

EPE CAPITAL PARTNERS LTD

(INCORPORATED IN THE REPUBLIC OF MAURITIUS)

(REGISTRATION NUMBER: C138883 C1/GBL)

ISIN: MU0522S00005

SHARE CODE: EPE

("Ethos Capital" or "the Company")

BRAIT PLC UNBUNDLING: ALLOCATION OF TAX COST FOR SOUTH AFRICAN INCOME TAX PURPOSES AND CASH PAYMENT IN RESPECT OF FRACTIONAL ENTITLEMENTS

1. INTRODUCTION

1.1 Shareholders are referred to the various announcements released by Ethos Capital on the JSE's Stock Exchange News Service ("SENS") regarding the unlocking of value for shareholders of Ethos Capital and the intention to unbundle the ordinary shares in Brait PLC ("Brait") to the Ethos Capital shareholders.

1.2 The purpose of this announcement is to notify shareholders of:

1.2.1 the determination of the base cost of the unbundled Brait ordinary shares ("Brait Distribution Shares") and Ethos Capital ordinary shares pursuant to the unbundling; and

1.2.2 the amounts which will be used to determine the cash payment in respect of fractional entitlements to Brait Distribution Shares to which shareholders may become entitled pursuant to the unbundling ("Fractional Entitlements").

1.3 The summary of the tax consequences of the unbundling as set out below represents general comments and does not constitute a complete analysis of the tax consequences to shareholders pursuant to the unbundling or the payment of Fractional Entitlements. It is not intended to be, nor should it be interpreted to be, legal or tax advice. Neither Ethos Capital, Brait nor its advisors, directors or employees can be held responsible for the tax consequences of the unbundling. Shareholders are advised to consult their own professional tax advisors in this regard. The tax consequences of the unbundling may also be different for non-resident shareholders based on their country of residence. This includes the calculation of the costs of the Ethos Capital ordinary shares and the Brait Distribution Shares for tax purposes going forward.

2. ALLOCATION TAX PRINCIPLES

2.1 The unbundling does not constitute an unbundling transaction for South African tax purposes as set out in section 46 of the South African Income Tax Act No57 of 1962 ("Income Tax Act").

2.2 The unbundling distribution constitutes a foreign return of capital as defined in the Income Tax Act.

2.3 In accordance with the Eighth Schedule to the Income Tax Act:

- 2.3.1 where a foreign return of capital by way of a distribution of Brait Distribution Shares is received by or accrues to a holder of an Ethos Capital ordinary share, the Ethos Capital shareholder must reduce the base cost in respect of each Ethos Capital ordinary share by an amount that is based on the market value of the Brait Distribution Shares on the date that each Brait Distribution Share accrues to the Ethos Capital shareholder; and
- 2.3.2 the Ethos Capital shareholder is deemed to have acquired the Brait Distribution Shares for an amount equal to the market value thereof on the date that each Brait Distribution Share accrues to the Ethos Capital shareholder for purposes of determining the base cost thereof.
- 2.3.3 Shareholders are notified that the closing price of the Brait ordinary shares and the Ethos Capital ordinary shares respectively on the JSE Limited on Friday, 19 July 2024, being the record date for the Brait Distribution ("Record Date"), will be announced by Ethos Capital on Friday, 19 July 2024 in accordance with the JSE Corporate Actions Timetable.
- 2.4 The base cost of each Ethos Capital ordinary share held by an Ethos Capital shareholder that qualified for the distribution will need to be reduced by the base cost apportionment amount as set out under 3 below.

3. **APPORTIONMENT FOR TAX PURPOSES**

- 3.1 As previously announced, each Ethos Capital shareholder is entitled to receive 0.50857 Brait Distribution Shares for one Ethos Capital ordinary share held on the Record Date ("Distribution Ratio"). The current base cost in respect of each Ethos Capital ordinary share must be reduced by an amount that is derived from the market value of the Brait Distribution Shares on the date that each Brait Distribution Share accrues to the Ethos Capital shareholder. For purposes of this announcement Ethos Capital has assumed that this market value will be the closing price of the Brait ordinary shares on the Record Date (Friday, 19 July 2024).
- 3.2 The base cost of each Ethos Capital ordinary share must therefore be reduced by an amount in Rand that is based on the distribution ratio of 0.50857 multiplied by the closing price of the Brait ordinary shares on the Record Date.
- 3.3 Ethos Capital will announce this amount along with the closing price of the Brait ordinary shares and the Ethos Capital ordinary shares respectively on the JSE Limited on Friday, 19 July 2024.

4. **FRACTIONAL ENTITLEMENTS**

- 4.1 Where a shareholder's entitlement to the Brait Distribution Shares in terms of the unbundling, calculated in accordance with the Distribution Ratio, gives rise to a fraction of any Brait Distribution Share, such allocation must be rounded down to the nearest whole number, resulting in allocations of whole Brait Distribution Shares and a cash payment in respect of the fraction to such shareholder.

- 4.2 In accordance with the JSE Listings Requirements, Fractional Entitlements payments to shareholders will be calculated based on the volume weighted average traded price of the Brait ordinary shares on the LDT+1, being Wednesday, 17 July 2024 ("VWAP on LDT+1"), less 10%, as detailed below -

VWAP on LDT+1	Amount that will be used to determine the cash payment for the Fractional Entitlements (i.e. VWAP on LDT+1 less 10%)
100.57150 cents	90.51435 cents

- 4.3 Cash payments in respect of the Fractional Entitlements will be made on Monday, 22 July 2024 to the CSDP or broker accounts of dematerialised shareholders or to the bank accounts of certificated shareholders.
- 4.4 Certificated shareholders whose bank account details are not held by the transfer secretaries, should provide such details to the transfer secretaries to enable payment of the cash amount due. Should no details be on record, the funds will be held by the Company in trust in terms of the provisions of the Articles of Association of Ethos Capital until such time as the details have been provided, whereafter the cash entitlement will be paid to the shareholder upon its request without interest.
- 4.5 Shareholders are informed that, as far as the tax implications of the cash payment in respect of the Fractional Entitlements is concerned, the receipt of the cash payment by shareholders will typically be subject to capital gains tax for shareholders holding Ethos Capital ordinary shares as capital assets, or to income tax for shareholders holding Ethos Capital ordinary shares as trading stock, as the case may be.

Ebene, Mauritius (with simultaneous circulation in Johannesburg)

18 July 2024

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)

Important Note

Ethos Capital Shareholders are referred to the Declaration Announcement referenced in this announcement (and accessible on Ethos Capital's website via the following link: <https://ethoscapital.mu/sens/sens-voluntary-nav-and-navps-update-declaration-announcement-regarding-the-unbundling-of-Brait-plc-shares-and-appointment-of-ceo/>) for the full disclaimers which apply to this announcement (including the information contained herein) and are incorporated by reference in full in this announcement, as if specifically stated.