GAIA
INFRASTRUCTURE CAPITAL

Reviewed Interim Condensed Financial Results

for the six months ended 31 August 2019 and cash dividend declaration

Your Investment Partner

www.gaia-ic.com

GAIA Infrastructure Capital Limited (Incorporated in the Republic of South Africa)
(Registration number: 2015/115237/06) Share Code: GAI ISIN ZAE000210555
("GAIA" or "the Company")

SALIENT FEATURES

- Tangible NAV* per share at R10.45 pre-final dividend distribution
- Interim gross cash dividend declaration of 25.0 cents per share
- Gross assets under management at R762 million
- Total revenue at R24 million, up 81% due to the increased earnings from the diversified asset portfolio
- Headline and basic earnings per share at 18.06 cents per share, up 168%
- A diversified asset portfolio with indirect exposure to five Round 1 REIPPPP** assets

* *Net asset value.*
** *Renewable Energy Independent Power Producer Procurement Programme.*

DIRECTORS' REPORT

FINANCIAL COMMENTARY

GAIA's revenue is generated from dividend income, interest income and fair value movement on the assets under management. The Company's revenue for the six months period increased by 81% driven by an increase in dividend income from a wholly owned subsidiary, GAIA Financial Services (RF) Proprietary Limited ("GAIA Financial Services"). Interest received on cash holdings decreased to R0.2 million (2018: R0.8 million), due to funds being deployed on operating the Company and the payment of a final cash dividend distribution of 14.8 cents per share on 24 June 2019.

The Company's investments are held through GAIA Financial Services. For the six months period, GAIA Financial Services' dividend income from the assets under management was R15.4 million compared to R14.4 million earned in the corresponding period.

Operating expenses for the period were R14.2 million (2018: R9.7 million) as the Company resolved to write off R5.8 million of prepayment of transaction costs (marketable investment reports) on investment opportunities that had passed their exclusive long-stop dates. The normalised expense to assets under management ratio has remained relatively flat as the Company continues to engage shareholders for equity capital support required to grow the Company.

As at 28 February 2019, GAIA's tangible NAV was R10.42 per share, following which a final dividend of 14.8 cents per share was declared and paid on 24 June 2019. This reduced tangible NAV to R10.27 per share. For the current reporting period, GAIA's earnings per share was 18.06 cents, thereby increasing tangible NAV to R10.45 per share. The tangible NAV is expected to remain stable at or around R10.00 per share as the Board has resolved to distribute dividends on a semi-annual basis given the predictable flow of cash income from the assets under management.

DIVIDEND DISTRIBUTION

Notice is hereby given that the board of directors ("the Board") have declared an interim gross cash dividend of 25.0 cents (20.0 cents net of dividend withholding tax) per ordinary share for the six months ended 31 August 2019. The dividend has been declared from income reserves. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt from or do not qualify for a reduced rate of dividend withholding tax.

The Company's income tax number is 9473/844/17/4.

DIRECTORS' **REPORT** (continued)

The issued share capital at the declaration date is 55 151 000 ordinary shares. The salient dates for the dividend will be as follows:

	2019
Last day of trade to receive a dividend	Tuesday, 17 December
Shares commence trading *"ex"* dividend	Wednesday, 18 December
Record date	Friday, 20 December
Payment date	Monday, 23 December

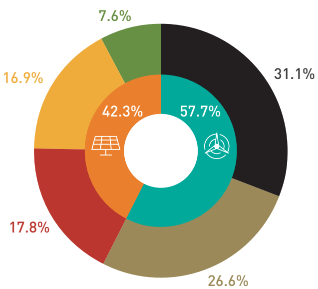
Share certificates may not be dematerialised or rematerialised between Wednesday, 18 December 2019 and Friday, 20 December 2019, both days inclusive.

This interim cash dividend amounting to R13.8 million has not been recognised as a liability in these reviewed interim condensed financial results.

ABOUT GAIA

GAIA focuses on core infrastructure assets for which the cash flows can be forecast with a low margin of error. These are assets that are mature beyond their demand ramp-up phase, functioning in established and transparent regulatory environments, serving demographically and economically sound service areas and have minimal obsolescence or technology risks. GAIA offers shareholders indirect exposure to a portfolio of diversified large scale infrastructure assets in Southern Africa. The Company's diversified investment portfolio is made up of five operational, round 1 Renewable Energy Independent Power Producer Procurement Programme ("REIPPPP") projects in South Africa.

Gross assets under management:



	Indirect effective shareholding	
Noblesfontein Wind Farm	20%	Wind
Dorper Wind Farm	9.9%	Wind
Letsatsi Solar PV Farm	5.3%	Solar
Lesedi Solar PV Farm	5.3%	Solar
Jasper Solar PV Farm	4.0%	Solar

STATEMENT OF **FINANCIAL POSITION**

	Notes	Reviewed 31 August 2019 R'000	Reviewed 31 August 2018 R'000	Audited 28 February 2019 R'000
Non-current assets		**521 193**	**508 926**	**520 491**
Property, plant and equipment		331	378	358
Right-of-use assets	3	1 833	–	–
Financial assets	4	519 000	508 445	520 071
Deferred tax asset		29	103	62
Current assets		**58 884**	**54 175**	**55 956**
Cash and cash equivalents		9 573	25 618	8 160
Trade and other receivables		49 311	28 557	47 796
Total assets		**580 077**	**563 101**	**576 447**
Total equity		**576 450**	**561 126**	**574 654**
Share capital	5	545 852	545 852	545 852
Retained income		30 598	15 274	28 802
Total liabilities		3 627	1 975	1 793
Non-current liabilities	3	1 922	–	–
Current liabilities		1 706	1 975	1 793
Total equity and liabilities		**580 077**	**563 101**	**576 447**
Net asset value per share (Rand)		**10.45**	**10.17**	**10.42**

CONDENSED STATEMENT OF **COMPREHENSIVE INCOME**

for the six months ended 31 August 2019

	Notes	**Reviewed six months ended 31 August 2019 R'000**	Reviewed six months ended 31 August 2018 R'000	Audited 12 months ended 28 February 2019 R'000
Total revenue		**24 338**	**13 452**	**48 739**
Interest income		239	784	2 063
Dividend income		25 000	10 000	32 600
Other income		–	13	24
Net fair value (loss)/gain		(901)	2 655	14 051
Total operating expenses		**(14 216)**	**(9 702)**	**(17 586)**
Finance costs		(130)	–	–
Taxation		(34)	(41)	(217)
Net profit for the period		**9 958**	**3 709**	**30 935**
Basic earnings per share (cents)	6	**18.06**	**6.73**	**56.09**
Headline earnings per share (cents)	6	**18.06**	**6.73**	**56.09**

CONDENSED STATEMENT OF **CHANGES IN EQUITY**

for the six months ended 31 August 2019

	Share capital R'000	Retained income R'000	Total equity R'000
Balance at 28 February 2018 – audited	**545 852**	**34 729**	**580 581**
Net profit for six months	–	3 709	3 709
Dividends paid	–	(23 163)	(23 163)
Balance at 31 August 2018 – reviewed	**545 852**	**15 275**	**561 127**
Net profit for six months	–	27 226	27 226
Dividends paid	–	(13 699)	(13 699)
Balance at 28 February 2019 – audited	**545 852**	**28 802**	**574 654**
Net profit for six months	–	9 958	9 958
Dividends paid	–	(8 162)	(8 162)
Balance at 31 August 2019 – reviewed	**545 852**	**30 598**	**574 450**

CONDENSED STATEMENT OF **CASH FLOWS**

for the six months ended 31 August 2019

	Reviewed Six months ended 31 August 2019 R'000	Reviewed Six months ended 31 August 2018 R'000	Audited 12 months ended 28 February 2019 R'000
Cash flows from operating activities			
Cash generated from operations	9 760	22 287	18 950
Finance costs	(130)	(3)	(26)
Dividends paid	(8 162)	(23 163)	(36 863)
Tax paid	(31)	(234)	(396)
Net cash generated from /(used) in operating activities	**1 438**	**(1 111)**	**(18 309)**
Cash flows from investing activities			
Purchase of property, plant and equipment	(25)	–	(29)
Investment in financial asset	–	–	(230)
Net cash used in investing activities	**(25)**	**–**	**(259)**
Total cash movement for the year	**1 413**	**1 111**	**(18 569)**
Cash at beginning of year	8 160	26 729	26 729
Total cash at end of year	**9 573**	**25 618**	**8 160**

NOTES TO THE **CONDENSED FINANCIAL RESULTS**

for the six months ended 31 August 2019

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The reviewed interim financial results have been prepared in accordance with and contain the information required by IAS 34: *Interim Financial Reporting*, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by Financial Reporting Standards Council, the JSE Limited Listings Requirements, and the requirements of the South African Companies Act, 71 of 2008.

The interim financial results have been prepared on the historic cost basis except that financial assets and liabilities at fair value through profit and loss are stated at their fair value. The results are presented in Rand, which is the Company's functional and presentation currency.

Accounting policies

The accounting policies applied and methods of computation followed in the preparation of the interim financial statements are in terms of IFRS and are consistent with those applied in the previous period, except as noted below in note 3.

2. PREPARATION

The interim condensed financial results have been prepared internally under the supervision of the Chief Executive Officer, P Lebina CA(SA), and approved by the Board.

The Directors take full responsibility for the preparation of the interim financial results.

The reviewed interim condensed financial results were reviewed by the Company's external auditor, Deloitte & Touche. A copy of their unmodified review conclusion is available from the Company's registered office. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the external auditor. The auditor's report does not necessarily report on all the information contained in this announcement. Shareholders are therefore advised that in order to get a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information from the Company's registered office.

NOTES TO THE **CONDENSED FINANCIAL RESULTS** (continued)

for the six months ended 31 August 2019

3. NEW STANDARDS AND INTERPRETATION

Standards and interpretations effective and adopted in the current period

In the current period, the Company has adopted the following standard and interpretations that are effective for the current financial period and that are relevant to its operations:

Standard/ Interpretation	Effective date years beginning on or after	Impact: Audited 12 months ended 28 February 2019 R'000
IFRS 16: *Leases*	1 January 2019	The adoption of this standard has not had a material impact on the results of the Company, but has resulted in more disclosure than would have previously been provided in the financial statements.

The Company leases its office building in terms of an operating lease. The lease contract expires November 2022.

Net carrying amounts of right-of-use assets

	Reviewed six months ended 31 August 2019 R'000	Reviewed six months ended 31 August 2018 R'000	Audited 12 months ended 28 February 2019 R'000
The carrying amounts of right-of-use assets are as follows:			
Buildings	1 833	–	–

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 8), as well as depreciation which has been capitalised to the cost of other assets.

	Reviewed six months ended 31 August 2019 R'000	Reviewed six months ended 31 August 2018 R'000	Audited 12 months ended 28 February 2019 R'000
Buildings	282	–	–
Other disclosures			
Interest expense on lease liabilities	130	–	–
Total cash outflow from leases	322	298	607

3. NEW STANDARDS AND INTERPRETATION (continued)

Lease liabilities

The maturity analysis of lease liabilities is as follows:

	Reviewed six months ended 31 August 2019 R'000	Reviewed six months ended 31 August 2018 R'000	Audited 12 months ended 28 February 2019 R'000
Within one year	458	–	–
Two to five years	1 464	–	–
	1 922	–	–
Total lease liabilities	1 922	–	–

Comparative information for lease liabilities under IAS 17

The information presented for lease liabilities for the comparative period has been prepared on the basis of IAS 17, and therefore only represents the liability as at that date for finance leases and not for operating leases.

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

GAIA has adopted an accounting policy of measuring its investments at fair value through profit or loss with fair value movements on its assets under management recognised in the statement of profit or loss.

	Reviewed six months ended 31 August 2019 R'000	Reviewed six months ended 31 August 2018 R'000	Audited 12 months ended 28 February 2019 R'000
At fair value through profit or loss – designated GAIA Financial Services (RF) (Pty) Limited	514 235	503 740	515 135

NOTES TO THE **CONDENSED FINANCIAL RESULTS** (continued)

for the six months ended 31 August 2019

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

GAIA Financial Services interest in GAIA RE 1

The Company funded the acquisition of its indirect economic interest in Dorper Wind Farm, through a R501 million loan to GAIA Financial Services. This loan is interest-free, unsecured and has no fixed terms of repayment. The investment in Dorper Wind Farm entailed the subscription for the ordinary shares in GAIA RE 1 equal to 34.9% (R265 036 179) economic and voting interest of the issued share capital and the advancing of a convertible loan (R235 963 821) to GAIA RE 1 which effectively gave the Company an economic interest of 84.2% in GAIA RE 1 and an effective see-through economic interest of 25.2% of Dorper Wind Farm. The convertible loan could be settled in one of two ways, (i) trigger the acquisition of minority interest in three (3) additional renewal energy projects ("IK Option") by the Group or (ii) the conversion of the convertible loan into additional ordinary shares in GAIA RE 1 ("DK Option").

Effective 12 December 2018, the Company acquired indirect effective minority interests in three (3) solar assets, being Jasper (4.0%), Lesedi (5.3%) and Letsatsi (5.3%) Solar PV Farms ("Intikon Solar Assets") through the exercise of the IK Option. On conversion, the fair value movement was recognised to the statement of profit or loss.

GAIA RE 1 holds 30% of the issued share capital in Dorper and 100% in Intikon Solar which holds indirect economic interests in the Intikon Solar Assets.

GAIA Financial Services interest in Noblesfontein Wind Farm

On 19 September 2017 GAIA Financial Services acquired C Preference Shares GAIA SPV for an aggregate subscription price of R130 million and, as a result, acquired an effective economic interest of 13.001% in the combined distributions linked to the ordinary shares and shareholder loan claims against Noblesfontein Wind Farm.

In addition, GAIA Financial Services entered into funding agreements with SARGE whereby GAIA Financial Services subscribe for A Preference Shares and B Preference Shares in SARGE for an aggregate subscription price of R57 493 127. As a result of the SARGE Transaction, GAIA Financial Services acquired a further effective economic interest of 7.03% of the distributions linked to the ordinary shares in the Noblesfontein Wind Farm.

	Reviewed six months ended 31 August 2019 R'000	Reviewed six months ended 31 August 2018 R'000	Audited 12 months ended 28 February 2019 R'000
Loans and receivables			
Noblesfontein Educational Trust	4 765	4 705	4 935

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

GAIA Financial Services interest in Noblesfontein Wind Farm (continued)

The loan shall accrue interest at a rate equal to the aggregate of CPI plus 7% net of taxes applied as a nominal annual compounded monthly in arrears rate and calculated on the loan outstanding principal for that interest period. The loan is secured by a cession of any shares held by Noblesfontein Educational Trust in Noblesfontein Wind Farm. The Company extended the loan to the Noblesfontein Educational Trust, having taken it over from the previous shareholder at an interest rate, and with repayment terms more beneficial than market rates and terms, in order to benefit the beneficiaries of the trust, being members of the local Noblesfontein community.

	Reviewed six months ended 31 August 2019 R'000	Reviewed six months ended 31 August 2018 R'000	Audited 12 months ended 28 February 2019 R'000
Total other financial assets	519 000	508 445	520 071
Non-current assets			
Designated as at fair value through profit or loss	514 235	503 740	515 135
Loans and receivables at amortised cost	4 765	4 705	4 935

Fair value estimation

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 in active markets 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. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

NOTES TO THE CONDENSED FINANCIAL RESULTS (continued)

for the six months ended 31 August 2019

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Valuation of underlying renewable assets

The value of the investment in the ordinary shares of Dorper and Intikon Solar was determined using the discounted cash flow valuation model. Assumptions and inputs used in valuation techniques include long-term CPI forecast and determination of an investor premium used in estimating discount rates.

The value of the investment in the preference shares in SARGE and GAIA SPV as well as the net asset value in GAIA SPV was also calculated using the discounted cash flow valuation model. The assumptions and inputs used included CPI rate, prime rate and JIBAR.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the prices that would be received to sell the investments in underlying renewable assets in an orderly transaction between market participants at the measurement date. The Company uses a valuation model that is developed by experienced independent third parties during the bidding process for the rights of the project; this model has been developed from recognised valuation models and the developers' experience regarding the valuation of renewable energy projects.

Some of the significant inputs into the discounted cash flow model may not be observable in the market and are derived from market prices or rates or are based on assumptions. This valuation model therefore requires additional management judgement and estimation in determination of fair value.

In the valuation for the investment in Dorper and Intikon Solar management's judgement and estimation is required for:

- selection of the appropriate valuation model to be used, in this case the discounted cash flow model;
- assessment and determination of the expected cash flows from the investment in Dorper; and
- selection of the appropriate discount rate.

The fair value estimate obtained from the discounted cash flow model will only be adjusted for factors such as liquidity risk and model uncertainty to the extent that the Company believes that a third-party market participant would take them into account in pricing a transaction. No such adjustments were deemed necessary in the valuation of the investments in underlying renewable assets.

The Company has an established control framework with respect to the measurement of fair values. Specific controls include:

- verification of observable pricing inputs;
- a review and approval process for new models and changes to such models;
- analysis and investigation of significant valuation movements; and
- review of unobservable inputs and valuation adjustments.

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Valuation of underlying renewable assets (continued)

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. All fair value measurements below are recurring.

Level 3	**Reviewed six months ended 31 August 2019 R'000**	Reviewed six months ended 31 August 2018 R'000	Audited 12 months ended 28 February 2019 R'000
GAIA Financial Services (RF) Proprietary Limited	514 235	503 740	515 135

As at 31 August 2019, the fair value measurement of shares held by the Company in GAIA Financial Services is categorised into Level 3. The fair value of investments in its 100% subsidiary is determined using unadjusted net asset value of GAIA Financial Services at the reporting date.

Reconciliation of financial assets at fair value through profit or loss measured at Level 3

	Opening balance R'000	Loss in profit or loss R'000	**Total R'000**
GAIA Financial Services (RF) Pty Limited	515 135	(901)	514 245

The change in unrealised gains or losses (net loss) for the period is included in profit or loss for financial assets held at the reporting date. These gains and losses are recognised in profit or loss as a net (loss)/gain from financial instruments at fair value through profit or loss.

The downward adjustment in fair value is as a result of the increase in dividend distributions from GAIA Financial Services to the Company, which is declared from equity.

NOTES TO THE **CONDENSED FINANCIAL RESULTS** (continued)

for the six months ended 31 August 2019

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Sensitivity of fair value measurement to changes in unobservable inputs

Although management believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably reflect possible alternative assumptions would have the following effects on net assets:

Valuation technique	Significant observable/ unobservable inputs	Range of estimates for observable/ unobservable inputs	Sensitivity to changes in significant observable/unobservable inputs	1% decrease in observable/ unobser-vable input	1% increase in observable/ unobser-vable input
Dorper					
Discounted cash flow	Discount rate	12.408%	The estimated fair value would increase if the discount rate decreased	14 770 732	(13 366 658)
Intikon Solar					
Discounted cash flow	Discount rate	12.408%	The estimated fair value would increase if the discount rate decreased	20 891 493	(18 953 560)
Noblesfontein Wind Farm – C Pref					
Discounted cash flow	CPI rate and prime rate	Prime interest rate curve and market consistent CPI curve	The estimated fair value would increase if the CPI rate and prime rate increased	(2 943 043)	2 445 052
	Discount rate	12.408%	The estimated fair value would increase if the discount rate decreased	12 344 688	(10 992 961)
Noblesfontein Wind Farm – SARGE A & B Pref					
Discounted cash flow	CPI rate and prime rate	Prime interest rate curve and market consistent CPI curve	The estimated fair value would increase if the CPI rate and prime rate increased	948 795	(846 791)
	Discount rate	12.408%	The estimated fair value would increase if the discount rate decreased	5 915 528	(5 362 101)

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Significant observable/unobservable inputs used in measuring fair value

Significant observable/unobservable inputs are developed as follows:

Discount rate

Represents the rate used to discount projected levered or unlevered forecast cash flows for an asset to determine their present values. Their discounted present value cash flows are determined as their fair value at reporting date. GAIA RE 1 uses a discount rate that appropriately captures both Dorper and Intikon Solar stage-of-life, using South African data, substantiated by international findings. None of the financial assets that are fully performing have been renegotiated in the last year.

CPI rate

An independently constructed market-consistent CPI curve was applied at valuation date, using inflation-linked swap yields as at 31 August 2019 obtained from Bloomberg.

Prime rate

A prime rate interest curve as at valuation date using the following co-integration approach:

- The historical prime ZAR prime index and the three-month Johannesburg Interbank Agreed Rate ("JIBAR3m") index obtained from Bloomberg.
- Ordinary Least Squares ("OLS"), more commonly known as linear regression analysis, performed on monthly historical data.
- The alpha and beta coefficients of the regression equation were used as a representative of the expected relationship between the ZAR prime rate and the JIBAR3m rate in order to construct the remainder of the prime rate. The approach is in line with market accepted approaches.

Cost of equity discount rate

Discount curve using a raw interpolation bootstrapping algorithm and the quoted yields at valuation date to South African government fixed rate bonds and treasury bills.

NOTES TO THE **CONDENSED FINANCIAL RESULTS** (continued)

for the six months ended 31 August 2019

5. SHARE CAPITAL

Authorised

6 000 000 000 ordinary no par value shares.

	2019 R'000	2018 R'000
Issued and fully paid 55 151 000 no par value shares, net of share issue cost	545 852	545 852

6. EARNINGS PER SHARE

In the six months period under review, earnings per share increased by 168% to 18.06 cents per share compared to 6.73 cents per share in the corresponding period. There were no potential dilutive shares in issue, or headline adjustments required, therefore diluted earnings per share and headline earnings per share were in line with basic 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 tax effect.

	Reviewed six months ended 31 August 2019	Reviewed six months ended 31 August 2018	Audited 12 months ended 28 February 2019
Basic earnings per share from continuing operations (cents)	18.06	6.73	56.09

Basic earnings per share was based on earnings of R9 958 467 (2018: R3 709 226) and weighted average number of ordinary shares of 55 151 000 (2018: 55 151 000).

6. EARNINGS PER SHARE (continued)

Reconciliation of profit for the period to basic earnings

	Reviewed six months ended 31 August 2019 R'000	Reviewed six months ended 31 August 2018 R'000	Audited 12 months ended 28 February 2019 R'000
Profit for the period attributable to equity holders	9 958	3 709	30 935

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.

	Reviewed six months ended 31 August 2019	Reviewed six months ended 31 August 2018	Audited 12 months ended 28 February 2019
From continuing operations (cents)	18.06	6.73	56.09

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 is calculated using Circular 4/2018. The calculation of headline earnings per ordinary share is based on the weighted average of 55 151 000 (2018: 55 151 000) ordinary shares in issue during the year, and headline earnings calculated as follows:

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 shares outstanding during a period.

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

NOTES TO THE **CONDENSED FINANCIAL RESULTS** (continued)

for the six months ended 31 August 2019

6. EARNINGS PER SHARE (continued)

Headline earnings and diluted headline earnings per share (continued)

	Reviewed six months ended 31 August 2019 R'000	Reviewed six months ended 31 August 2018 R'000	Audited 12 months ended 28 February 2019 R'000
Headline earnings per share (cents)	18.06	6.73	56.09
Diluted headline earnings per share (cents)	18.06	6.73	56.09
Reconciliation between earnings and headline earnings			
Basic earnings	9 958	3 709	30 935
Reconciliation between earnings and headline earnings			
Diluted earnings	9 958	3 709	30 935

RELATED PARTIES

Relationships

Common directors	GAIA Fund Managers (Pty) Limited
	GAIA Infrastructure Partners (Pty) Limited
Subsidiary	GAIA Financial Services (RF) (Pty) Limited
	GAIA SPV (RF) Limited
Investments	GAIA RE1 (Pty) Limited

GAIA Infrastructure Partners (Pty) Limited has been appointed as the Management Company ("ManCo") of the Company and therefore has significant influence. GAIA Infrastructure Partners (Pty) Limited holds 1 000 shares in the Company.

A management fee calculated as 0.8% of the enterprise value is paid to GAIA Infrastructure Partners (Pty) Limited in quarterly instalments.

RELATED PARTIES (continued)

	Reviewed six months ended 31 August 2019 R'000	Reviewed six months ended 31 August 2018 R'000	Audited 12 months ended 28 February 2019 R'000
Financial assets at fair value through profit or loss			
GAIA Financial Services (RF) Pty Limited	514 235	503 740	515 135
Amounts included in trade receivable/ (trade payable) regarding related parties			
GAIA Infrastructure Partners (Pty) Limited	(1 191)	(1 246)	–
GAIA Financial Services (RF) Pty Limited	–	1 052	1 611
GAIA SPV (RF) Pty Limited	239	–	226
Management fees paid to related parties			
GAIA Infrastructure Partners (Pty) Limited	2 415	2 493	4 845
Dividend income			
GAIA Financial Services (RF) Pty Limited	25 000	10 000	32 600

GOING CONCERN

The interim condensed financial results have been prepared on the basis of accounting policies applicable to a going concern. This 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.

On behalf of the Board

KP Lebina

Chief Executive Officer

27 November 2019

Johannesburg

Sponsor

Sasfin Capital (a member of the Sasfin Group)

GAIA
INFRASTRUCTURE CAPITAL

GENERAL **INFORMATION**

Country of incorporation and domicile
South Africa

Directors
KP Lebina (Chief Executive Officer and Interim Financial Director)
MMN Nieuwoudt (Chief Investment Officer)
KE Mbalo* (Chairman)
S Tuku*
N Kimber*
T Bukula*
L de Wit
C Ferreira
B Schabort
** Independent Non-Executive*

Registered office
3rd Floor, Penthouse 5
4 The High Street
Melrose Arch, 2196

Sponsor
Sasfin Capital (a member of the Sasfin Group)

Bankers
FirstRand Bank Limited

Auditors
Deloitte & Touche

Transfer secretaries
Computershare Investor Services (Pty) Limited
Rosebank Towers
15 Biermann Avenue, Rosebank
Johannesburg, 2196

Company secretary
Fusion Corporate Secretarial Services (Pty) Limited
Unit 7, Block C
Southdowns Office Park
Karee Street, Irene
Pretoria, 0169

Company registration number
2015/115237/06

Tax reference number
9473/844/17/4

Preparer
The financial statements were compiled under Prudence Lebina's supervision.