BRAIT P.L.C.
(Registered in Mauritius as a Public Limited Company)
(Registration No. 183309 GBC)
Share code: BAT ISIN: LU0011857645
Bond code: WKN: A2SBSU ISIN: XS2088760157
LEI: 549300VB8GBX4UO7WG59
("**Brait**" or the "**Company**")

AUDITED FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

The Board of Directors ("**Board**") hereby reports to Brait's shareholders ("**Shareholders**") on the audited results for the financial year ended 31 March 2023.

FINANCIAL HIGHLIGHTS

- Premier:
  - Strong operating performance has continued with EBITDA growth of 16% to R1,731 million in FY23 largely driven by the Millbake business.
  - The business has continued to invest in its asset base whilst increasing ROIC to 19.1%.
  - Well invested asset base gives the bread business a strong competitive advantage with market share growth in the Inland region.
  - Successful listing of Premier in March 2023 raised R3.6 billion for Brait in addition to the R924 million received from Premier's pre-listing return of capital distribution to shareholders.
- Virgin Active:
  - Strong operating performance in the last six months across all key territories.
  - Active membership grew 14% from 843k to 963k over the past 12 months, with average yield increasing 4% year-on-year ("**YoY**").
  - New operating model and structure bedded down by the management team positioning Virgin Active as a global wellness company.
  - Extension of debt terms for the International business to June 2027 with GBP50 million of equity injected by shareholders to fund growth initiatives.
- New Look:
  - Solid operating performance despite the very difficult market conditions in UK fashion retail.
  - EBITDA grew 68% to GBP42.2 million driven by increased footfall and cost management at the distribution centre and head office.
  - Continued focus on optimising group costs and improving efficiencies to drive growth in FY24.
- Brait:
  - Transformational year with full repayment (R0.9 billion in November 2022 and R2.1 billion in April 2023) of Brait's revolving credit facility (the "**BML RCF**") resulting in R360 million of interest savings per annum.
  - Focus remains on positioning the remaining investments for exit, with the most likely outcome being an "unbundling" of the Virgin Active business once it is in a position to be listed.
  - As an investment holding company, Brait's key reporting metric of NAV per share is R7.06, a 16% decrease on FY22 reported R8.37. From an IFRS perspective, loss and Headline loss per share is 70 cents (FY22: Earnings and Headline Earnings per share for the Company of 47 cents).
  - Available cash and facilities:
    - R4.1 billion at reporting date
    - R1.4 billion post settlement of the BML RCF and equity subscription into Virgin Active

REPORTED NAV PER SHARE

The following change in presentation has had no impact on Brait's key reporting metric of NAV per share of R7.06 (FY22: R8.37):

- The prior year reported FY22 financial statements included Brait's consolidated results for the six-month period ended 30 September 2021. The issuance of the Exchangeable Bonds by subsidiary Brait Investment Holdings ("**BIH**", the "**BIH Exchangeable Bonds**") during this period was the primary driver for the change in classification of BIH to that of an Investment Entity, resulting in the exemption from consolidation, on a prospective basis, for Brait from 1 October 2021 onwards.

- In accordance with IFRS10, given that the investment entity status of BIH applies for the entire reported FY23, Brait's FY23 and comparative FY22 financial statements are presented for the Company on a standalone basis.

With regards to Brait's portfolio of investments:

- Following its listing on the main board of the JSE on 24 March 2023, Premier is valued at the reporting date at its closing price of R60 per share.
- The composition of the respective peer groups for Brait's unlisted investments remains unchanged:
  - Virgin Active continues to be valued based on a two-year forward sustainable EBITDA estimate (on a pre-IFRS16 basis) applied to a 9.0x multiple, which is in line with the peer average multiple of 8.9x (FY22: 10.0x).
  - New Look is valued using sustainable LTM EBITDA (on a pre-IFRS16 basis) applied to a 5.0x historic multiple, which represents a 49% discount to its peer average multiple of 9.8x. In the prior year, New Look was valued using a one-year forward sustainable EBITDA estimate at a 5.0x forward multiple (peer average multiple of 5.9x).

HIGHLIGHTS FOR BRAIT'S INVESTMENT PORTFOLIO

Premier (21% of Brait's total assets)

- A leading South African FMCG manufacturer, offering branded and private label solutions, Premier delivered a strong FY23 operating performance despite high commodity prices, loadshedding and other cost inflation pressures.
- Premier's results for the financial year ended 31 March 2023 were released to the market on 6 June 2023:
  - Revenue of R17,939 million; +23% YoY.
  - Adjusted EBITDA of R1,731 million; +16% YoY.
  - Adjusted EBITDA margin: 9.6% (FY22: 10.2%).
  - Adjusted return on invested capital: 19.1% (FY22: 14.8%).
  - Normalised HEPS of 552 cents per share, +23% YoY.
  - Net third party debt leverage ratio of 1.7x (FY22: 1.6x).
- Divisional highlights for the financial year ended 31 March 2023:
  - Premier's MillBake business (83% of group revenue) continued its strong momentum despite challenging economic conditions. The business is well positioned to drive future growth through (i) improving operating efficiencies and being the lowest cost producer; (ii) the state-of-the-art Pretoria bakery bringing inland capability in line with the quality and consistency of Premier's coastal bakeries; and (iii) route-to-market optimisation and fleet efficiencies implemented:
    - Revenue growth of 25% to R14.88 billion, with 1% volume growth and 24% price growth.
    - Adjusted EBITDA increased by 17% to R1.63 billion.
  - Premier's Groceries and International division (17% of group revenue) increased revenue by 15% to R3.06 billion, with Adjusted EBITDA increasing by 3% to R206 million:
    - Sugar Confectionery delivered an encouraging performance for the year with confectionery contributing 60% of Premier's overall private label revenue of c.R500 million per annum.
    - Home and Personal Care performed well, increasing Revenue and EBITDA.
    - The CIM business in Mozambique was impacted by the challenging macro environment, with Revenue and EBITDA down for the year. Foreign Direct Investment and donor programmes have recently restarted and are likely to stimulate consumer demand.
- In keeping with Premier's strategy of achieving growth and being the lowest cost producer, investment in best-in-class facilities is an ongoing priority. Capital expenditure,including acquisition of intangibles, for the group of R518 million (FY22: R519 million) comprised R370 million maintenance (FY22: R186 million) and R148 million expansionary (FY22: R333 million).
- During the year, Premier FMCG refinanced its long-term debt, increasing its debt facility by R1.04 billion, with R950 million distributed to shareholders ahead of the JSE listing. This refinancing provides Premier with (i) greater flexibility, with the debt package now comprising a three-year bullet of R1.9 billion and a four-year revolving credit facility of R1.0 billion; (ii) c.100bps reduction in interest margin; and (iii) increased covenant headroom. Premier made a voluntary capital repayment of R294 million on the revolving credit facility during the year.
- Valuation as at 31 March 2023:
  - Pursuant to Premier's listing on the JSE, Brait realised c.51.9% of its shareholding in Premier for R3.6 billion. Including the R0.9 billion proceeds Brait received from the distribution to shareholders, total proceeds of R4.5 billion represent more than 80% of the decrease for the year in Brait's carrying value for Premier.

    - Premier is valued at the reporting date using the closing JSE share price of R60 applied to Brait's remaining 60.7 million shares, resulting in a carrying value of R3.64 billion (FY22: R9.27 billion).
    - Based on Premier's reported Adjusted EBITDA of R1.73 billion and net third party debt of R2.86 billion, this equates to an implied EBITDA earnings multiple of 6.1x.

Virgin Active (53% of Brait's total assets):

- One of the leading international health club operators, Virgin Active's recovery from the significant impact of the Covid lockdown restrictions is well advanced and group membership exceeds the EBITDA breakeven mark.
- Strong operating performance in the last six months across all key territories (active membership grew 14% from 843k to 963k over the past 12 months) with average yield +4% YoY.
- The Real Foods nutrition assets (Kauai and Nü) continue to perform well, driven by in-gym stores.
- New operating model and structure bedded down by the management team repositioning Virgin Active from its strong foundational gym business to a wellness offering.
- Extension of debt terms for the International business to June 2027 with GBP50 million of equity injected by shareholders (Brait's pro rata share is GBP33.8 million) during May 2023 to fund growth initiatives.
- Territory update to 31 March 2023:
    - Southern Africa (37% of group revenue):
        - Sales for the six months of 127k with net membership growth of 34k members and active members increasing to 611k.
        - Terminations remain elevated, largely driven by poor quality of sales; management actions to address the high attrition rates include changes to the sales commission structure and improved customer engagement. Loadshedding continues to interrupt operations but management is investing in back-up solutions across the estate.
        - Refurbishment of a number of key clubs underway with strong operating metrics post reopening.
    - Italy (25% of group revenue):
        - Sales for the six months of 64k with net membership growth of 30k members increasing active members to 165k.
        - Sentiment remains positive, building on the strong start to 2023, with the focus now on yield performance and promotional campaigns.
    - UK (24% of group revenue):
        - Strong sales for the six months of 41k with net membership growth of 6k members increasing active members to 131k.
        - Sales were boosted by strong sales team performance across all clubs and supported by strong promotional campaigns. Sentiment continues to be positive as London recovers post Covid with higher office attendance helping boost London sales.
        - Focus on reducing operating costs to offset increase in utility costs with growth capex spend on selected clubs.
    - Asia Pacific (14% of group revenue):
        - Sales for the six months of 20k increasing active members to 55k.
        - Australian membership is in line with expectations and sentiment for Q2 is relatively strong.
        - Thailand continues to experience recovery in membership numbers.
        - Singapore's strong growth continues evidencing a robust terminations management strategy.
    - Head office:
        - Management restructuring the business to focus on global operational (not territory) responsibilities which will reduce central costs, improve accountability and facilitate implementation of best practice across territories.
        - Significant focus on quantitative capital allocation on growth projects to expedite recovery whilst managing tight liquidity (due to rising interest rates, utility costs, loadshedding related capex and brought forward refurbishment capex).
- Valuation as at 31 March 2023 (performed on a pre-IFRS16 basis):
    - Maintainable EBITDA is based on a look-through to a March 2025 estimated sustainable level of GBP121 million, which includes GBP3 million EBITDA from the Real foods (Kauai and Nü) acquisition that completed in the current year.
    - The valuation multiple has been maintained at 9.0x, which is in line with the peer average forward multiple of 8.9x (March-22: 10.0x).
    - Net third party debt of GBP454 million per the March 2023 management accounts has increased by GBP22 million to GBP476 million. The GBP22 million normalisation adjustment applied takes consideration of the estimated effect of working capital and costs deferred during the lockdowns (FY22 net debt of GBP380 million included a GBP27 million normalisation adjustment).

- Post the acquisition of the Real Foods nutrition assets, Brait's equity and shareholder funding participation decreased to 67.4% (FY22: 70.6%).
- Brait's resulting unrealised carrying value for its investment in Virgin Active at the reporting date is R9,045 million (FY22: R8,282 million) and comprises 53% of Brait's total assets (FY22: 44%).

New Look (5% of Brait's total assets):

- New Look is a leading affordable fashion omnichannel retailer in the UK and Republic of Ireland, with an online business that covers key international markets including Germany, France, the Nordic regions, and Canada.
- For the financial year ended 31 March 2023:
  - Revenue of GBP894.8 million, representing a 2.3% increase, driven by improved footfall.
  - EBITDA of GBP42.2 million, 68% higher year on year, driven by pricing discipline, tight stock management and continued focus on optimising costs.
- Market conditions remain challenging in the UK, with consumer confidence dropping further due to continued inflation increases, resulting in a highly promotional High Street overall. The business continues to focus on maintaining a tight stock position and strong margins, whilst managing costs to minimise the impact of unprecedented inflationary pressures on EBITDA.
- Valuation as at 31 March 2023 (performed on a pre-IFRS16 basis):
  - Maintainable EBITDA is based on a sustainable LTM level of GBP55 million.
  - The historic 5.0x multiple used represents a 49% discount to the peer average multiple of 9.8x.
  - Net third party debt of GBP38 million (FY22: GBP78.5 million) includes an estimated GBP18.9 million (FY22: GBP30.1 million) normalisation adjustment, to take consideration of deferred costs.
  - Brait holds 18.3% of the New Look shareholder loans/PIK facility and equity (17.2% equity participation post dilution for management's incentive plan).
  - Resulting unrealised carrying value for the investment in New Look at the reporting date is R931 million (FY21: R672 million), comprising 5% of Brait's total assets (FY22: 4%). The increase in carrying value is largely due to Brait's pro rata GBP9.1 million investment to purchase New Look's commitments under its HSBC operating facility during September 2022.

Other Investments:

- The decrease in carrying value is due to the realisation of Brait IV's remaining investment in Consol, the largest manufacturer of glass packaging on the African continent. The remaining R37 million carrying value relates to a legacy private equity fund investment.

BRAIT'S LIQUIDITY POSITION

Reporting date

- The BML RCF is secured on a senior basis by the assets of subsidiary Brait Mauritius Limited ("**BML**"), with all covenants NAV based. The facility commitment, with term to 30 June 2024, interest at JIBAR plus 400bps and a 1% commitment fee, was reduced in December 2022 from R3.0 billion to R2.5 billion following the receipt of Premier's pre-listing distribution of capital to shareholders, closing the year with a drawn balance of R2.1 billion.
- The net proceeds received from Premier's 24 March 2023 listing on the JSE resulted in Brait's cash balance of R3.6 billion and available liquidity at reporting date of R4.1 billion.
- Brait is in compliance with all covenants at the reporting date.

Post balance sheet date liquidity position

- Brait applied R2.8 billion of its R3.6 billion reporting date cash balance as follows:
  - In April 2023, settlement of the outstanding amount of R2.1 billion on the BML RCF;
  - During May 2023, Brait followed its pro rata GBP33.8 million (R756 million) equity subscription into Virgin Active's GBP50 million equity rights offer to fund growth initiatives.
- Brait has signed a term sheet with the Lenders (RMB and Standard Bank) to extend the term of the BML RCF to 31 March 2025, with a facility commitment of R594 million, interest rate of JIBAR plus 290bps and a 1% commitment fee.
- This results in Brait's post balance sheet date available liquidity of R1.4 billion.
  - The exchange rate on the remaining four semi-annual GBP4.875 million coupon payments on the 2024 Convertible Bonds has been fixed (4 June 2023 coupon at R20.45; remaining three coupons at R22.38).

UPDATE ON GOVERNANCE MATTERS

- Since 1 March 2020, Ethos Private Equity (“**EPE**”) has been the contracted investment advisor and administration services provider to Brait. This 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. Further to Brait’s announcements, The Rohatyn Group (“**TRG**”) acquired EPE with effect from 1 April 2023, resulting in TRG replacing EPE as Brait’s contracted investment advisor and administration services provider. All key members of the EPE team responsible for providing the contracted investment advisory and administration services to Brait have remained in their roles.
  - The Board approved one-year extension to 31 March 2024 of the contract taken over by TRG is unchanged at R65 million and existing incentives remain in place to ensure alignment with investors in executing Brait’s strategy to unlock value for Shareholders through asset unbundling as soon as practicable.
  - The Board has approved a further one-year extension of this contract with TRG to 31 March 2025 at a fee of R50 million, which is subject to a three-month notice period.
- 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 FY23 of R17.8 million (FY22: R30 million).
- The Long Term Incentive Plan for the Advisor is accounted for as a contingent liability.

In addition to the Long Form Results Announcement published on the website of the LuxSE today, Brait’s FY23 results presentation booklet is available at www.brait.com. This short form announcement is published under the responsibility of the Board and is a summary of the information in the full announcement available on the Luxembourg Stock Exchange website and the JSE Stock Exchange News Service at: https://senspdf.jse.co.za/documents/2023/JSE/ISSE/BAT/BPLCMar23.pdf and on the Company’s website http://brait.investoreports.com/investor-relations/results-and-reports/

This announcement does not contain full details and should not be used as a basis for any investment decision in relation to the Company’s shares. The full announcement is available for inspection, at no charge, at the Company’s registered office (C/o Stonehage Fleming, Suite 420, 4th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius) and the office of the sponsor during standard office hours.

Port Louis, Mauritius
13 June 2023

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 Limited (“**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 Official Market of the Stock Exchange of Mauritius **(“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