

GAIA Infrastructure Capital Limited  
(previously GAIA Capital Proprietary Limited)  
(Registration number 2015/115237/06)  
Share code: GAI  
ISIN: ZAE000210555

Condensed Audited Annual Financial Statements  
for the period ended 29 February 2016

#### Directors report

The directors submit their summarised report on the financial statements of GAIA Infrastructure Capital Ltd for the period ended 29 February 2016.

#### 1. Review of financial results and activities:

GAIA Infrastructure Capital Ltd ("GAIA") was incorporated on 16 April 2015. GAIA is focused on acquiring equity stakes in emerging South African infrastructure investment assets, specifically in the energy, transport and water and sanitation sectors. GAIA aims to be a leading infrastructure investment holding company of infrastructure assets in South Africa. GAIA's investment philosophy is to invest in infrastructure assets that are operational, offer low risk with inflationary linked returns, thereby providing shareholders with predictable, inflation linked, long-term yielding investments.

On 12 November 2015 GAIA listed as a SPAC on the Main Board of the JSE and issued 55 150 000 shares at R10 per share, thereby raising R551.5 million. A SPAC is a special purpose vehicle established for the purpose of facilitating the primary capital raising process to enable the acquisition of viable assets in pursuit of a listing on the JSE.

The purpose of listing was to give institutional investors access to an attractive alternative asset class that is usually only accessed through illiquid private equity investments.

#### Key requirements for listing on the JSE:

- Minimum capital raising for Main board listing is R500 million.
- As per JSE Listing Requirements, Directors subscribed to a minimum of 5% shares offered.
- As per JSE Listing Requirements, a minimum of 20% of shares offered must be subscribed by the public, as defined.
- Capital raised was invested in JSE approved Coronation Jibar Plus Unit Trust Fund.
- These funds are held in an Escrow Account. The escrow agent is Edward Nathan Sonnenbergs Incorporated.
- If GAIA is unable to acquire a viable asset within 24 months, as prescribed in the JSE's listing requirements shareholders would receive distributions pro rata to their holdings of accrued interest, less permitted expenses.

#### 2. Share capital

On the 14 September 2015 and in terms of section 36 of the Companies Act 71 of 2008, as amended ("Companies Act") GAIA's authorised share capital was increased from 1 000 ordinary shares with no par value to 6 000 000 000 no par value shares.

Shareholding Spread at 29 February 2016:	Number of Shares	%
General Public	12 332 456	22.4
Non Public – Anchor Investors	40 000 000	72.5
Directors of GAIA	2 818 544	5.1

#### 3. Directorate

The directors in office at the date of this report are as follows:

Directors		Appointment date
L de Wit (Chairman)	Non-executive	1 October 2015
N Kimber	Non-executive independent	1 October 2015
KP Lebina	Non-executive independent	1 October 2015
RB Makhubela	Non-executive independent	1 October 2015
C Ferreira	Non-executive	1 October 2015
PB Schabort	Non-executive	1 October 2015
KE Mbalo	Non-executive independent	1 October 2015
TD Soudien-Witten	Finance director	1 October 2015
MM Nieuwoudt	Chief investment officer	16 April 2015
JR Oliphant	Managing director	16 April 2015

#### 4. Events after the reporting period

On the 24 February 2016 GAIA issued a cautionary announcement on SENS notifying shareholders that the Company has entered into negotiations, which if successfully concluded may have a material effect on the price of GAIA shares. These negotiations are still in progress.

At 11 March 2016, GAIA board of directors resolved to transfer the funds raised on listing and held in Escrow, from the Coronation Jibar Plus Fund to the more liquid Coronation Money Market Fund, ensuring that the Escrow Funds are readily available should GAIA need to draw on the funds for the acquisition of viable assets.

STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2016

Note(s) 2016  
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Assets		
Non-current assets		
Current assets		
Financial assets	3	549 042 504
Current tax receivable		971 588
Cash and cash equivalents		2 347 179
Total assets		552 361 271
Equity and liabilities		
Equity		
Share capital		545 851 762
Retained income		4 058 528
		549 910 290
Liabilities		
Non-current liabilities		
Deferred tax		146 030
Current liabilities		
Trade and other payables		1 717 885
Loans from related party		587 066
		2 304 951
Total liabilities		2 450 981
Total equity and liabilities		552 361 271
Shares in issue		55 151 000
Net asset value per share		R9.97

#### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		2016
		R
Operating expenses	Note(s)	(5 236 221)
Operating loss		(5 236 221)
Investment revenue		9 992 043
Fair value adjustments		825 077
Profit before interest and tax		5 580 899
Finance costs		(45 768)
Profit before taxation		5 535 131
Taxation		(1 476 603)
Profit for the period		4 058 528
Other comprehensive income		-
Total comprehensive income for the period		4 058 528
Earnings per share		
Per share information		
Basic earnings per share (cents)	4	21.54
Diluted earnings per share (cents)	4	21.54

#### STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Total equity
	R	R	R
Balance at 16 April 2015			
Issue of shares	551 500 100	-	551 500 100
Transaction costs	(5 648 338)	-	(5 648 338)
Total comprehensive income	-	4 058 528	4 058 528
Balance at 29 February 2016	545 851 762	4 058 528	549 910 290

#### STATEMENT OF CASH FLOWS

	2016
	R
Cash flows from operating activities	
Cash paid to suppliers	(3 476 350)
Cash used in operations	(3 476 350)
Interest income	9 992 043
Finance costs	(45 768)
Tax paid	(2 302 160)
Net cash from operating activities	4 167 765
Cash flows from investing activities	
Purchase of financial assets	(551 500 000)
Proceeds on disposal of financial assets	3 240 586
Net cash from investing activities	(548 259 414)
Cash flows from financing activities	
Proceeds on share issue	551 500 100
Capitalised listing costs	(5 648 338)

Proceeds from related party loan	587 066
Net cash from financing activities	546 438 828
Total cash movement for the period	2 347 179
Total cash at end of the period	2 347 179

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Presentation of financial statements

The condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Board, the Financial Reporting Pronouncements as issued by the Financial Reporting Accountants Council, the requirements of the Companies Act and the Listings Requirements of the JSE. The condensed financial statements do not include all of the information required for full financial statements. The condensed financial statements have been prepared on the basis of accounting policies applicable to a going concern.

The 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 financial statements have been prepared on the fair value basis, except as noted below. Other assets, liabilities and equity are stated at historic cost. Fair value adjustments do not affect the calculation of distributable earnings but do affect the net asset value per share to the extent that adjustments are made to the carrying values of assets and liabilities. The functional and presentation currency is the South African Rand. No level of rounding is used in presenting the financial statements.

The accounting policies of GAIA are in terms of IFRS and have been applied consistently to that which was disclosed in the Annexure 2 of the Prelisting Statement, published on 1 October 2015.

The annual financial statement for the period ended 29 February 2016 has been audited by KPMG Inc.

These condensed financial statements for the period have been extracted from audited information, but is not itself audited. The auditor's unqualified audit report and the audited financial statements are available for inspection at the Company's registered office in terms of 3.18 (f) of the Listings Requirements. The condensed financial statements were prepared under supervision of the Financial Director Tamee Soudien-Witten CA(SA). The results were approved by the board of directors on 30 March 2016.

The directors take full responsibility for the preparation of the condensed financial statements and that the financial information has been correctly extracted from the underlying Audited Annual Financial Statements.

A copy of the detailed Audited Annual Financial Statements is available at the registered office of GAIA.

### 2. Interests in subsidiaries, joint ventures and associates

An Investment Entity which acquires an interest in subsidiary, joint venture or associate shall be exempt from consolidation or equity accounting in terms amendments to IFRS 10, IFRS 12 and IAS 28 and shall measure an investment in a subsidiary, joint venture or associate at fair value through profit or loss.

GAIA meets the definition of an investment entity and therefore will not consolidate its investment in subsidiaries.

At 29 February 2016 GAIA has a 100% equity holding in GAIA Financial Services (Pty) Ltd. At present GAIA Financial Services (Pty) Ltd has not yet begun trading and as such the carrying value at period end is NIL.

2016  
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### 3. Financial assets

At fair value through profit or loss – designated Unit Trust Investment – Coronation Jibar Plus Fund	549 042 504
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The fund invests in South African money market instruments. These include a wide range of instruments issued by banks, corporations and other institutions. The fund invests primarily in floating-rate instruments, and has a maximum duration of two years.

2016  
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Current assets Designated as at fair value through profit or loss	549 042 504
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#### Fair value information

Unit trusts are measured to fair value using quoted market prices.

Fair value hierarchy of financial assets at fair value through profit or loss  
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: represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2: applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3: applies inputs which are not based on observable market data.

2016

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#### Level 1

Unit trusts

549 042 504

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

#### Credit quality of other financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates.

#### 4. Earnings per share

##### Basic earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. Profit or loss attributable to the ordinary equity holders is determined as profit or loss after adjusting for the after tax effect.

2016

R

##### Basic earnings per share

From continuing operations (cents per share)

21.54

Basic earnings per share was based on earnings of R 4 058 528 and weighted average number of ordinary shares of 18 845 357, calculated based on 1 000 shares issued on 16 April 2015 and 55 150 000 shares issued on 12 November 2015.

2016

R

##### Reconciliation of profit for the period to basic earnings

Profit for the period attributable to equity holders of GAIA

4 058 528

The current periods earnings per share should be viewed in context of the following:

- GAIA listed on the JSE on 12 November 2016
- Profit for the period includes investment revenue and fair value adjustments earned for the period 12 November 2015 to 29 February 2016.
- GAIA has not yet acquired a viable asset and therefore income earned is not indicative of the company's future performance capability.

##### Diluted earnings per share

In the determination of diluted earnings per share, profit or loss attributable to the equity holders and the weighted average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.

2016

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##### Diluted earnings per share

From continuing operations (cents per share)

21.54

Diluted earnings per share is equal to earnings per share because there are no dilutive potential ordinary shares in issue.

##### Headline earnings and diluted headline earnings per share:

Headline earnings per share and diluted headline earnings per share are determined by dividing headline earnings and diluted headline earnings by the weighted average number of ordinary share outstanding during a period.

Headline earnings and diluted headline earnings are determined by adjusting basic earnings and diluted earnings by excluding separately identifiable re-measurement items. Headline earnings and diluted headline earnings are presented after tax and non-controlling

interest.

	2016
	R
Headline earnings per share (cents)	21.54
Diluted headline earnings per share (cents)	21.54

	2016
	R
Reconciliation between earnings and headline earnings	
Basic earnings	4 058 528
Reconciliation between diluted earnings and diluted headline earnings	
Diluted earnings	4 058 528

#### 5. Related parties

##### Relationships

GAIA Infrastructure Partners (Pty) Ltd has been appointed as Manager of GAIA and therefore has significant influence.

GAIA Infrastructure Partners (Pty) Ltd holds 1000 of the outstanding shares in GAIA.

	2016
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Related party balances	
Loan accounts – Owning (to) by related parties	
GAIA Infrastructure Partners (Pty) Ltd	(587 066)
Related party transactions	
Interest paid to (received from) related parties	
GAIA Infrastructure Partners (Pty) Ltd	45 767
Management fees paid to (received from) related parties	
GAIA Infrastructure Partners (Pty) Ltd	936 376

#### 6. Comparative figures

No comparative figures have been presented as these are the first financial statements of GAIA.

#### 7. Segmental information

At 29 February 2016, GAIA has no reportable segments as the Company has not acquired viable assets.

#### 8. Contingencies

If GAIA is unable to acquire a viable asset within 24 months, as prescribed in the JSE Listings Requirements Section 4.37 shareholders would receive distribution pro rata to their holdings of accrued interest, less permitted expenses.

#### General information

Country of incorporation and domicile  
South Africa

#### Directors

L De Wit (Chairman)  
N Kimber  
KP Lebina  
RB Makhubela  
C Ferreira  
PB Schabort  
KE Mballo  
TD Soudien-Witten  
MM Nieuwoudt  
JR Oliphant

#### Registered office

2nd Floor, Oakdale House, The Oval  
1 Oakdale Road, Claremont  
7700

#### Business address

2nd Floor, Oakdale House, The Oval  
1 Oakdale Road, Claremont  
7700

#### Postal address

PO Box 44721  
Claremont  
7735

Bankers  
FirstRand Bank Limited

Auditors  
KPMG Inc.  
Registered Auditors

Secretary  
Exceed (Cape Town) Incorporated

Company registration number  
2015/115237/06

31 March 2016  
Cape Town

Sponsor  
PSG Capital Proprietary Limited