INTEGRATED ANNUAL REPORT 2023

GAIA Fibonacci FIBRE

CONTENTS

SCOPE OF REPORT

Gaia Fibonacci Fibre REIT 1 Limited ("GFFR" or "the Company") is pleased to present its 2023 Integrated Annual Report for the period 1 August 2022 to 31 July 2023 to all its stakeholders. This Integrated Annual Report aims to present a balanced review of the business to date and describes how the Company aims to create sustainable value for its stakeholders.

CONDENSED FINANCIALS

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

STATEMENT OF RESPONSIBILITY AND ASSURANCE

The Board acknowledges its responsibility to ensure the integrity of this Integrated Annual Report. The Directors, assisted by the Audit and Risk Committee, confirm that they have collectively assessed the content of the Integrated Annual Report and believe that it addresses material issues and is a fair representation of the performance of the Company. The Board has therefore approved the Integrated Annual Report 2023.

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

Thabiso Masiela
Chairperson

Cape Town
22 November 2023

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

A WORD FROM THE FUND MANAGER

ASSET AND INVESTMENT PERFORMANCE

Gaia Fibonacci Fibre REIT 1 Limited (the "Company") has acquired 130 fibre networks from the issuance of the A and B preference shares via the respective holdings in GF Property SPV 1 Proprietary Limited ("SPV 1") and GF Property SPV 2 Proprietary Limited ("SPV 2").

During December 2022, SPV 2 on behalf of the B preference shares deployed its remaining capital increasing the Company's total number of homes passed to 29 101 across South Africa with a focus in Gauteng and the Western Cape.

2023 witnessed the Company focusing its efforts on (1) standardising the level of service across its various networks with amongst other backup energy solutions, (2) reducing costs by leveraging the Company's economies of scale and (3) driving investment performance through various marketing initiatives aimed at incentivising increasing uptake and revenue per user.

Despite the Company's efforts, uptake and revenue has remained subdued due to inflationary pressures on disposable income and consumers not having their own power solutions to enjoy uninterrupted fibre connectivity during loadshedding.

Whilst we have seen our higher LSM sites being more robust in the face of these difficulties, we believe it is important to find a way in which to keep our low to mid-LSM market connected. Therefore the Company will continue to explore pricing and technological solutions affordable to the end user whilst satisfying the return requirements of the Company.

The short to medium-term difficulties for the end users have resulted in return forecast updates, but the Company remains confident in its ability to exceed the minimum expected return of CPI + 7%.

The Manager continues to see the opportunity to create a platform for investors to have direct interests in fibre networks with the Company being the most capital efficient means for fibre network owners ("FNO") to recycle capital to continue new network development.

COMPANY OUTLOOK AND FUTURE

The Company was established as an investment vehicle to invest in fibre infrastructure with a focus on connecting the low to middle LSM market.

Despite the aggressive growth in fibre roll-out in South Africa, the Company's intended market remains largely underserved and in desperate need of low cost, high volume data connectivity.

South Africa has been exposed to continued load shedding and inflationary pressures which is expected to affect the Company's clients for the next 12 to 24 months.

Accordingly and in order to match the short-term budgeting cycle and abilities of our intended clients, the Company is exploring a number of initiatives including prepaid fibre, similar to the phenomenon which saw the explosive increase in cellphone use in the early 2000s.

The Company and Manager remains confident that data usage due to increasing video streaming and other consumption needs will see a migration to fibre as the primary and only financially viable means to consume high volumes of data.

Hendrik Snyman
Chief Investment Officer
Gaia Fund Managers

ABOUT GAIA FIBONACCI FIBRE REIT 1 LIMITED

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

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

Fibonacci Managers Proprietary Limited co-founded Capitis Equities, a venture capital fund, which has grown to R500 million in just under four years. Fibonacci Managers Proprietary Limited boasts experience in the renewable energy project development, fibre network development and operations industries with a specialist focus on tax and value adding business administration functions.

Following the listing of the A preference shares (December 2021) and the B preference shares (June 2022), the REIT, acting through Property Investment SPVs, hold 29 101 home passes across 130 fibre networks geographically dispersed across South Africa.

RATIONALE FOR THE LISTING AND FUTURE PROSPECTS

The rationale for the listing is primarily the following:

Provide access to infrastructure as an asset class

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

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

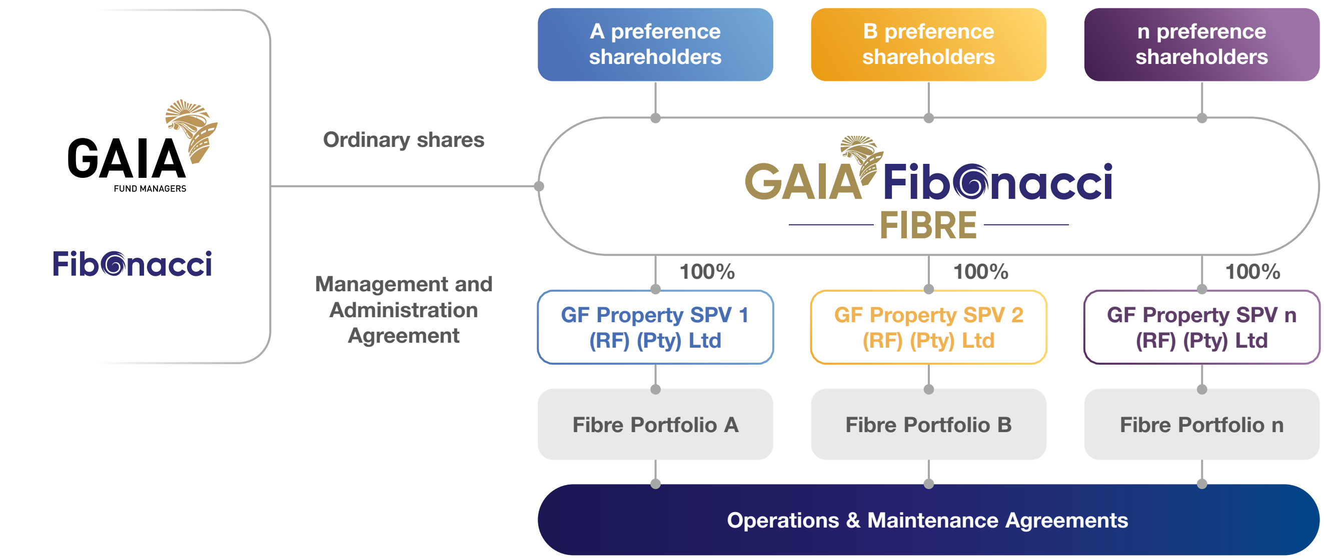
Transparent regulatory environment

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

Access to capital

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

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



INVESTMENT POLICY

Assets that provide "additionality" through increased access to affordable and reliable broadband internet

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

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

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

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

GOVERNANCE STRUCTURE

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

BOARD OF DIRECTORS

Oversight of strategy and provision of leadership.

STAKEHOLDER REVIEW

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

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

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

02

ANNUAL PERFORMANCE REVIEW

FINANCE REPORT

SALIENT RESULTS

Tangible net asset value at **15.011552** cents per ordinary share

Class A preference shares valued at **R13 788.69** per share
Class B preference shares valued at **R19 103.40** per share

Portfolio currently holds **130** individual fibre optic networks, amounting to **29 101** homes passed

Gross assets under management at **R329.78 million**

Distributions of **R2.14 million** paid to the A preference shareholders during the year

Distributions of **R3.81 million** paid to the B preference shareholders during the year

GOING CONCERN DISCLOSURE

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

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

STATEMENT OF FINANCIAL POSITION

	Notes	2023 R	2022 R
Assets			
Non-current assets			
Intangible assets	3	**41 975**	41 975
Investments in subsidiaries		**329 775 529**	186 838 060
Total non-current assets		**329 817 504**	186 880 035
Current assets			
Cash and cash equivalents	4	**703 186**	1 234 813
Loan to group company	5	**207 220**	–
Total current assets		**910 406**	1 234 813
Total assets		**330 727 910**	188 114 848
Equity and liabilities			
Equity			
Issued capital	6	**1 000**	1 000
Retained income		**15 011 552**	16 030 451
Total equity		**15 012 552**	16 031 451
Liabilities			
Non-current liabilities			
Other financial liabilities	7	**315 507 236**	171 980 912
Current liabilities			
Trade and other payables	8	**208 122**	102 485
Total liabilities		**315 715 358**	172 083 397
Total equity and liabilities		**330 727 910**	188 114 848

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 July 2023 R	10 month period ended 31 July 2022 R
Revenue	9	**7 048 291**	1 240 477
Other income		**57 093**	–
Administrative expenses	10	**(309 265)**	(54 975)
Other expenses	11	**(768 867)**	(219 517)
Other (losses)/gains	12	**(511 045)**	16 197 929
Profit from operating activities		**5 516 207**	17 163 914
Investment income	13	**75 751**	16 537
Finance costs	14	**(5 950 062)**	(1 035 000)
(Loss)/profit before tax		**(358 104)**	16 145 451
Income tax expense	15	**–**	–
(Loss)/profit for the year		**(358 104)**	16 145 451

BOARD OF DIRECTORS

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

EXECUTIVE DIRECTORS

MM Nieuwoudt ("Mich")

Date of appointment: 7 October 2021

Director for Gaia Fibonacci Fibre REIT 1 Limited

Pr Eng, BEng (Electronic), MBA

Mich started his career in the petrochemical industry with Polifin and the defence industry with Thales, before joining PSG Investment Bank in 1999. In 2003, he joined Siemens Business Services, where he gained international experience across Europe, particularly in the renewable energy sector. Thereafter Mich moved to the Square One Group where he was responsible for group operations. In 2008, he joined the SAGIT group where he worked on the Eden 1 Island Project in the Seychelles and mining operations in West Africa before focusing on SAGIT's renewable energy developments. Mich has taken on many roles in the Gaia Group since 2012 and currently serves as the Executive Chairman of Gaia Fund Managers.

Denzil Kennon

Date of appointment: 7 October 2021

Director of Gaia Fibonacci Fibre REIT 1 Limited

PhD (Ind. Eng.), MSC Eng (Ind. Eng.), CFA Level I, BEng (Ind. Mech.)

Denzil is a qualified Industrial Engineer with more than a decade spent in the asset management, venture capital, private equity and private debt industries. Denzil started his career as a business analyst at Allan Gray after which he redirected his focus to private equity in 2012. Here he focused on the mining, telecommunication and agriculture sectors. In 2013, Denzil embarked on his PhD studies with a focus on how organisations can utilise a systems engineering approach to be more antifragile in an increasingly volatile world. Denzil continues to act as a Senior Lecturer – Extraordinary at Stellenbosch University where he lectures in enterprise engineering on an ad hoc basis. Denzil recently joined the Gaia Group as Chief Operating Officer/ Deal Principal of Gaia Fund Managers where he looks to utilise his engineering and private debt skillset to execute transactions and ensure the Gaia Group and its investments adhere to best in class operating practices.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Thabiso Masiela

Date of appointment: 27 January 2022

Independent Chairperson of Gaia Fibonacci Fibre REIT 1 Limited

CA(SA), BCom (Hons), Distribution Leadership & Strategy (INSEAD)

Thabiso has over 10 years of management experience in providing strategic direction across different business disciplines in Financial Services. He has spent the last five years at Stanlib in various roles from Head of Strategy and Execution in the Retail Distribution team to his current position as Head of Client and Intermediary Services. Prior to that he spent five years at Old Mutual South Africa and a short stint in Nigeria focusing on Business Strategy and Shared Value Initiatives. Thabiso completed his articles at PWC and fulfilled the role of Corporate Finance Officer (Equity and Interest Rate Markets) at the JSE Stock Exchange

Yvette Labuschagne

Date of appointment: 25 November 2021

Independent Director of Gaia Fibonacci Fibre REIT 1 Limited

MBA, BCom (Hons) (Inv. Mgmt), BCom (Fin. Mgmt)

Yvette recently completed her MBA at POLIMI Graduate School of Management in Milan. She has more than 15 years' experience in investment banking and has been a JSE Approved Executive since 2010, focusing primarily on structuring and the execution of transactions, as well as equity capital markets (ECM) transactions for listed companies. She has been involved in numerous local and international transactions including capital raisings, listings, disposals, takeovers, mergers and acquisitions. Yvette joined Standard Bank's Investment Banking division in January 2022, and prior to that was a member of the investment banking teams at Renaissance Capital and UBS South Africa.

Christiaan Pieter ("Riaan") van Heerden

Date of appointment: 25 November 2021

Independent Director of Gaia Fibonacci Fibre REIT 1 Limited

BAcc (Hons), CA(SA), JSE Approved Executive

Riaan is a chartered accountant and JSE approved executive. Riaan completed his articles at PwC, servicing an array of clients locally and abroad. Riaan joined the corporate finance team at PSG Capital in 2007 and remained with PSG Capital for 15 years. Riaan was a member of the PSG Capital executive committee, a director and head of the valuations team until his departure in 2021. Riaan co-founded Valeo Capital in 2021 with David Tosi. Riaan has extensive corporate finance experience. During his 15 year tenure at PSG Capital, Riaan advised on numerous listings, M&A transactions, disposals, schemes of arrangement, section 112 transactions, BEE ownership transactions, valuations, fairness opinions, and other corporate transactions in both the listed and unlisted space.

Oscar Kolbe

Date of appointment: 31 July 2023

Independent Director of Gaia Fibonacci Fibre REIT 1 Limited

LLB

Oscar is the Financial Director ("FD") of Weavind & Weavind Inc ("Weavind"). In his role as the FD he is responsible for inter alia the budget, cash flow and general financial management of the firm. Oscar is a qualified attorney of the High Court of South Africa and a registered tax practitioner, he serves on the Board of Directors of Weavind and specialises in corporate and commercial law.

CORPORATE GOVERNANCE REPORT

INTRODUCTION

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

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

APPLICABLE GOVERNING FRAMEWORKS

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

KING IV AND GOVERNANCE

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

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

GOVERNANCE FRAMEWORK

Shareholders and other stakeholders

BOARD

Provides strategic direction and leadership to ensure REIT sustainability.

Audit and Risk Committee

Oversight of financial reporting, internal controls, risk management, Integrated Annual Report, safeguarding of assets and financial stability of the REIT.

Nominations Committee

The Board acts as the Nominations Committee when required.

Social and Ethics Committee

Monitor and review REIT performance against the sustainable development criteria.

FUND MANAGER (GAIA FUND MANAGERS PROPRIETARY LIMITED)

Implementation of the REIT's strategic objectives including overseeing performance of the assets under management.

THE BOARD OF DIRECTORS

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

BOARD RESPONSIBILITIES

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

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

The Board's primary functions include:

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

COMPOSITION OF THE BOARD

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

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

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

Member	Position	Date appointed
MM Nieuwoudt	Executive Director	7 October 2021
D Kennon	Executive Director	7 October 2021
MCS Nell	Executive Director	7 October 2021 (resigned 31 July 2023)
YL Labuschagne	Independent Non-Executive Director	25 November 2021
CP van Heerden	Independent Non-Executive Director	25 November 2021
T Masiela	Independent Chairman	27 January 2022
O Kolbe	Independent Non-Executive Director	31 July 2023

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

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

CORPORATE GOVERNANCE REPORT (continued)

INDEPENDENCE

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

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The summarised meeting attendances present the meetings for the calendar year 2022 and the period leading up to the date of this report:

	2023	2022
Board		
MM Nieuwoudt	✓	✓
D Kennon	✓	✓
MCS Nell (resigned 31 July 2023)	✓	✓
YL Labuschagne	✓	✓
CP van Heerden	✓	✓
T Masiela	✓	
O Kolbe (appointed 31 July 2023)	✓	
Company Secretary	✓	✓
Audit and Risk Committee		
CP van Heerden	✓	✓
YL Labuschagne	✓	✓
T Masiela	✓	✓
Social and Ethics Committee		
YL Labuschagne	✓	✓
D Kennon	✓	✓
T Masiela	✓	✓

✓ *Present* × *Apology*

BOARD APPOINTMENTS

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

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

BOARD COMMITTEES

The Board has established the standing committees set out in the diagram on page 10 to promote independent judgement, to assist with the balance of power and to assist it with effectively fulfilling its responsibilities in accordance with the provisions of the Board Charter. Nonetheless, the Board acknowledges that the delegation of authority to its committees does not detract from the Board's responsibility to discharge its fiduciary duties to the Company. Each Committee consists of at least three members, a majority thereof being Independent Non-Executive Directors. Each Committee operates under its own terms of reference which set out the Committee's roles and responsibilities, functions, scope of authority and composition. Committees report to the Board at each Board meeting and make recommendations in accordance with their terms of reference. Attendance schedules for Committee meetings held in FY23 are included in the meeting attendance summary on page 12. The *curriculum vitae* on pages 8 and 9 set out the qualifications and experience of each of the Committee members.

Members of management are invited to attend Committee meetings either by standing invitation or on an ad hoc basis to provide pertinent information and insights in their areas of responsibility. Members of the Board are entitled to attend Committee meetings as observers. However, members attending as observers are not entitled to participate without the consent of the chairperson, do not have a vote; and are not entitled to fees for such attendance, unless payment of fees are agreed to by the Board and shareholders of the Company.

POLITICAL PARTY SUPPORT

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

COMPANY SECRETARY

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

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

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

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

GAIA FIBONACCI FIBRE REIT 1 LIMITED – KING IV REPORT ON CORPORATE GOVERNANCE FOR SOUTH AFRICA (KING IV)

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

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

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

Principle 1: The governing body should lead ethically and effectively

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

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

CORPORATE GOVERNANCE REPORT (continued)

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

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

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

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

The Company is managed by the Manager and therefore has no employees. Governance processes in place as are appropriate to the size and scope of the Company's operations and the Board is in the process of implementing a code of conduct to formalise same.

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

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

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

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

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

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

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

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

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

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

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

PKF Cape Town Inc. issued an unqualified audit report on the Company's financial statements ended 31 July 2023.

Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

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

The Company will be looking to a periodic, staggered rotation of its members, where skills and adherence to King IV is possible. This will support the Company by introducing members with new expertise and perspectives while retaining valuable knowledge, skills and experience and maintaining continuity. The Board considers holistically, and on a substance-over-form basis, when assessing the independence of a member of the Board for purposes of categorisation.

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

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

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

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

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

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

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

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

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

Each of the Board Committees have at least three members.

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

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

Principle 10: The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT (continued)

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

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

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

Principle 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen

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

Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term

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

Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports

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

Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time

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

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

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

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

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

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee ("the Committee") is pleased to present its report for the financial year ended 28 February 2023 (FY23). The Committee is an independent statutory committee appointed by shareholders. This report considers the statutory and delegated duties as well as the Committee's responsibilities in terms of the CTSE Listings Requirements. It also addresses some of the matters that King IV advises should be considered by the Committee. In addition to its statutory responsibilities this Committee also dealt with duties delegated in terms of risk management.

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

- CP van Heerden (Chair)
- YL Labuschagne
- T Masiela

Standing invitees:

- The Board of the Company

Meeting attendances are available on page 12 of the report.

The Committee comprised only Independent Non-Executive Directors during the period under review. Shareholders will be requested to approve the appointment of the members of the Committee for the 2024 financial year at the Annual General Meeting scheduled for 13 December 2023. The Committee met three times during the period under review.

ROLE OF THE COMMITTEE

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

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

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

ACTIVITIES OF THE COMMITTEE

The Committee is governed by formal terms of reference that are reviewed and updated annually, as necessary, and which incorporate all the requirements of the Companies Act. These terms of reference guide the Committee in terms of its objectives, authority and responsibilities, both statutory and those assigned by the Board. The Committee fulfilled its responsibilities during the 2023 financial year. The Committee is satisfied that it has conducted its affairs in accordance with its terms of reference and has discharged its responsibilities.

SPECIFIC RESPONSIBILITIES

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

- nominated PKF Cape Town Inc. as the Company's registered external auditor for the year ending 31 July 2023 after being satisfied that they remain independent of the Company;
- approved the terms of engagement and fees to be paid to PKF Cape Town Inc.;
- ensured that the appointment of PKF Cape Town Inc. complied with the provisions of the Companies Act;
- preparing this report for inclusion in the annual financial statements and the Annual Report;
- making submissions to the Board on any matter concerning the Company's accounting policies, financial controls, internal controls, Company records and reporting; and
- performing other oversight functions as determined by the Board.

INTERNAL CONTROLS

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

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

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

AUDIT AND RISK COMMITTEE REPORT (continued)

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

EXTERNAL ACCOUNTING AND AUDIT

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

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

INFORMATION TECHNOLOGY AND RISK GOVERNANCE

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

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

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

EXTERNAL AUDITORS

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

The Committee was satisfied that the external auditor was independent as set out in section 94(8) of the Companies Act. In a written statement addressed to the Committee, PKF Cape Town Inc. confirmed that their independence complies with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors ("IRBA"), and the Public Company Accounting Oversight Board. The independence of the external auditors is regularly reviewed as prescribed by IRBA. Requisite assurance was sought and provided by the external auditor that internal governance processes within the audit firm support and demonstrate its independence. The Committee ensured that the appointment of the external auditor complies with the requirements of the Companies Act and other applicable legislation relating to the appointment of external auditors. The Committee, in consultation with management, agreed to the engagement letter and terms, and to the audit plan as well as scope of work performed and budgeted audit fees for the 2023 financial year.

The Committee has nominated, for approval at the AGM, PKF Cape Town Inc. as the external auditor and Mr Pieter Louw van der Ahee as designated audit partner for the 2024 financial year, having satisfied itself (as required by the CTSE Listings Requirements) that:

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

ACCOUNTING SERVICES

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

EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The Committee has evaluated and reviewed the Annual Report and annual financial statements for the year ended 31 July 2023 and is satisfied that they comply in all material respects with International Financial Reporting Standards ("IFRS"), the requirements of the Companies Act as well as SAICA Financial Reporting Standards Council, and that the adoption of the going concern basis in preparing the annual financial statements is appropriate.

The Committee considered the annual financial reports for the year ended 31 July 2023 and recommended the adoption of these reports to the Board for approval. The statements comply with IFRS and no significant matters were identified by the Committee. The Committee is of the opinion that the audited annual financial statements should be accepted and read together with the report of the independent external auditor. The Chairperson provided written reports to the Board that summarise the Committee's findings and recommendations. The Board approved the annual financial statements on 31 October 2023.

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

RISK MANAGEMENT

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

RISK MANAGEMENT PROCESS

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

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

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

INTERNAL AUDIT

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

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

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

GOING CONCERN

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

COMPLIANCE

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

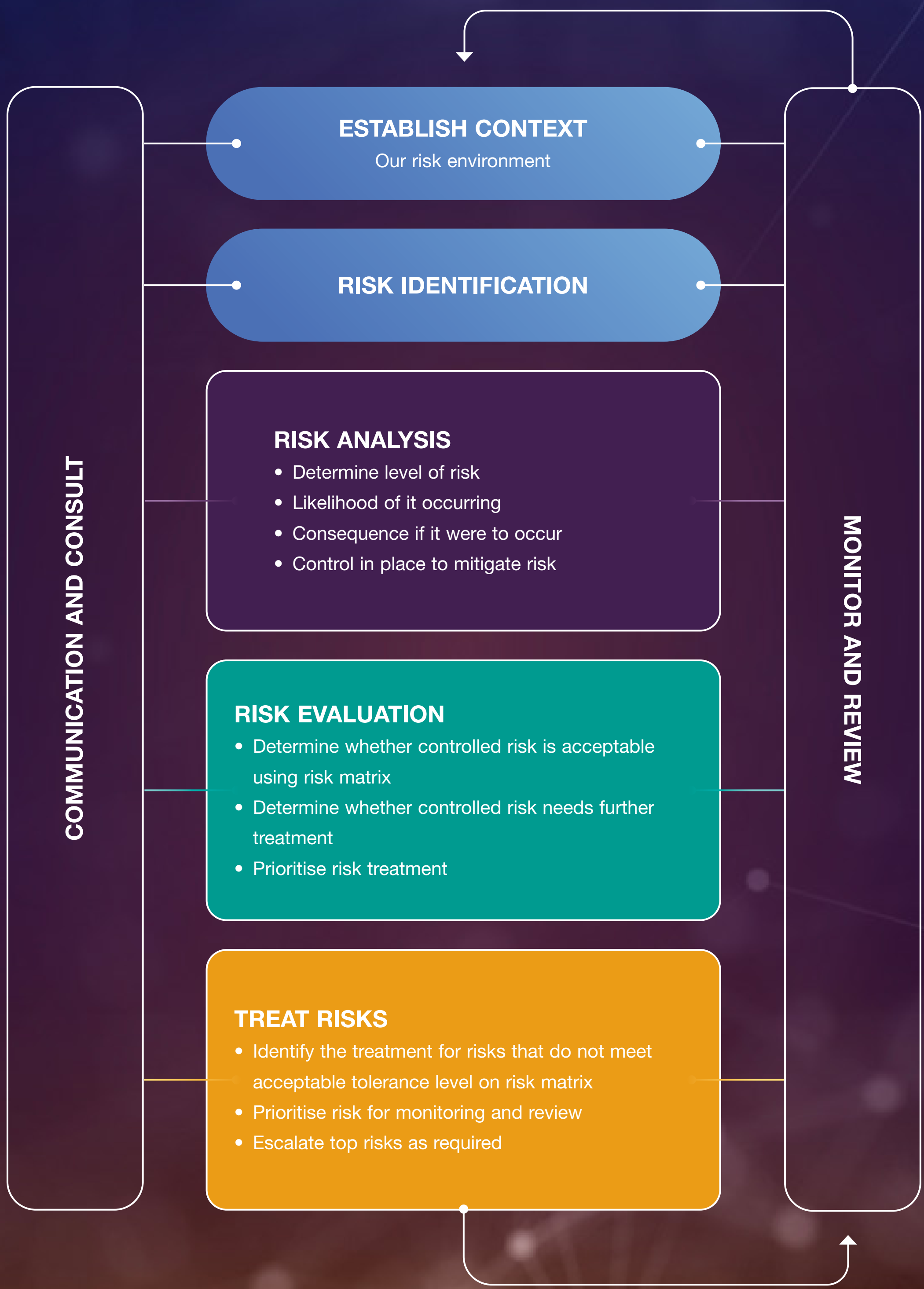
CONCLUSION

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

Christiaan Pieter ("Riaan") van Heerden
Audit and Risk Committee Chairperson

31 October 2023

RISK MANAGEMENT PROCESS



SOCIAL AND ETHICS COMMITTEE REPORT

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

- YL Labuschagne (Chair)
- D Kennon
- T Masiela

Meeting attendances are available on page 12 of the report.

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

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

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

TERMS OF REFERENCE

The Committee's role and responsibilities have been formalised and approved by the Board. The Committee monitors and oversees those functions set out in the Companies Act, as well as assumes responsibility for those assigned to it by the Board. The Committee is of the view that, in all material respects, the Committee has achieved its objectives for the financial year ended 31 July 2023.

POLICY REVIEW

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

MONITORING OF SUSTAINABLE DEVELOPMENT PRACTICES

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

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

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

The Committee depends on Gaia's annual Impact Report to provide and drive impact monitoring. The Committee can report that as at 31 July 2023 the Company's investment in fibre networks ensures that 130 homes are connected through 29 101 homes passed. Across the Gaia group, which includes listed and unlisted investments, 34 855 fibre networks are passed. This translates to a 8.2x increase which is well beyond the targeted 9 000 homes.

The goal for the 2023 calendar year will be to have 52 500 homes passed, an increase of c.50%. These will mostly be focused on the lower LSM urban and peri-urban neighbourhoods. The Company sees the impact case in digital infrastructure in providing affordable internet access with a focus on the lower LSMs.

SOCIO-ECONOMIC DEVELOPMENT: COMMUNITY, SOCIAL AND ENVIRONMENTAL ISSUES

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

Beyond the number of households connected, the Company considers additional considerations to further drive positive impact. The Company's development partners aim to hire exclusively from local communities in the construction of specific networks resulting in upskilling and jobs created. They continue to look to development centres, churches and other general community areas to provide free internet access to in exchange for a secure space to keep the network's active equipment.

We are excited with the impact made added through our investments, but continue to look to ways to better our monitoring through the Manager, to drive a positive impact for South Africa and its people.

Please see Gaia's Impact Report (published on the website) for more information on the Manager's focus on impact investing.

Signed on behalf of the Social and Ethics Committee by:

Yvette Labuschagne
Chairperson

20 November 2023

REMUNERATION COMMITTEE REPORT

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

OTHER REPORTING REQUIREMENTS

CONFLICTS OF INTEREST AND SHARE DEALINGS

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

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

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

AUDIT AND RISK COMMITTEE REPORT FOR THE YEAR UNDER REVIEW

1. INTRODUCTION

The Audit and Risk Committee ("the Committee") is pleased to present its report for the financial year ended 31 July 2023 (FY23). The Committee is an independent statutory committee appointed by shareholders. This report considers the statutory and delegated duties in terms of the Companies Act, 71 of 2008 as well as the Committee's responsibilities in terms of the Cape Town Stock Exchange Requirements. It also addresses some of the matters that the King IV Code on Corporate Governance ("King IV") advises should be considered by the Committee. In addition to its statutory responsibilities this Committee also assists the Board through advising and making submissions on financial reporting, oversight of the risk management process and internal financial controls, external audit functions and statutory and regulatory compliance of the Company. This Committee also dealt with duties delegated in terms of risk management.

2. MEMBERSHIP OF THE COMMITTEE AND ATTENDANCE AT COMMITTEE MEETINGS

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

- Christiaan Pieter ("Riaan") van Heerden (Chairperson)
- Thabiso Masiela
- Yvette Labuschagne

The Board of the Company are standing invitees. The Committee comprises only Independent Non-Executive Directors. Shareholders will be requested to approve the appointment of the members of the Committee for the 2024 financial year at the Annual General Meeting scheduled for 13 December 2023.

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

3. ROLES AND RESPONSIBILITIES OF THE COMMITTEE

The Committee is governed by formal terms of reference that are reviewed and updated annually, as necessary. These terms of reference guide the Committee in terms of its objectives, authority and responsibilities, both statutory and those assigned by the Board. The Committee has an independent role with accountability to both the Board and to shareholders. The Committee's roles and responsibilities include statutory and regulatory duties as per the Companies Act, 71 of 2008, the Cape Town Stock Exchange Requirements, those items recommended in the interest of good governance according to King IV as well as additional responsibilities assigned by the Board. The effectiveness of the Committee is assessed as part of the annual Board and Committee self-evaluation process.

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

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

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

3. ROLES AND RESPONSIBILITIES OF THE COMMITTEE (continued)

- perform duties that are attributed to it by its mandate from the Board, the Companies Act, 71 of 2008, the Cape Town Stock Exchange Requirements, King IV and other regulatory requirements; and
- review processes and procedures to ensure the effectiveness of internal systems of control including information and technology.

4. ACTIVITIES OF THE COMMITTEE

The Committee fulfilled its responsibilities during the 2023 financial year. The Committee is satisfied that it has conducted its affairs in accordance with its terms of reference and has discharged its responsibilities. During the financial year under review, the Committee executed the following matters:

Reporting

- considered and agreed with the adoption of the going concern premise in the preparation of the annual separate financial statements;
- reviewed the appropriateness of the annual separate financial statements, other reports to shareholders and other financial announcements made public;
- considered whether the annual separate financial statements fairly present the financial position of the Company as at 31 July 2023 and the results of operations and cash flows for the financial year then ended;
- considered the solvency and liquidity of the Company;
- considered accounting treatments, the appropriateness of accounting policies adopted and the effectiveness of the entity's disclosure controls and procedures;
- considered whether any concerns were identified regarding significant legal, tax and other matters that could have a material impact on the annual separate financial statements;
- reviewed the external auditor's audit report;
- considered and noted the key audit matters as determined by the external auditor;
- reviewed the representation letter, signed by management;
- reviewed the quality and integrity of the annual report and the sustainability information before publication; and
- the Committee spent time understanding the valuation methodology and various input factors and judgements applied and challenged these where necessary. The committee is satisfied that the valuation of investments performed fairly reflect the fair value of the investments of the Company.

External audit

The Audit and Risk Committee nominated PKF Cape Town Inc. as the external auditor for the Company for the financial year ended 31 July 2023 and their appointment complies with the Companies Act, 71 of 2008 and all other applicable legal and regulatory requirements.

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

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

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

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

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

PKF Cape Town Inc. have been the external auditors of the Company for the year and Pieter Louw van der Ahee has been the designated auditor for this year.

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

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

4. ACTIVITIES OF THE COMMITTEE (continued)

Internal financial and accounting controls

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

Risk management and compliance

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

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

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

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

Comments on key audit matters, addressed by PKF Cape Town Inc. in its external auditor's report

The external auditors have reported on two key audit matters in respect of their 2023 audit being:

- valuation of investments in subsidiaries – GF Property SPV 1 (RF) Proprietary Limited and GF Property SPV 2 (RF) Proprietary Limited; and
- the valuation of other financial liability – class A and class B preference shares.

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

5. CONCLUSION

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

On behalf of the Audit and Risk Committee

Christiaan Pieter ("Riaan") van Heerden
Audit and Risk Committee Chairperson

31 October 2023

DIRECTORS' RESPONSIBILITIES AND APPROVAL

for the year ended 31 July 2023

The Directors are required by the Companies Act, 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual separate financial statements and related financial information included in this report. It is their responsibility to ensure that the annual separate financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the Company, and explain the transactions and financial position of the business of the Company at the end of the financial year. The external auditors are engaged to express an independent opinion on the separate financial statements.

The annual separate financial statements are presented in terms of the International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied throughout the Company and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the Company business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual separate financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going concern basis has been adopted in preparing the annual separate financial statements. Based on forecasts and available cash resources the Directors have no reason to believe that the Company will not be a going concern in the foreseeable future. The annual separate financial statements support the viability of the Company.

The external auditors are responsible for independently auditing and reporting on the Company separate financial statements. The separate financial statements have been examined by the external auditors and their unqualified audit report is presented on pages 31, 32 and 33.

The annual separate financial statements set out on pages 35 to 61 which have been prepared on the going concern basis, were approved by the Directors and were signed on 31 October 2023 on their behalf by:

Thabiso Masiela

Cape Town
22 November 2023

D Kennon

Cape Town
31 October 2023

CERTIFICATE BY THE COMPANY SECRETARY

for the year ended 31 July 2023

In terms of section 88(2)(e) of the Companies Act, 71 of 2008, I certify that to the best of my knowledge and belief, Gaia Fibonacci Fibre REIT 1 Limited has lodged all returns required in terms of the Companies Act, 71 of 2008, with the Registrar of Companies for the financial year ended 31 July 2023 and that the returns are true, correct and up to date.

The Office in Stellenbosch Proprietary Limited
Per: Ilzemarie Knoetze
Company Secretary

31 October 2023

DIRECTORS' REPORT

The Directors submit their report on the annual separate financial statements of Gaia Fibonacci Fibre REIT 1 Limited for the year ended 31 July 2023.

1. INCORPORATION

The Company was incorporated on 7 October 2021 and obtained its certificate to commence business on the same day.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

Main business and operations

Gaia Fibonacci Fibre REIT 1 Limited was incorporated in South Africa. The Company performs investments activities. The Company operates in South Africa.

Review of financial results and activities.

The Company generated a loss after tax for the year ended 31 July 2023 of R358 104 (2022: profit of R16 145 451).

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

Company cash flows from operating activities amounted to an outflow of R402 217 (2022 outflow: R64 993) for the year ended 31 July 2023. Full details of the financial position, results of operations and cash flows of the Company are set out in these annual separate financial statements.

3. AUTHORISED AND ISSUED SHARE CAPITAL

Refer to note 6 of the annual separate financial statements for detail of the movement in authorised and issued stated capital.

4. DIVIDENDS

An interim dividend of R0.00317 per Ordinary Share was approved and an interim dividend of R271.81 per class A preference share were approved by the Directors on 31 October 2022 in South Africa currency. Dividends were paid on 28 November 2022 to shareholders registered in the Company's register at the close of business on the declaration date.

An interim dividend of R0.00058 (2022: R0.00115) per Ordinary Share was approved and an interim dividend of R52.29 (2022: R103.53) per class A preference share were approved by the Directors on 11 November 2022 in South Africa currency. A final dividend of R0.00286 per Ordinary Share was approved and a final dividend of R56.53 per class A preference share and R219.99 per class B preference share were approved by the Directors on 26 May 2023 in South Africa currency. Dividends were paid on 28 November 2022 and 12 June 2023, respectively, to shareholders registered in the Company's register at the close of business on the respective declaration date(s).

5. DIRECTORS

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

Directors	Designation	Changes
D Kennon	Executive Director	
YL Labuschagne	Independent Non-Executive Director	
T Masiela (Chairman)	Independent Non-Executive Director	
MM Nieuwoudt	Executive Director	
MCS Nell	Executive Director	Resigned 31 July 2023
CP van Heerden	Independent Non-Executive Director	
O Kolbe	Independent Non-Executive Director	Appointed 31 July 2023

6. EVENTS AFTER REPORTING DATE

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

7. GOING CONCERN

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

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

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

8. SECRETARY

The Company designated secretary is Ilzemarie Knoetze (The Office in Stellenbosch Proprietary Limited).

Postal address	**Business address**
PO Box 12700	8 Helderberg Street
Die Boord	Stellenbosch Central
7613	Stellenbosch
	7600

9. SHAREHOLDERS

There have been no changes in ownership during the current financial year.

The ordinary shareholders and their interests at the end of the year are:

	Holding
Gaia Fund Managers Proprietary Limited	50.01%
Fibonacci Holdings Proprietary Limited	49.99%

10. INTEREST IN SUBSIDIARIES

The Company holds 100% interest in GF Property SPV 1 (RF) Proprietary Limited, GF Property SPV 2 (RF) Proprietary Limited and GF Property SPV 3 (RF) Proprietary Limited during the year under review. Details of the Company's interests in subsidiaries are presented in the annual separate financial statements in note 3.

DIRECTORS' REPORT (continued)

11. LIQUIDITY AND SOLVENCY

The Directors have performed the liquidity and solvency tests as required by the Companies Act, 71 of 2008.

12. INDEPENDENT AUDITORS

PKF Cape Town Inc. were appointed as auditors for the Company for the financial year 2023, in accordance with section 90(6) of the Companies Act, 71 of 2008.

13. CONSOLIDATION OF FINANCIAL STATEMENTS

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

14. SIGNIFICANT TRANSACTIONS DURING THE YEAR

On 19 August 2022 the Company concluded a specific issuance of B preference shares for an aggregate subscription of R111 243 027 which was immediately used to purchase additional shares in the subsidiary GF Property SPV 2 (RF) Proprietary Limited.

The additional funding was reserved for further investments into fibre networks and concluded during the 2023 financial year.

INDEPENDENT AUDITOR'S REPORT

for the year ended 31 July 2023

To the shareholders of Gaia Fibonacci Fibre REIT 1 Limited
Report on the audit of the separate financial statements

We have audited the separate financial statements of Gaia Fibonacci Fibre REIT 1 Limited set out on pages 34 to 61, which comprise the separate statement of financial position as at 31 July 2023, 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 Fibonacci Fibre REIT 1 Limited as at 31 July 2023, and its separate financial performance and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Key audit matter	How our audit addressed the key audit matter
The investments in subsidiaries and the other financial liabilities are measured at fair value through profit and loss and significant judgement and assumptions are exercised by management in determining the fair values. We consider these judgements and assumptions to be a key audit matter due to both balances being material and the high estimation uncertainty involved in determining the respective fair values. The valuation of these assets and liabilities are based on the discounted future dividend cash flows from the underlying investments and cash available to settle the liabilities. There are estimations involved in the forecasting of the future cash flows, the discount rate used and the annual inflation rate.	We held discussions with management to obtain an understanding of the process applied in terms of determining the fair value of the investment in subsidiaries and the other financial liabilities. We performed the following procedures: • Evaluated Gaia Fibonacci Fibre REIT 1's fair value calculations and the principles and integrity of the dividend discount models. • Tested the inputs used in the cash flow forecast for reliability and accuracy. • Evaluated the cash flow forecasts for this year of operation by comparing it to the actual realised.

INDEPENDENT AUDITOR'S REPORT (continued)

for the year ended 31 July 2023

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
The future cash flows are highly dependent on the revenue of the underlying investments which is based on the uptake rate of the fibre networks for the remaining investment period. Therefore, the forecast of the cash flows is a significant assumption impacting the valuation of the investments in subsidiaries and the other financial liabilities. Refer to note 3, Investments in subsidiaries, and note 7, other financial liabilities, on how the key audit matter was identified in the valuation of these financial instruments.	• Testing management assumptions of the CPI Index, uptake rate of the fibre network and line speed demographics for the long-term outlook over the remaining investment period for the reasonability of it. • Testing the effect the above assumptions have on the overall discount rate and recalculating this rate. • Re-computing of the fair values. Based on the results of the above procedures, we consider the carrying value and disclosure of the financial asset and liability measured through profit and loss to be reasonable.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Gaia Fibonacci Fibre REIT 1 Limited Annual Separate Financial Statements for the year ended 31 July 2023", which includes the Report of the Audit and Risk Committee Report, Certificate by the Company Secretary and the Directors' Report, as required by the Companies Act 71 of 2008, and the Report of the Compiler, which we obtained prior to the date of this report, and a document titled "Gaia Fibonacci Fibre REIT 1 Limited Integrated Annual Report 2023". The Gaia Fibonacci Fibre REIT 1 Limited Integrated Annual Report 2023 is expected to be made available to us after the date of this auditor's report. As soon as the annual report is available, it will be reviewed and should any inconsistencies with the separate financial statements be noted, this will be reported on. 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 the International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008, and for such internal control as the Directors determine is necessary to enable the preparation of 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 ISA's 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.

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 04 December 2015, we report that PKF Cape Town Inc. has been the auditor of Gaia Fibonacci Fibre REIT 1 Limited for one year.

PKF Cape Town

PKF Cape Town Inc.
PL van der Ahee
Partner
Registered Auditors

Stellenbosch
31 October 2023

REPORT OF THE COMPILER

for the year ended 31 July 2023

To the Directors of Gaia Fibonacci Fibre REIT 1 Limited

We have compiled the accompanying annual separate financial statements of Gaia Fibonacci Fibre REIT 1 Limited based on information you have provided. These annual separate financial statements comprise the statement of financial position as at 31 July 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these annual separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

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

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

The Office Review Services Proprietary Limited

31 October 2023

8 Helderberg Street
Stellenbosch Central
Stellenbosch
7600

Per: Eldine Malan
Chartered Accountant (SA)

STATEMENT OF FINANCIAL POSITION

for the year ended 31 July 2023

	Notes	2023 R	2022 R
Assets			
Non-current assets			
Intangible assets		**41 975**	41 975
Investments in subsidiaries	3	**329 775 529**	186 838 060
Total non-current assets		**329 817 504**	186 880 035
Current assets			
Cash and cash equivalents	4	**703 186**	1 234 813
Loan to group company	5	**207 220**	–
Total current assets		**910 406**	1 234 813
Total assets		**330 727 910**	188 114 848
Equity and liabilities			
Equity			
Issued capital	6	**1 000**	1 000
Retained income		**15 011 552**	16 030 451
Total equity		**15 012 552**	16 031 451
Liabilities			
Non-current liabilities			
Other financial liabilities	7	**315 507 236**	171 980 912
Current liabilities			
Trade and other payables	8	**208 122**	102 485
Total liabilities		**315 715 358**	172 083 397
Total equity and liabilities		**330 727 910**	188 114 848

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 July 2023

	Notes	Year ended 31 July 2023 R	10 month period ended 31 July 2022 R
Revenue	9	**7 048 291**	1 240 477
Other income		**57 093**	–
Administrative expenses	10	**(309 265)**	(54 975)
Other expenses	11	**(768 867)**	(219 517)
Other (losses)/gains	12	**(511 045)**	16 197 929
Profit from operating activities		**5 516 207**	17 163 914
Investment income	13	**75 751**	16 537
Finance costs	14	**(5 950 062)**	(1 035 000)
(Loss)/profit before tax		**(358 104)**	16 145 451
Income tax expense	15	**–**	–
(Loss)/profit for the year		**(358 104)**	16 145 451

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 July 2023

	Issued capital R	Retained income R	Total R
Changes in equity			
Profit for the period	–	16 145 451	16 145 451
Total comprehensive income for the period	–	16 145 451	16 145 451
Dividends recognised as distributions to shareholders	–	(115 000)	(115 000)
Shares issued	1 000	–	1 000
Balance at 31 July 2022	1 000	16 030 451	16 031 451
Balance at 1 August 2022	1 000	16 030 451	16 031 451
Changes in equity			
Loss for the year	–	(358 104)	(358 104)
Total comprehensive loss for the year	–	(358 104)	(358 104)
Dividends recognised as distributions to ordinary shareholders	–	(660 795)	(660 795)
Balance at 31 July 2023	**1 000**	**15 011 552**	**15 012 552**
Note	6		

STATEMENT OF CASH FLOWS

for the year ended 31 July 2023

	Notes	Year ended 31 July 2023 R	10 month period ended 31 July 2022 R
Net cash flows used in operations	19	**(915 402)**	(172 007)
Dividends paid	20	**(660 795)**	(115 000)
Dividends received	9	**7 048 291**	1 240 477
Interest paid	14	**(5 950 062)**	(1 035 000)
Interest received	13	**75 751**	16 537
Net cash flows used in operating activities		**(402 217)**	(64 993)
Cash flows used in investing activities			
Additional investment in subsidiary		**(111 165 216)**	(158 043 185)
Purchase of intangible assets		**–**	(41 975)
Advances on loan to group company		**(207 220)**	–
Net cash flows used in investing activities		**(111 372 436)**	(158 085 160)
Cash flows from financing activities			
Proceeds from issuing ordinary shares		**–**	1 000
Proceeds from other financial liabilities		**111 243 027**	159 383 966
Net cash flows from financing activities		**111 243 027**	159 384 966
Net (decrease)/increase in cash and cash equivalents		**(531 627)**	1 234 813
Cash and cash equivalents at the beginning of the year		**1 234 813**	–
Cash and cash equivalents at the end of the year/period	4	**703 186**	1 234 813

ACCOUNTING POLICIES

1. GENERAL INFORMATION

Gaia Fibonacci Fibre REIT 1 Limited ("the Company") performs investment activities.

The Company is incorporated as a public company. Refer to the information disclosed on pages 28 and 29 of the annual separate financial statements for the country of incorporation and registered address of the entity.

Fund information

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

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

1.1 Basis of preparation and summary of significant accounting policies

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

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

Significant judgements and sources of estimation uncertainty

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

Critical judgements in applying accounting policies

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

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

- Fair value measurement
- Classification of financial liabilities
- Classification of investments in subsidiaries (Refer to 1.2 Consolidation)

The Company assessed that the investments in subsidiaries are categorised as financial assets at fair value through profit or loss. The financial liabilities are also recognised as financial liabilities at fair value through profit or loss.

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

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

ACCOUNTING POLICIES (continued)

1. GENERAL INFORMATION (continued)

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

Key sources of estimation uncertainty

Fair value measurement

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

Basis of valuation approach

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

The primary valuation methodology for the underlying financial instruments is the dividend discount model ("DDM”). Management uses judgement to select the most appropriate valuation method. The DDM method is used to derive the fair value, being the discounting of the expected dividend income from the investments, of an asset using reasonable assumptions on the estimations of expected future post tax cash flows (dividend income) over the expected term of the A and B preference shares, 10 years, i.e. free cash flows to the Company. These cash flows are discounted to the present value by applying the appropriate discount rate that captures the risk inherent to the investment.

Assumptions

The fair value of investments in subsidiaries, as determined through a DDM, is driven by dividend cash flows received from property companies held by the investment company. Dividend cash flows from subsidiary fibre network property company are driven by forecast rental income and expenditure in projects underlying each subsidiary, which form the basis of the DDM valuation.

Individual project cash flows, which include income, expenditure and the nominal disposal value of each project at the end of its estimated life, are forecasted. The timing and magnitude of project cash inflows are based on historic financial information, such as average revenue per user ("ARPU”), as well as non-financial metrics and market survey data, including, vacancy projections and demographics data. Forecast project cash outflows are based on a percentage of rental income, percentage of number of homes passed, and the percentage of active home-passes. Such outflows include the budgeted operation and maintenance costs, marketing spend, and ad hoc maintenance costs. Long-term consensus inflation forecasts are incorporated into the project cash flows.

Dividend cash flows from subsidiaries are discounted at the appropriate discount rate, based on the required hurdle rate for investment by the investment entity. The fair value of the financial liabilities (preference shares issued) are based on the forecasted preference dividend cash flows payable to the preference shareholders, in line with contractually agreed distribution terms. The starting point for the expected cash outflows are linked to the cash inflows expected from the investments in subsidiaries. The distributions to preference shareholders includes the allowable deduction of operational costs and ongoing listing fees.

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

1.2 Consolidation

Subsidiaries

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

1. GENERAL INFORMATION (continued)

1.2 Consolidation (continued)

Subsidiaries (continued)

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

Investment entities

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

An investment entity is defined as an entity that:

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

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

- The REIT will obtain funds from various investors with the intention to provide investment management services to its investors. The investment management services, including best endeavours to ensure that the REIT is Section 25BB compliant, will be provided by Gaia Fund Managers Proprietary Limited;
- The REIT commits to provide investors access to infrastructure investments for the purpose of generating returns from capital appreciation, investment income or both;
- The REIT intends to measure and evaluate its investments at fair value through profit and loss; and
- The REIT does not intend to hold its investments indefinitely with exit strategies including a sale to a third party. On the exit of all the fibre network assets in the Property SPV, the REIT is required to make distributions of ownership interests to all investors. This will effectively collapse all other investments in the Group structure, which includes indirect equity and debt investments held by the REIT.

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

1.3 Financial instruments

Initial recognition of financial assets

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

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

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

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

ACCOUNTING POLICIES (continued)

1. GENERAL INFORMATION (continued)

1.3 Financial instruments (continued)

Initial recognition of financial assets (continued)

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

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

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

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

Subsequent measurement of financial assets

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is adjusted for any loss allowance. Interest income and impairment are recognised in profit or loss. These assets consist of cash and cash equivalents, and a loan to group company (refer to notes 4 and 5). Any gains or losses arising on the derecognition are included in profit or loss in other operating income/expense.
Financial assets at fair value through profit and loss	These assets are subsequently measured at fair value. The assets consist of investments at fair value through profit or loss (note 3). Net gains and losses, including any interest or dividend income, are recognised in profit or loss. Any gains or losses arising on the derecognition are included in profit or loss in other operating income/expense. The Company manages financial assets and liabilities on the basis of its net exposure to market risks and credit risk, and therefore offsets the fair value adjustments in the Statement of Profit or Loss and Other Comprehensive Income.

Initial recognition of financial liabilities

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

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

Preference shares which carry non-discretionary dividend obligations, should be classified as liabilities. The dividends on these preference shares are taken to the Statement of Profit and Loss or Other Comprehensive Income as interest expense. Refer to note 7.

1. GENERAL INFORMATION (continued)

1.3 Financial instruments (continued)

Subsequent measurement of other financial liabilities

Financial liabilities at amortised cost	These liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in profit or loss. The liabilities include trade and other payables (refer to note 8). Any gains or losses arising on the derecognition are included in profit or loss in other operating income/expense.
Financial liabilities at fair value through profit or loss	These liabilities are subsequently measured at fair value. Net fair value gains and losses, including any interest expense are recognised in profit or loss (note 7). The Company manages financial assets and liabilities on the basis of its net exposure to market risks and credit risk, and therefore offsets the fair value adjustments in the Statement of Profit or Loss and Other Comprehensive Income.

Expected credit losses

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

Write-off policy

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

Credit risk

Details of the credit risk of financial assets are included in the financial instruments and risk management note (note 21).

Derecognition

Financial assets

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

Financial liabilities

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

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 and deposits held at call.

Loans receivable at amortised cost

Loans receivable 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.

Interest income is calculated using the effective interest method and is recognised in profit and loss.

ACCOUNTING POLICIES (continued)

1. GENERAL INFORMATION (continued)

1.3 Financial instruments (continued)

Loans receivable at amortised cost (continued)

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

Trade and other payables

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

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

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

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

1.4 Tax

Current tax assets and liabilities

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

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

Gaia Fibonacci Fibre REIT 1 Limited was listed as a Real Estate Investment Trust ("REIT"). As a result, section 25BB of the Income Tax Act applies to qualifying REIT income and expenses. The legislation provides that capital gains on sale of immovable properties are not taxable and previous building allowances claimed will be recouped at the Company tax rate. All rental income and dividends from property subsidiaries will be taxed at 27% and any qualifying distribution paid from these taxable profits will be deductible at 27%. Should the entities' assets be sold or the entity wound up, there could be a tax liability to the value of the recoupments previously claimed.

Deferred tax assets and liabilities

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

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

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

ACCOUNTING POLICIES (continued)

1. GENERAL INFORMATION (continued)

1.4 Tax (continued)

Deferred tax assets and liabilities (continued)

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

Tax expenses

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

1.5 Stated capital and equity

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

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

Dividends declared are recognised in equity.

1.6 Revenue

Dividend income is presented as revenue in the Statement of Profit and Loss and Other Comprehensive Income as the dividends that the entity receives are in the ordinary course of the entity's business. Dividend income is not within the scope of IFRS 15, however, because it is income in the ordinary course of the entity's business, it is presented as dividend revenue, which is separately disclosed from revenue from contracts with customers.

Dividend income is recognised when the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period.

1.7 Investment income

Interest is recognised, in profit or loss, using the effective interest method.

1.8 Borrowing costs

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

1.9 Statement of cash flows

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

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

In the current year, there are no new standards and interpretations that are effective for the current financial year and that are relevant to its operations.

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 August 2023 or later periods:

Standard/interpretation	Effective date	Expected impact
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	Years beginning on or after 1 January 2024	Unlikely there will be a material impact
IAS 8: Change in the definition of accounting estimates	Years beginning on or after 1 January 2023	Unlikely there will be a material impact
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	Years beginning on or after 1 January 2023	Unlikely there will be a material impact

3. INVESTMENTS IN SUBSIDIARIES

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

Name of company	Country of incorporation	Principal activity	% holding 2023	% holding 2022	Fair value 2023	Fair value 2022
GF Property SPV 1 (RF) Proprietary Limited	South Africa	Investment activities	100%	100%	145 937 755	136 184 390
GF Property SPV 2 (RF) Proprietary Limited	South Africa	Investment activities	100%	100%	183 837 773	50 653 670
GF Property SPV 3 (RF) Proprietary Limited	South Africa	Investment activities	100%	100%	1	–
					329 775 529	186 838 060

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

During the year, the Company acquired GF Property SPV 3 (RF) Proprietary Limited. At the reporting date, GF Property SPV 3 (RF) Proprietary Limited has not commenced its operations. Therefore, no cash flow forecasts are available for the company.

The carrying amount of the investments in subsidiaries is shown at fair value. During the current year, there were no impairments of investments in the Company (2022: Rnil). The subsidiaries are incorporated in South Africa and shares the year-end of the Company.

Fair value information of investments in subsidiaries

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

3. INVESTMENTS IN SUBSIDIARIES (continued)

Valuation of investments in subsidiaries

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

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

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

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

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

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

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

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

As at 31 July 2023, the fair value measurement of shares held by the Company in the subsidiaries are categorised into level 3.

Assumptions

Discount rate	GF Property SPV 1: 14.54% (2022: 15.43%) GF Property SPV 2: 14.64% (2022: 15.47%)	The investments in subsidiaries are valued on a real basis, as such of 14.54% (2022: 15.43%) for GF Property SPV 1 and 14.64% (2022: 15.47%) for GF Property SPV 2, and are adjusted for the risk premium of the Company for the ordinary shareholders.
Cash flow	Expected dividends	Investee entities make distributions from profits which are made up of rental income net of operating expenses, and proceeds from disposal of the fibre assets at the end of their useful lives. The disposal value is determined by adjusting the initial acquisition costs of the assets with a forecasted inflation rate at the end of the discount period.
Discount period	Remaining term of the 10-year period	Expected term of the A and B preference shares, 10 years.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

3. INVESTMENTS IN SUBSIDIARIES (continued)

Reconciliation of assets measured at level 3

	Opening balance	Additions	Fair value through profit/(loss)	Closing balance R
2023				
Assets				
Financial assets at fair value through profit/(loss)				
Investment in subsidiary	**186 838 060**	**111 165 217**	**31 772 252**	**329 775 529**
				329 775 529
2022				
Assets				
Financial assets at fair value through profit/(loss)				
Investment in subsidiary	–	158 043 185	28 794 875	186 838 060
				186 838 060

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:

	GF Property SPV 1 (RF) Proprietary Limited				
Valuation technique	**Significant unobservable inputs**	**Estimates for unobservable inputs**	**Fair value at 31 July 2022**	**1% decrease in unobservable input**	**1% increase in unobservable input**
Discounted discount model	**Discount rate**	**14.54%**	**145 937 755**	**(8 812 940)**	**9 483 479**

	GF Property SPV 2 (RF) Proprietary Limited				
Valuation technique	**Significant unobservable inputs**	**Estimates for unobservable inputs**	**Fair value at 31 July 2022**	**1% decrease in unobservable input**	**1% increase in unobservable input**
Discounted discount model	**Discount rate**	**14.64%**	**183 837 773**	**(11 514 288)**	**12 409 434**

Significant observable/unobservable inputs are developed as follows

Discount rate: The discount rate is calculated by adjusting the investment's internal rate of return with the cost of equity, and then adding a risk margin. The risk margin is determined by management and is based on financial risk of the Company.

CPI rate: The consensus macroeconomic view as compiled by PWC and the National Treasury was utilised in setting the CPI inflation outlook over the investment period of 10 years.

Uptake rate: The use of the fibre infrastructure and the rate of the increase in the uptake rate is based on the historic data from average revenue per user ("ARPU"), as well as non-financial metrics and market survey data, including vacancy projections and demographic data.

3.2 Interests in unconsolidated subsidiaries

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

4. CASH AND CASH EQUIVALENTS

	2023 R	2022 R
Net cash and cash equivalents		
Bank balances	**703 186**	1 234 813

Risk exposure

The Company's investments in subsidiaries exposes it to financial risks. Refer to note 21 Financial instruments and risk management for detailed information on the Company's risk exposure and the processes and policies implemented to mitigate these risks.

5. LOAN TO GROUP COMPANY

	2023 R	2022 R
Loan to group company comprises the following balances		
GF Property SPV 3 (RF) Proprietary Limited	**207 220**	–

The loan is unsecured, bears interest as agreed upon from time to time and will be repaid in the next 12 months.

6. STATED CAPITAL

	2023 R	2022 R
Authorised and issued stated capital		
Authorised		
100 000 000 ordinary no par value shares		
10 000 class A preference shares		
10 000 class B preference shares		
10 000 class C preference shares		
10 000 unspecified class D shares		
10 000 unspecified class E shares		
10 000 unspecified class F shares		
10 000 unspecified class G shares		
10 000 unspecified class H shares		
10 000 unspecified class I shares		
10 000 unspecified class J shares		
Issued		
100 000 000 ordinary no par value shares	**1 000**	1 000
Reconciliation of number of shares issued:		
Reported at 1 August	**100 000 000**	–
Issue of ordinary shares	**–**	100 000 000
Closing balance as at 31 July	**100 000 000**	100 000 000

Refer to note 7 for preference shares issued.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

6. STATED CAPITAL (continued)

	Shares 2023	Shares % 2023	Shares 2022	Shares % 2022
Class A preference shareholders				
– FRB ITF Kruger Ci Prudential Fund	**2 765**	**28.0**	2 765	28.0
– FRB ITF Kruger Ci Balanced Fund (FRBKPF001)	**4 321**	**43.0**	4 321	43.0
– FRB ITF Kruger Ci Equity Fund (FRBKPF001)	**691**	**7.0**	691	7.0
– L Pretorius	**1 728**	**17.0**	1 728	17.0
– AVT Infrafin Proprietary Limited	**492**	**5.0**	492	5.0
	9 997	**100**	9 997	100
Class B preference shareholders				
– FRB ITF Kruger Ci Prudential Fund	**2 556**	**27.5**	748	27.0
– FRB ITF Kruger Ci Balanced Fund (FRBKPF001)	**3 983**	**42.8**	1 165	43.0
– FRB ITF Kruger Ci Equity Fund (FRBKPF001)	**653**	**7.0**	191	7.0
– L Pretorius	**713**	**7.7**	209	7.6
– Mai Capital Proprietary Limited	**743**	**8.0**	235	9.0
– Rheas Infras Proprietary Limited	**475**	**5.1**	139	5.0
– Other shareholders	**177**	**1.9**	51	1.8
	9 300	**100**	2 738	100

Preference share rights

Each preference share shall confer upon the holder thereof the right to have preference dividends declared and paid out of any funds that are available to be distributed to the preference shareholders.

The preference dividends, if any, shall be paid in priority to any distributions to the Managers (Gaia Fund Managers Proprietary Limited and Fibonacci Holdings Proprietary Limited) in respect of the ordinary shares in the issued share capital of the Company, or any other holder of such ordinary shares at the applicable time.

7. OTHER FINANCIAL LIABILITIES

7.1 Other financial liabilities comprise

	2022 R	2022 R
9 997 (2022: 9 997) class A preference shares	**137 845 582**	125 904 347
9 300 (2022: 2 738) class B preference shares	**177 661 654**	46 076 565
	315 507 236	171 980 912
Non-current portion of other financial liabilities	**315 507 236**	171 980 912
	315 507 236	171 980 912

7.2 Disclosures

Fair value information of other financial liabilities

The Company has adopted an accounting policy of measuring its preference share liabilities at fair value through profit or loss in accordance with IFRS 9 with fair value movements recognised in the Statement of Profit or Loss and Other Comprehensive Income. The preference share liabilities is measured at fair value on a stand alone basis and the Company uses sum-of-the-parts valuation method to measure the fair value of the preference shares.

7. OTHER FINANCIAL LIABILITIES (continued)

7.2 Disclosures (continued)

Valuation of other financial liabilities

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

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

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

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

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

In the valuation for the investments, management's judgement and estimation is required for:
- Selection of the appropriate valuation model to be used, in this case the dividend discount model;
- Assessment and determination of the expected cash flows (preference dividend) from the underlying investments; and
- Selection of the appropriate discount rates.

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

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

As at 31 July 2023, the fair value measurement of the preference shares is categorised into level 3.

Discount rate	Class A: 13.93% (2022: 15.11%) Class B: 14.04% (2022: 15.15%)	The other financial liabilities are valued on a real basis, as such the real rate of 13.93% (2022: 15.11%) for GF Property SPV 1 and 14.04% (2022: 15.15%) for GF Property SPV 2.
Cash flow	Expected dividends	Investee entities make distributions from profits which are made up of rental income net of operating expenses, and proceeds from disposal of the fibre assets at the end of their useful lives. The disposal value is determined by adjusting the initial acquisition costs of the assets with a forecasted inflation rate, at the end of the discount period.
Discount period	Remaining term of the 10-year period	Expected term of the A and B preference shares, 10 years.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

7. OTHER FINANCIAL LIABILITIES (continued)

7.2 Disclosures (continued)

Reconciliation of assets measured at level 3

	Opening balance	Additions	Fair value through profit/(loss)	Closing balance R
2023				
Liabilities				
Financial liabilities at fair value through profit/(loss)				
Other financial liabilities	**171 980 912**	**111 243 027**	**32 283 297**	**315 507 236**
				315 507 236
2022				
Liabilities				
Financial liabilities at fair value through profit/(loss)				
Other financial liabilities	–	159 383 966	12 596 946	171 980 912
				171 980 912

Sensitivity of fair value measurement to changes in unobservable inputs

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

Valuation technique	Class A preference shares				
	Significant unobservable inputs	Estimates for unobservable inputs	Fair value at 31 July 2023	1% increase in unobservable input	1% decrease in unobservable input
Discounted discount model	**Discount rate**	**13.93%**	**137 845 582**	**(8 464 260)**	**9 173 378**

Valuation technique	Class B preference shares				
	Significant unobservable inputs	Estimates for unobservable inputs	Fair value at 31 July 2023	1% increase in unobservable input	1% decrease in unobservable input
Discounted discount model	**Discount rate**	**14.04%**	**177 661 654**	**(11 330 022)**	**12 326 433**

Significant observable/unobservable inputs are developed as follows

Discount rate: The discount rate of the preference shares uses the latest internal rate of return of the investments in subsidiaries and adds a risk margin. The risk margin is determined by management and is based on financial risk of the Company.

CPI inflation: The consensus macroeconomic view as compiled by PWC and the National Treasury was utilised in setting the CPI inflation outlook over the investment period of 10 years.

Uptake rate: The use of the fibre infrastructure and the rate of the increase in the uptake rate is based on the historic data from average revenue per user (ARPU), as well as non-financial metrics and market survey data, including vacancy projections and demographic data.

7. OTHER FINANCIAL LIABILITIES (continued)

7.2 Disclosures (continued)

Risk exposure

The Company's liability in preference shares exposes it to financial risks. Refer to note 21 Financial instruments and risk management for detailed information on the Company's risk exposure and the processes and policies implemented to mitigate these risks.

Changes in liabilities arising from financing activities

	A preference share liability R	B preference share liability R
2023		
Opening balance	**125 904 347**	**46 076 465**
Cash movements:		
Additions	**–**	**111 243 127**
Non-cash movements		
Fair value adjustments	**11 941 235**	**20 342 062**
Closing balance	**137 845 582**	**177 661 654**
2022		
Opening balance	–	–
Cash movements:		
Additions	114 416 874	44 966 993
Non-cash movements		
Fair value adjustments	11 487 473	1 109 472
Closing balance	125 904 347	46 076 465

8. TRADE AND OTHER PAYABLES

	2023 R	2022 R
Trade and other payables comprise		
Trade creditors	**148 122**	102 485
Accrued liabilities	**60 000**	–
Total trade and other payables at amortised cost	**208 122**	102 485

9. REVENUE

	2023 R	2022 R
Revenue comprises		
Dividends received from subsidiaries	**7 048 291**	1 240 477

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

10. ADMINISTRATIVE EXPENSES

	2023 R	2022 R
Administrative expenses comprise		
Accounting fees	69 000	51 750
Auditor's remuneration – fees	224 250	–
Bank charges	13 365	3 225
Secretarial fees	2 650	–
Total administrative expenses	309 265	54 975

11. OTHER EXPENSES

	2023 R	2022 R
Other expenses comprise		
Directors' fees	150 000	30 000
Legal expense	–	28 290
Listing cost	30 000	115 000
Professional fees	588 867	46 227
Total other expenses	768 867	219 517

12. OTHER GAINS AND (LOSSES)

	2023 R	2022 R
Other gains and (losses) comprise		
Fair value gains on assets	31 772 252	28 794 875
Fair value (losses) on liabilities	(32 283 297)	(12 596 946)
Total other gains and (losses)	(511 045)	16 197 929

13. INVESTMENT INCOME

	2023 R	2022 R
Investment income comprises		
Interest received – bank	75 751	16 537

14. FINANCE COSTS

	2023 R	2022 R
Class A preference shares	3 805 110	1 035 000
Class B preference shares	2 144 952	–
Total finance costs	5 950 062	1 035 000

Preference dividends

The Company paid dividends on the preference shares (classified as financial liabilities). These dividends are disclosed as finance costs in accordance with IFRS 9 of the International Financial Reporting Standards.

15. INCOME TAX EXPENSE

	2023 R	2022 R
The income tax for the year can be reconciled to the accounting (loss)/profit as follows		
(Loss)/profit before tax from operations	**(358 104)**	16 145 451
Income tax calculated at 27.0%	**(96 688)**	4 520 726
Tax effect of		
Fair value adjustments	**137 982**	(4 535 420)
Limitation of section 25BB deduction	**(41 294)**	14 694
Tax charge	**–**	–

Deferred tax

Section 25BB of the Income Tax Act allows for the deduction of the qualifying distribution paid to shareholders, but the deduction is limited to taxable income. To the extent that no tax will be payable in the future as a result of the qualifying distribution, no deferred tax was raised on the fair valuation of non-current financial liabilities.

IAS 12: *Income Taxes* (amended) requires the sale rate to be applied, unless rebutted, when calculating deferred taxation on the fair value adjustments. As the Company is a REIT, capital gains tax is no longer applicable on the sale of the investment in subsidiaries in terms of section 25BB of the Income Tax Act. The deferred tax rate applied to investment in subsidiaries at the sale rate will therefore be 0%. Consequently, no deferred taxation is raised on the fair value adjustments on investments in subsidiaries.

16. RELATED PARTIES

16.1 Relationships

Holding company	Gaia Fund Managers Proprietary Limited
Minority shareholder	Fibonacci Holdings Proprietary Limited
Fellow subsidiary	Gaia Fibonacci Fibre Fund (RF) Proprietary Limited
Subsidiaries	GF Property SPV 1 (RF) Proprietary Limited
	GF Property SPV 2 (RF) Proprietary Limited
	GF Property SPV 3 (RF) Proprietary Limited
Key members	D Kennon
	YL Labuschagne
	T Masiela
	MM Nieuwoudt
	CP van Heerden
	O Kolbe
	MCS Nell (resigned 31 July 2023)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

16. RELATED PARTIES (continued)

16.2 Related party transactions and balances

	Dividends received	Dividends paid	Expenses paid by related party	Amounts payable	Amounts receivable	Total
Year ended 31 July 2023						
Related party transactions/balances						
Gaia Fund Managers Proprietary Limited	–	(330 400)	–	(28 290)	–	(358 690)
Fibonacci Holdings Proprietary Limited	–	(330 395)	–	–	–	(330 395)
GF Property SPV 1 (RF) Proprietary Limited	4 295 000	–	–	–	–	4 295 000
GF Property SPV 2 (RF) Proprietary Limited	2 753 291	–	–	–	–	2 753 291
GF Property SPV 3 (RF) Proprietary Limited	–	–	–	–	207 220	207 220
10 months ended 31 July 2022						
Related party transactions						
Gaia Fund Managers Proprietary Limited	–	(58 650)	(36 915)	(28 290)	–	(123 855)
Fibonacci Holdings Proprietary Limited	–	(56 350)	–	–	–	(56 350)
GF Property SPV 1 (RF) Proprietary Limited	1 240 477	–	–	–	–	1 240 477

17. DIRECTORS' REMUNERATION

	Remuneration paid to Directors		Directors' fees paid to Directors		
	Paid by the Company	Paid by a company within the Group	Paid by the Company	Paid/ payable by a company within the Group	Total
2023					
Executive					
MCS Nell*	–	–	–	–	–
MM Nieuwoudt	–	2 316 828	–	–	2 316 828
D Kennon	–	1 096 000	–	–	1 096 000
	–	3 412 828	–	–	3 412 828
Non-executive					
O Kolbe*					
T Masiela	–	–	50 000	–	50 000
CP van Heerden	–	–	30 000	–	30 000
YL Labuschagne	–	–	70 000	–	70 000
	–	–	150 000	–	150 000

17. DIRECTORS' REMUNERATION (continued)

	Remuneration paid to Directors		Directors' fees paid to Directors		
	Paid by the Company	Paid by a company within the Group	Paid by the Company	Paid/ payable by a company within the Group	Total
2022					
Executive					
MCS Nell*	–	–	–	–	–
MM Nieuwoudt	–	2 238 369	–	–	2 238 369
D Kennon	–	984 000	–	–	984 000
	–	3 222 369	–	–	3 222 369
Non-executive					
T Masiela	–	–	10 000		10 000
CP van Heerden	–	–	10 000		10 000
YL Labuschagne	–	–	10 000		10 000
	–	–	30 000		30 000

MCS Nell resigned as Executive Director on 31 July 2023 and O Kolbe was appointed as Non-Executive Director in his place on 31July 2023.

* *The Director did not receive any remuneration from the Company or Group during the period.*

18. EVENTS AFTER THE REPORTING DATE

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

19. CASH FLOWS FROM OPERATING ACTIVITIES

	2023 R	2022 R
Profit before tax	**(358 104)**	16 145 451
Adjustments for		
Interest received	**(75 751)**	(16 537)
Dividends received	**(7 048 291)**	(1 240 477)
Finance costs	**5 950 062**	1 035 000
Fair value (gains) and losses	**511 045**	(16 197 929)
Change in operating assets and liabilities		
Adjustments for increase in trade accounts payable	**45 637**	102 485
Adjustments for increase in other operating payables	**60 000**	–
Net cash flows from operations	**(915 402)**	(172,007)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

20. DIVIDENDS PAID

An interim dividend of R0.00317 per Ordinary Share was approved and an interim dividend of R271.81 per class A preference share were approved by the Directors on 31 October 2022 in South Africa currency. Dividends were paid on 28 November 2022 to shareholders registered in the Company's register at the close of business on the declaration date.

An interim dividend of R0.00058 (2022: R0.00115) per Ordinary Share was approved and an interim dividend of R52.29 (2022: R103.53) per class A preference share were approved by the Directors on 11 November 2022 in South Africa currency. A final dividend of R0.00286 per Ordinary Share was approved and a final dividend of R56.53 per class A preference share and R219.99 per class B preference share were approved by the Directors on 26 May 2023 in South Africa currency. Dividends were paid on 28 November 2022 and 12 June 2023, respectively, to shareholders registered in the Company's register at the close of business on the respective declaration date(s).

	2023 R	2022 R
Dividends paid are calculated as follows		
Dividends declared and paid	**(660 795)**	(115 000)

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

	Notes	Fair value through profit/loss	Amortised cost	Total
Categories of financial instruments				
Categories of financial assets				
Company – 2023				
Non-current assets				
Investment in subsidiary	3	**329 775 529**	**–**	**329 775 529**
Current assets				
Cash and cash equivalents	4	**–**	**703 186**	**703 186**
Loan to group company	5	**–**	**207 220**	**207 220**
		329 775 529	**910 406**	**330 685 935**

	Notes	Fair value through profit/loss	Amortised cost	Total
Categories of financial liabilities				
Company – 2023				
Non-current liabilities				
Other financial liabilities	7	**315 507 236**	**–**	**315 507 236**
Current liabilities				
Trade and other payables	8	**–**	**208 122**	**208 122**
		315 507 236	**208 122**	**315 715 358**

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

	Notes	Fair value through profit/loss	Amortised cost	Total
Categories of financial assets				
Company – 2022				
Non-current assets				
Investment in subsidiary	3	186 838 060	–	186 838 060
Current assets				
Cash and cash equivalents	4	–	1 234 813	1 234 813
		186 838 060	1 234 813	188 072 873

	Notes	Fair value through profit/loss	Amortised cost	Total
Categories of financial liabilities				
Company – 2022				
Non-current liabilities				
Other financial liabilities	7	171 980 912	–	171 980 912
Current liabilities				
Trade and other payables	8	–	102 485	102 485
		171 980 912	102 485	172 083 397

The carrying amounts of the financial instruments approximate their fair values. The pre-tax gains and losses relating to the financial instruments are disclosed in note 12.

Capital risk management

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

To meet and maintain or adjust the capital structure, the Company may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Prior to declaring any dividends, the Company conducts solvency and liquidity tests to ensure compliance. Furthermore, the Company ensures a minimum solvency ratio of 1:1 at all times. Additionally, the Company maintains sufficient capital reserves to cover a minimum of six months' worth of operational expenses.

There are no externally imposed capital requirements.

Financial risk management

Overview

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial risk management (continued)

Credit risk

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

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

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

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

	Notes	Gross carrying amount	Credit loss allowance	Amortised cost
2023				
Financial instrument				
Cash and cash equivalents	4	**703,186**	**–**	**703,1860**
Loan to group company	5	**207,220**		**207,220**
		910,406	**–**	**910,406**
2022				
Financial instrument				
Cash and cash equivalents	4	1 234 813	–	1 234 813
		1 234 813	–	1 234 813

Liquidity risk

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

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

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

The class A preference shares and class B preference shares liability is an estimation based on discounted future dividends as per the model (refer to Key sources of estimation uncertainty, assumptions paragraph). The Company is expected to receive a dividend based on the model from its subsidiaries. The expected dividend receivable will service the expected operational expenses as well as the class A preference share and class B preference shares liability. The Company will therefore be able to meet its obligation.

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.

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial risk management (continued)

Liquidity risk (continued)

	Notes	Less than 1 year R	2 to 5 years R	More than 5 years R	Total cash flows R	Carrying amount R
2023						
Non-current liabilities						
Other financial liability	7	**1 735 356**	**97 332 596**	**773 820 284**	**872 888 236**	**315 507 236**
Current liabilities						
Trade and other payables	8	**208 122**	**–**	**–**	**208 122**	**208 122**
		1 943 478	**97 332 596**	**773 820 284**	**873 096 358**	**315 715 358**
2022						
Non-current liabilities						
Other financial liability	7	–	90 377 808	380 432 447	470 810 254	171 980 912
Current liabilities						
Trade and other payables	8	102 484	–	–	–	
		102 484	90 377 808	380 432 447	470 810 254	171 980 912

Market risk

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

Increased competition to a valuable investment opportunity such as Demand Index (DI) will drive prices higher reducing return/margin at future investment opportunities. Superior technologies enter the market making fibre less attractive/redundant.

Refer to note 3 and note 7.

05

PROPERTY REPORTS

PROPERTY ENTITY INVESTORS REPORT

THE OBJECTIVES, INVESTMENT POLICY AND STRATEGY

Objectives

The REIT aims to invest into high quality fibre network assets which ensure that maintenance, marketing and other operational costs are kept low to ensure an increase in value flowing through to the REIT's investors. These investments need to adhere to the investment criteria as determined by the REIT's Investment Committee who ensures that investors are provided with investments that meet the expected returns. The aim is to make it as attractive as possible for the Management Company to provide internet service providers access to use the fibre network assets. The REIT looks to a benchmark return of CPI +7% with a target of CPI +10%.

Investment Policy and Strategy

The investment policy which is governed by the Investment Committee applies this strategy before approving any investment decision. Additionally, the policy and strategy is to completed investments into networks which have a minimum 25% uptake at acquisition. This, coupled with the benchmark return of CPI +7%, provides the Board with comfort over downside risk on networks not meeting commercial and investor return expectations. Where an individual network is acquired within a portfolio, which collectively has a >25% uptake, but individually has a lower uptake percentage, the Investment Committee carefully considers whether the portfolio as a whole exhibits risk-mitigating qualities. The criteria used to evaluate a portfolio include the age and maturity of the network, diversification in terms of LSM served by the network, diversification across geographic locations, environmental and social sustainability of the site. There have been no changes to the Objectives, Policy or Strategy in the current year.

MARKET OUTLOOK

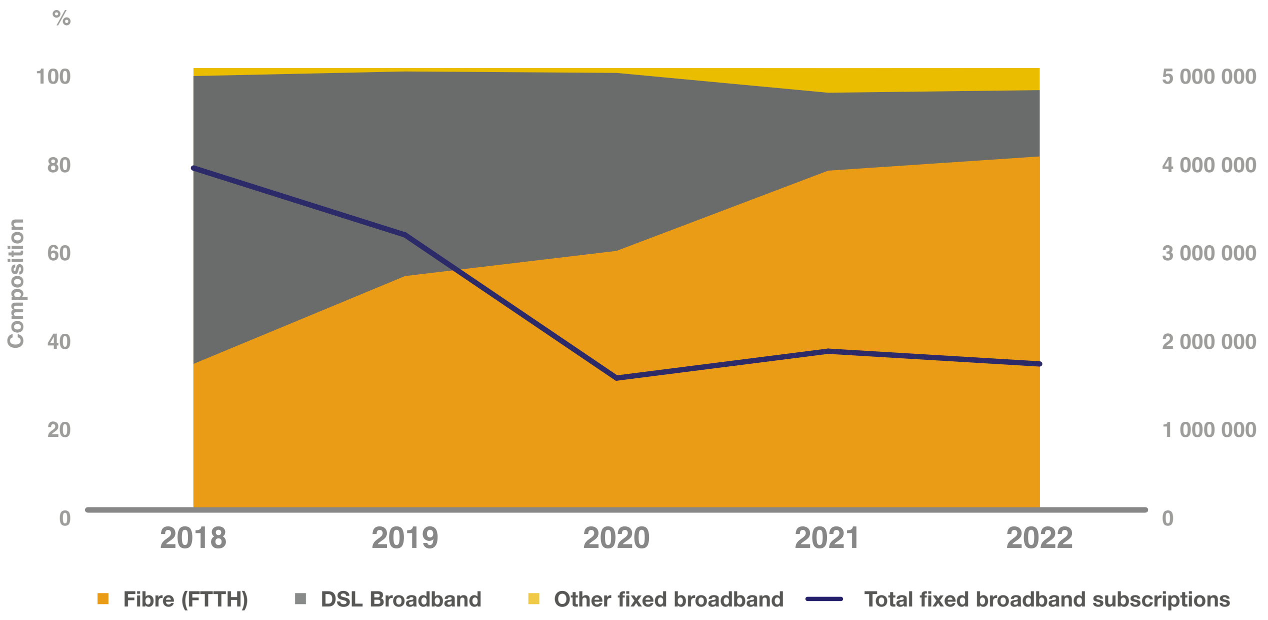
The REIT has access to a pipeline of projects in excess of R2 billion that, in principle, meets the criteria as set out by the Investment Committee. With the fibre industry growing, South Africa still only provides fixed line internet to a 10th of the population with fibre taking up an increasing share of total fixed broadband to the home.

Fibre-To-The-Home ("FTTH") has seen exponential growth in the past five years driven by the connection of SA's larger metropolis, and is expected to continue as internet connectivity is increasingly seen as a basic right. FTTH continues to dominate the fixed line broadband technology with +80% of fixed broadband connections are over fibre. A single fibre line to the home limits the absolute number of capable installations possible, industry players are competing to get access to the home and thus control over the user's fibre connectivity. The land-grab that was experienced in the early years of fibre adoption has moved away from high LSMs and large cities to less competitive, but highly profitable Tier 2 and more peri-urban areas. In 2022, the number of homes passed increased by 27%, however this is expected to lead the overall connectivity rate as fibre continues to grow. Concurrently, the average rate at which data is being consumed per capital is steeply increasing, thus the need for infrastructure which supports and can grow with this need is critical. The growth in South Africa's international bandwidth capacity, driven by the deployment of the Equiano undersea cable in 2022, shows that there is increasing appetite for data consumption in the country. The growth in average data consumption has continued to increase, which is not surprising given that South Africans are the world's heaviest users of the internet, averaging more than nine hours online on any device.

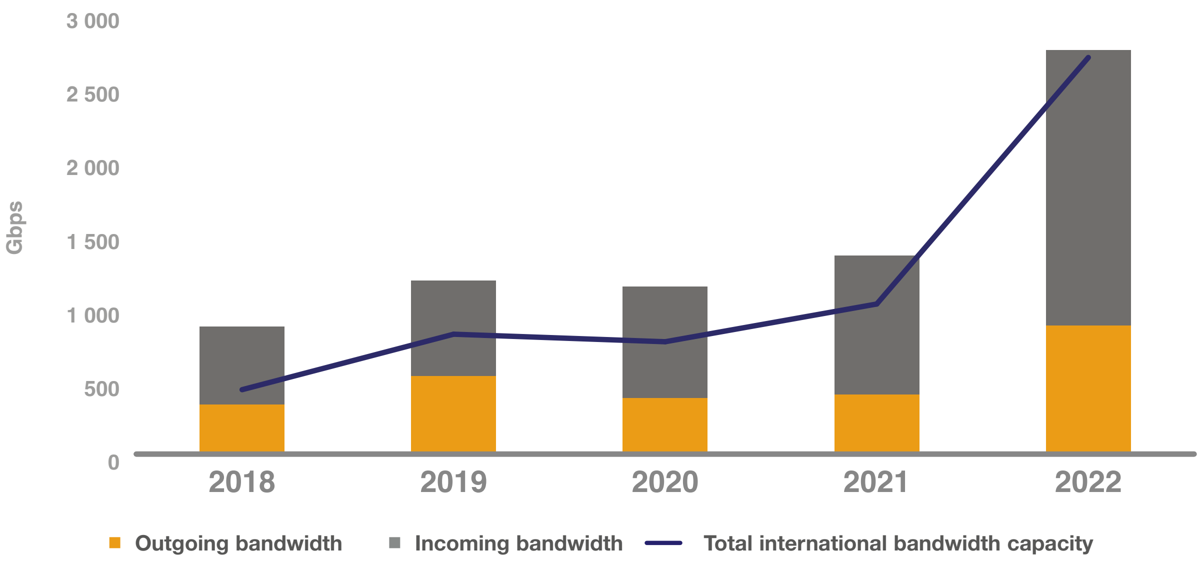
While monthly fees of uncapped FTTH packages have shown a slight downward trend in the past two years, average subscription prices of uncapped line speed offers remained relatively flat quarter-over-quarter as of March 2023. The trend is expected to stabilise as fibre network operators drive wholesale pricing in order to maintain returns on investments. Competition for asset returns has encouraged industry players to look at adjusted business model offerings which target cost-sensitive customers, such as providing more cost effective end-user equipment and Wi-Fi mesh networks to optimise return on investment.

PROPERTY ENTITY INVESTORS REPORT (continued)

Composition of fixed-broadband subscriptions in RSA (ICASA-2023)

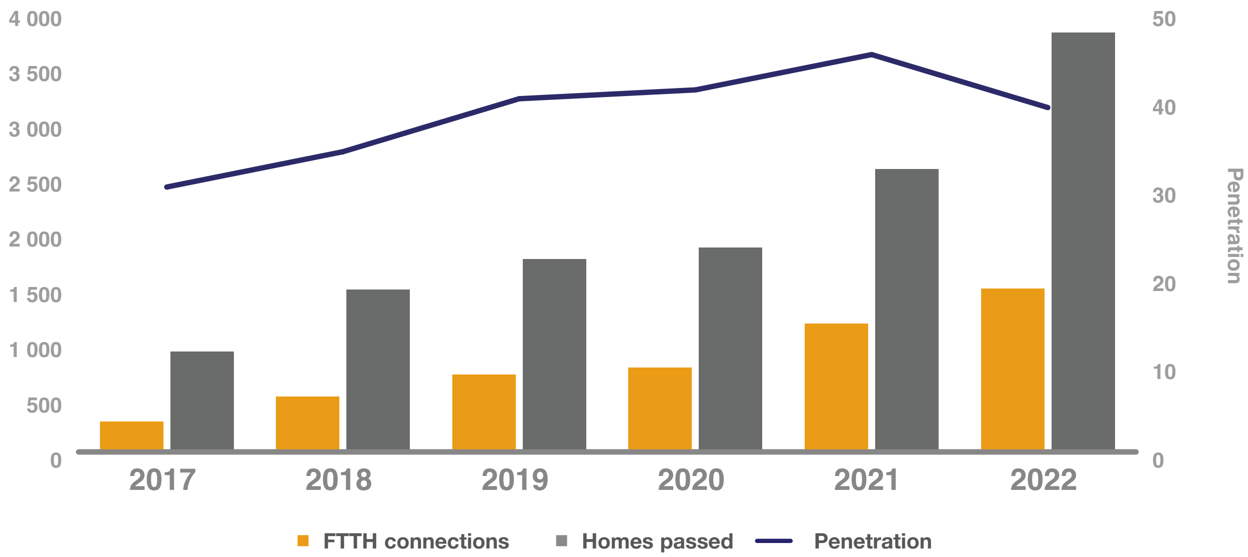


RSA International Internet Bandwidth Capacity Gbps Capacity (ICASA-2023)

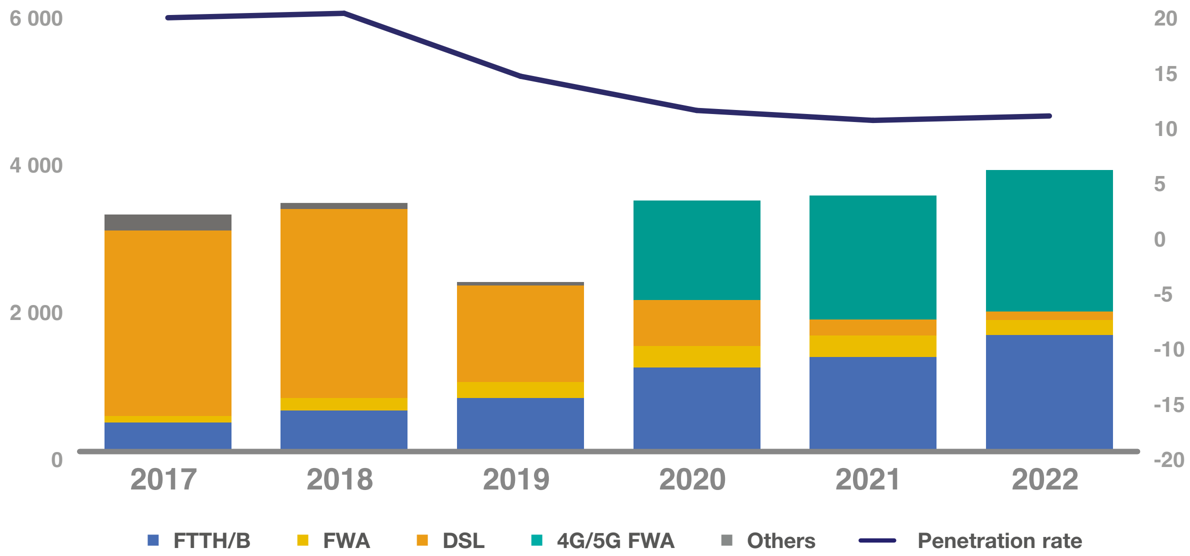


PROPERTY ENTITY INVESTORS REPORT (continued)

FTTH Connections and Homes Passed ('000s) South Africa (ICASA-2023)



Fixed broadband household penetration and connections by access technology type (ICASA-2023)



PROPERTY ENTITY INVESTORS REPORT (continued)

REIT A AND B PREFERENCE SHARE BENCHMARK

The primary benchmark that the company is aiming to achieve is the return to the preference shareholders. The benchmark return to A and B preference shareholders is CPI +7%. Currently, the characteristics of each property company's portfolio is fairly homogeneous and thus the benchmark return is the same for both classes of preference shares.

HISTORICAL PERFORMANCE OF THE PROPERTY ENTITY AGAINST THE STATED BENCHMARK SINCE LISTING OR, IN THE CASE OF A NEW LISTING, IF APPLICABLE, 3 (THREE) YEARS HISTORICAL PERFORMANCE AGAINST SUCH BENCHMARKS;

The REIT's current portfolio of investments has consistently outperformed against the benchmark. The current returns on the A preference share has a nominal yield of 13.93% (8.93% real return) as at year-end, and the B preference shares have a yield of 14.04% (9.04% real return). This has demonstrated that the group has been able to exceed benchmark performance, by 1.93% (20222: 3.11%) for the A preference shares and 2.04% (2022: 3.01%) for the B preference shares. Note that the company commenced operations in the 2022 financial year.

DETAILS AND EXPERIENCE OF THE DIRECTORS OF THE REIT

Thabiso Masiela

Independent Chairman (Gaia Fibonacci Fibre REIT 1 Ltd)

CA(SA), BCom (Hons), Distribution Leadership & Strategy (INSEAD)

Thabiso has over 10 years of management experience in providing strategic direction across different business disciplines in Financial Services. He has spent the last six years at Stanlib in various roles from Head of Strategy and Execution in the Retail Distribution team to Head of Client and Intermediary Services. Prior to that he spent 5 years at Old Mutual South Africa and a short stint in Nigeria focusing on Business Strategy and Shared Value Initiatives. Thabiso completed his articles at PWC and fulfilled the role of Corporate Finance Officer (Equity and Interest Rate Markets) at the JSE Stock Exchange. He is currently the Head of Business Strategy and Development at Investec for their retail investment business.

Yvette Louise Labuschagne

Independent Director (Gaia Fibonacci Fibre REIT 1 Ltd)

MBA, BCom (Hons) (Inv. Mgmt), BCom (Fin. Mgmt)

Yvette recently completed her MBA at POLIMI Graduate School of Management in Milan. She has more than 15 years' experience in investment banking and has been a JSE Approved Executive since 2010, focusing primarily on structuring and the execution of transactions, as well as equity capital markets (ECM) transactions for listed companies. She has been involved in numerous local and international transactions including capital raisings, listings, disposals, takeovers, mergers and acquisitions. Yvette joined Standard Bank's Investment Banking division in January 2022, and prior to that was a member of the investment banking teams at Renaissance Capital and UBS South Africa.

Christiaan Pieter ("Riaan") van Heerden

Independent Director (Gaia Fibonacci Fibre REIT 1 Ltd)

BAcc (Hons), CA(SA), JSE Approved Executive

Riaan is a chartered accountant and JSE approved executive. Riaan completed his articles at PwC, servicing an array of clients locally and abroad. Riaan joined the corporate finance team at PSG Capital in 2007 and remained with PSG Capital for 15 years. Riaan was a member of the PSG Capital executive committee, a director and head of the valuations team until his departure in 2021. Riaan co-founded Valeo Capital in 2021 with David Tosi. Riaan has extensive corporate finance experience. During his 15 year tenure at PSG Capital, Riaan advised on numerous listings, M&A transactions, disposals, schemes of arrangement, section 112 transactions, BEE ownership transactions, valuations, fairness opinions, and other corporate transactions in both the listed and unlisted space.

PROPERTY ENTITY INVESTORS REPORT (continued)

DETAILS AND EXPERIENCE OF THE DIRECTORS OF THE REIT (continued)

Oscar Kolbe

Independent Director (Gaia Fibonacci Fibre REIT 1 Ltd)

LLB; Qualified Attorney

Oscar is the Financial Director ("FD") of Weavind & Weavind Inc. In his role as the FD he is responsible for inter alia the budget, cash flow and general financial management of the firm. Oscar is a qualified attorney of the High Court of South Africa and a registered tax practitioner, he serves on the Board of Directors of Weavind and specialises in corporate and commercial law.

Matthys Michiel ("Mich") Nieuwoudt

Director (Gaia Fibonacci Fibre REIT 1 Ltd)

Pr.Eng, B.Eng (Electronic), MBA

Mich started his career in the petrochemical industry with Polifin and the defence industry with Thales, before joining PSG Investment Bank in 1999. In 2003, he joined Siemens Business Services, where he gained international experience across Europe, particularly in the renewable energy sector. Thereafter Mich moved to the Square One Group where he was responsible for group operations. In 2008, he joined the SAGIT group where he worked on the Eden Island Project in the Seychelles and mining operations in West Africa before focusing on SAGIT's renewable energy developments. Mich has taken on many roles in Gaia since 2012 and currently serves as the Executive Chairman of Gaia.

Denzil Kennon

Director (Gaia Fibonacci Fibre REIT 1 Ltd)

PhD (Ind. Eng.), MSc Eng (Ind. Eng.), CFA Level I, BEng (Industrial Mechanical)

Denzil is a qualified Industrial Engineer with more than a decade spent in the asset management, venture capital, private equity and private debt industries. Denzil started his career as a business analyst at Allan Gray after which he redirected his focus to private equity in 2012. Here he focused on the mining, telecommunication and agriculture sectors. In 2013, Denzil embarked on his PhD studies with a focus on how organisations can utilise a systems engineering approach to be more antifragile in an increasingly volatile world. Denzil continues to act as a Senior Lecturer – Extraordinary at Stellenbosch University where he lectures in enterprise engineering on an ad hoc basis. Denzil joined Gaia in 2021 as Chief Operating Officer/Deal Principal where he looks to utilise his engineering and private debt skillset to execute transactions and ensure Gaia and its investments adhere to best in class operating practices.

DETAILS AND EXPERIENCE OF THE MANAGEMENT COMPANY

Name:	Gaia Fund Managers (Pty) Ltd
Registration number:	2015/059447/07
Physical address:	2nd Floor, Workshop 17 Snakepit Building Newlands Cricket Ground 146 Campground Road Newlands 7780

Gaia Fund Managers was formed in Cape Town in 2012, and incorporated in 2015, for the purpose of facilitating the investment of long-term investor capital in sustainable infrastructure in Southern Africa. Gaia Fund Managers is a registered financial services provider (Licence No. 46028) and is considered a leading specialist secondary market infrastructure transaction team in South Africa. Gaia have concluded multiple fibre network infrastructure, 12 renewable energy and one toll road transaction to a value in excess of R3.6 billion for South African institutional investors. Gaia Fund Managers is considered a leading specialist secondary market infrastructure transaction team in the Southern African region, having concluded:

- the first significant secondary market transaction in the South African renewable energy programme with Japan's Sumitomo Corporation as the seller;
- Delivering the first listed pure play infrastructure company on the Johannesburg Stock Exchange main board through Gaia Infrastructure Capital Ltd; and
- Listing of a renewable energy infrastructure focused investment holding company, Gaia Renewables 1 Ltd, on the CTSE (previously the 4AX).

PROPERTY ENTITY INVESTORS REPORT (continued)

DETAILS AND EXPERIENCE OF THE MANAGEMENT COMPANY (continued)

Name:	Fibonacci Managers (Pty) Ltd
Registration number:	2020/444015/07
Physical address:	20 Flaming Rock Crescent Mooikloof Pretoria 0081

Fibonacci Managers co-founded Capitis Equities, a venture capital fund, which has now grown to R500 million in just under 4 (four) years. Fibonacci Managers boasts experience in the renewable energy project development, fibre network development and operations industries with a specialist focus on tax and value additive business administration functions. To date, Gaia manages fibre network investments with Fibonacci Managers as Administrators, who, together, have successfully closed on more than 145 fibre networks with a strong geographical presence in Gauteng and Western Cape.

DETAILS OF THE PROPERTY MANAGER

Name:	Fibre Management Administrative Services (Pty) Ltd ("FMAS")
Registration number:	2021/990713/07
Address:	12 Meson Close Techno Park Stellenbosch 7600

FMAS is a proud all female team. FMAS have a strong history in providing back office services to large family offices, high net worth individuals, businesses and trusts. Their wide range of services include financial and portfolio reporting, personal administrative services for individuals, trust and company administration, fiduciary services, regulatory compliance and philanthropy services. FMAS have bolstered their operational experience through an expansion of scope into commercial operations and sales, marketing, portfolio reporting, and integration of ISP active management services. Website creation, content writing, website management and an all-inclusive property management service complements their range of services. They also manage key relationships with fibre network owners, ISPs, residents and estate management, ensuring on point product deployment with the support to deliver successful national networks and successful ISP integration and reporting.

PROPERTY ENTITY INVESTORS REPORT (continued)

THE VALUATION COVERAGE 100.00%

THE DISTRIBUTION POLICY

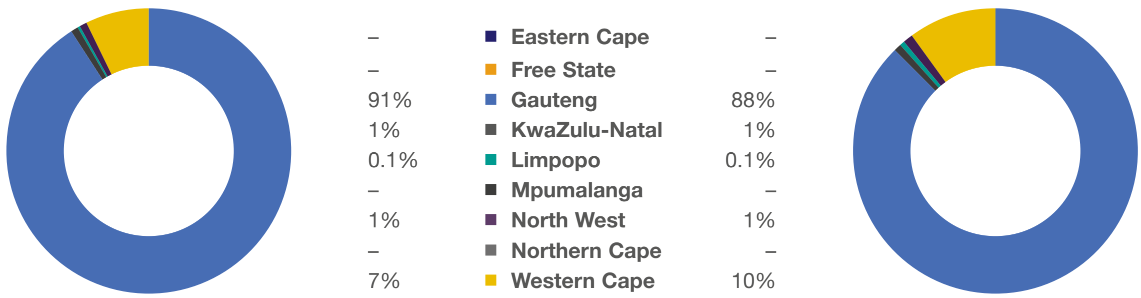
Dividends will be paid bi-annually and in accordance with REIT requirements and preference share terms.

THE REIT AND ITS FIBRE NETWORK HOLDINGS

Geographic spread

Connectable points – geographic spread

Active points – geographic spread



Province	Connectable Points #	%	Active Points #	%
Eastern Cape	–	–	–	–
Free State	–	–	–	–
Gauteng	26 336	90.50%	5 942	88.02%
KwaZulu-Natal	237	0.81%	60	0.89%
Limpopo	38	0.13%	3	0.04%
Mpumalanga	–	–	–	–
North West	356	1.22%	45	0.67%
Northern Cape	–	–	–	–
Western Cape	2 134	7.33%	701	10.38%
	29 101	100.00%	6 751	100.00%

PROPERTY ENTITY INVESTORS REPORT (continued)

THE REIT AND ITS FIBRE NETWORK HOLDINGS (continued)

Sector spread

Connectable points – sector spread

Active points – sector spread

Sector*	Number of connectable points	% of total connectable points	Number of active points	% of total active points	% active points of connectable points
Residential Points: SDUs	17 252	59.28%	3 670	54.36%	21.27%
Residential Points: MDUs	11 849	40.72%	3 081	45.64%	26.00%
Business Points	–	–	–	–	–
	29 101	100.00%	6 751	100.00%	23.20%

Note:

SDU = Single Dwelling Units

MDU = Multi Dwelling Units

Tenant profile in classes together with the definition for each class

A: large national tenants, large listed tenants, government and major franchisees;

B: national tenants, listed tenants, franchisees, medium to large professional firms; and

C: other local tenants and sole proprietors

The entire tenant profile is classified as “C” comprising Residential Active Points, which are leased on a month-to-month basis.

Summary lease profile by revenue, term, lettable area, sector and geographic spread

Geographic spread of the portfolio is diversified from a provincial basis and remains focused on key metros in South Africa, namely Johannesburg, Gauteng and Cape Town, Western Cape. This is demonstrated in the data presented in Geographic Spread above. As a function of the portfolio fibre networks as a whole, the portfolio is well balanced in terms of the diversification across MDUs and SDUs, given the unique set of risks and benefits associated with each. Bifurcation on the basis of MDU/SDU is shown above, see Sector Spread. Rental revenues are largely determined by reference to market rates on similar networks in South Africa. While the company has the ability to set rental rates on their networks, rentals are driven by commercial feasibility and usually fall within a range of rental rates, commensurate with other market players in the industry.

PROPERTY ENTITY INVESTORS REPORT (continued)

THE REIT AND ITS FIBRE NETWORK HOLDINGS (continued)

Escalation profile of leases

All lease packages are subject to annual escalation on the 1st of January with the Consumer Price Index (CPI) as published by Statistics South Africa from time to time or as determined to be best by the Manager.

Vacancy profile per sector

	Residential Points	Business Points
Passive points	22 350	–

It is unlikely that 100% of the Passive Points will be active at a given point in time in the future.

The portfolio yield

The targeted portfolio yield is CPI +10%.

The distribution yield

Distributions to preference shareholders is derived from the dividend income from each respective Property Company, taking into account committed expenditure requirements at investment entity level. The dividends are distributed with a 90% cash distribution with 10% being distributed to the Ordinary Shareholders. This is in line with both the A and B preference share terms. The current yields on the A and B preference shares are 13.93% and 14.04%, respectively.

Properties identified for sale within 3 (three) years of the date of the applicable Property Entity Investors Report

Long-term investment focus. No current sales contemplated.

PROPERTY PORTFOLIO ACTIVITY FOR THE REPORTING PERIOD

The current portfolio of assets has generated gross rental revenues from in the current financial year of R30.6 million. As at 31 July 2023, the company has invested a total of R263 million into fibre networks, of which investment of R130 million has been made in the current period, with new assets maintaining a similar rental-generating profile in the newly acquired networks. The company has focused on driving uptake on these networks. The company has pursued organic growth, being the investment into newer networks, as well as acquisitive growth in mature networks.

DETAILS OF OUTSTANDING DEBT INCLUDING DETAILS, SORTED IN APPROPRIATE CATEGORIES OF THE OUTSTANDING TERM, RATE, CURRENCY, AND SECURED OR UNSECURED

No outstanding debt facilities.

COMPILATION

Compiled by

Marais *Schabort* CA(SA)

Date: 31 July 2023

Approved by

Dr Hendrik Snyman

Date: 31 July 2023

PROPERTY SPECIFIC REPORT

Reporting for: Gaia Fibonacci Fibre REIT 1 Limited
Managed by: Gaia Fund Managers (Pty) Ltd FSP: 46028
Date of Property Report: 31 July 2023

GENERAL DETAIL OF SITES

GF Property SPV 1 (RF)

Phase 1

Site Detail	Province	Acquisition date	Acquisition costs R	Latest physical inspection date
66 on High	Gauteng	10 Dec-21		May 2023
67 on High	Gauteng	10 Dec-21		May 2023
Adrina	North West	10 Dec-21		May 2023
Alberta	Gauteng	31 Jan-22		May 2023
Alpine Mews	Western Cape	31 Jan-22		June 2023
Amstel Terrace	Western Cape	31 Jan-22		June 2023
Ascot	Gauteng	10 Dec-21		May 2023
Bergbries Villas	Gauteng	10 Dec-21		May 2023
Bergtuin	Gauteng	10 Dec-21		May 2023
Brentwood Complex	Gauteng	10 Dec-21		May 2023
Cane Ridge Mews	KwaZulu-Natal	10 Dec-21		March 2023
Cedar Valley	Gauteng	31 Jan-22		May 2023
Clifton Mews	KwaZulu-Natal	31 Jan-22		March 2023
Clover Hill	Gauteng	10 Dec-21		May 2023
Constintina	Gauteng	29 Jul-22		May 2023
Corner Heights	North West	31 Jan-22		July 2023
Cosmo City	Gauteng	31 Jan-22		May 2023
Cosmo Creek	Gauteng	10 Dec-21		May 2023
Country Side	North West	10 Dec-21		July 2023
Dartford	Gauteng	31 Jan-22		May 2023
Donegia	Gauteng	10 Dec-21		May 2023
Edenburg Terrace	Gauteng	31 Jan-22		May 2023
Erand Creek	Gauteng	31 Jan-22		May 2023
First on Forest	Western Cape	31 Jan-22		June 2023
Fleurhof IHS Complex	Gauteng	31 Jan-22		May 2023
Gold Fields	Gauteng	31 Jan-22		May 2023
Greencourt	Western Cape	10 Dec-21		June 2023
Greenshanks	Gauteng	31 Jan-22		May 2023
Groblersrus	Gauteng	10 Dec-21		May 2023
Jabulani Ekhaya Flats	Gauteng	31 Jan-22		May 2023
Lagoon Point	KwaZulu-Natal	10 Dec-21		March 2023
Leano	Gauteng	29 Jul-22		May 2023
Malibu Manor	Gauteng	10 Dec-21		May 2023
Marshall Yards	Gauteng	31 Jan-22		May 2023
Meadow Ridge Mews	Gauteng	31 Jan-22		June 2023
Mintos Ledge	North West	10 Dec-21		July 2023
Montego Bay	KwaZulu-Natal	10 Dec-21		March 2023
Oasis	Gauteng	10 Dec-21		May 2023
Osprey Estate	Gauteng	10 Dec-21		May 2023
Oxford Five One	Gauteng	10 Dec-21		May 2023
Pilgrims Place	North West	31 Jan-22		June 2023
Preston	Gauteng	31 Jan-22		May 2023
Protea Glen Security Estate	Gauteng	29 Jul-22		May 2023
Riverside Mews	Western Cape	31 Jan-22		June 2023

PROPERTY SPECIFIC REPORT (continued)

GENERAL DETAIL OF SITES (continued)

GF Property SPV 1 (RF) (continued)

Phase 1 (continued)

Site Detail	Province	Acquisition date	Acquisition costs R	Latest physical inspection date
Sapphire Mews	Western Cape	31 Jan-22		June 2023
Schweizerkon	Gauteng	10 Dec-21		May 2023
Silver Lakes	Gauteng	29 Jul-22		May 2023
Silverleaf	Gauteng	31 Jan-22		May 2023
Sophia Town	Gauteng	10 Dec-21		May 2023
Southwark Mews	Western Cape	31 Jan-22		June 2023
Square on 10th	Western Cape	31 Jan-22		June 2023
Stepney Green	Western Cape	31 Jan-22		June 2023
Stoneleigh	Gauteng	31 Jan-22		May 2023
Sundown Village	Gauteng	29 Jul-22		May 2023
Sunset Gardens	Gauteng	10 Dec-21		May 2023
The Eden	Western Cape	31 Jan-22		June 2023
The Galleries	Gauteng	10 Dec-21		May 2023
The Monroe	Gauteng	29 Jul-22		May 2023
The Residence	Western Cape	31 Jan-22		June 2023
The Topaz	Western Cape	29 Jul-22		June 2023
Tivoli	Gauteng	31 Jan-22		May 2023
Waverly Ridge	Gauteng	10 Dec-21		May 2023
Whitney Gardens	Gauteng	31 Jan-22		May 2023
Total			**R110 123 765**	

Sites were acquired on a portfolio basis.

GF Property SPV 2 (RF)

Site Detail	Province	Acquisition date	Acquisition costs R	Latest physical inspection date
2151 Fleurhof	Gauteng	08 Sep-22		May 2023
4 Tress On Stiglingh	Gauteng	20 Oct-22		May 2023
77 Grayston	Gauteng	27 Sep-22		May 2023
Atlanta	Gauteng	20 Oct-22		May 2023
Azalea Heights, Groblerpark	Gauteng	15 Dec-22		May 2023
Barberry View, Groblerpark	Gauteng	15 Dec-22		May 2023
Baytree View, Groblerpark	Gauteng	15 Dec-22		May 2023
Blue Hills Leadership Community	Gauteng	20 Oct-22		May 2023
Casablanca	Gauteng	20 Oct-22		May 2023
Clearwater Heights	Gauteng	08 Sep-22		May 2023
Country View Estate	Gauteng	20 Oct-22		May 2023
Crystal Park	Gauteng	19 Aug-22		May 2023
Delmore Gardens	Gauteng	08 Sep-22		May 2023
Delmore Park	Gauteng	08 Sep-22		May 2023
Dunnottar	Gauteng	13 Oct-22		May 2023
Eden Park	Gauteng	15 Dec-22		May 2023
Emerald Place	Western Cape	15 Dec-22		June 2023
Erand Court	Gauteng	20 Oct-22		May 2023
Eternity	Gauteng	20 Oct-22		May 2023

PROPERTY SPECIFIC REPORT (continued)

GENERAL DETAIL OF SITES (continued)

GF Property SPV 2 (RF) (continued)

Site Detail	Province	Acquisition date	Acquisition costs R	Latest physical inspection date
Fairway View, Pollak Park	Gauteng	15 Dec-22		May 2023
Flamingo Villas	Gauteng	08 Sep-22		May 2023
Garnet Place	Western Cape	15 Dec-22		June 2023
Golden Rose Gardens	Gauteng	20 Oct-22		May 2023
Greenfield South/Greenfields	Gauteng	08 Sep-22		May 2023
Hibiscus, Groblerpark	Gauteng	15 Dec-22		May 2023
Jabulani Brooke	Gauteng	08 Sep-22		May 2023
Jabulani Manor	Gauteng	08 Sep-22		May 2023
Jabulani State Flats	Gauteng	15 Dec-22		May 2023
Khayalala	Gauteng	15 Dec-22		May 2023
Kings Creek	Gauteng	20 Oct-22		May 2023
Lafayette	Gauteng	28 Oct-22		May 2023
Madison Loft	Gauteng	20 Oct-22		May 2023
Malacite Crest	Gauteng	08 Sep-22		May 2023
Malvern East	Gauteng	10 Jun-22		May 2023
Manhattan Park	Gauteng	10 Jun-22		May 2023
Meadow Crescent East	Gauteng	08 Sep-22		May 2023
Meadow Crescent North	Gauteng	08 Sep-22		May 2023
Meadow Crescent West	Gauteng	08 Sep-22		May 2023
Midview Village	Gauteng	20 Oct-22		May 2023
Millennium Village	Gauteng	20 Oct-22		May 2023
Mizmor	Limpopo	10 Jun-22		May 2023
Mopani & Mahogany Gated	Gauteng	20 Oct-22		May 2023
Naturena	Gauteng	28 Oct-22		May 2023
New Haven	KwaZulu-Natal	10 Jun-22		June 2023
Ormonde Way	Gauteng	20 Oct-22		May 2023
Phumula	Gauteng	15 Dec-22		May 2023
Pollak Park	Gauteng	10 Jun-22		May 2023
Prosperity Place	Gauteng	10 Jun-22		May 2023
Protea Mews	Gauteng	20 Oct-22		May 2023
Queens Gate	Gauteng	15 Dec-22		May 2023
Rainbow Villas	Gauteng	15 Dec-22		May 2023
Ridge Crest	Gauteng	20 Oct-22		May 2023
River on 12th	Gauteng	20 Oct-22		May 2023
Rocky Ridge	Gauteng	08 Sep-22		May 2023
Rooseveldt Park	Gauteng	10 Jun-22		May 2023
Rothchild Manor	Gauteng	15 Dec-22		May 2023
Sharon Park Lifestyle Estate	Gauteng	10 Jun-22		May 2023
Southern Villa, Naturena	Gauteng	28 Oct-22		May 2023
Summerset Hill Estate	Gauteng	20 Oct-22		May 2023
Tobruk Gardens, Pollak Park	Gauteng	15 Dec-22		May 2023
Villa Chamonick	Gauteng	28 Oct-22		May 2023
Villa Montana	Gauteng	28 Oct-22		May 2023
Villeroy Court	Gauteng	20 Oct-22		May 2023
Waters Edge	Gauteng	08 Sep-22		May 2023
Wilson Manor Estate	Gauteng	20 Oct-22		May 2023
Wright Park	Gauteng	10 Jun-22		May 2023
Wychwood	Gauteng	10 Jun-22		May 2023
Total			**R152 509 821**	

PROPERTY SPECIFIC REPORT (continued)

MARKET VALUATION, CLASSIFICATION AND RENTAL DETAIL
GF Property SPV 1 (RF)

Site Detail	Market Value	Date of Valuation	Valuation Metho-dology	Ind. Val./Nind. Val.	Sector classifi-cation	Number of lettable home passes – SDUs	Number of lettable home passes – MDUs	Targeted uptake rate after five years
66 on High					Residential	–	218	
67 on High					Residential	–	176	
Adrina					Residential	–	45	
Alberta					Residential	–	48	
Alpine Mews					Residential	–	91	
Amstel Terrace					Residential	–	84	
Ascot					Residential	–	202	
Bergbries Villas					Residential	–	26	
Bergtuin					Residential	–	48	
Brentwood Complex					Residential	–	176	
Cane Ridge Mews					Residential	–	19	
Cedar Valley					Residential	–	58	
Clifton Mews					Residential	–	54	
Clover Hill					Residential	–	168	
Constintina					Residential	–	88	
Corner Heights					Residential	–	131	
Cosmo City					Residential	4 214	–	
Cosmo Creek					Residential	–	870	
Country Side					Residential	–	61	
Dartford					Residential	–	40	
Donegia					Residential	–	56	
Edenburg Terrace					Residential	–	24	
Erand Creek					Residential	–	312	
First on Forest					Residential	–	148	
Fleurhof IHS Complex					Residential	–	162	
Gold Fields					Residential	–	150	
Greencourt					Residential	–	89	
Greenshanks					Residential	–	120	
Groblersrus					Residential	201	–	
Jabulani Ekhaya Flats					Residential	–	244	
Lagoon Point					Residential	–	18	
Leano					Residential	–	67	
Malibu Manor					Residential	100	–	
Marshall Yards					Residential	–	148	
Meadow Ridge Mews					Residential	–	54	
Mintos Ledge					Residential	51	–	
Montego Bay					Residential	–	54	
Oasis					Residential	167	–	
Osprey Estate					Residential	50	–	
Oxford Five One					Residential	–	36	
Pilgrims Place					Residential	68	–	
Preston					Residential	–	60	
Protea Glen Security Estate					Residential	–	176	
Riverside Mews					Residential	–	60	
Sapphire Mews					Residential	–	98	
Schweizerkon					Residential	–	24	
Silver Lakes					Residential	–	44	
Silverleaf					Residential	–	76	

PROPERTY SPECIFIC REPORT (continued)

MARKET VALUATION, CLASSIFICATION AND RENTAL DETAIL (continued)

GF Property SPV 1 (RF) (continued)

Site Detail	Market Value	Date of Valuation	Valuation Metho-dology	Ind. Val./Nind. Val.	Sector classifi-cation	Number of lettable home passes – SDUs	Number of lettable home passes – MDUs	Targeted uptake rate after five years
Sophia Town					Residential	–	524	
Southwark Mews					Residential	–	86	
Square on 10th					Residential	–	401	
Stepney Green					Residential	–	269	
Stoneleigh					Residential	–	189	
Sundown Village					Residential	153	–	
Sunset Gardens					Residential	76	–	
The Eden					Residential	–	200	
The Galleries					Residential	–	56	
The Monroe					Residential	–	56	
The Residence					Residential	–	440	
The Topaz					Residential	–	43	
Tivoli					Residential	–	48	
Waverly Ridge					Residential	–	30	
Whitney Gardens					Residential	–	106	
GF Property SPV 1 Total	**R145 937 755**	**31 Jul-23**	**DCF**	**Non-Independent**		**5 080**	**7 271**	**55.00%**

GF Property SPV 2 (RF)

Site Detail	Market Value	Date of Valuation	Valuation Metho-dology	Ind. Val./Nind. Val.	Sector classifi-cation	Number of lettable home passes – SDUs	Number of lettable home passes – MDUs	Targeted uptake rate after five years
2151 Fleurhof					Residential	–	32	
4 Tress On Stiglingh					Residential	–	12	
77 Grayston					Residential	–	179	
Atlanta					Residential	–	68	
Azalea Heights, Groblerpark					Residential	–	40	
Barberry View, Groblerpark					Residential	–	12	
Baytree View, Groblerpark					Residential	–	12	
Blue Hills Leadership Community					Residential	–	645	
Casablanca					Residential	–	54	
Clearwater Heights					Residential	–	88	
Country View Estate					Residential	–	208	
Crystal Park					Residential	1 612	–	
Delmore Gardens					Residential	401	–	
Delmore Park					Residential	263	–	
Dunnottar					Residential	1 253	–	
Eden Park					Residential	1 971	–	
Emerald Place					Residential	–	32	
Erand Court					Residential	–	217	
Eternity					Residential	–	24	
Fairway View, Pollak Park					Residential	–	199	
Flamingo Villas					Residential	–	74	
Garnet Place					Residential	–	39	
Golden Rose Gardens					Residential	–	39	

PROPERTY SPECIFIC REPORT (continued)

MARKET VALUATION, CLASSIFICATION AND RENTAL DETAIL (continued)

GF Property SPV 2 (RF) (continued)

Site Detail	Market Value	Date of Valuation	Valuation Metho-dology	Ind. Val./Nind. Val.	Sector classifi-cation	Number of lettable home passes – SDUs	Number of lettable home passes – MDUs	Targeted uptake rate after five years
Greenfield South/Greenfields					Residential	–	27	
Hibiscus, Groblerpark					Residential	–	40	
Jabulani Brooke					Residential	–	72	
Jabulani Manor					Residential	–	277	
Jabulani State Flats					Residential	–	449	
Khayalala					Residential	–	70	
Kings Creek					Residential	–	28	
Lafayette					Residential	–	22	
Madison Loft					Residential	–	13	
Malacite Crest					Residential	–	110	
Malvern East					Residential	277	–	
Manhattan Park					Residential	–	61	
Meadow Crescent East					Residential	–	30	
Meadow Crescent North					Residential	–	12	
Meadow Crescent West					Residential	–	53	
Midview Village					Residential	–	37	
Millennium Village					Residential	–	62	
Mizmor					Residential	–	38	
Mopani & Mahogany Gated					Residential	58	–	
Naturena					Residential	3 168	–	
New Haven					Residential	–	92	
Ormonde Way					Residential	–	30	
Phumula					Residential	1 027	–	
Pollak Park					Residential	364	–	
Prosperity Place					Residential	–	50	
Protea Mews					Residential	–	55	
Queens Gate					Residential	–	53	
Rainbow Villas					Residential	–	114	
Ridge Crest					Residential	–	48	
River on 12th					Residential	–	11	
Rocky Ridge					Residential	–	32	
Rooseveldt Park					Residential	–	60	
Rothchild Manor					Residential	–	91	
Sharon Park Lifestyle Estate					Residential	904	–	
Southern Villa, Naturena					Residential	–	73	
Summerset Hill Estate					Residential	–	113	
Tobruk Gardens, Pollak Park					Residential	–	23	
Villa Chamonick					Residential	–	4	
Villa Montana					Residential	–	32	
Villeroy Court					Residential	–	136	
Waters Edge					Residential	–	132	
Wilson Manor Estate					Residential	–	54	
Wright Park					Residential	590	–	
Wychwood					Residential	284	–	
GF Property SPV 2:	R183 837 773	31 Jul-23	DCF	Non-Independent		12 172	4 578	55,00%

PROPERTY SPECIFIC REPORT (continued)

VACANCY RATE 76.80%

Of the 29,101 home passes, 23.2% have active subscriptions. The vacancy rate is thus 76.8%.

AVERAGE RENTAL RATE PER ACTIVE HOME PASS R392

MATERIAL INFORMATION ON THE PORTFOLIO OF SITES

Assumptions

Portfolio is expected to reduce the vacancy rate from the current 76.8% as at the valuation date to 45% in five years.

The Average Rental rate has been calculated based on the distribution of that which is expected of a Middle LSM market. Capital investment in organic growth is forecast to continue steadily in line with the reduction in the vacancy rate, at rates in line with industry standards. Operational expenditure is expected to increase at the CPI rate annually over the term of the investment. The terminal value component of the valuation assumes: a nominal exit price at the end of the investment term at escalated real market prices, and portfolio premiums applied for LSM quality, uptake % and overall portfolio size.

Any restrictions and/or conditions

None, all applicable wayleaves and Grant of Rights have been procured.

Any statutory or regulatory contraventions

None.

Use of sites

Sites are leased out to Fibre Management Administrative Services ("FMAS"). FMAS then provides ISPs with access to provide data transmission services over these lines to ensure that end users have internet access at agreed-to speeds.

Age of the sites

All sites held in the portfolio between 1 and 2 years ago.

Options over the sites

There are no rights attached to the sites, a select few sites have a 10 year option on these sites.

These options are at market-related rates.

SOURCE OF INFORMATION USED FOR VALUATION PURPOSES

Valuations are done according to the discounted cash flow method. No additional information is utilised in the valuation of these properties except for the introductory listing IRR.

ANY QUALIFICATIONS IN RESPECT OF THE VALUATION

Future Cash Flows were determined applying an annual growth in uptake up to a maximum of 50% adjusted for CPI.

The market value and valuations as done by GFFR1 falls within the reasonable range of R161 million and R203 million as calculated by the Manager.

VALUATION

Only a non-independent valuation has been done on GFFR1's property portfolio with GFFR1's market value calculated by Marais Schabort CA(SA) & BEng (Industrial Engineering) and signed off by the Manager's Chief Investment Officer, Dr Hendrik Snyman.

The valuation performed on GFFR1's portfolio utilises the above qualifications (see Any Qualifications in Respect of the Valuation) with GFFR1's auditors, as presented to the Board's Audit and Risk Committee, providing oversight on the models utilised for the valuations.

COMPILATION

Compiled by
Marais Schabort CA(SA)
Date: 31 July 2023

Approved by
Dr Hendrik Snyman
Date: 31 July 2023

SHAREHOLDER ANALYSIS

Company:	Gaia Fibonacci Fibre Reit 1 Limited
Register date:	31 July 2023

AUTHORISED

- 10 000 class A preference shares (converted from unspecified shares (class A) shares)
- 10 000 class B preference shares (converted from unspecified shares (class B) shares)
- 1 000 000 000 ordinary no par value shares
- 10 000 unspecified shares (class C) shares
- 10 000 unspecified shares (class D) shares
- 10 000 unspecified shares (class E) shares
- 10 000 unspecified shares (class F) shares
- 10 000 unspecified shares (class G) shares
- 10 000 unspecified shares (class H) shares
- 10 000 unspecified shares (class I) shares
- 10 000 unspecified shares (class J) shares

ISSUED

- 9 997 class A preference share(s)
- 9 300 class B preference share(s)
- 100 000 000 ordinary no par value shares

	Shares	Share %
Shareholder spread		
Class A preference shares		
FRB ITF KRUGER C Balanced Fund	4 321	43%
FRB ITF KRUGER C Prudential Fund	2 765	28%
Lourens Pretorius	1 728	17%
FRB ITF KRUGER C Equity Fund	691	7%
Rheas Infras	492	5%
Total	9 997	100%
Class B preference shares		
FRB ITF KRUGER C Balanced Fund	3 983	43%
FRB ITF KRUGER C Prudential Fund	2 556	27%
Lourens Pretorius	713	8%
Mai Capital	743	8%
FRB ITF KRUGER C Equity Fund	653	7%
Rheas Infras	475	5%
Other Shareholders	177	2%
Total	9 300	100%
Ordinary no par value shares		
Gaia Fund Managers (Pty) Ltd	50 000 001	50.01%
Fibonacci Holdings (Pty) Ltd	49 999 999	49.99%
Total	100 000 000	100.00%

SHAREHOLDERS' DIARY

Annual Report published on website	Wednesday, 22 November 2023
Notice of AGM to shareholders	Wednesday, 22 November 2023
AGM	Wednesday, 13 December 2023
Gaia Fibonacci Fibre Reit 1 Limited will be in closed period	Friday, 8 December 2023
Gaia Fibonacci Fibre Reit 1 Limited interim results published	Not Applicable

Dates are subject to change.

NOTICE OF ANNUAL GENERAL MEETING

GAIA FIBONACCI FIBRE REIT 1 LIMITED
Incorporated in the Republic of South Africa (Registration number: 2021/926046/06)
("Gaia Fibonacci Fibre REIT 1 Limited" or "the Company")

NOTICE OF ANNUAL GENERAL MEETING: 13 DECEMBER 2023

Notice is hereby given that the Annual General Meeting ("**AGM**") of the shareholders ("**Shareholders**") of Gaia Fibonacci Fibre REIT 1 Limited, registration number 2021/926046/06 ("**GFFR1**" or the "**Company**"), will be held and conducted via Teams (https://teams.microsoft.com/l/meetup-join/19%3ameeting_OGEwMWMyODYtYWQ3MC00NTc5LTg1YTEtZDhmYjc5ZWVmMDNh%40thread.v2/0?context=%7b%22Tid%22%3a%22e1229a3d-6213-4120-b3ce-f16b22d1b4b0%22%2c%22Oid%22%3a%22a511124c-a0bb-4d17-9a9d-5b00d765d4e6%22%7d); (Meeting ID: 320 419 499 392; Passcode: bTcb8B) and at the Gaia offices (Workshop 17 Newlands, 146 Campground Road, Newlands, Cape Town, 7780) on Wednesday, 13 December 2023, at 10:00.

RECORD DATES, ATTENDANCE AND VOTING

Record dates

Notice record date

The record date for Shareholders being entitled to receive this notice of AGM is Wednesday, 22 November 2023, being the Notice Record Date.

Voting record date

The record date for participation and voting at the AGM is Friday, 8 December 2023, being the date on which a person must be registered as a Shareholder of the Company in order to be entitled to attend, participate in and vote at the AGM ("**Voting Record Date**"). The last day to trade for Shareholders to be recorded in the register on the voting record date is Friday, 8 December 2023.

ATTENDANCE AND VOTING AT THE AGM

Shareholders may attend the AGM electronically via Teams and at the Gaia offices (Workshop 17 Newlands, 146 Campground Road, Newlands, Cape Town, 7780) (or, if a company or other body corporate, be represented by a duly authorised natural person) and may speak at, participate in and vote at the AGM.

A Shareholder may appoint a proxy (or two or more proxies, but not in respect of the same voting rights) to attend, participate in and vote at the AGM on the Shareholder's behalf. A proxy need not be a Shareholder of the Company. A Shareholder appoints a proxy by completing the form of proxy attached hereto as Annexure A and e-mailing it to the transfer secretaries of the Company, being the Cape Town Stock Exchange ("**CTSE**"), at admin@ctseregistry.co.za, or posting it to the transfer secretaries at Cape Town Stock Exchange, 5th Floor, 68 Albert Road, Woodstock, 7925, to be received by them not later than 10:00 on Tuesday, 12 December 2023 (for administrative purposes only) or 48 hours before the commencement or resumption of the AGM in the event of it being postponed or adjourned. Completion of a form of proxy will not preclude a Shareholder from attending and voting (in preference to that Shareholder's proxy) at the AGM.

Identification

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

Voting

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

Electronic participation

The Board has decided that the AGM will be conducted via Teams and at the Gaia offices (Workshop 17 Newlands, 146 Campground Road, Newlands, Cape Town, 7780) giving Shareholders the opportunity to attend the AGM and participate online, using a smartphone, tablet or computer.

PURPOSE OF THE AGM

The purpose of the AGM is:

(i) to present the audited annual financial statements of the Company for the financial year ended 31 July 2023, incorporating the Directors' report, the Audit and Risk Committee (the "Audit Committee") report, the Auditor's report and the Integrated Annual Report of 2023;

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

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

AGENDA OF THE AGM

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

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

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

1. ORDINARY RESOLUTIONS

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

1.1 Ordinary Resolution Number 1 – Noting of Annual Financial Statements

"Resolved that the Annual Financial Statements of the Company for the year ended 31 July 2023 and the reports of the Directors, the auditor, the Audit Committee and the Integrated Annual Report are hereby noted."

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

1.2 Ordinary Resolution Number 2 – Appointment of auditor

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

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

Reason for Ordinary Resolution Number 2:

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

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

"Resolved that:

3.1 Ms Yvette Labuschagne;

3.2 Mr Thabiso Masiela; and

3.3 Mr Christiaan Pieter van Heerden ("Riaan van Heerden"),

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

NOTICE OF ANNUAL GENERAL MEETING (continued)

1. ORDINARY RESOLUTIONS (continued)

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

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

Ms Yvette Labuschagne

(MBA, BCom (Hons) (Inv. Mgmt), BCom (Fin. Mgmt))

Yvette recently completed her MBA at POLIMI Graduate School of Management in Milan. She has more than 15 years' experience in investment banking and has been a JSE Approved Executive since 2010, focusing primarily on structuring and the execution of transactions, as well as equity capital markets (ECM) transactions for listed companies. She has been involved in numerous local and international transactions including capital raisings, listings, disposals, takeovers, mergers and acquisitions. Yvette joined Standard Bank's Investment Banking division in January 2022, and prior to that was a member of the investment banking teams at Renaissance Capital and UBS South Africa.

Mr Thabiso Masiela

(CA(SA), BCom (Hons), Distribution Leadership & Strategy (INSEAD))

Thabiso has over 10 years of management experience in providing strategic direction across different business disciplines in Financial Services. He has spent the last six years at Stanlib in various roles from Head of Strategy and Execution in the Retail Distribution team to his current position as Head of Client and Intermediary Services. Prior to that he spent five years at Old Mutual South Africa and a short stint in Nigeria focusing on Business Strategy and Shared Value Initiatives. Thabiso completed his articles at PWC and fulfilled the role of Corporate Finance Officer (Equity and Interest Rate Markets) at the JSE Stock Exchange. He is currently Head of Business Strategy and Development at Investec for their retail investment business.

Christiaan Pieter ("Riaan") van Heerden

(BAcc (Hons), CA(SA), JSE Approved Executive)

Riaan is a chartered accountant and JSE approved executive. Riaan completed his articles at PwC, servicing an array of clients locally and abroad. Riaan joined the corporate finance team at PSG Capital in 2007 and remained with PSG Capital for 15 years. Riaan was a member of the PSG Capital executive committee, a director and head of the valuations team until his departure in 2021. Riaan co-founded Valeo Capital in 2021 with David Tosi. Riaan has extensive corporate finance experience. During his 15 year tenure at PSG Capital, Riaan advised on numerous listings, M&A transactions, disposals, schemes of arrangement, section 112 transactions, BEE ownership transactions, valuations, fairness opinions, and other corporate transactions in both the listed and unlisted space.

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

Reason for Ordinary Resolution Numbers 3.1 to 3.3 (inclusive):

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

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

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

1. ORDINARY RESOLUTIONS (continued)

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

"Resolved in accordance with paragraph 12.17.3 of the CTSE Listing Requirements as a general mandate, Shareholders hereby specifically waive the requirement for the interim financial information of the Company for the six months ended 31 January 2024 to be reviewed by the Company's reporting accountants, it being recorded that the approval by the Board of Directors in respect of the aforementioned interim financial information shall be sufficient."

Reason for Ordinary Resolution Number 5:

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

REPORT FROM THE SOCIAL AND ETHICS COMMITTEE

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

ADDITIONAL INFORMATION

Quorum requirements

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

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

Electronic attendance and participation

Gaia Fibonacci Fibre REIT 1 Limited will conduct the AGM by way of electronic participation via Teams and at the Gaia offices (Workshop 17 Newlands, 146 Campground Road, Newlands, Cape Town, 7780) as permitted by CTSE and the provisions of the Companies Act and the Company's MOI.

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

Notwithstanding the availability of the electronic voting platform, Shareholders may still submit forms of proxy to CTSE by no later than 10:00 on Tuesday, 12 December 2023 or the time and date stipulated by CTSE for administrative purposes.

OTHER BUSINESS

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

By order of the Board

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

22 November 2023

8 Helderberg Street Stellenbosch 7600

NOTES

FORM OF PROXY

GAIA FIBONACCI FIBRE REIT 1 LIMITED
Incorporated in the Republic of South Africa
(Registration number: 2021/926046/06)
("**Gaia Fibonacci Fibre REIT 1 Limited**" or "**the Company**")

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

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

For use by Shareholders of the Company, registered as such at the close of business on Friday, 8 December 2023, being the voting record date ("**Voting Record Date**"), at the AGM of the Company to be held by electronic communication via Teams (https://teams.microsoft.com/l/meetup-join/19%3ameeting_OGEwMWMyODYtYWQ3MC00NTc5LTg1YTEtZDhmYjc5ZWVmMDNh%40thread.v2/0?context=%7b%22Tid%22%3a%22e1229a3d-6213-4120-b3ce-f16b22d1b4b0%22%2c%22Oid%22%3a%22a511124c-a0bb-4d17-9a9d-5b00d765d4e6%22%7d); (Meeting ID: 320 419 499 392; Passcode: bTcb8B); (Meeting ID: 354 017 335 493; Passcode: nb3e6E) and at the Gaia offices (Workshop 17, Snakepit Building, 146 Campground Road, Newlands, Cape Town, 7700) on **Wednesday, 13 December 2023**, at **10:00** (hereinafter referred to as "**AGM**") or any postponement of this meeting.

I/We (FULL NAME IN BLOCK LETTERS)

of (ADDRESS)

being the holder/s of ordinary shares in the Company, hereby appoint (see Note 1):

1. or failing him/her,

2. or failing him/her,

3. the chairperson of the AGM,

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

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

Ordinary resolutions	In favour of	Against	Abstain
1. Noting of Annual Financial Statements			
2. Re-appointment of auditor			
3. Appointment of Audit Committee members			
3.1 Ms Yvette Labuschagne			
3.2 Mr Thabiso Masiela			
3.3 Mr Christiaan Pieter ("Riaan") van Heerden			
4. Authority to Directors of the Company to effect implementation of the ordinary resolutions			
5. Waiver of the requirement for the interim financial information of the Company to be reviewed by the Company's reporting accountants			

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

Signed this day of 2023

Signature of Shareholder/s Assisted by me (where applicable)

Notes

1 A Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a Shareholder of the Company.

2 Every Shareholder present electronically in person or by proxy and entitled to vote at the AGM of the Company will, on a poll, be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by him/her bears to the aggregate amount of the nominal value of all the shares issued by the Company.

INSTRUCTIONS ON SIGNING AND LODGING THE FORM OF PROXY

1. This form of proxy is only to be completed by those Shareholders who cannot attend the AGM of the Company and wished to appoint another person to represent them at the AGM.
2. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided overleaf, with or without deleting "the chairperson of the AGM", but any such deletion must be initialled by the Shareholder. Should this space/s be left blank, the proxy will be exercised by the chairperson of the AGM.
3. The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
4. A Shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes which that Shareholder wishes to exercise, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she thinks fit in respect of all the Shareholder's exercisable votes. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the Shareholder or by his/her proxy.
5. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
6. To be valid, the completed forms of proxy must be lodged with the transfer secretaries of the Company, being the Cape Town Stock Exchange by e-mailing it to admin@ctseregistry.co.za or posting it to the transfer secretaries at Cape Town Stock Exchange, 5th Floor, 68 Albert Road, Woodstock, 7925, to be received by them not later than 10:00 on Tuesday, 12 December 2023 (for administrative purposes only) or 48 hours before the commencement or resumption of the AGM in the event of it being postponed or adjourned. The completion and lodging of this form of proxy will not preclude the relevant Shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
7. The appointment of a proxy in terms of this form of proxy is revocable in terms of the provisions of section 58(4)(c) read with section 58(5) of the Companies Act, and accordingly a Shareholder may revoke the proxy appointment by:
   (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
   (ii) delivering a copy of the revocation instrument to the proxy and to the Company.

   The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Shareholder as at the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered in the required manner.
8. A proxy appointment will remain valid until the end of the AGM (or any postponement or adjournment thereof).
9. A proxy may not delegate his authority in terms of this form of proxy to any other person.
10. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.
11. The chairperson of the AGM may accept any form of proxy which is completed other than in accordance with these instructions provided that he is satisfied as to the manner in which a Shareholder wishes to vote.

GENERAL INFORMATION

Country of incorporation and domicile
South Africa

Registration number
2021/926046/06

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

Directors
T Masiela
YL Labuschagne
O Kolbe
CP van Heerden
MM Nieuwoudt
D Kennon

Shareholder
Gaia Fund Managers (Pty) Ltd
Fibonacci Holdings Proprietary Limited

Registered office
8 Helderberg Street
Stellenbosch Central
Stellenbosch
7600

Business address
W17, Snakepit Building 146
Campground road
Newlands
Cape Town
7700

Postal address
PO Box 12700
Die Boord Stellenbosch
7613

Bankers
Investec Limited

Tax number
9490289205

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

Auditors
PKF Cape Town Inc.
Tyger Forum A
53 Willie van Schoor Avenue
Tyger Valley
Cape Town
7530

Company Secretary
Ilzemarie Knoetze
The Office in Stellenbosch (Pty) Ltd
8 Helderberg Street
Stellenbosch Central
Stellenbosch
7600

Preparer
The Office Review Services (Pty) Ltd
8 Helderberg Street
Stellenbosch Central
Stellenbosch
7600

Legal advisors
White & Case LLP

GAIA Fibonacci

FIBRE