



Introduction

IBIS ESG Consulting Africa (Pty) Ltd (“IBIS”) has been engaged by Agrarius Sustainability Engineered RF Limited (“Agrarius”) to perform a progress verification of its Sustainability-Linked Sukuk Notes (SLS or the “Notes”) AgriA1 and AgriB1, especially the performance of the Key Performance Indicator (KPI) which is “*the proportion or percentage of transactions with entities certified with a third-party environmental and or social sustainability standard*” for the period September 2023 to March 2024. The KPI is tied to the Sustainability Performance Targets (SPTs) as outlined in the Sustainability-Linked Sukuk Framework (SLSF or the “Framework”) published as at January 2024. This engagement also covers assurance that no changes have been made to the framework in line with the requirements of the International Capital Market Association’s (ICMA) Sustainability Linked Bond during the review period.

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 specialists Uchechukwu Nwachukwu and Adila Cassim.

Scope and Objectives

The scope of the engagement is confined to undertaking a verification engagement on the Agrarius’ SLS continued alignment with the ICMA SLBP of June 2024 (the criteria) as at 31 March 2024 (6 months: September 2023 – March 2024) in terms of the performance of the KPIs against the pre-defined SPTs as defined in the Framework. The engagement also includes confirming that no changes have been made across the Framework in line with the ICMA SLB requirements.

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 Notes with Agrarius SLSF and with the ICMA SLBP requirements, and for the provision of reliable information to IBIS for this independent 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

There were no limitations to information access under the verification engagement and the necessary procedures have been conducted as required.

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 report, 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 SLSF document and supplementary information related to the performance of the KPI to support the independent verification process. IBIS' verification procedures were based on our professional judgement and consisted of:

- Management enquiry;
- Inspection and corroboration of the KPI performance progress and supporting data as at 31 March 2024, and;
- Confirmation of the Agrarius SLSF continued alignment to the ICMA SLBP requirements related to selection of KPIs, calibration of SPTs, bond characteristics, and reporting.

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 SPO conclusion.

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 conclusion. The reviewed KPI performance as at 31 March 2024 is provided below.

KPI #1: % of the portfolio (Rand value) certified with a third-party sustainability standard						
Month	Total Capital Deployed	Value Certified	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%	1%
Nov 2022	124 597 389,00	124 597 389,00	375 402 611,00	500 000 000,00	25%	1%
Dec 2022	124 597 389,00	124 597 389,00	375 402 611,00	500 000 000,00	25%	1%
Jan 2023	124 597 389,00	124 597 389,00	375 402 611,00	500 000 000,00	25%	1%
Feb 2023	130 597 389,00	130 597 389,00	369 402 611,00	500 000 000,00	26%	1%
Mar 2023	167 693 999,89	152 693 999,89	332 306 000,11	500 000 000,00	31%	2%
Apr 2023	184 872 921,86	169 872 921,86	315 127 078,14	500 000 000,00	34%	2%
May 2023	199 419 833,30	184 419 833,30	300 580 166,70	500 000 000,00	37%	2%
Jun 2023	324 773 244,15	299 692 438,57	175 226 755,8	500 000 000,00	60%	3%
Jul 2023	338 181 042,24	313 100 236,66	161 818 957,76	500 000 000,00	63%	4%
Aug 2023	369 782 156,34	344 701 350,76	130 217 843,66	500 000 000,00	69%	4%
Sept 2023	313,395,177.13	92,832,577.71	66,671,515.91	480,066,693.04	61%	3%
Oct 2023	286,907,419.01	66,618,589.88	94,731,822.57	481,639,241.58	55%	3%
Nov 2023	262,072,230.83	46,539,517.93	25,800,072.92	487,872,303.75	51%	3%
Dec 2023	276,811,522.26	61,278,809.36	16,049,940.56	492,861,462.82	53%	3%
Jan 2024	281,339,664.66	65,806,951.77	09,813,475.60	491,153,140.26	54%	3%
Feb 2024	856,493,979.93	40,961,267.04	66,110,013.20	1,022,603,993.13	82%	5%
Mar 2024	900,267,069.66	84,734,356.76	04,768,227.59	1,005,035,297.25	88%	5%
Total						48%

As per the Sustainability Performance Target (SPT) conditions outlined in the SPO, the targets set for the period of post 12 – 24 months deployment is between 30% - 45% of the portfolio (Rand value) certified with a third-party sustainability standard. Therefore, Agrarius has already exceeded the target for 12 - 24 months post-capital deployment, with 48% of the portfolio certified as at 31 March 2024 (within 18 months of the issuance date).

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 KPI performance are ahead of the SPTs within the target observation date as stated in the Framework.



Petrus Gildenhuys

Director

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31 July 2024