

THE FOSCHINI GROUP LIMITED
Reg. No.: 1937/009504/06
Code: TFG
ISIN: ZAE000148466
("TFG" and "Group")

Voluntary update - impact of civil unrest on TFG's operations

The Group is saddened by the current unfortunate civil unrest and widespread looting and vandalism in KwaZulu Natal (KZN) and parts of Gauteng Province, which have not only impacted its operations and customers, but also its employees, their families, and the supply chains that support the stores in those regions. TFG, to date, has thankfully recorded no fatalities as a result of the current events.

As at the beginning of July the Group had approximately 3 000 stores in Africa, with plans to open another c.200 stores by the end of the 2022 financial year. To date, approximately 190 South African stores have been looted and damaged to varying degrees. Furthermore, all KZN stores are currently not trading due to safety concerns. A distribution centre operated by one of our logistics service providers as well as the manufacturing premises of one of our local suppliers have also been damaged by fire during the unrest, the impacts of which are not material to our supply chain.

The situation remains uncertain, although there are encouraging signs of some parts of KZN and Gauteng having settled. The Group will continue to assess the damage caused to its stores and is quantifying losses to be recovered through its insurance policies. The loss of profit due to business interruption is also being quantified. The Group has appropriate insurance cover and has notified its insurers accordingly. Further, SASRIA has provided assurances through a public statement that it has the financial means to honour claims, although delays are expected due to numerous businesses and industries being impacted.

The Group's immediate priority remains the well-being and safety of its employees, customers, assets and supply chain partners. Trade continues as normal in the rest of the Group's South African and African regions supported by strong supply chains. This includes the Group's own manufacturing capacity which remains largely unaffected, which is encouraging. The Group also has a diverse international footprint which continues to trade strongly especially when compared to the previous financial year. It is not possible at this time to determine the impact on the results for the half year as there is no certainty as to when stores will resume trading.

The Group, working with all its stakeholders, including the South African Government, will start the process of rebuilding and restocking the affected stores when it is safe to do so. The timelines to reopen will be quick in some locations whilst in others will be dependent on the nature and extent of the damage and on the availability of the relevant resources and supply chains.

We are grateful to our security teams, our employees and supply chain partners who have worked tirelessly with local law enforcement, unions, property managers and other relevant parties to minimize further damage and losses.

TFG, as a South African listed company, remains committed to supporting our Government in the rebuilding and progressing of all the initiatives aimed at improving the lives of our South African people and remains steadfastly committed to promoting local job creation and upskilling of our people.

The Group will update shareholders if there is any material change in the situation.

The above information has not been reviewed or reported on by the Group's external auditors.

Cape Town
16 July 2021

Sponsor:
UBS South Africa Proprietary Limited