BRAIT

2022 AUDITED RESULTS

FOR YEAR ENDED
31 MARCH 2022

Brait Investment Holdings Limited

Registered in Mauritius as a
Public Limited Company
Registration number: 183308 GBC
LEI: 8755004E9YEXF8GHCY56
ISIN: MU0707E00002
JSE Alpha Code: BIHLEB
Bond CFI: DCFUCR
Bond FISN: BRAIT/5.00 FXD BD 20241203

Contents

Brait Investment Holdings Limited ("BIH") is a wholly owned subsidiary of Brait PLC (the "Shareholder" or "parent"). References to Board or Directors in this document refer to the BIH Board or BIH Directors.

Directors' responsibilities and approval

for the year ended 31 March 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The following statement, which should be read in conjunction with the auditor's statement on their responsibilities as set out in their report on page 13, is made with a view to distinguish for the Shareholder the respective responsibilities of the Directors and auditors in relation to the financial statements.

The Directors are responsible for the preparation, integrity and objectivity of Brait Investment Holdings Limited ("BIH" or the "Company") financial statements that fairly present the state of affairs of BIH at the end of the financial year and the net income and cash flows for the year, and other information contained in this report. The Directors have also executed their responsibilities under the Group's nomination and performance evaluation policy.

An Audit and Risk Committee ("ARC") has been set up at the level of Brait PLC, the Company's parent. The ARC provides additional assurance regarding the quality and reliability of financial information, plus identifies and monitors Company risks and measures the effectiveness of actions taken to mitigate risks.

To enable the Directors to meet these responsibilities:

- the Board sets standards for systems of internal control and accounting and information systems aimed at providing reasonable assurance that assets are safeguarded and the risk of error, fraud or loss is reduced in a cost-effective manner. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties; and
- the ARC, together with the external auditors, play an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure. The ARC is satisfied that the external auditors are independent.

To the best of their knowledge and belief, the Directors confirm:

- the financial statements of the Company presented in this Annual Report are prepared in conformity with International Financial Reporting Standards (IFRS) and in compliance with the requirements of the Mauritius Companies Act 2001 and give a true and fair view of the assets, liabilities, financial position and loss of the Company;
- the Integrated Annual Report of Brait PLC (which can be found on Brait's website under https://brait.investoreports.com/investor-relations/results-and-reports/) provides a fair description of the principal risks and uncertainties faced by the Company; and
- they are satisfied that no material breakdown in the operation of the systems of internal control and procedures has occurred during the year under review.

The Company consistently adopts appropriate and recognised accounting policies and these are supported by reasonable and prudent judgements and estimates on a consistent basis.

The Directors have no reason to believe that the Company as a whole will not be a going concern in the year ahead, based on forecasts and access to cash resources. These financial statements have accordingly been prepared on that basis. The external auditors concur with this statement.

It is the responsibility of the independent external auditors to report on the Company financial statements. Their report to the Shareholder of the Company is set out on page 8.

APPROVAL OF FINANCIAL STATEMENTS

The Directors' report and the financial statements of the Company, which appear on pages 15 to 33, were approved by the Board on 30 June 2022, and are signed on its behalf by:

BI Childs
Director

D Boodhoo
Director

Directors' report

for the year ended 31 March 2022

The Board hereby reports to the Shareholder on the Company audited financial statements for the financial year ended 31 March 2022.

STATE OF AFFAIRS AND REVIEW OF ACTIVITIES

The Company is a wholly owned subsidiary of Brait PLC, an investment holding company. The Company's 5.0 per cent exchangeable bonds due 3 December 2024 are dual listed on the Main Board of the JSE Limited and the Official Market of the Stock Exchange of Mauritius ("SEM") ("BIH Exchangeable Bonds"). The issuance of the BIH Exchangeable Bonds by the Company has resulted in it being classified as an Investment Entity with effect from 1 October 2021.

The financial statements of the Company and accompanying notes for the year ended 31 March 2022 are set out on pages 15 to 33.

The Audited Results Presentation booklet of Brait PLC for the financial year ended 31 March 2022 (which can be found on Brait's website under https://brait.investoreports.com/investor-relations/results-and-reports/) provides a fair review of the liquidity, funding, development, performance and outlook of the business.

Following the transfer of the Company's registered office from Malta to Mauritius (the "Redomiciliation"), the dual listing of the BIH Exchangeable Bonds on the Official Market of the Stock Exchange of Mauritius ("SEM") completed on 11 May 2022. The BIH Exchangeable Bonds continue to trade on the Main Board of the JSE. In addition, the current year's financial statements are prepared using the SA Rand (R/ZAR) as BIH's presentation currency (previously the USD ($), which has resulted in the restatement of its comparatives, in line with IFRS. The Company uses the SA Rand in order to be consistent with the presentation currency used by its parent.

On 29 October 2021, subsequent to Brait Malta Limited redomiciled to Mauritius on 19 October 2021 it amended its name to Brait Investment Holdings Limited.

On 31 March 2022 the directors of BIH resolved to settle its loan receivable from its parent as a reduction in stated capital in accordance with section 62 of the Companies Act.

DIRECTORS

The directors of the Company are:

- Brett Childs (appointed on 12 January 2006)
- Dhanraj Boodhoo (appointed on 12 January 2006)

DIVIDEND POLICY

There were no dividends declared during the year ended 31 March 2022 (2021: Nil).

The Company's ability to return capital to its sole shareholder will depend upon its receiving of dividends, other distributions or payments from its subsidiary and in accordance with the Mauritius Companies Act 2001.

DIRECTORS' INTEREST IN CONTRACTS

The Company maintains a register of directors' interests. Other than as disclosed in the financial statements, during the financial year no contracts were entered into in which Directors of the Company had an interest and which significantly affected the business of the Company.

CORPORATE GOVERNANCE

Full details regarding the Company's commitment to, and its compliance with, appropriate international corporate governance practices can be found on Brait's website under https://brait.investoreports.com/wp-content/uploads/2022/01/BIH-King-IV-disclosure.pdf.

The Company's compliance to the Mauritius Code of Corporate Governance can be found on Brait's website under https://brait.investoreports.com/about-us/corporate-governance.

INSURANCE AND DIRECTORS INDEMNITY

The Company maintains a comprehensive insurance programme, providing Company cover under professional indemnity, directors' and officers' liability.

AUDITORS

PricewaterhouseCoopers Mauritius have expressed their willingness to continue in office subject to the completion of engagement acceptance and continuance processes and approval by the ARC and at the AGM of the Company.

Approved by the Board and signed on its behalf on 30 June 2022 by:

BI Childs
Director

D Boodhoo
Director

Corporate governance report
for the year ended 31 march 2022

INTRODUCTION
BIH was registered by continuation in the Republic of Mauritius on 2 September 2021 as a private company limited by shares. The Company has converted itself into a Public Company on 29 October 2021 by way of special resolution.

The Company's registered office is situated at Suite 420, 4th Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius.

The Company holds a Global Business Company Licence, bearing number GB21100918 and issued by the Financial Services Commission ("FSC").

The main activity of the Company is that of an investment holding company.

APPROACH TO CORPORATE GOVERNANCE
The Directors embrace principles of good corporate governance and recognise that they are ultimately accountable and responsible for the performance and affairs of BIH. The Directors are committed to business integrity, transparency and professionalism in all their activities and to ensuring that they act ethically and responsibly to enhance the value of the Company's business for the benefit of all stakeholders.

The Company has complied with the National Code of Corporate Governance for Mauritius as explained below:

PRINCIPLE 1: GOVERNANCE STRUCTURE
The supervising body of the Company is its Board of Directors ("BIH Board"). The BIH Board is responsible for directing the affairs of the Company in the best interests of its shareholders, in conformity with legal and regulatory frameworks, and consistent with its constitution and best governance practices.

The Management Company and the Company Secretary is Stonehage Fleming (Mauritius) Limited which is an independent international corporate service provider duly registered with the FSC and bearing licence number MC00005741.

Due to its size and nature of its activities, the Company has not deemed it necessary to have its own website. However, Brait PLC, its holding company has a website (www.brait.com) where comprehensive information is available for the various entities within the Brait Group. Company information is also available upon request to the Company Secretary, Stonehage Fleming (Mauritius) Limited.

The Brait PLC Board Charter and Code of Ethics have been adopted at the Brait Group and are applicable for the subsidiary companies including BIH.

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES
Each Director has drawn from his professional background and expertise in positively contributing to the BIH Board's activities. The BIH Board considers that its current size and composition are appropriate for the type of activity in which the Company is engaged and for the effective discharge of the BIH Board's responsibilities. The BIH Board is currently made up of two directors as follows:

Executive Directors
Brett Ivor Childs (Executive Chairman)
Dhanraj Boodhoo (Managing Director)

The Directors Profile
Mr Childs, a chartered accountant, is an executive director of certain Brait entities in Mauritius and is responsible for the Group's investments. Brett resides in Mauritius where he sits or has sat, in a non-executive capacity, on the board of a number of privately and publicly owned companies and funds including entities regulated by the Bank of Mauritius and FSC.

Mr Boodhoo has been an executive director of certain Brait entities in Mauritius since 2001. He has a wide range of experience in fund management, international investment structuring, audit, taxation, accounting, treasury management and economic research gained in UK and Mauritius. Dhanraj is a Fellow Chartered and Certified Accountant (FCCA) qualified in UK and holds a BSc (Hons) Monetary Economics from the London School of Economics. He is a British Council and London Chamber of Commerce scholarship and award recipient for his academic performance. Mr Boodhoo resides in Mauritius where he sits on the boards of various companies.

The BIH Board collectively considers the measures in respect of the Code of Corporate Governance issues and this is further strengthened by the presence of the external auditors as additional safeguards in meeting this principle as they submit annual reports to the BIH Board.

The main objects and functions of the BIH Board are to:

- Determine, agree and develop the Company's general policy on corporate governance in accordance with the applicable Code of Corporate Governance;
- Advise and make recommendations on all aspects of corporate governance;
- Prepare the Corporate Governance Report;
- Review the terms and conditions of all service agreements between the Company and service providers; and
- Approving investments and disposals made by the Company.

The BIH Board is satisfied they have discharged their responsibilities for the year in respect of Corporate Governance

In line with the requirement of the Financial Services Act 2007, all the meetings of the BIH Board have been attended by the two resident directors and in line with the Constitution of the Company. All BIH Board meetings were quorate and have been held and chaired from Mauritius. BIH Board meetings have been held with such frequency as required by the business needs of the Company during the year under review at which all BIH Directors were in attendance either in person or by telephone.

Board Committees

The sub-committees have been set up at the Brait PLC level. The Brait Group has different sub-committees namely: Audit and Risk Committee, ESG Committee, as well as the Remuneration and Nomination Committee. These sub-committees have been delegated certain responsibilities in respect of all the subsidiary companies in the group including BIH.

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES

The Brait Group has a Remuneration and Nomination Committee whose members comprise of non-executive and independent Directors of the ultimate holding company, Brait PLC. Appointment of the Company's directors is the responsibility of this committee. This committee follows a formal, rigorous and transparent procedure for planning the succession of Directors, their election and re-election.

All appointment of directors are effected in accordance with the Constitution of the Company subject to receipt of due diligence documents on the appointee, in line with the Code of prevention of Money Laundering and Terrorist Financing, issued by the FSC. As such, the Company maintains a formal, rigorous and transparent process for the appointment of the directors. In addition, FSC approval has been duly received prior to the appointment of the directors.

Any new inductee to the Board goes through close scrutiny of, *inter alia,* the candidate's calibre and expertise required for the position – an induction program is therefore not applicable.

All the directors of the Company possess relevant qualification, experience and sufficient knowledge of the financial sector in general. The directors are also aware of their continuous development and regularly attend professional development trainings and seminars relating to the industry in which the Company operates, among others.

Upon any change in directorship, the Board and the Remuneration and Nomination Committee set up at the level of Brait PLC assume the responsibilities for succession planning as well as for the appointment of new directors. The Board will appoint any new director in line with the Constitution of the Company when the need arises.

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

The directors of the Company are aware of their duties under the Mauritius Companies Act 2001 and the Constitution of the Company and exercise sufficient care, diligence and skills for the good conduct of the business.

The BIH Board meets regularly to discuss and approve the Company's operational, regulatory and compliance matters. The Directors are provided appropriate notice and materials to help them in their decision-making. For the year under review, there were no instances of conflict reported to the BIH Board. The BIH Board also monitors compliance with the Code of ethics, which has been adopted at group level.

An interest register is maintained by the Company Secretary.

The Company adheres to the Conflicts of Interest Policy (the "Policy") adopted at Brait Group level. The purpose of the Policy is to provide guidance on the avoidance of conflicts of interest with the Company. The Company and all persons concerned shall avoid any conflict of interest or potential conflicts of interest between their respective individual, professional, or business interests and the interests of the Company in any actions taken by them in their respective capacities on behalf of the Company.

At board meetings of the Company, declaration of interests are required and any potential conflicts of interests are disclosed.

The Company Secretary has effective information, information technology and information security policies and strategies in place. The Company Secretary ensures that the correct information flows within the BIH Board and provides accurate, timely and clear information to the BIH Board as and when required. The Directors ensure strict confidentiality with respect to information obtained and shared while exercising their duties.

The BIH Board reports to and is accountable to the Board of Brait PLC, the ultimate holding company.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

The BIH Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. The BIH Board confirms that there is an on-going process for identifying, evaluating and managing the various risks faced by the Company.

The ARC comprises of three non-executive and independent directors of Brait PLC, the ultimate holding company. The ARC meets at least three times a year. The ARC provides the Brait PLC Board with additional assurance regarding the quality and reliability of the financial information used by the Brait PLC Board and to assist them in the discharge of their duties relating to the safeguarding of the assets, the operation of adequate systems of internal control and the issuance of financial statements. The ARC also identifies and monitors Group risks and measures the effectiveness of actions taken to mitigate risks.

In addition, the ARC considered and is satisfied with the expertise and experience of Mr Boodhoo and ensured that appropriate financial reporting procedures are in place and are operating.

The ARC is also responsible for the reviewing the suitability of the external auditor and has obtained all required information in accordance with the JSE Debt Listings Requirements. The ARC tables any changes or new appointments to the Brait PLC Board, which in turn would be voted by shareholders at the Brait PLC annual meeting.

The BIH Board is ultimately responsible for the Company's system of internal control as well as implementation, maintenance and monitoring of the internal control in place. The BIH Board confirms that it will continue to identify, evaluate and manage the various risks faced by the Company.

There are no risks that threaten the solvency and liquidity of the Company. The directors make an assessment of the Company's ability to continue as a going concern and same is disclosed in the financial statements every year. Details of the financial risks to which the Company is exposed are disclosed in note 14 to the financial statements.

PRINCIPLE 6: REPORTING WITH INTEGRITY

The BIH Board is responsible for preparing the annual financial statements ("AFS") of the Company that fairly present the state of affairs and financial position of the Company on a yearly basis in accordance with applicable laws and regulations. The financial statements have been prepared under International Financial Reporting Standards (IFRS), which is a generally accepted accounting principle as per the FSC guidelines.

Given the nature of its activities, the Company has no environmental or social impact, and these are therefore not assessed in the financial statements. The BIH Board have assessed the Company's ability to continue as a going concern and their assessment is disclosed in the financial statements. The Corporate Governance Framework is re-assessed on an annual basis.

The financial statements of the Company for the year ended 31 March 2022 will be filed with the FSC within the statutory deadline, after the Board's approval.

PRINCIPLE 7: AUDIT

The external auditor shall be appointed by the shareholder and FSC approval shall be obtained prior to the appointment. The BIH Board shall nominate a candidate for this appointment to the meeting of the Shareholder based on an open, transparent and competitive selection process and may recommend replacement of the external auditor. Assessment of external auditor is based on the latter's qualification, performance, quality and integrity. The current external auditor, PwC Mauritius, was appointed on 18 October 2021, in replacement of the previous auditor, PwC Malta.

In line with the Financial Services Act 2007, the financial statements of the Company are audited by PwC Mauritius, appointed after approval of the FSC.

The re-appointment of PwC Mauritius will be done at the next Annual Meeting of the Company. PwC Mauritius provides both external audit and tax compliance services to the Company. The accounting policies are cleared with the auditor during the course of audit.

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

Brait PLC is the sole shareholder and key stakeholder of the Company. The BIH Board is responsible for directing the affairs of the Company in the best interests of its shareholder, in conformity with legal and regulatory frameworks, and consistent with its Constitution and best governance practices. Any queries raised by the shareholder are attended to by the Company Secretary and BIH Board as and when applicable.

The Directors of Brait PLC attend the Annual Meeting every year and the Company Secretary provides them with sufficient notice for the meeting as well as appropriate papers for consideration at the meeting. A shareholder meeting can be convened as and when required.

A Share Register is maintained by the Company Secretary and identifies the holder of the ordinary shares of the Company, which is Brait PLC. All sales, transfer of shares, issuing of shares is included in the Share Register.

The meetings of the BIH Board are held at least three times annually in accordance with Article 15 of the Company's Constitution to enable it to perform its tasks.

The Company's Annual Meeting is usually held in August each year to adopt the audited financial statements of the Company for that year. Notice of this Annual Meeting is distributed to its Shareholder in accordance with the deadline stipulated in the Constitution of the Company and the Mauritian Companies Act 2001.

Approved by the BIH Board on 30 June 2022 and signed on its behalf by:

BI Childs *Director*	**D Boodhoo** *Director*

Directors' Statement of Compliance with National Code of Corporate Governance ("Code")

Throughout the year ended 31 March 2022, to the best of the BIH Board's knowledge, the Company has complied with the Code and has applied all of the principles set out in the Code, where relevant and explained how these principles have been applied.

Additional information on ESG matters are available on Brait PLC's website at https://brait.investoreports.com/about-us/corporate-governance/.

Director

Director

30 June 2022

Secretary's certificate

UNDER SECTION 166(D) OF THE COMPANIES ACT 2001

We certify to the best of our knowledge and belief, that the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001 for the year ended 31 March 2022.

Ameerah Moaaza Satar/Ashia Wahedally

For and on behalf of

Stonehage Fleming (Mauritius) Limited
Company Secretary

30 June 2022

Independent Auditor's Report

To the Shareholder of Brait Investment Holdings Limited

Report on the Audit of the Financial Statements of the Company standing alone

OUR OPINION

In our opinion, the financial statements give a true and fair view of the financial position of Brait Investment Holdings Limited (the "Company") standing alone as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

The financial statements of Brait Investment Holdings Limited set out on pages 15 to 33 comprise:

- the statement of financial position as at 31 March 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report continued

To the Shareholder of Brait Investment Holdings Limited

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of unlisted investments	
The Company's shareholding in unlisted investments of R16.2 billion. The valuation of the Company's unlisted investment portfolio was considered to be a matter of most significance to our current year audit due to the degree of estimation and judgement applied in determining the value of unlisted investments. The Company has utilised the maintainable earnings multiple model as its primary valuation technique to value its unlisted investment portfolio.	In our assessment of the Company's determination of the fair value of unlisted investments, we assessed the assumptions and inputs used in the respective valuations. Our audit procedures included the following: • We evaluated the design and implementation of key controls over the Company's investment valuation process; • We assessed whether the final valuations of unlisted portfolio companies, and related inputs used in their determination were appropriately approved by the Board of Directors, through our attendance of the Group Audit and Risk Committee meetings. The valuations were appropriately approved;

KEY AUDIT MATTERS CONTINUED

Key audit matter	How our audit addressed the key audit matter
Maintainable earnings are determined with reference to prior year audited EBITDA per portfolio company and to 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, they will usually be used as the maintainable earnings for valuation purposes. The model is dependent on the identification of an Enterprise Value (EV)/EBITDA multiple for each portfolio company which is derived from the latest available financial information from an appropriate group of comparable quoted companies, and adjusted for points of difference. Further detail on the Company's fair value measurement policy is disclosed within note 1.8.3 of the separate financial statements and the valuation assumptions and disclosures of material unlisted investments are included in note 2 and note 13.4 of the separate financial statements.	• We obtained an understanding of the methodology used and found that the Company's primary valuation technique is aligned with appropriate industry guidance (International Private Equity and Venture Capital Valuation Guidelines); • We performed an independent analysis and identification of appropriate comparable companies for each portfolio investment, and evaluated the consistency of the peer group used by the directors; The peer groups used are consistent and comparable to the portfolio companies; • We performed an independent assessment of the inputs used in the EV/EBITDA multiple determined for each portfolio investment, including a calculation of the fair value of equity and debt and comparative peer EBITDA values derived from independent third party sources. We focussed on this area since the outputs of these valuation models are highly sensitive to changes in inputs, which are inherently judgmental in nature. Based on our work performed, we accepted the inputs used by the directors;

KEY AUDIT MATTERS CONTINUED

Key audit matter	How our audit addressed the key audit matter
	• We assessed the impact of COVID-19 on the EV/EBITDA multiple and maintainable EBITDA of the portfolio companies. An independent analysis was performed on the assessment made by the directors by considering market data obtained from independent third-party sources. There were no material differences between our assessment and the assessment made by the directors'; • We assessed the application of the methodology applied in the determination of blended EBITDA for non-coterminous portfolio company year-ends, by performing an independent analysis on the directors' assessment by using results as at 31 March 2022 obtained from third party sources. The methodology applied is appropriate and consistent with prior years; • We performed a sensitivity analysis of the valuations to changes in key inputs and noted no material impact; and • We tested the mathematical accuracy of the underlying valuation calculations and noted no material exceptions.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises Directors' responsibilities and approval, Directors' report, Corporate governance report, Directors' statement of compliance with national code of corporate governance ("Code") and Secretary's certificate but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report continued

To the Shareholder of Brait Investment Holdings Limited

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

(a) we have no relationship with or interests in the Company or its subsidiary other than in our capacity as auditor and tax advisor of the Company and its subsidiary;

(b) we have obtained all the information and explanations we have required; and

(c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

OTHER MATTER

This report, including the opinion, has been prepared for and only for the Company's shareholder in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers

30 June 2022

Olivier Rey, licensed by FRC

Statement of financial position

as at 31 March 2022

	Notes	Audited 31 March 2022 R'm	Restated[(1)] Audited 31 March 2021 R'm	Restated[(1)] Audited 1 April 2020 R'm
ASSETS				
Non-current assets		**16 213**	13 226	14 103
Investment in Brait Mauritius Limited ("BML")	2	**16 213**	13 226	14 103
Current assets		**–**	227	–
Accounts receivable	4	**–**	227	–
Cash and cash equivalents		*****	*	*
Total assets		**16 213**	13 453	14 103
EQUITY AND LIABILITIES				
Ordinary shareholders equity and reserves		**13 171**	13 453	14 103
Stated capital	3	**17 358**	17 788	17 788
Foreign currency translation reserve		**7 472**	8 312	9 492
Retained earnings		**(11 659)**	(12 647)	(13 177)
Non-current liabilities		**2 999**	–	–
BIH Exchangeable Bonds	5	**2 999**	–	–
Current liabilities		**43**	–	–
Accounts payable and other liabilities	6, 7	**43**	–	–
Total equity and liabilities		**16 213**	13 453	14 103

[(1)] *Refer to note 1.1 for details of the change in presentation currency which has resulted in the restatement of comparative information.*

* *Value rounds to nil in R'm.*

Statement of comprehensive income

for the year ended 31 March 2022

	Notes	Audited 31 March 2022 R'm	Restated[1] Audited 31 March 2021 R'm
Investment valuation gain		**1 253**	543
Foreign exchange loss		**(221)**	(12)
Profit		**1 032**	531
Operating expenses		**(2)**	(1)
Profit from operations		**1 030**	530
Finance costs	8	**(42)**	–
Profit before taxation		**988**	530
Taxation		**–**	–
Profit for the year		**988**	530
Other comprehensive loss			
Item that may be subsequently reclassified to profit or loss			
Translation adjustments		**(840)**	(1 180)
Total comprehensive income/(loss) for the year		**148**	(650)
Earnings per share (cents) – basic and diluted	9	**5**	3

[1] *Refer to note 1.1 for details of the change in presentation currency which has resulted in the restatement of comparative information.*

Statement of changes in equity

for the year ended 31 March 2022

	Note	Stated capital R'm	Foreign currency translation reserve R'm	Retained earnings R'm	Total equity and reserves R'm
Restated ordinary shareholders balance at 1 April 2020[1]		17 788	9 492	(13 177)	14 103
Net translation adjustments		–	(1 180)	–	(1 180)
Profit for the year		–	–	530	530
Restated ordinary shareholders balance at 31 March 2021[1]		17 788	8 312	(12 647)	13 453
Net translation adjustments		**–**	**(840)**	**–**	**(840)**
Reduction in share capital	4	**(430)**	**–**	**–**	**(430)**
Profit for the year		**–**	**–**	**988**	**988**
Ordinary shareholders balance at 31 March 2022		**17 358**	**7 472**	**(11 659)**	**13 171**

[1] *Refer to note 1.1 for details of the change in presentation currency which has resulted in the restatement of comparative information.*

Statement of cash flows

for the year ended 31 March 2022

	Notes	Audited Year ended 31 March 2022 R'm	Restated[(1)] Audited Year ended 31 March 2021 R'm
Cash flows from operating activities:			
Operating expenses paid		**(1)**	(1)
Operating cash flow before purchase of investments		**(1)**	(1)
Investment related cash flow		**(3 000)**	1
Loan to holding company	4	**(230)**	(251)
Net cash used in operating activities		**(3 231)**	(251)
Proceeds from issuance of BIH Exchangeable Bonds	5	**3 000**	–
Loan from subsidiary	7	**229**	251
Repayment received from holding company	4	**2**	–
Net cash generated from financing activities		**3 231**	251
Net increase in cash and cash equivalents		**–**	–
Effects of exchange rate changes on cash and cash equivalents		**–**	–
Cash and cash equivalents at beginning of year		*****	*
Cash and cash equivalents at end of year		*****	*

(1) Refer to note 1.1 for details of the change in presentation currency which has resulted in the restatement of comparative information.
** Value rounds to nil in R'm.*

Notes to the financial statements

for the year ended 31 March 2022

1. ACCOUNTING POLICIES

1.1 Basis for preparation

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") on the going concern principle, using the historical cost basis, except where otherwise indicated. In addition, the Company has prepared these financial statements in accordance with the Mauritian Companies Act 2001 as well as the JSE Limited Debt Listings Requirements.

The accounting policies and methods of computation are consistent with those applied in the financial statements for the year ended 31 March 2021, except for the changes to BIH's Investment Entity status and presentation currency as explained below.

The Company uses Pound Sterling as its functional currency. Following the transfer of the Company's registered office from Malta to Mauritius (the "Redomiciliation"), the current year's financial statements are prepared using the SA Rand (R/ZAR) as its presentation currency (previously the USD). The Company selected the SA Rand in order to be consistent with the presentation currency used by its parent, Brait PLC. For comparability and in line with IFRS, the change in presentation currency has been adopted retrospectively on the following basis:

- Assets and liabilities were translated at the applicable closing exchange rate;
- Income and expenses were translated at average exchange rates; and
- Equity items were translated at the exchange rate on the date of the transaction.

The financial statements have been prepared using the following exchange rates:

	2022		2021		2020	
	Closing	**Average**	Closing	Average	Closing	Average
GBP/ZAR	**19.2329**	**20.2802**	20.3422	21.3393	22.1694	18.7829
USD/ZAR	**14.6312**	**14.8506**	14.7660	16.3574	17.8379	14.7750

Segmental reporting

The Company has only one operating segment being that of an investment holding company. All segment information can be obtained through inspection of the financial statements.

1.2 Change in Investment Entity status of BIH

Historically, the main activities of BIH were deemed to support the investment activities of its parent and therefore, the criteria to be classified as an "investment entity" under IFRS 10 were not satisfied.

Following the Redomiciliation, a number of significant changes were effected in BIH, which included, amongst others:

- BIH's conversion to a public company; and
- Brait PLC's fully committed and underwritten R3 billion capital raise through the Exchangeable Bonds issued by BIH (the "BIH Exchangeable Bonds"). The BIH Exchangeable Bonds were listed on the Main Board of the JSE and on the Official Market of the SEM, with effect from 14 December 2021 and 11 May 2022, respectively.

Based on the above, BIH was reclassified as an investment entity under IFRS10 with effect from 1 October 2021. The investment in BML has since been measured at Fair Value Through Profit or Loss (FVTPL) as opposed to the historical measurement at cost less accumulated impairment losses. As fair value equates to historical cost less accumulated impairments, there are no adjustments required to the reported numbers.

Pursuant to BIH having become an investment entity, the layouts of BIH's statement of comprehensive income as well as the statement of cash flows were aligned to the format presented by its parent and other investment entities. The comparative period was represented to align to this format. No line items were aggregated and no reported amounts were changed as a result.

1.3 BIH Exchangeable Bonds

In accordance with their terms and conditions, the BIH Exchangeable Bonds are exchangeable at the election of bondholders into ordinary shares issued by Brait PLC. As the exchange is for ordinary shares issued by its parent, Brait PLC, BIH accounts for the BIH Exchangeable Bonds as a financial liability at amortised cost using the effective interest rate method. At each reporting date, the liability is reduced to the extent that bondholders have elected to exchange their BIH Exchangeable Bonds into Brait PLC ordinary shares. The measurement of the equity component associated with the BIH Exchangeable Bonds and corresponding equity reserve, is therefore recognised by Brait PLC, as the issuer of the ordinary shares on exchange.

1. ACCOUNTING POLICIES CONTINUED

1.4 Translation of financial statements of entities into the presentation currencies

The Company uses Pound Sterling as its functional currency. As stated above, following the Redomiciliation, the Company's financial statements are prepared using the SA Rand (R/ZAR) as its presentation currency. Assets and liabilities of these entities are translated into SA Rand at closing exchange rates. Capital and reserves are translated at historical rates. Income statement items are translated at the average exchange rates for the period.

On disposal of these entities, such translation differences are recognised in the statement of comprehensive income as part of the gain or loss on disposal.

1.5 Foreign currency assets and liabilities

In preparing the financial statements of BIH, transactions in currencies other than the entity's functional currency, are recorded at the exchange rates prevailing on the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currency are translated at the closing exchange rates, with differences reflected as foreign exchange Gains/Losses in the statement of comprehensive income. Non-monetary items carried at fair value that are denominated in foreign currency are translated at the exchange rates prevailing when the fair value was determined. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated.

For the purpose of presenting the Company's financial statements, assets and liabilities are translated into the ZAR presentation currency at the closing exchange rates. Income and expenses are translated at the average exchange rates.

The resulting translation differences are reflected as Foreign Currency Translation Reserve ("FCTR"). The FCTR is primarily driven by translating the Company's Pound Sterling denominated portfolio company carrying values and cash holdings, into the Company's SA Rand presentation currency.

1.6 Revenue recognition

1.6.1 Investment gains/(losses)

Investment gains/(losses) are recognised as earned/(incurred). This relates to the fair value gains/(losses) on the Company's investments (including portfolio investments) in the functional currency of the entity holding the investments.

The fair value is determined per IFRS 13 Fair Value Measurement (see details under Financial Instruments note).

1.7 Taxation

Taxation comprises income tax and withholding taxes on foreign income earned.

Income tax for the year comprises current and deferred tax. Current income tax is the expected tax payable on the taxable income for the year generated in each of the jurisdictions in which the Company has operations, using respective tax rates enacted at the statement of financial position date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided for on the comprehensive basis, using the statement of financial position liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates substantially enacted at the statement of financial position date. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

The Company may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included in tax expense in the statement of comprehensive income.

1.8 Financial instruments

Financial instruments include all financial assets, financial liabilities and equity instruments including derivative instruments.

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. All transactions, including regular way purchases and sales, are recognised at fair value on trade date.

1.8.1 Classification

Financial instruments are measured in terms of IFRS 9 and the financial instruments are classified into the following categories:

- Financial assets designated at FVTPL – investments;
- Financial assets at amortised cost – Cash and cash equivalents and accounts receivable; or
- Financial liabilities at amortised cost – BIH Exchangeable Bonds and accounts payable.

The classification of financial assets is on the basis of the business model for managing the financial assets with the objective to hold financial assets in order to collect contractual cash flows or hold to collect contractual cash flows and selling the financial assets. In the case of debt instruments, an assessment of the instrument's contractual term was performed to determine whether the terms give rise on specified dates to cash flows that are solely payments of principal and interest (referred to as SPPI) of the principal amount outstanding and whether there is an accounting mismatch.

1. ACCOUNTING POLICIES CONTINUED

1.8 Financial instruments continued

1.8.1 Classification continued

1.8.2 Effective interest method (applicable to debt instruments)

The effective interest method is a method of calculating the amortised cost of a financial asset/liability and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset/liability or a shorter period where appropriate.

Interest income/expense is recognised on an effective interest basis for instruments other than those designated as FVTPL.

1.8.3 Financial instruments as FVTPL

Financial assets or financial liabilities are classified as FVTPL where the financial asset is either held for trading or it is designated as FVTPL.

A financial liability, other than a financial liability held at amortised cost or FVTPL by default, may be designated as FVTPL upon initial recognition if it forms part of a contract containing one or more embedded derivatives and IFRS 9 permits the entire combined contract (liability) to be designated as FVTPL.

The Company designates the majority of its financial asset investments as FVTPL as the Company is managed on a fair value basis, with any resultant gain or loss recognised in investment gains. Fair Value is determined in accordance with IFRS13. Statement of financial position items carried at fair value include investments in equity instruments and shareholder funding instruments.

The Company applies a number of methodologies to determine and assess the reasonableness of the fair value, which may include the following:

- Earnings multiple;
- Recent transaction prices;
- Net asset value;
- Discounted cash flow; or
- Price to book multiple.

Where applicable, listed investments are valued at closing share prices on reporting date. Where the listed investment is either thinly traded and/or the market is inactive, the valuation applied to determine the carrying value is based on the applicable unlisted investment methodology set out below.

The primary valuation model utilised for valuing unlisted portfolio 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 Coronavirus pandemic, maintainable earnings are based on a look-through to a medium term post Coronavirus 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 of its existing portfolio companies over the medium term, 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 Coronavirus 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. No control premium or minority discount adjustments are considered. 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 adjustments and cost deferrals, where applicable.
- The equity valuation takes consideration of the portfolio investment's net debt/cash on hand per its latest available financial results. Where appropriate, alternative methodologies such as the Price to book or Discounted cash flow valuation models are applied.

1. ACCOUNTING POLICIES CONTINUED

1.8 Financial instruments continued

1.8.3 Financial instruments as FVTPL continued

Shareholder funding instruments may be designated FVTPL at inception where they have distinguishing characteristics. Some of these characteristics include:

- the fact that the shareholder funding is linked/stapled to equity instruments in a portfolio company;
- their rate is not referenced to normal market related rates, but is agreed between Brait and the investee; and
- in the event of exit, the funding cannot be settled other than at cost plus accrued interest, i.e. trade restrictions.

1.8.4 Impairment of financial assets

The expected credit losses associated with its debt instruments carried at amortised cost are assessed on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the simplified approach permitted by IFRS 9 is applied, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The carrying amount of the financial asset is reduced by the expected credit loss directly only when all legal avenues have been exhausted and there is no possibility of an additional recovery. Changes in the carrying amount and subsequent recoveries of amounts previously written off are recognised in the statement of comprehensive income.

For financial assets carried at amortised cost, the expected credit loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

1.8.5 Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

1.8.6 Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

1.8.7 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity, after deducting all its liabilities, and the Company has no obligation to deliver either cash or any other financial asset to the holder.

Equity instruments issued by the Company are recorded at the proceeds received, net of issue costs.

1.8.8 Other financial liabilities

Other financial liabilities, are initially measured at fair value plus any directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

1.8.9 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

A substantial debt modification or a debt exchange with substantially different terms is accounted for as an extinguishment of the original financial liability. This results in de-recognition of the original loan and the recognition of a new financial liability at its fair value. This results in a direct impact on the statement of comprehensive income due to the difference between the carrying amount of the original financial liability and the fair value of the new financial liability (taking also into account any cash consideration paid or non-cash assets transferred). A change is substantial if one of the two following tests are met:

- Quantitative test: the net present value of the cash flows under the new terms discounted at the original effective interest rate is at least 10% different from the carrying amount of the original debt.
- Qualitative test: A significant change in the terms and conditions that is so fundamental that immediate de-recognition is required with no additional quantitative analysis.

1. ACCOUNTING POLICIES CONTINUED

1.9 Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.10 Finance costs

All finance costs are recognised in the statement of comprehensive income in the period in which they are incurred.

1.11 Related-party transactions

All related-party transactions are, unless otherwise disclosed, at arm's-length and are in the normal course of business.

1.12 Adoption of new and revised standards and interpretations

There are no standards, amendments to standards or interpretations issued by IASB and the IFRS Interpretations Committee (IFRIC) of the IASB that are effective for annual reporting periods commencing on 1 April 2021 that have a material effect on the Company financial statements.

1.13 Standards, interpretations and amendments applicable to the Company not yet effective

At the date of authorisation of these financial statements, the following standards were in issue but not yet effective for the annual periods commencing on or after the specified dates. The Directors do not believe that the below-mentioned standards have a material impact on the Company financial statements. Except for IFRS 17 Insurance contracts, these standards have been endorsed by the EU:

- IFRS 16 Leases (amendments effective for annual periods beginning on or after 1 June 2021);
- IFRS 3 Business combinations (amendments effective for annual periods beginning on or after 1 January 2022);
- IAS 16 Property, Plant and Equipment (amendments effective for annual periods beginning on or after 1 January 2022);
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (amendments effective for annual periods beginning on or after 1 January 2022);
- IAS 1 Presentation of financial statements (amendments effective for annual periods beginning on or after 1 January 2023);
- IFRS 17 Insurance contracts (issued May 2017 and effective for annual periods beginning on or after 1 January 2023); and
- IAS 12 Income taxes (issued May 2021 and effective for annual periods beginning on or after 1 January 2023).
  These standards will be adopted when they become applicable.

	Notes	2022 R'm	Restated 2021 R'm
2. INVESTMENTS			
Since BIH's classification as an investment entity under IFRS10 with effect from 1 October 2021, the investment in BML has been measured at Fair Value Through Profit or Loss (FVTPL) as opposed to the historical measurement at cost less accumulated impairment losses. As fair value equates to historical cost less accumulated impairments, there are no adjustments required to the reported numbers.			
BIH Investment in Brait Mauritius Limited ("BML")			
Premier	2.1	**9 266**	
Virgin Active	2.2	**8 282**	
New Look	2.3	**672**	
Other investments	2.4	**437**	
BML net working capital		**34**	
Borrowings (BML RCF)	2.5	**(2 478)**	
Investment in BML		**16 213**	13 226

2. INVESTMENTS CONTINUED

2.1 Premier[1]

	2022 R'm
Maintainable EBITDA[2]	1 505
EV/EBITDA multiple[3]	7.6x
Enterprise value	11 488
Less: net third party debt at valuation date[4]	(2 008)
Equity value	9 480
Less: shareholder funding at valuation date[5]	(3 282)
Surplus equity value post shareholder funding	6 198
Brait's shareholder funding participation	100%
Shareholder funding value	3 282
Brait's participation percentage for equity value[6]	96.5%
Equity value	5 984
Brait's carrying value (ZAR'm) for its investment in Premier	9 266

[1] *Metrics for FY22 on a post IFRS16 basis.*

[2] *FY22 Maintainable EBITDA of R1,505 million is based on Premier's Last Twelve Months ("LTM") EBITDA.*

[3] *The primary reference measure considered at reporting date is the peer group average spot multiple of 7.7x.*

[4] *FY 22 Net third party debt is adjusted to exclude R371 million mostly in respect of capital expenditure on the recently commissioned Pretoria mill and bakery.*

[5] *Shareholder funding comprises a combination of preference share capital and loan funding from Brait. The rate on the preference shares is prime less 2% and the rate on the shareholder loan funding is prime plus 2%. Both instruments are unsecured with no fixed terms of repayment.*

[6] *Brait's shareholding in Premier is 98.5%. Brait's equity value participation at 31 March 2022 is 96.5% The value of this scheme will be measured at each reporting date.*

		2022 £'m
2 INVESTMENTS CONTINUED		
2.2 Virgin Active[1]		
Maintainable EBITDA[2]		**110.1**
EV/EBITDA multiple[3]		**9.0x**
Enterprise value		**990.7**
Less: net third party debt[4]		**(380.4)**
Equity value		**610.4**
Less: senior shareholder funding[5]		**(49.4)**
Residual equity value		**561.0**
Less: shareholder funding (capped at equity value)		**–**
Surplus equity value		**561.0**
Brait's senior shareholder funding participation[5]		**70.6%**
Senior shareholder funding value		**34.9**
Brait's participation for surplus equity value[6,7]		**70.6%**
Surplus equity value		**395.8**
Carrying value (GBP'm) for Brait's investment in Virgin Active		**430.7**
Closing GBP/ZAR exchange rate	(R)	**19.23**
Carrying value (ZAR'm) for Brait's investment in Virgin Active	(R'm)	**8 282**

(1) *Metrics on a pre IFRS16 basis.*

(2) *Maintainable EBITDA based on look-through to a 2-year forward estimate sustainable level of GBP110.1 million, which represents a 23% reduction to the GBP142 million actual EBITDA actual EBITDA achieved in its pre-Covid affected financial year ended 31 December 2019.*

(3) *The valuation multiple has been maintained at 9.0x, which represents a 10% discount to the peer average two-year forward multiple of 10.0x.*

(4) *Net third party debt of GBP353.2 million per the March 2022 management accounts has been increased by GBP27.2 million to GBP380.4 million. The normalisation adjustment applied takes consideration of the estimated effect of working capital and cost deferred during the lockdowns.*

(5) *The GBP denominated senior shareholder funding bears no interest, is unsecured with no fixed repayment terms and matures on 30 June 2025.*

(6) *Post the GBP88.4 million capital raise, Brait's equity and shareholder funding participation is 70.6%.*

(7) *In previous years Brait entered into a series of put option agreements with the Virgin Active management team based on Brait's fair value of Virgin Active at the exercise date and as a result, do not expose Brait to fair value risk.*

		2022 £'m
2 INVESTMENTS CONTINUED		
2.3 New Look[1]		
Maintainable EBITDA[2]		55.0
EV/EBITDA multiple[3]		5.0x
Enterprise value		275.0
Less: net debt[4]		(78.5)
Equity value of New Look		196.5
Shareholder funding[5]		(92.4)
Surplus equity value		104.1
Brait's shareholder funding participation		18.3%
Shareholder funding value		16.9
Brait's shareholding in New Look[6]		17.4%
Surplus equity value		18.1
Carrying value (GBP'm) for Brait's investment in New Look		35.0
Closing GBP/ZAR exchange rate	(R)	19.23
Carrying value (ZAR'm) for its investment in New Look	(R'm)	672

(1) Metrics on a pre IFRS16 basis.

(2) Maintainable EBITDA is based on a look-through to a 1-year forward sustainable level of GBP55.0 million. This represents a 30% discount to the GBP78.6 million actual pre-IFRS 16 EBITDA achieved by New Look for its 39 weeks ended 28 December 2019, as reported in its last Q3FY20 investor presentation to bond holders.

(3) The 1-year forward multiple applied of 5.0x represents a 25% discount to the peer average forward multiple of 6.7x.

(4) Net third party debt of GBP78.5 million includes an estimated GBP30.1 million normalisation adjustment, to take consideration of certain deferred costs during the lockdown periods.

(5) Shareholder funding comprises: (i) the GBP40 million (Brait's pro rata share: GBP7.3 million) non-interest bearing shareholder loan issued on 16 October 2020 to SSN bond holders in exchange for cancellation of the SSNs and 20% of New Look's share capital; (ii) GBP40 million (Brait's pro rata share: GBP7.3 million) of new money in the form of a payment in kind ("PIK" facility), issued at a 5% discount, accruing interest at 16.5% per annum, for which the new money providers received 80% of New Look's share capital. The shareholder loan is unsecured, with no fixed repayment terms and matures in November 2029. The PIK facility is secured, with no fixed repayment terms and matures in November 2027.

(6) Brait's pro-rata SSN holding (18.3%) in the PIK facility, receiving 14.6% shareholding, in addition to the 3.7% shareholding received in exchange for its SSN holding. Brait's resulting 18.3% shareholding is diluted to 17.4% as a result of the New Look management incentive plan.

	2022 R'm
2.4 Other investments	
Carrying value at reporting date comprises Brait's remaining private equity fund investments, mostly relating to Brait IV's investment in Consol, the largest manufacturer of glass packaging in Africa.	437
2.5 Borrowings (BML RCF)	
Take on: 1 April 2021	3 417
Interest accrual	252
Net repayments of borrowings	(1 085)
Drawdowns	1 997
Capital repayments[1]	(3 082)
Interest repayments	(106)
Closing balance	2 478

(1) Includes R2,934 million net proceeds from the issuance of the BIH Exchangeable Bonds.

Post the December 2021 Capital Raise, BML's committed revolving credit facility, secured by the assets of BML (the BML RCF), was amended to have a facility limit of R3 billion, with agreed reductions as Brait de-gears, and term extension to 30 June 2024. The BML RCF bears interest at JIBAR plus 4.0% repayable quarterly, with the margin decreasing as utilisation reduces, with a right to rollup these quarterly interest payments.

3. STATED CAPITAL

Pursuant to the recently concluded Redomiciliation, share capital and premium have been converted into stated capital to comply with the Mauritian Companies Act. At 31 March 2022, the Company had 20 899 776 485 ordinary shares of USD 0.01 each in issue, unchanged from the prior year.

Issued ordinary share capital	Number of shares in issue	R'm
31 March 2020	20 899 776 485	17 788
Share capital		3 116
Share premium		14 672
31 March 2021 Restated	20 899 776 485	17 788
Share capital		3 116
Share premium		14 672
Reduction in share capital[1]	–	(430)
31 March 2022	**20 899 776 485**	**17 358**
Stated Capital[2]		**17 358**
	20 899 776 485	

	2022 R'm	Restated 2021 R'm
4. ACCOUNTS RECEIVABLE		
Brait PLC		
Opening balance	**227**	–
Loan to Brait PLC	**230**	251
Loan repayment from Brait PLC	**(2)**	–
Conversion to capital[1]	**(430)**	–
Translation adjustment	**(25)**	(24)
Closing balance	**–**	227

[1] *On the 31 March 2022, the directors of BIH resolved to settle the loan receivable from its parent as a reduction in stated capital in accordance with section 62 of the Companies Act.*

[2] *The Company's stated capital as at 31 March 2022 represents the aggregate of share capital and share premium.*

5. 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 renouncees, to subscribe for 5.00% senior unsecured BIH Exchangeable Bonds due 3 December 2024 issued by BIH ("BIH Exchangeable Bonds"). 3 000 000 BIH Exchangeable Bonds with a denomination of R1 000 each were listed on the Main Board of the JSE Limited on 14 December 2021, and on the Stock Exchange of Mauritius on 11 May 2022, and carry a fixed coupon of 5.0% per annum payable semi-annually.

The BIH Exchangeable Bonds are exchangeable into Brait PLC issued 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 (representing a 5% discount to the 5-business day VWAP of a Brait ordinary share price prior to the announcement of the launch of the BIH Exchangeable Bonds), holders as at 31 March 2022 are entitled to exchange their BIH Exchangeable Bonds to a maximum of 686.179 million ordinary shares (subject to rounding provisions).

In the event that bondholders have not exercised their exchange rights at maturity, BIH may redeem the BIH Exchangeable Bonds at par (together with accrued and unpaid interest) or by delivery of the BIH Exchange Shares (at prevailing market value) and cash totalling the principal amount in value.

	2022 R'm	Restated 2021 R'm
Reconciliation of the movements for the year		
R3 billion Exchangeable Bonds issued 22 December 2021	**3 000**	
1 396 Exchangeable Bonds exchanged into Brait PLC ordinary shares	**(1)**	
Closing balance	**2999**	
6. ACCOUNTS PAYABLE AND OTHER LIABILITIES		
Accounts payable at reporting date includes the R42 million coupon accrual on the BIH Exchangeable Bonds	**42**	–
7. LOAN PAYABLE		
Loan from BML		
Opening balance	**–**	–
Loan from BML	**229**	251
Conversion to capital	**(228)**	(251)
Closing balance	**1**	–
8. FINANCE COST		
BIH Exchangeable Bonds:		
– Coupon	**42**	–
Total finance cost	**42**	–
9. HEADLINE EARNINGS RECONCILIATION		
Earnings and headline earnings	**988**	530
Weighted average ordinary shares in issue (m) – basic and diluted	**20 900**	20 900
Earnings and Headline earnings per share (cents) – basic and diluted[1]	**5**	3

[1] *As the BIH Exchangeable Bonds are exchangeable into Brait PLC ordinary shares at the holder's election, they are not dilutive to BIH's earnings.*

Notes to the financial statements continued

for the year ended 31 March 2022

10. RELATED PARTY BALANCES

During the year, BIH entered into the following transactions with related parties:

	2022 R'm	Restated 2021 R'm
Company statement of financial position		
Investments in subsidiaries and affiliated parties	**16 213**	13 226
Loans receivable from parent[1] (refer note 5)	**–**	227
Company statement of comprehensive income		
Executive Directors' fees	**(8)**	(6)

[1] On the 31 March 2022, the directors of BIH resolved to settle the loan receivable from its parent as a reduction in stated capital in accordance with section 62 of the Companies Act.

11. COMMITMENTS

11.1 Commitments

	2022 R'm	Restated 2021 R'm
BIH Exchangeable Bond commitments	**3 442**	–
– Coupon payment due within one year	**143**	–
– Coupon payments due between one and five years[1]	**300**	–
– Principal settlement due within five years[1]	**2 999**	–
Total commitments	**3 442**	–

[1] The coupon payments for the financial year reflect the semi-annual coupons of 5.0% payable in arrears over the remaining term of the BIH Exchangeable Bonds. The principal settlement amounts are payable in the event that the respective bondholders have not exercised their exchange rights.

11.2 Other

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

12. NON-ADJUSTING POST BALANCE SHEET EVENTS

As announced to the market on 4 May 2022, the SEM granted approval on 2 May 2022 for the dual listing of the BIH Exchangeable Bonds on the Official Market of the SEM with effect from 11 May 2022.

13. FINANCIAL ASSETS AND LIABILITIES

13.1 Sector analysis for investments

	2022 R'm	Restated 2021 R'm
Investment in BML	**16 213**	13 226
Investments	**16 213**	13 226

13.2 Investment shareholding analysis

	2022	2021
Shareholding in the >25% range	**Investment in BML**	Investment in BML

13.3 Categories of financial assets and financial liabilities

Financial assets and liabilities are measured on an ongoing basis either at fair value or at amortised cost. The summary of significant accounting policies describes how the classes of financial instruments are measured. The following table analyses the carrying amounts of the financial assets and liabilities by category as defined in IFRS 9.

	2022 R'm	Restated 2021 R'm
Financial assets designated at fair value through profit and loss	**16 213**	–
Financial assets at cost less accumulated impairments	**–**	13 226
Financial assets at amortised cost	**–**	227
Financial liabilities at amortised cost	**(3 042)**	
BIH Exchangeable Bonds	**(2 999)**	
Accounts payable	**(43)**	
Change in fair value recognised in the statement of comprehensive income	**1 253**	
Designated fair valued through profit and loss	**1 253**	

13.4 Fair value hierarchy

IFRS 13 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. All level 3 investments have been valued using the fair value of the underlying assets and liabilities. The changes in fair values in investments is attributable to fair value losses, foreign currency exchange differences and changes in shareholding.

Investments designated as fair value through profit and loss	Investment Level 1 R'm	Investment Level 3 R'm	Total R'm
2022			
Investment in BML	–	**16 213**	**16 213**
Investments at fair value	–	**16 213**	**16 213**

14. FINANCIAL RISK MANAGEMENT

The overall governance structure and high level policies relating to the manner in which the Brait Group manages the risk it is exposed to have been described in the Governance Report, see http://brait.investoreports.com/about-us/corporate-governance/. IFRS 7 requires more detail regarding the processes and procedures utilised to measure various risk categories, namely market risk, credit risk and liquidity risk.

14.1 Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern; and
- maintain an optimal capital structure to reduce the cost of capital.

The capitalisation of BIH has been considered in the context of its access to cash resources from its subsidiary BML, its current debt levels, BIH Exchangeable Bonds funding and associated obligations. The result of this consideration is that BIH is regarded as appropriately capitalised at this time. There are no regulatory capital requirements.

14.2 Market Risk

Market risk is the potential change in the value of a financial instrument resulting from changes in market conditions or market parameters such as equity prices and exchange rates. The risk of a decrease in the value of the portfolio can be measured by the susceptibility of that portfolio to movements in the overall market conditions or any of the investment specific parameters.

BIH is exposed to three primary types of market risk, namely equity risk, interest rate risk and currency risk. These risks are monitored by the Board. The specific risk management objectives, policies and procedures relating to each type of market risk is described, and the impact on the statement of comprehensive income (SOCI)/statement of changes in equity (SOCE) is disclosed in the sections below:

14.2.1 Equity risk management

Equity risk is the potential change in the value of a financial instrument resulting from changes in market conditions. The valuation of unquoted investments depend upon a combination of market factors and the performance of the underlying asset. The Company does not hedge the price risk inherent in the portfolio but manages investment performance risk on an investment-specific basis.

BIH is exposed to equity risk through its investment in portfolio companies.

BIH's predominant exposure to equity risk is related to the sensitivities of movements in the fair value of its portfolio investments.

The table that follows sets out an analysis of the Company's investment's sensitivity to equity price variability by analysing the impact of a change in the valuation multiple applied on the fair value of its investments.

Investments exposed to equity risk	Carrying value exposed to equity risk R'm	Reasonable possible change in valuation multiple R'm	Pre-tax SOCI/SOCE impact R'm
2022			
Investment in BML	**16 213**	**±1.0x**	**±3 009**
2021 Restated			
Investment in BML	13 226	±1.0x	±3 030

14. FINANCIAL RISK MANAGEMENT CONTINUED

14.2 Market Risk continued

14.2.2 Foreign exchange rate risk management

The Company's financial statements are prepared using the SA Rand as its presentation currency.

The Company's functional currency is Pound Sterling. The holding company, Brait PLC also uses Pound Sterling as its functional currency.

BIH does not seek to hedge the carrying value of foreign investments but will consider hedging strategies for cash flows denominated in foreign currencies are deemed significant for the Company.

The Company's primary investments are Pound Sterling and SA Rand denominated.

14.3 Credit risk

Credit and counterparty risk refers to the effects on future cash flows and earnings of borrowers defaulting on their obligations. This also covers trading counterparties, issuers of instruments held by the Company or as collateral. Such risk arises primarily from lending and investment activities as well as from the settlement of financial market transactions.

These exposures are managed through prudent credit exposure limits, constantly measuring current credit exposures, estimating maximum potential credit exposures that may arise over the duration of a transaction, and responding quickly when corrective action needs to be taken.

The Company's underlying assets are predominantly unsecured investments in unlisted companies. The Company considers the overall risk exposure of the investment as a whole, therefore significant changes in a particular sector or unexpected increases in interest rates could increase the credit risk inherent in the investment. This risk is mitigated through portfolio diversification and active management.

Unless otherwise indicated, the maximum exposure to credit risk is the carrying value of the investment.

14.4 Liquidity Risk

Liquidity risk arises in the general funding of the Company's activities when there are mismatches between the sizes and maturities of assets and liabilities. The liquidity risk refers to the ability of the Company to meet its financial obligations as they fall due. Please see note 11 – Commitments for maturity profile details.

The Company's liquidity needs are supported by BML and the BIH Exchangeable Bonds would either be settled by the issuance of the parent's ordinary shares or from liquidity that would be provided by BML.

	Next 12 months R'm	1 to 2 years R'm	2 to 5 years R'm	Total R'm
2022				
Trade payables	43	–	–	43
BIH Exchangeable Bonds (5.0% due 2024)	–	–	2 999	2 999
BIH Exchangeable Bond Coupons	143	150	150	443

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