GAIA
INFRASTRUCTURE CAPITAL

Pension funds and asset management firms often have limited investment in the infrastructure asset class, and GAIA presents the savings industry with an opportunity to match their long-term liabilities with long term cash income flows.

GAIA Infrastructure Capital Limited (GAIA) is in a unique position of being able to realise exponential growth in the medium term despite the tough infrastructure environment its assets are located in. The company has identified an investment pipeline amounting to some R4 billion including exclusive and near-term deals in renewable energy, transport, water and sanitation sectors.

Approximately half of the opportunities, by value, are in solar and wind energy sector which form part of the South African Renewable Energy Independent Power Producer Procurement Program (REIPPPP), with the remainder in water and sanitation and transport sectors. More than R1.5 billion of the pipeline is bankable and the company is now working to raise the equity capital to invest in these projects.

GAIA listed on the JSE Limited in 2015 as a Special Purpose Acquisition Company (SPAC) and raised R550 million on listing. Most of these funds were deployed during the acquisition of its first viable asset, an effective see-through economic interest of 25.2% in the Dorper Wind Farm in 2016.

The 98 MW plant in the Eastern Cape has been in operation since 2014 and has a 20-year Power Purchase Agreement (PPA) with Eskom. GAIA realised its first income flow from this asset in early 2017 leading to the distribution of its first dividend of 63.5 cents in the same year.

In September 2017, the company acquired its second asset, an effective see-through economic interest of 20% in the 74 MW Noblesfontein Wind Farm located in the Northern Cape which has also been in operation since 2014. Both these projects were part of Round 1 REIPPPP.

GAIA only invests in operational or near-operation assets, being projects that are not more than six months from commercial operation, that are income generating. These assets present low investment risk and stable, long-term inflation-linked cash flows, offering investors with predictable investment returns. The two wind farm projects in which GAIA has invested are a good indication of this investment criteria.

GAIA also consider investments in projects with a social, environmental and governance policy appreciation. The REIPPPP projects are well suited for this as the policy provides clearly defined scope for broad-based black economic empowerment (BBBEE) participation, community involvement and job creation whilst "greening" the economy as they contribute towards low carbon emissions.. The fact that REIPPPP have long-term PPAs signed by Eskom and guaranteed by the South African Government through the National Treasury, and are strictly regulated have led to market confidence in the program and is a great attraction to GAIA.

For more information on GAIA visit our website on www.gaia-ic.com or contact us on 011 684 1230