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**")

UNAUDITED FINANCIAL RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2023

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. Earnings and Headline Earnings per share are R0.01 (HY23: Loss and headline loss per share of R0.32).
  - Available cash and facilities of R1.1 billion.

HIGHLIGHTS FOR BRAIT'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.
- 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):
    - 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.

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).

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.
- 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.

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.

In addition to the full results published on the website of the LuxSE today, Brait's HY24 Unaudited Interim 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 results 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/BPLCSep23.pdf and on the Company's website http://brait.investoreports.com/investor-relations/results-and-reports/

Any investment decisions in relation to the Company's shares should be based on the full results. The full results are 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
15 November 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:
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