

## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

The definitions and interpretations commencing on page 5 of this Circular apply mutatis mutandis throughout this Circular. If you are in any doubt as to the action you should take, please consult your broker, CSDP, attorney, accountant, banker or other professional adviser immediately.

If you have disposed of all of your Shares in Brainworks, then this Circular, together with the attached notice of General Meeting and Form of Proxy, should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom you disposed of your Shares.

The General Meeting convened in terms of this Circular will be held at 10:00 (GMT+4) on Friday, 4 May 2018 at the registered office of the Company, being Level 2, Alexander House, Silicon Avenue, Ebène Cybercity, 72201, Republic of Mauritius.

**Certificated Shareholders and dematerialised Shareholders with “own name” registration**, who are unable to attend the General Meeting and wish to be represented thereat, must complete and return the attached Form of Proxy in accordance with the instructions contained therein.

**Dematerialised Shareholders, other than dematerialised Shareholders with “own name” registration, who:**

- are unable to attend the General Meeting and wish to be represented thereat, must provide their CSDP or broker with their voting instructions, in terms of the custody agreement entered into between themselves and the CSDP or broker concerned, in the manner and within the time stipulated therein;
- wish to attend the General Meeting, must instruct their CSDP or broker to issue them with the necessary authority to attend, in the form of a letter of representation.

**Brainworks does not accept any responsibility and will not be held liable for any failure on the part of any CSDP or broker of a dematerialised Shareholder to notify such Shareholder of the General Meeting or any business to be concluded thereat.**

# BRAINWORKS

**Brainworks Limited**

(Incorporated in the Republic of Mauritius, registration number 115883 C1/GBL)

Share code: BWZ ISIN: MU0548S00000

(“the Company” or “Brainworks”)

## **CIRCULAR TO BRAINWORKS SHAREHOLDERS**

Relating to:

- 1 the approval of the disposal of 163 769 298 GetBucks Disposal Shares to the Associates, who are classified as Related Parties in terms of the JSE Listings Requirements;**
- 2 the approval of the disposal of the GetBucks Interest Shares in order to settle the interest on the Loan; and**
- 3 the approval for the Specific Issue of a maximum of 13 656 154 Shares to qualifying investors at a minimum price of R6.50 per Share;**

and enclosing:

- **a fairness opinion by the Independent Expert regarding the Disposal;**
- **a notice convening the General Meeting;**
- **a Form of Proxy for use by certificated Shareholders and “own name” registered dematerialised Shareholders only;**

**Sponsor**



Questco (Pty) Ltd

**Independent Expert**



KPMG

**Reporting Accountants**



PwC

**Date of issue: 29 March 2018**

Additional copies of this Circular, in its printed format, may be obtained from the Sponsor at the address set out in the “Corporate Information” section on this Circular during normal business hours from the date of issue hereof up to and including the date of the General Meeting and will be made available on the Brainworks website ([www.brainworkscapital.com](http://www.brainworkscapital.com)). Copies of this Circular are available in English only.

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## CORPORATE INFORMATION

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### **Directors of Brainworks**

SFW Village (Chairman)<sup>2</sup>  
MJ Wood (Deputy Chairman and Lead Independent Director)<sup>1</sup>  
BI Childs (Chief Executive Officer)  
P Saungweme (Chief Finance Officer)  
AM Mothupi<sup>1</sup>  
GSJ Bennett<sup>1</sup>  
RN Charrington<sup>1</sup>  
RG Muirimi<sup>2</sup>

<sup>1</sup> Independent non-executive

<sup>2</sup> Non-executive

### **Company secretary**

#### **Imara Trust Company (Mauritius) Limited**

(Registration number: 080589)  
Level 2, Alexander House  
Silicon Avenue, Ebène Cybercity  
72201, Republic of Mauritius

### **Sponsor**

#### **Questco Proprietary Limited**

(Registration number: 2002/005616/07)  
First floor, Yellowwood House  
Ballywoods Office Park  
33 Ballyclare Drive  
Bryanston, 2191  
Johannesburg, South Africa  
(PO Box 98956, Sloane Park, 2152)

### **Independent Expert**

#### **KPMG Advisory (Private) Limited**

(Registration number: 205/1973)  
Mutual Gardens  
100 The Chase (West)  
Emerald Hill  
Harare, Zimbabwe

### **Date and place of incorporation of Brainworks**

Incorporated in the Republic of Mauritius on  
22 April 2013

### **Registered office of Brainworks**

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

**Telephone:** +263 4 782 849 / 855

**Email:** investorrelations@brainworkscapital.com

### **South African address for receipt of notices:**

PricewaterhouseCoopers Inc.  
(Registration number: 1998/012055/21)  
4 Lisbon Lane  
Waterfall City  
Jukskei View, 2090  
South Africa  
(Private Bag X36, Sunninghill, 2157)

### **Transfer Secretaries**

Computershare Investor Services Proprietary Limited  
(Registration number: 2004/003647/07)  
2nd Floor, Rosebank Tower  
15 Biermann Avenue  
Rosebank, 2196  
Johannesburg, South Africa  
(PO Box 61051, Marshalltown, 2107)

### **Independent Reporting Accountants**

PricewaterhouseCoopers Inc.  
(Registration number: 1998/012055/21)  
4 Lisbon Lane  
Waterfall City  
Jukskei View, 2090  
South Africa  
(Private Bag X36, Sunninghill, 2157)



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## SALIENT DATES AND TIMES

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The definitions and interpretations commencing on page 5 of this Circular apply, mutatis mutandis, to the following salient dates and times.

Salient dates and times are set out below.

<b>2018</b>	
Record date to determine which Shareholders are entitled to receive the Circular	Friday, 23 March
Posting of Circular to shareholders and announced on SENS	Thursday, 29 March
Last day to trade in order to be eligible to vote in respect of the General Meeting	Monday, 23 April
General Meeting record date in order to vote	Thursday, 26 April
Last day to lodge Forms of Proxy for the General Meeting with Transfer Secretaries by 10:00 on	Wednesday, 2 May
General Meeting to be held at 10:00 on	Friday, 4 May
Results of General Meeting released on SENS on	Monday, 7 May
Results of General Meeting published in the press on	Tuesday, 8 May

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**Notes:**

1. All times indicated above are GMT+4.
2. The above dates and times are subject to amendment by the Company. Any such amendment will be released on SENS.
3. Additional copies of this Circular in its printed format, may be obtained from the Sponsor at the address set out in the "Corporate Information" section of this Circular during normal business hours from the date of issue if this Circular up to and including the date of the General Meeting.
4. Forms of Proxy may also be handed to the Chairman at the commencement of the General Meeting.

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## ACTION REQUIRED

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The approval and implementation of the Disposal and the Specific Issue is subject to Shareholders passing the requisite resolutions approving the Disposal and Specific Issue at the General Meeting.

A notice convening the General Meeting is attached to and forms part of this Circular.

### **1. Certificated Shareholders and dematerialised Shareholders who have elected "own-name" registration**

Certificated Shareholders and dematerialised Shareholders who have elected "own-name" registration, who are unable to attend the General Meeting but who wish to be represented thereat, are requested to complete and return the attached Form of Proxy in accordance with the instructions contained therein. The duly completed Forms of Proxy in respect of the General Meeting must be received by the Transfer Secretaries by no later than 10:00 on Tuesday, 24 April 2018 or may be handed to the chairman of the General Meeting at the commencement of the General Meeting.

#### **Certificated Shareholder**

If you hold a certificate for your Shares, you are a certificated Shareholder. If you have lost your Share certificate, but you know that your Shares are held in the form of a certificate, you are also a certificated Shareholder. If you have any doubt as to whether you are a certificated Shareholder, please contact Computershare on +27 861 100 933.

### **2. Dematerialised Shareholders who have not elected "own-name" registration**

Dematerialised Shareholders who have not elected "own-name" registration and who wish to attend the General Meeting must instruct their CSDP or broker timeously in order that such CSDP or broker may issue them with the necessary letter of representation or equivalent authority to attend.

Dematerialised Shareholders who have not elected "own-name" registration and who do not wish to attend the General Meeting, must provide their CSDP or broker with their instruction for voting as a Shareholder at the General Meeting in the manner stipulated in the agreement between the Shareholder concerned and the CSDP or broker governing the relationship between such Shareholder and his CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature.

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## DEFINITIONS AND INTERPRETATIONS

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In this Circular, the annexures hereto, the notice of General Meeting and the Form of Proxy, unless the context otherwise indicates, references to the singular include the plural and vice versa, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and vice versa, and the words in the first column hereunder have the meaning stated opposite them in the second column, as follows:

<b>“African Sun”</b>	African Sun Limited (registration number 643/71), a public company registered in Zimbabwe and listed on the ZSE (under ISIN ZW0009012080), which operates in the tourism and hospitality sector in Zimbabwe, being a subsidiary of the Company;
<b>“Associates” or “Purchasers”</b>	Ecsponent Zimbabwe, the TDC Trust and the MD Trust, being the purchasers of the GetBucks Shares and associates (as defined by the Listings Requirements) of the Previous Directors, resulting in their classification as Related Parties to the Company;
<b>“Board” or “Directors”</b>	the board of directors of Brainworks at the Last Practicable Date whose details are set out in the “Corporate Information” section of this Circular;
<b>“Brainworks Capital Management”</b>	Brainworks Capital Management (Private) Limited (registration number 523/2011), a private company registered in Zimbabwe, and a wholly owned subsidiary of the Company;
<b>“Brainworks” or “the Company”</b>	Brainworks Limited (registration number 115883C1/GBL), a public company duly registered and incorporated under the laws of the Republic of Mauritius with a Category 1 Global Business license which operates as an investment holding company, and listed on the Main Board on the JSE;
<b>“Business Day”</b>	any day other than a Saturday, Sunday or a public holiday in South Africa or Mauritius;
<b>“certificated Shareholder”</b>	a holder of certificated Shares;
<b>“certificated Shares”</b>	Shares which are not dematerialised, title to which is represented by physical documents of title;
<b>“Circular”</b>	this document, dated Thursday, 29 March 2018, including the annexures hereto and incorporating a notice of General Meeting and a Form of Proxy;
<b>“Closing Date”</b>	shall mean the first business day after the fulfilment (or waiver) of the last of the suspensive conditions relating to the Disposal, as detailed in paragraph 3.3.3;
<b>“Constitution”</b>	the constitutional document of Brainworks, as adopted by Shareholders on 1 June 2017;
<b>“Convertible Loan”</b>	a loan payable by GetCash, acquired by MyBucks from Everprosperous Worldwide Limited, with a balance of US\$750 000 at 30 June 2017, entitling MyBucks to convert the outstanding loan balance to ordinary shares in GetCash equal to 51% of the issued share capital in GetCash, after the issue of shares pursuant to the conversion of the loan;

<b>“CSDP”</b>	a Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act, 2012 (Act 19 of 2012), as amended, appointed by an individual Shareholder for the purposes of, and in regard to the dematerialisation of documents of title for purposes of incorporation into Strate;
<b>“custody agreement”</b>	the custody mandate agreement between a dematerialised Shareholder and a CSDP or broker governing their relationship in respect of dematerialised Shares held by the CSDP or broker;
<b>“Dawn Properties”</b>	Dawn Properties Limited (registration number 9363/2003), a public company registered in Zimbabwe and listed on the ZSE (under ISIN ZW0009012239), which operates as a property holding and consulting company, being a subsidiary of the Company;
<b>“dematerialised Shareholder”</b>	a holder of dematerialised Shares;
<b>“dematerialised Shares”</b>	Shares which have been incorporated into Strate and which are no longer evidenced by physical documents of title, but the evidence of ownership of which is determined electronically and recorded in the sub-register maintained by a CSDP;
<b>“Disposal”</b>	collectively, the proposed Related Party disposal by Brainworks Capital Management and GetSure of the GetBucks Disposal Shares to the Associates, on the terms and conditions detailed in paragraph 3.2.3 and the disposal of the GetBucks Interest Shares, or one of the aforementioned as the context requires;
<b>“Disposal Agreements”</b>	the agreements entered into between Brainworks Capital Management and GetSure and the Associates on 30 November 2017, setting out the terms of the Disposal, along with the addendums thereto, dated Wednesday, 13 December 2017, summaries of which are contained in Annexure 3;
<b>“documents of title”</b>	share certificates, certified transfer deeds, balance receipts and/or any other form of acceptable documents of title in respect of Shares;
<b>“Ecsponent Zimbabwe”</b>	Ecsponent Zimbabwe (Private) Limited (registration number 6810/2014), a private company registered in Zimbabwe which is wholly owned by George Manyere, a Previous Director, and therefore an associate of a Previous Director and a Related Party to the Company in terms of paragraph 10.1(vii) of the Listings Requirements;
<b>“Exchange Rate”</b>	the US\$ to Rand exchange rate of US\$1: R11.56 as at Monday, 26 February 2018, being the Last Practicable Date;
<b>“FML Logistics”</b>	FML Logistics (Private) Limited (registration number 14611/2003), a private company registered in Zimbabwe, which operates as a fuel logistics company, and a wholly owned subsidiary of the Company;
<b>“Form of Proxy”</b>	the proxy form annexed to this Circular which entitles the Shareholders to appoint a proxy to vote on their behalf on the resolutions contained in the notice of the General Meeting;

<b>“Further Borrowings”</b>	the borrowings advanced by Everprosperous Worldwide Limited to the Group and which are to be repaid from the proceeds of the Specific Issue, as detailed in paragraph 4.2 of this Circular;
<b>“General Meeting”</b>	the General Meeting of Shareholders to be held at 10:00 (GMT+4) on Friday, 4 May 2018 at the Registered Office of Brainworks in Mauritius, which meeting is convened in terms of the notice of General Meeting attached to this Circular;
<b>“GetBucks”</b>	GetBucks Microfinance Bank Limited (previously GetBucks Financial Services Limited) (registration number 322/2012), a public company registered in Zimbabwe and listed on the ZSE (under ISIN ZW0009012270) and licensed by the Reserve Bank of Zimbabwe, which operates as a deposit taking and money lending microfinance institution, an associate of the Company;
<b>“GetBucks Disposal Shares”</b>	the shares of GetBucks that are the subject of the Disposal, being 163 769 298 shares in GetBucks, constituting 14.98% of the total issued share capital of GetBucks to be disposed of by the Company’s subsidiaries in the following proportions: <ul style="list-style-type: none"> <li>• Brainworks Capital Management – 67 567 568 shares in GetBucks (6.18%); and</li> <li>• GetSure – 96 201 730 shares in GetBucks (8.80%);</li> </ul>
<b>“GetBucks Interest Shares”</b>	A maximum of 7 349 428 shares in GetBucks, to be used to settle the interest accruing on the Loan in terms of the Disposal Agreements, for the period commencing on 11 December 2017 and ending no later than 11 June 2018;
<b>“GetCash”</b>	Coporeti Support Services (Private) Limited t/a GetCash (registration number 166/2005), a private company registered in Zimbabwe, which operates as electronic payment solution provider licenced by the Reserve Bank of Zimbabwe to provide mobile banking products with NMB Bank Limited as the settlement bank and an associate of the Company;
<b>“GetCash Option”</b>	the option granted in favour of MyBucks pursuant to the Convertible Loan, entitling MyBucks to 51% of the issued share capital in GetCash, after the issue of shares pursuant to the conversion of the Convertible Loan;
<b>“GetCash Restructure”</b>	the ownership and funding restructure, of GetCash, implemented post the last interim reporting period, and in terms of which, inter alia: <ul style="list-style-type: none"> <li>• Brainworks’ interest in GetCash is diluted from 100% to 49% following the conversion by MyBucks of the Convertible Loan, entitling MyBucks to 51% of the issued share capital of GetCash;</li> <li>• the settlement by Brainworks Capital Management of a portion of the loan due by GetCash to GetSure, equal to US\$331k;</li> <li>• the further pro-rata equity injection by Brainworks Capital Management and MyBucks into GetCash through a cash injection by MyBucks equalling US\$721k and the conversion by Brainworks Capital Management of its loan receivable (including the portion settled to GetSure), equal to US\$1 476k;</li> <li>• amounts owed by GetCash to GetSure, equal to US\$314k at 31 December 2016, being converted into promissory notes with i) a five-year term; ii) attracting interest at 5% per annum; iii) repayable in equal monthly instalments of capital and interest from the 25th month subsequent to conversion; and</li> <li>• GetCash will endeavour to repay its outstanding obligations towards Dawn Properties and African Sun, equal to US\$22k.</li> </ul>



<b>“GetSure”</b>	GetSure Life Assurance (Private) Limited (registration number 525/2011), a private company registered in Zimbabwe, which operates as a life assurance company, and a wholly owned subsidiary of the Company;
<b>“Group”</b>	Brainworks and its subsidiaries, from time to time;
<b>“IFRS”</b>	International Financial Reporting Standards;
<b>“Independent Expert”</b>	KPMG Advisory (Private) Limited (registration number: 205/1973), a private company incorporated under the laws of Zimbabwe which operates as an auditing and advisory company, full details of which are set out in the Corporate Information section of this Circular;
<b>“Independent Reporting Accountants”</b>	PricewaterhouseCoopers Inc. (registration number 1998/012055/21), a private company registered in South Africa, which operates as an auditing and advisory company, full details of which are set out in the Corporate Information section of this Circular;
<b>“Institutional Investors”</b>	certain investors as detailed in Annexure 6 with whom shares have been placed by the Previous Directors;
<b>“JSE”</b>	JSE Limited (Registration number 2005/022939/06), a public company duly registered and incorporated under the laws of South Africa and licensed as an exchange under the Financial Markets Act, 2012 (Act 19 of 2012), as amended;
<b>“the Loan”</b>	a loan amount of US\$5 453 518 advanced by the Lenders to the Brainworks Capital Management on 11 December 2017 in accordance with the Disposal Agreements, in terms of which the consideration for the GetBucks Disposal Shares was advanced prior to the delivery of the GetBucks Disposal Shares, to be settled by the delivery of the Getbucks Disposal Shares, by no later than 11 June 2018, the interest of which will also be settled in either GetBucks Interest Shares if the Disposal is approved as set out in this Circular or alternatively in cash;
<b>“Last Practicable Date”</b>	Monday, 26 February 2018, being the last practicable date prior to the finalisation of this Circular;
<b>“the Lenders”</b>	collectively refers to MD Trust, TDC Trust, MHMK Capital Limited, Timothy Nuy and Tinashe Manyere;
<b>“Listings Requirements”</b>	the listings requirements of the JSE, as amended from time to time;
<b>“Mauritius”</b>	the Republic of Mauritius;
<b>“MHMK Capital”</b>	MHMK Capital Limited (registration number: C143276 C2/GBL), a private company registered in Mauritius and a wholly owned subsidiary of MHMK Group Limited (registration number: C116061 C2/GBL) which is owned by a discretionary family trust settled by George Manyere, a Previous Director, for the benefit of his minor children;

<b>“MD Trust”</b>	Matthew Daniels Trust, a discretionary unregistered notarial family trust established for the benefit of the children of Walter Kambwanji, a Previous Director, and therefore an associate of a Previous Director and a Related Party to the Company in terms of paragraph 10.1(vii) of the Listings Requirements;
<b>“MyBucks”</b>	MyBucks S.A (registration number B199543), a public company registered in Luxembourg, which is listed on the Frankfurt Stock Exchange and operates as the holding company for micro-lending operations in 9 countries primarily in Africa;
<b>“Ordinary Shares” or “Shares”</b>	Brainworks ordinary no par value shares;
<b>“Post Balance Sheet Events”</b>	collectively, the GetCash Restructure, the receipt of the Loan and the repayment of the Third-Party Borrowings;
<b>“Pro-Forma Financial Information”</b>	the pro-forma financial effects, as set out in paragraph 6, pro-forma statement of comprehensive income and pro-forma statement of financial position, which illustrate the impact of the Post Balance Sheet Events, the Disposal and the Specific Issue, the detail of which is set out in Annexure 1;
<b>“Previous Directors”</b>	Walter Kambwanji and George Manyere, being directors who have resigned from the Board of Directors of the Company as of 30 January 2018, and therefore Related Parties in terms of paragraph 10.1(b)(ii) of the Listing Requirements, and who have an interest in the Disposal by virtue of their relationship with the Associates;
<b>“Questco” or “Sponsor”</b>	Questco Proprietary Limited (registration number 2002/005616/07), a private company registered in South Africa, full details of which are set out in the Corporate Information section of this Circular;
<b>“Rand” or “R”</b>	South African Rand, the official currency of South Africa;
<b>“Related Party” or “Related Parties”</b>	a related party/(ies) as defined in the Listings Requirements;
<b>“SENS”</b>	the Stock Exchange News Service of the JSE;
<b>“Shareholders”</b>	holders of Ordinary Shares;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“SOCl”</b>	statement of profit and loss and other comprehensive income;
<b>“SOFP”</b>	statement of financial position;
<b>“Specific Issue”</b>	the proposed specific issue of a maximum of 13 656 154 Shares at a minimum price of R6.50 per share (being US\$ 0.56228 at the Exchange Rate) to qualifying investors in order to raise R88 765 001 (US\$7 678 633 translated at the Exchange Rate), further details of which are set out in paragraph 4 of this Circular;
<b>“Strate”</b>	the settlement and clearing system used by the JSE, managed by Strate Proprietary Limited (registration number 1998/022242/07), a private company duly registered and incorporated under the laws of South Africa;

<b>“subsidiary”</b>	a subsidiary as defined by IFRS;
<b>“TBE Investments”</b>	TBE Investments Limited (registration number: C111227C1/GBL), a private company registered in Mauritius and wholly owned by Walter Kambwanji, a Previous Director
<b>“Timothy Nuy”</b>	Timothy Nuy, a Dutch citizen and a past colleague of George Manyere;
<b>“Tinashe Manyere”</b>	Tinashe Manyere, a Zimbabwe citizen and a brother to George Manyere, a Previous Director;
<b>“TDC Trust”</b>	TDC Investment Trust a discretionary unregistered notarial family trust established for the benefit of the children of Walter Kambwanji, a Previous Director, and therefore an associate of a Previous Director and a Related Party to the Company in terms of paragraph 10.1(vii) of the Listings Requirements;
<b>“Third Party-Borrowings”</b>	the borrowings advanced by Ecobank Zimbabwe Limited and CBZ Bank Limited to the Group and which are to be repaid from the proceeds of the Loan, as detailed in paragraph 3.2 of this Circular;
<b>“Transfer Secretaries” or “Computershare”</b>	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly registered and incorporated under the laws of South Africa, full details of which are set out in the “Corporate Information” section of this Circular;
<b>“US\$” or “\$”</b>	United States Dollar;
<b>“VWAP”</b>	volume weighted average price;
<b>“ZIMRA”</b>	the Zimbabwe Revenue Authority, the body responsible for collecting taxes and other revenue streams for the government in Zimbabwe; and
<b>“ZSE”</b>	Zimbabwe Stock Exchange, constituted in terms of the Zimbabwe Securities and Exchange Act No. 17 of 2004.

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# BRAINWORKS

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Brainworks Limited  
(Incorporated in the Republic of Mauritius)  
(Registration number 115883 C1/GBL)  
(Share code: BWZ, ISIN MU0548S00000)  
("Brainworks" or "the Company")

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## Directors of Brainworks

SFW Village (Chairman)<sup>2</sup>  
MJ Wood (Deputy Chairman and Lead Independent Director)<sup>1</sup>  
BI Childs (Chief Executive Officer)  
P Saungweme (Chief Finance Officer)  
AM Mothupi<sup>1</sup>  
GSJ Bennett<sup>1</sup>  
RN Charrington<sup>1</sup>  
RG Muirimi<sup>2</sup>

<sup>1</sup> Independent non-executive

<sup>2</sup> Non-executive

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## CIRCULAR TO BRAINWORKS SHAREHOLDERS

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### 1. INTRODUCTION

#### 1.1. The Disposal

- 1.1.1. The Company announced on SENS on 13 December 2017 that Brainworks Capital Management and GetSure, which are both wholly owned subsidiaries of the Company, have agreed the terms for the disposal of 163 769 298 GetBucks Shares, constituting 14.98% of the issued share capital of GetBucks, to the Associates, for a total consideration of US\$5 453 518 (R63 042 668 translated at the Exchange Rate).
- 1.1.2. An addendum was entered into on 13 December 2017 in terms of which the Associates and the Lenders recorded the terms on which the consideration due under the Disposal would be advanced in cash to Brainworks Capital Management, on behalf of Brainworks Capital Management and GetSure, on loan account. The Loan was advanced on 11 December 2017 and attracts an interest rate of 9% per annum. The interest on the loan is to be settled through the delivery of shares in GetBucks to the Associates, at a price of US\$0.0333 per share in GetBucks or in cash as explained in paragraph 3.3.2.2 below.
- 1.1.3. As the Associates are Related Parties to the Company in terms of paragraph 10.1(b)(vii) of the Listings Requirements, the Disposal is classified as a related party transaction, as well as a category 2 transaction, in terms of the Listings Requirements. Accordingly, the Disposal is conditional upon an independent majority (50% + 1) of the Shareholders (excluding the Associates, the Previous Directors and any associates of the aforementioned) present in person or by proxy at the General Meeting, voting in favour of the resolutions approving the Disposal.
- 1.1.4. The Associates, the Previous Directors and any associates of the aforementioned will however be taken into account in determining a quorum for the General Meeting.
- 1.1.5. In terms of the Listings Requirements, the Company is required to appoint an independent expert to opine on whether the terms and conditions of the Disposal are fair towards the Shareholders of the Company. The fairness opinion provided by the Independent Expert, which concluded that the terms and conditions of the Disposal are fair, is set out in Annexure 4.
- 1.1.6. Further details of the Disposal are set out in paragraph 3.

## 1.2. **The Specific Issue**

1.2.1. The Directors anticipate embarking on a capital raise programme during the second half of the 2018 calendar year, in order to meet the Group's working capital requirements and to reduce debt levels.

1.2.2. Further details of the Specific Issue are set out in paragraph 4.

1.2.3. The approval received from Shareholders for the Specific Issue will not endure for more than 6 months following receipt of the Shareholder approval.

## 1.3. **Purpose of this Circular**

1.3.1. The purpose of this Circular is to provide Shareholders with the relevant information relating to the Disposal and the Specific Issue to enable them to make an informed decision, and to give notice of the General Meeting in order for Shareholders to consider and, if deemed fit, to pass the resolutions necessary to approve the Disposal and the Specific Issue in accordance with the Listings Requirements. A notice convening the General Meeting is attached to, and forms part of, this Circular.

## 2. **NATURE OF THE BUSINESS OF BRAINWORKS**

2.1. Brainworks, which is listed on the Main Board of the JSE, is a Mauritian registered investment holding company, with its investment base focused on the Zimbabwean hospitality, real estate, financial services and logistics sectors.

2.2. The Group has the following investments as at the Last Practicable Date

<b>Name</b>	<b>Interest held (%)</b>	<b>Description</b>
African Sun	57.67%	<b>Hospitality</b> A hospitality management company listed on the ZSE, with seven resort hotels, four city hotels and two casinos under its management, the majority of which are owned by Dawn Properties;
Dawn Properties	66.81 %	<b>Real Estate</b> Real-estate investment holding, development and property consulting services company listed on the ZSE, with a property portfolio valued in excess of US\$86.3 million (gross) at the last interim reporting period, being 30 June 2017, consisting primarily of hospitality assets, land under development and land held for development;
GetBucks	31.15%	<b>Financial Services</b> A technology driven deposit-taking and money-lending micro-finance institution;
GetCash	49%	A mobile money transfer platform whereby each customer's cell-phone functions as a bank account, creating a "mobile wallet";
GetSure	100%	A licensed insurance company offering life insurance, funeral cover and other accident and savings insurance products;
MyBucks	2.5%	A FinTech company listed on the Frankfurt Stock Exchange, with operations in Africa and Europe; and
FML Logistics	100%	<b>Logistics</b> A petroleum transport company operating in Zimbabwe, Zambia and the Democratic Republic of Congo.

2.3. **Prospects**

2.3.1. The Zimbabwean economy has continuously shown resilience in light of negative perception and the Board believes that there are strong prospects for local industrial and economic growth going forward.

2.3.2. The Board believes that Brainworks is well positioned for growth over the medium term and it is expected that this growth will be achieved through focusing on the Group's core investments in consumer facing, sustainable cash generative equity stakes.

2.3.3. Given the above, the Board therefore believes that Brainworks' prospects are favourable.

**3. THE DISPOSAL**

3.1. **Rationale for the Disposal**

3.1.1. Brainworks announced on 26 October 2017 that it had placed a total of 9 078 677 (10.52%) of its treasury Shares with various Institutional Investors in Zimbabwe, subject to receipt of various approvals including exchange control approval by the Reserve Bank of Zimbabwe. The cash subscription proceeds were placed in an escrow account pending delivery of the Shares in Brainworks to the Institutional Investors.

3.1.2. A delay in the requisite approvals required resulted in non-delivery of the Shares in Brainworks subscribed for by the various Institutional Investors. In order to expedite delivery of a portion of these Shares in Brainworks to the Institutional Investors, the Previous Directors, through certain of their associates agreed to dispose of their Shares in Brainworks to the Institutional Investors in exchange for a cash amount of USD5,236,086, settled through a portion of the cash that was placed in the escrow account by the Institutional Investors. The placement of these Shares by the associates of the Previous Directors was announced on SENS on 8 December 2017, details of which are summarised below.

<b>Seller (and associates of the Previous Directors)</b>	<b>Number of Brainworks Shares placed with Institutional Investors</b>	<b>Value (US\$)</b>
TBE Investments Limited	1 129 792	1 016 813
TDC Trust	187 009	168 308
MD Trust	2 500 000	2 250 000
MHMK Capital Limited	2 001 072	1 800 965
<b>Total</b>	<b>5 817 873</b>	<b>5 236 086</b>

3.1.3. In addition to the above Associates placing their Shares with various Institutional Investors, the following individuals, who are not associates to the directors in terms of the Listings Requirements, also agreed to place Shares with Institutional Investors, in order to expedite delivery of further Shares to the Institutional Investors, in exchange for a cash amount of USD217 432, settled through a portion of the cash that was placed in the escrow account by the Institutional Investors.

<b>Seller</b>	<b>Number of Brainworks Shares placed with Institutional Investors</b>	<b>Value (US\$)</b>
Tinashe Manyere	141 591	127 432
Timothy Nuy	100 000	90 000
<b>Total</b>	<b>241 591</b>	<b>217 432</b>

3.1.4. A total of 2 905 556 treasury shares have since been placed with the various Institutional Investors over and above the Shares referred to in 3.1.2 and 3.1.3, in exchange for a cash amount of USD2 615 002, settled through a portion of the cash that was placed in the escrow account by the Institutional Investors. The balance of the Shares of 113 657, being the difference in the Shares committed as set out in paragraph 3.1.1 and the Shares sold by the Associates and the parties referred to in paragraph 3.1.2 and 3.1.3 have not been placed with the Institutional Investors as at the date of this Circular, and the remaining cash equal to the value of these unplaced shares have been returned to the Institutional Investors from the escrow account.

- 3.1.5. In order to provide the Company with the necessary cash resources that it had anticipated receiving from the placement of Shares noted in paragraph 3.1.1 (which was received by the individuals noted in paragraph 3.1.2 to 3.1.4 above), and pursuant to the Company's strategy to exit its investments in financial services as noted in paragraph 3.1.8 below, the Associates entered into the Disposal Agreements to acquire a portion of the Group's investment in GetBucks in the proportions tabled below for cash, using the cash received pursuant to the sale of their Shares to the Institutional Investors, subject to the placement of Shares held by the Associates and the third parties contained in paragraph 3.1.3. with Institutional Investors. The GetBucks Disposal Shares will be acquired by the Associates in the following proportions:

Purchaser	Seller	Number of GetBucks Disposal Shares	Value (US\$)
MD Trust	Brainworks Capital Management	67 567 568	2 250 000
Ecsponent Zimbabwe	GetSure	2 702 703	90 000
Ecsponent Zimbabwe	GetSure	54 083 027	1 800 965
Ecsponent Zimbabwe	GetSure	3 826 784	127 432
TDC Investment Trust	GetSure	35 589 216	1 185 121
<b>Total</b>		<b>163 769 298</b>	<b>5 453 518</b>

- 3.1.6. After the disposal of their respective shares in GetBucks, Brainworks Capital Management and GetSure will hold 6.58% and 9.59% of the issued shares in GetBucks respectively.
- 3.1.7. The proceeds of US\$5,453,518 pursuant to the Disposal of the GetBucks Disposal Shares was advanced prior to the delivery of the GetBucks Disposal Shares by the Lenders, on behalf of the Associates, as delivery of the GetBucks Disposal Shares is subject to receipt of Shareholder approval for the Disposal. Interest on the Loan will be settled in the form of the GetBucks Interest Shares at US\$0.0333 per GetBucks Interest Share, if Shareholder approval for the Disposal is received, or alternatively in cash.
- 3.1.8. The Disposal of the GetBucks Disposal Shares and the GetBucks Interest Shares is in line with the Company's strategy going forward which is aimed at focusing on the company's core asset base, being hospitality, real estate and related investments. Accordingly, it is re-organising its investments in financial services and part of its strategy is to exit its investment in GetBucks.

### 3.2. Use of proceeds of the Loan and the Disposal

- 3.2.1. The majority of the funds raised pursuant to the Loan has been applied towards the settlement of the Third-Party Borrowings and transfer costs arising from the Disposal of US\$250 619. The restructure of the Company's balance sheet will position the Group for growth going forward.
- 3.2.2. The details of the Third-Party Borrowings are set out below.

Name of facility provider	Interest rate and terms of the facility	Balance as at 30 June 2017 (US\$)	Total portion of Loan proceeds applied to Third-Party Borrowings (US\$)	Balance as at Last Practicable Date to be settled (US\$)
Ecobank Zimbabwe Limited	Attracts interest at a rate of 8% per annum. Interest is payable monthly, with the full capital repayment due on 30 August 2019.	5 316 388	2 496 998	433 310
CBZ Bank Limited	Attracts interest at a rate of 10% per annum. Interest is payable monthly, with the full capital repayment due on 28 February 2018.	3 835 206	2 705 900	-

3.2.3. As at the Last Practicable Date, US\$4 769 589 (R55 136 449 at the Exchange Rate) of the funds received pursuant to the Loan had been used to settle a portion of the Third-Party Borrowings and the transfer costs of US\$250 619, with the remaining funds of US\$433 310 to be applied towards settlement of the Ecobank Zimbabwe Limited loan during the first quarter of the 2018 financial year.

3.2.4. The proceeds from the Disposal will be used to settle the Loan.

### 3.3. **Terms of the Disposal**

#### 3.3.1. **Purchase consideration**

3.3.1.1. The GetBucks Disposal Shares are disposed of to the Associates for a total purchase consideration of US\$5 453 518 (being R63 042 668 translated at the Exchange Rate).

3.3.1.2. The purchase consideration was advanced by the Associates on 11 December 2017 in cash prior to delivery of the GetBucks Shares in the form of the Loan, free of all bank charges, commission, deduction or set-off.

#### 3.3.2. **The Loan**

3.3.2.1. The Loan will bear interest at 9% per annum, accruing monthly from 11 December 2017 until the earlier of the date that Shareholders' approval of the Disposal is granted in terms of this Circular or 11 June 2018.

3.3.2.2. The interest will accrue and be repayable either by the transfer of GetBucks Interest Shares at a price of US\$0.0333 per GetBucks shares if the Disposal is approved by Shareholders or alternatively in cash to the Lenders on the earlier of the dates contemplated in paragraph 3.3.2.1. The maximum interest that will be paid under these terms is US\$244 736 (being R2 829 148 translated at the Exchange Rate).

#### 3.3.3. **Suspensive conditions to the Disposal**

The Disposal is subject to Shareholders' approval in terms of the Listings Requirements, which require a majority of Shareholders (50% + 1) to vote in favour of the Disposal, excluding the Associates, the Previous Directors and any other associates of the aforementioned.

#### 3.3.4. **Effective date of the Disposal**

The effective date of the Disposal will be the day on which the suspensive conditions set out above have been met, which is expected to be on or about the date of the General Meeting.

#### 3.3.5. **Pro-Forma Financial Information**

The pro-forma SOCI and SOFP, illustrating the effects of the Disposal, are set out in Annexure 1, and the Reporting Accountants report thereon is set out in Annexure 2. A summary of the pro-forma financial effects is detailed in paragraph 6 below.

## 4. **THE SPECIFIC ISSUE**

### 4.1. **Background and rationale for the Specific Issue**

4.1.1. The Directors anticipate embarking on a capital raise programme during the second half of the 2018 calendar year. The Board believes a capital raise would be beneficial to the Group, in order for the Group to raise working capital required and reduce debt levels.

4.1.2. The approval received from Shareholders for the Specific Issue will not endure for more than 6 months following receipt of the Shareholder approval.

### 4.2. **Use of proceeds**

4.2.1. The funds raised pursuant to the Disposal will be applied towards the settlement of the Further Borrowings. The remaining proceeds from the Specific Issue after settlement of the Further Borrowings will initially be retained in cash and will be used to fund the working capital requirements of the Group.



4.2.2. The details of the Further Borrowings are set out below.

<b>Name of facility provider</b>	<b>Interest rate and terms of the facility</b>	<b>Balance as at 30 June 2017 (US\$)</b>	<b>Balance as at Last Practicable Date to be settled (US\$)</b>
Everprosperous Worldwide Limited	Attracts interest at a rate of 15% per annum. Interest is payable quarterly, with the full capital repayment due on 18 October 2019.	10 000 000	7 676 309

4.3. **Issue price for the Specific Issue**

4.3.1. The Shares will be issued at a minimum price of R6.50 per Share, which is equal to a 33.08% discount to the 30-day VWAP of the Shares as at the Last Practicable Date.

4.3.2. The maximum discount at which the Shares may be offered is not limited.

4.4. **Maximum number of shares to be issued**

The maximum number of Shares to be issued by the Company pursuant to the Specific Issue is 13 656 154 Shares resulting in a total capital raise of R88 765 001 at the minimum price of R6.50 per Share and a maximum dilutionary effect of 15.82%.

4.5. **Qualifying investors and minimum subscription**

4.5.1. The Shares to be issued pursuant to the Specific Issue will not be issued to any non-public shareholders as defined by the Listings Requirements or to any Related Parties.

4.5.2. The Specific Issue is not a general offer to the public and qualifying investors are required to subscribe for a minimum of R1 000 000.

4.6. **Pro-Forma Financial Information**

The SOCI and SOFP, illustrating the effects of the Specific Issue, are set out in Annexure 1, and the Reporting Accountants' report thereon is set out in Annexure 2. A summary of the pro-forma financial effects is detailed in paragraph 6 below.

4.7. **Approvals required**

The Specific Issue requires the approval of Shareholders by way of an ordinary resolution, requiring 75% of the Shareholders who are present in person or represented by proxy at the General Meeting, excluding any Shareholders that may be participating in the Specific Issue, and who are entitled to vote thereat.

## 5. SHARE CAPITAL

- 5.1. The authorised Shares of the company before and after the Specific Issue is unlimited.
- 5.2. The issued Shares of the Company at the Last Practicable Date, prior to the Specific Issue, is as follows:

	Number of Shares	US\$
Shares of no par value	86 306 195	86 306 195

The expected issued share capital of the Company subsequent to the Specific Issue is set out below (assumes that a maximum 13 656 154 shares are placed and/or issued at a minimum price of R6.50 per share being US\$0.56228 translated at the Exchange Rate):

	Number of Shares	US\$
Shares of no par value	99 962 349	93 984 828

- 5.3. The Company has 7 775 000 Treasury Shares in issue at the Last Practicable Date.
- 5.4. Other than the Shares, no other classes of securities are listed on any stock exchange.

## 6. PRO FORMA FINANCIAL INFORMATION

- 6.1. The Pro Forma Financial Information has been prepared to illustrate the impact of the Disposal and the Specific Issue, on the published unaudited consolidated interim results of Brainworks for the six months ended 30 June 2017, after adjusting for Post Balance Sheet Events, had the Post Balance Sheet Events, the Disposal and the Specific Issue occurred on 30 June 2017 for the statement of financial position and on 1 January 2017 for the statement of comprehensive income.
- 6.2. The pro-forma financial effects are summarised in the table below. The pro-forma financial effects, pro-forma statement of financial position and pro-forma statement of comprehensive income together form the Pro-Forma Financial Information.
- 6.3. The Pro-Forma Financial Information has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the consolidated interim results of Brainworks for the six months ended 30 June 2017. The Pro-Forma Financial Information is presented in accordance with the JSE Listings Requirements and the Guide on Pro-forma Financial Information issued by the South African Institute of Chartered Accountants.
- 6.4. The Directors are responsible for the compilation, contents and preparation of the Pro-forma Financial Information. Their responsibility includes determining that the Pro-forma Financial Information has been properly compiled on the basis stated, which is consistent with the accounting policies of Brainworks and that the pro-forma adjustments are appropriate for purposes of the pro-forma financial information disclosed pursuant to the JSE Listings Requirements.
- 6.5. The Pro-Forma Financial Information is provided for illustrative purposes only and, because of its pro-forma nature may not fairly present the Group's financial position, changes in equity, results of operations or cash flow nor, the effect and impact of the Post Balance Sheet Events, the Disposal and the Specific Issue going forward.
- 6.6. The full financial effects are included in Annexure 1 to this Circular and should be read in conjunction with the Independent Reporting Accountants' report thereon, as set out in Annexure 2 to this Circular. The financial effects have been summarised below.

(Cents)	Before (1)	Pro forma after the Post Sheet Events (2)	Pro forma after the Post Balance Sheet Events and the Disposal (3)	% change (3)/(2)	Pro forma after the Post Balance Sheet Events and the Specific Issue (4)	% change (4)/(2)	Pro forma after the Post Balance Sheet Events, the Disposal and the Specific Issue (5)	% change (5)/(2)
Basic earnings per Share	-6.99	-6.65	3.29	149%	-5.16	22%	3.25	149%
Diluted earnings per Share	-6.99	-6.65	3.29	149%	-5.16	22%	3.25	149%
Basic headline earnings per Share	-7.01	-7.10	-7.53	-6%	-5.55	22%	-5.91	17%
Diluted headline earnings per Share	-7.01	-7.10	-7.53	-6%	-5.55	22%	-5.91	17%
Basic and fully diluted NAV per Share	75.73	76.16	86.53	14%	73.10	-4%	81.88	8%
Basic and fully diluted TNAV per Share	63.44	63.87	74.24	16%	62.69	-2%	71.47	12%
Weighted average and diluted weighted average number of Shares in issue	75 625 639	75 625 639	75 625 639		89 281 793		89 281 793	
Number of Shares in issue	75 625 639	75 625 639	75 625 639		89 281 793		89 281 793	

## Notes

1. The “Before” column is based on the unaudited consolidated interim results of the Group for the six-month period ended 30 June 2017, as published on SENS on 20 October 2017. The interim results have not been audited or reviewed.
2. The “Pro forma after the Post Balance Sheet Events” column illustrates the impact of the Post Balance Sheet Events. Detailed notes explaining the adjustment are contained in Annexure 1.
3. The “Pro forma after the Post Balance Sheet Events and the Disposal” column illustrates the impact of the Post Balance Sheet Events and the Disposal, without the impact of the Specific Issue. Detailed notes explaining the adjustment are contained in Annexure 1.
4. The “Pro forma after the Post Balance Sheet Events and the Specific Issue” column illustrates the impact of the Post Balance Sheet Events and the Specific Issue, without the impact of the Disposal. Detailed notes explaining the adjustment are contained in Annexure 1.
5. The “Pro forma after the Post Balance Sheet Events, the Disposal and the Specific Issue” column illustrates the impact of the Post Balance Sheet Events, the Disposal and the Specific Issue. Detailed notes explaining the adjustment are contained in Annexure 1.

## 7. DIRECTORS’ OPINION ON THE DISPOSAL

- 7.1. The Board believes that the Disposal will be value-enhancing to the Group, given the Company’s strategy to expand its focus on its core business in Zimbabwe.
- 7.2. All Directors entitled to vote therefore intend to vote in favour of the Disposal as regards their holdings of Shares in the Company and recommend that Shareholders do the same.
- 7.3. Given that the Disposal is a related party transaction (as defined by the Listings Requirements), the Company is required to obtain a fairness opinion from an Independent Expert on whether the terms of the Disposal are fair to Shareholders (excluding Brainworks Capital Management, GetSure the Previous Directors and their associates). Shareholders’ attention is drawn to the fairness opinion obtained from the Independent Expert set out in Annexure 4, whereby the Independent Expert concluded that the terms of the Disposal are fair.

## 8. MAJOR SHAREHOLDERS

- 8.1. Shareholders who are directly or indirectly beneficially interested in more than 5% of the Shares of the Company as at the Last Practicable Date are set out below.
- 8.2. Prior to the implementation of the Specific Issue, and at the Last Practicable Date, the following Shareholders beneficially held, directly or indirectly, 5% or more of the issued Share capital of the Company.

Name of Shareholder	Number of Shares	Percentage held
Red Rock Capital	28 992 052	33,59%
Blue Air Capital	21 300 000	24,68%
Fintrust Pension Fund	6 724 143	7,79%
<b>Total</b>	<b>57 016 195</b>	<b>66,06%</b>

## 9. DIRECTORS' INTERESTS

### 9.1. Directors' interests in securities

9.1.1. As at the Last Practicable Date, the Directors, including directors that have resigned in the previous 18 months, and their associates, directly and indirectly, held the following interests in the Company.

	Direct beneficial interest	Indirect beneficial interest	Total	Percentage held (%)
<b>Executive Director</b>				
BI Childs	205 000	-	205 000	0,24%
P Saungweme	-	-	-	-
<b>Non-Executive Director</b>				
RG Muirimi	1 000 000	-	1 000 000	1,16%
S Village	-	300 000	300 000	0,35%
RN Charrington	-	200 000	200 000	0,23%
GSJ Bennet	-	200 000	200 000	0,23%
AM Mothupi	25 000	-	25 000	0,03%
MJ Wood	-	-	-	-
Total held by current Directors			1 930 000	1,99%
W Kambwanji	-	-	-	-
G Manyere	-	-	-	-
Total held by Previous Directors			-	-

### 9.2. Directors interests in transactions

9.2.1. The Previous Directors of the Company have an indirect beneficial interest in the Disposal by virtue of their relationship to the Associates.

9.2.2. Other than by virtue of their shareholding in the company as set out in 9.1 above, no Director, Previous Director or associate of any Director has had any material beneficial interest in any transaction implemented during the current or preceding financial year, or in any transaction concluded that remains outstanding or underperformed at the Last Practicable Date.

### 9.3. Directors remuneration

9.3.1. There will be no variation in the Directors' remuneration as a consequence of the Disposal or Specific Issue.

## 10. LITIGATION STATEMENT

10.1. A claim brought by CORISCO Design Team ("Codet") against a subsidiary of African Sun, Zimsun Leisure (Private) Limited. Codet (a group of consultants) is claiming the sum of US\$16,175,740 together with interest and collection commission for services rendered in a number of proposed projects that were to be carried out in the Republic of Equatorial Guinea. Both parties have since filed their submissions and are waiting for the court's ruling on the matter.

- 10.2. The Victoria Falls Hotel Partnership is engaged in an ongoing dispute with 69 former employees who were dismissed as a result of having participated in a strike. The employees successfully challenged their dismissal before an arbitrator on 25 September 2009 and the Victoria Falls Hotel Partnership's subsequent appeal to the Labour Court in February 2014 was dismissed. The Victoria Falls Hotel Partnership appealed to the Supreme Court in December 2014 and the case remains in progress. Should the Partnership lose its appeal to the Supreme Court, it is likely to have to pay between US\$136,127 and US\$1,908,584 to the dismissed employees.
- 10.3. Apart from the matter outlined above, there are no legal or arbitration proceedings, pending or threatened, of which Brainworks is aware, that may have or have had, in the 12-month period preceding the date of this Circular, a material effect on the financial position of the Group.

## **11. SHARE TRADING HISTORY**

- 11.1. Annexure 5 to this Circular contains the aggregate volume and value of Brainworks Shares traded on the JSE, as well as the highest and lowest traded prices:
- 11.1.1. for each trading day during the 30-day period ended on the Last Practicable Date; and
- 11.1.2. for each month since the Company's listing on 13 October 2017.

## **12. MATERIAL CONTRACTS**

- 12.1. Other than the Disposal Agreements summarised out in Annexure 3, and the material contracts referred to in paragraph 17.2 and Annexure 15 of the Brainworks Pre-listing Statement, which can be obtained at the following link: <http://www.brainworkscapital.com/pre-listing-statement.pdf>, Brainworks and its major subsidiaries have not entered into any contract that is material to the Company, otherwise than in the ordinary course of business, or which is considered a restrictive funding arrangement, in the two years preceding the Last Practicable Date, or at any time which contains an obligation or settlement that is material to the Company at the Last Practicable Date.
- 12.2. Other than the Director's service contracts, and the agreement entered into with Walter Kambwanji in respect of remuneration payable during his gardening leave period following his resignation as an executive director, the Group has not entered into any contracts relating to the Directors' and managerial remuneration, secretarial and technical fees or restraint payments of any nature.

## **13. MATERIAL CHANGES**

There has been no material change in the financial or trading position of the Company since the end of the last interim period ended 30 June 2017.

## **14. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors, whose names are given in the "Corporate Information" section of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by the Listings Requirements.

## 15. EXPERTS' CONSENTS

The Sponsor and Independent Expert, Independent Reporting Accountants and the Transfer Secretaries have consented in writing to act in the capacities stated and to their names being stated in this Circular and, where applicable, to the inclusion of their reports in the form and context in which they have been reproduced, and have not, prior to the publication of this Circular, withdrawn their consents.

## 16. ESTIMATED EXPENSES

The total estimated costs excluding South African VAT, where applicable, relating to the Disposal and Specific Issue are detailed in the table below:

### The Disposal

Nature of expense	Paid/payable to	R
Documentation fee	JSE	27 958
Sponsor	Questco	450 000
Independent Expert	KPMG	317 996
Independent Reporting Accountants on this Circular	PwC	372 500
Auditors	PwC Zimbabwe	37 581
Transfer Secretaries fees	Computershare	5 000
Printing and publication fees	Nextpage Concepts	31 823
<b>Total</b>		<b>1 242 858</b>

### The Specific Issue

Nature of expense	Paid/payable to	R
Documentation fee	JSE	20 600
Listing Fee	JSE	91 923
Printing and publication fees	Nextpage Concepts	7 956
<b>Total</b>		<b>120 479</b>

## 17. DOCUMENTS AVAILABLE FOR INSPECTION

17.1. Copies of the following documents will be available for inspection at the Company's registered office and from Questco during business hours from date of publication of this Circular up to the date of the General Meeting:

17.1.1. the Constitution of the Company and the constitutional documents of its subsidiaries;

17.1.2. all service agreements with Directors of the company entered into at any time during the preceding three financial years;

- 17.1.3. the Disposal Agreements, as set out in Annexure 3;
- 17.1.4. the letters of consent referred to in paragraph 15;
- 17.1.5. the signed report by the Independent Reporting Accountants on the pro-forma financial information, the contents of which are set out in Annexure 2;
- 17.1.6. the signed opinion by the Independent Expert, the contents of which are set out in Annexure 4;
- 17.1.7. the audited financial statements for the Group for the financial years ended 31 December 2014 to 31 December 2016; and
- 17.1.8. a signed copy of this Circular.

## **18. GENERAL MEETING**

- 18.1. A General Meeting of Brainworks Shareholders will be held at 10:00 (GMT+4) on Friday, 4 May 2018, in order to consider and approve the resolutions set out in the notice of General Meeting included in this Circular.
- 18.2. A notice convening the General Meeting and a Form of Proxy for use by certificated Shareholders and dematerialised Shareholders with "own name" registration who are unable to attend the General Meeting, form part of this Circular.
- 18.3. Certificated Shareholders and dematerialised Shareholders with "own name" registration, who are unable to attend the General Meeting and wish to be represented thereat, must complete and return the attached form of proxy in accordance with the instructions contained therein.
- 18.4. Dematerialised Shareholders, other than dematerialised Shareholders with "own name" registration, who:
  - are unable to attend the General Meeting and wish to be represented thereat, must provide their CSDP or broker with their voting instructions, in terms of the custody agreement entered into between themselves and the CSDP or broker concerned, in the manner and within the time stipulated therein;
  - wish to attend the General Meeting, must instruct their CSDP or broker to issue them with the necessary written Letter of Representation to attend.

**SIGNED BY B CHILDS IN ZIMBABWE FOR, AND ON BEHALF OF, ALL OTHER DIRECTORS OF THE COMPANY, IN TERMS OF THE POWER OF ATTORNEY GRANTED TO HIM BY SUCH DIRECTORS**

**B Childs**  
**Chief Executive Officer**

**29 March 2018**



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## ANNEXURE 1: PRO FORMA FINANCIAL INFORMATION OF BRAINWORKS

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The Pro-Forma Financial Information have been prepared to illustrate the impact of the Post Balance Sheet Events, the Disposal and the Specific Issue on the consolidated interim results (not reviewed or audited) of the Group for the six months ended 30 June 2017, had the Post Balance Sheet Events, the Disposal and the Specific Issue occurred on 30 June 2017 for the statement of financial position and 1 January 2017 for the statement of comprehensive income.

The Directors of the Company are responsible for the compilation, contents and preparation of the Pro-Forma Financial Information. Their responsibility includes determining that the Pro-Forma Financial Information has been properly compiled on the basis stated, and that the pro-forma adjustments are appropriate for purposes of the Pro-forma financial information disclosed pursuant to the JSE Listings Requirements.

The Pro-Forma Financial Information is provided for illustrative purposes only and, because of its pro forma nature, may not fairly present Brainworks' financial position, changes in equity, results of operations or cash flow nor the effect and impact of the Post Balance Sheet Events, the Disposal and the Specific Issue going forward.

The Pro-Forma Financial Information has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the consolidated interim financial results of the Group for the six months ended 30 June 2017.

The Pro-Forma Financial Information is presented in accordance with the JSE Listings Requirements and the Guide on Pro-Forma Financial Information issued by the South African Institute of Chartered Accountants.

The Independent Reporting Accountants' report on the Pro-Forma Financial Information is set out in Annexure 2 of this Circular.

**PRO FORMA STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2017**

US\$	Unadjusted SOPF at 30 June 2017	GetCash Restructure	Receipt of the Loan and Repayment of Third Party Borrowings	Pro forma after Post Balance Sheet Events	The Disposal, settlement of Loan and reclassif- ication of GetBucks investment	Pro forma after Post Balance Sheet Events, the Disposal and settlement of Loan	Specific Issue and further repayment of Further Borrowings	Pro forma after the Post Balance Sheet Events and the Specific Issue	Pro-forma after Post Balance Sheet Events, the Disposal, settlement of the Loan and the Specific Issue
	1	2	3	4=(1+2+3)	5	6=(4+5)	7	8=(4+7)	9=(6+7)
<b>Notes</b>									
Non-current assets									
Property and Equipment	88 599 884	-	-	88 599 884	-	88 599 884	-	88 599 884	88 599 884
Investment property	23 982 605	-	-	23 982 605	-	23 982 605	-	23 982 605	23 982 605
Biological assets	165 137	-	-	165 137	-	165 137	-	165 137	165 137
Goodwill	8 261 050	-	-	8 261 050	-	8 261 050	-	8 261 050	8 261 050
Other Intangible asset	219 195	-	-	219 195	-	219 195	-	219 195	219 195
Investments in associates	3 741 419	892 405	-	4 633 824	(3 741 419)	892 405	-	4 633 824	892 405
Deferred tax asset	813 984	-	-	813 984	-	813 984	-	813 984	813 984
Trade and other receivables	221 703	-	-	221 703	-	221 703	-	221 703	221 703
	126 004 977	892 405	-	126 897 382	(3 741 419)	123 155 963	-	126 897 382	123 155 963
<b>Current assets</b>									
Financial instruments held at fair value through profit and loss	4 569 843	-	-	4 569 843	6 542 310	11 112 153	-	4 569 843	11 112 153
Inventory	5 597 521	-	-	5 597 521	-	5 597 521	-	5 597 521	5 597 521
Trade and other receivables	13 465 332	(565 622)	-	12 899 710	8 362	12 908 072	-	12 899 710	12 908 072
Cash and cash equivalents	4 600 243	-	250 619	4 850 862	(357 668)	4 493 194	(10 419)	4 840 443	4 482 775
	28 232 939	(565 622)	250 619	27 917 936	6 193 004	34 110 940	(10 419)	27 907 517	34 100 522
<b>TOTAL ASSETS</b>	154 237 916	326 783	250 619	154 815 318	2 451 585	157 266 903	(10 419)	154 804 899	157 256 484
<b>Shareholders' equity</b>									
Stated capital	55 785 508	-	-	55 785 508	-	55 785 508	7 674 821	63 460 329	63 460 329
Other reserves	(928 090)	-	-	(928 090)	-	(928 090)	-	(928 090)	(928 090)
Retained earnings	2 415 332	326 783	-	2 742 115	7 839 680	10 581 795	(8 931)	2 733 184	10 572 864
Equity attributable to ordinary shareholders	57 272 750	326 783	-	57 599 533	7 839 680	65 439 213	7 665 890	65 265 423	73 105 102
Non-controlling interest	31 177 055	-	-	31 177 055	-	31 177 055	-	31 177 055	31 177 055
<b>Total equity</b>	88 449 805	326 783	-	88 776 588	7 839 680	96 616 268	7 665 890	96 442 478	104 282 158

PRO FORMA STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2017

US\$	1	2	3	4=(1+2+3)	5	6=(4+5)	7	8=(4+7)	9=(6+7)
	Unadjusted SOFP at 30 June 2017	GetCash Restructure	Receipt of the Loan and Repayment of Third Party Borrowings	Pro forma after Post Balance Sheet Events	The Disposal, settlement of Loan and reclassification of GetBucks investment	Pro forma after Post Balance Sheet Events, the Disposal and settlement of Loan	Specific Issue and further repayment of Borrowings	Pro forma after the Post Balance Sheet Events and the Specific Issue	Pro-forma after Post Balance Sheet Events, the Disposal, settlement of the Loan and the Specific Issue
Notes									
Non-current liabilities									
Borrowings	12 291 921	-	-	12 291 921	-	12 291 921	-	12 291 921	12 291 921
Deferred tax liabilities	7 748 215	-	-	7 748 215	65 423	7 813 638	-	7 748 215	7 813 638
Trade payables	1 430 148	-	-	1 430 148	-	1 430 148	-	1 430 148	1 430 148
	21 470 284	-	-	21 470 284	65 423	21 535 707	-	21 470 284	21 535 707
Current liabilities									
Borrowings	25 027 059	-	250 619	25 277 678	(5 453 518)	19 824 160	(7 679 309)	17 601 369	12 147 851
Trade and other payables	17 817 315	-	-	17 817 315	-	17 817 315	-	17 817 315	17 817 315
Insurance liabilities	1 004 550	-	-	1 004 550	-	1 004 550	-	1 004 550	1 004 550
Income tax	468 903	-	-	468 903	-	468 903	-	468 903	468 903
	44 317 827	-	250 619	44 568 446	(5 453 518)	39 114 928	(7 679 309)	36 892 137	31 438 619
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>154 237 916</b>	<b>326 783</b>	<b>250 619</b>	<b>154 815 318</b>	<b>2 451 585</b>	<b>157 266 903</b>	<b>(10 419)</b>	<b>154 804 899</b>	<b>157 256 484</b>
Number of Shares in issue	75 625 639	-	-	75 625 639	-	75 625 639	13 656 154	89 281 793	89 281 793
NAV and diluted NAV per share (US\$ cents)	75.73	-	-	76.16	-	86.53	-	73.10	81.88
TNAV and diluted TNAV per share (US\$ cents)	63.44	-	-	63.87	-	74.24	-	62.69	71.47

## Notes and assumptions to the pro-forma SOFP:

1. Extracted from the unaudited consolidated interim results of the Group published on SENS on 20 October 2017.
2. Represents the pro-forma effects of the GetCash Restructure, as extracted from the unpublished GetCash management accounts, which are not audited or reviewed. The Board has assessed, and is satisfied with the quality of the GetCash management accounts. Prior to the GetCash Restructure, the Group owns 100% of the issued share capital in GetCash. However, as a result of the GetCash Option, GetCash is recognised as an associate in the Group financial statements at 30 June 2017. Post the GetCash Restructure, the Group's interest in GetCash decreases to 49%.
  - a. In terms of the GetCash Restructure, Brainworks Capital Management converts loan balances due from GetCash, totalling US\$565,622 (US\$1,489,953 less the impairment of US\$924,331 referred to below), into equity in GetCash. Per the relevant agreement, these loan balances to be converted consist of a balance of US\$1,158,995 owing to Brainworks Capital Management plus an amount of US\$330,958 which is owing to GetSure which is taken over by Brainworks Capital Management pursuant to the GetCash Restructure. The pro-forma adjustment also includes the share of losses of GetCash, equal to US\$924,331, for the six months ended 30 June 2017 which had been accounted for as impairment of the receivable as at 30 June 2017 in the unadjusted information.
  - b. A gain of US\$326 783 is recognised on the dilution of the interest in GetCash from 100% to 49%, calculated as the difference between the carrying value of the 51% of the investment in associate being disposed, before this adjustment, and the proportionate fair value of GetCash, with reference to the value of shares issued as part of the GetCash Restructure. The proportionate fair value of GetCash for purposes of the pro forma financial information is based on a provisional fair value exercise. The proportionate fair value of GetCash will finally be determined on the actual effective date and may therefore be different to the fair value assumed in the pro forma financial information.
  - c. The carrying value of the investment in associates increases by US\$892,405, being the total of the US\$565,622 net carrying value of the loan balances converted and the US\$326,783 gain.
3. Represents the pro-forma effects of the Loan received, equal to US\$5,453,518 from the Lenders and the subsequent deployment of the Loan proceeds to settle the Third-Party Borrowings equal to US\$5,202,899 which are both current borrowings. This adjustment results in a net cash inflow and an increase to Borrowings equal to US\$250 619, to be used to settle transaction costs (refer note 5d)
4. Represents the pro-forma consolidated statement of financial position of the Group as at 30 June 2017 after the pro-forma financial effects of the Post Balance Sheet Events.
5. Represents the pro-forma effects of the Disposal of 163 769 298 GetBucks Disposal Shares to the Associates, resulting in the settlement of the Loan, and the effects of the reclassification of the remaining investment in GetBucks and the fair valuation thereof. The remaining investment is reclassified as a financial asset at fair value through profit and loss, as the Group will no longer have any significant influence over GetBucks post the Disposal. The fair value of the remaining equity investment is based on the GetBucks share price per the official equities price sheet contained on the ZSE website as at the Last Practicable Date, equal to US\$0.037 per GetBucks Share.

The adjustments relating to the Disposal and settlement of the Loan, and the reclassification are as follows:

- a. The total equity accounted carrying value of the GetBucks Shares included in investments in associates, as per the published Group interim results at 30 June 2017 amounting to US\$ 3,741,419, is derecognised. A pro-rata amount of the carrying value, equal to US\$1,799,032 is associated with the Disposal, calculated as a ratio of the number of GetBucks Disposal Shares sold to the total GetBucks shares held prior to the Disposal. The remainder of the carrying value of the investment in GetBucks shares, equal to US\$1,942,387 is to be reclassified to financial instruments (refer to note b below).

- b. The recognition of the remainder of the investment in GetBucks as an investment at fair value through profit and loss, equal to US\$6 542 311, being the fair value of the remaining GetBucks shares at US\$0.037 per GetBucks share, being the trading share price per GetBucks share. This was previously carried at a value of US\$1 942 387 (refer to note a above).
  - c. An input VAT receivable on the brokerage fees included in the transfer costs of US\$8 362
  - d. A cash outflow of US\$357 668 is recognised to account for the transaction and transfer costs associated with the Disposal, being transaction costs of US\$107 049 (R1 237 858 converted at the exchange rate as at the Last Practicable Date) added to the transfer costs and taxes of US\$250 619, as disclosed in the Circular.
  - e. Retained earnings is increased by US\$7 839 680, comprising the following:
    - i. A net gain of US\$3 305 179 is calculated, being the difference between the carrying amount disposed equal to US\$1 799 032 (refer note a above) and the gross proceeds for the Disposal (equal to US\$5 453 518);
    - ii. the transaction costs of US\$288 711 (excluding transfer taxes and VAT on the brokerage fees) related to the Disposal which are not tax deductible, refer to note (d) above;
    - iii. a fair value gain of US\$4 599 923 recognised on the reclassification of the remainder of the investment in Getbucks, being the difference between the carrying amount of US\$1 942 387 (refer note a above) and the fair value of US\$6 542 311. (refer to note b above)
    - iv. CGT withholding taxes of US\$60 595 which are attributable to the Disposal.
    - v. A deferred tax adjustment of US\$65 423 on the fair value gain described in note iii above.
  - f. The Loan of US\$5 453 518 is settled in full on the Disposal of the GetBucks Disposal Shares, in accordance with the Disposal Agreements.
6. Represents the pro-forma consolidated statement of financial position of the Group as at 30 June 2017 after the pro-forma financial effects of the Post Balance Sheet Events, the Disposal and the settlement of the Loan, but prior to the Specific Issue.
7. Represents the pro-forma financial effects of the proceeds from the Specific Issue of a maximum of 13 656 154 shares at a minimum issue price of R6.50 (US\$0.56211 at the exchange rate as at the Last Practicable Date) per Share. The adjustment relates to:
- a. the payment of a net cash amount US\$10 419 being the cash proceeds from the specific issue of US\$7 676 309 (13,656,154 shares at a minimum price of US\$0.56228 i.e. R6.50 translated at the exchange rate as at the Last Practicable Date) less the transaction cost associated with the specific issue equal to US\$10,419 (R120 479 translated at the exchange rate as at the Last Practicable Date) and the cash used to settle the Further Borrowings of US\$7 676 309;
  - b. the share capital is recognised net of the transaction costs to be capitalised, equal to US\$7 674 821 (being US\$7 676 309 less transaction costs capitalised of US\$1,488).
  - c. The Retained Earning charge relates to transaction costs expensed, equal to US\$8 931.
  - d. The deployment of US\$7 676 309 towards settling Further Borrowings.
8. Represents the pro-forma consolidated statement of financial position of the Group as at 30 June 2017 after the pro-forma financial effects of the Post Balance Sheet Events and the Specific Issue, excluding the Disposal and the settlement of the Loan.
9. Represents the pro-forma consolidated statement of financial position of the Group as at 30 June 2017 after the pro-forma financial effects of the Post Balance Sheet Events, the Disposal, the settlement of the Loan, the Specific Issue, and further settlement of Further Borrowings.

**PRO FORMA STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2017**

US\$	Unadjusted SOTP at 30 June 2017	GetCash Restructure	Receipt of the Loan and Repayment of Third Party Borrowings	Pro forma after Post Balance Sheet Events	The Disposal, settlement of Loan and reclassification of GetBucks investment	Pro forma after Post Balance Sheet Events, the Disposal and settlement of Loan	Specific issue and repayment of Further Borrowings	Pro forma after the Post Balance Sheet Events and the Specific Issue	Pro-forma after Post Balance Sheet Events, the Disposal, settlement of the Loan and the Specific issue
Notes	1	2	3	4=(1+2+3)	5	6=(4+5)	7	8=(4+7)	9=(6+7)
Revenue	24 216 040	-	-	24 216 040	-	24 216 040	-	24 216 040	24 216 040
Cost of sales and other direct costs	(7 762 518)	-	-	(7 762 518)	-	(7 762 518)	-	(7 762 518)	(7 762 518)
<b>Gross profit</b>	16 453 522	-	-	16 453 522	-	16 453 522	-	16 453 522	16 453 522
Share of associate income	574 383	(418 336)	-	156 047	(642 199)	(486 152)	-	156 047	(486 152)
Net gain from financial instruments at fair value through P&L	(612 619)	-	-	(612 619)	4 599 923	3 987 304	-	(612 619)	3 987 304
Gain/(loss) on sale of investment in associate	607 721	326 783	-	934 504	3 365 774	3 365 774	-	934 504	3 365 774
Other income	569 485	(91 553)	-	477 932	7 432 486	7 910 419	-	477 932	7 910 418
<b>Total income</b>	17 023 007	(91 553)	-	16 931 454	7 432 486	24 363 941	-	16 931 454	24 363 940
Operating expenses	(19 978 559)	418 336	(26 894)	(19 587 117)	26 894	(19 560 223)	(8 931)	(19 596 048)	(19 569 154)
<b>Operating (loss)/profit before net interest expense</b>	(2 955 552)	326 783	(26 894)	(2 655 663)	7 459 380	4 803 717	(8 931)	(2 664 594)	4 794 786
<b>Net interest expense</b>	(1 911 834)	(41 957)	(6 872)	(1 960 663)	242 047	(1 718 616)	575 723	(1 384 940)	(1 142 893)
Interest income	42 597	-	-	42 597	-	42 597	-	42 597	42 597
Interest expense	(1 954 431)	(41 957)	(6 872)	(2 003 260)	242 047	(1 761 213)	575 723	(1 427 537)	(1 185 490)
<b>Profit/(loss) before tax</b>	(4 867 386)	284 826	(33 766)	(4 616 326)	7 701 427	3 085 101	566 792	(4 049 534)	3 651 894
Income tax (expense)/credit	(335 627)	10 804	1 770	(323 053)	(188 345)	(511 399)	(148 249)	(471 302)	(659 647)
<b>Profit/(loss) after tax</b>	(5 203 013)	295 630	(31 996)	(4 939 379)	7 513 082	2 573 702	418 543	(4 520 836)	2 992 246
<b>Other comprehensive (loss)/income</b>	-	-	-	-	-	-	-	-	-
Foreign currency translation gains	11 663	-	-	11 663	-	11 663	-	11 663	11 663
Total comprehensive (loss)/income	(5 191 350)	295 630	(31 996)	(4 927 716)	7 513 082	2 585 365	418 543	(4 509 173)	3 003 909
<b>Profit/(loss) attributable to:</b>									
Owners of parent	(5 289 888)	295 630	(31 996)	(5 026 254)	7 513 082	2 486 827	418 543	(4 607 711)	2 905 371
Non-controlling interests	86 875	-	-	86 875	-	86 875	-	86 875	86 875
	(5 203 013)	295 630	(31 996)	(4 939 379)	7 513 082	2 573 702	418 543	(4 520 836)	2 992 246

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2017

US\$	1	2	3	4=(1+2+3)	5	6=(4+5)	7	8=(4+7)	9=(6+7)
Unadjusted SOFP at 30 June 2017	GetCash Restructure	Receipt of the Loan and Repayment of Third Party Borrowings	Pro forma after Post Balance Sheet Events	The Disposal, settlement of Loan and reclassification of GetBucks investment	Pro forma after Post Balance Sheet Events, the Disposal and settlement of Loan	Specific Issue and further repayment of Further Borrowings	Pro forma after the Post Balance Sheet Events and the Specific Issue	Pro-forma after Post Balance Sheet Events, the Disposal, settlement of the Loan and the Specific Issue	
<b>Total comprehensive income attributable to</b>									
Owners of parent	(5 283 162)	295 630	(31 996)	(5 019 528)	7 513 082	2 493 553	418 543	(4 600 985)	2 912 097
Non-controlling interests	91 812	-	-	91 812	-	91 812	-	91 812	91 812
	(5 191 350)	295 630	(31 996)	(4 927 716)	7 513 082	2 585 365	418 543	(4 509 173)	3 003 909
Weighted average Number of Shares in Issue	75 625 639	-	-	75 625 639	-	75 625 639	13 656 154	89 281 793	89 281 793
Basic and diluted EPS per share (US\$ cents)	(6.99)	-	-	(6.65)	-	3.29	-	(5.16)	3.25
Basic and diluted HEPS per share (US\$ cents)	(7.01)	-	-	(7.10)	-	(7.53)	-	(5.55)	(5.91)
<b>Reconciliation of earnings to headline earnings:</b>									
Profit/(loss) attributable to owners of the parent from continuing operations	(5 289 888)	295 630	(31 996)	(5 026 254)	7 513 082	2 486 827	418 543	(4 607 711)	2 905 371
<b>Adjusted for:</b>									
Profit on dilution of investment in associate	-	(326 783)	-	(326 783)	-	(326 783)	-	(326 783)	(326 783)
Profit/loss from disposal of investment in associates	-	-	-	-	(3 365 774)	(3 365 774)	-	-	(3 365 774)
Fair value gain reclassification of investment in associate	-	-	-	-	(4 599 923)	(4 599 923)	-	-	(4 599 923)
Recycled foreign currency translation reserve	(11 663)	-	-	(11 663)	-	(11 663)	-	(11 663)	(11 663)
Profit from disposal of property and equipment	(5 100)	-	-	(5 100)	-	(5 100)	-	(5 100)	(5 100)
Tax effect of headline earnings adjustments	-	-	-	-	126 018	126 018	-	-	126 018
Non-controlling interest effect of adjustments	4 937	-	-	-	-	-	-	-	-
Total headline earnings	(5 301 714)	(31 153)	(31 996)	(5 369 800)	(326 597)	(5 696 398)	418 543	(4 951 257)	(5 277 854)

## Notes and assumptions to the pro-forma SOCI:

1. Extracted from the unaudited consolidated interim results of the Group for the six months ended 30 June 2017 published on SENS on 20 October 2017.
2. Represents the pro-forma effects of the GetCash Restructure, as extracted from the unpublished GetCash management accounts, which are not audited or reviewed. The Board has assessed and is satisfied with the quality of the GetCash management accounts. Prior to the GetCash Restructure, the Group owned 100% of the issued share capital in GetCash. However, as a result of the GetCash Option, GetCash is recognised as an associate in the Group financial statements at 30 June 2017. Post the GetCash Restructure, the Group's interest in GetCash decreases to 49%. The adjustments in this column include:
  - a. The net adjustment to the share of associate income of US\$418 336, represents a net amount arising from the reversal of US\$67 816 losses previously recognised in the unadjusted information and a share of losses of US\$486 152 assuming the Group's shareholding was 49% for the six months ended 30 June 2017. The US\$418 336 share of losses effectively reduces the impairment that had been recognised in operating expenses in the unadjusted information during the six months ended 30 June 2017 of US\$924 331 in respect of amounts due from GetCash. The adjustment is expected to have a continuing effect.
  - b. Interest income foregone by GetSure equal to net US\$41 957 which is eliminated against interest expense. GetSure had a loan owing from GetCash on 1 January 2017 equal to US\$664 461. A portion of this loan was ceded to Brainworks Capital Management (equal to US\$330 958) and the remaining balance is converted into a promissory note that carries interest at a reduced rate of 5% per annum. The portion of the loan taken over by Brainworks Capital Management is converted into equity in GetCash by Brainworks Capital Management. Tax is adjusted at US\$10 804 on the net interest income foregone. The adjustment is expected to have a continuing effect.
  - c. A gain of US\$326 783 is recognised on the dilution of the interest in GetCash from 100% to 49%, calculated as the difference between the carrying value of 51% of the investment in associate, before this adjustment, and the proportionate fair value of GetCash with reference to the value of shares issued as part of the GetCash Restructure. This adjustment is not expected to have a continuing effect on the Group. The proportionate fair value of GetCash for purpose of the pro forma financial information is based on a provisional fair value exercise. The proportionate fair value of GetCash will finally be determined on the actual effective date and may therefore be different to the fair value assumed in the pro forma financial information.
3. Represents the pro forma effects of the Loan received. The Loan accrues interest at a rate of 9% per annum and it is assumed that it will be settled through the transfer of GetBucks Shares at US\$0.0333 per share. The interest on the Loan accruing for the period is US\$242 047, which is therefore settled in 7 268 665 GetBucks shares. The loss on the disposal of the aforementioned GetBucks shares of US\$26 894 used to settle the interest on the Loan is calculated as the difference between the interest expense and the fair value of the GetBucks shares used as consideration for the settlement of the interest is recognised in operating expenses. This is not expected to have a continuing effect. The interest on the Loan is US\$6 872 more than the interest on the Third-Party Borrowings it replaces and is adjusted as a net interest expense. An associated tax adjustment of US\$1 770 is recognised on the net interest adjustment. These adjustments are expected to have an ongoing effect to the extent that the Loan, which replaces the Third-Party Borrowings, remains outstanding.
4. Represents the pro-forma consolidated statement of comprehensive income of the Group for the six months ended 30 June 2017 after the pro-forma financial effects of the Post Balance Sheet Events.
5. Represents the pro forma effects of the Disposal of 163 769 298 GetBucks Shares to the Associates, resulting in the settlement of the Loan, and the effects of the reclassification of the remaining investment in GetBucks and the fair valuation thereof. The remaining investment is reclassified as a financial asset at fair value through profit and loss, as the Group will no longer have any significant influence over GetBucks post the Disposal. The fair value of the remaining equity investment is based on the GetBucks share price on the ZSE as at the Last Practicable Date equal to US\$0.037 per GetBucks share:



The adjustments for the Disposal and the reclassification of the remaining equity investment are as follows:

- a. the reversal of the Brainworks pro-rata share of the profit of GetBucks recognised during the period ended 30 June 2017 of US\$642 199. The pro-rata share of profit has been extracted from the consolidation workings underlying sourced from the consolidated interim results of Brainworks for the period ended 30 June 2017. This amount can be reconciled to the Getbucks published financial information, representing the 31.15% Brainworks attributable share of:
    - i. earnings of US\$3 635 528 per the GetBucks published results for the year ended 30 June 2017; less
    - ii. earnings of US\$1 701 737 per the GetBucks published interim results for the six months ended 31 December 2016; adjusted for
    - iii. US\$39 823 representing the 31.15% Brainworks attributable share of year-end audit adjustments for impairment allowances, Directors fees and medical aid expenses. These adjustments were not processed in Brainworks' interim financial statements.

These adjustments are expected to have a continuing effect on the Group.
  - b. the fair value gain of US\$4 599 923 in relation to the remaining equity investment in GetBucks, calculated as the difference between the carrying amount of the remaining investment, of US\$1 942 387 and the fair value of US\$6 542 311, being the fair value of the remaining GetBucks shares at US0.037 per GetBucks share. This adjustment is not expected to have a continuing effect on the Group.
  - c. a net gain of US\$3 365 774 is recognised pursuant to the Disposal, being the difference between the gross cash consideration of US\$5 453 518, the associated transaction costs of US\$288 711 and the carrying amount of US\$1 799 032 of the Investment in associate derecognised. This adjustment is not expected to have a continuing effect on the Group.
  - d. the reversal of the dividends received from GetBucks of US\$108 988, previously equity accounted, and now recycled to profit and loss. The pro rata share of dividends has been sourced from the published financial information of GetBucks for the year ended 30 June 2017. This adjustment is expected to have a continuing effect on the Group.
  - e. the reversal of the interest expense of US\$242 047 on the Loan and the loss on settlement of the interest on the Loan of US\$26 894 recognised as described in note 3, as it is assumed that the Loan is settled on 1 January 2017 and therefore no interest expense would be incurred for the six-month period ended 30 June 2017. This adjustment is expected to have a continuing effect on the Group.
  - f. the net tax adjustment of US\$188 345, comprising of the following:
    - i. the associated tax effect of US\$62 327 on the interest reversal.
    - ii. the CGT withholding tax effect of US\$60 595 owing to the Disposal.
    - iii. associated deferred tax charge of US\$65 423 on the fair value gain.
6. Represents the pro-forma consolidated statement of comprehensive income of the Group for the six months ended 30 June 2017 after the pro forma financial effects of the Post Balance Sheet Events, the Disposal and settlement of the Loan, but prior to the Specific Issue.
  7. Represents the pro-forma effects of the proceeds from the Specific Issue of a maximum of 13 656 154 shares at a minimum issue price of R6.50 (US\$0.56211 translated at the Exchange Rate) per Share. The adjustment relates to transaction costs of US\$8 931 (R103,268 translated at the Exchange Rate), being the portion of costs not capitalised. The entire capital amount raised of US\$7 676 309 would be deployed towards settling the Further Borrowings, resulting in an interest saving of US\$575 723. The Income tax expense impact arising from the interest savings amounts to US\$148 249 for the six months to 30 June 2017. Other than the transaction costs, this adjustment will have an ongoing effect.
  8. Represents the pro-forma consolidated statement of comprehensive income of the Group for the six months ended 30 June 2017 after the pro forma financial effects of the Post Balance Sheet Events and the Specific Issue, but prior to the Disposal and the settlement of the Loan.
  9. Represents the pro-forma consolidated statement of comprehensive income of the Group for the six months ended 30 June 2017 after the pro forma financial effects of the Post Balance Sheet Events, the Disposal, settlement of the Loan and the Specific Issue.

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## ANNEXURE 2: INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

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23 March 2018

### **The Board of Directors**

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

### **Independent reporting accountants' assurance report on the compilation of pro forma financial information of Brainworks Limited**

#### **Introduction**

Brainworks Limited ("the Company") is issuing a circular to its shareholders ("the Circular") regarding the proposed disposal by Brainworks Capital Management (Private) Limited ("Brainworks Capital Management") and GetSure Life Assurance (Private) Limited ("GetSure"), being wholly owned subsidiaries of the Company, of 163 769 298 GetBucks Microfinance Bank Limited ("GetBucks") shares to related parties of the Company and the specific issue of 13 656 154 shares by the Company ("the Proposed Transactions").

At your request and for the purposes of the Circular to be dated on or about Thursday, 29 March 2018, we present our assurance report on the compilation of the pro forma financial information of the Company by the directors. The pro forma financial information, presented in paragraph 6 and Annexure 1 to the Circular, consists of the pro forma statement of financial position as at 30 June 2017, the pro forma statement of comprehensive income for the six months ended 30 June 2017 and the pro forma financial effects (together "the Pro Forma Financial Information"). The Pro Forma Financial Information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements.

The Pro Forma Financial Information has been compiled by the directors of the Company to illustrate the impact of the Proposed Transactions and certain post balance sheet events on the Company's reported consolidated financial position as at 30 June 2017, and the Company's consolidated financial performance for the period then ended, as if the Proposed transactions and certain post balance sheet events have taken place at 30 June 2017 and 1 January 2017, respectively. As part of this process, information about the Company's consolidated financial position and consolidated financial performance has been extracted by the directors from the Company's condensed unaudited interim financial statements for the six months ended 30 June 2017.

#### **Directors' responsibility**

The directors of the Company are responsible for the compilation, contents and presentation of the Pro Forma Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 6 and Annexure 1. The directors of the Company are also responsible for the financial information from which it has been prepared.

#### **Our independence and quality control**

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting accountants' responsibility**

Our responsibility is to express an opinion about whether the Pro Forma Financial Information has been compiled, in all material respects, by the directors of the Company on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

As the purpose of Pro Forma Financial Information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the Pro Forma Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the corporate action or event in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 6 and Annexure 1 of the Circular.

**Purpose of this report**

This report has been prepared for the purpose of the Circular and for no other purpose.

**PricewaterhouseCoopers Inc.**

Director: Pietro Calicchio  
Registered Auditor  
Johannesburg

23 March 2018

## ANNEXURE 3: MATERIAL CONTRACTS

### Summaries of Disposal Agreements as set out.

#### 1. BRAINWORKS CAPITAL MANAGEMENT AGREEMENT

Agreement between Brainworks Capital Management and the MD Trust

<b>Parties to the agreement</b>	Brainworks Capital Management ("the Seller") and MD Trust ("the Purchaser")
<b>Effective Date</b>	Initial agreement: 27 November 2017 Addendum: 13 December 2017 (summarised in paragraph 3 of this annexure)
<b>Recitals</b>	The Seller is the registered owner of 67 567 568 (sixty-seven million five hundred and sixty-seven thousand five hundred and sixty-eight) fully paid ordinary shares listed on the ZSE in GetBucks. The Purchaser wishes to purchase the GetBucks Shares.
<b>Consideration</b>	US\$2 250 000 (US\$ two million two hundred and fifty thousand)
<b>Conditions precedent and Payment</b>	a. The terms of the agreement are only valid upon the Purchaser completing a valid sale of 2 500 000 shares of Brainworks, to be held by Adcone SA as the nominee of various Zimbabwe institutional investors.
<b>Warrantees by the Parties</b>	The Seller warrants with respect to the Shares that, with effect from the effective date: a. The GetBucks Shares are fully paid up and in good standing in the records of the Company; b. The Seller will not have bound or otherwise pledged the GetBucks Shares in any way as security, surety or guarantor for the fulfilment of the obligations of any person, undertaking or company.

#### 2. GETSURE AGREEMENTS

##### 2.1. Agreement for the sale of 54 083 027 of GetBucks Shares to Ecsponent Zimbabwe

<b>Parties to the agreement</b>	GetSure ("the Seller") and Ecsponent Zimbabwe ("the Purchaser")
<b>Effective Date</b>	Initial agreement: 27 November 2017 Addendum: 13 December 2017 (summarised in paragraph 3 of this annexure)
<b>Recitals</b>	The Seller is the registered owner of 54 083 027 (fifty-four million and eighty-three thousand and twenty-seven) fully paid ordinary shares listed on the ZSE in GetBucks. The Purchaser wishes to purchase the GetBucks Shares.
<b>Consideration</b>	US\$1 800 965 (US\$ one million eight hundred thousand nine hundred and sixty-five thousand)
<b>Conditions precedent and Payment</b>	a. The terms of the agreement shall only become binding upon the parties upon SCB Mauritius A/C Afrasia Bank Limited completing a valid sale of 2 001 072 shares of Brainworks, to be held by Adcone SA as the nominee of various Zimbabwe institutional investors.
<b>Warrantees by the Parties</b>	The Seller warrants with respect to the GetBucks Shares that, with effect from the effective date: a. The GetBucks Shares are fully paid up and in good standing in the records of the Company; b. The Seller will not have bound or otherwise pledged the GetBucks Shares in any way as security, surety or guarantor for the fulfilment of the obligations of any person, undertaking or company.

2.2. **Agreement of sale of an additional sale of 2 702 703 GetBucks Shares to Ecsponent Zimbabwe**

<b>Parties to the agreement</b>	GetSure ("the Seller") and Ecsponent Zimbabwe ("the Purchaser")
<b>Effective Date</b>	Initial agreement: 27 November 2017 Addendum: 13 December 2017 (summarised in paragraph 3 of this annexure)
<b>Recitals</b>	The Seller is the registered owner of 2 702 703 (two million seven hundred and two thousand seven hundred and three) fully paid ordinary shares listed on the ZSE in GetBucks. The Purchaser wishes to purchase the GetBucks Shares.
<b>Consideration</b>	US\$90 000 (US\$ ninety thousand)
<b>Conditions precedent and Payment</b>	a. The terms of the agreement shall only become binding upon Timothy Nuy completing a valid sale of 100 000 shares of Brainworks Limited, to be held by Adcone SA as the nominee of various Zimbabwe institutional investors.
<b>Warrantees by the Parties</b>	The Seller warrants with respect to the Shares that, with effect from the effective date: a. The GetBucks Shares are fully paid up and in good standing in the records of the GetBucks; b. The Seller will not have bound or otherwise pledged the Shares in any way as security, surety or guarantor for the fulfilment of the obligations of any person, undertaking or company.

2.3. **Agreement for an additional sale of 3 826 784 GetBucks Shares to Ecsponent Zimbabwe**

<b>Parties to the agreement</b>	GetSure ("the Seller") and Ecsponent Zimbabwe ("the Purchaser")
<b>Effective Date</b>	Initial agreement: 27 November 2017 Addendum: 13 December 2017 (summarised in paragraph 3 of this annexure)
<b>Recitals</b>	The Seller is the registered owner of 3 826 784 (thirty million eight hundred and twenty six thousand and seven hundred and eight four) fully paid ordinary shares listed on the ZSE in GetBucks. The Purchaser wishes to purchase the GetBucks Shares.
<b>Consideration</b>	US\$127 432 (US\$ one hundred and twenty-seven thousand four hundred and thirty-two)
<b>Conditions precedent and Payment</b>	a. The terms of the agreement shall only become binding upon Timothy Nuy completing a valid sale of 100 000 shares of Brainworks Limited, to be held by Adcone SA as the nominee of various Zimbabwe institutional investors.
<b>Warrantees by the Parties</b>	The Seller warrants with respect to the Shares that, with effect from the effective date: a. The GetBucks Shares are fully paid up and in good standing in the records of GetBucks; b. The Seller will not have bound or otherwise pledged the GetBucks Shares in any way as security, surety or guarantor for the fulfilment of the obligations of any person, undertaking or company.

**Agreement of sale of 35 589 216 GetBucks Shares to TDC Investment Trust**

<b>Parties to the agreement</b>	GetSure ("the Seller") and TDC Investment Trust ("the Purchaser")
<b>Effective Date</b>	Initial agreement: 27 November 2017 Addendum: 13 December 2017 (Summarised in paragraph 3 of this annexure)
<b>Recitals</b>	The Seller is the registered owner of 35 589 216 (thirty-five million five hundred and eighty-nine thousand two hundred and sixteen) fully paid ordinary shares listed on the ZSE in GetBucks. The Purchaser wishes to purchase the GetBucks Shares.
<b>Consideration</b>	US\$1 185 121 (US\$ one million one hundred and eighty-five thousand one hundred and twenty-one)
<b>Conditions precedent and Payment</b>	a. The terms of the agreement shall only become binding upon TDC Investment Trust and its associates completing a valid sale of 1 316 801 shares of Brainworks Limited, to be held by Adcone SA as the nominee of various Zimbabwe institutional investors.
<b>Warranties by the Parties</b>	The Seller warrants with respect to the Shares that, with effect from the effective date: a. The GetBucks Shares are fully paid up and in good standing in the records of the Company; b. The Seller will not have bound or otherwise pledged the GetBucks Shares in any way as security, surety or guarantor for the fulfilment of the obligations of any person, undertaking or company.

### 3. ADDENDUM TO DISPOSAL AGREEMENTS

<b>Parties to the agreement</b>	GetSure and Brainworks Capital Management (referred to collectively as “the Sellers”) and Ecsponent Zimbabwe, TDC Trust, MD Trust (referred to collectively as “the Purchasers”)
<b>Effective Date</b>	13 December 2017
<b>Recitals</b>	<ul style="list-style-type: none"> <li>• Amendment to the condition precedent contained in the Disposal Agreements to include that the sale and purchase of the GetBucks Shares are subject to shareholder approval as required by the Listings Requirements;</li> <li>• That the Purchasers agree to advance the total amount payable as contemplated in the Disposal Agreements prior to delivery of the GetBucks Shares by the Seller to Brainworks Capital Management as an unsecured loan on 11 December 2018 which bears interest 9% per annum accruing monthly until the earlier of 11 June 2018 or the approval of the Disposal in line with this Circular (“Repayment Date”).</li> <li>• Interest on the Loan advanced and will accrue and be repayable by the transfer of GetBucks Shares at a price of US\$0.0333 per GetBucks Share to the respective purchasers in each of the Disposal Agreements.</li> <li>• If approval is not obtained in terms of this Circular before the Repayment Date, Brainworks Capital Management shall be obliged to pay the full Loan amount of US\$5 453 518 009 and accrued interest in cash.</li> <li>• That if approval is obtained before the Repayment Date, the Loan shall be payable by the transfer of GetBucks Shares in accordance with the Disposal Agreements at a price of US\$0.0333 per GetBucks Share including interest calculated in accordance with the addendum.</li> <li>• Amendment of the Effective Date as set out in the Disposal Agreements, to the first business day after all conditions precedent are met in accordance with the disposal agreements as amended.</li> <li>• The deletion of clause 2.2 in each of the Disposal Agreement which requires the purchase price to be paid to the Seller by RealTime Gross Settlement transfer, free of all bank charges, commission, deduction or set-off immediately against transfer of the GetBucks Shares by the Sellers to the Purchasers or as may be mutually agreed by the parties.</li> </ul>
<b>Lenders</b>	MD Trust, TDC Trust, MHMK Capital Limited, Timothy Nuy and Tinashe Raphael Manyere.

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## ANNEXURE 4: INDEPENDENT EXPERT FAIRNESS OPINION IN RESPECT OF THE DISPOSAL

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### The Directors

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

Your ref Fairness opinion

Our ref CF/Brainworks

21 March 2018

Dear Sirs

### Independent fairness opinion regarding the sale by Brainworks Limited of 163 769 298 shares in GetBucks Microfinance Bank Limited to associates who are regarded as related parties in terms of the JSE Listings Requirements

#### 1. Introduction

In an announcement published by Brainworks on 13 December 2017, Shareholders were advised that Brainworks has, through its two wholly owned subsidiaries, namely; GetSure and Brainworks Capital Management, entered into agreements with Associates of certain of its Previous Directors for the sale of 163 769 298 shares in GetBucks Disposal Shares at a total consideration of US\$5 453 518 ("the transaction").

The said GetBucks Disposal Shares constitute approximately 14.98% of GetBucks' issued share capital. The total consideration of US\$5 453 518 implies a price of US\$0.0333 per each GetBucks Disposal Share and is split between the associated parties as per the following table:

Beneficial owner	Previous relationship with Brainwork	Number of GetBucks Disposal shares	Ascribed value (USD)
George Manyere	Non-executive director	60 612 514	2 018 397
Walter Kambwanji	Non-executive director	103 156 784	3 453 518
<b>Total</b>		<b>163 769 298</b>	<b>5 453 518</b>

It is our further understanding that the total consideration of US\$5 453 518, which had already been received by Brainworks pending conclusion of the transaction as of 11 December 2017, is currently being accounted for as a loan. The loan is accruing interest at a rate of 9% per annum from 11 December 2017 until conclusion of the transaction and would be settled through delivery of the 163 769 298 GetBucks shares for the principal and GetBucks Shares not exceeding 7 349 428 for the interest component. Should the transaction fail to receive the necessary approvals, recourse to the lenders (i.e. the associated parties) would be repayment of the US\$5 453 518 plus accrued interest payable in cash not exceeding US\$244 736.

Full details of the transaction are contained in the circular to Brainworks shareholders ("the circular") to be dated 29 March 2018, which will include a copy of this letter.

#### 2. Scope

An independent fairness opinion is required to be obtained by the board of directors of Brainworks ("the Brainworks Board") in terms of section 10.4(f) of the Listings Requirements of the JSE Limited ("the JSE Listings Requirements").

KPMG Advisory (Private) Limited ("KPMG") has been appointed by the Brainworks Board as the Independent Expert to advise on whether the terms and conditions of the Disposal are fair to the Shareholders of Brainworks.



### 3. Responsibility

The compliance with the JSE Listings Requirements is the responsibility of the Brainworks Board. Our responsibility is to report on the terms and conditions of the proposed Disposal.

### 4. Definition of the term “fair”

A transaction will generally be considered fair to a company’s shareholders if the benefits received by the shareholders, as a result of the transaction, are equal to or greater than the value surrendered by the shareholders.

The assessment of fairness is primarily based on quantitative issues. The transaction may be considered fair if the consideration received per share by Brainworks is considered to be equal to or greater than the value surrendered by Brainworks in terms of the transaction.

In terms of schedule 5.6 of the Listings Requirements, our opinion relates only to the fairness of the transaction.

### 5. Information utilised and procedures performed

In arriving at our opinion we have undertaken the following procedures in evaluating the fairness of the transaction:

- Obtained an understanding of the structure of the Disposal;
- Considered the following documents:
  - o The draft Circular to Brainworks Shareholders prepared in relation to the Disposal;
  - o The announcement made by Brainworks regarding the Disposal made by Brainworks dated 13 December 2017;
  - o The Disposal Agreements.
- Considered the audited financial statements of GetBucks for the financial years ended 30 June 2014 to 2017;
- Considered the unaudited half year results of GetBucks for the period ended 31 December 2017;
- Held discussions with the Chief Financial Officers of both GetBucks and Brainworks to establish their strategies and considered such other matters as we consider necessary, including assessing the prevailing economic, legal and market conditions in the financial services sector;
- Evaluated the risks and expected returns associated with GetBucks
  - o GetBucks’ loan book is generally concentrated (FY16: 91% and FY17: 70%) in consumer loans which are salary-based loans mostly to the civil service and public sector employees;
  - o GetBucks’ thrust to diversify its loan book away from salary-based civil service loans towards the SME sector, may somewhat increase its risk profile;
  - o There is pressure on interest rates in the Zimbabwean market to decline from current levels which are generally being viewed as unsustainably high and unsupportive of the productive sectors of the economy. During the third quarter of 2017, the Reserve Bank of Zimbabwe (“RBZ”) reiterated its position requiring microfinance institutions to cap their interest rates at 10% per month. Besides reducing interest rates and shifting lending from consumption to production, the RBZ has also been encouraging lenders to increase the tenor on their loans in general.
- Reviewed GetBucks’ financial model (“the financial model”) and the basis of the assumptions therein including the prospects of the business. This review included an assessment of the recent historical performance to date as well as the reasonableness of the outlook assumed based on discussions with management;
- Reviewed the reasonableness of material assumptions in the financial model relating to:
  - o Size and split of the loan book,
  - o Expected year-on-year growth in interest income,
  - o Cost-to-income ratio;
  - o Loan-loss ratio; and
  - o Level of management fees among others.

- Based on the above, we have performed a valuation of the GetBucks Disposal Shares and GetBucks Interest Shares. The market approach was the primary valuation methodology employed. Key value drivers to the valuation are:
  - o The multiples at which identified comparable entities are trading as at valuation date;
  - o The discount or premium, if any, applied to the multiples of the identified comparable entities; and
  - o The normalized earnings (and or book value) of the valuation target. Computed GetBucks' twelve month rolling earnings figure for the period ended 31 December 2017 given that the entity has a 30 June year end.
- Reviewed certain publicly available information relating to GetBucks (and its parent, MyBucks SA), including company announcements, analyst reports and media articles; and
- Reviewed the 24-month historical share price movement of GetBucks shares in order to assess the relative trading activity, liquidity and volatility of the GetBucks shares. GetBucks is generally an illiquid counter which did not experience any trade in the twelve month period between January 2017 and December 2017. Over 80% of GetBucks Shares are held by two shareholders.

## **6. Opinion**

Based on valuation performed, the consideration received per GetBucks Disposal Share and GetBucks Interest share exceeds the value determined per GetBucks Disposal Share and GetBucks Interest share.

KPMG has considered the terms and conditions of the proposed Disposal and the outcome of the valuation performed and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Disposal are fair to the Brainworks Shareholders.

Our opinion is necessarily based upon the information available to us up to 20 March 2018, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory, other approvals and consents required in connection with the proposed transaction have been or will be timeously fulfilled and/or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

## **7. Limiting conditions**

This opinion is provided to the Brainworks Board in connection with and for the purposes of the proposed Disposal. This opinion is prepared solely for the Brainworks Board and therefore should not be regarded as suitable for use by any other party or give rise to third party rights. This opinion does not purport to cater for each individual Shareholder's perspective, but rather that of the general body of Brainworks Shareholders. Should a Brainworks Shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

An individual Brainworks Shareholder's decision as to whether to vote in favour of any transaction may be influenced by his particular circumstances. The assessment as to whether or not the Brainworks Board decides to recommend the Disposal is a decision that can only be taken by the Brainworks Board.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management of Brainworks and GetBucks, by reference to publicly available or independently obtained information. While our work has involved an analysis of, inter alia, the annual financial statements, and other information provided to us, our engagement does not constitute, nor does it include, an audit or review conducted in accordance with generally accepted auditing standards.

Where relevant, the forecasts of GetBucks relate to future events and are based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of GetBucks will correspond to those projected. Where practicable, we compared the forecast financial information to past trends and third party estimates as well as discussing the assumptions inherent therein with the management of GetBucks. On the basis of these enquiries and such other procedures we consider appropriate to the circumstances, we have concluded that the forecasts may not be robust enough for the purposes of this engagement.

We have also assumed that the transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by, representatives and advisors of Brainworks and we express no opinion on such consequences. We have assumed that all agreements that will be entered into in respect of the transaction will be legally enforceable.

**8. Independence**

In terms of schedule 5.1 (a) of the JSE Listings Requirements, we confirm that we have no direct or indirect interest in Brainworks shares or the proposed transaction.

Furthermore, we confirm that our professional fees are not contingent upon the success of the proposed transaction.

**9. Consent**

We consent to the inclusion of this letter and the reference to our opinion in the circular to be issued to the shareholders of Brainworks in the form and context in which it appears.

**Yours faithfully**

**Mike J DeBeer**  
**Director**

## ANNEXURE 5: SHARE TRADING HISTORY

### Daily share price trading history for the 30-day period ended as at the Last Practicable Date:

Date	Close (cents)	High (cents)	Low (cents)	Volume	Value (Rands)
16-Jan-18	1 150	1 150	1 150	-	-
17-Jan-18	1 150	1 150	1 150	-	-
18-Jan-18	1 150	1 150	1 150	-	-
19-Jan-18	1 150	1 150	1 150	-	-
22-Jan-18	1 150	1 150	1 150	-	-
23-Jan-18	1 150	1 150	1 150	-	-
24-Jan-18	1 000	1 150	1 000	500	5 000
25-Jan-18	1 000	1 000	1 000	-	-
26-Jan-18	1 000	1 000	1 000	-	-
29-Jan-18	1 050	1 050	1 050	100	1 050
30-Jan-18	1 050	1 050	1 050	-	-
31-Jan-18	1 050	1 050	1 050	-	-
01-Feb-18	1 050	1 050	1 050	-	-
02-Feb-18	1 050	1 050	1 050	-	-
05-Feb-18	1 050	1 050	1 050	-	-
06-Feb-18	1 150	1 150	1 150	525	6 038
07-Feb-18	1 150	1 150	1 150	4	46
08-Feb-18	1 150	1 150	1 150	972	11 178
09-Feb-18	1 150	1 150	1 150	-	-
12-Feb-18	1 000	1 000	1 000	500	5 000
13-Feb-18	950	950	950	53	504
14-Feb-18	237	237	237	250	593
15-Feb-18	474	474	474	647	3 067
16-Feb-18	474	474	474	-	-
19-Feb-18	650	650	650	250	1 625
20-Feb-18	650	650	650	-	-
21-Feb-18	650	650	650	-	-
22-Feb-18	650	650	650	-	-
23-Feb-18	650	650	650	-	-
26-Feb-18	650	650	650	-	-

### Monthly share price trading history since listing:

Date	Close (cents)	High (cents)	Low (cents)	Volume	Value (Rands)
Oct-17	22*	22*	22	-	-
Nov-17	900	1 150	22	29 723	26 750 700
Dec-17	950	950	600	2 227	2 115 650
Jan-18	1 050	1 150	1 000	4 354	4 571 700

\*False trades in Brainworks shares have been booked on the JSE system in error in October 2017, thereby causing the share price of the Company to drop to R0.22 per share, these trades were subsequently cancelled however these trades still reflect in the closing price.

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## ANNEXURE 6: INSTITUTIONAL INVESTORS

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<b>Investor Name</b>	
1	Fintrust Pension Fund
2	Brainworks Group Pension Fund
3	Carnaudmetalbox Pension Fund
4	Comarton Consortium Self-Insurance Pool
5	ZB Life Assurance (Private) Limited
6	Association of Trust Schools - CBC
7	CIH Group Pension Fund
8	Tourism Industry Pension Fund
9	ZBFH Group Pension Fund
10	Mashonaland Holdings Limited
11	Tanvest (Private) Limited
12	Purpose Asset Management (Private) Limited
13	Lobels Biscuits Pension Fund

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# BRAINWORKS

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Brainworks Limited  
(Incorporated in the Republic of Mauritius)  
(Registration number 115883 C1/GBL)  
(Share code: BWZ, ISIN MU0548S00000)  
("Brainworks" or "the Company")

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## NOTICE OF GENERAL MEETING

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### "NOTICE"

The definitions and interpretations commencing on page 5 of the Circular to which this Notice is attached apply mutatis mutandis throughout this Notice.

This document is important and requires your immediate attention. If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your CSDP, broker, banker, attorney, accountant or other professional adviser immediately.

If you have sold or otherwise transferred all your shares in Brainworks, please send this document together with the accompanying Form of Proxy to the relevant transferee or to the stockbroker, bank or other person through whom the sale or transfer was effected, for transmission to the relevant transferee.

### Notice

Notice is hereby given that the General Meeting of shareholders of Brainworks will be held on Friday, 4 May 2018 at the registered office of Brainworks in Mauritius, at 10:00 (GMT +4), to pass resolutions with or without modification to effect the ordinary resolutions as set out in this Notice.

The record date on which shareholders must be recorded as such in the Company's share register maintained by the Transfer Secretaries for the purpose of determining which Shareholders are entitled to vote at the General Meeting is Thursday, 26 April 2018.

### Purpose of the General Meeting

The purpose of this General Meeting is to approve the disposal as set out in the Circular to which this Notice is attached.

### Electronic Participation

Brainworks Shareholders wishing to participate electronically at the General Meeting are required to contact the Company Secretary in writing, by email at the address [chaksala@imara.mu](mailto:chaksala@imara.mu), by no later than 10:00 (GMT +4) on Wednesday, 2 May stating that they wish to participate via electronic communication at the General Meeting.

### RESOLUTIONS

**ORDINARY RESOLUTION NUMBER 1 – Approval of the disposal of 163 769 298 GetBucks Disposal Shares by Brainworks Capital Management and GetSure and a further Disposal of a maximum of 7 349 428 GetBucks Interest Shares to the Associates**

“RESOLVED THAT the Company be authorised to approve the disposal of 163 769 298 shares in GetBucks to the Associates, for an amount of US\$5 453 518, being a price of US\$0.0333 per GetBucks Disposal Share and a further disposal of a maximum of 7 349 428 GetBucks Interest Shares as settlement for the interest on the Loan at a price of US\$0.0333 per GetBucks Interest Share, and that any one or more directors of the Company is hereby authorised to negotiate, amend, finalise and sign any agreement, document or deed which may be necessary or desirable in order to give effect to or implement the Disposal and generally to do all such things as may be necessary or desirable in order to give effect to, or may be incidental to, the Disposal.”

#### **Explanatory note**

In terms of the Listings Requirements, the Disposal is a related party transaction and therefore requires the approval of the majority (50% + 1) of the shareholders (excluding the Previous Directors and their Associates) present or represented at the General Meeting.

#### **ORDINARY RESOLUTION NUMBER 2 – Approval of the Specific Issue of Shares in Brainworks Limited**

“RESOLVED THAT the Company be authorised to approve the issue of a maximum of 13 656 154 Shares in the Company to qualifying investors, at a minimum price of R6.50 per Share, and on the further terms and conditions contained in the Circular to which this notice of General Meeting is attached.

#### **Explanatory note**

In terms of the Listings Requirements, the Specific Issue requires the approval by way of an ordinary resolution approved by at least 75% of the Shareholders, excluding any Shareholders participating in the Specific Issue, present or represented at the General Meeting.

#### **Voting**

The date on which shareholders must be recorded as such in the register maintained by the Transfer Secretaries for purposes of being entitled to attend and vote at this General Meeting is Thursday, 26 April, 2018, with the last day to trade being Monday, 23 April 2018. General Meeting participants may be required to provide identification to the reasonable satisfaction of the chairman of the General Meeting.

Shareholders entitled to attend and vote at the General Meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the Company. A form of proxy, in which are set out the relevant instructions for its completion, is enclosed for the use of a certificated shareholder or “own name” registered dematerialised shareholder who wishes to be represented at the General Meeting.

Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder’s proxy) at the General Meeting. The instrument appointing a proxy and the authority (if any) under which it is signed must reach the Transfer Secretaries at the address given below by no later than 09:30 on Wednesday, 2 May 2018 or the Chairman of the General Meeting before the meeting commences.

Dematerialised shareholders, other than “own name” registered dematerialised Shareholders, who wish to attend the General Meeting in person, will need to request their CSDP or broker to provide them with the necessary Letter of Representation in terms of the custody agreement entered into between such Shareholders and the CSDP or broker.

On a poll, shareholders will have one vote in respect of each share held. Dematerialised shareholders, other than "own name" or registered dematerialised Shareholders, who are unable to attend the General Meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.

By order of the Board.

**Imara Trust Company (Mauritius) Limited**  
**Company Secretary**

**Transfer Secretaries**

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Rosebank Towers, 15 Biermann Avenue  
Rosebank, 2196  
(PO Box 61051, Marshalltown, 2107)



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# BRAINWORKS

Brainworks Limited  
 (Incorporated in the Republic of Mauritius)  
 (Registration number 115883 C1/GBL)  
 (Share code: BWZ, ISIN MU0548S00000)  
 ("Brainworks" or "the Company")

## FORM OF PROXY

*(for use by certificated and own name dematerialised shareholders only)*

For use by certificated and "own name" registered dematerialised shareholders of the Company ("shareholders") at the General Meeting of Brainworks to be held at 10:00 (GMT+4) on Friday, 4 May 2018 at Level 2, Alexander House, Silicon Avenue, Ebène Cybercity 72201, Republic of Mauritius ("the General Meeting").

I/We (please print full names)

.....

of (address) .....

.....

Telephone number: \_(\_\_\_\_)\_\_\_\_\_ Cellphone number: \_\_\_\_\_

e-mail address:.....

being the holder/s of ..... ordinary no par value shares in Brainworks, appoint (see note 1):

1. .... or failing him,

2. .... or failing him,

3. the chairperson of the General Meeting,

as my/our proxy to act for me/us and on my/our behalf at the General Meeting which will be held for the purpose of considering, and if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 2):

Resolutions proposed	Number of votes		
	For	Against	Abstain
<b>Ordinary Resolution number 1</b> Approval of the disposal of 163 769 298 GetBucks Disposal shares to the Associates, a further disposal of 7 349 428 GetBucks Interest Shares to the Associates and authority granted to Directors			
<b>Ordinary Resolution number 2</b> Approval of Issue of a maximum of 13 656 154 Shares in Brainworks Limited			

*(Indicate instruction to proxy by way of a cross in the relevant space provided above)*

Signed at ..... on .....

Signature ..... Assisted by me (where applicable) .....

Name .....

Capacity..... Signature.....

**Notes:**

1. This form is for use by certificated shareholders and dematerialised shareholders with “own-name” registration whose shares are registered in their own names on the record date, being Thursday, 26 April 2018, and who wish to appoint another person to represent them at the meeting. If duly authorised, companies and other corporate bodies who are shareholders having shares registered in their own names may appoint a proxy using this form, or may appoint a representative in accordance with the last paragraph below.

**Other shareholders should not use this form.** All beneficial holders who have dematerialised their shares through a Central Securities Depository Participant (“CSDP”) or broker, and do not have their shares registered in their own name, must provide the CSDP or broker with their voting instructions. Alternatively, if they wish to attend the General Meeting in person, they should request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker.

2. This proxy form will not be effective unless received at the Transfer Secretaries offices, by not later than Wednesday, 2 May 2018 at 09:30. Shareholders may return duly authorised and completed proxy forms in an envelope to Computershare Investor Services (Pty) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 or by email to Proxy@computershare.co.za.

3. This proxy shall apply to all the ordinary shares registered in the name of shareholders at the record date unless a lesser number of shares are inserted.

4. A shareholder may appoint one person as his proxy by inserting the name of such proxy in the space provided. Any such proxy need not be a shareholder of the company. If the name of the proxy is not inserted, the chairman of the meeting will be appointed as proxy. If more than one name is inserted, then the person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of any persons whose names follow. The proxy appointed in this proxy form may delegate the authority given to him in this proxy by delivering to the company, in the manner required by these instructions, a further proxy form which has been completed in a manner consistent with the authority given to the proxy of this proxy form.

5. Unless revoked, the appointment of proxy in terms of this proxy form remains valid until the end of the meeting even if the meeting or a part thereof is postponed or adjourned.

6. If  
6.1. a shareholder does not indicate on this instrument that the proxy is to vote in favour of or against or to abstain from voting on any resolution; or  
6.2. the shareholder gives contrary instructions in relation to any matter; or  
6.3. any additional resolution/s which are properly put before the Meeting; or  
6.4. any resolution listed in the proxy form is modified or amended, the proxy shall be entitled to vote or abstain from voting, as he thinks fit, in relation to that resolution or matter. If, however, the shareholder has provided further written instructions which accompany this form and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in 6.1 to 6.4, then the proxy shall comply with those instructions.

7. If this proxy is signed by a person (signatory) on behalf of the shareholder, whether in terms of a power of attorney or otherwise, then this proxy form will not be effective unless:

7.1. it is accompanied by a certified copy of the authority given by the shareholder to the signatory; or  
7.2. the Company has already received a certified copy of that authority.

8. The chairman of the meeting may, at his discretion, accept or reject any proxy form or other written appointment of a proxy which is received by the chairman prior to the time when the meeting deals with a resolution or matter to which the appointment of the proxy relates, even if that appointment of a proxy has not been completed and/or received in accordance with these instructions. However, the chairman shall not accept any such appointment of a proxy unless the chairman is satisfied that it reflects the intention of the shareholder appointing the proxy.

9. Any alterations made in this form of proxy must be initialled by the authorised signatory/ies.

10. This proxy form is revoked if the shareholder who granted the proxy:  
10.1. 10.1. delivers a copy of the revocation instrument to the company and to the proxy or proxies concerned, so that it is received by the company by not later than Wednesday, 2 May at 09:30; or  
10.2. appoints a later, inconsistent appointment of proxy for the Meeting; or  
10.3. attends the General Meeting in person.

11. If duly authorised, companies and other corporate bodies who are shareholders of the company having shares registered in their own name may, instead of completing this proxy form, appoint a representative to represent them and exercise all of their rights at the meeting by giving written notice of the appointment of that representative. This form will not be effective at the meeting unless it is accompanied by a duly certified copy of the resolution/s or other authorities in terms of which that representative is appointed

