

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")

DISPOSAL OF INVESTMENT IN STADIO HOLDINGS LIMITED

1. Introduction

Brimstone shareholders are advised that the Company has, on 2 October 2024, agreed with ThembiSA Fund 1 Proprietary Limited (through its wholly-owned subsidiary, ThembiSA InvestCo 2 Proprietary Limited), a verified black private equity fund which is managed by ThembiSA Equity Investments Proprietary Limited, a black private equity investment management company (collectively referred to as "**ThembiSA**" or the "**Purchaser**") to dispose of Brimstone's entire shareholding in STADIO Holdings Limited ("**STADIO**"), equating to 43 565 057 STADIO ordinary shares (the "**Sale Shares**"), which is indirectly held via its wholly-owned subsidiary, Newshelf 1404 Proprietary Limited, for a disposal consideration of R5.90 per Sale Share, which amounts to a total cash consideration of R257.0 million (the "**Disposal**").

2. Description of STADIO

STADIO is a company listed on the JSE Limited ("**JSE**"), servicing the needs of the higher education market in South Africa through its investment in three prestigious tertiary institutions, which collectively offer over 90 accredited programmes, from Higher Certificates to Doctorates.

3. Rationale and use of proceeds

Further to the strategic review undertaken by the board of directors of the Company (the "**Board**") of its investment portfolio with regard to its long-term strategy, the Board has identified assets that it believes can be disposed of at acceptable valuations without jeopardising this strategy, with STADIO being one such asset.

The proceeds from the Disposal will be mainly applied to meet Brimstone's funding obligations in the near to medium term.

4. Terms and conditions of the Disposal

4.1 Purchaser

PSG Group Proprietary Limited ("**PSG Group**"), the ThembiSA Women's Empowerment Trust and other minority shareholders, all of whom are Black persons (apart from PSG Group), hold beneficial interests in the Purchaser. The Purchaser is not a 'related party', as defined in the JSE Listings Requirements, to Brimstone.

4.2 The Disposal

Brimstone acquired 78% of the Sale Shares as part of STADIO's Broad-Based Black Economic Empowerment private placement ("**B-BBEE Placement**") in 2017, with a further 22% acquired in 2018, through a share swap agreement (the "**Share Swap Agreement**") with STADIO.

Brimstone was previously subject to a lock-in period in respect of the Sale Shares, as follows (i) 78% until 4 December 2024; and (ii) 22% until 22 March 2025.

In accordance with the terms of STADIO's B-BBEE Placement and the Share Swap Agreement, STADIO has approved the Disposal. The Purchaser has assumed the original lock-in arrangements.

Accordingly, as there are no conditions relating to the Disposal, Brimstone sold, and the Purchaser purchased, the Sale Shares on 2 October 2024, when all risks and rewards of ownership of the Sale Shares were passed to the Purchaser.

5. Financial information

- 5.1 The value of the net assets and the profits attributable to the net assets that are subject to the Disposal are R212.0 million and R5.4 million respectively (the "**Financial Information**").
- 5.2 The Financial Information has been extracted from Brimstone's unaudited interim results for the six months ended 30 June 2024, which were prepared in accordance with the requirements of the JSE Listings Requirements for interim results, and the requirements of the Companies Act of South Africa, applicable to financial statements. The Financial Information is the responsibility of the Board and has not been reviewed or reported on by the Company's auditors.

6. Categorisation

The Disposal is classified as a Category 2 transaction in terms of the JSE Listings Requirements and is accordingly not subject to shareholder approval.

Cape Town

2 October 2024

Corporate Advisor and Sponsor

Nedbank Corporate and Investment Banking, a division of Nedbank Limited