

Brainworks Limited

(Incorporated in the Republic of Mauritius)

(Registration number: 115883 C1/GBL)

(Date of registration: 22 April 2013)

Share Code: BWZ ISIN: MU0548S00000

("Brainworks" or "the Company")

BRAINWORKS

ABRIDGED PRE-LISTING STATEMENT AND OPENING OF OFFER TO QUALIFYING INVESTORS

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, CANADA, JAPAN OR AUSTRALIA OR ANY OTHER JURISDICTION WHERE IT MAY BE UNLAWFUL TO DISTRIBUTE THIS ANNOUNCEMENT.

Capitalised words and expressions used in this abridged Pre-listing Statement shall, unless expressly defined herein or indicated otherwise by the context, bear the meanings given to them in the Pre-listing Statement referred to below.

This abridged Pre-listing Statement relates to the listing of Brainworks in the "Equity Investment Instruments" sector of the Main Board of the Johannesburg Stock Exchange ("JSE"), with effect from the commencement of trade on 13 October 2017 ("the Listing") and the Offer to Qualifying Investors to (i) purchase up to 10,680,555 shares and (ii) subscribe for 16,843,396 ordinary shares (collectively, the "Offer Shares") in the Company ("the Offer").

The Offer is not an offer to the general public and only constitutes an Offer for the subscription and/or sale of Offer Shares to Qualifying Investors.

The information in this abridged Pre-listing Statement has been extracted, in summarised form, from the full Pre-listing Statement issued by Brainworks on 28 September 2017. This abridged Pre-listing Statement is not complete and does not contain all of the information that investors should consider before purchasing, or subscribing for, the Offer Shares. Prospective investors should read the Pre-listing Statement in its entirety.

This abridged Pre-listing Statement is not and shall not constitute an offer, or an invitation or solicitation, to the public to acquire the Offer Shares in any jurisdiction, and is issued in compliance with the Listings Requirements:

- for the purpose of providing information regarding the Company pursuant to the Offer;
- as an invitation to Qualifying Investors to subscribe for, or purchase, the Offer Shares at R11.50 per Share (equal to US\$0.90 at an exchange rate of 12.78 ("the Exchange Rate")), for the purpose of raising approximately R317 million (equal to US\$24.8 million at the Exchange Rate) in aggregate; and
- for the subsequent Listing of all the issued Shares of the Company in the "Equity Investment Instruments" sector of the Main Board of the JSE.

1. LISTING AND OFFER PARTICULARS

The JSE has granted the Company a Listing of all of its issued Shares, under the abbreviated name: "Brainwrks", JSE share code: BWZ and ISIN: MU0548S00000.

The price at which the Offer Shares will be offered for subscription, or sale, will be R11.50 per Offer share.

There is no minimum capital requirement to be realised by the Offer. Applications pursuant to the Offer must be for a minimum of R1,000,000.

2. SALIENT DATES AND TIMES

2017

Opening date of the Offer at 09:00 on	Thursday, 28 September
Closing date of the Offer at 12:00 on ²	Monday, 9 October
Successful Applicants will be advised of their allotment on	Wednesday, 11 October
Results of the Offer released on SENS on	Wednesday, 11 October
Accounts at CSDP or broker updated and debited in respect of dematerialised shareholders on ³	Friday, 13 October
Listing of Brainworks Shares on the JSE from the commencement of trade at 09:00 on	Friday, 13 October

Notes:

1. *All references to dates and times are to local dates and times in South Africa. These dates and times are subject to amendment. Any such amendment will be released on SENS.*
2. *Investors must advise their CSDP or broker of their acceptance of the Offer Shares in the manner and cut-off time stipulated by their CSDP or broker.*
3. *CSDPs effect payment on a delivery-versus-payment basis.*

3. HISTORY AND DESCRIPTION OF BRAINWORKS

Brainworks is a Mauritian registered investment holding company, with its investment base focused on the Zimbabwean hospitality, real estate, financial services and logistics sectors.

Investments include:

- a 57.67% investment in African Sun Limited (“African Sun”), a hospitality management company listed on the Zimbabwe Stock Exchange (“ZSE”), with seven resort hotels, four city hotels and two casinos under its management, the majority of which are owned by Dawn Properties Limited;
- a 66.81% investment in Dawn Properties Limited (“Dawn Properties”), a real-estate investment holding, development and property consulting services company listed on the ZSE, with a property portfolio valued in excess of US\$89.6 million (gross), consisting primarily of hospitality assets, land under development and land held for development;
- a 31.14% investment in GetBucks Microfinance Bank Limited (“GetBucks”), a technology driven deposit-taking and money-lending micro-finance institution;
- 49% in Coporeti Support Services (Private) Limited t/a GetCash (“GetCash”), a mobile money transfer platform whereby each customer’s cell-phone functions as a bank account, creating a “mobile wallet”;
- a 100% investment in GetSure Life Assurance (Private) Limited (“GetSure”), a licensed insurance company offering life insurance, funeral cover and other accident and savings insurance products;
- a 2.5% investment in MyBucks S.A. (“MyBucks”), a FinTech company listed on the Frankfurt Stock Exchange, with operations in Africa and Europe;
- a 100% investment in Skyclear Investments (Private) Limited (“Skyclear”), which holds 0.87 hectares of undeveloped land, earmarked for commercial property development; and
- a 100% investment in FML Logistics (Private) Limited (“FML Logistics”), a petroleum transport company operating in Zimbabwe, Zambia and the Democratic Republic of Congo.

Hospitality

African Sun is a hospitality management group listed on the ZSE with a market capitalisation of US\$17.24 million as at the Last Practicable Date. African Sun dominates many of Zimbabwe’s premier tourist destinations, as well as in the four major cities in Zimbabwe.

Hotels are operated under four brand categories:

- Legacy Hotels – five of the African Sun hotels are managed by Legacy, an internationally acclaimed hotel manager;
- IHG Hotels – three hotels operate under the IHG brand, a world leading hotel company which franchises the Holiday Inn brand in Zimbabwe;
- Owner-managed Hotels – two African Sun hotels are operated under their own name, without an international franchise brand association; and
- The Victoria Falls Hotel – an affiliate of the Leading Hotels of the World and operated in partnership with Meikles.

As at 31 December 2016, African Sun had a total net asset value of US\$6.66 million and had reported a total profit before income tax of US\$4.84 million for the year ended 31 December 2016.

Real estate investment holding and development

Investment in Dawn Properties

Dawn Properties is a ZSE listed real estate investment, development and consulting company, with a market capitalisation of US\$51.60 million as at the Last Practicable Date.

Revenue is generated by Dawn Properties from three main sources:

- Rental income:** Dawn Properties owns seven operational hotel properties, two timeshare unit complexes, and the Kariba Marine Land together, valued at US\$67.60 million by the Independent Property Valuer. Operating hotels are leased to African Sun under long term operating leases. Rental revenue earned for the 2016 financial period totalled US\$2.4 million.
- Profits from development of vacant land:** Dawn Properties owns approximately 583 hectares of land under development and undeveloped land, including two non-operational hotel buildings, valued at US\$19.56 million by the Independent Property Valuer. The land is currently earmarked mainly for residential development with some commercial developments expected in the future. One development is currently underway, being a residential complex with 58 units.
- Property consulting fees:** Consulting services offered by Dawn Properties include property valuations, property management services, project management and agency services.

As at 31 December 2016, Dawn Properties had a total net asset value of US\$84.54 million and reported a total profit before income tax of US\$1.67 million for the year ended 31 December 2016.

Investment in Skyclear

Skyclear owns a piece of undeveloped commercial land in Borrowdale, Harare, which is one of Harare's prime locations and fast developing commercial office precinct. The land, measured at 0.87 hectares, has been earmarked for the development of an office park and is valued at US\$1.50 million by the Independent Property Valuer.

Financial Services

Brainworks owns 31.14% of GetBucks, 49% of GetCash and 100% of GetSure, the majority shareholder in the first two being MyBucks, which focuses on distributing financial products through online platforms. The GetBucks, GetCash and GetSure products offered to customers are complementary and therefore provide a platform for cross selling of products across all three divisions.

GetBucks

GetBucks is a technology driven deposit-taking and money-lending micro-finance institution, operational for the past four years, and was listed on the ZSE in January 2016.

The GetBucks vision is to achieve financial inclusion in all its markets by breaking the paradigm of clients having to visit a bank branch to access services. The ultimate goal is to deliver a basket of financial products that meet most of the financial needs of customers across geographies.

Current services offered range from micro-finance loans, a mortgage product, SME banking products and saving and money market accounts.

As at 31 December 2016, GetBucks had disbursed over 67 322 loans, amounting to over US\$37,164 million, since its inception in 2011, with an average year-on-year growth rate of 60%.

GetBucks operates in 14 locations across Zimbabwe and employs 65 employees, with a further 173 agents stationed across Zimbabwe.

GetBucks reported a total revenue of US\$13 million, and a profit before income tax of US\$4.21 million for the financial year ended 30 June 2016, and profit before income tax of US\$2.36 million for the half year ended 31 December 2016.

GetCash

GetCash is a mobile money transfer platform whereby each customer's cell-phone functions as a bank account, creating a "mobile wallet". GetCash commenced operations in August 2012, initially under the brand NettCash.

GetCash is aimed at addressing liquidity constraints in Zimbabwe by removing the need for cash transactions at merchants throughout Zimbabwe. Agents stationed throughout cities in Zimbabwe enable customers to deposit cash in exchange for credit in their mobile wallets.

Services offered by GetCash include peer-to-peer services, remittances, bill and merchant payments, bulk payments and the sale of prepaid electricity vouchers.

GetSure

GetSure is a licensed life assurance company, offering life insurance, funeral cover and accident and savings insurance products. GetSure was granted its operating licence in December 2014 and commenced operations in August 2015.

In the year ended 31 December 2016, GetSure's first twelve-month trading period, revenue equalled US\$1.06 million and the claims ratio was 6.6%.

Logistics

Brainworks holds 100% of FML Logistics, a petroleum products transportation company with 30 trucks, operating in Zimbabwe and delivering fuel from Beira, Mozambique to Zimbabwe, Zambia and the Democratic Republic of Congo.

As at 31 December 2016, FML Logistics had a total net asset value of US\$1.27 million and reported a loss before income tax of US\$655k for the 2016 financial year.

4. BRAINWORKS INVESTMENT CASE

The Brainworks Group offers an investment opportunity for investors, given that:

- it offers exposure to a Zimbabwe-focused diversified portfolio, through a single point of entry on an international exchange, without the risks associated with direct investment into Zimbabwe;
- provides South African investors with a Rand-hedge;
- provides prospective investors with an opportunity to invest in an emerging market that potentially offers higher returns than developed markets;

- the potential recovery of the economic and political climate in Zimbabwe would substantially enhance the prospects of the Group. The investment opportunity therefore offers prospective investors with ground floor access to a potentially recovering emerging market;
- the Group's strategic direction and growth is driven by a highly experienced and skilled board of directors, together with a highly capable in-country management team;
- approximately 38% of revenue is generated from international sources, through African Sun;
- the Group has partnered with well-established international players that add value to operations;
- existing investments have been restructured to be profit generating and sustainable despite abnormally low levels of economic activity;
- a number of Zimbabwe government initiatives are being undertaken to support economic growth; and
- a pipeline of opportunities has been identified to ensure organic growth and through future acquisitions for the Group.

5. STRATEGY AND INVESTMENT POLICY

The Company's business strategy is to set up or selectively identify and acquire control or strategic equity stakes in attractive companies that are active in growth sectors primarily in Zimbabwe.

The Company applies a private equity model to investing, focusing on board and managerial control and active shareholders' participation in all investee companies.

The Company's ethos is to retain its hold in investee companies which show strong and sustainable cash generation capacity and dividend pay-outs to shareholders for the long term, as well as entities with strong brand potential, allowing it to attract reputable international operating partners who will invest alongside, or partner with Brainworks, to facilitate the unlocking of shareholder value and enhance profitability.

6. OVERALL FINANCIAL INDICATORS

Brainworks has consolidated gross assets of US\$157.5 million and a total net asset value of US\$65.3 million (excluding minority interest) as at 31 December 2016.

For the year ended 31 December 2016, the Group reported total revenue of US\$48.1 million and profit before income tax from continuing operations of US\$4.4 million.

7. RATIONALE FOR LISTING

The main purpose of the Offer and the Listing is to:

- raise capital in order to reduce interest bearing debt, thereby strengthening the Company's balance sheet for expansion of current investments;
- provide access to funding from the South African equity capital markets in order to facilitate and accelerate the Group's organic and acquisitive growth;
- provide Shareholders with a liquid, tradable instrument within a regulated environment;
- raise the Group's profile with lending institutions and access beneficial financing terms available to listed entities; and
- create awareness with prospective institutional and retail investors about the merits of investing in the Company.

8. APPLICATION OF PROCEEDS

The proceeds of the Offer will be used by Brainworks to settle interest bearing debt, which will strengthen the Group's balance sheet and position it for growth going forward, and will be invested in its current investee assets to enhance future revenue generation and profitability, as well as the payment of Listing expenses.

9. DIRECTORS

The details of the Directors are set out below:

Name	Nationality	Business Address	Occupation/function
Simon Frederick William Village	British	4th Floor, La Croisette, Grand Baie, Mauritius	Non-executive chairman
Martin John Wood	British	Business address:4 College Hill, London EC4R 2RB, UK	Lead independent non-executive director and deputy chairperson
Brett Ivor Childs	British	Business address C2-401, 4th Floor, La Croisette, Grand Baie, Mauritius	Chief Executive Officer
Peter Saungweme	Zimbabwean	4 Arden Road, Newlands, Harare, Zimbabwe	Chief Finance Officer
Audrey Mamoshoeshoe Mothupi	South African	24 Peter Place, Lyme Park, Bryanston , 2191, South Africa	Independent non-executive director
George Sidney John Bennett	South African	4th Floor, La Croisette, Grand Baie, Mauritius	Independent non-executive director
Richard Nicholas Charrington	British	C2-401, 4th Floor, Grand Baie La Croisette, Grand Baie, Mauritius	Independent non-executive director
Richard Godfrey Muirimi	Zimbabwean	118 McChlery Avenue, Eastlea, Harare	Non-executive director
George Manyere	Zimbabwean	4 Arden Road, Newlands, Harare, Zimbabwe	Non-executive director
Walter Kambwanji	Zimbabwean	4 Arden Road, Newlands, Harare, Zimbabwe	Non-executive director

10. CONDITIONS TO THE LISTING

The Listing is subject to the Company achieving a spread of public shareholders acceptable to the JSE at the time of Listing on the Main Board of the JSE, being public shareholders holding not less than 20% of the issued share capital of the Company to ensure reasonable liquidity.

As at the Last Practicable Date, the Company had a public spread of 20.74%.

If the above condition precedent is not met, the Offer and any acceptance thereof shall not be of any force or effect and no person shall have any claim whatsoever against Brainworks or any other person as a result of the failure of any condition.

11. COPIES OF THE PRE-LISTING STATEMENT

The Pre-listing Statement is only available in English and copies thereof may be obtained by Qualifying Investors during normal business hours from Thursday, 28 September until Friday, 13 October 2017, from Brainworks and Questco at their respective physical addresses which appear below:

Brainworks Limited

Level 2, Alexander House
Silicon Avenue
Ebène Cybercity
72201
Republic of Mauritius

Questco Proprietary Limited

1st Floor Yellowwood House
Ballywoods Office Park
33 Ballyclare drive
Bryanston
2191

The Pre-listing Statement will also be available on Brainworks' website at www.brainworkscapital.com.

Ebène, Mauritius
28 September 2017

**Corporate Advisor, Bookrunner and JSE
Sponsor**



Questco Proprietary Limited

**Independent Reporting Accountants and JS
Auditors**



PricewaterhouseCoopers Inc.

Legal Advisers – South Africa



Bowman Gilfillan Inc.

Legal Advisers – Mauritius

EVERSHEDS
SUTHERLAND

Eversheds – Sutherland

Independent Property Valuer



Propval Property Valuation Services Proprietary
Limited

Investor Relations Advisor



Singular Systems Proprietary Limited

Company Secretary
Imara Trust Company (Mauritius) Limited

Transfer Secretary
Computershare Investor Services
Proprietary Limited