**DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

Approved by the Board of Directors on 20 November 2024[1]

MOROCCO

MARSA MAROC PORT MODERNISATION

[Redacted in line with the EBRD's Access to Information Policy]

[Information considered confidential has been removed from this document in accordance with the EBRD's Access to Information Policy (AIP). Such removed information is considered confidential because it falls under one of the provisions of Section III, paragraph 2 of the AIP]

1 As per section 1.4.8 of EBRD's Directive on Access to Information (2019), the Bank shall disclose Board reports for State Sector Projects within 30 calendar days of approval of the relevant Project by the Board of Directors. Confidential information has been removed from the Board report.

For the avoidance of any doubt, the information set out here was accurate as at the date of preparation of this document, prior to consideration and approval of the project.

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ABBREVIATIONS / CURRENCY CONVERSIONS

ANP	National Port Authority of Morocco or Agence Nationale des Ports
CapEx	Capital Expenditures
CMR	Caisse Marocaine des Retraites
CRO	Climate Resilient Outcome
D&A	Depreciation and Amortization
DSCR	Debt Service Coverage Ratio
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortisation
EFSD(+)	European Fund for Sustainable Development(+)
ESDD	Environmental & Social Due Diligence
GET	Green Economy Transition
IPO	Initial Public Offering
MDB(s)	Multilateral Development Bank(s)
MIIR	Municipal Infrastructure and Industrial Resilience
MSC	Mediterranean Shipping Company
MSCI	Morgan Stanley Capital International
RCAR	Régime Collectif D'allocation de Retraite
Ro-Ro	Roll on – Roll off
SMA	Société de Manutention d'Agadir
SODEP / Marsa Maroc	Société d'Exploitation des Ports operating under the trading name Marsa Maroc
TC	Technical Cooperation
TMPA	Tanger Med Port Authority
TMSA	Tanger Med Special Agency
PP&R	Procurement Policies & Rules
VAT	Value Added Tax
EUR/MAD	10.9445 (rate applied in the financial model)

PRESIDENT'S RECOMMENDATION

This recommendation and the attached Report regarding a transaction with Société d'Exploitation des Ports S.A. ("SODEP") operating under the trading name of Marsa Maroc S.A. (the "Company"), a limited company incorporated in the Kingdom of Morocco, are submitted for consideration by the Board of Directors.

The facility will consist of a senior unsecured loan to the Company in the amount of up to MAD 690 million (EUR 63.1 million equivalent).

The operation will enable the Company to expand operational capacity of its multipurpose terminals at the ports of Casablanca and Jorf Lasfar. The proceeds of the EBRD loan will be used to finance the infrastructure works to expand the handling capacity of the multipurpose terminals in Casablanca and Jorf Lasfar as well as the acquisition of cranes, including hybrid and electric rail cranes, which together will enable the expansion and operational optimization of these terminals.

The expected transition impact of the Project is primarily derived from the *Competitive* quality as well as from the *Green* quality. The Project promotes the Competitive quality by supporting the digital transformation of Marsa Maroc's operations to improve its operational efficiency. The *Green* quality is promoted by: (i) the acquisition and operation of more efficient electric rail cranes as well as the capacity expansion, which is expected to result in increased energy efficiency based on reduced GHG emissions per cargo handled; and (ii) the physical works on the Jorf Lasfar multipurpose terminal, which will integrate climate resilience measures into the quay design to reduce sensitivity to sea-level rise.

The Project is also Gender Additional as it includes specific actions to ensure the gender-responsiveness of the upskilling programme provided to employees as part of Marsa Maroc's digital transformation to facilitate women's participation and career progression in the sector.

The European Union ("EU") will provide first loss risk cover for the EBRD loan through its European Fund for Sustainable Development + ("EFSD+") under the Municipal Infrastructure and Industrial Resilience ("MIIR") guarantee programme. It also provided funding for TC assignments to support project preparation and is funding a comprehensive TC assignment to support Marsa Maroc's ongoing digital transformation.

I am satisfied that the operation is consistent with the Bank's Strategy for Morocco 2024-2029, Transport Sector Strategy 2019–2024, Green Economy Transition Approach 2021-2025, EBRD's Approach to Accelerating the Digital Transition 2021-2025, Promotion of Gender Equality 2021-2025, and with the Agreement Establishing the Bank.

I recommend that the Board approve the proposed loan substantially on the terms of the attached Report.

Odile Renaud-Basso

BOARD DECISION SHEET

MOROCCO – Marsa Maroc Port Modernisation – DTM 55313	
Transaction / Board Decision	Board approval[2] is sought for a senior unsecured loan of up to MAD 690 million (EUR 63.1 million equivalent) to SODEP SA operating under the trading name of Marsa Maroc SA (the "Company") to finance the infrastructure works to extend the handling capacity of the multipurpose terminals at the ports of Casablanca and Jorf Lasfar as well as the acquisition of cranes, including hybrid and electric rail cranes, which together will enable the expansion and operational optimization of these terminals.
Client	Marsa Maroc is the leading port operator in Morocco and operates terminals and quays in 10 ports in the country. The Group, including Marsa Maroc SA and its subsidiaries, is active in different segments (container, solid bulk, general cargo, liquid bulk, Ro-Ro, passengers), and offers goods services (onboard and quayside handling, warehousing, weighing, etc.) and ships services (skidding, stacking, loading/unloading trucks). Marsa Maroc SA is listed on the Casablanca Stock Exchange since July 2016 (market cap of MAD 31.2bn, c. EUR 2.9bn). [REDACTED].
Main Elements of the Proposal	Transition impact: ***Primary Competitive*** – The Project supports the digital transformation of Marsa Maroc's operations and improvement of the Company's operational efficiency, in line with the group's digitalisation strategy. ***Secondary Green*** – The acquisition and operation of more efficient electric rail cranes and capacity expansion of the multipurpose terminals at the ports of Casablanca and Jorf Lasfar are expected to result in increased energy efficiency based on reduced GHG emissions per cargo handled, while the physical works on the multipurpose terminal of Jorf Lasfar will integrate climate resilience measures into quay design to reduce sensitivity to sea-level rise. Additionality ***Risk mitigation –*** The proposed transaction helps the client take climate action and move along a low carbon transition pathway as the investments will result in positive environmental impact from increased energy efficiency based on reduced GHG emissions per cargo handled at the multipurpose terminal of Jorf Lasfar and improved climate resilience of the Jorf Lasfar multipurpose terminal. ***Standard-setting –*** [REDACTED] ***Knowledge, innovation, and capacity building*** – The TC assignment on digital transformation will be designed to ensure knowledge transfer to Marsa Maroc, such as through dedicated trainings, to facilitate sustainability of the support. ***Gender SMART*** – The project is Gender Additional through embedding provisions in the digitalisation TC to ensure the gender-responsiveness of the digital upskilling programme provided to employees. Sound banking – The Borrower has a strong position in a rapidly developing strategic sector, a solid portfolio of long-term concessions in Morocco's main ports, diversified revenue stream supporting the Group's resilience in times of crisis, stable profitability, a strong cash generation capacity. Furthermore, the EBRD loan will be supported by the EFSD+ MIIR Guarantee Programme to manage the large exposure to a new sub-sovereign client under an unsecured senior facility and share the overall transaction risk with the EU.
Key Risks	Key risks – ***Traffic Risk***: Due to the nature of its operations, Marsa Maroc's port activity is tied to national and/or international maritime transport services, with lower-than-expected domestic and international growth potentially having a negative impact on Marsa Maroc's traffic levels. Nonetheless, Marsa Maroc handles diversified types of traffic and its present in the main Moroccan commercial ports reduces the impact of such disruptions. Furthermore, the Company already demonstrated its resilience during the COVID-19 crisis. ***Demand Risk***: While Marsa Maroc's client portfolio is well diversified, there is a potential risk of reduced demand which could have an impact on Marsa Maroc's turnover. This risk is mitigated in the long-term by Marsa Maroc's service offering in line with the highest international standards and in the short-term by multiannual contracts. ***Construction Risk***: The Project involves expansion of existing port facilities and acquisition of equipment, with potential risk of cost overruns, completion delays and disruption of existing operations is present. However, Marsa Maroc has extensive experience and a strong track record in executing similar projects and can self-fund in case of any cost overrun occurs.
Strategic Fit Summary	The proposed Project is in line with the Bank's Strategy for Morocco 2024-2029, Transport Sector Strategy 2019–2024, Green Economy Transition Approach 2021-2025, EBRD's Approach to Accelerating the Digital Transition 2021-2025, Promotion of Gender Equality 2021-2025, and with the Agreement Establishing the Bank.

[2] Article 27 of the AEB provides the basis for this decision.

ADDITIONAL SUMMARY TERMS FACTSHEET

EBRD Transaction	Senior unsecured loan of up to MAD 690 million (EUR 63.1 million equivalent) to SODEP SA operating under the trading name of Marsa Maroc SA (the "Company") to finance the infrastructure works to extend the handling capacity of the multipurpose terminals at the ports of Casablanca and Jorf Lasfar (respectively quay deepening and quay extension) as well as the acquisition of cranes, including hybrid and electric rail cranes, which together will enable expansion and operational optimisation of these two terminals.
Existing Exposure	No existing exposure.
Maturity / Repayment	[REDACTED]
Potential AMI eligible financing	*None.*
Use of Proceeds – Description	The proceeds of the Bank's investment will be used for the deepening of the multipurpose quay operated by Marsa Maroc at the Port of Casablanca, the extension of the multipurpose quay operated by Marsa Maroc at the Port of Jorf Lasfar, as well as the acquisition of three cranes, including a hybrid crane for the operation at the multipurpose terminal at the Port of Casablanca and 2 electric rail cranes at the multipurpose terminal at the Port of Jorf Lasfar. [REDACTED]
Investment Plan	[REDACTED]
Financing Plan	[REDACTED]
Key Parties Involved	*Borrower:* Marsa Maroc SA *Guarantor of first-losses under EBRD's loan:* European Commission
Conditions to disbursement	Execution and delivery of the Loan Agreement [REDACTED]
Key Covenants	[REDACTED]
Security / Guarantees	None
Other material agreements	TC Grant Agreement
Associated Donor Funded TC and Blended Concessional Finance	**A. Technical Cooperation (TC)** <u>*Pre-signing*</u> *Environmental & Social Due Diligence ("ESDD")* required for the Project preparation [REDACTED] *Legal Project Preparation Support* required for the Project preparation [REDACTED] <u>*Post-signing:*</u> *Digitalisation of the multipurpose terminal at the Port of Casablanca* to provide a comprehensive support to Marsa Maroc to facilitate its existing digitisation efforts, with a specific focus on the digital transformation of its multipurpose terminal at the Port of Casablanca to achieve operational efficiency and increase customer satisfaction. The TC assignment will include dedicated activities to ensure the digital upskilling of employees, including women. It will include a gender-responsive design and delivery of trainings and promote women's access to digital skills, contributing to their career growth. The estimated budget is EUR 750,000 to be funded by EFSD TA funds. <u>*Client contribution*</u> The ESDD TC assignment will be non-reimbursable TC required to support the Project preparation. [REDACTED]If required, the Client will be responsible for paying VAT or other indirect taxes related to the post-signing TC assignment. **B. Blended Concessional Finance** The EBRD loan will benefit from an EU EFSD+ Guarantee for a gross cover [REDACTED].

[REDACTED]

INVESTMENT PROPOSAL SUMMARY

1. STRATEGIC FIT AND KEY ISSUES

1.1 STRATEGIC CONTEXT

Morocco's maritime transport is at the core of the country's economic development with more than 95% of trade made through seaports. Dominated by manufactured goods, Morocco's international trade grew considerably in the recent years, with the European Union remaining Morocco's main trading partner (54.7% of total trade in 2023 compared to 49.5% in 2022). With more than 15 commercial ports integrated into global shipping networks[3], Morocco's maritime transport sector plays not only an important national role but is also becoming increasingly an international hub for the trade with the EU and Africa. In recognition of the strategic importance of the sector to the national economy, the Government of Morocco developed and adopted the "National Port Strategy 2030", which aims at promoting port consolidation to better align the management and organization of Moroccan ports with international standards, while at the same time integrating the regional territorial variation. This governmental guideline aims at increasing the maritime traffic by 50% to reach 300 million tons by 2030 and total ports capacity by 30% to 390 million tons.

Marsa Maroc, a multi-trade port operator, and the national leader in port operations in Morocco, with a significant presence in all the Kingdom's commercial ports, is playing an important part in the implementation of this national strategy. In 2023, the Company adopted a new strategic plan in response to the trends affecting the port sector: demand driven by the increasing size of ships, requiring port infrastructure to be upgraded, the concentration of shipowners, and the reshuffling of supply chains. This new vision is based on six pillars: (1) Strengthening the competitiveness of port business and acquiring new concessions in Morocco; (2) Integrating the logistics and maritime value chain in Morocco; (3) Integrating sustainability as a driver of competitiveness and development; (4) Improving agility, operational performance and enhancing digitalization and innovation; (5) Developing an expertise offering in port and logistics activities; and (6) Internationalizing Marsa Maroc's business (particularly in Africa).

The proposed EBRD investment will support the implementation of this strategy by enabling the expansion and operational optimization of two major facilities, namely the multipurpose terminals at the ports of Casablanca and Jorf Lasfar. In addition to the physical investment to expand capacity of those two multipurpose terminals, the EBRD loan will also support Marsa Maroc's ongoing digitalisation efforts supported by a comprehensive TC assignment. This TC will support Marsa Maroc in its digital transformation programme launched in 2023, by focusing on improvement of the Casablanca multipurpose terminal operations through the introduction of cutting-edge digital solutions to streamline truck flows, collect real-time traffic data and optimize operational processes. The TC support will include a digital upskilling programme for employees with dedicated actions to ensure the gender-responsiveness of the trainings provided. The implementation of the envisaged digital transformation at the Casablanca multipurpose terminal will have a strong demonstrational effect and could be rolled out to other ports operated by Marsa Maroc.

[3] Morocco Logistics & Freight Transport Report by BMI

The Project is in line with the Bank's overall support for the sector in Morocco, including a EUR 300m sovereign guaranteed loan to Société Nador West Med to develop the new Nador West Med Port, as well as EUR 40m senior loan to the Moroccan port authority Agence Nationale des Ports ("ANP") to enhance climate resilience of several of its ports along Morocco's Atlantic coastline.

The proposed transaction is consistent with the Bank's Strategy for Morocco 2024-2029, Transport Sector Strategy 2019–2024, Green Economy Transition Approach 2021-2025, EBRD's Approach to Accelerating the Digital Transition 2021-2025, Promotion of Gender Equality 2021-2025, and with the Agreement Establishing the Bank.

1.2 TRANSITION IMPACT

Primary Quality: Competitive

Obj. No.	Objective	Details
1.1	*The project supports smart infrastructure management that enables moderate cost efficiency improvements (i.e., minimum 5% reduction of the cost per unit of infrastructure) that will be benchmarked and monitored.*	As noted above, in addition to the physical investment, the Project supports Marsa Maroc's digitisation efforts, building on the digital transformation programme adopted by Marsa Maroc in 2023. A transformation TC assignment will focus on the digital transformation of Marsa Maroc's multipurpose terminal at the port of Casablanca such as through design, development, and implementation of cutting-edge digital solutions to streamline truck flows, collect real-time traffic data, process automations, customer tailored services, etc. The implementation of the digital roadmap at Marsa Maroc's multipurpose terminal at the Port of Casablanca is expected to enable [REDACTED] cost reduction per unit, with the Consultant engaged under the dedicated TC assignment to independently assess and report on the cost reduction target.

Secondary Quality: Green

Obj. No.	Objective	Details
2.1	*The percentage of EBRD use of proceeds that supports a green economy transition and therefore qualifies as GET finance is 15% or higher.*	The investment results in positive environmental impact, with the overall GET share of the Project estimated at 20%. Specifically, the procurement and operation of the electric rail cranes operated by Marsa Maroc for Jorf Lasfar multipurpose terminal are expected to result in increased energy efficiency relative to the handling equipment currently in use. The additional cranes, combined with the expanded handling capacity of the Jorf Lasfar multipurpose terminal following the physical works, will reduce the waiting and processing times of vessels at berth and at anchorage and, thereby, result in a reduction of Scope 3 emissions per tonne of cargo handled. With these, the Project is estimated to decrease GHG emissions per tonne of cargo handled by approximately 37% at Jorf Lasfar multipurpose terminal. Furthermore, the design of the Jorf Lasfar multipurpose terminal quay, benefitting from the proposed investment, will integrate climate resilient measures to reduce sensitivity to sea-level rise.

Delivery risks: The transition delivery risk pertains to the Client's capacity to implement the Project and the digitalisation TC assignment. The risk related to physical implementation of the Project is mitigated by the Client's successful experience in operating 10 ports, a capable management team, selection of a contractor and a supplier with demonstrated track record in relation to the awarded work and supply contracts and is reinforced by the Client's need to implement and achieve operational improvements to maintain its leading position in a competitive environment. The risk related to the digitalisation TC assignment are mitigated by the Client's existing efforts on digitalisation and commitment to digital transformation to increase its operational efficiency.

Digital Approach: The Project is aligned to the Adaptation area of intervention outlined in the EBRD Approach to Accelerating the Digital Transition 2021-2025. The digital components of the Project are expected to be in support of the Competitive Transition Quality as outlined above.

1.3 ADDITIONALITY

Identified triggers	**Description**
No triggers identified.	n/a

Additionality sources	**Description of additionality sources**
Standard-setting: helping projects and clients achieve higher standards Client seeks/makes use of EBRD expertise on higher financial standards, including through financial covenants	Marsa Maroc SA currently does not have financial debt.Marsa Maroc SA currently does not have financial debt. [REDACTED].
Risk mitigation EBRD helps the client to mitigate **carbon transition risks** and take climate action, such as to move along a low carbon transition pathway.	The investment supports the Client's climate mitigation efforts based on increased energy efficiency of the new electric cranes compared to equipment currently in use, and, more importantly, on the emission reductions associated with reduced waiting times for vessels at berth and at anchorage thanks to the expansion of the multipurpose terminals and the additional electric cranes (reduction in Scope 3 emissions per tonne of cargo handled). At the same time, the investment also supports the Client's climate adaptation efforts as (i) the design of the Jorf Lasfar multipurpose terminal quay will integrate climate resilient measures to reduce sensitivity to sea-level rise [REDACTED].
Knowledge, innovation, and capacity building EBRD provides expertise, innovation, knowledge and/or capabilities that are material to the timely realisation of the project's objectives, including support to strengthen the capacity of the client.	The Project includes a comprehensive TC assignment to support the Client's digitalisation transformation to improve operational agility and efficiency, such as through introduction of cutting-edge digital solutions to streamline truck flows, collect real-time traffic data and optimize operational processes. The TC assignment will include knowledge transfer measures, such as through dedicated trainings to ensure the sustainability of the support.
Standard-setting: Gender SMART Client seeks/makes use of EBRD expertise on gender-responsive digital upskilling trainings and equal opportunities action plans	The Kingdom of Morocco faces a significant gender digital divide, with women being largely underrepresented in digital jobs. To support Marsa Maroc's strategic objectives and address the broader needs of the port sector, the Project will prioritise promoting gender equality and enhancing women's access to economic opportunities within the digital transformation process. Recognising the vital role that gender diversity plays in driving innovation and operational excellence, this initiative will embed gender-responsive practices throughout the design and implementation of the digital upskilling programme. By

	addressing barriers to technology adoption and providing targeted leadership upskilling for women, the project aims to strengthen women's participation in the port sector, contributing to Marsa Maroc's long-term growth and competitiveness while setting a benchmark for gender equality within the industry.

1.4 SOUND BANKING – KEY RISKS

Risks	**Probability / Effect**	**Comments**
Traffic Risk	Low / Medium	The port activity is closely tied to national and international maritime transport services. Maritime transport represents more than 95% of Moroccan trade, with volumes exceeding 112 million tons in 2023 (excl. transshipment), mainly driven by imports (60%), exports (30%) and domestic shipping/bunkering (10%). With a 29% market share in 2023 (in volume), the Company's growth is closely tied to the Moroccan economy. According to the Bank's macroeconomic base case scenario, Morocco's GDP growth rate is expected to reach 3.0% during the 2024-2034 period. A lower-than-expected growth of the Moroccan economy, of the economies of partner countries and/or generally speaking of the global economy could have a negative impact on the traffic levels, and consequently, on the growth of the Company [REDACTED]. Nevertheless, the diversified types of traffic handled by Marsa Maroc and its presence in the main commercial ports reduce the impact of such a disruption. Moreover, Marsa Maroc has demonstrated resilience during the COVID-19 crisis, with limited impact on the company's financials [REDACTED].
Demand Risk	Medium / Low	The Company's client portfolio is well diversified [REDACTED]. However, there could be a significant financial impact on the turnover and results of Marsa Maroc [REDACTED]. To mitigate this risk, Marsa Maroc uses on the one hand operational performance to offer services that are in line with the highest international standards, and on the other hand, contractualization on multiannual periods [REDACTED] to maintain a partnership dynamic with the maritime companies.
Construction Risk	Medium / Medium	The project involves the expansion of existing port facilities (multipurpose terminals at Casablanca and Jorf Lasfar ports) and the acquisition of equipment (cranes). Risks of cost overruns, completion delays and disruption of existing operations is present. However, Marsa Maroc has significant experience and a strong track record in executing similar projects. Furthermore, the extension of Marsa Maroc's multipurpose terminal at the Port of Jorf Lasfar and the works contract at Casablanca multipurpose terminal were respectively awarded to [REDACTED] contractors with demonstrated track records and experience. In addition, given Marsa Maroc's strong cash position, contingencies could be self-funded by the Group in case any cost overruns.
Management Risk	Low / Low	Marsa Maroc has an experienced senior management team, with strong knowledge of the port industry. The management team has a solid track record in delivering results. Furthermore, the Company has a strong corporate governance framework that includes a well-structured board of directors, management committees (audit and risk, investment, governance), clear policies and procedures, and robust risk management and compliance frameworks.
Financial Risk	Low / Low	On a standalone basis, Marsa Maroc SA has strong financials, with stable EBITDA margin, strong profitability, and no leverage. On the consolidated level, the Group also demonstrates strong financial robustness.
Regulatory risk	Low / Medium	Marsa Maroc and its subsidiaries operate in a regulated environment, under the supervision of port authorities. Marsa Maroc's activities may be impacted by potential legal or regulatory reforms. [REDACTED]
FX risk	Low / Low	Marsa Maroc SA has a very limited exposure to FX risk [REDACTED].

2. MEASURING / MONITORING SUCCESS

Primary Quality: Competitive

Obj. No.	Monitoring indicator	Details	Baseline	Target	Due date
1.1	New or updated technology introduced [Donor TC]	Digital transformation at the multipurpose terminal at the Port of Casablanca is implemented through the dedicated TC assignment.	[REDACTED]	[REDACTED]	[REDACTED]
1.2	Operational performance of the client: cost savings [Donor TC]	The implementation of the digital roadmap at Marsa Maroc's multipurpose terminal at the Port of Casablanca will enable [REDACTED] cost reduction per unit, with the Consultant engaged under the dedicated TC assignment to independently assess and report on the cost reduction target.	[REDACTED]	[REDACTED]	[REDACTED]
1.3	Improved quality of infrastructure within regions	The Project will extend the handling capacity of the two multipurpose terminals at the ports of Casablanca and Jorf Lasfar with the overall traffic expected to increase [REDACTED].	[REDACTED]	[REDACTED]	[REDACTED]

Secondary Quality: Green

Obj. No.	*Monitoring indicator*	*Details*	*Baseline*	*Target*	*Due date*
2.1	New or updated GET technology or product leading to energy efficiency introduced	Increased energy efficiency of the Jorf Lasfar multipurpose terminal following (i) the acquisition and operation of more efficient electric rail cranes and (ii) the capacity expansion of the Jorf Lasfar multipurpose terminal. The indicator is to be assessed following the completion of the physical implementation.	[REDACTED]	[REDACTED]	[REDACTED]
2.2	CO2e emissions reduced (tonnes/year)	Volume of goods handled at Jorf Lasfar multipurpose terminal is expected to increase [REDACTED] to deliver 7.6kt in estimated CO2 savings.	0	7,600 tonnes/year	[REDACTED]

Additional Indicators

Indicator type	Monitoring indicator	Details	Baseline	Target	Due date
Advisory & Policy Indicators	Tailored training programme developed and implemented [Donor TC]	As part of the digital transformation TC, a dedicated gender expert will support the Client in ensuring the gender-responsiveness of the digital upskilling programme provided to employees. The expert will specifically support the development of dedicated sessions that address potential barriers women might face when adopting the new technologies introduced. The programme will also explore leadership training opportunities for women employees to equip them for managing digitalisation initiatives and leading operational changes. At least 12% of programme participants will be women.	[REDACTED]	[REDACTED]	[REDACTED]

3. KEY PARTIES

3.1 BORROWER

Marsa Maroc was established in November 2006 following the reform of the port sector, after the split of the former port authority ODEP into a commercial operator (SODEP, operating under the trading name of Marsa Maroc since 2007) and the port authority Agence Nationale des Ports ("ANP"), an existing client of the Bank under ANP Client Resilience.

Marsa Maroc is publicly listed on the Casablanca Stock Exchange since 2016 with a current market capitalisation of c. MAD 31.2bn[4], c. EUR 2.9bn. In 2021, the State sold 35% of Marsa Maroc's equity to Tanger Med Special Agency ("TMSA"). As of today, Marsa Maroc's shares are owned 35% by TMSA, 25% by the State, c. 10% by 3 institutional investors, with the remaining 30% a free float. While the Client is indirectly majority state owned, Marsa Maroc is a public limited company ("*Société anonyme*") operating under the legal framework for private sector companies, using its own procurement rules, and is run on independent commercial lines, with financial and operational autonomy. Please see Annex 1 for the shareholding structure.

At present, Marsa Maroc Group operates 24 terminals across 10 ports along Morocco's coast within the framework of concession contracts with port authorities. The Company is primarily involved in maritime port operations and logistics services, which include handling goods, providing services to ships, and other related activities. The Group benefits from a low risk

[4] https://www.marsamaroc.co.ma/en/stock-prices

profile with exposure to a diversified traffic and a concessions portfolio with a long average duration. Please see Annex 2 for an overview of the Company.

4. MARKET CONTEXT

Morocco's strategic geographical location at the crossroads of major international maritime routes, linking Europe, Africa, and the Middle East—makes its port and logistics sector crucial to the national economy. Morocco has a diversified economy, with key sectors including agriculture, phosphates, manufacturing and tourism. Its main trading partners are the European Union (54.7% of total trade in 2023 compared to 49.5% in 2022). The Moroccan ports sector successfully weathered the COVID-related supply chain disruptions, attesting to the resilience of the overall sector. The sector is expected to experience further expand in the coming years from growing trade interactions with the Country's trade partners in Africa and the EU[5] and is expected to see further investment as part of the National Port Strategy 2030, which aims to further expand and modernize the Moroccan ports sector with a broader objective of positioning Morocco as a logistics hub in the region[6]. Morocco's port infrastructure is well developed, with 15 commercial ports that are integrated into global shipping networks[7].The Moroccan ports collectively handled around 209 million[8] tons of goods in 2023, strengthening the regional and global standing of the country's leading ports.

Several key players contribute to the Moroccan port and logistics sector, including regulatory bodies and private operators. ANP, an existing Client of the Bank under ANP Client Resilience, is the national port authority in charge of all Moroccan ports (except the special zone of Tanger-Med and the new port of Nador West Med). Other notable players include TMSA, a fully state-owned company, holding 35% of Marsa Maroc SA through its subsidiary Tanger Med Dev. TMSA is an operator and developer of port, logistics and industrial platforms, notably responsible for the management of the Tanger Med Port Complex, the leading port in the Mediterranean and Africa, through Tanger Med Port Authority ("TMPA"), which acts as the Conceding Authority for concessions in the port. In terms of the main port operators, Marsa Maroc is the leading local operator, operating alongside international players such as APM Terminals, DB Schenker, Eurogate, CMA CGM, and Mediterranean Shipping Company (MSC). For the container terminal concessions, transhipment tariffs are not regulated, as these are set by competition on the international market, but for import/export traffic, maximum tariffs are agreed in the concession contracts, with escalation for inflation.

5. FINANCIAL ANALYSIS

5.1 Financial Analysis and Projections
[REDACTED]
5.2 Sensitivity Analysis
[REDACTED]
5.3 Projected Profitability for the Bank
[REDACTED]

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[5] Morocco Logistics & Freight Transport Report by BMI
[6] Port Strategy (anp.org.ma)
[7] Morocco Logistics & Freight Transport Report by BMI
[8] https://www.equipement.gov.ma/ports/Actualites/Pages/Actualites.aspx?IdNews=3965

6. OTHER KEY CONSIDERATIONS

6.1 ENVIRONMENT

Categorised B (ESP 2019). Key impacts associated with medium size capacity extension and deepening of quays within operational ports at Casablanca and Jorf Lasfar in Morocco, are site-specific and readily addressed through mitigation measures and a targeted action plan. Independent Environmental and Social Due Diligence ("ESDD") has been undertaken and included a joint site visit with ESD and review of the Client's environmental and social capacity and management system. The results of the ESDD and suggested mitigation measures will feed the EIA required by the authorities for the project in Casablanca port, which will be prepared and approved before the start of the corresponding works.

Outcomes of the ESDD demonstrated that the Client has the capacity to undertake the Project in line with EBRD Performance Requirements ("PRs"). Marsa Maroc has comprehensive E&S procedures in place, including ISO-certified Environmental, Health & Safety and Quality Management systems, and implement adequate labour policy and procedures, including worker grievance mechanism and Code of Conduct for suppliers. Such systems will be cascaded to the project as applicable, and construction stage management plans will be developed by the Contractor and cascaded as appropriate to sub-contractors. The Client will be required to develop a monitoring framework of the contractor's performance, including relevant trainings, to ensure appropriate cascading of the procedures to the workforce and compliance with PR2 and PR4. Overall, the Project will require a limited number of workers, and no temporary accommodation will be required. The Project includes small dredging activities in both ports. While not required under national legislation, environmental analysis to verify any contamination of the sediments are required under the Environmental and Social Action Plan ("ESAP"), and appropriate waste management plan will be developed to ensure safe offshore disposal or reuse of the materials. Environmental monitoring program against international standards will be implemented to monitor air and sea water quality in the vicinity of the project during construction and will be extended to both general terminal operations as applicable for operational stage. To address the H&S risks related to increased capacity, the Client will develop traffic management plans on both terminals. Occupational H&S procedures will also have to be developed for new cranes and operating vehicles on site. Continuity plans will be prepared to mitigate any disruption of operation during the construction work; this includes safety measures for workers and fisherman in the vicinity of each project's area. ESDD has confirmed that fishermen' activity will not be affected by the Project and PR 5 is hence not triggered.

Both subprojects are brownfield and located in the port terminals, in the modified coastal waters. Potential biodiversity risks are related to short term impacts from suspended solids during dredging works. Dredging material sampling analysis included under the ESAP will allow for verification if material doesn't cause risks to marine ecosystems at potential offshore disposal site. Monitoring of benthic fauna will be developed on a precautionary basis and then extended to operations. [REDACTED].

The company already has a comprehensive E&S public annual reporting, and monitoring data for this project will be included in the reports as applicable. An ESAP has been developed and will be agreed with the Client prior to the Board approval. The Bank will closely monitor implementation of the Project through E&S reporting from Client monitoring visits to the Project, if necessary.

6.2 INTEGRITY

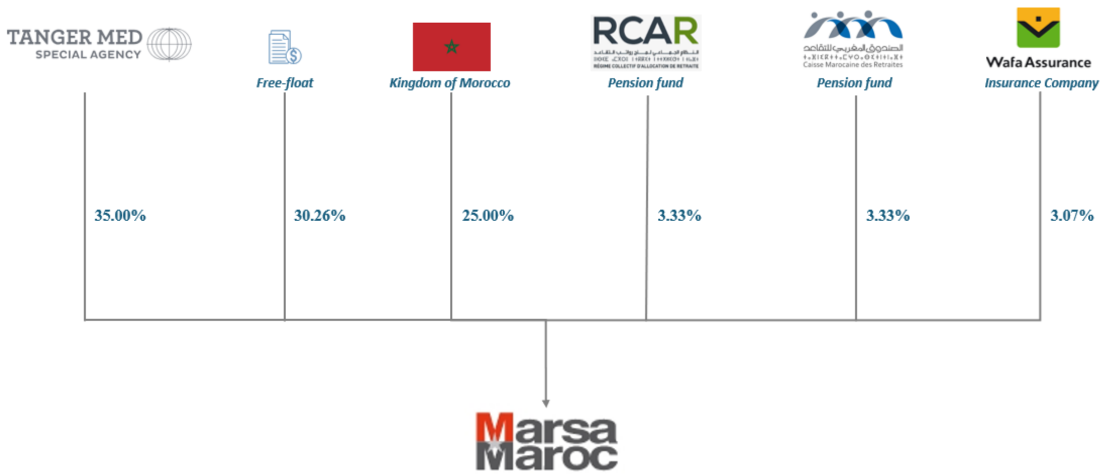
In conjunction with OCCO, integrity (including sanctions) due diligence was undertaken on Marsa Maroc, its shareholders, senior management, subsidiaries, and other relevant parties. [REDACTED]All actions required by applicable EBRD procedures relevant to the prevention of money laundering, terrorist financing and other integrity issues have been taken with respect to the Project, and the Project files contain the integrity checklists and other required documentation which have been properly and accurately completed to proceed with the Project.

6.3 OTHER ISSUES

Concessional Finance – The financing package benefits from a first-loss cover for the EBRD loan under the EFSD+ MIIR Guarantee Programme [REDACTED]. The Guarantee will help the Bank manage a consequent unsecured exposure to a new sub-sovereign client and share the overall transaction risk with the EU, reflecting the excellent alignment of the Project with the shared objectives of the Bank and the EU under the EFSD+ MIIR Guarantee. It will also support the delivery of a highly visible project to improve competitiveness and capacity of the Moroccan port sector. While the pre-signing technical assignments, funded by EFSD TA grant funds, help to ensure successful project preparation and structuring, the post signing technical assignment, also funded by EFSD TA grant funds, will support the Client’s ongoing digital transformation to improve its operational efficiency.

ANNEXES TO OPERATION REPORT

ANNEX 1 – Shareholding Structure

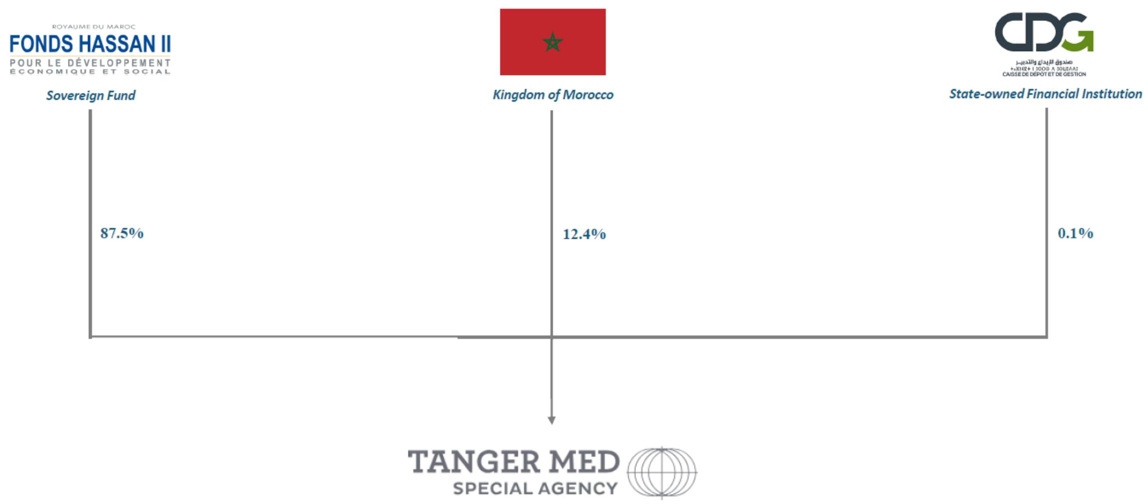


Marsa Maroc is publicly listed on the Casablanca Stock Exchange since 2016 with a current market capitalisation of c. MAD 31.2bn[9], c. EUR 2.9bn. At present, Marsa Maroc's shares are owned 35.00% by TMSA through Tanger Med Dev (100% subsidiary of TMSA), 25.00% by the State, 9.74% by 3 institutional investors, with the remaining 30.26% a free float.

The pool of 3 investors include:

- 3.07% by Wafa Insurance
- 3.33% by Caisse Marocaine des Retraites (CMR)
- 3.33% by Regime Collectif D'allocation de Retraite (RCAR)

TMSA shareholders

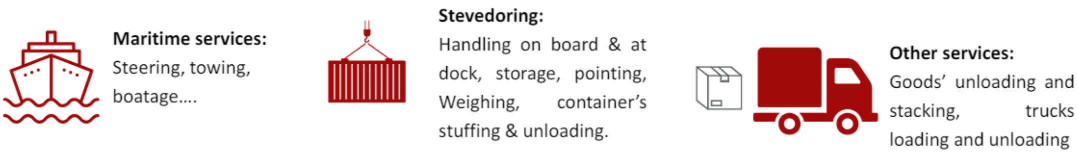


TMSA also owns 17% of Nador West Med, an existing client of the Bank under Nador West Med Port. However, Nador West Med Port is a sovereign guaranteed transaction and, as such, the Bank has is no existing exposure to TMSA, as a MOP, through Nador West Med.

9 https://www.marsamaroc.co.ma/en/stock-prices

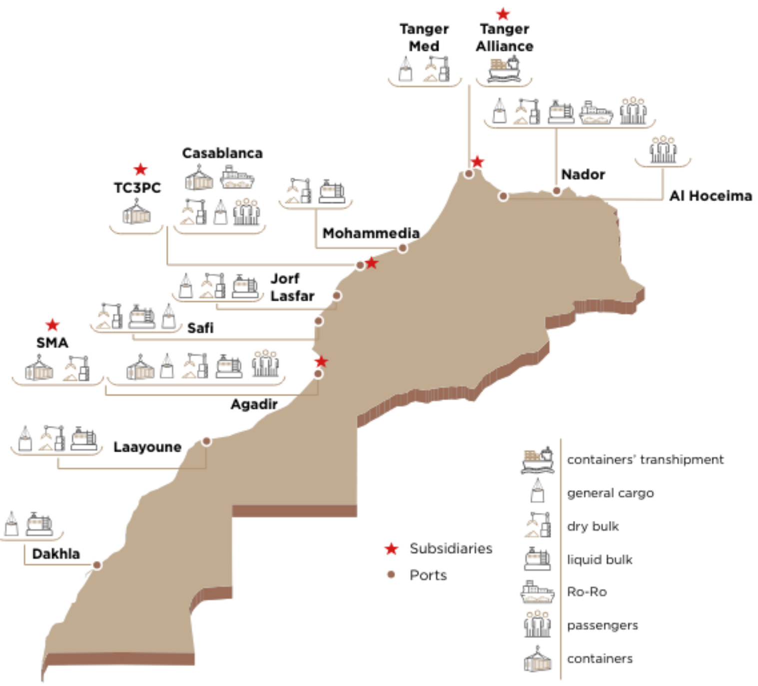
ANNEX 2 – Overview of Marsa Maroc

Marsa Maroc's business model evolves around 3 main activities as described below:



Stevedoring represents the majority of Marsa Maroc's activity, constituting 82% of its revenues in 2023 compared to 5% for maritime services and 13% for other services.

Marsa Maroc Group operates in the 10 main Moroccan ports, either directly or through subsidiaries, which makes it a multi-specialty port operator, handling different types of traffic:



Marsa Maroc SA operates directly in 9 ports and through the below dedicated subsidiaries .

- **TC3PC** (100% owned by Marsa Maroc), operating Containers Terminal 3 at Casablanca port.
- **SMA**, (100% owned by Marsa Maroc): in charge of managing the North Terminal at the port of Agadir. This subsidiary was previously co-owned by Marsa Maroc (51%)

and SOMATIME, MANUSOUSS and INTERNAVI, Marsa Maroc then increased its participation to 100% in 2024.

- **Tanger Alliance**, JV between Marsa Maroc (50% plus one share), and Contship Italia, Eurogate International and Hapag Lloyd, operating the container terminal 3 at the port of Tanger Med 2, commissioned in 2021.

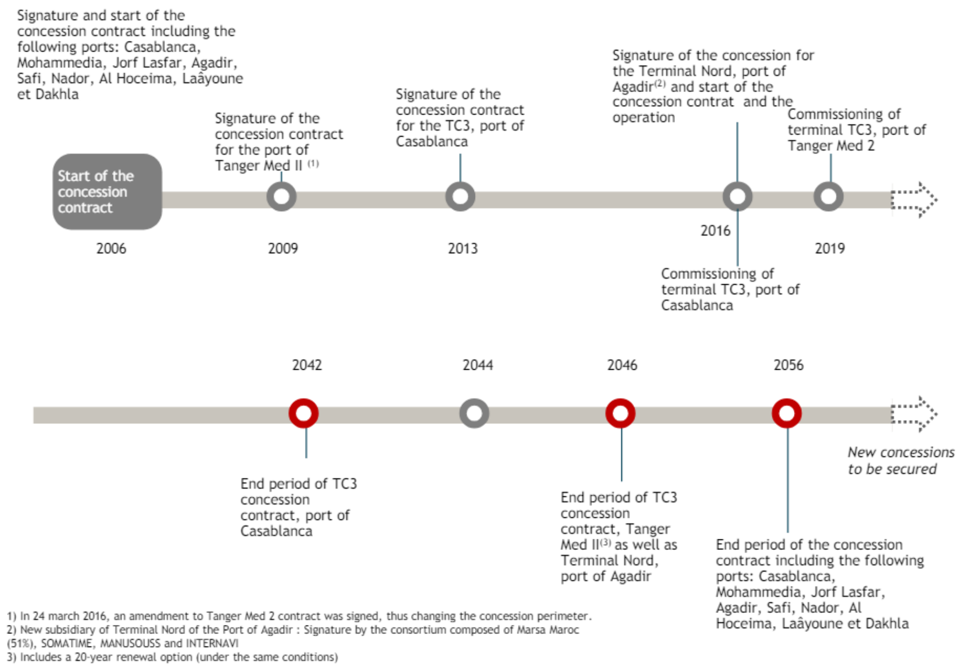
In addition to above three subsidiaries, Marsa Maroc SA also has minority investment in MANUJORF (25.00%, fully provisioned); NIHAM (25%, fully provisioned), and PortNet (5.3%).

In 2024, Marsa Maroc signed a concession agreement for Nador West Med Eastern Container Terminal. [REDACTED].

In 2024, Marsa Maroc has been also selected to support Benin Manutentions SA for the commissioning and management of Terminals 1 and 5 at the Port of Cotonou, Benin. The delegated management agreement was signed in September 2024. Bénin Manutentions S.A is a SPV created in the context of a public-private partnership set up to carry out handling operations at Terminals 1 and 5 in the Port of Cotonou. Its capital is held by the Beninese state, represented by the Caisse de Dépôt et des Consignations du Bénin, and private Beninese investors.

Overview of Marsa Maroc's concessional agreements

Below is the timeline of Marsa Maroc's concessional agreements.



[REDACTED]

ANNEX 3 – Green Assessments

SUMMARY

- The Project provides loan financing to support the capacity expansion of Marsa Maroc's multipurpose terminals at the ports of Jorf Lasfar and Casablanca. Specifically, EBRD use of proceeds will finance the acquisition of additional cranes (hybrid and electric), support works to extend the multipurpose terminal quay at the port of Jorf Lasfar, and deepen the multipurpose terminal quay at the port of Casablanca. Together, the additional equipment and the enhanced quays will allow for the expansion and operational optimization of these multipurpose terminals.
- The Project is determined **aligned with both mitigation and adaptation goals of the Paris Agreement.**
- The Project is attributed 20% **GET.**
- [REDACTED].

PARIS ALIGNMENT ASSESSMENT

Alignment with the mitigation goals of Paris Agreement – General screening

The project is determined as aligned with the mitigation goals of the Paris Agreement based on the application of the Bank's Paris alignment approach for direct finance.

- The projects activity is <u>included</u> in the 'MDBs' aligned list' under the category "Port Infrastructure"
- There are <u>no</u> activities included in the 'non-aligned list'.
- Applicable additional or specific conditions associated with the 'aligned' project/economic activity have been met.

The project's economic feasibility is not dependent upon fossil fuels, and therefore meets the accompanying conditions of the MDB universally aligned list:

The multipurpose terminal that is being extended at the Jorf Lasfar port currently handles coal and petcoke for industrial purposes [REDACTED]. However, the driver of growth underpinning the EBRD financed project likely relies on other market segments, including fertiliser products and sulphur, the share of which is forecast to increase over the coming decade. This is in contrast to petcoke and coal, the share of which is anticipated decline over time, based on market information collected by the Bank:

- The coal handled at the multipurpose terminal Jorf Lasfar is for sugar production process. [REDACTED]

- The petcoke handled at the multipurpose terminal Jorf Lasfar is for cement production. The Moroccan cement industry and relevant Government bodies, in collaboration with the EBRD, recently developed a sectoral low-carbon pathway (LCP). The LCP identifies petcoke and its substitution with alternative energy carriers (biomass, refuse derived fuels) as the measure with the single largest decarbonisation potential for the cement industry. Accordingly, the Moroccan Government has committed to supply its cement industry with increased levels of alternative energy sources such that industry can meet the ambitious decarbonisation targets set out under the country's NDC (cement industry to reduce emissions by 37%-51% by 2050 compared to BAU; emission reduction from the industrial sector overall to account for 1/3 of the country's total emission reductions). It is anticipated that the cement industry corporations sourcing their petcoke supply through the Jorf Lasfar multipurpose terminal will follow a decarbonisation trajectory in line with the low-carbon pathway agreed for Morocco's wider cement industry.

With coal and petcoke handling volumes anticipated to decrease over the coming years, increases in handling volume from other business segments would still underpin the economic justification for the capacity expansions at multipurpose terminal Jorf Lasfar. Therefore, it is considered that the Project meets the MDB universally aligned accompanying conditions.

Alignment with the adaptation goals of Paris Agreement

The project is determined as aligned with the adaptation goals of the Paris Agreement as it satisfies all three steps of the assessment. All material physical climate risks have been addressed: for Jorf Lasfar multipurpose terminal, design elements will be integrated into the extension of the quay to make sure the structure is resilient to sea-level rise expected under relevant climate scenarios. [REDACTED].

GET ATTRIBUTION
The Project is attributed 20% GET.

GET Mitigation attribution:
The Project is attributed a 14% GET mitigation share. The GET mitigation attribution is based on increased energy efficiency of the newly acquired port cranes relative to equipment currently in use. These uses of proceeds are GET eligible according to category 9.5 – "New or replacement energy efficiency appliances or equipment" of the MDB Joint Methodology list.

Specifically, the project includes the following GET eligible components:
- *Two electric cranes deployed at Jorf Lasfar multipurpose terminal*: relative to existing cranes in use, the new electrified cranes have higher levels of energy efficiency, which translates into GHG emission reductions compared to a counterfactual scenario where the terminal was extended based on existing technology.

The expected climate mitigation impacts of the project are:
- *Decrease in emission intensity per tonne of cargo handled*: thanks to more energy efficient cranes and the extension of the Jorf Lasfar multipurpose terminal, the emissions per tonne of cargo handled are estimated to decrease by 37.2 percentage points for Jorf Lasfar.

GET Adaptation attribution:
The Project is attributed a 7% GET adaptation share. The attribution is based on (i) the integration of climate resilient measures into the design of the Jorf Lasfar multipurpose terminal quay, and (ii) a climate resilient outcome (CRO) calculated as being in excess of 10% of total project value.

At Jorf Lasfar multipurpose terminal, the design documentation for the extension of the quay integrates sea-level rise projections under relevant climate scenarios up to the year 2100. Therefore, climate data will inform the design of relevant design features of the quay, such as an adjusted height of the capping beam. This will help mitigate negative impacts and damage associated with sea-level rise and coastal flooding.

Under the current GET adaptation finance tracking approach, climate adaptation measures designed to increase the climate resilience of a project component itself are classified as "adapted" and are recognised through a 10% GET adaptation activity share. [REDACTED]. Weighted by the share of the Jorf Lasfar project components relative to total project finance, the project GET adaptation attribution is 7%. [REDACTED].

ANNEX 4 – Transition Impact Scoring Chart

Score for primary transition quality	Score for secondary transition quality
Quality: Competitive	Quality: Green
Component: Overall	Component: Mitigation
Quality average score: 65.0	**Quality average score: 60.0**
↓	↓
ATQ adjustment	**ATQ adjustment**
Country: Morocco	Country: Morocco
ATQ adjustment: Overall: 2.8%	ATQ adjustment: Mitigation: 0.0%
Adjusted Quality score: 66.8	**Adjusted Quality score:** 60.0

↓ ↓

Weighted TI score
Base TI score (ATQ-adjusted): 65.1
↓
Adjustment for Country Strategies
Adjustment: 2.0% – Strategic project alignment
CS **Adjusted score:** 66.4
↓
Local currency / Equity uplift
5.0% uplift
↓
Final TI score
Final TI score: 70

ANNEX 5 – Project Implementation

Procurement classification – *Private*

Marsa Maroc S.A. is directly and indirectly majority owned by state. Notwithstanding its public listing, Marsa Maroc is run under private law regime, subject to bankruptcy law, with staff governed by labour legislation and listed on Casablanca Stock Exchange since 2016.

The project is classified as private for procurement purposes. The private classification has been made on the basis that Marsa Maroc S.A meets the requirements of Article 3.3 of the Bank's Procurement Policies and Rules ("PP&R") which states that, in agreement with the Bank, the procurement by Utilities, agencies or enterprises, which are majority owned or controlled by national or local governments in a country of operation, shall be subject to the procurement rules for a Private Sector Operation as set out in Section III, Article 4, if the Bank determines that such Utilities, agencies or enterprises: (a) are not required to apply national procurement laws; (b) follow sound procurement policies and practices; and (c) operate competitively, meaning they (i) operate autonomously in a competitive market environment and (ii) are subject to bankruptcy and insolvency laws. The Bank's due diligence has determined that these conditions are met in full.

Marsa Maroc S.A's procurement procedures and processes have been reviewed by the Bank and found to be in line with the Bank requirements for private sector operations. In this regard the Bank has reviewed the "*Règlement des Achats de Marsa Maroc*", February 2023 and the set of newly released "*Référentiel Général des Achats*" set of documents issued in May 2024, gathering the "*Règlement des Achats*", the "*Conditions Administratives Générales (CAG) applicables aux marchés de travaux et de fournitures*" and the "*Conditions Administratives Générales (CAG) applicables aux marchés de* services" and is satisfied that the rules do ensure a sound selection of goods, works and services. Marsa Maroc S.A is ISO 20400 (sustainable procurement) certified based on its sustainable procurement approach.

Marsa Maroc's procurement procedures have been determined to be consistent with Article 4: Procurement Rules for a Private Sector Operation of the Bank's PPR. The loan proceeds will be used to finance the following components; i) the deepening of the multipurpose quay operated by Marsa Maroc at the Port of Casablanca, ii) the extension of the multipurpose quay operated by Marsa Maroc at the Port of Jorf Lasfar, iii) a hybrid crane for the operation at the Port of Casablanca multipurpose terminal and iv) up to 2 electric rail cranes at the Port of Jorf Lasfar multipurpose terminal. The contracts for components i), ii) and iii) have been awarded in accordance with the aforementioned procurement rules. All contracts were tendered through open tender single stage procedure, published on Marsa Maroc website which is well known and visited by specific contractors and suppliers. The TD were prepared by Marsa Maroc but in some cases, Marsa Maroc may also hire Consultants to prepare the feasibility studies and technical requirements, designs etc. The tenders were international with 42 days for tender preparation with extension granted upon request among other clarification requests. The submissions were gathering three envelopes (administrative, technical, financial) which is the default procedure in Morocco. All submission were submitted electronically and kept by the system until the deadline for submission where the opening minutes was sent to all tenderers. Some clarifications have been requested during the evaluation stage. The Evaluation committee gathered members from the Procurement, Sector and Financial departments. Some clarification can be asked at the evaluation stage provided that the Tenderer does not modify its submission. All communication shall be made using Marsa Marco Portal. Likewise, the award was communicated by the Portal.

In addition to the above, for Jorf Lasfar contract, Marsa received two clarification requests, organized a site visit attended by one tenderer only and extended the time for tenders' preparation as per clarification request. Marsa received one offer only that was evaluated compliant. c [REDACTED].

For Casablanca contract Marsa Maroc received 28 clarification requests, plus 6 requests for time extension and three tenderers participated to the site visit. The contract is FIDIC Silver Book, alternative offers were accepted. The three offers were received, and one was considered not compliant. The tenderer whose offer was rejected did not ask for a debriefing. [REDACTED].

The crane contract was a compliance based on the specifications detailed by the Client. Two clarification requests were submitted with one request for time extension. Two tenderers submitted offers. [REDACTED].

An external consultant, recruited by the Bank, has verified that the price of the three awarded contracts and confirmed that the costs associated with these components represent fair market prices and value for money.

Based on discussion, the Bank is satisfied that Marsa Maroc S.A will apply appropriate procurement arrangements which ensure a sound selection of goods, works and services at fair market prices and achieve value for money for the contracts not yet tendered to be financed under the Bank proceeds. An external consultant has verified that the estimated costs associated with these components represent fair market prices and value for money. [REDACTED]