



GAIA RENEWABLES REIT LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2023/632420/06)
(the “**Company**”)

GRR Ordinary Shares
(Share Code: 4GRRO, ISIN ZAE400000200)
(the “**Ordinary Shares**”)

GRR Class A Preference Shares
(Share Code: 4GRRA, ISIN ZAE400000218)
(“**A Preference Shares**”)

Formal Notice:

LISTING BY WAY OF INTRODUCTION OF GAIA RENEWABLES REIT ORDINARY SHARES AND PLACEMENT OF GAIA RENEWABLES REIT A PREFERENCE SHARES ON CAPE TOWN STOCK EXCHANGE

Thursday, 24 August 2023

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

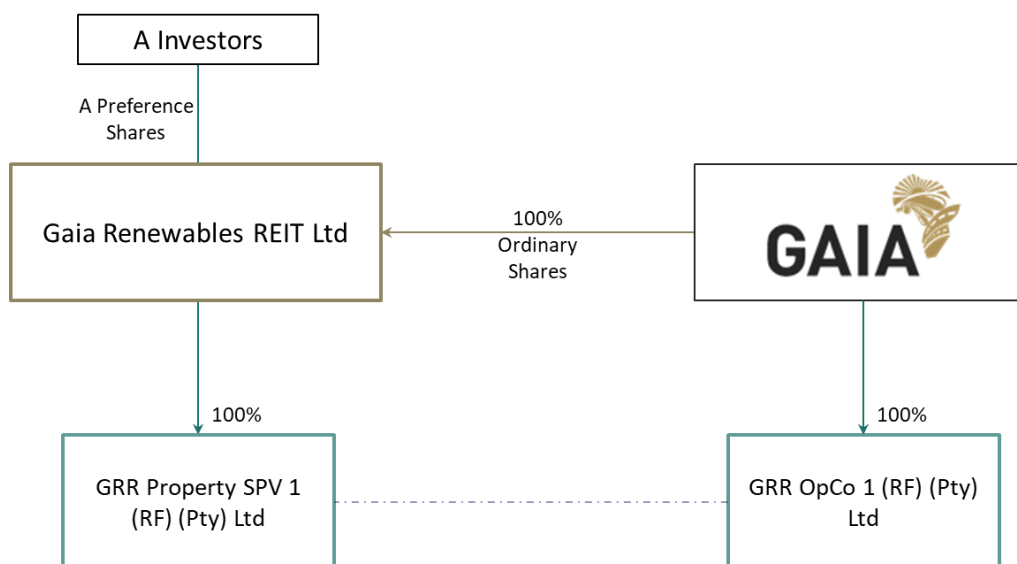
- 1.1. Gaia Renewables REIT Ltd (the “**Company**”) has applied for a new Listing of its Issued Ordinary Share Capital and A Preference Shares on the securities exchange operated by Cape Town Stock Exchange Proprietary Limited (“**CTSE**”) (the “**Application**”).
- 1.2. Shareholders are hereby advised that pursuant to the submission of the Application, CTSE’s Issuer Regulation Committee has granted the Company a Listing by way of introduction of its Ordinary Shares and placement of its A Preference Shares on the securities exchange operated by CTSE, with the Ordinary Shares trading under the long name “GRR Ordinary Shares”, abbreviated name “GRR Ords”, CTSE Share code 4GRRO and ISIN ZAE400000200, and the A Preference Shares trading under the long name “GRR A Pref Shares”, abbreviated name “GRR A Prefs”, CTSE Share code 4GRRA and ISIN ZAE400000218.
- 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 Thursday, 31 August 2023.
- 1.4. This Formal Notice contains extracts from the Listing Particulars dated Thursday, 24 August 2023 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 RENEWABLES REIT

2. GENERAL OVERVIEW OF GAIA RENEWABLES REIT

- 2.1. The Company was established by Gaia as a ring-fenced REIT for the express purpose of providing institutional and retail investors with a first of its kind access to commercial and industrial renewable energy 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. REITs with the provided tax benefit were created to incentivise increased capital contributions to drive funding into the property sector. The use of REITs in the renewable energy sector has been proven internationally, but this listing provides for the first of its kind in South Africa.

- 2.4. The Company is an attractive product for long-term investors with the Company and its subsidiaries being exempt from corporate tax on income capital gains tax (“CGT”) on the profit made on the sale of the renewable energy assets 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 A 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 R4.5 billion for South African institutional investors, as well as listing Gaia Infrastructure Capital Limited on the JSE main board and listing Gaia Renewables 1 Limited and Gaia Fibonacci Fibre REIT 1 Limited on the CTSE in October 2020 and December 2021, respectively.
- 2.8. Pursuant to the Listing of the A Preference Shares, the Company, acting through GRR Property SPV 1, will acquire its first Renewable Energy Infrastructure assets as part of a portfolio of geographically distributed renewable energy assets across South Africa.
- 2.9. A Preference Share investors have committed to a total investment of R500m of which R151.5m will be utilised for the initial investment (see paragraph 2.13 for detail of usage of initial funding).
- 2.10. The remaining funding will be drawn down through a specific Issuance of A Preference Shares. This will be utilised and applied to follow-on Renewable Energy Infrastructure investments as approved by the Investment Committee which is provided as a recommendation to the GRR Property SPV 1 board to enter into the investment.
- 2.11. The Investment Committee’s investment process assesses opportunities to ensure that the Property SPVs will only enter into qualifying investments. Qualifying investments include both green- and brownfields transactions in Southern Africa with Power Purchase Agreements (“PPA”) and Equipment Use Agreements (“EUA”) with reputable creditworthy clients with return characteristics which provides the Investment Committee with a prudent level of confidence that the targeted IRR of CPI + 7% is obtainable.
- 2.12. A schematic diagram depicting the Company structure pursuant to the listing of the Ordinary and A Preference Shares are provided below.



3. BOARD OF DIRECTORS OF GAIA RENEWABLES REIT

Full details of the Board of Directors of Gaia Renewables REIT appear in Section 7, Paragraph 7.1 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 Renewable Energy Infrastructure assets 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 entities.

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 Company will need to comply with the CTSE Listing Requirements, which will provide investors with additional transparency and corporate governance comfort.

The Company, through the guidance of the Manager, will report in line with best in breed impact requirements through its voluntary adoption to comply with SFDR and EU Taxonomy requirements and disclosures (as per Annexure 4 as per the Listing Particulars).

4.3 Access to Capital

As a listed entity, the Issuer enables CIS portfolios and regulated pension funds to increase their allocation to infrastructure with ease of mind in an increased regulatory environment. The ability to do this has opened a unique market opportunity for future CIS compliant portfolios to invest in CTSE listed infrastructure investments via new issuances of preference shares in the Issuer.

Illustrated in Annexure 1.B (as per the Listing Particulars) is a schematic representation of the current and future high-level structure of the Company pursuant to the issuance and listing of new classes of preference shares corresponding to new investments in Renewable Energy Infrastructure assets. Each class of preference share is and will continue to be linked to a property special purpose vehicle which is invested in a specific portfolio of Renewable Energy Infrastructure assets with a corresponding asset management agreement with Gaia Fund Managers.

4.4 Investing into South Africa, its people and its growth

South Africa's private institutions face a daily challenge to address the need for basic sustainable and predictable energy supply to ensure that there is a predictable South African economic future. Government's February 2023 Budget called for private sector investment to grow from 9.3% of GDP (as at 2021) to 20% by 2030 to complement public sector investment from 3.8% to 10% of GDP by 2030. The Company's 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. It provides a tax efficient channel through which funding can be allocated to expedite climate infrastructure project development to support a just transition to a net-zero South Africa through renewable energy deployment and provide financial additionality through crowding in private investors. Security of energy supply and the pricing thereof is an important part of business confidence through which international funds can be attracted to support South African growth.

5. SECURITIES FOR WHICH LISTING ON CTSE IS SOUGHT

- 5.1. The Ordinary Shares to be listed comprises of 100,000,000 (one hundred million) Ordinary Shares of no-par value each.
- 5.2. The A Preference Shares to be listed comprises of 3,029 (three thousand and twenty nine) A Preference shares of no-par value each.
- 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 Ordinary Shares and the A Preference Shares are expected to commence on Thursday, 31 August 2023.

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 8.2 of the Listing Particulars are available for inspection during normal office hours from the date hereof until Thursday, 7 September 2023, 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 following Issuer Agent:

Company Name:	Gaia Fund Managers Proprietary Limited
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:	146 Campground Road, Newlands, Cape Town, Western Cape, 7780 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 Renewables REIT Board of Directors



Mich Nieuwoudt

Chairperson

Gaia Renewables REIT

Thursday, 24 August 2023

COMPANY SECRETARY - The Office in Stellenbosch Proprietary Limited