

MOROCCO OFFER FOR GREEN HYDROGEN

INDICATIVE GUIDANCE

This document provides **indicative guidance** to potential Investors and Consortia interested in developing integrated projects for Green Hydrogen and its derivatives in the Kingdom of Morocco, under the framework of the Morocco Offer for Green Hydrogen.

General

- 1.1. A company may apply individually or as part of a Consortium for the Project.
- 1.2. The Applicant shall designate a Representative to act as their interlocutor with Masen during this selection process.

Contents of the Applications

- 2.1. Interested Investors or Consortia are required, in their Applications, to describe various elements, including but not limited to:

(A) **Track Record**

The Applicant (whether a single Investor or a Consortium) must demonstrate its technical capacity to develop, finance, implement and operate large-scale energy and/or industrial projects. Thus, each Applicant is invited to provide technical project track records mainly in the renewable energy, industrial (e.g., conventional energy, chemicals, fertilizers, petrochemicals, refineries, steel industry, cement industry, etc.), and infrastructure sectors (notably water desalination, energy transport, etc.). In respect of Consortia, the references of each member will be considered based on the intended role of the member in the project and their involvement in the value chain.

(B) **Financial Strength**

Each Investor and/or member of a Consortium, must demonstrate its financial capacity to undertake its proposed project and/or role in the value chain in the case of a Consortium. This includes Turnover, Profitability rate (turnover/EBITDA) and Debt ratio (financing debt/equity).

The pro-rata shareholding of each member in the projected Project Company will be considered in the financial assessment.

(C) **Vision of the project**

This part encompasses several key aspects: technical, financial, environmental, and social aspects, including notably consortium composition and roles, location, production capacity (if in phases, for each phase) and scale (including the size of the required land), expected end-product, the technology choices for both the renewable energy power plant and the electrolyzer, expected cost (LCOX, CAPEX, OPEX...), required infrastructure and logistics (including Applicant's expectations and potential contributions), and project timeline. Any partial use of fossil fuels should also be disclosed.

(D) **Commercial and financial strategy of the project**

The Applicant is expected to provide a holistic overview of the project's commercial and financial strategy, including targeted markets and offtake agreements, market positioning (import Vs export), funding (type of debt, equity, grants, and expected sources for each), etc.

(E) **Externalities of the project**

This part encompasses assessing the social and environmental impacts of the projects, as well as promoting local sourcing, job creation, and infrastructure development and/or contribution. By prioritizing local development, the objective is to ensure that the benefits of green hydrogen projects are extended to communities across Morocco, thereby contributing to inclusive and sustainable socio-economic growth. The positive externalities pursued by the Kingdom of Morocco are (illustrative and non-exhaustive list):

- a. **Financial returns for the Kingdom:** The evaluation process will consider the financial benefits for the Moroccan State, which may include royalties, rent, profit sharing, and/or carried capital contributions.
- b. **Industrial integration:** The assessment will consider the economic benefits and job creation through both horizontal and vertical industrial integration. The aim is to ensure that the development of green hydrogen projects significantly contributes to the Kingdom's industrial and socio-economic growth through job creation.
- c. **Environmental and ecological aspects:** The assessment of this criteria encompasses various environmental factors such as project carbon footprint reduction, oxygen recovery, impact of pollution/waste on ecosystems, project impact on biodiversity, the use of fresh/ground water etc... These criteria collectively inform the project's environmental and sustainability footprint.
- d. **Social programs** in favor of local populations (building schools, clinics, etc.).
- e. **Agricultural projects** development.
- f. **Production/supply of excess clean electricity and drinking water** (if applicable).

Horizontal integration entails:

- Supplier partnerships (actual or planned): collaboration with already existing local suppliers and partners they intend to bring in Morocco for raw materials, equipment, and components needed for green hydrogen production and its derivatives, as well as foreign suppliers/partners they intend to bring to manufacture their products in Morocco.
- Engagement of local subcontractors for construction, installation, and maintenance activities associated with green hydrogen projects as well as foreign subcontractors/partners they intend to bring to Morocco.
- Collaboration with local service providers, such as engineering firms, consulting agencies, and logistics companies as well as foreign service providers they intend to bring to Morocco.

Vertical integration involves:

- Investment or partnerships for the development of manufacturing facilities for industries consuming green hydrogen and/or its derivatives in Morocco.
- Investment in research and development centers focused on green hydrogen technologies, in collaboration with local universities, research institutions, and industry stakeholders.

2.2. Each Application shall include the documents and forms as specified in the attached Excel File.

2.3. The Application as well as all correspondence and related documents shall be submitted in English or French. Language for translation of supporting documents is English except for supporting documents written in French for which no translation is required.

2.4. Information relating to the Applications and results shall not be disclosed to anyone excepted the concerned Applicant, Masen and committee members without the consent of the Applicant.

Submission of Applications

3.1. The Applicant shall scan and upload the original version of the Application on Masen's electronic platform and in accordance with submission rules as provided in this document.

3.2. The Applicants may modify any Application submitted.

3.3. Interviews may be requested by Masen in order to obtain further clarifications on the Applications and discuss some points in greater depth.