

aradei

CAPITAL

PROSPECTUS SUMMARY

SECURED BOND ISSUE – MAXIMUM AMOUNT: 600,000,000 MAD

	TRANCHE A UNLISTED BULLET FIXED RATE	TRANCHE B LISTED BULLET FIXED RATE
Ceiling	300,000,000 MAD	300,000,000 MAD
Number of securities	3,000 bonds	3,000 bonds
Nominal value	100,000 MAD	100,000 MAD
Maturity	5 years	5 years
Rate	Fixed Rate The reference to the nominal rate is the 5-year Treasury Bonds rate computed on the secondary market yield curve, as published by Bank Al-Maghrib on October 9 th , 2018, i.e. 2.84% increased by a risk premium, i.e. between 4.64% and 4.84%. Where failure to comply with the financial commitments as defined in Part II.VI of the prospectus is observed, the nominal rate will be increased by 125 basis points over the remaining maturity of the bond.	Fixed Rate The reference to the nominal rate is the 5-year Treasury Bonds rate computed on the secondary market yield curve, as published by Bank Al-Maghrib on October 9 th , 2018, i.e. 2.84% increased by a risk premium, i.e. between 4.64% and 4.84%. Where failure to comply with the financial commitments as defined in Part II.VI of the prospectus is observed, the nominal rate will be increased by 125 basis points over the remaining maturity of the bond.
Risk premium	180 - 200 bps	180 - 200 bps
Tradability of securities	Over-the-counter	On the Casablanca Stock Exchange
Allocation method	French auction method without prioritization between tranches.	
Guarantee	Issue secured by first mortgages	
Repayment method	Bullet repayable at maturity	Bullet repayable at maturity

	TRANCHE C UNLISTED DEPRECIABLE FIXED RATE	TRANCHE D LISTED DEPRECIABLE FIXED RATE	TRANCHE E UNLISTED DEPRECIABLE VARIABLE RATE
Ceiling	300,000,000 MAD	300,000,000 MAD	300,000,000 MAD
Number of securities	3,000 bonds	3,000 bonds	3,000 bonds
Nominal value	100,000 MAD	100,000 MAD	100,000 MAD
Maturity	7 years	7 years	7 years
Rate	Fixed Rate The reference to the nominal rate is the secondary market yield curve of Treasury Bills, as published by Bank Al-Maghrib on October 9 th , 2018, i.e. 2.86% increased by a risk premium, i.e. between 4.46% and 4.66%. Where failure to comply with the financial commitments as defined in Part II.VI of the prospectus is observed, the nominal rate will be increased by 125 basis points over the remaining maturity of the bond.	Fixed Rate The reference to the nominal rate is the secondary market yield curve of Treasury Bills, as published by Bank Al-Maghrib on October 9 th , 2018, i.e. 2.86% increased by a risk premium, i.e. between 4.46% and 4.66%. Where failure to comply with the financial commitments as defined in Part II.VI of the prospectus is observed, the nominal rate will be increased by 125 basis points over the remaining maturity of the bond.	Annually Adjustable Rate The reference rate for the nominal interest rate is the 52-week Treasury Bills rate (monetary rate) computed on the secondary yield curve, as published by Bank Al-Maghrib on October 9 th , 2018, i.e. 2.44%, increased by a risk premium, i.e. between 4.04% and 4.24% for the first year Where failure to comply with the financial commitments as defined in Part II.VI of the prospectus is observed, the yearly fixed nominal rate will be increased by 125 basis points over the remaining maturity of the bond.
Risk premium	160 - 180 bps	160 - 180 bps	160 - 180 bps
Tradability of securities	Over-the-counter	On the Casablanca Stock Exchange	Over-the-counter
Allocation method	French auction method without prioritization between tranches.		
Guarantee	Issue secured by first mortgages		
Repayment method	Annual straight-line depreciation	Annual straight-line depreciation	Annual straight-line depreciation

SUBSCRIPTION PERIOD: FROM OCTOBER 26TH, 2018 TO OCTOBER 30TH, 2018, INCLUDED

ISSUE RESERVED TO QUALIFIED INVESTORS UNDER MOROCCAN LAW AS LISTED IN THE PROSPECTUS



APPROVAL OF MOROCCAN CAPITAL MARKET AUTHORITY

In accordance with the provisions of AMMC circular, delivered in application of Section 14 of the Decree No. 1-93-212 of September 21, 1993, as amended and supplemented, the original copy of this prospectus has been approved by the AMMC on October 16th, 2018 under Reference No. VI/EM/022/2018.

DISCLAIMER

The Moroccan Capital Market Authority (AMMC) approved, on October 16th, 2018 a prospectus summary concerning a secured bond issue by Aradei Capital.

The prospectus approved by the AMMC is available at any time at Aradei Capital's headquarters and through its financial advisors.

BMCE Capital Conseil	Valoris Corporate Finance	Capital Trust Finance	BMCI
63 boulevard Moulay Youssef – 20 000 Casablanca	355 Route d'El Jadida, Casablanca	50, Boulevard Rachidi, Casablanca	26, Place des Nations Unies, Casablanca
+212 5 22 42 91 00	+212 5 22 23 97 60	+212 5 22 46 63 50	+212 5 22 46 12 46

It is also available within 48 hours at the order collecting establishments.

The prospectus is at the disposal of the public at the headquarters of the Casablanca Stock Exchange and on its website www.casablanca-bourse.com. It is also available on the AMMC website www.ammc.ma.

PART I. PRESENTATION OF THE OPERATION

I. Objectives of the Operation

Through this operation, Aradei Capital aims to achieve the following objectives:

- To diversify the Company's external financing sources and to benefit from additional leverage at an optimized cost;
- To consolidate its image with institutional investors through increased visibility on the capital market;
- To finance part of its investment program over the coming years;
- To maintain a positive cash position allowing the company to seize any opportunity to develop new real estate projects.

On the approval date, Aradei Capital plans to use its bond issue proceeds as follows:

In MAD Million	Allocation
Refinancing / Repayment of existing debts	23%
Greenfield development and extension projects (Existing & New Acquisitions)	58%
Acquisition of new operational projects	14%
Other uses	5%
TOTAL	100%

Source: Aradei Capital

It is understood that this program could undergo changes depending on investment opportunities.

II. Structure of the Offer

Aradei Capital SA plans to issue 6,000 bonds with a nominal value of 100,000 MAD each in one or more tranches. The overall amount of the operation amounts to six hundred million dirhams (600,000,000 MAD).

Tranche A, unlisted bullet repayable at maturity with a fixed interest rate

Tradable over the counter, with a fixed interest rate and repayable at maturity after a period of 5 years, with a ceiling amount of 300,000,000 MAD and a nominal value of 100,000 MAD per bond.

Tranche B, listed bullet repayable at maturity with a fixed interest rate

Listed on the Casablanca Stock Exchange, with a fixed interest rate and repayable at maturity after a period of 5 years with a ceiling amount of 300,000,000 MAD and a nominal value of 100,000 MAD per bond.

Tranche C, unlisted depreciable with a fixed interest rate

Tradable over the counter, with a fixed interest rate and repayable by annual straight-line depreciation over a period of 7 years with a ceiling amount of 300,000,000 MAD and a nominal value of 100,000 MAD per bond.

Tranche D, listed depreciable with a fixed interest rate

Listed on the Casablanca Stock Exchange, with a fixed interest rate and repayable by annual straight-line depreciation over a period of 7 years with a ceiling amount of 300,000,000 MAD and a nominal value of 100,000 MAD per bond.

Tranche E, unlisted depreciable with a annually adjustable interest rate

Tradable over the counter, with an annually adjustable interest rate and repayable by annual straight-line depreciation over a period of 7 years with a ceiling amount of 300,000,000 MAD and a nominal value of 100,000 MAD per bond.

The total amount to be allocated under the five aforementioned tranches shall in no case exceed the amount of 600,000,000 MAD. The total amount to be allocated under the aforementioned Tranches A and B shall in no case exceed 300,000,000 MAD. The total amount to be allocated under the aforementioned Tranches C, D and E shall in no case exceed the amount of 300,000,000 MAD.

The following table presents the depreciation schedule for tranches C, D and E based on an allocation of 300,000,000 MAD to said tranches:

Date ¹	Term	Principal repayment	Outstanding principal
November 8 th , 2018 (Vesting date)	0	0.0 MMAD	300.0 MMAD
November 8 th , 2019	1	42.9 MMAD	257.1 MMAD
November 8 th , 2020	2	42.9 MMAD	214.3 MMAD
November 8 th , 2021	3	42.9 MMAD	171.4 MMAD
November 8 th , 2022	4	42.9 MMAD	128.6 MMAD
November 8 th , 2023	5	42.9 MMAD	85.7 MMAD
November 8 th , 2024	6	42.9 MMAD	42.9 MMAD
November 8 th , 2025	7	42.9 MMAD	0.0 MMAD

¹ In the event that November 8th of the nth year is not a business day, the principal repayment date will be the following business day.

III. Information related to the securities to be issued

Table 1 Characteristics of Tranche A (fixed interest rate, unlisted and bullet repayable at maturity)

Nature of securities	Unlisted bonds dematerialized by registration in accounts with authorized account holders and mandatorily admitted to operations of the central depository (Maroclear).
Legal form	Bearer bond.
Tranche ceiling	300,000,000 MAD.
Maximum number of securities to be issued	3,000 bonds.
Unit nominal value	100,000 MAD.
Maturity	5 years.
Subscription period	From October 26 th , 2018 to October 30 th , 2018, included.
Vesting date	November 8 th , 2018.
Maturity date	November 8 th , 2023.
Issue price	At par, i.e. 100,000 MAD.
Risk premium	Between 180 and 200 basis points.
Nominal interest rate	<p><u>Fixed.</u></p> <p>The nominal interest rate is determined by linear interpolation in reference to the 5- year Treasury Bonds rate computed on the secondary market yield curve as published by Bank Al-Maghrib on October 9th, 2018, i.e. 2.84% to which a risk premium ranging from 180 to 200 bps will be added, i.e. between 4.64% and 4.84%.</p> <p>The determination of the rate by the linear interpolation method is done using the two points limiting the full 5 years maturity (actuarial basis).</p> <p>Where failure to comply with the financial covenants as defined in Part II.VI of the prospectus is observed, the nominal rate will be increased by 125 basis points over the remaining maturity of the bond.</p>
Interest payment	<p>Interests will be served annually at the anniversary dates of the vesting date of the bond, i.e. November 8th of each year.</p> <p>Their payment will take place on the same day or the first business day following November 8th, if this day is not a business day.</p> <p>Interests will be calculated as per the following formula: [Nominal value x Nominal rate].</p> <p>No deferral of interest will be possible under this issue.</p> <p>Interest on bonds will cease to accrue from the day the capital is repaid by the Company.</p>
Coupon calculation agent	BMCI.
Allocation method	French auction method without prioritization between tranches.
Principal repayment	<p><i>Bullet repayable at maturity.</i></p> <p>In the event of a merger, demerger or partial transfer of Aradei Capital's assets taking place during the bond term and resulting in the transfer of the assets to a separate legal entity, the rights and obligations under the bonds will be automatically transferred to the legal entity substituted in the rights and obligations of Aradei Capital SA.</p>

Early repayment	<p>The Company commits to refrain from the early repayment of the bonds subject to the present bond issue.</p> <p>However, the Company reserves the right to carry out bond buybacks on the secondary market at any time, in accordance with legal and regulatory provisions. These buybacks hold no consequences for a subscriber who wishes to keep their securities until the normal maturity date and without affecting the normal depreciation schedule. The bonds redeemed will be canceled.</p>
Assimilation clause	<p>Tranche A bonds are not assimilated to the securities of any previous issues.</p> <p>In the event that the Company subsequently issues new bonds having in all respects rights identical to those of the bonds that will be issued, it may, without requiring the consent of previous bondholders, proceed to the assimilation of all subsequent securities issues thus unifying the operations relating to their financial service and their trading operations.</p>
Rank	<p>Tranche A bonds are direct, general, unconditional, and unsubordinated commitments of the Company.</p>
Rating	<p>The present issue has not been subject to any rating request.</p>
Collateral	<p>The bonds of the present bond issue are secured by two first mortgages, for a total amount of 600,000,000 MAD, on the property deed No 4557/G relating to the property named "OLGALA", with a surface of 5 hectares 17 Ares 30 centiares as well as the property deed No 121 392/c relating to the property named "Al Massira", with a surface of 5 hectares 61 Ares 36 centiares.</p>
Financial covenants	<p>The bonds benefit from the issuer's financial covenants as stipulated in Section II.VI of the Prospectus and in the Bonds Issue Agreement attached to the Prospectus.</p>
Appointed notary	<p>The Company appoints Mrs. Fouzia Sajid as Notary in charge of the registration and release formalities relating to the collateral given under this issue.</p> <p>Mrs. Fouzia Sajid is a notary whose legal office is located at 379, Angle Bd Ghandi and Bd Yaacoub El Mansour, Espace Ghandi - Building C, 2nd floor, Casablanca.</p>
Representation of bondholders	<p>Pending the holding of the general meeting of the bondholders, the Company's Board of Directors has appointed Mr. Mohamed Hdid, Chartered Accountant domiciled in Casablanca, as a temporary representative, in accordance with Article 300 of Law no. 17-95 relating to public limited companies, as amended and supplemented.</p> <p>In addition, Aradei Capital's Board of Directors undertakes to convene the general meeting of bondholders to appoint the final representative of the bondholders' body, within 60 days of the vesting date.</p>
Tradability of securities	<p>Tranche A bonds are tradable over-the-counter.</p> <p>There are no restrictions imposed by the terms of the issue on the free tradability of Tranche A bonds.</p> <p>Any transfer will automatically entail adherence to the conditions of issue and transfer of the rights attached to each Bond, as they result from the Company Decisions and the Bonds Issue Agreement.</p>
Applicable law	<p>Moroccan law.</p>
Competent jurisdiction	<p>Trade Court of Casablanca.</p>

Table 2 Characteristics of Tranche B (fixed interest rate, listed bullet repayable at maturity)

Nature of securities	Bonds listed on the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and entered into account at the chartered affiliates.
Legal form	Bearer bond.
Tranche ceiling	300,000,000 MAD.
Maximum number of securities to be issued	3,000 bonds.
Unit nominal value	100,000 MAD.
Maturity	5 years.
Subscription period	From October 26 th , 2018 to October 30 th , 2018, included.
Vesting date	November 8 th , 2018.
Maturity date	November 8 th , 2023.
Issue price	At par, i.e. 100,000 MAD.
Risk premium	Between 180 and 200 basis points.
Nominal interest rate	<p><u>Fixed.</u></p> <p>The nominal interest rate is determined by linear interpolation in reference to the 5- year Treasury Bonds rate computed on the secondary market yield curve as published by Bank Al-Maghrib on October 9th, 2018, i.e. 2.84% to which a risk premium ranging from 180 to 200 bps will be added, i.e. between 4.64% and 4.84%.</p> <p>The determination of the rate by the linear interpolation method is done using the two points limiting the full 5 years maturity (actuarial basis).</p> <p>Where failure to comply with the financial covenants as defined in Part II.VI the prospectus is observed, the nominal rate will be increased by 125 basis points over the remaining maturity of the bond.</p> <p>The increased rate will be communicated to the Casablanca Stock Exchange without delay.</p>
Interest payment	<p>Interests will be served annually at the anniversary dates of the vesting date of the bond, i.e. November 8th of each year.</p> <p>Their payment will take place on the same day or the first business day following November 8th, if this day is not a business day.</p> <p>Interests will be calculated as per the following formula: [Nominal value x Nominal rate].</p> <p>No deferral of interest will be possible under this issue.</p> <p>Interest on bonds will cease to accrue from the day the capital is repaid by the Company.</p>
Allocation method	French auction method without prioritization between tranches.
Principal repayment	<p><i>Bullet repayable at maturity.</i></p> <p>In the event of a merger, demerger or partial transfer of Aradei Capital's assets taking place during the bond term and resulting in the transfer of the assets to a separate legal entity, the rights and obligations under the bonds will be automatically transferred to the legal entity substituted in the rights and obligations of Aradei Capital SA.</p>

Early repayment	<p>The Company commits to refrain from the early repayment of the bonds subject to the present bond issue.</p> <p>However, the Company reserves the right to carry out bond buybacks on the secondary market at any time, in accordance with legal and regulatory provisions. These buybacks hold no consequences for a subscriber who wishes to keep their securities until the normal maturity date and without affecting the normal depreciation schedule. The bonds redeemed will be canceled.</p> <p>In case of cancellation, the issuer informs the Casablanca Stock Exchange of the canceled bonds.</p>
Assimilation clause	<p>Tranche B bonds are not assimilated to the securities of any previous issues.</p> <p>In the event that the Company subsequently issues new bonds having in all respects rights identical to those of the bonds that will be issued, it may, without requiring the consent of previous bondholders, proceed to the assimilation of all subsequent securities issues thus unifying the operations relating to their financial service and their trading operations.</p>
Rank	<p>Tranche B bonds are direct, general, unconditional, and unsubordinated commitments of the Company.</p>
Rating	<p>The present issue has not been subject to any rating request.</p>
Collateral	<p>The bonds of the present bond issue are secured by two first mortgages, for a total amount of 600,000,000 MAD, on the property deed No 4557/G relating to the property named "OLGALA", with a surface of 5 hectares 17 Ares 30 centiares as well as the property deed No 121 392/c relating to the property named "Al Massira", with a surface of 5 hectares 61 Ares 36 centiares.</p>
Financial covenants	<p>The bonds benefit from the issuer's financial covenants as stipulated in Section II.VI of the Prospectus and in the Bonds Issue Agreement attached to the Prospectus.</p>
Appointed notary	<p>The Company appoints Mrs. Fouzia Sajid as Notary in charge of the registration and release formalities relating to the collateral given under this issue.</p> <p>Mrs. Fouzia Sajid is a notary whose legal office is located at 379, Angle Bd Ghandi and Bd Yaacoub El Mansour, Espace Ghandi - Building C, 2nd floor, Casablanca.</p>
Representation of bondholders	<p>Pending the holding of the general meeting of the bondholders, the Company's Board of Directors has appointed Mr. Mohamed Hdid, Chartered Accountant domiciled in Casablanca, as a temporary representative, in accordance with Article 300 of Law no. 17-95 relating to public limited companies, as amended and supplemented.</p> <p>In addition, Aradei Capital's Board of Directors undertakes to convene the general meeting of bondholders to appoint the final representative of the bondholders' body, within 60 days of the vesting date.</p>
Tradability of securities	<p>Tranche B bonds are tradable on the Casablanca Stock Exchange.</p> <p>There are no restrictions imposed by the terms of the issue on the free tradability of Tranche B bonds.</p> <p>Any transfer will automatically entail adherence to the conditions of issue and transfer of the rights attached to each Bond, as they result from the Company Decisions and the Bonds Issue Agreement.</p>
Listing of securities	<p>Tranche B bonds will be listed on the Casablanca Stock Exchange and will be the subject of an application for admission to the bond compartment of the</p>

	<p>Casablanca Stock Exchange. Their listing date is scheduled for November 2nd, 2018 on the bond compartment, under the ticker OARDA.</p> <p>To be listed on the Casablanca Stock Exchange, the cumulative amount allocated to tranches B and D must be greater than or equal to 20,000,000 MAD. If, at the end of the subscription period, the aggregate amount allocated to tranches B and D is less than 20,000,000 MAD, the subscriptions for these tranches will be canceled.</p>
Stock Exchange Broker (Issuer Side)	BMCE Capital Bourse
Procedure of first listing	The listing of tranche B will be made by direct listing in accordance with Sections 1.2.6 and 1.2.22 of the General Rules of the Stock Exchange.
Applicable law	Moroccan law.
Competent jurisdiction	Trade Court of Casablanca.

Table 3 **Characteristics of Tranche C (fixed interest rate, unlisted and depreciable)**

Nature of securities	Unlisted bonds dematerialized by registration in accounts with authorized account holders and mandatorily admitted to operations of the central depository (Maroclear).
Legal form	Bearer bond.
Tranche ceiling	300,000,000 MAD.
Maximum number of securities to be issued	3,000 bonds.
Unit nominal value	100,000 MAD.
Maturity	7 years.
Subscription period	From October 26 th , 2018 to October 30 th , 2018, included.
Vesting date	November 8 th , 2018.
Maturity date	November 8 th , 2025.
Issue price	At par, i.e. 100,000 MAD.
Risk premium	Between 160 and 180 basis points.
Nominal interest rate	<p><u>Fixed.</u></p> <p>The nominal interest rate is determined in reference to the secondary market yield curve of Treasury Bills, as published by Bank Al-Maghrib on October 9th, 2018, i.e. 2.86% to which a risk premium ranging from 160 to 180 bps is added, i.e. between 4.46% and 4.66%.</p> <p>Where failure to comply with the financial covenants as defined in Part II.VI the prospectus is observed, the nominal rate will be increased by 125 basis points over the remaining maturity of the bond.</p>
Interest payment	<p>Interests will be served annually at the anniversary dates of the vesting date of the bond, i.e. November 8th of each year.</p> <p>Their payment will take place on the same day or the first business day following November 8th, if this day is not a business day.</p> <p>Interests will be calculated as per the following formula: [Outstanding principal x Nominal interest rate]</p> <p>No deferral of interest will be possible under this issue.</p> <p>Interest on bonds will cease to accrue from the day the capital is repaid by the Company.</p>
Calculation method	The nominal interest rate corresponds to the actuarial rate which makes it possible to obtain, for a bond, a price on the vesting date equal to 100% of the nominal value by discounting the future cash flows generated by this bond at the Zero Coupon rates calculated from the benchmark yield curve of the secondary market for Treasury Bills as published by Bank Al Maghrib on October 9 th 2018, i.e. 2.86%, according to the method presented in Appendix VI of the prospectus, increased by a risk premium ranging between 160 and 180 basis points.
Coupon calculation agent	BMCI.
Allocation method	French auction method without prioritization between tranches.
Principal repayment	<i>Annual straight-line depreciation over a period of 7 years</i>

	<p>The depreciation of the principal will take place annually on the anniversary dates of the vesting date of the bond, i.e. November 8th of each year.</p> <p>The principal repayment will occur on the same day or the next business day if November 8th is not a business day.</p> <p>In the event of a merger, demerger or partial transfer of Aradei Capital's assets taking place during the bond term and resulting in the transfer of the assets to a separate legal entity, the rights and obligations under the bonds will be automatically transferred to the legal entity substituted in the rights and obligations of Aradei Capital SA.</p>
Early repayment	<p>The Company commits to refrain from the early repayment of the bonds subject to the present bond issue.</p> <p>However, the Company reserves the right to carry out bond buybacks on the secondary market at any time, in accordance with legal and regulatory provisions. These buybacks hold no consequences for a subscriber who wishes to keep their securities until the normal maturity date and without affecting the normal depreciation schedule. The bonds redeemed will be canceled.</p>
Assimilation clause	<p>Tranche C bonds are not assimilated to the securities of any previous issues.</p> <p>In the event that the Company subsequently issues new bonds having in all respects rights identical to those of the bonds that will be issued, it may, without requiring the consent of previous bondholders, proceed to the assimilation of all subsequent securities issues thus unifying the operations relating to their financial service and their trading operations.</p>
Rank	<p>Tranche C bonds are direct, general, unconditional, and unsubordinated commitments of the Company.</p>
Rating	<p>The present issue has not been subject to any rating request.</p>
Collateral	<p>The bonds of the present bond issue are secured by two first mortgages, for a total amount of 600,000,000 MAD, on the property deed No 4557/G relating to the property named "OLGALA", with a surface of 5 hectares 17 Ares 30 centiares as well as the property deed No 121 392/c relating to the property named "Al Massira", with a surface of 5 hectares 61 Ares 36 centiares.</p>
Financial covenants	<p>The bonds benefit from the issuer's financial covenants as stipulated in Section II.VI of the Prospectus and in the Bonds Issue Agreement attached to the Prospectus.</p>
Appointed notary	<p>The Company appoints Mrs. Fouzia Sajid as Notary in charge of the registration and release formalities relating to the collateral given under this issue.</p> <p>Mrs. Fouzia Sajid is a notary whose legal office is located at 379, Angle Bd Ghandi and Bd Yaacoub El Mansour, Espace Ghandi - Building C, 2nd floor, Casablanca.</p>
Representation of bondholders	<p>Pending the holding of the general meeting of the bondholders, the Company's Board of Directors has appointed Mr. Mohamed Hdid, Chartered Accountant domiciled in Casablanca, as a temporary representative, in accordance with Article 300 of Law no. 17-95 relating to public limited companies, as amended and supplemented.</p> <p>In addition, Aradei Capital's Board of Directors undertakes to convene the general meeting of bondholders to appoint the final representative of the bondholders' body, within 60 days of the vesting date.</p>
Tradability of securities	<p>Tranche C bonds are tradable over-the-counter.</p>

	<p>There are no restrictions imposed by the terms of the issue on the free tradability of Tranche C bonds.</p> <p>Any transfer will automatically entail adherence to the conditions of issue and transfer of the rights attached to each Bond, as they result from the Company Decisions and the Bonds Issue Agreement.</p>
Applicable law	Moroccan law.
Competent jurisdiction	Trade Court of Casablanca.

Table 4 Characteristics of Tranche D (fixed interest rate, listed and depreciable)

Nature of securities	Bonds listed on the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and entered into account at the chartered affiliates.
Legal form	Bearer bond.
Tranche ceiling	300,000,000 MAD.
Maximum number of securities to be issued	3,000 bonds.
Unit nominal value	100,000 MAD.
Maturity	7 years.
Subscription period	From October 26 th , 2018 to October 30 th , 2018, included.
Vesting date	November 8 th , 2018.
Maturity date	November 8 th , 2025.
Issue price	At par, i.e. 100,000 MAD.
Risk premium	Between 160 and 180 basis points.
Nominal interest rate	<p>Fixed.</p> <p>The nominal interest rate is determined in reference to the secondary market yield curve of Treasury Bills, as published by Bank Al-Maghrib on October 9th, 2018, i.e. 2.86% to which a risk premium ranging from 160 to 180 bps will be added, i.e. between 4.46% and 4.66%.</p> <p>Where failure to comply with the financial covenants as defined in Part II.VI of the prospectus is observed, the nominal rate will be increased by 125 basis points over the remaining maturity of the bond. The increased rate will be communicated to the Casablanca Stock Exchange without delay.</p>
Interest payment	<p>Interests will be served annually at the anniversary dates of the vesting date of the bond, i.e. November 8th of each year.</p> <p>Their payment will take place on the same day or the first business day following November 8th, if this day is not a business day.</p> <p>Interests will be calculated as per the following formula: [Outstanding principal x Nominal interest rate]</p> <p>No deferral of interest will be possible under this issue.</p> <p>Interest on bonds will cease to accrue from the day the capital is repaid by the Company.</p>
Calculation method	The nominal interest rate corresponds to the actuarial rate which makes it possible to obtain, for a bond, a price on the vesting date equal to 100% of the nominal value by discounting the future cash flows generated by this bond at the Zero Coupon rates calculated from the benchmark yield curve of the secondary market for Treasury Bills as published by Bank Al Maghrib on October 9 th 2018, i.e. 2.86%, according to the method presented in Appendix VI of the prospectus, increased by a risk premium ranging between 160 and 180 basis points.
Allocation method	French auction method without prioritization between tranches.
Principal repayment	<p>Annual straight-line depreciation over a period of 7 years</p> <p>The depreciation of the principal will take place annually on the anniversary dates of the vesting date of the bond, i.e. November 8th of each year.</p>

	<p>The principal repayment will occur on the same day or the next business day if November 8th is not a business day.</p> <p>In the event of a merger, demerger or partial transfer of Aradei Capital's assets taking place during the bond term and resulting in the transfer of the assets to a separate legal entity, the rights and obligations under the bonds will be automatically transferred to the legal entity substituted in the rights and obligations of Aradei Capital SA.</p>
Early repayment	<p>The Company commits to refrain from the early repayment of the bonds subject to the present bond issue.</p> <p>However, the Company reserves the right to carry out bond buybacks on the secondary market at any time, in accordance with legal and regulatory provisions. These buybacks hold no consequences for a subscriber who wishes to keep their securities until the normal maturity date and without affecting the normal depreciation schedule. The bonds redeemed will be canceled.</p> <p>In case of cancellation, the issuer informs the Casablanca Stock Exchange of the canceled bonds.</p>
Assimilation clause	<p>Tranche D bonds are not assimilated to the securities of any previous issues.</p> <p>In the event that the Company subsequently issues new bonds having in all respects rights identical to those of the bonds that will be issued, it may, without requiring the consent of previous bondholders, proceed to the assimilation of all subsequent securities issues thus unifying the operations relating to their financial service and their trading operations.</p>
Rank	<p>Tranche D bonds are direct, general, unconditional, and unsubordinated commitments of the Company.</p>
Rating	<p>The present issue has not been subject to any rating request.</p>
Collateral	<p>The bonds of the present bond issue are secured by two first mortgages, for a total amount of 600,000,000 MAD, on the property deed No 4557/G relating to the property named "OLGALA", with a surface of 5 hectares 17 Ares 30 centiares as well as the property deed No 121 392/c relating to the property named "Al Massira", with a surface of 5 hectares 61 Ares 36 centiares.</p>
Financial covenants	<p>The bonds benefit from the issuer's financial covenants as stipulated in Section II.VI of the Prospectus and in the Bonds Issue Agreement attached to the Prospectus.</p>
Appointed notary	<p>The Company appoints Mrs. Fouzia Sajid as Notary in charge of the registration and release formalities relating to the collateral given under this issue.</p> <p>Mrs. Fouzia Sajid is a notary whose legal office is located at 379, Angle Bd Ghandi and Bd Yaacoub El Mansour, Espace Ghandi - Building C, 2nd floor, Casablanca.</p>
Representation of bondholders	<p>Pending the holding of the general meeting of the bondholders, the Company's Board of Directors has appointed Mr. Mohamed Hdid, Chartered Accountant domiciled in Casablanca, as a temporary representative, in accordance with Article 300 of Law no. 17-95 relating to public limited companies, as amended and supplemented.</p> <p>In addition, Aradei Capital's Board of Directors undertakes to convene the general meeting of bondholders to appoint the final representative of the bondholders' body, within 60 days of the vesting date.</p>
Tradability of securities	<p>Tranche D bonds are tradable on the Casablanca Stock Exchange.</p>

	<p>There are no restrictions imposed by the terms of the issue on the free tradability of Tranche D bonds.</p> <p>Any transfer will automatically entail adherence to the conditions of issue and transfer of the rights attached to each Bond, as they result from the Company Decisions and the Bonds Issue Agreement.</p>
Listing of securities	<p>Tranche D bonds will be listed on the Casablanca Stock Exchange and will be the subject of an application for admission to the bond compartment of the Casablanca Stock Exchange. Their listing date is scheduled for November 2nd, 2018 on the bond compartment, under the ticker OARDB.</p> <p>To be listed on the Casablanca Stock Exchange, the cumulative amount allocated to tranches B and D must be greater than or equal to 20,000,000 MAD. If, at the end of the subscription period, the aggregate amount allocated to tranches B and D is less than 20,000,000 MAD, the subscriptions for these tranches will be canceled.</p>
Stock Exchange Broker (Issuer Side)	BMCE Capital Bourse
Procedure of first listing	The listing of tranche D will be made by direct listing in accordance with Sections 1.2.6 and 1.2.22 of the General Rules of the Stock Exchange.
Applicable law	Moroccan law.
Competent jurisdiction	Trade Court of Casablanca.

Table 5 **Characteristics of Tranche E (annually adjustable interest rate, unlisted and depreciable)**

Nature of securities	Unlisted bonds dematerialized by registration in accounts with authorized account holders and mandatorily admitted to operations of the central depository (Maroclear).
Legal form	Bearer bond.
Tranche ceiling	300,000,000 MAD.
Maximum number of securities to be issued	3,000 bonds.
Unit nominal value	100,000 MAD.
Maturity	7 years.
Subscription period	From October 26 th , 2018 to October 30 th , 2018, included.
Vesting date	November 8 th , 2018.
Maturity date	November 8 th , 2025.
Issue price	At par, i.e. 100,000 MAD.
Interest payment	<p>Interests will be served annually at the anniversary dates of the vesting date of the bond, i.e. November 8th of each year.</p> <p>Their payment will take place on the same day or the first business day following November 8th, if this day is not a business day.</p> <p>Interests will be calculated as per the following formula: [Outstanding principal x Nominal rate x (exact number of days / 360 days)].</p> <p>No deferral of interest will be possible under this issue.</p> <p>Interest on bonds will cease to accrue from the day the capital is repaid by the Company.</p>
Risk premium	Between 160 and 180 basis points.
Nominal interest rate	<p><u>Annually Adjustable Rate.</u></p> <p>For the first year, the nominal interest rate is determined based on the 52-week Treasury Bills rate (monetary rate) computed on the secondary yield curve, as published by Bank Al-Maghrib on October 9th, 2018, i.e. 2.44% to which a risk premium ranging from 160 to 180 bps is added, i.e. between 4.04% and 4.24%.</p> <p>For the following years, the reference rate is the full 52-week rate (monetary rate) as computed on the secondary market yield curve, as published by Bank Al-Maghrib 5 business days before the anniversary date of the coupon payment.</p> <p>The reference rate thus obtained will be increased by a risk premium fixed at the end of the subscription period (risk premium between 160 and 180 basis points) and will be published by Aradei Capital in an Official Gazette, 3 working days before the anniversary date.</p> <p>Where failure to comply with the financial covenants as defined in Part II.VI of the prospectus is observed, the interest rate will be increased by 125 basis points over the remaining maturity of the bond.</p>
Calculation method	<p>On each anniversary date, the reference rate that will be used will be determined as follows:</p> <ul style="list-style-type: none"> - The reference rate of the securities will be calculated based on the 52-week Treasury Bills monetary rate or calculated by linear interpolation on the secondary market yield curve, as published by Bank Al-Maghrib 5 business days before the anniversary date.

	<p>This linear interpolation will be done after the conversion of the rate immediately greater than the 52-week maturity (actuarial basis) in equivalent monetary rate.</p> <p>The formula is:</p> $(((\text{Actuarial rate} + 1) ^ (k / \text{exact number of days} *)) - 1) \times 360 / k;$ <p>k is the maturity of the actuarial rate to be converted (immediately greater than 52 weeks)</p> <p>* Exact number of days: 365 or 366 days.</p> <p>- The reference rate thus obtained will be increased by the risk premium fixed at the end of the allocation.</p>
Coupon calculation agent	BMCI.
Allocation method	French auction method without prioritization between tranches.
Principal repayment	<p><i>Annual straight-line depreciation over a period of 7 years</i></p> <p>The depreciation of the principal will take place annually on the anniversary dates of the vesting date of the bond, i.e. November 8th of each year.</p> <p>The principal repayment will occur on the same day or the next business day if November 8th is not a business day.</p> <p>In the event of a merger, demerger or partial transfer of Aradei Capital's assets taking place during the bond term and resulting in the transfer of the assets to a separate legal entity, the rights and obligations under the bonds will be automatically transferred to the legal entity substituted in the rights and obligations of Aradei Capital SA.</p>
Early repayment	<p>The Company commits to refrain from the early repayment of the bonds subject to the present bond issue.</p> <p>However, the Company reserves the right to carry out bond buybacks on the secondary market at any time, in accordance with legal and regulatory provisions. These buybacks hold no consequences for a subscriber who wishes to keep their securities until the normal maturity date and without affecting the normal depreciation schedule. The bonds redeemed will be canceled.</p>
Assimilation clause	<p>Tranche E bonds are not assimilated to the securities of any previous issues.</p> <p>In the event that the Company subsequently issues new bonds having in all respects rights identical to those of the bonds that will be issued, it may, without requiring the consent of previous bondholders, proceed to the assimilation of all subsequent securities issues thus unifying the operations relating to their financial service and their trading operations.</p>
Rank	Tranche E bonds are direct, general, unconditional, and unsubordinated commitments of the Company.
Rating	The present issue has not been subject to any rating request.
Collateral	The bonds of the present bond issue are secured by two first mortgages, for a total amount of 600,000,000 MAD, on the property deed No 4557/G relating to the property named "OLGALA", with a surface of 5 hectares 17 Ares 30 centiares as well as the property deed No 121 392/c relating to the property named "Al Massira", with a surface of 5 hectares 61 Ares 36 centiares.
Financial covenants	The bonds benefit from the issuer's financial covenants as stipulated in Section II.VI of the Prospectus and in the Bonds Issue Agreement attached to the Prospectus.

Appointed notary	<p>The Company appoints Mrs. Fouzia Sajid as Notary in charge of the registration and release formalities relating to the collateral given under this issue.</p> <p>Mrs. Fouzia Sajid is a notary whose legal office is located at 379, Angle Bd Ghandi and Bd Yaacoub El Mansour, Espace Ghandi - Building C, 2nd floor, Casablanca.</p>
Representation of bondholders	<p>Pending the holding of the general meeting of the bondholders, the Company's Board of Directors has appointed Mr. Mohamed Hdid, Chartered Accountant domiciled in Casablanca, as a temporary representative, in accordance with Article 300 of Law no. 17-95 relating to public limited companies, as amended and supplemented.</p> <p>In addition, Aradei Capital's Board of Directors undertakes to convene the general meeting of bondholders to appoint the final representative of the bondholders' body, within 60 days of the vesting date.</p>
Tradability of securities	<p>Tranche E bonds are tradable over-the-counter.</p> <p>There are no restrictions imposed by the terms of the issue on the free tradability of Tranche E bonds.</p> <p>Any transfer will automatically entail adherence to the conditions of issue and transfer of the rights attached to each Bond, as they result from the Company Decisions and the Bonds Issue Agreement.</p>
Applicable law	Moroccan law.
Competent jurisdiction	Trade Court of Casablanca.

IV. Stock Exchange listing

Tranches B and D bonds issued will be admitted to trading on the bond compartment of the Casablanca Stock Exchange.

Listing date	November 2 nd , 2018
Ticker	Tranche B: OARDA Tranche D: OARDB
Trading cycle	Fixing
Mimimum block size	100
First listing procedure	Direct listing
Stock exchange broker	BMCE Capital Bourse

V. Aradei Capital's financial covenants

In the context of this Operation, the Company undertakes with respect to each Bondholder that:

- the Loan-to-Value ratio remains below 65% on each test date;

Loan-to-Value = Refers to the ratio that allows the issuer to measure the level of indebtedness in relation to the market value of its real estate assets. The formula used to calculate this ratio is as follows:

Total Consolidated Financial Debt / (Market value of the Group's real estate assets + Net Cash).

Total Consolidated Financial Debt = Designates on a consolidated basis the bank loans and / or facilities used by ARADEI Capital Group (including financing leases - movable or immovable - and bond issues) and all other short, medium and long-term debts contracted with credit institutions, factoring, disposals (excluding the assignment of receivables as collateral) or discounting of receivables (unless the discount is non-recourse), outstanding from any bond issue. Total Consolidated Financial Debt is the sum of current and non-current financial debts as reported in IFRS reports.

All the information required to calculate Total Consolidated Financial Debt is included in the Statutory Auditors' reports on the half-year and annual IFRS consolidated data.

Market value of the Group's real estate assets = Refers to the total value of all real estate assets of the group as established by a renowned RICS real estate expert. Aradei Capital undertakes to send to the representative of the bondholders' body an Excel file summarizing the appraisals by asset (hereinafter referred to as the Asset Appraisal Summary File).

The Market value of the Group's real estate assets is derived from the latest available appraisal report prepared by an independent RICS expert, it being understood that the issuer carries out an annual appraisal as part of the IFRS work.

Historically, the Loan-to-Value ratio is as follows:

Ratio	2015	2016	2017
Loan-to-Value	32%	26%	26%

Source: Aradei Capital

As of 06/30/2018, the detail of the Loan-to-Value ratio calculation is as follows (in MAD):

Total Consolidated Financial Debt	919,527,000
Net Cash	206,968,000
Market value of the Group's real estate assets	3,667,479,000
LTV ratio as of 06/30/2018	23.7%

Source: Aradei Capital

- the "value of Free Assets / Outstanding principal of the bond issue subject of the Prospectus" ratio remains higher than 130% (1.3x).

Free Assets = refer to any asset free from any option or security, lien, mortgage or right, real or personal, of a third party. The assets given as collateral in connection with the bond issue subject of the prospectus are considered as Free Assets.

The theoretical value of this ratio as of June 30th, 2018 (based on a notional bond outstanding of MAD 600 million) is 330.4% and is detailed as follows:

Value of Free Assets	1,982,619,000
Theoretical outstanding amount of the bond loan:	600,000,000
Ratio as of 06/30/2018	330.4%

Aradei Capital undertakes to communicate to the representative of the bondholders' body, on the Test Date, the ratios defining the financial covenants above as well as the calculation details of the latter at the Test Date.

It is understood that the Test Date will occur no later than 7 working days before the publication of the annual and half-yearly results of the Company in an Official Gazette.

It should also be noted that these ratios defining the financial covenants of Aradei Capital are calculated based on the consolidated figures in IFRS norms of Aradei Capital, as determined in the annual and half-yearly financial statements.

All the necessary information is available in the following documents:

- The Free Assets Appraisal Summary File;
- The appraisal reports of the group's real estate assets prepared by an independent real estate expert;
- The IFRS half-yearly and annual consolidated financial statements showing in the appendices the aggregates used in the calculation of each ratio, and which are not in direct reading on the financial statements, namely:
 - ✓ Total Consolidated Financial Debt;
 - ✓ Outstanding principal of the bond;
 - ✓ Market value of Aradei Capital's real estate assets as calculated from the appraisal reports prepared by an independent real estate expert.

Aradei Capital undertakes to provide, on the Test Date, the documents mentioned above to the representative of the bondholder's body to enable him to verify compliance with the Financial Covenants subscribed by the Company on each Test Date.

In addition, Aradei Capital undertakes to provide the representative of the bondholders' body, at his request, any other document (including the latest asset appraisal reports) that he would like to consult in the framework of the Financial Covenants.

The representative of the bondholders' body will carry out a verification of the calculation of the covenants based on the financial aggregates as communicated by Aradei Capital.

The representative of the bondholders' body is not required to audit or verify any information received from the Issuer and will only have to ascertain on the basis of this information whether the Issuer has complied with the financial covenants.

Test Date: The date on which the Company calculates the annual and half-yearly covenants. This date will occur on the second business day after the closing date of the annual and half-yearly accounts. It is understood that the Test Date will occur no later than 7 working days before the publication of the annual and half-yearly results of the Company in an Official Gazette.

In the event of a non-compliance with the Financial Covenants mentioned above, a 90-day Remediation Period starting at the Test Date, likely to enable the Company to comply with the Financial Covenants and to correct any discrepancies, is provided for. During this period, the Issuer reserves the right to convene the General Meeting of the Bondholders to propose the possibility of including a real collateral, as defined in the legal framework, for the benefit of the bondholders' body in the calculation of the ratios defining the Financial Covenants, in order to remedy the situation of non-compliance with the Financial Covenants.

Only the General Meeting of the Bondholders may decide to opt for this remediation option and this by unanimous decision of the bondholders present or represented at the meeting.

After a unanimous acceptance of this proposal by the General Meeting of the Bondholders, the Company must complete all formalities related to the implementation of the proposal accepted by the General Meeting of the Bondholders allowing it to remedy its situation of non-compliance with the Financial Covenants and this imperatively before the end of the Remediation Period.

In the event that the General Meeting of the Bondholders opts for the implementation of a supplementary real collateral, the formula for calculating the ratio of the Free Assets value / Outstanding principal of the bond issue object of the Prospectus will be amended as follows:

(Free Assets + real collateral decided in the context of the General Meeting of the Bondholders) / Outstanding principal of the bond issue subject to the Prospectus).

At the end of the Remediation Period and in the event that the situation of non-compliance with the Company's Financial Covenants persists, the nominal interest rates of Tranches A, B, C, D and E will be increased by 125 basis points over all the remaining maturity of the bond issue subject of the Prospectus.

If at the end of the remediation period and despite the establishment of a real collateral after approval of the general meeting of bondholders, one of the two ratios is not respected, the interest rates of tranches A, B, C, D and E will be increased by 125 bps, even if the Free Assets / Outstanding Bond principal ratio is respected.

The first coupon impacted by this increase is the one following the end of the Remediation Period, and for the entire coupon.

The release of the real collateral granted in connection with the remediation of a case of non-compliance with the Financial Covenants will be automatically approved on the next Test Date by the representative of the bondholder's body if such release does not result in a breach of the conditions relating to the financial covenants on the said Test Date (and provided that the value of the assets still pledged as collateral remains at least equal to the outstanding principal of the bond).

At the end of the Remediation Period and in the event that the situation of non-compliance with the Company's Financial Covenants persists, Aradei Capital undertakes to (i) give instructions, within 3 business days of the end of the Remediation Period, to the domiciliary of the bond issue subject of the Prospectus for the application of the 125 basis point increase to the A, B, C, D and E Tranche interest rates and to (ii)

send a copy of the letter sent to the domiciliary of the bond issue subject of the Prospectus for the application of the 125 basis point increase to the representative of the bondholders' body.

Remediation Period: a 90-day period starting from the Test Date granted to the Company in order to correct any discrepancies in the event of non-compliance with the Financial Covenants.

V.1. Communication commitment

Aradei Capital undertakes to publish its financial reporting in accordance with the rules applicable to public companies and furthermore to include in its semi-yearly and annual financial reporting the ratios defining the Financial Covenants above and the following aggregates serving to their calculation:

- Total Consolidated Financial Debt;
- Market value of Aradei Capital Group's real estate assets as calculated from appraisal reports prepared by an independent real estate expert;
- Net Cash;
- Value of Free Assets as calculated from appraisal reports prepared by an independent real estate expert;
- Outstanding bond principal relating to the bond subject of the prospectus.

VI. Presentation of the mortgage mechanism

The collateral mechanisms related to the bond issue are covered by the mortgage agreements, attached as Appendix VIII of the prospectus, and constituting an integral part of the Prospectus.

The subscription to the bonds will automatically result in the subscription of each subscriber to the Bond Issue Agreement annexed to this Prospectus. The same will apply to any new purchaser of bonds in the secondary market that is presumed to adhere to the provisions of the Bond Issue Agreement.

VI.1. Collateral mechanism of the bond

Under the mortgage agreements signed on October 5th, 2018 by the temporary representative of the bondholders' body, the bond is secured by two first mortgages that are listed on the property deeds under the following references:

- i. On the property deed No. 4557 / G relating to the property called OLGALA, with a surface of 5 hectares 17 Ares 30 centiares, registered with the Tangier Property Conservation, a first mortgage registered for an amount of 400 MMAD under the reference n° 113 / registry 317 ; and
- ii. On the property deed No 121 392 / c, relating to the property called Al Massira, with a surface of 5 hectares 61 Ares 36 centiares, registered with the Ain Sebaa - Hay Mohammadi Property Conservation, a first mortgage registered for an amount of 200 MMAD under the reference n° 469 / registry 107 .

The first Property, called "OLGALA", is a site located on Avenue Banafsaj in Tangier's Californie neighborhood. The said Property is held by "Société des Centres Commerciaux du Détroit SA (SCCD) ", a wholly-owned subsidiary of Aradei Capital SA.

On this land are built works and installations that are the property of SCCD. The available GLA surface is 31 270 m² spread over 4 levels, namely:

- A basement with a playground;

- A first ground floor²;
- A second ground floor²;
- A floor including a food-court and a terrace.

In addition, the shopping center has 1,000 aerial parking spaces around the building and 200 underground parking spaces.

The second Property, called "Al Massira", is a site located in the middle of Ain Sebaa, in the Beausite district of Casablanca. The said Property is held by "La Générale Foncière du Golf II", a wholly-owned subsidiary of Aradei Capital SA.

On this land are built works and facilities that are the property of "La Générale Foncière du Golf II" composed of the following assets:

- A large metal structure retail store operating under the "Atacadao" brand, with a commercial area, an area dedicated to the storage of merchandise and office spaces on two floors;
- A gas station operated under the brand "Afriquia";
- 450 parking spaces; and
- 11 stores either currently under operation or under development.

The property, known as "OLGALA", is subject to an annual appraisal by an independent expert to comply with IFRS norms. The latest appraisal carried out in February 2018, shows a value of 469 MMAD (buildings included and excluding acquisition costs) for this asset (see Part V.I.3.2 of the prospectus). The property, called "Al Massira", is also subject to an annual appraisal by an independent expert to comply with IFRS norms. The most recent appraisal, carried out in February 2018, shows a value of 228.1 MMAD (buildings included and excluding acquisition costs) for this asset (see Part V.I.3.2 of the prospectus). The real estate appraisals were carried out by Colliers International Maroc.

In the absence of an update and a reconciliation of the property deeds concerned, the mortgage registrations described above were carried out on bare land titles under the abovementioned references and amounts. However, under the mortgage agreements and in accordance with the provisions of article 167 of the Law No. 39-08 pertaining to the Real Property Code, the first mortgages registered automatically extend to the Properties, their accessories and all the works and improvements incorporated into them or that would be made on their surface after the signing of the mortgage agreements.

VI.2. Mechanism concerning the development and exploitation of the Properties

Each of the bondholders subject of this bond expressly authorizes the companies concerned, or any agent of their choice, to exploit the Properties and to make any improvements and / or modifications thereof, namely by means of (i) a renovation of the existing works, (ii) an extension of the existing works, (iii) the request and the obtaining of any building permit, as defined by the articles 40 and 41 of Dahir no 1- 92-31 promulgating the Moroccan law no 12-90 relative to the urbanism, having for object the Properties and / or the realization of any work having for base land that of the Properties, and (iii) the completion of any construction work, directly or through any service provider, pursuant to a building permit duly issued by the competent authorities.

² Located on a sloping ground, two levels of the shopping center are on a single-storey space.

VI.3. Substitution mechanism following a depreciation of the Properties

On each test date, the Issuer undertakes to check the following condition (hereinafter referred to as the "**Coverage Condition**") based on appraisal reports made by an independent RICS real estate advisor:

The sum of the Reference Values of the Assets given as Collateral* > = outstanding principal of the Bond at the Test Date.

* Reference Values of the Assets given as Collateral corresponds to the lower of the values between (i) the value of the concerned property on the Test Date, and (ii) the amount of the mortgage as registered on the property deed pertaining to the concerned property on the Test Date.

* The value of the concerned property on the Test Date corresponds to the appraisal value from the latest available appraisal report prepared by an independent RICS expert, it being understood that the issuer performs an annual appraisal as part of the IFRS work.

According to IFRS norms, a half-yearly update of the appraisal of the real estate assets is applicable in the event that market conditions undergo a significant change.

In the event that market conditions do not imply a half-yearly update of the valuation of real estate assets in accordance with IFRS norms, the value to be retained will be that shown in the last available appraisal report.

If the Coverage Condition is not respected, the Company undertakes to notify the representative of the bondholders as of the Test Date.

Within 20 working days following the notification thus made by the representative of the bondholders' body, the Company shall notify (the "**Substitution Notice**") to the bondholders' representative if it intends to:

- Substitute assets whose value on the Test Date is less than the amount of its mortgage by an asset whose Reference Value allows it to comply with the Coverage Condition; and / or, where appropriate,
- Complete with a mortgage on a new property whose Reference Value allows it to satisfy the Coverage Condition.

Two renowned RICS certified experts (including the expert appointed by the Company for its annual expertise) must value the asset given in substitution and / or complement.

Within 10 working days following receipt of the Substitution Notice, the representative of the bondholders' body agrees to convene the general meeting of the Bondholders to approve the asset(s) given in substitution and / or complement according to the terms of articles 306 and 307 of the law pertaining to limited companies. Failing this, the Board of Directors of the Company may convene the meeting.

The Company has a period of 20 working days from the date of the general meeting of the Bondholders in order to complete the necessary formalities and to deliver the mortgage agreements relating to the assets given in substitution and /or complement to the representative of the bondholders's body who will then have a period of 5 working days to sign them.

Under the Bond Issue Agreement and following the receipt by the representative of the bondholders' body of the new mortgage agreement relating to the assets given in substitution and / or complement, the Bondholders give power to their representative, within the scope of his authority as referred to in Article 302 of the law pertaining to limited companies, to sign the release documents and / or to sign mortgage agreements, as well as to the appointed Notary to complete the necessary release and / or registration formalities, subject to the holding of the general meeting of the Bondholders referred to above, it being

specified that the Bondholders have agreed in the Bond Issue Agreement not to unreasonably refuse any property given in substitution and / or complement. In accordance with the provisions of the Bond Issue Agreement, any rejection of any property given in substitution and / or complement whose Reference Value corresponds to the Coverage Condition on the basis of the expert appraisal reports will be deemed to be an unreasonably expressed refusal.

Following the signature by the representative of the bondholders' body of the new mortgage agreements relating to the assets given in substitution, the latter undertakes to sign the acts of release relative to the assets substituted under the powers granted by the bondholders' body as soon as the new mortgage agreements are signed.

In the event of a delay or inaction of the representative of the bondholders' body, the Company may at its discretion take any applicable judicial measure (including summary proceedings) to obtain the necessary releases and registrations.

In the event that a new mortgage would be registered on a substitute property or a complementary property, the mechanisms applicable to the initial mortgage (including the conditions of release and substitution) and the Properties shall apply *mutatis mutandis* respectively (i) to mortgages made on substitution or complementary properties, (ii) to the mortgage agreements relating to such mortgages, and (iii) the substitution or complementary properties.

VI.4. Release mechanism following repayment of Tranche A and Tranche B

Following the repayment of tranches A and B of the bond issuance subject of the prospectus, the representative of the bondholders' body may release mortgages up to the principal amount repaid on all the tranches of the bond, provided that (i) the amount of the mortgages remaining still recorded after the releases is at least equal to the amount of the outstanding principal of the bond and (ii) the Company is not in default.

Under the Bond Issuance Agreement, the Bondholders give in such a context power to the representative of the bondholders' body, within the scope of his powers referred to in Article 302 of the law pertaining to limited companies, to sign the acts of release, as well as to the appointed Notary for the purpose of completing the release formalities.

VI.5. Substitution mechanism following repayment of Tranche A and Tranche B

Following the repayment of tranches A and B of the bond issuance subject of the prospectus, the Company has the option of substituting the mortgage(s) relating to the properties given as collateral for the bond issuance subject of the prospectus, by one or more first mortgages of an amount equal to the outstanding principal of the bond issue on one or more properties to be determined.

In this context, the substitution property(ies) will only be considered eligible for substitution if they fulfill the following eligibility conditions:

- The asset is free from any option or security, lien, mortgage or real or personal right of a contractual third party; and
- Assets are appraised according to RICS standards by two real estate experts (including the expert appointed by the Company for its annual expertise).

Once the property(ies) satisfying the criteria defined above is(are) chosen, the Company is required to notify the representative of the bondholders' body of its intention to make such a substitution and to communicate their eligibility criteria.

In addition, it is understood that the value of the properties securing the bond issuance subject of the prospectus must at all times be at least equal to the outstanding principal of the bond subject of the prospectus.

Under the Bond Issue Agreement, the bondholders give power to the representative of the bondholders' body, within the scope of his powers referred to in Article 302 of the law pertaining to limited companies, to sign the mortgage agreements on the property(ies) given in substitution, as well as the appointed Notary for the purpose of proceeding to the registration, subject to the holding and approval of a General Meeting of Bondholders convened and deliberating according to the terms of articles 306 and 307 of said law on the approval of the relevant substitution property(ies).

Thus, within 10 working days following receipt by the representative of the bondholders' body of a notification from the Company presenting the substitution properties and their eligibility criteria (and containing, as an appendix, a copy of the related appraisal reports), the representative of the bondholders' body undertakes to convene the General Meeting of the Bondholders. Failing this, the Board of Directors of the Company may convene the meeting.

The mortgage agreement(s) related to the substitution property(ies) will be signed by the representative of the bondholders' body and the mortgage will be registered for an amount at least equal to the outstanding principal of the bond issue.

Under the Bond Issue Agreement, and following the receipt by the representative of the bondholders' body of the new signed mortgage agreement(s) relating to the assets given in substitution, the bondholders give power to the representative of the bondholders' body, within the scope of his powers referred to in Article 302 of the law pertaining to limited companies, to sign the release documents and the appointed Notary for the purpose of proceeding to the release, subject to the holding and approval of the General Meeting of the bondholders mentioned above.

The representative of the bondholders' body must comply with the aforementioned obligation within 10 working days from the date of the holding of this meeting, which must have previously received from the Company or the appointed Notary all the required documents. In case of delay or inaction of the representative of the bondholders' body, the Company will have the faculty to resort to any judicial way applicable including to seize the president of the court of commerce of the Company's headquarters, ruling in summary, to pronounce any release or registration by judicial process.

In the event that a new mortgage would be registered on a substitute property or a complementary property, the mechanisms applicable to the initial mortgage (including the conditions of release and substitution) and the Properties shall apply *mutatis mutandis* respectively (i) to mortgages made on substitution or complementary properties, (ii) to the mortgage agreements relating to such mortgages, and (iii) the substitution or complementary properties.

VII. Schedule of the Operation

Subscription will be opened by the Placement Agencies. The schedule of the Operation is as follows:

Table 6 Schedule of the bond issue

Order	Steps	Date
1	Receipt of the operation's complete file by the Casablanca Stock Exchange	October 12 th , 2018
2	Issuance by the Casablanca Stock Exchange of the issue's notice of approval	October 16 th , 2018
3	AMMC approval	October 16 th , 2018
4	Publication in the official bulletin of the Casablanca Stock Exchange, the "Bulletin de la Cote", of the notice concerning the operation	October 17 th , 2018
5	Publication of an abstract of the prospectus in an Official Gazette	October 18 th , 2018
6	Opening of the subscription period	October 26 th , 2018
7	Closing of the subscription period at 4:00 pm	October 30 th , 2018
8	Allocation of securities (final status)	October 30 th , 2018
9	Receipt of the operation results by the Casablanca Stock Exchange and the interest rates retained for each tranche before 12:00 am	October 31 th , 2018
10	- Admission of the bonds - Registration of the operation on the Stock Exchange - Announcement of the operation's results in the "Bulletin de la Cote",	November 2 nd , 2018
11	Settlement	November 8 th , 2018
12	Publication by the issuer of the operation results in an Official Gazette	November 8 th , 2018

VIII. Financial intermediaries

The financial intermediaries involved in this bond issue are as follows:

Table 7 Financial intermediaries

Placement syndicate and financial intermediaries	Name	Address
Financial Advisor and Global Coordinator	BMCE Capital Conseil	63, Boulevard Moulay Youssef - Casablanca
Co-Financial Advisors	Valoris Corporate Finance Capital Trust Finance BMCI	355, Route d'El Jadida - Casablanca 50, Bd Rachidi - Casablanca 26, Place des Nations Unies - Casablanca
Centralizer of the Operation	BMCE Bank of Africa	140, Boulevard Hassan II – Casablanca
Co-Lead underwriting agent	BMCE Bank of Africa Valoris Securities	140, Boulevard Hassan II – Casablanca 355, Route d'El Jadida – Casablanca
Underwriting agents	Capital Trust Securities BMCI	50, Bd Rachidi – Casablanca 26, Place des Nations Unies - Casablanca
Coupon calculation agent for unlisted tranches	BMCI	26, Place des Nations Unies - Casablanca
Domiciliary institution ensuring the issuer's financial service	BMCI	26, Place des Nations Unies - Casablanca
Stock exchange broker (issuer side)	BMCE Capital Bourse	63, Boulevard Moulay Youssef - Casablanca

PART II. PRESENTATION OF ARADEI CAPITAL

I. General information

Company name	Aradei Capital S.A.
Headquarters	Route secondaire 1029, Municipalité de Sidi Maârouf – 20180 - Casablanca
Phone	05 22 63 98 98
Fax	05 22 33 53 58
Website	www.aradeicapital.com/
Legal form	Limited Company with Board of Directors
Incorporation date	02/07/1990
Lifetime	99 years
Registration number in the trade register	57 265 Casablanca
Financial year	From January 1 st to December 31 st
Corporate purpose	<p>According to Article 3 of the bylaws of Aradei Capital SA, the company's purpose both in Morocco and abroad is:</p> <ul style="list-style-type: none"> ▪ the construction or acquisition of buildings for the purpose of renting them, or any other form of making them available; ▪ holding buildings directly or indirectly, including in a future state of completion; ▪ carrying out all the operations necessary for the operation of the said buildings, in particular the execution of construction, renovation and rehabilitation works; ▪ the purchase, lease, rental, management, operation, development and sale of all real properties built or not built for its own account; ▪ carrying out all kinds of business operations; ▪ the acquisition of a direct or indirect shareholding in all operations or companies through the creation of companies, participation in their incorporation, or the capital increase of existing companies, through the purchase of securities, ownership rights; ▪ the purchase, sale and exchange of all securities and interests; ▪ taking, acquiring, exploiting, selling or granting any license, patent and trademark falling within the purpose of the company; ▪ and, more generally, all operations directly or indirectly related to the aforementioned purposes or likely to favor their realization and development.
Share capital as of December 31st, 2017	<p>811,273,800 MAD, divided into 8,122,738 shares with a par value of 100 MAD, represented by two (2) classes of shares:</p> <ul style="list-style-type: none"> ✓ A shares: 8,080,457 shares with voting rights; ✓ B shares: 32,281 shares with voting rights.
Legal documents	The Company's legal documents, namely the bylaws, the minutes of general meetings and the reports of the statutory auditors may be consulted at the Company's headquarters.
List of applicable legislation	By its legal form, the company is governed by the law no 17-95 promulgated by the Dahir no 1-96-124 of August 30 th , 1996 relating

to limited companies, as modified and supplemented by laws no 81-99, 23-01, 20-05, 78-12.

By its activity, Aradei Capital is governed by Moroccan law and in particular:

- Law 39-08 forming the Real Property Code as amended by Law 69-16;
- Law 49-16 relative to the leases of buildings or leased premises for commercial, industrial and craft purposes;
- Law 07-03 relative to the revision of the amount of the rent of the premises for residential use or for professional, commercial, industrial or craft use promulgated by Dahir no 1-07-134 of Kaada 19, 1428 (November 30th, 2007);
- Law 67-12 organizing the contractual relations between the lessors and the tenants of the residential or professional use premises promulgated by Dahir no 1-13-111 of Moharram 15, 1435 (November 19th, 2013);
- Law 106-12 amending and supplementing law no 18-00 relative to Status of Buildings Co-ownership;
- Titles 10 and 11 of Dahir dated September 12th, 1913 as amended and supplemented under the Code of Obligations and Contracts;
- Dahir no 1-99-211 of August 25th, 1999 promulgating law 64-99 on the collection of rents.

As a result of the operation subject to the prospectus, Aradei Capital is governed by:

- Dahir no 1-93-212 of September 21st, 1993 as amended and supplemented;
- AMMC's general regulations as approved by the decree of the Minister of Economy and Finance no 2169/16 of July 14th, 2016;
- AMMC circular;
- Dahir providing law No. 1-93-211 of September 21st, 1993 concerning the Casablanca stock exchange modified and completed by the laws 34-96, 29-00, 52-01, 45-06 and 43-09;
- General regulation of the stock exchange approved by the order of Minister of Economy and Finances No. 1268-08 of July 7th, 2008, amended and completed by order of the Minister of Economy and Finance No. 1156-10 of April 7th, 2010, modified and completed by the order of Minister of Economy and Finances No. 30-14 of January 06th, 2014;
- Dahir law no 1-96-246 of January 9th, 1997 promulgating law no 35-96 relative to the creation of a central depository and the establishment of a general regime for the registration in certain values (amended by law no 43-02);
- The general regulation of the central depository approved by the decree of the Minister of Economy and Finance no 932-98 of April 16th, 1998, and amended by the decree of the Minister of the Economy, Finance, Privatization and Tourism no 1961-01 of October 30th, 2001, and by Order no 77-05 of March 17th, 2005.

Tax system	Aradei Capital SA is governed by the ordinary tax legislation. It is subject to the corporate tax at the proportional scale rate. Its operations are subject to VAT at a rate of 20%
Competent court in the event of dispute	Trade Court of Casablanca

Source: Aradei Capital

II. Information related to the issuer's capital

II.1. General information

As of June 30th, 2018, Aradei Capital SA holds a share capital of 811,273,800 MAD, consisting of 8,112,738 shares³ with a par value of 100 MAD fully paid up.

II.2. Evolution of the shareholding structure

Shareholders	06/30/2018	
	Number of shares	Capital and voting rights %
Label'Vie SA	4 659 988	57.44%
BERD	1 723 561	21.25%
Best Financière SA	845 324	10.42%
FCEC ⁴	776 933	9.58%
Kasba Resort	74 624	0.92%
REIM ⁵	32 281	0.40%
Mr. Zouhaïr Bennani	12	ns
Mr. Rachid Hadni	7	ns
Mr. Nawfal Bendefa	2	ns
Mr. Riad Laïssaoui	2	ns
Mr. Adil Bennani	2	ns
Mr. Mehdi Tahiri Joutei Hassani	2	ns
Total	8 112 738	100.00%

Source: Aradei Capital

³ of which 8,080,457 belong to category A with voting rights and 32,281 to category B with voting rights

⁴ First Commercial Real Estate Company

⁵ Real Estate Investment Management International Limited (REIM International) is a limited company based in Dubai in the United Arab Emirates with a capital of AED 100,000.

III. Composition of the Board of Directors

As of June 30th, 2018, the Board of Directors is composed as follows:

Director	Appointment Date	Expiry of office term	Function	Function within Aradei Capital SA
Nawfal Bendefa	OGM of 06/26/2018	OGM called to approve the 2020 financial year	Chairman of the Board of Directors	Chairman and CEO of Aradei Capital SA
Zouhaïr Bennani	OGM of 09/15/2015	OGM called to approve the 2021 financial year	Director	-
Rachid Hadni	OGM of 09/15/2015	OGM called to approve the 2021 financial year	Director	-
Riad Laïssaoui	OGM of 09/15/2015	OGM called to approve the 2021 financial year	Director	-
Adil Bennani	OGM of 09/15/2015	OGM called to approve the 2021 financial year	Director	-
Mehdi Tahiri Jouteï	OGM of 06/26/2018	OGM called to approve the 2020 financial year	Director	-
Mehdi Alj	OGM of 03/08/2018	OGM called to approve the 2020 financial year	Director	-

Source: Aradei Capital

As of June 30th, 2018, Aradei Capital does not have independent directors.

IV. Executive bodies

IV.1. General Management of the Company

As of June 30th, 2018, Aradei Capital has only one employee, Mr. Nawfal Bendefa as Chief Executive Officer.

IV.2. Presentation of Reim Partners

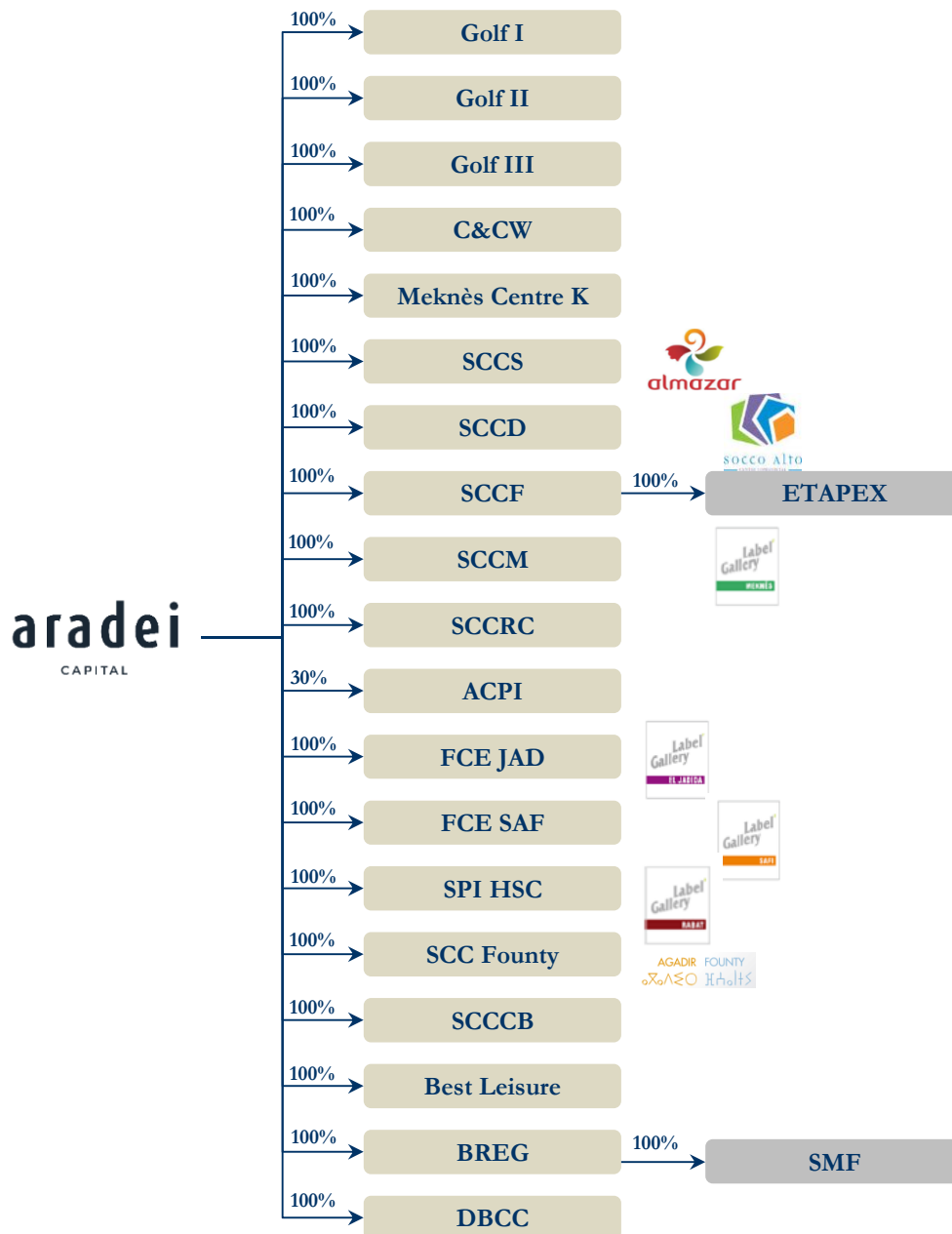
Aradei Capital is a real estate company managed by an independent Asset Manager (REIM Partners), in the same manner as international REITs. Founded in 2013 by Nawfal Bendefa and Mehdi Tahiri, REIM Partners is an independent asset manager. As of June 30th, 2018, Reim Partners does not manage other assets in addition to those of Aradei Capital.

PART III. ACTIVITY OF ARADEI CAPITAL

I. Legal Chart of Aradei Capital as of 06/30/2018

As of 06/30/2018, Aradei Capital SA owns up to 100% of 19 subsidiaries, vs. 5 subsidiaries held on 12/31/2015 before the merger with BRE, namely Golf I, Golf II, Golf III, Cash and Carry Wholesale Makro and Meknes Centre K.

Figure 1 Legal Chart of Aradei Capital as of 06/30/2018



Source: Aradei Capital

In addition to the assets held through its subsidiaries, the company directly owns 9 assets located in Marrakech, Oujda, Tangier, Taza, Casablanca (Panoramique), Kenitra, Rabat, and Berkane.

II. Activity of the issuer

Aradei Capital group's activity is the acquisition / development of real estate assets in order to generate rental income.

The purpose of the company is:

- the construction or acquisition of buildings for the purpose of renting them, or any other form of making them available;
- holding buildings directly or indirectly, including in a future state of completion;
- carrying out all the operations necessary for the operation of the said buildings, in particular the execution of construction, renovation and rehabilitation works;
- the purchase, lease, rental, management, operation, development and sale of all real properties built or not built for its own account;
- etc.

As of June 30th 2018, the group directly or indirectly (via its subsidiaries) holds different asset categories, in 14 Moroccan cities, namely:

- 7 independent assets (single tenant) in 7 Moroccan cities;
- An asset under development including a commercial component and a residential component;
- 3 shopping centers in Marrakech, Tangiers and Fez;
- 10 shopping malls;
- 5 sites in its land bank for developing new projects.

III. Main assets held by Aradei Capital SA and its subsidiaries

As of end 2017, after the acquisition of BRE, Aradei Capital is present in 14 Moroccan cities with a diversified offer of 24 assets between shopping centers, malls and independent assets.

The following table summarizes the assets held by Aradei Capital SA and its subsidiaries, data on commercial area, occupancy rates and intra-group occupancy rates as of 31/12/2017:

Assets	City	Company holding the asset	Opening year	Commercial surface	Occupancy rate	Intra-group occupancy rate
Independent assets						
Atacadao Tangier	Tangier	Aradei Capital SA	2013	10 238 m ²	100%	86%
Atacadao Oujda	Oujda	Aradei Capital SA	2008	8 539 m ²	100%	100%
Atacadao Fez	Fez	Golf II	2012	8 131 m ²	100%	100%
Atacadao Marrakech	Marrakech	Aradei Capital SA	2003	7 306 m ²	100%	100%
Atacadao Meknès	Meknes	Centre K	2016	7 300 m ²	100%	100%
Atacadao Taza	Taza	Aradei Capital SA	2014	7 086 m ²	100%	100%
Carrefour Panoramique	Casablanca	Aradei Capital SA	2017	1 400 m ²	100%	100%
Shopping centers						
Almazar	Marrakech	SCCS	2010	33 210 m ²	80%	44%
Socco Alto	Tangier	SCCD	2016	31 270 m ²	91%	49%
Borj Fez	Fez	SCCF	2013	25 404 m ²	98%	53%
Shopping malls						
Atacadao Agadir	Agadir	Golf I	2001	10 967 m ²	100%	81%

Atacadao Ain Sbaâ	Casablanca	Golf II	1991	12 740 m ²	100%	65%
Atacadao Salé	Salé	Golf I	2013	9 881 m ²	100%	92%
Carrefour Bouskoura	Casablanca	Golf I	2015	16 368 m ²	100%	100%
Carrefour Targa	Marrakech	Aradei Capital SA	2014	6 759 m ²	100%	91%
Carrefour Berkane	Berkane	Aradei Capital SA	2014	3 084 m ²	100%	90%
LBG El Jadida	El Jadida	FCE JAD	2008	6 184 m ²	94%	40%
LBG Meknès	Meknes	SCCM	2005	4 503 m ²	92%	44%
LBG Safi	Safi	FCE SAF	2011	4 215 m ²	94%	52%
LBG Rabat	Rabat	SPI HSC	2001	2 008 m ²	87%	0%

Source: Aradei Capital

The group also owns 5 sites for projects under construction or as land bank, including one acquired in 2018.

The following table presents the main characteristics of these sites:

Assets	Company holding the asset	Acquisition year	Surface	Number of property deed	Mortgages
Casablanca site	SCCCB	2015	39 625 m ²	31247/C 25599/47 25336/47	Mortgage in favor of the registration and stamp service dated 11/25/2015; Mortgage in favor of SGMB dated 12/17/2015 for an amount of 70 MMAD.
Agadir site	SCCFounty	2015	55 620 m ²	89773/09	Mortgage in favor of the registration and stamp service dated 07/31/2015;
Rabat Menzah site	Aradei Capital	2014	95 000 m ²	31370/R 46656/R	Mortgage in favor of the registration and stamp service
Kenitra site	Aradei Capital	2014	4 145 m ²	50303/13	Mortgage in favor of the registration and stamp service dated 05/20/2016
Inezegane site	Aradei Capital	2018	28 560 m ²	210846/09	-

Source: Aradei Capital

PART VI. FINANCIAL POSITION OF ARADEI CAPITAL

I. Presentation of corporate accounts

I.1. Management Accounts

In MAD thousand	2015	2015 (P)	2016	2017	Var. 15 (P) -16	Var. 16-17	CAGR 15 (P) - 17
Sale of goods (as they are)	189 495	0	0	0	n/a	n/a	n/a
Purchases resale of goods	180 573	0	0	57	n/a	n/a	n/a
Gross Margin on Sales (as they are)	8 922	0	0	-57	n/a	n/a	n/a
Production for the financial year	49 564	48 468	66 751	58 800	37.72%	-11.91%	10.14%
Sale of produced goods and services	49 564	48 468	66 751	58 800	37.72%	-11.91%	10.14%
Variation of product stocks	0	0	0	0	n/a	n/a	n/a
Fixed assets produced by the company for itself	0	0	0	0	n/a	n/a	n/a
Consumption for the financial year	22 526	18 286	20 749	29 893	13.47%	44.07%	27.86%
Purchases of consumed materials and supplies	6 191	1 951	1 751	13 302	-10.25%	>100%	>100%
Other external charges	16 335	16 335	18 998	16 592	16.30%	-12.66%	0.78%
Added Value	35 960	30 182	46 001	28 849	52.41%	-37.29%	-2.23%
Operating grants	0	0	0	0	n/a	n/a	n/a
Taxes	3 929	3 929	4 347	4 142	10.63%	-4.72%	2.67%
Personnel expenses	-1	-1	0	0	-100.00%	n/a	-100.00%
Gross Operating Profit	32 032	26 254	41 655	24 707	58.66%	-40.69%	-2.99%
Other operating products	0	0	0	0	n/a	n/a	n/a
Other operating expenses	136	136	0	0	-100.00%	n/a	-100.00%
Operating recovery; charge transfer	2 615	2 615	3 383	0	29.37%	-100.00%	-100.00%
Depreciation and ammortization	28 198	28 198	34 258	28 814	21.49%	-15.89%	1.09%
Operating income	6 314	536	10 780	-4 108	>100%	-138.11%	n/a
Financial income	2 345	2 345	11 489	102 386	>100%	>100%	>100%
Current income	8 659	2 881	22 268	98 278	>100%	>100%	>100%
Non-current income	-1 307	-1 307	-4 660	10 926	>100%	-100.00%	n/a
Income tax	2 511	799	6 347	7 038	>100%	10.89%	>100%
Net income	4 842	776	11 261	102 166	>100%	>100%	>100%

Source: Aradei Capital

I.2. Balance sheet

In MAD thousand	2015	2015 (P)	2016	2017	Var. 15 (P)-16	Var. 16-17	CAGR 15 (P) - 17
Assets							
Nil value assets	20 489	20 489	37 336	35 980	82.22%	-3.63%	32.52%
Intangible assets	16	16	7	6	-56.17%	-14.29%	-38.71%
Tangible assets	532 267	532 274	492 469	449 002	-7.48%	-8.83%	-8.15%
Financial assets	148 505	836 451	836 451	836 451	0.00%	0.00%	0.00%
Conversion differential - Assets	-	-	-	-	n/a	n/a	n/a
Fixed assets	701 277	1 389 230	1 366 263	1 321 438	-1.65%	-3.28%	-2.47%
Inventory							
Receivables from current assets	278 777	505 950	582 613	573 616	15.15%	-1.54%	6.48%
Accounts receivable, advances and down payments	72	72	72	432	0.00%	>100%	>100%
Customers and related accounts	28 387	27 282	20 776	51 542	-23.85%	>100%	37.45%
Staff	-	-	-	-	n/a	n/a	n/a
State	100 814	105 523	103 689	94 712	-1.74%	-8.66%	-5.26%
Partner accounts	-	-	-	-	n/a	n/a	n/a
Other debtors	144 011	362 584	412 779	348 611	13.84%	-15.55%	-1.95%
Accounts and accruals	5 493	10 490	45 298	78 319	>100%	72.90%	>100%
Securities of investment value	20 538	20 556	437 335	62 767	>100%	-85.65%	74.74%
Conversion differential - Assets	-	-	-	-	-	-	-
Current assets	299 315	526 506	1 019 948	636 384	93.72%	-37.60%	9.94%
Cash assets	490	16 700	3 414	295 101	-79.56%	>100%	>100%
Total assets	1 001 082	1 932 436	2 389 625	2 252 921	23.66%	-5.70%	7.97%

Source : Aradei Capital

In MAD thousand	2015	2015 (P)	2016	2017	Var. 15 (P)-16	Var. 16-17	CAGR 15 (P) - 17
Liabilities							
Equity	690 516	1 097 731	1 593 614	1 745 961	45.17%	9.56%	26.12%
Share capital	466 000	596 627	768 983	811 274	28.89%	5.50%	16.61%
Issuance, merger and contribution premiums		280 654	538 854	660 305	92.00%	22.54%	53.39%
Legal reserve	21 860	21 860	22 102	22 665	1.11%	2.55%	1.82%
Other reserves		-	50 000	50 000	n/a	0.00%	n/a
Retained earnings	197 814	197 814	202 414	99 551	2.33%	-50.82%	-29.06%
Net result of the financial year	4 842	776	11 261	102 166	>100%	>100%	>100%
Financial debts	208 563	358 563	286 625	265 632	-20.06%	-7.32%	-13.93%
Sustainable provisions for risks and charges	5 379	5 379	10 171	2 614	89.09%	-74.30%	-30.29%
Permanent financing	904 458	1 461 673	1 890 410	2 014 207	29.33%	6.55%	17.39%
Current liabilities	74 171	448 310	489 038	234 630	9.08%	-52.02%	-27.66%
Suppliers and related accounts	52 328	69 426	45 612	40 898	-34.30%	-10.33%	-23.25%
Accounts payable, advances and down payments	-	-	83	83	n/a	0.44%	n/a
Staff	-	-	-	-	n/a	n/a	n/a
Social organizations	-	-	-	-	n/a	n/a	n/a
State	4 069	11 241	16 048	12 289	42.76%	-23.42%	4.56%
Partner accounts	-	136 863	236 833	100 637	73.04%	-57.51%	-14.25%
Other creditors	14 705	186 956	150 378	54 498	-19.57%	-63.76%	-46.01%
Accrued liabilities	3 069	43 823	40 085	26 225	-8.53%	-34.58%	-22.64%
Other provisions for risks and charges	-	-	-	-	n/a	n/a	n/a
Conversion differential - Liabilities	-	-	-	-	n/a	n/a	n/a
Cash Liability	22 453	22 453	10 177	4 085	-54.67%	-59.86%	-57.35%
Total liabilities	1 001 082	1 932 436	2 389 625	2 252 921	23.66%	-5.72%	7.97%

Source: Aradei Capital

II. Presentation of the consolidated accounts

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

Company	Interest %	Control %	Consolidation method
Aradei Capital SA	-	-	Consolidating company
Golf I	100%	100%	Global integration
Golf II	100%	100%	Global integration
Golf III	100%	100%	Global integration
Metro cash	100%	100%	Global integration
Centre K	100%	100%	Global integration
Best Leisure	100%	100%	Global integration
FCE JAD	100%	100%	Global integration
FCE SAF	100%	100%	Global integration
SCCCB	100%	100%	Global integration
SCCD	100%	100%	Global integration
SCCF	100%	100%	Global integration
ETAPEX	100%	100%	Global integration
SCC FOUNTY	100%	100%	Global integration
SCCS	100%	100%	Global integration
SCCM	100%	100%	Global integration
SPI	100%	100%	Global integration
BREG	100%	100%	Global integration
SMF	100%	100%	Global integration
SCCRC	100%	100%	Global integration

Source: Aradei Capital

II.1. Consolidated Profit & Loss statement

In MAD thousand	2015	2015 (P)	2016	Var. 15 (P)- 16	2017	Var. 16-17
Rental income	82 371	186 845	223 029	19.4%	249 641	11.9%
Entrance fees	-	17 316	28 068	62.1%	2 825	-89.9%
Other income	-	10 460	13 836	32.3%	15 559	12.5%
Turnover	82 371	214 621	264 932	23.4%	268 025	1.2%
Operating expenses	15 675	33 340	57 739	73.2%	52 202	-9.6%
Other purchases and external expenses	(1 254)	(20 084)	(25 117)	25.1%	(32 238)	28.4%
Personnel expenses	(1)	(841)	(4 460)	>100%	(14 598)	>100%
Taxes and similar payments	(4 590)	(4 729)	(5 661)	19.7%	(3 638)	-35.7%
Other operating income and expenses	(9 832)	(7 686)	(22 501)	>100%	(1 729)	-92.3%
Gross operating profit	66 696	181 281	207 194	14.3%	215 822	4.2%
<i>In % of turnover</i>	<i>81%</i>	<i>84%</i>	<i>78%</i>	<i>-6 pts</i>	<i>81%</i>	<i>3 pts</i>
Allocations to depreciations and provisions	(256)	(8 632)	2 454	-128.4%	(13 012)	<100%
Other extraordinary income and expenses					(8 674)	n/a
Fair value change in investment properties	(21 799)	(26 517)	45 083	-270.0%	318 487	>100%
Result of asset disposals					10 857	n/a
Operating income	44 641	146 132	254 730	74.3%	523 480	>100%
<i>In % of turnover</i>	<i>54%</i>	<i>68%</i>	<i>96%</i>	<i>28 pts</i>	<i>195%</i>	<i>99 pts</i>
Cost of gross financial debt	(24 264)	(68 533)	(64 663)	-5.6%	(56 353)	-12.9%
Investment income	9 538	25 503	31 997	25.5%	11 406	-64.4%
Cost of net financial debt	(14 727)	(43 029)	(32 665)	-24.1%	(44 946)	37.6%
Other financial income and expenses	9	(10)	232	NS	77	-66.7%
Current pre-tax income	29 923	103 092	222 297	115.6%	478 611	>100%
Taxes on income	(13 454)	(44 074)	(53 023)	20.3%	(51 901)	-2.1%
Net income from continuing operations	16 469	59 018	169 273	186.8%	426 709	>100%
Income of activities to be discontinued	3 482	3 482	0	-100.0%	0	n/a
Period's net income	19 951	62 500	169 273	170.8%	426 709	>100%
<i>In % of turnover</i>	<i>24.22%</i>	<i>29.12%</i>	<i>63.89%</i>	<i>35 pts</i>	<i>159%</i>	<i>95 pts</i>
Net income - Share of the parent company's owners	19 951	62 500	169 273	170.8%	426 709	>100%
Net income - Non-controlling interests	-	-	-		-	
Overall net income	19 951	62 500	169 273	170.8%	426 709	>100%

Source: Aradei Capital

II.2. Consolidated balance sheet

In MAD thousand	2015	2015 (P)	2016	Var. 15 (P)-16	2017	Var. 16-17
Other intangible assets	16	1 759	474	-73.1%	352	-25.7%
Investment properties	1 642 533	3 072 160	3 296 568	7.3%	3 657 204	10.9%
Other tangible fixed assets	1 817	11 425	24 598	115.3%	23 534	-4.3%
Other financial assets	2 897	8 270	9 020	9.1%	9 243	2.5%
Deferred tax assets	26 208	28 946	26 192	-9.5%	18 231	-30.4%
Total non-current assets	1 673 470	3 122 560	3 356 851	7.5%	3 708 564	10.5%
Inventory and work in progress	-	47 291	47 291	0.0%	47 291	0.0%
Customers	51 034	92 040	117 817	28.0%	124 368	5.6%
Corporate tax receivables	24 442	28 615	36 980	29.2%	22 571	-39.0%
Other current assets	231 483	335 916	187 226	-44.3%	178 748	-4.5%
Cash and cash equivalents	21 028	125 720	647 626	415.1%	388 939	-39.9%
Total Current Assets	327 987	629 583	1 036 940	64.7%	761 918	-26.5%
Total assets	2 001 457	3 752 143	4 393 791	17.1%	4 470 481	1.7%
In MAD thousand	2015	2015 (P)	2016	Var. 15 (P)-16	2017	Var. 16-17
Capital	466 000	596 627	768 983	28.9%	811 274	5.5%
Capital premiums	0	230 655	526 198	128.1%	645 914	22.8%
Reserves	1 004 091	1 021 373	1 074 043	5.2%	1 133 071	5.5%
Net income of the financial year	19 952	62 500	169 273	170.8%	426 709	152.1%
Equity group share	1 490 043	1 911 154	2 538 497	32.8%	3 016 967	18.8%
Interest attributable to non-controlling interests	-	-	-	n/a	-	n/a
Equity	1 490 043	1 911 154	2 538 497	32.8%	3 016 967	18.8%
Non-current financial debts	309 993	958 277	816 413	-14.8%	800 489	-2.0%
Non-current provisions	5 379	5 379	5 040	-6.3%	2 614	-48.1%
Other non-current liabilities	756	39 919	54 219	35.8%	56 710	4.6%
Deferred taxes	922	41 549	31 004	-25.4%	36 511	17.8%
Total non-current liabilities	317 050	1 045 124	906 676	-13.2%	896 325	-1.1%
Current financial debts	117 493	167 850	322 738	92.3%	156 922	-51.4%
Corporate tax debt	1 760	9 308	22 611	142.9%	21 499	-4.9%
Suppliers	42 467	176 554	165 547	-6.2%	105 290	-36.4%
Current provisions	330	330	12 574	3708.9%	10 184	-19.0%
Other current liabilities	19 161	428 670	425 148	-0.8%	263 293	-38.1%
Liabilities related to discontinued operations	13 153	13 153	0	-100.0%	0	0.0%
Total current liabilities	194 364	795 865	948 618	19.2%	557 189	-41.3%
Total liabilities	511 414	1 840 989	1 855 294	0.8%	1 453 514	-21.7%
Total liabilities and equity	2 001 457	3 752 143	4 393 791	17.1%	4 470 481	1.7%

Source: Aradei Capital

III. Presentation of the half-year consolidated financial statements

The half-year consolidated financial statements presented have not been subject to a limited review by the Statutory Auditors as of June 30th, 2017 and of June 30th, 2018.

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

Company	Interest %	Control %	Consolidation method
Aradei Capital SA	-	-	Consolidating company
Golf I	100%	100%	Global integration
Golf II	100%	100%	Global integration
Golf III	100%	100%	Global integration
Metro cash	100%	100%	Global integration
Centre K	100%	100%	Global integration
Best Leisure	100%	100%	Global integration
FCE JAD	100%	100%	Global integration
FCE SAF	100%	100%	Global integration
SCCCB	100%	100%	Global integration
SCCD	100%	100%	Global integration
SCCF	100%	100%	Global integration
ETAPEX	100%	100%	Global integration
SCC FOUNTY	100%	100%	Global integration
SCCS	100%	100%	Global integration
SCCM	100%	100%	Global integration
SPI	100%	100%	Global integration
BREG	100%	100%	Global integration
SMF	100%	100%	Global integration
SCCRC	100%	100%	Global integration
DBCC*	100%	100%	Global integration

(*)DBCC is an entity created during the first half of 2018 for the development of the "Darb Community Center" project

III.1. Half-year Profit & Loss Statement

In MAD thousand	06/30/2017	06/30/2018	var 06/30/2017 - 06/30/2018
Rental income	133 679	135 197	1.1%
Entrance fees	-	-	n/a
Other income	4 772	620	-87.0%
Turnover	138 451	135 817	-1.9%
Operating expenses	(19 279)	(18 216)	-5.5%
Other purchases and external expenses	(15 450)	(16 862)	9.1%
Personnel expenses	(9 823)	(10 102)	2.8%
Taxes and similar payments	(907)	(767)	-15.4%
Other operating income and expenses	6 901	9 514	37.9%
Gross operating profit	119 173	117 601	-1.3%
<i>In % of turnover</i>	<i>86.1%</i>	<i>86.6%</i>	<i>0.5 pts</i>
Allocations to depreciations and provisions	(1 377)	(3 078)	>100%
Allocations and provisions for risks and charges	(11 046)	(2 420)	-78.1%
Other extraordinary income and expenses	(230)	(1 747)	>100%
Fair value change in investment properties	(4 610)	(4 808)	4.3%
Result of asset disposals	-	-	n/a
Operating income	101 910	105 547	3.6%
<i>In % of turnover</i>	<i>73.6%</i>	<i>77.7%</i>	<i>4.1 pts</i>
Cost of gross financial debt	(32 756)	(25 527)	-22.1%
Investment income	12 179	2 306	-81.1%
Cost of net financial debt	(20 577)	(23 221)	12.8%
Other financial income and expenses	16	(0)	-100.3%
			n/a
Current pre-tax income	81 350	82 327	1.2%
Taxes on income	(13 572)	(14 857)	9.5%
Net income from continuing operations	67 778	67 470	-0.5%
Income of activities to be discontinued	-	-	n/a
Period's net income	67 778	67 470	-0.5%
<i>In % of turnover</i>	<i>49.0%</i>	<i>49.7%</i>	<i>0.7 pts</i>
Net income - Share of the parent company's owners	67 778	67 470	-0.5%
Net income - Non-controlling interests	-	-	n/a
Overall net income	67 778	67 470	-0.5%

Source: Aradei Capital

III.2. Half-year consolidated balance sheet

In MAD thousand	12/31/2017	06/30/2018	Var 12/31/2017-06/30/2018
Other intangible assets	352	6 409	>100%
Investment properties	3 657 204	3 825 989	4.6%
Other tangible fixed assets	23 534	24 138	2.6%
Other financial assets	9 243	9 209	-0.4%
Deferred tax assets	18 231	18 231	0.0%
Total non-current assets	3 708 564	3 883 976	4.7%
Inventory and work in progress	47 291	49 393	4.4%
Customers	124 368	120 524	-3.1%
Corporate tax receivables	22 571	12 149	-46.2%
Other current assets	178 748	187 397	4.8%
Cash and cash equivalents	388 939	206 968	-46.8%
Total Current Assets	761 917	576 431	-24.3%
			n/a
Total assets	4 470 481	4 460 407	-0.2%

In MAD thousand	31/12/2017	30/06/2018	Var 31/12/2017-30/06/2018
Capital	811 274	811 274	0.0%
Capital premiums	645 914	645 914	0.0%
Reserves	1 133 071	1 441 373	27.2%
Net income of the financial year	426 709	67 470	-84.2%
Equity group share	3 016 968	2 966 031	-1.7%
Interest attributable to non-controlling interests	0	0	n/a
Equity	3 016 968	2 966 030	-1.7%
Non-current financial debts	800 489	762 037	-4.8%
Non-current provisions	2 614	2 614	0.0%
Other non-current liabilities	56 710	56 953	0.4%
Deferred taxes	36 511	35 891	-1.7%
Total non-current liabilities	896 325	857 496	-4.3%
Current financial debts	156 921	157 490	0.4%
Corporate tax debt	21 499	16 795	-21.9%
Suppliers	105 290	77 190	-26.7%
Current provisions	10 184	13 606	33.6%
Other current liabilities	263 293	371 799	41.2%
Liabilities related to discontinued operations	0	0	0.0%
Total current liabilities	557 188	636 881	14.3%
Total liabilities	1 453 513	1 494 377	2.8%
			n/a
Total liabilities and equity	4 470 481	4 460 407	-0.2%

Source: Aradei Capital

PART V. RISK FACTORS

I. General risks

I.1. Risk related to the economic environment

Given its exposure to the retail sector, Aradei Capital is dependent on macroeconomic conditions and the financial situation of its tenants. In order to diversify its real estate offer, Aradei Capital intends to invest in the development of new asset classes, particularly in professional, residential and industrial real estate.

I.2. Competitive risk

The professional real estate rental market is a capital-intensive industry but which shows no regulatory barriers to entry, attracting more and more interest from national and international operators. However, the arrival of new operators in the professional rental property sector would not have a significant impact on Aradei Capital's revenues, given the geographical diversity of its assets.

I.3. Risk linked to the rising cost of land

The upward trend in the price of land in urban areas is a trend observed in recent years due to the pressure on land supply by a demand that is constantly rising in line with population growth. However, the formation of the rent price takes into account the cost of land. In addition, as part of its development strategy, Aradei Capital will focus on developing its land reserve and improving its operating assets. The cost of land is naturally supervised and rigorously monitored to identify good investment opportunities.

I.4. Environmental risks

Aradei Capital's business is subject to various environmental and safety regulations. In addition, Aradei Capital is contractually bound to respect certain obligations defined by the EBRD in the shareholders' agreement. Aradei Capital may incur legal liability in the event of a breach of its obligation to monitor and control the facilities.

Such involvement of Aradei Capital's liability could negatively affect its business, prospects and notoriety. In order to limit these risks, Aradei Capital adopts a preventive policy consisting in carrying out diagnostics and, where appropriate, work to bring the environmental standards of its facilities into compliance.

I.5. Legal and regulatory risk

Aradei Capital must comply with numerous regulations in various areas, including urban planning, construction, operating licenses, health and safety, the environment, lease law, corporate law, as well as taxation, in particular through the provisions in force. Variations in the regulatory framework may require Aradei Capital to adapt its activity, assets or strategy, which could likely affect the value of its assets, financial position or results, increase expenses or slow down, or even prevent, the development of some investment projects.

II. Specific risks

II.1. Risk of dependence on the LABEL' VIE Group and Best Financière SA

As of end 2017, Label' Vie group own 57% of Aradei Capital.

Through its subsidiaries, LABEL' VIE represents 58.5% of the total commercial area of Aradei Capital. The concentration of Aradei Capital's revenues around Label'Vie, which operates in the food distribution sector,

is in line with the standards that can be observed abroad at the level of other comparable property companies where the share of income tenants operating in the food distribution sector account for nearly 50% of their total revenues.

As of end-2017, Aradei Capital SA is 57% owned by the LABEL' VIE Group, which in turn is 51.3% held by RETAIL HOLDING, which is part of the BEST FINANCIERE GROUP, with a stake of 50.6%.

Through its subsidiaries, Best Financière Group represents 69% of the total commercial area of Aradei Capital (57% of the commercial area is occupied by the LABEL' VIE Group and 3.7% of the commercial area is occupied by the company. Virgin NA (under the brand "Virgin"), the company GFFS (under the brand "Burger King") and the company Modes & Nuances (under the brand "KIABI"). The concentration of income of Aradei Capital around Best Financière Group, which operates in the distribution sector among others, is in line with the standards that can be observed abroad for other comparable property companies where the share of income from tenants operating in the distribution and fast food is an important part of their overall revenues.

II.2. Interest rate risk

Interest rate risk may affect the cost of servicing the debt. In addition, if the interest rates of future debts were to potentially increase, Aradei Capital would readjust the capitalization rates used to value these assets to be acquired and financed by debt.

II.3. Risk related to the fulfillment of EBRD's contractual obligations

Aradei Capital is required to comply with EBRD's contractual obligations, in particular in terms of maintaining a LTV of less than 65%, dividend distribution, investment vehicles for excess liquidity, compliance with certain social and environmental policy standards, internal procedures, and accounting standards (produce IFRS accounting ... etc.) .

II.4. Risk related to the asset manager (REIM PARTNERS)

Aradei Capital signed an exclusive management mandate in December 2015 with Reim Partners for a period of 10 years.

In order to mitigate the risk associated with the use of an asset manager and converge the interests of the shareholders and the asset manager, Reim International Limited entered the capital of Aradei Capital in 2017.

II.5. Risk related to the establishment of a business by the tenant

The business capital is defined by articles 79 et seq. of the Commercial Code as "an intangible personal property constituted by all movable property allocated to the exercise of one or more commercial activities" which "necessarily includes the clientele and the goodwill but also all other property necessary for the exploitation of the fund such as trade name, sign, right to lease, commercial furniture, goods, equipment and tools, patents, licenses, trademarks, service marks, industrial designs and, generally, all industrial, literary or artistic property rights attached thereto".

The tenant can claim the constitution of a business capital only from a consecutive entitlement of the property of 2 years.

In the event that the lessor wishes to evict the tenant after occupying more than 2 years, they would be required to indemnify the latter of an amount at least equal to the value of the business capital.

The lessor could evict the tenant without being required to pay an eviction indemnity in the following cases:

- If they justify a serious and legitimate reason against the tenant;
- If it is established that the building must be demolished for reasons of unsanitary conditions recognized by the competent authorities;
- If they take over the premises for their personal use.

Nevertheless, the Company would consider evicting a tenant only in the context of a dispute with the latter (non-payment of rent, non-compliance with the terms of the lease contract, etc.). In this case, a legal procedure would be opened to show that the lessor justifies a serious and legitimate reason against the tenant and that they are therefore not liable for this compensation.

II.6. Risk related to the fluctuation of the real estate market

The appraisal value of the assets depends on the equilibrium conditions between the supply and the demand for commercial premises by real estate investors. In addition to the general economic environment, the availability of modern real estate assets, the level of interest rates and the credit facility are key factors in this market that are independent of Aradei Capital and whose evolutions are difficult to predict.

In addition, the assets are held in a long-term perspective and are valued in the accounts at their net amortization cost, as short-term changes in value have no direct impact on earnings. On the other hand, they affect Net Asset Value. Changes in the valuation of real estate assets may have an upward or downward impact on the Company's profitability in the context of the accounts published under IFRS, in particular operating income, which includes the change in fair values of investment properties.

II.7. Risk related to construction as a prime contractor

As part of its development plan Aradei Capital plans to carry out building construction projects and will use subcontractors for the construction of its projects. To this end, Aradei Capital will draw up specifications underlying the quality of the services required as well as the deadlines for completion, which it will submit to calls for tenders or expressions of interest to pre-selected companies or partner companies, based on their technical means and their references in similar projects.

Nevertheless, and in order to mitigate the risk associated with construction as a prime contractor, Aradei Capital has created a network of general contractors with the human and technical resources to carry out these projects in the best standards of the profession.

II.8. Counterparty risk: Customer

Benefiting from a customer portfolio focused on the subsidiaries of the Best Financière Group, Aradei Capital is exposed to a customer credit risk and occasional defaults or late payments cannot be excluded.

Customer solvency is assessed when Aradei Capital General Management signs lease agreements based on payment histories for customers already present in the portfolio and solvency analyzes for new customers.

During the lease, Aradei Capital Asset Management regularly monitors the credit risk.

II.9. Financial liquidity risk

Aradei Capital's strategy is to use bank indebtedness to finance part of its growth. In addition, as of end-2017, the group is currently under-leveraged with a net gearing ratio of 19%.

In order to improve the return on capital, the group will use indebtedness as part of the financing of its development program and will thus be subject to liquidity risk. Financing needs and conditions are studied

at each acquisition. The same is true of the monitoring of contractual obligations related to the existing debt "covenants".

In addition, a significant and lasting restriction of the conditions of access to the banking and / or capital markets could hinder the development of Aradei Capital.

Access to credit is conditioned, for the banking resources, to the respect of several financial ratios concerning in particular the structure of balance sheet (LTV) and the capacity of the activity to cover the load of its debt. The transmission of these ratios to banking institutions is carried out in accordance with the contractual commitments.

II.10. Vacancy risk

Aradei Capital has 20 assets including 7 independent assets with a 100% occupancy rate. For shopping centers and galleries (13 assets), the lowest occupancy rate is of 80%.

The vacancy risk is taken into consideration at the level of the development plan, which was based on very conservative assumptions. In addition, Reim Partners' Commercial Division aims to diversify the portfolio of potential tenants, taking into account their business sectors, brand awareness and solvency.

II.11. Risk related to contract defects

As part of its business, the Company is bound to its partners and tenants by contracts. In order to make all the legal documentation governing the Company's leases more reliable and to neutralize the risks inherent in this legal documentation, the asset manager of Aradei Capital has a legal department that ensures that the legal documentation preserves the interests of the Company and that it complies with the legislation in force. In addition, the company regularly calls on leading external law firms to assist and advise it to guard against this risk.

II.12. Risk related to merger

During the Best Real Estate merger operation, Aradei Capital was accompanied by tax and legal advisors to identify and neutralize all the tax issues related to this operation.

In addition, the general meeting decided to allocate - by taking the merger premium - a reserve account in order to deduct any sums necessary to cover any latent liabilities of the absorbed company or its subsidiaries.

DISCLAIMER

The aforementioned information is only a part of the prospectus approved by the Moroccan Capital Market Authority (AMMC), under Reference No. VI/EM/022/2018 on October 16th 2018.

AMMC recommends reading the full prospectus available to the public in French.