



Introduction

IBIS ESG Consulting Africa (Pty) Ltd (IBIS) has been engaged by Agrarius Sustainability Engineered (RF) Limited (Agrarius) to perform an annual verification engagement to determine the continued alignment of its Agrarius Sustainability-Linked Sukuk (SLS) Framework 1 with the International Capital Market Association (ICMA) Sustainability-Linked Bond Principles (SLBP) of June 2023 as well as its performance, as at 30 September 2023.

IBIS independence and quality control

IBIS is an independent provider of non-financial verification services. This engagement was conducted by a multidisciplinary team of non-financial assurance specialists led by Petrus Gildenhuys, who has more than 25 years' experience in non-financial performance measurement involving both advisory and assurance work and supported by ESG and Impact specialist Chelsea Markowitz.

Scope and Objectives

The scope of the engagement is confined to undertaking an annual verification engagement on the Agrarius' SLS alignment with the ICMA SLBP of June 2023 (the criteria) as at 30 September 2023 in terms of:

- Selection of Key Performance Indicators (KPIs),
- Calibration of Sustainability Performance Targets (SPTs),
- Sukuk characteristics; and
- Reporting of the performance progress against the SPT.

IBIS' responsibilities do not extend to any other disclosures or assertions.

Respective responsibilities

The management of Agrarius is responsible for the continued alignment of the Sukuk with Agrarius SLS and with the ICMA SLBP requirements, and for the provision of reliable information to IBIS for this review. IBIS shall not be held liable if any of the information provided by Agrarius' management were not accurate or complete.

IBIS' responsibilities are to conduct a verification engagement and to report its conclusions to the Directors of Agrarius in accordance with the verification procedures followed.

Limitations

No limitations to information access and procedures conducted as needed for the engagement were experienced.



Restriction of liability

Our work has been undertaken to enable us to express the conclusion on the specified scope and objectives of the engagement to the Directors of Agrarius in accordance with the terms of our engagement, which include the publication of this verification statement, and for no other purpose. We do not accept or assume responsibility to any third parties i.e., other than to the Directors of Agrarius, for our work or for this report to the fullest extent permitted by law, save where such third parties have obtained our prior written consent.

Summary of work performed

Agrarius provided IBIS with the SLS Framework document and supplementary information to support the independent verification process. IBIS' verification procedures were based on the ISAE3000 assurance standard and on our professional judgement, and consisted of:

- Management enquiry,
- Inspection and corroboration of the Agrarius SLS Framework information and statements,
- Review of the Agrarius SLS continued compliance to the SLS Framework and the ICMA SLBP requirements (as criteria) related to selection of KPIs, calibration of SPTs, bond characteristics, and reporting, and
- Review and confirmation of the KPI performance progress as at 30 September 2023.

Summary of Findings

Selection of KPIs

The Agrarius SLS continued to comply with the ICMA principles and no changes to the selection of KPIs have been made since the pre-issuance Second Party Opinion (SPO) conclusion.

As per the terms of the SPO, Agrarius has the option to present additional certifications for review and verification by IBIS for inclusion within the scope of the existing KPI throughout the lifespan of the Sukuk. During the reporting period, two additional third-party sustainable standards have been proposed by Agrarius for inclusion in the scope of the KPI, the Leather Working Group Leather Manufacturer Standard and the South African Ostrich Business Chamber (SAOBC) Standard, both of which have been approved by IBIS.

Calibration of SPTs

The Agrarius SLS continued to comply with the ICMA principles and no changes to the calibration of SPTs have been made since the pre-issuance SPO conclusion.

Sukuk Characteristics

The Agrarius SLS continued to comply with the ICMA principles and no changes to the Sukuk characteristics have been made since the pre-issuance SPO conclusion.

Reporting and Verification

The Agrarius SLS continued to comply with the ICMA principles and no changes to the Sukuk reporting and



verification commitments have been introduced since the pre-issuance SPO submission.

As per the Sustainability Performance Target (SPT) conditions outlined in the SPO, the first Target Date where performance would be assessed against the SPTs was 12 months post-capital deployment, which was 30 September 2023. The reviewed KPI performance as at 30 September 2023 is provided below.

KPI #1: % of the portfolio (Rand value) certified with a third-party sustainability standard						
Month	Total Deployed	Certified Value	Total Undeployed Value	Total Certified and Uncertified Value	Weighted Certified (%)	Time Weighted (%)
Oct 2022	103 878 639,00	103 878 639,00	396 121 361,00	500 000 000,00	21%	2%
Nov 2022	124 597 389,00	124 597 389,00	375 402 611,00	500 000 000,00	25%	2%
Dec 2022	124 597 389,00	124 597 389,00	375 402 611,00	500 000 000,00	25%	2%
Jan 2023	124 597 389,00	124 597 389,00	375 402 611,00	500 000 000,00	25%	2%
Feb 2023	130 597 389,00	130 597 389,00	369 402 611,00	500 000 000,00	26%	2%
Mar 2023	167 693 999,89	152 693 999,89	332 306 000,11	500 000 000,00	31%	3%
Apr 2023	184 872 921,86	169 872 921,86	315 127 078,14	500 000 000,00	34%	3%
May 2023	199 419 833,30	184 419 833,30	300 580 166,70	500 000 000,00	37%	3%
Jun 2023	324 773 244,15	299 692 438,57	175 226 755,8	500 000 000,00	60%	5%
Jul 2023	338 181 042,24	313 100 236,66	161 818 957,76	500 000 000,00	63%	63%
Aug 2023	369 782 156,34	344 701 350,76	130 217 843,66	500 000 000,00	69%	6%
Sept 2023	438 005 522,38	411 900 596,71	61 994 477,62	500 000 000,00	82%	7%
Total						41%

The target set for this date is 30% of the portfolio (Rand value) certified with a third-party sustainability standard. Therefore, Agrarius has exceeded the target for 12 months post-capital deployment, with 41% of the portfolio certified as at September 2023.

Assurance Conclusion

We believe that the information provided by Agrarius, and the review performed by IBIS are sufficient and appropriate to form a basis for our verification conclusion.

In our view, and based on our verification procedures conducted, we confirm that the Agrarius SLS continued



to conform in all material respects to the ICMA SLBP of June 2020 and as concluded by the pre-issuance SPO issued on 17 October 2022, with regard to:

- Selection of KPIs,
- Calibration of SPTs,
- Bond characteristics, and
- Reporting of performance progress of the SLS against the set SPT.



Petrus Gildenhuys

Director, IBIS ESG Consulting Africa (Pty) Ltd

Johannesburg

29 February 2024