



# An infrastructure investment holding company

JSE ticker code: GAI

June 2017



Renewable energy



Transport



Water and sanitation

GAIA is an infrastructure investment holding company, which listed on the JSE Limited in November 2015 as a special purpose acquisition company with an initial equity raising of R550 million. It transferred to the Investment Services sector of the JSE in January 2017 after completing the acquisition of an effective see-through economic interest of 25.2% in Dorper Wind Farm ("Dorper").

GAIA invests in diversified large-scale energy, transport and water and sanitation operational and/or near-operational infrastructure assets offering a target investment return of CPI+6%. Its objective is to provide investors with uncorrelated predictable, inflation linked and long-term yielding investments whilst providing investors with liquidity to exit their investments. GAIA will continue to focus on making investments in various infrastructure projects through equity and debt instruments that meet the required returns.

GAIA's goal is to build a portfolio of operational infrastructure assets that present low investment risk and are income generating. Initially focusing on utility scale renewable energy, GAIA's diversified portfolio will over time span energy, transport and water related infrastructure. This will provide an investment vehicle for investors to access attractive South African and Southern African growth opportunities. GAIA offers a listed, long-term investment solution to the institutional savings industry, which has had, up to now, limited exposure to benefit from infrastructure opportunities.

## INVESTMENT HIGHLIGHTS:

**GAIA provides investors with direct exposure to high quality investments in the Southern Africa infrastructure sector**

- ✓ Developing a diversified portfolio of operating assets
- ✓ Low risk, uncorrelated investment with predictable inflation-linked cash flows
- ✓ Target investment return of at least CPI + 6.0% (before costs over contract term)
- ✓ Target predictable and stable dividend policy linked to inflation
- ✓ Strong management team with significant infrastructure experience and dealmaking track record
- ✓ The Manager has the capacity to support increased assets under management to leverage the existing cost structure
- ✓ Significant pipeline of near-term value accretive infrastructure assets with near term pipeline of R2.9 billion



Earnings per share up 205% to 65.59 cents



Maiden dividend per share of 63.5 cents declared



Tangible net asset value per share increased 6.7% to R10.63



Acquired see-through economic interest of 25.2% in Dorper

## MARKET FACTS

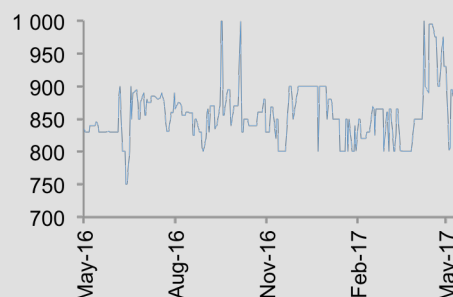
Shares outstanding: 55 151 000

Recent price: 830 cents (12/06/2017)

52-week high/low: 750 / 1 000 cents

Dividend/yield: 63.5 cents / 7.7%

## SHARE PRICE CHART (CENTS)



## BOARD AND MANAGEMENT

K P Lebina (CEO)  
MM Nieuwoudt (CIO)  
TD Soudien-Witten (FD)  
L de Wit\*  
PB Schabort\*  
C Ferreira\*  
KE Mbalo\*\* (Chairman)  
N Kimber\*\*  
S Tuku\*\*  
L Mondii\*\*  
T Bukula\*\*

\* Non-Executive Director

\*\*Independent Non-Executive Director

## CONTACT INFORMATION

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Your Investment Partner



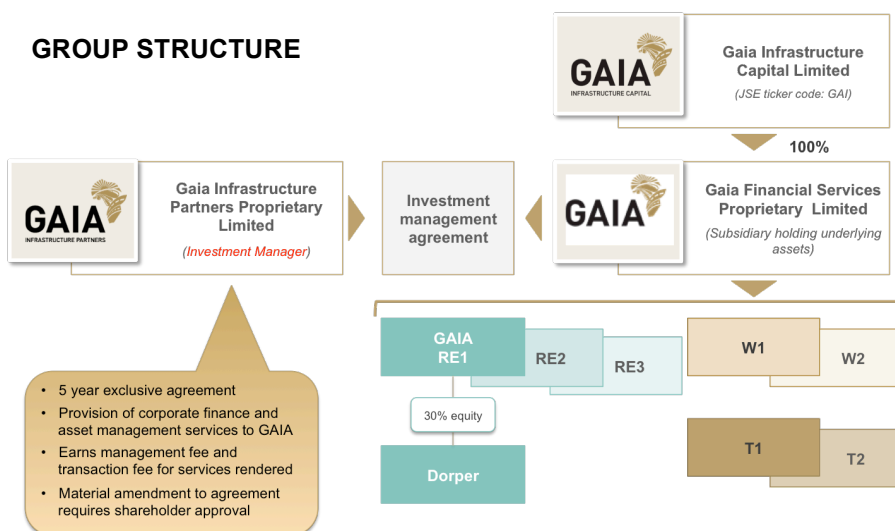
## INVESTMENT POLICY

GAIA's Investment Policy is to invest in large-scale infrastructure assets specifically in the energy, transport and water and sanitation sectors in Southern Africa that meet specific investment criteria.

The investment criteria of the Investment Policy are as follows:

- investments in operational or near operational projects, being projects not more than 6 months from commercial operation
- investments with a targeted return of CPI plus 6% before costs over the term of the offtake agreement or concession
- investments with visible environmental, social and governance policy appreciation
- investments with low investment risk and attractive long-term inflation-linked predictable cash generation profiles
- investments of not less than R50 million per investment
- ensuring management value-add and directorship roles to further optimise the underlying assets
- investments into ordinary equity or any other financial instruments, whether directly or indirectly giving economic benefits and returns that meet the target investment returns
- investments with acceptable third party credit risk exposure

## GROUP STRUCTURE



## SIGNIFICANT INVESTMENT OPPORTUNITY

The roll out of world-class infrastructure in South Africa, especially power and transport is a catalyst to sustain an active economy and job creation. Water and sanitation infrastructure projects are crucial to the long-term social wellbeing of all South African citizens. GAIA is well placed to make a tangible contribution whilst enhancing the profile of infrastructure as an asset class.

The national government is committed to accelerate infrastructure investments in line with the National Development Plan. The budget for the 2016-2019 period amounts to R987.4 billion for the construction and modernisation of infrastructure. This includes R334 billion to be invested in transport and logistics, R243 billion in energy, and R137 billion in water and sanitation.

GAIA has an extensive pipeline of opportunities, valued at R2.9 billion, including three exclusive deals with a total value of R1.3 billion for which we will seek equity funding. Our near term pipeline amounts to a further R1.7 billion, which we envisage to fund using equity, debt and preference share structures.

Looking ahead in the short to medium term, GAIA will focus on engaging with the capital markets to raise funding for the execution of high quality investment opportunities to create value for our stakeholders.

## DORPER WIND FARM

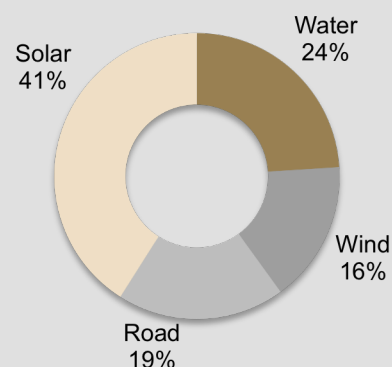
GAIA's has an effective see-through economic interest of 25.2% in the Dorper Wind Farm comprised as follows:

- 34.9% equity: R265 million
- 49.3% convertible loan: R236 million
- **Total: R501 million**
- Convertible loan could trigger option to acquire three additional operational solar assets.
- Expected return on investment of CPI + 6.8% before costs over the term of the contract.

## PROJECT OVERVIEW

- Dorper owns a fully operational wind farm located in the Eastern Cape, with a contracted generating capacity of approximately 98MW.
- The wind farm forms part of the Renewable Energy Independent Power Producers Procurement Programme ("REIPPPP") currently managed by the DOE.
- Dorper was selected as a preferred bidder in the first round of the DOE's REIPPPP and has a 20 year power purchase agreement ("PPA") with state owned energy provider Eskom Holding SOC Limited ("Eskom") and associated implementation agreement with the DOE.

## INVESTMENT PIPELINE



## GAIA INFRASTRUCTURE PARTNERS

GAIA has appointed Gaia Infrastructure Partners ("the Manager") as its exclusive investment manager to manage its investment portfolio. The Manager acts on behalf of the Company in sourcing, negotiating, concluding and executing investment opportunities for GAIA.