



FINANCING MOZAMBIQUE'S ENERGY FUTURE

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Traditional values. Innovative ideas.

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CORPORATE AND
INVESTMENT BANKING

INTRODUCTION TO THE FIRSTRAND GROUP



Overview of the Group



- ✓ RMB and FNB part of the FirstRand Group
- ✓ JSE and Namibia SE listed, Johannesburg-based
- ✓ Largest bank in Africa by market capitalisation
- ✓ 48,000 employees, presence in 13 African countries incl Mozambique
- ✓ Sole focus on Sub-Saharan Africa
- ✓ Full range of Investment and Commercial Banking products
- ✓ Over R1bln invested in CSI



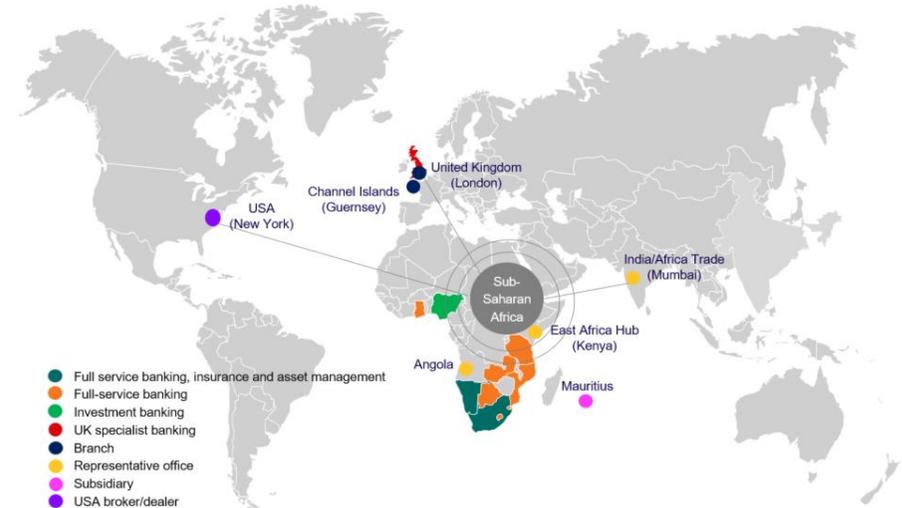
Investment Bank of the Year (five years running)



Most Innovative Investment Bank from Africa



Pan-African Presence and International Reach



FirstRand in Mozambique

- ✓ FNB Mozambique started in July 2007 with the acquisition of BDC by FirstRand Bank Limited
- ✓ Banking and insurance products / services to retail, commercial, corporate and public sector clients. Over 100 large corporate clients currently banked
- ✓ 450 employees, 15 branches, 1927 ATM network, 1704 POS
- ✓ Investment Bank of the year, Mozambique 2022

Mozambique LNG
\$14.9bn Project Financing

2020
ECIC Lender

Coral South FLNG
US\$8 bn Project Finance

2018
Uncovered Facility Lender

DEBT FINANCE AND BANKING SERVICES CRITICAL TO DELIVERING ON MOZAMBIQUE'S POTENTIAL



Banking Services will play key role in enabling Mozambique's gas and energy developments

Project Financing



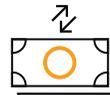
- Long term finance for project development
- Banks can arrange, structure and underwrite senior debt to finance construction phase (post FID)
- Advisory on equity raising

Transactional Banking



- Local accounts
- Payments / collections
- Cash and liquidity management
- Automated reconciliations
- Trade Finance, Working Capital finance

FX



- FX conversion
- Currency repatriation
- Local currency lending
- Direct dealing access

Supplier Finance



- Finance for contractors and wider ecosystem required to deliver project
- Supply chain support and Ecosystem view of value chain

Hedging



- Commodity, interest rate and FX risk management
- FX Forwards & Swaps (subject to Aviso 1/GBM/2021)
- Money Market deposits
- Treasury bills



PRE-UKRAINE: DEBT LIQUIDITY POOL FOR AFRICA O&G DECLINING



With total project capex for Moz gas potentially over \$120bln, maximising all sources of liquidity will be key

Finance Sources	Depth of Liquidity for Moz Gas/Energy	How has liquidity changed last 5 years	Comments
DFIs / ECAs	VERY LARGE	Decline	<ul style="list-style-type: none"> DFIs/ECAs deepest source of liquidity for greenfield Moz O&G projects But pressure on fossil fuels has led to (inter alia): <ul style="list-style-type: none"> IFC ceased lending to upstream O&G in 2019 UKEF ended support for fossil fuels overseas in 2021 Reductions in lending for fossil fuels at various other ECAs
Europe / US Banks	MED / LARGE	Decline	<ul style="list-style-type: none"> Historically key liquidity source for Africa O&G But appetite for African Oil & Gas reduced last 5-10 years <ul style="list-style-type: none"> Strategic pull back to core countries / regions – less SSA country risk appetite Reduction in fossil fuel appetite Upstream O&G, greenfield project financings most challenging – gas preferred
African Banks	MED / LARGE	Growth	<ul style="list-style-type: none"> Now core liquidity for Africa O&G, particularly for uncovered tranches Invested in Africa's development Africa risk appetite However, relatively smaller pool of capital and higher funding costs
Chinese Banks	LARGE	Decline	<ul style="list-style-type: none"> Potential capital pool remains large but very selective Appetite typically linked to Chinese investment / strategic interest Pace of Chinese investment in Africa has slowed
Non-Banks (Traders, funds)	MED / LARGE	Growth	<ul style="list-style-type: none"> Traders have stepped up to provide liquidity as bank liquidity has reduced <ul style="list-style-type: none"> Tied to offtake Funds appetite limited
Project Bonds	SMALL	Same	<ul style="list-style-type: none"> Very few project bonds, untested for Africa O&G

BUT ENERGY CRISIS A GAMECHANGER: NEED TO DEVELOP MOZAMBIQUE GAS MORE PRESSING THAN EVER



Ukraine crisis has irreparably altered the global energy landscape increasing need for global gas

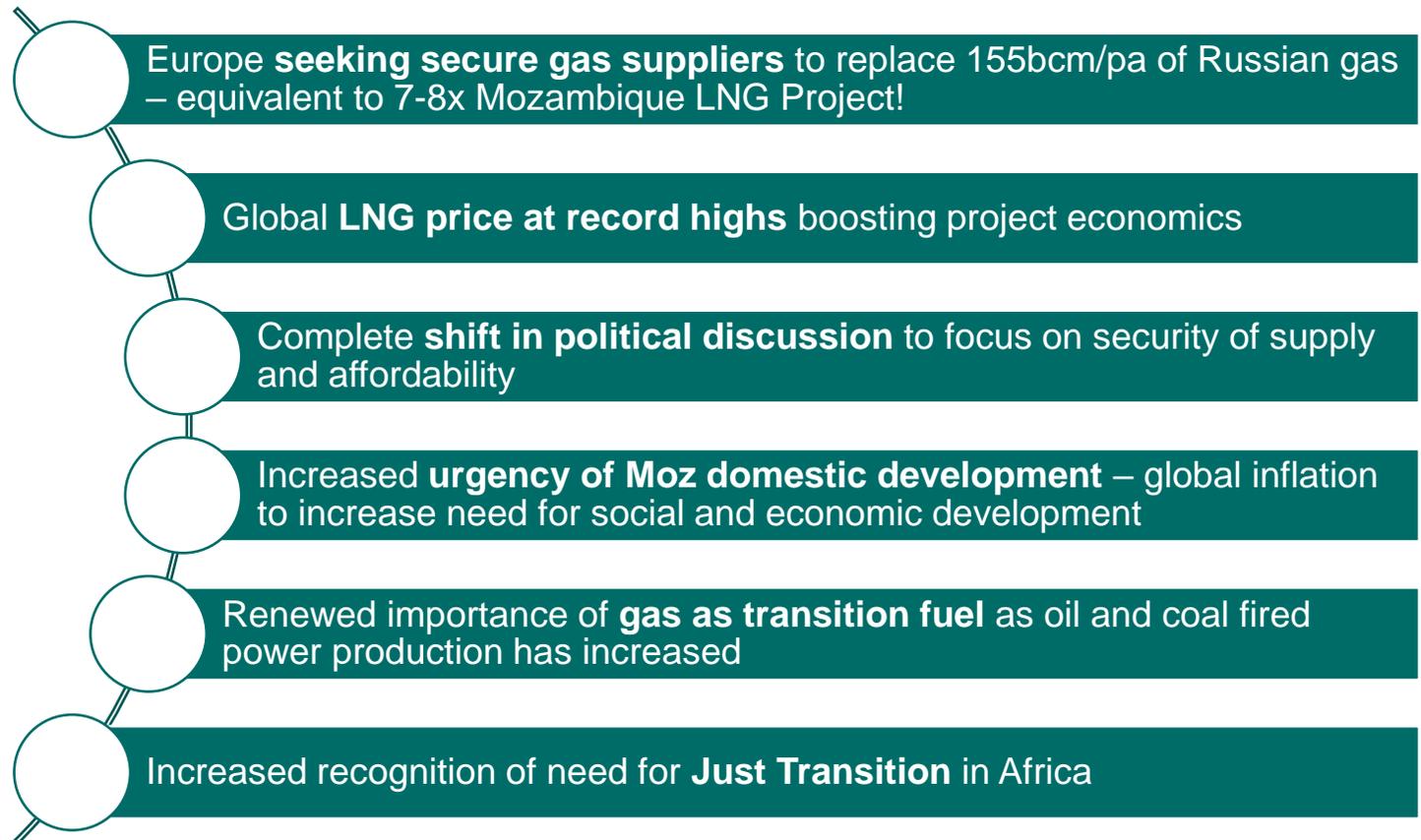
MACRO HEADWINDS...

- Global inflation
- Monetary tightening
- ESG – pressure on fossil fuels
- Sovereigns under pressure
- Recession fears

...BUT POSITIVES FOR ENERGY FINANCING:

- Banks' balance sheets largely repaired post COVID
- Political backing to support energy projects
- Resources a more favoured sector from credit perspective
- Importance of gas as transition fuel reinforced

The case for financiers to support Moz gas & energy has never been stronger



SECURITY ISSUE MUST BE SOLVED FOR MOZAMBIQUE TO ATTRACT CAPITAL FOR ITS GAS & ENERGY SECTOR

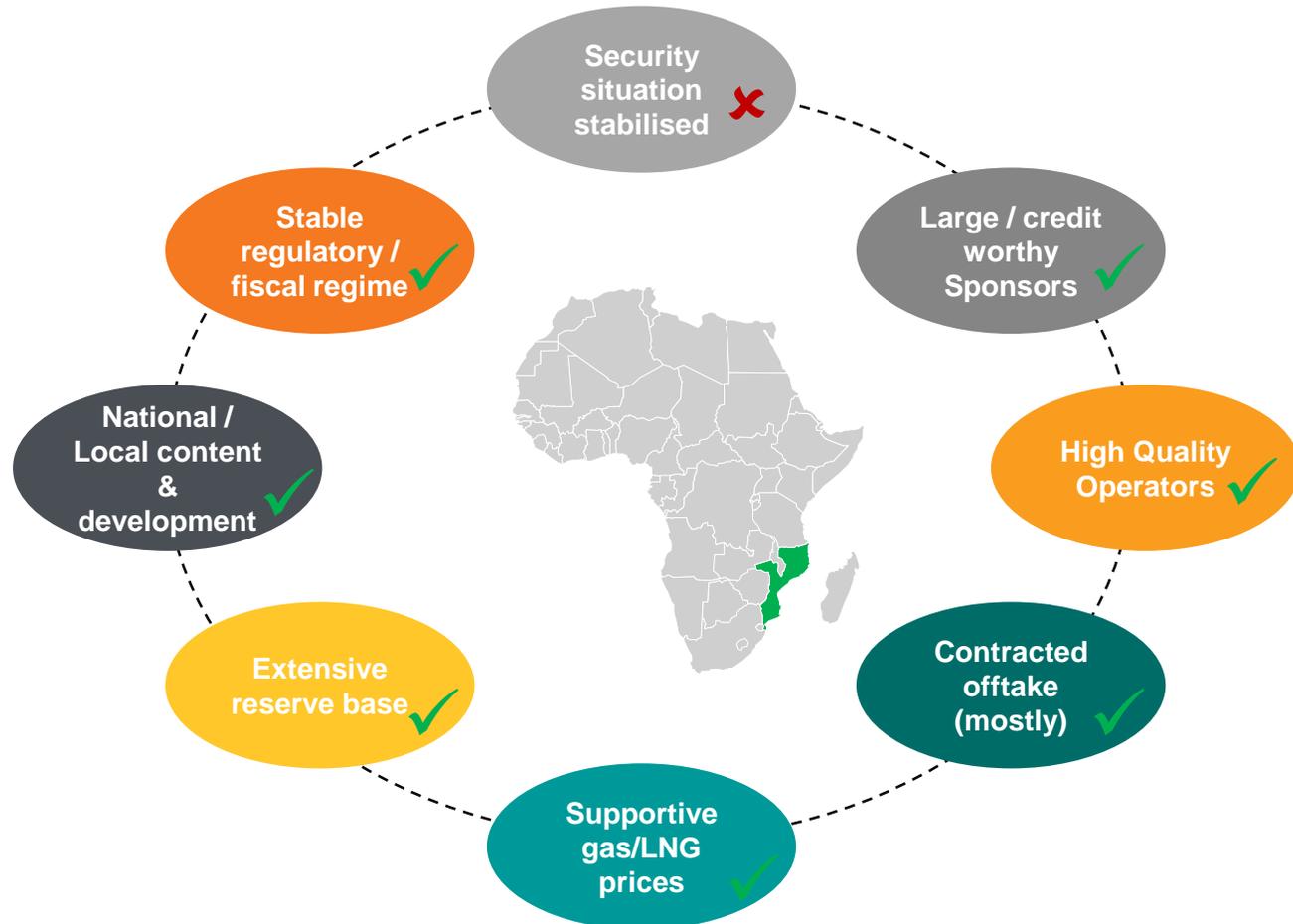


Mozambique is in a global fight for capital with many competing projects seeking to replace Russian gas supply

Security stabilisation is critical to unlocking capital for Mozambique's gas and energy sector

Debt follows equity
Sponsors and equity holders must be confident enough to invest prior to debt holders

All other key building blocks which financiers will require are in place to unlock Mozambique's potential



CASE STUDIES: RECENT TRANSACTIONS SHOW BANK LIQUIDITY SOLID FOR QUALITY O&G TRANSACTIONS



Anoh Gas Project Finance: Bank appetite for greenfield, SSA domestic gas projects

Azule Energy PXF: deep liquidity for high quality Africa O&G financing



\$250MLN PROJECT FINANCING FOR CRITICAL DOMESTIC GAS PROJECT IN NIGERIA

HIGHLIGHTS

- Anoh Gas Processing Development Company, **joint venture entity between Seplat Petroleum and NNPC** in Nigeria
- **Greenfield** gas project aimed at domestic market
- **\$260mln project financing** for \$700mln midstream project
- Supported by **local and African banks**
- Financing **over-subscribed**
- Closed Feb 2021 during height of COVID
- **Fully non recourse** (no completion guarantee) and multi-contracting approach

FINANCING FOUNDATIONS

- **USD export revenue** (liquids) in addition to domestic gas revenue
- Seplat and NNPC **track record**
- NGMC **anchor gas sales** agreement
- **Low leverage** and equity funded upfront
- Nigeria **political focus** on gas development
- Supportive **supply-demand outlook** in Nigeria
- **Strong ESG** and Nigeria **developmental impact**



Anoh Gas Processing Company
\$260mln Project Financing

2021

Mandated Lead Arranger, Joint Technical Bank

\$2.5BLN PXF TO FINANCE INNOVATIVE JV STRUCTURE TO UNLOCK FURTHER INVESTMENT IN ANGOLA ASSETS

HIGHLIGHTS

- Azule is new 50:50 **joint venture entity between BP and ENI** in Angola
- Standalone entity to drive synergies and raise capital for Angola developments
- **\$2.5bln financing** closed in August 2022
- Financing **over-subscribed**
- Syndicate of 14 commercial banks: international, Chinese and African banks
- Pre-export finance structure

FINANCING FOUNDATIONS

- Strong **IOC operatorship**
- Diverse and **high quality asset** base
- **Offshore** operations and cashflows
- Tried and tested financing structure
- Commitment / disclosure on emissions reduction and **ESG**



USD2.5bn
Pre-Export Finance Facility

2022

Arranger



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