

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", the "Company" or the "Group")

PORTFOLIO UPDATE, THE COMPLETION OF BRAIT'S DEBT FACILITY REFINANCE, SALE OF DGB AND UPDATE ON GOVERNANCE MATTERS

PORTFOLIO UPDATE

Shareholders are referred to the announcement published on the website of the Luxembourg Stock Exchange ("**LuxSE**") and released on the Stock Exchange News Service ("**SENS**") of the Johannesburg Stock Exchange ("**JSE**") on 24 March 2020, which set out an update as to the various impacts that Coronavirus has had on each portfolio company and key interventions implemented in mitigation thereof.

Portfolio company management teams continue to assess the impact of the Coronavirus and develop strategies to mitigate its impact. Significant progress has been made on safeguarding the health and safety of staff and customers. Where appropriate we have instituted cost reduction strategies to deal with the impacts of the virus. Engagement with key stakeholders continues across our portfolio universe to ensure appropriate actions are instituted given the changed operating environment.

Virgin Active

While health clubs across all territories remain closed as part of those governments' initiatives to limit the spread of the virus, certain territories are now at relatively advanced stages of allowing clubs to re-open. The health and safety of staff and customers will remain Virgin Active's key focus as it begins the process, in adherence with respective government directives, of re-opening its clubs in those territories. Prior to the territory lockdowns, the company had put in place extensive cleaning and sanitisation procedures to ensure that the clubs were a safe place for its members and staff. Once clubs can be safely re-opened, the focus will be on ensuring that clubs continue to institute these and additional measures to safeguard the health and wellness of members and staff.

Virgin Active has rolled out digital content to its members over various platforms, and in some instances the general public, in order to retain contact with its membership base, thereby remaining relevant in their daily lives and building on its digital strategy already envisioned prior to the current crisis. Virgin Active continues to assess the revenue generating opportunities from these offerings. This strategy has positively impacted on the brand, added value to existing members and increased reach to new customers.

Virgin Active has been a beneficiary of the government support programs available in the various jurisdictions and has implemented measures to significantly reduce operating costs and discontinue all but essential capital expenditure to preserve cash reserves. On average, cash operating costs during closure are approximately a third of budget.

Virgin Active's shareholders have approved a contingent capital injection of GBP20 million, of which Brait's pro-rata share is GBP16 million, to enable Virgin Active to navigate appropriately through the current exceptional circumstances. The company is also in discussions with its lenders regarding covenant waivers and the upsizing of the existing European / Asia Pacific debt facility to provide additional liquidity headroom to operate through the period of closure.

Premier

Premier's strong operational performance during the second half of its prior financial year ending March 2020 has continued with the business benefitting from strong customer demand, improved performance in its Mozambique business and volume recovery at its Cape Town bakery. Management continue to monitor the impact of the Coronavirus on the business and the key focus remains the health and safety of its staff and customers. The business repaid R150 million of Brait's shareholder funding during March 2020.

Iceland Foods

The food retail sector in the United Kingdom has continued to experience strong sales, particularly in the frozen food category. Iceland Foods has been a significant beneficiary of this. Management have continued to focus on ensuring continuity of the supply chain to ensure customer demand can be met. The UK government's announcements of relief from business rates and taxes continue to provide support to the company.

New Look

In line with other clothing retailers in the UK, New Look closed its stores from 21 March 2020, with trading continuing through its online and Third Party E-commerce businesses. The UK government's announcements of relief from business rates and taxes and government subsidies for salaries for affected staff continue to provide support to the company.

Conclusion

All of the portfolio companies have proactively implemented plans to mitigate the impact of the Coronavirus. In some instances this is focused on reducing costs, preserving cash and maximizing liquidity through this difficult period. In other cases, the challenge is to ensure the portfolio companies can deliver demand for their customers in a safe and healthy manner.

The longer term impact of the Coronavirus on the global economy and each business remains uncertain. Globally valuation multiples have fallen sharply and short term profitability in some businesses has been impacted materially. Both of these impacts will affect the valuation of the Brait portfolio as at 31 March 2020.

SALE OF DGB

All of the conditions relating to the sale of the Group's 91.3% shareholding in portfolio company DGB have now been fulfilled. The sale is largely in line with the carrying value applied in the Group's interim results.

THE REFINANCING OF BRAIT'S DEBT FACILITY

Brait completed the refinancing of its revolving credit facility held by its subsidiary Brait Mauritius Limited ("**BML**") (the "**BML RCF**") effective 31 March 2020. The key terms of the refinanced facility are unchanged from those disclosed in Brait's Rights Offer Circular of 27 January 2020. The R6.3 billion facility, with agreed reductions as Brait de-gears, has a three-year tenor to 31 March 2023. Interest at a rate of JIBAR plus 4.6 per cent applies, with the margin decreasing as utilisation reduces. Covenants remain NAV based and have been set with sufficient headroom for short term volatility, with the facility continuing to be secured on a senior basis by the assets of BML.

GOVERNANCE MATTERS

The Company is at an advanced stage of engaging with new directors to replace the four current Board members not standing for re-election. The proposed board members will be put to shareholders for approval at the Annual General Meeting to be held in Malta before the end of August 2020 (the "**AGM**").

There has been a significant focus on reducing the Brait operational costs. Given the impact of the Coronavirus, senior executives at Ethos Private Equity (the "**Advisor**") have undertaken salary

sacrifices as a consequence of which, the Advisor has voluntarily reduced its advisory fee for the April – June 2020 quarter by 25%. In addition, the Brait Board members have volunteered a reduction of their directors' fees by 25% for the quarter.

The proposed re-domiciliation of the Company's registered office from Malta to Mauritius is progressing, with the intention to propose this to shareholders at the AGM. This will lead to a further decrease in operating costs for Brait.

Shareholders are advised that Brait intends to release its 31 March 2020 year end results during the course of the week beginning 22 June 2020.

San Gwann, Malta

13 May 2020

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:

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