

VOLOBE AMONT A MAJOR HYDROELECTRIC PROJECT TO DEVELOP AND ACCELERATE MADAGASCAR'S ENERGY TRANSITION

May 26th 2023, Antananarivo

- Today's official signing paves the way for the project to be operational in 2028.
- The launch of this flagship infrastructure project sends a strong signal to the Malagasy government of our commitment to supporting the country's development.
- This public-private partnership will have a significant socio-economic impact; most notably:
 - Propagating energy inclusion by making affordable access to electricity possible for close to 2 million people.
 - Accelerating the country's energy transition with up to 750 GWh produced renewably per year, amounting to close to 40% of Madagascar's yearly energy consumption.
 - Expediting the surrounding communities' economic integration and 1,500 direct and indirect jobs creation.

OFFICIAL SIGNING OF CONTRACTS FOR THE VOLOBE AMONT PROJECT, A KEY STEPPINGSTONE TO 2028

As a top-priority project for the government, the hydroelectric power plant's launch will give up to two million Malagasy access to reliable and affordable electricity. The Minister of Energy & Hydrocarbons, Mr. ANDRIAMANAMPISOA Soloniaina Rasamoelina, the administrators of the board of directors of JIRAMA Mr. RAKOTONDRAVAO Fredon, Mr. TSABOTO Roger, Mr. RASOLOFONANTENAINA José Elysé and the CEO of CGHV (Compagnie Générale d'Hydroélectricité de Volobe), Rémy HUBER, together, have completed a crucial stage in the project's execution with the signing of the Power Purchase Agreement (PPA) between CGHV and JIRAMA and the Concession Agreement between CGHV and the Ministry of Energy and Hydrocarbons. This signing, which is also an important step in Madagascar's energy and economic-development plan, is both a priority for the government of the Republic of Madagascar and an important step in the country's transition to cleaner renewable energy.

This signing stage was successfully completed thanks to the shareholders' diverse and complementary expertise, including AXIAN Energy, a prominent contributor to Africa's energy sector; their partners; CGHV's team, who worked alongside the Ministry of Energy & Hydrocarbons, and the Jirama, who have provided crucial institutional support throughout.

A PUBLIC-PRIVATE PARTNERSHIP BETWEEN THE MALAGASY GOVERNMENT AND CGHV TO ENSURE AN INCLUSIVE ENERGY TRANSITION

The government and CGHV have signed a fair agreement that reflects the potential benefit to the Malagasy people and maximizes the project's viability:

- A concession period of 25 years that will allow the consortium to pay down the investment and transfer the plant to the government if requested.
- 20% stake in CGHV for the Regulator.
- Completion of the government's objective of reducing marginal cost of electricity to one-fourth of the current unit cost price.
- A commitment from CGHV to nurture partnerships with local and Malagasy suppliers in line with relevant regulation pertaining to procurement during the construction phase.
- A commitment from CGHV to produce electricity for the Jirama local grid as part of its CSR programme once the power plant becomes operational, which will then be supplied to neighboring riparian communities.

As a designated project in Madagascar's Low-Cost Development Plan (LCDP) launched in November 2018 and revised in 2022, Volobe Amont is a top-priority project for the country and will have a positive and sustainable impact both nationally and at the regional level for local communities. The project should:

- Create approximately 1,500 direct and indirect jobs.
- Give over 2 million Malagasy access to electricity (approx. 8% of the country's population).
- Accelerate the economic integration and development of the Volobe region through the repair of the 26 km main road that is the area's primary access, and the installation of a 150-meter bridge across the Ivondro river.
- Allow for the reinforcement of the national availability of key skills such as innovation and engineering.
- Improve the balance of payments by reducing fuel imports.
- Improve JIRAMA's financial position (restore a favorable margin between selling price and cost price).

Benjamin Memmi, CEO of the AXIAN group's energy cluster, stated: *"The development of our economy requires modern, reliable and clean infrastructures. Our collective growth must be inclusive, creating a positive impact in service of communities. A strong public-private partnership is key for rapid development. CGHV and the Malagasy government are the perfect illustration of this winning reality for the country."*

ABOUT CGHV

CGHV (Compagnie Générale d'Hydroélectricité de Volobe) is a Malagasy consortium. CGHV was created in 2016 for the development of the Volobe Amont hydroelectric project. CGHV is responsible for the development, construction, management, operation, and maintenance of the Volobe Amont hydroelectric power plant.

ABOUT AXIAN ENERGY

The AXIAN group's AXIAN Energy cluster leverages innovative, clean and sustainable energy solutions to bolster energy inclusion and the African continent's energy transition.

AXIAN is an engaged partner in the socio-economic growth of the countries where it operates. With over 6,400 daring and passionate staff, the group systematically ensures that its products and services have a positive and sustainable impact on the day-to-day lives of millions of Africans.

The AXIAN Group is a signatory of the United Nations' Global Compact initiative and committed to the integration of its 10 Sustainable Development Goals (SDGs) into group strategy, policies and operations.

For more information, visit www.axian-group.com

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