

## MUTANDIS SCA

### PROSPECTUS SUMMARY

Issue of Ordinary Shares as part of a Share Capital Increase Reserved for the Public by Issuing 1,250,000 New Shares, with Cancellation of Shareholders' Preferential Subscription Rights






The AMMC-approved prospectus consists of:

- This securities note;
- The Reference Document for the 2020 financial year registered by the AMMC on July 16, 2021 under reference EN/EM/010/2021;
- The updated version no. 1 of the Reference Document relating to the 2020 financial year, registered by the AMMC on January 18, 2022 under reference EN/EM/002/2022.

#### Fixed Price Offer

|  |  |
|--|--|
| Nature of security                                       | Ordinary shares  |
| Issue price  | MAD 240  |
| Nominal value  | MAD 100  |
| Number of new shares to be issued                        | 1,250,000  |
| Global amount of the operation (including issue premium) | MAD 300,000,000  |
| Subscription period                                      | From January 31 to February 4, 2022 at 3:30 pm inclusive |

This offer is not intended for money market and short-term bond UCITS

| Financial Co-Advisors   | Co-Leaders of the Placement Syndicate  |
|---|--|
|    |    |

| Members of the Placement Syndicate   |  |
|--|--|
|         |        |
|          |  |

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

In accordance with the provisions of the AMMC Circular issued pursuant to Article 5 of Dahir No. 1-12-55 of December 28, 2012, promulgating Law 44-12 relating to public offerings and information required from corporate entities and organizations making public offerings, the present prospectus was approved by the AMMC on January 21, 2022 under reference no. VI/EM/001/2022.

This securities note constitutes only a part of the AMMC-approved prospectus. The latter is composed of the following documents:

- The Reference Document for the 2020 financial year registered by the AMMC on July 16, 2021 under reference EN/EM/010/2021 ;
- The updated version of the Reference Document registered by the AMMC on January 18, 2022 under reference EN/EM/002/2022.
- This securities note.

## Disclaimer

The AMMC approved on January 21, 2022 a prospectus relating to the increase in registered capital reserved to the public with cancellation of the subscription preferential right by issuing 1,250,000 shares of Mutandis SCA.

The approval of the Moroccan Capital Market Authority (AMMC) concerns the prospectus composed of:

- The securities note relating to Mutandis SCA's capital increase;
- The Reference Document relating to the 2020 financial year registered by the AMMC on July 16, 2021 under reference no. EN/EM/010/2021;
- The updated version of the Reference Document registered by the AMMC on January 18, 2022 under reference no. January 18, 2022.

The AMMC-approved prospectus is available at any time:

- On Mutandis website [www.mutandis.com](http://www.mutandis.com);
- On the AMMC website [www.ammc.ma](http://www.ammc.ma);
- On Casablanca Stock Exchange website [www.casablanca-bourse.com](http://www.casablanca-bourse.com).

The prospectus is made available to the public at the headquarters of the and on its website. It is also available.

This summary has been translated by the company Lissaniat, under the joint responsibility of the said translator and Mutandis SCA. In the event of any discrepancy between the contents of this summary and the AMMC-approved prospectus, only the approved prospectus will prevail.

## Part I. STRUCTURE OF THE OFFER

## I. Structure of the Offer

### I.1 Amount of the Operation

Mutandis SCA intends to carry out a share capital increase in cash for an amount of MAD 300,000,000 including MAD 125,000,000 as a nominal amount and MAD 175,000,000 as an issue premium, through the issue of 1,250,000 new shares at a subscription price of MAD 240 per share, i.e. MAD 100 as a nominal amount and MAD 140 as an issue premium.

### I.2 Structure of the Offer

| Characteristics                          | Description  |
|--|--|
| <b>Subscribers</b>                       | <ul style="list-style-type: none"><li>- Natural persons, resident or non-resident, of Moroccan or foreign nationality;</li><li>- Legal Entities, of Moroccan or foreign Law, not belonging to the categories of qualified investors as defined by Article 3 of Law no. 44-12 and by Article 1.30 of AMMC Circular no. 03/19, amended and supplemented by AMMC circular no. 02/20;</li><li>- Qualified investors of Moroccan Law as defined by Article 3 of Law no. 44-12 and Article 1.30 of AMMC Circular no. 03/19 amended and supplemented by AMMC circular no. 02/20, except money market and short-term bond UCITS;</li><li>- Qualified investors of foreign law as defined by Article 1.30 paragraph (c) of AMMC circular no. 03/19 amended and supplemented by AMMC circular no. 02/20.</li></ul> |
| <b>Amount of the Offer</b>               | MAD 300,000,000  |
| <b>Number of shares</b>                  | 1,250,000  |
| <b>Subscription price</b>                | 100%   |
| <b>Minimum subscription per investor</b> | MAD 240 per share  |
| <b>Amount of the Offer</b>               | No minimum   |
| <b>Subscription ceiling per investor</b> | <ul style="list-style-type: none"><li>- For all investors, except UCITS, 10% of the total number of shares offered as part of the Operation, representing 125,000 shares, i.e. MAD 30,000,000;</li><li>- For UCITS, (excluding money market and short-term UCITS), the minimum between:<ul style="list-style-type: none"><li>✓ 10% of the global number of shares offered as part of the Operation, representing 125,000 shares, i.e. MAD 30,000,000, and</li><li>✓ 10% of the net assets of the UCITS corresponding to the net asset value as of January 28, 2022.</li></ul></li></ul>  |
| <b>Placement</b>                         | <ul style="list-style-type: none"><li>- For qualified investors of Moroccan Law as defined by Article 3 of Law no. 44-12 and Article 1.30 of AMMC Circular no. 03/19, amended and supplemented by AMMC circular no. 02/20, excluding UCITS: Co-leaders</li></ul>   |

|                                     |   |
|-------------------------------------|---|
|                                     | <p>of the Placement Syndicate;</p> <ul style="list-style-type: none"> <li>- For UCITS under Moroccan law (excluding money market and short-term UCITS): All members of the Placement Syndicate;</li> <li>- For qualified investors of foreign law as defined by article 1.30 paragraph (c) of the AMMC circular no. 03/19, amended and supplemented by AMMC circular no. 02/20: Co-leaders of the Placement Syndicate;</li> <li>- For other categories of investors, except for monetary and short-term bond UCITS: All members of the Placement Syndicate.</li> </ul>  |
| <p><b>Subscription coverage</b></p> | <ul style="list-style-type: none"> <li>- For natural or legal persons of Moroccan or foreign law (non-qualified), subscriptions must be covered at 100% by: <ul style="list-style-type: none"> <li>✓ An effective deposit (cheque, cash or transfer) on the subscriber's account, and/or;</li> <li>✓ A collateral consisting in securities according to the following modalities: <ul style="list-style-type: none"> <li>• Government bonds: taken at a maximum of 100% of the value on the subscription date;</li> <li>• Money market UCITS with daily net asset value: taken at a maximum of 100% of the value on the subscription date;</li> <li>• Units of UCITS with daily net asset value (except money-market funds), term deposits, and listed shares: taken at 80% maximum of the value at the subscription date.</li> </ul> </li> </ul> </li> <li>- For qualified investors of Moroccan law: no coverage at the time of subscription.</li> <li>- For qualified investors of foreign law (i) justifying of more than one year of existence on the date of subscription of the current operation or (ii) having already carried out a transaction on the primary or secondary market of the Casablanca Stock Exchange: no coverage at the time of subscription.</li> <li>- For qualified investors of foreign law (i) not having more than one year of existence on the date of subscription of this operation and (ii) not having already carried out a transaction on the primary or secondary market of the Casablanca Stock Exchange: 30 % coverage by an effective deposit (cheque, cash or transfer) or 100 % by a bank guarantee.</li> </ul> <p>The coverage by collateral is subject to the appreciation of each member of the Placement Syndicate retained by the subscriber. The subscription coverage in cash, check, transfer and/or collateral will have to remain blocked, until allotment of securities on February 9, 2022.</p> |
| <p><b>Allocation methods</b></p>    | <ul style="list-style-type: none"> <li>- 1<sup>st</sup> allocation: by iteration up to 300 shares per subscriber;</li> <li>- 2<sup>nd</sup> allocation: allocation of the remainder in proportion to the excess of applications over the 300 shares.</li> </ul>   |

## II. Financial instruments offered

### II.1. Characteristics of the securities offered

|                                      |  |
|--------------------------------------|--|
| <b>Nature of the securities</b>      | Mutandis SCA ordinary shares, all of the same class  |
| <b>Legal form</b>                    | The shares, subject of this operation, will all be bearer shares. These shares are entirely dematerialized by registration in an account with authorized financial intermediaries and admitted to trading on Maroclear.                                    |
| <b>Amount of the operation</b>       | MAD 300,000,000  |
| <b>Number of shares to be issued</b> | 1,250,000 new shares   |
| <b>Issue price</b>                   | MAD 240 per share  |
| <b>Nominal value per unit</b>        | MAD 100 per share  |
| <b>Issue premium per unit</b>        | MAD 140 per share  |
| <b>Payment of the issued shares</b>  | The offered shares will be fully paid up and free of any commitment.   |
| <b>Line of listing</b>               | 1 <sup>st</sup> line   |
| <b>Entitlement date<sup>1</sup></b>  | January 1, 2021 (common entitlement of the new shares, fully assimilated to the existing shares)   |
| <b>Subscription period</b>           | From January 31 to February 4, 2022 at 3:30 pm inclusive   |
| <b>Tradability of shares</b>         | The shares subject to this operation are freely tradable.<br>There is no statutory clause restricting the free trading of the shares making up the Company's capital.<br>No commitment restricts the free trading of the shares subject to this Operation. |
| <b>Method of payment of shares</b>   | In cash (excluding any payment by way of set-off against liquid and due receivables from the Company)  |
| <b>Listing of new shares</b>         | The shares to be issued within the framework of this capital increase will be admitted to the Main Market, compartment "Main B" of the Casablanca Stock Exchange   |
| <b>ISIN code</b>                     | MA0000012395   |
| <b>Listing date of new shares</b>    | February 15, 2022  |

<sup>1</sup> The new shares will give right to the distribution of profits or allocation of reserves that may be decided by the Company as from the date of final completion of the capital increase, it being specified for all intents and purposes that the new shares to be created by the Company by virtue of the capital increase will not give right to any distribution of profits or allocation of reserves, premiums or reduction of capital of any kind whatsoever, distributed before the date of completion of the Operation.

|   |  |
|---|--|
| <b>Rights attached to the newly issued shares</b> | All shares have the same rights in the distribution of profits and liquidation surpluses. Each share gives the right to one vote at the General Meetings. The newly issued shares have no additional rights or privileges compared to the old shares.  |
| <b>Preferential subscription right</b>            | The Extraordinary General Meeting of limited partners held on November 8, 2021 decided to cancel the shareholders' preferential subscription right in favor of the public for all the shares to be issued under the Operation. This preferential subscription right has been cancelled in order to allow the largest possible public to participate in this Operation. |

## II.2. Listing characteristics of the shares to be issued

|   |                             |
|---|-----------------------------|
| <b>Scheduled listing date</b>                           | February 15, 2022           |
| <b>Name</b>   | MUTANDIS SCA                |
| <b>Ticker</b>   | MUT                         |
| <b>Listing compartment</b>                              | Main B                      |
| <b>Sector of activity</b>                               | Agribusiness and Production |
| <b>Trading cycle</b>                                    | Continuous                  |
| <b>Listing line</b>                                     | 1 <sup>st</sup> line        |
| <b>Number of shares to be issued</b>                    | 1,250,000 shares            |
| <b>Registration body of the Operation (seller side)</b> | CFG Marchés                 |

## II.3. Elements used to assess the terms of the offer

### II.3.1 Subscription price determination

In accordance with the powers granted to him by the Extraordinary General Meeting of limited partners held on November 8, 2021, the Manager has decided, among other things, on January 20, 2022 to increase the registered capital by an amount of MAD 300,000,000, through the issue of 1,250,000 new shares at a subscription price of MAD 240 per share (of which MAD 100 as nominal value and MAD 140 as issue premium). He has also fixed the Operation's final characteristics.

### II.3.2 Valuation methodology

#### Discarded valuation methods

Considering in particular the Company's capacity to foresee the future evolution of its activity and the relatively significant level of liquidity of its shares on the Casablanca Stock Exchange (34.9%<sup>1</sup> over a period of 12 months running from January 19, 2021 to January 19, 2022), the valuation methods based on (i) the discounting of

<sup>1</sup> Liquidity ratio = sum of traded volumes 12M / weighted average market capitalization 12M

future cash flows and (ii) the stock exchange prices have been retained by the financial co-advisors as being the most appropriate for the valuation of the Company's equity within the framework of this Operation.

As a result, other valuation methods, such as stock market or transactional comparables, have been discarded.

### Retained valuation methods

#### Method of the Discounted Cash Flows (DCF)

The Discounted Cash-Flows method is a renowned method for determining the intrinsic value of a company.

This method consists of calculating the value of the economic assets of a company (enterprise value) by the sum of the future cash flows generated by the company (free cash flow to the firm) discounted at the weighted average cost of capital. The weighted average cost of capital (WACC) represents the return requirement of the providers of funds (shareholders and creditors) weighted by their respective levels of commitment to the financing of the company's economic assets. Once the enterprise value has been determined, the value of its equity is obtained by deducting the net debt and the minority interests and adding the value of non-operating assets.

#### Method of stock market quotes

Valuation by stock market quotes consists of assessing the value of a company by reference to its stock market quotes observed over similar periods. The relevance of this method is mainly based on the efficiency of the stock market and on the liquidity of the share.

Mutandis SCA being a company listed on the Casablanca Stock Exchange and presenting a relatively significant liquidity of 34.9%<sup>1</sup> (over a period of 12 months going from 19/01/2021 to 19/01/2022), the stock market quotes enable an estimation of the value of its equity based on weighted quotes per volumes over a representative time horizon.

### II.3.3 Valuation of Mutandis SCA's equity

#### Valuation using the DCF method

##### Main assumptions of the pre-money business plan

**The forecasts below are based on assumptions made by Mutandis Group's management, the realization of which is by nature uncertain. Actual results may differ significantly from the information presented. These forecasts are provided for information purposes only and cannot be considered as a firm or implicit commitment on the part of the Issuer, especially since they are derived from Mutandis' pre-money business plan, which does not take into account the cash flows that would be generated by the new projects planned by the Group.**

#### General assumptions

The pre-money business plan (i.e. not taking into account the impact of the capital increase covered by this Operation) used as a basis for the DCF valuation has been prepared by Mutandis' management on an explicit 6-year horizon (2022e - 2027p) taking into account the landing as of end-2021 (unaudited).

The main assumptions of the pre-money business plan are presented below:

#### Turnover assumptions

The table below shows the breakdown of projected turnover by range over the period 2021a<sup>2</sup> - 2027<sup>p</sup>:

<sup>1</sup> Liquidity ratio = sum of traded volumes 12M / weighted average market capitalization 12M

<sup>2</sup> 2021 landing - unaudited



| In kMAD          | 2021a            | 2022e            | 2023p            | 2024p            | 2025p            | 2026p            | 2027p            | AAGR 21a-27p      |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| <b>Turnover</b>  | <b>1 652 543</b> | <b>2 022 871</b> | <b>2 082 513</b> | <b>2 145 423</b> | <b>2 189 242</b> | <b>2 233 027</b> | <b>2 277 687</b> | <b>5.5%</b>       |
| Detergents       | 618 734          | 691 938          | 710 000          | 730 000          | 744 600          | 759 492          | 774 682          | 3.8%              |
| Seafood products | 483 981          | 545 387          | 561 749          | 578 601          | 590 173          | 601 977          | 614 016          | 4.0%              |
| Season Brand     | 190 349          | 413 610          | 426 019          | 438 799          | 447 575          | 456 527          | 465 657          | 2.4% <sup>1</sup> |
| Beverage Bottles | 287 656          | 289 332          | 298 012          | 306 953          | 313 092          | 319 353          | 325 741          | 2.1%              |
| Fruit juice      | 70 925           | 82 603           | 86 733           | 91 070           | 93 802           | 95 678           | 97 591           | 5.5%              |
| Holding          | 898              | (0)              | -                | -                | -                | -                | -                | -100.0%           |

Source: Mutandis

Mutandis Group's consolidated turnover is expected to grow over the period 2021<sup>a</sup>– 2027<sup>p</sup> at an AAGR of 5.5% to reach MMAD 2,278 in 2027<sup>p</sup> against MMAD 1,653 in 2021<sup>a</sup>.

This growth would be mainly due to the increase in sales that Mutandis expects on its product lines:

- **Detergents:** average annual growth in sales of 3.8% linked to the growth in household consumption linked to the recovery of the national economy in the wake of the pandemic<sup>2</sup> and the launch of new product categories in 2021<sup>a</sup> such as washing powder for washing machines ;
- **Seafood products:** average annual growth in revenues of 4.0% linked to the ongoing migration towards products (SPSA sardines and mackerel) and markets with higher added value and better margins. In fact, the signing in 2019 of new export and distribution contracts on the US market will accelerate the commercial shift (out of fragmented markets and into larger, higher margin markets). This shift is also accompanied by a change in the product mix in favor of SPSA, whose selling prices are higher in the US than in Europe ;
- **Season Brand:** joining Mutandis Group's portfolio of brands in 2021, the acquisition of Season would add MMAD 413 to the Group's turnover, in full year 2022. An average annual growth in revenues of 2.4% is expected over the period 2022<sup>e</sup>-2027<sup>p</sup>, after a very strong increase in sales in 2021, driven by a craze for the brand's products during the pandemic ;
- **Beverage bottles:** average annual growth in sales of 2.1% linked to the recovery in household consumption across all segments in the wake of the pandemic, as well as the launch of production of new products for new customers, in particular the new generation of carbonated beverage caps (Short-neck) for Coca-Cola since 2021, as well as new caps, preforms and handles for oil and juice in 2022. The year 2023 will mark a full year of turnover on all these new projects ;
- **Fruit juice:** average annual growth in sales of 5.5% under the effect of the marketing effort made by Mutandis on the Marrakech brand, the launch of new products and the strengthening of the distribution force for Marrakech products;
- The item "**Holding**" represents the marginal part of the turnover realized by Mutandis outside the group, (i.e. different invoicing of services of managers outside the group). It would remain nil over the forecast period 2021<sup>a</sup> - 2027<sup>p</sup>.

#### EBITDA assumptions

The table below shows the breakdown of EBITDA by range over the period 2021<sup>a</sup> - 2027<sup>p</sup>:

<sup>1</sup> 2022<sup>e</sup> – 2027<sup>p</sup> AAGR

<sup>2</sup> According to a December 10, 2021, IMF statement, "after contracting by 6.3% in 2020, GDP is expected to grow by 6.3 % in 2021, one of the highest rates in the MENA region. The economic recovery is expected to continue over the next few years, despite the aftermath of the pandemic. Economic growth is expected to be around 3% in 2022, assuming an average agricultural season and a continued recovery in non-agricultural activities."

| In kMAD                         | 2021a          | 2022e          | 2023p          | 2024p          | 2025p          | 2026p          | 2027p          | AAGR 21a-27p      |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|
| <b>EBITDA</b>                   | <b>219 161</b> | <b>243 296</b> | <b>318 786</b> | <b>331 317</b> | <b>338 038</b> | <b>344 810</b> | <b>351 717</b> | <b>8.2%</b>       |
| Detergents                      | 97 114         | 85 160         | 126 653        | 129 573        | 132 165        | 134 808        | 137 504        | 6.0%              |
| <i>EBITDA margin in % of TA</i> | <i>15.7%</i>   | <i>12.3%</i>   | <i>17.8%</i>   | <i>17.7%</i>   | <i>17.7%</i>   | <i>17.7%</i>   | <i>17.7%</i>   |                   |
| Seafood products                | 53 035         | 55 507         | 75 899         | 81 598         | 83 230         | 84 895         | 86 593         | 8.5%              |
| <i>EBITDA margin in % of TA</i> | <i>11.0%</i>   | <i>10.2%</i>   | <i>13.5%</i>   | <i>14.1%</i>   | <i>14.1%</i>   | <i>14.1%</i>   | <i>14.1%</i>   |                   |
| Season Brand                    | 25 564         | 63 828         | 65 743         | 67 715         | 69 070         | 70 451         | 71 860         | 2.4% <sup>1</sup> |
| <i>EBITDA margin in % of TA</i> | <i>13.4%</i>   | <i>15.4%</i>   | <i>15.4%</i>   | <i>15.4%</i>   | <i>15.4%</i>   | <i>15.4%</i>   | <i>15.4%</i>   |                   |
| Beverage bottles                | 48 016         | 47 778         | 56 817         | 58 471         | 59 640         | 60 833         | 62 050         | 4.4%              |
| <i>EBITDA margin in % of TA</i> | <i>16.7%</i>   | <i>16.5%</i>   | <i>19.1%</i>   | <i>19.0%</i>   | <i>19.0%</i>   | <i>19.0%</i>   | <i>19.0%</i>   |                   |
| Fruit juice                     | 7 067          | 5 169          | 7 796          | 8 353          | 8 604          | 8 776          | 8 951          | 4.0%              |
| <i>EBITDA margin in % of TA</i> | <i>10.0%</i>   | <i>6.3%</i>    | <i>9.0%</i>    | <i>9.2%</i>    | <i>9.2%</i>    | <i>9.2%</i>    | <i>9.2%</i>    |                   |
| Holding                         | -11 636        | -14 146        | -14 122        | -14 394        | -14 671        | -14 953        | -15 241        | 4.6%              |

Source: Mutandis

Mutandis Group's consolidated EBITDA is expected to increase over the period 2021<sup>a</sup> - 2027<sup>p</sup> following an AAGR of 8.2% to reach MMAD 352 in 2027<sup>p</sup> against MMAD 219 in 2021<sup>a</sup>.

This growth would be mainly due to the increase in revenues, the addition of a new American canned food brand (Season brand) to the Group's brand portfolio and the controlled growth of common expenses over the period 2021<sup>a</sup>-2027<sup>p</sup>:

- **Detergents:** average annual EBITDA growth of 6.0% linked to the moderate increase in revenues (3.8%) combined with a contraction in margins due to higher raw material costs ;
- **Seafood products:** average annual growth in EBITDA of 8.5%, that would be due to increased volumes, improved yields and better control of operating expenses, in particular the cost of fish purchases and staff costs ;
- **Season Brand:** this acquisition would add MMAD 63 to the Group's EBITDA, in full-year 2022. An average annual growth in EBITDA of 2.4% is expected over the period 2022<sup>e</sup>-2027<sup>p</sup>, in line with turnover growth;
- **Beverage bottles:** average annual growth in EBITDA of 4.4% thanks to a 2.1% increase in revenues and the addition of new customers/products with higher added value, including new generation caps for carbonated drinks (Short-neck) for Coca-Cola since 2021 and new caps, preforms and handles for oil and juice in 2022 ;
- **Fruit juice:** average annual growth in EBITDA of 4.0%, in line with the increase in turnover following the relaunch of the Marrakech brand. In view of the industrial solutions (PET preforms and caps) provided by the Beverage bottles activity, Mutandis would be able to capitalize on its control of costs linked to the packaging of juices as well as on the distribution strength of the Detergents activity in order to accompany this growth. It should be noted that by the end of the BP, Marrakech products would regain their historical market share of 15%<sup>2</sup> against 6.9% in 2020 ;
- The item "**Holding**" corresponds to the common income or expenses of the Group borne by the holding company Mutandis SCA.

#### Current operating income assumptions

The table below shows the breakdown of profit from current operations by range over the period 2021<sup>a</sup> - 2027<sup>p</sup>:

<sup>1</sup> 2022<sup>e</sup> – 2027<sup>p</sup> AAGR

<sup>2</sup> 2017 market share of the Marrakech brand

| In kMAD                               | 2021a          | 2022e          | 2023p          | 2024p          | 2025p          | 2026p          | 2027p          | AAGR 21a-27p      |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|
| <b>Current operating income (COI)</b> | <b>129 407</b> | <b>153 705</b> | <b>226 552</b> | <b>237 296</b> | <b>242 163</b> | <b>247 086</b> | <b>252 109</b> | <b>11.8%</b>      |
| Detergents                            | 64 741         | 52 849         | 91 609         | 94 360         | 96 247         | 98 172         | 100 136        | 7.5%              |
| <i>COI margin in % of TA</i>          | <i>10.5%</i>   | <i>7.6%</i>    | <i>12.9%</i>   | <i>12.9%</i>   | <i>12.9%</i>   | <i>12.9%</i>   | <i>12.9%</i>   |                   |
| Seafood products                      | 23 837         | 25 859         | 45 343         | 51 029         | 52 049         | 53 090         | 54 152         | 14.7%             |
| <i>COI margin in % of TA</i>          | <i>4.9%</i>    | <i>4.7%</i>    | <i>8.1%</i>    | <i>8.8%</i>    | <i>8.8%</i>    | <i>8.8%</i>    | <i>8.8%</i>    |                   |
| Season Brand                          | 25 146         | 62 752         | 64 943         | 67 715         | 69 070         | 70 451         | 71 860         | 2.7% <sup>1</sup> |
| <i>COI margin in % of TA</i>          | <i>13.2%</i>   | <i>15.2%</i>   | <i>15.2%</i>   | <i>15.4%</i>   | <i>15.4%</i>   | <i>15.4%</i>   | <i>15.4%</i>   |                   |
| Beverage bottles                      | 33 880         | 31 090         | 38 656         | 36 965         | 37 704         | 38 458         | 39 228         | 2.5%              |
| <i>COI margin in % of TA</i>          | <i>11.8%</i>   | <i>10.7%</i>   | <i>13.0%</i>   | <i>12.0%</i>   | <i>12.0%</i>   | <i>12.0%</i>   | <i>12.0%</i>   |                   |
| Fruit Juice                           | -3 579         | -1 979         | 2 686          | 4 168          | 4 293          | 4 379          | 4 466          | >100%             |
| <i>COI margin in % of TA</i>          | <i>-5.0%</i>   | <i>-2.4%</i>   | <i>3.1%</i>    | <i>4.6%</i>    | <i>4.6%</i>    | <i>4.6%</i>    | <i>4.6%</i>    |                   |
| Holding                               | -14 618        | -16 865        | -16 686        | -16 941        | -17 201        | -17 465        | -17 733        | 3.3%              |

Source: Mutandis

The current operating income of the Mutandis Group should increase over the period 2021<sup>a</sup> - 2027<sup>p</sup> following an AAGR of 11.8% to reach MMAD 252 in 2027<sup>p</sup> compared to MMAD 129 in 2021<sup>a</sup> in connection with the growth in EBITDA, higher than the evolution of depreciation and amortization and the projected stability of the item "other operating expenses", which includes mainly the attendance fees paid to the board members.

The increase in Mutandis' current operating income is more particularly driven by the entry of Season brand into the group and the performance of the Detergents and Seafood product lines.

- **Detergents:** average annual growth in current operating income of 7.5%, in line with the stability of EBITDA and depreciation;
- **Seafood products:** average annual growth of 14.7% in income from operations before non-recurring items, in line with the projected increase in EBITDA over the period (+8.5% per year on average), greater than the increase in depreciation and amortization over the same period, which reflects the investment policy focused primarily on renewal and maintenance;
- **Season Brand:** This acquisition would add MAD 63 million in operating income from recurring operations in full-year 2022. The average annual growth in operating income from recurring activities of 2.7% is in line with the projected increase in EBITDA (+2.4% per year on average) over the period 2022<sup>e</sup>-2027<sup>p</sup>. It should be noted that this activity has very low depreciation;
- **Beverage bottles:** average annual growth in operating income before non-recurring items of 2.5%, due to the effect of the increase in EBITDA (+4.4% per year on average), greater than the change in depreciation and amortization expense;
- **Fruit juice:** shift from a negative EBIT of MMAD 3.6 in 2021<sup>a</sup> to MMAD 4 in 2027<sup>p</sup> under the combined effect of the increase in EBITDA (+4.0% per annum on average) and the decrease in depreciation and amortization expenses linked to the total amortization of the Capex for the launch of the brand;
- The item "**Holding**" corresponds mainly to the common expenses of the Group borne by the holding company Mutandis SCA.

#### Corporate income tax and solidarity contribution assumptions

Corporate income tax is calculated in accordance with the standard tax rates applicable in the countries in which the Company operates.

Indeed, the 2022 Finance Act provides for a corporate tax rate of 26% for companies in the industrial sector whose net profit is less than 100 million dirhams. The current tax rate in the United States for Season is 25%.

<sup>1</sup> 2022e – 2027p AAGR

The business plan also takes into account the social solidarity contribution<sup>1</sup> in Morocco, enforced in 2021 and 2022 at current rates. As a precaution, the rate in effect in 2022 is projected over the entire forecast period.

#### Working capital requirement assumptions

The table below shows the breakdown of WCR by range over the period 2021<sup>a</sup> - 2027<sup>p</sup>:

| In kMAD              | 2021a          | 2022e          | 2023p          | 2024p          | 2025p          | 2026p          | 2027p          | AAGR 21a-27p |
|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|
| <b>WCR</b>           | <b>264 064</b> | <b>276 992</b> | <b>284 731</b> | <b>292 688</b> | <b>298 606</b> | <b>304 578</b> | <b>310 670</b> | <b>2.7%</b>  |
| <i>In days of TA</i> | <i>57.5d</i>   | <i>49.3d</i>   | <i>49.2d</i>   | <i>49.1d</i>   | <i>49.1d</i>   | <i>49.1d</i>   | <i>49.1d</i>   |              |
| Detergents           | -12 789        | -14 302        | -14 675        | -15 089        | -15 394        | -15 702        | -16 016        | 3.8%         |
| <i>In days of TA</i> | <i>n.a</i>     | <i>n.a</i>     | <i>n.a</i>     | <i>n.a</i>     | <i>n.a</i>     | <i>n.a</i>     | <i>n.a</i>     |              |
| Seafood products     | 105 484        | 125 127        | 127 908        | 130 773        | 133 417        | 136 086        | 138 807        | 4.7%         |
| <i>In days of TA</i> | <i>78.5d</i>   | <i>82.6d</i>   | <i>82.0d</i>   | <i>81.4d</i>   | <i>81.4d</i>   | <i>81.4d</i>   | <i>81.4d</i>   |              |
| Season Brand         | 109 833        | 103 204        | 106 328        | 109 545        | 111 759        | 113 995        | 116 275        | 2.4%         |
| <i>In days of TA</i> | <i>207.7d</i>  | <i>89.8d</i>   | <i>89.9d</i>   | <i>89.9d</i>   | <i>89.9d</i>   | <i>89.9d</i>   | <i>89.9d</i>   |              |
| Beverage bottles     | 53 943         | 54 258         | 55 885         | 57 562         | 58 726         | 59 900         | 61 098         | 2.1%         |
| <i>In days of TA</i> | <i>67.5d</i>   | <i>67.5d</i>   | <i>67.5d</i>   | <i>67.5d</i>   | <i>67.5d</i>   | <i>67.5d</i>   | <i>67.5d</i>   |              |
| Fruit juice          | 11 701         | 13 628         | 14 309         | 15 024         | 15 328         | 15 635         | 15 947         | 5.3%         |
| <i>In days of TA</i> | <i>59.4d</i>   | <i>59.4d</i>   | <i>59.4d</i>   | <i>59.4d</i>   | <i>58.8d</i>   | <i>58.8d</i>   | <i>58.8d</i>   |              |
| Holding              | -4 108         | -4 922         | -5 024         | -5 127         | -5 231         | -5 335         | -5 442         | 4.8%         |

Source: Mutandis

The WCR would rise from MMAD 264 in 2021a to MMAD 311 in 2027p, an average increase of 2.7% per year due mainly to the addition of a WCR of MAD 110 million linked to the new Season Brand range acquired in 2021.

The WCR of the other product lines is mainly driven by the following items:

- **Detergents:** Mutandis benefits on this range from a financing resource considering that traditional customers (grocery stores) pay their purchases in cash, while suppliers grant payment terms up to 180 days;
- **Seafood products:** End of the inventory reduction policy in line with the commercial shift undertaken, i.e. the migration towards higher value-added products and markets with better margins, and stabilization of the WCR at a normative level of nearly 81 days of revenues;
- **Season Brand:** Maintenance of the historical average normative WCR expressed in days of revenues, which would be 89.8 days. It should be noted that the level recorded in 2021<sup>a</sup> is explained in particular by the recognition of the WCR balance at the end of the fiscal year, over 5 months of turnover only, as opposed to a full year of turnover as of 2022;
- **Beverage bottles:** Maintenance of the historical average normalized WCR expressed in days of revenues, which stands at nearly 67.5 days of revenues.
- **Fruit juice:** Normalization of WCR by 2021<sup>a</sup> through optimization of raw material and packaging inventories, an objective achieved over the last 5 years in the Detergents business, which would be repeated in the Fruit juice business.

#### Investment assumptions

The table below shows the evolution of investments over the 2021<sup>a</sup> - 2027<sup>p</sup> period:

<sup>1</sup> Contribution introduced by the government as part of the 2021 Finance Act in order to strengthen the mobilization of resources (from individuals and companies) for populations particularly affected by the COVID-19 crisis. In 2022, the social solidarity contribution was renewed.

| In kMAD     | 2021a   | 2022e  | 2023p  | 2024p  | 2025p  | 2026p  | 2027p  | AAGR 22e-27p |
|-------------|---------|--------|--------|--------|--------|--------|--------|--------------|
| Investments | 332 081 | 78 898 | 72 364 | 72 481 | 72 481 | 72 481 | 72 481 | -1.7%        |

Source: Mutandis

Excluding the acquisition of Season brand (MMAD 278<sup>1</sup>), capital expenditure is expected to increase by an average of 6.1% per annum over the period 2021<sup>a</sup>-2027<sup>p</sup>, reflecting an investment policy focused on maintaining and improving assets across all product lines.

#### Medium and long-term debt assumptions

The table below shows changes in net financial debt over the period 2021<sup>a</sup>-2027<sup>p</sup>:

| In kMAD                  | 2021a        | 2022e        | 2023p        | 2024p        | 2025p        | 2026p        | 2027p        | AAGR 21a-27p |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net debt (D)             | 783 239      | 815 374      | 779 083      | 729 342      | 657 526      | 585 710      | 513 894      | -6.8%        |
| Shareholders' equity (E) | 960 295      | 965 661      | 1 024 743    | 1 095 619    | 1 169 346    | 1 245 920    | 1 325 399    | 5.5%         |
| <i>Gearing (D/E)</i>     | <i>81.6%</i> | <i>84.4%</i> | <i>76.0%</i> | <i>66.6%</i> | <i>56.2%</i> | <i>47.0%</i> | <i>38.8%</i> |              |

Source: Mutandis

At the end of 2027<sup>p</sup>, Mutandis group's net financial debt should amount to MMAD 514 (compared to MMAD 783 in 2021<sup>a</sup>), thus recording a decrease of 6.8% per year on average over the analyzed period. In 2021<sup>a</sup>, the Group's net financial debt is mainly carried by the debt contracted for the acquisition of Season before starting a phase of decrease at an average annual rate of 8.8% between 2022<sup>e</sup> and 2027<sup>p</sup> following the progressive repayment of the latter.

The gearing follows this trend to reach 38.8% in 2027<sup>p</sup> (against 81.6% in 2021<sup>a</sup>). Mutandis thus improves its financial autonomy over the forecast period.

As a reminder, the forecasts displayed above are pre-money. Mutandis will proceed to the partial repayment of the debt contracted for the acquisition of Season up to MMAD 200 following the completion of the Operation.

#### Dividend assumptions

The table below shows the expected distribution of dividends to limited partners over the 2021<sup>a</sup>-2027<sup>p</sup> period:

| In kMAD  | 2021a      | 2022e      | 2023p      | 2024p      | 2025p      | 2026p      | 2027p      | AAGR 21a-27p |
|--|------------|------------|------------|------------|------------|------------|------------|--------------|
| Net income (A)                                       | 60 956     | 74 026     | 127 740    | 139 536    | 142 385    | 145 233    | 148 138    | 16.0%        |
| Dividends distributed to limited partners in n+1 (B) | 67 972     | 67 972     | 67 972     | 67 972     | 67 972     | 67 972     | 67 972     | 0.0%         |
| Profit attributable to the general partner           | 687        | 687        | 687        | 687        | 687        | 687        | 687        | 0.0%         |
| Distribution rate (B) / (A)                          | 111.5%     | 91.8%      | 53.2%      | 48.7%      | 47.7%      | 46.8%      | 45.9%      | -13.8%       |
| Number of shares                                     | 7 996 737  | 7 996 737  | 7 996 737  | 7 996 737  | 7 996 737  | 7 996 737  | 7 996 737  | 0.0%         |
| Net income per share (in MAD)                        | 7.6        | 9.3        | 16.0       | 17.4       | 17.8       | 18.2       | 18.5       | 16.0%        |
| <b>Dividend per share (in MAD)</b>                   | <b>8.5</b> | <b>8.5</b> | <b>8.5</b> | <b>8.5</b> | <b>8.5</b> | <b>8.5</b> | <b>8.5</b> | <b>0.0%</b>  |

Source: Mutandis

Subject to the realization of the assumptions defined in Mutandis' business plan and to the approval by the shareholders, the amount of dividends distributed to the limited partners over the forecast horizon should remain stable at MMAD 68 per year, corresponding to a dividend per share of MAD 8.5.

It is understood that the Manager and the Ordinary General Meeting shall decide each year on the actual amount to be distributed, taking into account the cash flow requirements, as well as the investment and development forecasts of the Company.

<sup>1</sup> The acquisition of Season Brand LLC was carried out at a total price of MMAD 403, of which MMAD 278 related to the acquisition of the Season brand. The remainder corresponds essentially to the acquisition of the company's working capital items.

It should be noted that the Manager proposed to the members of the Supervisory Board that the dividend distributed in 2022 in respect of the financial year 2021 be maintained at MAD 8.5 per share. This proposal was approved by the Supervisory Board on December 9, 2021 and will be submitted to the approval of the General Meeting. Thus, the new shareholders of Mutandis, within the framework of the current Operation, will receive this dividend per share in the same way as the former shareholders.

#### Summary of the main consolidated aggregates of the pre-money business plan

The main consolidated aggregates of Mutandis' pre-money business plan are presented in the following table:

| In kMAD                             | 2021a        | 2022e        | 2023p        | 2024p        | 2025p        | 2026p        | 2027p        | AAGR 21a-27p |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Turnover                            | 1 652 543    | 2 022 871    | 2 082 513    | 2 145 423    | 2 189 242    | 2 233 027    | 2 277 687    | 5.5%         |
| <i>Variation in %</i>               | <i>18.4%</i> | <i>22.4%</i> | <i>2.9%</i>  | <i>3.0%</i>  | <i>2.0%</i>  | <i>2.0%</i>  | <i>2.0%</i>  |              |
| EBITDA                              | 219 161      | 243 296      | 318 786      | 331 317      | 338 038      | 344 810      | 351 717      | 8.2%         |
| <i>EBITDA margin in %</i>           | <i>13.3%</i> | <i>12.0%</i> | <i>15.3%</i> | <i>15.4%</i> | <i>15.4%</i> | <i>15.4%</i> | <i>15.4%</i> |              |
| Current operating income            | 129 407      | 153 705      | 226 552      | 237 296      | 242 163      | 247 086      | 252 109      | 11.8%        |
| <i>Operating income margin in %</i> | <i>7.8%</i>  | <i>7.6%</i>  | <i>10.9%</i> | <i>11.1%</i> | <i>11.1%</i> | <i>11.1%</i> | <i>11.1%</i> |              |
| Net investments                     | 332 081      | 78 898       | 72 364       | 72 481       | 72 481       | 72 481       | 72 481       | -22.4%       |
| <i>in % of turnover</i>             | <i>20.1%</i> | <i>3.9%</i>  | <i>3.5%</i>  | <i>3.4%</i>  | <i>3.3%</i>  | <i>3.2%</i>  | <i>3.2%</i>  |              |
| Net debt                            | 783 239      | 815 374      | 779 083      | 729 342      | 657 526      | 585 710      | 513 894      | -6.8%        |
| <i>Gearing (D/E)</i>                | <i>81.6%</i> | <i>84.4%</i> | <i>76.0%</i> | <i>66.6%</i> | <i>56.2%</i> | <i>47.0%</i> | <i>38.8%</i> |              |

Source: Mutandis

#### Presentation of the method (DCF)

The DCF method measures the ability of a company to create value. This value creation results from the difference between the return on invested capital and the remuneration demanded by shareholders and financial backers.

This valuation method provides a dynamic view of a company's value and is based on projections of free cash flows generated by operations, taking into consideration the main factors that influence the value of the economic assets of companies. These cash flows are then discounted using a rate that takes into account the target financial structure and the intrinsic risk.

The enterprise value (EV) as of January 1, 2022<sup>e</sup>, also known as the economic asset value, is estimated by discounting the projected free cash flows and includes:

- The present value of free cash flows over the explicit time horizon (January 1, 2022<sup>e</sup> to December 31, 2027<sup>p</sup>);
- The terminal value (TV) representing the value of the business at the end of the explicit horizon. It is determined based on the Gordon Shapiro method by discounting to infinity the normative free cash flow:

$$\text{Terminal Value} = \frac{\text{Normative Flow}}{\text{WAAC} - g}$$

Where:

- Normative Flow: Flow calculated based on the aggregates of the last available cash flow at the horizon of the business plan, and on the following elements:
  - ✓ Perpetual growth rate of 2% applied to projected EBITDA in 2027<sup>p</sup>;
  - ✓ Working capital requirement maintained at 49,1 days of revenues corresponding to the 2027<sup>p</sup> level;
  - ✓ Normative investments of 72 MMAD, corresponding to the level of 2027<sup>p</sup>, i. e. 3.2% of turnover.
- WAAC: Weighted Average Cost of Capital;
- g: Perpetual growth rate of 2%, in line with the International Monetary Fund (IMF) forecasts for inflation and demographic growth in Morocco in October 2021;

The Equity Value (Ev) is obtained as follows:

$$E_v = VE - NFD + NOA - MI$$

Where:

- Ev: Equity Value as of January 1, 2022<sup>p</sup>;
- NFD: Net Financial Debt as of December 31, 2021<sup>e</sup>;
- NOA: Non-operating assets;
- MI: Minority interests.

#### WACC calculation

The discount rate used is equal to the Weighted Average Cost of Capital (WACC). This latter is calculated as follows:

$$WACC = E_c \times \frac{E}{D + E_v} + D_c \times (1 - T_{itr}) \times \frac{D}{D + E_v}$$

Where:

- E<sub>c</sub>: Equity cost;
- E: Equity value;
- D: value of net debt with a target gearing (D/E) of 42.9%;
- D<sub>c</sub>: Market cost of debt of 4.5% corresponding to the current financing conditions of Mutandis;
- T<sub>itr</sub>: Income tax rate of 28.1% corresponding to the forecast tax rate in 2027<sup>p</sup>.

The equity cost stands at 8.6%. It is calculated as follows:

$$E_c = r_f + (\beta_l \times m_r)$$

Where:

- r<sub>f</sub>: risk-free rate, corresponding to the yield of 10-year Moroccan Treasury bills maturing on January 7, 2022, i.e. 2.4%;
- β<sub>l</sub>: Leveraged beta of 0.96 corresponding to the average of leveraged betas published by Equity Research teams covering Mutandis;
- m<sub>r</sub>: Equity market risk premium (i.e. 6.5%<sup>1</sup>).

Based on the elements presented above, the Weighted Average Cost of Capital retained for Mutandis is 7.0%.

| Mutandis WACC                                      |             |
|--|-------------|
| Risk-free rate - 10-year BDT as of January 7, 2022 | 2.4%        |
| Market risk premium                                | 6.5%        |
| Corporate income tax rate                          | 28.1%       |
| Leveraged beta                                     | 0.96        |
| Target Gearing (D/E)                               | 42.9%       |
| <b>Equity cost</b>                                 | <b>8.6%</b> |
| <b>Debt cost (net of tax)</b>                      | <b>3.2%</b> |
| <b>WACC</b>  | <b>7.0%</b> |

<sup>1</sup> Average risk premiums of CFG Research (coming out at 5.2% and obtained by a prospective method) published in October 2021, Attijari Intermédiation (coming out at 5.6% and obtained by survey) published in May 2021, BMCE Capital Research (coming out at 7.9% and obtained by a prospective method) published in October 2021 and Upline Corporate Finance coming out at 7.2% and obtained by a historical method.

**DCF method results**

| In kMAD   | 2022e            | 2023p          | 2024p          | 2025p          | 2026p          | 2027p          | Normative flow   |
|---|------------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Turnover  | 2 022 871        | 2 082 513      | 2 145 423      | 2 189 242      | 2 233 027      | 2 277 687      | 2 323 241        |
| EBITDA  | 243 296          | 318 786        | 331 317        | 338 038        | 344 810        | 351 717        | 358 752          |
| Theoretical CIT on operating income                         | -43 201          | -63 676        | -66 696        | -68 064        | -69 448        | -70 859        | -79 252          |
| Change in WCR   | -12 928          | -7 739         | -7 957         | -5 977         | -5 972         | -6 092         | -6 213           |
| Investments   | -78 898          | -72 364        | -72 481        | -72 481        | -72 481        | -72 481        | -72 481          |
| <b>Free cash flow</b>                                       | <b>108 268</b>   | <b>175 007</b> | <b>184 183</b> | <b>191 516</b> | <b>196 909</b> | <b>202 286</b> | <b>200 805</b>   |
| <b>Terminal value</b>                                       |                  |                |                |                |                |                | <b>4 012 141</b> |
| <b>Discounted FCFF</b>                                      | <b>101 181</b>   | <b>152 844</b> | <b>150 327</b> | <b>146 080</b> | <b>140 361</b> | <b>134 754</b> | <b>2 672 719</b> |
| Sum of discounted FCFF 2022 <sup>e</sup> -2027 <sup>p</sup> | 825 547          |                |                |                |                |                |                  |
| Discounted terminal value                                   | 2 672 719        |                |                |                |                |                |                  |
| <b>Enterprise value</b>                                     | <b>3 498 267</b> |                |                |                |                |                |                  |
| Consolidated net debt 2021 <sup>a</sup>                     | -816 482         |                |                |                |                |                |                  |
| Value of non-strategic investment <sup>1</sup>              | +118 846         |                |                |                |                |                |                  |
| Minority interest <sup>2</sup>                              | -13 534          |                |                |                |                |                |                  |
| <b>Value of 100% of equity</b>                              | <b>2 787 096</b> |                |                |                |                |                |                  |
| <b>Equity value limited partners' share (99%)</b>           | <b>2 759 225</b> |                |                |                |                |                |                  |
| <b>MAD / share</b>  | <b>345</b>       |                |                |                |                |                |                  |

Based on a discount rate of 7.0% and a perpetual growth rate of 2%, the value of the equity of Mutandis' limited partners' share amounts to MMAD 2,759, i.e. a value per share of MAD 345.

<sup>1</sup> Mutandis holds a 5.5% stake in CFG Bank (non-operating assets), with a market value of MMAD 118 (net of deferred taxes) valued on the basis of a share price of MAD 399.71, corresponding to the price at which the last capital increase of CFG Bank was concluded in August 2021.

<sup>2</sup> Minority interests were obtained by applying to the book value the induced 2021<sup>e</sup> P/B multiple determined by the DCF method, around 3x.



The table below presents a sensitivity analysis of the value of the equity of Mutandis' limited partners' share (in MMAD) to the WACC and to the perpetual growth rate:

| Perpetual growth rate | WACC |       |       |       |       |       |
|-----------------------|------|-------|-------|-------|-------|-------|
|                       |      | 6.3%  | 6.7%  | 7.0%  | 7.3%  | 7.7%  |
| 1.5%                  |      | 2 945 | 2 690 | 2 498 | 2 309 | 2 131 |
| 2.0%                  |      | 3 297 | 2 988 | 2 759 | 2 536 | 2 329 |
| 2.5%                  |      | 3 740 | 3 357 | 3 079 | 2 811 | 2 566 |
| 3.0%                  |      | 4 316 | 3 826 | 3 478 | 3 149 | 2 852 |

The table below presents a sensitivity analysis of the value per share of Mutandis SCA (in MAD), to the WACC and the perpetual growth rate:

| Perpetual growth rate | WACC |      |      |      |      |      |
|-----------------------|------|------|------|------|------|------|
|                       |      | 6.3% | 6.7% | 7.0% | 7.3% | 7.7% |
| 1.5%                  |      | 368  | 336  | 312  | 289  | 267  |
| 2.0%                  |      | 412  | 374  | 345  | 317  | 291  |
| 2.5%                  |      | 468  | 420  | 385  | 352  | 321  |
| 3.0%                  |      | 540  | 478  | 435  | 394  | 357  |

#### Valuation by the stock market quotes method

The table below shows Mutandis' stock quotes as of January 19, 2022 and the volume weighted average quotes observed over 1, 3 and 6 month periods:

|                       | Quote |       |       | Market capitalization (in mMAD) |
|-----------------------|-------|-------|-------|---------------------------------|
|                       | Min   | Max   | WAC   |                                 |
| Spot as of 19/01/2022 |       | 254.5 |       | 2 035.2                         |
| 1 month               | 243.1 | 255.0 | 246.2 | 1 968.7                         |
| 3 months              | 240.0 | 257.0 | 246.6 | 1 971.9                         |
| 6 months              | 240.0 | 270.0 | 253.1 | 2 024.4                         |
| Average               |       |       | 248.6 | 1 988.3                         |

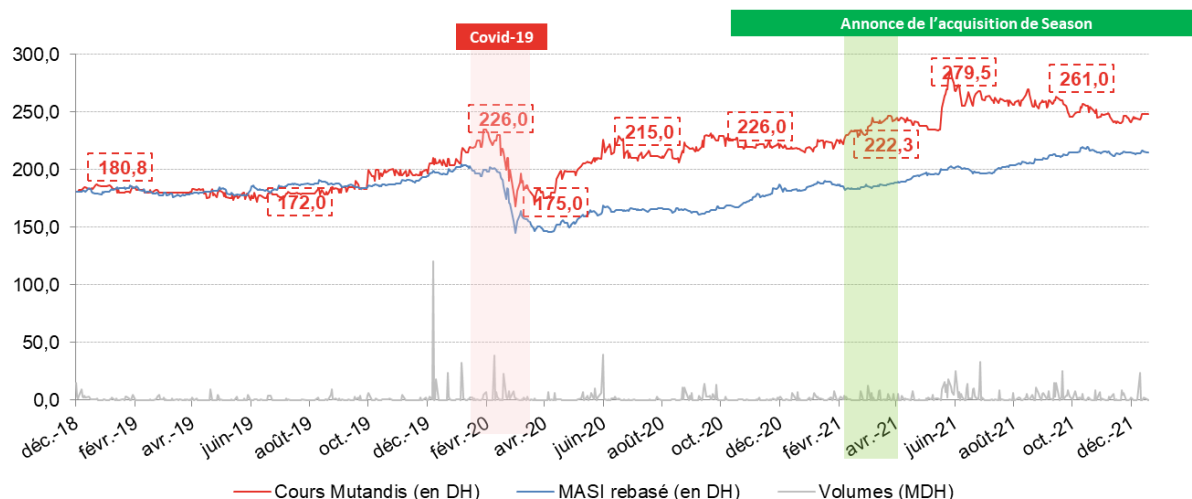
Source: Casablanca Stock Exchange

For all the horizons studied, the last quote used for the calculation of the WAC is the Mutandis share price on January 19, 2022.

Taking into account (i) the nature of the transaction, (ii) the evolution of the share price and (iii) the volumes traded on the market, the 1-month, 3-month and 6-month WACs have been retained as the most relevant weighted average quotes as they take into account the evolution of the share price after the announcement of the acquisition of Season (in June 2021).

The weighted average quotes of Mutandis shares calculated over the periods of 1 month, 3 months and 6 months are respectively 246.2, 246.6 and MAD 253.1/share, i.e. an equity valuation of MMAD 1,968.7, MMAD 1,971.9 and MMAD 2,024.4 respectively.

The following graph shows the evolution of Mutandis SCA share price since the Company's IPO (December 18, 2018) until January 19, 2022:



Source: Casablanca Stock Exchange

Mutandis' share price recorded a 40.6% increase (vs. a 22.7% increase in MASI) over the study period (between December 18, 2018 and January 19, 2022)<sup>1</sup>.

**It is to be noted that during the period analyzed, Mutandis SCA shares have not been subject to any listing suspension.**

#### II.3.4. Summary of the valuation methods retained

The table below shows the level of discount of the subscription price of the shares subject to the current Operation (i.e. MAD 240/share including the issue premium) compared to the value per share resulting from the valuation methods used:

| Summary (in mMAD, unless indicated)           | DCF           | WAC          |
|---|---------------|--------------|
| Value of equity limited partners' share (99%) | 2 759         | 1 988        |
| In MAD / share                                | 345           | 249          |
| <b>Subscription price (MAD / share)</b>       | <b>240</b>    | <b>240</b>   |
| <b>Discount to the subscription price</b>     | <b>-30.4%</b> | <b>-3.5%</b> |

Based on a retained price per share of MAD 240<sup>2</sup>, the resulting valuation multiples are as follows:

| Multiple induced          | 2021a | 2022e | 2023p |
|---------------------------|-------|-------|-------|
| VE/EBITDA                 | 11.7x | 10.8x | 8.3x  |
| P/E                       | 31.5x | 26.0x | 15.0x |
| Pre-money dividend yield  | 3.5%  | 3.5%  | 3.5%  |
| Post-money dividend yield | 3.5%  | 3.5%  | 3.5%  |

Subject to the realization of the assumptions defined in the Mutandis business plan and to the approval of the shareholders, the usual dividend distributed to the limited partners (existing and new) in 2022 and 2023 respectively for the financial years 2021 and 2022 should amount to MAD 8.5 per share.

<sup>1</sup> A detailed analysis of Mutandis' stock market performance is presented in Part II section III «Tradability of capital securities" of the update no.1 of the reference document for the 2020 financial year.

<sup>2</sup> Corresponding to an equity value of the limited partners' share of MMAD 1,900

### III. Framework of the Operation

#### IV.1. General Framework of the Operation

Mugest, acting as Manager of Mutandis SCA, took on September 15, 2021 the decisions relating to the following main points:

- Proposal to authorize an increase in the share capital up to a maximum amount (including the issue premium) of MAD 300,000,000, by issuing new shares with a MAD 100 nominal value each, to be issued at a subscription price (including the issue premium) comprised within a range between MAD 240 and MAD 300 per share, reserved to the public with cancellation of the existing shareholders' preferential subscription right;
- Proposal of charging the expenses of the increase in registered capital of a maximum amount (including the issue premium) of MAD 300,000,000 on the amount of the issue premium relating to the increase in capital;
- Proposal to amend Article 7 (Share Capital) of the Company's Articles of Association in order to reflect the new amount of the share capital and the new number of shares;
- Convening of an Extraordinary Shareholders' Meeting for November 8, 2021 in order to deliberate on the capital increase operation and its terms.

The Extraordinary General Meeting of limited partners, held on November 8, 2021, after having listened to the manager's report and the auditors' report on the cancellation of the shareholders' preferential subscription rights and after having noticed that the capital is fully paid up, authorized an increase in the share capital reserved to the public up to a maximum amount (including the issue premium) MAD 300,000,000 by issuing a maximum of 1,250,000 new shares with a MAD 100 nominal value each, to be issued at a subscription price (including the issue premium) comprised within a range between MAD 240 and MAD 300 per share.

The new shares will be fully subscribed for and paid up in cash (excluding any payment by way of set-off against liquid and due debts on the Company).

The new shares will bear current dividend so as to be totally assimilated to the existing shares of the Company as from the date of the final carrying out of the capital increase.

Consequently, the new shares will give right to the distribution of profits or allocation of reserves which could be decided by the Company as from the date of final completion of the capital increase, it being specified for all purposes that the new shares to be created by the Company by virtue of the capital increase will not give right to any distribution of profits or allocation of reserves or premiums, of any nature whatsoever, paid before the date of completion of the aforementioned capital increase.

The same assembly took the following decisions:

- Cancellation of the shareholders' preferential subscription rights in favor of the public for the entire capital increase;
- Charging, subject to the condition precedent of the completion of the capital increase, of the expenses arising from the said capital increase to the amount of the related issue premium;
- Correlative amendment of the Company's articles of association, namely article 7;
- Delegation of the widest powers to the Manager in order to:
  - ✓ Fix the definitive amount of the capital increase within the limit of the authorized amount and fix the subscription price within the range referred to above (nominal and issue premium);
  - ✓ Fix the terms and conditions for the final realization of the capital increase as well as the characteristics of the said operation, proceed with the correlative amendment of the articles of association in order to reflect the new amount

of the share capital, carry out the necessary steps for the realization of the said capital increase, record the subscription, the payment and the final realization of the capital increase;

- ✓ Charge the costs of the capital increase to the issue premium;
- ✓ and, generally, take all useful measures and carry out all formalities necessary for the final realization of the capital increase.

The Manager noted by decision dated November 8, 2021, the concordance of the votes of the limited partners and the general partner with regard to the adoption of the decisions referred to in the minutes of the Extraordinary General Meeting of the limited partners and the general partner dated November 8, 2021.

On January 20, 2022, the Managing Partner of the Company, using the delegation of powers granted to him by the Extraordinary General Meeting of the limited partners on November 8, 2021 and the general partner on November 8, 2021, decided to:

- Increase the registered capital by an amount of MAD 300,000,000 including the issue premium through the issue of 1,250,000 new shares at a subscription price per share of MAD 240 (i.e. MAD 100 as nominal amount and MAD 140 as issue premium);
- Fix the final terms and conditions for the completion of the capital increase as well as the characteristics of the said Operation.

The total contribution of the capital increase will be of an amount of MAD 300,000,000, of which MAD 125,000,000 as nominal amount and MAD 175,000,000 as issue premium.

The Company's share capital will be increased from MAD 799,673,700 to MAD 924,673,700.

The Operation must be entirely subscribed for. Otherwise, it will be cancelled.

#### IV.2. Objectives of the Operation

Given the size and development prospects of the Company, the Operation would allow to achieve the following main objectives:

- to partially finance the acquisition of Season Brand LLC in the United States of America, through the partial repayment up to MMAD 200 of the bank debt raised for this purpose; and
- to increase the free float of the Company and to allow institutional investors and the general public to access and/or strengthen their position in the Company's capital.

As a reminder, on June 2, 2021, Mutandis and RAB Food Group signed an agreement providing for the acquisition by Mutandis of 100% of the shares of Season Brand LLC, a company based in New Jersey, USA. The closing of the operation took place at the end of July 2021 and the final acquisition price amounts to MMAD 403. This operation was financed in dirhams by a consortium of Moroccan banks for an amount of MMAD 370, (of which MMAD 200 repayable upon completion of the Operation).

#### IV.3. Intention of shareholders, members of the Supervisory Board, Manager and executives

To the knowledge of Mutandis SCA, (i) shareholders holding at least 5% of the share capital of the Company, (ii) members of the Supervisory Board, (iii) Mugest and the managers of Mutandis SCA could subscribe to the Operation.

#### IV.4. Guarantee of successful completion of the Operation

The Operation, subject of this securities note, does not benefit from any successful completion guarantee.

#### IV.5. Target investors of the Operation

With the exception of money market and short-term bond UCITS, this Operation targets all categories of investors, namely:

- Natural Persons, resident or non-resident, of Moroccan or foreign nationality;

- Legal Entities, of Moroccan or foreign Law, not belonging to the categories of qualified investors as defined by Article 3 of Law no. 44-12 and by Article 1.30 of AMMC Circular no. 03/19 amended and supplemented by AMMC circular no. 02/20 and justifying of more than one year of existence on the subscription date;
- Qualified investors of Moroccan Law as defined by Article 3 of Law no. 44-12 and Article 1.30 of AMMC Circular no. 03/19, amended and supplemented by AMMC circular no. 02/20, except money market and short-term bond UCITS;
- Qualified investors of foreign law as defined by Article 1.30 paragraph (c) of the AMMC circular no. 03/19, amended and supplemented by AMMC circular no. 02/20.

## IV.6. Impact of the Operation

### IV.6.1. Impact of the Operation on the Group's consolidated equity

Following the completion of the Operation, Mutandis' consolidated equity<sup>1</sup> will be as follows:

| In mMAD unless indicated   | Pre-operation situation as of 30/06/2021 | Impact of the Operation | Post-operation situation |
|----------------------------|--|-------------------------|--------------------------|
| Number of shares (unit)    | 7 996 737                                | 1 250 000               | 9 246 737                |
| Share capital              | 799.7                                    | 125.0                   | 924.7                    |
| Capital premiums           | 150.8                                    | 175.0                   | 325.8 <sup>2</sup>       |
| <b>Consolidated equity</b> | <b>947.4</b>                             | <b>300.0</b>            | <b>1 247.4</b>           |

Source: Mutandis

### IV.6.2. Impact of the Operation on the Company's equity

Following the completion of the Operation, Mutandis' equity will be as follows:

| In mMAD unless indicated   | Pre-operation situation as of 30/06/2021 | Impact of the Operation | Post-operation situation |
|----------------------------|--|-------------------------|--------------------------|
| Number of shares (unit)    | 7 996 737                                | 1 250 000               | 9 246 737                |
| Share capital              | 799.7                                    | 125.0                   | 924.7                    |
| Capital premiums           | 132.9                                    | 175.0                   | 307.9 <sup>3</sup>       |
| <b>Consolidated equity</b> | <b>1 018.9</b>                           | <b>300.0</b>            | <b>1 318.9</b>           |

Source: Mutandis

### IV.6.3. Impact of the Operation on the Company's shareholding structure

Following the completion of the Operation, Mutandis' shareholding structure will be as follows:

| Shareholders                    | Pre-operation situation as of 10/12/2021 |        | Post-operation situation |        |
|---------------------------------|--|--------|--------------------------|--------|
|                                 | Nb. of shares                            | %      | Nb. of shares            | %      |
| Bank of Africa                  | 832 458                                  | 10.41% | 832 458                  | 9.00%  |
| Adil Douiri                     | 637 989                                  | 7.98%  | 637 989                  | 6.90%  |
| Amethis Maghreb Fund I          | 452 916                                  | 5.66%  | 452 916                  | 4.90%  |
| Patrimoine Gestion et Placement | 546 977                                  | 6.84%  | 546 977                  | 5.92%  |
| RMA                             | 582 355                                  | 7.28%  | 582 355                  | 6.30%  |
| Best Financière                 | 247 851                                  | 3.10%  | 247 851                  | 2.68%  |
| Other shareholders              | 4 696 191                                | 58.73% | 4 696 191                | 50.79% |
| New shareholders                | -  | -      | 1 250 000                | 13.52% |

<sup>1</sup> In accordance with IFRS accounting standards

<sup>2</sup> The amount excluding the expenses that will be linked to the Operation will be charged to the related issue premium

<sup>3</sup> The amount excluding the expenses that will be linked to the Operation will be charged to the related issue premium..

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|              |                  |             |                  |             |
|--------------|------------------|-------------|------------------|-------------|
| <b>TOTAL</b> | <b>7 996 737</b> | <b>100%</b> | <b>9 246 737</b> | <b>100%</b> |
|--------------|------------------|-------------|------------------|-------------|

Source: Mutandis

By way of illustration, the impact of the capital increase on a minority shareholder holding 1% of the capital and not participating in the Operation is presented below:

| Shareholders         | Current number of shares | Current holding % | Number of new shares | Number of post-operation shares | Post-Operation holding % | % of dilution |
|----------------------|--------------------------|-------------------|----------------------|---------------------------------|--------------------------|---------------|
| Minority shareholder | 79 967                   | 1.0%              | 0                    | 79 967                          | 0.86%                    | 0.14%         |

Source: Mutandis

#### IV.6.4. Impact of the Operation on indebtedness

Upon completion of the capital increase, Mutandis will proceed to the early repayment of a bridging loan amounting to MMAD 200 (contract no. 9<sup>1</sup>) contracted in the framework of the acquisition of Season. It is to be noted that a partial release on 50% of the pledged shares (Distra) will be granted following the said repayment. The service of the residual debt (contract no. 10<sup>2</sup>), which will remain after the completion of the Operation, should be ensured by the flows generated by Season (dividend flows).

#### IV.6.5. Impact of the Operation on governance

The Operation, subject of this securities note, should not have any impact on the governance of Mutandis SCA.

#### IV.6.6. Impact of the Operation on strategic orientations

The Operation, subject of this securities note, will enable the Company to pursue its development strategy and to achieve its objectives as specified in section III.2 "Objectives of the operation" of this securities note.

### IV.7. Expenses related to the Operation

#### IV.7.1. Various commissions

The expenses relating to the Operation, which will be borne by the Issuer, are estimated at approximately 1,9% of the amount of the capital increase. These expenses include the commissions paid to:

- the financial advisors;
- the legal advisor;
- the members of the placement syndicate;
- the statutory auditor;
- the communication agencies;
- the account holder;
- The AMMC;
- The Casablanca Stock Exchange;
- the central depository Maroclear;
- the translation agency.

In accordance with the decision of the Extraordinary General Meeting of limited partners held on November 8, 2021, all costs arising from the capital increase will be charged to the amount of the issue premium resulting from the capital increase.

#### IV.7.2. Commissions charged to subscribers

As part of the current Operation, each PS member undertakes explicitly and irrevocably, towards the Issuer, the Global Financial Advisor and Coordinator, the Co-Financial Advisor, the PS Leader, the PS Co-Leaders and

<sup>1</sup> The main characteristics of contract no. 9 are detailed in update no. 1 of the Reference Document for the 2020 financial year registered on January 18, 2022 under reference EN/EM/002/2022 (Part II. Section III.2.Bank Debt).

<sup>2</sup> The main characteristics of contract no. 10 are detailed in update no. 1 of the Reference Document for the 2020 financial year registered on January 18, 2022 under reference EN/EM/002/2022 (Part II. Section III.2.Bank Debt).

the other PS members, to charge to subscribers, for all orders registered on the Casablanca Stock Exchange, the following commissions:

- 0.1 % (excluding taxes) for the Casablanca Stock Exchange as an admission commission due to it at the time of registration on the Stock Exchange;
- 0.2% (excluding taxes) as settlement and delivery commissions;
- 0.6% (excluding taxes) for the brokerage firm. It is applied on the amount corresponding to the effective allocation at the time of settlement / delivery.

The value added tax (VAT) at the rate of 10% will be applied as an additional charge.

In order to ensure equal treatment of subscribers, whatever the place of subscription, each PS member formally and expressly undertakes not to apply any kind of rebate to subscribers nor any kind of repayment, simultaneously or after subscription.

#### IV.7.3. Placement fees charged to the Issuer

The PS members will receive a commission of:

- 1% excluding taxes on allotted amounts corresponding to orders submitted by Natural Persons or Corporate Entities of Moroccan or foreign Law;
- 0,7% excluding taxes on amounts allotted corresponding to orders submitted by qualified investors of foreign Law;
- 0,4% excluding taxes on allotted amounts corresponding to orders submitted by qualified investors of Moroccan Law.

This commission, due by the Issuer, will be collected by CFG Marchés, which will be in charge of paying on Bank Al-Maghrib accounts of each IP member its share, within the 15 days following the receipt by CFG Marchés of the PS member's invoice. The Casablanca Stock Exchange will be in charge of communicating to CFG Marchés and AMMC, at the end of the allotment, the results of subscriptions and the amounts raised by PS member and by category of investors.



**Part II. CONDUCT OF THE OPERATION**

## I. Operation schedule

The following table presents the Operation's schedule:

| Order | Steps   | Date       |
|-------|---|------------|
| 1     | Issue by the Casablanca Stock Exchange of the Operation approval notice   | 21/01/2022 |
| 2     | Approval by the AMMC of the prospectus  | 21/01/2022 |
| 3     | Receipt by the Casablanca Stock Exchange of the AMMC-approved prospectus  | 21/01/2022 |
| 4     | Publication of the prospectus extract on the Issuer's website   | 21/01/2022 |
| 5     | Publication by the Casablanca Stock Exchange of the notice relating to the Operation  | 24/01/2022 |
| 6     | Publication of a press release by the Issuer in a newspaper of legal announcements  | 25/01/2022 |
| 7     | Opening of the subscription period  | 31/01/2022 |
| 8     | Closing of the subscription period at 3.30 p.m. inclusive   | 04/02/2022 |
| 9     | Receipt of subscriptions by the Casablanca Stock Exchange before 6.30 p.m.  | 04/02/2022 |
| 10    | Centralization and consolidation of subscriptions   | 07/02/2022 |
| 11    | Processing of rejections by the Casablanca Stock Exchange   | 08/02/2022 |
| 12    | Allocation of subscriptions and remittance by the Casablanca Stock Exchange of the subscription list to the Issuer<br>Delivery by the Casablanca Stock Exchange of the allocations by account holder to the co-leaders of the PS before 12:00 p.m.<br>Delivery by the Casablanca Stock Exchange of allotments of securities to PS members before 12.00 p.m. | 09/02/2022 |
| 13    | Holding of the meeting of the Issuer's body having to note the final carrying out of the Operation  | 10/02/2022 |
| 14    | Receipt by the Casablanca Stock Exchange of the minutes of the Issuer's body having noted the carrying out of the Operation before 6.30 p.m.  | 11/02/2022 |
| 15    | Listing of the new shares<br>Registration of the operation on the Stock Exchange<br>Publication of the results of the Operation in the listing bulletin   | 15/02/2022 |
| 16    | Publication of the results of the Operation in a newspaper of legal announcements and on the Issuer's website   | 18/02/2022 |
| 17    | Settlement / Delivery of new securities   | 18/02/2022 |

## II. Placement syndicate and financial intermediaries

| Type of financial intermediaries         | Name  | Address   |
|--|---|---|
| Financial co-advisors                    | CFG Finance                                     | 5-7, rue Ibnou Toufail, Casablanca                                    |
|  | Attijari Finances Corp                          | 163, avenue Hassan II, Casablanca                                     |
|  | Upline Corporate Finance                        | 162, angle bd. Anfa et rue Molière, Casablanca                        |
| Co-leaders of the placement syndicate    | CFG Marchés                                     | 5-7, rue Ibnou Toufail, Casablanca                                    |
|  | Attijari Intermédiation                         | 163, avenue Hassan II, Casablanca                                     |
|  | Upline Securities                               | 101, bd Zerktouni, Casablanca   |
| Other members of the placement syndicate | Al Barid Bank                                   | Angle bd. Ghandi et bd. Brahim Roudani, n° 798 bd. Ghandi, Casablanca |
|  | Alma Finance Groupe                             | 92, boulevard d'Anfa, Casablanca                                      |
|  | Artbourse                                       | 16, Rue Ksar Sghir CIL, Casablanca                                    |
|  | Atlas Capital Bourse                            | 88, rue Benbrahim El Marrakchi, quartier Hippodrome, Casablanca       |
|  | Attijariwafa Bank                               | 2, bd. Moulay Youssef, Casablanca                                     |
|  | Banque Centrale Populaire                       | 101, bd. Zerktouni, Casablanca  |
|  | Bank of Africa                                  | 140, avenue Hassan II, Casablanca                                     |
|  | BMCE Capital Bourse                             | 63, Boulevard Moulay Youssef, 3 <sup>ème</sup> étage, Casablanca      |
|  | BMCI  | 26, place des Nations Unies, Casablanca                               |
|  | BMCI Bourse                                     | Bd. Bir Anzarane, imm. Romandie I, Casablanca                         |
|  | Capital Trust Securities                        | 50, bd. Rachidi, Casablanca   |
|  | CDG Capital Bourse                              | 9, bd. Kennedy, Anfa Sup, Casablanca                                  |
|  | CFG Bank  | 5-7, rue Ibnou Toufail, Casablanca                                    |
|  | Crédit Agricole du Maroc                        | Place des Alouyine, Rabat   |
|  | Crédit du Maroc                                 | 48, bd. Mohammed V, Casablanca  |
|  | CIH Bank  | 187, avenue Hassan II, Casablanca                                     |
|  | ICF Al Wassit                                   | 101 Boulevard Mohamed Zerktouni, Casablanca                           |
|  | M.S.I.N   | Imm. Zénith, Rés. Tawfiq, Sidi Maârouf, Casablanca                    |
| Red Med Securities                       | 23, Rue Ibnou Hilal Quartier Racine, Casablanca |   |
| Société Générale                         | 55, bd Abdelmoumen, Casablanca                  |   |

|   |                    |   |
|---|--------------------|---|
|   | Sogecapital Bourse | 55, bd Abdelmoumen, Casablanca                      |
|   | Valoris Securities | Angle Route El Jadida et rue Abou Dhabi, Casablanca |
| <b>Body in charge of the financial service of the securities</b>                                  | CFG Marchés        | 5-7, rue Ibnou Toufail, Casablanca                  |
| <b>Centralizing body</b>  | CFG Bank           | 5-7, rue Ibnou Toufail, Casablanca                  |
| <b>Body in charge of the registration of the securities on the stock exchange (seller's side)</b> | CFG Marchés        | 5-7, rue Ibnou Toufail, Casablanca                  |

### VI.1. Capital ties with the financial intermediaries participating in the Operation

It should be noted that on the eve of the Operation:

- Mutandis SCA holds a 5.5% stake in the capital of CFG Bank, parent company of CFG Finance and CFG Marchés;
- Mr. Adil Douiri, manager of Mugest, itself manager of Mutandis SCA, is Chairman of CFG Bank's Board of Directors;
- Mrs. Souad Benbachir, member of the Supervisory Board of Mutandis SCA is also General Manager of CFG Bank.

There is no other financial and commercial relationship between CFG Finance, Attijari Finances Corp, Upline Corporate Finance on the one hand and Mutandis SCA on the other hand, apart from the mandate of advisory that binds them. Besides, Attijari Finances Corp. has accompanied Mutandis SCA within the framework of the operation of acquisition of Season Brand through a contractual relation of financial advisory now ended. Also, the partial financing of the acquisition of Season Brand has been realized through a bank credit with Attijariwafa Bank and Banque Centrale Populaire, reference shareholders respectively of Attijari Finances Corp. and Upline Corporate Finance.

## III. Subscription terms and conditions

### VII.1. Subscription period

Mutandis SCA shares, subject of this securities note, could be subscribed for from January 31 to February 4<sup>th</sup> 2022 inclusive at 3.30 p.m.

### VII.2. Subscription conditions

#### (a) Opening of accounts

Except for minor children and incapacitated adults, subscription operations are recorded in a securities and cash account in the subscriber's name, opened with the same PS member with whom the subscription is made. If the latter does not have the status of account keeper, the account may be opened with an institution having the status of account keeper.

Any person wishing to subscribe with a PS member must have or open an account with the said member. The PS member will comply with the legislation in force for the opening of accounts and will request at least the following documents:

- Copy of the client's identification document (national identity card), residence permit, trade register, passport, etc.);
- Account opening contract duly signed by the subscriber and the PS member in case the client has not already signed it.

The opening of accounts can only be carried out by the subscriber themselves.

Account openings for minor children can only be carried out by the father, mother, tutor or legal representative of the minor child.

It is strictly forbidden to open an account by proxy.

Subscriptions on behalf of third parties are authorized within the framework of a portfolio management mandate including an express clause allowing it.

For minors and incapacitated adults, subscriptions may be registered either on their accounts or on that of the persons authorized to subscribe on their behalf, i.e. the father, mother, tutor or legal representative of the minor child or the incapacitated adult.

#### (b) Subscription terms and conditions

All subscriptions must be expressed in number of securities.

Each subscriber will be able to transmit only one subscription order.

Subscriptions will be carried out using the subscription form available at the PS members' offices and integrated in the present operation note. A copy of the subscription form must be handed over to the subscriber with acknowledgement of receipt.

The subscription forms must be signed by the subscriber (or their proxy within the framework of a portfolio management mandate allowing it), validated and time-stamped by the PS member.

Subscriptions are irrevocable after the closing of the subscription period.

All PS members, including those who will proceed to the collection of orders via an Internet platform, commit themselves to respect the procedure of subscription collection.

PS members must make sure, prior to the acceptance of a subscription, that the subscriber has the financial capacity to honor their commitments. They are thus bound to accept subscription orders from any person entitled to participate in the Operation, provided that the said person provides the necessary financial guarantees. The PS members are bound to keep in the file relating to their client's subscription the documents and vouchers which enabled them to ensure the said financial capacity.

Each PS member undertakes to require their client to cover their subscription according to the category to which they belong:

✓ **For natural and legal persons under Moroccan or foreign law:**

Subscriptions must be covered at 100% by:

- an effective deposit (remittance of check, cash or transfer) on the subscriber's account. and/or;
- a collateral consisting of securities according to the following modalities:
  - government bonds: taken up to a maximum of 100% of the value on the subscription date;
  - Money market funds with daily net asset value: taken up to a maximum of 100% of the value on the subscription date;
  - UCITS units with daily net asset value (excluding money market funds), term deposits, listed shares: up to a maximum of 80% of the value on the subscription date.

✓ **For qualified investors under Moroccan law:**

- No coverage

✓ **For qualified investors governed by foreign law (i) justifying more than one year of existence on the subscription date of this Operation or (ii) having already carried out an operation on the primary or secondary market of the Casablanca Stock Exchange:**

- No coverage

- ✓ For qualified investors governed by foreign law (i) not having been in existence for more than one year on the subscription date of this Operation and (ii) not having already carried out an operation on the primary or secondary market of the Casablanca Stock Exchange:
  - Coverage at 30% by an effective deposit (remittance of check, cash or bank transfer) or at 100% by a bank guarantee.

The PS members who will proceed to the collection of orders via an internet platform will have to respect the following rules:

- the client must be clearly identified, and the act of subscription materialized (time stamping and archiving of subscription orders);
- the Prospectus must be made available to the subscriber;
- all the information on the subscription form must be sent to the client prior to subscription
- the subscription must be validated only if the cash account has a sufficient balance to cover it according to the terms of coverage defined in this Prospectus or if the guarantor or collateral covers it in full according to the terms of coverage defined in this Prospectus;
- the amount of coverage must be blocked immediately after subscription;
- the client must be informed that their subscription will be rejected in the event of a defect in the collateral;
- the PS members who will proceed to the collection of orders via an internet platform will have to close the subscription period at the same time as the other PS members, i.e. on February 4, 2022 at 3:30 p.m.;
- the PS members who will collect orders through an internet platform will have to make sure that the subscription limits are respected;
- the PS members who will proceed to the collection of orders via an internet platform must, before validating the subscription, receive the acceptance of the terms and conditions of the Operation from the subscriber or have the subscriber validate a form of final confirmation of the subscription summarizing the characteristics of the Operation and the subscription order (a copy of the said confirmation must be filed by the PS member).

It should be noted that the PS members who will collect orders via an internet platform will reject subscriptions in case of lack of coverage according to the terms presented in the Prospectus or incomplete file (example: absence of an e-mail of acceptance of the terms of the Operation, absence of family book for subscriptions of minors, etc.).

Subscriptions by PS members or their collaborators for their own accounts must be made on the first day of the subscription period.

### (c) Subscription on behalf of third parties

Subscriptions on behalf of third parties are authorized in the following cases:

- Subscriptions on behalf of minors under the age of 18 or on behalf of incapable adults are authorized provided that they are made by the father, mother, tutor or legal representative of the minor or incapable adult. The members of the placement syndicate are required, if they do not already have one, to obtain a copy of the page of the family record book showing the date of birth of the minor child or to obtain a receipt for the incapable person of full age when opening an account or subscribing for the account of the minor or incapable person of full age in question, as the case may be, and to attach it to the subscription form. In this case, the transactions are carried either to an account opened in the name of the minor child or the incapable person of full age, or to the securities or cash account opened in the name of the father, mother, tutor or legal representative;
- subscriptions on behalf of minors or incapable adults must be made with the same PS member with whom the subscription of the father, mother, tutor or legal representative was made;

- in the case of a portfolio management mandate, the manager may subscribe on behalf of the client whose portfolio they manage only by presenting a power of attorney duly signed and legalized by their principal or the management mandate if the latter makes express provision to that effect. Moroccan or foreign management companies are exempted from presenting such proofs for the UCITS they manage;
- any agent within the framework of a portfolio management mandate may transmit only one order on behalf of the same third party.

Subscriptions from qualified investors governed by foreign law may be communicated (i) directly to a PS member or (ii) through an international intermediary (broker) approved by a market authority which is a member of the International Organization of Securities Commissions (IOSCO) and has an account with a PS member. The latter acts solely as a business introducer, the settlement and delivery will be made directly between the qualified investors under foreign law and the PS member.

#### (d) Multiple Subscriptions

Multiple subscriptions are prohibited. Thus, a same subscriber can subscribe only once to the Operation.

Each subscriber can transmit only one Order on behalf of each minor child or of incapable adult.

Subscriptions on behalf of minor children can only be made through one parent only. Any subscription on behalf of minor children by both parents is considered as a multiple subscription.

Individuals subscribing on behalf of minor children and incapable adults must subscribe through a single PS member. Any subscription on behalf of minor children with several PS members is considered as a multiple subscription.

Subscriptions made with several PS members, including those made on behalf of minor children or incapacitated adults, are prohibited.

All subscription orders not complying with the above conditions will be void in their entirety (see procedure of control and registration by the Casablanca Stock Exchange).

#### (e) Identification of subscribers

The PS members must ensure that the subscriber belongs to one of the categories defined below. As such, they must obtain a copy of the document attesting the subscriber's belonging to the category and attach it to the subscription form.

In addition, each entity in charge of the placement must ensure that the subscriber's representative has the capacity to act on behalf of the subscriber either in their capacity as legal representative or under a mandate from which they benefit.

| Subscriber Category                                     | Documents to be attached   |
|---|--|
| <b>Resident natural persons of Moroccan nationality</b> | Photocopy of national identity card or passport.   |
| <b>Moroccan natural persons residing abroad</b>         | Photocopy of national identity card or passport.   |
| <b>Resident non-Moroccan natural persons</b>            | Photocopy of residence card or passport.   |
| <b>Non-resident, non-Moroccan natural persons</b>       | Photocopy of passport.   |
| <b>Minor child</b>                                      | Photocopy of the page of the family record book certifying the child's date of birth.                    |
| <b>Incapable adult</b>                                  | Any document proving incapacity, at the discretion of the PS member.                                     |
| <b>Legal entities under Moroccan law</b>                | Photocopy of the commercial register proving more than one year's existence on the date of subscription. |

|   |   |
|---|---|
| <b>Legal entities under foreign law</b>                   | Photocopy of the commercial register or equivalent document that is authentic in the country of origin and that proves that the company belongs to the category, and that it has been in existence for more than one year on the date of subscription.  |
| <b>Moroccan Associations</b>                              | Photocopy of the articles of association and photocopy of the receipt of deposit of the file justifying more than one year of existence on the subscription date.   |
| <b>(excluding money market and short-term bond UCITS)</b> | Photocopy of the approval decision and additionally:<br>For Mutual Funds: the certificate of deposit at the court registry.<br>For open-ended investment companies (SICAV): the certificate of deposit at the court registry and the model of the entries in the commercial register.   |
| <b>Qualified Moroccan investors (excluding UCITS)</b>     | Photocopy of the articles of association and all documents and evidence that can attest to the fulfillment of the conditions required for the status of qualified investor.<br>The legal entities referred to in paragraph (e) of Article 1.30 of AMMC Circular No. 03/19 amended and supplemented by the AMMC circular no. 02/20, must provide proof of AMMC's agreement to their status as qualified investors. |
| <b>Banks under Moroccan law</b>                           | Photocopy of the approval decision issued by Bank Al-Maghrib.   |
| <b>Qualified investors under foreign law</b>              | Photocopy of the commercial register or equivalent authentic in the country of origin and the copy of the approval certifying compliance with the requirements for the status of approved investor.   |

All subscriptions that do not comply with the above conditions will be null and void.

The subscription form must imperatively be used by all PS members according to the Order Types. Subscription orders are irrevocable after the closing of the subscription period.

In case PS members would already have these documents in the client's file, subscribers are exempted from the production of these documents. In case the concerned investor is a legal entity referred to in paragraph (e) of Article 1.30 of AMMC Circular 03/19 amended and supplemented by the AMMC circular no. 02/20, the PS member(s) must attach to the subscription form an updated version of the above-mentioned documents.

#### **IV. Order processing methods**

##### **VIII.1. Attribution rules**

At the end of the subscription period, the allocation of the 1,250,000 new Mutandis SCA shares offered to the public will be made in the manner described below:

##### **1<sup>st</sup> allocation**

Within the framework of a first allocation, the shares will be served up to 300 shares per subscriber.

The shares will be allocated at the rate of one share per subscriber with priority to the highest applications. The mechanism of allocation of one share per subscriber, within the limit of their request, will be made by iteration until reaching a maximum of 300 shares per subscriber within the limit of the number of allocated shares. It is specified that, depending on the number of subscribers served, the said maximum may not be reached.

##### **2<sup>nd</sup> allocation**



Following the first allocation, if the remaining number of securities offered ("RTO") resulting from this allocation is less than the remaining number of securities requested ("RTD"), then the "RTO" will be allocated on a pro rata basis. Otherwise, the request will be served in full.

The allocation ratio will be calculated as follows:  $RTO / RTD$ .

In the event that the number of securities calculated by multiplying the remaining number of securities requested by the subscriber to the allocation ratio is not a whole number, this number of securities will be rounded down to the nearest whole number. Odd lots will be allocated in increments of one share per subscriber, with priority to the highest requests.

Depending on the overall demand expressed, some subscriptions may not be served.

## VIII.2. Procedure for control and registration by the Casablanca Stock Exchange

### (a) Centralization

During the subscription period, the PS members will transmit daily to the Casablanca Stock Exchange, at 10:00 a.m. at the latest, through the subscription centralization tool (OCS), all subscriptions collected during the previous days. Failing that, they must fill in the consolidated statistics of subscriptions on the OCS.

The PS members must transmit on February 4, 2022 before 6.30 p.m. to the Casablanca Stock Exchange, through the OCS, all subscriptions collected within the framework of the operation. After this deadline, subscriptions will be rejected.

The Casablanca Stock Exchange will communicate on a daily basis the consolidated subscription statistics to CFG Marchés and the Issuer.

The Casablanca Stock Exchange will proceed to the consolidation of the various subscription files and to the rejection of subscriptions that do not comply with the subscription conditions predefined in this securities note.

On February 9, 2022 before 12.00 p.m., the Casablanca Stock Exchange will communicate to the PS members the results of the allocation.

Cases resulting in subscription rejections are summarized in the following table:

| Case scenarios  | Rejected subscription(s)  |
|---|---|
| <b>Natural person having subscribed for their own account and for the account of their children, with different PS members</b>      | All subscriptions   |
| <b>Subscriber having subscribed more than once</b>  | All subscriptions   |
| <b>Moroccan or foreign natural person having subscribed for their own account and for that of children over the age of majority</b> | All subscriptions in the name of this natural person, including those for their minor and adult children. |
| <b>Subscription not respecting the subscription ceiling</b>   | The concerned subscriptions   |
| <b>Subscriptions from several PS members</b>  | All subscriptions   |
| <b>Subscription to an order type, made with an PS member not entitled to receive it</b>   | The concerned subscription  |

## (b) Entities in charge of the registration of the operation

The registration of the transactions within the framework of the present Operation (seller's side) will be made on February 15, 2022 through the brokerage company CFG Marchés.

All PS members having the status of a brokerage firm will proceed to the registration of the allocations they will have collected (buyers' side), on February 15, 2022, while PS members not having the status of a brokerage firm are free to designate the PS member brokerage firm which will be in charge of the registration of their subscriptions at the Casablanca Stock Exchange.

These PS members will have to inform the chosen brokerage firm in writing with a copy addressed to the Casablanca Stock Exchange, and this, before the beginning of the subscription period.

The registration of transactions resulting from this Operation will be made at the price of MAD 240 per share.

The Casablanca Stock Exchange will transmit to each brokerage firm the transactions concerning it, detailed by account keeper.

## V. Terms of settlement / delivery of securities

### IX.1. Settlement / delivery of securities

The settlement and delivery of the securities will take place on February 18, 2022, according to the procedures in force at the Stock Exchange.

In accordance with the procedures in force at the Stock Exchange, the Bank Al-Maghrib accounts of the account-keeping institutions will be debited with the funds corresponding to the value of the shares allotted to each PS member, increased by the commissions.

Mutandis SCA has also appointed CFG Bank as the exclusive account holder of Mutandis SCA securities issued in the context of this Operation.

The operation will be registered by the Casablanca Stock Exchange as a capital increase. Moreover, the transactions will be sent by the Casablanca Stock Exchange to the brokerage firms and to Maroclear with the market code relating to IPO operations, in order to facilitate the settlement of the operation.

### IX.2. Restitution of the remainder

The PS members undertake to reimburse to the clients within a period not exceeding 3 business days from the date of delivery of the allocations of the securities to the PS members, i.e. February 14, 2022, the cash balances resulting from the difference between the net amount paid by its clients at subscription and the net amount corresponding to their actual allocations.

The repayment of the remainder must be made either by transfer to a bank or postal account or by remittance of a cheque, and subject to the effective collection through the amount deposited for the subscription.

In case of failure of the Operation, the subscriptions must be refunded within 3 working days, as from the decision of cancellation, and subject to the effective collection by the intermediary of the amount deposited for the subscription.

## VI. Publication of results

The results of this operation will be published by the Casablanca Stock Exchange on February 15, 2022 and by Mutandis through the press in a newspaper of legal announcements and on its website [www.mutandis.com](http://www.mutandis.com) on February 18, 2022 at the latest.

## VII. Information requirements

At the end of the Operation, and within a maximum period of 3 days as from the announcement of the results, i.e. February 18, 2022, each PS member will send to the subscribers a notice containing the following minimum mentions:

- Subscription date;
- Instrument name;
- Quantity requested;
- Attributed quantity;
- Price per unit;
- Gross amount at attribution;
- Net amount after deduction of commissions and VAT on these commissions;
- Balance to be repaid to the subscriber if applicable;
- Commissions accruing to the PS member, the account keeper and the Casablanca Stock Exchange.

## Part III. INFORMATION OF THE ISSUER



## I. General information

|   |   |
|---|---|
| <b>Corporate Name</b>                                 | Mutandis S.C.A.   |
| <b>Registered Office</b>                              | 22, boulevard Abdelkrim Khattabi - Casablanca   |
| <b>Phone</b>  | +212 (0) 5 22 98 43 88  |
| <b>Fax</b>  | +212 (0) 5 22 98 34 60  |
| <b>Email</b>  | contact@mutandis.com  |
| <b>Website</b>  | <a href="http://www.mutandis.com">www.mutandis.com</a>  |
| <b>Legal Form</b>                                     | Société en commandite par actions (=Partnership Limited by Shares)  |
| <b>Date of incorporation</b>                          | March 14, 2008  |
| <b>lifespan</b>                                       | 99 years  |
| <b>Registration Number in the Commercial Register</b> | 180175 – Casablanca   |
| <b>Financial Year</b>                                 | From January 1 to December 31   |
| <b>Corporate purpose</b>                              | <p>Pursuant to the provisions of Article 2 of the Company's Articles of Incorporation, the Company's main purpose is to manage securities or to subscribe, as a shareholder, to the capital of other companies, in particular:</p> <ul style="list-style-type: none"> <li>▪ the acquisition of direct or indirect interests in all companies to be created or already existing, by subscription to the capital or by acquisition of securities, as shareholder or partner;</li> <li>▪ the acquisition of interests, in whatever form, in all operations or companies, whatever their purpose;</li> <li>▪ the management and disposal of shareholdings;</li> <li>▪ the purchase, sale or exchange of all securities, corporate rights and interests;</li> <li>▪ consulting, research and provision of services;</li> <li>▪ and generally, all commercial, industrial, financial, securities or real estate transactions that may be directly or indirectly related to its activity or likely to facilitate its realization.</li> </ul> |
| <b>Share Capital as of June 30, 2021</b>              | MAD 799,673,700, fully paid up, divided into 7,996,737 shares of MAD 100 each and all of the same class.  |
| <b>Places to consult legal documents</b>              | The legal documents, in particular the articles of association, the auditors' reports, the minutes of the general meetings and the Manager's reports may be consulted at the Company's registered office.   |
| <b>Applicable laws and regulations</b>                | <p>By virtue of its legal form, the Company is governed by Act 5-96 of February 13, 1997 on general partnerships, limited partnerships, partnerships limited by shares, limited liability companies and joint ventures, as amended and supplemented by Act 21-05 of February 14, 2006, and by the provisions of the Dahir of Ramadan 9, 1331 (August 12, 1913) forming the Code of Obligations and Contracts, insofar as they do not conflict with the provisions of the said Act.</p> <p>As a listed company, the Company is subject to all legal and regulatory provisions relating to the financial market, including:</p> <ul style="list-style-type: none"> <li>▪ Dahir No. 1-16-151 of August 25, 2016 promulgating Law No. 19-14</li> </ul>  |

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relating to the Stock Exchange, brokerage companies and financial investment advisors;

- General Rules of the Stock Exchange approved by the Order of the Minister of Economy and Finance No 2208-19 of July 3, 2019;
- AMMC Circulars;
- Dahir No. 1-13-21 of March 13, 2013 promulgating Law No. 43-12 relating to the Moroccan Capital Market Authority as amended and supplemented;
- General Regulation of the Moroccan Capital Market Authority approved by the Order of the Minister of Economy and Finance No 2169-16;
- Dahir No. 1-12-55 of December 28, 2012 promulgating Act No. 44-12 relating to public offerings and the information required from legal entities and organizations making public offerings;
- Dahir No 1-96-246 of January 9, 1997 promulgating Act No. 35-96 relating to the creation of a central depository and the institution of a general regime for the registration of certain securities in accounts (amended and completed by Act No. 43-02);
- General regulations of the central depository approved by Order No. 932-98 of the Minister of the Economy and Finance, dated April 16, 1998, and amended by Order No. 1961-01 of the Minister of the Economy, Finance, Privatization and Tourism, dated October 30, 2001, and Order No. 77-05 of March 17, 2005;
- Dahir No. 1-04-21 promulgating Act No. 26-03 relating to public offerings on the stock market, as amended and completed.

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**Tax Regime**

- The Company is governed by ordinary commercial and tax legislation. It is therefore subject to corporate income tax at the progressive rate.
- The VAT rate applicable to Mutandis operations is 20%.

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**dispute**

Commercial Court of Casablanca.

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## II. Description of Mutandis' activity

Mutandis is an industrial group listed on the Casablanca Stock Exchange, specialized in household consumer goods. Mainly present in Morocco, the Group also exports its products to Africa, Europe, the Middle East and the United States.

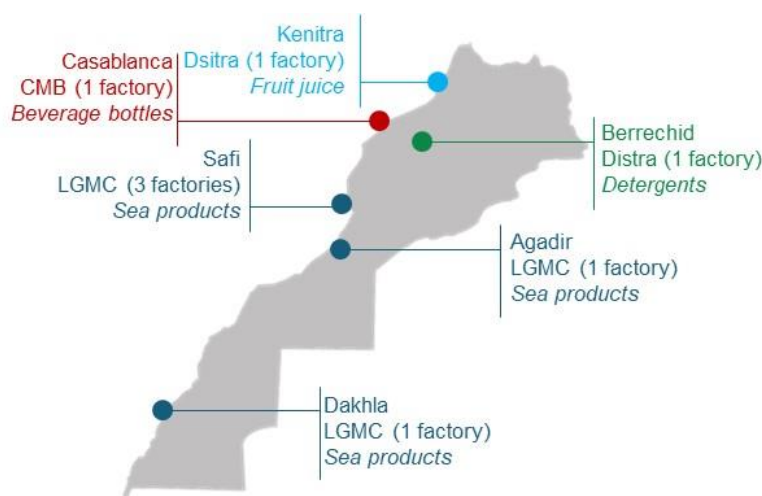
Morocco, where Mutandis was born, is a country in sustained development, which knows a fast urbanization as well as a continuous widening of the middle class and thus, a regular progression of household consumption. Mutandis has chosen to develop in the sectors that benefit from these trends, first in Morocco, then progressively on the African continent.

Thus, Mutandis produces and commercializes in four ranges of products: detergents, sea products, beverage bottles and fruit juice. These ranges all have an industrial dimension, as Mutandis manufactures its products itself, under its own brands and also under third party brands.

Mutandis is built on the model of foreign consumer goods companies such as Unilever or Procter & Gamble, integrated groups of consumer goods, listed for a long time and followed by many brokers and analysts throughout the world.

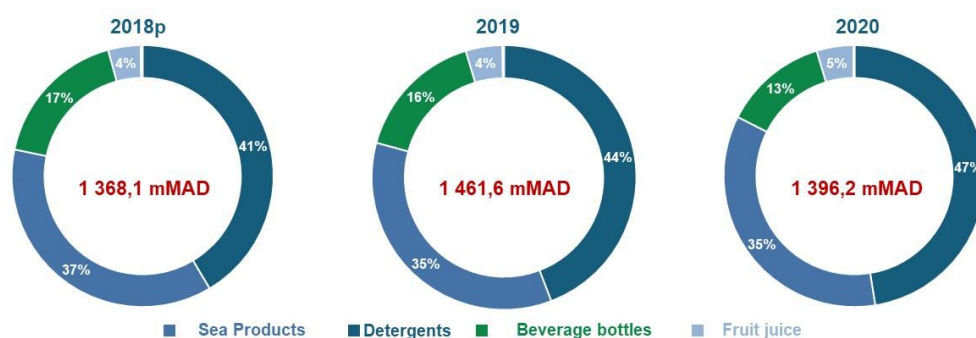
As part of its development strategy, Mutandis finalized in July 2021 the acquisition of Season, the leading American brand of canned sardines, giving Mutandis access to the main American distribution chains.

The graph below presents the location of Mutandis' factories by product range:



Source: Mutandis

The graph below shows the breakdown by range of Mutandis' consolidated turnover over the period 2018-2020:





Source: Mutandis

The table below presents Mutandis' product lines and their main indicators:

| Range            | Brands / products   | Factories   | Retail locations                              | Revenue 2020* | EBITDA 2020* | Net Profit 2020* |
|------------------|---|---|---|---------------|--------------|------------------|
| Detergents       |  | 1 factory in Berrechid                                      | Morocco & Africa                              | 662,8 mMAD    | 132 mMAD     | 59,9 mMAD        |
| Sea products     |  | 5 factories of which 3 in Safi, 1 in Agadir and 1 in Dakhla | Morocco, Africa, Europe, Middle-east, America | 488,4 mMAD    | 54,8 mMAD    | 11,1 mMAD        |
| Beverage bottles |  | 1 factory in Casablanca                                     | Morocco & Africa                              | 179,6 mMAD    | 39,9 mMAD    | 15 mMAD          |
| Fruit juice      |  | 1 factory in Kenitra  | Morocco, Africa, Europe, Middle-east          | 63,5 mMAD     | 6,9 mMAD     | 2,3 mMAD         |
| Season USA       |  | N/A   | USA   | 543 mMAD      | 93 mMAD      | 66 mMAD          |

Source: Mutandis

### III. Mutandis' shareholding structure

Mutandis SCA's shareholding structure is composed solely of limited shareholders. Mugest, as a general partner, does not hold any interest in the share capital of the Company. The following table presents the current shareholding structure of Mutandis SCA:

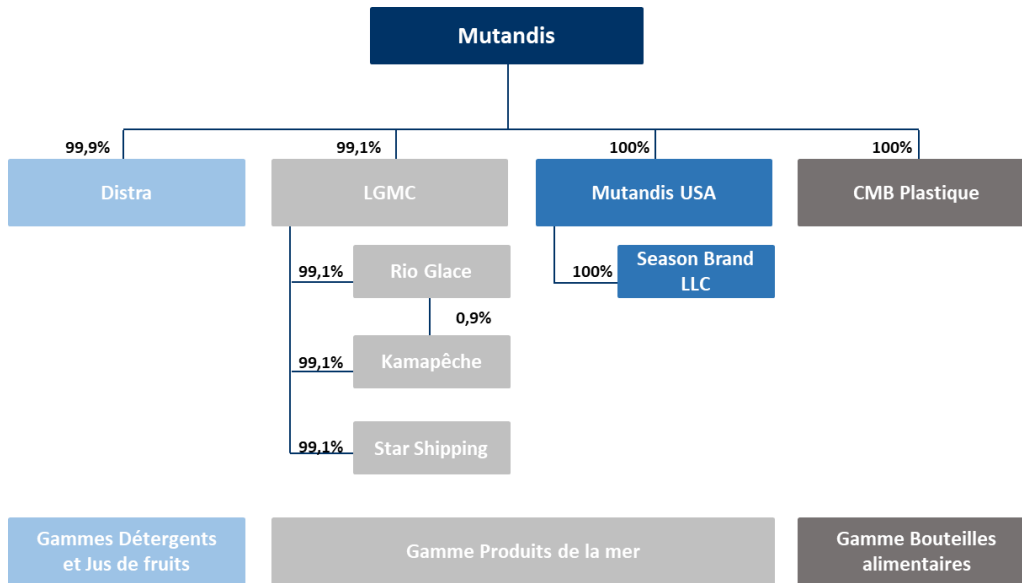
| Name or corporate name of shareholders                                | 2020             |                                | 10/12/2021       |                                |
|---|------------------|--------------------------------|------------------|--------------------------------|
|   | Securities       | % of capital and voting rights | Securities       | % of capital and voting rights |
| Bank of Africa  | 832 458          | 10.41%                         | 832 458          | 10.41%                         |
| Adil Douiri   | 550 000          | 6.88%                          | 637 989          | 7.98%                          |
| Amethis Maghreb Fund I  | 452 916          | 5.66%                          | 452 916          | 5.66%                          |
| Patrimoine Gestion et Placement                                       | 546 977          | 6.84%                          | 546 977          | 6.84%                          |
| RMA   | 582 355          | 7.28%                          | 582 355          | 7.28%                          |
| Chaabi Capital Investissement   | 446 732          | 5.59%                          | 0                | 0.00%                          |
| Best Financière   | 247 851          | 3.10%                          | 247 851          | 3.10%                          |
| Other shareholders  | 4 337 448        | 54.24%                         | 4 696 191        | 58.73%                         |
| <b>TOTAL</b>  | <b>7 996 737</b> | <b>100%</b>                    | <b>7 996 737</b> | <b>100%</b>                    |
| <i>Of which shareholders who are members of the Supervisory Board</i> | n.d              | n.d                            | 73 490           | 0.92%                          |
| <i>Of which executive shareholders <sup>1</sup></i>                   | 27 525           | 0.34%                          | 0                | 0.0%                           |

Source: Mutandis

<sup>1</sup> Excluding the participation of Mr. Adil Douiri

#### IV. Mutandis' subsidiaries

On the eve of the prospectus approval by the AMMC, Mutandis Group's legal organization chart is as follows:



Source: Mutandis

Mutandis holds other participations, mainly CFG Bank with 5.5% and Fenyadi with 45.3% of the share capital<sup>1</sup>.

<sup>1</sup> Fenyadi shares are fully provisioned

**Part IV. FINANCIAL DATA**

## I. Annual Accounts

### I.1. Corporate financial statements

#### I.1.1. Income statement

| In KMAD   | 2018          | 2019          | 2020          | Var. 18-19      | Var. 19-20      |
|---|---------------|---------------|---------------|-----------------|-----------------|
| <b>Turnover</b>   | <b>58 243</b> | <b>46 769</b> | <b>33 338</b> | <b>-19.7%</b>   | <b>-28.7%</b>   |
| Changes in inventories of work in progress and finished goods | -             | -             | -             | n.a.            | n.a.            |
| Purchases consumed  | -120          | -1 431        | -485          | >100%           | -66.1%          |
| Other external expenses                                       | -5 897        | -6 272        | -5 933        | 6.4%            | -5.4%           |
| <b>Added value</b>  | <b>52 226</b> | <b>39 065</b> | <b>26 920</b> | <b>-25.2%</b>   | <b>-31.1%</b>   |
| <i>in % of turnover</i>                                       | <i>89.7%</i>  | <i>83.5%</i>  | <i>80.7%</i>  | <i>-6.1 pts</i> | <i>-2.8 pts</i> |
| Staff costs   | -33 162       | -27 218       | -15 969       | -17.9%          | -41.3%          |
| Taxes and duties  | -480          | -467          | -479          | -2.6%           | 2.5%            |
| <b>Gross operating surplus</b>                                | <b>18 585</b> | <b>11 380</b> | <b>10 473</b> | <b>-38.8%</b>   | <b>-8.0%</b>    |
| <i>in % of turnover</i>                                       | <i>31.9%</i>  | <i>24.3%</i>  | <i>31.4%</i>  | <i>-7.6 pts</i> | <i>7.1 pts</i>  |
| Operating allowances  | -546          | -469          | -2 123        | -14.1%          | >100%           |
| Operating reversals, expense transfers                        | 31            | -             | -             | -100.0%         | n.a.            |
| Other operating income and expenses                           | 4 000         | 4 000         | 3 750         | -               | -6.3%           |
| <b>Operating income</b>                                       | <b>22 070</b> | <b>14 911</b> | <b>12 100</b> | <b>-32.4%</b>   | <b>-18.9%</b>   |
| <i>in % of turnover</i>                                       | <i>37.9%</i>  | <i>31.9%</i>  | <i>36.3%</i>  | <i>-6.0 pts</i> | <i>4.4 pts</i>  |
| Financial income  | 57 615        | 62 937        | 74 076        | 9.2%            | 17.7%           |
| Financial expenses  | -9 393        | -545          | -1 999        | -94.2%          | >100%           |
| <b>Financial income</b>                                       | <b>48 222</b> | <b>62 392</b> | <b>72 078</b> | <b>29.4%</b>    | <b>15.5%</b>    |
| <b>Current income</b>   | <b>70 292</b> | <b>77 303</b> | <b>84 178</b> | <b>10.0%</b>    | <b>8.9%</b>     |
| Non-current income  | -460          | -5 383        | 44            | >100%           | n.a.            |
| <b>Income before taxes</b>                                    | <b>69 832</b> | <b>71 920</b> | <b>84 222</b> | <b>3.0%</b>     | <b>17.1%</b>    |
| Income tax  | -600          | -1 224        | -2 901        | >100%           | >100%           |
| <b>Net income</b>   | <b>69 232</b> | <b>70 696</b> | <b>81 321</b> | <b>2.1%</b>     | <b>15.0%</b>    |
| <i>in % of turnover</i>                                       | <i>118.9%</i> | <i>151.2%</i> | <i>243.9%</i> | <i>32.3 pts</i> | <i>92.8 pts</i> |

Source: Mutandis

## I.1.2. Balance sheet

| In KMAD   | 2018             | 2019             | 2020             | Var. 18-19      | Var. 19-20      |
|---|------------------|------------------|------------------|-----------------|-----------------|
| Non-valued fixed assets                           | -                | -                | 6 400            | n.a.            | >100%           |
| Intangible fixed assets                           | 19               | 14               | 10               | -24.3%          | -32.2%          |
| Tangible fixed assets                             | 2 952            | 2 689            | 2 537            | -8.9%           | -5.6%           |
| Financial fixed assets                            | 971 029          | 996 030          | 998 624          | 2.6%            | 0.3%            |
| <b>Fixed assets</b>                               | <b>973 999</b>   | <b>998 732</b>   | <b>1 007 571</b> | <b>2.5%</b>     | <b>0.9%</b>     |
| <i>Weight on total balance sheet</i>              | <i>84.1%</i>     | <i>89.5%</i>     | <i>96.5%</i>     | <i>5.4 pts</i>  | <i>7.1 pts</i>  |
| Inventories and work in progress                  | -                | -                | -                | n.a.            | n.a.            |
| Trade accounts receivable, advances & prepayments | -                | 10               | 190              | >100%           | >100%           |
| Trade receivables and related accounts            | 20 824           | 19 348           | 4 638            | -7.1%           | -76.0%          |
| Staff   | 776              | 310              | 416              | -60.0%          | 34.0%           |
| State   | 2 119            | 664              | 703              | -68.7%          | 5.8%            |
| Partners' accounts                                | -                | -                | -                | n.a.            | n.a.            |
| Other debtors                                     | 1 007            | 11               | 4 721            | -98.9%          | >100%           |
| Prepayments and accrued income                    | 159              | 56               | 84               | -64.7%          | 49.2%           |
| Securities and investment securities              | 153 574          | 69 971           | 23 616           | -54.4%          | -66.2%          |
| <b>Current assets</b>                             | <b>178 459</b>   | <b>90 371</b>    | <b>34 367</b>    | <b>-49.4%</b>   | <b>-62.0%</b>   |
| <i>Weight on total balance sheet</i>              | <i>15.4%</i>     | <i>8.1%</i>      | <i>3.3%</i>      | <i>-7.3 pts</i> | <i>-4.8 pts</i> |
| <b>Cash flow - assets</b>                         | <b>6 105</b>     | <b>27 324</b>    | <b>1 874</b>     | <b>&gt;100%</b> | <b>-93.1%</b>   |
| <b>Total assets</b>                               | <b>1 158 563</b> | <b>1 116 428</b> | <b>1 043 812</b> | <b>-3.6%</b>    | <b>-6.5%</b>    |
| Capital   | 799 674          | 799 674          | 799 674          | -               | -               |
| Issue premiums                                    | 132 851          | 132 914          | 132 914          | 0.0%            | -               |
| Legal reserve                                     | 13 406           | 16 868           | 20 403           | 25.8%           | 21.0%           |
| Retained earnings                                 | 214              | 5 403            | 3 906            | >100%           | -27.7%          |
| Net income for the year                           | 69 232           | 70 696           | 81 321           | 2.1%            | 15.0%           |
| <b>Total shareholders' equity</b>                 | <b>1 015 377</b> | <b>1 025 555</b> | <b>1 038 218</b> | <b>1.0%</b>     | <b>1.2%</b>     |
| <i>Weight on total balance sheet</i>              | <i>87.6%</i>     | <i>91.9%</i>     | <i>99.5%</i>     | <i>4.2 pts</i>  | <i>7.6 pts</i>  |
| <b>Financial debts</b>                            | <b>104 167</b>   | <b>-</b>         | <b>-</b>         | <b>-100.0%</b>  | <b>n.a.</b>     |
| Suppliers and related accounts                    | 17 152           | 1 761            | 743              | -89.7%          | -57.8%          |
| Staff   | 14 395           | 10 124           | -                | -29.7%          | -100.0%         |
| Social organizations                              | 2 351            | 6 199            | 274              | >100%           | -95.6%          |
| State   | 3 536            | 5 472            | 3 830            | 54.7%           | -30.0%          |
| Partners' accounts                                | -                | -                | -                | n.a.            | n.a.            |
| Other creditors                                   | 9                | 16 715           | 251              | >100%           | -98.5%          |
| Accruals and deferred income - liabilities        | 1 317            | 314              | 143              | -76.2%          | -54.6%          |
| Other provisions for liabilities and charges      | 259              | 288              | 353              | 11.1%           | 22.7%           |
| <b>Current liabilities</b>                        | <b>39 019</b>    | <b>40 872</b>    | <b>5 594</b>     | <b>4.7%</b>     | <b>-86.3%</b>   |
| <i>Weight on total balance sheet</i>              | <i>3.4%</i>      | <i>3.7%</i>      | <i>0.5%</i>      | <i>0.3 pts</i>  | <i>-3.1 pts</i> |
| <b>Cash flow - liabilities</b>                    | <b>-</b>         | <b>50 000</b>    | <b>-</b>         | <b>&gt;100%</b> | <b>-100.0%</b>  |
| <b>Total liabilities</b>                          | <b>1 158 563</b> | <b>1 116 428</b> | <b>1 043 812</b> | <b>-3.6%</b>    | <b>-6.5%</b>    |

Source: Mutandis

## I.1.3. Financing table

| In KMAD  | 2018           | 2019           | 2020           | Var. 18-19      | Var. 19-20      |
|--|----------------|----------------|----------------|-----------------|-----------------|
| <b>Self-financing capacity</b>                           | <b>18 387</b>  | <b>10 556</b>  | <b>14 633</b>  | <b>-42.6%</b>   | <b>38.6%</b>    |
| Cash flow from operations                                | 69 850         | 71 137         | 83 292         | 1.8%            | 17.1%           |
| Distribution of profits                                  | -51 463        | -60 581        | -68 659        | 17.7%           | 13.3%           |
| <b>Disposals and reductions of fixed assets</b>          | <b>28</b>      | <b>-</b>       | <b>90</b>      | <b>-100.0%</b>  | <b>&gt;100%</b> |
| Sale of intangible fixed assets                          | -              | -              | -              | n.a.            | n.a.            |
| Sale of tangible fixed assets                            | -              | -              | 90             | n.a.            | >100%           |
| Sale of financial fixed assets                           | -              | -              | -              | n.a.            | n.a.            |
| Recovery of receivables on property, plant and equipment | 28             | -              | -              | -100.0%         | n.a.            |
| <b>Increase in shareholders' equity and equivalent</b>   | <b>197 383</b> | <b>63</b>      | <b>-</b>       | <b>-100.0%</b>  | <b>-100.0%</b>  |
| Capital increase, contributions                          | 197 383        | 63             | -              | -100.0%         | -100.0%         |
| Investment grants  | -              | -              | -              | n.a.            | n.a.            |
| <b>Increase in financing liabilities</b>                 | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>n.a.</b>     | <b>n.a.</b>     |
| <b>TOTAL STABLE RESOURCES</b>                            | <b>215 799</b> | <b>10 619</b>  | <b>14 724</b>  | <b>-95.1%</b>   | <b>38.7%</b>    |
| <b>Acquisitions and increases in fixed assets</b>        | <b>192</b>     | <b>25 174</b>  | <b>2 899</b>   | <b>&gt;100%</b> | <b>-88.5%</b>   |
| Acquisitions of intangible assets                        | 14             | -              | -              | -100.0%         | n.a.            |
| Acquisitions of tangible assets                          | 178            | 173            | 305            | -3.1%           | 76.4%           |
| Acquisition of financial assets                          | -              | 25 001         | 2 594          | >100%           | -89.6%          |
| Increase in fixed receivables                            | -              | -              | -              | n.a.            | n.a.            |
| <b>Repayment of equity</b>                               | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>n.a.</b>     | <b>n.a.</b>     |
| <b>Repayment of financial debts</b>                      | <b>20 833</b>  | <b>104 167</b> | <b>-</b>       | <b>&gt;100%</b> | <b>-100.0%</b>  |
| <b>Write-offs</b>  | <b>-</b>       | <b>-</b>       | <b>8 000</b>   | <b>n.a.</b>     | <b>&gt;100%</b> |
| <b>TOTAL STABLE EMPLOYMENTS</b>                          | <b>21 025</b>  | <b>129 341</b> | <b>10 899</b>  | <b>&gt;100%</b> | <b>-92%</b>     |
| <b>Change in financing requirements</b>                  | <b>121 540</b> | <b>-89 942</b> | <b>-20 725</b> | <b>n.a.</b>     | <b>-77%</b>     |
| <b>Change in cash and cash equivalents</b>               | <b>73 233</b>  | <b>-28 780</b> | <b>24 549</b>  | <b>n.a.</b>     | <b>n.a.</b>     |
| <b>GRAND TOTAL</b>                                       | <b>215 799</b> | <b>10 619</b>  | <b>14 724</b>  | <b>-95.1%</b>   | <b>38.7%</b>    |

Source: Mutandis

## I.2. Consolidated annual accounts

### I.2.1. Income statement

| In KMAD   | 2018             | 2018p            | 2019             | 2020             | Var. 18p-19   | Var. 19-20      |
|---|------------------|------------------|------------------|------------------|---------------|-----------------|
| <b>Turnover</b>   | <b>1 368 109</b> | <b>1 368 109</b> | <b>1 461 569</b> | <b>1 396 190</b> | <b>6.8%</b>   | <b>-4.5%</b>    |
| Changes in inventories of work in progress and finished goods | 18 065           | 18 065           | -15 212          | -16 574          | n.a.          | 9.0%            |
| Other activity products                                       | 2 132            | 2 132            | 2 729            | 2 110            | 28.0%         | -22.7%          |
| Purchases consumed  | -845 875         | -845 875         | -875 097         | -813 345         | 3.5%          | -7.1%           |
| Other external expenses                                       | -141 793         | -126 565         | -128 817         | -130 142         | 1.8%          | 1.0%            |
| <b>Added value</b>  | <b>400 637</b>   | <b>415 865</b>   | <b>445 172</b>   | <b>438 239</b>   | <b>7.0%</b>   | <b>-1.6%</b>    |
| <i>in % of turnover</i>                                       | 29.3%            | 30.4%            | 30.5%            | 31.4%            | 0.1 pts       | 0.9 pts         |
| Staff costs   | -206 906         | -206 906         | -211 833         | -206 936         | 2.4%          | -2.3%           |
| Taxes and duties  | -5 247           | -5 247           | -5 779           | -6 129           | 10.1%         | 6.0%            |
| <b>Gross operating surplus</b>                                | <b>188 485</b>   | <b>203 713</b>   | <b>227 560</b>   | <b>225 175</b>   | <b>11.7%</b>  | <b>-1.0%</b>    |
| <i>in % of turnover</i>                                       | 13.8%            | 14.9%            | 15.6%            | 16.1%            | 0.7 pts       | 0.6 pts         |
| Depreciation and amortization                                 | -56 691          | -69 120          | -76 096          | -84 152          | 10.1%         | 10.6%           |
| Net reversals of current provisions                           | -736             | -736             | 1 036            | -3 197           | n.a.          | n.a.            |
| Other operating income and expenses                           | -4 227           | -4 227           | -4 225           | -3 577           | -0.0%         | -15.3%          |
| <b>Current operating income (or operating income)</b>         | <b>126 830</b>   | <b>129 630</b>   | <b>148 275</b>   | <b>134 249</b>   | <b>14.4%</b>  | <b>-9.5%</b>    |
| <i>in % of turnover</i>                                       | 9.3%             | 9.5%             | 10.1%            | 9.6%             | 0.7 pts       | -0.5 pts        |
| Income on disposal of consolidated investments                | -                | -                | -                | -                | n.a.          | n.a.            |
| Other operating income and expenses                           | -6 459           | -6 459           | -26 852          | -12 537          | >100%         | -53.3%          |
| <b>Operating income</b>                                       | <b>120 371</b>   | <b>123 171</b>   | <b>121 423</b>   | <b>121 712</b>   | <b>-1.4%</b>  | <b>0.2%</b>     |
| Financial income from operating activities                    | -21 019          | -24 157          | -5 474           | -29 848          | -77.3%        | >100%           |
| Financial income from the financial portfolio                 | -8 967           | -9 097           | -122             | -181             | -98.7%        | 48.7%           |
| <b>Consolidated financial income</b>                          | <b>-29 986</b>   | <b>-33 254</b>   | <b>-5 596</b>    | <b>-30 029</b>   | <b>-83.2%</b> | <b>&gt;100%</b> |
| <b>Income before taxes</b>                                    | <b>90 385</b>    | <b>89 916</b>    | <b>115 827</b>   | <b>91 683</b>    | <b>28.8%</b>  | <b>-20.8%</b>   |
| Income tax  | -19 767          | -19 622          | -33 778          | -23 956          | 72.1%         | -29.1%          |
| <b>Income after tax</b>                                       | <b>70 617</b>    | <b>70 294</b>    | <b>82 049</b>    | <b>67 727</b>    | <b>16.7%</b>  | <b>-17.5%</b>   |
| Income from companies accounted for by the equity method      | -                | -                | -                | -                | n.a.          | n.a.            |
| <b>Net income</b>   | <b>70 617</b>    | <b>70 294</b>    | <b>82 049</b>    | <b>67 727</b>    | <b>16.7%</b>  | <b>-17.5%</b>   |
| <i>in % of turnover</i>                                       | 5.2%             | 5.1%             | 5.6%             | 4.9%             | 0.5 pts       | -0.8 pts        |
| Of which net income, Group share                              | 70 439           | 70 115           | 81 830           | 67 621           | 16.7%         | -17.4%          |
| Of which minority interests                                   | 179              | 179              | 218              | 106              | 22.1%         | -51.4%          |
| <b>Adjusted net income (*)</b>                                | <b>77 077</b>    | <b>76 755</b>    | <b>92 910</b>    | <b>80 337</b>    | <b>21.0%</b>  | <b>-13.5%</b>   |
| <i>in % of turnover</i>                                       | 5.6%             | 5.6%             | 6.4%             | 5.8%             | 0.7 pts       | -0.6 pts        |

Source: Mutandis

\* Adjusted net income = Net income excluding IFRS-specific entries (deferred taxes) and non-current items



## I.2.2. Balance sheet

| In KMAD                                     | 2018             | 2018p            | 2019             | 2020             | Var. 18p-19     | Var. 19-20      |
|---|------------------|------------------|------------------|------------------|-----------------|-----------------|
| <b>Goodwill</b>                             | <b>410 576</b>   | <b>410 576</b>   | <b>410 576</b>   | <b>410 576</b>   | -               | -               |
| Intangible fixed assets                     | 116 368          | 116 368          | 124 153          | 126 208          | 6.7%            | 1.7%            |
| Tangible fixed assets                       | 382 501          | 428 726          | 436 147          | 468 183          | 1.7%            | 7.3%            |
| Investment property                         | 93 740           | 93 740           | 116 692          | 116 692          | 24.5%           | -               |
| Other financial assets                      | 131 714          | 131 714          | 131 412          | 133 619          | -0.2%           | 1.7%            |
| Deferred tax assets                         | 1 310            | 1 310            | 1                | 1                | -99.9%          | 0.0%            |
| <b>Total non-current assets</b>             | <b>725 633</b>   | <b>771 857</b>   | <b>808 406</b>   | <b>844 703</b>   | <b>4.7%</b>     | <b>4.5%</b>     |
| <i>balance sheet total %</i>                | <i>36.0%</i>     | <i>38.3%</i>     | <i>40.1%</i>     | <i>41.9%</i>     | <i>1.8 pts</i>  | <i>1.8 pts</i>  |
| Inventories and work in progress            | 274 746          | 274 746          | 257 827          | 273 594          | -6.2%           | 6.1%            |
| Trade receivables and related accounts      | 298 107          | 298 107          | 302 356          | 284 979          | 1.4%            | -5.7%           |
| State accounts                              | 79 805           | 79 805           | 75 524           | 86 124           | -5.4%           | 14.0%           |
| Other current assets                        | 2 668            | 2 289            | 1 445            | 2 380            | -36.9%          | 64.7%           |
| Other receivables                           | 13 806           | 13 806           | 17 092           | 11 335           | 23.8%           | -33.7%          |
| <b>Total current assets</b>                 | <b>669 132</b>   | <b>668 754</b>   | <b>654 244</b>   | <b>658 412</b>   | <b>-2.2%</b>    | <b>0.6%</b>     |
| <i>balance sheet total %</i>                | <i>33.2%</i>     | <i>33.2%</i>     | <i>32.5%</i>     | <i>32.7%</i>     | <i>-0.7 pts</i> | <i>0.2 pts</i>  |
| Marketable securities and other investments | 180 549          | 180 549          | 93 898           | 35 052           | -48.0%          | -62.7%          |
| Cash and cash equivalents                   | 28 629           | 28 629           | 43 050           | 49 286           | 50.4%           | 14.5%           |
| <b>Cash assets</b>                          | <b>209 178</b>   | <b>209 178</b>   | <b>136 948</b>   | <b>84 338</b>    | <b>-34.5%</b>   | <b>-38.4%</b>   |
| <i>balance sheet total %</i>                | <i>10.4%</i>     | <i>10.4%</i>     | <i>6.8%</i>      | <i>4.2%</i>      | <i>-3.6 pts</i> | <i>-2.6 pts</i> |
| <b>Total assets</b>                         | <b>2 014 519</b> | <b>2 060 365</b> | <b>2 010 174</b> | <b>1 998 029</b> | <b>-2.4%</b>    | <b>-0.6%</b>    |

Source: Mutandis

| In KMAD   | 2018           | 2018p          | 2019           | 2020           | Var. 18p-19     | Var. 19-20      |
|---|----------------|----------------|----------------|----------------|-----------------|-----------------|
| Capital   | 799 674        | 799 674        | 799 674        | 799 674        | -               | -               |
| Reserves  | 125 906        | 126 229        | 106 608        | 112 286        | -15.3%          | 5.3%            |
| Income for the year                             | 70 439         | 70 115         | 81 830         | 67 621         | 16.2%           | -17.4%          |
| <b>Total shareholders' equity - Group share</b> | <b>996 019</b> | <b>996 019</b> | <b>988 112</b> | <b>979 580</b> | <b>-0.8%</b>    | <b>-0.9%</b>    |
| Total Minority interests                        | 3 929          | 3 929          | 4 002          | 4 416          | 1.9%            | 10.3%           |
| <b>Total equity</b>                             | <b>999 947</b> | <b>999 947</b> | <b>992 114</b> | <b>983 996</b> | <b>-0.8%</b>    | <b>-0.8%</b>    |
| <i>balance sheet total %</i>                    | <i>49.6%</i>   | <i>49.6%</i>   | <i>49.2%</i>   | <i>48.8%</i>   | <i>-0.4 pts</i> | <i>-0.4 pts</i> |
| Borrowings and financial liabilities            | 210 747        | 245 198        | 153 316        | 151 303        | -37.5%          | -1.3%           |
| Deferred taxes                                  | 24 143         | 24 143         | 60 097         | 33 243         | >100%           | -44.7%          |
| <b>Total non-current liabilities</b>            | <b>234 890</b> | <b>269 341</b> | <b>213 413</b> | <b>184 546</b> | <b>-20.8%</b>   | <b>-13.5%</b>   |
| <i>balance sheet total %</i>                    | <i>11.7%</i>   | <i>13.4%</i>   | <i>10.6%</i>   | <i>9.2%</i>    | <i>-2.8 pts</i> | <i>-1.4 pts</i> |
| Loans and bank overdrafts                       | 160 561        | 171 955        | 198 884        | 293 557        | 15.7%           | 47.6%           |
| Banks (credit balances)                         | 106 253        | 106 253        | 99 206         | 68 782         | -6.6%           | -30.7%          |
| Provisions (current portion)                    | 9 567          | 9 567          | 12 685         | 7 122          | 32.6%           | -43.9%          |
| Accounts payable                                | 402 233        | 402 233        | 392 315        | 355 423        | -2.5%           | -9.4%           |
| State accounts                                  | 47 299         | 47 299         | 52 495         | 53 787         | 11.0%           | 2.5%            |
| Other creditors                                 | 53 770         | 53 770         | 49 062         | 50 817         | -8.8%           | 3.6%            |
| <b>Total current liabilities</b>                | <b>779 682</b> | <b>791 076</b> | <b>804 646</b> | <b>829 487</b> | <b>1.7%</b>     | <b>3.1%</b>     |
| <i>balance sheet total %</i>                    | <i>38.7%</i>   | <i>39.3%</i>   | <i>39.9%</i>   | <i>41.2%</i>   | <i>0.7 pts</i>  | <i>1.2 pts</i>  |

|                          |                  |                  |                  |                  |              |              |
|--------------------------|------------------|------------------|------------------|------------------|--------------|--------------|
| <b>Total liabilities</b> | <b>2 014 519</b> | <b>2 060 365</b> | <b>2 010 174</b> | <b>1 998 029</b> | <b>-2.4%</b> | <b>-0.6%</b> |
|--------------------------|------------------|------------------|------------------|------------------|--------------|--------------|

Source: Mutandis

### I.2.3. Cash flow statement

| In KMAD  | 2018           | 2018p          | 2019            | 2020           | Var. 18p-19   | Var. 19-20    |
|--|----------------|----------------|-----------------|----------------|---------------|---------------|
| <b>Self-financing capacity</b>                                     | 145 740        | 157 700        | 176 177         | 171 934        | 11.7%         | -2.4%         |
| Impact of changes in WCR   | -20 280        | -20 280        | -25 162         | -100 852       | 24.1%         | >100%         |
| <b>Cash flows from operating activities</b>                        | <b>125 460</b> | <b>137 421</b> | <b>151 015</b>  | <b>71 082</b>  | <b>9.9%</b>   | <b>-52.9%</b> |
| Acquisitions/disposals of investments in consolidated subsidiaries | -              | -              | -               | -              | n.a.          | n.a.          |
| Net acquisition of intangible assets                               | -10 417        | -10 417        | -16 454         | -12 276        | 57.9%         | -25.4%        |
| Net acquisition of tangible fixed assets                           | -48 705        | -48 705        | -56 811         | -80 167        | 16.6%         | 41.1%         |
| Net acquisition of financial assets                                | -219           | -219           | 303             | -2 207         | n.a.          | n.a.          |
| <b>Cash flow from investment activities</b>                        | <b>-59 341</b> | <b>-59 341</b> | <b>-72 962</b>  | <b>-94 650</b> | <b>23.0%</b>  | <b>29.7%</b>  |
| Capital increase/reduction   | 213 833        | 213 833        | 63              | -4 648         | -100.0%       | n.a.          |
| Dividends paid to group and minority shareholders                  | -51 463        | -51 463        | -60 582         | -68 659        | 17.7%         | 13.3%         |
| Change in indebtedness   | -87 620        | -99 580        | -81 048         | 71 312         | -18.6%        | n.a.          |
| <b>Cash flow from financing activities</b>                         | <b>74 749</b>  | <b>62 789</b>  | <b>-141 567</b> | <b>-1 995</b>  | <b>n.a.</b>   | <b>-98.6%</b> |
| Impact of changes in accounting principles                         | -              | -              | -               | -              | n.a.          | n.a.          |
| <b>Change in cash and cash equivalents</b>                         | <b>140 868</b> | <b>140 868</b> | <b>-63 514</b>  | <b>-25 563</b> | <b>n.a.</b>   | <b>-59.8%</b> |
| Opening cash flow*   | -42 717        | -42 717        | 98 152          | 34 637         | n.a.          | -64.7%        |
| <b>Closing cash flow**</b>   | <b>98 152</b>  | <b>98 152</b>  | <b>34 637</b>   | <b>9 074</b>   | <b>-64.7%</b> | <b>-73.8%</b> |
| (*)Of which accrued and unpaid interest                            | -3 955         | -3 955         | -4 774          | -3 105         | 20.7%         | -35.0%        |
| (**)Of which accrued and unpaid interest                           | -4 774         | -4 774         | -3 105          | -6 482         | -35.0%        | >100%         |

Source: Mutandis

## II. Half-yearly accounts

### II.1. Corporate financial statements

#### II.1.1. Income statement

| In KMAD   | June-20         | June-21         | Var. 06/20 - 06/21 |
|---|-----------------|-----------------|--------------------|
| <b>Turnover</b>   | <b>16 963</b>   | <b>21 718</b>   | <b>28.0%</b>       |
| Changes in inventories of work in progress and finished goods | -               | -               | n.a.               |
| Purchases consumed  | -418            | -59             | -85.9%             |
| Other external expenses                                       | -2 925          | -2 601          | -11.1%             |
| <b>Added value</b>  | <b>13 620</b>   | <b>19 058</b>   | <b>39.9%</b>       |
| <i>in % of turnover</i>                                       | <i>80.3%</i>    | <i>87.8%</i>    |                    |
| Staff costs   | -8 505          | -12 933         | 52.1%              |
| Taxes and duties  | -239            | -241            | 0.9%               |
| <b>Gross operating surplus</b>                                | <b>4 877</b>    | <b>5 885</b>    | <b>20.7%</b>       |
| <i>in % of turnover</i>                                       | <i>28.7%</i>    | <i>27.1%</i>    | <i>s</i>           |
| Operating allowances  | -1 027          | -1 206          | 17.4%              |
| Operating reversals, expense transfers                        | -               | -               | n.a.               |
| Other operating income and expenses                           | 1 875           | 1 775           | -5.3%              |
| <b>Operating income</b>                                       | <b>5 724</b>    | <b>6 454</b>    | <b>12.7%</b>       |
| <i>in % of turnover</i>                                       | <i>33.7%</i>    | <i>29.7%</i>    |                    |
| Financial income  | 73 404          | 51 767          | -29.5%             |
| Financial expenses  | -1 402          | -8 159          | >100%              |
| <b>Financial income</b>                                       | <b>72 002</b>   | <b>43 608</b>   | <b>-39.4%</b>      |
| <b>Current income</b>   | <b>77 726</b>   | <b>50 062</b>   | <b>-35.6%</b>      |
| Non-current income  | -19             | -356            | >100%              |
| <b>Income before taxes</b>                                    | <b>77 707</b>   | <b>49 706</b>   | <b>-36.0%</b>      |
| Income tax  | -1 273          | -377            | -70.3%             |
| <b>Net income</b>   | <b>76 434</b>   | <b>49 328</b>   | <b>-35.5%</b>      |
| <i>in % of turnover</i>                                       | <i>&gt;100%</i> | <i>&gt;100%</i> |                    |

Source: Mutandis

## II.1.2. Balance sheet

| In KMAD   | 2020             | June-21          | Var. 12/20 - 06/21 |
|---|------------------|------------------|--------------------|
| Non-valued fixed assets                           | 6 400            | 5 600            | -12.5%             |
| Intangible fixed assets                           | 10               | 7                | -23.7%             |
| Tangible fixed assets                             | 2 537            | 2 600            | 2.5%               |
| Financial fixed assets                            | 998 624          | 990 487          | -0.8%              |
| <b>Fixed assets</b>                               | <b>1 007 571</b> | <b>998 695</b>   | <b>-0.9%</b>       |
| <i>Weight on total balance sheet</i>              | <i>96.5%</i>     | <i>87.4%</i>     |                    |
| Inventories and work in progress                  | -                | -                | n.a.               |
| Trade accounts receivable, advances & prepayments | 190              | 293              | 54.0%              |
| Trade receivables and related accounts            | 4 638            | 7 569            | 63.2%              |
| Staff   | 416              | 451              | 8.3%               |
| State   | 703              | 2 217            | >100%              |
| Partners' accounts                                | -                | -                | n.a.               |
| Other debtors                                     | 4 721            | 27 205           | >100%              |
| Prepayments and accrued income                    | 84               | 3 410            | >100%              |
| Securities and investment securities              | 23 616           | 25 567           | 8.3%               |
| <b>Current assets</b>                             | <b>34 367</b>    | <b>66 712</b>    | <b>94.1%</b>       |
| <i>Weight on total balance sheet</i>              | <i>3.3%</i>      | <i>5.8%</i>      |                    |
| <b>Cash flow - assets</b>                         | <b>1 874</b>     | <b>77 822</b>    | <b>&gt;100%</b>    |
| <b>Total assets</b>                               | <b>1 043 812</b> | <b>1 143 229</b> | <b>9.5%</b>        |
| Capital   | 799 674          | 799 674          | -                  |
| Issue premiums                                    | 132 914          | 132 914          | -                  |
| Legal reserve                                     | 20 403           | 24 469           | 19.9%              |
| Retained earnings                                 | 3 906            | 12 503           | >100%              |
| Net income for the year                           | 81 321           | 49 328           | -39.3%             |
| <b>Total shareholders' equity</b>                 | <b>1 038 218</b> | <b>1 018 887</b> | <b>-1.9%</b>       |
| <i>Weight on total balance sheet</i>              | <i>99.5%</i>     | <i>89.1%</i>     | <i>-10.3 pts</i>   |
| <b>Financial debts</b>                            | <b>-</b>         | <b>-</b>         | <b>n.a.</b>        |
| Suppliers and related accounts                    | 743              | 1 806            | >100%              |
| Staff   | -                | 406              | n.a.               |
| Social organizations                              | 274              | 274              | -0.3%              |
| State   | 3 830            | 2 621            | -31.6%             |
| Partners' accounts                                | -                | 68 659           | n.a.               |
| Other creditors                                   | 251              | 175              | -30.2%             |
| Accruals and deferred income - liabilities        | 143              | 16               | -89.1%             |
| Other provisions for liabilities and charges      | 353              | 386              | 9.4%               |
| <b>Current liabilities</b>                        | <b>5 594</b>     | <b>74 342</b>    | <b>&gt;100%</b>    |
| <i>Weight on total balance sheet</i>              | <i>0.5%</i>      | <i>6.5%</i>      | <i>6.0 pts</i>     |
| <b>Cash flow - liabilities</b>                    | <b>-</b>         | <b>50 000</b>    | <b>n.a.</b>        |
| <b>Total liabilities</b>                          | <b>1 043 812</b> | <b>1 143 229</b> | <b>9.5%</b>        |

Source: Mutandis

## II.2. Consolidated annual accounts

### II.2.1. Income statement

| In KMAD   | June-20        | June-21        | Var. 06/20 - 06/21 |
|---|----------------|----------------|--------------------|
| Changes in inventories of work in progress and finished goods | 682 690        | 689 167        | 0.9%               |
| Other activity products                                       | -25 792        | -19 581        | -24.1%             |
| Purchases consumed  | 1 059          | 812            | -23.3%             |
| Other external expenses                                       | -384 045       | -413 865       | 7.8%               |
| <b>Added value</b>  | -66 890        | -57 641        | -13.8%             |
| <i>in % of turnover</i>                                       | <b>207 024</b> | <b>198 891</b> | <b>-3.9%</b>       |
| Staff costs   | 30.3%          | 28.9%          |                    |
| Taxes and duties  | -99 427        | -96 376        | -3.1%              |
| <b>Gross operating surplus</b>                                | -3 047         | -3 126         | 2.6%               |
| <i>in % of turnover</i>                                       | <b>104 549</b> | <b>99 389</b>  | <b>-4.9%</b>       |
| Depreciation and amortization                                 | 15.3%          | 14.4%          |                    |
| Net reversals of current provisions                           | -40 585        | -42 359        | 4.4%               |
| Other operating income and expenses                           | -409           | 47             | n.a.               |
| <b>Current operating income (or operating income)</b>         | -1 452         | -2 232         | -53.7%             |
| <i>in % of turnover</i>                                       | <b>62 103</b>  | <b>54 845</b>  | <b>-11.7%</b>      |
| Income on disposal of consolidated investments                | 9.1%           | 8.0%           |                    |
| Other operating income and expenses                           | -              | -              | n.a.               |
| <b>Operating income</b>                                       | -3 805         | -258           | 93.2%              |
| Financial income from operating activities                    | 58 298         | 54 586         | -6.4%              |
| Financial income from the financial portfolio                 | -13 781        | -4 562         | 66.9%              |
| <b>Consolidated financial income</b>                          | -164           | -7 974         | <100%              |
| <b>Income before taxes</b>                                    | -13 945        | -12 536        | 10.1%              |
| Income tax  | 44 353         | 42 051         | -5.2%              |
| <b>Income after tax</b>                                       | -11 433        | -14 404        | 26.0%              |
| Income from companies accounted for by the equity method      | 32 920         | 27 647         | -16.0%             |
| <b>Net income</b>   | -              | -              | n.a.               |
| <i>in % of turnover</i>                                       | <b>32 920</b>  | <b>27 647</b>  | <b>-16.0%</b>      |
| Of which net income, Group share                              | 4.8%           | 4.0%           |                    |
| Of which minority interests                                   | 32 914         | 27 643         | -16.0%             |
| Changes in inventories of work in progress and finished goods | 5              | 4              | -31.3%             |
| <b>Net current income (*)</b>                                 | <b>36 596</b>  | <b>31 484</b>  | <b>-14.0%</b>      |
| <i>in % of turnover</i>                                       | 5.4%           | 4.6%           |                    |

Source: Mutandis

\* Net current income = Net income excluding IFRS-specific entries (deferred taxes) and non-current items

## II.2.2. Balance sheet

| In KMAD                                     | 2020             | June-21          | Var. 12/20 - 06/21 |
|---|------------------|------------------|--------------------|
| <b>Goodwill</b>                             | <b>410 576</b>   | <b>410 576</b>   | <b>-</b>           |
| Intangible fixed assets                     | 126 208          | 123 774          | -1.9%              |
| Tangible fixed assets                       | 468 183          | 464 117          | -0.9%              |
| Investment property                         | 116 692          | 123 430          | 5.8%               |
| Other financial assets                      | 133 619          | 126 228          | -5.5%              |
| Deferred tax assets                         | 1                | 1                | 0.0%               |
| <b>Total non-current assets</b>             | <b>844 703</b>   | <b>837 550</b>   | <b>-0.8%</b>       |
| <i>balance sheet total %</i>                | <i>42.3%</i>     | <i>41.6%</i>     | <i>-1.6%</i>       |
| Inventories and work in progress            | 273 594          | 219 960          | -19.6%             |
| Trade receivables and related accounts      | 284 979          | 311 825          | 9.4%               |
| State accounts                              | 86 124           | 75 740           | -12.1%             |
| Other current assets                        | 2 380            | 11 021           | >100%              |
| Other receivables                           | 11 335           | 10 705           | -5.6%              |
| <b>Total current assets</b>                 | <b>658 412</b>   | <b>629 250</b>   | <b>-4.4%</b>       |
| <i>balance sheet total %</i>                | <i>33.0%</i>     | <i>31.3%</i>     | <i>-5.1%</i>       |
| Marketable securities and other investments | 35 052           | 37 155           | 6.0%               |
| Cash and cash equivalents                   | 49 286           | 98 033           | 98.9%              |
| <b>Cash assets</b>                          | <b>84 338</b>    | <b>135 188</b>   | <b>60.3%</b>       |
| <i>balance sheet total %</i>                | <i>4.2%</i>      | <i>6.7%</i>      | <i>59.1%</i>       |
| <b>Total assets</b>                         | <b>1 998 029</b> | <b>2 012 565</b> | <b>0.7%</b>        |

Source: Mutandis

| In KMAD   | 2020           | June-21        | Var. 12/20 - 06/21 |
|---|----------------|----------------|--------------------|
| Capital   | 799 674        | 799 674        | -                  |
| Reserves  | 112 286        | 115 932        | 3.2%               |
| Income for the year                             | 67 621         | 27 643         | -59.1%             |
| <b>Total shareholders' equity - Group share</b> | <b>979 580</b> | <b>943 250</b> | <b>-3.7%</b>       |
| Total Minority interests                        | 4 416          | 4 164          | -5.7%              |
| <b>Total equity</b>                             | <b>983 996</b> | <b>947 413</b> | <b>-3.7%</b>       |
| <i>balance sheet total %</i>                    | <i>49.2%</i>   | <i>47.1%</i>   | <i>-2.2 pts</i>    |
| Borrowings and financial liabilities            | 151 303        | 124 838        | -17.5%             |
| Deferred taxes                                  | 33 243         | 36 619         | 10.2%              |
| <b>Total non-current liabilities</b>            | <b>184 546</b> | <b>161 458</b> | <b>-12.5%</b>      |
| <i>balance sheet total %</i>                    | <i>9.2%</i>    | <i>8.0%</i>    | <i>-1.2 pts</i>    |
| Loans and bank overdrafts                       | 293 557        | 339 100        | 15.5%              |
| Banks (credit balances)                         | 68 782         | 119 618        | 73.9%              |
| Provisions (current portion)                    | 7 122          | 7 055          | -0.9%              |
| Accounts payable                                | 355 423        | 280 714        | -21.0%             |
| State accounts                                  | 53 787         | 51 765         | -3.8%              |
| Other creditors                                 | 50 817         | 105 440        | >100%              |
| <b>Total current liabilities</b>                | <b>829 487</b> | <b>903 694</b> | <b>8.9%</b>        |

|                              |                  |                  |             |
|------------------------------|------------------|------------------|-------------|
| <i>balance sheet total %</i> | 41.5%            | 44.9%            | 3.4 pts     |
| <b>Total liabilities</b>     | <b>1 998 029</b> | <b>2 012 565</b> | <b>0.7%</b> |

Source: Mutandis

### II.2.3. Cash flow statement

| In KMAD  | June-20        | June-21        | Var. 06/20 - 06/21 |
|--|----------------|----------------|--------------------|
| Self-financing capacity  | 82 211         | 87 353         | 6.3%               |
| Impact of changes in WCR   | -105 218       | -66 497        | -36.8%             |
| <b>Cash flows from operating activities</b>                        | <b>-23 006</b> | <b>20 856</b>  | <b>n.a.</b>        |
| Acquisitions/disposals of investments in consolidated subsidiaries | -              | -              | n.a.               |
| Net acquisition of intangible assets                               | -7 368         | -2 485         | -66.3%             |
| Net acquisition of tangible fixed assets                           | -18 890        | -34 621        | 83.3%              |
| Net acquisition of financial assets                                | -12 754        | -745           | -94.2%             |
| <b>Cash flow from investment activities</b>                        | <b>-39 012</b> | <b>-37 851</b> | <b>-3.0%</b>       |
| Capital increase/reduction   | -              | -              | n.a.               |
| Dividends paid to group and minority shareholders                  | -4 649         | 4 649          | n.a.               |
| Change in indebtedness   | -0             | -750           | >100%              |
| <b>Cash flow from financing activities</b>                         | <b>33 060</b>  | <b>15 039</b>  | <b>-54.5%</b>      |
| Impact of changes in accounting principles                         | <b>28 410</b>  | <b>18 938</b>  | <b>-33.3%</b>      |
| <b>Change in cash and cash equivalents</b>                         | <b>-</b>       | <b>-</b>       | <b>n.a.</b>        |
| Opening cash flow*   | <b>-33 607</b> | <b>1 944</b>   | <b>n.a.</b>        |
| <b>Closing cash flow**</b>   | <b>34 637</b>  | <b>9 074</b>   | <b>-73.8%</b>      |
| (*)Of which accrued and unpaid interest                            | <b>1 030</b>   | <b>11 018</b>  | <b>&gt;100%</b>    |
| (**)Of which accrued and unpaid interest                           | -3 105         | -6 482         | >100%              |
| Self-financing capacity  | -4 502         | -4 552         | 1.1%               |

Source: Mutandis

**Part V. RISK FACTORS**



## I. Legal risks related to the *Société en Commandite par Actions (SCA)* form (=Partnership Limited by Shares)

The partnership limited by shares, whose capital is divided into shares, comprises two categories of partners:

- The general partners, who have the status of businessmen and are indefinitely and jointly and severally liable for the company's debts; and
- The limited partners, who are shareholders whose liability is limited to the amount of their respective contributions.

Mutandis has a unique general partner, namely the company Mugest SARL, of which Mr. Adil Douiri is the unique partner and the manager. In addition, Mugest SARL is the statutory manager of MUTANDIS that, as such, has the widest powers to act in all circumstances on behalf of MUTANDIS SCA.

### ➤ **Removal of the manager or replacement of the general partner**

The provisions of law 5-96 specify that the manager of a SCA can be dismissed under the conditions provided for by the articles of association. Moreover, the manager can be dismissed by the court for legitimate reasons, at the request of any partner or of the company. Any clause to the contrary is deemed unwritten.

Furthermore, the shares of the general partners are not negotiable securities and may only be transferred by a general partner with the unanimous agreement of the general partners and a majority in number and capital of the limited partners.

The bylaws of MUTANDIS SCA provide that the manager may be dismissed by a unanimous decision of the General Partners only.

Thus, and given that MUGEST SARL is both a sole general partner and the sole statutory manager of MUTANDIS SCA, the limited partners can only terminate the functions of MUGEST SARL by a court decision on the basis of a legitimate cause.

However, the very principle of the partnership limited by shares is the association between shareholders bringing the capital and one or several general partners bringing their expertise. The shareholders of Mutandis SCA choose precisely to associate themselves with Mugest SARL, whose sole partner is Mr. Adil Douiri, for the latter's expertise. It is thus of the very principle of the association that the manager cannot be dismissed by the shareholders except by a court decision based on a legitimate cause.

Moreover, the shares of Mutandis being listed on the Casablanca Stock Exchange, the shareholders are free to sell their shares in case of disagreement with the manager, or with the sole general partner who appoints and dismisses the manager.

On the other hand, in case of incapacity of the general partner Mugest SARL to continue his mission for any reason whatsoever, the statutes of Mutandis provide that the supervisory board shall convene the general meeting of the shareholders to:

- i- First, propose another general partner to replace Mugest SARL
- ii- In case of refusal, propose the transformation of the company into a public limited company.

### ➤ **Powers of the Limited Partners:**

The powers of the limited partners are limited to a restricted number of decisions: the appointment of members of the Supervisory Board and the allocation of distributable income. All other decisions of the limited partners are only enforceable against all the Partners, the Company and third parties once it has been established that they are consistent with the wishes expressed by the General Partners.

Thus, a limited partner shareholder who obtains control of the majority of the Company's capital and voting rights, including through a public tender offer, may not enforce its decisions without having obtained, pursuant to the Articles of Association, the agreement of Mugest SARL (controlled exclusively by Mr. Adil DOUIRI) in its capacity as General Partner.

The same applies to the general partner, who may not make any decisions (other than the appointment or dismissal of the managing partner) without complying with the resolutions passed by the limited partners.

In addition, the Supervisory Board exercises permanent control over the management of the Company and may not under any circumstances interfere in such management. In this respect, it carries out the verifications and controls it deems appropriate and may request any documents it deems useful for the performance of its duties. It submits a report to the Annual General Meeting of Shareholders in which it assesses the management of the Company and reveals any irregularities and inaccuracies it may have noted in the financial statements for the year.

Thus, and given the need for consistency between the decisions of the limited partners and those of the general partners, and the role of the Supervisory Board (a posteriori control without influence on the direction of management and without the power to dismiss the manager), the limited partners may be unable to oppose management decisions.

However, Mutandis SCA has set up two committees from its supervisory board, an investment committee and an audit and remuneration committee. The investment committee is responsible for studying new investment projects of the Group with a unit amount exceeding 30 MMAD. The Audit and Remuneration Committee is responsible for ensuring the reliability of the accounting and financial organization, as well as risk management.

In addition, the Supervisory Board is empowered, in its report, to pass judgment on the Company's management.

➤ **Remuneration of the Company's Manager:**

The company's articles of association stipulate that the General Partners shall, by a collective ordinary decision and after consultation with the Supervisory Board, allocate remuneration to the Managing Partners, the terms of this remuneration being determined by the said decision.

The sole statutory general partner is Mugest SARL, which is also the sole statutory manager. Thus, Mugest SARL has a certain latitude to propose its own remuneration to the Supervisory Board and to the Audit and Remuneration Committee, which is derived from it.

➤ **Dependence on key person(s):**

Mr. Adil Douiri is one of the founders of MUTANDIS and a limited shareholder with 6.88% of the capital. He is also the sole partner and manager of MUGEST SARL, which is the sole statutory general partner and sole statutory manager of the company. In this capacity, Mr. Adil Douiri has the effective powers to control and manage Mutandis SCA and to set its strategic orientations. The success of Mutandis, its growth and its continuous development depend strongly on the qualities and expertise of Mr. Adil Douiri.

However, in thirteen years of existence, the Mutandis group has built a team of high level, experienced and supportive managers. They play an important role in the daily management of the group and in its investment decisions. They can individually or collectively replace Mr. Adil Douiri if necessary.

➤ **Other:**

Mugest SARL has limited assets (shareholders' equity of KMAD 17 600 as of end 2020). Therefore, its capacity to support indefinitely the debts of Mutandis SCA does not significantly change the credit risk profile of the company.

## II. Market risk

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The performance of Mutandis is linked to the evolution of the sectors of activity where the Group operates as well as to the national economic situation. Thus, a prolonged slowdown in household consumption in the countries where Mutandis operates could hinder the growth of its sales.

However, the nature of Mutandis' activities, consumer non-durable goods, is defensive in nature, allowing to mitigate the impact of this risk. The diversity of the product ranges manufactured by Mutandis, Detergents, Seafood, Beverage bottles and Fruit juice, also allows to reduce the market risk.

Moreover, the diversity of the countries where Mutandis markets its different product lines mitigates even more the impact of a strong slowdown of the household consumption in one or the other of these countries.

It should be noted that household consumption is a macro-economic aggregate that grows constantly over the long term, and that recession phases usually correspond to consumption levels but not to decreases in this aggregate.

## III. Competitive risk

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All the product lines of the Mutandis group evolve in an environment marked by strong competition, in Morocco or in the various countries in which the Mutandis group markets its products. The competitive intensity could in some cases prevent the Mutandis Group from increasing its prices to pass on the increase in its costs.

Nevertheless, to date, the Mutandis Group has been able to maintain or increase its market share while stabilizing its operating margins. Industrial productivity gains, as well as the operational leverage effect (increase of the volumes produced against a part of the expenses which is fixed) allow the company to increase its results without having to increase the unit selling prices of its products.

## IV. Risk related to changes in raw material prices

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Like all consumer products companies in the world, Mutandis buys raw materials and packaging that it transforms into finished products intended for the daily consumption of households (hygiene and food products).

The raw materials and packaging consumed by the different product lines of Mutandis are mainly: petroleum derivatives (LABSA, PET, PP, HDPE), phosphate derivatives (STPP), fresh or frozen fish (sardine, mackerel and tuna), tinsplate, refined oil (sunflower, soya and olive), fresh or concentrated fruits and vegetables.

Therefore, in case of an increase in the cost of these raw materials, Mutandis may be temporarily unable to fully pass on this increase in the selling price of its different product lines.

However, Mutandis mitigates this risk in three ways:

- It is gradually passing on this increase to the end consumer, particularly in seafood products where global demand exceeds supply, or in Beverage bottles where industrial partnerships are often indexed to the price of the raw material;
- It is modifying its formulations (detergents) or recipes (Fruit juice, canned foods) to partially substitute the most expensive materials with alternative ones, after testing with consumers;
- In 2012, it began integrating upstream of seafood canning by developing a pelagic fish fishing business, which now supplies about half of the plants' needs.

Conversely, a decrease in raw material costs mechanically and instantly improves Mutandis' margins.

## V. Foreign currency risk

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The international raw materials used by Mutandis are mainly denominated in USD (US dollar). Only imported refined oils are denominated in Euros. Fresh fish and part of the fruit juice concentrates are denominated in Dirhams.

Therefore, a simultaneous fall of the Dirham against the USD and the Euro increases the cost of inputs and reduces the margins of Mutandis.

A rise of the USD against the Euro also has a negative impact on the cost of inputs of Mutandis, as most of the raw materials and packaging are in USD.

The opposite movements have mechanically the opposite effect: they improve the margins of Mutandis.

However, Mutandis exports about a quarter of its turnover, mainly in Euros and USD, with a slight preponderance for the Euro.

As a result, Mutandis has a natural, automatic exchange rate hedge, which reduces and mitigates the impact of currency fluctuations on the company's margins, independently of the exchange rate regulations, especially the flexibilization of the dirham.

Following the acquisition of 100% of the shares of Season Brand LLC, Mutandis will generate cash flows in USD, which will expose it to a potential exchange risk.

## VI. Regulatory risk

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The food industries as well as the manufacturing of hygiene products are framed by a certain number of regulations, Moroccan and foreign for the countries in which Mutandis exports.

In particular, the different regulations and standards concern food safety, as well as the environmental impact or the respect of the labor legislation (social and environmental responsibility of the company). In this respect, Mutandis' factories are regularly controlled and audited by the Moroccan authorities, but also by international certification bodies giving access to the European and North American markets.

A sudden tightening of these regulations could temporarily affect the access to one or the other of Mutandis' customer countries.

However, this risk is mitigated by the historical observation of a slow, gradual and predictable evolution of the regulations, which Mutandis is able to follow by a constant effort of investment and improvement of its production units.

## VII. Health risk

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Like all companies operating in sectors related to food consumption, Mutandis is exposed to risks related to hygiene and food safety.

In order to limit this risk, Mutandis has introduced a regular and continuous quality control all along the manufacturing process in the respect of HACCP methods. This sanitary imperative is accentuated by the strict regulations applied to food products marketed in Europe.

To date, the Company has not recorded any incident of non-conformity and no sanitary problem on its production.

## VIII. Tax risk related to activities in the southern provinces

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Companies in the southern provinces of the kingdom benefit from a tax exemption, particularly in terms of corporate tax, income tax and VAT.

This tax exemption system could be subject to change, affecting all companies operating in these provinces.

## IX. Risk related to the obsolescence of production units

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Mutandis regularly invests in all its factories in order to ensure the maintenance of its equipment and to achieve productivity gains by improving its production tools.

The production processes of the different product lines are relatively simple and can be regularly improved to follow the evolution of technology. The concept of "obsolescence" does not apply to Mutandis' production units, whose technology level remains relatively simple.

The age of the vessels in the Sea Products activity is not a relevant indicator. Indeed, their lifespan depends on the maintenance policy adopted. In the case of Mutandis, a significant investment is allocated annually to extend the life of the vessels.

## X. Risk related to the Group's operational performance

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As it is the case for any company, Mutandis' teams could realize operational performances below the objectives.

However, the quality of the teams and the attention paid to the management of human resources should be able to reduce the risk of operational underperformance.

## XI. Export risk

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A significant part of Mutandis' turnover is sold for export. A modification of the customs duties applied to Mutandis' products in the different export markets would have an unfavorable impact on the margins or on the export volumes.

## XII. Distribution Partnership Risk

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Mutandis distributes itself its products within the Moroccan market. For export, Mutandis uses local distributors. If the partnership between Mutandis and one of its distributors were to be interrupted, it would temporarily affect Mutandis' sales in this market. However, the Company is confident in its ability to collaborate with another distributor in this market. Moreover, the geographical diversification of Mutandis' exports puts into perspective any possible rupture of partnership with one of the distributors.

## XIII. Risk related to activity seasonality

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The Seafood business is the activity most affected by seasonality.

For fish canneries, supply difficulties can result from fluctuations in landings of pelagic species. In order to mitigate the risk of a decrease in the volumes of fish available for supply, the Mutandis Group is implementing various measures:

- Signature of supply contracts with fish traders;
- Use of its own boats to ensure the supply of the Group.

To a lesser extent, seasonality also affects the fruit juice activity. Juice consumption in Morocco is marked by seasonality, with peaks observed during the summer period and the month of Ramadan. However, significant

marketing investments are made by the Group to ensure that the brand is permanently in the minds of consumers and to encourage regular consumption throughout the year through the launch of adapted ranges.

#### **XIV. Risk related to Mutandis' indebtedness**

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As of December 31, 2020, taking into account a liquidity position and marketable securities of MMAD84.3, the Group's net debt amounted to MMAD 422.8. As the debt is contracted at fixed interest rates, the Group is not exposed to interest rate fluctuations.

It should be noted that the shares held by Mutandis in LGMC and CMB are pledged up to 22.8% and 47.8% respectively, as a guarantee for loans granted by local banks.

In addition, the Group has always maintained its financial autonomy, and has constantly controlled its debt ratios. At the end of December 2020, the Group's financial leverage (net debt/[net debt + equity]) was 30.1%.

#### **XV. Risk related to the investment in CFG Bank**

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As of December 31, 2020, Mutandis holds a 6.9%<sup>1</sup> stake in the capital of CFG Bank for an acquisition price of KMAD 103 712. It should be noted that this participation represents less than 10% of the total balance sheet of Mutandis.

In the framework of a possible transaction on these shares, the selling price could be different from the above value upwards or downwards.

#### **XVI. Risk related to the securities portfolio**

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As of December 31, 2020, part of the Group's cash and cash equivalents, amounting to MMAD 35, was invested in marketable securities. These are mainly money market funds or fixed income securities. An increase in interest rates could reduce the value of these investments, while a decrease in interest rates could increase it. However, the maturities of these investments are very short, making their valuation very insensitive to interest rate movements.

#### **XVII. Risk related to the availability of pelagic resources**

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The Seafood Products activity could be confronted with a risk of unavailability of pelagic resources (see Part III. FISHING AND CANNING SECTOR IN MOROCCO for all elements related to the seasonality of LGMC's activity).

It should be noted that the INRH, in charge of monitoring the biomass, regularly controls the reproduction of the species, and this in a context of stability of the authorized fishing quotas. However, when, for biological reasons, the biomass decreases, the Ministry of Fisheries temporarily reduces these quotas in order to ensure the reproduction of the resource and its sustainability.

To ensure the regularity of its supplies, Mutandis has chosen to integrate upstream, thus ensuring almost half of the needs of its factories. The rest is bought from the different actors of the coastal fishing industry.

#### **XVIII. Risk related to the Covid-19 pandemic**

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Depending on the evolution of the pandemic in Morocco as well as at the international level, and according to the barrier measures put in place, Mutandis could be confronted with a slowdown of its activity level as it was observed between March and June 2020, following the generalized confinement put in place by the public authorities.

#### **XIX. Risk factors related to the financial instruments offered**

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<sup>1</sup> Statutory Auditors' Report on the parent company financial statements for the financial year from January 1 to December 31, 2020

**Liquidity risk**

The subscriber to the shares of Mutandis SCA may be subject to a risk of liquidity of the security on the stock market. Indeed, according to the market conditions and the evolution of the stock exchange price, the liquidity of the security may be momentarily affected. Thus, a shareholder wishing to sell their shares may, to some extent, be unable to sell all or part of their holdings within a short period of time, with or without a discount on the capital.

**Price volatility risk**

Listed shares are subject to the rules of supply and demand, which determine their value on the stock market. Share price movements are determined in particular by the achievements and financial performance of listed companies, announcements, strategies and development prospects anticipated by investors. As a result, investors may experience a significant increase or decrease in the value of the listed securities they hold.

**Capital loss risk**

Participation in the capital of a company involves the risks inherent in any investment. If one or more of the risks are realized, they may result in losses up to and including the total loss of the contribution and related transaction costs, and thus of the entire capital invested.

Furthermore, if the investor has borrowed external capital to pay for the participation, the maximum risk is higher, since the obligations resulting from the loan contract remain towards the financial backer, regardless of the evolution of the participation in the capital of Mutandis SCA, and the financial backer can claim against the investor for an amount exceeding the invested capital. There is therefore a risk of personal bankruptcy.

## Disclaimer

The above-mentioned information is only a part of the prospectus approved by the Moroccan Capital Market Authority (AMMC) on January 21, 2022 under reference no. VI/EM/001/2022.

The AMMC recommends reading the whole prospectus made available to the public in French.