

TASTE HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2000/002239/06)

Share code: TAS

ISIN: ZAE000081162

("Taste" or "the Company")



NEW STRATEGIC DIRECTION

In Taste's circular to shareholders dated 4 February 2019, the Company indicated that *"[i]t is the long-term objective of management for Starbucks and Domino's to reach EBITDA break-even across both brands within a 36 to 40 month period after the commencement of the expansion plan and to attain positive free cash flows, after CAPEX, across both brands within 7 – 8 years from the commencement of the plan. Management estimates that the Company will require at least R700 million, including the amount raised in the current Rights Offer, to reach positive free cash flow, and that the Starbucks network will need to expand to between 150 and 200 cafés and Domino's to between 220 and 280 restaurants."* After careful consideration, following months of operational reviews and canvassing potential partners and capital providers on this long-term objective, it has become evident that the capital investment required for this expansion strategy cannot be secured, given the current structure of the business and existing market conditions.

Taste's board of directors has therefore revisited the previous strategy and has decided that it is in the best interests of the Company and all stakeholders to exit the food business. As a consequence, the board is considering the sale of all the Taste food brands, being Starbucks, Domino's Pizza, Maxi's and The Fish & Chips Co. The outcome of this strategy would be for Taste to become a focused luxury retail group consisting of NWJ, Arthur Kaplan and World's Finest Watches.

Shareholders are referred to the separate SENS announcement to be released immediately following this announcement, advising that Taste, via a wholly-owned subsidiary, has entered into an agreement to dispose of Starbucks.

Shareholders are further advised that the Company is in discussions with various parties regarding the sale of all the remaining food assets and further announcements will be made in this regard as and when required.

Johannesburg
1 November 2019

Corporate Advisor and Sponsor
PSG Capital



PSG CAPITAL