

Brait SE  
(Registered in Malta as a European Company)  
(Registration No. SE1)  
Share code: BAT ISIN: LU0011857645  
Bond code: WKN: A1Z6XC ISIN: XS1292954812  
LEI: 549300VB8GBX4UO7WG59  
("Brait" or the "Company")

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### **Completion of New Convertible Bond Offering and concurrent repurchase of GBP180 million Outstanding Bonds**

Brait S.E. ("Brait" or the "Company") announces the placement (the "Offering") of GBP150 million of unsubordinated, unsecured convertible bonds due 2024 with a denomination of GBP100,000 each (the "Bonds"). Concurrently with the Offering, the Company also conducted a reverse bookbuild to repurchase GBP180 million of the Company's outstanding GBP350 million 2.75% convertible bonds due 2020 (ISIN: XS1292954812) (the "Outstanding Bonds").

The Bonds, which are expected to mature on 4 December 2024, will be issued at par and carry a coupon of 6.5% per annum payable semi-annually in equal instalments in arrear. Holders of the Bonds will have the option to require the early redemption of their Bonds on 18 September 2020, at par plus accrued and unpaid interest in case the rights offer announced on 27 November 2019 by the Company (the "Rights Offer") is not completed on or before 20 August 2020.

Shareholder approval for physical settlement of the Bonds is being requested at an extraordinary general meeting (the "EGM"), expected to be held on 14 January 2020 (and at the latest by 4 April 2020 (the "Long Stop Date")). If shareholder approval is received, the Bonds will be convertible into ordinary shares of Brait (the "Ordinary Shares"). If shareholder approval is not received, then the Bonds will be cash settled upon exercise.

If shareholder approval has not been received on or before the Long Stop Date, the Company may elect to redeem all (but not only some) of the Bonds at the greater of (i) 102% of the principal amount of the Bonds (together with accrued but unpaid interest) and (ii) 102% of the fair value of the Bonds (together with accrued but unpaid interest).

The initial conversion price has been set at GBP 0.9375, a premium of 25% above the volume-weighted average price ("VWAP") of an Ordinary Share on the JSE Limited between open and close of trading on 27 November 2019, converted at the prevailing ZAR:GBP spot rate at the time of pricing. The conversion price will be subject to standard adjustments, including for cash dividends paid out of internally generated cash flows. Cash dividends paid by the Company out of the proceeds of any sale or disposal of any of its investments will not result in a conversion price adjustment but will, following the operation of the provisions described below in relation to the requirement to make a repurchase offer to

Bondholders, instead be paid out by way of an additional interest amount to holders of the Bonds, pro rata to the Ordinary Shares underlying the Bonds (as if they had converted).

The conversion price will potentially be adjusted (but only if the conversion price so adjusted is lower than the then prevailing conversion price) based on the average daily VWAP on the 10 consecutive dealing days starting on the 6<sup>th</sup> business day following the settlement of the Rights Offer and according to a pre-determined formula as defined in the Terms and Conditions of the Bonds.

The Company has the right to redeem all outstanding Bonds at par plus accrued interest if 85% or more of the aggregate principal amount of the Bonds originally issued have been previously redeemed, cash settled, converted or purchased and cancelled.

If the Company wishes to declare, announce, make or pay a Special Dividend to Shareholders (the **“Proposed Special Dividend Announcement”**) then the Company shall by notice to the Bondholders make an offer to the Bondholders to tender for repurchase an aggregate principal amount of Bonds up to a maximum amount equal to the aggregate amount of the proposed Special Dividend at a price per Bond equal to its principal amount together with accrued interest to the Special Dividend Put Date, as further described in the Terms and Conditions of the Bonds.

The settlement of the Bonds is expected to take place on or around 4 December 2019 (the **“Closing and Settlement Date”**).

In the context of the Offering, the Company, its subsidiaries (excluding investee companies) and the Titan Group of Companies (representing Christo Wiese and his related entities’ interests in Brait) will be subject to a 90 day lock-up following the Closing and Settlement Date, subject to customary exceptions and, (i) in respect of the Company, (a) the ability to issue Ordinary Shares or issue rights to subscribe for Ordinary Shares pursuant to the Rights Offer; (b) the ability to purchase the Outstanding Bonds pursuant to the Concurrent Partial Repurchase and (c) the ability to issue Ordinary Shares as consideration for acquisitions pursuant to M&A transactions in its normal course of business; and (ii) in respect of the Titan Group of Companies only, (a) flexibility to allow potential pledging or other form of security interest created over the Ordinary Shares and (b) any transaction undertaken in connection with the Rights Offer and (iii) any Ordinary Shares issued pursuant to the conversion of the Outstanding Bonds.

Holders of the Outstanding Bonds who placed indications of interest to sell their Outstanding Bonds in the Concurrent Partial Repurchase (as described below) may have, at the Company’s sole discretion, receive a preferential allocation of the Bonds.

Application is intended to be made for the Bonds to be listed on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange within 30 days following the Closing and Settlement Date.

Goldman Sachs International and J.P. Morgan Securities plc acted as Joint Global Coordinators and Joint Bookrunners on the Offering and Joint Dealer Managers on the Concurrent Partial Repurchase (as described below). Rand Merchant Bank, a division of FirstRand Bank Limited acted as Co-bookrunner on the Offering.

#### **Concurrent Partial Repurchase of Outstanding Bonds**

Concurrently with the Offering, Brait conducted a reverse bookbuilding process to collect indications of interest from holders of the Outstanding Bonds willing to sell their Outstanding Bonds to the Company. At the close of the reverse bookbuilding process, the Company had decided to accept for purchase GBP180 million in aggregate principal amount of the Outstanding Bonds (the “**Concurrent Partial Repurchase**”).

Holders of the Outstanding Bonds whose bonds have been accepted for repurchase pursuant to the Concurrent Partial Repurchase will be eligible for a cash consideration of GBP 99,000 per GBP 100,000 in principal amount of Outstanding Bonds (the “**Repurchase Price**”). In addition, the Company will pay a cash amount representing interest accrued but unpaid on the Outstanding Bonds from and including 18 September 2019 (being the immediately preceding interest payment date prior to the Concurrent Partial Repurchase but excluding the settlement date of the Concurrent Partial Repurchase). The accrued interest amount per GBP 100,000 of Outstanding Bonds is expected to be GBP 581.73 based on an expected settlement date of 4 December 2019.

Outstanding Bonds in an aggregate principal amount of GBP170 million are expected to remain outstanding immediately following settlement of the Concurrent Partial Repurchase.

The Company reserves the right to acquire, through open market purchases, privately negotiated transactions or otherwise, Outstanding Bonds other than pursuant to the Concurrent Partial Repurchase (i) at any time until settlement of the Concurrent Partial Repurchase at the same Repurchase Price and (ii) from time to time after settlement of the Concurrent Partial Repurchase at a price which may be more or less than the Repurchase Price and could be for cash or other consideration or otherwise on terms more or less favourable than those contemplated in the Concurrent Partial Repurchase.

The Company intends to purchase the remaining Outstanding Bonds following the Concurrent Partial Repurchase as soon as practicable after the settlement of the Rights Offer.

Brait may also redeem Outstanding Bonds at any time at par plus accrued interest if 15% or less of the principal amount of the Outstanding Bonds originally issued remain outstanding in accordance with their terms and conditions.

The Company intends to cancel any Outstanding Bonds repurchased by it pursuant to the Concurrent Partial Repurchase.

Settlement of the Concurrent Partial Repurchase is conditional upon settlement of the issue of the Bonds.

Brait’s primary listing is on the Euro MTF market of the Luxembourg Stock Exchange and its secondary listing is on the exchange operated by the JSE Limited.

Sponsor to Brait:  
Rand Merchant Bank, a division of FirstRand Bank Limited

28 November 2019

**DISCLAIMERS - IMPORTANT INFORMATION**

No sales in or into the United States or to U.S. persons or in or into Canada, Australia, Japan, Malta or any other jurisdiction in which offers or sales would be prohibited by applicable law. Bonds may only be offered or sold to prospective investors in South Africa pursuant to section 96(1)(b) of the South African Companies Act, 2008 and in accordance with other applicable laws and regulations of South Africa in force from time to time (including applicable exchange control regulations).

This announcement is not for distribution, directly or indirectly, in or into the United States (as defined in Regulation S under the US Securities Act of 1933, as amended ("**US Securities Act**") or to U.S. persons (as defined in Regulation S under the US Securities Act). This announcement is not an offer to sell securities, or the solicitation of any offer to buy securities, nor shall there be any offer of securities in any jurisdiction in which such offer or sale would be unlawful. The securities mentioned in this announcement have not been and will not be registered under the US Securities Act, and may not be offered or sold in the United States, or to or for the account or benefit of U.S. persons, absent registration or exemption from registration under the US Securities Act. There will be no public offer of the securities in the United States or in any other jurisdiction.

The Company is not registered under the United States Investment Company Act of 1940 and investors will not have the benefit of that Act.

Copies of this announcement are not being, and must not be, mailed, or otherwise forwarded, distributed or sent in, into or from the United States or any other jurisdiction in which such mailing would be illegal, or to publications with a general circulation in those jurisdictions, and persons receiving this announcement (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in, into or from the United States or any other jurisdiction in which such mailing would be illegal or to publications with a general circulation in those jurisdictions.

No "offer to the public" (as such term is defined in the South African Companies Act, 2008 (the "**SA Companies Act**") in South Africa is being made in connection with the issue of the Bonds and accordingly this announcement does not, nor does it intend to, constitute a "registered prospectus", as contemplated in Chapter 4 of the SA Companies Act. Accordingly, no prospectus has been filed with the South African Companies and Intellectual Property Commission in respect of the issue or offering of the Bonds. Any issue or offering of the Bonds in South Africa constitutes an offer for the subscription and sale of the Bonds in South Africa only to selected investors who fall within the exemption set out in section 96(1)(b) of the SA Companies Act and, accordingly, such offer would not be considered to be an "offer to the public" for the purposes of the SA Companies Act.

Under the South African Exchange Control Regulations, 1961 (the "**SA Exchange Control Regulations**") and current policies of the Financial Surveillance Department of the South African Reserve Bank ("**SARB**"), no South African residents or offshore subsidiary of a South African resident may subscribe for or purchase any of the Bonds or beneficially own or hold any of the Bonds unless specific approval has been obtained by such persons from the SARB or such subscription, purchase or beneficial holding or ownership is otherwise permitted under the SA Exchange Control Regulations or the applicable exchange control rulings issued by the SARB (including, without limitation, the rulings issued by the SARB providing for foreign investment allowances applicable to persons who are residents of South Africa under the applicable exchange control laws of South Africa).

This announcement is not for distribution in or from Malta and does not constitute an offer, invitation or solicitation for the sale or purchase of Bonds in or from Malta. In addition, it is not intended to form the basis of, or act as an inducement to enter into any contract or investment service by the Company, the Joint Bookrunners, their affiliates or any other person and accordingly falls outside the parameters of the term "investment advertisement" as the same is defined in the Investment Services Act of Malta (Cap. 370 of the Laws of Malta). This announcement should not be construed as a recommendation by the Company, the Joint Bookrunners, their affiliates or any other person and does not amount to an offer to the public in Malta.

Bonds may only be offered or sold to prospective investors within the parameters of the provisions of Article 2(3)(b) of the Companies Act of Malta and in accordance with other applicable laws and regulations of the Republic of Malta in force from time to time.

A Rights Offer circular may or may not be published by the Company. If published, any such rights offer circular would supersede all information provided to you before the date of such rights offer circular, and such document would include a description of risk factors in relation to an investment in the Company or other entity. You should conduct your own independent analysis of all relevant data provided in any Rights Offer circular and you are advised to seek expert advice before making any investment decision. Information relating to the Company's financial statements for the six months ended 30 September 2019 is unaudited.

Each of the Joint Bookrunners and their respective subsidiaries and affiliates may perform services for, or solicit business from, the Issuer or members of its group, may make markets in the securities of the Company or members of its group and/or have a position or effect transactions in such securities.

In respect of the offering of the Bonds, each prospective investor should proceed on the assumption that it must bear the economic risk of an investment in the securities for an indefinite period. None of the Company, the Joint Bookrunners and their respective directors, employees, agents or affiliates makes any representation as to (i) the suitability of the securities for any particular investor, (ii) the appropriate accounting treatment and potential tax consequences of investing in the securities or (iii) the future performance of the securities either in absolute terms or relative to competing investments.

The Joint Bookrunners or their respective affiliates may, for their own account, enter into asset swaps, credit derivatives or other derivative transactions relating to the securities or the Outstanding Bonds at the same time as the offer and sale of the securities the conduct of the Concurrent Partial Repurchase or in secondary market transactions. The Joint Bookrunners or any of their respective affiliates may from time to time hold long or short positions in, or buy and sell, such securities, the Outstanding Bonds or derivatives. No disclosure will be made of any such positions unless required by law.

In connection with the offering of the Bonds, each of the Joint Bookrunners and their respective affiliates acting as an investor for their own account may take up Bonds or the underlying shares and in that capacity may retain, purchase or sell for its own account such securities and any other securities of the Company or any related investments and may offer or sell such securities or other investments otherwise than in connection with the offering of the Bonds. The Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Joint Bookrunners are acting on behalf of the Company and no one else in connection with the Bonds and the Concurrent Partial Repurchase and will not be responsible to any other person for providing the protections afforded to clients of the Joint Bookrunners, or for providing advice in relation to the securities or the Outstanding Bonds.

No action has been taken by the Company, the Joint Bookrunners or any of their respective affiliates that would permit an offering of the securities or possession or distribution of this announcement or any publicity material relating to such securities in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions.

Potential investors who are in any doubt about the contents of this announcement should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser. It should be remembered that the price of securities and the income from them can go down as well as up.

#### **SELLING RESTRICTIONS IN RELATION TO THE OFFERING**

This announcement and the offer when made are only addressed to and directed in, member states of the European Economic Area ("**EEA**") (each, a "**Member State**"), at persons who are "qualified investors" as defined in the Prospectus Regulation (each a "**Qualified Investor**") and you represent and

agree that you (if located in such a Member State) and, to the extent applicable, any funds on behalf of which you are acquiring the Bonds that are located in such a Member State, are each such a Qualified Investor. For these purposes, the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

This announcement is a financial promotion. In addition, in the United Kingdom, this announcement is being distributed only to, and is directed only at, Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") or (ii) who fall within Article 49(2)(a) to (d) of the Order, or (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). This announcement must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons, and (ii) in any Member State other than the United Kingdom, by persons who are not Qualified Investors. Any investment or investment activity to which this announcement relates is available only to (i) relevant persons in the United Kingdom and will be engaged in only with relevant persons in the United Kingdom and (ii) Qualified Investors in Member States (other than the United Kingdom).

In the case of any securities being offered to you as a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, you will also be deemed to have represented and agreed that the securities acquired by you in the offering have not been acquired on behalf of persons in a Member State other than Qualified Investors or persons in the UK and other Member States (where equivalent legislation exists) for whom you have authority to make decisions on a wholly discretionary basis, nor have the securities been acquired with a view to their offer or resale in a Member State where this would result in a requirement for publication by the Company or the Joint Bookrunners pursuant to Article 3 of the Prospectus Regulation, or in which the prior consent of the Joint Bookrunners has been obtained to such offer or resale.

Solely for the purposes of the Product Governance Requirements contained within: (a) EU Directive 2014/65/EU on Markets in Financial Instruments, as amended ("**MIFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MIFID II; and (c) local implementing measures (together, the "**MIFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "**manufacturer**" (for the purposes of the MIFID II Product Governance Requirements) may otherwise have with respect thereto, the Bonds have been subject to a product approval process, which has determined that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MIFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The target market assessment is without prejudice to the requirements of any contractual or legal selling restrictions in relation to any offering of the Bonds.

For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MIFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Bonds.

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MIFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MIFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPS Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

The Company, the Joint Bookrunners and others will rely upon the truth and accuracy of the foregoing representations, acknowledgements, and agreements. Notwithstanding the above, a person who is not a Qualified Investor and who has notified the Joint Bookrunners of such fact in writing may, with the written consent of the Joint Bookrunners, be permitted to purchase Bonds.

The information contained within this announcement is inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement this inside information is now considered to be in the public domain. The person responsible for this announcement on behalf of Brait is PJ Moleketi, Non-Executive Chairman of the Board.