brazil	N	Y
Gunnar Jensen Building Materials Trust	NAM	T130/05	100%	Namibia	Y	Y
HHL Holdings Proprietary Limited (previously DCLSA Proprietary Limited)	ZAF	2005/041644/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
HIP DutchCo 1 B.V.	NLD	74299611	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y
HIP DutchCo 2 B.V.	NLD	74299484	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y
HMK Intermediate Holdings, LLC	USA	5111362	100%	10201 S Main Street, Houston, TX 77025	Y	Y
HMK Mattress Holdings, LLC	USA	5106196	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Hardware Warehouse Limited	ZAF	2007/004302/06	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Harties Stores Botswana Proprietary Limited	BWA	1988/892	100%	Botswana	Y	Y
Hazlet Partners, LLC	USA	0600106166	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Hemisphere International Properties B.V.	NLD	KvK 17228592	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y
Hemisphere Zagreb Properties d.o.o. (sold)	HRV	080170626	100%	Velimira Skorpika 25, Zagreb	Y	Y
Henk Louwrens Building Materials Trust	ZAF	IT3788/99	100%	South Africa	Y	Y
Hi-Fi and Electric Warehouse Proprietary Limited t/a Hi-Fi Corp	BWA	99/1776	100%	Botswana	Y	Y
HiFi Corp Zambia Limited	ZMB	97974	100%	Zambia	Y	Y
Homes & More Limited (dissolved)	GBR	03501298	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Homestyle 2007 Pension Scheme Trustee Limited	GBR	06364468	100%	The Space (Floor 3), 120 Regent Street, London, W1B 5FE	Y	Y
Homestyle Pension Company Limited (previously Homestyle 2007 Scheme Pension Company Limited)	GBR	12035045	100%	The Space (Floor 3), 120 Regent Street, London, W1B 5FE	Y	Y
Ibex Retail Investments (Europe) Limited (previously Pepco Holdco Limited)	GBR	12899084	100%	The Space (Floor 3), 120 Regent Street, London, W1B 5FE	Y	Y
Ibex Retail Investments Limited (previously Steenbok Newco 6A Limited)	JEY	127930	100%	3rd Floor, 44 Esplanade, St Helier, JE4 9WG	Y	Y
IEP Group Proprietary Limited	ZAF	2015/173069/07	25.99%	15 Chaplin Road, 3rd Floor Illovo, Gauteng, 2196, South Africa	Y	Y
Iliad Africa Investments Proprietary Limited	ZAF	1999/010559/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Iliad Africa Limited	ZAF	1997/011938/06	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Iliad Africa Trading Proprietary Limited	ZAF	1997/010059/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Immoconfo 1 SA (deregistered)	PRT	NIF 513596259	100%	Cascais Shopping – E.N. 9, Freguesia de Alcabideche, Concelho de Cascais, Distrito de Lisboa, 2645 543 Alcabideche	Y	Y
Immoconfo 2 SA (deregistered)	PRT	NIF 513596275	100%	Cascais Shopping – E.N. 9, Freguesia de Alcabideche, Concelho de Cascais, Distrito de Lisboa, 2645 543 Alcabideche	Y	Y
Incredible Connection (Botswana) Proprietary Limited	BWA	2001/2501	100%	Botswana	Y	Y
Incredible Connection (Namibia) Proprietary Limited	NAM	2001/475	100%	Namibia	Y	Y
JD Consumer Electronics and Appliances Proprietary Limited	ZAF	1963/002315/07	100%	1st Floor , 6 Eastern Service Road, Eastgate, Sandton, 2090	Y	Y
JD Financial Services Proprietary Limited	NAM	2008/0148	100%	Namibia	Y	Y
JD Group (Namibia) Proprietary Limited t/a Morkels and Joshua Doore (deregistered)	ZAF	93/208	100%	South Africa	Y	Y
JD Group (Swaziland) Proprietary Limited t/a Bradlows	SWZ	181/1972	100%	Swaziland	Y	Y
JD Group Botswana t/a Hi-Finance	BWA	88/220	100%	Botswana	Y	Y
JD Group Property Holdings Proprietary Limited	ZAF	2011/006582/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y

Entity Name	Country	Reg. No.	Shareholding	Address	FY2021	FY2022
JD Group Proprietary Limited	ZAF	1981/009108/07	100%	2nd Floor Execujet Building Tower R, Cape Town International Airport, Cape Town, 7525	Y	Y
JWC (Int) Limited	GBR	05468786	100%	The Space (Floor 3), 120 Regent Street, London, W1B 5FE	Y	Y
Jack Fulton Limited	GBR	02317009	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
James Bruce Sholto Douglas Building Materials Trust	ZAF	IT413/2006	100%	South Africa	Y	Y
Jofander Proprietary Limited	ZAF	1984/002078/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Johann van Schalkwyk Boards Trust	ZAF		100%	South Africa	Y	Y
John Craig Namibia Proprietary Limited	NAM	2011/0678/07	100%	Namibia	Y	Y
John Craig Proprietary Limited	ZAF	1950/036084/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
John Mager Timbercity East London Trust	ZAF	IT1461/2006	75%	South Africa	Y	Y
Joshua Doore Russells (Botswana) Proprietary Limited	BWA	89/166	100%	Botswana	Y	Y
Jump Topup Limited	GBR	12860643	100%	Unit B, 120 Weston Street, London, SE1 4GS	Y	Y
K Fashion Group Proprietary Limited (Previously Justcor Fashion Group Proprietary Limited) (deregistered)	ZAF	2006/015570/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Kappa Immobilien Investment GmbH	DEU	HR B 120873	100%	Zum Stadtpark 2, Westerstede, 26655	Y	Y
Kika Upravljanjenekretninama d.o.o. (sold)	HRV	MBS 030098550	100%	Velimira Skorpika 25, Zagreb	Y	Y
Konopacka Holdings B.V.	NLD	853214219	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y
LIPO Beteiligungen AG (sold)	CHE	CH-270.3.001.910-6	100%	Eichenstrasse 6, 8808 Pfäffikon	Y	Y
LIPO Einrichtungsmärkte AG (sold)	CHE	CH-270.3.001.072-7	100%	Rütiweg 7, 4133 Pratteln	Y	Y
LIPO Service AG (sold)	CHE	CH-320.3.007.687-9	100%	Eichenstrasse 6, 8808 Pfäffikon	Y	Y
Laguna Holdings B.V.	NLD	KvK 52198588	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y
Laguna Investments Alpha B.V.	NLD	KvK 52199061	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y
Laguna Investments Beta B.V.	NLD	KvK 52199258	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y
LiVest GmbH	DEU	HR B 5991	100%	Zum Stadtpark 2, Westerstede, 26655	Y	Y
LiVest Management GmbH & Co. KG	DEU	HR A 3438	100%	Zum Stadtpark 2, Westerstede, 26655	Y	Y
LiVest Management Verwaltungs GmbH	DEU	HR B 6479	100%	Zum Stadtpark 2, Westerstede, 26655	Y	Y
Lidstone Investments SA	BEL	BE.0477.506.650	100%	Avenue Jules Bordet 160, 1140 Brussels (Evere)	Y	Y
Lodge Stock and Barrel Proprietary Limited	ZAF	2005/011901/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Lojas Avenida SA	BRA	00.819.201/0001-15	100%	Brazil	N	Y
Lonaka Manufacturing Proprietary Limited	AUS	051752124 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Loungefoam Proprietary Limited	ZAF	1996/001546/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Lurand Investments Proprietary Limited	ZAF	1962/004286/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
M&O Business Systems Limited (dissolved)	GBR	01317353	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
MD Acquisition, LLC	USA	5237507	100%	10201 S Main Street, Houston, TX 77025	Y	Y
MIVG Upravljanjenekretninama d.o.o. (sold)	HRV	MBS 080769092	100%	Velimira Skorpika 25, Zagreb	Y	Y
MacNeil Eastern Cape Proprietary Limited	ZAF	2002/010074/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
MacNeil George Proprietary Limited	ZAF		100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
MacNeil JHB Proprietary Limited	ZAF	1998/012832/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
MacNeil Proprietary Limited	ZAF	1985/005691/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Maggies Enterprises, LLC	USA	S354948-4	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Maison Depot SASU (closed)	FRA	RCS 823 272 752	100%	Regus Business Centre, 80 Boulevard du Mandinet, Montevrain, 77144	Y	Y
Makhutzi Wild Ondernemings Eiendoms Beperk	ZAF	1971/003354/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y

Entity Name	Country	Reg. No.	Shareholding	Address	FY2021	FY2022
Manrotrade Four Proprietary Limited	ZAF	2001/004514/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Maple Shade Partners, LLC	USA	0600086359	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Maplewave Holdings Proprietary Limited	ZAF	2013/155357/07	76.5%	12 Platinum Drive Longmeadow Business Estate, Hereford Road, Modderfontein, 1645	Y	Y
Marais Schonfeldt Building Materials Trust	ZAF	IT3691/97	100%	South Africa	Y	Y
Mattress Discounters Group, LLC	USA	S2754036	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Mattress Discounters IP, LLC	USA	5239543	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Mattress Discounters Operations, LLC	USA	5241000	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Mattress Firm – Arizona, LLC	USA	L-1077824-3	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Mattress Firm Group Inc. (previously Stripes US Holding, Inc.)	USA	6114835	50.1%	10201 S Main Street, Houston, TX 77025	Y	Y
Mattress Firm Holding Corp.	USA	4280344	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Mattress Firm, Inc.	USA	3577556	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Mattress Giant Corporation	USA	122977500	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Mattress Holdco, Inc.	USA	4277595	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Mattress Holding Corp.	USA	3580672	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Metrotoy Proprietary Limited	ZAF	1924/008058/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Mfumu Clothing Proprietary Limited	MWI		100%	Malawi	Y	Y
Micawber 455 Proprietary Limited (sold)	ZAF	M2005036683	Deemed control	Silver Stream Business Park, 10 Muswell Road, Bryanston, 2060, South Africa	Y	N
Minaldi Limited	GBR	09151610	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Mons Bella Private Partner Investments Proprietary Limited	ZAF	2015/363987/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Moore Park Bedding Proprietary Limited	AUS	103605456 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Moreprop Property Holdings Cape Proprietary Limited	ZAF	1987/004969/07	100%	6 Eastern Service Road, Eastgate, Sandton, 2090	Y	Y
N Jacobs and Company Proprietary Limited t/a Pepkor Installations	ZAF		100%	South Africa	Y	Y
New Dunns Proprietary Limited	ZAF	1972/013426/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Newshelf 1093 Proprietary Limited	ZAF	2010/018630/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Norfolk Reinsurance Company Limited (closed)	BMU	26416	100%	19 Hidden Cove, Smiths, HS01	Y	Y
Nova Properties Kft.	HUN	Cg. 20-09-068522	100%	8800 Nagykanizsa, Szemere utca 4,	Y	Y
Odvest 155 Proprietary Limited	ZAF	2011/001544/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
One Owl Enterprises Proprietary Limited	ZAF	1999/014348/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Online Poundshop Limited	GBR	08870575	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	N	Y
Original Mattress Factory Proprietary Limited (sold)	AUS	116 339 470 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
PEU (Fin) Limited	GBR	11808114	100%	14th Floor Capital House, 25 Chapel Street, London, NW1 5DH	Y	Y
PEU (Tre) Limited	GBR	11808312	100%	14th Floor Capital House, 25 Chapel Street, London, NW1 5DH	Y	Y
PGS Partner India (Private) Limited	IND	U74999HR2018FTC073537	100%	Unit No-128, Suncity Success Tower Sector-65, Golf Course Extn Road, Gurgaon, HR 122005	Y	Y
Panda Sofa Proprietary Limited	AUS	081 479 656 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Pat Cornick International B.V.	NLD	KvK 33238663	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y
Patin Trading 222 Proprietary Limited	ZAF	2007/020531/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Pennypinchers East London Building Materials Trust	ZAF	IT604/2004	100%	South Africa	Y	Y
Pennypinchers George Trust	ZAF	IT1184/96	100%	South Africa	Y	Y
Pennypinchers Port Alfred Building Materials Trust	ZAF	IT584/2007	100%	South Africa	Y	Y
Pennypinchers Sand and Stone Proprietary Limited	ZAF	2007/027317/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y

Entity Name	Country	Reg. No.	Shareholding	Address	FY2021	FY2022
Pennypinchers Trusses Western Cape Proprietary Limited (deregistered)	ZAF	2011/127617/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Pep Africa Limited	MWI	4717	100%	Malawi	Y	Y
Pep Angola Retail Limitada	AGO	3.667/2010	100%	Angola	Y	Y
Pep Angola Wholesale Limitada	AGO	3.656/2010	100%	Angola	Y	Y
Pep Beleggings Proprietary Limited (Pep Investments)	ZAF	1969/004549/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pep Botswana Holdings Limited	BWA	1151/72	100%	Botswana	Y	Y
Pep Mozambique Limitada	MOZ	7205	100%	Mozambique	Y	Y
Pep Proprietary Limited	ZAF	1945/018945/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pep Retail Proprietary Limited	ZAF	1984/002042/07	100%	Radnor Road, Parow Industria, 6270	Y	Y
Pep SA Limited	ZAF	1972/010710/06	100%	6th Floor Alris Building, 3 Rissik Street, Johannesburg, 2198	Y	Y
Pep Stores (Pvt) Limited Zimbabwe	ZWE	93/72	100%	Zimbabwe	Y	Y
Pep Stores Peninsula Holdings Proprietary Limited (deregistered)	ZAF	1973/012536/07	100%	Radnor Road, Parow Industria, 6270	Y	Y
Pep Stores Proprietary Limited (Nigeria)	NGA	969937	100%	Nigeria	Y	Y
Pep Stores Proprietary Limited (Swaziland)	SWZ	77/72	100%	Swaziland	Y	Y
Pep Stores Proprietary Limited (Lesotho)	LSO	72/15	100%	Lesotho	Y	Y
Pep Stores Uganda Limited	UGA	206990	100%	Uganda	Y	Y
Pep Stores Zambia Limited	ZMB	31470	100%	Zambia	Y	Y
Pep Vervaardiging Proprietary Limited	ZAF	1985/005679/07	100%	Radnor Road, Parow Industria, 6270	Y	Y
Pepclo Proprietary Limited	ZAF	1953/001317/07	100%	Radnor Road, Parow Industria, 6270	Y	Y
Pepco Austria GmbH	AUT	FN 534293 a	100%	Gertrude Fröhlich-Sandner Straße, 2-4/Turm 9/7.Sock, 1100 Vienna,	Y	Y
Pepco Bulgaria EOOD	BGR	205119149	100%	Fl. 4 Building BSR 2, Nikola Tesla No.5 Str., Sofia 1574	Y	Y
Pepco Croatia d.o.o.	HRV	MBS 081038164	100%	Zagreb (Grad Zagreb), Damira Tomljanovica Gavrana 11	Y	Y
Pepco Czech Republic s.r.o.	CZE	IČO 24294420	100%	Prague 4 – Nusle, Hvezdova 1716/2b, PSC 14078	Y	Y
Pepco Espana SL	ESP	B01963644	100%	Number 58, 5th Floor, Avenida Cortes Valencianas, 46015 Valencia	Y	Y
Pepco Estonia OÜ	EST	14249111	100%	Sopruse Pst 145, Kristiine District , Tallinn, 13417	Y	Y
Pepco Germany GmbH	DEU	HRB 224064 B	100%	c/o WeWork, Kemperplatz 1, Berlin, DE-10785	Y	Y
Pepco Greece IKE	GRC	162515401000	100%	10672, Junction of 11 Omirou & 1 Vissarionos Street, Athens	N	Y
Pepco Group Limited (previously Pepkor Europe Limited)	GBR	09127609	100%	14th Floor Capital House, 25 Chapel Street, London, NW1 5DH	Y	Y
Pepco Group N.V. (previously Albion Newco B.V.)	NLD	CCI 81928491	78.89%	14th Floor Capital House, 25 Chapel Street, London, NW1 5DH	Y	Y
Pepco Group Services Limited (previously Pepkor Marketing Limited)	GBR	10972213	100%	14th Floor Capital House, 25 Chapel Street, London, NW1 5DH	Y	Y
Pepco Holdings sp. Z.o.o.	POL	791461	100%	ul. Strzeszynska 73A, 60-479 Poznan	Y	Y
Pepco Hungary Kft (previously Pepkor Hungary Kft)	HUN	Cg. 01-09-192750	100%	Vaci ut 187, H-1138 Budapest	Y	Y
Pepco Ingatlan Kft (previously Pepkor Ingatlan Kft)	HUN	Cg. 01-09-300734	100%	Vaci ut 187, H-1138 Budapest	Y	Y
Pepco Italy S.r.l.	ITA	10941920968	100%	Via Michelangelo Buonarroti 39, 20145 Milano	Y	Y
Pepco Latvia SIA	LVA	40203062113	100%	Strelnieku iela 9-7, Riga, LV-1010	Y	Y
Pepco Lithuania UAB	LTU	304488450	100%	Virsuliskiu skg. 34-1, Vilniaus, 05131	Y	Y
Pepco Poland sp. z o.o.	POL	KRS 0000111962	100%	ul. Strzeszynska 73A, 60-479 Poznan	Y	Y
Pepco Portugal LDA	PRT	3453-7748-7417	100%	Rua Hermano Neves 18, Piso 3, Lisbon, E7	N	Y
Pepco Properties sp. z o.o. (previously Pepkor Properties sp. z o.o.)	POL	KRS 0000356422	100%	ul. Strzeszynska 73A, 60-479 Poznan	Y	Y
Pepco Retail Espana S.L. (previously Pepkor Retail Espana S.L.)	ESP	B66809526	100%	Avda. Baix Llobregat, 1-3 Modulo A, Planta Baja Par No., Esc. P, El Prat de Llobregat	Y	Y
Pepco Retail s.a.	ROU	J40/4655/2013	100%	3rd Floor, District 1, 17 Ceasornicului Street, Bucharest	Y	Y

Entity Name	Country	Reg. No.	Shareholding	Address	FY2021	FY2022
Pepco Slovakia s.r.o.	SVK	84895/B	100%	Nevadzova 6, Ruzinov, Bratislava, 821 01	Y	Y
Pepco d.o.o. Beograd-Novi Beograd (previously Pepco d.o.o. (Beograd-Stari Grad))	SRB	21457345	100%	Bulevar Mihaila Pupina 10L, 11070 Novi Beograd	Y	Y
Pepco, trogvina na drono, d.o.o. (Pepco Slovenia d.o.o.)	SVN	7176457000	100%	Trzaska cesta 515, Brezovica pri Ljubljani, 1351	Y	Y
Pepkor Africa Proprietary Limited	ZAF	1983/010915/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pepkor Brazil Holding LTDA	BRA	44.265.504/0001-09	100%	Brazil	N	Y
Pepkor Capital (RF) Proprietary Limited	ZAF	2017/515996/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pepkor Europe GmbH	CHE	CH-194.732.602	100%	c/o Kanzlei Pilatushof, Hirschmattstrasse 15, 6003 Luzern	Y	Y
Pepkor Europe Limited (previously GHM Stores Limited)	GBR	09015100	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Pepkor France SASU	FRA	RCS 805 402 104	100%	1 Place Boieldieu, Paris, 75002	Y	Y
Pepkor GPS (Shanghai) Co Limited	CHN	310104000350743	100%	8th Floor, H Zone (East), 666 Beijing East Road, Huangpu District, Shanghai,	Y	Y
Pepkor Holdco Proprietary Limited (previously Pepkor Holdings Proprietary Limited)	ZAF	2003/020009/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pepkor Holdings Limited (previously Steinhoff Africa Retail Limited)	ZAF	2017/221869/06	51.02%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pepkor IP Proprietary Limited (deregistered)	ZAF	2004/014533/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pepkor Import B.V.	NLD	KvK 61649112	100%	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	Y
Pepkor Proprietary Limited	ZAF	1965/007765/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pepkor Retail Learning Academy (previously D and A Timbers Proprietary Limited)	ZAF	1998/025853/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pepkor Retail Proprietary Limited	ZAF	1986/003435/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pepkor Sourcing (Shanghai) Co. Limited	CHN		100%	China	Y	Y
Pepkor Speciality Proprietary Limited (previously Steinhoff Speciality Fashion and Footwear Proprietary Limited)	ZAF	1998/007991/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pepkor Speciality Stores Lesotho Proprietary Limited	LSO	73/21	100%	Lesotho	Y	Y
Pepkor Speciality Stores Proprietary Limited (Namibia)	NAM	79/064	100%	Namibia	Y	Y
Pepkor Speciality Stores Swaziland Proprietary Limited	SWZ	65/1972	100%	Swaziland	Y	Y
Pepkor Trading Proprietary Limited	ZAF	1958/003362/07	100%	Stellenberg Road, Parow Industria, 7493	Y	Y
Pepkor UK Retail Limited	GBR	09288913	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Pepkorfin Proprietary Limited	ZAF	1980/003231/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Pepprop Mitchells Plain Proprietary Limited (deregistered)	ZAF	1985/000662/07	100%	Radnor Road, Parow Industria, 6270	Y	Y
Phahamiso Trading and Investments Proprietary Limited (deregistered)	ZAF	2010/003510/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Plush-Think Sofas Proprietary Limited (sold)	AUS	080 012 595 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Poundland Elgin Limited	GBR	12111238	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Group Holdings Limited (dissolved)	GBR	07036164	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Group Limited (to be dissolved)	GBR	08861243	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Holdings Limited (dissolved)	GBR	04386329	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland International Limited	GBR	03484379	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Limited	GBR	02495645	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Retail Limited (dissolved)	GBR	07115540	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Stores Limited (dissolved)	GBR	02376949	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Trustee Limited (dissolved)	GBR	05018557	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland UK and Europe Limited	GBR	09127615	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Value Retailing Limited (dissolved)	GBR	07115506	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Poundland Willenhall Limited (dissolved)	GBR	04386315	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y

Entity Name	Country	Reg. No.	Shareholding	Address	FY2021	FY2022
Printkor Proprietary Limited	ZAF	1974/003641/07	100%	Radnor Road, Parow Industria, 7493	Y	Y
Profurn Proprietary Limited	ZAF	1968/015363/07	100%	1st Floor , 6 Eastern Service Road, Eastgate Sandon, 2090	Y	Y
Prosequi Proprietary Limited	AUS	055371625 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Protea Furnishers (Namibia) Proprietary Limited t/a Hi-Finance (deregistered)	NAM	93/450	100% – Company was deregistered on 17/08/2021	Namibia	Y	N
RG Williams Buildings Materials Trust	ZAF	IT1865/2004	100%	South Africa	Y	Y
Rawska Holdings B.V.	NLD	853214153	100%	Noord Brabantlaan 265, 5652 LD Eindhoven,	Y	Y
Realinvest Conforama SL	ESP	CIF B-64762354	100%	Centro Comercial la Laguna, Autopsita Santa Cruz la Laguna – 38205, Santa Cruz de Tenerife	Y	Y
Reconquista Proprietary Limited	AUS	064817223 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Refinery Stores (Namibia) Proprietary Limited	NAM	2010/0416/07	100%	Namibia	Y	Y
Relyon Holland B.V. (deregistered)	NLD	KvK 16081779	100% – Company was deregistered on 30/09/2021	Noord Brabantlaan 265, 5652 LD Eindhoven	Y	N
Retail Interests Limited	GBR	00054380	100%	The Space (Floor 3), 120 Regent Street, London, W1B 5FE	Y	Y
Roadway Properties Proprietary Limited	ZAF	1997/008647/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Robbinsville 7A Warehouse Group, LLC	USA	0600160138	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Route 352 Management Partners, LLC	USA	569704	100%	10201 S Main Street, Houston, TX 77025	Y	Y
S'Ya Phanda Proprietary Limited	ZAF	2019/431627/07	46%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
S'Ya Phanda Trading Proprietary Limited (previously Ackermans Management Services Proprietary Limited)	ZAF	1984/010534/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
SA POCO Retail Proprietary Limited (dormant)	ZAF	1996/011622/07	100%	28 6th Street, Wynberg, Sandton, 2090	Y	Y
SCI Manda	FRA	RCS 791 955 396	100%	Regus Business Centre, Montevrain, 77144	Y	Y
SICA International Services S.à r.l.	CHE	CHE-429.218.390	50%	C/O Interexperts SA, Quai du Seujet 30, 1201 Geneve	Y	Y
SINT, LLC	USA	4327737	100%	10201 S Main Street, Houston, TX 77025	Y	Y
SNC Baptiste (closed)	FRA	RCS 837 559 525	100%	80 Boulevard du Mandinet, Lognes 77432 Marne la Vallee Cedex 2	Y	Y
SPCC Clothing Company Proprietary Limited	ZAF	2018/590277/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
ST San Diego, LLC	USA	200136210056	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Scranton Avenue Associates, LLC	USA	3434068	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Sean Gannon Building Materials Trust	ZAF	IT3560/2004	100%	South Africa	Y	Y
Sedloc LLC	USA		100%	USA	Y	Y
Sheptonview Limited (dissolved)	GBR	01721545	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Shoe City Holdings Proprietary Limited	ZAF	1996/008674/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Shoe City Proprietary Limited	ZAF	1995/010615/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Showboat Trade and Invest 17 Proprietary Limited	ZAF	2008/018137/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Sim Dynamix IP Proprietary Limited	ZAF	2012/025212/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Sim Dynamix Proprietary Limited	ZAF	2011/008149/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Sleep Country USA, LLC	USA	1785936	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Sleepmasters Proprietary Limited	ZAF	2011/112932/07	100%	1st Floor , 6 Eastern Service Road, 6 Eastern Service Road, 2090	Y	Y
Sleepys, LLC	USA	4327760	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Snooze Management Proprietary Limited	AUS	006 232 720 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Snooze Sleep Well Proprietary Limited	AUS	006 298 755 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y

Entity Name	Country	Reg. No.	Shareholding	Address	FY2021	FY2022
South Oyster Bay Realty, LLC	USA	3389116	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Sovereign Proprietary Limited (deregistered)	BWA	99/4755	100%	Botswana	Y	Y
Standard France S.à r.l. (deregistered)	FRA	RCS 821 510 427	100%	80 Boulevard du Mandinet, 77432 Marne La Vallee Cedex 02	Y	Y
Standard Properties Sp. z o.o.	POL	KRS 0000011112	100%	Ruska 37/38, 50-079 Wroclaw	Y	Y
State Marketing and Innovation Corporation Proprietary Limited	AUS	129 691 158 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Steenbok Lux Finco 1 S.à r.l.	LUX	B 230 883	100%	56 rue Charles Martel, 230883	Y	Y
Steenbok Lux Finco 2 S.à r.l.	LUX	B 230 871	100%	56 rue Charles Martel, 230883	Y	Y
Steenbok Newco 1 Limited	JEY	127918	100%	3rd Floor, 44 Esplanade, St Helier, JE4 9WG	Y	Y
Steenbok Newco 10 S.à r.l.	LUX	B 235 929	100%	56 rue Charles Martel, L2134	Y	Y
Steenbok Newco 2A Limited	JEY	127926	100%	3rd Floor, 44 Esplanade, St Helier, JE4 9WG	Y	Y
Steenbok Newco 2B Limited	GBR	11728129	100%	The Space (Floor 3), 120 Regent Street, London, W1B 5FE	Y	Y
Steenbok Newco 3 Limited	GBR	11728460	100%	The Space (Floor 3), 120 Regent Street, London, W1B 5FE	Y	Y
Steenbok Newco 4 Limited	GBR	11728633	100%	The Space (Floor 3), 120 Regent Street, London, W1B 5FE	Y	Y
Steenbok Newco 5 Limited	JEY	127924	100%	3rd Floor, 44 Esplanade, St Helier, JE4 9WG	Y	Y
Steenbok Newco 6 Limited	GBR	11728916	100%	The Space (Floor 3), 120 Regent Street, London, W1B 5FE	Y	Y
Steenbok Newco 7 Limited	GBR	11729104	100%	The Space (Floor 3), 120 Regent Street, London, W1B 5FE	Y	Y
Steenbok Newco 8 Limited	GBR	11729128	100%	The Space (Floor 3), 120 Regent Street, London, W1B 5FE	Y	Y
Steenbok Newco 9 Limited	GBR	11729105	100%	The Space (Floor 3), 120 Regent Street, London, W1B 5FE	Y	Y
Steinhoff Africa Holdings Proprietary Limited	ZAF	1969/015042/07	100%	Building B2, Vineyard Office Park, Cnr Devon Valley and Adam Tas Roads, Devon Park, Stellenbosch, 7600	Y	Y
Steinhoff Africa Property Services Proprietary Limited	ZAF	1997/007703/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Steinhoff At Work Proprietary Limited	ZAF	1950/037849/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Steinhoff Australia Proprietary Limited	AUS	080 752 807	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Steinhoff Bedding (Namibia) Proprietary Limited (deregistered)	NAM	2001/210	100%	24 Orban Street, Klein Windhoek, Windhoek	Y	Y
Steinhoff Commercial Holdings Proprietary Limited	AUS	108481821 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Steinhoff Europe AG (Austria)	AUT	FN 38031 d	100%	The Space (Floor 3), 120 Regent Street, London, W1B 5FE	Y	Y
Steinhoff Europe AG (Switzerland)	CHE	CH-130.0.009.701-2	100%	c/o Swiss Reliance AG, Zugerstrasse 76B, 6340 Baar	Y	Y
Steinhoff Europe Consult Sp. z o.o.	POL	KRS 0000013715	100%	ul. Ruska 37/38, 50-079 Wroclaw	Y	Y
Steinhoff Finance Holding GmbH	AUT	FN 345159m	100%	The Space (Floor 3), 120 Regent Street, London, W1B 5FE	Y	Y
Steinhoff Finance Investments Proprietary Limited (deregistered)	ZAF	2002/010738/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Steinhoff Global Investments GmbH (closed)	AUT	FN 359664 v	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
Steinhoff Holding Beta GmbH	AUT	FN 360096d	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
Steinhoff International Holdings Proprietary Limited	ZAF	1998/003951/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Steinhoff International Sourcing (Shanghai) Limited (sold)	CHN	91310000MA1GBH5W31	100%	Room 710, Block T1, Venke Zone One, No 168 Tai Hong Road, Minhang District, Shanghai, P.R	Y	Y
Steinhoff International Sourcing (Shenzhen) Limited (sold)	CHN	440301503446654	100%	3/F Tower 2, Shenzhen Beihang Mansion, No.53, Gaoxin South 9th Road, Nanshan District, Shenzhen	Y	Y
Steinhoff International Sourcing and Logistics Poland Sp. z o.o.	POL	KRS 0000163475	100%	Ul. Poleczki 23H, 02-822 Warszawa	Y	Y
Steinhoff International Sourcing and Logistics SASU (closed)	FRA	RCS 518 495 619	99.99%	Regus Business Centre, 80 Boulevard du Mandinet, Montevrain, 77144	Y	Y
Steinhoff International Sourcing and Trading Limited (sold)	HKG	CR 2461089	100%	19/F, Seaview Commercial Building, 21-24 Connaught Road West	Y	Y
Steinhoff Investment Holdings Limited	ZAF	1954/001893/06	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Steinhoff Manufacturing Proprietary Limited (deregistered)	ZAF	1968/007966/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y

Entity Name	Country	Reg. No.	Shareholding	Address	FY2021	FY2022
Steinhoff Möbel Holding Alpha GmbH	AUT	FN 202439 f	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
Steinhoff Möbel Holding GmbH	AUT	FN 216023 g	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
Steinhoff Pacific Proprietary Limited	AUS	097 115 369 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Steinhoff Properties AG	CHE	CH-170.3.038.665-0	100%	Sihlbruggstrasse 105, Baar, CH-6340	Y	Y
Steinhoff Properties Proprietary Limited	ZAF	2001/005911/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Steinhoff Retail GmbH	AUT	FN 328490 z	100%	2345 Brunn am Gebirge, Rennweg 77	Y	Y
Steinhoff Schweiz AG	CHE	CH-170.3.026.394-1	100%	c/o Swiss Reliance AG, Zugerstrasse 76B, 6340 Baar,	Y	Y
Steinhoff Secretarial Services Proprietary Limited	ZAF	1992/004646/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Steinhoff Service GmbH (closed)	DEU	HR B 121300	100%	Zum Stadtpark 2, Westerstede, 26655	Y	Y
Steinhoff Services Proprietary Limited (deregistered)	ZAF	1983/006201/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Steinhoff UK Group Services Limited	GBR	10068169	100%	C/O Emma Cray, Pricewaterhousecoopers Llp, One Chamberlain Square, Birmingham, B3 3AX	Y	Y
Steinhoff UK Holdings Limited	GBR	03738136	100%	The Space (Floor 3), 120 Regent Street, London, W1B 5FE	Y	Y
Steinhoff US Holdings I, Inc (previously Sherwood Group Holdings, Inc)	USA	6454341	100%	USA	Y	Y
Steinhoff US Holdings II, LLC (previously Sherwood Acquisition Holdings LLC)	USA	6438336	80%	USA	Y	Y
Supreme Furnishers (Namibia) Proprietary Limited	NAM	93/451	100%	Namibia	Y	Y
Swish Global Trading (Mauritius)	MUS		100%	Mauritius	Y	Y
Tanzanite Treasure Trading 7 Proprietary Limited	ZAF	2011/006190/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Taycol Investments Proprietary Limited (deregistered)	ZAF	1973/007137/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Tekkie Town Footwear Namibia Proprietary Limited	NAM		100%	Namibia	Y	Y
Tekkie Town Lesotho Proprietary Limited	LSO		100%	Lesotho	Y	Y
Tekkie Town Proprietary Limited	ZAF	2007/020629/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Tendril S.à r.l.	LUX	B149493	100%	Luxemburg	Y	Y
The Building Company Proprietary Limited (previously Steinhoff Doors and Building Materials Proprietary Limited)	ZAF	1972/004708/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
The I-Glaze Trust	ZAF	IT4242/2007	50%	South Africa	Y	Y
The Mattress Venture, LLC	USA	800930049	100%	10201 S Main Street, Houston, TX 77025	Y	Y
The Pennypinchers Brackenfell Trust	ZAF	IT40/99	100%	South Africa	Y	Y
The Pennypinchers City Trust	ZAF	IT3789/99	100%	South Africa	Y	Y
The Pennypinchers Claremont Trust	ZAF	IT5/97	100%	South Africa	Y	Y
The Pennypinchers Hermanus Trust	ZAF	IT1983/98	100%	South Africa	Y	Y
The Pennypinchers Kimberley Trust	ZAF	IT1757/2008	100%	South Africa	Y	Y
The Pennypinchers Knysna Trust	ZAF	IT2472/2000	100%	South Africa	Y	Y
The Pennypinchers Longbeach Trust	ZAF	IT1868/2004	100%	South Africa	Y	Y
The Pennypinchers Uitenhage Building Materials Trust	ZAF	IT2397/2007	100%	South Africa	Y	Y
The Sleep Train, Inc.	USA	C1277162	100%	10201 S Main Street, Houston, TX 77025	Y	Y
The Steinbuild Port Elizabeth Trust (previously The Steinbuild William Moffett Trust)	ZAF	IT1119/2006	100%	South Africa	Y	Y
The Timbercity Potchefstroom Trust	ZAF	IT1758/2008	100%	South Africa	Y	Y
The Unitraco Trust	ZAF	IT1028/2000	100%	South Africa	Y	Y
Tiletoria Cape Proprietary Limited	ZAF	2007/002174/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Tiletoria Spec Studio Proprietary Limited	ZAF	1996/017299/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Tiletoria Supplies Western Africa Proprietary Limited	NAM		100%	Namibia	Y	Y
Timbercity Alberton Trust	ZAF	IT3754/2007	100%	South Africa	Y	Y
Timbercity Inland Proprietary Limited (previously KH International Proprietary Limited)	ZAF	1944/016830/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y

Entity Name	Country	Reg. No.	Shareholding	Address	FY2021	FY2022
Timbercity Lowveld Proprietary Limited	ZAF	2001/008196/07	100%	2nd Floor Execujet Building , Tower Road Cape Town International, Cape Town, 7525	Y	Y
Timbercity Roodepoort Boards Trust	ZAF	IT8273/2005	100%	South Africa	Y	Y
Timbercity Witbank Trust	ZAF	IT4540/2007	100%	South Africa	Y	Y
Tots n Teens Clothing Proprietary Limited	ZAF	1981/003196/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Town Investments Proprietary Limited	ZAF	2016/159084/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Translink Services S.à r.l. (deregistered)	LUX	B92931	100%	Luxemburg	Y	Y
Ultimo Holdings Proprietary Limited (deregistered)	ZAF	1980/000294/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
Ultimo Properties Proprietary Limited	ZAF	1960/003498/07	100%	36 Stellenberg Road, Parow Industria, 7493	Y	Y
United Steel and Pipe Supplies Proprietary Limited	ZAF	1994/003538/07	100%	2nd Floor Execujet Building, Tower Road Cape Town International, Cape Town, 7525	Y	Y
Unitrans Asia Pacific Proprietary Limited	AUS	096 249 393 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Unitrans Property Proprietary Limited	AUS	611000321 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
Unitrans Unit Trust (deregistered)	AUS		100%	Australia	Y	Y
Valuline 203 Proprietary Limited (deregistered)	ZAF	2011/010601/07	100%	Building B2, Cnr Adam Tas & Devon Valley Road, Stellenbosch, 7600	Y	Y
Van As and Associates Recoveries Proprietary Limited (dormant)	ZAF	2014/074508/07	100%	1 Industrie Street, Kuils River, 7580	Y	Y
Vaucluse Diffusion SASU	FRA	RCS 306 487 075	100%	19 Rue du Musee, 13001 Marseille	Y	Y
Viewmont Drive Realty, LLC	USA	605162	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Viewtone Limited	GBR	03271182	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Viewtone Trading Group Limited	GBR	07398652	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Viewtone Trustees Limited	GBR	04560070	100%	Poundland Csc, Midland Road, Walsall, WS1 3TX	Y	Y
Warren Collier Building Materials Trust	ZAF	IT1305/98	100%	South Africa	Y	Y
Wayne Gerber Building Materials Trust	ZAF	IT1456/98	50%	South Africa	Y	Y
Westersteder ST GmbH (previously Bruno Steinhoff Trading GmbH)	DEU	HR B 120856	100%	Zum Stadtpark 2, Westerstede, 26655	Y	Y
White Label Innovations Proprietary Limited	AUS	129 691 443 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
White Label Investments Proprietary Limited	AUS	129 690 160 (ACN)	100%	Level 4, 1 Epping Road, North Ryde, New South Wales, 2037	Y	Y
White Rock Insurance (Gibraltar) PCC Limited	GIB	83887	100%	Suite 913 Europort, 1st Floor, GX11 1AA	Y	Y
Whitehall Management Partners, LLC	USA	2959805	100%	10201 S Main Street, Houston, TX 77025	Y	Y
Zamori 339 Proprietary Limited	ZAF	2010/002397/07	50%	323 Lynnwood Road, Menlo Park, 0081	Y	Y

GLOSSARY OF TERMS
APPLIED TO THE ANNUAL REPORT

The capitalised words and expressions used herein shall have the respective meanings attributed thereto below:

2020 Consolidated Financial Statements	Consolidated Financial Statements of the Group for the financial year ended 30 September 2020.
2021 Consolidated Financial Statements	Consolidated Financial Statements of the Group for the financial year ended 30 September 2021.
2022 Consolidated Financial Statements	Consolidated Financial Statements of the Group for the financial year ended 30 September 2022.
2021 Reporting Date	30 September 2021.
2022 Reporting Date or Reporting Date	30 September 2022.
2020 Reporting Period	Period starting on 1 October 2019 up to and including 30 September 2020.
2021 Reporting Period	Period starting on 1 October 2020 up to and including 30 September 2021.
2022 Reporting Period or Reporting Period	Period starting on 1 October 2021 up to and including 30 September 2022.
ACGs	Certain active claimant groups that represent or in which many of the potential MPCs had their interests vested in connection with the complex legal claims, arising from the legacy accounting issues first announced in December 2017.
Affiliated Company	Each legal entity belonging to the same group as the Company or in which the Company has a direct or indirect equity interest of more than ten per cent. (10%).
AFM	Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*).
African Group	SIHL, together with its subsidiaries, amongst others Pepkor Holdings Group, IEP and the African property portfolio.
AGM	Annual General Meeting.
AGM 2020	The annual general meeting of the Company held on 28 August 2020.
AGM 2021	The annual general meeting of the Company held on 30 April 2021.
AGM 2022	The annual general meeting of the Company held on 25 March 2022.
Ainsley Holdings	Ainsley Holdings Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registered under number 1964/010191/07.
Articles	Articles of association of the Company, as amended from time to time.
Audit and Risk Committee	Audit and risk committee established by the Supervisory Board.
Avenida	Grupo Avenida S.A., a Brazilian value retail group acquired by Pepkor Holdings.
BaFin	German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).

BVI	Business Venture Investments 1449 (RF) Proprietary Limited, a company incorporated under the laws of the Republic of South Africa and registered under number 2011/002155/07.
CEO	Chief executive officer of the Company.
CFO	Chief financial officer of the Company.
CGU	Cash-generating unit.
CCRO	Chief compliance and risk officer of the Company.
Christo Wiese	Christo Wiese, former member and Chairman of Supervisory Board.
Code of Conduct	Code of conduct as referred to in best practice provision 2.5.2 of the DCGC.
Committee of Representation	The committee of representation appointed pursuant to the Dutch SoP, comprised of fifteen members, including four independent members, seven members on behalf of the SIHNV Market Purchase Claimants (as defined in the Dutch SoP) and four members on behalf of the SIHNV Contractual Claimants (as defined in the Dutch SoP), who voted on the Composition Plan as proposed by Steinhoff instead of the individual creditors.
Company or Steinhoff	Steinhoff International Holdings N.V., a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, and its principal place of business at Building B2, Vineyard Office Park, Cnr Adam Tas & Devon Valley Road, Stellenbosch 7600, South Africa, registered with the Dutch Trade Register under number 63570173 and with LEI code 724500PSNX8EVPOZ1M58, and, where appropriate, the Subsidiaries and possible other Group companies, whose financial information is incorporated in the consolidated financial statements of the Company.
Company Secretary	Company secretary of the Company or, in absence of the Company Secretary, their deputy designated by the Management Board in the manner provided for in the Articles.
Composition Plan	The composition plan proposed pursuant to the Dutch SoP.
Conforama and/or Conforama Group	Conforama Investissement SNC, the holding company of Conforama Holding S.A., a company incorporated under the laws of France and registered under number RCS 582 014445, together with its subsidiaries.
Contractual Claims	Claims by those claimants who, in accordance with the terms of their respective contractual arrangements involving the Company, sold businesses, shares or otherwise.
Corporate Scorecard	A list of performance conditions that sets out the deliverables by Managing Directors in order to achieve the Company's short- to medium-term strategy.
COVID-19	An ongoing pandemic of coronavirus disease 2019 (COVID-19) caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).
CPU	Contingent Payment Undertaking.
CVA	Company Voluntary Arrangements, in respect of the SEAG CVA and/or the SFHG CVA (as applicable).
DCC	Dutch Civil Code.
DCGC	Dutch Corporate Governance Code.
Decree	Decree Additional Requirements Annual Report (*Vaststellingsbesluit nadere voorschriften inhoud bestuursverslag*).
Deloitte	Deloitte Accountants B.V. and Deloitte & Touche South Africa.
Dutch Administrators	F. Verhoeven and C.R. Zijderveld, the administrators appointed pursuant to the Dutch SoP.
Dutch Financial Supervision Act	Dutch Financial Supervision Act (*Wet op het financieel toezicht*).
Dutch SoP	Dutch Suspension of Payments procedure (*surseance van betaling*).
EBIT	Operating profit or loss adjusted for capital and reclassification items.
EBITDA	Operating profit or loss before depreciation and amortisation adjusted for capital and reclassification items.
ECL	Expected credit losses.
ESEF	European Single Electronic Format, being the electronic reporting format in which issuers on EU regulated markets shall prepare their annual financial reports.
ESRS	Employee Share Right Scheme of the Company.

EU	European Union.
European Group	Newco 3, together with its subsidiaries, amongst others Pepco Group, Greenlit Brands, European Properties and Conforama.
European Properties	European properties and property companies held by Hemisphere.
Executive Committee	Executive committee designated as such in clause 6 of the Regulations of the Management Board.
External Auditor	Organisation in which certified public accountants cooperate, as referred to in section 2:393 paragraph 1, of the Dutch Civil Code, that is charged with the audit of the financial statements (*jaarrekening*).
Fantastic	Fantastic Holdings Limited, a company incorporated under the laws of Australia and registered under number 004 000 075 (ACN).
FCTR	Foreign currency translation reserve.
FinSurv	The Financial Surveillance Department of the South African Reserve Bank responsible for the administration of exchange control on behalf of the South African Minister of Finance.
FSCA	Financial Sector Conduct Authority.
FSE	Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).
General Meeting	The body of the Company consisting of the person or persons to whom as a Shareholder or otherwise, voting rights attached to Steinhoff shares accrue, or (as the case may be) a meeting of such persons (or their representatives) and other persons with Meeting Rights.
Global Litigation Settlement	The settlement of the outstanding litigation in terms of the S155 Scheme and the Composition Plan.
Greenlit Brands	Greenlit Brands Proprietary Limited, a company incorporated under the laws of Australia and registered under number 612890874, together with its subsidiaries, including Fantastic.
Group or Steinhoff Group	The group of companies consisting of Steinhoff International Holdings N.V. together with its Group Companies.
Group Company	Group company of the Company as referred to in section 2:24b of the Dutch Civil Code.
Group Risk function	The Group Risk and Internal Audit function of the Company headed by the CCRO.
Group Services	Group functions outside of OpCos and Subsidiaries, including the following functions: Finance, Treasury, Tax, Human Resources, Legal, Company Secretarial, Compliance, Risk, Internal Audit and IT.
Group Services' Debt	The indebtedness under (i) the CPUs entered into by Steinhoff; and (ii) the debt facilities entered into by Steenbok Lux Finco 1 S.à r.l., Steenbok Lux Finco 2 S.à r.l. and Hemisphere, all of which are subsidiaries of Steinhoff, in August 2019 (as amended from time to time) (the instruments together, the "Group Services' Debt Facilities").
Hemisphere	Hemisphere International Properties B.V., a private company with limited liability incorporated under the laws of the Netherlands and registered with the Dutch Trade Register under number 17228592, which is an indirect wholly owned subsidiary of Steinhoff and holds a portfolio of European properties and property companies.
Hemisphere Contingent Payment Undertaking	The contingent payment undertaking agreement dated 5 September 2018 between and Lucid Agency Services Limited as agent of the Hemisphere Lenders.
Human Resources and Remuneration Committee or Remuneration Committee	Human resources and remuneration committee established by the Supervisory Board.
IAS	International Accounting Standards.
IEP	IEP Group Proprietary Limited, a South African investment holding company with controlling and scalable strategic interests in a number of select investment platforms, including the Bud Group.
IFRS	International Financial Reporting Standards.
IFRS 5	IFRS 5: Non-current Assets Held-for-Sale and Discontinued Operations.
IFRS 9	IFRS 9: Financial Instruments.
IFRS 16	IFRS 16: Leases.

Interim Debt Extension	The amendment of the definition of the "Maturity Date" in each of the Steinhoff CPU, the SIHPL CPU and the definition of "Termination Date" under (and as defined in) each of the facility agreements entered into pursuant to the CVA, each extended by 12 months to, 31 December 2022.
Internal Auditor	Internal auditor as referred to in principle 1.3 of the DCGC.
IPO	Initial public offering.
IT	Information technology.
JD Group	JD Group Proprietary Limited, a company incorporated under the laws of the Republic of South Africa and registered under number 1981/009108/07.
JSE	The stock exchange operated by JSE Limited in the Republic of South Africa.
KPI	Key Performance Indicator.
Lancaster 101	Lancaster 101 (RF) Proprietary Limited, a company incorporated under the laws of the Republic of South Africa and registered under number 2016/272750/07.
Lancaster 102	Lancaster 102 Proprietary Limited, a company incorporated under the laws of the Republic of South Africa and registered under number 2017/277500/07.
Lancaster Group	Lancaster Group Proprietary Limited, a company incorporated under the laws of the Republic of South Africa and registered under number 2012/065956/07, together with its subsidiaries.
LIPO	LIPO Beteiligungen AG, a company incorporated under the laws of Switzerland together with its subsidiaries and registered under number CH- 040.3.001.910-6.
LTIs	Long-term incentive schemes awarded with the primary aim of promoting the sustainability of the Company through business cycles, aligning performance of key management with the interests of investors and retaining key management, all over the longer term. The LTIs can comprise of a share rights scheme and/or a cash settled scheme.
Management Board	Management board of the Company.
Management Report	Management report (bestuursverslag) as referred to in section 2:391 of the Dutch Civil Code.
Managing Director	Member of the Management Board.
Market Purchase Claims	Market purchase claims arisen in respect of market traded securities. In respect of the period prior to the Company's FSE listing becoming effective on 7 December 2015, any such claims are in respect of shares acquired in SIHPL (the former holding company of the Group) and thereafter, any such claims are in respect of shares acquired in the Company.
Mattress Firm	Mattress Firm Holding Corp, a company incorporated under the laws of the United States of America and registered under number EIN – 20-8185960, together with its subsidiaries, including Mattress Firm Inc.
Maturity Extension Transaction	The proposed transaction to extend the maturity of the Group Services' Debt from the current maturity date of 30 June 2023 to at least 30 June 2026, together with various related re-organisation steps and transactions as announced by the Company on 15 December 2022 and 16 December 2022.
Mayfair	Mayfair Speculators Proprietary Limited.
Mazars	Mazars Accountants N.V., the Company's External Auditor appointed for the financial years 2019 through 2023.
Meeting Rights	Right to be invited to General Meetings and to speak at such meetings, as a Shareholder or as a person to whom these rights have been attributed in accordance with the Articles.
MPCs	Persons holding alleged Market Purchase Claims.
Moody	The Moody's Investors Service's ratings system.
Mons Bella	Mons Bella Private Partner Investments Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registered under number 2015/363987/07.
Newco 2A	Steenbok Newco 2A Limited, a company incorporated and registered under the laws of Jersey with registered number 127926 and with its registered address at 3rd Floor, 44 Esplanade, St Hellier, Jersey.

Newco 3	Steenbok Newco 3 Limited, a private limited company incorporated under the laws of England and Wales, having its registered office at Pall Mall Works, 17-19 Cockspur Street, London, SW1Y 5BL and company number 11728460.
Nomination Committee	Nomination committee established by the Supervisory Board.
OpCos	The Steinhoff Group's operating companies, amongst others Pepkor Holdings, Greenlit Brands, Mattress Firm and Pepco Group.
Ordinary Share or Steinhoff Share	Ordinary share in the capital of the Company.
Original Participating Lenders	The Group Services lenders that entered into the Support Agreement on 15 December 2022, representing more than 64% of the total Group Services' Debt.
Pepkor Holdings	Pepkor Holdings Limited, a public company incorporated under the laws of the Republic of South Africa and registered under number 2017/221869/06, which is an indirect subsidiary of Steinhoff.
Pepkor Holdings ESRS	The Executive Share Right Scheme of Pepkor Holdings.
Pepkor Holdings Group	Pepkor Holdings, together with its subsidiaries.
Pepco	Pepco Group N.V., a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands and registered with the Dutch Trade Register under number 81928491, which is an indirect subsidiary of Steinhoff.
Pepco Group	The pan-European discount variety retailer that includes the brands PEPCO, Poundland and Dealz.
PIC	The Public Investment Corporation SOC Limited (or PIC) is a South African state-owned asset management company that invests across various sectors of the economy.
Poundland	Poundland Group Limited, a private limited company incorporated under the laws of the United Kingdom, registered under number 08861243.
Preference Share	Non-cumulative financing preference share in the capital of the Company.
PwC	PricewaterhouseCoopers.
Regulations of the Management Board	Rules effective as at 11 November 2022 regarding the working methods and decision-making process of the Management Board, complementary to the relevant provisions of the Articles.
Regulations of the Supervisory Board	Rules effective as at 8 December 2022 regarding the working methods and decision-making process of the Supervisory Board, complementary to the relevant provisions of the Articles.
Remuneration Policy	Policy as referred to in article 15.11 of the Articles and as adopted by the General Meeting on 1 December 2015.
S155 Scheme	A statutory compromise with creditors in terms of section 155 of the South African Companies Act, 71 of 2008.
SEAG	Steinhoff Europe AG, a company incorporated under the laws of Austria and registered under number FN 38031d, which is a wholly owned subsidiary of the Company.
SEAG Contingent Payment Undertaking	The contingent payment undertaking agreement dated 12 August 2019 between Steinhoff and Lucid Trustee Services Limited as security agent on behalf of the SEAG Lenders in connection with the SEAG Credit Agreements.
SEAG CVA	English law company voluntary arrangement proposed by SEAG, approved on 15 December 2018 and implemented on 13 August 2019.
Segmental EBITDA	EBITDA adjusted to exclude exceptional expenses incurred.
Seifert	Dr. Andreas Seifert and entities affiliated to Seifert.
Senior Managers	Employees with a direct reporting line to the Management Board as a whole or to a Managing Director.
Settlement Effective Date or SED	The date on which all suspensive conditions and conditions precedent (as defined in the Steinhoff Composition Plan and the S155 Scheme) were fulfilled, which occurred on 15 February 2022.
Settlement Term Sheet	A document detailing the terms of the Global Litigation Settlement and placed on the Steinhoff website.
SFHG	Steinhoff Finance Holdings GmbH, a company incorporated under the laws of Austria, registered under number FN345159m.

SFHG Contingent Payment Undertakings	(a) The SFHG 21/22 Contingent Payment Undertaking; and (b) the SFHG 23 Contingent Payment Undertaking.
SFHG 21/22 Contingent Payment Undertaking	The contingent payment undertaking agreement dated 12 August 2019 between Steinhoff and Global Loan Agency Services Limited as agent on behalf of the Facility A1 Lenders as defined in the SFHG 21/22 Facilities Agreement.
SFHG 23 Contingent Payment Undertaking	The contingent payment undertaking agreement dated 12 August 2019 between Steinhoff and Global Loan Agency Services Limited as agent on behalf of the Facility A2 Lenders as defined in the SFHG 23 Facilities Agreement.
SFHG CVA	English law company voluntary arrangement proposed by SFHG, approved on 15 December 2018 and implemented on 13 August 2019.
Share	A share in the capital of the Company. Unless the contrary is apparent, this shall include each Ordinary Share and each Preference Share.
Shareholder	Holder of one or more Shares.
SIHL	Steinhoff Investment Holdings Limited, a public company incorporated under the laws of the Republic of South Africa, registered under number 1954/001893/06.
SIHPL	Steinhoff International Holdings Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registered under number 1998/003951/06, previously listed on the JSE and formerly known as Steinhoff International Holdings Limited.
SIHPL Contractual Claimants	Persons holding alleged Contractual Claims against SIHPL.
SIHPL MPCs	Persons holding alleged Market Purchase Claims against SIHPL.
SRF	Stichting Steinhoff Recovery Foundation, a Dutch foundation (*stichting*) incorporated under the laws of the Netherlands, registered under number 83737065.
Steinhoff Africa	Steinhoff Africa Holdings Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registered under number 1969/015042/07.
Steinhoff at Work	Steinhoff at Work Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registered under number 1950/037849/07.
Steinhoff Scheme	English law scheme of arrangement that Steinhoff launched in November 2020 and approved on 5 February 2021, to implement the consents required from certain financial creditors to pursue the proposed global settlement of contingent and litigation claims against the Group arising from legacy accounting issues first announced in December 2017.
Steinhoff Contingent Payment Undertaking	Hemisphere Contingent Payment Undertaking; (b) the SEAG Contingent Payment Undertaking; and (c) the SFHG Contingent Payment Undertakings,
Steinhoff CPU Creditors	21/22 Term loan facility creditors and their agents, 23 Term loan facility creditors and their agents First lien term loan creditors and their agents, Second lien term loan creditors and their agents. Steinhoff Africa Holdings Proprietary Limited, in respect of intercompany loan agreement dated 12 August 2019 for principal sum of ZAR4 320 689 089 and Steenbok Newco 2A Limited, in respect of an intercompany loan agreement dated 12 August 2010 in the principal sum of EUR675 884 815.
Steinhoff Creditors	(a) The Steinhoff CPU Creditors; and (b) the Steinhoff Intragroup Creditors.
STI/Annual Bonus Scheme	Short-term incentive scheme. Similar to an annual performance bonus.
Subsidiary	Subsidiary of the Company as referred to in section 2:24a of the Dutch Civil Code.
SUKGS	Steinhoff Group Services Limited, a company incorporated under the laws of the United Kingdom, registered under number 10068169.
Supervisory Board	Supervisory board of the Company.
Supervisory Board Remuneration Policy	Policy as referred to in article 24.12 of the Articles and as adopted by the General Meeting on 28 August 2020.
Supervisory Director	Member of the Supervisory Board.
Steenbok Group	Newco 3, together with its subsidiaries, which holds the Steinhoff Group's non-South African businesses.
Support Agreement	The agreement entered into by the Group on 15 December 2022 with its Original Participating Lenders, representing more than 64% of the total Group Services' Debt.

Tekkie Town	Tekkie Town Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registered under number 2007/020629/07.
Thibault	Thibault Square Financial Services Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registration number 1992/004170/07.
Titan	Titan Premier Investments Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registration number 1979/000776/07.
Trevo	Trevo Capital Limited, a Mauritian entity associated with the CEO of Pepkor Holdings, Mr Pieter Erasmus.
Unitrans	Unitrans Motor Holdings Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, registered under number 1997/017428/07.
WACC	Weighted average cost of capital.
Warrants	A total of 205 242 947 warrants issued by Conforama Holding S.A. on 29 May 2019 which, if and when exercised, are “convertible” into 205 242 947 Class 2 Preference Shares.

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