

INTEGRATED  
ANNUAL REPORT  
2024



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## SCOPE OF REPORT

Gaia Renewables REIT Limited ("Gaia" or "the Company") is pleased to present its 2024 Integrated Annual Report for the period 14 March 2023 to 30 April 2024 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 its financial performance. The 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](http://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 2024.

The electronic version of this report can be accessed at [www.gaia.group](http://www.gaia.group).



**MM Nieuwoudt**  
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

Since the listing of the Company in August 2023, the Company and its partners have successfully developed projects and deployed nearly all of the capital originally raised across a diverse set of industries.

As a testament to the quality of the clients the Company aims to serve, the anchor investment of the Company is a solar installation with a 20 year power purchase agreement (“PPA”) with Borbet South Africa. As the largest rooftop installation of its kind in South Africa, the installation has a peak power generation capacity of 5 350 KWp, with 4 000 kWh additional battery energy storage, which will generate more than 7 000 000 kWh a year and reduce carbon emissions by 6 000 tonnes a year.

Borbet was founded by Peter Wilhelm Borbet, with the family-owned company having five locations in Germany, as well as one each in Austria and South Africa, with the latter in Gqeberha. Borbet SA as one of only two manufacturers of light-alloy wheels in South Africa, services carmakers such as Ford, Volkswagen, BMW, Mercedes-Benz and Isuzu. The installation is the first phase in Borbet’s energy transition strategy, with the Company and its partners developing additional projects to support Borbet’s strategy.

## COMPANY OUTLOOK AND FUTURE

The Company was established as an investment vehicle to invest in medium scale renewable energy projects in South African with a focus on serving commercial and industrial (“C&I”) clients. The C&I renewable energy sector is the fastest growing market segment due to the need for energy security, tariff stability and a drive towards sustainability.

The focus on medium scale installations (greater than 1 MW and less than 10 MW) is due to a strategic decision to (1) reduce competition from smaller scale operators and (2) not wanting to participate in lengthy and costly competitive bidding processes undertaken by large scale clients which drive down investment yields.

Businesses which require medium scale installations represent the overwhelming majority of the market, allowing the Company to select business with a long track record and limited obsolescence risk. Taking the Company’s anchor investment as an example, despite a transition to electric vehicles light alloy wheel rims are unlikely to be replaced by an alternative technology.

Notwithstanding South Africa having received some relief from load shedding, the result of reduced demand due to private solar installations rather than improved performance from Eskom, there remains significant scope in the industry as the risk of load shedding remains due to the probable failure of generation, transmission and distribution infrastructure which has not received the necessary investment and maintenance from government and municipalities.



**Hendrik Snyman**  
*Chief Investment Officer*  
Gaia Fund Managers

# ABOUT GAIA RENEWABLES REIT LIMITED

The Company was established by Gaia Fund Managers as an invest Company for the express purpose of providing institutional and retail investors access to renewable energy investments in South Africa.

Gaia Fund Managers is a registered financial services provider (licence number 46028) and is considered a leading specialist infrastructure transaction team in South Africa, having invested in excess of R3.5 billion in infrastructure assets in the market since 2015.

With Eskom estimating that under its investment programme it will take almost 10 years to bring meaningful additional transmission capacity online, it can be reasoned that on-site renewable energy will be the largest contributor to new generation capacity.

Additionally, wheeling projects utilising the transmission and distribution network to deliver electricity to customer suffer from a number of distinct risks. Firstly, loadshedding prevents customers from receiving electricity despite the project generating electricity. Secondly, wheeling charges and tariffs may vary in the future negatively impacting upon project returns. Finally, there may be increased pressure on these projects to supply electricity to customers other than the intended consumer as is evident by the Electricity Minister Kgosientsho Ramokgopa’s recent statement that non-government actors in the electricity supply industry will not be allowed “to think that they can carve out a space for themselves to provide for the affluent areas to the exclusion of poor areas”.

As a consequence to these factors, the Company believes that on-site projects is the best and lowest risk means to gain access to the renewable energy asset class for investors.

## RATIONALE FOR THE LISTING AND FUTURE PROSPECTS

The rationale for the listing is primarily the following:

### Provide access to renewable energy as an asset class

Infrastructure as an asset class, with renewable energy being a subset, provides investors with stable inflation-linked cash returns whilst preserving their capital.

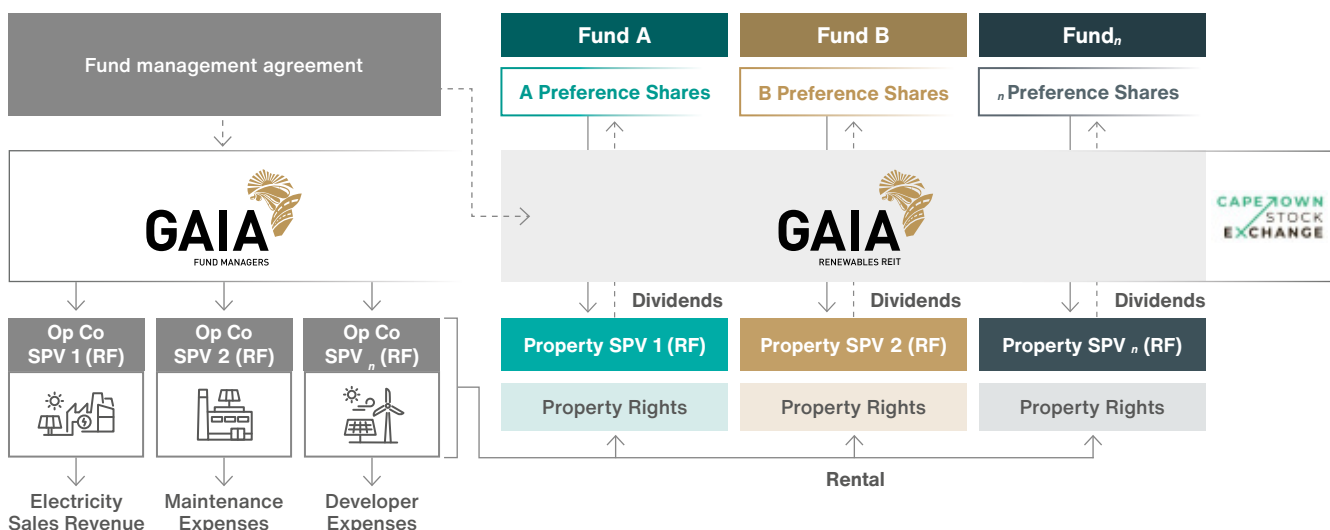
However, the current means of gaining access to these projects include a daunting and protracted process requiring, amongst other things negotiating lengthy contracts. This process is far removed from investors’ ordinary means of acquiring shares on a trading platform and therefore acts as a significant 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, with each class forming a respective sub-fund. Each class of preference share will be linked to a specific set of renewable energy projects with a corresponding asset management agreement with Gaia Fund Managers.



# INVESTMENT POLICY



Assets that provide “additionality” to renewable energy generation or promotes the more efficient use of energy infrastructure in Sub Saharan Africa

Visible ESG policy appreciation, thereby ensuring a positive, sustainable impact on the Sub-Saharan African country and its people

Investments providing a long-term, predictable cash flow stream to the investor

Direct or indirect equity (shareholder loans and equity) and/or quasi equity (preference share) investments (via one or more conduit vehicles) in underlying project companies

Value-adding asset management opportunities and directorship roles to optimise the potential of all underlying assets

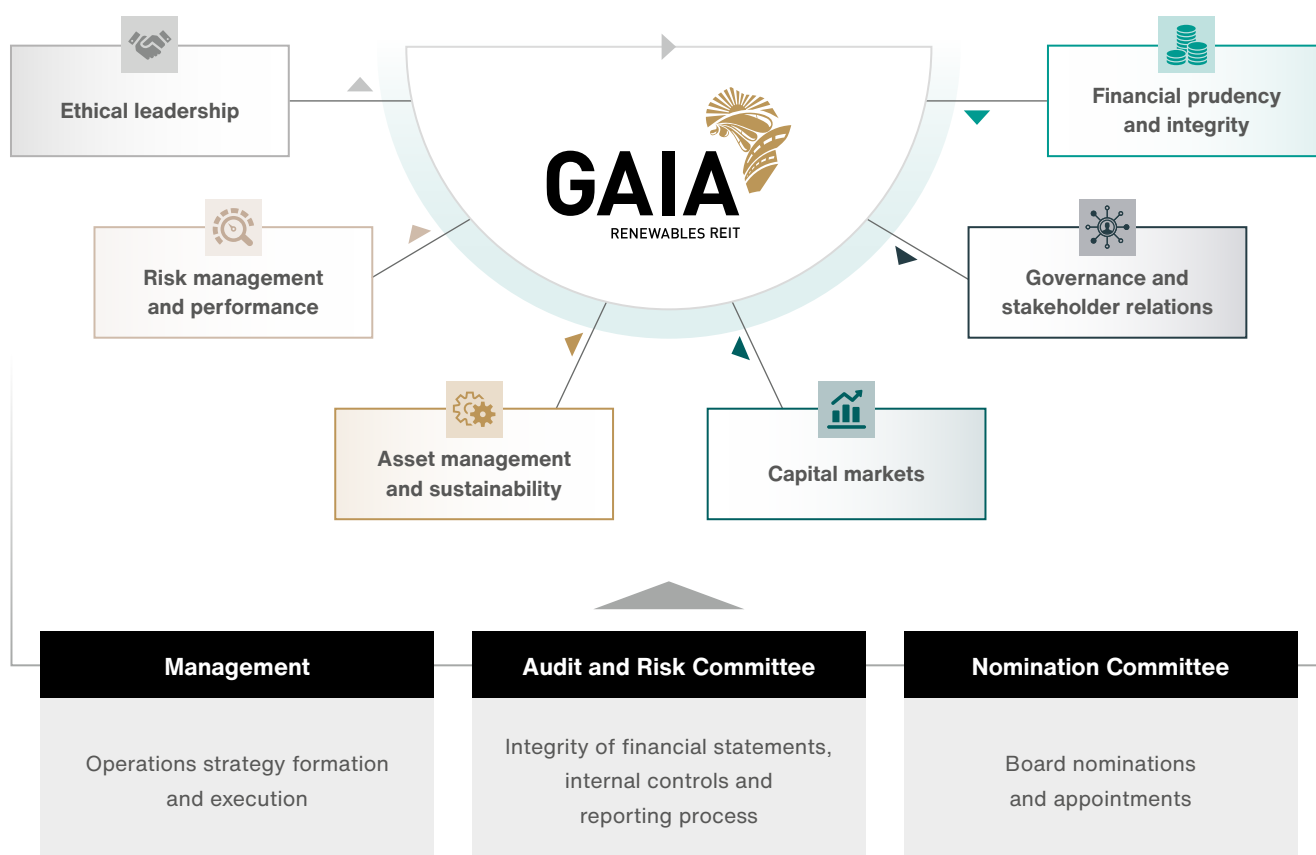
# STRATEGIC OVERVIEW

## 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.



# IMPACT STRATEGY

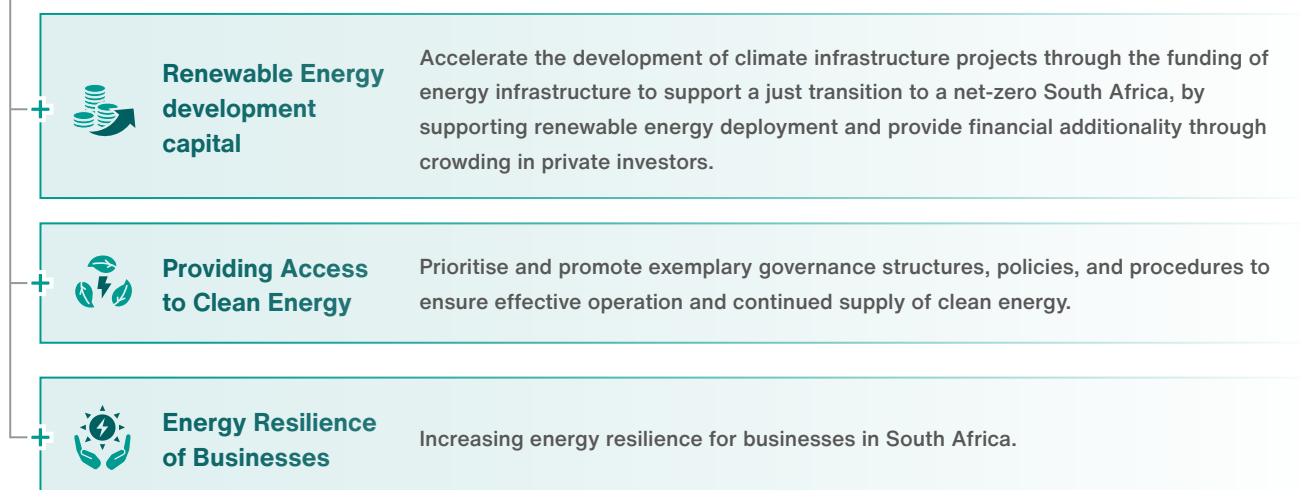
Set out in the section below is information about the Company's impact.

## 1. MEASURABLE IMPACT AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONSIDERATIONS

The Company aims to invest in assets with a primary focus on renewable energy contributing to climate change mitigation through the reduction of carbon emissions (hereinafter referred to as the "Sustainable Investment Objective").

The Company mission is to play a catalytic role in promoting a sustainable project development cycle and crowd in more investors at all stages of the funding ecosystem by (1) being the preferred partner to increase business resilience by reducing risk and stabilise future potential energy expenditure and dependence on sustainable energy provision and (2) drawing in private capital into the project funding ecosystem.

In particular, the the Company aims to reach its Sustainable Investment Objective by catalysing the infrastructure development cycle, and ultimately providing access to sustainable clean energy by:



UN SDGs supported are SDG 7 *Affordable and Clean Energy*, SDG 9 *Industry, Innovation and Infrastructure*, SDG 11 *Sustainable Cities and Communities*, SDG 12 *Responsible consumption and production* and SDG 13 *Climate Action*.

## 2. SFDR AND EU TAXONOMY

The Company has voluntarily adopted to comply with SFDR and EU Taxonomy requirements and disclosures as per Annexure 4, Annex III – Pre-Contractual Disclosure for the Financial Products Referred to in Article 9, Paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, First Paragraph, of Regulation (EU) 2020/852.

The Sustainable Investment Objective of Gaia Renewables REIT takes an environmental facet as it directly contributes to the EU Taxonomy Environmental Objectives. Sustainable Investments will contribute to Climate Change Mitigation in alignment to the COP21 Paris Agreement adopted in 2015.

No index has been selected as a reference benchmark for the the Company as no EU-approved index is currently available in the market in alignment with the Company investment strategy. Nonetheless, the Company will monitor and report on the progress of its portfolio by providing stakeholders with an indication of the performance of its Key Performance Indicators ("KPIs") against its baseline and pre-set targets. As outlined in the following section, KPIs align with the UN SDGs and IRIS+.

## IMPACT STRATEGY (CONTINUED)

### 3. KEY PERFORMANCE INDICATORS

Set out in the table below is the Issuer’s Key Performance Indicators:

IMPACT OBJECTIVE	UN SDGs	KEY PERFORMANCE INDICATORS
i. <b>Renewable Energy development capital</b>	SDG 9.4 SDG 12.a	<p><b>Access to reliable clean energy</b></p> <ul style="list-style-type: none"> <li>Number of business connections to reliable energy <b>(IRIS+ PI8053)</b></li> <li>MW under development <b>(own KPI)</b></li> <li>MW completed <b>(own KPI)</b></li> </ul> <p><b>Reduced GHG emissions</b></p> <ul style="list-style-type: none"> <li>Clean energy produced for sale (kWh) <b>(IRIS+ PI8706)</b></li> <li>GHG emissions avoided <b>(IRIS+ PI2764)</b></li> </ul> <p><b>Number of private capital investments made in the structure (own KPI)</b></p>
ii. <b>Providing Access to Clean Energy</b>	SDG 7.2, 7.b SDG 9.4 SDG 11.6 SDG 13.a	<p><b>Reduced GHG Emissions</b></p> <ul style="list-style-type: none"> <li>Amount of greenhouse gas (“GHG”) emissions avoided by the organisation during the reporting period <b>(IRIS+ PI2764)</b></li> <li>Clean energy produced for sale (kWh) <b>(IRIS+ PI8706)</b></li> </ul> <p><b>Access to reliable clean energy</b></p> <ul style="list-style-type: none"> <li>Number of business connections to reliable energy (to utilities and services provided by the organisation as of the end of the reporting period) <b>(IRIS+ PI8053)</b></li> </ul>
iii. <b>Energy resilience of businesses</b>	SDG 7.1 SDG 12.a	<p><b>Number of households and Business Connections</b></p> <ul style="list-style-type: none"> <li>Number of residential and commercial connections to utilities and services provided by the organisation as of the end of the reporting period <b>(IRIS+ PI8053)</b></li> </ul>

### 4. CAUSE NO SIGNIFICANT HARM

The Company is committed to measuring the negative impacts of its Sustainable Investments by implementing the best sustainability market practices across its investment process. In particular, investments are screened and assessed against the following:

- The Company Exclusion List in line with IFC and EDFI Exclusion List
- BII Fossil Fuel Policy
- Minimum Safeguards
- Taxonomy Eligibility
- Good Governance Practices
- Principal Adverse Impacts (“PAIs”)
- IFC Performance Standards (“IFC PS”)
- World Bank Group’s General Environmental and Health and Safety (“H&S”) Guidelines (“WBG EHS Guidelines”)
- ESG Risk Framework in line with IFC PS
- Impact Management Project (“IMP”) framework

### 5. PRINCIPAL ADVERSE IMPACTS

The indicators for Principal Adverse Impacts (“PAIs”) on sustainability factors are taken into account by the Company, during the due diligence process, prior to the investment decision, and during the life of the investment. In particular Mandatory PAIs (or proxies when not available) and two Additional PAIs will be monitored and reported annually.

The first PAIs reference period which ends annually in December with mandatory reporting the 30 June the following year will only be in-scope for the Company for the period 1 January 2024 to 31 December 2024 with SFDR website reporting by June 2025.

Where no data is available, proxies shall be used. The Additional PAIs considered are as follows:

- Environmental Additional PAI #6: Non-recycled waste ratio
- Social Additional PAI #2: Rate of accidents



Compliance with the mandatory and additional SFDR PAIs are stipulated in the the Company Environment and Social Management System, which the Board of Directors has adopted.

Pursuant to the indicators set out in Annex 1 of the Regulatory Technical Standards under the EU 2019/2088 SFDR Regulation, Gaia Fund Managers, acting as the investment advisor of the Company, will endeavour to assess its investment opportunities and monitor the performance of its investees against the PAIs as follows:

- Due diligence process: Principal Adverse Impacts indicators (or proxies if no direct data is available) are collected before the investment decision during the due diligence phase. They may lead to deciding not to invest or a mitigation plan.
- Investment Commitment: The letters of intent and finalised legal contract structure may include a mitigation plan in case of gaps. In that case, the manager can also provide some assistance to improve the performance on the PAIs.
- Portfolio life: Principal Adverse Impacts indicators will be collected on a rolling basis or quarterly according to the KPI to monitor the portfolio effectively. An annual verification will be made.

Given the nature of the the Company Investments and small team size, investees do not fall under the OECD Guidelines for Multinational Enterprises.

As outlined in the Environmental and Social Management System (“ESMS”), the UN Guiding Principles on Business and Human Rights, especially the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights, the compliance with minimum safeguards will be ensured as follows across the different stages of the investment process:

- Pre-investment phase: Verified during the origination, screening, and due diligence process.
- Investment Commitment: Investees will be required to commit and ensure compliance with these principles and rights in the letter of intent and the agreed legal contract structure.
- Portfolio life: An annual verification through a questionnaire will be made.

The Company considers principal adverse impacts on sustainability factors. Accordingly, Gaia undertakes to screen potential investments and monitor investments against the principal adverse impact indicators set out in the Regulatory Technical Standards. Furthermore, the

Company will ensure that information regarding such principal adverse impacts on sustainability factors will be available on the website following the closing of the relevant financial year of the Company, where such data, indicators, and assessments are available. When no direct data is available, proxies shall be used.

Pursuant to the indicators set out in Annex 1 of the Regulatory Technical Standards under the EU 2019/2088 SFDR Regulation, the Company will endeavour to assess its investment opportunities and monitor the performance of its investees against:

- the mandatory Principal Adverse Impacts in Annex 1;
- two additional indicators were chosen for the Financial Product:
  1. Environmental Additional PAI #6: Non-recycled waste ratio.
  2. Social Additional PAI #2: Rate of accidents.Gaia Renewables REIT’s assessment of PAIs occurs at two stages in its investment life-cycle.

These are:

1. **Pre-investment Due Diligence:** As part of a comprehensive evaluation of a potential investee’s sustainability factors, the Company Investment Committee will assess the investment opportunity against the identified PAIs. In addition, given the unique industry, geography, risk factors, or circumstances of the investee, the Investment Committee may choose, on a discretionary basis, to identify Additional PAIs relevant to the investee and mutually agree to track the individual investee’s performance on an ad hoc basis.
2. **Portfolio Monitoring and Reporting:** The Company will endeavour to periodically assess an asset’s performance against the PAIs and disclose the relevant indicators through its annual reporting requirements. The REIT, through Gaia, retains the operational capacity to support the assessment, measurement, and reporting of its PAIs on the invested assets.

The Company will not knowingly approve any investment which could significantly harm the Sustainable Investment Objective and will ensure the proper exchange of information between the investment service providers, fund management, and its Board to ensure that all the investments underlying the Partnership qualify as Sustainable in compliance with eligibility requirements further outlined in the ESMS.

## IMPACT STRATEGY (CONTINUED)

### 6. INVESTMENT STRATEGY

In its endeavour to meet the Sustainable Investment Objective, the Company adopts a broad-based but rigorous approach to its sustainable investment strategy – investing in assets with a primary focus on renewable energy contributing to climate change mitigation through the reduction of carbon emissions.

The Company has integrated sustainability considerations across all its stages of the investment processes.

The Company guiding principles describe how the Sustainable Investment Objective will be achieved in alignment with their commitments. The elements outlined below are binding, and failure to meet any one of them is grounds for rejection.

Accordingly, the Company will adhere to the Guiding Principles as listed below:

- the Company will ensure that the adopted ESMS is fully communicated to, understood by, and implemented at all levels throughout the REIT, including its investees;
  - exclude investment activities outlined in the Gaia Exclusion List as set out in the Fund’s ESMS in line with IFC, EDFI Exclusion List, and BII Fossil Fuel Policy;
  - assess investments against the Minimum Safeguards, Good Governance practices, Taxonomy Eligibility, and Principal Adverse Impacts;
  - ensure ongoing compliance with Minimum Safeguards and Good Governance practices;
  - ensure transparent and ongoing reporting of the pre-defined Principal Adverse Impacts;
- implement the IFC Performance Standards (“IFC PS”) and the World Bank Group’s General Environmental and Health and Safety (H&S) Guidelines (WBG EHS Guidelines) to assess and manage ESG Risks of investments; and
  - apply the Impact Management Project (“IMP”) to assess and manage the impact risks of investments.

### 7. GOOD GOVERNANCE PRACTICES

The ESG factors framework incorporated into Gaia’s investment evaluation and monitoring processes (where applicable and material) include the following considerations on a governance level:

- King IV (on an apply and explain basis);
- Corporate governance, sound management structures, and oversight;
- Tax compliance;
- Compliance with laws and regulations;
- Employee relations and remuneration of staff;
- Fraud, anti-bribery and anti-corruption controls; and
- Fraud and cyber security.

In the case of any gaps, the Company will assess such gaps and can determine a tailored mitigation clause to be implemented within a limited time frame.

### 8. 2X CHALLENGE

The Company supports the 2X Challenge and through the leadership criteria complies with the 2X Criteria. Gaia Fund Managers support women as entrepreneurs, leaders, employees, and consumers and are committed to increase gender equality, reduce poverty, and promote a more inclusive and robust economic growth.



# 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.	<ul style="list-style-type: none"> <li>▪ Financial performance</li> <li>▪ Dividend policy</li> <li>▪ Management ability to deliver</li> <li>▪ Share price performance</li> <li>▪ Strategic intent</li> <li>▪ Asset quality, yields and valuation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Annual results announcements and presentations</li> <li>▪ Website</li> <li>▪ Roadshows</li> <li>▪ Ad hoc meetings</li> <li>▪ Investor conferences</li> <li>▪ AGM</li> </ul>
Project Partners	Gaia's performance is directly linked to the quality and performance of the underlying projects. Gaia prioritises cultivating mutually beneficial relationships with the partners associated with each project.	<ul style="list-style-type: none"> <li>▪ Purchase costs</li> <li>▪ Long-term support and technical input</li> <li>▪ Value adding relationships</li> <li>▪ Asset optimisation initiatives</li> </ul>	<ul style="list-style-type: none"> <li>▪ Board representation</li> <li>▪ One-on-one engagement</li> <li>▪ Management meetings</li> </ul>
Other indirect stakeholders – (Lenders, off-takers, etc.)	Gaia supports the management of the underlying projects through active shareholder participation and project management.	<ul style="list-style-type: none"> <li>▪ Long-term support and technical input</li> <li>▪ Value adding relationships</li> <li>▪ Asset optimisation initiatives</li> </ul>	<ul style="list-style-type: none"> <li>▪ Board and board committee representation</li> <li>▪ One-on-one engagement</li> <li>▪ Management meetings</li> </ul>



# ANNUAL PERFORMANCE REVIEW

## FINANCE REPORT

### SALIENT RESULTS

Tangible net asset value at **12.7c** per ordinary share

Class A preference shares valued at **R52 859** per share

The Company concluded investments in three projects and has committed to investing **R136 million** of the **R151 million** raised

One of the projects became operational in May 2024 with two other projects currently under construction for a total generation capacity of **c 8 120 MWh/year**, displacing **7 450 tonnes of CO<sub>2</sub>**  
Gross assets under management valued at **R171.24 million**

### 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	2024 R
<b>Assets</b>		
<b>Non-current assets</b>		
Investment in subsidiary	3	171 241 802
Deferred tax assets	4	37 634
<b>Total non-current assets</b>		<b>171 279 436</b>
<b>Current assets</b>		
Trade and other receivables		343 502
Cash and cash equivalents	5	1 509 975
<b>Total current assets</b>		<b>1 853 477</b>
<b>Total assets</b>		<b>173 132 913</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Stated capital	6	-
Retained income		12 729 878
<b>Total equity</b>		<b>12 729 878</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Other financial liabilities	7	160 109 669
<b>Current liabilities</b>		
Trade and other payables		292 489
Bank overdraft	5	877
<b>Total current liabilities</b>		<b>293 366</b>
<b>Total liabilities</b>		<b>160 403 035</b>
<b>Total equity and liabilities</b>		<b>173 132 913</b>

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	14-month period ended 30 April 2024
Other income		343 502
Administrative expenses		(161 672)
Other expenses		(392 017)
Other (losses) and gains	8	12 831 630
<b>Profit from operating activities</b>		<b>12 621 443</b>
Investment income		70 807
Finance costs		(6)
<b>Profit before tax</b>		<b>12 692 244</b>
Income tax credit	9	37 634
<b>Profit for the 14-month period</b>		<b>12 729 878</b>

# GOVERNANCE REVIEW

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS



**Matthys Michiel Nieuwoudt (“Mich”)**  
Director for Gaia Renewables REIT Limited

*Pr Eng, BEng (Electronic), MBA*  
Date of appointment: 14 March 2023

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.



**Tersia Lister**  
Director for Gaia Renewables REIT Limited

*CA(SA), MBA*  
Date of appointment: 9 June 2023

Tersia is a Chartered Accountant, completing her articles with Deloitte. She later obtained her MBA from the University of Cape Town Graduate School of Business, where her research was completed with a focus on impact investing. She has more than 15 years of experience in capital markets, focusing primarily on the equity capital markets (ECM) in the listed environment. This tenure includes advisory and regulatory functions at the JSE Limited and the Cape Town Stock Exchange. Tersia joined Gaia in 2022, contributing her skills related to corporate law, corporate finance, capital markets and sustainable finance and currently serves as the impact reporting officer.



**Hendrik Snyman**  
Director for Gaia Renewables REIT Limited

*PhD (Eng), MCom (Fin. Man), MEng (Eng.Man), BEng (Industrial Mechanical)*  
Date of appointment: 14 March 2023

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.

*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.*

## INDEPENDENT NON-EXECUTIVE DIRECTORS



**Nandi Khoza**  
Independent Director of Gaia Renewables REIT Limited

*BCom (Hon) and MBA graduate*  
Date of appointment: 9 June 2023

Nandi Khoza is the Chief Financial Officer of N3 Toll Concession, a Toll Road Concession company and has been in this position since 2017.

A BCom (Hon) and an MBA graduate with extensive experience in infrastructure finance and private equity. A specialist who has advised national governments, municipalities and the private sector on public private partnerships on projects and managed various projects and investments in various sectors including renewable energy, transport, health, mining and sanitation. Appointed Non-Executive Director in November 2017 and Chair of the Remuneration Committee in May 2023 of Zimele Investments Enterprise Company. Appointed Non-Executive Director and Chair of the Audit Committee of GAIA REIT Investments in June 2023.



**Yvette Louise Labuschagne**  
Independent Director of Gaia Renewables REIT Limited

*BCom (Fin. Mgmt), BCom (Hons) (Inv. Mgmt), (EMBA Candidate)*  
Date of appointment: 9 June 2023

Yvette holds a BCom (Hons) Investment Management degree from the University of Johannesburg and is currently an executive MBA candidate at MIP Politecnico di Milano Graduate School of Business. She has more than 15 years' experience in investment banking and has been a JSE Approved Executive since 2010, focusing primarily on structuring and the execution of transactions, as well as equity capital markets transactions for listed companies. She has been involved in numerous local and international transactions including capital raisings, listings, disposals, takeovers, mergers and acquisitions. Yvette joined Standard Bank's Investment Banking division in January 2022, and prior to that was a member of the investment banking teams at Renaissance Capital and UBS South Africa.



**Dorita Smit**  
Independent Director of Gaia Renewables REIT Limited

*CA(SA), University of Pretoria, South Africa*  
Date of appointment: 9 June 2023

Dorita Smit is a Chartered Accountant with over 15 years of experience in the construction industry. After completing her articles at Deloitte, she joined Group Five in 2008, where she held various financial roles. In 2019, she transitioned to T3 Projects (formerly Group Five Projects), where she currently serves as the Financial Director. In this role, she is responsible for managing the complex financial operations of projects across Africa, including the challenges of operating in multiple cross-border territories, dealing with various currencies, and ensuring compliance with diverse tax regimes.

# 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

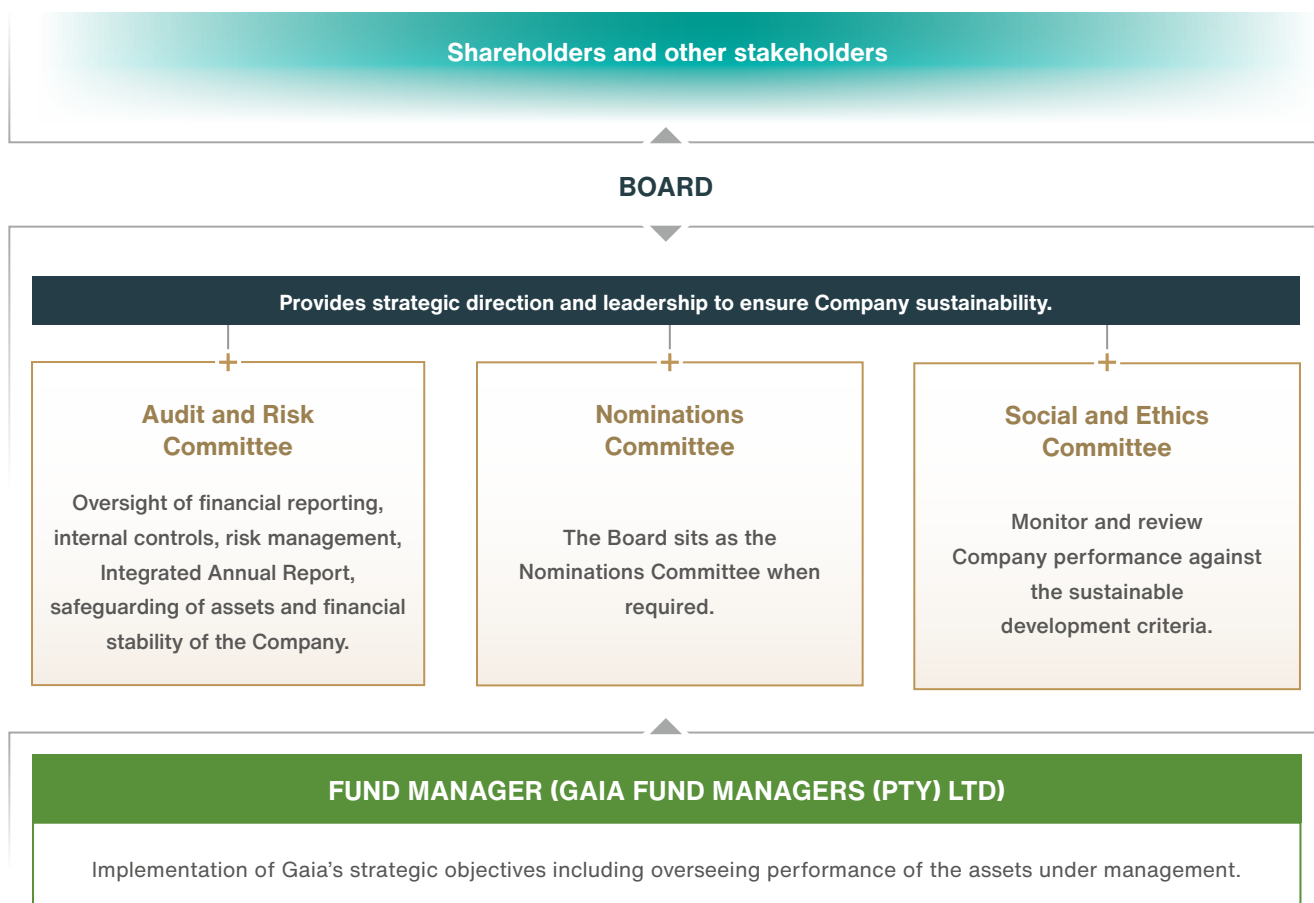
Gaia complies with the Companies Act 71 of 2008, Cape Town Stock Exchange Listings Requirements, applicable statutes, regulatory requirements and other authoritative directives regulating its conduct.

## 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 17 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	14 March 2023
Tersia Lister	Executive Director	9 June 2023
Hendrik Andries Snyman	Executive Director	14 March 2023
Nandi Khoza	Independent Non-Executive Director	9 June 2023
Yvette Louise Labuschagne	Independent Non-Executive Director	9 June 2023
Dorita Smit	Independent Non-Executive Director	9 June 2023

The *curriculum vitae* of the members of the Board can be found on pages 12 and 13 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 2023 and the period leading-up to the date of this report:

	2024	2023
<b>Board</b>		
Mich Nieuwoudt	✓	✓
Tersia Lister	✓	✓
Hendrik Snyman	✓	✓
Nandi Khoza	✓	✓
Yvette Labuschagne	✓	✓
Dorita Smit	✓	✓
Company Secretary	✓	✓
<b>Audit and Risk Committee</b>		
Nandi Khoza	✓	✓
Yvette Labuschagne	✓	✓
Dorita Smit	✓	✓
<b>Social and Ethics Committee</b>		
Nandi Khoza	✓	✓
Yvette Labuschagne	✓	✓
Dorita Smit	✓	✓

✓ 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 short-list 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 14 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 FY23 are included in the meeting attendance summary on page 16. The *curriculum vitae* on pages 12 and 13 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 chairperson, 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, Ms. Hilde Matthee.

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 apprised 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 therefore 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.

PKF Cape Town issued an unqualified audit report on the Company's financial statements ended 28 February 2023.

**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 chairperson 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 propriety (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 14-month period ended 30 April 2024. 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:

- Nandi Khoza
- Yvette Labuschagne
- Dorita Smit

Standing invitees:

- The Board of the Company

Meeting attendances are available on page 16 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 2025 financial year at the Annual General Meeting scheduled for 13 September 2024.

## 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 for the period under review. 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:

- nominated PKF Cape Town as the Company’s registered external auditor for the 14-month period ended 30 April 2024 after being satisfied that they remain independent of the Company;
- approved the terms of engagement and fees to be paid to PKF Cape Town;
- ensured that the appointment of PKF Cape Town 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 in Stellenbosch 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

PKF Cape Town 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, PKF Cape Town 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 reporting period.

The Committee has nominated, for approval at the AGM, PKF Cape Town as the external auditor and Mr Pieter Louw van Der Ahee as designated auditor for this period, 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 in Stellenbosch Proprietary Limited ("OS") provided to the Company accounting services for the period under review. The Committee is satisfied with the independence of OS 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 14-month period ended 30 April 2024 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 14-month period ended 30 April 2024 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 31 July 2024.

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 24).

## 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.



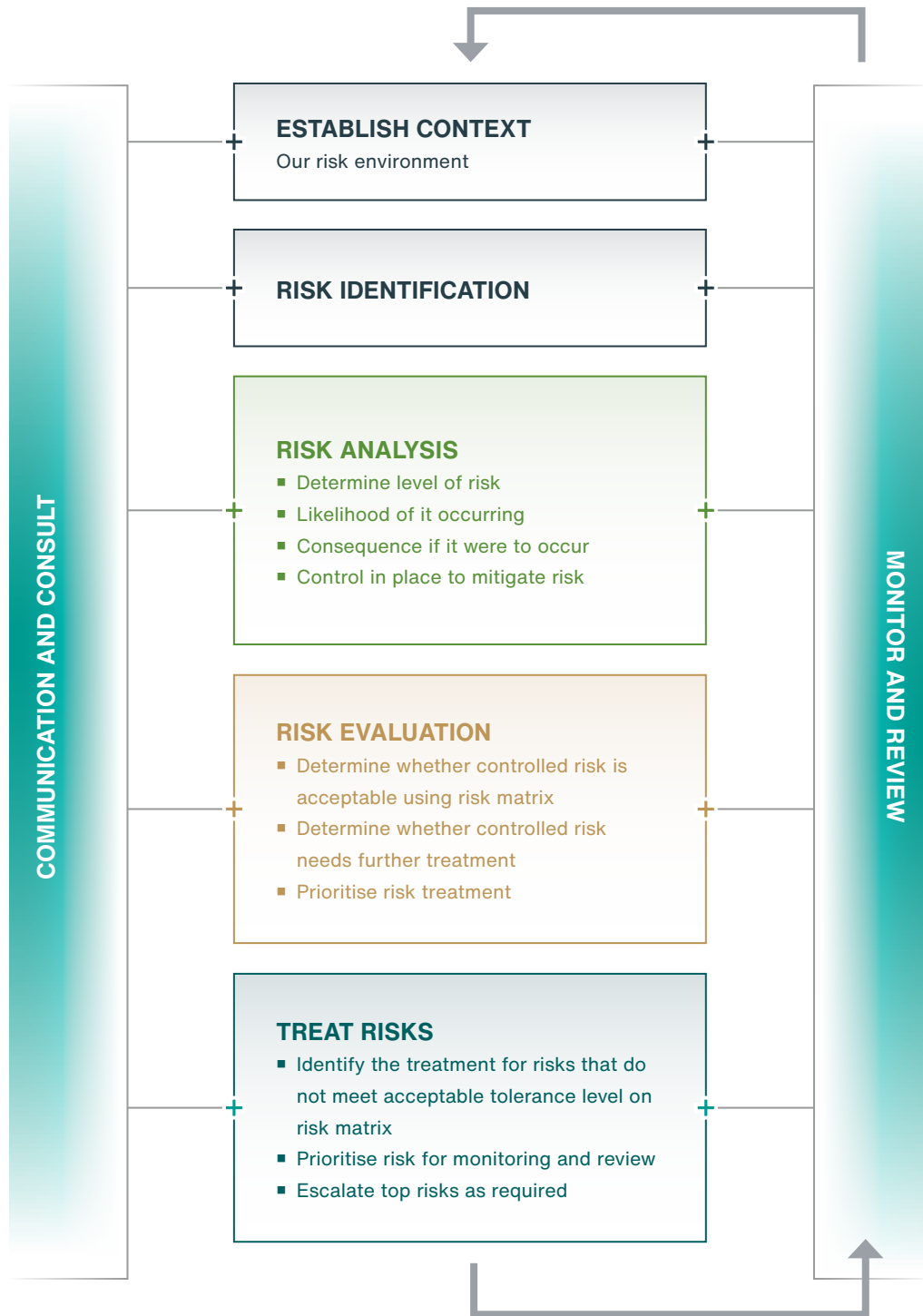
**Nandi Khoza**

*Chairperson of the Audit and Risk Committee*

31 July 2024

# 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:

- Yvette Labuschagne
- Nandi Khoza
- Dorita Smit

Meeting attendances are available on page 16 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 have been formalised and approved by the Board. 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 period.

## 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.

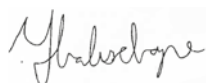
The Committee's oversight role also includes the monitoring of any relevant legislation, other legal requirements or prevailing codes of best practice, specifically with regard to matters relating to social and economic development, good corporate citizenship, employment equity and the environment.

The Committee can report that the Company's investments to date will allow the projects' to generate nearly 8 120 MWh of clean renewable energy in the 2024 calendar year, offsetting almost 7 450 tons of CO<sub>2</sub> equivalent emissions.

## SOCIO-ECONOMIC DEVELOPMENT: COMMUNITY, SOCIAL AND ENVIRONMENTAL ISSUES

In addition to creating direct jobs during construction, the Company believes that an entire supporting ecosystem will be created over the coming years to support the maintenance of the sector. The Committee believes that many of activities required to support the projects can be fulfilled by previously unskilled individuals and accordingly the Company will seek to work with partners who prioritise training and skills transfer among their workforce. The Company and the activities of the projects are set to create 34 400 man hours of work during construction and 18 permanent jobs per annum over the life of the projects.

Signed on behalf of the Social and Ethics Committee by:



**Yvette Labuschagne**

Chairperson

21 August 2024

# 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.

<b>Insider trading</b>	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.
<b>Going concern</b>	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.
<b>Material litigation</b>	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.

# ANNUAL FINANCIAL STATEMENTS

## 1. INTRODUCTION

The Audit and Risk Committee (“the Committee”) is pleased to present its report for the 14-month period ended 30 April 2024 (“FY24”). The Committee is an independent statutory committee appointed by shareholders. This report considers the statutory and delegated duties in terms of the Companies Act, 71 of 2008 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

- Nandi Khoza (Chairperson)
- Yvette Labuschagne
- Dorita Smit

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 2024 financial period at the Annual General Meeting scheduled for 13 September 2024.

The Committee is satisfied that the members thereof have the required knowledge and experience as set out in section 94(5) of the Companies Act, 71 of 2008 (“the Act”) and Regulation 42 of the Companies Regulations 2011.

## 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, 71 of 2008, 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 separate 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 separate 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 annual separate 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;
- report on the risk management process and assess the Company’s exposure to the top strategic risks;
- monitor the compliance effectiveness within the Company;
- perform duties that are attributed to it by its mandate from the Board, the Companies Act, 71 of 2008, the Cape Town Stock Exchange Requirements, King IV and other regulatory requirements; and
- review processes and procedures to ensure the effectiveness of internal systems of control including information and technology.

## REPORT OF THE AUDIT AND RISK COMMITTEE (continued)

### 4. ACTIVITIES OF THE COMMITTEE

The Committee fulfilled its responsibilities during the 2024 financial period. 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 period 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 separate financial statements;
- reviewed the appropriateness of the annual separate financial statements, other reports to shareholders and other financial announcements made public;
- considered whether the annual separate financial statements fairly present the financial position of the Company as at 30 April 2024 and the results of operations and cash flows for the financial period then ended;
- considered the solvency and liquidity of the Company;
- considered accounting treatments, the appropriateness of accounting policies adopted and the effectiveness of the entity'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 annual separate 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; and
- the Committee spent time understanding the valuation methodology and various input factors and judgements applied and challenged these where necessary. The Committee is satisfied that the valuation of investments and financial liabilities performed fairly reflect the fair value of the investments and financial liabilities of the Company.

#### External audit

The Audit and Risk Committee nominated PKF Cape Town as the external auditor for the Company for the 14-month period ended 30 April 2024 and their appointment complies with the Companies Act, 71 of 2008 and all other applicable legal and regulatory requirements. Pieter-Louw van der Ahee has been designated as the auditor for this period.

Taking into consideration the criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies, PKF Cape Town 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 Group in a financial reporting oversight role during the period 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 PKF Cape Town provides.

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 in Stellenbosch Proprietary Limited ("OS") provided accounting services to the Company for the period under review. The Committee is satisfied with the independence of OS and the quality of the accounting work provided by them during the period under review. The Committee has accordingly considered the management report from the external audit on such matters and is satisfied that the report confirms the adequacy and effectiveness of the systems of internal control and that there were no material breakdowns in the internal control during the financial period.

## REPORT OF THE AUDIT AND RISK COMMITTEE (continued)

### 4. ACTIVITIES OF THE COMMITTEE (continued)

#### 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 Proprietary Limited 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 PKF Cape Town in its external auditor's report

The external auditors have reported on two key audit matters in respect of their 2024 audit, being:

- valuation of investment in subsidiary – GRR Property SPV 1 (RF) Proprietary Limited; and
- the valuation of other financial liabilities – Class A preference shares.

Both of these key audit matters relate to material financial statements 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 period under review. Following the audit of the financial statements, the Audit and Risk Committee recommended Board approval thereof.

On behalf of the Audit and Risk Committee



**Nandi Khoza**

*Audit and Risk Committee Chairperson*

31 July 2024

## DIRECTORS' RESPONSIBILITIES AND APPROVAL

for the 14-month period ended 30 April 2024

The directors are required by the Companies Act, 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual separate financial statements and related financial information included in this report. It is their responsibility to ensure that the annual separate 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 period. The external auditors are engaged to express an independent opinion on the financial statements. The annual separate 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 Company 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 separate 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 annual separate 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 annual separate financial statements support the viability of the Company.

The external auditors are responsible for independently auditing and reporting on the Company financial statements. The financial statements have been examined by the Company external auditors and their unqualified audit report is presented on pages 27 to 58.

The annual separate financial statements set out on pages 38 to 58 which have been prepared on the going concern basis, were approved by the directors and were signed on 31 July 2024 on their behalf by:



**N Khoza**



**HA Snyman**

**Place:** Cape Town

**Date:** 31 July 2024



## CERTIFICATE BY THE COMPANY SECRETARY

for the 14-month period ended 30 April 2024

In terms of section 88(2)(e) of the Companies Act, 71 of 2008, I certify that to the best of my knowledge and belief, Gaia Renewables REIT Limited has lodged all returns required in terms of the Companies Act, 71 of 2008, with the Registrar of Companies for the 14-month financial period ended 30 April 2024 and that the returns are true, correct and up to date.



**The Office in Stellenbosch Proprietary Limited**

**Per: Marguerite Greeff**

*Company Secretary*

31 July 2024

## DIRECTORS' REPORT

The directors submit their report on the annual separate financial statements of Gaia Renewables REIT Limited for the 14-month period ended 30 April 2024.

### 1. INCORPORATION

The Company was incorporated on 14 March 2023 and obtained its certificate to commence business on the same day.

### 2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

#### Main business and operations

Gaia Renewables REIT Limited was incorporated in South Africa. The Company performs investment activities. The Company operates in South Africa.

#### Review of financial results and activities

The Company generated a profit after tax for the 14-month period ended 30 April 2024 of R12 729 878.

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

Company cash flows from operating activities amounted to an outflow of R190 399 for the 14-month period ended 30 April 2024. Full details of the financial position, results of operations and cash flows of the Company are set out in these annual separate financial statements.

### 3. AUTHORISED AND ISSUED STATED CAPITAL

Please refer to Note 6 of the annual separate financial statements for details regarding the movement in authorised and issued share capital.

### 4. DIVIDENDS

No dividends were declared or paid to the shareholder during the period.

### 5. DIRECTORS

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

Directors	Designation	
N Khoza	Independent Non-Executive Director	Appointed 9 June 2023
YL Labuschagne	Independent Non-Executive Director	Appointed 9 June 2023
T Lister	Executive Director	Appointed 9 June 2023
MM Nieuwoudt (Chairman)	Executive Director	Appointed 14 March 2023
D Smit	Independent Non-Executive Director	Appointed 9 June 2023
HA Snyman	Executive Director	Appointed 14 March 2023

### 6. EVENTS AFTER REPORTING DATE

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

## DIRECTORS' REPORT (continued)

### 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 believe that the Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual separate financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Company.

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's designated secretary is Marguerite Greeff (The Office in Stellenbosch Proprietary Limited).

#### Postal address

PO Box 12700  
Die Boord  
7613

#### Business address

8 Helderberg Street  
Stellenbosch Central  
Stellenbosch  
7600

### 9. HOLDING ENTITY

During the current financial period, Gaia Fund Managers Proprietary Limited sold its full ownership to Gaia Renewables Management Proprietary Limited.

The holding entity and their interest at the end of the period is:

	Holding
Gaia Renewables Management Proprietary Limited	100.00%

### 10. INTEREST IN SUBSIDIARIES

The Company holds 100% interest in GRR Property SPV 1 (RF) Proprietary Limited during the period under review. Details of the Company's interests in subsidiaries are presented in the annual separate financial statements in Note 3.

### 11. INDEPENDENT AUDITORS

PKF Cape Town were appointed as auditors for the Company for the 14-month period ended 30 April 2024, in accordance with section 90(6) of the Companies Act, 71 of 2008.

### 12. CONSOLIDATION OF FINANCIAL STATEMENTS

The Company did not prepare consolidated financial statements since it is an investment entity. Refer to accounting policy 1.3 of the annual separate financial statements for further details on the consolidation exemption.

# INDEPENDENT AUDITOR’S REPORT

**To the Shareholders of Gaia Renewables REIT Limited**

**Report on the Audit of the Financial Statements Opinion**

We have audited the financial statements of Gaia Renewables REIT Limited (“the Company”) set out on pages 27 to 58, which comprise the statement of financial position as at 30 April 2024, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Gaia Renewables REIT Limited as at 30 April 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors’ Code of Professional Conduct for Registered Auditors (“IRBA Code”) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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
<p>The investment in subsidiary and the preference shares issued (other financial liabilities) are measured at fair value through profit and loss. The year-end balance of these line items are material and significant judgement and assumptions are applied by management in determining these fair values. We consider these judgements and assumptions to be a key audit matter due to the high estimation uncertainty.</p> <p>The valuation of the investment in subsidiary and the preference shares issued (other financial liabilities) is based on the discounted future cash flows from the underlying investment and cash available to settle the liabilities. There are estimations involved in the forecasting of the future cash flows, the discount rate used and the annual inflation rate.</p> <p>The future cash flows are highly dependent on the revenue of the underlying investment which is based on the solar forecast of the project company up until the end of the 20-year Power Purchase Agreement.</p>	<p>We held discussions with management to obtain an understanding of the process applied in terms of determining the fair value of the investment in subsidiary and the preference shares issued (other financial liabilities).</p> <p>We performed the following procedures:</p> <ul style="list-style-type: none"> <li>■ Obtaining the report from the management’s expert regarding the work done on the arithmetical accuracy of the fair value model and performing the following procedures:                             <ul style="list-style-type: none"> <li>- Assessing the competence, expertise and objectivity of the expert;</li> <li>- Reviewing the reasonableness of the expert’s assumptions and methods;</li> <li>- Reviewing the completeness and accuracy of the source data used; and</li> <li>- Evaluating the relevance and reasonableness of the expert’s findings.</li> </ul> </li> <li>■ Testing the inputs used in the cash flow forecast for reliability and accuracy by comparing the various inputs to the project due diligence reports.</li> <li>■ Testing management assumptions of the CPI Index and annual inflation rate for the long-term outlook over the remaining period of the Power Purchase Agreement (“PPA”) for the reasonability thereof.</li> <li>■ Agreeing the internal rate of return to the signed asset management agreement.</li> <li>■ Testing the effect, the above assumptions have on the overall discount rate and recalculating this rate.</li> <li>■ Re-computing of the fair values.</li> </ul>

## INDEPENDENT AUDITOR’S REPORT (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Therefore, the forecast of the cash flows is a significant assumption impacting the valuation of the investment in subsidiary and the preference shares issued (other financial liabilities).</p> <p>Refer to Note 3, Investment in subsidiary, and Note 7, Other financial liabilities for how the key audit matter was identified in the valuation of these financial instruments.</p>	<p>Based on the results of the above procedures, we consider the carrying value of the investment in subsidiary and the preference shares issued (other financial liabilities) measured through profit and loss to be reasonable.</p>

### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled “Gaia Renewables REIT Limited Annual Separate Financial Statements for the 14-month period ended 30 April 2024”, which includes the Report of the Audit and Risk Committee, Certificate by the Company Secretary and Directors’ Report as required by the Companies Act 71 of 2008 and the Report of the Compiler. It further includes a document titled “Gaia Renewables REIT Limited Integrated Annual Report 2024”. The “Gaia Renewables REIT Limited Integrated Annual Report 2024” is expected to be made available to us after the date of this auditor’s report. As soon as the document titled “Gaia Renewables REIT Limited Integrated Annual Report 2024” is made available, it will be considered for information that is materially inconsistent with the financial statements or our knowledge obtained during the audit, or appears to be otherwise materially misstated, and will be reported on, if necessary. The other information does not include the financial statements and our auditor’s report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. For other information, excluding the “Gaia Renewables REIT Limited Integrated Annual Report 2024” which is not yet available, we have nothing to report in this regard.

### RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

### AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

## INDEPENDENT AUDITOR'S REPORT (continued)

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

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

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

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 financial statements of the current period 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 04 December 2015, we report that PKF Cape Town has been the auditor of Gaia Renewables REIT Limited for one year.

PKF Cape Town

PKF Cape Town  
PL van der Ahee  
Partner  
Registered Auditor

31 July 2024

STELLENBOSCH

## REPORT OF THE COMPILER

### **To the Directors of Gaia Renewables REIT**

We have compiled the accompanying annual separate financial statements of Gaia Renewables REIT Limited based on information you have provided. These annual separate financial statements comprise the statement of financial position as at 30 April 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the 14-month period then ended, and a summary of material 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 annual separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These annual separate 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 annual separate financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these annual separate financial statements are prepared in accordance with International Financial Reporting Standards.

### **The Office in Stellenbosch Proprietary Limited**



**Per: Eldine Malan**

*Chartered accountant CA(SA)*

8 Helderberg Street  
Stellenbosch Central  
Stellenbosch  
7600

31 July 2024

## STATEMENT OF FINANCIAL POSITION

for the 14-month period ended 30 April 2024

	Notes	2024 R
<b>Assets</b>		
<b>Non-current assets</b>		
Investment in subsidiary	3	171 241 802
Deferred tax assets	4	37 634
<b>Total non-current assets</b>		<b>171 279 436</b>
<b>Current assets</b>		
Trade and other receivables		343 502
Cash and cash equivalents	5	1 509 975
<b>Total current assets</b>		<b>1 853 477</b>
<b>Total assets</b>		<b>173 132 913</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Stated capital	6	-
Retained income		12 729 878
<b>Total equity</b>		<b>12 729 878</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Other financial liabilities	7	160 109 669
<b>Current liabilities</b>		
Trade and other payables		292 489
Bank overdraft	5	877
<b>Total current liabilities</b>		<b>293 366</b>
<b>Total liabilities</b>		<b>160 403 035</b>
<b>Total equity and liabilities</b>		<b>173 132 913</b>



## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the 14-month period ended 30 April 2024

	Notes	14-month period ended 30 April 2024
Other income		343 502
Administrative expenses		(161 672)
Other expenses		(392 017)
Other (losses) and gains	8	12 831 630
<b>Profit from operating activities</b>		<b>12 621 443</b>
Investment income		70 807
Finance costs		(6)
<b>Profit before tax</b>		<b>12 692 244</b>
Income tax credit	9	37 634
<b>Profit for the 14-month period</b>		<b>12 729 878</b>

## STATEMENT OF CHANGES IN EQUITY

for the 14-month period ended 30 April 2024

	Stated capital	Retained income R	Total R
<b>Changes in equity</b>			
Profit for the 14-month period	-	12 729 878	12 729 878
Total comprehensive income for the 14-month period	-	12 729 878	12 729 878
<b>Balance at 30 April 2024</b>	-	<b>12 729 878</b>	<b>12 729 878</b>
Note		6	

## STATEMENT OF CASH FLOWS

for the 14-month period ended 30 April 2024

	Notes	14-month period ended 30 April 2024
<b>Net cash flows used in operations</b>	10	(261 200)
Interest paid		(6)
Interest received		70 807
<b>Net cash flows used in operating activities</b>		(190 399)
<b>Cash flows used in investing activities</b>		
Purchase of investment in subsidiary	3	(149 750 000)
<b>Cash flows used in investing activities</b>		(149 750 000)
<b>Net cash flows from financing activities</b>		
Proceeds from other financial liabilities	7	151 449 497
<b>Net cash flows from financing activities</b>		151 449 497
<b>Net increase in cash and cash equivalents</b>		1 509 098
<b>Cash and cash equivalents at the end of the 14-month period</b>	5	1 509 098

# ACCOUNTING POLICIES

## 1. GENERAL INFORMATION

Refer to the General information page for further information regarding the Company.

### Fund information

The REIT was established by Gaia Fund Managers Proprietary Limited for the purpose of providing a channel through which institutional and retail investors could:

- benefit from direct investments into Renewable Energy Infrastructure; whilst
- providing a tax benefit through the REIT allowing for the investment to be taxed as if the property is held directly by the investor essentially allowing the investment's distributions to be seen as income in the hands of the investor.

### 1.1 Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these annual separate financial statements.

### 1.2 Basis of preparation and summary of material accounting policies

The annual separate 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 annual separate financial statements and the Companies Act, 71 of 2008. The annual separate 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 at fair value through profit or loss. The annual separate financial statements are presented in Rands, rounded to the nearest Rand, which is the Company's functional currency.

These annual separate financial statements comply with the requirements of the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in compliance with the Cape Town Stock Exchange Listings Requirements.

The principal accounting policies applied in the preparation of these annual separate financial statements are set out below.

#### Significant judgements and sources of estimation uncertainty

The preparation of the annual separate financial statements in conformity with the 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 annual separate financial statements, are outlined as follows:

- Fair value measurement

The Company assessed that the investment in subsidiary is categorised as a financial asset at fair value through profit or loss. The preference share liability is also recognised as a financial liability at fair value through profit or loss.

When investments in subsidiaries and preference share 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 and the preference shares 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.

## ACCOUNTING POLICIES (continued)

### 1. GENERAL INFORMATION (continued)

#### 1.2 Basis of preparation and summary of material accounting policies (continued)

Refer to Notes 3 and 7 for input details used in the estimates.

##### Key sources of estimation uncertainty

###### Fair value measurement

The fair value of financial instruments that are not traded in an active market 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 the discounted cash flow analysis for financial instruments 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 dividend discount model (“DDM”). Management uses judgement to select the most appropriate valuation method. The DDM 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 lease 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

Refer to Notes 3 and 7 where the assumptions related to the key sources of estimation uncertainty are disclosed.

#### 1.3 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.

##### Investment entities

An investment entity which acquires an interest in a subsidiary shall be exempt from consolidation or equity accounting in terms of amendments to IFRS 10 and IFRS 12 and shall measure an investment in a subsidiary 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; and
- measures and evaluates the performance of substantially all its investments on the fair value basis.

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 are measured and evaluated on a fair value basis.

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

# ACCOUNTING POLICIES (continued)

## 1. GENERAL INFORMATION (continued)

### 1.4 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.

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.

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 the fair value at initial recognition.

#### 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. These assets consist of cash and cash equivalents and trade and other receivables.

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 in subsidiary (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. The Company manages financial assets on the basis of its net exposure to market risks, and therefore offsets the fair value adjustments in the Statement of Profit or Loss and Other Comprehensive Income when permissible.

## ACCOUNTING POLICIES (continued)

### 1. GENERAL INFORMATION (continued)

#### 1.4 Financial instruments (continued)

##### Initial recognition of financial liabilities

Financial liabilities at amortised cost are recognised when the Company becomes a party to the contractual provisions of the instrument. The instruments are measured, at initial recognition, at fair value plus transaction costs, if any.

Financial liabilities at fair value through profit or loss are recognised when the Company becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

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, classified as finance costs. Please refer to Note 7.

##### 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.

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. The liabilities consist of preference shares classified as other financial liabilities (Note 7). The Company manages financial liabilities on the basis of its net exposure to market risks, and therefore offsets the fair value adjustments in the Statement of Profit or Loss and Other Comprehensive Income when permissible.

##### Expected credit losses

The expected credit loss ("ECL") model applies to financial assets measured at amortised cost, for example cash and cash equivalents and trade and other receivables 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 financial assets.

##### Credit risk

Details of the credit risk of financial assets are included in the financial instruments and risk management note (Note 16).

##### 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, 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.

# ACCOUNTING POLICIES (continued)

## 1. GENERAL INFORMATION (continued)

### 1.5 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.

Gaia Renewables REIT Limited was listed as a Real Estate Investment Trust ("REIT"). As a result, section 25BB of the Income Tax Act applies to qualifying REIT income and expenses. The legislation provides that capital gains on sale of immovable properties are not taxable and previous building allowances claimed will be recouped at the company tax rate. All rental income and dividends from property subsidiaries will be taxed at 27% and any qualifying distribution paid from these taxable profits will be deductible at 27%. Should the entities' assets be sold or the entity wound up, there could be a tax liability to the value of the recoups previously claimed.

#### 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.

No deferred tax was recognised on the fair value adjustments to the investments held in the property companies, as defined in section 25BB of the Income Tax Act. These assets do not attract capital gains tax.

#### Tax expenses

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

### 1.6 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.

Class A preference shares are classified as financial liabilities in accordance with IAS 32 read together with IFRS 9. Refer to Note 6 of the annual separate financial statements.

Dividends on the ordinary shares declared are recognised in equity.

## ACCOUNTING POLICIES (continued)

### 1. GENERAL INFORMATION (continued)

#### 1.7 Statement of cash flows

The statement of cash flows is prepared on the indirect method, whereby the cash flows from operating activities are derived by adjusting the net profit or loss for the period, taking into account non-cash items, changes in working capital, and other operating activities. The cash flows from investing and financing activities are then separately 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 (continued)

### 2. NEW STANDARDS AND INTERPRETATIONS

#### 2.1 Standards and interpretations effective and adopted in the current period

The following new standards and interpretations are effective for the current financial period and are relevant to its operations:

Standard/Interpretation	Effective date	Expected impact
<i>Definition of Accounting Estimates – Amendments to IAS 8</i>	Years beginning on or after 1 January 2023	Unlikely to have a material impact, but additional disclosures could be required
<i>Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2</i>	Years beginning on or after 1 January 2023	Unlikely to have a material impact, but additional disclosures could be required

#### 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 May 2024 or later periods:

Standard/Interpretation	Effective date	Expected impact
<i>Classification of Liabilities as Current or Non-current – Amendments to IAS 1</i>	Years beginning on or after 1 January 2024	Unlikely there will be a material impact
<i>IFRS 18 Presentation and Disclosures in Financial Statements</i>	Years beginning on or after 1 January 2027	Direct effect on financial statements. The new standard introduces three sets of requirements on improved comparability in the statement of profit or loss and other comprehensive income, enhanced transparency of management defined performance measures and improvements on the grouping of information in the financial statements

### 3. INVESTMENT IN SUBSIDIARY

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

Name of company	Country of incorporation	Principal activity	% holding 2024	Fair value 2024
GRR Property SPV 1 (RF) Proprietary Limited	South Africa	Investment activities	100%	171 241 802

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

The carrying amount of the investment in subsidiary is shown at fair value. The subsidiary is incorporated in South Africa and shares the period-end of the Company.

#### Fair value information of investment in subsidiary

Gaia Renewables REIT Limited 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.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

### 3. INVESTMENT IN SUBSIDIARY (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 entity 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 Company is the dividend discount model ("DDM") methodology. Some of the significant inputs into the dividend discount 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 dividend discount model;
- Assessment and determination of the expected cash flows (dividend income) from the underlying investments; and
- Selection of the appropriate 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.

As at 30 April 2024, the fair value measurement of shares held by the Company in GRR Property SPV 1 (RF) Proprietary Limited is categorised into level 3.

#### Assumptions

Discount rate	12.12%	The investment in subsidiary is valued on a real basis, as such the real rate of forecast long-term South African CPI plus investor premium built into the model is converted to the nominal rate used which includes the time value of money. This rate is used to discount the dividend cash flows over the investment period.
Cash flow	Expected dividends	Investee entities make distributions from profits which are made up of revenue net operating expenses. These expected dividends are calculated using the P50 model which takes into account all relevant factors relating to the generation capacity of the investee using historical data to predict the future dividend cash flows.
Discount period	Remaining term of the 20-year sublease agreements	Investment period of the sub-lease agreements entered into by GRR Property SPV 1 (RF) Proprietary Limited for a period of 20 years from the commencement date of the lease agreements.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

### 3. INVESTMENT IN SUBSIDIARY (continued)

#### Reconciliation of assets measured at level 3

	Opening balance	Additions	Fair value through profit/(loss)	Closing balance
<b>2024</b>				
<b>Assets</b>				
<b>Financial assets at fair value through profit/(loss)</b>				
Investment in subsidiary	-	149 750 000	21 491 802	171 241 802
	-	149 750 000	21 491 802	171 241 802

#### 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
GRR Property SPV 1 (RF) Proprietary Limited Dividend cash flow	Discount rate	12.12%	The estimated fair value would increase if the discount rate decreased	8 225 445	(7 491 831)
	Dividend cash flows	Year-on-year changes for updates in historical information	The estimated fair value would decrease if the cash flows decreased	(1 712 418)	1 712 418

Significant observable/unobservable inputs are developed as follows:

**Discount rate:** The discount rate is calculated by converting the real rate of forecast long-term CPI plus investor premium built into the model to the nominal rate used which includes the time value of money. The investor premium is the real Internal Rate of Return ("IRR") expected to be received by the investors calculated on the future cash inflows using an IRR formula. The consensus macroeconomic view as compiled by PWC from various sources was utilised in setting the CPI rate.

**Cash flows:** These expected dividends are calculated using the P50 model which takes into account all relevant factors relating to the generation capacity of the investee using historical data to predict the future dividend cash flows.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

## 4. DEFERRED TAX

## 4.1 The analysis of deferred tax assets

	2024
<b>Deferred tax assets:</b>	
Deferred tax assets	37 634
	37 634
<b>Net deferred tax assets</b>	37 634
<b>Details of deferred tax assets</b>	
Deferred tax arising from assessed losses carried forward	37 634
<b>Total deferred tax asset per the statement of financial position</b>	37 634

## 4.2 Reconciliation of deferred tax movements

	Deferred tax	Total
<b>Opening balance at 14 March 2023</b>	-	-
(Charged)/credited to profit or loss	37 634	37 634
<b>Closing balance at 30 April 2024</b>	37 634	37 634

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in current assets and (liabilities):

	2024
<b>Cash</b>	
Bank balances	1 509 975
Bank overdraft	(877)
	1 509 098

**Credit quality of cash at bank**

The credit quality of cash at bank can be assessed by reference to external credit ratings about counterparty default rates:

**Credit rating by Fitch**

Investec Bank Limited – F1+ (zaf)

## 6. STATED CAPITAL

Authorised and issued stated capital

	2024
<b>Authorised</b>	
100 000 000 Ordinary no par value shares	-
10 000 Class A preference shares	-
<b>Issued and fully paid</b>	
100 000 000 Ordinary no par value shares	-
<b>Reconciliation of number of ordinary shares issued:</b>	
Reported at 14 March	-
Issue of ordinary shares	100 000 000
<b>Closing balance as at 30 April</b>	100 000 000

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

### 6. STATED CAPITAL (continued)

Refer to Note 7 for preference share issued.

	Shares	Shares %
<b>Class A preference shareholders:</b>		
FRB ITF Kruger Ci Prudential Fund	1 100	36
FRB ITF Kruger Ci Balanced Fund	1 700	56
FRB ITF Kruger Ci Equity Fund	200	7
CapiCraft-Peresec Prime Brokers Proprietary Limited	29	1
	<b>3 029</b>	<b>100</b>

#### Preference shares rights

Each Class A 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.

The preference dividends, if any, shall be paid in priority to any distributions 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.

Class A preference shares are classified as financial liabilities in accordance with IAS 32 read together with IFRS 9.

### 7. OTHER FINANCIAL LIABILITIES

#### 7.1 Other financial liabilities comprise

	2024
3 029 Class A preference shares	160 109 669
Non-current portion of other financial liabilities	160 109 669
	<b>160 109 669</b>

#### 7.2 Disclosures

##### Fair value information of other financial liabilities

The Company has adopted an accounting policy of measuring its preference share liabilities at fair value through profit or loss in accordance with IFRS 9 with fair value movements recognised in the Statement of Profit or Loss and Other Comprehensive Income. The preference share liabilities are measured at fair value on a stand-alone basis and the Company uses the same 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 entity can access at measurement date. The quoted market price used for financial liabilities 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 applied held by the Company is the dividend discount model (“DDM”) methodology. Some of the significant inputs into the dividend discount 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 of issued preference shares management’s judgement and estimation is required for:

- Selection of the appropriate valuation model to be used, in this case the dividend discount model;
- Assessment and determination of the expected cash flows (preference dividend) to the preference shareholders; and
- Selection of the appropriate 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 30 April 2024, the fair value measurement of the preference shares is categorised into level 3.

#### Assumptions

Discount rate	12.12%	The other financial liability is valued on a real basis, as such the real rate of forecast long-term South African CPI plus investor premium built into the model is converted to the nominal rate used which includes the time value of money. This rate is used to discount the dividend cash flows over the investment period.
Cash flow	Expected dividends	The expected dividends are the dividends received from the investment in subsidiary less approved operating expenses calculated at a sweep rate of 97%.
Discount period	Remaining term of the 20-year sub-lease agreements	Investment period of the sub-lease agreements entered into by GRR Property SPV 1 (RF) Proprietary Limited for a period of 20 years from the commencement date of the lease agreements.

#### Reconciliation of liabilities measured at level 3

	Opening balance	Additions	Fair value through profit/(loss)	Closing balance
<b>2024</b>				
<b>Liabilities</b>				
<b>Financial liabilities at fair value through profit/(loss)</b>				
Other financial liabilities	-	151 449 497	8 660 172	160 109 669
	-	151 449 497	8 660 172	160 109 669

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

### 7. OTHER FINANCIAL LIABILITIES (continued)

#### 7.2 Disclosures (continued)

##### 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 Dividend cash flow	Discount rate	12.12%	The estimated fair value would increase if the discount rate decreased	7 701 273	(7 013 035)
	Dividend cash flows	Year-on-year changes for updates in historical information	The estimated fair value would decrease if the cash flows decreased	(1 601 097)	1 601 097

##### Significant observable/unobservable inputs are developed as follows:

**Discount rate:** The discount rate is calculated by converting the real rate of forecast long-term CPI plus investor premium built into the model to the nominal rate used which includes the time value of money. The investor premium is the real Internal Rate of Return ("IRR") expected to be received by the investors calculated on the future cash inflows using an IRR formula. The consensus macroeconomic view as compiled by PWC from various sources was utilised in setting the CPI rate.

**Cash flows:** These expected dividends are calculated using the dividends received from the investment in subsidiary less approved operating expenses calculated at a sweep rate of 97%.

##### 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 GRR Property SPV 1 (RF) Proprietary Limited 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 Preference Share Subscription Agreement. There are no restrictions on the transfer of funds in the form of cash dividends.

##### Risk exposure

The Company's liability in preference shares exposes it to financial risks. Please refer to Note 16 Financial instruments and risk management for detailed information on the Company's risk exposure and the processes and policies implemented to mitigate these risks.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

## 8. OTHER GAINS AND (LOSSES)

	2024
<b>Other gains and (losses) comprise</b>	
Fair value gains on assets (Investment in subsidiary through profit or loss)	21 491 802
Fair value losses on liabilities (Other financial liabilities through profit or loss)	(8 660 172)
<b>Total other gains and (losses)</b>	<b>12 831 630</b>

## 9. INCOME TAX (CREDIT)

## 9.1 Major components of the tax expense

	2024
<b>Deferred tax</b>	
Deferred tax	(37 634)
<b>Total income tax (credit)</b>	<b>(37 634)</b>

## 9.2 The income tax for the period can be reconciled to the accounting profit/(loss) as follows

	2024
Profit before tax from operations	12 692 244
Income tax calculated at 27%	3 426 906
<b>Tax effect of:</b>	
– Fair value adjustments	(3 464 540)
<b>Tax charge</b>	<b>(37 634)</b>

**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.

## 10. CASH FLOWS FROM OPERATING ACTIVITIES

	2024
<b>Profit/(loss) before tax</b>	<b>12 692 244</b>
<b>Adjustments for:</b>	
Interest received	(70 807)
Dividends received	–
Finance costs	6
Fair value gains and (losses)	(12 831 630)
<b>Change in operating assets and liabilities:</b>	
Adjustments for increase in trade accounts receivable	(343 502)
Adjustments for increase in trade accounts payable	292 489
<b>Net cash flows used in operations</b>	<b>(261 200)</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

### 11. RELATED PARTIES

#### 11.1 Relationships

Ultimate holding entity	Gaia Management Holdings Proprietary Limited
Holding entity of Gaia Renewables Management Proprietary Limited	Gaia Fund Managers Proprietary Limited
Holding entity	Gaia Renewables Management Proprietary Limited
Subsidiary	GRR Property SPV 1 (RF) Proprietary Limited
Entity under mutual control	GRR Opco 1 (RF) Proprietary Limited
Key members	N Khoza YL Labuschagne T Lister MM Nieuwoudt D Smit HA Snyman

#### 11.2 Related party transactions and balances

	Ultimate holding entity	Subsidiary	Total
<b>14-month period ended 30 April 2024</b>			
<b>Related party transactions</b>			
Professional fees	97 395	-	97 395
Recoveries	-	(343 502)	(343 502)
<b>Outstanding balances for related party transactions</b>			
Amounts receivable	-	(343 502)	(343 502)

### 12. DIRECTORS' REMUNERATION

	Remuneration paid to directors		Directors' fees paid to directors		Total
	Paid by the Company	Paid by a company within the Group	Paid by the Company	Paid/payable by a company within the Group	
<b>2024</b>					
<b>Executive</b>					
HA Snyman*	-	1 452 832	-	-	1 452 832
MM Nieuwoudt**	-	2 252 170	-	-	2 252 170
T Lister**	-	1 203 289	-	-	1 203 289
	-	4 908 291	-	-	4 908 291
<b>Non-Executive</b>					
N Khoza	-	-	-	20 000	20 000
YL Labuschagne	-	-	-	-	-
D Smit	-	-	-	20 000	20 000
	-	-	-	40 000	40 000

\* This remuneration comprises basic salaries.

\*\* This remuneration comprises consulting fees.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

### 13. EVENTS AFTER THE REPORTING DATE

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

### 14. 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 believe that the Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual separate financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Company.

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.

### 15. COMPARATIVE FIGURES

The entity was incorporated on 14 March 2023 and therefore, the financial period consists of 14 months. As this is the first year of operations, no comparative figures are disclosed within the annual separate financial statements. Given the above considerations, the future financial periods may not be comparable to the current period as the current period spans 14 months.

### 16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

	Notes	Fair value through profit or loss	Amortised cost	Total
<b>Categories of financial instruments</b>				
<b>Categories of financial assets</b>				
<b>Company – 2024</b>				
<b>Non-current assets</b>				
Investment in subsidiary	3	171 241 802	-	171 241 802
<b>Current assets</b>				
Trade and other receivables		-	343 502	343 502
Cash and cash equivalents	5	-	1 509 098	1 509 098
		171 241 802	1 852 600	173 094 402
<b>Categories of financial liabilities</b>				
<b>Company – 2024</b>				
<b>Non-current liabilities</b>				
Other financial liabilities	7	160 109 669	-	160 109 669
<b>Current liabilities</b>				
Trade and other payables		-	292 489	292 489
		160 109 669	292 489	160 402 158

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

### 16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

#### Capital risk management

The Company's objective when managing capital (which includes stated capital, other financial liabilities, 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 meet and 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.

Prior to declaring any dividends, the Company conducts solvency and liquidity tests to ensure compliance. Furthermore, the Company ensures a minimum solvency ratio of 1:1 at all times. Additionally, the Company maintains sufficient capital reserves to cover a minimum of six months' worth of operational expenses.

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; and
- Market risk (interest rate).

##### 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 and 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. Refer to Note 5.

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

	Notes	Gross carrying amount	Credit loss allowance	Amortised cost
<b>2024</b>				
<b>Financial instrument</b>				
Cash and cash equivalents	5	1 509 098	-	1 509 098
Trade and other receivables		343 502	-	343 502
		<b>1 852 600</b>	<b>-</b>	<b>1 852 600</b>

##### 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.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

**16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT** (continued)**Financial risk management** (continued)

The Class A preference shares liability is an estimation based on discounted future cash flows as per the P50 model (refer to Notes 3 and 7). 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. Given the nature of the preference share subscription agreement, dividends cannot be paid in excess of dividends received, therefore the core business model does not expose the entity to liquidity risk.

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	2 to 5 years R	More than 5 years R	Total cash flows R	Carrying amount R
<b>2024</b>						
<b>Non-current liabilities</b>						
Other financial liabilities	7	40 192 238	70 744 485	225 587 317	336 524 039	160 109 669
<b>Current liabilities</b>						
Trade and other payables		292 488	-	-	292 488	292 488
		<b>40 484 726</b>	<b>70 744 485</b>	<b>225 587 317</b>	<b>336 816 527</b>	<b>160 402 157</b>

*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. Please refer to Notes 3 and 7.

# SHAREHOLDERS' INFORMATION

Company:

Gaia Renewables REIT Limited

Register date:

1 August 2024

## AUTHORISED

- 10 000 class A preference shares
- 100 000 000 ordinary no par value shares

## ISSUED

- 3 029 class A preference share(s)
- 100 000 000 ordinary no par value share(s)

	Certificate number	Shares	Share %
<b>Shareholder spread</b>			
<b>Class A preference shares</b>			
FRB ITF Kruger Ci Prudential Fund	1	1 100	36.32
FRB ITF Kruger Ci Balanced Fund (FRBKPF001)	2	1 700	56.12
FRB ITF Kruger Ci Equity Fund (FRBKPF001)	3	200	6.60
CapiCraft-Peresec Prime Brokers (Pty) Ltd	4	29	0.96
<b>Total</b>		<b>3 029</b>	<b>100</b>
<b>Ordinary no par value shares</b>			
Gaia Renewables Management (Pty) Ltd	2	100 000 000	100
<b>Total</b>		<b>100 000 000</b>	<b>100</b>

## SHAREHOLDERS' DIARY

Annual Report published on website	Friday, 23 August 2024
Notice of AGM to shareholders	Friday, 16 August 2024
AGM	Friday, 13 September 2024
Gaia Renewables REIT Limited will be in closed period	Wednesday, 1 May 2024
Gaia Renewables REIT Limited interim results published	Not applicable

Dates are subject to change.

# NOTICE OF ANNUAL GENERAL MEETING

## GAIA RENEWABLES REIT LIMITED

Incorporated in the Republic of South Africa

(Registration number: 2023/632420/06)

("Gaia Renewables REIT Limited" or "the Company")

Notice is hereby given that the Annual General Meeting ("AGM") of the shareholders ("Shareholders") of Gaia Renewables REIT Limited, registration number 2023/632420/06 ("Gaia Renewables REIT Limited" or "the Company"), will be held and conducted via Teams (<https://teams.microsoft.com/l/meetup-join/19%3ameetingZTNIOWM0YzUtNjUxMC00OGI2LTlKNmItNTUxOTI0ZWnkYzhi%40thread.v2/0?context=%7b%22Tid%22%3a%22c51f7f52-edff-4631-aae4-13590e59b1c6%22%2c%22Oid%22%3a%224215c559-1e64-4a0a-82ba-c7d56f24ce09%22%7d; Meeting ID: 371 387 239 365; Passcode: d3PHJd>) and/or at the Gaia offices (Workshop 17, Snakepit Building, 146 Campground Road, Newlands, Cape Town, 7700) on **Friday, 13 September 2024, at 09:00 am.**

## RECORD DATES, ATTENDANCE AND VOTING

### Record dates

#### Notice record date

The record date for Shareholders being entitled to receive this notice of AGM is Thursday, 8 August 2024, being the Notice Record Date.

#### Voting record date

The record date for participation and voting at the AGM is Friday, 6 September 2024, 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, 6 September 2024.

## ATTENDANCE AND VOTING AT THE AGM

Shareholders may attend the AGM electronically via Teams and/or at the Gaia offices (Workshop 17, Snakepit Building, 146 Campground Road, Newlands, Cape Town, 7700) 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](mailto: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 09:00am on Wednesday, 11 September 2024 (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.

### Electronic participation

The Board has decided that the AGM will be conducted via Teams and at the Gaia offices (Workshop 17, Snakepit Building, 146 Campground Road, Newlands, Cape Town, 7700) giving Shareholders the opportunity to attend the AGM and participate online, using a smartphone, tablet or computer.

## NOTICE OF ANNUAL GENERAL MEETING (continued)

### PURPOSE OF THE AGM

The purpose of the AGM is:

- (i) to present the audited annual financial statements of the Company for the 14-month period ended 30 April 2024, incorporating the directors' report, the Audit Committee report, the auditor's report and the Integrated Annual Report of 2024;
- (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.

The quorum requirement for Special Resolution Number 1 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 Special Resolutions to be adopted, the support of more than 75% of the votes exercised on the resolutions is required.

## 1. ORDINARY AND SPECIAL 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 14-month period ended 30 April 2024 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 REIT Limited at [www.gaia.group](http://www.gaia.group).

### 1.2 Ordinary Resolution Number 2 – Appointment of auditor

*“Resolved that, on the recommendation of the Company's Audit Committee, the firm PKF Cape Town be 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 PKF Cape Town, 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.

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

“Resolved that:

- 3.1 Ms Nandi Khoza;
- 3.2 Ms Yvette Labuschagne; and
- 3.3 Ms Dorita Smit.

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.”



# NOTICE OF ANNUAL GENERAL MEETING (continued)

## 1. ORDINARY AND SPECIAL RESOLUTIONS (continued)

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

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, Ms Nandi Khoza, Ms Yvette Labuschagne and Ms Dorita Smit for election to the Audit Committee. Details of the nominees follow herein below.

#### **Ms Nandi Khoza**

*(BCom (Hon) and MBA graduate)*

Nandi Khoza is the Chief Financial Officer of N3 Toll Concession, a Toll Road Concession company and has been in this position since 2017.

A B. Com (Hon) and an MBA graduate with extensive experience in infrastructure finance and private equity. A specialist who has advised national governments, municipalities and the private sector on public private partnerships on projects and managed various projects and investments in various sectors including renewable energy, transport, health, mining and sanitation. Appointed Non-Executive Director in November 2017 and Chair of the Remuneration Committee in May 2023 of Zimele Investments Enterprise Company. Appointed Non-Executive Director and Chair of the Audit Committee of GAIA REIT Investments in June 2023.

#### **Ms Yvette Labuschagne**

*BCom (Fin. Mgmt), BCom (Hons) (Inv. Mgmt), (EMBA Candidate)*

Yvette holds a BCom (Hons) Investment Management degree from the University of Johannesburg and is currently an executive MBA candidate at MIP Politecnico di Milano Graduate School of Business. She has more than 15 years' experience in investment banking and has been a JSE Approved Executive since 2010, focusing primarily on structuring and the execution of transactions, as well as equity capital markets transactions for listed companies. She has been involved in numerous local and international transactions including capital raisings, listings, disposals, takeovers, mergers and acquisitions. Yvette joined Standard Bank's Investment Banking division in January 2022, and prior to that was a member of the investment banking teams at Renaissance Capital and UBS South Africa.

#### **Ms Dorita Smit**

*(CA(SA))*

Dorita Smit is a Chartered Accountant with over 15 years of experience in the construction industry. After completing her articles at Deloitte, she joined Group Five in 2008, where she held various financial roles. In 2019, she transitioned to T3 Projects (formerly Group Five Projects), where she currently serves as the Financial Director. In this role, she is responsible for managing the complex financial operations of projects across Africa, including the challenges of operating in multiple cross-border territories, dealing with various currencies, and ensuring compliance with diverse tax regimes.

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.

## NOTICE OF ANNUAL GENERAL MEETING (continued)

### 1. ORDINARY AND SPECIAL RESOLUTIONS (continued)

#### 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 and special 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 October 2024 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.

#### 1.6 Special Resolution Number 1 – Approval of Directors’ Remuneration

IT IS RESOLVED THAT, in accordance with section 66(9) of the Companies Act, the remuneration of Independent Directors in an amount equal to R10 000.00 per director per meeting and the remuneration of the Chairperson in an amount equal to R10 000.00 per meeting (escalated annually at the prevailing CPI until the expiry of this authority) be and is hereby approved.

The resolution attached hereto referred to as Annexure B.

### 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.gايا.group](http://www.gايا.group). This is tabled in terms of regulation 43(5)(c) of the Companies Regulations.

### 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.

## NOTICE OF ANNUAL GENERAL MEETING (continued)

### ADDITIONAL INFORMATION (continued)

#### Electronic attendance and participation

Gaia Renewables REIT Limited will conduct the AGM by way of electronic participation via Teams and/or at the Gaia offices (2nd Floor, W17, Snakepit building, Newlands Cricket Ground, Newlands, 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 REIT 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 prevents 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 Wednesday, 11 September 2024 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.

By order of the Board



**Hilde Mathee**

*Company Secretary*

16 August 2024



# PROXY FORM

## GAIA RENEWABLES REIT LIMITED

Incorporated in the Republic of South Africa  
(Registration number: 2023/632420/06)  
("Gaia Renewables REIT 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, 6 September 2024, being the voting record date ("Voting Record Date"), at the AGM of the Company to be held by electronic communication via Teams ([https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_ZTNIOWM0YzUtNjUxMC00OGI2LTlkNmltNTUxOTI0ZWnkYzhi%40thread.v2/0?context=%7b%22Tid%22%3a%22c51f7f52-edff-4631-aae4-13590e59b1c6%22%2c%220id%22%3a%224215c559-1e64-4a0a-82ba-c7d56f24ce09%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZTNIOWM0YzUtNjUxMC00OGI2LTlkNmltNTUxOTI0ZWnkYzhi%40thread.v2/0?context=%7b%22Tid%22%3a%22c51f7f52-edff-4631-aae4-13590e59b1c6%22%2c%220id%22%3a%224215c559-1e64-4a0a-82ba-c7d56f24ce09%22%7d)); (Meeting ID: 371 387 239 365; Passcode: d3PHJd) and at the Gaia offices (Workshop 17, Snakepit Building, 146 Campground Road, Newlands, Cape Town, 7700) on Friday, 13 September 2024, at 09:00 (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 (see 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)

	In favour of	Against	Abstain
<b>Ordinary Resolutions</b>			
1. Noting of Annual Financial Statements			
2. Appointment of auditor			
3. Appointment of Audit Committee members			
3.1 Ms Nandi Khoza			
3.2 Ms Yvette Labuschagne			
3.3 Ms Dorita Smit			
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			
<b>Special Resolutions</b>			
1. Approval of Directors' Remuneration			

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

Signed this day of 2024

Signature of Shareholder/s

Assisted by me (where applicable)

### Notes

- 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.
- 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.

## SHAREHOLDERS' INFORMATION

1. This form of proxy is only to be completed by those Shareholders who cannot attend the AGM of the Company and wished 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](mailto: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 09:00am on Wednesday, 11 September 2024 (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 REIT Limited;
“Board” or “Directors”	the Board of Directors of Gaia Renewables REIT 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 REIT Limited (Reg No: 2023/632420/06), 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 REIT 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 REIT Limited.

## GENERAL INFORMATION

**Country of incorporation and domicile**

South Africa

**Registration number**

2023/632420/06

**Nature of business and principal activities**

The Company performs investment activities.

**Directors**

N Khoza  
YL Labuschagne  
T Lister  
MM Nieuwoudt  
D Smit  
HA Snyman

**Shareholder**

GAIA Renewables Management (Pty) Ltd

**Registered office**

12 Meson Close  
Techno Park  
Stellenbosch  
7600

**Business address**

Workshop 17 Snakepit Building  
146 Campground Road  
Newlands  
Cape Town  
7700

**Postal address**

PO Box 12700  
Die Boord  
Stellenbosch  
7613

**Bankers**

Investec

**Tax number**

9379248223

**Level of assurance**

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

**Auditors**

PKF Cape Town  
14 Papegaaï Street  
Stellenbosch Central  
Stellenbosch  
7600

**Company Secretary**

Hilde Matthee

**Preparer**

The Office in Stellenbosch Proprietary Limited  
8 Helderberg Street  
Stellenbosch Central  
Stellenbosch  
7600

**Legal advisors**

White & Case LLP



