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INVESTMENT & ADVISORY IN A WORLD OF COMPLEXITY

LNG Investment Landscape in Mozambique

Executive Summary | This brief contains an overview of Mozambique's LNG investment landscape, focusing on three principal areas for prospective investors

1 Investor Outlook

Multiple economic shocks | Northern insurgency from 2017 forced delays to mega-projects, political unrest driven by disputed 2024 elections, and the reduction of development funding have led to erratic growth.

Growth | GDP has quadrupled since 2000, led by services and mega-project-linked industry, but slowed to 0.5% in 2025. Forecasts diverge sharply but show potential for a return to double digit growth.

Macro constraints | Public debt is among the continent's highest, FX limitations and hard capital controls make international settlements and investment repatriation difficult.

Financial system | Portuguese and South African banks hold most banking assets, credit skews to retail and given current sovereign debt stress the market remains incredibly liquid.

2 The LNG Transformation

Scale | Committed projects position Mozambique as a top-10 global LNG producer with positive momentum across all 4 primary projects.

Sequencing | The four major projects have overlapping EPC phases running into the 2030s, meaning sustained rather than one-off contracting demand.

Visible near-term demand | 100+ subcontract packages published across 10+ contracting areas with an estimated ~US$3bn of local procurement.

The investable angle | Building local platforms capable of meeting international project standards, not one-off supply, will be key to gaining contract traction.

3 Local Content

New local content law | Passage creates separate procurement regimes: exclusivity, preference, and free market – all with separate thresholds for localization.

Minimum local-acquisition thresholds | Set for a range of products and services ranging from 15% (welding and painting) to 85% (fuel, timber and seafood).

Implication | The regulatory package is still pending, but the direction is clear: foreign operators need credible Mozambican partners and should prioritize formation of joint ventures.

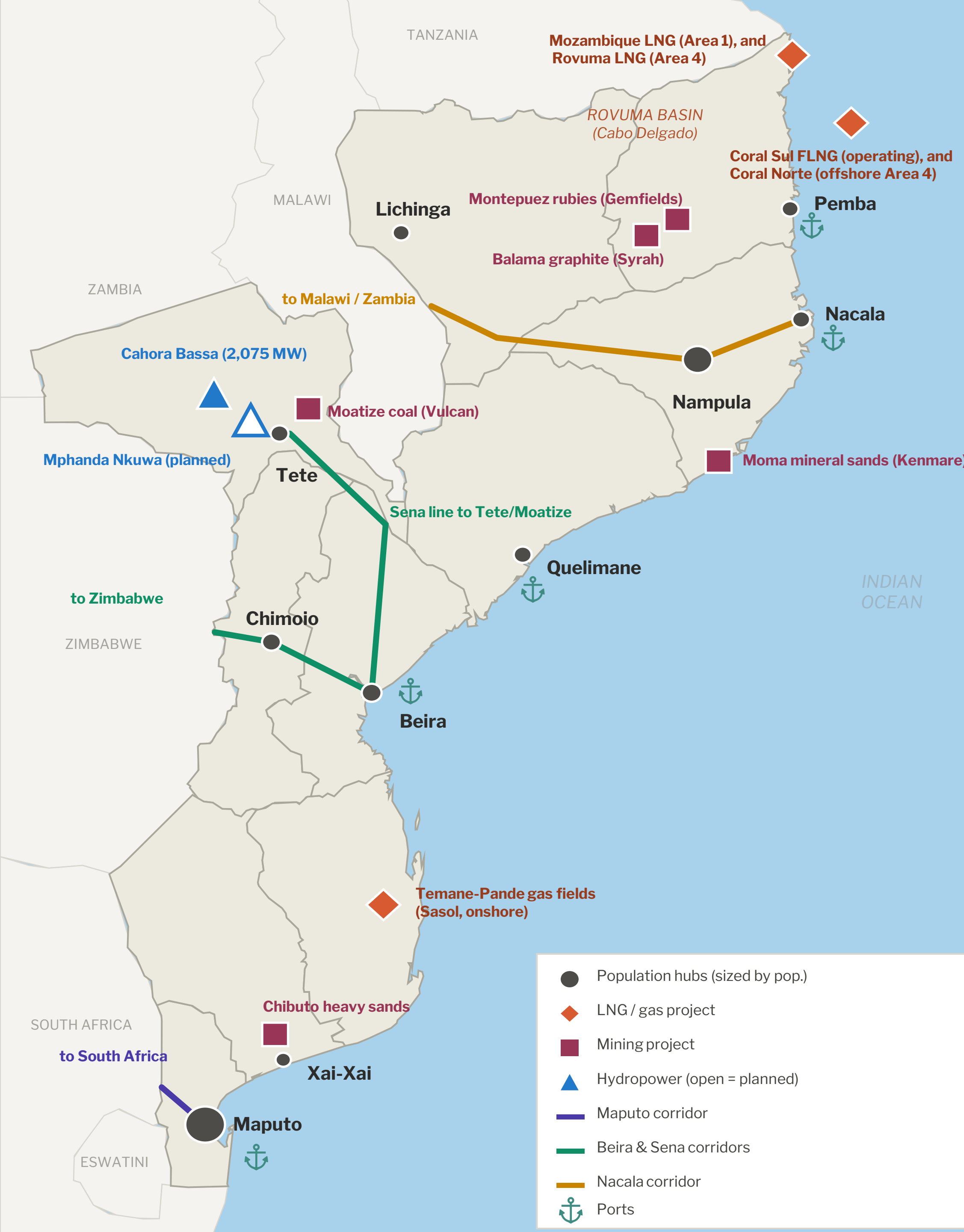
Executive Summary | Mozambique in brief

Mozambique has all the pieces for a significant economic boom

Demographics | Mozambique is one of the youngest countries on earth with a median age around 17 and a population of 34 million. The workforce needed for industrialization is here - ***but the workforce development requires increased specialization.***

Resources | Few economies this size hold an endowment this broad: ~180 tcf of gas in the Rovuma basin, world-scale coal, graphite, mineral sands, abundant hydropower, and 36 million hectares of arable land (under 1/5 cultivated). Yet almost all of it leaves the country unprocessed – ***a vacuum that needs to be filled with industrialization***.

Infrastructure | Three primary corridors tie gateway ports to the SADC hinterland. While the US$50bn+ LNG build-outs create the necessary incentives for infrastructure investment, ***inter-Mozambican connectivity (North-South) remains a major constraint for growth.***



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Source: World Bank WDI (2025 GDP, labor force and sector shares); UN population estimate; IMF 2025 Article IV; TotalEnergies.

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Investor Outlook | Mozambique has faced concentrated security, political and external shocks that have impacted economic stability

Insurgency & Force Majeure '17-'21

Political & Fiscal Shocks '24-'25

Recovery & New Pressures '25-26

'17 // '21 // '24 '25 '26

October 2017
First recorded insurgent attack in Cabo Delgado

Mar/Apr 2021
Insurgent attack on Palma – Total declares force majeure on Mozambique LNG

Jul 2021
Rwandan and SADC troops deployed to Cabo Delgado

Jul 2024
SADC mission withdrawal, Rwanda becomes primary external force

Oct 2024
Disputed election results lead to protests and widespread business closures

Q1 2025
USAID activities suspended representing ~3% of Mozambique GDP

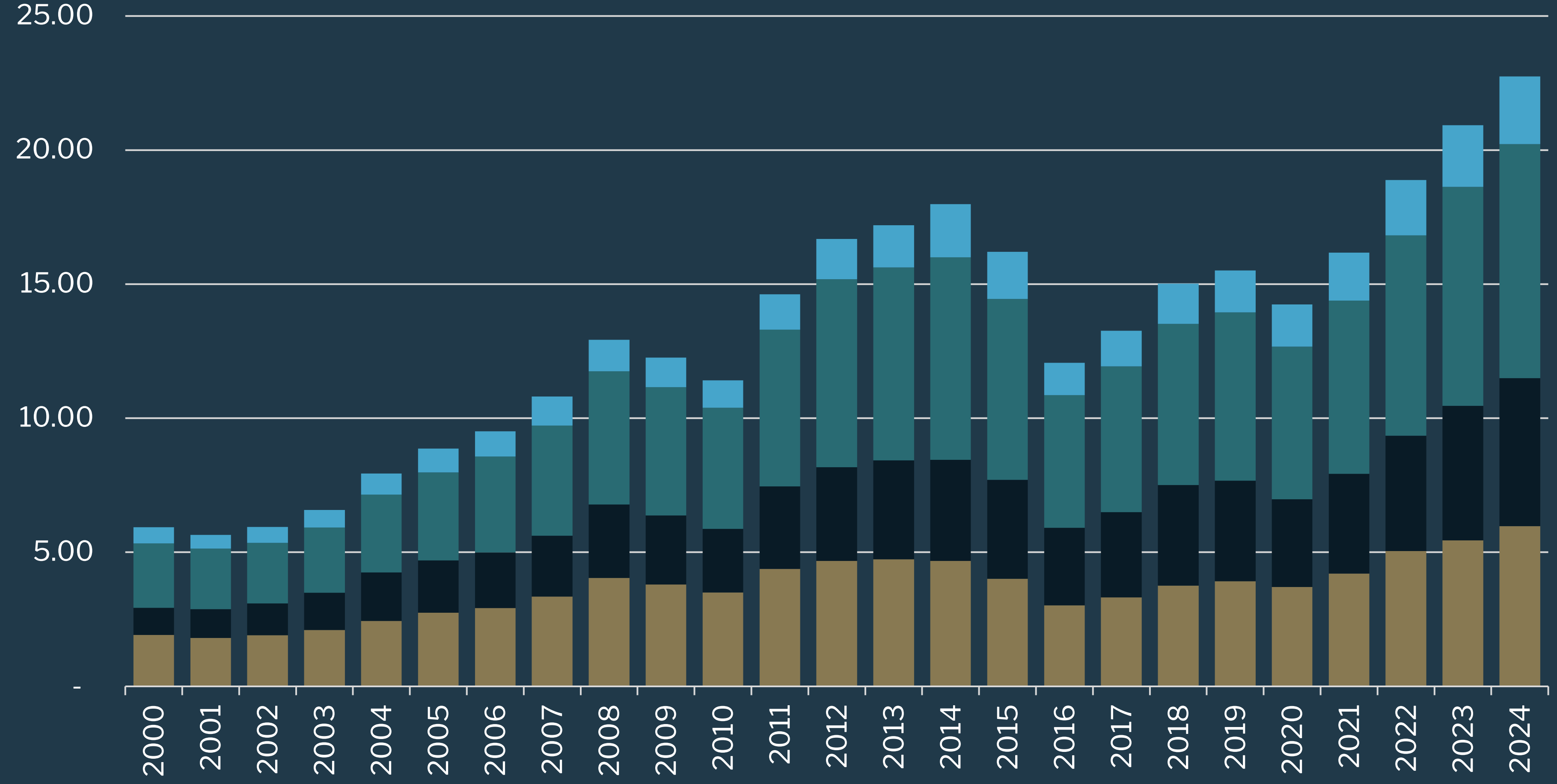
Nov 2025
Force majeure of Mozambique LNG lifted

May 2026
Iran conflict leads to fuel shortages – fuel prices rise 40%+

Source: IMF, Government of Mozambique ENDE, National Statistics Institute

Investor Outlook | Despite these setbacks, GDP has quadrupled since 2000 largely driven by services and industry growth linked to anticipation of mega-projects

GDP by Sector
(US$ Current)



Taxes on products | Generally upward given stronger consumption, imports, formal-sector activity, and investments in tax collection efficiency

Services | Clearest indicator of domestic economic momentum, reflecting activity in trade, transport, finance, and communications

Industry | Driven by mining and LNG rather than broad-based manufacturing, largely capital-intensive, export-oriented, and concentrated around mega-projects

Agriculture | Primary source of employment, but growth remains exposed to climate risks and constrained by low productivity, limited irrigation, and weak market linkages.

Source: INE and IMF staff calculations

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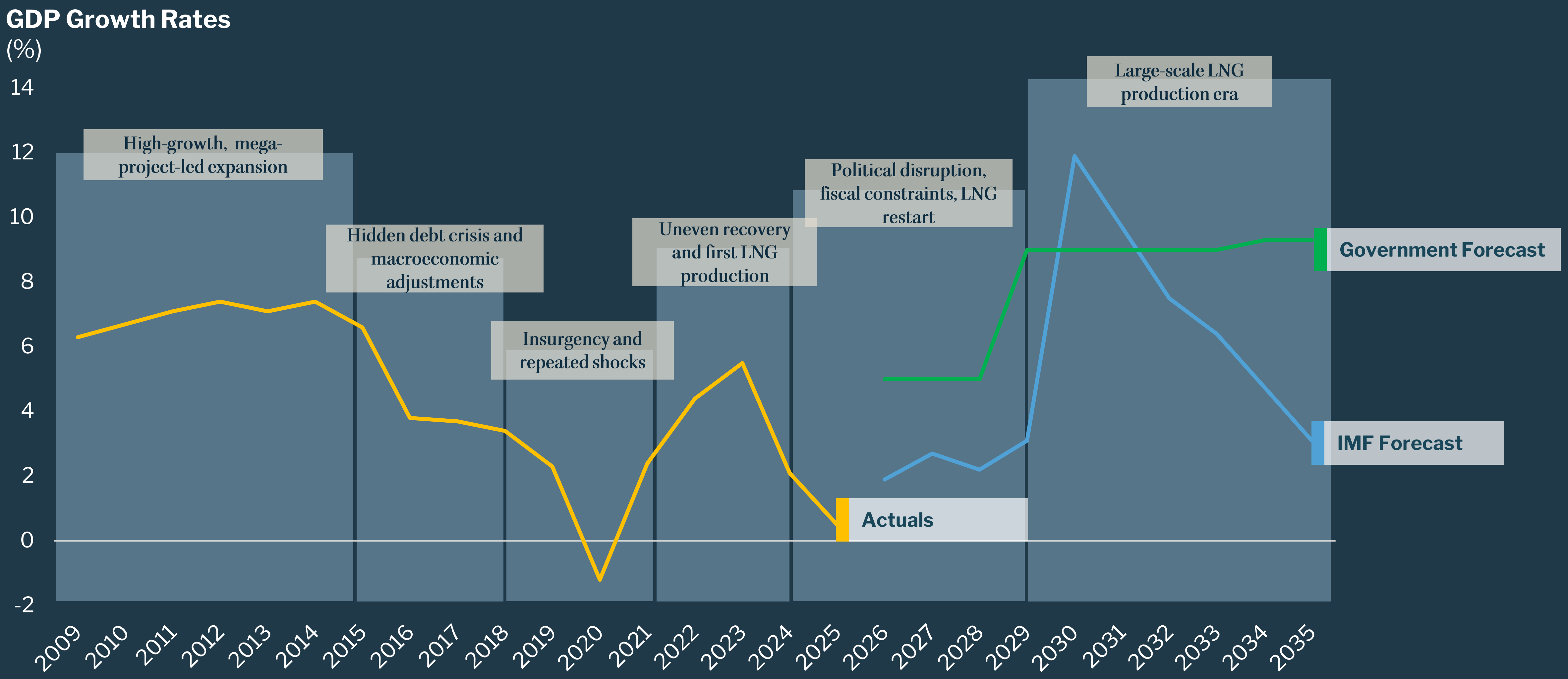
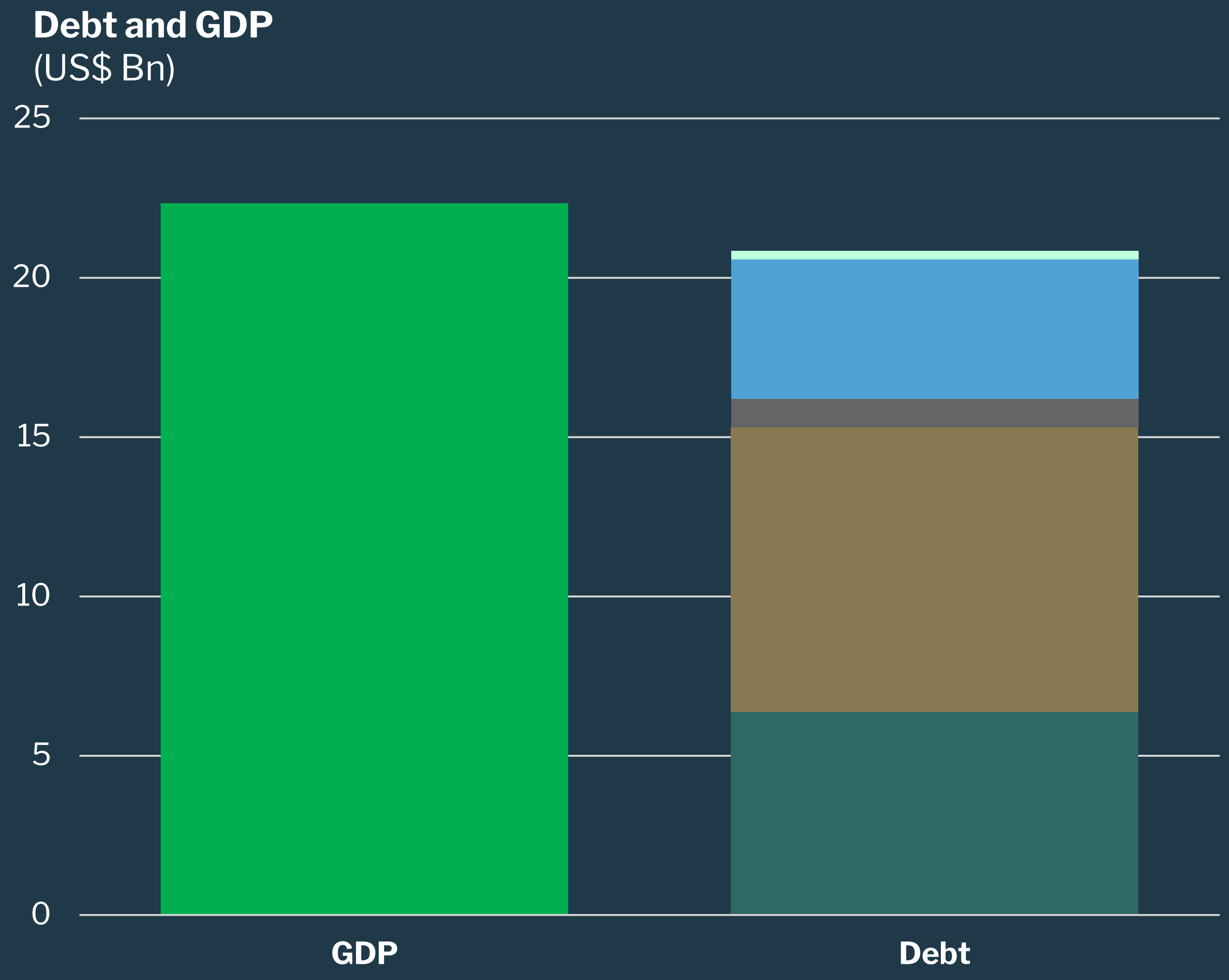
Investor Outlook | After a decade of erratic growth the country is largely expected to recover to a steady growth forecast



Source: IMF, Government of Mozambique ENDE, National Statistics Institute

Investor Outlook | Mozambique's debt to GDP is one of the highest on the continent with recent restructurings impacting the country's sovereign credit rating



Other SOEs: Identifiable direct external debt associated with entities including Tmcel, Petromoc, EDM and BNI. Does not capture every domestic SOE liability including those of other SOEs including LAM, CFM, and Aeroportos de Moçambique.

ENH LNG: State-owned participation in Mozambique's LNG developments, closely resembles project-linked financing expected to be serviced from future LNG-related cash flows as opposed to ordinary budget borrowing.

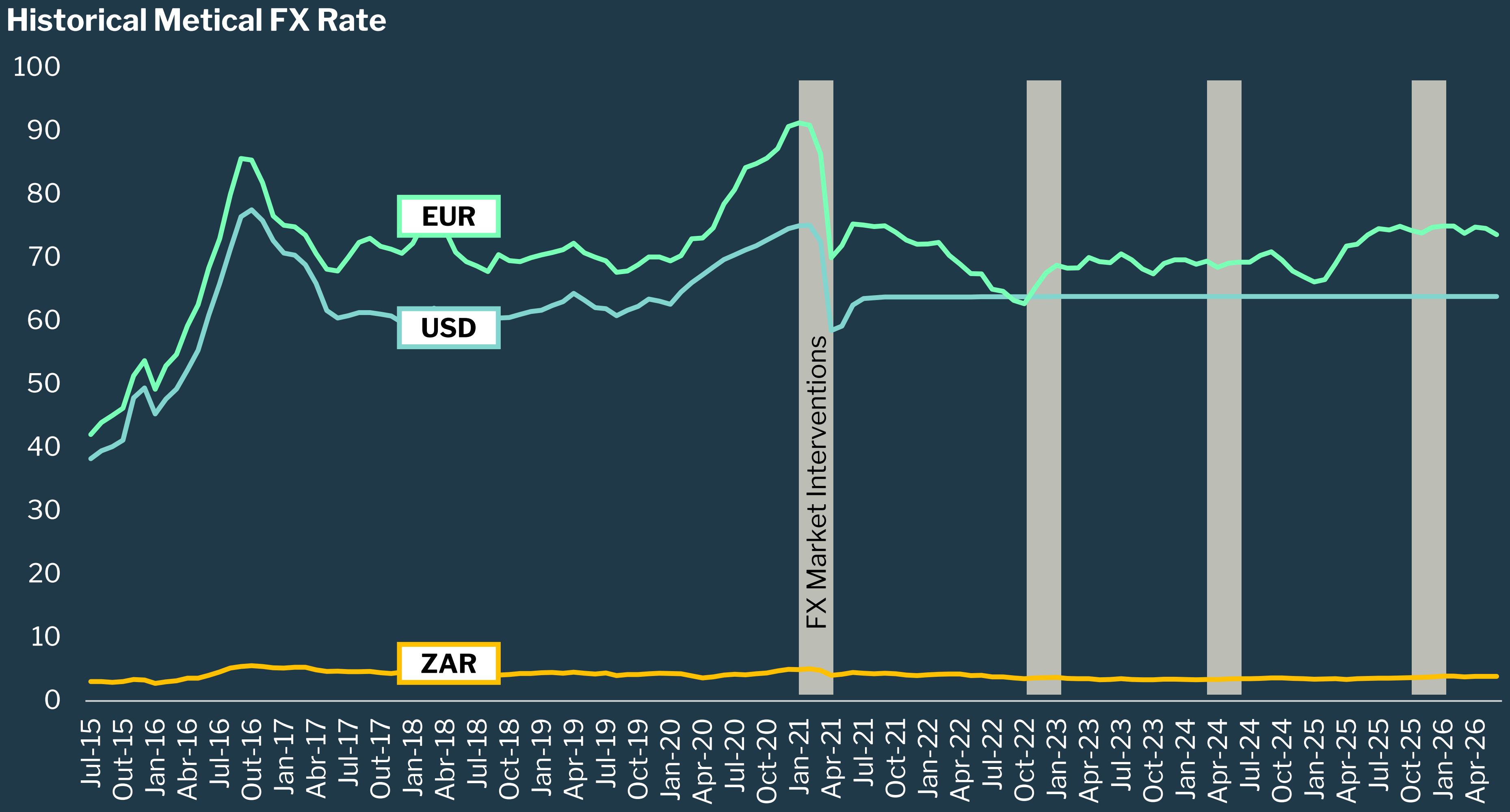
Eurobond: Mozambique's sole outstanding international sovereign bond, due in 2031, which arose from the restructuring of the former EMATUM or "tuna bond", a direct hard-currency sovereign obligation, carries a high coupon and begins amortizing before final maturity.

Official External: Direct central-government obligations to multilateral lenders such as IDA and the AfDB, together with bilateral creditors including China, Japan, Portugal, India, Brazil and others. Recent restructuring concluded with Brazil and ongoing discussions with China.

Domestic Sovereign: Treasury bills, Treasury bonds and loans from domestic banks and other local institutions; Domestic borrowing has risen rapidly in recent years with a cessation of longer-term issuances given large scale restructuring in 2025.

Source: IMF 2026 Country Report, Government disclosures

Investor Outlook | The local currency has been one of the most stable currencies in the world against the USD driven by strong capital controls



Major FX Considerations

- **Foreign investments must be registered** in advance to preserve repatriation rights
- **Dividend versus capital repatriation** have different approval processes
- Export proceeds are required to be repatriated through the banking system with a required **50% automatic conversion to local currency**
- **Retail restrictions** include ~US$100,000 foreign spending limits and US$1m foreign investment per individual
- **USD liquidity remains incredibly shallow** contributing to an emerging gray market for FX and multi-month settlement times via the central bank

Source: Banco de Moçambique Taxas de Cambio, FX Communiques

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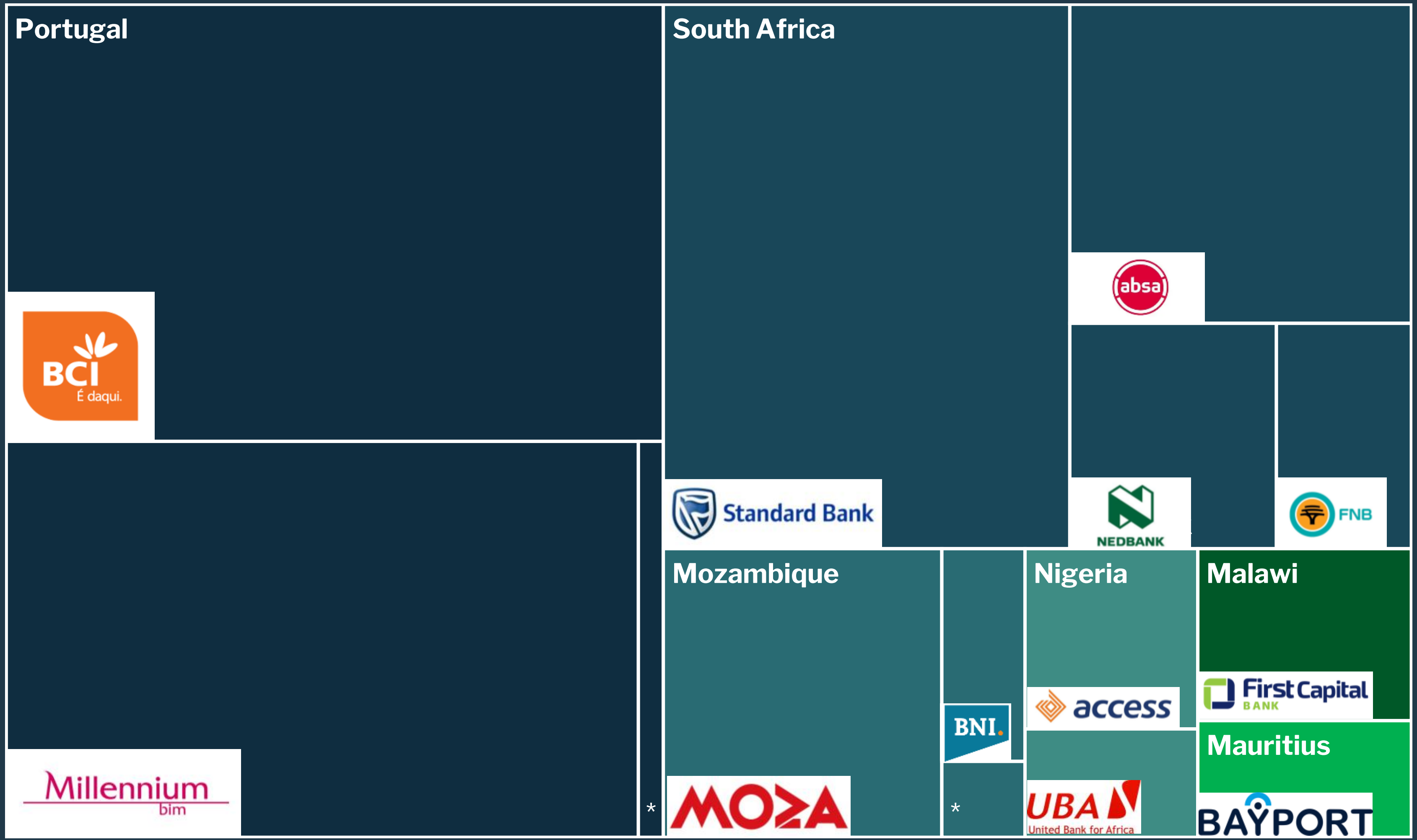
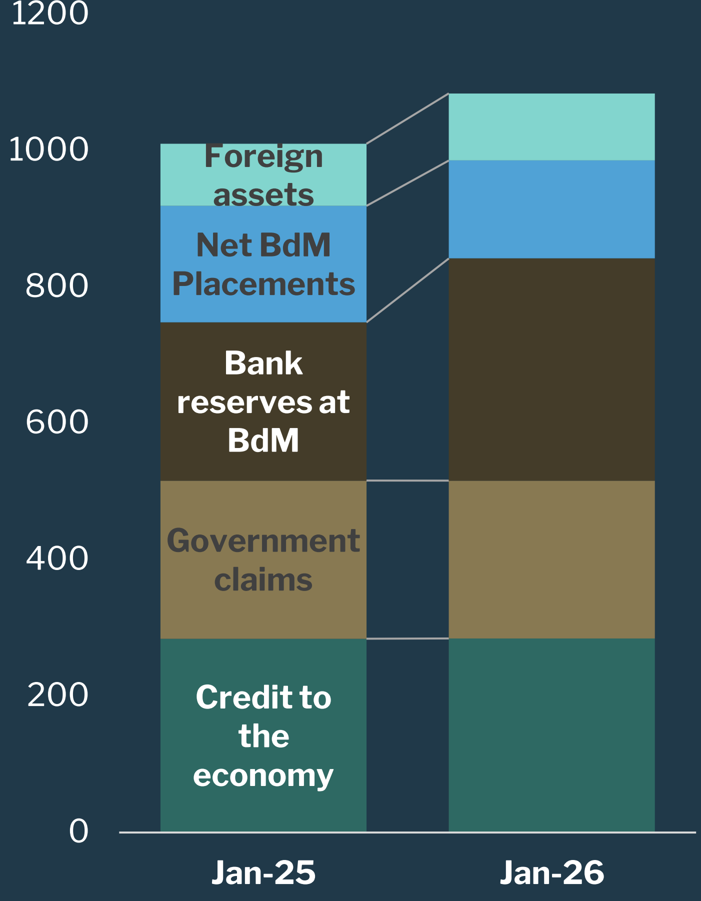
Investor Outlook | Portuguese and South African banks account for approximately 75-80% of domestic banking assets country-wide; High levels of liquidity in the market

Commercial Banks by Assets and Origin



Summary of Banking Assets
(MZN Bn)



Source: Banco de Moçambique; **Note:** *Other banks not representing significant assets

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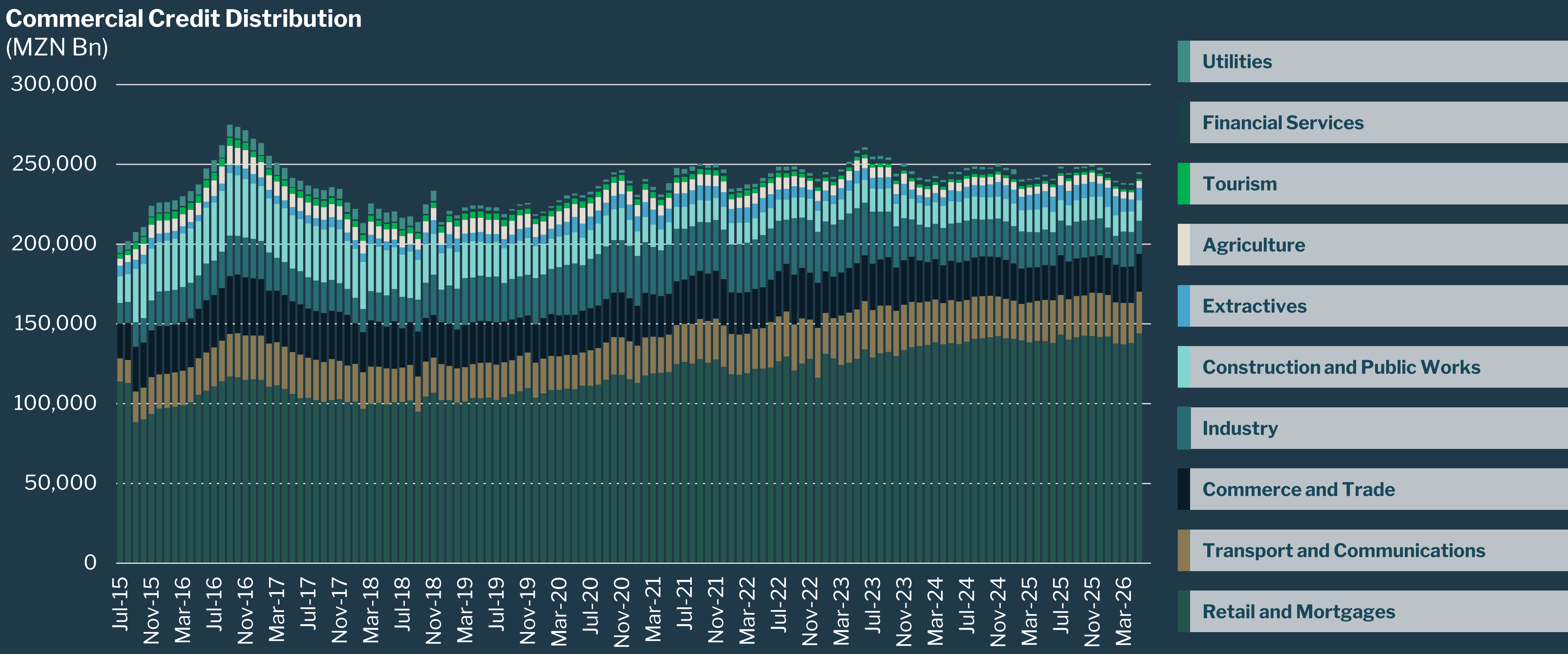
Investor Outlook | Majority of domestic credit has been deployed into the retail sector with 4 commercial sectors dominating commercial lending



Source: Bank of Mozambique

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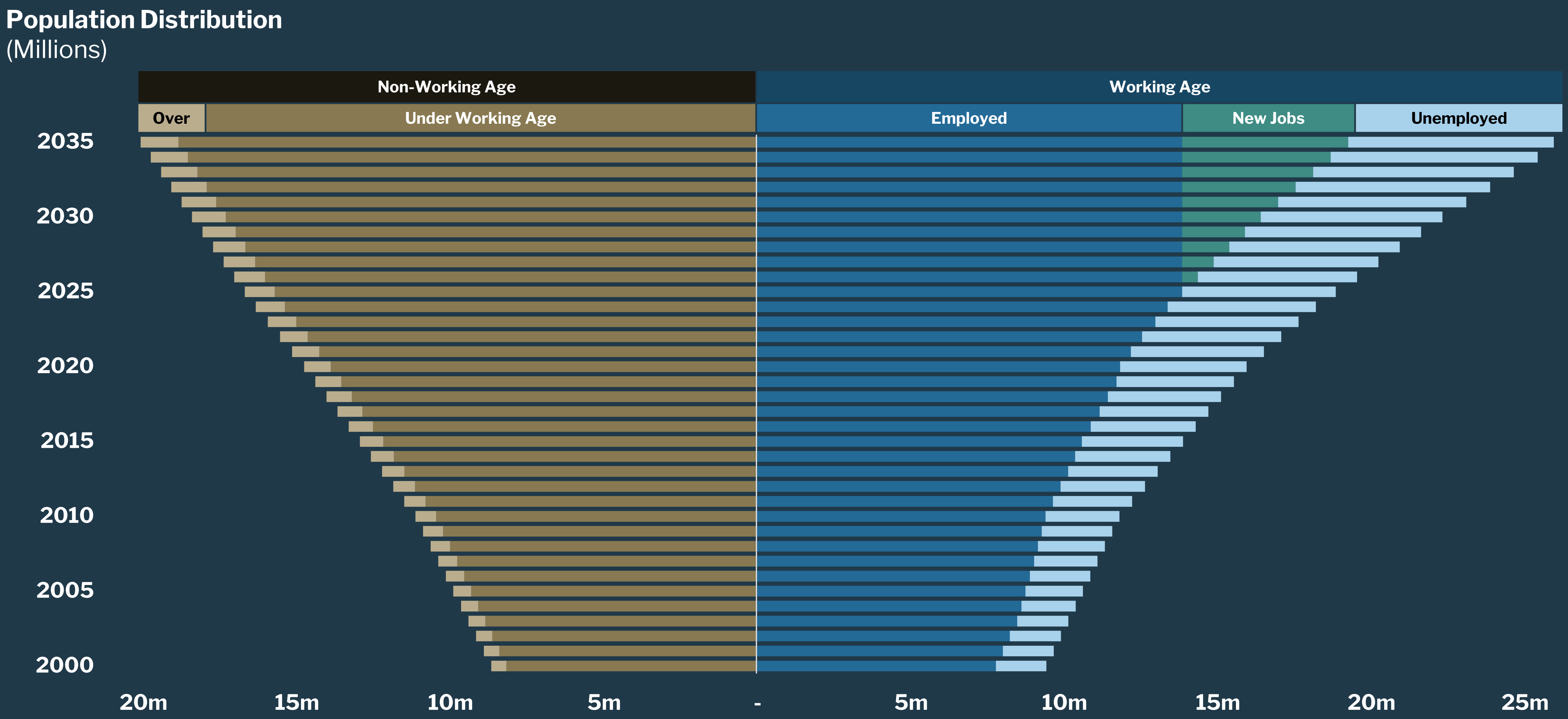
Investor Outlook | With over 500,000 young people entering the workforce annually over 5m new jobs are required just to maintain current employment rates



Source: UN World Population, World Bank

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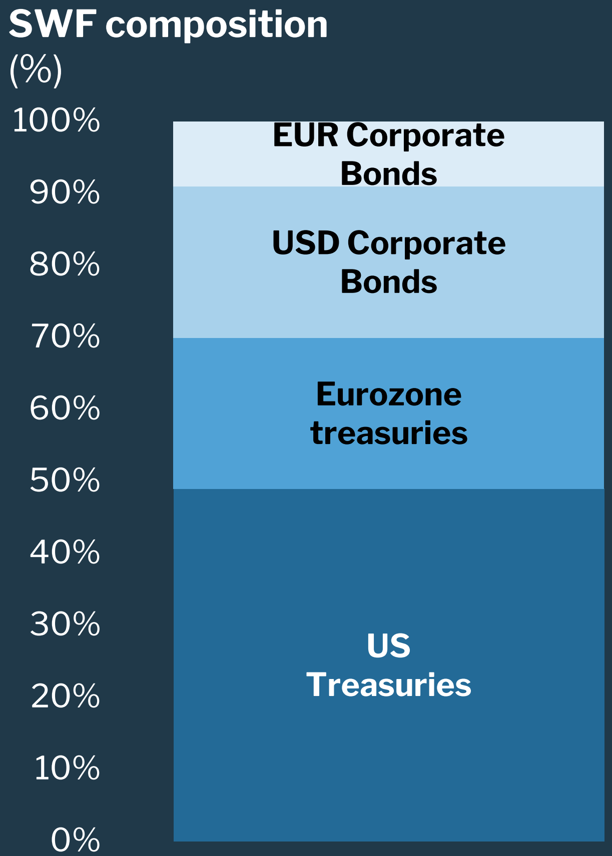
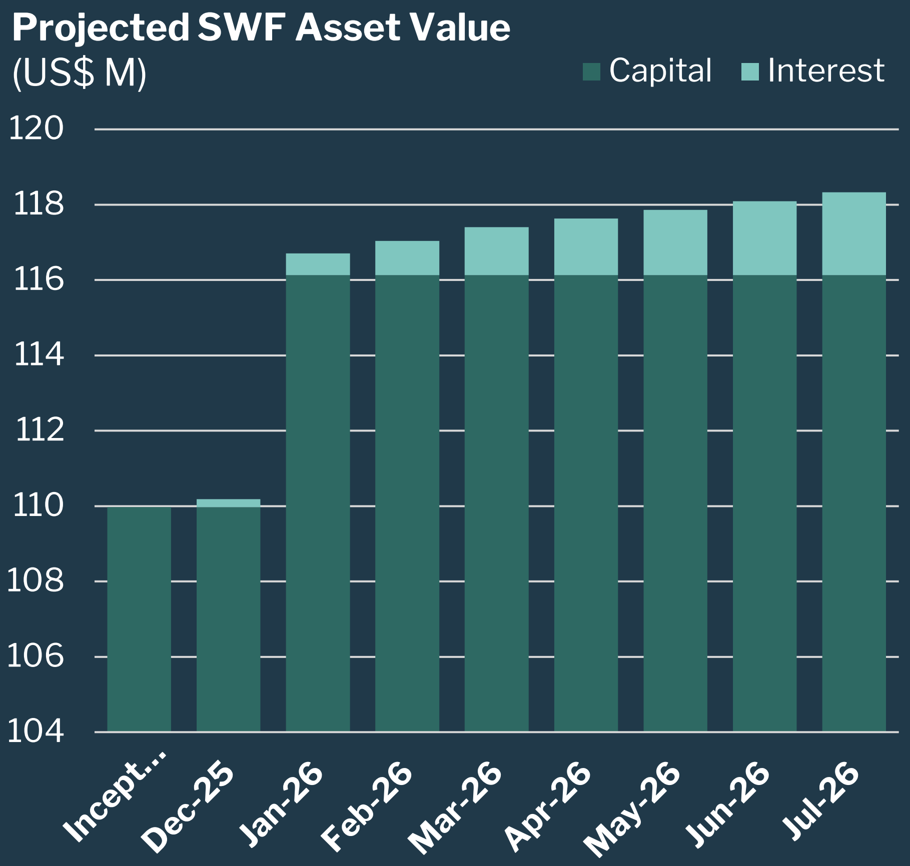
Investor Outlook | A Sovereign Wealth Fund has been established which will be allocated 40% of LNG revenue through 2038

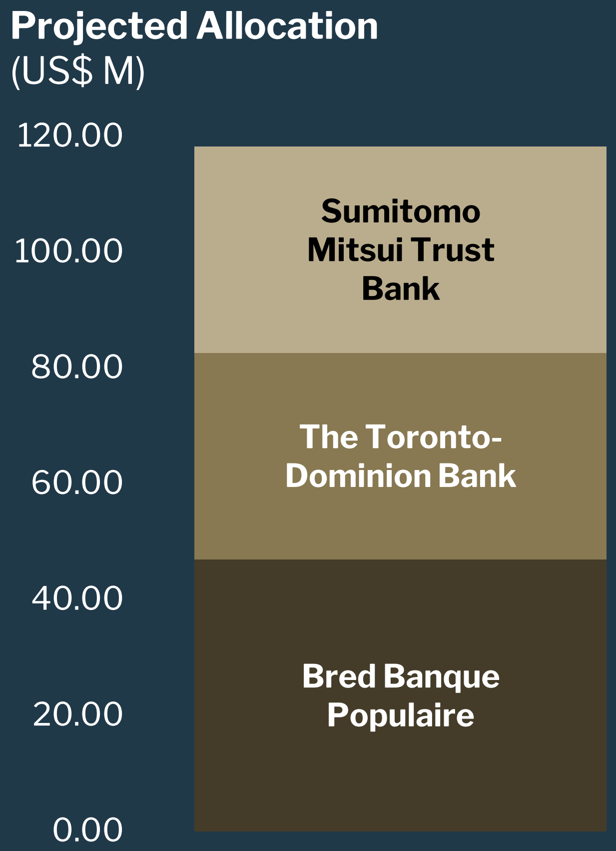
The SWF's current investment strategy is composed completely of USD and EUR denominated fixed income

While disclosures are limited the current holdings of the SWF total approximately US$ 118m

While the Bank of Mozambique maintains management authority three financial institutions are reported to hold SWF assets







Source: Bank of Mozambique Resolution 38/2025, Bank of Mozambique First Quarter SWF Disclosure

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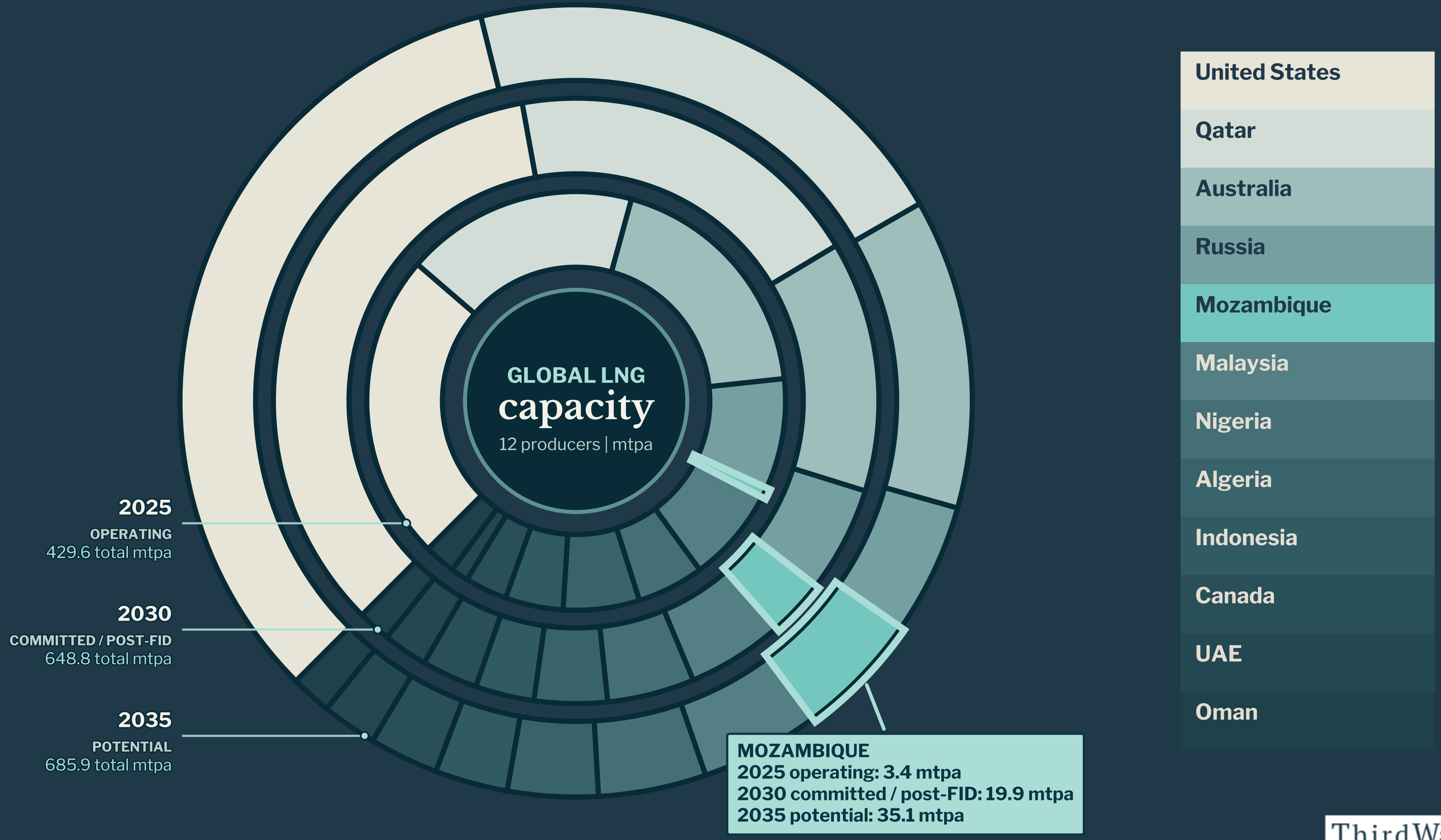
The LNG Transformation | Mozambique is set to become one of the top 10 LNG producers in the world given recent commitments



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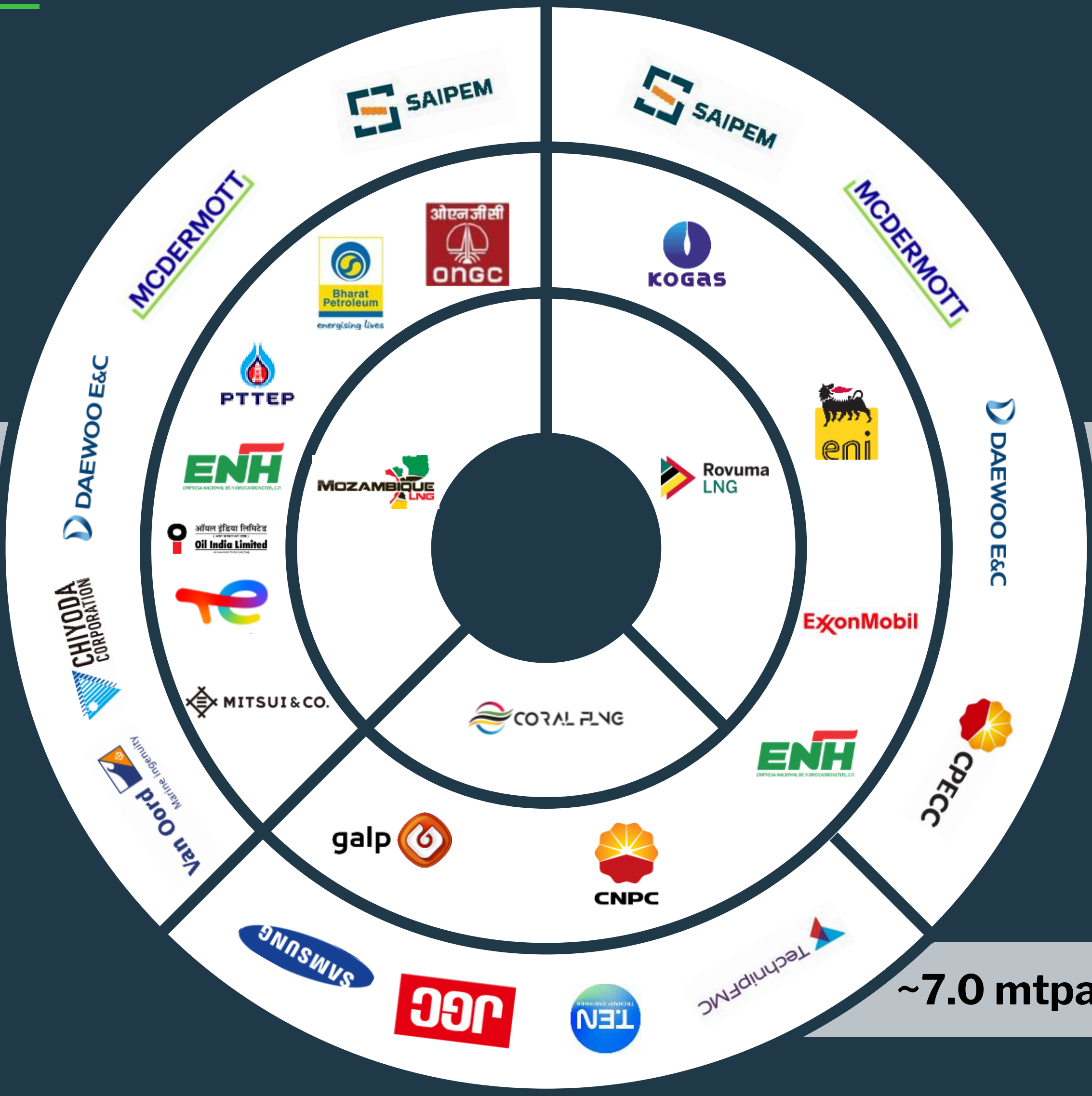
The LNG Transformation | Mapping of the LNG ecosystem given the mega-projects announced

13.1 mtpa | *Restarted*

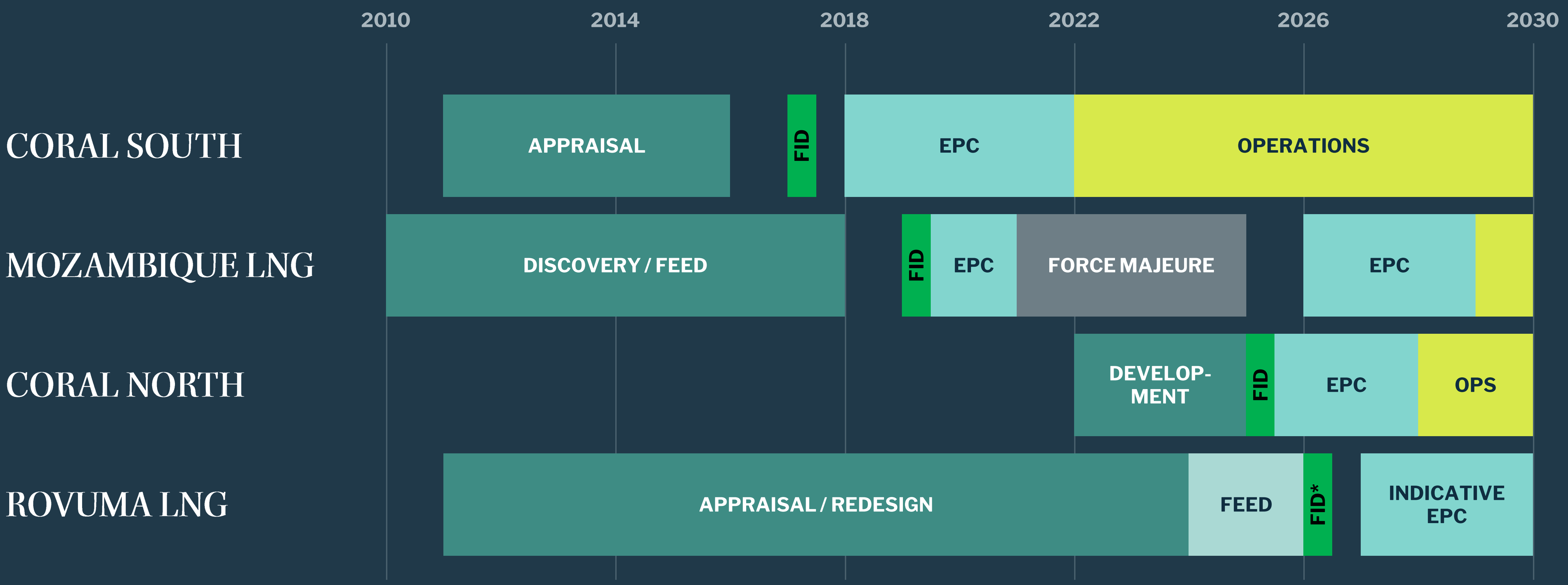
~18 mtpa | *Pre-FID*



~7.0 mtpa combined

Note: EPC awards for Rovuma LNG have not yet been confirmed, but multiple industry sources indicate SAIPEM as the most likely candidate

The LNG Transformation | The four major LNG projects are moving forward and will have overlapping EPC phases



Source: ENI, TotalEnergies and ExxonMobil operator announcements. Future dates are targets or indicative

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The LNG Transformation | While the opportunity spans the full project ecosystem, current procurement signals show emerging immediate demand

Over 100 potential subcontracts published in forward-looking procurement plans…

100+ Packages published

10+ Areas for contracting

20+ Contracting Entities

~$3bn Est. local procurement

… with several procurement areas already entering early-stage procurement across the projects

Subsector	Specific Active Procurements
Civil works	Earthworks, concrete, rebar, formwork
Construction materials	Steel, cement, aggregates, welding consumables
Spare parts	Vehicle OEM parts and tyres
HSE, PPE, and tools	PPE, fire protection, gas detection
Logistics & transport	Heavy transport, port handling, warehousing
Camp & catering supply	Fresh produce, household items
Specialist & support services	NDE/NDT, scaffolding, security, calibration, recruitment and training
Plant equipment	Pumps, generators, cranes

The investable opportunity is to build local platforms capable of meeting international project standards

Source: Publicly available contractor forward work plans and expressions of interest, including CCS JV and Rovuma LNG notices.

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Local Content | In June 2026, the Mozambican government passed its local content law to promote local participation in the extractive industry

The law, while still awaiting its regulatory package, establishes a Local Content Authority charged with enacting and regulating the localization of petroleum and natural gas projects which broadly sets three procurement regimes:

EXCLUSIVITY

Exclusive goods and services must be acquired through contractors with:

- **80%+ domestic production** factors
- Supplied by a Mozambican company with **20%+ Mozambican ownership**
- **50%+ of the wage bill** attributable to Mozambicans

PREFERENCE

Preference for Mozambican contractors particularly those with:

- Higher **Mozambican ownership**
- Greater use of **domestic production** inputs
- Larger **Mozambican wage bill**

Preferred procurements provide preferences for Mozambican bids whose pricing is up to **20% higher than the lowest comparable offer** from a qualified foreign supplier.

FREE MARKET

Where **preferred or exclusive procurement is infeasible** including specialized technology and scopes not meeting local thresholds remain open.

Source: Mozambique Law 9/2026. Practical application remains subject to definitions, annexes and implementing regulations.

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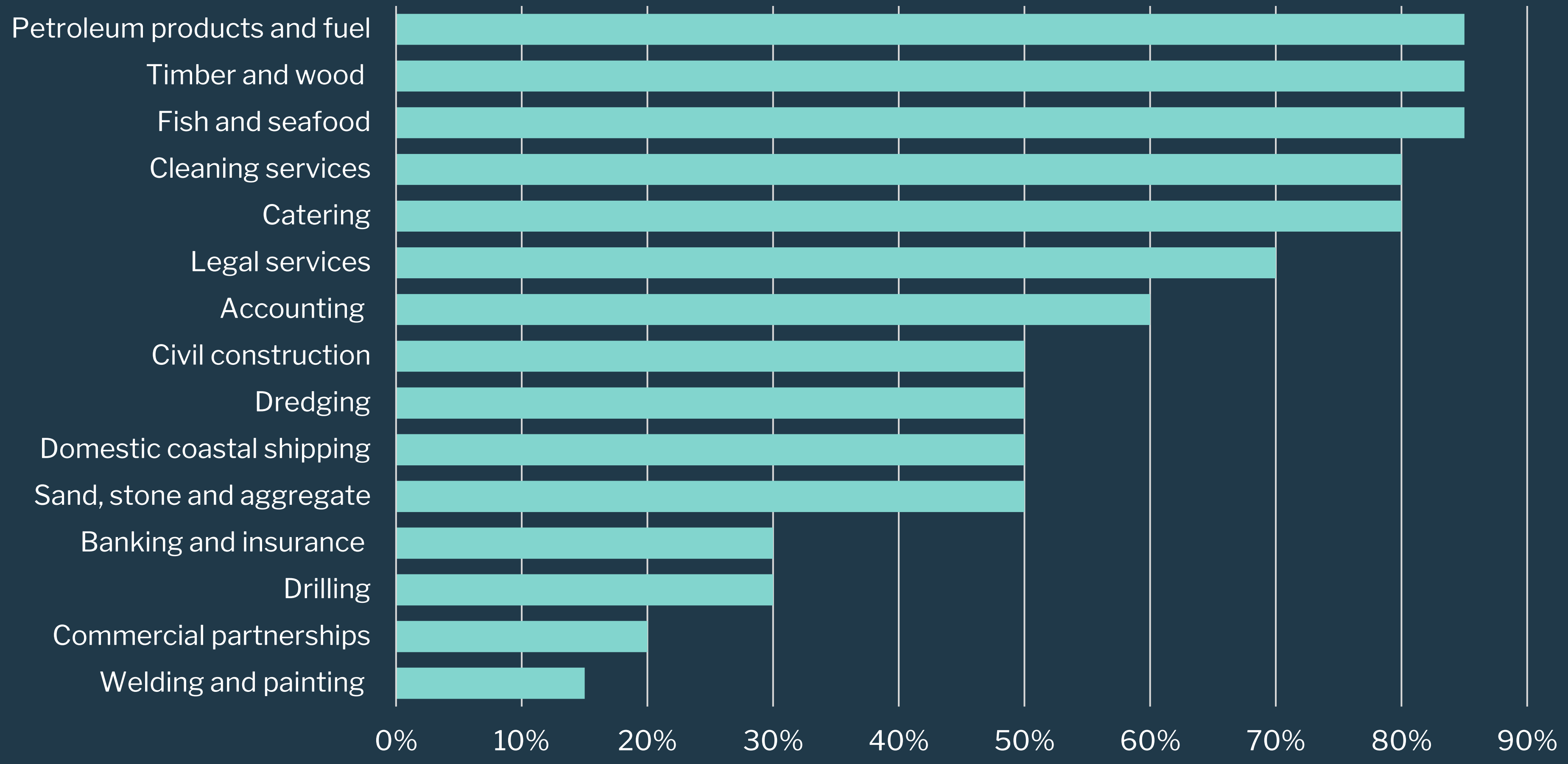
Local Content | The Local Content Law further establishes minimum thresholds for exclusive local procurement of specific goods and services

Minimum Local Acquisition
(%)



Joint Ventures Encouraged

While there remain open questions about the implementation of the law, it is clear that **local workforce, ownership, and goods** will be a core push of this regulation meaning foreign operators will need reliable local partners to meet the new thresholds.

Source: Mozambique Law 9/2026. Practical application remains subject to definitions, annexes and implementing regulations.

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Development Finance | Advising concessional capital providers on frontier market investment

Strategy & Country Risk | Solving complex problems for businesses and sovereigns

Asset Management

Funds | Active investment and fund management across our core investment themes

Ventures | New venture development and early-stage investment

ThirdWay Partners | Global Footprint and Track Record

200+	100+	40+	11
MANDATES EXECUTED	CLIENTS	ACTIVE MARKETS	OFFICES ACROSS 3 REGIONS

AMERICAS

Bogota | Buenos Aires | Miami | Quito

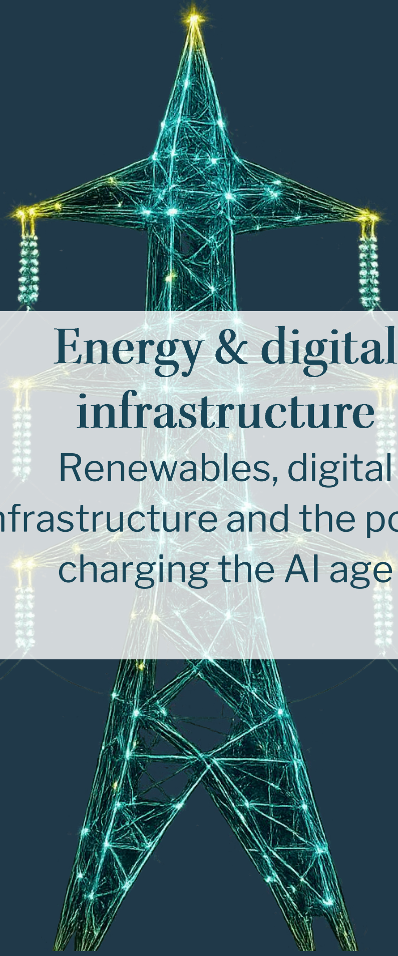
EUROPE & MENA

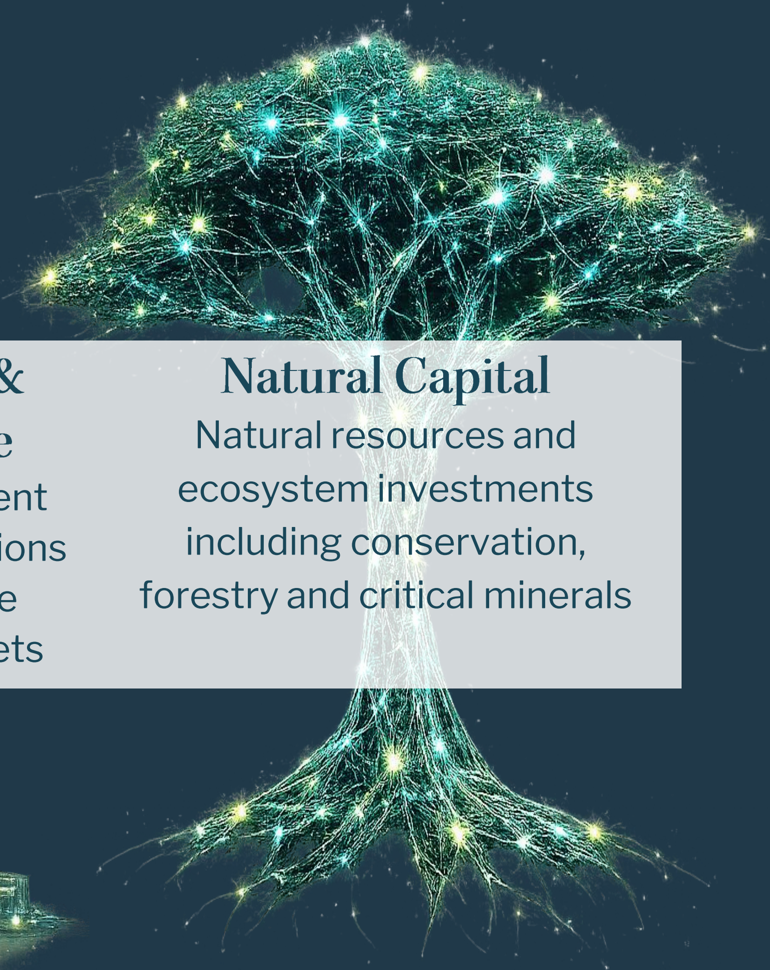
Casablanca | London | Madrid

AFRICA

Cape Town | Johannesburg | Maputo | Nairobi

ThirdWay Partners | Our Themes





Food security & supply chains

Production, processing, FMCG and the systems that move goods to market

Energy & digital infrastructure

Renewables, digital infrastructure and the power charging the AI age

Financial Services & Innovative Finance

Banking, fund management and blended finance solutions that provide sustainable capital to complex markets

Natural Capital

Natural resources and ecosystem investments including conservation, forestry and critical minerals

How We Deliver

Seasoned judgement, faster answers, and a lean model to keep effort on what moves the needle

Senior-Led

Every mandate is partner-led. Our senior team remains engaged on our work, so clients maintain access to senior decision-makers.

AI-Native Delivery

We build proprietary models in-house. Analysis that used to take weeks takes days, meaning our senior team focuses on judgement not production, ensuring client data stays in controlled environments.

On-the-ground expertise

We are based in the markets where we operate. 20+ nationalities across 11 offices. Our read on country risk comes from our experience in those markets.

We sit on both sides

We manage investments as well as advise on them. When we advise, we do so with an investor's mindset.

ThirdWay Partners | Our leadership team. 20+ nationalities across 11 offices.

Americas
BOGOTA | BUENOS AIRES | MIAMI | QUITO

Europe & MENA
CASABLANCA | LONDON | MADRID

Africa
CAPE TOWN | JOHANNESBURG | MAPUTO | NAIROBI

ThirdWay Partners | Founded in Mozambique, we are led by a team with deep local and international expertise

From Mozambique to International Markets

- Founded in Mozambique over a decade ago
- Expanded to 11 international markets
- Largest presence in the group remains in Mozambique
- Offices in Maputo and Pemba
- Dozens of local transactions and mandates executed across the country
- Multiple direct investments in Mozambique across conservation tourism, agriculture and the LNG value chain

Have questions about Mozambique? Reach out to our Mozambique leadership.

Adriano Uaeca Jr.

Director | Maputo

Extensive experience in the Mozambique LNG ecosystem. Formerly of Technip Energies. MBA, INSEAD

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Ian Krohn

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15+ years investment experience in Mozambique. Formerly of Bain & Company. MBA, Columbia Business School

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