

Brait SE
(Registered in Malta as a European Company)
(Registration No. SE1)
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("Brait")

PROPOSED NEW EQUITY OWNERSHIP PLAN

Brait today announces its intention to seek shareholder approval for a new equity ownership plan (the "**Plan**") for its Corporate Advisors, Brait Advisory Services UK Limited ("**BUK**") and Brait South Africa Proprietary Limited ("**BSAL**").

The Plan is a five-year structure which has been designed to align the long-term interests of the Corporate Advisors with those of Brait's shareholders.

The Plan involves the creation of a new class of share ("**B Shares**") and share appreciation rights ("**SARs**") by Brait Mauritius Limited ("**BML**") which BUK and BSAL will allocate in full to their investment teams.

B Shares

Holders of B Shares will have the right (the "**Put Right**") to have their B Shares redeemed or repurchased by BML for an amount equal to the volume weighted average price ("**VWAP**") of a Brait share for the seven-day period prior to the date of exercise, less a strike price (the "**Put Amount**"). The strike price will be "out-the-money" at R35.00 which is a premium of 84% to the thirty-day VWAP of R19.02 as at 1 July 2019 requiring a minimum Brait share price compound annual growth rate ("**CAGR**") of 13% over a five-year period before the Put Amount has any value.

The Put Rights can only be exercised from the second anniversary of the issue date of the relevant B Share and will lapse on the fifth anniversary of the issue date. In addition, BML will have the right (at its discretion) to repurchase B Shares at any time during the five-year period of the Plan. Any B Shares repurchased by BML will be cancelled and will not be regranted.

The strike price (and the limits described below) are subject to customary adjustments to reflect the effect of non-ordinary course changes in Brait's share capital or reserves (such as stock splits, capital reductions and special dividends), except that there shall be no adjustments in the case of an offering of Brait shares under a rights issue. Should any of the following events occur, Put Rights will be capable of early exercise for a limited period following which they will lapse:

- BML's investment advisory contract with BSAL and BUK is terminated;
- there is a change of control including a person (or persons acting in concert) acquiring more than 50% of the voting rights of Brait, BML or Brait Malta Limited; and/or
- Brait shares ceasing to be admitted to trading on an internationally recognised stock exchange.

Should any of the above events occur, the strike price will also be reduced to an amount that equates to the current Brait share VWAP of R19.02 increased at a CAGR of 13% from the date of issue to the date on which the relevant trigger event occurs.

Upon exercise of Put Rights, amounts payable to holders of B Shares may be settled in kind (including through the transfer of Brait shares held by BML) or in cash to be determined at BML's sole discretion.

The B Shares carry no voting or dividend rights and no directors of Brait will participate.

SARs

SARs have economic rights which are substantially equivalent to those of the B Shares. SARs can be exercised, redeemed or repurchased in the same circumstances as Put Rights and holders would receive an amount determined on an equivalent basis.

Limits

As a result of limits included in the Plan, the maximum dilution which could be experienced by Brait shareholders on exercise of Put Rights and SARs is 3.5% (assuming Put Rights and SARs are fully settled through Brait shares held by BML). No more than 29,000,000 B Shares and SARs (in aggregate) will be issued under the Plan. The Put Amount will also be capped at a percentage of the prevailing Brait share price at the time of exercise of a Put Rights or SARs. The applicable percentage limit will depend on the CAGR of a Brait share based on the thirty-day VWAP of a Brait share as of the date of this announcement (being R19.02) and calculated from the issue date of the relevant B Share or SAR to the exercise date of the Put Right or SAR as follows:

Brait share price CAGR from starting VWAP to exercise of Put Right/SAR	Implied maximum Brait share price in year 5 from starting VWAP	Maximum Brait shareholder dilution*	Maximum Brait shares which could be used in settlement*	Maximum Put Amount/strike price as a % of the prevailing Brait share price
CAGR ≤ 13%	R35.00	0.0%	0	0%
13% < CAGR ≤ 20%	R47.33	1.5%	7.2 million	24.8%
20% < CAGR ≤ 25%	R58.04	2.5%	12.1 million	41.7%
25% < CAGR ≤ 30%	R70.62	3.0%	14.6 million	50.3%
30% < CAGR	R70.62 < Share Price	3.5%	17.1 million	59.0%

*On the basis that all Put Rights and SARs are exercised when the relevant CAGR applies, that they are all satisfied using Brait shares, there are no other changes to Brait's share capital and BML does not exercise its right to repurchase any Put Rights or SARs.

Illustrative Example

Given the initial VWAP of R19.02 per Brait share and a five-year share price CAGR of 20%, the prevailing Brait share price in year five would be R47.33. Given the strike price of R35.00 and assuming a Put Right or SAR is exercised in year five, settlement per B Share or SAR would, at BML's discretion, either be in kind through the transfer of 0.26 Brait shares (being R12.33, which is difference between the Brait share price of R47.33 and the strike price of R35.00, divided by the Brait share price of R47.33), or through a cash payment of R12.33. In the absence of limits included in the Plan, if all 29 million B Shares and SARs were settled using Brait shares, the required number of Brait shares would be 7.5 million, resulting in an effective shareholder dilution of 1.6% given the current number of Brait shares in issue of 471.5 million. However, to limit the dilution to shareholders to 1.5% in accordance with the table above, only 7.2 million Brait shares would be transferred for settlement, with the cash pay-out settlement limited to 0.248 Brait shares or R11.75 per B Share or SAR.

Shareholder Approval

Although shareholder approval is not required under applicable law or listing requirements, the board of Brait has resolved to voluntarily seek shareholder approval for the Plan by way of ordinary resolution at the upcoming annual general meeting ("AGM") scheduled for 31 July 2019. Further

details will be provided in the notice of meeting for the AGM to be given to shareholders in due course.

Malta

1 July 2019

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

Sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)
