



GAIA Fibonacci

Fibre REIT 1

GAIA FIBONACCI FIBRE REIT 1 LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2021/926046/06)
(the “**Company**”)

GFFR1 Class B Preference Shares
(Share Code: 4GFR1B, ISIN ZAE400000150)
(“**B Preference Shares**”)

Formal Notice:

LISTING BY WAY OF PLACEMENT OF GAIA FIBONACCI FIBRE REIT 1 B PREFERENCE SHARES ON CAPE TOWN STOCK EXCHANGE

Friday, 3 June 2022

Save to the extent specifically stated otherwise herein, capitalised terms in this Formal Notice shall bear the corresponding meanings as ascribed to those terms in the Listing Particulars.

This Formal Notice Appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for Securities and applications will only be considered on the basis of the Listing Particulars.

1. Introduction

- 1.1. Gaia Fibonacci Fibre REIT 1 Ltd (the “**Company**”) has applied for a new Listing of its B Preference Shares on the securities exchange operated by Cape Town Stock Exchange Proprietary Limited (“**CTSE**”) (the “**Application**”).
- 1.2. Shareholders are hereby advised that pursuant to the submission of the Application, CTSE’s Issuer Regulation Committee has granted the Company a Listing by way of placement of its B Preference Shares on the securities exchange operated by CTSE, with the B Preference Shares trading under the long name “GFFR1 B Pref Shares”, abbreviated name “GFFR1 B Prefs”, CTSE Share code 4FR1B and ISIN ZAE400000150.
- 1.3. The purpose of this Formal Notice is to communicate the salient information regarding the admission of the Company to the Official List of issuers of CTSE, which admission is expected to become effective on the opening of trade on *Friday, 10 June 2022*.
- 1.4. This Formal Notice contains extracts from the Listing Particulars dated Friday, 3 June 2022 and as such is not intended to be comprehensive. For a full appreciation of the Company and the Listing, the Listing Particulars should be read in its entirety in conjunction with this Formal Notice.

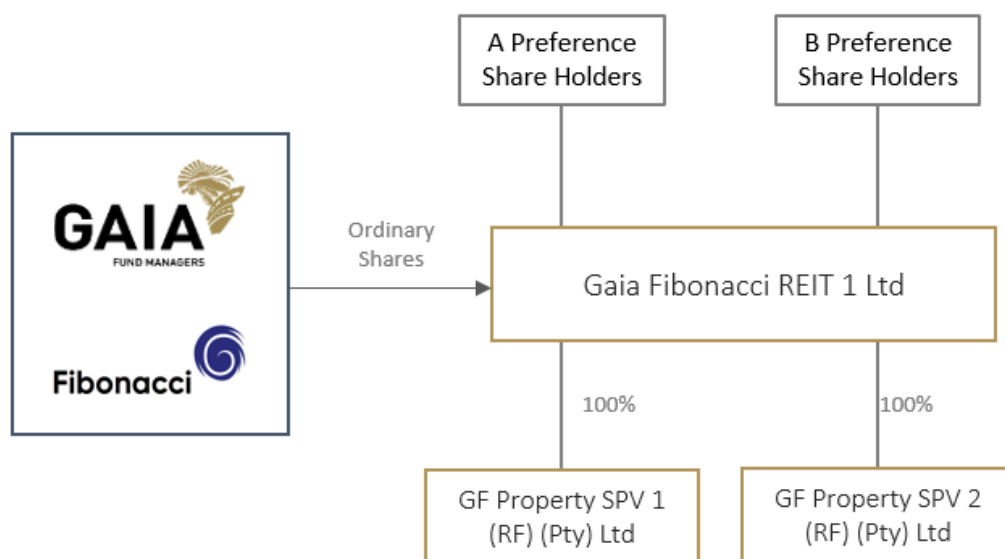
THIS FORMAL NOTICE IS NOT AN INVITATION OR OFFER TO THE PUBLIC TO ACQUIRE, PURCHASE OR SUBSCRIBE FOR SHARES IN GAIA FIBONACCI FIBRE REIT 1

2. GENERAL OVERVIEW OF GAIA FIBONACCI FIBRE REIT 1

- 2.1. The REIT was established by the Manager and Fibonacci as a ring-fenced entity for the express purpose of providing institutional and retail investors with a first of its kind access to fibre infrastructure investments in South Africa.
- 2.2. REITs provide investors with access to rental income from immovable property as if they are direct owners in the immovable property.
- 2.3. Fibre network infrastructure investments being accessed through tax efficient REITs is well known internationally, but the application to the South African market is unique.
- 2.4. The REIT is an attractive product for long-term investors with the REIT or its subsidiary Property SPVs being exempt from corporate tax on income or capital gains tax (“CGT”) on the profit made on the sale of the fibre network as well as securities transfer tax and dividend withholding tax. This passes the benefit of the tax onto the investor.
- 2.5. The investor can then, in turn, optimise their own tax situation, in the same way had they held the immovable property, and thus the rental income, directly. The investor is thus empowered to structure their individual portfolios to take control of their own tax situation.
- 2.6. It is important to note that the investor will be subject to CGT on the profit made on the sale of the REIT Preference Shares.
- 2.7. Gaia Fund Managers is a registered financial services provider (license number 46028) and is considered a leading specialist secondary market infrastructure transaction team in South Africa, having concluded multiple fibre network infrastructure, 12 renewable energy and one

toll road transaction to a value in excess of R3.6 billion for South African institutional investors, as well as Gaia Infrastructure Capital Limited, a JSE main board listed investment holding company and the listing of Gaia Renewables 1 on the CTSE in October 2020.

- 2.8. Fibonacci Managers co-founded Capitis Equities, a venture capital fund, which has now grown to R500million in just under 4 (four) years. Fibonacci Managers boasts experience in the renewable energy project development, fibre network development and operations industries with a specialist focus on tax and value additive business administration functions.
- 2.9. To date, Gaia managed fibre network investments with Fibonacci Managers as Administrators have successfully closed on more than 14 fibre networks with a strong geographical presence in Gauteng and Western Cape.
- 2.10. Pursuant to the listing of the B Preference Shares, the REIT, acting through GF Property SPV 2, will acquire its first direct interest in a portfolio of geographically distributed fibre networks across South Africa.
- 2.11. B Preference Share investors have committed to a total investment of R157.5m of which R45m will be utilised for the initial investment.
- 2.12. The remaining funding will be drawn down on through a Specific Issuance of B Preference Shares. This will be utilised and applied to follow-on fibre network investments which is approved by the REIT's Investment Committee which is provided as a recommendation to the REIT's board who in turn will approve and resolve that the GF Property SPV 2 enter into the investment.
- 2.13. The REIT's Investment Committee's investment process assesses opportunities to ensure that the Property SPVs will only enter into qualifying investments. Qualifying investments include only brownfields, secondary transactions in Southern Africa with a minimum uptake and return characteristics which provides the Investment Committee with a prudent level of confidence that the targeted IRR of CPI + 10% is obtainable.
- 2.14. A schematic diagram depicting the REIT structure pursuant to the listing of the Ordinary and Preference Shares are provided below.



3. BOARD OF DIRECTORS OF GAIA FIBONACCI FIBRE REIT 1

Full details of the Board of Directors of Gaia Fibonacci Fibre REIT 1 appear in Section 6, Paragraph 6.1 of the Listing Particulars

4. RATIONALE FOR THE LISTING & PROSPECTS OF THE COMPANY

The rationale for the Listing is primarily the following:

4.1 Provide Access to Infrastructure as an Asset Class

Infrastructure as an asset class can provide investors with stable inflation-linked cash returns whilst preserving their capital. However, the current means of gaining access to infrastructure includes 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 fibre networks precludes certain CIS portfolios from acquiring interests in infrastructure. 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.

This will create an awareness with prospective institutional investors and retail investors seeing the value of investing in Gaia Fund Managers' managed funds.

4.2 Transparent Regulatory Environment

In addition to the regulatory requirements applicable to Gaia Fund Managers as a regulated investment manager, as a listed entity the REIT will need to comply with the Listing Requirements of CTSE, which will provide investors with additional transparency and corporate governance comfort.

4.3 Access to Capital

As a listed entity, the REIT will enable CIS portfolios and regulated pension funds to increase their allocation to infrastructure from an unlisted instrument threshold of 5% to 10%. The ability to do this will open a unique market opportunity for future CIS compliant portfolios to invest in CTSE listed infrastructure investments via new issuances of preference shares in the REIT.

Illustrated in Annexure 1.B is a schematic representation of the future high-level structure of the REIT pursuant to the issuance and listing of new classes of preference shares corresponding to new investments in fibre networks. Each class of preference share will be linked to a property special purpose vehicle which is invested in a specific portfolio of fibre networks with a corresponding asset management agreement with Gaia Fund Managers.

4.4 Investing into South Africa, its people and its growth

South Africa continues to see a large drive, from both private and public institutions, to increasing the fibre network reach throughout South Africa. The REIT will provide a tax efficient channel through which funding can be allocated to expedite the growth of the internet backbone in South Africa. The connectivity is critical to create a more inclusive society where more South Africans are introduced to the world economy providing access to the tools with which to contribute to their own livelihoods and those of the greater South African community. Fibre infrastructure will remove the barriers to global connectivity further enhancing South Africa's image as an attractive investment destination.

5. SECURITIES FOR WHICH LISTING ON CTSE IS SOUGHT

- 5.1. The B Preference Shares to be listed comprises of 2,738 (two thousand nine hundred and thirty-eight) B Preference shares of no-par value each.
- 5.2. The issue price for the B preference shares at listing date is R16,500 (sixteen-thousand five hundred rand) per preference share.
- 5.3. The rights attached to each share class appear in Section 2, Paragraph 2.4 and 2.5 of the Listing Particulars.
- 5.4. The Dealings in the B Preference Shares are expected to commence on Friday, 10 June 2022.

6. LISTING ON CTSE

- 6.1. CTSE brings to the market an efficient and alternative regulatory model which reduces regulatory costs and inefficiencies but promotes and adheres to the highly regarded financial regulatory standards in South Africa.
- 6.2. The unique features of CTSE include the following:
 - 6.2.1. clear and transparent listing requirements for equities which have been uniquely designed to introduce new types of listings and facilitate much-needed growth in the mid-market sector.
 - 6.2.2. a unique exchange infrastructure in South Africa (based on international best practice) by introducing a central independent register of beneficial ownership (housed within the CTSE Registry).
 - 6.2.3. designed to meet the needs of retail investors whilst remaining attractive to institutional investors through the removal of some key barriers to investing for retail investors; and
 - 6.2.4. modern, scalable technology design and infrastructure to reduce cost and increase efficiency.

7. DOCUMENTS AVAILABLE FOR INSPECTION

- 7.1. The Listing Particulars, this Formal Notice and documents detailed in paragraph 7.2 of the Listing Particulars are available for inspection during normal office hours from the date hereof until Friday, 17 June 2022, at the registered offices of the Company at:
12 Meson Close, Techno Park, Stellenbosch, 7600
- 7.2. The Listing Particulars is also available for download from the websites of the Company (www.gaia.group) and CTSE (www.ctexchange.co.za).

8. ISSUER AGENT DETAILS

8.1. The Company has appointed internal Issuer Agents:

Company Name:	Gaia Fund Managers (Pty) Ltd
Represented by:	Hendrik Snyman and Kilian Schabort.
Representatives' qualifications:	Hendrik Snyman: PhD (Engineering), MCom (Fin Man.), MSc Eng, BEng, Kilian Schabort: BEng, MCom (Corporate Finance), CFA Charterholder
Contact Details:	4 th Floor, Sunclare Building, 21 Dreyer Street, Claremont, 7708 Email: Hendrik@gaia.group Kilian@gaia.group Tel: Hendrik Snyman: (083) 295 3667 Kilian Schabort: (072) 441 1772

SIGNED FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

By order of the Gaia Fibonacci Fibre REIT 1 Board of Directors



Mich Nieuwoudt

Chairperson

Gaia Fibonacci Fibre REIT 1

Friday, 3 June 2022

COMPANY SECRETARY - The Office in Stellenbosch Proprietary Limited