



## PROSPECTUS SUMMARY

### Issuance of Ordinary Bonds and Social and Green Bonds






**OVERALL AMOUNT OF THE ISSUE: MAD 1,000,000,000 OF WHICH MAD 500,000,000 IN SOCIAL & GREEN BONDS**

ORDINARY BONDS: AMOUNTED TO 500,000,000 MAD			
	Part A: Fixed unlisted	Part B: Fixed listed	Part C: Variable unlisted
<b>Maximum</b>	500,000,000 MAD	500,000,000 MAD	500,000,000 MAD
<b>Number of securities</b>	5,000	5,000	5,000
<b>Nominal value</b>	100,000 MAD	100,000 MAD	100,000 MAD
<b>Maturity</b>	10 years	10 years	10 years
<b>Nominal interest rate</b>	<u>Fixed rate</u> Determined by reference to the reference yield curve of the secondary market for Treasury Bills as published by Bank Al Maghrib on November 8 <sup>th</sup> , 2018, increased by a risk premium, i.e. between 110 and 120 pbs.	<u>Fixed rate</u> Determined by reference to the reference yield curve of the secondary market for Treasury Bills as published by Bank Al Maghrib on November 8 <sup>th</sup> , 2018, increased by a risk premium, i.e. between 110 and 120 pbs.	<u>Annually adjustable rate</u> with reference to the full 52-week money rate (monetary rate) determined by reference to the yield curve of the secondary market for treasury bills as published by Bank Al-Maghrib on November 8 <sup>th</sup> 2018 increased by a risk premium, i.e. between 110 pbs and 120 pbs
<b>Refund of principal</b>	Constant amortization	Constant amortization	Constant amortization
<b>Risk premium</b>	Between 110 pbs and 120 pbs	Between 110 pbs and 120 pbs	Between 110 pbs and 120 pbs
<b>Guarantee</b>	None	None	None
<b>Negotiability of securities</b>	Over-the-counter	Listed on the Casablanca Stock Exchange	Over the Counter
<b>Allocation method</b>	French auction with priorities as explained in this document		

SOCIAL BONDS & GREEN BONDS: AMOUNTED TO 500,000,000 MAD			
	Part D: Fixed unlisted	Part E: Fixed listed	Part F: Variable unlisted
<b>Maximum</b>	500,000,000 MAD	500,000,000 MAD	500,000,000 MAD
<b>Number of securities</b>	5,000	5,000	5,000
<b>Nominal value</b>	100,000 MAD	100,000 MAD	100,000 MAD
<b>Maturity</b>	10 years	10 years	10 years
<b>Nominal interest rate</b>	<u>Fixed rate</u> Determined by reference to the reference yield curve of the secondary market for Treasury Bills as published by Bank Al Maghrib on November 8 <sup>th</sup> , 2018, increased by a risk premium, i.e. between 100 and 110 pbs.	<u>Fixed rate</u> Determined by reference to the reference yield curve of the secondary market for Treasury Bills as published by Bank Al Maghrib on November 8 <sup>th</sup> , 2018, increased by a risk premium, i.e. between 100 and 110 pbs.	<u>Annually adjustable rate</u> with reference to the full 52-week money rate (monetary rate) determined by reference to the yield curve of the secondary market for treasury bills as published by Bank Al-Maghrib on November 8 <sup>th</sup> 2018 BAM, increased by a risk premium i.e. between 100 pbs and 110 pbs
<b>Refund of principal</b>	Constant amortization	Constant amortization	Constant amortization
<b>Risk premium</b>	Between 100 pbs and 110 pbs	Between 100 pbs and 110 pbs	Between 100 pbs and 110 pbs
<b>Guarantee</b>	None	None	None
<b>Negotiability of securities</b>	Over-the-counter	Listed on the Casablanca Stock Exchange	Over-the-counter
<b>Allocation method</b>	French auction with priorities as explained in this document		

**ISSUE RESERVED FOR QUALIFIED INVESTORS OF MOROCCAN LAW AS LISTED IN THE PROSPECTUS**

**SUBSCRIPTION PERIOD: FROM NOVEMBER 12<sup>TH</sup> TO NOVEMBER 14<sup>TH</sup> 2018, INCLUDED**

ADVISOR AND GLOBAL COORDINATOR	CO-ADVISORS
 <b>VALORIS CORPORATE FINANCE</b> <small>CONSEIL ET INGENIERIE</small>	 <b>CAPITAL TRUST</b> <small>FINANCE</small>
LEAD OF THE UNDERWRITING SYNDICATE AND CENTRALIZING ORGANIZATION	UNDERWRITING SYNDICATE
 <b>VALORIS SECURITIES</b> <small>Société de Bourse</small>	 <b>VALORIS SECURITIES</b> <small>Société de Bourse</small>  <b>CAPITAL TRUST</b> <small>SECURITIES</small>
<p align="center"><b>APPROVAL OF MOROCCAN CAPITAL MARKET AUTHORITY</b></p> <p align="center">In accordance with the provisions of AMMC circular, delivered in application of Section 14 of the Decree No. 1-93-212 of September 21, 1993, as amended and supplemented, the original copy of the prospectus has been approved by the AMMC on October 30th, 2018 under Reference No. VI/EM/024/2018.</p>	

## WARNING

On October 30<sup>th</sup>, 2018, the Moroccan Capital Market Authority (AMMC) approved a prospectus concerning the issuance of ordinary and sustainable bonds (of the Social & Green Bonds type) of Al Omrane Holding S.A.

The approved prospectus is available at any time at the Holding Al Omrane Headquarters SA and through its financial advisors:

- ✓ At the headquarters of Holding Al Omrane: Rue Boundoq, mail Central Hay Ryad – Rabat (ph.: 05.37.56.91.91)
- ✓ At Capital Trust Finance Headquarters: 50, Bd. Rachidi – Casablanca (05.22.46.63.50)
- ✓ At the Valoris Corporate Finance Headquarters: 355, Route d’El Jadida – Casablanca (05.22.23.97.60).
- It is available on the AMMC website ([www.ammc.ma](http://www.ammc.ma))
- Held at the disposal of the public at the headquarters of the Stock Exchange of Casablanca and on its website.

## **PART I. PRESENTATION OF THE OPERATION**

## I. OPERATION FRAMEWORK

The Ordinary General Meeting of Holding Al Omrane held on February 28<sup>th</sup>, 2018, after having heard the report of the Management Board, authorized, in the application of the provisions of article 292 and following of the law No. 17-95 relating to public limited companies as amended and supplemented, one or more fixed or variable rate public offerings and for a period of 2 years from the said meeting, comprised of ordinary and sustainable bonds ("Social & Green Bonds" type bonds) - as specified at the Ordinary General Meeting of Holding Al Omrane held on June 29<sup>th</sup>, 2018 - for a maximum amount of one billion dirhams (MAD 1,000,000,000) and for a maximum maturity of ten years.

In addition, the Ordinary General Meeting of Holding Al Omrane has delegated to the Executive Board the extensive powers to carry out this bond issue with the power to subdelegate to the Chairman of the Executive Board.

The ordinary general meeting has not limited the amount of the transaction to subscriptions actually received, otherwise the operation will be canceled if the amount of subscriptions received is less than one billion dirhams (1,000,000,000 MAD).

In the context of the delegation of powers conferred by the Ordinary General Meeting of February 28<sup>th</sup>, 2018, the Executive Board at its meeting held on October 24<sup>th</sup>, 2018:

- decided to issue an ordinary and sustainable bond issue (of the Social & Green Bonds type) by a public offering of a maximum aggregate nominal amount of 1 billion dirhams;
- decided to give the most extensive powers to the Chairman of the Executive Board to fix the final terms and conditions of the bond issue and to complete all the necessary formalities for the issue of the bonds and to sign the issuing agreement;
- decided to appoint Mr. Karim MOUTTAKI as a temporary representative of the bondholders' group pending the holding of the general meeting of bondholders.

In this context, the Chairman of the Executive Board has decided on October 29<sup>th</sup> the terms and conditions for issuing an ordinary bonds and sustainable bonds (of the Social & Green Bonds type) with a total nominal amount of one billion dirhams (1,000,000,000 MAD) which is broken down into six tranches. The Chairman of the Executive Board in the above delegation of authority has (i) set the subscription period from November 12<sup>th</sup> to November 14<sup>th</sup> (included) and the Vesting date on November 23<sup>rd</sup>, 2018.

This issue is reserved to qualified investors of Moroccan Law as listed in the prospectus.

## II. PRESENTATION OF “SOCIAL & GREEN BONDS”

### II.1. Development of the Green & Social Bonds market in Morocco

The Green Bond market was born in a context of collective awareness of environmental issues and activism in order to reduce the environmental impacts of human activities.

In Morocco, the AMMC produced a guide in 2016 on green bonds to prepare the regulatory and conceptual framework for this new financial product.

MASEN, the central player of renewable energies in Morocco, has made the first green bond issue in Morocco worth 1.15 billion dirhams (€106 million), with a view to contributing to the financing of Noor Laayoune’s solar projects. Noor Boujdour and Noor Ouarzazate IV.

Since then, 2 Moroccan banks have successfully invested 2.5 billion ecological bonds with maturities ranging from 5 to 10 years.

In 2018, the AMMC produced a second guide encompassing in addition to “Green Bonds<sup>1</sup>,” “Social Bonds” and “Sustainability Bonds,” encompassing both the characteristics of “Green and Social Bonds.”

### II.2. Principles of social and green bonds

According to the “Green Bond Principles” and the “Social Bond Principles,” together forming the “Sustainability Bond Guidelines”:

- “Green Bonds” are bonds the proceeds of which are exclusively used to finance or refinance, in whole or in part, new projects or existing projects with positive environmental impacts;
- “Social Bonds” are bonds whose income is used exclusively for financing or refinancing social projects.

The “Green Bond Principles” and “Social Bond Principles” are process guidelines that recommend transparency, disclosure and the promotion of integrity to promote the development of this fast-growing market.

In addition, the Sustainability Bond Guidelines require that the issuer of Social and Green Bonds define in detail the environmental and social purpose of its project (s) allowing it to fit into one of the following categories: sustainable projects (social and green) eligible according to eligibility criteria and environmental and social sustainability objectives.

The Sustainability Bond Guidelines also require that the net proceeds of social and green bonds are appropriately monitored and documented through a formal internal process linked to the Al Omrane Group’s activity for sustainable projects.

The “Sustainability Bond Guidelines,” the so-called “Social and Green Bonds” issuers are required to take the necessary steps to ensure that the amount of social and green bonds outstanding is

---

<sup>1</sup> Bonds whose income is used exclusively for financing or refinancing of social projects

permanently matched to the outstanding amount of financing, allocated to projects with social and environmental impacts eligible.

According to the Sustainability Bond Guidelines, the issuer undertakes to report transparently on the management of its bond issue annually and until the maturity date of the issue.

As part of its “Green bonds” & “Social bonds” bond issue, the Al Omrane Group has commissioned Vigeo Eiris to provide an independent opinion on the consideration of social and corporate responsibility factors and objectives in the design and management of the “Social & Green Bond” parts of the proposed bond issue.

## **II.3. Description of Al Omrane Group’s Social & Green Bonds**

### **a. Evaluation and selection of projects Social and Green Bonds**

Vigeo Eiris considers that the process of project evaluation and selection is clearly defined and conclusive in terms of governance and transparency and based on defined and relevant selection/exclusion criteria.

Vigeo Eiris recommended that the issuer publicly disclose its issuance framework and strengthen the identification and control of ESG risks related to projects.

The process of evaluating and selecting eligible projects is clearly defined. The governance of the process is rationally structured:

A dedicated steering committee was formed in November 2017, and the experts involved internally have the appropriate profiles and skills. The committee brings together the directors of the company who is in charge of the program and the eligible projects, namely the Finance and Management Control Department, the Engineering and Social Development Pole and the Project Manager in charge of VSB<sup>2</sup> projects. If necessary, this committee may mobilize other internal expertise whenever necessary.

Vigeo Eiris recommended that external experts also be included in the steering committee, in particular, to strengthen the project’s environmental and social risk management expertise.

In addition, the internal roles and responsibilities are well defined, the committee is in charge of all aspects of the bond issue, namely:

- Development of the general governance framework (procedures, responsibilities, criteria), its application and monitoring
- Selection and evaluation of eligible projects: before, during and after their refinancing
- Monitoring of eligible projects, including the responsible management of environmental and social risks associated with these projects.

In its report, Vigeo Eiris announces that it has no visibility on the issuer’s interactions with the three ministries involved in the eligible projects.

Eligible projects are all selected among the projects previously validated within the framework of the Board of Directors of the concerned subsidiaries whose Chairman is a member of the Executive Board of the Holding Al Omrane (HAO), and made up of representatives of the Ministry of Supervision in charge of Habitat and from the Ministry of Finance:

---

<sup>2</sup> Villes Sans Bidonvilles

- All operations of the issuer must comply with the internal administrative, land, commercial and financial prerequisites defined by Al Omrane (HAO) and validated by the Board of directors of the subsidiaries;
- An initial list of eligible projects has been drawn up by the Finance and Management Control and Engineering and Social Development Divisions.

The committee meets periodically (quarterly and as needed) to ensure the selection and evaluation of eligible projects.

- A report is made following each meeting, allowing the traceability of the selection decisions;
- The decisions of the committee are presented quarterly to the Executive Board of HAO, which validates them.

Thus, the process is based on relevant selection and exclusion criteria, namely:

- Criteria for the use of funds based on the definition of eligible projects
- An exclusion criterion: the issuer undertakes to exclude:
  - any project that has led to an indictment and/or conviction of the issuer;
  - any project that faces one or more of the following conditions: > 20% of the land is difficult to regularize (e.g. several non-localized heirs); > 5% of lots not connected to essential service networks; > 5% of complaints about the nonconformity of the areas of the lots.

If an eligible project no longer complies with one or more of the above eligibility criteria, the issuer undertakes that this project will be replaced as soon as possible by another eligible project respecting the procedure and criteria defined in this general framework.

Vigeo Eiris recommends extending these exclusions to projects with critical ESG controversy<sup>3</sup>. Vigeo Eiris also recommended excluding social projects that have not been subject to a prior socio-economic study and/or a plan to reduce the negative impacts of resettlement.

Taking into account the recommendations of Vigeo Eiris, the Al Omrane Group has clearly identified, defined and quantified the categories of eligible refinancing projects located in Morocco and initiated after 2011, corresponding to one or both of the two categories. of the following projects:

---

<sup>3</sup> As defined in the "Methodology" section in the Vigéo Eiris report as an appendix to this prospectus

- Environmental energy efficiency projects for buildings;
- Social projects of relocation and/or resettlement of households from shanty towns.

Category	Definition	Aims	Benefits of sustainable development	Analysis of Vigeo Eiris
<b>Energy efficiency of buildings</b>	<p>Building construction projects and/or pilot housing integrating various innovative architectural and technical solutions, according to different climatic zones of Morocco.</p> <p><b>4 selected projects:</b> the headquarters of Al Omrane, and 3 demonstrator pilot projects: Al Karama (El Hajeb), Jacaranda (Tamansourt), Al Arrouilt (Nador)</p>	<p>Improve the energy efficiency of housing</p> <p>Reduce the average consumption of housing</p>	<p><b>Mitigation of climate change</b></p> <p>Energy savings (577 MWh/year in total for 481 dwellings, 133 MWh/year on head office)</p> <p>Reduction of GHG emissions (51 t.eqCO<sub>2</sub>/year in total for 481 dwellings and 62 t.eqCO<sub>2</sub>/year for head office)</p>	<p>The definition of the category is clear, and the content is relevant, in line with the issuer's strategy.</p> <p>The types of equipment, works and eligible technologies are clearly defined, even if no environmental management system or certification is foreseen.</p> <p>Ex-ante simulations of energy performance estimate conventional energy consumption of homes that are 12% lower than the baseline consumption (RTCM).</p> <p>The environmental benefits of demonstrating energy efficiency projects are defined, relevant and accurate. They are evaluated and identified by the issuer.</p>
<b>Relocation and/or resettlement of slum residents</b>	<p>Resettlement projects for slum families with the mix required by the Ville Sans Bidonville (VSB) program on serviced land and housing or projects with prevention lots sold at cost or with a low margin.</p> <p><b>4 selected projects:</b> located in Casablanca and Marrakech (Al Fadl, Al Hamd, Al Maroua, Ain Slim).</p>	<p>Improve the number of households accessing decent and legal housing for slum households affected by VSB operations</p>	<p><b>Access to housing and essential services</b></p> <p>32,800 people relocated or resettled</p> <p>100% relocated or resettled displaced populations, with the title deed</p> <p>100% connection to essential service networks</p>	<p>The definition of the category is clear, and the content is relevant, in line with the issuer's strategy.</p> <p>Beneficiary populations and targeted actions are clearly defined.</p> <p>Annual targets are defined.</p> <p>The direct social benefits of slum relocation/resettlement projects are defined and relevant, and accurate. They are evaluated and identified by the issuer.</p>

Source: Vigeo Eiris



## b. Allocation of funds:

The table below shows the details of the 8 projects to refinance:

Project	Typology	Project company	Amount of the investment	Progress stage	Starting date
<b>Al Fadl Casablanca</b>	Social impact. Relocation of populations from shanty towns (8091 households)	SAO Casablanca Settlat	227 MMAD	87%	30/12/2012
<b>Al Hamd Casablanca</b>	Social impact. Relocation of populations from shanty towns (15,453 households)	SAO Casablanca Settlat	335 MMAD	84%	15/07/2014 18/03/2015 09/03/2016
<b>Al Maroua Casablanca</b>	Social impact. Relocation of populations from shanty towns (6903 households)	SAO Casablanca Settlat	118 MMAD	92%	02/10/2014
<b>Ain Slim Marrakech</b>	Social and environmental impact. Relocation of populations from shanty towns (2363 households). Recovery of rainwater for reuse as irrigation water for green spaces and use of the drip system for watering green spaces + liquid sanitation for douar -Improved quality of life of 195 households.	SAO Marrakech Safi	120 MMAD	86%	10/12/2015
<b>Al Omrane Chrafate Headquarters</b>	Environmental impact. Construction of Al Omrane Chrafate Headquarters	SAO Chrafate	24 MMAD	100%	31/12/2016
<b>Al Karama El Hajeb</b>	Social impact. Project of 96 social housing "AL KARAMA" EL HAJEB	SAO Meknès	28 MMAD	100%	16/02/2012
<b>Al Ouard 2 Al Aroui</b>	Social impact. Project of 248 social housing	SAO Oriental	36 MMAD	90%	14/03/2016
<b>Jacaranda Tamansourt</b>	Social impact. Project of 280 social housing	SAO Tamansourt	105 MMAD	74%	20/12/2011

Source: HAO

The total investment of the 8 projects is 993 MMAD. The partitioning will be based on the share of the investment amount of the project on the total investment:

Project	Amount of investment (MMAD)	Share	Division (MMAD)
<b>Al Fadl Casablanca</b>	<b>227</b>	<b>23%</b>	<b>114</b>
<b>Al Hamd Casablanca</b>	<b>335</b>	<b>34%</b>	<b>169</b>
<b>Al Maroua Casablanca</b>	<b>118</b>	<b>12%</b>	<b>59</b>
<b>Ain Slim Marrakech</b>	<b>120</b>	<b>12%</b>	<b>60</b>
<b>Al Omrane Chrafate Headquarters</b>	<b>24</b>	<b>2%</b>	<b>12</b>
<b>Al Karama El Hajeb</b>	<b>28</b>	<b>3%</b>	<b>14</b>
<b>Al Ouard 2 Al Aroui</b>	<b>36</b>	<b>4%</b>	<b>18</b>
<b>Jacaranda Tamansourt</b>	<b>105</b>	<b>11%</b>	<b>53</b>
<b>Total</b>	<b>993</b>	<b>100%</b>	<b>500</b>

In addition, it should be noted that the projects listed above whose stage of completion is completed or almost completed will be refinanced by the total funds raised in the framework of Green & Social Bonds.

The procedure for selecting eligible projects in case of exit from one or more projects in the HAO portfolio is the same as that for the initial selection.

In the event that one or more assets refinanced by the proceeds from the issuance of the sustainable bonds (of the Social & Green bond type) leave the issuer's portfolio, the Issuer commits itself within 9 months to (i) repay in advance the portion corresponding to the assets released, or (ii) reinvest in new projects in such a way as to maintain at all times an asset portfolio size at least equal to the outstanding amount of the bonds of a lasting nature ("Social & Green").

A general meeting of bondholders will be convened to decide on the assets to be proposed by the issuer for refinancing. In the event that the proposal made by the issuer does not collect the majority of vote of the general meeting of the bondholder, the issuer will proceed to the early repayment of the funds matching the assets removed from the portfolio.

### **c. Fund Management**

Al Omrane Group complies with the guidelines set out in the "Green Bond Principles" and the "Social Bond Principles." Thus, the Al Omrane Group undertakes to respect its commitments regarding the following principles:

- The entire net proceeds of the social and environmental bond issue will be managed by the Al Omrane Group;
- The refinancing share of eligible projects is 100%. The proceeds of the program will be immediately allocated to the selected eligible projects via a specific accounting account that shows all the expenses and revenues specific to the selected eligible projects.
  - 100% of the amount of eligible projects selected will be financed by the proceeds of the program, avoiding co-financing with funds that are not aligned with the Green Bond Principles.
  - The traceability of funds will be carried out through accounting by a specific account, which will trace all operations related to each eligible project financed.
- The allocation and management of the funds will be controlled by the issuer's financial departments, the audit and internal control, and an annual external review by an auditor. The allocation and monitoring of funds will be integrated into the annual financial reporting process.
- In case of unallocated funds (example: possible delay before allocation to refinancing in case of surplus funds, or disinvestment in the event of the exclusion of a refinanced eligible project), the issuer undertakes that:
  - The temporary investment of funds is managed by the Finance and Management Control Department, in the form of cash on account of the issuer dedicated to eligible projects and limited to a period of 15 working days before being allocated to one or more other eligible projects in accordance with the framework of the defined program.
  - These funds are not used to finance, even temporarily, activities with high greenhouse gas emissions (GHG) or controversial activities.

#### **d. Monitoring and reporting**

Vigeo Eiris considers that the reporting commitments and processes of the issuer are convincing: a system makes it possible to effectively control the use of funds and the social and environmental benefits (direct results) of eligible projects.

Vigeo Eiris' level of assurance is reasonable on the issuer's ability to account for the use of the proceeds of the issue and the benefits (direct results), but it is moderate on its ability to assess the impacts.

The issuer undertakes to report transparently on the management of its bond issue, annually and until the maturity date of the issue in (i) a legal notice newspaper at the same time as the publication of its annual accounts and (ii) in its annual report.

The monitoring, data collection and reporting processes are clearly defined and rely on appropriate internal and external expertise, including at the project level:

- The company's monitoring systems ensure periodic data reporting for all funded projects;
- Each department and entity ensures the collection and monitoring of information, at monthly management committees:
  - The Sustainable Development Department collects information on each project and carries out the first consolidation of environmental and social information;
  - The Finance and Management Control Department collect information on other aspects and consolidates financial information.
- The steering committee monitors performance indicators on the use of funds and the social and environmental results of eligible projects:
  - The steering committee coordinates and consolidates the monitoring of information on the selected eligible projects and on the program;
  - It verifies compliance with the procedures and criteria set out in this general framework, including the management of environmental and social risks of eligible projects, and responds to any controversies regarding selected eligible projects.
- Regular monitoring is provided by the committee, at monthly management meetings, and during a quarterly report to the Executive Board:
  - Each meeting is the subject of a report recalling the subjects discussed, the projects followed, the main conclusions and the possible action plans decided;
  - Periodic meetings are organized with all the stakeholders to improve the quality of the rendering.
- The committee coordinates and produces a detailed annual report dedicated to the investors of this bond issue, as well as a summary note appended to the issuer's sustainable development report, made visible and accessible on its website;
- The published information will be verified by each dedicated department, by the internal control of the issuer and reviewed by the Executive Board;
- This reporting will be certified annually by an external auditor (auditor), including the methods of calculation used;

Vigeo Eiris declares that the reporting indicators defined by the issuer are convincing to account for the use of funds and the environmental and social benefits (direct results) of the eligible projects financed. In addition, Vigeo Eiris recommended that the issuer supplement its indicators with social impact indicators.

The issuer undertakes to disclose in its annual financial communication the following reporting indicators:

#### Elements of monitoring and performance reporting

Criterion	Reporting indicators (by project)	Reporting indicators (consolidated by issue)
<b>Use of funds</b>	<ul style="list-style-type: none"> <li>List of projects financed by the program, with a description of each project (type, location, technologies, progress status, key dates, the eligible category of attachment)</li> <li>Amount allocated to each project (in Dhs)</li> </ul>	<ul style="list-style-type: none"> <li>Number of projects</li> <li>Amount allocated (in Dhs)</li> <li>Share of unallocated funds (in%)</li> <li>Refinancing share (in%)</li> </ul>
<b>Energy efficiency projects</b>	<ul style="list-style-type: none"> <li>Energy savings measured in MWh/year (theoretical ex-ante estimate, then ex-post evaluation if available), distinguishing the result for the 481 dwellings from demonstration projects and the result for the head office;</li> <li>Reductions of GHG emissions, measured in tCO<sub>2</sub>eq/year (theoretical ex-ante estimate, then ex-post evaluation if available), distinguishing the result for the 481 dwellings from demonstration projects and the result for the head office;</li> <li>Energy performance of the projects financed, measured in kWh/m<sup>2</sup>/year of primary energy consumed and in% improvement compared to the thresholds set in the 2015 RTCM according to the climate zone (theoretical ex-ante estimate, or ex-post evaluation if available);</li> <li>Carbon intensity of funded projects, measured in CO<sub>2</sub>eq/m<sup>2</sup>/yr and% improvement over RTCM thresholds (theoretical ex-ante estimate, or ex-post evaluation if available).</li> </ul>	
<b>Social projects</b>	<ul style="list-style-type: none"> <li>Total number of relocated/resettled persons (ex-ante estimate, or ex-post evaluation if available);</li> <li>Share of displaced persons to relocate relocated (in%, per project and per year);</li> <li>Share of IDPs actually resettled (in%, per project and per year);</li> <li>Share of relocated/resettled persons who obtained a title deed (ex-ante estimate, or ex-post evaluation if available);</li> <li>Share of relocated/resettled people who benefit from a connection to essential service networks (ex-ante estimate, or ex-post evaluation if available).</li> </ul>	

The Al Omrane Group is committed to ensuring that data sources, methods and calculation assumptions are clearly defined for each indicator, and made public at the time of reporting, in investor reports and on its website.

The Al Omrane Group is authorized to select any other quantitative or qualitative alternative indicator that would be relevant to replace<sup>4</sup> or supplement the indicators defined above and undertakes to carry out an assessment of the socio-economic impacts of the Group's Cities Without Townships (VSB) operations, which includes the social projects eligible for this bond issue covering issues that Vigeo Eiris deems relevant and complete. However, Vigeo Eiris at the date of their report is not aware of the indicators planned for this evaluation study.

In addition, in the event of a change in one or more reporting and monitoring indicators, the Issuer must inform the representative of the group of bondholders within a period not exceeding 90 days following the date on which the issuer elected a decision to change indicator.

Qualified third parties who will review the environmental impacts published annually will be chosen from the large firms of the place, namely: IFA, VIGEO EIRIS and Eagle Engineering

<sup>4</sup> In the event of a change in the indicators to be communicated, the issuer will have to justify this change and ensure a transitional period where the abandoned indicators must be published.

In addition, the issuer shall publish on its annual reporting a certificate of compliance of the use of proceed, in accordance of the purpose of the issuing delivered by the legal auditors.

#### e. Recommendations from Vigéo Eiris:

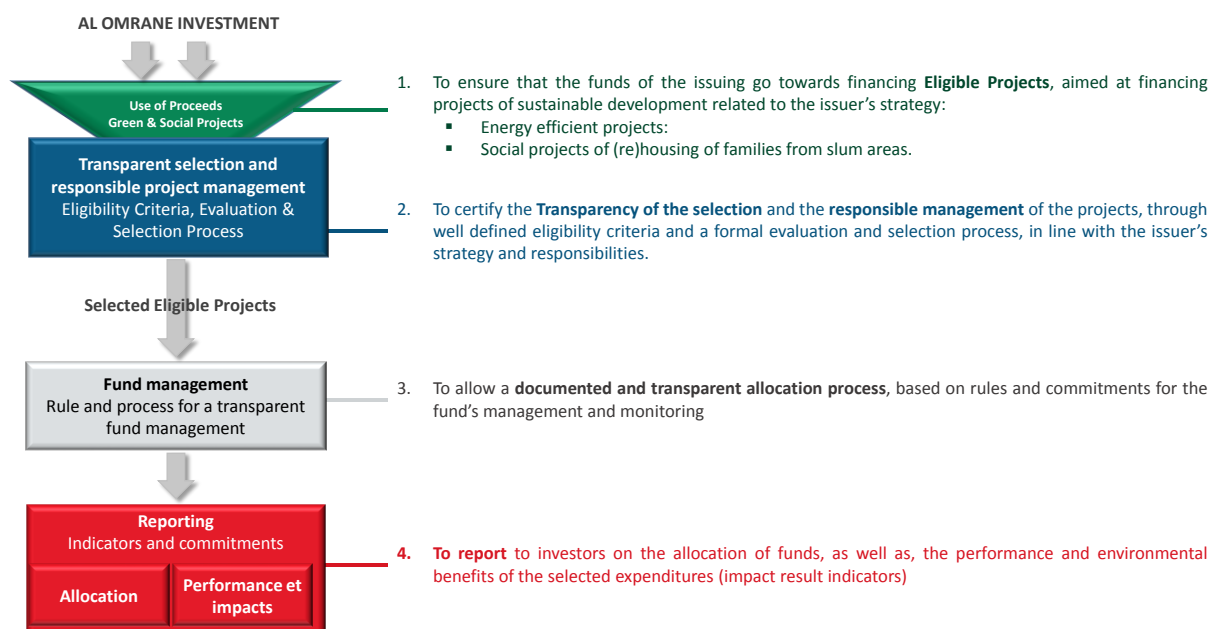
Vigéo Eiris recommended that the issuer complete its monitoring and reporting system with indicators (i) relating to the management of environmental and social risks relating to eligible projects, in particular, the corrective and preventive actions taken in the event of detection. critical controversy; and (ii) the quality of relocation/resettlement and its social impact, among others.

The following table presents all the recommendations issued by Vigéo Eiris as well as the status of their implementation:

Item	Vigéo Eiris recommendation	Response from Holding Al Omrane
Reporting, follow-up and monitoring	Number of appeals and complaints concerning displaced populations in the context of eligible projects (in number, by project and per year, accompanied by a summary presentation of cases);	The Group is setting up a "Citizen Service and Complaints System". This system will be based on 3 axes: - Reception: with the improvement of the quality of the citizen's reception and orientation; - Access to Information; - And a complaints management.  This system will make possible to carry out reporting that meets Vigéo Eiris' recommendations
	Percentage of displaced households that have access to their housing/resettlement lot on the day of their displacement (in % of displaced households, by project)	This indicator has been set up.
	Share of vulnerable displaced persons receiving financial or material assistance to get their basic needs covered during relocation and resettlement phase (%)	Under validation
	Share of displaced persons in the total population of the site (in % of the population, by project)	This indicator has been set up.
	Share of displaced persons who lost their jobs because of the displacement and could not find a new job 6 months after the displacement (as a % of displaced persons, by project).	Under validation
Evaluation of eligible projects and the exclusion of controversial projects	Quantification of the contribution of eligible projects to the achievement of the issuer's strategic environmental and societal objectives	Reflection is underway
	Extend the exclusion of eligibility to projects that are the subject of critical level ESG controversy as well as social projects that have not been the subject of a prior socio-economic study and/or a plan to reduce the negative impacts of resettlement.	This is already the case as part of the prerequisites before any major operation is launched (projects over 150 Ha). Reflection is underway to extend them to all Group operations.
	Strengthen the mechanisms for identifying the environmental and social risks associated with eligible projects, in particular: -for all projects: health and safety management and workers' working conditions; -for environmental projects: control of water consumption and pollution during the construction phase, management of impacts related to the end of life of equipment and materials	Already integrated into the framework of the PGES with gradual deployment according to the Subsidiaries
Governance	Integration of environmental, social and societal risk factors into the agenda of the Supervisory Board's work and the scope of internal audit under review	Reflection is underway

	Integration of external experts into the steering committee, in particular, to strengthen expertise in terms of environmental and social risk management of projects	The Group is already accompanied in the deployment of the PGES in which these subjects are already addressed.
--	--	---

#### f. Diagram of the use of funds, project selection, management and reporting



Source: Vigeo Eiris

### III. OBJECTIVES OF THE ISSUE

The GAO, as a historic public operator developer in Morocco, working for the realization of the Moroccan state policy on housing and urban development, begins a new strategic vision with a strong ecological dimension, including the budget envelope is brought to 31 billion dirhams by 2022 of which 5.7 billion MAD are planned for the year 2018.

In this sense, the investment program that aims to achieve the GAO in the medium and long term will enable it to implement its objectives to fight against unsanitary housing and slum resorptions, the development of social housing as well as the development of new cities, particularly in the context of the implementation of the advanced regionalization policy.

In this context and in order to finance part of its investment program, the HAO has decided to issue an ordinary bond with a social and ecological purpose (Social & Green Bond), by public offering for an envelope billion dirhams.

The purpose of the ordinary bond issue is to support the GAO's investment plan as part of its public developer activity. The purpose of issuing sustainable bonds is to refinance social impact projects (social projects for access to housing and essential services) and projects with an environmental impact (environmental projects demonstrating energy efficiency).

In addition, this operation will enable the HAO, which has historically been indebted to international lenders, to diversify its sources of financing by moving towards the national financial market and thus limit its exposure to currency risk.

The GAO wishes, through this program, to reaffirm its commitment and consolidate its image at the forefront of practices that respect the environment and the well-being of the population.

The use of the proceeds of this bond issue will be directed towards projects whose definition, objectives and impacts have a positive environmental, social and societal footprint and will enable the Group to sustainably establish its identity and strategy for the integration of objectives of sustainable development in its activities and services.

In addition, this issue will allow GAO to:

- ✓ Strengthen its balance sheet;
- ✓ Optimize its cost of debt;
- ✓ Limit its exposure to currency risk;
- ✓ Position itself as a regular issuer on the bond market;
- ✓ Expand to a new category of institutional investors.

#### IV. STRUCTURE OF THE OFFER

The bond issue subject of this prospectus will cover an amount of one billion dirhams (1,000,000,000) and will be issued in six tranches:

##### Ordinary Bonds

- **Part A:** fixed rate, and negotiable over the counter (unlisted) with a risk premium between 110 and 120 basis points. This tranche will be reimbursed by an annual linear depreciation of 10 years (10 maturities) and will cover a maximum amount of 500,000,000 MAD with a nominal value of MAD 100,000 per bond.
- **Part B:** fixed rate, listed on the Casablanca Stock Exchange with a risk premium of between 110 and 120 basis points. This tranche will be reimbursed by an annual linear depreciation of 10 years (10 maturities) and will cover a maximum amount of 500,000,000 MAD with a nominal value of MAD 100,000 per bond.
- **Part C:** Variable rate annually adjustable, and negotiable over the counter (unlisted) with a risk premium between 110 and 120 basis points. This tranche will be reimbursed by an annual linear depreciation of 10 years (10 maturities) and will cover a maximum amount of 500,000,000 MAD with a nominal value of MAD 100,000 per bond.

##### Sustainable Bonds “Social & Green Bonds”

- **Part D:** fixed rate, and negotiable over the counter (unlisted) with a risk premium between 100 and 110 basis points. This tranche will be reimbursed by an annual linear depreciation of 10 years (10 maturities) and will cover a maximum amount of 500,000,000 MAD with a nominal value of MAD 100,000 per bond.
- **Part E:** fixed rate, listed on the Casablanca Stock Exchange with a risk premium of between 100 and 110 basis points. This tranche will be reimbursed by an annual linear depreciation of 10 years (10 maturities) and will cover a maximum amount of 500,000,000 MAD with a nominal value of MAD 100,000 per bond.
- **Part F:** Variable rate annually adjustable, and negotiable over the counter (unlisted) with a risk premium between 100 and 110 basis points. This tranche will be reimbursed by an annual linear depreciation of 10 years (10 maturities) and will cover a maximum amount of 500,000,000 MAD with a nominal value of MAD 100,000 per bond.

The total amount awarded under tranches A, B and C shall in no case exceed the sum of five hundred million dirhams (MAD 500,000,000).

The total amount to be allocated under tranches D, E and F shall in no case exceed the sum of five hundred million dirhams (MAD 500,000,000).

The total amount to be allocated under tranches F and C shall in no case exceed the sum of five hundred million dirhams (MAD 500,000,000).



To be listed on the Casablanca Stock Exchange, the sum of the amounts allocated in parts B and E must be greater than or equal to 20,000,000 MAD. If at the end of the subscription period, the cumulated amounts allocated in parts B and E is less than 20,000,000 MAD, subscriptions for these parts will be canceled.

The total amount allocated for all parts should in no case exceed one billion dirhams (1,000,000,000).

## V. INFORMATION ABOUT SECURITIES TO BE ISSUED

### **ORDINARY BOND CAPPED AT 500,000,000 MAD**

#### **CHARACTERISTICS RELATING TO THE SECURITIES OF TRANCHE A**

##### **FIXED RATE COMMON BONDS - UNLISTED**

<b>Nature of the securities</b>	Bonds not listed dematerialized by registration in account with account holders authorized and compulsorily admitted to the operations of the central depository (Maroclear).
<b>Legal form</b>	Bearer bonds.
<b>Maximum amount of the part</b>	500.000.000 MAD.
<b>Maximum number of securities to be issued</b>	5.000 securities.
<b>Unit nominal value</b>	100.000 MAD.
<b>Maturity</b>	10 years
<b>Subscription period</b>	November 12 <sup>th</sup> to 14 <sup>th</sup> , 2018 included
<b>Vesting date</b>	November 23 <sup>rd</sup> , 2018
<b>Maturity date</b>	November 23 <sup>rd</sup> 2028
<b>Issue price</b>	At par, i.e. 100,000 MAD.
<b>Risk premium</b>	between 110 bps and 120 bps
<b>Nominal interest rate</b>	<b><u>Fixed rate</u></b> Determined by reference to the yield curve of the secondary market for Treasury Bills as published by Bank Al Maghrib on November 8 <sup>th</sup> , 2018, increased by a risk premium of between 110 and 120 bps. The publication of the reference rate and the range of interest rate facial will be published in a newspaper of legal announcements on November 9 <sup>th</sup> .
<b>Calculation method</b>	The face interest rate corresponds to the actuarial rate which makes it possible to obtain, for a bond, a price on the date of use equal to 100% of the nominal value by discounting the future cash flows generated by this bond at BDT Zero Coupon rates calculated at from the benchmark secondary market yield curve of Treasury Bills as published by Bank Al Maghrib on November 8 <sup>th</sup> , 2018, increased a risk premium of between 110 and 120 basis points.
<b>Payment of Interest</b>	The interest will be paid annually on the anniversary dates of the date of use of the loan, i.e. November 23 <sup>rd</sup> of each year. Interest will be paid the same day or the next business day if it is not worked. Interest will be calculated according to the following formula [Remaining Principal Amount x Face Rate] No deferral of interest will be possible under this transaction.
<b>Coupon Calculation Agent</b>	Valoris Securities
<b>Allocation method</b>	French auction with priorities as explained in the prospectus
<b>Principal repayment</b>	<b><u>Annual linear amortization in ten (10) installments</u></b> The amortization of the principal will occur annually on the anniversary dates of the date of the vesting date of the loan, i.e. November 23 <sup>rd</sup> of each year. The principal will be refunded the same day or the next business day if it is not worked. In the event of a merger, demerger or partial transfer of assets by Holding Al Omrane SA during the term of the loan and resulting in the universal transfer of the assets to a separate legal entity, the rights and bonds under the bonds will be automatically transferred to the legal entity substituted in the rights and bonds of Holding Al Omrane SA.
<b>Early repayment</b>	The Company refrains from prepaying the bonds covered by this issue. However, the Company reserves the right to buy bonds on the secondary market at any time, in accordance with legal and regulatory requirements, these redemptions being without consequences for a subscriber who wishes to keep his securities until normal maturity and without affecting the normal amortization schedule. The bonds redeemed will be canceled.

The bonds of tranche A are not assimilated.

<b>Assimilation clause</b>	In the event that the Company subsequently issues new bonds having in all respects, rights identical to those of the bonds that will be issued, it may, without requiring the consent of the holders of the old bonds, proceed to the assimilation of all securities successive issues thus unifying the operations relating to their financial service and their negotiation.
<b>Rank</b>	The bonds of Tranche A constitute direct, general, unconditional and unsubordinated commitments of the Company.
<b>Notation</b>	This issue has not been the subject of a rating request.
<b>Guarantee</b>	None
	Pending the General Meeting of the Bondholders, the Executive Board of Holding Al Omrane appointed Mr. Karim MOUTTAKI as a temporary representative in accordance with Article 300 of Law No 17-95 on public limited companies as amended and supplemented.
<b>Representation of bondholders</b>	The Executive Board of Holding Al Omrane SA undertakes to convene a general meeting of bondholders to appoint the definitive representative of the bondholders' group, within 60 days of the date of entitlement.
	Pending the holding of the general meeting of bondholders, the provisional proxy appointed (Mr. Karim MOUTTAKI) is identical for the A, B, C, D, E and F parts, which are grouped together in one and the same group.
<b>Negotiability of securities</b>	The bonds of Tranche A are negotiable by mutual agreement (not listed on the Casablanca Stock Exchange). There are no restrictions imposed by the terms of the issue on the free transferability of the bonds of Tranche A. Any transfer will automatically lead to the subscription and transfer of rights agreement attached to each bond as it results from the social decisions and from the bond issue contract.
<b>Applicable right</b>	Moroccan right.
<b>Jurisdiction</b>	Commercial Court of Rabat.

## **CHARACTERISTICS RELATING TO THE SECURITIES OF TRANCHE B**

### **FIXED RATE ORDINARY BONDS - LISTED ON THE CASABLANCA STOCK EXCHANGE**

<b>Nature of the securities</b>	Bonds listed on the Casablanca Stock Exchange dematerialized by registration in account with account holders authorized and compulsorily admitted to the operations of the central depository (Maroclear).
<b>Legal form</b>	Bearer bonds.
<b>Maximum amount of the part</b>	500.000.000 MAD.
<b>Maximum number of securities to be issued</b>	5.000 securities.
<b>Unit nominal value</b>	100.000 MAD.
<b>Maturity</b>	10 years
<b>Subscription period</b>	November 12 <sup>th</sup> to 14 <sup>th</sup> , 2018 included
<b>Vesting date</b>	November 23 <sup>rd</sup> , 2018
<b>Maturity date</b>	November 23 <sup>rd</sup> , 2028
<b>Issue price</b>	At par, i.e. 100,000 MAD.
<b>Risk premium</b>	between 110 pbs and 120 pbs
<b>Nominal interest rate</b>	<b><u>Fixed rate</u></b> Determined by reference to the yield curve of the secondary market for Treasury Bills as published by Bank Al Maghrib on November 8 <sup>th</sup> , 2018, increased by a risk premium of between 110 and 120 bps. The publication of the reference rate and the range of interest rate facial will be made in a newspaper of legal announcements on November 9 <sup>th</sup> , 2018 and will also be communicated to the Casablanca Stock Exchange.
<b>Calculation method</b>	The face interest rate corresponds to the actuarial rate which makes it possible to obtain, for a bond, a price on the date of use equal to 100% of the nominal value by discounting the future cash flows generated by this bond at BDT Zero Coupon rates calculated at from the benchmark secondary market yield curve of Treasury Bills as published by Bank Al Maghrib on November 8 <sup>th</sup> , 2018, increased by a risk premium of between 110 and 120 basis points.
<b>Payment of Interest</b>	The interest will be paid annually on the anniversary dates of the date of use of the loan, i.e. November 23 <sup>rd</sup> of each year. Interest will be paid the same day or the next business day if it is not worked. Interest will be calculated according to the following formula [Remaining Principal Amount x Face Rate] No deferral of interest will be possible under this transaction.
<b>Allocation method</b>	French allocation with priorities as explained in prospectus.
<b>Principal repayment</b>	<b><u>Annual linear amortization in ten (10) installments</u></b> The amortization of the principal will occur annually on the anniversary dates of the vesting date of the loan, i.e. November 23 <sup>rd</sup> of each year. The principal will be refunded the same day or the next business day if it is not worked. In the event of a merger, demerger or partial transfer of assets by Holding Al Omrane SA during the term of the loan and resulting in the universal transfer of the assets to a separate legal entity, the rights and bonds under the bonds will be automatically transferred to the legal entity substituted in the rights and bonds of Holding Al Omrane SA.
<b>Early Repayment</b>	The Company refrains from prepaying the bonds covered by this issue. However, the Company reserves the right to carry out bond buybacks on the secondary market at any time, in accordance with legal and regulatory provisions, such redemptions being without consequences for an underwriter who wishes to keep his securities until the end of the year with normal maturity and without affecting the normal amortization schedule. The bonds redeemed will be canceled. In the event of cancellation, the issuer must inform the Casablanca Stock Exchange of the canceled bonds.
<b>Assimilation clause</b>	The bonds of Tranche B are not assimilated.  In the event that the Company subsequently issues new bonds having in all respects, rights identical to those of the bonds that will be issued, it may, without requiring the consent of the holders of the old bonds, proceed to the assimilation of all securities successive issues thus unifying the operations relating to their financial service and their negotiation.

<b>Rank</b>	The bonds of Tranche B constitute direct, general, unconditional and unsubordinated commitments of the Company.
<b>Notation</b>	This issue has not been the subject of a rating request.
<b>Guarantee</b>	None
<b>Representation of bondholders</b>	<p>Pending the General Meeting of the Bondholders, the Executive Board of Holding Al Omrane, appointed Mr. Karim MOUTTAKI as a temporary representative in accordance with Article 300 of Law No 17-95 on public limited companies as amended and supplemented.</p> <p>The Executive Board of Holding Al Omrane SA undertakes to convene a general meeting of bondholders to appoint the definitive representative of the bondholders' group, within 60 days of the date of entitlement.</p> <p>Pending the holding of the general meeting of the bondholders, the provisional proxy appointed (Mr. Karim MOUTTAKI) is identical for the A, B, C, D, E and F Tranche, which are grouped together in one and the same group.</p>
<b>Negotiability of securities</b>	<p>The bonds of part B are tradable on the Casablanca Stock Exchange.</p> <p>There are no restrictions imposed by the terms of the issue on the free transferability of the Tranche B bonds.</p> <p>Any transfer will automatically entail adherence to the conditions of the issue and transfer of the rights attached to each Bond, as they result from the Social Decisions and the Bond Issuance Contract.</p>
<b>Listing of securities</b>	<p>The bonds of Tranche B will be listed on the Casablanca Stock Exchange and will be the subject of an application for admission to the bond compartment of the Casablanca Stock Exchange. Their listing date is scheduled for November 16<sup>th</sup>, 2018, on the bond compartment, under the ticker OHAOA.</p> <p>To be listed on the Casablanca Stock Exchange, the cumulative amounts allocated to Tranches B and E must be greater than or equal to 20,000,000 MAD. If, at the end of the subscription period, the aggregate amounts allocated to tranches B and E are less than 20,000,000 MAD, subscriptions for these parts will be canceled.</p>
<b>Stock exchange company responsible for the registration of the transaction</b>	Valoris Securities
<b>First listing procedure</b>	The listing of Tranche B will be made by a direct quotation in accordance with articles 1.2.6 and 1.2.22 of the General Regulations of the Stock Exchange.
<b>Applicable right</b>	Moroccan right.
<b>Jurisdiction</b>	Commercial Court of Rabat.

## CHARACTERISTICS RELATING TO THE SECURITIES OF TRANCHE C

### ORDINARY BONDS WITH VARIABLE RATE ANNUALLY ADJUSTABLE - UNLISTED

<b>Nature of the securities</b>	Bonds not listed dematerialized by registration in account with account holders authorized and compulsorily admitted to the operations of the central depository (Maroclear).
<b>Legal form</b>	Bearer bonds.
<b>Maximum amount of the part</b>	500.000.000 MAD.
<b>Maximum number of securities to be issued</b>	5.000 securities.
<b>Unit nominal value</b>	100.000 MAD.
<b>Maturity</b>	10 years
<b>Subscription period</b>	November 12 <sup>th</sup> to 14 <sup>th</sup> , 2018 included
<b>Vesting date</b>	November 23 <sup>th</sup> , 2018
<b>Maturity date</b>	November 23 <sup>th</sup> , 2028
<b>Issue price</b>	At par, i.e 100,000 MAD.
<b>Risk premium</b>	between 110 pbs and 120 pbs
<b>Nominal interest rate</b>	<p><b>Variable Rate Annually Adjustable</b> For the first year, the nominal interest rate is determined by reference to the 52-week full rate (monetary rate) determined by reference to the secondary market yield curve for treasury bills as published by Bank Al. -Maghrib dated November 8<sup>th</sup>, 2018, increased by a risk premium of between 110 pbs and 120 pbs. The publication of the reference rate and the range of interest rate facial will be made in a newspaper legal announcements on November 9<sup>th</sup>.</p> <p>On each anniversary date, the reference rate is the 52-week full rate (monetary rate) determined by reference to the benchmark secondary market yield curve published by Bank Al-Maghrib, prior to the date of issue on the anniversary of the coupon of 5 working days.</p> <p>The reference rate thus obtained will be increased by a risk premium fixed at the end of the subscription period (risk premium of between 110 and 120 basis points) and will be published by Holding Al Omrane in an advertising newspaper, legal notice, 3 working days before the anniversary date.</p>
<b>Calculation method</b>	<p>On each anniversary date, the reference rate that will be used will be determined as follows: -The reference rate of the securities will be calculated on the basis of the treasury bill rate 52 monetary weeks observed or calculated by linear interpolation on the curve of the rates of the secondary market as published by Bank Al Maghrib, and this, 5 working days previous every anniversary date. This linear interpolation will be done after the conversion of the rate immediately higher than the maturity of 52 weeks (actuarial basis) in equivalent monetary rate. The calculation formula is:  <math display="block">[(\text{Actuarial rate} + 1) ^ {k/\text{exact number of days}}] - 1) \times 360/k;</math> where k: maturity of the actuarial rate to be transformed (immediately greater than 52 weeks)  * Exact number of days: 365 or 366 days.  - The reference rate thus obtained will be increased by the risk premium fixed at the end of the allocation.</p>
<b>Payment of Interest</b>	<p>The interest will be paid annually on the anniversary dates of the date of use of the loan, i.e. November 23<sup>rd</sup> of each year. Interest will be paid the same day or the next business day if it is not worked. Interest will be calculated according to the following formula: [outstanding capital x face rate x (exact number of days/360 days)]. No deferral of interest will be possible under this issue. Interest on the bonds will cease to run from the day the capital is repaid by the Company.</p>
<b>Coupon Calculation Agent</b>	Valoris Securities
<b>Allocation method</b>	French auction with priorities as explained in the prospectus.

	<b><u>Annual linear amortization in ten (10) installments</u></b>
<b>Principal repayment</b>	<p>The amortization of the principal will occur annually on the anniversary dates of the vesting date of the loan, i.e. November 23<sup>th</sup> of each year.</p> <p>The principal will be refunded the same day or the next business day if it is not worked.</p> <p>In the event of a merger, demerger or partial transfer of assets by Holding Al Omrane SA during the term of the loan and resulting in the universal transfer of the assets to a separate legal entity, the rights and bonds under the bonds will be automatically transferred to the legal entity substituted in the rights and bonds of Holding Al Omrane SA.</p>
<b>Early repayment</b>	<p>The Company refrains from prepaying the bonds covered by this issue.</p> <p>However, the Company reserves the right to buy bonds on the secondary market at any time, in accordance with legal and regulatory requirements, these redemptions being without consequences for a subscriber who wishes to keep his securities until normal maturity and without affecting the normal amortization schedule. The bonds redeemed will be canceled.</p>
<b>Assimilation clause</b>	<p>The bonds of Tranche C are not assimilated.</p> <p>In the event that the Company subsequently issues new bonds having in all respects, rights identical to those of the bonds that will be issued, it may, without requiring the consent of the holders of the old bonds, proceed to the assimilation of all securities successive issues thus unifying the operations relating to their financial service and their negotiation.</p>
<b>Rank</b>	The bonds of Tranche C constitute direct, general, unconditional and unsubordinated commitments of the Company.
<b>Notation</b>	This issue has not been the subject of a rating request.
<b>Guarantee</b>	None
<b>Representation of bondholders</b>	<p>Pending the General Meeting of the Bondholders, the Executive Board of Holding Al Omrane, appointed Mr. Karim MOUTTAKI as a temporary representative in accordance with Article 300 of Law No 17-95 on public limited companies as amended and supplemented.</p> <p>The Executive Board of Holding Al Omrane SA undertakes to convene a general meeting of bondholders to appoint the definitive representative of the bondholders' group, within 60 days of the date of entitlement.</p>
<b>Negotiability of securities</b>	<p>Pending the holding of the general meeting of bondholders, the provisional proxy appointed (Mr. Karim MOUTTAKI) is identical for the A, B, C, D, E and F Tranches, which are grouped together in one and the same groupe.</p> <p>The bonds of Tranche C are negotiable by mutual agreement (not listed on the Casablanca Stock Exchange). There are no restrictions imposed by the terms of the issue on the free transferability of the bonds of tranche C.</p> <p>Any transfer will automatically lead to the subscription and transfer of rights agreement attached to each bond as it results from the social decisions and from the bond issue contract.</p>
<b>Applicable right</b>	Moroccan right.
<b>Jurisdiction</b>	Commercial Court of Rabat.

## SOCIAL & GREEN BONDS

### CHARACTERISTICS RELATING TO THE SECURITIES OF TRANCHE D

#### FIXED RATE SUSTAINABLE BONDS - UNLISTED

<b>Nature of the securities</b>	Bonds not listed dematerialized by registration in account with account holders authorized and compulsorily admitted to the operations of the central depository (Maroclear).
<b>Legal form</b>	Bearer bonds.
<b>Maximum amount of the part</b>	500.000.000 MAD.
<b>Maximum number of securities to be issued</b>	5.000 securities.
<b>Unit nominal value</b>	100.000 MAD.
<b>Maturity</b>	10 years
<b>Subscription period</b>	November 12 <sup>th</sup> to 14 <sup>th</sup> , 2018 included
<b>Vesting date</b>	November 23 <sup>th</sup> , 2018
<b>Maturity date</b>	November 23 <sup>th</sup> , 2028
<b>Issue price</b>	At par, i.e. 100,000 MAD.
<b>Risk premium</b>	included between 100 pbs and 110 pbs
<b>Nominal interest rate</b>	<b><u>Fixed rate</u></b> Determined by reference to the reference yield curve of the secondary market for Treasury Bills as published by Bank Al Maghrib on November 8 <sup>th</sup> , 2018, plus a risk premium of between 100 and 110 bps. The publication of the reference rate and the range of interest rate facial will be made in a newspaper legal announcements on November 9 <sup>th</sup> .
<b>Calculation method</b>	The face interest rate corresponds to the actuarial rate which makes it possible to obtain, for a bond, a price on the date of use equal to 100% of the nominal value by discounting the future cash flows generated by this bond at BDT Zero Coupon rates calculated at from the benchmark secondary market yield curve of Treasury Bills as published by Bank Al Maghrib on November 8 <sup>th</sup> , 2018, plus a risk premium of between 100 and 110 basis points.
<b>Payment of Interest</b>	The interest will be paid annually on the anniversary dates of the date of use of the loan, i.e. November 23 <sup>th</sup> of each year. Interest will be paid the same day or the next business day if it is not worked. Interest will be calculated according to the following formula: [Remaining capital x Face rate] No deferral of interest will be possible under this transaction.
<b>Coupon Calculation Agent</b>	Valoris Securities
<b>Allocation method</b>	French auction with priorities as explained in the prospectus.
<b>Principal repayment</b>	<b><u>Annual linear amortization in ten (10) installments</u></b> The amortization of the principal will occur annually on the anniversary dates of the vesting date of the loan, i.e. November 23 <sup>th</sup> of each year. The principal will be refunded the same day or the next business day if it is not worked. In the event of a merger, demerger or partial transfer of assets by Holding Al Omrane SA during the term of the loan and resulting in the universal transfer of the assets to a separate legal entity, the rights and bonds under the bonds will be automatically transferred to the legal entity substituted in the rights and bonds of Holding Al Omrane SA.
<b>Early repayment</b>	The Company refrains from prepaying the bonds of tranches D, E and F, except in the event of an absence of mutual agreement with the group of bondholders on the assets that will be proposed by the issuer in replacement of those out of the portfolio of the refinanced assets. The repayment will be made at nominal coupon accrued. However, the Company reserves the right to buy bonds on the secondary market at any time, in accordance with legal and regulatory requirements, these redemptions being without consequences for a subscriber who wishes to keep his securities until normal maturity and without affecting the normal amortization schedule. The bonds redeemed will be canceled.
<b>Assimilation clause</b>	The bonds of Tranche D are not assimilated.



	In the event that the Company subsequently issues new bonds having in all respects, rights identical to those of the bonds that will be issued, it may, without requiring the consent of the holders of the old bonds, proceed to the assimilation of all securities successive issues thus unifying the operations relating to their financial service and their negotiation.
<b>Rank</b>	The bonds of Tranche D constitute direct, general, unconditional and unsubordinated commitments of the Company.
<b>Notation</b>	This issue has not been the subject of a rating request.
<b>Guarantee</b>	None
	Pending the General Meeting of the Bondholders, the Executive Board of Holding Al Omrane, appointed Mr Karim MOUTTAKI as a temporary representative in accordance with Article 300 of Law No 17–95 on public limited companies as amended and supplemented.
<b>Representation of bondholders</b>	<p>The Executive Board of Holding Al Omrane SA undertakes to convene a general meeting of bondholders to appoint the definitive representative of the bondholders' group, within 60 days of the date of entitlement.</p> <p>Pending the holding of the general meeting of bondholders, the provisional proxy appointed (Mr. Karim MOUTTAKI) is identical for the A, B, C, D, E and F tranches, which are grouped together in one and the same mass.</p>
<b>Negotiability of securities</b>	<p>The bonds of tranche D are negotiable by mutual agreement (not listed on the Casablanca Stock Exchange). There are no restrictions imposed by the terms of the issue on the free transferability of the tranche D bonds.</p> <p>Any transfer will automatically lead to the subscription and transfer of rights agreement attached to each bond as it results from the social decisions and from the bond issue contract.</p>
<b>Applicable right</b>	Moroccan right.
<b>Jurisdiction</b>	Commercial Court of Rabat.

## CHARACTERISTICS RELATING TO THE SECURITIES OF TRANCHE E

### FIXED-RATE SUSTAINABLE BONDS - LISTED ON THE CASABLANCA STOCK EXCHANGE

<b>Nature of the securities</b>	Bonds listed on the Casablanca Stock Exchange dematerialized by registration in account with account holders authorized and compulsorily admitted to the operations of the central depository (Maroclear).
<b>Legal form</b>	Bearer bonds.
<b>Maximum amount of the part</b>	500.000.000 MAD.
<b>Maximum number of securities to be issued</b>	5.000 securities.
<b>Unit nominal value</b>	100.000 MAD.
<b>Maturity</b>	10 years
<b>Subscription period</b>	November 12 <sup>th</sup> to 14 <sup>th</sup> , 2018 included
<b>Vesting date</b>	November 23 <sup>th</sup> , 2018
<b>Maturity date</b>	November 23 <sup>th</sup> , 2028
<b>Issue price</b>	At par, i.e. 100,000 MAD.
<b>Risk premium</b>	included between 100 pbs and 110 pbs
<b>Nominal interest rate</b>	<b><u>Fixed rate</u></b> Determined by reference to the reference yield curve of the secondary market for Treasury Bills as published by Bank Al Maghrib on November 8 <sup>th</sup> , 2018, plus a risk premium of between 100 and 110 bps. The publication of the reference rate and the range of interest rate facial will be made in a newspaper legal announcements on November 9 <sup>th</sup> and will also be communicated to Casablanca Stock Exchange
<b>Calculation method</b>	The face interest rate corresponds to the actuarial rate which makes it possible to obtain, for a bond, a price on the date of use equal to 100% of the nominal value by discounting the future cash flows generated by this bond at BDT Zero Coupon rates calculated at from the benchmark secondary market yield curve of Treasury Bills as published by Bank Al Maghrib on November 8 <sup>th</sup> , 2018, plus a risk premium of between 100 and 110 basis points.
<b>Payment of Interest</b>	The interest will be paid annually on the anniversary dates of the date of use of the loan, i.e. November 23 <sup>th</sup> of each year. Interest will be paid the same day or the next business day if it is not worked. Interest will be calculated according to the following formula: [Remaining capital x Face rate] No deferral of interest will be possible under this transaction.
<b>Allocation method</b>	French auction with priorities as explained in the prospectus.
<b>Principal repayment</b>	<b><u>Annual linear amortization in ten (10) installments</u></b> The amortization of the principal will occur annually on the anniversary dates of the vesting date of the loan, i.e. November 23 <sup>th</sup> of each year. The principal will be refunded the same day or the next business day if it is not worked. In the event of a merger, demerger or partial transfer of assets by Holding Al Omrane SA during the term of the loan and resulting in the universal transfer of the assets to a separate legal entity, the rights and bonds under the bonds will be automatically transferred to the legal entity substituted in the rights and bonds of Holding Al Omrane SA.
<b>Early repayment</b>	The Company refrains from prepaying the bonds of tranches D, E and F, except in the event of an absence of mutual agreement with the group of bondholders on the assets that will be proposed by the issuer in replacement of those out of the portfolio of the refinanced assets. The repayment will be made at nominal coupon accrued. However, the Company reserves the right to carry out bond buybacks on the secondary market at any time, in accordance with legal and regulatory provisions, such redemptions being without consequences for an underwriter who wishes to keep his securities until the end of the year with normal maturity and without affecting the normal amortization schedule. The bonds redeemed will be canceled. In the event of cancellation, the issuer must inform the Casablanca Stock Exchange of the canceled bonds.
<b>Assimilation clause</b>	The bonds of tranche E are not assimilated.  In the event that the Company subsequently issues new bonds having in all respects, rights identical to those of the bonds that will be issued, it may, without requiring the consent of the

	holders of the old bonds, proceed to the assimilation of all securities successive issues thus unifying the operations relating to their financial service and their negotiation.
<b>Rank</b>	The bonds of tranche E constitute direct, general, unconditional and unsubordinated commitments of the Company.
<b>Notation</b>	This issue has not been the subject of a rating request.
<b>Guarantee</b>	None
	Pending the General Meeting of the Bondholders, the Executive Board of Holding Al Omrane, appointed Mr. Karim MOUTTAKI as a temporary representative in accordance with Article 300 of Law No 17–95 on public limited companies as amended and supplemented.
<b>Representation of bondholders</b>	The Executive Board of Holding Al Omrane SA undertakes to convene a general meeting of bondholders to appoint the definitive representative of the bondholders' group, within 60 days of the date of entitlement.
	Pending the holding of the general meeting of bondholders, the provisional proxy appointed (Mr. Karim MOUTTAKI) is identical for the A, B, C, D, E and F tranches, which are grouped together in one and the same mass.
<b>Negotiability of securities</b>	The bonds of tranche E are tradable on the Casablanca Stock Exchange. There are no restrictions imposed by the terms of the issue on the free transferability of the E tranche bonds. Any transfer will automatically entail adherence to the conditions of the issue and transfer of the rights attached to each Bond, as they result from the Social Decisions.
<b>Listing of securities</b>	The bonds of tranche E will be listed on the Casablanca Stock Exchange and will be the subject of an application for admission to the bond compartment of the Casablanca Stock Exchange. Their listing date is scheduled for November 16 <sup>th</sup> , 2018, on the bond compartment, under the ticker OHAOB. To be listed on the Casablanca Stock Exchange, the cumulative amounts allocated to parts B and E must be greater than or equal to 20,000,000 MAD. If, at the end of the subscription period, the aggregate amounts allocated to tranches B and E are less than 20,000,000 MAD, subscriptions for these parts will be canceled.
<b>Stock exchange company responsible for the registration of the transaction</b>	Valoris Securities
<b>First listing procedure</b>	The listing of tranche E will be made by a direct quotation in accordance with articles 1.2.6 and 1.2.22 of the General Regulations of the Stock Exchange.
<b>Applicable right</b>	Moroccan right.
<b>Jurisdiction</b>	Commercial Court of Rabat.

## CHARACTERISTICS RELATING TO THE SECURITIES OF TRANCHE F

### SUSTAINABLE FIXED RATE BONDS ANNUALLY - UNLISTED

<b>Nature of the securities</b>	Bonds not listed dematerialized by registration in account with account holders authorized and compulsorily admitted to the operations of the central depository (Maroclear).
<b>Legal form</b>	Bearer bonds.
<b>Maximum amount of the part</b>	500.000.000 MAD.
<b>Maximum number of securities to be issued</b>	5.000 securities.
<b>Unit nominal value</b>	100.000 MAD.
<b>Maturity</b>	10 years
<b>Subscription period</b>	November 12 <sup>th</sup> to 14 <sup>th</sup> , 2018 included
<b>Vesting date</b>	November 23 <sup>th</sup> , 2018
<b>Maturity date</b>	November 23 <sup>th</sup> , 2028
<b>Issue price</b>	At par, i.e. 100,000 MAD.
<b>Risk premium</b>	between 100 pbs and 110 pbs
<b>Nominal interest rate</b>	<p><b>Revised Rate Annually</b> For the first year, the nominal interest rate is determined by reference to the 52-week full rate (monetary rate) determined by reference to the secondary market yield curve for treasury bills as published by Bank Al. -Maghrib dated November 8<sup>th</sup>, 2018, increased by a risk premium of between 100 pbs and 110 pbs. The publication of the reference rate and the range of interest rate facial will be made in a newspaper of legal announcements on November 9<sup>th</sup> 2018.</p> <p>On each anniversary date, the reference rate is the 52-week full rate (monetary rate) determined by reference to the benchmark secondary market yield curve published by Bank Al-Maghrib, prior to the date of issue on the anniversary of the coupon of 5 working days.</p> <p>The reference rate thus obtained will be increased by a risk premium fixed at the end of the subscription period (risk premium of between 100 and 110 basis points) and will be published by Holding Al Omrane in an advertising newspaper, legal notice, 3 working days before the anniversary date.</p>
<b>Calculation method</b>	<p>On each anniversary date, the reference rate that will be used will be determined as follows: -The reference rate of the securities will be calculated on the basis of the treasury bill rate 52 monetary weeks observed or calculated by linear interpolation on the curve of the rates of the secondary market as published by Bank Al Maghrib, and this, 5 working days previous every anniversary date. This linear interpolation will be done after the conversion of the rate immediately higher than the maturity of 52 weeks (actuarial basis) in equivalent monetary rate. The calculation formula is: <math>[(\text{Actuarial rate} + 1) ^ {k/\text{exact number of days}}] - 1) \times 360/k</math>; where k: maturity of the actuarial rate to be transformed (immediately greater than 52 weeks) * Exact number of days: 365 or 366 days. - The reference rate thus obtained will be increased by the risk premium fixed at the end of the allocation.</p>
<b>Payment of Interest</b>	<p>The interest will be paid annually on the anniversary dates of the date of use of the loan, i.e. November 23<sup>th</sup> of each year. Interest will be paid the same day or the next business day if it is not worked. Interest will be calculated according to the following formula: <math>[\text{outstanding capital} \times \text{face rate} \times (\text{exact number of days}/360 \text{ days})]</math>. No deferral of interest will be possible under this issue. Interest on the bonds will cease to run from the day the capital is repaid by the Company.</p>
<b>Coupon Calculation Agent</b>	Valoris Securities
<b>Allocation method</b>	French auction with priorities as explained in the prospectus

	<p><b><u>Annual linear amortization in ten (10) installments</u></b></p> <p>The amortization of the principal will occur annually on the anniversary dates of the date of enjoyment of the loan, i.e. November 23<sup>th</sup> of each year.</p>
<b>Principal repayment</b>	<p>The principal will be refunded the same day or the next business day if it is not worked.</p> <p>In the event of a merger, demerger or partial transfer of assets by Holding Al Omrane SA during the term of the loan and resulting in the universal transfer of the assets to a separate legal entity, the rights and bonds under the bonds will be automatically transferred to the legal entity substituted in the rights and bonds of Holding Al Omrane SA.</p>
<b>Early repayment</b>	<p>The Company refrains from prepaying the bonds of tranches D, E and F, except in the event of an absence of mutual agreement with the group of bondholders on the assets that will be proposed by the issuer in replacement of those out of the portfolio of the refinanced assets. The repayment will be made at nominal coupon accrued.</p> <p>However, the Company reserves the right to buy bonds on the secondary market at any time, in accordance with legal and regulatory requirements, these redemptions being without consequences for a subscriber who wishes to keep his securities until normal maturity and without affecting the normal amortization schedule. The bonds redeemed will be canceled.</p>
<b>Assimilation clause</b>	<p>The bonds of tranche F are not assimilated.</p> <p>In the event that the Company subsequently issues new bonds having in all respects, rights identical to those of the bonds that will be issued, it may, without requiring the consent of the holders of the old bonds, proceed to the assimilation of all securities successive issues thus unifying the operations relating to their financial service and their negotiation.</p>
<b>Rank</b>	<p>The bonds of tranche F constitute direct, general, unconditional and unsubordinated commitments of the Company.</p>
<b>Notation</b>	<p>This issue has not been the subject of a rating request.</p>
<b>Guarantee</b>	<p>None</p>
<b>Representation of bondholders</b>	<p>Pending the General Meeting of the Bondholders, the Executive Board of Holding Al Omrane, appointed Mr. Karim MOUTTAKI as a temporary representative in accordance with Article 300 of Law No 17-95 on public limited companies as amended and supplemented.</p> <p>The Executive Board of Holding Al Omrane SA undertakes to convene a general meeting of bondholders to appoint the definitive representative of the bondholders' group, within 60 days of the date of entitlement.</p> <p>Pending the holding of the general meeting of bondholders, the provisional proxy appointed (Mr. Karim MOUTTAKI) is identical for the A, B, C, D, E and F tranches, which are grouped together in one and the same mass.</p>
<b>Negotiability of securities</b>	<p>The bonds of tranche F are negotiable by mutual agreement (not listed on the Casablanca Stock Exchange). There are no restrictions imposed by the terms of the issue on the free transferability of the F tranche bonds.</p> <p>Any transfer will automatically lead to the subscription and transfer of rights agreement attached to each bond as it results from the social decisions and from the bond issue contract.</p>
<b>Applicable right</b>	<p>Moroccan right.</p>
<b>Jurisdiction</b>	<p>Commercial Court of Rabat.</p>

## **VI. EARLY REIMBURSEMENT OR INVESTMENT IN CASE OF OUTPUT OF THE PORTFOLIO OF ONE OR MORE ASSETS REFINED BY THE ISSUE PRODUCT OF SUSTAINABLE BONDS**

The Issuer undertakes during the Term of the Bond Loan, to permanently maintain a size of the portfolio of assets refinanced by the proceeds of the sustainable bonds at least equal to the outstanding amount of the issue relating to the amounts allocated to the projects. Sustainable (“Social & Green”).

In the event that one or more assets refinanced by the proceeds from the issuance of the sustainable bonds (of the Social & Green bond type) leave the issuer’s portfolio, the Issuer commits itself within 9 months to (i) repay in advance the portion corresponding to the assets released, or (ii) reinvest in new projects in such a way as to maintain at all times an asset portfolio size at least equal to the outstanding amount of the bonds of a lasting nature (“Social & Green”).

A general meeting of bondholders will be convened to decide on the assets to be proposed by the issuer for refinancing. In the event that the proposal made by the issuer does not collect the majority of vote of the general meeting of the bondholder, the issuer will proceed to the early repayment of the funds matching the assets removed from the portfolio.

## **VII. Information Commitment**

The Issuer undertakes to communicate to the representative of the bondholders’ group:

- all the documents referred to in Article 5.3. the issue agreement annexed to this offer document and the documentation relating to sustainable projects (external auditors’ reports, assessment of socio-economic impacts, etc. ”;
- any change in one or more monitoring and reporting indicators of the selected projects within a period not exceeding 90 days from the date of the decision to change the indicator;

The Issuer also undertakes to deliver to the Representative of the Masse, as from the notice of the annual ordinary general meeting and at least during the fifteen (15) days preceding the date of the meeting:

- the agenda of the meeting;
- the text and explanatory memorandum of the draft resolutions presented by the Supervisory Board;
- the list of members of the Supervisory Board and, where appropriate, information concerning the candidates for that body;
- the inventory, the summary statements for the past financial year, drawn up by the Supervisory Board;
- the management report of the Supervisory Board submitted to the meeting;
- the reports of the statutory auditors submitted to the meeting (including the special report provided for by article 58 of Law No. 17–95 as amended and supplemented);
- the project of allocation of the results;
- the list of agreements provided for in Article 56 of Law No. 17–95 as amended and supplemented; and
- the list of agreements provided for in Article 57 of Law No. 17–95 as amended and supplemented.

More generally, the Issuer undertakes, as from the convocation of all other meetings, ordinary or extraordinary, general or special, to allow the Representative of the Masse, at least during the period of fifteen (15) days preceding the date of the meeting, to take at the head office, knowledge of the text of the draft resolutions, the report of the Supervisory Board, the report of the auditors.

The representative of the company has the right to obtain the documents made available to the shareholders of the company under the same conditions as these.

## VIII. STOCK EXCHANGE LISTING

The bonds of parts B and E issued under this loan will be admitted to trading on the bond compartment of the Casablanca Stock Exchange.

<b>Date of listing</b>	16/11/2018
<b>Ticker</b>	<b>Part B:</b> OHAOA <b>Part E:</b> OHAOB
<b>Negotiation cycle</b>	Fixing
<b>First listing procedure</b>	Direct listing
<b>Establishment responsible for registering the transaction on the Stock Exchange</b>	Valoris Securities

## IX. SCHEDULE OF THE OPERATION

Subscription is open to members of the placement syndicate. The schedule of the operation is as follows:

Order	Steps	Dates
1	Reception by the Casablanca Stock Exchange of the complete file of the operation	30/10/2018
2	Issuance by the Casablanca Stock Exchange of the notice of approval of the transaction	30/10/2018
3	Reception by the Casablanca Stock Exchange of the prospectus approved by the AMMC	30/10/2018
4	Publication of the transaction notice in the rating bulletin	31/10/2018
5	Publication of the extract of the prospectus in a newspaper of legal announcements	01/11/2018
6	Observation of the interest rate of treasury bills by Valoris Securities	08/11/2018
7	Publication of the benchmark rate and the face interest rate range of each part in a legal notice newspaper.	09/11/2018
8	Opening of the subscription period	12/11/2018
9	Closing of the subscription period	14/11/2018
10	Reception by the Casablanca Stock Exchange of the results of the operation before 10am	15/11/2018
11	-Admission of the bonds -Registration of the stock exchange transaction -Announcement of the results of the operation to the rating bulletin -Publication of the results of the operation in a legal notice	16/11/2018
12	Payment/delivery	23/11/2018

## X. MEMBERS OF THE UNION OF INVESTMENT AND FINANCIAL INTERMEDIARIES

The institutions responsible for the placement and the financial intermediaries involved in this bond issue are as follows:

Underwriting Bodies and Financial Intermediaries	Denomination	Address
Advisor and Global Coordinator	Valoris Corporate Finance	355, Route d'El Jadida, Casablanca
Co-Advisor	Capital Trust Finance	50, Bd Rachidi, Casablanca
Coupon Calculation Agent	Valoris Securities	355, Route d'El Jadida, Casablanca
Lead of the underwriting syndicate of centralizing organization	Valoris Securities	355, Route d'El Jadida, Casablanca
Member of the underwriting syndicate	Capital Trust Securities	50, Bd Rachidi, Casablanca
Establishment responsible for registering the transaction on the Casablanca Stock Exchange	Valoris Securities	355, Route d'El Jadida, Casablanca
Domiciliary institution providing the financial service of the issuer	Valoris Securities	355, Route d'El Jadida, Casablanca



## **PART II: PRESENTATION OF HOLDING AL OMRANE**

## I. INFORMATION OF GENERAL CHARACTER

Company name	Holding Al Omrane
Headquarters	N°5, Rue Boundoq, Mail Central, Hay Ryad, B.P 10,100, Rabat
Phone	+212 (0) 5 37 56 91 91
Fax	+212 (0) 5 37 56 63 92
Website	<a href="http://www.alomrane.gov.ma">www.alomrane.gov.ma</a>
Legal form	Limited company with Executive Board and Supervisory Board
Date of constitution	16/02/1984
Lifetime	99 years
Registration number in the commercial register	RC 26,807 Rabat
Social year	From January 1st to December 31st
Social object (Article 4 of the statutes)	<p>The purpose of the holding company is to implement public policies in the housing sector by developing appropriate land and financial strategies that enable all of the Group's components (HAO and its ODS subsidiaries) to carry out related programs.</p> <p>Its mission is to proceed:</p> <ul style="list-style-type: none"> <li>• Urban development operations, the creation of new urban areas in compliance with the laws and laws in force, and urban requalification in the framework of the convention concluded for this purpose with the public authorities concerned;</li> <li>• Construction operations for housing, including social housing and industrial and economic activity, as well as the implementation of socio-collective facilities in the framework of agreements made for this purpose, and in respect of technical arrangements -financials of said operations;</li> <li>• At the completion of housing projects, including social housing and subdivisions;</li> <li>• To the realization of the projects registered under the governmental program in the sector of the habitat;</li> <li>• Projects to reduce shantytowns and unsanitary housing and social control programs for these projects, in the framework of agreements concluded for this purpose;</li> <li>• The construction of equipment or infrastructure related to the housing and development programs, as well as the development of the areas surrounding them, while respecting the technical and financial arrangements of the said programs;</li> <li>• Participation in accordance with the regulations in force in management actions of new cities in the context of agreements to be concluded with the local authorities concerned for a maximum period of 5 years renewable after authorization of the Board of Directors of SAO concerned and approval of the Supervisory Board of the HAO;</li> <li>• Intervene, abroad in the framework of technical assistance and delegated project management through agreements concluded with the partners concerned and approved beforehand by the HAO Supervisory Board.</li> </ul> <p>HAO carries out the missions on behalf of the State and the local authorities and forming part of the public service in the framework of conventions concluded for this purpose with the public authorities concerned.</p> <p>As part of the implementation of the aforementioned missions, the holding company is called upon to carry out, among other things, the following operations:</p> <ul style="list-style-type: none"> <li>• Carry out the studies necessary for the accomplishment of its social object;</li> <li>• Acquire the land necessary for the accomplishment of his activity;</li> </ul>

	<ul style="list-style-type: none"> <li>• Carry out the equipment work including roads and various networks;</li> <li>• Carry out development and housing subdivision work;</li> <li>• Conduct slum clearance and restructuring programs for non-regulatory housing districts;</li> <li>• Carry out building construction work and restoration or renovation work within the scope of its purpose;</li> <li>• Realize urban centers and new urbanization areas;</li> <li>• Realize urban tissue requalification projects and improvement of habitat conditions in ancient fabrics;</li> <li>• Conclude and implement any partnership agreement with national or international natural or legal persons to carry out its activities;</li> <li>• Carry out equipment or construction work directly or indirectly as a delegated contracting authority on behalf of the State, local authorities or for any other entity governed by public or private law;</li> <li>• Delegate, for a given transaction, all or part of the missions falling within its corporate purpose to its subsidiaries or any other public entity that can perform the said tasks;</li> <li>• Develop, implement any suitable financing strategy and resort to borrowing on the national or international financial market;</li> <li>• Conclude any financial or cash agreement with its partners and subsidiaries in accordance with the laws and regulations in force;</li> <li>• Sell the equipped land, housing and make any other product within the scope of its activity;</li> <li>• Benefit from legacies, donations or subsidies of any kind within the scope of its activities;</li> <li>• Subject to the provisions of Article 16.6<sup>5</sup> of the Company's by-laws, dispose of immovables by nature;</li> <li>• To create subsidiaries and to take participation in all the companies entering by their object in the framework of its activities, in accordance with the legislation and regulation in force;</li> <li>• And generally, undertake all commercial, financial, industrial, securities and real estate transactions related to the object of the company.</li> </ul>
Share capital at 30/06/2018	2,104,047,700 MAD composed of 21,040,477 shares with a par value of 100 MAD fully paid up.
Legal documents	The legal documents of the company and in particular the articles of association, the minutes of the general meetings, the management reports and the reports of the auditors can be consulted at the head office of Holding Al Omrane
List of applicable laws and regulations	<p>Holding Al Omrane is a state-owned company and is a strategic public company with legal personality and financial autonomy (Dahir No. 1-12-20 of 27 chaabane 1433 [July 17, 2012] enacting the law organic 02-12);</p> <p>By its legal form, the Holding Al Omrane is governed by the Moroccan law, in particular, the law n° 17-95 as modified and completed by the Dahir 1-08-18 of May 23, 2008, enacting the Law No. 20 -05 and by Law 78-12;</p>

<sup>5</sup> According to the provisions of article 16.6 of the by-laws "The Management Board is vested with the broadest powers to take all decisions, in the name of the Company, that contribute to the fulfillment of its corporate purpose and to make or authorize all acts of the Company, management and disposal, subject to the powers granted by the Law and the present articles of association to the Supervisory Board and the Shareholders' Meetings. [...]. The following acts are subject to the prior authorization of the Supervisory Board: (i) the transfer of immovable by nature (ii) the assignment of all or part of the interest (iii) the creation of security (iv) the sureties, endorsements and guarantees, with the exception of those given to the tax authorities and (v) approval of the business plan and overall budget (vi) approval of annual accounts and dividend distributions."

Owing to the State's holding of all its capital, the Company is governed by Law No. 69-00 on State Financial Control of Public Enterprises and Other Public Bodies Promulgated by Dahir No. 1 -03-195 dated December 18, 2003;

Because of its activity, it is governed by the following texts:

- ❖ Law No. 25-90 promulgated by the Dahir No. 1-92-7 of June 17, 1992, relating to the housing estates, groups of housing and subdivisions;
- ❖ Law No. 18-00 of 3 October 2002 on the status of co-ownership of buildings;

By virtue of its proposed bond issue, Holding Al Omrane will be governed by the following texts:

- ❖ General Regulation of the Moroccan Capital Market Authority approved by the Order of the Minister of the Economy and Finance No. 2169-16 of July 14, 2016;
- ❖ Circular of the Moroccan Capital Markets Authority as supplemented and amended;
- ❖ Dahir bearing Law No. 1-93-212 as supplemented and amended;
- ❖ Dahir No. 1-96-246 of 9 January 1997 promulgating Act No. 35-96 concerning the creation of a central depository and the establishment of a general system of book-entry of certain securities (amended and supplemented by Law No. 43-02);
- ❖ General Regulation of the Central Depository approved by the Order of the Minister of Economy and Finance No. 932-98 of April 16, 1998, and amended by the Order of the Minister of Economy, Finance, Privatization and Tourism No. 1961-01 of 30 October 2001 and Order No. 77-05 of 17 March 2005;
- ❖ Dahir carrying law n° 1-93-211 of September 21, 1993, relating to the Casablanca Stock Exchange modified and supplemented by the laws No. 34-96, 29-00, 52-01, 45-06 and 43-09;
- ❖ General Regulation of the Stock Exchange approved by the Minister of Economy and Finance Order No. 1268-08 of July 7, 2008, amended and supplemented by the order of the Minister of Economy and Finance No. 1156- 10 of April 7, 2010, amended and supplemented by the order of the Minister of Economy and Finance No. 30-14 of January 6, 2014.

Tax system

Holding Al Omrane is governed by common law tax legislation. The Company is subject to Corporate Tax at a rate of 31%. Its operations are subject to the Value Added Tax at a rate of 20%.

Court of jurisdiction in case of dispute

Commercial Court of Rabat

Source: HAO

## II. INFORMATION ABOUT THE CAPITAL OF THE ISSUER

### II.1. Evolution of the shareholding structure

The shareholding of the Company has remained stable since its creation. At 30/06/2018, the Moroccan State holds 100% of the Company's share capital and voting rights, as illustrated in the table below:

SHAREHOLDERS	2013		2014		2015		2016		2017	
	Number of securities	% of capital and voting rights	Number of securities	% of capital and voting rights	Number of securities	% of capital and voting rights	Number of securities	% of capital and voting rights	Number of securities	% of capital and voting rights
THE MOROCCAN STATE REPRESENTED BY THE MINISTRY OF ECONOMY AND FINANCE	21,040,468	100.0%	21,040,468	100.0%	21,040,468	100.0%	21,040,468	100.0%	21,040,468	100.0%
HEAD OF GOVERNMENT	1	≤0.01%	1	≤0.01%	1	≤0.01%	1	≤0.01%	1	≤0.01%
MINISTER OF THE INTERIOR	1	≤0.01%	1	≤0.01%	1	≤0.01%	1	≤0.01%	1	≤0.01%
MINISTER OF ENERGY, MINES, WATER AND ENVIRONMENT	1	≤0.01%	1	≤0.01%	1	≤0.01%	1	≤0.01%	1	≤0.01%
MINISTER OF ECONOMICS AND FINANCE	1	≤0.01%	1	≤0.01%	1	≤0.01%	1	≤0.01%	1	≤0.01%
MINISTER OF EQUIPMENT AND TRANSPORT	1	≤0.01%	1	≤0.01%	1	≤0.01%	1	≤0.01%	1	≤0.01%
MINISTER OF SOCIAL DEVELOPMENT, FAMILY AND SOLIDARITY	1	≤0.01%	1	≤0.01%	1	≤0.01%	1	≤0.01%	1	≤0.01%
MINISTER OF THE DEVELOPMENT OF THE NATIONAL TERRITORY, HABITAT, URBANISM AND POLICY OF THE CITY	1	≤0.01%	1	≤0.01%	1	≤0.01%	1	≤0.01%	1	≤0.01%
DIRECTOR OF THE DEPOSIT AND MANAGEMENT BOX	1	≤0.01%	1	≤0.01%	1	≤0.01%	1	≤0.01%	1	≤0.01%
PRESIDENT OF THE HASSAN II FUND	1	≤0.01%	1	≤0.01%	1	≤0.01%	1	≤0.01%	1	≤0.01%
<b>TOTAL</b>	<b>21,040,477</b>	<b>100%</b>	<b>21,040,477</b>	<b>100%</b>	<b>21,040,477</b>	<b>100%</b>	<b>21,040,477</b>	<b>100%</b>	<b>21,040,477</b>	<b>100%</b>

Source: Holding Al Omrane

### II.2. Composition of the Supervisory Board

At 30/06/2018, the Supervisory Board is composed of the following members:

MEMBERS		POSITION	RENEWAL/APPOINTMENT	TERM EXPIRES AGO RULING ON THE YEAR
Head of Government	Head of Government: Saad Eddine EL OTHMANI	President	6/15/2017	2022
The Minister of National Land Planning, Urban Planning, Housing and City Policy	Minister: Abdelahad FASSI FIHRI	Vice-President	2/28/2018 <sup>6</sup>	2022
The minister of the Interior	Minister: Abdelouafi LAFTIT	Member	6/15/2017	2022

<sup>6</sup> Date of appointment

The Minister of Economics and Finance	Mohamed BOUSSAID <sup>7</sup>	Member	6/15/2017	2022
The Minister of Equipment, Transport, Logistics and Water	Minister: Abdelkader AMARA	Member	6/15/2017	2022
The Minister of Energy, Mines and Sustainable Development	Minister: Aziz RABBAH	Member	6/15/2017	2022
Minister of Solidarity, Women, Family and Social Development	Minister: Bassima HAKKAOUI	Member	6/15/2017	2022
Deposit and Management	General manager: Abdellatif ZAGHNOUN	Member	6/29/2017	2022
Hassan II Fund for Economic and Social Development	Chairman of the Executive Board: Abdelouahed KABBAJ	Member	6/29/2017	2022

Source: Holding Al Omrane

### II.3. Composition of the Executive Board

At 30/06/2018, the Executive Board is composed of the following members:

MEMBERS	GRADE	DATE OF THE FIRST APPOINTMENT - AGO RULING ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR	DATE OF THE LAST APPOINTMENT	DATE OF EXPIRY OF THE MANDATE - AGO RULING ON THE ACCOUNTS OF THE FINANCIAL YEAR
Badre KANOUNI	President	2010	6/29/2017	2023
Tayeb DAOUDI	Member	2014	5/20/2014	2020
Said MESSAL	Member	2014	5/20/2014	2020

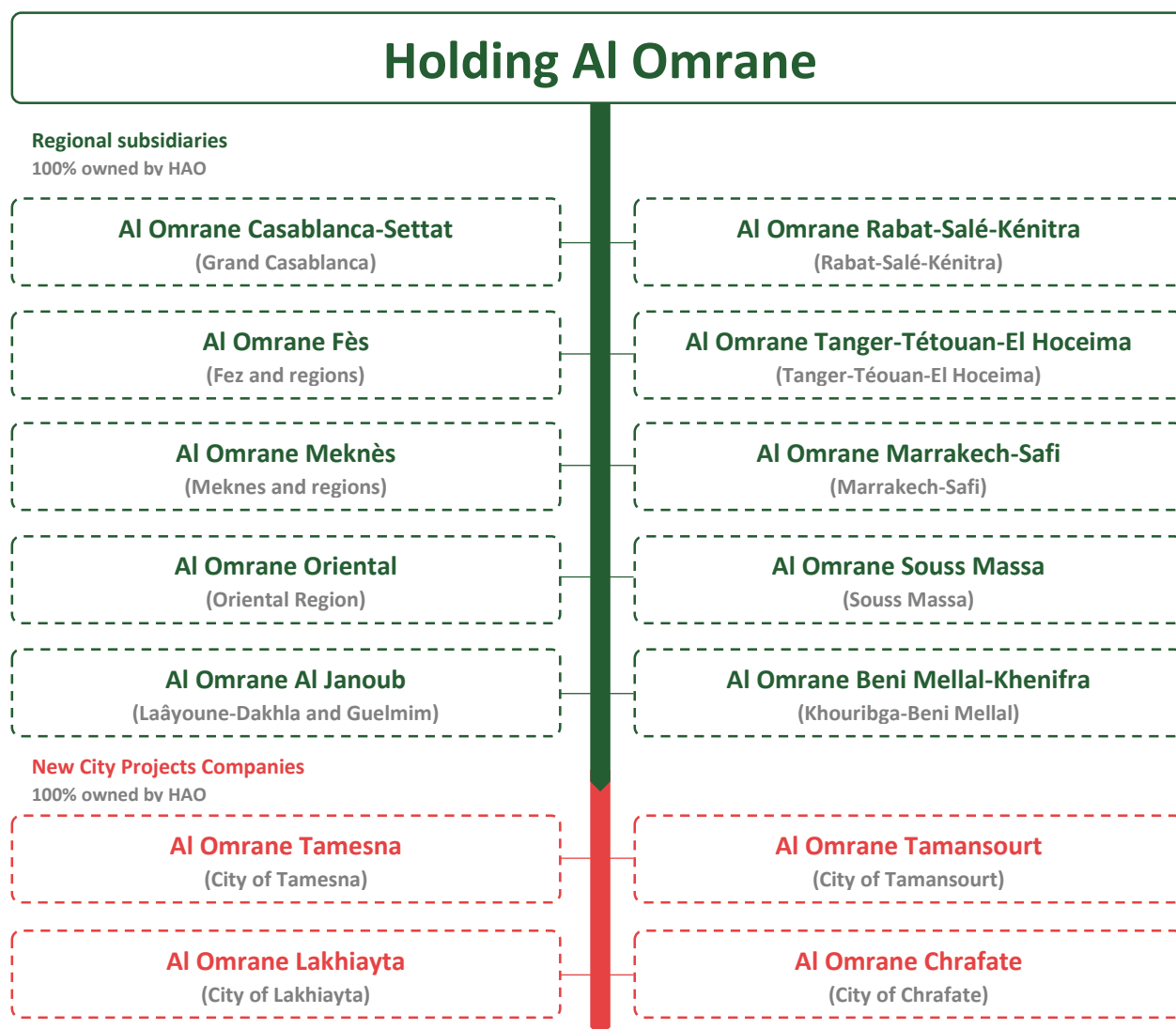
Source: HAO

<sup>7</sup> Mr. Mohamed Boussaid is no longer Minister of Economics and Finance, he was replaced by Mr. Mohamed Benchaboun on 20/08/2018. The latter will be appointed member of the Supervisory Board at the next meeting of the HAO.

## II.4. Group organizational chart

At 30/06/2018, the legal, organizational<sup>8</sup> chart of the Company is as follows:

Organizational chart of Al Omrane Group



Source: HAO

<sup>8</sup> The Supervisory Board meeting on 29/06/2017 has given the Drâa Tafilalet region a dedicated company. The said company is being created.

## II.5. Activity of Holding Al Omrane:

### II.5.I. Presentation of the main GAO activity indicators

The summary of the main activity indicators (GAO specific achievements excluding partnerships with private sector operators) of the company between 2015 and 2017 are as follows:

	2015	2016	Var 15/16	2017	Var 16/17
<b>Housing starts</b>	<b>107,496</b>	<b>137,769</b>	<b>28.2%</b>	<b>150,297</b>	<b>9.1%</b>
<b>New production units</b>	<b>28,093</b>	<b>17,938</b>	<b>-36.1%</b>	<b>18,804</b>	<b>4.8%</b>
<i>Public facilities constructions</i>	-	-	0%	-	0%
<i>Housing constructions</i>	2,438	2,917	19.6%	4,152	42.3%
<i>Commercial use constructions</i>	3,223	727	-77.4%	4,100	464.0%
<i>Lots</i>	67	14	-79.1%	-	-
<i>Commercial activity lots</i>	631	645	2.2%	277	-57.1%
<i>Public equipment lots</i>	204	155	-24.0%	181	16.8%
<i>Residential lots</i>	21,530	13,480	-37.4%	10,094	-25.1%
<b>Units of MANU</b>	<b>79,403</b>	<b>119,831</b>	<b>50.9%</b>	<b>131,493</b>	<b>9.7%</b>
<b>Completions</b>	<b>93,289</b>	<b>96,651</b>	<b>3.6%</b>	<b>151,504</b>	<b>56.8%</b>
<b>New production units</b>	<b>25,560</b>	<b>20,087</b>	<b>-21.4%</b>	<b>26,841</b>	<b>33.6%</b>
<i>Public facilities constructions</i>	1,940	2	-99.9%	49	2350.0%
<i>Housing constructions</i>	7,705	2,989	-61.2%	4,101	37.2%
<i>Commercial use constructions</i>	802	389	-51.5%	611	57.1%
<i>Ilots</i>	52	73	40.4%	52	-28.8%
<i>Commercial activity lots</i>	160	127	-20.6%	240	89.0%
<i>Public equipment lots</i>	125	143	14.4%	383	167.8%
<i>Residential lots</i>	14,776	16,364	10.7%	21,405	30.8%
<b>Units of MANU</b>	<b>67,729</b>	<b>76,564</b>	<b>13.0%</b>	<b>124,663</b>	<b>62.8%</b>
<b>Deliveries</b>	<b>21,459</b>	<b>24,675</b>	<b>15.1%</b>	<b>24,123</b>	<b>-2.2%</b>
<b>New production units marketed</b>	<b>21,459</b>	<b>24,675</b>		<b>24,123</b>	
<i>Public facilities constructions</i>	91	124	36.3%	105	-15.3%
<i>Housing constructions</i>	5,928	4,902	-17.3%	4,682	-4.5%
<i>Commercial use constructions</i>	629	670	6.5%	538	-19.7%
<i>Lots</i>	19	55	189.5%	22	-60.0%
<i>Commercial activity lots</i>	331	305	-7.9%	339	11.1%
<i>Public equipment lots</i>	70	113	61.4%	36	-68.1%
<i>Residential lots</i>	14,391	18,506	28.6%	18,401	-0.6%

Source: HAO



## 1.1 Housing starts

### a. New production units

The table below shows the evolution of housing starts of new production units between 2015 and 2017:

	2015	2016	Var 15/16	2017	Var 16/17
<b>Total</b>	<b>28,093</b>	<b>17,938</b>	<b>-36.1%</b>	<b>18,804</b>	<b>4.8%</b>
<i>Public facilities constructions</i>	-	-	0%	-	0%
<i>Housing constructions</i>	2,438	2,917	19.6%	4,152	42.3%
<i>Commercial use constructions</i>	3,223	727	-77.4%	4,100	Ns
<i>Lots</i>	67	14	-79.1%	-	-
<i>Commercial activity lots</i>	631	645	2.2%	277	-57.1%
<i>Public equipment lots</i>	204	155	-24.0%	181	16.8%
<i>Residential lots</i>	21,530	13,480	-37.4%	10,094	-25.1%

Source: HAO

The tables below show the details of new production starts for the main segments:

Social products between 2015 and 2017

	2015	2016	2017	Var. 15-16	Var. 16-17
Resorption of slums	4,486	4,477	3,076	0%	-31%
Social housing FVIT	896	415	1,540	-54%	271%
Other social housing	1,171	1,686	1,138	44%	-33%
Prevention Units <sup>9</sup>	11,260	4,027	3,080	-64%	-24%
<b>Social products</b>	<b>17,813</b>	<b>10,605</b>	<b>8,834</b>	<b>-40%</b>	<b>-17%</b>

Source: HAO

Products for the middle class between 2015 and 2017

	2015	2016	2017	Var. 15-16	Var. 16-17
Condos	4,049	3483	2,757	-14%	-21%
Medium-sized social housing	260	729	1,262	180%	73%
<b>Middle Class Products</b>	<b>4,309</b>	<b>4,212</b>	<b>4,019</b>	<b>-2%</b>	<b>-5%</b>

Source: HAO

Promotional products between 2015 and 2017

	2015	2016	2017	Var. 15-16	Var. 16-17
Condos	1,736	1493	1,181	-14%	-21%
Housing	111	87	212	-22%	144%
<b>Promotional products</b>	<b>1,847</b>	<b>1,580</b>	<b>1,394</b>	<b>-14%</b>	<b>-12%</b>

Source: HAO

<sup>9</sup> Residential units sold at reduced margins. These units intended for disadvantaged social groups make it possible to anticipate the creation of new pockets of unhealthy housing.

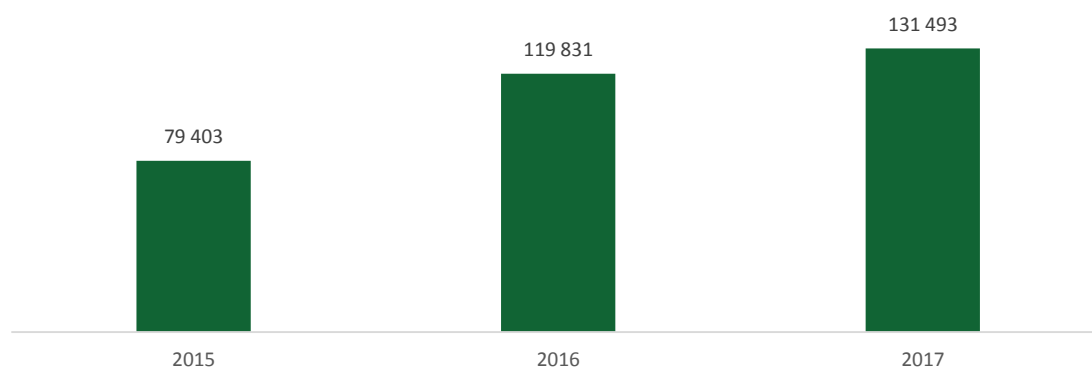
The table below shows the evolution of housing starts of new production units by subsidiaries between 2015 and 2017:

In units	2015	2016	Var 15/16	2017	Var 16/17	Share 2015	Share 2016	Share 2017
Holding Al Omrane (HAO)	5,087	1,590	-69%	1,976	24.3%	18%	9%	11%
SAO Marrakech-Safi	4,307	4,879	13%	2,698	-44.7%	15%	27%	14%
SAO Souss Massa	2,866	2,562	-11%	3,005	17.3%	10%	14%	16%
SAO Meknès	645	2,754	327%	2,737	-0.6%	2%	15%	15%
SAO Rabat Salé Kenitra	6,140	850	-86%	1,038	22.1%	22%	5%	6%
SAO Oriental	3,945	1,534	-61%	1,417	-7.6%	14%	9%	8%
SAO Casablanca Settat	541	1,620	Ns	2,325	43.5%	2%	9%	12%
SAO Fès	396	967	Ns	1,568	62.2%	1%	5%	8%
SAO Al Janoub	1,440	406	-72%	1,297	Ns	5%	2%	7%
SAO Tanger Tétouan Al Hoceïma	810	256	-68%	450	75.8%	3%	1%	2%
SAO Béni Mellal Khénifra	1,096	329	-70%	-	Ns	4%	2%	-
SAO Tamansourt	394	191	-52%	293	53.4%	1%	1%	2%
SAO Lakhiaitya	422	-	Ns	-	Ns	2%	-	-
SAO Tamesna	4	-	Ns	-	Ns	0%	-	-
SAO Chrafate	-	-	-	-	-	-	-	-
<b>Total</b>	<b>28,093</b>	<b>17,938</b>	<b>-36.1%</b>	<b>18,804</b>	<b>4.8%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: HAO

## b. Units of MANU

The table below presents the evolution of the start of the units of MANU:



The distribution of housing starts of MANU operations by the subsidiary is as follows:

	2015	2016	Var 15/16	2017	Var 16/17	Share 2015	Share 2016	Share 2017
SAO Souss Massa	8,914	17,676	98.3%	16,488	-7%	11%	15%	13%
SAL Tanger Tétouan Hoceima	1,410	-	-	2,915	-	2%	0%	2%
SAO Al Janoub	3,200	5,118	59.9%	6,640	30%	4%	4%	5%
SAO Beni Mellal Khénifra	6,500	6,425	-1.2%	-	-	8%	5%	0%
SAO Casa Settat	8,590	18,188	111.7%	18,781	3%	11%	15%	14%
SAO Fès	9,813	12,000	22.3%	24,209	102%	12%	10%	18%
SAO Marrakech Safi	13,142	13,410	2.0%	19,235	43%	17%	11%	15%
SAO Meknès	12,835	17,050	32.8%	14,365	-16%	16%	14%	11%
SAO Oriental	2,041	24,190	Ns	24,599	2%	3%	20%	19%
SAO Rabat Salé Kénitra	12,958	5,774	-55.4%	4,261	-26%	16%	5%	3%
<b>Total</b>	<b>79,403</b>	<b>119,831</b>	<b>50.9%</b>	<b>131,493</b>	<b>10%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: HAO

## 1.2 Completions

### a. Completions of new production units

The table below presents the evolution of the completion of the new production units between 2015 and 2017.

	2015	2016	Var 15/16	2017	Var 16/17
<b>Total</b>	<b>25,560</b>	<b>20,087</b>	<b>-21.4%</b>	<b>26,841</b>	<b>33.6%</b>
<i>Public facilities constructions</i>	1,940	2	-99.9%	49	2350.0%
<i>Housing constructions</i>	7,705	2,989	-61.2%	4,101	37.2%
<i>Commercial use constructions</i>	802	389	-51.5%	611	57.1%
<i>Lots</i>	52	73	40.4%	52	-28.8%
<i>Commercial activity lots</i>	160	127	-20.6%	240	89.0%
<i>Public equipment lots</i>	125	143	14.4%	383	167.8%
<i>Residential lots</i>	14,776	16,364	10.7%	21,405	30.8%

Source: HAO

The tables below show the details of the completion of the new production for the main segments:

Social products between 2015 and 2017

	2015	2016	2017	Var. 15-16	Var. 16-17
Resorption of slums	3,426	4303	9020	26%	110%
Social housing FVIT	2,485	739	692	-70%	-6%
Other social housing	3,840	1795	2413	-53%	34%
Prevention Units <sup>10</sup>	2,620	3835	3345	46%	-13%
<b>Social products</b>	<b>12,371</b>	<b>10,672</b>	<b>15,470</b>	<b>-14%</b>	<b>45%</b>

Source: HAO

<sup>10</sup> Residential units sold at reduced margins. These units intended for disadvantaged social groups make it possible to anticipate the creation of new pockets of unhealthy housing.

Products for the middle class between 2015 and 2017

	2015	2016	2017	Var. 15-16	Var. 16-17
Condos	7,502	5982	7035	-20%	18%
Medium-sized social housing	822	267	475	-68%	78%
Villas Eco	558	180	505	-68%	181%
<b>Middle Class Products</b>	<b>8,882</b>	<b>6,429</b>	<b>8,015</b>	<b>-28%</b>	<b>25%</b>

Source: HAO

Promotional products between 2015 and 2017

	2015	2016	2017	Var. 15-16	Var. 16-17
Condos	1,238	2304	2101	86%	-9%
Housing	0	8	16	Na	100%
<b>Promotional products</b>	<b>1,238</b>	<b>2,312</b>	<b>2,117</b>	<b>87%</b>	<b>-8%</b>

Source: HAO

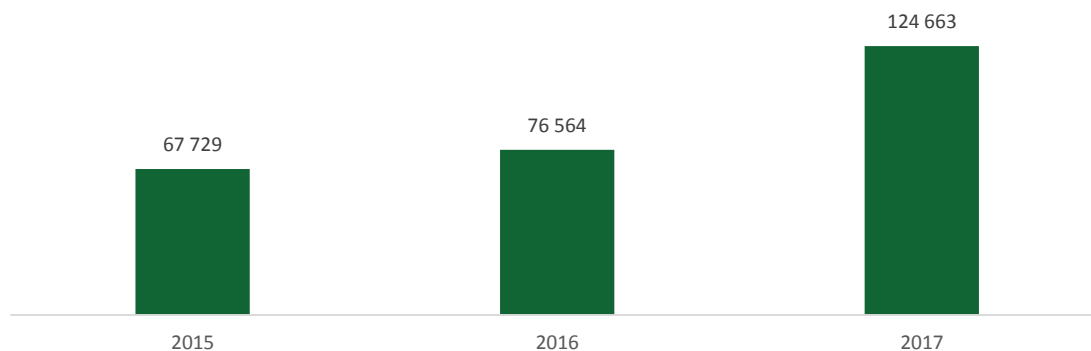
The table below shows the evolution of the completion of the new production units by subsidiaries between 2015 and 2017:

In units	2015	2016	Var 15/16	2017	Var 17/16	Share 2015	Share 2016	Share 2017
Holding Al Omrane (HAO)	3,128	4,513	44.3%	1,454	-67.8%	12%	22%	5%
SAO Souss Massa	4,699	2,421	-48.5%	4,080	68.5%	18%	12%	15%
SAO Marrakech-Safi	8,094	931	-88.5%	3,973	Ns	32%	5%	15%
SAO Rabat Salé Kenitra	0	1,072	Ns	4,114	Ns	0%	5%	15%
SAO Casablanca Settlat	942	2,721	Ns	6,789	Ns	4%	14%	25%
SAO Chrafate	-	-	-	-	-	0%	0%	0%
SAO Fès	867	844	-2.7%	484	-42.7%	3%	4%	2%
SAO Meknès	1,958	2,372	21.1%	2,035	-14.2%	8%	12%	8%
SAO Oriental	917	1,534	67.3%	1,000	-34.8%	4%	8%	4%
SAO Tanger Tétouan Al Hoceïma	307	761	147.9%	766	0.7%	1%	4%	3%
SAO Béni Mellal Khénifra	2,433	1,449	-40.4%	0	Ns	10%	7%	0%
SAO Al Janoub	0	236	Ns	1,564	Ns	0%	1%	6%
SAO Tamesna	732	256	-65.0%	178	-30.5%	3%	1%	1%
SAO Tamansourt	764	928	21.5%	404	-56.5%	3%	5%	2%
SAO Lakhiaitya	719	49	Ns	0	Ns	3%	0%	0%
<b>Total</b>	<b>25,560</b>	<b>20,087</b>	<b>-21.4%</b>	<b>26,841</b>	<b>33.6%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: HAO

## b. Completion of the units of MANU

The graph below shows the evolution of the completion of the units of MANU:



Source: HAO

The distribution of completions for MANU operations by the subsidiary is as follows:

	2015	2016	Var 15/16	2017	Var 16/17	Share 2015	Share 2016	Share 2017
SAO Souss Massa	6,606	12,547	89.9%	13,195	5.2%	10%	16%	11%
SAL Tanger Tétouan Hoceima	1,040	6,700	Ns	8,958	33.7%	2%	9%	7%
SAO Al Janoub	2,000	3,200	60.0%	3,118	-2.6%	3%	4%	3%
SAO Beni Mellal Khénifra	5,050	4,000	-20.8%	6,425	60.6%	7%	5%	5%
SAO Casa Settât	2,038	2,920	43.3%	10,677	265.7%	3%	4%	9%
SAO Fès	11,221	14,865	32.5%	23,446	57.7%	17%	19%	19%
SAO Marrakech Safi	13,498	12,301	-8.9%	16,172	31.5%	20%	16%	13%
SAO Meknès	11,372	10,370	-8.8%	14,580	40.6%	17%	14%	12%
SAO Oriental	9,921	1,114	-88.8%	23,629	Ns	15%	1%	19%
SAO Rabat Salé Kénitra	4,283	7,247	69.2%	4,463	-38.4%	6%	9%	4%
SAO Tamesna	700	1,300	85.7%		-100.0%	1%	2%	0%
<b>Total</b>	<b>67,729</b>	<b>76,564</b>	<b>13.0%</b>	<b>124,663</b>	<b>62.8%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: HAO

### 1.3 Deliveries

#### a. Deliveries of the units sold

The table below shows the evolution of the deliveries of the units marketed by the Company:

In units	2015	2016	Var 15/16	2017	Var 16/17
Public facilities constructions	91	124	36.3%	105	-15.3%
Housing constructions	5,928	4,902	-17.3%	4,682	-4.5%
Commercial use constructions	629	670	6.5%	538	-19.7%
Lots	19	55	189.5%	22	-60.0%
Commercial activity subdivisions	331	305	-7.9%	339	11.1%
Public housing subdivision	70	113	61.4%	36	-68.1%
Housing developments	14,391	18,506	28.6%	18,401	-0.6%
<b>Total</b>	<b>21,459</b>	<b>24,675</b>	<b>15.1%</b>	<b>24,123</b>	<b>-2.2%</b>

Source: HAO

#### b. Deliveries of MANU units

The units of MANU carried out as project manager for the State, and the local authorities are delivered as soon as completed and do not transit through the stock of the Company.

#### II.5.II. Evolution and distribution of revenue by segment and by geographical area

Evolution and distribution of turnover:

The breakdown of the contribution of each business segment to the consolidated turnover of the Company between 2015 and 2017 is as follows:

in KMAD	2015	2016	Var 15/16	2017	Var 16/17	Share 2015	Share 2016	Share 2017
Public facilities constructions	1,272	-	-100.0%	-	-	0.0%	0.0%	0.0%
Housing constructions	1,517,692	1,319,274	-13.1%	1,350,116	2.3%	32.7%	24.8%	26.7%
Commercial use constructions	144,950	149,726	3.3%	152,880	2.1%	3.1%	2.8%	3.0%
Lots	99,881	343,764	244.2%	184,387	-46.4%	2.2%	6.5%	3.7%
Commercial activity lots	181,801	155,353	-14.5%	165,861	6.8%	3.9%	2.9%	3.3%
Public equipment lots	12,508	66,139	428.8%	27,014	-59.2%	0.3%	1.2%	0.5%
Residential lots	2,520,266	3,167,743	25.7%	3,038,455	-4.1%	54.4%	59.5%	60.2%
MOD	156,860	124,826	-20.4%	129,574	3.8%	3.4%	2.3%	2.6%
<b>Total</b>	<b>4,635,231</b>	<b>5,326,826</b>	<b>14.9%</b>	<b>5,048,287</b>	<b>-5.2%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: HAO

Evolution and distribution of turnover by region:

in KMAD	2015	In% of total turnover	2016	In% of total turnover	Var 16/15	2017	In% of total turnover	Var 17/16
Rabat - Salé - Kenitra	1,361,524	29%	869,686	16%	-36%	792,816	16%	-8.80%
Tanger - Tétouan - Al Hoceïma	121,152	3%	150,811	3%	24%	206,225	4%	36.70%
Beni - Mellal - Khenifra	37,933	1%	83,585	2%	120%	82,412	2%	-1.40%
Fez - Meknes	265,281	6%	604,901	11%	128%	513,627	10%	-15.10%
Casablanca - Settat	501,241	11%	924,847	17%	85%	870,691	17%	-5.90%
Marrakech - Safi	962,870	21%	1,145,870	22%	19%	1,214,014	24%	5.90%
Oriental	358,367	8%	481,607	9%	34%	348,475	7%	-27.60%
Darâa - Tafilalet Souss - Massa	991,186	21%	1,026,528	19%	4%	940,424	19%	-0.084
Guelmim - Oued Noun								
Laâyoune - Sakia El Hamra	35,677	1%	38,992	1%	9%	79,604	2%	104.15%
Dakhla - Oued Eddahab								
<b>Consolidated turnover</b>	<b>4,635,231</b>	<b>100.0%</b>	<b>5,326,827</b>	<b>100.0%</b>	<b>14.9%</b>	<b>5,048,287</b>	<b>100.0%</b>	<b>-5.30%</b>

Source: HAO

### **Part III. FINANCIAL SITUATION OF THE ISSUER**



## I. SCOPE OF CONSOLIDATION

Over the 2015–2017 period, Al Omrane Holding's consolidated financial statements include the following companies:

	Name of entity	2015	2016	2017	Consolidation method
		% of interest and control	% of interest and control	% of interest and control	
Subsidiary-business companies	Holding Al Omrane (HAO)	-	-	-	Parent company
	SAO Tanger Tétouan Al Hoceïma	100%	100%	100%	IG
	SAO Souss Massa	100%	100%	100%	IG
	SAO Al Janoub	100%	100%	100%	IG
	SAO Béni Mellal Khénifra	100%	100%	100%	IG
	SAO Casablanca Settlat	100%	100%	100%	IG
	SAO Fès	100%	100%	100%	IG
	SAO Marrakech Safi	100%	100%	100%	IG
	SAO Meknès	100%	100%	100%	IG
	SAO l'Oriental	100%	100%	100%	IG
	SAO Rabat Salé Kénitra	100%	100%	100%	IG
Company subsidiaries projects	SAO Chrafate	100%	100%	100%	IG
	SAO Sahel Lakhiayta	100%	100%	100%	IG
	SAO Tamansourt	100%	100%	100%	IG
	SAO Tamesna	100%	100%	100%	IG

Source: HAO

## II. ANALYSIS OF THE PRODUCT ACCOUNT AND EXPENSES: CONSOLIDATED ACCOUNTS

The table below details the evolution of the consolidated income and expense account of Holding Al Omrane over the 2015–2017 period:

in KMAD	2015	2016	Var 16/15	2017	Var 17/16
Turnover	4,635,231	5,326,826	14.9%	5,048,287	-5.2%
Variation of product stocks	406,140	- ,150,699	-137.1%	14,870	-109.9%
Fixed assets produced by the Company for itself	-	331	0.0%	28,983	ns
Operating grants	369	815	120.8%	1,521	86.63%
Other exploitation products	-	1,701	0.0%	3,873	127.7%
Operating reversals; charge transfer	695,793	898,722	29.2%	965,266	7.4%
<b>Exploitation product</b>	<b>5,737,533</b>	<b>6,077,695</b>	<b>5.9%</b>	<b>6,062,800</b>	<b>-0.3%</b>
Consumed purchases	3,907,980	3,655,495	-6.5%	3,979,639	8.9%
Other external charges	140,929	146,612	4.0%	161,101	9.9%
Dues and taxes	5,823	4,661	-20.0%	4,058	-12.9%
Personal charges	492,533	513,982	4.4%	541,000	5.3%
Other operating expenses	263	172	-34.7%	53	-69.2%
Operating allocations	650,436	975,547	50.0%	832,647	-14.6%
<b>Exploitation charges</b>	<b>5,197,964</b>	<b>5,296,469</b>	<b>1.9%</b>	<b>5,518,497</b>	<b>4.2%</b>
<b>Operating profit</b>	<b>539,569</b>	<b>781,226</b>	<b>44.8%</b>	<b>544,302</b>	<b>-30.3%</b>
<b>bottom line</b>	<b>-15,754</b>	<b>16,993</b>	<b>n.s</b>	<b>-138,072</b>	<b>n.s</b>
<b>Current result</b>	<b>523,815</b>	<b>798,219</b>	<b>52.4%</b>	<b>406,230</b>	<b>-49.1%</b>
<b>Non-current result</b>	<b>131,585</b>	<b>17,650</b>	<b>-86.6%</b>	<b>16,184</b>	<b>-8.3%</b>
<b>result before taxes</b>	<b>655,400</b>	<b>815,869</b>	<b>24.5%</b>	<b>422,413</b>	<b>-48.2%</b>
Income taxes	191,509	233,367	21.9%	168,947	-27.6%
<b>Net income of the group</b>	<b>463,891</b>	<b>582,502</b>	<b>25.6%</b>	<b>253,466</b>	<b>-56.5%</b>

Source: HAO

### III. ANALYSIS OF THE BALANCE SHEET: CONSOLIDATED ACCOUNTS

The table below details the evolution of Holding Al Omrane's consolidated balance sheet over the 2015–2017 period:

in KMAD	2,015	2,016	Var 16/15	2,017	Var 17/16
Intangible assets	29,460	33,516	13.8%	35,667	6.4%
Property, plant and equipment	203,721	192,300	-5.6%	203,755	6.0%
Financial fixed assets	12,151	8,663	-28.7%	20,224	Ns
Non-consolidated holdings	9,900	9,900	0.0%	9,900	0.0%
<b>TOTAL FIXED ASSETS</b>	<b>255,233</b>	<b>244,378</b>	<b>-4.3%</b>	<b>269,547</b>	<b>10.3%</b>
<b>Stocks</b>	<b>32,325,815</b>	<b>32,135,378</b>	<b>-0.6%</b>	<b>32,116,676</b>	<b>-0.1%</b>
<b>Receivables from current assets</b>	<b>15,988,675</b>	<b>17,715,964</b>	<b>10.8%</b>	<b>20,209,363</b>	<b>14.1%</b>
Accounts receivable suppliers a & a	283,153	416,331	47.0%	435,616	4.6%
Customers and related accounts	434,850	477,731	9.9%	586,022	22.7%
Staff	4,009	4,080	1.8%	3,668	-10.1%
State	1,576,471	1,456,020	-7.6%	1,418,458	-2.6%
Partner accounts	-	-	-	-	-
Other debtors	13,621,030	15,325,337	12.5%	17,711,045	15.6%
Accruals - Assets	69,162	36,464	-47.3%	54,553	49.6%
<b>Deferred tax</b>	<b>1,286</b>	<b>38,649</b>	<b>Ns</b>	<b>75,051</b>	<b>94.2%</b>
<b>Securities and investment securities</b>	<b>356,866</b>	<b>173,477</b>	<b>-51.4%</b>	<b>77,483</b>	<b>-55.3%</b>
<b>TOTAL CURRENT ASSETS</b>	<b>48,672,642</b>	<b>50,063,467</b>	<b>2.9%</b>	<b>52,478,574</b>	<b>4.8%</b>
<b>Cash assets</b>					
Checks and cash values	14,016	125	-99.1%	12	-90.4%
Banks, T.G & CP	798,244	877,839	10.0%	887,950	1.2%
Cash, imprest accounts and credentials	153	228	49.0%	282	23.7%
<b>TOTAL CASH ASSETS</b>	<b>812,413</b>	<b>878,192</b>	<b>8.1%</b>	<b>888,244</b>	<b>1.1%</b>
<b>TOTAL ASSETS</b>	<b>49,740,287</b>	<b>51,186,037</b>	<b>2.9%</b>	<b>53,636,364</b>	<b>4.8%</b>

Source: HAO

in KMAD	2,015	2,016	Var 16/15	2,017	Var 17/16
<b>Equity</b>					
Share capital	2,104,048	2,104,048	0.0%	2,104,048	0.0%
Other consolidated reserves	2,750,866	2,966,974	7.9%	3,257,536	9.8%
Net income for the year	463,891	582,502	25.6%	253,466	-56.5%
<b>Group shareholders' equity</b>	<b>5,318,805</b>	<b>5,653,524</b>	<b>6.3%</b>	<b>5,615,050</b>	<b>-0.7%</b>
Minority interests	-	-		-	0.0%
<b>Equity of the consolidated group</b>	<b>5,318,805</b>	<b>5,653,524</b>	<b>6.3%</b>	<b>5,615,050</b>	<b>-0.7%</b>
<b>Financial debts</b>	<b>3,377,753</b>	<b>3,325,448</b>	<b>-1.5%</b>	<b>2,849,650</b>	<b>-14.3%</b>
Bond issues	-	-	0.0%	-	0.0%
Other financing debts	3,377,753	3,325,448	-1.5%	2,849,650	-14.3%
<b>Provisions for risks &amp; charges</b>	<b>578,153</b>	<b>688,243</b>	<b>19.0%</b>	<b>545,300</b>	<b>-20.8%</b>
Risk provisions	542,577	652,094	20.2%	509,870	-21.8%
Expenses provisions	35,577	36,149	1.6%	35,430	-2.0%
<b>Circulating liabilities</b>	<b>39,669,353</b>	<b>40,668,364</b>	<b>2.5%</b>	<b>42,626,973</b>	<b>4.8%</b>
Suppliers and related accounts	9,448,446	9,261,215	-2.0%	9,949,300	7.4%
Accounts payable, advances and down payments	11,893,873	11,193,760	-5.9%	10,756,956	-3.9%
Staff	90,441	87,939	-2.8%	105,711	20.2%
Social organizations	17,473	14,946	-14.5%	19,710	31.9%
State	3,170,446	2,919,039	-7.9%	3,375,414	15.6%
Other creditors	14,990,537	17,065,872	13.8%	18,344,130	7.5%
Other liabilities	58,138	125,593	116.0%	75,717	-39.7%
<b>Other provisions for risks and charges</b>	<b>505,039</b>	<b>657,648</b>	<b>30.2%</b>	<b>698,357</b>	<b>6.2%</b>
<b>Liability cash</b>	<b>291,184</b>	<b>192,810</b>	<b>-33.8%</b>	<b>1,301,071</b>	<b>n.s</b>
Discount Credits	0	0	0.0%	0	0.0%
Cash credit	41,651	166,984	n.s	-	-
Banks (credit balances)	249,533	25,826	-89.7%	1,301,071	n.s
<b>Total liabilities</b>	<b>49,740,287</b>	<b>51,186,037</b>	<b>2.9%</b>	<b>53,636,364</b>	<b>4.8%</b>

Source: HAO

#### IV. ANALYSIS OF THE PRODUCT ACCOUNT AND EXPENSES: SOCIAL ACCOUNT

in KMAD	2015	2016	Var 16/15	2017	Var 17/16
<b>EXPLOITATION PRODUCT</b>					
• Sales of goods (as they are)					
• Sales of goods and services produced	1,166,554	1,474,180	26.4%	1,024,547	-30.5%
Turnover					
• Change in product stocks ( $\pm$ ) 1)	-200,759	-66,883	n.s	427,101	n.s
• Operating grants	191	815	n.s	1,521	86.7%
• Other exploitation products					
• Farm reposessions; load transfers	130,711	198,176	51.6%	154,236	-22.2%
<b>TOTAL I</b>	<b>1,096,697</b>	<b>1,606,287</b>	<b>46.5%</b>	<b>1,607,406</b>	<b>0.1%</b>
<b>EXPLOITATION EXPENSES</b>					
• Resale purchases (2) of goods					
• Purchased consumed (2) materials and supplies	675,980	823,295	21.8%	935,713	13.7%
• Other external expenses	58,683	77,353	31.8%	79,021	2.2%
• Dues and taxes	27	1,334	n.s	564	-57.7%
• Staff expenses	69,391	75,360	8.6%	84,384	12.0%
• Other operating expenses					
• Operating grants	283,522	353,245	24.6%	338,105	-4.3%
<b>TOTAL II</b>	<b>1,087,603</b>	<b>1,330,588</b>	<b>22.3%</b>	<b>1,437,787</b>	<b>8.1%</b>
<b>EXPLOITATION RESULT (I-II)</b>	<b>9,093</b>	<b>275,699</b>	<b>n.s</b>	<b>169,619</b>	<b>-38.5%</b>
<b>FINANCIAL PRODUCTS</b>					
• Equity income	156,000	151,500	-2.9%	187,000	23.4%
• Exchange gains	3,961	7,678	93.9%	5,456	-28.9%
• Interests and other financial products	36,744	39,894	8.6%	51,397	28.8%
• financial reversals; transfers from expenses	90,457	105,965	17.1%	65,482	-38.2%
<b>TOTAL IV</b>	<b>287,161</b>	<b>305,037</b>	<b>6.2%</b>	<b>309,336</b>	<b>1.4%</b>
<b>FINANCIAL EXPENSES</b>					
• Interest expenses	100,344	98,587	-1.8%	116,398	18.1%
• Exchange losses	5,572	35,347	n.s	811	-97.7%
• Other financial expenses	4,722	557	-88.2%	4,032	n.s
• Financial allocations	42,706	9,501	-77.8%	24,159	n.s
<b>TOTAL V</b>	<b>153,345</b>	<b>143,993</b>	<b>-6.1%</b>	<b>145,399</b>	<b>1.0%</b>
<b>FINANCIAL RESULT (IV-V)</b>	<b>133,816</b>	<b>161,044</b>	<b>20.3%</b>	<b>163,936</b>	<b>1.8%</b>
<b>CURRENT RESULT (III-VI)</b>	<b>142,910</b>	<b>436,743</b>	<b>n.s</b>	<b>333,555</b>	<b>-23.6%</b>
<b>NON-CURRENT PRODUCTS</b>					
• Proceeds from asset transfers	46	105	n.s	40	-61.8%
• Other non-current products	134,247	33,065	-75.4%	43,720	32.2%
• Non-current reversals, transfers of expenses	30,494		-100.0%		
<b>TOTAL VIII</b>	<b>164,787</b>	<b>33,170</b>	<b>-79.9%</b>	<b>43,760</b>	<b>31.9%</b>
<b>NON-CURRENT EXPENSES</b>					
• Other non-current expenses	7,971	40,405	n.s	1,133	-97.2%
• Non-current allocations to				386	
<b>TOTAL IX</b>	<b>7,971</b>	<b>40,405</b>	<b>n.s</b>	<b>1,519</b>	<b>-96.2%</b>
<b>NON-CURRENT RESULT (VIII-IX)</b>	<b>156,816</b>	<b>-7,235</b>	<b>n.s</b>	<b>42,241</b>	<b>n.s</b>
<b>RESULT BEFORE TAXES (VII <math>\pm</math> X)</b>	<b>299,726</b>	<b>429,508</b>	<b>43.3%</b>	<b>375,796</b>	<b>-12.5%</b>
<b>TAXES ON RESULTS</b>	<b>46,465</b>	<b>98,113</b>	<b>111.2%</b>	<b>62,851</b>	<b>-35.9%</b>
<b>NET RESULT (XI-XII)</b>	<b>253,261</b>	<b>331,394</b>	<b>30.9%</b>	<b>312,945</b>	<b>-5.6%</b>

## V. ANALYSIS OF THE BALANCE SHEET: SOCIAL ACCOUNT

ASSETS (in KMAD)	2015	2016	Var 16/15	2017	Var 17/16
<b>NON-VALUE FIXED ASSETS (A)</b>	<b>4,303</b>	<b>3,208</b>	<b>-25.5%</b>	<b>2,113</b>	<b>-34.1%</b>
• Preliminary expenses					
• Expenses to spread over several years	4,303	3,208	-25.5%	2,113	-34.1%
<b>INTANGIBLE ASSETS (B)</b>	<b>19,691</b>	<b>21,831</b>	<b>10.9%</b>	<b>23,914</b>	<b>9.5%</b>
• Immobilization in research and development					
• Patent rights brands and similar values	801	1,137	41.9%	1,508	32.7%
• Commercial funds	1,346	1,346		1,346	
• Other intangible assets	17,544	19,348	10.3%	21,059	8.8%
<b>PROPERTY, PLANT AND EQUIPMENT (C)</b>	<b>39,277</b>	<b>37,138</b>	<b>-5.4%</b>	<b>34,955</b>	<b>-5.9%</b>
• Land	3,743	3,743		3,743	
• Constructions	30,585	29,755	-2.7%	28,051	-5.7%
• Technical equipment installations and tools	5		-100.0%		
• Office furniture and various furnishings	4,688	3,161	-32.6%	2,791	-11.7%
• Other property, plant and equipment	28	251	n.s	142	-43.3%
• Property, plant and equipment in progress	227	227		227	
<b>FINANCIAL ASSETS (D)</b>	<b>2,024,526</b>	<b>2,542,904</b>	<b>25.6%</b>	<b>2,786,969</b>	<b>9.6%</b>
• Fixed loans	472,177	990,555	109.8%	1,234,621	24.6%
• Other financial claims	104	104		104	
• Equity securities	1,552,245	1,552,245		1,552,245	
<b>CONVERSION GAP - ASSETS (E)</b>	<b>42,706</b>	<b>9,501</b>	<b>-77.8%</b>	<b>24,159</b>	<b>n.s</b>
• Increase in financial debts	42,706	9,501	-77.8%	24,159	n.s
<b>TOTAL I (A+B+C+D+E)</b>	<b>2,130,503</b>	<b>2,614,582</b>	<b>22.7%</b>	<b>2,872,109</b>	<b>9.8%</b>
<b>STOCKS (F)</b>	<b>8,436,931</b>	<b>8,321,418</b>	<b>-1.4%</b>	<b>8,771,781</b>	<b>5.4%</b>
• Products in progress clean	4,091,475	4,097,633	0.2%	5,080,684	24.0%
• Finished products	4,345,456	4,223,786	-2.8%	3,691,097	-12.6%
<b>RECEIVABLE OF CIRCULATING ASSETS (G)</b>	<b>2,985,085</b>	<b>2,808,553</b>	<b>-5.9%</b>	<b>2,717,041</b>	<b>-3.3%</b>
• Provided receivables advances and down payments	153,647	235,252	53.1%	235,806	0.2%
• Customers and related accounts	462,440	344,127	-25.6%	327,459	-4.8%
• Staff	607	708	16.6%	558	-21.2%
• State	500,371	410,600	-17.9%	454,667	10.7%
• Partner accounts					
• Other debtors (principal)	1,825,489	1,803,034	-1.2%	1,686,209	-6.5%
• Accruals Current Accounts	42,531	14,832	-65.1%	12,342	-16.8%
<b>SECURITIES AND INVESTMENT VALUES (H)</b>	<b>352,710</b>	<b>167,321</b>	<b>-52.6%</b>	<b>77,328</b>	<b>-53.8%</b>
<b>CONVERSION GAPS - ASSETS (I)</b>					
(Circulating elements)					
<b>TOTAL II (F+G+H+I)</b>	<b>11,774,726</b>	<b>11,297,292</b>	<b>-4.1%</b>	<b>11,566,149</b>	<b>2.4%</b>
<b>CASH ASSETS</b>					
• Checks and cash values	41	6	-84.6%	3	-59.4%
• TG Bank and CCP	250,288	173,748	-30.6%	403,942	n.s
• Funds of advances and accreditation	102	107	4.9%	98	-8.8%
<b>TOTAL III</b>	<b>250,431</b>	<b>173,861</b>	<b>-30.6%</b>	<b>404,042</b>	<b>n.s</b>
<b>TOTAL ASSETS</b>	<b>14,155,659</b>	<b>14,085,735</b>	<b>-0.5%</b>	<b>14,842,301</b>	<b>5.4%</b>

LIABILITIES (in KMAD)	2015	2016	Var 16/15	2017	Var 17/16
<b>EQUITY</b>					
• Share or staff capital (1)	2,104,048	2,104,048	0.0%	2,104,048	0.0%
• Legal reserve	102,233	114,896	12.4%	131,466	14.4%
• Reports again (2)	453,454	458,758	1.2%	479,465	4.5%
• Net result for the year (2)	253,261	331,394	30.9%	312,945	-5.6%
<b>Total equity (A)</b>	<b>2,912,996</b>	<b>3,009,096</b>	<b>3.3%</b>	<b>3,027,923</b>	<b>0.6%</b>
<b>EQUITY ASSIMILATED (B)</b>					
<b>FINANCIAL DEBTS (C)</b>	<b>3,019,243</b>	<b>3,053,238</b>	<b>1.1%</b>	<b>2,840,169</b>	<b>-7.0%</b>
• Bond issues					
• Other financial debts	3,019,243	3,053,238	1.1%	2,840,169	-7.0%
<b>SUSTAINABLE PROVISIONS FOR RISKS AND EXPENSES (D)</b>	<b>309,197</b>	<b>373,917</b>	<b>20.9%</b>	<b>349,581</b>	<b>-6.5%</b>
• Risk provisions	274,021	338,741	23.6%	314,405	-7.2%
• Expenses provisions	35,176	35,176	0.0%	35,176	0.0%
<b>CONVERSION GAPS - LIABILITIES (I)</b>	<b>78,157</b>	<b>102,962</b>	<b>31.7%</b>	<b>3,760</b>	<b>-96.3%</b>
• Decrease in financial debts	78,157	102,962	31.7%	3,760	-96.3%
<b>TOTAL I (A+B+C+D+E)</b>	<b>6,319,593</b>	<b>6,539,213</b>	<b>3.5%</b>	<b>6,221,434</b>	<b>-4.9%</b>
<b>CIRCULATING LIABILITIES DEBTS (F)</b>	<b>7,428,059</b>	<b>7,239,806</b>	<b>-2.5%</b>	<b>6,933,404</b>	<b>-4.2%</b>
• Suppliers and related accounts	2,800,098	2,740,573	-2.1%	2,759,835	0.7%
• Accounts payable, advances and down payments	2,277,365	2,007,363	-11.9%	1,854,714	-7.6%
• Staff	16,931	16,761	-1.0%	16,703	-0.3%
• Social organizations	1,864	1,776	-4.7%	3,487	96.3%
• State	848,053	792,402	-6.6%	710,044	-10.4%
• Partner account					
• Other creditors (principals)	1,441,213	1,631,740	13.2%	1,537,585	-5.8%
• Regularization-Liabilities Accounts	42,535	49,191	15.6%	51,036	3.8%
<b>OTHER PROVISIONS FOR RISKS AND CHARGES (G)</b>	<b>201,087</b>	<b>194,935</b>	<b>-3.1%</b>	<b>419,413</b>	<b>115.2%</b>
<b>CONVERSION GAPS- LIABILITIES (Circulating elements) (H)</b>					
<b>TOTAL II (F+G+H)</b>	<b>7,629,147</b>	<b>7,434,741</b>	<b>-2.5%</b>	<b>7,352,816</b>	<b>-1.1%</b>
<b>LIABILITY CASH</b>					
• Discount Credits					
• Cash Credits	206,920	111,781	-46.0%	1,268,051	n.s
• Regularization banks					
<b>TOTAL III</b>	<b>206,920</b>	<b>111,781</b>	<b>-46.0%</b>	<b>1,268,051</b>	<b>n.s</b>
<b>TOTAL LIABILITIES</b>	<b>14,155,659</b>	<b>14,085,735</b>	<b>-0.5%</b>	<b>14,842,301</b>	<b>5.4%</b>

## **PART IV. RISK FACTORS**



### **1. Risks related to the real estate sector**

To guard against the risks associated with a change in the economic situation and/or behavior of the real estate market that would affect the achievement of the objectives of the HAO. The Holding continuously monitors competitors' offers through a market watch. In this sense, the HAO formalizes a quarterly note on the results of the day before and actions to be taken. In addition, the HAO collects market trends and needs on a regular basis, notably on the basis of feedback from territorial agencies, especially market research, and draws up a half-yearly note to anticipate trends and emerging needs of the market and the market identify the answers to be provided.

### **2. Risks related to contractors and suppliers**

The Al Omrane Group solicits various partners to support it in the realization of all its projects. These partners are selected through calls for tenders based on their official technical qualifications from the MATNUHPV and their references in the construction industry to best meet the specifications of the projects carried by the Group's various subsidiaries at the same time, in terms of quality and timeliness. The relationship of trust established between GAO and its partners allow it to face the risk of non-availability of subcontractors due to competition.

In addition, in order to hedge against the risk of granting undue financial benefits to a partner (in the framework of the PPP) and thus to eliminate the social character, the HAO makes an estimate of the financial arrangement of the partner in order to prove the presence of the character when new agreements or amendments are put in place.

In relation with the respect of the deadlines of execution of the building sites (viability of the land, start of construction, completion, ...) the HAO has established a system of control allowing to follow the time of execution of the building sites and to verify the reliability of the indicators physical data and the accuracy of physical and accounting data reconciliations.

### **3. Risks related to indebtedness**

To support its development plan, the Al Omrane Group is financed by local and international financial organizations. The level of indebtedness of the Al Omrane Group remains under control at the end of 2017 with a net gearing ratio of around 56.5% at the end of 2017. In addition, in order to limit its exposure to currency risk on its foreign currency denominated debt, the HAO negotiates the foreign exchange rate hedging rates to be applied on its debt service maturities in order to optimize the cost of its debt. In addition, the HAO gradually replaces its foreign currency debt with Dirham-denominated debt.

### **4. Interest rate risks**

Interest rate risk may affect the cost of servicing debt. To hedge against such risk, the Company is rigorously monitoring the outstanding amount of its financial debt, which makes it possible to adequately anticipate the payment of its next installments together with taking necessary measures accordingly.

## **5. Risks related to access to financing**

The development of the Al Omrane Group necessarily involves external financing needs. The Group thus finances itself through its own funds, customer advances and finally by the bank financing lines.

The difficulties faced by real estate operators and its effects on the Group's business and financial position could have a negative impact on the Group's ability to continue to finance on favorable terms, in the event that these difficulties arise would not be exceeded.

## **6. Risk related to the size of the stock**

As of 31/12/2017, inventories represent MAD 32.1 billion, or nearly 60% of the Group's total assets, of which MAD 15.7 billion are stocks in progress and MAD 15.3 billion in finished stocks. The Group is closely monitoring this position, through the Stock Committee, the Management Committee and the Sales Department, in order to identify programs experiencing marketing difficulties, as well as by setting up a process for the official communication of inventory data, validated and signed by ODS managers and checking the consistency of stock data received from ODS by reconciling with financial reports.

## **7. Risks related to demand reduction**

A fall in domestic or foreign demand (due to a bad international situation) would negatively affect the health of the sector in general and the volume of business.

Nevertheless, it should be remembered that in 2017, the overall housing deficit was estimated at 400,000<sup>11</sup> housing units, not to mention growing demographic trends and the ever-increasing rate of urbanization.

In addition, prior to the start of major real estate projects, the Group conducts an in-depth market study in order to ensure the commercial success of the project, on the one hand, and to choose a suitable positioning on the other.

## **8. Risks related to changing tax systems**

Notwithstanding the fact that the measures established by the Finance Act 2010 relating to the construction of social housing are guaranteed until 2020, the evolution of tax regulations and in particular the reduction of the tax benefits granted to investors and purchasers could have a negative impact, negative influence on the real estate market and consequently affect the financial situation of operators in the sector.

## **9. Risks related to the reduction/absence of state subsidies**

The Group receives grants in the context of projects carried out in the Delegated Contracting Authority on behalf of the State. Indeed, the State makes available the necessary funds for the execution of the operations launched on behalf of the State.

In addition, for projects that contain Resettlement and/or relocation, the HAO and its subsidiaries receive a contribution from the State for the benefit of households. This contribution is intended for slum populations, as part of the "Cities without slums" program and goes through the GAO to avoid any slippage pushing this population to use the contribution for other purposes.

---

<sup>11</sup> MATNUHPV

## **10. Risks related to a partnership with private developers**

The selection of private promoters by the Al Omrane Group is made through calls for expressions of interest, at the end of this step, the partnership is formalized by a partnership agreement, a transfer agreement and a specification document where a certain number of clauses must necessarily appear. It should be noted that each promoter cannot benefit from more than 3 open agreements in progress with all the subsidiaries of the Al Omrane Group. The Group's subsidiary companies in charge of the partnership carry out a follow-up of the execution of the partnership agreements on the respect of the specifications, the schedule of realization, the payments, the legal file, the marketing and the quality of realization.

## **11. Currency risk**

Al Omrane Holding is financed by a large number of foreign lenders and is therefore exposed to the risks associated with fluctuations in exchange rates. In order to hedge against foreign exchange risk, the HAO has taken measures to monitor the currency fluctuations to which it is exposed by regularly consulting specialized financial databases (Bloomberg/Reuters). In addition, the HAO periodically reviews its currency hedging strategies adopted (currency options, currency swaps).

The foreign debt ratio of the Al Omrane Group reached 83.3% of the total debt contracted by GAO, i.e. MAD 2,365.1 million.

## **12. Operational risks**

In connection with the accounting and financial risks, particularly at the subsidiary level, the HAO has implemented control measures and verification processes to validate the expenses and revenues reported by the Group's subsidiaries. Overall these procedures allow to control the following elements:

- Unreliability/exhaustivity of accounting data from SAO;
- Potential errors when entering accounting entries;
- Non-compliance of purchase payments, etc.

In this sense, the HAO has set up a system for controlling expenses and revenues to ensure compliance with the process related to these elements, to validate exhaustively the accounting entries entered by each SAO quarterly (review of the entries and review of supporting documents) and to validate the accounting entries entered at the level of the HAO daily.

In addition, regarding the risks related to provisioning, the HAO ensures the reliability of the provisions for risks and charges estimated by the Legal Affairs Department and transmitted to the accounting and financial department.

### **WARNING**

The aforementioned information is only part of the prospectus approved by the AMMC under reference number VI/EM/024/2018 on October 30<sup>th</sup>, 2018

The AMMC recommends reading the entirety of the prospectus which is available to the public in French.