GAIA
RENEWABLES 1 LIMITED

INTEGRATED ANNUAL REPORT 2022

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SCOPE OF REPORT

Gaia Renewables 1 Limited ("Gaia" or "the Company") is pleased to present its 2022 Integrated Annual Report for the period 1 March 2021 to 28 February 2022 to all its stakeholders. This Integrated Annual Report aims to present a balanced review of the business to date and describes how the Company aims to create sustainable value for its stakeholders.

CONDENSED FINANCIALS

The Group's financial results have been condensed in this report to provide a concise overview of our financial performance. Our full audited financial statements, which have been prepared in accordance with International Financial Reporting Standards and the Companies Act 71 of 2008, are available on our website (www.gaia.group).

STATEMENT OF RESPONSIBILITY AND ASSURANCE

The Board acknowledges its responsibility to ensure the integrity of this Integrated Annual Report. The Directors, assisted by the Audit and Risk Committee, confirm that they have collectively assessed the content of the Integrated Annual Report and believe that it addresses material issues and is a fair representation of the performance of the Company. The Board has therefore approved the Integrated Annual Report 2022.

The electronic version of this report can be accessed at www.gaia.group.

Retha Meyer
Chairperson

For additional contact details, please see the inside back cover. Gaia welcomes feedback and any suggestions for the Company's future reports.

A WORD FROM THE FUND MANAGER

ASSET AND INVESTMENT PERFORMANCE

Currently, Gaia Renewables 1 Limited ("the Company") holds an economic interest in a single asset, namely the Tsitsikamma Community Wind Farm ("TCWF") near Humansdorp in the Eastern Cape Province of South Africa.

TCWF is a 95 MW wind farm that has been in commercial operation since August 2016. Since operations began the plant's availability, as a measure of the percentage of time the plant is available to produce electricity, has been above the contracted availability of 97%. The plant has also produced more electricity than expected.

Over the reporting period the wind conditions were subdued for the first six months, only for the plant to experience above average wind conditions in the second half of the financial year. As a result of the recovery in wind conditions the plant met its budgeted electricity generation quota.

The result of a high level of plant availability during favourable wind conditions resulted in the plant meeting its budgeted revenue. However, the distributions were slightly below budget due to the subdued wind conditions in the first half of the year. The recovery in production in the second half of the year and the associated higher distribution will be realised shortly after the review period.

As with all mechanical and electrical equipment the plant experiences isolated technical issues, however none of these issues can be considered to (1) be epidemic or (2) materially impact upon the future performance of the plant. The Operations and Maintenance teams are subject to regular reviews with Gaia closely monitoring and evaluating any corrective measures taken.

Gaia remains confident that the plant will perform according to expectations with concomitant distributions to investors and that the routine technical issues experience by the plant do not present significant asset or investment risk.

INDUSTRY VIEW AND OUTLOOK

South Africa's electricity supply remains severely constrained, with scheduled blackouts ("load-shedding") prevailing throughout 2022, as Eskom laments that the situation will continue until the state can secure an additional 4,000 to 6,000 megawatts of generation capacity.

In October 2021, South Africa selected 25 preferred bidder projects for its Renewable Energy Independent Power Producer Procurement Programme ("REIPPPP") bid window 5, procuring 975 MW of solar PV and 1.69 GW of wind energy capacity.

In an announcement on the 25th of July 2022, South African President Cyril Ramaphosa appealed to the private sector to assist in ending the power crisis by outlining significant steps to promote the private sector's involvement in electricity generation. These steps include the removal of licensing restrictions and doubling the delayed REIPPPP bid window 6 procurement capacity to 5,200 megawatts.

Despite the recent announcements by government, policy and pricing uncertainty is still deterring private sector participation, as the industry remains unsure how the announced steps can or will be implemented. In addition, Eskom and municipalities are considering how to recoup lost income from self-generation, which compounds the task of long term planning.

Notwithstanding the issues surrounding the sector, private electricity production from renewable energy sources has rightfully secured its place in the future due to its cost, speed of implementation and security of supply benefits. Accordingly, Gaia remains convinced that quality investment opportunities are available to Gaia Renewables 1 and its investors.

Hendrik Snyman
Chief Investment Officer
Gaia Fund Managers

ABOUT GAIA RENEWABLES 1 LIMITED

The Company was established by Gaia Fund Managers as a ring-fenced entity for the express purpose of providing institutional and retail investors access to infrastructure investments in South Africa.

Gaia Fund Managers is a registered financial services provider (licence number 46028) and is considered a leading specialist secondary market infrastructure transaction team in South Africa, having concluded 12 renewable energy and one toll road transaction to a value in excess of R3.5 billion for South African institutional investors, as well as Gaia Infrastructure Capital Limited, a JSE main board listed investment holding company.

Pursuant to the listing of the A preference shares in October 2020, the Company, acting through TCWF Investment SPV, acquired its first indirect interest in an infrastructure project via the financing of RE Times's acquisition of a 16% interest in the Tsitsikamma Community Wind Farm Project.

RATIONALE FOR THE LISTING AND FUTURE PROSPECTS

The rationale for the listing is primarily the following:

Provide access to infrastructure as an asset class

Infrastructure as an asset class provides investors with stable inflation-linked cash returns whilst preserving their capital.

However, the current means of gaining access to these projects include a daunting and protracted process requiring, amongst other things negotiating lengthy contracts. This process is far removed from investors' ordinary means of acquiring shares on a trading platform and therefore acts as a significant investment barrier to entry and exit. In addition to the process, the unlisted equity available in the projects precludes certain Collective Investment Scheme ("CIS") portfolios and Regulation 28 Pension Funds from acquiring interests in the projects. A listed security removes many of the entry and exit barriers for investors and allows infrastructure to take up its rightful place as an asset class in many investor portfolios.

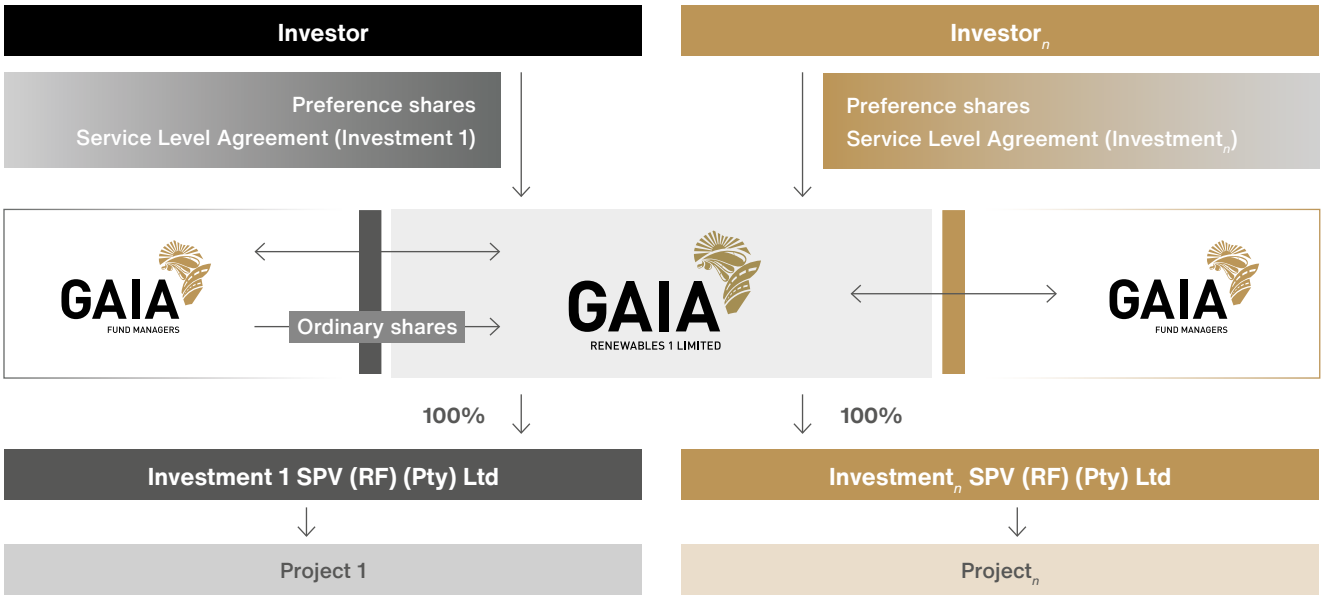
Transparent regulatory environment

In addition to the regulatory requirements applicable to Gaia Fund Managers as a regulated investment manager, as a listed entity the Company must comply with the Listings Requirements of The Cape Town Stock Exchange ("CTSE"), which provides investors with additional transparency and corporate governance comfort.

Access to capital

(a) As a listed entity, the Company enables CIS portfolios to increase their allocation to infrastructure from an unlisted instrument threshold of 5% to 10%. The ability to do this opens a unique market opportunity for CIS compliant portfolios and Pension Funds invest in CTSE-listed infrastructure projects via new issuances of preference shares in the Company.

(b) Illustrated below is a schematic representation of the future high-level structure of the Company pursuant to the issuance and listing of new classes of preference shares corresponding to new investments in infrastructure projects. Each class of preference share will be linked to a specific infrastructure project with a corresponding asset management agreement with Gaia Fund Managers.



INVESTMENT POLICY

GOVERNANCE STRUCTURE

The Board provides strategic direction and leadership and monitors implementation of strategic objectives. It acts as the focal point for, and custodian of, corporate governance by managing its relationship with management, shareholders and other stakeholders of the Company.

BOARD OF DIRECTORS

Oversight of strategy and provision of leadership.

Management	Audit and Risk Committee	Nomination Committee
Operations strategy formation and execution	Integrity of financial statements, internal controls and reporting process	Board nominations and appointments

STAKEHOLDER REVIEW

Stakeholder engagement is integral to Gaia's business and long-term sustainability. The Company is committed to creating and maintaining inclusive, honest and mutually beneficial relationships and partnerships with all its stakeholders. Effective and meaningful stakeholder engagement provides the Company with information that leads to improved decision-making processes.

The Company recognises the benefits of strong long-term relationships with its stakeholders and it is through engagement with stakeholders that the Company can shape its long-term direction. The Board monitors relations with stakeholders, the Social and Ethics Committee of the Board oversees stakeholder relations and the Executive Directors are responsible for stakeholder engagement. The stakeholders of our investee companies and providers of capital are equally fundamental to Gaia's success and the Company is committed to ongoing engagement with all its stakeholders.

Stakeholder group	Our commitment	Stakeholder issues	How we engage
Investors – present and future	It is Gaia's primary responsibility to shareholders to deliver acceptable returns on their investment through delivery on our strategic objectives. The Company is committed to timely and transparent communication through regular investor interaction.	◆ Financial performance ◆ Dividend policy ◆ Management ability to deliver ◆ Share price performance ◆ Strategic intent ◆ Asset quality, yields and valuation	◆ Annual results announcements and presentations ◆ Website ◆ Roadshows ◆ Ad hoc meetings ◆ Investor conferences ◆ AGM
Investee companies – present and future	Gaia's performance is directly linked to the quality and performance of the underlying investee companies. Gaia prioritises cultivating mutually beneficial relationships with these companies.	◆ Purchase consideration ◆ Long-term support and technical input ◆ Value adding relationships ◆ Asset optimisation initiatives	◆ Board representation ◆ One-on-one engagement ◆ Management meetings
Other indirect stakeholders – (Project company lenders, Operations and Maintenance service providers, Eskom, Local communities, and other Social Economic Development partners, etc.)	Gaia supports the management of our investee companies in their stakeholder engagement through active shareholder participation.	◆ Long-term support and technical input ◆ Value adding relationships ◆ Asset optimisation initiatives	◆ Board and board committee representation ◆ One-on-one engagement ◆ Management meetings

FINANCE REPORT

SALIENT RESULTS

- Tangible net asset value at R0.91 per ordinary share
- Class A preference shares valued at R129.93 per share
- Portfolio currently holds a single asset
- 264 GWh of clean renewable energy produced, powering 24 000 South African households
- Gross assets under management at R131.4 million
- Distributions of R69.8 million paid to Class A preference share holders during the year

GOING CONCERN DISCLOSURE

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

STATEMENT OF FINANCIAL POSITION

	Notes	2022 R	2021 Restated*
Assets			
Non-current assets			
Investment in subsidiary	3	**131 404 135**	196 894 708
Current assets			
Cash and cash equivalents	4	**344 166**	353 905
Current tax assets	5	**2**	–
Total current assets		**344 168**	353 905
Total assets		**131 748 303**	197 248 613
Equity and liabilities			
Equity			
Issued capital	6	**100**	100
Retained income		**1 816 746**	4 614 077
Total equity		**1 816 846**	4 614 177
Liabilities			
Non-current liabilities			
Other financial liabilities	7	**129 927 981**	192 625 239
Current liabilities			
Trade and other payables	8	**3 376**	8 529
Current tax liabilities	5	**–**	568
Loan from subsidiary	9	**100**	100
Total current liabilities		**3 476**	9 197
Total liabilities		**129 931 457**	192 634 436
Total equity and liabilities		**131 748 303**	197 248 613

** Refer to comparative figure note 18 in the Annual Financial Statement section of the report.*

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2022 R	2021 R
Revenue	10	**74 149 786**	1 227 050
Administrative expenses	11	**(281 846)**	(42 340)
Other expenses	12	**(1 933 553)**	(738 828)
Other gains and (losses)	13	**(2 793 315)**	4 884 877
Profit from operating activities		**69 141 072**	5 330 759
Investment income	14	**84 576**	5 536
Finance costs	15	**(69 840 000)**	(700 001)
(Loss)/profit before tax		**(614 352)**	4 636 294
Income tax expense	16	**(22 975)**	(568)
(Loss)/profit for the year		**(637 327)**	4 635 726

BOARD OF DIRECTORS

The Board provides strategic direction and leadership and monitors implementation of strategic objectives. It acts as the focal point for, and custodian of, corporate governance by managing its relationship with management, shareholders and other stakeholders of the Company.

EXECUTIVE DIRECTORS

Mich Nieuwoudt

Renier de Wit

Hendrik Snyman

INDEPENDENT NON-EXECUTIVE DIRECTORS

Retha Meyer

Louis Kotzé

Anton-Louis Olivier

EXECUTIVE DIRECTORS

Matthys Michiel Nieuwoudt ("Mich")

Director for Gaia Renewables 1 Limited

Pr Eng, BEng (Electronic), MBA

Date of appointment: 25 February 2020

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 moved to 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 Fund Managers.

Renier de Wit

Director of Gaia Renewables 1 Limited

BCom (Actuarial Science), Fellow of the Institute of Actuaries (UK)

Date of appointment: 30 September 2020

Renier is an actuary by training and spent 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, he established Gaia Private Equity as an offshoot of the Gaia Group to focus on venture capital and private equity opportunities. Renier currently serves as the Managing Director of Gaia Fund Managers.

EXECUTIVE DIRECTORS (CONTINUED)

Hendrik Snyman

Director of Gaia Renewables 1 Limited
PhD (Eng), MCom (Fin. Man), MEng (Eng.Man), BEng (Industrial Mechanical).
Date of appointment: 30 September 2020

Hendrik is a qualified Industrial Engineer with Masters degrees in both Engineering and Corporate Finance. Hendrik started his career in the private equity industry in 2010, developing various mining and farming ventures before embarking on a PhD in Strategy focusing on the use of Venture Capital to accelerate SME growth and development. As part of his studies, he taught finance and economics and published a number of papers. Hendrik joined Gaia Fund Managers in 2016, contributing his skills related to finance, management, and engineering and currently serves as Director and Chief Investment Officer.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Retha Meyer

Independent Chairperson of Gaia Renewables 1 Limited
CA(SA), Advanced Diploma in Organisational Leadership
Date of appointment: 30 September 2020

Retha is a highly professional, self-motivated and dynamic individual with excellent people and leadership skills. With a well-balanced, assertive and confident behaviour, her strengths are well spread between financial accounting, management reporting, commercial management, attention to detail and the ability to build lasting relationships with all stakeholders. Retha was a trainee accountant at Logista Incorporated from 2007 until 2009. Thereafter, she was the part time financial accountant for Clickatell (Pty) Ltd. She moved her way up and from 2016 until 2017 she was the financial director and group treasurer of Clickatell (Pty) Ltd. From 2020 Retha served as financial director for The Sun Exchange (Pty) Ltd., where she manages all general accounting functions which include timely and accurate monthly closes, prepares consolidated financial statements, oversees tax related matters, cash management, financial planning and analysis, and she assists in due diligence, implements and maintains internal controls, maintains relationships with external auditors and assists with special projects as needed.

Louis Kotzé

Independent Director of Gaia Renewables 1 Limited
CA(SA)
Date of appointment: 17 November 2020

Post his PWC articles, Louis was appointed as Financial Manager at Hannover Reinsurance Africa. In 2001 he joined RMB Asset Management as Professional Assistant to the CEO where after Louis was appointed to head of the Finance Division (Head of Finance reporting directly to the CEO). In 2003 Louis joined Rand Merchant Bank's Structured Trade & Commodity Finance Desk. During 2007 Louis started his own business which entails debt and capital raising services, corporate finance services, facilitation of credit risk sales and consultation services. In 2011 Louis was appointed as Financial Director and in 2014 promoted to Chief Operating Officer of Noble Resources South Africa (multi-national commodity trading company, listed in Singapore, Head Office Hong Kong, with regional Head Office in Geneva, Switzerland). In January 2016, Louis restarted his own business which included consulting for two years to Price Forbes South Africa with a focus on credit default insurance as well as M&A warranty and indemnity insurance. Core services include debt origination, structuring, negotiation, facilitation of the legal documentation and implementation to reach financial close.

Anton-Louis Olivier

Independent Director of Gaia Renewables 1 Limited
M.Inst. Agrar. (Agricultural Economics). University of Pretoria, South Africa
B.Eng. (Mechanical). University of Pretoria, South Africa
Date of appointment: 27 May 2021

Anton-Louis Olivier is an experienced CEO and entrepreneur with more than 25 years of international experience in the renewable energy sector. In 2006 he founded and served as CEO of the REH Group companies, a pioneering developer, owner and operator of small hydropower plants across Southern Africa. He established and acted on behalf of three independent power producers ("IPPs") in raising development funding, as well as debt and equity for construction, achieved financial close and managed the construction process up to commercial operations, whereafter he acted as CEO of the IPPs as well as the operational and management entities. In 2021 he resigned from REH after arranging for the successful exit of the founding shareholders to an international IPP. He serves on the board of the International Hydropower Association ("IHA") representing the Africa region.

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Gaia understands that adhering to the highest standards of corporate governance is fundamental to the sustainability of the Company. Gaia's business practices are conducted in good faith, in the interests of the Company and all its stakeholders, with due observance of the principles of good corporate governance.

The Board is the foundation of Gaia's corporate governance system and is accountable and responsible for the performance of the Company. The Board retains effective control of the business through a clear governance structure and has established committees to assist it in accordance with the provisions of Gaia's Board Charter. The Board recognises that delegating authority does not reduce the responsibility of Directors to discharge their statutory and common-law fiduciary duties. The governance structures are regularly reviewed to ensure that they support effective decision-making, establish a corporate culture and aligned to evolving best practice.

APPLICABLE GOVERNING FRAMEWORKS

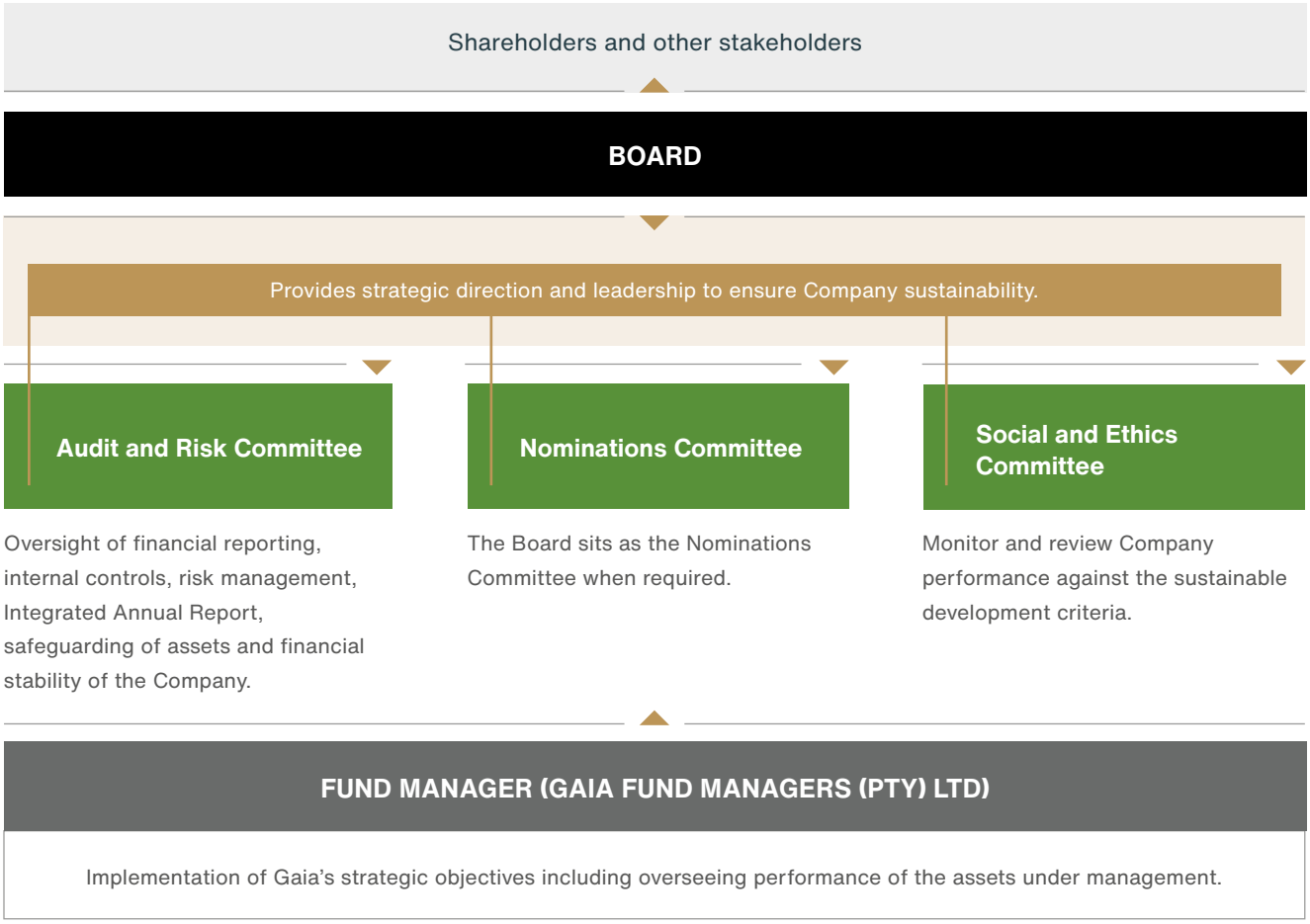
Gaia complies with the Companies Act 71 of 2008, Cape Town Stock Exchange Listings Requirements, applicable statutes, regulatory requirements and other authoritative directives regulating its conduct.

KING IV AND GOVERNANCE

Gaia supports the governance outcomes, principles and practices in the King IV Code on Corporate Governance and applies all of the applicable principles of King IV. Developments and governance trends are viewed as opportunities to continuously improve and entrench corporate governance practices.

See page 13 of this report with the principles applied regarding King IV.

GOVERNANCE FRAMEWORK



THE BOARD OF DIRECTORS

The Board provides strategic direction and leadership aligned to the Company's value system to ensure the sustainability of the business. The Board maintains effective control over strategic, financial and compliance matters of the Company and ensures compliance with the Companies Act, King IV and the CTSE Listings Requirements.

BOARD RESPONSIBILITIES

The Board recognises that it serves as the focal point and custodian of corporate governance in the organisation as outlined in Principle 6 of King IV. The Directors recognise that good governance can create shareholder value by enhancing long-term equity performance.

The Board is accountable to the Company's stakeholders for exercising leadership, integrity and judgement in directing the Company to achieve its strategy and ensure conformance with best business and corporate governance practices. The Board also acknowledges its responsibilities in accordance with the recommendations of King IV.

The Board's primary functions include:

- providing ethical leadership and direction to the Company;
- monitoring the management and the implementation of the corporate vision and ensures that at all times there is compliance with the letter and the spirit of the law;
- communicating with shareholders openly and timeously throughout the year;
- ensuring all shareholders are treated equitably and equally;
- ensuring an effective and independent Audit and Risk Committee;
- monitoring compliance with all relevant laws, rules, codes and standards of business practice;
- ensuring that internal and external controls are implemented and are effective;
- monitoring key risk areas; and
- monitoring performance through the various Board committees established to assist in the discharging of its duties while retaining full accountability and without abdicating its own responsibilities.

COMPOSITION OF THE BOARD

A key aspect of the Company's governance philosophy is that no one individual has unfettered powers of decision-making. During the year under review, the Board comprised three Independent Non-Executive Directors and three Executive Directors in compliance with the requirements of King IV.

Each of the Directors brings to the Board a wide range of qualifications, expertise, commercial experience and business acumen that allow them to exercise independent judgement in Board deliberations and decisions in directing the Company's value-creation processes to ensure that they are sustainable for all stakeholders. All Directors receive regular briefings on changes in risks, laws and the business environment. The Independent Non-Executive Directors have unrestricted access to management.

Members of the Board during the period under review were as follows:

Member	Position	Date appointed
Matthys Michiel Nieuwoudt	Executive Director and Public Officer	25 February 2020
Renier Cilliers de Wit	Executive Director	30 September 2020
Hendrik Andries Snyman	Executive Director	30 September 2020
Retha Meyer	Independent Non-Executive Director	30 September 2020
Louis Kotzé	Independent Non-Executive Director	17 November 2020
Anton-Louis Olivier	Independent Non-Executive Director	27 May 2021

The *curriculum vitae* of the members of the Board can be found on pages 8 and 9 of this report.

The Board considers its composition on an annual basis. While retaining overall accountability and subject to matters reserved to itself, the Manager (Gaia Fund Managers) holds authority to run the day-to-day affairs of the Company. The Manager is held accountable through regular reports to the Board and is measured against agreed performance criteria and objectives appropriate to the current stage in the business cycle.

CORPORATE GOVERNANCE REPORT (continued)

INDEPENDENCE

The Independent Non-Executive Directors are highly experienced and have the skills, background and knowledge to fulfil their responsibilities. All Directors have a duty to act with independence of mind in the best interests of the Company. The Board believes that the Independent Non-Executive Directors are of the appropriate calibre, diversity and number, for their views to carry significant weight in the Board's deliberations and decisions. In determining the independence of the Independent Non-Executive Directors, and with due regard to the criteria for determining independence as set out in King IV and the CTSE Listings Requirements, character and judgement are considered, together with any of their relationships or circumstances which are likely to affect, or could appear to affect, their judgement. Any term in office by an Independent Non-Executive Director exceeding a period of nine years will be subject to a rigorous review by the Board.

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The summarised meeting attendances present the meetings for the calendar year 2021 and the period leading-up to the date of this report:

	2022	2021
Board		
Mich Nieuwoudt	✓	✓
Renier de Wit	✓	✓
Hendrik Snyman	✓	✓
Retha Meyer	✓	✓
Louis Kotzé	✓	✓
Anton-Louis Olivier	✓	✓
Company Secretary	✓	✓
Audit and Risk Committee		
Retha Meyer	✓	✓
Louis Kotzé	✓	✓
Anton-Louis Olivier	✓	✓
Social and Ethics Committee		
Mich Nieuwoudt	✓	✓
Retha Meyer	✓	✓
Anton-Louis Olivier	✓	✓

✓ *Present* × *Apology*

BOARD APPOINTMENTS

The Non-Executive Directors have no fixed terms of appointment as they are subject to re-appointment by the shareholders every three years.

Any new appointment is considered by the Board sitting as a Nominations Committee. The experience and skills required for the position are agreed by the Board and a shortlist of candidates is prepared. The *curriculum vitae* of the candidates are circulated to all Board members. The Board will nominate two Board members to interview the candidates. The outcome of the interviews is then reported to the Board, with the Board thereafter selecting the successful candidate. All recommended Director appointments are subject to background and reference checks.

BOARD COMMITTEES

The Board has established the standing committees set out in the diagram on page 10 to promote independent judgement, to assist with the balance of power and to assist it with effectively fulfilling its responsibilities in accordance with the provisions of the Board Charter. Nonetheless, the Board acknowledges that the delegation of authority to its committees does not detract from the Board's responsibility to discharge its fiduciary duties to the Company. Each Committee consists of at least three members, a majority thereof being Independent Non-Executive Directors. Each Committee operates under its own terms of reference which set out the committee's roles and responsibilities, functions, scope of authority and composition. Committees report to the Board at each Board meeting and

make recommendations in accordance with their terms of reference. Attendance schedules for Committee meetings held in FY22 are included in the meeting attendance summary on page 12. The *curriculum vitae* on pages 8 and 9 set out the qualifications and experience of each of the Committee members.

Members of management are 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. Members of the Board are entitled to attend Committee meetings as observers. However, members attending as observers are not entitled to participate without the consent of the chair, do not have a vote; and are not entitled to fees for such attendance, unless payment of fees are agreed to by the Board and shareholders of the Company.

POLITICAL PARTY SUPPORT

The Company and the Manager endorse all principles and institutions that support a free and democratic society, but do not donate to any political party.

COMPANY SECRETARY

All Directors have access to the services and advice of the Company Secretary, The Office in Stellenbosch Proprietary Limited.

The Company Secretary is not a Director of the Company and maintains an arm's length relationship with the Board.

The Company Secretary supports the Board as a whole, and Directors individually, by providing guidance on how to fulfil their responsibilities as Directors in the best interests of the Company. The Company Secretary is responsible for ensuring proper administration of the Board as well as adherence to sound corporate governance procedures. The Company Secretary is furthermore responsible for the functions as specified in the Companies Act. All Directors have full and timely access to information that may be relevant for the proper discharge of their duties.

The Board appointed the Company Secretary in accordance with the requirements of the Companies Act. The Board considered details regarding the Company Secretary's competence, qualifications and experience as required in terms of the Companies Act 71 of 2008 and remains satisfied with the competency and experience of the Company Secretary.

GAIA RENEWABLES 1 LIMITED – KING IV REPORT ON CORPORATE GOVERNANCE FOR SOUTH AFRICA (KING IV)

During the period under review the Board continued with the implementation of King IV. Some observations regarding the nature of King IV can be highlighted:

a. King IV does not constitute a quantitative exercise – it is a qualitative exercise. But it is apparent that there is already a significant application of the various recommended practices at the Company, particularly the concepts that form the foundation stones of King IV, namely, ethical leadership, the organisation in society, corporate citizenship, sustainable development, stakeholder inclusivity, integrated reporting and integrated thinking.
b. Full compliance at all times with all legislation is non-negotiable and as such ensuring that all legislative requirements addressed in legislation such as the Companies Act 71 of 2008 and the CTSE Listings Requirements, was a primary area focus. In addition, there was always a focus on ensuring that the relevant provisions of the Memorandum of Incorporation were fully complied with.

The Company's application of the King IV principles is included below. The Board is satisfied to conclude that the Company is currently achieving the governance outcomes of King IV in all material aspects. Performance against certain of the King IV principles are included as follows:

Principle 1: The governing body should lead ethically and effectively

The Company is managed and directed on ethical principles based on good faith. Real or perceived conflicts of interest are disclosed by Board members. Such conflicts are managed to the extent that this may be necessary.

The Board is committed to ensuring that the Company's strategy and operations are executed by management based on an ethical foundation that supports ethical and sustainable business in the best interests of the Company and all stakeholders.

The Board is kept appraised of new industry and other developments through the arrangement of regular workshops and information sessions.

Matters of strategic nature are addressed as a matter of priority at meetings of the Board.

Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture

The Board ensures ongoing oversight to ensure that their conduct and investment policies are ethical and that other stakeholders are familiar with the Company's ethical standards.

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 and the Board is in the process of implementing a code of conduct to formalise same.

CORPORATE GOVERNANCE REPORT (continued)

Directors are required to disclose actual and potential conflicts of interest.

Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen

The Board and the Social and Ethics Committee oversees and monitors on an ongoing basis, how the consequences of the Company's activities, investments and outputs affect its status as a responsible corporate citizen to the benefit of all stakeholders.

The Company continues to strive for social responsibility in terms of meeting legal, ethical and economic responsibilities. The aim of the Board is to continually oversee and regularly monitor outcomes of the Company's activities and outputs.

Principle 4: The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the creation process

Management sets strategy with the Board approving strategy. Matters relating to the Company strategy are debated at formal Board strategic sessions that are arranged at least once every second year.

The Board takes steps to ensure that long-term planning will result in sustainable outcomes taking account of economic, environmental and social considerations. Matters affecting the sustainability of the Company's various activities and new initiatives are considered on an ongoing basis.

Identified risks are deliberated at length at strategic sessions, and the various action steps identified to address these risks.

Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects

The Board oversees that reports such as the annual financial statements are issued, to comply with legal requirements, and/or to meet the legitimate and reasonable information needs of material stakeholders.

The Board oversees and approves that the Company issues an annual report at least annually with detailed information at a high level and in a complete, concise way, the matters that could significantly affect the Company's ability to create value.

Moore Stellenbosch Inc. issued an unqualified audit report on the Company's financial statements ended 28 February 2022.

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

The Company appoints the appropriate mix of Executive and Independent Non-Executive and diversified Board and Committee members.

The Company has 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. The Board considers holistically, and on a substance-over-form basis, when assessing the independence of a member of the Board for purposes of categorisation.

The current chair of the Board is an Independent Non-Executive Director.

The Board receives regular briefings on changes in risks, laws and the business environment. Formal workshops are arranged to address pertinent issues. Formal declarations of interest are requested from Directors prior to the commencement of each Board and Board Committee meeting. Non-Executive Directors that are classified as independent by the Company are subjected to evaluations of their independence.

Principle 8: The governing body should ensure that arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties

The delegation of duties and responsibilities are addressed on an ongoing basis.

Suitable candidates are nominated to the respective Board Committees to appropriately address the specific matters forming part of the mandates of the Committee.

All members of the Board of the Company as well as the Committees of the Board have access to resources and information and may request information directly from management. Directors may take independent advice but this must be authorised by the Board.

Effective collaboration is enhanced through cross-membership, where required. To the extent possible, there is coordination of timing of meetings and an avoidance of duplication or fragmentation. Cross-membership occurs in, amongst others, the Risk and Audit Committees.

The Board has an appropriate mix of Executive and Independent Non-Executive Directors thereby ensuring that no individual has the ability to dominate decision-making.

The fitness and proprietary (i.e. knowledge, skills, experience and capacity) of a Board Committee to execute its duties effectively, is considered by the Board on an ongoing basis in terms of the Board approved fit and proper policy.

Each of the Board Committees have at least three members.

The Board remains accountable for any decisions taken by the Board Committees and by any Board member with a delegated authority. It considers all documentation presented to it and applies its collective mind in the making of decisions.

A detailed review of the various Committees is included in the corporate governance report forming part of this integrated annual report.

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

Gaia Fund Managers (Pty) Ltd, as appointed Manager of the Company, is responsible for leading the implementation and execution of approved strategy, policy and operational planning.

The Manager, through the representation of Executive Directors, is represented on the Social and Ethics Committee.

The Executive Directors oversee that the key management functions are headed by individuals with the necessary competence and authority.

The Company Secretary has unfettered access to the Board, is not a Board member and maintains an arms' length relationship with the Board and its members. As the custodian of corporate governance related matters, the Company Secretary plays a leading role in governance and King IV related matters.

Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives

The Audit and Risk Committee oversees the development and annual review of a policy and plan for risk management that is approved by the Board. It also ensures the establishment of an independent risk management function. Opportunities and associated risks are considered in the setting of the strategic direction of the Company.

The Audit and Risk Committee, overseen by the Board, reviews the risk management progress and maturity of the Company, the effectiveness of risk management activities, the key risks facing the Company, and the responses to address these key risks. Risks that are identified are interrogated through the risk management process to also identify potential opportunities.

Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives

The Board ensures that IT strategy is integrated with the Company's strategic and business processes. IT risks form an integral part of the Company's risk management activities.

The performance of third-party service providers is monitored through good governance principles, regular interaction and duly concluded service level agreements that include the appropriate performance clauses.

Information is stored in a secure and responsible manner, and is not disposed of in any manner that may affect the security of the relevant information. The use of technology and information is aligned with the current legislative framework.

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

CORPORATE GOVERNANCE REPORT (continued)

Compliance with the applicable legislation is an integral part of the Company's business operations. Non-compliance with any legislation is viewed in a serious light. The Board has mandated the Manager, through its compliance function to carry out its function.

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 of the Manager is contracted and agreed to by the shareholders. Remuneration was designed to be market-related, with a reduction in the fee structure should the Company's assets under management grow to sufficient scale. In addition, the Manager receives a share of dividends paid (through the ordinary shares held), thereby ensuring alignment of interests for shareholders and the Manager. The Board ensures that the Manager's remuneration is made in accordance with the contracted terms.

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

Internal controls are established not only over financial matters but also operational, compliance and sustainability issues. The Board, assisted by the Audit and Risk Committee, ensures that there is independent internal or external assurance to review and report on the internal control environment, integrity of information for management decision-making and external reporting.

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

The Board receives regular feedback regarding the interaction of the Company with its stakeholders.

The Company has adopted communication guidelines that support a responsible communication programme. Stakeholder communication includes communications through the CTSE news services and the publication of its integrated annual report and annual financial statements

Principle 17: The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests

The Board, through the Manager, assumes responsibility for governing responsible investing by setting the direction for how it should be approached and conducted by the organisation.

The Board has approved an investment policy that specifically addresses its position on responsible investment.

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee ("the Committee") is pleased to present its report for the financial year ended 28 February 2022 (FY22). The Committee is an independent statutory committee appointed by shareholders. This report considers the statutory and delegated duties as well as the Committee's responsibilities in terms of the CTSE Listings Requirements. It also addresses some of the matters that King IV advises should be considered by the Committee. In addition to its statutory responsibilities this Committee also dealt with duties delegated in terms of risk management.

The Committee comprised the following members for the period under review:

- Retha Meyer
- Louis Kotzé
- Anton-Louis Olivier

Standing invitees:

- The Board of the Company

Meeting attendances are available on page 12 of the report.

The Committee comprised only Independent Non-Executive Directors during the period under review. Shareholders will be requested to approve the appointment of the members of the Committee for the 2023 financial year at the Annual General Meeting scheduled for 16 September 2022.

ROLE OF THE COMMITTEE

The Committee has an independent role with accountability to both the Board and to shareholders. The Committee's roles and responsibilities include statutory and regulatory duties as per the Companies Act, the CTSE Listings Requirements, those items recommended in the interest of good governance according to King IV as well as additional responsibilities assigned by the Board. The responsibilities of the Committee include, but are not limited to:

- annual reporting;
- ensuring the integrity of financial statements and safeguarding of assets;
- oversight of financial control and reporting on internal controls;
- considering and approving the scope of the external audit;
- risk management and corporate governance particularly relating to legislative and regulatory compliance; and
- monitoring the effectiveness of the finance function.

The effectiveness of the Committee is assessed as part of the annual Board and Committee self-evaluation process.

ACTIVITIES OF THE COMMITTEE

The Committee is governed by formal terms of reference that are reviewed and updated annually, as necessary, and which incorporate all the requirements of the Companies Act. These terms of reference guide the Committee in terms of its objectives, authority and responsibilities, both statutory and those assigned by the Board. The Committee fulfilled its responsibilities during the 2022 financial year. The Committee is satisfied that it has conducted its affairs in accordance with its terms of reference and has discharged its responsibilities.

SPECIFIC RESPONSIBILITIES

The Committee confirms that it has carried out its functions in terms of its terms of reference and section 94(7) of the Companies Act No 71 of 2008, as follows:

- confirmed the nomination of Moore Stellenbosch Incorporated as the Company's registered external auditor for the year ending 28 February 2022 after being satisfied that they remain independent of the Company;
- approved the terms of engagement and fees to be paid to Moore Stellenbosch Incorporated;
- ensured that the appointment of Moore Stellenbosch Incorporated complied with the provisions of the Companies Act;
- preparing this report for inclusion in the annual financial statements and the Annual Report;
- making submissions to the Board on any matter concerning the Company's accounting policies, financial controls, internal controls, Company records and reporting; and
- performing other oversight functions as determined by the Board.

INTERNAL CONTROLS

Systems of internal control are designed to manage the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against misstatement or loss.

While the Board is responsible for the internal control systems and for reviewing their effectiveness, responsibility for their actual implementation and maintenance rests with executive management. The systems of internal control are based on established organisational structures, together with written policies and procedures, including cost and budgeting controls, and comprehensive management reporting.

AUDIT AND RISK COMMITTEE REPORT (continued)

The Company has appointed external accountants, The Office Review Services Proprietary Limited, to attend to all accounting monthly services for the Company.

No material matter has come to the attention of the Committee or the Board that has caused the Directors to believe that the Company's system of internal controls and risk management is not effective or that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. The Committee is satisfied that the Company's system of internal financial controls is effective and forms a basis for the preparation of reliable financial statements.

EXTERNAL ACCOUNTING AND AUDIT

The external audit function provides information to assist in the establishment and maintenance of an effective system of external control to manage the risks associated with the business. The Committee is responsible for overseeing cooperation between the external accounts and external auditors, and ensuring that the external audit function is independent and has the necessary resources, standing and authority to enable it to perform its duties.

Taking into account all information received from management, the accounts and the auditors, nothing has come to the attention of the Committee that indicates a material breakdown in the financial controls of the Company.

INFORMATION TECHNOLOGY AND RISK GOVERNANCE

Oversight of the Company's risk management function has been assigned to the Committee. The Board considers risk management to be a key process in the responsible pursuit of strategic objectives and in the effective management of related material issues.

The Board is responsible for the governance of risk management, for setting the risk appetite and for monitoring the effectiveness of the Company's risk management processes. This responsibility is delegated to the Committee. At year-end, the Board was satisfied with the status and effectiveness of risk governance in the Company and adequacy of mitigation plans for material risks.

The Committee also has oversight responsibility for IT governance and recognises that technology is a platform on which the Company conducts its business.

EXTERNAL AUDITORS

Moore Stellenbosch Incorporated is afforded unrestricted access to the Company's records and management, and presents any significant issues arising from the annual audit to the Committee. In addition, Pieter Louw van der Ahee, the designated audit partner, where necessary, raises matters of concern directly with the Chairperson of the Committee.

The Committee was satisfied that the external auditor was independent as set out in section 94(8) of the Companies Act. In a written statement addressed to the Committee, Moore Stellenbosch Incorporated confirmed that their independence complies with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors ("IRBA"), and the Public Company Accounting Oversight Board. The independence of the external auditors is regularly reviewed as prescribed by IRBA. Requisite assurance was sought and provided by the external auditor that internal governance processes within the audit firm support and demonstrate its independence. The Committee ensured that the appointment of the external auditor complies with the requirements of the Companies Act and other applicable legislation relating to the appointment of external auditors. The Committee, in consultation with management, agreed to the engagement letter and terms, and to the audit plan as well as scope of work performed and budgeted audit fees for the 2022 financial year.

The Committee has nominated, for approval at the AGM, Moore Stellenbosch Incorporated as the external auditor and Mr Pieter Louw van Der Ahee as designated audit partner for the 2023 financial year, having satisfied itself (as required by the CTSE Listings Requirements) that:

- the audit firm is accredited by the Cape Town Stock Exchange; and
- the quality of the external audit is satisfactory.

ACCOUNTING SERVICES

The Office Review Services Proprietary Limited ("ORS") provided to the Company accounting services for the period under review. The Committee is satisfied with the independence of ORS and the quality of the accounting work provided by them during the period under review.

EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The Committee has evaluated and reviewed the Annual Report and annual financial statements for the year ended 28 February 2022 and is satisfied that they comply in all material respects with International Financial Reporting Standards ("IFRS"), the requirements of the Companies Act as well as SAICA Financial Reporting Standards Council, and that the adoption of the going concern basis in preparing the annual financial statements is appropriate.

The Committee considered the annual financial reports for the year ended 28 February 2022 and recommended the adoption of these reports to the Board for approval. The statements comply with IFRS and no significant matters were identified by the Committee. The Committee is of the opinion that the audited annual financial statements should be accepted and read together with the report of the independent external auditor. The Chairperson provided written reports to the Board that summarise the Committee's findings and recommendations. The Board approved the annual financial statements on 20 May 2022.

The annual financial statements will be open for discussion at the forthcoming AGM. The Chairperson of the Committee, and in the instance of her absence, the other members of the Committee will attend the AGM to answer questions falling under the mandate of the Committee.

RISK MANAGEMENT

The Company has an integrated Risk and Compliance Framework in place that aims to identify, assess, communicate and report the Company's risks. This includes the process of independent audit assurance with regards to the implementation and adherence to the Company's policies, plans, procedures and controls.

RISK MANAGEMENT PROCESS

The **Board** has responsibility for the oversight of the management of risk, part of which it may delegate to the Audit and Risk Committee. The Board sets the tone and influences the culture of risk management within the organisation, including ensuring that integrated risk management and internal control systems are implemented.

The **Audit and Risk Committee** is appointed by the Board to assist in carrying out its responsibilities in relation to risk management and is responsible for overseeing the development, implementation and annual review of a Risk Policy and the process of risk management and ensuring that compliance forms an integral part of the Company's risk management process.

Executive Management is responsible for day-to-day risk management including identifying and evaluating the significant risks faced by the Company; implementing an effective risk management process, including the identification, analysis and evaluation of risks specific to their area of responsibility; and setting the tone and influence of the culture of risk management (Please refer to the risk management process on page 20).

INTERNAL AUDIT

The Company has adopted a Combined Assurance Model based on three lines of defence which makes use of the following assurance providers:

- Management provides the Audit and Risk Committee with assurance that the risk management plan is integrated and functioning as part of the daily operations.
- The internal assurance providers (Board Committees) assess the effectiveness of the internal control and risk management processes.
- The external assurance providers provide assurance on specific aspects of the Company's operations.

The Audit and Risk Committee monitors, supervises and evaluates the effectiveness of the internal controls taking account of the risks documented in the risk register and approved by the Committee.

GOING CONCERN

The Committee has reviewed an assessment, including key assumptions prepared by management, of the going concern status of the Company. The Board's statement on the going concern status, as supported by the Committee, appears in the Directors' responsibility for financial reporting section of this Integrated Annual Report.

COMPLIANCE

The Committee is responsible for reviewing any major breach of relevant legal and regulatory requirements. The Committee is satisfied that there has been no material non-compliance with laws and regulations during the year under review.

CONCLUSION

The Committee is committed to ensuring that the financial results fairly represent the performance of the Company and that adequate controls are maintained over the next financial year.

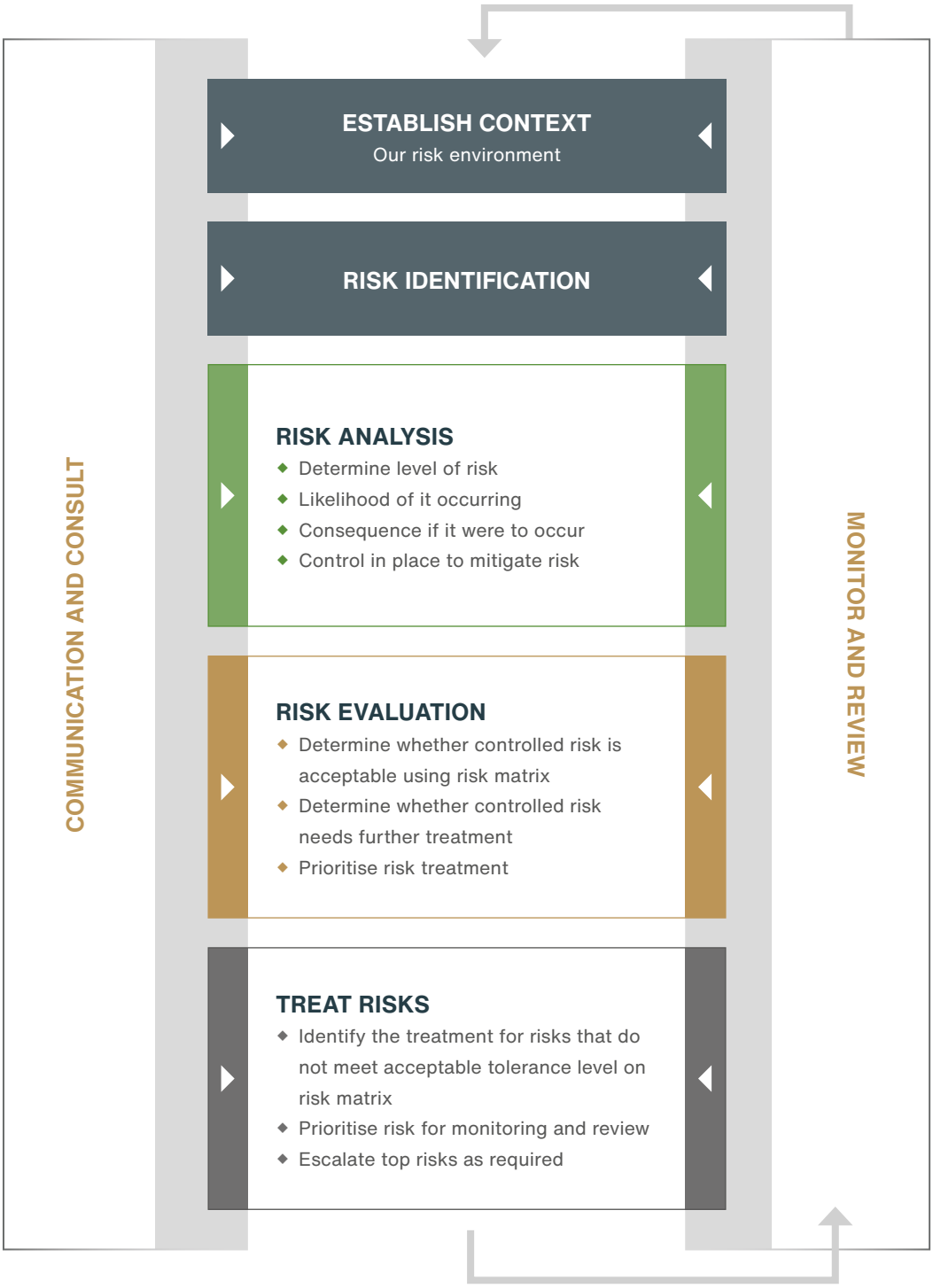
Retha Meyer

Chairperson of the Audit and Risk Committee

30 May 2022

AUDIT AND RISK COMMITTEE REPORT (continued)

RISK MANAGEMENT PROCESS



SOCIAL AND ETHICS COMMITTEE REPORT

The Social and Ethics Committee comprised the following members for the period under review:

- Mich Nieuwoudt;
- Retha Meyer; and
- Anton-Louis Olivier.

Meeting attendances are available on page 12 of the report.

The Company subscribes to the highest standards of corporate citizenship, social responsibility, sustainability and ethics. The implementation of King IV requires the Committee to consider the application of the principles relating to leadership, ethics and corporate citizenship. To this end, a key focus of the Committee for the next financial period will be to continue monitoring these aspects, by overseeing the Company's commitment to social and economic development, environmental responsibility and good corporate citizenship for both the Company and its investees.

The main objectives of the Committee are to assist the Board in monitoring the Company's performance in respect of ethics, responsible corporate citizenship, sustainable development, compliance and stakeholder relationships. This is done *inter alia* by monitoring the sustainable development practices of the Company's investee companies, thereby assisting the Board in achieving its values of doing business ethically and sustainably.

The Committee comprises a majority of Independent Non-Executive Directors, who are not involved in the day-to-day management of the Company's business or have not been so involved at any time during the previous three financial years. The Board are permanent invitees to meetings of the Committee.

TERMS OF REFERENCE

The Committee's role and responsibilities is being formalised and will be reviewed and approved by the Board, to align it with the recommended practices of King IV. The Committee monitors and oversees those functions set out in the Companies Act, as well as assumes responsibility for those assigned to it by the Board. The Committee is of the view that, in all material respects, the Committee has achieved its objectives for the financial year ended 28 February 2022.

POLICY REVIEW

The Committee is responsible for ongoing developing and reviewing the Company's policies regarding the commitment, governance and reporting of the Company's sustainable development performance and for making recommendations to management and/or the Board in this regard.

MONITORING OF SUSTAINABLE DEVELOPMENT PRACTICES

In execution of its duties, the Committee will review the sustainable development practices, specifically relating to:

- Ethics and compliance;
- Corporate social investment (Socio-Economic Development and Enterprise Development activities);
- Stakeholder relations; and
- Management of the Company's environmental impact.

The Committee's oversight role also includes the monitoring of any relevant legislation, other legal requirements or prevailing codes of best practice, specifically with regard to matters relating to social and economic development, good corporate citizenship, employment equity and the environment.

The Committee can report that the Company's investment in the Tsitsikamma Community Wind Farm ("TCWF") enabled the production of 264 GWh of clean renewable energy in the 2021 calendar year, which is sufficient energy to power roughly 24 000 South African households. In addition, the project was able to offset 277 000 tons of CO_2 equivalent emissions.

SOCIO-ECONOMIC DEVELOPMENT: COMMUNITY, SOCIAL AND ENVIRONMENTAL ISSUES

The Company is committed to making a difference in the communities it is invested in. Several Socio-Economic Development and Enterprise Development programmes and activities were successfully implemented during the financial period under review by the investee company.

Beyond the overwhelming positive impact of its core operations TCWF created further positive impact through its various initiatives. These include the economic development of the community through the Guava Juice and Poultry projects run by community members. TCWF has supported six early childhood development centres and the complete restoration and improvements to the community hall. On an individual level, TCWF has a bursary programme that provides 23 students with bursaries for their studies. The project also supports skills development as well as an Adopt-A-School programme. Across the various social initiatives implemented by TCWF, there were 2 271 beneficiaries in 2021.

Signed on behalf of the Social and Ethics Committee by:

Mich Nieuwoudt
Chairperson

10 August 2022

REMUNERATION COMMITTEE REPORT

The Company has no employees for the period under review and therefore no Remuneration Committee.

OTHER REPORTING REQUIREMENTS

CONFLICTS OF INTEREST AND SHARE DEALINGS

Directors are aware that when a matter is considered by a Board in which they individually have a direct or indirect interest, this should be disclosed prior to the Board meeting. These disclosures are noted by the Board when necessary, and recorded in the minutes of a Board meeting.

All Directors, officers and employees (if applicable) of the Company are advised of closed and prohibited periods in terms of the requirements of the CTSE. Directors, employees (if applicable), consultants and agents are prohibited from trading in the Company's securities during closed and prohibited periods.

Insider trading	The Company observes a closed period from just before the end of the accounting period to the announcement of the annual results. During this time, no Director in possession of unpublished price-sensitive information, may trade directly or indirectly in the shares of the Company.
Going concern	The Board considers and assesses the Company's going concern basis in the preparation of the annual and interim financial statements. In addition, the solvency and liquidity requirements per the Companies Act are considered. The Board is satisfied that the Company will continue as a going concern into the foreseeable future.
Material litigation	During the financial year, the Company was not involved in any material litigation or arbitration proceedings nor are the Directors aware of any pending or threatened legal issues, which may have a material impact on the Company's financial position.

AUDIT AND RISK COMMITTEE REPORT FOR THE YEAR UNDER REVIEW

1. INTRODUCTION

The Audit and Risk Committee ("the Committee") is pleased to present its report for the financial year ended 28 February 2022 (FY22). The Committee is an independent statutory committee appointed by shareholders. This report considers the statutory and delegated duties in terms of the Companies Act as well as the Committee's responsibilities in terms of the Cape Town Stock Exchange Requirements. It also addresses some of the matters that the King IV Code on Corporate Governance ("King IV") advises should be considered by the Committee. In addition to its statutory responsibilities this Committee also assists the Board through advising and making submissions on financial reporting, oversight of the risk management process and internal financial controls, external audit functions and statutory and regulatory compliance of the Company. This Committee also dealt with duties delegated in terms of risk management.

2. MEMBERSHIP OF THE COMMITTEE AND ATTENDANCE AT COMMITTEE MEETINGS

The Committee comprised the following members for the period under review:

Committee members

- Retha Meyer (Chairperson)
- Louis Kotzé
- Anton-Louis Olivier

The Board of the Company are standing invitees. The Committee comprises only Independent Non-Executive Directors. Shareholders will be requested to approve the appointment of the members of the Committee for the 2023 financial year at the Annual General Meeting scheduled for 16 September 2022. The Committee met three times during the past financial year.

3. ROLES AND RESPONSIBILITIES OF THE COMMITTEE

The Committee is governed by formal terms of reference that are reviewed and updated annually, as necessary. These terms of reference guide the Committee in terms of its objectives, authority and responsibilities, both statutory and those assigned by the Board. The Committee has an independent role with accountability to both the Board and to shareholders. The Committee's roles and responsibilities include statutory and regulatory duties as per the Companies Act, the Cape Town Stock Exchange Requirements, those items recommended in the interest of good governance according to King IV as well as additional responsibilities assigned by the Board. The effectiveness of the Committee is assessed as part of the annual Board and Committee self-evaluation process.

The responsibilities of the Committee include, but are not limited to:

- review and approve for recommendation to and approval by the Board, interim reports, the annual report, the annual financial statements, accounting policies for the Company, and any other announcement regarding the results or other financial information to be made public;
- ensure that the annual financial statements and the annual integrated report comply with all statutory and regulatory requirements;
- ensure that all financial information contained in any submissions to the Board is suitable for inclusion in the financial statements in respect of any reporting period;
- assess annually the appointment of the external auditor and confirm its independence, recommend its appointment to the AGM and approve its fees;
- address the external auditor's findings and recommendations;
- review the work of the Group's external auditor and to ensure the adequacy and effectiveness of the Group's financial, operating compliance and risk management controls;
- report on the risk management process and assesses the Company's exposure to the top strategic risks;
- monitoring of compliance effectiveness within the Company;

AUDIT AND RISK COMMITTEE REPORT FOR THE YEAR UNDER REVIEW (continued)

3. ROLES AND RESPONSIBILITIES OF THE COMMITTEE (continued)

- perform duties that are attributed to it by its mandate from the Board, the Companies Act, the Cape Town Stock Exchange Requirements, King IV and other regulatory requirements;
- review processes and procedures to ensure the effectiveness of internal systems of control including information and technology.

4. ACTIVITIES OF THE COMMITTEE

The Committee fulfilled its responsibilities during the 2022 financial year. The Committee is satisfied that it has conducted its affairs in accordance with its terms of reference and has discharged its responsibilities. During the financial year under review, the Committee executed the following matters:

Reporting

- considered and agreed with the adoption of the going concern premise in the preparation of the annual financial statements;
- reviewed the appropriateness of the financial statements, other reports to shareholders and other financial announcements made public;
- considered whether the annual financial statements fairly present the financial position of the Company as at 28 February 2022 and the results of operations and cash flows for the financial year then ended;
- considered the solvency and liquidity of the Company;
- considered accounting treatments, the appropriateness of accounting policies adopted and the effectiveness of the Group's disclosure controls and procedures;
- considered whether any concerns were identified regarding significant legal, tax and other matters that could have a material impact on the financial statements;
- reviewed the external auditor's audit report;
- considered and noted the key audit matters as determined by the external auditor;
- reviewed the representation letter, signed by management;
- reviewed the quality and integrity of the annual report and the sustainability information before publication;

The Committee spent time understanding the valuation methodology and various input factors and judgements applied by GAIA Fund Managers (Pty) Ltd, and challenged these where necessary. The committee is satisfied that the valuation of investments performed fairly reflect the fair value of the investments of the Company.

External audit

The Audit and Risk Committee nominated Moore Stellenbosch Incorporated as the external auditor for the Company for the financial year ended 28 February 2022 and their appointment complies with the Companies Act of South Africa and all other applicable legal and regulatory requirements.

Taking into consideration the criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies, Moore Stellenbosch Incorporated confirmed in an annual written statement that their independence has not been impaired.

The Audit and Risk Committee was assured that no member of the external audit team was hired by the Company or any other company within the GAIA Group in a financial reporting oversight role during the year under review.

The auditor's independence was not impaired by any consultancy, advisory or other work undertaken by them for the Company or any previous appointment as auditor of the Company or any other company within the Group.

The auditor does not, except as external auditor, or in rendering of permitted non-audit services, receive any direct or indirect remuneration or other benefit from the Company or any other company within the Group.

The Audit and Risk Committee reviewed and approved the external audit plan, the budgeted and final fee for the reporting period and the terms of engagement of the external auditors; and pre-approved all audit and permissible non-audit services that Moore Stellenbosch Incorporated provides.

Following the 2022 audit, Moore Stellenbosch Incorporated have been the external auditors of the Company for the year and Pieter Louw van Der Ahee has been the designated auditor for this year.

4. ACTIVITIES OF THE COMMITTEE (continued)

It was confirmed that no unresolved issues of concern exist between the Company and the external auditors.

Internal financial and accounting controls

The Audit and Risk Committee is responsible for reporting on the Company's systems of internal, financial, and accounting controls. The Office Review Services Proprietary Limited ("ORS") provided accounting services to the Company for the period under review. The Committee is satisfied with the independence of ORS and the quality of the accounting work provided by them during the period under review. The Committee has accordingly considered the reports from external audit on such matters and is satisfied that both reports confirm the adequacy and effectiveness of the Group's systems of internal control and that there were no material breakdowns in the internal control during the financial year.

Risk management and compliance

The Board has responsibility for the oversight of risk management, part of which it may delegate to the Audit and Risk Committee. The Board sets the tone and influences the culture of risk management within the organisation, including ensuring that integrated risk management and internal control systems are implemented.

The Audit and Risk Committee is appointed by the Board to assist in carrying out its responsibilities in relation to risk management and is responsible for overseeing the development, implementation and annual review of a Risk Policy and the process of risk management and ensuring that compliance forms an integral part of GAIA's risk management process.

GAIA Fund Managers (Pty) Ltd is responsible for day-to-day risk management including identifying and evaluating the significant risks faced by the Company; implementing an effective risk management process, including the identification, analysis, and evaluation of risks specific to their area of responsibility; and setting the tone and influence of the culture of risk management.

The Committee is obliged to report any material breach of a relevant legal and/or regulatory requirement in the conduct of the Company. No evidence or indication of any such breach or material non-compliance has been brought to the attention of the Committee by the external auditors or any other party.

Comments on key audit matters, addressed by Moore Stellenbosch Incorporated in its external auditor's report

The external auditors have reported on two key audit matters in respect of their 2022 audit, being: valuation of investment in subsidiary – TCWF Investments SPV (Proprietary) Limited and the valuation of other financial liability – Class A Preference shares.

Both of these key audit matters related to material financial statement line items and require judgement and estimates to be applied by management. The Committee assessed the methodology, assumptions and judgements applied by management in dealing with each of the key audit matters. Furthermore, the Committee discussed the key audit matters with the external auditors to understand their related audit processes and views. Following our assessment, we were comfortable with the conclusions reached by management and the external auditors.

5. CONCLUSION

The Audit and Risk Committee is satisfied that it has complied with all its legal, regulatory and other responsibilities for the year under review. Following the audit of the annual financial statements, the Audit and Risk Committee recommended Board approval thereof.

On behalf of the Audit and Risk Committee

Retha Meyer

Audit and Risk Committee Chairperson

30 May 2022

DIRECTORS' RESPONSIBILITIES AND APPROVAL

for the year ended 28 February 2022

The directors are required by the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the Company, and explain the transactions and financial position of the business of the Company at the end of the financial year. The annual financial statements are presented in terms of the International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied throughout the Company 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 directors set 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 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the Company will not be a going concern in the foreseeable future. The financial statements support the viability of the Company.

The external auditors are responsible for independently auditing and reporting on the annual financial statements. The annual financial statements have been examined by the external auditors and their unmodified audit report is presented on pages 31 to 33.

The annual financial statements set out on pages 35 to 62 which have been prepared on the going-concern basis, were approved by the directors and were signed on 30 May 2022 on their behalf by:

RC de Wit	**MM Nieuwoudt**
Place of signature	Cape Town
Date of signature	05/30/2022

CERTIFICATE BY THE COMPANY SECRETARY

for the year ended 28 February 2022

In terms of section 88(2)(e) of the Companies Act, 71 of 2008 of South Africa, I certify that to the best of my knowledge and belief, the GAIA Renewables 1 Limited has lodged all returns required in terms of the Companies Act, 71 of 2008, with the Registrar of Companies for the financial year ended 28 February 2022 and that the returns are true, correct and up to date.

The Offices in Stellenbosch (Pty) Ltd
Per: Ilzemarie Knoetze
Company Secretary

30 May 2022

DIRECTORS' REPORT

The directors submit their report on the financial statements of GAIA Renewables 1 Ltd for the year ended 28 February 2022.

1. INCORPORATION

The Company was incorporated on 25 February 2020 and obtained its certificate to commence business on the same day.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

Main business and operations

GAIA Renewables 1 Ltd was incorporated in South Africa. The Company performs investments activities. The Company operates in South Africa.

Review of financial results and activities

The Company generated a loss after tax for the year ended 28 February 2022 of R637 327 (2021: profit of R4 635 726).

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the South African Companies Act 71 of 2008.

Company cash flows from operating activities amounted to an outflow of R9 739 for the year ended 28 February 2022 (2021: R261 703). Full details of the financial position, results of operations and cash flows of the Company are set out in these financial statements.

3. AUTHORISED AND ISSUED SHARE CAPITAL

No changes were approved or made to the authorised or issued share capital of the Company during the year under review.

4. DIVIDEND

An interim dividend of R0.77 (2021: R0.00) per Ordinary share was approved and an interim dividend of R49.80 (2021: R0.00) per Class A Preference Share was approved by the directors on 1 April 2021 in South Africa currency. A final dividend of R0.31 (2021: R0.01) per Ordinary share was approved and a final dividend of R20.04 (2021: R0.70) per Class A Preference Share was approved by the directors on 8 September 2021 in South Africa currency. Dividends were paid on 1 April 2021 and 4 October 2021, respectively, to shareholders registered in the Company's register at the close of business on the declaration date.

5. DIRECTORS

The directors of the Company during the year and up to the date of this report are as follows:

Directors	Designation	Changes
RC de Wit	Executive Director	
D Kennon	Independent Non-Executive Director	Resigned 27 May 2021
L Kotzé	Independent Non-Executive Director	
R Meyer	Independent Non-Executive Director	
MM Nieuwoudt (Chairman)	Executive Director	
HA Snyman	Executive Director	
ALC Olivier	Independent Non-Executive Director	Appointed 27 May 2021

6. EVENTS AFTER REPORTING DATE

All events subsequent to the date of the annual separate financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the Company.

Impact of Covid-19

The Company has assessed the impact of Covid-19 on the annual separate financial statements and considered the potential impact on the business. While it is envisaged that there may be a negative impact on the performance of the Company over the remainder of the financial year, the full impact of Covid-19 cannot be reasonably estimated at this time. The full impact of the Covid-19 outbreak continues to evolve at the date of this report.

Management will continue to assess the financial impact of Covid-19 and its impact on the financial condition, liquidity, operations and industry.

7. GOING CONCERN

The annual separate financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors have given due consideration to the potential impact of the Covid-19 pandemic on the ability to continue as a going concern. The directors believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges, the directors are of the view that the Company has sufficient resources to continue as a going concern.

The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

8. SECRETARY

The Company designated secretary is Ilzemarie Knoetze (The Office in Stellenbosch (Pty) Ltd).

Postal address	**Business address**
PO Box 12700	12 Meson Close
Die Boord	Techno Park
7613	Stellenbosch
	7600

9. SHAREHOLDER

There have been no changes in ownership during the current financial year. The shareholder and its interest at the end of the year is:

	Holding
GAIA Fund Managers (Pty) Ltd	100.00%

10. INTEREST IN SUBSIDIARIES

The Company holds 100% (2021: 100%) interest in TCWF Investments SPV (RF) (Pty) Ltd during the year under review. Details of the Company's interests in subsidiaries are presented in the financial statements in note 3.

DIRECTORS' REPORT (continued)

11. LIQUIDITY AND SOLVENCY

The directors have performed the liquidity and solvency tests as required by the South African Companies Act 71 of 2008. Please refer to note 7 for additional considerations.

12. INDEPENDENT AUDITORS

Moore Stellenbosch Inc. continued in office as auditors for the Company for the financial year 2022, in accordance with section 90(6) of the South African Companies Act 71 of 2008.

13. CONSOLIDATION OF FINANCIAL STATEMENTS

The Company did not prepare consolidated financial statements since it is an investment entity. Refer to note 1.2 of the financial statements for further details on the consolidation exemption.

14. NON-CURRENT ASSETS

There was no change in the nature of the non-current assets of the Company or in the policy regarding their use.

INDEPENDENT AUDITOR'S REPORT

for the year ended 28 February 2022

To the shareholder of GAIA Renewables 1 Limited
Report on the audit of the separate financial statements

OPINION

We have audited the separate financial statements of GAIA Renewables 1 Limited set out on pages 34 to 62, which comprise the separate statement of financial position as at 28 February 2022, and the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of GAIA Renewables 1 Limited as at 28 February 2022, and its separate financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

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 Separate 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
As the financial assets and financial liabilities are measured at fair value through profit and loss and the balance is material, significant judgement and assumptions are exercised by management in determining the fair value. We consider these judgements and assumptions to be a key audit matter due to high estimation uncertainty. The valuation of the asset and liability is based on the discounted future cash flows from the underlying investment and cash available to settle the liability. There are estimations involved in the forecasting of the future cash flows, the discount rate used and the annual inflation rate.	We held discussions with management to obtain an understanding of the process applied in terms of determining the fair value of the financial asset and liability. We performed the following procedures: ◆ Evaluating GAIA Renewables 1's fair value calculations and the principles and integrity of the discounted cash flow models. ◆ Testing the inputs used in the cash flow forecast for reliability and accuracy. ◆ Evaluating past cash flow forecasts to the actual realised cash flows to determine the accuracy of management forecasts.

INDEPENDENT AUDITOR'S REPORT (continued)

for the year ended 28 February 2022

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
The future cash flows are highly dependent on the revenue of the underlying investment which is based on the wind forecast of the project company up until the end of the Price Purchase Agreement with Eskom in 2036. Therefore, the forecast of the cash flows is a significant assumption impacting the valuation of the financial instruments. Refer to note 3, Investment in subsidiaries, and note 7, Other financial liabilities on how the key audit matter was identified in the valuation of these financial instruments.	◆ Testing management assumptions of the CPI Index, annual inflation rate and EUR:ZAR exchange rate for the long-term outlook over the remaining period of the Price Purchase Agreement ("PPA") for the reasonability of it. ◆ Testing the effect, the above assumptions have on the overall discount rate and recalculating this rate. ◆ Re-computing of the fair values. Based on the results of the above procedures, we consider the carrying value and disclosure of the financial asset and liability measured through profit and loss to be reasonable.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "GAIA Renewables 1 Limited Annual Separate Financial Statements for the year ended 28 February 2022", which includes the Directors' Report, the Audit Committee's Report, Report of the Compiler and Certificate by the Company Secretary as required by the Companies Act of South Africa and a document titled "Gaia Renewables 1 Limited Integrated Annual Report 2022". The Gaia Renewables 1 Limited Integrated Annual Report 2022 is expected to be made available to us after the date of this auditor's report. The other information does not include the separate financial statements and our auditor's reports thereon. As soon as the annual reports are available, they will be reviewed and should any inconsistencies with the separate annual financial statements be noted, this will be reported on.

Our opinion on the separate 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 separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

RESPONSIBILITIES OF THE DIRECTORS FOR THE SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate 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 SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the separate 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 separate financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

for the year ended 28 February 2022

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS (continued)

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 separate 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 separate 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 separate financial statements, including the disclosures, and whether the separate 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Moore Stellenbosch Incorporated has been the auditor of Gaia Renewables 1 Limited for two years.

Moore Stellenbosch Inc

Moore Stellenbosch Incorporated
Registered Auditors

Per: Pieter-Louw van der Ahee (RA)
Chartered Accountant (SA)
Director

31 May 2022

24 Techno Avenue
Techno Park
Stellenbosch
7600

REPORT OF THE COMPILER

for the year ended 28 February 2022

To the Directors of GAIA Renewables 1 Limited

We have compiled the accompanying financial statements of GAIA Renewables 1 Limited based on information you have provided. These financial statements comprise the statement of financial position as at 28 February 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with International Financial Reporting Standards.

The Office Review Services (Pty) Ltd

30 May 2022

12 Meson Close
Techno Park
Stellenbosch
7600

Per: Eldine Malan
Chartered Accountant (SA)

STATEMENT OF FINANCIAL POSITION

for the year ended 28 February 2022

	Notes	2022 R	2021 Restated*
Assets			
Non-current assets			
Investment in subsidiary	3	**131 404 135**	196 894 708
Current assets			
Cash and cash equivalents	4	**344 166**	353 905
Current tax assets	5	**2**	–
Total current assets		**344 168**	353 905
Total assets		**131 748 303**	197 248 613
Equity and liabilities			
Equity			
Issued capital	6	**100**	100
Retained income		**1 816 746**	4 614 077
Total equity		**1 816 846**	4 614 177
Liabilities			
Non-current liabilities			
Other financial liabilities	7	**129 927 981**	192 625 239
Current liabilities			
Trade and other payables	8	**3 376**	8 529
Current tax liabilities	5	**–**	568
Loan from subsidiary	9	**100**	100
Total current liabilities		**3 476**	9 197
Total liabilities		**129 931 457**	192 634 436
Total equity and liabilities		**131 748 303**	197 248 613

** Refer to comparative figure note 18.*

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 28 February 2022

	Notes	2022 R	2021 R
Revenue	10	**74 149 786**	1 227 050
Administrative expenses	11	**(281 846)**	(42 340)
Other expenses	12	**(1 933 553)**	(738 828)
Other gains and (losses)	13	**(2 793 315)**	4 884 877
Profit from operating activities		**69 141 072**	5 330 759
Investment income	14	**84 576**	5 536
Finance costs	15	**(69 840 000)**	(700 001)
(Loss)/profit before tax		**(614 352)**	4 636 294
Income tax expense	16	**(22 975)**	(568)
(Loss)/profit for the year		**(637 327)**	4 635 726

STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2022

	Issued capital R	Retained income R	Total R
Balance at 1 March 2020	100	–	100
Changes in equity			
Profit for the year	–	4 635 726	4 635 726
Total comprehensive income for the year	–	4 635 726	4 635 726
Dividend recognised as distributions to shareholder	–	(21 649)	(21 649)
Balance at 28 February 2021	100	4 614 077	4 614 177
Balance at 1 March 2021	100	4 614 077	4 614 177
Changes in equity			
Loss for the year	–	(637 327)	(637 327)
Total comprehensive income for the year	–	(637 327)	(637 327)
Dividend recognised as distributions to shareholder	–	(2 160 004)	(2 160 004)
Balance at 28 February 2022	**100**	**1 816 746**	**1 816 846**
Note	6		

STATEMENT OF CASH FLOWS

for the year ended 28 February 2022

	Notes	2022 R	2021 R
Net cash flows used in operations	22	**(2 220 552)**	(772 639)
Dividend paid	23	**(2 160 004)**	(21 649)
Dividends received	10	**74 149 786**	1 227 050
Interest paid	15	**(69 840 000)**	(700 001)
Interest received	14	**84 576**	5 536
Income taxes paid	24	**(23 545)**	–
Net cash flows used in operating activities		**(9 739)**	(261 703)
Cash flows used in investing activities			
Purchase of investments in group companies		**–**	(121 384 492)
Cash flows used in investing activities		**–**	(121 384 492)
Cash flows from financing activities			
Proceeds from issuing shares		**–**	100
Proceeds from other financial liabilities		**–**	122 000 000
Cash flows from financing activities		**–**	122 000 100
Net (decrease)/increase in cash and cash equivalents		**(9 739)**	353 905
Cash and cash equivalents at the beginning of the year		**353 905**	–
Cash and cash equivalents at the end of the year	4	**344 166**	353 905

ACCOUNTING POLICIES

1. GENERAL INFORMATION

GAIA Renewables 1 Limited ("the Company") performs investment activities.

The Company is incorporated as a public company and domiciled in South Africa.

The Company changed its name from GAIA Fund 1 Limited to GAIA Renewables 1 Limited on 7 September 2021.

Fund information

The Company was established by GAIA Fund Managers for the express purpose of providing institutional and retail investors access to infrastructure investments in South Africa.

Pursuant to the listing of the Class A Preference Shares, the Company, acting through TCWF Investment SPV, acquired its first indirect interest in an infrastructure project via the financing of RE Times's acquisition of a 16% interest in the Tsitsikamma Community Wind Farm project ("Project Company").

The Project Company is a typical Renewable Energy Independent Power Producer Procurement Programme project with a 20-year take-or-pay power purchase agreement ("PPA") with state power utility Eskom Holdings SOC Ltd ("Eskom"), backed by an explicit National Treasury-backed guarantee.

1.1 Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the South African Companies Act 71 of 2008. The financial statements have been prepared under the historical cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below (including derivative instruments) at fair value through profit or loss. They are presented in Rand which is the Company's functional currency.

These financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in compliance with the Cape Town Stock Exchange Listings Requirements.

Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Management have made critical judgements in applying accounting policies for the following:

- Fair value measurement
- Presenting financial instruments

The Company assessed that the financial asset is an equity instrument held as a derivative asset and therefore categorised as financial assets at fair value through profit or loss. The financial liability is also recognised as a financial liability at fair value through profit or loss.

ACCOUNTING POLICIES (continued)

1. GENERAL INFORMATION (continued)

1.1 Basis of preparation and summary of significant accounting policies (continued)

Critical judgements in applying accounting policies (continued)

When financial assets and financial liabilities are recognised at fair value judgement is used in determining the valuation and the significant inputs. Therefore, a fair value hierarchy should be used that reflects the significance of these judgements. For both of the measurements of the investment in subsidiary (financial asset) and the preference shares liability (financial liability), the fair value was categorised as Level 3. This is that the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

Key sources of estimation uncertainty

Fair value measurement

The assets and liabilities of the Company are either measured at fair value or disclosure is made of their fair values.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Company has used discounted cash flow analysis for various foreign exchange contracts that are not traded in active markets.

Basis of valuation approach

The fair value approach of the financial instruments under management is determined as at the measurement date in accordance with the principles of IFRS 13: *Fair Value Measurement*. Fair value is defined as the price that would be received for an asset in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that a hypothetical transaction to sell an asset takes place in the principal market or in the absence, the most advantageous market for the asset.

The primary valuation methodology for the underlying financial instruments is the discounted cash flow ("DCF"). Management uses judgement to select the most appropriate valuation method. The DCF method is used to derive the fair value, being the discounting of the expected dividend income from the investments, of an asset using reasonable assumptions on the estimations of expected future post tax cash flows (dividend income) over the term of the power purchase agreements, i.e. free cash flows to the Company. These cash flows are discounted to the present value by applying the appropriate discount rate that captures the risk inherent to the investment.

Assumptions

Resource certainty is quoted in terms of P90 and P50 exceedance levels with regards to the natural resource. P90 refers to there being a 90% chance the wind energy levels, and production will exceed that value and so too a 50% chance in the case of P50. In order to obtain debt funding and bid the project, a resource assessment was conducted by (1) the original investors as well as (2) an independent consultant in favour of the debt providers. With the project having been operational since 2016 and production to date exceeding the P50 base case, the original resource has again been verified by an independent operational energy assessment. The verified P50 base case is used in the project model to derive future cash flow forecasts of the project and is believed to be a best guess estimate of future energy production.

The project financial model utilises the long-term consensus inflation forecast dictated by the lenders to review the long-term ability of the project to service its debt obligations.

The costs within the structure with regards to operational expenses, asset management fees as well as ongoing listing fees were based on the allowable contractual deductions

Tax

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

1. GENERAL INFORMATION (continued)

1.1 Basis of preparation and summary of significant accounting policies (continued)

Tax (continued)

The Company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

The principal accounting policies applied in the preparation of these annual separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.2 Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Company is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 3 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Investment entities

An investment entity which acquires an interest in a subsidiary, joint venture or associate shall be exempt from consolidation or equity accounting in terms of amendments to IFRS 10, IFRS 12 and IAS 28 and shall measure an investment in a subsidiary, joint venture or associate at fair value through profit or loss in accordance with IFRS 9.

An investment entity is defined as an entity that:

- obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- commits to its investors that its business purpose is to invest in partners solely for returns from capital appreciation, investment income, or both; and
- measures and evaluates the performance of substantially all its investments on the fair value basis.

ACCOUNTING POLICIES (continued)

1. GENERAL INFORMATION (continued)

1.2 Consolidation (continued)

Investment entities (continued)

The Company has been deemed to meet the definition of an investment entity as per IFRS 10 based on the following

- The Company has obtained funds for the purpose of providing investors with an operational and appropriately derisked secondary investment opportunity.
- The Company commits to provide investors access to infrastructure investments on which the investors will realise capital appreciation and dividends thereon.
- The performance of the Company's investments is measured and evaluated on a fair value basis.

The entity is exempt from consolidation and will thus prepare annual separate financial statements. The investment in the subsidiary is measured at fair value through profit and loss in accordance with IFRS 9.

1.3 Financial instruments

Initial recognition of financial assets

Financial instruments held by the Company are classified in accordance with the provisions of IFRS 9: *Financial Instruments.*

The classification of financial assets under IFRS 9 is based on whether the financial assets are equity instruments, debt instruments held or derivative assets. The classification and measurement of debt instruments is dependent on the business model in which the financial asset is managed and its contractual cash flow characteristics. The business model refers to how the Company is managing its financial instruments to generate cash flows. The Company first assesses the business model before considering whether an instrument meets the definition of the contractual cash flow test. Only if the financial instruments are held in a business model to collect contractual cash flows or a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the cash flows characteristics test is performed.

Equity instruments held as derivative assets are mandatorily categorised as financial assets at fair value through profit or loss ("FVTPL").

A debt instrument is classified as a financial asset at amortised cost if it meets both of the following conditions:

- it is held within a business model where the objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified at fair value through other comprehensive income ("FVOCI") if it meets both of the following conditions:

- it is held within a business model where the objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets held in this type of business model are managed to realise cash flows by both collecting contractual cash flows and selling the financial instrument. Both these activities are fundamental to achieving the objective of the business model.

All debt instrument financial assets that were not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Company may irrevocably designate a debt instrument financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Transaction costs that are directly attributable to the acquisition of financial assets are expensed in profit or loss for financial assets initially classified at FVTPL. For financial assets not classified at FVTPL, transaction costs are added to or deducted from the fair value at initial recognition.

1. GENERAL INFORMATION (continued)

1.3 Financial instruments (continued)

Subsequent measurement of financial assets

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is adjusted for any loss allowance. Interest income and impairment are recognised in profit or loss. The assets include receivables at amortised cost and other financial assets at amortised cost. Any gains or losses arising on the derecognition are included in profit or loss in other operating income/expense.
Financial assets at fair value through profit and loss	These assets are subsequently measured at fair value. The assets consist of an investment at fair value through profit or loss (note 3). Net gains and losses, including any interest or dividend income, are recognised in profit or loss. Any gains or losses arising on the derecognition are included in profit or loss in other operating income/expense.

Initial recognition of financial liabilities

Financial liabilities not measured at FVTPL on initial recognition are measured at fair value less transaction costs that are incremental and directly attributable to the issue of the financial liability. Transaction costs of financial liabilities carried at FVTPL are expensed in profit or loss.

The Company irrevocably designates the financial liabilities to be measured at fair value through profit or loss.

Subsequent measurement of other financial liabilities

Financial liabilities at amortised cost	These liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in profit or loss. The liabilities include trade and other payables (refer to note 8). Any gains or losses arising on the derecognition are included in profit or loss in other operating income/expense.
Financial liabilities at fair value through profit or loss	These liabilities are subsequently measured at fair value. Net fair value gains and losses, including any interest expense, are recognised in profit or loss (note 7).

Expected credit losses

The expected credit loss ("ECL") model applies to financial assets measured at amortised cost, for example loans and advances, trade and other receivables, and cash and cash equivalents held by the Company. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Company applies the general approach for all types of financial assets measured at amortised cost. In terms of the general expected credit loss approach the Company considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition, rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring. The ECL impairment loss allowance is determined as a probability weighted amount based on the consideration of the current available reasonable and supportive forecast of forwarding looking information.

ACCOUNTING POLICIES (continued)

1. GENERAL INFORMATION (continued)

1.3 Financial instruments (continued)

Expected credit losses (continued)

The Company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime "ECL") when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12-month expected credit losses (12-month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12-month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Write-off policy

The Company writes off a financial instrument at amortised cost when the entity has no reasonable expectation of recovery of the outstanding balance of the instrument. Determining when to write off financial assets is a matter of judgement and incorporates both quantitative and qualitative information. Indicators to write off the asset include when interest repayments are 120 days past due and there is no reasonable expectation of recovery, as well as discussions with counterparties to the instruments. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

For presentation on the statement of financial position, the ECL allowances are deducted from the gross carrying amount of the assets as disclosed. ECLs are included in operating expenses in profit or loss.

Credit risk

Details of the credit risk of financial assets are included in the financial instruments and risk management note (note 25).

Derecognition

Financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when it is transferred and the transfer qualifies for derecognition.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Levies in arrears are measured at initial recognition at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest rate method, less allowance for expected credit losses.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When levies in arrears are uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Levies in arrears are classified as loans and receivables.

1. GENERAL INFORMATION (continued)

1.3 Financial instruments (continued)

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. For the purpose of the cash flow statements, total cash at end of the year includes bank overdraft.

Trade and other payables

They are recognised when the Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the Company to liquidity risk and possibly to interest rate risk. Refer to note 25 for details of risk exposure and management thereof.

1.4 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.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

ACCOUNTING POLICIES (continued)

1. GENERAL INFORMATION (continued)

1.5 Stated 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.

Ordinary shares are recognised at no par value and classified as stated capital in equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Dividends declared are recognised in equity.

Preference shares which carry non-discretionary dividend obligations, should be classified as liabilities. The dividends on these preference shares are taken to the statement of profit and loss or other comprehensive income as interest expense. Please refer to note 7.

1.6 Revenue

Dividend income is presented as revenue in the statement of profit and loss and other comprehensive income as the dividends that the entity receives are in the ordinary course of the entity's business.

1.7 Investment income

Interest income, including interest from non-derivative financial assets at fair value through profit or loss, is recognised, in profit or loss, using the effective interest method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument. When calculating the effective interest rate, the Company will estimate future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

Dividend income or expense is recognised when the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed or received at the end of the reporting period.

1.8 Borrowing costs

Borrowing costs are recognised as an expense in the period which they are incurred.

1.9 Statement of cash flows

The statement of cash flows is prepared on the direct method, whereby the major classes of gross cash receipts and gross cash payments are disclosed.

For purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held on call with banks net of bank overdrafts, all of which are available for use by the Company unless otherwise stated.

Investing and financing activities that do not require the use of cash and cash equivalents are excluded from the statement of cash flows.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations, but they do not have a material effect on the Company's financial statements:

Standard/ Interpretation:

- IAS 1: *Presentation of Financial Statements: Disclosure initiative* (Effective date: 1 January 2020)
- IAS 8: *Accounting Policies, Changes in Accounting, Estimates & Errors: Disclosure initiative* (Effective date: 1 January 2020)

2.2 Standards and interpretations not yet effective

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company's accounting periods beginning on or after 1 March 2022 or later periods:

Scope and expected impact	Effective date	Standard/Interpretation
IAS 1: *Amendments to clarify the classification of liabilities*	Years beginning on or after 1 January 2023	The amendments in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) affect only the representation of the liabilities in the statement of financial position – not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose about those items. The amendment is not expected to have a material impact on the Company.

3. INVESTMENT IN SUBSIDIARY

3.1 The amounts included on the statement of financial position comprise the following

Name of company	Country of incorporation	Principal activity	% holding 2022	% holding 2021	Fair value 2022	Fair value 2021
TCWF Investments SPV (RF) (Pty) Ltd	South Africa	Investment activities	100%	100%	131 404 135	196 894 708

The Company's voting power is in direct proportion to its percentage shareholding.

The carrying amount of investments in subsidiaries is shown at fair value. During the current year, there were no impairments of investments in the Company (2021: Rnil).

Subsidiaries pledged as security

As security for the due and punctual payment and performance of the Secured Obligations, the Company has agreed, with effect from the Preference Share Subscription Date, to pledge all of the shares which it holds in TCWF Investments SPV (RF) (Pty) Ltd and cede in securitatem debiti all of the Ceded Rights attaching to the shares and the Claims in favour of the Cessionary (as agent on behalf of the Holders), on the terms and conditions contained in the Agreement. There are no restrictions on the transfer of funds in the form of cash dividends.

Fair value information of investment in subsidiary

GAIA Renewables 1 has adopted an accounting policy of measuring its investments at fair value through profit or loss in accordance with IFRS 9 with fair value movements on its assets recognised in the statement of profit or loss. The investment in TCWF Investments SPV (RF) (Pty) Ltd is measured at fair value on a stand alone basis and Gaia Renewables 1 uses some of the parts valuation method to measure fair value in its investment in TCWF Investments SPV (RF) (Pty) Ltd.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

3. INVESTMENT IN SUBSIDIARY (continued)

3.1 The amounts included on the statement of financial position comprise the following (continued)

Valuation of investment in subsidiary

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Group can access at measurement date. The quoted market price used for financial assets is the current bid price. These instruments are included in Level 1.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. If all significant inputs are required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Applies inputs which are not based on observable market data. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

The primary valuation methodology for the underlying investments held by the Fund is the discounted cash flow ("DCF") methodology. Some of the significant inputs into the discounted cash flow model may not be observable in the market and are derived from market prices or rates or are based on assumptions. This valuation model therefore requires a higher degree of management judgement and estimation in determination of fair value.

In the valuation for the investments, management's judgement and estimation is required for:

- Selection of the appropriate valuation model to be used, in this case the discounted cash flow model;
- Assessment and determination of the expected cash flows (dividend income and preference dividend) from the underlying investments; and
- Selection of the appropriate discount rates.

The value of the investment in TCWF Investments SPV (RF) (Pty) Ltd was determined using the discounted cash flow valuation models. Assumptions and inputs used in valuation techniques include CPI and investor premium used in estimating discount rates.

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. Investment in subsidiaries are recognised at fair value through profit or loss for which the carrying amounts equal its fair value.

As at 28 February 2022, the fair value measurement of shares held by the Company in TCWF Investments SPV (RF) (Pty) Ltd is categorised into Level 3.

Assumptions

Discount rate	15.72% (2021: 15.71%)	The investment in subsidiary is valued on a real basis, as such the real rate of 10.42% (2021: 10.41%) was used plus 4.8% (2021: 4.8%) Consumer Price Index.
Cash flow	Expected dividends	Investee entities make distributions from profits which are made up of revenue net operating expenses.
Discount period	Remaining term of the 20-year Power Purchase Agreement with Eskom	Investment period of the Power Purchase Agreement with Eskom.

3. INVESTMENT IN SUBSIDIARY (continued)

3.1 The amounts included on the statement of financial position comprise the following (continued)

Reconciliation of assets measured at Level 3

	Opening balance	Additions	Fair value through profit/(loss)	Closing balance 2021 R
2022				
Assets				
Financial assets at fair value through profit/(loss)				
Investment in subsidiary	**196 894 708**	**–**	**(65 490 573)**	**131 404 135**
				131 404 135
2021				
Assets				
Financial assets at fair value through profit/(loss)				
Investment in subsidiary	–	121 384 592	75 510 116	196 894 708
				196 894 708

Sensitivity of fair value measurement to changes in unobservable inputs

Although management believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably reflect possible alternative assumptions would have the following effects on net assets:

Valuation technique	Significant unobservable inputs	Estimates for unobservable inputs	Sensitivity change in significant unobservable inputs	1% decrease in unobservable input	1% increase in unobservable input
Investment in TCWF Investments SPV (RF) (Pty) Ltd Discounted cash flow	Discount rate	15.72%	The estimated fair value would increase if the discount rate decreased	7 599 983	(6 861 311)

Significant observable/unobservable inputs are developed as follows:

Discount rate: The discount rate uses the latest CPI rate assumption and adds a risk margin. The risk margin set equal to the real internal rate of return achieved during the acquisition of the asset.

CPI rate: The consensus macroeconomic view as compiled by PWC from various sources was utilised in setting the CPI rate outlook.

CPI index: The CPI index uses a base value of 1 as at the asset acquisition date. It is then adjusted periodically with the actual observed inflation (as provided by Stats SA), and projected into the future using the forecasted CPI rate.

3.2 Interests in unconsolidated subsidiaries

The Company is classified as an investment entity, and therefore applies the consolidation exemption. All investments are measured at fair value through profit and loss.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

4. CASH AND CASH EQUIVALENTS

4.1 Cash and cash equivalents included in current assets

	2022 R	2021 R
Cash		
Bank balances	**344 166**	353 905

4.2 Net cash and cash equivalents

	2022 R	2021 R
Current assets at amortised cost	**344 166**	353 905

The banker of the Company is First National Bank.

5. CURRENT TAX ASSETS AND LIABILITIES

Current tax assets and liabilities comprise the following balances

	2022 R	2021 R
Net current tax asset from all items being set off	**2**	–
Total current tax asset per the statement of financial position	**2**	–
Net current tax liability from all items being set off	**–**	(568)
Total current tax liability per the statement of financial position	**–**	(568)

6. STATED CAPITAL

Authorised and issued stated capital

	2022 R	2021 R
Authorised		
2 000 000 Ordinary no par value shares	**–**	–
1 000 000 Class A Preference shares	**–**	–
1 000 000 Unspecified Class C shares	**–**	–
1 000 000 Unspecified Class D shares	**–**	–
1 000 000 Unspecified Class E shares	**–**	–
1 000 000 Unspecified Class F shares	**–**	–
	–	–
Issued		
2 000 000 Ordinary no par value shares	**100**	100
Reconciliation of number of shares issued:		
Reported at 1 March	**2 000 000**	–
Issue of ordinary shares	**–**	2 000 000
Closing balance as at 28 February	**2 000 000**	2 000 000

6. STATED CAPITAL (continued)

Refer to note 7 for preference share issued.

	Shares	Shares %
Class A Preference shareholders		
– FRB ITF Kruger Ci Prudential Fund	379 508	38
– FRB ITF Kruger Ci Balanced Fund (FRBKPF001)	549 180	55
– FRB ITF Kruger Ci Equity Fund (FRBKPF001)	71 312	7
	1 000 000	100

Preference shares rights:

Each Preference Share shall confer upon the holder thereof the right to have Preference Dividends declared and paid out of any funds that are available to be distributed to the preference shareholders and the Manager (GAIA Fund Managers (Pty) Ltd).

The Preference Dividends, if any, shall be paid in priority to any distributions to the Manager in respect of the ordinary shares in the issued share capital of the Company, or any other holder of such ordinary shares at the applicable time.

7. OTHER FINANCIAL LIABILITIES

7.1 Other financial liabilities comprise

	2022 R	2021 R
1 000 000 Class A Preference shares	129 927 981	192 625 239
Non-current portion of other financial liabilities	129 927 981	192 625 239
	129 927 981	192 625 239

** Refer to comparative figure note 18.*

7.2 Disclosures

Fair value information of other financial liabilities

The Company has adopted an accounting policy of measuring its investments at fair value through profit or loss in accordance with IFRS 9 with fair value movements on its assets recognised in the statement of profit or loss and other comprehensive income. The preference share liabilities is measured at fair value on a stand alone basis and the Company uses some of the parts valuation method to measure the fair value of the preference shares.

Valuation of other financial liabilities

For other financial liabilities recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Group can access at measurement date. The quoted market price used for financial assets is the current bid price. These instruments are included in Level 1.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. If all significant inputs are required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Applies inputs which are not based on observable market data. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

7. OTHER FINANCIAL LIABILITIES (continued)

7.2 Disclosures (continued)

The primary valuation methodology for the underlying investments held by the Fund is the discounted cash flow ("DCF") methodology. Some of the significant inputs into the discounted cash flow model may not be observable in the market and are derived from market prices or rates or are based on assumptions. This valuation model therefore requires a higher degree of management judgement and estimation in determination of fair value.

In the valuation for the investments, management's judgement and estimation is required for:

- Selection of the appropriate valuation model to be used, in this case the discounted cash flow model;
- Assessment and determination of the expected cash flows (dividend income and preference dividend) from the underlying investments; and
- Selection of the appropriate discount rates.

The value of the preference shares was determined using the discounted cash flow valuation models. Assumptions and inputs used in valuation techniques include CPI and investor premium used in estimating discount rates.

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. Preference shares are recognised at fair value through profit or loss for which the carrying amounts equal its fair value.

As at 28 February 2022, the fair value measurement of the preference shares is categorised into Level 3.

Assumptions

Discount rate	14.13% (2021: 14.13%)	The other financial liability is valued on a real basis, as such the real rate of 8.9% (2021: 8.9%) was used plus 4.8% (2021: 4.8%) Consumer Price Index.
Cash flow	Expected dividends	Investee entities make distributions from profits which are made up of revenue net operating expenses.
Discount period	Remaining term of the 20-year Power Purchase Agreement with Eskom	Investment period of the Power Purchase Agreement with Eskom.

Reconciliation of assets measured at level 3

	Opening balance	Additions	Fair value through profit/(loss)	Closing balance R
2022				
Liabilities				
Financial liabilities at fair value through profit/(loss)				
Other financial liabilities	**192 625 239**	**–**	**(62 697 258)**	**129 927 981**
				129 927 981

7. OTHER FINANCIAL LIABILITIES (continued)

7.2 Disclosures (continued)

	Opening balance	Additions	Fair value through profit/(loss)	Closing balance R
2021				
Liabilities				
Financial liabilities at fair value through profit/(loss)				
Other financial liabilities	–	122 000 000	70 625 239	192 625 239
				192 625 239

Sensitivity of fair value measurement to changes in unobservable inputs

Although management believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably reflect possible alternative assumptions would have the following effects on net assets:

Valuation technique	Significant unobservable inputs	Estimates for unobservable inputs	Sensitivity change in significant unobservable inputs	1% decrease in unobservable input	1% increase in unobservable input
Other financial liabilities Discounted cash flow	Discount rate	14.13%	The estimated fair value would increase if the discount rate decreased	8 240 393	(7 409 265)

Significant observable/unobservable inputs are developed as follows:
Discount rate: The discount rate uses the latest CPI rate assumption and adds a risk margin. The risk margin set equal to the real internal rate of return achieved during the acquisition of the asset.

CPI rate: The consensus macroeconomic view as compiled by PWC from various sources was utilised in setting the CPI rate outlook.

CPI index: The CPI index uses a base value of 1 as at the asset acquisition date. It is then adjusted periodically with the actual observed inflation (as provided by Stats SA), and projected into the future using the forecasted CPI rate.

8. TRADE AND OTHER PAYABLES

	2022 R	2021 R
Trade and other payables comprise		
Trade creditors	**3 376**	8 529

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

9. LOAN FROM GROUP COMPANY

	2022 R	2021 R
Loan from group company comprises		
TCWF Investments SPV (RF) (Pty) Ltd	**100**	100

The loan is unsecure, bears interest as agreed upon from time to time and is repayable within the next 12 months.

10. REVENUE

	2022 R	2021 R
Revenue comprises		
Dividends received from subsidiary	**74 149 786**	1 227 050

11. ADMINISTRATIVE EXPENSES

	2022 R	2021 R
Administrative expenses comprise		
Accounting fees	**69 000**	38 672
Auditors' remuneration – fees	**207 000**	–
Bank charges	**1 846**	2 543
Secretarial fees	**4 000**	1 125
Total administrative expenses	**281 846**	42 340

12. OTHER EXPENSES

	2022 R	2021 R
Other expenses comprise		
Postage	**–**	173
Professional fees	**1 933 553**	738 655
Total other expenses	**1 933 553**	738 828

13. OTHER GAINS AND (LOSSES)

	2022 R	2021 R
Other gains and (losses) comprise		
Fair value gains and (losses) on assets	**(65 490 573)**	75 510 116
Fair value gains and (losses) on liabilities	**62 697 258**	(70 625 239)
Total other gains and (losses)	**(2 793 315)**	4 884 877

14. INVESTMENT INCOME

	2022 R	2021 R
Investment income comprises		
Interest received – bank	**84 576**	5 536

15. FINANCE COSTS

	2022 R	2021 R
Finance costs included in profit or loss		
Class A Preference Shares	**69 840 000**	700 000
Bank overdraft	**–**	1
Total finance costs	**69 840 000**	700 001

16. INCOME TAX EXPENSE

16.1 Major components of the tax expense

	2022 R	2021 R
(Loss)/profit before tax from operations	**(614 352)**	4 636 294
Income tax calculated at 28.0%	**(172 019)**	1 298 162
Tax effect of		
– Exempt income	**(20 761 940)**	(20 761 940)
– Non-deductible expenses	**619 605**	619 605
– Fair value adjustments	**782 128**	782 128
– Other financial liabilities: Dividend	**19 555 200**	19 555 200
Tax charge	**22 975**	22 975

Deferred tax

Given that the investment in subsidiary is part of an investment structure, it is very unlikely that the shares will be sold to an external party. The fair value adjustments are determined on the inflows which is purely the dividend income. The dividend income is exempt as it is local dividend income. Therefore, the fair value adjustments will not be taxed in the future as all fair value adjustments eventually realise in the form of dividends.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

17. RELATED PARTIES

17.1 Relationships

Holding company	GAIA Fund Managers (Pty) Ltd
Subsidiary	TCWF Investment SPV (Pty) Ltd
Key members	RC de Wit
	ALC Olivier
	L Kotzé
	R Meyer
	MM Nieuwoudt
	HA Snyman

17.2 Related party transactions and balances

	Holding company	Subsidiary	Total
Year ended 28 February 2022			
Related party transactions			
Dividend received	–	74 149 786	74 149 786
Dividends paid	2 160 006	–	2 160 006
Professional fees paid	1 605 090	–	1 605 090
Outstanding loan accounts			
Amounts payable	–	100	100
Year ended 28 February 2021			
Related party transactions			
Dividend received	–	1 227 050	1 227 050
Dividends paid	21 649	–	21 649
Professional fees paid	632 716	–	632 716
Outstanding loan accounts			
Amounts payable	5 152	100	5 252

18. COMPARATIVE FIGURES

The comparative figures of the current portion of the other financial liabilities have been reclassified to non-current liabilities as management is of the opinion that this reclassification will give the users of the financial statement a fair presentation.

	2022 R	2021 R
The effects of the changes are as follows:		
Statement of financial position		
Non-current liabilities		
Other financial liabilities	–	71 417 859
Current liabilities		
Other financial liabilities	–	(71 417 859)

19. DIRECTORS' REMUNERATION

	Remuneration paid to directors		Directors' fees paid to directors		
	Paid by the Company	Paid by a company within the Group	Paid by the Company	Paid/payable by a company within the Group	Total
2022					
Executive					
HA Snyman	–	1 431 340	–	–	1 431 340
MM Nieuwoudt	–	4 223 795	–	–	4 223 795
RC de Wit	–	1 168 114	–	–	1 168 114
	–	6 823 249	–	–	6 823 249
Non-executive					
ALC Olivier	–	–	–	20 000	20 000
L Kotzé	–	–	–	30 000	30 000
R Meyer	–	–	–	30 000	30 000
	–	–	–	80 000	80 000

	Remuneration paid to directors		Directors' fees paid to directors		
	Paid by the Company	Paid by a company within the Group	Paid by the Company	Paid/payable by a company within the Group	Total
2021					
Executive					
HA Snyman	–	1 226 685	–	–	1 226 685
MM Nieuwoudt	–	2 631 429	–	–	2 631 429
RC de Wit	–	1 850 000	–	–	1 850 000
	–	5 708 114	–	–	5 708 114
Non-executive					
D Kennon	–	–	–	10 000	10 000
L Kotzé	–	–	–	10 000	10 000
R Meyer	–	–	–	10 000	10 000
	–	–	–	30 000	30 000

D Kennon resigned as independent non-executive director on 27 May 2021 and ALC Olivier was appointed as independent non-executive director in his place on 27 May 2021.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

20. EVENTS AFTER THE REPORTING DATE

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the Company.

Impact of Covid-19

The Company has assessed the impact of Covid-19 on the annual separate financial statements and considered the potential impact on the business. While it is envisaged that there may be a negative impact on the performance of the Company over the remainder of the financial year, the full impact of Covid-19 cannot be reasonably estimated at this time. The full impact of the Covid-19 outbreak continues to evolve at the date of this report.

Management will continue to assess the financial impact of Covid-19 and its impact on the financial condition, liquidity, operations and industry.

21. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors have given due consideration to the potential impact of the Covid-19 pandemic on the Company's ability to continue as a going concern. The directors believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges, the directors are of the view that the Company has sufficient resources to continue as a going concern.

The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

22. CASH FLOWS FROM OPERATING ACTIVITIES

	2022 R	2021 R
(Loss)/profit before tax	**(614 352)**	4 636 294
Adjustments for:		
Interest received	**(84 576)**	(5 536)
Dividends received	**(74 149 786)**	(1 227 050)
Finance costs	**69 840 000**	700 001
Fair value gains and losses	**2 793 315**	(4 884 877)
Change in operating assets and liabilities:		
Adjustments for (decrease)/increase in trade accounts payable	**(5 153)**	8 529
Net cash flows from operations	**(2 220 552)**	(772 639)

23. DIVIDEND PAID

An interim dividend of R0.77 (2021: R0.00) per Ordinary share was approved by the directors on 1 April 2021 in South Africa currency. A final dividend of R0.31 (2021: R0.01) per Ordinary share was approved were approved by the directors on 8 September 2021 in South Africa currency. Dividends were paid on 1 April 2021 and 4 October 2021, respectively, to shareholders registered in the Company's register at the close of business on the declaration date.

	2022 R	2021 R
Dividend paid is calculated as follows:		
Dividend declared and paid	**(2 160 004)**	(21 649)

24. INCOME TAX PAID

	2022 R	2021 R
Income tax paid		
Amounts receivable/(payable) at the beginning of the year	**(568)**	–
Amounts (receivable)/payable at the end of the year	**(2)**	568
Taxation expense (credit)	**(22 975)**	(568)

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

	Notes	Fair value through profit or loss	Amortised cost	Total
Categories of financial instruments				
Categories of financial assets				
Company – 2022				
Non-current assets				
Investment in subsidiary	3	**131 404 135**	**–**	**131 404 135**
Current assets				
Cash and cash equivalents	4	**–**	**344 166**	**344 166**
		131 404 135	**344 166**	**131 748 301**
Categories of financial liabilities				
Company – 2022				
Non-current liabilities				
Other financial liabilities	7	**129 927 981**	**–**	**129 927 981**
Current liabilities				
Trade and other payables	8	**–**	**3 377**	**3 377**
Loan from subsidiary	10	**–**	**100**	**100**
		129 927 981	**3 477**	**129 931 458**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

	Notes	Fair value through profit or loss	Amortised cost	Total
Categories of financial assets				
Company – 2021				
Non-current assets				
Investment in subsidiary	3	196 894 708	–	196 894 708
Current assets				
Cash and cash equivalents	4	–	353 905	353 905
		196 894 708	353 905	197 248 613
Categories of financial liabilities				
Company – 2021				
Non-current liabilities				
Other financial liabilities	7	192 625 239	–	192 625 239
Current liabilities				
Trade and other payables	8	–	8 529	8 529
Loan from subsidiary	10	–	100	100
		192 625 239	8 629	192 633 868

The carrying amounts of the financial instruments approximate their fair values.

Capital risk management

The Company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

To maintain or adjust the capital structure, the Company may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There are no externally imposed capital requirements.

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk (interest rate and price risk)

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial risk management (continued)

Credit risk

The directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

"Credit risk" is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered with the Company, resulting in a financial loss to the Company.

The Company is mainly exposed to credit risk on cash equivalents. Credit risk exposure arising on cash and cash equivalents is managed by the Company through dealing with well established financial institutions with high credit ratings. The Company considers credit risk on cash and cash equivalents to be minimal.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables.

Financial assets exposed to credit risk at year-end were as follows:

	Notes	Gross carrying amount	Credit loss allowance	Amortised cost
2022				
Financial instrument				
Cash and cash equivalents	4	**344 166**	**–**	**344 166**
		344 166	**–**	**344 166**
2021				
Financial instrument				
Cash and cash equivalents	4	353 905	–	353 905
		353 905	–	353 905

Liquidity risk

"Liquidity risk" is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages liquidity risk through an ongoing review of future commitments and expenses compared to available cash to meet those commitments. Cash flow forecasts are prepared and presented to the Board for approval.

There are no significant changes in the risk management policies and processes of the liquidity risk from the previous year.

The class A preference shares liability is an estimation based on discounted future cash flows as per P50 model. (Refer to Key sources of estimation uncertainty, assumptions paragraph.) The Company is expected to receive a dividend based on the P50 model from its subsidiary. The expected dividend receivable will service the expected operational expense as well as the class A preference share liability. The Company will therefore be able to meet its obligation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Notes	Less than 1 year R	Total cash flows R	Carrying amount R
2022				
Current liabilities				
Trade and other payables	8	**3 377**	**3 377**	**3 377**
		3 377	**3 377**	**3 377**
2021				
Current liabilities				
Trade and other payables	8	8 529	8 529	8 529
		8 529	8 529	8 529

Market risk

Market risk arises through the use of interest-bearing financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

The Company is not exposed to significant market risk, including price risk and interest rate risk. The Company's investee entities have entered into a 20-year Power Purchase Agreement (PPA) with Eskom under the South African REIPPPP, with the PPA guaranteed by the South African National Treasury. Under this agreement the price for the electricity generated (Electricity Tariff) by the investee entities is agreed upfront on signature of the PPA and escalates annually by inflation for the duration of the agreement.

Please refer to note 3 and note 7.

SHAREHOLDER ANALYSIS

Company: Gaia Renewables 1 Limited
Register date: 31 July 2022

AUTHORISED

- 1 000 000 class A preference shares (converted from unspecified shares (class A) shares)
- 2 000 000 ordinary no par value shares (converted 1 000 000 unspecified shares (class B) shares)
- 1 000 000 unspecified shares (class C) shares
- 1 000 000 unspecified shares (class D) shares
- 1 000 000 unspecified shares (class E) shares
- 1 000 000 unspecified shares (class F) shares

ISSUED

- 1 000 000 class A preference share(s)
- 2 000 000 ordinary no par value share(s)

	Certificate number	Shares	Share %
Shareholder spread			
Class A preference shares			
FRB ITF Kruger Ci Prudential Fund	1	379 508	37.95%
FRB ITF Kruger Ci Balanced Fund (FRBKPF001)	2	549 180	54.92%
FRB ITF Kruger Ci Equity Fund (FRBKPF001)	3	71 312	7.13%
Total		**1 000 000**	**100%**
Ordinary no par value shares			
Gaia Fund Managers (Pty) Ltd	1	100	0.01%
Gaia Fund Managers (Pty) Ltd	2	1 999 900	99.99%
Total		**2 000 000**	**100%**

SHAREHOLDERS' DIARY

Annual Report published on website	Friday, 19 August 2022
Notice of AGM to shareholders	Friday, 19 August 2022
AGM	Friday, 16 September 2022
Gaia Renewables 1 Limited will be in closed period	Friday, 9 September 2022
Gaia Renewables 1 Limited interim results published	Not applicable

Dates are subject to change.

NOTICE OF ANNUAL GENERAL MEETING

GAIA RENEWABLES 1 LIMITED
Incorporated in the Republic of South Africa
(Registration number: 2020/113877/06)
("**Gaia Renewables 1 Limited**" or "**the Company**")

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting ("**AGM**") of the shareholders ("**Shareholders**") of Gaia Renewables 1 Limited, registration number 2020/113877/06 ("**Gaia Renewables 1 Limited**" or the "**Company**") will be held and conducted via Zoom (https://us02web.zoom.us/j/83102112771?pwd=ZkRIUWxWRk5OV3NCZ3NQdmJGdHRFQT09); Meeting ID: 83102112771; Passcode: 451566) and at the Gaia offices (4th floor, Sunclare Building, 21 Dreyer Street, Claremont, Cape Town, 7708) on **Friday, 16 September 2022**, at **10:00**.

RECORD DATES, ATTENDANCE AND VOTING

Record dates

Notice record date

The record date for Shareholders being entitled to receive this notice of AGM is Friday, 12 August 2022, being the Notice Record Date.

Voting record date

The record date for participation and voting at the AGM is Friday, 9 September 2022, being the date on which a person must be registered as a Shareholder of the Company in order to be entitled to attend, participate in and vote at the AGM ("**Voting Record Date**"). The last day to trade for Shareholders to be recorded in the register on the voting record date is Friday, 9 September 2022.

ATTENDANCE AND VOTING AT THE AGM

Shareholders may attend the AGM electronically via Zoom and at the Gaia offices (4th floor, Sunclare Building, 21 Dreyer Street, Claremont, Cape Town, 7708) (or, if a company or other body corporate, be represented by a duly authorised natural person) and may speak at, participate in and vote at the AGM.

A Shareholder may appoint a proxy (or two or more proxies, but not in respect of the same voting rights) to attend, participate in and vote at the AGM on the Shareholder's behalf. A proxy need not be a Shareholder of the Company. A Shareholder appoints a proxy by completing the form of proxy attached hereto as **Annexure A** and e-mailing it to the transfer secretaries of the Company, being the Cape Town Stock Exchange ("**CTSE**"), at admin@ctseregistry.co.za, or posting it to the transfer secretaries at Cape Town Stock Exchange, 5th Floor, 68 Albert Road, Woodstock, 7925, to be received by them not later than 10:00 on Thursday, 15 September 2022 (for administrative purposes only) or 48 hours before the commencement or resumption of the AGM in the event of it being postponed or adjourned. Completion of a form of proxy will not preclude a Shareholder from attending and voting (in preference to that Shareholder's proxy) at the AGM.

Identification

In terms of section 63(1) of the Companies Act, No. 71 of 2008 ("**Companies Act**") before any person may attend or participate in the AGM, that person must present reasonably satisfactory identification and the person presiding at the AGM must be reasonably satisfied that the right of the person to participate in and vote at the AGM, either as a Shareholder, or as a proxy for a Shareholder, has been reasonably verified. Acceptable forms of identification include valid identity documents, driver's licences and passports.

Voting

Voting at the AGM will take place by way of polling. Every Shareholder will have one vote for every share in the Company they hold.

NOTICE OF ANNUAL GENERAL MEETING (continued)

ATTENDANCE AND VOTING AT THE AGM (continued)

Electronic participation

The Board has decided that the AGM will be conducted via Zoom and at the Gaia offices (4th floor, Sunclare Building, 21 Dreyer Street, Claremont, Cape Town, 7708), giving Shareholders the opportunity to attend the AGM and participate online, using a smartphone, tablet or computer.

PURPOSE OF THE AGM

The purpose of the AGM is:

(i) to present the audited annual financial statements of the Company for the financial year ended 28 February 2022, incorporating the directors' report, the Audit Committee report, the Auditor's report and the Integrated Annual Report of 2022;

(ii) to consider and, if deemed fit, approve, with or without modification, the ordinary and special resolutions set out in the agenda below; and

(iii) to consider any matters raised by the Shareholders of the Company, with or without advance notice to the Company.

AGENDA OF THE AGM

The quorum requirement for Ordinary Resolution Numbers 1 to 5 (both inclusive) is:

- *The presence of at least one Shareholder and sufficient persons present to exercise, in aggregate, at least 25% of all the voting rights entitled to be exercised on such resolution.*

In order for the Ordinary Resolutions to be adopted, the support of more than 50% of the votes exercised on the resolutions is required.

1. ORDINARY RESOLUTIONS

To consider and if deemed fit, approve, with or without modification, the following ordinary resolutions:

1.1 Ordinary Resolution Number 1 – Noting of Annual Financial Statements

"Resolved that the Annual Financial Statements of the Company for the year ended 28 February 2022 and the reports of the directors, the auditor, the Audit Committee and the Integrated Annual Report are hereby noted."

A copy of the complete annual financial statements can be obtained from the Company's registered office as well as on the website of Gaia Renewables 1 Limited at www.gaia.group.

1.2 Ordinary Resolution Number 2 – Re-appointment of Auditor

"Resolved that, on the recommendation of the Company's Audit Committee, the firm Moore Stellenbosch Incorporated be re-appointed as independent registered auditor of the Company (noting that Mr Pieter-Louw van der Ahee is the individual registered auditor of that firm who will undertake the audit) until the next AGM of the Company."

The Company's Audit Committee has expressed satisfaction with the services rendered by Moore Stellenbosch Inc., an auditing firm with an international presence.

Reason for Ordinary Resolution Number 2

The reason for Ordinary Resolution Number 2 is that the Company, being a public company listed on the exchange operated by Cape Town Stock Exchange ("**CTSE**"), must have its financial results audited and such auditor must be appointed or re-appointed each year at the AGM of the Company as required by the Companies Act.

1. ORDINARY RESOLUTIONS (continued)

1.3 Ordinary Resolution Numbers 3.1 to 3.3: Confirmation of re-appointment of Audit Committee members

"*Resolved that:*

3.1 Mr Anton-Louis Olivier

3.2 Mr Louis Kotzé

3.3 Ms Retha Meyer

being eligible, be and are hereby appointed as members of the Audit Committee of the Company, as recommended by the board of directors of the Company, until the next AGM of the Company."

The board of directors is satisfied that the Company's Audit Committee members are suitably skilled and experienced independent non-executive directors. Collectively they have sufficient qualifications and experience to fulfil their duties, as contemplated in regulation 42 of the regulations issued in terms of the Companies Act ("**Companies Regulations**"). They have a comprehensive understanding of financial reporting, internal financial controls, risk management and governance processes within the Company, as well as International Financial Reporting Standards, South African Statements of Generally Accepted Accounting Practice and other regulations and guidelines applicable to the Company and the Group. They keep up to date with developments affecting their required skills-set. The board of directors therefore unanimously recommend, Mr Anton-Louis Olivier, Mr Louis Kotze and Ms Retha Meyer for election to the Audit Committee. Details of the nominees follow herein below.

Mr Anton-Louis Olivier

M.Inst. Agrar. (Agricultural Economics). University of Pretoria, South Africa B.Eng. (Mechanical). University of Pretoria, South Africa

Anton-Louis Olivier is an experienced CEO and entrepreneur with more than 25 years of international experience in the renewable energy sector. In 2006 he founded and served as CEO of the REH Group companies, a pioneering developer, owner and operator of small hydropower plants across Southern Africa. He established and acted on behalf of three independent power producers (IPPs) in raising development funding, as well as debt and equity for construction, achieved financial close and managed the construction process up to commercial operations, whereafter he acted as CEO of the IPPs as well as the operational and management entities. In 2021 he resigned from REH after arranging for the successful exit of the founding shareholders to an international IPP. He serves on the board of the International Hydropower Association (IHA) representing the Africa region.

Mr Louis Kotzé

CA(SA)

Post his PWC articles, he was appointed as Financial Manager at Hannover Reinsurance Africa. In 2001 he joined RMB Asset Management as Professional Assistant to the CEO where after Louis was appointed to head of the Finance Division (Head of Finance reporting directly to the CEO). In 2003 Louis joined Rand Merchant Bank's Structured Trade & Commodity Finance Desk. During 2007 Louis started his own business which entails debt and capital raising services, corporate finance services, facilitation of credit risk sales and consultation services. In 2011 Louis was appointed as Financial Director and in 2014 promoted to Chief Operating Officer of Noble Resources South Africa (multi-national commodity trading company, listed in Singapore, Head Office Hong Kong, with regional Head Office in Geneva, Switzerland). In January 2016, Louis restarted his own business which included consulting for two years to Price Forbes South Africa with focus on credit default insurance as well as M&A warranty and indemnity insurance. Core services being debt origination, structuring, negotiation, facilitation of the legal documentation and implementation to reach financial close.

NOTICE OF ANNUAL GENERAL MEETING (continued)

1. ORDINARY RESOLUTIONS (continued)

1.3 Ordinary Resolution Numbers 3.1 to 3.3: Confirmation of re-appointment of Audit Committee members (continued)

Ms Retha Meyer

CA(SA), Advanced Diploma in Organisational Leadership

Retha is a highly professional, self-motivated and dynamic individual with excellent people and leadership skills. With a well-balanced, assertive and confident behaviour, her strengths are well spread between financial accounting, management reporting, commercial management, attention to detail and the ability to build lasting relationships with all stakeholders. Retha was a trainee accountant at Logista Incorporated from 2007 until 2009. Thereafter, she was the part time financial accountant for Clickatell (Pty) Ltd. She moved her way up and from 2016 until 2017 she was the financial director and group treasurer of Clickatell (Pty) Ltd. From 2020 Retha served as a financial director for The Sun Exchange (Pty) Ltd., where she manages all general accounting functions which include timely and accurate monthly closes, prepares consolidated financial statements, oversees tax related matters, do cash management, financial planning and analysis, and she assists in due diligence, implement and maintain internal controls, maintains relationships with external auditors and assists with special projects as needed.

The appointment of the members of the Audit Committee will be conducted by way of a separate vote in respect of each individual.

Reason for Ordinary Resolution Numbers 3.1 to 3.3 (inclusive)

The reason for Ordinary Resolution Numbers 3.1 to 3.3 (inclusive) is that the Company, being a public company listed on CTSE, must appoint an Audit Committee and the Companies Act requires that the members of such Audit Committee be appointed, or re-appointed, as the case may be, at each AGM of a company.

1.4 Ordinary Resolution Number 4 – Authority to the Directors and/or Company Secretary

"Resolved that any of the directors of the Company and/or the company secretary be and is hereby authorised to do all things, perform all acts and sign all documentation necessary to effect the implementation of the ordinary resolutions adopted at this AGM."

1.5 Ordinary Resolution Number 5 – Waiver of the requirement for the interim financial information of the Company to be reviewed by the Company's reporting accountants

"Resolved in accordance with paragraph 12.17.3 of the CTSE Listing Requirements as a general mandate, Shareholders hereby specifically waive the requirement for the interim financial information of the Company for the six months ended 31 August 2022 to be reviewed by the Company's reporting accountants, it being recorded that the approval by the board of directors in respect of the aforementioned interim financial information shall be sufficient."

Reason for Ordinary Resolution Number 5

In terms of the CTSE Requirements, issuers listed on CTSE are required to have their interim financial information reviewed by their reporting accountants, unless Shareholders specifically waive this requirement through passing an ordinary resolution at the AGM

Report from the Social And Ethics Committee

The Social and Ethics Committee report will be included in the Annual report for the period under review. The Annual report will be made available on the Company's website www.gaia.group. This is tabled in terms of regulation 43(5)(c) of the Companies Regulations.

NOTICE OF ANNUAL GENERAL MEETING (continued)

ADDITIONAL INFORMATION

Quorum requirements

The AGM cannot begin until sufficient persons (being not less than one in number who are entitled) are present at the AGM to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised in respect of at least one matter to be decided at the AGM.

The chairperson of the AGM cannot put a resolution or matter to the vote of Shareholders unless sufficient persons (being not less than one in number who are entitled) are present at the AGM to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised in respect of at least one matter to be decided at the AGM.

Electronic attendance and participation

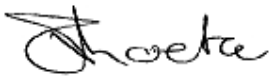
Gaia Renewables 1 Limited will conduct the AGM by way of electronic participation via Zoom and at the Gaia offices (4th floor, Sunclare Building, 21 Dreyer Street, Claremont, Cape Town, 7708) as permitted by CTSE and the provisions of the Companies Act and the Company's MOI.

Shareholders will be liable for their own network charges in relation to electronic participation, Gaia Renewables 1 Limited will not be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevent any such Shareholder from participating in the AGM.

Notwithstanding the availability of the electronic voting platform, Shareholders may still submit forms of proxy to CTSE by no later than 10:00 on Thursday, 15 September 2022 or the time and date stipulated by CTSE for administrative purposes.

OTHER BUSINESS

To transact such other business as may be transacted at an AGM and/or any matters raised by Shareholders with or without advance notice to the Company.



The Office in Stellenbosch (Pty) Ltd
Per: Ilzemarie Knoetze
Company Secretary

19 August 2022

12 Meson Close
Techno Park
Stellenbosch
7600

NOTES

PROXY FORM

GAIA RENEWABLES 1 LIMITED
Incorporated in the Republic of South Africa
(Registration number: 2020/113877/06)
("**Gaia Renewables 1 Limited**" or "**the Company**")

FORM OF PROXY

FOR USE BY SHAREHOLDERS WHO CANNOT ATTEND THE AGM OF THE COMPANY BUT WISH TO BE REPRESENTED THEREAT

Where appropriate and applicable, the terms defined in the notice of AGM to which this form of proxy is attached bear the same meanings in this form of proxy.

For use by Shareholders of the Company, registered as such at the close of business on **Friday, 9 September 2022**, being the voting record date ("**Voting Record Date**"), at the AGM of the Company to be held by electronic communication via Zoom (https://us02web.zoom.us/j/83102112771?pwd=ZkRIUWxWRk5OV3NCZ3NQdmJGdHRFQT09); Meeting ID: 83102112771; Passcode: 451566) and at the Gaia offices (4th floor, Sunclare Building, 21 Dreyer Street, Claremont, Cape Town, 7708) on **Friday, 16 September 2022**, at **10:00** (hereinafter referred to as "**AGM**") or any postponement of this meeting.

I/We (FULL NAMES IN BLOCK LETTERS) _____

of (ADDRESS) _____

being the holder/s of _____ ordinary shares in the Company, hereby appoint (seen note 1):

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the chairperson of the AGM,

as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the AGM and/or at any postponement or adjournment thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the AGM, and to vote on the resolutions in respect of the ordinary shares registered in my/our name(s), in the following manner (see Note 2):

Insert an "X" or the number of votes exercisable (one vote per share)

Ordinary Resolutions	In favour of	Against	Abstain
1. Noting of Annual Financial Statements			
2. Re-appointment of Auditor			
3. Appointment of Audit Committee members 3.1 Mr Anton-Louis Olivier			
3.2 Mr Louis Kotzé			
3.3 Ms Retha Meyer			
4. Authority to Directors of the Company to effect implementation of the Ordinary Resolutions			
5. Waiver of the requirement for the interim financial information of the Company to be reviewed by the Company's reporting accountants			

Unless otherwise instructed, my/our proxy may vote or abstain from voting as he/she thinks fit.

Signed this _____ day of _____ 2022

Signature of Shareholder/s _____

Assisted by me (where applicable) _____

Notes

1. A Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a Shareholder of the Company.
2. Every Shareholder present electronically in person or by proxy and entitled to vote at the AGM of the Company will, on a poll, be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by him bears to the aggregate amount of the nominal value of all the shares issued by the Company.

INSTRUCTIONS ON SIGNING AND LODGING THE FORM OF PROXY

1. This form of proxy is only to be completed by those Shareholders who cannot attend the AGM of the Company and wish to appoint another person to represent them at the AGM.

2. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided overleaf, with or without deleting "the chairperson of the AGM", but any such deletion must be initialled by the Shareholder. Should this space/s be left blank, the proxy will be exercised by the chairperson of the AGM.

3. The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.

4. A Shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes which that Shareholder wishes to exercise, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she thinks fit in respect of all the Shareholder's exercisable votes. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the Shareholder or by his/her proxy.

5. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.

6. To be valid, the completed forms of proxy must be lodged with the transfer secretaries of the Company, being the Cape Town Stock Exchange by e-mailing it to admin@ctseregistry.co.za or posting it to the transfer secretaries at Cape Town Stock Exchange, 5th Floor, 68 Albert Road, Woodstock, 7925, to be received by them not later than 10:00 on Thursday, 15 September 2022 (for administrative purposes only) or 48 hours before the commencement or resumption of the AGM in the event of it being postponed or adjourned. The completion and lodging of this form of proxy will not preclude the relevant Shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.

7. The appointment of a proxy in terms of this form of proxy is revocable in terms of the provisions of section 58(4)(c) read with section 58(5) of the Companies Act, and accordingly a Shareholder may revoke the proxy appointment by
   i. cancelling it in writing, or making a later inconsistent appointment of a proxy; and
   ii. delivering a copy of the revocation instrument to the proxy and to the Company.

   The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Shareholder as at the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered in the required manner.

8. A proxy appointment will remain valid until the end of the AGM (or any postponement or adjournment thereof).

9. A proxy may not delegate his authority in terms of this form of proxy to any other person.

10. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.

11. The chairperson of the AGM may accept any form of proxy which is completed other than in accordance with these instructions provided that he is satisfied as to the manner in which a Shareholder wishes to vote.

DEFINITIONS AND INTERPRETATIONS

Unless the context indicates otherwise, a word or an expression which denotes any gender includes the other genders, a natural person includes a juristic person and vice versa, the singular includes the plural and vice versa and the following words and expressions bear the meanings assigned to them below:

"Auditors and Independent Reporting Accountants"	Moore Stellenbosch Incorporated, a Company incorporated under the laws of South Africa being the auditors and independent reporting accountants of Gaia Renewables 1 Limited;
"Board" or "Directors"	the Board of Directors of Gaia Renewables 1 Limited;
"Cape Town Stock Exchange" or "CTSE"	licensed as an exchange under the Financial Markets Act, Cape Town Stock Exchange;
"CTSE Listings Requirements"	the Listings Requirements, as amended from time to time;
"Code for Responsible Investing in South Africa"	the code issued by the Committee on Responsible Investing by Institutional Investors in South Africa in February 2012, a forum formed by stakeholder members of the Institute of Directors in Southern Africa, giving guidance on how institutional investors should execute investment analysis and investment activities and exercise rights so as to promote good corporate governance;
"Common Monetary Area"	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
"Companies Act"	Companies Act of South Africa, No 71 of 2008, as amended;
"Company" or "Gaia"	Gaia Renewables 1 Limited (Reg No: 2020/113877/06), a public Company incorporated under the laws of South Africa;
"CPI"	the Consumer Price Index for all urban areas published by Statistics South Africa from time to time;
"ESG"	Environmental, social and governance;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended from time to time, issued in terms of section 9 of the Currency and Exchanges Act, No 9 of 1933, as amended from time to time;
"Financial Markets Act"	the Financial Markets Act, No 19 of 2012, as amended from time to time;
"GDP"	gross domestic product;
"Government"	the National Government of South Africa;
"IFRS"	International Financial Reporting Standards;
"Income Tax Act"	the Income Tax Act, No 58 of 1962, as amended from time to time;
"King IV"	the King Report on Corporate Governance for South Africa, 2009, as amended or replaced from time to time;
"Manager"	Gaia Fund Managers Proprietary Limited;
"NAV"	net asset value;
"Rand" or "R"	South African rand, the official currency of South Africa;
"Register"	Gaia Renewables 1 Limited's securities register maintained by the transfer secretaries;
"Shareholders"	registered holders of shares;
"shares"	ordinary no par value shares in the share capital of Gaia Renewables 1 Limited.

GENERAL INFORMATION

Country of incorporation and domicile
South Africa

Registration number
2020/113877/06

Nature of business and principal activities
The Company performs investment activities.

Directors
R Meyer
ALC Olivier
HA Snyman
L Kotzé
MM Nieuwoudt
RC de Wit

Shareholder
GAIA Fund Managers (Pty) Ltd

Registered office
12 Meson Close
Techno Park
Stellenbosch
7600

Business address
12 Meson Close
Techno Park
Stellenbosch
7600

Postal address
PO Box 12700
Die Boord Stellenbosch
7613

Bankers
First National Bank

Tax number
9364031204

Level of assurance
These financial statements have been audited in compliance with the applicable requirements of the South African Companies Act 71 of 2008.

Auditors
Moore Stellenbosch Inc
24 Techno Avenue
Techno Park
Stellenbosch
7600

Company Secretary
Ilzemarie Knoetze (The Office in Stellenbosch (Pty) Ltd)
12 Meson Close
Techno Park
Stellenbosch
7600

Preparer
The Office Review Services (Pty) Ltd
12 Meson Close
Techno Park
Stellenbosch
7600

Legal advisors
Fasken Bell Dewar Incorporated

www.gaia.group