



GAIA  
INFRASTRUCTURE CAPITAL

- ✓ Superior risk-adjusted returns
- ✓ Predictable, inflation-linked cash flows
- ✓ Low risk, uncorrelated investments
- ✓ JSE-listed with diversified core infrastructure assets
- ✓ Attractive and exclusive investment pipeline

**Investment partner to the long-term savings industry  
in matching their long-term liabilities**

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 on 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 Renewable Energy Independent Power Producer Procurement Program (“REIPPPP”).

GAIA’s primary focus, the secondary market in infrastructure equity, continues to present significant opportunities in South Africa, which are not dependent on whether new infrastructure projects are developed. The company focuses on infrastructure assets for which cash flows can be forecast with a low margin of error. The company only invests in operational or near-operation assets, being projects that are not more than six months from commercial operation, are

income generating and can deliver a minimum gross internal rate of return of CPI +6% over the life of the offtake or concession agreement.

These assets present low investment risk and stable, longterm 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 considers 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 company’s investment case is buoyed by Government’s commitment to facilitate private sector investment into infrastructure sectors in which GAIA invests namely, Energy, Water and Sanitation, and Transport infrastructure. 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.

The year ahead should bring increased activity in the infrastructure sector buoyed by improving business confidence in South Africa. GAIA will continue to engage with its existing shareholders and potential investors for equity capital support to pursue the R1.7 billion diversified investment pipeline spanning transportation and REIPPPP assets which are all exclusive to GAIA.