



# PRAIRIE SKY GONDOLA

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Council Meeting - August 10, 2022

# What we did & How we see the Project



**About PwC &  
Our Scope**



**PwC's Leading  
Sustainability Practice**



**Prairie Sky Gondola**



# PwC is a dedicated mid-market financial advisory firm

In addition to our Infrastructure expertise, PwC is a top ranked corporate finance advisor globally

- Team of over **3,700 M&A professionals** globally in 60+ countries
- Specializes in advising private companies on acquisitions, divestitures, mergers and financing transactions with a mid-market focus on transactions with values in the range of \$75 million to \$500 million
- Extensive industry capabilities and local market knowledge advising both corporate clients and institutional investors
- PwC was ranked **Global #1 M&A Financial Advisor by # Deals for 2021** by Mergermarket and ranked **Global #1 M&A Financial Advisor by # Deals for 2020** by Bloomberg, Dealogic, and Thomson Reuters.

## PwCCF global network's competitive advantage

- 1 Leverage global insight and relationships to create deal opportunities for our local clients
- 2 We have an M&A team with deep sell-side expertise across multiple sectors, with proven capability in managing complex transactions
- 3 We have comprehensive knowledge of the global buyer universe in both developed and emerging markets



## Global mid-market M&A advisory (2021)

Global Rank	Financial Advisor	# of Deals Globally	# of Deals in Canada
1	PwC	720	39
2	Deloitte	662	45
3	KPMG	619	37
4	Goldman Sachs & Co	604	25
5	JPMorgan	600	22
6	Rothschild & Co	522	18
7	EY	513	30
8	Morgan Stanley	422	28
9	Houlihan Lokey	414	n/a
10	Bank of America	341	26
...	RBC Capital Markets	n/a	41
...	CIBC World Markets	n/a	36
...	Scotiabank	n/a	32
...	National Bank Financial	n/a	20

Source: Mergermarket

# PwC Scope of Work

A three phased approach used in assessing and confirming the viability of the Prairie Sky Gondola Project

## PHASE 1

### *Current State Assessment & Strategy Refinement*

*Performed a current state assessment leveraging the 7-axis model to confirm the business case and viability*

- **Evaluated the current state of the Project** using our proprietary 7 axes framework
- **Measured the Project's bankability** and risk allocation across the axes
- **Identified gaps** preventing project success and assisted in developing mitigations.

## PHASE 2A

### *3 Statement Financial Model*

*Developed a user friendly, investor grade, three statement financial model*

- **Developed the Project financial model** by gathering existing information from key partners and stakeholders.
- **Confirmed the Business Case** given the ridership and costing information provided by 3rd parties.

## PHASE 2B

### *Confidential Information Memorandum (CIM)*

*Leveraged Phase 1 & 2A outcomes to develop a CIM and provided a detailed overview of the opportunity*

- **Drafted a CIM** which consolidated the available information and provides prospective investors insight with respect to the Project, including:
  - Ridership / Market Dynamics
  - EPC Strategy
  - Operations and Maintenance Strategy
  - Regulatory and Permitting Overview
  - Risk Over
  - Financing Strategy and Structure

## PHASE 3

### *Capital Raise*

*Deliver a structured and targeted process to raise construction capital*

- **Development Capital Raise:** assisting the PSG team raise the development capital needed to take the project to a shovel ready state.
- **Project Financing:** Raising debt and equity capital to fund the remaining design, construction, and commissioning of the project.

# Current State Assessment & Strategy Refinement

PwC utilizes a proprietary 7 Axes Framework to evaluate and drive the bankability of a project

## Seven axes of project finance

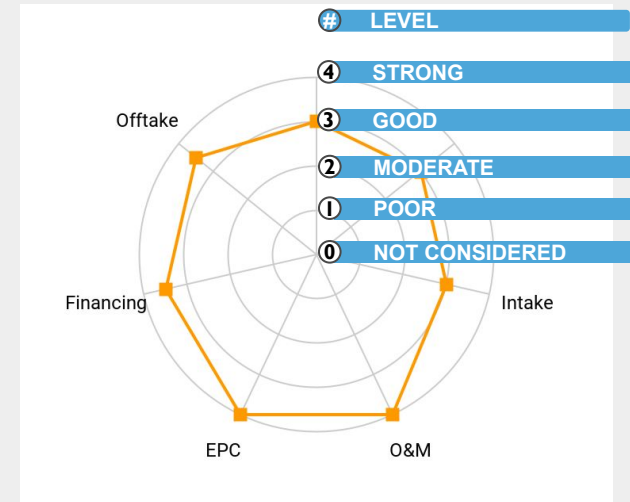
- Evaluates key areas of project finance
- Highlights the project features most relevant for a particular project's financing
- Enables a strategically aligned approach

1	Engineering, Procurement, and Construction (EPC)
2	Operations and Maintenance (O&M)
3	Intake / Feedstock
4	Offtake
5	Risk Management
6	Financing
7	Regulation, Permitting, Environment



Understanding how risks are allocated across the seven axes helps financing success & helps assess optimal structuring and stakeholder engagement techniques.

## How we evaluate bankability



Measuring the bankability of a project across the axes is an effective means to evaluate risk & hone in on project-specific circumstances.

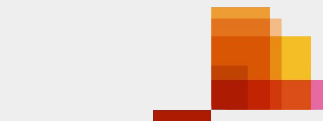
# PwC's Sustainability Practice



**Gregorio Oberti**

**Partner**

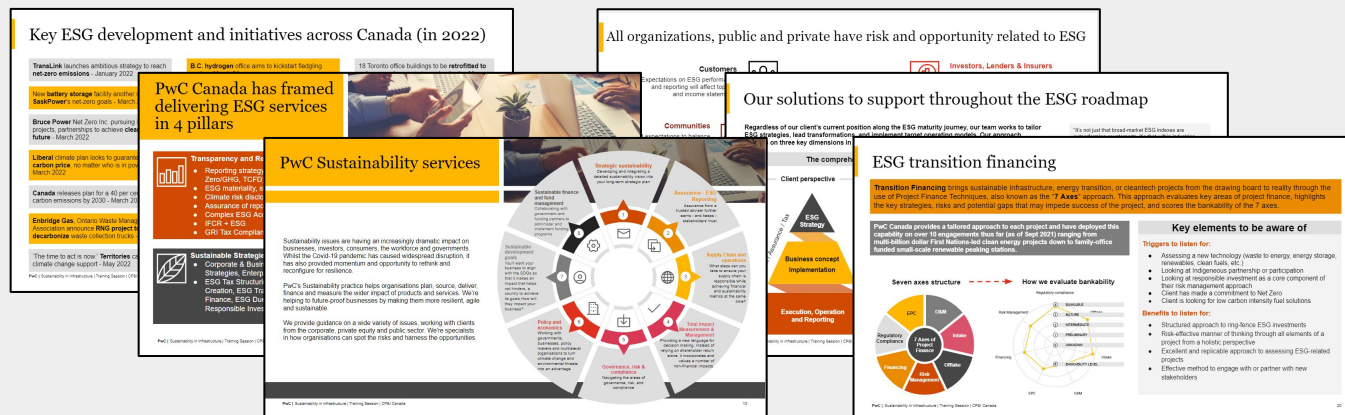
Capital Projects & Infrastructure  
PricewaterhouseCoopers LLP



**pwc**

Sustainability issues are having an increasingly dramatic impact on businesses, investors, consumers, the workforce and governments. Whilst the Covid-19 pandemic has caused widespread disruption, it has also provided momentum and opportunity to rethink and reconfigure for resilience.

PwC's Sustainability practice helps organisations plan, source, deliver, finance and measure the wider impact of products and services. We're helping to future-proof businesses by making them more resilient, agile and sustainable.



# UN's Sustainable Development Goals





# Prairie Sky Gondola

## Barrier-free access to River Valley Parks

Resource and land efficient

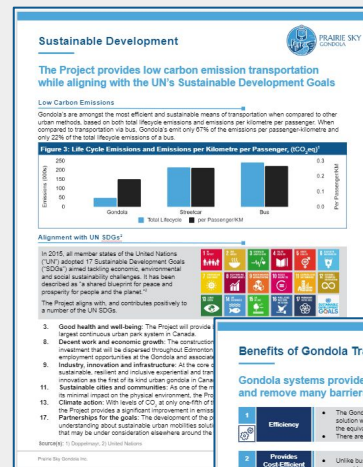
## Increased employment opportunities

Capital investment dispersed through  
Edmonton region

## Sustainable and experiential infrastructure in Edmonton

Promotes and  
supports similar  
projects in North  
America

## Low CO<sub>2</sub> compared to current public transportation



### Benefits of Gondola Transportation

Gondola systems provide a unique and remove many barriers related to

- Efficiency**
  - The Gondola is an excellent solution with the capacity to transport up to 1000 passengers per hour.
  - There are minimal space requirements.
- Productivity**
  - Unlike buses, private vehicles cannot be impeded or slowed by traffic.
  - Gondola operation from above street-level eliminates congestion.
- Speed**
  - The gondola has an average speed of 21-25 kilometres per hour, matching that of light rail systems and greatly exceeding the 14-18 kilometres per average bus speed.
  - Direct transport from street-level yields the shortest distance between stations.
- Reliability**
  - Cable Car/Conifer gondola systems have a 90%+ reliability and are resilient to extreme weather conditions.
  - Conifers are usually the result of high wind speeds, while new technologies allow operation at wind speeds of up to 170 kilometres per hour.
- Cost**
  - ETSAB estimates capital costs per kilometre of a gondola range between \$11-15 million CAD while it costs the City an average of \$173 million CAD per kilometre of light rail (at least LRT) track.
  - Minimal incremental operating costs are required when adding capacity.
- Environmental friendliness**
  - Conifer gondola systems are the most environmentally friendly means of transport with a carbon footprint 5-6 times less than a vehicle over 20 years.
  - Operators can elect to decrease speeds during peak hours to minimize energy consumption and noise levels.
- Safety & Accessibility**
  - Gondola is a barrier-free accessible transit that easily accommodates any mobility aids (wheelchairs, scooters, etc.), strollers, strollers, and luggage.
- Experiential**
  - In addition to being a highly versatile mass transportation solution, urban gondolas provide a unique experience to local residents and tourists.
  - The inclusion of an urban gondola can augment existing events and contribute to the vibrancy of the area in which they reside.

Source: 1) ETSAB Report; 2) Cable Car Conference; 3) Conifer Urban Gondola Brochure



# Thank You

