

# Prospectus Summary

## Immolog

ISSUE OF A BOND LOAN WITH GUARANTEE  
**MAXIMUM ISSUE AMOUNT: 350 000 000 MAD**

	Block A: floating rate unlisted bonds	Block B: fixed rate unlisted bonds
Ceiling	350 000 000 MAD	
Number of securities	3 500 Bonds	3 500 bonds
Nominal value	100 000 MAD	100 000 MAD
Maturity	5 years	5 years
Rate	<p><b>Floating rate</b> with reference to the full 52-week rate determined on the basis of the treasury bonds secondary market benchmark curve increased by a risk premium.</p> <p>For the first year, the reference rate is the full rate of the 52 weeks treasury bonds calculated on the basis of the secondary curve published by Bank Al Maghrib on January 4th 2017 increased by a risk premium</p>	<p><b>Fixed rate</b> with reference to the treasury bonds five-years benchmark curve on the secondary market published by Bank Al-Maghrib on January 4<sup>th</sup> 2017 increased by a risk premium</p>
Risk premium	160 Basis points	170 Basis points
Tradability	Over-the-counter	
Allocation method	In proportion to the demand	
Guarantee	Issuance guaranteed by first mortgage	
Repayment method	Straight-line depreciation	

SUBSCRIPTION PERIOD: FROM JANUARY 9<sup>TH</sup> 2017 TO JANUARY 12<sup>TH</sup> 2017 (INCLUDED)

SUBSCRIPTION RESERVED FOR HOLDERS OF IMMOLOG 2012 BONDS (MA0000021545, MA0000091506, MA0000091514) AND FOR QUALIFIED INVESTORS UNDER MOROCCAN LAW LISTED IN THE PROSPECTUS

<b>Financial Advisor and Global Coordinator</b>	
	
<b>Placement Agent</b>	<b>Domiciliary institution ensuring the financial services to the issuer</b>
	

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

In accordance with the provisions set forth by the AMMC (Moroccan Capital Market Authority) Circular, pursuant to Article 14 of the Dahir No. 1-93-212 of 21 September 1993, as amended and supplemented, the original version of this prospectus was approved by the AMMC on the 2<sup>nd</sup> of January 2017 under reference VI/EM/002/2017.

**DISCLAIMER**

The Moroccan Capital Market Authority (AMMC) approved on the 2<sup>nd</sup> of January 2017, a Prospectus concerning a guaranteed bond loan issued by Immolog.

The Prospectus approved by the AMMC is available any time at the headquarters of Immolog and through its financial advisors. It shall also be available within a maximum deadline of 48 hours, through Placement Agents.

The prospectus is also available for the general public at the AMMC website: [www.ammc.ma](http://www.ammc.ma)

**Part I. TRANSACTION OVERVIEW**

## I. Transaction objectives

Through the present bond issue, Immolog aims to optimize its financial resources by offering to the holders of bonds issued by the Company in 2012 an opportunity to exchange their securities for new bonds, and for new qualified Moroccan investors to participate in the new transaction.

The Company undertakes to repay outstanding Existing Bonds at maturity, i.e. on January 23, 2017.

## II. Offer structure

### ▪ Unlisted Block A at an annually revisable rate:

This Block, tradable over-the-counter, shall be repayable by constant amortization over a period of 5 years and will cover a maximum amount of 350 000 000 MAD with a nominal value of 100 000 MAD per bond. The rate is adjustable, in reference to the full monetary rate of the 52-week Treasury Bonds calculated on the basis of the secondary market benchmark curve of the Treasury Bonds. For the first year, the nominal interest rate for this block is the full monetary rate of the 52-week Treasury Bonds calculated on the basis of the secondary market benchmark curve of the Treasury Bonds as Published by Bank Al Maghrib on January 4<sup>th</sup> 2017, increased by a risk premium of 160 basis points;

### ▪ Unlisted Block B at a fixed rate:

This Block, tradable over-the-counter, shall be repayable by constant amortization over a period of 5 years and will cover a maximum amount of 350 000 000 MAD with a nominal value of 100 000 MAD per bond. The nominal interest rate for this block is fixed in reference to the 5-years Treasury bonds rate calculated on the basis of the secondary market benchmark curve of the Treasury Bonds as Published by Bank Al Maghrib on January 4<sup>th</sup> 2017, increased by a risk premium of 170 basis points;

The total amount to be allocated in respect of the two above-mentioned Blocks shall in no case exceed the amount of 350 000 000 MAD.

The present bond loan is reserved for two investor categories:

- **Investors I:** all holders of bonds issued by Immolog in connection with the bond issue amounting to 700 000 000 MAD approved by the CDVM on 30 December 2011 under reference number VI/EM/050/2011 and whose refund is expected on January 23<sup>rd</sup>, 2017 (the "Existing Bonds"). The subscriptions expressed by this class of investors shall be given priority over the other investor category up to the maximum amount of the aforementioned bond issue.
- **Investors II:** All qualified investors under Moroccan law who wish to subscribe to the present issue, listed on Part IX.2.2 of the prospectus.

The following table shows the lines of existing bonds:

**Table 1. Existing lines of bonds as of 28 December 2016**

ISIN Code	Listing on the Casablanca Stock Exchange	Rate type	Number of securities	Outstanding (MMAD)	Issue risk premium	Nominal rate	Maturity date	Payment frequency	Buyback price
MA0000021545	Yes	Fixed	500	50	140	5,38%	23/01/17	Annually	105 331,40
MA0000091506	No	Floating	4 078	407,8	125	3,85%*	23/01/17	Annually	103 866,24
MA0000091514	No	Fixed	2 422	242,2	140	5,38%	23/01/17	Annually	105 331,40

(\*) 4,79% on 23/01/2012, 5,29% on 23/01/2013, 5,09% on 23/01/2014, 3,80% on 23/01/2015, 3,85% on 23/01/2016

### III. Information concerning the bonds to be issued

#### III.1. Characteristics of the Block A securities (Unlisted floating rate bonds)

<b>Type of securities</b>	Unlisted bonds dematerialized by registration in accounts with authorized account holders and mandatorily admitted to operations of the central depository (Maroclear).
<b>Legal form</b>	Bearer bonds
<b>Block ceiling</b>	350 000 000 MAD.
<b>Maximum number of bonds to be issued</b>	3 500 securities.
<b>Nominal unit value</b>	100 000 MAD.
<b>Maturity</b>	5 years.
<b>Subscription period</b>	From January 9 <sup>th</sup> 2017 to January 12 <sup>th</sup> 2017 included.
<b>Vesting date</b>	January 16 <sup>th</sup> , 2017
<b>Maturity date</b>	January 16 <sup>th</sup> , 2022
<b>Issuance price</b>	At par, i.e. 100 000 MAD
<b>Interest payment</b>	<p>Interest shall be served annually on the anniversary dates of the possession of the bonds, i.e. on January 16<sup>th</sup> of each year.</p> <p>Their payment shall take place on the same anniversary day or on the following business day if the said date is a holiday.</p> <p>Due to the annual revision of the nominal rate, interests shall be calculated on a monetary basis:</p> <p>[Outstanding capital x nominal rate x (exact number of days / 360 days)]</p> <p>No deferral of interest will be possible in connection with this issue.</p>
<b>Risk premium</b>	160 basis points.
<b>Nominal interest rate</b>	<p>Annually variable rate.</p> <p>The nominal interest rate for the first year is determined in reference to the full rate of the 52 weeks monetary Treasury Bonds calculated on the basis of the benchmark curve of Treasury Bonds of the secondary market as published by Bank Al-Maghrib on January 4<sup>th</sup> 2017 plus a risk premium of 160 basis points.</p> <p>The nominal interest rate shall be published no later than January 6<sup>th</sup> 2017 by Immolog in a legal announcement paper.</p> <p>For the following years, during each coupon payment date, the reference monetary 52-week shall be determined on the basis of the last curve of the reference rate on the secondary market of the Treasury Bonds as published by Bank Al-Maghrib 5 business days before the date of payment of the coupon. The resulting reference rate shall be increased by a risk premium of 160 basis points and shall be communicated to bonds bearers 3 business days before the anniversary date.</p> <p>The nominal interest rate shall be published by Immolog in a legal announcement paper no later than 3 business days before the anniversary date.</p>
<b>Calculation method</b>	<p>In the event where the reference rate is not observed directly on the curve of the reference rate of the secondary market, interest rate determination shall be realized through linear interpolation using the two points flanking the full maturity 52 weeks (monetary base).</p> <p>This interpolation will be done after the conversion of the rate immediately greater than the 52 week maturity (actuarial base) to the equivalent monetary rate according to the following formula:</p> $((\text{Actuarial rate} + 1)^{(k/n)} - 1) \times 360 / k;$ <p>Whereas:</p>

	<p>k: Maturity of the actuarial rate to be transformed (Immediately superior to 52 weeks)</p> <p>n: exact number of days (365 or 366 days).</p>
<b>Coupon calculating agent</b>	BMCE Bank of Africa
<b>Allocation method</b>	In proportion to the demand with the priority being giving to Type I investors.
<b>Repayment of the principal</b>	<p>Annual straight-line depreciation at each anniversary date of the possession of the bonds or the first business day following this date if it is not a business day,</p> <p>In the case of merger, demerger or partial contribution of assets of Immolog occurring during the tenor of the bond and causing the transfer of assets in favor of a distinct legal entity, the rights and obligations arising from the bonds (subject of the present issuance) shall be automatically transmitted to the legal entity substituted in the rights and obligations of the Company.</p>
<b>Early redemption</b>	<p>The Company undertakes not to proceed with the early repayment of the bonds subject of the present issuance.</p> <p>However, the Company reserves the right to buy back its bonds on the secondary market at any given time, in compliance with legal and regulatory requirements, provided that these purchases will have no effect on an investor willing to hold his/her securities until their normal maturity, nor on the normal amortization schedule. Otherwise, repurchased bonds shall be canceled.</p>
<b>Assimilation clause</b>	<p>There is no assimilation of bonds of Block A to securities of a previous issue.</p> <p>In the event the Company subsequently issues new securities identical in all respects to those of Block A, it may proceed, without the consent of previous bond holders, to the assimilation of all subsequent security issuances, thereby unifying all transactions with regard to their management and trading.</p>
<b>Rank/Subordination</b>	<p>The Block A bonds constitute direct, general, unconditional and unsubordinated commitments of the Company.</p> <p>The Block A bonds carry a first mortgage amounting to 350 000 000 MAD.</p>
<b>Rating</b>	The present bond issuance has not been the subject of any rating request.
<b>Guarantee</b>	<p>The bonds of the present issue are guaranteed by a first mortgage, amounting to 350 000 000 MAD through the property named "Ain Al-Rabat 2", subject of the property deed n ° 38/1001, of a surface area of 578 hectares 90 Ares 63 centiares, registered at the Registry of Landed Property of Temara.</p> <p>The mortgage holds the same conditions for the bondholders of Blocks A and B of the bond loan.</p>
<b>Appointed notary public</b>	<p>The Company has appoints Mr. Adil Bitar as notary in charge of all the procedures of registration and release relating to the guaranties of the present bond issue.</p> <p>Mr. Adil El Bitar is a notary, whose office is located on Angle rue Ali Abderrazak and Ahmed Charci, Résidences Champ d'Anfa, Building "D", 3rd floor, Office n ° 5, Anfa, Casablanca.</p>
<b>Representation of bondholders</b>	<p>Pending the holding of the General Meeting of bondholders, the Board of management of the Company has appointed Mr. Karim Moutakki, chartered accountant based in Casablanca, as temporary provisional trustee.</p> <p>This decision shall take effect concurrently with the beginning of the subscription period. To be noted that the appointed provisional trustee is the same for Blocks A and B of the issuance, since both Blocks are grouped into one single body.</p> <p>In addition, the Board of Directors of Immolog undertakes to convene the general meeting of bondholders to appoint the final representative of the bondholders, within 60 days from the vesting date.</p>
<b>Tradability</b>	Block A bonds are tradable over the counter.

There is no restriction imposed by the terms of the present issuance on the free transferability of Block A bonds.

<b>Governing law</b>	Moroccan law.
<b>Competent jurisdiction</b>	Commercial Court of Casablanca.

### III.2. Characteristics of the Block B securities (Unlisted fixed rate bonds)

<b>Type of securities</b>	Unlisted bonds dematerialized by registration in accounts with authorized account holders and mandatorily admitted to operations of the central depository (Maroclear).
<b>Legal form</b>	Bearer bonds
<b>Block ceiling</b>	350 000 000 MAD.
<b>Maximum number of bonds to be issued</b>	3 500 securities.
<b>Nominal unit value</b>	100 000 MAD.
<b>Maturity</b>	5 years.
<b>Subscription period</b>	From January 9 <sup>th</sup> 2017 to January 12 <sup>th</sup> 2017 included
<b>Vesting date</b>	January 16 <sup>th</sup> 2017
<b>Maturity date</b>	January 16 <sup>th</sup> 2022
<b>Issuance price</b>	At par, i.e. 100 000 MAD.
<b>Interest payment</b>	<p>Interests shall be served annually on the anniversary dates of the possession of the bonds, i.e. on January 16<sup>th</sup> of each year.</p> <p>Their payment shall take place on the same day or on the following business day if the possession anniversary is a holiday.</p> <p>Interest shall be calculated using the following formula:  [Outstanding capital x nominal rate]</p> <p>No deferral of interest will be possible in connection with this issue.</p>
<b>Risk premium</b>	170 basis points.
<b>Nominal interest rate</b>	<p>Fixed rate.</p> <p>The fixed nominal interest rate is fixed on the reference to the 5-year zero-coupon Treasury bonds rate calculated on the basis of the secondary market benchmark curve of the Treasury Bonds as published by Bank Al-Maghrib on January 4<sup>th</sup> 2017, increased by a risk premium of 170 basis points.</p> <p>The nominal interest rate shall be published no later than January 6<sup>th</sup> 2017 by Immolog in a legal announcement paper.</p>
<b>Calculation method</b>	The nominal interest rate is the rate that will allow to obtain, for a bond, at the date of the possession of the bond, a price equal to 100% of the nominal value by discounting the future flows generated by this bond at the treasury bill Zero Coupon rates plus a risk premium of 170 basis points.
<b>Allocation method</b>	In proportion to the demand with the priority being giving to Type I investors.
<b>Repayment of the principal</b>	<p>Annual straight-line depreciation at each anniversary date of the possession of the bonds or the first business day following this date if it is not a business day</p> <p>In the case of merger, demerger or partial contribution of assets of Immolog occurring during the tenor of the bond and causing the transfer of assets in favor of a distinct legal entity, the rights and obligations arising from the bonds (subject of the present issuance) shall be automatically transmitted to the legal entity substituted in the rights and obligations of the Company.</p>

<b>Early redemption</b>	<p>The Company undertakes not to proceed with the early repayment of the bonds subject of the present issuance.</p> <p>However, the Company reserves the right to buy back its bonds on the secondary market at any given time, in compliance with legal and regulatory requirements, provided that these purchases will have no effect on an investor willing to hold his/her securities until their normal maturity, nor on the normal amortization schedule. Otherwise, repurchased bonds shall be canceled.</p>
<b>Assimilation clause</b>	<p>There is no assimilation of bonds of Block B to securities of a previous issue.</p> <p>In the event the Company subsequently issues new securities identical in all respects to those of previously issued bonds, it may proceed, without the consent of previous bond holders, to the assimilation of all subsequent security issuances, thereby unifying all transactions with regard to their management and trading.</p>
<b>Rank/Subordination</b>	<p>The Block B bonds constitute direct, general, unconditional and unsubordinated commitments of the Company.</p> <p>The Block B bonds carry a first mortgage amounting to 350 000 000 MAD.</p>
<b>Rating</b>	<p>The present bond issuance has not been the subject of any rating request.</p>
<b>Guarantee</b>	<p>The bonds the present issue are guaranteed by a first mortgage, amounting to 350 000 000 MAD through the property named "Ain Al-Rabat 2", subject of the property deed n ° 38/1001, of a surface area of 578 hectares 90 Ares 63 centiares, registered at the Registry of Landed Property of Temara.</p> <p>The mortgage holds the same conditions for the bondholders of Blocks A and B of the bond loan.</p>
<b>Designated notary</b>	<p>The Company has designated Mr. Adil Bitar as notary in charge of all the procedures of registration and release relating to the guaranties of the present bond issue.</p> <p>Mr. Adil El Bitar is a notary, whose office is located on Angle rue Ali Abderrazak and Ahmed Charci, Résidences Champ d'Anfa, Building "D", 3rd floor, Office n ° 5, Anfa, Casablanca.</p>
<b>Representation of bondholders</b>	<p>Pending the holding of the General Meeting of bondholders, the Board of management of the Company has appointed Mr. Karim Moutakki, chartered accountant based in Casablanca, as temporary provisional trustee.</p> <p>This decision shall take effect concurrently with the beginning of the subscription period. To be noted that the appointed provisional trustee is the same for Blocks A and B of the issuance, since both Blocks are grouped into one single body.</p> <p>In addition, the Board of Directors of Immolog undertakes to convene the general meeting of bondholders to appoint the final representative of the bondholders, within within 60 days from the vesting date.</p>
<b>Tradability</b>	<p>Block B bonds are tradable over the counter.</p> <p>There is no restriction imposed by the terms of the present issuance on the free transferability of Block B bonds.</p>
<b>Governing law</b>	<p>Moroccan Law.</p>
<b>Competent jurisdiction</b>	<p>Commercial Court of Casablanca.</p>

## IV. Presentation of the mortgage mechanisms

The guarantee mechanisms relating to the bond issue are set out in the Bonds Issuance Agreement, attached to the prospectus in the appendix III, and constitute an integral part of the Prospectus.

The subscription of the bonds shall automatically entail the subscription of each subscriber to the Contract of Issue of Bonds.

In addition, all new purchasers of bonds on the secondary market shall be presumed to adhere to the provisions of the Bonds Issuance Agreement.

### IV.1. Mechanisms of guarantee of the bond loan

Under the Mortgage Deed signed on December 27<sup>th</sup> 2016, the bond loan is secured by a first mortgage (hereinafter referred to as the "Mortgage") on the real estate property known as "Ain Al-Rabat 2", subject of the land deed no. 38/1001, of a surface area of 578 hectares 90 Ares 63 centiares, registered at the Registry of Landed Property of Temara (referred to in this prospectus as the "Property").

The Property is located in Ain Aouda, which is part of the prefecture of Skhirat-Témara. It includes the Al Firdaous project, which covers a total number of 34,770 units, including 22,900 units related to the social sector. It also includes the installation of 90 communal facilities: schools, social facilities, administrations, mosques, sports facilities, museums, etc. In addition, construction work has been planned for a recreation area, a hotel area, an entertainment area in addition to green spaces and the main road.

The property is divided into 6 parcels each corresponding to a phase of the Al Firdaous Project. The Company also undertakes under the acquisition contract of the Property to retrocede a 50 ha plot.

The Property has been subject to two evaluations by two independent experts: (i) a first survey carried out on September 2016 estimating the Property value at 2,200 MMAD and the (ii) a second survey carried out on December 2016 estimating its value at MMAD 1,968. The plot corresponding to phase 6<sup>1</sup>, with an estimated area of 1,305,956 m<sup>2</sup> and valued at 496,253,557 MAD by an independent expert as of December 2016,

The Mortgage Allocation Deed has been signed by the Provisional Trustee of the Mortgage Bond and registered by the Landed Property Registry of Temara on December 29<sup>th</sup> 2016 under reference n°3060/register 119.

The amount of the secured debt under the Mortgage, as deferred on the land records maintained by the Landed Property Registry for mortgages is equal to 350 000 000 MAD.

### IV.2. Mechanisms of the development, substitution and release of the property

#### IV.2.1. Development and parceling the property

Each of the holders of the bonds subject of this bond issue (hereinafter referred to as the "Bondholders"), expressly authorizes the Company or any contractor of its choice to start construction in the Property and make any improvements therein, including, inter alia, (i) the realization of parceling or subdivision, as defined by Dahir No. 1-92-7 promulgating law No. 25-90 on the subdivisions, group of houses and parceling, it being specified that the subdivision is defined as the division of the Property in several lots intended for the construction of residential, industrial, tourist, commercial or artisanal buildings, regardless the surface of the lots, (ii) the application and the obtaining of any building permit, as defined by Articles 40 and 41 of Dahir No. 1-92-31 promulgating the law No. 12-90 relative to urban planning, having as its object the realization of any construction works using for property the land subject of the guarantee, and (iii) the realization of any construction works, directly or through any service provider, under a permit to be duly issued by the competent authorities under the aforementioned conditions, with a view to obtaining any residence permit or certificate of conformity under Article 55 of the aforementioned Law No. 12-90.

The Landed Property Registrar is already expressly authorized to proceed with the breakdown of the land title of the Property in partial land titles of residential groups governed by Law No. 18-00 on the status of the co-ownership of immovable properties, as amended by Law No. 106-12.

<sup>1</sup> See appendix "Issue Agreement"

In the event of obtaining an authorization to subdivide the property, the Mortgage (as deferred on each of the Lots in accordance with the present paragraph) shall automatically revert to the mortgage title of the Property, on each of the individual land titles of each of the lots (the "Lots") for an amount of MAD 350 000 000, whether they are a housing group under the aforementioned law n ° 25-90 or a lot of co-ownership under Law No. 18-00 relating to the status of co-ownership of immovable properties, as amended by Act No. 106-12.

Each of the Bondholders also authorizes (i) marketing, by the use of any means of communication, (ii) commercialization, in particular through any commercialization means, and (iii) the conclusion of any reservation or preliminary sale of the real estate resulting from construction work done on the Property.

#### IV.2.2. Substitution Property

In addition to the case of partial release following a partial refund, as described below, each Bond Holder authorizes the total release of the Mortgage in the event that the Company agrees to a first mortgage of up to a maximum amount equal to the outstanding amount of the bond loan times 1.1, on a property to be determined (hereinafter referred to as the "Substitution Property").

In this context, the Company will have to submit the Substitution Property for all Bondholders for approval together with an appraisal report drawn up by an independent real estate board not more than 30 days earlier<sup>2</sup>. The majority of the Bond holders shall be convened in accordance with Articles 121, 123, 124 and 306 of the Law on Public Limited Companies, pursuant to Article 307 thereof, for the purpose of meeting in a general meeting within 30 days starting from the date of the publication of the convening notice of in a legal announcements newspaper, in order to rule on this request.

For greater certainty, the value of the Substituting Property as established by an independent real estate board shall be at least equal to the amount of the Bond Loan outstanding times 1.4.

The assignment of the mortgage shall be signed by the representative of the bond holders body and the registration of the Substitution Mortgage is made for an amount equal to the outstanding amount of the bond loan times 1.1, subject to the approval of the General Meeting of Bondholders.

In this regard, and in order to benefit from the substitution of the mortgage, the company shall not be in default of payment under its bond loan.

Pursuant to the Bonds Issue Agreement, the Bond holders give their Trustee the authority to reiterate all the aforementioned authorizations given to the Company and to sign the act of release and assignment of mortgages, to the Notary appointed to carry out the cancellation and registration formalities.

The bond holders trustee shall have to comply with the aforementioned obligation within 10 working starting from the day of their notification by the Company or the designated Notary, who must hold all the required documents. Failing to do so, the Company shall have the power to refer the matter to the competent President of the Court of the registered office of the Company in order to obtain release through a judicial order.

In the event that a new mortgage is so constituted on a Substitution Property, the mechanisms applicable to the Mortgage, the assignment of mortgage (including the conditions of release and substitution), and the Property shall be applicable mutatis mutandis respectively to (i) the mortgage on the Substitution Property, (ii) the mortgage assignment in respect of the said mortgage and (iii) the substitution Property.

#### IV.2.3. Release

The Bond Issuance Agreement specifies the circumstances in which the Company is authorized to obtain a release on the Mortgage or to obtain a Mortgage on the Substitution Property, if that was the case:

##### **(a) Release of right concerning liberal lots:**

Given the valuation of the Property, which largely exceeds the amount of the Bond Loan, where the Property has been subject of a subdivision or parceling, each Bondholder expressly consents to the release of the Mortgage on the lots of the phase 1, Phase 2, Phase 3, Phase 4 and Phase 5.

<sup>2</sup> The constitution of a mortgage for the substitution property must be subject to prior authorization of General Meeting of Shareholders

It is specified that the Company reserves the right to exercise the option of releasing Phase 1, Phase 2, Phase 3, Phase 4 and Phase 5 (included), particularly in the event of an assignment in respect of a 50 hectare parcel as shown in the deed of acquisition of the Property on September 14<sup>th</sup> 2007.

Pursuant to the Bonds Issue Agreement, the Bond holders give their Trustee the authority to reiterate the authorization given to the Company and to sign the Mortgage Release Deed, as well as to the Notary appointed to the effect of carrying out cancellation formalities. To this end, the Company shall deliver to the designated Notary a copy of the certificates issued by the Landed Property Registrar and the mortgages competent for the individual land titles corresponding to the Lots concerned by the release.

The representative of the bondholder shall comply with the aforementioned obligation within 10 working days of the notice given to him by the Company or the designated notary, who shall be accompanied by all the required documents, failing the Company shall be entitled to refer the case to the President of the Court of the Company's registered office for judicial release.

**(b) Release of the Mortgage at the end of each annual maturity**

Apart from the case of full repayment of the Bond Loan, once the Property has been the subject of a subdivision or parceling, and subject to the Company sending the Bondholders Trustee an assessment report prepared within a maximum of 30 days beforehand by an independent real estate consulting indicating that the value of the lots of Phase 6 covered by the mortgage after the mortgage registration has been released for the Phase 6 lots for which release is requested by the Company is at least equal to the Bond Loan Outstanding times 1.4, each Bondholder authorizes in advance the release of the Mortgage (as reported on each Lot of phase 6) on one or more lots of phase 6, with a maximum surface area that equals to 1/5 of the total surface of phase 6 (the "Permitted Surface") i.e. 261 191 m<sup>2</sup>, upon repayment of each of the maturities of the Bonds carried out by the Company.

The Release shall focus on the Phase 6 Lots designated by the Company, provided that the total area of such Lots does not exceed the Permitted Surface.

In the event that the Company elects to apply for the release of the Mortgage, in respect of one or more Lots of the Phase 6, up to an area less than the Permitted Area, the Company shall retain the right to demand at any time Release of the Mortgage for an area equal to the remaining surface area between the area initially released and the Permitted Surface area.

Pursuant to the Bonds Issuance Agreement, each Bondholder authorizes the release of the mortgage on the Lots, with the granted express authority of Bondholders to their Trustee in order to reiterate such authorization and to sign the deed of release, as well as to the appointed Notary to carry out the cancellation formalities. To this end, the Company shall deliver to the Designated Notary a copy of the certificates issued by the Landed Property and Mortgage Registrar with regard to the individual land titles corresponding to the Lots concerned by the release. The Company shall also deliver to the Designated Notary a certificate issued by BMCE Bank of Africa confirming the repayment of the due dates of the Bond Loan.

The Bondholders Trustee shall have to comply with the aforementioned obligation within 10 working days from the notification date made to him by the Company or the Designated Notary. The Trustee must hold by all the required documents. Failing to do so, the Company shall have the power to refer the case to the competent court for judicial review.

## V. Representation of Bondholders

In accordance with article 8 of the Bond Issuance Agreement, the Board of Directors of the Company undertakes to convene the General Assembly of Bondholders within 60 days from the date of the date of possession of the bonds issued in the context of the present transaction, with the objective of designating its permanent Trustee.

Failing to appoint a permanent Trustee by the General Meeting of Bondholders, they may be appointed at the request of any interested party by the chairman of the court, ruling in summary proceedings.

It has been specified that the appointed permanent Trustee is identical for the Blocks A and B of the bond loan, which are grouped together in a single body.

Pending the holding of the General Assembly of Bondholders, the Board of Directors of the Company of December 21<sup>st</sup> 2016 appointed Mr Karim MOUTAKKI, of the firm MOUTTAKI & PARTNERS, located at 131, Boulevard d'Anfa, 6th floor 20 060, Casablanca as a Provisional Trustee.

This decision shall take effect from the opening of the subscription period. It being understood that the appointed provisional Trustee is for both Blocks A and B of the bond issue, which are grouped together in a single body.

At least 15 days prior to the general assembly of Bondholders, the Bondholders Trustee is required to make available to them an information report containing, in particular: (i) transactions carried out in the name of the bondholders body, Possible substitutions, etc.), (ii) the situation of the guarantee (Mortgaged properties due to possible releases, summary of the valuation reports submitted by the Company, etc.) and (iii) any useful comments on the appreciation of the level of offered guarantee.

The above-mentioned obligation shall not concern the first General Assembly of Bondholders which shall be held if convened by the Board of Directors of Immolog in accordance with the abovementioned terms.

## VI. Transaction schedule

Subscription will be opened by the placement body. The schedule of the transaction is as follows:

**Table 2. Calendar of the bond issue**

Order	Steps	Date
1	AMMC Approval	January 2 <sup>nd</sup> 2017
2	Publication of a Prospectus extract in a legal announcement paper	January 4 <sup>th</sup> 2017
3	Observance of reference interest rate curve published by Bank Al Maghrib	January 4 <sup>th</sup> 2017
4	Publication of the nominal interest rate in a legal announcement paper	January 6 <sup>th</sup> 2017
5	Opening of the subscription period/buy-back	January 9 <sup>th</sup> 2017
6	Closing of the subscription period/buy-back	January 12 <sup>th</sup> 2017
7	<ul style="list-style-type: none"> <li>▪ Payment / Delivery.</li> <li>▪ Delisting of existing Bonds in the event of a total redemption.</li> </ul>	January 16 <sup>th</sup> 2017
8	Announcement of the transaction's outcome by Company in a legal announcement paper	January 16 <sup>th</sup> 2017

## VII. Financial intermediaries

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

**Table 3. Financial intermediaries**

Placement Financial and Intermediaries	Legal name	Address
Advisor and Global Coordinator	BMCE Capital Conseil	63, Boulevard My Youssef, Casablanca
Placement and Centralizing Agent	BMCE Bank of Africa	140, Boulevard Hassan II, Casablanca
Calculating Coupon Agent	BMCE Bank of Africa	140, Boulevard Hassan II, Casablanca
Paying agent providing the financial service of the issuer	BMCE Bank of Africa	140, Boulevard Hassan II, Casablanca

## **Part II. INFORMATION ABOUT THE ISSUER**

## I. General information about Immolog

Table 4. General information

<b>Corporate name</b>	<b>Immolog</b>
<b>Headquarters</b>	Km 7, Route de Rabat, Ain Sebaâ, Casablanca.
<b>Phone</b>	+212 5 (0) 22 67 99 00.
<b>Fax</b>	+212 5 (0) 22 35 17 63.
<b>Website</b>	<a href="http://www.groupeaddoha.com">www.groupeaddoha.com</a>
<b>Email</b>	douja.promotion@addoha.com
<b>Legal form</b>	Limited Liability Company with a Board of Directors, governed by Law No. 17-95 on Limited Liability Companies as amended and supplemented.
<b>Date of establishment</b>	08 November 2005
<b>Life span</b>	99 years, except in the event of early liquidation or extension as provided for in the regulations.
<b>Share capital as of 31 December 2015</b>	550 000 000 MAD consisting of 5 500 000 shares, each share of a nominal value of 100 MAD, representing contributions in cash and numbered from 1 to 5 500 000, all of the same class and fully paid for.
<b>Fiscal year</b>	From January 1 <sup>st</sup> to December 31 <sup>st</sup>
<b>Register of commerce</b>	Immolog is registered at the Registry of the Commercial Court of Casablanca under number RC 144 759.
<b>Place of consultation of legal documents</b>	The corporate, accounting and legal documents of the Company whose disclosure is provided for by law and the articles of incorporation may be consulted at the registered office of Immolog.
<b>Corporate purpose</b>	<p>According to article 5 of the by-laws, the direct purpose of the company, either on its own behalf or on behalf of a third party in Morocco or in any other country:</p> <ul style="list-style-type: none"> <li>▪ All real estate operations including but not limited to buying, selling and leasing;</li> <li>▪ Acquisition of built up or non-built up property as well as any other real estate property;</li> <li>▪ Operation and development of the said lots through parceling, site preparation, fitting out and construction for residential, commercial, professional, industrial use etc.;</li> <li>▪ Transformation of building property, sale in co-ownership per lot or unit;</li> <li>▪ And generally, all real estate or moveable property operations directly or indirectly attached to the purpose of the company.</li> </ul>

Source : Immolog

## II. Capital and shareholding structure of Immolog

The following table represents the shareholding history of Immolog for the three last years and on 30 June 2016 :

**Table 5. Shareholding history**

	31/12/2013		31/12/2014		31/12/2015		30/06/2016	
	Shares	% of the capital and voting rights	Shares	% of the capital and voting rights	Shares	% of the capital and voting rights	Shares	% of the capital and voting rights
<b>CGI</b>	1 250 000	50,00%	2 750 000	50,00%	2 750 000	50,00%	2 749 998	50,00%
<b>Douja Promotion Groupe Addoha</b>	1 249 996	50,00%	2 749 996	50,00%	2 749 996	50,00%	2 749 996	50,00%
<b>Others</b>	4	0,00%	4	0,00%	4	0,00%	6	0,00%
<b>Total</b>	<b>2 500 000</b>	<b>100,00%</b>	<b>5 500 000</b>	<b>100,00%</b>	<b>5 500 000</b>	<b>100,00%</b>	<b>5 500 000</b>	<b>100,00%</b>

Source : Immolog

At the date of publication of the Prospectus, Immolog's reference shareholders are (i) General Real-estate Company (Compagnie Générale Immobilière) and (ii) Douja Promotion Groupe Addoha, which directly owns and respectively owns 50.00% and 50.00% of the shares and voting rights constituting the share capital of the Company.

The Sefrioui family directly and indirectly controls 50.00% of the share capital of the Company (2 750 000 shares and voting rights.)

### III. Activity of Immolog

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Immolog is specialized in the development of economic and intermediate real estate projects.

As a joint venture between Douja Promotion Groupe Addoha and Compagnie Générale Immobilière (a subsidiary of CDG), Immolog has significant advantages due to its membership in these two real estate groups. The advantages can be summarized as follows:

- By belonging to Douja Promotion Groupe Addoha, Immolog has the following advantages:
  - ✓ A technical expertise in real estate development from Douja Promotion Groupe Addoha through mainly the assistance agreement concluded in 2005;
  - ✓ A close collaboration with the banks, notably through agreements negotiated by Douja Promotion Groupe Addoha, enabling the creation of advantageous conditions for the benefit of the Company's customer base;
  - ✓ A close-knit commercial network easing the formalities for customers in regard to the acquisition of their houses through the one-stop shops set up by Douja Promotion Groupe Addoha;
  - ✓ Structured quality and security processes deployed by Douja Promotion Groupe Addoha for all of its real estate activities;
  - ✓ Granting a ten-year warranty to purchasers;
  - ✓ Marketing under the Addoha Trade Mark.
- And by belonging to the Compagnie Générale Immobilière, Immolog has the following advantages:
  - ✓ At the level of the Board of Directors, the Company benefits from the strategic expertise of its shareholder in the management and development of real estate projects;
  - ✓ The Company benefits from the land reserve acquired from CDG, a shareholder of CGI. It should be noted that all the lots of land operated by Immolog in its various projects are and shall be exclusively acquired from CDG.

By the 30<sup>th</sup> of June 2016, Immolog's portfolio of initiated projects covered 31 055 fully completed and marketed housing units (including 24 298 social housing units and 6 757 mid-range units) and 27 291 housing units in progress (26 062 social housing units and 1229 mid-range units).

In June 30<sup>th</sup> 2016, the overall projects initiated in the social housing segment are summarized as follows:

**Table 6. Achievements, ongoing projects and planned projects in the social housing segment**

Projects	Consistence
<b>Initiated projects by the end of June 2016</b>	
<b>Completed and commercialized housing units</b>	<b>24 298</b>
Housing units	22 519
Shops	744
Land lots	1 035
<b>Ongoing housing projects</b>	<b>26 062</b>
Housing units	20 283
Shops	83
Land lots	5 696
<b>Planned housing projects by the end of June 2016 (not yet started)</b>	<b>4 189</b>
Housing units	1 140
Shops	-
Land lots	-
Housing units not yet defined <sup>3</sup>	3 049

*Source: Immolog*

In the 30<sup>th</sup> of June 2016, Immolog's portfolio of projects includes 24 298 fully completed and commercialized units, 26 062 units under construction and 4 189 units not yet started.

The projects mainly concern housing, which accounts to 85.0% of the projects portfolio excluding units not yet started. The rest is for serviced plots and commercial units.

<sup>3</sup> The housing units marked as not yet defined concern the Anmassim project. Its details of the ground plane have not yet been defined

In June 30<sup>th</sup> 2016, the overall consistency of the projects initiated in the mid-range segment is summarized as follows:

**Table 7. Achievements, ongoing projects and planned projects in the mid-range housing segment**

Projects	Consistence
<b>Initiated projects before the end of June 2016</b>	
Completed and commercialized housing units	6 757
Housing units	5 131
Shops	6
Villas	121
Land lots and semi-finished villas	1 499
<b>Ongoing housing projects</b>	<b>1 229</b>
Housing units	844
Shops	136
Villas	7
Land lots and semi-finished villas	242
<b>Planned housing projects by the end of June 2016 (not yet started)</b>	<b>11 870</b>
Housing units	9 000
Land lots	0
Shops (in m <sup>2</sup> )	2 870

*Source : Immolog*

As of 30<sup>th</sup> of June 2016, the housing units in the mid-range segment that have been fully completed and commercialized by the Company amount to 6 757 units. In addition, 1 293 units are under construction and 11 870 units are planned to be started.

## **Part III. FINANCIAL DATA**

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## I. Preamble

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The financial information laid out in this section is based on the annual financial statements of Immolog for the fiscal years of 2013, 2014 and 2015.

As of December 31, 2015, Immolog does not consolidate the results of its subsidiary Fanadek Investment SARL given the non-significant impact on its activity of the net position of the Company.

## II. Analysis on management accounts

The following table summarizes the historical data of Immolog's management accounts for the fiscal years of 2013, 2014 and 2015:

**Table 8. Statement of management accounts (2013-2015)**

In KMAD	2013	2014	Var. <sub>13-14</sub>	2015	Var. <sub>14-15</sub>
Sales of goods in the unaltered state	-	-	-	-	-
Retail purchases	-	678 804	>100%	-	-
<b>Gross margin of sales</b>	<b>-</b>	<b>-678 804</b>	<b>&gt;100%</b>	<b>-</b>	<b>-</b>
Sale of produced goods and services	418 794	879 586	>100%	1 283 130	45,9%
Change in inventories	551 073	918 510	66,7%	-544 960	-159,3%
<b>Production</b>	<b>969 867</b>	<b>1 798 096</b>	<b>85,4%</b>	<b>738 170</b>	<b>-58,9%</b>
Purchases of consumed materials and supplies	825 754	916 529	11,0%	526 489	-42,6%
Other external charges	27 232	5 038	-81,5%	9 777	94,1%
<b>Consumption</b>	<b>852 986</b>	<b>921 567</b>	<b>8,0%</b>	<b>536 266</b>	<b>-41,8%</b>
<b>Value added</b>	<b>116 882</b>	<b>197 725</b>	<b>69,2%</b>	<b>201 905</b>	<b>2,1%</b>
<i>VA/Turnover</i>	<i>27,9%</i>	<i>22,5%</i>	<i>-5,4 pts</i>	<i>15,7%</i>	<i>-6,7 pts</i>
Taxes	31	18	-43,7%	6	-68,4%
Staff costs	5 920	6 257	5,7%	7 470	19,4%
<b>Gross operating profit (EBITDA)</b>	<b>110 931</b>	<b>191 450</b>	<b>72,6%</b>	<b>194 429</b>	<b>1,6%</b>
<i>EBITDA/Turnover</i>	<i>26,5%</i>	<i>21,8%</i>	<i>-4,7 pts</i>	<i>15,2%</i>	<i>-6,6 pts</i>
Operating reversals	-	-	-	-	-
Operating charges	1 440	2 019	40,2%	2 667	32,1%
<b>Operating Income</b>	<b>109 490</b>	<b>189 431</b>	<b>73,0%</b>	<b>191 762</b>	<b>1,2%</b>
<i>Operating Margin (OI/Turnover)</i>	<i>26,1%</i>	<i>21,5%</i>	<i>-4,6pts</i>	<i>14,9%</i>	<i>-6,6pts</i>
Financial Income	38 658	55 910	44,6%	95 254	70,4%
Financial Expenses	103 986	100 959	-2,9%	126 762	25,6%
<b>Financial Income</b>	<b>-65 328</b>	<b>-45 049</b>	<b>-31,0%</b>	<b>-31 508</b>	<b>-30,1%</b>
<b>Current Income</b>	<b>44 162</b>	<b>144 381</b>	<b>&gt;100%</b>	<b>160 254</b>	<b>11,0%</b>
Non-current revenues	642	13 154	>100%	2 503	-81,0%
Non-current expenses	2 951	35 854	>100%	2 928	-91,8%
<b>Non-current income</b>	<b>-2 309</b>	<b>-22 700</b>	<b>n.a.</b>	<b>-425</b>	<b>98,1%</b>
<b>Income before tax</b>	<b>41 853</b>	<b>121 681</b>	<b>&gt;100%</b>	<b>159 829</b>	<b>31,4%</b>
Income tax	9 220	13 645	48,0%	19 125	40,2%
<b>Net income</b>	<b>32 633</b>	<b>108 036</b>	<b>&gt;100%</b>	<b>140 705</b>	<b>30,2%</b>
<i>Net margin (Net income/Turnover)</i>	<i>7,8%</i>	<i>12,3%</i>	<i>+4,5 pts</i>	<i>11,0%</i>	<i>-1,3 pts</i>

Source : Immolog

### III. Balance sheet analysis

The following table shows the main indicators of Immolog's balance sheet over the period 2013-2015:

**Table 9. Balance sheet of Immolog (2013-2015)**

In KMAD	2013	2014	Var. <sub>13-14</sub>	2015	Var. <sub>14-15</sub>
<b>Assets</b>					
<b>Fixed assets</b>	<b>8 736</b>	<b>4 810</b>	<b>-44,9%</b>	<b>2 819</b>	<b>-41,4%</b>
Nil value fixe assets	3 702	4 806	29,8%	2 818	-41,4%
Tangible fixed assets	35	4	-87,2%	1	-74,9%
Financial fixed assets	5 000	0	-100,0%	0	0,0%
<b>Current assets</b>	<b>3 512 399</b>	<b>4 008 686</b>	<b>14,1%</b>	<b>3 476 025</b>	<b>-13,3%</b>
Stocks	2 119 391	2 415 213	14,0%	1 957 040	-19,0%
Trade payables - advances and instalments	114 683	136 148	18,7%	86 145	-36,7%
Accounts receivables and other receivables	742 548	911 190	22,7%	951 048	4,4%
Staff	26	28	8,7%	25	-12,1%
State	525 864	532 813	1,3%	462 913	-13,1%
Other receivables	9 710	13 161	35,5%	17 556	33,4%
Adjustment accounts - Assets	177	39	-78,0%	1 298	NS
Investment securities	-	94	100,0%	-	-100,0%
<b>Cash assets</b>	<b>2 097</b>	<b>30 159</b>	<b>NS</b>	<b>67 068</b>	<b>122,4%</b>
<b>Total Assets</b>	<b>3 523 233</b>	<b>4 043 655</b>	<b>14,8%</b>	<b>3 545 912</b>	<b>-12,3%</b>
<b>Liabilities</b>					
<b>Equity</b>	<b>422 637</b>	<b>830 673</b>	<b>96,50%</b>	<b>971 378</b>	<b>16,9%</b>
Share capital	250 000	550 000	>100%	550 000	0,0%
Legal reserve	25 000	25 000	0,0%	30 402	21,6%
Carried forward	115 004	147 637	28,4%	250 272	69,5%
Net income of the fiscal year	32 633	108 036	NS	140 705	30,2%
<b>Financing debt</b>	<b>896 800</b>	<b>1 013 749</b>	<b>13,0%</b>	<b>700 000</b>	<b>-30,9%</b>
<b>Circulating liabilities</b>	<b>2 193 070</b>	<b>2 182 148</b>	<b>-0,5%</b>	<b>1 861 715</b>	<b>-14,7%</b>
Suppliers and related accounts	851 565	1 130 683	32,8%	437 985	-61,3%
Trade payables - advances and instalments	158 456	222 000	40,1%	58 469	-73,7%
Staff	790	871	10,3%	1 021	17,2%
Social entities	216	196	-9,1%	284	44,6%
State	83 204	130 034	56,3%	121 493	-6,6%
Associated accounts	961 325	511 825	-46,8%	1 067 918	108,6%
Other creditors	7 982	8 992	12,6%	6 130	-31,8%
Adjustment accounts - Liabilities	129 533	177 547	37,1%	168 416	-5,1%
<b>Other current provisions for contingencies and charges</b>	<b>0</b>	<b>11 132</b>	<b>100,0%</b>	<b>11 807</b>	<b>6,1%</b>
<b>Cash liabilities</b>	<b>10 725</b>	<b>5 953</b>	<b>-44,5%</b>	<b>1 012</b>	<b>-83,0%</b>
<b>Total liabilities</b>	<b>3 523 233</b>	<b>4 043 655</b>	<b>14,8%</b>	<b>3 545 912</b>	<b>-12,3%</b>

Source : Immolog

**Part IV. ANALYSIS OF INTERIM FINANCIAL STATEMENTS**

**I. Preamble**

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Immolog's tax return has been the subject of a limited review by the Statutory Auditor on June 30, 2015 and on 30 June 2016.

## II. Analysis of management accounts

The management accounts of Immolog on June 30, 2015 and June 30, 2016 are as follows:

**Table 10. Quarterly management accounts**

In KMAD	30/06/2015	30/06/2016	Var.
Sales of goods in the unaltered state	0	0	-
Retail purchases	0	0	-
<b>Gross margin of sales</b>	<b>0</b>	<b>0</b>	<b>-</b>
Sale of produced goods and services	719 059	224 238	-68,8%
Change in inventories	-202 407	-97 094	-52,0%
Operating reversals: transfer of charges	-	11 807	
<b>Production</b>	<b>516 652</b>	<b>138 951</b>	<b>-73,1%</b>
Purchases of consumed materials and supplies	331 000	87 908	-73,4%
Other external charges	38 488	7 803	-79,7%
<b>Consumption</b>	<b>369 488</b>	<b>95 711</b>	<b>-74,1%</b>
<b>Value added</b>	<b>147 164</b>	<b>43 240</b>	<b>-70,6%</b>
Operating grants	0	0	-
Taxes	4,8	177	>100%
Staff costs	3 725	3 664	-1,6%
<b>Gross operating profit (EBITDA)</b>	<b>143 434</b>	<b>39 399</b>	<b>-72,5%</b>
Operating allowances	4 064	10 508	>100%
<b>Operating Income</b>	<b>139 371</b>	<b>28 891</b>	<b>-79,3%</b>
Financial Income	60 828	29 330	-51,8%
Financial Expenses	76 266	48 797	-36,0%
<b>Financial Income</b>	<b>-15 439</b>	<b>-19 467</b>	<b>26,1%</b>
<b>Current Income before tax</b>	<b>123 932</b>	<b>9 424</b>	<b>-92,4%</b>
Non-current revenues	657	3 478	>100%
Non-current expenses	2 271	801	-64,7%
<b>Non-current income</b>	<b>-1 614</b>	<b>2 677</b>	<b>&gt;100%</b>
<b>Income before tax</b>	<b>122 318</b>	<b>12 101</b>	<b>-90,1%</b>
Income tax	12 263	1 942	-84,2%
<b>Net income</b>	<b>110 056</b>	<b>10 160</b>	<b>-90,8%</b>

Source : Immolog

### III. Balance sheet analysis

The following table shows the main indicators of Immolog's balance sheet as of December 31, 2015 and June 30, 2016:

**Table 11. Balance sheet of Immolog (31/12/2015 and 30/06/2016)**

In KMAD	31/12/2015	30/06/2016	Var.
<b>Assets</b>			
<b>Fixed assets</b>	<b>2 819</b>	<b>2 028</b>	<b>-28,1%</b>
Nil value fixed assets	2 818	2 027	-28,1%
Tangible fixed assets	1	1	-32,4%
Financial fixed assets	0	0	-
<b>Current assets</b>	<b>3 476 025</b>	<b>3 310 513</b>	<b>-4,8%</b>
Stocks	1 957 040	1 887 550	-3,6%
Trade payables - advances and instalments	86 145	79 628	-7,6%
Accounts receivables and other receivables	951 048	647 328	-31,9%
Staff	25	7	-73,2%
State	462 913	437 087	-5,6%
Associated accounts	0	0	-
Other receivables	17 556	10 030	-42,9%
Adjustment accounts - Assets	1 298	2 557	96,9%
Investment securities	0	246 327	-
<b>Cash assets</b>	<b>67 068</b>	<b>72 839</b>	<b>8,6%</b>
<b>Total Assets</b>	<b>3 545 912</b>	<b>3 385 380</b>	<b>-4,5%</b>
<b>Liabilities</b>			
<b>Equity</b>	<b>971 378</b>	<b>981 538</b>	<b>1,0%</b>
Share capital	550 000	550 000	0,0%
Legal reserve	30 402	37 437	23,1%
Carried forward	250 272	383 941	53,4%
Net income of the fiscal year	140 705	10 160	-92,8%
<b>Financing debt</b>	<b>700 000</b>	<b>700 000</b>	<b>0,0%</b>
<b>Circulating liabilities</b>	<b>1 861 715</b>	<b>1 693 767</b>	<b>-9,0%</b>
Suppliers and related accounts	437 985	348 895	-20,3%
Trade payables - advances and instalments	58 469	61 013	4,4%
Staff	1 021	1 099	7,6%
Social entities	284	275	-3,2%
State	121 493	68 667	-43,5%
Associated accounts	1 067 918	1 067 918	0,0%
Other creditors	6 130	6 105	-0,4%
Adjustment accounts - Liabilities	168 416	139 796	-17,0%
<b>Other current provisions for contingencies and charges</b>	<b>11 807</b>	<b>9 717</b>	<b>-17,7%</b>
<b>Cash liabilities</b>	<b>1 012</b>	<b>357</b>	<b>-64,7%</b>
<b>Total liabilities</b>	<b>3 545 912</b>	<b>3 385 380</b>	<b>-4,5%</b>

Source: Immolog

## **Part V. RISK FACTORS**

## I. Risk related to the economic environment

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Immolog's profit and growth prospects are strongly influenced by national economic conditions, the price of building materials and interest rates.

However, this risk remains limited since the Company operates exclusively in the social and mid-range housing segments, which are a national priority.

## II. Competition risks

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The real estate market offers attractive profit opportunities and presents no binding entry barriers, which opens the market for several national and international building companies.

This ease of access for building sector operators could exacerbate competition, thus causing:

- Erosion of profit margins resulting from continuously rising competition which could have a downward effect on sale prices (against a steady increase in land prices);
- Increased demand on lands, leading to an increase in the cost of lands in certain areas subject to a strong demand from real estate developers;
- Limited availability of sub-contractors.

Immolog draws on the experience and expertise of its shareholders, Douja Promotion Groupe Addoha and Compagnie Générale Immobilière, to offer quality products that enable the Company to maintain its competitiveness.

## III. Risks related to public works contractors and suppliers

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In order to provide its customers with quality products, Immolog resorts to the support of its partners to accompany the Company in the realization of all its projects. These partners are chosen on the basis of their technical qualifications and their references in the building and civil engineering market in order to meet the specifications of the projects carried out by the Company both in terms of quality and respect of deadlines.

The relationship of trust established between Immolog and its partners allows for the Company to face the risk of non-availability of subcontractors due to competition.

## IV. Risk of dependency on Douja Promotion Groupe Addoha

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DPGA owns up to 50% of Immolog and manages the Company. The company benefits from administrative, commercial, technical and accounting assistance from DPGA under an agreement signed on 28 October 2005.

## V. Risk related to increasing costs of land

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The upward trend in the price of lands in urban areas has been an important risk in recent years due to the increasing demand on lands (due in particular to population growth and the attractiveness of loan conditions).

The increasing cost of lands has a direct impact on the profit margins generated by Immolog. This risk is all the more important for social housing units governed by the 2010 Finance Law because the sale prices are limited to a maximum of 250 KMAD (excluding tax).

The above-mentioned risk may nevertheless be mitigated following the release by the State of additional land reserves through (i) the creation of 15 new towns by 2020 and (ii) the enlargement of the urban perimeter of several cities in the Kingdom, notably Casablanca.

To face this forecasted inflation in land prices, the Company has adopted the following measures:

- A prospective land acquisition policy in line with its development strategy. The Company moves to acquire lands in anticipation that match its mid-term real estate projects.
- A diversified geographical positioning through the development of programs in the cities of Tangier, Salé, Rabat and Marrakech.

## **VI. Risk related to the decrease in demand in the real estate sector**

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A drop in national or foreign demand (owing to the international economic situation) is likely to negatively influence the sector in general and the business volume in particular.

Nevertheless, it is worth mentioning that in 2015 the global housing deficit was assessed at 500 000 housing units at an annual production of some 150 500 housing units at the national level.

Further, in advance of the startup of large scale real estate projects, Immolog is carrying out an upstream pertinent market study to allow a commercial success of the project as well as to choose a well-adapted positioning.

## **VII. Risks related to instable fiscal regimes**

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The evolution of tax regulations, and in particular the reduction of tax advantages granted to investors and real estate purchasers, could have a negative influence on the real estate market, and could, therefore, influence the financial situation of operators in the sector. However, the risk is limited because the measures established by the Finance Law of 2010 are guaranteed until 2020, thus offering tax stability in the social housing segment.

## **VIII. Risks related to the increase in interest rate**

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An increase in interest rates on loans may divert some of the savings to bank deposits and debt securities, which could negatively affect the demand in the real estate market.

The increase in interest rates would cause an increase in loan costs, which are the main source of financing for real estate and, consequently, a decline in demand for real estate.

This could result in a potential impact on the turnover of Immolog and more particularly on the business volume generated by the social housing segment.

To mitigate this risk, it should be noted that Douja Promotion Groupe Addoha negotiates, for its subsidiary Immolog, two advantageous agreements with its banking partners in the framework of its partnership agreements that the group holds with loan institutions.

## **IX. Risks related to access to financing**

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The development of the Company necessarily requires external financing sources. The Company is financed through its own funds, credit lines, customer advances, current accounts of shareholders and bank loans.

Financing risks correspond to the risk of a decline in the volume of the Company's business and its profitability in the event of the unavailability of financing sources enabling it to meet its operating needs.

The Company studies upstream the financial feasibility of its development projects and anticipates its financing needs in advance in order to better structure its fund raising and its use of short-term lines of credit.

## Disclaimer

The information contained in the present prospectus summary is only a part of the prospectus approved by the Moroccan Authority of Capital Markets (AMMC) under the reference number VI/EM/002/2017 on the 2<sup>nd</sup> of January 2017.

The AMMC advises reading the full prospectus available for the public in French.