

Brimstone Investment Corporation Limited

(Incorporated in the Republic of South Africa)

Registration number 1995/010442/06

ISIN Number: ZAE000015277 Share Code: BRT

ISIN Number: ZAE000015285 Share Code: BRN

("Brimstone" or the "Company")

PARTIAL DISPOSAL OF BRIMSTONE'S INDIRECT SHAREHOLDING IN EQUITES PROPERTY FUND - OPENING OF ACCELERATED BOOKBUILD

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1. Rationale for the Disposal

In light of the general economic uncertainty at present, the board of directors of Brimstone ("**Board**") has undertaken a strategic review of its investment portfolio having regard to its long-term strategy. The Board has identified assets that it believes can be partially or fully disposed of at acceptable valuations without jeopardising this strategy. The proceeds from these disposals will be applied to meet Brimstone's funding obligations in the near to medium term, which includes debt owing to the Bookrunners (defined below).

The disposal of a portion of Brimstone's holding in Equites Property Fund Limited ("**Equites**") ("**Disposal**"), held through Brimstone's wholly-owned subsidiary, Newshelf 1331 (RF) Proprietary Limited ("**Brimstone Subco**"), is in accordance with the outcome of this strategic review, and the Board is confident that it is a prudent course of action to take at this time.

2. Information on Equites

Equites is a listed Real Estate Investment Trust ("**REIT**") with a focus on owning and developing modern, well located logistics properties let to A-grade tenants on long term leases. Equites is a leading owner and developer of high-quality logistics assets in South Africa and the United Kingdom and is the only specialist logistics REIT listed on the JSE Limited.

3. Opening of the Bookbuild

Brimstone proposes to dispose of up to 20 937 931 shares in Equites ("**Bookbuild Shares**") through an accelerated bookbuild process ("**Bookbuild**"), subject to pricing acceptable to Brimstone. The Bookbuild Shares amount to approximately 60% of Brimstone's holding in Equites, thereby reducing its shareholding in Equites from 5.68% to c.2.27% post the completion of the Bookbuild.

The Bookbuild Shares will be offered to qualifying investors (as set out in greater detail in the disclaimer below) through the Bookbuild, which opens with immediate effect and which will close today, 28 May 2020.

Pricing and allocations will be decided at the close of the Bookbuild. The price at which the Bookbuild Shares will be placed are at the discretion of Brimstone, Nedbank Corporate and Investment Banking, a division of Nedbank Limited and The Standard Bank of South Africa Limited, acting as joint bookrunners ("**Bookrunners**") for the Bookbuild, pursuant to a block trade agreement entered into between the Bookrunners and Brimstone Subco ("**Placement Agreement**").

Pricing and allocations will be announced as soon as is reasonably practicable following the closing of the Bookbuild. The Bookrunners can be contacted using the contact details included below.

Cape Town
28 May 2020

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Disclaimer:

The Bookbuild is being extended to qualifying investors, being investors to who may lawfully be permitted to participate in the Bookbuild without having to file or register any offering or related documentation with any securities regulatory Authority in any relevant jurisdiction.

This announcement does not constitute or form a part of any offer or solicitation or advertisement to purchase the Bookbuild Shares in South Africa, including an offer to the public for the sale of, or the solicitation of an offer to buy, shares as defined in the South African Companies Act, 2008 (“**South African Companies Act**”) and will not be distributed to any person in South Africa in any manner that could be construed as an offer to the public in terms of the South African Companies Act. This announcement does not, nor is it intended to constitute a “registered prospectus” as contemplated in the South African Companies Act.

In South Africa, the Bookbuild will not be an offer to the public as defined in the South African Companies Act and only (i) persons falling within the exemptions set out in section 96(1)(a) of the South African Companies Act or (ii) persons who propose to purchase, as principal, for shares at a total contemplated acquisition cost equal to or greater than R1 000 000, as envisaged in section 96(1)(b), of the South African Companies Act, and in each case to whom any offer to participate in the Bookbuild is specifically addressed (all such persons in (i) and (ii) being referred to as “**Relevant Persons**”), will be entitled to apply for the Bookbuild Shares in the Bookbuild. Any investment activity to which this announcement relates will only be available to, and will only be engaged with, Relevant Persons. Any person who is not a Relevant Person should not act on this announcement or any of its contents.

This announcement does not, nor does it intend to, constitute any offering document relating to the Bookbuild. Information made available in this announcement should not be considered as “advice” as defined in the South African Financial Advisory and Intermediary Services Act, 2002, and nothing in the document should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa.

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This announcement is for information purposes only and shall not constitute or form part of an offer or solicitation of an offer to purchase or subscribe for securities in the United States or any other jurisdiction. The Bookbuild is not to be regarded as an offer or invitation to any person in any jurisdiction to the extent that any applicable legal requirement in such jurisdiction has not been complied with or it is for any reason illegal or unlawful to make such an offer or invitation in such jurisdiction.

The securities referred to herein (“**Bookbuild Shares**”) may not be offered to the public in any jurisdiction in circumstances which would require the preparation or registration of any offering document relating to the Bookbuild in such jurisdiction. The Bookbuild Shares may not be offered or sold to any persons in the United States. The Bookbuild will be extended to qualifying institutional investors outside the United States in reliance on Regulation S under the

Securities Act of 1933 ("**US Securities Act**"). The offer and sale of the Bookbuild Shares have not been, and will not be, registered under the US Securities Act or under the applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Bookbuild Shares referred to herein may not be offered or sold in Australia, Canada or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada or Japan. There will not be any offer of Shares in the United States, Canada, Australia and Japan.

This announcement is for information purposes only and in member states of the European Economic Area (other than the United Kingdom), is directed only at, and the Bookbuild will only be extended to, persons who are qualified investors (as defined in article 2(1)(e) of EU directive 2003/71/EC ("**Prospectus Directive**") and the relevant implementing rules and regulations adopted by each Member State). In the United Kingdom, this announcement is directed only at, and the Bookbuild will only be extended to, the following persons: (i) investment professionals falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("**Order**") or (ii) who fall within Article 49(2)(A) to(D) of the Order, and (iii) to whom it may otherwise lawfully be communicated, and any investment activity to which it relates will only be engaged in with such persons and it should not be relied on by anyone other than such persons.

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This announcement does not purport to identify or suggest the risks (direct or indirect) which may be associated with an investment in the securities. No representation or warranty is made by Brimstone, Brimstone Subco or the Bookrunners in connection with the Bookbuild, and any investment decision to buy securities in terms of the Bookbuild must be made solely on the basis of publicly available information which has not been independently verified by the Bookrunners.

The Bookrunners are acting for Brimstone Subco, and no one else, in connection with the Bookbuild and will not be responsible to anyone other than Brimstone Subco for providing the protections offered to clients of the Bookrunners or for providing advice in relation to the Bookbuild.

The Bookbuild and the disposal of Bookbuild Shares pursuant thereto is subject to the Placement Agreement not having lapsed or having been terminated in accordance with its terms.