

# ALLIANCES

## Alliances Développement Immobilier S.A

### Prospectus Summary

#### ISSUE OF ORDINARY BONDS BACKED BY A PARTIAL GUARANTEE

General Characteristics of the Operation		
Issue Ceiling	MAD 1,093,132,000	
Maximum Number	10,931,320 Bonds	
Nominal Value	MAD 100 each	
Tranches	Tanche A	Tanche B
Maturity	10 years	
Nominal Interest Rate	Fixed rate of 3%, excluding tax	Annually-revisable interest rate, capped at 3.2% excluding tax, risk premium included, with reference to the full monetary rate of 52-week treasury bills plus a risk premium of 60 basis points.  For the first year, the 52-week money rate calculated from the reference rate curve of the secondary treasury bill market as published by Bank Al Maghreb on December 3, 2019 is 2.31%, i.e. a nominal interest rate of 2.91%.
Tradability	Tradable over the counter	
Repayment	Three years of grace period and deferred interest then straight-line amortization over 7 years with interest capitalized for 3 years	
Subscription Period	From January 6, 2020 to January 24, 2020 inclusive	
Security and Partial Guarantee	Property assets as presented in section II.3.1 in Part II of this prospectus	

SUBSCRIPTION RESERVED FOR HOLDERS OF ADI BONDS ISSUED ON 07/10/2011 AND RELATED COUPONS

AND FOR HOLDERS OF ADI BONDS ISSUED ON 05/03/2015 AND RELATED COUPONS

AND FOR HOLDERS OF ORA COUPONS WHOSE BONDS WERE ISSUED ON 28/08/2015 HAVING SIGNED A MEMORANDUM OF UNDERSTANDING

Advisory Body and Global Coordinator

**BMCE CAPITAL**  
CONSEIL 

**CFG BANK**  
CORPORATE FINANCE 

Order-Collecting Body

Centralizing and Domiciliary Body providing the Financial Service of the issuer

**BMCE BANK OF AFRICA**  
البنك المغربي للتجارة الخارجية لإفريقيا 

**BMCE BANK OF AFRICA**  
البنك المغربي للتجارة الخارجية لإفريقيا 

#### Approval of the Moroccan Capital Market Authority (AMMC)

In accordance with the provisions of the AMMC circular, issued pursuant to Article 5 of the Dahir Law No. 1 -12-55 dated December 28, 2012, promulgating Law No. 44-12 on public offerings and information required of legal entities and savings organizations, this prospectus has been approved by the AMMC on December 25, 2019 under reference VI/EM/037/2019.

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**DISCLAIMER**

the Moroccan Capital Market Authority (AMMC) approved on December 25, 2019 a prospectus summary related to the bond issue by Alliances Développement Immobilier.

The AMMC-approved prospectus is available at any time at the headquarters of Alliances Développement Immobilier, on its website <https://www.alliances.co.ma/>, and at its financial advisors. It is also available within a maximum of 48 hours at order-collecting institutions

The prospectus is available on the AMMC website <http://www.ammc.ma/>.

This summary has been translated by **LISSANIAT** under the joint responsibility of the said translator and Alliances Développement Immobilier. In the event of any discrepancy between the content of this summary and that of the AMMC-approved prospectus, only the approved prospectus will prevail.

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## Part I. PRESENTATION OF THE OPERATION

### I. Structure of the Offer

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Alliances Développement Immobilier is planning to issue 10,931,320 Bonds with a nominal value of MAD100 each. The total amount of the issue stands at MAD1,093,132,000.

#### I.1. Presentation of the Operation Structure

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The bond issue covered by this prospectus will be issued in two tranches.

- **Tranche A** at a fixed rate of 3% excluding tax and tradable over the counter. The said tranche has a maturity of ten years and will be repayable after the expiry of a three-year grace period by straight-line amortization over a period of seven years.
- **Tranche B** at an annually-revisable rate capped at 3.2% excluding tax and tradable over-the-counter with a risk premium of 60 basis points. The said tranche has a maturity of ten years and will be repayable after the expiry of a three-year grace period by straight-line amortization over a period of seven years.

The total amount to be allocated under the two above-mentioned tranches may in no case exceed MAD1,093,132,000.

The total amount (principal and net coupons) of the receivables of each of the investors who have signed a memorandum of understanding with a view to the operation covered by this Prospectus amounts to MAD1,093,134,870 (the methods for determining the receivable are presented in **section I.2** below), the difference with the amount of the issue represents the total balance to be paid to the subscribers.

The bond issue will be reserved for three categories of investors:

**Investors I:** all holders of bonds issued by Alliances Développement Immobilier as part of the MAD1,000,000,000 bond issue covered by the CDVM on 16 September 2011 under reference number VI/EM/030/2011 and matured since October 7, 2016 (the "2011 Bonds") as well as holders of coupons relating to the 2011 Bonds, who have signed a memorandum pursuant to which they agreed to subscribe to the restructuring operation before the issue date;

**Investors II:** all holders of bonds issued by Alliances Développement Immobilier as part of the MAD1,000,000,000 bond issue covered by the CDVM on February 17, 2015 under reference no. VI/EM/001/2015 and maturing on March 05, 2020 (the "2015 Bonds") as well as holders of coupons relating to the 2015 Bonds, who have signed a memorandum pursuant to which they agreed to subscribe to the restructuring operation before the issue date;

**Investors III:** all holders of coupons relating to nine million nine hundred and sixty-six thousand (9,966,000) bonds repayable in shares issued by Alliances Développement Immobilier in August 2015 and covered by the Prospectus approved on August 17, 2015 under reference VI/EM/023/2015 the principal amount of which was repaid by the issue of ADI shares on April 30, 2018 ("**ORA**") and who had signed a memorandum prior to the issue under which they agreed to subscribe to the restructuring operation.

A subscriber may fall into more than one of the three categories of investors indicated above in the event that they are holders of both 2011 Bonds and/or related coupons, 2015 Bonds and/or related coupons, and/ or ORA-related coupons.

The following table sets out the lines of 2011 Bonds, 2015 Bonds and ORA of Alliances Développement Immobilier for which memoranda have been signed with a view to the bond issue covered by this prospectus:

**Table 1. Presentation of the 2011 Bonds, 2015 Bonds and ORA lines:**

Nature of the operation	Total exchange value (In MAD million)	Unpaid matured coupons as of December 31, 2018 <sup>1</sup> (In MAD million)	ISIN code	Nature of the issue rate	Issue risk premium	Nominal rate	Maturity date	Payment frequency
2011 Bond	465.9	38.7	MA0000091399	Fixed	140 bps	5.26%	07/10/2016	In fine
			MA0000091407	Variable	125 bps	3.88%	07/10/2016	In fine
2015 Bond	418.4	60.9	MA0000092488	Fixes	275 bps	5.67%	05/03/2020	in fine
ORA	-	128.8	MA0000092678	-	217 bps	5.00%	30/04/2018	In fine
<b>Total</b>	<b>884.3</b>	<b>228.5</b>						

Source: Alliances Développement Immobilier

### 1.2. Methods of determining the receivable of each subscriber taken into account in the context of the operation and the buyback price of the 2015 Bonds

The amount of each subscriber's global receivable (all categories combined if the same investor is part of several categories of investors) in respect of the 2011 Bonds held by them, the 2015 Bonds held by them and/or the coupons relating to the 2011 Bonds, the 2015 Bonds and/or ORA, as the case may be, has been determined and indicated in the memorandum signed by each subscriber with a view to the bond issue covered by this prospectus and corresponds to the sum of (i) the nominal value of the 2011 Bonds, as the case may be, held by such subscriber (ii) the exchange value of the 2015 Bonds, as the case may be, held by such subscriber and (iii) the amount of the coupons relating to the 2011 Bonds and/or ORA, as the case may be.

The repayment of the 2011 Bonds contributed to the operation covered by this prospectus will be made at the nominal value of the 2011 Bonds, i.e. one hundred thousand dirhams (MAD100,000).

The buyback of the 2015 Bonds contributed to the operation covered by this prospectus will be made at an exchange value determined by mutual agreement between Alliances Développement Immobilier and each subscriber within the framework of the memorandum signed with a view to the bond issue covered by this prospectus, amounting to MAD [104,675.81] per 2015 Bond.

The payment of the coupons contributed to the operation covered by this prospectus, relating to the 2011 Bonds, 2015 Bonds and/or ORA will be based on a net global amount of MAD 208,845,657 distributed among the subscribers in the amounts indicated in the signed memoranda.

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<sup>1</sup> Gross unpaid matured coupons as of 31 December 2018

## II. Offered financial instruments

The subscription to the bonds will automatically lead to the subscription of each subscriber to the Issue Contract, the Mortgage Guarantee Contract and the Escrow Contract attached to this prospectus. The same shall apply to any new purchaser of the bonds on the secondary market who is presumed to adhere to the provisions of the Bond Issue Contract, the Mortgage Guarantee Contract and the Escrow Contract.

### II.1. Characteristics of the bonds to be issued

This issue consists of fixed-rate or variable-rate bonds (capped), tradable over the counter and repayable by straight-line amortization with a 3-year grace period and deferred interest for a maturity of 10 years. The characteristics of the bonds are as follows:

#### II.1.1. Characteristics relating to Tranche A securities (fixed-rate, over-the-counter tradable bonds)

Table 2. Presentation of Tranche A characteristics

<b>Nature of securities</b>	Over-the-counter tradable bonds (non listed), dematerialized by registration with the Central Custodian (Maroclear) and registered in an account with authorized affiliates.
<b>Legal form</b>	Bearer Bond.
<b>Unit nominal value</b>	MAD 100.
<b>Unit issue price</b>	At par, i.e. MAD 100.
<b>Maturity of securities</b>	10 years.
<b>Subscription period</b>	From 06/01/2020 to 24/01/2020 inclusive
<b>Dividend entitlement date</b>	31/01/2020
<b>Maturity date</b>	31/01/2030
<b>Nominal interest rate</b>	Fixed rate of 3% excluding tax
<b>Interest payment</b>	<p>Interest will be paid annually, taking into account the payment of accrued interest in the event of Mandatory Early Repayment, after the expiry of a three-year grace period, on the anniversary dates of the bond issue, i.e. on January 31 of each year as from January 31 of the year 2024.</p> <p>Interests will be paid on the same day or on the first following business day if it is not a business day.</p> <p>Interests during the franchise period (excluding accrued coupons paid in the event of mandatory early repayment) will be capitalized. Interest will be calculated according to the following formula:</p> $\text{Interests} = OC \times i \times \frac{(\text{Anniversary date} - \text{date of last repayment})}{\text{Exact number of days}}$ <p>Where:</p> <p><b>OC:</b> Outstanding capital following the last repayment made (mandatory early repayment, voluntary early repayment or linear annual repayment).</p> <p><b>i:</b> Nominal interest rate;</p> <p><b>Exact number of days:</b> number of days between a given anniversary date and the next anniversary date;</p> <p><b>Date of last payment:</b> the date on which the last repayment was made (mandatory prepayment, voluntary prepayment or linear annual repayment) or, for the first year, the dividend entitlement date of the new bonds.</p> <p>The capitalization of interests during the franchise period (excluding accrued coupons paid in the event of mandatory early repayment) and during the first year of amortization will be based on the following formula:</p> <p>For the 1<sup>st</sup> year:</p> $P_1 = P_0 + (P_0 \times i \times (\text{anniversary date} - \text{date of last payment}) / \text{Exact number of days})$

	<p>For the 2<sup>nd</sup> year:  <math>P_2 = P_1 + (P_1 \times i \times (\text{anniversary date} - \text{date of last payment}) / \text{Exact number of days})</math></p> <p>For the 3<sup>rd</sup> year:  <math>P_3 = P_2 + (P_2 \times i \times (\text{anniversary date} - \text{date of last payment}) / \text{Exact number of days})</math></p> <p>For the 4<sup>th</sup> year:  <math>P_4 = P_3 + (P_3 \times i \times (\text{anniversary date} - \text{date of last payment}) / \text{Exact number of days})</math></p> <p>Where:</p> <p><b>P<sub>n</sub></b>: principal to be repaid in year "n" taking into account any mandatory and voluntary prepayment occurring in the same year. (with "n" from the 1<sup>st</sup> year to the 4<sup>th</sup> year). As the 4<sup>th</sup> year is not part of the deferral period, it is presented for the purpose of calculating the principal to be repaid as from the 4<sup>th</sup> year<sup>2</sup>;</p> <p><b>P<sub>0</sub></b>: initial principal to be repaid (year 0) representing the amount subscribed to the issue taking into account any mandatory early repayment and voluntary early repayment occurring in the same year.</p> <p>i: Nominal interest rate;</p> <p><b>Exact number of days</b>: number of days between a given anniversary date and the next anniversary date.</p> <p>Interests on the bonds will cease to accrue from the day the principal is repaid by the issuer.</p> <p>It should be noted that during the franchise period, and excluding accrued coupons paid in the event of mandatory early repayment, the coupons are integrated directly and without detachment into the nominal value of the bond issue.</p>
<p><b>Allocation method</b></p>	<p>Each subscriber will be entitled to a number of bonds equal to:</p> <ul style="list-style-type: none"> <li>▪ the sum of (i) the nominal value of the 2011 Bonds held by them, if applicable (ii) the exchange value of the 2015 Bonds held by them, if applicable, and (iii) the coupons relating to the 2011 Bonds, 2015 Bonds and/or ORA, if applicable (as described in memorandum of understanding signed with said subscriber), net of the Corporate and Income withholding tax, if applicable</li> <li>▪ divided by 100</li> <li>▪ rounded down to the nearest whole number.</li> </ul> <p>The Balance<sup>3</sup>, representing, as the case may be, the difference between the total receivable of the subscribers, having signed a memorandum of understanding and the amount allocated in the context of this issue, will be paid in cash to the subscribers.</p>
<p><b>Principal repayment</b></p>	<p>Annual straight-line amortization in 7 instalments after the expiry of a three-year grace period on the anniversary dates of the bond issue, i.e. January 31 of each year as from January 31 of the year 2024.</p> <p>Principal will be repaid on the same day or the next business day if it is not a business day.</p> <p>The amount to be repaid annually in principal will take into account all Mandatory Early Repayment and Voluntary Early Repayment.</p> <p>In the event of a merger, demerger or partial contribution of the issuer's assets occurring during the term of the bond issue and resulting in the universal transfer of the assets to a separate legal entity, the rights and obligations with respect to the bonds will automatically be transferred to the legal entity that is substituted in the issuer's rights and obligations.</p>

<sup>2</sup> An example of the amortization table is given in Annex 1, which shows the case of amortization excluding mandatory and voluntary prepayments.

<sup>3</sup> The Balance is calculated and paid per subscription request (if a subscriber has several account keepers, the subscription request will be made by each account keeper).

**Mandatory Early Repayment**

Subject to compliance with the conditions provided for this purpose in the issue contract, the real property to which the above-mentioned mortgage guarantees relate may be transferred with the transfer price recorded in the Escrow account held by the Escrow Agent for this purpose.

The bond issue will be repaid in advance, on a quarterly basis (on the Quarterly Repayment Date), as soon as the balance of the Escrow Account held by the Escrow Agent exceeds MAD25,000,000, according to the terms described below:

- The mandatory early repayment will take the form of a bond repayment with payment of the accrued coupon, the balance of the Escrow Account will be allocated, as soon as it exceeds MAD25,000,000, to the repayment of a fraction of the principal and payment of the accrued coupon, the amount of the accrued coupon being determined according to the formula mentioned below (the "Coupon to Pay");
- The fraction of the principal to be repaid is determined by subtracting the amount of the Accrued Coupon on the Quarterly Payment Date (as defined below) from the amount of the balance in the Escrow Account on the said date;
- The mandatory early repayment will be made on a pro rata basis according to the number of shares in circulation. The unit repayment will be made upon rounding down to the lowest cent of the pole of the total amount of the mandatory early repayment excluding payment of the Coupon to Pay by the number of securities in circulation.

$$\text{Coupon to Pay} = OC \times i \times \frac{(\text{Quarterly repayment date} - \text{date of last repayment})}{\text{Exact number of days}}$$

Where:

**OC:** Outstanding capital following the last repayment made (mandatory early repayment, voluntary early repayment or linear annual repayment).

**i:** Nominal interest rate applied to the tranche

**Quarterly repayment date:** repayment date, i.e. the last day of the calendar quarter in question;

**Date of last payment:** the date on which the last repayment was made (mandatory prepayment, voluntary prepayment or linear annual repayment) or, for the first year, the dividend entitlement date of the new bonds.

**Exact number of days:** number of days between a given anniversary date and the next anniversary date.

Each mandatory prepayment:

- will occur on the last day of each calendar quarter, either on the Quarterly Repayment Date, or if this day is not a business day, on the 1<sup>st</sup> following business day, provided that the condition relating to the amount of the balance in the escrow account is met on the last day of the month preceding the end of the quarter in question, i. e. February 28/29, May 31, August 31 or November 30 of each calendar year (hereinafter referred to as the "Quarterly Payment Date") (or if such day is not a business day, the first following business day) during the term of the bond issue;
- will be notified in writing by the issuer to the representative of the bondholders' body and to the Account Holder no later than the 10<sup>th</sup> calendar day of the last calendar month of the quarter calendar before the Quarterly Repayment Date on March 10, June 10, September 10 and December 10 (or if that day is not a business day, the 1<sup>st</sup> following business day);
- will be effected by the payment by the escrow agent of the entire balance of the escrow account (on the Quarterly Payment Date) into the hands of the Centralizing Agent, which will repay and pay the Coupon to Pay on the Quarterly Payment Date; and
- will be deducted, with regard to the repayment of the principal, from the nearest repayment dates of the bond issue in chronological order of maturity.

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<p><b>Voluntary Early Repayment</b></p>	<p>Alliances Développement Immobilier, will have the right at any time to repay all or part of the bond loan in advance, without penalties or fees.</p> <p>The voluntary early repayment will be made on a pro rata basis according to the number of securities in circulation. The unit repayment will be made by rounding down to the lowest cent of the pole of the total amount of the voluntary early repayment by the number of securities in circulation.</p> <p>Each voluntary prepayment:</p> <ul style="list-style-type: none"> <li>(i) will be for a minimum amount of MAD10,000,000;</li> <li>(ii) must take place on an anniversary date of the bond issue, i.e. January 31 of each year (or if this day is not a business day on the next business day);</li> <li>(iii) will be notified in writing by the issuer to the representative of the bondholders' body and to the account holder and the centralizing agent no later than 15 days before the date of the voluntary early repayment;</li> <li>(iv) will be made by cash payment into the hands of the centralizing agent no later than 1 day before the voluntary early repayment date; and</li> <li>(v) will be deducted from the nearest repayment dates of the bond issue according to the chronological order of maturity.</li> </ul>
<p><b>Security</b></p>	<p>Bonds of this issue are covered by a guarantee consisting of mortgage guarantees detailed in the table set out in section II.3.1 below, it being specified that in order to respect the corporate interest of each of the above-mentioned mortgage guarantees, the aggregate amount guaranteed in respect of the mortgage guarantees granted by a given mortgage guarantee, as security for the bond loan, has been limited by mortgage guarantee to the outstanding amount of the debt held by the issuer on the relevant mortgage guarantee under its shareholder current account, cash advances made, trade receivables and/or any other receivables and the parties to the mortgage guarantee contract have acknowledged that the guarantee undertaking does not constitute an abuse of corporate assets within the meaning of Article 384 of Act No. 17-95 on public limited companies (as amended and supplemented).</p> <p>The above-mentioned mortgage guarantees benefit the bondholders of Tranches A and B of the bond issue under the same conditions.</p>
<p><b>Bond buyback</b></p>	<p>Alliances Développement Immobilier reserves the right to buy back bonds on the secondary market, provided that legal and regulatory provisions so permit, such buybacks being without consequences for a subscriber wishing to keep their securities until the normal maturity of the bond issue and without affecting the normal repayment schedule. The bonds so purchased will be cancelled.</p> <p>The bonds will be repurchased in proportion to the securities contributed.</p> <p>The issuer undertakes prior to any buyback to:</p> <ul style="list-style-type: none"> <li>▪ Inform the Provisional Representative of the Bondholders' Body as well as the AMMC on the buyback operation;</li> <li>▪ Communicate the buyback operation through the publication in a legal announcement gazette.</li> </ul>
<p><b>Maintenance of the loan in its rank</b></p>	<p>Alliances Développement Immobilier undertakes, until the effective repayment of all the Bonds to institute in favor of other securities that it may subsequently issue, no priority as to their repayment rank in the event of liquidation, without granting the same rights to the securities of the bond issue.</p>
<p><b>Assimilation clause</b></p>	<p>The bonds covered by this prospectus are not subject to any assimilation</p>

  
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<b>Rank</b>	Tranche A bonds constitute direct, general, unconditional and non-subordinated commitments of the Company, although the bond issue is partially guaranteed by the mortgage guarantees presented in section II.3.1 below.
<b>Rating</b>	This issue is not subject to a rating request.
<b>Designated notary</b>	The issuer has appointed Mr. Mustapha Zine as notary in charge of the registration and release formalities relating to the mortgages and mortgage guarantees securing the present Bond Issue. Mr. Mustapha Zine is a notary, whose office is located at 5, Rue Draa -Ex Danvillers, Casablanca.
<b>Escrow</b>	BMCE Bank Of Africa acts as escrow agent for the purpose of depositing all or part of the sale price of the property covered by the above-mentioned mortgage guarantees in an escrow account and allocating the balance of this escrow account to the mandatory early repayment of the bond issue.
<b>Representation of Bondholders</b>	Pending the holding of the General Meeting of Bondholders, the Board of Directors of the issuer held on September 19, 2019 appointed Mr. Karim Mouttaki, residing at 30 Rue de la Fontaine, quartier Racine, Casablanca, as provisional representative in accordance with Article 300 of Law 17-95 on public limited companies as amended and supplemented. The General Meeting of the Bondholders will be convened by the Board of Directors of the issuer within 60 days of the date on which the bonds issued in connection with this operation will become entitled to dividends, for the appointment of the permanent representative of bondholders.
<b>Tradability of securities</b>	The bonds are tradable by over-the-counter (not listed on the Casablanca Stock Exchange). There are no restrictions imposed by the terms of the issue on the free tradability of the bonds covered by this prospectus.
<b>Applicable law</b>	Moroccan law.
<b>Calculation Agent</b>	BMCE Bank Of Africa
<b>Competent court</b>	Trade Court of Casablanca.

Source: Alliances Développement Immobilier

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## II.1.2. Characteristics relating to Tranche B securities (over-the-counter tradable bonds at a variable rate)

Table 3. Presentation of Tranche B characteristics

<b>Nature of securities</b>	Over-the-counter tradable bonds (non listed), dematerialized by registration with the Central Custodian (Maroclear) and registered in an account with authorized affiliates.
<b>Legal form</b>	Bearer Bond.
<b>Unit nominal value</b>	MAD 100.
<b>Unit issue price</b>	At par, i.e. MAD 100.
<b>Maturity of securities</b>	10 years.
<b>Subscription period</b>	From 06/01/2020 to 24/01/2020 inclusive
<b>Dividend entitlement date</b>	31/01/2020
<b>Maturity date</b>	31/01/2030
<b>Risk premium</b>	60 basis points
<b>Nominal interest rate</b>	<p>Annually-revisable rate capped at 3.2% excluding tax.<sup>4</sup></p> <p>For the first year the nominal interest rate is 2.91%. It is determined with reference to the 52-week full monetary Treasury bill rate calculated on the basis of the secondary market reference rate curve for Treasury bill rates as published by bank Al Maghrib on December 3, 2019, i.e. 2.31% plus a risk premium of 60 basis points.</p> <p>On each coupon payment date, the 52-week monetary reference rate will be determined from the last reference rate curve of the secondary Treasury bill market as published by Bank Al Maghrib 5 trading days before the coupon payment date. The reference rate thus obtained will be increased by a risk premium of 60 basis points.</p> <p>The face interest rate will be published by the issuer five (5) business days before the anniversary date on the issuer's website.</p>
<b>Calculation method</b>	<p>In the event that the reference rate is not observed directly on the secondary market reference rate curve, the rate will be determined by the linear interpolation method using the two points surrounding the full 52-week maturity (monetary base).</p> <p>This linear interpolation will be done after the conversion of the rate immediately above the 52-week maturity (actuarial basis), using the two points framing the full 52-week maturity (monetary basis) into the equivalent monetary rate. The calculation formula is:</p> $\left[ \left( \text{Actuarial rate} + 1 \right)^{\frac{k}{\text{exact number of days}^*} - 1} \right] \times \frac{360}{k}$ <p>Where:</p> <p><b>k</b>: residual maturity (in days) of the actuarial rate to be transformed (immediately above 52 weeks)</p> <p>* Exact number of days: 365 or 366 days.</p>

<sup>4</sup> Risk premium included

**Interest payment**

Interest will be paid annually, taking into account the payment of accrued interest in the event of mandatory early repayment, after the expiry of a three-year grace period, on the anniversary dates of the bond issue, i.e. on January 31 of each year as from January 31 of the year 2024.

Interests will be paid on the same day or on the first following business day if it is not a business day.

Interests during the franchise period (excluding accrued coupons paid in the event of mandatory early repayment) will be capitalized. Interest will be calculated according to the following formula:

$$\text{Interests} = OC \times i \times \frac{(\text{Anniversary date} - \text{date of last repayment})}{360}$$

Where:

**OC:** Outstanding capital following the last repayment made (mandatory early repayment, voluntary early repayment or linear annual repayment).

**i:** Nominal interest rate;

**Date of last payment:** the date on which the last repayment was made (mandatory prepayment, voluntary prepayment or linear annual repayment) or, for the first year, the dividend entitlement date of the new bonds.

The capitalization of interests during the franchise period (excluding accrued coupons paid in the event of mandatory early repayment) and during the first year of amortization will be based on the following formula:

For the 1<sup>st</sup> year:

$$P_1 = P_0 + (P_0 \times i \times (\text{anniversary date} - \text{date of last payment})/360)$$

For the 2<sup>nd</sup> year:

$$P_2 = P_1 + (P_1 \times i \times (\text{anniversary date} - \text{date of last payment})/360)$$

For the 3<sup>rd</sup> year:

$$P_3 = P_2 + (P_2 \times i \times (\text{anniversary date} - \text{date of last payment})/360)$$

For the 4<sup>th</sup> year:

$$P_4 = P_3 + (P_3 \times i \times (\text{anniversary date} - \text{date of last payment})/360)$$

Where:

**P<sub>n</sub>:** principal to be repaid in year "n" taking into account any mandatory and voluntary prepayment occurring in the same year. (with "n" from the 1<sup>st</sup> year to the 4<sup>th</sup> year). As the 4<sup>th</sup> year is not part of the deferral period, it is presented for the purpose of calculating the principal to be repaid as from the 4<sup>th</sup> year<sup>5</sup>;

**P<sub>0</sub>:** initial principal to be repaid (year 0) representing the amount subscribed to the issue taking into account any mandatory early repayment and voluntary early repayment occurring in the same year.

**i:** Nominal interest rate;

Interests on the bonds will cease to accrue from the day the principal is repaid by the issuer.

It should be noted that during the franchise period, and excluding accrued coupons paid in the event of mandatory early repayment, the coupons are integrated directly and without detachment into the nominal value of the bond issue.

<sup>5</sup> An example of the amortization table is given in Annex I, which presents the case of amortization excluding mandatory and voluntary prepayments.



**Quarterly repayment date:** repayment date, i.e. the last day of the calendar quarter in question;

**Date of last payment:** the date on which the last repayment was made (mandatory prepayment, voluntary prepayment or linear annual repayment) or, for the first year, the dividend entitlement date of the new bonds.

Each mandatory prepayment:

- will occur on the last day of each calendar quarter, either on the Quarterly Repayment Date, or if this day is not a business day, on the 1<sup>st</sup> following business day, provided that the condition relating to the amount of the balance in the escrow account is met on the last day of the month preceding the end of the quarter in question, i. e. February 28/29, May 31, August 31 or November 30 of each calendar year (hereinafter referred to as the "Quarterly Payment Date") (or if such day is not a business day, the first following business day) during the term of the bond issue;
- will be notified in writing by the issuer to the representative of the bondholders' body and to the Account Holder no later than the 10<sup>th</sup> calendar day of the last calendar month of the quarter calendar before the Quarterly Repayment Date on March 10, June 10, September 10 and December 10 (or if that day is not a business day, the 1<sup>st</sup> following business day);
- will be effected by the payment by the escrow agent of the entire balance of the escrow account (on the Quarterly Payment Date) into the hands of the Centralizing Agent, which will repay and pay the Coupon to Pay on the Quarterly Payment Date; and
- will be deducted, with regard to the repayment of the principal, from the nearest repayment dates of the bond issue in chronological order of maturity.

**Voluntary Early Repayment**

Alliances Développement Immobilier, will have the right at any time to repay all or part of the bond loan in advance, without penalties or fees.

The voluntary early repayment will be made on a pro rata basis according to the number of securities in circulation. The unit repayment will be made by rounding down to the lowest cent of the pole of the total amount of the voluntary early repayment by the number of securities in circulation.

Each voluntary prepayment:

- (vi) will be for a minimum amount of MAD10,000,000;
- (vii) must take place on an anniversary date of the bond issue, i.e. January 31 of each year (or if this day is not a business day on the next business day);
- (viii) will be notified in writing by the issuer to the representative of the bondholders' body and to the account holder and the centralizing agent no later than 15 days before the date of the voluntary early repayment;
- (ix) will be made by cash payment into the hands of the centralizing agent no later than 1 day before the voluntary early repayment date; and
- (x) will be deducted from the nearest repayment dates of the bond issue according to the chronological order of maturity.

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<p><b>Security</b></p>	<p>Bonds of this issue are covered by a guarantee consisting of mortgage guarantees detailed in the table set out in section II.3.1 below, it being specified that in order to respect the corporate interest of each of the above-mentioned mortgage guarantees, the aggregate amount guaranteed in respect of the mortgage guarantees granted by a given mortgage guarantee, as security for the bond loan, has been limited by mortgage guarantee to the outstanding amount of the debt held by the issuer on the relevant mortgage guarantee under its shareholder current account, cash advances made, trade receivables and/or any other receivables and the parties to the mortgage guarantee contract have acknowledged that the guarantee undertaking does not constitute an abuse of corporate assets within the meaning of Article 384 of Act No. 17-95 on public limited companies (as amended and supplemented). The above-mentioned mortgage guarantees benefit the bondholders of Tranches A and B of the bond issue under the same conditions.</p>
<p><b>Bond buyback</b></p>	<p>Alliances Développement Immobilier reserves the right to buy back bonds on the secondary market, provided that legal and regulatory provisions so permit, such buybacks being without consequences for a subscriber wishing to keep their securities until the normal maturity of the bond issue and without affecting the normal repayment schedule. The bonds so purchased will be cancelled. The bonds will be repurchased in proportion to the securities contributed. The issuer undertakes prior to any buyback to:</p> <ul style="list-style-type: none"> <li>▪ Inform the Provisional Representative of the Bondholders' Body as well as the AMMC on the buyback operation;</li> <li>▪ Communicate the buyback operation through the publication in a legal announcement gazette.</li> </ul>
<p><b>Maintenance of the loan in its rank</b></p>	<p>Alliances Développement Immobilier undertakes, until the effective repayment of all the Bonds to institute in favor of other securities that it may subsequently issue, no priority as to their repayment rank in the event of liquidation, without granting the same rights to the securities of the bond issue.</p>
<p><b>Assimilation clause</b></p>	<p>The bonds covered by this prospectus are not subject to any assimilation</p>
<p><b>Rank</b></p>	<p>Tranche B bonds constitute direct, general, unconditional and non-subordinated commitments of the Company, although the bond issue is partially guaranteed by the mortgage guarantees presented in section II.3.1 below.</p>
<p><b>Rating</b></p>	<p>This issue is not subject to a rating request.</p>
<p><b>Designated notary</b></p>	<p>The issuer has appointed Mr. Mustapha Zine as notary in charge of the registration and release formalities relating to the mortgages and mortgage guarantees securing the present Bond Issue. Mr. Mustapha Zine is a notary, whose office is located at 5, Rue Draa -Ex Danvillers, Casablanca.</p>
<p><b>Escrow</b></p>	<p>BMCE Bank Of Africa acts as escrow agent for the purpose of depositing all or part of the sale price of the property covered by the above-mentioned mortgage guarantees in an escrow account and allocating the balance of this escrow account to the mandatory early repayment of the bond issue.</p>

<b>Representation of Bondholders</b>	<p>Pending the holding of the General Meeting of Bondholders, the Board of Directors of the issuer held on September 19, 2019 appointed Mr. Karim Mouttaki, residing at 30 Rue de la Fontaine, quartier Racine, Casablanca, as provisional representative in accordance with Article 300 of Law 17-95 on public limited companies as amended and supplemented.</p> <p>The General Meeting of the Bondholders will be convened by the Board of Directors of the issuer within 60 days of the date on which the bonds issued in connection with this operation will become entitled to dividends, for the appointment of the permanent representative of bondholders.</p>
<b>Tradability of securities</b>	<p>The bonds are tradable by over-the-counter (not listed on the Casablanca Stock Exchange). There are no restrictions imposed by the terms of the issue on the free tradability of the bonds covered by this prospectus.</p>
<b>Applicable law</b>	<p>Moroccan law.</p>
<b>Calculation Agent</b>	<p>BMCE Bank Of Africa</p>
<b>Competent court</b>	<p>Trade Court of Casablanca.</p>

Source: *Alliances Développement Immobilier*.

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## II.2. issuer default

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Constitutes a case of default (an "Event of Default"), the failure to pay any amount, in principal or interest, due by the issuer under any bond unless payment is made within 15 business days of its due date.

In the event of the occurrence of an Event of Default, and provided that the Representative of the bondholders' body has previously given notice to the issuer to remedy the Event of Default within 45 business days of the notice and that the issuer has not remedied the Event of Default within the aforementioned period, the Representative of the bondholders' body may, by decision of the General Meeting of Bondholders, acting under the quorum and majority conditions provided for by law and upon simple written notification to the issuer, with a copy to the centralizing agent, all the bonds shall become due and payable, automatically entailing the obligation for the issuer to repay the said bonds up to the amount of the principal outstanding plus accrued interest.

## II.3. Guaranty

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### II.3.1. Presentation of guaranties

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The guarantee mechanisms relating to the bond loan are covered by the mortgage guarantee contract signed before a notary on September 27, 2019 by the provisional agent of the bondholders' body as reproduced in the Annex 4 and forming an integral part of the prospectus.

Under the mortgage guarantee agreement referred to above, the bond loan is partially secured by the following mortgages: Presentation of the properties constituting the partial guarantee of the Bond Loan

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**Table 4. Presentation of the properties constituting the Bond Issue's partial guarantee:**

Mortgage guarantee	Project	Designation of mortgaged property	Land title deed	Land registry	Total surface in m <sup>2</sup>	Mortgages registered on the land title deed (other than the mortgage benefiting the bondholders' body)	Rank and registration number of the mortgage benefiting the bondholders' body	Guaranteed amount in MAD	Description	Appraisal value in MAD (*)
Société d'Aménagement du Lixus SA	Lixus	Port Lixus3 A1	TF 35682/36	Larache	8 866	None	First-rank mortgage Register 63 No. 603 dated December 19, 2019.	518,100,000	Bare land	2 600 000
Société d'Aménagement du Lixus SA	Lixus	Port Lixus3 HO.5.4 – Reference (S.L.1 (forming a single lot with R.I.P.T.7)	TF 24558/36	Larache	44 070	None	First-rank mortgage Register 63 No. 603 dated December 19, 2019.	518,100,000	Bare land	
Société d'Aménagement du Lixus SA	Lixus	Port Lixus3 HO.5.3 – Reference (S.L.1 (forming a single lot with R.I.P.T.7)	TF 24557/36	Larache	61 410	None	First-rank mortgage Register 63 No. 603 dated December 19, 2019.	518,100,000	Bare land	46 900 000
Société d'Aménagement du Lixus SA	Lixus	Port Lixus3 HO5.2 – Reference (S.L.1 (forming a single lot with R.I.P.T.7)	TF 24556/36	Larache	47 950	None	First-rank mortgage Register 33 No. 401 dated November 19, 2019	518,100,000	Bare land	
Société d'Aménagement du Lixus SA	Lixus	Port Lixus3 HO.5.4 – Reference (R.I.P.T.7)(forming a single lot with R.S.L.1)	TF 24558/36	Larache	44 070	None	First-rank mortgage Register 63 No. 603 dated December 19, 2019.	518,100,000	Bare land	184 400 000
Société d'Aménagement du Lixus SA	Lixus	Port Lixus3 HO.5.3 – Reference (R.I.P.T.7 (forming a single lot with R.S.L.1)	TF 24557/36	Larache	61 410	None	First-rank mortgage Register 63 No. 603 dated December 19, 2019.	518,100,000	Bare land	

**Prospectus – Partially Guaranteed Bond Issue**

Société d'Aménagement du Lixus SA	Lixus	Port Lixus3 HO5.2 – Reference (R.I.P.T.7 (forming a single lot with R.S.L.1)	TF 24556/36	Larache	47 950	None	First-rank mortgage Register 63 No. 603 dated December 19, 2019.	518,100,000	Bare land
Société d'Aménagement du Lixus SA	Lixus	Port Lixus1 HO2.1	24562/36	Larache	35 000	None	First-rank mortgage Register 63 No. 603 dated December 19, 2019.	518,100,000	Bare land
Société d'Aménagement du Lixus SA	Lixus	Port Lixus3 HO.5.1	24555/36	Larache	21 030	None	First-rank mortgage Register 63 No. 603 dated December 19, 2019.	518,100,000	Bare land
Société d'Aménagement du Lixus SA	Lixus	Port Lixus3 HO4.1	24554/36	Larache	17 910	None	First-rank mortgage Register 63 No. 603 dated December 19, 2019.	518,100,000	Bare land
Société d'Aménagement du Lixus SA	Lixus	Port Lixus3 P3	TF 35685/36	Larache	7 588	None	First-rank mortgage Register 63 No. 603 dated December 19, 2019.	518,100,000	Bare land
Société d'Aménagement du Lixus SA	Lixus	Port Lixus3 P4	TF 35686/36	Larache	10 131	None	First-rank mortgage Register 63 No. 603 dated December 19, 2019.	518,100,000	Bare land
Société d'Aménagement du Lixus SA	Lixus	Port Lixus 1lot 13-22 L	TF34572/36	Larache	5 364	None	First-rank mortgage Register 63 No. 603 dated December 19, 2019.	518,100,000	Bare land
Société d'Aménagement du Lixus SA	Lixus	Port Lixus3 P2	TF 26671/36	Larache	26 860	None	First-rank mortgage Register 33 No. 401 dated November 19, 2019	518,100,000	Bare land

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Société d'Aménagement du Lixus SA	Lixus	Port Lixus 1lot 13-19 L	TF 34569/36	Larache	1 501	None	First-rank mortgage Register 63 No. 603 dated December 19, 2019.	Bare land	3 300 000
Société d'Aménagement du Lixus SA	Lixus	Port Lixus 1lot 13-20 L	TF 34570/36	Larache	1 573	None	First-rank mortgage Register 63 No. 603 dated December 19, 2019.	Bare land	3 500 000
Société d'Aménagement du Lixus SA	Lixus	Port Lixus 1lot 13-21 L	TF 34571/36	Larache	1 534	None	First-rank mortgage Register 63 No. 603 dated December 19, 2019.	Bare land	3 400 000
Aghouatim Al Baraka SA	Akenza Zone Sud	Coopérative Zouhria 3-13	TF 21457/65	Al Haouz	4 699	None	First-rank mortgage Register 33 No. 399 dated November 19, 2019.	Bare land	3 045 805
Aghouatim Al Baraka SA	Akenza Zone Sud	Coopérative Zouhria 4-16	TF 21464/65	Al Haouz	14 740	None	First-rank mortgage Register 33 No. 401 dated November 19, 2019.	Bare land	9 554 195
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFACT01	111867/69	Zouagha Moulay Yacoub	156	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019.	Land containing two tanks for waste water and rainwater	592 232
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFACT02	111868/69	Zouagha Moulay Yacoub	160	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019.	Land containing two tanks for waste water and rainwater	610 974

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Prospectus – Partially Guaranteed Bond Issue

Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT03	111869/69	Zouagha Moulay Yacoub	166	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Land containing two tanks for waste water and rainwater	633 464
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Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT04	111870/69	Zouagha Moulay Yacoub	172	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Land containing two tanks for waste water and rainwater	648 457
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Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT05	111871/69	Zouagha Moulay Yacoub	177	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Land containing two tanks for waste water and rainwater	670 947
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Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT06	111872/69	Zouagha Moulay Yacoub	184	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Land containing two tanks for waste water and rainwater	689 688
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Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT07	111873/69	Zouagha Moulay Yacoub	188	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Land containing two tanks for waste water and rainwater	708 430
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Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT08	111874/69	Zouagha Moulay Yacoub	194	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Land containing two tanks for waste water and rainwater	727 171
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Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT09	111875/69	Zouagha Moulay Yacoub	200	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	749 661
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT10	111876/69	Zouagha Moulay Yacoub	204	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	768 403
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT11	111877/69	Zouagha Moulay Yacoub	211	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	787 144
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT12	111878/69	Zouagha Moulay Yacoub	216	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	805 886
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT13	111879/69	Zouagha Moulay Yacoub	222	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	828 376
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT16	111547/69	Zouagha Moulay Yacoub	225	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	820 879
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT17	111548/69	Zouagha Moulay Yacoub	222	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	809 634

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Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT18	111549/69	Zouagha Moulay Yacoub	219	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	802 138
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT19	111550/69	Zouagha Moulay Yacoub	216	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	790 893
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT20	111551/69	Zouagha Moulay Yacoub	213	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	779 648
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT21	111552/69	Zouagha Moulay Yacoub	209	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	768 403
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT22	111553/69	Zouagha Moulay Yacoub	208	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	757 158
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT23	111554/69	Zouagha Moulay Yacoub	204	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	749 661
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT24	111555/69	Zouagha Moulay Yacoub	201	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	738 416

Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT25	Zouagha Moulay Yacoub	111556/69	199	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	727 171
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT26	Zouagha Moulay Yacoub	111557/69	195	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	715 927
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT27	Zouagha Moulay Yacoub	111558/69	193	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	704 682
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT28	Zouagha Moulay Yacoub	111559/69	189	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	697 185
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT29	Zouagha Moulay Yacoub	111560/69	186	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	682 192
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT30	Zouagha Moulay Yacoub	111561/69	186	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	674 695
Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT31	Zouagha Moulay Yacoub	111562/69	177	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	663 450

**Prospectus – Partially Guaranteed Bond Issue**

Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT32	111563/69	Zouagha Moulay Yacoub	176	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	652 205
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Société Immobilière Nejmat Saïss	Nejmat Saïss	RNSST2KFCT33	111564/69	Zouagha Moulay Yacoub	173	First-rank mortgage in favor of the State	Second-rank mortgage Register 149 No. 54 dated December 20, 2019	Bare land	640 960
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Alliances Darna	SAG II	Atlas	942/65	Al Haouz	342 283	None	Second-rank mortgage Register 33 No. 401 dated November 19, 2019	Bare land including 2 medium-voltage power lines and poles, telephone lines and poles and 2 khattara	162 000 000
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Source: Alliances Développement

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(\*) The appraisal of all the assets constituting the partial guarantee of this operation was carried out by Cap Realty, an independent real estate expert and certified by RICS on July 3, 2018.

Each of the mortgage guarantees is a subsidiary of Alliances Développement Immobilier.

The mortgage guarantee contract provides in particular that:

- i) mortgage guarantees do not constitute an abuse of corporate assets by mortgage guarantees within the meaning of Article 384 of Law No 17-95 on public limited companies (as amended and supplemented);
- ii) the granting of the mortgage guarantees has been the subject of a guarantee issue agreement signed between the issuer and the mortgage guarantees; and
- iii) the aggregate amount guaranteed, per mortgage guarantee, in respect of the mortgage guarantees granted as security for this issue shall be limited to the amount corresponding to the aggregate claim held by the issuer on the relevant mortgage guarantee in respect of its shareholder's current account, cash advances made, trade receivables and/or any other claim, it being specified that the amount of the issuer's claims on each of the mortgage guarantees has been set out in the mortgage guarantee contract, with an undertaking not to remunerate these amounts and not to make any repayment, except in the case of releases granted under the conditions provided for in the mortgage guarantee contract). These receivables from the issuer are as follows:

**Table 5. Presentation of the total amount of the issuer's receivable on the relevant mortgage guarantee:**

Subsidiary	Amount in MAD
Société Immobilière Nejmat Saiss	22 396 131
Alliances Darna	162 000 000
Société d'Aménagement du Lixus	518 100 000
Aghouatim El Baraka	12 600 000
<b>Total</b>	<b>715 096 131</b>

Source: Alliances Développement Immobilier

On the basis of the appraisal carried out by Cap Realty, an independent real estate expert and RICS-certified on July 3, 2018, the total value of the assets used as partial guarantee in this operation represents 65.4% of the maximum amount of the issue.

The costs relating to mortgage guarantees and the registration of the related mortgages were fully borne by the issuer.

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## II.4. Presentation of the mortgage guarantee mechanism

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The guarantee mechanisms relating to the bond loan are referred to in the Mortgage Guarantee Contract attached in Annex 4 of this prospectus and forming an integral part of the prospectus.

### II.4.1. Mechanisms for the development of Real Property, substitution and release

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#### 1) Development and subdivision of Real Estate Properties

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In accordance with the Issue Contract, the bondholders covered by this bond issue authorize Alliances Développement Immobilier, the companies concerned and any agent to develop the Real Estate Assets referred to in section II.3.1 above as and when they deem it appropriate (the "Real Estate Properties") and to make any improvements, including, in particular, by means of (i) the construction of a subdivision, as defined in Article 1 of Dahir No. 1-92-7 promulgating Law No. 25-90 on subdivisions, housing groups and parcels,1 above (the "Real Estate Assets") and to make any improvements, including, in particular, by means of (i) the construction of a subdivision, as defined in Article 1 of Dahir No. 1-92-7 promulgating Law No. 25-90 on subdivisions, housing groups and parcels, it being specified that subdivision is defined as the pole by sale, rental or pole of Real Estate Property into several parcels intended for the construction of buildings for residential, industrial, tourist, commercial or craft use, regardless of the surface area of the parcels (the "Parcels"), (ii) the application for and obtaining of any building permit, as defined by articles 40 and 41 of Dahir no.1-92-31 promulgating Moroccan law no.12-90 relating to urban planning, the purpose of which is to carry out any work on the real estate base, and (iii) the carrying out of any construction work, directly or through any service provider, pursuant to a building permit duly issued by the competent authorities under the above-mentioned conditions, in order to obtain any residence permit or certificate of conformity, within the meaning of Article 55 of the aforementioned Act No. 12-90.

In the event of obtaining an authorization to subdivide the Real Estate Property and in the event of the development of all or part of the Real Estate Property, the mortgage guarantees shall automatically refer to each other immediately, after the parent land title to the Real Estate Property has been split, on each of the individual land titles of each of the parcels or constructed properties (the "Constructed Properties"), whether it is a housing group within the meaning of the aforementioned law no.25-90 or a parcel or co-ownership within the meaning of the law 18-00 relating to the status of co-ownership of constructed properties.

In accordance with the issue contract, the bondholders covered by this bond issue also authorize, in addition, (i) marketing, through any means of communication, (ii) marketing, through any research mandate, and (iii) the conclusion of any contract preparatory to the sale of all or part of the Real Estate in its current state or as Parcels or Constructed Property.

#### 2) Release Mechanism

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##### a) Definitions

For the purposes of section II.4.1, the following definitions shall apply;

- **"Credit"** means, for a Property sold under the conditions set out in section II.4.1 (proper for release) and at a sale price higher than the Minimum Price of such Property, the difference between the actual sale price of such Property and its Minimum Price. Credits are thus recorded and accumulated as they are earned until each mandatory early repayment date to form a balance that will offset the Differences and be reduced accordingly.
- **"Minimum Price"** means, on a given date, for each Real Estate Property, the average of the two valuations indicated for the same Real Estate Property, each of the two Valuation Reports issued for the last past calendar year.
- **"Initial Minimum Price"** means the initial price of the Real Estate Property corresponding to the valuation indicated in Part II.3.1 above for each of the Real Estate Property, [based on the expert reports prepared by CAP REALTY on July 3, 2018.
- **"Valuation Reports"** means the two valuation reports issued on an annual basis respectively by each of the two experts appointed by the representative of the estate, and relating to each of the Real Estate Property to which the mortgage guarantees relate, with an indication of the minimum price retained by each of the two experts for each Real Estate Property, it being specified that the average of the two minimum prices for a Real Estate Property corresponds to the Minimum Price of said Real Estate Property.

- **"Balance"** means, if positive, the difference between the amount of the subscriber's receivable from the issuer being restructured and the amount of their subscription to the Bonds covered by this Prospectus. This Balance is calculated and paid per subscription request and will be paid in cash by the issuer.

**b) Release of mortgage bonds upon payment of each annual instalment**

The Issue Contract provides that the bondholders covered by this bond issue authorize in advance, on an annual basis as from the expiry of the three-year grace period, the release of the mortgage guarantee(s) (as may be deferred on each of the Parcels and Properties Constructed in accordance with the above section, if applicable) relating to one or more Parcels or Properties or Constructed Property, provided the following conditions are met:

- i) The communication by the issuer to the representative of the bondholders' body of:
  - a) a written request for release for the relevant Real Property and/or, where applicable, for the relevant Parcels and Constructed Property; and
  - b) Valuation reports relating to the last calendar year ended, from which it appears that the sum of the Minimum Prices of the Real Estate Property covered by the Mortgage Guarantees registered on the relevant date, as reduced by the Minimum Prices of the Real Estate in their current state or, where applicable, the Minimum Initial Price of the Real Estate Property on which parcels or Constructed Property have been realized for which the release of the mortgage registration is requested by the issuer, is at least equal to the nominal amount outstanding of the bond loan on the date of payment.
- ii) The annual maturity of the bond issue and the corresponding interest will have been duly paid by the issuer for the year in question:
- iii) The sum of the Minimum Prices of the Real Estate Property covered by the Mortgage Guarantees registered on the relevant date, as reduced by the Minimum Prices of the Real Estate in their current state or, where applicable, by the Minimum Initial Price of the Real Estate Property on which Parcels or Constructed Property have been realized for which the release of the mortgage registration is requested by the issuer, is at least equal to the amount of the outstanding nominal amount of the bond issue.

**c) Release of mortgage guarantees in the event of the sale of Real Property, parcels or constructed property:**

The Issue Contract provides that the bondholders covered by this bond issue authorize in advance the release of any mortgage guarantee (as may be carried over to each of the Parcels and Constructed Assets) relating to one or more Parcels or Real Estate Properties or Constructed Properties, for the purpose of selling the relevant Property (or the Parcel or the Constructed Property), provided that the following conditions are met:

- i) The relevant mortgage guarantee is liable to the issuer on the date of sale of the relevant Property (or Parcel or Constructed Property), up to an amount at least equal to the amount of the sale price of the same Real Property (or Parcel or Constructed Property) and the sale price to be paid to the mortgage guarantee in respect of the sale of the Real Property (or Parcel or Constructed Property) is allocated by the Mortgage Guarantee to repay its debt up to the sale price of the Real Property (or Parcel or Constructed Property);
- ii) In accordance with the escrow contract signed with BMCE as escrow agent and reproduced in the annex 5 of this prospectus, the notary undertakes to pay into the escrow account of the Escrow Agent dedicated to the operation (i) the sale price of the Property or, where applicable, (ii) the price of the Parcels (s) or Constructed Property(s) on a Property up to the Initial Minimum Price relating to the Property concerned, it being specified that (i) for property covered by a mortgage guarantee, any remaining balance of the price of the Parcels or Constructed Property shall revert directly to the mortgage guarantee concerned and that (ii) any remaining balance relating to a Property (assuming that the property is neither subdivided nor constructed) will be paid into the escrow account and integrated into the amount of the Credits;
- iii) When the sale price of the Property concerned by the sale is lower than the Minimum Price for the same Property, the issuer must pay an amount equal to (i) the difference between the Minimum Price of the Property concerned and the sale price of the same Property (hereinafter the "Difference") (ii) reduced, where applicable, by the remaining balance of the Credits (as defined below), up to the amount of the Difference; or
- iv) In the event of the sale of Parcels or Constructed Properties, when the sum of the sale prices of all Parcels or Constructed Properties relating to a single Real Property is less than the Initial Minimum Price of the same Real Property, the issuer must pay at the latest one day before the date of the sale of the last Parcel or

Constructed Property in question an amount equal to (i) the difference between the Initial Minimum Price of the said Parcel or Constructed Property and the sum of the sale prices of all the Parcel or Constructed Property considered (ii) reduced, where applicable, by the remaining balance of the Credits, up to the amount of the Difference.

The release of the Mortgage Guarantees under the aforementioned conditions must be issued, for the Real Estate Property, Parcels or Constructed Property concerned, in accordance with the terms and conditions provided for in the Issue Contract.

In addition, the Issue Contract provides that the mortgage guarantees relating to all Parcels and/or Constructed Properties forming part of a single Real Estate Property will be released automatically and without consideration, as soon as the sale of one or more Parcels or Constructed Properties relating to said Real Estate Property has enabled the mandatory early repayment of the bond issue up to the Initial Minimum Price of the same Real Property.

This automatic and free release will take place at the same time as the release of the mortgage guarantee on the Parcel or the Constructed Property, all or part of the price of which will be used for the mandatory early repayment of the bond issue in an amount at least equal to the Initial Minimum Price of the Property concerned.

It is specified, for all purposes, that the Mortgage Guarantors may, subject to the foregoing, assign any Parcel or Constructed Property as and when each such Parcel or Constructed Property is completed, and that the Representative of the Masse, vested with full powers and bound for this purpose by the Issue Contract, shall release the mortgage registration on said Parcel or Constructed Property designated by the relevant Mortgage Guarantee upon simple confirmation of the commitment of the Designated Notary to pay into the Escrow Account the sale price of the Parcel or Constructed Property concerned.

**d) Automatic and free release of Mortgage Guarantees in the event of delivery of one or more equipment developed on the Real Estate Property:**

The Issue Contract provides that the bondholders covered by this bond issue authorize in advance, automatically and without consideration, the release of mortgage guarantees relating to one or more equipment that have been developed on the Property, at the request of an administrative authority or public entity or in accordance with the specifications or the Ne Varietur plan (with no possibility of change), and this for the purposes of the transfer of said equipment, free of charge to said administrative authority or public entity.

#### **II.4.2. Representation of the Bondholders' body**

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In accordance with Article 9 of the Issue Contract, the General Meeting of Bondholders will be convened by the Board of Directors of the issuer within 60 days of the dividend entitlement date of the bonds issued in connection with this operation, with the aim of appointing its permanent representative.

In the absence of appointment by the General Meeting of Bondholders of its permanent representative, the latter may be appointed at the request of any interested party by the President of the Trade Court ruling in summary proceedings.

The permanent representative appointed is the same for tranches A and B of the bond issue, which are grouped together in a single body.

Alliances Développement Immobilier undertakes to have the Valuation Reports drawn up and communicated to the Representative of the bondholders' body within 60 days of the end of each calendar year.

Pending the holding of the General Meeting of Bondholders, the Board of Directors of the issuer held on September 19, 2019 appointed Mr. Karim Mouttaki as provisional representative among the persons authorized to act as business agent, it being specified that the provisional representative appointed is identical for tranches A and B of the bond issue, which are combined in one and the same body.

The representative of the bondholders' body of creditors is required to convene the general meeting of bondholders annually within 60 days of each anniversary date of the bond issue, i.e. January 31 of each year. The representative of the bondholders' body is required on this occasion to present to the general meeting of bondholders an information report presenting in particular: (i) operations carried out on behalf of the bondholders' body (in particular mortgage releases), (ii) the situation of the guarantee (surfaces mortgaged following possible releases, summary of valuation reports submitted by the issuer, etc.) as well as (iii) any relevant comments on the appraisal of the level of guarantee provided. The said report must be made available

to bondholders at least 15 days before the General Meeting of Bondholders is to be held. This requirement does not apply to the first General Meeting of Bondholders, which will be held upon convocation by the Board of Directors of Alliances Développement Immobilier.

It should be noted that there is no capital, business or other relationship between the representative of the bondholder body and the issuer.

#### II.4.3. Risk factors related to investing in the securities offered

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The risks inherent in a bond investment are as follows:

- **Default risk:** is the risk that the issuer will not be able to meet their contractual commitments to bondholders, resulting in the non-payment of coupons and/or outstanding capital;
- **Liquidity risk:** the holder of non-listed bonds could be exposed to the risk of holding illiquid securities that cannot be sold quickly without having a major impact on the price;
- **Interest rate risk:** the risk related to changes in interest rates can impact fixed-rated bond yields. Indeed, an increase in interest rates will have the impact of reducing the value of the bonds held;
- **Inflation risk:** changes in inflation rates could impact bondholders' returns (i) if the inflation rate exceeds the yield on bonds held and (ii) if interest rates are adjusted. Thus, an increase in interest rates will reduce the value of the bonds held;
- **Liquidity risk of the assets covered by the guarantee:** is the risk that the assets covered by the guarantees of the bond issue will be illiquid and cannot be sold quickly, which would have an effect on their value as well as on the possibility of recovering the transfer price of the assets in the event that the mortgages are called upon, thus reducing the coverage of the bond issue.

### III. Framework of the operation

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By notice published in the legal announcement gazette Libération on January 26, 2019, Alliances Développement Immobilier (the "**Company**") informed the holders of bonds issued by the Company on October 7, 2011 and the related coupons, the holders of bonds issued by the Company on March 5, 2015 and the related coupons as well as the holders of coupons relating to the bonds repayable in shares issued by the Company in 2015, that the Company was considering a program to reprofile its private debt through a bond issue reserved for holders who had previously entered into a memorandum of understanding with the Company setting out the terms and conditions of their participation in the new bond issue, subject to obtaining the approval of the Moroccan Capital Market Authority and informed the holders that the draft memorandum was of their disposal at the Company's registered office, each holder wishing to participate in the restructuring of the Company's private debt under the conditions described in the memorandum being requested to contact the Company to complete the missing information concerning them and sign the memorandum before February 26, 2019. By notice published in the legal announcement gazette Libération of March 1, 2019, the Company informed the holders of bonds issued by the Company on October 7, 2011 and on March 5, 2015 and/or related coupons as well as the holders of coupons relating to bonds repayable in shares issued by the Company in 2015, that the deadline for signing the memorandum, was extended as of March 19, 2019.

The Ordinary General Meeting of the Company dated February 27, 2019, after having heard the report of the Board of Directors dated December 26, 2018, authorized, pursuant to the provisions of Articles 292 et seq. of Act No. 17-95 relating to public limited companies, as amended and supplemented (the "Act"), the Issue by the Company, in one or more tranches, for a period of five (5) years from this Meeting, of a bond issue with a maximum aggregate nominal amount of one billion four hundred million dirhams (MAD 1,400,000,000), divided into a maximum number of fourteen million (14,000,000) bonds with a par value of one hundred Dirhams (MAD100) each issued at par, reserved for holders of bonds issued by the Company on October 7, 2011 and March 5, 2015 and related coupons as well as holders of coupons relating to bonds repayable in shares issued by the Company in 2015, and who have prior to the signed Issue a protocol pursuant to which they have undertaken to subscribe to the restructuring operation.

The Ordinary General Meeting decided that the bond issue may consist of several tranches, it being understood that (i) in the event of a plurality of tranches, the cumulative amount of the bonds issued in connection with the Bond Issue shall in no case exceed the sum of one billion four hundred million dirhams (MAD 1,400,000,000) and

(ii) the amount of the bond issue may be limited to the amount of the bonds actually subscribed at the end of the subscription period, in accordance with Article 298 of the Law.

In the event of a plurality of tranches, the tranches comprising the bond issue may, where applicable, be divided into subcategories to be differentiated according to the nature of the interest rates (fixed or variable) and/or according to whether or not the bonds are listed on the Casablanca Stock Exchange.

These bonds will be governed by the provisions of articles 292 to 315 of the Law and may be listed and/or not listed on the Casablanca Stock Exchange.

In this respect, the Ordinary General Meeting of February 27, 2019 delegated to the Board of Directors of the Company the necessary powers to:

- proceed, for a period of five (5) years from this Meeting, at its sole discretion, at such times, on such terms and under such conditions as it deems appropriate (in compliance with the terms and conditions set by this Meeting) set out in an issue contract, to issue the bond issue on one or more occasions;
- determine the nature and all the terms and conditions and characteristics of each of these issues (in compliance with the terms and conditions set by this Meeting) and, in particular, decline the bond issue in several tranches, set the opening and closing dates for subscriptions, draw up and approve the issue contract and the subscription form;
- decide to confer guarantees or securities as a total or partial guarantee of the bond issue, and
- in general, enter into all agreements, take all necessary measures and complete all required formalities, and generally do all that is necessary to carry out the above operation.

The Ordinary General Meeting noted the mortgage guarantees that may, where applicable, be granted by the Company's direct or indirect subsidiaries as partial guarantees for the bond issue, it being specified that the granting of mortgage guarantees by third parties should comply with applicable laws and regulations, in particular with regard to respect for the corporate interests of third parties and be subject to the authorizations required by the legal and regulatory provisions applicable to each third party.

The Ordinary General Meeting delegated to the Board of Directors the necessary powers to enter into the aforementioned mortgage guarantees to be granted by third parties as partial security for the bond loan and delegated all powers to the Board of Directors to (i) enter into assets to be covered by the mortgage guarantees granted by third parties as partial security for the bond loan, (ii) to record the terms and conditions of the related draft mortgage guarantee deeds and (iii) generally, to enter into all agreements, take all necessary measures and carry out all necessary formalities, and generally to do all that is necessary for the completion of the above operation.

As part of the delegation of powers granted by the Ordinary General Meeting of February 27, 2019, the Board of Directors, meeting on September 19, 2019, decided to issue a bond loan for a maximum nominal amount of one billion four hundred million dirhams (MAD 1,400,000,000), divided into a maximum number of fourteen million (14,000,000) bonds with a nominal value of MAD 100 each issued at par and which can be broken down as follows<sup>7</sup>:

- Tranche A at a fixed rate: this tranche is tradable over the counter, with a maturity of ten years, and will be repayable after the expiry of a three-year grace period by straight-line amortization over a period of seven years. The nominal interest rate is fixed and stands at 3% excluding tax;
- tranche B at a variable rate: this tranche is tradable over the counter, with a maturity of ten years, will be repayable after the expiry of a three-year grace period by straight-line amortization over a period of seven years. The interest rate is revisable, with reference to the full 52-week Treasury Bill monetary rate, and capped at 3.2% excluding taxes.

The Board of Directors also decided to reserve the bond issue for the following three categories of investors:

**Investors I:** all holders of bonds issued by Alliances Développement Immobilier as part of the MAD1,000,000,000 bond issue covered by the CDVM on 16 September 2011 under reference number VI/EM/030/2011 and matured on October 7 2016 (the "2011 Bonds") as well as holders of coupons relating to the 2011 Bonds, who have signed a protocol prior to the issue pursuant to which they have undertaken to subscribe to the restructuring operation;

**Investors II:** all holders of bonds issued by Alliances Développement Immobilier as part of the MAD1,000,000,000 bond issue covered by the CDVM on February 17, 2015 under reference no. VI/EM/001/2015 and maturing on

<sup>7</sup> See Part relating to the characteristics of tranches A and B

March 05, 2020 (the "**2015 Bonds**") as well as holders of coupons relating to the 2015 Bonds, who have signed a memorandum pursuant to which they agreed to subscribe to the restructuring operation before the issue date.

**Investors III:** all holders of coupons relating to nine million nine hundred and sixty-six thousand (9,966,000) bonds repayable in shares issued by Alliances Développement Immobilier in August 2015 and covered by the Prospectus approved on August 17, 2015 under reference VI/EM/023/2015 the principal amount of which was repaid by the issue of ADI shares on April 30, 2018 ("**ORA**") and who had signed a memorandum prior to the issue under which they agreed to subscribe to the restructuring operation.

The same Board of Directors authorized the repayment by the Company of the 2011 Bonds, the repurchase by the Company of the 2015 Bonds for cancellation in compliance with legal and regulatory provisions, as well as the payment of the coupons relating to the 2011 Bonds, 2015 Bonds and ORA Coupons, as part of the bond issue, the payment of the subscription to the new bonds being made by way of compensation with the subscriber's receivable in respect of the aforementioned securities and coupons held and contributed to the operation.

Finally, as part of the delegation of powers granted by the Ordinary General Meeting of February 27, 2019, the Board of Directors, meeting on September 19, 2019, approved the guarantees to be granted by the Company's subsidiaries described in **section II.3.1** above.

In accordance with the provisions of Article 70 of Law No. 17-95 relating to public limited companies as amended and supplemented, the Board of Directors of Alliances Darna, SA on September 20, 2019 authorized the creation of a guarantee of the bond loan in favor of the Company by granting mortgage guarantees on the land held by Alliances Darna, SA as described in the table in **section II.3.1** above.

In accordance with the provisions of Article 70 of Law No. 17-95 on Public Limited Companies as amended and supplemented, the Board of Directors of Aghouatim Al Baraka, SA on September 20, 2019 authorized the creation of a guarantee for the bond loan to the Company by granting mortgage guarantees on the land held by Aghouatim Al Baraka, SA as described in the table in **section II.3.1** above.

In accordance with the provisions of Article 70 of Law No. 17-95 relating to public limited liability companies as amended and supplemented, the Board of Directors of the Lixus Development Company, SA on September 20, 2019 authorized the creation of a guarantee for the bond issue in favor of the Company by granting mortgage guarantees on the land held by the Lixus Development Company, SA as described in the table in **section II.3.1** above.

In accordance with the provisions of Article 70 of Law No. 17-95 relating to public limited liability companies as amended and supplemented, the Board of Directors of Immobilière Nejmat Saiss, SA on September 20, 2019 authorized the creation of a guarantee for the bond issue in favor of the Company by granting mortgage guarantees on the land held by Société Immobilière Nejmat Saiss, SA as described in the table in **section II.3.1** above.

As part of the delegation of powers granted by the Ordinary General Meeting of February 27, 2019, the Board of Directors, meeting on December 9, 2019, set the amount of the bond issue at MAD1,093,132,000 divided into 10,931,320 bonds with a par value of MAD100 each issued at par and which breaks down as follows<sup>8</sup>:

- Tranche A at a fixed rate: this tranche is tradable over the counter, with a maturity of ten years, and will be repayable after the expiry of a three-year grace period by straight-line amortization over a period of seven years. The nominal interest rate is fixed and stands at 3% excluding tax
- Tranche B at a variable rate: this tranche is tradable over the counter, with a maturity of ten years, and will be repayable after the expiry of a three-year grace period by straight-line amortization over a period of seven years. The interest rate is revisable, with reference to the full 52-week Treasury Bill monetary rate, and capped at 3.2% excluding taxes, plus a risk premium of 60 basis points. For the first year, the nominal interest rate on this tranche is 2.91% calculated on the basis of the reference rate curve for the secondary market for Treasury bills as published by Bank Al Maghrib on December 3, 2019, i.e. a rate of 2.31% plus a risk premium of 60 basis points.

The amount of the bond issue is limited to the amount of bonds actually subscribed at the end of the subscription period, in accordance with article 298 of the Law.

<sup>8</sup> See Part relating to the characteristics of tranches A and B

The terms and conditions of the operation covered by this Prospectus, as decided by the Board of Directors held on December 9, 2019, upon delegation of authority by the Extraordinary General Meeting, are set out in detail in this prospectus.

#### IV. Objective of the operation

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It should be recalled that the Company issued:

- bonds under the MAD1,000,000,000 bond issue covered by the CDVM on September 16, 2011 under reference no. VI/EM/030/2011 and matured since October 7, 2016;
- bonds under the MAD1,000,000,000 bond issue covered by the CDVM on February 17, 2015 under reference no. VI/EM/001/2015 maturing on March 05, 2020;
- nine million nine hundred and sixty-six thousand (9,966,000) bonds repayable in shares issued by the Company in August 2015 and covered by the prospectus referred to on August 17, 2015 under reference VI/EM/023/2015, the principal amount of which was repaid by the issue of shares of the issuer on April 30, 2018;

The bond issue covered by this prospectus is part of the financial restructuring plan launched by the Alliances group, the objective of which is to reduce the group's debt, financial charges and structural costs in order to mark a recovery in the group's business.

This operation is the third step in the overall restructuring plan initiated by the Alliances Group in 2015 following the completion of the first part of the restructuring plan relating to the Alliances Group's bank debt and the second part of the restructuring plan reducing Alliances Développement Immobilier's outstanding private debt.

Thus, through the bond issue whose Issue is planned, the Company aims to reprofile the outstanding amount of its private debt, through the Issue of new bonds whose subscription is reserved for holders of 2011 Bonds and/or related coupons having signed a restructuring protocol with the Company (investors I), holders of 2015 Bonds and/or related coupons who have signed a restructuring protocol with the Company (Investors II), as well as holders of coupons relating to ORA who have signed a restructuring protocol with the Company (Investors III).

Investors I, Investors II and Investors III wishing to subscribe to the bond issue are therefore invited to participate in an operation which, depending on the securities contributed to the operation, and in consideration for the subscription to the new bonds, will result in a repayment by Alliances Développement Immobilier of the 2011 Bonds held by the subscriber, if applicable, a repurchase by Alliances Développement Immobilier of the 2015 Bonds held by the subscriber, if applicable, and payment of the coupons relating to the 2011 Bonds, 2015 Bonds and/or ORA, if applicable (the amount of the coupons concerned being determined with regard to **section V of part II** of the prospectus), accompanied, if applicable, by the payment of the Balance by the issuer.

The payment of the subscription by each subscriber under the new bonds concerning him/her will be made by offsetting against the subscriber's claim on the issuer under the 2011 Bonds held by them under the 2011 Bonds, the 2015 Bonds held by them under the 2011 Bonds and/or the coupons<sup>9</sup> relating to the 2015 Bonds and/or the ORA under the provisions of Articles 357 et seq. of the Dahir relating to bonds and contracts and subject to any Balance to be paid by the issuer per subscription request (calculated as indicated above).

#### V. Investors concerned by the operation

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The operation will be reserved for the three categories of investors presented below:

**Investors I:** all holders of bonds issued by Alliances Développement Immobilier as part of the MAD1,000,000,000 bond issue covered by the CDVM on 16 September 2011 under reference number **VI/EM/030/2011** and matured on October 7 2016 (the "**2011 Bonds**") as well as holders of coupons relating to the 2011 Bonds, who have signed a protocol prior to the issue pursuant to which they have undertaken to subscribe to the restructuring operation

The total amount of the receivable (in principal and net coupons) relating to this category is MAD503.9 million according to the following table:

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<sup>9</sup> Security holders expressly waive the right to receive payment of any other accrued or matured coupon and in particular (i) with respect to the 2011 Bonds, any interest in respect of the period after the maturity date of the 2011 Bonds (ii) with respect to the 2015 Bonds, any interest in respect of the period after 31/12/2018 and (iii) with respect to the ORA, any accrued or matured interest in respect of the period after the maturity date of the ORA.

**Table 6. 2011 Bonds**

Code ISIN	Listing on the Casablanca Stock Exchange	Nature of the rate at the first issue	Exchange value (in MAD million)	Coupons due to be reprofiled on 31/12/2018 (in MAD million) <sup>10</sup>	Issue risk premium	Maturity date	Payment frequency
MA0000091399	Non listed	Fixed	172.7	13.3	140 bps	07/10/2016	In fine
MA0000091407	Non listed	Revisable	293.2	24.8	125 bps	07/10/2016	In fine

Source: *Alliances Développement Immobilier*

**Investors II:** all holders of bonds issued by Alliances Développement Immobilier as part of the MAD1,000,000,000 bond issue covered by the CDVM on February 17, 2015 under reference no. **VI/EM/001/2015** and maturing on March 05, 2020 (the "2015 Bonds") as well as holders of coupons relating to the 2015 Bonds, who have signed a memorandum pursuant to which they agreed to subscribe to the restructuring operation before the issue date.

The total amount of the receivable (in principal and net coupons) relating to this category is MAD 477.1 million according to the following table:

**Table 7. 2015 Bonds**

Code ISIN	Listing on the Casablanca Stock Exchange	Nature of the rate at the first issue	Exchange value (in MAD million)	Coupons due to be reprofiled on 31/12/2018 (in MAD million) <sup>11</sup>	Issue risk premium	Nominal rate	Maturity date	Payment frequency
MA0000092488	Non listed	Fixed	418.4	58.8	275 bps	5.67%	05/03/2020	In fine

Source: *Alliances Développement Immobilier*

**Investors III:** all holders of coupons relating to nine million nine hundred and sixty-six thousand (9,966,000) bonds repayable in shares issued by Alliances Développement Immobilier in August 2015 and covered by the Prospectus approved on August 17, 2015 under reference **VI/EM/023/2015** the principal amount of which was repaid by the issue of ADI shares on April 30, 2018 ("ORA") and who had signed a memorandum prior to the issue under which they agreed to subscribe to the restructuring operation.

The total amount of the net coupon receivable relating to this category is MAD 112.0 million according to the following table:

**Table 8. ORA Coupons**

Code ISIN	Nature of the rate	Exchange value (MAD billion)	Coupons due to be reprofiled on 31/12/2018 (in MAD million) <sup>12</sup>	Issue risk premium	Nominal rate	Maturity date	Payment frequency
MA0000092678	Fixed	-	112.0	217 bps	5.00%	30/04/2018	In fine

Source: *Alliances Développement Immobilier*

#### V.1. Conditions for subscribing to the bond issue

Subscription to the bonds covered by this prospectus implies for each subscriber an express reiteration:

- (i) that the amount of its receivable from the issuer, as determined and indicated in the memorandum signed with the issuer with a view to the bond issue, including the amount of coupons mentioned therein, (i)

<sup>10</sup> Net due coupons of the CT/RI as of 31/12/2018

<sup>11</sup> Net due coupons of the CT/RI as of 31/12/2018

<sup>12</sup> Net due coupons of the CT/RI as of 31/12/2018

represents the sum of the nominal value of the 2011 Bonds, if any, held by it, the exchange value of the 2015 Bonds held by it, if any, and the amount of the after-tax coupons (CT/RT) relating to the 2011 Bonds, 2015 Bonds and ORA, if any, and (ii) represents the total amount of the Subscriber's receivable under restructuring in connection with the bond issue subject to this prospectus;

- (ii) its acceptance, recorded in the memorandum signed with the issuer with a view to the bond issue, that the 2011 Bonds and 2015 Bonds held by it will not generate additional interest and that the amounts of the related coupons and ORA coupons will remain unchanged compared to those agreed in the aforementioned memorandum;
- (iii) its waiver, recorded in the agreement signed with the issuer with a view to the bond issue, to receive payment of any other accrued or matured coupon, in particular (i) with respect to the 2011 Bonds, to any interest relating to the period subsequent to the maturity date of the 2011 Bonds, (ii) in respect of the 2015 Bonds, any interest relating to the period after December 31, 2018 and (iii) in respect of the ORA, any accrued or matured interest relating to the period after the maturity date of the ORA.

With regard to point (ii) above, the total amount of coupons relating to the 2011 Bonds, 2015 Bonds and ORA, [for which memoranda have been signed] net of the CT/RT impact withheld at source reproduced below:

**Table 9. Coupons relating to 2011 Bonds, 2015 Bonds and ORA**

Coupons in MAD million	Coupons relating to 2011 Bonds	Coupons relating to 2015 Bonds	ORA coupons	Total
Unpaid matured coupons as of December 31, 2018	38.0	58.8	112.0	208.8

Source: *Alliances Développement Immobilier*

It should be noted that the VAT resulting from this Operation will remain the issuer's liability.

## VI. Impact of the operation on the indebtedness of Alliances Développement Immobilier S.A

The unpaid Coupons due as of 31 December 2018, relating to the securities concerned by the reprofiling operation estimated at MAD 208.8 million, are recorded under current liabilities (Accruals and deferred income).

The difference between the exchange value and the nominal value of the 2015 bonds estimated at MAD 18.6 million is also recorded in current liabilities.

Following the reprofiling operation, the unpaid Coupons due as of December 31, 2018 and the difference between the exchange value and the nominal value of the 2015 bonds currently recorded under current liabilities (short-term debt) will be reclassified as permanent financing (long-term debt in addition to existing debt).

## VII. Costs related to the operation

The operation costs to be borne by the issuer are estimated at approximately 1.7% excluding VAT of the operation amount. These costs include commissions:

- Financial advice;
- Legal advice;
- The notary;
- Mortgage constitution and registration fees;
- Escrow Account fees;
- Relating to the AMMC approval;
- Order collection;
- Communication;
- Maroclear's commission;
- The account holder/centralizing body.

## VIII. Flow of the operation

### VIII.1. Schedule of the operation

Subscription is open at the Order Collector.

The schedule for the Operation is as follows:

**Table 10. Indicative schedule of the operation:**

Order	Steps	Dates
1	Obtention of AMMC approval	25/12/2019
2	Publication of a prospectus extract on the issuer's website	25/12/2019
3	Publication of the prospectus extract in a legal announcement journal	27/12/2019
4	Publication of a press release on the legal announcement journal	06/01/2020
5	Opening of the subscription period	24/01/2020
6	Closing of the subscription period	27/01/2020
7	<ul style="list-style-type: none"> <li>▪ Delivery of the new Bonds without cash payment by the Centralizing Agent to the Account Holders;</li> <li>▪ Write-off of the 2011 Bonds and the related Coupons by the Account Holders;</li> <li>▪ Delivery without cash payment of the 2015 Bonds by the Account Holders to the Centralizing Agent;</li> <li>▪ Write-off of Coupons relating to the 2015 Bonds by Account Holders;</li> <li>▪ Write-off of Coupons relating to ORA by Account Holders;</li> <li>▪ Transfer of the Balance to Account Holders.</li> </ul>	31/01/2020
8	Registration of the securities in account with the subscribers' account keepers	31/01/2020
9	Publication of the results of the operation in a legal announcement journal and on the issuer's website	04/02/2020

Source: Alliances Développement Immobilier

### VIII.2. Order Collector and Financial Intermediaries

The financial intermediaries intervening in the context of this bond issue are as follows:

**Table 11. Presentation of financial intermediaries**

Financial intermediaries	Name	Address
<b>Advisors</b>	BMCE Capital Conseil	63, Boulevard My Youssef, Casablanca
	CFG Bank Corporate Finance	5/7, Rue Ibnou Toufail, Casablanca
<b>Order Collector</b>	BMCE Bank Of Africa	140, Boulevard Hassan II – Casablanca
<b>Operation's centralizing body</b>	BMCE Bank Of Africa	140, Boulevard Hassan II – Casablanca
<b>Escrow</b>	BMCE Bank Of Africa	140, Boulevard Hassan II – Casablanca
<b>Domiciliary establishment providing the financial service of the issuer</b>	BMCE Bank Of Africa	140, Boulevard Hassan II – Casablanca

Source: Alliances Développement Immobilier

### VIII.3. Subscription terms and conditions

#### VIII.3.1. Subscription period

The subscription operation for the bond issue, subject of this prospectus, is open from 06/01/2020 to 24/01/2020 inclusive with BMCE Bank of Africa in its capacity as Order Collector.

#### VIII.3.2. Identification of subscribers

The Order Collector must ensure that the subscriber belongs to one of the categories defined above. In case this does not apply, they must obtain and attach a copy of the subscriber identification document to the subscription form designed for the operation.

For each category of subscriber, the identification documents to be produced are as follows:

**Table 12. Subscriber identification documents:**

Category	Document to be attached
Associations	Photocopy of the Articles of Association and photocopy of the receipt of the file deposit
Minor children	Photocopy of the page of the family record book attesting to the child's date of birth
Non-resident and non-Moroccan natural persons	Photocopy of the pages of the passport containing the identity of the person as well as the issue and expiry dates of the document
Resident and non-Moroccan natural persons	Photocopy of the residency card
Legal entities under Moroccan law	Photocopy of the commercial register
Legal persons under foreign law	Any document authentic in the country of origin attesting to the belonging to the category or any other means deemed acceptable by the order collector
Qualified investors under Moroccan law other than UCITS	Model of the entries in the Commercial Register including the corporate purpose showing their belonging to this category.
UCITS under Moroccan law	1) Photocopy of the approval decision; 2) For Mutual Funds, the number of the certificate of deposit at the court registry; 3) For Investment companies with variable capital (SICAVs), the number of the commercial register.
Resident and Moroccan natural persons	Photocopy of the national identity card

Source: *Protocoles d'accord*

#### VIII.3.3. Subscription terms and conditions

BMCE Bank of Africa, in its capacity as Order Collector, will control the compliance of subscription files with the terms and conditions of subscription provided for in the prospectus, in order to avoid the cancellation of subscription applications.

The Order Collector must ensure that the subscriber belongs to one of the categories defined above. In case this does not apply, they must obtain and attach a copy of the subscriber identification document to the subscription form designed for the operation:

- Certificate of lock-up of the 2011 Bonds, 2015 Bonds and/or coupons under the 2011 Bonds, 2015 Bonds and/or ORA in the form attached to the subscription form<sup>13</sup> designed for the operation;
- Copy of the restructuring memorandum signed with the issuer.

<sup>13</sup> The subscription forms will be formulated by account holder.

**i) Subscription terms and conditions by Investors I: all holders of the 2011 Bonds (issued by Alliances Développement Immobilier in 2011) and/or coupons relating to these bonds, having signed a memorandum**

Subscribers who are only members of the 1<sup>st</sup> category of investors (**Investors I**), will participate in a operation pursuant to which, in consideration for the subscription to the bonds covered by this prospectus, the issuer will repay the 2011 Bonds and pay the coupons relating to the 2011 Bonds (subject to the conditions referred to in **section V of Part II** of the Prospectus) held by the Subscriber, the payment of the subscription for the new Bonds being made by way of set-off against the Subscriber's entire receivable from the issuer in respect of the 2011 Bonds and the coupons relating to the 2011 Bonds (subject to the conditions set out in **section V of Part II** of the Prospectus) held by the Subscriber, and in the event that the amount due from the Subscriber exceeds the subscription price of the Bonds, with cash payment by the issuer of the corresponding Balance.

The said subscribers may make a firm and irrevocable<sup>14</sup> subscription request specifying the number of 2011 Bonds and the amount of coupons they hold relating to the 2011 Bonds and which they contribute to the operation, as well as the nature of the tranche subscribed as part of the new issue in return for the repayment of the 2011 Bonds and the payment of the 2011 Bond coupons (subject to the conditions set out in **section V of Part II** of the prospectus).

The number of new bonds subscribed by each Investor I must correspond to:

- the sum of the nominal value of the 2011 Bonds held by it and the coupons relating to the 2011 Bonds (as referred to in **section V of Part II** of the prospectus) net of the withholding tax on the CT or IT held by them
- divided by 100
- rounded down to the nearest whole number

All subscriptions of each Investor I must be made with the Order Collector. The subscription form for Investors I includes (i) an application for subscription to the new bonds for the number of bonds determined in accordance with the above formula, (ii) an instruction to write off the claim relating to the 2011 Bonds held by such subscriber and (iii) an instruction to write off the claim relating to the coupons relating to the 2011 Bonds (as referred to in **section V of Part II** of the prospectus) held by such subscriber with waiver of any other accrued and due coupon relating to the 2011 Bonds.

Subscription requests for the operation are cumulative on a daily basis, per subscription amount, and subscribers may be served up to the amount of their request.

The Order Collector is required to collect subscription orders from subscribers interested in the operation, using firm and irrevocable subscription forms<sup>15</sup>, duly completed and signed by the subscribers in accordance with the model attached to this prospectus.

All subscription forms must be signed by the subscriber or their representative and sent to the Order Collector. All subscriptions must be made by set-off and must be expressed in number of securities.

The signature of the subscription form constitutes acceptance of the Issue Contract attached to this prospectus.

Subscriptions to the Bond Loan will be collected, throughout the subscription period, by the Order Collector who will send to the account holders of the subscribers the cancellation instructions accompanied by the results of the allocation, specifying the number of 2011 Bonds to be cancelled and/or the receivable relating to the coupons relating to the 2011 Bonds to be cancelled, as well as the number of new bonds to be registered in the account for each subscriber and, if applicable, the amount of the Balance to be paid by the issuer to the relevant subscriber, as the case may be, as well as the amounts corresponding to the various operations, it being understood that each subscriber must instruct its account holder to execute the operations in question.

**ii) Subscription terms and conditions for Investors II: all holders of the 2015 Bonds (issued by Alliances Développement Immobilier in 2015) and/or coupons relating to these bonds, having signed a memorandum**

Subscribers who are only in the 2<sup>nd</sup> category of investors (**Investors II**), will participate in a operation whereby, in consideration for the subscription to the bonds covered by this prospectus, the issuer will repay the 2015

<sup>14</sup> The subscription only becomes firm and irrevocable at the end of the subscription period.

<sup>15</sup> The subscription only becomes firm and irrevocable at the end of the subscription period.



and in the event that the amount of the subscriber's claim exceeds the subscription price of the bonds, with payment in cash by the issuer of the corresponding Balance.

The said subscribers may make a firm and irrevocable<sup>18</sup> subscription request by specifying the number of ORA coupons they contribute to the operation, as well as the nature of the tranche subscribed as part of the new issue in consideration for the payment of the ORA coupons (subject to the conditions of **section V of Part II** of the prospectus).

The number of new bonds subscribed by each Investor III must correspond to:

- the sum of the coupons relating to ORA (as referred to in **section V of Part II** of the prospectus) net of the withholding tax on the CT or RT
- divided by 100
- rounded down to the nearest whole number

All subscriptions of each Investor III must be made with the Order Collector. The subscription form for Investors III includes (i) an application for subscription to the new bonds for the number of bonds determined in accordance with the above formula and (iii) an instruction to write off the claim relating to the ORA coupons (as referred to in **section V of Part II** of the prospectus) with waiver of any other accrued and expired coupon relating to the ORA.

Subscription requests for the operation are cumulative on a daily basis, per subscription amount, and subscribers may be served up to the amount of their request.

The Order Collector is required to collect subscription orders from subscribers interested in the operation, using firm and irrevocable subscription forms<sup>19</sup> duly completed and signed by the subscribers in accordance with the model attached to this prospectus.

All subscription forms must be signed by the subscriber or their representative and sent to the Order Collector. All subscriptions must be made by set-off and must be expressed in number of securities.

The signature of the subscription form constitutes acceptance of the Issue Contract attached to this prospectus.

Subscriptions to the bond issue will be collected, throughout the subscription period, by the Order Collector who will send to the account holders of the subscribers the cancellation instructions together with the results of the allocation, specifying the debt relating to the coupons relating to the ORA to be cancelled, as well as the number of new bonds to be registered in the account for each subscriber and, where applicable, the amount of the Balance to be paid by the issuer to the relevant subscriber, as the case may be, as well as the amounts corresponding to the various operations, it being understood that each subscriber must instruct its account holder to execute the operations concerned.

#### **iv) Investors belonging to more than one category of investors**

Subscribers belonging to several categories of investors (Investors I and/or Investors II and/or Investors III) will participate in an operation under which, in consideration of the subscription to the bonds covered by this prospectus, the issuer will repay the 2011 Bonds held by the relevant subscriber, repurchase at their exchange value the 2015 Bonds held by the relevant subscriber and pay the coupon on the 2011 Bonds, 2015 Obligations and/or ORA subject to the conditions in **section V of Part II** of the Prospectus), with the release of the subscription to the new bonds being made by way of set-off against the totality of the subscriber's claim on the issuer in respect of the repayment of the 2011 Bonds held by the relevant subscriber, the repayment at the exchange value of the 2015 Bonds held by the relevant subscriber, if any, and the payment of the coupons relating to the 2011 Bonds, 2015 Bonds and ORA (subject to the conditions in **section V of Part II** of the prospectus) that the relevant subscriber holds, if any, and in the event that the amount of the subscriber's claim exceeds the subscription price of the bonds, with payment in cash by the issuer of the corresponding Balance.

Such subscribers may make a firm and irrevocable<sup>20</sup> subscription request specifying the number of 2011 Bonds, 2015 Bonds and/or the amount of coupons relating to the 2011 Bonds, 2015 Bonds and/or ORA that they contribute to the operation, as well as the nature of the tranche subscribed for in the new issue in consideration

<sup>18</sup> Subscription requests only become firm and irrevocable at the end of the subscription period.

<sup>19</sup> Subscription requests only become firm and irrevocable at the end of the subscription period.

<sup>20</sup> Subscription requests only become firm and irrevocable at the end of the subscription period.

for the repayment of the 2011 Bonds, the repayment of the 2015 Bonds and the payment of coupons relating to the 2011 Bonds, 2015 Bonds and/or ORA as applicable (subject to the conditions in **section V of Part II** of the prospectus).

The number of new bonds subscribed for by a subscriber belonging to several categories of investors must correspond to:

- the sum of **(i)** the nominal value of the 2011 Bonds held by them, if any, **(ii)** the exchange value of the 2015 Bonds held by them, if any, and **(iii)** the coupons relating to the 2011 Bonds, 2015 Bonds and/or ORA, if any (as referred to in section V of Part II of the prospectus), net of the CT or RT withheld at source;
- divided by 100
- rounded down to the nearest whole number.

All subscriptions of each subscriber belonging to several categories of investors must be made to the Order Collector. The subscription form includes (i) an application to subscribe for the new bonds for the number of bonds determined in accordance with the above formula, (ii) an instruction to write off the receivable relating to the 2011 Bonds held by this subscriber, if any, (iii) an instruction to write off the receivable relating to the coupons relating to the 2011 Bonds (as referred to in **section V of Part II** of the prospectus) held by such subscriber, if any, with waiver of any other accrued and matured coupon relating to the 2011 Bonds, (iv) an instruction to dispose of the 2015 Bonds held by such subscriber, if any, (v) an instruction to write off the claim relating to the 2015 Bond coupons (as referred to in **section V of Part II** of the prospectus) held by such subscriber, if any, with waiver of any other accrued and matured coupon in respect of the 2015 Bonds, (vi) an instruction to write off the claim in respect of the ORA coupons (as described in **section V of Part II** of the prospectus), if any, with waiver of any other accrued and matured coupon in respect of the ORA.

Subscription requests for the operation are cumulative on a daily basis, per subscription amount, and subscribers may be served up to the amount of their request.

The Order Collector is required to collect subscription orders from subscribers interested in the operation, using firm and irrevocable subscription forms<sup>21</sup> duly completed and signed by the subscribers in accordance with the model attached to this prospectus.

Any subscription form must be signed by the subscriber or his representative and sent to the Order Collector. All subscriptions must be made by set-off and must be expressed in number of securities.

The signature of the subscription form constitutes acceptance of the **Issue Contract** attached to this prospectus.

Subscriptions to the bond issue will be collected, throughout the subscription period, by the Order Collector who will transmit to the account holders of the subscribers the transfer instructions and cancellation instructions together with the results of the allocation, specifying for each subscriber:

- (i)** the number of new bonds to be recorded in the account;
- (ii)** the number of 2011 Bonds to be written off, if any;
- (iii)** the number of 2015 Bonds to be sold, if any;
- (iv)** the receivable relating to the coupons relating to the 2011 Bonds to be written off, if any;
- (v)** the receivable relating to the coupons relating to the 2015 Bonds to be written off, if any;
- (vi)** the receivable relating to the coupons relating to the ORA to be written off, if any;
- (vii)** and if applicable, the amount of the Balance to be paid by the issuer to the subscriber, if applicable;
- (viii)** as well as the amounts corresponding to the various operations

It being understood that each subscriber must instruct their account holder to execute the relevant operations.

#### VIII.4. Terms and conditions for order processing and allocation

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##### VIII.4.1. Terms and conditions for order processing

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At the end of the subscription period, i.e. 24/01/2020 at 4:00 pm, BMCE Bank of Africa in its capacity as Order Collector, will prepare, in the presence of a representative of the issuer, a detailed and consolidated summary statement of subscriptions.

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<sup>21</sup> Subscription requests only become firm and irrevocable at the end of the subscription period.

Then on January 27, 2020 after 4:00 pm at the headquarters of BMCE Bank of Africa the following will then be carried out:

- Cancellation of requests that do not comply with the terms and conditions of subscription provided for in the prospectus;
- The consolidation of all admissible subscription requests; i.e. all subscription requests other than those subject to nullity;
- Allocation according to the method defined below (see section on allocation procedures); and
- The recognition of the amount of the Balance to be paid by the issuer. It should be noted that payment of the balance will be made on the same day as the delivery of the securities.

A copy of this final summary statement will be sent by BMCE Bank of Africa (Order Collector) to the issuer no later than January 28, 2020 at 4:00 pm.

#### **VIII.4.2. Terms and conditions for securities' allocation**

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At the end of the subscription period, subscription orders will be consolidated by investor category (I, II and III) and BMCE Bank of Africa will issue a summary statement of subscriptions.

The requests expressed will be met until the maximum amount of the bond issue is reached. In the event that the total amount of subscriptions received at the closing date of subscriptions is less than the maximum amount of the issue, the total amount allocated shall be limited to the total amount subscribed, in accordance with the decision of the General Meeting of February 27, 2019, to limit the amount of the issue to the amount subscribed.<sup>22</sup>

No order of priority is established between the tranches of the bond issue (tranches A and B) or between the subscriptions received from subscribers (Investors I, II and III).

At the end of the allocation session attended by the issuer, the Financial Advisors, the Centralizing Agent and the Order Collector, an allocation report (detailed by category of investor and by tranche) will be drawn up by BMCE Bank of Africa.

The allocation will be declared and recognized as "final and irrevocable" by the Centralizing Agent and the Order Collector and the issuer upon signature by the parties of the minutes.

#### **VIII.4.3. Terms and conditions for cancelling securities**

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Any subscription that does not comply with the conditions contained in this prospectus will be cancelled by the Order Collecting Body.

#### **VIII.5. Terms and conditions for delivering securities**

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##### **VIII.5.1. Terms and conditions for delivering the securities to be issued**

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The delivery operation of the new bonds against the delivery of the securities and/or coupons to be provided for all operations will include:

- (i) the new bond issue;
- (ii) the repayment of the 2011 bonds, if any;
- (iii) the repurchase of the 2015 bonds, if any;
- (iv) the payment of coupons relating to the 2011, 2015 Bonds and ORA, if any;
- (v) the payment of the Balance, if any, being calculated and paid per subscription request (subscription requests are made by account holder<sup>23</sup>)

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<sup>22</sup> See Article 298 of Law 17-95 on public limited companies as amended and supplemented

<sup>23</sup> In the event that a given subscriber has, for their old bonds, two or more account keepers, subscription requests will be made by account keeper, and consequently the payment of the balance will be made by subscription request in accordance with the subscription form relating to the present operation

and will be carried out between the Centralizing Agent of the issue, namely BMCE Bank of Africa, and the Account Holders of the subscribers.

For each investor, payment of the subscription price relating to the new bonds subscribed by the latter shall be made by offsetting, on January 31, 2020, in accordance with Articles 357 et seq. of the Dahir of Obligations and Contracts, against the investor's receivable as defined in the signed memorandum, and registered in the subscriber's name.

BMCE in its capacity as Order Collector will send the subscription forms to the Centralizing Agent of the bond issue on January 31, 2020.

The Centralizing Agent of the bond issue will then transmit to each account holder, on January 31, 2020, the new bonds allocated to each of their subscribing clients, namely Investors I, Investors II and Investors III and investors belonging to several categories.

For Investors I, BMCE Bank of Africa in its capacity as Centralizing Agent of the operation, will proceed on January 31, 2020 to deliver, without payment in cash, the new bonds and to pay the Balance, if any, to the Account Holders, in consideration, and on the same day, the Account Holders will proceed to write off the receivable, of subscribers' accounts, relating to the 2011 Bonds and the Coupons relating thereto.

For Investors II, BMCE Bank of Africa, in its capacity as Centralizing Agent of the operation, will proceed on January 31, 2020 to deliver, without payment in cash, the new bonds and to pay the Balance, if any, to the Account Holders, in consideration, and during the same day, the Account Holders will transfer the 2015 Bonds to the account of the Centralizing Agent and will proceed with the cancellation on the same day of subscribers' accounts and the related coupons. On the same day, the Centralizing Agent will transfer the 2015 Bonds to the issuer's securities account opened with Attijariwafa Bank.

Attijariwafa Bank as the domiciliary bank of the 2015 Bonds will delist the 2015 Bonds no later than 2 days after they are received from the Centralizing Agent.

For **Investors I**, BMCE Bank of Africa in its capacity as Centralizing Agent, will proceed on January 31, 2020 to deliver, without payment in cash, the new bonds and the payment of the Balance, if any, to the Account Holders, in consideration, and on the same day, the Account Holders will proceed to write off the receivable relating to the 2011 Bonds and the related Coupons.

For **Investors II**, BMCE Bank of Africa, in its capacity as Centralizing Agent of the operation, will proceed on January 31, 2020 to deliver, without payment in cash, the new bonds and to pay the Balance, if any, to the Account Holders, in consideration, and during the same day, the Account Holders will transfer the 2015 Bonds to the account of the Centralizing Agent and will proceed with the cancellation on the same day of the related coupons. On the same day, the Centralizing Agent will transfer the 2015 Bonds to the issuer's securities account opened with Attijariwafa Bank.

Attijariwafa Bank as the domiciliary bank of the 2015 Bonds will delist the 2015 Bonds no later than 2 days after they are received from the Centralizing Agent.

For **Investors III**, BMCE Bank of Africa, in its capacity as Centralizing Agent, will proceed on January 31, 2020 to deliver, without payment in cash, the new bonds and to pay the Balance, if any, to the Account Holders, in consideration and during the same day, the Account Holders will proceed to write off of subscribers' accounts and the receivable relating to the ORA Coupons.

In the case of **investors belonging to several categories of investors**, BMCE Bank of Africa, in its capacity as Centralizing Agent, will proceed on January 31, 2020 to:

- (i) The delivery, without payment in cash, of the new bonds and the payment of the Balance, if any, to the Account Holders, in consideration, and on the same day, the Account Holders shall proceed to the write-off of the receivable relating to the 2011 Bonds and the related Coupons.
- (ii) The delivery, without payment in cash, of the new bonds and the payment of the Balance, if any, to the Account Holders, in consideration, and during the same day, the Account Holders shall transfer the 2015 Bonds to the account of the Centralizing Agent and shall cancel the related coupons on the same day. On the same day, the Centralizing Agent will transfer the 2015 Bonds to the issuer's securities account opened with Attijariwafa Bank. Attijariwafa Bank as the domiciliary bank of the 2015 Bonds will delist the 2015 Bonds no later than 2 days after they are received from the Centralizing Agent.

- (iii) The delivery, without payment in cash, of the new bonds and the payment of the Balance, if any, to the Account Holders, in consideration and during the same day, the Account Holders shall proceed to the write-off of the receivable relating to the ORA Coupons.

The registration of the new bonds by the Account Holders on behalf of their subscribing clients will be made no later than (5) business days from the date of delivery of the new securities to account holders.

In addition, it should be noted that the operations relating to the Bond Issue and the 2015 Bonds will be carried out directly between the Centralizing Agent and the Account Holders at the level of the Maroclear platform.

The Centralizing Agent of the Bond Loan shall transmit, no later than 2 days after the publication of the results of the operation, to the bank holding the 2011 Bonds and 2015 Bonds (Attijariwafa Bank) a summary statement relating to the 2011 Bonds, 2015 Bonds and the corresponding Coupons. The summary statement should include the following information:

**For the 2011 Bonds and 2015 Bond:**

- The issuer;
- The ISIN code;
- The maturity of the security;
- The number of repaid shares per asset category (own assets or client assets).

**For Coupons:**

- The issuer;
- The ISIN code;
- The maturity date;
- The amount of the coupon;
- The unit amount excluding VAT of the coupon per security;
- The total amount of the coupon excluding VAT (own assets or client assets).

The centralizing agent of the Bond Loan will transmit, at the latest 2 days after the publication of the results of the operation, to the ORA domiciliary bank (BMCE Bank) a summary statement relating to the ORA Coupons. The summary statement should include the following information:

**For ORA Coupons:**

- The issuer;
- The ISIN code;
- The maturity date;
- The amount of the coupon;
- The unit amount excluding VAT of the coupon per security;
- The total amount of the coupon excluding VAT (own assets or client assets).

**VIII.5.2. Result of the operation**

The results of the operation will be published by the issuer in a legal announcement journal no later than February 4, 2019.

### VIII.5.3. Domiciliary of the issue

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BMCE Bank of Africa is designated as the domiciliary bank for the bonds issued in connection with this operation. As such, it will represent the issuer with the central depository Maroclear and will execute on its behalf all operations relating to the securities issued in connection with the Issue of this bond issue as well as all operations relating to the repayment of the 2011 Bonds, the repurchase of the 2015 Bonds and the payment of the coupons relating to the 2011 Bonds, the 2015 Bonds and ORA.

### VIII.5.4. Operation costs

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All intermediation costs relating to the sale of the 2015 Bonds, as well as the repayment of the 2011 Bonds and the payment of the coupons relating to the 2011 Bonds, 2015 Bonds and ORA, including account holder's fees, as well as all taxes payable by investors, will remain at their charge.

## IX. Taxation

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### IX.1. Tax regime of the Operation

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Investors' attention is drawn to the fact that the Moroccan tax regime is presented below for information purposes only and does not constitute an exhaustive list of the tax situations applicable to each investor.

Legal entities wishing to participate in this operation are invited to check with their tax advisor to determine the tax treatment applicable to their particular case.

Subject to legal or regulatory changes, the current regime is detailed below.

**LISSANIAT**  
Marj Nassim Lot. Nassim Hamm 130 N° 11  
Lissasfa - Casablanca  
Tél: 0522 89 78 89  
CSC: 3000730000

## IX.2. Tax regime for the payment of matured coupons contributed by subscribers in connection with the operation

The coupons relating to the 2011 Bonds, 2015 Bonds and ORA are subject, as the case may be, to Corporate Income Tax (CT) or General Income Tax (RT) for all legal entities, in this sense the following cases arise:

### i) Resident persons

#### ▪ Persons subject to RT:

- 30% for individual beneficiaries who are not subject to the RT under the real net income (BNR) or simplified net income (BNS) regime;
- 20% deductible from the RT contribution with entitlement to restitution for legal entities and natural persons subject to the RT under the BNR or BNS scheme. The said beneficiaries must decline when the coupons are cashed:
  - The surname, first name, address and number of ID card or foreigner's card;
  - The tax article number of the RT.

#### ▪ Persons subject to CT:

The coupons due brought by subscribers are subject to withholding tax at the rate of 20% deductible from the corporate income tax with right to restitution. In this case, the beneficiaries must decline, when collecting the said income:

- i) The corporate name and address of the registered office or principal place of business;
- ii) The number of the commercial register and the number of the article of corporate tax imposition.

### ii) Non-resident persons

Expired coupons are subject to withholding tax at a rate of 20% on the corporate tax with right to restitution. In this case, the beneficiaries must decline, when collecting the said income:

- i) The corporate name and address of the registered office or principal place of business;
- ii) The number of the commercial register and the number of the article of corporate tax imposition.

To the extent that the payment of the coupons relating to the 2011 Bonds, 2015 Bonds and ORA contributed by the subscribers to the operation covered by this prospectus is made by offsetting without payment in cash:

- (i) the centralizing agents of the 2011 Bonds, 2015 Bonds and ORA will not be able to withhold, on behalf of the Treasury, the value added tax due on such interest, as required under the provisions of the CGI (General Tax Code Article 117-I), and the issuer will withhold, on behalf of the Treasury, the value added tax due on coupons relating to the 2011 Bonds, 2015 Bonds and ORA contributed to the operation covered by this prospectus, for repayment to the Treasury; and
- (ii) (ii) the centralizing agents of the 2011 Bonds, 2015 Bonds and ORA will not be able to withhold withholding tax on behalf of the Treasury, corporate income tax or income tax due on such interest, if any, as required under the provisions of the CGI (General Tax Code Article 159-I), and the issuer will withhold withholding tax on behalf of the Treasury, corporate income tax or general income tax due, if any, on the coupons relating to the 2011 Bonds, 2015 Bonds and ORA contributed to the operation covered by this prospectus, for repayment to the Treasury;

The tax authorities confirmed to the issuer by letters dated July 26, 2018 and April 26, 2019 that, given that centralizers and account keepers do not receive the amount of coupons and therefore cannot physically withhold CT or RI withholding taxes and pay VAT, the issuer is responsible for the reporting and payment obligations for withholding tax, as mentioned above.

## IX.3. Income Taxation

Fixed income investment income is subject, as the case may be, to Corporate Income Tax (CT) or General Income Tax (RT) for all legal entities, in this sense the following cases arise:

### i) Resident persons

#### ▪ Persons subject to the RT:

Fixed income investment income is subject to withholding tax at the rate of:

- 30% for individual beneficiaries who are not subject to the RT under the real net income (BNR) or simplified net income (BNS) regime;
- 20% chargeable on the RT contribution with right to restitution for legal entities beneficiaries and natural persons subject to the RT under the BNR or BNS scheme. The said beneficiaries must decline when the said income is received:
  - The surname, first name, address and number of the CIN or foreigner's card;
  - The tax article number at the RT.
  - **Persons subject to the CT:**

Fixed-income investment products are subject to withholding tax at a rate of 20% on the corporate income tax with refund rights. In this case, the beneficiaries must decline, when collecting the said income:

- The company name and address of the registered office or principal place of business;
- The number of the commercial register and the number of the article of corporate tax assessment.

#### ii) **(ii) Non-resident persons**

Income received by natural or legal persons not resident in Morocco is subject to a withholding tax at the rate of 20%, subject to the provisions of the tax treaty between Morocco and the beneficiary's country of residence.

### IX.4. Taxation of capital gains

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#### IX.4.1. Resident persons

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In accordance with the provisions of the CGI (General Tax Code article 73-II-C), profits from the sale of bonds are subject to the RT or the CT, as the case may be. Gains on disposals are calculated by the difference between:

- The sale price less any costs incurred in connection with the sale (brokerage and commission costs);
- The purchase price plus, where applicable, any costs incurred in connection with such acquisition, such as brokerage and commission costs.

The sale and acquisition price refers to the share capital, excluding accrued and unmatured interest at the dates of such sales and/or acquisition.

#### IX.4.2. Non-resident persons

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Profits from the sale of bonds and other debt securities made by foreign companies are taxable subject to the application of the provisions of international double taxation treaties.

### X. Subscription form

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The subscription form relating to this operation is attached to the prospectus, Annex 2.

## Part II. GENERAL OVERVIEW OF ALLIANCES DÉVELOPPEMENT IMMOBILIER

### I. General information

<b>Company name</b>	Alliances Développement Immobilier
<b>Head Office</b>	16, rue Ali Abderrazak, Casablanca
<b>Telephone</b>	05 22 99 34 84/63
<b>Fax</b>	05 22 99 34 81
<b>Website</b>	www.alliances.co.ma
<b>E-mail address</b>	infos@alliances.co.ma
<b>Legal form</b>	Public limited company governed by the provisions of Act No. 17-95 promulgated by Dahir no. 1-96-124 of 30 August 1996 relating to Public Limited Companies, as amended and supplemented.
<b>Date of incorporation</b>	June 13, 1994
<b>Lifetime</b>	The term of the company is set at 99 years, unless it is dissolved early or extended by the Articles of Association or by law
<b>Commercial register</b>	74703, Casablanca
<b>Financial year</b>	From January 1 to December 31
<b>Share capital as of 31/12/2018</b>	MAD 1,907,858,800 divided into 19,078,585 shares of MAD 100 each, all of the same class and fully paid up
<b>Consultation of legal documents</b>	The Articles of Association, the minutes of the General Meetings, the reports of the Statutory Auditors and the management reports may be consulted at the registered office of Alliances Développement Immobilier: 16, Rue Ali Abderrazak - Casablanca and on the website of Alliances Développement Immobilier: <a href="http://www.alliances.co.ma/">http://www.alliances.co.ma/</a>
<b>Corporate purpose</b>	<p>According to Article 4 of the Articles of Association, the Company's purpose is:</p> <ul style="list-style-type: none"> <li>▪ Direct or indirect participation in any operations or companies by way of creation of companies, participation in their incorporation, or in the capital increase of existing companies, purchase of shares or corporate rights or otherwise;</li> <li>▪ The promotion of the tourism and real estate sectors through the study, design, construction, construction, management of any business or company and the direct or indirect marketing of any product related to the activities of the above-mentioned sectors;</li> <li>▪ The purchase, sale and exchange of securities, of all interest shares;</li> <li>▪ The acquisition, sale and exchange of all buildings and real estate complexes, built or not, the construction of all constructions;</li> <li>▪ All operations relating to the execution of public and private works and in particular those involving the most advanced techniques both in terms of design and execution;</li> <li>▪ The purchase, construction and marketing of any building for the tourism industry in general and in particular the creation of any tourism, real estate, financial and commercial projects;</li> <li>▪ Delegated project management;</li> <li>▪ And more generally, all industrial, commercial, movable and immovable, financial and financial transactions directly or indirectly related to the above-mentioned purposes or likely to promote the company's development</li> </ul>

**Legislative and regulatory texts**

By virtue of its legal form, the Company is governed by Moroccan law, Law No. 17-95 and its Articles of Association.

By virtue of its activity, Alliances Développement Immobilier is subject to the following legal and regulatory provisions:

- Law no.25-90 promulgated by Dahir no.1-92-7 of 17 June 1992 relating to allotments, housing groups and parcels;
- Law no.17-95 promulgated by Dahir no.1-96-124 of 30 August 1996 relating to public limited companies as amended and supplemented;
- Article 19 of the 1999-2000 Finance Act establishing new tax exemptions for property developers;
- Dahir of 12 August 1913 forming the Code of Obligations and Contracts, supplemented by Act No. 44-00 of 3 October 2002 on the sale in a future state of completion;
- Law no.18-00 of 3 October 2002 on the status of co-ownership of buildings frame;
- Article 92 of the 2010 Finance Act establishing tax exemptions for property developers;
- Article 247 of the 2012 Finance Act, introducing new tax exemptions for real estate developers;
- Article 247 of the 2013 Finance Act, introducing new tax exemptions for real estate developers.

As a listed company on the Casablanca Stock Exchange, it is subject to the following legal and regulatory provisions relating to the financial market:

- Dahir no.1-13-21 of March 13, 2013 promulgating Law no.43-12 relating to the Moroccan Capital Market Authority;
- the General Regulations of the AMMC as approved by Order No. 2169/16 of 14 July 2016 of the Minister of the Economy and Finance;
- Dahir no.1-16-151 of 21 Kiada 1437 (25 August 2016) promulgating Act no.19-14 relating to the Stock Exchange for stockbrokers and financial investment advisors;
- General Regulations of the Stock Exchange approved by Order No. 1268-08 of the Minister of Economy and Finance no. 2208-19 date July 3, 2019;
- Law no.44-12 relating to the public offering and information required of legal entities and organizations making public offerings, promulgated by Dahir no.1-12-55 of 28 December 2012;
- Dahir no.1-96-246 of 9 January 1997 promulgating Act no.35-96 relating to the creation of a Central Depository and the establishment of a general regime for the book entry of certain securities (amended and supplemented by Act no.43-02);
- General Regulations of the Central Depository approved by Order of the Minister of Economy and Finance No. 932-98 of 16 April 1998 and amended by Order of the Minister of Economy, Finance and Tourism No. 1961-01 of 30 October 2001 and by Order No. 77-05 of 17 March 2005;
- Dahir no.1-04-21 of 21 April 2004 promulgating Act no.26-03 relating to public offerings on the Moroccan stock market, as amended and supplemented by Act 46-06;
- Circular of the Moroccan Capital Market Authority 03-19 of 20 February 2019 relating to transactions and financial information.

**Competent court in the event of disputes**

Trade Court of Casablanca

**Applicable tax regime**

Alliances Développement Immobilier is subject to the progressive rate in terms of CT and RT, and the common VAT rate of 20%.

Source: Alliances Développement Immobilier

## II. Shareholding structure

As of September 30, 2019, the shareholders of Alliances Développement Immobilier are listed as follows:

**Table 13. Group shareholding structure as of 30/06/2019**

Shareholders	30/09/2019	
	Number of securities	% in capital and voting rights
<b>Lazraq Family</b>	<b>8 778 916</b>	<b>46.01%</b>
Mohamed Alami NAFAKH LAZRAQ	8 410 669	44.08%
Farida EL BELGHAMI	230 064	1.21%
Othmane NAFAKH LAZRAQ	45 455	0.24%
Mouna NAFAKH LAZRAQ	45 455	0.24%
Omar NAFAKH LAZRAQ	45 455	0.24%
Mustafa NAFAKH LAZRAQ	1 818	0.01%
<b>Officers</b>	<b>1 050</b>	<b>0.01%</b>
Luc CHATEL	10	0.00%
Dounia TAARJI	10	0.00%
Barbara KORENIOUGUINE	10	0.00%
Marc GérardDaniel LAMY	10	0.00%
Bertrand Marie Alexis JULIEN-LAFERRIERE	1 000	0.01%
Ali Chekroune	10	0.00%
<b>Others</b>	<b>10 298 622</b>	<b>53.98%</b>
<b>Total</b>	<b>19 078 588</b>	<b>100.00%</b>

Source: Alliances Développement Immobilier

It should be noted that Mr. Mohamed Alami Nafakh Lazraq is the sole shareholder holding more than 3% of the capital of Alliances Développement Immobilier S.A.

### III. Legal organization chart

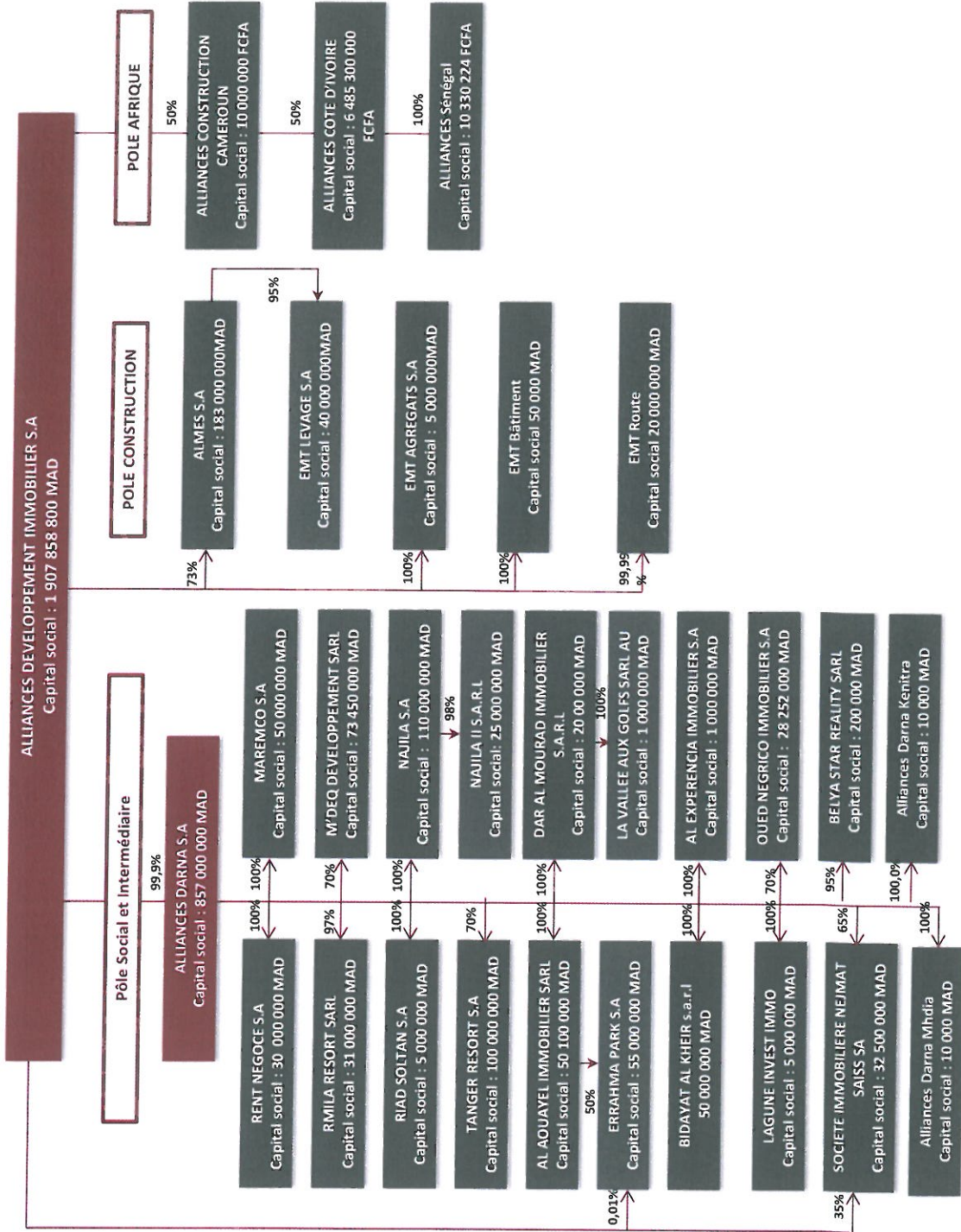
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The organization chart of Alliances Développement Immobilier presented below includes all the Company's subsidiaries and is structured according to several areas of activity:

- Subsidiaries of real estate development projects in the three segments of the real estate and tourism sector:
  - ✓ Subsidiaries promoting social and intermediate housing projects;
  - ✓ Subsidiaries promoting residential real estate projects;
  - ✓ Subsidiaries promoting hotel and golf Resort projects;
- Service subsidiaries, holders of know-how in terms of development, production, marketing and asset management.

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Source: Alliances Développement Immobilier

## Part III. PROGRAMS OF ALLIANCES DEVELOPPEMENT IMMOBILIER

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The information presented in this section takes into account the sales and repurchase agreements that were executed as of 31 December 2018 but does not take into account the impact of the future execution of future sales and repurchase agreements.

It should be noted that there are several statuses of projects developed by the subsidiaries carried by the Alliances Group:

- **Project Delivered:** Completely completed and delivered to the end customer.
- **Project in progress:** Project technically completed and goods in progress to be delivered to customers.
- **Project in progress/development:** Project whose work is currently being carried out and completed.
- **Marketing of the project:** a good is said to be marketed as soon as the customer pays an advance for the acquisition of the good.

In addition, the progress rate presented for projects in progress or under development refers to the technical progress of the various projects taking into account the work undertaken and completed (Road and various networks, construction, etc.) as a percentage of the budget allocated to the project.

It should also be noted that the **completion rate** for the units represents only the **completion rate** of the units' work, excluding off-site work. On the other hand, the project completion rate refers to the overall percentage of completion of the project including off-site work.

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### I.1.1. Presentation of the Group's overall performance

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The following table shows the change in the number of units sold by product category and the corresponding revenue (excluding intra-group adjustments) generated by the promotional activities of the Alliances Développement Immobilier group:

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**Table 14. Evolution of the number of units delivered by product category:**

	31/12/2016		31/12/2017		31/12/2018	
	Number of sold units	Turnover*	Number of sold units	Turnover*	Number of sold units	Turnover*
Residential Pole	252	822 697	368	978 088	48	98 806
<b>Total Residential Pole excluding dations/sales with repurchase options</b>	<b>220</b>	<b>691 606</b>	<b>297</b>	<b>771 891</b>	<b>48</b>	<b>98 806</b>
Housing units	237	791 311	357	954 266	38	80 733
Businesses	12	26 540	8	16 040	10	17 677
Land parcels	3	4 846	3	7 000	-	-
Finished and semi-finished villas	-	-	-	-	-	-
Offices	-	-	-	-	-	-
Others	-	-	-	782	-	-
Gulf Pole	274	754 986	33	48 416	293	1 201 355
<b>Total Gulf Pole excluding dations/sales with repurchase options</b>	<b>87</b>	<b>156 593</b>	<b>33</b>	<b>48 416</b>	<b>48</b>	<b>102 056</b>
Housing units	27	45 056	1	3 629	3	10 094
Businesses	-	-	-	-	-	-
Land parcels	197	484 884	32	33 056	238	996 986
Finished and semi-finished villas	50	218 741	-	-	52	174 801
Offices	-	-	-	-	-	-
Others	-	6 305	-	11 731	-	19 475
Social and Intermediate Pole	2 928	1 825 918	2 314	1 184 871	3 641	1 564 403
<b>Total Social and Intermediate Pole excluding dations/sales with repurchase options</b>	<b>2 416</b>	<b>985 095</b>	<b>2 283</b>	<b>1 172 356</b>	<b>2 273</b>	<b>704 785</b>
Housing units	1 564	407 843	1 550	662 516	1 166	395 579
Businesses	221	59 103	177	52 313	268	51 552
Land parcels	1 088	861 865	548	346 926	2 098	972 146
Finished and semi-finished villas	43	127 932	35	114 784	66	113 269
Other (equipment, etc.)	12	369 175	4	8 332	43	31 857
Construction Pole	-	-	-	-	-	-
Service Pole	-	72 364	-	101 018	-	38 884
Africa Pole	-	82 752	-	703 348	-	376 451
<b>Total</b>	<b>3 454</b>	<b>3 558 717</b>	<b>2 715</b>	<b>3 015 740</b>	<b>3 982</b>	<b>3 279 899</b>
<b>Total excluding dations and sales with repurchase options</b>	<b>2 723</b>	<b>1 988 411</b>	<b>2 613</b>	<b>2 797 028</b>	<b>2 369</b>	<b>1 320 982</b>

Source: Alliances Développement Immobilier

(\*) Turnover excluding VAT

It should be noted that as of end of 2018, the number of units sold excluding 2018 Alliances Group sales fell by 244 units compared to 2017. This decrease is mainly due to the residential pole (-249 units) excluding dations due to a lower destocking in 2018, mainly explained by the delivery in 2017 of the Clos des Pins project with 168 units delivered excluding dations.

### 1.1.2. Presentation of the progress of real estate development achievements and deliveries

Alliances Développement Immobilier operates its development activities through project companies in which it is a shareholder. These project companies conclude service provision contracts (turnkey contract, delegated contracting party) with Alliances Développement Immobilier for the implementation of the project.

Due to market fluctuations and the nature of the activity, the consistency of some projects has changed and, given the financial difficulties experienced by the company, several projects have been suspended. These projects are presented in the following sections.

It should be noted that following the sale of Taghazout Alliances, the Taghazout project was deprogrammed. In addition, in 2015, the Alliances Développement Immobilier group sold its stake in RAMICAL (51%) carrying the Akilam project.

(a) **Golf resorts**

✓ **Consistencies**

As of December 31, 2018, all the Golf Resorts programs (including projects for which repurchase agreements have been signed or sales with right of repurchase agreements but which have not yet been executed) currently being implemented and developed by the Alliances Développement Immobilier group are as follows:

**Table 15. Global consistency of the Golf Resorts pole**

Project	Surface	Detailed consistency	Number of completed units*
<b>Marrakech Region</b>			
Golf Akenza Resort <sup>24</sup>	265	North zone: 323 Villas lots	323 Lots of Villas
		South zone: 20 Parcels (residential complexes, hotels, club houses)	20 Parcels of land
		Phase 4: 219 Villas Lots	219 lots
		Phase 5: 284 lots of villas and a guest house	284 Lots of Villas
Al Maaden	190	Medina I: 99 Ryads, Restaurant and Spa	99 Ryads, restaurant and Spa
		Medina III: 87 Ryads and a crèche.	79 Ryads
		Villas and lots: 140 units.	140 villas and lots units
<b>North Region</b>			
Lixus	459	129 ha (phases 1 and 2): 22 ha of hotels (6 hotels), 13 ha of Real Estate Residences for Tourist Promotion (R.I.P.T) Lots, 12 ha of residential lots, 82 Ha of parcels (villas; RIPT; Residential; Hotel). Animation lots; Shops; green spaces & public spaces.	<b>Phase 1:</b> 180 Villas Lots; 54 Villas; 32 Duplex; 7 Hotel Lots; 5 Animation Lots; 5 Animation Lots; 7 R.I.P.T Lots and 5 Building Lots

Source: Alliances Développement Immobilier

(\*) In 2003, the Moroccan State launched the development and promotion of 6 seaside resorts as part of the Azur Plan. A development agreement (CMV) was signed in 2004 between the State and a consortium composed of Thomas & Piron and ORCO for the development and development of the New Tourist Resort (NSTL). In 2005, the Consortium formed Salixus, which would carry all CMV's commitments.

The Akenza Golfs Resort (led by Aghouatim Al Baraka) and Lixus (led by SALIXUS, ALLIXUS 2 and Remal Morocco Hospitality) projects were the subject of a protocol signed as part of Phase II of the Group's private debt restructuring plan through the establishment of the FT Domus securitization fund. As of 31 December 2018, this transaction was fully completed.

It is important to note that the total consistency of the Golf Akenza Resort Zone Nord project presented in the Information Note on the FT Domus securitization fund referred to on 7 March 2018 under reference VI/TI/001/2018

(28 lots and villas) has been restated for units given in datations/sales with repurchase options (153 units as part of the bank debt restructuring and 142 units as part of phase 1 of the private debt restructuring). The actual consistency of the project in question (North Zone) is 323 lots and villa as presented above.

✓ **Work progress report**

As of December 31, 2018, the Medina I project represents the only project fully completed and delivered. The details of the project are as follows:

<sup>24</sup> The total consistency of the Golf Akenza Resort project carried by the Aghouatim Al Baraka subsidiary has been modified following the change in the South Zone of the project. An area initially intended for the construction of villas and residential complexes and then reduced to 20 large plots to extinguish the group's private debt. In addition, it should be noted that the project was the subject of a mortgage with an option to date on an entity of the project up to MMAD64.

**Table 16. Presentation of finalized projects in the Golf Resorts pole:**

Location/Project	Subsidiary carrying the project	Marketing start date	Delivery start date	State of progress <sup>(1)</sup> (in %)	Phase	Delivered units as of 31.12.2018	Delivery %
<b>Marrakech region</b>							
Al Maaden	Golf Resort Palace	2007	2009	Médina I: 100%	Delivered	99	100%

Source: Alliances Développement Immobilier

All the Golf Resorts projects in progress and under development by the Alliances group as of 31 December 2018 are as follows (the following table takes into account all projects that have been the subject of the signature of sale with repurchase options or datations not yet executed):

**Table 17. Project in progress in the Golf Resorts pole:**

Location/Project	Subsidiary	Marketing start date	Date de démarrage de Livraison	Investment** (MMAD)	State of progress(1) (in %)	Deliveries as of 31.12.2018	Delivery %	Remaining units for delivery	Marketing %
<b>Marrakech region</b>									
Golf Akenza Resort	Aghouatim Al Baraka	2010	2012	5 270	North Zone: 95%	312	97%	11	100%
					South Zone: 55% <sup>25</sup>	18	98%	2	98%
					Phase 4: 100%	-	-	219	81%
					Phase 5: 100%	279	98%	5	99%
Al Maaden	Golf Resort Palace	2007	2009	4 920	Médina III: 95%	78	90%	23	94%
					Lots: 100%	45	55%	16	93%
					Villas: 100%	56	97%	84	98%
<b>North region</b>									
Lixus	Lixus Resort	-	-	3 200	Phase 1: 100%	239	92%	56	92%
<b>Total</b>				<b>13 390</b>					

Source: Alliances Développement Immobilier

(\*\*) Corresponds to the project's overall investment.

In addition, it should be noted that Alliances Group acquired 83.5% and 16.5% of Salixus from the Consortium and H-Partners respectively in 2008 and 2010, to now hold 100% of the capital of Salixus.

In particular, the Alliances Développement Immobilier group has signed an amendment with the State as part of the NSTI (New Integrated Tourist Stations) program aimed at:

- Rehabilitation of the development plan;
- Updating the implementation schedule and investment program;
- Revision of the off-site road infrastructure program.

Following the sale by Alliances Développement Immobilier of its stake in Société d'Aménagement et de Promotion de la Station Taghazout (SAPST), the Taghazout Agadir project has been deprogrammed.

## (b) Residential and tertiary real estate

### ✓ Consistency

<sup>25</sup> It should be noted that the status of the South Zone portion of the Golf Akenza Resort project (55%) relates to off-site work performed. The units specific to this unit were delivered as is (in the form of lots).

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The total consistency of the projects under development by the Alliances Développement Immobilier group in the residential sector as of 31 December 2018 is as follows:

(The following table takes into account all projects that have been signed with repurchase agreements orations not yet executed)

**Table 18. Residential and tertiary projects' overall consistency**

Project	Surface (ha)	Detailed consistency
<b>Marrakech region</b>		
Atlas Nakhil	45	Tourist residence with 132 apartments, 85 riads, 183 villas and hotel lots (including 1 model villa)
<b>Casablanca region</b>		
Espace des Arts (Yacoub Mansour)	0.4	67 apartments, 24 businesses, 30 office trays
Les Allées Marines	1.7	132 apartments
<b>Rabat region</b>		
Les Terrasses Dar Essalam	3.3	292 apartments and 16 businesses
Clos des Pins (Agdal)	1	277 apartments and 2 businesses
<b>Agadir region</b>		
Iken Park	1	167 apartments and 7 businesses
<b>Total</b>	<b>52.4</b>	

Source: Alliances Développement Immobilier

✓ **Work progress report**

As of December 31, 2018, the projects fully completed and delivered in the residential and tertiary sector are as follows:

**Table 19. Presentation of the finalized projects in the residential and tertiary pole**

Project	Subsidiary carrying the project	Marketing start date	Delivery start date	Investis sement (MMA D exc. VTA)	Work progress report	Marketing %	Unités livrées au 31.12.2018	% Livrais on
Les Allées Marines	Jardins du Littoral	2010	2013	420	100%	100%	132	100%

Source: Alliances Développement Immobilier

As of 31 December 2018, details of all residential real estate projects under construction or development by the Group are as follows:

(Including projects that have been the subject of the signature of delegation or sale with repurchase agreements not yet executed)

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**Table 20. Project in the process of being delivered in the residential and tertiary pole:**

Project	Subsidiary carrying the project	Marketing start date	Delivery start date	Investment (MMA D exc. VTA)	Work progress report	Phase	Delivered units as of 31.12.2018 (cumulative)	Delivery %	Marketing %
<b>Marrakech region</b>									
Atlas Nakhil	Atlas Nakhil	2007	2009	466	100% tourist residences	Delivery	132	100%	100%
					100% lots	Delivery	159	87%	87%
					100% riads	Realization	-	-	100%
<b>Casablanca region</b>									
Espace des arts	Cogedim	2011	2013	227	100%	Delivery	115	95%	96%
<b>Rabat region</b>									
Clos des pins	Promogam	2012	2017	347	100%	Delivery	241	86%	87%
Les Terrasses Dar Essalam	Les Jardins Narcisse	2012	2016	983	100%	Delivery	286	93%	95%
<b>Agadir region</b>									
Iken Park	Alliances Sud Développement	2013	2016	167	100%	Delivery	87	50%	59%
<b>Total</b>				<b>2 190</b>			<b>1 020</b>		

Source: Alliances Développement Immobilier

It should be noted that the Atlas Nakhil project was the subject of the signature of dation/sale with repurchase agreements for two units as part of Phase I of the restructuring of the Alliances Développement Immobilier Group, these agreements were executed at the beginning of 2019, therefore the information presented on the progress of the project as of 31/12/2018 does not include the execution of the datations on the project. In this sense, the recognition in revenue of the amount relating to the execution of the memorandum was booked in the 3rd quarter of financial year 2019 and will allow the generation of a revenue of 86 MMAD.

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**(c) Intermediate and social pole**

The detailed table below presents as of 31 December 2018 all the intermediate and social housing development programs under development or being carried out by the subsidiaries of the Alliances Développement Immobilier Group: (including projects that have been the subject of the signature of sale with repurchase options orations but which have not yet been implemented as of 31 December 2018):

**Table 21. Presentation of the intermediate and social pole projects under development**

Projects	Location	Surface (in ha)	Total num of units	Project company	Status	Marketing launch	Delivery launch	ADI investment MMAD	Progress % (*)	Marketing g %	Num of delivered units	Num of units yet to be delivered
<b>Casablanca/Mohammedia region</b>		<b>203</b>	<b>34 188</b>					<b>11 595</b>			<b>22 594</b>	<b>11 594</b>
Riad Louizia I	Mohammedia	18	2 018	Alliances Darna	Realization/ marketing	2012	2013	671	97%	83%	1 678	340
Riad Bernoussi II	Casablanca	8	2 277	Al'Experiencia immobilier	Realization/ marketing	2012	2013	1 235	91%	50%	1 040	1 237
Riad Chellal	Ain Harrouda (Casablanca)	17	2 424	Tanger Resort	Realization/ marketing	2012	2013	699	96%	89%	1 877	547
Riad El Bernoussi I	Casablanca	18	4 000	Alliances Darna Al Aouayel immobilier	Realization/ marketing	2010	2011	1 161	98%	93%	3 741	259
Riad Hay Hassani	Casablanca	28	5 790	Najila	Realization/ marketing	2010	2011	1 675	98%	90%	5 307	483
Riad Parc Errahma <sup>26</sup>	Casablanca	36	4 420	Errahma Park	Realization/ marketing	2011	2012	1 739	97%	89%	3 876	544
Riad Sidi moumen	Casablanca	14	3 347	Najila	Realization/ marketing	2010	2011	819	87%	89%	2 815	532
Riad Errahma I	Casablanca	6	1 490	Najila II	Realization/ marketing	2012	2012	408	100%	93%	1 439	51

<sup>26</sup> The Riad Parc Errahma project carried by the company Errahma Park is mortgaged up to 39 MMAD on 86 units.

Riad Errahma II	Casablanca	17	1 045	Rent Negoce		2012	2013	538	99%	81%	821	224
Riad Errahma IV	Casablanca	41	7 377	Bidayat Al Kheir		-	-	2 650	-	-	-	7 377
<b>Rabat/Kenitra region</b>		<b>295</b>	<b>17 483</b>					<b>3 744</b>			<b>14 745</b>	<b>2 738</b>
Sidi Allal Bahraoui <sup>27</sup>	Rabat Salé	59	3 143	Alliances Darna		2013	2014	719	81%	55%	1 726	1 417
Ain Aouda	Rabat	11	2 093	Lagune Invest Immo		2013	2014	542	90%	84%	1 526	567
Mehdia Extension <sup>28</sup>	Kenitra	124	3 634	Alliances Darna		2012	2012	804	97%	97%	3 539	95
Riad Mehdiia	Kenitra	100	8 194	Alliances Darna		2008	2010	1 604	97%	97%	7 616	578
Riad Mehdiia	Kenitra	1,15	419	Maremco		2014	2016	75	98%	81%	338	81
<b>Marrakech/South region</b>		<b>809</b>	<b>29 509</b>					<b>5 942</b>			<b>5 076</b>	<b>24 433</b>
Chwiter <sup>29</sup>	Marrakech	207	4 544	Maremco		2008	2009	1 261	73%	73%	3 260	1 284
Chwiter	Marrakech	8	1 324	ALDARNA		2008	2009	119	94%	75%	528	796
SAG II (***)	Marrakech	1	1 055	Alliances Darna		2013	-	202	96% **	7%	-	1 055
	Marrakech	200	4 732	Alliances Darna		2013	2017	1 607	-	11%	136	4 596

<sup>27</sup> The Sidi Allal Al Bahraoui project carried by Alliances Darna is the subject of a mortgage with an option to date up to 100 MMAD carried out on 293 units

<sup>28</sup> The Mehdiia Extension project carried out by Alliances Darna is the subject of a mortgage with an option to date up to 140 MMAD carried out on 218 units. It should be noted that the overall consistency of the Mehdiia Extension project has changed from 3,215 units (as published in the Information Note on the FI Domus securitisation fund referred to on 07/03/2018) to 3,634 units at the end of 2018, following the change in the overall project configuration.

<sup>29</sup> The Chwiter project carried out by Maremco is the subject of a mortgage of MMAD 56 on 215 units

Riad	marketing	2017	2018	2019	2020	2021	2022	2023	2024	2025
Marrakech										
Riad Taddart	Under study	-	-	919	-	-	-	-	-	3 437
Beni Mellal <sup>30</sup>	Under study	2017	2018	1 834	7%	1 152	11%	1 152	13 265	
<b>North region</b>				<b>3 693</b>		<b>6 616</b>		<b>3 494</b>		
Riad Bab Sebta	Realization/ marketing	2009	2012	754	92%	2 463	98%	2 463	236	
Riad Mdeq	Realization/ marketing	2011	2013	1 633	61%	2 116	58%	2 116	1 558	
Riad Tanger	Realization/ marketing	2010	2012	1 306	69%	2 037	55%	2 037	1 700	
<b>Fez/Meknes region</b>				<b>174</b>		<b>161</b>		<b>71</b>		
Riad Nejmat Saiss	Realization/ marketing	2011	2013	174	98%	161	80%	161	71	
<b>Côte d'Ivoire – Abidjan</b>				<b>137</b>		<b>307</b>		<b>365</b>		
Résidence Akwaba - Tranche 1	marketing	2013	2017	137	90%	307	75%	307	365	
<b>Total</b>				<b>25 285</b>		<b>49 499</b>		<b>42 695</b>		

Source: Alliances Développement Immobilier

(\*) The percentage of completion is calculated on the work undertaken (Road and utility service, construction, etc.)

(\*\*) The SAG II project is presented excluding what is part of the land reserve, the area in hectares remaining at a progress rate of 92%.

It is important to note that the Nejmat Saiss project developed by the subsidiary Société Immobilière Nejmat Saiss has been the subject of a memorandum of sale and repurchase agreement which was finalized at the beginning of the 2019 financial year (for 31 units), therefore the information presented on the progress and deliveries made on this project (presented as at 12/31/2018) includes all units including those concerned by the memorandum of sale and repurchase agreement which was finalized in 2019.

<sup>30</sup> It should be noted that the overall consistency of the Riad Beni Mellal project has changed from 8,405 units (as published in the Information Note on the FT Domus securitisation fund referred to as of 07/03/2018) to 14,417 units at the end of 2018, following the change in the overall project configuration.

The detailed consistency of the projects carried out by the Alliances Développement Immobilier Group by product category and overall consistency as of 31 December 2018 is as follows: (Including projects that have been the subject of the signature of contracts of sale or sale with repurchase options but have not yet been executed)

**Table 22. Detailed consistency by product of the social and intermediate pole projects**

Project	Social housing at KMAD 250 excluding tax	Intermediate housing	Lots	Other	Total
<b>Casablanca/Mohammedia region</b>	<b>27 507</b>	<b>3 573</b>	<b>955</b>	<b>2 153</b>	<b>34 188</b>
Riad Louizia I	1 716	-	245	57	2 018
Riad Bernoussi II	1 280	868	-	129	2 277
Riad Chellalat	2 053	-	216	155	2 424
Riad El Bernoussi I	3 424	360	-	216	4 000
Riad Hay Hassani	4 825	608	52	305	5 790
Riad Parc Errahma	3 446	512	-	462	4 420
Riad Sidi moumen	3 135	-	-	212	3 347
Riad Errahma I	1 258	120	-	112	1 490
Riad Errahma II	637	-	367	41	1 045
Riad Errahma IV	5 733	1 105	75	464	7 377
<b>Rabat/Kenitra region</b>	<b>8 998</b>	<b>-</b>	<b>7 185</b>	<b>1 300</b>	<b>17 483</b>
Sidi Allal Bahraoui	1 514	-	1 280	349	3 143
Ain Aouda	2 012	-	-	81	2 093
Mehdia Extension	-	-	3 592	42	3 634
Riad Mehdia	5 472	-	2 313	828	8 613
<b>Marrakech/South region</b>	<b>8 472</b>	<b>1 822</b>	<b>18 293</b>	<b>922</b>	<b>29 509</b>
Chwiter	1 754	870	3 108	136	5 868
SAG II	-	-	1 039	16	1 055
Riad Marrakech	2 770	626	1 146	190	4 732
Riad Taddart	2 448	326	525	138	3 437
Benimellal	1 500	-	12 475	442	14 417
<b>North region</b>	<b>8 148</b>	<b>1 012</b>	<b>692</b>	<b>258</b>	<b>10 110</b>
Riad Bab Sebta	2 240	420	27	12	2 699
Riad Mdeq	2 764	112	665	133	3 674
Riad Tanger	3 144	480	-	113	3 737
<b>Fez/Meknes region</b>	<b>149</b>	<b>-</b>	<b>60</b>	<b>23</b>	<b>232</b>
Riad Nejmat Saiss	149	-	60	23	232
<b>Total</b>	<b>53 274</b>	<b>6 407</b>	<b>27 185</b>	<b>4 656</b>	<b>91 522</b>

Source: Alliances Développement Immobilier

In addition, and as presented above, the activity of the Real Estate Alliances Group is also present in Côte d'Ivoire and Cameroon through its two subsidiaries:

- i) **Alliances Côte d'Ivoire (ALCI)**: the company is responsible for the execution and marketing of the Akawada project, with a total consistency of 6,650 (under 7 tranches), as well as two other projects currently under study and analysis, namely the Cocody and Bingreville projects;
- ii) **Alliances Cameroun Construction (ACC)**: the company is responsible for the construction and rehabilitation of hospitals and housing on behalf of the State of Cameroon.

### I.1.3. Presentation of the land reserve

As of the end of 2018, the real estate reserve of the Alliances Développement Immobilier Group was as follows (land/parcels of land not allocated to projects and not covered by a dation/sale with repurchase option protocol):

**Table 23. Presentation of the Alliances Group's land reserve**

Pole	Company	Project	Location	Surface in Ha
Holding	ADI	AlQantara Ext. Lot 8	Marrakech	0.2
<b>Total Holding</b>				<b>0,2</b>
Residential	Altag	Amerchiche	Marrakech	3.7
Residential	Atlas Nakhil	Equip. & Crèche	Marrakech	0.8
		ATN Extension	Marrakech	1.7
<b>Total Residential</b>				<b>6,2</b>
Golf resort	Aghouatim Al Baraka	Akenza Golf Resort	Marrakech	2.8
Golf resort	Salixus	Lixus	Larache	28.4
Golf resort	Dilem Hotel Developement	Dilam	Marrakech	14.1
<b>Total Golf resort</b>				<b>45,3</b>
Social Housing	Rmila Resort	RMILA	Marrakech	220
Social Housing	Riad Soltan	SAG I	Marrakech	36
Social Housing	Alliances Darna	SAG II	Marrakech	37
Social Housing	Alliances Darna	Mehdia III	Central region	23.9
Social Housing	MDEQ Développement	MDEQ TR2	North region	8.7
Social Housing	MDEQ Développement	MDEQ TR5	North region	22.8
Social Housing	Tanger resort	Tanger Secteur 2	North region	6
Social Housing	Tanger resort	Tanger Secteur 3	North region	3.4
Social Housing	Tanger resort	Tanger Secteur 1 TR-D	North region	3.1
<b>Total Social Housing</b>				<b>360,9</b>
<b>Total</b>				<b>412.6</b>

Source: Alliances Développement Immobilier

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#### I.1.4. Service provision activity

##### (a) Service programs in progress (Non-Group)

As of end of June 2019, all the service programs currently being implemented by the Alliances Développement Immobilier group are detailed as follows:

**Table 24. Non-Group Service Program**

Project	Nature	Surface/Number of beds	Type of intervention	Delivery Date	Investment amount	Work progress rate
Sindibad Phase 1	Residential & tertiary complex	Residences + Hotels	delegated contracting party	2019	516	100%
Park Hyatt	Hotel complex	Hotel+ 44 Villas	CG	2 <sup>nd</sup> Quarter 2020	797	62%
Taghazout Bay	Hotel and tourist complex	Golf - Hotel - Tourist Residences	delegated contracting party	2019	2000	75%
	and residential	Tourist Residences		pending funding	1000	5%
CIMR	New CIMR headquarters	7650 m <sup>2</sup>	delegated contracting party	2020	160	58%
Cameroun	Hospitals and housing	8 CHR, 3 technical platforms and 800 housing units	delegated contracting party	2020	2 404	50%
Cameroun	Medical equipment	8 CHR and 3 technical platforms	delegated contracting party	2020	683	10%
Côte d'Ivoire - Tour entente	Office tower	33,000 m <sup>2</sup> office space, shopping malls and restaurants	CG	2022	600	In the initiation phase
<b>Total</b>					<b>8160</b>	

Source: Alliances Développement Immobilier

##### (b) Service delivery programs on behalf of the group

The total number of service programs provided on behalf of the Group as of 31 December 2018 is as follows:

**Table 25. Service program on behalf of the Group**

Project	Nature	Surface/Number of beds	Type of intervention	Delivery Date	Investment amount	Work progress rate
Les terrasses Dar Essalam	Residential Complex	292 apartments et 16 businesses	delegated contracting party	1 <sup>st</sup> Quarter 2016	983	100%
Le Clos des Pins Rabat	Residential Complex	277 apartments et 2 businesses	delegated contracting party	4 <sup>th</sup> Quarter 2017	347	100%
IKEN PARK	Residential Complex	167 apartments et 7 businesses	delegated contracting party	lilot A 2016 lilot B 2017	167	lilot A: 100% lilot B: 100%
<b>Total</b>					<b>1 497</b>	

Source: Alliances Développement Immobilier

## Part IV. FINANCIAL DATA

### I. Financial data as of 31/12/2018

The following table shows the main indicators of the consolidated statement of operating balances of Alliances Développement Immobilier for the last three financial years:

**Table 26. Consolidated statement of operating balances for the period 2016-2018**

In KMAD	2016	2017	Var 17-16	2018	Var 18-17
Turnover	3 558 716	3 015 740	-15.3%	3 279 899	8.76%
<i>Turnover excluding donations/repurchase agreements</i>	<i>1 997 306</i>	<i>2 797 029</i>	<i>40.0%</i>	<i>1 320 982</i>	<i>-53.47%</i>
Change in product inventories	-1 857 606	-1 084 903	-41.6%	-1 568 516	-44.58%
<i>Ch. in invent. of products excluding donations/repurchase agreements</i>	<i>-769 895</i>	<i>-868 825</i>	<i>-12.8%</i>	<i>-83 530</i>	<i>&gt;100.0%</i>
Assets produced by the company for itself	-	2 614	n.a.	2 678	2.45%
<b>Production</b>	<b>1 701 110</b>	<b>1 933 451</b>	<b>13.7%</b>	<b>1 714 061</b>	<b>-11.35%</b>
- Consumed purchases of materials and supplies	661 308	1 021 485	54.5%	785 000	-23.15%
- Other external costs	148 578	152 531	2.7%	179 890	17.94%
<b>Consumption for the financial year</b>	<b>809 886</b>	<b>1 174 016</b>	<b>45.0%</b>	<b>964 890</b>	<b>-17.81%</b>
<b>Added value</b>	<b>891 224</b>	<b>759 436</b>	<b>-14.8%</b>	<b>749 171</b>	<b>-1.35%</b>
- Taxes and duties	74 751	80 565	7.8%	49 571	-38.47%
- Personnel costs	168 191	159 329	-5.3%	152 366	-4.37%
<b>Gross operating income (EBITDA)</b>	<b>648 282</b>	<b>519 541</b>	<b>-19.9%</b>	<b>547 234</b>	<b>5.33%</b>
+ Other operating income	1 935	100	-94.8%	325	>100.0%
- Other operating costs	3 829	4 242	10.8%	6 984	64.64%
+ Operating write-backs, cost transfers	29 985	12 128	-59.5%	20 913	72.44%
- Operating provision	61 408	29 233	-52.4%	29 136	-0.33%
<b>Operating income</b>	<b>614 964</b>	<b>498 295</b>	<b>-19.0%</b>	<b>532 350</b>	<b>6.83%</b>
<i>OP/TO</i>	<i>17.30%</i>	<i>16.52%</i>	<i>-4.5%</i>	<i>16.23%</i>	<i>-1.75%</i>
+ Financial income	25 551	22 264	-12.9%	26 482	18.95%
- Financial costs	455 376	170 414	-62.6%	169 353	-0.62%
<b>Financial income</b>	<b>-429 825</b>	<b>-148 150</b>	<b>-65.5%</b>	<b>-142 872</b>	<b>3.56%</b>
<b>Pre-tax Current income</b>	<b>185 140</b>	<b>350 145</b>	<b>89.1%</b>	<b>389 478</b>	<b>11.23%</b>
+ Non-current income	307 401	12 080	-96.1%	4 880	-59.60%
- Non-current costs	197 246	42 204	-78.6%	13 538	-67.92%
<b>Non-current income</b>	<b>110 156</b>	<b>-30 125</b>	<b>-127.3%</b>	<b>-8 658</b>	<b>71.26%</b>
<i>Non-current income excl. the impact of donations/repurchase agg.</i>	<i>94 882</i>	<i>-30 125</i>	<i>.n.a</i>	<i>-8 658</i>	<i>71.26%</i>
<b>Pre-tax current income</b>	<b>295 294</b>	<b>320 021</b>	<b>8.4%</b>	<b>380 820</b>	<b>19.00%</b>
- Income tax on profits	116 895	67 435	-42.3%	41 267	-38.80%
- Deferred taxes	-30 262	-29 526	2.4%	-7 964	73.03%
- Amortization of goodwill	31 924	41 842	31.1%	25 803	-38.33%
+ Reversals of goodwill amortization	1 638	10 963	>100.0%	1 638	-85.06%
<b>Post-tax income</b>	<b>178 376</b>	<b>251 233</b>	<b>40.8%</b>	<b>323 351</b>	<b>28.71%</b>
Income from companies accounted for by the equity method	-	-	n.a.	-	
<b>Net income</b>	<b>178 376</b>	<b>251 233</b>	<b>40.8%</b>	<b>323 351</b>	<b>28.71%</b>

<i>Net income excl. the impact of datations/repurchase agreements</i>	-310 537	249 416	.n.a	-3 661	.n.a
<i>RN/TO</i>	5.00%	8.33%	66.6%	9.86%	18.35%
<b>NIGS</b>	<b>144 349</b>	<b>174 523</b>	<b>20.9%</b>	<b>302 302</b>	<b>73.22%</b>

The following table sets out the main indicators of Alliances Développement Immobilier's consolidated balance sheet for the 2016 and 2018 financial years:

**Table 27. 2016-2018 Consolidated balance sheet-assets of Alliances Développement Immobilier Group**

In KMAD					
ASSETS	2016	2017	Var 16-17	2018	Var 18-17
<b>Fixed assets</b>	<b>1 110 051</b>	<b>1 076 876</b>	<b>-3.0%</b>	<b>1 009 953</b>	<b>-6.2%</b>
<i>Fixed assets / Total assets (in %)</i>	6.4%	7.0%	0.4 pts	7.5%	0.5 pts
Goodwill on acquisition	285 625	243 783	-14.7%	217 979	-10.6%
Intangible assets	11 220	6 866	-38.8%	5 390	-21.5%
Property, plant and equipment	679 883	690 217	1.5%	669 327	-3.0%
Financial assets	108 262	113 577	4.9%	104 090	-8.4%
Equity accounted securities	345	345	-	345	0.0%
Deferred tax assets	24 718	22 089	-10.6%	12 821	-42.0%
<b>Current Assets</b>	<b>15 991 967</b>	<b>14 215 875</b>	<b>-11.1%</b>	<b>12 208 958</b>	<b>-14.1%</b>
<i>Current assets / Total assets (in %)</i>	92.7%	92.4%	-0.3 pts	90.0%	-2.4 pts
Inventories	9 286 814	8 110 028	-12.7%	6 589 247	-18.8%
<i>Inventories excluding the impact of datations/repurchase agreements</i>	10 374 525	8 324 674	-19.8%	8 074 233	-3.0%
Receivables from current assets	6 704 288	6 104 967	-8.9%	5 619 619	-8.0%
Suppliers advances and deposits	330 983	358 379	8.3%	450 796	25.8%
Customers	3 824 782	3 616 124	-5.5%	3 157 925	-12.7%
<i>Customers excluding the impact of datations/repurchase agreements</i>	2 603 799	3 486 219	33.9%	3 106 928	-10.9%
Personnel	1 975	1 777	-10.0%	1 577	-11.3%
State Debtor	1 576 676	1 417 731	-10.1%	1 274 589	-10.1%
Partner accounts	97 494	98 017	0.5%	150 921	54.0%
Other receivables	665 722	514 254	-22.8%	503 137	-2.2%
<i>State receivables excluding the impact of datations/repurchase agreements</i>	555 444	403 976	-27.3%	392 859	-2.8%
Accruals - Assets	206 656	98 685	-52.3%	80 674	-18.3%
Securities and investment values	865	880	1.7%	93	-89.4%
<b>Cash - Assets</b>	<b>146 161</b>	<b>92 361</b>	<b>-36.8%</b>	<b>344 196</b>	<b>&gt;100.0%</b>
<i>Cash assets / Total assets (in %)</i>	0.8%	0.6%	-0.2 pts	2.5%	1.9 pts
<b>Total Assets</b>	<b>17 248 179</b>	<b>15 385 112</b>	<b>-10.80%</b>	<b>13 563 107</b>	<b>-11.80%</b>

Source: Alliances Développement Immobilier

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**Table 28. 2016-2018 Consolidated balance sheet-liabilities of Alliances Développement Immobilier Group**

LIABILITIES	2016	2017	Var 16-17	2018	Var 17-18
<b>Permanent capital</b>	<b>8 211 661</b>	<b>6 934 111</b>	<b>-15.6%</b>	<b>6 352 546</b>	<b>-8,4%</b>
<i>Fixed capital / Total liabilities (in %)</i>	<i>47.6%</i>	<i>45.1%</i>	<i>-2.5 pts</i>	<i>46.8%</i>	<i>1,7 pts</i>
Equity attributable to equity holders of the parent	1 564 467	1 743 944	11.5%	<b>3 052 094</b>	<b>75,0%</b>
<i>Capital</i>	<i>1 264 893</i>	<i>1 264 893</i>	<i>0.0%</i>	<i>1 907 859</i>	<i>50,8%</i>
<i>Issue premiums</i>	<i>870 390</i>	<i>870 390</i>	<i>0.0%</i>	<i>1 224 021</i>	<i>40,6%</i>
<i>consolidated reserves</i>	<i>-714 811</i>	<i>-569 550</i>	<i>20.3%</i>	<i>-381 687</i>	<i>33,0%</i>
<i>translation difference</i>	<i>-353</i>	<i>3 688</i>	<i>1144.8%</i>	<i>-401</i>	<i>&lt;-100,0%</i>
<i>Net income Group share</i>	<i>144 349</i>	<i>174 523</i>	<i>20.9%</i>	<i>302 302</i>	<i>73,2%</i>
Minority interests	409 721	488 798	19.3%	506 495	<b>3,6%</b>
Bonds repayable in shares	996 600	996 600	0.0%	-	<b>-100,0%</b>
Financial debts	4 129 933	2 652 890	-35.8%	1 761 917	<b>-33,6%</b>
<i>Financial debts excluding the impact of donations/repurchase agreements</i>	<i>4 633 606</i>	<i>2 929 870</i>	<i>-36.8%</i>	<i>2 571 317</i>	<i>-12,2%</i>
Deferred tax liabilities	207 661	178 864	-13.9%	161 683	<b>-9,6%</b>
Non-current provisions for risks and charges	903 279	873 015	-3.4%	870 357	<b>-0,3%</b>
<b>Current liabilities</b>	<b>7 069 691</b>	<b>6 932 739</b>	<b>-1.9%</b>	<b>6 338 783</b>	<b>-8,6%</b>
<i>Current liabilities / Total liabilities (in %)</i>	<i>40.99%</i>	<i>45.1%</i>	<i>4.1 pts</i>	<i>46.7%</i>	<i>1,7 pts</i>
Suppliers	2 659 109	2 533 796	-4.7%	2 426 241	<b>-4,2%</b>
Advances and deposits from customers	1 489 170	1 326 684	-10.9%	1 542 674	<b>16,3%</b>
Personnel and social organizations	30 942	30 892	-0.2%	30 018	<b>-2,8%</b>
Credit state	921 471	1 037 265	12.6%	976 569	<b>-5,9%</b>
Accruals-Liabilities	606 463	542 034	-10.6%	417 570	<b>-23,0%</b>
Partners' current accounts	593 040	566 194	-4.5%	557 649	<b>-1,5%</b>
Other debts	680 525	867 769	27.5%	370 116	<b>-57,3%</b>
<i>Other debts excluding the impact of donations/repurchase agreements</i>	<i>1028179</i>	<i>1397269</i>	<i>36%</i>	<i>210016</i>	<i>-85%</i>
Other provisions for risks and charges	88 971	28 104	-68.4%	17 945	<b>-36,1%</b>
<b>Cash - Liabilities</b>	<b>1 966 827</b>	<b>1 518 262</b>	<b>-22.8%</b>	<b>871 778</b>	<b>-42,6%</b>
<i>Cash - Liabilities excluding the impact of donations/repurchase agreements</i>	<i>-</i>	<i>1 878 262</i>	<i>.n.a</i>	<i>1 489 669</i>	<i>-21%</i>
<i>Cash liabilities / Total liabilities (in %)</i>	<i>11.4%</i>	<i>9.9%</i>	<i>-1.5 pts</i>	<i>6.4%</i>	<i>-3,4 pts</i>
<b>Total Liabilities</b>	<b>17 248 179</b>	<b>15 385 112</b>	<b>-10.8%</b>	<b>13 563 107</b>	<b>-11,8%</b>

Source: Alliances Développement Immobilier

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## II. Financial data as of 30/06/2019

The following table shows the main indicators of the consolidated statement of operating balances of the Alliances Développement Immobilier group as of 30 June 2018 and 30 June 2019:

**Table 29. Changes in the Group's consolidated operating balance statements as of 30 June 2019**

En KMAD	30/06/2018	30/06/2019	Change
Turnover	1 797 643	1 054 248	-41.4%
<i>Turnover excluding donations/repurchase agreements</i>	<i>445 627</i>	<i>1 054 248</i>	136.6%
Change in product inventories	-1 058 717	-153 326	85.5%
<i>Ch. in invent. of products excluding donations/repurchase agreements</i>	<i>-22 956</i>	<i>-153 326</i>	>100.0%
Assets produced by the company for itself	-	-	.n.a
<b>Production</b>	<b>738 926</b>	<b>900 922</b>	<b>21.9%</b>
- Consumed purchases of materials and supplies	254 186	586 599	>100.0%
- Other external costs	87 216	58 448	-33.0%
<b>Consumption for the financial year</b>	<b>341 402</b>	<b>645 047</b>	<b>88.9%</b>
<b>Added value</b>	<b>397 524</b>	<b>255 875</b>	<b>-36%</b>
- Taxes and duties	19 223	25 084	30.5%
- Personnel costs	75 283	64 052	-14.9%
<b>Gross operating income (EBITDA)</b>	<b>303 018</b>	<b>166 739</b>	<b>-45%</b>
+ Other operating income	136	635	>100.0%
- Other operating costs	4 317	1 344	-68.9%
+ Operating write-backs, cost transfers	5 721	8 471	48.1%
- Operating provision	15 008	14 619	-2.6%
<b>Operating income</b>	<b>289 550</b>	<b>159 882</b>	<b>-45%</b>
<i>OP/TO</i>	<i>16%</i>	<i>15%</i>	<i>-1.0 pts</i>
+ Financial income	14 263	8 554	-40.0%
- Financial costs	101 247	37 233	-63.2%
<b>Financial income</b>	<b>-86 984</b>	<b>-28 679</b>	<b>-67%</b>
<b>Pre-tax Current income</b>	<b>202 566</b>	<b>131 203</b>	<b>-35%</b>
+ Non-current income	2 211	2 309	4.4%
- Non-current costs	5 417	1 859	-65.7%
<b>Non-current income</b>	<b>-3 206</b>	<b>450</b>	<b>-114%</b>
<i>Non-current income excl. the impact of donations/repurchase agg.</i>	<i>-3 206</i>	<i>450</i>	<i>.n.a</i>
<b>Pre-tax current income</b>	<b>199 360</b>	<b>131 654</b>	<b>-34%</b>
- Income tax on profits	61 047	23 347	-61.8%
- Deferred taxes	2 991	-5 766	.n.a
- Amortization of goodwill	12 902	12 902	0.0%
+ Reversals of goodwill amortization	819	819	0.0%
<b>Post-tax income</b>	<b>123 239</b>	<b>101 990</b>	<b>-17%</b>
Income from companies accounted for by the equity method	-	-	-
<b>Net income</b>	<b>123 239</b>	<b>101 990</b>	<b>-17%</b>
<i>Net income excl. the impact of donations/repurchase agreements</i>	<i>-94 977</i>	<i>101 990</i>	<i>.n.a</i>
<i>RN/TO</i>	<i>7%</i>	<i>10%</i>	<i>3.0 pts</i>

Source: Alliances Développement Immobilier

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The main consolidated balance sheet indicators of the Alliances Développement Immobilier Group as of 30 June 2019 are as follows:

**Table 30. Group consolidated balance sheet as of 30 June 2019 - Consolidated assets**

In KMAD			
ASSETS	2018	30/06/2019	Var 18-S19
<b>Fixed assets</b>	<b>1 009 953</b>	<b>1 295 295</b>	<b>28.3%</b>
<i>Fixed assets / Total assets (in %)</i>	7.50%	9.49%	1.9 pts
Goodwill on acquisition	217 979	514 060	<b>135.8%</b>
Intangible assets	5 390	4 957	<b>-8.0%</b>
Property, plant and equipment	669 327	659 619	<b>-1.5%</b>
Financial assets	104 090	104 098	<b>0.0%</b>
Equity accounted securities	345	345	<b>0.0%</b>
Deferred tax assets	12 821	12 217	<b>-4.7%</b>
<b>Current Assets</b>	<b>12 208 958</b>	<b>12 025 747</b>	<b>-1.5%</b>
<i>Current assets / Total assets (in %)</i>	90.00%	88.06%	1.9 pts
Inventories	6 589 247	6 347 348	<b>-3.7%</b>
<i>Inventories excluding the impact of datations/repurchase agreements</i>	<i>8 074 233</i>	<i>6 347 348</i>	<i>-21.4%</i>
Receivables from current assets	<b>5 619 619</b>	<b>5 678 310</b>	<b>1.0%</b>
Suppliers advances and deposits	450 796	476 302	<b>5.7%</b>
Customers	3 157 925	3 123 382	<b>-1.1%</b>
<i>Customers excluding the impact of datations/repurchase agreements</i>	<i>3 106 928</i>	<i>3 110 868</i>	<i>0.1%</i>
Personnel	1 577	1 763	<b>11.8%</b>
State Debtor	1 274 589	1 272 077	<b>-0.2%</b>
Partner accounts	150 921	150 475	<b>-0.3%</b>
Other receivables	503 137	566 227	<b>12.5%</b>
<i>State receivables excluding the impact of datations/repurchase agreements</i>	<i>392 859</i>	<i>455 949</i>	<i>16.0%</i>
Accruals - Assets	80 674	88 084	<b>9.2%</b>
Securities and investment values	93	89	<b>-4.3%</b>
<b>Cash - Assets</b>	<b>344 196</b>	<b>334 722</b>	<b>-2.8%</b>
<i>Cash assets / Total assets (in %)</i>	2.50%	2.45%	0.05 pts
<b>Total Assets</b>	<b>13 563 107</b>	<b>13 655 764</b>	<b>0.7%</b>

Source: Alliances Développement Immobilier

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**Table 31. Group consolidated balance sheet as of 30 June 2019 - Consolidated liabilities**

LIABILITIES	2018	30/06/2019	Var 18-S1 19
<b>Permanent capital</b>	<b>6 352 546</b>	<b>6 088 756</b>	<b>-4.20%</b>
<i>Fixed capital / Total liabilities (in %)</i>	<i>46.80%</i>	<i>44.59%</i>	<i>-2.21 pts</i>
Equity attributable to equity holders of the parent	<b>3 052 094</b>	<b>3 055 499</b>	<b>0.10%</b>
<i>Capital</i>	<i>1 907 859</i>	<i>1 907 859</i>	<b>0.00%</b>
<i>Issue premiums</i>	<i>1 224 021</i>	<i>1 224 021</i>	<b>0.00%</b>
<i>consolidated reserves</i>	<i>-381 687</i>	<i>-168 361</i>	<b>55.90%</b>
<i>translation difference</i>	<i>-401</i>	<i>-812</i>	<b>-102.50%</b>
<i>Net income Group share</i>	<i>302 302</i>	<i>92 793</i>	<b>-69.30%</b>
Minority interests	506 495	385 797	<b>-23.80%</b>
Bonds repayable in shares	-	-	
Financial debts	1 761 917	1 622 623	<b>-7.90%</b>
<i>Financial debts excluding the impact of datations/repurchase agreements</i>	<i>2 571 317</i>	<i>1 726 823</i>	<b>-32.80%</b>
Deferred tax liabilities	161 683	155 298	<b>-3.90%</b>
Non-current provisions for risks and charges	870 357	869 538	<b>-0.10%</b>
<b>Current liabilities</b>	<b>6 338 783</b>	<b>6 676 041</b>	<b>5.30%</b>
<i>Current liabilities / Total liabilities (in %)</i>	<i>46.70%</i>	<i>48.89%</i>	<i>2.19 pts</i>
Suppliers	2 426 241	2 424 088	<b>-0.10%</b>
Advances and deposits from customers	1 542 674	1 430 434	<b>-7.30%</b>
Personnel and social organizations	30 018	30 097	<b>0.30%</b>
Credit state	976 569	1 025 511	<b>5.00%</b>
Accruals-Liabilities	417 570	423 331	<b>1.40%</b>
Partners' current accounts	557 649	557 014	<b>-0.10%</b>
Other debts	370 116	767 623	<b>107.40%</b>
<i>Other debts excluding the impact of datations/repurchase agreements</i>	<i>210 016</i>	<i>663 423</i>	<i>216%</i>
Other provisions for risks and charges	17 945	17 942	<b>0.00%</b>
<b>Cash - Liabilities</b>	<b>871 778</b>	<b>890 967</b>	<b>2.20%</b>
<i>Cash - Liabilities excluding the impact of datations/repurchase agreements</i>	<i>1 489 669</i>	<i>890 967</i>	<i>-40.20%</i>
<i>Cash liabilities / Total liabilities (in %)</i>	<i>6.40%</i>	<i>6.52%</i>	<i>0.12 pts</i>
<b>Total Liabilities</b>	<b>13 563 107</b>	<b>13 655 764</b>	<b>0.70%</b>

Source: Alliances Développement Immobilier

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## Part V. RISKS

Before making any investment decision, potential investors are advised to carefully consider all the risks described in this prospectus. This part is not intended to be exhaustive, other risks and uncertainties not currently known to the Company or that it currently considers negligible could also affect its business. Potential investors are required to make a personal and independent assessment of all investment considerations relating to this bond issue and to read also the detailed information mentioned in the other parts of this prospectus.

### I. Risks related to the Group

#### I.1. Risks related to the economic environment

The results and growth prospects of Alliances Développement Immobilier are strongly influenced by national economic conditions, international economic growth and the level of interest rates.

#### I.2. Risks related to competition

The absence of barriers to entry and the favorable profit prospects offered by the sector have had, and continue to have, the effect of attracting many operators to the real estate market. The multiplication of operators, both national and international:

- An erosion of margins, as a result of increasingly intense competition;
- An increase in the cost of land in certain areas where there is strong demand from property developers;
- More difficult access to financing;
- A more restricted choice of subcontractors

#### I.3. Risks related to changes in tax regimes

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

#### I.4. Risks related to interest rates

A significant increase in lending rates applied to loans taken out by buyers would be a limiting factor for household housing demand.

Although the Alliances Développement Immobilier group has entered into agreements with its banking partners to ensure that future buyers of Alliances Développement Immobilier group products can benefit from loans at attractive rates, a significant increase in lending rates could have a relatively significant impact on the turnover of Alliances Développement Immobilier and more particularly on the volume of turnover generated by the intermediate housing segment.

#### I.5. Risks related to land

Attractive credit conditions and a significant housing deficit have increased demand and, as a result, set the cost of land in urban areas in a marked upward trend in recent years.

Similarly, the cost of land in tourist areas could also continue the upward trend that has prevailed in recent years, driven by increased competition between operators in the sector and strong demand.

The increase in the cost of land would have a direct impact on the margins generated by Alliances Développement Immobilier. This risk would be all the more significant in the event that the company is unable to pass on this increase in price to the final selling prices, especially in activities other than golf resort programs or high-end real estate.

As part of its business, the Group acquires land for the purpose of carrying out real estate programs. There may be administrative complications in making available the land acquired, which sometimes leads to delays in the launch of these real estate programmes. These delays can be attributed to

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- **Default risk:** is the risk that the issuer will not be able to meet their contractual commitments to bondholders, resulting in the non-payment of coupons and/or outstanding capital;
- **Liquidity risk:** the holder of non-listed bonds could be exposed to the risk of holding illiquid securities that cannot be sold quickly without having a major impact on the price;
- **Interest rate risk:** the risk related to changes in interest rates can impact fixed-rated bond yields. Indeed, an increase in interest rates will have the impact of reducing the value of the bonds held;
- **Inflation risk:** changes in inflation rates could impact bondholders' returns (i) if the inflation rate exceeds the yield on bonds held and (ii) if interest rates are adjusted. Thus, an increase in interest rates will reduce the value of the bonds held;
- **Liquidity risk of the assets covered by the guarantee:** is the risk that the assets covered by the guarantees of the bond issue will be illiquid and cannot be sold quickly, which would have an effect on their value as well as on the possibility of recovering the transfer price of the assets in the event that the mortgages are called upon, thus reducing the coverage of the bond issue.

#### DISCLAIMER

The above-mentioned information constitutes only part of the prospectus approved by the Moroccan Capital Market Authority (AMMC) under reference VI/EM/037/2019.

AMMC recommends that the entire prospectus, which is available to the public in French, be read in its entirety.

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