



AVIOR PRE-CLOSE MEET 24.11.20



BRIMSTONE
INVESTMENT CORPORATION LIMITED



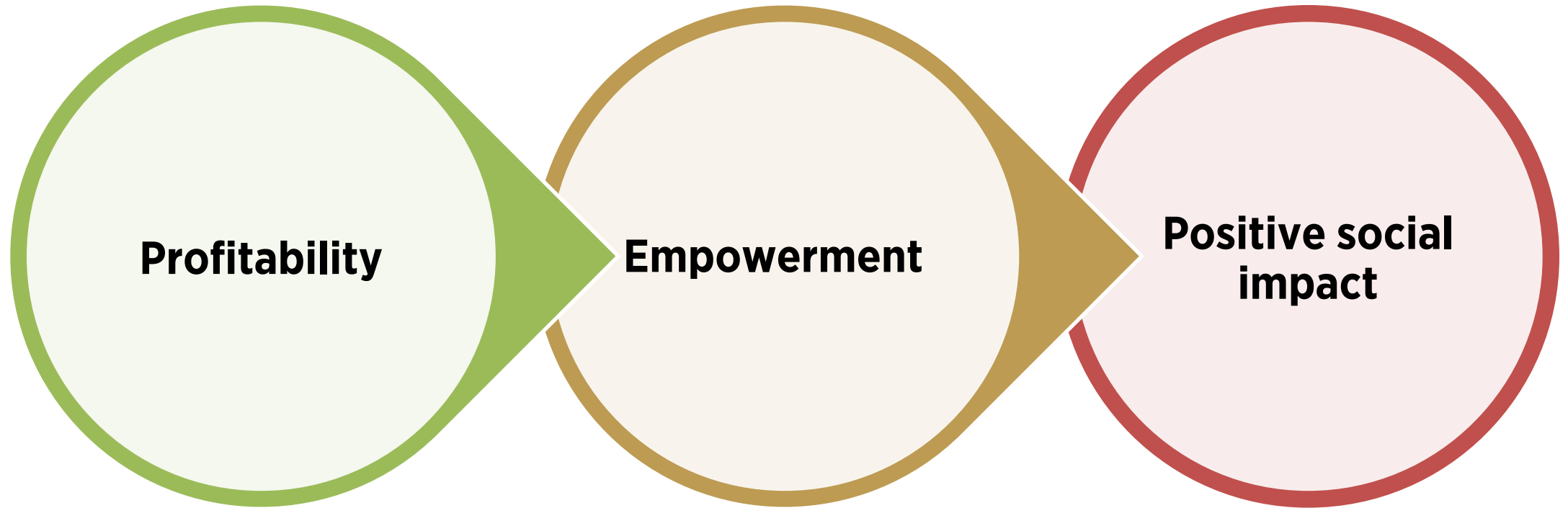
Background

- Founded in 1995 as a community based empowerment group in Western Cape
- Initial capital of R3m
- First investment of 2.7m shares (cost R7.5m) in Oceana Group
- Listed on JSE in 1998
- 25 year track record
- Partnership approach
- Long term investor
- Strong empowerment credentials
- Have been empowerment partner to companies such as Old Mutual, Nedbank, Tiger Brands and Lenco





Philosophy





Team



Fred Robertson
Executive Chairman



Mustaq Brey
CEO



Iqbal Khan
COO



Geoff Fortuin
FD



Tiloshani Moodley
Executive Director

- Strong management team
- Combined business experience of exco team > 150 years
- Credible board of directors
- Lead Independent Director - Leon Campher



HEALTHCARE



OBSIDIAN HEALTH

FOOD



RESTRICTED BEE STRUCTURES



OTHER



HOUSE OF MONATIC



BRIMSTONE LEGACY FUND

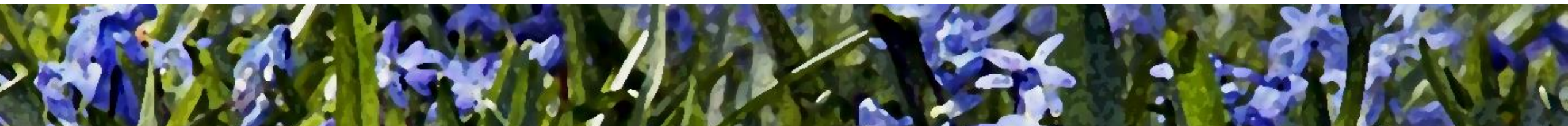


SOUTH AFRICAN FISHERIES DEVELOPMENT FUND
Empowering fishing communities

PROPERTY



FINANCIAL SERVICES





Some Group Brands



HOUSE OF MONATIC

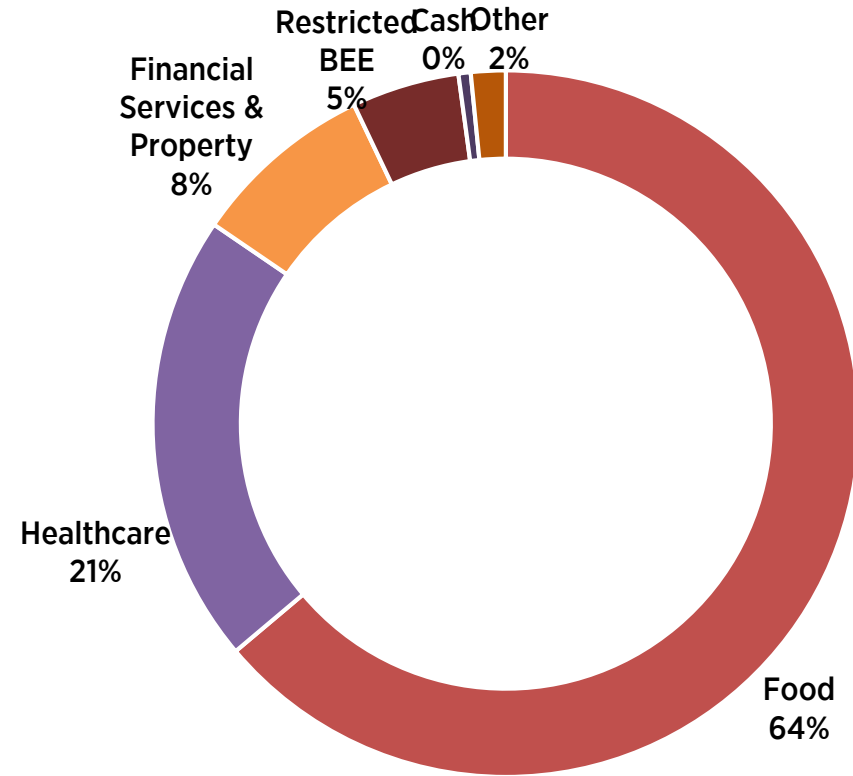
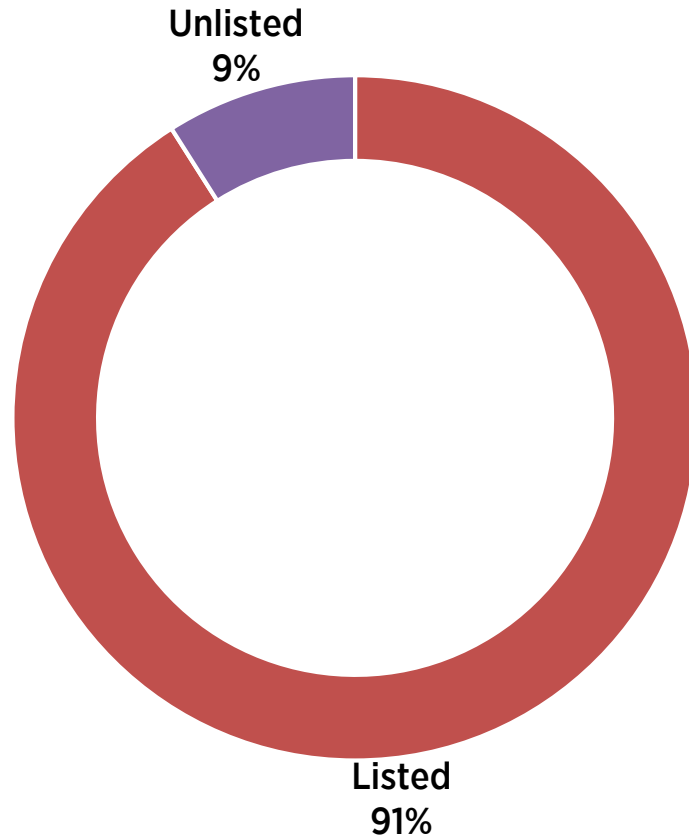


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Contribution to Intrinsic Gross Asset Value at 30 Sept 2020





Life Healthcare Case Study

Brimstone, Mvelaphanda, management and staff, acquired a portion of Afrox Health from Linde, the majority shareholder, in 2005. As part of the transaction, Afrox Health was delisted and renamed Life Healthcare.

A Private equity value creation plan was overseen by the board and management. Brimstone played a key role in ensuring management and staff obtain a meaningful equity stake in the business at delisting. Significant value was created over the following years, evidenced by strong growth in earnings.

Brimstone contributed to the strategic direction and management of the business through board representation. Mustaq Brey and Jakes Gerwel became Life Healthcare board members after the initial acquisition. Jakes Gerwel held the position of Life Healthcare chairperson from acquisition until 2013. This position was taken over by Brimstone's CEO, Mustaq Brey.

The business was listed in 2010 as Life Healthcare. Shortly after listing, Brimstone unbundled approximately R1.5bn worth of Life Healthcare shares to its shareholders.

Brimstone is currently in the process of exiting the investment. IRR in excess of 30% was achieved since inception in 2005.

The transaction serves as a case study for value creation and empowerment.





Sea Harvest Group Performance

Pleasing results by the main divisions, being South African fishing, Sea Harvest Australia and Cape Harvest Foods, were partially offset by the poor performance of Sea Harvest Aquaculture, resulting in a credible set of results during a very challenging period. Total return has exceeded that of the JSE food index.

June 2020 half year highlights

- Business performance has been very resilient through the pandemic from January indicating the defensive nature of the sectors the Group operates in:
 - Deemed an “essential service” provider, all the Group’s sites (including fishing vessels) continued to operate
 - Diversified fleets and operations mitigated risk of disruption
 - Diversified markets and channels ensured sales continued
- Strong performance in retail channel, in all markets
- Benefited from weaker Rand, lower fuel price and lower interest rates
- Increase in revenue of 7%, from R1.9 billion during H1:2019 to R2.0 billion during H1:2020
- HEPS maintained at 61.00c during H1:2020 compared to 61.01 during H1:2019
- Group EBITDA resilient, despite poor Aquaculture performance, declining by R2.0m from R370m during H1:2019 to R368m during H1:2020.

Return metric	9 months ended 30.09.2020
Closing share price	R14.20
Dividends	R0.50
Price return	-2.1%
Total return	1.4%

Source:

1. 2020 Sea Harvest Group unaudited interim results for the six months ended 30 June 2020
2. Thomson Reuters Eikon



Oceana Group Performance

Strong operational and financial performance by the associate during a very difficult period. Total return has exceeded that of the JSE food index.

March 2020 half year highlights

- Fishing, cold storage services and US pet food deemed essential services across all operations
- Most products sold for in-home consumption, which has been largely unaffected by lockdown regulations
- Proactive activation, most prior to lockdown, of health and safety protocols at operations and storage facilities
- 100% attendance of work force at almost all sites (including fishing vessels)
- Increase in operating profit of 9%, from R553.5m during H1:2019 to R605.1m during H1:2020
- Increase in operating margin of 1.1%, from operating margin of 15.6% during H1:2019 to 16.7% during H1:2020.
- Cost of debt decreased by 2%, from 7% during H1:2019 to 5% during H1:2020.

Trading statement

- EPS for the year ended 30 September 2020 is expected to increase between 21% and 26%, to between 639.2 cents per share and 665.7 cents per share.
- HEPS for the year ended 30 September 2020 is expected to increase between 13% and 18%, to between 615.1 cents per share and 642.3 cents per share.

Return metric	9 months ended 30.09.2020
Closing share price	R62.00
Dividends	R1.00
Price return	0.7%
Total return	2.4%

Source:

1. Oceana Group trading statement, 22/10/2020
2. 2020 Oceana Group Investor Presentation Period Ended 31 March 2020
3. Thomson Reuters Eikon



Strategy

Short Term

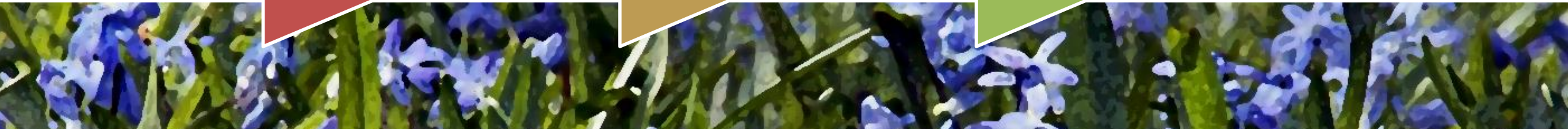
- Reduce Debt
- Cut costs
- Share buy-backs

Medium Term

- ABCD
Acquire,
Build,
Consolidate,
Dispose

Long Term

- FRAP
finalisation
key to our
strategic
assets





INAV summary at 30 September 2020

Asset	% held	Valuation basis	Gross R'000	Debt R'000	CGT R'000	INAV R'000	Sep 2020 INAV/ share (cents)	December 2019 R'000
Oceana	25.01%	Market value per share	2 022 881	-	-	2 022 881	800.2	1 349 405
Sea Harvest	54.2%	Market value per share	2 264 849	-	-	2 264 849	895.9	2 320 273
Other		Various	1 053 180	-	(49 582)	1 003 599	397.0	1 721 330
Cash / (Net debt)			37 544	(2 078 935)	152 471	(1 888 919)	(747.2)	(1 855 906)
Sub-total			5 378 454	(2 078 935)	102 890	3 402 409	1 346	3 535 102
Life Healthcare	3.4%	Market value per share	844 433	(1 319 663)	(166 122)	(641 353)	(253.7)	(279 758)
Life Healthcare ZCC	100.0%	Option valuation	491 351	-	(110 063)	381 288	150.8	94 001
Total			6 714 238	(3 398 598)	(173 295)	3 142 345	1 243	3 349 345

Life Healthcare

On 19 October 2020, shareholders resolved to dispose of the investment and settle the associated debt. Brimstone has the option to either equity settle (deliver shares at a floor strike price of between 26.75 and 27.73) or cash settle in six tranches commencing 22 October 2020. The transaction is expected to conclude at end of March 2021. The full debt balance (R1.3bn as per above) will be settled as part of the transaction.



Empowering communities & entrepreneurs

- Brimstone Empowerment Share Trust (BEST) at the core of our social initiatives – granted more than 2 million shares to 40 NGO's across SA
- Brimstone Legacy Fund – in partnership with Nedbank and Old Mutual
- SA Fisheries Development Fund – in partnership with Sea Harvest





QUESTIONS