

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

Voluntary Quarterly Intrinsic Net Asset Value (“NAV”) disclosure

A full analysis of the Intrinsic NAV, together with applicable explanations for the quarter ended 30 September 2019 is set out below.

Summary	Change June 2019 to September 2019	30 September 2019	30 June 2019	31 December 2018	31 December 2017	31 December 2016	31 December 2015
Intrinsic NAV of Brimstone (Rm)	(5.7)%	3 495.4	3 705.0	3 899.6	4 317.9	5 133.9	4 229.4
Book NAV (Rm)	1.4%	2 444.0	2 410.9	2 713.4	2 782.0	2 427.1	2 530.3
Intrinsic NAV per share (cents) ¹	(3.4)%	1 481.9	1 534.5	1 615.1	1 800.9	2 139.5	1 741.4
Fully diluted Intrinsic NAV per share (cents) ¹	(3.4)%	1 469.0	1 520.6	1 598.8	1 750.9	2 043.1	1 647.8
Book NAV per share (cents)	(3.8)%	1 036.1	998.5	1 123.8	1 160.3	1 011.5	1 044.0
Market price per share (cents)							
Ordinary shares	0.0%	850	850	1 050	1 300	1 299	1 350
'N' Ordinary shares	(18.1)%	750	916	949	1 125	1 200	1 270
Discount to Intrinsic NAV							
Ordinary shares		42.6%	44.6%	35.0%	27.8%	39.3%	22.5%
'N' Ordinary shares		49.4%	40.3%	41.2%	37.5%	43.9%	27.1%

Intrinsic NAV analysis by asset

An analysis of the Intrinsic NAV of Brimstone as at 30 September 2019 is set out below, including the valuation basis of each asset. Where applicable, Intrinsic NAV is net of ring-fenced debt and potential CGT relating to that asset.

Asset	% held	Share price at 30 September 2019	Share price at 31 December 2018	Valuation basis	Gross value (R'000)	Debt (R'000)	CGT (R'000)	September 2019 Intrinsic NAV (R'000)	September 2019 Intrinsic NAV per share (cents)	Gross portfolio weighting	December 2018 Intrinsic NAV (R'000)	December 2018 Intrinsic NAV per share (cents)	Increase / (Decrease)
Oceana	24.0%	69.44	73.88	Market value per share	2 257 294	(564 490)	(175 140)	1 517 664	643.4	29.1%	1 243 065	514.8	25.0%
Sea Harvest ²	54.2%	14.00	13.75	Market value per share	2 232 565	-	-	2 323 565	946.5	28.8%	1 898 055	786.1	20.4%
Life Healthcare ⁶	3.4%	22.68	26.40	Market value per share	1 122 610	(1 226 655)	(227 697)	(331 741)	(140.6)	14.5%	1 037 812	429.8	(132.7)%
Life Healthcare Zero Cost Collar ⁷	n/a	n/a	n/a	Option valuation	184 138	-	(41 247)	142 891	60.6	2.4%	-	-	0.0%
Equites	7.7%	20.50	19.36	Market value per share	715 379	-	(50 374)	665 005	281.9	9.2%	233 995	96.5	190.9%
Grindrod Shipping	0.0%	84.00	75.36	Market value per share	-	-	-	-	-	0.0%	45 262	18.7	(100)%
Phuthuma Nathi	7.0%	113.64	135.36	Market value per share	538 494	65	-	538 559	228.3	6.9%	512 221	212.1	7.6%
Stadio & Milpark	5.3%	2.27	3.49	Market value per share & cost	139 484	-	11 709	151 192	64.1	1.8%	192 436	79.7	(19.6)%
Investment properties	100.0%			Capitalisation rate	206 680	(60 911)	(18 625)	127 144	53.9	2.7%	127 013	52.6	2.5%
FPG Property Fund	10.0%			Book value	162 575	-	(6 666)	155 909	66.1	2.1%	144 689	59.9	10.3%
Lion of Africa	100.0%			Book value	-	-	139 429	139 429	59.1	0.0%	139 429	57.7	2.4%
MTN Zakhele Futhi ⁵	1.5%			Option valuation	35 944	-	5 483	41 427	17.6	0.5%	42 546	17.6	(0.3)%
Aon Re Africa	18.0%			PE valuation	72 577	-	(14 469)	58 107	24.6	0.9%	64 015	26.5	(7.1)%
House of Monatic	100.0%			Adjusted book value	25 542	-	-	25 542	10.8	0.3%	27 847	11.5	(6.1)%
Other investments	Various			Valuation	109 099	-	(14 796)	94 303	40.0	1.4%	100 036	41.4	(3.5)%
Cash / (net debt)	100.0%			Book value	(42 155)	(2 020 400)	-	(2 062 556)	(874.4)	(0.5)%	(1 908 780)	(790.6)	10.6%
					7 760 226	(3 872 391)	(392 393)	3 495 442	1 482	100.0%	3 899 639	1 615.1	(8.2)%
Grindrod – BEE ^{3,4}	6.1%	6.60	13.65	Market value per share	305 684	(936 529)	-	-	-				
					8 065 910	(4 808 920)	(392 393)	3 495 442	1 482				
Intrinsic NAV per share (cents)					3 290	(1 642)	(166)	1 482					
Fully diluted Intrinsic NAV per share (cents)					3 258	(1 625)	(165)	1 469					

Notes:

1. Based on 241.4 million shares (December 2018: 241.4 million shares) in issue, net of treasury shares as calculated below:

	Number of shares in issue	Fully diluted number of shares
Gross number of shares in issue	259 432 321	259 432 321
Treasury shares (fully diluted number is net of notionally realised shares issued to staff and management share trusts and FSPs)	(23 554 098)	(21 087 726)
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Outstanding in the money share options	235 878 223	238 344 595
Net shares in issue for INAV purposes	-	-
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	235 878 223	238 344 595

2. No CGT provided on shareholding in Sea Harvest due to potential use of the corporate relief provisions of the Income Tax Act.

3. Due to the limited recourse nature of the Grindrod BEE funding structure, Brimstone's investment is shown at a minimum value of zero.

4. Brimstone now holds a combination of Grindrod Limited and Grindrod Shipping shares. Price shown calculated on a pro forma basis.

5. Valuation of MTN Zakhele Futhi investment treated as an option and was updated by an independent expert as at 30 September 2019.

6. Brimstone has entered into a securities lending arrangement with Nedgroup Securities. At the end of the lending arrangement, Nedgroup Securities will be obligated to return the stock to Brimstone.

7. The Zero Cost Collar derivative over Life Healthcare investment was valued as at 30 September 2019.

The INAV information presented has been prepared on a basis consistent with that used in the integrated report for the year ended 31 December 2018, which is available on the Company's website at www.brimstone.co.za.

The above information is the responsibility of the directors and has not been reviewed or reported on by the Company's auditors.

06 December 2019

Sponsor

Nedbank Corporate and Investment Banking