

Prospectus summary



Jet Contractors SA

Annual update for 2017

Commercial paper issue program

Program ceiling : MAD 200 000 000

Face value : MAD 100 000

Financial advisor – Global Coordinator



Underwriter



Approval of the Moroccan Capital Markets Authority

In accordance with the provisions of the AMMC's circular pursuant to Article 14 of the Dahir promulgating law n°1-93-212 dated September 21, 1993, the original document was approved by the Moroccan Capital Markets Authority on October 31, 2018- under reference VI/EM/025/2018.

Disclaimer

The *Moroccan Capital Markets Authority* (AMMC) approved on October 31,2018 a prospectus summary related to the issuance of commercial paper by Jet Contractors.

The prospectus approved by the AMMC is available at any time at the headquarters of Jet Contractors and its financial advisor. It is also available at the headquarters of the placement agent.

The information file is available to the public on the website of the AMMC: www.ammc.ma.

OBJECTIVES OF THE OPERATION

Jet Contractors through this commercial paper issuing aims to:

- Optimize the cost of short-term financing by substituting, in a partial or total way, the existing bank financing by commercial paper;
- To meet its punctual financial needs induced by variations in the working capital during the year (caused by fluctuations in payment terms of different counterparties of the Company);
- Diversify the funding sources for better negotiations with its financial partners;
- Strengthen its image among institutional investors through an increased visibility on the capital market;

I. CHARACTERISTICS OF THE OPERATION

Type of securities	Negotiable debt securities dematerialized by registration in the Central Depository (Maroclear) and account inscription with the authorized affiliates.
Legal form of securities	Commercial paper out to bearer
Ceiling of the issuance	MAD 200 000 000
Face value	MAD 100 000
Number of Securities	2 000 commercial paper
Maturity	From 10 days to 12 months - to be determined at any issuance
Entitlement date	Date of payment.
Interest rate	Determined for each issuance according to market conditions.
Interests	Post-counted.
Coupon payment	In fine, at due date of each commercial paper.
Repayment	In fine, at due date of each commercial paper
Assimilation clause	The commercial paper issued are not assimilated to any previous issue.
Negotiability of the securities	No restriction is imposed by the conditions of the issuance in regards to the negotiability of the issued commercial paper. The securities are negotiable by mutual agreement.
Guarantee	The issuance does not benefit from any guarantee

II. ORGANISME CHARGE DU PLACEMENT-INTERMEDIAIRES FINANCIERS

Financial advisor and coordinator	CDG CAPITAL	Tour Mamounia, Place Moulay El Hassan – Rabat
Underwriter	CDG CAPITAL	Tour Mamounia, Place Moulay El Hassan - Rabat
Financial services provider	CDG CAPITAL	Tour Mamounia, Place Moulay El Hassan - Rabat

III. GENERAL PRESENTATION OF JET CONTRACTORS

IV.1 GENERAL INFORMATION CONCERNING JET CONTRACTORS

Jet Contractors is a public limited company with a board of directors that positions itself on different market segments of the construction industry.

Corporate name	Jet Contractors
Headquarter	78, quartier industriel de takaddoum, Rabat
Phone	05 37 74 92 92
Fax	05 37 74 92 30
Website	www.jet-contractors.com
E-mail address	contact@jet-contractors.com
Legal form	Public Limited company with Board of Directors
Trade register	53 431 in the trade register of Rabat
Year of creation	1992
Lifetime	99 years
Fiscal year	1st January to 31st December.
Corporate name	Jet Contractors
Social Purpose	<p>According to Article 3 of the Statute, the company aims to carry directly and indirectly both in Morocco and abroad:</p> <ul style="list-style-type: none">▪ To provide to individual, professional and public customers by tender procedure or direct contact, all activities:<ul style="list-style-type: none">- In building, namely:<ul style="list-style-type: none">- Civil engineering work- Construction and building works – fit out;- Facades, siding/curtain walls work- Diverse work;- Studies and engineering- Property development;- Renewable energy;▪ Marketing and use of all products and services related to any of the foregoing namely, all processes, patents and licenses;▪ Import and export of materials, necessary supplies and accessories to these services;▪ All commercial, industrial, financial, real property or securities operations related directly or indirectly to the above purposes or any similar or related purposes or to the completion of these purposes; <p>And more generally, the management and acquisition, by way of subscription, purchase, contribution, exchange or through any other means, of shares, bonds and any other securities of companies already existing or to be formed and the right to sell such securities.</p>
Capital	MAD 120 000 000 divided into 2 400 000 shares with a nominal value of 50 MAD each.
Legal documents	Corporate documents, including financial statement and legal consultation required by law as well as the statutes, may be consulted at the head quarter of Jet Contractors, located: 78 Takaddoum Quartier Industriel, Rabat.
Laws and regulations	From its legal form, Jet Contractors is a public limited company with a board of directors according to law number 17/95 related to public limited

	<p>companies as amended and supplemented.</p> <p>Moreover, Jet Contractors is subject to the provisions of all laws and regulations related to public offerings, including:</p> <ul style="list-style-type: none"> ▪ Dahir 1-93-211, dated September 21, 1993 relating to the securities exchange amended and extended by laws 34-96, 29-00, 52-01 and 45-06; ▪ Dahir 1-95-03, dated January 26, 1995 promulgating law 35-94 relating to marketable debt instruments; ▪ The general regulations of Casablanca Stock Exchange approved by the decision of the Minister of Economy and Finance number 1268-08 on July 07th, 2008 amended and supplemented by the decision of the Minister of Economy and Finance number 0-14, dated January 6, 2014; ▪ Dahir 1-93-212, dated September 21, 1993 as amended and supplemented by laws 23-01, 36-05 and 44-06; ▪ The general regulations of <i>Moroccan Capital Markets Authority</i> as approved by the decision of the Ministry of Economy and Finances number 2169-16 dated July 14, 2016; ▪ Dahir 1-96-246, dated January 9, 1997 promulgating Law 35-96 relating to the creation of central depository and establishment of a general accounting system for certain securities as amended and extended by law 43-02; ▪ The General Regulation of the central depository approved by Order 932-98 of the Minister of the Economy and Finance, dated April 16, 1998, and amended by Order 1961- 01 of the Minister of the Economy, Finance, Privatization and Tourism, dated October 30, 2001; ▪ Dahir 1-04-21, dated April 21, 2004 promulgating law 26-03 relating to public bids on Moroccan Stock Exchange as amended and completed by Act 46-06; ▪ The circular of <i>Moroccan Capital Markets Authority</i>.
Competent tribunal in case of litigation	Commercial Court of Rabat
Tax regime	Jet Contractors is subject to commercial and taxation legislations of common law. Thus, it is subject to company tax at the rate of 31% since its net income was superior to MAD 5 million. The company's current operations are subject to VAT at the current rate of 20%.

Source : Jet Contractors

IV.2 INFORMATION OF THE CAPITAL

As at June 30th 2018, the capital of Jet Contractors is presented hereafter :

Shareholders	31/12/2016	
	Number of shares	% of capital and voting rights
AR Corporation	810 036	33,8%
M. Omar Abdelkader TADLAOUI	244 800	10,2%
Fonds Cap mezzanine	-	-
RCAR	285 600	11,9%
Autres	1 059 564	44,1%
Total	2 400 000	100%

IV.3 COMPOSITION OF THE BOARD OF DIRECTORS

As at June 30th , 2018, the board of directors is composed of the following:

Member	Capacity	Appointment date/ Mandate renewal date	End of mandate date	Function
M. Mohamed Adil RTABI	Administrator – Chairman of the Board of Directors	Nomination : 01/07/2009 Renewal : OGM of 11/05/2018	OGM convened to approve financial statements of 2020	Founding president
M. Omar Abdelkader TADLAOUI	Administrator – General Manager	Nomination : 01/07/2009 Renewal : OGM of 11/05/2018	OGM convened to approve financial statements of 2020	General Manager
M. Amine Benhalima	Independent administrator	Nomination : 11/12/2017 Renewal : OGM of 11/05/2018	OGM convened to approve financial statements of 2020	Intuitu personae
AR Corporation represented by Mr. Mohamed Adil RTABI	Administrator	Nomination : 23/11/2009 Renewal : OGM of 11/05/2018	OGM convened to approve financial statements of 2020	Reference shareholder
M. Mohamed Yahya ZNIBER	Independent administrator	Nomination : 19/05/2017	OGM convened to approve financial statements of 2019	Intuitu personae

M. Abdellah TABAT

Independent
administrator

Nomination : 19/05/2017

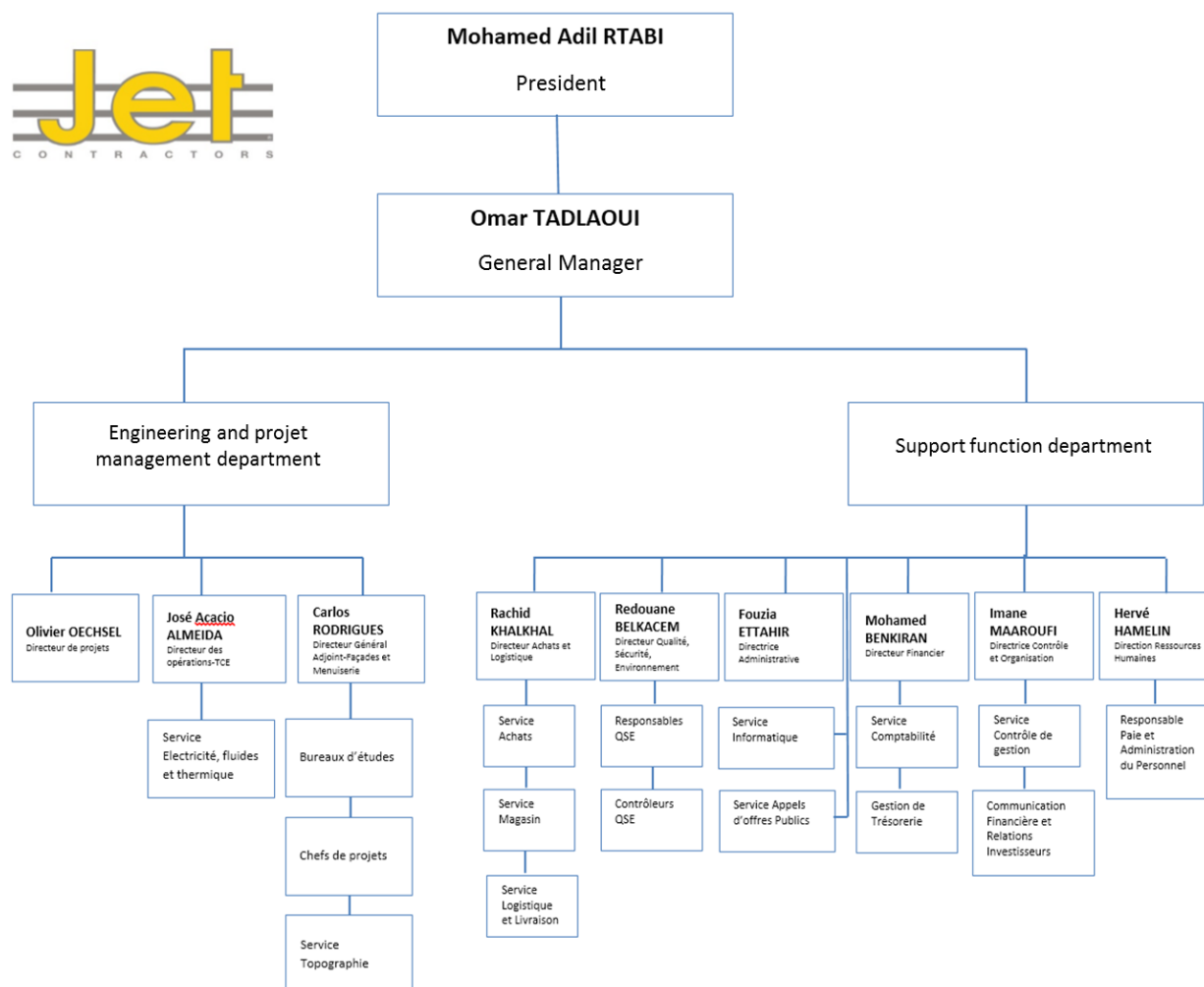
OGM convened to
approve financial
statements of
2019

Intuitu personae

Source : Jet Contractors

IV.4 FUNCTIONAL ORGANIZATIONAL CHART OF JET CONTRACTORS

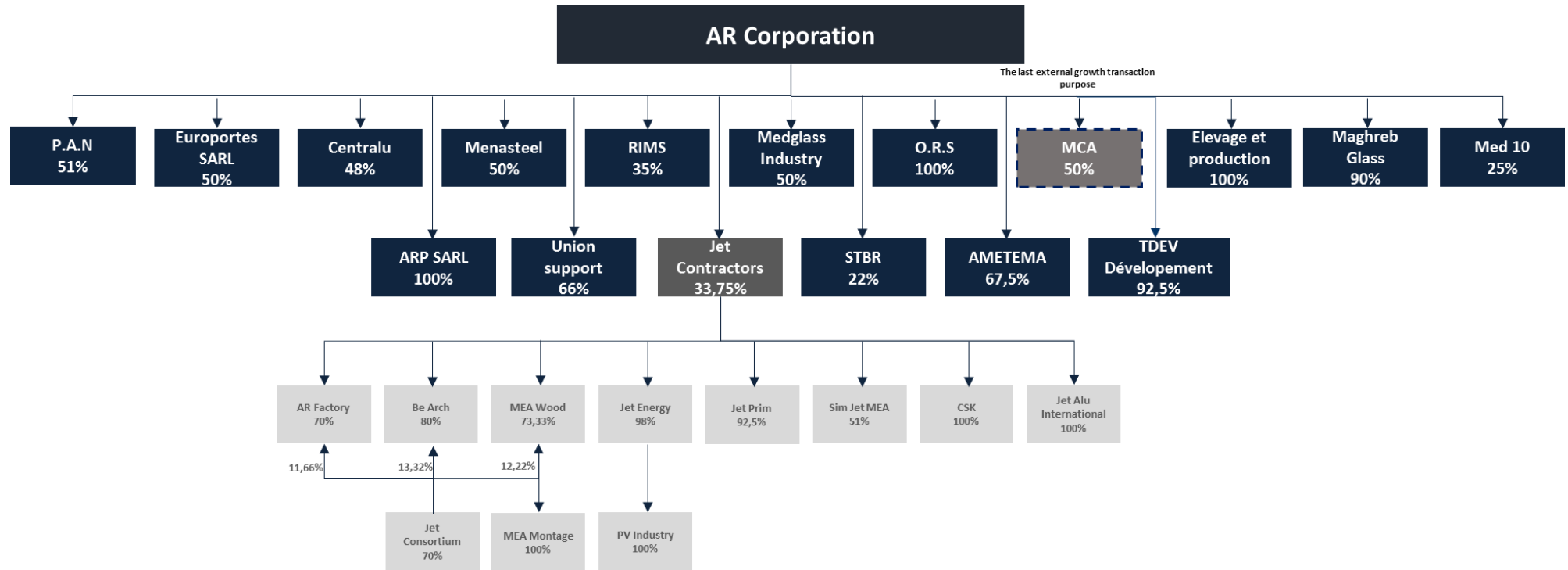
As at June 30th , 2018, the functional organizational chart of Jet Contractors is as follows:



Source : Jet Contractors

IV.5 BELONGING OF JET CONTRACTORS TO AR CORPORATION GROUP

As at June 30th , 2018, the legal structure of AR Corporation is as follows:



Source : Jet Contractors

Summary of prospectus – Jet Contractors : Annual update for 2017

IV.6 JET CONTRACTORS ACTIVITY

Jet Contractors is an integrated company that operates in various fields of activity:

- **Construction industry** : The construction industry is an activity that is contributing more and more to Jet Contractors revenue and in which the company is positioning itself. It has been made possible thanks to the qualifications gained from the ministry of equipment and that allowed the company to bid for public contracts (Qualifications obtained according to a scale defined by the ministry). In this way, the company is able to deliver turnkey works including structural works and building structures. The various works include:
 - Public facilities: stadiums, schools, hospitals, universities ...
 - Tertiary works: industrial buildings, warehouses, Headquarters and offices, etc.
 - Residential real estate: luxury real estate programs

- **Light and semi light facades** : a light facade is a façade built on a building structure with light, industrial materials, as opposed to traditional masonry or concrete construction. The company offers its customers several types of facades, including VEC, VEP, VEA, steel facades, etc:
 - Facades VEC (Glazed Exterior Glass): VEC is a technique where glass is used as an exterior cladding. It is fixed by gluing on a removable frame. This glue, which is structural, allows the climatic loads and the weight of the glazing to be transmitted to the framing members
 - VEP facades: The VEP facade is a curtain or semi curtain façade, the face of which is seen from the fixed frame as that of the window that opens outwards on a horizontal axis
 - Facades VEA (Veneered Exterior Glass): The VEA facade is a metallic curtain façade. The glass is engraved with metal crosses and ball joints.
 - Steel facades: The steel facade is a curtain facade allowing the installation of the glazing on a large height. The main structure is made of steel and the cowls are made of aluminum.

- **Wood and metal joinery** : It represents all techniques leading to the manufacture of building elements or wood / metal furniture. At the beginning of 2011, the wood business was transferred to a dedicated workshop of 5,300 m² covered on two levels, "Jet Contractors 2" in Ain Atiq, regrouping all the woodworking business of Jet Contractors. In 2014, Jet Contractors acquires an additional 6,000m² workshop dedicated to woodworking at the Oued Ikem site.

- **Removable partitions** : The removable partition makes it possible to transform or to create office spaces. Indeed, the user can change and modulate the workspace according to its needs.

The contribution of each activity in the consolidated turnover of Jet Contractors for the period 2015-2017 is presented hereafter:

Turnover* (en MDH)	2015	2016	Var 15/16	2017	Var 16/17
Light and semi light facades	194	416	115%	331	-21%
% CA total	26%	39%	13 pts	27%	-12 pts
Wood joinery	139	115	-17%	104	-10%
% CA total	18%	11%	-7 pts	8%	-3 pts

Metal frames	68	36	-47%	50	40%
<i>% CA total</i>	9%	3%	-6 pts	4%	+1 pt
Construction	-	426	100%	666	56%
<i>% CA total</i>	-	40%	+40 pts	54%	+14 pts
Diverse work ¹	353	61	-83%	86	41%
<i>% CA total</i>	47%	6%	-41 pts	7%	+1 pt
Total turnover	754	1054	40%	1 237	17%

Source : Jet Contractors

The contribution of the various activities to the turnover of Jet Contractors varies from year to year, depending on the nature of the projects included in the company's backlog. Construction activities and light / semi-light facades account for almost 75% of Jet Contractors' total consolidated turnover.

In 2016, the construction activity accounted for 40% of consolidated revenue in line with the new position in General contracting. In 2017, the share of this activity is 54% up over the period of 14 points.

¹ Verandas, canopies, railings, special work

IV. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS OF JET CONTRACTORS

IV.1 BALANCE SHEET

In KMAD	2015	2016	Var 16/15	2017	Var 17/16
Consolidated non- value Assets	7 874	5 840	-25,80%	3 803	-34,89%
Preliminary expenses	176	93	-46,80%	101	8,96%
Deferred charges	7 699	5 747	-25,40%	3 701	-35,60%
Consolidated intangible assets	2 238	2 129	-4,90%	1 388	-34,80%
Goodwill on acquisition	412	274	-33%	137	-50%
Patents, trademarks, similar rights	1 236	1 268	3%	1 251	-1%
Capital assets in research and development	591	587	-1%		-100%
Tangible assets	92 514	112 982	22,10%	109 334	-3,23%
Land	4 458	4 458	-	4 458	-
Buildings	19 397	25 039	29,10%	23 926	-4,45%
Technical facilities material and tools	64 169	70 839	10,40%	73 517	3,78%
Transport equipment	1 421	1 934	36,10%	646	-66,59%
Office furniture, materials and supplies, other miscellaneous equipment	2 755	4 160	51,00%	6 159	48,05%
Other tangible Assets	1	3	NS	2	-26%
Tangible capital assets in progress	314	6 549	NS	626	-90%
Consolidated Financial assets	6 438	6 069		5 002	-18%
Asset loans	1 519	33	-97,80%	9	-71,99%
Other financial receivables	4 855	5 974	23,00%	4934	-17,41%
Equity securities	30	30		30	0%
Shares of companies accounted for using the equity method	34	32	-5,90%	29	-10,73%
Unrealized foreign exchange losses		-	NA	-	NA
Consolidated fixed assets	109 064	127 020	16,50%	119 527	-5,90%
Consolidated stocks	292 344	261 261	-10,60%	313 447	19,97%
Goods	-	-	NA		NA
Consumable materials and supplies	78 446	92 140	17,50%	87 323	-5,23%
Goods in process	209 431	161 092	-23,10%	216 120	34,16%
Intermediary and residual goods	2 467	6 068	NS	4 592	-24%
Finished goods	1 999,83	1 962,29	-1,90%	5 411	175,77%
Receivables from current assets	912 494	1 175 354	28,80%	1 407 647	19,76%
Trade accounts receivable, prepaids	27 841	20 242	-27,30%	29 649	46,47%
Customer accounts receivable	717 726	979 045	36,40%	1 196 353	22,20%
Labour	155	158	1,60%	21	-86,90%
Government	127 057	146 716	15,50%	156 089	6,39%
Associates accounts	-		NA	0	NA
Other receivables	25 666	10 817	-57,90%	5 472	-49,41%
Adjustment accounts - Assets	14 049	18 377	30,80%	20 064	9,18%
Marketable securities	8 305		NA		NA
Consolidated current assets	1 204 838	1 436 616	19,20%	1 721 094	19,80%
Cash	14 959	17 759	18,70%	19 735	11,12%
Checks	125,2	910,7	NS	4978	447%
Banks, treasury and post office account	13 920,50	16 118,80	15,80%	14384	-10,76%

Cash in hands, imprest accounts and credits	913,4	729,2	-20,20%	372	-48,99%
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Total consolidated assets	1 328 861	1 581 394	19,00%	1 860 356	17,64%
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In KMAD	2015	2016	Var 16/15	2017	Var 17/16
Consolidated stockholders equity	400 734	422 191	5,40%	520 220	23,22%
Social capital	120 000	120 000	-	120 000	
Share, merger, contribution premium	95 200	95 200	-	95 200	0
Revaluation reserves			NA	0	NA
Legal reserves	12 880	12 989	0,90%	12 921	-0,52%
Other reserves	12 791	46 359	NS	6 390	-86%
Retained Earnings	123 923	111 985	-9,60%	174 533	55,85%
Translation differential	-1 328	-1 243	-6,40%	-503	-59,53%
Net profit pending allocation	-8	151	NS	0	NS
Net profit for the year, group share	34 302	32 195	-6,10%	104 423	224,35%
interests outside group and outside income	3 540	571	-83,90%	3 286	475,43%
Interests outside Groupe/Income	-565	3 984	NS	3 970	0%
Quasi equity	49	2 125	NS	1 849	-13%
Investment subsidy	49	2125	NS	1 849	-13%
Consolidated financial debt	303 825	316 336	4,10%	309 803	-2,07%
Bond issue	300 000	300 000	0,00%	300 000	0,00%
Other financial debt	3825	16 336	NA	9 803	-40%
Provisions for risks and charges	20 075	15 955	-20,50%	0	-100%
Consolidated permanent funding	724 683	756 607	4,40%	831 872	9,95%
Current liabilities	493 686	604 707	22,50%	818 325	35,33%
Suppliers and related accounts	173 346	316 265	82,40%	392 734	24,18%
Trade receivables, advances and down payments	59 280	9 424	-84,10%	76 543	712,22%
Staff	5 124	7 712	50,50%	8 732	13,23%
Social entities	5 161	5 579	8,10%	2 947	-47,18%
Government	158 915	181 631	14,30%	268 157	47,64%
Associates accounts	933	301	-67,70%	1 817	503,55%
Other creditors	64 679	58 323	-9,80%	46 507	-20,26%
Accruals and deferred income	26 249	25 471	-3,00%	20 889	-17,99%
Other provisions for risks and charges	7 237	10 314	42,50%	10 821	4,92%
Translation differences - consolidated liabilities	-	-	NA	-	NA
Consolidated current liabilities	500 924	615 020	22,80%	829 146	34,82%
Discount credit	1 554	2 643	70,10%	1 988	-24,80%
Cash credit facilities	10 400	51 046	NS	100 000	96%
Bank balances in credit	91 300	156 078	70,90%	97 350	-37,63%
Consolidated cash - liabilities	103 254	209 767	NS	199 337	-5%
Total consolidated liabilities	1 328 861	1 581 394	19,00%	1 860 356	17,64%

IV.2 CONSOLIDATED INCOME STATEMENT

In KMAD	2015	2016	2016 pro-forma	Var 16/15	2017	Var 17/16	Var 17/16 pro-forma
Sales of goods in the unaltered state	18 650	36 278	35 414	95%	37 097	2%	5%
Sale of goods and services produced	735 769	1 017 261	949 675	38,30%	1 200 148	17,98%	26,37%
Consolidated turnover	754 419	1 053 539	985 089	39,60%	1 237 245	17,44%	25,60%
Change in goods stocks	9 134	-42 791	-50 024	>100%	78 303	<-100%	<-100%
Fixed assets produced by the comp.	7 578	1 394	1 394	-81,60%	960	-31,12%	-31,13%
Operating grants	668	-	0	NA	0	NA	NA
Other operating income	3	10	0	>100%	0	-1	NA
Releases of provisions	46 850	65 956	65 063	40,80%	92 146	39,71%	41,63%
Consolidated operating revenues	818 652	1 078 109	1 001 522	31,70%	1 408 655	30,66%	40,65%
Cost of goods sold	16 418	25 382	24 701	54,60%	26 650	5,00%	7,89%
Costs of supplies and consumable materials	442 647	599 170	575 635	35,40%	781 417	30,42%	35,75%
Other external charge	87 181	131 715	101 238	51,10%	118 835	-9,78%	17,38%
Taxes and duties	2 661	4 358	3 098	63,70%	3 209	-26,36%	3,60%
Staff costs	91 156	112 988	94 217	24,00%	112 350	-0,56%	19,25%
Other operational costs	27	57	2	>100%	3	-93,45%	85,97%
Operating allowances	81 837	102 710	101 680	25,50%	139 972	36,28%	37,66%
Consolidated Operating Expenses	721 927	976 380	900 571	35,20%	1 182 437	21,10%	31,30%
Consolidated operating result	96 725	101 729	100 951	5,20%	226 218	122,37%	124,09%
Product of equity shares and other immobilized securities	1	1	1	0,00%	1	-8,33%	-8,33%
Exchange gains	1 941	2 848	2 848	46,70%	4 434	55,67%	55,70%
Interest and other financial income	0	4	246	NA	0	-1	-1
Financial write-backs; expense transfers	4 926	16 293	16 293	>100%	10 023	-38%	-38%
Consolidated Financial income	6 868	19 145	19 388	>100%	14 458	-24%	-25%
Interest expense	30 994	31 874	33 872	2,80%	34 703	8,88%	2,45%
Exchange losses	1 785	2 009	2 009	12,50%	2 557	27,30%	27,31%
Other financial costs	0	0	0	NA	5	NA	NA
Financial allocations	21 409	16 159	3 834	-24,50%	5 000	-69,06%	30,43%
Consolidated financial expenses	54 188	50 042	39 714	-7,70%	42 265	-15,54%	6,42%
Consolidated financial results	-47 320	-30 896	-20 326	-34,70%	-27 808	-10,00%	36,81%
Consolidated current result	49 406	70 833	80 625	43,40%	198 410	>100%	>100%
The proceeds of disposals of fixed assets	140 179	6 600	6 600	-95,30%	7 246	9,79%	9,78%
Write-backs on investment subsidies	-	119	119	NA	219	83,81%	83,44%
Other non-current income	1 106	274	84	-75,20%	1 407	>100%	>100%
Non-current Write-backs, expense transfer	0	192	0	NA	-	-	NA
Consolidated non recurring items	141 286	7 186	6 804	-94,90%	9 056	26,03%	33,10%
The proceeds of disposals of fixed assets	138 325	6 288	6 288	-95,50%	7 113	13,12%	13,11%
Balance subsidies	0	0	0	NA	0	NA	NA
Other non-recurring expenses	202	6 111	5 734	>100%	3 974	-34,98%	-30,70%
Non-recurring charges to depreciation, amortization and provisions	0	0	9 788	NA	15 403	NA	57,37%
Consolidated non-recurring expenses	138 527	12 399	21 810	-91,00%	26 489	113,64%	21,46%
Consolidated non recurring income	2 758	-5 214	-15 006	>100%	-17 433	234%	16%
Result before consolidated taxes	52 164	65 619	65 619	25,80%	180 977	175,80%	175,80%
Share of the companies accounted for using equity method	-26	-2	-2	-92%	-3	73%	72%
Goodwill amortization	137	137	137	0%	616	350%	349%
Taxes on consolidated income	18 265	29 302	29 302	60,40%	71 964	145,60%	145,60%
Consolidated net income	33 736	36 178	36 178	7,20%	108 393	199,61%	199,61%
Minority interest	-565	3 984	3 984	>100%	3 970	-0,35%	-0,34%
Net income for the group	34 302	32 195	32 195	-6,10%	104 423	224,35%	224,35%
Net margin (Net income for the group/Turnover)	4,40%	3,20%	3,27%	-1,2 pb	8,44%	+5,2 pb	+5,2 pb

V. CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS OF JET CONTRACTORS

V.1 BALANCE SHEET

In KMAD	2017	S1 2018	Var 2017- S1 2018
Consolidated non- value Assets	3 803	2 794	-26,5%
Preliminary expenses	101	59	-41,2%
Deferred charges	3 701	2 734	-26,1%
Consolidated intangible assets	1 388	1 270	-8,5%
Goodwill on acquisition	137	69	-49,9%
Patents, trademarks, similar rights	1 251	1 201	-4,0%
Capital assets in research and development		-	-
Tangible assets	109 334	103 323	-5,5%
Land	4 458	4 458	0,0%
Buildings	23 926	23 364	-2,3%
Technical facilities material and tools	73 517	66 614	-9,4%
Transport equipment	646	563	-12,8%
Office furniture, materials and supplies, other miscellaneous equipment	6 159	5 849	-5,0%
Other tangible Assets	2	2	-5,5%
Tangible capital assets in progress	626	2 473	>100%
Consolidated Financial assets	5 002	3 882	-22,4%
Asset loans	9	8	-12,9%
Other financial receivables	4934	3 817	-22,6%
Equity securities	30	30	-1,0%
Shares of companies accounted for using the equity method	29	28	-3,6%
Unrealized foreign exchange losses	-	-	-
Consolidated fixed assets	119 527	111 269	-6,9%
Consolidated stocks	313 447	316 397	0,9%
Goods		-	-
Consumable materials and supplies	87 323	113 432	29,9%
Goods in process	216 120	197 522	-8,6%
Intermediary and residual goods	4 592	-	-100,0%
Finished goods	5 411	5 443	0,6%
Receivables from current assets	1 407 647	1 608 879	14,3%
Trade accounts receivable, prepaids	29 649	40 390	36,2%
Customer accounts receivable	1 196 353	1 400 793	17,1%
Labour	21	32	51,0%
Government	156 089	141 280	-9,5%
Associates accounts	-	-	-
Other receivables	5 472	4 763	-13,0%
Adjustment accounts - Assets	20 064	21 622	7,8%
Consolidated current assets	1 721 094	1 925 276	11,9%
Cash	19 735	26 109	32,3%
Checks	4978	1 177	-76,3%
Banks, treasury and post office account	14384	24 479	70,2%
Cash in hands, imprest accounts and credits	372	452	21,5%
Total consolidated assets	1 860 356	2 062 654	10,9%

Var

In KMAD	2017	S1 2018	Var 2017-S1 2018
Consolidated stockholders equity	520 220	574 556	10,4%
Social capital	120 000	120 000	0,0%
Share, merger, contribution premium	95 200	95 200	0,0%
Revaluation reserves	0	-	NA
Legal reserves	12 921	12 992	0,5%
Other reserves	6 390	6 390	0,0%
Retained Earnings	174 533	261 848	50,0%
Translation differential	-503	1 568	-411,8%
Net profit pending allocation	0	-	NA
Net profit for the year, group share	104 423	70 783	-32,2%
interests outside group and outside income	3 286	3 207	-2,4%
Interests outside Groupe/Income	3 970	2 568	-35,3%
Quasi equity	1 849	1 740	-5,9%
Investment subsidy	1 849	1 740	-5,9%
Consolidated financial debt	309 803	308 386	-0,5%
Bond issue	300 000	300 000	0,0%
Other financial debt	9 803	8 386	-14,5%
Provisions for risks and charges	0	0	-
Consolidated permanent funding	831 872	884 682	6,3%
Current liabilities	818 325	911 379	11,4%
Suppliers and related accounts	392 734	481 855	22,7%
Trade receivables, advances and down payments	76 543	86 221	12,6%
Staff	8 732	10 884	24,6%
Social entities	2 947	3 206	8,8%
Government	268 157	240 881	-10,2%
Associates accounts	1 817	17 950	887,9%
Other creditors	46 507	58 071	24,9%
Accruals and deferred income	20 889	12 310	-41,1%
Other provisions for risks and charges	10 821	10 967	1,3%
Translation differences - consolidated liabilities	-	-	-
Consolidated current liabilities	829 146	922 346	11,2%
Discount credit	1 988	1 712	-13,9%
Cash credit facilities	100 000	65 300	-34,7%
Bank balances in credit	97 350	188 614	93,7%
Consolidated cash - liabilities	199 337	255 626	28,2%
Total consolidated liabilities	1 860 356	2 062 654	10,9%

V.2 CONSOLIDATED INCOME STATEMENT

In KMAD	S1 2017	S1 2017 proforma	S1 2018	Var S1 2017 pro- forma – S1 2018
Sales of goods in the unaltered state	11 940	11 625	14 203	22,2%
Sale of goods and services produced	649 886	614 313	838 260	36,5%
Consolidated turnover	661 826	625 937	852 462	36,2%
Change in goods stocks	- 14 814	- 14 057	- 24 946	77,5%
Fixed assets produced by the comp.	56	56	1 171	>100%
Operating grants	32	-	191	NA
Other operating income	0	-	-	-
Releases of provisions	91 751	91 302	125 676	37,6%
Consolidated operating revenues	738 851	703 238	954 555	35,7%
Cost of goods sold	10 514	10 256	13 131	28,0%
Costs of supplies and consumable materials	352 372	341 277	498 601	46,1%
Other external charge	71 819	56 658	64 329	13,5%
Taxes and duties	2 162	1 823	1 999	9,6%
Staff costs	64 738	54 843	73 431	33,9%
Other operational costs	3	1	679	>100%
Operating allowances	111 445	110 669	159 398	44,0%
Consolidated Operating Expenses	613 053	575 528	811 567	41,0%
Consolidated operating result	125 798	127 711	142 987	12,0%
Product of equity shares and other immobilized securities	-	-	-	-
Exchange gains	2 503	2 503	781	-68,8%
Interest and other financial income	1	51	15	-70,7%
Financial write-backs; expense transfers	10 035	10 035	65	-99,4%
Consolidated Financial income	12 539	12 590	861	-93,2%
Interest expense	17 887	17 519	22 889	30,7%
Exchange losses	1 311	1 311	1 098	-16,3%
Other financial costs	5	5	-	-100,0%
Financial allocations	9 407	2	114	>100%
Consolidated financial expenses	28 610	18 836	24 101	28,0%
Consolidated financial results	- 16 070	- 6 246	- 23 239	272,1%
Consolidated current result	109 728	121 465	119 748	-1,4%
The proceeds of disposals of fixed assets	4 868	4 868	47 621	>100%
Write-backs on investment subsidies	109	109	109	0,0%
Other non-current income	330	276	56	-79,7%
Non-current Write-backs, expense transfer	-	-	12	-
Consolidated non recurring items	5 307	5 254	47 798	>100%
The proceeds of disposals of fixed assets	4 816	4 816	46 619	>100%
Balance subsidies	-	-	-	-
Other non-recurring expenses	3 453	3 450	105	-97,0%
Non-recurring charges to depreciation, amortization and provisions	-	11 686	-	-100,0%
Consolidated non-recurring expenses	8 268	19 951	46 724	>100%
Consolidated non recurring income	- 2 961	- 14 698	1 074	-107,3%
Result before consolidated taxes	106 767	106 767	120 822	13,2%
Share of the companies accounted for using equity method	- 1	- 1	- 1	-3,7%
Goodwill amortization	69	69	69	0,0%
Taxes on consolidated income	39 465	39 465	47 401	20,1%
Consolidated net income	67 233	67 233	73 351	9,1%
Minority interest	4 284	4 284	2 568	-40,0%
Net income for the group	62 949	62 949	70 783	12,4%
Net margin (Net income for the group/Turnover)	9,5%	10,1%	8,3%	-17,4%

VI. RISK FACTORS

1. RISK RELATING TO COMMODITY PRICES FLUCTUATIONS

The production cost of Jet Contractors consists in part of purchases of raw materials (aluminum, wood...). These raw materials have known some volatility that arise from from the supply and demand in both the local and international markets. The extra cost is passed on to customers (price adjustment clauses in contracts).

2. RISK RELATED TO THE BUSINESS ENVIRONMENT

A sluggish economic situation, which would possibly lead to a decline in public investment, could have a negative impact on the company's business. Nevertheless, diversifying the company's client portfolio, its international presence, and its positioning in high potential sectors are factors that would mitigate this risk.

3. RISK RELATED TO THE DEPENDENCE OF JET CONTRACTORS TO SUBCONTRACTING/ DEPENDENCY OVER AR CORPORATION GROUP

As part of its projects, Jet Contractors uses subcontracting. A potential risk would be linked to the non-availability and quality of the subcontractor's services.

Nevertheless, this risk is limited because Jet Contractors often relies on sister companies or subsidiaries. This could create a risk of dependency.

4. RISK RELATED TO PROJECTS EXECUTION

The company is exposed to the risk of non-execution of its projects that can arise from a default in one of the links in the value chain. The main causes of this failure can be the quality of the service or delays in the delivery of projects. These risks are mitigated through the use of affiliate companies (sisters and daughters) over which Jet Contractors can exercise control or influence

5. RISK OF STOCK DEPRECIATION

Jet Contractors is positioned on large projects, with a considerable supply of raw materials, involving a risk of inventory depreciation. In order to reduce inventory, the company uses lean manufacturing to streamline the production process, and is planning to resell non-seasonal stocks for a long period of time to suppliers. In addition, the cost of provisioning for inventory depreciation is mitigated by the introduction of a new calibration method since 2016, in line with the typically long lead times for these projects.

6. RISK OF COMPETITIVENESS

The global economy is experiencing strong mutation materialized in recent years by the opening of frontiers and the abolition of customs duties for a number of products.

This situation results in an increase of competition at the international level, and the opportunities offered to foreign operators and investors to practice activities similar to those of Jet Contractors at the national level.

However, strengthening the competitiveness of the company through the integration of its business, the development of its human resources, the continuous renewal of its production is expected to face any type of local or international competition.

In addition, the company may also run the risk of losing exclusivity of certain products. In fact, the company holds several licenses of products that might not be renewed.

7. COUNTERPARTY RISK

Jet Contractors is exposed to a default risk and non-payment from its customers. This risk is mitigated through:

- The quality of Jet Contractors customers who are mostly public or semi-public companies. However, the company is exposed to fluctuations and delays in customer settlement periods which impacts its working capital and cash.
- The performance of commercial service in rigorous monitoring of receivables and effective recovery.

8. EXCHANGE RISK

Jet Contractors supplies are mainly done on international markets, therefore the company is subject, like any importing company, to the risks inherent to fluctuations in exchange rates on currency market (price adjustment clause).

To mitigate this risk, the company integrates systematically into its sale prices a safety margin for variation of exchange rate.

Moreover, the company is subject to fluctuation in exchange rates regarding its international activities (France, Algeria, Sub-Saharan Africa).

9. RISK RELATED TO INTERNATIONAL DEVELOPMENT

Jet Contractors made various acquisitions and partnerships abroad with a view to mitigate its dependence on the national construction programs, to locate in high-potential markets and develop international expertise in certain business lines.

The company may, however, encounter some risks following its international expansion, such as:

- Difficulty integrating acquired companies, networks, products or services;
- Fail to retain key personnel of the acquired companies or recruit qualified personnel might be necessary;
- Not benefit from the synergies or economies of scale expected;
- Make investments in countries where political, economic or legal situation presents risks such as civil or military unrest, lack of effective or comprehensive protection of shareholder rights, or disagreements over the management of the acquired companies with other shareholders, including the government, and not adapt to the specificities of countries in which the companies acquired; and
- not adapting to the specificities of countries where companies would eventually be acquired.

It should be noted that some French subsidiaries (Silver Constructions, Mic Jet and Sotra Jet) experienced difficulties leading Jet Contractors to undertake a number of remediation measures:

- The consolidation of the activities of its French subsidiaries within Jet Alu SAS, the only subsidiary of Jet Alu International, which is now financially self-sufficient;
- A judicial liquidation of 3 companies: Silver construction, Mic Jet and Sotra Jet;
- Provisioning at the level of Jet contractors to 100% of all current account advances made to these companies;

Concerning the other French subsidiary (Sim Jet SAS), its vocation is to carry out future projects in France in the framework of the partnership with Simco Tecnocovering.

Moreover, the Algerian subsidiary (Jet Algeria) is now in voluntary liquidation.

10. RISQUE RELATED TO TO THE LACK OF FINANCIAL AUTONOMY CONCERNING SOME SUBSIDIARIES

Certain subsidiaries of Jet Contractors group have negative net positions, which implies support from the parent company in order to maintain their financial autonomy. For subsidiaries with promising development perspectives, Jet Contractors decided to recapitalize in order to ensure business continuity (Mea Wood). Those with less promising development perspectives will not be supported (French subsidiaries that were put into financial liquidation)

11. RISK RELATED TO WORKFORCE

Jet Contractors conducts an activity that employs a lot of work force. The risks associated with it may be of several kinds.

- The potential shortage of workforce: The activity of Jet Contractors requires technical skills both at management level (engineers and technicians) as well as at the level of workers (welders, fitters...). The company might therefore face a potential shortage of labor. To overcome this problem, the company has implemented a policy of its staff training and plans to build its own training center.
- The risk of accidents in workplace: the nature of JET Contractors involves risks of accidents in workshops. To control these risks, the company ensures compliance with all safety rules related to the profession, and has been accredited OHSAS 18001 for its compliance with the standards for workplace safety. Moreover, Jet Contractors In addition, Jet Contractors has various insurance policies (civil liability, construction site risk, third-party insurance for construction site personnel, office and vehicle insurance).

Disclaimer

The information above only represents a part of the Prospectus approved by the Moroccan Capital Markets Authority (AMMC) on October 31, 2018- under reference VI/EM/025/2018.

The AMMC advises reading the entire Information file available in French.