

Brait SE

(Registered in Malta as a European Company)

(Registration No. SE1)

Share code: BAT ISIN: LU0011857645

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("Brait" or the "Company")

BRAIT RECEIVED FINAL PAYMENT FOR ICELAND FOODS SALE; UPDATE ON NEW LOOK RECAPITALISATION; PORTFOLIO TRADING UPDATE; BRAIT TO REDEEM OUTSTANDING 2020 BONDS

1. Brait received final payment for Iceland Foods sale

Further to the announcement on 7 September 2020 that Brait had reached agreement to receive the remaining instalments in advance of the dates in the sale agreement for its 63.1% shareholding in Iceland Foods, Brait has today received the agreed payment of GBP48.5 million (the "**Final Payment**"). Based on the exchange rates achieved, this amounts to R1.074 billion.

The Final Payment constitutes full and final settlement of Brait's entitlement to receive the deferred payments of GBP26.9 million and GBP28.1 million that were to be paid on 30 July 2021 and 29 July 2022, respectively.

Based on the exchange rates achieved for the aggregate GBP108.5 million proceeds arising from the sale of Brait's entire interest in Iceland Foods, the total consideration received by Brait amounts to R2.349 billion.

Brait will use the proceeds from the Final Payment to partially repay the revolving credit facility held by its subsidiary Brait Mauritius Limited ("**BML RCF**"), where after the balance outstanding on the BML RCF will be R2.7 billion (31 March 2020: R4.6 billion).

2. Update on New Look recapitalisation transaction

New Look Retail Holdings Limited ("**New Look**"), announced yesterday that the Company Voluntary Arrangement ("**CVA**") proposal launched on 26 August 2020 was approved by more than the required 75% of New Look's unsecured creditors.

Approval for the CVA proposal means that the comprehensive financial recapitalisation transaction (the "**Transaction**") announced on 13 August 2020 to extend New Look's facilities, deliver a new money investment of GBP40 million and significantly de-leverage the balance sheet can now be progressed towards completion.

The Transaction, which has already received the requisite support from its secured financial creditors, will provide New Look with the financial strength, funding and flexibility to execute on its strategy, and includes:

- A debt for equity swap on New Look's current debt, reducing senior debt from c. GBP550 million to c. GBP100 million, and significantly decreasing interest costs;
- An extension of primary working capital facilities, which provide further financial support to New Look with no near-term maturities; and
- An injection of GBP40 million of new capital to support the business plan.

As announced on 13 August 2020, Brait has agreed to support the Transaction and has committed to providing its 18.3% pro-rata share (GBP7.3 million) of the GBP40 million new capital required. Post the Transaction, Brait will hold an 18.3% interest in New Look's equity and shareholder loan instruments.

The Transaction will result in a re-basing of New Look's leasehold obligations through the CVA resulting in a reduction in rental costs through a turnover-based model that fairly reflects the future performance prospects of New Look and wider retail market.

Brait is confident that New Look's previously implemented turnaround strategy together with the restructured balance sheet, cost optimization as a result of management actions and the Transaction itself, will position New Look well to capitalize on post COVID-19 trading.

3. Portfolio trading update

Virgin Active

Virgin Active opened all of its South African gyms on 24 August 2020 and now has the majority of its operations open globally. Whilst the usage and membership impact has differed by jurisdiction, Virgin Active is pleased by the rate of return of its membership base and the increased usage and membership levels that have continued to increase week on week.

Current usage levels by members in those countries that were first to open have shown a strong rise with Australia at 82% (despite 3 gyms still being closed); Singapore at 89%; Thailand at 73% and Italy at 65%. The usage levels in the UK (7 gyms remain closed in London) and South Africa are at 53% and 35% respectively but, particularly in South Africa, have shown a significant increase in the three weeks that the gyms have been open.

Membership levels across the territories have also shown a steady increase and current total memberships versus prior year are as follows: Australia (8% down), Singapore (18% down), Thailand (13% down), Italy (10% down), UK (26% down) and South Africa (6% down). The number of members on freeze (being members who have temporarily chosen not to access the gyms and are accordingly not debited with the monthly membership fee) across the territories differs depending on the membership base and options to remain on freeze with the number of members on freeze being: Australia (15%), Singapore (21%), Thailand (5%), Italy (7%), UK (16%) and South Africa (27%).

Management remain focused on ensuring a safe operating environment for staff and members whilst also ensuring that operational costs remain tightly controlled. Whilst there is a long road to recovery, Virgin Active is pleased by the operating performance and progress that has been made to date.

Premier

Premier had a strong operating performance for the quarter ended 30 June 2020. This has continued into the second quarter, with c.12% revenue growth and c.20% EBITDA growth year to date, largely driven by strong volume and market share growth in addition to a tight control on operating costs. All business units contributed strongly to the growth and despite incremental COVID-19 related costs, the business has shown resilient profit growth and cash generation.

4. Brait to redeem outstanding 2020 Bonds

The holders of the outstanding GBP132.5 million 2.75% Convertible Bonds (ISIN: XS1292954812, "2020 Bonds") are advised that Brait will redeem the outstanding 2020 Bonds at their principal amount of GBP100,000 and pay the accrued interest payment on the maturity date of 18 September 2020.

Brait will utilise the cash it holds in Pound Sterling, converted from the February 2020 Rights Offer proceeds, for this settlement.

5. Investor update presentation

Investors are referred to www.brait.com for an update presentation that will be discussed at an investor conference Brait is attending on 17 September 2020. This presentation will be available on Brait's website from 15h00 South African time on 16 September 2020.

Malta

16 September 2020

Brait is primarily listed and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange and its secondary listing is on the JSE.

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)