UNAUDITED INTERIM RESULTS ANNOUNCEMENT

for the six months ended
30 September 2020

Summary consolidated statement of financial position as at 30 September

Audited Year ended 31 March 2020 R'm	Unaudited six months 30 Sept 2019 R'm	Unaudited six months 30 Sept 2020 R'm		Notes	Unaudited six months 30 Sept 2020 €'m	Unaudited six months 30 Sept 2019 €'m	Audited Year ended 31 March 2020 €'m
			ASSETS				
18 444	29 894	**15 675**	**Non-current assets**		**800**	1 812	**936**
18 444	29 894	**15 675**	Investments	4	**800**	1 812	**936**
3 901	794	**316**	**Current assets**		**16**	48	**198**
14	9	**114**	Accounts receivable		**6**	–	**1**
3 887	785	**202**	Cash and cash equivalents	5	**10**	48	**197**
22 345	30 688	**15 991**	**Total assets**		**816**	1 860	**1 134**
			EQUITY AND LIABILITIES				
10 910	17 916	**10 177**	**Ordinary shareholders' equity and reserves**	2,3	**519**	1 086	**553**
7 527	6 402	**5 577**	**Non-current liabilities**		**285**	388	**382**
4 602	6 402	**2 698**	Borrowings	6	**138**	388	**234**
2 925	–	**2 879**	Convertible Bonds (6.5% due 2024)	7	**147**	–	**148**
3 908	6 370	**237**	**Current liabilities**		**12**	386	**199**
3 303	6 348	**–**	Convertible Bonds (2.75% due 2020)	8	**–**	385	**168**
605	22	**237**	Accounts payable and other liabilities	9	**12**	1	**31**
22 345	30 688	**15 991**	**Total equity and liabilities**		**816**	1 860	**1 134**

Summary consolidated statement of comprehensive income for the six months ended 30 September

Audited Year ended 31 March 2020 R'm	Unaudited six months 30 Sept 2019 R'm	Unaudited six months 30 Sept 2020 R'm		Notes	Unaudited six months 30 Sept 2020 €'m	Unaudited six months 30 Sept 2019 €'m	Audited Year ended 31 March 2020 €'m
(15 576)	(1 048)	**(12)**	Investment valuation losses		**(1)**	(65)	**(948)**
480	265	**137**	Finance income	10	**7**	17	**29**
28	42	**9**	Other investment income		**–**	3	**2**
758	(98)	**(133)**	Foreign exchange (losses)/gains		**(7)**	(6)	**46**
(224)	(131)	**(69)**	Operating expenses		**(3)**	(8)	**(14)**
(164)	(9)	**–**	Other expenses		**–**	(1)	**(10)**
(1 240)	(494)	**(369)**	Finance costs		**(19)**	(30)	**(76)**
(22)	(5)	**(12)**	Taxation		**(1)**	–	**(1)**
(15 960)	(1 478)	**(449)**	**Loss for the period**		**(24)**	(90)	**(972)**
			Other comprehensive (loss)/gain				
1 353	(314)	**(284)**	Translation adjustments		**(10)**	(37)	**(49)**
(14 607)	(1 792)	**(733)**	**Comprehensive loss for the period**		**(34)**	(127)	**(1 021)**
(2 799)	(313)	**(34)**	Loss per share (cents)–basic and diluted	11	**(2)**	(20)	**(170)**

Summary consolidated statement of changes in equity for the six months ended 30 September

Audited Year ended 31 March 2020 R'm	Unaudited six months 30 Sept 2019 R'm	Unaudited six months 30 Sept 2020 R'm		Unaudited six months 30 Sept 2020 €'m	Unaudited six months 30 Sept 2019 €'m	Audited Year ended 31 March 2020 €'m
19 708	19 708	**10 910**	**Ordinary shareholders' balance at beginning of period**	**553**	1 213	**1 213**
(15 960)	(1 478)	**(449)**	Loss for the period	**(24)**	(90)	**(972)**
1 353	(314)	**(284)**	Translation adjustments	**(10)**	(37)	**(49)**
5 600	–	**–**	Rights Offer and specific issue of shares	**–**	–	**348**
(152)	–	**–**	Transaction cost for the Rights Offer and specific issue of shares	**–**	–	**(9)**
361	–	**–**	Equity reserve for 6.50% Convertible Bonds due 2024	**–**	–	**22**
10 910	17 916	**10 177**	**Ordinary shareholders' balance at end of period**	**519**	1 086	**553**

Summary consolidated statement of cash flows for the six months ended 30 September

Audited Year ended 31 March 2020 R'm	Unaudited six months 30 Sept 2019 R'm	Unaudited six months 30 Sept 2020 R'm		Notes	Unaudited six months 30 Sept 2020 €'m	Unaudited six months 30 Sept 2019 €'m	Audited Year ended 31 March 2020 €'m
			Cash flows from operating activities:				
1 137	951	**2 843**	Investment proceeds received	12	**144**	59	**69**
183	106	**4**	Other investment income received		**–**	7	**11**
8	3	**7**	Interest income received on cash balances		**–**	–	**1**
(235)	(141)	**(90)**	Operating expenses paid		**(5)**	(9)	**(14)**
(164)	(3)	**–**	Other expenses paid		**–**	–	**(10)**
(23)	(5)	**(12)**	Taxation paid		**–**	–	**(1)**
906	911	**2 752**	**Operating cash flow generated before purchase of investments**		**139**	57	**56**
(664)	(663)	**(376)**	Purchase of investments		**(19)**	(41)	**(40)**
(210)	(210)	**–**	Gross amount advanced: Debtor Purchase Agreement		**–**	(13)	**(13)**
452	452	**–**	Gross amount received: Debtor Purchase Agreement		**–**	28	**28**
484	490	**2 376**	**Net cash generated in operating activities**		**120**	31	**31**
170	170	**633**	Borrowing Facility: drawdowns	6	**32**	10	**10**
(2 409)	(439)	**(2 561)**	Borrowing Facility: repayments	6	**(130)**	(27)	**(147)**
(10)	(6)	**(74)**	Borrowing Facility: raising and commitment fee payments		**(4)**	–	**(1)**
(318)	(161)	**(158)**	Borrowing Facility: interest payments		**(8)**	(10)	**(19)**
5 600	–	**–**	Rights Offer and specific issue of shares: proceeds raised		**–**	–	**348**
(152)	–	**–**	Rights Offer and specific issue of shares: transaction costs paid		**–**	–	**(9)**
2 841	–	**–**	2024 Bonds: issue proceeds raised		**–**	–	**173**
(91)	–	**–**	2024 Bonds: issue costs paid		**–**	–	**(6)**
(153)	(90)	**(152)**	2020 Bonds and 2024 Bonds: coupon payments		**(8)**	(6)	**(9)**
(3 376)	–	**(796)**	2020 Bonds: repurchases		**(40)**	–	**(205)**
–	–	**(2 877)**	2020 Bonds: redemption		**(146)**	–	**–**
2 102	(526)	**(5 985)**	**Net cash (used in)/generated from financing activities**		**(304)**	(33)	**135**
2 586	(36)	**(3 609)**	**Net (decrease)/increase in cash and cash equivalents**		**(184)**	(2)	**166**
467	(13)	**(76)**	Effects of exchange rate changes on cash and cash equivalents		**(3)**	(1)	**(20)**
834	834	**3 887**	Cash and cash equivalents at beginning of period		**197**	51	**51**
3 887	785	**202**	**Cash and cash equivalents at end of period**	5	**10**	48	**197**

Notes to the summary consolidated financial statements for the six months ended 30 September

1. ACCOUNTING POLICIES

1.1 Basis for preparation

The financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, on the going concern principle, using the historical cost basis, except where otherwise indicated. The summarised financial statements are presented in accordance with IAS34: Interim Financial Reporting and in accordance with the framework concepts, measurement and recognition requirements of IFRS. The accounting policies and methods of computation are consistent with those applied in the Group annual financial statements for the year ended 31 March 2020. The Group has only one operating segment being that of an investment holding company.

The Group's financial statements are prepared using both the Euro (€/EUR) and SA Rand (R/ZAR) as its presentation currencies.

The Group's subsidiaries have one of three functional currencies: Pound Sterling (£/GBP), SA Rand or US Dollar (US$ /USD). The holding company, Brait SE, and its main consolidated subsidiaries use Pound Sterling as their functional currency. The financial statements have been prepared using the following exchange rates:

	30 September 2020		**31 March 2020**		30 September 2019	
	Closing	**Average**	**Closing**	**Average**	Closing	Average
GBP/ZAR	**21.5667**	**22.0605**	**22.1694**	**18.7829**	18.6143	18.2849
EUR/ZAR	**19.5837**	**19.7634**	**19.7008**	**16.4280**	16.5007	16.2388
USD/ZAR	**16.6775**	**17.4229**	**17.8379**	**14.7750**	15.1362	14.5336
GBP/EUR	**1.1013**	**1.1162**	**1.1253**	**1.1433**	1.1281	1.1260
USD/EUR	**0.8516**	**0.8816**	**0.9054**	**0.8994**	0.9173	0.8950

Notes to the summary consolidated financial statements for the six months ended 30 September (continued)

Audited year ended 31 March 2020 R'm	Unaudited six months 30 Sept 2019 R'm	Unaudited six months 30 Sept 2020 R'm			Unaudited six months 30 Sept 2020 €'m	Unaudited six months 30 Sept 2019 €'m	Audited year ended 31 March 2020 €'m
			2.	**NET ASSET VALUE PER SHARE**			
10 910	17 916	**10 177**		Ordinary shareholders equity and reserves	**519**	1 086	**553**
1 374.1	525.6	**1 320.0**		Ordinary shares in issue (m)	**1 320.0**	525.6	**1 374.1**
(54.1)	(54.1)	**–**		Treasury shares (m)	**–**	(54.1)	**(54.1)**
1 320.0	471.5	**1 320.0**		**Outstanding shares for NAV calculation (m)**	**1 320.0**	471.5	**1 320.0**
827	3 800	**771**		**Net asset value per share (cents)**	**39**	230	**42**

3. SHARE CAPITAL AND PREMIUM

Authorised share capital

The Company has authorised ordinary share capital of €1 100 000 000 represented by 5 000 000 000 shares at par value of 22 Euro cents per share. The Company has reserved, for the allocation and potential issue from conversion on maturity of the 2024 Bonds, 287 411 381 ordinary shares in terms of its obligation to the holders of the 2024 Bonds.

The Company has 20 000 000 authorised but unissued preference share capital.

R'm	Number of shares in issue	Issued ordinary share capital	Number of shares in issue	€'m
4 476	**525 599 215**	30 September 2019	**525 599 215**	508
1 152		**Share capital**		116
3 324		**Share premium**		392
5 448	**848 484 848**	Rights Offer and specific issue of shares	**848 484 848**	339
9 924	**1 374 084 063**	31 March 2020	**1 374 084 063**	847
4 157		**Share capital**		303
5 767		**Share premium**		544
–	**(54 091 259)**	Cancellation of treasury shares	**(54 091 259)**	–
9 924	**1 319 992 804**	30 September 2020	**1 319 992 804**	847
4 157		**Share capital**		303
5 767		**Share premium**		544

3. SHARE CAPITAL AND PREMIUM (CONTINUED)

Audited year ended 31 March 2020	Unaudited six months 30 Sept 2019	Unaudited six months 30 Sept 2020		Unaudited six months 30 Sept 2020	Unaudited six months 30 Sept 2019	Audited year ended 31 March 2020
			3.1 Treasury shares			
54 091 259	54 091 259	**54 091 259**	**Opening number of shares held for the vested benefit of the Group**	**54 091 259**	54 091 259	**54 091 259**
–	–	**(54 091 259)**	Treasury shares cancelled	**(54 091 259)**	–	**–**
54 091 259	54 091 259	**–**	**Closing number of shares held for the vested benefit of the Group**	**–**	54 091 259	**54 091 259**

At the Extraordinary General Meeting held on 14 January 2020, Shareholders approved the reduction of the share capital of the Company through the cancellation of the 54 091 259 Treasury Shares held for the vested benefit of the Group. These Treasury Shares were cancelled during the period in accordance with the provisions of article 83 of the Maltese Companies Act.

4. INVESTMENTS

The Group designates the majority of its financial asset investments as at FVTPL as the Group is managed on a fair value basis, with any resultant gain or loss recognised in investment valuation gains/losses. Fair value is determined in accordance with IFRS 13.

Statement of financial position items carried at fair value include investments in equity instruments and shareholder funding instruments. Listed investments are held at recent quoted transaction prices.

The primary valuation model utilised for valuing unlisted portfolio investments is the maintainable earnings multiple model. Maintainable earnings are determined with reference to the mix of prior year audited numbers and forecasts for future periods after adjusting both for non-recurring income/expenditure or abnormal economic conditions if applicable. If the forecasts are higher than the prior year earnings, as the year progresses the weighting is increased towards the portfolio company's forecast. If the forecasts are lower, the forecasted future earnings will usually be used as the maintainable earnings for valuation purposes.

4. INVESTMENTS (CONTINUED)

The Directors decide on an appropriate group of comparable quoted companies from which to base the EV/EBITDA multiple. Pursuant to Brait's strategy focused on maximising value through the realisation of its existing portfolio companies over the medium-term, the primary reference measure considered at reporting date is the average spot multiple of the comparable quoted companies included as peers, which is adjusted for points of difference, where required, to the portfolio company being valued. The three year trailing average peer multiple at reporting date is also considered. Peer multiples are calculated based on the latest available financial information which may be adjusted based on subsequent macro or company specific information publicly known if appropriate. Adjustments for points of difference are assessed by reference to the two key variables of risk and earnings growth prospects. The equity valuation takes consideration of the portfolio company's net debt/cash on hand as per its latest available financial results. Net cash/debt may be adjusted for expected losses or provisioning required, and for the timing of capex expenditure relative to its commissioning if appropriate. Further valuation information can be obtained from the 30 September 2020 investor presentation on the Group's website, www.brait.com.

Audited year ended 31 March 2020 R'm	Unaudited six months 30 Sept 2019 R'm	Unaudited six months 30 Sept 2020 R'm		Unaudited six months 30 Sept 2020 €'m	Unaudited six months 30 Sept 2019 €'m	Audited year ended 31 March 2020 €'m
18 444	29 894	**15 675**	**The Group's portfolio of investments**	**800**	1 812	**936**
9 355	16 696	**7 853**	Virgin Active	**401**	1 012	**475**
6 047	8 545	**6 989**	Premier	**357**	518	**307**
1 391	2 683	**–**	Iceland Foods	**–**	163	**71**
940	1 121	**–**	New Look Senior Secured Notes [1]	**–**	68	**48**
711	849	**833**	Other Investments [2]	**42**	51	**35**

[1] *New Look's Senior Secured Notes ("SSNs") were equitized pursuant to the balance sheet restructure transaction completed on 9 November 2020. Accordingly Brait's SSN holding at 30 September 2020 reporting date is valued at nil.*

[2] *As a result of the equitization of New Look's SSNs, Brait's 18.3% holding of the shareholder loans/PIK Facility and 17.4% of New Look's equity (being Brait's 18.3% equity holding post dilution for management's incentive plan), is valued on a maintainable EBITDA multiple basis and included in Other Investments at the reporting date.*

4. INVESTMENTS (CONTINUED)

Valuation metrics (note 1)	30 September 2020			30 September 2019			31 March 2020		
	EBITDA	Multiple	3rd Party Net Debt	EBITDA	Multiple	3rd Party Net Debt	EBITDA	Multiple	3rd Party Net Debt
Virgin Active (£'m) (note 2)	**100.0**	**9.0x**	**441.1**	140.2	11.0x	410.1	**108.0**	**9.0x**	**439.5**
Premier (R'm)	**1 110.0**	**8.0x**	**1 829.0**	1 000.0	10.75x	2 123.1	**1 010.0**	**8.0x**	**1 989.0**
Iceland Foods (£'m)	**Realised effective 8 June 2020**			140.0	7.0x	751.6	**134.0**	**6.0x**	**704.5**
New Look					note 3			**note 3**	
Other Investments		**varied (note 4)**			varied			**varied**	

Note 1 IFRS 16: Leases was adopted by the Group in the financial year ended 31 March 2020. Brait's portfolio companies reporting in terms of IFRS accordingly published their respective prior year audited financial results in accordance with IFRS 16. Consistent with the 31 March 2020 financial year end, taking consideration of the number of complexities and judgments associated with the transition to IFRS 16 and in particular its impact on portfolio peer company spot and 3-year trailing multiples, Brait has valued its investment portfolio in the current financial period on a pre-IFRS 16 basis, adjusting financial data for the impact of IFRS 16 as appropriate to ensure consistency.

Note 2 Maintainable EBITDA for Virgin Active is based on look-through to a medium-term post Coronavirus sustainable level of GBP100 million, which represents a 30% reduction of the GBP142 million actual EBITDA achieved by Virgin Active for its financial year ended 31 December 2019. Net debt of £358.5 million per Virgin Active's September 2020 management accounts has been increased by £82.6 million (28% increase) to £441.1 million. The adjustment takes consideration of the estimated effect of working capital and costs deferred during the lockdown period.

Note 3 New Look's Senior Secured Notes ("SSNs") were equitized pursuant to the balance sheet restructure transaction completed on 9 November 2020. Accordingly Brait's SSN holding at 30 September 2020 reporting date is valued at nil. For the comparative periods, Brait's holding of SSNs were valued using closing quoted prices (30 September 2019: 0.772; 31 March 2020: 0.54915), together with accrued interest.

Note 4 As a result of the equitization of New Look's SSNs, Brait's 18.3% holding of the shareholder loans / PIK Facility and 17.4% of New Look's equity (being Brait's 18.3% equity holding post dilution for management's incentive plan), is valued on a maintainable EBITDA multiple basis and included in Other Investments at the reporting date.

4. INVESTMENTS (CONTINUED)

Fair Value Hierarchy

IFRS 13 Fair Value Measurements provides a hierarchy that classifies inputs used to determine fair value. Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 Inputs for the assets or liability that are not based on observable market data

There are no financial assets that are categorised as Level 1 or 2 in the current period. All level 3 investments have been valued using maintainable earnings multiples method. The changes in fair values in investments is attributable to fair value losses, foreign currency exchange differences and changes in shareholding.

Level 3 R'm	Total R'm	30 September 2020	Level 3 €'m	Total €'m
7 853	7 853	Virgin Active	401	401
3 784	3 784	Premier	193	193
833	833	Other Investments [1]	42	42
12 470	**12 470**	**Investments at fair value**	**636**	**636**
	3 205	Premier shareholder funding		164
	3 205	**Investments at amortised cost**		**164**
	15 675	**Total investments**		**800**

[1] *Other Investments at 30 September 2020 comprises the Group's equity and shareholder loans/PIK Facility investment in New Look and remaining private equity fund investments.*

Notes to the summary consolidated financial statements for the six months ended 30 September (continued)

Audited year ended 31 March 2020 R'm	Unaudited six months 30 Sept 2019 R'm	Unaudited six months 30 Sept 2020 R'm		Unaudited six months 30 Sept 2020 €'m	Unaudited six months 30 Sept 2019 €'m	Audited year ended 31 March 2020 €'m
			5. CASH AND CASH EQUIVALENTS			
3 887	785	**202**	Balances with banks [(1)]	**10**	48	**197**
61	67	**153**	– ZAR cash	**7**	4	**3**
9	6	**13**	– USD cash	**1**	1	**–**
3 817	712	**36**	– GBP cash [(2)]	**2**	43	**194**

(1) All balances are held with banks with credit ratings of at least BB+

(2) The R3.817 billion Pound cash holding at 31 March 2020 comprises R71 million held by BML and R3.746 billion held by Brait SE, which was used in the current six month reporting period for the repurchase and redemption of the outstanding 2020 Bonds.

Audited year ended 31 March 2020 R'm	Unaudited six months 30 Sept 2019 R'm	Unaudited six months 30 Sept 2020 R'm		Unaudited six months 30 Sept 2020 €'m	Unaudited six months 30 Sept 2019 €'m	Audited year ended 31 March 2020 €'m
			6. BORROWINGS			
6 511	6 511	**4 602**	**Opening Balance**	**234**	400	**400**
648	321	**182**	Interest accrual	**9**	20	**39**
–	–	**–**	Foreign currency translation	**1**	(5)	**(49)**
(2 239)	(269)	**(1 928)**	Net (repayments)/drawdowns	**(98)**	(17)	**(137)**
170	170	**633**	Drawdowns	**32**	10	**10**
(2 409)	(439)	**(2 561)**	Capital repayments	**(130)**	(27)	**(147)**
(318)	(161)	**(158)**	Interest repayments	**(8)**	(10)	**(19)**
4 602	6 402	**2 698**	**Closing Balance**	**138**	388	**234**

Brait completed the refinancing of its revolving credit facility held by its subsidiary Brait Mauritius Limited ("BML") (the "BML RCF") effective 31 March 2020. The R4.4 billion facility (31 March 2020: R6.3 billion), with agreed reductions as Brait de-gears, is held with FirstRand Bank Limited (trading through its Rand Merchant Bank division) and The Standard Bank of South Africa Limited (the "Lenders") and has a three-year tenure to 28 February 2023. The BML RCF bears interest at JIBAR plus 4.0% (31 March 2020: JIBAR plus 4.6%) repayable quarterly (with the margin decreasing as utilisation reduces), with a right to rollup these quarterly interest payments. Covenants remain NAV based and have been set with sufficient headroom for short term volatility, with the facility continuing to be secured on a senior basis by the assets of BML, which includes the investments (refer note 4) and the cash held by BML (refer note 5).

Audited year ended 31 March 2020 R'm	Unaudited six months 30 Sept 2019 R'm	30 Sept 2020 R'm		Unaudited six months 30 Sept 2020 €'m	30 Sept 2019 €'m	Audited year ended 31 March 2020 €'m
2 925	–	**2 879**	**7. CONVERTIBLE BONDS (6.50% DUE 2024)**	**147**	–	**148**

On 4 December 2019 Brait received £150 million from the issuance of its five year unsubordinated, unsecured convertible bonds due 4 December 2024 ("2024 Bonds"). The 2024 Bonds listed on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange on 29 January 2020 and carry a fixed coupon of 6.50% per annum payable semi-annually in arrears.

The initial conversion price of £0.9375 per ordinary share represented a 25% premium to the VWAP of Brait's ordinary shares on the JSE Limited between open and close of trading on 27 November 2019, converted at the prevailing ZAR:GBP spot rate at the time of pricing. The adjusted conversion price at reporting date is £0.5219 per ordinary share, which takes into account Brait's Rights Offer and specific issue of shares, in accordance with the 2024 Bonds terms and conditions. Using this conversion price, the 2024 Bonds would be entitled to convert into a maximum of 287.411 million ordinary shares (subject to rounding provisions) (21.8% of Brait's issued share capital of 1.320 billion ordinary shares) on exercise of bondholder conversion rights.

Audited year ended 31 March 2020 R'm	Unaudited six months 30 Sept 2019 R'm	Unaudited six months 30 Sept 2020 R'm		Unaudited six months 30 Sept 2020 €'m	Unaudited six months 30 Sept 2019 €'m	Audited year ended 31 March 2020 €'m
			7. CONVERTIBLE BONDS (6.50% DUE 2024) (CONTINUED)			
			In the event that the bondholders have not exercised their conversion rights in accordance with the terms and conditions of the 2024 Bonds, the 2024 Bonds are settled at par value in cash on maturity on 4 December 2024.			
			In accordance with IAS 32 (Financial Instruments: Presentation), the liability component for the 2024 Bonds is measured at reporting date as £134 million (31 March 2020: £132 million).			
			Reconciliation of movements for the period:			
–	–	**2 925**	Opening Balance	**148**	–	**–**
2 841	–	**–**	£150 million 2024 Bond issued 4 December 2020	**–**	–	**173**
(361)	–	**–**	IFRS equity component allocated to Convertible Bond reserve	**–**	–	**(22)**
18	–	**35**	Release of IFRS equity reserve over 5-year term	**2**	–	**1**
427	–	**(81)**	Foreign currency translation reserve	**(3)**	–	**(4)**
2 925	–	**2 879**	Closing Balance	**147**	–	**148**

Notes to the summary consolidated financial statements for the six months ended 30 September (continued)

Audited year ended 31 March 2020 R'm	Unaudited six months 30 Sept 2019 R'm	Unaudited six months 30 Sept 2020 R'm		Unaudited six months 30 Sept 2020 €'m	Unaudited six months 30 Sept 2019 €'m	Audited year ended 31 March 2020 €'m
3 303	6 348	**–**	**8. CONVERTIBLE BONDS (2.75% DUE 2020)**	**–**	385	**168**
			The remaining £149 million outstanding face value on Brait's five year, 2.75% per annum coupon, unsubordinated, unsecured convertible bonds (listed on the Freiverkehr) due 18 September 2020 ("2020 Bonds"), was settled during the period under review using the cash in Pound Sterling converted from the proceeds of the Rights Offer and specific issue of shares.			
			Over the period 4 December 2019 to 24 July 2020, Brait repurchased £217.5 million of the 2020 Bonds for an aggregate amount of £214.5 million (average clean purchase price of c.£98,600 for each £100,000 principal 2020 Bond). The remaining £132.5 million face value of the 2020 Bonds was redeemed on their maturity date.			
			Reconciliation of movements for the period:			
6 359	6 359	**3 303**	Opening Balance	**168**	391	**391**
252	79	**–**	Release of IFRS equity reserve	**–**	5	**15**
(3 376)	–	**–**	£180 million repurchased on 4 December 2019	**–**	–	**(205)**
(466)	–	**–**	£21 million repurchased on 31 March 2020	**–**	–	**(28)**
–	–	**(796)**	£16.5 million repurchased during current six month reporting period	**(40)**	–	**–**
–	–	**(2 877)**	£132.5 million redeemed on 18 September 2020 maturity	**(146)**	–	**–**
534	(90)	**370**	Foreign currency translation reserve	**18**	(11)	**(5)**
3 303	6 348	**–**	Closing Balance	**–**	385	**168**

Notes to the summary consolidated financial statements for the six months ended 30 September (continued)

Audited year ended 31 March 2020 R'm	Unaudited six months 30 Sept 2019 R'm	Unaudited six months 30 Sept 2020 R'm		Unaudited six months 30 Sept 2020 €'m	Unaudited six months 30 Sept 2019 €'m	Audited year ended 31 March 2020 €'m
605	22	**237**	**9. ACCOUNTS PAYABLE AND OTHER LIABILITIES**	**12**	1	**31**
			Included in accounts payable at reporting date: Brait's committed pro-rata share of £7.3 million new money investment pursuant to New Look's recapitalisation transaction announced in August 2020 (paid on 9 November 2020) and the £3.1 million coupon accrual for the 2024 Bonds. Accounts payable at 31 March 2020 included: £20 million for the repurchase of 2020 Bonds (settled on 2 April 2020); £3.3 million coupon accrual on the 2020 Bonds and 2024 Bonds, and the accrual for fees relating to the refinance of the BML RCF.			
480	265	**137**	**10. FINANCE INCOME**	**7**	17	**29**
395	192	**130**	Premier shareholder funding income (interest and dividend)	**7**	12	**23**
77	70	**–**	Interest earned on New Look SSNs and Bridge Loan	**–**	5	**5**
8	3	**7**	Other interest income	**–**	–	**1**

Audited year ended 31 March 2020 R'm	Unaudited six months 30 Sept 2019 R'm	Unaudited six months 30 Sept 2020 R'm		Unaudited six months 30 Sept 2020 €'m	Unaudited six months 30 Sept 2019 €'m	Audited year ended 31 March 2020 €'m
			11. HEADLINE EARNINGS RECONCILIATION			
(15 960)	(1 478)	**(449)**	Loss and Headline loss for the period	**(24)**	(90)	**(972)**
570	472	**1 320**	Weighted average ordinary shares in issue (m) – basic	**1 320**	472	**570**
(2 799)	(313)	**(34)**	Loss and headline loss per share (cents) – basic and diluted	**(2)**	(20)	**(170)**
			The conversion of the 2024 Bonds is anti-dilutive given the loss and headline loss per share			
1 137	951	**2 843**	**12. INVESTMENT PROCEEDS RECEIVED**	**144**	59	**69**
-	-	**2 349**	Iceland Foods	**118**	–	**–**
231	49	**123**	Premier	**8**	4	**14**
609	609	**–**	Virgin Active	**–**	37	**37**
293	293	**–**	New Look	**–**	18	**18**
4	–	**371**	Other investments	**18**	–	**–**

Audited year ended 31 March 2020 R'm	Unaudited six months 30 Sept 2019 R'm	Unaudited six months 30 Sept 2020 R'm		Unaudited six months 30 Sept 2020 €'m	30 Sept 2019 €'m	Audited year ended 31 March 2020 €'m
			13. RELATED PARTIES			
			Transactions between the Company and its subsidiaries (Brait Malta Limited and Brait Mauritius Limited) have been eliminated on consolidation and are not disclosed in this note.			
			During the period, Group companies entered into the following transactions (included in loss from operations) with related parties who are not members of the Group:			
(21)	(9)	**(10)**	Non-executive directors fees	**(1)**	(1)	**(1)**
(8)	–	**(44)**	Advisory fees [1]	**(2)**	–	**(1)**
(1)	(1)	**(1)**	Professional fees – Maitland International Holdings Plc [2]	**–**	–	**–**

[1] *Ethos Private Equity Proprietary Limited ("EPE") was appointed as the contracted advisor to BML effective 1 March 2020. Affiliated entities to EPE, EPE Capital Partners Limited and Ethos Fund VII GP (SA) Proprietary Limited, collectively own 12.3% of Brait's issued share capital*

[2] *HRW Troskie is a director and shareholder of Brait as well as being a director and shareholder of Maitland International Holdings Plc.*

Notes to the summary consolidated financial statements for the six months ended 30 September (continued)

Audited year ended 31 March 2020 R'm	Unaudited six months 30 Sept 2019 R'm	Unaudited six months 30 Sept 2020 R'm		Unaudited six months 30 Sept 2020 €'m	Unaudited six months 30 Sept 2019 €'m	Audited year ended 31 March 2020 €'m
			14. CONTINGENT LIABILITIES AND COMMITMENTS			
			14.1 Commitments			
7 753	6 694	**4 181**	Convertible Bond commitments	**214**	406	**394**
261	179	**210**	– Coupon payments due within one year [1]	**11**	11	**13**
864	–	**736**	– Coupon payments due between one and five years [1]	**38**	–	**44**
3 303	6 515	**3 235**	– Principal settlement due within five years	**165**	395	**168**
3 325	–	**–**	– Principal settlement due within one year	**–**	–	**169**
10	16	**12**	Private equity funding commitments	**1**	1	**1**
7 763	6 710	**4 193**	**Total commitments**	**215**	408	**395**

[1] *The coupon payments for the current six month reporting period reflect the semi-annual coupons of 6.5% payable in arrears over the remaining term of the 2024 Bonds. The comparative periods included the 2.75% semi-annual coupons for the 2020 Bonds outstanding at the time. The principal settlement amounts are payable in the event that the respective bondholders have not exercised their conversion rights.*

14.2 Other

The Group has rights and obligations in terms of standard representation and warranties in shareholder or purchase and sale agreements relating to its present or former investments.

15. POST BALANCE SHEET EVENTS NOTE

At the Extraordinary General Meeting held on 30 October 2020, Shareholders approved (i) the redomiciliation of the Company's registered office from Malta to Mauritius ("Redomicilation"), which is expected to complete before 31 March 2021; and (ii) the proposed Long Term Incentive Plan for EPE.

Further to the announcement on 13 August 2020, New Look has on 9 November 2020 announced that, following the High Court's sanction of its Scheme of Arrangement, it has completed its balance sheet restructure transaction. As a result, New Look's Senior Secured Notes ("SSNs") were equitized pursuant to the restructure transaction referenced above.

Review of operations

The Board of Directors ("**Board**") hereby reports to Brait's shareholders ("**Shareholders**") on the Group's unaudited interim results for the six months ended 30 September 2020.

FINANCIAL HIGHLIGHTS

- R2.8 billion cash inflow from the portfolio (FY20: R1.6 billion).
- R5.6 billion de-gearing at Brait level:
  - BML RCF drawings reduced from R4.6 billion to R2.7 billion;
  - Repurchase and redemption of remaining 2020 Bonds using Pound cash from the February 2020 Rights Offer, saving GBP3 million through early settlement offers and tender process.
- NAV per share of R7.71, a 6.8% decline on FY20's R8.27:
  - Uplift from the strong operational performance by Premier and realising Iceland Foods at a premium to its carrying value;
  - Offset by the impact of Coronavirus on Virgin Active and New Look.
- R1.9 billion available cash and facilities at reporting date.

REVIEW OF THE SIX MONTHS ENDED 30 SEPTEMBER 2020

- Portfolio company strategic and operational positioning:
  - Significant amount of time spent with the portfolio company management teams focusing on:
    - Short term strategies to mitigate the impact of Coronavirus;
    - Refreshing medium term strategies to align with Brait's new strategy focused on maximising value through the realisation of the portfolio over a 3 to 5-year period;
    - New management incentive schemes agreed and succession plans in place at Virgin Active and Premier; and
    - Recapitalisation of Virgin Active (UK/Europe and Asia Pacific).
  - New Look announced on 9 November 2020, the completion of its comprehensive recapitalisation transaction.
- Disposals in line with Brait's new strategy:
  - DGB sale completed 13 May 2020, for R470 million, equal to its FY20 carrying value:
    - 1st tranche of R370 million proceeds received on 1 June 2020 and used to partially repay the BML RCF;
    - The remaining R100 million (included in Brait's accounts receivable at reporting date) to be received in two deferred payments of R50 million each by 31 March 2021 and 31 March 2022 respectively.
  - Iceland Foods sale completed 8 June 2020, for GBP115 million, a significant premium to its FY20 carrying value of GBP62.5 million (R1,391 million).
    - 1st tranche of GBP60 million (R1,275 million) proceeds received on 8 June 2020 and used to partially repay the BML RCF.
    - GBP48.5 million (R1,074 million) received on 15 September 2020, as final early settlement for the two remaining deferred tranches (GBP26.9 million by 30 July 2021; GBP28.1 million by 29 July 2022).

Review of operations (continued)

- Governance:
  - o At the Annual General Meeting held in Malta on 13 August 2020 ("**AGM**"), Shareholders approved the appointment of the new Board of non-executive directors as proposed, comprising 5 new members (RA Nelson (British, Chairman of the Board); PG Joubert (Mauritian resident, Chairman of the Audit and Risk Committee); JM Grant (British, Chairman of the ESG Committee); Y Jekwa (South African) and PJ Roelofse (South African)) and 3 re-elected members (Dr CH Wiese (South African); HRW Troskie (Dutch, Chairman of the Remuneration and Nomination Committee); and Dr LL Porter (Malta resident, has indicated he will step down from the Board once the Redomiciliation from Malta to Mauritius has been completed)). Their respective biographies are available on Brait's website at www.brait.com.
  - o At the Extraordinary General Meeting held in Malta on 30 October 2020, Shareholders approved:
    - – The requisite resolutions for Brait's registered office to be transferred from Malta to Mauritius, where the Company's main investment subsidiary, Brait Mauritius Limited ("**BML**") is domiciled (the "**Redomiciliation**"). The Redomiciliation process, which is expected to complete by 31 March 2021, will not impact the Company's primary listing on the Euro MTF Market of the LuxSE or its secondary listing on the JSE. No amendments will be required to the terms and conditions of the GBP150 million 6.5% Convertible Bonds due on 4 December 2024 ("**2024 Bonds**"). In addition, the share capital of the Company will not be affected.
    - – The Long Term Incentive Plan ("**LTIP**") for Brait's contracted advisor, Ethos Private Equity (the "**Advisor**"). The LTIP is a five-year structure designed to align the interests of the Advisor with those of Shareholders in delivering on Brait's revised strategy of realising value from the portfolio over the medium term, whilst minimising dilution to Shareholders.
  - o In line with the Board's focus on reducing costs:
    - – The proposed compensation for the new Board, at a significantly reduced level (c.50%), was approved by Shareholders at the AGM;
    - – Estimated annualised savings to Brait's cash costs of c.R508 million since 1 March 2020, which includes the benefit of a c.3% reduction in SA Base Rates and 0.6% margin reduction on the BML RCF following repayments during the current period.

IMPACT OF CORONAVIRUS

The Coronavirus pandemic has materially impacted Virgin Active and New Look. The respective portfolio company management teams have taken appropriate measures to preserve liquidity, removing all but essential capital expenditure investments and making operating expense reductions where possible, including measures to defer and/or reduce rental expenses. As discussed below, Virgin Active's shareholders contributed aggregate funding of GBP25 million in June 2020, which was matched by a further GBP25 million of new bank debt from the UK, Italy and Asia Pacific banking syndicate. A key concern remains the resurgence of a second Coronavirus wave and the restrictions imposed by governments across Europe. Whilst trading in all territories had improved significantly since the easing of the initial lockdown restrictions, the new government restrictions will impact the UK and European businesses. As with the first lockdown, management have reduced all expenditure in the underlying businesses and are benefitting from the government support that has been offered in both the UK and Italy.

Review of operations (continued)

New Look announced on 9 November 2020 the completion of its comprehensive recapitalisation transaction, which significantly reduces its long-term debt and operating costs, providing flexibility to execute on its strategy. New Look has also had to close its stores across the UK and the Republic of Ireland due to the second lockdown.

The safety of staff and customers across the Group's portfolio of companies is a top priority and we are fully supportive of the various government initiatives to curb the impact and spread of the Coronavirus. Brait's portfolio companies have implemented effective measures to protect the health and safety of staff and customers and have business continuity plans in place to deal with the impacts of Coronavirus.

As announced on 13 May 2020, given the impact of the Coronavirus, Board fees and the advisory fee were voluntarily reduced by 25% for the quarter April – June 2020. In addition, Ethos as the Adviser to Brait has voluntarily agreed to reduce its advisory fee for calendar year 2021 from c.R105 million to R90 million.

REPORTED NAV PER SHARE

Brait's valuation multiples applied at 30 September 2020 remain unchanged from those used at 31 March 2020, with Virgin Active valued at 9x and Premier at 8x. Average peer spot multiples increased during the current reporting period, with Virgin Active's peer group increasing by 39% to 15.0x and Premier's by 8% to 9.5x. Therefore the discount, when comparing the valuation multiples applied to their respective peer spot averages, widened to 40% in the case of Virgin Active (FY20: 17%) and 16% for Premier (FY20: 9%). The composition of the respective peer groups is unchanged.

Whilst Brait and its portfolio companies adopted IFRS16: Leases in their respective prior financial years, taking consideration of the number of complexities and judgments associated with the transition to IFRS16 and in particular its impact on portfolio peer company multiples, Brait continues to value its investment portfolio on a pre-IFRS16 basis, adjusting financial data for the impact of IFRS16 as appropriate to ensure consistency.

The EV/EBITDA valuation multiples used and the comparison to respective peer spot average multiples are set out in the table below:

	30 September 2020		31 March 2020		30 September 2019	
	Valuation multiple used	Peer spot average	**Valuation multiple used**	Peer spot average	**Valuation multiple used**	Peer spot average
Virgin Active	**9.0x**	15.0x	**9.0x**	10.8x	**11.0x**	14.2x
Premier	**8.0x**	9.5x	**8.0x**	8.8x	**10.75x**	10.8x
Iceland Foods	**Note 1**		**6.0x**	6.7x	**7.0x**	7.3x

Note 1: Iceland Foods was realised on 8 June 2020 at an exit EV/EBITDA multiple of 6.6x and an 83% premium to the March 2020 carrying value

Review of operations (continued)

The NAV breakdown at reporting date is as follows:

Audited 31 March 2020 R'm	Unaudited 30 September 2019 *Note 2* R'm	**Unaudited 30 September 2020 R'm**		%	**Unaudited 30 September 2020 €'m**	30 September 2019 Note 2 €'m	Audited 31 March 2020 €'m
18 444	29 894	**15 675**	**Investments**	98	**800**	1 812	936
9 355	16 696	**7 853**	Virgin Active	49	**401**	1 012	475
6 047	8 545	**6 989**	Premier	44	**357**	518	307
1 391	2 683	**–**	Iceland Foods	–	**–**	163	71
940	1 121	**–**	New Look SSNs	–	**–**	68	48
711	849	**833**	Other investments	5	**42**	51	35
3 887	3 205	**202**	Cash and cash equivalents	1	**10**	194	197
14	9	**114**	Accounts receivable	1	**6**	1	1
22 345	33 108	**15 991**	**Total assets**	100	**816**	2 007	1 134
7 527	6 965	**5 577**	**Non-current liabilities**		**285**	422	382
4 602	4 173	**2 698**	Borrowings (BML RCF)		**138**	253	234
2 925	2 792	**2 879**	Convertible Bonds (6.5% due 2024)		**147**	169	148
3 908	3 093	**237**	**Current liabilities**		**12**	187	199
3 303	3 071	**–**	Convertible Bonds (2.7% due 2020)		**–**	186	168
605	22	**237**	Accounts payable		**12**	1	31
10 910	23 050	**10 177**	**NAV**		**519**	1 398	553
1 319.99	1 319.99	**1 319.99**	**Net issued ordinary shares ('mil)**		**1 319.99**	1 319.99	1 319.99
827	1 746	**771**	**NAV per share (cents)**		**39**	106	42

Note 2: Reported unaudited interim NAV per share at 30 Sep 2019 was R38.00 (EUR2.30). For comparability, results shown above have been adjusted for the illustrative effect of the Recapitalisation concluded in February 2020.

Review of operations (continued)

HIGHLIGHTS FOR THE GROUP'S INVESTMENT PORTFOLIO

Virgin Active (49% of Brait's total assets):

- One of the leading international health club operators, Virgin Active's results for the current reporting period have been significantly impacted by the Coronavirus.
- Whilst group trading performance up to February 2020 was in line with budget and up from the prior year, in accordance with respective government directives to stop the spread of Coronavirus, health clubs in all territories were closed by 25 March 2020. During this closure period, Virgin Active implemented a "free membership freeze", whereby memberships were retained without members having to make payment during the freeze period, resulting in no revenue generation for most territories. Since early February 2020, management took measures to preserve liquidity across all territories, removing all but essential capital expenditure investments and making operating expense reductions where possible, including measures to defer and/or reduce rental expenses. Broadly, including all mitigants in the form of government support programs and interventions by management, operating cost cash outflows for Virgin Active reduced by two thirds while clubs were closed during this period. Across the territories, management's actions resulted in various improved operating efficiencies, particularly in reducing staff and rental costs.
- On 15 June 2020, shareholders contributed GBP20 million of new funding (Brait's pro rata share being GBP16 million) by way of shareholder loans to enable the UK, Italy and Asia Pacific territories to navigate appropriately through the exceptional circumstances as a result of Coronavirus. In addition, Virgin Enterprises Limited agreed to defer and subordinate GBP5 million of royalties incurred during 2020 to beyond the maturity of Virgin Active's UK, Italy and Asia Pacific banking facilities. This aggregate funding of GBP25m million was matched by a further GBP25 million of new bank debt from the UK, Italy and Asia Pacific banking syndicate, with the existing covenant package replaced by a liquidity-based covenant until December 2021.
- Developing and rolling out digital content globally has been a key part of Virgin Active's strategy. This has been accelerated by the Coronavirus pandemic in order to enable Virgin Active to retain contact with its membership base and remain relevant.
- The health and safety of staff and members remain a key focus. Extensive cleaning and sanitisation procedures, as well as additional measures such as enforced social distancing through the reduction of class sizes and limiting attendance numbers, ensure that the clubs are a safe place for members and staff.
- Results in Pound Sterling for the nine months ended 30 September 2020, quoted using actual currency on a pre-IFRS16 basis:
  - o Group revenue of GBP224.7 million compared to the prior period of GBP450.8 million;
  - o Group EBITDA loss of GBP8.4 million compared to the prior comparative profit of GBP102.4 million;
- Pleasingly usage, levels gradually improved across all territories as member engagement increased pre the second European Coronavirus lockdown. On a group basis, total active members were down 33% since December 2019, due to terminations and members remaining on freeze.

Review of operations (continued)

- Territory update:
  - Southern Africa: Clubs in South Africa re-opened on 24 August 2020, with Namibia and Botswana reopened in June 2020. Member engagement has seen usage increase from below 10% to above 57% as at October. A high percentage of members chose to remain on freeze, which is free until the end of October 2020.
  - Italy: Re-opened in May 2020, with strong member engagement and usage levels exceeding 60%. Revolution (streaming of Virgin Active content to subscribing members) was successfully launched in September 2020, with more than 10,600 members already signed up. Italian clubs closed due to the second wave Coronavirus lockdown on 26 October until (at least) 24 November 2020.
  - UK: Reopened later than expected, with 36 clubs opened on 26 July and 7 London clubs that have remained closed. Whilst member engagement and usage levels (62%) were pleasing, the region, especially in London, experienced higher than anticipated terminations and members on contract freeze, which has impacted yield and membership levels. The second Coronavirus wave has resulted in the closure of UK clubs from the beginning of November 2020 until the 2nd of December 2020.
  - Asia Pacific: The region, with the exception of 3 clubs in Australia, reopened in June 2020. Australia benefitted from strong membership engagement and usage levels in excess of 80%, especially in suburban clubs. In Thailand, strong membership engagement resulted in low terminations / freeze. Despite a significant number of members on freeze, Singapore achieved high usage and membership engagement.
- Valuation as at 30 September 2020 (performed on a pre-IFRS16 basis):
  - Maintainable EBITDA based on a look-through to a medium-term post Coronavirus sustainable level of GBP100 million (FY20: GBP108 million), which represents a 30% reduction from the GBP142 million actual EBITDA achieved for its financial year ended 31 December 2019.
  - The valuation multiple has been maintained at 9.0x. The 39% increase in the peer average spot multiple to 15.0x (FY20: 10.8x), results in the level of discount increasing to 40% (FY20: 17%).
  - Net debt of GBP358.5 million per the September 2020 management accounts (March 2020: GBP344.3 million) has been increased by GBP82.6 million (23% increase) to GBP441.1 million (FY20: GBP439.5 million). The adjustment applied takes consideration of the estimated effect of working capital and cost deferrals as a result of the impact of the Coronavirus.
  - Brait's participation in the carrying value of shareholder funding increased to 79.4% (FY20: 79.2%) as a result of the exercise of put agreements (GBP1.2 million) during the period with certain members of Virgin Active's management team, with participation in equity value increasing to 72.1% (FY20: 71.9%).
  - Brait's resulting unrealised carrying value for its investment in Virgin Active at reporting date is R7,853 million, reflecting a 16% decrease for the six month period (FY20: R9,355 million), and comprising 49% of Brait's total assets (FY20: 42%).

Review of operations (continued)

Premier (44% of Brait's total assets)

- A leading South African FMCG manufacturer, offering branded and private label solutions, Premier produced a pleasing performance during the six-month period ended 30 September 2020. This was driven by a strong performance in its MillBake division relative to a weak comparable period and continued focus on operating cost containment, resulting in production costs (excluding cost of sales, Coronavirus related costs and provisions for incentives) increasing by only 4%.
- For the six months ended 30 September 2020, compared to 1HFY20 (quoted on a pre-IFRS16 basis):
  - Revenue +14%
  - EBITDA +21%
  - EBITDA margin 9.7% (1HFY20: 9.1%)
- Premier's national formal retail market shares, measured by AC Nielsen as at 30 September 2020:
  - Bread: 20.8% (1HFY20: 20.9%)
  - Maize: 16.8% (1HFY20: 15.5%)
  - Sugar-based confectionary: 7.7% (1HFY20: 7.8%)
  - SA feminine hygiene products: 15.8% (1HFY20: 18.3%)
- Divisional highlights for the six months ended 30 September 2020:
  - Premier's MillBake division (83% of group revenue) delivered a strong performance, resulting in revenue growth of 17% and EBITDA increasing by 26%. EBITDA margin, pre head office costs, was maintained at 12.8%:
    - Bread: 13% revenue growth driven by strong performance during lockdown and the normalisation of operations at the Cape Town bakery following the prior year strike. Premier's bakeries ran optimally with production costs benefitting from lower oven fuel prices.
    - Wheat: Revenue increased by 23%, with strong volume growth and increased pricing due to an increase in input costs. Premier utilises between 50 – 60% of its wheat flour production internally.
    - Maize: Revenue increased by 27%, benefitting from increased staple food sales volumes in retail and wholesale channels , with limited exposure to the hotels, restaurants and food services channels.
  - Premier's Groceries and International division (17% of group revenue) increased revenue by 2%, with EBITDA growth of 7% and EBITDA margin of 10.2%, pre head office costs (FY20: 10.5%):
    - CIM: Premier's Mozambican business (9% of group revenue) delivered a satisfactory performance under difficult Coronavirus induced trading conditions. Sales volumes remained in line with the comparative period, with revenue declining 3%. However, strong cost control and an increase in contribution margins delivered a 48% increase in local currency EBITDA (Rand EBITDA increased by 60%).

Review of operations (continued)

  - Home and Personal Care (5% of group revenue): The pandemic-driven sales momentum slowed over the six months, with cost savings helping to mitigate the impact on EBITDA. Various initiatives are under way to stimulate volume growth.
  - Confectionary and beverages (3% of group revenue): The new boiled candy line helped deliver 13% growth in revenue. Sales volumes in nutritional beverages have begun to return post the August lockdown, with seasonally higher summer month sales expected to benefit the remainder of the financial year.

- The challenging lockdown operating conditions resulted in additional costs of R76 million to maintain a safe work environment and support communities. Management continues to monitor the impact of the Coronavirus and are at the forefront of developing protocols to prevent and mitigate any impact to the business.
- Capital expenditure for the group of R213 million (FY20: R421 million) remains in line with guidance at 4% of revenue and includes expenditure on the inland bakery project.
- Premier demonstrated very strong cashflows during the six months with cashflow from operations of R570 million (1H20: R353 million) due to EBITDA growth and focused working capital management.
- Premier repaid Brait R123 million of shareholder loans during the current six month period (FY20: R231 million), increasing Brait's share of realised proceeds received to date to R1,618 million. Premier's leverage ratio for net debt owing to third parties is 1.9x (FY20: 2.2x).
- Valuation as at 30 September 2020 (performed on a pre-IFRS16 basis):
  - Maintainable EBITDA of R1,110 million is based on Premier's Last Twelve Months ("LTM") EBITDA to 30 September 2020, reflecting a 10% increase on the R1,010 million achieved in Premier's financial year ended 31 March 2020.
  - The valuation multiple has been maintained at 8.0x. The increase in the peer average spot multiple to 9.5x (FY20: 8.8x), resulting in the level of discount increasing to 16% (FY20: 9%).
  - Net debt of R1,829 million is based on Premier's reported net third party debt of R2,140 million, adjusted largely for capex spent on new projects not yet generating EBITDA.
  - Brait's equity and shareholder funding participation remains unchanged at 98.5% and 100% respectively.
  - Premier's unrealised carrying value at the reporting date is R6,989 million, reflecting a 16% increase for the current six month reporting period (FY20: R6,047 million) and comprising 44% of Brait's total assets (FY20: 27%).

New Look:

- New Look is a UK based multichannel fashion brand, operating in the value segment of the clothing, footwear and accessories market. New Look's focus is delivering value for money and 'newness' with broad appeal ranges that cater for a broad spectrum of ages, from early teens to 45 and over, and is the number 2 UK womenswear retailer for ages 18 to 44 (Based on Kantar Worldpanel published data 12 weeks ended 20 Sept 2020; Womenswear by value). New Look also has as an online men's range.

Review of operations (continued)

- New Look's turnaround strategy to deliver financial and operational stability was yielding positive results prior to the UK government's Coronavirus lockdown, which resulted in the closure of stores from 20 March 2020 to 1 June 2020. Stores reopened on a phased basis with all stores open by the start of September 2020. Given the omni-channel nature of the business, the impact of Coronavirus has been significant. During this lockdown period, management focused on cost optimization, maximising liquidity and progressing New Look's online strategy. Online sales outperformed the prior period driven by increased conversion rates and units per transaction, underlining New Look's strong brand, broad appeal product offering and improved availability. However, given the store closures, overall Q1 FY21 revenue was inevitably significantly lower than the prior year.
- For the stores that had reopened, up to 10 August 2020, store sales were down 38% on a like-for-like basis predominantly due to the impact of Coronavirus on footfall.
- On 13 August 2020, New Look announced a comprehensive recapitalisation transaction involving:
  - o A re-basing of UK leasehold obligations through a Company Voluntary Arrangement ("CVA") resulting in a reduction in rental costs through a turnover-based model for a period of 3 years (thereafter reverting to the higher of the CVA rental or market rental), which fairly reflects the future performance of New Look and the wider retail market;
  - o A debt-for-equity conversion of the Senior Secured Notes ("SSNs"), reducing gross debt from GBP605 million to GBP165 million (including available operating facilities of GBP55 million) and significantly decreasing annual cash interest from GBP40 million to GBP6 million;
  - o An amendment and extension of the Operating Facility and RCF to June 2023 and June 2024, respectively; and
  - o An injection of GBP40 million of new capital, fully backstopped by certain holders of the SSNs, to support the three-year business plan.
- The CVA was voted on on 15 September 2020, with support from 81.6% of unsecured creditors. New Look is engaging with the four landlords challenging the CVA.
- On 16 October 2020, all holders of SSNs voted for their cancellation in exchange for a GBP40 million non-interest bearing shareholder loan and 20% of New Look's share capital.
- On 9 November 2020, New Look announced the completion of its comprehensive recapitalisation transaction, which significantly reduces its long-term debt and operating costs, providing flexibility to execute on its strategy:
  - o Certain of the holders of SSNs injected GBP40 million of new money in the form of a payment-in-kind ("PIK") facility, issued at a 5% discount, accruing PIK interest of 16.5% per annum. The new money providers received 80% of New Look's share capital.
- Brait's participation:
  - o As announced on 13 August 2020, Brait supported New Look's recapitalisation transaction. Brait's GBP7.3 million pro rata share of the GBP40 million new money injection, housed in accounts payable at reporting date, was paid on 9 November 2020. In aggregate Brait now holds 18.3% of the shareholder loans/PIK Facility and 18.3% of New Look's equity (17.4% post dilution for management's incentive plan)

Review of operations (continued)

- Valuation as at 30 September 2020:
  - o New Look's SSNs were equitised on 9 November 2020, pursuant to the completion of the recapitalisation transaction. For the comparative periods, Brait's 18.27% holding of SSNs were valued using closing quoted prices (30 September 2019: 0.772; 31 March 2020: 0.54915), together with accrued interest.
  - o Brait's 18.3% holding of the shareholder loans/PIK Facility and 17.4% of New Look's equity (valued post dilution for management's incentive plan) have been valued at the reporting date using an earnings multiple basis, with the resulting carrying value included in the Other Investments portfolio.

Other Investments (5% of Brait's total assets):

- Brait realised its 91.3% shareholding in DGB for a total consideration equal to its March 2020 carrying value of R470 million. The first tranche of proceeds of R370 million was received on 1 June 2020. The remaining R100 million, included in accounts receivable at the reporting date, is to be received in two deferred payments of R50 million each by 31 March 2021 and 31 March 2022 respectively.
- Following the equitization of New Look's SSNs, Brait's equity and shareholder loan investment in New Look, valued on a maintainable EBITDA multiple basis, is included in Other Investments at the reporting date.
- The remaining carrying value relates to Brait's remaining private equity fund investments, mostly relating to Brait IV's investment in Consol Glass, the largest manufacturer of glass packaging in Africa.

GROUP LIQUIDITY POSITION

- **Brait received R2,843 million investment proceeds from its portfolio during the current six- month reporting period (FY20: R1,562 million), which included:**
  - o R2,349 million realisation proceeds from the sale of Iceland Foods; R371 million from the other investments portfolio (initial tranche of realisation proceeds received from the sale of DGB) and R123 million shareholder funding repayments from Premier.
  - o The Iceland Foods and DGB proceeds received were applied to partially repay the BML RCF, with the Premier proceeds, mostly received at the end of September 2020, included in Brait's closing cash balance.
- **Repayment/redemption of 2020 Bonds**
  - o The remaining GBP149 million outstanding principal amount on Brait's five year, 2.75% per annum coupon, unsubordinated, unsecured convertible bonds listed on the Freiverkehr, due 18 September 2020 ("**2020 Bonds**"), was settled during the period under review using the cash in Pound Sterling converted from the proceeds of the February 2020 Rights Offer and specific issue of shares.
  - o Over the period 4 December 2019 to 24 July 2020, Brait repurchased GBP217.5 million of the 2020 Bonds for an aggregate amount of GBP214.5 million (average clean purchase price of c.GBP98,600 for each GBP100,000 principal 2020 Bond). The remaining GBP132.5 million principal amount of the 2020 Bonds were redeemed on their maturity date of 18 September 2020.

- **R1,900 million available cash and facilities (FY20: R1,849 million)**
  - Brait repaid R2,719 million of its committed revolving credit facility ("BML RCF") during the current six month period (FY20: R2,727 million repaid), resulting in the drawn amount outstanding at reporting date of R2,698 million (FY20: R4,602 million).
  - In line with the BML RCF agreement, the reduction in utilisation resulted in the quantum of the facility decreasing from R6.3 billion to R4.4 billion, and the interest rate decreasing from JIBAR plus 4.6% to JIBAR plus 4.0%.
  - Including the Group's R202 million cash, this results in total cash and available facilities at reporting date of R1,900 million (FY20: total cash and available facilities of R5,595 million; R1,849 million excluding the cash held for the 2020 Bonds which were settled in September 2020).

- **Compliance with debt covenants**

  Brait is in compliance with all covenants at reporting date:
  - BML RCF covenants are NAV based and set with headroom for short term volatility.
  - Per the terms of the 2024 Bonds, Brait's 'Tangible NAV/Net Debt' ratio is required to be not less than 200%. The definition of 'Net Debt' per this covenant excludes the 2024 Bonds, with Tangible NAV referenced to Brait's net asset value.

DIVIDEND POLICY

Brait's ability to return capital to Shareholders pursuant to its new strategy will depend upon its receiving realisations on loans and investments, dividends, other distributions or payments from its portfolio companies (which are under no obligation to pay dividends or make any other distributions to Brait). In addition, Brait's ability to pay any dividends will depend upon distribution allowances under the terms of the BML RCF.

Ordinary dividends will be considered annually when the results for each year are published. The extent of any dividends will be determined relative to net operating cash flows and to the payments received on the realisation of loans and investments from time to time and which cash flows are not required for liquidity or earmarked for requirements at the portfolio company level, but always subject to distribution allowances permitted under the terms of the BML RCF.

To the extent that surplus cash becomes available at a future date for distribution, the Board will consider the potential for the distribution of such surplus cash by way of special dividend. Pursuant to the terms of the 2024 Bonds, before Brait is able to pay a special dividend to Shareholders, it will have to first make an offer to the holders of the 2024 Bonds to tender for repurchase an aggregate principal amount of the 2024 Bonds for an amount equal to such proposed special dividend at a price per Bond equal to its principal amount together with accrued interest.

ORDINARY SHARE CAPITAL

Total issued ordinary share capital at 30 September 2020 is 1,319,992,804 shares of EUR0.22 each (FY20: 1,319,992,804 excluding treasury shares). Pursuant to the Shareholder approval obtained at the Extraordinary General Meeting held in Malta on 14 January 2020, the 54,091,259 treasury shares held for the vested benefit of the Group were cancelled during the current reporting period.

Review of operations (continued)

GROUP OUTLOOK

Brait's portfolio companies delivered a robust performance pre-Coronavirus, continuing to optimise their business models and key operational metrics in an ongoing challenging macro-environment. All of the portfolio company management teams have proactively implemented plans to address the unexpected and unprecedented impact of the Coronavirus, with a focus on health and safety of staff and customers, reducing costs, preserving cash and maximizing liquidity to manage their businesses though this difficult period. The extent and severity of the second Coronavirus wave and restrictions imposed by governments across Europe and the UK are uncertain and continue to evolve daily.

For and on behalf of the Board

RA Nelson
Non-Executive Chairman

18 November 2020

Directors (all non-executive)

RA Nelson (Chairman)#, JM Grant#, Y Jekwa*, PG Joubert**, Dr LL Porter##, PJ Roelofse*, HRW Troskie^, Dr CH Wiese*

British ## British, resident in Malta ^ Dutch * South African ** South African, resident in Mauritius

Brait's primary listing is on the Euro MTF market of the Luxembourg Stock Exchange and its secondary listing is on the Johannesburg Stock Exchange.

Sponsor
RAND MERCHANT BANK (A division of FirstRand Bank Limited)

Administration and contact details

BRAIT SE
Registration No: SE1

ISSUER NAME AND CODE
Issuer long name – BRAIT SE
Issuer code – BRAIT
Share code: BAT – ISIN: LU0011857645
Bond code:

- WKN: A2SBSU ISIN: XS2088760157

LEI code: 549300VB8GBX4UO7WG59

COMPANY SECRETARY AND REGISTERED OFFICE
Anjelica Camilleri de Marco
4th Floor, Avantech Building
St. Julian's Road, San Gwann,
SGN 2805, Malta
Tel: +356 2248 6203

COUNSEL
Harney Westwood & Riegels S.à r.l
56, rue Charles Martel
L-2134 Luxembourg
Tel: +352 2786 7102

LUXEMBOURG REGISTRAR AND TRANSFER AGENT
Maitland Luxembourg SA
58, rue Charles Martel
L-2134 Luxembourg
Tel: +352 402 5051

SOUTH AFRICAN TRANSFER SECRETARIES
Computershare Investor Services Pty Ltd
Rosebank Towers, 15 Biermann Avenue
Rosebank, Johannesburg, 2196, South Africa
Tel: +27 11 370 5000

JSE SPONSOR
Rand Merchant Bank
(A division of FirstRand Bank Limited)
1 Merchant Place, Corner Fredman Drive
and Rivonia Road, Sandton, 2196,
South Africa

INDEPENDENT AUDITORS
PricewaterhouseCoopers
78 Mill Street, Qormi
QRM3101
Malta

SUBSIDIARY OFFICE
Brait Mauritius Limited
Suite 520, 5th Floor, Barkly Wharf
Le Caudan Waterfront, Port Louis
Mauritius
Tel: +230 213 6909

ADVISOR
Ethos Private Equity (Pty) Ltd
35 Fricker Road, Illovo
Johannesburg, 2196
South Africa
Tel: +27 11 328 7400

INVESTOR RELATIONS
www.brait.com
Email: invest@brait.com
Tel: +27 11 328 7400


BRAIT