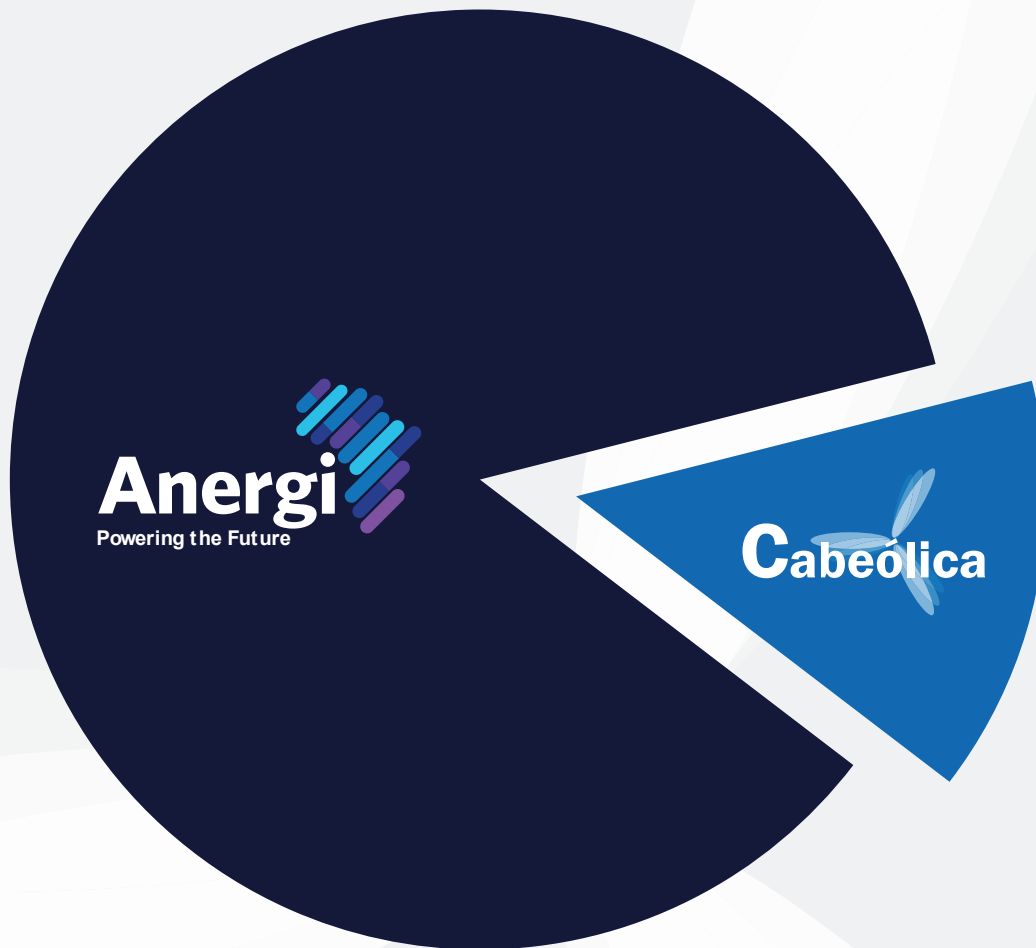


**Annual
Report
2018**





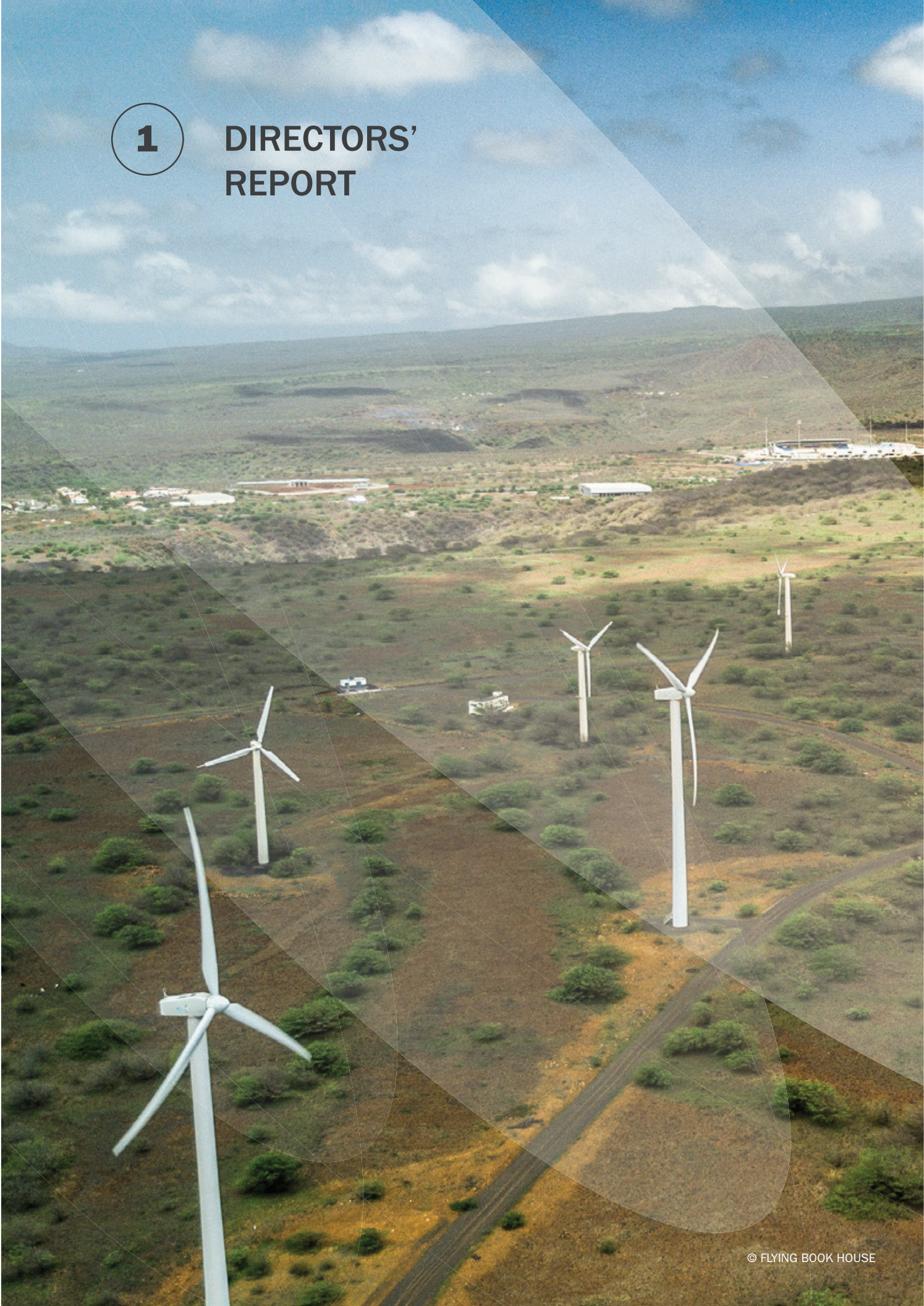
The Anergigroup is the result of a shared vision by Africa Finance Corporation (“AFC”) and Harith General Partners (“Harith”), two of Africa’s leading institutions, who decided to establish a leading African power company to address the growing need for energy, and to accelerate the pace of energy delivery on a sustained basis. Together, these two institutions ensure that the Anergigroup is perfectly positioned to be a major diversified energy participant in the African energy sector.

The Anergigroup’s mission is to create and to profitably operate economically and environmentally sustainable energy projects, in order to deliver an ever-increasing number of power connections to people on the African continent who currently have no access to power.

Anergigroup’s History and Mission
www.anergigroup.com

1

DIRECTORS' REPORT



Messages from the Chair of the Board and from the CEO



Kudzayi Hove Chair of the Board

domestically recognized model for the successful generation of sustainable and cost effective wind power.

Undoubtedly, Cabeolica is recognized as an innovative and pioneering project, which is pivotal in the realization of Cabo Verde's aspirations to increase the penetration of wind power in its energy matrix. Indeed, the power generated by Cabeolica has resulted in Cape Verde having one of the highest rates of wind penetration globally, a fact we are enormously proud of.

The company continued its strong commitment to maintaining excellent environmental and social and safety standards and as a result is pleased to announce once again, that 2018 was another accident and incident free year.

While 2017 saw some changes in the composition of the Board of Directors, 2018 brought with it the completion of the sale to Anergj Asset Company of Finnfund's equity stake in Cabeolica. Finnfund was one of the founding investors of the company and contributed enormously to its creation and growth, bringing deep technical knowledge, and vast project finance experience to the table. Finnfund's contribution to Cabeolica is acknowledged and appreciated by all of the company's stakeholders. Following the transaction, Finnfund's board representative, Ari Nironen, resigned from the board. We would therefore like to take the opportunity to thank Ari for all his valuable work, dedication and professionalism placed at the service of Cabeolica.

Anergj, the new majority shareholder in Cabeolica,

Every year in late March, the company's Directors are required by statutory terms and the commercial companies laws, to present the Annual Report of the previous financial year. Since its inception, the company has presented its financial and operational information in a timely manner not only to ensure strict compliance with its statutory requirements but also as a strong symbol of the company's continued commitment to transparency for all its stakeholders. Accordingly, it is with great satisfaction and pride that the Board of Directors presents the Company's 2018 Annual Report.

Our gratification is reinforced by the fact that 2018 was a year in which the company registered historically high levels of wind energy generated and sold, leading to particularly strong financial results and a seventh successful year of uninterrupted generation of reliable, clean wind energy for the public electricity distribution network.

This performance, coupled with the consolidation of wind technology worldwide and the double digit annual growth rate of installed wind power capacity, validate the strategy developed and pursued by Cabeolica's investors, while reinforcing the importance of the role played by the company in Cabo Verde's power sector and as an internationally and

is a joint venture of two leading financial institutions in Africa with operations in several African countries. Anergi's mission is to create a financially robust African energy sector, capable of fulfilling the continent's electricity needs and to make a significant contribution towards access of Africans to electricity. Consequently, Anergi has the pedigree to provide management with the necessary support to ensure continuity of best practices and future value creation.

As reported previously, Investors' agreed to reduce the annual escalation rate on a long-term basis, applicable to tariffs from 1 January 2017 onwards. However, the consent of one of the lenders, EIB, was not obtained in 2018. Management continues to work on obtaining EIB's consent within the first half of 2019.

Additionally, consent was obtained for the acquisition of CMS (Condition Monitoring System) equipment and the installation process was formalized. This equipment will enable the early identification of wear and tear on essential wind turbine components and thereby allowing timely interventions and minimizing downtime.

The responsibility for the destiny of the company is assumed, in full, by its Board, although always with the support and collaboration of all its stakeholders. Thus, I would like to acknowledge and appreciate the management team, the shareholders and lenders, as well as the company's partners and service providers for their invaluable contribution, commitment and dedication throughout the year.

We reaffirm our commitment to the success of the company and, as such, will continue working in pursuit of this goal.



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Messages from the Chair of the Board and from the CEO



António Fortes CEO

We are pleased to note, in this annual report for the financial year of 2018, that the company's net results registered a significant increase in comparison to the previous year, mainly justified by substantial growth verified in sales, and by the reduction of costs attested during the reporting period in regard to financial expenses.

It should also be noted that 2018 reflects another year in which the company managed to conduct its activities in an environment of economic recovery, with GDP growing approximately 4.5%, a trend indicating acceleration of the economy which was already expressive since the end of 2016 and throughout 2017, ensued by an evident recovery of preponderant economic activities. The main source of growth continued to be attributed to the increase in activities linked to tourism, the primary prospect for the country's economic development. However, the scarcity of rainfall has once again afflicted the country, exacerbating the adverse effects on the precarious situation of the agricultural and livestock sector inherited from the previous year and, consequently, on the efforts towards reduction of poverty.

Nevertheless, demand for electricity continued to

grow, with positive affect to the company's turnover. Indeed, wind energy generation was at levels never verified, having surpassed the 2014 record, mainly due to the very favourable winds registered throughout the year, except for the February and December months.

Under these conditions, the 4 wind farms generated and delivered a total of 85,154 MWh to the electricity distribution network, surpassing the 2017 production by 12% and the previous record, of 2014, by 5%, avoiding roughly 58,000 tonnes of CO₂ emissions. As so, and considering that by the end of the year it accounted for more than 530,000 MWh of total wind energy generated (373,000 tonnes of CO₂ avoided), the share of wind energy in the electricity matrix in the four islands was of 18% in 2018, contradicting, slightly and circumstantially, the trend of reduction that has been verified in the last years, which was primarily justified by the absence of new investments in power generation based on renewable energy.

The price of crude oil experienced notable fluctuations in reference markets, causing multiple variations in the price of oil products within the domestic market which influenced the competitiveness of renewable energy prices in relation to direct costs of fuels used in the conventional power production.

Withal, wind turbines availability rates were above 98% on average, reflecting good compliance of the service and availability agreement (SAA) and confirming the capacity and profes-

sionalism of Vestas, the maintenance and availability service provider. Santiago's meteorological mast was completed and entered operation in February 2018, thus restoring all the wind forecast conditions established at the beginning of the project.

However, at the end of the year, for the first time, there was a malfunction of some proportion and impact in a wind turbine, Santiago's WTG1, which saw the generator burned by internal short circuit. The machine became unavailable, and the service provider initiated the process of importing a generator for replacement in the first quarter of 2019.

The company continued focused on collaborative relationships with partners and service providers, fine-tuning procedures and practices to maximize the ongoing pursuit of optimizing relationships and meeting quality and efficiency standards of common interest. We emphasize the existing trust between the PPA parties and the operational and commercial maturity already achieved, which enable the conclusion of an additional year without financial default.

As customary, the company has remained committed on ensuring the safety of people and property in the 4 wind farms and is pleased to continue to announce zero accidents or incidents in all activities carried out. The biodiversity conservation and environmental education program received due attention and monitoring, and the environmental monitoring plan was thoroughly followed.

Nevertheless, although in practical terms the storage of waste resulting from operation and maintenance of the farms has seen significant improvements with the operability of the waste storage buildings, the final destination for those waste substances and products remains a concern, due to the absence of adequate overall solutions at the national level for treatment of such wastes.

Following the best practices in the sector and at PPP and Project Finance, the company has been continuously committed in maintaining perception of all the risks inherent to the business and in managing the mitigation measures, adopting strategic responses to risk management. During 2018, a

formal risk management system was implemented in accordance with standards and integrated models.































On a monthly basis, the company's executive management provides the company's Board with performance reports, thus supplying control and follow-up information throughout the year. We proudly state that, once again, no critical situation was reported along the whole year.

Lastly, and considering their relevance to the country's energy sector, we cannot fail to mention the processes announced in 2018 by the Government to increase installed capacity for renewable energy generation: -10 MW solar and 10 MW wind power on the island of Santiago and 5 MW solar on the island of Boa Vista. For all intents and purposes, the company also expressed to the main partners, its interest in expanding the Santiago wind farm as much as feasible, safeguarding the maximum installed capacity in the existing farm and the prepatent capacity to absorb wind power. Also relevant were both the presentation of the Master Plan for the power sector and the transformation of the Economic Regulatory Agency and other regulatory bodies into a single regulator of the entire economy, with increased responsibility for technical regulation of the sectors covered.

On behalf of the entire management team, I would like to express our gratitude to all who contributed to another successful year for the company.



2018 Highlights

	Key Indicators	2017	2018
Operational	Installed capacity (MW)	25.5 	25.5 
	Energy Generated / Available (%)	75% 	76% 
	Estimated Penetration rate (Cabo Verde)	17% 	18% 
	Average wind speed (m/s)	8.9 	9.4 
	Production (MWh)	75 352 	85 154 
Financial	Revenues (EUR)	10 728 497 	11 907 084 
	EBIT (EUR)	5 664 056 	6 681 189 
	Profit for the period (EUR)	1 613 102 	2 759 688 
	Debt Service Coverage Ratio* ¹	1.82 	1.85 
	Average Collection period (days)* ²	50 	45 
	Contractual Penalties / Defaults (number)	0 	0 
Environmental & Social	CO2 Equivalent avoided (tons)	51 473 	58 168 
	H&S Accidents involving Health (number)	0 	0 
	Training courses for employees (hours)	228 	177 
	Internship programs (number)	6 	6 

*¹ Considering only Lenders' loans*² Outstanding amount without adjustments in price

Cabeolica in Brief

Vision, Values and Milestones

VISION

To be a company of excellence and a national and international reference in the renewable energy sector, creating value for its stakeholders and strongly committed to sustainability.

VALUES

Sustainability

promoting improvement in quality of life.

Professionalism

in providing services.

Ethics and integrity

in doing business.

Social Responsibility

promoting education for a sustainable world.

A passion for clean energy.

Milestones

2008 and 2009 – The signing of an innovative Public-Private Partnership (PPP) between InfraCo Africa Limited, the Government of Cabo Verde and the local utility company Electra SA. As a result, the company Cabeólica, S.A. (Cabeolica) was created to finance, construct, own and operate four wind farms in the Cabo Verdean islands of Santiago, São Vicente, Sal and Boa Vista, with a total installed capacity of 25.5 MW.

2010 – The Africa Finance Corporation (AFC) and Finnish Fund for Industrial Cooperation (Finnfund) began participating in Cabeolica as strategic partners of reference, and as majority investors. Also, in 2010, having secured long-term loans from the European Investment Bank and the African Development Bank, Cabeolica signed a power purchase agreement with the Off-taker, Electra, SA, and contracts with Vestas to construct the wind farms (EPC) and maintain the turbines (SAA).

2011 and 2012 – Financial close was reached and construction of the 4 wind farms was concluded. With the take-over certificates signed, the company reached full Commercial Operation Date (COD).

2013, 2014 and 2015 – Cabeolica became the first Cabo Verdean company to register its project within the scope of the UNFCCC Clean Development Mechanism, achieved its record penetration rate, contributing with about 24% of all electricity consumed in Cabo Verde and sold carbon credits (CERs) for the first time.

2016, 2017 and 2018 - Initial equity positions in Cabeolica held by InfraCo Africa Limited, AFC and Finnfund were transferred to Anergi Asset Company.

Also, in 2018, the company generated 85,154 MWh of wind energy, the best performance since the beginning of commercial operation.



Corporate Governance

Cabeolica has since its incorporation established a strong commitment to ethics, transparency and accountability, as well as to applying Corporate Governance best practices.

The company's structure and operation are regulated by Cabo Verde's Commercial Companies Code, by its statutes and by the Development and Investment Agreement (DIA) signed between the Investors. In addition, the company's operational management and internal control system are guided by the DIA and its internal guidelines, which establish best practices for key areas of the company's performance, and by a code of ethics applicable to all employees.

As part of the agreement signed with the Lenders, the company is also subject to compliance with a strict set of rules in terms of information reporting, as well as in terms of its structure and operation.



State of Cabo Verde.

On October 26, 2018, Finnfund's equity position in Cabeolica was transferred to Anergi Asset Company (formerly named Edison Energy Asset Company), thereby reinforcing its position as majority investor, with a 94% stake in Cabeolica.

94%

Anergi

3.75%

Electra

2.25%

State of
Cabo Verde

Investors



Anergi Asset Company, part of Anergi Group, owning equity interests in power generation assets in Africa, with a total installed capacity of about 1,800 MW and resulting from a joint venture between AFC and Harith General Partners;



Empresa de Electricidade e Água – Electra, SA (Electra, SA), the local utility company, having as its main shareholder the State of Cabo Verde;

Lenders

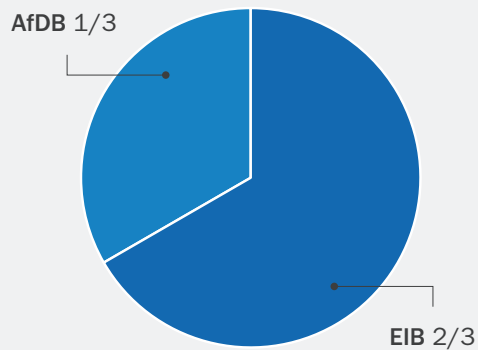


European Investment Bank (EIB), long-term lender of the project;



African Development Bank (AfDB), long-term lender of the project.

Debt Structure



The corporate governance model adopted reflects the commitment of the company to apply best practices in terms of transparency and segregation between the management and supervision of the company's activities. Management is ensured by a Board of Directors, composed of 7 non-executive members, that has ultimate responsibility for strategy, policy formulation and decision making, with specific authority delegated to a Chief Executive Officer for the company's operation, supported by a management team.

The Board of Directors meets quarterly. In 2018, meetings were held on March 27, June 15, September 21 and November 27.

Main Partners



VESTAS, manufacturer of wind turbines and maintenance service provider;

Supervision is ensured by an external audit and a Supervisory Body, both assigned to the international accounting firm PricewaterhouseCoopers (PwC), and there is also a Shareholders' Assembly and an Investors' Meeting that ensure accountability to shareholders and investors.



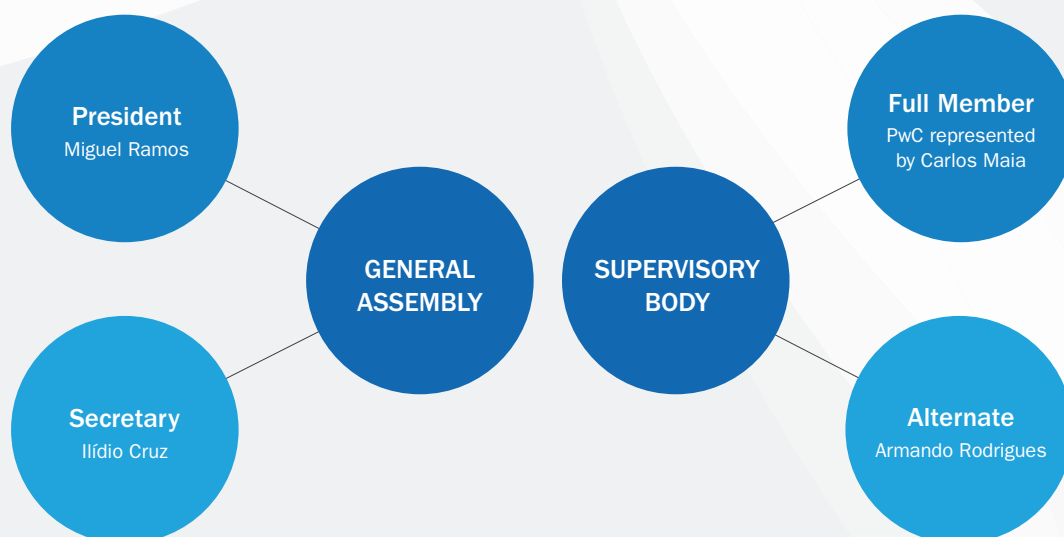
Electra, SA, the commercial and operational partner in the management of the wind farms.



Organizational Structure



Corporate Bodies



The Board of Directors

Chair of the Board of Directors



Kudzayi Hove

Appointment: AFC/Anergi Asset Company

Kudzayi Hove is the CEO of Amayi Foods Limited, a Nigerian food processing company. Prior to setting up Amayi, she headed up equity investments at AFC, where she oversaw AFC's investment in Cabeolica and other projects. She has roughly 20 years of experience in banking and private equity and holds a BA from Clark University and an MBA from the Wharton School, University of Pennsylvania.

The Directors



Ayotunde Anjorin

**Appointment: AFC Equity/
Anergi Asset Company**

Ayotunde Anjorin is AFC's Director and CFO and prior to this, he was AFC's Senior Vice President and Head of Finance & Operations. Prior to joining AFC, he worked at Standard Chartered Bank Nigeria, where he held positions at national and regional levels. He holds a BSc in Accounting and is a chartered accountant with more than 15 years of post-qualification experience in the financial area, encompassing financial reporting, internal control, risk management, banking operations and process reengineering.



Eluma Obibuaku

**Appointment: AFC/Anergi
Asset Company**

Eluma Obibuaku has over 20 years of accomplished public and private sector advisory and investment experience. Currently, he is the Vice President for Power with AFC's Origination and Coverage Division and sits on the Board of several private companies. Over the span of his career, he has worked at the US General Accounting Office, Pacific Gas and Electric Co, the IFC and, more recently, with a pioneer power project developer to establish a Greenfield IPP. Eluma holds an MBA in Finance from the Wharton School of the University of Pennsylvania.



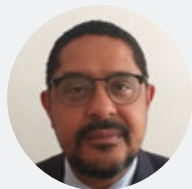
Olubowale Odumade

Appointment: AFC/Anergi Asset Company

Bowale Odumade works within the Investments department at AFC. As part of her role, Bowale is actively involved in the project development and execution of projects and transactions across various sectors. Prior to AFC, Bowale worked at GE Capital (Energy Financial Services) and Accenture. Bowale has an MBA in Finance and International Business from the Kellogg School of Management, Northwestern University, and a BSc in Management Information Systems from the University of Minnesota.

The Board of Directors

The Directors



Rito Évora
Appointment: State of
Cabo Verde

Rito Évora is the National Director of Industry, Trade and Energy of Cabo Verde since August 2018. He has over 20 years of experience in the energy sector, having already acted as service director of energy and executive director of the Economic Regulation Agency. Rito Évora has been working in the design, development and implementation of regulatory models and structural policies for the energy sector in Cabo Verde. He holds a BSc in mechanical engineering and an MSc in energy.



Alcindo Mota
Appointment: Electra, SA

Alcindo Mota is the Chairman of the Board of Electra, SA. He has over 20 years of experience in executive management and finance in energy and telecommunications sectors in Cabo Verde. He has also served as executive director of Electra, SA and Cabo Verde Telecom, SA, as director of SISP (inter-banking payment system entity) and financial manager of Cabo Verde Telecom, SA. Alcindo Mota is a graduate and postgraduate in Business Management.



Ari Nironen
Appointment: Finnfund

Ari Nironen holds an MSc in Engineering and an MBA in Finance and has over 25 years of professional experience, more than 15 of which has been within the financing sector. During the last 10 years he has been originating, structuring and managing direct investments in emerging markets at Finnfund.

Resigned in October 2018 and will be formally replaced in 2019.



Alexandre Monteiro, appointed by Electra, SA, and Daniel Livramento, appointed by the State of Cabo Verde, were replaced in 2018 by Alcindo Mota and Rito Évora, respectively, appointed by these investors. Alexandre Monteiro had resigned in December 2017, due to his appointment as member of the Government of Cabo Verde.

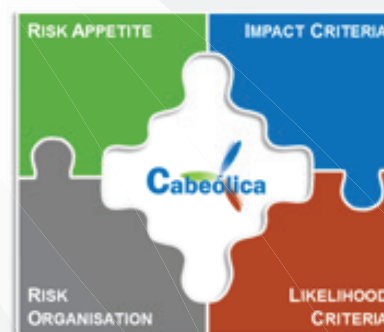
Name	Appointment	Date of Appointment	Gender	Rotation
Alexandre Monteiro	Electra, SA	25 November, 2016	M	Replaced in March, 2018
Daniel Livramento	State of Cabo Verde	30 March, 2017	M	Replaced in November, 2018
Kudzay Hove	AFC/Anergi Asset Company	29 September, 2017	F	
Olubowale Odumade	AFC/Anergi Asset Company	29 September, 2017	F	
Ayotunde Anjorin	AFC/Anergi Asset Company	27 November, 2015	M	
Eluma Obibuaku	AFC/Anergi Asset Company	29 September, 2017	M	
Ari Nironen	Finnfund	30 March, 2017	M	Resigned in October, 2018
Alcindo Mota	Electra, SA	27 March, 2018	M	
Rito Évora	State of Cabo Verde	28 November, 2018	M	

The composition of the Board of Directors reflects the Investors' contribution in the company's equity, while ensuring, under any circumstances, a minimum of one Director from the State of Cabo Verde and one Director from Electra, SA. The composition also takes into consideration the best practices of corporate governance, notably availability for the position, periodic rotation and experience and professional seniority of all members, with extensive background in investment and finance, executive management and/or the power industry.

Risk Management

In line with best practices in the sector and in particular in PPPs and Project Finance, since the beginning of commercial operations, the company has in place strategic responses to risk management, including important contractual instruments, transparent and highly experienced institutional investors and a proactive attitude from management and supervisory structures in order to identify, report and mitigate the key risks.

However, in 2018, a formal risk management system was also implemented, in compliance with ISO 31000 standards and the COSO ERM framework, including appropriate risk policies and risk governance model.



Risk Appetite

To create value and pursue its strategic goals, Cabeolica has to take risks while actively ensuring that the risks are identified, monitored, and mitigated to ensure that they do not adversely impact the achievement of the strategic and financial targets. Cabeolica has a very low appetite for safety, compliance and contractual risks and is willing to tolerate low financial, operational and environmental risks.

Risk Class, Likelihood and Impact

Five Risk Classes were defined: strategic, financial / operational, reputational, health and safety and compliance. The severity of risks was also calculated based on impact and probability criteria, the latter related to expected or historic frequency. As a result, a map was built with Cabeolica's key risks, as well as the respective monitoring and mitigation criteria.

Governance Model

A multi-layered risk management governance model was defined, with the Board of Directors assuming ultimate authority and responsibility for the risk management, including defining the risk strategy. Other layers include the CEO and the risk committee, responsible for the risk supervision, monitoring and control, and risk officer (CFO) and risk managers, as the first layer responsible for the risk management. In addition, starting in 2019, the external auditors should review the compliance to the risk management system by the company on an annual basis.

Economic Framework

According to the International Monetary Fund (IMF), in 2018 the global economy registered a growth rate of approximately 3.7%, reflecting positive performance of developed, as well as emerging and developing economies.

The acceleration of economic growth in the US stands out, resulting from an increase in public consumption, exports and investment, while the Eurozone, Cabo Verde's main trading partner, shows moderate growth of about 1.8%, compared to 2.4% in 2017.

Sub-Saharan Africa, with a growth rate of about 2.9%, showed modest signs of a strengthening economy.

In the energy sector in particular, the major highlights are related to the same trend for volatility in oil prices on international markets, with the barrel of Brent priced, in average, between 60 and 70 US dollars during the year of 2018, but also to the uncertainty regarding the outlook of oil prices, influenced by various factors both on the supply and demand sides.

Although the current oil price continues, in the

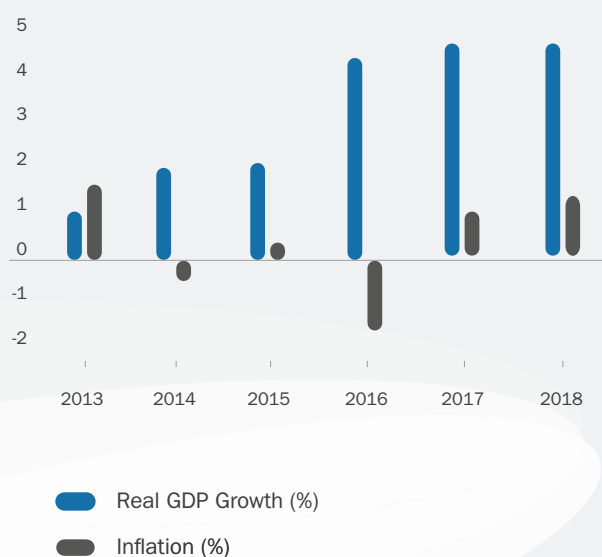
short term, to put a certain pressure on the competitiveness of renewables, including wind power, technological improvements and consequent sustainable decrease in prices, as well as concerns regarding environmental impacts and sustainability, energy independence and predictability, ensures that progression towards global growth based on low emissions and environmentally friendly energy is an inevitable path.

In fact, according to studies published in 2018 by Bloomberg New Energy Finance, since 2009 the levelized cost for wind power has reduced by about 50% and the contribution of renewable energies worldwide to power generation is expected to increase from 10% by 2017 to 30% by 2035.

According to the Global Wind Energy Council, global installed wind power capacity continued its double-digit growth in 2018, confirming the trend of sustainable growth that has been occurring over the past 2 decades. Within the African continent, investments in Egypt, Kenya and Morocco stand out with 380 MW, 310 MW and 120 MW installed in 2018, respectively.

Given the favorable external environment, in Cabo Verde the economy continued to show signs of sustained growth, with sources like the Bank of Cabo Verde, the National Statistics Institute and the IMF estimating on average that GDP growth would likely reach 4.5% and an inflation of approximately 1.3%. On the demand side, there is a positive evolution of exports, mainly of services related to tourism flows.

Key Indicators



Source: IMF, Bank of Cabo Verde and National Statistics Institute

Electricity tariffs for the end consumer registered a slight increase and, with the economy in a recovery cycle and with important investments in the tourism sector, consumption of electricity in the country maintains the growing trend.

In regards to legal and regulatory framework, the highlights were: the creation of ARME – Economy Multisectoral Regulatory Agency, which includes, among other responsibilities, the regulation of the energy sector (replacing ARE and other regulators of the economy); the presentation of the Master Plan for the power sector and the publi-



cation of important amendments to the decree-law that establishes the conditions inherent to the exercise of the activity of independent power producer and power self-production, based on renewable sources.

In 2018, Cabeolica was responsible for generating approximately 18% of the electricity consumed in the country, keeping Cabo Verde in its position as an international reference and the leader in Sub-Saharan Africa in terms of wind power penetration.

Cabeolica's Performance in 2018

Infrastructures

In 2018, the four wind farms of Cabeolica completed 7 years of continuous operation, with a total installed capacity of 25.5 MW, composed of 30 wind turbines, Model V52-850 kW from Vestas, with the following distribution of wind turbines and capacities: 11 in Santiago (9.35 MW); 7 in São Vicente (5.95 MW); 9 in Sal (7.65 MW) and 3 in Boa Vista (2.55 MW).

In January, Cabeolica approved the preventive maintenance and inspections plan. The planned activities and the corrective actions were developed, ensuring over 98% of average availability of the 4 wind farms. In February, the installation and commissioning of the meteorological mast in Santiago were completed.

Cabeolica conducted semiannual inspections to verify the status of the 30 wind turbines and, in July, a technical consultancy was performed by the Lender's Technical Adviser, including technical inspection of the wind farms, which recommends continuing to focus on preventive maintenance and progressively increasing the performance of the Sal, São Vicente and Boa Vista wind farms.

In July, the repair of Sal wind farm's 4 km access road was carried out. The other access roads are being monitored to allow safe access to the wind farms. Substations maintenance works are scheduled for the first quarter of 2019.

Due to the extension of the service agreement with Vestas, Cabeolica initiated in 2017 the acquisition process of 30 CMS equipment - Condition Monitoring System. In December, the installation and commissioning of the CMS were completed. This equipment is intended to monitor vibrations and predict failures in the main components of wind turbines.

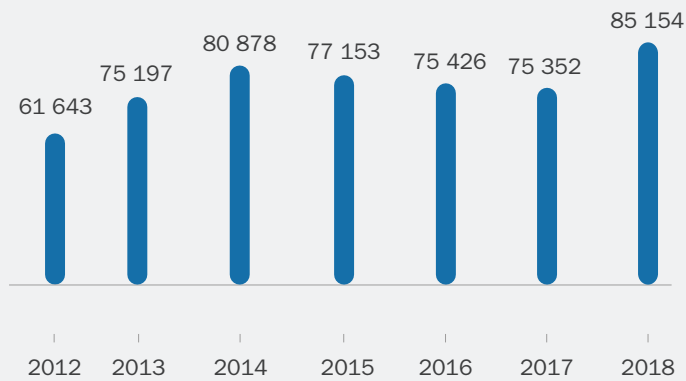
Also, in 2018, the development of the project for an electricity dispatch center for Santiago, São Vicente and Sal, in which Cabeolica and Vestas played an important role, mainly in the integration of Cabeolica wind farms in this system, continued its progress. Tests for the integration of the wind farms were completed in the first semester and the center is expected to be operational in 2019.



Operational Performance

Evolution

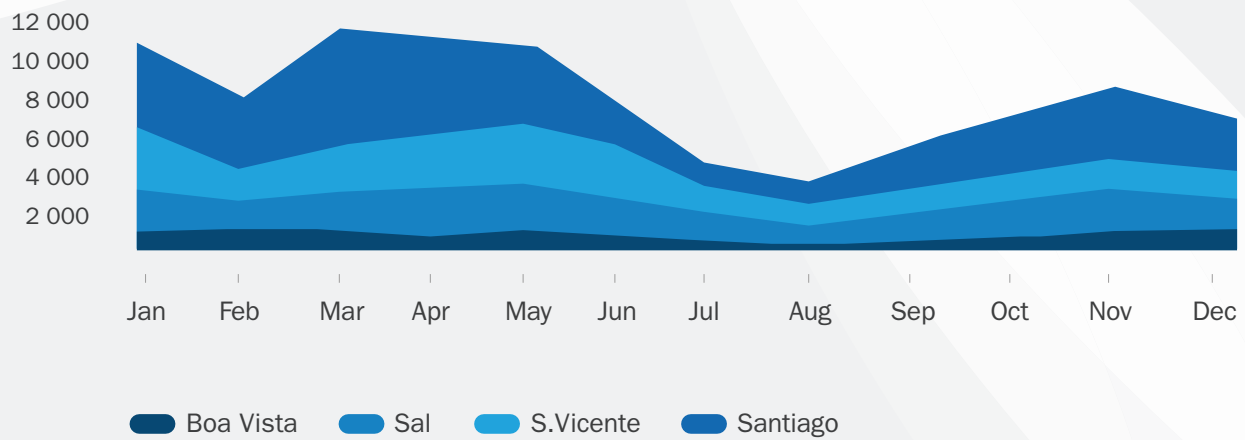
Energy Generated (MWh)



General Results

In 2018 the energy generated was approximately 85,154 MWh, distributed as follows by the 4 wind farms: Santiago - 42%; São Vicente - 25%; Sal - 23%; and Boa Vista - 10%. This amount represents the highest annual energy generation since the beginning of commercial operation, 12% up from the previous year, which was mainly due to the excellent wind potential registered, with exception to the months of February and December. However, technical restrictions persist, mainly in Sal, São Vicente and Boa Vista, imposed by the Off-taker. In respect to Boa Vista, there was a positive evolution in the use of available energy during the second semester.

Energy Generated in 2018

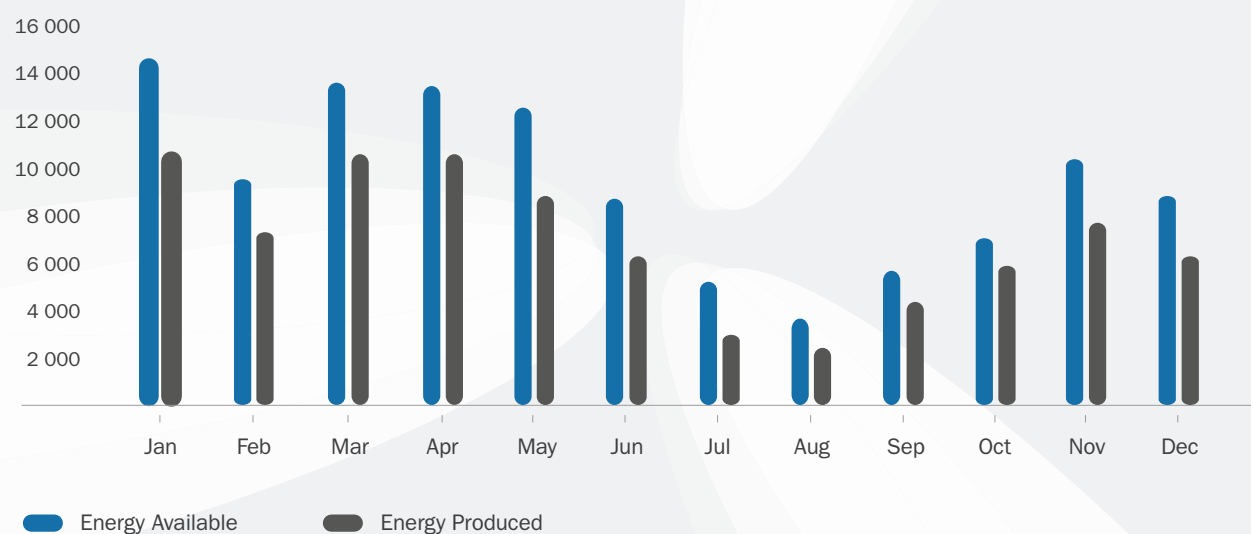


Wind Farm	Installed Capacity (MW)	Energy Produced (MWh)	Wind Speed (m/s)	Availability (%)
Santiago	9,35	35.858	8,7	98,69%
S. Vicente	5,95	21.001	10,2	98,82%
Sal	7,65	19.449	9,2	99,07%
Boa Vista	2,55	8.846	9,4	98,93%
TOTAL	25,5	85.154	9,4	98,88%

The average annual penetration rate of the four wind farms in relation to the total production generated in the country was estimated to be roughly 18% in 2018 (Santiago - 16%, São Vicente - 27%, Sal - 29% and Boa Vista - 23%), while the average annual availability of Vestas was 98.88%.

The available energy of the four wind farms increased 11% in relation to the previous year, with a 12% increase in Santiago, 9% in São Vicente, 11% in Sal and 10% in Boa Vista. While technical restrictions imposed by the Off-taker in the production of the four wind farms persisted, the grids absorbed 76% of the total available energy throughout the year, with corresponding figures as follows: Santiago 99%, São Vicente 69%, Sal 57% and Boa Vista 77%.

2018



Commercial Performance

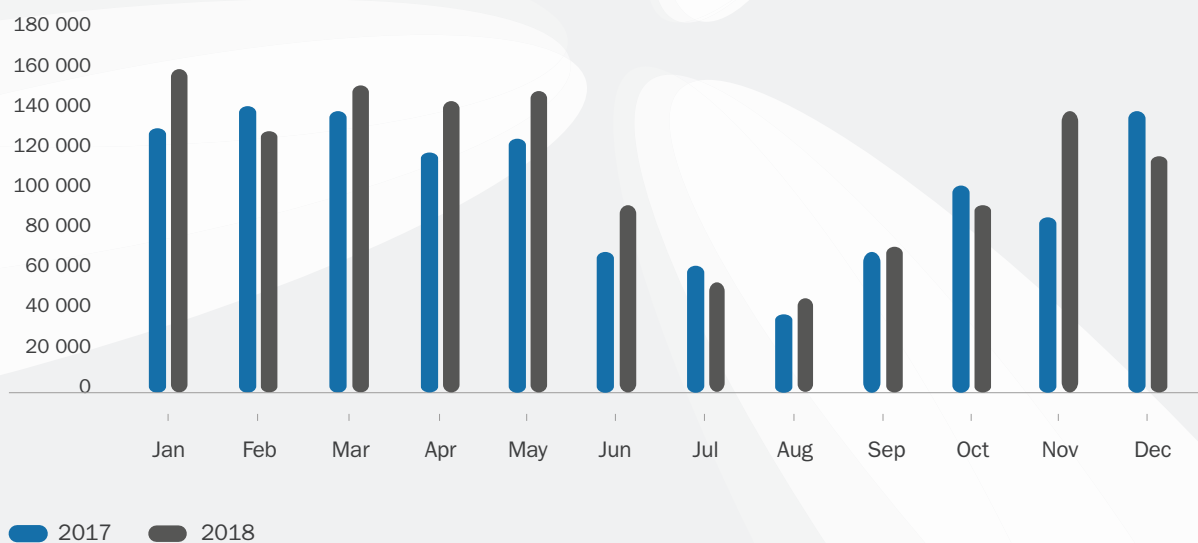
Cabeolica holds a Power Purchase Agreement (PPA) with the Off-taker, Electra, beginning in 2012 and provides the conditions and guarantees necessary for the sale of energy during this period, namely the prices to be considered and the minimum quantities of energy that Electra, SA should acquire.

The year 2018 represents the seventh continuous year of activity of the wind farms and the best year in terms of revenues, reflecting the excellent wind potential registered and the best production performance since the beginning of the commercial operation. In fact, electricity revenues reflected a relevant increase of 11% in 2018 when compared to the previous year.

Annual Electricity Revenues

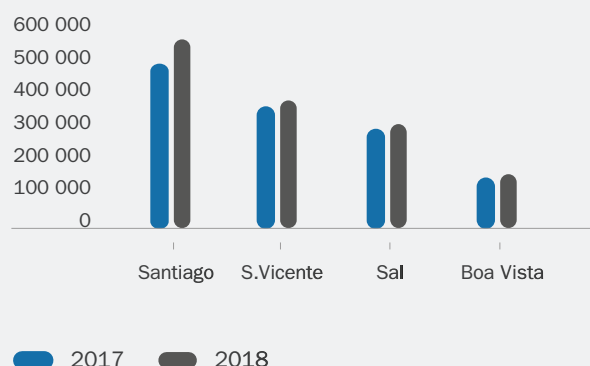


Monthly Electricity Revenues (in EUR)

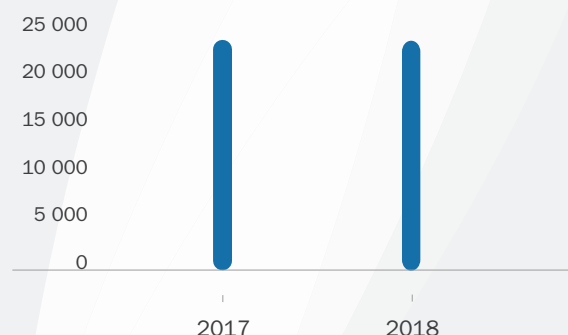


In respect to the performance of electricity revenues per wind farm, increases in all wind farms were registered, although more pronounced in the Santiago wind farm, due to the technical restrictions that persist in the other wind farms, imposed by the Off-taker.

Electricity Revenues per wind farm (in EUR)



Revenues from CERs (in EUR)



Although the overall financial position of the Off-taker, Electra, SA continue to require attention, through some operation improvements and good treasury management, the Off-taker has been able to honor its commitments, with debt to Cabeolica kept at controllable levels.

The average sales price has remained at approximately the same level as the previous year, confirming the predictability associated with Cabeolica, which stands in contrast with the volatility associated with the price of conventional fossil fuel-based production sources.

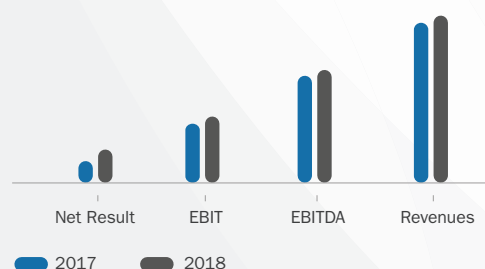
Under the ERPA - Emission Reduction Purchase Agreement, the CERs generated in 2016 and 2017 were sold in 2017 and 2018, respectively.

Financial Performance

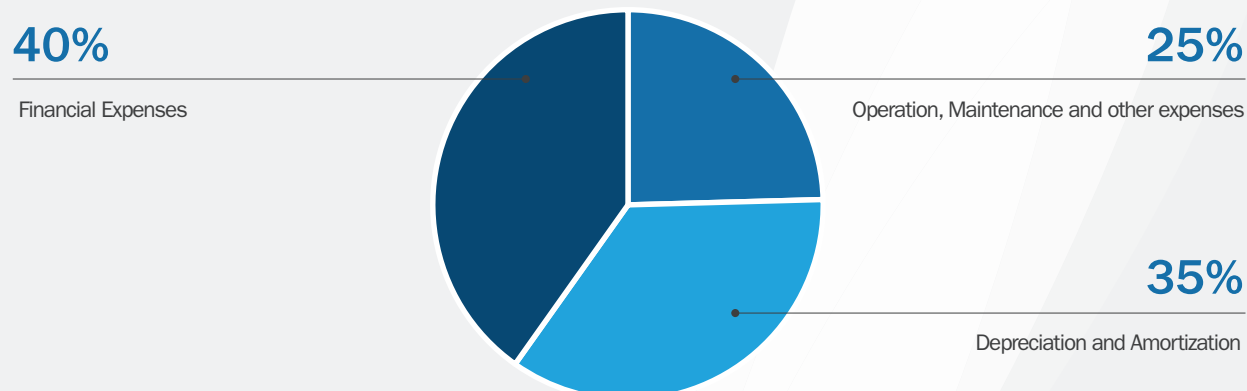
In 2018 financial year, Cabeolica achieved the best results since the beginning of commercial operation essentially reflecting the increase in revenues related to record electricity generation. The increase in profits also reflects the decrease in financial expenses, related to the expected repayment of loans, and the fact that operating expenses remained basically at the same level as in the previous year.

	EUR	
	2017	2018
Income		
Revenues (Electricity and CERs)	10 728 497	11 907 084
Other Revenues	46 724	3 522
Financial Income	981	206
	10 776 202	11 910 812
Expenses		
Operation, Maintenance and other expenses	-2 033 877	-2 147 605
Depreciation and Amortization	-3 077 289	-3 081 812
Financial Expenses	-3 812 746	-3 513 038
	-8 923 911	-8 742 455

Results	2017	2018
EBITDA	8 741 345	9 763 001
EBIT	5 664 056	6 681 189
Profit	1 613 102	2 759 688



As a result of the singularity of this industry, Depreciation and Financial expenses still accounted for about 75% of the company's total expenses.



As there were no significant investments, namely in the expansion of the wind farms, the company again registered in 2018 a decrease in the balance sheet total.

Non-current Assets correspond mainly to the four wind farms and respective transmission lines and to the project's development costs. It also includes CMS equipment - Condition Monitoring System, whose acquisition and installation process started in 2017 and was completed in 2018.

Liabilities consist essentially of the outstanding portion of the Investors and Lenders loans. Equity has been increasing in a sustainable manner with the annual increase of the reserves and only 17% of liabilities correspond to short-term responsibilities.

	EUR	
	2017	2018
Assets		
Non-current Assets	44 002 529	40 936 954
Current Assets	7 169 636	7 894 732
	51 172 165	48 831 686
Equity		
Share capital	31 452	31 452
Other Equity Instruments and Reserves	2 938 033	3 927 647
Profit/(Loss) for the period	1 613 102	2 759 688
	4 582 587	6 718 787
Liabilities		
Non-current Liabilities	39 328 140	34 859 010
Current Liabilities	7 261 438	7 253 889
	46 589 578	42 112 899
Equity + Liabilities	51 172 165	48 831 686

The cash flows reflect the positive performance of 2018 financial year, but also the overall sustainability of the activity, confirming the company's ability to comply with all commitments and provide an acceptable return to investors.

The main ratios in 2018 and 2017 are summarized in the table below:

Key Ratios	2017	2018
Current ratio (Acid test) Current Asset / Current Liabilities	0.99	1.09
Debt to Equity Liabilities / Equity	10.17	6.27
Debt Service Coverage Ratio Operational Cash Flow / Debt Service* ¹	1.82	1.85
Average Collection period (days) Receivables x365 / Revenues (Inc.VAT)* ²	50	45
Return on Assets Operational Result / Assets	11.1%	13.7%

*¹ Considering only Lenders' loans

*² Considering outstanding amount without adjustment in price

Human Resource Management

Cabeolica is focused in retaining a highly trained workforce to guarantee business continuity with a focus on continuous improvement.

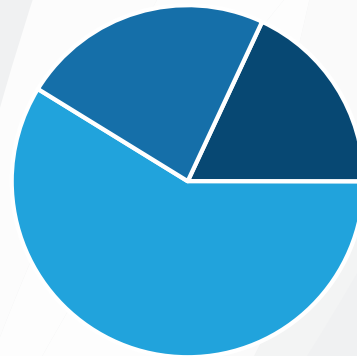
A total of ten employees make up Cabeolica's workforce, which has maintained its ratio of 30% female and 70% male, all Cabo Verdeans. The number of employees is correspondent of the posts defined by the company's Staffing Plan, deemed to be an optimal number for the size of the company and which, along with human resource management tools such as the company's Internal Guidelines and Performance Evaluation Manual, create an effective and engaging environment promoting efficiency, dedication, collaboration, and responsibility at all levels.

Further to the direct job positions, Cabeolica maintained approximately 40 indirect job posts, over 90% currently being held by locals. Some of these service providers, such as Vestas, employ and train local personnel specifically to fulfill contractual obligations, aligning with Cabeolica's objective to build know-how and retain Cabo Verdean specialists in the country.

Training

The company provides training opportunities aimed at enhancing knowledge and building employee capacity to meet the company's strategic needs aligned with best practices. During the course of the company's operation, hours of staff engagement in training programs have surpassed 2,310 and have been primarily focused in the key areas as wind farm technical operation and maintenance specifications, health and safety, technical and administrative software learning and enhancement, as well as financial.

2018 hours of training by functional area



Administrative Technical Finance



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Health and Safety

The health and safety of the employees and others who visit our wind farms are crucial to the company and guide practices in our daily operations. Integral parts of these best practices are:

- The development of internal mechanisms and procedures;
- Continuous training activities in health and safety modules, at Global Wind Association standards;
- Providing individual protection equipment adequate for each activity;
- Work safety inspections and coordination;
- The presence of first aid and firefighting equipment at all wind farms, as well as devices appropriate for using equipment with electrical charge.

The company also provides all its employees with optional additional insurance and general medical checkups as a way of encouraging and promoting employee health.

Throughout the company's history there have not been any work accidents registered, essentially due to the implementation of effective safety policies and procedures. The company is committed to undertaking all possible efforts to maintain this record.

Environmental and Social Responsibility

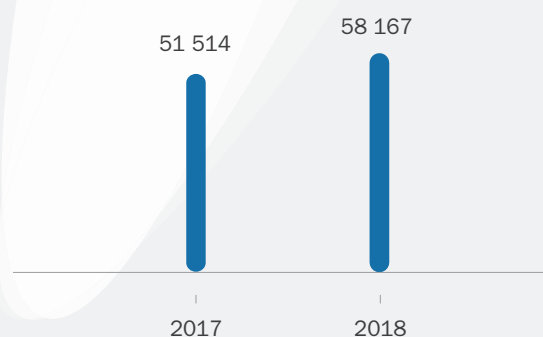
Environmental Responsibility

Through its Environmental Monitoring and Sustainability reports the company is committed to reporting to its key stakeholders on the progress towards meeting the targets set out in its Environmental and Social Management Plan (ESMP). There are three areas of priority:

Reduction of greenhouse gas emissions – The production of wind energy by Cabeolica until

December 31, 2018 has allowed for the reduction of some 373,000 tonnes of CO2 and the company continues in its leadership position as the primary entity in terms of greenhouse gas reduction within the country, a position it has proudly held since it began operations.

CO2 Emission Reduction (tons)



Biodiversity Enhancement - As a wind energy producing company with a strong vision of sustainable development, Cabeolica respects and promotes the importance of the conservation of biodiversity. Throughout its existence, the company has promoted important biodiversity conservation initiatives, including:

- The Cabeolica Boa Vista Bird Monitoring and Conservation Program began in 2012, within the Ponta do Sol Natural Reserve, considering this protected area is an important breeding habitat for birds. The program has yielded a vast amount of data and become one of the most important sources of information on these bird species in Cabo Verde, which is shared with the national authorities and other national and international stakeholders.

- Monitoring of the gecko *Tarentola substituta*, endemic to the island of São Vicente, including the financing of several studies that have elevated the gecko's status from a subspecies with insufficient data to a low risk species within the IUCN red list.

Environmental Education - As part of the bird conservation efforts, Cabeolica initiated in 2012 the funding of an education program in the schools of Boa Vista with the intention of promoting environmental awareness around the importance of avifauna, primarily Osprey, the Egyptian Vulture, seabirds and endemic species on the island. In 2018 bird education and awareness activities were addressed to students of 7th grade of the Boa Vista secondary school, with onsite field visits organised in coordination with the Department of Environment. Throughout the course of the program, 97 lectures were given in Boa Vista within the scope of this program, with 224 students attending in 2018.

Social Responsibility

The educational program We Are Energy was created by Cabeolica in 2015, dedicated to the teachings of clean energy sources and energy efficiency for school children in the 4th grade. The main goal of the program is to bring a perception of value towards existing natural resources in Cabo Verde. The program, which has been very well received by the schools, was implemented in five islands. Altogether, the program has already reached some 3,900 students in various schools spread across several islands in the country.

In addition, the company has also sponsored a number of important programs promoting awareness among the communities to better understand the impacts that positive behavior towards the environment has on the current and future generations. The company's support to those initiatives geared toward environmental awareness-raising is aligned with environmental values and the company is determined to continue this support in the coming years.

Cabeolica created internship programs in 2013 aimed at providing potential candidates with

experience and knowledge within the technical and financial departments of the largest Cape Verdean company in the renewable energy sector. The main goal of the internship programs is to contribute, giving recent graduates an opportunity to place into practice the knowledge obtained during their academic route and to create important skills for integration in the job market. Since the beginning of the program the company has received 36 interns who obtained good employability rate following the completion of the respective internships.



Outlook

Subsequent Events

There are no known events significant to the Financial Statements from December 31, 2018 to the date of the present Report.

Activity Outlook

Following seven years of operation, the overall assessment is very positive and the priority goals remain related to the management and efficient monitoring of the wind farms' operation and maintenance, in order to maximize the use of available wind energy and ensure high-quality parameters of the energy produced.

However, seizing new expansion opportunities is also an important goal, obviously subject to an in-depth and prudent analysis of each actual project, considering (i) the growth trend in electricity consumption over the last years and similar perspectives for the coming years, (ii) the ambitious plans of the Government of Cabo Verde regarding renewable energy, (iii) the experience already accumulated by Cabeolica in this market and (iv) the ambition and technical and financial strength of the Anergí Group within which Cabeolica is now integrated.

Acknowledgments

To our lenders, the European Investment Bank and the African Development Bank and to the other financial institutions, bank and insurance, we express our appreciation for the excellent relationship maintained and their support and cooperation throughout the year 2018.

To our partner, Electra SA and to our suppliers of goods and services, Vestas in particular, we express our gratitude for the valuable technical and commercial cooperation.

To our auditor and supervisory body, PwC, we acknowledge the rigor of the services provided.

Earnings Distribution Proposal

Having registered a net profit of EUR 2,759,688 and considering the fact that the company's legal reserves are above the minimum requirements, its good operational and financial performance, but also the need to capitalize the company, the Board of Directors proposes to the General Assembly the following distribution for 2018 net profit:

- Transfer of 75% to Other Reserves – EUR 2,073,852
- Transfer of 25% to Dividends – EUR 685,836

Praia, 21st of March 2019

The Board of Directors

Kudzayi Hove, Chair

Olubowale Odumade, Director

Ayotunde Anjorin, Director

Eluma Obibuaku, Director

Ari Nironen, Director
(resigned in October 2018)

Alcindo Mota, Director

Rito Évora, Director

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REPORTS OF THE AUDITOR AND SUPERVISORY BODY



Independent Auditor's Report

Opinion

We have audited the financial statements of Cabeólica, S.A. (the Company), which comprise the balance sheet as at 31 December 2018, the statement of income by nature, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Cabeólica, S.A. as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with generally accepted accounting principles in Cabo Verde.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements of the Institute of Statutory Auditors and Certified Accountants ("Ordem Profissional de Auditores e Contabilistas Certificados") that are relevant to our audit of the financial statements in Cabo Verde. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Other information – management report

Management is responsible for the preparation of the management report. The other information comprises the management report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the information included in the management report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Tel +238 261 5934/5 Fax +238 261 6028, www.pwc.com/cv
Matriculada na Conservatória dos Registos Prediais, Comerciais e Automóvel de Cabo Verde sob o nº 893, NIF 200119036

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Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles in Cabo Verde, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

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report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

e) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

21 March 2019

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:



Carlos Manuel Sim Sim Maia, R.O.C.



Report and Opinion of the Supervisory Body

To the Shareholders,

In accordance with the law and our mandate, we herewith present the report on our supervisory activity and our opinion on the directors' report and financial statements as presented by the board of directors of Cabeólica, SA with respect to the year ended 31 December 2018.

During the year, we have accompanied the evolution of the Company's activity, as and when deemed necessary. We have verified the timeliness and adequacy of the accounting records and respective supporting documentation, as well as the effectiveness of the internal control system, only to the extent that the controls are of relevance for the control of the Company's activity and the presentation of the financial statements. We have also ensured that the law and the Company's articles of association have been complied with.

As a consequence of our work, we have issued the attached Independent Auditor's Report.

Within the scope of our mandate, we have verified that:

- i) the balance sheet, the statement of income by nature, the statement of changes in equity, the statement of cash flows and the corresponding notes to the accounts, permit an adequate understanding of the financial position, the results, the changes in equity and cash flows of the Company;
- ii) the accounting policies and valuation methods applied are appropriate;
- iii) the directors' report is sufficiently clear as to the developments of the business and the position of the Company and highlights the more significant aspects;
- iv) the proposed appropriation of results is not contrary with the applicable laws and Company's articles of association.

On this basis, and taking into account information obtained from the board of directors and the Company's employees, together with the conclusions in the Statutory Audit Report, we are of the opinion that:

- i) the directors' report is approved;
- ii) the financial statements are approved;
- iii) the proposed appropriation of results is approved.

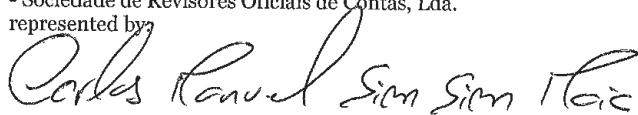
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Finally, we would like to express our gratitude to the board of directors and all those whom we contacted, for their valuable contribution.

21 March 2019

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:



Carlos Manuel Sim Sim Maia