

A photograph of a dirt road winding through a forest of tall evergreen trees. The scene is dimly lit, suggesting an overcast day. A semi-transparent blue rectangular box is overlaid on the center of the image, containing white text.

# **UNAUDITED INTERIM RESULTS ANNOUNCEMENT**

for the six month period ended  
30 September 2023

## Summary consolidated statement of financial position as at 30 September

	Notes	Unaudited 30 September 2023 R'm	Unaudited 30 September 2022 R'm	Audited 31 March 2023 R'm
<b>ASSETS</b>				
<b>Non-current assets</b>		<b>12 452</b>	13 964	<b>12 535</b>
Investments	3	12 452	13 964	12 535
<b>Current assets</b>		<b>9</b>	10	<b>1</b>
Accounts receivable		7	8	–
Cash and cash equivalents	4	2	2	1
<b>Total assets</b>		<b>12 461</b>	13 974	<b>12 536</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Ordinary shareholders equity and reserves</b>	2	<b>9 025</b>	11 086	<b>9 325</b>
<b>Non-current liabilities</b>		<b>3 331</b>	2 823	<b>3 125</b>
2024 Convertible Bonds	6	3 331	2 823	3 125
<b>Current liabilities</b>		<b>105</b>	65	<b>86</b>
Accounts payable and other liabilities	7	105	65	86
<b>Total equity and liabilities</b>		<b>12 461</b>	13 974	<b>12 536</b>

## Summary consolidated statement of comprehensive income for the period ended 30 September

	Notes	Unaudited 30 September 2023 R'm	Unaudited 30 September 2022 R'm	Audited 31 March 2023 R'm
Investment valuation gain/(loss)	8	186	(280)	(603)
Operating expenses	10	(15)	(14)	(45)
Finance costs	11	(164)	(135)	(280)
<b>Profit/(loss) for the period</b>		<b>7</b>	(429)	<b>(928)</b>
<b>Other comprehensive (loss)/profit</b>				
<i>Item that may be subsequently reclassified to profit or loss</i>				
Translation adjustments		(307)	462	(800)
<b>Comprehensive (loss)/profit for the period</b>		<b>(300)</b>	33	<b>(1 728)</b>
Earnings/(loss) per share (cents) – basic and diluted	12	1	(32)	(70)

## Summary consolidated statement of changes in equity for the period ended 30 September

	<b>Unaudited 30 September 2023 R'm</b>	Unaudited 30 September 2022 R'm	<b>Audited 31 March 2023 R'm</b>
<b>Ordinary shareholders equity balance at beginning of period</b>	<b>9 325</b>	11 053	<b>11 053</b>
Profit/(loss) for the period	<b>7</b>	(429)	<b>(928)</b>
Net translation adjustments	<b>(307)</b>	462	<b>(800)</b>
<b>Ordinary shareholders equity balance at end of period</b>	<b>9 025</b>	11 086	<b>9 325</b>

## Summary consolidated statement of cash flows for the period ended 30 September

	Notes	Unaudited 30 September 2023 R'm	Unaudited 30 September 2022 R'm	Audited 31 March 2023 R'm
<b>Cash flows from operating activities</b>				
Operating expenses paid		(10)	(34)	(30)
Administration fee paid		–	–	(11)
<b>Net cash used in operating activities</b>		<b>(10)</b>	<b>(34)</b>	<b>(41)</b>
Drawdown on loan from subsidiary	13	122	132	245
2024 Convertible Bonds: coupon payments		(100)	(103)	(205)
<b>Net cash generated from financing activities</b>		<b>22</b>	<b>29</b>	<b>40</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>12</b>	<b>(5)</b>	<b>(1)</b>
Effects of exchange rate changes on cash and cash equivalents		(11)	5	–
Cash and cash equivalents at beginning of period		1	2	2
Cash and cash equivalents at end of period	4	2	2	1

## Notes to the summary consolidated financial statements for the period ended 30 September

### 1. ACCOUNTING POLICIES

#### 1.1 Basis for preparation

The summarised financial statements are presented in accordance with IAS34: Interim Financial Reporting and in accordance with the framework concepts, measurement and recognition requirements of IFRS. The accounting policies and methods of computation are consistent with those applied for the year ended 31 March 2023. The Group has only one operating segment being that of an investment holding company.

The issuance of the BIH Exchangeable Bonds resulted in BIH's classification changing to that of an Investment Entity. In terms of IFRS10: Consolidated Financial Statements, which resulted, effective 1 October 2021, in the prospective exemption for the Group from consolidation. As a result, these summarised financial statements and their comparatives are presented for the Company on a standalone basis.

The Company's financial statements are prepared using SA Rand (R/ZAR) as its presentation currency.

The holding company, Brait PLC, and its main wholly owned subsidiaries, Brait Investment Holdings Limited ("BIH") and Brait Mauritius Limited ("BML"), use Pound Sterling as their functional currency. The financial statements have been prepared using the following exchange rates:

	September 2023		September 2022		March 2023	
	Closing	Average	Closing	Average	Closing	Average
GBP/ZAR	23.0236	23.4784	20.0760	19.8091	21.9162	20.4653
USD/ZAR	18.8670	18.6549	18.0168	16.3268	17.7153	17.0039

		Unaudited 30 September 2023 R'm	Unaudited 30 September 2022 R'm	Audited 31 March 2023 R'm
	Notes			
2. NET ASSET VALUE PER SHARE				
Ordinary shareholders equity and reserves		9 025	11 086	9 325
Ordinary shares in issue (m)	5	1 320.3	1 320.3	1 320.3
<b>Net asset value per share (cents)</b>		<b>684</b>	840	<b>706</b>

## Notes to the summary consolidated financial statements for the period ended 30 September

### 3. INVESTMENTS

Through its main operating subsidiary BML, which holds its portfolio of investments, the Company designates the majority of its financial asset investments as at Fair Value Through Profit and Loss ("FVTPL"), with any resultant gain or loss recognised in investment valuation gain/loss. Fair value is determined in accordance with IFRS 13.

Statement of financial position items carried at fair value include investments in equity instruments and shareholder funding instruments. Where applicable, listed investments are held at closing share prices at period end.

The primary valuation model utilised for valuing the unlisted portfolio of investments held by BML is the maintainable earnings multiple model. Maintainable earnings are generally determined with reference to the mix of prior year audited numbers and forecasts for future periods after adjusting both for non-recurring income/expenditure or abnormal economic conditions if applicable. If the forecasts are higher than the prior year earnings, as the year progresses the weighting is increased towards the portfolio company's forecast. If the forecasts are lower, the forecasted future earnings will usually be used as the maintainable earnings for valuation purposes. For portfolio companies that have been significantly impacted by the Covid pandemic, maintainable earnings are based on a post Covid sustainable level.

The Directors decide on an appropriate group of comparable quoted companies from which to base the EV/EBITDA valuation multiple. Pursuant to Brait's strategy focused on maximising value through the realisation and/or unbundling of its existing portfolio companies by March 2025, the primary reference measure generally considered at reporting date is the average spot multiple of the comparable quoted companies included as peers, which is adjusted for points of difference, where required, to the portfolio company being valued.

Where maintainable earnings are based on a post Covid sustainable level, peer average forward multiples for the corresponding forward period are used as the reference measure. Peer multiples are calculated based on the latest available financial information which may be adjusted based on subsequent macro or company specific information publicly known if appropriate. Adjustments for points of difference are assessed by reference to the two key variables of risk and earnings growth prospects and include the nature of operations, type of market exposure, competitive position, quality of management, capital structure and differences between the liquidity of the shares being valued and those on a quoted exchange.

The resulting valuation multiple is applied to the maintainable EBITDA to calculate the Enterprise Value ("EV") for the portfolio investment. That EV is then adjusted by net cash/debt to calculate net EV to which the Company's percentage holding is applied to calculate the Company's carrying value. Net cash/debt may be adjusted for the estimated effect of working capital and cost deferrals, where applicable.



## Notes to the summary consolidated financial statements for the period ended 30 September

### 3. INVESTMENTS CONTINUED

Valuation metrics <small>(note 1)</small>	30 September 2023			30 September 2022			31 March 2023		
	EBITDA	Multiple	3rd Party Net Debt	EBITDA	Multiple	3rd Party Net Debt	EBITDA	Multiple	3rd Party Net Debt
Virgin Active (£'m) <small>(note 2)</small>	121.3	9.0x	453.8	113.3	9.0x	437.2	120.9	9.0x	476.0
Premier (R'm) <small>(note 3)</small>	<b>Listed on the JSE on 24 March 2023</b>			1 634.9	7.6x	1 896.8	<b>Listed on the JSE on 24 March 2023</b>		
New Look (£'m) <small>(note 4)</small>	45.0	6.0x	14.0	55.0	5.0x	37.8	55.0	5.0x	38.0
Other investments		Varied			varied			Varied	

**Note 1** Consistent with the prior year, Brait has valued its unlisted investment portfolio on a pre-IFRS16 basis, adjusting financial data for the impact of IFRS16, as appropriate to ensure consistency.

**Note 2** Maintainable EBITDA based on look-through to a September 2025 estimate sustainable level of GBP121 million. In-line with March 2023 Maintainable EBITDA also includes GBP3 million EBITDA from the Real foods (Kauai and Nü) acquisition. The primary reference measure considered is the peer group average two-year forward multiple of 8.4x (FY23: 8.9x). Net third party debt has been increased by GBP20.4 million (FY23: GBP22.2 million) for the estimated effect of costs deferred during lockdowns. The increase in carrying value was mainly due to Brait's *pro rata* £33.8 million (R756 million) equity subscription into Virgin Active's £50 million equity rights offer in May 2023.

**Note 3** Premier is valued at the closing JSE share price of R60.50 (FY23: R60.00) applied to Brait's 60.7 million shares held. Based on Premier's reported LTM EBITDA of R1.93 billion (FY23: R1.73 billion) and net third party debt of R2.6 billion (FY23: R2.9 billion), this equates to an implied EV/LTM EBITDA multiple of 5.4x (FY23: 6.1x).

**Note 4** Maintainable EBITDA is based on a sustainable LTM EBITDA applied to a 6.0x historic multiple (FY23: 5.0x), which represents a 43% discount to its peer average multiple of 10.5x (FY23: 9.8x). Net third party debt of GBP14.0 million includes an estimated GBP0.9 million normalisation adjustment to take consideration of certain costs deferred during lockdowns. Brait holds 18.3% of the New Look shareholder loans/PIK facility and equity (17.2% equity participation post dilution for management incentive plan).



## Notes to the summary consolidated financial statements for the period ended 30 September

### 3. INVESTMENTS CONTINUED

#### Fair value hierarchy

IFRS13 provides a hierarchy that classifies inputs employed to determine fair value. Investments measured and reported at fair value are classified and disclosed in one of the following categories:

**Level 1** Unadjusted quoted prices in active markets for identical assets or liabilities.

**Level 2** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** Inputs for the assets or liability that are not based on observable market data.

There are no financial assets that are categorised as Level 2 in the current year or prior year. Level 3 investments are valued at the fair value of the underlying assets and liabilities.

		Unaudited 30 September 2023 R'm	Unaudited 30 September 2022 R'm	Audited 31 March 2023 R'm
	Notes			
BIH Investment in BML		15 196	16 488	15 166
Virgin Active		9 897	7 879	9 045
Premier		3 670	10 292	3 640
New Look		1 055	854	931
Other investments		34	44	37
BML net working capital		540	26	3 567
Borrowings (BML RCF)	3.1	–	(2 607)	(2 054)
BIH net working capital		(47)	(48)	(49)
BIH Exchangeable Bonds due 2024	3.2	(2 697)	(2 476)	(2 582)
<b>Level 3 Investments at fair value</b>		<b>12 452</b>	<b>13 964</b>	<b>12 535</b>

## Notes to the summary consolidated financial statements for the period ended 30 September

	Unaudited 30 September 2023 R'm	Unaudited 30 September 2022 R'm	Audited 31 March 2023 R'm
<b>3. INVESTMENTS CONTINUED</b>			
<b>3.1 Borrowings</b>			
Opening balance	2 054	2 478	2 478
Interest accrual	8	109	224
Net repayments of borrowings	(2 054)	70	(568)
Drawdowns	–	378	641
Capital repayments	(2 054)	(308)	(1 209)
Interest repayments	(8)	(50)	(80)
Closing balance	–	2 607	2 054

BML's committed revolving credit facility, which is secured by the assets of BML (the "BML RCF"), had a facility limit of R3 billion, with agreed reductions as Brait de-gears, and a tenure to 30 June 2024. The facility commitment, which incurred interest at JIBAR plus 4.0% and had a 1% commitment fee, was repaid in full on 13 April 2023 using proceeds received from the listing of Premier.

During April 2023, the facility limit on the BML RCF was amended to R0.6 billion, with term extended from 30 June 2024 to 31 March 2025, and remains undrawn at reporting date. The interest margin on the amended facility is the three-month JIBAR plus 2.9%, and a 1% commitment fee applies. Covenants remain NAV based, with the facility continuing to be secured on a senior basis by the assets of BML.

## Notes to the summary consolidated financial statements for the period ended 30 September

### 3. INVESTMENTS CONTINUED

#### 3.2 BIH Exchangeable Bonds (5% due 2024)

Brait concluded a R3 billion capital raise during December 2021 by way of renounceable Rights Offer to its shareholders, or their renounees, to subscribe for 5.00 per cent senior unsecured Exchangeable Bonds due 3 December 2024 issued by BIH ("BIH Exchangeable Bonds"). 3 000 000 BIH Exchangeable Bonds with a denomination of ZAR1 000 each were listed on the Main Board of the JSE Limited on 14 December 2021 and carry a fixed coupon of 5.0% per annum payable semi-annually. The BIH Exchangeable Bonds are exchangeable into Brait ordinary shares at the holder's election at the earlier of their term of 3 December 2024, or on full settlement of the 2024 Convertible Bonds (the "BIH Exchange Shares"). Using the exchange price of R4.37, holders are entitled at reporting date to exchange their BIH Exchangeable Bonds to a maximum of 686.179 million ordinary shares (subject to rounding provisions).

At maturity, BIH may redeem the BIH Exchangeable Bonds at par (together with accrued and unpaid interest) or by delivery of the Exchange Shares (at prevailing market value) and cash totalling the Principal amount in value.

	<b>Unaudited</b> <b>30 September</b> <b>2023</b> <b>R'm</b>	Unaudited 30 September 2022 R'm	<b>Audited</b> <b>31 March</b> <b>2023</b> <b>R'm</b>
<b>Reconciliation of the movements for the period:</b>			
Opening balance	<b>2 582</b>	2 376	<b>2 376</b>
Increase of liability component in terms of IAS32 over term of BIH Exchangeable Bonds	<b>115</b>	100	<b>206</b>
Closing balance	<b>2 697</b>	2 476	<b>2 582</b>

## Notes to the summary consolidated financial statements for the period ended 30 September

	<b>Unaudited 30 September 2023 R'm</b>	Unaudited 30 September 2022 R'm	<b>Audited 31 March 2023 R'm</b>
<b>4. CASH AND CASH EQUIVALENTS<sup>(1)</sup></b>			
Balances with banks	<b>2</b>	2	<b>1</b>
– ZAR cash	*	*	*
– USD cash	*	*	*
– GBP cash	<b>2</b>	2	<b>1</b>

<sup>(1)</sup> Following BIH's classification as an Investment Entity, reported cash of R2 million relates to the Company. Cash held by subsidiaries, namely BML and BIH, amounting to R0.5 billion (FY23: R3.6 billion) is presented within BML net working capital in Investments (refer note 3). HY24 cash held by subsidiaries includes R0.3 billion cash held in GBP denominated notes ring-fenced for the remaining coupons on the 2024 Convertible Bonds. FY23 cash held by subsidiaries represented R3.6 billion proceeds realised from the listing of Premier which were subsequently applied as follows: (i) to fully repay the outstanding amount of R2.1 billion on the BML RCF in April 2023; and (ii) to follow Brait's pro rata GBP33.8 million (R756 million) equity subscription into Virgin Active's GBP50 million equity rights offer in May 2023.

\* Less than R1 million.

## Notes to the summary consolidated financial statements for the period ended 30 September

### 5. STATED CAPITAL

At 30 September 2023, the Company had 1 320 312 254 issued ordinary shares of no par value, unchanged from 31 March 2023.

At the Extraordinary General Meeting held on 22 December 2021, Shareholder approval was obtained for the allocation and issuance of Brait PLC ordinary shares arising from the exchange rights of the BIH Exchangeable Bonds. Following the exchange of 1 396 BIH Exchangeable Bonds in February 2022, 686 179 405 ordinary shares may be issued in terms of its obligations to the holders of the BIH Exchangeable Bonds. Concurrently, Shareholder approval was also obtained for the re-designation of the ordinary shares of par value EUR0.22 each of the Company into ordinary shares of no par value.

At the Extraordinary General Meeting held on 14 January 2020, Shareholder approval was obtained for the allocation and potential issue from conversion on maturity of the 2024 Convertible Bonds, 287 411 381 ordinary shares in terms of its obligations to the holders of the 2024 Convertible Bonds.

	Number of shares in issue	R'm
<b>Issued ordinary share capital</b>		
<b>31 March 2023</b>	<b>1 320 312 254</b>	<b>12 190</b>
Stated capital		12 190
<b>30 September 2023</b>	<b>1 320 312 254</b>	<b>12 190</b>
Stated capital		12 190
	<b>1 320 312 254</b>	

## Notes to the summary consolidated financial statements for the period ended 30 September

	<b>Unaudited 30 September 2023 R'm</b>	Unaudited 30 September 2022 R'm	<b>Audited 31 March 2023 R'm</b>
<b>6. 2024 CONVERTIBLE BOND (6.50% DUE 2024)</b>			
On 4 December 2019 Brait received £150 million from the issuance of its five year unsubordinated, unsecured convertible bonds ("2024 Convertible Bonds"). The 2024 Convertible Bonds listed on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange on 29 January 2020 and carry a fixed coupon of 6.50% per annum payable semi-annually in arrears. The conversion price at reporting date is £0.5219 per ordinary share. Using this conversion price, the 2024 Convertible Bonds would be entitled to convert into a maximum of 287.411 million ordinary shares (subject to rounding provisions) on exercise of bondholder conversion rights.			
In the event that the bondholders have not exercised their conversion rights in accordance with the terms and conditions of the 2024 Convertible Bonds, the 2024 Convertible Bonds are settled at par value in cash on maturity on 4 December 2024.			
In accordance with IAS32 (Financial Instruments: Presentation), the liability component for the 2024 Bonds is measured at reporting date as GBP145 million (FY23: GBP143 million).			
<b>Reconciliation of the movements for the period:</b>			
Opening balance	<b>3 125</b>	2 667	<b>2 667</b>
Increase of liability component in terms of IAS32 over the five-year bond term	<b>49</b>	38	<b>80</b>
Foreign currency translation reserve	<b>157</b>	118	<b>378</b>
Closing balance	<b>3 331</b>	2 823	<b>3 125</b>
<b>7. ACCOUNTS PAYABLE AND OTHER LIABILITIES</b>			
Accounts payable at reporting date includes the £3.1 million coupon accrual on the 2024 Convertible Bonds	<b>105</b>	65	<b>86</b>

## Notes to the summary consolidated financial statements for the period ended 30 September

	Unaudited 30 September 2023 R'm	Unaudited 30 September 2022 R'm	Audited 31 March 2023 R'm
<b>8. INVESTMENT VALUATION GAIN/(LOSS)</b>			
<b>BML</b>	<b>216</b>	(175)	<b>(578)</b>
Finance income (note 9)	<b>22</b>	24	<b>30</b>
Administration fee received from Brait PLC	–	–	<b>14</b>
Operating cost (note 10)	<b>(49)</b>	(61)	<b>(144)</b>
Finance cost (note 11)	<b>(8)</b>	(109)	<b>(223)</b>
Tax	–	–	<b>(2)</b>
Investment valuation gain/(loss)	<b>251</b>	(29)	<b>(253)</b>
<b>BIH</b>	<b>85</b>	(5)	<b>181</b>
Operating cost (note 10)	<b>(1)</b>	–	<b>(1)</b>
Finance cost (note 11)	<b>(75)</b>	(75)	<b>(150)</b>
Foreign exchange gain	<b>161</b>	70	<b>332</b>
BIH Exchangeable Bond: liability component in terms of IAS 32 (note 11)	<b>(115)</b>	(100)	<b>(206)</b>
Investment valuation gain/(loss)	<b>186</b>	(280)	<b>(603)</b>
<b>9. FINANCE INCOME</b>			
Premier shareholder funding (interest income)	–	24	<b>25</b>
Other interest income	<b>22</b>	–	<b>5</b>
Total finance income earned for the year	<b>22</b>	24	<b>30</b>
Amounts recognised in investment valuation gain/(loss) (refer note 8)	<b>(22)</b>	(24)	<b>(30)</b>
	–	–	–



## Notes to the summary consolidated financial statements for the period ended 30 September

	Unaudited 30 September 2023 R'm	Unaudited 30 September 2022 R'm	Audited 31 March 2023 R'm
<b>10. OPERATING EXPENSES</b>			
Directors fees	10	10	19
Corporate advisory fees <sup>(1)</sup>	33	48	114
Insurance	8	8	16
Administration fee paid to BML	–	–	14
Professional fees <sup>(2)</sup>	5	2	7
Travel and accommodation	3	2	5
Other operating expenses	3	3	9
External audit fees	3	3	6
Total operating expenses incurred for the period	65	76	190
Amounts recognised in investment valuation gain/(loss) (refer note 8)	(50)	(62)	(145)
	15	14	45

<sup>(1)</sup> Ethos Private Equity Proprietary Limited ("EPE") was appointed as the contracted advisor to BML effective 1 March 2020. As announced to the market previously, The Rohatyn Group ("TRG") has formally been appointed by the Brait Board to replace EPE as BML's contracted investment advisor with effect from 1 April 2023. The fee comprises the advisory fee of R33 million (FY23: R96 million). FY23 also included a short term incentive award of R17.8 million, based on the Board's annual, pre-determined key performance indicators set for the Advisor in terms of executing on Brait's stated strategy.

<sup>(2)</sup> Largely made up of legal fees, as well as comprising fees relating to administration and fees paid/payable to external auditors in relation to non-audit services (such fees deemed immaterial to the Group).

## Notes to the summary consolidated financial statements for the period ended 30 September

	Unaudited 30 September 2023 R'm	Unaudited 30 September 2022 R'm	Audited 31 March 2023 R'm
<b>11. FINANCE COST</b>			
<b>BML RCF</b>			
– Interest expense	7	107	218
– Raising and commitment fees	1	2	5
<b>2024 Convertible Bonds</b>			
– Coupon	115	97	200
– Increase of liability component in terms of IAS32 over the five-year bond term	49	38	80
<b>BIH Exchangeable Bonds</b>			
– Coupon	75	75	150
– Increase of liability component in terms of IAS32 over the three-year bond term	115	100	206
<b>Total finance cost incurred for the period</b>	<b>362</b>	419	<b>859</b>
Amounts recognised in investment valuation gain/(loss) (refer note 8)	<b>(198)</b>	(284)	<b>(579)</b>
	<b>164</b>	135	<b>280</b>
<b>12. HEADLINE EARNINGS RECONCILIATION</b>			
Profit/(loss) and headline profit/(loss)	7	(429)	<b>(928)</b>
Weighted average ordinary shares in issue (m) – basic	<b>1 320</b>	1 320	<b>1 320</b>
Earnings/(loss) and headline earnings/(loss) per share (cents) – basic and diluted <sup>(1)</sup>	<b>1</b>	(32)	<b>(70)</b>

<sup>(1)</sup> Based on the reported NAV of R6.84 and at a BIH Exchange price of R4.37, the BIH Exchangeable bonds would be dilutive if exchanged into the Company's ordinary shares. The £0.5219 conversion price of the 2024 Convertible Bonds is anti-dilutive, based on the reported NAV.

## Notes to the summary consolidated financial statements for the period ended 30 September

	Unaudited 30 September 2023 R'm	Unaudited 30 September 2022 R'm	Audited 31 March 2023 R'm
<b>13. DRAWDOWN ON LOAN FROM SUBSIDIARY<sup>(1)</sup></b>			
<b>BML</b>	<b>(2 911)</b>	161	<b>3 874</b>
Investment proceeds received <sup>(2)</sup>	–	416	<b>4 901</b>
Purchase of investments <sup>(3)</sup>	<b>(756)</b>	(182)	<b>(218)</b>
BML Administration fee received from holding company	–	–	<b>11</b>
BML Operating and other expenses	<b>(85)</b>	(91)	<b>(170)</b>
BML withholding taxes	<b>(8)</b>	(2)	<b>(2)</b>
BML RCF: net capital repayments (refer note 3.1)	<b>(2 054)</b>	70	<b>(568)</b>
BML RCF: interest repayments (refer note 3.1)	<b>(8)</b>	(50)	<b>(80)</b>
<b>BIH cash flow</b>	<b>(75)</b>	(68)	<b>(145)</b>
BIH Operating costs	–	–	<b>(1)</b>
BIH Exchangeable Bonds: Coupon paid	<b>(75)</b>	(68)	<b>(144)</b>
Decrease/(increase) in cash held by BML due to BIH investment Entity status	<b>3 108</b>	39	<b>(3 484)</b>
Total drawdown on loan from subsidiary	<b>122</b>	132	<b>245</b>

<sup>(1)</sup> The Company is funded by its subsidiary BIH. The loan that arises is settled by way of return of capital in accordance with section 62 of the Mauritian Companies Act.

<sup>(2)</sup> Investment proceeds received in FY23 comprised of: (i) R4,476 million received from Premier (R3,600 million gross proceeds received pursuant to the March 2023 JSE listing, less R73 million associated costs; R924 million return of capital distribution received in November 2022 and R25 million in shareholder loan repayments); and (ii) R425 million received from the Other Investments portfolio, mostly relating to proceeds received from the realisation of Brait IV's remaining investment in Consol.

<sup>(3)</sup> Purchase of investments: HY24 relates to Brait following its pro rata £33.8 million (R756 million) equity subscription into Virgin Active's £50 million equity rights offer in May 2023. FY23 relates to Brait's pro rata £9.1 million investment to purchase commitments under New Look's HSBC operating facility in September 2022 and Brait's pro rata costs related to the March 2022 Virgin Active capital raise.

## Notes to the summary consolidated financial statements for the period ended 30 September

	<b>Unaudited 30 September 2023 R'm</b>	Unaudited 30 September 2022 R'm	<b>Audited 31 March 2023 R'm</b>
<b>14. RELATED PARTY BALANCES</b>			
<b>Profit from operations include:</b>			
Non-executive directors' fees	<b>(10)</b>	(10)	<b>(19)</b>
Corporate advisory fees <sup>(1)</sup>	<b>(33)</b>	(48)	<b>(114)</b>
Professional fees – Stonehage Fleming <sup>(2)</sup>	<b>(1)</b>	(1)	<b>(1)</b>

<sup>(1)</sup> As announced to the market previously, TRG has formally been appointed by the Brait Board to replace EPE as BML's contracted investment advisor with effect from 1 April 2023. EPE was appointed as the contracted advisor to BML effective 1 March 2020. EPE owns 1.2% of the BIH Exchangeable Bonds, while entities affiliated to EPE (EPE Direct Investments GP Proprietary Limited and Ethos Fund VII GP (SA) Proprietary Limited) collectively own 12.3% of Brait's ordinary shares and 12.3% of the BIH Exchangeable Bonds.

<sup>(2)</sup> HRW Troskie is a director and shareholder of Brait as well as a director and shareholder of certain Stonehage Fleming group entities, which is the company secretary of the Company. M Dabrowski is a director of Brait and until 31 August 2023 was also a director of certain Stonehage Fleming group entities.

## Notes to the summary consolidated financial statements for the period ended 30 September

	Unaudited 30 September 2023 R'm	Unaudited 30 September 2022 R'm	Audited 31 March 2023 R'm
<b>15. CONTINGENT LIABILITIES AND COMMITMENTS</b>			
<b>15.1 Commitments<sup>(1)</sup></b>			
<b>2024 Convertible Bond commitments</b>			
2024 Convertible Bonds coupon payments due within one year <sup>(2)</sup>	224	196	214
BIH Exchangeable Bonds coupon payments due within one year <sup>(3)</sup>	150	150	150
2024 Convertible Bonds coupon payments due between one and five years <sup>(2)</sup>	112	294	214
BIH Exchangeable Bonds coupon payments due between one and five years <sup>(3)</sup>	75	225	150
2024 Convertible Bonds principal settlement due within five years <sup>(4)</sup>	3 454	3 011	3 287
BIH Exchangeable Bonds principal settlement due within five years <sup>(5)</sup>	1 194	288	516
<b>Total commitments</b>	<b>5 209</b>	<b>4 164</b>	<b>4 531</b>

<sup>(1)</sup> Commitments include those of Brait PLC (in respect of its issued 2024 Convertible Bonds) as well as those of its wholly owned subsidiary, BIH ("the BIH Exchangeable Bonds"), for which Brait PLC will issue the exchange shares.

<sup>(2)</sup> The coupon payments reflect the semi-annual coupons of 6.5% payable in arrears over the remaining terms of the 2024 Convertible Bonds.

<sup>(3)</sup> The coupon payments reflect the semi-annual coupons of 5.0% payable in arrears over the remaining term of the BIH Exchangeable Bonds.

<sup>(4)</sup> The principal cash settlement amount for the 2024 Convertible Bonds is payable at maturity date of 4 December 2024 in the event that the bondholders have not exercised their conversion rights.

<sup>(5)</sup> The principal cash settlement amount for the BIH Exchangeable Bonds is only payable at maturity date of 3 December 2024 to the extent the prevailing share price of the Brait shares delivered at such redemption date is less than the R4.37 exchange price. The cash settlement amount reflected applies the respective reporting date closing share price of R2.63 (FY23: R3.62) to the 686.2 million Brait PLC exchange shares.

## Notes to the summary consolidated financial statements for the period ended 30 September

### 15. CONTINGENT LIABILITIES AND COMMITMENTS CONTINUED

#### 15.2 Contingent liabilities

At the Extraordinary General Meeting held on 30 October 2020, Shareholders approved the Long Term Incentive Plan ("LTIP") for EPE (as Advisor to Brait) and its employees working on the Brait portfolio. The LTIP is a five-year structure which has been designed to align the interests of the Advisor with those of Shareholders in delivering on Brait's revised strategy of realising value from the portfolio over the medium term, whilst minimising dilution to Shareholders. The LTIP will result in the Advisor receiving participation rights ("Participation Rights") to the realised proceeds distributed from the Brait portfolio only once cumulative distributions to Shareholders have exceeded the 31 March 2020 Net Asset Value ("NAV") of R8.27 per share (the "Hurdle Price"). The Hurdle Price will be adjusted to account for corporate events such as the declaration of ordinary and special dividends, share buybacks, capital raises and asset unbundlings. The value accruing to the Advisor would be equal to the surplus between such distributions and the Hurdle Price and would be settled in cash. Once, on a cumulative basis, the realised distributions to Shareholders exceeds the Hurdle Price, the Advisor will be entitled to its Participation Right of any further distributions to Shareholders.

#### 15.3 Other

The Group has rights and obligations in terms of standard representation shareholder or purchase and sale agreements relating to its present or former investments.

## Review of operations

The Board of Directors (“Board”) hereby reports to Brait’s shareholders (“Shareholders”) on Brait’s unaudited interim results for the six months ended 30 September 2023.

### FINANCIAL HIGHLIGHTS

- **Virgin Active:**

- Robust operating performance across key territories, with active membership increasing 10% to 972k over the past twelve months and enhancement of average yield across the portfolio.
- Amendment and extension to June 2025 of VASA debt terms, which together with the previously announced extension to June 2027 of the debt terms for the international business, provide liquidity runway.
- Agreement on the key terms of the Vitality contract renewal to December 2028.
- Shareholders are in the process of injecting GBP60 million (Brait’s participation is GBP6.9 million) in the form of convertible preference shares to drive growth initiatives.

- **Premier:**

- Continued strong performance in HY24, with EBITDA growth of 24% to R1 billion (LTM EBITDA of R1.9 billion), driven by strong growth across all divisions except for the Mozambican business (“CIM”), which was impacted by macro factors and double-digit food inflation during the period.
- Capital expenditure of R239 million, whilst increasing ROIC to 20.7%.
- Strong cash generation resulting in improved leverage ratio of 1.4x net debt / EBITDA (FY23: 1.7x).

- **New Look:**

- Reasonable performance in a challenging UK fashion retail operating environment where market volumes declined by 4%.
- Refinanced the GBP100 million term debt to October 2026 with covenants set to provide operating headroom.
- Review underway of operational cost base and distribution centre efficiency to drive profit growth.

- **Brait:**

- Board remains focused on unlocking value for stakeholders and assessing the optimal way to achieve this.
- NAV per share is R6.84, a 3% decrease on FY23 reported R7.06.
- Available cash and facilities of R1.1 billion.



## Review of operations continued

The NAV breakdown at reporting date is presented below.

		<sup>(1)</sup> Unaudited 30 September 2023 R'm	<sup>(1)</sup> Unaudited 30 September 2022 R'm	<sup>(1)</sup> Audited 31 March 2023 R'm
	%			
<b>Investments</b>	<b>96</b>	<b>14 663</b>	19 069	<b>13 653</b>
Virgin Active	<b>65</b>	<b>9 897</b>	7 879	<b>9 045</b>
Premier	<b>24</b>	<b>3 670</b>	10 292	<b>3 640</b>
New Look	<b>7</b>	<b>1 055</b>	854	<b>931</b>
Other investments	<b>–</b>	<b>34</b>	44	<b>37</b>
<b>Current assets</b>	<b>4</b>	<b>528</b>	80	<b>3 582</b>
Cash and cash equivalents		<b>520</b>	48	<b>3 582</b>
Accounts receivable		<b>8</b>	32	<b>–</b>
<b>Total assets</b>	<b>100</b>	<b>15 184</b>	19 149	<b>17 235</b>
<b>Non-current liabilities</b>		<b>6 028</b>	7 906	<b>7 761</b>
Borrowings (BML RCF)		<b>–</b>	2 607	<b>2 054</b>
2024 Convertible Bonds (6.5% due 2024)		<b>3 331</b>	2 823	<b>3 125</b>
BIH Exchangeable Bonds (5.0% due 2024)		<b>2 697</b>	2 476	<b>2 582</b>
<b>Current liabilities</b>		<b>131</b>	157	<b>149</b>
Accounts payable		<b>131</b>	157	<b>149</b>
<b>NAV</b>		<b>9 025</b>	11 086	<b>9 325</b>
<b>Net issued ordinary shares (million)</b>		<b>1,320.31</b>	1,320.31	<b>1,320.31</b>
<b>NAV per share (cents)</b>		<b>684</b>	840	<b>706</b>

<sup>(1)</sup> The issuance of the BIH Exchangeable Bonds resulted in BIH's classification changing to that of an Investment Entity. In terms of IFRS10: Consolidated Financial Statements, this resulted, effective 1 October 2021, in the prospective exemption for the Group from consolidation. The results shown above apply the look-through consolidation basis.

## Review of operations *continued*

### HIGHLIGHTS FOR THE GROUP'S INVESTMENT PORTFOLIO

#### Virgin Active (65% of Brait's total assets):

- One of the world's leading premium international health and wellness brands, offering innovative health and fitness experiences to its members, Virgin Active continues its recovery from the significant impact of the Covid lockdown restrictions, which were finally lifted in September 2022.
- Robust operating performance across key territories, with active membership increasing 10% to 972k over the past twelve months and enhancement of average yield across the portfolio.
- Amendment and extension to June 2025 of VASA debt terms, which together with the previously announced extension to June 2027 of the debt terms for the international business, provide liquidity runway.
- Agreement on the key terms of the Vitality contract renewal to December 2028.
- Shareholders are in the process of injecting GBP60 million (Brait's participation is GBP6.9 million) in the form of convertible preference shares to drive growth initiatives.
- Territory update for the 9 months ended 30 September 2023:
  - Southern Africa (37% of group revenue) ("VASA"):
    - Sales of 170k, net membership growth of 31k and active members increasing to 606k.
    - Terminations elevated, largely driven by poor quality of sales in the first quarter of 2023 due to a challenging economic environment; management focused on addressing the increased attrition rates through changes to the sales commission structure and improved customer engagement.
    - Refurbishment of a number of key clubs underway with strong operating metrics post reopening.
    - Amendment and extension to June 2025 of VASA debt terms provides liquidity runway and Key terms of the Vitality contract renewal to December 2028 have been agreed.
  - Italy (25% of group revenue):
    - Sales of 81k, net membership growth of 30k and active members increasing to 175k.
    - Sentiment remains positive, building on the strong start to 2023, with the focus now on yield performance and promotional campaigns.
  - UK (23% of group revenue):

## Review of operations *continued*

- Sales of 62k, net membership growth of 18k and active members increasing to 132k.
- Sales boosted by strong sales team performance across all clubs supported by promotional campaigns. Sentiment continues to be positive as London continues to recover post Covid with higher office attendance helping boost inner city sales.
- Focus on reducing operating costs to offset the increase in utility costs with growth capex spend on selected clubs.
- Asia Pacific (15% of group revenue):
  - Sales of 32k with active members increasing to 59k.
  - Singapore's strong growth continues evidencing a robust terminations management strategy. Australian membership is behind expectations while Thailand continues to experience recovery.
- Head office:
  - The management restructuring process currently underway is expected to result in significant central cost savings going forward.
  - Management focused on quantitative capital allocation on growth projects to expedite recovery whilst managing tight liquidity.
- Valuation as at 30 September 2023 (performed on a pre-IFRS16 basis):
  - Maintainable EBITDA is based on a look-through to a September 2025 estimated GBP121 million, which includes GBP3 million EBITDA from Real Foods (Kauai and Nü).
  - The 2-year forward valuation multiple is maintained at 9.0x (peer average forward multiple of 8.4x; FY23: 8.9x).
  - Net third party debt of GBP454 million (FY23: GBP476 million) includes GBP20 million (FY23: GBP22 million) for costs deferred during lockdown periods.
  - Brait's resulting unrealised carrying value for its investment in Virgin Active at the reporting date is R9,897 million (FY23: R9,045 million) and comprises 65% of Brait's total assets (FY23: 53%). The increase in carrying value is mainly due to Brait's pro rata GBP33.8 million (R756 million) equity subscription into Virgin Active's GBP50 million equity rights offer in May 2023.

## Review of operations *continued*

### Premier (24% of Brait's total assets)

- A leading South African FMCG manufacturer, offering branded and private label solutions, Premier delivered a strong HY24 operating performance despite high inflation and interest rates coupled with social unrest and power interruptions.
- Premier's results for the six months ended 30 September 2023 were released to the market on 13 November 2023:
  - Revenue of R9.4 billion; +7% year on year ("YoY").
  - Adjusted EBITDA of R1.0 billion; +24% YoY.
  - Adjusted EBITDA margin: 10.9% (HY23: 9.4%).
  - Adjusted return on invested capital (ROIC): 20.7% (HY23: 14.9%).
  - Normalised HEPS of 331 cents per share, +25% YoY.
  - Net third party debt leverage ratio of 1.4x, unchanged from HY23.
- Divisional highlights for the six months ended 30 September 2023:
  - Premier's MillBake business (84% of group revenue) continued its strong momentum despite challenging economic conditions, with revenue increasing 8% to R7.87 billion and adjusted EBITDA increasing 27% to R970 million:
    - Revenue growth slowed as bread pricing remained flat and maize became deflationary.
    - Operating margins returned to long term averages after declining somewhat during the inflationary wave experienced last year.
  - Premier's Groceries and International business (16% of group revenue) increased revenue by 2% to R1.48 billion, with Adjusted EBITDA decreasing by 4% to R107 million, impacted by CIM's performance as a result of challenging Mozambican macro factors:
    - Ongoing focus on site manufacturing optimisation and functionality remains critical.
    - Business poised to capitalise on anticipated economic recovery through established efficiencies in manufacturing capability.
- 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 for the group of R239 million (HY23: R215 million) comprised R177 million maintenance (HY23: R149 million) and R62 million expansionary (HY23: R66 million). Cash generated by operations before working capital increased by 19% to R1.5 billion driven by the group's strong overall performance.
- Valuation as at 30 September 2023:
  - Premier is valued using the closing JSE share price of R60.50 (FY23: R60.00) applied to Brait's 60.7 million shares, resulting in a carrying value of R3.67 billion (FY23: R3.64 billion).
  - Based on Premier's LTM EBITDA of R1.93 billion (FY23: R1.73 billion) and net third party debt of R2.62 billion (FY23: R2.86 billion), this equates to an implied EBITDA multiple of 5.4x (FY23: 6.1x).

## Review of operations *continued*

### **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.
- In a challenging UK fashion retail operating environment where market volumes declined by 4%, New Look's HY24 Revenue and EBITDA declined by 11.3% and 28.4% respectively. Unseasonal weather, declining consumer confidence and cost of living concerns through further interest rate and inflation increases, continue to be key factors affecting performance.
- Refinanced the GBP100 million term debt to October 2026 with covenants set to provide operating headroom.
- Valuation as at 30 September 2023 (performed on a pre-IFRS16 basis):
  - Maintainable EBITDA of GBP45 million (FY23: GBP55 million) is referenced to FY23 LTM EBITDA of GBP42 million.
  - Following a successful refinancing of the GBP100 million term loan and operating facilities to October 2026 and improved working capital management, the valuation multiple was increased to 6.0x (FY23: 5.0x), which maintains a similar level of discount to the peer average multiple of 10.5x (FY23: 9.8x) that applied at FY23.
  - Net third party debt of GBP14 million (FY23: GBP38 million) includes a GBP1 million (FY23: GBP19 million) normalisation adjustment, to take consideration of estimated 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).
  - The resulting unrealised carrying value for the investment in New Look at the reporting date is R1,055 million (FY23: R931 million), comprising 7% of Brait's total assets (FY23: 5%).

### **Other investments**

- The remaining carrying value of R34 million relates to a legacy private equity fund investment.

## Review of operations *continued*

### GROUP LIQUIDITY POSITION

#### Reporting date

- The R3.6 billion proceeds Brait received from Premier's 24 March 2023 listing on the JSE were applied during HY24 as follows:
  - In April 2023, settlement of the outstanding amount of R2.1 billion on 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.
- Following its repayment, the BML RCF, which is secured on a senior basis by the assets of subsidiary Brait Mauritius Limited, was amended to a facility commitment of R594 million and extended term of 31 March 2025, interest at JIBAR plus 290bps and a 1% commitment fee.
- Cash of R520 million, which includes R326 million held in GBP for the remaining coupons on the 2024 Convertible Bonds, together with the undrawn BML RCF, results in available cash and facilities of R1.1 billion at the reporting date.
- Brait is in compliance with all covenants at the reporting date.
- The Board remains focused on unlocking value for stakeholders and assessing the optimal way to achieve this.

### DIVIDEND POLICY

Brait's ability to return capital to Shareholders pursuant to its monetisation strategy will depend upon its receiving realisations on loans and investments, dividends, other distributions or payments from its portfolio companies (which are under no obligation to pay dividends or make any other distributions to Brait). In addition, Brait's ability to pay any dividends will depend upon distribution allowances under the terms of the BML RCF.

To the extent that surplus cash becomes available at a future date for distribution, the Board will consider the potential for the distribution of such surplus cash by way of special dividend. Pursuant to the terms of the 2024 Convertible Bonds, before Brait is able to pay a special dividend to Shareholders, it will have to first make an offer to the holders of the 2024 Convertible Bonds to tender for repurchase an aggregate principal amount of the 2024 Convertible Bonds for an amount equal to such proposed special dividend at a price per 2024 Convertible Bond equal to its principal amount together with accrued interest. Prior to the offer to the holders of the 2024 Convertible Bonds, Brait will have to make an offer to the holders of the BIH Exchangeable Bonds to redeem the BIH Exchangeable Bonds.

For and on behalf of the Board

**RA Nelson**

*Non-Executive Chairman*

15 November 2023

## Review of operations *continued*

### **Directors (all non-executive)**

RA Nelson (Chairman)<sup>#</sup>, MP Dabrowski<sup>\*\*</sup>, JM Grant<sup>#</sup>, Y Jekwa<sup>\*</sup>, PG Joubert<sup>\*\*</sup>, PJ Roelofse<sup>\*</sup>, HRW Troskie<sup>^</sup>, Dr CH Wiese<sup>\*</sup>

<sup>#</sup> *British*   <sup>^</sup> *Dutch*   <sup>\*</sup> *South African*   <sup>\*\*</sup> *Resident in Mauritius*

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. 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"). The BIH Exchangeable Bonds are dual listed on JSE and 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



## Administration and contact details

### **BRAIT PLC**

Registration No: 183309 GBC

### **ISSUER NAME AND CODE**

Issuer long name – BRAIT PLC

Issuer code – BRAIT

Share code: BAT – ISIN: LU0011857645

Bond code:

WKN: A2SBSU ISIN: XS2088760157

LEI: 549300VB8GBX4UO7WG59

### **COMPANY SECRETARY**

Stonehage Fleming

Workshop 17, Les Fascines Building Vivea

Business Park, Rue des Fascines Moka, Mauritius

### **LUXSE LISTING AGENT**

Harney Westwood & Riegels SARL

56, rue Charles Martel

L-2134 Luxembourg

Tel: +352 2786 7102

### **SOUTH AFRICAN TRANSFER SECRETARIES**

Computershare Investor Services Pty Ltd

Rosebank Towers, 15 Biermann Avenue

Rosebank, Johannesburg, 2196, South Africa

Tel: +27 11 370 5000

### **JSE SPONSOR**

Rand Merchant Bank

(A division of FirstRand Bank Limited)

1 Merchant Place, Corner Fredman Drive

and Rivonia Road, Sandton, 2196,

South Africa

### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers

### **REGISTERED OFFICE**

C/o Stonehage Fleming

Suite 420, 4th Floor, Barkly Wharf

Le Caudan Waterfront, Port Louis

Mauritius

Tel: +230 213 6909

### **ADVISOR**

Rohatyn Management SA (Pty) Ltd

3rd Floor, Rosebank Towers,

15 Biermann Avenue

Rosebank, Johannesburg, 2196,

South Africa

Tel: +27 11 328 7400

### **INVESTOR RELATIONS**

[www.brait.com](http://www.brait.com)

Email: [invest@brait.com](mailto:invest@brait.com)

Tel: +27 11 328 7400



