# AUDITED RESULTS ANNOUNCEMENT

for the year ended 31 March 2022

# Summary consolidated statement of financial position as at 31 March

| | Notes | **Audited 31 March 2022 R'm** | Audited 31 March 2021 R'm |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | **13 795** | 16 450 |
| Investments | 3 | **13 795** | 16 450 |
| **Current assets** | | **2** | 266 |
| Accounts receivable | | **–** | 53 |
| Cash and cash equivalents | 4 | **2** | 213 |
| **Total assets** | | **13 797** | 16 716 |
| **EQUITY AND LIABILITIES** | | | |
| **Ordinary shareholders equity and reserves** | 2 | **11 053** | 10 432 |
| **Non-current liabilities** | | **2 667** | 6 166 |
| 2024 Convertible Bonds | 6 | **2 667** | 2 749 |
| Borrowings | 7 | **–** | 3 417 |
| **Current liabilities** | | **77** | 118 |
| Accounts payable and other liabilities | 8 | **77** | 118 |
| **Total equity and liabilities** | | **13 797** | 16 716 |

## Summary consolidated statement of comprehensive income for the year ended 31 March

| | Notes | **Audited 31 March 2022 R'm** | Audited 31 March 2021 R'm |
|---|---|---|---|
| Investment valuation gain | 9 | **961** | 1 280 |
| Finance income | 10 | **112** | 260 |
| Other investment income | | **12** | 14 |
| Foreign exchange loss | | **(6)** | (304) |
| Operating expenses | 11 | **(86)** | (160) |
| Other expenses | | **(2)** | (3) |
| Finance costs | 12 | **(414)** | (617) |
| Taxation | | **–** | (24) |
| **Profit for the year** | | **577** | 446 |
| **Other comprehensive loss** | | | |
| *Item that may be subsequently reclassified to profit or loss* | | | |
| Translation adjustments | | **(631)** | (924) |
| **Total comprehensive loss for the year** | | **(54)** | (478) |
| Earnings per share (cents) – basic and diluted | 13 | **44** | 34 |

# Summary consolidated statement of changes in equity for the year ended 31 March

| | Audited 31 March 2022 R'm | Audited 31 March 2021 R'm |
|---|---|---|
| **Ordinary shareholders balance at 31 March 2021** | **10 432** | 10 910 |
| Profit for the year | **577** | 446 |
| Translation adjustment | **(631)** | (924) |
| BIH Exchangeable Bonds due 2024 | **675** | – |
| **Ordinary shareholders balance at 31 March 2022** | **11 053** | 10 432 |

## Summary consolidated statement of cash flows for the year ended 31 March

| | Notes | Audited 31 March 2022 R'm | Audited 31 March 2021 R'm |
|---|---|---|---|
| **Cash flows from operating activities:** | | | |
| Investment proceeds received | 14 | **234** | 3 012 |
| Other investment income received | | **–** | 5 |
| Interest income received on cash balances | | **–** | 7 |
| Operating expenses paid | | **(114)** | (152) |
| Other expenses paid | | **(3)** | (3) |
| Taxation paid | | **(1)** | (24) |
| **Operating cash flow before purchase of investments** | | **116** | 2 845 |
| Investment related cash flows | 15 | **(509)** | (955) |
| **Net cash (used in)/generated in operating activities** | | **(393)** | 1 890 |
| Borrowing Facility: drawdowns | 7 | **549** | 1 334 |
| Borrowing Facility: repayments | 7 | **(140)** | (2 660) |
| Borrowing Facility: raising and commitment fee payments | | **–** | (74) |
| Borrowing Facility: interest payments | | **(5)** | (159) |
| 2020 and 2024 Convertible Bonds: coupon payments | | **(200)** | (248) |
| 2020 Bonds: repurchases | | **–** | (796) |
| 2020 Bonds: redemption | | **–** | (2 877) |
| **Net cash generated/(used in) from financing activities** | | **204** | (5 480) |
| **Net decrease in cash and cash equivalents** | | **(189)** | (3 590) |
| Effects of exchange rate changes on cash and cash equivalents | | **(22)** | (84) |
| Cash and cash equivalents at beginning of year | | **213** | 3 887 |
| **Cash and cash equivalents at end of year** | 4 | **2** | 213 |

# Notes to the summary consolidated financial statements for the year ended 31 March

## 1. ACCOUNTING POLICIES

### 1.1 Basis for preparation

The financial statements 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 accounting policies and methods of computation are consistent with those applied in the consolidated financial statements for the year ended 31 March 2021, except for the changes to Brait Investment Holdings Limited's ("BIH", formerly Brait Malta Limited) Investment Entity status and presentation currencies as explained below.

The Group's subsidiaries have one of three functional currencies: Pound Sterling (£/GBP), SA Rand (R/ZAR) or US Dollar (US$/USD). Following the transfer of the Company's registered office from Malta to Mauritius (the "Redomiciliation"), the current year's financial statements are prepared using the SA Rand (R/ZAR) as its presentation currency (previously the SA Rand (R/ZAR) and Euro (€/EUR)). In previous years, the Group was required, in terms of Malta country law, to have the Euro as a presentation currency.

The holding company, Brait PLC, and its main wholly owned subsidiaries, BIH and Brait Mauritius Limited ("BML"), use Pound Sterling as their functional currency. The financial statements have been prepared using the following exchange rates:

| | **2022** | | 2021 | |
|---|---|---|---|---|
| | **Closing** | **Average** | Closing | Average |
| GBP/ZAR | **19.2329** | **20.2802** | 20.3422 | 21.3393 |
| USD/ZAR | **14.6312** | **14.8506** | 14.7660 | 16.3574 |

# Notes to the summary consolidated financial statements for the year ended 31 March

## 1. ACCOUNTING POLICIES CONTINUED

### 1.2 Change in Investment Entity status of BIH

Historically, BIH's main activities were deemed to support the investment activities of the Company and therefore, the criteria to be classified as an "investment entity" under IFRS 10 were not satisfied. As such, BIH was historically consolidated within the Group and the Group's results were prepared on a "look-through" consolidation basis until 30 September 2021.

Following its redomiciliation from Malta to Mauritius in September 2021, a number of significant changes were effected in BIH, which included, amongst others:

- BIH's conversion to a public company; and
- The Company's fully committed and underwritten R3 billion capital raise through the Exchangeable Bonds issued by BIH (the "BIH Exchangeable Bonds"). The BIH Exchangeable Bonds were listed on the Main Board of the JSE and on the Official Market of the SEM, with effect from 14 December 2021 and 11 May 2022, respectively.

Based on the above, BIH was reclassified as an investment entity under IFRS10, resulting in the Group's exemption from consolidation with effect from 1 October 2021. BIH has since been measured at Fair Value Through Profit and Loss (FVTPL) as opposed to the "look-through" consolidation method applied in the previous financial years. According to IFRS, the change in BIH's Investment entity status is applied prospectively, with no requirement to restate comparatives. The change has no impact on the Group's key reporting metric, NAV per share.

| | Notes | **2022 R'm** | 2021 R'm |
|---|---|---|---|
| **2. NET ASSET VALUE PER SHARE** | | | |
| Ordinary shareholders equity and reserves | | **11 053** | 10 432 |
| Ordinary shares in issue (m) | 5 | **1 320.3** | 1 320.0 |
| **Net asset value per share (cents)** | | **837** | 790 |

## 3. INVESTMENTS

The Group designates the majority of its financial asset investments as 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. Where applicable, listed investments are held at closing share prices at period end.

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.

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.

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 the estimated effect of working capital and cost deferrals, where applicable.

# Notes to the summary consolidated financial statements for the year ended 31 March

## 3. INVESTMENTS CONTINUED

| Valuation metrics (note 1) | 31 March 2022 EBITDA | 31 March 2022 Multiple | 31 March 2022 3rd Party Net Debt | 31 March 2021 EBITDA | 31 March 2021 Multiple | 31 March 2021 3rd Party Net Debt |
|---|---|---|---|---|---|---|
| Premier (R'm) (note 2) | **1 505.0** | **7.6x** | **2 008.0** | 1 152.0 | 8.0x | 1 489.0 |
| Virgin Active (£'m) (note 3) | **110.1** | **9.0x** | **380.4** | 105.4 | 9.0x | 455.0 |
| New Look (£'m) (note 4) | **55.0** | **5.0x** | **78.5** | 59.0 | 4.0x | 86.0 |
| Other Investments | | **Varied** | | | Varied | |

**Note 1** Brait's portfolio companies publish their respective audited financial results in accordance with IFRS 16: Leases. Other than Premier whose FY22 metrics are on a post IFRS16 basis (FY21: pre-IFRS16), Brait has valued its investment portfolio on a pre-IFRS16 basis, adjusting financial data for the impact of IFRS16, as appropriate to ensure consistency.

**Note 2** FY22 Maintainable EBITDA of R1,505 million is based on Premier's Last Twelve Months ("LTM") Adjusted EBITDA. The primary reference measure considered at reporting date is the peer group average spot multiple of 7.7x. FY22 Net third party debt is adjusted to exclude R371 million mostly in respect of capital expenditure on the recently commissioned Pretoria mill and bakery.

**Note 3** Maintainable EBITDA based on look-through to a 2-year forward estimate sustainable level of GBP110.1 million, which represents a 23% reduction to the GBP142 million actual EBITDA achieved in its pre-Covid affected financial year ended 31 December 2019. The valuation multiple has been maintained at 9.0x, which represents a 10% discount to the peer average two-year forward multiple of 10.0x. Net third party debt has been increased by GBP27.2 million for the estimated effect of working capital and costs deferred during the lockdowns.

**Note 4** Maintainable EBITDA is based on a look-through to a 1-year forward sustainable level of GBP55.0 million. This represents a 30% discount to the GBP78.6 million actual pre-IFRS16 EBITDA achieved by New Look for its 39 weeks ended 28 December 2019, as reported in its last Q3FY20 investor presentation to bond holders. The 1-year forward multiple applied of 5.0x represents a 25% discount to the peer average forward multiple of 6.7x. Net third party debt of GBP78.5 million includes an estimated GBP30.1 million normalisation adjustment, to take consideration of certain deferred costs during the lockdown periods.

| | Notes | 2022 R'm | 2021 R'm |
|---|---|---|---|
| **3. INVESTMENTS** CONTINUED | | | |
| The issuance of the BIH Exchangeable Bonds resulted in BIH's classification changing to that of an Investment Entity, and consequent exemption from consolidation for the Group with effect from 1 October 2021. Amounts relating to Group companies, being the Borrowings (BML RCF), the BIH Exchangeable Bonds as well as subsidiary net working capital, that were historically consolidated on a "look-through" basis and presented on the face of the statement of financial position now form part of Investments. According to IFRS, the change in BIH's Investment entity status is applied prospectively, with no requirement to restate comparatives. | | | |
| BIH Investment in Brait Mauritius Limited ("BML") | | **16 213** | 16 450 |
| Premier | | **9 266** | 7 597 |
| Virgin Active | | **8 282** | 7 970 |
| New Look | | **672** | 545 |
| Other investments | | **437** | 338 |
| BML net working capital | | **34** | – |
| Borrowings (BML RCF) | 3.1 | **(2 478)** | – |
| BIH net working capital | | **(42)** | – |
| BIH Exchangeable Bonds due 2024 | 3.2 | **(2 376)** | – |
| **Investments** | | **13 795** | 16 450 |

## 3. INVESTMENTS CONTINUED

### Fair value hierarchy

IFRS 13 provides a hierarchy that classifies inputs employed 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 year or prior year. Level 3 investments are valued at the fair value of the underlying assets and liabilities (FY21: maintainable earnings multiples method).

| Investments designated as fair value through profit or loss[1] | Investment Level 3 R'm | Total R'm |
|---|---|---|
| **2022** | | |
| Investment in BIH | **13 795** | **13 795** |
| **Investments at fair value** | **13 795** | **13 795** |
| **2021** | | |
| Premier[2] | 4 385 | 4 385 |
| Virgin Active | 7 970 | 7 970 |
| New Look | 545 | 545 |
| Other investments | 338 | 338 |
| **Investments at fair value** | 13 238 | 13 238 |

[1] *Following BIH's classification as an Investment Entity and consequent exemption from consolidation for the Group with effect from 1 October 2021, amounts relating to group companies that were historically consolidated are now presented within Investments.*

[2] *Excludes shareholder funding amounting to R3,212 million.*

## 3. INVESTMENTS CONTINUED

### 3.1 Borrowings (BML RCF)

The issuance of the BIH Exchangeable Bonds resulted in BIH's classification changing to that of an Investment Entity, and consequent exemption from consolidation for the Group with effect from 1 October 2021. Borrowings (BML RCF) that were historically consolidated are now presented within Investments.

| | 2022 R'm | 2021 R'm |
|---|---|---|
| Transfer from borrowings (refer note 7) | **3 970** | |
| Interest accrual | **103** | |
| Foreign currency translation | **–** | |
| Net repayments of borrowings | **(1 494)** | |
| Drawdowns | **1 448** | |
| Capital repayments[1] | **(2 942)** | |
| Interest repayments | **(101)** | |
| Closing balance | **2 478** | |

Post the December 2021 Capital Raise, Brait's committed revolving credit facility, secured by the assets of BML (the BML RCF), was amended to have a facility limit of R3 billion, with agreed reductions as Brait de-gears, and term extension to 30 June 2024. 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.

[1] *Includes R2,934 million of net proceeds from the issuance of the BIH Exchangeable Bonds.*

## 3. INVESTMENTS CONTINUED

### 3.2 BIH Exchangeable Bonds (5% due 2024)

Brait concluded a R3 billion capital raise during December 2021 by way of renounceable Rights Offer to its shareholders (the "December 2021 Capital Raise"), or their renouncees, to subscribe for 5.00 per cent senior unsecured BIH Exchangeable Bonds due 3 December 2024 issued by BIH ("BIH Exchangeable Bonds"). 3 000 000 BIH Exchangeable Bonds with a denomination of ZAR1 000 each were listed on the Main Board of the JSE Limited on 14 December 2022 and carry a fixed coupon of 5.0% per annum payable semi-annually. The BIH Exchangeable Bonds are exchangeable into Brait 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 "BIH Exchange Shares"). The exchange price is R4.37 (representing a 5% discount to the 5-business day VWAP of a Brait ordinary share price prior to the announcement of the launch of the BIH Exchangeable Bonds). Using the exchange price of R4.37, holders as at 31 March 2022, are entitled to exchange their BIH Exchangeable Bonds to a maximum of 686.179 million ordinary shares (subject to rounding provisions).

At maturity, BIH may redeem the BIH Exchangeable Bonds at par (together with accrued and unpaid interest) or by delivery of the BIH Exchange Shares (at prevailing market value) and cash totalling the Principal amount in value.

Consequently, BIH has recognised a liability of R3.0 billion reduced by equity reserve of R0.7 billion at reporting date for its obligation to settle with the bondholders.

| | **2022 R'm** | 2021 R'm |
|---|---|---|
| **Reconciliation of the movements for the year:** | | |
| R3 billion BIH Exchangeable Bonds issued 22 December 2022 | **3 000** | |
| IFRS equity component allocated to BIH Exchangeable Bond reserve | **(675)** | |
| Increase of liability component in terms of IAS 32 over the three-year bond term | **52** | |
| 1 396 BIH Exchangeable Bonds exchanged into Brait ordinary shares | **(1)** | |
| Closing balance | **2 376** | |

# Notes to the summary consolidated financial statements for the year ended 31 March

| | 2022 R'm | 2021 R'm |
|---|---|---|
| **4. CASH AND CASH EQUIVALENTS[(1)]** | | |
| Balances with banks | **2** | 213 |
| – ZAR cash | **1** | 178 |
| – USD cash | **–** | 12 |
| – GBP cash | **1** | 23 |

[(1)] *Following BIH's classification as an Investment Entity, FY22 reported cash of R2 million relates to the Company. Cash held by subsidiaries, namely BML and BIH, amounting to R81 million (of which R75 million is held in ZAR) is presented within Investments (refer note 3).*

## 5. STATED CAPITAL

Pursuant to the Redomiciliation concluded during the year, share capital and premium have been converted into stated capital to comply with the Mauritian Companies Act. At 31 March 2022, the Company had 1 320 312 254 issued ordinary shares of no par value (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 22 December 2021, Shareholder approval was obtained for the allocation and potential issue from the exchange rights of the BIH Exchangeable Bonds. Following the exchange in February 2022, 686 179 405 ordinary shares may be issued in terms of its obligations to the holders of the BIH Exchangeable Bonds. Concurrently, Shareholder approval was also obtained for the re-designation of the ordinary shares of par value EUR0.22 each of the Company into ordinary shares of no par value.

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.

# Notes to the summary consolidated financial statements for the year ended 31 March

| | Number of shares in issue | R'm |
|---|---|---|
| **5. STATED CAPITAL** CONTINUED | | |
| **Issued ordinary share capital** | | |
| **31 March 2020** | 1 374 084 063 | 9 924 |
| Share capital | | 4 157 |
| Share premium | | 5 767 |
| Treasury shares cancelled | (54 091 259) | |
| **31 March 2021** | 1 319 992 804 | 9 924 |
| Share capital | | 3 927 |
| Share premium | | 5 997 |
| BIH Exchange shares issued[1] | 319 450 | – |
| **31 March 2022** | **1 320 312 254** | **9 924** |
| Stated capital[2] | | **9 924** |
| | **1 320 312 254** | |

*[1] Shares issued as a result of the exchange of 1 396 BIH Exchangeable Bonds into Brait ordinary shares (refer note 3.2).*

*[2] The Company's stated capital as at 31 March 2022 represents the aggregate of share capital and share premium.*

| | 2022 R'm | 2021 R'm |
|---|---|---|

## 6. 2024 CONVERTIBLE BOND (6.50% DUE 2024)

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. The adjusted conversion price at reporting date is £0.5219 per ordinary share, which takes into account Brait's 2020 rights offer and specific issue of shares, in accordance with the 2024 Convertible Bonds terms and conditions. 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) on exercise of bondholder conversion rights.

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 GBP139 million (FY21: GBP135 million). The carrying amount approximates the fair value.

Following the Redomiciliation, the dual listing of Brait's Convertible Bonds on the SEM completed on 30 November 2021.

| Reconciliation of the movements for the year: | 2022 R'm | 2021 R'm |
|---|---|---|
| Opening balance | **2 749** | 2 925 |
| Increase of liability component in terms of IAS 32 over the five-year bond term | **72** | 69 |
| Foreign currency translation reserve | **(154)** | (245) |
| Closing balance | **2 667** | 2 749 |

# Notes to the summary consolidated financial statements for the year ended 31 March

| | 2022 R'm | 2021 R'm |
|---|---|---|
| **7. BORROWINGS** | | |
| Opening balance | **3 417** | 4 602 |
| Interest accrual | **149** | 300 |
| Net drawdown of borrowings | **409** | (1 326) |
| Drawdowns | **549** | 1 334 |
| Capital repayments | **(140)** | (2 660) |
| Interest repayments | **(5)** | (159) |
| Transfer to Investments (note 3)[1] | **(3 970)** | – |
| Closing balance | **–** | 3 417 |
| Refer to note 3.1 for further details on the BML RCF. Due to the change in the investment entity status of BIH with effect from 1 October 2021, the BML RCF balance of R2,478 million as at 31 March 2022 is disclosed in note 3.1. | | |
| **8. ACCOUNTS PAYABLE AND OTHER LIABILITIES[1]** | | |
| Accounts payable at reporting date includes the £3.1 million coupon accrual on the 2024 Convertible Bonds | **77** | 118 |
| **9. INVESTMENT GAINS** | | |
| Investment gains[1] | **961** | 1 280 |

[1] *Following BIH's classification as an Investment Entity and consequent exemption from consolidation for the Group with effect from 1 October 2021, amounts relating to group companies that were historically consolidated are now presented within Investments (assets and liabilities) and Investment gains (Income and expenses).*

# Notes to the summary consolidated financial statements for the year ended 31 March

| | 2022 R'm | 2021 R'm |
|---|---|---|
| **10. FINANCE INCOME** | | |
| Premier shareholder funding (interest income) | **243** | 253 |
| Other interest income | **2** | 7 |
| Total finance income earned for the year | **245** | 260 |
| Post 1 October 2022 amounts recognised in investment gains (refer note 9)[1] | **(133)** | – |
| | **112** | 260 |
| **11. OPERATING EXPENSES** | | |
| Directors fees | **15** | 17 |
| Corporate advisory fees[2] | **121** | 114 |
| Insurance | **17** | 10 |
| Professional fees[3] | **5** | 5 |
| Travel and accommodation | **3** | – |
| Other operating expenses | **9** | 9 |
| External audit fees | **6** | 5 |
| Total operating expenses incurred for the year | **176** | 160 |
| Post 1 October 2022 amounts recognised in investment gains (refer note 9)[1] | **(90)** | – |
| | **86** | 160 |

*[1] Following BIH's classification as an Investment Entity and consequent exemption from consolidation for the Group with effect from 1 October 2021, amounts relating to group companies that were historically consolidated are now presented within Investment Gains.*

*[2] Ethos Private Equity Proprietary Limited ("EPE") was appointed as the contracted advisor to BML effective 1 March 2020. The fee comprises (i) advisory fee of R91 million, unchanged from FY21; and (ii) short term incentive award of R30 million (FY21: 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.*

*[3] Largely made up of legal fees, as well as comprising fees relating to internal audit, administration and fees paid/payable to external auditors in relation to non-audit services (such fees deemed immaterial to the Group).*

# Notes to the summary consolidated financial statements for the year ended 31 March

| | 2022 R'm | 2021 R'm |
|---|---|---|
| **12. FINANCE COST** | | |
| **BML RCF:** | | |
| – Interest expense | **248** | 289 |
| – Raising and commitment fees | **27** | 16 |
| **2024 Convertible Bonds:** | | |
| – Coupon | **198** | 243 |
| – Increase of liability component in terms of IAS 32 over the five-year bond term | **72** | 69 |
| **BIH Exchangeable Bonds:** | | |
| – Coupon | **42** | – |
| – Increase of liability component in terms of IAS 32 over the five-year bond term | **52** | – |
| – Issue cost | **66** | – |
| **Total finance costs incurred for the year** | **705** | 617 |
| Post 1 October 2022 amounts recognised in investment gains (refer note 9)[1] | **(291)** | – |
| | **414** | 617 |
| **13. HEADLINE EARNINGS RECONCILIATION** | | |
| Earnings and headline earnings | **577** | 446 |
| Weighted average ordinary shares in issue (m) – basic | **1 320** | 1 320 |
| Earnings and Headline earnings per share (cents) – basic and diluted[2] | **44** | 34 |

[1] *Following BIH's classification as an Investment Entity and consequent exemption from consolidation for the Group with effect from 1 October 2021, amounts relating to group companies that were historically consolidated are now presented within Investment Gains.*

[2] *Based on the reported NAV of R8.37 and at a BIH Exchange price of R4.37, the BIH Exchangeable Bonds would be dilutive if exchanged into the Company's ordinary shares. The £0.5219 conversion price of the 2024 Convertible Bonds is anti-dilutive, based on the reported NAV.*

# Notes to the summary consolidated financial statements for the year ended 31 March

| | 2022 R'm | 2021 R'm |
|---|---|---|
| **14. INVESTMENT PROCEEDS RECEIVED** | | |
| Investment proceeds received comprise of: | | |
| Iceland | **–** | 2 349 |
| Premier | **173** | 237 |
| Other investments | **61** | 426 |
| Total investment proceeds received | **234** | 3 012 |
| **15. INVESTMENT RELATED CASH FLOWS[1]** | | |
| Cash flows with portfolio companies[2] | **(1 682)** | (955) |
| BML RCF: | | |
| – Net capital repayments (refer note 3.1) | **(1 494)** | |
| – Interest repayments (refer note 3.1) | **(101)** | |
| – Raising and commitment fee payments | **(29)** | |
| BIH Exchangeable Bonds: | | |
| – Issue proceeds raised (refer note 3.2) | **3 000** | |
| – Issue costs paid | **(66)** | |
| BML Operating costs | **(73)** | |
| BML Withholding taxes | **(16)** | |
| Cash held by BML reclassified due to change in BIH Investment Entity status | **(51)** | |
| Other | **3** | |
| Investment related cash flows | **(509)** | (955) |

[1] *Following BIH's classification as an Investment Entity and consequent exemption from consolidation for the Group with effect from 1 October 2021, amounts relating to group companies that were historically consolidated are now presented within Investment related cash flows..*

[2] *FY22 relates to Virgin Active: (i) aggregate equity and shareholder funding advanced as follows: In Jun-21, the £16m post-implementation funding for the International business; in Dec-21, £9.6m further support to the International business in respect of its banking facility; and in Mar-22, pursuant to Virgin Active's capital raise, a £16.2m equity subscription and R760m capitalisation of the VASA shareholder commitment in exchange for shares in Virgin Active; and (ii) a total of £2.5m relating to the exercise of put options during the year. FY21 relates to: (i) Virgin Active (£36m in shareholder loans; and £1.2m exercise of put options in Aug-20) and (ii) New Look (£7.3m capital injection in Nov-20).*

### 16. RELATED PARTY TRANSACTIONS

During the year, Brait PLC entered into the following transactions (included in profit from operations) with related parties:

- Pursuant to the December 2021 Capital Raise, the following contracts were entered into in the ordinary course of business during the current financial year:
  - On or about 22 November 2021 the Company obtained irrevocable commitments of R2,059 million from Shareholders, with R847 million obtained from Titan[(1)], R370 million from Ethos[(2)], as well as R842 million from other major institutional shareholders. In this regard, the Company agreed to pay each such shareholder a commission of 1% of the aggregate number of BIH Exchangeable Bonds taken up by each such party multiplied by the Offer Price. Together with applicable value added or similar tax, Ethos received commission of R3.7 million, with Titan receiving R8.5 million.
  - In addition, on 22 November 2022 Rand Merchant Bank, a division of FirstRand Bank Limited ("RMB"), Titan and Ethos Private Equity Proprietary Limited ("EPE")[(3)] (together, the "Underwriters") entered into an underwriting agreement with Brait and BIH to underwrite the BIH Exchangeable Bonds not taken up in terms of the December 2021 Capital Raise up to a collective maximum underwriting commitment of R941 million. In this regard, the Company agreed to pay the Underwriters a commission of 1% of the aggregate number of BIH Exchangeable Bonds taken up by each such party multiplied by the Offer Price. Together with applicable value added or similar tax, EPE received commission of R0.5 million, with Titan and RMB receiving R4.5 million each.
- As announced to the market on 4 March 2022, Virgin Active concluded binding agreements that gave effect to a capital raise from third parties and existing investors totalling GBP88.4 million. As its contribution to this capital raise, Titan injected GBP50.0 million to subscribe for equity in Virgin Active at the same post money valuation agreed with third party investors. The post money valuation was based on the Virgin Active Enterprise Value, as per Brait's NAV as at 30 September 2021, using the updated net debt position as at 31 December 2021.

*[(1)] Titan refers to Titan Financial Services Proprietary Limited and its related entities. Dr CH Wiese, a director and significant shareholder of Brait, is a director and indirect beneficiary of Titan.*

*[(2)] Ethos refers to EPE Direct Investments GP Proprietary Limited and Ethos Fund VII GP (SA) Proprietary Limited, which are affiliated to EPE. These entities collectively own 12.3% of Brait's issued share capital.*

*[(3)] EPE was appointed as the contracted advisor to BML effective 1 March 2020.*

| | 2022<br>R'm | 2021<br>R'm |
|---|---|---|
| **16. RELATED PARTY TRANSACTIONS** CONTINUED | | |
| **Profit from operations include:** | | |
| Non-executive directors' fees | **(15)** | (17) |
| Corporate advisory fees[1] | **(121)** | (114) |
| Professional fees – Stonehage Fleming[2] | **(3)** | (1) |

[1] *EPE was appointed as the contracted advisor to BML effective 1 March 2020. The fee comprises (i) advisory fee of R91 million, unchanged from FY21; and (ii) short term incentive award of R30 million (FY21: 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 a director and shareholder of certain Stonehage Fleming group entities. On 1 February 2022, Stonehage Fleming acquired the private client and corporate services business of Maitland International Holdings plc; from that date the Group is serviced by entities of the Stonehage Fleming group.*

| | 2022 R'm | 2021 R'm |
|---|---|---|
| **17. CONTINGENT LIABILITIES AND COMMITMENTS** | | |
| **17.1 Commitments** | | |
| 2024 Convertible Bond commitments | **3 448** | 3 844 |
| – Coupon payment due within one year | **188** | 198 |
| – Coupon payments due between one and five years [1] | **375** | 595 |
| – Principal settlement due within five years [1] | **2 885** | 3 051 |
| Private equity funding commitments | **–** | 9 |
| **Total commitments** | **3 448** | 3 853 |

[1] *The coupon payments for the current twelve months reporting period reflect the semi-annual coupons of 6.5% payable in arrears over the remaining term of the 2024 Convertible Bonds. The principal settlement amounts are payable in the event that the respective bondholders have not exercised their conversion rights.*

### 17.2 Contingent liabilities

At the Extraordinary General Meeting held on 30 October 2020, Shareholders approved the Long Term Incentive Plan ("LTIP") for EPE (as Advisor to Brait) and its employees working on the Brait portfolio. The LTIP is a five-year structure which has been 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. 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 Net Asset Value ("NAV") of R8.27 per share (the "Hurdle Price"). The Hurdle Price will be adjusted to account for corporate events such as the declaration of ordinary and special dividends, share buybacks, capital raises and asset unbundlings. 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. Once, on a cumulative basis, the realised distributions to Shareholders exceeds the Hurdle Price, the Advisor will be entitled to its Participation Right of any further distributions to Shareholders.

### 17.3 Other

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

# Notes to the summary consolidated financial statements for the year ended 31 March

## 18. NON-ADJUSTING POST BALANCE SHEET EVENTS

As announced to the market on 4 May 2022, the Stock Exchange of Mauritius ("SEM") granted approval on 2 May 2022 for the dual listing of the BIH Exchangeable Bonds on the Official Market of the SEM with effect from 11 May 2022.

On 29 April 2022, all conditions and regulatory approvals related to Ardagh Group S.A's acquisition of 100% of the ordinary shares of Consol for an equity value of R10.1 billion were fulfilled. Brait's share of R402 million proceeds, reflects the carrying value used at reporting date (16% premium to the September 2021 carrying value).

## AUDITORS OPINION

The summarised report is extracted from audited information but is not itself audited. The annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and the auditors report thereon are available for inspection at the Company's registered office.

The Directors take full responsibility for the preparation of the abridged report that the financial information has been correctly extracted from the underlying annual financial statements.

# Review of operations

The Board of Directors ("Board") hereby reports to Brait's shareholders ("Shareholders") on the Group's audited results for the financial year ended 31 March 2022.

## FINANCIAL HIGHLIGHTS

- **Premier:**
  - Continued strong operational performance driven by market share gains, volume growth, input costs pass-through and cost management/operational leverage
  - Performance enhanced by completion of Mister Sweet acquisition and debt refinancing
  - Company has completed its IPO readiness plans and will potentially proceed with the listing, market conditions permitting
- **Virgin Active:**
  - Significant year completing the Restructuring Plan and debt refinancings, raising of GBP88.4 million (R1.8 billion) of new capital in Virgin Active at Brait's valuation and appointment of new management (Virgin Active CEO, CFO and VASA MD)
  - Strong growth in the membership base since the start of the calendar year across the key territories from 754k active members as at 31 December 2021 to 847k active members currently, with a significant reduction of the members on freeze
  - The capital raise and amalgamation of Kauai and Nü chains of healthy fast casual restaurants, which remains subject to regulatory approvals, will expedite Virgin Active's recovery back to 2019 operational levels and accelerate the transition into the broader wellness space
- **New Look:**
  - Strong performance for 3 quarters of FY22 offset by underperformance in October – December 2021 due to Omicron with lower than expected footfall and supply chain issues
  - Recovery in operating performance since the beginning of the calendar year with a good start to FY23
- **Brait:**
  - Runway to execute monetisation strategy post the R3.0 billion capital raised from December 2021 issuance of Exchangeable Bonds by wholly owned subsidiary Brait Investment Holdings ("BIH") ("December 2021 Capital Raise") listed on the Main Board of the JSE and the Official Market of the Stock Exchange of Mauritius Ltd ("SEM")
  - Net proceeds raised partially repaying Brait's committed revolving credit facility ("BML RCF"), facilitating its amendment and extension to 30 June 2024 with a facility limit of R3.0 billion
  - Awarded 2nd place in the inaugural Intellidex Investor Relations Mid Cap awards

  - Post year end, realised Brait IV's investment in Consol at a 16% premium to its September 2021 valuation
  - NAV per share of R8.37, a 5.9% increase on FY21 reported R7.90 (2.9% increase on 1H22: R8.14)
  - Available cash and facilities:
    - R0.6 billion at reporting date
    - Post the Consol realisation, R1.0 billion
  - As an investment holding company, Brait's key reporting metric is NAV per share. From an IFRS reporting perspective, Brait's earnings per share and headline earnings per share is 44 cents (FY2021: 34 cents)

### REPORTED NAV PER SHARE

The following disclosure changes applicable to FY22 have had no impact on the Group's audited NAV per share of R8.37:

- During its term of domiciliation in Malta, Brait was legally required to present its financial results in EURO, resulting in the use of two presentation currencies, the SA Rand and the EURO. Following the transfer in September 2021 of Brait's registered office from Malta to Mauritius (the "Redomiciliation"), the Board has elected to present the Group's results solely in SA Rand.
- The issuance of the BIH's Exchangeable Bonds by BIH has resulted in BIH's classification changing to that of an Investment Entity. In terms of IFRS10: Consolidated Financial Statements, this results, effective 1 October 2021, in the prospective exemption for the Group from consolidation, with the Group audited financial results accordingly reflecting the fair value of the investment in BIH as opposed to the "look-through" consolidation method applied in the previous financial years.

At the reporting date, the composition of the respective peer groups remain unchanged. Premier is valued using a Last Twelve Months ("LTM") post-IFRS16: Leases valuation multiple of 7.6x, compared to the peer average spot multiple of 7.7x. In the case of Virgin Active and New Look, where maintainable earnings are based on an estimate sustainable EBITDA level, the reference measure considered is the pre-IFRS16 peer average multiple for the corresponding forward period:

- Virgin Active is valued using a two-year forward multiple of 9.0x, which represents a 10% discount to the peer average two-year forward multiple of 10.0x.
- New Look is valued using a one-year forward valuation multiple of 5.0x, which represents a 25% discount to the 6.7x peer average one-year forward multiple.

The NAV breakdown at reporting date is presented below.

| | % | [1]Audited 31 March 2022 R'm | Unaudited 30 September 2021 R'm | Audited 31 March 2021 R'm |
|---|---|---|---|---|
| **Investments** | **99** | **18 657** | 17 445 | 16 450 |
| Premier | **49** | **9 266** | 8 360 | 7 597 |
| Virgin Active | **44** | **8 282** | 7 970 | 7 970 |
| New Look | **4** | **672** | 732 | 545 |
| Other investments | **2** | **437** | 383 | 338 |
| **Current assets** | **1** | **83** | 121 | 266 |
| Cash and cash equivalents | | **83** | 60 | 213 |
| Accounts receivable | | **–** | 61 | 53 |
| **Total assets** | **100** | **18 740** | 17 566 | 16 716 |
| **Non-current liabilities** | | **7 521** | 6 743 | 6 166 |
| Borrowings (BML RCF) | | **2 478** | 3 970 | 3 417 |
| 2024 Convertible Bonds (6.5% due 2024) | | **2 667** | 2 773 | 2 749 |
| BIH Exchangeable Bonds (5.0% due 2024) | | **2 376** | – | – |
| **Current liabilities** | | **166** | 73 | 118 |
| Accounts payable | | **166** | 73 | 118 |
| **NAV** | | **11 053** | 10 750 | 10 432 |
| **Net issued ordinary shares ('mil)** | | **1,320.31** | 1,319.99 | 1,319.99 |
| **NAV per share (cents)** | | **837** | 814 | 790 |

[1] *Given BIH's classification as an Investment Entity and consequent exemption from consolidation for the Group with effect from 1 October 2021, for comparability, FY22 results shown above apply the look-through consolidation basis.*

# Review of operations continued

## HIGHLIGHTS FOR THE GROUP'S INVESTMENT PORTFOLIO

### Premier (49% of Brait's total assets)

- A leading South African FMCG manufacturer, offering branded and private label solutions, Premier delivered a strong FY22 performance despite the headwinds faced from high commodity prices.
- Group results for the financial year ended 31 March 2022 (quoted on a post-IFRS16 basis):
  - Revenue of R14.5 billion, a 16% increase on FY21 revenue of R12.5 billion.
  - Adjusted EBITDA of R1.5 billion, a 36% increase on FY21 Adjusted EBITDA of R1.1 billion
  - Adjusted EBITDA margin: 10.3% (FY21: 8.8%)
  - Return on invested capital: 14.8% (FY21: 11.5%)
  - Operating cash conversion (post maintenance capex): 67% of Adjusted EBITDA (FY21: 97%)
  - Net third party debt leverage ratio of 1.6x (FY21: 1.9x)
- Premier completed the integration of its R419 million bolt-on acquisition of the Mister Sweet confectionary business and has realised most of the merger synergies identified at the time of the transaction. The results of Mister Sweet have been included in the FY22 results for the 10 months since 1 June 2021.
- Divisional highlights for the financial year ended 31 March 2022:
  - Premier's MillBake business (82% of group revenue) has continued its strong momentum, significantly outperforming its peers and successfully passing on inflationary increases in a tough trading environment:
    - Revenue growth of 12.5% to R11.9 billion, comprising volume growth of 6.0% and average price inflation of 6.5%
    - Adjusted EBITDA, excluding head office costs, increased by 32% to R1,4 billion, with Adjusted EBITDA margins expanding by 170bps to 11.7%
  - Premier's Groceries and International division (18% of group revenue) increased revenue by 35%. Adjusted EBITDA, excluding head office costs, increased by 24% to R200 million, driven by significant historic capex spend, brand loyalty and product expansion:
    - Sugar confectionery revenue increased by 238% to R763 million with revenue from Mister Sweet contributing R540 million for the 10 months since acquisition
    - Beverages revenue decreased by 6.5% to R80 million
    - Home and personal care revenue increased by 6% to R651 million
    - CIM revenue increased by 10.4% to R1,174 million
- Capital expenditure for the group of R519 million (FY21: R504 million) comprises R186 million maintenance (FY21: R244 million) and R333 million expansionary (FY21: R260 million), largely relating to the new Pretoria mill and bakery, which was recently commissioned.

# Review of operations continued

- Premier repaid Brait R173 million of shareholder funding during the current financial year (FY21: R237 million), increasing Brait's share of realised proceeds received to date to R1,905 million. Post year-end, in May 2022, Brait converted the preference shares it held in Premier to ordinary shares, and Premier settled the outstanding shareholder loan amount owing to Brait through the issuance of ordinary shares in Premier, thereby settling in full Brait's shareholder funding to Premier.
- Valuation as at 31 March 2022 (performed on a post-IFRS16 basis):
  - Maintainable EBITDA of R1,505 million, which is referenced to Premier's LTM EBITDA, is applied to a valuation multiple of 7.6x, compared to the peer average LTM multiple of 7.7x.
  - Net third party debt of R2,008 million is based on Premier's reported net third party debt of R2,379 million (FY21: R2,098 million), adjusted to exclude R371 million mostly in respect of capital expenditure on the new, recently commissioned, Pretoria mill and bakery.
  - Brait's shareholding in Premier is 98.5%. Brait's equity value participation at reporting date is 96.5% (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%.
  - Premier's unrealised carrying value at the reporting date is R9,266 million, reflecting a 22% increase for the financial year (FY21: R7,597 million) and comprising 49% of Brait's total assets (FY21: 45%).

**Virgin Active (44% of Brait's total assets):**

- One of the leading international health club operators, Virgin Active's results for the financial year ended 31 December 2021 have been significantly impacted by Coronavirus lockdown restrictions. All territories have been operational since 30 October 2021.
- Significant year completing the Restructuring Plan and debt refinancings, raising of GBP88.4 million (R1.8 billion) of new capital in Virgin Active at Brait's H12022 Enterprise Value and appointment of new management. The amalgamation of Kauai and Nü chains of healthy fast casual restaurants remains subject to regulatory approval. These transactions will expedite Virgin Active's recovery back to 2019 operational levels and accelerate the transition into the broader wellness space.
- Territory update
  - **Southern Africa:**
    - Clubs were subject to capacity restrictions in line with lockdown regulations until February 2022. Since the relaxation of Coronavirus restrictions and the removal of capacity restraints in Q1 2022, Virgin Active South Africa has shown good traction on membership recovery.
    - Sales have recovered to levels similar to 2019 levels with active members growing from 497k as at 31 December 2021 to 557k as at May 2022. Membership engagement and usage levels continue to improve and termination levels have fallen, and comparing favourably to 2019 levels.
    - Focused spend to rejuvenate the estate and drive further membership engagement during the next few years.

# Review of operations continued

- **Italy:**
  - Restrictions in Italy have resulted in a prolonged negative impact on membership growth in 2022. Clubs reopened in May 2021, having been closed since October 2020, subject to certain restrictions (swimming pools, showers, saunas closed) and proof of vaccination being required to enter.
  - All restrictions were lifted in March 2022 resulting in increased sales, with strong performance recorded in residential clubs and a positive uptake in new clubs.
  - The active membership base has increased from 106k in December 2021 to 123k as at May 2022.
  - Membership engagement is strong and club usage is at 96% of 2019 levels.
- **UK:**
  - Clubs reopened in April 2021, having been closed since December 2020, with group exercise classes in operation since May 2021.
  - Since the removal of all restrictions in July 2021, the UK has delivered good performance in residential clubs, however the recovery in London Corporate clubs remains slower with changing working habits.
  - The active membership base has increased from 107k in December 2021 to 120k as at May 2022.
  - Termination levels have fallen and club usage is at 101% of 2019 levels, with strong membership engagement and an increased uptake of group exercise and personal training.
- **Asia Pacific:**
  - Australian clubs were subject to repeated short lockdowns (circuit-breakers) since February 2020, with all clubs closed in August 2021. Sydney reopened on 11 October 2021 and clubs in Melbourne reopened on 30 October 2021. Membership recovery has been slow as restrictions have gradually been eased.
  - Thailand closed its gyms in April 2021, re-opening on 1 October 2021, however clubs are still subject to operating restrictions. 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.
  - Recovery in Asia Pacific has been slower than expected due to ongoing restrictions.
  - The active membership base has increased from 43k in December 2021 to 47k as at May 2022.
  - Club usage for Asia Pacific is at 91% of 2019 levels.

# Review of operations continued

- Valuation as at 31 March 2022 (performed on a pre-IFRS16 basis):
  - Maintainable EBITDA is based on a look-through to a 2-year forward estimated sustainable level of GBP110 million, which is 23% less than the GBP142 million actual EBITDA achieved in its pre-Covid affected financial year ended 31 December 2019.
  - The valuation multiple has been maintained at 9.0x, which represents a 10% discount to the peer average two-year forward multiple of 10.0x.
  - Net third party debt of GBP353.2 million per the March 2022 management accounts has been increased by GBP27.2 million to GBP380.4 million. The normalisation adjustment applied takes consideration of the estimated effect of working capital and costs deferred during the lockdowns (March-21 net debt of GBP455 million included a GBP58 million normalisation adjustment).
  - Post the GBP88.4 million capital raise, Brait's equity and shareholder funding participation decreased to 70.6% (FY21: 79.4%).
  - Brait's resulting unrealised carrying value for its investment in Virgin Active at reporting date is R8,282 million (FY21: R7,970 million) and comprises 44% of Brait's total assets (FY21: 45%).

**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's completion of the CVA process and its recapitalisation have provided the funding and operational flexibility to execute on its strategy:
- Solid performance for 3 quarters of FY22 offset by underperformance in October – December 2021 due to the impact of Omicron in the lead up to Christmas, with lower than expected footfall and global supply chain issues.
- Based on Kantar Worldpanel published data, New Look is Number 1 for women's dresses and denim clothing among the key 18-44s in the UK (by value) for the 24 weeks to 3 April 2022.
- Positive start to trading since the beginning of the 2022 calendar year.
- Valuation as at 31 March 2022 (performed on a pre-IFRS16 basis):
  - Maintainable EBITDA is based on a look-through to a 1-year forward sustainable level of GBP55 million.
  - The 1-year forward applied of 5.0x represents a 25% discount to the peer average forward multiple of 6.7x.
  - Net third party debt of GBP78.5 million (FY21: GBP86 million) includes an estimated GBP30.1 million (FY21:GBP47 million) normalisation adjustment, to take consideration of certain deferred costs during the lockdown periods.
  - 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).
  - Brait's resulting unrealised carrying value for its investment in New Look at reporting date is R672 million (FY21: R545 million) and comprises 4% of Brait's total assets (FY21: 3%).

# Review of operations *continued*

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

- Other Investments comprise Brait's remaining private equity fund investments, mostly relating to Brait IV's investment in Consol, the largest manufacturer of glass packaging products on the African continent. As previously announced, all conditions and approvals relating to the sale of Consol were fulfilled on 3 May 2022. Brait's share of R402 million proceeds, reflects the carrying value used at reporting date (16% premium to the September 2021 carrying value).

## GROUP LIQUIDITY POSITION

### Reporting date

- As previously announced, post the December 2021 Capital Raise, the BML RCF, secured by the assets of BML, was amended to have a facility limit of R3.0 billion, with agreed reductions as Brait de-gears, and term extension to 30 June 2024. 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 reduction in the drawn balance on the BML RCF for FY22 of R0.9 billion is a function of the net R2.9 billion proceeds received from the December 2021 Capital Raise, offset by R1.7 billion investment in Virgin Active and an interest accrual of R0.3 billion.
- The drawn balance at reporting date was R2.478 billion, resulting in an undrawn available facility of R532 million. Including the closing cash balance of R83 million, available liquidity at reporting date was R615 million.
- 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 the convertible and exchangeable bonds, with Tangible NAV referenced to Brait's net asset value.

### Post balance sheet date liquidity position

Post receipt of the Consol proceeds of R402 million, available liquidity post balance sheet date is R1.017 billion.

## UPDATE ON GOVERNANCE MATTERS

- Following the Redomiciliation, the dual listing of Brait's 2024 Convertible Bonds and BIH Exchangeable Bonds on the Official Market of the SEM completed on 30 November 2021 and 11 May 2022 respectively. The 2024 Convertible Bonds continue to trade on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange, with the BIH Exchangeable Bonds trading on the Main Board of the JSE.
- Since 1 March 2020, Ethos Private Equity Proprietary Limited ("EPE" or the "Advisor") has been the contracted investment advisor to Brait. The contract provided for a three-year tenor, with an annual renewal thereafter at an initial cost of R100 million per annum with inflation linked increases:
  - In FY21 EPE voluntarily reduced the advisory fee to R91 million in response to the Covid pandemic. In recognition of the challenging environment due to Covid and the restructuring of the Brait cost base, EPE volunteered to retain this fee level for FY22 (compared to the contracted value of R105 million). In FY23, the advisory fee is set at R96 million (compared to a contracted value of R110 million).
  - The Board has approved a 1-year extension of the EPE advisory contract to 31 March 2024 at a fee of R65 million.
  - The annual Short Term Incentive ("STI") serves to align the interests of Shareholders and the Advisor in terms of value creation. The STI is based on pre-determined key performance indicators focused on (i) progress on path to exit for the portfolio; (ii) growth in net asset value, and (iii) capital and liquidity management. The Board approved an STI award for FY22 of R30 million (FY21: R23 million). This results in total fees to the Advisor in FY22 of R121 million (FY21: R114 million).
  - The Long Term Incentive Plan ("LTIP") is accounted for as a contingent liability.

## DIVIDEND POLICY

Brait's ability to return capital to Shareholders pursuant to its monetisation 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 BIH Exchangeable Bonds to redeem the BIH Exchangeable Bonds.

# Review of operations continued

## ORDINARY SHARE CAPITAL

Total issued ordinary share capital at 31 March 2022 is 1 320 312 254 shares of no par value (FY21: 1 319 992 804). As previously announced:

- Shareholders approved (at the Extraordinary General Meeting held on 22 December 2021) 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)
- Issued ordinary share capital increased during the year by 319 450 shares as a result of a number of relevant bondholders electing in February 2022, to exchange their 1 396 BIH Exchangeable Bonds into ordinary shares issued by the Company, at the exchange price of R4.37.

## GROUP OUTLOOK

The December 2021 Capital Raise and refinancing of the BML RCF provides runway to execute Brait's strategy of maximising value through the realisation of its portfolio companies in the medium term. Virgin Active has started to recover from the effects of the numerous Covid-induced lockdowns and this momentum should continue. Premier's strong performance has continued since the start of its financial year. New Look is benefitting from the operational and strategic changes that have been made over the past two years.

For and on behalf of the Board

**RA Nelson**
*Non-Executive Chairman*

21 June 2022

**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 ** Resident in Mauritius*

Brait's Ordinary Shares are primary listed and admitted to trading on the Luxembourg Stock Exchange ("LuxSE") and its secondary listing is on the exchange operated by the JSE. Brait's 2024 Convertible Bonds due 4 December 2024 are dual listed on the Open Market ("Freiverkehr") segment of the Frankfurt Stock Exchange as well as the SEM.

**LuxSE Listing Agent:**
Harney Westwood & Riegels SARL

**JSE Sponsor:**
Rand Merchant Bank (A division of FirstRand Bank Limited)

**SEM Authorised Representative and Sponsor:**
Perigeum Capital Ltd

# Administration and contact details

**BRAIT PLC**
Registration No: 183309 GBC

**ISSUER NAME AND CODE**
Issuer long name – BRAIT PLC
Issuer code – BRAIT
Share code: BAT – ISIN: LU0011857645
Bond code:
WKN: A2SBSU ISIN: XS2088760157
LEI: 549300VB8GBX4UO7WG59

**COMPANY SECRETARY**
Stonehage Fleming
Suite 420, 4th Floor, Barkly Wharf
Le Caudan Waterfront, Port Louis
Mauritius Tel: 230 213 9334

**LUXSE LISTING AGENT**
Harney Westwood & Riegels SARL
56, rue Charles Martel
L-2134 Luxembourg
Tel: +352 2786 7102

**LUXEMBOURG REGISTRAR AND TRANSFER AGENT**
Stonehage Fleming
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

**REGISTERED OFFICE**
C/o Stonehage Fleming
Suite 420, 4th 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