UNAUDITED INTERIM RESULTS ANNOUNCEMENT

for the six months ended 30 September 2021

Summary consolidated statement of financial position as at 30 September

Audited year ended 31 March 2021 R'm	Unaudited six months 30 Sept 2020 R'm	Unaudited six months 30 Sept 2021 R'm		Notes	Unaudited six months 30 Sept 2021 £'m	Unaudited six months 30 Sept 2020 £'m	Audited year ended 31 March 2021 £'m
			ASSETS				
16 450	15 675	**17 445**	**Non-current assets**		**861**	727	**809**
16 450	15 675	**17 445**	Investments	4	**861**	727	**809**
266	316	**121**	**Current assets**		**6**	14	**13**
53	114	**61**	Accounts receivable		**3**	5	**3**
213	202	**60**	Cash and cash equivalents	5	**3**	9	**10**
16 716	15 991	**17 566**	**Total assets**		**867**	741	**822**
			EQUITY AND LIABILITIES				
10 432	10 177	**10 750**	**Ordinary shareholders' equity and reserves**	2, 3	**530**	472	**513**
6 166	5 577	**6 743**	**Non-current liabilities**		**333**	258	**303**
3 417	2 698	**3 970**	Borrowings	6	**196**	125	**168**
2 749	2 879	**2 773**	Convertible bonds (6.5% due 2024)	7	**137**	133	**135**
118	237	**73**	**Current liabilities**		**4**	11	**6**
118	237	**73**	Accounts payable and other liabilities	8	**4**	11	**6**
16 716	15 991	**17 566**	**Total equity and liabilities**		**867**	741	**822**

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

Audited year ended 31 March 2021 R'm	Unaudited six months 30 Sept 2020 R'm	Unaudited six months 30 Sept 2021 R'm		Notes	Unaudited six months 30 Sept 2021 £'m	Unaudited six months 30 Sept 2020 £'m	Audited year ended 31 March 2021 £'m
1 280	(12)	**593**	Investment valuation gain/(loss)		**30**	(1)	**60**
260	137	**112**	Finance income	9	**6**	6	**12**
14	9	**12**	Other investment income		**–**	–	**1**
(304)	(133)	**(6)**	Foreign exchange loss		**–**	(6)	**(14)**
(160)	(69)	**(70)**	Operating expenses	10	**(4)**	(3)	**(7)**
(3)	–	**(3)**	Other expenses		**–**	–	**–**
(617)	(369)	**(279)**	Finance costs		**(14)**	(17)	**(29)**
(24)	(12)	**–**	Taxation		**–**	(1)	**(1)**
446	(449)	**359**	**Profit/(loss) for the period**		**18**	(22)	**22**
			Other comprehensive loss				
(924)	(284)	**(41)**	Translation adjustments		**(1)**	2	**(1)**
(478)	(733)	**318**	**Comprehensive gain/(loss) for the period**		**17**	(20)	**21**
34	(34)	**27**	Earnings/(loss) per share (cents) – basic and diluted	11	**1**	(2)	**2**

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

Audited year ended 31 March 2021 R'm	Unaudited six months 30 Sept 2020 R'm	Unaudited six months 30 Sept 2021 R'm		Unaudited six months 30 Sept 2021 £'m	Unaudited six months 30 Sept 2020 £'m	Audited year ended 31 March 2021 £'m
10 910	10 910	**10 432**	**Ordinary shareholders' balance at beginning of period**	**513**	492	**492**
446	(449)	**359**	Profit/(loss) for the period	**18**	(22)	**22**
(924)	(284)	**(41)**	Translation adjustments	**(1)**	2	**(1)**
10 432	10 177	**10 750**	**Ordinary shareholders' balance at end of period**	**530**	472	**513**

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

Audited year ended 31 March 2021 R'm	Unaudited six months 30 Sept 2020 R'm	Unaudited six months 30 Sept 2021 R'm		Notes	Unaudited six months 30 Sept 2021 £'m	Unaudited six months 30 Sept 2020 £'m	Audited year ended 31 March 2021 £'m
			Cash flows from operating activities:				
3 012	2 843	**20**	Investment proceeds received	12	**1**	129	**141**
5	4	**–**	Other investment income received		**–**	–	**–**
7	7	**–**	Interest income received on cash balances		**–**	–	**–**
(152)	(90)	**(108)**	Operating expenses paid		**(5)**	(4)	**(7)**
(3)	–	**(3)**	Other expenses paid		**–**	–	**–**
(24)	(12)	**(1)**	Taxation paid		**–**	(1)	**(1)**
2 845	2 752	**(92)**	**Operating cash flow before purchase of investments**		**(4)**	124	**133**
(955)	(376)	**(367)**	Investment purchases and advances of shareholder funding		**(18)**	(17)	**(45)**
1 890	2 376	**(459)**	**Net cash (used in)/generated from operating activities**		**(22)**	107	**88**
1 334	633	**549**	Borrowing Facility: drawdowns	6	**28**	29	**63**
(2 660)	(2 561)	**(140)**	Borrowing Facility: repayments	6	**(7)**	(116)	**(125)**
(74)	(74)	**–**	Borrowing Facility: raising and commitment fee payments		**–**	(3)	**(3)**
(159)	(158)	**(5)**	Borrowing Facility: interest payments		**–**	(7)	**(7)**
(248)	(152)	**(97)**	2020 Bonds and 2024 Convertible Bonds: coupon payments		**(5)**	(7)	**(12)**
(796)	(796)	**–**	2020 Bonds: repurchases		**–**	(36)	**(37)**
(2 877)	(2 877)	**–**	2020 Bonds: redemption		**–**	(130)	**(135)**
(5 480)	(5 985)	**307**	**Net cash generated from/(used in) financing activities**		**16**	(270)	**(256)**
(3 590)	(3 609)	**(152)**	**Net decrease in cash and cash equivalents**		**(6)**	(163)	**(168)**
(84)	(76)	**(1)**	Effects of exchange rate changes on cash and cash equivalents		**(1)**	(3)	**3**
3 887	3 887	**213**	Cash and cash equivalents at beginning of period		**10**	175	**175**
213	202	**60**	**Cash and cash equivalents at end of period**	5	**3**	9	**10**

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 2021, except for presentation currencies as explained below. The Group has only one operating segment being that of an investment holding company.

The Group's financial statements are prepared using both the Pound Sterling (GBP/£) and SA Rand (ZAR/R) as its presentation currencies.

The Group's subsidiaries have one of three functional currencies: Pound Sterling (GBP/£), SA Rand (ZAR/R) or US Dollar (USD/US$). The holding company, Brait PLC, and its main consolidated subsidiaries use GBP as their functional currency. Following the redomiciliation of the Company to Mauritius (the "Redomiciliation"), the current period's summarised financial statements are prepared using both the SA Rand (ZAR/R) and Pound Sterling (GBP/£) as its presentation currencies (previously the SA Rand (ZAR/R) and Euro (EUR/€)). The financial statements have been prepared using the following exchange rates:

	30 September 2021		31 March 2021		30 September 2020	
	Closing	**Average**	Closing	Average	Closing	Average
GBP/ZAR	**20.2551**	**19.9527**	20.3422	21.3393	21.5667	22.0605
EUR/ZAR	**17.3875**	**17.1314**	17.3310	19.0420	19.5837	19.7634
USD/ZAR	**15.0019**	**14.3782**	14.7660	16.3574	16.6775	17.4229
GBP/EUR	**1.1649**	**1.1647**	1.1738	1.1210	1.1013	1.1162
GBP/USD	**1.3502**	**1.3877**	1.3776	1.3046	1.2932	1.2662

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

Audited year ended 31 March 2021 R'm	Unaudited six months 30 Sept 2020 R'm	Unaudited six months 30 Sept 2021 R'm		Unaudited six months 30 Sept 2021 £'m	Unaudited six months 30 Sept 2020 £'m	Audited year ended 31 March 2021 £'m
			2. NET ASSET VALUE PER SHARE (CENTS)			
10 432	10 177	**10 750**	Ordinary shareholders equity and reserves	**530**	472	**513**
1 320.0	1 320.0	**1 320.0**	Ordinary shares in issue (m)	**1 320.0**	1 320.0	**1 320.0**
1 320.0	1 320.0	**1 320.0**	**Outstanding shares for NAV calculation (m)**	**1 320.0**	1 320.0	**1 320.0**
790	771	**814**	**Net asset value per share (cents)**	**40**	36	**39**

3. STATED CAPITAL

Pursuant to the recently concluded Redomiciliation, share capital and premium have been converted into stated capital to comply with the Mauritian Companies Act. At 30 September 2021, the Company had 1 319 992 804 issued ordinary shares at par value of €0.22 per share (31 March 2021: 1 319 992 804 issued ordinary shares at par value of €0.22 per share).

At the Extraordinary General Meeting held on 14 January 2020, Shareholder approval was obtained for the allocation and potential issue from conversion on maturity of the 2024 Convertible Bonds, 287 411 381 ordinary shares in terms of its obligations to the holders of the 2024 Convertible Bonds.

R'm	Number of shares in issue	Issued ordinary share capital	Number of shares in issue	£'m
9 924	**1 374 084 063**	30 September 2020	**1 374 084 063**	688
4 157		**Share capital**		249
5 767		**Share premium**		439
	(54 091 259)	Cancellation of treasury shares	**(54 091 259)**	
9 924	**1 319 992 804**	31 March 2021	**1 319 992 804**	688
3 927		**Share capital**		239
5 997		**Share premium**		449
9 924	**1 319 992 804**	30 September 2021	**1 319 992 804**	688
9 924		**Stated capital** [1]		688

[1] The Company's stated capital as at 30 September 2021 represents the aggregate of share capital and share premium

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

3. STATED CAPITAL CONTINUED

Audited year ended 31 March 2021	Unaudited six months 30 Sept 2020	Unaudited six months 30 Sept 2021		Unaudited six months 30 Sept 2021	Unaudited six months 30 Sept 2020	Audited year ended 31 March 2021
			3.1 Treasury shares			
–	54 091 259	–	Opening number of shares held for the vested benefit of the Group	–	54 091 259	–
–	(54 091 259)	–	Treasury shares cancelled	–	(54 091 259)	–
–	–	**–**	**Closing shares held for the vested benefit of the Group**	**–**	–	**–**

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 FY21 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 generally 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. For portfolio companies that have been significantly impacted by the Coronavirus pandemic, maintainable earnings are based on a post-Coronavirus sustainable level.

4. INVESTMENTS CONTINUED

The Directors decide on an appropriate group of comparable quoted companies from which to base the EV/EBITDA valuation 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 generally 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. Where maintainable earnings are based on a post-Coronavirus sustainable level, peer average forward multiples for the corresponding forward period are used as the reference measure. 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 and include the nature of operations, type of market exposure, competitive position, quality of management, capital structure and differences between the liquidity of the shares being valued and those on a quoted exchange. The resulting valuation multiple is applied to the maintainable EBITDA to calculate the Enterprise Value ("EV") for the portfolio investment.

That EV is then adjusted by net cash/debt to calculate net EV to which the Company's percentage holding is applied to calculate the Company's carrying value. 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.

The equity valuation takes consideration of the portfolio investment's net debt/cash on hand per its latest available financial results. Where appropriate, alternative methodologies such as the discounted cash flow valuation models are applied. Further valuation information can be obtained from the 30 September 2021 investor presentation on the Group's website, www.brait.com.

Audited year ended 31 March 2021 R'm	Unaudited six months 30 Sept 2020 R'm	**Unaudited six months 30 Sept 2021 R'm**		**Unaudited six months 30 Sept 2021 £'m**	Unaudited six months 30 Sept 2020 £'m	**Audited year ended 31 March 2021 £'m**
16 450	15 675	**17 445**	**The Group's portfolio of investments**	**861**	727	**809**
7 970	7 853	**7 970**	Virgin Active	**393**	364	**392**
7 597	6 989	**8 360**	Premier	**413**	324	**373**
545	556	**732**	New Look	**36**	26	**27**
338	277	**383**	Other Investments	**19**	13	**17**

4. INVESTMENTS CONTINUED

	30 September 2021			30 September 2020			31 March 2021		
Valuation metrics (note 1)	EBITDA	Multiple	3rd party net debt	EBITDA	Multiple	3rd party net debt	EBITDA	Multiple	3rd party net debt
Virgin Active (£'m) (note 2)	**105.4**	**9.0x**	**455.5**	100.0	9.0x	441.1	**105.4**	**9.0x**	**455.0**
Premier (R'm) (note 3)	**1 248.7**	**8.0x**	**1 465.3**	1 110.0	8.0x	1 829.0	**1 152.0**	**8.0x**	**1 489.0**
New Look (£'m) (note 4)	**55.0**	**5.0x**	**71.4**	45.0	4.0x	35.6	**59.0**	**4.0x**	**86.0**
Other Investments		**varied**			varied			**varied**	

Note 1 Brait's portfolio companies publish their respective audited financial results in accordance with IFRS 16: Leases. Consistent with the prior year, 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 multiples, Brait has valued its investment portfolio 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 September 2023 estimate to reflect a post-Coronavirus sustainable level of GBP105 million, which represents a 26% reduction to the GBP142 million actual EBITDA achieved by Virgin Active for its financial year ended 31 December 2019. The unchanged 9.0x valuation multiple used represents a 21% discount to the peer group average two-year forward multiple of 11.4x. Net debt of GBP455.5 million is normalised to include the estimated GBP40.6 million effect of costs deferred during the lockdown periods.

Note 3 Maintainable EBITDA of R1,249 million is based on Premier's Last Twelve Months ("LTM") EBITDA to 30 September 2021 (FY21: LTM R1,152 million). The unchanged valuation multiple of 8.0x represents a 9% discount to the peer average spot multiple of 8.8x.

Note 4 Maintainable EBITDA of £55 million for New Look is based on its annualised H1FY22 reported EBITDA of £27 million. The spot multiple of 5.0x used represents a discount of 60% to the peer average spot multiple of 12.6x. Net debt of £71 million is normalised to include the estimated £48 million (FY21: £47 million) effect of working capital and costs deferred during the lockdown periods. The FY21 valuation was based on maintainable EBITDA of £59 million, representing a look-through to a one-year post Coronavirus sustainable level, applied to a one-year forward multiple of 4.0x, a 59% discount to the 9.8x peer average one-year forward multiple.

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 2 in the current or comparative periods. 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 1 R'm	Level 3 R'm	Total R'm	30 September 2021	Level 1 £'m	Level 3 £'m	Total £'m
–	7 970	7 970	Virgin Active	–	393	393
–	5 046	5 046	Premier	–	249	249
–	732	732	New Look	–	36	36
–	383	383	Other Investments [1]	–	19	19
–	**14 131**	**14 131**	**Investments at fair value**	**–**	**697**	**697**
		3 314	Premier shareholder funding			164
		3 314	**Investments at amortised cost**			**164**
		17 445	**Total investments**			**861**

[1] *Carrying value at reporting date comprises 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.*

Audited year ended 31 March 2021 R'm	Unaudited six months 30 Sept 2020 R'm	Unaudited six months 30 Sept 2021 R'm		Unaudited six months 30 Sept 2021 £'m	Unaudited six months 30 Sept 2020 £'m	Audited year ended 31 March 2021 £'m
			5. CASH AND CASH EQUIVALENTS [1]			
213	202	**60**	Balances with banks	**3**	9	**10**
178	153	**44**	– ZAR cash	**2**	6	**8**
12	13	**2**	– USD cash	**–**	1	**1**
23	36	**14**	– GBP cash	**1**	2	**1**

[1] *Of the total cash balance of R60 million (FY21: R213 million) held by the Group, R9 million (FY20: R18 million) is held by Brait PLC, with R51 million (FY21: R195 million) held by BML. Cash is placed with banks having a credit rating of at least Baa3.*

Audited year ended 31 March 2021 R'm	Unaudited six months 30 Sept 2020 R'm	Unaudited six months 30 Sept 2021 R'm		Unaudited six months 30 Sept 2021 £'m	Unaudited six months 30 Sept 2020 £'m	Audited year ended 31 March 2021 £'m
			6. BORROWINGS			
4 602	4 602	**3 417**	Opening balance	**168**	208	**208**
300	182	**149**	Interest accrual	**7**	8	**15**
–	–	**–**	Foreign currency translation	**–**	3	**14**
(1 326)	(1 928)	**409**	Net drawdown/(repayments)	**21**	(87)	**(62)**
1 334	633	**549**	Drawdowns	**28**	29	**63**
(2 660)	(2 561)	**(140)**	Capital repayments	**(7)**	(116)	**(125)**
(159)	(158)	**(5)**	Interest repayments	**–**	(7)	**(7)**
3 417	2 698	**3 970**	Closing balance	**196**	125	**168**

Brait's R4.4 billion facility (31 March 2021: R4.4 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"). The BML RCF bears interest at JIBAR plus 4.0% (31 March 2021: JIBAR plus 4.0%) repayable quarterly (with the margin decreasing as utilisation reduces), with a right to rollup these quarterly interest payments. Covenants remain NAV based, with the facility continuing to be secured on a senior basis by the assets of BML, which includes the investments (refer to note 4) and the cash held by BML (refer to note 5).

Final agreement has been reached with the lending banks to amend and extend the term of the BML RCF from 28 February 2023 to 30 June 2024 (Refer to note 15).

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

Audited year ended 31 March 2021 R'm	Unaudited six months 30 Sept 2020 R'm	Unaudited six months 30 Sept 2021 R'm		Unaudited six months 30 Sept 2021 £'m	Unaudited six months 30 Sept 2020 £'m	Audited year ended 31 March 2021 £'m
			7. CONVERTIBLE BONDS (6.50% DUE 2024)			
2 749	2 879	**2 773**	On 4 December 2019, Brait received £150 million from the issuance of its five-year unsubordinated, unsecured convertible bonds ("2024 Convertible Bonds"). The 2024 Convertible 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. In accordance with the 2024 Convertible Bonds Terms and Conditions, the conversion price at reporting date (unchanged from 31 March 2021) is GBP0.5219 per ordinary share. Using this conversion price, the 2024 Convertible Bonds would be entitled to convert into a maximum of 287.411 million ordinary shares (subject to rounding provisions) (21.8% of Brait's current share capital of 1,319.993 million ordinary shares) on exercise of bondholder conversion rights.	**137**	133	**135**
			In the event that the bondholders have not exercised their conversion rights in accordance with the terms and conditions of the 2024 Convertible Bonds, the 2024 Convertible 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 Convertible Bonds is measured at reporting date as £137 million (FY2021: £135 million).			
			The Stock Exchange of Mauritius ("SEM") granted approval for the dual listing of the 2024 Convertible Bonds with effect from 30 November 2021 (refer note 15).			

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

Audited year ended 31 March 2021 R'm	Unaudited six months 30 Sept 2020 R'm	Unaudited six months 30 Sept 2021 R'm		Unaudited six months 30 Sept 2021 £'m	Unaudited six months 30 Sept 2020 £'m	Audited year ended 31 March 2021 £'m
			7. CONVERTIBLE BONDS (6.50% DUE 2024) CONTINUED			
			Reconciliation of movements for the period:			
2 925	2 925	**2 749**	Opening balance	**135**	132	**132**
69	35	**35**	Increase of liability component in terms of IAS 32 over the five-year bond term	**2**	1	**3**
(245)	(81)	**(11)**	Foreign currency translation reserve	**–**	–	**–**
2 749	2 879	**2 773**	Closing balance	**137**	133	**135**

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

Audited year ended 31 March 2021 R'm	Unaudited six months 30 Sept 2020 R'm	Unaudited six months 30 Sept 2021 R'm			Unaudited six months 30 Sept 2021 £'m	Unaudited six months 30 Sept 2020 £'m	Audited year ended 31 March 2021 £'m
118	237	**73**	**8.**	**ACCOUNTS PAYABLE AND OTHER LIABILITIES** Accounts payable at reporting date includes the £3.1 million coupon accrual on the 2024 Convertible Bonds. Accounts payable at 31 March 2021 included £3.1 million coupon accrual on the 2024 Convertible Bonds and R23 million relating to the FY21 short term incentive awarded to Ethos Private Equity Proprietary Limited ("EPE") (Refer note 13). At 30 September 2020 accounts payable included 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 Convertible Bonds.	**4**	11	**6**
260	137	**112**	**9.**	**FINANCE INCOME**	**6**	6	**12**
253	130	**112**		Premier shareholder funding (interest income)	**6**	6	**12**
7	7	**–**		Other interest income	**–**	–	**–**
160	69	**70**	**10.**	**OPERATING EXPENSES**	**4**	3	**7**
17	10	**7**		Directors fees	**1**	1	**1**
114	44	**45**		Corporate advisory fees [(1)]	**2**	2	**5**
10	5	**9**		Insurance	**1**	–	**1**
5	2	**2**		Professional fees	**–**	–	**–**
9	5	**4**		Other operating expenses	**–**	–	**–**
5	3	**3**		External audit fees	**–**	–	**–**

(1) *At reporting date, advisory fees of R45 million were levied per EPE's voluntary agreement to reduce its advisory fees for calendar year 2021 from c.R105 million to R90 million. 1H FY2021 advisory fee of R44 million (R100 million contracted amount for the year, being R50 million for 1H, offset by voluntary reductions of R6 million by EPE during the 1st quarter).*

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

Audited year ended 31 March 2021 R'm	Unaudited six months 30 Sept 2020 R'm	Unaudited six months 30 Sept 2021 R'm		Unaudited six months 30 Sept 2021 £'m	Unaudited six months 30 Sept 2020 £'m	Audited year ended 31 March 2021 £'m
			11. HEADLINE EARNINGS RECONCILIATION			
446	(449)	**359**	Earnings/(loss) and headline earnings/(loss) for the period	**18**	(22)	**22**
1 320	1 320	**1 320**	Weighted average ordinary shares in issue (m) – basic	**1 320**	1 320	**1 320**
34	(34)	**27**	Earnings/(loss) and headline earnings/(loss) per share (cents) – basic	**1**	(2)	**2**
			The 2024 Convertible Bonds are considered to be anti-dilutive due to the impact on earnings and number of shares upon conversion.			
3 012	2 843	**20**	**12. INVESTMENT PROCEEDS RECEIVED**	**1**	129	**141**
2 349	2 349	**–**	Iceland Foods	**–**	106	**110**
237	123	**11**	Premier – Interest income on shareholder funding	**1**	6	**11**
426	371	**9**	Other investments	**–**	17	**20**

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 with related parties who are not members of the Group:

Audited year ended 31 March 2021 R'm	Unaudited six months 30 Sept 2020 R'm	Unaudited six months 30 Sept 2021 R'm		Unaudited six months 30 Sept 2021 £'m	Unaudited six months 30 Sept 2020 £'m	Audited year ended 31 March 2021 £'m
(17)	(10)	**(7)**	Non-executive directors' fees	**(1)**	(1)	**(1)**
(114)	(44)	**(45)**	Corporate advisory fees [1]	**(2)**	(2)	**(5)**
(1)	(1)	**(1)**	Professional fees - Maitland International Holdings Plc [2]	**–**	–	**–**

[1] *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. At the current reporting date, advisory fees were levied per EPE's voluntary agreement to reduce its advisory fees for calendar year 2021 from c.R105 million to R90 million. The FY21 fee comprised (i) FY21 advisory fee of R91 million (R100 million contracted amount for the year, offset by voluntary reductions by EPE); and (ii) short term incentive award of R23 million, based on the Board's annual, pre-determined key performance indicators set for EPE in terms of executing on Brait's stated strategy.*

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

Audited year ended 31 March 2021 R'm	Unaudited six months 30 Sept 2020 R'm	Unaudited six months 30 Sept 2021 R'm		Unaudited six months 30 Sept 2021 £'m	Unaudited six months 30 Sept 2020 £'m	Audited year ended 31 March 2021 £'m
			14. CONTINGENT LIABILITIES AND COMMITMENTS			
			14.1 Commitments			
3 844	4 181	**3 729**	**Convertible bond commitments**	**184**	194	**189**
198	210	**197**	– Coupon payments due within one year [1]	**10**	10	**10**
595	736	**494**	– Coupon payments due between one and five years [1]	**24**	34	**29**
3 051	3 235	**3 038**	– Principal settlement due within five years	**150**	150	**150**
			[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 Convertible 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.*			
9	12	**–**	**Private equity funding commitments**	**–**	–	**–**
3 853	4 193	**3 729**	**Total commitments**	**184**	194	**189**

Audited year ended 31 March 2021 R'm	Unaudited six months 30 Sept 2020 R'm	Unaudited six months 30 Sept 2021 R'm		Unaudited six months 30 Sept 2021 £'m	Unaudited six months 30 Sept 2020 £'m	Audited year ended 31 March 2021 £'m

14. CONTINGENT LIABILITIES AND COMMITMENTS CONTINUED

14.2 Contingent liabilities

Long Term Incentive Plan ("LTIP")

At the Extraordinary General Meeting held on 30 October 2020, Shareholders approved the LTIP for EPE (as Advisor to Brait) and its employees working on the Brait portfolio. The LTIP is principally a five year structure designed to align the interests of the Advisor with those of Shareholders in delivering on Brait's strategy of realising value from the portfolio over the medium term, whilst minimising dilution to Shareholders.

The LTIP will result in the Advisor receiving participation rights ("Participation Rights") to the realised proceeds distributed from the Brait portfolio only once cumulative distributions to Shareholders have exceeded the 31 March 2020 NAV of R8.27 per share (the "Hurdle Price"). The Participation Rights, which carry no voting rights, are based on a sliding scale from 5.0% to 0.5% depending on the quantum of cumulative proceeds distributed to Shareholders. The value accruing to the Advisor would be equal to the surplus between such distributions and the Hurdle Price and would be settled in cash.

Virgin Active South Africa ("VASA") shareholder facility

Brait is in the process of concluding the requisite legal agreements pursuant to its agreement to provide its pro-rata 80% share (R760m) of the total shareholder commitment of R950m to VASA as part of the restructuring and extension of the existing VASA debt facilities. Such amount will be reserved from the available undrawn BML RCF.

Audited year ended 31 March 2021 R'm	Unaudited six months 30 Sept 2020 R'm	Unaudited six months 30 Sept 2021 R'm		Unaudited six months 30 Sept 2021 £'m	Unaudited six months 30 Sept 2020 £'m	Audited year ended 31 March 2021 £'m
			14. CONTINGENT LIABILITIES AND COMMITMENTS CONTINUED			
			14.3 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. NON-ADJUSTING POST BALANCE SHEET EVENTS

As announced to the market on 16 November 2021:

- Pursuant to the Company's transfer of registered office from Malta to Mauritius, the SEM granted approval for the dual listing of the 2024 Convertible Bonds on the Official Market of the SEM with effect from 30 November 2021. The 2024 Convertible bonds continue to be listed and actively traded on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange.

As outlined in the market announcement released today:

- Brait has secured commitments of R2.7 billion for a capital raise of up to R3.0 billion, by way of renounceable Rights Offer to Shareholders, or their renouncees, to subscribe for exchangeable bonds to be listed on the JSE, which will be issued by the wholly owned subsidiary Brait Investment Holdings Limited (formerly Brait Malta Limited, "BIH"), and be exchangeable, at the election of the holder, into Brait PLC ordinary shares (the "2024 Exchangeable Bonds"). The net proceeds, after fees and costs, raised from the Rights Offer will be used to settle a material portion of the drawn balance outstanding on the BML RCF, thereby providing the Group (i) a cost-effective refinance, considering the fixed 5% coupon applicable to the 2024 Exchangeable Bonds relative to the BML RCF interest rate, which will result in estimated interest savings of c.R200 million for calendar year 2022, and (ii) an improved liquidity position.
- Final agreement has been reached with the lending banks to amend and extend the term of the BML RCF from 28 February 2023 to 30 June 2024. The current facility limit of R4.4 billion will reduce to R3 billion immediately post the Rights Offer and bear interest at a starting rate of JIBAR plus 4.0%. An agreed downward ratchet of the interest margin will apply as the Group degears. This facility continues to be secured on a senior basis by the assets of BML, with covenants remaining NAV based. The purpose of the facility remains for Brait's general corporate and working capital purposes as well as for permitted investment into the portfolio. The amendment and extension of the terms of the BML RCF will provide the requisite headroom to enable Brait to execute its monetisation strategy.
- The net proceeds raised from the Rights Offer will be used to repay up to R3.0 billion of the current R4.0 billion drawn balance outstanding on the BML RCF, whereafter the facility limit will reduce to R3.0 billion, resulting in an amount of up to R2.0 billion of undrawn facility. Taking consideration of the VASA shareholder facility of R760 million that Brait has agreed to provide (refer note 14.2), Brait's liquidity position (cash and available undrawn facility) post the Rights Offer will be an amount of up to c.R1.3 billion.
- The Board believes that the Rights Offer and use of the net proceeds raised to materially reduce the BML RCF, together with the BML RCF term extension to June 2024, provides Brait with a cost effective refinancing to manage its portfolio of investments and continue to execute its strategy in an optimal manner. The Board is therefore comfortable with the liquidity position of the Group, which ensures that the going-concern basis of accounting is appropriate.

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 2021.

FINANCIAL HIGHLIGHTS

- Secured commitments of R2.7 billion for a capital raise of up to R3.0 billion, by way of Rights Offer to Shareholders to subscribe for exchangeable bonds to be listed on the JSE, which will be issued by wholly owned subsidiary Brait Investment Holdings Limited ("BIH") and exchangeable into Brait PLC ordinary shares ("the Rights Offer").
- Net proceeds from the Rights Offer will be used as a cost-effective refinance for a material portion of the existing bank debt revolving credit facility ("BML RCF"), improving the liquidity position of the Group.
- BML RCF amendment and term extension to 30 June 2024 with a facility limit, post Rights Offer, of R3.0 billion provides runway to execute on Brait's stated strategy.
- NAV per share of R8.14, a 3.0% increase on FY21's R7.90:
  - o Premier's strong operational and financial performance has continued (1H22 EBITDA up 20% year-on-year, driven by volume increases and price inflation);
  - o Virgin Active continues to recover from the effects of Coronavirus-induced lockdowns with all clubs now open and operational;
  - o New Look's strategy has resulted in a significant turnaround in profitability.
- Available cash and facilities:
  - o R0.5 billion at reporting date;
  - o Up to R1.3 billion post Rights Offer

RIGHTS OFFER

Shareholders are referred to the announcement published today on the website of the Luxembourg Stock Exchange ("LuxSE") and released on the Stock Exchange News Service ("SENS") of the JSE for details of the Rights Offer.

The Board, together with its contracted investment advisor, Ethos Private Equity ("EPE" or the "Advisor"), remain committed to implementing Brait's stated strategy which is focused on maximising value through the realisation of Brait's existing portfolio of investments over the medium term and returning capital to Shareholders.

A number of achievements have been delivered since March 2020 including:

- The disposals of Iceland Foods and DGB resulting in a R2.8 billion reduction in Brait debt;
- Strong performance by Premier driven by sales volume and operational efficiencies; integration of the Mister Sweet acquisition completed;

Review of operations (continued)

- Restructuring Plan implemented for the Virgin Active UK business (which indirectly benefits the Italian and Asia Pacific businesses) and Company Voluntary Agreement ("CVA") concluded for New Look to recalibrate the operating bases of both businesses;
- Debt restructure and covenant relief, together with shareholder support agreed for Virgin Active South Africa ("VASA");
- Strong recovery in Consol's performance (included in Other Investments portfolio);
- Reconstituted the Brait Board and achieved a reduction of more than R500m in Brait's operating costs.

The Coronavirus related underperformance of Virgin Active has required significant shareholder capital contributions. Brait has funded its 80% share of these contributions utilising the BML RCF, resulting in a drawn balance of R4.0 billion and available cash and liquidity of R0.5 billion as at the reporting date.

This has necessitated a comprehensive funding solution for Brait to optimise its exit programme, whilst maximising optionality for Shareholders. To this extent, Brait has:

- Secured irrevocable undertakings and underwriting commitments of R2.7 billion for a capital raise of up to R3.0 billion, by way of renounceable Rights Offer to Shareholders, or their renouncees, to subscribe for exchangeable bonds to be listed on the JSE, which will be issued by the wholly owned subsidiary BIH (formerly Brait Malta Limited), and be exchangeable, at the election of the holder, into Brait PLC ordinary shares (the "2024 Exchangeable Bonds"). The net proceeds, after fees and costs, raised from the Rights Offer will be used to settle a material portion of the drawn balance outstanding on the BML RCF, thereby providing the Group (i) a cost-effective refinance, considering the fixed 5% coupon applicable to the 2024 Exchangeable Bonds relative to the BML RCF interest rate, which will result in estimated interest savings of c.R200 million for calendar year 2022, and (ii) an improved liquidity position for Brait. The Company has secured irrevocable undertakings from Shareholders in excess of the majority required to pass such resolution.
- Final agreement has been reached with the lending banks to amend and extend the term of the BML RCF from 28 February 2023 to 30 June 2024. The current facility limit of R4.4 billion will reduce to R3.0 billion immediately post the Rights Offer and bear interest at a starting rate of JIBAR plus 4.0%. An agreed downward ratchet of the interest margin will apply as the Group degears. This facility continues to be secured on a senior basis by the assets of BML, with covenants remaining NAV based. The purpose of the facility remains for Brait's general corporate and working capital purposes as well as for permitted investment into the portfolio. The amendment and extension of the terms of the BML RCF will provide the requisite headroom to enable Brait to execute its monetisation strategy.

Shareholders are referred to the announcement published today on the website of the LuxSE and released on the JSE SENS, for details of the 2024 Exchangeable Bonds. The salient terms of the 2024 Exchangeable Bonds are as follows:

- Up to R3.0 billion capital to be raised from the issue of up to 3 million 2024 Exchangeable Bonds at their par value of R1,000 each;
- Fixed 5% coupon payable in cash semi-annually in arrears;

- Exchangeable into a fixed number of Brait PLC ordinary shares at the holder's election at the earlier of their term of 3 December 2024, or on full settlement of the 2024 Convertible Bonds (the "Exchange Shares");
- Initial exchange price set at R4.37;
- Listed on the JSE and in due course to be listed on the Stock Exchange of Mauritius ("SEM");
- Structurally senior to Brait's existing GBP150 million Convertible Bonds due December 2024 ("2024 Convertible Bonds"), but subordinated versus the existing BML RCF;
- At maturity, the Company may elect to redeem the par value of the 2024 Exchangeable Bonds through a combination of the Exchange Shares, at their prevailing market value, and cash;
- Standard terms and conditions for an instrument of this nature.

The Board believes that the Rights Offer and use of the net proceeds raised to materially reduce the BML RCF, together with the BML RCF term extension to June 2024, provides Brait with a cost effective refinancing to manage its portfolio of investments and continue to execute its strategy in an optimal manner.

Overview of the fully committed and underwritten capital raise of up to R3.0 billion

Brait has obtained irrevocable undertakings and/or underwriting commitments from Shareholders and investors for R2.7 billion of the Rights Offer of up to R3.0 billion.

- Irrevocable commitments of R1,769 million from shareholders to follow their rights pursuant to the Rights Offer, comprising R1,217 million from a combination of strategic shareholders Titan (R847 million, represented by Dr Christo Wiese and his related entities) and Ethos Direct Investments GP Proprietary Limited and Ethos Fund VII GP (SA) Proprietary Limited (collectively "Ethos", R370 million); as well as R552 million from other major institutional shareholders.
- In addition, Rand Merchant Bank, a division of FirstRand Bank Limited ("RMB"), Titan and EPE (the "Underwriters") have entered into an underwriting agreement with Brait and BIH to underwrite the 2024 Exchangeable Bonds not taken up in terms of the Rights Offer up to a collective maximum underwriting commitments of R941 million. This underwrite is conditional upon receiving the JSE's formal approval of the Listing and the publication of the Finalisation Announcement of the Rights Offer on SENS on Thursday, 25 November 2021.

The approval of a simple majority of voting rights attached to the shares represented and entitled to vote at the EGM will be required to pass the ordinary resolution pursuant to the Rights Offer. Brait has secured irrevocable undertakings from Shareholders in excess of the majority required to pass such resolution.

Review of operations (continued)

UPDATE ON GOVERNANCE MATTERS

- Completion of Redomiciliation on 13 September 2021:
  - o As guided in Brait's FY21 results announcement, and pursuant to the Shareholder approvals from the Extraordinary General Meeting held in Malta on 30 October 2020, Brait's transfer of registered office from Malta to Mauritius, where the Company's main investment subsidiary (Brait Mauritius Limited, "BML") is domiciled (the "Redomiciliation"), concluded on 13 September 2021. The Company's new registration number is 183309 GBC. The Company was awarded its Global Business License under Section 72(6) of the Mauritian Financial Services Act on 19 October 2021.
- Dual listing of the 2024 Convertible Bonds on the SEM:
  - o As announced on 16 November 2021 by the Company on the website of the LuxSE, SENS and SEM, pursuant to the Redomiciliation, the SEM granted approval on 16 November 2021 for the dual listing on the Official Market of the SEM for the 2024 Convertible Bonds, with effect from 30 November 2021. The 2024 Convertible bonds continue to be listed and actively traded on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange.

REPORTED NAV PER SHARE

Following the Redomiciliation, the current period financial statements are prepared using both the Rand (R/ZAR) and Pound Sterling (£/GBP) as its presentation currencies (previously the Rand and Euro (€/EUR)).

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, at reporting date Brait has continued to value its investment portfolio on a pre-IFRS16 basis, adjusting maintainable EBITDA and third party debt for the impact of IFRS16 as appropriate to ensure consistency. The composition of the respective peer groups is unchanged.

- Premier is valued using an unchanged spot multiple of 8.0x, which represents a 9% discount to the peer average spot multiple of 8.8x.
- Virgin Active, where maintainable earnings are based on a post Coronavirus sustainable level, is valued using an unchanged two-year forward multiple of 9.0x, which represents a 21% discount to the 11.4x peer average two-year forward multiple.
- New Look is valued using a spot multiple of 5x, which represents a 60% discount to the 12.6x peer average spot multiple.

Review of operations (continued)

The NAV breakdown at reporting date is as follows:

Unaudited 30 Sep 2020 R'm	Audited 31 Mar 2021 R'm	Unaudited 30 Sep 2021 R'm		%	Unaudited 30 Sep 2021 £'m	Audited 31 Mar 2021 £'m	Unaudited 30 Sep 2020 £'m
15 675	**16 450**	**17 445**	**Investments**	99	**861**	**809**	727
6 989	**7 597**	**8 360**	Premier	48	**413**	**373**	324
7 853	**7 970**	**7 970**	Virgin Active	45	**393**	**392**	364
556	**545**	**732**	New Look	4	**36**	**27**	26
277	**338**	**383**	Other investments	2	**19**	**17**	13
316	**266**	**121**	**Current assets**	1	**6**	**13**	14
202	**213**	**60**	Cash and cash equivalents		**3**	**10**	9
114	**53**	**61**	Accounts receivable		**3**	**3**	5
15 991	**16 716**	**17 566**	**Total assets**	100	**867**	**822**	741
5 577	**6 166**	**6 743**	**Non-current liabilities**		**333**	**303**	258
2 698	**3 417**	**3 970**	Borrowings (BML RCF)		**196**	**168**	125
2 879	**2 749**	**2 773**	Convertible Bonds (6.5% due 2024)		**137**	**135**	133
237	**118**	**73**	**Current liabilities**		**4**	**6**	11
237	**118**	**73**	Accounts payable		**4**	**6**	11
10 177	**10 432**	**10 750**	**NAV**		**530**	**513**	472
1,319.99	**1,319.99**	**1,319.99**	**Net issued ordinary shares ('mil)**		**1,319.99**	**1 319.99**	1,319.99
771	**790**	**814**	**NAV per share (cents/pence)**		**40**	**39**	36

Review of operations (continued)

HIGHLIGHTS FOR THE GROUP'S INVESTMENT PORTFOLIO

Premier (48% of Brait's total assets)

- A leading South African FMCG manufacturer, offering branded and private label solutions, Premier delivered a strong H1FY22 performance in a challenging environment due to disruption from Coronavirus and civil unrest (South Africa and Eswatini), as well as cost pressures.
- For the six months ended 30 September 2021, compared to H1 FY21 (quoted on a pre-IFRS16 basis):
  - Revenue: +12%
  - EBITDA: +20%
  - EBITDA margin: 10.3% (H1FY21: 9.7%)
  - Return on invested capital: 13.8% (FY21: 12.2%)
  - Free cash flow conversion (post maintenance capital expenditure): 62% of EBITDA (H1FY21: 89%)
  - Net third party debt leverage ratio of 1.8x (FY21: 1.6x)
- Premier has completed the integration of its R419 million bolt-on acquisition of the Mister Sweet confectionary business and is on track to deliver the merger synergies identified. The results of Mister Sweet have been included in the H1FY22 results for the 4 months since 1 June 2021.
- Subject to market conditions, an IPO is targeted for Premier potentially in calendar year 2022.
- Divisional highlights for the six months ended 30 September 2021:
  - Premier's MillBake business (81% of group revenue) has continued its strong momentum resulting in revenue growth of 8% (driven by volume, price and a favourable mix) and EBITDA increasing by 20%. The EBITDA margin (pre head office costs) increased to 14.1% (H1FY21: 12.8%):
    - Baking: Price increases were passed through to offset cost pressure from wheat and oil prices (which impact oven fuel and distribution costs). The civil unrest in SA in July cost Premier c.R6.5m which is expected to be recovered from SASRIA insurance. Eswatini also experienced civil unrest in June.
    - Milling: This division managed to outperform the lockdown induced grocery buying of 2020. There was an improvement in gross profit as the market afforded better margins on wheat, however not on maize. Distribution costs increased on the back of significant increases in fuel costs.
  - Premier's Groceries and International division (19% of group revenue) increased revenue by 28%, with EBITDA growth of 4%. EBITDA margin, pre head office costs is 8.7% (H1FY21: 10.2%):
    - CIM (Premier's Mozambican business) had a good performance in H1FY22, increasing sales volumes on the prior period. The main EBITDA contributors were Animal Feeds, Wheat flour and Biscuits. Improved trading across the business is expected in the peak third quarter season.
    - The Lil-lets South African business traded well in H1FY22, growing overall sales volumes. However, the more competitive pricing approach since October 2020 has resulted in reduced margins. A pads line has been commissioned following the impact of lock down restrictions on support from the original equipment manufacturer and performance is improving. While the UK business has seen some margin uplift, volumes have declined from the prior period where consumers stocked up ahead of the lock down.
    - Confectionery and Beverages volumes were significantly up on the prior year, on the back of the Mister Sweet acquisition for Confectionery and volume growth coming off a very low base in the prior year for Beverages (lock down induced distressed trading).

Review of operations (continued)

- Capital expenditure for the group of R262 million (H1FY21: R213 million) remains in line with guidance at 4% of revenue and includes expenditure on the inland bakery project, which is expected to drive additional operational benefits from April 2022.
- Premier repaid Brait R11 million of shareholder loans during the current six month period (FY21: R237 million), with a further R70 million repaid during October 2021, increasing Brait's share of proceeds received to date to R1,813 million.
- Valuation as at 30 September 2021 (performed on a pre-IFRS16 basis):
  - o Maintainable EBITDA of R1,249 million is based on Premier's Last Twelve Months ("LTM") EBITDA to 30 September 2021, adjusted to exclude EBITDA from the Mister Sweet acquisition, and represents an 8% increase on the R1,152 million achieved in Premier's financial year ended 31 March 2021.
  - o The valuation multiple has been maintained at 8.0x, which represents a 9% discount to the peer average spot multiple of 8.8x (FY21: 9.6x).
  - o Net debt of R1,465 million (FY21: R1,489 million) is based on Premier's reported net third party debt of R2,340 million (FY21: R1,891 million), adjusted to exclude R457 million (FY21: R402 million) mostly in respect of capital expenditure on new projects not yet generating EBITDA, with the balance of the normalisation adjustment relating to the Mister Sweet acquisition.
  - o Brait's shareholding in Premier is unchanged at 98.5%. Brait's equity value participation is 96.9% (FY21: 97.1%), due to the dilutionary impact of the management incentive scheme put in place in FY21. Shareholder funding participation remains unchanged at 100%.
  - o Premier's unrealised carrying value at the reporting date is R8,360 million, reflecting a 10% increase for the current six month reporting period (FY21: R7,597 million) and comprising 48% of Brait's total assets (FY21: 45%).

Virgin Active (45% of Brait's total assets):

- One of the leading international health club operators, Virgin Active's results for the current nine-month reporting period have been significantly impacted by enforced closures and operational restrictions as a result of Coronavirus lockdowns. All territories have been operational since 30 October 2021.
- The restructuring of the Virgin Active UK business was completed in May 2021, providing a solid recovery and growth platform for the business. Whilst this restructuring plan principally concerns Virgin Active UK, there will be an indirect benefit to the Italian and Asia Pacific businesses.
- The management of VASA have largely completed the recommissioning of the IT platform that was significantly impacted by the ransomware attack in April 2021.
- Territory update:
  - o Southern Africa:
    - – Clubs reopened in late August 2020 but had to operate with significant capacity restrictions in line with Level 3 Coronavirus lockdown regulations.
    - – Sales growth picked up significantly after government announced the relaxation of Coronavirus restrictions during September 2021 to above 2019 levels.
    - – 5% of members remain on freeze, however terminations in September 2021 increased slightly as the company removed the "free-freeze" option on membership.
    - – Member engagement and usage has continued to improve.

- Italy:
  - Clubs reopened in May 2021, having been closed since October 2020, with certain restrictions (swimming pools, showers, saunas closed), proof of vaccination being required to enter and significant capacity restrictions.
  - Sales levels have continued to improve since reopening and sales in September and October 2021 following the European summer (a seasonal low for the Italian business) returned to close to 2019 levels.
  - Rental savings have been agreed with most landlords and other permanent cost savings.
- UK:
  - Clubs reopened in April 2021, having been closed since December 2020, with group exercise classes in operation since May 2021. Sales have been strong, on average 19% higher than 2019 in the period since re-opening, with much stronger performance seen in our provincial clubs, particularly those with outdoor space. Terminations have been slightly ahead of expectations as some members have come off freeze options and terminated their memberships. Since May 2021, total membership has increased 6%, with active membership having increased by 22%.
  - Strong sales growth and membership engagement in the provincial clubs and London residential clubs with workouts per member per week consistently above 2019 levels demonstrate that gyms continue to play a key role in health and wellness.
  - Inner city London gyms remain underutilised although there are early signs of improvement as people return to work in the City of London.
- Asia Pacific:
  - Australian clubs have been subject to repeated short lockdowns (circuit-breakers) throughout the past 18 months. All clubs were closed in August 2021. Sydney reopened on 11 October 2021 and clubs in Melbourne reopened on 30 October 2021. Pre-lockdown, membership engagement and usage levels in suburban clubs remained strong and is expected to continue. Clubs in the central business districts of both Sydney and Melbourne have remained subdued due to low office occupancy.
  - Pre the recent lockdowns, Thailand and Singapore showed resilience and strong membership engagement. Thailand closed its gyms in April 2021, with only Chiang Mai remaining open. All clubs re-opened on 1 October 2021. Singapore closed its gyms from May 2021 to June 2021 but after a period of trading, closed again in July 2021 before reopening in August 2021. Sales and terminations since re-opening have been in line with expectations.

- Valuation as at 30 September 2021 (performed on a pre-IFRS16 basis):
  - A sustainable post Coronavirus level of EBITDA of GBP105.4 million, unchanged from that used for FY21, is applied as Maintainable EBITDA. This represents a 26% reduction to the GBP142 million actual EBITDA achieved by Virgin Active for its financial year ended 31 December 2019.
  - The valuation multiple has been maintained at 9.0x, which represents a 21% discount to the peer average two-year forward multiple of 11.4x.
  - Net debt of GBP422.0 million per the August 2021 management accounts has been increased by GBP33.5 million to GBP455.5 million. The normalisation adjustment applied takes consideration of the estimated effect of working capital and cost deferred during the lockdowns (March-21 net debt of GBP455 million used, which included a GBP58 million normalisation adjustment).
  - Brait's participation in the carrying value of shareholder funding increased to 79.8% (March-21: 79.4%) as a result of the exercise of put agreements during the period with certain members of Virgin Active's management team.
  - Brait's resulting unrealised carrying value for its investment in Virgin Active at reporting date is R7,970 million, unchanged from that used for FY21 and comprising 45% of Brait's total assets (FY21: 48%).

Review of operations (continued)

New Look (4% of Brait's total assets):

- New Look is a UK based multichannel fashion brand, operating in the value segment of the clothing, footwear and accessories market.
- New Look completed the CVA process and the recapitalisation which have provided the requisite funding and operational flexibility to execute on its strategy:
  - o EBITDA for H1FY22 of GBP26 million (H1FY21: loss of GBP26 million) and improved liquidity demonstrate that the strategy is taking hold, despite sourcing disruptions and freight price increases.
  - o Improvement in conversion rates and reduced markdown activity underlines a strong product performance. Based on Kantar Worldpanel published data, New Look is No.1 for womenswear among 18-44s in the UK (by value) for the 12 weeks to September 2021.
- Valuation as at 30 September 2021 (performed on a pre-IFRS16 basis):
  - o Maintainable EBITDA of GBP55 million is based on its annualised H1FY22 EBITDA of GBP26 million. The spot multiple of 5.0x used represents a discount of 60% to the peer average spot multiple of 12.6x. Net debt of GBP71 million is normalised to include GBP8 million (FY21:GBP47 million) to take consideration of certain deferred costs during the lockdown periods and £32m for seasonality related working capital.
  - o Brait continues to hold 18.3% of the New Look shareholder loans/PIK facility and equity (17.4% equity participation post dilution for management's incentive plan).
  - o Brait's resulting unrealised carrying value for its investment in New Look at reporting date is R732 million (FY21: R545 million) and comprises 4% of Brait's total assets (FY21: 3%).

Other Investments (2% of Brait's total assets):

- The carrying value relates to Brait's remaining private equity fund investments, mostly relating to Brait IV's investment in Consol, the largest manufacturer of glass packaging in Africa, which has delivered a strong performance.

GROUP LIQUIDITY POSITION

Reporting date

Brait's R4.4 billion committed revolving facility (BML RCF), with agreed reductions as Brait de-gears and a maturity date of 28 February 2023, is secured by the assets of BML. The BML RCF bears interest at JIBAR plus 4.0% repayable quarterly (with the margin decreasing as utilisation reduces), with a right to rollup these quarterly interest payments. The drawn balance at reporting date is R3.970 billion. Including the closing cash balance of R60 million, available liquidity at reporting date is R461 million.

Review of operations (continued)

Brait is in compliance with all covenants at reporting date:

- BML RCF covenants are NAV based.
- Per the terms of the 2024 Convertible 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 convertible or exchangeable bonds, with Tangible NAV referenced to Brait's net asset value.

Post balance sheet date liquidity position

As discussed above, final agreement has been reached with the lending banks to amend the existing BML RCF and extend the term to 30 June 2024. The net proceeds, after fees and costs, raised from the Rights Offer will be used to repay up to R3.0 billion of the current R4.0 billion drawn balance outstanding on the BML RCF, whereafter the facility limit will reduce to R3.0 billion, resulting in an amount of up to R2.0 billion of undrawn facility.

Brait has agreed to provide its pro-rata 80% share (R760 million) of a total R950 million commitment to VASA as part of the restructuring and extension of the existing VASA debt facilities. Such amount will be reserved from the undrawn facility balance on the BML RCF, resulting in Brait's liquidity position (cash and available undrawn facility) post the Rights Offer of up to c.R1.3 billion.

DIVIDEND POLICY

Brait's ability to return capital to Shareholders pursuant to its stated 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.

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 Convertible 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 Convertible Bonds to tender for repurchase an aggregate principal amount of the 2024 Convertible Bonds for an amount equal to such proposed special dividend at a price per 2024 Convertible Bond equal to its principal amount together with accrued interest. Prior to the offer to the holders of the 2024 Convertible Bonds, Brait will have to make an offer to the holders of the 2024 Exchangeable Bonds to redeem the 2024 Exchangeable Bonds.

ORDINARY SHARE CAPITAL

Total issued ordinary share capital at 30 September 2021 is 1,319,992,804 shares of EUR0.22 each (FY21: 1,319,992,804). Pursuant to the Rights Offer, Shareholders will be requested at the EGM to be held on 22 December 2021, to approve the redesignation of the ordinary shares of par value of EUR0.22 each in the capital of the Company, into ordinary shares of no par value, each having the rights as set out in the Constitution of the Company (as amended from time to time).

GROUP OUTLOOK

The Board believes that the Rights Offer and use of the net proceeds raised to materially reduce the BML RCF, together with the BML RCF term extension to June 2024, will provide sufficient flexibility to execute in an optimal manner, with the assistance of the Advisor, the stated strategy focused on maximising value through the realisation of assets in the portfolio over the medium term and returning capital to Shareholders.

Brait's primary listing (ordinary shares) is on the Euro MTF market of the LuxSE and its secondary listing is on the exchange operated by the JSE Limited.

For and on behalf of the Board

RA Nelson
Non-Executive Chairman

23 November 2021

Directors (all non-executive)
RA Nelson (Chairman)#, MP Dabrowski**#, JM Grant#, Y Jekwa*, PG Joubert**, PJ Roelofse*, HRW Troskie^, Dr CH Wiese*

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

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Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)