

# AXIAN CORPORATE REVIEW 2018

**AXIAN**  
LET'S GROW TOGETHER





Fragment. Essence de la vie | MIORA ACKERS

## CEO'S STATEMENT

🗨 In 2018, let's build our future together.

Axian has one clear ambition: to become a group that is a reference in Africa for positive impact on the lives of the greatest number of people, by promoting financial, digital and energy inclusiveness.

We are imagining new ways of acting, building, and developing our companies to give them ever greater outreach and so contribute to sustainably transforming economies on the African continent.

For us, economic progress is synonymous with pioneering, ground-breaking initiatives, and hence innovation.

This year, in our MVola subsidiary, we are showing this with two new initiatives, MVola Epargne and MVola Avance. These enable people without bank accounts to access nano credit and nano savings solutions from their mobile phone. This is yet another proof of our commitment to financial inclusiveness for the greatest number in Madagascar.

Axian is resolutely pursuing its strategy of impact-making investment in private equity funds dedicated to Africa. We want to help emerging potential gems in our continent's economy by developing local entrepreneurial fabric. This is why we have joined the Miarakap fund – to support Malagasy SMEs, Adenia Capital IV and Partech. We are now one of the leading African private sector investors in this area.

We are also committed to promoting Malagasy art and culture both in Madagascar and overseas.

Because democratizing access to culture is so dear to us, we were proud and highly honored to be patrons of the exhibition "Madagascar, Arts de la Grande Ile" at the Musée du Quai Branly - Jacques Chirac. A first in Europe since 1946! Schoolchildren across the country, together with our employees, were able to view the museum virtually via a series of web-visits.

We are also rethinking our governance methods, strategies and internal policies to bring them into line with the ethical principles we hold dear. We foster, support and value talent, because we believe we make ourselves more attractive by giving everyone the means to give their imagination full rein and flourish.

We are thinking of the planet and future generations: we have joined the march towards the continent's energy transition both as producers and users. We are the first group in Madagascar with 100% solar powered head offices.

All these great achievements and those to come would not be possible without the talent and energy of our 3,500 employees. We would like to thank them warmly for their daily contribution to making Axian a bold, passionate, innovative and committed group.

2019 promises to be a year full of new developments and wonderful adventures. 🗨

**Let's Grow Together!**

*Amin Hiridjee & Hassanein Hiridjee*  
CEO's Axian





Mille lagon | MIORA ACKER

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# 1 A GROWTH ACCELERATOR

MICHEL PERDIGON

A CHAMPION IN OUR SECTORS, INNOVATIVE  
IN COMBINING OUR BUSINESSES, IMPACTING  
DEVELOPMENT IN MADAGASCAR, THE INDIAN OCEAN  
REGION AND AFRICA

3700+  
EMPLOYEES

  
Madagascar  
3.000

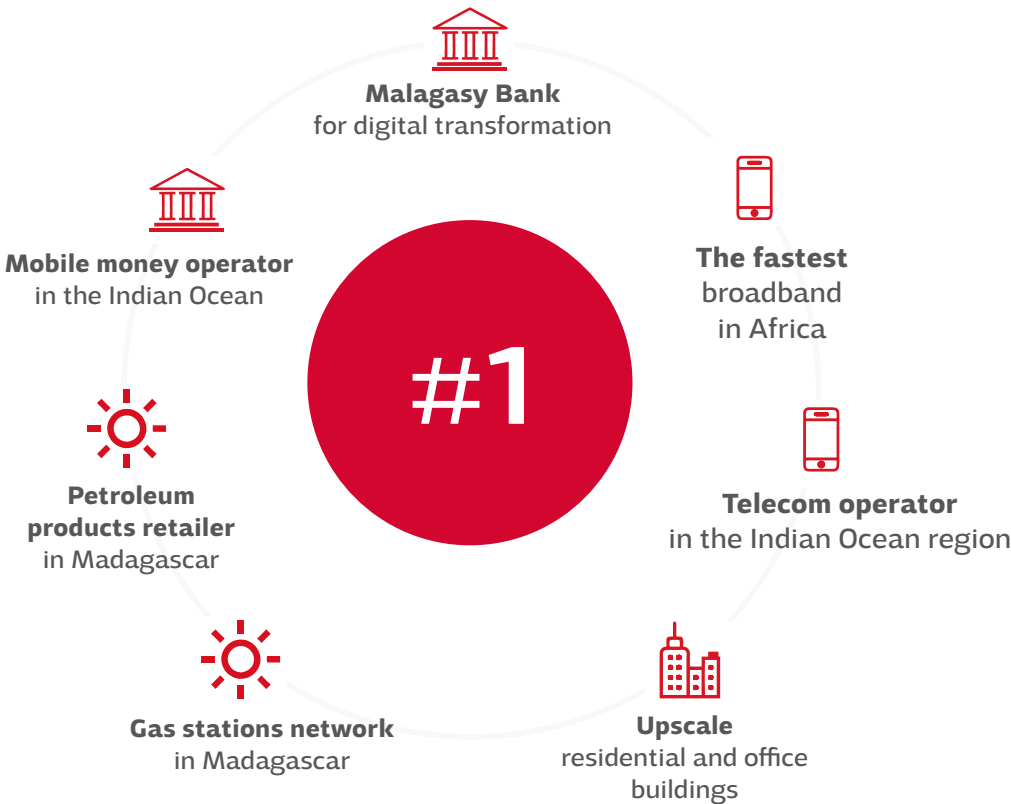
  
Senegal  
275

  
Réunion island /  
Mayotte  
115

  
Comoros  
109

515  
Million \$  
2017

606  
Million \$  
2018





## AXIAN IS INVENTING IMPACT-MAKING MODELS TO TRANSFORM SOUTHERN ECONOMIES

Being born in Madagascar, Axian is inventing innovative growth models based on inclusiveness, cooperation and pooling expertise and know-how.

With \$800 million in investment over ten years and close to 3,500 employees in the Indian Ocean and Africa, Axian acts as a responsible partner in the economic transformation of emerging countries by engaging in a long-term approach based on exchanging know-how, transferring skills, technology and structuring investment. In this way, Axian is systematically ensuring there are lasting, positive spin-offs from its local business.

## AXIAN STIMULATES INCLUSIVE, SUSTAINABLE GROWTH BASED ON INNOVATIVE SYNERGIES BETWEEN ITS BUSINESSES

Axian is a diversified group in 4 high growth potential business sectors and plays a driving role in the sustainable transformation of our emerging countries: Real Estate, Energy, Telecoms and Financial Services.

Axian uses combinations or synergies between its various businesses to set up original growth models in its markets.

## AXIAN FOSTERS PARTNERSHIPS AND SKILL TRANSFERS

Axian fosters public-private and private-private partnerships or consortiums and seeks to involve innovative VSEs, SMEs into its projects so as to set growth within the local ecosystem. Our mission is to enable the emergence of new dynamics combining sustainable development with innovation and entrepreneurship in the Indian Ocean region and in Africa.

## AXIAN EMPOWERS THE INDIVIDUAL AT THE CORE OF THE GROUP'S PERFORMANCE

Axian is convinced its employees have tremendous potential as the key vectors of its performance. The group cultivates and strengthens the skills of its teams to enable everyone to show their daring and initiative. The group considers gender equality as a fundamental commitment in its governance model. Axian is committed to involving all of its staff by encouraging them to engage and be proactive in building an innovative, inspiring and value-creating business model for inclusive economic and human development.

Mille forêts, MIOIRA ACKER

# LET'S GROW TOGETHER

Growing together, going further  
and making an impact for progress.





## 2 OUR IDENTITY

Fragment. Force tranquille | MIORA ACKER



## 2.1 ONE FAMILY

Axian belongs to the Hiridjee family, a French family of Indian origin that has been established in Madagascar for a hundred and fifty years. It originally developed its business in the textile industry. The Hiridjee family has always been committed to the values of work, accomplishment, commitment, humility and respect. Axian operates as a management company for all the assets and stakes held by the Hiridjee family in Madagascar, the Indian Ocean and on the continent. Axian defines and leads the strategy, drives development and ensures operational management. The four Axian shareholders are: Messrs. Raza Aly, Bashir, Amin and Hassanein Hiridjee.

## LET'S GROW TOGETHER

### 1995

Under the impetus of a new generation of managers driven by modernity, professionalism and openness, the group started up in real estate with the creation of the First Immo company in 1995.



### 2001 - 2004

The group launched into the energy market with Électricité de Madagascar (EDM) and then a stake in Jovena equity in 2004.



### 2006 - 2011

Being eager to diversify its business sectors Axian branched out into telecoms by acquiring Telma in 2004, launching Telma Mobile in 2006, setting up TowerCo of Madagascar (TOM) in 2011 and rolling out MVola, the first mobile banking solution developed in Madagascar, from 2010.



### 2013 - 2014

Axian invested in financial services with the start of Indian Ocean Risk Solutions (IORS) in 2013 and in 2014 acquired BNI MADAGASCAR with its partner Ciel LTD.



### 2015

The group became international by buying up the mobile branch of Outremer Telecom in Reunion and Mayotte with Iliad (France), which became Telecom Reunion Mayotte (TRM), then launched the second telecom licence in the Comoros with Telco SA, set up with NJJ Capital, Xavier Niel's investment holding company (Iliad, France).



### 2017

The Axian group developed its own IT service company, AITS, to support development of all its digital projects. AITS was recently reinforced by purchasing Netapsys, an app development company. Axian opened its own education authority, the Axian Training Center, as well as its call centre and customer service support structure, Connecteo.



### 2018

In May 2018, Axian, with the Teyliom and NJJ groups, bought up the Senegalese telecom operator Sentel/Tigo, which gave the Axian group a foothold on the African continent. In September 2018, Axian and Sagemcom created WeLight, a joint venture dedicated to rural electrification.



The end of 2018 also marked the inception of Green Energy Solutions (GES), a joint venture between Jovena and GreenYellow. The end of 2018 also saw the inauguration of NextA, the first platform entirely dedicated to entrepreneurship in Madagascar.





## 2.2 ONE VISION LET'S GROW TOGETHER

### A VISION THAT MOTIVATES AXIAN IN THE REGION AND IN CONTINENTAL AFRICA

As Axian has acknowledged expertise in areas that drive development in Madagascar, it wants to become a partner with other emerging countries by working to strengthen the dynamics of regional integration, speed up technology transfers and share solutions and experience.

Thanks to Axian's expertise and experience in Madagascar, the group rolls out models adapted to the economic environments of the areas where it operates

### A DAY-TO-DAY GUIDING VISION FOR AXIAN COMPANIES

Axian considers that growth is only sustainable if it involves the whole population. It must create an inclusive, impactful economic environment where everyone can access information, telecoms, energy and secure means of payment.

Axian wants its actions to have an echo not only on access to such services for people in very remote areas, but also on developing a middle class able to consume and invest.

### AXIAN **PROMOTES**

Opening up rural areas by directly participating in the energy and digital inclusiveness of people furthest away from economic centres,  
Financial inclusiveness by participating as a mobile money operator in banking services for the most vulnerable people,  
Skills and technology transfers between countries on the African continent.

### AXIAN **ASSISTS**

Entrepreneurs in carrying out their high social impact projects,  
Young entrepreneurs with plans to start their own business,  
Women who want support in carrying out their business plans.

### AXIAN **SUPPORTS**

The development of a middle class able to consume and invest,  
Formal sector development by facilitating and securing the economic and social environment of VSEs and SMEs,  
The most vulnerable people thanks to the actions undertaken by its corporate foundation.

### AXIAN **CONTRIBUTES**

To the reputation and image of the countries where it operates by upgrading available infrastructure and services in the telecom, banking, energy and real estate sectors,  
Creating jobs and upgrading human resource skills in emerging countries,  
Promoting contemporary African artists and restoring cultural and historical heritage thanks to Fondation H actions.



## 2.3 FUNDAMENTAL VALUES

That guide our teams on a daily basis and guarantee the group's progress.

### PASSION

To develop the potential of the areas where we are located, in new, unexpected ways.

### INNOVATION

To invent new solutions and meet people's needs.

### DARING

To go beyond expectations for our partners, employees and customers.

### COMMITMENT

To serve inclusive growth on the African continent.



Essence de la vie | MIORA ACKER





# **3 OUR COMPANIES**

ARE STRATEGICALLY POSITIONED  
IN ECONOMIC SECTORS









## LET'S ACCESS FINANCE THE FINANCE DIVISION

In Madagascar, the economy is still largely informal and there is limited access to basic banking services such as domestic savings, loans and insurance. Cultural, geographical and financial barriers stand in the way of financial inclusiveness for a large part of the population. Thanks to many innovative initiatives Axian is now positioned as a facilitator of access to banking products for all. Axian wants to make a full contribution to promoting this sector that is invariably a catalyst for growth and development.

### COMPANIES



### Supplying customized banking services

In June 2014 together with the Mauritian group Ciel Ltd, Axian bought 51% of the shares of BNI MADAGASCAR, a Crédit Agricole subsidiary. BNI MADAGASCAR is the leading Malagasy bank for digital transformation of its banking products and services. Investments made under the CAP Leader 2020 strategic plan will boost it to the rank of the country's leading bank branch network. Axian and its leading financial partner have opted for a strong development strategy by improving access to banking services, supporting entrepreneurship and assisting the overseas development of its business customers.

As a universal bank, BNI MADAGASCAR wants to promote financial inclusiveness by supplying innovative savings and loan offers tailored to the needs of each customer.

**1st**  
Digital Bank  
in Madagascar

**82**  
BNI MADAGASCAR  
branches nation-  
wide

**15,000**  
VSE and SME  
customers

### Innovating in Mobile Money and Mobile Financial Services

Since 2010, Telma has been developing its own MVola mobile money service. As a pioneer in Madagascar, Axian has put in place efficient services accessible to all, thanks to its telecom and banking expertise.

This banking solution, accessible via any mobile phone, provides instant, secure money transfer transactions, deposits or withdrawals, points of sale bill payments. MVola is positioning itself as an alternative solution to banking since it is adapted to the greatest number of people.

In partnership with BNI MADAGASCAR Telma innovated and successfully launched MVola Avance in November 2017. This new service makes it possible to get a micro-loan right away or create a very flexible small savings plan. After ten months, there are now over 200,000 new customers and over one million loans have been made.

**1st**  
mobile money  
solution in  
Madagascar

**10,000**  
MVola sales  
outlets  
across the country

**2.5 million**  
active MVola users  
in Madagascar

**200+ million**  
mobile money  
transactions per year

**200 000+**  
Mvola Avance  
customers  
in ten months

**1 million**  
loans made

### Capital Investment & African Development

In a spirit of development and diversification in Africa, Axian's Venture Investment Limited enables our group to act in impact-making investment funds in continental Africa. Since 2017, Axian has invested in four major investment funds: Adenia Capital IV, ECP IV, Partech Africa, Ametis and MIARAKAP, the first fund entirely dedicated to supporting Malagasy VSEs and SMEs.

### Insurance Brokerage and Risk Management

Axian promotes and simplifies access to insurance solutions for Madagascar-based companies. Indian Ocean Risk Solutions (IORS) is an insurance brokerage and consultancy firm created at the end of 2013. IORS assists its clients by optimizing their securities and costs and by proposing relevant, effective management processes. Associated with many international insurance companies, IORS offers its clients solutions that are as close as possible to their needs and concerns.

### Current plans/projects

Axian is an innovative player that promotes emerging digital solutions based on combining banking and telecoms.

With the leading Madagascar mobile money platform in number of active users with MVola, Axian aims to develop a platform for financial services

in the Indian Ocean and Africa. Axian is assisting the digital transformation of the first Malagasy bank, BNI MADAGASCAR, and building tomorrow's bank.

As Axian companies are in the telecoms sector in continental Africa, they are currently laying the foundations needed to develop pan-African mobile banking services.



## LET'S CONNECT THE TELECOMS DIVISION

Axian is a key player in the telecom sector in the Indian Ocean region and recently in continental Africa. There is consensus on the contribution of this sector to the social and economic development of recent years. It is working to keep up this momentum and improve its supply and service quality even more.

### COMPANIES



TÉLÉCOM RÉUNION-MAYOTTE



### Building telecom infrastructure

Axian wants to have full control of the infrastructure making mobile and internet networks operable. Thanks to this expertise, the group is able to extend networks into the most remote areas. Today, Axian is positioned as the biggest Madagascar and regional investor in landline backbones and overseas cables.

Axian has helped develop 4G everywhere in Madagascar. The group was one of the EASSy consortium's key partners, having enabled the laying of an underwater cable crucial for the digital development of many East African countries. Such an investment has been largely a source of wealth for Madagascar with the development of new economic opportunities, such as French-speaking call centres

**1st**  
Telecom operator in  
Madagascar

**9,000 km**  
of optical fibre  
landline laid in  
Madagascar

### Telecom equipment roll-out and upkeep

Hosting and maintaining telecom infrastructure are important businesses for the stability of our activities in the telecoms sector. Axian makes sure its businesses are vertically integrated for higher quality service. The 2,200 telecom sites operated in Madagascar, Comoros, Reunion, Mayotte and Senegal are all receiving special attention: Axian is making every effort to ensure their safety and good working order. In Madagascar, Axian hosts the networks of 4 operators who must have the best equipment availability rate, whatever the access conditions may be.

**1 300**  
phone masts  
including 50% in  
rural areas

### Mobile and online network development

Axian's telecoms companies operate the latest generation of mobile networks. The group is daring in its technological and commercial choices, considering telecom network access to be a prerogative key to development in the remotest areas.

The many projects of Telma and TowerCo of Madagascar (TOM) have already made a significant contribution to the country's economic and social development. New jobs generated by call centres, financial inclusiveness for the population through mobile banking, which already has over two million customers, easier access to education after networking six universities and digitizing school books, paperless administrative procedures etc.

Today, the whole country is benefiting from the progress made possible by the new digital economy.

Recent studies have shown that

broadband speeds in Madagascar were higher than those of major European countries. Since 2015, such services have been accessible to people in the Indian Ocean and continental Africa. The takeover of the Only operator in Reunion and Mayotte with our partner Iliad enabled us to launch this international venture.

Today, Telecom Reunion Mayotte (TRM) is a leading operator on both islands, especially under the brands Free in Reunion and Only Istawi in Mayotte.

TRM aims to improve digital access in Reunion and Mayotte by providing the best technological tools at the best price.

Procuring a telecom licence in the Comoros and setting up Telco SA in 2016 marked a new step in Axian's international outreach.

Signing a consortium agreement between Axian and NJJ Capital

(Xavier Niel's investment holding) meant new competition in the telecom sector in the Comoros. Axian pursued its development in African telecoms with the buy-out of Tigo Senegal with NJJ Capital and the Senegalese group Teyliom. Axian brought its comprehensive operator expertise to the joint venture (landline, mobile, internet) and its integrating experience (retail, wholesale trade and maintenance). Now positioned as one of the biggest operators in the country, Tigo Senegal had over 10 million customers by the end of 2018.

**10 million**  
customers with Tigo  
Senegal by the end of  
2018

### Current plans / projects

Axian's ambition is to quickly establish its technological leadership across the Indian Ocean and on the Great Island. The group wants to give Reunion Islanders, Mahorais and Comorians access to digital promise by developing 4G and

very high speed broadband. In Madagascar and the Comoros, it wants to accentuate 4G leadership and upgrade its networks in Mayotte and Reunion. In order to significantly and sustainably improve telecom networks across the Indian Ocean, Axian is investing in sustainable infrastructure.

Axian is currently positioning itself on the METISS underwater cable project (Mauritius-Réunion-Madagascar-South Africa) and other similar programmes giving new opportunities for growth and trade throughout the region.



# LET'S RENEW ENERGY THE ENERGY DIVISION

Axian is a major player in the energy sector in Madagascar. The group is developing sustainable solutions and is committed to demonstrating the multiple opportunities created by renewable energy innovation. This area is driving growth and economic and social development for emerging countries. Axian companies are joining forces to network, retail and secure Madagascar's energy supplies.

## COMPANIES



## Fuel sales

Selling fuel across the Great Island is key to a smooth-running economy. Our company Jovena, the leading Malagasy company in petroleum product retailing, ensures the supply of fuel to the general public through its network of gas stations, industry (including major mining sites) and the national power production company, Jirama. Jovena has rolled out a network of almost 90 up-to-date service stations in the country, helping to open up remote areas by improving the land network and accessibility of such regions.

## Oil-fired power generation

The recent commissioning of a 76 MW oil-fired power plant in Antananarivo has made it possible to complete and upgrade Jirama's existing generating capacity and significantly reduce load-shedding by supplying an extra 20% of generating capacity.

**1st**  
petroleum  
product retailer in  
Madagascar

**35%**  
share of  
Madagascar's fuel  
retail market held by  
Jovena

**76**  
**Megawatts**  
generated with  
the new oil-fired  
power plant in  
Antananarivo

## Generating sustainable power and energy efficiency

Axian has been able to adapt very quickly and early to energy transition. Today, our group is outstanding for its dynamism in Madagascar's renewable energy sector.

The group has committed to large-scale projects for generating solar and hydropower. The Hydro Volobe power plant project, due to be completed in 2022 in partnership with the Colas Group, will deliver 120 MW and ensure sustainable, consistent, reliable and efficient power generation.

Axian has partnered with Green Yellow, a Casino Group subsidiary specializing in solar energy, for public generating projects (construction of the largest 20 MW regional solar farm at Ambatolampy) or private projects (power plants for industries and businesses and energy optimization contracts)

**120**  
**Megawatts**  
delivered in 2022  
with the Volobe  
hydropower project

## Electrification of remote rural areas in Madagascar thanks to solar energy solutions

Axian is convinced that opening up rural areas in Madagascar is highly dependent on accessibility to electricity and telecoms.

Geographical isolation, poverty and lack of infrastructure are identified as the three major obstacles to electrification in such areas. To meet these three major challenges, Axian has invested in the search for sustainable, affordable electrification solutions. In partnership with Sagemcom, Axian has set up WeLight Madagascar.

WeLight's goal is to deliver power generating solutions tailored to the environment and customer needs. For this, several technical solutions are available: mini-grid networks, nano grid and Solar Home Systems (SHS). WeLight is the structure that studies, develops and manages all projects related to rolling out the rural electrification programme.

## Implementing hybrid solutions

Axian is contributing efficiently to the energy transition. It is investing in cleaner solutions while maintaining strong performance and efficiency requirement. To make such solutions accessible more quickly, the group is designing alternative supplies known as "Hybrids". Axian implements and manages the upkeep of such solutions both in large industrial sites and rural areas. In this way, over 578 solar and hybrid sites run by the group are currently operating in Madagascar.

Axian is committed to researching and implementing tomorrow's energy solutions to promote sustainable development in Madagascar and its region.

**90**  
Jovena gas  
stations all over  
Madagascar

**5**  
bus stations built  
by Jovena

## Current plans / projects

Today, Axian is prioritizing three areas of development in the energy sector.

The group first wants to boost its alternative energy portfolio to give Madagascar the opportunity to be energy independent and take advantage of its considerable renewable energy assets.

Axian's ambition is to provide access to clean, sustainable electricity in 100 Malagasy villages by 2020 to help open them up to economic development.

At the same time, the group wants to improve the country's energy availability by investing in large-volume fuel storage and developing quality control systems for the prevention, maintenance and monitoring of power grids.

Finally, Jovena continues to improve road transport networks and infrastructure. In 2018, Jovena built 7 new gas stations and inaugurated the country's largest bus station covering 26,000 m<sup>2</sup>.





## LET'S BUILD THE REAL ESTATE DIVISION

Real estate is Axian's core business. Since First Immo was started in 1995, Axian has focused on building an industrial, professional and residential real estate supply up to the most demanding international standards. A flagship player in Madagascar's real estate sector, Axian wants to make the country more attractive to investors, businesses and individuals.

### COMPANIES



### REAL ESTATE DEVELOPMENT AND CONSTRUCTION

To attract the largest groups in the industrial or service sectors as well as some well-known global institutions and facilitate their establishment in Madagascar, First Immo has finished building four professional real estate sites, two residential real estate sites and two commercial sites.

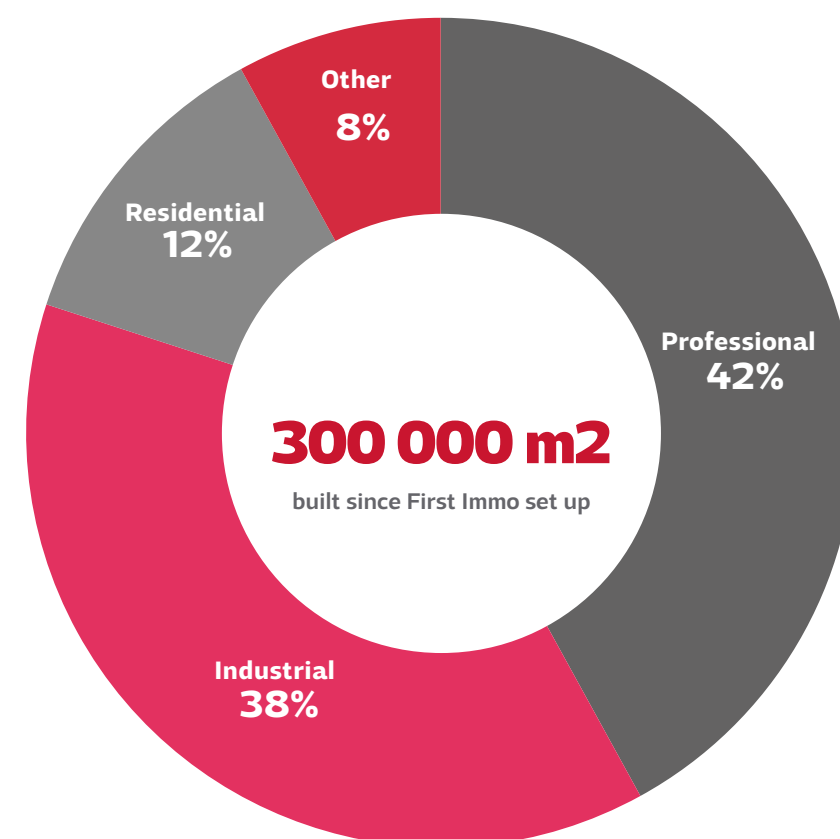
### Marketing

The Galaxy office complex and the Futura site are home to the country's largest call centres. The Galileo sites and the Smart shopping mall house 40 shops in Tanjombato. Today, Antananarivo and its free zones host, among others, the European leader in outsourced customer relations, Webhelp, the United Nations Information Center, the American Center, Intelcia and Floreal ...

### Rental management

First Immo is also positioned in the rental management of its property. The company wants to keep control of building maintenance as well as manage condominiums in its real estate complexes.

In all of its real estate projects, First Immo is stretching architectural standards to promote originality and the search for new links between form and function. The company also attaches great importance to creating pleasant, friendly living places to give new impetus to urban development in Antananarivo.



**35,000+**  
new jobs

### Current plans / projects

First Immo's real estate expertise is motivating the development of new large-scale projects. The company's teams are currently working on two major projects: the Telma Campus in the Galaxy area, which will house the Telma headquarters, and Futura, Antananarivo's new Cyber City.



### 3.3 INNOVATIVE DEVELOPMENT MODELS

#### Long-term investing in the areas where we are located thanks to public-private partnership

The infrastructure investment needed in sub-Saharan Africa is huge and requires financial and industrial efforts often beyond the means of many governments on the continent: support from responsible, committed private investors like Axian, is a major asset for these countries. This backup role is one of the foundations of the group's strategy.

#### The 3Ps: an incarnation of Let's Grow Together

Since its inception, Axian has been committed to developing Madagascar and has taken over from the State authorities in many projects. Axian wishes to contribute to structuring investment to improve the well-being of the population, via signing new partnerships with the Malagasy Government.

Recently, Jovena inaugurated the Noor 1 and Noor 2 oil-fired power plants. This ambitious project has been made possible thanks to involving many local and international partners and subcontractors, but also thanks to support from the Ministry of Water, Energy and Hydrocarbons. The construction of these plants makes it possible to supply the Malagasy with more abundant, reliable power at a lower cost.

### 3.4 PRESTIGE PARTNERS

In many of its projects, Axian works in collaboration with prestige companies. It attaches great importance to choosing its financial and technical partners because it wants to share a common vision with them regarding the impact of business on society and the environment.

#### CIEL LTD Acquisition of BNI MADAGASCAR

In 2014, Axian entered the banking market by acquiring BNI MADAGASCAR with the Mauritian group, Ciel Ltd.

Axian is now working hand in hand with its well-known partner to improve BNI MADAGASCAR services and products.

#### NJJ Setting up Telco SA

In 2015, Axian and its partner NJJ Capital (investment holding of Xavier Niel, Iliad CEO) procured the second telecom licence in the Comoros. Telco SA was created by both partners in order to stimulate competition on the island for the people's benefit.

#### NJJ / TEYLIOM Acquisition of the Tigo Senegal operator

In 2018, NJJ and Axian partnered with Yerim Sow, owner of the Teyliom group, to acquire Tigo Senegal, the 2nd Senegalese telecom operator. The combination of these three telecom experts brought in new technological expertise and so provided an opportunity for Tigo to improve its services while ensuring lower production costs.

#### ILIAD Acquisition of Télécom Réunion Mayotte

In 2015, Axian partnered with Iliad, a French telecom group founded by Xavier Niel, to buy the mobile branch of Outremer Telecom (Only). Télécom Réunion Mayotte (TRM) has the ambition to become a regional leader and facilitate access, as Telma did in Madagascar, to the best of digital at the best price. Pooling Axian and Iliad expertise in the telecoms sector enabled rapid prioritization of the key investment for network development. Upgrading infrastructure and participation in the broadband roll-out plan on both islands have been large-scale actions since acquiring Only.

#### GREEN YELLOW Inception of Ambatolampy's solar power plant thanks to the Green Energy Solution / Jovena joint venture

Axian and Green Yellow, a subsidiary of the French Casino group, have entered into a partnership to build the first solar farm in Madagascar. The Ambatolampy solar power plant is located between Antananarivo and Antsirabe. It will cover the power needs of around 50,000 households. The Vakinankaratra region is expanding economically and industrially; the plant will therefore partly meet the needs of locally based companies.



An abstract painting featuring a vibrant orange and yellow sky above a dark, textured landscape. The foreground is dominated by a large, dark brown, irregular shape with a bright orange-yellow center, outlined in dark blue. To the left, there are vertical strokes of blue and yellow. The overall style is expressive and textured.

# **4 OUR TEAMS**



4.1 BOARD AXIAN



**AMIN HIRIDJEE**  
CHIEF EXECUTIVE OFFICER



**HASSANEIN HIRIDJEE**  
CHIEF EXECUTIVE OFFICER



**RAZA ALY HIRIDJEE**  
CHAIRMAN



**BASHIR HIRIDJEE**  
CHAIRMAN

4.2 MANAGEMENT TEAM



**PHILIPPE PRODHOMME**  
CHIEF FINANCIAL OFFICER



**VÉRONIQUE PERDIGON**  
GENERAL SECRETARY



**JEAN-DENIS BOUDOT**  
GROUP CHIEF COMMUNICATION  
OFFICER



**MICHAEL RATOVOSON**  
CHIEF HUMAN RESOURCES  
OFFICER



**JÉRÔME VALENTIN**  
S.I GROUP  
CHIEF EXECUTIVE OFFICER



**STÉPHANE OUDIN**  
CLUSTER TELECOM  
CHIEF EXECUTIVE OFFICER



**HASSANE MUHIEDDINE**  
CLUSTER FINANCE  
CHIEF EXECUTIVE OFFICER



**TEDDY HARDY**  
CLUSTER IMMOBILIER  
CHIEF COMMERCIAL OFFICER





## TELECOM



**PATRICK PISAL-HAMIDA**  
CHIEF EXECUTIVE OFFICER  
TELMA MADAGASCAR



**GILLES KUNTZ**  
CHIEF EXECUTIVE OFFICER  
TOM



**STÉPHANE TEYSSEDRE**  
CHIEF EXECUTIVE OFFICER  
TELMA COMORES



**PIERRE-ANTOINE  
LEGAGNEUR**  
CHIEF EXECUTIVE OFFICER  
TELCO OI



**MAMADOU MBENGUE**  
CHIEF EXECUTIVE OFFICER  
TIGO SÉNÉGAL



**MIALISOA ANDRIANASOLO**  
CHIEF EXECUTIVE OFFICER  
CONNECTEO



**SYLVAIN HOUPIER**  
CHIEF EXECUTIVE OFFICER  
AITS



## ENERGY



**BENJAMIN MEMMI**  
CHIEF EXECUTIVE OFFICER  
JOVENA MADAGASCAR



**CHRISTIAN CACHAT**  
CHIEF EXECUTIVE OFFICER  
GREEN ENERGY SOLUTIONS



**RÉMY HUBER**  
CHIEF EXECUTIVE OFFICER  
COMPAGNIE GÉNÉRALE  
D'HYDROÉLECTRICITÉ DE VOLOBE



## FINANCE



**ALEXANDRE MEY**  
CHIEF EXECUTIVE OFFICER  
BNI MADAGASCAR



**MATTHIEU MACE**  
CHIEF EXECUTIVE OFFICER  
MVOLA



**MICKAEL GONCALVES**  
CHIEF EXECUTIVE OFFICER  
IORS



**ADRIAN CHINDRIS**  
CHIEF EXECUTIVE OFFICER  
KRED



## REAL ESTATE



**TEDDY HARDY**  
CHIEF COMMERCIAL OFFICER  
FIRSTIMMO



AUDIT



CATHERINE SAVERY  
HEAD OF GROUP  
INTERNAL AUDIT

COMMUNICATION



LOVA HASINIRINA BORDES  
CORPORATE COMMUNICATION  
DIRECTOR



MARINE Raelison  
BRAND PORTFOLIO &  
STRATEGY DIRECTOR



SALOHY RAMANGASON  
COMMUNICATION DIGITAL  
DIRECTOR

FONDATION H



MANON RIVET  
FONDATION H  
PROJECT MANAGER

HSE



SÉBASTIEN DANGE  
SAFETY & SECURITY MANAGER

LEGAL



FITIA RAKOTOARISOA  
CHIEF LEGAL

IMPACT



FANIHO RAKOTOVAO  
RAKOTOARISON  
SOCIAL IMPACT DIRECTOR

EMPLOYEE  
EXPERIENCE



CÉLINE HUON  
EXPERIENCE EMPLOYEE MANAGER

NEXTA



CAROLE RAKOTONDRAINIBE  
EXECUTIVE DIRECTOR

FONDATION TELMA



ISABELLE SALABERT  
EXECUTIVE DIRECTOR





# 5 OUR COMMITMENTS



## 5.1 OUR EMPLOYEES ARE AT THE CORE OF OUR CORPORATE CULTURE

Axian has always been a responsible employer who guarantees that employee rights are respected. The group is committed to ensuring that the individual is the company's core concern.

Axian ensures there is a fulfilling work environment, a fair, transparent human resources policy. Axian invests continuously in improving skills of the men and women who enable the group to move forward. Its corporate culture is also based on team management founded on the values of respect, trust and fairness. In 2017, 12,000 hours of training were provided to staff by the Axian Training Center.

Axian promotes internal mobility, sharing experience and pooling knowledge.



Fragment. Mon coeur chavire | MIORA ACKERS

### The professional development of our 3,700 employees is the group's strength and diversity

Axian fosters the creation of diversified teams. The group is convinced that it is through exchanging experience and pooling knowledge that innovation is born. Axian acts to :

- Guarantee equal hiring opportunities
- Invest in using up-to-date, connected work tools
- Ensure workplace safety for our employees
- Practise fair, transparent management methods
- Value initiatives and reward boldness

### Our CSR policies

To build an inclusive growth model, Axian wants to go beyond its own fields of activity. Axian, with the support of the Telma Foundation, is structuring sustainable action programmes in line with its objectives.

Its companies' CSR policies are in line with group guidelines, the businesses of the various divisions and the 17 Sustainable Development Goals in the 2030 Agenda. initiatives in Madagascar and Comoros.



## 5.2 OUR TEAMS SUPPORT INNOVATIVE AND IMPACT-MAKING PROJECT DEVELOPERS

### **Axian Intrapreneurship Program : Boosting an intrapreneurial dynamic dedicated to Axian teams**

A dedicated expert team is making every effort to support future value creators in their adventure. Through this programme Axian wants to encourage initiatives and emerging projects that can have a lasting impact on society. Axian is committed to growing its business in an inclusive way: so that every Axian employee can embody the group's values and have it develop in a spirit of innovation and surpassing oneself. The intrapreneurship programme enables staff to propose business start-up projects and benefit from tailor-made support and dedicates resources to support employees personal projects in the form of mentoring, coaching, business advice, networking of funds raising assistance.



Semance | MIORA ACKER

## 5.3 OUR COMMITMENT TO EMPOWERING WOMEN IN THE ECONOMY AND SOCIETY

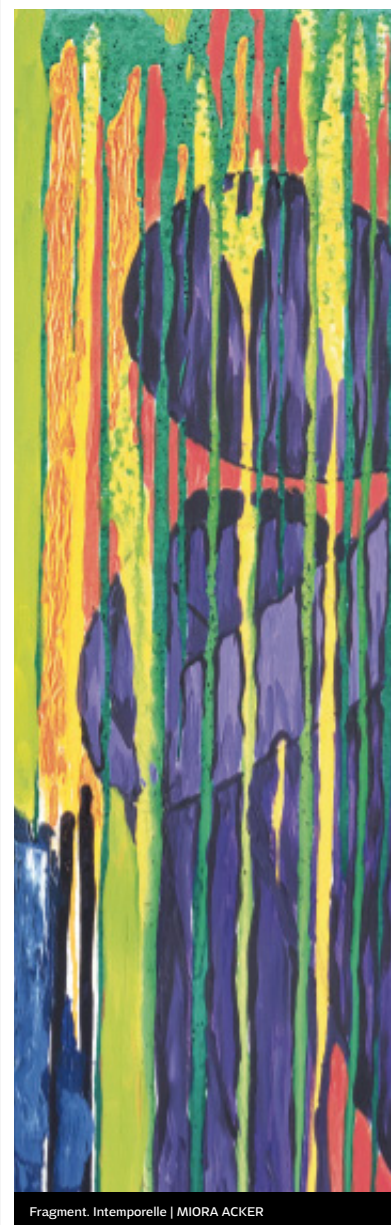
Axian is committed to equality in economic life. Although as a private company it is not called on to act with regard to regulations, Axian wants to make every effort to enable women to become equal partners in the working world.

Axian is working directly with the women most affected by such inequalities: young girls from disadvantaged backgrounds. Through its corporate foundation, the group has developed programmes to support young women's schooling and vocational training. In rolling out its entrepreneurship support programme, Axian has also made a point of encouraging more sustained female entrepreneurship.

In-house, Axian promotes gender equality in its organizational choices and structuring its human resources policy. Men and women are equal in setting wages and access to employment opportunities. Today, Axian wants to go further and speed up women's representation on all of its companies' boards of directors.

## 5.4 OUR COMMITMENT TO ONGOING STAFF TRAINING

Axian invests in its talents and is setting up a number of training programmes related to its businesses. Our Axian Training Center is specially dedicated to all these training courses given by expert trainers. In 2017, over 12,000 hours of training were provided by the Axian Training Center.



Fragment. Intemporelle | MIORA ACKER



## 5.5 OUR ACTIONS TO SUPPORT THE MOST VULNERABLE PEOPLE

The Telma Foundation has been working at the grassroots level since 2009 to support the most vulnerable people and help build a better future for them. It is working in education, health, environment, sustainable development and humanitarian aid.

The Foundation relies in particular on new technology and services developed by Telma to promote the country's development and improve people's living conditions. The Computer for All programme, initially implemented in partnership with Microsoft, is one of the iconic projects. It gives primary and secondary school children access to digital tools through providing computers, broadband connections and training educators.

Thanks to Telma's state-of-the-art infrastructure throughout Madagascar, since 2011 the Foundation has also been involved in disaster risk management (DRM) alongside the Malagasy authorities.



### THE SEKOLY TELMA PROGRAMME



The Telma Foundation is not only committed via developing IT. Today, one of its priorities is building schools. To overcome the lack of accessible schools and reception capacity, the Telma Foundation launched a programme in 2015 to build new primary school structures throughout the country, relying on local NGOs.

A basic health centre building program is also under way in view of the parallel lack of health infrastructure.

**10,200**

**children**

benefiting from the programme to date

**63**

**schools**

built in 18 regions of Madagascar including 15 cyclone-proof primary schools

**38,000**

**school-supply**

kits distributed

**\$1,5 million**

invested since 2015

### THE IPT PROGRAMME



**200**

**PCs**

distributed

**53**

**centres**

**103**

**facilitators**

**5,500**

**beneficiary children**



# 5.6 OUR STAKE IN DEVELOPMENT FUNDS



In recent years, Axian has shown a strong desire to foster development of African entrepreneurial fabric through its stake in dedicated development funds.

In June 2017, Axian joined the Adenia Capital IV investment fund. This fund, launched in 2016 along with DFIs, institutional investors, such as the African Development Bank and Proparco, pension funds and family offices, assists the development of medium-sized businesses who cater to the strong growth in African consumer demand.

In early 2018, Axian took an equity stake in Emerging Capital Partners (ECP), one of the largest and oldest specialized investment capital funds in Africa. This commitment gives it access to the title of partner alongside a major player in funding and developing the African private sector. Like Axian, the ECP fund shares the same desire to invest long-term, work for inclusive growth on the continent and support impact-making projects.

Axian is also very involved in the first Malagasy impact investment fund (Miarakap) founded in February 2018. This fund, dedicated to funding, mentoring and supporting SMEs and startups, was the first to be launched on the Great Island.

More recently, Axian has joined the ranks of investors in the Partech Africa fund, a Partech Venture subsidiary specializing in financial support for digital startups in Africa. This recently created fund aims to support promising young African entrepreneurs. By joining Partech Africa investors, Axian is choosing to promote emerging technological innovations Made in Africa.

Axian makes a point of honouring World Bank principles and the International Finance Corporation (IFC)'s performance standards. In pursuing its African private sector investment strategy, Axian is establishing financial partnerships only with development funds working for inclusive growth and sustainable human development.



Cathédrale | MIORA ACKER

# 5.7 OUR CONTRIBUTION TO DEMOCRATIZING ART IN MADAGASCAR



The Fondation H was set up by Hassanein Hiridjee in 2016. Its task is to assist Malagasy artists and promote them on the local and international art scene. Fondation H supports emerging contemporary Malagasy art and acts to provide local artists with the ideal conditions to express their creativity.

For the last 2 years, Fondation H has been a partner of the Paritana Prize alongside the International Francophonie Organization, the French Institute of Madagascar, the Cité Internationale des Arts in Paris and the Air France Foundation. This prize is awarded every year to a talented artist and enables him/her to spend a 3-month residency at the Cité Internationale des Arts in Paris, where the artist has training and meets professionals from the cultural sector. In September 2018 at the Musée du Quai Branly in Paris, the Fondation H was one of the patrons, alongside Axian, in the first major Malagasy art exhibition organized in Europe since 1946: « Madagascar : arts de la Grande Ile ».





## 5.8 OUR COMMITMENT TO FAIR, INCLUSIVE HUMAN DEVELOPMENT

### Well-being at home too

Today, Axian is looking to the future by operating on a daily basis to improve everyone's well-being. But to help people's well-being via our business, we are convinced that our staff, who boldly and passionately commit every day to their professions, must themselves benefit from the best possible working conditions. We are attentive to the well-being of our employees and prioritize dialogue, listening and favorably take into consideration every person's opinions. Our governance model is continually changing to meet the demands and expectations of our employees, customers and partners.

Our model is fundamentally up-to-date and adaptable, based on values that are above all humane and respectful of diversity.

### Axian is committed to combating fraud and corruption

Axian strives to anticipate, prevent and identify all corrupt practices, misappropriation or fraud. Every company in the Axian Group is committed to being irreproachable in terms of honesty, integrity and ethics. Refusing corrupt practices is part of the logic of having a stake in the economic progress of the countries where they operate.

Axian makes sure its operations are compliant with the laws and regulations of the countries where it does business. In this context, the group relies on an anti-corruption code, ensuring that all employees comply with it and group managers implement it, involving all stakeholders.

### Axian is committed to sustainable development

Axian is now fully committed to finding the most innovative solutions to reduce the negative effects that its business may have on the environment. Being aware of the importance of sustainable development for the well-being of the planet and future generations, Axian is committed to taking the necessary measures.

In its various businesses, it is seeking to deliver new solutions that can replace environmentally harmful methods. The Group's internal and external CSR policy guidelines are the 17 Sustainable Development Goals in the 2030 Agenda.

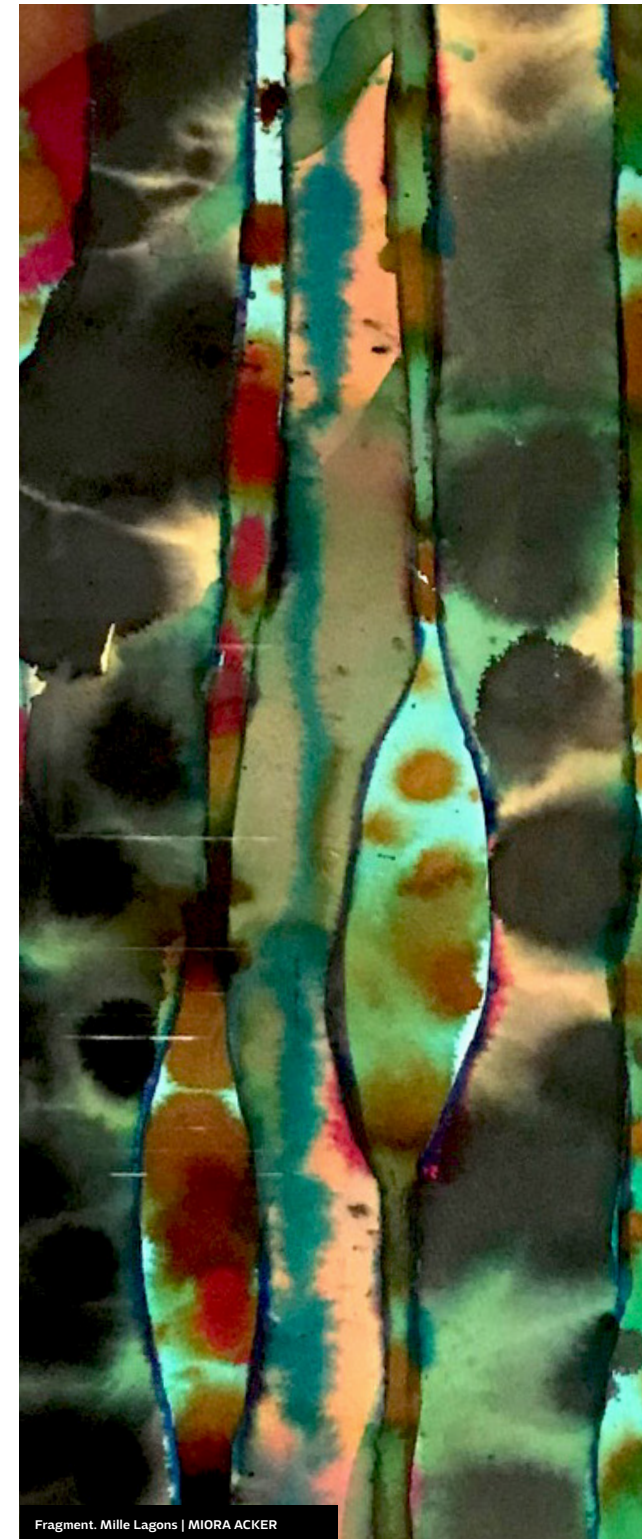
Being proud of its achievements but aware of the issues facing it, the group regularly makes new commitments. Axian specifies its objectives to reduce raw material consumption, seeks to minimize waste, recycling or redeveloping it. Its CSR policy is being reinforced and regularly refined so that current issues are better dealt with.

### Axian is committed to combating child labour

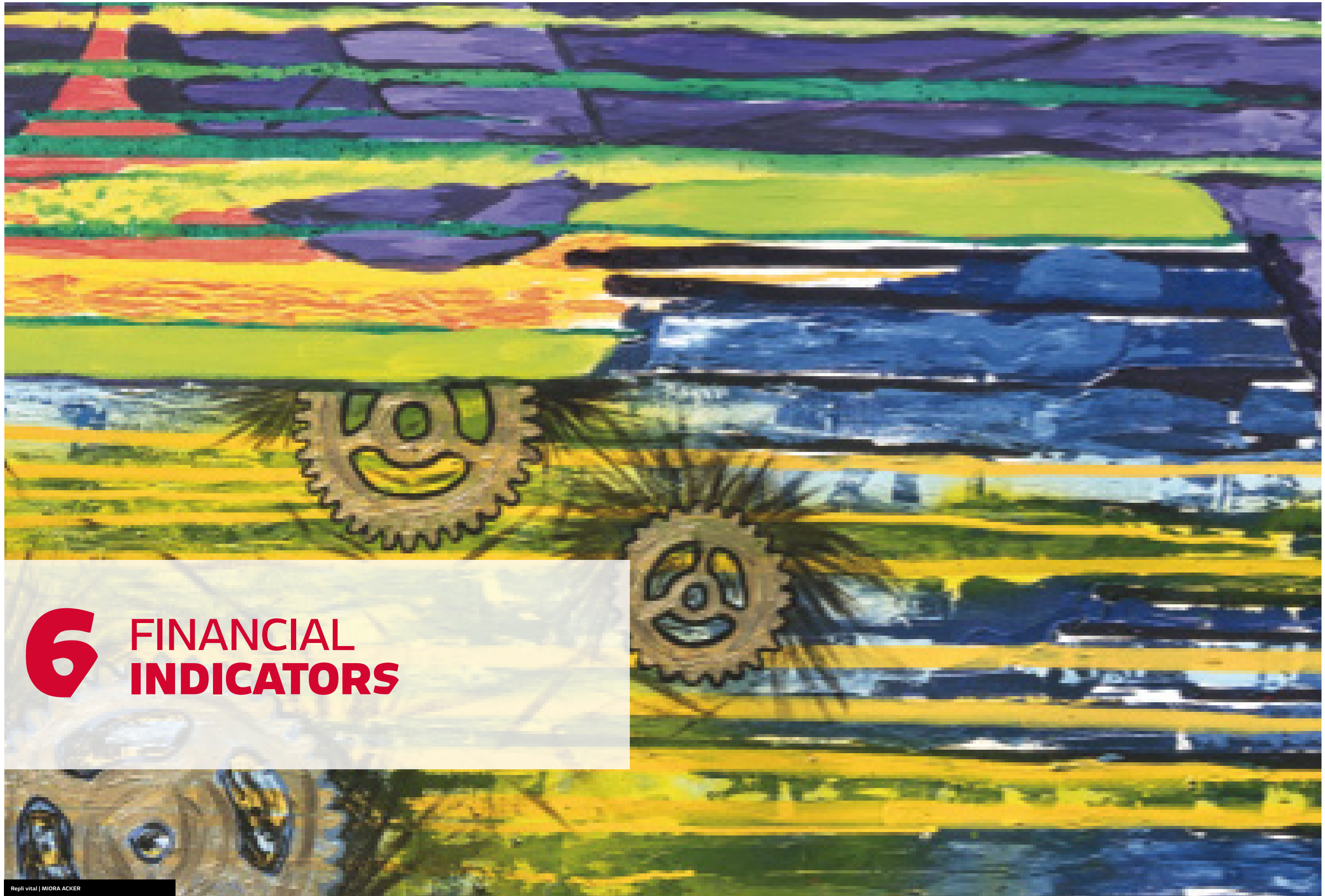
Child labour is still a current issue in Madagascar, as in other regions of the Axian group. It strongly opposes such practices and condemns forced labour of any kind. Thanks to its corporate foundation, it is working to educate children from disadvantaged backgrounds, particularly in remote rural areas. Axian considers that education is the most powerful weapon to combat child labour.

### Axian is committed to diversity

Axian is mobilizing for the job integration of disabled workers. Axian wants to build capacity among people with disabilities by increasing their employability. The career guidance of people with disabilities remains a major obstacle to their employability due to their social isolation and high drop-out rate. To improve professionalization of disabled workers, Axian is also working to change ways of thinking in the workplace. The group wants to combat preconceived ideas and give everyone equal treatment, with equal skills, during the hiring process.



Fragment. Mille Lagon | MIORA ACKERS



# 6 FINANCIAL INDICATORS



# 6.1 SUMMARY

## CUSTOMERS / MARKETS

### TELECOMS

Estimated market share values	Madagascar		Comoros		Reunion / Mayotte		Senegal	
	in 2017	in 2018	in 2017	in 2018	in 2017	in 2018	in 2017	in 2018
	47%	54%	22%	36%	19%	22%	25%	26%

### FINANCE

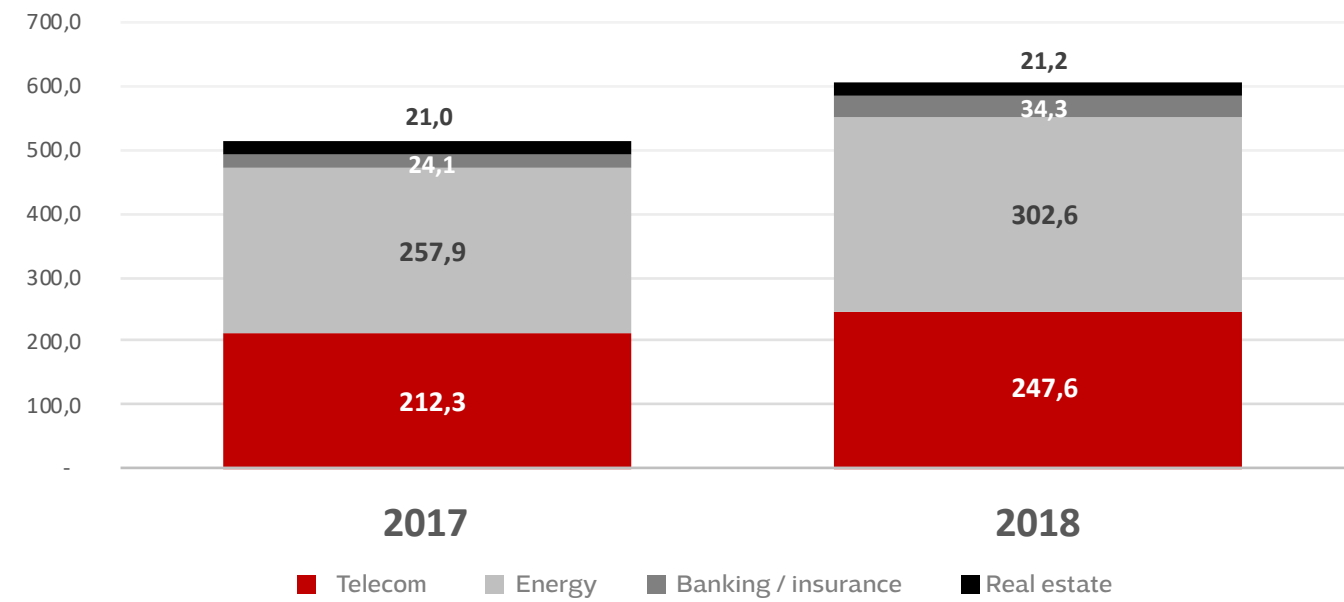
Banking	Bank		Mobile Finance Services	
	in 2017	in 2018	in 2017	in 2018
	23%	23%	24%	25%

### FUEL RETAILING

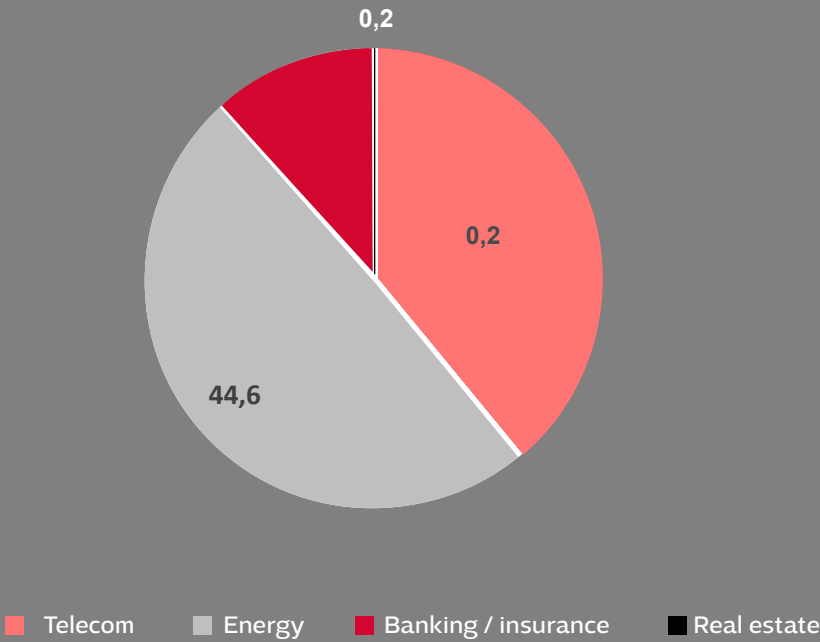
Market share Estimated value	Madagascar	
	in 2017	in 2018
	35%	35%

## INCOME ( GROUP SHARE )

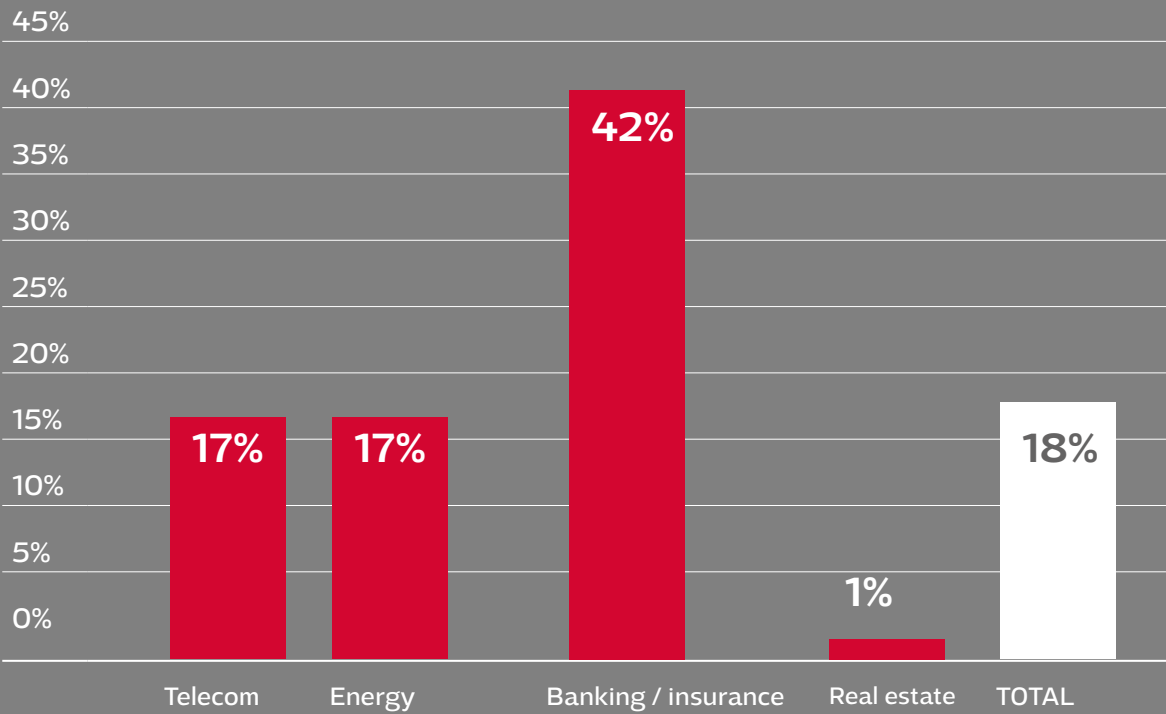
\$M ANNUAL INCOME PER BUSINESS - AXIAN GROUP  
(3500 MGA / US\$ CONSTANT RATE)



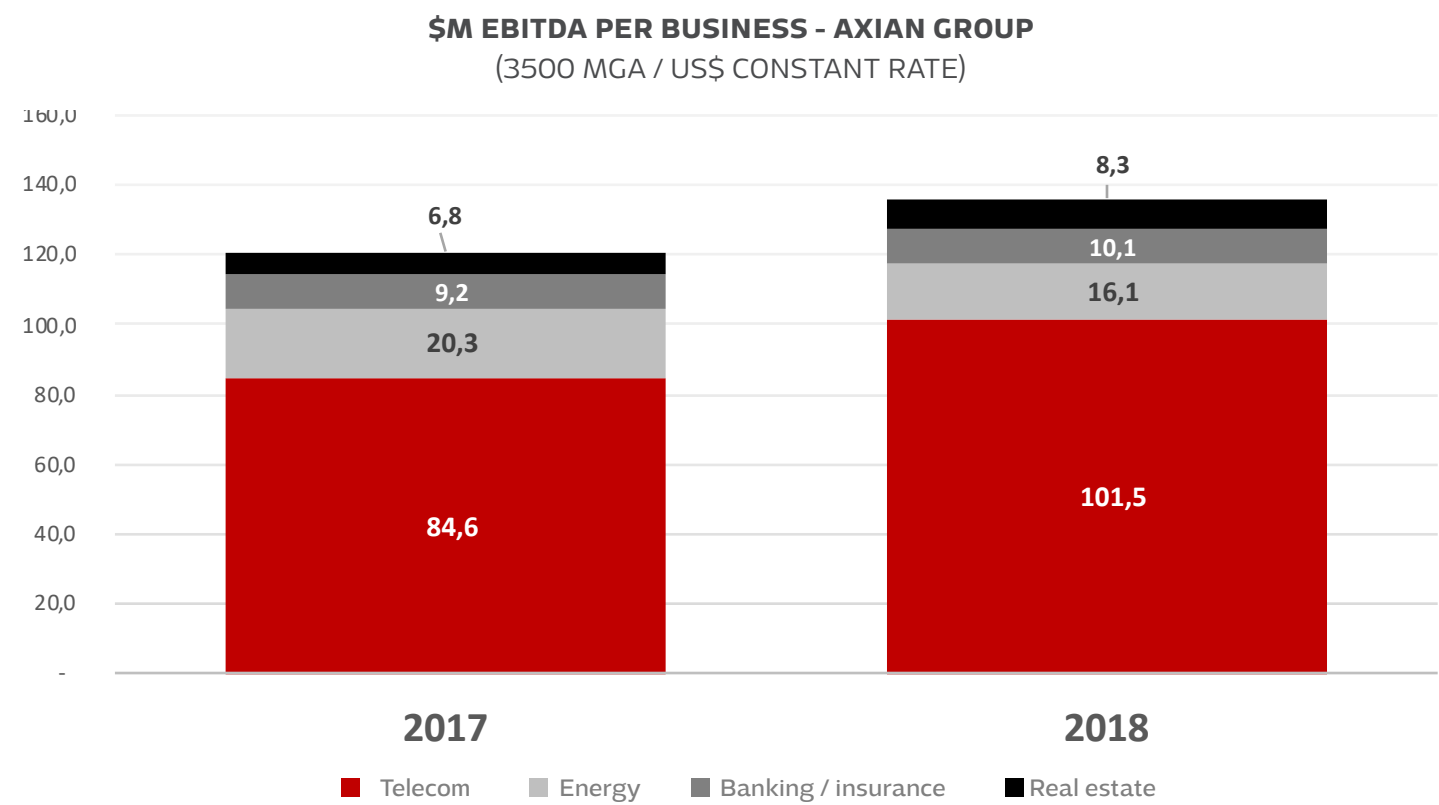
2018 \$M INCOME GROWTH PER BUSINESS  
3500 MGA / US\$ Constant rate



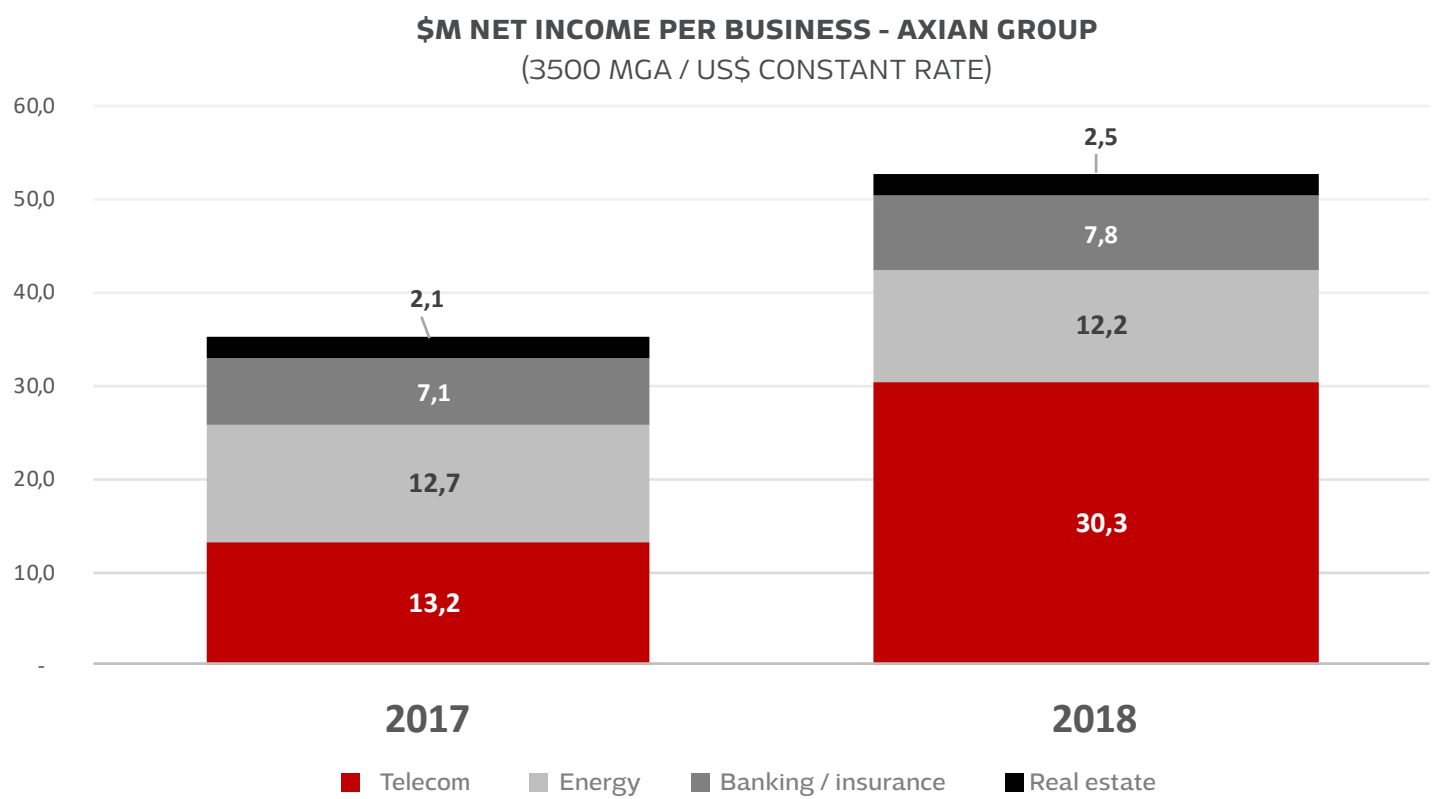
2018 REVENUE GROWTH PER BUSINESS



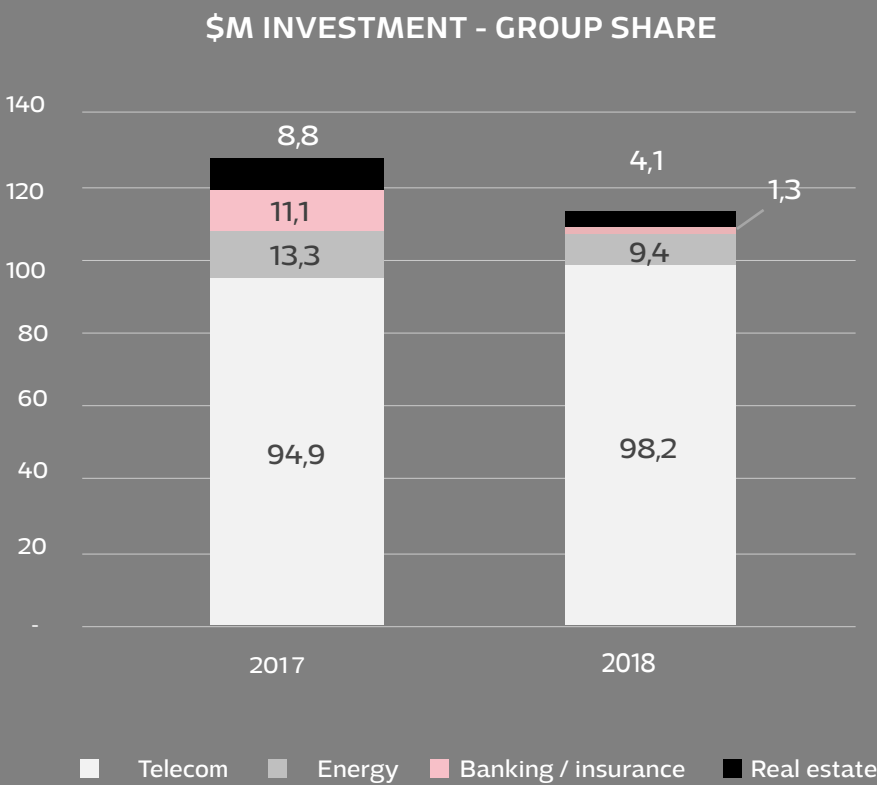
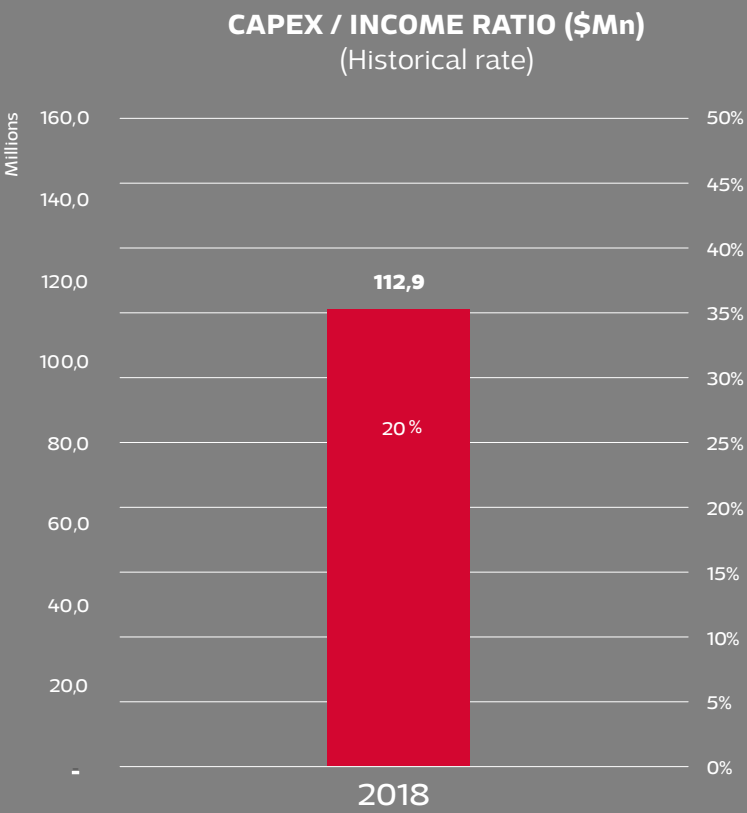
EBITDA ( GROUP SHARE )



NET INCOME ( GROUP SHARE )



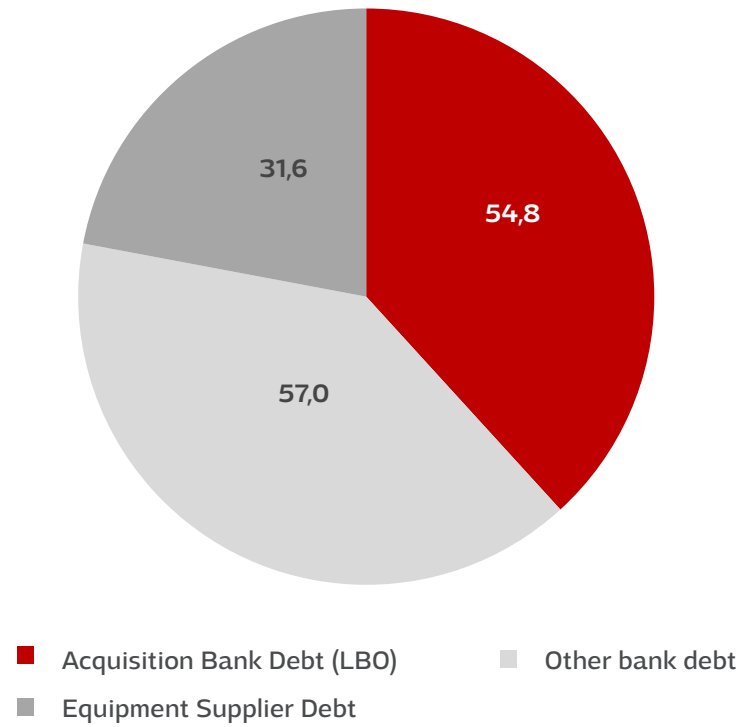
INVESTMENT





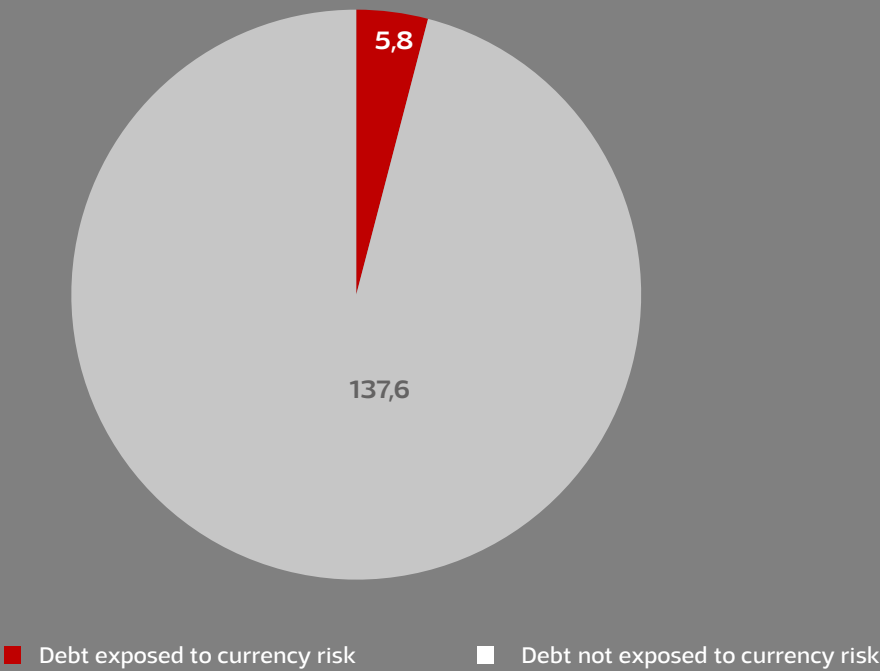
DEBT PER TYPE

GROUP INDEBTEDNESS STRUCTURES - MILLION EUROS



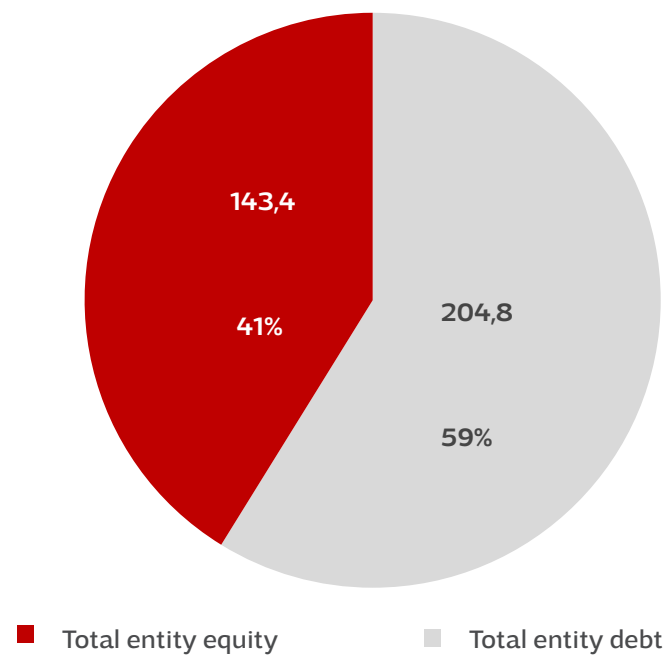
CURRENCY EXCHANGE EXPOSURE

DEBT AND CURRENCY RISK - M EUROS



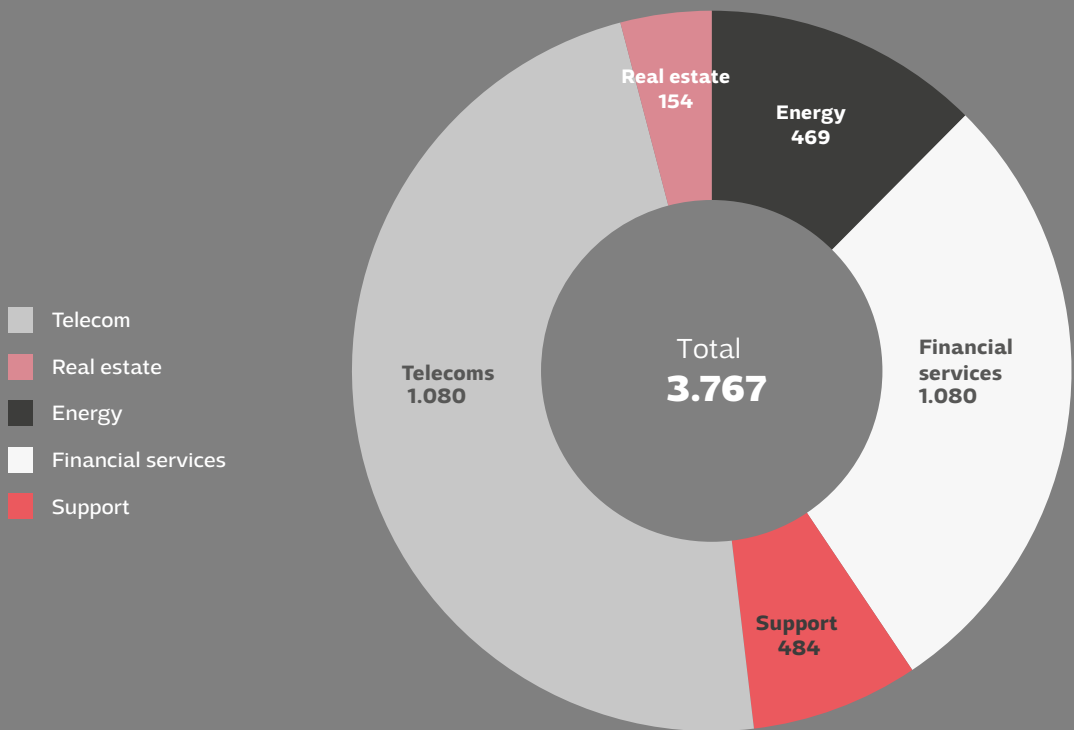
FINANCING STRUCTURE

GROUP FINANCING STRUCTURE - MILLION EUROS



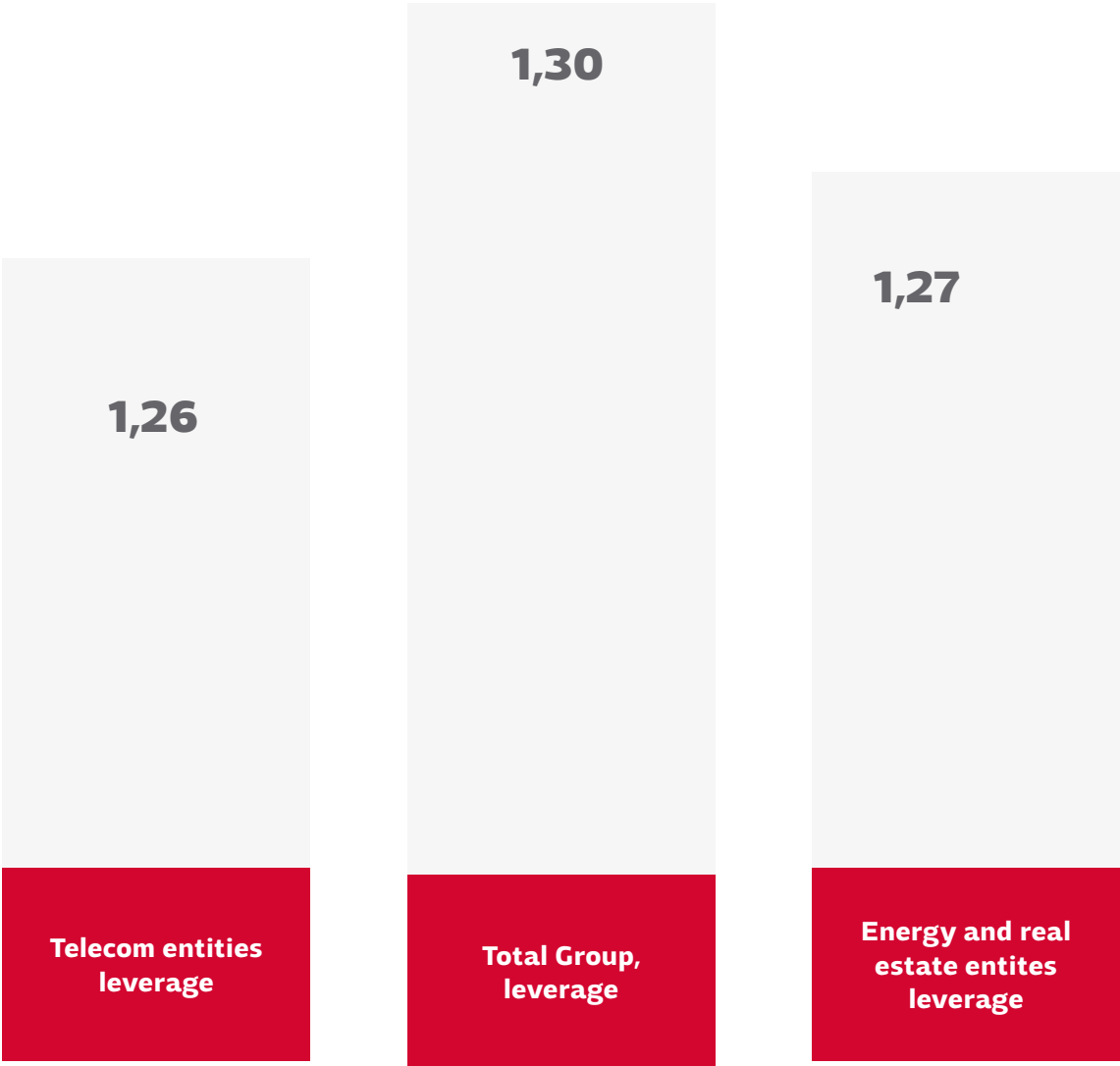
STAFF NUMBERS

STAFF NUMBERS PER BUSINESS - 2018



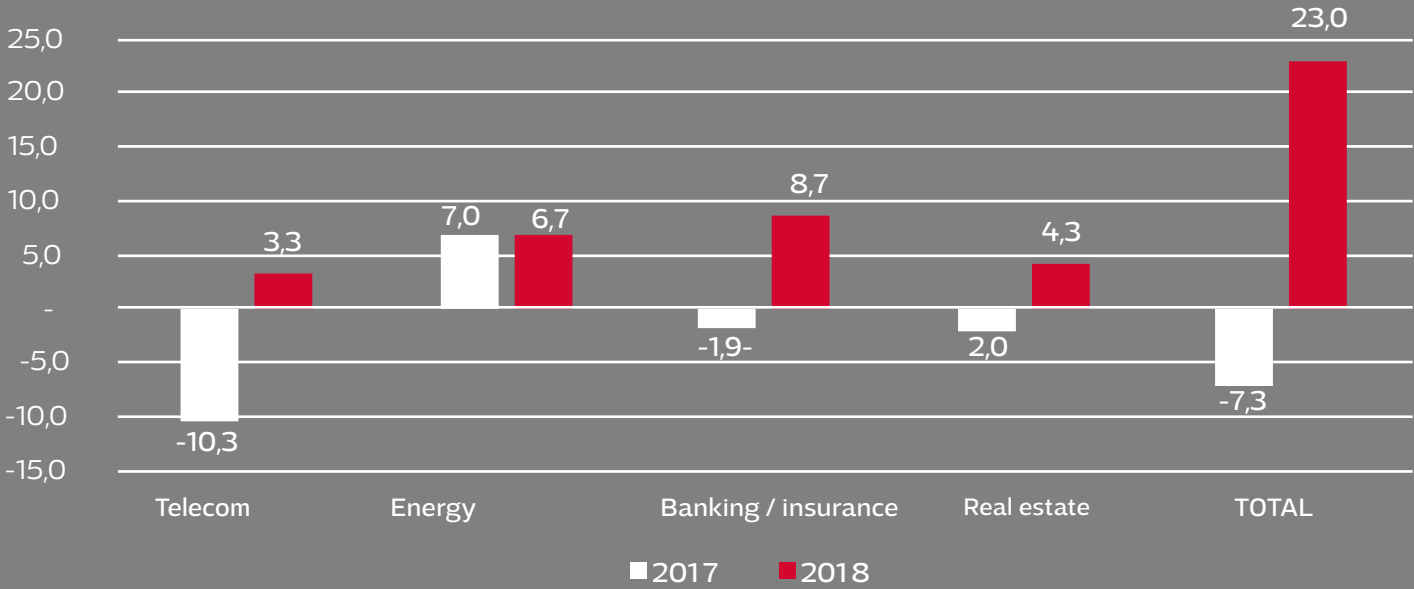
LEVERAGE

LEVERAGE (DEBT / EBITDA)



FREE CASH FLOW

\$M FREE CASH FLOW ANNUAL VARIATION  
( Ebita-Capex )





\$M CONSOLIDATED P & L

DESCRIPTION	2017	2018	Abs. Var.	Var. %
INCOME				
Telecom	212,3	247,6	35,3	17%
Energy	257,9	302,6	44,6	17%
Other	45,0	55,5	10,4	23%
TOTAL INCOME	515,3	605,6	90,3	18%
DIRECT COSTS				
Telecom	60,0	68,5	8,6	14%
Energy	230,3	263,8	33,4	15%
Other	8,4	12,5	4,1	49%
TOTAL DIRECT COSTS	298,7	344,8	46,1	15%
GROSS MARGIN				
Telecom	152,3	179,0	26,7	18%
Energy	27,6	38,8	11,2	41%
Other	36,7	42,9	6,3	17%
TOTAL GROSS MARGIN	216,6	260,8	44,2	20%

DESCRIPTION	2017	2018	Abs. Var.	Var. %
OPEX				
Telecom	67,7	77,5	9,8	14%
Energy	7,3	22,8	15,4	210%
Other	20,6	24,6	4,0	19%
TOTAL OPEX	95,7	124,8	29,2	31%
EBITDA				
Telecom	84,6	101,5	16,9	20%
Energy	20,3	16,1	-4,2	-21%
Other	16,1	18,4	2,3	15%
TOTAL EBITDA	121,0	136,0	15,0	12%
NET PROFIT				
Telecom	13,2	30,3	17,1	129%
Energy	12,7	12,2	-0,5	-4%
Other	9,3	10,3	1,1	11%
TOTAL NET PROFIT	35,1	52,8	17,7	50%

CONSOLIDATED BALANCE SHEET \$M

ASSETS	2017	2018
Gross fixed assets		
Telecom	681,5	710,6
Energy	88,2	99,9
Other	139,2	149,0
TOTAL GROSS FIXED ASSETS	908,9	959,5
Net fixed assets		
Telecom	345,3	354,7
Energy	66,7	71,7
Other	99,9	103,2
TOTAL NET FIXED ASSETS	511,8	529,5
CURRENT ASSETS		
Telecom	80,8	127,8
Energy	109,3	153,4
Other	115,7	137,5
TOTAL CURRENT ASSETS	305,7	418,7
CASH FLOW		
Telecom	18,1	25,1
Energy	2,2	3,8
Other	93,4	111,2
TOTAL CASH FLOW	113,7	140,1
TOTAL ASSETS	931,2	1 088,4

LIABILITIES	2017	2018
Equity		
Telecom	44,7	91,9
Energy	35,2	42,1
Other	84,3	88,2
TOTAL EQUITY	164,3	222,3
Debts		
Telecom	203,2	169,5
Energy	22,1	26,0
Other	34,9	41,9
TOTAL DEBTS	260,2	237,4
OTHER NON-CURRENT LIABILITIES		
Telecom	27,3	44,1
Energy	1,2	1,2
Other	8,4	5,8
TOTAL OTHER NON-CURRENT LIABILITIES	36,9	51,2
PASSIFS LIABILITIES		
Telecom	168,9	202,0
Energy	119,6	159,6
Other	181,3	215,9
TOTAL CURRENT LIABILITIES	469,9	577,5
TOTAL LIABILITIES	931,2	1 088,4



\$M CONSOLIDATED CASH FLOW

DESCRIPTION	2018
Ebitda	136,0
Taxes & interest	-19,8
S/total 1 - Gross Cash transactions	116,2
Stock change	13,9
Accounts receivable variations	-134,7
Accounts payable variations	93,8
Changes in other current assets/liabilities	3,6
S/total 2 - current assets and liabilities changes	-23,5
TOTAL CASH TRANSACTIONS	92,7
INVESTMENT	-50,6
Debt Reimbursement	-
FINANCIAL NEED / SURPLUS	42,2
New debt	-22,8
Capital and reserve variation	7,0
NET CASHFLOW CHANGE	26,4

FONDATION H



Fondation H was set up in 2016 by Mr. Hiridjee, the Axian Group CEO. This private contemporary art foundation aims to support emerging Malagasy artists and promote their influence on the local and global art scene. As it is committed to structuring the artistic environment and democratizing art, Fondation H focuses its philanthropic actions on supporting artists, facilitating access to art and artistic education for young audiences.

MIORA ACKER



Miora ACKER is a Franco- Malagasy visual artist and illustrator who was born in Madagascar in 1986. Miora began to paint and draw in 2000 and organized her first public art show in 2015. Being very observant and curious about the world around her, Miora seeks above all to render scenes of everyday life via unusual atmospheres in her work. As a passionate colourist, her style is distinguished by the use of rich, bright colours.

THEWORKSPRESENTED

Page 01 - Couverture : «Fragment. Patsa Mena» | MIORA ACKER

Page 02 - « Fragment. Essence de la vie » | MIORA ACKER

Page 04 - « Fragment. Rouge terre» | MIORA ACKER

Page 06 - «Fragment. Préliminaires» | MIORA ACKER

Page 08 - « Mille forêts » | MIORA ACKER

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Page 22 - « Force tranquille » | MIORA ACKER

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Page 48 - « Cathédrale » | MIORA ACKER

Page 51 - « Fragment. Mille Lagons » | MIORA ACKER

Page 52 - « Fragment. Intemporelle » | MIORA ACKER

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