

PRESS RELEASE

New Delhi, 30th September 2019

VELCAN HOLDINGS: COMPLETION OF THE FIRST PHASE OF THE LAND ACQUISITION PROCEDURE OF THE INDIAN HYDROPOWER PROJECTS

As announced by the press release dated 8th April 2019, the first phase of the land acquisition procedure was extended by 6 months, up to the deadline of 26th September 2019, to issue the “Section 11 preliminary notification” under the regulations applicable to the Heo-Tato1 hydropower tandem project (426 MW).

Such notification was duly executed by the State Government on 26th September 2019.

It is the act by which the State Government decides to acquire the required land (totaling 107.20 Ha) for public purpose, based on the successful completion of the first phase of the acquisition procedure. It prevents any other land related transaction to take place and triggers the next steps of the procedure.

The completion of this phase, especially obtaining the land owners’ consent, is a major milestone in the land acquisition procedure, although it does not yet resolve the land registry disputes. At a later stage, the settlement of these disputes will be necessary to determine the sharing of the financial compensations between land owners.

The State Government now has to initiate another set of surveys and complex procedural steps such as notably a detailed and individual census of affected families, the marking of land boundaries, the hearing of individual objections, the preparation and publication of Rehabilitation & Resettlement plans (Section 19), the public hearings on such plans, the issuance of financial awards (Sections 23 and 31) and the physical possession of the Land (Section 38).

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About Velcan:

Velcan Holdings is a Luxemburg headquartered investment holding company founded in 2005, operating as an independent power producer in emerging countries and managing a global portfolio of financial assets.

The company owns and operates a 15MW hydro power plant in Brazil that it developed and built in 2009. The company is developing a cascade of hydropower concessions located in India and totalling 571 MW.

Hydropower concessions provide long periods of cash generation but their development outcome is uncertain and many years are needed to bring these projects to maturity in emerging countries: it involves field studies in remote places, obtaining the necessary authorizations and permits, and land acquisition in political and regulatory environments that can be unstable or heavily hampering. Meanwhile Velcan Holdings actively manages its treasury, investing in listed and unlisted financial instruments.

Velcan Holdings' headquarters are in Luxemburg, with administrative and financial offices in Singapore and Mauritius. The team dedicated to the development of the Indian hydropower cascade is based in New Delhi and at the project site (Arunachal Pradesh). The team dedicated to the Rodeio Bonito plant is based in Sao Paulo and Chapeco (Santa Catarina State).

The company was launched more than 10 years ago by its reference shareholder Luxembourg Hydro Power SA, owned by Velcan Holdings' management team.

Velcan Holdings is listed on the Paris Euronext Growth Stock Market (Euronext Growth/Ticker ALVEL/ISIN FR0010245803).

Velcan Holdings never performed any Public Offer as understood under Directive 2003/71/CE of the European Parliament and Council.

Disclaimer

This press release contains prospective information about the potential of the projects in progress and/or of the projects of which the development has begun. This information constitutes objectives attached to projects and shall not be construed as direct or indirect net income forecast of the concerned year. Reader's attention is also drawn on the fact that the performance of these objectives depends on future circumstances and that it could be affected and/or delayed by risks, known or unknown, uncertainties, and various factors of any nature, notably related to economic, commercial or regulatory conjuncture, which occurrence could be likely to have a negative impact on future activity and performances of the Group.

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