

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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RIGHTS OFFER DECLARATION AND FINALISATION ANNOUNCEMENT: FULLY COMMITTED AND UNDERWRITTEN RENOUNCEABLE RIGHTS OFFER TO QUALIFYING SHAREHOLDERS

1. Introduction

Brait shareholders ("**Shareholders**") are referred to the announcement released on the Stock Exchange News Service of the Johannesburg Stock Exchange ("**JSE**") and published on the website of the Luxembourg Stock Exchange ("**LuxSE**") on 14 January 2020 relating to the results of the Extraordinary General Meeting ("**EGM**") of Shareholders that was held at the Company's registered office at 4th Floor, Avantech Building, St. Julian's Road, San Gwann, SGN 2805, Malta on Tuesday, 14 January 2020. Extraordinary resolutions 1, 5, 6, 7, 8 and 9 together with ordinary resolutions 2, 3 and 4, tabled at the EGM were approved by the requisite majority of votes.

The Company has now declared its intention to undertake:

- a fully committed and underwritten, renounceable rights offer on a pre-emptive basis to Qualifying Shareholders (defined below) in respect of 795,454,545 new, fully paid ordinary shares of EUR 0.22 each in the share capital of Brait ("**New Shares**") in the ratio of 1.6870 New Shares for every 1 existing, fully paid ordinary share of EUR 0.22 each in the share capital of Brait ("**Shares**") held at 11h00 CET/ 12h00 SAST on 31 January 2020 (the "First Record Date"), at a price of ZAR6.60 (EUR 0.41) per New Share to raise in aggregate ZAR5,250,000,000 (the "**Rights Offer**"); and
- a potential non-pre-emptive specific issue of fully paid ordinary shares of EUR 0.22 each in the share capital of Brait of up to ZAR350,000,000 issued at the Offer Price (defined below) (the "**Top-Up Subscription**").

(collectively the "**Equity Capital Raise**").

"**Qualifying Shareholders**" are Shareholders whose Shares are listed on the LuxSE or the JSE (save for persons, other than Permitted Restricted Territory Shareholders (defined below), with registered addresses or located or resident in Restricted Territories (defined below) and are recorded in Brait's register of members in Luxembourg or Johannesburg as at the First Record Date

2. Rationale for the Equity Capital Raise

Brait intends to use the net proceeds of the Equity Capital Raise (after costs, fees and expenses related to the Equity Capital Raise) for the repayment of the remaining GBP170,000,000 in aggregate principal amount of the outstanding convertible bonds due September 2020 and to partially repay Brait Mauritius Limited's existing committed revolving credit facility. As part of the overall recapitalisation this provides Brait with a de-gearred balance sheet and extended debt maturities, providing an opportunity to drive value in its core portfolio of assets.

3. Terms of the Rights Offer

The Rights Offer will consist of a fully committed and underwritten renounceable rights offer by Brait to Qualifying Shareholders of 795,454,545 New Shares at an offer price of ZAR6.60 (EUR 0.41) per New Share (the "**Offer Price**"), in the ratio of 1.6870 New Shares for every 1 Share held. Pursuant to the Rights Offer, Qualifying Shareholders will be issued their proportion of renounceable rights ("**Rights**") based on their holding of Shares. On and subject to the terms of the Rights Offer, each Right will entitle the holder to subscribe for a New Share at the Offer Price. The Rights: (i) will be listed on the LuxSE and JSE (collectively the "**Exchanges**"); (ii) will be renounceable; and (iii) will be capable of being traded on the Exchanges.

New Shares representing fractional entitlements will not be issued to Qualifying Shareholders. Where necessary, entitlements to New Shares of 0.5 or greater will be rounded up and less than 0.5 will be rounded down to the nearest whole number.

The Offer Price per New Share represents a 48.6 *per cent.* discount to the JSE closing price of a Share of ZAR12.85 on 20 January 2020 and a 27.0 *per cent.* discount to the theoretical ex-rights price of a Share of ZAR9.04 (EUR 0.56) calculated by reference to the 5 (five) day volume-weighted average price of a Share on the JSE immediately preceding the Finalisation Date of ZAR13.17 (EUR 0.82). Assuming that there is no Top-Up Subscription, Qualifying Shareholders who take up their *pro rata* entitlements to New Shares in full will suffer no dilution of their shareholdings in the Company as a result of the Rights Offer. However, if a Qualifying Shareholder does not (or is unable) to take up the offer of New Shares in full, its proportionate shareholding will be diluted by approximately 62.8 *per cent.*

The Rights and the New Shares will be listed on both the Euro MTF market operated by the LuxSE and on the JSE. The Rights will be renounceable and will be capable of being traded on the Exchanges.

The Equity Capital Raise will see the introduction of EPE Capital Partners Ltd and Ethos Fund VII GP (SA) Proprietary Limited (the "**Ethos Underwriters**") as a new strategic equity partner through their investment of ZAR1,350,000,000 in Brait.

The Ethos Underwriters have entered into an agreement with Titan Financial Services Proprietary Limited ("**Titan**"), whereby Titan and its affiliates will undertake in favour of the Ethos Underwriters to irrevocably and unconditionally renounce part of Titan's entitlements to New Shares with an aggregate subscription price of ZAR1,000,000,000, in favour of the Ethos Underwriters, and the Ethos Underwriters have irrevocably and unconditionally undertaken to subscribe for these New Shares. Additionally, the Ethos Underwriters have (amongst others) entered into an underwriting agreement (the "**Underwriting Agreement**") with Brait in terms of which the Ethos Underwriters will underwrite New Shares not taken up under the Rights Offer having an aggregate value at the Offer Price of up to ZAR350,000,000. To the extent that the Ethos Underwriters do not subscribe for New Shares having a value at the Offer Price of ZAR350,000,000 through their underwriting commitment in the Rights Offer, Brait will undertake a non-pre-emptive specific issue to the Ethos Underwriters of up to 53,030,303 shares having a value at the Offer Price of up to ZAR350,000,000 by way of the Top-Up Subscription. Any Shares acquired by the Ethos Underwriters and Titan and its affiliates will be subject to a customary lock up for 90 days post the Rights Offer and may not be disposed of, whether directly or indirectly, without the prior written consent of Brait.

Titan and its affiliates own 188,730,749 Shares, equating to a 40.0 per cent. shareholding, excluding the 17,475,070 Shares in the Company held by Maitland Malta Limited as trustee of the Brait Investment Trust and the 36,616,189 Shares in the Company held by Brait Mauritius Limited, and is committed to investing up to ZAR1,000,000,000 in the Rights Offer via a combination of following its Rights (ZAR750,000,000) and underwriting New Shares not taken up under the Rights Offer having an aggregate value at the Offer Price of up to ZAR250,000,000, pursuant to the Underwriting Agreement.

In addition to undertakings from Titan (ZAR750,000,000) and the Ethos Underwriters (ZAR1,000,000,000) to take up the Rights mentioned above, Brait has secured irrevocable undertakings from major institutional Shareholders (ZAR1,378,000,000) to follow all, or a portion, of their Rights pursuant to the Rights Offer, subject to certain exceptions for compliance with investment mandates. Brait has also secured underwriting commitments of ZAR2,122,000,000 under the Underwriting Agreement from a combination of Titan (ZAR250,000,000), the Ethos Underwriters (ZAR350,000,000), and Rand Merchant Bank, a division of FirstRand Bank Limited (ZAR1,522,000,000) resulting in a fully committed and underwritten Rights Offer.

4. Excess New Shares

Qualifying Shareholders will be permitted to apply for New Shares in excess of their *pro rata* entitlement in terms of the Rights Offer ("**Excess New Shares**"), should there be Excess New Shares available for allocation. Such Excess New Shares will be allocated equitably, taking cognisance of the number of Shares held by the Qualifying Shareholder just prior to such allocation, including New Shares taken up as a result of the Rights Offer, and the number of Excess New Shares applied for by such Qualifying Shareholder.

5. Shareholders in restricted territories

The making of the Rights Offer to persons located or resident in, or who are citizens of, or who have a registered address in countries other than Malta, Luxembourg and South Africa, may be affected by the law or regulatory requirements of the relevant jurisdiction. The offer of New Shares under the Rights Offer may not be capable of acceptance, or purported acceptance, in certain territories. Shareholders with a registered address in the United States, Australia, Canada, and Japan and any other jurisdiction where the extension or making of the Rights Offer would be unlawful or in contravention of certain regulations ("**Restricted Territories**") are not being sent the Rights Offer circular ("**Circular**") and are not entitled to accept any offer to acquire Rights and/or New Shares.

Shareholders with registered addresses in, or who are resident in any of, the Restricted Territories who have satisfied the Company, in its sole and absolute discretion, by no later than 27 January 2020, that their exercise, sale or renunciation of the Rights and/or subscription for New Shares would not result in the contravention of any registration or other legal requirement in any jurisdiction may participate in the Rights Offer ("**Permitted Restricted Territory Shareholders**"), failing which the Rights will instead be sold, on a best efforts basis and the proceeds will be remitted, net of brokerage charges and associated expenses, in accordance with the information of such Shareholders on the Brait share register.

Any Shareholder who is in any doubt as to his position should consult an appropriate professional advisor without delay.

6. Expected timetable and principal events

Declaration Date

2020

Tuesday, 21 January

2020

Finalisation Date	Tuesday, 21 January
Publication of Circular on the Company's website	Monday, 27 January
Last day for Shareholders in Restricted Territories to satisfy the Company that they can participate in the Rights Offer	Monday, 27 January
Last day to trade in Shares on the Exchanges for Shareholders to be eligible to participate in the Rights Offer	Tuesday, 28 January
Shares trade ex-Rights on the Exchanges at 09:00 (CET)/ 09:00 (SAST)	Wednesday, 29 January
Listing of and trading in Rights under Clearstream and Euroclear Common Code: 209120534, JSE code: BATN and ISIN: MT2000680212	Wednesday, 29 January
Circular posted to Certificated Shareholders	Thursday, 30 January
LuxSE Forms of Instruction and Rights Certificates posted to Qualifying LuxSE Shareholders	Thursday, 30 January
First Record Date	Friday, 31 January
Rights Offer opens in Luxembourg and South Africa at 09:00 (CET)/09:00 (SAST)	Monday, 3 February
Qualifying LuxSE Shareholders that hold Dematerialised Shares will have their Participant or broker accounts credited with their Rights and can subsequently exercise their Rights	Monday, 3 February
Shareholders that hold Dematerialised Shares on the South African sub-register will have their broker or CSDP accounts credited with their Rights and subsequently can exercise their Rights	Monday, 3 February
Shareholders on the South African sub-register that hold Certificated Shares will have their Rights credited to an electronic account held at the South African Transfer Secretaries	Monday, 3 February
Circular distributed to Dematerialised Shareholders	Monday, 3 February
Qualifying Shareholders that hold Certificated Shares on the South African sub-register who want to sell their Rights must ensure that they have sent their instruction to the South African Transfer Secretary no later than 11:00 (CET)/12:00 (SAST) (Shareholders are to ensure that the South African Transfer Secretary has received the instruction and if they are posting they must factor posting delays)	Monday, 10 February
Last day to trade in Rights for Shareholders trading on Exchanges	Tuesday, 11 February
Listing and trading of New Shares on the Exchanges	Wednesday, 12 February
Certificated Shareholders wishing to renounce or subscribe for all or part of their Rights must lodge their Form of Instruction together with payment or proof of payment with the Transfer Secretaries by 11:00 (CET)/12:00 (SAST)	Friday, 14 February

Second Record Date and closing date for acceptances under Rights Offer on the Exchanges at 11:00 (CET)/12:00 (SAST)	Friday, 14 February
Participants or brokers appointed by Qualifying LuxSE Shareholders that are Dematerialised Shareholders and located in Restricted Territories and who do not qualify as Permitted Restricted Territory Shareholders must contact the Luxembourg Transfer Secretaries by no later than 11:00 (CET)/12:00 (SAST)	Friday, 14 February
Delivery of New Shares to Shareholders	Monday, 17 February
New Shares credited to Dematerialised Shareholders' broker, Participant or CSDP accounts and share certificates posted to Certificated Shareholders (see note 8) by no later than	Monday, 17 February
Results of the Rights Offer released on SENS and the LuxSE website	Monday, 17 February
Dematerialised Shareholders' accounts updated and debited by their CSDP or Broker (in respect of successful excess applications)	Wednesday, 19 February
Share certificates distributed to Certificated Shareholders in respect of successful applications for Excess New Shares	Wednesday, 19 February
Refund payments (if any) in respect of unsuccessful applications by Certificated Shareholders for Excess New Shares made or refund cheques posted	Wednesday, 19 February

Notes

- (1) These dates and times are indicative only and subject to change. All dates are estimations based on current expectations of the Company. If any of the dates and times change, details of the new dates and times will be published on the website of the LuxSE and on SENS.
- (2) Shareholders in Restricted Territories are required to satisfy the Company, in its sole and absolute discretion, by no later than 27 January 2020, that their exercise, sale or renunciation of the Rights and/or subscription for New Shares would not result in the contravention of any registration or other legal requirement in any jurisdiction may participate in the Rights Offer, failing which the Rights will instead be sold by RMB, on a best efforts basis and the proceeds will be remitted, net of brokerage charges and associated expenses, in accordance with the information of such Shareholders on the Brait share register. Further details are set out in paragraph 1.9 of Part 7 (*Rights Offer Details*). Rights allocated to Participants or brokers appointed by Qualifying LuxSE Shareholders that are Dematerialised Shareholders and located in Restricted Territories and who do not qualify as Permitted Restricted Territory Shareholders will not be sold by RMB on a best efforts basis as set out in paragraph 1.9 of Part 7 (*Rights Offer Details*) of this Circular and such Participants or brokers must contact the Luxembourg Transfer Secretaries by no later than 11:00 (CET)/ 12:00 (SAST) on 14 February 2020 in order to discuss alternative arrangements.
- (3) Shares may not be transferred between Brait's register of members and the South African sub-register between 21 January 2020 and 31 January 2020.
- (4) Rights and Shares are transferable between the Luxembourg Rights Register and the South African sub-register and Brait's register of members and the South African sub-register, save as set out in note 3 above and note 6 below.
- (5) Share certificates may not be dematerialised or rematerialised between 29 January 2020 and 31 January 2020, both days inclusive.
- (6) Rights may not be transferred between Brait's register of members and the South African sub-register after 11 February 2020.
- (7) CSDP's or brokers (in respect of Qualifying JSE Shareholders) or Participants (in respect of Qualifying LuxSE Shareholders) must effect payment in respect of Dematerialised Shareholders on a delivery versus payment basis.
- (8) New Shares will only be delivered pursuant to the Rights Offer on 17 February 2020.
- (9) Share certificates will be posted, and refund payments will be made, at the risk of Qualifying Shareholders who are Certificated Shareholders (or their renounees).

7. Rights Offer Circular

It is anticipated that the Circular and a Form of Instruction will be published on the Company's website at <http://brait.investoreports.com/investor-relations/results-and-reports/> on 27 January 2020 and posted to Qualifying Certificated Shareholders on Thursday, 30 January 2020.

All conditions precedent to the Rights Offer have been fulfilled and the Rights Offer will proceed on the terms and in accordance with the timetable as set out in the Circular.

San Gwann, Malta

21 January 2020

For further information please contact: invest@brait.com

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.

Financial advisor and Sponsor to Brait:

Rand Merchant Bank, a division of FirstRand Bank Limited

International Legal advisor to Brait:

Linklaters LLP

South African Legal advisor to Brait:

DLA Piper Advisory Services Proprietary Limited

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