Mphanda Nkuwa Hydropower and Mozambique Regional Transmission Backbone Project

17 March 2026

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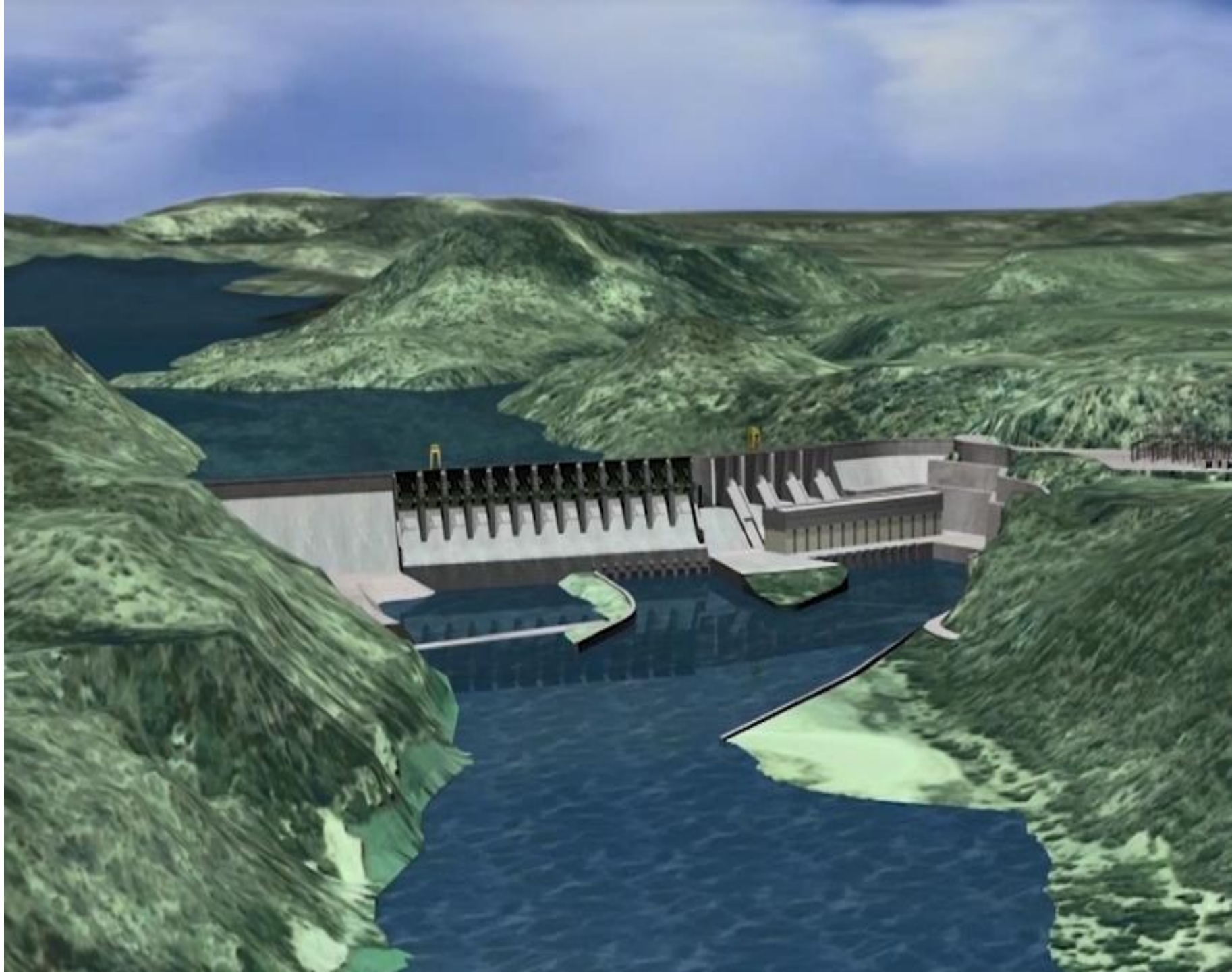
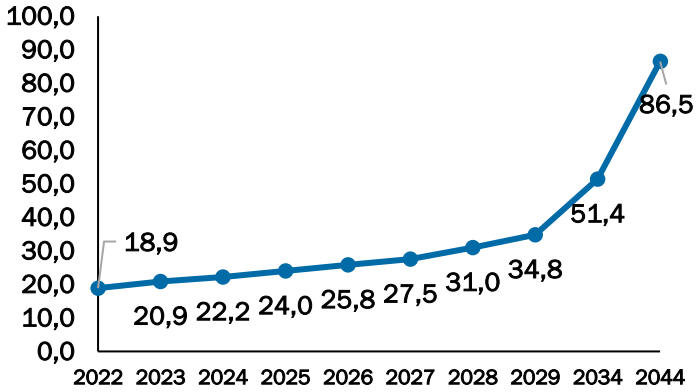
Country and Sector Overview



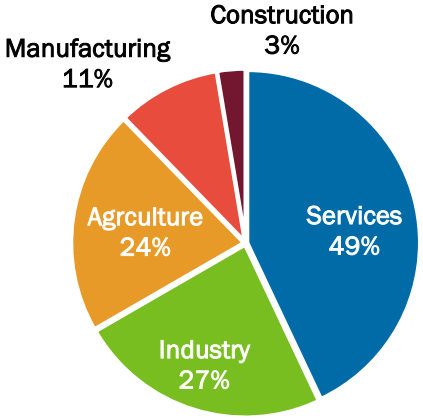
MOZAMBIQUE | ECONOMIC OVERVIEW

Improving GDP Growth	• Recorded **average growth rates of GDP above 5%** over the period **2000-2024** supported by foreign investment, the rapid growth of the mining sector and the increase in coal and hydrocarbon reserves • Mozambique's GDP growth rose from **2.3% in 2021** to **5% in 2023** and 1.9% in 2024. For 2025, growth is projected to be 3.0% • The economic recovery and the economy is expected to **grow by 5,75% per year in 2026-2035**
Diversified Economy	• The diversified nature of the Mozambican economy helped to mitigate effects of 2016 debt crisis in a reasonable way • An **improved outlook for agriculture**, a substantial **increase in coal production**, and an **increase in coal and electricity exports** helped to increase the GDP growth
Economic Acceleration Stimulus Package	• Launched in Aug 2022 by the Government of Mozambique, it is based on **20 reform measures** focused on two areas of intervention that form the basis for economic growth, namely **fiscal and economic stimulus measures**
Open to Foreign Trade	• Mozambique is a member of the World Trade Organization (**WTO),** ASEAN-China Free Trade Area **(ACFTA),** Southern African Development Community **(SADC)** and has signed trade agreements with Malawi and Zimbabwe • Primarily **exports natural resources** (aluminum, coal, electrical energy, hydrocarbons, titanium, gemstones, etc.), tobacco and sugar
Foreign Direct Investment	• FDI Net inflows in 2024 – **16% of the GDP,** an increase from **~13 percent** in 2023[1]
International Assistance	• Received assistance from several international organizations through grants and through investments in infrastructure projects • Notably, As of October 2024, the **World Bank** has committed financial grants and credits totaling **c.USD 7.5 bn** • **IMF** has provided grants of **c.USD 456 MN in recent years**

Nominal GDP (USD bn)



Source: IMF Country Report No. 24/219 (Jul 2024)



[1]**Source**: theglobaleconomy.com

MOZAMBIQUE | KEY INFRASTRUCTURE PROJECTS IN THE LAST 10 - 15 YEARS (1/3)

Project	Key Investors	Description
Coral South FLNG	eni, ENH, KOGAS	• The Floating Liquified Natural Gas (**FLNG**) vessel operates in ultra-deep waters exceeding 2,000 metres • The project has a **liquefaction capacity of 3.4 million tons per year** and will produce LNG from the **450 billion cubic meters of gas** of the Coral reservoir • British Petroleum (**BP**) entered a 20-year agreement in October 2016 to off-take the entire LNG produced • Until April 2025, more than 7 million tons of LNG had been produced, exporting approximately **100 LNG cargos and 10 condensate cargos,** projected to bring in more than **USD 70 million of forex revenue** annually. • It is forecasted the GoM would get **USD 35 million this year in tax** and could get a total of **USD 19 billion** in taxes in the next 25 years • The project has contributed to Mozambique's **economic development** by creating **approximately 1,400 direct and indirect jobs** and providing training to over 200 young Mozambicans in logistics, oil and gas sectors, etc.
Coral North FLNG	eni, ENH, KOGAS	• Mozambique's government has approved an investment of $7.2 billion for the **Coral North FLNG project** • It is expected to produce **3.5 million metric tons per annum (mtpa)** utilizing gas from **Rovuma Basin** • Production expected to **commence in the second half of 2028.** • The development plan includes provisions for **domestic gas supply,** initially allocating **10% of production** for industrial use in Mozambique, with **potential to increase to 25%.**
Mozambique LNG	TotalEnergies, ENH, MITSUI&CO., ONGC VIDESH	• TotalEnergies has lifted the Force majeure and works have resumed • Started with the discovery of a **vast quantity of natural gas off the coast of northern Mozambique** in 2010, leading to a **$20 billion** Final Investment Decision in 2019. • In March 2025, the U.S. Export-Import Bank approved a nearly $5 billion loan to support the project's development • Plans the construction of two liquefaction units with a **capacity of 13 million tons per annum** with **expansion capacity of up to 43 million tons per annum** • The project is expected to start the distribution of LNG in **2029-2030**

MOZAMBIQUE | KEY INFRASTRUCTURE PROJECTS IN THE LAST 10 - 15 YEARS (2/3)

Project	Key Stakeholders	Description
Namaacha Wind Power Project	GLOBELEQ; DFC U.S. International Development Finance Corporation; IFC International Finance Corporation WORLD BANK GROUP; Banque Africaine de Développement African Development Bank	• Mozambique's **first utility-scale wind energy project**, located ~50 km west of Maputo, lead by **Globeleq.** • With a **120 MW** capacity and **$270mn** investment, the Project expected to generate approximately **331.6 GWh of clean energy annually**, supplying both local consumers and regional markets (exports). • Aims to **reduce annual CO_2 emissions by about 71,816 tons**, contributing to Mozambique's commitments under the Paris climate agreement, and supporting Mozambique's goal of achieving universal electricity access by 2030 • Expected to create **around 600 jobs**, including targeted positions for **women and youth**. • Reached final development stage, expected to commission by H2 2027 assuming **Financial Close by H2 2025.**
Rovuma LNG	ExxonMobil; eni; CNPC; NOOC; IFC International Finance Corporation WORLD BANK GROUP; DFC U.S. International Development Finance Corporation	• Extraction and liquefaction of gas from **Area 4** in the **Rovuma basin** located in the northern area of the country **with potential capacity of c.18mtpa; GoM approval granted in 2019, and FID expected for 2026.** • First phase includes the construction of **two LNG liquefaction trains which will each produce 7.6 million tons of LNG per year** • Considerable progress has been made in **LNG marketing activities** like **sufficient offtake commitments**, with the finalization of the development plan and project financing • Currently expected to commence production by 2030/31, assuming **Final Investment Decision (FID) is made in 2026/27** .
Central Termica de Temane Power Project	OPEC FUND for International Development; EMERGING AFRICA INFRASTRUCTURE FUND; FMO Entrepreneurial Development Bank; MIGA Multilateral Investment Guarantee Agency	• Located at Temane in Inhambane Province, CTT consists of a **450 MW gas-fired power plant** that will supply power to Electricidade de Mozambique (**EDM**) under a 25-year tolling agreement • CTT is expected to provide electricity **to meet the demand of 1.5 million households** and will contribute about **14% of the electricity supply capacity** • Debt Financing for the project has been provided by International Finance Corporation **(IFC),** Dutch Entrepreneurial Development Bank (**FMO),** Emerging Africa Infrastructure Fund **(EAIF),** US International Development Finance Corporation **(DFC),** and **OPEC Fund** • The project reached financial close in January 2022, construction is ongoing, and COD expected by Q1 2028

MOZAMBIQUE | KEY INFRASTRUCTURE PROJECTS IN THE LAST 10 - 15 YEARS (3/3)

Project	Key Stakeholders	Description
Temane Transmission Project		• Involve building **563km** of a **400kV, single-circuit power transmission line** between Maputo and Vilanculos near Temane. It will connect the proposed Mozambique Gas-to-Power plant with the Maputo area • It will be funded using **grant and concessional finance** offered by the **World Bank**, **OPEC Fund**, Africa Development Bank **(AfDB)**, Islamic Development Bank **(IsDB)**, and the Norwegian government trust fund • Project construction completed and ready for comissioning
HCB Rehabiliation Programme ("Capex Vital")		• Hidroelectrica de Cahora Bassa (**HCB**) has signed a loan agreement for **100 MN Euros** (about **106 MN USD**) with the French Development Agency (**AFD**), which will help finance HCB's ten-year Rehabilitation Programme, known as its "**Capex Vital**". • The AFD loan is complemented by a **22 MN Euro** delegated grant from the **European Union** to AFD • **AfDB** has also approved a loan package of **125 MN Euros** (**131.6 MN USD**) to HCB for this project
Mozambique-Malawi Regional Interconnector Project		• Governments of Mozambique and Malawi agreed to **interconnect their power systems** with the objective to contribute to the interconnection of the Malawian electrical network to the Southern African Power Pool • The transmission line will be a **400-kV line** over a total distance of **218 km** • Debt Financing amounting to **USD 57 million** has been provided by the World Bank
Metoro Solar Power Plant		• The plant is located in Metoro, a town in the Ancuabe district of Cabo Delgado province • Public-private partnership **(PPP)** between the GoM and TotalEnergies • Debt Financing is provided by Proparco and AFD
Mocuba Solar Plant		• In 2016, Scatec Solar and Norfund signed a **Power Purchase Agreement** that secured the sale of solar power over a **25-year period** to **EDM** • The plant was built in the Zambezia Province in north-central Mozambique • Debt financing is provided by **IFC** and **EAIF**, providing **USD 55 million** • Globeleq has acquired the Mocuba Solar Plant in Dec 2023

SECTORIAL STRATEGIC FRAMEWORK

- SECURITY OF SUPPLY
- ENERGY MIX
- COMPETIVENESS

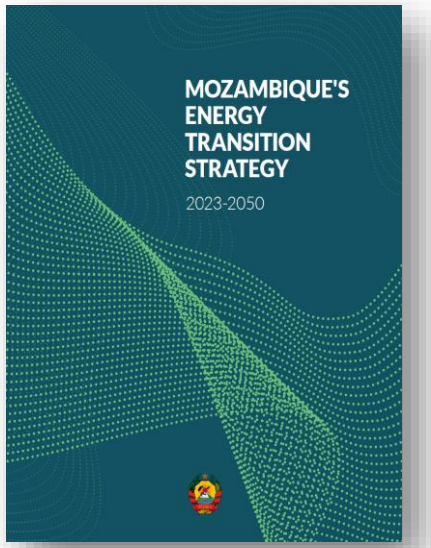
POLICY

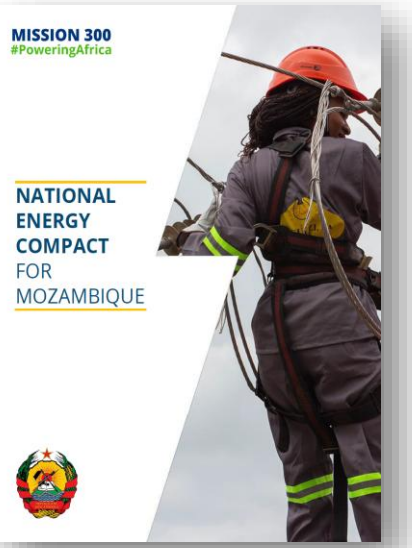
- UNIVERSAL ACCESS BY 2030
- REGIONAL ENERGY HUB
- COST OF SUPPLY

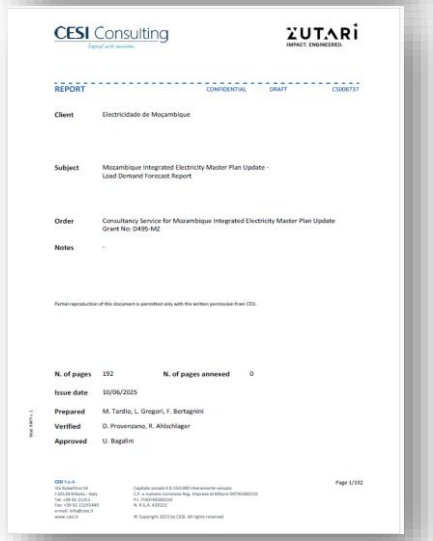
STRATEGY

- LEAST COST OPTION (Infrastructure and energy)
- DOMÉSTIC AND INDUSTRIAL CONSUMPTION
- EXPORT

PLANNING





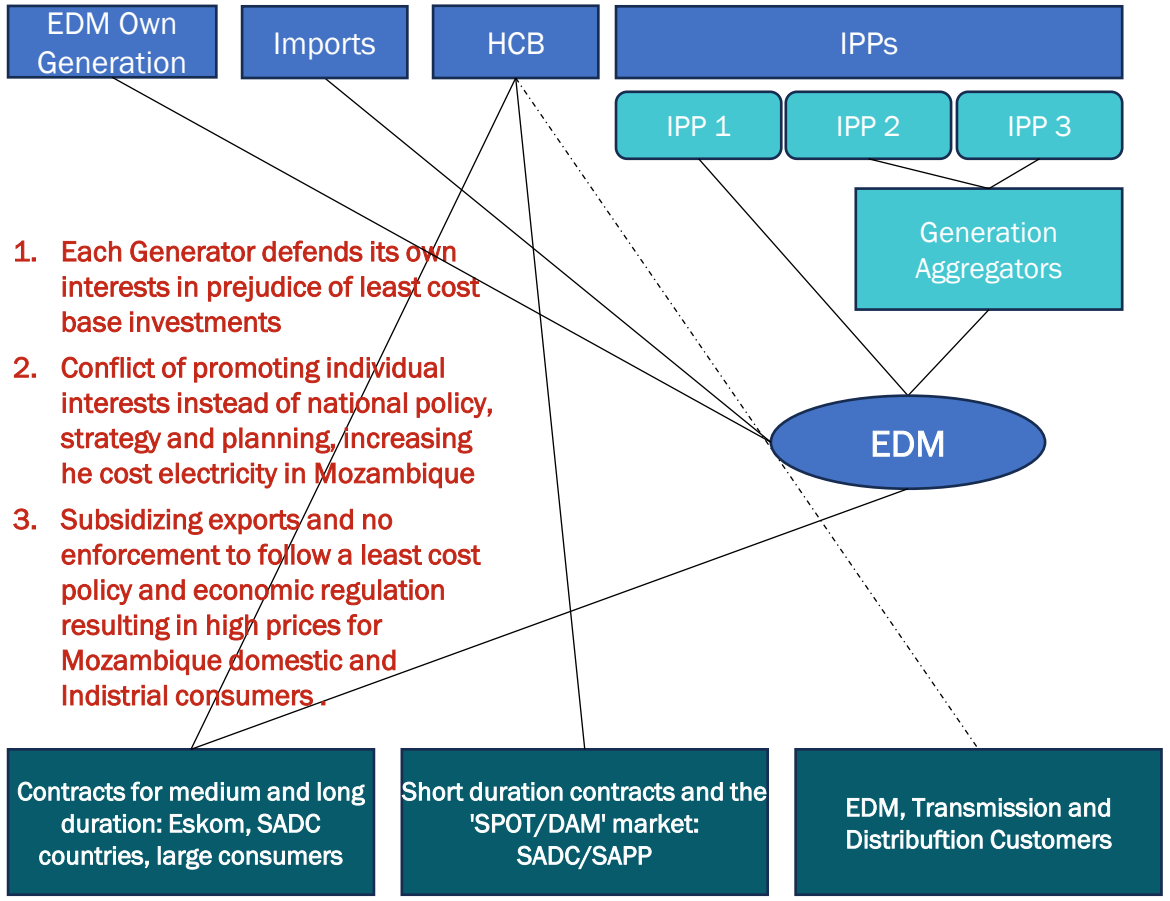


IMPLEMENTATION OF STRATEGIC REFORMS IN THE ELCTRICITY SECTOR

- Adopt a **new strategic approach to electricity trading**
- Establish an **economic regulatory framework** to ensure that the benefits of the country's energy wealth are retained in Mozambique
- Adopt a **process to ensure the implementation of the investment master plan** based on the lowest cost criterion.
- Create the **National Electricity System Manager (GSEN)**, operationalise the functions of **System Operator and Market Operator**, and promote **efficient planning**

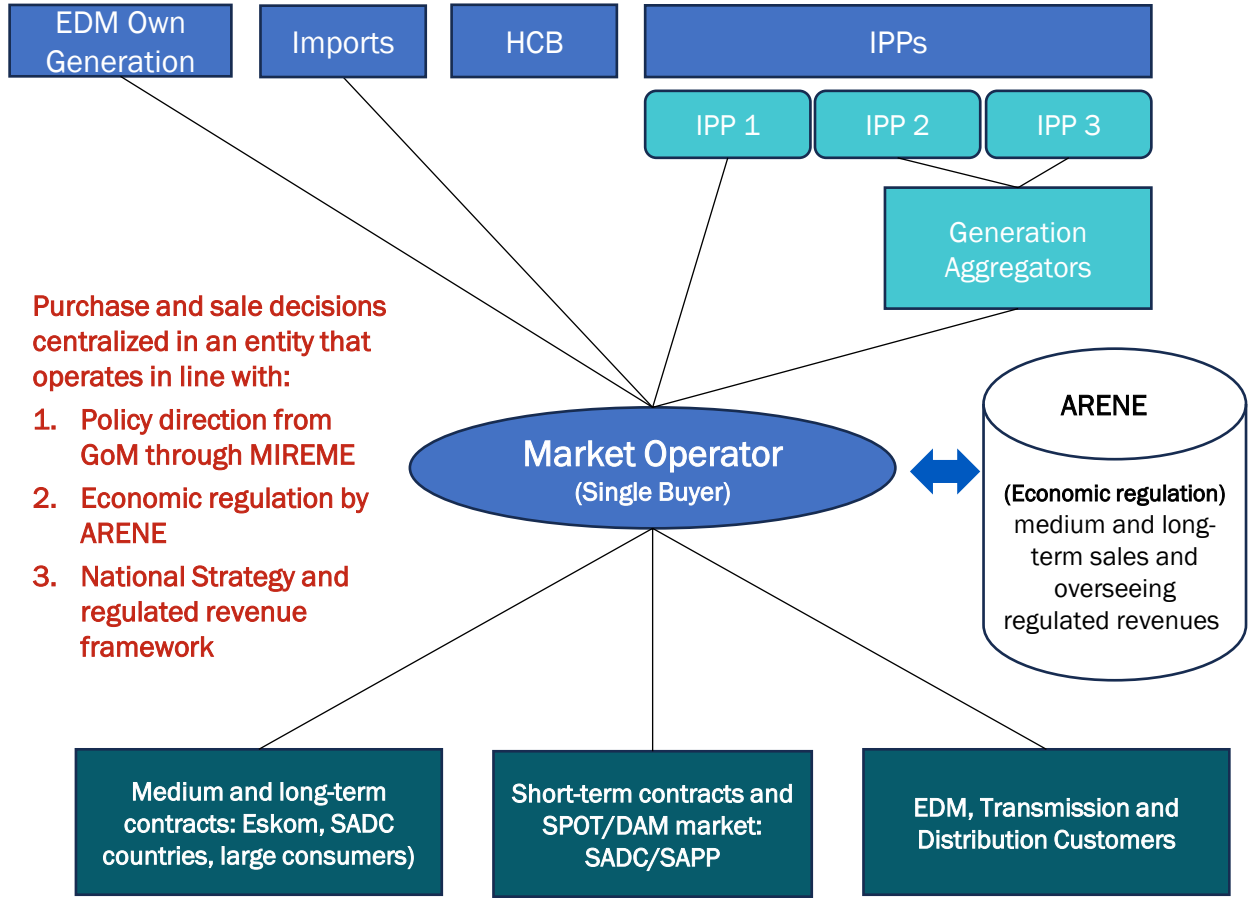
SECTOR ARCHITECTURE AND MODEL *(REFORMS)*

Current Situation



1. Each Generator defends its own interests in prejudice of least cost base investments
2. Conflict of promoting individual interests instead of national policy, strategy and planning, increasing he cost electricity in Mozambique
3. Subsidizing exports and no enforcement to follow a least cost policy and economic regulation resulting in high prices for Mozambique domestic and Indistrial consumers .

Future Situation



Purchase and sale decisions centralized in an entity that operates in line with:

1. Policy direction from GoM through MIREME
2. Economic regulation by ARENE
3. National Strategy and regulated revenue framework

The execution of a national development investment plan will follow a least cost criteria. This will drive the **financial viability and sustainability** of the sector and Mozambique will be able to **provide competitive electricity** and utilize its **integrated balance of energy natural resources and strategic assets** through **centralized** and **coordinated power sales and enable the electricity sector to implement national economic development Goals**

SECTORIAL ROAD MAP TO ECONOMIC DEVELOPMENT

1100 MW
(2030)

Installed Cap. - 2075 MW

HIDROELÉCTRICA DE CAHORA BASSA

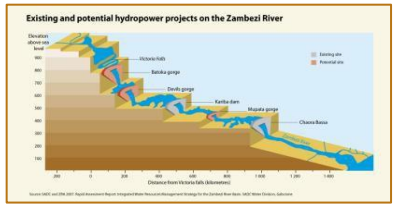
Reversão - 1100 MW

+

AphandaNkuwa Hidroeléctrica

(Installed Cap. 1 500 MW)

3500 MW



Cascade Operation

GSEN
System and Market Operator
(Security, reliability and economic regulation)

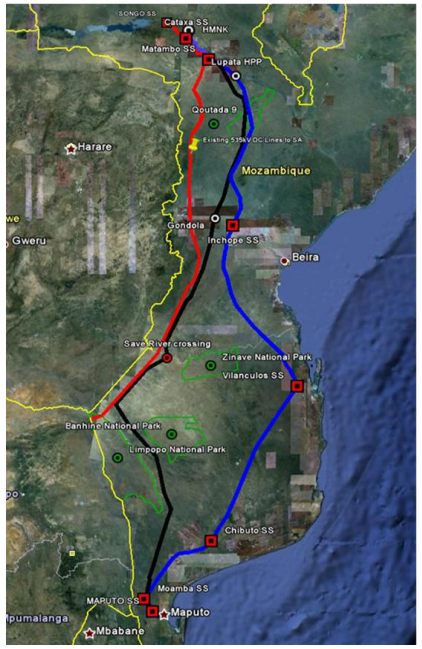
Strategic Assets
(HCB, CTT, MNK and CBN

Return of HCB Power (value) under Sovereign control in 2030

Indexation to Market Prices and US$ Currency

Cascade Operation (Hydrology Optimization)

5000 MW



- SECURITY OF SUPPLY
- ELECTRIFICATION
- INDUSTRIALIZATION
- EXPORT
- INFRAESTRUCTURE (TX)

LONG TERM EMPLOYMENT AND BROADER TAX BASE

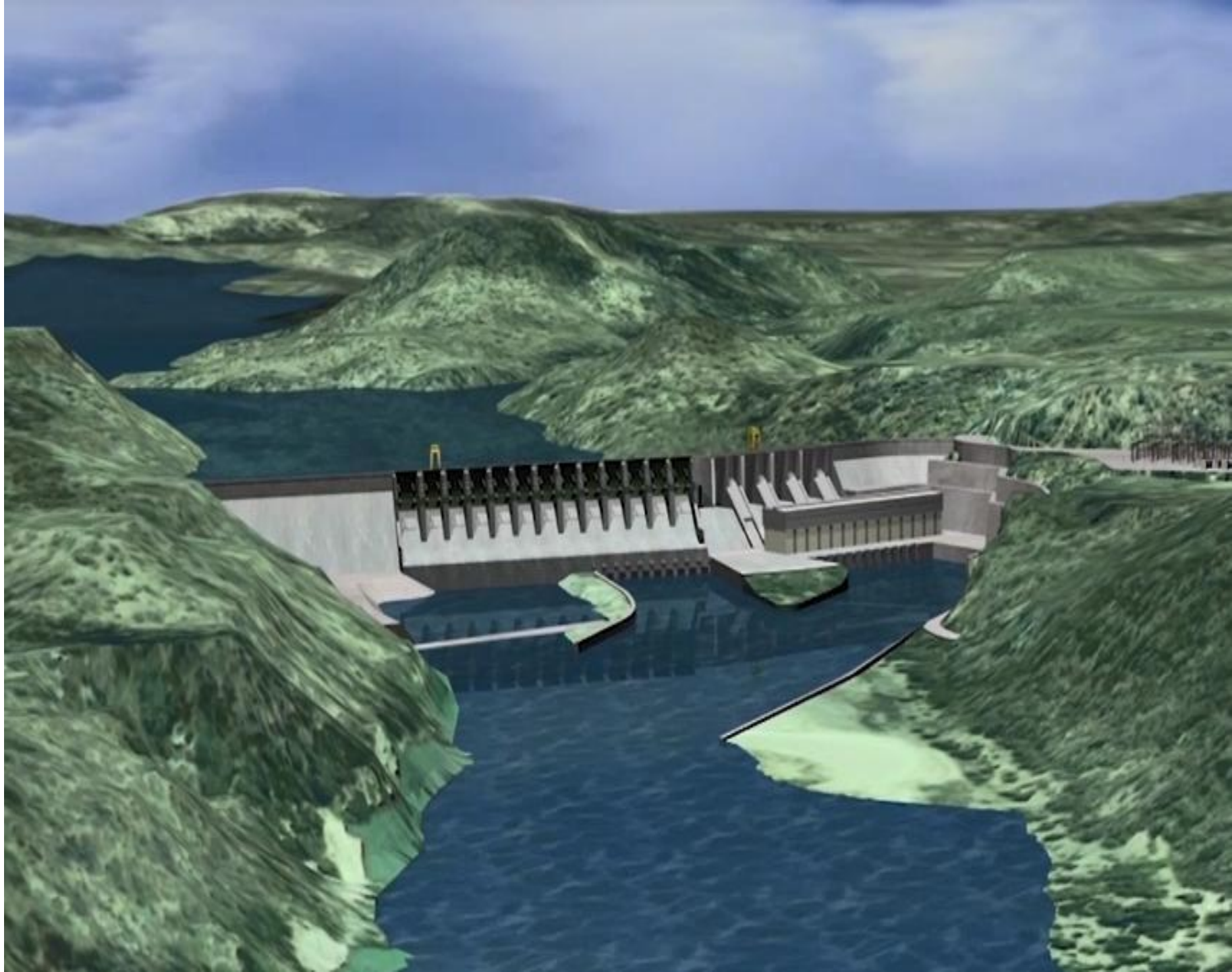
ENERGY SECTOR OVERVIEW I GREEN INDUSTRIALIZATION

Raw Material	First Steps of Processing	Products (first phase)	Example products (next phase)
Graphite	Mining and crushing to obtain graphite flakes	Purified graphite flakes	Spherical graphite, battery-grade graphite (used in EV batteries)
Zirconium	Mining and separation from heavy mineral sands	Zirconium tetrachloride, zirconium metal	Zirconium alloys, used in nuclear reactors and certain electronics
Beryllium	Mining and crushing to produce beryllium ore	Beryllium hydroxide or beryllium metal	Beryllium alloys, used in aerospace, electronics, and defence industries
Titanium	Mining and separation from heavy mineral sands	Titanium tetrachloride, titanium sponge	Titanium alloys, used in aerospace, medical devices, and high-performance components
Iron Ore	Mining and crushing to produce iron ore fines or pellets	Pig iron	Steel (used in construction, automotive industry including EVs)
Bauxite	Mining and crushing to produce bauxite ore	Alumina (aluminium oxide)	Aluminium (used in lightweight vehicle parts, electronics, renewable energy components)
Silica sands	Mining & purification via magnetic separation, flotation, acid leaching, calcination	Medium- to high-purity silica	Glass, solar panels, optical fibre, silicon wafers for semiconductors
Lithium (from Zimbabwe)	Mining (spodumene) or extraction from brine	Lithium carbonate	Lithium hydroxide, battery-grade lithium compounds (used in EV batteries)

02

Mphanda Nkuwa – Project Overview

(Technical, Legal and Commercial)



PROJECT OVERVIEW – GENERATION AND TRANSMISSION PROJECT

Generation Projects

Electricity Generated

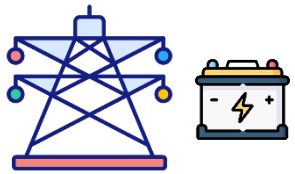
Site substations

Generation Projects

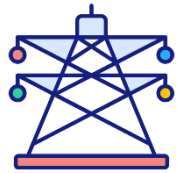
Delivery Points

Different generation projects like MNK are under development or construction

Transmission Project



Interconnection substation(s)



HVAC line (multiple segments)

Increased Local and Regional Connectivity

Transmission backbone needs to be built in order to evacuate the power generated by the generation projects

MPHANDA NKUWA HYDROPOWER & REGIONAL TRANSMISSION BACKBONE

PROJECT COMPONENTS

- **Generation:**
  - ~1,500 MW Mphanda Nkuwa hydropower project on the Zambezi River, Mozambique.
- **TRANSMISSION:**
  - Publicly owned Mozambique Regional Transmission Backbone connecting Central, Northern and Southern Mozambique to Maputo and the SAPP.
- **DELIVERY MODEL**
  - Generation developed under a BOT concession with long-term PPA and Securitization.
  - Transmission delivered through sovereign-backed, DFI-financed public infrastructure.
- **TIMING**
  - MNK Financial Close targeted H2 2028; commissioning by 2033.
  - Transmission backbone development underway and aligned to be ahead, at least 12 months, of MNK commissioning.
- **Regional context**
  - Integrates large-scale renewable baseload into the Southern African Power Pool.
  - Enables coordinated operation with Cahora Bassa, strengthening regional system reliability.

SELECTION OF THE STRATEGIC PARTNER, JDA AND CONCESSION CONTRACT

PEDIDO DE MANIFESTAÇÃO DE INTERESSE → AVALIAÇÃO DAS PROPOSTAS DE PRÉ - QUALIFICAÇÃO → PEDIDO DE PROPOSTA → AVALIAÇÃO DAS PROPOSTAS DE CONCURSO → EXECUÇÃO DO ACORDO DE IMPLEMENTAÇÃO

2022 – 2023

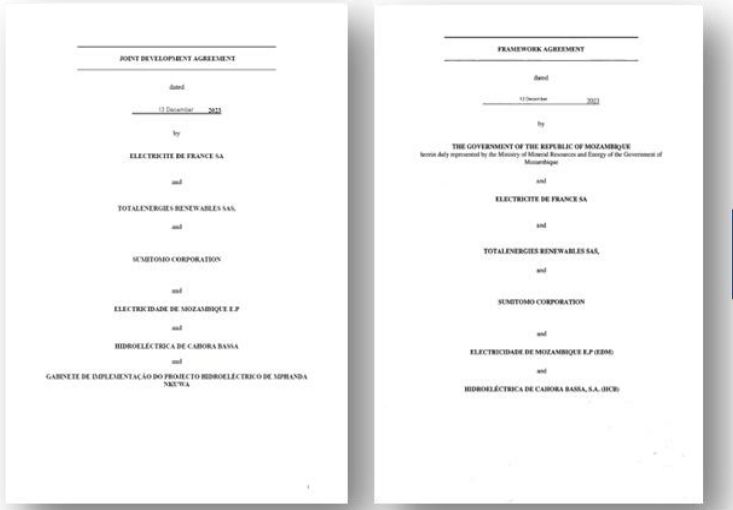
Concorrentes

Concorrentes Pré-qualificados (lista curta)

Concorrentes

Concorrentes

Parceiro Estratégico


JOINT DEVELOPMENT AGREEMENT

dated

12 December 2023

by

ELECTRICITE DE FRANCE SA

and

TOTALENERGIES RENEWABLES SAS,

and

SUMITOMO CORPORATION

and

ELECTRICIDADE DE MOZAMBIQUE E.P

and

HIDROELÉCTRICA DE CAHORA BASSA

and

GABINETE DE IMPLEMENTAÇÃO DO PROJECTO HIDROELÉCTRICO DE MPHANDA NKUWA

FRAMEWORK AGREEMENT

dated

12 December 2023

by

THE GOVERNMENT OF THE REPUBLIC OF MOZAMBIQUE

herein duly represented by the Ministry of Mineral Resources and Energy of the Government of Mozambique

and

ELECTRICITE DE FRANCE SA

and

TOTALENERGIES RENEWABLES SAS,

and

SUMITOMO CORPORATION

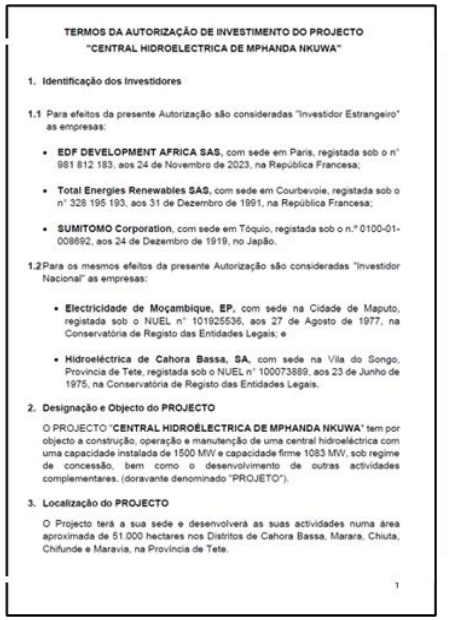
and

ELECTRICIDADE DE MOZAMBIQUE E.P (EDM)

and

HIDROELÉCTRICA DE CAHORA BASSA, S.A. (HCB)

Join Development Agreement and FrameWork Agreement 2023 - 2024


TERMOS DA AUTORIZAÇÃO DE INVESTIMENTO DO PROJECTO "CENTRAL HIDROELECTRICA DE MPHANDA NKUWA"

1. **Identificação dos Investidores**

1.1 Para efeitos da presente Autorização são consideradas "Investidor Estrangeiro" as empresas:

- **EDF DEVELOPMENT AFRICA SAS**, com sede em Paris, registada sob o nº 981 812 183, aos 24 de Novembro de 2023, na República Francesa;
- **Total Energies Renewables SAS**, com sede em Courbevoie, registada sob o nº 328 195 193, aos 31 de Dezembro de 1991, na República Francesa;
- **SUMITOMO Corporation**, com sede em Tóquio, registada sob o nº 0100-01-008892, aos 24 de Dezembro de 1919, no Japão.

1.2 Para os mesmos efeitos da presente Autorização são consideradas "Investidor Nacional" as empresas:

- **Electricidade de Moçambique, EP**, com sede na Cidade de Maputo, registada sob o NUEL nº 101925536, aos 27 de Agosto de 1977, na Conservatória de Registo das Entidades Legais; e
- **Hidroeléctrica de Cahora Bassa, SA**, com sede na Vila do Songo, Província de Tete, registada sob o NUEL nº 100073889, aos 23 de Junho de 1975, na Conservatória de Registo das Entidades Legais.

2. **Designação e Objecto do PROJECTO**

O PROJECTO "**CENTRAL HIDROELECTRICA DE MPHANDA NKUWA**" tem por objecto a construção, operação e manutenção de uma central hidroeléctrica com uma capacidade instalada de 1500 MW e capacidade firme 1083 MW, sob regime de concessão, bem como o desenvolvimento de outras actividades complementares. (doravante denominado "PROJETO").

3. **Localização do PROJECTO**

O Projecto terá a sua sede e desenvolverá as suas actividades numa área aproximada de 51.000 hectares nos Distritos de Cahora Bassa, Marara, Chiuta, Chifunde e Maravia, na Província de Tete.

Investment Project Authorisation 2025


REPÚBLICA DE MOÇAMBIQUE

CONSELHO DE MINISTROS

DECRETO N.º_____/2025

de _____de _____

Aprova os termos e condições da Concessão do Empreendimento Hidroeléctrico de Mphanda Nkuwa, entre a República de Moçambique e a CENTRAL HIDROELÉCTRICA DE MPHANDA NKUWA S.A., para a produção e venda de energia eléctrica com capacidade total instalada de até 1500 MW.

A existência e disponibilidade de electricidade é um factor essencial para o desenvolvimento económico e social de Moçambique.

Tomando-se necessário atribuir uma concessão e aprovar os respectivos termos e condições para a produção e venda de energia eléctrica à Central Hidroeléctrica de Mphanda Nkuwa S.A., para a realização do Empreendimento Hidroeléctrico de Mphanda Nkuwa, ao abrigo do disposto na alínea a), do artigo 5, da Lei n.º 12/2022, de 11 de Julho, conjugado com o n.º 2 do artigo 13, da alínea d), do n.º 2, do artigo 21, ambos da Lei n.º 15/2011, de 10 de Agosto, o n.º 2 do artigo 38 do Decreto n.º 16/2012, de 4 de Julho, e o artigo 35 da Lei n.º 16/91, de 3 de Agosto, o Conselho de Ministros decreta:

Artigo 1
(Âmbito)

É atribuída a concessão e são aprovados os respectivos termos e condições da concessão do Empreendimento Hidroeléctrico de Mphanda Nkuwa, para a concepção, construção, posse, operação, manutenção, financiamento, seguro e gestão de uma central eléctrica, para a produção e venda de energia eléctrica produzida, com capacidade total instalada de até 1500 MW (a "Concessão").

Artigo 2
(Objecto)

A Concessão tem por objecto a implementação do Empreendimento Hidroeléctrico de Mphanda Nkuwa.

Artigo 2-A
(Legislação aplicável)

A Concessão rege-se especialmente pela Lei n.º 15/2011, de 10 de Agosto (Lei das PPP, POD e CE) e Lei n.º 12/2022, de 11 de Julho (Lei da Electricidade) e respectivos

CONCESSION DECREE

2025-26


Private & Confidential

REPUBLIC OF MOZAMBIQUE

CONCESSION AGREEMENT

FOR THE DESIGN, CONSTRUCTION, POSSESSION, OPERATION, MAINTENANCE, FINANCING, INSURANCE, MANAGEMENT AND TRANSFER OF MPHANDA NKUWA HYDROPOWER PROJECT

ENTERED INTO BY AND BETWEEN

THE REPUBLIC OF MOZAMBIQUE
represented by the Ministry of Mineral Resources and Energy

and

[●]

CONCESSION CONTRACT

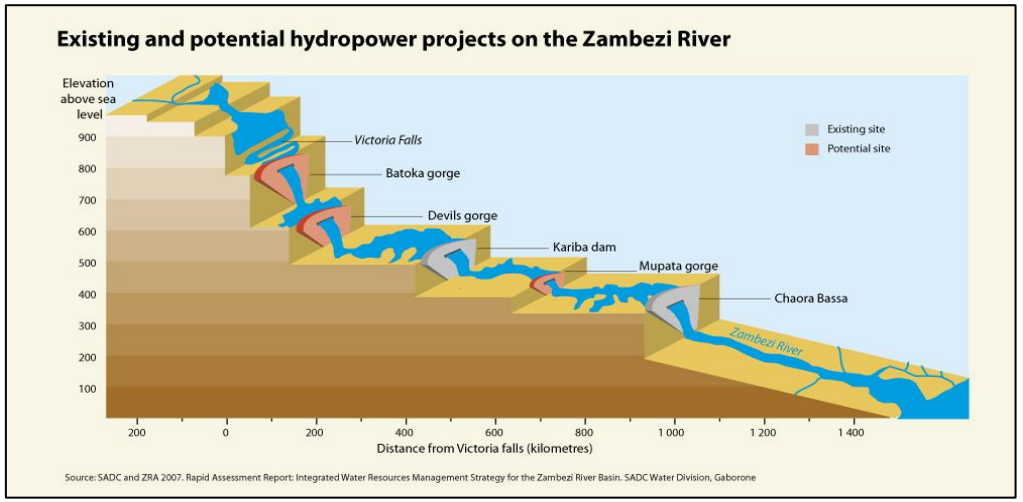
STAKEHOLDERS ENGAGED

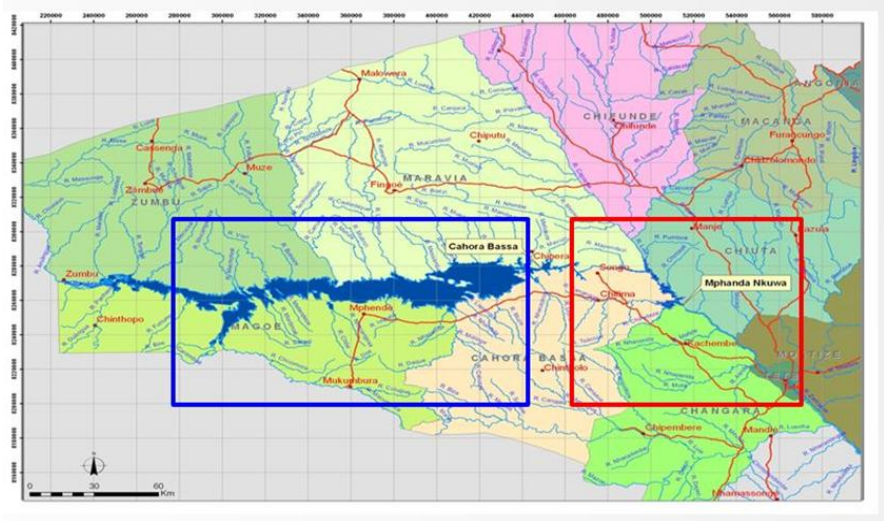
Leveraging EDM, HCB, Private Sector (PPP) and Multilateral institutions, with support from Advisors

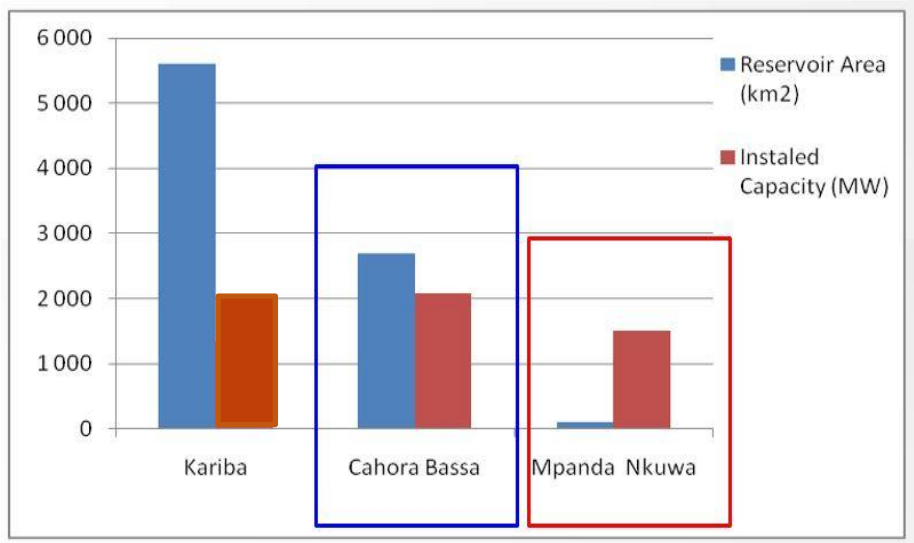
ELECTRICIDADE DE MOÇAMBIQUE, E.P.	EDM	• Transaction experience and track-record of conducting full-fledged auction process (like Temane) • Regulatory system operator and market operator
HIDROELÉCTRICA DE CAHORA BASSA	HCB	• Knowledge of developing and operating large hydropower project • Financial capability with strong balance sheet and cash flows
Strategic Partners (EDF Led Consortium)	EDF, TOTAL, SUMITOMO	• Selected through an international competitive tender as the Preferred Bidder • Technical and Financial capacity/competence to bring the project to bankability • To arrange debt financing from international lenders on a limited recourse or non-recourse basis
Multilateral Institutions / DFIs	WORLD BANK GROUP IFC European Investment Bank	• Strong interest from IFC, MIGA, World Bank, AfDB, EIB, IsDB, etc. for participation in Generation as well as Transmission Projects in terms of donor / concessional financing • PRG discussions ongoing with MIGA and AfDB • IFC in discussion for a participation in generation project from development phase
Regional Offtaker(s)	Regional Offtakers	• IGMoU signed with Government of South Africa • Discussions ongoing with other regional and industrial offtakers

PROJECT AREA


MOZAMBIQUE







- Preliminary assessments (Multi – Criteria analysis) indicate that the development of the project will perform very favourably in terms of social and environmental impact, due to its fluvial nature (run-of-river) and given that the reservoir is substantially smaller than other hydropower plants of a similar size.
- The project has a small flood area (4% of HCB reservoir), much smaller than that of other hydropower plants of the same size;
- The project is currently in the process of updating the existing Environmental and Social Impact Assessment (ESIA) of the Power Generation and Transmission infrastructure to guarantee, among other things, the maintenance of the environmental balance downstream, safeguarding the needs of the affected communities, land-use planning and the safety of the population.

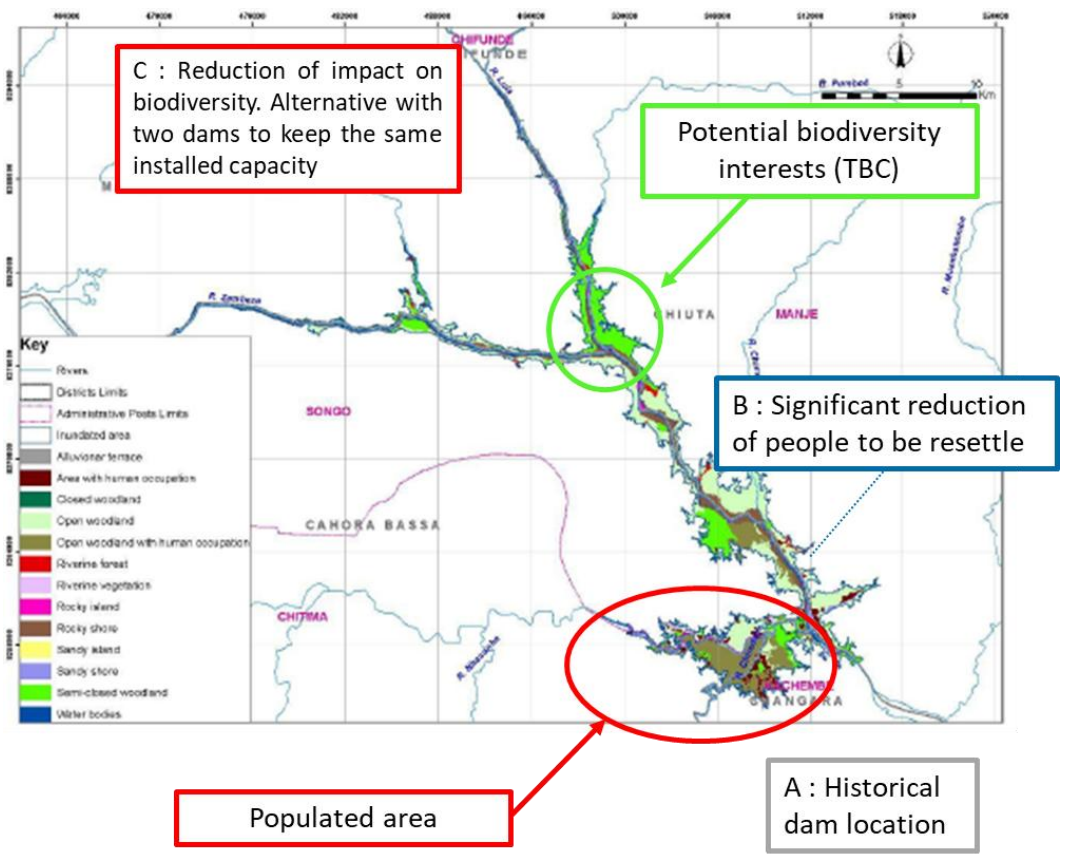
CASCADE OPTIMIZATION | MULTI-CRITERIA ANALYSIS

Multi-Criteria Analysis of Alternatives (MCA) ➔ An essential step in ensuring International ESIA compliance

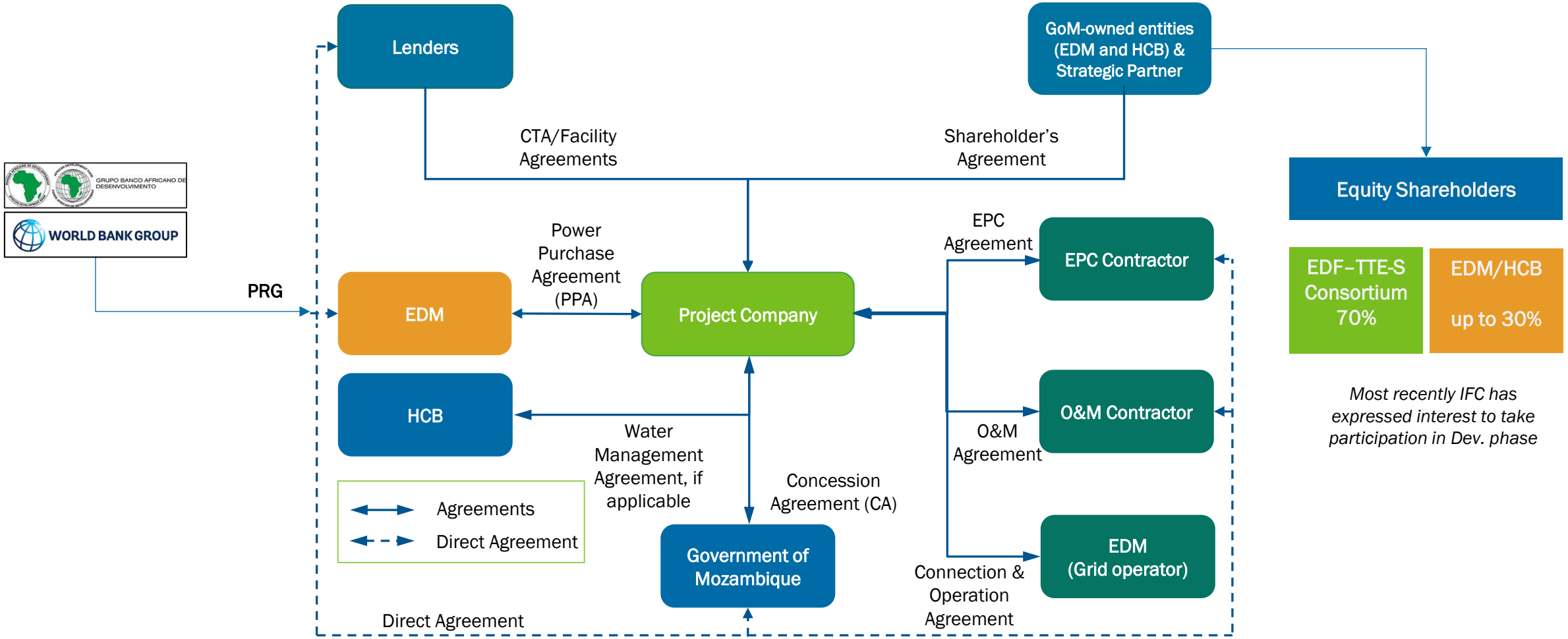
The Multi-Criteria Analysis (MCA) objective is **to define the DAM LOCATION and main WATER LEVELS which lead to the best trade off when considering the CAPEX estimate, risk analysis, annual energy generation and social and environmental impacts. Options are being compared.**

The optimization including the E&S point of view from the beginning of the studies is a requirement from international finance institutions. In this phase, different design options will be compared**, in order to reach an optimum to avoid and reduce E&S impacts as much as possible**. For example, reduce the number of households and villages to resettle, avoid impacts on the most fragile biodiversity sites and species, allow terrestrial and aquatic connectivity, reduce the magnitude of construction and downstream impacts.

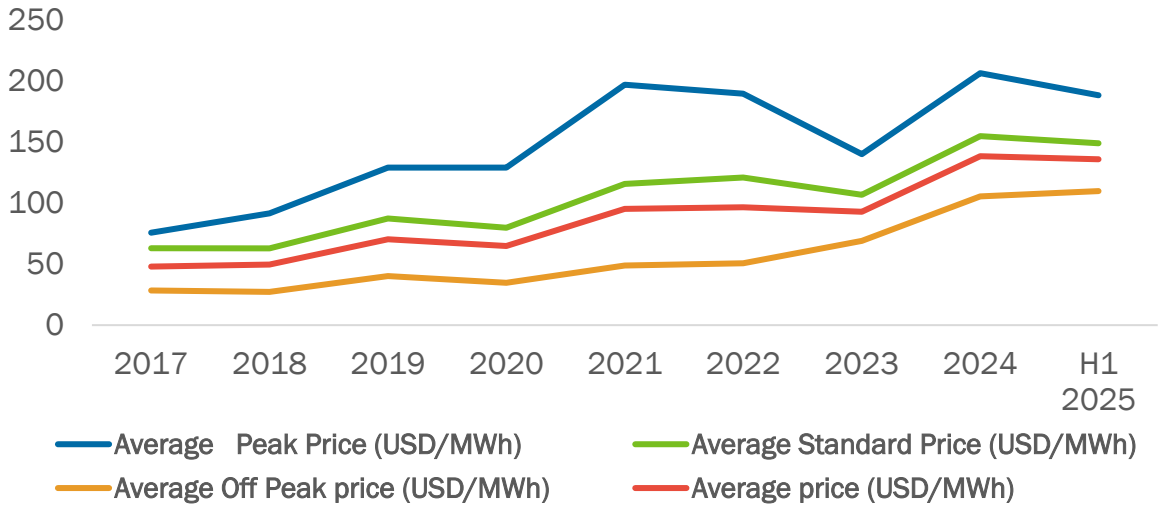
Finally, it aims to ensure that the project is less risky, more sustainable, accepted by local, national and international stakeholders, and in line with international standards and good industry practices.

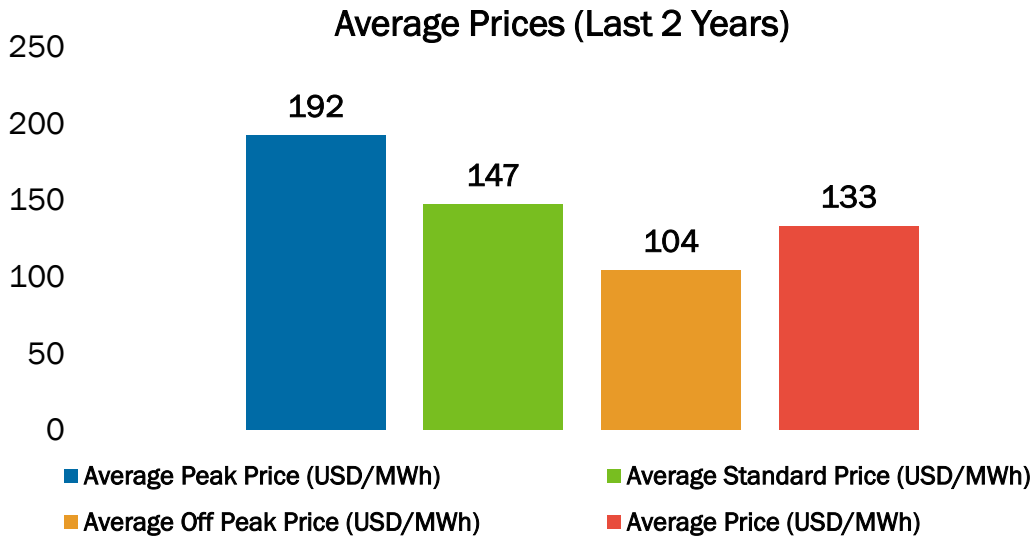


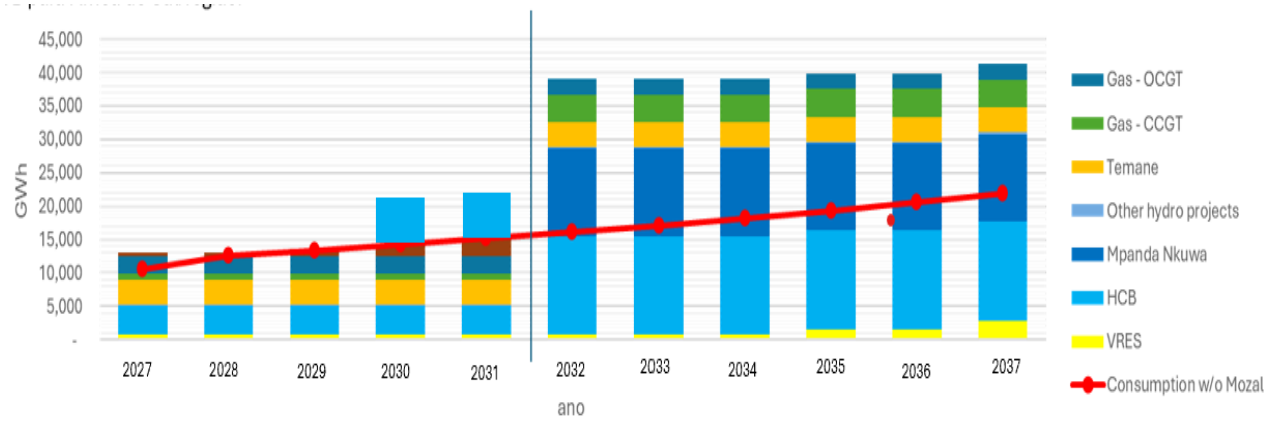
GENERATION PROJECT I PROPOSED CONTRACTUAL STRUCTURE



ENERGY SECTOR OVERVIEW I MARKET ELECTRICITY PRICES







Key Considerations

- From 2014 to 2028, Mozambique **will build and or commission approximately 865 MW** with expected load growth, for the same period, estimated at 300 MW, generating surplus power for export
- **Mozambique will) its export of power by 2033 double** (estimated at 20 TWh) with the return of control of HCB power and coming into operation of CTT and MNK between 2028 and 2033,
- Mozambique will, by far, **provide the lowest blended cost of electricity for the region which is in deficit power**

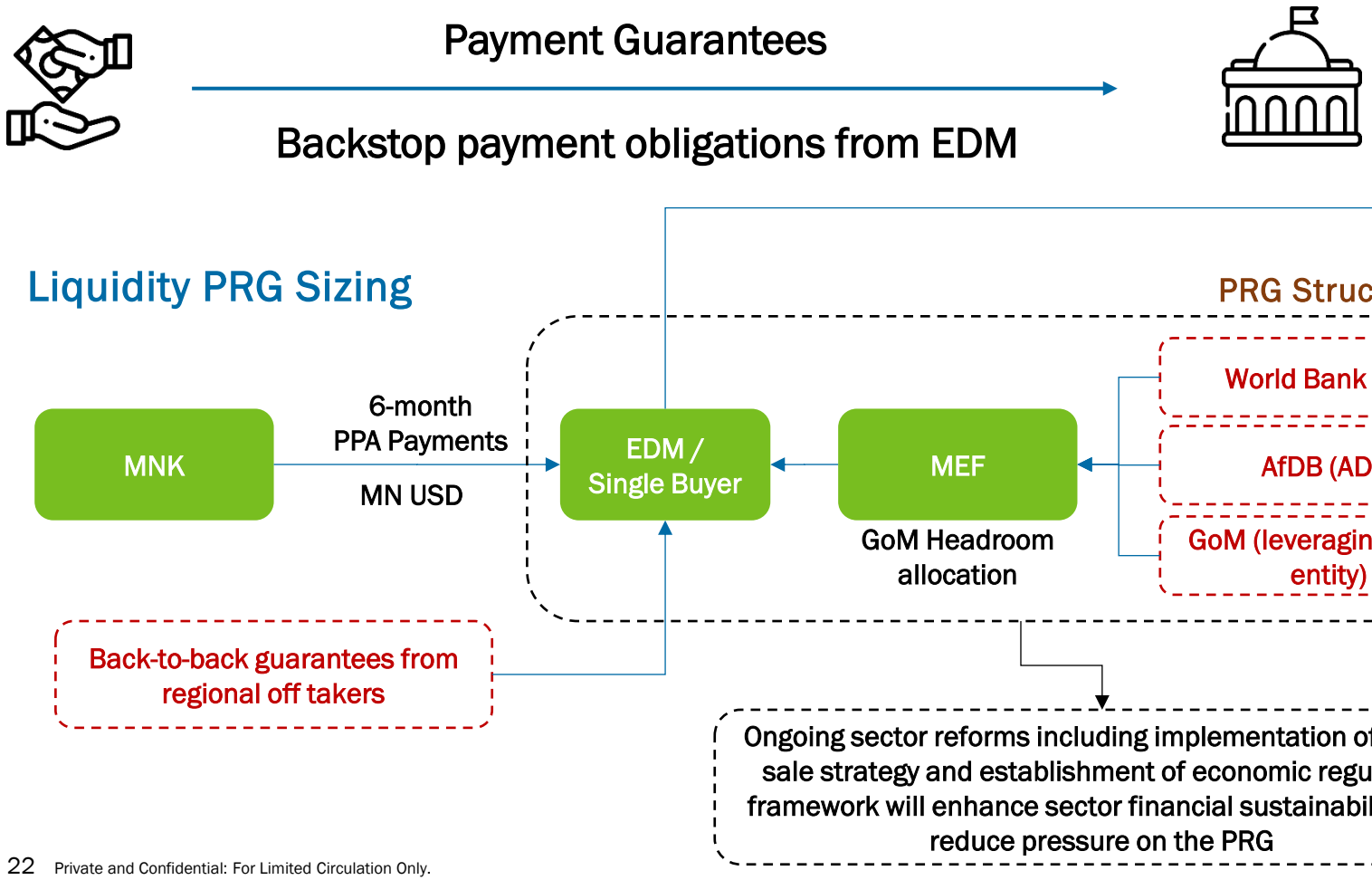
OFFTAKE DISCUSSIONS UPDATE

S.No.	POTENTIAL OFFTAKER	COUNTRY	LOIs FOR OFFTAKE	NDA SIGNED	TERMSHEET DISCUSSIONS	DUE DILIGENCE	PPA NEGOTIATION	PPA TERM	UPDATE
1	ESKOM	SOUTH AFRICA	**Bilateral G2G discussions**					Medium / Long-term	IGMoU signed. Hydro working group has been formed at the government level for focused discussions.
2	MOZAL	MOZAMBIQUE	**Under discussion at GoM level**					Medium / Long-term	Discussions being conducted at GoM level for consideration of Mozal as a potential offtaker
3	RENEWABLE ENERGY HUB	ZIMBABWE	✓	✓	✓	×	×	Trading PPA/Short-term	Expected capacity: 175MW Load Profile: Baseload with a load factor of above 90%
4	GREENCO POWER SERVICES LIMITED	ZAMBIA	✓	✓	✓	×	×	Long-term	Expected capacity: [100] MW Term sheet discussions ongoing.
5	AFRICA RAINBOW ENERGY & POWER	SOUTH AFRICA	✓	✓	×	×	×	Short-term/Long-term	NDA has been signed. Term sheet discussions to begin.
6	INTENSIVE ENERGY USER GROUP	ZIMBABWE	✓	✓	×	×	×	Trading PPA/Short-term	NDA has been signed. Term sheet discussions to begin.
7	SASOL	SOUTH AFRICA	✓	✓	×	×	×	Medium / Long-term	NDA has been signed. Term sheet discussions to begin.
8	AFRICA ENERGY TRADING CORP	ZAMBIA	✓	✓	×	×	×	Trading PPA/Short-term	NDA has been signed. Term sheet discussions to begin.
9	SOUTHERN AFRICA POWER POOL (SAPP)	SAPP	**Day Ahead Market (DAM)**					Market prices	Future expected supply and demand of power in SAPP to be understood through Market study.

Envisaged Offtake Structure Supporting the PRG

Objective

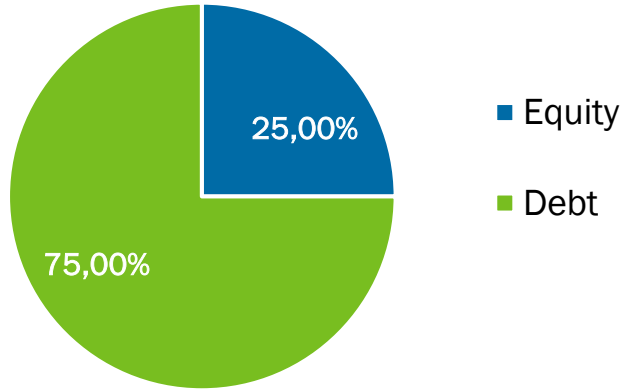
- The payment guarantees will backstop EDM payment obligations under the PPA and will provide comfort to both lenders and investors. The payment guarantees will support the security package for EDM's payments covering 6-month energy payments under Power Purchase Agreement with EDM.



FINANCIAL MODEL SUMMARY

An overview of the Project's economic and financial assumptions

Sources and Uses of Funds	Value (in USD)	Remarks
Total Uses of Funds	~5.0-5.2 BN	
Sources of Funds		
Debt (~75% of project cost)	~3.7 – 3.9 BN	Indicative leverage of 75% of Project cost. Bidders are expected to optimize based on their discussions with lenders
Equity (~25% of project cost)	~1.1 – 1.5 BN	
Total Sources of Funds	~5.0 – 5.2 BN	



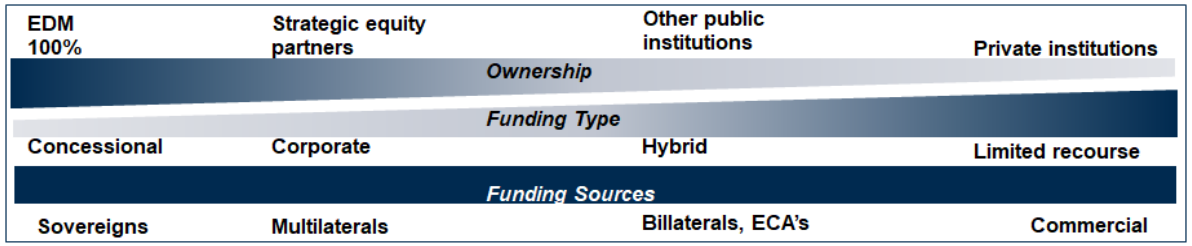
Equity

- Strategic Partner has a shareholding of 70% in the Project Company while GoM owned entities (EDM and HCB) have a combined shareholding of 30%

Debt

- The Project is already showing strong appetite from various DFIs.
- The Strategic Partner will lead in arranging debt financing for the Project on a limited recourse or non-recourse basis, debt financing may include financing by DFIs, ECAs and commercial banks
- Debt financing strategy shall be focused on attracting long tenors, lowest margins and adequate cover for political and commercial risks, to secure a competitive all-in cost of financing for the Project.

FINANCIAL MODEL SUMMARY



Sources of Funding

Sources	Total $ Mn	%
Equity	422	8.34%
Shareholders Loan	843	16.66%
Loans	3,795	75.00%
Others	0	0.00%
Total	**5,060**	**100.00%**

Ownership Structure

Enitity Name	Ownership	Invested %	Invested $ Mn
EDF Consortium	70%	100%	843
GoM	30%	0%	0
Total	**100%**	**100%**	**843**

20 LOI's received oversubscribed, Average tenor of the debt offered by the financing institutions is ≥ 20 Years (door to door).

Key Debt Assumptions

Borrower	A company incorporated under the laws of Mozambique (**"MNK GenCo"**)
Senior facility	The facility of USD #4Bn split unto three senior tranches
Type of senior tranches	i. DFI funded ii. ECA covered iii. PRI covered
Currency	USD
Max gearing ratio	75:25
Debt sizing DSCR	1.40x
Security package	Standard project finance security package
Required reserve accounts	Debt service reserve account ("DSRA") equal to 6 months of debt service. Any other reserve account requirements to be determined during the due diligence stage
PRG cover / Buyer's Credit Support	Partial Risk Guarantee from IDA for 6 months revenue from EDM to be backed by L/ C procured by EDM and guaranteed by GoM

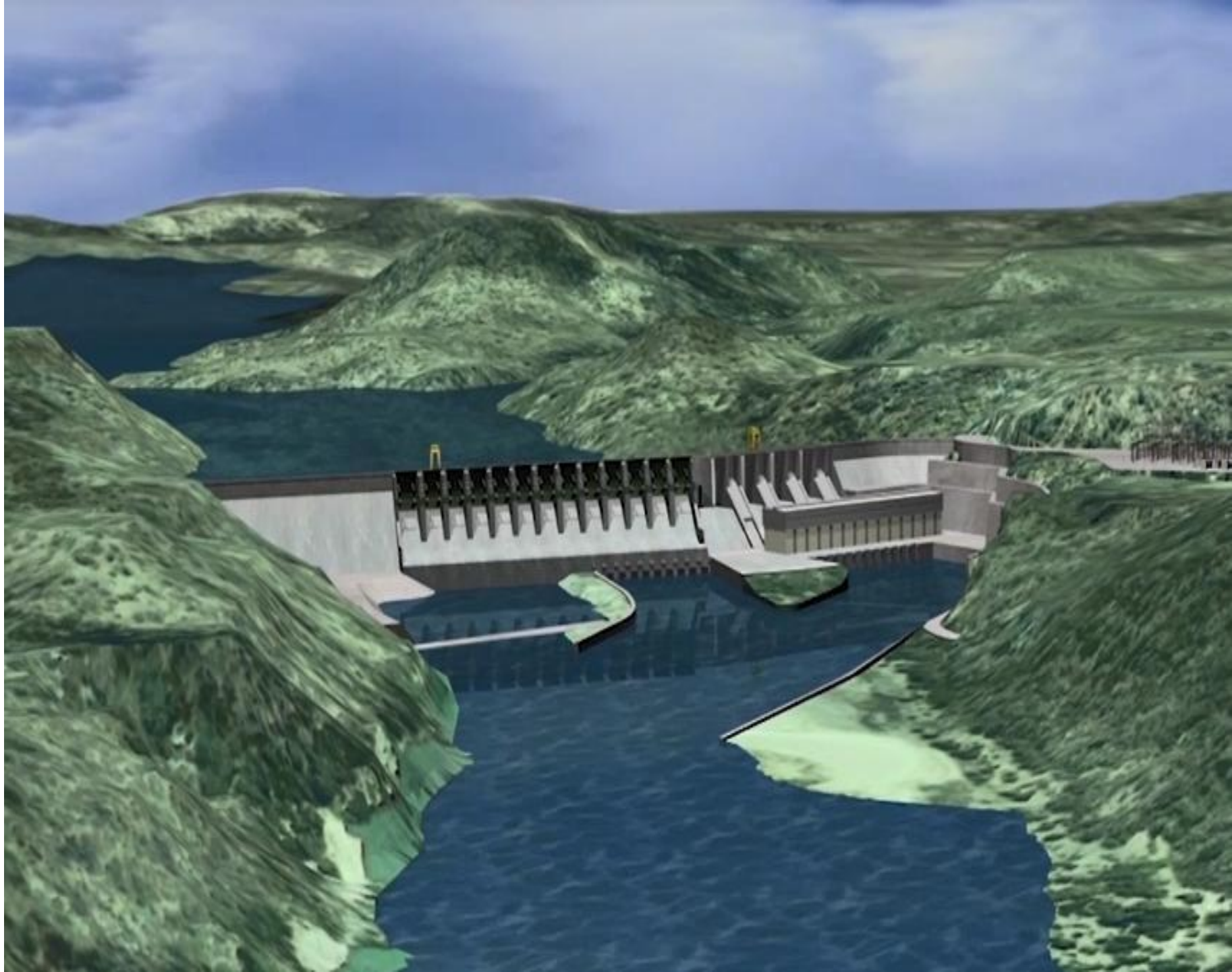
TIMELINE

Following represents a high-level timeline for implementation of different stages of the MNK Generation Project:

Dec '21 – Mar '23	Apr '23 –H2 '28	H1 '29 – H1 '33	Commissioning and Operation > 2033 Onwards
The tender process for the selection of the Strategic Partner for the development of Generation Project	Strategic Partner selection to Financial Close Discussion & negotiation of Project Agreements Completion of site technical/environmental studies Financial Close expected in H2 2028	Construction period of the Generation Project Assumed a period of 5+ years for Generation Project, considering the large size of the Project and as per initial Project feasibility study	Commissioning of Project and operations start for the PPA term of 30 years

03

Regional Transmission Backbone



ENERGY SECTOR OVERVIEW I REGIONAL CONNECTIVITY

Transmission grid today

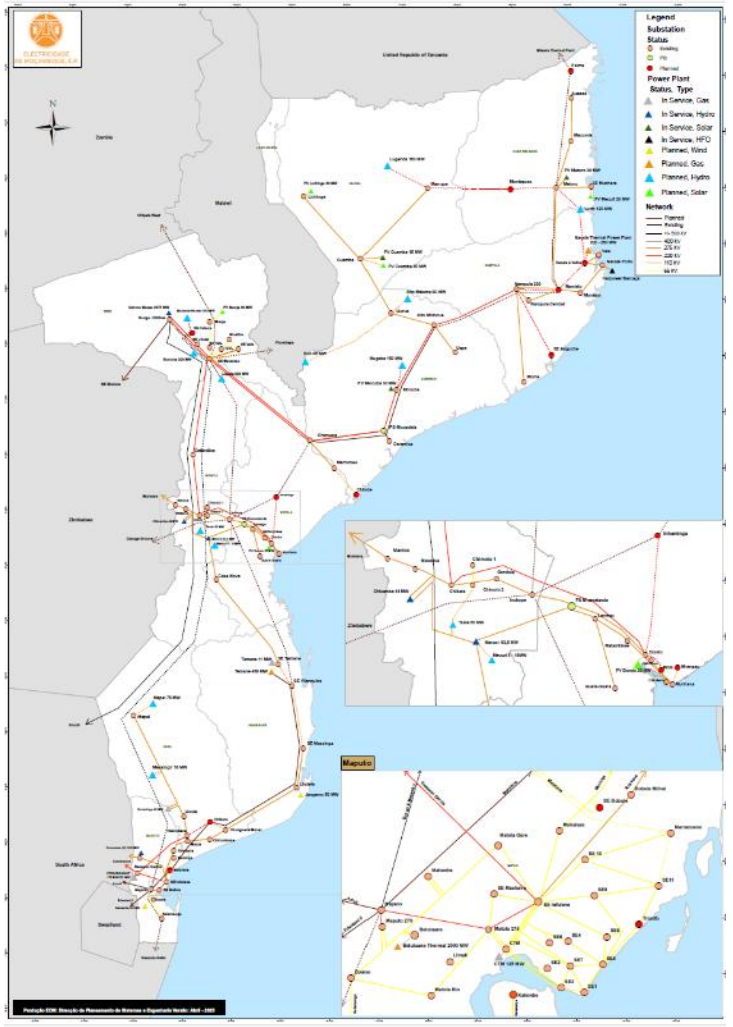
- Operated by EDM. Subdivided into three parts: **Northern region, Central region and Southern region with approximately** 5,679 km of high-voltage lines—of which only 367 km are at 400 kV—

Future transmission grid

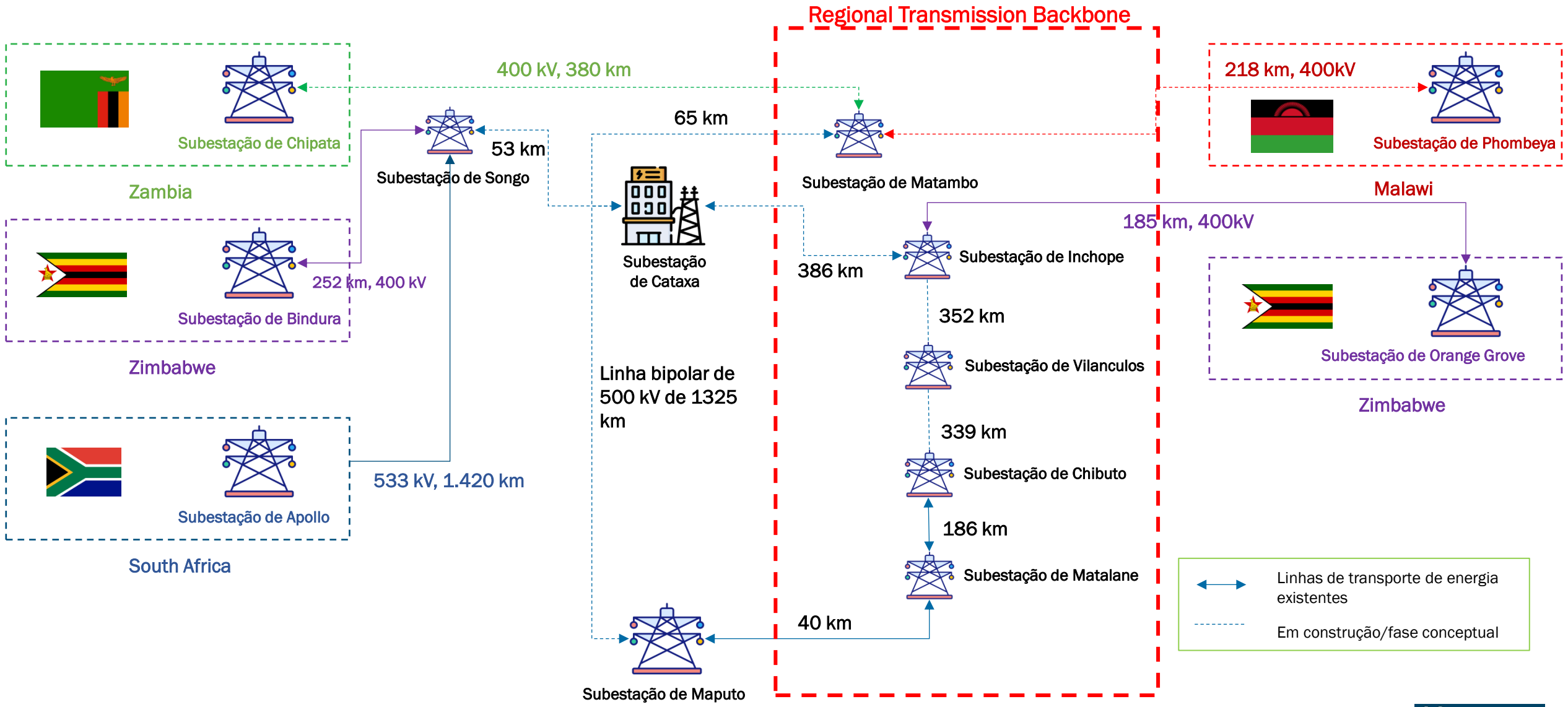
- It is essential to **connect the production from the Central region** where the Hydro potential is located to:
  - **Northen region** where the gas production is located, and potential industrial development is envisaged
  - **Southern region** (Maputo) where the highest demand is concentrated and where the Southern African Power Pool (SAPP) is interconnected
- Mozambique is establishing a **National Control Center** and **3 regional dispatch centers** (North, Center and South)

Current activities

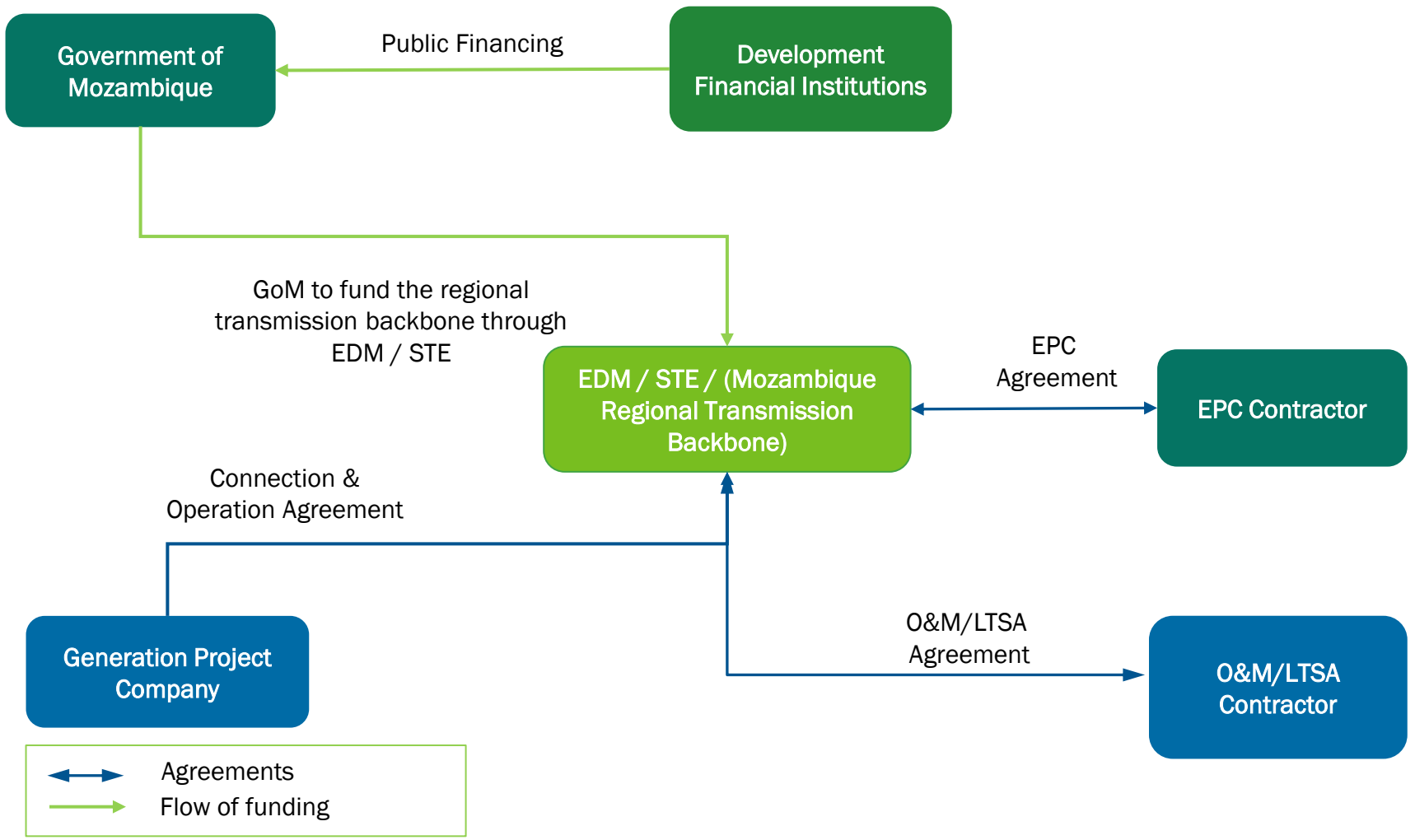
- Chimuara - Alto Molocue (368km)
- Temane – Maputo 400 kV (523km) Transmission Line under Commissioning
- Mozambique – Malawi (MOMA) (142km) interconnection
- Songo – Cataxa – Matambo – Inchope - Vilanculos – Maputo,400kV line, 1300km) (Green Energy Corridors Project – GECP I, II and III)

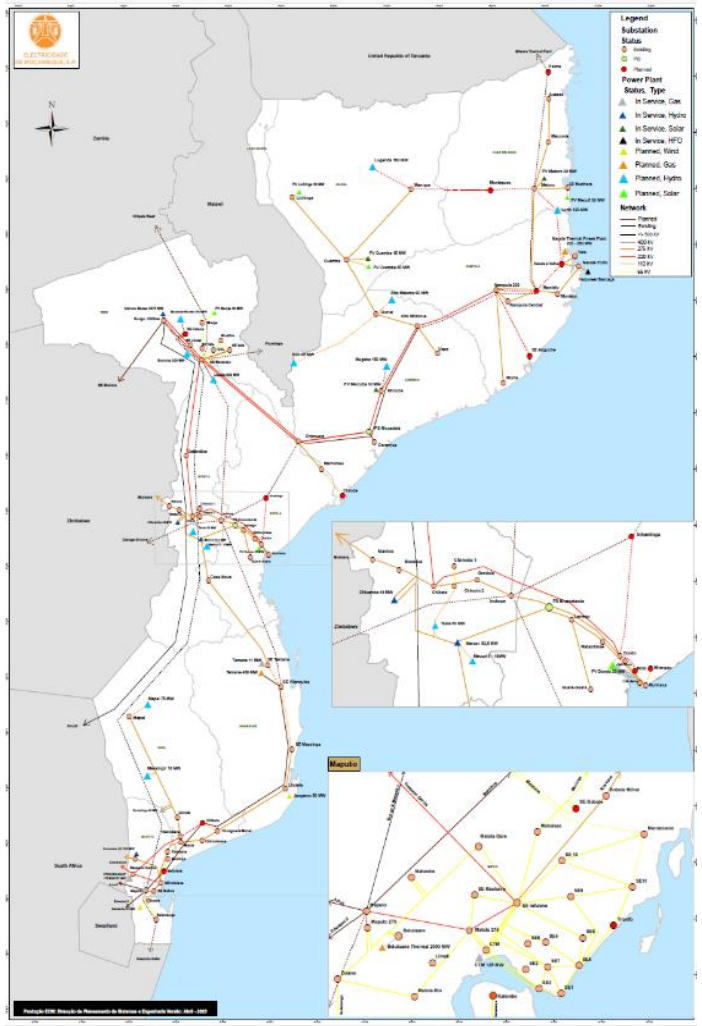


MOZAMBIQUE REGIONAL TRANSMISSION BACKBONE



TRANSMISSION PROJECT I PROPOSED CONTRACTUAL STRUCTURE





PROJECT OVERVIEW – FINANCING

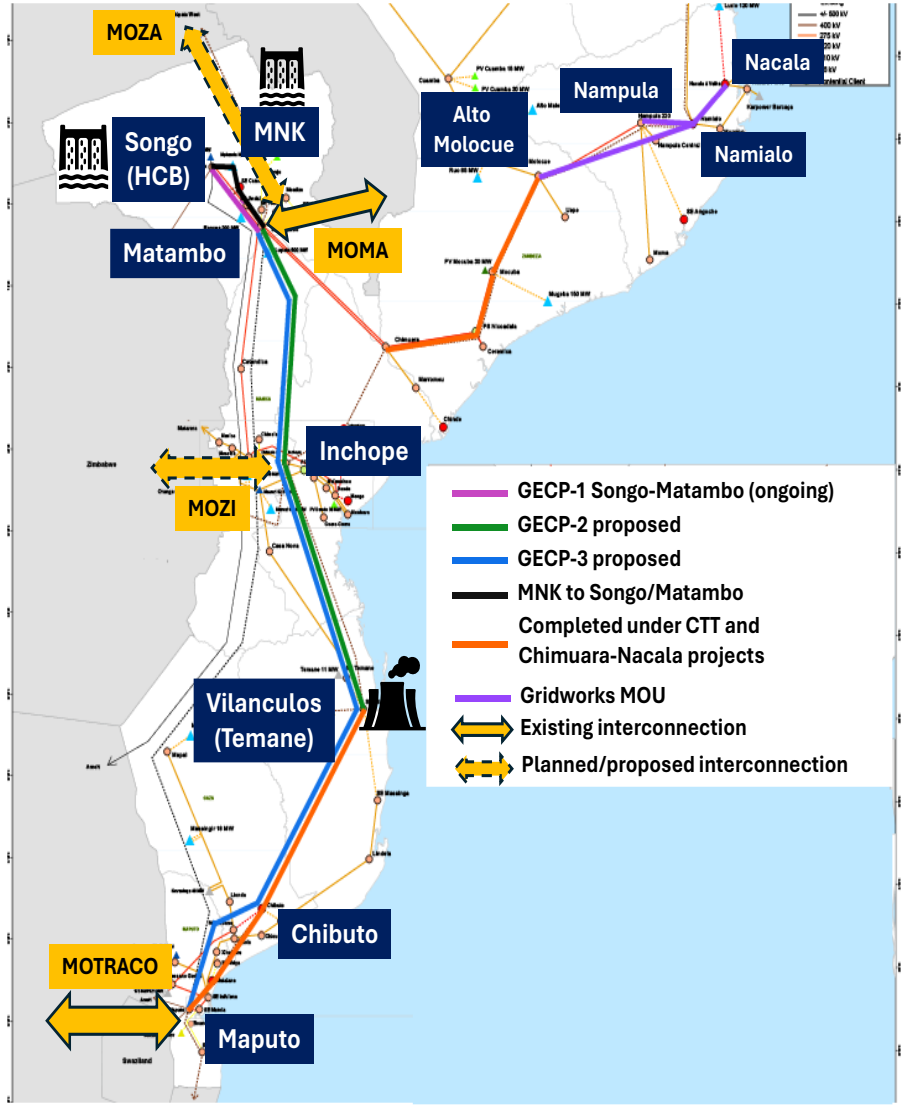
Tentative Package (US$, million)

	Board Delivery	Total cost
GECP II	Q1 FY27	500-600
GECP III	FY28	900-1,100
Total	-	1,400-1,700

Potential co-financing (US$, million)

Development Partners	Grant	Non-concessional Loan	Concessional Loan	Total
EU	60			60
EIB		406		406
IsBD		300 – 400	20	320 – 420
Norway	25			25
AfDB	150 – 200			150 – 200
IDA (requested)	500 – 600 (Phased)			300
Total	735 – 885	706 – 806	20	1.4 – 1.7 bn

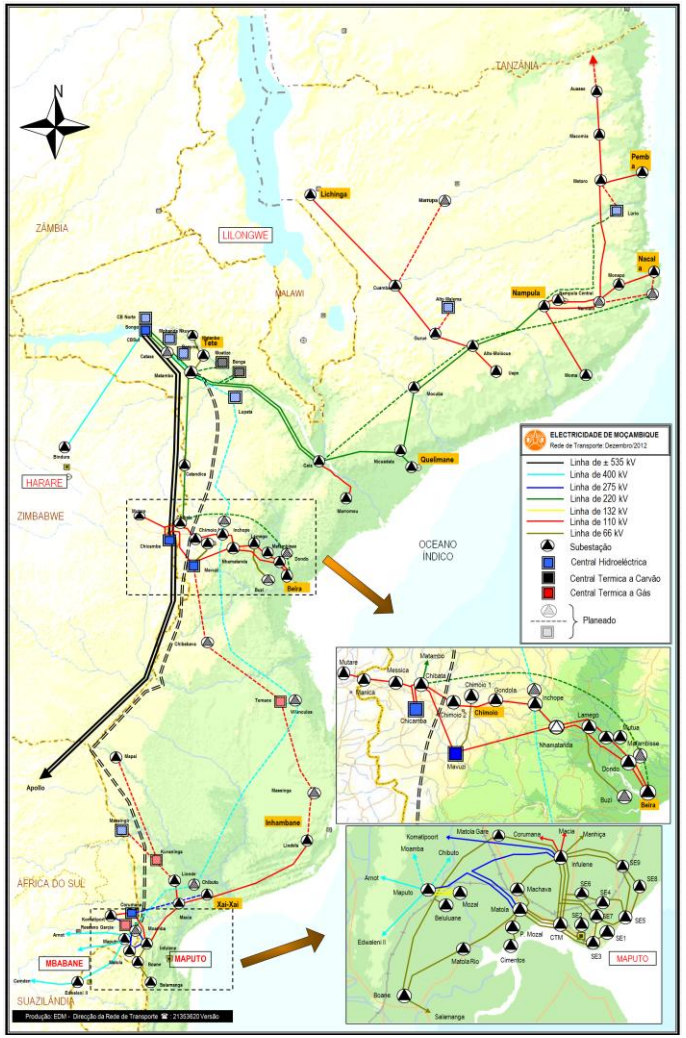
- *Amounts are to be confirmed.*
- *Potential additional contributions by KfW and Sweden for Mozambique – Zimbabwe interconnection*



MOZAMBIQUE REGIONAL TRANSMISSION BACKBONE

Transmission Project

- Regional transmission backbone of Mozambique will enable evacuation of bulk renewable power from the Centre to South and will integrate the **North (Cataxa)** and **South (Maputo)** of Mozambique
- GoM on the development of the regional transmission backbone project on a Public Ownership
- World Bank, African Development Bank, European Investment Bank and UE, in collaboration with GoM, is seeking to arrange ~$1.4B sovereign-level financing from various DFIs.
- Regional Transmission backbone Project will support the GoM vision for sustainable clean energy, Industrialization, Universal access and regional Integration

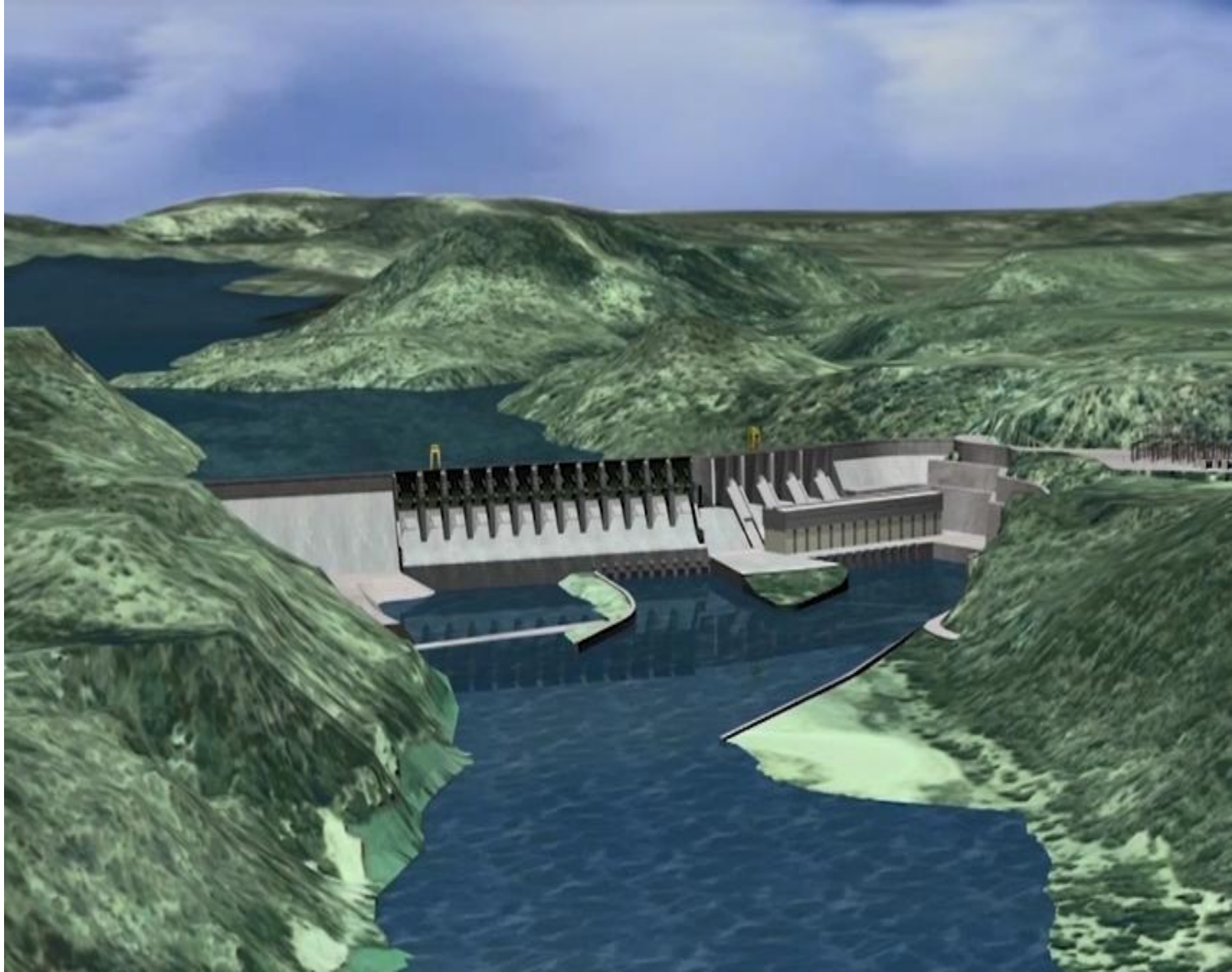


Project Timeline

Jan '24 - Dec' 27	Jan '28 – Dec '32	H1 2032 onwards
Development Phase – **Project Structuring, Technical Studies, Financing, Tender Process**	**Development and Construction Period** – Regional, Mozambique, Transmission project	Commissioning and operations start for regional, Mozambique, Transmission project

04

Conclusion



CONCLUSION

- Mpanda Nkuwa Hydropower Project is an investment for a **clean energy future, a catalyst for industrial development**, and a strategic platform for long-term energy partnerships between Mozambique and Europe (UE for Global Gateway Strategy).

- With over 3.0 GW of hydro renewable baseload capacity, integrated transmission infrastructure, and strong government commitment, **Mphanda Nkuwa and Cahora Bassa will enable green industrial value chains** with strong partnerships from leading development finance institutions and global investors.

- Mphanda Nkuwa and the associated regional transmission backbone are key priority investment for Government of Mozambique and will unlock transmission electrical infrastructure and generation with large social economic impact for Mozambique and the region

- Mozambique is and will continue to be the **lowest blended cost of electricity in the region** and promote the green Industrialization both national and regional

We invite European utilities, Infrastructure Investors, Financial Institutions and strategic partners to join us in delivering a project that will Power millions of people, enable sustainable industrial growth, strengthen regional energy integration and contribute to the global energy transition

THANK YOU

SIGA-NOS EM

FAÇA SCAN