

Prospectus Summary



Merger-absorption of the subsidiary Marrakech Plaza by Risma

**Proposed to the Extraordinary General Meetings of Marrakech Plaza and Risma
scheduled for November 1st, 2018**

**Merger subject to the merger waiver scheme, not giving rise to a capital increase
Net assets contributed: MAD 723,000,000.00**

Advisory body



Approval of the Moroccan Capital Markets Authority (AMMC)

In accordance with the provisions of AMMC circular, delivered in application of Article 14 of the Dahir No. 1-93-212 of September 21, 1993, as amended and supplemented, the original copy of this prospectus has been approved by the AMMC on October 18th, 2018 under Reference No. VI/EM/023/2018.

Disclaimer

The Moroccan Capital Markets Authority (AMMC) has endorsed on October 18th, 2018 a Prospectus concerning the merger-absorption of the subsidiary Marrakech Plaza by Risma.

The Prospectus endorsed by the AMMC is available at any time at the headquarters of Risma and of its financial advisor.

The Prospectus is available for the public on the AMMC website, (www.ammc.ma).

PART I. PRESENTATION OF THE OPERATION

I. Objectives and context of the Operation

Risma Executive Board has proposed the merger-absorption of the subsidiary Marrakech Plaza by Risma.

The merger operation is part of a policy of simplification and internal restructuring of the group by the absorption of Marrakech Plaza SA by Risma.

II. Characteristics of the Operation

II.1. Decisions of Risma and Marrakech Plaza corporate bodies

The Executive Board meeting on July 9, 2018 (i) approved Risma's merger-absorption project of Marrakech Plaza and the terms of the merger project, and (ii) asked Risma's Supervisory Board to approve the merger-absorption project of Marrakech Plaza by Risma, and (iii) asked the said Board to convene the Extraordinary General Meeting to approve the merger-absorption. The Risma Supervisory Board, held on July 11, 2018, approved the aforementioned project and convened the Extraordinary General Meeting for November 1st, 2018 to decide on the project.

Marrakech Plaza Board of Directors meeting on July 9, 2018 approved Risma's merger-absorption project and convened the Extraordinary General Meeting for November 1, 2018 to approve the said project.

The legal and financial elements proposed as part of this operation are as follows:

II.1.1. Principle of the fusion

Risma will proceed to the absorption of Marrakech Plaza with effect from January 1, 2018. The latter is ready to provide its assets and liabilities and dissolve ahead of term.

II.1.2. Accounts used to establish the terms of the merger

To establish the terms of the operation, the agents of the two companies have decided to use Marrakech Plaza accounts, which were closed on December 31, 2017, the closing date of the absorbed company's last financial year.

II.1.3. Effective date of the merger

The merger will take retroactive effect on January 1, 2018. All operations carried out by Marrakesh Plaza since that date until the date of final completion of the merger, will be considered ipso jure as being made on behalf of Risma. Risma will thus exclusively support the assets and liabilities results of the exploitation of the properties transferred.

II.1.4. Final completion date of the merger

The merger will be completed on November 1, 2018, deadline for the lifting of all conditions precedent to the completion of the merger. Marrakech Plaza will be dissolved ahead of term on this date.

II.2. Provisions of the merger agreement signed on July 27, 2018

II.2.1. Description of the operation

1. Reasons and purposes of the merger

The merger is part of a policy of simplification and internal restructuring of the group through the absorption of Marrakech Plaza SA by Risma.

2. Accounts used to establish the terms of the merger

To establish the terms of the operation, the agents of the two companies have decided to use Marrakech Plaza accounts, which were closed on December 31, 2017, the closing date of the absorbed company's last financial year, taking into account the net profit distribution plan for the 2017 financial year and the financial impacts of the Partial Contribution Operation by Marrakech Plaza to Risma.

3. Valuation methods used

For the purposes of the Project, Marrakech Plaza Contributions are valued at their carrying amount on December 31, 2017, except (i) the Commercial Fund, the value of which has been determined on the basis of a financial valuation of the company absorbed by the DCF (discounted cash flows) method and (ii) land and buildings whose contribution has been estimated from their market value at the date of the merger-absorption operation.

Fixed assets are contributed at their gross value with the corresponding depreciation.

4. Designation and valuation of contributions - Remuneration terms

The merger agreement reports the following contributions:

- Values of Assets planned to be transferred: MAD 1 129 547 449.63
- Values of Liabilities planned to be covered: MAD 406 547 449.63
- Net Asset contributed by Marrakech Plaza amounts to: MAD 723 000 000.00

5. Dissolution of Marrakech Plaza

Due to the universal transfer of Marrakech Plaza heritage to Risma, Marrakech Plaza will be dissolved ipso jure by mere final completion of the merger, that is to say after the Extraordinary General Meetings of Risma and Marrakech Plaza will see the completion of the merger. As all Marrakech Plaza liabilities are to be fully transferred to Risma, the dissolution of Marrakech Plaza as a result of the merger will not be followed by any liquidation operation.

6. Effective date of the merger

Retroactivity of the merger:

The merger will take retroactive effect on January 1, 2018. All operations carried out by Marrakesh Plaza since that date until the date of final completion of the merger, will be considered ipso jure as being made on behalf of Risma. Risma will thus exclusively support the assets and liabilities results of the exploitation of the goods transferred.

In this context, Marrakech Plaza will transmit to Risma all the elements comprising its assets in the state in which the said assets will be on the date of final completion of the merger.

Final completion date of the merger:

Agents of the intervening companies have agreed to set November 1, 2018 as the final completion date of the merger.

7. Valuation methods used

Merger estimates were made under the conditions and following the valuation methods set out below:

Valuation method of Assets and Liabilities planned for transfer

Marrakech Plaza contributions are valued at their contribution value.

Determination of parity

Pursuant to Article 224 of Law No. 17-95 as amended and supplemented and since Risma holds to date all the shares making up Marrakech Plaza share capital and that undertakes to keep them until the final completion date of the merger, Marrakech Plaza shares cannot be exchanged for Risma shares.

Therefore, there is no need to determine an exchange ratio.

8. Remuneration for heritage transfer - Exchange ratio - Merger premium

Absence of exchange ratio and capital increase:

The merger-absorption of Marrakech Plaza by Risma will be subject to the merger waiver scheme. In accordance with article 224 paragraph 3 of law no. 17-95 relative to public limited companies, as amended and supplemented and since Risma is holder of 99.9% of Marrakech Plaza shares and that the other shares are held by persons acting on behalf of the Absorbing Company, it will therefore not be possible to exchange the shares of Marrakech Plaza against Risma shares.

Thus, there will be no issue of shares of Risma, beneficiary of the contributions, against shares of Marrakech Plaza, or increase of Risma capital. As a result, there is no need to determine an exchange ratio.

Merger premium:

The merger premium represents the difference between:

- On the one hand, the net assets contributed by the Absorbed Company, i.e. an amount of MAD 723 000 000.00.
- and on the other hand, the book value of the Absorbed Company's shares held by the Absorbing Company, i.e. an amount of MAD 188 766 100.00.
- The amount of the merger premium, i.e. MAD 534 233 900 will be recorded in a "merger premium" account on the liabilities side of the Absorbing Company's balance sheet.

II.2.2. Provisions relating to the heritage to be transferred

Marrakech Plaza contributes, under the ordinary guarantees of fact and law and the precedent stipulated conditions, all the assets and liabilities, rights and values, without exception or reserve which constitute Marrakech Plaza heritage. As previously stated, at the December 31, 2017 reference date, the assets and liabilities of Marrakech Plaza for which the contribution to Risma is expected consist of the items listed below:

1. Assets planned for transfer

Marrakech Plaza assets whose transfer is planned for the benefit of Risma includes, at the closing date of Marrakesh Plaza Reference Accounts, properties, rights and values hereinafter designated and valued (in MAD):

In MAD	Net book value as of 12.31.2017	Contribution value
Intangible assets	3 005 555.57	102 846 847.37
R&D	0.00	0.00
Patents, trademarks and similar rights	5 555.57	5 555.57
Commercial funds	3 000 000.00	102 841 291.80
Tangible assets	328 863 793.55	860 600 000.00
Land	69 203 203.15	154 662 000.00
Constructions	189 536 829.01	635 814 238.61
Technical installations	48 309 552.71	48 309 552.71
Transportation equipment	0.00	0.00
Property	693 645.33	693 645.33
Other tangible assets	0.00	0.00
Assets under construction	21 120 563.35	21 120 563.35
Financial fixed assets	232 513.50	232 513.50
Other financial fixed assets	232 513.50	232 513.50
Stocks	11 789 286.68	11 789 286.68
Receivables from current assets	60 149 621.68	60 149 621.68
Treasury	93 929 180.40	93 929 180.40
Total	497 969 951.38	1 129 547 449.63

The total assets of Marrakech Plaza, whose transmission to Risma is planned, amounts to MAD 1 129 547 449.63.

2. Liabilities planned for transfer

Marrakech Plaza liabilities, which are planned to be transferred to Risma, include the debts and other liabilities designated and valued below (in MAD).

In MAD	Net book value as of 12.31.2017	Contribution value
Financial debts	102 084 158.45	102 084 158.45
Current liabilities	143 170 216.03	143 170 216.03
Other provisions for liabilities and charges	26 433 442.76	26 433 442.76
Treasury	89 217 482.17	89 217 482.17
Total	360 905 299.41	360 905 299.41

The total liabilities of Marrakech Plaza, whose transfer to Risma is planned, amounts to MAD 360 905 299.41.

Taking into account the decision of Marrakech Plaza Ordinary General Meeting of June 29, 2018 to distribute dividends totaling forty five million six hundred forty two thousand one hundred and fifty dirhams twenty two centimes (MAD 45 642 150.22), Marrakech Plaza liabilities as of December 31, 2017 will be increased by the liabilities corresponding to these dividends, i.e. a global liability to be assumed by Risma, which is as follows:

Liabilities as of 12/31/2017	MAD 360 905 299.41
Dividends	MAD 45 642 150.22
Liabilities assumed	MAD 406 547 449.63

3. Net Assets planned for transfer

As a result, and based on the above, the net assets contributed by Marrakech Plaza to Risma amount to (in MAD):

Assets contributed	MAD 1 129 547 449.63
Liabilities assumed	MAD 406 547 449.63
Net assets contributed	MAD 723 000 000.00

As a result of the above, the net assets value of the contribution made by Marrakech Plaza to Risma, under the Merger, amounts to MAD 723 000 000.00.

4. Net Assets planned for transfer

It is further specified that apart from the actual liabilities described above, the Absorbing Company will bear all the liabilities that may have been incurred by the Absorbed Company and which, because of their potential nature, are included in the "off-balance-sheet" items.

5. Ownership and enjoyment of the heritage transferred

Risma will have the ownership and enjoyment of Marrakech Plaza property and rights including those that would have been omitted, either at the level of the merger agreement or in the accounts of this company, as from the day of the final completion of the merger.

Marrakech Plaza heritage to be devolved in the state where it will be on the date of completion of this merger, all operations in the assets and liabilities of which the transmitted assets could be the subject between January 1, 2018 and this date will automatically be considered as having been made on behalf of Risma.

As a result, any increases, rights and new investments, all risks and profits relating to the properties contributed will fall under the responsibility of Risma. All Marrakech Plaza liabilities on the date of final completion of the merger will be transmitted to Risma.

It should be noted that:

- Risma will assume all the debts and expenses of the absorbed company (Marrakech Plaza) including those which could go back to a date prior to January 1, 2018 and which would have been omitted from Marrakech Plaza accounts;
- If, in the future, the liabilities assumed by Risma and the sums actually claimed by third parties were to be more or less different, Risma would be required to pay any excess liability without possible recourse or claim.

6. General conditions of the merger

- Marrakech Plaza is expressly forbidden until the definitive completion of the merger, except with Risma's approval, to perform any act of disposition relating to the properties transferred and to sign any agreement, treaty or commitment whatsoever concerning it falling outside the framework of the current management. Until the said day, it will continue to manage with the same principles, rules and conditions as in the past all of its share assets.
- In the event that the transfer of certain contracts or of certain properties is subject to the agreement or approval of a contracting partner or any third party, Marrakech Plaza will request in due time the necessary agreements or approval decisions.
- Risma will take the properties and rights transferred in their consistency and condition during the completion of the merger without being able to exercise any recourse whatsoever, for any reason whatsoever, against Marrakech Plaza.

It will carry out all the formalities that would be necessary to regularize the transfer to Risma of the properties and rights contributed, and to make this transfer enforceable against third parties.

- Risma will be debtor of Marrakech Plaza's creditors on its behalf without resulting novation with regard to creditors. These creditors as well as those of Risma, whose claim predates the publicity given to the proposed merger, may file an opposition within thirty days of the publication of the draft merger agreement. In accordance with the legal and regulatory provisions in force, the opposition filed by a creditor will not have the effect of prohibiting the continuation of the merger operation. In particular, Risma will bear all taxes, insurance premiums, contributions, rents, taxes, etc., as well as any ordinary or extraordinary charges which are or may be attached to the properties contributed or inherent to their properties or exploitations.
- Risma will also do its own business on behalf Marrakech Plaza without recourse against it for any reason whatsoever of performance or termination at its expense, risks and perils of any agreements, treaties, contracts or commitments that could be subscribed by Marrakech Plaza.
- Risma will be subrogated purely and simply from the Merger Completion Date in the rights, shares, mortgages, liens, warranties and personal or real securities of any kind that may be attached to the receivables included in the contributions made in respect of Merger.
- Risma will have, from the Date of Completion of the Merger, all power to, on behalf of Marrakech Plaza and in respect of its contributed properties and rights or assumed liabilities, if applicable, to bring or pursue any actions, give all acquiescence to all decisions, receive or pay any sums due as a result of such actions, proceedings and decisions.
- Finally, after completion of the merger, Marrakech Plaza representatives must, upon first request, provide the latter with any assistance, signatures and justifications that may be necessary for the transfer of properties included in Marrakech Plaza heritage and the fulfillment of all necessary formalities.

7. Transfer of Marrakech Plaza staff

Under the provisions of Article 754 of the Obligations and Contracts Law and Article 19 of Law 65-90 on Labor Code, Risma takes over the obligations contracted by Marrakesh Plaza staff as a former employer, all in accordance with the provisions governing Risma's staff.

In accordance with these provisions, the two companies have agreed as follows:

- Risma takes over the full staff of Marrakech Plaza on the date of completion of the merger.

8. Transfer of ongoing commitments

Risma will execute, as of the completion of the merger, all treaties, agreements, contracts, orders and all commitments of any kind dealt with third parties relating to the exploitation of the properties, values, rights and claims transferred. It will be subrogated in all rights and obligations resulting therefrom.

II.2.3. Dissolution agreement

Due to the universal transfer of Marrakech Plaza heritage to Risma, Marrakech Plaza will be dissolved ipso jure by mere final completion of the merger, that is to say after the Extraordinary General Meetings of Risma and Marrakech Plaza will see the completion of the merger. As all Marrakech Plaza liabilities are to be fully transferred to Risma, the dissolution of Marrakech Plaza as a result of the merger will not be followed by any liquidation operation, in accordance with the provisions of Article 224 of Law no. 95.

II.2.4. Suspensive conditions

The completion of the merger-absorption of Marrakech Plaza by Risma will become final only from the day of acceptance and approval of the merger agreement by (i) Risma Extraordinary General Meeting called to approve the merger operation and to evaluate the contributions' valuations, and (ii) Marrakech Plaza Extraordinary General Meeting called to approve the merger operation and to decide the dissolution without liquidation of Marrakech Plaza.

The material recognition of the completion of the merger may be made by any appropriate means.

II.2.5. Miscellaneous provisions

1. Result allocation for Marrakech Plaza's 2018 financial year

Marrakech Plaza declares that the Annual Ordinary General Meeting convened on June 29, 2018 to approve the financial statements for the year ended December 31, 2017 decided, upon proposal of the Board of Directors, to allocate the net profit for the 2017 financial year, which amounts to MAD 45 641 420.93, as follows:

Net result of the financial year	MAD 45 641 420.93
Retained earnings before appropriation	MAD 5 861.04
Distributable result	MAD 45 647 281.97
Dividends to be distributed	MAD 45 642 199.64
Postponement again after appropriation	MAD 5 082.33

The Absorbed Company's liabilities as of December 31, 2017 have been increased by the liabilities corresponding to these dividends.

2. Communication to the Statutory Auditors

Risma Extraordinary General Meeting and Marrakech Plaza Extraordinary General Meeting will decide on the merger after considering the Statutory Auditors' reports of each of the companies in accordance with the provisions of Article 233 of Law No. 17-95 as amended and supplemented.

In accordance with the provisions of Article 233 of Law No. 17-95 as amended and supplemented, the merger agreement will be communicated to the Statutory Auditors at least 45 days before the date of the Extraordinary General Meeting of each of the companies called upon to decide on the proposed merger.

All documents, analysis reports, appraisal and valuation reports, minutes and other documentation will be made available to the Statutory Auditors to facilitate the execution of their assignment.

In accordance with statutory auditors' reports of each of the companies, prepared as part of Risma's merger-absorption project of Marrakech Plaza, the merger statutory auditors determined that the total value of the contributions of MAD 723 000 000.00 million is not overvalued.

3. Communication to shareholders of Risma and Marrakech Plaza

Risma and Marrakech Plaza will make available to their shareholders at their respective registered offices at least thirty days before the date of the Extraordinary General Meeting called to decide on the merger, the Merger Agreement, signed on July 27, 2018, with the other documents, all in accordance with the stipulations of article 234 of the Law n ° 17-95 as modified and supplemented.

In addition, all the documents relating to the merger will be published on Risma website for an uninterrupted period beginning no later than the twenty-first day preceding the date of the Extraordinary General Meeting of Risma called to decide on the merger scheduled on November 1, 2018.

4. Publication of the merger agreement

The Merger Agreement will be in accordance with the provisions of Article 226 of Law No. 17-95 as amended and supplemented, filed at the Registry of the Trade Court of Casablanca as well as that of Marrakech and will be the subject of a notice inserted in a legal notice newspaper and in the Official Bulletin.

The filing in the Registry by Marrakech Plaza took place on August 16, 2018 and by Risma on August 15, 2018. The publications in the legal notice newspaper took place on September 28, 2018 and the Official Bulletin were, on the other hand, dated on September 5, 2018 for both companies.

The creditors of the two companies involved in the merger were thus informed of the opening of the opposition period provided for in Article 239 of Law No. 17-95.

III. Timetable of the operation

October 18, 2018	AMMC approval
October 22, 2018	Publication of the prospectus extract
November 1, 2018	Risma and Marrakech Plaza Extraordinary General Meetings and proposal of the merger agreement to Risma and Marrakech Plaza shareholders for approval

PART II. OVERVIEW OF RISMA

I. General information

Corporate name	▪ RISMA
Registered office	▪ 97, boulevard Massira Al Khadra – 5th floor - Casablanca
Phone	▪ +212 520 401 010
Fax	▪ +212 520 401 011
Legal form	▪ Limited company with a Management Board and Supervisory Board, subject to the provisions of Law No. 17-95 promulgated by Decree No. 1-96-124 of 30 August 1996 on limited liability companies, as amended and supplemented by law No. 20-05.
Email	▪ contact@Risma.com
Date of incorporation	▪ 1993
Life span	▪ 99 years except in case of early dissolution or extension as stipulated by the corporate Articles of Association or by the law
Date of initial public offering	▪ May 2006.
Trade Register registration No.	▪ RC Casablanca 98309.
Financial year	▪ From January 1 st to December 31 st .
Share capital as of December 31, 2017	▪ MAD 1 432 694 700 divided into 14 326 974 shares with a par value of MAD 100 each, on the day before the operation.
Corporate purpose	<ul style="list-style-type: none"> ▪ According to Article 2 of the Articles of Association, the Company's purposes in Morocco are to: <ul style="list-style-type: none"> ✓ The operation of all activities relating to the hotel, catering and tourism including activities related to accommodation, conferences and seminars, thalassotherapy, hydrotherapy, leisure activities, casinos; ✓ The acquisition, the lease or lease management, operation, construction, marketing, equipment and the sale of properties such as hotel and catering, tourism and leisure centers including business centers, apart hotel, clubs, hotels, restaurants, cafes, bars, discos, casinos and their direct and indirect operation; ✓ All related and complementary activities to the abovementioned activities such as leasing and direct or indirect use of shops, design, manufacture and sale of all derived products, including care, cosmetics and leisure; ✓ The study, development, creation, enhancement, management, equipment and operation whether by the Company itself by any person whom it would contract to that effect, Hotel facilities, leisure, thalassotherapy, spa, restaurant, bar, casino, staff training for hotel restaurants and leisure, as well as the organization of trips, seminars and recreational activities; ✓ Real estate development, purchase, sale and construction of buildings on an exceptional basis; ✓ Taking interest, in any form whatsoever, in any companies, groups, associations or other relating to the business of the Company; ✓ The participation of the Company, by any means, in any transaction that may relate to its object through the creation of new companies, subscription or purchase of securities or rights, merger or otherwise; ✓ And generally all financial, commercial, industrial, movable and immovable, which may be directly or indirectly related to the abovementioned purposes or any similar or related purpose, in view to enhance its development or extension.
Access to legal documents	▪ Corporate, legal and accounting documents whose disclosure is required by law and the Articles of Association for shareholders and third parties may be consulted at the headquarters of Risma: 97, Boulevard Massira Al Khadra - 5 th Floor - Casablanca.
Laws and regulations	<ul style="list-style-type: none"> ▪ By its legal form, the Company is governed by Moroccan law, 17-95 on limited companies as amended and supplemented by Law No. 20-05, as well as its statutes ▪ By its activity, it is governed in particular by: <ul style="list-style-type: none"> ✓ The Order of the Minister of Tourism No. 1751-1702 of 23 Shawwal 1424 (December 18th, 2003) establishing classification standards for tourist facilities; ✓ Decree No. 2-02-640 of 2 Sha'ban 1423 (October 9th, 2002) made for the purposes of the abovementioned Law No. 61-00; ✓ Law No. 61-00 on the status of tourist establishments, promulgated by Decree No. 1-02-176 1 Rabi II 1423 (June 13th, 2002); ✓ Dahir no. 1-15-108 dated Choual 18, 1436 (August 4, 2015) promulgating law no 80-14 relating to tourist establishments and the other forms of accommodations ✓ The August 12th, 1913 Decree forming the Code of Obligations and Contracts, supplemented by Law No. 44-00 of October 3rd, 2002 on sale before completion.

	<ul style="list-style-type: none"> ▪ By its listing on the Casablanca Stock Exchange, it is subject to all laws and regulations relating to the financial market, including: <ul style="list-style-type: none"> ✓ The General Rules of the Stock Exchange approved by the decree of the Minister of Economy and Finance No. 1268-08 of July 7, 2008, amended and supplemented by the decree of the Minister of Economy and Finance No. 1156-10 of April 7, 2010, amended and supplemented by the decree of the Minister of the Economy and Finance No. 30-14 of Rabii I, 4 I 1435 (January 6, 2014), amended and supplemented by the decree of the Minister of Economy and Finance No. 1955-16 of July 4, 2016; ✓ The Decree No. 1-93-211 of 21 September 1993 on the Stock Exchange as amended and supplemented by Laws 34-96, 29-00, 52-01 and 45-06; ✓ The General Rules of the Stock Exchange in force; ✓ The Dahir Law No. 35-96, as amended and supplemented, relating to the creation of the central depository and to the establishment of a general regime of book-entry of certain securities; ✓ The general regulations of the central depository in force; ✓ The Dahir Law No. 1-93-212 of september 21, 1993 as amended and supplemented; ✓ AMMC general regulations;
Competent court	<ul style="list-style-type: none"> ▪ Casablanca Trade Court.
Taxation applicable	<ul style="list-style-type: none"> ▪ In the same manner as all tourist establishments, Risma benefits under its hotel business, for the part of the taxable base corresponding to its turnover in foreign currency duly repatriated directly by it for its own account or through travel agencies: <ul style="list-style-type: none"> ✓ From the total exemption from corporate tax for a period of 5 consecutive years which runs from the year in which the first hosting operation took place in foreign currency; ✓ Applying the reduced rate of 17.5% for the corporate tax beyond this period. ▪ The net result from MAD sales is taxed at the progressive corporate tax rate: <ul style="list-style-type: none"> ✓ 10% (MAD 0 - MAD 300 000) ✓ 20% (MAD 300 001 - MAD 1 000 000) ✓ 31% (over MAD 1 000 000) ▪ Regarding the Added Value Tax, the Company is subject to the reduced rate of 10% with deductibility of regarding accommodation, catering, hotel rentals and tourist activities.

II. Information on Risma's capital

II.1. General information

At the date of this prospectus, Risma's share capital amounts to MAD 1 432 694 700, fully paid up and distributed in 14 326 974 shares with a par value of MAD 100 each, all of the same kind , carrying simple voting rights.

II.2. Company shareholders

II.2.1. Change in shareholding structure

During the past 3 financial years, Risma's shareholding is as follows:

Table 1 Changes in Risma's shareholding structure between 2015 and S1 2018

Shareholders	Number of securities as of 12/31/2015	% of ownership and voting rights as of 12/31/2015	Number of securities as of 12/31/2016	% of ownership and voting rights as of 12/31/2016	Number of securities as of 12/31/2017	% of ownership and voting rights as of 12/31/2017	Number of securities as of 12/31/2018	% of ownership and voting rights as of 12/31/2018
Accor SA	2 653 669	33.3%	4 776 601	33.3%	4 776 601	33.3%	4 776 601	33.3%
RMA and subsidiaries	2 529 810	31.8%	5 264 250	36.7%	5 264 250	36.7%	5 264 250	36.7%
MCMA-MAMDA	523 877	6.6%	839 389	5.9%	839 389	5.9%	839 389	5.9%
CIMR	797 310	10.0%	1 765 522	12.3%	1 765 522	12.3%	1 765 522	12.3%
CFG	238 243	3.0%	343 687	2.4%	343 687	2.4%	343 687	2.4%
Other (including floating)	1 216 506	15.3%	1 337 498	9.3%	1 337 498	9.3%	1 337 498	9.3%
Total	7 959 415	100.0%	14 326 947	100.0%	14 326 947	100.0%	14 326 947	100%

Source: Risma

III. Executive Board

As of September 30, 2018, the Executive Board comprises 2 members as follows:

Table 2 Risma's Executive Board as of September 30, 2018

Member	Function	Date of appointment / reappointment	Expiry of the current term
Mr. Mohammed Amine Echcherki	Chairman of the Executive Board	March 20, 2018	OGM on December 31, 2022 accounts
Mrs. Sofia Benhamida	Member of the Executive Board in charge of finance	March 20, 2018	OGM on December 31, 2022 accounts

Source: Risma

IV. Supervisory Board

IV.1. Risma's Supervisory Board

As of September 30, 2018, the Supervisory Board is composed of the following members:

Table 3 Risma's Supervisory Board as of September 30, 2018

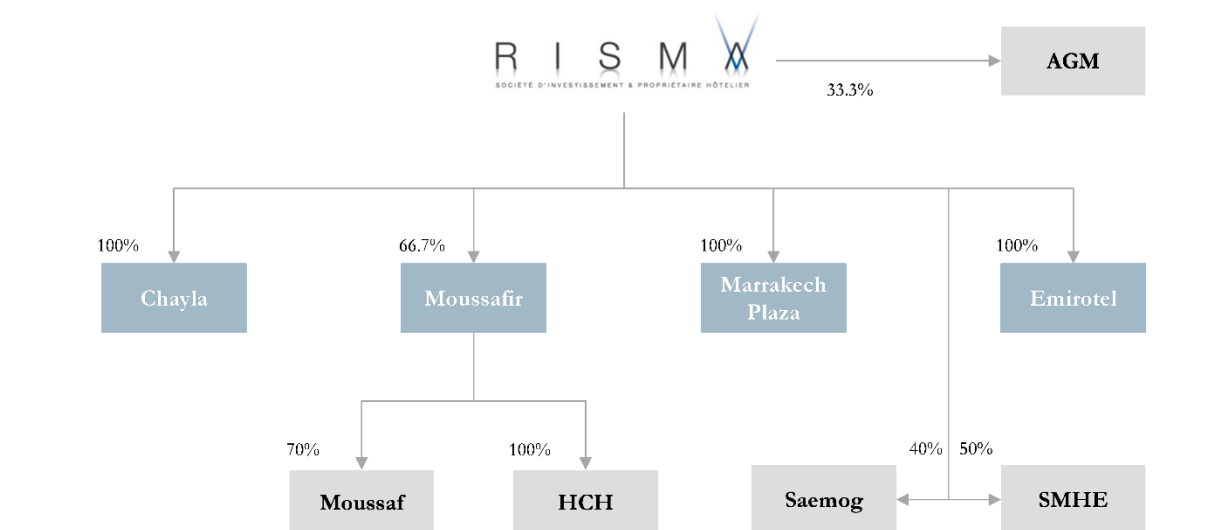
Member of the Supervisory Board	Current function	Date of appointment or reappointment	Expiry of the current term	Relationship with the Chairman
Mr. Gérard Péliesson	Honorary President	June 30, 2016	OGM called to approve December 31, 2021 financial statements	None
Mr. Sven Boinet	Chairman of the Board	June 30, 2016	OGM called to approve December 31, 2021 financial statements	Himself
Mr. Zouheir Bensaid	Member	June 30, 2016	OGM called to approve December 31, 2021 financial statements	None
Mr. Adil Douiri	Member	June 30, 2016	OGM called to approve December 31, 2021 financial statements	None
M. Hamid Benbrahim*	Independent member	June 30, 2016	OGM called to approve December 31, 2021 financial statements	None
CIMR, represented by Mr. Khalid Cheddadi	Member	June 30, 2016	OGM called to approve December 31, 2021 financial statements	None
Mr. Azeddine Guessous	Member	June 30, 2016	OGM called to approve December 31, 2021 financial statements	None
Mr. Hicham El Amrani	Member	June 30, 2016	OGM called to approve December 31, 2021 financial statements	None
Mr. Christian Karaoglanian	Member	June 30, 2016	OGM called to approve December 31, 2021 financial statements	None
MCMA, represented by Mr. Hicham Belmrah	Member	June 30, 2016	OGM called to approve December 31, 2021 financial statements	None

Source: Risma

PART III. RISMA BUSINESS ACTIVITY

I. Organizational Chart as of June 30, 2018

Figure 1 Risma Organizational Chart as of June 30, 2018 – in interest %



Source: Risma

II. Risma business activity

Risma operates in the Tourism and Hospitality sector. Indeed, the group's purpose is as follows:

- ✓ The operation of all activities related to hospitality, catering and tourism including activities related to accommodation, conferences and seminars, thalassotherapy, hydrotherapy, leisure activities, casinos;
- ✓ The acquisition, lease or lease-management, operation, construction, marketing, equipment and sale of any hotel, restaurant, tourist or leisure establishment including any business center, hotel residences, leisure clubs, hotels, restaurants, cafes, bars, discotheques, casinos and their direct and indirect exploitation;
- ✓ All activities that are ancillary and complementary to the above activities, such as the rental and direct or indirect exploitation of shops, the design, manufacture and sale of all derived products including care, cosmetics and leisure products;
- ✓ The study, adjustment, creation, enhancement, development, equipment and operation by itself and by any person with whom it contracts for this purpose, hotels, leisure activities, thalassotherapy, spas, restaurants, bars, casinos, the training of hotel and restaurant staff, as well as the organization of stays, seminars and leisure activities;
- ✓ Real estate development, purchase, sale and construction of buildings on an exceptional basis;
- ✓ Interest in any form whatsoever in any company, group, association or other related to the Company's activity;
- ✓ The participation of the Company, by all means, in any operation that may relate to its object by creating new companies, subscribing or purchasing securities or rights, merger or otherwise;
- ✓ And generally, all financial, commercial, industrial, capital and real estate operations, which may be related directly or indirectly to the above purpose or to any similar or related purpose, likely to favor its development or extension.

Risma is present in the following cities: Rabat, Casablanca, Marrakech, Agadir, Tangier, Fez, Essaouira, Oujda, Meknes and Ouarzazate, and this, through chains of different ranges.

II.1. Risma portfolio

With a portfolio of 24 hotels with a total capacity of 3 870 rooms spread across 12 cities in Morocco as of end-June 2018, Risma is present on all the market segments, from luxury to economy hotels.

Risma remains the 1st Moroccan hotel group and totals as of end-2017 with 1 407 782 overnight stays, and has a 65% occupancy rate well above the market rate of 43%.

The following table presents Risma Complex as of June 30, 2018:

Table 1 *General overview of Risma's portfolio as of 06/30/2018*

Current portfolio	Stars	Segment	Year of entry into the scope	Operating mode	Number of rooms as of end-June 2018
Ibis Moussafir Casa Gare	3*	Economy	1998	Property (land lease)	130
Ibis Moussafir CCC	3*	Economy	2007	Property	266
Ibis Moussafir El Jadida	3*	Economy	2005	Property	103
Ibis Moussafir Fès	3*	Economy	1998	Lease	123
Ibis Moussafir Marrakech Gare	3*	Economy	1998	Lease	109
Ibis Moussafir Meknès	3*	Economy	2001	Property (land lease)	104
Ibis Moussafir Ouarzazate	3*	Economy	2005	Property	104
Ibis Moussafir Oujda	3*	Economy	1998	Lease	80
Ibis Moussafir Rabat	3*	Economy	1998	Lease	170
Ibis Moussafir Casa Sidi Maarouf	3*	Economy	2007	Property	85
Ibis Moussafir Tanger Centre	3*	Economy	2011	Property	196
Ibis Moussafir Palmeraie	3*	Economy	2006	Property	147
Ibis Moussafir Casanearshore	3*	Economy	2014	Property	128
Total Economy					1 745
Mercure Rabat Shéhérazade	3*	Midscale	1999	Sale & leaseback	77
Novotel Marrakech	4*	Midscale	2009	Lease	112
Novotel CCC	4*	Midscale	2007	Property	281
Total Midscale					470
M'Gallery Diwan Rabat	4*	Luxury and Upscale	2000	Sale & leaseback	94
M'Gallery Essaouira	5*	Luxury and Upscale	2000	Property	117
Pullman Marrakech	5*	Luxury and Upscale	2012	Lease	252
Sofitel Rabat Jardin Des Roses	5*	Luxury and Upscale	2009	Property	229
Sofitel Marrakech	5*	Luxury and Upscale	2002	Property	346
Sofitel Agadir Royal Bay	5*	Luxury and Upscale	2004	Lease	273
Sofitel Casablanca Tour Blanche	5*	Luxury and Upscale	2012	Sale & leaseback	171
Sofitel Thalassa Agadir	5*	Luxury and Upscale	2012	Property	173
Total Luxury and Upscale					1 655
Total					3 870

Source: Risma

PART IV. RISMA FINANCIAL SITUATION

I. Risma yearly financial statements

I.1. Yearly income accounts

The following table presents the main indicators of Risma's income and expense account for the 2015-2017 period:

Table 5 *Income and expense account for the 2015-2017 period*

In MAD million	2015	2016	Var. 15-16	2017	Var. 16-17
Operating revenue	563.1	587.4	4.3%	594.4	1.2%
Sales of goods (as they are)	4.0	3.4	-15.8%	4.5	31.1%
Sales of properties and services produced	550.3	523.0	-5.0%	557.6	6.6%
Operating reversals: transfers of charges	8.8	61.1	595.1%	32.4	-46.9%
Operating charges	689.1	600.4	-12.9%	611.7	1.9%
Purchases of goods resold	1.5	1.4	-9.3%	1.5	7.5%
Purchases consumed of materials and supplies	163.6	119.4	-27.0%	120.9	1.2%
Other external charges	225.8	260.1	15.2%	279.0	7.3%
Taxes	8.6	10.5	22.0%	11.8	13.0%
Staff costs	140.9	135.9	-3.6%	129.1	-5.0%
Other operating expenses	0.3	0.0	-88.4%	3.4	9202.8%
Operating allocations	148.5	73.2	-50.7%	66.0	-9.9%
Operating income	-126.0	-13.0	89.7%	-17.3	-33.1%
Financial income	102.1	74.7	-26.8%	89.7	20.0%
Income from holdings and other fixed securities	87.6	59.8	-31.7%	75.7	26.6%
Exchange gains	0.7	0.6	-14.3%	0.5	-13.7%
Interest and other financial income	13.4	14.1	5.0%	11.3	-19.6%
Financial reversals: transfer of charges	0.4	0.2	-42.1%	2.1	804.5%
Financial charges	144.1	125.8	-12.7%	163.1	29.7%
Interest expenses	143.3	72.0	-49.7%	39.1	-45.8%
Exchange losses	0.2	0.1	-55.1%	0.1	8.4%
Financial allocations	0.6	53.7	8863.0%	124.0	131.0%
Financial income	-42.0	-51.1	-21.5%	-73.4	43.8%
Current result	-168.0	-64.0	61.9%	-90.7	-41.6%
Non-current income	552.4	144.4	-73.9%	8.7	-94.0%
Proceeds from sale of fixed assets	550.6	77.0	-86.0%	0.0	-100.0%
Other non-current income	1.8	67.3	3634.7%	8.7	-87.1%
Non-current expenses	462.7	70.5	-84.8%	71.2	0.9%
Net value of sold fixed assets depreciation	441.9	34.3	-92.2%	0.0	-100.0%
Other non-current expenses	20.8	36.2	73.5%	4.4	-88.0%
Non-current depreciation and amortization	0.0	0.0	n.a	66.8	n.a
Non-current income	89.7	73.9	-17.6%	-62.4	-184.5%
Pre-tax income	-78.4	9.8	n.a	-153.1	n.a
Income taxes	2.6	2.7	1.0%	3.0	14.0%
Net profit	-81.0	7.2	n.a	-156.2	n.a

Source: Risma

I.2. Balance sheet

The following table shows the main indicators of Risma's balance sheet for the 2015-2017 period:

Table 6 *Risma balance sheet over the 2015-2017 period*

In MAD million	2015	2016	Var. 15-16	2017	Var. 16-17
Nil value assets	37.8	25.2	-33.3%	16.4	-34.9%
Intangible assets	46.1	45.6	-1.2%	45.2	-0.8%
Tangible assets	659.9	606.1	-8.1%	586.4	-3.3%
Financial fixed assets	1 312.7	1 264.6	-3.7%	1 157.7	-8.5%
Fixed assets	2 056.5	1 941.5	-5.6%	1 805.7	-7.0%
Stocks	25.8	21.6	-16.2%	20.3	-6.0%
Receivables from current assets	988.0	551.9	-44.1%	413.5	-25.1%
Trade payables, advances and down payments	10.3	1.8	-82.9%	0.6	-66.9%
Customers and related accounts	39.2	35.4	-9.6%	41.9	18.4%
Staff	0.4	0.2	-58.4%	0.0	-101.9%
State	285.8	224.1	-21.6%	162.5	-27.5%
Partner accounts	84.6	251.9	197.8%	193.3	-23.3%
Other debtors	559.2	37.0	-93.4%	14.5	-60.8%
Adjustment accounts - Assets	8.4	1.5	-82.0%	0.7	-56.2%
Securities and investment values	0.0	0.0	#DIV/0!	43.5	#DIV/0!
Conversion deferrals - Assets	0.0	0.0	91.5%	0.0	-100.0%
Current assets	1 013.9	573.6	-43.4%	477.3	-16.8%
Cash assets	325.7	78.1	-76.0%	123.7	58.4%
Checks and cash values	2.2	1.9	-16.0%	1.6	-15.0%
Bank Deposits, Cash and Post Office deposit accounts	322.4	75.3	-76.6%	121.2	60.9%
Cash, imprest account and flow-through	1.1	0.9	-21.3%	0.9	-0.5%
Total assets	3 396.1	2 593.1	-23.6%	2 406.7	-7.2%

Source: Risma

In MAD million	2015	2016	Var. 15-16	2017	Var. 16-17
Equity	811.4	1 455.4	79.4%	1 299.2	-10.7%
Share capital	795.9	1 432.7	80.0%	1 432.7	0.0%
Issue, merger, contribution premium	63.7	63.7	0.0%	63.7	0.0%
Legal reserve	0.0	2.6	n.a	2.6	0.0%
Other reserves	2.6	0.0	-100.0%	0.0	n.a
Retained earnings	30.1	-50.9	n.a	-43.7	14.1%
Net income for the financial year	-81.0	7.2	n.a	-156.2	n.a
Financial debts	1 505.9	576.6	-61.7%	521.1	-9.6%
Bond issues	636.8	0.0	-100.0%	0.0	n.a!
Other financing debts	869.2	576.6	-33.7%	521.1	-9.6%
Current liabilities	515.2	405.9	-21.2%	391.6	-3.5%
Accounts payable	159.1	92.1	-42.1%	125.6	36.4%
Accounts payable, advances and down payments	2.8	2.9	4.6%	2.3	-20.5%
Staff	9.5	12.7	32.7%	14.3	12.8%
Social organizations	6.7	6.1	-7.9%	6.0	-2.9%
State	27.7	19.6	-29.3%	26.1	33.3%
Partner accounts	100.7	99.6	-1.2%	196.0	96.8%
Other creditors	170.6	165.6	-3.0%	11.8	-92.9%
Accruals and deferred income	37.9	7.3	-80.8%	9.4	29.8%
Other provisions	83.3	44.4	-46.7%	106.8	140.5%
Conversion deferrals - Liabilities	0.0	0.0	3.4%	0.0	-31.8%
Cash - Liabilities	480.3	110.8	-76.9%	88.0	-20.6%
Discount Credits	0.0	0.0	#DIV/0!	0.0	n.a
Cash Credits	155.0	0.0	-100.0%	0.0	n.a
Regularization banks	325.3	110.8	-65.9%	88.0	-20.6%
Total liabilities	3 396.1	2 593.1	-23.6%	2 406.7	-7.2%

Source: Risma

II. Risma half-yearly financial statements

II.1. Half-yearly income accounts

The following table presents the main indicators of Risma's income and expense account for the half-yearly period S1 2017- S1 2018:

Table 7 Income and expense account for the S1 2017- S1 2018 period

In MAD million	S1 2017	S1 2018	Var. S1 17- S1 18
Operating revenue	275.8	334.3	21.2%
Sales of goods (as they are)	1.7	2.4	39.8%
Sales of properties and services produced	266.1	322.3	21.1%
Operating reversals: transfers of charges	7.9	9.6	20.7%
Operating charges	324.4	338.8	4.5%
Purchases of goods resold	0.6	0.5	-10.2%
Purchases consumed of materials and supplies	58.5	66.0	12.8%
Other external charges	133.3	156.0	17.0%
Taxes	7.2	6.0	-16.4%
Staff costs	63.5	73.6	15.9%
Other operating expenses	0.0	0.1	132.6%
Operating depreciation and amortization	61.3	36.7	-40.2%
Operating income	-48.6	-4.6	90.6%
Financial income	81.2	135.4	66.8%
Income from holdings and other fixed securities	75.7	129.4	70.9%
Exchange gains	0.3	0.2	-15.9%
Interest and other financial income	5.2	5.8	12.1%
Financial reversals: transfer of charges	0.0	0.0	-83.0%
Financial charges	39.5	23.2	-41.3%
Interest expenses	19.3	20.7	7.2%
Exchange losses	0.0	0.1	63.6%
Financial allocations	20.1	2.4	-87.9%
Financial income	41.7	112.2	169.2%
Current result	-6.9	107.6	n.a
Non-current income	4.6	112.0	2356.1%
Proceeds from sale of fixed assets	0.0	110.6	2456x
Other non-current income	4.6	1.4	-68.4%
Non-current expenses	0.2	107.7	687x
Net value of sold fixed assets depreciation	0.0	106.1	n.a
Other non-current expenses	0.2	1.6	940.7%
Non-current income	4.4	4.4	-0.9%
Pre-tax income	-2.5	112.0	n.a
Income taxes	1.4	2.9	100.0%
Net profit	-4.0	109.1	n.a

Source: Risma

II.2. Half-yearly balance sheet

The following table presents the main balance sheet indicators of Risma for the half-yearly period of 2017- S1 2018:

Table 8 *Risma balance sheet over the 2017- S1 2018 period*

In MAD million	2017	S1 2018	Var. 17- S1 18
Nil value assets	16.4	12.3	-25.1%
Intangible assets	45.2	45.2	-0.1%
Tangible assets	586.4	461.6	-21.3%
Financial fixed assets	1 157.7	1 155.7	-0.2%
Fixed assets	1 805.7	1 674.8	-7.3%
Stocks	20.3	25.0	22.8%
Receivables from current assets	413.5	487.3	17.8%
Trade payables, advances and down payments	0.6	0.7	22.6%
Customers and related accounts	41.9	64.9	54.9%
Staff	0.0	0.1	-1875.1%
State	162.5	165.4	1.8%
Partner accounts	193.3	234.5	21.3%
Other debtors	14.5	14.0	-3.7%
Adjustment accounts - Assets	0.7	7.7	1062.7%
Securities and investment values	43.5	152.9	251.5%
Conversion deferrals - Assets	0.0	0.0	<i>n.a</i>
Current assets	477.3	665.1	39.4%
Cash assets	123.7	346.2	179.9%
Checks and cash values	1.6	1.5	-4.2%
Bank Deposits, Cash and Post Office deposit accounts	121.2	343.8	183.6%
Cash, imprest account and flow-through	0.9	0.9	1.4%
Total assets	2 406.7	2 686.1	11.6%

Source: Risma

In MAD million	2017	S1 2018	Var. 17- S1 18
Equity	1 408.3	1 299.2	-7.7%
Share capital	1 432.7	1 432.7	0.0%
Issue, merger, contribution premium	63.7	63.7	0.0%
Legal reserve	2.6	2.6	0.0%
Other reserves			
Retained earnings	-199.9	-43.7	78.1%
Net income for the financial year	109.1	-156.2	<i>n.a</i>
Financial debts	490.8	521.1	6.2%
Bond issues			
Other financing debts	490.8	521.1	6.2%
Other provisions			
Conversion deferrals - Liabilities			
Current liabilities	367.2	391.6	6.7%
Accounts payable	161.1	125.6	-22.0%
Accounts payable, advances and down payments	4.1	2.3	-42.9%
Staff	16.9	14.3	-15.3%
Social organizations	8.5	6.0	-30.1%
State	31.6	26.1	-17.3%
Partner accounts	91.7	196.0	113.6%
Other creditors	37.0	11.8	-68.1%
Accruals and deferred income	16.3	9.4	-41.9%
Other provisions	108.9	106.8	-1.9%
Conversion deferrals - Liabilities	0.0	0.0	0.0%
Cash - Liabilities	311.0	88.0	-71.7%
Discount Credits			
Cash Credits			
Regularization banks	311.0	88.0	-71.7%
Total liabilities	2 686.1	2 406.7	-10.4%

Source: Risma

III. Risma yearly consolidated accounts

As of December 31, 2017, the scope of consolidation is as follows:

Subsidiary	Control %	Interest %	Consolidation method
Risma	100.0%	100.0%	Global Integration
Chayla	100.0%	100.0%	Global Integration
Marrakech Plaza	100.0%	100.0%	Global Integration
Emirotel	100.0%	100.0%	Global Integration
Moussafir	66.7%	66.7%	Global Integration
Moussaf	70.0%	46.7%	Global Integration
HCH	100.0%	66.7%	Global Integration
SMHE	50.0%	50.0%	Equity method
Accor Gestion Maroc	33.3%	33.3%	Equity method
Saemog	40.0%	40.0%	Equity method

Source: Risma

III.1. Consolidated yearly income accounts

The following table presents the main indicators of Risma's consolidated income and expense account for the 2015-2017 period:

Table 9 Consolidate income and expense account over the 2015-2017 period

In MAD million	2015	2016	Var. 15-16	2017	Var. 16-17
Turnover	1 474.5	1 406.1	-4.6%	1 458.8	3.7%
Operating expenses	- 1 057.4	- 1 001.3	-5.3%	- 1 012.7	1.1%
<i>Operation expenses / Turnover (in %)</i>	<i>71.7%</i>	<i>71.2%</i>		<i>69.4%</i>	
Gross operating income	417.0	404.8	-2.9%	446.1	10.2%
Lease	- 36.4	- 35.5	-2.5%	- 42.4	19.6%
Gross operating surplus	380.7	369.3	-3.0%	403.7	9.3%
<i>EBITDA / Turnover (in %)</i>	<i>25.8%</i>	<i>26.3%</i>		<i>27.7%</i>	
Depreciation and provisions	- 232.6	- 192.8	-17.1%	- 178.1	-7.6%
Operating income	148.1	176.5	19.2%	225.6	27.8%
<i>Operating margin (in %)</i>	<i>10.0%</i>	<i>12.6%</i>		<i>15.5%</i>	
Financial income	- 159.3	- 148.1	-7.0%	- 115.6	-22.0%
<i>Financial income / Turnover (in %)</i>	<i>-10.8%</i>	<i>-10.5%</i>		<i>-7.9%</i>	
Share in the net income of equity affiliates	- 35.9	8.3	<i>n.s</i>	- 60.4	<i>n.s</i>
Pre-tax profit	- 47.2	36.7	<i>n.s</i>	49.6	35.2%
Non recurring income and expenses	12.9	99.5	<i>n.s</i>	- 55.1	<i>n.s</i>
Pre-tax operating profit	- 34.2	136.2	<i>n.s</i>	- 5.5	<i>n.s</i>
Taxes	- 25.2	- 41.0	62.5%	- 61.2	49.4%
Net income of consolidated group	- 59.4	95.3	<i>n.s</i>	- 66.7	<i>n.s</i>
<i>Net margin (in %)</i>	<i>-4.0%</i>	<i>6.8%</i>		<i>-4.6%</i>	
Minority interests	- 12.0	- 4.0	-66.6%	- 19.7	<i>n.s</i>
Net profit after minority	- 71.4	91.3	<i>n.s</i>	- 86.4	<i>n.s</i>
<i>Net margin (in %)</i>	<i>-4.8%</i>	<i>6.5%</i>		<i>-5.9%</i>	

Source: Risma

III.2. Consolidated balance sheet

The following table shows the main indicators of Risma's consolidated balance sheet for the 2015-2017 period:

Table 10 *Risma consolidated balance sheet over the 2015-2017 period*

Assets – in MAD million	2015	2016	Var. 15-16	2017	Var. 16-17
Goodwill	281.5	281.5	-	281.5	-
Intangible assets	3.6	2.6	-26.9%	2.0	-22.3%
Fixed assets	3 279.7	3 190.1	-2.7%	3 140.9	-1.5%
Financial assets	106.9	122.2	14.2%	44.8	-63.4%
Deferred tax assets	147.8	145.4	-1.7%	129.5	-10.9%
Total Fixed assets	3 819.6	3 741.8	-2.0%	3 598.7	-3.8%
<i>Fixed Assets / Total Assets (%)</i>	<i>77.9%</i>	<i>89.1%</i>		<i>81.9%</i>	
Stocks	46.8	46.8	-	44.4	-5.1%
Clients	118.6	114.3	-3.6%	117.5	2.8%
Other third parties	919.4	294.9	-67.9%	298.9	1.4%
Current assets	1 084.8	456.0	-58.0%	460.8	1.1%
<i>Current Assets / Total Assets (%)</i>	<i>22.1%</i>	<i>10.9%</i>		<i>10.5%</i>	
Availability	0.8	-	-100.0%	333.4	<i>n.s</i>
Cash assets	0.8	-	-100.0%	333.4	<i>n.s</i>
<i>Cash assets / Total Assets (%)</i>	<i>-</i>	<i>-</i>		<i>7.6%</i>	
Total Assets	4 905.2	4 197.8	-14.4%	4 392.9	4.6%

Source: Risma

Liabilities - in MAD million	2015	2016	Var. 15-16	2017	Var. 16-17
Capital	795.9	1 432.7	80%	1 432.7	0%
Premiums and reserves	2.6	- 77.6	<i>n.a</i>	11.1	<i>n.a</i>
Profit for the financial year	- 71.4	91.3	<i>n.a</i>	- 86.4	<i>n.a</i>
Shareholders' equity	727.1	1 446.4	99%	1 357.3	-6%
Minority interests	121.2	114.0	-6%	128.9	13%
Equity	848.3	1 560.4	84%	1 486.2	-5%
Bonds redeemable in shares	635.5	-	-100%	-	<i>n.a</i>
Other long-term debts	1 946.0	1 810.0	-7%	1 811.7	0%
Non-current provisions	2.2	2.2	0%	2.1	-5%
Total non-current liabilities	2 583.7	1 812.2	-30%	1 813.8	0%
Suppliers	352.6	196.7	-44%	280.2	42%
Other third parties and Company tax	310.3	295.9	-5%	285.8	-3%
Current provisions	54.8	21.8	-60%	80.2	267.9%
Short-term financial debts (incl. financing lease)	629.9	267.8	-57%	210.0	-22%
Banks and derivatives - liabilities	125.6	43.0	-66%	236.7	450.5%
Total current liabilities	1 473.2	825.2	-44%	1 092.9	32%
Total Liabilities	4 905,2	4 197,8	-14%	4 392,9	5%

Source: Risma

IV. Risma half-yearly consolidated accounts

As of June 30, 2018, the scope of consolidation is as follows:

Subsidiary	Control %	Interest %	Consolidation method
Risma	100.0%	100.0%	Global Integration
Chayla	100.0%	100.0%	Global Integration
Marrakech Plaza	100.0%	100.0%	Global Integration
Emirotel	100.0%	100.0%	Global Integration
Moussafir	66.7%	66.7%	Global Integration
Moussaf	70.0%	46.7%	Global Integration
HCH	100.0%	66.7%	Global Integration
SMHE	50.0%	50.0%	Equity method
Accor Gestion Maroc	33.3%	33.3%	Equity method
Saemog	40.0%	40.0%	Equity method

Source: Risma

IV.1. Consolidated half-yearly income accounts

The following table presents the main indicators of Risma's consolidated income and expense account for the half-yearly 2017-2018 period:

Table 11 Consolidated income and expense account over the S1 2017- S1 2018 period

In MAD million	S1 2017	S1 2018	Var. S1 17- S1 18
Turnover	688.3	753.1	9.4%
Operating expenses	-486.6	-510.1	4.8%
<i>Operation expenses / Turnover (in %)</i>	<i>70.7%</i>	<i>67.7%</i>	
Gross operating income	201.8	242.9	20.4%
Lease	-18.5	-26.8	44.8%
Gross operating surplus	183.3	216.2	17.9%
<i>EBITDA / Turnover (in %)</i>	<i>-26.6%</i>	<i>-28.7%</i>	
Depreciation and provisions	-120.1	-99.4	-17.3%
Operating income	63.2	116.8	84.9%
<i>Operating margin (in %)</i>	<i>-9.2%</i>	<i>-15.5%</i>	
Financial income	-61.2	-58.2	-4.9%
<i>Financial income / Turnover (in %)</i>	<i>8.9%</i>	<i>7.7%</i>	
Share in the net income of equity affiliates	-20.3	4.1	-120.0%
Pre-tax profit	-18.3	62.6	-441.5%
Non recurring income and expenses	13.0	8.7	-33.4%
Pre-tax operating profit	-5.3	71.3	-1 438.9%
Taxes	-21.9	-22.4	2.2%
Net income of consolidated group	-27.2	48.9	-280.0%
<i>Net margin (in %)</i>	<i>4.0%</i>	<i>-6.5%</i>	
Minority interests	-3.6	-6.2	72.0%
Net profit after minority	-30.8	42.7	-238.7%
<i>Net margin (in %)</i>	<i>-4.5%</i>	<i>5.7%</i>	<i>-226.8%</i>

Source: Risma

IV.2. Consolidated balance sheet

The following table shows the main indicators of Risma's consolidated balance sheet for the 2017 - S1 2018 period:

Table 12 *Risma consolidated balance sheet over the 2017- S1 2018 period*

Assets – in MAD million	2017	S1 2018	Var. 17- S1 18
Goodwill	281.5	281.5	0.0%
Intangible assets	2.0	1.7	-17.0%
Fixed assets	3 140.9	3082.9	-1.8%
Financial assets	44.8	43.5	-2.9%
Deferred tax assets	129.5	125.0	-3.5%
Total Fixed assets	3 598.7	3534.5	-1.8%
<i>Fixed Assets / Total Assets (%)</i>	<i>81.9%</i>	<i>78.6%</i>	
Stocks	44.4	40.3	-9.3%
Clients	117.5	102.9	-12.4%
Other third parties	298.9	237.6	-20.5%
Current assets	460.8	380.8	-17.4%
<i>Current Assets / Total Assets (%)</i>	<i>10.5%</i>	<i>8.5%</i>	
Availability	333.4	579.1	73.7%
Cash assets	333.4	579.1	73.7%
<i>Cash assets / Total Assets (%)</i>	<i>7.6%</i>	<i>12.9%</i>	
Total Assets	4 392.9	4 494.4	2.3%
Liabilities - in MAD million	2017	S1 2018	Var. 17- S1 18
Capital	1 432.7	1432.7	-
Premiums and reserves	11.1	-75.4	n.a
Profit for the financial year	-86.4	42.7	n.a
Shareholders' equity	1 357.3	1400.1	3.2%
Minority interests	128.9	102.7	-20.3%
Equity	1 486.2	1502.8	1.1%
Other long-term debts	1 811.7	1593.9	-12.0%
Non-current provisions	2.1	2.2	4.0%
Total non-current liabilities	1 813.8	1596.1	-12.0%
Suppliers	280.2	263.5	-6.0%
Other third parties and Company tax	285.8	315.9	10.5%
Current provisions	80.2	82.7	3.1%
Short-term financial debts (incl. financing lease)	210.0	365.2	73.9%
Banks and derivatives - liabilities	236.7	368.3	55.6%
Total current liabilities	1 092.9	1395.6	27.7%
Total Liabilities	4 392,9	4 494,4	2,3%

Source: Risma

PART V. OVERVIEW OF MARRAKECH PLAZA

I. General information

Corporate name	<ul style="list-style-type: none"> ▪ Marrakech Plaza SA
Registered office	<ul style="list-style-type: none"> ▪ Angle Rue El Yarmouk et Rue Harroune Errachid - Quartier de l'Hivernage - Marrakech
Phone	<ul style="list-style-type: none"> ▪ 05 24 42 56 00
Fax	<ul style="list-style-type: none"> ▪ 05 24 43 71 31
Legal form	<ul style="list-style-type: none"> ▪ Public limited company that does not make public offerings
Email	<ul style="list-style-type: none"> ▪ contact@risma.com
Date of incorporation	<ul style="list-style-type: none"> ▪ 1994
Life span	<ul style="list-style-type: none"> ▪ The duration of the company is fixed at 99 years from its registration in the commercial register, except for the cases of extension or early dissolution provided for by the law in force.
Trade Register registration No.	<ul style="list-style-type: none"> ▪ 8007 Marrakech
Financial year	<ul style="list-style-type: none"> ▪ From January 1st to December 31st.
Share capital as of 12/31/2017	<ul style="list-style-type: none"> ▪ The share capital is fixed at the sum of Eighty Three Million One Hundred Six Thousand Seven Hundred Dirhams (MAD 83 106 700.00). It is divided into Eight Hundred Thirty One Thousand Sixty Seven (831 067) shares with a par value of one hundred (100) dirhams each
Purpose	<ul style="list-style-type: none"> ▪ According to article 4 of the bylaws, Marrakech Plaza aims to: <ul style="list-style-type: none"> ✓ The creation, acquisition, sale, operation, management or rental of all hotels of all ranges, cafes, restaurants, travel agencies, as well as their outbuildings or annexes, such as gardens, swimming pools in any urban center or any resort or seaside resort in Morocco, and more particularly the acquisition of all land and buildings for their construction or transformation into a hotel; ✓ The purchase, construction, rental and development of all properties located in Morocco for the hotel industry; ✓ The purchase of all materials for the operation of the establishments to be created; ✓ The importation of all hotel materials and equipment and the like; ✓ And more generally, all commercial, industrial, movable and immovable operations directly or indirectly related to the above objects or likely to favor their extension and development.
Laws and regulations	<ul style="list-style-type: none"> ▪ By its legal form, the Company is governed by Moroccan law, law 17-95 on public limited companies as amended and supplemented, as well as its statutes. ▪ By its activity, it is namely governed by: <ul style="list-style-type: none"> ✓ Decree of the Minister of Tourism No. 1751-02 of Chaoual 23, 1424 (December 18, 2003) setting standards for the classification of tourist establishments; ✓ Decree No. 2-02-640 of Chaabane 2, 1423 (October 9th, 2002) taken for the application of the aforementioned law No. 61-00; ✓ Law No. 61-00 on the status of tourist establishments; ✓ Dahir No. 1-15-108 of Choual 18, 1436 (August 4, 2015) enacting law No. 80-14 relating to tourist establishments and the other forms of accommodation; ✓ Dahir of August 12, 1913, forming the Code of Obligations and Contracts, supplemented by Law No. 44-00 of October 3, 2002 relating to the sale in the future state of completion.
Competent court	<ul style="list-style-type: none"> ▪ Marrakech Trade Court
Taxation applicable	<ul style="list-style-type: none"> ▪ In the same manner as all tourist establishments, Risma benefits under its hotel business, for the part of the taxable base corresponding to its turnover in foreign currency duly repatriated directly by it for its own account or through travel agencies: <ul style="list-style-type: none"> ✓ From the total exemption from corporate tax for a period of 5 consecutive years which runs from the year in which the first hosting operation took place in foreign currency; ✓ Applying the reduced rate of 17.5% for the corporate tax beyond this period. ▪ The net result from MAD sales is taxed at the progressive corporate tax rate: <ul style="list-style-type: none"> ✓ 10% (MAD 0 - MAD 300 000) ✓ 20% (MAD 300 001 - MAD 1 000 000) ✓ 31% (over MAD 1 000 000) ▪ Regarding the Added Value Tax, the Company is subject to the reduced rate of 10% with deductibility of regarding accommodation, catering, hotel rentals and tourist activities.

Source: Risma

II. Information related to Marrakech Plaza's capital

II.1. General information

At the date of the establishment of this prospectus, Marrakech Plaza's share capital amounts to MAD 83 106 700, fully paid up and distributed in 831 067 shares with a par value of MAD 100 each, all of the same kind, carrying simple voting rights.

II.2. Company shareholders

II.2.1. Change in shareholding structure

Marrakech Plaza's shareholding during the last 3 financial years is as follows:

Table 13 Changes in Marrakech Plaza shareholding structure between 2015 and S1 2018

Shareholders	Number of securities as of 12/31/2015	% of ownership and voting rights as of 12/31/2015	Number of securities as of 12/31/2016	% of ownership and voting rights as of 12/31/2016	Number of securities as of 12/31/2017	% of ownership and voting rights as of 12/31/2017	Number of securities as of 6/30/2018	% of ownership and voting rights as of 6/30/2018
Risma	831 061	99.9%	831 061	99.9%	831 061	99.9%	831 061	99.9%
Others	6	-	6	-	6	-	6	-
Total	831 067	100.0%	831 067	100.0%	831 067	100.0%	831 067	100.0%

Source: Risma

III. Board of Directors

Marrakech Plaza Board of Directors is comprised of the following 3 members:

Table 14 Composition of the Board of Directors as of September 30, 2018

Member	Function	Date of appointment / reappointment	Expiry of the current term
Mr. Mohammed Amine Echcherki	President of the Board	June 27, 2014	OGM approving the December 31, 2019 financial statements
Mrs. Sofia Lopez Benhamida	Member	June 27, 2014	OGM approving the December 31, 2019 financial statements
Mr. Hamid Bentahar	Member	June 27, 2014	OGM approving the December 31, 2019 financial statements

Source: Risma

PART VI. MARRAKECH PLAZA BUSINESS ACTIVITY

I. Marrakech Plaza business activity

Marrakech Plaza operates in the Tourism and Hospitality sector. Indeed, the company's purpose is as follows:

- ✓ The creation, acquisition, sale, operation, management or rental of all hotels of all ranges, cafes, restaurants, travel agencies, as well as their outbuildings or annexes, such as gardens, swimming pools in any urban center or any resort or seaside resort in Morocco, and more particularly the acquisition of all land and buildings for their construction or transformation into a hotel;
- ✓ The purchase, construction, rental and development of all properties located in Morocco for the hotel industry;
- ✓ The purchase of all materials for the operation of the establishments to be created;
- ✓ The importation of all hotel materials and equipment and the like;
- ✓ And more generally, all commercial, industrial, movable and immovable operations directly or indirectly related to the above objects or likely to favor their extension and development.

Marrakech Plaza manages the two hotels Sofitel Marrakech and Pullman Marrakech.

PART VII. MARRAKECH PLAZA FINANCIAL SITUATION

I. Marrakech Plaza yearly financial statements

I.1. Income account

The following table summarizes the historical data of Marrakech Plaza management balances status for the 2015, 2016 and 2017 financial years:

Table 15 Marrakech Plaza income and expense account (2015-2017)

In MAD million	2015	2016	Var 15-16	2017	Var.16-17
Sales of goods (as they are)	8.3	8.4	0.9%	9.8	16.8%
Sales of properties and services produced	380.1	368.0	-3.2%	351.0	-4.6%
Turnover	388.5	376.4	-3.1%	360.8	-4.2%
Operating reversals: transfers of charges	13.9	14.2	1.9%	21.9	54.5%
Operating income	402.4	390.6	-2.9%	382.7	-2.0%
Purchases of goods resold	4.1	3.3	-19.9%	4.2	27.7%
Purchases consumed of materials and supplies	90.2	84.2	-6.6%	78.7	-6.6%
Other external charges	114.7	115.7	0.9%	116.9	1.0%
Taxes	4.1	4.1	1.3%	3.9	-4.7%
Staff costs	79.5	67.5	-15.2%	67.9	0.6%
Other operating expenses	0.9	1.0	6.4%	6.5	554.0%
Operating allocations	40.6	48.0	18.2%	39.0	-18.7%
Operating charges	334.0	323.8	-3.1%	317.0	-2.1%
Operating income	68.4	66.9	-2.2%	65.7	-1.8%
Exchange gains	0.7	0.5	-32.3%	0.5	17.0%
Interest and other financial income	1.1	1.5	40.2%	1.0	-33.5%
Financial reversals: transfer of charges	-	0.3	n.a	1.9	616.3%
Financial income	1.8	2.2	26.9%	3.4	51.8%
Interest charges	8.1	10.3	26.9%	9.7	-5.8%
Exchange losses	0.2	0.2	6.3%	0.1	-40.3%
Financial allocations	0.2	0.6	224.7%	0.3	-49.0%
Financial charges	8.4	11.0	30.7%	10.1	-8.7%
Financial income	- 6.7	- 8.8	-31.7%	- 6.7	24.2%
Current income	61.7	58.1	-5.9%	59.0	1.6%
Proceeds from sale of fixed assets	-	0.2	n.a	0.4	134.0%
Other non-current income	0.6	1.1	84.4%	3.1	185.5%
Non-current income	0.6	1.3	116.3%	3.5	177.9%
Net value of sold fixed assets depreciation	-	-	n.a	0.0	n.a
Other non-current expenses	1.0	1.1	13.3%	4.3	295.9%
Non-current allocations for depreciation and provisions	7.0	-	-100.0%	-	n.a
Non-current charges	8.0	1.1	-86.4%	4.3	295.9%
Non-current income	- 7.4	0.2	-102.5%	- 0.8	-524.5%
Pre-tax income	54.3	58.3	7.2%	58.3	0.0%
Income tax	16.7	16.7	-0.2%	12.6	-24.4%
Net income	37.6	41.6	10.6%	45.6	9.8%
Total income	404.7	394.2	-2.6%	389.6	-1.2%
Total charges	367.1	352.6	-4.0%	344.0	-2.4%
Net income	37.6	41.6	10.6%	45.6	9.8%

Source: Risma

I.2. Balance sheet

Over the 2015-2017 period, Marrakech Plaza balance sheet is as follows:

Table 16 Marrakech Plaza balance sheet (2015-2017)

In MAD million	2015	2016	Var. 15-16	2017	Var. 16-17
Assets					
Fixed assets	308.4	316.4	2.6%	332.1	5.0%
Intangible assets	3.1	3.0	-3.2%	3.0	-1.3%
Tangible assets	305.0	313.1	2.7%	328.9	5.0%
Financial fixed assets	0.2	0.2	-	0.2	2.6%
Current assets	136.2	136.2	-	71.9	-47.2%
Stocks	13.0	12.3	-6.0%	11.8	-3.9%
Trade payables, advances and down payments	2.9	4.4	54.0%	0.6	-87.3%
Customers and related accounts	22.1	28.3	28.2%	21.6	-23.6%
Staff	0.2	0.5	150.0%	0.2	-58.0%
Sate	38.6	35.5	-7.9%	37.0	4.2%
Other debtors	59.1	54.8	-7.2%	0.5	-99.1%
Adjustment accounts - Assets	0.5	0.5	1.7%	0.3	-44.7%
Cash assets	24.0	79.5	231.3%	93.9	18.1%
Total Assets	468.6	532.2	13.6%	498.0	-6.4%

In MAD million	2015	2016	Var. 15-16	2017	Var. 16-17
Liabilities					
Equity	129.0	133.0	3.1%	137.1	3.0%
Share capital	83.1	83.1	-	83.1	-
Legal reserve	8.3	8.3	-	8.3	-
Retained earnings	0.0	0.0	29.4%	0.0	-28.5%
Net income for the financial year	37.6	41.6	10.6%	45.6	9.8%
Financial debts	20.6	0.0	-99.9%	102.1	3 843.5x
Current liabilities	133.4	216.4	62.2%	143.2	-33.9%
Accounts payable	74.2	37.3	-49.8%	48.4	29.9%
Accounts payable, advances and down payments	7.2	5.9	-18.8%	4.3	-26.5%
Staff	9.7	7.5	-22.3%	6.9	-8.5%
Social organizations	3.6	3.8	4.5%	3.6	-3.4%
State	24.6	22.1	-10.0%	19.2	-13.3%
Partner accounts	0.9	115.9	12734.0%	55.2	-52.3%
Other creditors	10.8	22.7	109.3%	3.8	-83.1%
Adjustment accounts - liabilities	2.3	1.3	-43.3%	1.7	25.0%
Other provisions for risks and charges	32.0	34.9	9.0%	26.4	-24.2%
Cash liabilities	153.6	147.8	-3.7%	89.2	-39.7%
Total Liabilities	468.6	532.2	13.6%	498.0	-6.4%

Source: Risma

II. Marrakech Plaza half-yearly financial statements

The accounts for the first half of 2017 have not been the subject of a limited review report by the statutory auditor. Only the 2018 first half accounts have been reviewed.

II.1. Profitability analysis

The following table summarizes the historical data of Marrakech Plaza income and expense accounts for the first six months of financial years S1 2017 and S1 2018:

Table 17 Marrakech Plaza income and expense account (S1 2017- S1 2018)

In MAD million	S1 2017	S1 2018	Var. S1 17- S1 18
Sales of goods (as they are)	3.9	4.4	11.3%
Sales of properties and services produced	166.5	191.1	14.8%
Turnover	170.4	195.5	14.7%
Operating reversals: transfers of charges	6.8	2.0	-69.9%
Operating income	177.2	197.5	11.5%
Purchases of goods resold	1.7	1.8	10.7%
Purchases consumed of materials and supplies	37.8	38.6	2.1%
Other external charges	54.1	66.2	22.4%
Taxes	3.2	1.5	-53.9%
Staff costs	34.8	35.2	1.4%
Other operating expenses	0.1	0.0	-100.0%
Operating allocations	18.9	18.8	-0.8%
Operating charges	150.6	162.1	7.7%
Operating income	26.6	35.4	32.7%
Exchange gains	0.3	0.3	15.2%
Interest and other financial income	0.1	2.0	3686.2%
Financial reversals: transfer of charges	0.1	0.0	-88.9%
Financial income	0.4	2.3	461.5%
Interest charges	4.0	6.2	54.6%
Exchange losses	0.1	0.0	-58.3%
Financial allocations	0.1	0.2	60.9%
Financial charges	4.2	6.4	52.3%
Financial income	-3.8	-4.1	-8.2%
Current income	22.9	31.3	36.7%
Proceeds from sale of fixed assets	0.2	0.2	-15.2%
Other non-current income	1.1	0.2	-83.8%
Non-current income	1.3	0.3	-73.6%
Other non-current expenses	0.5	0.0	-92.5%
Non-current charges	0.5	0.0	-92.5%
Non-current income	0.8	0.3	-61.7%
Pre-tax income	23.7	31.6	33.4%
Income tax	6.6	6.7	1.5%
Net income	17.1	24.9	45.7%
Total income	178.9	200.1	11.8%
Total charges	161.9	175.3	8.3%
Net income	17.1	24.9	45.7%

Source: Risma

II.2. Balance sheet analysis

Over the period 2017 - S1 2018, Marrakech Plaza balance sheet is as follows:

Table 18 Marrakech Plaza balance sheet (2017- S1 2018)

In MAD million	2017	S1 2018	Var. 17- S1 18
Assets			
Fixed asset	332.1	340.8	2.6%
Intangible assets	3.0	3.0	-0.2%
Tangible assets	328.9	337.5	2.6%
Financial fixed assets	0.2	0.2	0.0%

Current assets	71.9	62.4	-13.3%
Stocks	11.8	10.4	-12.0%
Trade payables, advances and down payments	0.6	0.3	-53.5%
Customers and related accounts	21.6	22.5	4.3%
Staff	0.2	0.0	-84.1%
State	37.0	25.6	-30.8%
Other debtors	0.5	0.4	-26.7%
Adjustment accounts - Assets	0.3	3.2	992.5%
Cash assets	93.9	148.3	57.8%
Total Assets	498.0	551.4	10.7%
In MAD million	2017	S1 2018	Var. 17- S1 18
Liabilities			
Equity	137.1	116.3	-15.1%
Share capital	83.1	83.1	0.0%
Legal reserve	8.3	8.3	0.0%
Net income for the financial year	45.6	24.9	-45.5%
Financial debts	102.1	102.1	0.0%
Current liabilities	143.2	160.8	12.3%
Accounts payable	48.4	54.2	12.0%
Accounts payable, advances and down payments	4.3	5.4	23.7%
Staff	6.9	7.6	10.2%
Social organizations	3.6	3.9	7.6%
State	19.2	16.8	-12.5%
Partner accounts	55.2	67.0	21.3%
Other creditors	3.8	1.5	-61.2%
Adjustment accounts - liabilities	1.7	4.5	171.8%
Other provisions for risks and charges	26.4	28.3	7.1%
Cash liabilities	89.2	143.9	61.2%
Total Liabilities	498.0	551.4	10.7%

Source: Risma

PART VIII. RISK FACTORS

I. Risks associated with the operation of hotels

Risma business activity can be affected by three types of risk: market risk, competitive risk and management contract risk.

I.1. Market risk

In terms of tourism activity, market risk refers to a decrease in tourist arrivals and their expenditures as a result of the current economic and political situation and even the occurrence of crises.

Since 2010, the tourism sector in the world is in a steady upward trend. The number of arrivals has increased on average by + 4.2% annually since 2010, and amounts to 1 322 million tourists in 2017 for \$ 1 220 billion in terms of tourism expenditure.

It should be noted that this sector has developed resistance to the economic, geopolitical and environmental contexts since 2010 (Fukushima nuclear disaster, Arab revolutions, hurricane Sandy, Ebola virus, terrorist attacks, Zika virus, Brexit, etc.).

At the local level, Morocco displays political stability and tourism potential that allows the Kingdom to preserve or improve its attractiveness vis-à-vis the rest of the world. In addition, the sector is driven by the government's desire to develop it (in particular the 2020 vision) as well as the efforts of private entities in terms of investment.

As a result, the sector has been growing steadily since 2000, when the number of foreign tourist and MRA admissions increased from 4.3 million to 11.3 million in 2017.

The positive performance displayed by the Kingdom is mainly explained by the following elements:

- ✓ A diversified positioning in terms of ranges allowing it to mitigate possible declines in the activity of economic segments by regular performance of a Luxury and Upscale segment insensitive to changes in purchasing power;
- ✓ A controlled political risk and a general stability of the country in a context of strong political crises or insecurity;
- ✓ An advantageous geographic positioning (proximity to Europe, Mediterranean and Atlantic maritime facades, etc.);
- ✓ A policy to promote and develop the tourism sector through investment efforts, and a 2020 vision for an increase in installed capacity (20 000 additional beds per year on average) and on the diversification of the supply developing innovative products;
- ✓ The enhancement of Moroccan cultural heritage and the highlighting of all regions and their particularities;
- ✓ The consolidation of the Moroccan seaside offer on the Atlantic and Mediterranean coast;
- ✓ The strengthening of air links in the region and the supply of companies.

With regard to Risma, the Group offers a diversified hotel offering in terms of (i) geographical presence (10 of the main Moroccan cities), (ii) segments (luxury, upscale, midscale, economic and very economic) and (iii) products, namely 27 hotels attracting diversified or specific target clients (family, leisure, business, etc.).

In addition, the Group is committed to developing its offering through regular investments for (i) expanding its capacity offer, (ii) portfolio development and (iii) continuous modernization of its entities and their compliance with international standards. Thus, the Group has invested nearly MAD 5 billion in the last 17 years.

I.2. Competitive risk

Competitive risk includes both the risk of emergence of a new organized competitor and the risk of falling behind due to the lack of price competitiveness or because of poor quality.

As such, it should be noted that Risma hotel portfolio enjoys several competitive advantages that can be summarized as follows:

- ✓ International distribution and loyalty channels of the AccorHotels group through (i) TARS reservation system (i) Accorhotels.com website, (ii) websites of the various brands and banners, AccorHotels Smartphone applications, a permanent presence on the social networks and the loyalty system of AccorHotels group;
- ✓ Quality locations in the center of tourist and economic activities of the most important cities of Morocco in terms of visitor numbers

- ✓ Renowned brands (brands of AccorHotels Group) offering products to the best standards of the hotel industry;
- ✓ Its weight within the sector which gives the group a significant standing in negotiations with tour operators;
- ✓ A strict maintenance policy aiming to preserve the quality of its hotel facilities.

Today, Risma, an AccorHotels partner, is positioning itself as a reference player in Morocco, and has an 8% market share for 1 380 786 overnight stays as of the end of 2017.

I.3. Management contract risk

Risks associated with management contracts are mainly the risk of Risma losing the management profit of these units by Accor Management Morocco, which would result in the loss of the profit of Accor brands and the risk of having to assign our units to a third party that could manage them inefficiently.

The risk for Risma to lose the benefit of management by AGM is minimized by the legal structuring of the relationship between AccorHotels (owner of the banners), AGM (manager) and Risma (operator) inducing (i) current management contracts running until December 31, 2031 for the entire hotel portfolio with the option of renewing them, (ii) the obligation by AccorHotels to maintain at least 20% of Risma's capital until that date, (iii) Risma's participation in the capital of Accor Gestion Maroc, a company holding AccorHotels master franchises.

Concerning the risk of a competition to Risma by Accor group through a developed management by third parties under one of the brands operated by Risma, it should be noted that by virtue of the memorandum of agreement between Accor, Risma and AGM, Accor is committed to propose to Risma any new hotel project in Morocco within the whole duration of the said agreement, with Risma holding the right of refusal. In return, Risma entrusts AGM with the exclusive management of its hotel units.

II. Development risk

The development risk includes the risk of not carrying out the projects within the allocated budget and the initial timeframe mainly because of administrative delays, weather conditions or construction delays which have a negative impact on the rate of return of projects.

Today, Risma has accumulated a rich experience in the realization of projects in Morocco. As of end-2017, Risma had a hotel portfolio consisting of 24 units of different ranges, and carried out a development and renovation strategy for its entities (mainly Sofitel Marrakech and Ibis hotels).

The risk associated with development is reduced by the fact that since 2006 Risma has a dedicated development team founded on the experience acquired by Risma in the Moroccan market and has expertise in carrying out the different directives of Accor Maroc Gestion, and those of Accor group as a whole.

PART IX. EXCEPTIONAL EVENTS AND DISPUTES

Risma has been subject to the following tax audits:

- In 2018, Risma was the subject of a tax audit closed in August 2018 and Emirotel was also subject to a tax audit closed in June 2018 (the notification was received in September);

It should be noted that at June 30, 2018, Risma has provisioned an amount of MAD 4 million for the tax audit. Regarding Emirotel, the company's accounts include a historic provision of MAD 3 million;

- In 2017, Chayla subsidiary was subject in 2017 financial year to a tax audit on income tax and value-added tax for the period 2009-2015 and on the tax on salary income for the period 2013-2015. The company received a first notification from the tax administration on December 21, 2017. The company responded by rejecting the majority of the heads of adjustments on January 19, 2018. The notification received relates to an amount of MAD 1.5 million;

- In 2016, Moussafir subsidiary was subject to a tax audit on income tax, withholding of income from the shares, income tax and registration fees for the company over the 2012-2015 period, and the social solidarity contribution for the 2013-2015 period as well as the value added tax for the 2008-2015 period. This tax audit was settled during the 2017 financial year and did not generate a significant impact at the level of the accounts closed at 31 December 2017. The notification concerned an amount of MAD 6 million. For this purpose, Moussafir has provisioned an amount of MAD 6.5 million.

It should be noted that at the end of 2017, Moussafir made a reversal of MAD 6.5 million following the payment of this same amount.

At the date of publication of this Prospectus, Risma is not the subject of significant dispute.

Prospectus availability

The aforementioned information is only a part of the prospectus approved by the Moroccan Capital Markets Authority (AMMC), under reference no. VI/EM/023/2018 on October 18th, 2018.

AMMC recommends reading the full prospectus made available to the public following the terms stated in this summary.