

THE FOSCHINI GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1937/009504/06)
LEI: 3789PTO7LG718IG59F97
JSE / A2X share code: TFG
Ordinary share code: TFG
ISIN: ZAE000148466
Preference share code: TFGP
ISIN: ZAE000148516
("TFG" or "the Company" and together with its affiliates "the Group")

TRADING UPDATE FOR Q3 FY2026 AND THE NINE MONTHS ENDED 27 DECEMBER 2025; AND TRADING STATEMENT FOR THE TWELVE MONTHS ENDING 31 MARCH 2026

This trading update relates to the nine-month year to date period from 1 April 2025 to 27 December 2025 ("year to date" or "nine-month period") and the 13-week period from 28 September 2025 to 27 December 2025 ("Q3 FY2026" or "third quarter") against the comparative nine-month year to date period from 1 April 2024 to 28 December 2024 ("YTD FY2025" or "prior nine-month period") and the 13-week period from 29 September 2024 to 28 December 2024 ("Q3 FY2025" or "prior third quarter").

SALIENT FEATURES

- Group sales grew by 7,5% for the year to date. Excluding White Stuff, which was acquired with effect from 25 October 2024, sales grew by 2,0%^;
- Group sales grew by 2,9% for Q3 FY2026. Excluding White Stuff sales grew 1,8%^;
- Group online sales grew by 23,4% in Q3 FY2026 and by 36,6% for the year to date, and now contribute 14,3% to total retail sales;
- Market share in South Africa in Q3 FY2026, as measured by the Retail Liaison Committee ("RLC"), increased by 60 basis points ("bps") in homeware and furniture, and was maintained in apparel;
- Group gross profit was up 6,3% on the prior nine-month period with gross margin decreasing by 80 bps for the year to date, reflecting the impact of clearance activity necessitated by the challenging trading environment;
- Group sales grew by 3,0% (in constant currency 4,7%) for the 5 weeks ended 31 January 2026; and
- TFG Africa sales grew by 5,8% for the 5 weeks ended 31 January 2026 with gross margin normalising in January 2026.

GROUP FINANCIAL PERFORMANCE

Sales growth in each business segment was as follows:

Business segment	Q3 FY2026 vs. Q3 FY2025	Q3 FY2026 contribution to Group turnover	YTD FY2026 vs YTD FY2025	YTD FY2026 contribution to Group turnover
TFG Africa (ZAR)	3,5%	72,3%	4,2%	68,7%
TFG London (GBP)	6,5%	15,3%	37,2%	17,8%
TFG Australia (AUD)	(2,6%)	12,4%	(1,9%)	13,5%
Group (ZAR)	2,9%		7,5%	

TFG London sales, excluding White Stuff, which was acquired with effect from 25 October 2024, contracted by 2,4%^ in Q3 FY2026 and by 2,6%^ for the nine-month period.

SEGMENTAL PERFORMANCE UPDATE

TFG AFRICA

Trading conditions in South Africa remain challenging with consumer spending still under significant pressure, despite recently moderating inflation and interest rate reductions. In addition, the prior period's third quarter benefitted from the introduction of the two-pot retirement system.

Sales performance during Q3 FY2026 tracked in line with the market as measured by the RLC, which reported a notably subdued festive season across the sector. Market share, as measured by the RLC, increased by 60 bps in the homeware and furniture. Market share was maintained in apparel, as it has been throughout the year.

Like-for-like sales for TFG Africa grew by 1,2% in Q3 FY2026 and by 2,9% year to date.

Sales growth (in ZAR) per merchandise category was as follows:

Merchandise category	Q3 FY2026 vs. Q3 FY2025	Q3 FY2026 contribution to TFG Africa
Clothing	1,8%	74,0%
Homeware and furniture	12,3%	13,3%
Beauty	20,3%	3,4%
Jewellery	6,5%	3,8%
Cellular	(2,5%)	5,5%
Total TFG Africa	3,5%	

Merchandise category	YTD FY2026 vs. YTD FY2025	YTD FY2026 contribution to TFG Africa
Clothing	2,7%	72,3%
Homeware and furniture	10,7%	14,3%
Beauty	21,9%	3,3%
Jewellery	2,5%	3,6%
Cellular	1,0%	6,5%
Total TFG Africa	4,2%	

Online sales grew by 54,9% in Q3 FY2026, and by 46,7% for the year to date, driven by continued strong performance of the Bash platform. Online now contributes 7,9% to total sales with scale benefits continuing to improve profitability.

Gross margin has contracted by 90 bps for the year to date as a result of inventory clearance.

Credit sales grew by 1,6% in Q3 FY2026 and by 5,3% for the year to date, contributing 26,1% to total sales as the Group continues to take a prudent approach to credit granting. The debtors book has grown by 6,8% to R10,1 billion (Dec 2025: R9,4 billion). The quality of the book remains broadly in line with the prior period, reflecting a steady risk environment and continued discipline in collections activities.

TFG LONDON

Sales increased by 6,5% (in GBP) in Q3 FY2026 and by 37,2% for the year to date. Excluding White Stuff, sales contracted by 2,4%^ in Q3 FY2026 and by 2,6%^ for the year to date, as the UK continues to experience difficult trading conditions. Despite this, White Stuff continues to perform well within its sub-category with sales growth of 5,8%^ for the year to date on a pro-forma basis.

TFG AUSTRALIA

In Australia consumers remain value oriented amidst ongoing tough trading conditions with sales contracting 2,6% in AUD in Q3 FY2026, and by 1,9% for the year to date compared to the 0,5% contraction experienced in the first half of the year.

IMPAIRMENTS

Trading conditions in London and Australia have proven to be more challenging than expected with macroeconomic conditions showing little improvement.

Reflecting the more challenging outlook, our revised assumptions have required a reassessment of forward-looking cash flows and recoverable values. Accordingly, the Group expects to recognise non-cash impairments in the current period as detailed below. These brand impairments may be reversed in future periods should trading conditions improve.

Within the UK portfolio, Phase Eight's performance has been heavily impacted over several years by the decline in department stores, which accounted for 70% of sales when acquired in 2014, to 45% today. The brand continues to focus on growing both its own and selected third party sales channels, while expanding its customer base. However, the repositioning will impact profitability in the medium term and will require a partial impairment of the brand's carrying value in the current period.

In TFG Australia, the Tarocash and yd. brands remain profitable, but current weak trading conditions as well as the transfer of Tarocash's traditional "big and tall" business to the Group's Johnny Bigg label, is likely to require non-cash impairments of those brands' carrying values. The Australian business continues to generate EBITDA significantly above the A\$43 million recorded when the business was first acquired in FY2018, generating A\$94 million in FY2025.

TRADING STATEMENT FOR THE FINANCIAL YEAR ENDING 31 MARCH 2026

In accordance with paragraph 3.4(b) of the Listings Requirements of the JSE Limited, a listed company is required to publish a trading statement as soon as it becomes reasonably certain that the financial results for the next reporting period will differ by 20% or more from the results of the corresponding prior period.

Primarily as a result of the impairments described above, which might be up to R750 million, shareholders are advised that a reasonable degree of certainty exists that the earnings per share ("EPS") of the Group for the 12-month period ending 31 March 2026 will be at least 20% lower than the corresponding prior period, i.e. at or below 784,5 cents (FY2025: 980,6 cents). The impairment charge has no impact on headline earnings per share ("HEPS").

The Group will publish a further trading statement once it has attained a reasonable degree of certainty over the expected earnings range. The updated trading statement will be published prior to the release of TFG's annual results which is expected to be announced on SENS on or about 5 June 2026.

OUTLOOK

Trading conditions in South Africa remain challenging, with management continuing to prioritise inventory clearance within season, disciplined cost control, and prudent capital allocation to align with shifting consumer behaviour.

While short-term guidance remains cautious due to low wage growth and subdued discretionary spending, the medium-term outlook is more constructive with lower inflation targeting and lower interest rates, stimulating consumer demand.

Higher wage growth is anticipated as real incomes improve under more stable inflation conditions, while a stronger rand and reduced fuel costs are expected to provide cost relief through lower import prices and transport expenses. Taken together, these factors point to a gradual recovery in trading performance as local macroeconomic conditions improve.

Sales in TFG Africa grew by 5,8% for the 5 weeks ended 31 January 2026.

In the UK, sales volumes are holding up despite still weak consumer confidence, with profitability dependent on managing gross margin and costs. Sales in TFG London grew by 5,6% (in GBP) for the 5 weeks ended 31 January 2026.

In Australia sales for the five weeks ended 31 January 2026 contracted by 1,1% (in AUD) as challenging trading conditions remain with persistent cost of living pressures.

^ Pro forma management account numbers used to calculate an indicative sales growth.

PRO FORMA FINANCIAL INFORMATION

Pro forma unaudited management account information for White Stuff was used in this announcement for illustrative purposes only to provide an indicative sales growth excluding the acquired White Stuff business.

White Stuff sales for the period since acquisition on 25 October 2024 was removed as if the acquisition did not occur.

The pro forma management account retail turnover figures used were:

	YTD FY2026 ZARm	YTD FY2025 ZARm	Growth %
Group retail turnover including White Stuff	49,032	45,606	7,5%
Less: White Stuff retail turnover#	(3,432)	(901)	280,9%
Group retail turnover excluding White Stuff	45,600	44,705	2,0%

	Q3 FY2026 ZARm	Q3 FY2025 ZARm	Growth %
Group retail turnover including White Stuff	20,441	19,861	2,9%
Less: White Stuff retail turnover#	(1,141)	(901)	26,6%
Group retail turnover excluding White Stuff	19,300	18,960	1,8%

	Q3 FY2026 GBPm	Q3 FY2025 GBPm	Growth %
TFG London retail turnover including White Stuff	132	124	6,5%
Less: White Stuff retail turnover#	(49)	(39)	25,6%
TFG London retail turnover excluding White Stuff	83	85	(2,4%)

	YTD FY2026 GBPm	YTD FY2025 GBPm	Growth %
TFG London retail turnover including White Stuff	369	269	37,2%
Less: White Stuff retail turnover#	(145)	(39)	271,8%
TFG London retail turnover excluding White Stuff	224	230	(2,6%)

	YTD FY2026 GBPm	YTD FY2025 GBPm	Growth %
White Stuff retail turnover#	145	137	5,8%

The adjustment is sourced from unaudited management accounts. The Group is satisfied with the quality and completeness of these management accounts.

CONSTANT CURRENCY INFORMATION

Constant currency information has been presented to illustrate the impact of changes in the Group's major foreign currencies, the Australian Dollar and British Pound. In determining the constant currency growth rate, turnover and concession sales denominated in Australian Dollars and British Pounds for the 5 weeks ended 31 January 2026 ("current 5-week period") have been adjusted by application of the aggregated monthly average Australian Dollar and British Pound exchange rates for the 5 weeks ended 1 February 2025 ("prior 5-week period").

The aggregated monthly average Australian Dollar exchange rate is R11,04 for the current period and R11,65 for the prior 5-week period. The aggregated monthly average British Pound exchange rate is R22,04 for the current period and R23,08 for the prior 5-week period. Fluctuations of the Group's rest of Africa operations are not considered material and have therefore not been applied in determining the constant currency growth rate.

The information contained in this announcement, including constant currency and pro forma information, is presented in accordance with the JSE Limited Listings Requirements, and has not been audited, reviewed or reported on by the Group's external auditor. The constant currency and pro forma information is the responsibility of the Group's directors and has been prepared for illustrative purposes only and, because of its nature, may not fairly present the Group's financial position, changes in equity, results of operations or cash flows.

Cape Town

3 February 2026

JSE Equity Sponsor and Corporate Broker: RAND MERCHANT BANK (A division of FirstRand Bank Limited)