

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" or the "Group")

AUDITED FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

The Board of Directors ("Board") hereby reports to Brait's shareholders ("Shareholders") on the audited results for the financial year ended 31 March 2024.

FINANCIAL HIGHLIGHTS

- Virgin Active:
 - Membership growth and yield increases across the portfolio have driven revenue growth and profitability with a 'run rate annualised EBITDA' as at 31 March 2024 of c.£80 million, up from £33 million as at 30 September 2023.
 - The International business has continued to outperform whilst operational changes and club investment in South Africa have resulted in better membership retention and yield enhancement.
 - New Vitality contract signed and term sheet agreed for extension of VASA debt facilities to December 2027.
- Premier continued its operational outperformance in the financial year to 31 March 2024:
 - EBITDA grew 19% to R2.1 billion due to strong growth in all the operating units driven by efficiencies, margin management and service level excellence.
 - Continued to invest in its asset base with capex at 3.4% of revenue (FY23: 2.6%), whilst increasing Return on Invested Capital to 22.4% (FY23: 19.1%).
 - Strong cash flow for the year ahead of expectations resulting in the leverage ratio decreasing to 0.9x (FY23: 1.7x).
 - Maiden dividend of R2.20 per share in line with stated policy at listing.
- New Look:
 - Delivered a credible performance in its financial period ended 30 March 2024 despite continued competitive dynamics in the UK retail market.
 - Maintained profitability which reflects management's focus on gross margin retention, tight cost control and overall business optimisation and efficiencies.
- Brait:
 - Secured irrevocable commitments with key stakeholders to implement an inter-conditional recapitalisation transaction ("**Recapitalisation**") which meaningfully reduces debt and strengthens the balance sheet.
 - The 3-year extensions to the maturities of the Bonds provides runway for all stakeholders to benefit from the continued recovery in Virgin Active and New Look and the growth in Premier and provides Brait with the optionality to choose the earliest optimal exit window for each asset.
 - As an investment holding company, Brait's key reporting metric of NAV per share is R6.52, an 8% decrease on FY23 reported R7.06. From an IFRS perspective, loss and Headline loss per share is 13 cents (FY23: 70 cents).
 - Available cash and facilities were R1.5 billion at reporting date.

RECAPITALISATION

The stated strategy of Brait remains the monetisation of its asset base to optimise the return of capital to Shareholders. Due to the unforeseen effects of Covid on Virgin Active and New Look, in particular, the timeline to realise value from these assets has, by necessity, been extended. The December 2024 maturity of the Bonds requires a recapitalisation of the Group's balance sheet to provide the requisite flexibility to optimise the exit window for these assets and to avoid being forced into expedient sales of Brait's remaining three assets when market conditions are not conducive to value maximisation for Shareholders.

Brait announced the terms of the Recapitalisation on 3 June 2024 including:

- the 3-year extension of the maturities of the Bonds to December 2027, for which irrevocable undertakings of support from holders in excess of the required thresholds has been obtained to give effect to the respective amendments which will take effect in July 2024, combined with the partial R900 million repayment funded from the placement of 15 million Premier shares in March 2024;
- a fully underwritten Rights Offer of R1.5 billion, for which irrevocable undertakings of support in excess of the required thresholds have been obtained from Shareholders as at the date of publishing these FY24 audited results, to vote in favour of the required ordinary resolutions at the requisite Shareholder meetings scheduled for July 2024, thereby facilitating the amendments to the Bonds with the proceeds retained by Brait for general working capital purposes, potential investment in existing portfolio companies and/or repayment of Group debt over time; and
- the 3-year extension to March 2028, with the facility limit increased from R0.6 billion to R1 billion, for the BML RCF (as defined below), for which the lending banks have signed a credit approved term sheet.

The Recapitalisation meaningfully reduces the Group's debt and strengthens the Brait balance sheet, providing runway for all stakeholders to benefit from the continued recovery in Virgin Active and New Look and the growth in Premier. Furthermore, it gives Brait the ability to choose the earliest optimal exit window for each asset, providing increased flexibility to redeem the Bonds, which may allow for the return of capital to stakeholders in the event of an earlier exit of the asset base.

HIGHLIGHTS FOR BRAIT'S INVESTMENT PORTFOLIO

Virgin Active (67% of Brait's total assets):

- The leading international premium health club operator, Virgin Active's strong performance and operational turnaround has continued with all territories now EBITDA positive.
- Robust operating performance across key territories with active membership increasing to 1.021 million over the past twelve months, combined with 10% average yield enhancements across the portfolio.
- The "run rate EBITDA" at March 2024 implied an annualised EBITDA of c.£80 million, up from £33 million as at 30 September 2023.
- In November 2023 and February 2024, Virgin Active shareholders injected a combined £35 million of the £60 million Convertible Preference Share facility (Brait's pro rata share was £4 million out of its £6.9 million commitment).
- Territory update to 30 April 2024:
 - Southern Africa (34% of group revenue):
 - Revenue for the four months 16% up Year on Year ("YoY") with net membership growth of 26k members and active members increasing to 630k.
 - Membership yield increased 10% YoY driven by improved product mix.
 - A focus on quality of sales, product mix optimisation and member engagement (through the app and loyalty programme) has driven improved yields and retention.
 - Italy (28% of group revenue):
 - Revenue for the four months is 23% up YoY with net membership growth of 11k members increasing the active membership base to 189k.
 - Membership yields increased 7% YoY.
 - Strong start to 2024, with sales, retention and yields all ahead of expectations.
 - UK (24% of group revenue):
 - Revenue for the four months is 13% up YoY with net membership growth of 9k members increasing the active membership base to 139k.
 - Membership yields increased by 6% YoY due to price increases and club mix.
 - London CBD clubs continue to recover with higher office attendance boosting inner city growth.
 - Asia Pacific (14% of group revenue):
 - Revenue for the four months is 22% up YoY increasing active members to 63k.
 - Membership yields increased 4% YoY.
 - All territories are delivering robust revenue growth supported by a steady recovery at CBD clubs.
 - Head office:
 - Management has restructured the business to focus on global operational (not territory) responsibilities which have driven improved accountability and facilitated the implementation of best practice across territories and resulted in operational efficiencies.
 - Significant focus on quantitative capital allocation to growth projects to expedite recovery whilst managing the company's liquidity.
- Valuation as at 31 March 2024 (performed on a pre-IFRS16 basis):

- Maintainable EBITDA is based on a look-through to a December 2025 estimated sustainable level of £123 million (FY23: March 2025 estimate sustainable level of £121 million).
- The forward valuation multiple has been maintained at 9.0x, a 9% discount to the peer average forward multiple of 9.9x (FY23: 8.9x).
- Net third party debt of £447 million (FY23: £476 million) includes £20 million (FY23: £22 million) for the estimated effect of working capital and cost deferrals.
- Brait's resulting unrealised carrying value for its investment in Virgin Active at the reporting date is R10,183 million (FY23: R9,045 million) and comprises 67% of Brait's total assets (FY23: 53%).

Premier (18% of Brait's total assets)

- A leading South African FMCG manufacturer, offering branded and private label solutions, Premier continued to perform strongly despite adverse trading conditions and the impact of inflation on consumer spending.
- Premier's results for the financial year ended 31 March 2024 were released to the market on 11 June 2024:
 - Revenue of R18.6 billion up 4% YoY.
 - EBITDA of R2.1 billion up 19% YoY.
 - EBITDA margin of 11.0% (FY23: 9.6%).
 - Return on invested capital of 22.4% (FY23: 19.1%).
 - Normalised HEPS of 744 cents per share, an increase of 35% YoY.
 - Net third party debt leverage ratio of 0.9x (FY23: 1.7x).
- Divisional highlights for the financial year ended 31 March 2024:
 - Premier's MillBake business (84% of group revenue) continued its strong momentum despite challenging economic conditions:
 - Revenue growth of 4% to R15.5 billion.
 - EBITDA increased by 21% to R1.97 billion through focus on cost efficiencies.
 - Premier's Groceries and International division (16% of group revenue) increased revenue by 3% to R3.06 billion, with EBITDA increasing by 4% to R214 million.
 - Performance in sugar confectionery driven by improved efficiencies, product mix and tight margin management.
 - Lil-Lets UK enjoyed solid growth stimulated by the recent growth in eCommerce. Local port constraints in early 2024 impacted export volumes, which are expected to recover.
 - CIM continues to face headwinds but improved macro-economic outlook projected in Mozambique, with lower levels of inflation forecast coupled with improved GDP growth.
- In keeping with Premier's strategy of being the lowest cost producer through a focus on efficiencies, the business continued to invest in its asset base with capital expenditure at 3.4% of revenue (FY23: 2.6%), whilst increasing Return on Invested Capital to 22.4% (FY23: 19.1%). Capital expenditure for the group of R635 million (FY23: R473 million) comprised R342 million maintenance (FY23: R325 million) and R293 million expansionary (FY23: R148 million). Expansionary capex includes R161 million prepaid for the upgrade of the Aero-ton bakery. Acquisition of intangibles amounted to R67 million (FY23: R45 million).
- Cash generated by operations before working capital increased by 18% to R2.1 billion driven by the group's strong overall performance.
- Valuation as at 31 March 2024:
 - Premier is valued at the closing JSE share price of R61.10 (FY23: R60.00). Brait's shareholding in Premier is 35.4% (FY23: 47.1%) representing its 45.7 million shares (FY23: 60.7 million shares held). As announced to the market on 19 March 2024, the reduction in shareholding was a result of the oversubscribed placement of 15 million ordinary shares in Premier, raising total gross proceeds of R900 million.
 - Based on Premier's reported Adjusted EBITDA of R2.1 billion and net third party debt of R1.8 billion, this equates to an implied EBITDA earnings multiple of 4.7x.

New Look (7% of Brait's total assets):

- New Look is a leading fashion retailer operating in the value segment of the clothing and footwear market in the UK and the Republic of Ireland, with a targeted online presence. New Look offers products and a shopping experience based on excitement, value and newness. The New Look brand is distinct and trusted in the UK, catering to a broad customer audience.
- In a challenging UK fashion retail operating environment where market volumes declined, New Look's FY24 Revenue declined by 8.8%. Unseasonal weather and a rapidly changing competitive landscape continue to be key factors for management to navigate.

- Refinanced the £100 million term debt in October 2023 to October 2026 with increased flexibility of a revolving credit facility and covenants set to provide operating headroom.
- Valuation as at 31 March 2024 (performed on a pre-IFRS16 basis):
 - Maintainable EBITDA of £40 million is in line with FY24 LTM reported EBITDA (FY23: maintainable EBITDA of £55 million was applied).
 - Following a successful refinancing of the £100 million term loan and operating facilities to October 2026 and improved working capital management, the valuation multiple was increased to 6.5x (FY23: 5.0x), which maintains a similar level of discount to the peer average multiple of 9.8x that applied at FY23.
 - No normalisation adjustments were considered in net third party debt of £31.8 million (FY23: included £18.9 million in respect of certain deferred costs during the lockdown periods).
 - 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).
 - The resulting unrealised carrying value for the investment in New Look at the reporting date is R982 million (FY23: R931 million), comprising 7% of Brait's total assets (FY23: 5%).

Other Investments:

- The remaining R22 million carrying value relates to a legacy private equity fund investment.

BRAIT'S LIQUIDITY POSITION

Reporting date

- The R3.6 billion proceeds Brait received from Premier's 24 March 2023 listing on the JSE were applied during FY24 as follows:
 - In April 2023, settlement of the outstanding amount of R2.1 billion on Brait's revolving credit facility (the "**BML RCF**"); and
 - 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.
 - In November 2023 and February 2024, shareholders injected a combined £35 million of the £60 million Convertible Preference Share facility (Brait's share £4.0 million of £6.9 million commitment) to drive growth initiatives.
- Following its repayment, the BML RCF was amended to a facility commitment of R594 million and its term extended to 31 March 2025, with interest at JIBAR plus 290bps and a 1% commitment fee.
- As at 31 March 2024, the drawn balance on the BML RCF was R0.1 billion, resulting in available liquidity at the reporting date, including cash balances, amounting to R1.5 billion.
- Brait is in compliance with all covenants at the reporting date.

Post balance sheet date liquidity position

- As set out above, pursuant to the Recapitalisation announced to the market on 3 June 2024, Brait has signed a credit approved term sheet with the Lending Banks (RMB and Standard Bank) and is in the process of concluding the requisite legal agreements to amend the limit of its BML RCF to R1.0 billion and extend its tenure from 31 March 2025 to 31 March 2028. The interest margin on the amended facility is the three-month JIBAR plus a variable margin between 2.9% and 3.7% (depending on pledged security levels), and a 1.1% commitment fee will apply.

UPDATE ON GOVERNANCE MATTERS

- To align the interests of the Company, Shareholders and the Investment Advisor, The Rohatyn Group, in delivering Brait's strategy of monetisation of the asset base to optimise the return of capital to Shareholders, the Board has agreed the following amendments with the Investment Advisor as a result of the Recapitalisation:
 - The Advisory Agreement service fee of R50 million approved for FY25 (FY24: R65 million) will apply annually, subject to a three month notice period, until such time as the Board, at its discretion, considers Brait's remaining investment portfolio to be substantially realised or unbundled to Shareholders. Thereafter, to conclude Brait's winding up, a revised service fee of R1.5 million per month will take effect from the start of the following quarter;
 - The discontinuation of the annual short-term incentive ("**STI**") together with the five-year structured Long Term Incentive Plan ("**LTIP**") that was approved by Shareholders in October 2020; and
 - A new incentive mechanism, capped, at the Board's discretion at R50 million (the equivalent of one year's management fee), and which is based on sharing value uplift of the growth in market

capitalisation on a diminishing scale from 1.50% to 1.10% as Brait's market capitalisation increases, referenced to a starting market capitalisation of R3.6 billion (reference share price of R1.80 applied to 2.006 billion shares in issue, which assumes the BIH Exchangeable Bonds have been exchanged into 686.2 million shares). The parameters will be adjusted for corporate events such as the declaration of ordinary and special dividends, share buybacks, rights issues and asset unbundlings. Once the quantum of the incentive has been determined by the Board, such amount will be cash settled by BML. At 31 March 2024, no value has been ascribed to this incentive.

GROUP OUTLOOK

Since the February 2020 change in strategy to monetise its asset base to optimise the return of capital to its Shareholders, Brait has realised cumulative disposal proceeds of R9.1 billion, which has mostly been applied to repaying the BML RCF. This strategy has not changed. The 3-year extensions to the maturities of the Bonds in terms of the Recapitalisation provide runway for all stakeholders to benefit from the continued recovery in Virgin Active and New Look in addition to the growth in Premier, which also provides Brait with the optionality to choose the earliest optimal exit window for each asset.

In addition to the Long Form Results Announcement published on the website of the Luxembourg Stock Exchange ("**LuxSE**") today, Brait's FY24 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 LuxSE website and the JSE Stock Exchange News Service at: <https://senspdf.jse.co.za/documents/2024/JSE/ISSE/BAT/BPLCMar24.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 (Mauritius) Limited, 1st Floor, Les Fascines Block B, Vivea Business Park, Moka, Mauritius) during standard office hours.

Port Louis, Mauritius
25 June 2024

Brait's Ordinary Shares are primary listed and admitted to trading on the 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