

# SUMMARY PROSPECTUS

## MUTANDIS SCA

(LIMITED PARTNERSHIP WITH A SHARE CAPITAL)



INITIAL PUBLIC OFFERING BY THE SALE OF 1 029 537 SHARES AND SHARE CAPITAL INCREASE BY THE ISSUE OF 1 192 686 SHARES

### FIXED PRICE OFFER

Price per share	MAD 180 per share (excluding discount specific to a type of order)
Nominal value	MAD 100 per share
Number of shares for sale	1 029 537 shares
Number of issued shares	1 192 686 shares
Maximum Value of the transaction	MAD 400 000 140
Subscription period	From 3 <sup>th</sup> December 2018 to 7 <sup>th</sup> December 2018 inclusive

This offer is not intended for monetary nor short-term bond UCITS.

#### Advisory Banks and Global Coordinators



#### Co-lead managers of the underwriting syndicate



#### Members of the Underwriting Syndicate



#### APPROVAL OF THE MOROCCAN CAPITAL MARKET AUTHORITY (AMMC)

In accordance with the provisions of the circular of the AMMC, made pursuant to article 14 of the Dahir promulgating Law No. 1-93-212 of September 21<sup>st</sup>, 1993 as amended and supplemented, the original version of the Prospectus was approved by the AMMC, on the 16<sup>th</sup> November, 2018, under the reference VI/EM/027/2018

## DISCLAIMER

On November 16<sup>th</sup>, 2018, the AMMC approved a Prospectus related to the initial public offering of Mutandis SCA by the sale of 1 029 537 shares and capital increase by the issue of 1 192 686 shares.

The Prospectus approved by the AMMC is available at any time at Mutandis SCA' headquarters and at its financial advisors' offices. It is also available within 48 hours at the institutions in charge of collecting subscription orders.

The Prospectus is available to the public on the AMMC website at [www.ammc.ma](http://www.ammc.ma). It is also available at the Casablanca Stock Exchange headquarters and on its website at [www.casablanca-bourse.com](http://www.casablanca-bourse.com).

# PART I: OVERVIEW OF THE TRANSACTION

## I. CHARACTERISTICS OF THE TRANSACTION

The main terms of the Transaction, as presented in the Prospectus, are as follows:

- price per share: 180 MAD ;
- number of shares to be sold: 1 029 537 shares ;
- number of shares to be issued: 1 192 686 shares ;
- nominal value of shares: 100 MAD ;
- value of the Transaction: 400 000 140 MAD ;
- subscription period: 3th December 2018 to 6th December 2018 inclusive ;

## II. OBJECTIVES OF THE TRANSACTION

Mutandis SCA is an industrial and commercial group specialized in consumer goods pursuing its brand development in Morocco and Africa. The stock market listing of Mutandis SCA will enable any interested investor and saver to take part in this project.

Through this IPO Transaction, Mutandis SCA aims to achieve the following objectives:

- Gain regular access to financing so as to seize development opportunities in Morocco and Africa when they are identified ;
- Provide liquidity to the shareholders for all or part of their investment ;
- Promote awareness of the Group among the public and the financial community through the development of a strong and consistent identity ;
- Expand its shareholder base to include other institutional investors ;
- Easily obtain external financing through access to financial markets ;
- Improve and tighten the Group's performance and transparency under market scrutiny.

The proceeds from the capital increase through the IPO will be used to:

- Build and/or buy new industrial units in Morocco so as to launch a series of novel and complementary products ;
- Install production facilities in Sub-Saharan Africa ;
- Support necessary investment to meet the market penetration of new types of beverages within the beverage bottles and caps business line.

It should be noted that the impact of the Capital Increase is not taken into account neither in the outlook nor in the valuation of the Group highlighted in the Prospectus. Furthermore, the funds raised in the light of the capital increase IPO are not dedicated at this stage to the financing of any specific project clearly identified.

## III. INTENTION OF SHAREHOLDERS AND BOARD MEMBERS

To the Company's knowledge, Mutandis SCA shareholders holding at least 5% of the share capital do not intend to subscribe to this Transaction.

Furthermore, Mugest SARL, in its capacity as Company Manager and a limited partner of Mutandis SCA, does not intend to subscribe to this Transaction.

Some of the long-standing shareholders of Mutandis SCA (BMCE Bank, Amethis Maghreb Fund I, RMA Watanya and Adil DOUIRI as a shareholder and Label Vie), forming a group of stable shareholders, have entered into a Shareholder's Agreement in the light of the IPO. The aforementioned agreement provides for an inalienability clause for the shares, detailed below, that each of the Parties here shall hold in the Company's capital at the date

of admission of the Company's shares to the Casablanca Stock Exchange. This clause shall start to run from the date of admission of the shares of the Company to the Casablanca Stock Exchange and shall be valid for the period approved in the Shareholder's Agreement. Inalienability will not apply to transfers or assignments of shares between the Parties to the Shareholder's Agreement.

The selling shareholders under this transaction are:

- Inversiones Frieira as a shareholder, with 533 834 shares representing 7.8% of the Company's share capital.
- Holmarcom, as a shareholder, with 297 422 shares representing 4.4% of the Company's share capital.
- Mohamed Hassan Bensalah, as a shareholder, with 198 281 shares representing 2.9% of the Company's share capital.

#### IV. PRE- AND POST-TRANSACTION SHAREHOLDERS STRUCTURE

The shareholder structure of Mutandis SCA before and after the Transaction is as follows:

Name or company name of shareholders	Pre-Transaction		Post-Transaction	
	Shares	% of the capital and voting rights	Shares	% of the capital and voting rights
BMCE BANK <sup>1</sup>	832 458	12.2%	832 458	10.4%
Adil Douiri <sup>2</sup>	648 436	9.5%	648 436	8.1%
AMETHIS MAGHREB FUND <sup>3 4</sup>	596 812	8.8%	596 812	7.5%
Mohamed Ben Thami Tazi	592 365	8.7%	592 365	7.4%
RMA Watanya <sup>5</sup>	582 355	8.6%	582 355	7.3%
Inversiones Freira Ex Arnela Capital Privado	533 834	7.8%	-	-
Chaabi Capital Investissement	472 097	6.9%	472 097	5.9%
Holmarcom	297 422	4.4%	-	-
Luminis Conseil	265 212	3.9%	265 212	3.3%
Label Vie <sup>6</sup>	247 851	3.6%	247 851	3.1%
Said Lamrani	202 792	3.0%	202 792	2.5%
Mohamed Hassan Bensalah	198 281	2.9%	-	-
Other shareholders	1 334 136	19.6%	1 334 136	16.7%
New shareholders	-	-	2 222 223	27.8%
<b>Total</b>	<b>6 804 051</b>	<b>100.0%</b>	<b>7 996 737</b>	<b>100.0%</b>

Source: Mutandis SCA

<sup>1</sup> All the shares owned by BMCE BANK, as of 31/10/2018, i.e. 832 458 shares, representing 12.2% of Mutandis SCA Group Pre-Transaction share capital, are subject to a commitment to hold the shares under the terms of the Shareholders Agreement, detailed in the Prospectus, they have come to, in the light of the IPO ;

<sup>2</sup> 84.8% of the shares owned by M. Adil DOUIRI, as of 31/10/2018, corresponding to 550 000 shares, representing 8.1% of Mutandis SCA Group Pre-Transaction share capital, are subject to a commitment to hold the shares under the terms of the Shareholders Agreement, detailed in the Prospectus, they have come to, in the light of the IPO ;

<sup>3</sup> 50.8% of the shares owned by AMETHIS MAGHREB FUND, as of 31/10/2018, corresponding to 302 977 shares, representing 4.5% of Mutandis SCA Group Pre-Transaction share capital, are subject to a commitment to hold the shares under the terms of the Shareholders Agreement, detailed in « Shareholders Agreement » of the Prospectus, they have come to, in the light of the IPO

<sup>4</sup> Formerly called Capital North Africa Venture Fund

<sup>5</sup> All the shares owned by RMA Watanya, as of 31/10/2018, i.e. 582 355 shares, representing 8.6% of Mutandis SCA Group Pre-Transaction share capital, are subject to a commitment to hold the shares under the terms of the Shareholders Agreement, detailed in Part IV.2 « Shareholders Agreement » of the Prospectus, entered into, in the light of the IPO.

<sup>6</sup> All the shares owned by Label Vie, as of 31/10/2018, i.e. 247 851 shares, representing 3.6% of Mutandis SCA Group Pre-Transaction share capital, are subject to a commitment to hold the shares under the terms of the Shareholders Agreement, detailed in the Prospectus, they have come to, in the light of the IPO ;

## V. MAIN CHARACTERISTICS OF THE OFFERINGS

Order type	I	II	III
<b>Subscribers</b>	<ul style="list-style-type: none"> <li>▪ Resident or non-resident natural persons, of Moroccan or foreign nationality</li> <li>▪ Legal persons under Moroccan or foreign law not belonging to the categories of qualified investors as defined by Article III.1.21 of the AMMC circular and have more than one year of existence at the subscription date.</li> <li>▪ Qualified investors under Moroccan law, as defined by Article III.1.21 of the AMMC circular, excluding monetary and short-term fixed income UCITS.</li> <li>▪ Qualified investors under foreign law as defined by Article III.1.21 (d) of the AMMC Circular.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Resident or non-resident natural persons, of Moroccan nationality</li> <li>▪ Legal persons under Moroccan law not pertaining to the categories of qualified investors as defined by Article III.1.21 of the AMMC circular and which have more than one year of existence on the subscription date.</li> <li>▪ Qualified investors under Moroccan law, as defined by Article III.1.21 of the AMMC circular, excluding monetary and short-term fixed income UCITS.</li> </ul> <p>Investors subscribing under this order type must sign, at the time of subscription, the commitment contract attached to the Prospectus. The commitment contract provides an inalienability period of 3 months starting to run from the date of the listing of the Company's shares.</p>	<ul style="list-style-type: none"> <li>▪ Resident or non-resident natural persons, of foreign nationality</li> <li>▪ Legal persons under foreign law not pertaining to the categories of qualified investors as defined by Article III.1.21 of the AMMC circular and which have more than one year of existence on the subscription date.</li> <li>▪ Qualified investors under foreign law as defined by Article III.1.21 (d) of the AMMC Circular.</li> </ul> <p>Investors subscribing under this order type must sign, at the time of subscription, the commitment contract attached to the Prospectus. The commitment contract provides an inalienability period of 3 months starting to run from the date of the listing of the Company's shares.</p>
<b>Amount of the offer</b>	<ul style="list-style-type: none"> <li>▪ MAD 239 999 940</li> </ul>	<ul style="list-style-type: none"> <li>▪ MAD 80 000 100</li> </ul>	<ul style="list-style-type: none"> <li>▪ MAD 80 000 100</li> </ul>
<b>Number of shares</b>	<ul style="list-style-type: none"> <li>▪ 1 333 333 shares</li> </ul>	<ul style="list-style-type: none"> <li>▪ 444 445 shares</li> </ul>	<ul style="list-style-type: none"> <li>▪ 444 445 shares</li> </ul>
<b>In % of the share capital after the Transaction</b>	<ul style="list-style-type: none"> <li>▪ 16.7%</li> </ul>	<ul style="list-style-type: none"> <li>▪ 5.6%</li> </ul>	<ul style="list-style-type: none"> <li>▪ 5.6%</li> </ul>
<b>In % of the Transaction</b>	<ul style="list-style-type: none"> <li>▪ 60%</li> </ul>	<ul style="list-style-type: none"> <li>▪ 20%</li> </ul>	<ul style="list-style-type: none"> <li>▪ 20%</li> </ul>
<b>Subscription price</b>	<ul style="list-style-type: none"> <li>▪ MAD 170 per share for the first 50 shares allotted to natural or legal persons under Moroccan and or foreign law (unqualified) within the limits of 198 281 shares</li> <li>▪ MAD 180 per share for the remainder</li> </ul>	<ul style="list-style-type: none"> <li>▪ MAD 180 per share</li> </ul>	<ul style="list-style-type: none"> <li>▪ MAD 180 per share</li> </ul>

Order type	I	II	III
<b>Limit subscription per investor</b>	<ul style="list-style-type: none"> <li>No minimum</li> </ul>	<ul style="list-style-type: none"> <li>2.5% of the total number of shares proposed under the Transaction, representing 55 556 shares, i.e. MAD 10 000 080</li> </ul>	<ul style="list-style-type: none"> <li>2.5% of the total number of shares proposed under the Transaction, representing 55 556 shares, i.e. MAD 10 000 080</li> </ul>
<b>Subscription limit per investor</b>	<ul style="list-style-type: none"> <li>For all investors excluding UCITS, 10% of the total number of shares proposed under the Transaction, representing 222 222 shares, i.e. MAD 39 999 960</li> <li>For UCITS, the minimum between:               <ul style="list-style-type: none"> <li>10% of the total number of shares proposed under the Transaction, representing 222 222 shares, i.e. MAD 39 999 960, and</li> <li>10% of the net assets of the UCITS corresponding to the last net asset value as of 30/11/2018</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>For all investors excluding UCITS, 10% of the total number of shares proposed under the Transaction, representing 222 222 shares, i.e. MAD 39 999 960</li> <li>For UCITS, the minimum between:               <ul style="list-style-type: none"> <li>10% of the total number of shares proposed under the Transaction, representing 222 222 shares, i.e. MAD 39 999 960, and</li> <li>10% of the net assets of the UCITS corresponding to the last net asset value as of 30/11/2018</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>10% of the total number of shares proposed under the Transaction, representing 222 222 shares, i.e. MAD 39 999 960</li> </ul>
<b>Investment</b>	<ul style="list-style-type: none"> <li>All members of the underwriting syndicate</li> </ul>	<ul style="list-style-type: none"> <li>Co-lead managers of the underwriting syndicate</li> </ul>	<ul style="list-style-type: none"> <li>Co-lead managers of the underwriting syndicate</li> </ul>
<b>Subscription coverage</b>	<ul style="list-style-type: none"> <li>For natural persons or legal persons under Moroccan or foreign law (non-qualified), subscriptions must be fully (100%) covered by:               <ul style="list-style-type: none"> <li>an actual deposit (check, cash or wire transfer) to the subscriber's account, and/or;</li> <li>collateral consisting of securities as follows:                   <ul style="list-style-type: none"> <li>✓ Government bonds: taken at a maximum of 100% of the value on the subscription date;</li> <li>✓ Money market UCITS with daily net asset value: taken at a maximum of 100% of the value on the subscription date;</li> <li>✓ Units in UCITS with a daily net asset value (excluding money market funds), term deposits, listed shares: taken at a maximum of 80% of the value at the subscription date.</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>For natural persons or legal persons under Moroccan law (non-qualified), subscriptions must be 100% covered by:               <ul style="list-style-type: none"> <li>an actual deposit (check, cash or wire transfer) to the subscriber's account, and/or;</li> <li>collateral consisting of securities as follows:                   <ul style="list-style-type: none"> <li>✓ Government bonds: taken at a maximum of 100% of the value on the subscription date;</li> <li>✓ Money market UCITS with daily net asset value: taken at a maximum of 100% of the value on the subscription date;</li> <li>✓ Units in UCITS with a daily net asset value (excluding money market funds), term deposits, listed shares: taken at a maximum of 80% of the value on the subscription date.</li> </ul> </li> </ul> </li> <li>For qualified investors under Moroccan law: no coverage at the subscription date</li> </ul> <p>Coverage by collateral is subject to the discretion of each member of the syndicate selected by the subscriber.</p>	<ul style="list-style-type: none"> <li>For natural persons or entities under foreign law (non-qualified), subscriptions must be 100% covered by:               <ul style="list-style-type: none"> <li>an actual deposit (check, cash or wire transfer) to the subscriber's account, and/or;</li> <li>collateral consisting of securities as follows:                   <ul style="list-style-type: none"> <li>✓ Government bonds: taken at a maximum of 100% of the value on the subscription date;</li> <li>✓ Money market UCITS with daily net asset value: taken at a maximum of 100% of the value on the subscription date;</li> <li>✓ Units in UCITS with a daily net asset value (excluding money market funds), term deposits, listed shares: taken at a maximum of 80% of the value on the subscription date.</li> </ul> </li> </ul> </li> <li>For qualified investors under foreign law (i) with more than one year of existence on the subscription date of this Transaction or (ii) having already carried out a transaction on the primary or secondary market of the Casablanca Stock Exchange: no coverage at the subscription date</li> <li>For qualified investors under foreign law (i) that don't have more than one year of existence on the subscription date</li> </ul>

Order type	I	II	III
	<ul style="list-style-type: none"> <li>▪ For qualified investors under Moroccan law: no coverage at the subscription date</li> <li>▪ For qualified investors under foreign law (i) with more than one year of existence on the subscription date of this Transaction or (ii) having already carried out a transaction on the primary or secondary market of the Casablanca Stock Exchange: no coverage</li> <li>▪ For qualified investors under foreign law (i) that don't have more than one year of existence on the subscription date of this Transaction and (ii) that haven't already carried out a transaction on the primary or secondary market of the Casablanca Stock Exchange: 30% coverage by an actual deposit (check, cash or wire transfer) or 100% coverage by a bank surety.</li> </ul> <p>Coverage by collateral is subject to the discretion of each member of the syndicate selected by the subscriber.</p> <p>Subscription coverage in cash, check, wire transfer and/or collateral must be locked until refund of the remaining balance on the 18/12/2018.</p>	<p>Subscription coverage in cash, check, wire transfer and/or collateral must be locked until refund of the remaining balance on the 18/12/2018.</p>	<p>of this Transaction and (ii) that haven't already carried out a transaction on the primary or secondary market of the Casablanca Stock Exchange: 30% coverage by an actual deposit (check, cash or wire transfer) or 100% coverage by a bank surety.</p> <p>Coverage by collateral is subject to the discretion of each member of the syndicate selected by the subscriber.</p> <p>Subscription coverage in cash, check, wire transfer and/or collateral must be locked until refund of the remaining balance on the 18/12/2018</p>
<b>Allocation modalities</b>	<ul style="list-style-type: none"> <li>▪ 1<sup>st</sup> allocation: by iteration up to 250 shares per subscriber;</li> <li>▪ 2<sup>nd</sup> allocation: allocation of the remainder in proportion to the excess of request beyond 250 shares.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pro rata</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pro rata</li> </ul>
<b>Decanting rules</b>	<ul style="list-style-type: none"> <li>▪ If the number of shares requested for Order Type I is lower than the corresponding offer, the difference shall be prorated with respect to the unmet demand for the Order Types II and III</li> </ul>	<ul style="list-style-type: none"> <li>▪ If the number of shares requested for Order Type II is lower than the corresponding offer, the difference shall be attributed to Order Types III, then I.</li> </ul>	<ul style="list-style-type: none"> <li>▪ If the number of shares requested for Order Type III is lower than the corresponding offer, the difference shall be attributed to Order Types II, then I.</li> </ul>

## IV. PRICE-APPRAISAL CRITERIA

### IV.1. EXCLUDED VALUATION METHODS

#### IV.1.1. Asset-based approach

The asset-based approach consists in separately valuing the different assets and liabilities of a company, without taking its future prospects into account. This method is generally applicable in a context of divestment or liquidation of assets, in order to provide a better allocation of resources, or to obtain a valuation of financial or holding companies.

Insofar as Mutandis SCA is an integrated industrial group which does not meet the conditions for applying this valuation method, this method has been excluded.

#### IV.1.2. Comparable market transactions

This method is based on the valuation of a company by using implied multiples of a sample of significant transactions involving similar companies operating in the same sector and having comparable financial and operational characteristics.

Regarding the transactions involving comparable companies and given the unavailability of public financial information (such as transaction values and implied multiples) related to previous transactions involving companies that are comparable to Mutandis SCA, this method has been excluded.

### IV.2. VALUATION METHODS USED

The valuation of Mutandis SCA is based on three valuation methods in the context of this transaction:

- the discounted free cash flow (DCF) method
- the comparable company analysis method
- the transactions on capital method

#### IV.2.1. Discounted cash flow (DCF) method

##### IV.2.1.1 Methodological background

The Discounted Cash Flow method is the preferred method for determining the intrinsic value of a company. It measures a company's ability to create value. Value creation results from the difference between the return on capital employed and the remuneration requirement of shareholders and financial creditors.

This valuation method is based on a business plan over a reasonable time horizon, taking into account the company's history and development strategy.

The enterprise value (EV) is calculated according to the following formula:

$$EV = \sum_{t=1}^n \frac{FCF_t}{(1 + WACC)^t} + \frac{TV}{(1 + WACC)^n}$$

Where

- $FCF_t$ : future free cash flow (based on the business plan over an explicit period)
- WACC: weighted average cost of capital

- TV: Terminal value representing the enterprise value at the end of the explicit time horizon. It is determined on the basis of Gordon Shapiro's method by discounting to infinity a normative cash flow increasing at a perpetuity growth rate (g)

$$TV = \frac{\text{Normative cash flow}}{WACC - g}$$

- n: discounting factor

The equity value (VE) is calculated according to the following formula:

$$V_E = EV - D + NOA$$

Where

- D: net debt estimated as of December 31<sup>st</sup>, 2018
- NOA: non-operating assets

#### IV.2.1.2 [Forecasted business plan](#)

Mutandis SCA' future consolidated cash flows for the 2019<sup>p</sup>-2022<sup>p</sup> forecasted period were determined as follows:

In MAD thousands	2019	2020	2021	2022	Normative cash flow
<b>Operating income (1)</b>	<b>132 621</b>	<b>137 741</b>	<b>149 291</b>	<b>160 624</b>	<b>172 829</b>
Theoretical Corporate Income Tax (2)	34 595	35 931	38 943	41 900	45 084
Depreciation and amortization expense (3)	71 491	74 668	71 805	69 477	61 958
Change in WCR (4)	(8 446)	(15 155)	(7 453)	(9 870)	2 848
Capex (5)	55 696	54 224	55 496	50 456	61 958
<b>Free cash flow = (1)-(2) +(3)-(4)-(5)</b>	<b>122 267</b>	<b>137 409</b>	<b>134 110</b>	<b>147 615</b>	<b>124 898</b>

Source: Mutandis SCA

The consolidated cash flows presented above are calculated on the basis of the Group's consolidated business plan at constant scope for the 2019<sup>e</sup>-2022<sup>e</sup> period, which does not include the impacts related to this initial public offering. This provisional business plan is detailed in Part VII ("Outlook") of the Prospectus.

The calculation of the normative cash flow is based on the aggregates of the last free cash flow at the explicit time horizon of the business plan, and on the following elements:

- Perpetual growth rate of 2.0%, applied to the projected 2022<sup>e</sup> EBITDA
- WCR in days of revenue maintained at 30 days of revenues, corresponding to the level of 2022<sup>e</sup>
- Normative capex estimated at about 3.5% of revenue (in line with the 2019<sup>e</sup>-2022<sup>e</sup> average), corresponding to investments to renew the production equipment, the rate of use of the latter allowing the projected growth to be sustained

#### IV.2.1.3 [Discount rate computation](#)

The discount rate used for the valuation of shareholders' equity using the DCF method is equal to the weighted average cost of capital (WACC).

The WACC is the weighted average return required by all of the company's fund providers. It is calculated using the following formula:

$$WACC = R_e \times \frac{E}{D + E} + R_d \times (1 - t) \times \frac{D}{D + E}$$

Where:

- Re: cost of equity

- E: equity
- D: net debt
- Rd: cost of debt
- t: theoretical tax rate

### Cost of equity

The cost of equity is calculated as follows:

$$R_e = R_f + \beta \times (R_m - R_f)$$

Where:

- Rf: risk-free rate, estimated on the basis of the yield on 10-year Moroccan treasury bonds
- $\beta$ : Levered beta calculated on the basis of the average of average unlevered betas of companies operating in similar sectors as Mutandis SCA and operating in emerging countries, re-levered on the basis of Mutandis SCA' target gearing
- Rm - Rf: Risk premium of the Moroccan stock market resulting from a consensus of 5 Moroccan brokers (CFG Markets, Sogecapital Bourse, Attijari Intermédiation, BMCE Capital Bourse and Upline Securities) as of 19/10/2018

### Risk-free rate

The risk-free rate used to determine Mutandis SCA' WACC is of 3.30%, corresponding to the yield on 10-year Treasury bills in Morocco (secondary yield curve at 19/10/2018).

### Beta

The unlevered beta is calculated on the basis of the average unlevered beta of companies operating in industrial sectors similar to those of Mutandis SCA (agri-food industry and household products) in emerging markets.

The unlevered beta thus stands at 0.82 corresponding to the average of the unlevered beta which is of 0.72 for agri-food companies operating in emerging markets and the unlevered beta which is of 0.92 for a sample of companies operating in the household products business. (Source: DAMODARAN)

This beta is re-levered based on Mutandis SCA' target debt structure, (corresponding to 30% debt financing), equivalent to a target gearing of 43%.

On the basis of these elements, Mutandis SCA' re-levered beta was calculated using the following formula:

$$\beta_{re-levered} = \beta_{debt-free} \times \left\{ (1 + (1 - T_{CIT})) \times \frac{D}{E} \right\}$$

Mutandis SCA' re-levered beta stands at 1.08.

For information purposes only, the median unlevered beta of stock market comparables presented in point 2.2.c is of 0.81 as shown on the following table:

Company	Average unlevered beta
Tat Gida Sanayi	1.04
Lesieur Cristal SA	0.89
Pioneer Food Group	0.73
Rhodes Food Group	0.31
<b>Overall median</b>	<b>0.81</b>

Source: Infront Analytics – data as of 22/10/2018

### Risk premium

The risk premium used to determine Mutandis SCA WACC stands at 6.1%, corresponding to the average risk premiums of 5 Moroccan brokers (CFG Markets, Sogecapital Bourse, Attijari Intermédiation, BMCE Capital Bourse and Upline Securities). On the basis of the above items, Mutandis SCA' cost of equity stands at 9.9%.

### Theoretical tax rate

The theoretical tax rate is calculated on the basis of the average of the different theoretical tax rates to which the various activities of the Mutandis SCA group are subject, weighted by the contribution of the latter to the projected operating income for 2022<sup>e</sup>.

The tax rate is of 26.1%.

### Cost of debt

The cost of debt is estimated on the basis of Mutandis SCA' financing cost and thus equals to 6%. After applying the theoretical tax rate outlined above, the after-tax cost of debt is of 4.4%.

### WACC Calculation – Summary

WACC Calculation – Summary	
Risk-free rate – 10-year T-bonds (secondary as of 19/10/18)	3.30%
Market risk premium	6.1%
Unlevered beta	0.82
Levered beta	1.08
Target gearing (D / E)	43.0%
Corporate Income Tax	26.1%
Interest rate applied to net debt	6.0%
<b>Cost of equity</b>	<b>9.9%</b>
<b>Cost of debt</b>	<b>4.4%</b>
<b>Weighted Average Cost of Capital</b>	<b>8.2%</b>

### Net debt

Financial net debt forecasts estimated at the end of December 2018 are as follows:

In MAD millions	
Financial debts	426
- Net cash position	-62
- Interest accrued and not yet due	4
<b>Net debt as of 12/31/2018</b>	<b>484</b>

Source: Mutandis SCA

### Non-operating assets

Discounting projected free cash flow helps to determine the value of a company's economic assets, but does not take its non-operating assets into account. It is therefore necessary to add the value of the non-operating assets held by Mutandis SCA to the enterprise value obtained by discounting free cash flow.

Mutandis SCA holds an 8.3% stake in CFG Bank, valued at MAD 118M (value net of deferred taxes), corresponding to the price at which the last capital increase of CFG Bank was carried out on December, 2017.

Mutandis SCA holds through its sea food products business line non-operating assets (mainly buildings and property) worth a value net of deferred taxes of MAD 77M as of 30/06/2018, which were not taken into account into the valuation.

It should be noted that the value of the Mutandis SCA group's stake in Fenyadi, provisioned at 100% at the end of 2017, is considered null.

#### IV.2.1.4 [Resulting valuation](#)

The table below outlines the valuation of Mutandis SCA using the DCF method:

In MAD millions	
Sum of discounted free cash flows	444
+ Discounted terminal value	1 462
<b>= Enterprise value</b>	<b>1 906</b>
- Adjusted net debt estimated at 12/31/2018	484
- Minority interests	4
+ Non-operating assets	118
<b>= Equity value (100%)</b>	<b>1 535</b>
<b>Shareholders portion Equity value (99%)</b>	<b>1 519</b>
<b>I.e. in MAD per share</b>	<b>223</b>

Based on a discount rate of 8.2% and a perpetual growth rate of 2.0%, Mutandis SCA' shareholders portion equity value, stands at MAD 1 519M, corresponding to a value of MAD 223 per share.

### IV.2.2. COMPARABLE COMPANIES METHOD

#### IV.2.2.1 [Methodological background](#)

The comparable companies valuation method consists in applying to the financial aggregates of the company being valued the valuation multiples observed on a sample of companies operating in the same sector of activity and exhibiting similar operational characteristics.

Once the sample of comparable companies has been determined, the principle consists in selecting the indicators that will serve as the basis for the comparison (turnover, gross operating income, net income, etc.), calculating multiples based on the market value and aggregates of the comparables and applying these multiples to the aggregates of the company being valued.

In the context of the valuation of FMCG companies in general and Mutandis SCA in particular, the valuation approach based on the EBITDA multiple is preferred. Indeed, the latter makes it possible to take into account the operating profitability of the selected companies, while neutralizing differences related to the depreciation policy, extraordinary items, as well as, items due to the financial structure and taxation.

#### IV.2.2.2 [Sample selection](#)

The selection of a sample of companies that are comparable to Mutandis SCA at the local and regional level was made taking into account a number of criteria:

- **Activity:** companies operating in the (current) FMCG sector in similar markets
- **Growth:** companies with average annual growth rates of revenues of up to 10% over the next 2 years
- **Profitability:** companies whose ROCE as of year-end 2017 reached up to 20%
- **Liquidity and coverage of the security:** since the valuation is based on 2018 and 2019 aggregates, we have selected companies with an acceptable liquidity level and covered by the main brokers (to obtain the forecast EBITDA and Net Income aggregates for these companies)

At the local level, of the 7 listed companies operating in the FMCG sector, Lesieur is the only one with a growth-profitability profile similar to that of Mutandis SCA. It also has liquid shares and is covered by brokers in the market.

The table below presents the comparability analysis of listed companies operating in the FMCG sector in Morocco:

Company	Activity	ROCE at year-end 2017	Liquidity ratio <sup>7</sup>	Traded by brokers
<b>Lesieur Cristal</b>	Marketing of oil, soap and hygiene product brands	16.8%	29.3%	YES
<b>Centrale Danone</b>	Marketing of dairy products	14.8%	0.0%	NO
<b>Unimer</b>	Production and marketing of canned fish	7.0%	0.0%	NO
<b>Société des Boissons du Maroc</b>	Brewing and malting of alcoholic beverages	35.4%	15.4%	YES
<b>Les Eaux Minérales d'Oulmès</b>	Marketing of bottled water	19.3%	5.9%	YES
<b>Cosumar</b>	Sugar extraction and refining	49.1%	8.3%	YES
<b>Cartier Saâda</b>	Production of canned vegetables and fruits	5.9%	1.3%	NO

Source: Infront Analytics – data as of 10/22/2018

At the regional level, yet again taking into account growth, profitability and analyst coverage criteria, only 3 companies have been identified:

- **Tat Gida Sanayi:** a company operating in Turkey, specializing in the production and marketing of food products (rice, fruit juices, soft drinks, tea and fruit concentrates, biscuits, etc.)
- **Pioneer Food Group:** a company operating in South Africa, specializing in the production and marketing of food products (rice, pulses, pasta and bread, fruit juices, soft drinks, tea and fruit concentrates, rusks, biscuits, etc.)
- **Rhodes Food Group:** a company operating in South Africa, specializing in the production and marketing of fresh and canned products (canned fruit, vegetables, jams, meat, fresh and frozen ready-made meals, pastry products and dairy products)

The sample of comparable companies selected is as follows:

Company	Country	Market cap (in MUSD)	Enterprise value (in MUSD)	ROCE at year-end 2017	EV/EBITDA	
					2018e	2019e
Tat Gida Sayani	Turkey	97	104	12.0%	7.2x	5.5x
Lesieur Cristal	Morocco	428	431	16.8%	12.8x	12.0x
Pioneer Food Group	South Africa	1 387	1 464	12.5%	9.7x	8.9x
Rhodes Food Group	South Africa	310	401	11.2%	10.9x	8.3x
<b>Overall median</b>				<b>12.2%</b>	<b>10.3x</b>	<b>8.6x</b>

Source: Infront Analytics – data as of 10/22/2018, based on 3-month average market capitalizations and net debts estimated at the end of December 2018

Outlined for information purpose only, EV/EBITDA multiples of some large FMCG European groups namely (Nestlé, Unilever NV, Henkel, Danone) stand at the following levels:

Company	Country	Market cap (in MUSD)	Enterprise value (in MUSD)	EV/EBITDA	
				2018e	2019e
Nestlé	Switzerland	244 216	263 433	13.6x	12.9x
Unilever NV	Netherlands	152 816	176 737	14.3x	13.7x
Henkel	Germany	49 034	53 036	11.2x	10.6x
Danone	France	49 524	67 158	12.7x	12.1x
<b>Overall median</b>				<b>13.2x</b>	<b>12.5x</b>

<sup>7</sup>The liquidity ratio is calculated as the ratio between the average volume traded over 3 months and the average market capitalization over 3 months.

Source: Infront Analytics – data as of 22/10/2018, based on 3-month average market capitalizations and net debts estimated at the end of December 2018

#### IV.2.2.3 Resulting valuation

The table below summarizes the valuation of Mutandis SCA using the comparable company analysis method:

<b>In MAD millions</b>	
Median EV/EBITDA multiple for regional peers	10.3x
2018° EBITDA	183
<b>Enterprise value</b>	<b>1 895</b>
- Net debt estimated at 31/12/2018	484
- Minority interests	4
+ Non-operating assets (net of deferred taxes)	118
<b>= Equity value (100%)</b>	<b>1 524</b>
<b>Shareholders portion Equity value (99%)</b>	<b>1 509</b>
<b>I.e. in MAD per share</b>	<b>222</b>

#### IV.2.3. Reference Transactions

This method is based on the valuation of a company by using implied multiples of a sample of significant transactions in which the company was involved.

As regards the transactions involving Mutandis SCA Group, 2 recent transactions should be noted:

- **Acquisition of a capital stake by CNAVF**

In March 2017, CNAVF acquired a stake of 8.8% in Mutandis SCA' share capital in the context of a capital increase dedicated to the sole fund.

The transaction, which amounted to MAD 96M, involved 596 812 shares at a price per share of MAD 161, corresponding to the price recorded for the capital increase dedicated to a few Group managers that has occurred the same year, involving 14 597 shares.

On this basis, Mutandis SCA' valuation is as follows:

<b>In MAD millions</b>	
Implied 2016 EV/EBITDA multiple <sup>8</sup>	8.8x
2018° EBITDA	183
<b>Enterprise value</b>	<b>1 620</b>
- Net debt estimated at 12/31/2018	484
- Minority interests	4
+ Non-operating assets (net of deferred taxes)	118
<b>= Equity value (100%)</b>	<b>1 249</b>
<b>Shareholders portion Equity value (99%)</b>	<b>1 237</b>
<b>I.e. in MAD per share</b>	<b>182</b>

<sup>8</sup> After the removal of the value of non-operating assets valued at 135 MMAD at 2016 end (CFG Bank and Fenyadi)

▪ **Sale of CFG Bank's equity stake to Luminis**

In January 2018, CFG Bank sold its 3.9 % stake in Mutandis SCA share capital for regulatory reasons, related to compliance with the maximum risk division coefficient.

The purpose of the sale was to free up regulatory capacity to grant financing to the Mutandis SCA Group. The transaction, which amounted to MAD 50M, involved 265 212 shares at a price per share of MAD 190 per share.

On this basis, Mutandis SCA' valuation is as follows:

<b>En MMAD</b>	
Implied 2017 EV/EBITDA multiple <sup>9</sup>	10.2x
2018 <sup>e</sup> EBITDA	183
<b>Enterprise value</b>	<b>1 865</b>
- Net debt estimated at 12/31/2018	484
- Minority interests	4
+ Non-operating assets (net of deferred taxes)	118
<b>= Equity value (100%)</b>	<b>1 494</b>
<b>Shareholders portion Equity value (99%)</b>	<b>1 479</b>
<b>I.e. in MAD per share</b>	<b>217</b>

The table below summarizes the valuations obtained based on the transactions relating to Mutandis SCA Equity:

In MAD/share	Date of transaction	Price per share	Implied EV/EBITDA multiple year n-1	Implied EV/EBITDA multiple year n-1	Equity value, shareholders part (99%) (in MAD millions)	Value per share
CNAVF Transaction	2017, March	161	8.8x	8.3x	1 237	182
CFG Bank/Luminis Transaction	2018, January	190	10.2x	9.2x	1 479	217
<b>Average</b>						<b>200</b>

However, these two transactions cannot be held as a relevant valuation benchmark insofar as it involved significant blocks of shares sold at price that includes an illiquidity discount due to the non-listing of Mutandis SCA' shares at the time of the transaction. Furthermore, this limited liquidity is even more restricted in the light of the capital increase dedicated to CNAVF due to the lock up clause between the parties and valid for 3 years.

### IV.3. SUMMARY OF VALUATIONS

The table below summarizes the valuations obtained:

Summary of valuations	Enterprise value (in MAD millions)	Equity value, shareholders part (in MAD millions)	Value per share (in MAD)
<b>Methods used</b>			
DCF method	1 906	1 519	223
Regional market multiples	1 895	1 509	222
<b>Other methods</b>			
Reference transactions	1 742	1 358	200

<sup>9</sup> After the removal of the non-operating assets valued at 122 MMAD at 2017 end (CFG Bank)

#### IV.4. PRICING

The price per share used in this Transaction is of MAD 180 with the following price discount compared to the values resulting from the methods presented:

Summary of valuations	Value per share (in MAD)	Discount
<b>Methods used</b>		
DCF method	223	19.4%
Regional market multiples	222	18.8%
<b>Other methods</b>		
Reference transactions	200	9.8%

#### IV.5. Implied multiples based on issuance price

On the basis of a price per share of MAD 180<sup>10</sup>, the implied valuation multiples are as follows:

Implied multiples	2017	2018e	2019e
EV/EBITDA	9.7x	8.8x	7.7x
Adjusted PER <sup>11</sup>	22.5x	17.1x	14.7x
PER <sup>12</sup>	25.0x	17.9x	14.7x
P/B	1.6x	1.6x	1.5x
D/Y	4.1%	4.1%	4.1%

## VI. LISTING

### IV.1. Listing place

The shares, which are concerned by this Transaction, will be listed in the 1<sup>st</sup> compartment at the Casablanca Stock Exchange.

### IV.2. 1<sup>st</sup> listing procedure

The listing of Mutandis SCA' shares will be carried out through an initial listing procedure based on a fixed price offer in accordance with the provisions of the General Regulations of the Stock Exchange.

### IV.3. Characteristics of the shares to be issued and sold

<b>Designation</b>	MUTANDIS SCA
<b>Compartment</b>	1 <sup>st</sup> compartment (main market)
<b>Business sector</b>	Consumer goods
<b>Trading cycle</b>	Continuous
<b>Procedure of 1<sup>st</sup> listing</b>	Fixed price offer
<b>Minimum block size</b>	33 000 shares
<b>Ticker</b>	MUT
<b>Date of 1<sup>st</sup> listing</b>	18/12/2018

<sup>10</sup> Corresponding to a shareholders portion equity value of MAD 1 225M

<sup>11</sup> Adjusted PER = 100% of Equity value / Adjusted net income group share

<sup>12</sup> PER = 100% of Equity value / Net income group share

Source: Mutandis SCA

#### IV.4. Transaction schedule

The table hereafter sets out the transaction schedule:

Order	Steps	Date
1	Reception by the Casablanca Stock Exchange of the complete file of the transaction	08/11/2018
2	Issuance of the notification of approval of the Transaction by the Casablanca Stock Exchange	16/11/2018
3	Reception by the Casablanca Stock Exchange of the of the Prospectus approved by the AMMC	16/11/2018
4	Publication of the Prospectus in the Official List of the IPO Notice	19/11/2018
5	Opening of the subscription period	03/12/2018
6	Closing of the subscription period at 3:30 p.m.	06/12/2018
7	Receipt of the subscriptions by the Casablanca Stock Exchange before noon.	07/12/2018
8	Centralization and consolidation of subscriptions.	10/12/2018
9	Processing of rejections	11/12/2018
10	Allocation of subscriptions and provision by the Casablanca Stock Exchange of the list of subscriptions relating to the Issuer's capital increase	12/12/2018
6	<ul style="list-style-type: none"> <li>- Remittance by the Casablanca Stock Exchange of allotted shares by the depository body to the co-lead managers of the underwriting syndicate before 10:00 a.m.</li> <li>- Remittance by the Casablanca Stock Exchange of allotted shares to the members of the syndicate before 12:00 a.m.</li> </ul>	13/12/2018
12	Confirmation of the capital increase completion by the board of Mutandis SCA	14/12/2018
13	Reception by the Casablanca Stock Exchange of the minutes from the Issuer's proceedings having noted the capital increase before noon	14/12/2018
14	<ul style="list-style-type: none"> <li>- First listing and registration of the Transaction</li> <li>- Announcement of the results of the Transaction on the stock list</li> </ul>	18/12/2018
15	Clearing / Settlement	21/12/2018

Source: Mutandis SCA

## PART II: GENERAL OVERVIEW OF MUTANDIS SCA

### I. GENERAL INFORMATION

<b>Corporate name</b>	Mutandis SCA S.C.A
<b>Head Quarters</b>	22, boulevard Abdelkrim Khattabi - Casablanca
<b>Phone number</b>	+212 (0) 5 22 98 43 88
<b>Fax number</b>	+212 (0) 5 22 98 34 60
<b>Legal form</b>	Limited partnership with a share capital
<b>Incorporation date</b>	March 14 <sup>th</sup> , 2008
<b>Lifetime</b>	99 years
<b>Trade registry</b>	180175 – Casablanca
<b>Fiscal year</b>	From January 1 <sup>st</sup> to December 31 <sup>st</sup>
<b>Corporate purpose</b>	<p>Pursuant to article 2 of the articles of association, the main corporate purpose of the company is the management of transferable securities or the subscription, for the sake of acquisition of stakes, to the capital of other companies, mainly:</p> <ul style="list-style-type: none"> <li>▪ taking direct or indirect stakes in any companies already existing or to be established through capital subscription or by acquisition of securities, as a shareholder or partner;</li> <li>▪ the acquisition of interests, whatever the form, in any transactions or companies regardless of the purpose thereof;</li> <li>▪ the management and transfer of shares;</li> <li>▪ the acquisition, sale or exchange of any transferable securities, rights or interests;</li> <li>▪ advisory, review and the provision of services;</li> <li>▪ and overall, any commercial, industrial, financial, immovable or movable transactions that could be linked to its business directly or indirectly or likely to facilitate its performance.</li> </ul>
<b>Company capital as of 08/31/2018</b>	MAD 680 405 100 fully paid-up and divided into 6 804 051 shares with a value of MAD 100 each of the same class.
<b>Location of the legal documents</b>	The legal documents, particularly the articles of association, auditors' reports and the management's report may be consulted at the Company's head office.
<b>Applicable laws and regulations</b>	<p>By its legal form, the Company is governed by Law 5-96 of 13 February 1997 relating to general partnership, limited partnership, private company limited by shares, limited liability company and silent partnership, as amended and supplemented by Law 21-05 of 14 February 2006 and by the provisions of the Dahir of 9 Ramadan 1331 (12 August 1913) establishing the code of obligations and contracts, insofar as they do not conflict with the legal provisions of said law.</p> <p>Through its upcoming listing on the stock market, the Company is subject to all legal and regulatory provisions relating to the financial market, including:</p> <ul style="list-style-type: none"> <li>▪ Dahir promulgating Law no. 1-93-211 of 21 September 1993 relating to the Stock Market as amended and supplemented by laws 34-96, 29-00, 52-01 and 45-06 and 43-09;</li> <li>▪ The General Regulation of the Stock Exchange approved by Order no. 1268-08 of the Minister of the Economy and Finance, of 7 July 2008, as amended and supplemented by Order no. 30-14 of the Minister of the Economy and Finance, of 6 January 2014;</li> <li>▪ Dahir no. 1-13-21 of 13 March 2013 concerning the promulgation of law no. 43-12 relating to the Moroccan Capital Market Authority;</li> <li>▪ The General Regulation of the Moroccan Capital Market Authority;</li> </ul>



Name or corporate name of shareholders	2013		2014		2015		2016		2017		On the eve of the Operation	
	Shares	% of the capital and voting rights	Shares	% of the capital and voting rights	Shares	% of the capital and voting rights	Shares	% of the capital and voting rights	Shares	% of the capital and voting rights	Shares	% of the capital and voting rights
BMCE BANK	1 174 805	9.65%	1 174 805	9.40%	582 354	9.40%	582 354	9.40%	832 458	12.23%	832 458	12.23%
Adil Douiri	1 408 115	11.56%	1 308 115	10.47%	648 437	10.47%	648 437	10.47%	648 437	9.53%	648 436	9.53%
Amethis Maghreb Fund I <sup>13</sup>	-	-	-	-	-	-	-	-	596 812	8.77%	596 812	8.77%
Mohamed Ben Thami Tazi	1 195 000	9.81%	1 195 000	9.57%	592 365	0.00%	592 365	9.57%	592 365	8.71%	592 365	8.71%
RMA Watanya	1 174 806	9.65%	1 174 806	9.40%	582 355	9.40%	582 355	9.40%	582 355	8.56%	582 355	8.56%
Inversiones Freira Ex Arnela Capital Privado	1 076 922	8.84%	1 076 922	8.62%	533 834	8.62%	533 834	8.62%	533 834	7.85%	533 834	7.85%
Chaabi Capital Investissement	952 379	7.82%	952 379	7.62%	472 097	7.62%	472 097	7.62%	472 097	6.94%	472 097	6.94%
Holmarcom	600 000	4.93%	600 000	4.80%	297 422	4.80%	297 422	4.80%	297 422	4.37%	297 422	4.37%
CFG Bank	500 000	4.11%	500 000	4.00%	266 212	4.30%	266 212	4.30%	266 212	3.91%	1 000	0.01%
Luminis Conseil	-	-	-	-	-	-	-	-	-	-	265 212	3.90%
Label Vie	500 000	4.11%	500 000	4.00%	247 852	4.00%	247 852	4.00%	247 852	3.64%	247 851	3.64%
Holpar	454 545	3.73%	454 545	3.64%	225 319	3.64%	225 319	3.64%	-	-	-	-
Said Lamrani	409 100	3.36%	409 100	3.27%	202 792	3.27%	202 792	3.27%	202 792	2.98%	202 792	2.98%
Mohamed Hassan Bensalah	400 000	3.28%	400 000	3.20%	198 281	3.20%	198 281	3.20%	198 281	2.91%	198 281	2.91%
Other Shareholders	2 331 969	19.15%	2 746 969	21.99%	1 343 321	31.26%	1 343 321	21.69%	1 333 134	19.59%	1 333 136	19.59%
<b>TOTAL</b>	<b>12 177 641</b>	<b>100.00%</b>	<b>12 492 641</b>	<b>100.00%</b>	<b>6 192 641</b>	<b>100.00%</b>	<b>6 192 641</b>	<b>100.00%</b>	<b>6 804 051</b>	<b>100.00%</b>	<b>6 804 051</b>	<b>100.00%</b>
<i>Including shareholders who are members of the Supervisory Board</i>	<i>1 797 002</i>	<i>14.76%</i>	<i>1 787 003</i>	<i>14.30%</i>	<i>885 329</i>	<i>14.30%</i>	<i>885 329</i>	<i>14.30%</i>	<i>885 330</i>	<i>13.01%</i>	<i>885 332</i>	<i>13.01%</i>
<i>Including shareholders owning more than 3% of the capital</i>	<i>8 250 672</i>	<i>67.75%</i>	<i>8 150 672</i>	<i>65.24%</i>	<i>4 058 674</i>	<i>65.54%</i>	<i>4 058 674</i>	<i>65.54%</i>	<i>4 477 479</i>	<i>65.81%</i>	<i>4 477 477</i>	<i>65.81%</i>
<i>Including executive shareholders</i>	<i>2 750</i>	<i>0.02%</i>	<i>62 750</i>	<i>0.50%</i>	<i>55 890</i>	<i>0.90%</i>	<i>55 890</i>	<i>0.90%</i>	<i>56 511</i>	<i>0.83%</i>	<i>56 511</i>	<i>0.83%</i>

Source: Mutandis SCA

<sup>13</sup> Formerly Capital North Africa Venture Fund

### III. GENERAL PARTNER

Mugest is a single shareholder LLC established by Adil Douiri in 2008. Its corporate purpose is mainly:

- Fund management, assessment and implementation of investment projects and all matters relating thereto;
- Advisory and assistance to fund management activities ;
- Carrying out of any financial transaction, technical studies, business opportunities related to fund management matters ;

And in general, all commercial, industrial, and financial transactions related to movable or immovable property that may be linked to its business or appropriate to achieving its implementation.

The main indicators of Mugest over the last 3 fiscal years are presented below:

In MAD thousands	2015	2016	2017	Var 2015-2016	Var 2016-2017
Revenues	5 000	5 000	1 000	0.0%	-80.0%
Net income	531	423	366	-20.3%	-13.5%
Share capital	1 600	1 600	1 600	0.0%	0.0%
Shareholder capital	3 753	3 919	4 286	4.4%	9.3%

Source: Mutandis SCA

Following the spinoff of the automotive business, Mugest is also the manager of Mutandis SCA Automobile.

Mugest has also a management mandate regarding Mutatis (holding company).

The table below presents the assets pledged by Mugest as of June 30<sup>th</sup>, 2018:

Asset	Beneficiary	Amount (in thousands MAD)	Date
Machinery and equipment	CFG Bank	5 200	November, 2016

Source: Mutandis SCA

### IV. ADMINISTRATIVE AND SUPERVISORY BODIES

On the preparation date of this Summary Prospectus, the composition of the supervisory board was as follows:

Supervisory Board	Function	Appointment/renewal date	Expiry of the mandate
Zouhair Bennani	Chairman of the Supervisory Board	April.-17	OGM called to approve the financial statements for fiscal year 2019
Jaouad Alami Hassani <sup>14</sup>	Member of the Supervisory Board	March-18	OGM called to approve the financial statements for fiscal year 2020
Karim Ayouche	Member of the Supervisory Board	April.-17	OGM called to approve the financial statements for fiscal year 2019
Najib Hakim Belmaachi	Member of the Supervisory Board	April.-17	OGM called to approve the financial statements for fiscal year 2019

<sup>14</sup>Independent Board Member

Souad Benbachir	Member of Supervisory Board	the April.-17	OGM called to approve the financial statements for fiscal year 2019
Zouheir Bensaid	Member of Supervisory Board	the April.-17	OGM called to approve the financial statements for fiscal year 2019
Mohamed Hassan Bensalah	Member of Supervisory Board	the April.-17	OGM called to approve the financial statements for fiscal year 2019
Mohamed Ben Thami Tazi	Member of Supervisory Board	the April.-17	OGM called to approve the financial statements for fiscal year 2019
Rachid Hadni	Member of Supervisory Board	the March -18	OGM called to approve the financial statements for fiscal year 2020
Ahmed Rahhou <sup>15</sup>	Member of Supervisory Board	the March -18	OGM called to approve the financial statements for fiscal year 2020
Adil Rzal	Member of Supervisory Board	the March -18	OGM called to approve the financial statements for fiscal year 2020
Luc Rigouzzo	Member of Supervisory Board	the Sept-18	OGM called to approve the financial statements for fiscal year 2020

Source: Mutandis SCA

Following the sale of its participating interest in Mutandis SCA' share capital, M. Mohamed Hassan Bensalah will remain a member of Supervisory Board.

## V. MANAGEMENT BODY

The top management of Mutandis SCA is listed in the table below.

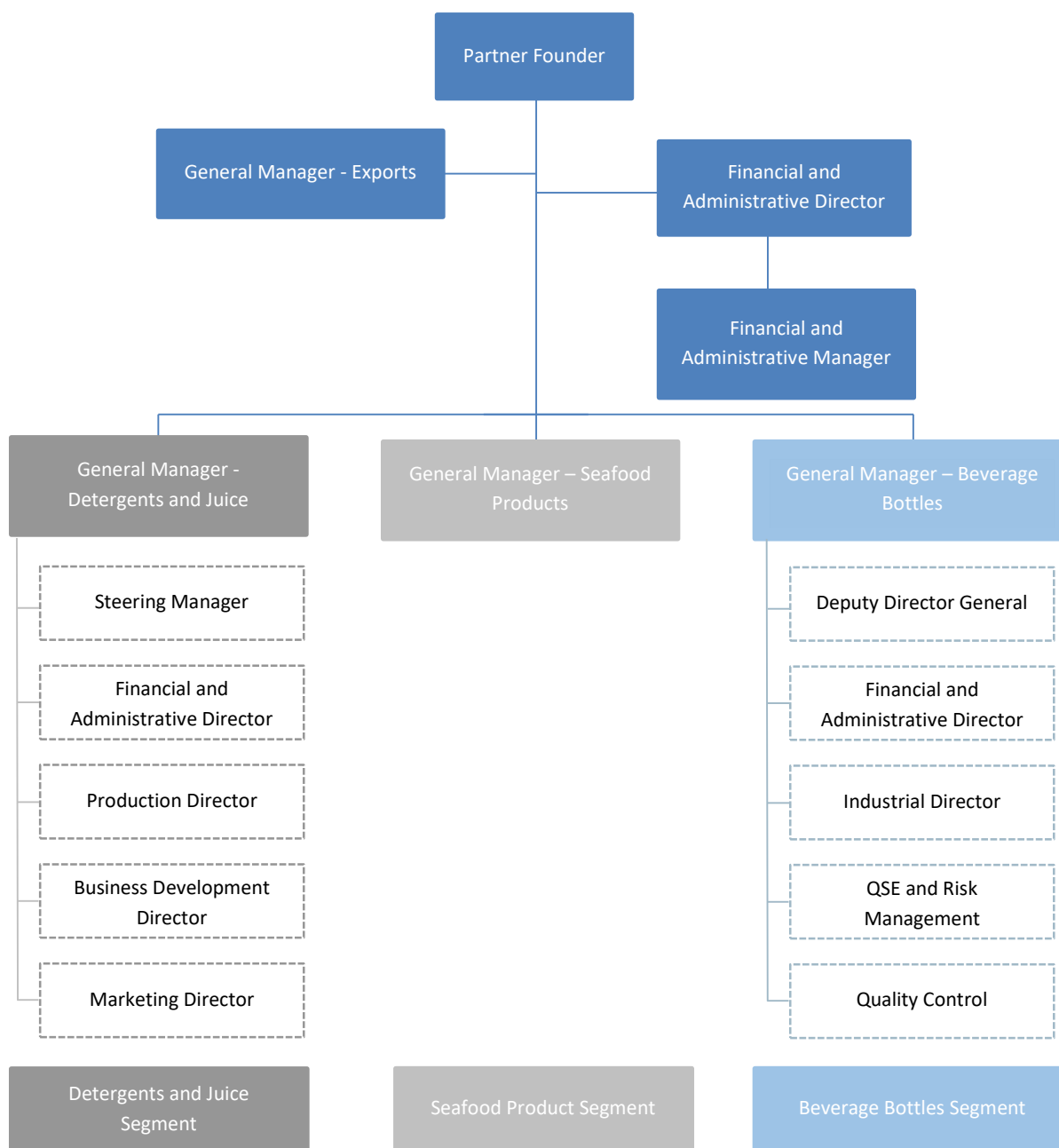
Manager	Current function	Date joined
Mugest, represented by Adil Douiri	Managing Director	March-08
Mohamed Lahlou	General Manager - Detergents and Juice	Nov-09
Mehdi Tak Tak	General Manager - Seafood Products	Jun-11
Mehdi Bennouna	General Manager - Beverage Bottles	July-13
Omar Rharbaoui	General Manager - Exports	March-08
Fatima-Zahra Mediouni	Administrative and Financial Director	May-16

Source: Mutandis SCA

## VI. MUTANDIS SCA FUNCTIONAL ORGANIZATION CHART

The functional organization chart of the Mutandis SCA Group on the eve of the Transaction is presented below:

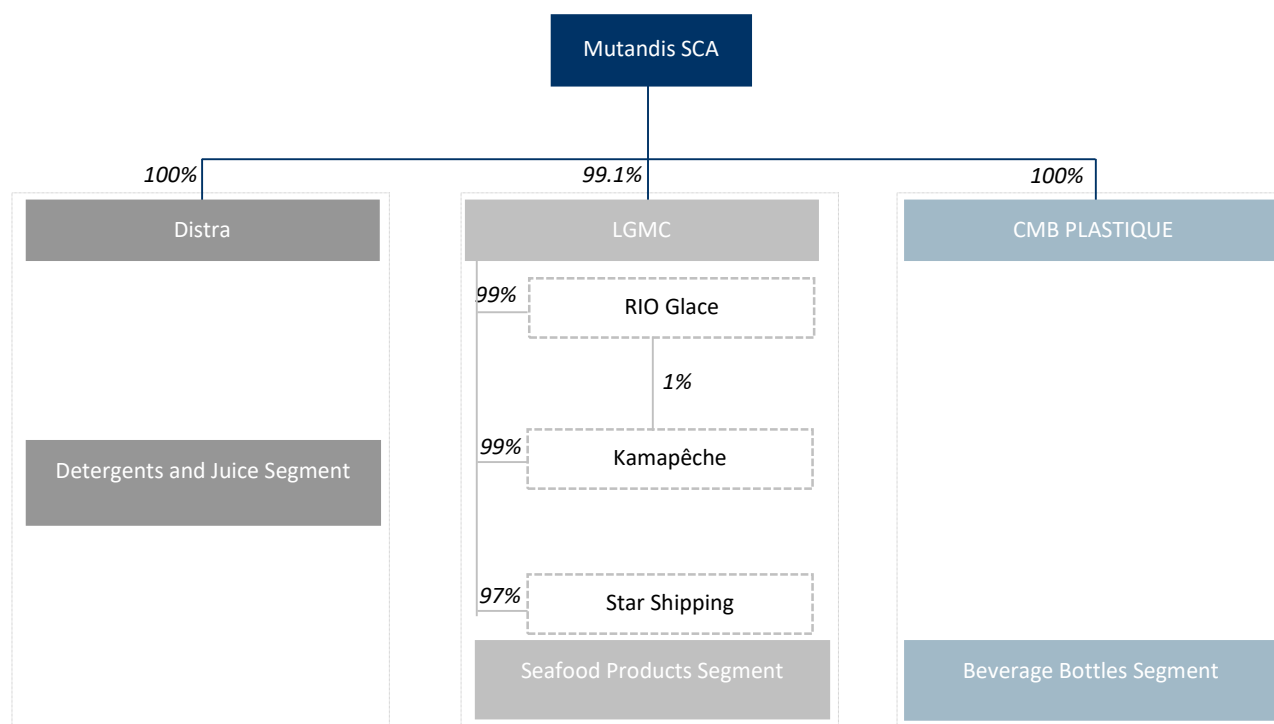
<sup>15</sup>Independent Board Member



Source: Mutandis SCA

## VII. MUTANDIS SCA SUBSIDIARIES

As of 31/08/2018, the organization chart of the Mutandis SCA Group was as follows:



Source: Mutandis SCA

The percentages presented above are percentage of interest

Mutandis SCA holds other equity interests, namely including CFG Bank (6.9% of the company's share capital) and Fenyadi (45.33% of the company's share capital).

## VIII. MUTANDIS SCA LINES OF BUSINESS

### IV.1. Detergents

Through its subsidiary Distra, Mutandis SCA is one of the two leading Moroccan players in the detergent sector, behind two multinational companies established in Morocco since several decades. Located 40 km away from Casablanca, the Mutandis SCA industrial plant manufactures powder detergent (for hand or machine washing), multipurpose detergent paste, bleach, liquid surface cleaner and liquid dishwasher soap.

The main brands developed by Mutandis SCA in this sector are Maxis' (premium product) and Magix (low price segment). Mutandis SCA also manages other tactical brands such as Wash and Nex. These are "entry-level" brands that don't benefit from any advertising support. The Group distributes its products through 3 channels:

- Modern distribution (hypermarkets, supermarkets, etc.);
- Wholesalers ;
- Retailers (Generalist and specialist grocery stores).

### IV.2. Seafood products

In the seafood product sector, Mutandis SCA ranks second in Morocco in the canned pelagic fish sector, representing approximately 8% of Moroccan exports for these products.

This activity is led by the following subsidiaries: LGMC, RIO GLACE, KAMAPÊCHE and STAR SHIPPING. KAMAPÊCHE and STAR SHIPPING catch the fish and deliver it to RIO GLACE. RIO GLACE sorts the fish and delivers the “machinable” fish to LGMC and sells the “non-machinable” fish to third parties. LGMC sources half of its fish supply from RIO GLACE and processes it into canned fish.

With 5 plants (3 in Safi, 1 in Agadir and 1 in Dakhla); Mutandis SCA manufactures approximately 114 million canned goods per year (sardines and mackerels) and employs 2,342 people. Aside from its own ships, it sources mainly from small-scale inshore fishing and modern inshore fishing, from the main ports of Morocco.

Mutandis SCA generated the majority of its turnover from exports, particularly Africa (approximately 40%), Europe (approximately 40%), and other regions around the world.

In Africa, Mutandis SCA manages three brands under this segment: Josiane and Amy for the African continent and Marine for Morocco (launched in 2018). In Europe, the products are mainly marketed under distributors’ brands, spearheaded by the German market. The Democratic Republic of the Congo is the leading Sub-Saharan importer of Mutandis SCA products.

The products marketed by Mutandis SCA are (i) traditional sardines (ii) skinless and boneless sardines, (iii) mackerels and (iv) mackerel fillets. Each product either includes olive oil, sunflower oil, soybean oil, tomato sauce or any other oil depending on customer demands. The products marketed by Mutandis SCA are packaged in tin or aluminum cans from 90 g to 3 kg. These products are primarily sold in export markets to central purchasing organizations (in Europe) or to importers/distributors (in Africa and the Middle East).

#### IV.3. Beverage bottles

A leading<sup>16</sup> manufacturer of PET beverage bottles and caps, Mutandis SCA is the leading industrial partner of the top beverage brands in Morocco and in Sub-Saharan Africa. This business line is managed by CMB Plastique, a subsidiary of Mutandis SCA specialized in the manufacture of beverage bottles. Indeed, the Group has developed its own unique expertise in the manufacture of PET bottles and plastic caps for soft drinks, mineral and table water, cooking oil, and, more recently, fruit juices. The raw materials used to manufacture caps are: Polypropylene (PP), High Density Polyethylene (HDPE), Low Density Polyethylene (LDPE), Vinyl-Acetate Ethylene (VAE).

As such, the scope of the industrial partnership between Mutandis SCA and client brands cover (i) the provision of qualified technical staff by Mutandis SCA (bottle and caps manufacturer) in the bottler-fillers’ facilities, (ii) collaboration in product design and (iii) conducting of many joint trials.

#### IV.4. Fruit juice

Through its subsidiary Distra, the Mutandis SCA group acquired the brand Marrakech in 2017, as well as industrial production tools for fruit juice and stocks of raw materials and finished products.

Marrakech is a long-standing fruit juice brand which has been present for more than 30 years on the Moroccan market. Marrakech has a strong brand image and stands for top-of-the-range, high quality products, with a strong association with the pure juice category.

The production unit is located in Kenitra, 40 km away from Rabat. It manufactures 100% pure juice, nectars and fruit-based drinks. It uses corrugated packaging and PET bottles for some of its products.

Taking advantage of the notoriety of the city of Marrakech, a leading tourism destination, the fruit juice brand is exported to several countries in Africa, Europe and the Middle East.

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<sup>16</sup> 56% market share for PREFORMS and 40% market share for CAPS in 2017 (source: Mutandis SCA clients)

## PART III: MUTANDIS SCA FINANCIAL POSITION

### I. CONSOLIDATED INCOME STATEMENT

In MAD thousands	2015	2015p	2016	2017	Var 15-16	Var 16-17	June -17	June -18	Var 06-17/ 06-18
<b>Turnover</b>	<b>1 431 954</b>	<b>1 096 217</b>	<b>1 121 088</b>	<b>1 268 986</b>	<b>2.3%</b>	<b>13.2%</b>	<b>615 864</b>	<b>642 370</b>	<b>4.3%</b>
Change in inventory of work-in-progress and finished products	36 982	36 982	-1 222	12 495	N/A	N/A	9 830	-26 911	N/A
Other operating income	2 454	2 440	2 028	2 500	-16.9%	23.3%	1 548	944	-39.0%
Purchases	995 322	718 165	690 209	784 410	-3.9%	13.6%	398 226	373 619	-6.2%
Other external charges	147 823	128 258	121 920	139 845	-4.9%	14.7%	68 546	64 894	-5.3%
<b>Added value</b>	<b>328 246</b>	<b>289 216</b>	<b>309 765</b>	<b>359 725</b>	<b>7.1%</b>	<b>16.1%</b>	<b>160 471</b>	<b>177 891</b>	<b>10.9%</b>
<i>as a % of turnover</i>	<i>22.9%</i>	<i>26.38%</i>	<i>27.63%</i>	<i>28.35%</i>	<i>1.2pts</i>	<i>0.7pts</i>	<i>26.06%</i>	<i>27.69%</i>	<i>1.6pts</i>
Staff costs	165 687	146 746	150 524	189 621	2.6%	26.0%	87 201	87 601	0.5%
Taxes and duties	5 536	3 941	4 226	4 976	7.2%	17.7%	2 379	2 384	0.2%
<b>Gross operating surplus</b>	<b>157 022</b>	<b>138 529</b>	<b>155 015</b>	<b>165 127</b>	<b>11.9%</b>	<b>6.5%</b>	<b>70 890</b>	<b>87 906</b>	<b>24.0%</b>
<i>as a % of turnover</i>	<i>11.0%</i>	<i>12.64%</i>	<i>13.83%</i>	<i>13.01%</i>	<i>1.2pts</i>	<i>-0.8pts</i>	<i>11.51%</i>	<i>13.68%</i>	<i>2.2pts</i>
Depreciation costs	50 043	46 538	47 806	55 377	2.7%	15.8%	26 796	25 993	-3.0%
Other operating income and expenses	-356	-355	-256	-4 225	27.9%	N/A	-2 112	-2 112	0.0%
<b>Current operating income (or operating income)</b>	<b>106 623</b>	<b>91 636</b>	<b>106 953</b>	<b>105 525</b>	<b>16.7%</b>	<b>-1.3%</b>	<b>41 981</b>	<b>59 801</b>	<b>42.4%</b>
<i>as a % of turnover / EBIT margin</i>	<i>7.4%</i>	<i>8.36%</i>	<i>9.54%</i>	<i>8.32%</i>	<i>1.2pts</i>	<i>-1.2pts</i>	<i>6.82%</i>	<i>9.31%</i>	<i>2.5pts</i>
Income from the sale of consolidated equity interests	45 729	6 255	0	0	N/A	N/A	0	0	N/A
Other operating income and expenses	-20 127	-17 745	-1 863	-6 096	89.5%	N/A	-4 862	-5 540	-13.9%
<b>Operating income</b>	<b>132 225</b>	<b>80 146</b>	<b>105 090</b>	<b>99 430</b>	<b>31.1%</b>	<b>-5.4%</b>	<b>37 119</b>	<b>54 261</b>	<b>46.2%</b>
Financial income from operational activities	-20 633	-14 677	-14 585	8 666	0.6%	N/A	-9 126	-10 353	-13.5%
Financial income from the financial portfolio	12 645	12 645	-16 811	-34 179	N/A	N/A	-7 505	-4 514	39.9%
<b>Consolidated financial income</b>	<b>-7 988</b>	<b>-2 032</b>	<b>-31 395</b>	<b>-25 513</b>	<b>N/A</b>	<b>18.7%</b>	<b>-16 631</b>	<b>-14 867</b>	<b>10.6%</b>
<b>Earnings before tax</b>	<b>124 237</b>	<b>78 114</b>	<b>73 694</b>	<b>73 916</b>	<b>-5.7%</b>	<b>0.3%</b>	<b>20 488</b>	<b>39 394</b>	<b>92.3%</b>
Corporate tax	24 679	20 251	21 262	24 037	5.0%	13.0%	5 097	9 450	85.4%
<b>After-tax income</b>	<b>99 558</b>	<b>57 863</b>	<b>52 432</b>	<b>49 879</b>	<b>-9.4%</b>	<b>-4.9%</b>	<b>15 392</b>	<b>29 943</b>	<b>94.5%</b>
Income from equity affiliates	-2 608	-2 608	0	0	N/A	N/A	0	0	N/A
<b>Net income</b>	<b>96 950</b>	<b>55 255</b>	<b>52 432</b>	<b>49 879</b>	<b>-5.1%</b>	<b>-4.9%</b>	<b>15 392</b>	<b>29 943</b>	<b>94.5%</b>
<i>as a % of turnover / net margin</i>	<i>6.8%</i>	<i>5.04%</i>	<i>4.68%</i>	<i>3.93%</i>	<i>-0.4pts</i>	<i>-0.7pts</i>	<i>2.50%</i>	<i>4.66%</i>	<i>2.2pts</i>
Including net income, group share	<b>96 240</b>	55 147	52 240	49 562	-5.3%	-5.1%	15 459	29 888	93.3%
Of which minority interests	710	108	192	317	78.8%	64.8%	-68	55	N/A
<b>Adjusted net income (*)</b>	<b>75 451</b>	<b>70 257</b>	<b>54 435</b>	<b>55 418</b>	<b>-22.5%</b>	<b>1.8%</b>	<b>19 532</b>	<b>35 910</b>	<b>83.9%</b>
<i>en % du chiffre d'affaires</i>	<i>5.3%</i>	<i>6.41%</i>	<i>4.86%</i>	<i>4.37%</i>	<i>-1.6pts</i>	<i>-0.5pts</i>	<i>3.17%</i>	<i>5.59%</i>	<i>2.4pts</i>

Source: Mutandis SCA

\* Adjusted net income = Net income excluding IFRS-specific entries (deferred taxes) and excluding non-current items

## II. CONSOLIDATED BALANCE SHEET

In MAD thousands	2015	2015p	2016	2017	Var 15-16	Var 16-17	June -18	Var 12-17/ 06-18
<b>Goodwill</b>	<b>410 576</b>	<b>410 576</b>	<b>410 576</b>	<b>410 576</b>	<b>0.0%</b>	<b>0.0%</b>	<b>410 576</b>	<b>0.0%</b>
Intangible assets	57 042	57 042	58 860	112 621	3.2%	91.3%	111 657	-0.9%
Tangible assets / PPE	309 568	309 568	360 721	382 757	16.5%	6.1%	388 499	1.5%
Investment properties	64 697	64 697	64 697	93 740	0.0%	44.9%	93 740	0.0%
Other financial assets	136 561	136 561	161 365	131 496	18.2%	-18.5%	131 571	0.1%
Deferred taxes	1 248	1 248	1 593	1 796	27.6%	12.7%	1 547	-13.9%
<b>Total non-current assets</b>	<b>979 692</b>	<b>979 692</b>	<b>1 057 812</b>	<b>1 132 984</b>	<b>8.0%</b>	<b>7.1%</b>	<b>1 137 588</b>	<b>0.4%</b>
<i>% total balance sheet</i>	<i>57,9%</i>	<i>57,9%</i>	<i>62,7%</i>	<i>62,9%</i>			<i>63,0%</i>	
Inventories and work-in-progress	212 491	212 491	222 235	247 738	4.6%	11.5%	219 264	-11.5%
Trade receivables and other receivables	221 729	221 729	193 930	255 706	-12.5%	31.9%	291 439	14.0%
State accounts	94 821	94 821	89 376	83 005	-5.7%	-7.1%	84 921	2.3%
Other current assets	17 003	17 003	19 906	918	17.1%	-95.4%	6 578	N/A
Other receivables	33 281	33 281	22 025	6 689	-33.8%	-69.6%	6 621	-1.0%
<b>Total current assets</b>	<b>579 325</b>	<b>579 325</b>	<b>547 473</b>	<b>594 055</b>	<b>-5.5%</b>	<b>8.5%</b>	<b>608 823</b>	<b>2.5%</b>
<i>% total balance sheet</i>	<i>34,3%</i>	<i>34,3%</i>	<i>32,5%</i>	<i>33,0%</i>			<i>33,7%</i>	
Marketable securities and other investments	51 860	51 860	47 091	39 150	-9.2%	-16.9%	29 368	-25.0%
Cash and cash equivalents	80 004	80 004	33 989	35 149	-57.5%	3.4%	29 856	-15.1%
<b>Cash assets</b>	<b>131 864</b>	<b>131 864</b>	<b>81 080</b>	<b>74 298</b>	<b>-38.5%</b>	<b>-8.4%</b>	<b>59 224</b>	<b>-20.3%</b>
<i>% total balance sheet</i>	<i>7.8%</i>	<i>7.8%</i>	<i>4.8%</i>	<i>4.1%</i>			<i>3.3%</i>	<i>-</i>
<b>Total assets</b>	<b>1 690 880</b>	<b>1 690 880</b>	<b>1 686 365</b>	<b>1 801 338</b>	<b>-0.3%</b>	<b>6.8%</b>	<b>1 805 635</b>	<b>0.2%</b>

Source: Mutandis SCA

In MAD thousands	2015	2015p	2016	2017	Var 15-16	Var 16-17	June -18	Var 12-17/ 06-18
Capital	619 264	619 264	619 264	680 405	0.0%	9.9%	680 405	0.0%
Reserves	15 194	15 194	28 236	49 721	85.8%	76.1%	47 785	-3.9%
Net income	96 240	55 147	52 240	49 562	-5.3%	-5.1%	29 888	-39.7%
<b>Total Shareholders' equity, group share</b>	<b>689 605</b>	<b>689 605</b>	<b>699 740</b>	<b>779 688</b>	<b>1.5%</b>	<b>11.4%</b>	<b>758 078</b>	<b>-2.8%</b>
Total minority interests	3 866	3 866	3 819	3 980	-1.2%	4.2%	3 805	-4.4%
<b>Total shareholders' equity</b>	<b>693 470</b>	<b>693 470</b>	<b>703 558</b>	<b>783 668</b>	<b>1.5%</b>	<b>11.4%</b>	<b>761 884</b>	<b>-2.8%</b>
<i>% total balance sheet</i>	<i>41,0%</i>	<i>41,0%</i>	<i>41,7%</i>	<i>43,5%</i>			<i>42,2%</i>	
Borrowings and other financial liabilities	83 199	83 199	296 991	237 248	N/A	-20.1%	268 379	13.1%
Deferred taxes	12 546	12 546	15 192	24 055	21.1%	58.3%	24 216	0.7%
<b>Total non-current liabilities</b>	<b>95 746</b>	<b>95 746</b>	<b>312 182</b>	<b>261 303</b>	<b>N/A</b>	<b>-16.3%</b>	<b>292 595</b>	<b>12.0%</b>
<i>% total balance sheet</i>	<i>5,7%</i>	<i>5,7%</i>	<i>18,5%</i>	<i>14,5%</i>			<i>16,2%</i>	
Borrowings and other financial liabilities(*)	452 494	452 494	161 282	219 612	-64.4%	36.2%	175 916	-19.6%
Banks (credit balances)	52 334	52 334	121 406	113 061	N/A	-6.9%	153 842	36.1%
Provisions (due in less than one year)	8 068	8 068	11 278	11 100	39.8%	-1.6%	13 962	25.8%
Accounts payable	300 408	300 408	284 041	331 308	-5.4%	16.6%	325 973	-1.6%
State accounts	49 003	49 003	54 359	38 668	10.9%	-28.9%	54 259	40.3%
Other creditors	39 358	39 358	38 258	42 618	-2.8%	11.4%	27 205	-36.2%
<b>Total current liabilities</b>	<b>901 664</b>	<b>901 664</b>	<b>670 624</b>	<b>756 368</b>	<b>-25.6%</b>	<b>12.8%</b>	<b>751 156</b>	<b>-0.7%</b>
<i>% total balance sheet</i>	<i>53.3%</i>	<i>53.3%</i>	<i>39.8%</i>	<i>42.0%</i>			<i>41.6%</i>	
<b>Total liabilities</b>	<b>1 690 880</b>	<b>1 690 880</b>	<b>1 686 365</b>	<b>1 801 338</b>	<b>-0.3%</b>	<b>6.8%</b>	<b>1 805 635</b>	<b>0.2%</b>

Source: Mutandis SCA

\*due in less than one year

## PART IV: RISK FACTORS

### I. MARKET RISK

Mutandis SCA' performance is linked to the evolution of the sectors in which the Group operates and to the national economic situation. As such, a protracted slowdown of household consumption in the countries in which the Mutandis SCA group operates could thwart the growth of its turnover.

However, Mutandis SCA' operations, i.e. non-durable consumer goods, are defensive by nature, and help to mitigate the impact of this risk. The diversity of product lines manufactured by Mutandis SCA, including detergents, canned foods, beverage bottles, fruit juice, also helps to reduce market risk.

In addition, the fact that Mutandis SCA markets its product lines in many countries further mitigates the impact of a sharp slowdown of household consumption in either of these countries.

It should be noted that household consumption is a macroeconomic aggregate that is steadily increasing in the long term, and that the recession phases usually correspond to consumption levels but not to a decline of this aggregate per se.

### II. COMPETITION RISK

All the Mutandis SCA product lines are evolving in a very competitive environment, in Morocco and in the various countries in which Mutandis SCA markets its products. In certain cases, the intensity of competition could prevent the Mutandis SCA group from increasing its prices to pass on its increased costs.

However, to date, the Mutandis SCA group has been able to maintain or increase its market share while stabilizing its operating margins. Industrial productivity gains and the operating leverage effect (increase in product volumes while a portion of the expenses is fixed) allow the company to increase its income without having to increase the unit sales prices of its products.

### III. RISK RELATED TO THE FLUCTUATION OF THE PRICE OF RAW MATERIALS

Like all companies in the FMCG sector in the world, Mutandis SCA buys raw materials and packaging that it processes into finished products for everyday household consumption (hygiene and food products).

The raw materials and packaging consumed by the various Mutandis SCA product lines are mainly: petroleum derivatives (LABSA, PET, PP, HDPE), phosphate derivatives (STPP), fresh or frozen fish (sardines, mackerels and tuna), tinplate, refined oil (sunflower, soybean and olive oil), fresh or concentrate fruits and vegetables.

As a result, in the event of an increase in the price of these raw materials, Mutandis SCA may temporarily be unable to entirely pass on this price increase and reflect it in the sale price of its various product lines.

However, Mutandis SCA mitigates this risk in three different ways:

- It gradually passes on this price increase to the end consumer, particularly for seafood products for which global demand exceeds the supply, or for beverage bottles for which industrial partnerships are often indexed on prices of raw materials;
- It modifies its formulas (detergents) or its recipes (fruit juices, canned foods) to partly replace the more expensive raw materials by substitute materials after having conducted consumer testing;
- As early as 2012, it integrated seafood preserves upstream by developing a pelagic fish fishery business, which now supplies about half of the plants' needs.

A contrario, a decrease in the price of raw materials mechanically and instantly improves Mutandis SCA' margins.

#### IV. RISK RELATED TO THE FLUCTUATION OF FOREIGN CURRENCY EXCHANGE RATES

International raw materials used by Mutandis SCA are mainly denominated in USD (American Dollar). Only imported refined oils are denominated in Euros. Fresh fish and part of fruit juice concentrates are denominated in MAD (Moroccan Dirham).

As a result, a simultaneous depreciation of MAD against USD and the Euro raises input costs and decreases Mutandis SCA' margins.

A USD appreciation against the Euro also has a negative impact on Mutandis SCA input costs, given that most raw materials and packaging are denominated in USD.

Inverse movements mechanically have the opposite effect: they improve Mutandis SCA' margins.

However, Mutandis SCA exports about 25% of its turnover in Euros and in USD for the most part, with a slightly higher figure for the Euro.

As a result, Mutandis SCA has a natural and automatic currency hedge which reduces and mitigates the impact of currency fluctuations on the company's margins irrespective of currency regulations, particularly the flexibilization of the Moroccan Dirham.

#### V. REGULATORY RISK

Food industries and the manufacture of hygiene products are governed by several Moroccan and foreign regulations, for the countries to which Mutandis SCA exports its products.

In particular, the various regulations and standards pertain to food safety and environmental impact, as well as the observance of labor laws (corporate social and environmental responsibility). In this regard, Mutandis SCA' plants are inspected and audited on a regular basis by Moroccan authorities, but also by international certification bodies providing access to European and North-American markets.

A sudden tightening of these regulations could temporarily impact access to one of the countries to which Mutandis SCA distributes its products.

However, this risk is mitigated by the historic observation of a slow, gradual and foreseeable evolution of regulations, which Mutandis SCA can keep up with through constant efforts to invest and enhance its production units.

#### VI. HEALTH RISK

Like all companies operating in food consumption sectors, Mutandis SCA is exposed to hygiene-related and food safety risks.

In order to contain this risk, Mutandis SCA has introduced regular and ongoing quality control throughout the entire manufacturing process in compliance with HACCP methods. This health imperative is emphasized by the strict regulations applicable to food products marketed in Europe.

To date, the company has had zero non-compliance incidents and zero health issues arising from its production.

#### VII. TAXATION RISK RELATED TO OPERATIONS IN THE SOUTHERN PROVINCES

Companies established in the provinces in the South of the Kingdom benefit from tax exemptions, particularly with regards to the corporate income tax, income tax and VAT.

This tax exemption regime could change and impact all the companies operating in these provinces.

## VIII. RISK RELATED TO THE OBSOLESCENCE OF PRODUCTION UNITS

Mutandis SCA regularly invests in all its plants to ensure the maintenance of its equipment and achieve productivity gains through the improvement of its production tools.

The production processes for the various product lines are relatively simple and can be improved on a regular basis to keep up with technological developments. The concept of “obsolescence” does not apply to Mutandis SCA production units, for which the technology level remains relatively simple.

## IX. RISK RELATED TO THE GROUP’S OPERATIONAL PERFORMANCE

Just like for any company, Mutandis SCA teams could deliver operational performance below targets.

However, the quality of the teams and the attention paid to human resources management should be able to reduce the risk of operational underperformance.

## X. RISK RELATED TO EXPORTS

A significant portion of the Mutandis SCA turnover is generated through exports. A change in customs duties applied to Mutandis SCA products in various export markets would have a negative impact on margins and export volumes.

## XI. RISK RELATED TO DISTRIBUTION PARTNERSHIPS

Mutandis SCA ensures its own distribution for the Moroccan domestic market. For its exports, Mutandis SCA deals with local distributors. If the partnership between Mutandis SCA and one of its distributors were to be interrupted, this would temporarily impact Mutandis SCA’ sales in this market. However, the company is confident in its capacity to forge a partnership with another distributor in this market; in addition, the geographical diversification of Mutandis SCA’ exports puts in perspective any potential termination of a partnership with any of its distributors.

## XII. RISK RELATED TO THE SEASONAL EFFECT OF THE BUSINESS

The “seafood products” business is the most subject to seasonal effects.

For fish canneries, supply difficulties could result in fluctuations in the landings of pelagic fish. In order to mitigate the risk of lower volumes of supply of fish, the Mutandis SCA Group has implemented several measures:

- Signing of supply agreements with fish wholesalers;
- Use of self-owned boats to supply the group.

To a lesser extent, the fruit juice business line is affected by the seasonal effect. Juices’ consumption in Morocco is characterized by peak consumption over summer period and the month of Ramadan. However, substantial investments in Marketing are undertaken by the Group so as to support a steady consumption over the year through the launch of suitable product lines.

## XIII. RISK RELATED TO MUTANDIS SCA INDEBTEDNESS

Taking into account a liquidity position and marketable securities, the net debt of the Group stands at 533 million MAD at the end of June. The Group is not exposed to interest rates changes since it has fixed-rate debt.

It should be noted that shares held by Mutandis SCA in LGMC are pledged for 74% and the ones held in CMB Plastique are pledged for 48% as collateral for loans granted by the banks. A potential defaulted loan may engender the loss of control of the two subsidiaries.

Moreover, the Group has always maintained its financial autonomy, and continuously contained its indebtedness ratio. At the end of June 2018, the financial leverage of the Group is of 41%.

#### XIV. RISK RELATED TO THE STAKE IN CFG BANK

On the eve of the transaction, Mutandis SCA has a 6, 9% stake, in CFG Bank's share capital, valued MAD 118 M (value net of deferred taxes), corresponding to the price at which the last capital increase of CFG Bank, dedicated to Amethis Maghreb Fund and AfricInvest, which was carried out in December, 2017. It should be noted that this minority stake accounts for less than 7.0% of Mutandis SCA's total assets.

In the light of a potential transaction, the sale price may differ from the value above upwards or downwards.

#### XV. RISK RELATED TO THE INVESTMENT PORTFOLIO

As of 30 June 2018, a part of cash facilities, amounting to MAD 29 M invested in marketable securities involving mainly UCITS or fixed income securities. A rise in interest rates may bring down the value of those investments whereas falling interest rates may increase it. Still, the maturity of those investments are very short, limiting therefore the sensitivity of its valuation to interest rates changes.

#### XVI. RISKS ASSOCIATED WITH LIMITED PARTNERSHIP

The limited partnership with share capital, whose capital is divided into shares, comprises two categories of partners:

- The general partners, who are merchant and answer indefinitely and severally social debts; and
- Limited partners, who are shareholders whose liability is limited to the amount of their respective contributions.

Mutandis has a sole general partner, namely the company Migest SARL, of which Mr Adil DOURI is the sole partner and the manager. Also, Migest SARL is statutory manager of MUTANDIS SCA which, as such, has the most extensive powers to act in all circumstances on behalf of MUTANDIS SCA.

##### **Dismissal of the manager or replacement of the general partner**

The provisions of Law 5-96 specify that the manager of a SCA is revoked under the conditions provided for by the statutes. In addition, the manager is revocable by the court for legitimate cause, at the request of any partner or company. Any contrary clause is deemed unwritten.

In addition, the units of the general partners are not marketable securities and may be assigned by a general partner only with the unanimous agreement of the general partners and a majority in number and capital of the limited partners.

The articles of association of MUTANDIS SCA provide that the manager is revocable by unanimous decision of the limited partners.

Thus, and considering that MUGEST SARL is both a sole general partner and sole statutory manager of MUTANDIS SCA, the limited shareholders can terminate the functions of MUGEST SARL only by a court decision on the basis of a legitimate cause.

However, the very principle of the partnership limited by shares is the association between shareholders bringing the capital and one or more general partners bringing their expertise. The shareholders of Mutandis SCA choose precisely to associate with Migest SARL, whose sole partner is Mr. Adil Douiri, for the expertise of the latter. It is therefore of the very principle of the association that the manager is not revocable by shareholders except by court order on the basis of a legitimate cause.

In addition, since Mutandis SCA' shares are listed on the Casablanca Stock Exchange, shareholders are free to sell their shares in the event of disagreement with the manager, or with the sole general partner who appoints and dismisses the manager.

On the other hand, in the event that the Mugest SARL General Partner is unable to continue its mission for any reason whatsoever, the Mutandis Articles of Association provide that the Supervisory Board shall convene a general meeting of shareholders to:

- I. First propose another general partner to replace Mugest SARL
- II. In case of refusal, propose the transformation of the company into a public limited company.

#### **Powers of the shareholders:**

The powers of the limited shareholders are limited to a few number of decisions: the appointment of the members of the Supervisory Board and the allocation of the distributable results. All other decisions of the limited shareholders are binding on all the Shareholders, the Company and third parties only after recognition of their concordance with the will expressed by the General Partners.

Thus, a shareholder who obtains control of the majority of the Company's capital and the attached voting rights, including through a tender offer, will not be able to enforce its decisions without having collected, pursuant to statutes, the agreement of Mugest SARL (controlled exclusively by Mr. Adil DOUIRI) as a general partner.

The same applies to the general partner who cannot take decisions (other than the appointment of the manager or his dismissal) without concordance with the resolutions passed by the limited shareholders.

In addition, the Supervisory Board exercises permanent control over the management of the Company and cannot in any way interfere with such management. In this capacity, he carries out the verifications and controls he deems appropriate and may request the documents he considers useful for the accomplishment of his mission. He makes a report to the Ordinary General Meeting of Shareholders in which he makes a judgment on the management of the Company and reveals, where applicable, the irregularities and inaccuracies that he may have noted in the financial statements of the Company's exercise.

Thus, and taking into account the need for concordance of the decisions of the limited partners with those of the general partners, and the role of the supervisory board (ex-post control without influence on the management direction and without the power to dismiss the manager), the shareholders may be unable to oppose management decisions.

However, Mutandis SCA has set up two committees from its supervisory board, an investment committee to appoint and an existing audit and remuneration committee. These two committees are responsible for reviewing and validating the Manager's decisions regarding accounting choices, compensation policy and investment decisions. In addition, the Supervisory Board is empowered in its report to make a judgment on the management of the Company.

#### **Remuneration of the manager of the company:**

The Company's bylaws stipulate that it is awarded by Ordinary Collective Shareholders' Decision and, after consulting the Supervisory Board, compensation to the Managing Partners, the terms of such remuneration are fixed by the said decision.

The sole statutory partner is Mugest SARL, which is also a sole Statutory Manager. Thus Mugest SARL has a certain latitude to propose its own remuneration to the advisory opinion of the supervisory board and to the audit and remuneration commission which arises from it.

#### **Dependence on key person (s):**

Mr. Adil DOUIRI is one of the founders of MUTANDIS SCA and a controlling shareholder of 9.5% of the capital. In addition, he is the sole partner and manager of MUGEST SARL, a sole general partner and statutory manager of

the company. As such, Mr. Adil Douiri has effective powers to control, manage Mutandis SCA and set its strategic direction. The success of Mutandis SCA, its growth and its continuous development strongly depend on the qualities and the expertise of Mr. Adil Douiri.

However, in its 10 years of existence, the Mutandis SCA group has built a team of high level, experienced and supportive leaders. These play an important role in the day-to-day management of the group and in its investment decisions. They can individually or collectively substitute for Adil Douiri when needed.

**Other**

Mugest SARL has limited assets (equity of 4,286 KDH at the end of 2017). As a result, its ability to support the debts of Mutandis SCA indefinitely does not significantly change the company's credit risk profile.

**Disclaimer:**

The aforementioned information is only part of the Prospectus approved by the AMMC, on the 16<sup>th</sup> November, 2018, under reference no. VI/EM/027/2018  
the AMMC recommends the reading the entire Prospectus which is available to the public in French.