



ANNUAL REPORT

2019





As of December 31, 2019, Cabeolica was 94% owned by the Anergi Group, which has invested in power generation assets whose market value is in excess of USD 3.8 billion, with total installed electricity capacity of over 1 780 MW delivered to over 30 million people across 5 African countries.

www.anergigroup.com

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1.

DIRECTORS' REPORT

MESSAGE FROM THE CHAIR OF THE BOARD

Kudzayi Hove

Chair of the Board of Directors

“In line with its motto of being a company of excellence as well as its status as a national and international reference in the renewable energy sector, Cabeolica remains focused on creating value for its shareholders and the country’s economy and, equally committed to improving the population’s quality of life.”



Throughout its eight years of operation, the Directors of Cabeolica have always ensured the timely presentation of the company’s Annual Report and Accounts, not only in order to comply with established legal and statutory requirements, but also to demonstrate the company’s commitment to transparency and good governance, and thus continuously reinforcing Cabeolica’s position as a trusted corporation in Cabo Verde. Accordingly, and despite the postponement due to the COVID-19 Pandemic and change in the shareholder structure, we are pleased to present the Annual Report for the year 2019, to be submitted for approval at the Shareholders’ General Meeting.

In line with its motto of being a company of excellence as well as its status as a national and international reference in the renewable energy sector, Cabeolica remains focused on creating value for its shareholders and the country’s economy and, equally committed to improving the population’s quality of life.

I wish to highlight here Cabeolica’s performance in 2019 - the efficient and profitable operation of the 4 wind farms - despite being one of the least favourable wind conditions recorded year in the company’s history.

Given that 2018 was a year in which the company registered a historically high wind energy generation, which translated into extraordinary results, it was expected and, indeed, reflected in the budget, that 2019

would produce more modest results. Although this assumption was effectively verified, it was yet another year of continuous production and delivery of reliable, sustainable and quality energy to the public distribution network, which underlined the company’s role in furthering Cabo Verde’s objectives of increasing the portion of renewables in the country’s energy matrix, while upholding its image as a local and global reference point for wind power.

We are pleased to note that this positive performance was achieved while meticulously complying with the company’s demanding environmental, social and health and safety policies and standards. We are convinced that it is for these reasons that we continue to announce, with great pride and satisfaction, that the company celebrates yet another year free from any incident or accident in the exercise of all company activities. The same commitment to the environment extends to the monitoring program of vulnerable and threatened bird species and is integrated in the company’s comprehensive environmental education program administered in schools. In line with this, we also announce the acquisition of an electric car to support the Government’s and other partners’ positive efforts in promoting the dissemination and effective implementation of electric mobility in the country.

We would like to disclose and welcome the decision of the EIB to consent to the reduction in the price of wind



energy, which has been requested by the Government and Electra, and has long been advocated for and supported by Investors which, again, demonstrates and reinforces the strong commitment of this company, its shareholders and lenders to supporting energy sector policies that have a positive impact in Cabo Verde's economy and the lives of its people.

On the other hand, it displays that the relationship between the main business partners, the Government, Electra, Investors and Lenders remains forthright and active, encouraging constructive dialogue on issues of common interest, with emphasis on the established tariff review.

In summary, 2019 demonstrated that Cabeolica continues: i) to play an important role in the renewable energy sector; ii) to set an example by consistently complying with its legal and statutory responsibilities; iii) to provide a reasonable return to investors; and iv) to be a global and local inspiration for new initiatives in the renewables sector.

At the conclusion of the year there was a change in Cabeolica's Board of Directors, when Enos Banda departed his role as CEO of Anergi, and as a result, ceased to be a Director at Cabeolica. We take the opportunity to wish Enos the greatest successes in his new endeavours. We also wish to express our appreciation and thanks to Miguel Ramos, outgoing Chair of the Board of the General Meeting, for the wisdom with which he oversaw the GA and for the enthusiastic manner in which he collaborated with the company.

Finally, I wish to praise and thank the Board for their support and commitment, the Management Team for their dedication and hard work, and the Shareholders and Lenders for their continued support. I would also like to acknowledge and express gratitude for the contribution made by the main partners and service providers, which were essential for the satisfactory results achieved.

Thank you all very much and I encourage you to also make 2020 a year of great success.

MESSAGE FROM THE CEO

Antão Fortes

Chief Executive Officer

At this moment of presenting the Annual Report and Accounts for the year 2019, it is with particular enthusiasm that we announce satisfactory results achieved during the year, justified mainly by improvements in wind availability throughout the second half of the year, particularly in the last two months, counterposing the precarious start in the first semester, and even culminating in a performance superior to the average of the previous eight years of commercial operation.

The start of the year also saw a series of electrical failures in 3 of the Santiago wind farm turbines, a situation that arose for the first time in 8 years, since the start of operations. Nevertheless, new generators were placed back into operation, an intervention carried out by Vestas, within controlled timeframes and deadlines. Since the technical reasons for the malfunctions have not yet been identified, Vestas submitted the 3 generators to specialists in Denmark for analysis, in order to prevent further failures in the future.

Notwithstanding these unforeseen events, the company continued to produce and supply reliable and efficient energy to the public electricity grids on all four islands, in strict compliance with the Power Purchase Agreement signed with the utility, having produced a total of 78,575 MWh of electricity, representing 53,692 tons of CO2 equivalent avoided.

The annual maintenance plan for the farms was properly and entirely fulfilled, ensuring, as per usual so far, higher levels of turbine availability than the values established in the SAA. In turn, the reports made available by Vestas regarding the operational performance of the Condition Monitoring Systems (CMS) suggest improvements in the quality of maintenance, as they help in the early identification of potential malfunctions of main components and equipment, thus preventing unscheduled corrective maintenance.



In order to ensure operational stability and to maximize the economic and financial output for all parties, the company continued to prioritize constant communication with Electra, providing reports and relevant information of events, in addition to promoting regular meetings, particularly those between DNICE, Electra and Cabeolica, in order to ensure the conditions imposed by the EIB in granting consent to the reduction of wind energy price.

As a result, following extended negotiations with the EIB, a consent was obtained at the end of the year, for which we thank the Lenders, although implementation is pending as a consent letter is yet to be issued by the Lenders. This fact is one of the greatest achievements of 2019 and we are convinced that the outcomes serve to satisfy the interests of all parties involved, particularly due to its potential to substantiate a tariff reduction with socioeconomic benefits.

Worldwide renewable energy costs are hitting unexpected lows and the prices announced in response to tenders recently launched by the Government, for the installation of new renewable energy projects in the country, also confirm this trend at a local level.

Alongside the growing worldwide concerns regarding global warming, Cabeolica continues, very responsibly, to implement its ESMP measures, ensuring that there are no environmental or social violations resulting from the company's activities. Thus, it is with great satisfaction that yet



another year without any environmental accidents or incidents has gone on record, with more than 70,000 hours of operation.

Revenue reached a satisfactory level, although it should be noted that a significant amount of available energy still goes unused, essentially due to the Off-taker's technical restrictions, mainly in the Sal and São Vicente wind farms.

Regarding human resource management, we must mention that, at the end of the year, the company's staff member, Ana Monteiro, who had been with the company since the implementation phase, and who had contributed with profound technical knowledge, experience and much dedication to the company's success, decided, for personal reasons, to embrace other challenges and requested termination of her contract. We thank Ana for the invaluable work, dedication and professionalism displayed at the service of Cabeolica and we wish her the very best in her new endeavours.

We are aware that the year 2020 will bring enormous challenges for the country's energy sector, with greater or lesser influence on the performance of Cabeolica, namely with: -the announced privatization of Electra; -the entry into operation of the centralized electricity dispatch system; -the 10 MW solar project in Calheta – Santiago; -the 10 MW wind project for Santiago;

-the 5 MW solar project for Boa Vista; - the 1 MW battery storage for Sal; -and additionally, the solar energy projects planned for Sal and S. Vicente, 5 MW each. Despite these challenges, as a leading company we aim to maintain value for our shareholders, while simultaneously seeking to further raise the quality of the services provided, and therefore undertake to closely monitor and evaluate the 2020 plans and budget, attentive to business expectations in the near future.

Concluding the look-back on the year 2019, I highlight the efforts and commitments of the entire team in improving the performance of the wind farms, especially within a scenario of low wind availability and considerable power limitations set by the Off-taker, and I thank the partners and services providers for the achieved success, while equally acknowledging and thanking the support and encouragement received from shareholders and lenders.

CABEOLICA IN BRIEF

Highlights of 2019

	KEY INDICATORS	2018	2019
OPERATIONAL	Installed capacity (MW)	25.5 	25.5 
	Energy Generated / Available (%)	76% 	78% 
	Estimation of Global Penetration rate (%)	18% 	15% 
	Average wind speed (m/s)	9.4 	9.0 
	Production (MWh)	85 154 	78 575 
FINANCIAL	Revenues (EUR)	11 907 084 	11 393 488 
	EBIT (EUR)	6 681 189 	5 971 210 
	Profit for the period (EUR)	2 759 688 	2 511 549 
	Debt Service Coverage Ratio* ¹	1.85 	1.81 
	Average Collection period (days)* ²	50 	66 
	Contractual Penalties / Defaults (number)	0 	0 
ENVIRONMENTAL & SOCIAL	CO2 Equivalent avoided (Ton)	58 168 	53 692 
	H&S Accidents involving Health (number)	0 	0 
	Training courses for employees (hours)	177 	467 
	Internship programs (number)	6 	8 
* ¹ Considering only Lenders' loans			
* ² Outstanding amount without adjustment in price			

Vision, Values and Milestones

Vision

To be a company of excellence, as well as 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

Providing our services.

Ethics and integrity

Doing business.

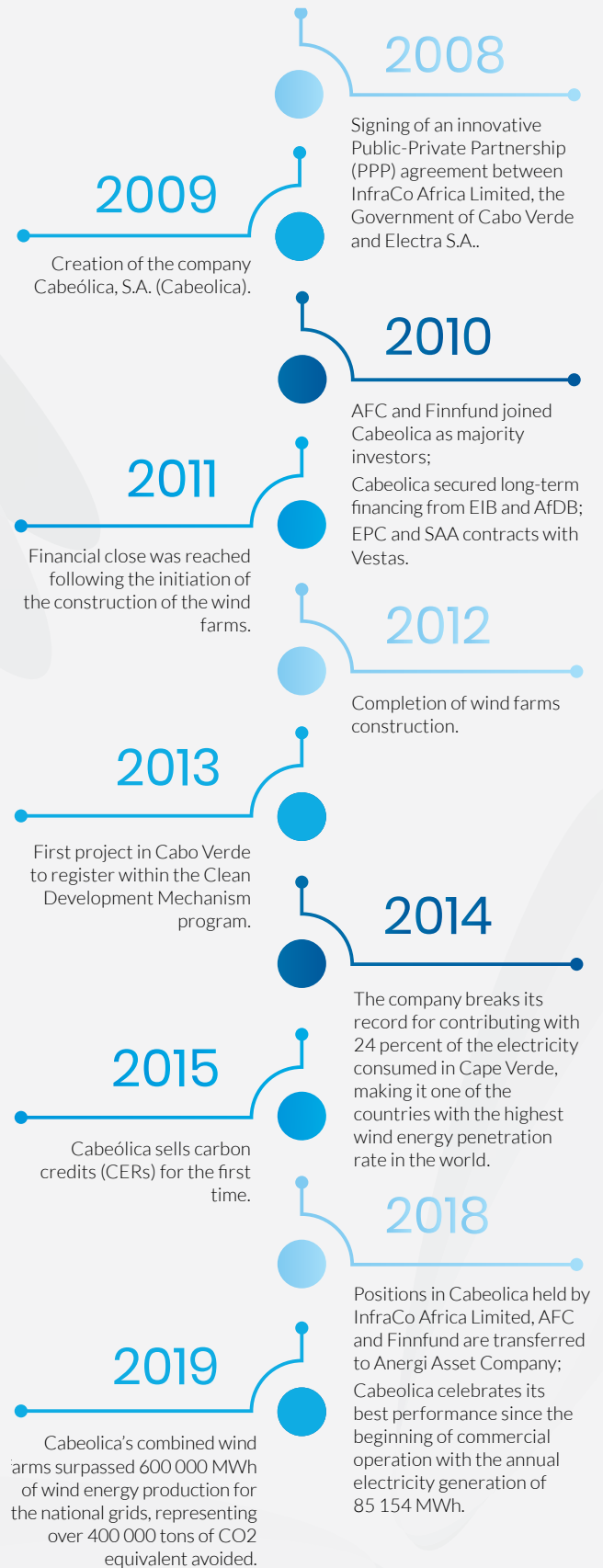
Social Responsibility

Promoting education for a sustainable world.

Passion

For clean energy.

Milestones



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.

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. In the case of Procurement, the internal guidelines include well established rules and practices and the process is conducted by a committee with representatives from all company sectors.

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.

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;



State of Cabo Verde.



Empresa de Electricidade e Água – Electra, SA (Electra, SA), the national utility company, whose main shareholder is the State of Cabo Verde;



ANERGI*

Electra

94.00%

3.75%

State of Cabo Verde

2.25%

*On September 3, 2020, Anergi Asset Company's equity position in Cabeolica was transferred to AFC Equity Investments Limited, a 100% owned subsidiary of Africa Finance Corporation.

Lenders

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



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



Main Partners

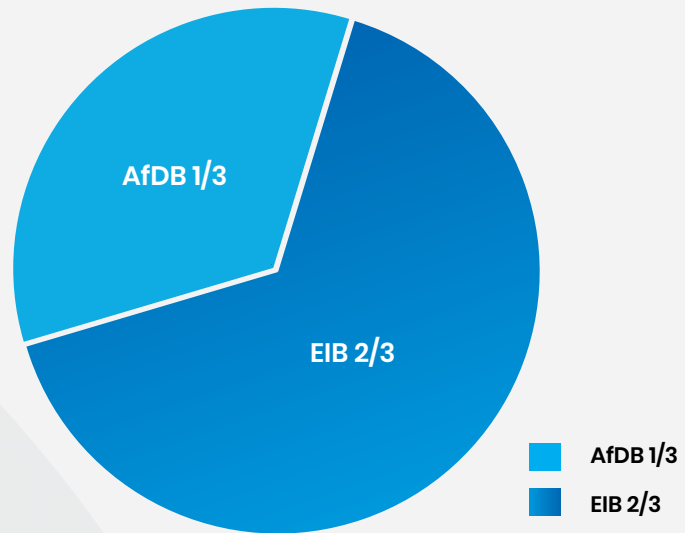
VESTAS, wind turbine manufacturer and maintenance service provider;



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



Debt Structure



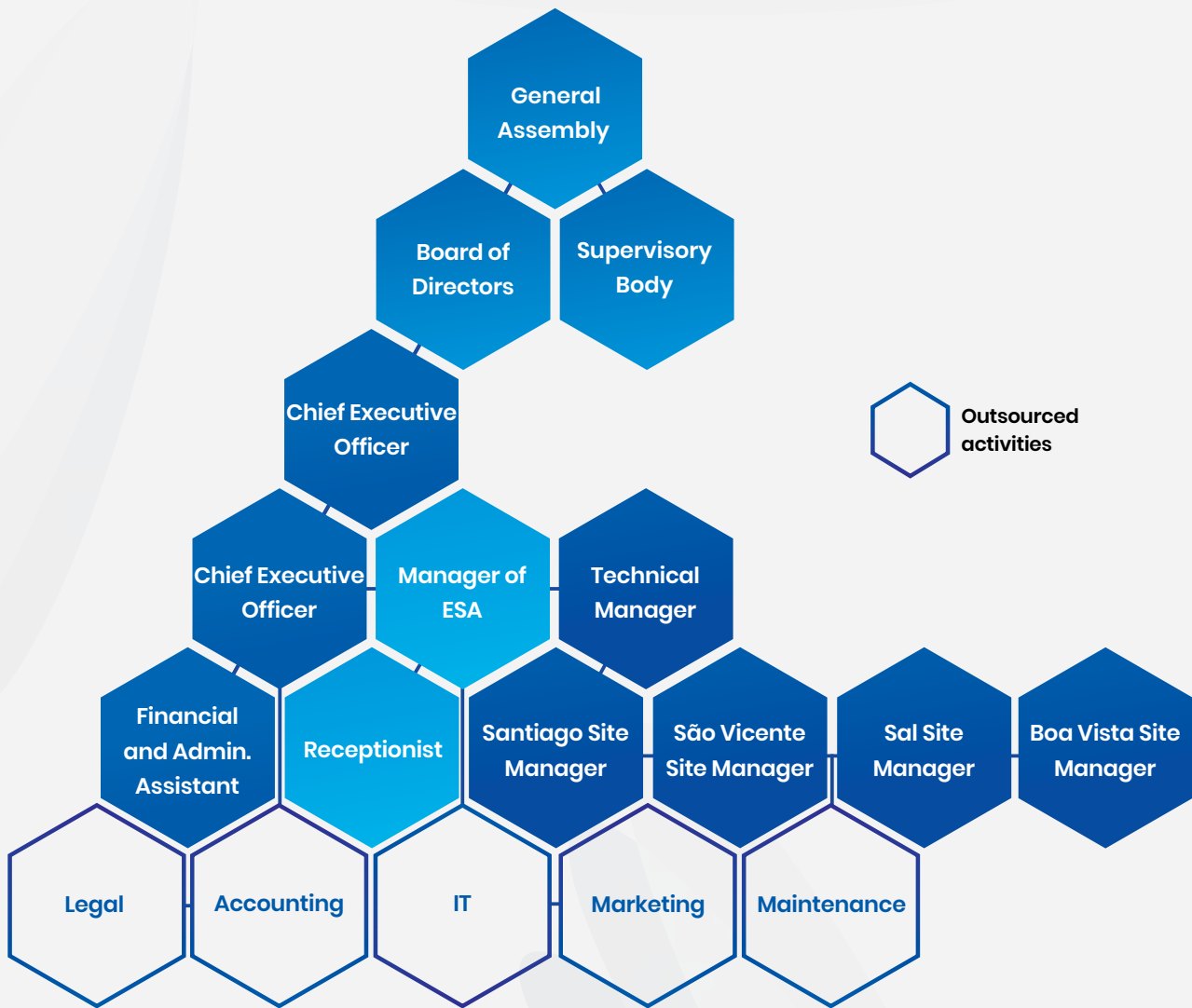
The adopted corporate governance model reflects the company's commitment to apply best practices in terms of transparency and segregation between the management and supervision of the company's activities. Management is ensured by a Board of Directors, of 7 non-executive members and advised by a Finance and Administration Committee of 3 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 executive management, supported by a management team.

The Board of Directors meets quarterly. In 2019, meetings were held on March 21, June 21, September 20 and November 28.

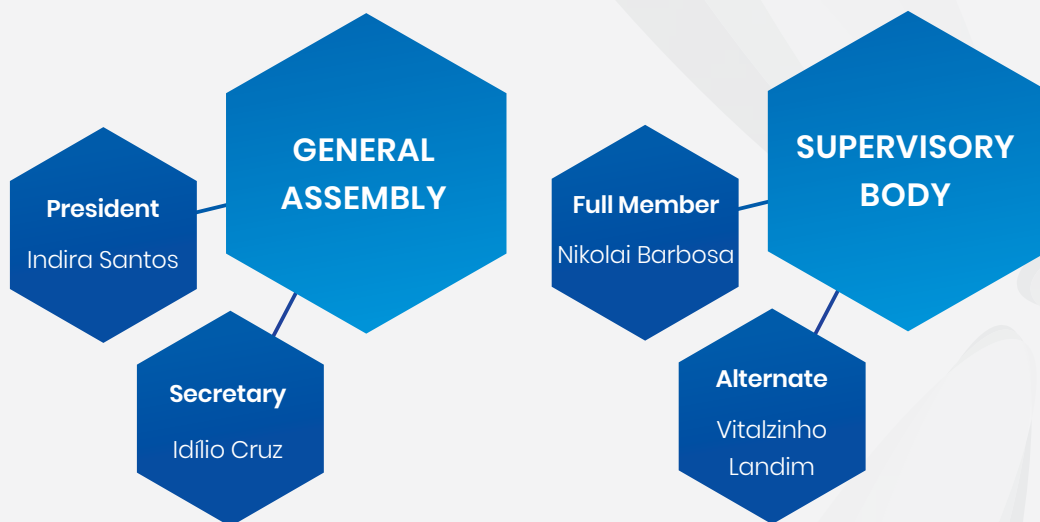
Supervision is ensured by a Supervisory Body and an external audit, the latter having been assigned to the international accounting firm PricewaterhouseCoopers (PwC), and there is also a Shareholders' Assembly and an Investors' Meeting that ensure accountability to shareholders and investors.



Organizational Structure



Corporate Bodies



THE BOARD OF DIRECTORS

The Chair of the Board



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 equity investments at AFC, where she oversaw AFC's investment in Cabeolica and other projects. She has roughly 20 years' 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.



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 served as the State's service director of energy and as 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.



Enos Banda

Appointment: Anergi Asset Company

Enos Banda was Anergi's CEO until end of 2019. He served in leadership positions as a regulator, operator and financier in the electricity sector, accumulating over 20 years of experience, namely CEO at ESKOM Enterprises, Chairman at the South African Electricity Regulatory Agency and responsible for HSBC's Global Investment and Corporate Banking for Sub-Saharan Africa. He has a degree in financial accounting, a master in law and a doctorate in jurisprudence.

Resigned in December 2019.



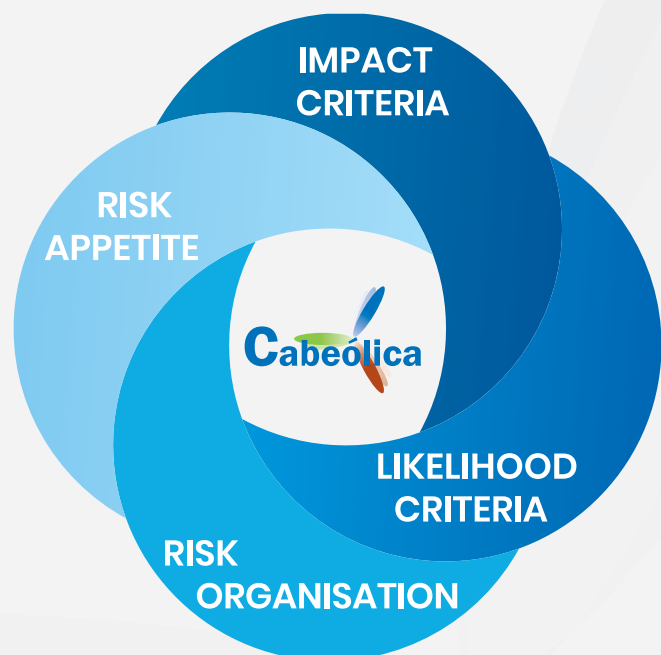
Name	Appointment	Date of Appointment	Gender	Rotation
Ayotunde Anjorin	AFC/Anergi Asset Company	27 November, 2015	M	
Kudzayi Hove	AFC/Anergi Asset Company	29 September, 2017	F	
Olubowale Odumade	AFC/Anergi Asset Company	29 September, 2017	F	
Eluma Obibuaku	AFC/Anergi Asset Company	29 September, 2017	M	
Alcindo Mota	Electra, S.A.	27 March, 2018	M	
Rito Évora	State of Cabo Verde	28 November, 2018	M	
Enos Banda	Anergi Asset Company	21 March, 2019	M	Resigned in December 2019
Ari Nironen	Finnfund	30 March, 2017	M	Replaced in March 2019

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, local market and in regulation 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, as well as a proactive attitude from management and supervisory structures in order to identify, report and mitigate the key risks.

Nonetheless, since 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

In order 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. Hence, despite recognizing that risks are an inevitable consequence of being in business, 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 risk management, including defining the risk strategy. Other layers include (i) the CEO and the risk committee, responsible for the risk supervision, monitoring and control, and (ii) the risk officer (CFO) and the risk managers, as the first layer responsible for risk management. In addition, the Supervisory Body's report includes an analysis of the compliance to the risk management system by the company on an annual basis.



ECONOMIC FRAMEWORK

According to estimates from the International Monetary Fund (IMF), in 2019 the global economy grew approximately 2.9%, in which developed economies performed below expectations, with significant downside risks related mainly to trade and technology tensions involving China and the US.

The sluggish economic growth in the US and the Eurozone, Cabo Verde's main trading partner, stand out, exhibiting growth rates of about 2.3% and 1.2%, respectively, in 2019 compared to 2.9% and 1.9% in 2018.

Sub-Saharan Africa, with a growth rate of about 3.3%, continued to show modest signs of a strengthening economy.

Within the energy sector in particular, the major highlights are related to the same trend for volatility in oil prices on international markets, with Brent Crude barrel priced, on average, at about 60 US dollars throughout 2019, a decrease of about 9% compared to 2018, but also related to the uncertainty regarding the outlook of oil prices, influenced by various factors both on the supply and demand sides, as a consequence essentially of trade, technological and geopolitical tensions.

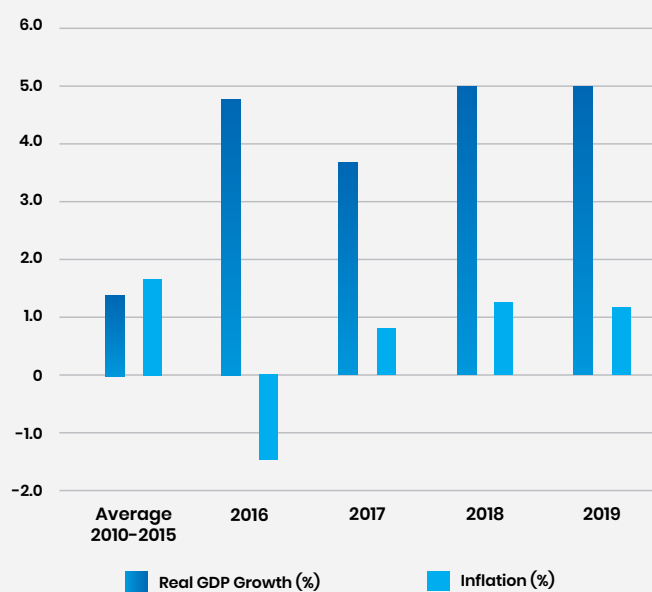
Although current oil prices continue, in the short term, to put some pressure on the competitiveness of renewables, including wind power, the continuing technological improvements and consequent sustainable decrease in prices, as well as concerns regarding environmental impact and sustainability, energy independence and predictability ensure that progression towards global growth based on low emissions and environmentally friendly energy is an inevitable path.

According to the Global Wind Energy Council, global installed wind power capacity continued its double-digit growth in 2019, confirming the trend of sustainable growth that has been occurring over the past 2 decades. Within the African continent, investments in Egypt, Morocco and Ethiopia stand out with 262 MW, 216 MW and 120 MW installed in 2019, respectively.

Given this external environment, Cabo Verde's economy continued its sustained growth trend, with sources like the Bank of Cabo Verde, the National Statistics Institute and the IMF estimating, on average, that GDP growth would likely reach 5% while inflation will be at approximately 1.2%. This growth results essentially from the strengthening of private and public consumption, as well as net exports.



Key Indicators



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

Average electricity tariffs for the end consumer saw a decrease and, with the economy still in a recovery cycle, consumption of electricity in the country maintained its growing trend.

In regards to legal and regulatory framework, the highlights were: the approval and publication of the Master Plan for the power sector and the grid code, as well as the publication of certain conditions inherent to independent power production and power self-production, based on renewable sources, including the power purchase agreement draft applicable to micro-producer customers and the fixed amount of 0.08 euros per kWh applicable to electricity generation based on renewables.

In 2019, Cabeolica was responsible for generating approximately 15% of the electricity consumed in the country, keeping Cabo Verde in its position as an international reference and a leader in Sub-Saharan Africa in terms of wind power penetration. However, it is important to mention public tenders promoted by the Government throughout 2019, for the installation of 10 MW of wind power on the island of Santiago and 5 MW of solar power on the island of Boa Vista, as well as the attribution of a license to a new operator regarding the installation 10 MW of solar power on Calheta, island of Santiago.

CABEOLICA'S PERFORMANCE IN 2019

Human Resource Management

The company's human resource management tools have ensured efficiency, dedication, collaboration and strict adherence to the code of conduct at all levels, which have been evidenced in its annual staff performance reviews throughout the years.

Cabeolica's direct workforce is comprised of 10 employees since initiating operations, and at the end of 2019, was composed of 30 percent female and 70 percent male.

Further to the direct job positions, Cabeolica maintained approximately 40 indirect job posts, over 90% of which are currently being held by Cabo Verdeans. Some of these service providers, such as Vestas, are aligned with Cabeolica's objective to build know-how and retain Cabo Verdean specialists in the country.

Training

The company provides a range of training opportunities, through the execution of annual training plans developed from interactions between employees and management. Cabeolica has promoted a total of 2 777 hours of training, focused on key areas, of which 467 hours were conducted in 2019.

Health and Safety

Cabeolica has always been committed to a good and safe working environment, with all operations guided, first and foremost, by health and safety practices. To date, company employees have accumulated 747 hours of health and safety training translating, on an annual basis, to over 80 hours per employee. The company also provides all its employees with optional additional insurance and general medical checkups as a way of encouraging and promoting employee health.



Cabeolica was founded on the very idea of developing a sustainable and profitable large-scale energy solution, therefore, environmental and social development are very strong driving forces for the company.

Environmental Responsibility

The company is fully committed to implementing its Environmental and Social Management Plan (ESMP), which focuses on the following priority areas:

Biodiversity Enhancement: Constructing and maintaining wind farms brings along special flora and fauna considerations. For this reason, Cabeolica has taken on additional responsibilities to ensure that wind energy production and surrounding species can prosper together, adhering to the mitigation principles of avoiding, reducing and restoring potential biodiversity impacts through pre-construction micro-siting, monitoring of flora development following construction, and frequent studies of vulnerable species that may potentially be impacted by operational activities.

- In 2019 the company continued its Bird Monitoring and Conservation Program within the island of Boa Vista's important breeding habitat for birds. The program's resulting reports have become important sources of information on various bird species in Cabo Verde.

Waste Management: Due to the lack of solutions in the country for adequate treatment of hazardous waste, Cabeolica chose to construct storage spaces on site and has safely accumulated all its hazardous waste produced throughout 8 years of maintenance procedures.

- In 2019 the company negotiated with a foreign company the delivery of 8 tonnes of waste oil for recycling abroad. The company has already taken steps to give the same proper destination to all its stored hazardous solid waste in the near future.

Emission Reduction: Cabeolica is the single entity which most contributes towards the reduction of greenhouse gas emissions in the country.

- In 2019 the company contributed with emission reductions of approximately 53 600 tonnes of CO₂, bringing the total to 420 000 tonnes of curbed greenhouse gas emissions.

Environmental Education: As part of the bird conservation efforts, Cabeolica initiated in 2012 the funding an environmental education program in the schools of Boa Vista with the intention of promoting environmental awareness around the importance of avifauna, primarily osprey, Egyptian vulture and endemic bird species on the island.

- In 2019, the company continued its education and awareness activities focused on bird conservation addressed to students of primary and secondary schools of the Boa Vista. The activities included field trips that were organized in coordination with partners such as the Municipality of Boa Vista, Ministry of Education and environmental NGOs. Over 400 students participated in these activities throughout the year.

Social Responsibility

- **We Are Energy Program:** An educational program created by the company in 2015, dedicated to teaching about clean energy sources and energy efficiency to fourth graders, with the goal of enhancing the value of Cabo Verde's existing natural resources. The program has been implemented in six of the country's islands, reaching over 4 800 Caboverdean students.

- **Sponsorship Programs:** Cabeolica has sponsored a number of important programs and initiatives aligned with the environmental values of the company, as well as programs geared toward the development and inclusion of communities.

- **Internship Program:** Cabeolica created internship programs in 2013 aimed at providing potential candidates with experience and knowledge within the technical and financial departments of the largest Caboverdean company in the renewable energy sector. The main goal of the internship programs is to contribute to the development of national workforce, giving recent graduates an opportunity to put their academic knowledge into practice, and to create important skills for integration in the job market. Since the beginning of the program, the company has received 44 interns who achieved good employability rates following the completion of their internship experience.



Infrastructures

In 2019, no investments were made by Cabeolica to alter its total installed capacity of 25.5 MW. Therefore, the 4 wind farms remain composed of a total of 30 Vestas 850 kW wind turbines, distributed throughout 4 wind farms as follows: 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).

Vestas' preventive maintenance plan and scheduled inspections were approved and considered completed by Cabeolica in 2019. Following 8 years of the wind farms' operation, the global status of the wind turbines was positively assessed, although during 2019 3 generators were replaced in Santiago's wind farm due to failures. The resulting stoppages caused a reduction in the availability of the turbines to below 95% in Santiago. Notwithstanding, the average annual overall availability of the 4 wind farms maintained over 97%, which is above the 95% guaranteed by the service provider.

In 2019, the installation of *Condition Monitoring System* (CMS) enabled full monitoring of the turbines. Which resulted in preventive and corrective repairs required to avoid significant failures in the main components of the wind turbines.

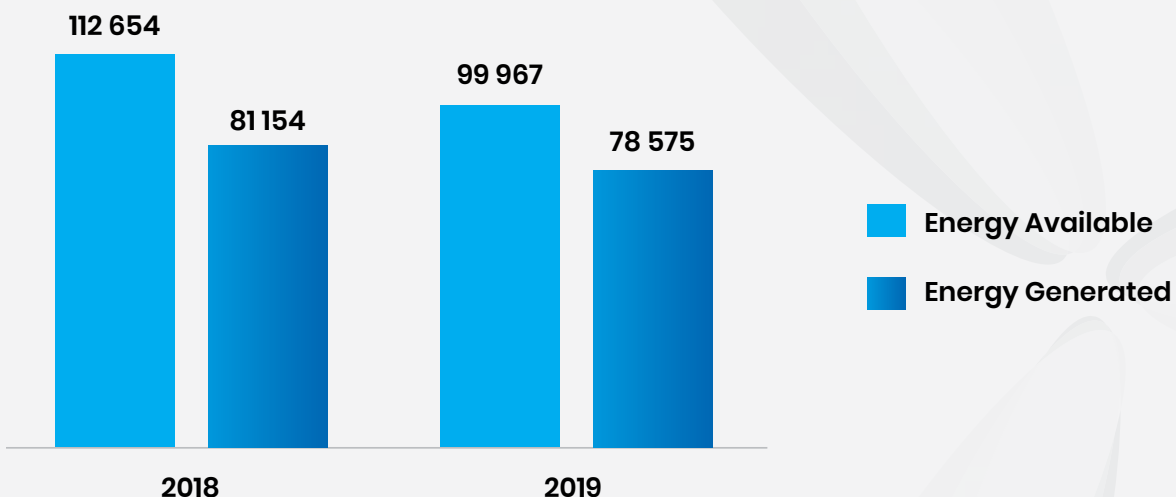
Cabeolica carried out scheduled inspections to check the status of wind turbines, substations and access roads in order to assess preventive and corrective maintenance and guarantee top performance of the wind farms' operation. Access roads and substations were also maintained to ensure safe access and quality of service conditions.

In compliance with contractual requirements, Cabeolica requested an international consultancy specialized in verifying the accuracy of the four high-precision meters installed at the wind farms. This process was registered, inspected and approved by IGQPI (Institute for Quality Management and Intellectual Protection) and was also accompanied by technicians from the public utility, Electra SA. The reports issued by the consultancy concluded the absence of errors and proved the accuracy of the meters in compliance with IEC regulations.

Similar to the previous year, work continued on the development of the electricity dispatch center for Santiago, São Vicente and Sal, in which Cabeolica and Vestas played important roles, particularly in the tests pertaining to the integration of the Cabeolica wind farms in the SCADA. Due to delays in the project, the system is expected to initiate operation within the first half of 2020.

Operational Performance

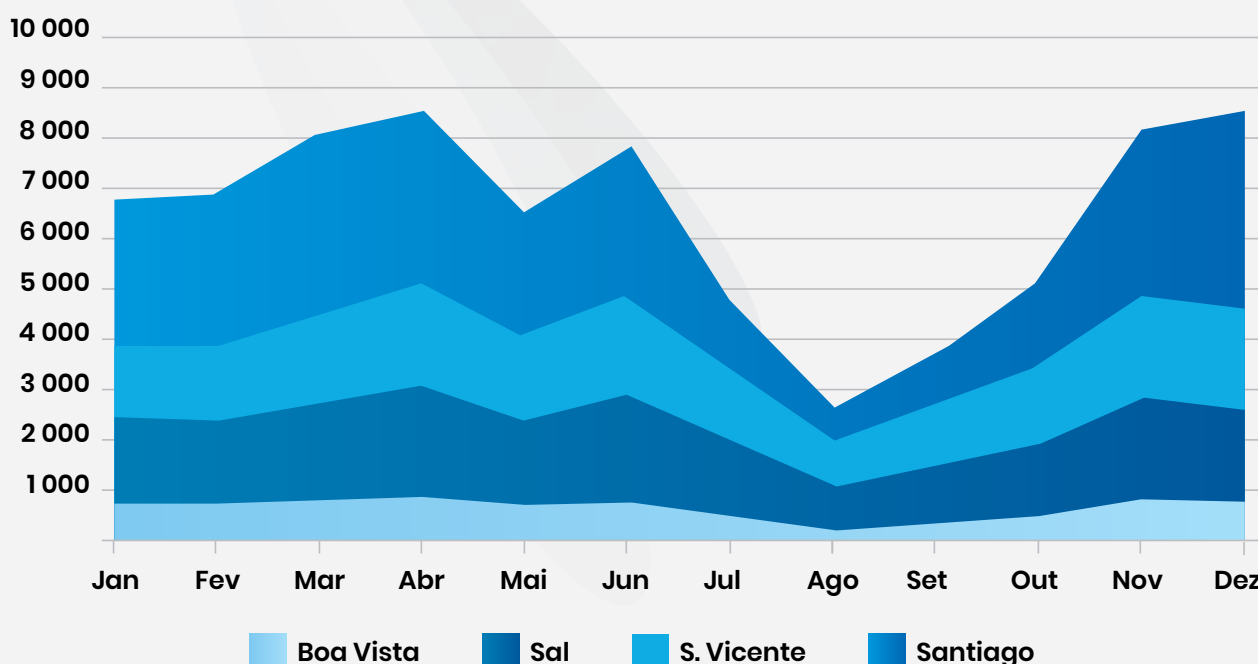
Energy Generated vs Available (MWh)



In 2019, the company generated a total of 78 575 MWh (7.7% less than the previous year), distributed as follows: 39% in Santiago; 25% in São Vicente; 26% in Sal and 11% in Boa Vista.

Wind potential decreased 12% in relation to the previous year. However, in regard to the technical restrictions imposed by the Off-taker in the production of electricity by the wind source, in Sal and Boa Vista there was a positive evolution in the use of the wind potential, considering that in Boa Vista it increased from 78% to 81% and in Sal from 59% to 69%. In Santiago, the 99% utilization rate remained unchanged, while in São Vicente this index has been decreasing in recent years and went from 68% in 2018 to 66% in 2019.

Energy Generated (MWh)



In 2019, the average annual penetration rate of the four wind farms is estimated to be roughly 15% (18% in 2018), specifically: 12% in Santiago; 24% in São Vicente, 22% in Sal and 18% in Boa Vista and the average annual availability was 97.5% (98.9% in 2018).

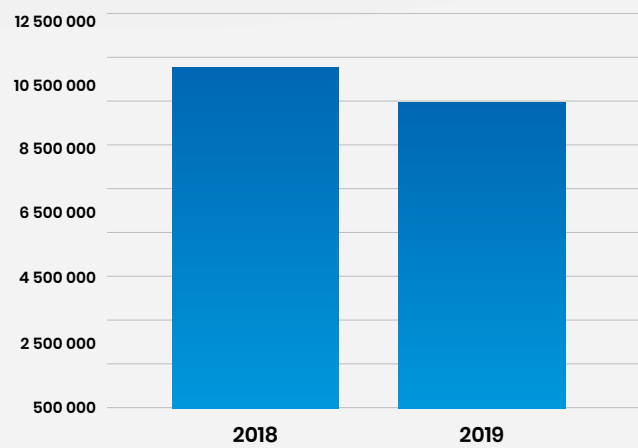
Wind Farm	Installed Capacity	Energy Generated	Availability	Penetration Rate
	(MW)	(MWh)	(%)	(%)
Santiago	9.35	30 582	94.7%	13%
S. Vicente	5.95	19 520	98.6%	25%
Sal	7.65	20 172	98.2%	22%
Boa Vista	2.55	8 301	98.6%	18%
Total	25.5	78 575	97.5%	15%

Commercial Performance

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

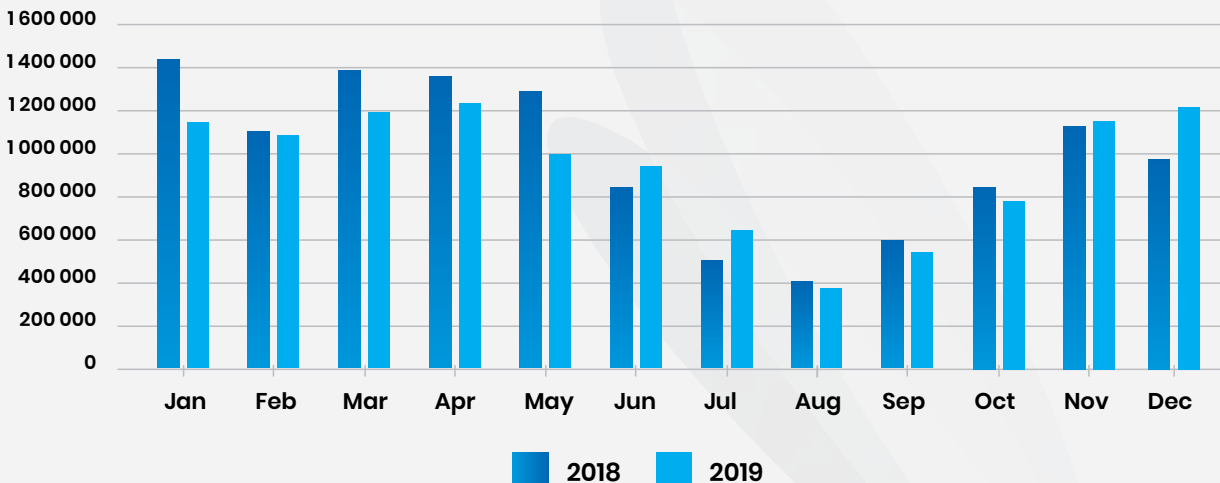
The year 2019 represents the eighth continuous year of activity of the wind farms, continuing to reflect a slight growth in operating and commercial activity in recent years, following the significant improvements already achieved within the first years, but also the technical restrictions that still persist on the part of the Off-taker. However, when compared only to 2018, Cabeolica's electricity revenues in 2019 decreased by 5%, due to the excellent wind potential registered in 2018, which enabled the best generation performance since the beginning of commercial operation.

Annual Electricity Revenues (in EUR)



In respect to electricity revenues per wind farm, the most significant decrease is registered in Santiago wind farm where there are less technical restrictions imposed by the Off-taker, therefore power generation directly reflects the wind potential, and increase in Sal wind farm, where there are more technical restrictions and more relevant growth in electricity consumption.

Monthly Electricity Revenues (in EUR)

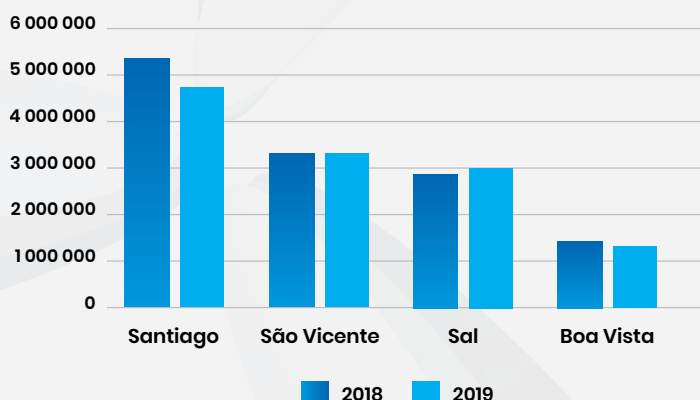


Although the overall financial position of the Off-taker, Electra, SA continues to require attention, through some operation improvements and good treasury management, the Off-taker has been able to honor its commitments, with debt to Cabeolica kept at controllable levels.

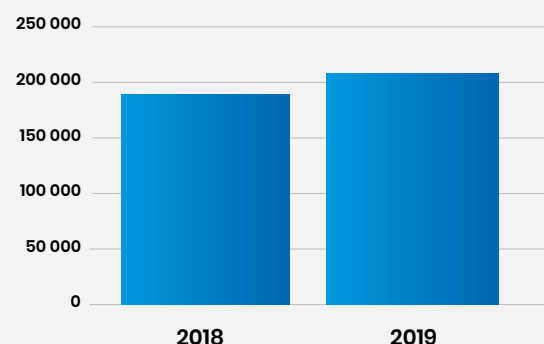
The average sales price has remained at approximately the same level as previous years, confirming the predictability associated with Cabeolica, which stands in contrast with the volatility associated with the price of conventional fossil fuel-based production sources.

Under the ERPA - Emission Reduction Purchase Agreement, the CERs generated in 2017 and 2018 were sold in 2018 and 2019, respectively.

Electricity Revenues per wind farm (in EUR)



Revenues from CERs (in EUR)

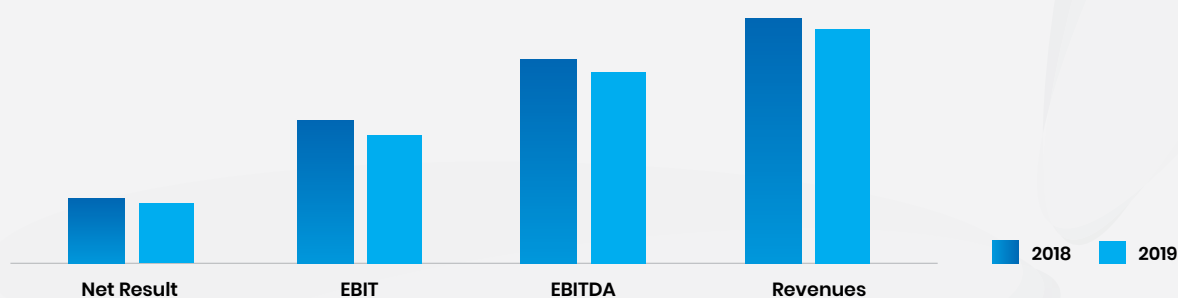


Financial Performance

Cabeolica achieved positive results in 2019, reflecting an improvement compared to previous years, but a decrease compared to the record reached in 2018. The decrease in net results compared to the previous year essentially reflects the combined effect of the decrease in electricity revenues referred to in the previous chapter, the increase in expenses with the maintenance of the wind farms and the decrease in financial expenses related to the expected repayment of loans.

	EUR	
	2019	2018
Income		
Revenues (Electricity and CERs)	11 393 488	11 907 084
Other Revenues	15 160	3 522
Financial Income	206	206
	11 408 854	11 910 812
Expenses		
Operation, Maintenance and Other Expenses	-2 308 688	-2 147 605
Depreciation and Amortization	-3 128 750	-3 081 812
Financial Expenses	-3 142 610	-3 513 038
	-8 580 048	-8 742 455
Results		
EBITDA	9 099 960	9 763 001
EBIT	5 971 210	6 681 189
Profit	2 511 549	2 759 688

Financial Performance

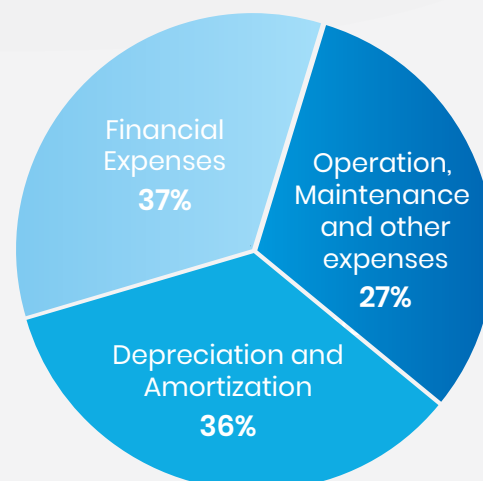


As a result of the singularity of this industry, Depreciation and Financial expenses still accounted for over 70% of the company's total expenses.

As there were no significant investments, namely in the expansion of the wind farms, the company registered again in 2019 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, while Liabilities consist essentially of the outstanding portion of the Investors and Lenders loans. Equity continued to increase in a sustainable manner with the annual increase of the reserves and only 18% of liabilities correspond in fact to short-term responsibilities.

Total Expenses



	EUR	
	2019	2018
Assets		
Non-current Assets	37 869 572	40 936 954
Current Assets	8 211 340	7 894 732
	46 080 912	48 831 686
Equity		
Share capital	31 452	31 452
Other Equity Instruments and Reserves	6 001 500	3 927 647
Profit/(Loss) for the period	2 511 549	2 759 688
	8 544 501	6 718 787
Liabilities		
Non-current Liabilities	30 617 838	34 859 010
Current Liabilities	6 918 573	7 253 889
	37 536 411	42 112 899
Equity + Liabilities	46 080 912	48 831 686

The main ratios in 2019 and 2018 are summarized in the table below:

Main ratios	2019	2018
Current ratio (Acid test)	1.19	1.09
Current Asset / Current Liabilities		
Debt to Equity	4.39	6.27
Liabilities / Equity		
Debt Service Coverage Ratio	1.81	1.85
Operational Cash Flow / Debt Service *1		
Average Collection period (days)	66	50
Receivables x 365 / Revenues (inc. VAT)*2		
Return on Assets	13.0%	13.7%
Operational Result / Assets		

*1 Considering only Lenders' loans

*2 Considering outstanding amount without adjustment in price

The cash flows reflect the positive performance of 2019 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.

OUTLOOK

Activity Outlook

Following eight 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, including tenders for new wind farms expected for the next years, (iii) the extensive experience Cabeolica gained in this market and (iv) the ambition and technical and financial strength of the Anergi Group within which Cabeolica is now integrated.

Subsequent Events

The Coronavirus, known as COVID-19, has raised significant issues in recent months in most countries, including in Cabo Verde, with news indicating that some sectors of the economy may be affected by direct and indirect effects caused by the virus, with special emphasis on the sectors of tourism and transport and some services. However, given the uncertainty of these possible effects, it is not possible to estimate and quantify the future impacts of the Coronavirus at the level of the Caboverdean economy and in particular at the level of Cabeolica's business to date. The company will continue to assess this

situation carefully throughout the year 2020, also following the guidelines and measures that the authorities may adopt, aiming at mitigating the negative impact resulting from the COVID-19 pandemic on national economic activity.

On September 3, 2020, the transfer of the total ownership position of Anergi Asset Company in Cabeolica to AFC Equity Investments Limited was concluded. The buyer is a 100% subsidiary of Africa Finance Corporation. With this transfer, Anergi Asset Company's investor loan was also transferred to the buyer."

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 support and cooperation throughout the year of 2019.

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 to our supervisory body, we acknowledge the accuracy of the services provided.

Final Note

In compliance with the new Commercial Companies Code, in full force since October 2019, and in line with best practices, we also report additional information in the notes to the financial statements on (i) the number and face value of shares, (ii) related parties and information on compensation of auditors and members of the corporate bodies and (iii) the exposure of Cabeolica to credit, liquidity, interest rate and foreign exchange risks, in notes 9, 23 and 1.12, respectively.



EARNINGS DISTRIBUTION PROPOSAL

Having registered a net profit of EUR 2 511 549 and considering the fact that the company's legal reserves are above the minimum requirements, its good operational and financial performance, but also the uncertainty raised by COVID-19 pandemic and the intention to capitalize the company, the Board of Directors proposes to the General Assembly the following distribution for 2019 net profit:

- Transfer of 78% to Other Reserves – EUR 1 950 410
- Transfer of 22% to Dividends – EUR 561 139

Praia, 18 of September 2020

THE BOARD OF DIRECTORS

Kudzayi Hove

Chair

Olubowale Odumade | Director

Ayotunde Anjorin | Director

Eluma Obibuaku | Director

Enos Banda | Director

(resigned in December 2019)

Alcindo Mota | Director

Rito Évora | Director



2.

FINANCIAL STATEMENTS

BALANCE SHEET

CABEÓLICA, SA

Edifício BAIcenter, 2.º Esq.
Avenida Cidade de Lisboa - Praia
NIF: 256642044

BALANCE SHEET AS AT DECEMBER 31, 2019 AND DECEMBER 31, 2018

(Amounts expressed in Euros - "EUR")

	Reference Date		
		Dec-19	Dec-18
	Notes	EUR	EUR
ASSETS			
Non-current assets			
Tangible fixed assets	3		
Buildings and other constructions		49 220	54 602
Basic equipment		29 972 194	32 412 737
Transport equipment		67 600	25 147
Administrative Equipment		24 881	35 768
Intangible assets	4		
Development projects		6 655 191	7 204 897
Computer softwares		17 427	31 448
Other intangible Assets		1 083 059	1 172 355
Total non-current assets		37 869 572	40 936 954
Current assets			
Inventories			
Finished and intermediate goods	5	199 812	200 000
Clients	6	669 232	1 023 090
Deferred assets	7	428 001	358 614
Cash and banks deposits	8	6 914 295	6 313 028
Total current assets		8 211 340	7 894 732
Total assets		46 080 912	48 831 686
EQUITY AND LIABILITIES			
Equity			
Share capital	9	31 452	31 452
Supplementary payments and other equity instruments		119 703	119 703
Legal reserves		63 463	63 463
Other reserves		5 818 334	3 744 481
Profit for the year		2 511 549	2 759 688
Total Equity		8 544 501	6 718 787
Total equity		8 544 501	6 718 787
LIABILITIES			
Non-current liabilities			
Provisions	10	244 293	229 056
Financing obtained	11	30 373 545	34 629 954
Total non-current liabilities		30 617 838	34 859 010
State and other public entities	12	443 424	619 782
Financing obtained	11	5 555 557	5 789 535
Other accounts payable	13	919 592	844 572
Total current liabilities		6 918 573	7 253 889
Total liabilities		37 536 411	42 112 899
Total equity and liabilities		46 080 912	48 831 686

INCOME STATEMENT

CABEÓLICA, SA

Edifício BAICenter, 2.º Esq.
Avenida Cidade de Lisboa - Praia
NIF: 256642044

INCOME STATEMENT FOR PERIOD FROM 01 JANUARY 2019 TO 31 DECEMBER 2019 AND FOR PERIOD FROM 01 JANUARY 2018 TO 31 DECEMBER 2018

(Amounts expressed in Euros - "EUR")

	PERIOD		
		2019	2018
	Notes	EUR	EUR
Revenues	14	11 393 488	11 907 084
Production inventory variations	14	(188)	-
Gross operational Profit		11 393 300	11 907 084
External Supplies and Services	15	(1 901 684)	(1 700 995)
Gross added value		9 491 616	10 206 089
Personnel expenses	16	(400 147)	(385 492)
Other operating income and gains	17	15 160	3 522
Other operating expenses and losses	18	(6 669)	(61 118)
Earnings before depreciation, interest and tax		9 099 960	9 763 001
Depreciation and amortization (losses/reversals)	3 e 4	(3 128 750)	(3 081 812)
Earnings before interest and tax		5 971 210	6 681 189
Financial Income		206	206
Financial Expenses	19	(3 142 610)	(3 513 038)
Profit/ (loss) before tax		2 828 806	3 168 357
Income Tax	12	(317 257)	(408 669)
Profit/ (loss) for the period		2 511 549	2 759 688

Profit for the period attributable to:			
Equity holders		2 511 549	2 759 688
Basic earnings per share	21	724	796

STATEMENT OF CHANGES IN EQUITY

CABEÓLICA, SA

Edifício BAI/Center, 2.º Esq.
Avenida Cidade de Lisboa - Praia
NIF: 256642044

STATEMENT OF CHANGES IN EQUITY FROM 1 JANUARY 2019 TO 31 DECEMBER 2019
AND FROM 1 JANUARY 2018 TO 31 DECEMBER 2018
(Amounts expressed in Euros - "EUR")

DESCRIPTION	Notes	Share Capital attributable to equity holders						Total Equity
		Capital	Supplementary payments and other equity instruments	Legal Reserves	Other Reserves	Profit for the year	Total	
POSITION IN THE BEGINNING OF 2018	1	31 452	119 703	63 463	2 754 867	1 613 102	4 582 587	4 582 587
CHANGES RELATING TO THE INCOME AND EXPENSES RECOGNISED IN THE PERIOD								
Profit for the year	13					2 759 688	2 759 688	2 759 688
TRANSACTION WITH SHAREHOLDERS	2					2 759 688	2 759 688	2 759 688
Distributions (Dividends)	3					(623 487)	(623 487)	(623 487)
OTHERS TRANSACTIONS	4					(623 487)	(623 487)	(623 487)
Transfer of the net result from previous year					989 614	(989 614)		
					989 614	(989 614)		
POSITION IN THE END OF 2018	1+2+3+4	31 452	119 703	63 463	3 744 481	2 759 688	6 718 787	6 718 787
POSITION IN THE BEGINNING OF 2019	1	31 452	119 703	63 463	3 744 481	2 759 688	6 718 787	6 718 787
CHANGES RELATING TO THE INCOME AND EXPENSES RECOGNISED IN THE PERIOD								
Profit for the year						2 511 549	2 511 549	2 511 549
TRANSACTION WITH SHAREHOLDERS	2					2 511 549	2 511 549	2 511 549
Distributions (Dividends)	3					(685 836)	(685 836)	(685 836)
OTHERS TRANSACTIONS	4					(685 836)	(685 836)	(685 836)
Transfer of the net result from previous year					2 073 852	(2 073 852)		
					2 073 852	(2 073 852)		
POSITION IN THE END OF 2019	1+2+3+4	31 452	119 703	63 463	5 818 334	2 511 549	8 544 501	8 544 501

CASH FLOW STATEMENT

CABEÓLICA, SA

Edifício BAIcenter, 2.º Esq.
Avenida Cidade de Lisboa - Praia
NIF: 256642044

CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY 2019 TO 31 DECEMBER 2019
AND FROM 1 JANUARY 2018 TO 31 DECEMBER 2018
(Amounts expressed in Euros - "EUR")

	PERIOD		
		2019	2018
	Notes	EUR	EUR
Direct Method			
<u>Cash flows from operating activities</u>			
Receiving from clients		13 549 639	14 151 307
Suppliers payments		(1 884 823)	(2 127 473)
Staff payments		(395 762)	(382 088)
		Cash generated from operations	11 269 054
Payment/receivings of income tax		(541 975)	(234 611)
Other receivings and other payments	8	(1 751 118)	(1 782 039)
		Cash flows from operating activities (1)	8 975 961
<u>Cash flows from investing activities</u>			
Payments to:			
Tangible Assets		(125 306)	(478 992)
Other Assets	8	(497 000)	(249 000)
Receivings from:			
Tangible Assets		5 441	887
Interests and other financial income		206	144
		Cash flows from investing activities (2)	(616 659)
<u>Cash flows from financing activities</u>			
Payments to:			
Financing obtained		(4 325 933)	(3 797 003)
Interests and other financial expense		(3 241 887)	(3 538 991)
Dividends		(685 836)	(623 488)
		Cash flows from financing activities (3)	(8 253 656)
Changes in cash and cash equivalents (1+2+3)			
		105 646	938 653
Exchange rates effect			
		(1 379)	4
Cash and cash equivalent at the beginning of the period			
		3 560 914	2 622 257
Cash and cash equivalent at the end of the period			
		3 665 180	3 560 914

The Accountant

The CFO

The Board of Directors



3.

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 2019, 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 2019, 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.

PricewaterhouseCoopers Cabo Verde – Sociedade de Auditores Certificados, Lda.
Edifício BAI Center, Piso 2 Direito, Avenida Cidade de Lisboa, C.P. 303, Cidade da Praia, República de Cabo Verde
Tel: +238 261 5934/5, Fax: +238 261 6028, www.pwc.com/cv
Matriculada na Conservatória dos Registos Comercial e Automóvel da Praia sob o nº 282682902/420191217
NIF: 282682902, Capital Social: CVE 1.500.000
Inscrita na lista da OPACC sob o nº 6

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 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.

18 September 2020

PricewaterhouseCoopers Cabo Verde
– Sociedade de Auditores Certificados, Lda.
Represented by:



Armando José C. Ferreira Rodrigues, Auditor Certificado

Report and Opinion of the Supervisory Body

To the Shareholders of Cabeólica, S.A

Introduction

1. The responsibilities of the Supervisory Body results from the combination of the provisions of article 22 of the Articles of Association and No. 1 of article 333 of the Commercial Companies Code.
2. Through the General Shareholders' Meeting of November 28, 2019, was resolved my appointment as Supervisory Body for a period of 4 years (2019 -2022).
3. This report describes the main activities carried out within the scope of our supervisory activity and the assessment of the Financials Statements for the period ended on December 31, 2019, which are prepared under the responsibility of the Company's Board of Directors.

Supervisory Activities

4. In the performance of our responsibilities as the Supervisory Body for the year 2019, we conducted the following activities:
 - a. We have accompanied the company's activity, through meetings with company's management, in which we requested and obtained the clarifications that we considered necessary and we were informed of the contents of the Minutes of the Corporate Bodies meetings;
 - b. We verified the compliance with the provisions referred in the Company's Articles of Association and with the applicable laws;
 - c. We verified the Budget and Action Plan for 2019 and the respective monitoring process carried out by management;
 - d. We became aware of the actions taken by the External Auditor and the respective report;
 - e. We reviewed the governance model and information prepared under the risk management of the Company, as well as the semi-annual communication to the Board of Directors within the monthly reports. We consider that we were thus able to review the operation and compliance of the risk management system.
 - f. We carry out tests to validate balances, transactions and other information to the extent and depth that we deemed appropriate due to the relevance of the amounts.

Director's Report Assessment

5. The Directors' report allows a clear understanding of the business developments and the current status of the Company and complies with the legal requirements established in article 72 of the Commercial Companies Code.

Financials Statements Assessment

6. The financial statements presented include: (i) the balance sheet, (ii) the income statement by nature, (iii) the statement of changes in equity, (iv) the statement of cash flows and (v) the corresponding notes to the financial statements.
7. We verified that the financial statements presented by the Board of Directors satisfy the formal requirements in accordance with the generally accepted accounting principles in Cabo Verde.
8. The financial statements were audited by PricewaterhouseCoopers, who provided an unqualified auditor's statement.

Earnings distribution Proposal Assessment

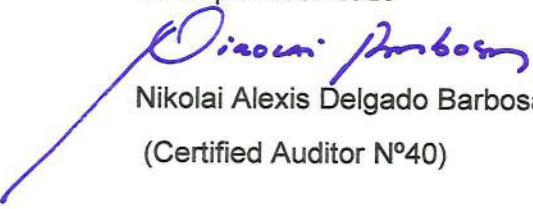
9. The earnings distribution proposal for the year included in the Directors' Report complies with the provisions of article 26 of the Company's Articles of Association and with the requirements of the Commercial Companies Code, being 78% for other reserves and 22% for dividends.

Supervisory body Opinion

10. On this basis, the Supervisory Body gives a favorable opinion on the approval (i) of the Directors' report, (ii) of the financial statements and (iii) of the earnings distribution proposal


We also express our appreciation to the Board of Directors and the Company's management for the collaboration.

18 September 2020



Nikolai Alexis Delgado Barbosa
(Certified Auditor N°40)



Contact us

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