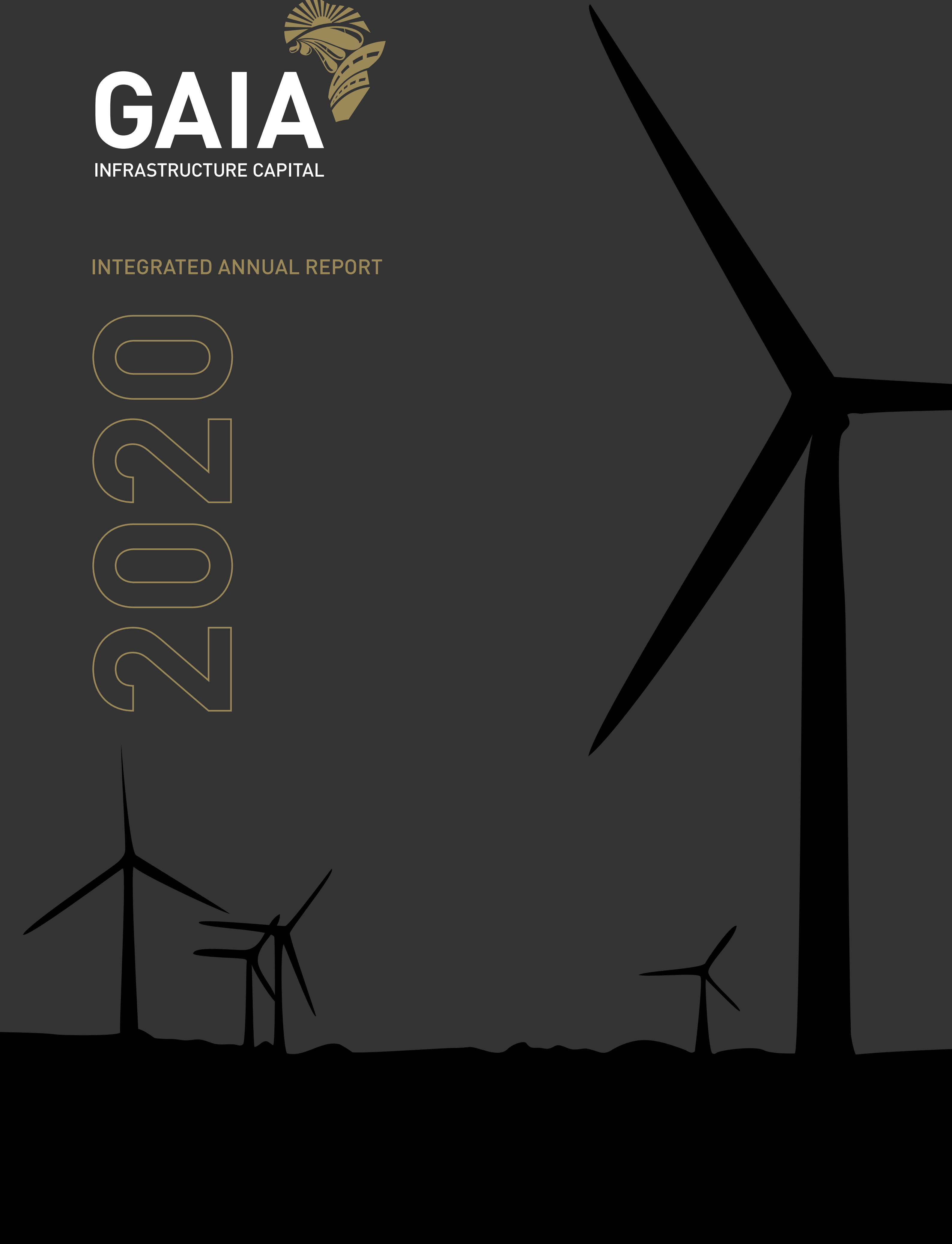
GAIA INFRASTRUCTURE CAPITAL

INTEGRATED ANNUAL REPORT

2020



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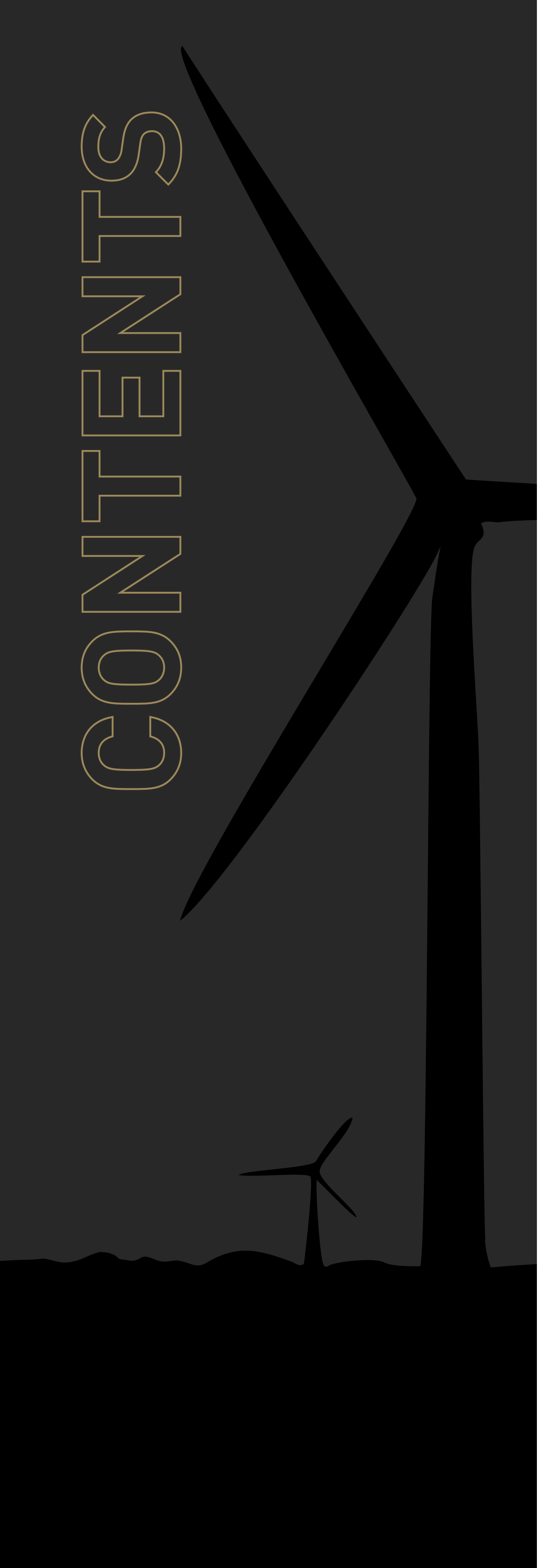

GAIA
INFRASTRUCTURE CAPITAL

ABOUT THIS REPORT

GAIA Infrastructure Capital Ltd ("GAIA" or the "Company") is pleased to present its 2020 Integrated Annual Report 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.

Our Integrated Annual Report covers GAIA's performance for the financial year, from 1 March 2019 to 29 February 2020 ("FY2020").

Material changes

Material changes to the size, structure and ownership of the Company since the last Integrated Annual Report are outlined below:

- Internalisation of asset management function (post year-end) (see page 9).
- Appointment of Financial Director, separate from individual fulfilling Chief Executive Officer ("CEO") role.

Material issues

The report discloses the Company's approach to sustainability and identifies and explains the material issues facing the Company and their impact and the Company's response thereto. The Board has considered matters viewed as material to the functioning of GAIA and its stakeholders.

These are determined through Board and Board Committee's discussions, market research, engagement with our stakeholders, continuous risk assessments and the review of prevailing trends in our sector and the economy.

The issues we have identified as material in terms of the impact on GAIA's long-term sustainability include the capital and shareholder structure, funding of growth opportunities, and the scale of the current investment portfolio.

These material issues are addressed throughout this Integrated Annual Report. Sustainability issues that are not considered material to our operations are not discussed in this report. We believe that this approach should enable stakeholders to accurately evaluate GAIA's ability to create and unlock sustainable value over the short, medium and long term.

Basis of preparation

This Integrated Annual Report has been prepared in terms of:

- International Financial Reporting Standards ("IFRS");
- Companies Act of South Africa, No 71 of 2008, as amended ("Companies Act");
- JSE Listings Requirements;
- King Code of Governance of Corporate Principles for South Africa™* ("King IV™"); and
- Consideration of certain principles contained in the International Integrated Reporting Council's Integrated Reporting Framework.

The King IV Application Register detailing the application of the King IV principles is available on the Company's website https://www.gaia-ic.com/documents/king-IV-compliance-2020.pdf.

Integrated reporting

GAIA aims to adopt the guidelines outlined in the International Integrated Reporting Council's Framework as appropriate. In line with the framework, the Integrated Annual Report includes all such information about matters that materially affect the Company's ability to create and sustain value over the short, medium and long term. Comparative historical information is presented, where relevant, as an insight into future plans.

ABOUT THIS REPORT (continued)

Assurance

This Integrated Annual Report has been reviewed and approved by the Board of Directors. The Integrated Annual Report has been signed on behalf of the Board by the Chairman, Eddie Mbalo and the newly-appointed CEO, Gontse Moseneke.

The Annual Financial Statements have been prepared under the supervision of Petro Lewis CA(SA), the Financial Director of GAIA.

We undertake the following assurance to ensure reporting integrity:

Business process	Nature of assurance	Assurance provider
Annual Financial Statements	External audit	Deloitte & Touche
B-BBEE	B-BBEE scorecard review	Social & Ethics Committee
B-BBEE	B-BBEE rating	EmpowerLogic
Internal audit	Independent outsourced	Ngubane & Company
Health, safety, environmental and community audits	Compliance reviews	Social & Ethics Committee
JSE requirements	Compliance reviews	Sponsors and auditors
Legal matters	Legal and compliance reviews	Company Secretary

Forward-looking statements

This Integrated Annual Report includes forward-looking statements that involve inherent risks and uncertainties. If one or more of these risks materialise, or should the underlying assumptions prove incorrect, actual results may be different from those anticipated.

Words such as believe, anticipate, intend, seek, will, plan, could, may, endeavour, project and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements.

Forward-looking statements apply only as of the date on which they are made. GAIA does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Statement of responsibility

The Board acknowledges its responsibility to ensure the integrity of this Integrated Annual Report. The Directors 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 2020 Integrated Annual Report.

Eddie Mbalo
Independent Non-Executive Chairman

Gontse Moseneke
Chief Executive Officer

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

Please forward any comments to:
Tel: +27 11 684 1230
Email: info@gaia-ic.com


Dorper wind farm

During the year under review, we continued to perform well under the circumstances, with our investment projects generating solid returns. As an infrastructure focused Company, operating in energy, transport, water and sanitation sectors, we are well positioned to benefit from infrastructure demand.

01

ABOUT GAIA

ABOUT GAIA

- R758.1 million in infrastructure assets under management
- R10.74 net asset value per share
- Investment interests in five renewable energy assets licensed during Round 1 of the REIPPPP
- Pipeline of water and transportation infrastructure assets
- R29.2 million net cash as at financial year-end

GAIA is an infrastructure focused investment company listed on the Main Board of the JSE. The Company is mandated to invest in large-scale infrastructure assets that are operationally de-risked in the energy, transport, as well as water and sanitation sectors. The Company can own assets in South Africa, as well as in other countries across Southern Africa. All of GAIA's current assets under management are renewable energy assets that were licensed during Round 1 of the REIPPPP in South Africa, and are already in commercial operation.

Why infrastructure?

Infrastructure belongs to the real asset class. The real asset class lends itself to generating earnings that are uncorrelated to the equities markets and are inflation-linked. Investment in infrastructure often stimulates general economic activity.

Investment Policy

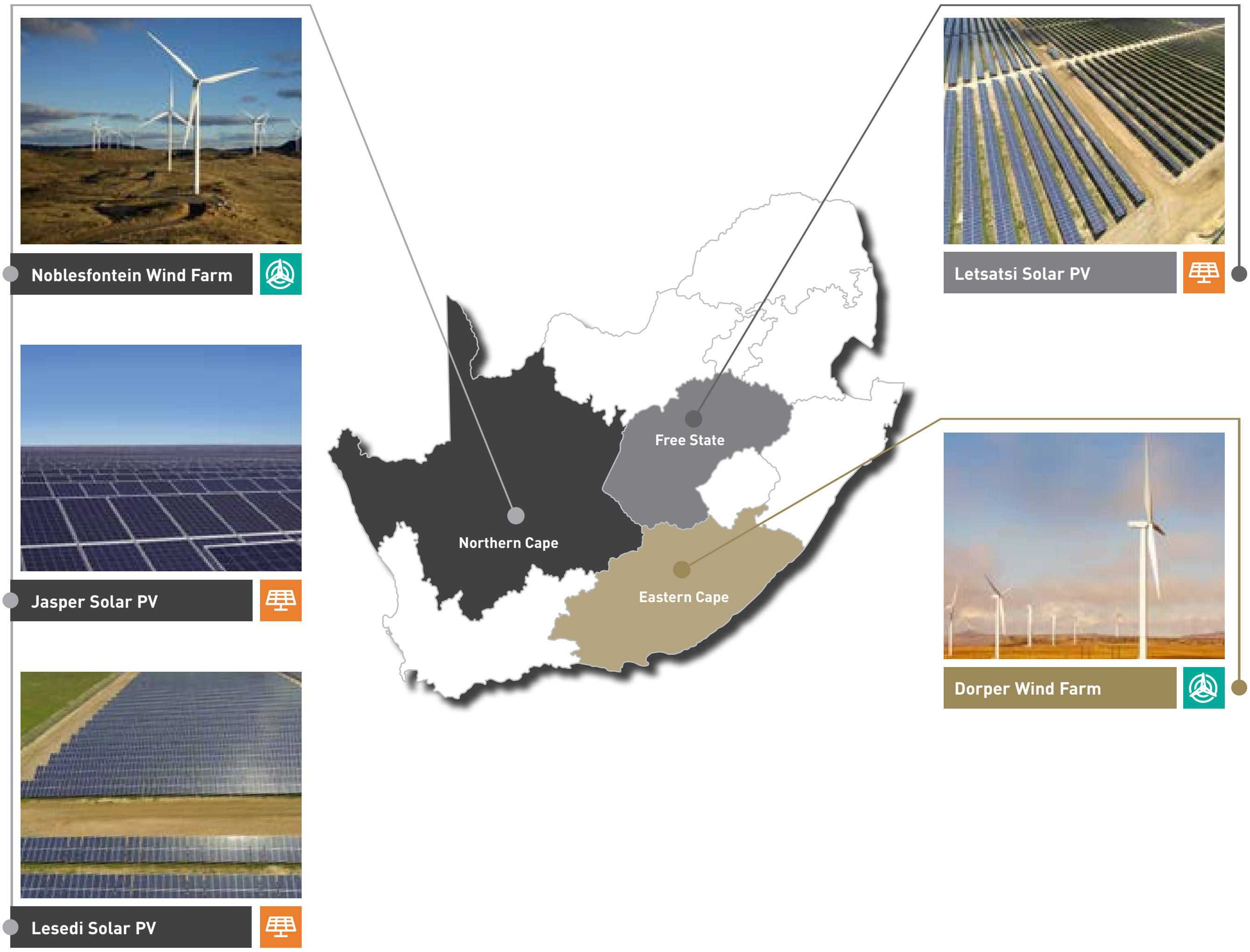
- Minimum investment of R50 million
- Large-scale infrastructure assets in energy, transport, water and sanitation
- Commercially operative or near operation (within six months of commercial operation)
- Target ROI of CPI +6% (before costs) over the offtake agreement/concession
- Visible ESG policy appreciation
- Low investment risk and inflation-linked, predictable long-term cash generation profiles
- Acceptable third-party credit risk exposure
- Equity/financial instruments investment with same profile
- Pursue value-adding asset management and directorship roles to optimise the potential of all underlying assets.

During the year under review, GAIA Infrastructure Partners (Pty) Ltd ("ManCo") was the exclusive manager of the Company's investment portfolio activities. The relationship between the Company and ManCo was governed by a management services agreement in terms of which the Company mandated ManCo in sourcing, negotiating, concluding and executing investment opportunities. Subsequent to year-end GAIA and ManCo agreed to terminate the management services agreement.

Investment case

- Infrastructure focused investment company with investment exposure to large infrastructure assets in key sectors: energy, transport, water and sanitation
- Currently invested in two wind power plants and three solar power plants with low operating and financial risk
- Invested assets are generating earnings that are uncorrelated to the equities markets
- Dividend policy that seeks to achieve predictability and an effective hedge against inflation
- Pipeline of attractive opportunities, that should align with the investment policy
- Experienced and competent board of directors
- ESG considerations in investment policy

OUR INVESTMENTS



Current assets under management

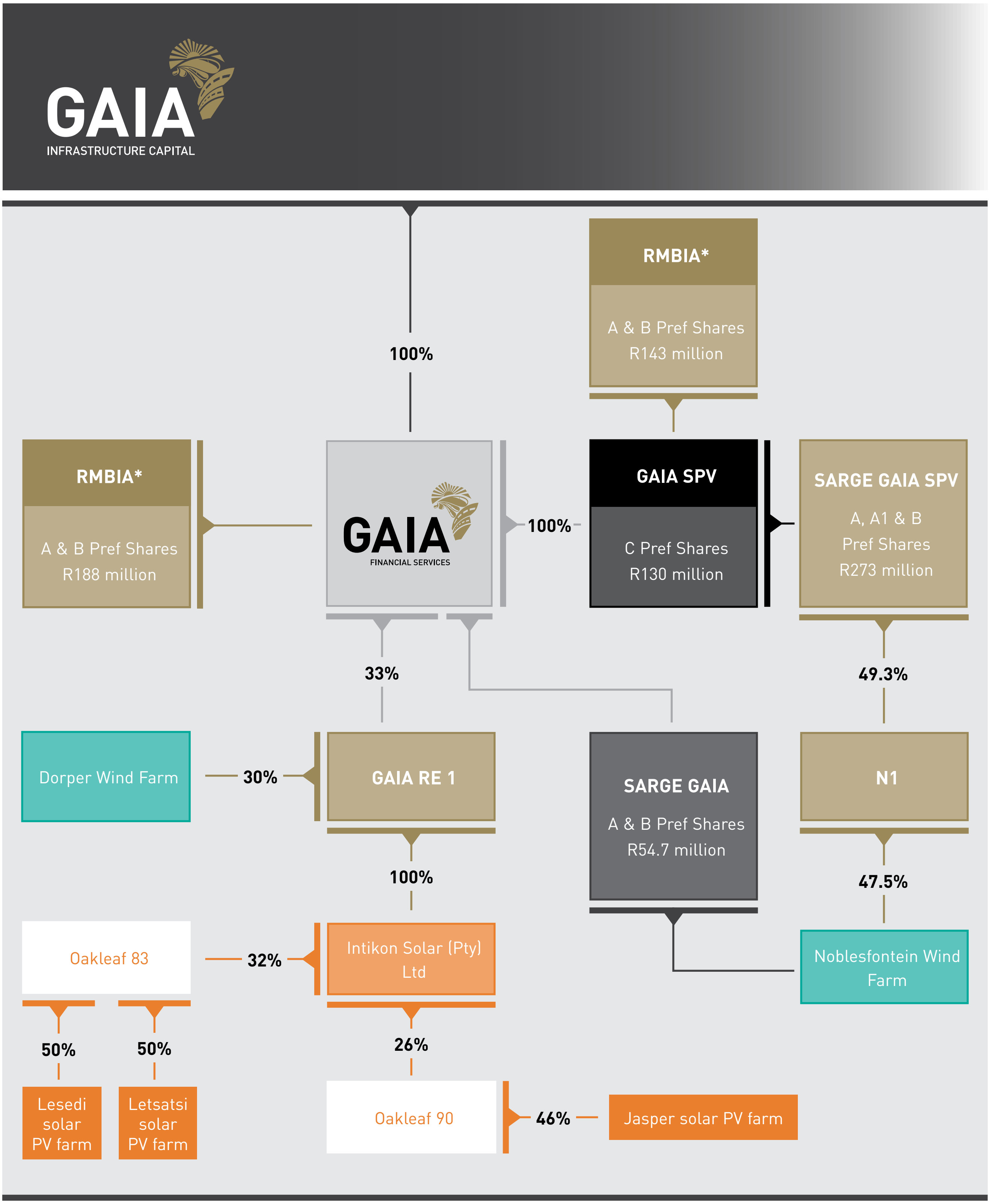
Investment	Asset exposure	Effective economic interest %	Energy resource	Asset location
GAIA RE1	Dorper Wind Farm	9.9	**Wind**	Molteno, Eastern Cape
GAIA SPV; SARGE	Noblesfontein Wind Farm	20	**Wind**	Victoria West, Northern Cape
GAIA RE1	Jasper Solar PV	4.5	**Solar**	Postmasburg, Northern Cape
GAIA RE1	Lesedi Solar PV	5.3	**Solar**	Postmasburg, Northern Cape
GAIA RE1	Letsatsi Solar PV	5.3	**Solar**	Mangaung, Free State

Investment policy

GAIA's Investment Policy is to invest in large-scale infrastructure assets in Southern Africa's energy, transport and water and sanitation sectors. Investments have to meet the criteria set out on page 4.

OUR INVESTMENTS (continued)

Investment structure



* Rand Merchant Bank Investments and Advisory (Pty) Ltd.

Investment strategy

GAIA aims to be a diversified infrastructure investment company, and will invest in large-scale energy, transport, water and sanitation related infrastructure projects in a responsible and transparent manner. In so doing, the Company will provide investors with good, predictable, inflation linked, liquid and long-term yielding investments. Although the Company's primary focus is on South Africa, GAIA will consider opportunities in the rest of Southern Africa.

GAIA adheres to the United Nations backed Principles for Responsible Investment and the Code for Responsible Investing in South Africa. The Board is responsible for the Company's objectives, business and investment strategies and its overall supervision. Post year-end the Company internalised the management of its investment portfolio and is now responsible for the identification, assessment, structuring, resultant acquisition and potential disposal of viable assets.

Investment risk

The risks of an investment in infrastructure may be generally divided into those specific to the infrastructure asset and those affecting the broader asset class. The asset specific risks encompass risks pertaining to the design, construction and operation of the infrastructure asset while the asset class risks include economic, regulatory and political risks.

Asset specific risks largely depend on the maturity of the particular asset. In the construction phase, there is considerable risk associated with the construction process, such as the construction period and budget overruns. Notably as an asset matures, its risk profile declines and its valuation increases. GAIA will invest in operational or near-operational assets to mitigate the construction risk on the asset.

Approval of Investment Policy

The Investment Policy was approved by the Board, shareholders and the JSE as envisaged in section 15 of the JSE Listings Requirements. Any future material changes to the Investment Policy must be approved by shareholders by way of ordinary resolution.

FY2020 HIGHLIGHTS

Financial

Tangible net asset value per share at **R10.74** pre-final dividend payment of **15.00 cents** per share

Total revenue increased by **29.6%** to **R63.2 million** primarily due to an increase in the fair value of the net assets under management

Headline earnings per share up **27.7%** to **71.64 cents** per share

Robust financial position with net cash at **R29.2 million**

Final cash dividend declaration of **15.00 cents** per share resulting in a total dividend of **40.00 cents** per share for the year under review

Operational

Gross assets under management at **R758.1 million**

Investment in a diversified asset portfolio with long-term benefits over the life of the assets

CHAIRMAN'S LETTER TO STAKEHOLDERS

GAIA Infrastructure Capital is a good company with great prospects and during the year under review, we continued to perform well under the circumstances, with our initial investment projects generating solid returns. As an infrastructure focused fund, operating in energy, transport, water and sanitation sectors, we are well positioned to benefit from infrastructure demand.

GAIA provides investors with an opportunity to invest in attractive large-scale operational infrastructure assets that yield a real return of at least 6%. The Company currently owns interests in five high quality renewable energy assets that were licensed during Round 1 of the REIPPPP in South Africa. The Company's assets continue to generate good cash flows and to perform on par with expectations. Infrastructure by its very nature stimulates economic growth, and the REIPPPP assets we own also benefit the communities in the vicinity of their location.

A lot of our challenges in the past year and indeed the past five years have been as a result of the shareholder base with a small free float and two dominant shareholders. At times, challenges arose between these dominant shareholders and the management company, whose directors were equally significant shareholders in the Company. The share price continued to trade at a discount to net asset value and the illiquid share and small free float remain a concern for the Board.

Post year-end, the management of our investment activities has been internalised and we believe this will aid in ameliorating some of these challenges (see more detail below).

Covid-19

Who would have predicted that the year 2020 would start off with a knock to the world economy as a result of the global coronavirus pandemic that has seen most world economies under lockdown. It has created a dual crisis for South Africa as our investment rating was downgraded to below investment grade, which was not unexpected. This double whammy has South Africa in a position which might not be easily reversed in the near to medium term.

As GAIA is invested in renewable energy assets, which were declared an essential service by Government, the electricity supply from these assets under management were not materially impacted by the lockdown. The business remains sustainable and the cash flows are broadly in line with expectations.

Social Compact

Every crisis presents an opportunity and for South Africa, now is an opportunity to unite and work together to address the challenges we are facing. No one knows how long the crisis will last until at least the vaccine is developed and therefore, it calls for leadership across all sectors of society. This is the reason the business community should support President Cyril Ramaphosa's call for a Social Compact, guided by a clearly articulated moral imperative to address the glaring inequalities in our society.

The pandemic has exposed the inequalities not only in South Africa but globally and we can no longer ignore these. We are now poised to help address the social ills that should have been addressed 25 years ago with the advent of our democracy. In South Africa we have a dire need for housing, water and sanitation and GAIA's stated objectives dovetail with this need. We create an opportunity for communities to drive their own change but Government has the responsibility to create a conducive environment.

This Social Compact would ensure that sectoral interests are set aside for the benefit of all South Africans. This would require Government to deal with corruption whilst setting aside ideological dogma and policies that have contributed to the sovereign downgrade and the prevailing financial market stress. Equally the private sector needs to realise that its behaviour cannot continue to go unchecked, particularly in terms of its role in corruption. Equally, representative bodies need to stop their own factional posture and begin to speak with one voice, so the country does not remain hamstrung by policy inefficiencies.

The labour movement needs to start looking after the interests of all the working people of South Africa, those in employment and the unemployed. Under the current circumstances, everything possible needs to be done to avoid extensive retrenchments and business insolvency. In this instance, the compact becomes critical considering the state is the largest employer.

To achieve all we desire, we will require leadership that is entrepreneurial and innovative, in order to build organisations that are adaptable, resilient and that can withstand any future challenges that we might encounter as a nation. Out of the tragedy of this pandemic comes an opportunity to reinvent ourselves for we have a huge responsibility to future generations.

Internalising management

Over the past year, management focused on containing operating costs while we continued to engage our stakeholders for support in restructuring the Company for much needed scale. This scale would require equity capital from existing and new investors in order for the Company to execute its identified investment opportunities. As part of the restructuring, the Board resolved to internalise the management of our investment activities. In April 2020 we announced that the Company agreed on binding terms with GAIA Infrastructure Partners (Pty) Ltd, the externalised management company, to terminate the exclusive management services agreement concluded in 2015.

CHAIRMAN'S LETTER TO STAKEHOLDERS (continued)

The internalisation of the management of our investment activities is consistent with global best practice and will enable the Company to improve alignment of the interests of management and shareholders.

The strategic focus has already shifted on a life post the internalisation and priority is now on objectives that are best expected to enhance shareholder value.

Changes to the Board

As already announced to the market, Prudence Lebina resigned from the Company, as its sole Executive Director, with effect from 26 June 2020. The Board would like to thank her for her dedication and immense contribution during her tenure at GAIA and wish her all the success in her future endeavours.

Gontse Moseneke was subsequently appointed as the new CEO with effect from 1 July 2020. Similarly, Petro Lewis was appointed as the new Financial Director with effect from 1 July 2020. We congratulate both Gontse and Petro on their appointments at GAIA and we look forward to their contribution to the Company.

Karén Breytenbach was appointed as an Independent Non-Executive Director and member of the Audit and Risk Committee. We welcome her to the Board and look forward to working together to further grow the Company.

During the year under review, Non-Executive Directors Phillip Schabort, Leon de Wit, Clive Ferreira and Matthys Nieuwoudt, along with Independent Non-Executive Directors, Nathiera Kimber and Lumkile Mondi, resigned from the Board. We also thank them for their contribution to GAIA and wish them well in their future endeavours.

Governance

GAIA is committed to being a good corporate citizen and the Board ensures that there are robust governance standards in the Company to ascertain that we operate our business and conduct ourselves ethically and in line with global best practice. The Board is diversified in terms of skill and expertise, gender, age and race to reflect the demographics of our country.

Outlook

The challenging economic environment in South Africa is expected to continue for some time; however, our investments in infrastructure will remain sustainable and should continue to generate value for our stakeholders.

The management of our assets and investment activities have been internalised as from June 2020, following the amicable termination of the management services agreement between the Company and ManCo.

A condition of the termination agreement is that the Company must relinquish reference to GAIA in its name and branding. Consequently the Company has embarked on a process to change its name and to rebrand accordingly.

While our current investments are energy-specific, we are mandated to diversify our asset base and water infrastructure presents a number of opportunities. South Africa is a water-scarce country and the current water infrastructure requires substantial investment to be able to meet the needs of a growing population and economy. This provides an opportunity to apply new technologies.

Infrastructure development is traditionally a driver of economic growth and GAIA is well positioned to take advantage of this. Infrastructure spend, as an economic stimulant, will be critical for South Africa in the near term as we look to recover from the Covid-19 pandemic and the downgrade of the country's credit rating to sub-investment grade. For such recovery to be realised, Government would need to partner with the private sector for capital injection and operational efficiencies and will rely on PPPs. As a broad infrastructure company we look forward to making a meaningful contribution towards addressing the infrastructure gap.

Stakeholder support, especially that of our shareholders, will remain critical in determining the future of the Company. The Board will continue to engage shareholders for their support in enhancing our investment portfolio.

Appreciation

I would like to thank each of our directors for their ongoing commitment and contributions to the Board. My appreciation also to the Company's broader stakeholders, shareholders, bankers, and investee companies for their continued support.

I would like to thank the Directors who resigned from the Board with effect from 11 December 2019, who were also part of the ManCo, for their contribution in the foundation and listing of the Company in 2015.

My special appreciation to Prudence Lebina, the outgoing CEO, for her hard work and sacrifices during the year under review, and for also filling the role of Interim Financial Director with diligence.

As I conclude, I would like welcome Gontse Moseneke as the new CEO, who brings a new vision, a definite point of view and a lot of experience in property investment to the infrastructure investment class. I would like to assure him of the Board's support and that of our shareholders and the general stakeholder community.

Eddie Mbalo
Chairman

17 September 2020

Jasper solar farm

The Company is currently invested in high quality Round 1 REIPPPP assets that continue to generate free cash and perform in line with forecast. Infrastructure by its very nature stimulates economic growth, and the REIPPPP assets we are invested in also benefit the local communities surrounding the companies we invest in.

02

OUR STRATEGY

BUSINESS MODEL

Inputs

The capitals below are key to GAIA's creation of value for our stakeholders in terms of our group operating structures and strategic objectives:

Financial Capital

- Debt and equity raised
- Borrowings
- Restructuring to internalise asset management function (10 June 2020)

Reputational Capital

- Strong presence in the SA infrastructure sector

People Capital

- Stable and highly skilled management team with vast infrastructure expertise
- Diverse network and deep sector reach

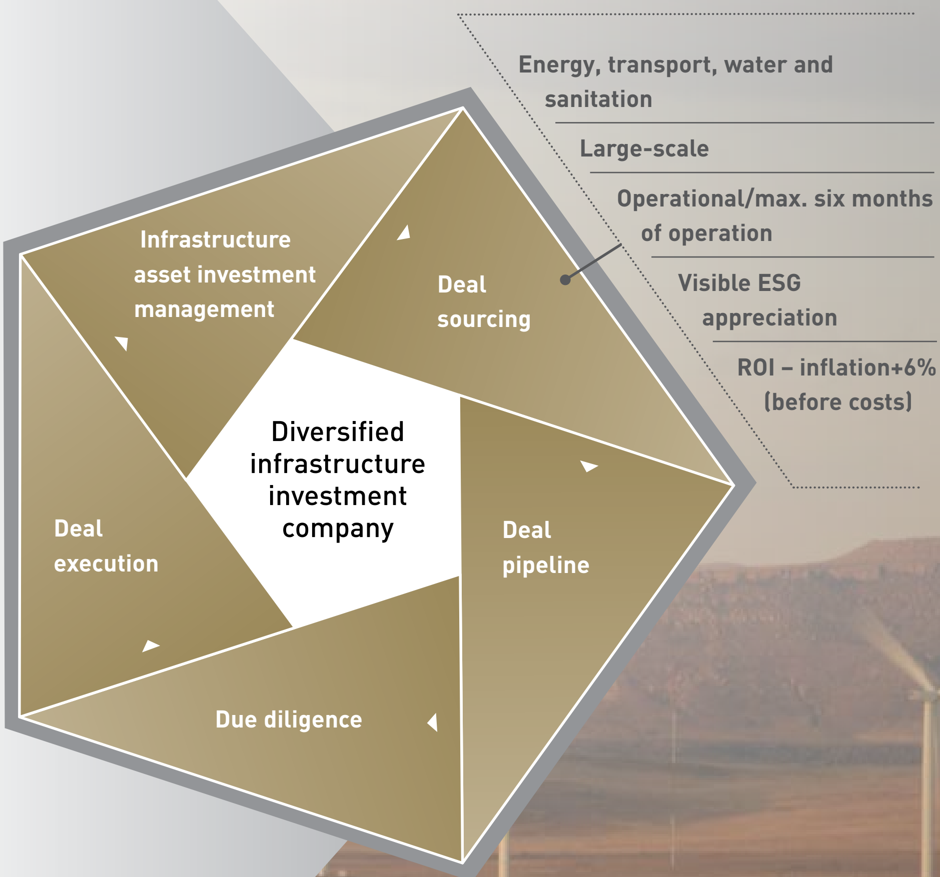
Asset Capital

- REIPPPP asset base
- Extensive infrastructure pipeline

Social Capital

- Projects with impactful ESG consideration
- Responsible investing (UN Codes)

Business activities



Value created

- A diversified infrastructure investment company.
- Investing in large-scale assets.
- Investing in high quality assets that yield predictable and sustainable returns for shareholders.
- Provide investors with low risk, predictable, inflation-linked, liquid and long-term yielding investment.
- Return on initial investment of at least CPI +6%.
- Target a consistent, stable and inflation-linked dividend.
- Diversify the assets under management in the energy, transport, water and sanitation sectors.
- Manage cost and achieve financial excellence.
- Responsible and transparent investments.
- Visible ESG appreciation.
- REIPPPP projects underway benefit local communities.

RISK MANAGEMENT

GAIA's Board oversees risk management through the Integrated Risk and Compliance Framework with the responsibility for implementation delegated to the Audit and Risk Committee. This includes the process of independent audit assurance with regards to the implementation and adherence to GAIA's policies, plans, procedures and controls. The framework ensures that GAIA achieves the level of strategic and operational efficiency and compliance as required by the Board. The Audit and Risk Committee is also responsible for assessing the effectiveness of the Risk Management Policy and processes and reporting to the Board on the overall risk management process.

GAIA's key risk management objective is to embed an effective risk management culture. The Company's strategic objectives are managed continually to identify, analyse, prioritise and treat relevant risks appropriately to ensure an optimal risk-reward profile for all stakeholders.

Risk management framework

Responsibilities

Board

- Oversight of the risk management function
- Sets the tone and influences the culture of risk management within the organisation
- Ensures integrated risk management and internal control systems are implemented and maintained

Delegates to:

Audit and Risk Committee

- Assists in carrying out Board's responsibilities in relation to risk management
- Tasks in the development, implementation and annual review of a Risk Management Policy and the risk management process
- Ensuring that compliance forms an integral part of GAIA's risk management process

Delegates to:

Executive Management

- Day-to-day risk management including identifying and evaluating the significant risks faced by GAIA and determining how to respond to the risks
- Implementing an effective risk management process, including the identification, analysis and evaluation of risks specific to their area of responsibility
- Setting the tone and influence of the culture of risk management

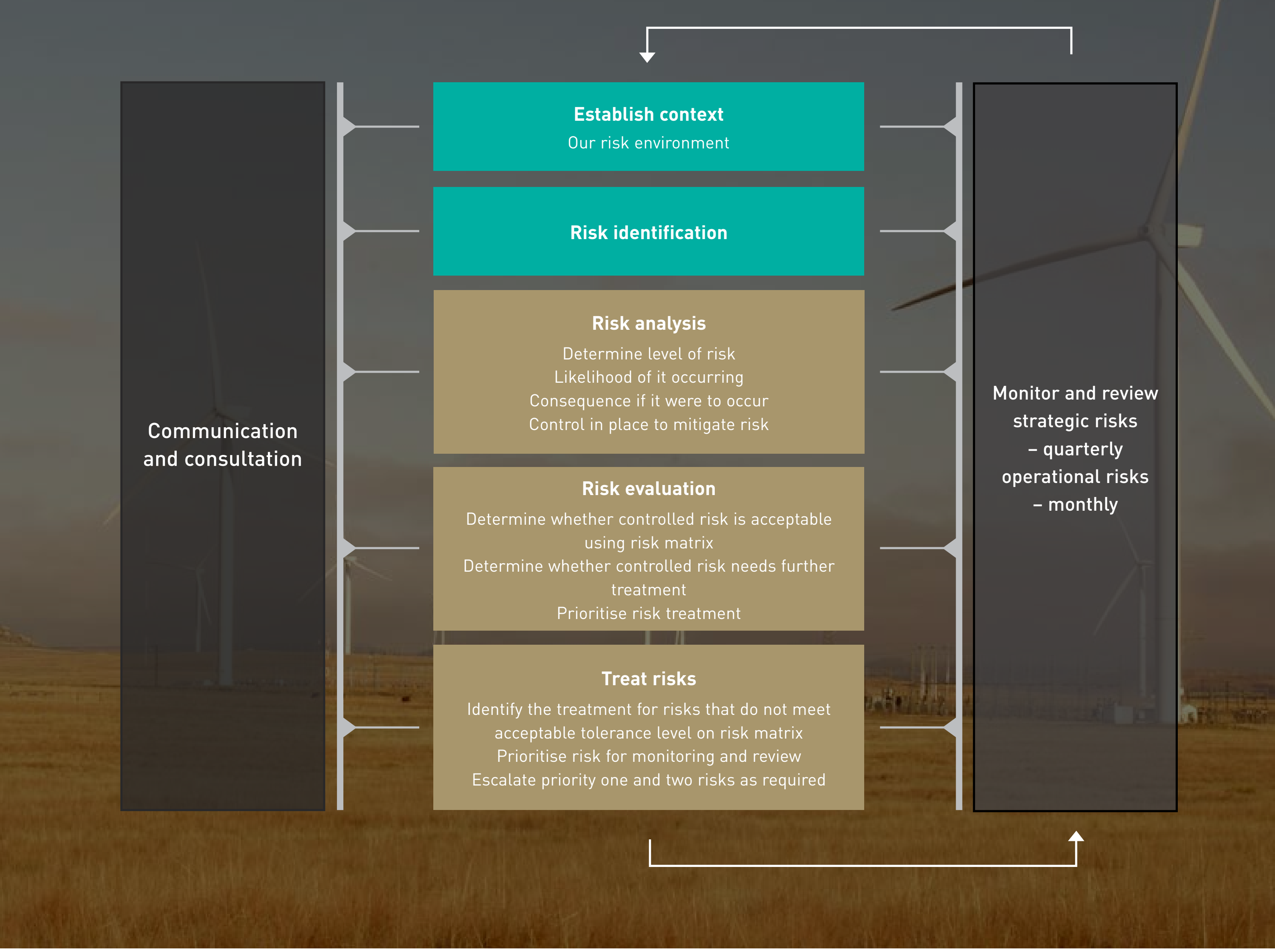
GAIA has adopted a Combined Assurance Model based on three lines of defence which makes use of the following assurance providers:

- 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 (external and internal audit).

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. The Audit and Risk Committee meetings are attended by the external auditors, the CEO and Financial Director, as well as other Board members and invitees as considered appropriate by the Chairperson of the Audit and Risk Committee.

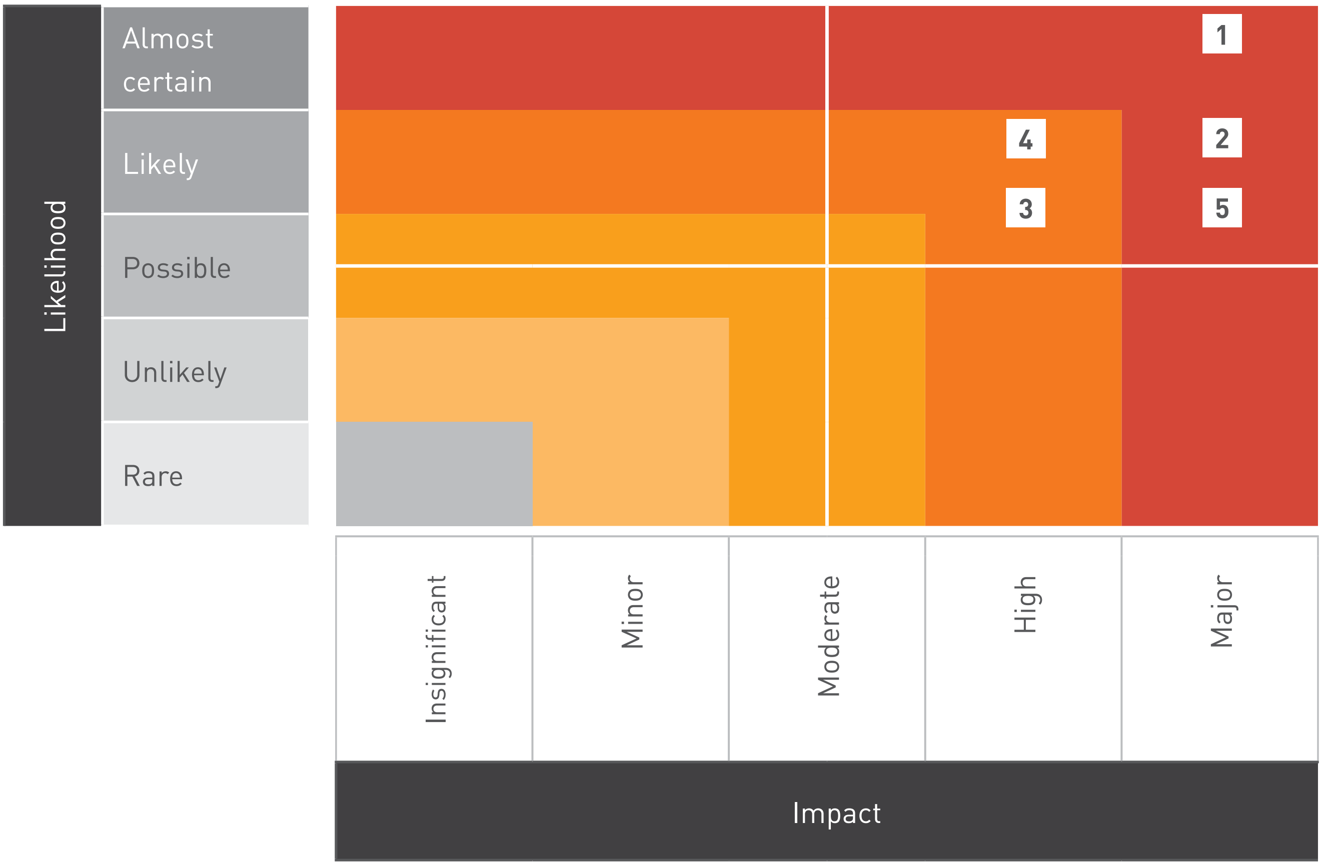
Assurance providers have unrestricted access to the Audit and Risk Committee, which ensures that their independence is in no way impaired.

Risk management process



RISK MANAGEMENT (continued)

1. Dominant shareholders
2. Access to capital
3. Share performance and illiquidity
4. Investor returns
5. Key person risk



The Company's five key risks are set out below:

Risk	Risk description	Mitigation approach
1. Dominant shareholders	▸ 75% of shares in issue are owned by dominant shareholders ▸ Shareholder approval required for issuance of additional shares or share buy-back programme	▸ Seeking support from existing shareholders ▸ Implementation of the Board's engagement strategies
2. Access to capital	▸ Lack of investor appetite for the asset class due to economic climate and overall market sentiment ▸ Constrained support from existing shareholders	▸ Communication of the GAIA investment case to the broader market to understand infrastructure as an asset class ▸ Developing multiple funding channels: equity, debt, preference share structure
3. Share performance and illiquidity	▸ Share price trading at a discount ▸ Dominant shareholders own 75% of issued shares ▸ Restrained free float ▸ Infrastructure industry uncertainty	▸ Diversification of shareholder base to achieve bigger investment scale
4. Investor returns	▸ Assets not yielding returns within expected timelines ▸ Varying investor expectations ▸ Dividend Policy	▸ Implementing the Investment Plan and identify low-risk assets with high yield ▸ Proper Dividend Policy in place and communicated regularly to investors
5. Key person risk	*Contributing factors* ▸ Small management team with key dependency on CEO who also fulfils role of Finance Director ▸ Reliance on externalised management team for asset management	▸ Imminent separation of CEO and Finance Director ▸ Internalisation of the asset management function ▸ Application of a set investment criteria in review and approval of new investment

OUR STAKEHOLDER RELATIONSHIPS

GAIA is committed to improving and maintaining honest and mutually beneficial relationships and partnerships with all its stakeholders as integral to our sustainability and a critical part of our communication strategy. Effective and meaningful stakeholder engagement provides the Company with information that leads to improved decision-making processes and assists the Company and the Board to shape its long-term direction. The Board monitors relations with stakeholders while the Social and Ethics Committee oversees stakeholder relations. The CEO is responsible for stakeholder engagement.

We strive to ensure open and transparent engagement with all stakeholders. A stakeholder evaluation is constantly under review on a Company level as well as at the investee company level.

We communicate with various stakeholders through our website, stakeholder presentations, the Annual General Meeting ("AGM"), interaction with the media, one-on-one meetings, community forums and ongoing informal and formal discussions.

The stakeholders of our investee companies, providers of capital, Government, and employees are equally fundamental to GAIA's success and the Company is committed to ongoing engagement with all its stakeholders.

Our key stakeholders and the issues that concern them are outlined below:

Stakeholder	Key interests	Our commitment	Engagement
Providers of capital	▸ Servicing of debt ▸ Financial performance ▸ Dividend yield ▸ Investment returns ▸ Share price performance ▸ Solvency and liquidity ▸ Strength of the Management and Board ▸ Quality of underlying assets	▸ Keeping providers of capital informed of project developments and managing expectations ▸ Effective management of finance facilities ▸ Regular tracking of financial obligations	▸ Regular contact sessions around status of operations and specific projects ▸ Interim and annual results announcements ▸ Regular website update ▸ Roadshows ▸ Ad hoc meetings
Suppliers and partners	▸ Continuity of business relationships on commercially optimal terms ▸ Service delivery and quality ▸ Fair and ethical treatment ▸ Preferential procurement ▸ Fair payment terms ▸ Financial sustainability	▸ Conducting business in an ethical, responsible and transparent manner ▸ Regular engagements with suppliers	▸ Board representation ▸ Management meetings ▸ One-on-one engagement
Potential investee companies	▸ Value adding relationships ▸ Purchase consideration (attractive assets) ▸ Integrity of the Company ▸ Relationship building ▸ Asset optimisation initiatives	▸ Mutually beneficial relationships ▸ Conscious effort to meet expectations where applicable	▸ Ongoing regular meetings Contract negotiations ▸ Presentations and correspondence

Stakeholder	Key interests	Our commitment	Engagement
Investors	▸ Diversification into Southern Africa region ▸ Strength of the Board ▸ Financial performance (asset quality, yields and valuation) ▸ Sustainability of the Company ▸ Strategy and ESG responsible investing ▸ Growth in investment	▸ Completion of the Noblesfontein and Dorper acquisition to increase asset base ▸ Diversified investee company mix ▸ Strong business strategy that is ESG-linked ▸ Delivery of strategic objectives ▸ Experienced Board and Management team ▸ Communicate all related-party transactions ▸ Communication in line with JSE Listings Requirements ▸ Provide summary of all transactions in the interim and final results announcements and Integrated Annual Report	▸ SENS announcements ▸ Interim and final results presentations and investor conference calls ▸ Statutory update on SENS announcements and regular website updates ▸ Calls and meetings with strategic shareholders if and when required ▸ Roadshows ▸ AGM
Employees	▸ Staff development and career planning ▸ Market-related and fair rewards and benefits ▸ Employment equity ▸ Company sustainability and growth	▸ Focus on employee wellness to achieve strategic objectives ▸ Annual Department of Labour submissions on employment equity ▸ Reports and workplace skills plans in investee companies	▸ Formal performance review process ▸ Regular engagement ▸ Staff training and development initiatives ▸ Benchmarking remuneration against industry average
Communities	▸ Sustainability of long-term economic empowerment and sustainability initiatives ▸ Company's ESG initiatives ▸ Job creation (enterprise and local economy development) ▸ Local infrastructure development	▸ Relationship management initiatives ▸ Complete agreement for waste management with EnviroServ Waste Management ▸ Focus on social licence to operate ▸ Forming long-term mutually beneficial relationships for communities, investee companies and GAIA	▸ Engagement forums with local communities through investee companies

OUR STAKEHOLDER RELATIONSHIPS (continued)

Stakeholder	Key interests	Our commitment	Engagement
Government and regulators	▸ Regulatory and legislative compliance of investee companies ▸ Compliance with JSE requirements ▸ Legislative compliance ▸ B-BBEE codes compliance ▸ Timely payment of taxes ▸ Private-public partnerships ▸ Eskom Holdings SOC Ltd's ability to honour the Power Purchase Agreements	▸ Management of REIPPPP uncertainty through positive relations ▸ Formalised B-BBEE Policy ▸ Partnership with Government	▸ Regular formal meetings with relevant authorities ▸ Monitoring regulatory changes
Media	▸ Understanding of GAIA business (operationally and financially) ▸ Reliability of information and company correspondence ▸ Effective stakeholder communication	▸ Retrospective and proactive one-on-one engagement with financial and trade editors and journalists ▸ Media alerts through SENS announcements	▸ Interim and final results presentations ▸ Specific direct engagements ▸ Company website

OUR PEOPLE

The total GAIA staff complement is set out below:

Employment equity

African		Coloured		Indian		White	
Male	Female	Male	Female	Male	Female	Male	Female
1	2	0	0	0	0	0	1
25%	50%	0%	0%	0%	0%	0%	25%

Letsatsi solar farm

GAIA remains committed to identifying additional strategies to create value and contribute positively to the environmental, societal, and governance requirements of the communities within which it operates.

03

OUR PERFORMANCE

OUTGOING CHIEF EXECUTIVE OFFICER'S REPORT

It has been another economically challenging year for South Africa with low consumer confidence, and policy uncertainty in the energy sector impacting deployment of capital. Our key focus areas during the year were on cost management to enhance shareholder value as well as continued engagement with our shareholders for capital support to grow the Company's investment portfolio.

Capital raising remained challenging during the year and unfortunately GAIA had to forgo some investment opportunities that were exclusive to the Company. Growth of our investment portfolio remains a key focus and to execute on the identified deal pipeline, additional equity funding from existing and new shareholders is required. The Company continues to engage a diverse range of potential investors to ensure we can diversify the current shareholder base and over time improve the liquidity of the counter.

Portfolio performance

Our resilient assets under management continued to perform as expected, distributing the expected free cash to the investors. Our cash flows from the investments under management increased to R69.5 million from R54.5 million in the prior year demonstrating the benefit of a diversified asset portfolio. Dividend income from GAIA RE1 through which we are invested in Dorper Wind Farm and Intikon Solar Assets (Jasper, Lesedi and Letsatsi solar farms) increased to R55.0 million from R44.5 million in the prior year. Dividend income from Noblesfontein Wind Farm held through preference shareholding in GAIA SPV and SARGE increased to R14.5 million from R9.9 million in the prior year.

Our strategy

GAIA's strategic objective is to facilitate the investment of long-term capital in infrastructure projects in Southern Africa. In accordance with our investment policy, we target a gross investment return of CPI plus 6% (before costs), and we believe the inflation-linkage inherent in the infrastructure sector, and offered by GAIA's investment returns, is attractive to investors.

Financial returns from our investment portfolio are in the form of cash distributions, explicitly linked to CPI and are contracted over a long term. These factors are important elements in providing liability matched income streams to institutional investors that are pursuing liability driven investment strategies, such as pension funds. Further, investment in renewable energy projects specifically also has the benefit of greening the economy, job creation, social upliftment and rural development, all of which are important elements in responsible investing.

The Board is currently finalising its strategic review to inform the next phase of the Company and this will be communicated to shareholders in due course.

Post year-end transactions

In line with global best practice and to better align the interests of the Company's management and shareholders, the Board resolved to internalise the management of our investment activities by amending the termination fee payable and terminating the management services agreement originally established in October 2015 between GAIA Infrastructure Partners Proprietary Ltd ("ManCo") and GAIA. On 16 April 2020, we announced that GAIA and ManCo agreed to the consensual termination of the Management Services Agreement, in consideration for payment by GAIA of a reduced termination fee of R18 million. The termination is expected to also reduce the cost structure with lower annual fees for the Company and improve decision-making structures with a view to maximising shareholder returns.

One of the conditions precedent is that neither GAIA nor its subsidiaries include the word "GAIA" or any variation thereof in their name. The change of name is subject to the passing of a special resolution of shareholders and compliance with the JSE Listings Requirements.

Appreciation

My sincerest appreciation goes to our Chairman and the Board for their guidance and support during the year under review and particularly during my tenure as CEO. I also thank all our stakeholders for their loyal support and have enjoyed engaging with them.

I wish the Company well in realising its strategic objectives and creating sustainable value for its shareholders as it takes up its leadership space in infrastructure investment in Southern Africa. I look forward to tracking its positive progress in the years ahead.

KP Lebina
Outgoing CEO

FINANCE REPORT

Salient Points

- Tangible net asset value at **R10.74** per share
- Net cash at **R29.2 million** as at financial year-end
- Basic and headline earnings per share up **27.7%** to **71.64 cents**
- Total revenue increased by **29.6%** to **R63.2 million**
- Gross assets under management at **R758.1 million**

The robust financial position was maintained with net cash increasing by R21.0 million to R29.2 million (FY2019: R8.2 million).

A final dividend of 15.00 cents per share was declared with an interim dividend of 25.00 cents per share paid in November 2019, bringing the total dividend relating to FY2020 to 40.00 cents per share.

Investment portfolio by fair value

Entity	Investment	Income received	Fair value	% of portfolio
GAIA Infrastructure Capital	GAIA Financial Services	25.0	551.4	99.0
	Noblesfontein Education Trust	–	5.4	1.0
		25.0	**556.8**	
GAIA Financial Services	GAIA RE1	55.0	515.5	68.5
	GAIA SPV C-pref shares	10.7	154.2	20.5
	SARGE A&B pref shares	3.8	83.0	11.0
		69.5	**752.7**	

FINANCE REPORT (continued)

	FY2020	FY2019	% change	Commentary
STATEMENT OF FINANCIAL POSITION				
GAIA Infrastructure Capital Summary				
Non-current assets	**558 706 039**	520 491 647	7.3	R501 million loan to GFS for investment in GAIA RE1 + R5.4 million Noblesfontein Education Trust + R50.4 million GFS NAV + R1.5 million lease
Current assets	**36 595 818**	55 955 066	(34.6)	R29.2 million cash + R7.3 million trade and other receivables + R0.6 million tax receivable
Total assets	**595 301 857**	576 446 713		
Share capital	**545 851 762**	545 851 762		
Retained income	**46 360 183**	28 800 623	61.0	R28.8 million opening balance + R39.5 million net profit less R21.9 million dividends paid in FY2019
Total equity	**592 211 945**	574 652 385		
Non-current liabilities	**1 194 227**	–		Lease liability on head office building – IFRS 16 adoption
Current liabilities	**1 895 685**	1 794 328		
Total liabilities	**3 089 912**	1 794 328		Trade and other payables
Shares in issue	**55 151 000**	55 151 000		Shares in issue
Net asset value per share (R)	**10.74**	10.42		
GAIA Financial Services Summary				
Non-current assets	**752 709 115**	724 582 923	3.9	GAIA RE1 R515.5 million, GAIA SPV C-pref shares R152.7 million, SARGE A&B pref shares R83 million, GAIA SPV R1.5 million
Current assets	**4 440 706**	13 762 699	(67.7)	
Total assets	**757 149 821**	738 345 622		
Share capital	**100**	100		
Retained income	**50 374 411**	14 135 390	256.4	R14.1 million opening balance + R61.2 million net profit less R25 million dividends paid to GAIA IC
Total equity	**50 374 511**	14 135 490		
Non-current liabilities	**194 392 694**	183 031 312		
RMB preference shares	**191 171 696**	180 965 708	5.6	A&B preference shares issued to RMB
Deferred tax	**3 220 998**	2 065 604		
Current liabilities	**512 382 616**	541 178 820		Unsecured interest-free loan from GAIA IC for GAIA RE1 investment
Total liabilities	**697 647 768**	724 210 132		

	FY2020	FY2019	% change	Commentary
STATEMENT OF PROFIT AND LOSS				
GAIA Infrastructure Capital Summary				
Other income	**–**	25 380		
Interest income	**1 853 833**	2 062 713	(10.1)	Interest earned on reduced cash holdings
Dividend income	**25 072 710**	32 600 000	(23.1)	Dividends received from GFS
Fair value movement	**36 239 021**	14 050 619	157.9	Fair value movement
Revenue	**63 165 564**	48 738 712	29.6	
Operating expenses	**(23 226 152)**	(17 586 075)	17.4	R6.8 million write-off of previously capitalised marketable investment reports
Finance costs	**(246 634)**	(26)		Increase due to IFRS 16 application
Taxation	**(183 118)**	(217 137)		
Net income for the year	**39 509 660**	30 935 474	27.7	
Earnings per share (cents)	**71.64**	56.09		
GAIA Financial Services Summary				
Interest income	**2 135**	20 454 503	(100.0)	Convertible loan to GAIA RE1 converted to equity in December 2018
Dividend income	**69 379 327**	34 031 815	103.9	R55 million from RE1, R11 million from GAIA SPV and R4 million from SARGE
Other income	**30 000**	–		
Fair value movement	**17 920 203**	7 219 916	148.2	Fair value movement
Revenue	**87 331 665**	61 706 234		
Operating expenses	**(3 264 529)**	(4 729 048)	(31.0)	Audit and professional fees
Finance costs	**(21 672 146)**	(20 781 010)	4.3	Pref share dividends to RMBIA (R18.6 million A-pref, R3.1 million B-pref)
Taxation	**(1 155 969)**	10 454 443		
Net income for the year	**61 239 021**	46 650 619	31.3	

MANCO REPORT

Investment landscape

Reflecting on our 2019 report it is sad to see that none of the opportunities in the infrastructure space in South Africa were realised. South Africans experienced frequent and destructive load-shedding by Eskom due to the effects of the lack of operational planning and investment in maintenance on the existing power plants.

The long-awaited Integrated Resource Plan 2019 was published in October 2019, but none of the procurement programmes are anywhere near implementation. Notably this will bring certainty to the framework which is required to attract private capital. Although eagerly awaited it has no direct impact on GAIA as currently we do not operate in the primary market although there is an indirect impact on our future investment pipeline.

The implementation of the mooted break-up of Eskom has also not progressed, save for a report from the Chief Restructuring Officer. In short, there have been no investable opportunities in the primary electricity market in the past year.

Similarly, there have been no changes to the regulatory environment to enable new investment in the water or transportation infrastructure space. GAIA has to date not been able to enter the water or transportation infrastructure space on its terms.

Asset performance

Against this bleak background, it is heartening to report that the cash flows received by GAIA have proven resilient and that the projects have performed to expectation and beyond.

The assets continue to provide the expected returns uncorrelated to the rest of the financial market.

Risk and return

With Eskom experiencing immense financial strain and South Africa's sovereign credit ratings in sub investment-grade territory, investors must remain aware that Government default remains an inherent risk in exposure to these assets, as is the case with many other South African-based assets. Despite this, Eskom has continued to settle its obligations to our investee companies on time and in full.

While the initial effects of the Covid-19 pandemic mainly occurred after the reporting period, it is worth noting that electricity supply from GAIA's assets is unaffected. The cash generation from the underlying assets has not been negatively affected, as has been the case in other listed companies.

Outlook

All indications are that South Africa will experience its worst economic recession in recent history over the next few years. Stretched Government finances, stagnant economic activity, sub investment grade sovereign credit ratings and the effects of the Covid-19 pandemic have created a dire economic situation that will leave few unaffected.

While the anticipated worldwide recession will contribute massively to the pain that we will suffer, we hope that Government can implement the now urgent structural reforms. It is common cause that investment in infrastructure is and will be needed on a massive scale to overcome any recession and to build a thriving economy. The readily available source of funding for such infrastructure investment is the private sector.

In the absence of a thriving manufacturing sector, the construction sector is one of the few options to provide jobs to the unskilled labour force of South Africa. The State has all the necessary power to optimise its balance sheet and unlock significant value by selling some of its infrastructure assets and fully and consistently embracing a modern, transparent and best-practice pay-for-use model.

As we reported last year, the implementation of the Integrated Resource Plan 2019 will go a long way in enabling increased investment of private capital in electricity infrastructure in South Africa.

The resilient performance of GAIA's asset portfolio in the face of the economic environment continues to strengthen the case for increased investment in infrastructure, and GAIA remains confident that investment in infrastructure assets must remain an essential building block in a long-term investors' portfolio strategy.

Dorper wind farm

SUSTAINABILITY

Approach to ESG

At GAIA we are committed to promoting environmental, social and governance responsibility in all our investments and ESG considerations are incorporated in our investment analysis and decision-making. We have a clear ESG policy. In selecting investments, we are conscious of the potential environmental as well as socio-economic impact of the assets.

- On a quarterly basis, Management reviews the enterprise development and socio-economic reports from the investee companies for achievements and challenges – tracking project plans and obligations to actual deliverables; budgets and project cost breakdown, and community projects achieved.
- On a quarterly basis, Management assesses compliance with applicable ESG standards during the operation stages of the project companies and provides guidance on achieving and maintaining compliance.
- Management frequently reports to the SEC on risk analysis, environmental issues, the impact thereof on the operations, and provides updates on socio-economic developments.
- Management forms part of the investee companies' Boards of Directors as a value-add service to ascertain performance (financial, technical, environmental and socio-economic development) in line with forecasts.

The SEC is responsible for reviewing GAIA's policies relating to sustainable development.

This includes ethics and compliance, Corporate Social Investment, Socio-Economic Development ("SED") and Enterprise Development ("ED") activities, stakeholder relations, B-BBEE, labour relations and working conditions, and management of GAIA's environmental impact.

The SEC actively manages ethics in the organisation in a way that contributes to the establishment of an ethical culture. They monitor and report on the environment, health and public safety issues, including the impact of the Company's activities and services.

As GAIA does not operate investee companies' assets, we exercise an oversight role to ensure they are reporting on environmental, social and economic development. If there are any issues, we engage with the management of the investee companies on these matters.

The SEC monitors social contribution in terms of total cash and in-kind contributions to social sustainability external to the Company.

Socio-economic development: community, social and environmental issues

Dorper Wind Farm community

Activities in the communities of Sterkstroom and Molteno were mainly focused on skills creation and development for the unemployed youth. Other activities were mainly focused on beneficiary engagement, mentoring and providing support, coaching and development training.

Jasper Solar power farm

Danielskuil Field Band

- The Field Band project, which teaches children life skills, impacts 273 children in Danielskuil ranging from the ages of six to 18.

Refentse Primary School

- Jasper continually supports the school with monthly stipends for two additional teaching assistants to study for B.Ed focusing on foundation phase.

Lesedi Solar Power Project and Letsatsi Solar Power Project

Ikgomotseng Clinic

- Letsatsi has embarked on a project to upgrade the clinic facilities.

Columba Youth Leadership

- Letsatsi supports 24 learners with the Columba Leadership Programme, where leaners develop skills in critical thinking, problem solving and communication.

For more detail on ESG please see the Social and Ethics Committee report on page 43.

At GAIA we are committed to promoting environmental, social and governance responsibility in all our investments and ESG considerations are incorporated in our investment analysis and decision-making. We have a clear ESG policy. In selecting investments, we are conscious of the potential environmental as well as socio-economic impact of the assets.

04

GOVERNANCE

Noblesfontein wind farm

BOARD OF DIRECTORS

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

EXECUTIVE MANAGEMENT

Gontse Moseneke*
Chief Executive Officer

Petro Lewis*
Financial Director

INDEPENDENT NON-EXECUTIVE DIRECTORS

Eddie Mbalo
Chairman

Sisanda Tuku

Karén Breytenbach

Thembani Bukula

- Nomination Committee
- Remuneration Committee
- Audit and Risk Committee
- Social and Ethics Committee
- Transaction Committee

* *Permanent invitees to all Committees of the Board.*

BOARD OF DIRECTORS (continued)

Gontse Samuel Moseneke (39)
Chief Executive Officer
BSc (Statistics and Actuarial Science), MSc (Acturial Management)
Appointed: 1 July 2020

Skills brought to GAIA: Communication, financial, business development, strategic leadership, management, board and committee experience

Petro Lewis (39)
Financial Director
CA(SA), BCom (Honours)
Appointed: 1 July 2020

Skills brought to GAIA: Financial management, governace, financial reporting, board and commitee experience

Khalipha Edward Mbalo (57)
Independent Non-Executive Chairman
Television Engineering Certificate – NHK Institute: Japan
Appointed: 1 October 2015

Skills brought to GAIA: Advisory, strategic leadership, governance, entrepreneurial, management, board and committee experience

Karén Breytenbach (62)
Independent Non-Executive
CA(SA), Master of Business Leadership, BCompt
Appointed: 2 March 2020

Skills brought to GAIA: Project management, corporate advisory, strategic leadership, business development, infrastructure public private partnerships conceptualisation and design

Sisanda Tuku (41)
Independent Non-Executive
CA(SA), BCom (Honours)
Appointed: 21 November 2016

Skills brought to GAIA: Operational, corporate advisory, business development, accounting and capital raising

Thembani Bukula (56)
Independent Non-Executive
BSc (Eng); Post Graduate Diploma (Eng Bus Management); MSc (Math, Science and Technology Education)
Appointed: 1 June 2017

Skills brought to GAIA: Engineering, strategic leadership, management, board and committee experience

Noblesfontein wind farm

CORPORATE GOVERNANCE REPORT

The Company's Board of Directors is committed to ensuring that GAIA is governed appropriately in terms of high standards and sound governance practices, based on accountability, transparency, integrity and ethical management.

The Board is elected by shareholders and accepts overall accountability for the Company's performance, and ensuring that GAIA is adequately positioned to create sustainable value over the long term for all stakeholders, taking into account the material issues, risks and opportunities of the Company.

While the Board's primary focus is to play a key role in determining the Company's strategic direction, it is also responsible for providing continuous oversight of material matters and holding executive management accountable for managing the Company. To enable the relationship between the Board and executive management to achieve results, the Board has adopted a governance framework and aligned practices that collectively contribute to value creation.

Key focus areas of the Board:

- Approving the strategic direction of the Company and the budgets necessary for the implementation thereof;
- Determining and setting the tone of GAIA's values;
- Acting in the best interests of the Company (including managing conflicts and dealing in securities);
- Being responsible for IT governance;
- Appointing and evaluating the performance of the CEO;
- Retaining full and effective control of the Company;
- Monitoring key risk areas;
- Communicating with shareholders openly and timeously throughout the year;
- Ensuring all shareholders are treated equitably and equally;
- Monitoring compliance with all relevant laws, rules, codes and standards of business practice through a Compliance Framework; 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.

Key focus areas of the Board in the year

Ethical leadership

GAIA is committed to upholding the highest standards of ethics, transparency and good governance in the interest of all our stakeholders and we adopt stringent compliance measures.

The Company's governance, ethics and values is the sole responsibility of the Board and is supported through the Social and Ethics Committee as a mandate. The Board is obligated to lead ethically and effect leadership within a framework of prudent and effective control, thereby ensuring that ethics are managed and that GAIA is a responsible corporate citizen.

The Board supports the principles of King IV and derives its rights and duties from the Board Charter. GAIA materially complies with the principles of King IV as set out in detail on our website https://www.gaia-ic.com/documents/king-IV-compliance-2020.pdf.

Employees are expected to disclose any conflicts of interest and vetting is undertaken at the point of appointment. Ethics, bribery and anti-corruption policies are in place to which all employees are required to adhere. No contraventions of the codes and policies were reported during the year.

No instances of fraud, corruption or anti-competitive behaviour were reported during the year.

King IV and governance

The King IV Report advocates an outcomes-based approach, and defines corporate governance as the exercise of ethical and effective leadership toward the achievement of the following governance outcomes:

- Ethical culture
- Good performance
- Effective control
- Legitimacy

The application of King IV is on an apply and explain basis and practices underpinning the principles exposed in King IV are entrenched in many of the Group's internal controls, policies and procedures governing corporate conduct. The Board is satisfied that in the main, GAIA has applied the principles set out in King IV.

Applicable governing frameworks

GAIA complies with:

- the Companies Act No 71 of 2008, as amended (the Companies Act)
- the JSE Listings Requirements (the Listings Requirements)
- relevant statutes and regulatory requirements applicable to South African companies
- the regulations of its Memorandum of Incorporation
- other authoritative directives regulating its conduct.

GOVERNANCE STRUCTURE

Shareholders and other stakeholders

THE BOARD

EXECUTIVE MANAGEMENT

Gontse Moseneke
CEO
Appointed: 1 July 2020

Petro Lewis
Financial Director
Appointed: 1 July 2020

INDEPENDENT NON-EXECUTIVE DIRECTORS

Eddie Mbalo
Chairman
Appointed: 1 October 2015

Sisanda Tuku
Appointed: 21 November 2016

Thembani Bukula
Appointed: 1 June 2017

Karén Breytenbach
Appointed: 2 March 2020

Audit and Risk Committee	Social and Ethics Committee	Remuneration Committee	Nomination Committee	Transaction Committee
Sisanda Tuku *Chairman*	Eddie Mbalo *Chairman*	Thembani Bukula *Chairman*	Eddie Mbalo *Chairman*	Sisanda Tuku *Chairman*
Thembani Bukula	Thembani Bukula	Eddie Mbalo	Thembani Bukula	Thembani Bukula
Karén Breytenbach	Karén Breytenbach	Sisanda Tuku		

Invitees:

Audit and Risk Committee	Social and Ethics Committee	Remuneration Committee	Nomination Committee	Transaction Committee
Gontse Moseneke	Gontse Moseneke	Gontse Moseneke	Gontse Moseneke	Gontse Moseneke
Petro Lewis	Petro Lewis	Petro Lewis	Petro Lewis	Petro Lewis
Company Secretary	Company Secretary	Company Secretary	Company Secretary	
External Auditors				
Internal Auditors				

Number of Independent Non-Executive Directors per committee

Audit and Risk Committee	Social and Ethics Committee	Remuneration Committee	Nomination Committee	Transaction Committee
3/3	3/3	3/3	3/3	2/2

EXECUTIVE MANAGEMENT

Notes:
Gontse Moseneke and Petro Lewis appointed 1 July 2020.

Karén Breytenbach was appointed as a member to the Audit and Risk Committee on 2 March 2020.

The Board of Directors

The Board is the custodian and focal point of corporate governance at GAIA. The Board is mindful of the outcomes it needs to achieve as set out in King IV and in doing so, applies the report's principles, as well as its practices as appropriate for the Company. Directors acknowledge that their fundamental responsibility is to lead and direct the Company in an ethical and effective manner.

The Board, led by an Independent Non-Executive Chairman, is accountable to, and should report in a transparent and open manner, to all stakeholders regarding the performance of the Company and how it has fulfilled its responsibilities. As set out in the King IV Report, the Board appreciates that the Company's core purpose, its risks and opportunities, strategy, business model and sustainable development are all inseparable elements of its value-creation process. Decisions need to be made in an integrated manner, taking into account the effects of strategy on all stakeholders and the social, economic and environmental context.

The Board's responsibilities and terms of reference are detailed in the Board Charter. This charter has been developed to enable the Directors to maintain effective control over strategic, financial, governance and compliance matters of GAIA. This charter is reviewed annually and updated when required to ensure compliance with the Companies Act, King IV, the Listings Requirements and the Company's MOI.

The Board Charter provides guidelines to Directors in respect of, among others, the Board's responsibilities, authority, composition, meetings and the need for performance evaluations.

For the Board Charter and the Board committees' terms of reference, refer to the GAIA website www.gaia-ic.com.

Composition of the Board

A key aspect of GAIA's governance philosophy is that no one individual has unfettered powers of decision-making. For most of the year under review, the Board comprised five Independent Non-Executive Directors, four Non-Executive Directors and one Executive Director and was chaired by an Independent Non-Executive Chairman. The majority of the GAIA Board members are Independent Non-Executive Directors. See page 55 for detail on resignations and appointments.

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 GAIA'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 and have unrestricted access to management.

The curriculum vitae of the members of the Board can be found on the GAIA website www.gaia-ic.com.

The Board considers its composition on an annual basis. In considering the Board composition, competency in respect of the Company's affairs carries as much weight as independence. The roles of the Chairman and the CEO have been formally defined and are separate. Both the Chairman and CEO operate under distinct mandates issued and approved by the Board that clearly differentiate the division of responsibilities within GAIA and ensures a balance of power and authority.

The Board has considered the Chairmanship of Eddie Mbalo and agrees that he is an Independent Non-Executive Director and remains the best person to lead the Company and the Board. The CEO of the Company resigned post year-end. Gontse Moseneke was appointed as CEO effective 1 July 2020.

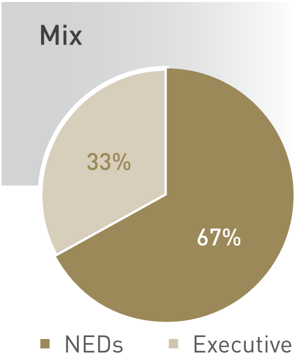
While retaining overall accountability and subject to matters reserved to itself, the Board has delegated to the CEO the authority to run and manage the day-to-day affairs of the Company. The CEO is held accountable through regular reports to the Board and is measured against agreed performance criteria, key performance indicators and objectives appropriate to the current stage in the business cycle.

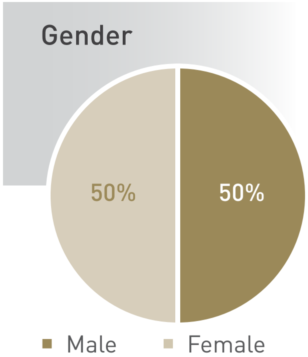
Gender and racial diversity

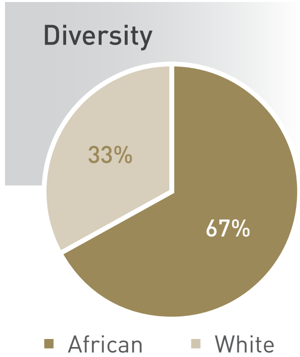
GAIA is committed to fostering a corporate culture that embraces diversity and focuses on the composition of its Board. During the period under review, the Board revised and expanded its existing policy in regard to race and gender diversity to align it to the latest amendments to the Listings Requirements for the promotion of broader diversity at Board level, specifically focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience. The Nomination Committee considered the principles of the GAIA Diversity Policy while considering potential candidates to fill the vacancy necessitated by the resignation of a number of Non-Executive Directors from the Board Subsequently, Karén Breytenbach was appointed as an Independent Non-Executive Director to fill the vacancy.

In line with the Diversity Policy adopted the Board comprises three female and three male members, 67% of whom are black Directors. All Board members are between their late thirties and early sixties. The Board remains satisfied with the progress against its voluntary targets on broader diversity representation on the Board and will continue to consider the principles of GAIA's Diversity Policy.

GOVERNANCE STRUCTURE (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. The classification of Independent Non-Executive Directors is determined by the Board on the recommendation of the Nomination Committee. 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 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 is subject to a rigorous review by the Board. No Independent Non-Executive Director has been in office for a period exceeding nine years and therefore no independence assessment was required.

The Board remained satisfied with the independence of Sisanda Tuku, Eddie Mbalo, Thembani Bukula and the newly appointed director, Karén Breytenbach.

Independent advice

The Board recognises that there may be occasions where Directors consider it necessary to take independent professional advice. This is done at the Company's expense according to an agreed procedure.

Directors' attendance at Board meetings

Attendance at board and committee meetings for the financial year ended 29 February 2020 are set out below:

Director	Board (6 meetings)	Audit and Risk Committee (4 meetings)	Remuneration Committee (3 meetings)	Social and Ethics Committee (2 meetings)	Nomination Committee (1 meeting)	Transaction Committee (7 meetings)
Eddie Mbalo *(Chairman)*	6/6*			2/2	1/1	2/2
Prudence Lebina[4]	6/6*	4/4*	3/3	1/2	1/1	7/7
Lumkile Mondi[1]	2/3	0/1	1/2			2/4
Nathiera Kimber[2]	3/5	3/3*	2/2			5/6
Thembani Bukula	5/6*	3/3*	1/1	2/2	0/1	2/2
Sisanda Tuku	6/6*	4/4*	3/3			7/7
Clive Ferreira[3]	5/6*		1/2	2/2		
Leon de Wit[3]	4/5*	2/3*				
Botha Schabort[3]	4/5*				1/1*	
Mich Nieuwoudt[3]	5/6*			1/1*		
Company Secretary	6/6*	4/4*	3/3	2/2	1/1	7/7

Notes:
** Participation by teleconferencing.*
1. Resigned 20 August 2019.
2. Resigned 31 January 2020.
3. Resigned 11 December 2019.
4. Resigned 26 June 2020.

Board committees

The Board has established the standing committees set out in the governance structure on page 32 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. 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 GAIA.

The Non-Executive Directors contribute their extensive experience and knowledge to the Board's committees. All committees operate under Board-approved terms of reference, which are updated from time to time to stay abreast of developments in corporate law, King IV, the Listings Requirements and governance best practice. Each committee reports to the Board at each Board meeting and makes recommendations in accordance with their terms of reference.

Each committee consists of at least three members, a majority thereof being Independent Non-Executive Directors. Following the resignation of a number of Non-Executive Directors during the period under review, the various Board committees were reconstituted to ensure that each committee's composition remains in line with the recommended principles of King IV, the Companies Act and the Listings Requirements.

The FY2020 committee assessment process concluded, among others, that each committee was satisfied that it had fulfilled its responsibilities in respect of its terms of reference. Attendance schedules for committee meetings held in FY2020 are set out on page 34. The curriculum vitae on page 30 set out the qualifications and experience of each of the committee members.

Members of the executive 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 Chairman; do not have a vote; and are not entitled to fees for such attendance, unless payment of fees is agreed to by the Board and shareholders.

Director appointments

The Non-Executive Directors have no fixed terms of appointment as they are subject to appointment and reappointment by the shareholders.

Appointments to the Board are formal and transparent. After review, proposals for election/re-election to the Board are recommended by the Nomination Committee and are considered by the Board as a whole, subject to the approval/ratification of shareholders. All recommended director appointments are subject to background and reference checks. In line with the provisions of the Company's MOI, shareholders will be requested to ratify the appointment of Karén Breytenbach as an Independent Non-Executive Director at the upcoming AGM.

GAIA's MOI provides that, at every AGM of the Company, one-third of the Non-Executive Directors shall retire from the Board by rotation. If eligible, such Directors may offer themselves for re-election. If a Director is appointed as an Executive Director or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation. At the upcoming AGM of shareholders, Eddie Mbalo will be retiring in accordance with the provisions of the Company's MOI but is eligible and available for reappointment. The Nomination Committee has recommended that the retiring Non-Executive Director referred to above are eligible for re-election.

Non-Executive Directors are required to dedicate sufficient time to GAIA Board matters. They may serve on other boards, provided that such other appointments do not create a conflict of interest or interfere with their duties to the GAIA Board, but rather afford the ability to add value by bringing a broader perspective to Board deliberations.

Board evaluation

No Board evaluation was conducted during the current reporting period, due to the significant changes to the Board. A comprehensive Board evaluation will be conducted during the ensuing reporting period, in line with the recommended practices of King IV.

The Board, through its Company Secretary, performed evaluations of the performance of the Board and of the individual Directors during the previous reporting period and the Board was satisfied with the results and outcome of the evaluation.

Dealing in securities and insider trading

GAIA has a share dealing policy in line with the Listings Requirements and the Financial Markets Act. Closed periods are implemented as per the Listings Requirements, during which the Group's Directors, Executives and Company Secretary are not allowed to deal in GAIA shares. Additional closed periods are enforced should GAIA be subject to any corporate activity requiring a cautionary announcement. All dealings in shares of GAIA by Directors are reported on the JSE Limited Stock Exchange News Service ("SENS") within 72 hours of the trade.

GOVERNANCE STRUCTURE (continued)

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 of the Company are advised of closed and prohibited periods in terms of the requirements of the JSE. Directors, employees, consultants and agents are prohibited from trading in the Company's securities during closed and prohibited periods.

Director interest in securities is available on page 56 of the report.

Political party support

The Company does not, as a principle, donate to political parties, neither is it affiliated to any specific political party.

Company Secretary

Fusion Corporate Secretarial Services Proprietary Ltd ("Fusion") remained the Company Secretary of GAIA for the year under review. The Company Secretary is responsible for advising Directors on the principles and recommended practices of King IV, the Companies Act and other relevant legislation and regulations. All Directors have access to the services and advice of the Company Secretary. The Company Secretary and CEO induct new Directors, which includes briefings on their fiduciary and statutory responsibilities as well as on the Company's operations as required.

The Board is satisfied that for the 2020 financial year, Fusion demonstrated having appropriate qualifications, competence and experience. The Board has determined that the Company Secretary is independent of management and does not take on any management or executive duties. The Company Secretary is not a Director of GAIA, nor a material shareholder, and has no major contractual relationship with the Company or any Director. Accordingly, the Board is satisfied that the Company Secretary maintained an arm's length relationship.

The certificate that the Company Secretary is required to issue in terms of section 88(2)(e) of the Companies Act is on page 58 of this Integrated Annual Report.

IT and information governance

The Audit and Risk Committee is responsible for IT governance on behalf of the Board and reviews the reports from management and external assurance providers to ensure that an adequate and effective IT system is maintained. Management is responsible for the implementation of an IT governance framework at Group level to ensure that IT expenditure and investments in IT infrastructure are managed effectively and are aligned with business objectives.

Going concern

The Board considers and assesses GAIA's going concern basis in the preparation of the Interim and Annual Financial Statements. In addition, the solvency and liquidity requirements per the Companies Act are considered. The Board is satisfied that GAIA will continue as a going concern into the foreseeable future.

Material litigation

During the financial year, GAIA 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 GAIA's financial position.

REMUNERATION REPORT

The Remuneration Committee ("the committee") has pleasure in submitting its report for the year ended 29 February 2020 ("FY2020") to shareholders.

Composition

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

- Independent Non-Executive Chairman, Lumkile Mondi;
- Independent Non-Executive Director, Nathiera Kimber;
- Independent Non-Executive Director, Sisanda Tuku; and
- Non-Executive Director Clive Ferreira.

Subsequent to year-end the committee was reconstituted following the resignations of Lumkile Mondi, Nathiera Kimber and Clive Ferreira during FY2020. Independent Non-Executive Director Thembani Bukula was appointed as the Chairman of the committee and Independent Non-Executive Director Eddie Mbalo was appointed as a committee member, effective 2 March 2020.

The committee assists the Board in discharging the following duties:

- to oversee the remuneration policies, initiatives, and activities of the Company
- to make recommendations to the Board in regard to all remuneration policies
- to ensure that the Group remunerates its employees fairly and responsibly in order to promote the achievement of strategic objectives and positive outcomes in the short, medium, and long term
- to oversee the preparation of the remuneration report
- to ensure that the disclosure of directors' remuneration in the Annual Financial Statements of the Group and its relevant material subsidiaries, are accurate, complete, and transparent
- to consider the results of the evaluation of the performance of the CEO
- to advise on the remuneration of Non-Executive Directors.

During the reporting period, the committee:

- oversaw executive management's engagement with shareholders regarding the Company's 2020 remuneration policy and implementation report
- the committee reviewed, monitored, considered, recommended, and approved (where applicable):
  - the Company's remuneration policy and remuneration implementation report for approval by the Board, which will be put to a non-binding vote by shareholders at the 2020 AGM
  - Executive Directors' remuneration
  - the fees payable to Non-Executive Directors for approval by shareholders (see page 99 for details)
  - its terms of reference and annual work plan
- considered succession planning for the CEO, in conjunction with the Nomination Committee
- set the key performance indicators of the CEO for FY2020.

In FY2021 the committee intends to benchmark its remuneration structure against its peers in order to improve it as an attraction and retention for talented human capital.

Meetings and committee evaluation

The majority of the members of the committee were independent Non-Executive Directors during the reporting period. The qualifications of members and the details of the committee meetings attended by each of the members are set out on pages 30 and 34 of the Integrated Annual Report, respectively. In accordance with its terms of reference, the committee meets at least twice annually, but more often if necessary. The committee held three meetings during the past financial year. The CEO attends meetings by standing invitation to make proposals and provide such information as the committee may require. Executives are recused from voting and participating at meetings of the committee when his/her own remuneration is discussed.

The Chairman of the committee provides the Board with a written report of the committee's activities at each Board meeting.

The committee conducted a self-assessment evaluation to measure its effectiveness and performance during the financial year under review. There were no concerns raised with the functioning of the committee nor with the efficiency and competence of its members. The next evaluation will be undertaken in FY2021.

Role and responsibilities

The committee's role and responsibilities are governed by its terms of reference as reviewed and approved annually by the Board. The committee is mandated to ensure that the Company remunerates fairly, responsibly, and transparently and in doing so annually reviews the Company's remuneration policy to ensure that it promotes the achievement of strategic objectives and encourages individual performance.

REMUNERATION REPORT (continued)

Activities of the committee

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.

No performance evaluation of the previous CEO was conducted during the reporting period in view of Ms KP Lebina's resignation.

The committee has considered the impact of the King IV Report on the remuneration policy as well as the amended JSE Listings Requirements and present this report in three parts:

- **Part 1:** the background statement, the remuneration philosophy and the context of the decisions and considerations taken during the reporting year which influenced the remuneration outcomes.
- **Part 2:** GAIA's remuneration policy.
- **Part 3:** the disclosure on the implementation of the remuneration policy during the year.

PART 1

Remuneration philosophy

The Board of GAIA has delegated the committee to review the Company's remuneration policy. The remuneration policy has been formulated with GAIA's strategic objectives in mind. For the Company to achieve these strategic objectives, it requires experienced and skilled personnel that the Company can attract and retain and motivate them to work hard to deliver and achieve these strategic objectives. This requires the committee to ensure that all elements of GAIA's remuneration and reward offerings are aligned, market competitive and at all times adhere to legal or regulatory requirements. The committee assists the Board by applying a remuneration strategy that ensures a balance in attracting, motivating, rewarding and retaining key personnel through competitive remuneration practices, while creating shareholder value. In determining remuneration, the committee takes into account the financial performance of the Company, operational requirements and future plans of the Company, as well as shareholders' interests. The committee formulated a remuneration policy designed to give effect to the remuneration strategy and support GAIA's business objectives.

Voting results and shareholder engagement

At the Company's 2019 AGM, GAIA's remuneration report was presented and voted on in sections, namely:

Remuneration policy – supported by 12.96% (2018: 55.88%) of the Company's shareholders who voted.

Remuneration implementation report – supported by 13.07% (2018: 55.88%) of the Company's shareholders who voted.

As a result of the dissenting votes on both non-binding advisory resolutions exceeding 25%, management engaged with the dissenting shareholders post the 2019 AGM regarding the remuneration policy as well as remuneration disclosure. This has resulted in a refinement of the remuneration policy and which include but are not limited to:

Shareholder feedback	GAIA's action taken or response to feedback
Inclusion of a rewards claw-back incentive	Currently GAIA does not have incentive-based rewards in place, therefore claw back on rewards will be incorporated into the remuneration policy for FY2021, as part of the implementation of the Group strategy
Implementation of a Short- and Long-Term Incentive Scheme, in order to attract and retain Executive Directors	To be incorporated into the remuneration policy for FY2021, as part of the implementation of the Group strategy

For the 2020 AGM, the remuneration policy and the remuneration implementation report will again be tabled separately for non-binding advisory votes by shareholders. In the event that 25% or more of shareholders vote against either the remuneration policy or the implementation report at the meeting, management and the committee will engage with such shareholders through dialogue, requesting written submission or otherwise, in order to address their concerns, always with due regard to meeting GAIA's stated business objectives while being fair and responsible toward both the employees and shareholders.

PART 2

Overview of the remuneration policy

Fundamental principles

The fundamental principles of GAIA's remuneration policy are:

- Alignment to the Company's business strategy
- To support GAIA's Human Capital Strategy
- Appropriately compensate Executive Directors for the services they render to the Company
- To encourage and promote a high-performance culture
- To remain flexible and adaptable to business and market requirements and changes
- To meet and comply with applicable legislative requirements and best practice
- To manage risk and adhere to Corporate Governance prescripts
- To achieve a fair, transparent, equitable and responsible remuneration framework.

Governance and the Remuneration Committee

The Board carries ultimate responsibility for the remuneration policy. The Board will, when required, refer matters for shareholder approval, such as:

- Endorsement of the annual remuneration policy and implementation report
- Non-Executive Director remuneration for serving on the Board and respective Board committees.

Remuneration practices

GAIA's remuneration practices include the following procedures:

- Benchmark remuneration packages against market practices
- Provide an appropriate level of transparency
- Perform assessments of all the Executive Directors and Non-Executive Directors annually
- The annual adjustment will be governed by but not limited to factors such as Consumer Price Index ("CPI"), retention strategies, Company performance and strategy, industry performance, projected growth, and industry average increase surveys, which will be taken into consideration in setting recommended increase
- The Remuneration Committee is afforded the requisite independence on matters of remuneration governance.

Executive Directors

Executive Directors are full-time employees of the Company and, as such, each has an employment agreement in accordance with the Company's standard conditions of service, but with a notice period of two months.

The objective of GAIA's executive remuneration policy is to attract and retain high-calibre executives and to motivate and reward them for developing and implementing the Company's strategy of delivering consistent and sustainable shareholder value, while promoting an ethical culture and corporate citizenship. The remuneration of the CEO consists only of a base salary. Executive Directors do not receive Directors' fees.

Details of Executive Directors' remuneration for the year under review are provided in the remuneration implementation report below.

Elements of remuneration

The Company has adopted an integrated approach to rewarding its executives based on the following principles:

- Total Guaranteed Package, being guaranteed base salary plus benefits
- Incentive-based rewards, being competitive incentives earned through the achievement of performance targets consistent with shareholder expectations over the short term and long term
- Short-term incentives, being cash bonuses capped at a percentage of guaranteed base pay on the achievement of annually agreed Key Performance Indicators that comprise financial and non-financial metrics, structured to reward effective operational performance
- Long-term (share-based) incentives that are used to align the long-term interests of management with those of shareholders and that are responsibly implemented so as not to expose shareholders to unreasonable or unexpected financial impact. No long-term incentive plans are currently in place and the Group does not have any post-retirement obligations.

REMUNERATION REPORT (continued)

Summary of remuneration components for Executive Directors and proposed changes to the remuneration policy:

Reward Item	Policy	Implementation
Total Guaranteed Package (fixed/base pay) **Purpose:** In order to achieve the Company's strategic priorities, it is essential that our employees are fairly rewarded for their contribution to achieving the Company's operational and strategic objectives. This drives an individual's performance to support business strategy	▸ The executive receives a total guaranteed package on a Cost-to-Company ("CTC") basis. The Company does not directly offer Medical Aid and Pension Fund; however, the salary package makes provision for these benefits ▸ Benchmarked against market practices of other South African small-cap investment holding and infrastructure companies that are comparable in size, business complexity and scope ▸ Generally reflects market mean levels based on the role and individual skills and experience ▸ The total guaranteed package includes risk and insurance benefits	▸ Paid monthly in cash ▸ Reviewed annually, with changes taking effect on 1 March, where applicable ▸ Increases are determined by market conditions, Company performance, individual performance and changes in responsibilities ▸ Forms part of, and is the key component of, a total CTC package, which also includes benefits ▸ The Company participates in industry-wide surveys from time to time ▸ The Executive Directors, as officers and directors of the Company are insured under the Directors' and Officers' Professional Indemnity Insurance, covering all Directors
Short-Term Incentive ("STI") – (variable pay) **Purpose:** To incentivise and reward the achievement of the pre-approved targets. This is to drive a high-performance culture	▸ STIs are cash bonuses determined in terms of a performance bonus. This rewards executives for sustained outperformance of cost and profitability targets set annually for the Company's business in terms of the Company's strategy to reward effective operational performance ▸ GAIA's STI is expressed as a percentage of a basic annual salary ▸ STI instrument: cash	To recognise the individual's and the Company's achievement of financial and non-financial objectives aligned with the strategy *Financial objectives (50% weighting):* ▸ Profit before tax ▸ Operating expenses/assets under management *Non-financial objectives (50% weighting):* ▸ Alignment to Company's strategy and demonstration of Company's values ▸ All non-financial metrics must be objective and measurable and present a clear link to the Company's strategic initiatives

Non-Executive Directors

The Board, through the Nomination Committee, proposes the re-election of Non-Executive Directors to shareholders. Each year, one-third of the Non-Executive Directors retire by rotation. At the upcoming AGM Eddie Mbalo retires by rotation and being eligible will be standing for re-election.

Terms of service

Non-Executive Directors are not full-time employees of the Company and, as such, do not have contracts of employment. Non-Executive Directors' remuneration consists of a fixed basic fee (retainer) and a meeting attendance fee per meeting attended. Furthermore, Non-Executive Directors' remuneration is not linked to the financial performance of the Company, nor do they receive share options or bonuses. Travel, fares and reasonable subsistence shall be in line with GAIA's relevant policies.

Management recommends Non-Executive Directors' fees, based on industry benchmarks, to the committee for onward recommendation to and approval by the Board who in turn recommends the fees to shareholders for approval in accordance with the Companies Act. Details of Non-Executive Directors' remuneration for the year under review are provided in the remuneration implementation report below.

The proposed non-executive fees for the financial year ending 28 February 2021 are as follows, and reflects no increase to the fees of the prior reporting period:

Rand	Proposed	2020	2019
Retainer			
Chairman	71 124	71 124	67 416
Non-Executive Director	71 124	71 124	67 416
Attendance fees per meeting			
Board Chairman	21 634	21 634	20 506
Board Non-Executive Director	11 854	11 854	11 236
Audit and Risk Committee Chairman	15 802	15 802	14 978
Audit and Risk Committee Member	11 854	11 854	11 236
Nomination Committee Chairman	15 802	15 802	14 978
Nomination Committee Member	11 854	11 854	11 236
Social and Ethics Committee Chairman	15 802	15 802	14 978
Social and Ethics Committee Member	11 854	11 854	11 236
Remuneration Committee Chairman	15 802	15 802	14 978
Remuneration Committee Member	11 854	11 854	11 236
Special/Ad Hoc Committee Chairman	15 802	15 802	–
Special/Ad Hoc Committee Member	11 854	11 854	–

PART 3

Implementation of remuneration policy

Executive Director remuneration

Guaranteed pay – base pay (FY2020)

The CEO was appointed on 1 October 2016 and resigned with effect from 26 June 2020.

Executive management's remuneration comprises the following components:

- Guaranteed remuneration, which includes the monthly basic cash salary.
- Executive management's remuneration is adjusted annually considering own performance, Company performance, prevailing market conditions, affordability and shareholder expectations.
- Management does not receive Directors' fees for attending Board and committee meetings.

An ex gratia payment/annual acting allowance of 20% of the CEO's annual remuneration, payable on a monthly basis, was extended to the CEO by the Board, on the recommendation of the committee, for fulfilling the dual roles and function of CEO and Financial Director.

Short-term incentives

No short-term incentives are currently in place.

Long-term incentives

No long-term incentives are currently in place.

Total remuneration outcomes

GAIA has followed the King IV recommendation and disclosed the single figure remuneration for the Executive Directors' remuneration for FY2020. The total remuneration outcomes are reflected in note 20 of the Annual Financial Statements, comprising salary and benefits for FY2020.

Mich Nieuwoudt, who resigned towards the latter part of FY2020, was remunerated by the externalised management company, GAIA Infrastructure Partners (Pty) Ltd.

Non-Executive Director remuneration

The actual Non-Executive Director fees for FY2020, based on current committee membership, are presented below:

Rand	FY2020	FY2019
Independent Non-Executive Directors		
E Mbalo	323 781	272 849
T Bukula	213 612	168 540
N Kimber	167 777	202 427
L Mondi	174 158	213 484
S Tuku	295 996	174 147
Non-Executive Directors		
L de Wit	77 528	193 821
C Ferreira	94 753	202 427
B Schabort	64 607	155 057

Thembani Bukula

Chairman of the Remuneration Committee

17 September 2020

TRANSACTION COMMITTEE REPORT

The ad hoc Transaction Committee was established in December 2018 to inter alia consider, evaluate and make recommendations to the Board of Directors on various potential transaction considerations. The committee comprises only Independent Non-Executive Directors.

Composition

The committee comprised of:

- Independent Non-Executive Director Sisanda Tuku (Chairperson);
- Independent Non-Executive Director Nathiera Kimber; and
- Independent Non-Executive Director Lumkile Mondi, with the CEO attending meetings of the committee as a standing invitee.

Thembani Bukula was co-opted to the committee following the resignation of Nathiera Kimber with effect from 31 January 2020.

The CEO, Financial Director and the Company Secretary (who acts as the secretary of the committee) are permanent invitees at the meetings.

The committee assists the Board in discharging its duties related to the review of potential investment opportunities in accordance with the investment criteria, execution of transactions and review of management's implementation of the Board's strategic objectives to better enhance shareholder value.

During the reporting period, the committee assisted with the consideration and execution of the termination of the management services agreement with Manco for a reduced termination fee.

In FY2021 the committee will continue to assist the Board with the consideration and evaluation of potential transaction considerations.

Activities of the committee

The committee met eight times during the reporting period and mainly considered various strategic options to preserve and create shareholder value. Meeting attendance is set out on page 34. Considerations ranged from, amongst others, a possible delisting of the Company from the JSE to the internalisation of the existing management services agreement, between the Company and Manco.

Having regarded the cost and process of a delisting and the capital liquidity required to be offered to minority shareholders, it was agreed that a delisting was not a current option and that the internalisation of the management services agreementt was the preferred option, as this would abolish the onerous terms and conditions of the existing management services agreement, assist in solving capacity challenges within the Company and provide an opportunity to better align the interests of the Company's management and investors.

Manco provided investment advisory services to GAIA in accordance with the existing management services agreement, under which Manco was appointed to, inter alia, originate, identify, evaluate, screen and investigate appropriate investment opportunities for GAIA and exit strategies in respect of investments; investigate and identify investments for acquisition or divestment; advise on and assist with the implementation of transactions; and advise on and assist with negotiations regarding the terms of any purchase.

Manco was also responsible for the monitoring of the investments, advising on oversight and operational interventions of investments that GAIA has made and where appropriate, advising the Boards of Directors of portfolio companies and giving general business management advice to such boards for the duration of GAIA's investment in such portfolio companies.

Following negotiations with Manco, an agreement was reached on the termination of the existing management services agreement and a Termination Agreement between GAIA and Manco, resulting in the internalisation of GAIA's asset management, which had been accepted by the GAIA shareholders, was concluded effective 10 June 2020. For further information and details, shareholders are referred to the circular to shareholders dated 11 May 2020.

Subsequent to the termination of the management services agreement, the management function was internalised and the Executive Directors of the Company have taken on the responsibilities to:

- manage the Company's interest in the current five assets the Company is invested in;
- consider opportunities for increased investment in existing assets, or buying into new assets in accordance with the Company's investment policy.

At the appropriate time in the future the Company will bring on board additional personnel to support the Executive Directors in the execution of this role.

Sisanda Tuku
Chairperson of the committee

17 September 2020

SOCIAL AND ETHICS COMMITTEE REPORT

The Social and Ethics Committee ("the committee") presents the following report to shareholders for the 2020 financial year ("FY2020"), in accordance with the requirements of the Companies Act, No 71 of 2008, as amended ("Companies Act").

Composition

Members of the committee for the financial year under review were:

- Non-Executive Director Clive Ferreira (Chairman)
- Independent Non-Executive Director Eddie Mbalo
- Independent Non-Executive Director Thembani Bukula.

The committee was reconstituted following the resignation of Clive Ferreira during FY2020 and consists of three Independent Non-Executive Directors. Eddie Mbalo was appointed as the Chairman of the committee and Karén Breytenbach as a committee member.

Their qualifications and experience are available on page 30 of the Integrated Annual Report.

The committee assists the Board in discharging its duties related to:

- Providing guidance on the social and economic development activities of the Company including health, safety, and the environment
- Monitoring functions required in terms of the Companies Act and its regulations
- Monitoring changes in legislation and social and ethical codes, to ensure that the Company is compliant
- Company performance as a good corporate citizen, as defined in the King IV report
- Monitoring the Company's sustainability performance to ensure that the Company's ethics support its culture, it is seen as a responsible citizen, and that there is a balance between the Company and the needs, interests and expectations of all stakeholders
- Promoting ethical leadership, integrity, anti-corruption, sustainability, value creation, equality, preventing discrimination and contributing to the development of the communities in which its activities are predominantly conducted
- Providing guidance regarding stakeholder engagement, including the development of communities and associated sponsorships and donations

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference.

FY2020 focus areas

Oversaw the development of various policies, including Social and B-BBEE Policy.

Monitored the Group's various socio-economic and enterprise development activities within the communities it operates.

Monitored the Group's environmental impact within the communities.

FY2021 focus areas

Going into the 2021 financial year, the committee will continue to review and monitor the implementation of the various policies and procedures in place dealing with ethics, social and economic development, good corporate citizenship and sustainable development.

Meetings

In accordance with its terms of reference, the committee meets at least twice annually, but more often if necessary. The committee met twice during the financial year under review. Members' attendance at meetings are set out on page 34 of the Integrated Annual Report. The CEO and the Company Secretary (who acts as the secretary of the committee) are permanent invitees at the meetings.

Role of the committee

The committee is a statutory committee and its role and responsibilities are governed by its terms of reference as reviewed and approved annually by the Board. The Board has allocated the oversight of, and reporting on, organisational ethics, responsible corporate citizenship, sustainable development and sustainability and stakeholder engagement, including customers, suppliers, communities and the environment, to the committee.

Policy review

The committee is responsible for reviewing GAIA's policies relating to ethics, social and economic development, good corporate citizenship, sustainable development and stakeholder relationships and during the financial year under review considered and recommended to the Board for approval:

- Social Policy and Broad-Based Black Economic Empowerment ("B-BBEE") Policy
- Health, Safety and Environmental Statement
- Code of Business Conduct and Ethics

SOCIAL AND ETHICS COMMITTEE REPORT (continued)

Monitoring of sustainable development practices

In execution of its duties, the committee has reviewed the sustainable development practices of GAIA, specifically relating to:

- Ethics and compliance
- Corporate social investment (Socio-Economic Development ("SED") and Enterprise Development ("ED") activities
- Stakeholder relations
- B-BBEE labour relations and working conditions
- Management of GAIA's environmental impact, specifically at the Dorper Wind Farm and Noblesfontein Wind Farm and their surrounding communities

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, the environment, as well as labour and employment.

The Organization for Economic Co-operation and Development's ("OECD") recommendations on anti-corruption, together with the principles of the UN Global Compact, remain GAIA's guiding principles in regard to human rights, labour practices, the environment and anti-corruption.

Socio-economic development: community, social and environmental issues

GAIA is intent on being an active corporate citizen in the communities in which it is invested. The committee is satisfied with the contributions made to the various projects during the year and the positive impact thereof on the communities.

The following projects and activities were undertaken in the various communities during the period under review:

Dorper Wind Farm community

The SED activities in the communities of Sterkstroom and Molteno were mainly focused on skills creation and development to the unemployed youth, tutoring and extra classes at the schools, progressing and supporting the bursary scheme and implementing personal mastery for professional success. The ED activities were mainly focused on beneficiary engagement, mentoring and providing support, coaching and development training.

These SED and ED projects included:

The Inkqwithelo Zotshintsho Bursary

This bursary aims to fund tertiary study for successful youth applicants from Molteno and Sterkstroom to:

- Increase employability and skills base
- Encourage gainful engagement within society
- Improve economic status

Tutoring/extra classes

This project aims to improve the performance of grade 10 to 12 learners in Mathematics, Physical Science and Accounting. This is achieved by addressing cumulative gaps in all content areas which were identified in the diagnostics tests.

Jasper

Danielskuil Field Band

The Field Band project impacts 273 children in Danielskuil ranging from the ages of six to 18. The organisation has been operating since 2006 and teaches children life skills.

Refentse Primary School

Jasper continually supports the school with monthly stipends for two additional teaching assistants to study for B.Ed focusing on foundation phase. The teacher commenced her studies in January 2017.

Lesedi Solar Power Project and Letsatsi Solar Power Project

Investments into the community by the Lesedi Solar Power Project have benefitted 56 beneficiaries in the ED programme and 45 in the SED programme.

Letsatsi was involved in amongst others, the following projects:

Refentse Ikgomotseng Clinic

Letsatsi has embarked on a project to upgrade the clinic facilities and increase its capacity to include a compliant pharmacy and dispensing area, additional consulting rooms, dentist/multifunctional rooms and a sluice room.

Columba Youth Leadership
Letsatsi supports 24 learners with the Columba Leadership Programme, which engages learners in school transformation projects which develop skills in critical thinking, problem solving and communication.

Environmental

Bird and bat monitoring continue to be undertaken at both the Dorper and Noblesfontein sites. No excessive mortalities were reported during the period under review.

Noblesfontein Wind Farm has successfully closed an agreement for waste management with EnviroServ Waste Management for the operational phase of the Noblesfontein Project after successfully partnering with them during construction.

Whistle-blowing

GAIA endeavours to promote a culture of openness and transparency within the Company and, as such, employees and other stakeholders are encouraged to report unethical conduct and other transgressions. GAIA's whistle-blowing guidelines and procedures for reporting suspected instances of corruption are outlined on the Company's website at www.gaia-ic.com.

GAIA remains committed to identifying additional strategies to create value and contribute positively to the environmental, societal, and governance requirements of the communities within which it operates.

There have been no instances of material non-compliance with legislation or non-adherence to codes of best practice that fall within the committee's mandate during the period under review.

Eddie Mbalo
Social and Ethics Committee Chairman

17 September 2020

Lesedi Solar Project *is a 75MW Round 1 REIPPPP solar photovoltaic (PV) power project developed in Northern Cape Province near the town of Kimberley, South Africa. The construction of the project started in January 2013 and full commercial operations began in May 2014.*

05

ANNUAL FINANCIAL STATEMENTS

Lesedi solar farm

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee ("the committee") has pleasure in submitting its report for the year ended 29 February 2020 ("FY2020") to shareholders as required by section 94(7)(f) of the Companies Act No 71 of 2008, as amended ("Companies Act").

Composition

In compliance with the Companies Act, the following committee members were elected by shareholders at the Annual General Meeting ("AGM") of the Company held in 2019 to serve until the next AGM on Friday, 16 October 2020:

- Sisanda Tuku (Independent Chairman)
- Nathiera Kimber (Independent Non-Executive Director)
- Lumkile Mondi (Independent Non-Executive Director)

The committee was reconstituted following the resignations of Nathiera Kimber and Lumkile Mondi during FY2020. Shareholders will be requested to, in addition to Sisanda Tuku, approve the election of Thembani Bukula and Karén Breytenbach as members to the committee to serve until the next AGM.

The committee assists the Board in discharging its duties related to:

- statutory duties in terms of the Companies Act
- the external auditors
- internal audit
- combined assurance
- the finance function and Financial Director
- integrated reporting
- internal controls
- risk management
- IT governance
- compliance

During the reporting period, the committee undertook the following activities:

Activities	Outcome
Companies Act compliance	▶ Made submissions to the Board on matters concerning the Company's accounting policies, financial controls and reporting ▶ Prepared this report in compliance with section 94(7)(f) of the Companies Act, which report has been included in the Annual Financial Statements ▶ Stands ready to receive and deal with any concerns or complaints relating to the accounting practices and internal audit of the Company, the content or auditing of the Annual Financial Statements and the internal financial controls of the Company
Risk management oversight	▶ Reviewed and recommended for approval the Company's risk policy and risk plan ▶ Reviewed reports on the risk management process and assessed the Company's exposure to various risks ▶ Monitored the implementation of the Company's risk policy and risk plan as approved by the Board ▶ Reviewed and considered the status of financial measures for the year under review, as reported by the Company's external auditors
Integrated reporting	▶ Confirmed the expertise and experience of: – the previous CEO who performed the duties of the Company's Financial Director till 26 June 2020 – the newly appointed Financial Director – the Company finance function ▶ Reviewed the integrated report and the sustainability information as disclosed therein to evaluate the integrity of reported information and for consistency with the Annual Financial Statements ▶ Monitored the effectiveness of the finance function

AUDIT AND RISK COMMITTEE REPORT (continued)

Activities	Outcome
Engagement with the Company's external auditors	▸ The committee has satisfied itself that Deloitte & Touche as external auditors as well as Mr Lito Nunes as the designated audit partner is independent of the Company ▸ The committee has nominated for approval at the AGM, Deloittee & Touche as the external auditor and Mr Lito Nunes as the designated audit partner for the 2021 financial year ▸ Confirmed that a report back on its responsibilities pursuant to paragraph 22.15(h) of the JSE Listing Requirements has been received from the auditor ▸ Determined the fees to be paid to Deloitte & Touche, as well as their terms of engagement ▸ Ensured that the appointment of Deloitte & Touche complies with the Companies Act, the applicable JSE Listings Requirements, and any other legislation relating to the appointment of the external auditors ▸ Determined the nature and extent of any non-audit services that the auditor may provide to the Company ▸ Reviewed and monitored the quality and effectiveness of the external audit process ▸ Considered the external auditors' findings and recommendations ▸ Ensured that a process is in place for the committee to be informed of any reportable irregularities identified by the external auditors
Internal financial controls and internal audit	▸ Assessed internal financial controls and concluded that no material breakdowns in the functioning of the internal financial controls were noted during the year under review and that the internal financial controls provided a sound basis for the preparation of financial statements ▸ Ensured that appropriate financial reporting procedures exist and are working
Internal audit	▸ Approved the appointment and scope of the Company's internal auditors for the 2021 financial year ▸ Reviewed and approved the internal audit charter
Other activities	▸ Evaluated the effectiveness of the committee. ▸ Considered the financial performance, financial position and cash flow status of the Company every quarter.

FY2021 focus areas:

- Internal audit review as part of the combined assurance model;
- Independent review of the fair valuation of the investments under management as a key audit matter; and
- Update of the risk register considering the internalisation of the management of the investments under management.

Meetings and committee assessment

All members of the committee are Independent Non-Executive Directors, in compliance with the Companies Act and as recommended by King IV and have adequate, relevant skills and experience to execute their duties and responsibilities effectively. The qualifications of members and the details of the committee meetings attended by each of the members are set out on pages 30 and 34, respectively.

In accordance with its terms of reference, the committee meets at least four times annually, but more often if necessary. The committee held four meetings during the past financial year. The CEO, Financial Director, the Company Secretary and representatives of the external and internal auditors attend committee meetings by invitation.

The Chairman of the committee provides the Board with a written report of the committee's activities at each Board meeting. During the year, the committee met with the external auditors without management being present. No matters that required attention arose from these meetings.

An evaluation of the effectiveness of the committee was conducted by the Company Secretary. Overall, it was concluded that committee discharges its duties effectively.

Role of the committee

The committee is an independent statutory committee in terms of section 94 of the Companies Act and is established by the Board to assist it in discharging its risk management responsibilities within the Company. The committee provides independent oversight of the risk management process and makes recommendations to the Board for its consideration and authorisation. The committee does not assume management functions, which remain the responsibility of the CEO and other members of management.

Activities of the committee

The committee has adopted formal terms of reference which have been approved by the Board. The terms of reference are reviewed annually and updated where necessary. The committee has conducted its affairs in compliance with these terms of reference and has discharged its responsibilities contained therein, as well as in compliance with the Companies Act.

Internal controls

Systems of internal control are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against misstatement or loss. The committee has oversight of the Company's financial statements and reporting process, including the system of internal financial control. It is responsible for ensuring that the Company's internal audit function is independent and has the necessary resources, standing and authority within the Company to discharge its duties.

The committee oversees cooperation between internal and external auditors and serves as a link between the Board of Directors and these functions. The head of internal audit reports administratively to the CEO and functionally to the Chairman of the committee. The committee relies on the assurance provided by the internal audit function of the Company on the system of internal financial controls.

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 and 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 but will continue to assess and implement measures to strengthen the internal controls in the next reporting period.

Internal audit

The committee is responsible for overseeing internal audit and has considered and approved the internal audit charter. The internal audit annual audit plan will be approved during the next financial year. The internal auditors report centrally with the responsibility for reviewing and providing assurance on the adequacy of the internal control environment within the Company. The internal auditors are responsible for reporting the findings of the internal audit work against the agreed internal audit plan to the committee at each committee meeting.

The internal audit function provides information to assist in the establishment and maintenance of an effective system of internal control to manage the risks associated with the business. The role of internal audit is contained in the internal audit charter. The charter is reviewed annually and is aligned with the recommendations of King IV.

The committee has engaged the services of Ngubane and Company to conduct an internal audit in terms of an agreed scope and will consider their reports during the next financial year and implement measures and controls where necessary.

External auditors

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

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

AUDIT AND RISK COMMITTEE REPORT (continued)

External auditors (continued)

- 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 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 Deloitte & Touche provides.

The committee has satisfied itself that the external auditor, Deloitte & Touche, was independent of the Company, as required by the Companies Act, which includes consideration of compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors. Requisite assurance was sought and provided by the auditor that internal governance processes within the audit firm support and demonstrate its claim to independence.

The committee has also satisfied itself with the quality of the external audit work being performed by Deloitte & Touche, in respect of the Company and that the firm and relevant designated auditor are accredited with the JSE list of auditors and the Independent Regulatory Body of Auditors and hold the requisite certifications and registrations.

Deloitte & Touche 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, the designated audit partner, where necessary, raises matters of concern directly with the Chairman of the committee.

During the reporting period, the audit partner rotated and accordingly, the committee has nominated, for approval at the AGM, Deloitte & Touche as the external auditor and Mr Lito Nunes as designated audit partner for the 2021 financial year.

Non-audit services

There were no non-audit services for the period under review.

Information technology and risk governance

Oversight of the Company's risk management function has been delegated 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 within the Company. The Board of Directors is responsible for the governance of risk within the Company, for setting the risk appetite and for monitoring the effectiveness of the risk management processes.

Risks which are inherent to the business and to the infrastructure sector in general, are also identified, monitored, recorded and appropriately managed. 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 periodically reviews the Company's maturity in respect of IT governance by considering reports from the CEO. During the next financial year, the committee will ensure amongst others, that the internal auditors reviews and reports on the effectiveness of the disaster recovery plan ("DRP") and IT security measures implemented by management.

Proactive monitoring

The committee confirms that it has considered the findings contained in the JSE's 2018 Proactive Monitoring Report, issued during February 2019, as well as the final findings of the JSE's thematic review for compliance with IFRS 9 and 15 issued during November 2019. Where necessary, the committee has taken appropriate action to respond to the findings in the JSE report when preparing the Annual Financial Statements.

Statutory reporting

The committee has evaluated and reviewed the Annual Financial Statements of the Company for the year ended 29 February 2020 and, based on the information provided to the committee, considers that the Company complies in all material respects with the requirements of the Companies Act, the International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and applicable legislation and financial pronouncements as issued by the Financial Reporting Standards Council and that the adoption of the going concern basis in preparing the Annual Financial Statements is appropriate.

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 Chairman of the committee provided written reports to the Board that summarise the committee's findings and recommendations. The Board approved the Annual Financial Statements on 27 July 2020.

The committee has considered the key audit matter, valuation of investments, for the current financial year.

Following the carrying out of the following duties the committee recommended for board approval the Annual Financial Statements:

- Confirmed the going concern basis for the preparation of the Annual Financial Statements
- Reviewed the Annual Financial Statements
- Considered feedback from the external auditors
- Ensured that the Annual Financial Statements fairly present the financial position of the Company as at the end of the financial year and the results of its operations and cash flows for the year then ended
- Reviewed reports regarding the fair value of financial assets
- Considered the appropriateness of the accounting policies adopted
- Reviewed JSE correspondence related to financial reporting and ensured that recommendations and findings have been considered in the preparation of the current year's financial statements

The Annual Financial Statements will be open for discussion at the forthcoming AGM. The Chairman 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.

Finance function: expertise and experience of the Financial Director

The committee remained satisfied that Ms KP Lebina, continued to act as Financial Director for the 2020 financial year, in line with consent obtained from the JSE. She had the necessary expertise and experience required of a Financial Director.

Ms KP Lebina resigned from the Company with effect from 26 June 2020.

Mrs P Lewis was subsequently appointed as the new Financial Director from effect 1 July 2020. The committee is satisfied that she has the necessary expertise and experience required of a Financial Director.

Going concern

The committee reviewed a documented assessment by management of the going concern premise of the Company before recommending to the Board that the Company is a going concern and will remain so for the foreseeable future. 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.

The committee reviews all proposed distributions to shareholders in terms of sections 44, 45 and 46 of the Companies Act, recommending such distributions to the Board for consideration.

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 current reporting period.

Conclusion

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

Sisanda Tuku
Chairman of the Audit and Risk Committee

17 September 2020

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Board of Directors ("the Board") is required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and is responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure that the Annual Financial Statements fairly present the state of affairs of GAIA Infrastructure Capital Ltd as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

The Annual Financial Statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

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

The external auditors are responsible for independently auditing and reporting on the Company's Annual Financial Statements. The Annual Financial Statements have been examined by the Company's external auditors and their report is presented on pages 59 to 61.

Approval of Annual Financial Statements

The Annual Financial Statements set out on pages 62 to 91, which have been prepared on the going concern basis, were approved by the Board of Directors on 27 July 2020 and were signed on their behalf by:

Khalipha Edward Mbalo
Authorised Director
Chairman of the Board

Sisanda Tuku
Authorised Director
Chairperson of the Audit and Risk Committee

DIRECTORS' REPORT

The Directors submit their report on the Annual Financial Statements of GAIA Infrastructure Capital Ltd for the year ended 29 February 2020.

1. Incorporation

The Company was incorporated on 16 April 2015 and obtained its certificate to commence business on the same day.

The Company is domiciled in South Africa, and listed on the Main Board of the JSE Ltd.

The address of the registered office is:
Penthouse 5, 4 The High Street, Melrose Arch, 2196

2. Review of financial results and activities

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in note 2.

The Company is focused on investing in emerging Southern African infrastructure assets, specifically in energy, transport, water and sanitation sectors. The Company aims to be a leading investment company of infrastructure assets in South Africa. The Company's investment philosophy is to invest in infrastructure assets that are operational or near operational, offer low risk and yield uncorrelated inflationary linked returns.

On listing, the Company issued 55 150 000 shares at R10 per share, thereby raising R551.5 million.

The principal activities of the Company are that of an investment company and the purpose of listing was to give institutional investors access to an attractive alternative asset class that is usually only accessed through illiquid private equity investments. The investments are not held indefinitely and if not exited earlier in the secondary market through a trade sale or private placement, they will be held until the end of the power purchase or concession agreements of the investee companies, post which the Company will liquidate the investee companies when the underlying assets cease to generate cash flows.

The Company makes substantially all its investments through its wholly owned subsidiary GAIA Financial Services (RF) (Pty) Ltd ("GAIA Financial Services"). The two companies have the same investment objectives.

Investment strategy

GAIA's investment strategy is to invest in large-scale operational assets that meet the following criteria:

- Target investment return of CPI + 6% (before costs) over the term of the offtake/concession agreement
- Visible environmental, social and governance policy appreciation
- Operational or six months to commercial operation
- Low risk, inflation linked and predictable long-term cash flow generation profiles
- Acceptable third party credit risk exposure

GAIA will invest directly or indirectly into ordinary equity or any other financial instruments that yield our target investment return. In addition, GAIA will pursue value adding management and directorship roles to optimise the potential of all the underlying assets.

Salient features of the Company

- Tangible net asset value per share at R10.74, an increase of 3.1%
- Gross assets under management at R758.1 million
- Robust financial position with net cash at R29.2 million
- Total revenue at R63.2 million, up 29.6%
- Headline earnings per share at 71.64 cents per share, up 27.7%
- Final cash dividend declaration of 15.00 cents per share

DIRECTORS' REPORT (continued)

Commentary

The Company's revenue for the financial year ended 29 February 2020 increased by 29.6% to R63.2 million compared to R48.7 million in the previous year. This increase was mainly as a result of the favourable change in the fair value of the financial assets and liabilities.

Operating expenses for the period were R23.2 million (2019: R17.6 million), which included a R8.6 million write down of prepayment on costs previously capitalised.

Profit before finance costs and tax is R39.9 million (2019: R31.2 million) and comprehensive income for the period is R39.5 million (2019: R30.9 million).

3. Investments under management

Performance of assets

GAIA's current portfolio of operational assets, majority of which are held through GAIA Financial Services, a wholly owned subsidiary of the Company, continues to perform to expectation. Some variability around the predicted average resource was experienced, but the expected distributions were in line with long-term forecasts.

GAIA is indirectly invested in five Round 1 Renewable Energy Independent Power Producer Procurement Programme ("REIPPPP") assets. Below is a summary of the diversified investment portfolio:

Investment	Instrument	Asset exposure	Effective interest %	End of power purchase agreement
GAIA RE 1 (Pty) Ltd	Equity	Dorper Wind Farm	9.9	July 2034
GAIA RE 1 (Pty) Ltd	Equity	Jasper Solar PV Farm	4.0	December 2034
GAIA RE 1 (Pty) Ltd	Equity	Lesedi Solar PV Farm	5.3	June 2034
GAIA RE 1 (Pty) Ltd	Equity	Letsatsi Solar PV Farm	5.3	June 2034
GAIA SPV (RF) (Pty) Ltd	C – preference shares	Noblesfontein Wind Farm	13	August 2034
SARGE*	A & B – preference shares	Noblesfontein Wind Farm	7	August 2034
Noblesfontein Educational Trust	Loan	Noblesfontein Wind Farm	n/a	n/a

** South African Renewable Green Energy (Pty) Ltd.*

4. Investments under management

There have been no changes to the authorised or issued share capital during the year under review.

Unlisted investment	Instrument	Cost	Income from investment	Fair value	Proportion of net asset value %
GAIA RE 1 (Pty) Ltd	Equity	501.0	55.0	515.5	33
GAIA SPV (RF) (Pty) Ltd	C preference shares	130.0	10.7	154.2	100
SARGE	A & B preference shares	57.5	3.8	83.0	–
Noblesfontein Educational Trust	Loan	4.4	0.8	5.4	–

Refer to the Shareholder analysis page 93 for the shareholding spread as at 29 February 2020.

5. Dividends

The Company's dividend policy is to pay a consistent and stable inflationary linked return. At its discretion, the Board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the Board may pass on the payment of dividends.

An interim cash dividend of 25.00 cents per share, for the six months ended 31 August 2019, was paid in December 2019. The final gross cash dividend of 15.00 cents per share brings the total dividend for the 2020 financial year to 40.00 cents per share (2019: 39.64 cents per share).

Dividend tax will be withheld from the amount of the gross interim and final dividend at a rate of 20% unless a shareholder qualifies for exemption. The Company had a total of 55 151 000 shares in issue at the declaration date.

6. Directorate

The Directors in office at the date of this report are:

Directors	Office	Appointed
Khalipha Edward Mbalo	Chairperson	1 October 2015
Sisanda Tuku	Independent Non-Executive Director	1 October 2015
Thembani Bukula	Independent Non-Executive Director	1 June 2017
Karen Breytenbach	Independent Non-Executive Director	26 February 2020
Gontse Samuel Moseneke	Chief Executive Officer	1 July 2020
Petro Lewis	Financial Director	1 July 2020

The following Directors resigned during the year under review:

Directors	Office held up to resignation date	Resigned
Lumkile Patriarch Mondi	Independent Non-Executive Director	28 August 2019
Leon de Wit	Non-Executive Director	11 December 2019
Clive Ferreira	Non-Executive Director	11 December 2019
Philip Botha Schabort	Non-Executive Director	11 December 2019
Matthys Michiel Nieuwoudt	Chief Investment Officer	11 December 2019
Nathiera Kimber	Independent Non-Executive Director	31 January 2020
Kuby Prudence Lebina	Chief Executive Officer	26 June 2020

DIRECTORS' REPORT (continued)

7. Directors' interests in shares

As at 29 February 2020, none of the Directors held direct or indirect beneficial interest in the Company's ordinary shares (2019: 5.41%, these Directors resigned during the 2020 financial year).

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

8. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Company or in the policy regarding their use.

At 29 February 2020 the carrying amount of property, plant and equipment was R276 605 (2018: R358 423), of which R24 860 (2019: R29 396), before depreciation, was added in the current year through additions.

Property, plant and equipment is made up of leasehold property, furniture and fittings and computers.

9. Special resolutions

No special resolutions, the nature of which might be significant to the shareholders in their appreciation of the state of affairs of the Company, were made by the Company during the period covered by this report.

10. Events after the reporting period

On 15 April 2020, the Company and ManCo (collectively "the Parties") agreed terms to amend the termination fee payable and terminate the management services agreement dated 27 October 2015 concluded between the Parties, in consideration for payment by the Company of a reduced termination fee of R18 million ("the Transaction"). The Transaction was approved by the Company's shareholders on 10 June 2020.

Due to the outbreak and continuing spread of the novel coronavirus ("Covid 19"), the South African President announced a national lockdown for the Republic of South Africa, from midnight Thursday, 26 March 2020 to 30 April 2020. Over the period following, the restrictions were relaxed and we are currently on Level 2. One of GAIA's top priorities is to protect the health and safety of our stakeholders and would continue to closely monitor developments around Covid 19.

The Company is invested in renewable energy businesses, which have been declared an essential service by Government. Management has assessed the impact of Covid 19 on the sustainability of the business and has reasonable expectation that the Company will have adequate resources to continue in existence for the next 12 months from the date of approval of the Annual Financial Statements and therefore the Annual Financial Statements were prepared on a going concern basis, which assumes the realisation of assets and discharge of liabilities in the normal course of business in the foreseeable future. There is currently no expected material impact on the Company's investments under management and this assessment will be reviewed on an ongoing basis.

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

11. Going concern

The Board believes that the Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the Annual Financial Statements have been prepared on a going concern basis. The Company has 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 Company is not aware of any new material changes that may adversely impact the Company. The Company is 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.

12. Auditors

Deloitte & Touche continued in office as auditors for the Company for 2020, with L Nunes as designated audit partner for the current financial year ended 29 February 2020.

13. Secretary

The Company Secretary is Fusion Corporate Secretarial Services (Pty) Ltd.

Postal address:	PO Box 68528 Highveld Pretoria 0169
Business address:	Southdown Office Park Block C Unit 7 7 Karee Street Pretoria 0169

14. Directors' fees

Refer to note 19 in the Notes to the Annual Financial Statements.

15. Preparer

These Annual Financial Statements were compiled under the supervision of Petro Lewis.

16. Level of assurance

These Annual Financial Statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

COMPANY SECRETARY'S CERTIFICATION

for the year ended 29 February 2020

Declaration by the Company Secretary in respect of section 88(2)(e) of the Companies Act

In terms of section 88(2)(e) of the Companies Act of South Africa 71 of 2008, as amended, I certify that, to the best of my knowledge, the Company has lodged all such returns and notices as are required of a public company for the year ended 29 February 2020 and that all such returns are true, correct and up to date.

Fusion Corporate Services (Pty) Ltd
Company Secretary

17 September 2020

INDEPENDENT AUDITOR'S REPORT

for the year ended 29 February 2020

Independent Auditor's Report

To the shareholders of GAIA Infrastructure Capital Limited

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of GAIA Infrastructure Capital Limited (the Company) set out on pages 62 to 91, which comprise the separate statement of financial position as at 29 February 2020, and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of GAIA Infrastructure Capital Limited as at 29 February 2020, and its separate financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Valuation of financial assets through profit and loss (Investment in GAIA Financial Services (RF) (Pty) Limited)

Key audit matter	How the matter was addressed in the audit
The fair value of financial assets measured at fair value through profit and loss as disclosed in note 5 of the separate financial statements is R551 million at year-end (2019:R515 million). This represents the fair value of the investment in GAIA Financial Services (RF) (Pty) Limited. The valuation of GAIA Financial Services (RF) (Pty) Limited is based on its net asset value, consisting of the fair value of its financial assets less the carrying amounts of its liabilities.	Our response to the key audit matter included performing the following audit procedures: ▸ We identified relevant controls over the valuation of financial assets carried at fair value and evaluated the design and implementation of these controls. ▸ We assessed the adequacy and accuracy of the disclosures in separate financial statements. ▸ Together with our Valuation specialists we reviewed the valuation methodology embedded in the valuation calculations to determine whether the principles applied adhere to generally accepted valuation principles. ▸ We evaluated the classification and accounting treatment applicable to the financial assets against the relevant accounting standards.

INDEPENDENT AUDITOR'S REPORT (continued)

for the year ended 29 February 2020

Key audit matters (continued)

Key audit matter	How the matter was addressed in the audit
The fair value of financial assets are based on estimated future cash flows of its underlying investments, and the use of appropriate discount rates. There is estimation involved in forecasting and discounting future cash flows, with the discount rates being the most significant assumption impacting the valuation. As the financial assets measured at fair value through profit and loss balance is material to the company, and significant judgement is exercised by the directors in determining the fair value, we therefore consider the account balance to be a key audit matter.	- We determined that management applied a discounted cash flow methodology whereby future cash flows are forecast based on the terms of the relevant agreements entered into and discounted using a discount rate based on the valuation model. - We re-performed the valuation calculation using the financial projections of cash flows and compared the results from our independently performed valuations to management's calculations. - We re-performed the cost of capital calculation and compared it to the discount rate applied in management's calculations. Based on the procedures performed we did not identify significant exceptions and the disclosures in the separate financial statements were found to be appropriate.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "GAIA Infrastructure Capital Limited integrated annual report 2020" which includes the Directors' Report the Audit and Risk Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report. The other information does not include the separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the Separate Financial Statements

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

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

Auditor's responsibilities for the audit of the Separate Financial Statements

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

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

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

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte and Touche has been the auditor of GAIA Infrastructure Capital Ltd for 3 years.

DELOITTE & TOUCHE

Deloitte and Touche
Registered Auditor

Per Lito Nunes
Partner

17 September 2020

5 Magwa Crescent,
Waterfall City,
2090

STATEMENT OF FINANCIAL POSITION

for the year ended 29 February 2020

	Notes	2020 R	2019 R
Assets			
Non-current assets			
Property, plant and equipment	3	276 605	358 423
Leases: Right-of-use assets	4	1 550 758	–
Financial assets	5	556 789 636	520 070 957
Deferred tax	6	89 040	62 267
		558 706 039	**520 491 647**
Current assets			
Trade and other receivables	7	7 340 063	47 768 940
Tax receivable		59 480	26 145
Cash and cash equivalents	8	29 196 275	8 159 981
		36 595 818	**55 955 066**
Total assets		**595 301 857**	**576 446 713**
Equity and liabilities			
Equity			
Share capital	9	545 851 762	545 851 762
Retained income		46 360 183	28 800 623
		592 211 945	**574 652 385**
Liabilities			
Non-current liabilities			
Lease liabilities	4	1 194 227	–
Current liabilities			
Trade and other payables	10	1 383 620	1 794 328
Lease liabilities	4	512 065	–
		1 895 685	**1 794 328**
Total liabilities		**3 089 912**	**1 794 328**
Total equity and liabilities		**595 301 857**	**576 446 713**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 29 February 2020

	Notes	2020 R	2019 R
Other income		–	25 380
Interest income		1 853 833	2 062 713
Dividends received		25 072 710	32 600 000
Net gain from financial assets at fair value through profit or loss		36 239 021	14 050 619
Revenue	11	**63 165 564**	**48 738 712**
Other operating expenses	12	(23 226 152)	(17 586 075)
Operating profit before finance cost and taxation		**39 939 412**	**31 152 637**
Finance costs	13	(246 634)	(26)
Profit before taxation		**39 692 778**	**31 152 611**
Taxation	14	(183 118)	(217 137)
Profit for the year		**39 509 660**	**30 935 474**
Basic earnings per share (cents)	17	71.64	56.09
Diluted earnings per share (cents)	17	71.64	56.09

STATEMENT OF CHANGES IN EQUITY

for the year ended 29 February 2020

	Share capital R	Retained income R	Total equity R
Balance at 01 March 2018	**545 851 762**	**34 728 077**	**580 579 839**
Profit for the year	–	30 935 474	30 935 474
Dividends paid	–	(36 862 928)	(36 862 928)
Balance at 01 March 2019	**545 851 762**	**28 800 623**	**574 652 385**
Profit for the year	–	39 509 660	39 509 660
Dividends paid	–	(21 950 100)	(21 950 100)
Balance at 29 February 2020	**545 851 762**	**46 360 183**	**592 211 945**
Note	9		

STATEMENT OF CASH FLOWS

for the year ended 29 February 2020

	Notes	2020 R	2019 R
Cash flows from operating activities			
Cash generated from operations	15	43 624 658	18 949 536
Finance costs	15	(246 634)	(26)
Tax paid	16	(243 226)	(395 546)
Dividends paid		(21 950 100)	(36 862 928)
Net cash from/(used in) operating activities		**21 184 698**	**(18 308 964)**
Cash flows used in investing activities			
Purchase of property, plant and equipment	3	(24 860)	(29 396)
Receipts/(advances) from loan to Noblesfontein Educational Trust		284 834	(230 353)
Net cash used in investing activities		**259 974**	**(259 749)**
Cash flows used in financing activities			
Payment on lease liabilities		(408 378)	–
Total cash movement for the year		**21 036 294**	**(18 568 713)**
Cash at the beginning of the year		8 159 981	26 728 694
Total cash at the end of the year	8	**29 196 275**	**8 159 981**

ACCOUNTING POLICIES

Corporate information

GAIA Infrastructure Capital Ltd ("GAIA") is a public company incorporated and domiciled in South Africa.

GAIA was incorporated on 16 April 2015 and successfully listed as a special purpose vehicle ("SPAC") on the Main Board of the JSE on 12 November 2015. The Company is focused on investing in emerging Southern African infrastructure assets, specifically in the energy, transport, water and sanitation sectors. The Company aims to be a leading investment company of infrastructure assets in South Africa. The Company's investment philosophy is to invest in infrastructure assets that are operational or near operational, offer low risk and yield uncorrelated inflationary linked returns.

The Company makes substantially all its investments through its wholly owned subsidiary GAIA Financial Services. The two companies have the same investment objectives.

On 20 December 2016, the Company acquired through GAIA Financial Services an effective see through economic interest of 25.2% in Dorper Wind Farm for a consideration R501 million and transaction costs of R11.6 million ("Dorper Acquisition"). On completion of the Dorper Acquisition, the Company transferred to the Investment Services sector on the Main Board of the JSE. The investment in Dorper Wind Farm was through a subscription of shares in GAIA RE 1 (Pty) Ltd ("GAIA RE 1").

Effective 12 December 2018, GAIA Financial Services diversified its investment portfolio by converting its convertible loan to GAIA RE 1 into indirect minority interests in three renewable energy projects, being Jasper (4.0%), Lesedi (5.3%), and Letsatsi (5.3%) Solar PV Farms. The Company's shareholding in GAIA RE 1 is currently 33%.

Effective 19 September 2017, GAIA Financial Services acquired C Preference Shares in GAIA SPV (RF) (Pty) Ltd ("GAIA SPV") for an aggregate subscription price of R130 million and, as a result, acquired an effective economic interest of 13.0% in the combined distributions linked to the ordinary shares and shareholder loan claims against Coria (PKF) Investments 28 (RF) (Pty) Ltd ("Noblesfontein Wind Farm").

In addition, GAIA Financial Services entered into funding agreements with South African Renewable Green Energy (Pty) Ltd ("SARGE") whereby GAIA Financial Services subscribed for A Preference Shares and B Preference Shares in SARGE for an aggregate subscription price of R58 million (the "SARGE Transaction"). As a result of the SARGE Transaction, GAIA Financial Services acquired a further effective economic interest of 7.0% of the distributions linked to the ordinary shares in the Noblesfontein Wind Farm.

GAIA Financial Services obtained funding to facilitate, inter alia, its subscription for the GAIA SPV C Preference Shares; and subscription for the SARGE Preference Shares by way of the issue, by it, of A Preference Shares and B Preference Shares to RMBIA for an aggregate subscription price of approximately R188 million in terms of the GAIA Financial Services Preference Share Subscription Agreement.

The Annual Financial Statements for the year ended 29 February 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 27 July 2020.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these Annual Financial Statements are set out below.

1.1 Statement of compliance

The Annual 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 Financial Statements and the Companies Act 71 of 2008 of South Africa, as amended.

These Annual Financial Statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

1.2 Basis of preparation

The Annual Financial Statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rand, which is the Company's functional and presentation currency.

These accounting policies are consistent with the previous period, except for the changes set out in note 1.7.

1.3 Significant judgements and sources of estimation uncertainty

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

Critical judgements in applying accounting policies

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

- Fair value measurement
- Segment reporting by applying a single reporting segment approach
- Investment entity exemption

Key sources of estimation uncertainty:

1.3.1 Fair value measurement

The Company makes assumptions regarding the determination of the fair value of the financial instruments. This is the major source of estimation uncertainty at the end of the reporting period. Information regarding the significant unobservable inputs into the valuation is disclosed in note 5.

The basis of valuation of the Company's investments is fair value through profit or loss ("FVTPL"). Fair value is determined at the end of each reporting period, in accordance with the valuation policy outlined below.

Basis of valuation and approach

The fair value approach of the investments 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 investments under management held through GAIA Financial Services is the discounted cash flow ("DCF"). Management uses judgement to select the most appropriate valuation method. The DCF method is used to derive the fair value, being the discounting of the expected dividend income from the investments, of an asset using reasonable assumptions on the estimations of expected future post-tax cash flows (dividend income) over the term of the power purchase agreements, i.e. free cash flows to the Company. These cash flows are discounted to the present value by applying the appropriate discount rate that captures the risk inherent to the investment. The Company uses sum of the parts valuation method to measure the fair value of GAIA Financial Services.

1.3.2 Segment reporting

GAIA is an investment entity holding most of its investments in operational infrastructure assets on which its revenue is earned. All the investee entities are independent power producers established as part of the South African Renewable Energy Independent Power Producer Procurement Program (REIPPPP) with 20 year power purchase agreements (PPA) with Eskom Holdings SOC Ltd (Eskom). The PPAs are guaranteed by the South African National Treasury and the expected return is the same for the investment portfolio. Based on this, any operating segment that would be identifiable based on how GAIA is structured and the nature of its asset were aggregated into a single operating segment because the economic characteristics of these investments are similar, and all have the same geographical location. IFRS 8.12 permits aggregation of segments on this basis. The chief operating decision maker makes decision and assesses GAIA's performance based on the investment portfolio entirely. On this basis GAIA consider itself as a single operating segment, and therefore no entity specific disclosure related to Segment reporting were provided.

ACCOUNTING POLICIES (continued)

1. Significant accounting policies (continued)

1.3 Significant judgements and sources of estimation uncertainty (continued)

1.3.3 Investment entity exemption

Management applied our judgement in terms of IFRS 10 and came to the conclusion that GAIA does meet the IFRS 10 requirements of an investment entity. Management have reached this conclusion on the basis that GAIA Financial Services:

- has the purpose of providing investment management services to its investors being GAIA IC and RMB Investment and Advisory (Pty) Ltd;
- has committed to invest funds solely for the purpose of generating returns from capital appreciation, investment income, or both; and
- it evaluates performance of its investments primarily on a fair value basis.

GAIA is an investment entity listed on the JSE that:

- commits to its investors that its business purpose is to invest in operational infrastructure assets in Southern Africa for returns from investment income;
- obtains funds from various equity investors to provide them with investment management services; and
- measures and evaluates the performance of substantially all its investments on a fair value basis.

GAIA meets the definition of an investment entity as per IFRS 10 based on the following:

- the Company has obtained funds from various investors for the purpose of providing them with an operational and appropriately derisked secondary investment opportunity for investment income.
- the Company's business purpose, which was communicated directly to investors, is investing in infrastructure assets that are operational or near operation, offer low risk with inflationary linked investment returns.
- the performance of the subsidiary's investments are measured and evaluated on a fair value basis.

GAIA Financial Services also meets the definition of an investment entity as:

- GAIA Financial Services has obtained funds for the purpose of providing investors (GAIA IC as ordinary shareholder and RMB Investment and Advisory (Pty) Ltd as preference shareholder) with an operational and appropriately derisked secondary investment opportunity.
- GAIA Financial Services's business purpose, which was communicated directly to investors, is investing in infrastructure assets that are operational or near operation, offer low risk with inflationary linked investment returns.
- The performance of GAIA Financial Services's investments are measured and evaluated on a fair value basis.

The investments are not held indefinitely as the intention is to hold the investments until the end of the power purchase or concession agreements of the underlying project companies. If not exited earlier GAIA will hold the investments until the end of the power purchase or concession agreements, post which the equity interests will be liquidated or sold in the secondary market.

The exit strategy with respect to the equity interest in GAIA Financial Services is to liquidate the entity when all its underlying investments have ceased to generate cash inflows which is linked to the period when the last underlying Power Purchase Agreement is due to expire, currently being 2035; or unbundle the underlying interests to shareholders through a distribution in specie. Management's intention is to set up any future infrastructure projects in a new structure and not to utilise the existing GAIA Financial Services.

In light of the above, in terms of IFRS 10.31 GAIA IC is in compliance with IFRS 10 in terms of meeting the requirement for an investment entity exemption and therefore measure its investments at fair value.

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 IAS 28 and shall measure an investment in a subsidiary at fair value through profit or loss.

1.4 Property, plant and equipment

Property, plant and equipment are tangible assets which the Company holds for its own use and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition of the asset.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Leasehold property	Straight-line	5 years
Furniture and fixtures	Straight-line	5 years
Computer equipment	Straight-line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. The review of residual values, useful lives and depreciation methods did not result in any changes in the current year.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. There is no indications of impairment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.5 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

ACCOUNTING POLICIES (continued)

1. Significant accounting policies (continued)

1.5 Financial instruments (continued)

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the"Net gain from financial assets through fair value at profit or loss" line item. Fair value is determined in the manner described in note 5.

Financial assets at amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

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

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 include loans receivable and trade and other receivables. Trade and other receivables refer to operational loans to related parties and dividends receivable from GAIA Financial Services.

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost and trade receivables. 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 asset.

Cash and cash equivalents

Cash and cash equivalents are initially stated at carrying amount, which is deemed to be fair value, and subsequently carried at amortised cost which is deemed to be fair value. Cash and cash equivalents includes cash on hand, deposits held at financial institutions.

Trade and other payables

Classification

Trade and other payables (note 10), excluding amounts received in advance, are classified as financial liabilities measured at amortised cost.

Recognition and measurement

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

They are subsequently measured at amortised cost.

1.6 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

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

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

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

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

1.7 Leases

Until 28 February 2019, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Company as lessee were classified as operating leases. Payments made under operating leases were charged to profit or loss as they occurred.

From 1 March 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. The Company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determines whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets (assets less than R10 000). For these leases, the Company recognises the lease payments as an operating expense (note 12) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Details of leasing arrangements where the Company is a lessee are presented in note 4: Leases (Company as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

ACCOUNTING POLICIES (continued)

1. Significant accounting policies (continued)

1.7 Leases (continued)

Lease payments included in the measurement of the lease liability comprise fixed lease payments, including in-substance fixed payments, less any lease incentives.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 12).

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the initial amount of the corresponding lease liability.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.8 Share capital and equity

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

Ordinary shares are classified as equity.

Transaction costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.9 Dividends paid to shareholders

Dividends payable is recognised as a liability in the period in which the dividends are declared. A dividend declared after period-end is not charged against total equity at the reporting date as no liability exists.

1.10 Interest income

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

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

Interest received or receivable are recognised in profit or loss as interest income.

1.11 Dividend income

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established. This is usually the date on which the shareholders approve the payment of a dividend. Dividend income from equity securities designated at fair value through profit or loss is recognised in profit or loss in a separate line item.

1.12 Net gain from financial instruments at fair value through profit or loss

Net gain from financial instruments at fair value through profit or loss includes all unrealised fair value changes, but excludes interest and dividend income.

1.13 Borrowing costs

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

1.14 Segmental information

The Company has determined its operating segments based on investments held. At year-end, the Company held one investment, the investment in GAIA Financial Services, for which it has recognised fair value adjustments. Due to GAIA only having one segment, entity wide disclosure is not relevant. The Company is an investment entity holding most its investments in operational infrastructure assets on which its revenue is earned. Currently all the investee entities are independent power producers established as part of the South African Renewable Energy Independent Power Producer Procurement Program ("REIPPPP") with 20-year power purchase agreements ("PPA") with Eskom Holdings SOC Ltd ("Eskom"). The PPAs are guaranteed by the South African National Treasury and the expected return is the same for the investment portfolio. Based on this, any operating segments that would be identifiable based on how GAIA is structured, the nature of its assets are aggregated into a single operating segment because the economic characteristics of these investments are similar, and all have the same geographical location.

Management and the Board make decisions and assess GAIA's performance based on the performance of the investment portfolio.

GAIA therefore has only one operating segment in terms of IFRS 8: *Operating Segments*. The Board evaluates the investment in GAIA Financial Services based on Net Asset Value and fair value movement (which is considered to represent the measure of the segment result) in this Net Asset Value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IFRS 16: *Leases*

The effective date of the standard is for years beginning on or after 01 January 2019.

IFRS 16: *Leases* is a new standard which replaces IAS 17: *Leases*, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which impacted the Company are as follows:

Application of IFRS 16: *Leases*

In the current year, the Company has adopted IFRS 16: *Leases* (as issued by the IASB in January 2016) with the date of initial application being 01 March 2019. IFRS 16 replaces IAS 17: *Leases*, IFRIC 4: *Determining whether an Arrangement contains a Lease*, SIC 15: *Operating Leases – Incentives* and SIC 27: *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in the accounting policy for leases. The impact of the adoption of IFRS 16 on the Company's Annual Financial Statements is described below.

The Company has applied the practical expedient available in IFRS 16 which provides that for contracts which exist at the initial application date, an entity is not required to reassess whether they contain a lease. This means that the practical expedient allows an entity to apply IFRS 16 to contracts identified by IAS 17 and IFRIC 4 as containing leases; and to not apply IFRS 16 to contracts that were not previously identified by IAS 17 and IFRIC 4 as containing leases.

IFRS 16 has been adopted by applying the modified retrospective approach, whereby the comparative figures are not restated. Instead, cumulative adjustments have been recognised in the initial amount of the right-of-use asset as at 01 March 2019.

Leases where the Company is lessee

Leases previously classified as operating leases

The Company undertook the following at the date of initial application for leases which were previously recognised as operating *leases*:

- recognised a lease liability, measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate at the date of initial application;
- recognised right-of-use assets amounting to R2 114 670 which is equal to the related lease liability recognised.

The Company applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases in terms of IAS 17. Where necessary, they have been applied on a lease by lease basis:

- when a portfolio of lease contained reasonably similar characteristics, the Company applied a single discount rate to that portfolio;
- leases which were expiring within 12 months of 01 March 2019 were treated as short-term leases, with remaining lease payments recognised as an expense on a straight-line basis or another systematic basis which is more representative of the pattern of benefits consumed;
- initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application; hindsight was applied where appropriate.

Impact on Annual Financial Statements

On transition to IFRS 16, the Company recognised an additional R2 114 670 of right-of-use assets and R2 114 670 of lease liabilities.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 1 March 2019. The weighted average rate applied is 12.728%.

Until 28 February 2019 payments made under operating leases were charged to profit or loss as they occurred.

2.2 Standards and interpretations not yet effective

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company's accounting periods beginning on or after 1 March 2020 or later periods:

Scope and expected impact:	Effective date: Years beginning on or after	Standard/Interpretation
IAS 1: Presentation of Financial Statements: Disclosure initiative	1 January 2020	▸ The amendment to clarify and align the definition of "material" and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards. This amendment is not expected to materially impact the Company.
IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative	1 January 2020	▸ The amendment to clarify and align the definition of "material" and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards. This amendment is not expected to materially impact the Company.
IAS 1: Amendments to clarify the classification of liabilities	1 January 2022	▸ The amendments in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. This amendment is not expected to materially impact the Company.

Amendments to IAS 1 to clarify the classification of liabilities

The amendments in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position - not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The effective date of the amendment is for years beginning on or after 1 January 2022 and are to be applied retrospectively. Earlier adoption is permitted.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

3. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	234 723	(107 343)	127 380	209 863	(60 259)	149 604
Computer equipment	37 257	(17 764)	19 493	37 257	(5 345)	31 912
Leasehold improvements	235 876	(106 144)	129 732	235 876	(58 969)	176 907
Total	**507 856**	**(231 251)**	**276 605**	**482 996**	**(124 573)**	**358 423**

	Opening balance	Additions	Depreciation	Total
Reconciliation of property, plant and equipment – 2020				
Furniture and fixtures	149 604	24 860	(47 084)	127 380
Computer equipment	31 912	–	(12 419)	19 493
Leasehold improvements	176 907	–	(47 175)	129 732
	358 423	**24 860**	**(106 678)**	**276 605**
Reconciliation of property, plant and equipment – 2019				
Furniture and fixtures	193 788	–	(44 184)	149 604
Computer equipment	6 769	29 396	(4 253)	31 912
Leasehold improvements	224 082	–	(47 175)	176 907
	424 639	**29 396**	**(95 612)**	**358 423**

4. Leases

The Company leases an office building. The lease contract expires November 2022 with no option for renewal. Depreciation is written off over the lease term.

Details pertaining to leasing arrangements, where the Company is a lessee are presented below:

	Opening balance	IFRS 16 transitional adjustment	Depreciation	Total
Reconciliations of leases: right of use assets – 2020				
Buildings	–	2 114 670	(563 912)	1 550 758

	2020 R	2019 R
Leases: Right-of-use assets		
The carrying amounts of right-of-use assets are included in the following line items:		
Buildings	1 550 758	–
Depreciation recognised on right-of-use assets		
Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 12).		
Buildings	563 912	–
Other disclosures		
Interest expense on lease liabilities	246 405	–
The Company is not exposed to any other potential cash outflows related to lease agreements.		
Lease liabilities		
The maturity analysis of lease liabilities is as follows:		
– Within one year	700 618	–
– Two to five years	1 340 917	–
– Less finance charges component	(335 243)	–
	1 706 292	–
Non-current liabilities	1 194 227	–
Current liabilities	512 065	–
	1 706 292	–

5. Financial assets

	2020 R	2019 R
Financial assets at fair value through profit or loss		
GAIA Financial Services (RF) (Pty) Ltd	551 374 511	515 135 490
The Company owns 100% equity interest in GAIA Financial Services.		
Financial assets at amortised cost		
Noblesfontein Educational Trust	5 415 125	4 935 467
The loan shall accrue interest at a rate equal to the aggregate of CPI plus 7% net of taxes applied as a nominal annual compounded monthly in arrears rate, and calculated on the loan outstanding principal for that interest period. The loan is secured by a cession of any shares held by Noblesfontein Educational Trust in Noblesfontein Wind Farm.		
The Company extended the loan to the Noblesfontein Educational trust, having taken it over from the previous shareholder at an interest rate, and with repayment terms more beneficial than market rates and terms, in order to benefit the beneficiaries of the trust, being members of the local Noblesfontein community.		
	556 789 636	**520 070 957**

GAIA has adopted an accounting policy of measuring its investments at fair value through profit or loss with fair value movements on its assets under management recognised in the Statement of Profit or Loss. All investments in GAIA Financial Services are measured at fair value on a stand-alone basis and GAIA uses sum of the parts valuation method to measure fair value at its investment in GAIA Financial Services.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

5. Financial assets (continued)

Fair value information of underlying investments held through GAIA Financial Services

GAIA Financial Services interest in GAIA RE 1

GAIA Financial Services holds a 33% equity interest in GAIA RE 1.

The Company funded the acquisition of its indirect economic interest in Dorper Wind Farm and Intikon Solar Assets (Jasper, Lesedi and Letsatsi Solar PV Farms), through a R501 million loan to GAIA Financial Services. This loan is interest-free, unsecured and is not repayable for at least 15 years after the effective date of 28 September 2016.

GAIA RE 1 holds 30% of the issued share capital in Dorper Wind Farm and 100% in Intikon Solar (Pty) Ltd ("Intikon Solar") which holds indirect economic interests in the Intikon Solar Assets, being Jasper Solar PV Farm (4.0%), Lesedi Solar PV Farm (5.3%) and Letsatsi Solar PV Farm (5.3%).

GAIA Financial Services interest in Noblesfontein Wind Farm

On 19 September 2017, GAIA Financial Services acquired C Preference Shares GAIA SPV for an aggregate subscription price of R130 million and, as a result, acquired an effective economic interest of 13.001% in the combined distributions linked to the ordinary shares and shareholder loan claims against Noblesfontein Wind Farm.

In addition, GAIA Financial Services entered into funding agreements with SARGE whereby GAIA Financial Services subscribe for A Preference Shares and B Preference Shares in SARGE for an aggregate subscription price of R57 493 127. As a result of the SARGE Transaction, GAIA Financial Services acquired a further effective economic interest of 7.03% of the distributions linked to the ordinary shares in the Noblesfontein Wind Farm.

GAIA Financial Services owns 100% of the issued ordinary shares in GAIA SPV for nominal value of R100.

GAIA Financial Services obtained funding to facilitate, inter alia, its subscription for the GAIA SPV C Preference Shares; and subscription for the SARGE Preference Shares by way of the issue, by it, of A Preference Shares and B Preference Shares to RMBIA for an aggregate subscription price of approximately R188 million in terms of the GAIA Financial Services Preference Share Subscription Agreement.

Valuation of underlying renewable investments

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 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

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. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation of underlying renewable investments

The Company uses a valuation model that was developed by an experienced independent third party during the bidding process for the rights of the project, this model has been developed from recognised valuation models and the developers experience regarding the valuation of renewable energy projects. Some of the significant inputs into the discounted cash flow model may not be observable in the market and are derived from market prices or rates or are based on assumptions. This valuation model therefore requires a higher degree of management judgement and estimation in determination of fair value.

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

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

The fair value estimate obtained from the discounted cash flow models will only be adjusted for factors such as liquidity risk and model uncertainty to the extent that the Company believes that a third-party market participant would take them into account in pricing a transaction. No such adjustments were deemed necessary in the valuation of the investments in underlying renewable assets.

The value of the investment in the ordinary shares of GAIA RE 1 (Dorper Wind Farm and Intikon Solar) was determined using the discounted cash flow valuation models. Assumptions and inputs used in valuation techniques include CPI and investor premium used in estimating discount rates.

The value of the indirect investment in the preference shares in SARGE and GAIA SPV was also calculated using the discounted cash flow valuation model. The assumptions and inputs used included CPI rate, prime rate and JIBAR. JIBAR and prime rate are linked, so only prime rate is considered for sensitivity purposes.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the prices that would be received to sell the investments in underlying renewable assets in an orderly transaction between market participants at the measurement date.

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. All fair value measurements below are recurring. Financial assets at fair value through profit or loss are recognised at fair value, which is therefore equal to their carrying amounts.

As at 29 February 2020, the fair value measurement of shares held by the Company in GAIA Financial Services is categorised into Level 3. The fair value of underlying investments under management in GAIA Financial Services is determined using sum of the parts valuation at reporting date and are also categorised into Level 3.

The valuations for the investments under management were performed using the same valuation methodology because all investments are held in infrastructure assets with the same risk profile, same expected return profile, the period of the investments is the same and the investee entities all have PPA agreements with Eskom. Therefore, the assumptions used in determining the fair values are the same and are presented in the table below:

Assumptions		
Discount rate	12.408% (2019: 12.778%)	REIPPPP projects are valued on a real basis, as such the real rate of 6.75% (2019: 7%) was used plus 5.6% CPI (2019: 5.4%)
Cash flow	Expected dividends	Investee entities make distributions from profits which are made up of revenue net operating expenses. Revenue from power generation is charged at a fixed tariff per the PPA and is subject to an annual escalation with CPI.
Discount period	Remaining term of the 20-year PPA	Investment period of the PPA.

Reconciliation of financial assets at fair value through profit or loss measured at level 3

	Opening balance	Gains/(losses) in profit or loss	Total
2020			
GAIA Financial Services (RF) (Pty) Ltd	515 135 490	36 239 021	551 374 511
2019			
GAIA Financial Services (RF) (Pty) Ltd	501 084 871	14 050 619	515 135 490

The change in gains or losses (net gain) for the period is included in profit or loss for financial assets held at the reporting date. These gains and losses are recognised in profit or loss as a net gain from financial instruments at fair value through profit or loss.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

5. Financial assets (continued)

Valuation technique	Significant unobservable inputs	Estimates for unobservable inputs	Sensitivity to changes in significant unobservable inputs	1% decrease in unobservable input	1% increase in unobservable input
Dorper Wind Farm					
Discounted cash flow	Discount rate	12.408%	The estimated fair value would increase if the discount rate decreased	15 052 680	(13 657 009)
Intikon Solar					
Discounted cash flow	Discount rate	12.408%	The estimated fair value would increase if the discount rate decreased	20 259 145	(18 420 796)
C – Preference Shares					
Discounted cash flow	CPI rate	Market consistent CPI curve	The estimated fair value would decrease if the CPI rate decreased	(10 202 148)	9 320 584
Discounted cash flow	Prime rate and CPI rate	Prime interest rate curve	The estimated fair value would decrease if the prime- and CPI rate decreased	(4 118 211)	3 710 804
Discounted cash flow	Discount rate	12.408%	The estimated fair value would increase if the discount rate decreased	12 304 503	(10 990 526)
SARGE A and B – Preference Shares					
Discounted cash flow	CPI rate	Market consistent CPI curve	The estimated fair value would decrease if the CPI rate decreased	(420 205)	437 894
Discounted cash flow	Prime rate and CPI rate	Prime interest rate curve	The estimated fair value would increase if the prime- and CPI rate decreased	629 567	(531 526)

5. Financial assets (continued)

Valuation technique	Significant unobservable inputs	Estimates for unobservable inputs	Sensitivity to changes in significant unobservable inputs	1% decrease in unobservable input	1% increase in unobservable input
Discounted cash flow	Discount rate	12.408%	The estimated fair value would increase if the discount rate decreased	5 871 172	(5 339 191)

Significant observable/unobservable inputs are developed as follows:

Discount rate:

Represents the rate used to discount projected levered or unlevered forecast cash flows for an asset to determine their present values. The rate includes the determination of a curve using a raw interpolation bootstrapping algorithm and the quoted yields at valuation date to South African government fixed rate bonds and Treasury Bills. GAIA RE 1 uses a discount rate that appropriately captures both Dorper and Intikon Solar stage-of-life, using South African data, substantiated by international findings. None of the financial assets that are fully performing have been renegotiated in the last year.

CPI rate:

An independently constructed market consistent CPI curve was applied at valuation date, using inflation linked swap yields as at 29 February 2020 obtained from Bloomberg.

Prime rate:

A prime rate interest curve as at valuation date using the following co-integration approach.

The historical prime ZAR prime index and the 3 month Johannesburg Interbank Agreed Rate ("JIBAR3m") index obtained from Bloomberg.

Ordinary Least Squares ("OLS"), more commonly known as linear regression analysis, performed on monthly historical data.

The alpha and beta coefficients of the regression equation were used as a representative of the expected relationship between the ZAR prime rate and the JIBAR3m rate in order to construct the remainder of the prime rate. The approach is in line with market accepted approaches.

6. Deferred tax

	2020 R	2019 R
Deferred tax asset		
Property, plant and equipment	1 054	4 249
Accrual for audit fees	44 436	58 018
Company as lessee	43 550	–
Total deferred tax asset	**89 040**	**62 267**
Reconciliation of deferred tax asset/(liability)		
At the beginning of the year	62 267	71 268
(Deductible)/taxable difference movement on tangible fixed assets	(3 195)	154
Reversal of deferred tax asset*	–	19 011
Deductible difference on accruals	(13 582)	(28 166)
Taxable difference on leases	43 550	–
	89 040	**62 267**

** In previous financial periods a deferred tax asset was recognised related to the fair value through profit or loss on financial assets. The deferred tax asset was reversed in the 2019 financial year based on management judgement that the amount will not be recovered through taxable profits.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

7. Trade and other receivables

	2020 R	2019 R
Other receivables – related parties	402 673	1 849 126
Deposits	–	24 860
Other receivables – dividend receivable*	6 937 390	37 565 446
Marketable investment report**	–	5 804 569
Prepayment of share issue costs**	–	2 524 939
Total trade and other receivables	**7 340 063**	**47 768 940**

* *Unsecured, interest-free and repayable within the next twelve months.*
** *Relates to pre-payment of transactions costs previously capitalised.*

The fair value of trade and other receivables approximates their carrying amounts.

The loss allowance is calculated using an expected credit loss model. The Company uses a provision matrix to calculate expected credit losses, with amounts more than 90 days past due viewed as default events.

The exposure to credit risk on trade receivables is limited by establishing a maximum payment period of 30 to 90 days and performance creditworthiness evaluation of the counterparties is done before transactions are entered into.

Payment on dividend receivables occurs within four months from when the dividends are declared. There has been no history of default, as such the exposure to credit risk on the dividend receivables is limited to the maximum payment period of four months.

ECLs are deemed immaterial based on management's expectation of when amounts due would be received and the payment history of the respective debtors.

8. Cash and cash equivalents

	2020 R	2019 R
Cash and cash equivalents consist of:		
Bank balances	1 571 796	3 132 562
Money market funds	27 624 479	5 027 419
	29 196 275	**8 159 981**

The fair value of cash and cash equivalents approximates their carrying amounts.

9. Share capital

	2020 R	2019 R
Authorised		
6 000 000 000 Ordinary no par value shares		
Issued and fully paid		
55 151 000 no par value shares, net of share issue cost	545 851 762	545 851 762

There was no repurchase of shares issued for cash during the period under review.

10. Trade and other payables

	2020 R	2019 R
Financial instruments:		
Trade payables	1 224 920	1 465 831
Accrued expenses – audit	158 700	207 207
Accrued expenses – salary control	–	121 290
	1 383 620	**1 794 328**

The fair value of trade and other payables approximates their carrying amounts.

11. Revenue

	2020 R	2019 R
Disaggregation of revenue by nature		
Interest received – Noblesfontein Educational Trust	764 492	696 580
Interest received – cash and cash equivalents	1 089 341	1 366 133
Dividends received – financial assets	25 000 000	32 600 000
Dividends received – cash and cash equivalents	72 710	–
Net gain from financial assets at fair value through profit or loss	36 239 021	14 050 619
Other income	–	25 380
	63 165 564	**48 738 712**

12. Other operating expenses

	2020 R	2019 R
Total operating expenses consist of the following:		
Accounting fees	228 628	377 267
Audit fees	139 156	224 076
Circulars and publications	515 789	512 326
Depreciation	670 590	95 612
Directors' fees	1 412 212	1 579 473
Employee costs	4 572 085	4 559 850
Insurance	394 370	293 584
JSE annual fees	300 212	207 000
Lease expenses	–	822 475
Management fee	4 568 144	4 844 653
Market and financial data	184 585	164 987
Other expenses	442 974	409 68
Professional fees	573 561	2 923 943
Secretarial fees	486 332	393 008
Transaction cost*	8 639 260	–
Travel and accommodation	98 254	178 138
	23 226 152	**17 586 075**

** Due diligence costs incurred in the exploration of infrastructure investment opportunities in accordance with the investment strategy.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

13. Finance costs

	2020 R	2019 R
Lease liabilities	246 405	–
Bank	229	26
Total finance costs	**246 634**	**26**

14. Taxation

	2020 R	2019 R
Major components of the tax expense		
Current		
Local income tax – current period	209 891	208 135
Deferred		
Deferred tax	(26 773)	9 002
	183 118	**217 137**
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	39 692 778	31 152 611
Tax at the applicable tax rate of 28% (2019: 28%)	11 113 978	8 722 731
Tax effect of adjustments on taxable income		
Exempt income – local dividends received	(7 020 359)	(9 128 000)
Non-deductible expenses attributable to exempt income	3 817 432	4 571 674
Non-deductible expenses of capital nature	2 418 993	–
Non-taxable portion of capital gains	–	(786 834)
Reversal of deferred tax asset*	–	(3 166 349)
Fair value adjustment on financial assets**	(10 146 926)	–
Underprovision of income tax	–	3 915
	183 118	**217 137**

* *In previous financial periods a deferred tax asset was recognised related to the fair value through profit or loss on financial assets. The deferred tax asset was reversed in the 2019 financial year based on management judgement that the amount will not be recovered through taxable profits.*

** *No deferred tax was recognised on the investment in GAIA Financial Services due to the intention of GAIA to recover the investment through receipt of dividends which would not be taxable. The tax base of the asset is therefore equal to the carrying amount, resulting in no deferred tax being recognised. Although the asset might be sold in the future, this is not the intention of the Company.*

The Company's main source of revenue is dividend income which is exempt income for tax purposes implying a significant portion of expenses is apportioned to the exempt income.

15. Cash generated from operations

	2020 R	2019 R
Profit before taxation	39 692 778	31 152 611
Adjustments for:		
Depreciation and amortisation	670 590	95 612
Interest income	(764 492)	–
Finance costs	246 634	26
Fair value adjustments	(36 239 021)	(14 050 619)
Changes in working capital:		
Trade and other receivables	40 428 877	5 934 072
Trade and other payables	(410 708)	(4 182 166)
	43 624 658	**18 949 536**

16. Tax paid

	2020 R	2019 R
Balance at the beginning of the year	26 145	(161 266)
Current tax for the year recognised in profit or loss	(209 891)	(208 135)
Balance at the end of the year	(59 480)	(26 145)
	(243 226)	**(395 546)**

17. Earnings – and net asset value per share

17.1 Earnings per share

The Company presents basic, headline, diluted and diluted headline earnings per shares data for its ordinary shares.

Basic earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. Profit or loss attributable to the ordinary equity holders is determined as profit or loss after adjusting for the tax effect.

Headline earnings per share

Headline earnings per share is calculated by dividing the profit or loss attributable to its equity holders adjusted for separately identifiable remeasurement items, by the weighted average number of ordinary shares outstanding during the year, as required by Circular 4/2018 issued by the South African Institute of Chartered Accountants. Headline earnings and diluted headline earnings are presented after tax.

Diluted earnings per share

In the determination of diluted earnings per share, profit or loss attributable to the equity holders and the weighted average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.

Diluted headline earnings per share

Diluted headline earnings per share is determined by adjusting the profit or loss attributable to the equity holders and the weighted average number of ordinary shares outstanding for the effects of all potential diluted ordinary shares. The profit or loss attributable to ordinary shareholders of the Company is also adjusted for remeasurements as required by Circular 4/2018 issued by the South African Institute of Chartered Accountants.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

17. Earnings- and net asset value per share

17.1 Earnings per share

Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

In determining whether potential ordinary shares are dilutive or antidilutive, each issue or series of potential ordinary shares is considered separately rather than in aggregate. The sequence in which potential ordinary shares are considered may affect whether they are dilutive.

Therefore, to maximise the dilution of basic earnings per share, each issue or series of potential ordinary shares is considered in sequence from the most dilutive to the least dilutive, ie dilutive potential ordinary shares with the lowest "earnings per incremental share" are included in the diluted earnings per share calculation before those with a higher earnings per incremental share. Options and warrants are generally included first because they do not affect the numerator of the calculation.

	2020	2019
Basic earnings per share		
From continuing operations (cents per share)	**71.64**	56.09

Basic earnings per share was based on earnings of R39 509 660 (2019: R30 935 474) and weighted average number of ordinary shares of R55 151 000 (2019: R55 151 000).

There were no headline adjustments required or potential dilutive shares in issue, therefore headline earnings per share, diluted earnings per share and diluted headline earnings per share were equal to basic earnings per share.

17.2 Net asset value per share

Net asset value is the value of an entity's assets minus the value of its liabilities.

	2020 R	2019 R
Net asset value per share		
Net asset value per share (Rands)	**10.74**	10.42

Net asset value per share was based on net asset value of R592 211 945 (2019: R574 652 385) and weighted average number of ordinary shares of R55 151 000 (2019: R55 151 000).

18. Related parties

Relationships	
Subsidiary	GAIA Financial Services (RF) (Pty) Ltd
Common Directors	GAIA SPV (RF) (Pty) Ltd
Common Directors	GAIA RE 1 (Pty) Ltd

GAIA Infrastructure Partners (Pty) Ltd has been appointed as Management Company ("ManCo") of the Company. Refer note 22: Events after reporting period for information of the termination of the agreement with ManCo.

GAIA Infrastructure Partners (Pty) Ltd holds 1 000 shares in the Company.

A management fee calculated as 0.8% of the enterprise value is paid to ManCo in quarterly instalments.

18. Related parties (continued)

	2020 R	2019 R
Related party balances		
Financial assets at fair value through profit or loss		
GAIA Financial Services (RF) (Pty) Ltd	551 374 511	515 135 490
Amounts included in trade and other receivables regarding related parties		
GAIA Financial Services (RF) (Pty) Ltd	–	1 610 991
GAIA Financial Services (RF) (Pty) Ltd*	6 937 390	37 565 446
GAIA SPV (RF) (Pty) Ltd	402 673	226 435
GAIA RE 1 (Pty) Ltd	–	11 700
Related party transactions		
Management fees paid to related parties		
GAIA Infrastructure Partners (Pty) Ltd	4 568 144	4 844 653
Dividends received from related parties		
GAIA Financial Services (RF) (Pty) Ltd	25 000 000	32 600 000

All related party trade and other receivables relate to operational loans, except * which relates to dividends receivable, and all are unsecured, interest free and repayable within the next twelve months.

For compensation to directors and other key management refer to note 19.

19. Directors' emoluments

2020	Remuneration	Directors' fees	Total
Executive			
Kuby Prudence Lebina (CEO) (Resigned: 26/06/2020)***	4 051 320	–	4 051 320
Matthys Michiel Nieuwoudt (CIO) (Resigned: 11/12/2019)**	1 980 000	–	1 980 000
Non-executive			
Khalipha Edward Mbalo*	–	323 781	323 781
Leon de Wit (Resigned: 11/12/2019)*	–	77 528	77 528
Nathiera Kimber (Resigned: 31/01/2020)	–	167 777	167 777
Clive Ferreira (Resigned: 11/12/2019)*	–	94 753	94 753
Philip Botha Schabort (Resigned: 11/12/2019)*	–	64 607	64 607
Sisanda Tuku	–	295 996	295 996
Lumkile Patriarch Mondi (Resigned: 28/08/2019)	–	174 158	174 158
Thembani Bukula	–	213 612	213 612
Karén Breytenbach (Appointed: 26/02/2020)	–	–	–
	6 031 320	**1 412 212**	**7 443 532**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

19. Directors' emoluments (continued)

2019	Remuneration	Directors' fees	Total
Executive			
Kuby Prudence Lebina (CEO)	2 893 800	–	2 893 800
Matthys Michiel Nieuwoudt (CIO)	1 980 000	–	1 980 000
Non-executive			
Khalipha Edward Mbalo*	–	272 849	272 849
Leon de Wit*	–	193 821	193 821
Nathiera Kimber	–	199 148	199 148
Clive Ferreira*	–	202 427	202 427
Philip Botha Schabort*	–	155 057	155 057
Sisanda Tuku	–	174 147	174 147
Lumkile Patriarch Mondi	–	213 484	213 484
Thembani Bukula	–	168 540	168 540
	4 873 800	**1 579 473**	**6 453 273**

* *These Directors are paid indirectly through their separate legal entities, unrelated to GAIA.*
** *MM Nieuwoudt is employed and remunerated by ManCo.*
*** *Inclusive of an acting allowance of R1 157 520 for fulfilling the role of Financial Director on an interim basis. Ms KP Lebina was the only executive employed by the Company. She resigned as CEO and Director of the Company with effect from 26 June 2020.*

No other payments were made to the directors, including bonuses, performance related payments, pension scheme contributions, commission, share options or expense allowances.

20. Financial instruments and risk management

	Note(s)	Fair value through profit or loss – Mandatory	Amortised cost	Total
Categories of financial instruments				
Categories of financial assets				
2020				
Financial assets	5	551 374 511	5 415 125	556 789 636
Trade and other receivables	7	–	7 340 063	7 340 063
Cash and cash equivalents	8	–	29 196 275	29 196 275
		551 374 511	**41 951 463**	**593 325 974**
2019				
Financial assets	5	515 135 490	4 935 467	520 070 957
Trade and other receivables	7	–	47 768 940	47 768 940
Cash and cash equivalents	8	–	8 159 981	8 159 981
		515 135 490	**60 864 388**	**575 999 878**

	Note(s)	Amortised cost	Leases	Total
Categories of financial liabilities				
2020				
Trade and other payables	10	1 383 620	–	1 383 620
Lease liabilities	4	–	1 706 292	1 706 292
		1 383 620	**1 706 292**	**3 089 912**
2019				
Trade and other payables	10	1 794 330	–	1 794 330

Capital risk management

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

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

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

- Credit risk;
- Liquidity risk; and
- Market risk.

The board has overall responsibility for the establishment and oversight of the company's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the company's risk management policies.

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

"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.

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter party.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

20. Financial instruments and risk management (continued)

Credit risk strategy

Trade receivables

The exposure to credit risk on trade receivables is limited by establishing a maximum payment period of 30 to 120 days and performance creditworthiness evaluation of the counterparties is done before transactions are entered into.

Dividend receivables

Payment on dividend receivables occurs within four months from when the dividends are declared. There has been no history of default as such, the exposure to credit risk on the dividend receivables is limited to the maximum payment period of four months.

Noblesfontein Educational Trust ("NET") loan

The loan granted to NET was for the refinancing of their vendor loan with Gestamp as Gestamp was divesting from the Noblesfontein REIPPPP project. The loan is secured by a cession and pledge of any shares held by NET in Noblesfontein Wind Farm. Therefore, the value of the shares is sufficient to settle the loan amount should NET default.

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

	Note(s)	Gross carrying amount	Credit loss allowance	Fair value
2020				
Trade and other receivables	7	7 340 063	–	7 340 063
Cash and cash equivalents	8	29 196 275	–	29 196 275
		36 536 338	**–**	**36 536 338**
2019				
Trade and other receivables	7	47 768 940	–	47 768 940
Cash and cash equivalents	8	8 159 981	–	8 159 981
		55 928 921	**–**	**55 928 921**

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

P3: Indicates that the capacity for timely payment on issues with this designation is acceptable, relative to other South African obligors.

A bank guarantee issued to Melrose Arch in December 2017 to the value of R200 000 is in place for the deposit on the lease. The lease is in place for five years and will terminate in November 2022

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 of disinvestment from the escrow account.

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. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

20. Financial instruments and risk management (continued)

	Note(s)	Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
2020						
Non-current liabilities						
Lease liabilities	4	–	749 661	591 256	1 340 917	1 194 227
Current liabilities						
Trade and other payables	10	1 383 620	–	–	1 383 620	1 383 620
Lease liabilities	4	700 617	–	–	700 617	512 065
		(2 084 237)	**(749 661)**	**(591 256)**	**(3 425 154)**	**(3 089 912)**

	Note(s)	Less than 1 year	Total	Carrying amount
2019				
Current liabilities				
Trade and other payables	11	1 794 330	1 794 330	1 794 330

Market risk

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

21. Going concern

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

Refer to note 22 on the Covid 19 assessment.

22. Events after the reporting period

On 15 April 2020, the Company and GAIA Infrastructure Partners (Pty) Ltd ("ManCo") (collectively "the Parties") agreed terms to amend the termination fee payable and terminate the management services agreement dated 27 October 2015 concluded between the Parties, in consideration for payment by the Company of a reduced termination fee of R18 million ("the Transaction"). The Transaction was approved by the Company's shareholders on 10 June 2020.

Due to the outbreak and continuing spread of the novel coronavirus ("Covid 19"), the South African President announced a national lockdown for the Republic of South Africa, from midnight Thursday, 26 March 2020 to 30 April 2020. Over the period following, the restrictions were relaxed and we are currently on Level 2. One of GAIA's top priorities is to protect the health and safety of our stakeholders and would continue to closely monitor developments around Covid 19.

The Company is invested in renewable energy businesses, which have been declared an essential service by Government. Management has assessed the impact of COVID 19 on the sustainability of the business and has reasonable expectation that the Company will have adequate resources to continue in existence for the next 12 months from the date of approval of the Annual Financial Statements and therefore the Annual Financial Statements were prepared on a going concern basis, which assumes the realisation of assets and discharge of liabilities in the normal course of business in the foreseeable future. There is currently no expected material impact on the Company's investments under management and this assessment will be reviewed on an ongoing basis.

No other material facts or circumstances have arisen between the reporting date and the date of this report which affect the financial position of the Company as reflected in these Annual Financial Statements.

The 75MW Letsatsi solar photovoltaic plant *is a Round 1 REIPPPP solar photovoltaic (PV) power project located 35km north-west of Bloemfontein.*

Letsatsi solar farm

06

SHAREHOLDERS' INFORMATION

SHAREHOLDER ANALYSIS

Company: GAIA Infrastrucutre Capital Ltd
Register date: 29 February 2020
Issued Share Capital: 55 151 000

Shareholder spread	Number of Shareholdings	%	Number of Shares	%
1 – 1 000 shares	247	49.11	81 045	0.15
1 001 – 10 000 shares	155	30.82	652 636	1.18
10 001 – 100 000 shares	73	14.51	2 450 031	4.44
100 001 – 1 000 000 shares	24	4.77	7 016 166	12.72
1 000 001 shares and over	4	0.80	44 951 122	81.51
Total	**503**	**100.00**	**55 151 000**	**100.00**
Distribution of shareholders				
Banks/brokers	2	0.40	776 770	1.41
Close corporations	6	1.19	109 998	0.20
Endowment funds	3	0.60	76 456	0.14
Government	1	0.20	103 569	0.19
Individuals	392	77.93	2 280 320	4.13
Insurance companies	3	0.60	694 555	1.26
Medical schemes	1	0.20	83 687	0.15
Mutual funds	5	0.99	1 061 890	1.93
Other corporations	4	0.80	88 120	0.16
Private companies	21	4.17	4 227 432	7.67
Private equity	1	0.20	19 247 699	34.90
Retirement funds	23	4.57	25 382 725	46.02
Trusts	41	8.15	1 017 779	1.85
Total	**503**	**100.00**	**55 151 000**	**100.00**
Public/non-public shareholders				
Non-public shareholders	8	1.59	45 611 100	82.70
Strategic holder more than 10%	3	0.60	42 650 522	77.33
Public shareholders	500	99.4	12 500 478	22.67
Totals	**503**	**100.00**	**55 151 000**	**100.00**

Beneficial shareholders holding 3% or more	Number of Shares	%
Government Employees Pension Fund	23 402 823	42.43
Specialised Listed Infrastructure Equity En Commandite Partnership	19 247 699	34.90
BL Projects (Pty) Ltd	2 300 600	4.17
Total	**44 951 122**	**81.51**

SHAREHOLDERS' DIARY

Financial year-end	29 February 2020
Provisional results published	29 July 2020
Integrated Annual Report published on website	17 September 2020
Notice of AGM to shareholders	17 September 2020
AGM	16 October 2020
Interim results published	30 November 2020

NOTICE OF ANNUAL GENERAL MEETING

GAIA Infrastructure Capital Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2015/115237/06)
Share code: GAI: ISIN ZAE000210555
("GAIA" or "the Company")

In terms of section 62(3)(a) of the Companies Act 71 of 2008, as amended ("the Companies Act"), notice is hereby given to the shareholders of GAIA that the annual general meeting ("AGM") of shareholders of GAIA will be held at 10:00 on 16 October 2020, at the African Pride Hotel, 1 Melrose Street, Melrose Arch, Johannesburg, 2196, for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions set out in this notice of AGM ("notice"), as well as such other matters as may be required to be dealt with at the AGM in terms of the Companies Act.

Covid-19 pandemic developments

One of GAIA's top priorities is to protect the health and safety of all our stakeholders and with this in mind we will continue to closely monitor developments around Covid-19 (coronavirus).

Although the intention is to hold the AGM as scheduled on 16 October 2020 at the set venue, GAIA strongly encourages its shareholders not to attend in person but to exercise their voting rights by way of electronic or written proxy and to submit their questions relating to the 2020 AGM agenda in advance by email to the Company Secretary melinda@fusioncorp.co.za or andrea@fusioncorp.co.za.

Shareholders will also be able to follow the AGM remotely via a live audio webcast to be provided on our website www.gaia-ic.co.za.

GAIA reserves the right to make further changes, such as limiting the number of attendees to enable social distancing, changing the venue, providing live voting facilities, or even prohibiting physical attendance, should same be required.

Shareholders should regularly check the release of SENS announcements on the JSE Limited's platform and on the GAIA website for any further updates.

GAIA will continue to evaluate the implications of regulations announced by the South African government, as well as any potential future measures that may be imposed by the government or recommended by the World Health Organisation.

Record date

The Board of Directors of GAIA ("the Board") has determined that, in terms of section 62(3)(a), read together with section 59(1)(b) of the Companies Act, the record date on which a shareholder must be registered in the securities register of GAIA for the purposes of determining which shareholders of GAIA are entitled to:

- receive notice of the AGM is 11 September 2020; and
- participate in, and vote on the resolutions to be proposed at, the AGM is 9 October 2020.

Accordingly, the last day to trade GAIA shares in order to be recorded in the securities register of GAIA in order to be entitled to participate and vote at the AGM will be 6 October 2020.

Action by shareholders

Certificated shareholders or "own-name" registered dematerialised shareholders are entitled to attend, participate and vote at the AGM or any adjournment thereof or may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the Board. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM or any adjournment thereof.

Dematerialised shareholders (not with "own-name" registration) must notify their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the AGM in order for such CSDP or broker to be able to issue them with the necessary authorisation letter to enable them to attend the AGM, or, alternatively, should the dematerialised shareholder not wish to attend the AGM, they should provide their CSDP or broker with their voting instructions.

NOTICE OF ANNUAL GENERAL MEETING (continued)

Action by shareholders (continued)

For administrative purposes only, we request that forms of proxy be delivered to GAIA's transfer secretaries situated at Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or be posted to PO Box 61051, Marshalltown, 2107, to be received by them by no later than 10:00 on 14 October 2020 (or 48 hours before any adjournments of the AGM, which date, if necessary, will be notified on SENS). Thereafter, forms of proxy may be delivered to the Chairperson of the AGM, at the AGM, before voting on a particular resolution commences.

At the AGM, each shareholder will have voting rights determined in terms of the voting rights attaching to the shares held by such shareholder as set out in the memorandum of incorporation of the Company ("MOI").

AGM participants may be required to provide identification to the reasonable satisfaction of the Chairperson of the AGM. An official identification document issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted as sufficient identification.

Shareholders who have any doubt as to the action they are required to take in respect of the following resolutions should consult their CSDP, broker, banker, attorney, accountant or other professional adviser immediately.

Purpose

The purpose of the AGM is for the following business to be transacted:

(a) The Board will present the audited Annual Financial Statements of GAIA for the financial year ended 29 February 2020 (as approved by the Board as required in terms of section 30(3)(c) of the Companies Act) (2020 AFS), including the reports of the independent auditors, the Directors, the Social and Ethics Committee and the Audit and Risk Committee to shareholders;

(b) The shareholders will consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions ("resolutions") set out in this notice (which are to be proposed at the AGM) in accordance with the requirements of the MOI, the Companies Act, the JSE Listings Requirements ("Listings Requirements") and to the extent applicable, in accordance with the principles and recommended practices set out in the King IV Report on Corporate Governance for South Africa, 2016 ("King IV"); and

(c) Consider any matters as may lawfully be dealt with at the AGM, in terms of the Companies Act.

Agenda

Presentation of the 2020 AFS

The Integrated Annual Report of GAIA for 2020, incorporating, inter alia, the Directors' report, the 2020 AFS, the report of the independent auditors, the report of the Social and Ethics Committee and the report of the Audit and Risk Committee found in the Integrated Annual Report of GAIA for 2020 was made available to shareholders on 17 September 2020.

The 2020 AFS, the report of the independent auditors, the report of the Social and Ethics Committee and the report of the Audit and Risk Committee will be presented to the shareholders at the AGM as required in terms of the Companies Act, read with the Companies Regulations, 2011.

Report on the Social and Ethics Committee

The Company's Social and Ethics Committee report, included on page 43 of the Integrated Annual Report, will serve as the Social and Ethics Committee's report to the Company's shareholders on the matters within its mandate at the AGM. Any specific questions to the committee may be sent to the Company Secretary prior to the AGM.

Ordinary resolutions

To consider and, if deemed fit, to pass, with or without modification, the ordinary resolutions relating to the business set out below. Same as contemplated below, the minimum percentage of voting rights required for each of the ordinary resolutions set out below to be adopted is more than 50% (fifty percent) of the voting rights exercised on each of the resolutions by shareholders present or represented by proxy and entitled to vote at the AGM.

1. Appointment of Director

Election of Directors appointed during the year under review

In terms of the Company's Memorandum of Incorporation ("MOI"), any Board appointments made by the Board during a year under review must be confirmed by shareholders at the next AGM of the Company, following such an appointment. Accordingly, Mrs K Breytenbach, Mrs P Lewis and Mr GS Moseneke were appointed by the Board during the year under review and shareholders are hereby requested to confirm such appointments.

An abbreviated curriculum vitae of each of the above Directors appears on page 30 of the Integrated Annual Report.

Accordingly, shareholders are requested to consider and, if deemed fit, to elect the Directors named above by way of passing the separate ordinary resolution numbers 1.1 to 1.3 set out below as required under section 68(2) of the Act.

1.1 Ordinary resolutions 1.1

Election of Mrs K Breytenbach

"**RESLOVED** that shareholders elect Mrs K Breytenbach as a Director of the Company."

1.2 Ordinary Resolutions 1.2

Election of Mrs P Lewis as an executive Director

"**RESOLVED** that shareholders elect Mrs P Lewis as an Executive Director of the Company."

1.3 Ordinary resolutions 1.3

Election of Mr GS Moseneke as an executive Director

"**RESOLVED** that shareholders elect Mr G Moseneke as an Executive Director of the Company."

2. Retirement and re-election of Director

2.1 Ordinary resolution number 2

"**RESOLVED** that Mr KE Mbalo who retires by rotation in terms of Article 28 of the MOI and, being eligible, offers himself for re-election, be and is hereby re-elected as an Independent Non-Executive Director."

An abbreviated curriculum vitae of Mr KE Mbalo appears on page 30 of the Integrated Annual Report.

In accordance with the MOI, one-third of all Directors are required to retire at the AGM. Accordingly, Mr KE Mbalo will retire and, being eligible, offers himself for re-election to serve as a Director of GAIA. The Nomination Committee reviewed the composition of the Board against corporate governance, individual performance and diversity requirements and has recommended the re-election of Mr KE Mbalo.

Following such review, the Board recommends to shareholders the re-election of Mr KE Mbalo as Director, as required under section 68(2) of the Companies Act.

3. Appointment and reappointment of the members of the Audit and Risk Committee of the Company

Note:

For avoidance of doubt, all references to the Audit and Risk Committee of the Company is a reference to the Audit Committee as contemplated in the Companies Act.

"**RESOLVED** to individually elect and/or re-elect the following Directors (ordinary resolutions 3 to 5 to be voted on and adopted as separate resolutions) of GAIA as the Chairperson and members of the Audit and Risk Committee until the conclusion of the next AGM of GAIA. The Board recommends the appointment of these members."

3.1 Ordinary resolution number 3

"**RESOLVED** that Mrs S Tuku, being eligible, be and is reappointed as a member of the Audit and Risk Committee of the Company, until the conclusion of the next AGM of the Company."

3.2 Ordinary resolution number 4

"**RESOLVED** that Mr T Bukula, being eligible, be and is hereby appointed as a member of the Audit and Risk Committee of the Company, until the conclusion of the next AGM of the Company."

NOTICE OF ANNUAL GENERAL MEETING (continued)

3. Appointment and reappointment of the members of the Audit and Risk Committee of the Company (continued)

3.3 Ordinary resolution number 5

"**RESOLVED** that, subject to the passing of ordinary resolution number 1, Mrs K Breytenbach being eligible, be and is hereby appointed as a member of the Audit and Risk Committee of the Company, until the conclusion of the next AGM of the Company."

In terms of section 94(2) of the Companies Act, an audit committee comprising at least three members must be elected by shareholders at each annual general meeting of a public company. Further, in terms of regulation 42 of the Companies Regulations, 2011, at least one-third of the members of a public company's audit committee members must have appropriate academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

Having reviewed the composition of the Audit and Risk Committee and the qualifications, experience, expertise and independence of each of the members of the Audit and Risk Committee, the Nomination Committee satisfied itself that the members of the Audit and Risk Committee continue to meet the requirements of the Companies Act and King IV.

The Nomination Committee accordingly unanimously recommends and supports the re-election of Mrs S Tuku, the appointment of Mrs K Breytenbach and Mr T Bukula to the Audit and Risk Committee.

A brief curriculum vitae of each of the Directors up for election to the Audit and Risk Committee appears on page 30 of the Integrated Annual Report.

4. Reappointment of independent auditor and designated audit partner

4.1 Ordinary resolution number 6

"**RESOLVED** that Deloitte & Touche, with the designated audit partner being Lito Nunes, be and is hereby reappointed as the independent external auditor of the Company until the conclusion of the next AGM of the Company on the recommendation of the Audit and Risk Committee be and is hereby authorised to determine the auditor's remuneration."

The Audit and Risk Committee assessed the performance and accreditation of the proposed independent auditor and the proposed individual registered auditor (ie the designated auditor) in terms of the applicable regulations and legislation and is satisfied with their independence, accreditation and performance. The Audit and Risk Committee is also satisfied that the audit firm is accredited to appear on the JSE List of Accredited Auditors and that the individual registered auditor of the Company does not appear on the JSE List of Disqualified Auditors.

5. Non-binding endorsement of GAIA Infrastructure Capital Limited's remuneration policy and implementation report

5.1 Non-binding advisory resolution number 1

"**RESOLVED** that the Company's remuneration policy as set out on page 39 of the Integrated Annual Report, be and is hereby endorsed by way of a non-binding advisory vote."

5.2 Non-binding advisory resolution number 2

"**RESOLVED** that the Company's remuneration implementation report in regard to its remuneration policy, as contained in the Integrated Annual Report, be and is hereby endorsed by way of a non-binding advisory vote."

The reason for non-binding advisory resolution number 1 and 2 is that King IV and the Listings Requirements recommend that the remuneration policy and implementation report of the Company be endorsed through a non-binding advisory vote by shareholders at each AGM of the Company.

The non-binding advisory vote enables shareholders to express their views on the remuneration policies adopted and on the manner in which the Company implements the remuneration policy. Non-binding advisory resolution numbers 1 and 2 are of an advisory nature only and failure to pass these resolutions will therefore not have any legal consequences relating to existing remuneration arrangements.

However, the Board will engage with dissenting shareholders in good faith in the event that a vote of 25% or more is recorded against either non-binding advisory resolution number 1 or non-binding advisory resolution number 2, to ascertain with best reasonable effort the reasons for the dissenting votes, and to address legitimate and reasonable objections.

Shareholder engagements were held in relation to the previous AGM and GAIA has taken steps to address shareholders' concerns. The Board will take the outcome of the vote, and any subsequent engagement with dissenting shareholders, into consideration when considering amendments to the Company's remuneration policy and appropriate action may be taken to address issues raised as envisaged in the King IV and the JSE Listings Requirements.

Special resolutions

To consider and, if deemed fit, to pass, with or without modification, all of the special resolutions relating to the business set out below. At least 75% (seventy-five percent) of the voting rights exercised on each resolution must be exercised in favour of such resolution in order for it to be validly adopted.

6. Remuneration of Non-Executive Directors

6.1 Special resolution number 1*

"**RESOLVED** that the Company be and is hereby authorised to remunerate its Non-Executive Directors for their services as Directors on the basis set out below (exclusive of value-added tax), in terms of section 66(9) of the Companies Act.

* *Representing no increase from the previous year's Non-Executive Director remuneration.*

	Proposed	**2020**	2019
Retainer			
Chairman	67 416	**67 416**	67 416
Non-Executive Director	67 416	**67 416**	67 416
Attendance fees per meeting			
Board Chairman	20 506	**20 506**	20 506
Board Non-Executive Director	11 236	**11 236**	11 236
Audit and Risk Committee Chairman	14 978	**14 978**	14 978
Audit and Risk Committee Member	11 236	**11 236**	11 236
Nomination Committee Chairman	14 978	**14 978**	14 978
Nomination Committee Member	11 236	**11 236**	11 236
Social and Ethics Committee Chairman	14 978	**14 978**	14 978
Social and Ethics Committee Member	11 236	**11 236**	11 236
Remuneration Committee Chairman	14 978	**14 978**	14 978
Remuneration Committee Member	11 236	**11 236**	11 236
Special/Ad Hoc Committee Chairman	14 978	**14 978**	–
Special/Ad Hoc Committee Member	11 236	**11 236**	–

The reason for special resolution number 1 is for the Company to obtain the approval of shareholders, by way of a special resolution, for the payment of remuneration to its Non-Executive Directors in accordance with the requirements of the Companies Act.

The effect of special resolution number 1 is that the Company will be able to pay its Non-Executive Directors for the services they render to the Company as Directors without requiring further shareholder approval until the next AGM of the Company.

For this resolution to be adopted, at least 75% of the shareholders present in person or by proxy and entitled to vote on this resolution at the AGM must cast their vote in favour of this resolution.

7. Inter-company financial assistance

7.1 Special resolution number 2

"**RESOLVED**, to the extent required in terms of, and subject to the provisions of, section 45 of the Companies Act and the requirements (if applicable) of the MOI and the Listings Requirements, as a general approval, that the Board be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (whether by way of loan, guarantee, the provision of security or otherwise) that the Board may deem fit to any present or future related or inter-related company or corporation (wheresoever incorporated) to the Company, on the terms and conditions and for amounts that the Board may determine, provided that the aforementioned approval shall be valid until the date of the next AGM of the Company."

NOTICE OF ANNUAL GENERAL MEETING (continued)

7. Inter-company financial assistance (continued)

7.1 Special resolution number 2 (continued)

The reason for and effect of special resolution number 2 is to grant the Board of the Company the authority, until the next AGM, to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

For this resolution to be adopted, at least 75% of the shareholders present in person or by proxy and entitled to vote on this resolution at the AGM must cast their vote in favour of this resolution.

7.2 Special resolution number 3

"**RESOLVED**, to the extent required in terms of, and subject to the provisions of section 44 of the Companies Act and the requirements (if applicable) of the MOI and the Listings Requirements, as a general approval, that the Board be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (whether by way of loan, guarantee, the provision of security or otherwise) that the Board of the Company may deem fit to any company or corporation (wheresoever incorporated) that is related or inter-related to the Company and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or any company or corporation (wheresoever incorporated) that is related or inter-related to the Company, on the terms and conditions and for amounts that the Board may determine for the purpose of, or in connection with the subscription of any option, or any shares or other securities, issued or to be issued by the Company or a related or inter-related company or corporation (wheresoever incorporated), or for the purchase of any shares or securities of the Company or a related or inter-related company or corporation (wheresoever incorporated), provided that the aforementioned approval shall be valid until the date of the next AGM of the Company."

The reason for and effect of special resolution number 3 is to grant the Directors the authority, until the next AGM of the Company, to provide financial assistance to any company or corporation which is related or inter-related to the Company and/or to any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company or corporation. A typical example of where the Company may rely on this authority is where a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

For this resolution to be adopted, at least 75% of the shareholders present in person or by proxy and entitled to vote on this resolution at the AGM must cast their vote in favour of this resolution.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the Board confirms that it will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolution numbers 2 and 3 above:

- the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company);
- the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months;
- the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the Company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's MOI have been met.

8. Change of name of the Company

Special resolution number 4: Change of name of the Company in terms of section 16 of the Companies Act.

Resolved as a special resolution that, in terms of section 16 of the Companies Act, the company change its name from "GAIA Infrastructure Capital Limited" to "Mahube Infrastructure Limited" with effect from the date that an amended registration certificate is issued by the Companies and Intellectual Property Commission and that the MOI of the Company is hereby amended accordingly.

The JSE has, subject to Shareholders' approval, approved the Change of Name, with a new share JSE code of "MHB", abbreviated name "MAHUBE" and ISIN ZAE000290763. The Company will remain listed in the "Financial Services" section of the main board of the JSE.

Reason for and effect of special resolution number 4

The reason for the special resolution number 4 is that the company wishes to change its name, and the resolution will have that effect.

For this resolution to be adopted, at least 75% of the shareholders present in person or by proxy and entitled to vote on this resolution at the AGM must cast their vote in favour of this resolution.

9. Other business

To transact such other business as may be transacted at an AGM or raised by shareholders with or without advance notice to the Company.

1. The Directors, whose names appear on page 30 of the Integrated Annual Report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information given in special resolution number 4 and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this notice of AGM contains all information required by the Listings Requirements.
2. Special resolutions numbers 2, 3 and 4 are renewals of resolutions taken at the previous AGM held on 29 August 2019.

Electronic participation

In terms of section 61(10) of the Companies Act, every shareholders' meeting of a public company must be reasonably accessible within South Africa for electronic participation by shareholders. Therefore, shareholders or their proxies may participate in (but not vote at) a meeting by way of a teleconference call if they wish to do so. In this event:

- written notice to participate via electronic communication must be sent to GAIA's Company Secretary, Fusion Corporate Secretarial Services Proprietary Limited, to melinda@fusioncorp.co.za to be received by no later than 10:00 on 14 October 2020;
- a pin number and dial-in details for the conference call will be provided;
- shareholders will be billed separately by their own telephone service providers for the teleconference call to participate in the AGM; and
- valid identification will be required:
  - if the shareholder is an individual, a certified copy of their identity document and/or passport;
  - if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, specifying the name of the individual that is authorised to represent the relevant entity at the AGM by way of teleconference call; and
  - a valid email address and/or facsimile number.

Shareholders participating in this manner and who may wish to vote will still have to appoint a proxy to vote on their behalf at the AGM.

Voting

1. The Directors have determined that the record date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the Company ("the share register") for purposes of being entitled to receive this notice is 11 September 2020.
2. The Directors have determined that the record date on which shareholders must be recorded in the share register for purposes of being entitled to attend and vote at this AGM is 9 October 2020, with the last day to trade being 6 October 2020.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the Chairman of the AGM that the person is either a shareholder or a proxy for a shareholder and must accordingly bring a copy of their identity document, passport or driver's licence to the AGM. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.

NOTICE OF ANNUAL GENERAL MEETING (continued)

Voting (continued)

4. Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder of the Company. A form of proxy, which sets out the relevant instructions for its completion, is enclosed for use by a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the AGM. Completion of a form of proxy will not preclude such shareholders from attending and voting (in preference to that shareholder's proxy) at the AGM.
5. The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries of the Company at the address given below by not later than 10:00 on 14 October 2020 (for administrative purposes only), provided that any form of proxy not delivered to the transfer secretary by this time may be handed to the Chairman of the AGM at any time prior to the commencement of the AGM.
6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM in person, will need to request their Central Securities Depository Participant ("CSDP") or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
7. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the AGM and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.
8. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.
9. Equity securities held by a share trust or scheme, and unlisted securities will not have their votes taken into account at the AGM for the purposes of resolutions proposed in terms of the Listings Requirements .

By order of the Board

Fusion Corporate Secretarial Services (Pty) Limited
Registration number 2007/008376/07

Company Secretary
17 September 2020

Registered office
Unit 7, Block C, Southdowns Office Park
22 Karee Street
Highveld, Centurion, 0157

PO Box 68528
Highveld
0169

Transfer secretaries
Computershare Investor Services (Pty) Limited
Registration number 2004/003647/07

Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

PO Box 61051
Marshalltown
2107

ANNEXURE A: PURPOSE OF AND REASON FOR THE NAME CHANGE

The purpose of this section is to furnish Shareholders with all the relevant information relating to the Change of Name in accordance with the Companies Act and the JSE Listings Requirements so as to enable Shareholders to make an informed decision in respect of the special resolution in this regard, as contained in the Notice of Annual General Meeting and for them to consider and, if deemed fit, approve, with or without amendment, the special resolution to effect the Change of Name.

During April 2020, the Company concluded an agreement with Gaia Infrastructure Partners (Pty) Ltd ("ManCo") that sought to terminate a contract in terms of which ManCo had been rendering certain management services to the Company. One of the conditions of the termination agreement is that the Company and its subsidiaries is required to change their registered names so as to remove all references to Gaia. The Company has until December 2020 to fulfil this condition.

This proposed naming convention will not only ensure that the Company fulfils its contractual obligations to ManCo but will also align with the Company's strategy.

Accordingly, the Board proposed that the Company's name be changed from "GAIA Infrastructure Capital Limited" to "Mahube Infrastructure Limited".

Mahube is a word in SeTswana that commonly derives from a phrase 'Mahube a naka tsa kgomo', which refers to the dawn of a new day.

The JSE has, subject to Shareholders' approval, approved the Change of Name, with a new JSE share code of "MHB", abbreviated name "MAHUBE" and new ISIN ZAE000290763. The Company will remain listed in the "Financial Services" sector of the main board of the JSE.

For a period of one year, in accordance with the JSE Listings Requirements, the Company is required to reflect the former name "GAIA Infrastructure Capital Limited" below the new name, in brackets, on all Documents of Title, announcements and Circulars issued by the Company.

Should the Change of Name be approved and implemented:

- the accounts of Dematerialised Shareholders at their CSDPs or Brokers will be updated to reflect the new name of the Company; and
- new share certificates will be posted, by registered post, to Certificated Shareholders at their risk.

Opinion and recommendation

The Board is of the opinion that the Change of Name is in the best interests of the Shareholders and should be supported and unanimously recommends that the Shareholders vote in favour of the Resolutions proposed.

Directors' responsibility statement

The Directors, whose names are listed in the "Corporate Information" section of the Integrated Annual Report, collectively and individually accept full responsibility for the accuracy of the information given to effect the Change of Name and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Notice of Change of Name contains all information required by law and the Listings Requirements.

Documents available for inspection

The following documents, or copies thereof, will be available for inspection by Shareholders during normal business hours at the Company's registered office, the details of which appear in the "Corporate Information" section of this Integrated Annual Report, from the date of issue of this Integrated Annual Report, until Friday, 16 October 2020 (both days inclusive):

1. the memorandum of incorporation of the Company; and
2. a copy of this Integrated Annual Report.

ANNEXURE A: PURPOSE OF AND REASON FOR THE NAME CHANGE (continued)

Event	Date 2020
Record date for shareholders to receive the Notice of AGM	**Friday, 11 September**
Posting of Notice of AGM which includes the shareholder resolution for change of name	**Thursday, 17 September**
Publication of declaration information on SENS	**Thursday, 17 September**
Last date to trade in order to be eligible to participate in and vote at the AGM	**Tuesday, 06 October**
Record date in order to participate in and vote at the AGM	**Friday, 09 October**
Last day for lodging forms of proxy by 10:00 on	**Wednesday, 14 October**
AGM to approve inter alia the shareholder resolution for change of name at 10:00	**Friday 16 October**
Submission to CIPC for updated registration of new name	**Friday, 16 October**
Results of meeting announced on SENS	**Friday, 16 October**
Receive confirmation certificate from CIPC	**Friday, 23 October**
Finalisation information announced on SENS, by 11h00	**Tuesday, 27 October**
Last day to trade ordinary shares on the JSE under share code 'GAI	**Tuesday, 3 November**
Termination of trading on GAI Infrastructure Capital Limited	**Wednesday, 4 November**
Trading commences on the JSE under share code 'MHB and ISIN "ZAE000290763"	**Wednesday, 4 November**
Record date	**Friday, 6 November**
Expected date of issue of replacement share certificates to certificated shareholders provided that their old share certificates have been lodged by 12.00 noon (South African time) on the Record date (share certificates received after this time will be posted within five business days of receipt) Dematerialised South African shareholders' accounts held at their CSDP or broker updated	**Monday, 9 November**

Notes:

1. Any changes in the dates and times will be released on SENS and published in the press.
2. Share certificates for ordinary shares may not be dematerialised or rematerialised between Wednesday, 4 November 2020 and Friday, 6 November 2020, both days inclusive.
3. Forms of proxy to be lodged with the transfer secretary by 10:00 on Wednesday, 14 October 2020. Any Forms of Proxy not delivered to the transfer secretary by this time may be submitted electronically/by hand to the Chairman of the AGM at any time prior to the commencement of the AGM.

FORM OF PROXY

GAIA INFRASTRUCTURE CAPITAL LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 2015/115237/06
JSE share code: GAI ISIN: ZAE000210555
("GAIA" or "the Company")

TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WHO HOLD ORDINARY SHARES THROUGH A CENTRAL SECURITIES DEPOSITORY PARTICIPANT ("CSDP") OR BROKER WHO HAVE SELECTED "OWN-NAME" REGISTRATION ONLY

If you are a shareholder referred to above, and entitled to attend and vote at the Annual General Meeting, you can appoint a proxy or proxies to attend, vote, and speak in your stead at the Annual General Meeting of GAIA Infrastructure Capital Limited unable to attend the AGM of shareholders of the Company to be held at 10:00 on 16 October 2020 at The African Pride Hotel, 1 Melrose Street, Melrose Arch, Johannesburg, 2196 or at any adjournment or postponement of that meeting. A proxy need not be a shareholder of the Company.

If you are an ordinary shareholder and have dematerialised your ordinary shares through a CSDP (and have not selected "own-name" registration in the sub-register maintained by a CSDP), do not complete this form of proxy but instruct your CSDP to issue you with the necessary authority to attend the Annual General Meeting, or if you do not wish to attend, provide your CSDP with your voting instructions in terms of your custody agreement entered into with it.

I/We (please print names in full)

of (address) (contact number)

being the holder/s of shares in

the Company, do hereby appoint:

1. or, failing him/her
2. or, failing him/her
3. the Chairman of the AGM, as my/our proxy to attend, participate in, speak and, on a poll, vote on my/our behalf at the AGM of shareholders to be held at 10:00 on 16 October 2020 at The African Pride Hotel, 1 Melrose Street, Melrose Arch, Johannesburg, 2196 or at any adjournment or postponement of that meeting, and to vote or abstain from voting as follows on the ordinary and special resolutions to be proposed at such meeting:

Please indicate with an "x" in the appropriate spaces provided above how you wish your vote to be cast.

	For	Against	Abstain
1. Appointment of Director			
1.1 Ordinary resolution number 1.1: Appointment of Mrs K Breytenbach			
1.2 Ordinary resolution number 1.2: Appointment of Mrs P Lewis			
1.3 Ordinary resolution number 1.3: Appointment of Mr GS Moseneke			
2. Retirement and re-election of Director			
2.1 Ordinary resolution number 2: Re-election of Mr KE Mbalo who retires by rotation			
3. Appointment and reappointment of the members of the Audit and Risk Committee of the Company			
3.1 Ordinary resolution number 3: Reappointment of Mrs Tuku as member of the Audit and Risk Committee			
3.2 Ordinary resolution number 4: Appointment of Mr T Bukula as member of the Audit and Risk Committee			
3.3 Ordinary resolution number 5: Appointment of Mrs K Breytenbach as member of the Audit and Risk Committee			
4. Reappointment of independent auditor and designated audit partner			
4.1 Ordinary resolution number 6: Reappointment of Deloitte & Touche			
5. Non-binding endorsement of GAIA Infrastructure Capital Limited's remuneration policy and implementation report			
5.1 Non-binding advisory resolution number 1: Non-binding endorsement of GAIA Infrastructure Capital Limited's remuneration policy			
5.2 Non-binding advisory resolution number 2: Non-binding endorsement of GAIA Infrastructure Capital Limited's implementation report			
6. Remuneration of Non-Executive Directors			
6.1 Special resolution number 1: Remuneration of Non-Executive Directors			
7. Inter-company financial assistance			
7.1 Special resolution number 2: Inter-company financial assistance			
7.2 Special resolution number 3: Financial assistance for the subscription/or acquisition of shares in the Company or a related or inter-related company			
8. Special resolution number 4: Change of name of the Company			

If no indication is given, the proxy may vote or abstain as he/she sees fit.

Signed at this day of 2020

Signature

Assisted by me, where applicable (name and signature)

Please read the notes overleaf.

NOTES TO THE FORM OF PROXY

(which include, inter alia, a summary of the rights established by section 58 of the Companies Act, as amended ("Companies Act"))

1. A GAIA 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, with or without deleting "the Chairman of the AGM". The person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A GAIA shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the Chairman of the AGM, if he/she is the authorised proxy, to vote in favour of the resolutions at the meeting, or any other proxy to vote or to abstain from voting at the meeting as he/she deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.
3. When there are joint registered holders of any shares, any one of such persons may vote at the meeting in respect of such shares as if he/she was solely entitled thereto, but, if more than one of such joint holders be present or represented at any meeting, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member, in whose name any shares stand, shall be deemed joint holders thereof.
4. It is recommended that the proxy forms should be lodged with the transfer secretaries of the Company, Computershare Investor Services (Pty) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or posted to the transfer secretaries at PO Box 61051, Marshalltown, 2107, to be received by them not later than 14 October 2020 at 10:00 (for administrative purposes only) provided that any form of proxy not delivered to the transfer secretary by this time may be handed to the chairman of the AGM/General Meeting prior to the commencement of the AGM/General Meeting, at any time before the appointed proxy exercises any shareholder rights at the Annual General Meeting. The form may also be emailed to proxy@computershare.co.za
5. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the Chairman of the AGM.
7. 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.

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- a shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder
- a proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy
- irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder
- any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise
- if an appointment of a proxy is revocable, 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 relevant company
- a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's Memorandum of Incorporation ("MOI"), or the instrument appointing the proxy, provides otherwise
- if the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's MOI to be delivered to a shareholder must be delivered by such company to:
  - the relevant shareholder; or
  - the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing; and (ii) paid any reasonable fee charged by such company for doing so.

DEFINITIONS AND INTERPRETATIONS

"Auditors and Independent Reporting Accountants"	Deloitte & Touche Chartered Accountants (SA), a partnership incorporated under the laws of South Africa being the auditors and independent reporting accountants of GAIA Infrastructure Capital Ltd;
"AFS"	Annual Financial Statements;
"Basel III"	The International Framework for Liquidity Risk Measurement, Standards and Monitoring published by the Basel Committee on Banking Supervision;
"Board" or "Directors"	The Board of Directors of GAIA Infrastructure Capital Ltd;
"B-BBEE"	Broad-Based Black Economic Empowerment;
"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;
"CPI"	The Consumer Price Index for all urban areas published by Statistics South Africa from time to time;
"CSDP"	A central securities depository participant, accepted as a participant in terms of the Financial Markets Act, with whom a shareholder holds a dematerialised share account;
"Custody agreement"	A custody mandate agreement between a person and a CSDP or broker, regulating their relationship in respect of dematerialised shares held on GAIA Infrastructure Capital Ltd uncertificated securities register and administered by a CSDP or broker on behalf of that person;
"Dematerialised shareholders"	Shareholders who hold dematerialised shares;
"Dematerialised shares"	Shares which have been incorporated into the Strate system and which are no longer evidenced by certificates or other physical documents of title;
"DOE"	The Department of Energy is the department of the South African government responsible for energy policy;
"Dorper Wind Farm "or "Dorper"	Dorper Wind Farm (RF) (Pty) Ltd, registration number 2009/022085/07, a private company duly incorporated in accordance with the laws of South Africa, with its place of incorporation being Porterville and its address being 3rd Floor, South Tower, Nelson Mandela Square, Sandton;
"ESG"	Environmental, social and governance;
"Eskom"	Eskom Holdings SOC Ltd (Registration number 2002/015527/06), a public company incorporated under the laws of South Africa;
"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;

DEFINITIONS AND INTERPRETATIONS (continued)

"GAIA" or "the Company"	GAIA Infrastructure Capital Ltd (Registration number 2015/115237/06), a public company incorporated under the laws of South Africa (previously GAIA Capital (Pty) Ltd which was converted from a private company to a public company on 16 April 2015;
"GAIA Financial Services"	GAIA Financial Services (RF) (Pty) Ltd (Registration number 2015/212709/07), a private company incorporated under the laws of South Africa on 22 July 2015, being a wholly owned subsidiary of GAIA Infrastructure Capital Ltd with 1 000 ordinary no par value shares in issue and which was acquired as a shelf company by GAIA Infrastructure Capital Ltd on 4 August 2015;
"GAIA Group"	GAIA Infrastructure Capital Ltd and its wholly owned subsidiary, GAIA Financial Services;
"GAIA Infrastructure Partners (Pty) Ltd" or "ManCo"	GAIA Infrastructure Partners (Pty) Ltd (Registration number 2012/093632/07), a private company incorporated under the laws of South Africa (previously GAIA Energy (Pty) Ltd);
"GDP"	Gross domestic product;
"Government"	The National Government of South Africa;
"GRI"	Global Reporting Imitative;
"HR"	Human Resources;
"IFRS"	International Financial Reporting Standards;
"Income Tax Act"	The Income Tax Act, No 58 of 1962, as amended from time to time;
"IRP"	The DOE's Integrated Resource Plan for Electricity (IRP 2010 – 2030), which was updated in 2017 and defines South Africa's road map for the country's future electricity planning;
"JSE"	JSE Ltd (Registration number 2005/022939/06), licensed as an exchange under the Financial Markets Act, and a public private placement company incorporated under the laws of South Africa;
"JSE Listings Requirements"	The JSE Listings Requirements, 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;
"Last year"	1 March 2018 to 28 February 2019;
"Management services agreement"	The management services agreement entered into between GAIA Infrastructure Capital Ltd, GAIA Financial Services and ManCo on or about October 2015 in terms of which ManCo provides the services to GAIA Infrastructure Capital Ltd and GAIA Financial Services;
"NAV"	Net Asset Value;
"Noblesfontein Wind Farm" or "Noblesfontein"	Coria (PKF) Investment 28 (RF) (Pty) Ltd, registration number 2011/108105/07, a private company duly incorporated in accordance with the laws of South Africa, with address at Cape Town, Alphen Park, Constantia Main Road;
"Rand" or "R"	South African rand, the official currency of South Africa;
"Register"	GAIA Infrastructure Capital Ltd securities register maintained by the transfer secretaries, including the relevant sub-registers of the CSDPs administering the subregisters of GAIA Infrastructure Capital Ltd, and the register of disclosures in relation to GAIA Infrastructure Capital Ltd;
"REIPPPP"	The Renewable Energy Independent Power Producers Procurement Programme currently managed by the Department of Energy of the Republic of South Africa;
"SENS"	The Securities Exchange News Service of the JSE;

"Shareholders"	Registered holders of shares;
"Shares"	Ordinary no par value shares in the share capital of GAIA Infrastructure Capital Ltd;
"SPAC"	A special purpose acquisition company as envisaged in the JSE Listings Requirements, being a special purpose vehicle established to facilitate the primary capital raising process to enable the acquisition of viable assets in pursuit of a listing on the Main Board of the JSE;
"Strate"	Strate (Pty) Ltd (Registration number 1998/022242/07), a private company incorporated under the laws of South Africa, a central securities depository licensed in terms of the Financial Markets Act and responsible for the electronic clearing and settlement system provided to the JSE;
"This year"	1 March 2019 to 29 February 2020;
"Transfer secretaries" or "Computershare"	Computershare Investor Services (Pty) Ltd (Registration number 2004/003647/07), a private company incorporated under the laws of South Africa;
"Viable asset/s"	Asset/s which meet the Investment Policy and acquisition criteria;

NOTES

GENERAL INFORMATION

Country of incorporation and domicile
South Africa

Directors
GS Moseneke (Chief Executive Officer)
Petro Lewis (Financial Director)
KE Mbalo* (Chairman)
S Tuku*
T Bukula*
Karen Breytenbach*
** Independent Non-Executive*

Registered office
Penthouse 5
4 The High Street
Melrose Arch
Johannesburg
2196

Business address
Penthouse 5
4 The High Street
Melrose Arch
Johannesburg
2196

Postal address
Postnet Suite 6
PO Box 92418
Norwood
Gauteng
2117

Bankers
FirstRand Bank Ltd

Auditors
Deloitte & Touche
Chartered Accountants (SA)

Company Secretary
Fusion Corporate Secretarial Services (Pty) Ltd

Company registration number
2015/115237/06

Tax reference number
9473/844/17/4

Level of assurance
These Annual Financial Statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Preparer
The Annual Financial Statements were compiled under the supervision of:

Petro Lewis, Chartered Accountant (SA)

Issued
17 September 2020

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INFRASTRUCTURE CAPITAL

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