



Sustainable Energy to Transform
African Communities

ANNUAL REPORT | 2021

HIGHLIGHTS

- Market Insights ●
- Country Level Insights ●
- Beyond Power Generation ●
- Spiritual Integration ●

www.eastafricanpower.com

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ABOUT US

East African Power is an integrated renewable energy development and engineering company delivering affordable and reliable clean energy solutions.

MISSION

We work hand in hand with partners and local communities to develop environmentally sustainable solutions for utility-scale, small and medium hydropower, and solar energy projects with a world-class investment profile.

VISION

We are a long-term, social-impact oriented IPP. Through innovation and environmental and social stewardship, EAP is aiming to develop 1 GW of renewable energy by 2030.

VALUES



UNITY

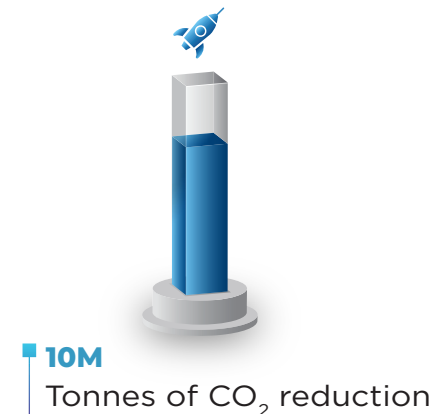
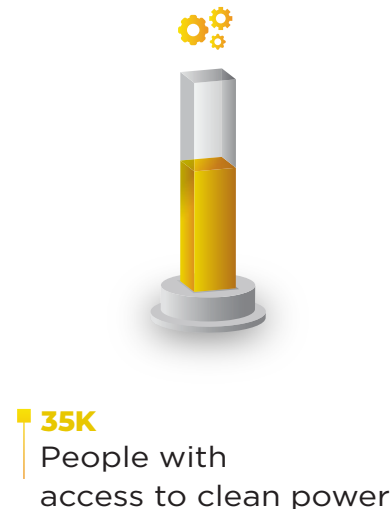
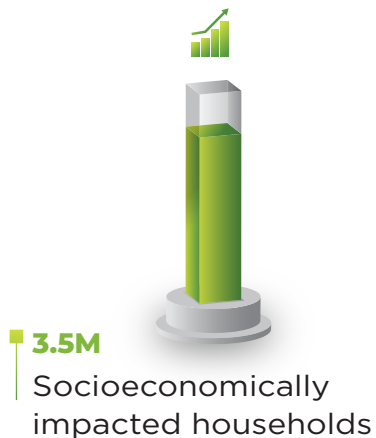


INTEGRITY





RESILIENCE

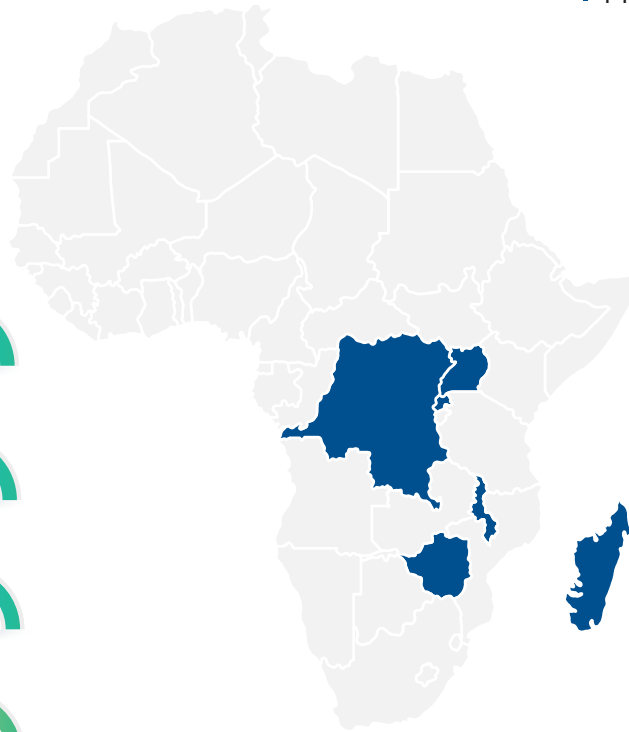
EAP'S 10 YEAR IMPACT PLAN >>



GEOGRAPHIC EXPANSION TO FRONTIER MARKETS

PROJECTS +300 MW PORTFOLIO

-  HYDRO
-  SOLAR



COUNTRIES WE OPERATE IN
Rwanda, Uganda, Malawi,
Madagascar, Zimbabwe, DRC

BIHONGORA
Run-of-river Hydropower
RWANDA

KILIMBI
Run-of-river Hydropower
RWANDA

RWENZORI
Hydropower
UGANDA

GASEKE
Run-of-river Hydropower
RWANDA

CANOTEK 1
Solar
ZIMBABWE

RUBAGABAGA
Grid-connected Run-of-river
RWANDA

RWAZA
Run-of-river Hydropower
RWANDA

LATORO
Run-of-river Hydropower
UGANDA

CANOTEK 2
Solar
ZIMBABWE

21.95 GWh
3.55 MW Operational | **HYDRO**

6 Executed
EPC/O&M Projects | **SOLAR**

Early-Development

Development

30

20



09

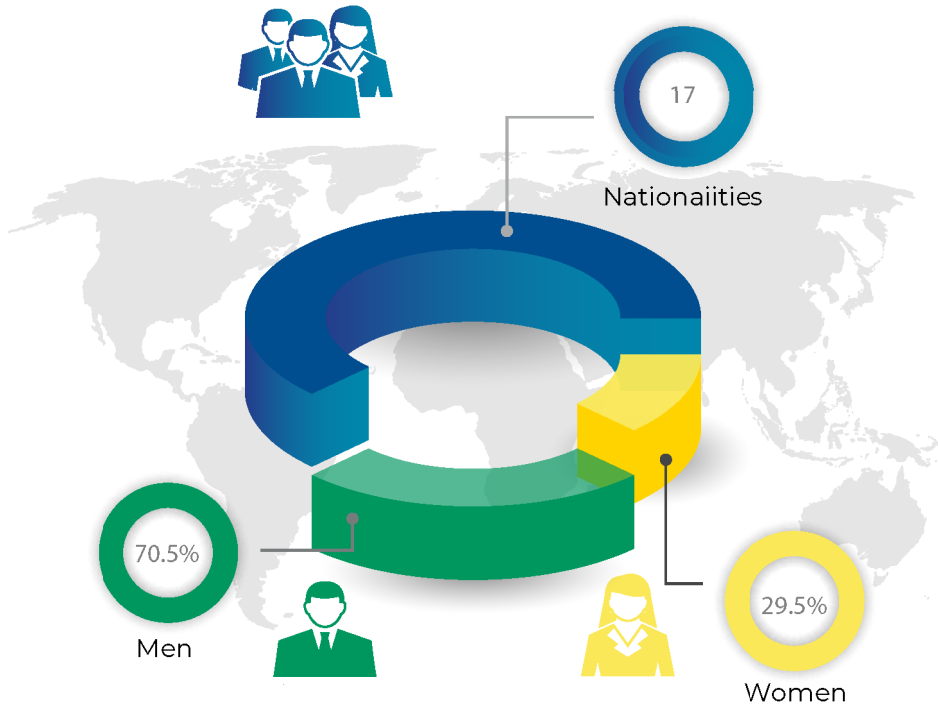
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Capitalization
+
Construction

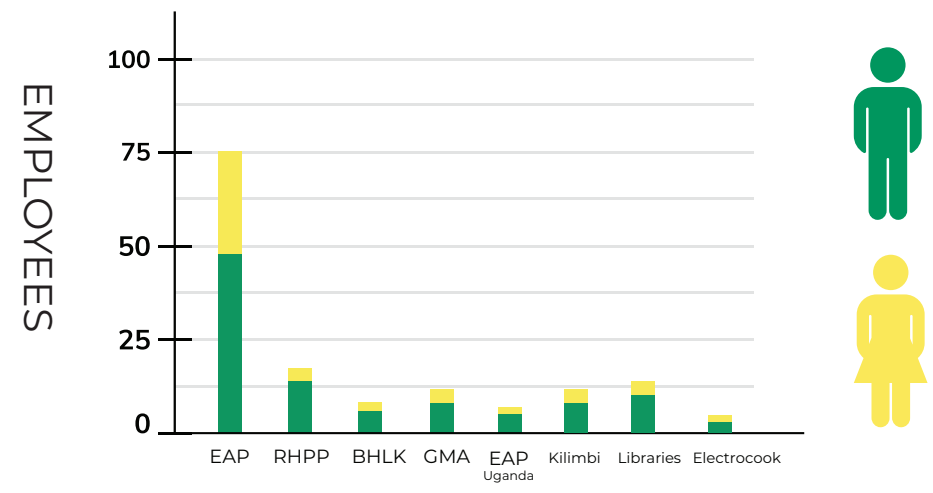
Operational



EMPLOYEES INFOGRAPHIC



GENDER DISTRIBUTION CHART



LOCATIONS



MESSAGE FROM THE LEADERSHIP



Dan Klinck
CEO East African Power

East African Power has been developing energy in Rwanda for the past 10 years. Our team paved the foundation for utility-scale hydropower starting in 2012 as the largest IPP in the country. Since then, we have continued modernizing the energy landscape by developing 10 operational hydropower and solar projects over 10 years.

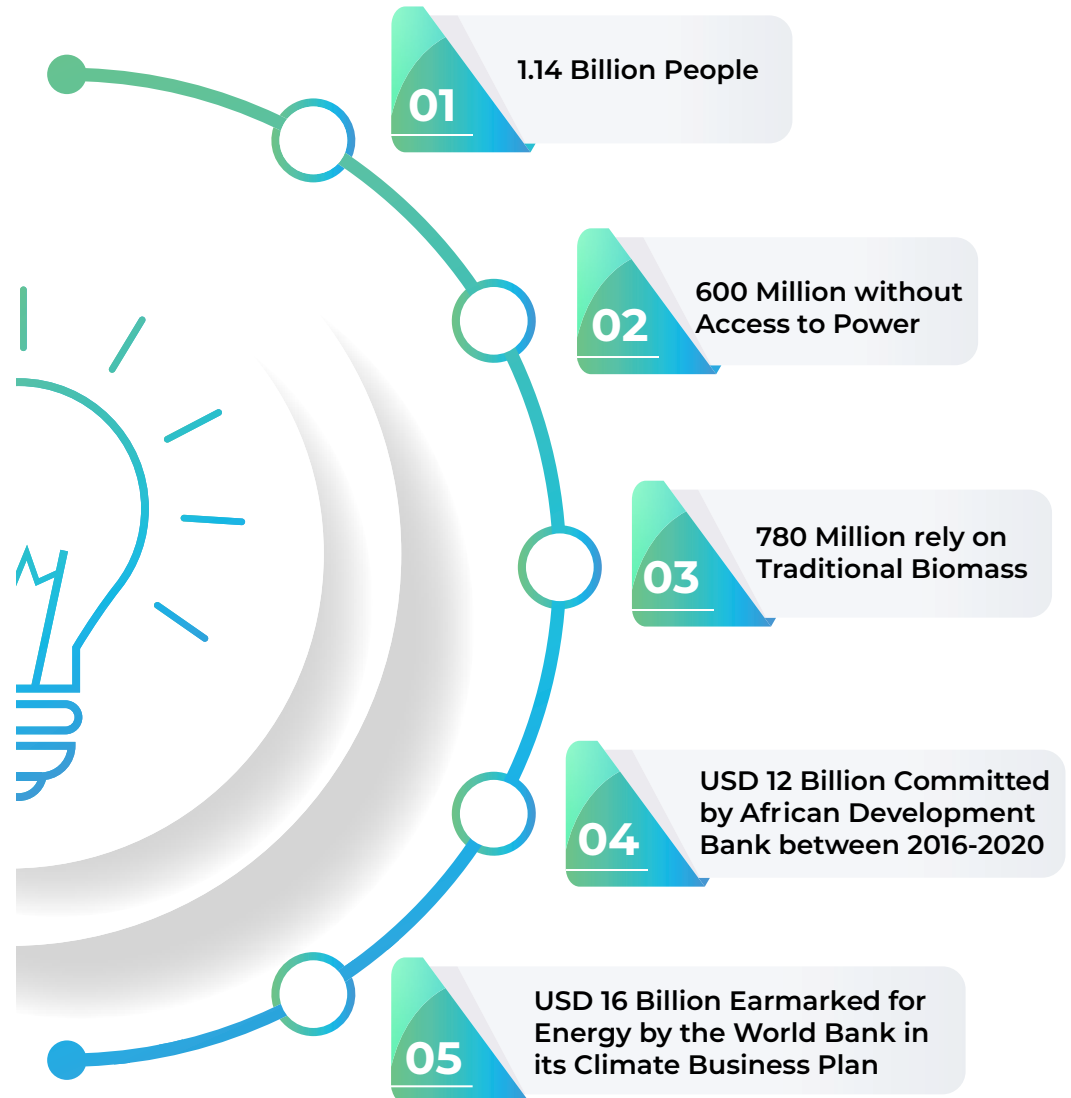
Along the way, we experienced first-hand the impact of electrification on long-term community prosperity. Our deep understanding of the energy market, however, did not prepare us for the challenges posed by the global pandemic alongside rapid expansion in 2021.

Accompanied by the innate challenges of growth, 2021 proved to be a year that would test our company values of unity, integrity and resilience. Each of us found encouragement in special proverbs to remain devoted throughout adversity. Several and others received strength through togetherness. Most paramount to our steadfastness was the age-old African adage, "If you want to go fast, go alone. If you want to go far, go together." COVID-19 magnified the importance of unity to press through hardship. Reflecting back, unity and resilience is what empowered us to accomplish great things in the past year.

Global attention shifted briefly from the pandemic and onto climate resilience following the United Nation's COP26 in October. Considerable portfolio expansion in Q4 aligned with an newly availed capital as international funders and investors push for immense renewable energy development across sub-Saharan Africa. We responded to international market interest by adding >300MW to our acquisition pipeline. Significant traction with several RE investors and DFIs at the close of 2021 assures us the future is bright.

INCREASING AFRICA'S ENERGY ACCESS

Sub-Saharan Africa



INCREASING AFRICA'S ENERGY ACCESS

Sub Saharan Africa boasts of an immense potential to generate massive amounts of renewable energy for long-term of prosperity. Presently, 600 million Africans live without access to power which comprises 48 percent of the global population without power. Robust green response to energy poverty in Africa is paramount considering lack of access to energy is one of the most significant obstacles to socio-economic development. Potential renewable energy opportunities across sub-Saharan Africa require Next Generation Independent Power Purchasers (IPP) to accelerate sustainable clean energy development.

Regulatory reforms across Africa through the creation of electricity regulatory authorities has created a more suitable environment for utilities, IPPs, investors and consumers. Transnational and country-level policy has enabled significant traction for clean energy with impressive reports highlighting the growth of sustainable energy in the continent. Governmental programs underpinned by favorable feed-in-tariffs, such as the 'GetFit' programs in Uganda and Zambia, encourage power plant development to expand capacity on the national grid. Such programs pursue low-carbon development while promoting socio-economic growth, reducing poverty and mitigating climate change.

African Union's Agenda 2063 clearly outlines enhancing access to power through renewable energy as a core objective for a prosperous Africa. Notwithstanding, fossil fuels currently account for 68% of electricity generation in Africa. However, investors and funders are exhibiting resistance to financing fossil-fuel power stations given the demonstrated economic viability of renewable energy and growing global concerns for sustainable energy development. Alongside multi-billion dollar commitments from the World Bank and the African Development Bank, the rate of clean energy electrification is accelerating with promise. Decentralized energy solutions through Independent Power Producers, such as East African Power, are an economically viable option with regulatory efficiency.

Private sector actors have a growing footprint in the African energy market growing 15% per annum. South Africa is an excellent example of the strong influence of IPPs to accelerate energy development with 95 projects initiated by IPPs since the commencement of the South African Renewable Energy Independent Power Producer Procurement Programme in 2014.

Blended finance & innovation empowers utility-scale IPPs to rapidly achieve profitability and scale. IPPs sell generated energy to offtakers through a power-purchase agreement with clearly defined feed-in-tariffs with expected returns. Africa has high electricity tariffs, caused by public sector inefficiencies, slow private sector integration, reliance on fossil fuels and expensive off-grid solutions. Investments in grid-tied, renewable energy projects developed by IPPs will lower the cost of electricity for African consumers and businesses.

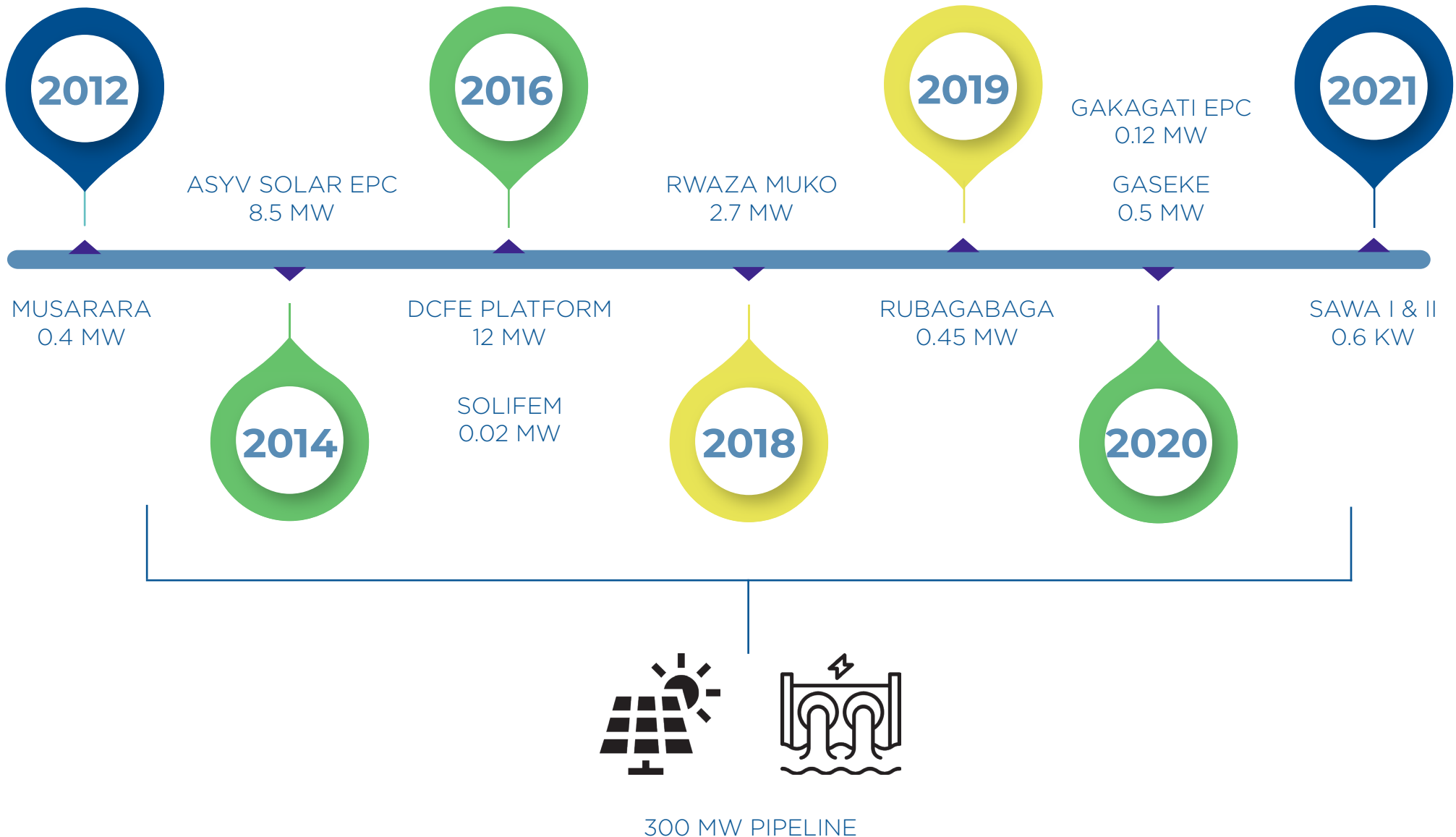
At East African Power, we focus on developing environmentally sustainable solutions for utility-scale hydro and solar power projects with a world-class investment profile. EAP addresses energy poverty through 1-to-50 MW projects; and currently we have 10 operational projects with a target to have 15 operational projects by 2023. We favor frontier markets which have an abundance of untapped solar, wind and hydro resources with considerable advantages and opportunities for renewable energy including premium tariffs. Frontier markets such as Madagascar, the DRC and Zimbabwe are markets in which we can have the biggest impact on energy poverty.

Guided by the company's 10-year track record, EAP is developing the new IPP playbook for Africa with a streamlined strategy ready to scale. By 2023, EAP will operate in 10 countries spread across the East, Central and Southern African Power Pools. By 2025, EAP will be a development and engineering service company of choice across the EAPP, CAPP and SAPP, and start developing projects in the West African Power Pool.



A DECADE OF DEVELOPMENT

EAP is 10 years in the making. This journey gave birth to EAP's vision. We saw first-hand the social and transformational impact of addressing energy poverty through small-scale renewable projects.



2021 KEY ACHIEVEMENTS

Q1

- Signed Exclusive EPC partnership with Sawa Energy
- Delivered EPC solar services for Gakagati Hybrid Project with 1,000+ connections
- Launched 'Twaake' in Uganda with Power for All funded by the Rockefeller Foundation

Q2

- Acquired a majority stake in the 500kW Gaseke Hydropower Plant alongside Novel Energy
- Began the 'Stanford Seed' transformational leadership program to empower executive leadership
- Piloted EAP's first 'EMPWR Pod' in a rural Ugandan community

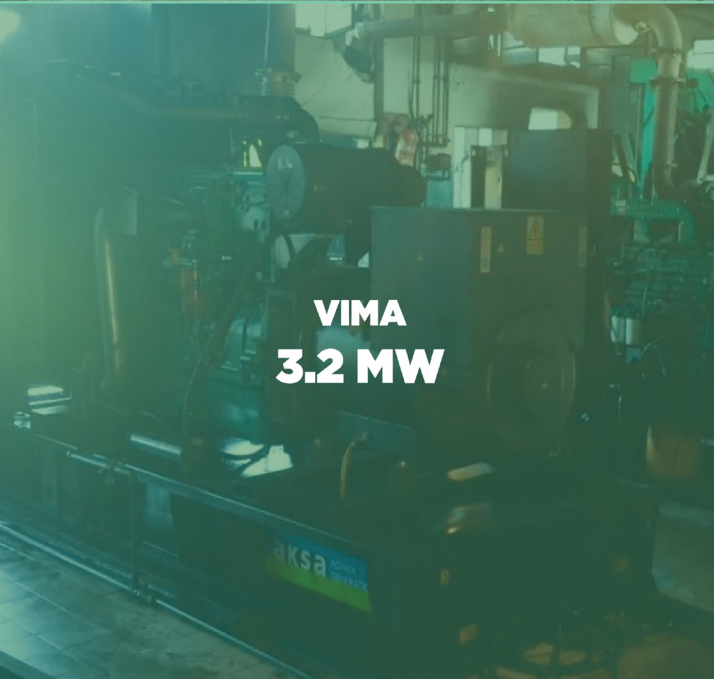
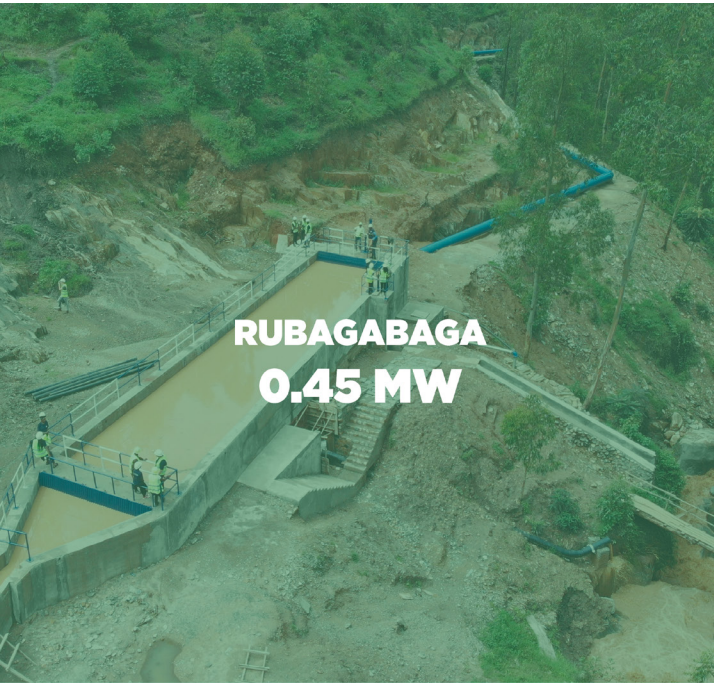
Q3

- Raised \$50,000 for development of the Amahoro Community Center
- Published EAP's Health, Safety and Wellness and Emergency Preparedness Manual
- Launched the Latoro HPP and Rubabo HPP feasibility studies
- Won a tender through PSFU for two mini-grids in Uganda
- Signed a Joint Development Agreement with ViMa in Madagascar

Q4

- Received term sheets and expressions of interest from three lenders towards BHPP's senior loan
- Launched the ESIA for the 25 MW Canotek I project in Zimbabwe
- Adopted Anti-Bribery and Corruption Policy
- Published EAP's Environmental Social Governance Manual
- Secured the initial commitment for seed fundraising

BUILD. OWN. OPERATE. TRANSFER.



COUNTRY-LEVEL INSIGHTS

RWANDA

Portfolio Growth and Plant Upgrades

We acquired a significant equity stake in the 0.5MW Gaseke Hydropower Project. We assumed operations, maintenance and management of the plant throughout 2021. Our in-house O&M team executed a major emergency rehabilitation after severe rainfalls caused landslides and made the plant unoperational.

In 2022, EAP will undertake a plant upgrade which projects an annual plant generation of 2.6GWh. The financing of this upgrade will be coupled by a refinancing of the plant's existing project debt, against which we have received financing term sheets from two financiers.

Investor Interest in Bihongora HPP

We have received term sheets and expressions of interest from three lenders towards the BHPP senior loan. In December, we signed a loan agreement on a bridge facility for the 4.2MW Bihongora Hydro-power Project to fund land acquisition and pre-EPC activities. Pending successful execution, BHPP will achieve bankable feasibility by Q2 2022. We are actively working to fulfill the required Conditions Precedent to unlock the capital.

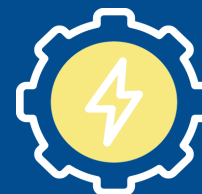
Exclusive EPC Partnership with Sawa Energy

We are now the exclusive EPC and O&M contractor for Sawa Energy, a Commercial and Industrial solar power provider aiming to become the largest private provider of solar power in Rwanda.

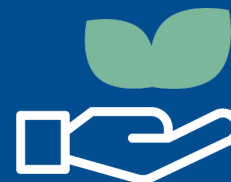
Sawa Energy seeks to deploy 50 MW of solar power by 2023 and support 1,000 clients. EAP also holds a minority stake in the Sawa Energy fund.

EPC Installation of +1,000 Rural Connections

We partnered with Equatorial Power to install a hybrid (biogas and Solar PV) mini-grid with 1,000 rural connections in the Eastern Province of Rwanda. Our team's installation integrated the Infinity Grid platform by ZOLA which enables capacity to be scaled according to growth in energy demand.



Acquired a significant equity stake in the 0.5MW Gaseke Hydropower Project.



Signed a loan agreement on a bridge facility for the 4.2MW Bihongora Hydro-power Project to fund land acquisition and pre-EPC activities.



We are now the exclusive EPC and O&M contractor for Sawa Energy



UGANDA

Electrifying Rural Villages in Rwenzori Mountains

EAP was awarded a bid by PSFU to develop 2 mini-grids for of villages in the foothill area of the Rwenzori Mountains in Western Uganda. These projects will be completed as part of the Energy for Rural Transformation III Project launched by the World Bank to increase access to electricity in rural areas of Uganda. We support mini-grid development for its ability to expand access to households far from the national grid. Following our initial projects in Uganda, we plan to execute on our 12MW portfolio of run-of-river hydropower throughout the Rwenzori Mountains.

Advancing Project Studies for Latoro and Rubabo HPPs

Feasibility studies were launched for two projects within Uganda in 2021 including the 4.2MW Latoro Hydropower Project in the Gulu District and the 1.8MW Rubabo Hydropower Project in the Rukungiri district. Both projects are run-of-river hydropower.

Engineering design for the Rubabo Hydropower Project will evacuate power to the national grid and local mini-grid, advancing EAP's development of sustainable energy to transform local communities. Community partners include Kisiizi Hospital Power Limited and Kisiizi Hospital, a mainstay in the community since 1958.

Private and Public Partnership for Cheaper Energy Connections

We joined forces with The Rockefeller Foundation, Equatorial Power, Energrow, and Umeme Uganda Ltd in Power for All's first pilot project of Utility 2.0, "Twaake" which translates to "Let's Light". In July, Twaake established Uganda's first interconnected mini-grid serving 300 households and 60 small businesses in Kiwumu, Uganda.

EAP believes collaboration between the private sector and national utility has the ability to create powerful synergy in the fight against energy poverty. Utility 2.0 is an innovative energy partnership developed by Power for All to explore the potential of uniting diverse market actors with the national utility in order to achieve faster and cheaper energy connections.

As part of the project, we piloted the first EMPWR Pod, EAP's solar-powered, productive use of energy technology for agricultural processing. The EMPWR Pod received a nomination by AFSIA for 'Solar Innovation of the Year' in 2021.

COUNTRY-LEVEL INSIGHTS

MALAWI

Acquired Mbongozzi

In 2021, EAP identified potential local government and private partnerships that we hope to pursue in the near future.

ZIMBABWE

In 2020, the Zimbabwe Electricity Distribution Company distributed an official notice with intent to contract 500MW of solar PV across the country. Given EAP's presence in the market since 2021, we responded to the opportunity and signed an MOU with the Government of Zimbabwe to develop 300 MW of solar PV through Canotek.

Canotek's business model is founded upon sustainable development of communities through clean energy distribution with a focus on long-term agricultural development. Canotek I and II will consist of 50 MW of Solar PV in the Mashonaland East Province. This will be the first step of a long-term development to deliver 300 MW of energy to Zimbabwe through eight 25 MW installations. Our vision is for each project to serve as a multi-purpose energy ecosystem delivering energy alongside agricultural training centers. With EAP's oversight, Canotek's endeavors hold a value proposition of committed shareholders, access to capital, and seasoned renewable energy professionals to ensure its success.

ADVANCING SUSTAINABLE DEVELOPMENT GOALS

We believe SDGs are a holistic approach to a better future for all. Our commitment to global development extends beyond SDG7 toward comprehensive creation care. This is our contribution:

- 4 QUALITY EDUCATION**
Installation of a 3kWp solar PV System with 15.8kWh of storage for Sunzu library to help community members to use the Library any time of the day
- 7 AFFORDABLE AND CLEAN ENERGY**
EPC installation of a hybrid mini-grid for 1000+ connections in the Eastern part of Rwanda
- 13 CLIMATE ACTION**
EAP's CEO joined the dialogue on climate change along with other leaders across the world during the COP26
- 14 LIFE BELOW WATER**
EAP's sustainability team published three key policies to ensure sustainable practices, safe procedures and good governance
- 17 PARTNERSHIPS FOR THE GOALS**
EAP joined forces with the Rockefeller Foundation and energy developers in Uganda in Power for All's first pilot project of utility 2.0 'U Twaake'

ENVIRONMENTAL AND SOCIAL STEWARDSHIP CREATION CARE

SUSTAINABILITY

We believe quality E&S governance means meeting international standards in ways that are measurable, well-understood by partnered communities and governments, and endorsed by the people most affected by our projects. In 2021, we published three key policies to ensure sustainable practices, safe procedures and good governance:

- ESMS Policy Manual
- HSW Emergency Preparedness Policies and Procedures
- Anti-Bribery and Corruption Policy

Our policy manual will guide all environment, social and governance practices and policies of the company. We integrate the ESG framework into our business activities with a view to manage and conserve natural resources, ensure safety and wellbeing of our employees, and guarantee effective corporate governance while striving to maintain positive financial and environmental returns. The ESG Manual outlines our commitment to:

- Environment: Climate change mitigation, Pollution Control, Waste Management, Conservation of Natural Resources and Biodiversity
- Social Stewardship: Employees Health and Safety, Emergency Preparedness, Supply Chain Labor Standards, Appropriate Land Acquisition, Resettlement Action Planning and Grievance Redressal, Community Impact, Gender Equality, Diversity and Inclusion.
- Governance Standards: Ethical Corporate Governance, Business integrity, Supply chain Management, Employee Training and Awareness.

VILLAGE LIFE IN ABUNDANCE

We commit to reinvesting 1% of project revenues in communities surrounding our power plants.

We shape our power plants into epicenters of empowerment and transformation for surrounding villages.

ENGAGE

mission-aligned employees and partners to lead local programs.

ESTABLISH

lasting community centers and local infrastructure at each site.



EMPOWER

the next generation to achieve village life in abundance.

BEYOND POWER GENERATION

COMMUNITY CARE

EAP is leading the 2.0 class of IPPs to advance energy access with a focus on long-term community development. We are committed to impact each community surrounding our power plants by partnering with local leaders to create sustainable solutions for the local economy, education and electrification.

EAP created the 'Chapters Network' to empower communities through libraries, reading and literacy programs by developing 100 libraries throughout the next decade. EAP's Chapters Network consists of employees specifically dedicated to supporting the libraries alongside power projects. EAP currently hosts two libraries nearby the Rubagabaga Hydropower Plant. In partnership with PLS - Energy, EAP donated and installed a 3kWp solar PV system with 15.8kWh of storage. Community members will now be able to read, learn, and search the web with an uninterrupted power supply day or night. In collaboration with Mothering Across Continents, Sunzu Yacu and the Chapters Network also launched its very first Science Fair to introduce students to Science, Technology, Engineering and Math. In years to come, the Science Fair will challenge Sunzu Village students to develop critical thinking, analysis and problem solving skills. This is a small step forward for EAP's mission to train and develop the next generation of renewable energy professionals.

EAP will break ground on a multipurpose community center for the Sunzu Yacu community in Q1 2022. The center will be a space for locals to hold community events, microbusiness training, and celebrations. We want to thank our impact partner, Phantom Services for donating the initial project investment.

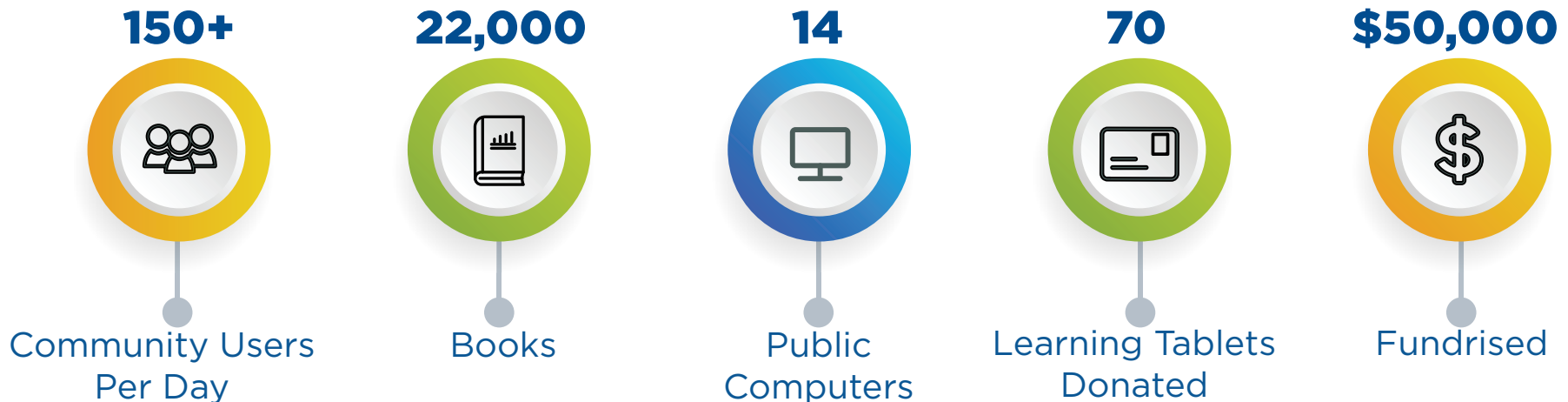
Long-Term Impact

"I look back and think about all that EAP has contributed to our lives. EAP has provided a space for many of us to realize the potential we possess for brighter futures," EAP technician Christophe recently remarked.

EAP has been committed to Christophe's community for nearly ten years. In 2016, EAP co-developed a local library in his community which serves +500 students each year and provides 14,000 books and 12 desktop computers to advance community education.

Christophe has a keen interest in mechanics. Aligning with EAP's commitment to hire local labor, Christophe landed a full time role at EAP in 2019 as an intake operator at the nearby 445kW Rubagabaga Hydropower Plant. On his days off, Christophe can be found reading eclectic books and volunteering in the library.

EAP's long-term community impact has inspired Christophe to create a platform for local children to discover knowledge and gain practical experience for a career in mechanics. EAP supports Christophe's endeavors and appreciates his commitment to the community.



CLEAN ENERGY FOR COOKING

EAP incubated Electrocook in 2019 to develop a clean, affordable and safe electric cooking method that can replace charcoal and firewood with clean electricity for daily cooking activities. Electrocook's initial testing and research highlights a cost savings for households of USD 6 - 10 per month and 50% reduced cooking time when using the EPC. Pressure cookers will offer rural on-grid customers an affordable alternative to charcoal and biomass cooking which are hazardous to family health.

Electrocook aims to protect the environment by reducing the use of charcoal and biomass cooking and empower women through job creation and healthier, time-saving cooking methods. EEP Africa and the Nordic Development Fund provided EURO 395,000 in financing to establish a local manufacturing workshop and women's cooperative within a Micro-Industrial Park connected to EAP's Rubagabaga Hydro-power Project.

In 2021, the start-up launched a pilot study with 50 households connected to a mini-grid in Nyamata Village. Study partners include Strathmore University, Africa Energy Services Group and ARC Power. Pilot study results will enable Electrocook to form data-driven decisions for product roll-out and market analysis. Electrocook is becoming a trailblazer for electric cooking within Rwanda; and we are excited to support its success throughout East Africa in the years to come.

"If the technology and business model is proven to be viable, this project could be a game changer for the cookstove sector," EEP Africa.

5,000
Electric Pressure
Cookers



21,000
CO₂ Emissions
Reduced



22,500
Individuals
Impacted



200
Jobs for
Women



BUILDING POWERFUL PARTNERSHIPS

POWER AFRICA

In Q4 2021, Power Africa announced its partnership with EAP. Power Africa brings together technical and legal experts, the private sector, and governments from around the world to work in partnership to increase the number of people with access to power.



GET.INVEST

EAP's Bihongora HPP showed progress with the help of Get.Invest that provides support and advice on developing and advancing the business plan for the Project with a view to sourcing the required investment.



150
Staff

20
Technical Experts

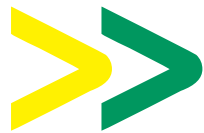
300+
Years of Relevant
Energy Experience

EAP has the leading renewable energy engineering office in East Africa. With expertise across the value chain, our in-house team can handle the full development cycle of a project from inception to transfer.

In 2021, we restructured our organization to confidently navigate EAP's rapid scaling in 2022 following the close of our Seed Round funding. Our Executive Leadership Team is composed of 7 individuals with specialized experience across engineering, finance, investments, and project development. A 12-person Senior Management Team and 7 Country Managers support the Executive Leadership Team.

We are leveraging change management to implement better, more efficient processes which give us the best grip on development in the market. Driven by values of equity, we strive to reach gender parity by 2025 and to train the next generation of African renewable energy professionals as we continue to grow.

OUR ORGANIGRAM



Engineering

Hydro, Solar, Technical,
O&M, Sustainable and
Structural

Operations

Endev, Marketing,
Country Managers,
Human Resource

Finance

Adminstration and
Logistics



Legal

Investments

EXECUTIVE LEADERSHIP



DANIEL KLINCK
CHIEF EXECUTIVE OFFICER



BRAD SANDERS
MANAGING DIRECTOR



JAMES SHUFELT
CHIEF OPERATING OFFICER



AGNES CHIWESHE
CHIEF FINANCIAL OFFICER



IDA MARUTI
CHIEF LEGAL OFFICER



KELLIE MURUNGI
CHIEF INVESTMENT OFFICER



NICOLAS SYNNOTT
CHIEF OF STAFF

SENIOR MANAGEMENT TEAM



DAVID BUCYIBARUTA
CHIEF ADMINISTRATIVE OFFICER



GODFREY MANIA
CHIEF SUSTAINABILITY OFFICER



PAUL SNIJDERS
CHIEF TECHNICAL OFFICER



SAMARAKOON BANDA
TECHNICAL DIRECTOR



JOHN LEE PATTINSON
DIRECTOR OF PROJECTS



IDDO MUSANA
DIRECTOR OF OPERATIONS
AND MAINTENANCE

ENGINEERING TEAM



JUSTIN HERINIAINA RADILOPE
SOLAR DEVELOPMENT MANAGER



ABE DALY
SENIOR PROJECT MANAGER &
DIRECTOR OF STRUCTURES



EAP IN THE SPOTLIGHT

East African Power is establishing thought leadership within the sub-Saharan energy market and greater renewable energy sector. Our executives speak at webinars and conferences related to SDGs, clean technology, RE and sustainability. We are grateful to have received recognition through the following awards and publications:

- CEO, Dan Klinck received nomination for 'Leader of the Year' by the African Power & Energy Elites 2022 publication
- Project Engineer, Gerald Kadapawo recognized in the 2021 Class of New Faces of Civil Engineering Professionals, an international publication featuring 10 leading professionals from around the world
- Shortlisted as the 'Fastest Growing Renewable Energy Company' by the International Finance Awards
- Recognized in the ESI Africa Issue 1-2021 'Hydropower: it's Plug and Play'
- Featured as speakers in a plethora of energy events.

EMPWR POD



EAP's EMPWR Pod received nomination for 'Solar Innovation of the Year' by the Africa Solar Industry Association

ENERGY MIX



Featured on CNN Marketplace Africa to discuss Rwanda's green energy mix

KEY ENGAGEMENT CHANNELS

2021 was a year of growth and diversification for EAP within our pipeline, investor platforms, geographies and offtakers. Such growth necessitated an expansion of internal engagement and external communications to match the increasing employee, investor and partner organization audience. We aim to clearly communicate EAP's opportunities, challenges and achievements to ensure stakeholders are engaged and up-to-date. Our key communications developments in 2021 include:

1. EAP's Employees:

- Creating the EAP Insider, an exclusive internal communication for all employees delivered on a quarterly basis.
- Establishing monthly 'Town Hall' events to unite and engage our international team with a special emphasis on giving junior employees facetime with leadership.

2. Stakeholders and Investors:

- Developing an External Newsletter to highlight project and investment updates to external audiences on a quarterly basis.
- Revamping the website to magnify recent growth, highlight technology partnerships, and promote additional service contract generation.

CORPORATE STRUCTURE

EAP aims to execute on investment platforms in 2022 with tailored investment opportunities. In 2021, EAP established a Mauritian Holding Structure to enhance investment advantages. Combined with the strategic headquarters in Rwanda, EAP offers investors favorable tax benefits alongside optimized operations infrastructure.

2021 was a year of consolidation in which EAP developed strong country-level, multi-project financing platforms in Rwanda, Malawi, Madagascar and Uganda. By consolidating multiple small hydropower and solar projects into country platforms, EAP offers financiers an attractive platform opportunity to achieve project diversification within one or multiple jurisdictions. In 2022, our strategy is to unlock at least USD 100 million in blended financing towards our projects across the region.

MAURITIAN HOLDING STRUCTURE

- Preferred jurisdiction by investors
- Favorable tax regime and legislative framework
- Robust investor protections and non-double taxation treaties
- Continental coverage and access

RWANDAN ENGINEERING HQ

- Strategic location and regional flight hub
- Qualified and affordable talent
- Low corruption and durable infrastructures
- Ambitious electrification targets and regional leadership

ADDRESSING KEY MARKET RISKS

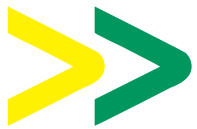
Driven by SDG 7: Universal access to affordable, reliable, sustainable and modern energy, EAP's strategy was designed to address key market challenges.

KEY RISKS	THE EAP APPROACH
Local developers can't bring projects to FC or COD	Co-development model: EAP comes in at PPA stage at a discount and broker project to financial partners.
Sunk costs in early-dev. and unsuccessful PPAs	Acquire PPA-stage projects, build a large and diversified portfolio, and improve returns by securing service contracts on projects.
Affordability of capital and long transaction time	Trust and proven track record engaging with equity and debt providers, and tailored investment platforms.
Unreliable contractors, expensive technical expertise, faulty designs	Market leading in-house design, engineering and E&S teams with a build-to-own mindset.
Non-conducive regulatory environments and government default	Market diversification, local partners, Private-Public-Community partnerships, political guarantees and staged project implementation.



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