



Agence Nationale des Ports - ANP

SUMMARY OF THE PRELIMINARY PROSPECTUS

ISSUANCE OF A BOND LOAN

Total Amount of Issue: MAD 500,000,000

Subscription reserved for qualified investors under Moroccan and foreign Law, subject to obtaining the final visa from the AMMC

Advisory Body and Global Coordinator



Preliminary visa of the AMMC

In accordance with the provisions of AMMC circular, in application of article 14 of Dahir promulgating law n° 1-93-212 of 21 september 1993, as amended and completed, the original copy of this preliminary Prospectus has been approved by the AMMC on 30th August, 2017 under the reference n° VI/EM/024/2017/P.

DISCLAIMER

The *Autorité Marocaine du Marché des Capitaux* (AMMC) has approved a preliminary Prospectus, dated 30th August, 2017, and relating to the issuance of bond of a maximum amount of MAD 500,000,000 by the *Agence Nationale des Ports* (ANP).

The summary of the preliminary Prospectus approved by the AMMC is available at any time at the headquarters of the ANP and with its financial advisor.

The note is also made available to the public on the AMMC website www.ammc.ma.

I. PRESENTATION OF THE OPERATION

I.1. FRAMEWORK OF THE OPERATION

After acknowledging the need for additional financing, the ANP Board of Directors has authorized on 21st December 2015 one or more bonds loans to be issued in one or several tranches, up to a maximum of five hundred million (500,000,000) dirhams, and decided to limit the bond issue (s) to the subscriptions received during the issue or the several issues.

The Board shall fully empower the Chief Executive Officer to issue the bond(s) on such dates as she shall deem appropriate, to set all the terms and conditions of the bond(s) loan up to a total amount of five hundred million (500,000,000) dirhams and to take all necessary decisions and actions during issuances procedures; all within the framework of the applicable legal and regulatory provisions.

Following the above mentioned authorization and delegation, the Board of Directors has given to the Chief Executive Officer to prepare the information documents, to represent the ANP with a view to requesting authorizations and visas from the competent authorities and carry out all the formalities required by law and necessary for the issue of one or more tranches.

Accordingly, The Direction des Entreprises Publiques et de la Privatisation (DEPP) authorized the ANP to raise the said loan in a letter dated 09 February 2016, in order to meet a real need for cash and allow settlement of accounts payable.

I.2. OBJECTIVES OF THE BOND ISSUE

As a Port Authority, the ANP watches over the establishment and sustainability of a constant drive to transform port platforms into an efficient and competitive logistics core. This objective implies the setting up by the ANP of a whole program aimed at :

- the development and promotion of port facilities ;
- the police, safety and security in ports ;
- regulating activities and port operators ;
- training to ensure the constant upgrading and qualification of human resources in the national port sector.

The achievement of this objective requires the strengthening of the Agency's financial capacity to allow it to pursue its action and to align its choices with the guidelines laid down by the Government, particularly those related to the development strategy for the port sector by 2030 and its development ambitions.

In that context, the ANP plans to carry out an investment program arising from the strategic planning cycle 2017-2021, amounting to MAD 6 billion (VAT inclusive), including major investment projects whose implementation remains dependent on the mobilization as a result of both internal and external financing.

The ANP intends to diversify its sources of financing by opting for a bond issue in order to take advantage of the current bond market situation characterized by low interest rates and the abundance of liquidity among the main institutional investors of the market and therefore :

- benefit from favorable leverage on the return on equity;
- optimize the cost of debt by leveraging lower interest rates;
- strengthen the balance sheet by complementing long-term debt;
- limit exposure to currency risk by strengthening its debt share in dirhams ;
- position itself as a regular issue on the Bond Market.

I.3. SUMMARY TABLE OF THE TO-BE-ACQUIRED ASSETS

The 2017-2021 investment program concerns both infrastructures and equipments, and it amounts to 6 MMAD over the period considered.

The financial resources for this investment program shall be a combination of self-financing and external financing – as for the bond loan.

Main projects	Total Project Cost (in MMAD)	Project Financing
Realization of a multipurpose terminal at the commercial port of Agadir	350	Debt-financed
Construction of a new community building	300	Auto-financed
Harboring and deepening works on the outer access channel of Jorf Lasfar port	220	Auto-financed
Development of the Dry Harbor of Zenata	200	Auto-financed
Reinforcement works for the protection structures of the Port of Nador	170	Debt-financed
Extension of the embankment at the entrance to the port of Asilah	150	Auto-financed
Connection works for the maritime component of the road connection of the port of Casablanca	150	Debt-financed
Strengthening of the main wharf of the port of Safi	120	Auto-financed
Servicing of the New Shipyard Area at the Port of Casablanca	110	Auto-financed
Strengthening works for the protective dikes (laying and blocks building) at the port of Casablanca	100	Auto-financed
Extension of the northern access (Various network and VRD) to the port of Casablanca	100	Auto-financed
Improvement of protection structures at the port of Agadir	100	Debt-financed
Other projects	3 920	-

II. ISSUER INFORMATION

II.1. OVERALL PRESENTATION

The ANP is a public institution with legal entity and financial autonomy. The seat of the Agency shall be determined by regulatory procedure.

The Agency is subject to the supervision of the State, entrusted as per the port law to ensure the mission of:

- (i) development and maintenance of port infrastructures;
- (ii) safety and security in ports;
- (iii) regulation of activities and operators in those ports and;
- (iv) promotion of Moroccan ports.

The Agency shall be subject to the financial control of the State applicable to public establishments in accordance with the legislation in force.

Company name	Agence Nationale des Ports
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Head Office	300, Subdivision Mandarona, Sidi Maarouf, 2027 Casablanca
Phone	(212) 5 20 12 13 14 (212) 5 22 78 61 02
Website	www.anp.org.ma
Law of Creation	Law n°15-02 relating to the ports and concerning the creation of the Agence Nationale des Ports
Legal Form	Public Institution with legal form and a financial autonomy
Date of Constitution	1 December 2006 (effective start date as an Entity)*
Lifetime	Unlimited unless dissolved by law
Fiscal Year	From January 1 to December 31
Endowment (31/07/2017)	Fund MAD 912 046 315
Consultation of Legal Documents	The legal documents of the ANP, in particular the regulatory and legal texts establishing the ANP and the reports of the independent auditors, can be consulted at the headquarters of the ANP
Missions	<p>In accordance with Law n° 15-02 relating to ports and relating to the creation of the <i>Agence Nationale des Ports</i>, the purpose of the Agency is « to exercise its powers over all the ports of the Kingdom with the exception of the port located in the <i>Tanger Méditerranée</i> area », as defined in section 32 of the said Law.</p> <p>The missions of the Agence Nationale des Ports are defined by article 33 of the Law n° 15-02 and are as follows:</p> <ul style="list-style-type: none"> • to ensure the development, maintenance and modernization of ports to deal with ships and goods passing through ports, under the best management, cost, deadlines and safety conditions; • to ensure optimization of the use of the port tool by improving the competitiveness of ports, simplifying procedures and methods of organization and operation; • to ensure the respect of the free competition in exploiting the port activities; • to establish the list of activities to be carried out and the number of authorizations and concessions to be granted in each port, as well as prepare and implement the procedures for granting such authorizations and concessions and monitor compliance with these authorizations and concessions terms and their corresponding specifications; • to supervise the application of the provisions of this law and of the texts adopted for its application; • to ensure compliance with port safety, harbor operation and management rules as provided for by applicable laws and regulations; • to ensure the management of a port as defined by article 8 of law n° 15-02. <p>In addition, the <i>Agence Nationale des Ports</i> shall carry out any port activity which, under the conditions laid down in Articles 12 and 17 of Law n° 15-02, has not been entrusted to a dealer or a licensee in any given port.</p> <p>The Agency may also be entrusted by the State or by legal persons governed by public law with the delegated project management to carry out, in their name and on their behalf, new port infrastructures or major repairs to these infrastructures, under the conditions laid down by an Agreement specifying in particular the purpose of the Agency's mission and its scope, as well as the share of financing by each of the parties to the said</p>

<p>Legislative and Regulatory Texts</p>	<p>Agreement.</p> <p>The Agency is a public and legal entity with a financial autonomy.</p> <p>The ANP is subject to the following laws and regulations:</p> <ul style="list-style-type: none"> ▪ Law n° 15-02 on ports, establishing the ANP and the SODEP; ▪ Law n° 20-10 modifying and supplementing Law n° 15-02 relating to the ports and creating the ANP and the SODEP. <p>The ANP is subject to the following regulations:</p> <ul style="list-style-type: none"> ▪ Dahir n° 1-59-043 of 12 Kaada 1880 (28 April, 1961) relating to the Commercial Seaports Policy. ▪ Dahir of 7 Chaabane 1332 (July 1st, 1914) on the Public Domain in the area of the French Protectorate of the Cherifian Empire. ▪ Dahir of 24 Safar 1337 (30 November, 1918) relating to the temporary occupations of the Public Domain. ▪ Dahir n° 1-95-1 of 24 Chaabane 1415 (January 26, 1995), promulgating Law 19-94 relating to Free Zones. ▪ Decree n° 2-07-1029 on the delimitation of the access bay and channel of the ports; ▪ Decree n° 2-7-263 taken as the application of articles 5, 7, 9 and 60 of Law n° 15-02; ▪ Decree n° 2-06 383 taken as the application of articles 43, 44, 45, 47 and 56 of Law n° 15-02; ▪ Decree n° 2-06-614 taken as the application of sections 31 and 35 of Law n° 15-02; ▪ Decree n° 2-15-304 laying down the working hours for public administrations and public institutions operating in the port as well as port operators. ▪ Any and all regulations relating to the protection and improvement of the environment. <p>By virtue of its detention by the State, the agency is subject to Law n° 69-00 on State financial control of public companies and other public bodies promulgated by Dahir of 18 December 2003 N°1-03-195</p> <ul style="list-style-type: none"> ▪ ANP is subject to all the legal and regulatory provisions concerning the operation in particular: ▪ Law 43-12 on the Moroccan Capital Markets Authority; ▪ General regulation of the Moroccan Capital Markets Authority as approved by the Order of the Ministry of Finance and Economy n°2169-16 of the 14 July 2016; ▪ Circular of the Moroccan Capital Markets Authority (AMMC) as completed and amended ▪ Dahir constituting law n°1-93-212 of 21 September 1993 as amended and supplemented; ▪ Dahir n°1-96-246 of 9 January 1997 enacting law n°35-96 on the creation of a central custodian and institution of a general regime for registering some securities into the account (amended and supplemented by law n°43-02) ; ▪ General regulation of the central custodian approved by the decree of the Ministry of the Economy and Finance n°932-98 of 16 April 1998 and amended by the decree of Ministry of the Economy, Finance, Privatization and Toursim n°1961-01 of 30 October 2001 and decreen° 77-05 of 17 March 2005.
<p>Tax Benefits Granted to ANP and to its Subsidiaries</p>	<p>None</p>
<p>Competent Court in Case of Disputes</p>	<p>Various competent jurisdictions accepted in Morocco, such as the Court of Casablanca</p>

* Law 15-02 stipulates in its article 64 that the provisions of the said law, including the one relating to the creation of the ANP, enter into force as from the date of transfer of the assets from the former Office of Exploitation of Ports. Pursant to the same provisions, the date of transfer must take place no later than one year after the date of the official publication of this law, namely 15/12/2005 (Official Bulletin n° 5378). The start of the activity of the ANP is 01/12/2006

Source: ANP

II.2. INFORMATION ON THE ANP'S ENDOWMENT FUND

The endowment funds 'allocations' or provisions correspond to the contributions made by the State to the ANP for the reinforcement of its own funds, as of 31st july 2017:

Year	Operation	Yearly Allocation	Cumul. Allocation
2006	Creation of the ANP	108 056 315	108 056 315
2007	-	-	108 056 315
2008	-	-	108 056 315
2009	-	-	108 056 315
2010	-	-	108 056 315
2011	-	-	108 056 315
2012	-	-	108 056 315
2013	-	-	108 056 315
2014	-	-	108 056 315
2015	First tranche of the State's contribution to the financing of projects Wessal Casablanca Port	240 000 000	348 056 315
2016	Second tranche of the State's contribution to the financing of projects Wessal Casablanca Port	319 060 000	667 116 315
2017	Third tranche of the State's contribution to the financing of projects Wessal Casablanca Port	244 930 000	912 046 315

Source: ANP

In 2006, the Moroccan government granted an annual allocation of 108 MMAD, thus constituting the ANP's initial capital, which is governed by Articles 44, 45 and 46 of Law n° 15-02 which stipulate, mainly, that:

- The share capital, called *Endowment Fund*, is fully subscribed by the State;
- The share capital, owned entirely by the State, may include all assets, investments and availabilities (bank accounts, postal-checks center, Kingdom's General Treasury) as referred to in Article 43 of Law n° 15-02 and falling within the Agency's tasks;
- In-kind contributions to the capital of the agency are not subject to a report by the shares auditor;
- The Agency's initial assets, transferred by the State, may include all assets, investments and availabilities (bank accounts, postal-checks center, Kingdom's General Treasury) such as referred to in Article 43 of Law n° 15-02 and falling within the Agency's tasks;
- The share capital and the assets are constituted at the latest one year after the publication of Law n° 15-02 in the « *Bulletin Officiel* » (Official Journal), that is in December 2005.

Pursuant to articles 44 and 46, the ANP was the addressee of a set of movable and immovable property to the nature of its business; in exchange, the value of these fixed assets corresponds to the amount of the ANP's allocations fund. It should be noted that no contribution by the State was made in cash.

Between 2007 and 2014, the Agency did not get any allocation from the State.

In 2015, the State paid the equivalent of MAD 240 million corresponding to first tranche of the State's contribution to the financing of the investment projects in the Wessal Casablanca Port program.

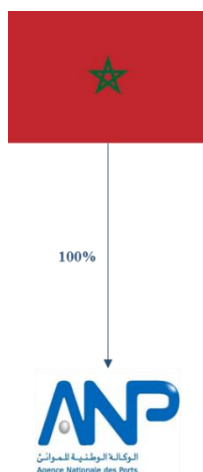
In 2016, the State paid the equivalent of 319 million dirhams corresponding to the second tranche of the State's contribution to the financing of the investment projects in the Wessal Casablanca Port program. In 2017, the State paid a grant of 244.9 million dirhams corresponding to the third tranche of the State's contribution to the financing of investment projects included in the Wessal Casablanca Port program. Also, another request to the Endowment Fund of 246 million dirhams is in the process of being released to the ANP for the same year.

The total amount of the State's contribution to the Wessal Casablanca project is of MMAD 1,050. The Endowment Fund is funded according to the nature of the projects supported by the ANP.

II.3. LEGAL STATUS OF THE ANP

The ANP's endowments fund is fully owned by the Moroccan State as illustrated below:

The state's participation in the ANP as of 31/07/2017



Source: ANP

II.4. BOARD OF DIRECTORS

The Agency is administered by a Board of Directors and is managed by a Director. Pursuant to Article 35 of the Port Law the Board of Directors includes, in addition to its Chairman:

- a) Representatives of the Administration
- b) The President of the Federation of Chambers of Commerce, Industry and Services, or its representative
- c) The President of the Federation of Chambers of Agriculture, or its representative
- d) The President of the Federation of Chambers of Marine Fisheries, or its representative
- e) The Chairman of the most representative group of companies in Morocco
- f) Four persons chosen from both the public and private sectors for their technical, legal, economic and professional expertise in the port area
- g) Two representatives from the most representative trade union organizations of the Agency's employees, in accordance with the provisions of paragraph 2 of Article 425 of Law n° 65-99 on the Labor Code.

The members referred to under (f) and (g) above shall be appointed by the Prime Minister for a three-year term, renewable only once.

The membership of the Board of Directors, with respect to the members referred to under (f) above, is incompatible with any personal interest in relation to the public domain.

Pursuant to article 3 of Decree 2-06-214, in addition to the members referred to under b, c, d, e, f and g of article 35 of the aforementioned Law 15-02, the Board of Directors of the ANP is completed by the following members:

- The Minister in charge of ports;
- The Secretary General of the Ports Department;
- Two representatives of the port department, including the Director of ports and public maritime domain;
- Two representatives of the Finance Department, including the Director of Customs and Indirect Taxes (or Excise);
- Two representatives of the Transport Department, including the Director of Merchant Marine;
- A representative of the Department of the Interior;
- A representative of the Department of Agriculture;
- A representative of the Department responsible for Maritime Fisheries;
- A representative of the Department of Trade and Industry;
- A representative of the Department of Health;
- A representative of the Department of the Environment;
- A representative of the Department of Energy.

The ministerial departments that are members of the Agency's Board of Directors are represented by their General Secretaries or by Central Directors.

The members referred to in articles 35 (b), (c) and (d) of the aforementioned Law n° 15-02 shall participate personally or be represented by the Vice-Presidents of their federations.

The Chairman of the Board of Directors may invite any person to participate in meetings of the Board of Directors if he considers such participation as useful.

The composition of the Agency's Board of Directors is as follows:

Members	Title	Role
M. Abdelkader AMARA	Ministry of Equipment, Transport and Logistics and Water	Chairman of the Board of Directors
Mr Khalid CHERKAOU	Secretary General P.I of the Ministry of Equipment, Transport and Logistics	Member
Mr Lahcen AIT BRAHIM	Directorate of Ports and Maritime Public Domain (Director)	Member
Mr Brahim BAAMAL	Directorate of Road Transport and Safety	Member
Mr Amane FETHALLAH	Merchant Marine Directorate (Director)	Member
Mr Adil BAJJA	Ministry for the Economy and Finance	Member
Mr Lhassane HALLOU	Directorate of Customs and Indirect Taxes (Director)	Member
Mr Khalid ELYACOUBI	Ministry of Interior	Member
Mrs Zakia DRIOUICH	Ministry of Agriculture and Maritime Fisheries / Department of Maritime Fisheries (Secretary General of the Ministry of Maritime Fisheries)	Member
Mr Hamid BENKARI	Ministry of Agriculture and Fisheries/ Department of Agriculture	Member

Mr Mohamed SOULAIMANI	Ministry of Energy, Mines and Environment/ Department of Energy and Mines (Director)	Member
Mrs Khaoula LAGRINI	Ministry of Energy, Mines and Environment/ Department of the Environment (Coastal Officer)	Member
Mr Younes TAZI	Moroccan Agency for Logistics Development	Member
Mrs Nawal RAGRAG	Ministry of Health	Member
Mr Ahmed IMZEL	Ministry of Equipment, Transport and Logistics and Water supply – Directorate of Technical Affairs and Relations with the Profession.	Member
Mr Mohamed TALAL	General Confederation of Moroccan Companies	Member
Mr OUMOULOUD	Federation of Chambers of Maritime Fishing	Member
Mr Mohamed OUFKIR	ANP Staff's Representative	Member

Source: ANP

It should be noted that this list of Board members can change according to the persons being mandated by their respective Entities to take part in the meetings of the Board. The persons on this list are those who attended the last ANP Board of Directors Meeting, held on June 19, 2017.

II.5. AUDIT COMMITTEE

The composition of the audit committee is as follows:

Members	Title	Role	Start date	Meeting frequency
Mr Adil BAJJA	Head of the division of infrastructure (Ministry for the Economy and Finance)	Chairman of the committee	27-June-2012	2 times a year
Mrs Soumia LBOUKILI	Contrôleur d'Etat de l'ANP	Member		
Mr Abdeljebar LQADEY	Ministry of the interior (Head of Economic Animation Department)	Member		
Mr Issam ABRAGH	Ministry of Trade, Industry, Investment and Digital Economy (Framework)	Member		
Mr Hicham LASFAR	Ministry of Equipment, Transport and Logistics Head of the division of Evaluation and Management control	Member		
Mr Abdellatif LHOUAOUI	ANP/Chief Financial Officer	Committee's secretariat		

Source: ANP

II.6. INVESTMENT COMMITTEE

The composition of the investment committee is as follows:

Members	Title	Role	Start date	Meeting frequency
Mr Khalid CHERKAOUI	Secretary General P.I of the Ministry of Equipment, Transport and Logistics	Chairman of the committee	27-june-2012	2 times a year

Mr Adil BAJJA	Head of the division of infrastructure (Ministry for the Economy and Finance)	Member
Mr Issam ABRAGH	Ministry of Trade, Industry, Investment and Digital Economy (Framework)	Member
Mr Lahcen AIT BRAHIM	Directorate of Ports and Maritime Public Domain (Director)	Member
Mrs Khaoula LAGRINI	Ministry of Energy, Mines and Environment/ Department of the Environment (Coastal Officer)	Member
Mr Sghir ELFILALI	ANP/Director of the Strategy and Regulation Division	Committee's secretariat

Source: ANP

II.7. MANAGEMENT BODIES

As of 31 July 2017, the main Executives at the ANP are :

Name	Role	In the Role Since
Mrs Nadia LARAKI	General Manager	Aug-10
Mr Abdellatif LHOUAOUI	Chief Finance Officer	oct-12
Mr Sghrir EL FILALI	Strategy and Regulation Director	janv-15
Mr Mohammed YOUSFI	Chief Technical Officer	Feb-15
Mr Mustapha RACHAMI	Legal Director	janv-12
Mr Saïd HASSANI	Director of the Cooperation Mission	May-15
Mr Taoufik ELKHADMI	Director of the Portuary Training Institute	Mar-15
Mr Abdelhakim JENNANE	Human Resources Manager	May-16
Mr Tarik MAAOUNI	Chief Organisation and Information Officer	sept-11
Mr M'Hamed ATMANI	Director of the Portuary Police and Regulation	mars-12
Mr Abdeslam ZERYOUH	Regional Director of the Port of Casablanca	sept-09
Mr Mohamed HASSOU	Director of the Port of Tan-Tan	Aug-15
Mr Lahoucine MEKAOUI	Director of the Port of Mohammedia	janv-15
Mr Anouar HARRAK	Regional Director South Atlantic and Director of the port of Agadir	sept-11
Mr Abdellah BOUTAT	Head of the Port of El Hoceima Division	janv-15
Mr Abdelhakim DHEM	Regional Director of the Detroit and Director of the port of Tangier	janv-11

Source: ANP

In accordance with Article 39 "the Director of the Agency shall be appointed as provided for in Article 30 of Law n° 15-02. He/she shall have all the powers and attributions necessary to manage the Agency:

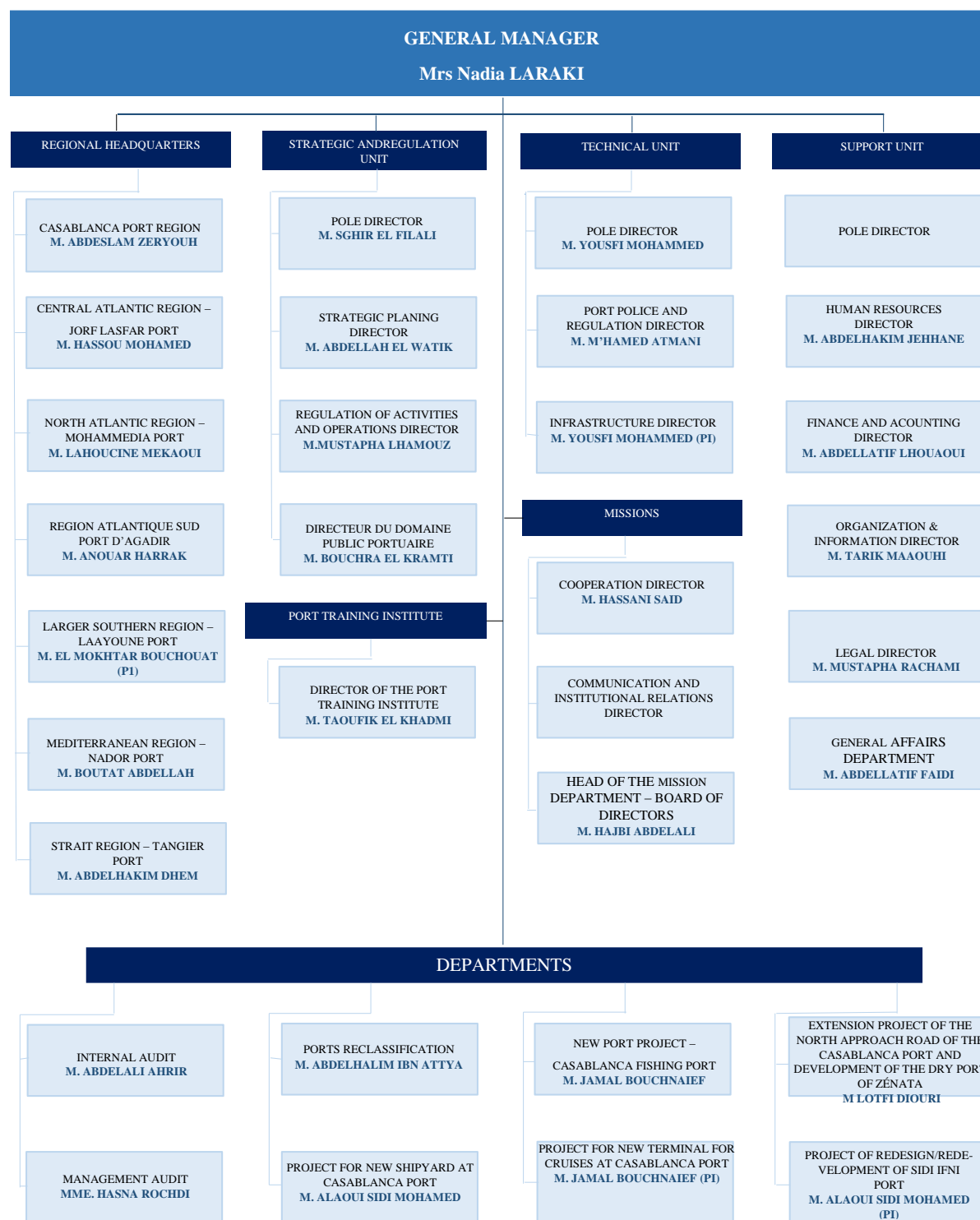
- He/she executes the decisions of the Board of Directors ;
- He/she shall resolve the matters for which it has received delegation from the Board of Directors ;
- He/she attends meetings of the Board of Directors in an advisory capacity and acts as rapporteur ;
- He/she shall manage all the services of the Agency and coordinates their activities ;
- He/she concludes the management concession agreements and port operations ;

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- He/she issues port authorizations and temporary port authorizations for the port domain ;
 - He/she represents the Agency *vis-à-vis* the State, any public or private administration and any third party ;
 - He/she represents the Agency during legal proceedings and may take legal action to defend the interests of the Agency, but must notify the Chairman of the Board of Directors upfront ;
 - He/she may, under his/her responsibility, delegate some of his/her powers and attributions to the Agency's management team".

The ANP has a procedure for such appointments which is dated 02 October 2013 and is inspired by the Circular of the Head of Government n° 7/13 of 29 October 2013 relating to the appointment of leadership positions for Public Institutions. Furthermore, the agency is subject to the Organic Law No. 02-12 relating to the appointment to superior functions by enforcing the provisions of articles 49 and 92 of the Constitution, promulgated by dahir No. 1-12-20 dated 27 chaabane 1433 (July 17th, 2012)

II.8. ORGANIZATIONAL CHART

The Agency's chart, as of end of June 2017, is as follows :



Source: ANP

II.9. ACTIVITY OF THE ANP

II.9.1. Presentation of the ANP missions

a. Port Authority

The Port Authority mission is vested in the Agence Nationale des Ports pursuant to Article 33 of Law 15-02; the Agency exerts this function through administrative structures in each port.

The Port Authority mission includes:

- Harbor management and port policy enforcement;
- Regulation of activities and operators;
- Monitoring compliance with the safety and operating rules laid down by the legislation and regulations in force;
- Optimization of the use of the port infrastructure through improving the competitiveness of ports, simplifying procedures and methods of organization and operation.

The Captaincies are in charge of supervising the national regulations (Port Police) and international regulations (international conventions such as *SOLAS*, *MARPOL*, *IMG Code*, *ISPS Code* ...) and the port's operational conditions, in particular:

- Navigation in the port and its landings, regulation of port traffic;
- Planning, scheduling and monitoring of ship calls;
- Handling of hazardous goods, parking and transit policy, as well as the Port Markup Font;
- Co-ordination of ships security and port facilities in accordance with the provisions of the ISPS Code;
- Protection of the environment and conservation of the public domain, harbour structures, infrastructures, superstructures and facilities;
- Optimization of port operations and use of infrastructures, superstructures and port facilities;
- The safety of works, equipment, goods, people in the port.

b. Port Regulation

The regulation of the port sector is at the heart of the missions entrusted to the Agence Nationale des Ports as per Law n° 15-02. In its role as a Regulatory Authority, it ensures compliance with the provisions of this law, the proper functioning of the sector and works towards creating conditions that are conducive to the competitiveness of the port sector for the benefit of Moroccan foreign trade.

Port regulation is both a strategic and an operational mission. Its strategic component consists of identifying the plans for concessioning port structures, optimizing the number of operators and adapting the offer to the port demand. The operational component concerns complying with commitments made by port stakeholders.

The ANP's regulator role entails, among other things:

- Defining requirements, granting authorizations and concessions for the exercise of any port activity;
- Ensuring the commitments of port stakeholders are being honoured;
- Monitoring the respect of the free competition in the operation of port activities;
- Setting and monitoring compliance with public tariffs limits;
- Monitoring the continuity and quality of public service in ports;
- Developing port operating regulations and monitoring of their compliance;
- Monitoring the implementation of the provisions of Law 15-02.

The National Agency of Ports seeks to preserve and develop the conditions favoring the competitiveness of the port sector through several levers, in particular:

- A systematic Specifications procedure for all port activities;
- Development of frameworks for the exercise of port activities, distinguishing between port activities subject to the concession system, those subject to the authorization scheme and those relating to the occupations and management of the public port domain;
- The compliance of port operators' situation with the provisions of Law 15-02;
- The opening to competition for all commercial port activities;

- The setting of the public price caps authorized in ports for all the services and services linked to port transit;
- Monitoring compliance with conditions of fair competition and preventing unfair competitive practices;
- Systematic calls for tenders for the granting of concessions and/or authorizations.

c. Port Sector Development

The Agence Nationale des Ports ensures the development, maintenance and modernization of ports to allow ships and goods to transit through ports under the best conditions of management, costs, delays and safety; the material (hardware) investments, the skills reinforcement of all the personnel of the community and the smart use of New Information and Communication Technologies play a decisive role thereby.

In an effort to optimize the competitiveness of the national economy in general and that of ports in particular, the Agency is working to improve the quality of services, the security of port operations, as well as the reduction of transit and logistics costs through:

- The preservation and upgrading of port heritage;
- Increasing port supply capacity and improving productivity;
- Reconverting certain ports and their integration into their environment;
- Facilitating foreign trade procedures and professionalisation of the port community.

d. Security, Safety and Environment

The ANP has integrated safety, security and sustainable development into its strategic and operational objectives. It reconciles environmental protection, economic development and social progress by stimulating the collective responsibility of ports. In its role as a port authority, it develops and implements the regulations and arrangements that are necessary to ensure the transit of goods and passengers in optimal safety and security conditions.

II.9.2. Pricing Policy

Pricing is one of ANP's main levers in regularizing and promoting foreign trade business. The rates are set by the Agency's Board of Directors.

By virtue of the provisions of Law 15-02, in particular article 36, the ANP sets the port tariffs for all port services. The implementation of this mission led the ANP to adopt a pricing policy based on the simplification of tariff lever, its competitiveness and modernization in order to take account of changes in maritime transport conditions and the terms of sea route shipments' conditioning.

As such, the ANP establishes its tariffs on the basis of a Tariff Schedule presenting the public tariff ceilings which pay for:

- Maintenance
- Services rendered to the goods
- Storage
- Ad Valorem tariff
- Port dues on goods and passengers
- Port fees on ships
- Services rendered to ships

Since 2007 a whole process has been initiated by the ANP for the modernization of the port pricing and its alignment with international standards. Thanks to this process carried out in consultation with the

stakeholders of the Eco-Port system, the Public Ceiling tariffs authorized for the services rendered to the various terminals of the Port of Casablanca were revised and fixed by a new edition of the Tariff Schedule.

The new tariffs introduced a comprehensive overhaul of the current tariff system and a simplification of tariff provisions through the abolition of over-time tariffs. Also the new tariff system consists of:

- Implementation of unified rates 24/24
- The abolition of the application of over-time tariffs
- The abolition of the maintenance fee surcharge during the third shifts, on Sundays and public holidays
- The abolition of supplementary packages paid by users in return for the provision of handling equipment outside normal working shifts.

Following the entry into force of Decree n° 2-15-304 of 27 Joumada I 1437 (7 March, 2016) establishing the working hours in ports and establishing the 24/24 continuous working schedule at the port of Casablanca, this tariff is adapted to the new mode of operation of the various terminals and this, as is already the case for the unified rates adopted in the container and ro-ro terminals, it being understood that it is necessary to distinguish between the cap tariffs set by the ANP in its Licensor status and the rates charged by Dealers.

Fees defined under the various schemes (concession, authorization, OTDP) are negotiated on a case-by-case basis with the concerned Licensors/permit holders and are subject to the approval of the Agency's Board of Directors. They are defined in the same way as the royalties in contractual frameworks taking into account what is applied in other countries in terms of concession and authorization.

Concerning the revision of the said royalties, it forms part of the contractual provisions and is specific based on the nature of the concession and the authorization. The revision of the OTDP fees is defined in the ANP's price list.

II.9.3. ANP activities

- Concessions: Are concerned by the concessions scheme:
 - o The management of a port;
 - o The operation of terminals and docks;
 - o The operation of public port equipment;
 - o The operation of private port equipment at the wharf;
 - o Port handling.
- Authorizations of port operations:
 - o The operation of industrial and commercial public service activities such as piloting, towing, harboring, storage and port storage;
 - o The operation of port facilities, hangars or other port facilities, the operation of private port equipment, with the obligation of public services and;
 - o The operation of any other activity related to the service of ships, goods and / or passengers.
- The temporary occupation of the public port domain

The authorization to temporarily occupy the public port domain is granted to any person or to any legal person governed by public or private law who undertakes complying with the terms of a contract document. It may be included in a concession agreement or be subject to independent authorization.

II.9.4. Evolution of the Concessions, the Authorizations and ODPP

The evolution of concessions, authorizations and OTDP over the 2014-2016 period is outlined below:

	2014	2015	2016
Concessions	15	22	26
Authorizations	127	160	214
OTDP	2,306	2,468	2,524

Source: ANP

The ANP manages more than twenty concessions which are organised as follows :

Nature of concession	Number
Concession for the operation of multi-user terminals in commercial ports	6
Concession for the operation of terminals for own account in commercial ports	5
Pleasure Harbor Management Concession	6
Concession to exploit fishing ports	1
Maintenance Concession	6
Shipyard Operation Concession	2

Source: ANP

On the operational level, the overall balance-sheet at the end of 2016 shows 214 authorizations that were granted by the ANP, broken down by type of activity and region, as outlined in the table below :

Nature of authorizations	Regions							Total
	DRD	DRM	DRAN	DRPC	DRAC	DRAS	DRGS	
Port Security	0	4	4	9	7	5	7	36

Onboard Shipboard Security	0	4	4	7	12	8	4	39
Ship-Chandling	0	4	8	13	17	23	7	72
Storage	0	3	12	-	8	4	2	29
Bunkering	2	6	-	-	9	-	6	23
Towing	-	-	1	2	1	-	-	4
Steering	0	-	-	1	-	-	-	1
Collection of Oil-Bearing Waters	0	-	2	-	5	3	-	10

Source : ANP

III. ANP FINANCIAL DATA

III.1. ANP BALANCE-SHEET

The balance- of the ANP for the 2014-2016 period is outlined below:

In MMAD	2014	2015	2016	Δ 14-15	Δ 15-16
ASSETS					
Net Fixed Assets	3 516.8	4 222.8	5 552.8	20.1%	31.5%
<i>In % of total balance-sheet</i>	<i>69.3%</i>	<i>74.0%</i>	<i>69.2%</i>	<i>4.8 pts</i>	<i>-4.9 pts</i>
Nil Value Assets	-	-	-	NA	NA
Intangible Assets	2.8	3.3	4.9	19.2%	49.5%
Tangible Assets	3 021.1	3 729.5	4 961.4	23.4%	33.0%
Financial fixed assets	493.0	490.0	586.4	-0.6%	19.7%
Translation Differences – Assets	-	-	-	NA	NA
Current Assets	761.7	760.7	1 124.6	-0.1%	47.8%
<i>In % of total balance-sheet</i>	<i>15.0%</i>	<i>13.3%</i>	<i>14.0%</i>	<i>-1.7 pts</i>	<i>0.7 pts</i>
Stocks	11.0	11.6	10.8	5.0%	-6.2%
Receivables from current assets	750.7	749.1	1 113.8	-0.2%	48.7%
Securities and investment securities	65.7	42.7	44.9	-35.0%	5.3%
Cash assets	733.8	677.5	1 303.9	-7.7%	92.5%
<i>In % of total balance-sheet</i>	<i>14.5%</i>	<i>11.9%</i>	<i>16.2%</i>	<i>-2.6 pts</i>	<i>4.4 pts</i>
Total Assets	5 078.0	5 703.6	8 026.2	12.3%	40.7%
LIABILITIES					
Permanent funding	3 744.8	4 243.7	5 763.0	13.3%	35.8%
<i>In % of total balance-sheet</i>	<i>73.7%</i>	<i>74.4%</i>	<i>71.8%</i>	<i>0.7 pts</i>	<i>-2.6 pts</i>
(Shareholders') Equity	2 564.3	2 893.4	3 427.2	12.8%	18.5%
Assimilated Equity	320.0	320.0	320.0	0.0%	0.0%
Financial debts	740.1	906.6	1 745.3	22.5%	92.5%
Provisions for long-term liabilities and charges	119.0	119.1	261.6	0.1%	>100%
Translation Differences – Liabilities	1.4	4.6	9.0	>100%	94.9%
Current Liabilities Debts	822.6	973.3	1 187.1	18.3%	22.0%
<i>In % of total balance-sheet</i>	<i>16.2%</i>	<i>17.1%</i>	<i>14.8%</i>	<i>0.9 pts</i>	<i>-2.3 pts</i>

Other provisions for contingencies and charges	17.0	2.0	2.0	-88.0%	0.0%
Translation Differences – Liabilities (Current Items)	-	-	-	NA	NA
Treasury Liabilities	493.6	484.6	1 074.1	-1.8%	>100%
	<i>In % of total balance-sheet</i>				
	9.7%	8.5%	13.4%	-1.2 pts	4.9 pts
Total Assets/Liabilities	5 078.0	5 703.6	8 026.2	12.3%	40.7%

Source : ANP

III.2. ANP'S INCOME STATEMENT

ANP's Income Statement for the 2014-2016 period is outlined below :

In MMAD	2014	2015	2016	Δ 14-15	Δ 15-16
OPERATING INCOME	1 423,30	1 390,50	1 782,90	-2%	28%
Sales of goods (as is)	-	-	-	N.A	N.A
Sales of goods and services produced – Turnover	1 413,40	1 364,30	1 739,30	-3%	27%
Change in inventories (+ or -) (1)	-	-	-	N.A	N.A
Fixed assets produced by the company for itself	-	-	-	N.A	N.A
Operating grants	-	-	-	N.A	N.A
Other operating income	-	-	-	N.A	N.A
Operating write-backs : expense transfers	10	26,2	43,5	162%	66%
TOTAL	1 423,30	1 390,50	1 782,90	-2%	28%
OPERATING EXPENSES	1 273,70	1 268,40	1 423,00	0%	12%
Purchased of goods resold	-	-	-	N.A	N.A
Purchased consumables of materials and supplies	150,3	165,8	186,7	10%	13%
Other external expenses	419,3	385,9	335,7	-8%	-13%
Taxes and levies	213	218,7	214	3%	-2%
Staff costs	240,5	253,5	275,8	5%	9%
Other operating expenses	-	-	-	N.A	N.A
Operating costs	250,7	244,5	410,9	-2%	68%
TOTAL	1 273,70	1 268,40	1 423,00	0%	12%
OPERATING INCOME	149,6	122	359,9	-18%	195%
FINANCIAL INCOME	36,4	32,4	12,2	-11%	-62%
Income from equity investments and other financial investments	6,7	20,2	8,2	201%	-59%
Currency gains	0	-	-	N.A	N.A
Interest and other financial income	29,7	12,2	4	-59%	-67%
Financial write-backs : expense transfers	-	-	-	N.A	N.A
TOTAL	36,4	32,4	12,2	-11%	-62%

FINANCIAL EXPENSES	31,9	37,2	58,8	17%	58%
Interest charges	31,9	37,2	58,8	17%	58%
Currency losses	0	0	-	N.A	N.A
Other financial expenses	-	-	-	N.A	N.A
Financial allocations	-	-	-	N.A	N.A
TOTAL	31,9	37,2	58,8	17%	58%
FINANCIAL RESULT	4,4	-4,8	-46,6	<-100%	>100%
CURRENT INCOME/RESULT	154	117,3	313,3	-24%	>100%
NON-CURRENT INCOME	26,5	46,2	24	74%	-48%
Proceeds from disposal of fixed assets	0,7	2	0,5	186%	-75%
Balancing subsidies	-	-	-	N.A	N.A
Write-backs on investment grants	-	-	-	N.A	N.A
Other non-current income	24,3	29,2	23,5	20%	-20%
Extraordinary write-backs : expense transfers	1,5	15	-	>100%	N.A
TOTAL	26,5	46,2	24	74%	-48%
NON-CURRENT EXPENSES	31,2	28,2	35,6	-10%	26%
Net depreciation values of fixed assets sold	0,3	0	0	-100%	N.A
Grants awarded	-	-	-	N.A	N.A
Other Non-Current Expenses	15,9	28,2	35,5	77%	26%
Non-Current Provisions to Depreciation and Amortization	15	-	0,1	N.A	N.A
TOTAL	31,2	28,2	35,6	-10%	26%
NON-OPERATING INCOME	-4,7	18	-11,6	<-100%	<-100%
PRE TAX INCOME	149,4	135,3	301,7	-9%	>100%
INCOME TAX	83	46,2	86,9	-44%	88%
NET INCOME	66,4	89,1	214,8	34%	141%

Source : ANP

IV. RISKS

IV.1. RISK RELATED TO FUNDING ACCESS

The scale of investments implemented by the ANP generates significant financing needs.

Indeed, the ANP is financed exceptionally through allocations from the Endowment Fund. The bulk of its financing comes from self-financing as well as national and international funders and today from the Stock Exchange markets, such as bond issues.

In addition, the ANP is able to anticipate its future financing needs and is studying several other financing options, which allows it to diversify its resources and improve its financing cost.

IV.2. RISK OF PAYMENT DEFAULT

As part of its business, the ANP handles a diversified client portfolio. It may thus not ignore or exclude that certain of its customers, and/or related parties, (i) may fail to perform their obligations, or (ii) cease operations due to, inter alia, financial difficulties or strategic restructuring.

Given the specific nature of the activities carried out in ports, particularly fishing and recreational harbors, the provisioning rate for receivables is high, reflecting the prudence of the ANP regarding the risk of non-recovery of its receivables.

Indeed, the strong seasonality (national and international economic situation, behavior of the various actors and stake holders, impact of socio-cultural events, etc.) on fishing activities and marinas has an impact on the rate of litigation in the ANP. These doubtful loans correspond to the toll-fish for the case of fishing ports and to the concession fees for the case of marinas

However, the ANP benefits from the provisions of the public debts' code of recovery in the framework of Dahir n° 1-00-175 of 28 Moharrem, 1421, promulgating Law n° 15-97 forming code of public debts recovery. (Official Bulletin of 1 June, 2000).

IV.3. CURRENCY RISK

The ANP is confronted with a foreign currency risk, which arises from foreign flows – mainly from the ANP's debt structure, whose outstanding foreign currency amounted to nearly 32 million euros by the end of 2016.

IV.4. RISKS RELATED TO THE INSURANCE POLICIES COVERAGE SUBSCRIBED BY THE ANP OR ITS LICENSORS

It can not be ruled out that, in certain circumstances, indemnities paid by insurers as a result of the occurrence of a damage covered by the insurance policies subscribed by the ANP are not sufficient to cover all the damage caused, in particular in the area of civil liability. In addition to the application of deductibles at the expense of the ANP, it is also possible that a loss exceeds the indemnity limits set out in the relevant insurance policies, and/or that a claim is not covered in application of certain indemnity exclusion clauses. For the purpose of optimisation, risk studies are however carried out by the company in order to determine the characteristics of the to-be-implemented insurance (insured capital, indemnity limits, deductibles, etc.) in line with the nature and importance of the to-be-covered risks.

IV.5. RISKS RELATED TO THE ENVIRONMENT

One of ANP's objectives is to manage port infrastructures, which as part of their day-to-day operations, can be the cause of threats on its personnel and/or its contractors and suppliers, the natural environment or the local residents' health.

These risks of industrial accidents and/or environmental damage are governed by increasingly restrictive environmental and public health regulations which are a source of high costs and can render the ANP liable if they are not adequately complied with.

IV.6. RISKS RELATED TO PROJECT MANAGEMENT

There is a risk related to the delayed implementation of the investments and constructions provided for in the concession contracts. If these delays are caused by the ANP, the licensee is entitled to claim compensation. Similarly, where delays are due to events of *force majeure* duly listed in the contract, the licensee is exempted from delay penalties and may be entitled, depending on the provisions of its contract, to claim compensation.

However, the ANP has technical teams that are dedicated to the follow up of the investment projects and that focus on ensuring compliance with the specifications in terms of turnaround times and conformity of the projects technical aspects with the ANP's requirements.

IV.7. RISKS RELATED TO THE CONDITION OF RETURNED GOODS UPON CONCESSION'S END

At the end of the concession period, returned goods that are recuperated by the ANP may, in some cases, require an additional upgrade investment if their condition does not meet the required standards. However, in the context of concession agreements, the expense related to the upgrading of the returned good is borne by the Licensor.

IV.8. RISKS RELATED TO THE NATIONAL AND INTERNATIONAL ECONOMIC SITUATION

The main activity of the ANP being to manage port infrastructures, the company's future income as well as the results are fully dependent on the national economic development and on the international trade.

Therefore, a downturn or a lower-than-expected growth of the Moroccan and/or international economy could have an adverse impact on the growth of the company's activities or even lead to a decrease in its revenues and results. This impact should nevertheless be moderate, as maritime transport remains the priority channel for the transport of goods in Morocco.

IV.9. REGULATORY RISKS

The activities of the ANP are subject to numerous laws and may be affected by national policy and any legal or regulatory reforms, in particular with regards to the port area, and the contractual framework in which the ANP carries out its activities.

As this is the case for all highly regulated industry sectors, regulations' changes or changes in the application thereof may reduce the Agency's revenues, which, as a result, may negatively impact its business and results.

Disclaimer

The above mentioned information constitute only part of the preliminary Prospectus approved by the *Autorité Marocaine du Marché des Capitaux* under reference n° VI/EM/024/2017/P of 30th August, 2017. The AMMC recommends the full reading of the preliminary Prospectus that is made available to the public in French.