

HCB ANNOUNCES THE IPO OF UP TO 7.5% OF ITS SHARES ON THE MOZAMBICAN STOCK EXCHANGE

- HCB is the concessionaire of the largest hydroelectric power plant in southern Africa, located in Songo, Northern Mozambique
- Listing planned for July 2019 with shares offered to Mozambican nationals, companies and institutional investors at 3 Meticaís per share
- Vision of reach and inclusion to be achieved through innovative nationwide multibank distribution channels, mobile app and USSD platform

Maputo, 21 May 2019

Hidroeléctrica de Cahora Bassa (HCB), the Mozambican concessionaire of the Cahora Bassa hydroelectric plant, the largest in southern Africa, yesterday launched its Initial Public Offer (IPO) for up to 7.5% of its shares to individual Mozambicans, national companies and institutional investors.

The IPO will see a first tranche of 2.5% of its shares becoming available on the Mozambican stock exchange - Bolsa de Valores de Moçambique (“BVM”). HCB shares will be sold at 3 Meticaís each with the subscription period taking place between 17 June and 12 July 2019.

Nationwide roadshows and innovative channels have been created to ensure maximum reach and inclusion. Individuals will be able to place purchase orders through various Mozambican banks’ branch networks but also through a USSD mobile application, a mobile app and via internet banking. The Consortium BCI-BiG (BCI and BIG are two Mozambican banks), are the global coordinators for this IPO with other financial institutions supporting the placement of the shares through their branch networks.

The shareholders' decision to sell HCB shares exclusively to Mozambicans was announced by His Excellency Filipe Jacinto Nyusi, President of the Republic of Mozambique, on 27 November 2017, during the ceremony marking the 10th anniversary of the reversal of the majority ownership (85%) of the Cahora Bassa Dam from Portugal back to the State of Mozambique.

HCB specialises in the production, transmission and sale of electrical power in the Southern Africa region and to the domestic economy. It has an installed generating capacity of 2.075 MW, 60 Billion Meticaís worth of assets and generated 22.3 Billion Meticaís in revenues in the financial year ended December 2018. HCB has a strong track record of delivering shareholder returns, distributing up to 50% of its net profits to shareholders.

The strong financial performance allowed the company to fully repay the reversion loan of USD 800 million, in June 2016, 18 months ahead of due date. The company is also a significant contributor to the Mozambican economy through taxes, job creation and by supporting the Balance of Payments. Since its reversion to the Mozambican State, the company has paid to the Mozambican treasury more than USD 650 million in the form of taxes, concession fees and dividends. In 2018 the company paid USD 66 million in taxes and its exports of electricity represented 7.5% of the country's total exports.

HCB's vision is to become a company of international reference and a driving force behind the development of energy accessibility in Mozambique and across Southern Africa. To this end, HCB plans to expand production capacity and diversify its operations, including through investments in new power generation facilities.

Full details of the IPO and further information on the company are available on HCB's website - www.hcb.co.mz

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