



GAIA VENTURE CAPITAL LIMITED

(formerly GAIA Venture Capital Proprietary Limited)

Incorporated in the Republic of South Africa

Registration number 2017/186790/06

FSP number: 48515 SARS VCC number: VCC-0065

("GAIA VC" or "the Company")

A venture capital company as defined in Section 12J of the Income Tax Act, No 58 of 1962, as amended.

PROSPECTUS

A public offer to subscribe for up to:

- 150 000 (one hundred and fifty thousand) Preferred Ordinary B10 Shares of no par value at an issue price of R1 000.00 (one thousand Rand) per B10 Share;

Opening date of the Offer

1 January 2021

Closing date of the Offer

31 March 2021

and

A private placement to subscribe for up to:

- 150 000 (one hundred and fifty thousand) Preferred Ordinary B9 Shares of no par value at an issue price of R1 000.00 (one thousand Rand) per B9 Share;

Managed by



Administered by



An English copy of this Prospectus was registered by the Commissioner of CIPC on 18 December 2020. This Prospectus is only available in English. Copies of this Prospectus may be obtained during normal business hours from the registered office of GAIA VC set out in the "Corporate Information and Advisors" section of this Prospectus from the date of issue hereof until 31 March 2021.

This Prospectus has been presented to targeted, named individuals on a private basis for information purposes only. As such, it is not addressed to "members of the public" as defined in the Collective Investment Schemes Control Act, No 45 of 2002, as amended ("Collective Investment Schemes Act"). If this Prospectus is in the possession of anyone who is a member of the public as defined in the Collective Investment Schemes Act, or any person other than the person named herein, it is invalid and should be returned immediately to the Company.

No person receiving a copy of this Prospectus or an Application Form in any territory other than South Africa may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any regulations or other legal requirements. It is the responsibility of any person outside of South Africa wishing to make an application pursuant to an Application Form to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid by such territory. No return indications are able to be made for non-South African Investors.



GAIA VENTURE CAPITAL LIMITED

(formerly GAIA Venture Capital Proprietary Limited)

Incorporated in the Republic of South Africa

Registration number 2017/186790/06

FSP number: 48515 SARS VCC number: VCC-0065

("GAIA VC" or "the Company")

A venture capital company as defined in Section 12J of the Income Tax Act, No 58 of 1962, as amended.

PROSPECTUS

The definitions and interpretations commencing on page 6 of this Prospectus apply to this entire Prospectus, except where the context indicates a contrary intention.

THE ATTENTION OF THE PUBLIC IS DRAWN TO THE FACT THAT THE PREFERRED ORDINARY SHARES ON OFFER ARE UNLISTED AND ARE NOT READILY MARKETABLE AND SHOULD BE CONSIDERED TO BE A RISK-CAPITAL INVESTMENT.

Investments in GAIA VC by taxpayers who are not Connected Persons in relation to GAIA VC, should qualify as a deduction from income in terms of Section 12J of the Income Tax Act, No 58 of 1962, as amended.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements. Forward-looking statements are statements that include, but are not limited to, any statements regarding the future financial position of GAIA VC and its future prospects and generally are identified by the use of forward-looking words such as "aim", "anticipate", "believe", "estimated", "expect", "forecast", "foresee", "intend", "likely", "may", "planned", "potential", "project", "should", "targets", "will" or similar words and phrases. These forward-looking statements are naturally subject to risks, uncertainties and changes in circumstances. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors, many of which are outside the control of the Company and its Directors, that could cause actual results, and management's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. Accordingly these forward-looking statements have been based on current expectations and projections about future results which, although the Directors believe them to be reasonable, are not a guarantee of future performance.

Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as at the Last Practicable Date. The Company does not undertake any obligation (except as required by the Act or any other legal or regulatory requirement) to revise or update any forward-looking statement contained in this Prospectus, regardless of whether that statement is affected as a result of new information, future events or otherwise.

No statement in this Prospectus is intended as a profit forecast and no statement in this Prospectus should be interpreted to mean that the earnings per share for the current or future years would necessarily match or exceed the historical published earnings per share.

RISK FACTORS

Risk factors which may cause GAIA VC's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by GAIA VC in the statements include those described in **Annexure 1** of this Prospectus. Information and projections provided in this Prospectus are not a guarantee of future performance as various factors (including the risk factors in **Annexure 1**) may affect the actual performance of GAIA VC.

DIRECTORS' STATEMENT

The Directors and Officers, whose names are given in Section 1, paragraph 2.1, accept full responsibility, collectively and individually, for the accuracy of the information given in this Prospectus and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading, they have made all reasonable enquiries to ascertain such facts and that this Prospectus contains all information required by law.

ADVISORS' CONSENTS

The Advisors, whose names are included in this Prospectus, have given their consent and have not, prior to registration of this Prospectus, withdrawn their written consent to the inclusion of their names in the capacities stated and, where applicable, to their reports being included in this Prospectus.

FOREIGN INVESTORS

This Prospectus has been prepared for the purposes of complying with the laws of South Africa and is subject to applicable laws and regulations, including but not limited to the Act and the regulations thereof and the information disclosed may not be the same as that which would have been disclosed if this Prospectus had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.

The release, publication or distribution of this Prospectus in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

The Offer and the acceptance thereof by persons not resident in South Africa ("**Foreign Investors**") may be affected by the laws of such Foreign Investors' relevant jurisdiction. Those Foreign Investors should consult their professional Advisors as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements.

It is the responsibility of any Foreign Investor (including, without limitation, nominees, agents and trustees for such persons) to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. Foreign Investors are obliged to observe the applicable legal requirements of their relevant jurisdictions.

GAIA VC reserves the right, but shall not be obliged, to treat as invalid any acceptance of the Offer, which appears to GAIA VC or its advisors or agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction or if GAIA VC believes or its advisors or agents believe that the same may violate applicable legal or regulatory requirements.

Any Foreign Investor who is in doubt as to his position, including, without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

Auditors and Reporting Accountants



Manager and Promoter



Company Secretary and Administrative Manager



Attorneys



FAIS Compliance Officer



CORPORATE INFORMATION AND ADVISORS

The Company

GAIA Venture Capital Limited
Registration number: 2017/186790/06
37 Vineyard Road, Claremont, Cape Town, South Africa, 7708
PO Box 12700, Die Boord, Stellenbosch, 7613
Tel: 084 545 0450

Company Secretary

The Office in Stellenbosch Proprietary Limited
Registration number: 2011/126340/07
12 Meson Close, Techno Park, Stellenbosch, 7600
PO Box 12700, Die Boord, Stellenbosch, 7613
Tel: 021 882 9872

Attorneys

Edward Nathan Sonnenbergs Incorporated
Registration number: 2006/018200/21
ENS House, 1 North Wharf Square, Loop Street, Foreshore,
Cape Town, 8001
PO Box 2293, Cape Town, 8000
Tel: 021 410 2500

Auditors

Exceed (Cape Town) Incorporated
Registration number: 2000/011257/21
Parc du Links Building, 7 Niblick Way, Somerset West, 7130
PO Box 223, Somerset Mall, 7137
Tel: 021 852 0384

Administrative Manager

The Office in Stellenbosch Proprietary Limited
Registration number: 2011/126340/07
12 Meson Close, Techno Park, Stellenbosch, 7600
PO Box 12700, Die Boord, Stellenbosch, 7613
Tel: 021 882 9872

FAIS Compliance officer

Compli-Serve (SA) Proprietary Limited
Registration number: 2003/024874/07
No 25 Second Avenue, Harfield Village, 7708
PO Box 2358, Clareinch, 7740
Tel: 087 897 6970

Manager and Promoter

GAIA Private Equity Proprietary Limited
Registration Number: 2017/052699/07
37 Vineyard Road, Claremont, Cape Town, South Africa, 7708
PO Box 12700, Die Boord, Stellenbosch, 7613
Tel: 084 545 0450

Commercial banker

Absa Bank Limited
170 Dorp Street, Stellenbosch, 7599
PO Box 170, Dorp Street, Stellenbosch, 7599
Tel: 021 808 6500

DISCLAIMERS

If you are in any doubt about the contents of this Prospectus, you should consult with your own independent legal, tax, accounting, investment or other relevant advisor when contemplating any investment decisions described in this Prospectus.

The information contained in this document has been prepared to assist in forming an initial view of the Offer and does not constitute accounting, investment, legal, tax and/or other advice. The document does not purport to contain all the information that an Investor may require, nor is it intended to replace any form of financial, legal or technical due diligence. The content hereof may not be used and/or relied upon for any purpose other than to evaluate whether you wish to participate in the Offer. For advice on this Offer we recommend that you should consult your preferred investment, tax, legal, accounting and/or other advisor about any information contained in this Prospectus.

Furthermore, the information contained in this document constitutes factual information as contemplated in Section 1(3)(a) of the Financial Advisory and Intermediary Services Act, No 37 of 2002, as amended, and does not constitute an express or implied recommendation, guidance or proposal that any particular transaction in respect of the Public Offer Shares or the Private Placement Shares is appropriate to the particular investment objective, financial situation or need of a prospective investor.

While all efforts have been made to ensure the accuracy of the information provided in this document, neither it nor any of the information contained in it has been independently verified, and neither the Company, the Manager nor any Advisor gives any guarantee, representation or warranty, whether express or implied, in relation to the accuracy or completeness of the information, or that reasonable care has been taken in compiling or preparing the information.

In the event of any conflict or inconsistency between the terms of this Prospectus and GAIA VC's MOI, the terms of the MOI shall prevail.

The CIPC registers a prospectus in terms of chapter 4 of the Companies Act 71 of 2008, as amended. The CIPC takes no responsibility for the contents of this Prospectus, makes no representations as to the accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in the reliance upon any part of the contents of this Prospectus.

This Prospectus has been registered by the CIPC, subject to the condition that the capital raised as per the Prospectus is utilised for the sole object of the management of investments in qualifying companies as contemplated in Section 12J of the Income Tax Act.

Important notice

Investments in Venture Capital Companies are speculative by their very nature and prospective subscribers should refer to **Annexure 1** of this Prospectus concerning certain potential risks. The tax relief offered on this investment, more fully described in **Annexure 11** to this Prospectus, may mitigate against some of the inherent investment risks.

Date of issue: 10 December 2020

TABLE OF CONTENTS

| | |
|---|-----------|
| DEFINITIONS AND INTERPRETATIONS | 6 |
| SECTION 1 – INFORMATION ABOUT GAIA VC FUND LIMITED | 10 |
| NAME, ADDRESS AND INCORPORATION (REGULATION 57) | 10 |
| DIRECTORS, OTHER OFFICE HOLDERS AND MATERIAL THIRD PARTIES (REGULATION 58) | 10 |
| HISTORY, STATE OF AFFAIRS AND PROSPECTS OF THE COMPANY | 16 |
| SHARE CAPITAL OF GAIA VC (REGULATION 60) | 19 |
| OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SHARES (REGULATION 61) | 19 |
| COMMISSIONS PAID AND PAYABLE IN RESPECT OF UNDERWRITING OF SHARE ISSUES (REGULATION 62) | 19 |
| MATERIAL CONTRACTS (REGULATION 63) | 19 |
| INTEREST OF DIRECTORS AND PROMOTERS (REGULATION 64) | 20 |
| LOANS (REGULATION 65) | 20 |
| SHARES ISSUED OTHERWISE THAN FOR CASH (REGULATION 66) | 21 |
| PROPERTY ACQUIRED OR TO BE ACQUIRED (REGULATION 67) | 21 |
| AMOUNTS PAID OR PAYABLE TO PROMOTERS (REGULATION 68) | 21 |
| PRELIMINARY EXPENSES AND ISSUE EXPENSES (REGULATION 69) | 21 |
| SECTION 2 – DETAILS OF THE OFFER | 22 |
| PURPOSE OF THE OFFER (REGULATION 70) | 22 |
| SALIENT DATES (REGULATION 71) | 22 |
| PARTICULARS OF THE OFFER (REGULATION 72) | 22 |
| MINIMUM SUBSCRIPTION IN TERMS OF THIS OFFER (REGULATION 73) | 24 |
| RESERVATION OF RIGHTS | 24 |
| RESULTS OF ALLOCATIONS | 24 |
| SECTION 3 – STATEMENTS AND REPORTS RELATING TO THE OFFER | 25 |
| STATEMENT OF ADEQUACY OF CAPITAL (REGULATION 74(2)(A)) | 25 |
| REPORT BY DIRECTORS AS TO MATERIAL CHANGES (REGULATION 75) | 25 |
| STATEMENT AS TO LISTING ON STOCK EXCHANGE (REGULATION 76) | 25 |
| REPORT BY AUDITOR (REGULATION 77) | 25 |
| REPORT BY AUDITOR (REGULATION 78) | 25 |
| REPORT BY THE AUDITOR OF GAIA VC (REGULATION 79) | 25 |
| SECTION 4 – ADDITIONAL MATERIAL INFORMATION | 26 |
| TAX DEDUCTIBILITY OF INVESTMENT IN GAIA VC (SEE ANNEXURE 11 ATTACHED) | 26 |
| PROCEDURE TO CLAIM TAX DEDUCTION OF INVESTMENT | 27 |
| LITIGATION STATEMENT | 27 |
| CORPORATE GOVERNANCE | 27 |
| EXPERTS' CONSENTS | 27 |
| DIRECTORS' RESPONSIBILITY STATEMENT | 27 |
| FINANCIAL ADVICE | 27 |
| RISK FACTORS OF VENTURE CAPITAL INVESTMENTS | 27 |
| COMPLAINTS PROCESS AND TCF OUTCOMES | 28 |
| CONFIDENTIALITY | 28 |
| INVESTORS NOT RESIDENT IN SOUTH AFRICA | 28 |
| DOCUMENTS AVAILABLE FOR INSPECTION (REGULATION 53(A), (B), (D) AND (E)) | 29 |
| PROFESSIONAL INDEMNITY AND FIDELITY INSURANCE COVER | 29 |
| SHARE BUY BACKS | 29 |
| SECTION 5 – INAPPLICABLE SECTIONS | 30 |
| ANNEXURE 1 – RISK FACTORS | 31 |
| ANNEXURE 2 – SALIENT TERMS OF VERBAL SERVICE CONTRACTS WITH DIRECTORS | 35 |
| ANNEXURE 3 – WORKED EXAMPLE OF DISTRIBUTIONS | 36 |
| ANNEXURE 4 – SALIENT TERMS OF THE MANAGEMENT AGREEMENT | 37 |
| ANNEXURE 5 – SALIENT TERMS OF THE ADMINISTRATION AGREEMENT | 39 |
| ANNEXURE 6 – FSCA LICENCE | 40 |
| ANNEXURE 7 – AUDITOR'S REPORT (REGULATION 79) | 41 |
| ANNEXURE 8 – SARS LICENCE | 43 |
| ANNEXURE 9 – INDIRECT AND DIRECT SHAREHOLDING OF DIRECTORS AND PROMOTER IN GAIA VC | 44 |
| ANNEXURE 10 – <i>PRO FORMA</i> STATEMENT OF FINANCIAL POSITION BEFORE AND AFTER THE OFFER | 45 |
| ANNEXURE 11 – WHAT IS SECTION 12J? | 46 |
| ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS | 49 |
| ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE | 70 |
| ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 | 91 |

DEFINITIONS AND INTERPRETATIONS

In this Prospectus, unless the context indicates otherwise, reference to the singular shall 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 the words in the first column have the meanings stated opposite them in the second column as follows:

| | |
|--|---|
| "Absa" | Absa Bank Limited, a registered bank, full details of which are contained in the "Corporate Information and Advisors" section of this Prospectus, being GAIA VC's bankers; |
| "Act" | the Companies Act, No 71 of 2008, as amended; |
| "Administration Agreement" | the agreement concluded by and between the Administrative Manager and the Manager on 1 March 2018 in terms of which the Administrative Manager will conduct the administration of GAIA VC, the salient terms of which are set out in Annexure 5 ; |
| "Administrative Manager" or "Company Secretary" or "The Office" | The Office in Stellenbosch Proprietary Limited, registration number: 2011/126340/07, a private company incorporated under the laws of South Africa, full details of which are contained in the "Corporate Information and Advisors" section of this Prospectus, being GAIA VC's Administrative Manager and Company Secretary; |
| "Advisors" | The Manager, Compli-Serve, ENSafrica and The Office; |
| "Application Form(s)" | the mandate and application form in respect of the Offer, which is attached to, and forms part of this Prospectus and which must be completed by all prospective Investors; |
| "Auditors" or "Exceed" | Exceed (Cape Town) Incorporated, with registration number 2000/011257/21, full details of which are contained in the "Corporate Information and Advisors" section of this Prospectus, being GAIA VC's auditors; |
| "Attorneys" or "ENSafrica" | Edward Nathan Sonnenbergs Incorporated, registration number 2006/018200/21, a personal liability company incorporated under the laws of South Africa, full details of which are contained in the "Corporate Information and Advisors" section of this Prospectus, being GAIA VC's legal advisors; |
| "Board" or "Directors" | the directors of GAIA VC from time to time, which, as at the Last Practicable Date, comprises the persons identified in Section 1, paragraph 2 of this Prospectus; |
| "Blocked Rands" | any South African Rands which an official emigrant from South Africa was not permitted to transfer abroad, for any reason whatsoever, when they emigrated; |
| "Business Day" | any day other than a Saturday, Sunday or statutory holiday in South Africa; |
| "the Company" or "GAIA VC" | GAIA Venture Capital Limited, registration number 2017/186790/06, a Venture Capital Company incorporated under the laws of South Africa, full details of which are contained in the "Corporate Information and Advisors" section of this Prospectus; |
| "CIPC" | the Companies and Intellectual Property Commission; |
| "Closing Date" | the closing time and date of the Offer, expected to be 17:00 on 31 March 2021 but which may be amended by GAIA VC by way of the publication of a supplementary prospectus; |
| "Common Monetary Area" | collectively South Africa, Namibia and the Kingdoms of Lesotho and Swaziland; |
| "Connected Person(s)" | connected person as defined in Section 1 of the Income Tax Act; |
| "Distribution" | a "distribution" as defined in the Act; |
| "FAIS" | the Financial Advisory and Intermediary Services Act, No 37 of 2002, as amended; |
| "FAIS Compliance Officer" or "Compli-Serve" | Compli-Serve (Cape) Proprietary Limited, registration number 2003/024874/07, a private company incorporated under the laws of South Africa, full details of which are contained in the "Corporate Information and Advisors" section of this Prospectus, being GAIA VC's compliance officers; |
| "Financial Markets Act" | the Financial Markets Act, 2012 (Act No 19 of 2012), as amended; |
| "FSCA" | the Financial Sector Conduct Authority; |

DEFINITIONS AND INTERPRETATIONS (continued)

| | |
|--|--|
| “GAIA Group” | GAIA Management Holdings Proprietary Limited and its Subsidiaries; |
| “GAIA Management Holdings Proprietary Limited” | GAIA Management Holdings Proprietary Limited, registration number 2017/103135/07, a private company incorporated under the laws of South Africa; |
| “Group” | GAIA VC and its Subsidiaries from time to time, it being recorded that GAIA VC has no Subsidiaries as at the Last Practicable Date; |
| “Gross Investment” | the gross amount invested into GAIA VC by the Investors pursuant to the acceptance of the Offer by such investors; |
| “Hurdle” | in respect of each investment made by GAIA VC, the Relevant Acquisition Cost increased by an effective rate of 10% (ten percent) per annum, reduced by the quantum of each and every Distribution received by GAIA VC in respect of such investment, immediately as and when received, after making allowance for associated costs and taxes. A worked example of the calculation of the Hurdle is included in Annexure 3 ; |
| “Income Tax Act” | the Income Tax Act, No 58 of 1962, as amended, consolidated or re-enacted from time to time and including all schedules thereto; |
| “Investment Committee” | the investment committee appointed by the Manager to assist the Manager to fulfil its obligations under the Management Agreement, the members of which are and the terms of their engagement which are, as set out in Section 1, paragraph 2.4.9; |
| “Investment Portfolio” | the portfolio of equity investments created by investing the proceeds raised from the issue of Public Offer Shares and Private Placement Shares pursuant to the Offer; |
| “Investor(s)” | an individual, trust, company, or other legal entity who subscribes for the Public Offer Shares and/or the Private Placement Shares, as the case may be; |
| “JSE” | JSE Limited, a public company incorporated under the laws of South Africa, with registration number 2005/022939/06, which is licensed as an exchange in terms of the Financial Markets Act; |
| “Last Practicable Date” | 9 December 2020, being the last practicable date prior to the finalisation of this Prospectus; |
| “Manager” or “Promoter” | GAIA Private Equity Proprietary Limited, registration number 2017/052699/07, a private company incorporated under the laws of South Africa, full details of which are set out in the “Corporate Information and Advisors” section of this Prospectus, being GAIA VC’s Manager and Promoter; |
| “Management Agreement” | the agreement concluded by and between the Manager and GAIA VC on 1 August 2017 in terms of which the Manager will provide the Management Services to GAIA VC, the salient terms of which are set out in Annexure 4 ; |
| “Management Participation Distribution” | as a holder of the Participation Ordinary C Shares, the Manager shall be entitled to 25% (twenty-five percent) of the Distributions earned from an investment in the Investment Portfolio, provided that the Hurdle has been met. A worked example of the Management Participation Distribution has been included in Annexure 3 of the Prospectus; |
| “Management Services” | the services provided by the Manager to the Company in accordance with the terms of the Management Agreement, being to secure and manage a portfolio of infrastructure and agribusiness related equity investments that comply with the terms of section 12J of the Income Tax Act; |
| “Metta Capital Managers Proprietary Limited” | Metta Capital Managers Proprietary Limited, registration number 2017/250417/07 a private company incorporated under the laws of South Africa with registered office at 164 Katherine Street, Pinmill Office Park, Strathavon, Sandton; |
| “Metta Capital High Income Fund” | the investment portfolio of funding raised by Metta Capital Managers Proprietary Limited for, <i>inter alia</i> , investment in GAIA VC; |
| “MOI” | the memorandum of incorporation of GAIA VC, as amended from time to time; |
| “Offer” | the Public Offer and the Private Placement; |

DEFINITIONS AND INTERPRETATIONS (continued)

| | |
|---|--|
| “Officers” | the prescribed officers (as defined in the Act) of GAIA VC from time to time, which, as at the Last Practicable Date, comprises the persons identified in Section 1, paragraph 2 of this Prospectus; |
| “Ordinary Shares” | ordinary shares of no par value in the authorised share capital of GAIA VC having the preferences, rights, limitations or other terms as set out in Annexure 12 ; |
| “Participation Ordinary C Shares” | Participation Ordinary C Shares of no par value in the authorised share capital of GAIA VC, allowing the Manager to share in certain Distributions received by GAIA VC having the preferences, rights, limitations or other terms as set out in Schedule 6.1.2.11 of the MOI and Annexure 12 ; |
| “POPI Act” | the Protection of Personal Information Act, No 4 of 2013, as amended; |
| “Preferred Ordinary B10 Shares” | Preferred Ordinary B10 Shares of no par value in the authorised share capital of GAIA VC having the preferences, rights, limitations or other terms as set out in Schedule 6.1.2.13 of the MOI and Annexure 12 ; |
| “Preferred Ordinary B9 Shares” | Preferred Ordinary B9 Shares of no par value in the authorised share capital of GAIA VC having the preferences, rights, limitations or other terms as set out in Schedule 6.1.2.10 of the MOI and Annexure 12 ; |
| “Private Placement” | the offer by the Manager to Investors to subscribe for Private Placement Shares; |
| “Private Placement Management Annual Fee” | an annual management fee of 2% (two percent) (excluding VAT) payable to the Manager, quarterly in advance, calculated on the value of the Private Placement Shares, as set out in the last quarterly or audited valuation of the Company, in accordance with the terms of the Management Agreement; |
| “Private Placement Shares” | ▼ 150 000 (one hundred and fifty thousand) of the 100 000 000 (one hundred million) Preferred Ordinary B8 Shares of no par value at an issue price of R1 000.00 (one thousand Rand) per B9 share; |
| “Prospectus” | this Prospectus and its annexures, issued on 10 December 2020; |
| “Public Offer” | the offer for subscription for Public Offer Shares; |
| “Public Offer Management Annual Fee” | an annual management fee of 1.75% (one point seven five percent) (excluding VAT) payable to the Manager, quarterly in advance, calculated on the value of the Public Offer Shares, as set out in the last quarterly or audited valuation of the Company, in accordance with the terms of the Management Agreement; |
| “Public Offer Management Initial Fee” | an initial fee of 2% (two percent) (excluding VAT) of the Gross Investment in respect of Public Offer Shares, payable to the Manager in accordance with the terms of the Management Agreement; |
| “Public Offer Shares” | ▼ 150 000 (one hundred and fifty thousand) of the 150 000 (one hundred and fifty thousand) Preferred Ordinary B10 Shares of no par value at an issue price of R1 000.00 (one thousand Rand) per share; |
| “Qualifying Company” | a qualifying company, as defined in Section 12J of the Income Tax Act; |
| “Qualifying Investment(s)” | an investment made by the Company, in accordance with the requirements of Section 12J of the Income Tax Act, in a Qualifying Company; |
| “Qualifying Shares” | an equity share issued to GAIA VC by a Qualifying Company; |
| “Rand” or “R” | South African Rand, the lawful currency of South Africa; |
| “Relevant Acquisition Cost” | the equity and debt investments made by the Company in an investment; |
| “Rights of all classes of Shares” | the preferences, rights, limitations or other terms of all classes of Shares in the Company are set out in Annexure 12 ; |
| “SARS” | South African Revenue Service; |
| “Shareholder” | holder of Shares in the Company; |

DEFINITIONS AND INTERPRETATIONS (continued)

| | |
|----------------------------------|--|
| “Shares” | collectively Ordinary Shares, Preferred Ordinary A Shares; Preferred Ordinary B1 Shares, Preferred Ordinary B2 Shares; Preferred Ordinary B3 Shares; Preferred Ordinary B4 Shares; Preferred Ordinary B5 Shares; Preferred Ordinary B6 Shares; Preferred Ordinary B7 Shares; Preferred Ordinary B8 Shares; Preferred Ordinary B9 Shares; Preferred Ordinary B10 Shares; Participation Ordinary C Shares and Unclassified Shares in the authorised share capital of GAIA VC with the preferences, rights, limitations or other terms as set out in Annexure 12 ; |
| “South Africa” | the Republic of South Africa; |
| “Subsidiary” | a “subsidiary” as defined in the Act; |
| “Unclassified Shares” | the unclassified shares in the authorised share capital of the Company to be classified by the Board in terms of Section 36(3) of the Act; |
| “VAT” | value-added tax as levied in terms of the Value-Added Tax Act, 89 of 1991, as amended; |
| “Venture Capital Company” | a venture capital company, as defined in Section 12J of the Income Tax Act; and |
| “Venture Capital Shares” | collectively, shares issued by GAIA VC as defined in Section 12J of the Income Tax Act, being the Public Offer Shares and the Private Placement Shares; |



GAIA VENTURE CAPITAL LIMITED

(formerly GAIA Venture Capital Proprietary Limited)

Incorporated in the Republic of South Africa

Registration number 2017/186790/06

FSP number: 48515 SARS VCC number: VCC-0065

("GAIA VC" or "the Company")

A venture capital company as defined in Section 12J of the Income Tax Act, No 58 of 1962, as amended.

Renier Cilliers de Wit (Director)
Matthew Edward Kreeve (Director)
Matthys Michiel Nieuwoudt (Director)

PROSPECTUS

SECTION 1 – INFORMATION ABOUT GAIA VENTURE CAPITAL LIMITED

1. NAME, ADDRESS AND INCORPORATION (REGULATION 57)

- 1.1 GAIA Venture Capital Proprietary Limited, registration number 2017/186790/07, was incorporated as a private company on 2 May 2017.
- 1.2 The Company converted to a public company GAIA Venture Capital Limited, registration number 2017/186790/06, on 19 December 2018.
- 1.3 The Company's registered office is 37 Vineyard Road Claremont, Cape Town, South Africa, 7708.
- 1.4 As at the Last Practicable Date the Company does not have any Subsidiaries.

2. DIRECTORS, OTHER OFFICE HOLDERS AND MATERIAL THIRD PARTIES (REGULATION 58)

2.1 Directors, proposed Directors and Officers (Regulation 58(2)(a))

- 2.1.1 The Board currently comprises 3 (three) Directors.

SECTION 1 – INFORMATION ABOUT GAIA VENTURE CAPITAL LIMITED (continued)

2. DIRECTORS, OTHER OFFICE HOLDERS AND MATERIAL THIRD PARTIES (REGULATION 58) (continued)

2.1 Directors, Proposed Directors and Officers (Regulation 58(2)(a)) (continued)

2.1.2 The full names, business addresses, qualifications, occupation, positions and experience of the Directors, all of whom are South African citizens, are set out below.

| | |
|---------------------|--|
| Name | Renier Cilliers de Wit |
| Business address | 37 Vineyard Road, Claremont, Cape Town, South Africa, 7708 |
| Qualifications | <i>B.Com (Actuarial Science), Fellow of the Institute of Actuaries (UK)</i> |
| Occupation | Managing Director: GAIA Private Equity Proprietary Limited |
| Position | Director |
| Term served to date | three (3) years |
| Experience | Renier is an actuary by training and spent twelve (12) years with the Sanlam Group where he held various roles in mergers and acquisitions, product development, valuations and financial reporting. He spent the bulk of his time in Sanlam Emerging Markets where he conducted mergers and acquisitions across the African continent and in India. |

Early in 2017, Renier established GAIA Private Equity as an offshoot of the GAIA Group to focus on venture capital and private equity opportunities. Renier is the Managing Director and the go-to person in the team.

| | |
|---------------------|--|
| Name | Matthew Edward Kreeve |
| Business address | 5th Floor, Sunclare, Dreyer St, Claremont, Cape Town, South Africa, 7708 |
| Qualifications | <i>B.Com (Economics) (Hons) (Montreal, Canada)</i> |
| Occupation | Businessman |
| Position | Director |
| Term served to date | three (3) years |
| Experience | Matthew is a vastly experienced investment and portfolio manager with more than twenty (20) years of experience in the field. He started his career in bond and futures trading at Allan Gray before taking up a role as portfolio manager for various pension funds, unit trusts and hedge funds at investment houses including Southern Asset Management, PSG Investment Bank and Frater Asset Management. |

Matthew has been an FSB recognised Investment Manager since 1998. At present, he is the principle investor at NineXi Capital where he advises local and international corporates on fund raising and investments.

Matthew has been working with the GAIA Group since 2014 and was appointed Key Individual of GAIA VC in 2016.

| | |
|---------------------|---|
| Name | Matthys Michiel Nieuwoudt |
| Business address | 37 Vineyard Road, Claremont, Cape Town, South Africa, 7708 |
| Qualifications | <i>Pr.Eng, B.Eng (Electronic), MBA</i> |
| Occupation | Executive Chairman (GAIA Fund Managers Proprietary Limited) |
| Position | Director |
| Term served to date | two (2) years |
| Experience | Mich started his career in the petrochemical industry with Polifin and the defence industry with Thales, before joining PSG Investment Bank in 1999. In 2003, he joined Siemens Business Services, where he gained international experience across Europe, particularly in the renewable energy sector. Thereafter Mich joined the Square One Group where he was responsible for group operations. In 2008, he joined the SAGIT group where he worked on the Eden Island Project in the Seychelles and mining operations in West Africa before focusing on SAGIT's renewable energy developments. Mich has taken on many roles in GAIA since 2012 and currently serves as the Executive Chairman of GAIA. |

SECTION 1 – INFORMATION ABOUT GAIA VENTURE CAPITAL LIMITED (continued)

2.2 Advisors and Banker (Regulation 58(2)(b))

- 2.2.1 The Company's Company Secretary is The Office whose name and address is set out in the "Corporate Information Advisors" section of this Prospectus. The Office is represented by Ilzemarie Knoetze (BLC LLB). (Regulation 58(2)(b)(iii))
- 2.2.2 The appointed commercial banker of the Company as at the Last Practicable Date is Absa whose name and address is set out in the "Corporate Information and Advisors" section of this Prospectus. (Regulation 58(2)(b)(ii))
- 2.2.3 The names and business addresses of the other Advisors are set out in the "Corporate Information and Advisors" section of this Prospectus. (Regulation 58(2)(b)(i) and (ii))
- 2.2.4 Other than the Manager, GAIA VC's Company Secretary and its other Advisors, do not have any direct or indirect interest in the Company as at the Last Practicable Date.

2.3 Additional information relating to Directors and the Board (Regulation 58(3)(a), (b) and (c))

- 2.3.1 Directors are elected at the annual general meeting of the Company, or at a Shareholders meeting or by round robin resolution by the Shareholders, by way of an ordinary resolution of the Shareholders. Other than the first Directors, only the holders of Ordinary Shares are entitled to nominate Directors for election to the Board. (Regulation 58(3)(a))
- 2.3.2 A summary of the verbal service contracts of Directors is set out in **Annexure 2**. (Regulation 58(3)(a))
- 2.3.3 The borrowing powers of the Company exercisable by Directors are not limited or restricted by the MOI. Subject to compliance with the Act, the Directors may, from time to time, at their discretion, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Such borrowing powers of the Company exercisable by Directors can be amended by way of amending the MOI by way of special resolution passed by the Shareholders of the Ordinary Shares pursuant to the Act. The borrowing powers of the Company exercisable by Directors have not been exceeded or varied since the Company's incorporation. (Regulation 58(3)(c))
- 2.3.4 Directors and Officers are not entitled to remuneration in their capacity as such unless the remuneration is approved by way of a special resolution of the Shareholders of the Ordinary Shares passed prior to the date on which such remuneration is paid to the Directors or Officers in accordance with the Act and the MOI. Directors and Officers shall be entitled to all reasonable expenses in travelling (including hotels) to and from meetings of the Directors and Shareholders, and the members of the Board committees shall be entitled to all reasonable expenses in travelling (including hotels) to and from meetings of the members of the Board committees as determined by a disinterested quorum of Directors. (Regulation 58(3)(b))
- 2.3.5 The Directors' and Officer's remuneration are set out below: (Regulation 58(3)(b))

| Name of Director/Officer | Position | Fees |
|---------------------------|----------|------|
| Renier Cilliers de Wit | Director | Nil |
| Matthew Edward Kreeve | Director | Nil |
| Matthys Michiel Nieuwoudt | Director | Nil |

- 2.3.6 The Board will meet at least four (4) times per annum (unless the Board determines otherwise).

2.4 Management and administration of GAIA VC (Regulation 58(3)(d))

Management of GAIA VC

- 2.4.1 GAIA VC is managed by the Manager whose business and registered address is listed in the "Corporate Information and Advisors" section of this Prospectus. (Regulation 58(3)(d)(i))
- 2.4.2 Through the Investment Committee and the Manager's access to the GAIA Group's skills and experience base, the Manager has access to a pool of experienced and skilled individuals with significant commercial experience in, *inter alia*, investment evaluation and implementation, capital deployment and risk management, with a particular emphasis on infrastructure and agribusiness operations, including:
- 2.4.2.1 originating, evaluating and selecting suitable investment opportunities;
- 2.4.2.2 providing post investment management services; and
- 2.4.2.3 identifying and implementing exit opportunities.

SECTION 1 – INFORMATION ABOUT GAIA VENTURE CAPITAL LIMITED (continued)

2. DIRECTORS, OTHER OFFICE HOLDERS AND MATERIAL THIRD PARTIES (REGULATION 58) (continued)

2.4 Management of GAIA VC (Regulation 58(3)(d)) (continued)

2.4.3 GAIA VC has entered into a Management Agreement with the Manager pursuant to which the Manager has agreed to provide the Management Services to GAIA VC and its business. In terms of the provisions of the Management Agreement the Manager is incentivised to deliver investment returns for GAIA VC. The salient terms of the Management Agreement are set out in **Annexure 4**. (Regulation 58(3)(d))

2.4.4 Subject to the provisions of the Management Agreement, the Manager shall be entitled to earn: (Regulation 58(3)(d)(iii))

2.4.4.1 the Management Initial Fee; and

2.4.4.2 the Management Annual Fee.

2.4.5 As holder of the Participation Ordinary C Shares, the Manager is entitled to receive Management Participation Distributions.

2.4.6 The Manager may conclude separate contractual arrangements from time to time pursuant to which the Manager will remunerate persons who introduced Investors to GAIA VC from time to time. The Manager shall not be entitled to claim such remuneration paid to persons who introduced Investors to GAIA VC from GAIA VC.

2.4.7 There have been no commissions paid or payable by or on behalf of GAIA VC in respect of Share issues from the incorporation of the Company up to the Last Practicable Date.

2.4.8 Administration of GAIA VC (Regulation 58(3)(d))

The Manager has entered into the Administration Agreement with The Office to carry out certain of the administrative functions of the GAIA VC and in particular, to act as Administrative Manager of GAIA VC. The salient terms of the Administration Agreement are set out in **Annexure 5**.

2.4.9 The Investment Committee (Regulation 58(3)(d))

The members of the Investment Committee shall be appointed by the Manager from time to time. The Manager will identify investment opportunities and oversee comprehensive due diligence investigations into such opportunities, which will, where appropriate, be presented by the Manager to the Investment Committee for recommendation. After being presented with the aforementioned investment opportunity, the Investment Committee will apply its pre-agreed investment evaluation process in considering investment opportunities to enable the Manager to recommend any potential investment to the Board.

2.4.10 Information regarding the members of the Investment Committee and their terms of engagement are set out below:

| Investment committee member | Commencement date | Notice period | Annual remuneration | Restraint of trade |
|------------------------------------|--------------------------|--|----------------------------|---|
| Renier Cilliers de Wit | 1 November 2017 | 30 days' written notice by either party. | Nil | May not invest in proposals presented to the Investment Committee (other than through GAIA VC or as an existing indirect shareholder of an existing co-investment partner to the proposed investment) unless GAIA VC decides not to invest therein. |
| Matthys Michiel Nieuwoudt | 1 November 2017 | 30 days' written notice by either party. | Nil | May not invest in proposals presented to the Investment Committee (other than through GAIA VC or as an existing indirect shareholder of an existing co-investment partner to the proposed investment) unless GAIA VC decides not to invest therein. |

SECTION 1 – INFORMATION ABOUT GAIA VENTURE CAPITAL LIMITED (continued)

| Investment committee member | Commencement date | Notice period | Annual remuneration | Restraint of trade |
|------------------------------------|--------------------------|--|----------------------------|---|
| Philip Botha Schabort | 1 November 2017 | 30 days' written notice by either party. | Nil | May not invest in proposals presented to the Investment Committee (other than through GAIA VC or as an existing indirect shareholder of an existing co-investment partner to the proposed investment) unless GAIA VC decides not to invest therein. |
| Leon de Wit | 1 November 2017 | 30 days' written notice by either party. | Nil | May not invest in proposals presented to the Investment Committee (other than through GAIA VC or as an existing indirect shareholder of an existing co-investment partner to the proposed investment) unless GAIA VC decides not to invest therein. |
| Kasper van Rooyen | 1 November 2017 | 30 days' written notice by either party. | Nil | May not invest in proposals presented to the Investment Committee (other than through GAIA VC or as an existing indirect shareholder of an existing co-investment partner to the proposed investment) unless GAIA VC decides not to invest therein. |

SECTION 1 – INFORMATION ABOUT GAIA VENTURE CAPITAL LIMITED (continued)

2. DIRECTORS, OTHER OFFICE HOLDERS AND MATERIAL THIRD PARTIES (REGULATION 58) (continued)

2.4 Management of GAIA VC (Regulation 58(3)(d)) (continued)

2.4.11 The qualifications, occupation, positions and experience of the Investment Committee members who are Directors are set out in Section 1, paragraph 2.1.2. The qualifications, occupation, positions and experience of the Investment Committee members who are not Directors are set out below:

| | |
|----------------|---|
| Name | Philip Botha Schabort |
| Qualifications | <i>Pr.Eng, B.Eng (Hons), MBA</i> |
| Position | Chairman of the Investment Committee |
| Experience | Botha started as a civil engineer specializing in project management and construction. After obtaining an MBA he joined the JSE-listed stockbroker Senekal Mouton and Kitshoff where he later served as Director. Botha was a founding shareholder and Director of the JSE-listed PSG Group Limited and PSG Investment Bank Holdings Limited, where he was Managing Director until 2000. Botha has extensive investment experience in the areas of international property development, renewable energy projects, mining exploration, private equity and technology. Along with Leon de Wit, he founded GAIA Infrastructure Partners in 2012. He is a Director of various companies and the Chairman of GAIA Private Equity. |

| | |
|----------------|--|
| Name | Leon de Wit |
| Qualifications | <i>B.Com (Maths), Fellow of Institute of Actuaries (UK), OPM (Harvard)</i> |
| Position | Member of the Investment Committee |
| Experience | Leon started his career at Sanlam Limited, after which he spent most of his career offering actuarial consulting services to many of the largest retirement funds in South Africa. He joined the PSG Group Limited in its early years and was responsible for Channel Life Limited. In 2002, he left formal employment and moved to a wine farm in Stellenbosch where he engages in special projects and community development programs. Leon and Botha Schabort have worked on the funding of renewable energy projects by South African institutions since 2011, culminating in the establishment of GAIA Infrastructure Partners in 2012. |

| | |
|----------------|---|
| Name | Kasper van Rooyen |
| Qualifications | <i>B.Eng (Ind), B.Com (Hons), MBA</i> |
| Position | Member of the Investment Committee |
| Experience | Kasper is an industrial engineer by training and joined SAGIT Energy Ventures and GAIA Fund Managers during the early part of his career. Thereafter, Kasper returned to his roots to continue farming on a commercial scale for Agristar Holdings. He heads-up Agrigro Investment Partners which offers the full spectrum of turn-key and professional farm development and management services to large scale commercial farmers. |

2.5 Directors' declarations

None of the Directors of GAIA VC have been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements, or has been publicly criticised by any statutory or regulatory authorities, including recognised professional bodies, or being disqualified by court from acting as a Director of a company or for acting in the management or conduct of the affairs of GAIA VC, or has been convicted of any offense involving dishonesty.

SECTION 1 – INFORMATION ABOUT GAIA VENTURE CAPITAL LIMITED (continued)

3. HISTORY, STATE OF AFFAIRS AND PROSPECTS OF THE COMPANY

3.1 History of GAIA VC (Regulation 59)

3.1.1 Overview (Regulation 59(2)(b) and 3(a))

3.1.1.1 The Company was incorporated as a private company on 2 May 2017 and converted to a public company on 19 December 2018.

3.1.1.2 The primary investment objective of GAIA VC is to secure and manage a portfolio of infrastructure and agribusiness investments that comply with the terms of Section 12J of the Income Tax Act.

3.1.2 Nature of business (Regulation 59(2)(b))

3.1.2.1 GAIA VC is a Venture Capital Company licensed as a Financial Services Provider in terms of Section 8 of FAIS under licence number 48515. A copy of the FSCA license is contained in **Annexure 6** of this Prospectus.

3.1.2.2 GAIA VC is also registered with SARS as a Venture Capital Company in terms of Section 12J of the Income Tax Act under reference number VCC-0065. A copy of the confirmation of registration from SARS is contained in **Annexure 8** of this Prospectus.

3.1.2.3 GAIA VC does not fall within the ambit of the Collective Investment Schemes Control Act, No 45 of 2002, as amended.

3.2 Material changes (Regulation 59(3)(b))

There have been no material changes in the business of GAIA VC since the date of GAIA VC's incorporation.

3.3 Prospects (Regulation 59(3)(c)(i))

3.3.1 Strategic partners

3.3.1.1 The Manager and the GAIA Group are the key strategic partners of GAIA VC.

3.3.1.2 The GAIA Group was established in 2012 as a specialist infrastructure asset manager. The GAIA Group has been pioneers in convincing South African institutional investors to support infrastructure as an asset class. The GAIA Group has concluded numerous infrastructure related transactions, spread across eight renewable energy assets and a toll road, totalling approximately R3.5 billion in value.

3.3.1.3 The GAIA Group has put together a team of highly skilled and experienced professionals including professional engineers, corporate financiers, actuaries, investment professionals, accountants and lawyers. This diverse skill-set enables the team to prepare infrastructure projects or transactions (including transaction negotiations, project planning, project management, procurement, due diligence investigations, structuring and contracting) and conduct fund and asset management post transaction (including reporting, valuations, board representation and asset optimization functions).

3.3.1.4 The owners and founders of the GAIA Group are invested in the Manager and the Manager is able to draw on the skills, knowledge and experience offered by these strategic partners during the investment and post-investment periods.

3.3.2 Investment objectives

The funds raised pursuant to the Offer will be invested in Qualifying Investments carefully selected by the Manager and meeting the criteria of the Investment Committee, to form the Investment Portfolio. These investments will aim to target attractive, but stable and (as) predictable (as possible) gross investment returns in excess of 12% (twelve percent) per annum. It is therefore anticipated that once added to the enhancement afforded to investments into a Venture Capital Company, GAIA VC will aim to deliver an internal rate of return on risk capital, before fees and taxes, of approximately 20% (twenty percent). GAIA VC believes this return range to be very attractive, given the risk profile of the investments being pursued.

SECTION 1 – INFORMATION ABOUT GAIA VENTURE CAPITAL LIMITED (continued)

3. HISTORY, STATE OF AFFAIRS AND PROSPECTS OF THE COMPANY (continued)

3.3 Prospects (Regulation 59(3)(c)(i)) (continued)

3.3.3 Investment strategy

GAIA VC will pursue investment opportunities which meet the following criteria:

- 3.3.3.1 the transaction meets the criteria of a Qualifying Investment under Section 12J of the Income Tax Act (see **Annexure 11**);
- 3.3.3.2 where the Investment Committee has a high level of confidence that the investment objectives set-out above will be achieved;
- 3.3.3.3 an influential equity stake, being a majority or significant minority shareholding;
- 3.3.3.4 an investment size of between R10 million (ten million Rand) and R50 million (fifty million Rand);
- 3.3.3.5 investment in South African businesses with experienced management and a strong partnership mentality, where a proof of concept has been demonstrated and where capital for further growth is required;
- 3.3.3.6 an investment time horizon of five (5) to seven (7) years, with a focused exit strategy;
- 3.3.3.7 a strong environmental, social and governance impact, where the Manager can add further value; and
- 3.3.3.8 the initial focus falls on the infrastructure and agribusiness sectors.

3.3.4 Investment process

- 3.3.4.1 The Manager will identify investment opportunities and oversee due diligence investigations into such opportunities, which will, where appropriate, be presented to the Investment Committee for recommendation. The Investment Committee, appointed by the Manager, will apply its pre-agreed investment evaluation process in considering investment opportunities to enable the Manager to recommend any potential investment to the Board.
- 3.3.4.2 Any due diligence process to be undertaken by or on behalf of the Manager will comprise an in-depth evaluation which will include, *inter alia*, a comprehensive assessment of the target company's capital expenditure requirements, risks, cash flows, profitability, legislative requirements, credit worthiness and the sustainability of both the project owner or investment partner and the product off-taker. The ability to realise the expected exit-value for GAIA VC will be a key consideration. In addition to this, a SARS ruling or appropriate tax opinion will be obtained where the Manager deems it to be necessary to ensure that the potential investment will qualify under section 12J of the Income Tax Act.
- 3.3.4.3 Based on the recommendations of the Investment Committee, the Board will decide which investment opportunities to pursue.

3.3.5 Post investment management

- 3.3.5.1 The Board's post investment management plan is to ensure delivery of the investment hypothesis which led to the investment being made, whilst also mitigating risk. As such, the Manager, on behalf of GAIA VC, will monitor the development and operational performance of the underlying projects. In both these areas, the Manager will leverage its knowledge in order to ensure that maximum value is unlocked from every investment.
- 3.3.5.2 A minimum of one representative of the Manager will be appointed to the Board of Directors of each company in which GAIA VC invests.

3.3.6 Investment mandate

- 3.3.6.1 Capital raised will be invested in terms of GAIA VC's investment mandate, as adopted by the Board, as set out below. The Board reserves the right to amend the investment mandate from time to time.

| Investment type | Percentage of GAIA VC (%) | Targeted | Average time frame of investment (years) |
|---|------------------------------|--|--|
| | | internal rate of return on capital invested (%)* | |
| Cash on hand, call and fixed deposits | 0 – 100 | 4* | 0 – 1 |
| Qualifying investments (focus on infrastructure and agribusiness sectors) | 0 – 100 | 12 – 15* | 5 – 7 |

* *Nominal pre-tax per annum.*

- 3.3.6.2 An investment in GAIA VC should be considered as a medium to long term investment.

SECTION 1 – INFORMATION ABOUT GAIA VENTURE CAPITAL LIMITED (continued)

3.3.6.3 Investors should note that an investment in GAIA VC is likely to only deliver on returns in the medium to long term. Although, subject to the approval of the Board, Shares are freely transferable, an investment in GAIA VC is an investment in an unlisted share which may be more difficult to dispose of than a listed share. Should an Investor dispose of his Shares in GAIA VC within five (5) years of subscription for such Shares, the amount invested into GAIA VC may be subject to an income tax recoupment by SARS.

3.3.7 Exit strategies

The GAIA VC Board will continuously evaluate various exit mechanisms for its investments. These would include, but are not limited to:

- 3.3.7.1 structured sale of the underlying asset to the owner over time, by way of monthly/quarterly payments over the lifespan of the project (exit through regular dividends);
- 3.3.7.2 put option of GAIA VC's infrastructure or agribusiness investment to the project owner/co-investment partner;
- 3.3.7.3 refinancing of GAIA VC's infrastructure or agribusiness related investments in a particular project; and
- 3.3.7.4 sale of an individual project (or stake thereof) to a project owner or third party.

3.3.8 Directors' opinion regarding prospects (Regulation 59 (3)(c)(i))

The Directors are of the opinion that GAIA VC has good prospects of achieving its investment mandate due to the following:

- 3.3.8.1 the GAIA Group's experience and presence in the market positions the Manager as a leading infrastructure fund management company in South Africa with a substantial pipeline of projects and opportunities which would benefit GAIA VC;
- 3.3.8.2 the Manager and Investment Committee comprise highly experienced individuals with the appropriate skills and reputations in the South African infrastructure and agribusiness industries.

3.4 State of affairs of GAIA VC (Regulation 59(3)(d))

The unaudited *pro forma* Statement of Financial Position of GAIA VC as at 28 February 2021, assuming the Offer is fully subscribed by that date, as set out in **Annexure 10**. The *pro forma* Statement of Financial Position is provided for illustrative purposes only to provide information about how the Offer may have impacted on the Group's results and financial position. Due to the nature of the unaudited *pro forma* financial information, it may not give a fair presentation of the Group's results and financial position after the Offer.

3.5 Principal immovable property owned (Regulation 59(3)(e))

GAIA VC does not own immovable property, nor does GAIA VC occupy/lease any immovable property.

3.6 Capital commitments, lease payments and contingent liabilities (Regulation 59(3)(f))

As at the Last Practicable Date, GAIA VC had made no material commitments for capital expenditure for the acquisition, construction or installation of any buildings, plant or machinery.

As at the Last Practicable Date, GAIA VC had no material contingent liabilities.

3.7 Turnover, profit and loss and dividend policy (Regulation 59(3)(g))

3.7.1 Refer to **Annexure 7** for the revenue, profits and losses of GAIA VC since its date of incorporation. (Regulation 59(3)(g)(i) and (ii))

3.7.2 The report by the Auditor in terms of Regulation 79 of the Act is set out in **Annexure 7**.

3.7.3 GAIA VC has paid dividends at any time prior to the Last Practicable Date. (Regulation 59(3)(g)(iii) – v) namely:

- during April 2020 a total dividend of R1 249 959 consisting of a dividend to Preferred Ordinary B1 shareholders of R39.10 per share, Preferred Ordinary B2 shareholders of R37.16 per share and Preferred Ordinary B5 shareholders of R38.98 per share;
- during September 2020 a total dividend of R71 200 consisting of a dividend to Preferred Ordinary B7 shareholders of R28.48 per share;
- during November 2020 a total dividend of R1 647 743.16 consisting of a dividend to Preferred Ordinary A shareholders of R71.84 per share, Preferred Ordinary B3 shareholders of R52.98 per share and Preferred Ordinary B4 shareholders of R73.51 per share.

In view of the above dividends declared, the dividend cover for the period is 1.0X.

3.7.4 Surpluses on realisation of investments will ordinarily be distributed to Shareholders by way of dividends as determined by the Board from time to time. Dividends paid will be subject to dividend withholding tax where applicable.

SECTION 1 – INFORMATION ABOUT GAIA VENTURE CAPITAL LIMITED (continued)

4. SHARE CAPITAL OF GAIA VC (REGULATION 60)

As at the date of issue of this Prospectus:

- 4.1 the authorised and issued share capital of the Company and the preferences, rights, limitation and other terms of the Shares are set out in **Annexure 12**; and
- 4.2 the authorised and unissued shares of the Company are under the control of the Directors, subject to the provisions of the Act and the MOI.
- 4.3 The Manager has been issued 1 (one) Ordinary Share and 100 (one hundred) Participation Ordinary C Shares.
- 4.4 The Directors and Officers do not directly hold any Shares. The indirect holding of Shares by the Directors and Officers in the Company (if any) is set out in **Annexure 9**.

4.5 Alterations to share capital (Regulation 60(b))

- 4.5.1 On 19 December 2018 the authorised share capital of the Company was altered by adding a new class of shares being 100 000 000 (one hundred million) Participation Ordinary C Shares.
- 4.5.2 On 1 September 2019 the authorised share capital of the Company was altered by classifying 10 000 (ten thousand) of the Unclassified Shares of the Company to a new class of shares being 10 000 (ten thousand) Preferred Ordinary D Shares, thereby reducing the existing 100 000 000 (one hundred million) Unclassified Shares to 99 990 000 (ninety nine million nine hundred and ninety thousand).
- 4.5.3 On 3 December 2020 the authorised share capital of the Company was altered by classifying 150 000 (one hundred and fifty thousand) of the Unclassified Shares of the Company to a new class of shares being 150 000 (one hundred and fifty thousand) Preferred Ordinary B10 Shares, thereby reducing the existing to 99 990 000 (ninety nine million nine hundred and ninety thousand) Unclassified Shares to 99 840 000 (ninety nine million eight hundred and forty thousand) Unclassified Shares.

4.6 Shares offered to the public (Regulation 60 (c))

A summary of offers of securities of the Company to the public for subscription during the preceding 3 (three) years are:

- (i) The number of securities allotted was:
 - (a) Preferred Ordinary B5 Shares = 4 360 (four thousand, three hundred and sixty);
 - (b) Preferred Ordinary B6 Shares = 28 479 (twenty eight, four hundred and seventy nine);
 - (c) Preferred Ordinary B7 Shares = 2 750 (two thousand seven hundred and fifty)
 - (d) Preferred Ordinary B8 Shares = 11 678 (eleven thousand six hundred and seventy eight)
- (ii) The securities were allotted and issued to the holders of Preferred Ordinary B5, Preferred Ordinary B6, Preferred Ordinary B7 and Preferred Ordinary B8 Shares as the first shareholders of these Preferred Ordinary Shares in accordance with the Company's MOI.

5. OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SHARES (REGULATION 61)

- 5.1 GAIA VC is not party to any contract or arrangement (or proposed contract or arrangement), whereby an option or preferential right of any kind is (or is proposed to be) given to any person to subscribe for any Shares in GAIA VC. (Regulation 61)
- 5.2 Investors are required to subscribe for Public Offer Shares in the class of Public Offer Share authorised for the specific distribution channel, namely Metta Capital High Income Fund in respect of the Preferred Ordinary B10 Shares.

6. COMMISSIONS PAID AND PAYABLE IN RESPECT OF UNDERWRITING OF SHARE ISSUES (REGULATION 62)

- 6.1 No commission has been paid or is payable by or on behalf of GAIA VC in respect of underwriting of Share issues from the date of GAIA VC's incorporation up to the Last Practicable Date.
- 6.2 No other commissions, discounts or brokerages have been paid by or on behalf of GAIA VC nor have any other special terms been granted by or on behalf of GAIA VC in connection with the issue of Shares by GAIA VC.

SECTION 1 – INFORMATION ABOUT GAIA VENTURE CAPITAL LIMITED (continued)

7. MATERIAL CONTRACTS (REGULATION 63)

- 7.1 Save for the Management Agreement with the Manager, the Administration Agreement with the Administrator (the salient terms of which are set out in **Annexure 5**) and the verbal service agreements with the Directors, there are no contracts entered into by GAIA VC in respect of directors' and managerial remuneration, royalties, secretarial and technical services, or any other material agreement (other than entered into in the ordinary course of business carried on or proposed to be carried on by GAIA VC) from the date of GAIA VC's incorporation up to the Last Practicable Date. (Regulation 63(1)(a) and (b), 63(2))
- 7.2 All the material agreements referred to above are open for inspection at the registered address of GAIA VC during normal office hours from the date of issue of this Prospectus up to and including the Closing Date.

8. INTEREST OF DIRECTORS AND PROMOTERS (REGULATION 64)

- 8.1 Other than as set out in Section 1, paragraph 8.5, no consideration, has been paid, or agreed to be paid to:
- 8.1.1 any Director or a "related" person as such term is defined in the Act;
 - 8.1.2 another company in which a Director has a "beneficial interest" (as such term is defined in the Act) or of which such Director is also a director; or
 - 8.1.3 any partnership, syndicate or other association of which the Director is a member,
- to induce the Director to become a Director, to qualify as a Director or for services rendered by the Director or by a company, partnership, syndicate or other association, in connection with the promotion or formation of GAIA VC. (Regulation 64(2)(a))
- 8.2 Other than as set out in Section 1, paragraph 8.5, the Promoter and the Directors do not have a direct or indirect material interest in the promotion of GAIA VC, any property proposed to be acquired by GAIA VC out of the proceeds of the issue of the Public Offer Shares, or any property acquired or proposed to be acquired by GAIA VC during the three (3) years immediately before the date of issue of the Prospectus. (Regulation 64(2)(b))
- 8.3 No loans have been made by GAIA VC to any of its Directors or managers and GAIA VC has furnished no security for and on behalf of any of its Directors or managers.
- 8.4 As at the Last Practicable Date, the Directors and the Promoter hold Shares in the Company as set out in **Annexure 9**.
- 8.5 As at the Last Practicable Date:
- 8.5.1 The Manager entered into a Management Agreement with GAIA VC.
 - 8.5.2 Zagile Proprietary Limited, Local and Overseas Leisure Corporation Limited, Leon de Wit Proprietary Limited, Spago Proprietary Limited, Hazika Holdings Proprietary Limited, Ferwood Investments Proprietary Limited, Rockjumper Holdings Proprietary Limited, Coin Wise Trading Proprietary Limited and Inkuba Estates Proprietary Limited are shareholders of the Manager.
 - 8.5.3 Renier Cilliers de Wit holds an indirect interest in the Manager by virtue of the fact that he is a shareholder of Zagile Proprietary Limited, which holds 9.9% (nine point nine percent) of the issued shares of the Manager. Matthys Michiel Nieuwoudt holds an indirect interest in the Manager by virtue of the fact that he is a shareholder of Hazika Holdings Proprietary Limited, which holds 5% (five percent) of the issued shares of the Manager.
 - 8.5.4 Renier Cilliers de Wit and Matthys Michiel Nieuwoudt are Directors and are also each members of the Investment Committee.

9. LOANS (REGULATION 65)

At the Last Practical Date, GAIA VC has material loans payable and had no material loans advanced to any party.

The material loans are:

- (i) Unsecured.
- (ii) The Lender is Domacorp Proprietary Limited with registration number 2016/152603/07.
- (iii) The loan amount of R25 000 000 (twenty five million Rand) has a voluntary repayment term namely that the borrower shall be entitled, at any time during the currency of the agreement to voluntarily repay any portion of the loan, without penalty:
 - ▼ from dividends declared, from time to time, in respect of the D Class Ordinary Shares of the borrower (only) and no other classes of shares of the borrower, unless otherwise determined by the borrower; and/or
 - ▼ from the capital or cash resources of the borrower, from time to time, as determined by the borrower; and/or
 - ▼ from such other resources as determined by the borrower.
- (iv) No interest rate is applicable to the loan for this period.

The Manager has paid and/or will pay the expenses related to the establishment of the Company and the preparation of this Prospectus and will be entitled (but not obliged) to recover the expenses from GAIA VC in terms of the Management Agreement.

SECTION 1 – INFORMATION ABOUT GAIA VENTURE CAPITAL LIMITED (continued)

10. SHARES ISSUED OTHERWISE THAN FOR CASH (REGULATION 66)

There have been no Shares issued other than for cash since GAIA VC's incorporation. (Regulation 66(a))

11. PROPERTY ACQUIRED OR TO BE ACQUIRED (REGULATION 67)

11.1 Since incorporation of GAIA VC and up to the date of issue of this Prospectus, GAIA VC has not acquired any immovable property or fixed assets. (Regulation 67(2))

11.2 Whilst GAIA VC does not plan to acquire any immovable property, it does intend to acquire, out of the proceeds of the Offer, shares in Qualifying Companies that are likely to own or purchase fixed assets which are material to their businesses. (Regulation 67(2)(a))

12. AMOUNTS PAID OR PAYABLE TO PROMOTERS (REGULATION 68)

Save in respect of the Management Initial Fee, the Management Annual Fee, the Management Participation Distribution and certain expenses which the Promoter incurred on behalf of GAIA VC, which have been subsequently recovered, no amounts have been paid or are payable to the Promoter since the date of GAIA VC's incorporation.

13. PRELIMINARY EXPENSES AND ISSUE EXPENSES (REGULATION 69)

13.1 An amount of R245 000 (two hundred and forty five thousand Rand) has been budgeted for the expenses of this Offer on full subscription.

13.2 These expenses (VAT exclusive) are estimated and comprise the following:

| Service | Service provider | R |
|---|---|----------------|
| Regulatory fees | CIPC | 7 000 |
| Accountant and auditor's report | Exceed | 10 000 |
| Company secretarial and preparation of the Prospectus | The Office | 95 000 |
| Establishment costs | The Office, CIPC, ENSafrica (to be reimbursed to the Manager) | 70 000 |
| Legal | ENSAfrica | 30 000 |
| Total (excluding VAT) | | 212 000 |

13.3 Since the date of GAIA VC's incorporation, there have been no preliminary and issue expenses incurred by the GAIA VC other than the establishment costs as detailed above which have been incurred by the Manager, on behalf of GAIA VC, and will be recovered from GAIA VC as part of the Offer.

SECTION 2 – DETAILS OF THE OFFER

1. PURPOSE OF THE OFFER (REGULATION 70)

- 1.1 The purpose of the Offer is: (Regulation 70(a))
- 1.1.1 to expand the capital base of GAIA VC;
 - 1.1.2 to increase the issued share capital of GAIA VC to enable it to invest in Qualifying Companies;
 - 1.1.3 to invite sophisticated Investors to invest directly in GAIA VC;
 - 1.1.4 to broaden the shareholder base of GAIA VC;
 - 1.1.5 to confirm GAIA VC's market position as a leading Venture Capital Company; and
 - 1.1.6 to fund the growth aspirations of GAIA VC.
- 1.2 Any amounts raised in excess of the actual and projected issuing expenses and running costs will be applied to meet the purpose set out in Section 2, paragraph 1.1 above. (Regulation 70(b))

2. SALIENT DATES (REGULATION 71)

The dates and times for the opening and closing of the Offer is set out below:

| Details | 2021 |
|--|--|
| Opening date of the Offer on (08:00) | 1 January |
| Closing Date of the Offer (17:00)* | 31 March |
| Deadline for applications (17:00) | 31 March |
| Last date for transfer of funds (17:00) | 31 March |
| Share certificates and tax certificates in respect of the Public Offer Shares to be dispatched | within 6 (six) weeks of the Closing Date |
| Share certificate and tax certificate in respect of Private Placement Shares to be dispatched | within 6 (six) weeks of the Closing Date |

* The Directors reserve the right to extend the Closing Date, by means of publishing a supplementary prospectus, at their discretion.
The Offer will close earlier than the dates stated above if fully subscribed or otherwise at the Directors' discretion.

3. PARTICULARS OF THE OFFER (REGULATION 72)

- 3.1 The Offer* comprises a Public Offer and a Private Placement.
- 3.1.1 The Public Offer** being: (Regulation 72(1)(a – c))
- 3.1.1.1 an offer to subscribe for up to 150 000 (one hundred and fifty thousand) Preferred Ordinary B10 Shares of no par value at a price of R1 000.00 (one thousand Rand) per B10 share.
- 3.1.2 The Private Placement** being: (Regulation 72(1)(a) – (c))
- 3.1.2.1 an offer to the Manager to invite Investors to subscribe for up to 150 000 (one hundred and fifty thousand) Preferred Ordinary B9 Shares of no par value at a price of R1 000.00 (one thousand Rand) per B9 share.
- * The Offer contemplates the raising of R150 000 000 (one hundred and fifty million Rand). The Company believes that it could raise in excess of R20 000 000 (twenty million Rand) through this Offer. The Public Offer has been structured as set out above to provide for enough Public Offer Shares to be available to accommodate a spread of potential Investors albeit that such Public Offer Shares may not be fully subscribed for.
- 3.2 None of the Public Offer Shares or Private Placement Shares are secured. The Public Offer Shares and the Private Placement Shares are of different classes to the Ordinary Shares, Preferred Ordinary A Shares, Preferred Ordinary B1 Shares, Preferred Ordinary B2 Shares, Preferred Ordinary B3 Shares, Preferred Ordinary B4 Shares, Preferred Ordinary B5 Shares, Preferred Ordinary B6, Preferred Ordinary B7 Shares, Preferred Ordinary B8 Shares, Preferred Ordinary D Shares and Participation Ordinary C Shares which have been issued during the 3 (three) years immediately preceding the date of the Prospectus.

SECTION 2 – DETAILS OF THE OFFER (continued)

3. PARTICULARS OF THE OFFER (REGULATION 72) (continued)

- 3.2.1 The Ordinary Shares were issued at R1.00 (one Rand) on 02 May 2017;
- 3.2.2 The Preferred Ordinary A Shares were issued at R1 000.00 (one thousand Rand) on 19 February 2018;
- 3.2.3 The Preferred Ordinary B1 Shares were issued at R1 000.00 (one thousand Rand) on 21 February 2019;
- 3.2.4 The Preferred Ordinary B2 Shares were issued at R1 000.00 (one thousand Rand) on 12 February 2019;
- 3.2.5 The Preferred Ordinary B3 Shares were issued at R1 000.00 (one thousand Rand) on 21 February 2018;
- 3.2.6 The Preferred Ordinary B4 Shares were issued at R1 000.00 (one thousand Rand) on 17 February 2018;
- 3.2.7 The Preferred Ordinary B5 Shares were issued at R1 000.00 (one thousand Rand) on 28 February 2019;
- 3.2.8 The Preferred Ordinary B6 Shares were issued at R1 000.00 (one thousand Rand) on 21 February 2020;
- 3.2.9 The Preferred Ordinary B7 Shares were issued at R1 000.00 (one thousand Rand) on 16 July 2020;
- 3.2.10 The Preferred Ordinary B8 Shares were issued at R1 000.00 (one thousand Rand) on 28 February 2020.
- 3.2.11 The Preferred Ordinary D Shares were issued at R100 000.00 (one hundred thousand Rand) on 01 September 2019; and
- 3.2.12 The Participation Ordinary C Shares were issued at R1.00 (One Rand) on 14 December 2018.

The reason for the differentiation between the share price that the shares in paragraph 3.2.1 to 3.2.12 were issued at and the issue price of the securities now on offer is that the offered shares are new shares.

The Public Offer Shares and the Private Placement Shares will not participate in the economic and financial gains and/or losses that result from the existing investments that GAIA VC has made during the three (3) years immediately preceding the date of the Prospectus. Instead, the capital raised pursuant to the Offer will be utilised to invest in further investment opportunities for the benefit of the Shareholders holding the Public Offer Shares and the Private Placement Shares. (Regulation 72(1)(d) and (e) and Regulation 72(2) and (3)).

- 3.3 GAIA VC's capital structure and alterations to the share capital since incorporation and preceding the date of issue of this Prospectus are set out in Section 1, paragraph 4.
- 3.4 The Directors consider the prices of the Public Offer and Private Placement to be justified by the prospects of GAIA VC as set out in Section 1, paragraph 3.3.
- 3.5 Applications for the subscription of Public Offer Shares may only be made on the Application Form which accompany this Prospectus or which is available on the website www.gaia.group. Applications are irrevocable and may not be withdrawn once received by GAIA VC.
- 3.6 All prospective Investors must apply for a minimum of 250 (two hundred and fifty) Public Offer Shares. The Directors shall however have the discretion to accept an investment by an Investor of less than 250 (two hundred and fifty) Public Offer Shares.
- 3.7 All Application Forms completed in accordance with the provisions of this Prospectus and the instructions set out therein should be delivered to the Administrative Manager at:
Email address: vcinfo@gaia.group
Physical address: 12 Meson Close, Techno Park, Stellenbosch, 7600
Registered mail: P.O. Box 12700, Die Boord, 7613
For attention: Ilzemarie Knoetze
- 3.8 Proof of payment is to be received by GAIA VC by no later than 17:00 on 28 February 2021 where a Section 12J tax deduction is required by the Investor for the 2021 financial year, or if a Section 12J tax deduction is not required for the 2021 financial year, proof of payment is to be received by GAIA VC by no later than 17:00 on 31 March 2021.
- 3.9 Applications will be regarded as complete once payment has been received. Payment may be made by electronic transfer into the following bank account:
Account name: GAIA Venture Capital
Account type: Cheque Account
Bank name: Absa
Branch code: 632005
Account number: 4092437487
Reference: Full name and surname of investor
- 3.10 No receipts will be issued for applications and/or payments received.

SECTION 2 – DETAILS OF THE OFFER (continued)

4. MINIMUM SUBSCRIPTION IN TERMS OF THIS OFFER (REGULATION 73)

- 4.1 The minimum amount to be raised in terms of this Offer is R20 000 000 (twenty million Rand). The Directors reserve the right to waive the condition as to the minimum amount to be raised pursuant to, and/or to increase the size of the Offer, in their absolute discretion and subject to the publication of a supplementary prospectus. (Regulation 73(1), (2)). If by no later than 28 February 2021 it is apparent to the Directors that the minimum subscription will not be raised in terms of the Offer and the Directors do not waive the condition, the Offer in terms of this Prospectus will become null and void, all moneys received will be returned to Investors within 10 (ten) Business Days from 28 February 2021 and no Public Offer Shares or Private Placement Shares will be issued pursuant to this Offer.
- 4.2 Other than for purposes of GAIA VC's proposed investments as set out in this Prospectus, the Offer is not underwritten and the Company will not issue fractions of Public Offer Shares or Private Placement Shares.
- 4.3 Any amounts raised in excess of the actual and projected issuing expenses and running costs will be applied to meet the purpose set out in Section 2, paragraph 1.1 above. (Regulation 70 (b))
- 4.4 The Directors intend to apply the monies raised pursuant to the Offer as follows: (Regulation 73(4)(b))
- 4.4.1 to pay the expenses listed in Section 1, paragraph 13, if required to do so (see Section 1, paragraph 9);
- 4.4.2 to pay for the following items as part of the budgeted annual running costs expenditure:

| Service | R |
|-------------------------|----------------|
| Compliance | 50 000 |
| Audit | 40 000 |
| Bank fees | 10 000 |
| Legal and advisory fees | 100 000 |
| Total | 200 000 |

- 4.5 There is no commission payable by or on behalf of GAIA VC in connection with the Offer and GAIA VC has not borrowed any monies, other than from the Manager, in connection with the preparation of this Prospectus or the Offer which it needs to repay once it has raised funding from the Offer. The Manager will pay the expenses related to the preparation of this Prospectus and will be entitled (but not obliged) to recover the expenses from GAIA VC after the fundraising. (Regulation 73(4)(b), (c) and (e))
- 4.6 GAIA VC does not currently require any working capital. (Regulation 73(4)(d))
- 4.7 Should the Offer fail, an announcement to this effect will be made on the Manager's website (www.gaia.group) within seven (7) Business Days of the Closing Date.

5. RESERVATION OF RIGHTS

The Directors of GAIA VC reserve the right to accept or refuse any application(s), either in whole or in part, or to abate any or all application(s) to subscribe for Public Offer Shares and/or Private Placement Shares in such manner as they may, in their sole and absolute discretion.

6. RESULTS OF ALLOCATIONS

6.1 Notification of allocations

Investors will be notified of the allocation of the Public Offer Shares and Private Placement Shares within ten (10) Business Days of the Closing Date by email.

6.2 Over Subscriptions

In the event of any application being rejected or accepted for a lesser number of Public Offer Shares than applied for, any surplus application monies received will be refunded by GAIA VC within 10 (ten) Business Days of the Closing Date. In addition, in the event of an over subscription of the Offer, Investors will be advised of the closure of the Offer on the website of GAIA VC and surplus investment amounts will be refunded by GAIA VC within 10 (ten) Business Days of the Closing Date.

6.3 Issue of shares

All Public Offer Shares and Private Placement Shares to be issued in terms of the Offer will be issued at the expense of the Manager.

6.4 Issues in the past 3 (three) years (Regulation 72(2) and (3))

Save for the Ordinary Shares and Participation Ordinary C Shares issued to the Manager, Preferred Ordinary A Shares, Preferred Ordinary B1 Shares, Preferred Ordinary B2 Shares, Preferred Ordinary B3 Shares, Preferred Ordinary B4 Shares, Preferred Ordinary B5 Shares, Preferred Ordinary B6 Shares, Preferred Ordinary B7 Shares, Preferred Ordinary B8 Shares Preferred Ordinary D Shares which have been issued during the 3 (three) years immediately preceding the date of the Prospectus as per paragraph 3.2.1 to 3.2.9 above, no other Shares have been issued by GAIA VC since the date of GAIA VC's incorporation.

SECTION 3 – STATEMENTS AND REPORTS RELATING TO THE OFFER

1. STATEMENT OF ADEQUACY OF CAPITAL (REGULATION 74(2)(A))

The Directors of GAIA VC are of the opinion that the issued capital of GAIA VC, which includes the minimum amount to be raised pursuant to the Offer, is adequate for the purposes of business of GAIA VC for at least twelve (12) months from the date of issue of this Prospectus.

2. REPORT BY DIRECTORS AS TO MATERIAL CHANGES (REGULATION 75)

There have been material changes in the liabilities and/or the financial and trading position of GAIA VC since its previous financial reporting period (29 February 2020). GAIA VC made 8 (eight) material investments, utilising cash held by the Company, there were share subscriptions to the amount of R53 000 000 (fifty three million Rand) (Regulation 65). However, with reference to Section 2, paragraph 3.2 of the Prospectus, these changes will have no impact on the Shareholders of the Public Offer Shares or the Private Placement Shares, as these Shareholders will not participate in the financial gains/losses that result from the existing investments that GAIA VC have made.

3. STATEMENT AS TO LISTING ON STOCK EXCHANGE (REGULATION 76)

No application has been made to any stock exchange for the listing of GAIA VC's Shares.

4. REPORT BY AUDITOR (REGULATION 77)

4.1 Regulation 77 of the Act requires the Auditors to prepare a report if the proceeds, or any part of the proceeds, of the issue of the Public Offer Shares, or any other funds in terms of the Offer are to be applied directly or indirectly in the purchase of any business undertaking.

This report must include statements of:

4.1.1 the profits or losses of the business undertaking in respect of each of the 3 (three) financial years preceding the date of this Prospectus; and

4.1.2 the assets and liabilities of the business undertaking at the last date to which the financial statements of the business undertaking were made out.

4.2 Until such time as the Manager and the Directors have determined which of the Qualifying Companies that have been identified are to be invested in, and transactions to make such Qualifying Investments are concluded, the preparation of this report is not applicable or appropriate (i.e. it is not certain as to the business undertakings into which the proceeds of the issue of the Public Offer Shares raised pursuant to the Offer will be invested).

5. REPORT BY AUDITOR (REGULATION 78)

GAIA VC intends to use the proceeds from the Offer in the manner contemplated in regulation 78 of the regulations to the Act. However, until the Qualifying Companies into which Qualifying Investments are to be made have been determined and transactions concluded it is not possible to give an indication of historical financial performance or records. Accordingly, the provisions of regulation 78 do not apply in the present circumstances.

6. REPORT BY THE AUDITOR OF GAIA VC (REGULATION 79)

In terms of Regulation 79 of the Act, the auditor is required to prepare a report on the profits and losses, dividends and assets and liabilities of GAIA VC. A report from the auditors to this effect is attached as **Annexure 7**.

SECTION 4 – ADDITIONAL MATERIAL INFORMATION

1. TAX DEDUCTIBILITY OF INVESTMENT IN GAIA VC (see Annexure 11 attached)

- 1.1 Please take note that the below is a summary based on current legislation. It is a general guide which is not intended to constitute a complete analysis of the taxation consequences of the Venture Capital Company regime contemplated by Section 12J of the Income Tax Act. It is not intended to be, nor does it constitute, legal or taxation advice. The Company, its staff and Advisors accept no liability or responsibility for the tax consequences of the Offer in the hands of Investors who are advised to consult their own tax and other professional advisors.
- 1.2 In terms of Section 12J of the Income Tax Act, Investors will be entitled to deduct from their income the full amount of their investment in GAIA VC in the tax year in which the investment is made, subject to any limitations placed by the Income Tax Act on the investment amount allowed in terms of Section 12J.
- 1.3 This tax relief reduces the investment risk and enhances the potential return of the Investment.
- 1.4 The tax impact is best demonstrated as follows:

| Investor type | Individuals | Trusts | Corporates |
|------------------------|-----------------|-----------------|-----------------|
| Gross investment | R1 000 000 | R1 000 000 | R1 000 000 |
| Tax relief | (R450 000) | (R450 000) | (R280 000) |
| Risk capital | R550 000 | R550 000 | R720 000 |
| Effective % tax relief | 45** | 45 | 28* |

* Dividends received by South African resident corporates will not be subject to dividend withholding tax to the extent that they have complied with the relevant formalities.

** The above is based on an individual with taxable income in excess of R1 500 000 (one million five hundred thousand Rand) in the tax year in which the investment is made.

- 1.5 Investors should note that they are required to hold the Shares for longer than 5 (five) years in order for the proceeds arising on sale of the Shares to not be recouped in their hands at a normal income tax rate but to rather be subject to capital gains tax at a lower effective tax rate.
- 1.6 GAIA VC intends to return realised investment surpluses to Shareholders by way of dividends. Dividends paid may be subject to dividend withholding tax as applicable.
- 1.7 A return of capital should not be subject to income tax as a recoupment in the hands of an Investor provided that the investment has been held for longer than 5 (five) years.
- 1.8 However, capital gains as well as original capital returned to investors after 5 (five) years from date of investment will be subject to capital gains tax. The base cost for capital gains tax purposes will be zero.
- 1.9 The ability of Investors to secure the tax relief under Section 12J of the Income Tax Act depends on their individual circumstances and such tax relief is based on current legislation, practice and interpretation.
- 1.10 An Investor will incur a recoupment to the extent that they sell their Shares within 5 (five) years of the date of issue.
- 1.11 In addition, should any one Investor be considered a Connected Person in relation to the Company, where for example an Investor holds at least 20% (twenty percent) of the total issued Preferred Ordinary Shares of a particular class, then the income tax deduction as contemplated in Section 12J(2) of the Income Tax Act will not be allowed in the hands of the Investor. This will be measured at the end of each year of assessment of the Company after the expiry of 36 (thirty-six) months from the issue of the first Public Offer Shares and/or Private Placement Shares. In addition, the Company's Venture Capital Company status may be withdrawn and an amount equal to 125% (one hundred and twenty five percent) of the expenditure incurred by an Investor to acquire the Preferred Ordinary Shares must be included in the income of the Company in the year of assessment in which the approval is withdrawn.
- 1.12 The Company must satisfy the following requirements by the end of each year of assessment after the expiry of forty-eight (48) months from the first date of issue of a Venture Capital Share, as per Section 12J(6A) of the Income Tax Act:
- 1.12.1 a minimum of 80% (eighty percent) of the expenditure incurred by the Company to acquire assets must be for Qualifying Shares, and each investee company, must immediately after the issuing of the Qualifying Shares, hold assets with a book value not exceeding R50 million (fifty million Rand), where the Qualifying Company was a company other than a junior mining company;
- 1.12.2 the expenditure incurred by the Company to acquire Qualifying Shares in any one Qualifying Company must not exceed 20% (twenty percent) of any amounts received in respect of the issue of the Shares.

SECTION 4 – ADDITIONAL MATERIAL INFORMATION (continued)

1. TAX DEDUCTIBILITY OF INVESTMENT IN GAIA VC (see Annexure 11 attached) (continued)

1.13 Any changes to future tax rates and/or legislation may also affect the after-tax returns received by Investors. All of these factors have been taken into account in the modelling of the returns, but future movements in these factors are unknown at the time of this Prospectus.

2. PROCEDURE TO CLAIM TAX DEDUCTION OF INVESTMENT

2.1 Investors will be entitled to deduct the full amount of their investment in GAIA VC from their income in the tax year ending 28 February 2021, provided the expenditure was incurred on or before this date. (A provisional taxpayer should be entitled to take the deduction into account when determining provisional tax payments, whereas non-provisional taxpayers would typically derive the benefit of the deduction upon assessment by SARS for that particular year of assessment.)

2.2 A certificate to substantiate a claim for tax deduction will be sent to Investors within 6 (six) weeks of the Closing Date (if the Offer becomes effective).

2.3 Investors can claim the tax relief by claiming the deduction in their applicable income tax returns.

3. LITIGATION STATEMENT

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened, of which GAIA VC is aware that may have or have had in the last 12 (twelve) months, a material effect on GAIA VC's or the Group's financial position.

4. CORPORATE GOVERNANCE

The Company subscribes to the guidelines of corporate governance set out in the King IV Report on Corporate Governance ("King Code") as set out in **Annexure 13**, but does not strictly apply the requirements of the King Code. [Regulation 54 (1)(b)(i)] 4.2.

The Manager's performance is reviewed by the Board on an ongoing basis.

5. EXPERTS' CONSENTS

Each of the parties listed under "Corporate Information and Advisors" section on page 3 has consented in writing to act in the capacities stated and to their names appearing in this Prospectus and have not withdrawn their consent prior to the publication of this Prospectus.

The independent reporting accountants have consented in writing to have their reports appear in this Prospectus in the form and context as they appear and have not withdrawn their approval prior to the publication of this Prospectus.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of GAIA VC, whose names are given in Section 1, paragraph 2.1 of this Prospectus, collectively and individually, accept full responsibility for the accuracy of the information provided in this Prospectus and certify that, to the best of their knowledge and belief, there are no facts relating to the Company that have been omitted which would make any statement relating to the Company false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this Prospectus contains all information relating to the Company required by law.

7. FINANCIAL ADVICE

7.1 This Prospectus constitutes objective information about GAIA VC. Nothing contained in this Prospectus should be construed as constituting any form of investment advice or recommendation, guidance or proposal of a financial nature in respect of any investment. Nothing in this Prospectus should be construed as constituting the canvassing for, or marketing or advertising of financial services by GAIA VC.

7.2 Investors should be cognizant that the value of, and potential income generated from, an acquisition of Shares in GAIA VC may appreciate as well as depreciate. Investors may not realise the initial Share acquisition price. If in doubt, Investors should seek advice from their financial advisor, attorney, accountant, banker or other professional advisor.

8. RISK FACTORS OF VENTURE CAPITAL INVESTMENTS

8.1 All the information in this Prospectus should be considered by potential Investors before making a decision to invest in GAIA VC. Investments in Venture Capital Companies are considered to be speculative and are considered to be more suitable for Investors in a high-income bracket who are prepared to accept the risks inherent in investments of this nature.

SECTION 4 – ADDITIONAL MATERIAL INFORMATION (continued)

- 8.2 Prospective Investors should carefully consider their financial position and make every effort to familiarise themselves with the consequences of non-attainment by GAIA VC of the objectives outlined in this Prospectus. It may be prudent to seek independent financial advice regarding this investment.
- 8.3 Prospective Investors should be aware that the value of the Shares in GAIA VC will fluctuate and that their investment may not realise a profit and that the capital invested and investment returns are not guaranteed.
- 8.4 Changes in legislation relating to Venture Capital Companies may restrict or adversely affect the ability of GAIA VC to meet its objectives.
- 8.5 There can be no assurances that GAIA VC will meet its objectives.
- 8.6 Qualifying Investments made by GAIA VC will be in companies whose shares are not listed and will therefore not be readily marketable. Whilst GAIA VC may, in exceptional circumstances, buy back Shares from Shareholders, it is not obliged to do so.
- 8.7 Venture Capital Shares are illiquid and purchasers of Venture Capital Shares from existing Investors will not qualify for the Section 12J income tax deduction.

9. COMPLAINTS PROCESS AND TCF OUTCOMES

- 9.1 GAIA VC is committed to service excellence and values the relationship with its Investors. The Treat Your Customers Fairly (TCF) culture is embedded in our business.
- 9.2 In terms of FAIS, Investors may lodge a complaint with Matthew Kreeve who is the Key Individual (as defined in FAIS) of GAIA VC at matthew@gaia.group. GAIA VC is committed to an effective and fair resolution of any complaints. GAIA VC's Complaints Resolution Procedure is available on request.

10. CONFIDENTIALITY

GAIA VC will not use or disclose any confidential information obtained, except to the extent permitted by our Investors or required by applicable law. Policies and procedures in terms of the POPI Act are in the process of implementation.

11. INVESTORS NOT RESIDENT IN SOUTH AFRICA

- 11.1 Investors without South African residency should seek professional advice as to the consequences of making an investment in a Venture Capital Company as they may be subject to tax in other jurisdictions as well as in South Africa.
- 11.2 The following summary is intended as a guide and is, therefore, not comprehensive. If you are in any doubt in this regard, please consult your professional advisor.

11.3 Emigrants from the Common Monetary Area

- 11.3.1 A former resident of the Common Monetary Area who has emigrated from South Africa may use Blocked Rands to purchase Public Offer Shares in terms of the Public Offer.
- 11.3.2 All payments in respect of subscriptions for Public Offer Shares by emigrants using Blocked Rands must be made through an authorised dealer in foreign exchange. It will be incumbent on the shareholder concerned to approach the authorised dealer controlling such shareholders' blocked assets and instruct the authorised dealer accordingly.
- 11.3.3 Share certificates will be restrictively endorsed as "NON-RESIDENT".
- 11.3.4 If applicable, refund monies in respect of unsuccessful applications, emanating from Blocked Rand accounts, will be returned to the authorised dealer administering such Blocked Rand accounts for the credit of such applicant's Blocked Rand account.

11.4 Applicants resident outside the Common Monetary Area

- 11.4.1 A person who is not resident in the Common Monetary Area should obtain advice as to whether any government and/or legal consent is required and/or whether any other formality must be observed to enable an application to be made in terms of the Offer.
- 11.4.2 This Prospectus is accordingly not an Offer in any area or jurisdiction in which it is illegal to make such an Offer. In such circumstances this Prospectus is provided for information purposes only.
- 11.4.3 Share certificates will be restrictively endorsed as "NON-RESIDENT".

SECTION 4 – ADDITIONAL MATERIAL INFORMATION (continued)

12. DOCUMENTS AVAILABLE FOR INSPECTION (REGULATION 53(A), (B), (D) AND (E))

Originals, or certified copies, of the following documents will be available for inspection at the registered offices of GAIA VC at any time during business hours on weekdays until and including ten (10) Business Days after the closing date:

- 12.1 the MOI of GAIA VC;
- 12.2 the Administration Agreement;
- 12.3 the Management Agreement;
- 12.4 the written consents of the Advisors named in this Prospectus to act in those capacities; and
- 12.5 GAIA VC's FSCA licence.

13. PROFESSIONAL INDEMNITY AND FIDELITY INSURANCE COVER

As required in terms of FAIS, professional indemnity and fidelity insurance cover of R5 000 000 (five million Rand) has been procured by GAIA VC.

14. SHARE BUY BACKS

- 14.1 An investment in GAIA VC should be considered as a medium to long term investment. In the event of a Shareholder requiring to "cash out" his investment prematurely, the Board will endeavour to place the Shares with an alternate Investor on his behalf.
- 14.2 In exceptional circumstances, and at the discretion of the Board, GAIA VC may, subject to complying with the Act and the MOI, repurchase such Shares at an appropriately discounted value.
- 14.3 Shareholders who do not hold Venture Capital Shares for a minimum period of 5 (five) years may be subject to a recoupment of tax on their initial investment, in the year in which the Venture Capital Shares are sold.

SECTION 5 – INAPPLICABLE OR IMMATERIAL MATTERS

1. The following regulations to the act dealing with the requirements for a prospectus are not applicable to this Prospectus:
 - 1.1 Regulation 54(2), General statement of required information
 - 1.2 Regulation 55, Specific matters to be addressed in a prospectus for a limited offer
 - 1.3 Regulation 57(2) and (3), Name address and incorporation
 - 1.4 Regulation 59(2)(a), (3) (f), (4), History, state of affairs and prospects of company
 - 1.5 Regulation 62, Commissions paid or payable in respect of underwriting
 - 1.6 Regulation 64(2)(b) (ii), and (iii), Interest of directors and promoters
 - 1.7 Regulation 66, Shares issued or to be issued otherwise than for cash
 - 1.8 Regulation 67, Property acquired or to be acquired
 - 1.9 Regulation 77, Report by auditor where business undertaking to be acquired
 - 1.10 Regulation 78, Report by auditor where company will acquire a subsidiary
 - 1.11 Regulation 80, Requirements of prospectus of mining company

Signed in Stellenbosch by all the Directors of GAIA VC on or about 10 December 2020.



Renier Cilliers de Wit



Matthew Edward Kreeve



Matthys Michiel Nieuwoudt

ANNEXURE 1 – RISK FACTORS

1. An investment in GAIA VC incorporates several features that mitigate investment risk. These include:
 - 1.1 the tax deductibility of the amount invested in the tax year of investment;
 - 1.2 the experience of the Investment Committee and the Manager in selecting, structuring and managing investments;
 - 1.3 the strategic partnership with the GAIA Group, with access to a team of specialists;
 - 1.4 the stringent investment criteria applied by the Investment Committee;
 - 1.5 a specific focus on securing product off-take and safeguarding an exit strategy for each investment;
 - 1.6 the diversification of the portfolio of infrastructure- and agribusiness related equity investments; and
 - 1.7 post-investment management and monitoring by the Manager.

2. This Annexure describes the risk factors that are considered by the Directors to be material in relation to the Company and in relation to subscribing for and holding Shares in GAIA VC. Investors should consider carefully the following risk factors in addition to the other information presented in this Prospectus as a whole. If any of the risks described below were to occur, it could have a material effect on the Company's business, financial condition or results of operations and consequently on the Shares. The risks and uncertainties described below are not the only ones the Company, the Directors or Investors in the Company may face. Additional risks not currently known to the Company or the Directors or that the Company or the Directors currently believe are not material, may also adversely affect the Company's business, financial condition and results of operations. The value of Shares could decline due to any of these risk factors, and Investors could lose part or all of their investment. Investors who are in any doubt should consult their independent financial adviser. The attention of prospective Investors is drawn to the following risks which apply specifically to GAIA VC:

Specific risks: Infrastructure and agribusiness

| Risk | Description | Mitigation |
|---|--|--|
| Construction risk | The risk that the construction of a project does not turn out as planned, for reasons such as a delay in the construction period and budget overruns, causing a reduction in the valuation of the project. | Where GAIA VC invests in a project company that takes on construction risk, it will ensure that: <ul style="list-style-type: none"> ▼ the construction partner has the required experience and track-record to successfully undertake the project; ▼ the necessary financial guarantees are in place; and ▼ the project is thoroughly planned with key milestones and penalties that are payable if milestones are not met. |
| Establishment risk (Agriculture) | The risk that the establishment of a new farm/expansion project (e.g. an orchard) is delivered sub-optimally or even fails, leading to lower production or poorer quality than expected. | In most cases, the development partner is highly experienced with a sound track record of undertaking successful establishment projects. The partner will either take first-loss equity in the project or provide the necessary guarantees to GAIA VC against its balance sheet. |
| Regulatory risk | Changes in law (such as tax, labour, environmental, constitution) and regulations. | Through its strategic partner, the GAIA Group, who is deeply entrenched in the infrastructure and agribusiness sectors in South Africa, GAIA VC remains on the forefront of regulatory developments which are carefully considered by the Investment Committee. GAIA VC also has the opportunity to lobby law-makers on key regulatory decisions. |

ANNEXURE 1 – RISK FACTORS (continued)

| Risk | Description | Mitigation |
|------------------------------|--|---|
| Operational risk | The risk of a loss resulting from inadequate or failed procedures, systems or policies, including employee errors, systems failures, fraud or other criminal activity. Any event that disrupts business processes and production. | <p>GAIA VC firstly partners with experienced operators who have demonstrated success through establishing robust processes and practices.</p> <p>GAIA VC relies heavily on the GAIA Group for support to ensure best-of-breed operational procedures are put in place to limit operational risk.</p> <p>In most cases the operations and maintenance of the projects are contracted to reputable partners, whom provide guarantees to the project companies.</p> <p>Various levels of insurance are kept in place to reduce the impact of losses.</p> |
| Financial risk | The risk that GAIA VC's expected returns do not materialise. | GAIA VC seeks stable returns that are as predictable as possible. Therefore, GAIA VC will (to the extent possible) assume a mezzanine-like position in the capital structure of the companies it is investing in, which will result in lower risk and reduced volatility of returns, when compared to a pure venture capital approach. |
| Foreign exchange risk | Risk that the rate of exchange between the South African Rand and the currency in which the farming product which an investee company sells, deviates from the forecast/assumed foreign exchange rate. | <p>GAIA VC reduces foreign exchange risk by:</p> <ul style="list-style-type: none"> ▼ ensuring that such risk vests with the off-take company; ▼ allowing for sufficient margin in the pricing basis to cushion against pricing fluctuations; and/or ▼ hedging a part of or all of the foreign exchange risk for a sufficient period of time. |
| Counter-party risk | The risk that the partner to an investee company is not able to fulfil its financial obligations under the transaction or the risk that the off-taking party(ies) defaults on its obligations to purchase product from the investee company. | <p>GAIA VC focuses on co-investing alongside reputable partners on an equity basis whom have:</p> <ul style="list-style-type: none"> ▼ demonstrated success through at least a proof of concept; ▼ experienced management teams with a partnership mentality; and/or ▼ strong balance sheets, ▼ and who are looking to fund new or expansionary projects where the off-take for the product being produced has a great deal of certainty. |
| Product risk | Risk that the price of the product produced by the investee company fluctuates, resulting in a loss. | GAIA VC aims to reduce the pricing risk of the product produced by the investee company, by either selling its product to the partner at a pre-determined price, or by entering into a hedging agreement to limit the pricing fluctuations. |

ANNEXURE 1 – RISK FACTORS

Other risk factors:

| Risk | Explanation of impact of risk on performance/reputation of GAIA VC | Level | Mitigating factor |
|---|---|--------------|--|
| Illiquidity | The issued Preferred Ordinary Shares are illiquid in nature. | High | <p>Full disclosure is made to Investors that the Preferred Ordinary Shares subscribed for are illiquid.</p> <p>At the discretion of the Board, GAIA VC may repurchase Preferred Ordinary Shares at an appropriately discounted value.</p> |
| Economic, Fiscal and Political Risks | Any change of economical, fiscal, and/or political policy could materially affect, directly or indirectly, the operations of the Company and its investee companies. | Medium | GAIA VC's Board, Investment Committee and its strategic partners and business associates assist in navigating this risk. |
| Concentration risk | The ability of the Company to adequately diversify its portfolio is dependent on its ability to raise capital through this Offer. To the extent that the Offer is not fully subscribed for, concentration risk will increase. | Medium | Potential sources of capital raising have already been identified and the Manager (as Promoter) and other strategic partners have an extensive network of potential investors which should assist the Company to meet its target of raising at least R50 000 000 and up to R150 000 000, through this Offer and through potential subsequent offers which may be made. |
| Credit Risk | Credit risk consists mainly of cash deposits/equivalents and trade debtors. | Low | GAIA VC will only deposit cash with major banks or other financial institutions with high quality credit standing and limits exposure to any one counter-party. |
| Uncertainty | Having limited knowledge of current conditions or future outcomes. | Medium | The Investment Committee only considers investments where it has a good understanding, can add value and influence the underlying investments. |
| Legislative changes | Legislative risk includes changes to Section 12J of the Income Tax Act legislation and mining legislation. | Medium | The Venture Capital Company regime is subject to a sunset clause terminating on 30 June 2021. It is reasonable to assume that SARS will review the efficiency of the regime and a decision will then be made as to whether it should be extended. This will only have an impact on GAIA VC's ability to raise capital post this date under the current regime under Section 12J of the Income Tax Act, and not materially affect the Investors subscribing for Public Offer Shares and Private Placement Shares. |

ANNEXURE 1 – RISK FACTORS (continued)

| Risk | Explanation of impact of risk on performance/reputation of GAIA VC | Level | Mitigating factor |
|---|---|-------|---|
| Fraud risk/Internal control risk | GAIA VC does not have an internal audit function. | Low | <p>Management accounts are produced monthly by independent accountants and reviewed by the Board.</p> <p>External auditors annually audit the Company and provide a management report on internal controls to the Board.</p> |
| Interest Rate Risk | Financial assets and liabilities that are sensitive to interest rates compromise cash balances and gearing if any. | Low | <p>Funds not yet invested in qualifying companies are deposited in short and medium-term interest-bearing accounts.</p> <p>GAIA VC's investment returns are subject to changes in interest rates, to the extent that it has cash deposits which are invested in money market funds.</p> |
| Operational Risks | <p>The investment decisions are not properly evaluated and considered.</p> <p>Post investment management is not conducted with adequate diligence and care.</p> | Low | <p>The mandate of the Investment Committee is to ensure that investment decisions are properly considered and evaluated, prior to investments being made.</p> <p>The Manager will procure the appointment of at least one representative to the board of investee companies as a condition of investment.</p> |
| Liquidity Risk | The risk that funds will not be available to meet future investment requirements. | Low | GAIA VC is an investment holding company which manages its liquidity risk through ongoing review of future funding obligations. |

ANNEXURE 2 – SALIENT TERMS OF VERBAL SERVICE CONTRACTS WITH DIRECTORS

| Name of Director | Commencement date | Period | Remuneration/Directors' fees |
|---------------------------|--------------------------|--|-------------------------------------|
| Renier Cilliers de Wit | 2 May 2017 | Elected by shareholders for an indefinite period until he resigns or is removed by shareholders. | Nil |
| Matthys Michiel Nieuwoudt | 14 January 2019 | Elected by shareholders for an indefinite period until he resigns or is removed by shareholders. | Nil |
| Matthew Edward Kreeve | 21 June 2017 | Elected by shareholders for an indefinite period until he resigns or is removed by shareholders. | Nil |

ANNEXURE 3 – WORKED EXAMPLE OF DISTRIBUTIONS

Relevant acquisition cost made by GAIA VC R10 000 000 (ten million Rand)
Hurdle rate 10% (ten percent)

| | Date | Relevant acquisition cost increased by hurdle rate (R) | Distribution received by GAIA VC (after tax) (R) | Relevant acquisition cost less distribution, increased by hurdle rate ("Hurdle") (R) | Distribution to shareholders (pre-withholding tax on dividends) (R) | Distribution to Class C shareholders (R) |
|------------------------|---------------|---|---|---|--|---|
| Investment date | 1 June 2021 | 10 000 000 | | 10 000 000 | | |
| Distribution 1 | 1 June 2023 | 12 100 000 | 1 500 000 | 10 600 000 | 1 500 000 | - |
| Distribution 2 | 1 June 2024 | 13 310 000 | 2 000 000 | 9 660 000 | 2 000 000 | - |
| Distribution 3 | 1 June 2025 | 14 644 824 | 3 500 000 | 7 128 775 | 3 500 000 | - |
| Distribution 4 | 1 June 2026 | 16 109 306 | 4 500 000 | 3 341 653 | 4 500 000 | - |
| Distribution 5 | 1 August 2026 | 16 367 958 | 8 000 000 | (4 604 694) | 6 848 827 | 1 151 173 |

ANNEXURE 4 – SALIENT TERMS OF THE MANAGEMENT AGREEMENT

The following is a summary of the salient, material terms of the Management Agreement. This summary includes paraphrases of the actual wording of the Management Agreement, based on the Directors' interpretation and commercial intention in concluding the Management Agreement.

1. TERM

The Management Agreement commenced on 1 August 2017 and shall (unless terminated pursuant to the provisions of clause 15 of the Management Agreement) endure until the day immediately before GAIA VC is liquidated or de-registered, as the case may be.

2. SERVICES

The Manager has been appointed, among other things, to manage and supervise the day to day operations of the business of GAIA VC by fulfilling the following duties including, but without limitation:

- 2.1 endeavour to raise funds for the operations of the Company and, if necessary, engaging intermediaries and advisors for that purpose (which include, without being limited to, attorneys, tax advisors, Investment Committee members, and any other advisors (for example, the Administrative Manager));
- 2.2 promote and market the Company;
- 2.3 endeavour to initiate and source potential investments for the Company;
- 2.4 manage due diligence investigations in relation to potential investments and make recommendations arising there from to the Board;
- 2.5 monitor and manage the Company's investments and to the extent necessary represent the Company at Shareholders and Directors' meetings of companies in which the Company has invested;
- 2.6 investigate and manage the disposal and realisation of the Company's investments and make recommendations in that regard to the Board;
- 2.7 conduct on behalf of the Company all negotiations in relation to the acquisition or disposal of any investment;
- 2.8 prepare at regular intervals reports and communications to the Board and Shareholders in relation to the management, administration, conduct and control of the Company;
- 2.9 prepare, on request by the Board, material required for inclusion in the annual and other reports of the Company or the Board;
- 2.10 prepare and maintain all statutory filings with the CIPC, agendas, minutes and other reports in respect of the Company;
- 2.11 open and operate banking accounts for the purposes of the Company;
- 2.12 report to the Board at such times as may be reasonably necessary with regard to all aspects of the Company; and
- 2.13 institute or defend any legal proceedings arising out of the ordinary and regular course of conduct of the Company.

3. REMUNERATION

- 3.1 The Management Agreement makes allowance for remuneration in the form of Public Offer Management Annual Fees, Public Offer Management Initial Fees and Private Placement Management Annual Fees. The management fee is will be calculated on 1 March, 1 June, 1 September and 1 December ("Quarter Dates") of each year and will be paid within 10 (ten) Business Days after each Quarter Date or 10 (ten) Business Days after the Company has received an invoice from the Manager for such fee (whichever is the later).
- 3.2 In addition, the Manager holds Participation Ordinary C Shares in the Company which entitles the Manager to, *inter alia*, the Management Participation Distribution. The rights of such Shares are set out in **Annexure 12**.

4. COSTS

- 4.1 In addition to the remuneration payable as indicated above, the Manager will be entitled (but not obliged) to be reimbursed (against presentation of appropriate vouchers if required by the Company) for all disbursements properly and reasonably incurred by it in fulfilling its management services.
- 4.2 Such disbursements may include:
 - 4.2.1 all expenses incurred in establishing the Company (including, without limitation, legal, compliance and other out of pocket expenses of the Manager);
 - 4.2.2 all expenses properly incurred in relation to the business of the Company, including legal fees, auditors' fees, litigation costs, bank charges, interest on borrowings, external compliance costs, insurance costs and directors' fees;

ANNEXURE 4 – SALIENT TERMS OF THE MANAGEMENT AGREEMENT (continued)

- 4.2.3 other than for services rendered by the Manager in respect of its investment management function, all fees, costs and expenses (including due diligence expenses) incurred by the Company (or by the Manager on behalf of the Company) in identifying, evaluating, negotiating, acquiring, holding, monitoring and realising/disposing of Investments (including proposed investments and realisations/disposals which are not completed);
 - 4.2.4 securities transfer tax, taxes, government charges, brokerage fees, commissions, penalties, transfer fees, registration fees, banking charges and other charges payable in respect of the acquisition or realisation of investments or in respect of income arising on investments; and
 - 4.2.5 any charges or expenses of the custodian or other service providers to the Company.
- 4.3 For the avoidance of doubt, the Manager shall carry its own running and administrative costs, which include without limitation, updating the records of the Manager with the CIPC and procuring the audit of its annual financial statements. In addition, if the Manager concludes separate contractual arrangements with third parties from time to time pursuant to which the Manager agrees to remunerate such third parties who introduce Investors to the Company, the Manager shall not be entitled to claim any such remuneration paid to such third parties from the Company.

ANNEXURE 5 – SALIENT TERMS OF THE ADMINISTRATION AGREEMENT

The following is a summary of the salient, material terms of the Administration Agreement. This summary includes paraphrases of the actual wording of the Administration Agreement, based on the Directors' interpretation and commercial intention in concluding the Administration Agreement.

1. TERM

The Administration Agreement commenced on 1 March 2018 and will endure for an initial period of 1 (one) year. After the expiration of such initial period, the agreement will continue in perpetuity unless terminated on 3 (three) months' notice in writing by either party. Notwithstanding the aforesaid, this agreement may be terminated during the initial period by either party on 1 (one) month's written notice if GAIA VC is de-registered with SARS and the FSCA as a Financial Services Provider.

2. SERVICES

- 2.1 The Administrative Manager has been appointed by the Manager to provide Administrative Services to GAIA VC, which include the Retainer Services and the Additional Services.
- 2.2 The Retainer Services include, among other things:
 - 2.2.1 preparation of monthly management accounts in respect of GAIA VC;
 - 2.2.2 providing the auditors of GAIA VC with a trial balance and detailed general ledger at GAIA VC's financial year end in order that the auditors may conduct an audit or review of GAIA VC's annual financial statements, but which specifically excludes the valuation of the portfolio of investments in GAIA VC and the drafting of GAIA VC's annual financial statements;
 - 2.2.3 procuring the issue, management and delivery of share and tax certificates to the shareholders of GAIA VC;
 - 2.2.4 providing the necessary reports on behalf of GAIA VC to SARS when required; and
 - 2.2.5 providing the necessary reports on behalf of GAIA VC to the FSCA when required.
- 2.3 The Additional Services include, among other things, the registration of GAIA VC with SARS, processing Application Forms, preparing prospectus, preparing notices and minutes, performing accounting services.

3. REMUNERATION

- 3.1 The Administrative Manager will be entitled to a quarterly fee (excluding VAT, disbursements and additional requests to be billed for separately) calculated at the start of each quarter based on a sliding scale of assets under management ("AUM") of the Company being:
 - ▼ 0.2% (zero point two percent) per year for the first R50 000 000 (fifty million Rand) under management;
 - ▼ 0.15% (zero point one five percent) per year for the next R50 000 000 (fifty million Rand) under management; and
 - ▼ 0.1% (zero point one percent) per year for assets over R100 000 000 (one hundred million Rand) under management.
- 3.2 The Manager will be responsible for the payment of the remuneration (as detailed above) to the Administrative Manager.

ANNEXURE 6 – FSCA LICENCE

2005/01280/FSP
14/08/2017



FINANCIAL SERVICES BOARD

LICENCE No. 48515

FINANCIAL SERVICES PROVIDER
Financial Advisory and Intermediary Services Act, 2002

It is hereby certified that with effect from 8 August 2017

GAIA VENTURE CAPITAL (PTY) LTD

IS LICENSED AS A FINANCIAL SERVICES PROVIDER IN TERMS OF SECTION 8 OF THE
FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002 (ACT No. 37 OF 2002)
subject to the conditions and restrictions set out in the Annexure




.....
REGISTRAR OF FINANCIAL SERVICES PROVIDERS

This document to be displayed in terms of section 8(8)(a) of the Act. The Annexure to be available for the information of clients.

ANNEXURE 7 – AUDITOR’S REPORT (REGULATION 79)

The Directors
GAIA Venture Capital Limited PO Box 12700
Die Boord
Stellebosch
7613



REPORT IN TERMS OF REGULATION 79 OF THE COMPANIES ACT 71 2008

We are the registered auditors of GAIA Venture Capital Limited (registration number 2017/186790/06).

- We hereby confirm the following in terms of regulation 79 of the Companies Act, 2008:
- Financial Information, which was independently audited or independently reviewed, for the last three years of the company:

Profits and losses

| | 29 February 2020 (Independently audited) R | 28 February 2019 (Independently audited) R | Incorporation to 28 February 2018 (Independently reviewed) R |
|-----------------------------|---|---|--|
| Operating expenses | (1 819 455) | (1 263 484) | (516 793) |
| Investment revenue | 1 941 911 | 907 966 | 4 |
| Fair value adjustments | 3 660 325 | 1 519 803 | - |
| Taxation | (1 098 447) | (240 891) | 144 701 |
| Net profit/(loss) after tax | 2 684 334 | 923 394 | (372 088) |
| Dividends | - | - | - |

Assets and liabilities

| | 29 February 2020 (Independently audited) R | 28 February 2019 (Independently audited) R | 28 February 2018 (Independently reviewed) R |
|-------------------------------------|---|---|--|
| Assets | | | |
| Non-current assets | 113 180 128 | 23 519 803 | 144 701 |
| Investments | 113 180 128 | 23 519 803 | - |
| Deferred tax | - | - | 144 701 |
| Currents assets | | | |
| Cash and cash equivalents | 62 278 367 | 29 284 264 | 23 140 195 |
| Total assets | 175 458 495 | 52 804 067 | 23 284 896 |
| Equity and liabilities | | | |
| Equity | 148 898 741 | 52 547 407 | 22 766 913 |
| Issued capital | 145 663 101 | 51 996 101 | 23 139 001 |
| Accumulated profit/(loss) | 3 235 640 | 551 306 | (372 088) |
| Non-current liabilities | 1 256 871 | 250 622 | 166 601 |
| Loans from related parties | 96 522 | 154 432 | 166 601 |
| Deferred tax | 1 160 349 | 96 190 | - |
| Current liabilities | 25 302 883 | 6 038 | 351 382 |
| Total equity and liabilities | 175 458 495 | 52 804 067 | 23 284 896 |

ANNEXURE 7 – AUDITOR’S REPORT (REGULATION 79) (continued)

3. Based on our review in 2018, nothing has come to our attention that causes us to believe that the financial information does not present fairly, in all material respects, the financial position of the company as at the reporting date, and its financial performance and cash flows for the period then ended.
4. In our opinion in 2019, the financial statements present fairly, in all material aspects, the financial position of the company as at the reporting date, and its financial performance and cash flows for the year then ended.
5. In our opinion in 2020, the financial statements present fairly, in all material aspects, the financial position of the company as at the reporting date, and its financial performance and cash flows for the year then ended.
6. The financial statements have been compiled in accordance with the International Financial Reporting Standards for Small and Medium-sized entities and the requirements of the Companies Act 71 of 2008.
7. Furthermore, we confirm the following:
 - 7.1 Debtors and creditors do not include accounts other than trade accounts.
 - 7.2 There is no provision for doubtful debts, as the company does not have debtors.
 - 7.3 There is no provision for obsolete, damaged or defective goods, as the company does not have inventory. No supplies were purchased at prices in excess of the current market prices.
 - 7.4 Assets and liabilities have materially changed since the date of the last annual financial statements. See paragraph 2 above.

We hereby give our consent to inclusion of this letter in its entirety in the prospectus.



EXCEED (CAPE TOWN) INCORPORATED

7 December 2020

Chartered Accountants (SA)

Registered Auditors

Director: DJC Koegelenberg

ANNEXURE 8 – SARS LICENCE

Legal Counsel

Legal Advisory

Venture Capital Company Office

Enquiries
Mxolisi Radebe

Switchboard
(011) 602 2000

Direct Line
011 602 3839

Facsimile
011 602 3525

E-mail
MRadebe4@sars.gov.za

Sector
VCC Office

Reference
VCC-0065

Date
02 October 2017

ANNEXURE 8 – SARS LICENCE



South African Revenue Service

South African Revenue Service

1st Floor, Blocks A and B,
Megawatt Park, Maxwell Drive,
Sunninghill, Sandton
(No postal deliveries to this address)

Private Bag X170, Rivonia, 2128

SARS online: www.sars.gov.za

The Public Officer
Gaia Venture Capital (Pty) Ltd
47 De Wagenweg Office Park
Stellentia Avenue
Stellenbosch
7600

per email: renier@gaia.group

Attention: Renier Cilliers de Wit

Dear Public Officer

APPROVAL OF APPLICATION FOR VENTURE CAPITAL COMPANY STATUS

We refer to your application to register as a Venture Capital Company (VCC) in terms of section 12J of the Income Tax Act No. 58 of 1962 ("the Act")

The application has been successful and the company is now an approved VCC.

Your reference number is VCC-0065. Please quote this reference number when communicating with SARS.

Please note that should the company at any stage fail to comply with the provisions of section 12J of the Act the approval may be withdrawn and the company could be liable for penalties. You may refer to the VCC reference guide on the SARS website for guidance in this regard.

Yours faithfully


Mxolisi Radebe


Thabile Matolo

ISSUED ON BEHALF OF THE COMMISSIONER FOR THE SOUTH AFRICAN
REVENUE SERVICE

ANNEXURE 9 – INDIRECT AND DIRECT SHAREHOLDING OF DIRECTORS AND PROMOTER IN GAIA VC

The Manager has entered into the Management Agreement with GAIA VC (details of which are set out in Section 1, paragraph 2.4 read with **Annexure 4**).

Zagile Proprietary Limited, Local and Overseas Leisure Corporation Limited, Leon de Wit Proprietary Limited, Spago Proprietary Limited, Hazika Holdings Proprietary Limited, Ferwood Investments Proprietary Limited, Rockjumper Holdings Proprietary Limited, Coin Wise Trading Proprietary Limited and Inkuba Estates Proprietary Limited are shareholders of the Manager.

Renier Cilliers de Wit (director of GAIA VC) holds an indirect interest in the Manager by virtue of the fact that he is a shareholder of Zagile Proprietary Limited, which holds 9.9% (nine point nine percent) of the issued shares of the Manager.

Matthys Michiel Nieuwoudt (director of GAIA VC) holds an indirect interest in the Manager by virtue of the fact that he is a shareholder of Hazika Holdings Proprietary Limited, which holds 5% (five percent) of the issued shares of the Manager.

ANNEXURE 10 – PRO FORMA STATEMENT OF FINANCIAL POSITION BEFORE AND AFTER THE OFFER

| Amounts in Rand | Before offer ¹ | Offer subscription | After offer ³ |
|-------------------------------------|---------------------------|--------------------|--------------------------|
| ASSETS | | | |
| Non-current assets | 185 488 483 | – | 185 488 483 |
| Investments in Associates | 185 488 483 | – | 185 488 483 |
| Deferred Tax Asset | – | – | – |
| Current Assets | 42 240 336 | 149 830 000 | 192 070 336 |
| Trade and other receivables | – | – | – |
| Cash and Cash Equivalents | 42 240 336 | 149 830 000 | 192 070 336 |
| Total Assets | 227 728 819 | 149 830 000 | 377 558 819 |
| EQUITY AND LIABILITIES | | | |
| Equity | 201 413 023 | 150 000 000 | 351 413 023 |
| Share Capital | 198 463 101 | 150 000 000 | 348 463 101 |
| Ordinary Shares | 1 | – | 1 |
| Preferred Ordinary A Shares | 13 419 000 | – | 13 419 000 |
| Preferred Ordinary B1 Shares | 14 513 000 | – | 14 513 000 |
| Preferred Ordinary B2 Shares | 13 793 000 | – | 13 793 000 |
| Preferred Ordinary B3 Shares | 1 500 000 | – | 1 500 000 |
| Preferred Ordinary B4 Shares | 8 220 000 | – | 8 220 000 |
| Preferred Ordinary B5 Shares | 4 360 000 | – | 4 360 000 |
| Preferred Ordinary B6 Shares | 28 480 000 | – | 28 480 000 |
| Preferred Ordinary B7 Shares | 2 500 000 | – | 2 500 000 |
| Preferred Ordinary B8 Shares | 11 678 000 | – | 11 678 000 |
| Preferred Ordinary B9 Shares | – | 100 000 000 | 100 000 000 |
| Preferred Ordinary B10 Shares | – | 50 000 000 | 50 000 000 |
| Participation Ordinary C Shares | 100 | – | 100 |
| Preferred Ordinary D Shares | 100 000 000 | – | 100 000 000 |
| Retained Income | 2 949 922 | – | 2 949 922 |
| Non-current Liabilities | 26 215 796 | (70 000) | 26 145 796 |
| Loans from the Manager | 70 000 | (70 000) | – |
| Loans from Shareholders | 25 000 000 | – | 25 000 000 |
| Deferred Tax Liability | 1 145 796 | – | 1 145 796 |
| Current Liabilities | 100 000 | (100 000) | – |
| Trade and other payables | 100 000 | (100 000) | – |
| Total Equity and Liabilities | 227 728 819 | 149 830 000 | 377 558 819 |

¹ The "Before Offer" column is based on the unaudited financial position as at 30 October 2020.

² Pro forma adjustments have been prepared to illustrate the financial impact of the issue of the Shares, should the entire Offer be subscribed for and has been calculated assuming that the transaction occurred on the statement of financial position date, as follows:

(a) The maximum level of issued share capital has been subscribed for; and

(b) Transaction costs comprising of inter alia fund setup costs, legal expenses, marketing costs and prospectus audit fees are paid in cash resulting in a reduction of retained earnings. These will not have a continuing effect.

ANNEXURE 11 – WHAT IS SECTION 12J?

Please take note the below is a summary based on current legislation. It is a general guide which is not intended to constitute a complete analysis of the taxation consequences of the Venture Capital Company regime contemplated by Section 12J of the Income Tax Act (“Section 12J”). It is not intended to be, nor does it constitute, legal or taxation advice. The Company, its staff and Advisors accept no liability or responsibility for the tax consequences of the proposed transaction in the hands of investors who are advised to consult their own tax advisors.

Governing regulation

Section 12J is subject to the provisions of the Income Tax Act. Section 12J was introduced to cater for the deductions in respect of expenditure incurred in exchange for the issue of Venture Capital Shares.

Background

One of the main challenges to the economic growth of small and medium-sized businesses and junior mining exploration is access to equity finance. To assist these sectors in terms of equity finance, government has implemented a tax incentive for investors in such enterprises through the Venture Capital Company regime.

The Venture Capital Company is intended to be a vehicle to attract retail investors. It has the benefit of bringing together small investors as well as concentrating investment expertise in favour of the small business sector.

With effect from 1 July 2009, investors (any taxpayers) can claim an income tax deduction in respect of the expenditure incurred in the subscription for equity in a Venture Capital Company.

The Venture Capital Company legislation is subject to a 12 (twelve)-year sunset clause i.e. it ends on 30 June 2021. This will allow for review of the efficiency of regime and a decision will then be made as to whether it should be continued.

What does this mean for the Investor in GAIA VC?

The full amount invested in GAIA VC is 100% (one hundred percent) deductible from your income in the year in which the investment is made, subject to any limitations in terms of the Income Tax Act on the investment amount allowed in terms of Section 12J, being R2 500 000 (two million five hundred thousand Rand) maximum deduction for individuals and trusts and R5 000 000 (five million Rand) maximum deduction for companies.

An Investor in GAIA VC will therefore obtain up to a 45% (forty-five percent) tax incentive (for an individual tax payer at maximum marginal rate) at the time of investment.

If the investment in GAIA VC is held for longer than 5 (five) years, the tax benefit conferred at the date of investment will become permanent, i.e. No recoupment of the tax benefit in the hands of the Investor when the investment in GAIA VC is subsequently realised. However, the Investor will not have a base cost for capital gains tax purposes in the investment and the disposal of the investment will be subject to normal capital gains tax rules.

GAIA VC is able to invest in mining companies with total assets up to R500 000 000 (five hundred million Rand) (previously R300 000 000 (three hundred million Rand)). Non-mining investments must be into companies with total assets up to R50 000 000 (fifty million Rand) (previously R20 000 000 (twenty million Rand)). Therefore, GAIA VC can consider investments into larger, more established companies, significantly expanding the investment universe and reducing investment risk.

How does it work?

Qualifying investors will invest in GAIA VC in exchange for the issue of Ordinary Shares and Investor certificates. Investors can claim tax deductions in respect of their investment into GAIA VC which is an approved Venture Capital Company.

GAIA VC will, in turn, invest in Qualifying Companies in exchange for Qualifying Shares.

Who qualifies to be an Investor?

Any taxpayer qualifies to invest in GAIA VC.

Qualifying Investors can claim income tax deductions in respect of the expenditure actually incurred to acquire Ordinary Shares in GAIA VC.

Where any loan or credit is used to finance the expenditure in acquiring a Venture Capital Share and remains owing at the end of the year of assessment, the deduction is limited to the amount for which the taxpayer is deemed to be at risk in the last day of the year of assessment.

On request from SARS, the Investor must verify a claim for a deduction by providing an Investor certificate that has been issued by GAIA VC, stating the amount of the investment and the year of assessment in which the investment was made.

Except in the case of GAIA VC Ordinary Shares held by a taxpayer for longer than five (5) years, the deduction is recouped (recovered) for income tax purposes if the taxpayer disposes of the Ordinary Shares to the extent of the initial investment into GAIA VC (under the general recoupment rules of Section 8(4) of the Income Tax Act). However, the proceeds will be subject to capital gains tax and the Investor will not have any base cost in the Ordinary Shares.

ANNEXURE 11 – WHAT IS SECTION 12J? (continued)

What supporting documents will the Investor receive from GAIA VC?

GAIA VC must issue Investor certificates to its investors. This will provide SARS with the proof it needs to allow the Investor the relevant tax deduction.

Who qualifies to be an investee?

- ✎ The investee must be a company;
- ✎ It must be a resident;
- ✎ It must not be a controlled group company in relation to a group of companies;
- ✎ Its tax affairs must be in order (a tax clearance certificate must be requested from SARS to support this requirement);
- ✎ It must be an unlisted company (Section 41 of the Income Tax Act) or a junior mining company; a junior mining company may be listed on the Alternative Exchange Division ("AltX") of the JSE Limited;
- ✎ During any year of assessment, the sum of the "Investment Income" derived by the investee must not exceed 20% (twenty percent) of its gross income for that year of assessment; and
- ✎ It must not carry on any of the following impermissible trades:
 - Any trade carried on in respect of immoveable property, except trade as a hotel keeper (includes bed and breakfast establishments);
 - Financial service activities such as banking, insurance, money-lending and hire purchase financing; provision of financial or advisory services, including legal, tax advisory, stock broking, management consulting, auditing, or accounting;
 - Operating casino's or other gambling related activities including any other games of chance; manufacturing, buying or selling liquor, tobacco products or arms or ammunition; or
 - Any trade carried on mainly outside South Africa.

There are no special tax rules for investee companies. The standard tax rules will apply.

Requirements to be met by Section 12J companies

GAIA VC must satisfy the following requirements by the end of each year of assessment after the expiry of 48 (forty-eight) months from the first date of issue of Venture Capital Shares:

- ✎ A minimum of 80% (eighty percent) of the expenditure incurred by GAIA VC to acquire assets must be for Qualifying Shares, and each investee company must, immediately after the issuing of the Qualifying Shares, hold assets with a book value not exceeding: R500 000 000 (five hundred million Rand) in any junior mining company; or R50 000 000 (fifty million Rand) in any other Qualifying Company.
- ✎ The expenditure incurred by GAIA VC to acquire Qualifying Shares in any one Qualifying Company must not exceed 20% (twenty percent) of any amounts received in respect of the issue of Venture Capital Shares.

Responsibilities of an approved Venture Capital Company

GAIA VC must maintain a record of all its Investors. A copy of this record must be submitted to SARS in February and August of each year. The records must contain at least the following details of the Investors:

- ✎ Taxpayer reference number;
- ✎ Name of entity;
- ✎ Physical address;
- ✎ Nature of trade;
- ✎ Contact details;
- ✎ Number of shares issued (per investor);
- ✎ Value of shares (per investor); and
- ✎ Date of issue of shares (per investor).

GAIA VC must maintain a record of all its investees. A copy of this record must be submitted to SARS in February and August of each year. The records must contain at least the following details of the investees:

- ✎ Taxpayer reference number;
- ✎ Name of entity;
- ✎ Physical address;
- ✎ Nature of trade;
- ✎ Contact details;
- ✎ Number of Qualifying Shares received (per investee);
- ✎ Value of Qualifying Shares (per investee); and
- ✎ Date of receipt of Qualifying Shares (per investee).

ANNEXURE 11 – WHAT IS SECTION 12J? (continued)

The onus will be on GAIA VC to ensure that it invests in companies (i.e. investees) that meet the stipulated requirements. GAIA VC must issue “Venture Capital Company investor certificates” to qualifying Investors in the year in which the investment is received. The certificates issued by GAIA VC must include at least the following details:

- ▼ GAIA VC’s reference number as issued by SARS;
- ▼ The name and address of GAIA VC to which enquiries may be directed;
- ▼ The date of receipt of the investment;
- ▼ The name and address of the Investor;
- ▼ The taxpayer reference number of the Investor; and
- ▼ The amount of the investment.

On request from the Minister of Finance, GAIA VC must submit a report providing information that the Minister of Finance may prescribe.

In summary

An Investor in GAIA VC will obtain up to a 45% (forty-five percent) tax incentive (for an individual taxpayer at maximum marginal rate) at the time of investment.

There is no recoupment of tax incentive at the time of realisation of investment in GAIA VC if the investment is held for a minimum period by the Investor of 5 (five) years although the Investor will not have any base cost for capital gains tax purposes in the investment and the disposal of the investment will be subject to normal capital gains tax rules.

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS

1. AUTHORISED SHARE CAPITAL

The authorised share capital of the Company as at the Last Practicable Date and before the Offer is as follows: (Regulation 60(a)(i))

- 1.1 100 (one hundred) Ordinary No Par Value Shares;
- 1.2 100 000 000 (one hundred million) Preferred Ordinary A Shares;
- 1.3 100 000 000 (one hundred million) Preferred Ordinary B1 Shares;
- 1.4 100 000 000 (one hundred million) Preferred Ordinary B2 Shares;
- 1.5 100 000 000 (one hundred million) Preferred Ordinary B3 Shares;
- 1.6 100 000 000 (one hundred million) Preferred Ordinary B4 Shares;
- 1.7 100 000 000 (one hundred million) Preferred Ordinary B5 Shares;
- 1.8 100 000 000 (one hundred million) Preferred Ordinary B6 Shares;
- 1.9 100 000 000 (one hundred million) Preferred Ordinary B7 Shares;
- 1.10 100 000 000 (one hundred million) Preferred Ordinary B8 Shares;
- 1.11 100 000 000 (one hundred million) Preferred Ordinary B9 Shares;
- 1.12 150 000 (one hundred and fifty thousand) Preferred Ordinary B10 Shares;
- 1.13 100 000 000 (one hundred million) Participation Ordinary C Shares;
- 1.14 10 000 (ten thousand) Preferred Ordinary D Shares; and
- 1.15 99 840 000 (ninety nine million eight hundred and forty thousand) Unclassified Shares.

2. ISSUED SHARE CAPITAL

The issued share capital of the Company as at the Last Practicable Date and before the Offer is: (Regulation 60(a)(ii))

- 2.1 1 (one) Ordinary Share to the Manager;
- 2.2 13 419 (thirteen thousand four hundred and nineteen) Preferred Ordinary A Shares to various shareholders;
- 2.3 14 513 (fourteen thousand five hundred and thirteen) Preferred Ordinary B1 Shares to various shareholders;
- 2.4 13 793 (thirteen thousand seven hundred and ninety three) Preferred Ordinary B2 Shares to various shareholders;
- 2.5 1 500 (one thousand five hundred) Preferred Ordinary B3 Shares to various shareholders;
- 2.6 8 220 (eight thousand two hundred and twenty) Preferred Ordinary B4 Shares to various shareholders;
- 2.7 4 360 (four thousand three hundred and sixty) Preferred Ordinary B5 Shares to various shareholders;
- 2.8 28 479 (twenty eight thousand four hundred and seventy nine) Preferred Ordinary B6 Shares to various shareholders;
- 2.9 2 750 (two thousand seven hundred and fifty) Preferred Ordinary B7 Shares to various shareholders;
- 2.10 11 678 (eleven thousand six hundred and seventy eight) Preferred Ordinary B8 Shares to various shareholders;
- 2.11 500 (five hundred) Preferred Ordinary D Shares to various shareholders;
- 2.12 100 (one hundred) Participation Ordinary C Shares to the Manager.

3. THE PREFERENCES, RIGHTS AND LIMITATIONS OF THE SHARES OF THE COMPANY

- 3.1 The preferences, rights and limitations and other terms attached to the respective classes of Shares of the Company are set out below.

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO ORDINARY SHARES

- 3.1.1 The ordinary shares in the authorised share capital of the Company shall:
 - 3.1.1.1 have Voting Rights on the basis of 1 (one) vote per ordinary share in respect of every matter that may be decided by voting;
 - 3.1.1.2 rank:
 - 3.1.1.2.1 after all classes of preferred ordinary Shares as regards “Preferred Distributions”, the “**Preferred Winding Up Distribution**” and redemption payments (as contemplated in respect of each particular class of preferred ordinary Shares in the preferences, rights, limitations or other terms applicable in respect of such class of preferred ordinary Shares); and thereafter
 - 3.1.1.2.2 *pari passu* with all classes of preferred ordinary Shares with respect to any Distributions of the Company other than the “**Preferred Distributions**”, the “**Preferred Winding Up Distribution**” and redemption payments (as contemplated in the preferences, rights, limitations or other terms applicable in respect of the preferred ordinary Shares) and shall share equally with all classes of preferred ordinary Shares in respect of the remaining net assets of the Company upon its liquidation;
- otherwise rank *pari passu* in all respects.

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

SCHEDULE 6.1.2.1

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY A SHARES

The preferences, rights, limitations and other terms attaching to the preferred ordinary A shares ("**Class A Shares**") in the Company shall be as set out below.

1. For purposes of these preferences, rights, limitation and other terms:
 - 1.1 "**Relevant Acquisition Cost**" shall mean the equity and debt investments of the Company in a Relevant Project Company attributed by the Board to the Class A Shares (and in making such attribution the Board shall have due regard to whether subscription proceeds received by the Company upon the issue of Class A Shares were invested in the Relevant Project Company and whether any amount which would otherwise have been employed to pay a Preferred Distribution was invested in the Relevant Project Company);
 - 1.2 "**Relevant Project Company**" shall mean each Project Company other than a Project Company designated by the Board as a Project Company in relation to which the Class A Shares shall not be notionally linked (and the Board shall only be entitled to designate a Project Company as one in relation to which the Class A Shares shall not be notionally linked if no subscription proceeds received by the Company upon the issue of Class A Shares were invested in the Project Company and no amount which would otherwise have been employed to pay a Preferred Distribution was invested in the Project Company).
2. The Company shall keep appropriate records in order to implement these preferences, rights, limitations and other terms.
3. Each Class A Share shall confer on its holder the right to receive from the Company a Distribution (the "**Preferred Distribution**" in respect of such Class A Share) calculated in accordance with the following formula:
A = (B – C) * D/E
Where (without double counting):
A equals the Preferred Distribution per Class A Share;
B equals the aggregate amount of:
 - each Distribution from a Relevant Project Company, less any costs and taxes payable by the Company in connection with such Distribution; and
 - the proceeds realized upon a disposal of the Company's shares in and/or claims against a Relevant Project Company (including any redemption of shares and/or payment of capital or interest on account of claims), less any costs and taxes payable by the Company in connection with the disposal,which were actually received by the Company;
C equals the portion of the total costs and expenses of the Company attributed by the Board to the Relevant Project Company contemplated in B;
D equals the Relevant Acquisition Cost divided by the total equity and debt investments by the Company in the Relevant Project Company (expressed as a percentage);
E equals the number of Class A Shares in issue.
4. A Preferred Distribution shall be authorised by the Board at a time determined by the Board and paid to the holders of the Class A Shares in such manner as may be determined by the Board.
5. The Board shall be entitled, by resolution, to determine that any or all of the amount of a Preferred Distribution shall be invested or re-invested in a Relevant Project Company, in which case the amount so invested or re-invested shall not be payable as a Preferred Distribution to the holders of the Class A Shares.
6. In the event of a winding up of the Company, each holder of a Class A Share shall be entitled (without double counting) to receive in respect of each Class A Share held a Distribution (the "**Preferred Winding Up Distribution**") in an amount equal to:
 - 6.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 6.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context), on the basis that the Company will realise its investments in all of the Relevant Project Companies; plus
 - 6.3 in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares, the value of such net assets divided by the total number of shares in the Company in issue.
 - 6.4 The Class A Shares are redeemable securities as contemplated in clause 48(1)(b) of the Companies Act and shall be redeemable at any time at the instance of the Company, provided that the Company has realised its investments in all of the Relevant Project Companies.
7. The redemption price for each Class A Share shall (without double counting) be equal to:
 - 7.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 7.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context); plus

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

SCHEDULE 6.1.2.1 (continued)

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY A SHARES (continued)

- 7.3 an additional amount, as determined by the Board of the Company, equal to the amount the holder of the Class A Share would have received upon the winding up of the Company in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares.
8. Where these preferences, rights, limitations and other terms provide that the Board shall designate, authorise, attribute or determine a matter, such action of the Board shall be final and binding on all holders of the Class A Shares, save in the event of manifest error.
9. The Company shall be entitled to pay interest in respect of unpaid Preferred Distributions or Preferred Winding Up Distributions, if the Board so resolves.
10. The Class A Shares shall not entitle the holder thereof to vote at any Shareholders Meeting of the Company, unless:
- 10.1 a Distribution in relation to Class A Shares has not been paid in accordance with the preference, rights, limitations and other terms attaching the Class A Shares; or
- 10.2 any resolution is proposed at such meeting which amends the preferences, rights, limitations or other terms associated with the Class A Shares or which is contemplated in clause 5 of the MOI.

Subject to the provisions of the Companies Act, holders of the Class A Shares, if entitled to vote at a Shareholders Meeting of the Company, shall, upon a poll, be entitled to one vote per share.

SCHEDULE 6.1.2.2

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B1 SHARES

The preferences, rights, limitations and other terms attaching to the preferred ordinary B1 shares ("**Class B1 Shares**") in the Company shall be as set out below.

1. For purposes of these preferences, rights, limitation and other terms:
- 1.1 "**Relevant Acquisition Cost**" shall mean the equity and debt investments by the Company in the Relevant Project Company attributed by the Board to the Class B1 Shares (and in making such attribution the Board shall have due regard to whether subscription proceeds received by the Company upon the issue of Class B1 Shares were invested in the Relevant Project Company and whether any amount which would otherwise have been employed to pay a Preferred Distribution was invested in the Relevant Project Company);
- 1.2 "**Relevant Project Company**" shall mean each Project Company designated by the Board as being notionally linked to the Class B1 Shares upon the issue of the first Class B1 Share and each Project Company into which the Company invested an amount which would otherwise have been employed to pay a Preferred Distribution).
2. The Company shall keep appropriate records in order to implement these preferences, rights, limitations and other terms.
3. Each Class B1 Share shall confer on its holder the right to receive from the Company a Distribution (the "**Preferred Distribution**" in respect of such Class B1 Share) calculated in accordance with the following formula:

$$A = (B - C - D) * E/F$$

Where (without double counting):

A equals the Preferred Distribution per Class B1 Share;

B equals the aggregate amount of:

- ▼ each Distribution from the Relevant Project Company, less any costs and taxes payable by the Company in connection with such Distribution; and
- ▼ the proceeds realised upon a disposal of the Company's shares in and/or claims against a Relevant Project Company (including any redemption of shares and/or payment of capital or interest on account of claims), less any costs and taxes payable by the Company in connection with the disposal, which were actually received by the Company;

C equals the portion of the total costs and expenses of the Company attributed by the Board to the Relevant Project Company;

D equals the amount of the Participation Distributions paid, payable or capable of declaration (if not yet declared) by the Company to the holders of all of the Class C shares;

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

SCHEDULE 6.1.2.2 (continued)

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B1 SHARES (continued)

- E** equals the Relevant Acquisition Cost divided by the total equity and debt investments of the Company in the Relevant Project Company (expressed as a percentage);
- F** equals the number of Class B1 Shares in issue.
4. A Preferred Distribution shall be authorised by the Board at a time determined by the Board and paid to the holders of the Class B1 Shares in such manner as may be determined by the Board.
 5. The Board shall be entitled, by resolution, to determine that any or all of the amount of a Preferred Distribution shall be invested or re-invested in a Relevant Project Company, in which case the amount so invested or re-invested shall not be payable as a Preferred Distribution to the holders of the Class B1 Shares.
 6. In the event of a winding up of the Company, each holder of a Class B1 Share shall be entitled (without double counting) to receive in respect of each Class B1 Share held a Distribution (the "Preferred Winding Up Distribution") in an amount equal to:
 - 6.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 6.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context), on the basis that the Company will realise its investments in all of the Relevant Project Companies; plus
 - 6.3 in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares, the value of such net assets divided by the total number of shares in the Company in issue.
 7. The Class B1 Shares are redeemable securities as contemplated in clause 48(1)(b) of the Companies Act and shall be redeemable at any time at the instance of the Company, provided that the Company has realised its investments in all of the Relevant Project Companies.
 8. The redemption price for each Class B1 Share shall (without double counting) be equal to:
 - 8.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 8.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context); plus
 - 8.3 an additional amount, as determined by the Board of the Company, equal to the amount the holder of the Class B1 Share would have received upon the winding up of the Company in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares.
 9. Where these preferences, rights, limitations and other terms provide that the Board shall designate, authorise, attribute or determine a matter, such action of the Board shall be final and binding on all holders of the Class B1 Shares, save in the event of manifest error.
 10. The Company shall be entitled to pay interest in respect of unpaid Preferred Distributions or Preferred Winding Up Distributions, if the Board so resolves.
 11. The Class B1 Shares shall not entitle the holder thereof to vote at any Shareholders Meeting of the Company, unless:
 - 11.1 a Distribution in relation to Class B1 Shares has not been paid in accordance with the preference, rights, limitations and other terms attaching the Class B1 Shares; or
 - 11.2 any resolution is proposed at such meeting which amends the preferences, rights, limitations or other terms associated with the Class B1 Shares or which is contemplated in clause 5 of the MOI.
- Subject to the provisions of the Companies Act, holders of the Class B1 Shares, if entitled to vote at a Shareholders Meeting of the Company, shall, upon a poll, be entitled to 1 vote per share.

SCHEDULE 6.1.2.3

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B2 SHARES

The preferences, rights, limitations and other terms attaching to the preferred ordinary B2 shares ("**Class B2 Shares**") in the Company shall be as set out below.

1. For purposes of these preferences, rights, limitation and other terms:
 - 1.1 "**Relevant Acquisition Cost**" shall mean the equity and debt investments by the Company in the Relevant Project Company attributed by the Board to the Class B2 Shares (and in making such attribution the Board shall have due regard to whether subscription proceeds received by the Company upon the issue of Class B2 Shares were invested in the Relevant Project Company and whether any amount which would otherwise have been employed to pay a Preferred Distribution was invested in the Relevant Project Company);

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

SCHEDULE 6.1.2.3 (continued)

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B2 SHARES (continued)

- 1.2 “**Relevant Project Company**” shall mean each Project Company designated by the Board as being notionally linked to the Class B2 Shares upon the issue of the first Class B2 Share and each Project Company into which the Company invested an amount which would otherwise have been employed to pay a Preferred Distribution).
2. The Company shall keep appropriate records in order to implement these preferences, rights, limitations and other terms.
3. Each Class B2 Share shall confer on its holder the right to receive from the Company a Distribution (the “**Preferred Distribution**” in respect of such Class B2 Share) calculated in accordance with the following formula:
A = (B – C – D) * E/F
Where (without double counting):
A equals the Preferred Distribution per Class B2 Share;
B equals the aggregate amount of:
 - each Distribution from the Relevant Project Company, less any costs and taxes payable by the Company in connection with such Distribution; and
 - the proceeds realised upon a disposal of the Company’s shares in and/or claims against a Relevant Project Company (including any redemption of shares and/or payment of capital or interest on account of claims), less any costs and taxes payable by the Company in connection with the disposal,
which were actually received by the Company;**C** equals the portion of the total costs and expenses of the Company attributed by the Board to the Relevant Project Company;
D equals the amount of the Participation Distributions paid, payable or capable of declaration (if not yet declared) by the Company to the holders of all of the Class C shares;
3. Each Class B2 Share shall confer on its holder the right to receive from the Company a Distribution (the “**Preferred Distribution**” in respect of such Class B2 Share) calculated in accordance with the following formula (continued):
E equals the Relevant Acquisition Cost divided by the total equity and debt investments of the Company in the Relevant Project Company (expressed as a percentage);
F equals the number of Class B2 Shares in issue.
4. A Preferred Distribution shall be authorised by the Board at a time determined by the Board and paid to the holders of the Class B2 Shares in such manner as may be determined by the Board.
5. The Board shall be entitled, by resolution, to determine that any or all of the amount of a Preferred Distribution shall be invested or re-invested in a Relevant Project Company, in which case the amount so invested or re-invested shall not be payable as a Preferred Distribution to the holders of the Class B2 Shares.
6. In the event of a winding up of the Company, each holder of a Class B2 Share shall be entitled (without double counting) to receive in respect of each Class B2 Share held a Distribution (the “Preferred Winding Up Distribution”) in an amount equal to:
 - 6.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 6.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context), on the basis that the Company will realise its investments in all of the Relevant Project Companies; plus
 - 6.3 in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares, the value of such net assets divided by the total number of shares in the Company in issue.
 - 6.4 The Class B2 Shares are redeemable securities as contemplated in clause 48(1)(b) of the Companies Act and shall be redeemable at any time at the instance of the Company, provided that the Company has realised its investments in all of the Relevant Project Companies.
7. The redemption price for each Class B2 Share shall (without double counting) be equal to:
 - 7.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 7.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context); plus
 - 7.3 an additional amount, as determined by the Board of the Company, equal to the amount the holder of the Class B2 Share would have received upon the winding up of the Company in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares.

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

SCHEDULE 6.1.2.3 (continued)

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B2 SHARES (continued)

8. Where these preferences, rights, limitations and other terms provide that the Board shall designate, authorise, attribute or determine a matter, such action of the Board shall be final and binding on all holders of the Class B2 Shares, save in the event of manifest error.
9. The Company shall be entitled to pay interest in respect of unpaid Preferred Distributions or Preferred Winding Up Distributions, if the Board so resolves.
10. The Class B2 Shares shall not entitle the holder thereof to vote at any Shareholders Meeting of the Company, unless:
 - 10.1 a Distribution in relation to Class B2 Shares has not been paid in accordance with the preference, rights, limitations and other terms attaching the Class B2 Shares; or
 - 10.2 any resolution is proposed at such meeting which amends the preferences, rights, limitations or other terms associated with the Class B2 Shares or which is contemplated in clause 5 of the MOI.

Subject to the provisions of the Companies Act, holders of the Class B2 Shares, if entitled to vote at a Shareholders Meeting of the Company, shall, upon a poll, be entitled to 1 vote per share.

SCHEDULE 6.1.2.4

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B3 SHARES

The preferences, rights, limitations and other terms attaching to the preferred ordinary B3 shares ("**Class B3 Shares**") in the Company shall be as set out below.

1. For purposes of these preferences, rights, limitation and other terms:
 - 1.1 "**Relevant Acquisition Cost**" shall mean the equity and debt investments by the Company in the Relevant Project Company attributed by the Board to the Class B3 Shares (and in making such attribution the Board shall have due regard to whether subscription proceeds received by the Company upon the issue of Class B3 Shares were invested in the Relevant Project Company and whether any amount which would otherwise have been employed to pay a Preferred Distribution was invested in the Relevant Project Company);
 - 1.2 "**Relevant Project Company**" shall mean each Project Company designated by the Board as being notionally linked to the Class B3 Shares upon the issue of the first Class B3 Share and each Project Company into which the Company invested an amount which would otherwise have been employed to pay a Preferred Distribution).
2. The Company shall keep appropriate records in order to implement these preferences, rights, limitations and other terms.
3. Each Class B3 Share shall confer on its holder the right to receive from the Company a Distribution (the "**Preferred Distribution**" in respect of such Class B3 Share) calculated in accordance with the following formula:
A = (B – C) * D/E
Where (without double counting):
A equals the Preferred Distribution per Class B3 Share;
B equals the aggregate amount of:
 - ▼ each Distribution from the Relevant Project Company, less any costs and taxes payable by the Company in connection with such Distribution; and
 - ▼ the proceeds realised upon a disposal of the Company's shares in and/or claims against a Relevant Project Company (including any redemption of shares and/or payment of capital or interest on account of claims), less any costs and taxes payable by the Company in connection with the disposal,which were actually received by the Company;
C equals the portion of the total costs and expenses of the Company attributed by the Board to the Relevant Project Company;
D equals the Relevant Acquisition Cost divided by the total equity and debt investments of the Company in the Relevant Project Company (expressed as a percentage);
E equals the number of Class B3 Shares in issue.
4. A Preferred Distribution shall be authorised by the Board at a time determined by the Board and paid to the holders of the Class B3 Shares in such manner as may be determined by the Board.

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

SCHEDULE 6.1.2.4 (continued)

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B3 SHARES (continued)

5. The Board shall be entitled, by resolution, to determine that any or all of the amount of a Preferred Distribution shall be invested or re-invested in a Relevant Project Company, in which case the amount so invested or re-invested shall not be payable as a Preferred Distribution to the holders of the Class B3 Shares.
6. In the event of a winding up of the Company, each holder of a Class B3 Share shall be entitled (without double counting) to receive in respect of each Class B3 Share held a Distribution (the "**Preferred Winding Up Distribution**") in an amount equal to:
 - 6.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 6.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context), on the basis that the Company will realise its investments in all of the Relevant Project Companies; plus
 - 6.3 in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares, the value of such net assets divided by the total number of shares in the Company in issue.
7. The Class B3 Shares are redeemable securities as contemplated in clause 48(1)(b) of the Companies Act and shall be redeemable at any time at the instance of the Company, provided that the Company has realised its investments in all of the Relevant Project Companies.
8. The redemption price for each Class B3 Share shall (without double counting) be equal to:
 - 8.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 8.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context); plus
 - 8.3 an additional amount, as determined by the Board of the Company, equal to the amount the holder of the Class B3 Share would have received upon the winding up of the Company in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares.
9. Where these preferences, rights, limitations and other terms provide that the Board shall designate, authorise, attribute or determine a matter, such action of the Board shall be final and binding on all holders of the Class B3 Shares, save in the event of manifest error.
10. The Company shall be entitled to pay interest in respect of unpaid Preferred Distributions or Preferred Winding Up Distributions, if the Board so resolves.
11. The Class B3 Shares shall not entitle the holder thereof to vote at any Shareholders Meeting of the Company, unless:
 - 11.1 a Distribution in relation to Class B3 Shares has not been paid in accordance with the preference, rights, limitations and other terms attaching the Class B3 Shares; or
 - 11.2 any resolution is proposed at such meeting which amends the preferences, rights, limitations or other terms associated with the Class B3 Shares or which is contemplated in clause 5 of the MOI.

Subject to the provisions of the Companies Act, holders of the Class B3 Shares, if entitled to vote at a Shareholders Meeting of the Company, shall, upon a poll, be entitled to 1 vote per share.

SCHEDULE 6.1.2.5

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B4 SHARES

The preferences, rights, limitations and other terms attaching to the preferred ordinary B4 shares ("**Class B4 Shares**") in the Company shall be as set out below.

1. For purposes of these preferences, rights, limitation and other terms:
 - 1.1 "**Relevant Acquisition Cost**" shall mean the equity and debt investments by the Company in the Relevant Project Company attributed by the Board to the Class B4 Shares (and in making such attribution the Board shall have due regard to whether subscription proceeds received by the Company upon the issue of Class B4 Shares were invested in the Relevant Project Company and whether any amount which would otherwise have been employed to pay a Preferred Distribution was invested in the Relevant Project Company);
 - 1.2 "**Relevant Project Company**" shall mean each Project Company designated by the Board as being notionally linked to the Class B4 Shares upon the issue of the first Class B4 Share and each Project Company into which the Company invested an amount which would otherwise have been employed to pay a Preferred Distribution).
2. The Company shall keep appropriate records in order to implement these preferences, rights, limitations and other terms.

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

SCHEDULE 6.1.2.5 (continued)

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B4 SHARES (continued)

3. Each Class B4 Share shall confer on its holder the right to receive from the Company a Distribution (the “**Preferred Distribution**” in respect of such Class B4 Share) calculated in accordance with the following formula:

$$A = (B - C) * D/E$$

Where (without double counting):

A equals the Preferred Distribution per Class B4 Share;

B equals the aggregate amount of:

- each Distribution from the Relevant Project Company, less any costs and taxes payable by the Company in connection with such Distribution; and
- the proceeds realised upon a disposal of the Company’s shares in and/or claims against a Relevant Project Company (including any redemption of shares and/or payment of capital or interest on account of claims), less any costs and taxes payable by the Company in connection with the disposal,

which were actually received by the Company;

C equals the portion of the total costs and expenses of the Company attributed by the Board to the Relevant Project Company;

D equals the Relevant Acquisition Cost divided by the total equity and debt investments of the Company in the Relevant Project Company (expressed as a percentage);

E equals the number of Class B4 Shares in issue.

4. A Preferred Distribution shall be authorised by the Board at a time determined by the Board and paid to the holders of the Class B4 Shares in such manner as may be determined by the Board.

5. The Board shall be entitled, by resolution, to determine that any or all of the amount of a Preferred Distribution shall be invested or re-invested in a Relevant Project Company, in which case the amount so invested or re-invested shall not be payable as a Preferred Distribution to the holders of the Class B4 Shares.

6. In the event of a winding up of the Company, each holder of a Class B4 Share shall be entitled (without double counting) to receive in respect of each Class B4 Share held a Distribution (the “**Preferred Winding Up Distribution**”) in an amount equal to:

6.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus

6.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context), on the basis that the Company will realise its investments in all of the Relevant Project Companies; plus

6.3 in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares, the value of such net assets divided by the total number of shares in the Company in issue.

7. The Class B4 Shares are redeemable securities as contemplated in clause 48(1)(b) of the Companies Act and shall be redeemable at any time at the instance of the Company, provided that the Company has realised its investments in all of the Relevant Project Companies.

8. The redemption price for each Class B4 Share shall (without double counting) be equal to:

8.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus

8.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context); plus

8.3 an additional amount, as determined by the Board of the Company, equal to the amount the holder of the Class B4 Share would have received upon the winding up of the Company in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares.

9. Where these preferences, rights, limitations and other terms provide that the Board shall designate, authorise, attribute or determine a matter, such action of the Board shall be final and binding on all holders of the Class B4 Shares, save in the event of manifest error.

10. The Company shall be entitled to pay interest in respect of unpaid Preferred Distributions or Preferred Winding Up Distributions, if the Board so resolves.

11. The Class B4 Shares shall not entitle the holder thereof to vote at any Shareholders Meeting of the Company, unless:

11.1 a Distribution in relation to Class B4 Shares has not been paid in accordance with the preference, rights, limitations and other terms attaching the Class B4 Shares; or

11.2 any resolution is proposed at such meeting which amends the preferences, rights, limitations or other terms associated with the Class B4 Shares or which is contemplated in clause 5 of the MOI.

Subject to the provisions of the Companies Act, holders of the Class B4 Shares, if entitled to vote at a Shareholders Meeting of the Company, shall, upon a poll, be entitled to 1 vote per share.

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

SCHEDULE 6.1.2.6

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B5 SHARES

The preferences, rights, limitations and other terms attaching to the preferred ordinary B5 shares ("**Class B5 Shares**") in the Company shall be as set out below.

1. For purposes of these preferences, rights, limitation and other terms:
 - 1.1 "**Relevant Acquisition Cost**" shall mean the equity and debt investments by the Company in the Relevant Project Company attributed by the Board to the Class B5 Shares (and in making such attribution the Board shall have due regard to whether subscription proceeds received by the Company upon the issue of Class B5 Shares were invested in the Relevant Project Company and whether any amount which would otherwise have been employed to pay a Preferred Distribution was invested in the Relevant Project Company);
 - 1.2 "**Relevant Project Company**" shall mean each Project Company designated by the Board as being notionally linked to the Class B5 Shares upon the issue of the first Class B5 Share and each Project Company into which the Company invested an amount which would otherwise have been employed to pay a Preferred Distribution).
2. The Company shall keep appropriate records in order to implement these preferences, rights, limitations and other terms.
3. Each Class B5 Share shall confer on its holder the right to receive from the Company a Distribution (the "**Preferred Distribution**" in respect of such Class B5 Share) calculated in accordance with the following formula:
A = (B – C – D)* E/F
Where (without double counting):
A equals the Preferred Distribution per Class B5 Share;
B equals the aggregate amount of:
 - each Distribution from the Relevant Project Company, less any costs and taxes payable by the Company in connection with such Distribution; and
 - the proceeds realised upon a disposal of the Company's shares in and/or claims against a Relevant Project Company (including any redemption of shares and/or payment of capital or interest on account of claims), less any costs and taxes payable by the Company in connection with the disposal,which were actually received by the Company;
C equals the portion of the total costs and expenses of the Company attributed by the Board to the Relevant Project Company;
D equals the amount of the Participation Distributions paid, payable or capable of declaration (if not yet declared) by the Company to the holders of all of the Class C shares;
E equals the Relevant Acquisition Cost divided by the total equity and debt investments of the Company in the Relevant Project Company (expressed as a percentage);
F equals the number of Class B5 Shares in issue.
4. A Preferred Distribution shall be authorised by the Board at a time determined by the Board and paid to the holders of the Class B5 Shares in such manner as may be determined by the Board.
5. The Board shall be entitled, by resolution, to determine that any or all of the amount of a Preferred Distribution shall be invested or re-invested in a Relevant Project Company, in which case the amount so invested or re-invested shall not be payable as a Preferred Distribution to the holders of the Class B5 Shares.
6. In the event of a winding up of the Company, each holder of a Class B5 Share shall be entitled (without double counting) to receive in respect of each Class B5 Share held a Distribution (the "**Preferred Winding Up Distribution**") in an amount equal to:
 - 6.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 6.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context), on the basis that the Company will realise its investments in all of the Relevant Project Companies; plus
 - 6.3 in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares, the value of such net assets divided by the total number of shares in the Company in issue.

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

SCHEDULE 6.1.2.6 (continued)

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B5 SHARES (continued)

7. The Class B5 Shares are redeemable securities as contemplated in clause 48(1)(b) of the Companies Act and shall be redeemable at any time at the instance of the Company, provided that the Company has realised its investments in all of the Relevant Project Companies.
8. The redemption price for each Class B5 Share shall (without double counting) be equal to:
 - 8.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 8.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context); plus
 - 8.3 an additional amount, as determined by the Board of the Company, equal to the amount the holder of the Class B5 Share would have received upon the winding up of the Company in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares.
9. Where these preferences, rights, limitations and other terms provide that the Board shall designate, authorise, attribute or determine a matter, such action of the Board shall be final and binding on all holders of the Class B5 Shares, save in the event of manifest error.
10. The Company shall be entitled to pay interest in respect of unpaid Preferred Distributions or Preferred Winding Up Distributions, if the Board so resolves.
11. The Class B5 Shares shall not entitle the holder thereof to vote at any Shareholders Meeting of the Company, unless:
 - 11.1 a Distribution in relation to Class B5 Shares has not been paid in accordance with the preference, rights, limitations and other terms attaching the Class B5 Shares; or
 - 11.2 any resolution is proposed at such meeting which amends the preferences, rights, limitations or other terms associated with the Class B5 Shares or which is contemplated in clause 5 of the MOI.

Subject to the provisions of the Companies Act, holders of the Class B5 Shares, if entitled to vote at a Shareholders Meeting of the Company, shall, upon a poll, be entitled to 1 vote per share.

SCHEDULE 6.1.2.7

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B6 SHARES

The preferences, rights, limitations and other terms attaching to the preferred ordinary B6 shares (“**Class B6 Shares**”) in the Company shall be as set out below.

1. For purposes of these preferences, rights, limitation and other terms:
 - 1.1 “**Relevant Acquisition Cost**” shall mean the equity and debt investments by the Company in the Relevant Project Company attributed by the Board to the Class B6 Shares (and in making such attribution the Board shall have due regard to whether subscription proceeds received by the Company upon the issue of Class B6 Shares were invested in the Relevant Project Company and whether any amount which would otherwise have been employed to pay a Preferred Distribution was invested in the Relevant Project Company);
 - 1.2 “**Relevant Project Company**” shall mean each Project Company designated by the Board as being notionally linked to the Class B6 Shares upon the issue of the first Class B6 Share and each Project Company into which the Company invested an amount which would otherwise have been employed to pay a Preferred Distribution).
2. The Company shall keep appropriate records in order to implement these preferences, rights, limitations and other terms.
3. Each Class B6 Share shall confer on its holder the right to receive from the Company a Distribution (the “**Preferred Distribution**” in respect of such Class B6 Share) calculated in accordance with the following formula:

$$A = (B - C - D) * E/F$$

Where (without double counting):

A equals the Preferred Distribution per Class B6 Share;

B equals the aggregate amount of:

- ▾ each Distribution from the Relevant Project Company, less any costs and taxes payable by the Company in connection with such Distribution; and
- ▾ the proceeds realised upon a disposal of the Company’s shares in and/or claims against a Relevant Project Company (including any redemption of shares and/or payment of capital or interest on account of claims), less any costs and taxes payable by the Company in connection with the disposal,

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

which were actually received by the Company;

SCHEDULE 6.1.2.7 (continued)

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B6 SHARES (continued)

3. Each Class B6 Share shall confer on its holder the right to receive from the Company a Distribution (the “**Preferred Distribution**” in respect of such Class B6 Share) calculated in accordance with the following formula (continued):
 - C** equals the portion of the total costs and expenses of the Company attributed by the Board to the Relevant Project Company;
 - D** equals the amount of the Participation Distributions paid, payable or capable of declaration (if not yet declared) by the Company to the holders of all of the Class C shares;
 - E** equals the Relevant Acquisition Cost divided by the total equity and debt investments of the Company in the Relevant Project Company (expressed as a percentage);
 - F** equals the number of Class B6 Shares in issue.
4. A Preferred Distribution shall be authorised by the Board at a time determined by the Board and paid to the holders of the Class B6 Shares in such manner as may be determined by the Board.
5. The Board shall be entitled, by resolution, to determine that any or all of the amount of a Preferred Distribution shall be invested or re-invested in a Relevant Project Company, in which case the amount so invested or re-invested shall not be payable as a Preferred Distribution to the holders of the Class B6 Shares.
6. In the event of a winding up of the Company, each holder of a Class B6 Share shall be entitled (without double counting) to receive in respect of each Class B6 Share held a Distribution (the “Preferred Winding Up Distribution”) in an amount equal to:
 - 6.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 6.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context), on the basis that the Company will realise its investments in all of the Relevant Project Companies; plus
 - 6.3 in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares, the value of such net assets divided by the total number of shares in the Company in issue.
7. The Class B6 Shares are redeemable securities as contemplated in clause 48(1)(b) of the Companies Act and shall be redeemable at any time at the instance of the Company, provided that the Company has realised its investments in all of the Relevant Project Companies.
8. The redemption price for each Class B6 Share shall (without double counting) be equal to:
 - 8.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 8.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context); plus
 - 8.3 an additional amount, as determined by the Board of the Company, equal to the amount the holder of the Class B6 Share would have received upon the winding up of the Company in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares.
9. Where these preferences, rights, limitations and other terms provide that the Board shall designate, authorise, attribute or determine a matter, such action of the Board shall be final and binding on all holders of the Class B6 Shares, save in the event of manifest error.
10. The Company shall be entitled to pay interest in respect of unpaid Preferred Distributions or Preferred Winding Up Distributions, if the Board so resolves.
11. The Class B6 Shares shall not entitle the holder thereof to vote at any Shareholders Meeting of the Company, unless:
 - 11.1 a Distribution in relation to Class B6 Shares has not been paid in accordance with the preference, rights, limitations and other terms attaching the Class B6 Shares; or
 - 11.2 any resolution is proposed at such meeting which amends the preferences, rights, limitations or other terms associated with the Class B6 Shares or which is contemplated in clause 5 of the MOI.

Subject to the provisions of the Companies Act, holders of the Class B6 Shares, if entitled to vote at a Shareholders Meeting of the Company, shall, upon a poll, be entitled to 1 vote per share.

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

SCHEDULE 6.1.2.8

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B7 SHARES

The preferences, rights, limitations and other terms attaching to the preferred ordinary B7 shares (“**Class B7 Shares**”) in the Company shall be as set out below.

1. For purposes of these preferences, rights, limitation and other terms:
 - 1.1 “**Relevant Acquisition Cost**” shall mean the equity and debt investments by the Company in the Relevant Project Company attributed by the Board to the Class B7 Shares (and in making such attribution the Board shall have due regard to whether subscription proceeds received by the Company upon the issue of Class B7 Shares were invested in the Relevant Project Company and whether any amount which would otherwise have been employed to pay a Preferred Distribution was invested in the Relevant Project Company);
 - 1.2 “**Relevant Project Company**” shall mean each Project Company designated by the Board as being notionally linked to the Class B7 Shares upon the issue of the first Class B7 Share and each Project Company into which the Company invested an amount which would otherwise have been employed to pay a Preferred Distribution).
2. The Company shall keep appropriate records in order to implement these preferences, rights, limitations and other terms.
3. Each Class B7 Share shall confer on its holder the right to receive from the Company a Distribution (the “**Preferred Distribution**” in respect of such Class B7 Share) calculated in accordance with the following formula:
A = (B – C – D) * E/F
Where (without double counting):
A equals the Preferred Distribution per Class B7 Share;
B equals the aggregate amount of:
 - ▼ each Distribution from the Relevant Project Company, less any costs and taxes payable by the Company in connection with such Distribution; and
 - ▼ the proceeds realised upon a disposal of the Company’s shares in and/or claims against a Relevant Project Company (including any redemption of shares and/or payment of capital or interest on account of claims), less any costs and taxes payable by the Company in connection with the disposal,
which were actually received by the Company;**C** equals the portion of the total costs and expenses of the Company attributed by the Board to the Relevant Project Company;
D equals the amount of the Participation Distributions paid, payable or capable of declaration (if not yet declared) by the Company to the holders of all of the Class C shares;
3. Each Class B7 Share shall confer on its holder the right to receive from the Company a Distribution (the “**Preferred Distribution**” in respect of such Class B7 Share) calculated in accordance with the following formula (continued):
E equals the Relevant Acquisition Cost divided by the total equity and debt investments of the Company in the Relevant Project Company (expressed as a percentage);
F equals the number of Class B7 Shares in issue.
4. A Preferred Distribution shall be authorised by the Board at a time determined by the Board and paid to the holders of the Class B7 Shares in such manner as may be determined by the Board.
5. The Board shall be entitled, by resolution, to determine that any or all of the amount of a Preferred Distribution shall be invested or re-invested in a Relevant Project Company, in which case the amount so invested or re-invested shall not be payable as a Preferred Distribution to the holders of the Class B7 Shares.
6. In the event of a winding up of the Company, each holder of a Class B7 Share shall be entitled (without double counting) to receive in respect of each Class B7 Share held a Distribution (the “**Preferred Winding Up Distribution**”) in an amount equal to:
 - 6.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 6.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context), on the basis that the Company will realise its investments in all of the Relevant Project Companies; plus
 - 6.3 in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares, the value of such net assets divided by the total number of shares in the Company in issue.

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

SCHEDULE 6.1.2.8 (continued)

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B7 SHARES (continued)

7. The Class B7 Shares are redeemable securities as contemplated in clause 48(1)(b) of the Companies Act and shall be redeemable at any time at the instance of the Company, provided that the Company has realised its investments in all of the Relevant Project Companies.
8. The redemption price for each Class B7 Share shall (without double counting) be equal to:
 - 8.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 8.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context); plus
 - 8.3 an additional amount, as determined by the Board of the Company, equal to the amount the holder of the Class B7 Share would have received upon the winding up of the Company in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares.
9. Where these preferences, rights, limitations and other terms provide that the Board shall designate, authorise, attribute or determine a matter, such action of the Board shall be final and binding on all holders of the Class B7 Shares, save in the event of manifest error.
10. The Company shall be entitled to pay interest in respect of unpaid Preferred Distributions or Preferred Winding Up Distributions, if the Board so resolves.
11. The Class B7 Shares shall not entitle the holder thereof to vote at any Shareholders Meeting of the Company, unless:
 - 11.1 a Distribution in relation to Class B7 Shares has not been paid in accordance with the preference, rights, limitations and other terms attaching the Class B7 Shares; or
 - 11.2 any resolution is proposed at such meeting which amends the preferences, rights, limitations or other terms associated with the Class B7 Shares or which is contemplated in clause 5 of the MOI.

Subject to the provisions of the Companies Act, holders of the Class B7 Shares, if entitled to vote at a Shareholders Meeting of the Company, shall, upon a poll, be entitled to 1 vote per share.

SCHEDULE 6.1.2.9

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B8 SHARES

The preferences, rights, limitations and other terms attaching to the preferred ordinary B8 shares ("**Class B8 Shares**") in the Company shall be as set out below.

1. For purposes of these preferences, rights, limitation and other terms:
 - 1.1 "**Relevant Acquisition Cost**" shall mean the equity and debt investments by the Company in the Relevant Project Company attributed by the Board to the Class B8 Shares (and in making such attribution the Board shall have due regard to whether subscription proceeds received by the Company upon the issue of Class B8 Shares were invested in the Relevant Project Company and whether any amount which would otherwise have been employed to pay a Preferred Distribution was invested in the Relevant Project Company);
 - 1.2 "**Relevant Project Company**" shall mean each Project Company designated by the Board as being notionally linked to the Class B8 Shares upon the issue of the first Class B8 Share and each Project Company into which the Company invested an amount which would otherwise have been employed to pay a Preferred Distribution).
2. The Company shall keep appropriate records in order to implement these preferences, rights, limitations and other terms.
3. Each Class B8 Share shall confer on its holder the right to receive from the Company a Distribution (the "**Preferred Distribution**" in respect of such Class B8 Share) calculated in accordance with the following formula:

$$A = (B - C - D) * E / F$$

Where (without double counting):

A equals the Preferred Distribution per Class B8 Share;

B equals the aggregate amount of:

- ▾ each Distribution from the Relevant Project Company, less any costs and taxes payable by the Company in connection with such Distribution; and

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

SCHEDULE 6.1.2.9 (continued)

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B8 SHARES (continued)

- ▾ the proceeds realised upon a disposal of the Company's shares in and/or claims against a Relevant Project Company (including any redemption of shares and/or payment of capital or interest on account of claims), less any costs and taxes payable by the Company in connection with the disposal,
which were actually received by the Company;
 - C** equals the portion of the total costs and expenses of the Company attributed by the Board to the Relevant Project Company;
 - D** equals the amount of the Participation Distributions paid, payable or capable of declaration (if not yet declared) by the Company to the holders of all of the Class C shares;
 - E** equals the Relevant Acquisition Cost divided by the total equity and debt investments of the Company in the Relevant Project Company (expressed as a percentage);
 - F** equals the number of Class B8 Shares in issue.
4. A Preferred Distribution shall be authorised by the Board at a time determined by the Board and paid to the holders of the Class B8 Shares in such manner as may be determined by the Board.
 5. The Board shall be entitled, by resolution, to determine that any or all of the amount of a Preferred Distribution shall be invested or re-invested in a Relevant Project Company, in which case the amount so invested or re-invested shall not be payable as a Preferred Distribution to the holders of the Class B8 Shares.
 6. In the event of a winding up of the Company, each holder of a Class B8 Share shall be entitled (without double counting) to receive in respect of each Class B8 Share held a Distribution (the "Preferred Winding Up Distribution") in an amount equal to:
 - 6.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 6.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context), on the basis that the Company will realise its investments in all of the Relevant Project Companies; plus
 - 6.3 in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares, the value of such net assets divided by the total number of shares in the Company in issue.
 7. The Class B8 Shares are redeemable securities as contemplated in clause 48(1)(b) of the Companies Act and shall be redeemable at any time at the instance of the Company, provided that the Company has realised its investments in all of the Relevant Project Companies.
 8. The redemption price for each Class B8 Share shall (without double counting) be equal to:
 - 8.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 8.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context); plus
 - 8.3 an additional amount, as determined by the Board of the Company, equal to the amount the holder of the Class B8 Share would have received upon the winding up of the Company in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares.
 9. Where these preferences, rights, limitations and other terms provide that the Board shall designate, authorise, attribute or determine a matter, such action of the Board shall be final and binding on all holders of the Class B8 Shares, save in the event of manifest error.
 10. The Company shall be entitled to pay interest in respect of unpaid Preferred Distributions or Preferred Winding Up Distributions, if the Board so resolves.
 11. The Class B8 Shares shall not entitle the holder thereof to vote at any Shareholders Meeting of the Company, unless:
 - 11.1 a Distribution in relation to Class B8 Shares has not been paid in accordance with the preference, rights, limitations and other terms attaching the Class B8 Shares; or
 - 11.2 any resolution is proposed at such meeting which amends the preferences, rights, limitations or other terms associated with the Class B8 Shares or which is contemplated in clause 5 of the MOI.

Subject to the provisions of the Companies Act, holders of the Class B8 Shares, if entitled to vote at a Shareholders Meeting of the Company, shall, upon a poll, be entitled to 1 vote per share.

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

SCHEDULE 6.1.2.10

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B9 SHARES

The preferences, rights, limitations and other terms attaching to the preferred ordinary B9 shares (“**Class B9 Shares**”) in the Company shall be as set out below.

1. For purposes of these preferences, rights, limitation and other terms:
 - 1.1 “**Relevant Acquisition Cost**” shall mean the equity and debt investments by the Company in the Relevant Project Company attributed by the Board to the Class B9 Shares (and in making such attribution the Board shall have due regard to whether subscription proceeds received by the Company upon the issue of Class B9 Shares were invested in the Relevant Project Company and whether any amount which would otherwise have been employed to pay a Preferred Distribution was invested in the Relevant Project Company);
 - 1.2 “**Relevant Project Company**” shall mean each Project Company designated by the Board as being notionally linked to the Class B9 Shares upon the issue of the first Class B9 Share and each Project Company into which the Company invested an amount which would otherwise have been employed to pay a Preferred Distribution).
2. The Company shall keep appropriate records in order to implement these preferences, rights, limitations and other terms.
3. Each Class B9 Share shall confer on its holder the right to receive from the Company a Distribution (the “**Preferred Distribution**” in respect of such Class B9 Share) calculated in accordance with the following formula:
A = (B – C – D) * E/F
Where (without double counting):
A equals the Preferred Distribution per Class B9 Share;
B equals the aggregate amount of:
 - ▼ each Distribution from the Relevant Project Company, less any costs and taxes payable by the Company in connection with such Distribution; and
 - ▼ the proceeds realised upon a disposal of the Company’s shares in and/or claims against a Relevant Project Company (including any redemption of shares and/or payment of capital or interest on account of claims), less any costs and taxes payable by the Company in connection with the disposal,
which were actually received by the Company;**C** equals the portion of the total costs and expenses of the Company attributed by the Board to the Relevant Project Company;
D equals the amount of the Participation Distributions paid, payable or capable of declaration (if not yet declared) by the Company to the holders of all of the Class C shares;
E equals the Relevant Acquisition Cost divided by the total equity and debt investments of the Company in the Relevant Project Company (expressed as a percentage);
F equals the number of Class B9 Shares in issue.
4. A Preferred Distribution shall be authorised by the Board at a time determined by the Board and paid to the holders of the Class B9 Shares in such manner as may be determined by the Board.
5. The Board shall be entitled, by resolution, to determine that any or all of the amount of a Preferred Distribution shall be invested or re-invested in a Relevant Project Company, in which case the amount so invested or re-invested shall not be payable as a Preferred Distribution to the holders of the Class B9 Shares.
6. In the event of a winding up of the Company, each holder of a Class B9 Share shall be entitled (without double counting) to receive in respect of each Class B9 Share held a Distribution (the “Preferred Winding Up Distribution”) in an amount equal to:
 - 6.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 6.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context), on the basis that the Company will realise its investments in all of the Relevant Project Companies; plus
 - 6.3 in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares, the value of such net assets divided by the total number of shares in the Company in issue.
7. The Class B9 Shares are redeemable securities as contemplated in clause 48(1)(b) of the Companies Act and shall be redeemable at any time at the instance of the Company, provided that the Company has realised its investments in all of the Relevant Project Companies.

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

SCHEDULE 6.1.2.10 (continued)

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B9 SHARES (continued)

8. The redemption price for each Class B9 Share shall (without double counting) be equal to:
 - 8.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 8.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context); plus
 - 8.3 an additional amount, as determined by the Board of the Company, equal to the amount the holder of the Class B9 Share would have received upon the winding up of the Company in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares.
9. Where these preferences, rights, limitations and other terms provide that the Board shall designate, authorise, attribute or determine a matter, such action of the Board shall be final and binding on all holders of the Class B9 Shares, save in the event of manifest error.
10. The Company shall be entitled to pay interest in respect of unpaid Preferred Distributions or Preferred Winding Up Distributions, if the Board so resolves.
11. The Class B9 Shares shall not entitle the holder thereof to vote at any Shareholders Meeting of the Company, unless:
 - 11.1 a Distribution in relation to Class B9 Shares has not been paid in accordance with the preference, rights, limitations and other terms attaching the Class B9 Shares; or
 - 11.2 any resolution is proposed at such meeting which amends the preferences, rights, limitations or other terms associated with the Class B9 Shares or which is contemplated in clause 5 of the MOI.

Subject to the provisions of the Companies Act, holders of the Class B9 Shares, if entitled to vote at a Shareholders Meeting of the Company, shall, upon a poll, be entitled to 1 vote per share.

SCHEDULE 6.1.2.11

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PARTICIPATION ORDINARY C SHARES

The preferences, rights, limitations and other terms attaching to the participation ordinary C shares ("**Class C Shares**") in the Company shall be as set out below.

1. For purposes of these preferences, rights, limitation and other terms:
 - 1.1 "**Relevant Acquisition Cost**" shall mean the equity and debt investments by the Company in the Relevant Project Company attributed by the Board to each of the Preferred Class Shares (and in making such attribution the Board shall have due regard to whether subscription proceeds received by the Company upon the issue of Preferred Class Shares were invested in the Relevant Project Company and whether any amount which would otherwise have been employed to pay a Distribution was invested in the Relevant Project Company);
 - 1.2 "**Relevant Project Company**" shall mean each Project Company designated by the Board as being notionally linked to any of the Preferred Class Shares upon the issue of the first of each of the Preferred Class Shares;
 - 1.3 "**Preferred Class Shares**" shall mean each of the Class B1 Shares, Class B2 Shares, Class B5 Shares, Class B6 Shares, Class B7 Shares, Class B8 Shares and Class B9 Shares;
 - 1.4 "**Participation**" shall mean, on a particular Relevant Project Company, the point when the Relevant Acquisition Cost compounded by an effective rate of 10% (ten percent) per annum, reduced by the value of any Proceeds as and when received by the Company, equals zero;
 - 1.5 "**Proceeds**" shall mean:
 - 1.5.1 Distributions received from the Relevant Project Company, less any costs and taxes payable by the Company in connection with such Distribution; and
 - 1.5.2 the proceeds realised upon a disposal of the Company's shares in and/or claims against a Relevant Project Company (including any redemption of shares and/or payment of capital or interest on account of claims), less any costs and taxes payable by the Company in connection with the disposal, which were actually received by the Company.
2. The Company shall keep appropriate records in order to implement these preferences, rights, limitations and other terms.

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

SCHEDULE 6.1.2.11 (continued)

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PARTICIPATION ORDINARY

C SHARES (continued)

3. Each Class C Share shall confer on its holder the right to receive from the Company a Distribution (the “**Participation Distribution**” in respect of such Class C Share) calculated in accordance with the following formula:

$$A = B * 25\% * C/D$$

Where (without double counting):

A equals the Participation Distribution per Class C Share;

B equals the Proceeds;

C in respect of each of the Proceeds, equals 0 if Participation has not been triggered in respect of a Relevant Project Company and 1 if Participation has been triggered in respect of a Relevant Project Company;

D equals the number of Class C Shares in issue.

4. A Participation Distribution shall be authorised by the Board at a time determined by the Board and paid to the holders of the Class C Shares in such manner as may be determined by the Board.
5. In the event of a winding up of the Company, each holder of a Class C Share shall be entitled (without double counting) to receive in respect of each Class C Share held a Distribution (the “Participation Winding Up Distribution”) in an amount equal to the amount of any Participation Distribution to which the Holder has become entitled in accordance with clauses 3 and 4.
6. The Class C Shares are redeemable securities as contemplated in clause 48(1)(b) of the Companies Act and shall be redeemable at any time at the instance of the Company, provided that the Company has realised its investments in all of the Relevant Project Companies.
7. The redemption price for each Class C Share shall (without double counting) be equal to the amount of any Participation Distribution to which the Holder has become entitled in accordance with clauses 3 and 4.
8. Where these preferences, rights, limitations and other terms provide that the Board shall designate, authorise, attribute or determine a matter, such action of the Board shall be final and binding on all holders of the Class C Shares, save in the event of manifest error.
9. The Company shall be entitled to pay interest in respect of unpaid Participation Distributions or Participation Winding Up Distributions, if the Board so resolves.
10. The Class C Shares shall not entitle the Holder thereof to vote at any Shareholders Meeting of the Company, unless:
- 10.1 a Distribution in relation to Class C Shares has not been paid in accordance with the preference, rights, limitations and other terms attaching the Class C Shares; or
- 10.2 any resolution is proposed at such meeting which amends the preferences, rights, limitations or other terms associated with the Class C Shares or which is contemplated in clause 5 of the MOI.

Subject to the provisions of the Companies Act, Holders of the Class C Shares, if entitled to vote at a Shareholders Meeting of the Company, shall, upon a poll, be entitled to 1 vote per share.

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

SCHEDULE 6.1.2.12

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY D SHARES

The preferences, rights, limitations and other terms attaching to the Preferred Ordinary Class D shares shall be as set out below.

1. For purposes of these preferences, rights, limitation and other terms:

- 1.1 “**Relevant Acquisition Cost**” shall mean the equity and debt investments by the Company in the Relevant Project Company attributed by the Board to the Class D Shares (and in making such attribution the Board shall have due regard to whether subscription proceeds received by the Company upon the issue of Class D Shares were invested in the Relevant Project Company and whether any amount which would otherwise have been employed to pay a Distribution was invested in the Relevant Project Company);
- 1.2 “**Relevant Project Company**” shall mean each Project Company designated by the Board as being notionally linked to the Class D Shares upon the issue of the first Class D Share and each Project Company into which the Company invested an amount which would otherwise have been employed to pay a Preferred Distribution.

2. The Company shall keep appropriate records in order to implement these preferences, rights, limitations and other terms.
3. Each Class D Share shall confer on its holder the right to receive from the Company a Distribution (the “Preferred Distribution” in respect of such Class D Share) calculated in accordance with the following formula:

$$A = (B - C) * D/E$$

Where (without double counting):

A equals the Preferred Distribution per Class D Share;

B equals the aggregate amount of:

- each Distribution from the Relevant Project Company, less any costs and taxes payable by the Company in connection with such Distribution; and
- the proceeds realised upon a disposal of the Company’s shares in and/or claims against a Relevant Project Company (including any redemption of shares and/or payment of capital or interest on account of claims), less any costs and taxes payable by the Company in connection with the disposal,

which were actually received by the Company;

C equals the portion of the total costs and expenses of the Company attributed by the Board to the Relevant Project Company;

D equals the Relevant Acquisition Cost divided by the total equity and debt investments of the Company in the Relevant Project Company (expressed as a percentage);

E equals the number of Class D Shares in issue.

4. A Preferred Distribution shall be authorised by the Board at a time determined by the Board and paid to the holders of the Class D Shares in such manner as may be determined by the Board.
5. The Board shall be entitled, by resolution, to determine that any or all of the amount of a Preferred Distribution shall be invested or re-invested in a Relevant Project Company, in which case the amount so invested or re-invested shall not be payable as a Preferred Distribution to the holders of the Class D Shares.
6. In the event of a winding up of the Company, each holder of a Class D Share shall be entitled (without double counting) to receive in respect of each Class D Share held a Distribution (the “Preferred Winding Up Distribution”) in an amount equal to:
 - 6.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 6.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context), on the basis that the Company will realise its investments in all of the Relevant Project Companies; plus
 - 6.3 in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares, the value of such net assets divided by the total number of shares in the Company in issue.

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

SCHEDULE 6.1.2.12 (continued)

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY D SHARES (continued)

7. The Class D Shares are redeemable securities as contemplated in clause 48(1)(b) of the Companies Act and shall be redeemable at any time at the instance of the Company, provided that the Company has realised its investments in all of the Relevant Project Companies.
8. The redemption price for each Class D Share shall (without double counting) be equal to:
 - 8.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus
 - 8.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context); plus
 - 8.3 an additional amount, as determined by the Board of the Company, equal to the amount the holder of the Class D Share would have received upon the winding up of the Company in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares.
9. Where these preferences, rights, limitations and other terms provide that the Board shall designate, authorise, attribute or determine a matter, such action of the Board shall be final and binding on all holders of the Class D Shares, save in the event of manifest error.
10. The Company shall be entitled to pay interest in respect of unpaid Preferred Distributions or Preferred Winding Up Distributions, if the Board so resolves.
11. The Class D Shares shall not entitle the holder thereof to vote at any Shareholders Meeting of the Company, unless:
 - 11.1 a Distribution in relation to Class D Shares has not been paid in accordance with the preference, rights, limitations and other terms attaching the Class D Shares; or
 - 11.2 any resolution is proposed at such meeting which amends the preferences, rights, limitations or other terms associated with the Class D Shares or which is contemplated in clause 5 of the MOI.

Subject to the provisions of the Companies Act, holders of the Class D Shares, if entitled to vote at a Shareholders Meeting of the Company, shall, upon a poll, be entitled to 1 vote per share.

SCHEDULE 6.1.2.13

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B10 SHARES

The preferences, rights, limitations and other terms attaching to the preferred ordinary B10 shares ("Class B10 Shares") in the Company shall be as set out below.

12. For purposes of these preferences, rights, limitation and other terms:
 - 12.1 "Relevant Acquisition Cost" shall mean the equity and debt investments by the Company in the Relevant Project Company attributed by the Board to the Class B10 Shares (and in making such attribution the Board shall have due regard to whether subscription proceeds received by the Company upon the issue of Class B10 Shares were invested in the Relevant Project Company and whether any amount which would otherwise have been employed to pay a Preferred Distribution was invested in the Relevant Project Company);
 - 12.2 "Relevant Project Company" shall mean each Project Company designated by the Board as being notionally linked to the Class B10 Shares upon the issue of the first Class 10 Share and each Project Company into which the Company invested an amount which would otherwise have been employed to pay a Preferred Distribution).
13. The Company shall keep appropriate records in order to implement these preferences, rights, limitations and other terms.

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

SCHEDULE 6.1.2.13 (continued)

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ATTACHING TO THE PREFERRED ORDINARY B10 SHARES (continued)

14. Each Class B10 Share shall confer on its holder the right to receive from the Company a Distribution (the “Preferred Distribution” in respect of such Class B10 Share) calculated in accordance with the following formula:

$$A = (B - C - D) * E / F$$

Where (without double counting):

A equals the Preferred Distribution per Class B10 Share;

B equals the aggregate amount of:

- ▼ each Distribution from the Relevant Project Company, less any costs and taxes payable by the Company in connection with such Distribution; and
- ▼ the proceeds realised upon a disposal of the Company’s shares in and/or claims against a Relevant Project Company (including any redemption of shares and/or payment of capital or interest on account of claims), less any costs and taxes payable by the Company in connection with the disposal,

which were actually received by the Company;

C equals the portion of the total costs and expenses of the Company attributed by the Board to the Relevant Project Company;

D equals the amount of the Participation Distributions paid, payable or capable of declaration (if not yet declared) by the Company to the holders of all of the Class C shares;

E equals the Relevant Acquisition Cost divided by the total equity and debt investments of the Company in the Relevant Project Company (expressed as a percentage);

F equals the number of Class B10 Shares in issue.

15. A Preferred Distribution shall be authorised by the Board at a time determined by the Board and paid to the holders of the Class B10 Shares in such manner as may be determined by the Board.

16. The Board shall be entitled, by resolution, to determine that any or all of the amount of a Preferred Distribution shall be invested or re-invested in a Relevant Project Company, in which case the amount so invested or re-invested shall not be payable as a Preferred Distribution to the holders of the Class B10 Shares.

17. In the event of a winding up of the Company, each holder of a Class B10 Share shall be entitled (without double counting) to receive in respect of each Class B10 Share held a Distribution (the “Preferred Winding Up Distribution”) in an amount equal to:

17.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus

17.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context), on the basis that the Company will realise its investments in all of the Relevant Project Companies; plus

17.3 in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares, the value of such net assets divided by the total number of shares in the Company in issue.

18. The Class B10 Shares are redeemable securities as contemplated in clause 48(1)(b) of the Companies Act and shall be redeemable at any time at the instance of the Company, provided that the Company has realised its investments in all of the Relevant Project Companies.

19. The redemption price for each Class B10 Share shall (without double counting) be equal to:

19.1 the amount of any Preferred Distribution to which the holder has become entitled in accordance with clauses 3 to 5; plus

19.2 the amount calculated in the formula set out in clause 3 (as adjusted for the context); plus

19.3 an additional amount, as determined by the Board of the Company, equal to the amount the holder of the Class B10 Share would have received upon the winding up of the Company in respect of the net assets of the Company after preferred distributions and payments have been made by the Company to all holders of preferred ordinary shares.

ANNEXURE 12 – AUTHORISED AND ISSUED SHARE CAPITAL, PREFERENCES, RIGHTS AND LIMITATIONS (continued)

20. Where these preferences, rights, limitations and other terms provide that the Board shall designate, authorise, attribute or determine a matter, such action of the Board shall be final and binding on all holders of the Class B10 Shares, save in the event of manifest error.
21. The Company shall be entitled to pay interest in respect of unpaid Preferred Distributions or Preferred Winding Up Distributions, if the Board so resolves.
22. The Class B10 Shares shall not entitle the holder thereof to vote at any Shareholders Meeting of the Company, unless:
 - 22.1 a Distribution in relation to Class B10 Shares has not been paid in accordance with the preference, rights, limitations and other terms attaching the Class B10 Shares; or
 - 22.2 any resolution is proposed at such meeting which amends the preferences, rights, limitations or other terms associated with the Class B10 Shares or which is contemplated in clause 5 of the MOI.

Subject to the provisions of the Companies Act, holders of the Class B10 Shares, if entitled to vote at a Shareholders Meeting of the Company, shall, upon a poll, be entitled to 1 vote per share.

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE

The Directors have established mechanisms and policies appropriate to the Company's business in keeping with its commitment to the best practices in corporate governance in order to ensure guidance from the King Code IV. These are reviewed from time to time.

The formal steps taken by the Directors are summarised as follows:

1. BOARD OF DIRECTORS AND BOARD SUB-COMMITTEES

Board of Directors

The Board currently comprises three (3) Directors. It is intended that an additional non-executive director be elected to the Board. Such a non-executive director should bring to the Board a wide range of skills and experience that will enable him to contribute an independent view and to exercise objective judgement in matters requiring the directors' decisions.

All the Directors shall be elected at the annual general meeting or at a Shareholders meeting or by round robin resolution in accordance with clause 16.6 of the Company's MOI to serve as a Director for a term to be determined by the Shareholders when their election takes place. The Board shall meet when circumstances necessitate it.

The Board sets the strategic objectives of the Company and determines investment and performance criteria as well as being responsible for the proper management, control compliance and ethical behaviour of the businesses under its direction. The Board has established committees to give detailed attention to certain of its responsibilities and which operate within defined, written terms of reference.

Remuneration Committee

The Board performs the functions of a Remuneration Committee in that it monitors the remuneration policies of the Company and annually reviews and approves the remuneration set for directors.

2. INVESTMENT COMMITTEE

The Manager has appointed an Investment Committee who meets quarterly and when necessary to review the Company's investment portfolio as well as to consider investment opportunities and possible sales of investments. The committee's authority level is determined by the Board.

3. DIRECTORS' DEALINGS AND PROFESSIONAL ADVICE

The Company operates a policy of prohibiting dealings by directors and certain other managers in periods of time as deemed necessary by the Board. The Board may in furtherance of their duties, take independent professional advice, at the Company's expense, when necessary. All directors have access to the advice and services of the Company Secretary.

4. RISK MANAGEMENT

The objective of risk management is to identify, assess, manage and monitor the risks to which the business is exposed. It is the Board's responsibility to:

- ▼ review legal matters that could have a significant impact on the company's business;
- ▼ review the Company's directors' reports detailing the adequacy and overall effectiveness of the company's risk management function and its implementation by management, and reports on internal control and any recommendations, and confirm that appropriate action has been taken;
- ▼ review the risk philosophy, strategy and policies recommended by the Board. The committee will ensure compliance with such policies.
- ▼ review the adequacy of insurance coverage; and
- ▼ review risk identification and measurement methodologies.

Each risk is viewed from three distinct perspectives:

- ▼ opportunity (as there is an inherent relationship between risk and reward);
- ▼ uncertainty (to ensure proactive action); and
- ▼ hazard (potential negative events including financial loss such as theft, injury, death or a lawsuit).

5. COMMUNICATION

The Company is committed to communicating regularly and effectively with all stakeholders in an accurate and transparent manner.

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

6. STAKEHOLDER RELATIONSHIPS

Mutual respect between the Company and its stakeholders is encouraged and the interests of stakeholders are taken into account in all decisions made by the Company. All shareholders are treated equally.

7. ETHICS

The Company is committed to being a responsible corporate citizen promoting the highest standards of ethical behaviour.

INSTANCES OF NON-COMPLIANCE WITH KING CODE ON CORPORATE GOVERNANCE

| Leadership, ethics and corporate citizenship | Compliant | Remarks |
|---|----------------------------|---|
| <i>Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</i> | | |
| The governing body should ensure that the codes of conduct and ethics policies provide for arrangements that familiarise employees and other stakeholders with the organisation's ethical standards. These arrangements should include: | | |
| a) publishing the organisation's codes of conduct and policies on the organisation's website, or on other platforms or through other media as is appropriate; | Partially compliant | The Company is managed by the Manager and has no employees. Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| b) including the codes of conduct and ethics policies in employee induction and training programmes. | N/A | The Company is managed by the Manager and has no employees. |
| The governing body should exercise ongoing oversight of the management of ethics and oversee that it results in the following: | | |
| c) The use of protected disclosure or whistle-blowing mechanisms to detect breaches of ethical standards and dealing with such disclosures appropriately. | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| d) The monitoring of adherence to the organisation's ethical standards by employees and other stakeholders through, among others, periodic independent assessments. | N/A | The Company is managed by the Manager and has no employees. |
| The following should be disclosed in relation to organisational ethics: | | |
| a) An overview of the arrangements for governing and managing ethics. | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| b) Key areas of focus during the reporting period. | N/A | The Company is managed by the Manager and has no employees. |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

| Leadership, ethics and corporate citizenship | Compliant | Remarks |
|--|----------------------------|---|
| Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture. | | |
| c) Planned areas of future focus. | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. The Company plans to communicate its ethics policy in the next year. |
| Responsible corporate citizenship | | |
| Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporation citizen. | | |
| The governing body should oversee and monitor, on an ongoing basis, how the consequences of the organisation's activities and outputs affect its status as a responsible corporate citizen. This oversight and monitoring should be performed against measures and targets agreed with management in all of the following areas: | | |
| a) Workplace (including employment equity; fair remuneration; and the safety, health, dignity and development of employees). | N/A | The Company is managed by the Manager and has no employees. |
| b) Economy (including economic transformation prevention, detection and response to fraud and corruption, and responsible and transparent tax policy). | N/A | The Company is managed by the Manager and has no employees. |
| The following should be disclosed in relation to corporate citizenship: | | |
| a) An overview of the arrangements for governing and managing responsible corporate citizenship. | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. The Company continues to strive for social responsibility in terms of meeting legal, ethical and economic responsibilities. The aim is to continually oversee and regularly monitor outcomes of the Company's activities and outputs. |
| b) Key areas of focus during the reporting period. | Partially compliant | |
| c) Measures taken to monitor corporate citizenship and how the outcomes were addressed. | Partially compliant | |
| d) Planned areas of future focus. | Partially compliant | |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

| Reporting | Compliant | Remarks |
|---|----------------------------|---|
| <i>Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informal assessments of the organisation's performance, and its short, medium and long-term prospects.</i> | | |
| The governing body should oversee that reports such as the annual financial statements, sustainability reports, social and ethics committee reports, or other online or printed information or reports are issued, as is necessary, to comply with legal requirements, and/or to meet the legitimate and reasonable information needs of material stakeholders. | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| The governing body should oversee that the organisation issues an integrated report at least annually, which is either: a) a standalone report which connects the more detailed information in other reports and addresses, at a high level and in a complete, concise way, the matters that could significantly affect the organisation's ability to create value; or | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| b) a distinguishable, prominent and accessible part of another report which also includes the annual financial statements and other reports that must be issued in compliance with legal provisions. | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| The governing body should oversee that the following information is published on the organisation's website, or on other platforms or through other media as is appropriate for access by stakeholders: | | |
| a) Corporate governance disclosures required in terms of this Code (refer to Part 3: King IV Application and Disclosure for more detail). | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| b) Integrated reports. | Non-compliant | The Company aims to put integrated reports in place to provide an outline of the future, to estimate how current operations might create profits in the future. This will be reviewed annually. |
| c) Annual financial statements and other external reports. | Partially compliant | Audited Annual Financial Statements are sent to shareholders annually. |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

| Primary role and responsibilities of the governing body | Compliant | Remarks |
|---|----------------------------|---|
| Principle 6: The Governing Body should serve as the focal point and custodian of corporate governance in the organisation. | | |
| The following should be disclosed in relation to the primary role and responsibilities of the governing body: | | |
| a) The number of meetings held during the reporting period, and attendance at those meetings. | Partially compliant | Attendance Registers maintained for all relevant meetings. |
| b) Whether the governing body is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period. | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| Composition of the governing body | | |
| Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively. | | |
| Composition | | |
| b) The appropriate mix of executive, non-executive and independent non-executive members. | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| f) Diversity targets relating to the composition of the governing body. | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| The governing body should comprise a majority of non-executive members, most of whom should be independent. | Non-compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| As a minimum, the Chief Executive Officer (CEO) and at least one other executive should be appointed to the governing body to ensure that it has more than one point of direct interaction with management. The executive other than the CEO appointed to the governing body may be the Chief Finance Officer (CFO) or another designated executive as is appropriate for the organisation. | N/A | The Company is managed by the Manager and therefore there is no CEO or CFO. |
| The governing body should set targets for race and gender representation in its membership. | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

| Composition of the governing body | Compliant | Remarks |
|--|----------------------------|---|
| <i>Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</i> (continued) | | |
| The governing body should establish arrangements for periodic, staggered rotation of its members so as to invigorate its capabilities by introducing members with new expertise and perspectives while retaining valuable knowledge, skills and experience and maintaining continuity. | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| <i>Independence and conflicts</i> | | |
| The governing body should consider the following and other indicators holistically, and on a substance-over-form basis, when assessing the independence of a member of the governing body for purposes of categorisation. The member of the governing body: | | |
| d) has been in the employ of the organisation as an executive manager during the preceding three financial years, or is a related party to such executive manager. | N/A | The Company is managed by the Manager. |
| The following should be disclosed with regards to the composition of the governing body: | | |
| b) The targets set for gender and race representation in the membership of the governing body, and progress made against these targets. | Non-compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| i) The reasons why any members of the governing body have been removed, resigned or retired. | N/A | |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

| Composition of the governing body (continued) | Compliant | Remarks |
|---|----------------------|---|
| Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively. (continued) | | |
| Chair of the governing body | | |
| The governing body should elect an independent non-executive member as chair to lead the governing body in the objective and effective discharge of its governance role and responsibilities. | Non-compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| The governing body should appoint an independent non-executive member as the lead independent to fulfil the following functions: | | |
| a) To lead in the absence of the chair. | | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| b) To serve as a sounding board for the chair. | | |
| c) To act as an intermediary between the chair and other members of the governing body, if necessary. | | |
| d) To deal with shareholders' concerns where contact through the normal channels has failed to resolve concerns, or where such contact is inappropriate. | Non-compliant | |
| e) To strengthen independence on the governing body if the chair is not an independent non-executive member of the governing body. | | |
| f) To chair discussions and decision-making by the governing body on matters where the chair has a conflict of interest. | | |
| g) To lead the performance appraisal of the chair. | | |
| The CEO of the organisation should not also chair the governing body, and the retired CEO should not become the chair of the governing body until three complete years have passed after the end of the CEO's tenure. | N/A | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| When determining which of its committees the chair of the governing body should serve on, either as member or chair, the governing body should consider how this affects the overall concentration and balance of power on the governing body. Generally, the following should apply: | N/A | |
| b) The chair may be a member of the committee responsible for remuneration but should not be its chair. | | |
| d) The chair may be a member of the committee responsible for risk governance and may also be its chair. | N/A | |
| e) The chair may be a member of the social and ethics committee but should not be its chair. | N/A | |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

| Composition of the governing body (continued) | Compliant | Remarks |
|--|----------------------------|---|
| Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively. (continued) | | |
| The following should be disclosed in relation to the chair: b) Whether or not an independent non-executive member of the governing body has been appointed as the lead independent, and the role and responsibilities assigned to the position. | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| Committees of the governing body | | |
| Principle 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties. | | |
| General | | |
| The terms of reference should, at a minimum, deal with the following: | | |
| h) The arrangements for evaluating the committee's performance. | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| Members of the executive and senior management should be invited to attend committee meetings either by standing invitation or on an ad hoc-basis to provide pertinent information and insights in their areas of responsibility. | N/A | The Company is managed by the Manager and has no employees. |
| The following should be disclosed in relation to each committee of the governing body: | | |
| a) Its overall role and associated responsibilities and functions. | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| b) Its composition, including each member's qualifications and experience. | | |
| c) Any external advisers or invitees who regularly attend committee meetings. | | |
| d) Key areas of focus during the reporting period. | | |
| e) The number of meetings held during the reporting period and attendance at those meetings. | | |
| f) Whether the committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period. | | |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

| Composition of the governing body (continued) | Compliant | Remarks |
|--|----------------------------|---|
| Principle 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties. (continued) | | |
| Audit committee | | |
| All members of the audit committee should be independent, non-executive members of the governing body. | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| In addition to required statutory disclosure and the disclosures recommended in paragraph 50, the following should also be disclosed in relation to the audit committee: | | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| a) A statement as to whether the audit committee is satisfied that the external auditor is independent of the organisation. The statement should specifically address: | Partially compliant | |
| i) the policy and controls that address the provision of non-audit services by the external auditor, and the nature and extent of such services rendered during the financial year, | | |
| ii) the tenure of the external audit firm and, in the event of the firm having been involved in a merger or acquisition, including the tenure of the predecessor firm; | Partially compliant | |
| iii) the rotation of the designated external audit partner, and | Partially compliant | |
| d) The audit committee's views on the effectiveness of the chief audit executive and the arrangements for internal audit. | N/A | |
| e) The audit committee's views on the effectiveness of the design and implementation of internal financial controls, and on the nature and extent of any significant weaknesses in the design, implementation or execution of internal financial controls that resulted in material financial loss, fraud, corruption or error | Partially compliant | |
| f) The audit committee's views on the effectiveness of the CEO and the finance function. | N/A | |
| Committee responsible for nominations of members of the governing body | | |
| All members of the committee for nominations should be non-executive members of the governing body, and the majority should be independent. | Non-compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

| Composition of the governing body (continued) | Compliant | Remarks |
|---|-----------|---|
| Principle 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties. (continued) | | |
| Committee responsible for remuneration | | |
| The governing body should consider allocating oversight of remuneration to a dedicated committee or adding it to the responsibilities of another committee as is appropriate for the organisation. | N/A | The Company is managed by the Manager and has no employees. |
| All members of the committee for remuneration should be non-executive members of the governing body, with the majority being independent non-executive members of the governing body. | N/A | |
| The committee for remuneration should be chaired by an independent non-executive member. | N/A | |
| Social and ethics committee | | |
| For some companies, the establishment of a social and ethics committee is a statutory requirement. The governing body of any organisation not so obliged should consider allocating oversight of, and reporting on, organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships to a dedicated committee, or adding it to the responsibilities of another committee as is appropriate for the organisation. | N/A | The Company is managed by the Manager and has no employees. |
| The responsibilities of the social and ethics committee should include its statutory duties (if applicable) and any other responsibilities delegated to it by the governing body. | N/A | |
| The social and ethics committee should, subject to legal provisions, have executive and non-executive members, with a majority being non-executive members of the governing body. | N/A | |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

| Evaluations of the performance of the governing body | Compliant | Remarks |
|--|----------------------------|--|
| <p><i>Principle 9: The governing body should ensure that the evaluation of its own performances and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.</i></p> | | |
| <p>The governing body should assume responsibility for the evaluation of its own performance and that of its committees, its chair and its individual members by determining how it should be approached and conducted.</p> | Partially compliant | <p>Governance processes in place as are appropriate to the size and scope of the Company's operations.</p> |
| <p>The governing body should appoint an independent non-executive member to lead the evaluation of the chair's performance if a lead independent is not in place.</p> | | |
| <p>A formal process, either externally facilitated or not in accordance with methodology approved by the governing body, should be followed for evaluating the performance of the governing body, its committees, its chair and its individual members at least every two (2) years.</p> | | |
| <p>Every alternate year, the governing body should schedule in its yearly work plan an opportunity for consideration, reflection and discussion of its performance and that of its committees, its chair and its members as a whole.</p> | | |
| <p>The following should be disclosed in relation to the evaluation of the performance of the governing body:</p> | | |
| <p>a) A description of the performance evaluations undertaken during the reporting period, including their scope, whether they were formal or informal, and whether they were externally facilitated or not.</p> | | |
| <p>b) An overview of the evaluation results and remedial actions taken.</p> | | |
| <p>c) Whether the governing body is satisfied that the evaluation process is improving its performance and effectiveness.</p> | | |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

| Appointment and delegation to management | Compliant | Remarks |
|--|-----------|--|
| <p>Principle 10: The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.</p> | | |
| <p>The governing body should appoint the CEO.</p> | N/A | <p>The Company is managed by the Manager and has no CEO.</p> |
| <p>The CEO should be responsible for leading the implementation and execution of approved strategy, policy and operational planning, and should serve as the chief link between management and the governing body.</p> | | |
| <p>The CEO should be accountable, and report to, the governing body.</p> | | |
| <p>The CEO should not be a member of the remuneration, audit or nomination committees, but should attend by invitation any meeting, or part thereof, if needed to contribute pertinent insights and information.</p> | | |
| <p>The CEO and the governing body should agree on whether the CEO takes up additional professional positions, including membership of other governing bodies outside the organisation. Time constraints and potential conflicts of interest should be considered and balanced against the opportunity for professional development</p> | | |
| <p>The governing body should satisfy itself that there is succession planning for the CEO position in place to provide continuity of executive leadership. Succession planning should be reviewed periodically, and should provide for both succession in emergency situations and succession over the longer term.</p> | | |
| <p>The governing body should formally evaluate the performance of the CEO against agreed performance measures and targets at least annually.</p> | | |
| <p>The following should be disclosed in relation to the CEO:</p> <p>a) The notice period stipulated in the CEO's employment contract and the contractual conditions related to termination</p> <p>b) Other professional commitments of the CEO, including membership of governing bodies outside the organisation;</p> | | |
| <p>c) Whether succession planning is in place for the CEO.</p> | | |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

PROFESSIONAL AND CORPORATE GOVERNANCE SERVICES TO THE GOVERNING BODY

| Risk governance | Compliant | Remarks |
|--|----------------------------|---|
| <i>Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</i> | | |
| The governing body should consider the need to receive periodic independent assurance on the effectiveness of risk management. | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| The nature and extent of the risks and opportunities the organisation is willing to take should be disclosed without compromising sensitive information. | Partially compliant | |
| In addition, the following should be disclosed in relation to risk: | | |
| a) An overview of the arrangements for governing and managing risk. | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| b) Key areas of focus during the reporting period, including objectives, the key risks that the organisation faces, as well as undue, unexpected or unusual risks and risks taken outside of risk tolerance levels. | | |
| c) Actions taken to monitor the effectiveness of risk management and how the outcomes were addressed. | | |
| d) Planned areas of future focus. | | |
| Compliance governance | | |
| <i>Principle 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.</i> | | |
| The following should be disclosed in relation to compliance: | | |
| a) An overview of the arrangements for governing and managing compliance. | Partially compliant | Governance processes in place as are appropriate to the size and scope of the Company's operations. |
| b) Key areas of focus during the reporting period. | | |
| c) Actions taken to monitor the effectiveness of compliance management and how the outcomes were addressed. | | |
| d) Planned areas of future focus. | | |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

| Compliance governance (continued) | Compliant | Remarks |
|--|-----------|---|
| Principle 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen. (continued) | | |
| Details of monitoring and compliance inspections by environmental regulators, findings of non-compliance with environmental laws, or criminal sanctions and prosecutions for such non-compliance should be disclosed. | N/A | |
| Remuneration governance | | |
| Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. | | |
| Remuneration policy | | |
| The governing body should assume responsibility for the governance of remuneration by setting the direction for how remuneration should be approached and addressed on an organisation-wide basis. | N/A | The Company is managed by the Manager and has no employees. |
| The governing body should approve policy that articulates and gives effect to its direction on fair, responsible and transparent remuneration. | N/A | |
| The remuneration policy should be designed to achieve the following objectives: | | |
| a) To attract, motivate, reward and retain human capital. | N/A | The Company is managed by the Manager and has no employees. |
| b) To promote the achievement of strategic objectives within the organisation's risk appetite. | | |
| c) To promote positive outcomes. | | |
| d) To promote an ethical culture and responsible corporate citizenship. | | |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

| Remuneration governance (continued) | Compliant | Remarks |
|--|-----------|---|
| Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. (continued) | | |
| Remuneration policy (continued) | | |
| The remuneration policy should address organisation-wide remuneration and include provision for the following specifically: | | |
| a) Arrangements towards ensuring that the remuneration of executive management is fair and responsible in the context of overall employee remuneration in the organisation. | N/A | The Company is managed by the Manager and has no employees. |
| b) The use of performance measures that support positive outcomes across the economic, social and environmental context in which the organisation operates; and/or all the capitals that the organisation uses or affects. | | |
| c) If the organisation is a company, the voting by shareholders on the remuneration policy and implementation report, and for the implementation of related responding measures as outlined under Voting on Remuneration below. | | |
| All elements of remuneration that are offered in the organisation and the mix of these should be set out in the remuneration policy, including: | | The Company is managed by the Manager and has no employees. |
| a) base salary, including financial and non-financial benefits, | N/A | |
| b) variable remuneration, including short and long-term incentives and deferrals; | | |
| c) payments on termination of employment or office; d sign-on, retention and restraint payments; | | |
| d) the provisions, if any, for pre-vesting forfeiture (malus) and post-vesting forfeiture (claw-back) of remuneration; | | |
| e) any commissions and allowances; and | | |
| The governing body should oversee that the implementation and execution of the remuneration policy achieves the objectives of the policy. | N/A | The Company is managed by the Manager and has no employees. |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

| Remuneration governance (continued) | Compliant | Remarks |
|--|-----------|---|
| Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. (continued) | | |
| Remuneration report | | |
| The governing body should ensure that remuneration is disclosed by means of a remuneration report in three parts: | | |
| a) A background statement. | N/A | |
| b) An overview of the main provisions of the remuneration policy. | N/A | |
| Background statement | | |
| The background statement should briefly provide context for remuneration considerations and decisions, with reference to: | | The Company is managed by the Manager and has no employees. |
| a) internal and external factors that influenced remuneration; | | |
| b) the most recent results of voting on the remuneration policy and the implementation report and the measures taken in response thereto; | | |
| c) key areas of focus and key decisions taken by the Remuneration Committee during the reporting period, including any substantial changes to the remuneration policy; | N/A | |
| d) whether remuneration consultants have been used, and whether the Remuneration Committee is satisfied that they were independent and objective; | | |
| e) the views of the Remuneration Committee on whether the remuneration policy achieved its stated objectives; and | | |
| f) future areas of focus. | | |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

| Remuneration governance (continued) | Compliant | Remarks |
|--|------------|---|
| Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. (continued) | | |
| Overview of remuneration policy | | |
| The overview of the main provisions of the remuneration policy should address the objectives of the policy and the manner in which the policy seeks to accomplish these. The overview should include the following: | | The Company is managed by the Manager and has no employees. |
| a) The remuneration elements and design principles informing the remuneration arrangements for executive management and, at a high level, for other employees. | N/A | |
| b) Details of any obligations in executive employment contracts which could give rise to payments on termination of employment or office. | | |
| c) A description of the framework and performance measures used to assess the achievement of strategic objectives and positive outcomes, including the relative weighting of each performance measure and the period of time over which it is measured. | | |
| d) An illustration of the potential consequences on the total remuneration for executive management, on a single, total figure basis, of applying the remuneration policy under minimum, on-target and maximum performance outcomes. | | |
| e) An explanation of how the policy addresses fair and responsible remuneration for executive management in the context of overall employee remuneration. | | |
| f) The use and justification of remuneration benchmarks. | | |
| g) The basis for the setting of fees for non-executive directors. | | |
| h) A reference to an electronic link to the full remuneration policy for public access. | | |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

| Remuneration governance (continued) | Compliant | Remarks |
|--|-----------|---|
| Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. (continued) | | |
| Implementation report | | |
| The implementation report, which includes the remuneration disclosure in terms of the Companies Act, should reflect the following: | | The Company is managed by the Manager and has no employees. |
| a) The remuneration of each member of executive management, which should include in separate tables: | | |
| i) a single, total figure of remuneration, received and receivable for the reporting period, and all the remuneration elements that it comprises, each disclosed at fair value; | | |
| ii) the details of all awards made under variable remuneration incentive schemes in the current and prior years that have not yet vested, including the number of awards, the values at date of grant, their award, vesting and expiry dates (where applicable); and the fair value at the end of the reporting period; and | | |
| iii) the cash value of all awards made under variable remuneration incentive schemes that were settled during the reporting period. | N/A | |
| b) An account of the performance measures used and the relative weighting of each, as a result of which awards under variable remuneration incentive schemes have been made, including: the targets set for the performance measures and the corresponding value of the award opportunity; and for each performance measure, how the organisation and executive managers, individually, performed against the set targets. | | |
| c) Separate disclosure of, and reasons for, any payments made on termination of employment or office. | | |
| d) A statement regarding compliance with, and any deviations from, the remuneration policy. | | |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

| Assurance | Compliant | Remarks |
|---|-----------|--|
| Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports. | | |
| Combined assurance | | |
| The governing body should oversee that the combined assurance model is designed and implemented to cover effectively the organisation's significant risks and material matters through a combination of the following assurance service providers and functions as is appropriate for the organisation: | | Governance processes in place as are appropriate to the size and scope of the Company's operations. The Company is managed by the Manager and has no employees. |
| c) Internal auditors, internal forensic fraud examiners and auditors, safety and process assessors, and statutory actuaries. | N/A | |
| e) Other external assurance providers such as sustainability and environmental auditors, external actuaries, and external forensic fraud examiners and auditors. | N/A | |
| Internal audit | | |
| The governing body should assume responsibility for internal audit by setting the direction for the internal audit arrangements needed to provide objective and relevant assurance that contributes to the effectiveness of governance, risk management and control processes. The governing body should delegate oversight of internal audit to the audit committee, if in place. | | Due to the size and scope of the Company's operations, the Company does not have an internal audit function. The Company is managed by the Manager and has no employees. |
| The governing body should approve an internal audit charter that defines the role and associated responsibilities and authority of internal audit, including addressing its role within combined assurance and the internal audit standards to be adopted. | | |
| The governing body should ensure that the arrangements for internal audit provide for the necessary skills and resources to address the complexity and volume of risk faced by the organisation, and that internal audit is supplemented as required by specialist services such as those provided by forensic fraud examiners and auditors, safety and process assessors, and statutory actuaries. | N/A | |
| If a chief audit executive (CAE) position is provided for in the arrangements for internal audit, the governing body should ensure that the position is set up to function independently from management who designs and implements the controls that are in place, and that the position carries the necessary authority. | | |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

| Assurance (continued) | Compliant | Remarks |
|---|-----------|---------|
| <p>Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports. (continued)</p> | | |
| <p><i>Internal audit</i> (continued)</p> | | |
| <p>The governing body should approve the appointment of the CAE, including the employment contract and remuneration of the CAE, and ensure that the person who fills the position has the necessary competence, gravitas and objectivity.</p> | N/A | |
| <p>For reasons of independence, the CAE should have access to the chair of the audit committee.</p> | | |
| <p>For reasons of independence, the CAE should not be a member of executive management, but should be invited to attend executive meetings, as necessary, to be informed about strategy and policy decisions and their implementation.</p> | | |
| <p>Where internal audit services are co-sourced or outsourced, the governing body should ensure that there is clarity on who fulfils the role of CAE.</p> | | |
| <p>The CAE should report to the chair of the audit committee on the performance of duties and functions that relate to internal audit. On other duties and administrative matters, the CAE should report to the member of executive management designated for this purpose as appropriate for the organisation.</p> | | |
| <p>The governing body should monitor on an ongoing basis that internal audit:</p> <p>a) follows an approved risk-based internal audit plan; and</p> | | |
| <p>b) reviews the organisational risk profile regularly, and proposes adaptations to the internal audit plan accordingly.</p> | | |
| <p>The governing body should ensure that internal audit provides an overall statement annually as to the effectiveness of the organisation's governance, risk management and control processes.</p> | | |
| <p>The governing body should ensure that an external, independent quality review of the internal audit function is conducted at least once every five (5) years.</p> | | |
| <p>The governing body should obtain confirmation annually from the CAE that internal audit conforms to a recognised industry code of ethics.</p> | | |

ANNEXURE 13 – KING CODE ON CORPORATE GOVERNANCE (continued)

| Stakeholder relationships | Compliant | Remarks |
|--|------------|--|
| <i>Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.</i> | | |
| <i>Stakeholder relationships</i> | | |
| The following should be disclosed in relation to stakeholder relationships: | | The Company is managed by the Manager. |
| a) An overview of the arrangements for governing and managing stakeholder relationships. | N/A | |
| b) Key areas of focus during the reporting period. | | |
| c) Actions taken to monitor the effectiveness of stakeholder management and how the outcomes were addressed. | | |
| d) Future areas of focus. | | |
| <i>Relationships within a group of companies</i> | | |
| The holding company should disclose an overview of the group governance framework that is implemented across the group. | N/A | |

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020

GAIA Venture Capital Limited
(Registration number 2017/186790/06)
Financial statements
for the year ended 29 February 2020



ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

GAIA Venture Capital Limited

(Registration number: 2017/186790/06)

Financial Statements for the year ended 29 February 2020

General Information

| | |
|--|--|
| Country of incorporation and domicile | South Africa |
| Nature of business and principal activities | Investment holding |
| Directors | RC De Wit ME Kreeve MM Nieuwoudt |
| Registered office | 37 Vineyard Road Claremont Cape Town Western Cape 7708 |
| Postal address | PO Box 12700 Die Boord Stellenbosch Western Cape 7613 |
| Auditors | Exceed (Cape Town) Incorporated Chartered Accountants (SA) Registered Auditors |
| Company registration number | 2017/186790/06 |
| Tax reference number | 9390759182 |
| Level of assurance | These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008. |
| Preparer | The financial statements were independently compiled by: DJC Koegelenberg Chartered Accountant (SA) |

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

GAIA Venture Capital Limited

(Registration number: 2017/186790/06)

Financial Statements for the year ended 29 February 2020

Contents

The reports and statements set out below comprise the financial statements presented to the shareholders:

| | Page |
|--|-------------|
| Directors' Responsibilities and Approval | 3 |
| Directors' Report | 4 - 5 |
| Independent Auditor's Report | 6 - 7 |
| Statement of Financial Position | 8 |
| Statement of Comprehensive Income | 9 |
| Statement of Changes in Equity | 10 |
| Statement of Cash Flows | 11 |
| Accounting Policies | 12 - 13 |
| Notes to the Financial Statements | 14 - 17 |
| The following supplementary information does not form part of the financial statements and is unaudited: | |
| Detailed Income Statement | 18 |
| Tax Computation | 19 |
| Detailed Balance Sheet | 20 |

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

GAIA Venture Capital Limited

(Registration number: 2017/186790/06)

Financial Statements for the year ended 29 February 2020

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

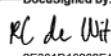
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 28 February 2021 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 6 and 7.

The financial statements set out on pages 8 to 17, which have been prepared on the going concern basis, were approved by the board of directors on 20 August 2020 and were signed on its behalf by:

DocuSigned by:

2E361D16208E400
RC De Wit

DocuSigned by:

E1A30CE9A0AF4B3
MM Nieuwoudt

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

GAIA Venture Capital Limited

(Registration number: 2017/186790/06)

Financial Statements for the year ended 29 February 2020

Directors' Report

The directors submit their report on the financial statements of GAIA Venture Capital Limited for the year ended 29 February 2020.

1. Nature of business

GAIA Venture Capital Limited was incorporated in South Africa with interests in the investment holding industry. The company operates in South Africa.

The company is an investment entity as the company obtains funds from more than one investor for the purpose of providing those investors with investment management services; commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measures and evaluates the performance of substantially all investments on a fair value basis. The company is thus not required to present consolidated financial statements.

The company is also a registered venture capital company in terms of section 12J (5) of the Income Tax Act of South Africa, No.58 of 1962 (Income Tax Act). All South African taxpayers are entitled to a 100% tax deduction on funds invested into the company, in terms of section 12J (2) of the Income Tax Act. The company must invest in qualifying companies defined in section 12J (1) of the Income Tax Act and further meets the provision of section 12J of the Income Tax Act. The initiative has been set up by Government and the South African Revenue Service to grow investments into small and medium-sized entities, as a way of stimulating the economy and creating jobs.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

GAIA Venture Capital Limited

(Registration number: 2017/186790/06)

Financial Statements for the year ended 29 February 2020

Directors' Report

3. Share capital

| | 2020 | | 2019 | |
|----------------------------------|--------------------|-------------------|------------------|---------------|
| | Number of shares | | | |
| Authorised | | | | |
| Ordinary no par value shares | | | 100 | 100 |
| Preferred ordinary A shares | | | 100 000 000 | 100 000 000 |
| Preferred ordinary B1 shares | | | 100 000 000 | 100 000 000 |
| Preferred ordinary B2 shares | | | 100 000 000 | 100 000 000 |
| Preferred ordinary B3 shares | | | 100 000 000 | 100 000 000 |
| Preferred ordinary B4 shares | | | 100 000 000 | 100 000 000 |
| Preferred ordinary B5 shares | | | 100 000 000 | 100 000 000 |
| Preferred ordinary B7 shares | | | 100 000 000 | 100 000 000 |
| Preferred ordinary B6 shares | | | 100 000 000 | 100 000 000 |
| Preferred ordinary B8 shares | | | 100 000 000 | 100 000 000 |
| Preferred ordinary B9 shares | | | 100 000 000 | 100 000 000 |
| Participation ordinary C shares | | | 100 000 000 | 100 000 000 |
| Preferred ordinary D shares | | | 10 000 | - |
| Unclassified no par value shares | | | 99 990 000 | 100 000 000 |
| | | | | |
| | 2020 | 2019 | 2020 | 2019 |
| | R | | | |
| Issued | | | Number of shares | |
| Ordinary no par value shares | | | 1 | 1 |
| Preferred ordinary A shares | 13 419 000 | 13 419 000 | 13 419 | 13 419 |
| Preferred ordinary B1 shares | 14 513 000 | 11 677 000 | 14 513 | 11 677 |
| Preferred ordinary B2 shares | 13 793 000 | 12 820 000 | 13 793 | 12 820 |
| Preferred ordinary B3 shares | 1 500 000 | 1 500 000 | 1 500 | 1 500 |
| Preferred ordinary B4 shares | 8 220 000 | 8 220 000 | 8 220 | 8 220 |
| Preferred ordinary B5 shares | 4 360 000 | 4 360 000 | 4 360 | 4 360 |
| Preferred ordinary B6 shares | 28 180 000 | - | 28 180 | - |
| Preferred ordinary B8 shares | 11 678 000 | - | 11 678 | - |
| Participation ordinary C shares | 100 | 100 | 100 | 100 |
| Preferred ordinary D shares | 50 000 000 | - | 500 | - |
| | 145 663 101 | 51 996 101 | 96 264 | 52 097 |

Refer to note 4 of the financial statements for detail of the movement in authorised and issued share capital.

4. Dividends

No dividends were declared or paid during the year (2019: Rnil).

5. Directors

The directors in office at the date of this report are as follows:

Directors
RC De Wit
ME Kreeve
MM Nieuwoudt

There have been no changes to the directorate for the period under review.

6. Events after the reporting period

On Sunday, 15 March 2020, the South African government declared a national state of disaster due to the COVID- 19 pandemic. The virus gives rise to economic consequences. On Monday, 23 March 2020, the South African government declared a national lockdown of 21 days from 26 March 2020 to 16 April 2020. The lockdown was extended to 30 April 2020. Economic activities were limited during the lockdown period. Due to the nature of the company it is not considered to have a major impact on the operations of the company.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)



Independent Auditor's Report

To the shareholders of GAIA Venture Capital Limited

Opinion

We have audited the financial statements of GAIA Venture Capital Limited set out on pages 8 to 17, which comprise the statement of financial position as at 29 February 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of GAIA Venture Capital Limited as at 29 February 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Part A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, the Detailed Income Statement, Detailed Balance Sheet by share class and Tax Computation. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

PARC DU LINKS, 7 NIBUCK WAY, SOMERSET WEST, 7130

IN PROFESSIONAL PRACTICE SINCE 1978

EXCEED (CAPE TOWN) INC REG NO. 2000/D11257/21

DIRECTORS: JS LOUBSER, DJC KOEGELENBERG, GA VAN RHYN, WF SMITH, M BARKHUYSEN, CP SMITH, SM LOUW, IS VAN ROOYEN

☎ 021 852 0382 ☎ 021 852 0388 ✉ swest@exceedsw.co.za 🌐 www.exceed.co.za



ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DocuSigned by:

24628C1735064EA
Exceed (Cape Town) Incorporated
Chartered Accountants (SA)
Registered Auditors
Director: DJC Koegelenberg

20 August 2020

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

GAIA Venture Capital Limited

(Registration number: 2017/186790/06)

Financial Statements for the year ended 29 February 2020

Statement of Financial Position as at 29 February 2020

| | Notes | 2020 R | 2019 R |
|-------------------------------------|-------|--------------------|-------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Other financial assets | 2 | 113 180 128 | 23 519 803 |
| Current Assets | | | |
| Cash and cash equivalents | 3 | 62 278 367 | 29 284 264 |
| Total Assets | | 175 458 495 | 52 804 067 |
| Equity and Liabilities | | | |
| Equity | | | |
| Share capital | 4 | 145 663 101 | 51 996 101 |
| Retained income | | 3 235 640 | 551 306 |
| | | 148 898 741 | 52 547 407 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Loans from related parties | 5 | 96 522 | 154 432 |
| Deferred tax | 6 | 1 160 349 | 96 190 |
| | | 1 256 871 | 250 622 |
| Current Liabilities | | | |
| Trade and other payables | 7 | 268 595 | 6 038 |
| Loans from related parties | 5 | 25 000 000 | - |
| Current tax payable | | 34 288 | - |
| | | 25 302 883 | 6 038 |
| Total Liabilities | | 26 559 754 | 256 660 |
| Total Equity and Liabilities | | 175 458 495 | 52 804 067 |

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

GAIA Venture Capital Limited

(Registration number: 2017/186790/06)

Financial Statements for the year ended 29 February 2020

Statement of Comprehensive Income

| | Notes | 2020 R | 2019 R |
|-------------------------------|-------|--------------------|--------------------|
| Operating expenses | | (1 819 455) | (1 263 484) |
| Operating loss | | (1 819 455) | (1 263 484) |
| Investment revenue | 8 | 1 941 911 | 907 966 |
| Fair value adjustments | | 3 660 325 | 1 519 803 |
| Profit before taxation | | 3 782 781 | 1 164 285 |
| Taxation | 9 | (1 098 447) | (240 891) |
| Profit for the year | | 2 684 334 | 923 394 |

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

GAIA Venture Capital Limited

(Registration number: 2017/186790/06)

Financial Statements for the year ended 29 February 2020

Statement of Changes in Equity

| | Share capital | Retained income | Total equity |
|------------------------------------|--------------------|------------------|--------------------|
| | R | R | R |
| Balance at 01 March 2018 | 23 139 001 | (372 088) | 22 766 913 |
| Profit for the year | - | 923 394 | 923 394 |
| Issue of shares | 28 857 100 | - | 28 857 100 |
| Balance at 01 March 2019 | 51 996 101 | 551 306 | 52 547 407 |
| Profit for the year | - | 2 684 334 | 2 684 334 |
| Issue of shares | 93 667 000 | - | 93 667 000 |
| Balance at 29 February 2020 | 145 663 101 | 3 235 640 | 148 898 741 |

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

GAIA Venture Capital Limited

(Registration number: 2017/186790/06)
Financial Statements for the year ended 29 February 2020

Statement of Cash Flows

| | Notes | 2020 R | 2019 R |
|---|-------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Cash used in operations | 10 | (1 556 898) | (1 608 828) |
| Interest income | | 1 941 911 | 907 966 |
| Net cash from (used in) operating activities | | 385 013 | (700 862) |
| Cash flows from investing activities | | | |
| Net movement in loans with related parties | | 24 942 090 | (12 169) |
| Purchase of financial assets | | (86 000 000) | (22 000 000) |
| Net cash from (used in) investing activities | | (61 057 910) | (22 012 169) |
| Cash flows from financing activities | | | |
| Proceeds on shares issued | 4 | 93 667 000 | 28 857 100 |
| Total cash movement for the year | | 32 994 103 | 6 144 069 |
| Cash at the beginning of the year | | 29 284 264 | 23 140 195 |
| Total cash at end of the year | 3 | 62 278 367 | 29 284 264 |

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

GAIA Venture Capital Limited

(Registration number: 2017/186790/06)

Financial Statements for the year ended 29 February 2020

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Key sources of estimation uncertainty

Fair value estimation

Several assets of the company are measured at fair value.

The valuation process requires management to always first consider whether there is a quoted price in an active market for an identical or similar asset. If no such quoted price exists, then the fair value is determined by reference to a recent binding sale agreement or a recent transaction for an identical or similar asset.

The recent binding sale agreement or transaction is only applied where it is between knowledgeable willing parties in an arms length transaction and where there has not been a significant change in economic circumstances or significant time lapse between the date of such agreement or transaction and the measurement date. Where there have been significant changes in economic circumstances, then the price is adjusted to determine fair value. If there is no quoted price and there have been no recent binding sale agreements or recent transactions for the identical or similar assets, then management will determine fair value by applying appropriate valuation techniques. Observable market data is used as inputs to the extent that it is available.

Information about the specific techniques and inputs of the various assets is disclosed in note 2.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

GAIA Venture Capital Limited

(Registration number: 2017/186790/06)

Financial Statements for the year ended 29 February 2020

Accounting Policies

1.2 Financial instruments (continued)

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.4 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.5 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

GAIA Venture Capital Limited

(Registration number: 2017/186790/06)

Financial Statements for the year ended 29 February 2020

Notes to the Financial Statements

| | 2020 R | 2019 R |
|---|--------------------|-------------------|
| 2. Other financial assets | | |
| At fair value | | |
| Agristar Developments Proprietary Limited | 21 567 145 | 19 164 610 |
| Ravenhaven Proprietary Limited | 6 030 636 | 4 355 193 |
| RKO Facilities Proprietary Limited | 10 582 347 | - |
| | 38 180 128 | 23 519 803 |
| At cost | | |
| Panorama Agriculture Proprietary Limited | 16 000 000 | - |
| Rietplaat Farming One Proprietary Limited | 25 500 000 | - |
| Rietplaat Farming Two Proprietary Limited | 25 500 000 | - |
| Spago Farming Proprietary Limited | 5 500 000 | - |
| Coulter Agriculture Proprietary Limited | 2 500 000 | - |
| | 75 000 000 | - |
| Total other financial assets | 113 180 128 | 23 519 803 |
| Non-current assets | | |
| At fair value | 38 180 128 | 23 519 803 |
| At cost | 75 000 000 | - |
| | 113 180 128 | 23 519 803 |
| <p>The company is an investment entity as the company obtains funds from more than one investor for the purpose of providing those investors with investment management services; commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measures and evaluates the performance of substantially all investments on a fair value basis.</p> <p>The fair value of the investments are based on the free cashflow model.</p> | | |
| 3. Cash and cash equivalents | | |
| Cash and cash equivalents consist of: | | |
| Bank balances | 62 278 367 | 29 284 264 |

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

GAIA Venture Capital Limited

(Registration number: 2017/186790/06)

Financial Statements for the year ended 29 February 2020

Notes to the Financial Statements

| | 2020 R | 2019 R |
|---|---------------------|-------------------|
| 4. Share capital | | |
| Authorised | | |
| 100 Ordinary no par value shares | | |
| 100 000 000 Preferred ordinary A shares | | |
| 100 000 000 Preferred ordinary B1 shares | | |
| 100 000 000 Preferred ordinary B2 shares | | |
| 100 000 000 Preferred ordinary B3 shares | | |
| 100 000 000 Preferred ordinary B4 shares | | |
| 100 000 000 Preferred ordinary B5 shares | | |
| 100 000 000 Preferred ordinary B6 shares | | |
| 100 000 000 Preferred ordinary B7 shares | | |
| 100 000 000 Preferred ordinary B8 shares | | |
| 100 000 000 Preferred ordinary B9 shares | | |
| 100 000 000 Participation ordinary C shares | | |
| 10 000 Preferred ordinary D shares | | |
| 99 990 000 Unclassified no par value shares | | |
| Reconciliation of number of shares issued: | | |
| Reported as at 01 March 2019 | 52 097 | 23 140 |
| Preferred ordinary B1 shares | 2 836 | 11 677 |
| Preferred ordinary B2 shares | 973 | 12 820 |
| Preferred ordinary B5 shares | - | 4 360 |
| Preferred ordinary B6 shares | 28 180 | - |
| Preferred ordinary B8 shares | 11 678 | - |
| Participation ordinary C shares | - | 100 |
| Preferred ordinary D shares | 500 | - |
| | 96 264 | 52 097 |
| Issued | | |
| Ordinary no par value shares | 1 | 1 |
| Preferred ordinary A shares | 13 419 000 | 13 419 000 |
| Preferred ordinary B1 shares | 14 486 000 | 11 677 000 |
| Preferred ordinary B2 shares | 13 820 000 | 12 820 000 |
| Preferred ordinary B3 shares | 1 500 000 | 1 500 000 |
| Preferred ordinary B4 shares | 8 220 000 | 8 220 000 |
| Preferred ordinary B5 shares | 4 360 000 | 4 360 000 |
| Preferred ordinary B6 shares | 28 180 000 | - |
| Preferred ordinary B8 shares | 11 678 000 | - |
| Participation ordinary C shares | 100 | 100 |
| Preferred ordinary D shares | 50 000 000 | - |
| | 145 663 101 | 51 996 101 |
| 5. Loans from related parties | | |
| GAIA Private Equity Proprietary Limited | 96 522 | 154 432 |
| Shareholders loan - Class D shares | 25 000 000 | - |
| | 25 096 522 | 154 432 |
| The loans are unsecured, interest-free and not repayable within the next twelve months. | | |
| Non-current liabilities | (96 522) | (154 432) |
| Current liabilities | (25 000 000) | - |
| | (25 096 522) | (154 432) |

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

GAIA Venture Capital Limited

(Registration number: 2017/186790/06)

Financial Statements for the year ended 29 February 2020

Notes to the Financial Statements

| | 2020 R | 2019 R |
|---|--------------------|------------------|
| 6. Deferred tax | | |
| The major components of the deferred tax balance are as follows: | | |
| Deferred tax asset/(liability) | | |
| Arising as a result of temporary differences on: | | |
| Financial instruments at fair value through profit or loss | (1 160 349) | (340 436) |
| Deferred tax balance from temporary differences other than unused tax losses | (1 160 349) | (340 436) |
| Tax losses available for set off against future taxable income | - | 244 246 |
| Total deferred tax asset/(liability) | (1 160 349) | (96 190) |
| Reconciliation of deferred tax asset/(liability) | | |
| At beginning of year | (96 190) | 144 701 |
| Recognised in profit or loss: | | |
| Increase (decrease) in tax loss available for set off against future taxable income | (244 246) | 99 545 |
| Movement in temporary differences on financial instruments at fair value through profit or loss | (819 913) | (340 436) |
| | (1 064 159) | (240 891) |
| At end of year | (1 160 349) | (96 190) |
| 7. Trade and other payables | | |
| Trade payables | 268 595 | 6 038 |
| 8. Investment revenue | | |
| Interest revenue | | |
| Bank | 1 941 911 | 907 966 |

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

GAIA Venture Capital Limited

(Registration number: 2017/186790/06)

Financial Statements for the year ended 29 February 2020

Notes to the Financial Statements

| | 2020 R | 2019 R |
|--|---|--------------------|
| 9. Taxation | | |
| Major components of the tax expense | | |
| Current taxation | | |
| South African normal tax - year | 34 288 | - |
| Deferred taxation | | |
| South African deferred tax - current year | 1 064 159 | 240 891 |
| | 1 098 447 | 240 891 |
| Reconciliation of the tax expense | | |
| Reconciliation between accounting profit and tax expense. | | |
| Accounting profit | 3 782 781 | 1 164 285 |
| Tax at the applicable tax rate of 28% (2019: 28%) | 1 059 179 | 326 000 |
| Other | | |
| Prior period over provision in deferred tax | 244 247 | - |
| Non-taxable portion of fair value adjustment on other financial assets | (204 979) | (85 109) |
| | 1 098 447 | 240 891 |
| 10. Cash used in operations | | |
| Profit before taxation | 3 782 781 | 1 164 285 |
| Adjustments for: | | |
| Interest received | (1 941 911) | (907 966) |
| Fair value adjustments | (3 660 325) | (1 519 803) |
| Changes in working capital: | | |
| Trade and other payables | 262 557 | (345 344) |
| | (1 556 898) | (1 608 828) |
| 11. Related parties | | |
| Relationships | | |
| Common directors | GAIA Private Equity Proprietary Limited | |
| Related party balances and transactions with entities with control, joint control or significant influence over the company | | |
| Related party balances | | |
| Loan accounts - Owing to related parties | | |
| GAIA Private Equity Proprietary Limited | 96 522 | 154 432 |
| Amounts included in trade payables regarding related parties | | |
| GAIA Private Equity Proprietary Limited | 268 594 | 6 038 |
| Related party transactions | | |
| Professional fees paid to related parties | | |
| GAIA Private Equity Proprietary Limited | 1 426 730 | 685 168 |

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

GAIA Venture Capital Limited

(Registration number: 2017/186790/06)
Financial Statements for the year ended 29 February 2020

Detailed Income Statement

| | 2020 R | 2019 R |
|----------------------------------|------------------|------------------|
| Other income | | |
| Fair value adjustments | 3 660 325 | 1 519 803 |
| Operating expenses | | |
| Accounting fees | 33 550 | 22 996 |
| Advertising | 18 285 | - |
| Bank charges | 84 029 | 19 393 |
| Consulting and professional fees | 1 662 350 | 1 204 138 |
| Levies | 6 662 | 6 252 |
| Postage | 7 716 | 2 122 |
| Printing and stationery | 120 | 909 |
| Secretarial fees | 557 | 3 478 |
| Telephone and fax | 1 | - |
| Travel - local | 6 185 | 4 196 |
| | 1 819 455 | 1 263 484 |
| Operating profit | 1 840 870 | 256 319 |
| Investment income | 1 941 911 | 907 966 |
| Profit before taxation | 3 782 781 | 1 164 285 |
| Taxation | (1 098 447) | (240 891) |
| Profit for the year | 2 684 334 | 923 394 |

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

GAIA Venture Capital Limited

(Taxpayer reference number 9390759182)

(Registration number: 2017/186790/06)

Financial Statements for the year ended 29 February 2020

Tax Computation

| | 2020 R |
|--|----------------|
| Net profit per detailed income statement | 3 782 781 |
| Temporary differences | |
| Adjustments to comply with IFRS: Fair value (Credit) | (3 660 325) |
| Taxable income for 2020 | 122 456 |
| Tax thereon @ 28% in the Rand | 34 288 |

ANNEXURE 14 – ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 29 FEBRUARY 2020 (continued)

GAIA VENTURE CAPITAL LIMITED

Registration number: 2017162790(6)
Financial Statements for the year ended 29 February 2020

Detailed Balance Sheet

| | Amount | Preferred Ordinary A | Preferred Ordinary B1 | Preferred Ordinary B2 | Preferred Ordinary B3 | Preferred Ordinary B4 | Preferred Ordinary B5 | Preferred Ordinary B6 | Preferred Ordinary B8 | Preferred Ordinary D | Ordinary | Total |
|--|--------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------|--------------------|
| ASSETS | | | | | | | | | | | | |
| Other financial assets - fair value | 38 180 129 | 15 306 565 | 5 243 772 | 4 767 918 | 1 696 124 | 9 595 092 | 1 570 657 | - | - | - | - | 38 180 129 |
| Agristar Developments (Pty) Ltd | 21 567 145 | 12 411 520 | - | - | 1 375 324 | 7 780 301 | - | - | - | - | - | 21 567 145 |
| RavenHaven (Pty) Ltd - (Class A) | 5 030 636 | 2 895 045 | 440 055 | 428 136 | 320 801 | 1 814 791 | 131 869 | - | - | - | - | 5 030 636 |
| RavenHaven (Pty) Ltd - Ordinary shares | 1 000 000 | - | 440 055 | 428 136 | - | - | 131 869 | - | - | - | - | 1 000 000 |
| RKO Facilities (Pty) Ltd | 10 592 347 | - | 4 803 717 | 4 339 782 | - | - | 1 438 848 | - | - | - | - | 10 592 347 |
| Other financial assets - cost | 75 000 000 | - | - | - | - | - | - | - | - | 75 000 000 | - | 75 000 000 |
| Panorama Agriculture (Pty) Ltd | 16 000 000 | - | - | - | - | - | - | - | - | 16 000 000 | - | 16 000 000 |
| Reipbeatz Farming One (Pty) Ltd | 25 500 000 | - | - | - | - | - | - | - | - | 25 500 000 | - | 25 500 000 |
| Reipbeatz Farming Two (Pty) Ltd | 25 500 000 | - | - | - | - | - | - | - | - | 25 500 000 | - | 25 500 000 |
| Spago Holdings (Pty) Ltd | 5 500 000 | - | - | - | - | - | - | - | - | 5 500 000 | - | 5 500 000 |
| Coulter Agriculture (Pty) Ltd | 2 500 000 | - | - | - | - | - | - | - | - | 2 500 000 | - | 2 500 000 |
| Cash and Cash equivalents | 62 276 367 | 231 016 | 9 599 742 | 9 652 854 | 15 909 | 144 815 | 2 875 093 | 28 109 348 | 11 648 395 | - | 1 195 | 62 278 367 |
| TOTAL ASSETS | 175 458 495 | 15 537 580 | 14 842 515 | 14 420 772 | 1 712 033 | 9 739 907 | 4 445 750 | 28 109 348 | 11 648 395 | 75 000 000 | 1 195 | 175 458 495 |
| LIABILITIES | | | | | | | | | | | | |
| Loans | 25 096 522 | 10 189 | 9 734 | 10 207 | 1 123 | 6 387 | 2 915 | 39 569 | 16 398 | 25 000 000 | - | 25 096 522 |
| Loans from related parties (due) | 30 644 | - | - | 750 | - | - | - | 21 135 | 8 759 | - | - | 30 644 |
| Loans from related parties (outstanding) | 65 879 | 10 189 | 9 734 | 9 457 | 1 123 | 6 387 | 2 915 | 18 434 | 7 640 | 25 000 000 | - | 65 879 |
| Shareholders' loans | 25 000 000 | - | - | - | - | - | - | - | - | 25 000 000 | - | 25 000 000 |
| Deferred tax | 1 160 349 | 592 691 | 59 214 | 53 495 | 65 676 | 371 535 | 17 736 | - | - | - | - | 1 160 349 |
| Agristar Developments (Pty) Ltd | 799 040 | 459 834 | - | - | 50 954 | 288 252 | - | - | - | - | - | 799 040 |
| RavenHaven (Pty) Ltd - (Class A) | 230 862 | 132 857 | - | - | 14 722 | 83 283 | - | - | - | - | - | 230 862 |
| RKO Facilities (Pty) Ltd | 130 446 | - | 59 214 | 53 495 | - | - | 17 736 | - | - | - | - | 130 446 |
| Trade payables | 268 594 | - | - | - | - | - | - | - | 268 594 | - | - | 268 594 |
| Current tax payable | 34 288 | - | - | - | - | - | - | - | - | - | 34 288 | 34 288 |
| TOTAL LIABILITIES | 26 559 754 | 602 881 | 68 948 | 63 702 | 66 799 | 377 923 | 20 652 | 39 569 | 284 992 | 25 000 000 | 34 288 | 26 559 754 |
| TOTAL EQUITY | 148 898 741 | 14 934 700 | 14 773 567 | 14 357 070 | 1 645 234 | 9 361 985 | 4 425 098 | 28 069 779 | 11 364 403 | 50 000 000 | (35 093) | 148 898 741 |
| TOTAL EQUITY AND LIABILITIES | 175 458 495 | 15 537 580 | 14 842 515 | 14 420 772 | 1 712 033 | 9 739 907 | 4 445 750 | 28 109 348 | 11 648 395 | 75 000 000 | 1 195 | 175 458 495 |