



NOTICE OF ANNUAL GENERAL MEETING AND FORM OF PROXY
FOR THE YEAR ENDED 31 DECEMBER 2023

Notice of Annual General Meeting

for the year ended 31 December 2023

Brimstone Investment Corporation Limited
(Incorporated in the Republic of South Africa)
(Registration number 1995/010442/06)
("Brimstone" or the "Company" or the "Group")
(ISIN: ZAE000015277 | Share Code: BRT)
(ISIN: ZAE000015285 | Share Code: BRN)

We have pleasure in enclosing the Notice of Annual General Meeting ("AGM") and form of proxy for Brimstone Investment Corporation Limited's 28th Annual General Meeting of shareholders to be conducted entirely by electronic communication as permitted by the Companies Act, No. 71 of 2008, as amended (the "Act") and by the Company's memorandum of incorporation ("MOI"), at 10:30 on Monday, 27 May 2024.

The purpose of the AGM is to transact the business set out below.

Shareholders or their duly appointed proxy(ies) who wish to participate in the AGM via electronic communication ("Participant(s)") must either 1. register online using the online registration portal at <https://meetnow.global/za>; or 2. apply to Computershare, by delivering the duly completed electronic participation form to: First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, or posting it to Private Bag X9000, Saxonwold, 2132 (at the risk of the Participant), or sending it by email to proxy@computershare.co.za so as to be received by Computershare by no later than 10:30 on Thursday, 23 May 2024. The electronic participation form can be found as an insert to this Notice of AGM. Computershare will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Act, and, if the request is validated, further details on using the electronic communication facility will be provided.

Computershare will inform Participants who notified them of their intended participation in accordance with the details under Electronic Participation set out on page 7 of this Notice of AGM, by no later than 17:00 on Friday, 24 May 2024 by email of the relevant details through which Participants can participate electronically.

1. Ordinary resolution number 1 Re-election of directors

In terms of the Company's MOI, the following directors retire by rotation and, being eligible, offer themselves for re-election, each by way of a separate resolution:

- 1.1 MA Brey
- 1.2 GG Fortuin
- 1.3 LA Parker
- 1.4 FD Roman

A brief CV of each director to be re-elected appears on page 14 of this Notice of AGM.

The Remuneration and Nominations Committee of the Board has recommended the re-election of the directors above.

2. Ordinary resolution number 2 Appointment of members of the Audit and Risk Committee

To approve the appointment of the following members of the Audit and Risk Committee, each by way of a separate resolution:

- 2.1 N Khan
- 2.2 PL Campher
- 2.3 M Ndlovu
- 2.4 LA Parker (subject to his re-election as a director)
- 2.5 FD Roman (subject to her re-election as a director)
- 2.6 LAD Wort

A brief CV of each director to be elected as a member of the Audit and Risk Committee appears on page 15 of this Notice of AGM.

Under the Act, the audit committee is elected by shareholders at each AGM. The Board has reviewed the composition of the Audit and Risk Committee against the requirements of the Act and has confirmed that the Audit and Risk Committee has the necessary knowledge, skills and experience to perform its duties in terms of the Act.

3. Ordinary resolution number 3 Re-appointment of auditors

To re-appoint Ernst & Young Inc. as external auditor for the ensuing financial year.

4. Ordinary resolution number 4 To place the unissued shares under the directors' control

"RESOLVED THAT the entire authorised but unissued Ordinary and "N" Ordinary share capital of the Company from time to time be placed under the control of the directors of the Company until the next AGM, provided it shall not extend beyond 15 (fifteen) months from the date of passing of this ordinary resolution; with the authority to allot and issue all or part thereof in their discretion, subject to the Act and the JSE Listings Requirements."

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for the year ended 31 December 2023

5. Ordinary resolution number 5

Approval to issue shares for cash

"RESOLVED THAT the directors of the Company be and are hereby authorised by way of a general authority, to issue all or any of the authorised but unissued Ordinary and "N" Ordinary shares ("securities") in the capital of the Company for cash, as and when they in their discretion deem fit, subject to the Act, the MOI of the Company, the JSE Listings Requirements, when applicable and the following limitations, namely that:

- the securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- the securities, which are the subject of the issue for cash, must be issued to "public shareholders" as defined in paragraphs 4.25 – 4.27 of the JSE Listings Requirements and to related parties as per the provisions of paragraph 5.52(f) of the JSE Listings Requirements;
- the number of securities issued for cash shall not in the aggregate in any one financial year exceed 15% (fifteen percent) of the Company's issued share capital (net of treasury shares) of Ordinary and "N" Ordinary shares respectively, being 5 492 580 Ordinary shares and 31 109 293 "N" Ordinary shares as at the date of this Notice of AGM;
- any securities issued in terms of this general authority must be deducted from the initial number of securities available under this general authority;
- in the event of a sub-division or consolidation of issued securities during the period of this general authority, the general authority must be adjusted accordingly to represent the same allocation ratio;
- this authority be valid until the Company's next AGM, provided that it shall not extend beyond 15 (fifteen) months from the date that this authority is given;
- an announcement giving full details, including the number of securities issued, the average discount to the weighted average traded price of the securities over the 30 business days prior to the date that the issue is agreed in writing and the financial impact will be published at the time of any issue representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) or more of the number of Ordinary or "N" Ordinary shares in issue prior to the issue; and
- in determining the price at which an issue of securities may be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of the relevant class of shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed to by the directors of the Company and the party subscribing for the shares."

Ordinary resolution number 5 is required, under the JSE Listings Requirements, to be passed by achieving a 75% majority of the votes cast in favour of such resolution by all members present or represented by proxy and entitled to vote, at the AGM.

6. Ordinary resolution number 6

Specific authority to increase power of directors to offer different dividend alternatives

"RESOLVED THAT in terms of clause 14 of the MOI the directors be and are hereby authorised and empowered, in the form of a standing and continuous authority, until revoked by shareholders of the Company:

- to approve the issuing of any authorised shares of the Company, irrespective of the class thereof, as capitalisation shares;
- to issue shares of the Company of one class as capitalisation shares of another class;
- subject to solvency and liquidity requirements as contemplated in clause 14.2 of the MOI, to resolve to permit shareholders of the Company to elect to receive a cash payment or distribution in lieu of a capitalisation share."

7. Non-binding advisory resolution 1

Remuneration policy

To approve, as a non-binding advisory vote in terms of the recommendations of the King Report on Governance for South Africa, 2016 ("King IV"), the remuneration policy of the Company as set out in the Remuneration Report on pages 39 to 45 of the Integrated Report.

8. Non-binding advisory resolution 2

Implementation report

To approve, as a non-binding advisory vote in terms of the recommendations of King IV, the implementation report on the remuneration policy of the Company as set out in the Remuneration Report on pages 39 to 45 of the Integrated Report.

Should more than 25% of the total votes cast be against either non-binding advisory resolution 1 or non-binding advisory resolution 2, Brimstone will issue an invitation to shareholders who voted against these resolutions to engage with the Company. The manner and timing of such engagement will be set out in the voting results announcement.

9. Special resolution number 1

Non-executive directors' fees

To approve the non-executive directors' fees for the year ending 31 December 2024 as set out below. The fees are exclusive of VAT, which may be payable depending on the VAT status of the non-executive director.

R	1-JAN-23 TO 31-DEC-23 (APPROVED)	1-JAN-24 TO 31-DEC-24 (FOR APPROVAL)
Board (Annual fee)		
Chairman	—	—
Lead independent director	501 592	501 592
Member	275 494	275 494
Committees (Per meeting)		
Audit and Risk Committee		
Chairman	72 539	72 539
Member	38 337	38 337
Investment Committee		
Chairman	57 611	57 611
Member	33 973	33 973
Remuneration and Nominations Committee		
Chairman	57 611	57 611
Member	33 973	33 973
Social and Ethics Committee		
Chairman	57 611	57 611
Member	33 973	33 973

In addition, that non-executive directors be paid an amount of R3 000 (three thousand Rand) per hour excluding VAT, in respect of work performed by them as required by extraordinary circumstances, provided that payment in respect of any such additional work is approved by the Company's Remuneration and Nominations Committee and the chief executive officer.

10. Special resolution number 2

General authority to repurchase Ordinary and "N" Ordinary shares

"RESOLVED THAT, as a general authority contemplated in Section 48 of the Act, the acquisition by the Company and/or any subsidiary of the Company, from time to time of the issued Ordinary and "N" Ordinary shares ("securities") of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the MOI of the Company, the provisions of the Act and the JSE Listings Requirements, where applicable and provided that:

- the repurchase of securities will be effected through the main order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter party;
- this general authority shall only be valid until the Company's next AGM, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- in determining the price at which the Company's securities are to be acquired by the Company in terms of this general authority, the maximum premium at which such securities may be acquired will be 10% (ten percent) of the weighted average of the market price at which such securities are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date of the repurchase of such securities by the Company;
- the acquisitions of securities in the aggregate in any one financial year do not exceed 20% (twenty percent) of the Company's issued share capital of each class during the period of this general authority;
- the Company and the Group are in a position to repay their debts in the ordinary course of business for a period of 12 months after the date of the Notice of AGM;
- the assets of the Company and the Group, being fairly valued in accordance with International Financial Reporting Standards, are in excess of the liabilities of the Company and the Group for a period of 12 months after the date of the Notice of AGM;

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- g. the Ordinary and "N" Ordinary share capital and reserves of the Company and the Group are adequate for a period of 12 months after the date of the Notice of AGM;
- h. the available working capital is adequate to continue the operations of the Company and the Group for a period of 12 months after the date of the Notice of AGM;
- i. the Company or its subsidiaries will not repurchase securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless:
 - they have in place a repurchase programme and full details of the programme have been disclosed to the JSE prior to the commencement of the prohibited period; and
 - the Company has instructed an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- j. when the Company has cumulatively repurchased 3% of the initial number of the relevant class of securities and for each 3% in aggregate of the initial number of that class acquired thereafter, an announcement will be made;
- k. the Company only appoints one agent to effect any repurchase(s) on its behalf; and
- l. prior to entering the market to repurchase the Company's shares, a company resolution will have been passed, stating that the Board has authorised the repurchase of securities under this general authority, that Brimstone and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Company."

The JSE Listings Requirements require the following additional disclosure for purposes of this general authority, some of which is disclosed in this report of which this notice forms part as set out below:

- Major shareholders of Brimstone – pages 127 to 128 of the Integrated Report
- Share capital of Brimstone – page 92 of the Integrated Report

Material change

There have been no material changes in the financial or trading position of Brimstone and its subsidiaries between 31 December 2023 and the date of the Integrated Report and Notice of AGM.

Directors' responsibility statement

The directors, whose names appear on pages 16 to 17 of the Integrated Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to Special resolution number 2 and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this resolution contains all such information.

Reason for and effect of Special resolution number 2

The reason for and effect of the Special resolution number 2 is to authorise the Company and/or its subsidiaries and trusts by way of a general authority to acquire its own issued securities on such terms, conditions and such amounts determined from time to time by the directors of the Company, subject to the limitations set out above.

The directors of the Company have no specific intention to effect the provisions of the Special resolution number 2 but will, however, continually review the Company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect the provisions of Special resolution number 2.

11. Special resolution number 3

General authority for financial assistance in terms of Section 44 of the Act

"RESOLVED THAT the Company is hereby authorised, subject to compliance with the requirements of its MOI and the applicable provisions of the Act, including, but not limited to, the Board of the Company being satisfied that (i) immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test (as contemplated in section 4 of the Act); and (ii) the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company, to provide direct or indirect financial assistance by way of loans, guarantees, the provision of security or otherwise, to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related (as contemplated in section 2 of the Act) company, or for the purchase of any securities of the Company or a related or inter-related company, such authority to endure for a period of 2 (two) years from the date of this resolution."

Reason for and effect of Special resolution number 3

The reason for and effect of Special resolution number 3 is to permit the Company to provide direct or indirect financial assistance in terms of Section 44 of the Act.

12. Special resolution number 4

General authority for financial assistance in terms of Section 45 of the Act

"RESOLVED THAT the Company is hereby authorised, subject to compliance with the requirements of its MOI, the applicable provisions of the Act, including, but not limited to, the Board of the Company being satisfied that (i) immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test (as contemplated in section 4 of the Act); and (ii) the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company, each as presently constituted and as amended from time to time, to provide direct or indirect financial assistance by way of loans, guarantees, the provision of security or otherwise to:

- any of its present or future related or inter-related (as contemplated in section 2 of the Act) companies or corporations, or to any person related to any such company or corporation, for any purpose;
- any of its present or future directors or prescribed officers, or the present or future directors or prescribed officers of any related or inter-related company, or to a member of a related or inter-related corporation, or to any person related to any such director, prescribed officer or member, for any purpose; and
- any other person who is a participant in any of the Company's or Group's share or other employee incentive schemes, for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company, where such financial assistance is provided in terms of any such scheme that satisfies the requirements of section 97 of the Act,
- in as much as this Section 45 Board resolution contemplates that such financial assistance will in the aggregate exceed one-tenth of one percent of the Company's net worth at the date of adoption of such resolution, the Company hereby provides notice of the Section 45 Board resolution to shareholders of the Company. Notice will also be provided to any trade union representing any employees of the Company, to the extent applicable,
- such authority to endure for a period of 2 (two) years from the date of this resolution."

Reason for and effect of Special resolution number 4

The reason for and effect of Special resolution number 4 is to permit the Company to provide direct or indirect financial assistance in terms of Section 45 of the Act.

13. Special resolution number 5

Authority to issue shares to persons falling within the ambit of Section 41(1) of the Act for the purpose of distribution reinvestment alternatives

"RESOLVED THAT, in relation to any dividend declared by the board of directors of the Company which entitles a shareholder of the Company to receive any shares of the Company pursuant to the terms of such dividend, including, but not limited, pursuant to that shareholder's election to receive such shares as an alternative to a cash dividend, the directors of the Company be and are hereby authorised by way of a standing and continuous authority until revoked by shareholders to issue such shares to a shareholder who is a person as consistent with the terms stipulated by the directors for that dividend distribution, for which purpose such securities are placed under the control of the directors, subject to the Act, the MOI of the Company and the JSE Listings Requirements."

Reason for and effect of Special resolution number 5

The reason for and effect of Special resolution number 5 is to authorise the directors of the Company to issue shares to a shareholder who is a person as contemplated in Section 41(1) of the Act for purposes of a dividend where a shareholder may elect to receive such shares as an alternative to a cash dividend.

14. Special resolution number 6

Specific authority to repurchase Ordinary and "N" Ordinary shares ("the Specific Repurchase")

Explanatory note

The Company has in place a share incentive plan known as the Brimstone Investment Corporation Limited Forfeitable Share Plan ("FSP"), in terms of which employees and executive Directors ("Participant/s") have an opportunity to receive Ordinary and "N" Ordinary shares in the Company through the award of performance shares and/or bonus shares ("Forfeitable Shares"). The Forfeitable Shares vest after 3 years subject to certain employment and performance conditions, and the provisions of the Company's Employee Minimum Shareholding Requirement Policy ("MSR"). If the Company is in a closed period at the time of vesting, then the Participants will only be able to take possession of the Forfeitable Shares and/or sell them post the closed period.

Following the vesting of the Forfeitable Shares which normally results in the sale of such Forfeitable Shares on the open market by Participant/s, the Company would prefer to have at its disposal an alternative mechanism to facilitate the annual sale of the vested Forfeitable Shares by Participants and Brimstone is of the view that this could be achieved by the Company, through a wholly owned subsidiary, repurchasing such vested Forfeitable Shares from the Participant/s. The shares repurchased from the Participant/s would be held as treasury shares and would subsequently be issued by the FSP for settlement of new awards made by the FSP.

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Any such repurchase would be a specific repurchase in terms of the JSE Listings Requirements and could only be undertaken in terms of a specific authority granted by shareholders. The Company is seeking such specific authority from shareholders to effect the Specific Repurchase. Full details of the Specific Repurchase are set out in [Annexure 1](#) to this Notice of AGM.

“RESOLVED THAT the Company, through its wholly owned subsidiary, Septen Investments Proprietary Limited, is hereby authorised to repurchase vested Forfeitable Shares from Participant/s for cash on the following basis and subject to the Company not being in a closed period:

- The Specific Repurchase authority will apply in respect of Forfeitable Shares that may vest in February 2025 and will expire at the conclusion of the Specific Repurchase.
- The Specific Repurchase will be subject to the maximum aggregate number of Forfeitable Shares to be repurchased in respect of the Specific Repurchase not exceeding 1 584 910 Ordinary shares and 834 256 “N” Ordinary shares, being the number of Forfeitable Shares that may vest in February 2025, and representing 3.97% and 0.37% of the Company’s current issued Ordinary and “N” Ordinary share capital respectively; and
- the exact Specific Repurchase price cannot be determined at this stage as the value of the shares in 2025 is unknown, however, the price will be based on the volume weighted average price (“VWAP”) of Brimstone Ordinary and “N” Ordinary shares traded on the JSE over the 30 business days prior to the date of vesting of the Forfeitable Shares and will not be at a premium or a discount, as agreed in writing between the Company’s wholly owned subsidiary and the relevant Participant/s.”

15. To transact such other business as may be transacted at an AGM

Voting and proxies

The record date in terms of Section 59 of the Act for shareholders to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the AGM is Friday, 17 May 2024 and the last day to trade in the Company’s shares in order to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the AGM is Tuesday, 14 May 2024.

A member entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. For the convenience of certificated members and dematerialised members with “own name” registration of the Company, a form of proxy is enclosed herewith. On a show of hands, every member of the Company present in person or represented by proxy shall have one vote only. On a poll, every member of the Company present in person or represented by proxy shall have 100 votes for every Ordinary share and 1 vote for every “N” Ordinary share held in Brimstone by such member.

The attached form of proxy is only to be completed by those shareholders who are:

- holding shares in certificated form; or
- dematerialised with “own name” registration.

All other beneficial owners who have dematerialised their shares through a Central Securities Depository Participant (“CSDP”) or broker other than “own name” and who wish to attend the AGM, must instruct their CSDP or broker to provide them with a Letter of Representation or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Forms of proxy should be lodged with or mailed or emailed to Computershare Investor Services Proprietary Limited:

Hand deliveries to:

Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

Postal deliveries to:

Private Bag X9000
Saxonwold
2132

E-mail:

proxy@computershare.co.za

to be received no later than 10:30 on Thursday, 23 May 2024.

Electronic participation

1. Shareholders or their proxies who wish to participate in the AGM via electronic communication (Participant(s)) must either
 1. register online using the online registration portal at <https://meetnow.global/za>; or
 2. Apply to Computershare, by delivering the duly completed electronic participation form to: First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, or posting it to Private Bag X9000, Saxonwold, 2132 (at the risk of the Participant), or sending it by email to proxy@computershare.co.za so as to be received by Computershare by no later than 10:30 on Thursday, 23 May 2024. The electronic participation form can be found as an insert to this Notice of AGM. Computershare will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Act, and, if the request is validated, further details on using the electronic communication facility will be provided.
2. Computershare will inform Participants who notified them of their intended participation in accordance with the details under Electronic Participation set out on this page 7 of this Notice of AGM, by no later than 17:00 on Friday, 24 May 2024 by email of the relevant details through which Participants can participate electronically.
3. The cost of electronic participation in the AGM is for the expense of the Participant and will be billed separately by the Participant's own service provider.
4. The Participant acknowledges that the electronic services are provided by third parties and indemnifies Brimstone against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against Brimstone, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the Participant via the electronic services to the AGM.
5. Brimstone cannot guarantee there will not be a break in electronic communication that is beyond the control of the Company.

By order of the Board

T Moodley

COMPANY SECRETARY

24 April 2024

Cross Reference Table

The below listed documentation has been incorporated by reference in this Notice of AGM. Such documentation shall be available for inspection at no charge and during business hours, at the Company's registered office from the date of this Notice until 27 May 2024. Such documentation can also be accessed on the Company's website as per the links specified below:

DOCUMENT	WEBSITE LINK
Integrated Report	https://www.brimstone.co.za/investor-relations/results-reports/
Remuneration policy	https://www.brimstone.co.za/investor-relations/results-reports/

Annexure 1: The Specific Repurchase

In this Annexure 1 unless the contrary appears from the context, words and phrases used will have the defined meanings given thereto in the Notice of AGM of which this Annexure 1 forms part.

1. Introduction

- 1.1. Brimstone shareholders are advised that the Board proposes the Specific Repurchase of vested Forfeitable Shares from Participant/s and are provided with relevant information relating to the Specific Repurchase in this Annexure 1 in order to enable shareholders to make an informed decision as to whether or not they should vote in favour of special resolution number 6 set out in the Notice of AGM.
- 1.2. The Company has in place the FSP in terms of which Participant/s have an opportunity to receive Ordinary and "N" Ordinary shares in the Company through the award of Forfeitable Shares. The Forfeitable Shares vest after 3 years subject to certain employment and performance conditions, and the provisions of the MSR. If the Company is in a closed period at the time of vesting, then the Participants will only be able to take possession of the Forfeitable Shares and/or sell them post the closed period.
- 1.3. Should shareholders pass the required resolution, the Specific Repurchase authority would apply to Forfeitable Shares that may vest with effect from 20 February 2025.
- 1.4. The Specific Repurchase authority will effectively be implemented via a Specific Repurchase, subject to Board approval, the Companies Act and the JSE Listings Requirements.
- 1.5. The Specific Repurchase authority will lapse after three months from date of vesting of the Forfeitable Shares being the subject of the Specific Repurchase, which period will be suspended for as long as it coincides with a prohibited period as defined in the JSE Listings Requirements.

2. Details of the Specific Repurchase

The Specific Repurchase will be effected by Septen Investments Proprietary Limited, a wholly owned subsidiary of Brimstone, through the repurchase of vested Forfeitable Shares from Participants for cash, as follows:

- 2.1. The maximum number of Forfeitable Shares to be repurchased in respect of the Specific Repurchase will not exceed 1 584 910 Ordinary shares and 834 256 "N" Ordinary shares, being the number of Forfeitable Shares that may vest in February 2025, and representing 3.97% and 0.37% of the Company's current issued Ordinary and "N" Ordinary share capital respectively.
- 2.2. The exact Specific Repurchase price cannot be determined at this stage as the value of the shares in 2025 is unknown, however, the price will be based on the VWAP of Brimstone Ordinary shares and "N" Ordinary shares traded on the JSE over the 30 business days prior to the date of vesting of the Forfeitable Shares and will not be at a premium or a discount, as agreed in writing between the Company's wholly owned subsidiary and the relevant Participant.
- 2.3. Brimstone will not undertake the Specific Repurchase during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements.
- 2.4. Following the Specific Repurchase, the repurchased Forfeitable Shares will be held as treasury shares by the Company's wholly owned subsidiary and would be subsequently issued by the FSP for settlement of new awards made by the FSP.
- 2.5. In terms of the JSE Listings Requirements, the Specific Repurchase authority requires the approval of a special resolution, achieving at least 75% of the votes cast in favour thereof by all shareholders present or represented by proxy at the AGM.
- 2.6. Participants and their associates will be excluded from voting their Ordinary and "N" Ordinary shares on special resolution number 6 required to authorise the Specific Repurchase. However, their votes will be considered for purposes of establishing a quorum for the AGM.

3. Related party considerations

In terms of paragraph 10.1 of the JSE Listings Requirements, any Directors of the Company who are Participants would be classified as related parties. The table below sets out the Directors of the Company who are also Participants, including the number of their Forfeitable Shares that may vest in 2025. The Directors' Forfeitable Shares listed below have been included in the calculation of the maximum number set out in paragraph 2.1 above.

DIRECTOR'S NAME*	FORFEITABLE ORDINARY SHARES THAT MAY VEST IN FEBRUARY 2025	FORFEITABLE "N" ORDINARY SHARES THAT MAY VEST IN FEBRUARY 2025
MA Brey	215 727	360 401
F Robertson	215 727	360 401
MI Khan	215 727	63 014
GG Fortuin	215 727	50 440
T Moodley	150 374	—
Total	1 013 282	834 256

* In respect of related parties, only executive Directors participate in the FSP.

Notwithstanding that the Specific Repurchase may from time to time be from related parties as defined in terms of the JSE Listings Requirements, the Specific Repurchase price will not be at a premium to the VWAP of the Ordinary and "N" Ordinary shares traded on the JSE over 30 business days prior to the date of the vesting of Forfeitable Shares and as agreed in writing between the Company and the relevant Participant. As such, a fairness opinion is not required in terms of paragraph 5.69(e) of the JSE Listings Requirements.

4. Rationale

Following the vesting of the Forfeitable Shares which normally results in the sale of such Forfeitable Shares on the open market by Participant/s, the Company would prefer to have at its disposal an alternative mechanism to facilitate the sale of the vested Forfeitable Shares by Participants and Brimstone is of the view that this could be achieved by the Company, through a wholly owned subsidiary, repurchasing such vested Forfeitable Shares from the Participants. The shares repurchased from the Participants would be held as treasury shares and would subsequently be issued by the FSP for settlement of new awards made by the FSP. Notwithstanding the proposed Specific Repurchase, nothing precludes Participants who do not wish to sell their Forfeitable Shares to the Company from selling their shares on the open market.

5. Source of funds

The Specific Repurchase price payable in terms of the Specific Repurchase will be funded from existing cash reserves at the time of the Specific Repurchase.

6. Impact of the Specific Repurchase on financial information

- 6.1. The maximum Specific Repurchase price cannot be determined at this stage, however based on an indicative value of R4.97889 per Brimstone Ordinary share and R4.62408 per Brimstone "N" Ordinary share (being the VWAP of Brimstone Ordinary and "N" Ordinary shares traded on the JSE over the 30 business days up to and including 5 April 2024), the maximum Specific Repurchase price would be approximately R7 891 091.32 and R3 857 663.10 for Brimstone Ordinary and "N" Ordinary shares respectively.
- 6.2. The Company's cash balances will decrease in the 2025 financial year by the aggregate Specific Repurchase price as a result of the Specific Repurchase. The repurchased Forfeitable Shares will continue to be held as treasury shares and there will be no change to the financial information.

7. Share capital of Brimstone

The share capital before and after the Specific Repurchase is as follows:

BEFORE THE SPECIFIC REPURCHASE	R'000
Authorised share capital	
500 000 000 Ordinary shares of 0.1 cent each	500
1 000 000 000 "N" Ordinary shares of 0.001 cent each	10
Issued share capital	
39 874 146 Ordinary shares of 0.1 cent each	40
224 975 962 "N" Ordinary shares of 0.001 cent each	2
Held as treasury shares	
3 256 948 Ordinary shares of 0.1 cent each	(3)
17 580 677 "N" Ordinary shares of 0.001 cent each	—
AFTER THE SPECIFIC REPURCHASE	R'000
Authorised share capital	
500 000 000 Ordinary shares of 0.1 cent each	500
1 000 000 000 "N" Ordinary shares of 0.001 cent each	10
Issued share capital	
38 289 239 Ordinary shares of 0.1 cent each	40
224 141 706 "N" Ordinary shares of 0.001 cent each	2
Held as treasury shares	
3 237 285 Ordinary shares of 0.1 cent each	(3)
17 580 677 "N" Ordinary shares of 0.001 cent each	—

Note:

The unvested Forfeitable Shares are currently treated as treasury shares and will remain treasury shares until they vest. Following the Specific Repurchase, the repurchased Forfeitable Shares will remain as treasury shares and assuming that the maximum number of Forfeitable Shares is repurchased, the share capital of the Company remains the same.

Annexure 1: The Specific Repurchase (continued)

8. Major shareholders of Brimstone

The major shareholders of Brimstone who beneficially hold in excess of 5% of the issued Brimstone Ordinary and "N" Ordinary shares are set out on page 126 of the Integrated Report of which this Notice of AGM forms part. The Integrated Report is available on Brimstone's website, www.brimstone.co.za.

9. Directors' interests in Ordinary and "N" Ordinary shares

The Directors' interests in Brimstone Ordinary and "N" Ordinary shares are set out on page 124 of the Integrated Report of which this Notice of AGM forms part. The Integrated Report is available on Brimstone's website, www.brimstone.co.za.

There have been no changes to the Directors' interests between 31 December 2023 and the date of this Notice of AGM.

10. Material changes

There have been no material changes in the financial or trading position of Brimstone and its subsidiaries between 31 December 2023 and the date of this Notice of AGM.

11. Material risks

The material risks of the Company are set out on pages 14 to 15 of the Integrated Report of which this Notice of AGM forms part. The Integrated Report is available on Brimstone's website, www.brimstone.co.za.

12. Working capital statement

The Specific Repurchase is subject to the provisions of the MOI of Brimstone, the Act and the JSE Listings Requirements, where applicable. The Directors of the Company are of the opinion that, after considering the effect of the Specific Repurchase:

- 12.1. the Company and the Group are in a position to repay their debts in the ordinary course of business for a period of 12 months after the date of approval of the Notice of AGM;
- 12.2. the assets of the Company and the Group, measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements, are in excess of the liabilities of the Company and the Group for a period of 12 months after the date of approval of the Notice of AGM;
- 12.3. the Ordinary and "N" Ordinary share capital and reserves of the Company and the Group are adequate for ordinary business purposes for a period of 12 months after the date of approval of the Notice of AGM; and
- 12.4. the available working capital is adequate to continue the operations of the Company and the Group for a period of 12 months after the date of approval of the Notice of AGM.

In addition, a resolution by the Board of Directors has been passed, stating that the Board has authorised the Specific Repurchase, that Brimstone and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Company and the Group.

13. Directors' responsibility statement

The Directors of Brimstone, whose names are stated on pages 16 to 17 of the Integrated Report:

- 13.1. collectively and individually, accept full responsibility for the accuracy of the information given;
- 13.2. certify that, to the best of their knowledge and belief, there are no other facts that have been omitted which would make any statement false or misleading;
- 13.3. have made all reasonable enquiries to ascertain such facts; and
- 13.4. that the Notice of AGM contains all information required by law and the JSE Listings Requirements.

14. Salient dates and times

The salient dates and times for the Specific Repurchase and the AGM are as follows:

Record date for determining which shareholders are entitled to receive the Notice of AGM	Friday, 19 April 2024
Notice of AGM distributed to shareholders on	Wednesday, 24 April 2024
Last day to trade to be eligible to attend, participate and vote at the AGM	Tuesday, 14 May 2024
Record date to attend, participate and vote at the AGM	Friday, 17 May 2024
Forms of proxy to be lodged by 10:30 on	Thursday, 23 May 2024
AGM to be held at 10:30 on	Monday, 27 May 2024
Results of AGM to be released on SENS on or about	Monday, 27 May 2024
Specific Repurchase to be effected on or about	Friday, 30 May 2025

15. Expenses relating to the Specific Repurchase

The expenses relating to the Specific Repurchase are estimated at approximately R28 156 (excluding VAT) and comprise:

	R
JSE documentation fees	28 156
Total	28 156

16. Documents available for inspection

Copies of the following documents will be available for inspection by Brimstone shareholders at the registered office of Brimstone or may be requested from Brimstone's company secretary by emailing tmoodley@brimstone.co.za from Friday, 26 April 2024 up to and including the date of the AGM, during normal business hours:

- 16.1. the 2023 Integrated Report;
- 16.2. historical annual financial statements of Brimstone for the years ended 31 December 2023, 31 December 2022 and 31 December 2021;
- 16.3. the FSP; and
- 16.4. the MOI of Brimstone.

Form of proxy

Brimstone Investment Corporation Limited
 (Incorporated in the Republic of South Africa)
 (Registration number 1995/010442/06)
 ("Brimstone" or the "Company" or the "Group")
 (ISIN: ZAE000015277 | Share Code: BRT)
 (ISIN: ZAE000015285 | Share Code: BRN)

For use only by Brimstone Ordinary and "N" Ordinary certificated shareholders or Ordinary and "N" Ordinary dematerialised shareholders with "own name" registration, at the Annual General Meeting ("AGM") of the Company, to be conducted entirely by electronic communication as permitted by the Companies Act, No. 71 of 2008, as amended (the "Act") and by the Company's memorandum of incorporation, at 10:30 on Monday, 27 May 2024.

The record date in terms of Section 59 of the Act for shareholders to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the AGM is Friday, 17 May 2024 and the last day to trade in the Company's shares in order to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the AGM is Tuesday, 14 May 2024.

Dematerialised Ordinary and "N" Ordinary shareholders holding shares other than with "own name" registration, must inform their CSDP or broker of their intention to attend the AGM and request their CSDP or broker to issue them with the necessary Letter of Representation to attend the AGM in person and vote or provide their CSDP or broker with their voting instructions. Should they not wish to attend the AGM in person, but who wish to be represented thereat, these shareholders must not use this form of proxy.

I/We (name/s in block letters)
 of (address)
 Telephone (work) Cellphone number

Email address
 being a shareholder/shareholders of Brimstone and holding Ordinary shares in the Company,
 being a shareholder/shareholders of Brimstone and holding "N" Ordinary shares in the Company, do hereby appoint

1. of or failing him/her
2. of or failing him/her
3. the chairman of the AGM,
 as my/our proxy to act for me/us and on my/our behalf at the AGM which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the special and ordinary resolutions and/or abstain from voting in respect of the Brimstone Ordinary shares and "N" Ordinary shares registered in my/our name(s), in accordance with the following instructions:

	ORDINARY SHARES			"N" ORDINARY SHARES		
	FOR	AGAINST	ABSTAIN	FOR	AGAINST	ABSTAIN
1. Ordinary resolution number 1: Re-election of directors						
1.1. MA Brey						
1.2. GG Fortuin						
1.3. LA Parker						
1.4. FD Roman						
2. Ordinary resolution number 2: Appointment of members of the audit and risk committee						
2.1. N Khan						
2.2. PL Campher						
2.3. M Ndlovu						
2.4. LA Parker (subject to his re-election as a director)						
2.5. FD Roman (subject to her re-election as a director)						
2.6. LAD Wort						
3. Ordinary resolution number 3: Re-appointment of auditors						
4. Ordinary resolution number 4: To place the unissued shares under the directors' control						
5. Ordinary resolution number 5: Approval to issue shares for cash						
6. Ordinary resolution number 6: Specific authority to directors to offer different dividend alternatives						
7. Non-binding advisory resolution 1: Remuneration policy						
8. Non-binding advisory resolution 2: Implementation report						
9. Special resolution number 1: Non-executive directors' fees						
10. Special resolution number 2: General authority to repurchase Ordinary and "N" Ordinary shares						
11. Special resolution number 3: General authority for financial assistance in terms of Section 44 of the Act						
12. Special resolution number 4: General authority for financial assistance in terms of Section 45 of the Act						
13. Special resolution number 5: Authority to issue shares to persons falling within the ambit of Section 41(1) of the Act for the purpose of distribution reinvestment alternatives						
14. Special resolution number 6: Specific Repurchase of Ordinary and "N" Ordinary shares						

Please indicate with an "X" in the appropriate spaces above how you wish your votes to be cast. Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Form of proxy (continued)

Note: All references to the “Act” refers to the Companies Act, No. 71 of 2008 (as amended).

Signed at (place) (on date).....2024

Assisted by (if applicable)

.....
Shareholder’s signature

Important notes about the AGM:

1. The AGM will start promptly at 10:30.
2. This form of proxy must only be used by certificated Ordinary and “N” Ordinary shareholders or dematerialised Ordinary and “N” Ordinary shareholders who hold dematerialised Ordinary and “N” Ordinary shares with “own name” registration. Dematerialised Ordinary and “N” Ordinary shareholders are reminded that the onus is on them to communicate with their CSDP or broker.
3. Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the Company) to attend, speak and, on a poll, vote in place of that shareholder at the AGM.
4. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder’s choice in the space provided, with or without deleting “the chairman of the AGM”. The person whose name stands first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
5. A shareholder’s instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box(es) provided. Failure to comply with the above will be deemed to authorise the chairman of the AGM, if the chairman is the authorised proxy, to vote in favour of the ordinary and special resolutions at the AGM, or any other proxy to vote or to abstain from voting at the AGM as he/she deems fit, in respect of all the shareholder’s votes exercisable thereat.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company’s transfer office or waived by the chairman of the AGM. The chairman of the AGM may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.
7. Any alterations or corrections to this form of proxy must be initialled by the signatory(ies).
8. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
9. A minor must be assisted by his/her parent guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company.
10. Where there are joint holders of any shares:
 - any one holder may sign this form of proxy;
 - the vote(s) of the senior shareholders (for that purpose seniority will be determined by the order in which the names of shareholders appear in the Company’s register of shareholders) who tenders a vote will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
11. Section 63 (1) of the Act requires that a person wishing to participate in the AGM (including any representative or proxy) must provide reasonably satisfactory identification before they may participate at such AGM.

Forms of proxy should be lodged with or mailed to Computershare Investor Services Proprietary Limited:

Hand deliveries to:

Rosebank Towers
15 Biermann Avenue
Rosebank
2196

Postal deliveries to:

Private Bag X9000
Saxonwold
2132

E-mail:

proxy@computershare.co.za

to be received no later than 10:30 on Thursday, 23 May 2024 for administrative purposes, provided that any form of proxy not delivered to the transfer secretaries by this time may be lodged with the transfer secretaries immediately prior to the AGM.

Participation in the AGM via electronic communication

Capitalised terms used in this form shall bear the meanings ascribed thereto in the Notice of AGM to which this participation form is attached

1. Shareholders or their duly appointed proxy(ies) that wish to participate in the AGM via electronic communication (Participants), must either 1. register online using the online registration portal at <https://meetnow.global/za>; or 2. apply to Computershare, by delivering this duly completed Form to:

Rosebank Towers, First Floor, 15 Biermann Avenue, Rosebank 2196, or posting it to Private Bag X9000, Saxonwold, 2132 (at the risk of the Participant), or by email to proxy@computershare.co.za so as to be received by Computershare by no later than 10:30 on Thursday, 23 May 2024. Computershare will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Act, and, if the request is validated, further details on using the electronic communication facility will be provided.

2. Important notice

Computershare shall, by no later than 17:00 on Friday, 24 May 2024, notify Participants that have delivered valid notices in the form of this Form, by email of the relevant details through which Participants can participate electronically.

Application form

Full name of Participant:

ID number:

Email address:

Cell number:

Telephone number: (code):..... (number):

Name of CSDP or broker (if shares are held in dematerialised format):.....

Contact number of CSDP/broker:.....

Contact person of CSDP/broker:

Number of share certificate (if applicable):

Signature.....Date

Terms and conditions for participation in the AGM via electronic communication

1. The cost of electronic participation in the AGM is for the expense of the Participant and will be billed separately by the Participant's own service provider.
2. The Participant acknowledges that the electronic communication services are provided by third parties and indemnifies Brimstone against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the Participant via the electronic services to the AGM.
3. The application to participate in the AGM electronically will only be deemed successful if this application form has been completed fully and signed by the Participant.
4. Brimstone cannot guarantee there will not be a break in electronic communication that is beyond the control of the Company.

Participant's name

Signature.....Date

Curriculum Vitae

Re-election as director

Felicia Dawn Roman*

Felicia's employment record spans various executive positions over the period of nearly 40 years, with experience in the radio, gambling and hospitality, food and beverage and consulting industries. During her career in various industries as an astute and passionate senior manager, she honed her business skills to the benefit and advantage of her shareholders, management team and employees.

Since leaving formal employment, Felicia is pursuing entrepreneurial ventures. This allows her to continuously apply the invaluable lessons learnt during her career and to explore and experience the challenges of being a business owner and shareholder.

Her business interests include being an equity holder in Omega Technology Group and Umlingo Proprietary Limited – suppliers to the casino industry; as well as Zweep, an e-commerce apparel store. Felicia also serves as a consultant with Tanzanite Management Services Proprietary Limited.

Felicia previously served as a non-executive director on the board of Lion of Africa Insurance Company Limited. She now continues to serve on the run-off committee of Lion of Africa.

Geoffrey George Fortuin

Geoff serves as the Financial Director of Brimstone Investment Corporation Limited. His qualifications include a BCom (Acc) Cum Laude and BCom (Acc) (Hons) and he is a chartered accountant. He was previously a partner at Deloitte & Touche for 15 years during which time he was responsible for a number of South African listed companies, including the audit of Brimstone up until 2012. He was also a member of the Deloitte South Africa board. Geoff is a non-executive director of Quantum Foods Holdings Limited, a company listed on the JSE.

Liyaqat Allie Parker*

Liyaqat serves as Chairman of FPG Investments Proprietary Limited, an investment holding company, with interests primarily in the property sector through FPG Property Fund Proprietary Limited. The Fund specialises in retail convenience properties and has established itself as one of the largest privately owned property funds in the South African market, with an expanding footprint in the UK. The Fund has navigated market challenges and delivered consistent growth through the application of strategic and innovative thinking. In addition, the group has an ever-growing footprint in the retail sector through FPG Foods Proprietary Limited. This business has earned a respected standing within the quick service restaurant industry, having been awarded Franchisee of the year for KFC Africa in consecutive years. With his roots in the retail sector, as a founding member of Foodworld Stores Group later sold to Shoprite, Liyaqat has extensive experience in directing strategy and efforts to create businesses that are sustainable and able to generate value for all its stakeholders. He holds directorships in FPG Investments Proprietary Limited, FPG Property Fund Proprietary Limited, FPG Foods Proprietary Limited, FPG UK Proprietary Limited and trusteeship in the FPG Foundation.

Mustaq Brey

Mustaq is Chief Executive Officer of Brimstone Investment Corporation Limited, a company which he co-founded in 1995. With his vast business and governance experience Mustaq currently serves as non-executive chairman of Oceana Group Limited and chairman of International Frontier Technologies SOC Limited. He serves as a director on the boards of Equites Property Fund, reinsurer AON Re SA and property group FPG Property Fund Proprietary Limited. Mustaq is a trustee of The Mandela Rhodes Foundation. He serves as a trustee of the Jakes Gerwel Foundation and is the chairman of the Groote Schuur Hospital Trust. He has been integral to the startup of many NGO's and is the founder of the Saabri & Ashrafi Relief Fund.

*Appointment as member of the Audit and Risk Committee subject to re-election as a director

Re-election to Audit and Risk Committee

Logan Abraham David Wort

Logan has extensive professional experience in executive management and leadership accomplishments in public and international affairs. He has strong diplomatic skills and an affinity for building consensus among diverse individuals. Good on strategy and impact evaluation and business execution with more than 20 years of experience driving growth, business sustainability and operational efficiency in public institutions and organisations. His previous appointments include senior positions at National Treasury of South Africa and the South African Revenue Service. He is currently Executive Secretary of the African Tax Administration Forum.

Logan previously served as a non-executive director on the board of Lion of Africa Insurance Company Limited. He now continues to serve on the run-off committee of Lion of Africa.

Mduduzi Ndlovu

Duzi is an investment professional with over 20 years of investment and general management experience including senior roles as chief investment officer and chief executive officer at leading investment management companies. Duzi is currently Chief Executive Officer at Ashburton Investments. Duzi also serves as an independent trustee on various non-profit entities.

Nazeem Khan

Nazeem has been in the quantity surveying profession for the past 35 years and has varied experience in all aspects of property development. His directorships include BTKM Inc Quantity Surveyors, Business Park Development Company Proprietary Limited and MyDomain Proprietary Limited. His current professional memberships include the South African Council for the Quantity Surveying Profession, the Royal Institution of Chartered Surveyors and SAPOA.

Philip Leon Campher

After graduating from the University of Stellenbosch, Leon joined Old Mutual in the Investment division in 1973. In 1985 he left Old Mutual to form Syfrets Managed Assets where he was Portfolio Manager and CEO. Leon left Syfrets in 1993 to form Coronation where he was CEO of Coronation Fund Managers and Executive Director of Coronation Holdings which was listed on the JSE. During his time with Coronation he was one of the founders of African Harvest and served as a Director of African Harvest.

In 2003 Leon was instrumental in the formation of the Investment Management Association South Africa (IMASA) where he served as CEO until 2008. In 2008 he was instrumental in the formation of the Association for Savings and Investment South Africa (ASISA) where he served as CEO until August 2022. Leon currently serves as non-executive chairman of Equites Property Fund Limited.

Summarised Consolidated Annual Financial Statements

for the year ended 31 December 2023





Summarised consolidated statement of profit or loss

for the year ended 31 December 2023

R'000	NOTES	AUDITED 2023	AUDITED 2022
Revenue	3	6 528 963	6 212 852
Sales and fee income		6 460 762	6 137 165
Dividends received		68 201	75 687
Net operating expenses ¹		(6 073 867)	(5 703 287)
Operating profit		455 096	509 565
Fair value (losses)/gains		(37 220)	34 324
Other investment gains/(losses) ²		95 522	(38 253)
Share of profits of associates and joint ventures		428 331	228 351
Profit before net finance costs		941 729	733 987
Interest income		29 866	18 737
Finance costs	4	(471 843)	(306 295)
Profit before taxation		499 752	446 429
Taxation		(77 878)	(121 920)
Profit for the year		421 874	324 509
Profit attributable to:			
Equity holders of the parent		291 267	189 934
Non-controlling interests		130 607	134 575
		421 874	324 509
Earnings per share (cents)			
Basic		117.9	76.6
Diluted		116.6	75.7

¹ Included in net operating expenses is net foreign exchange gains of R1.2 million (2022: R167.8 million), and insurance income of R65 million (2022: R25 million).

² The current year includes R93.3 million relating to a gain on purchased loans. Refer to note 9.2.

Summarised consolidated statement of comprehensive income

for the year ended 31 December 2023

R'000	AUDITED 2023	AUDITED 2022
Profit for the year	421 874	324 509
Other comprehensive (loss)/income, net of tax	91 258	303 835
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges		
Loss arising during the year	(62 974)	(43 603)
Recycled to operating expenses	716	131
Cost of hedging reserve		
(Loss)/profit arising during the year	(6 301)	26 573
Recycled to operating expenses	4 682	(492)
Foreign currency translation		
Profit arising during the year	85 677	15 192
Share of other comprehensive income of associates		
Current year movement	69 351	303 053
Items that will not be reclassified subsequently to profit or loss		
Movement in investment at fair value through other comprehensive income	(2 242)	965
Measurement of defined benefit plans	1 513	2 129
Share of other comprehensive income/(loss) of associates	836	(113)
Total comprehensive income for the year	513 132	628 344
Total comprehensive income attributable to:		
Equity holders of the parent	372 948	494 719
Non-controlling interests	140 184	133 625
	513 132	628 344

Summarised consolidated statement of financial position

as at 31 December 2023

R'000	AUDITED 2023	RESTATE ¹ AUDITED 2022
Assets		
Non-current assets	9 368 582	9 098 327
Property, plant, equipment and vehicles	2 450 740	2 408 651
Investment properties	79 432	3 700
Right-of-use assets	209 658	204 928
Biological assets	71 410	87 287
Goodwill	1 036 759	1 017 694
Intangible assets	1 484 135	1 426 207
Investments in associate companies and joint ventures	2 927 839	2 661 300
Investments	883 421	1 113 957
Loans and receivables	21 052	14 624
Loans to supplier partners	103 590	92 670
Deferred taxation	64 521	35 584
Other financial assets	36 025	31 725
Current assets	2 623 348	2 557 261
Inventories	1 089 380	1 077 515
Biological assets	118 266	77 909
Trade and other receivables	985 097	952 604
Loans and receivables	2 385	8 836
Other financial assets	55	48 928
Taxation	6 336	16 336
Cash and cash equivalents	421 829	375 133
Non-current assets held for sale²	263 774	—
TOTAL ASSETS	12 255 704	11 655 588

¹ The restatement relates to the finalisation of the MG Kallis business combination. Refer to note 9.3.

² Refer to note 9.4.

R'000	AUDITED 2023	RESTATED ¹ AUDITED 2022
Equity and liabilities		
Capital and reserves	5 104 476	4 803 207
Share capital	39	39
Capital reserves	627 487	572 786
Revaluation reserves	18 734	19 989
Cash flow hedging reserve	11 125	47 457
Cost of hedging reserve	(31 777)	(30 731)
Foreign currency translation reserve	91 205	41 417
Changes in ownership	489 918	508 419
Retained earnings	2 370 897	2 164 128
Attributable to equity holders of the parent	3 577 628	3 323 504
Non-controlling interests	1 526 848	1 479 703
Non-current liabilities	5 642 336	5 367 695
Long-term interest bearing borrowings	4 436 309	4 217 686
Employee related liabilities	29 791	22 170
Lease liabilities	216 647	210 964
Deferred grant income	30 990	34 342
Other financial liabilities	3 252	7 257
Deferred taxation	925 347	875 276
Current liabilities	1 508 892	1 484 686
Short-term interest bearing borrowings	395 473	372 660
Short-term provisions	4 704	10 704
Bank overdrafts	56 116	24 715
Trade payables	598 869	618 884
Other payables	245 175	318 375
Deferred grant income	4 367	2 776
Lease liabilities	34 101	31 051
Other financial liabilities	166 975	105 009
Taxation	3 112	512
Total equity and liabilities	12 255 704	11 655 588
NAV per share (cents)	1 457	1 340
Shares in issue at end of year (000's)	245 512	248 091

¹ The restatement relates to the finalisation of the MG Kailis business combination. Refer to note 9.3.

Summarised consolidated statement of changes in equity

for the year ended 31 December 2023

R'000	SHARE CAPITAL	CAPITAL RESERVES	REVALUATION RESERVES
Balance 1 January 2022 – audited	39	256 511	19 271
Attributable profit for the year	–	–	–
Other comprehensive income/(loss)	–	304 214	557
Total comprehensive income/(loss)	–	304 214	557
Recognition of share-based payments	–	38 873	–
Dividend paid	–	–	–
Share of other net asset changes of associate	–	4 094	–
Shares issued by subsidiaries	–	–	–
Shares repurchased by subsidiaries	–	(25 670)	161
Shares repurchased	–	(5 236)	–
Balance 31 December 2022 – audited	39	572 786	19 989
Balance 1 January 2023 – audited	39	572 786	19 989
Attributable profit for the year	–	–	–
Other comprehensive income/(loss)	–	70 729	(1 299)
Total comprehensive income/(loss)	–	70 729	(1 299)
Recognition of share-based payments	–	38 671	–
Further investment in subsidiary ¹	–	–	–
Arising on disposal of subsidiaries ²	–	–	–
Dividend paid	–	–	–
Share of other net asset changes of associate	–	(15 153)	–
Shares repurchased by subsidiaries	–	(17 935)	44
Shares repurchased	–	(21 611)	–
Balance 31 December 2023 – audited	39	627 487	18 734

¹ Arising on acquisition of non-controlling interests in Viking Aquaculture Proprietary Limited (“Viking Aquaculture”). Refer note 9.2.

² Refer note 9.1.

CASH FLOW HEDGING RESERVE	COST OF HEDGING RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	CHANGES IN OWNERSHIP	RETAINED EARNINGS	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL
70 323	(45 182)	32 211	540 679	2 050 592	2 924 444	1 466 072	4 390 516
—	—	—	—	189 934	189 934	134 575	324 509
(23 419)	14 787	8 646	—	—	304 785	(950)	303 835
(23 419)	14 787	8 646	—	189 934	494 719	133 625	628 344
—	—	—	—	—	38 873	2 904	41 777
—	—	—	—	(76 398)	(76 398)	(100 588)	(176 986)
—	—	—	—	—	4 094	—	4 094
—	—	—	—	—	—	9 976	9 976
553	(336)	560	(32 260)	—	(56 992)	(32 286)	(89 278)
—	—	—	—	—	(5 236)	—	(5 236)
47 457	(30 731)	41 417	508 419	2 164 128	3 323 504	1 479 703	4 803 207
47 457	(30 731)	41 417	508 419	2 164 128	3 323 504	1 479 703	4 803 207
—	—	—	—	291 267	291 267	130 607	421 874
(36 352)	(937)	49 540	—	—	81 681	9 577	91 258
(36 352)	(937)	49 540	—	291 267	372 948	140 184	513 132
—	—	—	—	—	38 671	6 574	45 245
—	—	—	(21 328)	—	(21 328)	9 882	(11 446)
—	—	—	—	—	—	(26 722)	(26 722)
—	—	—	—	(84 498)	(84 498)	(63 314)	(147 812)
—	—	—	—	—	(15 153)	—	(15 153)
20	(109)	248	2 827	—	(14 905)	(19 459)	(34 364)
—	—	—	—	—	(21 611)	—	(21 611)
11 125	(31 777)	91 205	489 918	2 370 897	3 577 628	1 526 848	5 104 476

Summarised consolidated statement of cash flows

for the year ended 31 December 2023

R'000	AUDITED 2023	RESTATE ¹ AUDITED 2022
Operating activities		
Profit for the year	421 874	324 509
Adjustments for non-cash and other items	322 724	328 788
Operating cash flows before movements in working capital	744 598	653 297
(Increase)/decrease in inventories	(8 762)	49 377
Increase in trade and other receivables	(77 689)	(107 542)
Decrease in trade and other payables	(25 979)	(15 426)
Cash generated from operations	632 168	579 706
Interest received	33 896	19 209
Proceeds from receipt of a government grant	2 353	6 813
Dividends received from associates and joint ventures	174 208	224 848
Dividends received from other equity investments	68 201	75 687
Income taxes paid	(37 674)	(63 307)
Finance costs paid	(411 545)	(329 426)
Net cash generated by operating activities	461 607	513 530
Investing activities		
Loans and receivables repaid	—	6 747
Loans and receivables advanced	(3 330)	—
Proceeds on disposal of property, plant, equipment and vehicles	64 184	9 074
Insurance proceeds	9 410	25 099
Acquisition of property, plant, equipment and vehicles	(466 654)	(266 030)
Acquisition of biological assets	(76 872)	(71 250)
Acquisition of subsidiaries	—	(768 430)
Acquisition of intangible assets	(286)	(2 861)
Acquisition of investments and investments in associates	—	(52 362)
Disposal of subsidiary	6 158	—
Supplier partner loans repaid	3 330	2 789
Supplier partner loans advanced	(250)	—
Net cash used in investing activities	(464 310)	(1 117 224)
Financing activities		
Dividends paid by Company and subsidiaries	(147 812)	(176 986)
Repayment of borrowings and lease liabilities	(175 379)	(1 101 452)
Loans raised	392 966	1 613 384
Shares repurchased	(21 611)	(5 236)
Shares repurchased by subsidiaries	(34 364)	(88 686)
Shares issued by subsidiaries	—	9 976
Repayment of other financial liabilities	—	(2 076)
Further investment in subsidiary	—	(592)
Settlement of contingent consideration	—	(110 000)
Increase/(decrease) in bank overdrafts	31 401	(28 313)
Net cash generated by financing activities	45 201	110 019
Net increase/(decrease) in cash and cash equivalents	42 498	(493 675)
Cash and cash equivalents at beginning of year	375 133	862 931
Foreign exchange differences	4 198	5 877
Cash and cash equivalents at end of year	421 829	375 133
Bank balances and cash	421 829	375 133

¹ The restatement relates to the finalisation of the MG Kallis business combination. Refer to note 9.3.

Headline earnings per share

for the year ended 31 December 2023

			AUDITED 2023	AUDITED 2022
Headline earnings per share (cents)				
Basic			71.6	69.0
Diluted			70.8	68.2
R'000	2023 GROSS	2023 NET¹	2022 GROSS	2022 NET¹
Headline earnings calculation				
Profit attributable to equity holders of the parent		291 267		189 934
Impairment of property, plant and equipment and vehicles	26	26	—	—
Reversal of impairment of property, plant equipment and vehicles	—	—	(3 489)	(3 489)
Impairment of investment	—	—	5 000	5 000
Insurance proceeds ²	(9 410)	(3 922)	(25 134)	(10 337)
Loss on disposal of subsidiary	578	293	—	—
Profit on disposal of property, plant, equipment and vehicles	(1 887)	(434)	(4 503)	(4 713)
Adjustments relating to results of associates	(467 000)	(110 252)	(22 707)	(5 469)
Headline earnings	no total	176 978	no total	170 926
NUMBER OF SHARES (000'S)				
			2023	2022
Calculation of weighted average number of shares ("WANOS")				
WANOS on which basic earnings and basic headline earnings per share is based			247 071	247 898
Dilutive effect of treasury shares (forfeitable share plan)			2 760	2 872
WANOS on which diluted earnings and diluted headline earnings per share is based			249 831	250 770

¹ Net of tax and non-controlling interests

² Relates only to insurance proceeds received in respect of property, plant, equipment and vehicles.

Further information

for the year ended 31 December 2023

1. Basis of preparation

The summarised consolidated financial statements for the year ended 31 December 2023 are prepared in accordance with the requirements of the JSE Limited Listings Requirements for summarised financial statements and the requirements of the Companies Act of South Africa, applicable to summary financial statements. The Listings Requirements require summarised financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), and contain the information required by IAS 34 *Interim Financial Reporting*, and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council.

The auditors, Ernst & Young Inc., have issued their unmodified audit opinion on the consolidated financial statements for the year ended 31 December 2023. The audit was conducted in accordance with International Standards on Auditing. These summarised financial statements have been derived from the consolidated financial statements, with which they are consistent in all material respects. Copies of the audit report on the full consolidated financial statements are available for inspection at the Company's registered office. The audit report does not necessarily cover all the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work they should obtain a copy of that report together with the accompanying financial information from the Company's website or from the registered office of the Company.

The directors take full responsibility for the preparation of this report. The summarised consolidated financial statements were prepared under the supervision of the Financial Director, Geoffrey George Fortuin BCom (Acc) (Hons) CA(SA).

2. Accounting policies

The accounting policies and methods of computation applied in the preparation of the consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of IFRS and are consistent with those accounting policies and methods of computation applied in the preparation of the consolidated financial statements of the previous year.

3. Revenue

Revenue for the year is analysed as follows:

Revenue recognised at a point in time	6 338 979	6 079 322
Revenue recognised over time	121 783	57 843
	6 460 762	6 137 165

The Group's revenue comprises the following:

Food products ¹	6 204 776	5 875 295
Clothing products	213	24 554
Healthcare products	253 053	235 112
Other	2 720	2 204
Total sales and fee income	6 460 762	6 137 165

Dividends received

	68 201	75 687
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Total revenue

	6 528 963	6 212 852
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¹ For the disaggregation of revenue, refer to the full set of consolidated financial statements for the year ended 31 December 2023.

4. Finance costs

Interest on borrowings	222 448	123 715
Preference dividends	224 064	160 513
Interest expense on lease liabilities	19 899	15 381
Other	5 432	6 686
Total finance costs	471 843	306 295

5. Segmental information

Information reported to the Group's operating decision makers for the purpose of resource allocation and assessment of segment performance is specifically focused on the individual entity in which Brimstone has invested. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Brimstone, who makes strategic decisions. The Group's reportable segments under IFRS 8 *Operating Segments*, are food and investments. Investments include subsidiaries House of Monatic Proprietary Limited and Firefly Investments 306 Proprietary Limited ("Obsidian Health"), as well as, investments at fair value through other comprehensive income ("FVTOCI") and investments at fair value through profit or loss ("FVTPL").

R'000	AUDITED 2023	AUDITED 2022
Segment revenue	6 528 963	6 212 852
Food	6 204 776	5 880 295
Investments	324 187	332 557
Segment operating profit/(loss)	455 096	509 565
Food	459 600	513 483
Investments	(4 504)	(3 918)
A reconciliation of operating profit from segments to profit for the year is provided below:		
Operating profit	455 096	509 565
Fair value (losses)/gains	(37 220)	34 324
Other investment gains/(losses)	95 522	(38 253)
Share of profits of associates and joint ventures	428 331	228 351
Interest income	29 866	18 737
Finance costs	(471 843)	(306 295)
Taxation	(77 878)	(121 920)
Profit for the year	421 874	324 509
R'000	AUDITED 2023	RESTATED ¹ AUDITED 2022
Segment assets and liabilities		
Segment assets		
Food	8 017 556	7 629 525
Investments	4 238 148	4 026 063
Total segment assets	12 255 704	11 655 588
Segment liabilities		
Food	4 647 749	4 401 616
Investments	2 503 479	2 450 765
Total segment liabilities	7 151 228	6 852 381

¹ The restatement relates to the finalisation of the MG Kailis business combination. Refer to note 9.3.

Further information (continued)

for the year ended 31 December 2023

6. Fair value measurements

This note provides information about how the Group determines fair values of various financial assets, non-financial assets and financial liabilities.

Some of the Group's financial assets, non-financial assets and financial liabilities are measured at fair value at each reporting date. The following table gives information about how the fair values of these financial assets, non-financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used). The directors consider that the carrying amounts of financial assets, non-financial assets and financial liabilities not measured at fair value on a recurring basis (but fair value disclosures are required) recognised in the summarised consolidated financial statements approximate their fair values.

R'000	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
31 December 2023 – audited				
Financial assets at FVTPL				
Derivative financial assets	—	36 080 ¹	—	36 080
Listed shares	629 636 ²	—	—	629 636
Unlisted shares	—	—	401 700 ³	401 700
Non-financial assets at fair value				
Biological assets	—	—	189 676 ⁴	189 676
Investment properties	—	—	79 432 ⁵	79 432
Financial assets at FVTOCI				
Unlisted shares	—	—	28 360 ⁶	28 360
Total	629 636	36 080	699 168	1 364 884
Financial liabilities at FVTPL				
Derivative financial liabilities	—	70 293 ¹	—	70 293
Financial liability with contingent settlement provisions	—	—	99 934 ⁷	99 934
Total	—	70 293	99 934	170 227
31 December 2022 – audited				
Financial assets at FVTPL				
Derivative financial assets	—	80 563 ¹	—	80 653
Listed shares	736 552	—	—	736 552
Unlisted shares	—	—	346 185 ³	346 185
Non-financial assets at fair value				
Biological assets	—	—	165 196 ⁴	165 196
Financial assets at FVTOCI				
Unlisted shares	—	—	31 220 ⁶	31 220
Total	736 552	80 653	542 601	1 359 806
Financial liabilities at FVTPL				
Derivative financial liabilities	—	12 332 ¹	—	12 332
Financial liability with contingent settlement provisions	—	—	99 934 ⁷	99 934
Total	—	12 332	99 934	112 266

The table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped in Levels 1 to 3 based on the degree to which fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels 1, 2 and 3 in the current or prior year.

There are no changes to unobservable inputs that might result in a significantly higher or lower fair value measurement within level 2 and level 3 assets and liabilities.

Notes

- ¹ The following methods and inputs are used in valuing level 2 financial assets and liabilities:
- The fair value of the financial asset representing the call option to acquire shares in Vuna Fishing Company Proprietary Limited (“Vuna”) was independently determined by an expert using the Black-Scholes option pricing model. The inputs applied in the option pricing model were i) the value of Vuna calculated using an average of actual 2022 and 2023 earnings and 2024 projected earnings multiplied by a price earnings multiple, ii) yield curve, and iii) volatility. A change in unobservable inputs would not have a material change in the fair value.
 - Financial assets and liabilities relate to hedging contracts entered into by the Group for the purpose of minimising the Group’s exposure to foreign currency and fuel price volatility. The valuation is performed by an independent valuer, taking into account forward exchange contracts spot and forward rates, current fuel prices, and discount factors.
 - The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- ² Includes R176.3 million relating to the investment in Phuthuma Nathi Investments (RF) Proprietary Limited (“Phuthuma Nathi”) which is classified as a non-current asset held for sale. Refer note 9.4. If equities had been 10% higher/lower, profit for the year would increase/decrease by R49.4 million (2022: R57.2 million).
- ³ Value is based on the effective interest held in the net assets of the underlying entity. In assessing the net assets of the underlying entity, substantially all of the assets are carried at fair value and all of the liabilities are carried at amortised cost. The assets are valued using the capitalisation of net income method or open market values for existing use, on a three-year rolling basis, i.e. a third of the portfolio is independently valued annually. Therefore, application of Brimstone’s percentage interest to the net asset value of the entity is the best indication of fair value of the investment. If the net assets of the underlying entity had been 10% higher/lower, profit for the year would increase/decrease by R28.4 million (2022: R24.5 million).
- ⁴ Biological assets are measured at fair value less costs to sell. Biological assets relate to abalone cultivated at aquaculture farms, and are measured at their fair value less estimated point-of-sale costs. Fair value is determined based on the dollar denominated market prices of biological assets of similar age, breed and genetic merit. In order to measure and value biological assets, management uses growth formula and drip-and-purge-loss factors to determine the weight of animals at the reporting date. These formulas are based on empirical evidence and confirmed industry norms. A fair value gain of R14.6 million (2022: R4.3 million) was recognised in profit or loss relating to the valuation of biological assets. A change in unobservable inputs would not result in a significant change in the fair value.
- ⁵ Subsequent to the sale of a 5% interest in subsidiary BM Foods Manufacturers Proprietary Limited (“BMFM”) and the consequential loss of control, commercial and industrial properties occupied by BMFM are no longer owner occupied and are held as investment properties which resulted in an increase in investment properties of R75.7 million. Refer to note 9.1. The fair value has been determined by an independent valuator, using the income capitalisation approach.
- ⁶ Asset valuation method performed by an independent valuer and represents unlisted shares in a vessel-owning company. The underlying vessel is valued based on the age and condition of the vessel and current market value derived by sales comparison of these or similar types of vessels adjusted for differences in age, condition, degree of upgrade already carried out on the vessel, and size. A change in unobservable inputs would not result in a significant change in the fair value.
- ⁷ The fair value of the financial liability with contingent settlement provisions is measured as the undiscounted amount that the Group could be required to repay immediately, and is represented by the net liabilities of Lion of Africa Insurance Company Limited at the date of disposal of the discontinued operation, which was 30 December 2021. There has been no significant change in the fair value of the financial liability at 31 December 2023.

7. Share capital (number)

	AUDITED 2023	AUDITED 2022
In issue (number)		
Ordinary shares	39 874 146	39 874 146
Held as treasury shares	(3 256 948)	(3 127 570)
	36 617 198	36 746 576
“N” Ordinary shares	224 975 962	224 975 962
Held as treasury shares	(16 080 679)	(13 631 238)
	208 895 283	211 344 724
Total net of treasury shares	245 512 481	248 091 300
Closing share price (cents)		
Ordinary shares	511	526
“N” Ordinary shares	485	563

During the year, Brimstone, through its treasury share vehicle, bought back 129 378 Ordinary shares and 3 965 804 “N” Ordinary shares for a total cash consideration of R0.8 million (average price of R6.01 per share) and R20.8 million (average price of R5.25 per share), respectively. These shares are now classified as treasury shares.

Further information (continued)

for the year ended 31 December 2023

8. Material related party transactions

In terms of a supply agreement between joint venture group, Vuna and SeaVuna Fishing Company Proprietary Limited ("SeaVuna"), and Sea Harvest's subsidiary, Sea Harvest Corporation Proprietary Limited ("Sea Harvest Corporation"), fish caught by Vuna and SeaVuna is marketed by Sea Harvest Corporation. Purchases from SeaVuna during the year amounted to R295.1 million compared to R283.9 million for the year ended 31 December 2022. Sales to SeaVuna during the year amounted to R14.8 million compared to R29.6 million for the year ended December 2022.

Loans owing by Vuna and SeaVuna amounted to R66.8 million at 31 December 2023 compared to R68.4 million at 31 December 2022.

9. Other transactions

9.1 Disposal of subsidiaries

With effect from 1 July 2023, Sea Harvest, through its wholly-owned subsidiary, Cape Harvest Food Group Proprietary Limited ("CHFG"), disposed of 5% of its equity interest in BMFM for R3 million to the BM Foods executive committee and staff trust. The transaction resulted in the group losing control of BMFM. BMFM is an equity accounted associate from 1 July 2023.

With effect from 1 September 2023, Viking Aquaculture sold all the shares in its oyster business, including West Coast Oyster Growers Proprietary Limited, West Coast Aquaculture Proprietary Limited and Luderitz Mariculture Proprietary Limited to Redburg Investments Proprietary Limited (non-controlling shareholder at Viking Aquaculture) ("Redburg") for R15.5 million, which was settled by Redburg in lieu of a portion of its loan claim against Viking Aquaculture.

R'000	BMFM	VIKING AQUACULTURE	TOTAL
Assets and liabilities disposed of			
Property, plant, equipment and vehicles	41 960	8 429	50 389
Biological assets	—	6 303	6 303
Intangible assets	25 609	—	25 609
Investment in associate	3 000	—	3 000
Right-of-use assets	365	4 080	4 445
Inventory	68 950	178	69 128
Trade and other receivables	50 231	1 950	52 181
Cash at bank balances	—	530	530
Borrowings	(29 726)		(29 726)
Lease liability	(435)	(6 733)	(7 168)
Trade and other payables	(71 378)	(2 520)	(73 898)
Taxation	(2 165)	—	(2 165)
Bank overdraft	(6 688)	—	(6 688)
Total assets and liabilities disposed of	79 723	12 217	91 940
Total consideration received			
Decrease in loan account	—	15 509	15 509
Trade and other receivables	2 989	—	2 989
	2 989	15 509	18 498
Net cash flow on disposal of subsidiary			
Consideration received in cash	—	—	—
Overdraft/(cash) balance disposed of	6 688	(530)	6 158
	6 688	(530)	6 158
(Loss)/profit on disposal of subsidiary			
Consideration	2 989	15 509	18 498
Assets and liabilities disposed of	(79 723)	(12 217)	(91 940)
Increase in related party loan (previously intra-group)	17 977	—	17 977
Non-controlling interests disposed of	29 546	(2 824)	26 722
Investment in associate recognised at fair value	28 165	—	28 165
	(1 046)	468	(578)

9.2 Acquisition of a further 28% equity interest in Viking Aquaculture

On 8 March 2023, Sea Harvest, through its wholly-owned subsidiary, Sea Harvest Aquaculture Proprietary Limited, which owned 54% of the shares in Viking Aquaculture, entered into an agreement to acquire a further 28% of the shares in and loan claims with a face value of R303 million against Viking Aquaculture for a purchase consideration of R210 million from non-controlling shareholders. The acquisition of the loan claims resulted in a gain of R93.3 million (“gain on purchased loans”) during the year.

The further acquisition fits within Sea Harvest’s investment criteria and increases the group’s ownership in Viking Aquaculture from 54% to 82%, allowing Sea Harvest to integrate Viking Aquaculture, extract operational synergies; and align operating structure, growth strategies and funding requirements with that of Sea Harvest.

The purchase consideration related to the 28% of the shares of R28 was settled in cash on the effective date of 15 March 2023. The purchase consideration of R210 million related to the loan claims will be settled in five equal instalments of R42 million, together with interest calculated at a rate equal to prime less 2% per annum, commencing on 1 January 2024 and ending on 1 January 2028.

A further 5% shareholding was also acquired from non-controlling shareholders in May 2023, increasing the group’s shareholding in Viking Aquaculture to 87%.

9.3 Finalisation of the MG Kailis business combination

The initial accounting for the acquisition of MG Kailis was finalised at 30 June 2023. The final measurement period adjustment not already reported on at 31 December 2022 related to a decrease in the consideration paid of R1.2 million which impacted the goodwill and trade and other payables line items in the 2022 Consolidated Statement of Financial Position and the acquisition of subsidiaries line item in the 2022 Consolidated Statement of Cash Flows. Prior year amounts have been restated where applicable.

9.4 Non-current assets held for sale

The Group’s investment in associate Milpark Investment SPV Proprietary Limited (“Milpark SPV”) and the investment in Phuthuma Nathi shares have been classified as non-current assets held for sale at the reporting date, as the sale of both investments met the IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* criteria of held for sale. Subsequent to year end, the Group received R117.5 million on the disposal of Newshelf 1404 Proprietary Limited, which held the investment in Milpark SPV. In February 2024, the Group disposed of 1 000 000 of the 1 895 425 shares held in Phuthuma Nathi, for a total cash consideration of R100 million.

10. Events occurring after the reporting period

Sale of investments

In addition to the sale of the Group’s investment in Milpark SPV and Phuthuma Nathi referred to above, during February 2024, the Group disposed of a major portion of its investment in Equites Property Fund Limited (“Equites”), whereby 8 836 487 of its 13 958 621 shares held in Equites were disposed of for a total cash consideration of R123.9 million, on the open market.

Dividends

On 6 March 2024, Brimstone’s board declared a final gross cash dividend of 40 cents per share (2022: 33 cents per share) out of income reserves.

SENS announcements

On 22 January 2024, Brimstone announced the proposed acquisition by subsidiary, Sea Harvest, of certain subsidiaries of Terrasan Group Limited for an initial purchase consideration of R964.8 million, which includes the issue of 60 000 000 Sea Harvest shares. Therefore, should the transaction be completed¹, Brimstone’s ownership interest in Sea Harvest will dilute to below 50% at the time that Sea Harvest issues the shares, and Brimstone will therefore cease to have control of Sea Harvest in terms of IFRS 10 *Consolidated Financial Statements*. Consequently, Brimstone will be required to deconsolidate Sea Harvest and due to exercising significant influence over Sea Harvest, apply the equity method of accounting to its ownership interest.

On 26 February 2024, Brimstone announced that its shareholders voted in favour of the proposed transaction at a general meeting of shareholders.

¹ The transaction is subject to conditions normal for a transaction of this nature.

11. Going concern

The Brimstone board has assessed the funding facilities available to the Group and the projected cash flow forecast, and is satisfied that sufficient funding and cash is available for a period of at least twelve months from the reporting date.

Corporate information

Company registration number

1995/010442/06

JSE share codes and ISIN numbers

Share code: BRT ISIN number: ZAE000015277

Share code: BRN ISIN number: ZAE000015285

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Sponsor

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