



**REPUBLIC OF MOZAMBIQUE
PUBLIC MINISTRY
ATTORNEY GENERAL OF THE REPUBLIC**

MOZAMBIQUE STATE REACHES AGREEMENT
EXTRA JUDICIAL COM O CREDIT SUISSE

The Mozambican State reached an Agreement with Credit Suisse and the other members of the banking syndicate that financed Proindicus, aiming at an extrajudicial solution to the dispute between the parties, which has been ongoing in the London Court since February 2019.

The understanding presents an equitable solution that meets the need to mitigate risks and costs inherent to judicial litigation, opens space for the restoration of international investors' confidence in the Mozambican financial system and the strengthening of relations between our country and international financial institutions.

Within the framework of the Agreement, the parties are free - mutually - from any responsibilities and claims between them, related to the transactions, including the extinguishment of the total amount of debt that Credit Suisse claimed from the Republic of Mozambique.

The Agreement includes the remaining creditors under the Proindicus Loan Agreement, with the exception of VTB.

The Extra-Judicial Agreement

1. In February 2019, the Mozambican State brought civil action before the London Court against Credit Suisse, the Privinvest Group and other defendants who were involved in the case of issuing guarantees for financing three Mozambican companies, namely Proindicus, SA, EMATUM, SA and MAM, SA, with the neglect of essential legal formalities and resorting to corruption and bribes.

2. The civil action essentially aims to obtain a declaration that the Guarantee for financing Proindicus, SA does not constitute a valid, legitimate or enforceable obligation, as it was obtained without essential legal formalities and through bribery and corruption. .
3. The State's claims against Credit Suisse are also based on the role it played in intermediating and granting loans to EMATUM, SA and MAM, SA, whose obligations were also illegally guaranteed by the State, through sovereign guarantees.
4. While the state's civil action was running its course, several other entities initiated civil actions, in the same Court, against the Mozambican State, namely, Credit Suisse, Orobica Holdings and Beauregarde Holdings; the VR Capital Group; UBA; Moza Banco and Millennium BIM, all fundamentally demanding the payment of amounts supposedly owed to them and compensation for damages, under the Proindicus Guarantee.
5. In addition to these, VTB Capital; VTB Europe and BCP also brought actions against the Mozambican State with the same purpose in the same court, within the scope of financing MAM, SA
6. On the other hand, other financial institutions involved in financing Proindicus, namely Ice Canyon, Altantic Foraitierungs AG and Banco Comercial e de Investimento SA, even though they have not brought any actions against the State, also claim to be have credit rights under the Proindicus Guarantee and, consequently, do not agree with the State's position that the same guarantee does not constitute a valid, legitimate or enforceable obligation, therefore requiring the State to pay them monetary amounts corresponding to those mentioned credits.
7. Under the advice of White & Case and LAZARD, specialized firms, the Mozambican State and its counterparts have been seeking an extrajudicial resolution of the dispute.
8. In view of this, negotiations continued only between the State and Credit Suisse, with the object of the loan to Proindicus, and the respective guarantee. These negotiations were joined by more

later, the other creditors - the members of the banking syndicate that financed Proindicus.

9. After multiple negotiation sessions, the parties reached an Agreement that dictates the end of the dispute, with regard to the Mozambican State, Proindicus, SA, Credit Suisse and all other members of the banking union, except VTB.
10. The architecture of the extrajudicial Agreement proposal complies with the limits approved in the State Economic Plan and Budget Law by the Assembly of the Republic for 2023.
11. The extrajudicial Agreement complied with all legal requirements, namely positive assessment by the Council of Ministers, the Legal Opinion of the Attorney General's Office and prior inspection by the Administrative Court.
12. With the understanding reached, the court proceedings in which the Mozambican State and VTB/BCP are parties remain open.
13. Mozambique will continue with the legal actions taken against Privinvest and its owner, Iskandar Safa, given their involvement in cases of bribery and corruption that resulted in serious damage to the national economy.
14. Likewise, the Agreement does not prejudice ongoing State actions aimed at holding natural and legal persons, national and foreign, criminally responsible for the illicit acts resulting in the contraction of undeclared debts and the issuance of guarantees, nor the right to return of State.
15. The impact of the agreement on the other parties to the case is still the subject of consideration in the London court whose trial begins today. We are monitoring the process to make other details public to ensure maximum transparency.