

THE FOSCHINI GROUP LIMITED
Registration number: 1937/009504/06
Code: TFG
ISIN: ZAE000148466
("TFG" and "Group")

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FINALISATION ANNOUNCEMENT - TFG FULLY UNDERWRITTEN RENOUNCEABLE RIGHTS OFFER

1. Introduction

TFG shareholders are referred to the declaration announcement released on the Stock Exchange News Service ("SENS") of the JSE Limited ("JSE") on Tuesday, 14 July 2020, relating to a renounceable rights offer to qualifying TFG shareholders ("Rights Offer").

TFG shareholders are advised that TFG has received all the necessary approvals to implement the Rights Offer and the Rights Offer is now unconditional as the terms of the Rights Offer have now been finalised and all conditions precedent to the Rights Offer have been fulfilled.

2. Terms of the Rights Offer

TFG shareholders are advised that the board of directors of TFG has resolved to proceed with the Rights Offer to raise, in the aggregate, gross proceeds up to R3.95 billion and that all requisite resolutions to effect the Rights Offer have been passed by the requisite majority of shareholders at the Group's extraordinary general meeting ("EGM") held on Thursday, 16 July 2020.

The Rights Offer is underwritten by Rand Merchant Bank, a division of FirstRand Bank Limited, The Standard Bank of South Africa Limited and Absa Bank Limited, subject to customary terms and conditions.

The Rights Offer will consist of an offer of 94,270,486 renounceable rights to subscribe for new TFG ordinary shares ("Right Offer Shares") in the ratio of 40 Right Offer Shares for every 100 TFG ordinary shares held by TFG shareholders (excluding TFG shareholders resident or located in the restricted jurisdictions to be set out in the Rights Offer Circular (as defined below) on the record date of the Rights Offer ("Ratio of Entitlement"), being Friday, 24 July 2020, and/or such proportionate lower number of Rights Offer Shares in respect of a holding of less than 100 TFG ordinary shares, offered for a subscription price of R41.90 per Rights Offer Share.

The Rights Offer issue price represents a discount of approximately 32.8% to the Theoretical Ex-rights Price calculated using the prevailing 30-day volume-weighted average price and 40.6% to the prevailing 30-day volume-weighted average price of TFG shares as at Wednesday, 15 July 2020. The Rights Offer Shares will constitute approximately 28.6% of TFG's post-Rights Offer share capital.

The salient dates and times of the Rights Offer remain unchanged from those published in the declaration announcement on SENS on Tuesday, 14 July 2020.

TFG shareholders may commence trading the letters of allocation from commencement of business on Wednesday, 22 July 2020 until the close of business on Tuesday, 4 August 2020, both days inclusive, under the JSE code TFGN and ISIN ZAE000288353 and the Rights Offer Shares from commencement of business on Wednesday, 5 August 2020.

3. Irrevocable undertakings

Certain TFG shareholders have entered into irrevocable undertakings in favour of TFG to subscribe for, and/or recommend to their clients to subscribe for, and pay for in full, all of the Rights Offer Shares which such TFG shareholders are entitled to as of the record date, representing 14.5% of net shares in issue.

4. Excess applications

TFG Shareholders (excluding TFG shareholders resident or located in the restricted jurisdictions) will be permitted to apply for Rights Offer Shares not taken up in excess of their pro rata entitlement in terms of the Rights Offer ("Excess Shares"), should there be Excess Shares available for allocation. Such Excess Shares will be allocated equitably, taking into consideration the number of TFG ordinary shares held by such TFG shareholder prior to such allocation, including Rights Offer Shares taken up as a result of the Rights Offer, and the number of Excess Shares applied for by such TFG shareholder.

Excess Shares shall be allocated in an equitable manner unless such allocation would: (i) result in fractional shares, in which case such allocation shall be rounded to the nearest multiple of one Rights Offer Share (unless the application of the ratio of entitlement results in a fractional share of less than 0.5, in which case such allocation will be rounded down to zero); or (ii) result in a violation of applicable law or the rules or regulations of a South African governmental authority or the JSE Listings Requirements.

If all the Rights Offer Shares are taken up in the Rights Offer, then no additional Rights Offer Shares will be made available for allocation to applicants pursuant to excess applications.

5. Rights Offer circular

Further details of the Rights Offer will be disclosed in the rights offer circular ("Rights Offer Circular"), which Rights Offer Circular is anticipated to be made available on TFG's website, tfglimited.co.za, on Monday, 20 July 2020, and will be posted, together with a form of instruction in respect of letters of allocation, to certificated TFG shareholders on Monday, 20 July 2020 and to dematerialised shareholders on Monday, 27 July 2020.

Joint Global Coordinator and Underwriter
Absa Bank Limited
(acting through its Corporate and Investment Banking Division)

Joint Global Coordinator and Underwriter
Rand Merchant Bank
(a division of FirstRand Bank Limited)

Joint Global Coordinator and Underwriter
The Standard Bank of South Africa Limited
(acting through its Corporate and Investment Banking division)

Transaction Sponsor
Rand Merchant Bank
(a division of FirstRand Bank Limited)

Legal advisers to TFG as to South African law
Edward Nathan Sonnenbergs Incorporated

Legal advisers to TFG as to US law
Shearman & Sterling (London) LLP

Legal advisers to the Joint Global Coordinators and Underwriters as to South African law
Webber Wentzel

Legal advisers to the Joint Global Coordinators and Underwriters as to US law
Linklaters LLP

Forward-Looking Statements

This announcement includes certain forward-looking statements, beliefs or opinions, including statements with respect to TFG's business, financial condition, results of operations and prospects. Forward-looking statements are typically identified by the use of forward looking terminology such as "believes", "expects", "may", "will", "could",

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The contents of this announcement have not been verified by the Joint Global Coordinators and Underwriters in connection with the Rights Offer or any of their respective affiliates. Each Joint Global Coordinator and Underwriter is acting on behalf of the TFG and no one else in connection with the Rights Offer. They will not regard any other person as their client in relation to the Rights Offer and will not be responsible to anyone other than TFG for providing the protections afforded to their respective clients nor for providing advice in relation to the Rights Offer, the contents of this announcement or any transaction, arrangement or other matter referred to herein. Neither the Joint Global Coordinators and Underwriters, nor any of their respective directors, officers, employees, advisers, agents, alliance partners or any other entity or person accepts any responsibility or liability whatsoever for, or makes any representation, warranty or undertaking, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinion in this announcement (or whether any information has been omitted from this announcement) or any other information relating to TFG, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith. Accordingly, the Joint Global Coordinators and Underwriters disclaim, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort, delict or contract or that they might otherwise be found to have in respect of this announcement and/or any such statement.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**") and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the securities have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties only, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the securities may decline and investors could lose all or part of their investment; the securities offer no guaranteed income and no capital protection; and an investment in the securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear

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Cape Town
16 July 2020

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