



For immediate release
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Gaia lists specialist REIT investing in bespoke renewable energy and energy efficiency solutions for businesses on the CTSE (Cape Town Stock Exchange)

Cape Town, South Africa: Gaia Fund Managers announces the listing of the initial tranche of preference shares of the Gaia Renewables REIT on the CTSE on 31 August 2023.

South Africa's first specialist real estate investment trust (REIT) investing in bespoke renewable energy and energy efficiency solutions in support of clients' energy resilience, allows investors to benefit directly from solving South Africa's 10,000MW electricity-generation deficit.

Gaia will list R151.5 million worth of its A-class preference shares with an aim to increase the issuance to R500 million over the next three months. The preference shares are open to qualified investors. Meanwhile, the demand for customised private energy solutions is strong and growing.

Renier de Wit, Managing Director of Gaia, says, "We are seeing a healthy appetite from several sectors in need of solutions, including mining, commercial agriculture, fast-moving consumer goods, healthcare and manufacturing."

The establishment of the Gaia Renewables REIT follows the government's removal of the historical 1MW cap on power generation by private companies and individuals. The government's response came amid an increased frequency of rolling power blackouts, which have plunged households and businesses into darkness for up to 10 hours daily.

Gaia identified a unique opportunity to provide South African businesses – effectively owned by third-party investors – with sustainable energy solutions. Investors benefit from predictable, inflation-linked cashflows over the medium to long term.

"We believe in the future of South Africa," adds De Wit. "We also believe businesses should have access to sustainable electricity and confidence in the security of their energy supply and its cost."

At the same time, the opportunity Gaia identified can deliver real returns. "We have institutional investors in the country with a mandate to generate inflation-linked returns," says De Wit. "This REIT provides the perfect answer to deliver on that mandate."

The REIT will effectively deliver pre-tax returns to its investors. Retirement funds will benefit the most from the holding company's tax exemption.

The REIT will fund the energy solutions through its focused impact mandate, which is aligned with the UN's Sustainable Development Goals and adheres to the CTSE's Impact

board requirements. These dictate that the REIT observes an accepted taxonomy and provides validated impact metrics associated with its investments on an ongoing basis.

Gaia Renewables REIT is partnering with Blue Energy Africa, a developer of bespoke on-site and integrated clean energy solutions for clients. Blue Energy Africa has a well-developed pipeline of projects that aims to serve a selective portion of creditworthy consumers within the total commercial-scale renewable energy market, estimated to be worth over R200 billion.

Gaia has raised and deployed more than R4.5 billion since 2012, which includes investments in 12 utility-scale renewable energy plants in South Africa. Gaia has a proven ability and track record of swiftly deploying investors' capital to earn consistent, inflation-beating returns. The Gaia Renewables REIT will be no exception, and the speedy deployment of capital will be aided by the nature of the underlying projects.

Whereas large utility-scale projects can take up to two years to construct before providing a cash return to investors, the bespoke energy solutions are built within a few months. Investors are likely to receive their first distributions within 12 months from the investment date.

If you want to participate in the further capital raise, e-mail Johannes Human from Valeo Capital South Africa: johannes@valeocapital.co.za.

Valeo Capital is acting as Gaia's bookrunner for the capital raise.

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For press requests, contact:



Sanri van Wyk
MD & Founder

📞 +27 63 437 9195

✉ sanri@svwcommunications.com

📍 1st floor, Wework, 80 Strand Street, Cape Town

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for investors in Africa**

About Gaia Fund Managers:

Gaia was formed in Cape Town in 2012 to facilitate the investment of long-term investor capital in infrastructure projects in sub-Saharan Africa.

Gaia is considered a leading specialist secondary market infrastructure transaction team in the Southern African region, having concluded the first significant secondary market transaction in the South African renewable energy programme with Japan's Sumitomo Corporation as the seller.

As a first mover and brand leader, Gaia has concluded one toll road contract and 12 renewable energy transactions valued at more than R4.5 billion, in addition to several other private equity transactions.

Gaia's first REIT was brought to market in 2021, whereby the Gaia Fibonacci Fibre REIT 1 Ltd offers investors access to a specialist class of digital infrastructure assets: fibreoptic networks.

For more information, visit <http://www.gaia.group>.