

BRAIT P.L.C.

(Registered in Malta as a Public Limited Company)

(Registration No. C97843)

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("Brait", the "Company" or the "Group")

THE IMPACT OF CORONAVIRUS AND UPDATE ON BRAIT'S REDOMICILIATION

IMPACT OF CORONAVIRUS

Brait released its 1HY21 interim results on the website of the Luxembourg Stock Exchange ("**LuxSE**") and the Stock Exchange News Service ("**SENS**") of the Johannesburg Stock Exchange ("**JSE**") on 18 November 2020 ("**Interim Results**"). As set out in these Interim Results:

- The first wave of the Coronavirus pandemic (March 2020 to July 2020), materially impacted Virgin Active and New Look. The respective management teams responded with appropriate measures to preserve liquidity, reduce operating expenses, including measures to defer and/or reduce rental expenses, as well as progressing online strategies. Various government support initiatives provided support to both businesses.
- The first lockdown required Virgin Active shareholders to contribute GBP20 million by way of shareholder loans (Brait's pro-rata share GBP16 million) to provide support to the UK, Italy and Asia Pacific territories. In addition, Virgin Enterprises Limited deferred royalties and the UK, Italy and Asia Pacific banking syndicate extended GBP25 million of additional funding.
- New Look completed its comprehensive recapitalisation transaction, which involved (i) re-basing its UK leasehold obligations through a Company Voluntary Agreement ("**CVA**") resulting in significant rental cost reduction through a turn-over based model for a period of 3 years; (ii) debt-for-equity conversion of its Senior Secured Notes, significantly reducing gross debt and annual cash interest payments; (iii) the amendment and extension of its operating and revolving credit facilities, as well as (iv) the injection of GBP40 million new capital (Brait's pro-rata share GBP7 million) to support the three year business plan.
- Whilst trading in Virgin Active and New Look improved significantly post the easing of the initial lockdown restrictions, the second Coronavirus wave that surfaced at the end of October 2020 in Europe and the UK, has resulted in governments re-imposing national lockdowns. The extent and severity of this second wave and government restrictions remains uncertain.

Virgin Active

The UK briefly emerged from its second lockdown at the beginning of December 2020, however returned to a third national lockdown on 18 December 2020, which currently looks set to continue until 2 April 2021. Italy has remained closed since 26 October 2020 and whilst initially scheduled to reopen early January 2021, is now anticipated to do so only on 5 March 2021 at the earliest. Clubs in Bangkok reopened on 23 January 2021, having been closed for most of January.

Despite the significantly reduced operating costs and utilisation of government support packages, these extended lockdown periods have adversely impacted the liquidity of the Virgin Active UK, Italy and Asia Pacific business, partly due to cash burn and also delays in the membership recovery rates.

Virgin Active is working with all its stakeholders to find a holistic operating structure and funding solution for the UK, Italy and Asia Pacific business. The discussions with various stakeholders are continuing and once there is further clarity on the proposed restructure, this will be communicated to the market.

The Virgin Active South Africa business is separately financed and despite the recent government enforced level 3 lockdown restrictions, its clubs have remained operational since re-opening on 24 August 2020. The territory had benefitted from a steady improvement in member engagement,

with utilisation rates increasing to 70% in December. However, as expected the subsequent level 3 restrictions, which include limiting the number of members in a club, have resulted in lower usage rates, an increase in terminations and lower sales. Virgin Active South Africa remains cash flow neutral at an operating level, and as at 31 December 2020 has sufficient liquidity to fund its business plan.

Premier

As reported in Brait's 1H21 Interim Results, Premier's products were classified as 'essential goods' during the Coronavirus lockdown period in South Africa and the other countries in which it operates, which has enabled Premier to continue with full production and operations.

Premier's pleasing operational performance during its six months ended 30 September 2020 has continued through the third quarter ended 31 December 2020, led by the Millbake division. Cash generation remains strong and the business is well positioned to continue to benefit from the operating leverage in the business. Management continues to make progress on various infill acquisitions in complementary product categories which could add meaningfully to the company's profitability.

New Look

During the lock-down periods, management have focused on cost optimisation, maximising liquidity and progressing New Look's online strategy. Online sales continue to outperform the prior period and forecast, driven by increased conversion rates, units per transaction and improved availability. However, given the store closures, overall revenue is significantly lower than the comparative period.

The comprehensive recapitalisation transaction concluded in November 2020, which significantly reduced gross debt and annual cash interest payments, as well as re-basing New Look's UK estate leasehold obligations to a turnover based model, together with the UK government's support including salary subsidies for affected staff, have enabled New Look to manage its liquidity through the second and third national lockdown in the UK.

UPDATE ON BRAIT'S REDOMICILIATION

Progress continues in executing the transfer of Brait's registered office from Malta to Mauritius which Brait shareholders approved at the Extraordinary General Meeting held in Malta on 30 October 2020 (the "**Redomiciliation**"). Brait's required conversion to a Public Limited Company under the laws of Malta was completed on 20 January 2021. Brait's registered name has accordingly changed from Brait SE to Brait PLC, and its registration number from SE1 to C97843. As a result of certain timing delays due to Coronavirus, the Redomiciliation process is now expected to complete during May 2021.

San Gwann, Malta

1 February 2021

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

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