



## PROSPECTUS SUMMARY

### COMMERCIAL PAPER PROGRAMME

**ISSUANCE PROGRAMME CEILING: MAD 100,000,000**  
**FACE VALUE: MAD 100,000**

**FINANCIAL ADVISORS AND GLOBAL COORDINATORS**

**PLACEMENT AGENT**



الشركة العامة  
SOCIETE GENERALE



BURJ  
FINANCE



الشركة العامة  
SOCIETE GENERALE

### **APPROVAL OF SECURITIES COMMISSION (AUTORITE MAROCAINE DU MARCHE DES CAPITAUX)**

In accordance with article 18 of Dahir 1-95-3 of 24 Sha'aban 1415 (26 January 1995) promulgating Law 35-94 on certain negotiable debt securities, as amended and supplemented, the original of the present prospectus summary was approved by the AMMC, under the reference number VI/EM/006/2017 on February 10<sup>th</sup> 2017.

## **DISCLAIMER**

On February 10<sup>th</sup> 2017, the AMMC approved a prospectus related to the implementation of a commercial paper issuance program by Valyans Consulting.

The prospectus approved by the AMMC may be consulted at any time at the registered headquarters of Valyans Consulting and at its financial advisors, Société Générale Marocaine de Banques and Burj Finance. It will also be made available at the headquarters of the placement agent.

The prospectus is also available on the AMMC website ([www.ammc.ma](http://www.ammc.ma))

## I. BACKGROUND INFORMATION

### 1. Objectives of the operation

Valyans Consulting wishes to issue a commercial paper programme in order to:

- Diversify its sources of financing for a better negotiation position with its financial partners;
- Optimize the cost of short-term financing by partially substituting its existing bank debt by commercial paper;
- Consolidate its image towards institutional investors thanks to a presence in the capital markets;
- Meet its sporadic cash needs: Valyans Consulting's significant development in sub-Saharan Africa is increasing its working capital needs, due on the one hand to the business prospecting and travel costs, and on the other hand to longer payment terms than those generally observed in the Moroccan market.

The size of the commercial paper programme was set in order to allow the company to achieve its strategic objectives in terms of international development, and to diversify its sources of financing.

### 2. Characteristics of commercial paper to be issued

|                                   |   |
|-----------------------------------|---|
| <b>Nature of the securities</b>   | Negotiable debt securities dematerialized by registration with the central custodian (Maroclear) and registered in the books of entitled affiliates |
| <b>Legal form</b>                 | Commercial Paper out to bearer  |
| <b>Issuance ceiling</b>           | MAD 100,000,000.00  |
| <b>Nominal value</b>              | MAD 100,000   |
| <b>Number of securities</b>       | 1,000   |
| <b>Maturity</b>                   | Between 10 days and 1 year – to be defined at each issuance   |
| <b>Date of entitlement</b>        | Date of payment   |
| <b>Interest rate</b>              | Determined at each issuance depending on market conditions  |
| <b>Interest</b>                   | Post counted  |
| <b>Payment of coupon</b>          | In fine, at due date of each commercial paper   |
| <b>Reimbursement of principal</b> | In fine, at due date of each commercial paper   |
| <b>Assimilation clause</b>        | The commercial paper issued is not assimilated to any previously issued securities  |
| <b>Trading</b>                    | Freely tradable. The securities are negotiable OTC.   |
| <b>Guarantees</b>                 | None  |

## II. INFORMATION ON VALYANS CONSULTING

### 1. General information

Valyans Consulting is the 1<sup>st</sup> Moroccan Strategy and Implementation Consultancy Firm<sup>1</sup>. The company offers a wide range of management consulting services to its clients, from the design of fit-for-purpose business strategies to their effective implementation across the organizations. Valyans Consulting also provides other advisory services, such as organizational consulting and information systems consulting.

Valyans Consulting had 60 staff members as of end June 2016, among which 37 consultants based in the company's Casablanca and Rabat offices.

Since its creation, Valyans Consulting has been involved, along with the Moroccan Government and its Administration, in the design and/or the implementation of major strategic plans for the Kingdom: the National Industrial Emergence Plan, the Green Morocco Plan, the Halieutis Plan for fisheries, the strategic plan for tourism (2020 Vision), the Rawaj Plan for retail trade, etc.

Throughout these assignments, Valyans Consulting and its collaborators acquired a strong sector expertise in a wide range of sectors.

Leveraging these successful experiences in Morocco, Valyans Consulting launched in 2005 a strategy for its development abroad aiming at expanding its capabilities internationally with a particular focus on Africa, and more specifically in sub-Saharan countries which are facing similar challenges as those in Morocco and hence offer a major source of new markets for sector strategies and territorial development.

Since 2012, Valyans Consulting has carried out large scale engagements on behalf of the Governments of the Ivory Coast and Gabon, mainly in the agricultural and fisheries sectors, including:

- The Ivorian Diaspora Mobilization Strategy (2011–2012)
- The design / implementation of an Operational Action Plan for the National Development Strategy for the Ivorian Rice Industry (2012–2013)
- The structuring of the system for implementing the Ivorian National Agricultural Investment Plan (2012–2013)
- The implementation of the Gabonese National Development Strategy for the Agricultural Sector (2013–2014)
- The preparation of the Gabonese National Development Strategy for the Fisheries Sector (2013–2014)
- The Ivorian competitive economic poles development plan (2015)

Valyans Consulting had previously carried out several engagements abroad, including:

- The launching of a subsidiary of BMCE Bank in the United Kingdom (2005–2006)
- The development of the IT plan for the National Bank of Mauritania (2005–2006)
- The advisory of Sama Dubai within the framework of its Dubai Towers project in Tunis (2006–2008)
- The definition of the strategic plans for the Malian and Senegalese subsidiaries of Attijariwafa Bank Group (2011–2012)

Valyans Consulting carries on prospecting business in many other countries in sub-Saharan Africa, and its international expansion awarded it the Casablanca Financial City (CFC) status in 2013.

### 2. Valyans Consulting's activities

#### a. Strategy

Valyans Consulting offers a wide range of services to its clients, from the design of fit-for-purpose business strategies to their effective implementation across the organisations.

The expertise developed by Valyans Consulting allows it to deal with critical strategic projects such as:

- The definition of sector strategies at a country scale
- The definition of development strategies at a regional level
- The definition of internal growth strategies and business strategies, and also the optimization of portfolios of activities on behalf of private companies

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<sup>1</sup> Based on 2015 turnover (source: Moroccan Industrial Property Office (OMPIC)).

- The assistance in designing integrated territorial projects such as the development of new towns and tourist resorts.

In this context, Valyans Consulting has over the past few years carried out several advisory assignments in the Strategy area on behalf of both the public and the private sectors, including:

- The strategic review of CDG Développement's portfolio (2007–2008)
- The positioning strategy for Al Omrane Holding in the housing sector (2007–2008)
- The emergency plan for the Education and Training System (2007–2009)
- The Halieutis Plan strategy for the development of the fisheries sector (2008–2009)
- The development strategy for the Eastern Region of Morocco (2009–2011)
- The development strategy for Sonacos (2010–2011)
- The development strategy for Engineering and Construction and Public Works Companies (2011–2013)
- The agricultural research and training strategy (2011–2013)
- The development strategy for oasis areas and the argan tree (2011–2013)
- The development strategy for the Metallurgical and Mechanical Industries sector (2012–2013)
- The structuring of the system for implementing the Ivorian National Agricultural Investment Plan (2012–2013)
- The Operational Action Plan for the National Development Strategy for the Ivorian Rice Industry (2012–2013)
- The implementation of the Gabonese National Development Strategy for the Agricultural Sector (2013–2014)
- The Gabonese National Development Strategy for the Fisheries Sector (2013–2014)
- The structuring of the Moroccan urban logistics (2013-2015)
- The development of the Moroccan domestic air transport (2014-2015)
- The Ivorian competitive economic poles development plan (2015)
- Confidential strategic projects on behalf of OCP (2016)

#### **b. Implementation**

In order to ensure the success, in a timely manner, of the strategies that are formulated, Valyans Consulting also offers its clients the possibility to assist them in the implementation of these strategies, which requires a close monitoring not only of their state of progress but also of the contribution of all the stakeholders involved.

For that purpose, Valyans Consulting has developed a complete Project Management Office (PMO) package fit for large scale transformation programs. This package combines a set of tools and methods enabling an efficient and effective monitoring of the defined strategic plans throughout the implementation life cycle.

The PMO is a system for managing projects that ensures their success through a close monitoring and a strong reactivity.

In that context, Valyans Consulting has carried out over the past few years several consultancy missions throughout the implementation lifecycle of the recommended strategies, on behalf of both the public and the private sectors including:

- The assistance for the implementation of CDG Développement's portfolio strategy (2008–2009)
- The assistance for the implementation of the Emergence Plan (2008–2011)
- The assistance for the implementation of the Halieutis Plan (2009–2011)
- The assistance for the implementation of the Rawaj Plan (2010–2012)
- The assistance for the implementation of the development strategy of the Eastern Region of Morocco (2011-2012)
- The assistance for the implementation of the Moroccan Solar Energy Plan (MASEN) (2009–2015)
- The assistance for the merger of a major industrial operator (2016)

### **c. Other consultancy activities**

In parallel with its consultancy activities in the Strategy and Implementation areas, Valyans Consulting also provides its clients with Organization Structuring and IT systems consultancy.

#### **▪ Strategic alignment of the organisation**

Valyans Consulting has developed a specific offer which consists in understanding its clients' background to design customized solutions, aligned with their economic, social and cultural specificities, in order to ensure that recommended strategies are relevant, fit-for-purpose and easy to implement.

Valyans Consulting assists its clients in evaluating the adequacy between their organizational structures and their strategic objectives. To that end, it assists its clients in defining a target organizational structure. In practice, this takes the form of an organizational chart that sets forth clearly who is responsible for what, with a view to mobilizing people towards the strategic orientations made by the company.

Valyans Consulting has carried out various organizational projects on behalf of well-known clients, which range from the reorganization of an office or a department to the reorganization of a whole structure. These projects include:

- The reorganization of Crédit Agricole du Maroc's accounting function (2007–2008)
- The development of Attijariwafa Bank's banking transaction processing procedures (2007–2009)
- The re-engineering of the organizational structure and procedures of Actif Invest (2008–2009)
- The reorganization of Crédit Agricole du Maroc (2009–2010)
- The reorganization of the Department of Agriculture of the Ministry of Agriculture and Fisheries (2009–2010)
- BMCE Capital product programme (2009–2010)
- The development of procedures for MASEN (2009–2015)
- The organization of the Moroccan Agency for Solar Energy – MASEN (2009–2015)
- The development of procedures and the implementation of the organizational structure of MAMDA/MCMA mutual insurance companies (2010–2011)
- The reorganization of the Moroccan Tax Office (DGI) (2010–2012)
- The reorganization of the Ministry of Trade, Industry and New Technologies (2011–2013)
- The implementation of Lafarge Ciments new commercial organization (2015)

#### **▪ IT Systems**

Valyans Consulting has developed a full suite of services to assist its clients in the setting up of their IT systems.

Its thorough understanding of the specific features of IT systems enables Valyans Consulting to cover the business-related and support problem areas for large companies, in different industrial sectors.

Over the past few years, Valyans Consulting has carried out several IT Systems consultancy missions, including:

- Blueprint and assistance in the selection of a global banking system for the National Bank of Mauritania (2005–2006)
- Project management assistance for the implementation of an accounting hub at a Moroccan bank (2007–2008)
- IT blueprint of MediCapital Bank (2008–2009)
- Project management assistance for the implementation of the new settlement platform for Maroclear (2008–2009)
- Project management assistance for the implementation of a financial services activities management solution at CDG Capital (2011–2013)
- Project management assistance for the implementation of an integrated management system for support functions at ONP (2016)

### 3. Shareholding structure

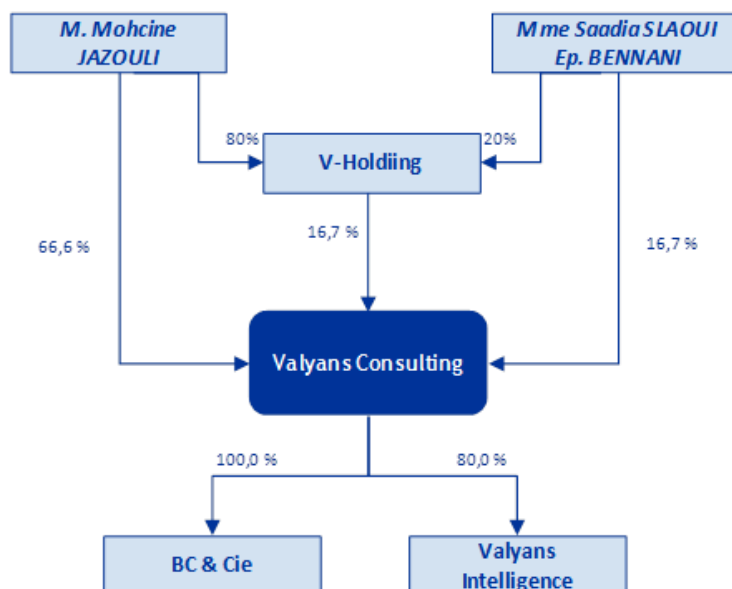
The shareholding structure of Valyans Consulting is as follows, as at June 30<sup>th</sup> 2016:

| Shareholders                      | June 30 <sup>th</sup> 2016 |                         |                    |
|-----------------------------------|----------------------------|-------------------------|--------------------|
|                                   | Number of shares           | % of registered capital | % of voting rights |
| Mr. Mohcine JAZOULI               | 133 332                    | 66.7%                   | 66.7%              |
| V-Holding                         | 33 333                     | 16.7%                   | 16.7%              |
| Mrs. Saadia SLAOUI spouse Bennani | 33 333                     | 16.7%                   | 16.7%              |
| Ms. Chadia Jazouli                | 1                          | 0.0%                    | 0.0%               |
| BC & CIE SARL                     | 1                          | 0.0%                    | 0.0%               |
| <b>Total</b>                      | <b>200 000</b>             | <b>100.0%</b>           | <b>100.0%</b>      |

Source: Valyans Consulting

### 4. Legal structure

The legal structure of Valyans Consulting stands as follows, as at June 30<sup>th</sup> 2016:



Source: Valyans Consulting

### III. VALYANS CONSULTING COMPANY FINANCIAL STATEMENTS

#### Fiscal year-end of the last three years' Balance Sheets and Profit & Loss accounts

##### a. Fiscal year ending 30/06/2014 Balance sheet (Assets)

| ASSETS                                       | FISCAL YEAR ENDING 30/06/2014 |   |                       | N-1                   |
|--|-------------------------------|---|-----------------------|-----------------------|
|  | Gross                         | Cumulative Depreciations and Provisions | Net                   | Net                   |
| <b>NON MONETARY INTANGIBLE ASSETS (a)</b>    | <b>1 466 568.62</b>           | <b>1 466 568.62</b>                     |                       | <b>733 284.31</b>     |
| Z Preliminary expenses                       |                               |   |                       |                       |
| O Deferred charges                           | 1 466 568.62                  | 1 466 568.62                            |                       | 733 284.31            |
| Z Redemption premiums                        |                               |   |                       |                       |
| <b>INTANGIBLE ASSETS (b)</b>                 | <b>931 281.00</b>             | <b>706 590.06</b>                       | <b>224 690.94</b>     | <b>310 578.24</b>     |
| O R&D  |                               |   |                       |                       |
| C Patents, trade names                       | 801 431.00                    | 614 990.06                              | 186 440.94            | 272 328.24            |
| Z Goodwill                                   |                               |   |                       |                       |
| Z Other intangible assets                    | 129 850.00                    | 91 600.00                               | 38 250.00             | 38 250.00             |
| <b>TANGIBLE ASSETS (c)</b>                   | <b>2 875 345.55</b>           | <b>2 061 538.73</b>                     | <b>813 806.82</b>     | <b>881 315.51</b>     |
| Z Lands                                      |                               |   |                       |                       |
| - Buildings                                  |                               |   |                       |                       |
| Technical facilities, equipment              | 142 909.50                    | 70 015.67                               | 72 893.83             | 87 184.78             |
| Z Transport equipment                        | 240 274.10                    | 68 683.36                               | 171 590.74            | 12 869.18             |
| S Furniture                                  | 2 492 161.95                  | 1 922 839.70                            | 569 322.25            | 781 261.55            |
| S Other tangible assets                      |                               |   |                       |                       |
| m Current tangible assets                    |                               |   |                       |                       |
| <b>FINANCIAL ASSETS (d)</b>                  | <b>3 074 194.00</b>           | <b>2 525 185.61</b>                     | <b>549 008.39</b>     | <b>537 545.30</b>     |
| S Long-term loans                            |                               |   |                       |                       |
| Other financial claims                       | 74 194.00                     |   | 74 194.00             | 76 694.00             |
| Equity stake                                 | 3 000 000.00                  | 2 525 185.61                            | 474 814.39            | 460 851.30            |
| Other  |                               |   |                       |                       |
| <b>ASSETS DIFFERENCE CONVERSION (e)</b>      |                               |   |                       |                       |
| Reduction of fixed debts                     |                               |   |                       |                       |
| Increase in financial claims                 |                               |   |                       |                       |
| <b>TOTAL I (a+b+c+d+e)</b>                   | <b>8 347 389.17</b>           | <b>6 759 883.02</b>                     | <b>1 587 506.15</b>   | <b>2 462 723.36</b>   |
| <b>INVENTORIES (f)</b>                       |                               |   |                       |                       |
| Goods  |                               |   |                       |                       |
| O Consumables                                |                               |   |                       |                       |
| C Current products                           |                               |   |                       |                       |
| Z Intermediate and residual products         |                               |   |                       |                       |
| Z Finished products                          |                               |   |                       |                       |
| <b>CURRENT ASSETS RECEIVABLE (g)</b>         | <b>168 591 242.02</b>         | <b>2 229 764.67</b>                     | <b>166 361 477.35</b> | <b>116 612 507.83</b> |
| Z Down payments, prepayments and receivables | 460 412.89                    |   | 460 412.89            | 498 405.01            |
| - Trade receivables                          | 164 122 551.80                | 2 229 764.67                            | 161 892 787.13        | 111 080 252.16        |
| Personnel                                    | 38 968.52                     |   | 38 968.52             | 78 382.14             |
| Z State                                      | 3 070 802.64                  |   | 3 070 802.64          | 4 177 804.30          |
| S Shareholders' loan account                 |                               |   |                       |                       |
| S Other accounts receivable                  | 341 279.67                    |   | 341 279.67            | 224 068.30            |
| m Accruals and deferred income               | 557 226.50                    |   | 557 226.50            | 553 595.92            |
| <b>MARKETABLE SECURITIES (h)</b>             |                               |   |                       |                       |
| S ASSETS DIFFERENCE CONVERSION (i)           | <b>227 583.57</b>             |   | <b>227 583.57</b>     | <b>211 802.44</b>     |
| (Current items)                              |                               |   |                       |                       |
| <b>TOTAL II (f+g+h+i)</b>                    | <b>168 818 825.59</b>         | <b>2 229 764.67</b>                     | <b>166 589 060.92</b> | <b>116 824 310.27</b> |
| <b>TREASURY- ASSETS</b>                      | <b>249 426.08</b>             |   | <b>249 426.08</b>     | <b>151 421.05</b>     |
| Z Checks and values for collection           |                               |   |                       |                       |
| S Banks, Treasury                            | 212 393.27                    |   | 212 393.27            | 111 553.66            |
| H Cash                                       | 37 032.81                     |   | 37 032.81             | 39 867.39             |
| <b>TOTAL III</b>                             | <b>249 426.08</b>             |   | <b>249 426.08</b>     | <b>151 421.05</b>     |
| <b>OVERALL TOTAL I+II+III</b>                | <b>177 415 640.84</b>         | <b>8 989 647.69</b>                     | <b>168 425 993.15</b> | <b>119 438 454.68</b> |

**b. Fiscal year ending 30/06/2014 Balance sheet (Liabilities)**

|                       | LIABILITIES   | FISCAL YEAR ENDING 30/06/2014 | N-1                   |
|-----------------------|---|-------------------------------|-----------------------|
| <b>EQUITY CAPITAL</b> |   |                               |                       |
|                       | Authorised Share Capital (1)                                | 20 000 000.00                 | 20 000 000.00         |
| N                     | Less : Shareholders, uncalled subscribed capital            |                               |                       |
| O                     | Including paid up capital as follows:                       |                               |                       |
| N                     | Premium, merger surplus, share premium                      |                               |                       |
| C                     | Revaluation differential                                    |                               |                       |
| U                     | Legal reserve   | 2 000 000.00                  | 2 000 000.00          |
| R                     | Other reserves  | 5 401 339.76                  | 5 401 339.76          |
| R                     | Retained earnings (2)                                       | 9 943 719.02                  | 5 201 022.10          |
| E                     | Net profit (2)  | 19 559 404.99                 | 14 742 696.92         |
| N                     | <b>SHAREHOLDERS EQUITY (a)</b>                              | <b>56 904 463.77</b>          | <b>47 345 058.78</b>  |
| T                     | <b>ASSIMILATED SHAREHOLDERS EQUITY (b)</b>                  | <b>308 940.44</b>             | <b>446 438.25</b>     |
|                       | Investment grants   |                               |                       |
| L                     | Provisions required by law                                  | 308 940.44                    | 446 438.25            |
| I                     |   |                               |                       |
| A                     | <b>FUNDING DEBTS (c)</b>                                    |                               |                       |
| B                     | Issued Bonds  |                               |                       |
| I                     | Other financing debts                                       |                               |                       |
| L                     |   |                               |                       |
| I                     | <b>PERMANENT RESERVES FOR CONTINGENCIES (d)</b>             |                               |                       |
| T                     | Provisions for liabilities                                  |                               |                       |
| I                     | Provisions for liabilities and charges                      |                               |                       |
| E                     | <b>LIABILITIES DIFFERENCE CONVERSION (e)</b>                |                               |                       |
| S                     | Increase in fixed claims                                    |                               |                       |
|                       | Diminution of financing debts                               |                               |                       |
|                       | <b>TOTAL I (a+b+c+d+e)</b>                                  | <b>57 213 404.21</b>          | <b>47 791 497.03</b>  |
| C                     | <b>CURRENT SHORT TERM DEBTS (f)</b>                         | <b>53 153 585.53</b>          | <b>37 671 107.80</b>  |
| U                     | Accounts payable and auxiliary accounts                     | 17 698 147.57                 | 14 015 660.24         |
| R                     | Accounts receivable, advances                               |                               |                       |
| R                     | Personnel   | 9 424 531.23                  | 7 312 998.12          |
| E                     | Social corporations   | 2 770 816.24                  | 2 324 040.85          |
| N                     | State   | 12 949 516.20                 | 13 047 756.14         |
| T                     | Shareholders' loan accounts                                 | 8 750 005.00                  |                       |
|                       | Other accounts payable                                      | 574 869.23                    | 547 398.93            |
| L                     | Equalization accounts-liabilities                           | 985 700.06                    | 423 253.52            |
| I                     | <b>OTHER RESERVES FOR CONTINGENCIES (g)</b>                 | <b>240 317.74</b>             | <b>334 154.96</b>     |
|                       | <b>LIABILITIES DIFFERENCE CONVERSION (h)(Current items)</b> | <b>135 525.30</b>             | <b>34 721.12</b>      |
| A                     |   |                               |                       |
| B                     | <b>TOTAL II (f+g+h)</b>                                     | <b>53 529 428.57</b>          | <b>38 039 983.88</b>  |
| I                     | <b>TREASURY – LIABILITIES</b>                               |                               |                       |
| L                     | Discount loans  |                               |                       |
| I                     | Cash advances   |                               |                       |
| T                     | Banks (credit balances)                                     | 57 683 160.37                 | 33 606 973.77         |
| I                     | <b>TOTAL III</b>  | <b>57 683 160.37</b>          | <b>33 606 973.77</b>  |
| E                     | <b>TOTAL I+II+III</b>                                       | <b>168 425 993.15</b>         | <b>119 438 454.68</b> |
| S                     | (1) Authorised Share Capital                                |                               |                       |
|                       | (2) Profit (+). loss (-)                                    |                               |                       |

**c. Profit and loss account for fiscal year ending 30/06/2014**

|               |   | OPERATIONS            |                     |                       |                        |
|---------------|---|-----------------------|---------------------|-----------------------|------------------------|
|               |   | In year itself        | From previous years | Totals for year       | Totals for year before |
|               |   | 1                     | 2                   | 3 = 1 + 2             |                        |
| <b>I</b>      | <b>OPERATING REVENUES</b>   |                       |                     |                       |                        |
|               | Sales of goods  |                       |                     |                       |                        |
|               | Sales of goods and services produced  | 107 027 700.53        |                     | 107 027 700.53        | 104 939 656.38         |
| <b>O</b>      | Change in product stock   |                       |                     |                       |                        |
| <b>P</b>      | Fixed assets produced by the company for itself   |                       |                     |                       |                        |
| <b>E</b>      | Operating subsidies   |                       |                     |                       |                        |
| <b>R</b>      | Other operating revenues  |                       |                     |                       |                        |
| <b>A</b>      | Reversals, transfer of expenses   | 664 601.51            |                     | 664 601.51            | 2 466 568.62           |
| <b>T</b>      | <b>TOTAL I</b>  | <b>107 692 302.04</b> |                     | <b>107 692 302.04</b> | <b>107 406 225.00</b>  |
| <b>I II</b>   | <b>OPERATING EXPENSES</b>   |                       |                     |                       |                        |
| <b>N</b>      | Cost of goods sold  |                       |                     |                       |                        |
| <b>G</b>      | Purchases of equipment and supplies   | 2 456 277.22          |                     | 2 456 277.22          | 2 109 570.09           |
|               | Other external expenses   | 23 154 110.87         | 184 111.39          | 23 338 222.26         | 27 721 882.29          |
|               | Taxes and duties  | 416 078.51            | 272 570.60          | 688 649.11            | 317 956.21             |
|               | Payroll costs   | 54 018 753.67         |                     | 54 018 753.67         | 54 910 527.15          |
|               | Other operating expenses  |                       |                     |                       | 7 920.00               |
|               | Depreciation and amortization   | 1 095 495.27          |                     | 1 095 495.27          | 2 348 691.52           |
|               | <b>TOTAL II</b>   | <b>81 140 715.54</b>  | <b>456 681.99</b>   | <b>81 597 397.53</b>  | <b>87 416 547.26</b>   |
| <b>III</b>    | <b>OPERATING INCOME (I - II)</b>  |                       |                     | <b>26 094 904.51</b>  | <b>19 989 677.74</b>   |
| <b>IV</b>     | <b>FINANCIAL REVENUES</b>   |                       |                     |                       |                        |
| <b>F</b>      | Revenues from equity shares & other fixed securities                                      |                       |                     |                       |                        |
| <b>I</b>      | Foreign exchange gains  | 70 514.14             |                     | 70 514.14             | 62 681.49              |
| <b>N</b>      | Interests & other revenues from equity shares   |                       |                     |                       |                        |
| <b>A</b>      | Carried forward, transfer of expenses   | 225 765.53            |                     | 225 765.53            | 42 007.10              |
| <b>N</b>      | <b>TOTAL IV</b>   | <b>296 279.67</b>     |                     | <b>296 279.67</b>     | <b>104 688.59</b>      |
| <b>C V</b>    | <b>FINANCIAL EXPENSES</b>   |                       |                     |                       |                        |
| <b>I</b>      | Interest charges  | 2 992 376.83          |                     | 2 992 376.83          | 2 152 425.66           |
| <b>A</b>      | Exchange losses   | 14 032.28             |                     | 14 032.28             | 33 142.40              |
| <b>L</b>      | Other financial expenses  |                       |                     |                       |                        |
|               | Financial subsidies   | 227 583.57            |                     | 227 583.57            | 300 951.14             |
|               | <b>TOTAL V</b>  | <b>3 233 992.68</b>   |                     | <b>3 233 992.68</b>   | <b>2 486 519.20</b>    |
| <b>VI</b>     | <b>FINANCIAL INCOME (IV - V)</b>  |                       |                     | <b>-2 937 713.01</b>  | <b>-2 381 830.61</b>   |
| <b>VII</b>    | <b>CURRENT RESULTS (III - VI)</b>   |                       |                     | <b>23 157 191.50</b>  | <b>17 607 847.13</b>   |
| <b>VII</b>    | <b>CURRENT RESULTS (Retained)</b>   |                       |                     | <b>23 157 191.50</b>  | <b>17 607 847.13</b>   |
| (1)           | Changes in product stock: final inventory – initial inventory; increase (+); decrease (-) |                       |                     |                       |                        |
| (2)           | Goods sold or consumed: purchases – change in inventory.                                  |                       |                     |                       |                        |
| <b>N VIII</b> | <b>NON CURRENT REVENUES</b>   |                       |                     |                       |                        |

|             |   | OPERATIONS        |                     |                       |                        |
|-------------|---|-------------------|---------------------|-----------------------|------------------------|
|             |   | In year itself    | From previous years | Totals for year       | Totals for year before |
|             |   | 1                 | 2                   | 3 = 1 + 2             |                        |
| <b>O</b>    | Revenues from tangible assets                             |                   |                     |                       |                        |
| <b>N</b>    | Balance subsidies   |                   |                     |                       |                        |
|             | Investments subsidies reversals                           |                   |                     |                       |                        |
| <b>R</b>    | Other non current revenues                                | 35 834.04         | 260.50              | 36 094.54             | 2 127 538.59           |
| <b>E</b>    | Non current reversals, transfer of expenses               | 137 515.10        |                     | 137 515.10            | 103 409.99             |
| <b>C</b>    | <b>TOTAL VIII</b>   | <b>173 349.14</b> | <b>260.50</b>       | <b>173 609.64</b>     | <b>2 230 948.58</b>    |
| <b>U IX</b> | <b>NON CURRENT EXPENSES</b>                               |                   |                     |                       |                        |
| <b>R</b>    | Amortized value from sold fixed assets                    |                   |                     |                       |                        |
| <b>R</b>    | Grants  |                   |                     |                       |                        |
| <b>I</b>    | Other non current expenses                                | 289 211.86        |                     | 289 211.86            | 138 850.75             |
| <b>N</b>    | Non current depreciation allowance & transfer of expenses | 17.29             |                     | 17.29                 | 126 368.04             |
| <b>G</b>    | <b>TOTAL IX</b>   | <b>289 229.15</b> |                     | <b>289 229.15</b>     | <b>265 218.79</b>      |
| <b>X</b>    | <b>NON CURRENT RESULTS (VIII- IX)</b>                     |                   |                     | <b>-115 619.51</b>    | <b>1 965 729.79</b>    |
| <b>XI</b>   | <b>PROFITS BEFORE TAX (VII+ X)</b>                        |                   |                     | <b>23 041 571.99</b>  | <b>19 573 576.92</b>   |
| <b>XII</b>  | <b>INCOME TAX</b>   | 3 482 167.00      |                     | <b>3 482 167.00</b>   | <b>4 830 880.00</b>    |
| <b>XIII</b> | <b>NET INCOME (XI - XII)</b>                              |                   |                     | <b>19 559 404.99</b>  | <b>14 742 696.92</b>   |
| <b>XIV</b>  | <b>TOTAL INCOME (I + IV + VIII)</b>                       |                   |                     | <b>108 162 191.35</b> | <b>109 741 862.17</b>  |
| <b>XV</b>   | <b>TOTAL EXPENSES (II+ V+ IX + XII)</b>                   |                   |                     | <b>88 602 786.36</b>  | <b>94 999 165.25</b>   |
| <b>XVI</b>  | <b>NET INCOME (XIV - XV)</b>                              |                   |                     | <b>19 559 404.99</b>  | <b>14 742 696.92</b>   |

## d. Fiscal year ending 30/06/2015 Balance sheet (Assets)

| Assets                                       | FISCAL YEAR ENDING 30/06/2015 |                     |                       | N-1                   |
|--|-------------------------------|---------------------|-----------------------|-----------------------|
|  | Gross                         | Depr. & Provs       | Net                   | Net                   |
| <b>NON MONETARY INTANGIBLE ASSETS (a)</b>    |                               |                     |                       |                       |
| ⌘ Preliminary expenses                       |                               |                     |                       |                       |
| ○ Deferred charges                           |                               |                     |                       |                       |
| ⌘ Redemption premiums                        |                               |                     |                       |                       |
| <b>INTANGIBLE ASSETS (b)</b>                 | <b>953 987.00</b>             | <b>793 045.01</b>   | <b>160 941.99</b>     | <b>224 690.94</b>     |
| ○ R&D  |                               |                     |                       |                       |
| ⌘ Patents, trade names                       | 824 137.00                    | 701 445.01          | 122 691.99            | 186 440.94            |
| ⌘ Goodwill                                   |                               |                     |                       |                       |
| ⌘ Other intangible assets                    | 129 850.00                    | 91 600.00           | 38 250.00             | 38 250.00             |
| <b>TANGIBLE ASSETS (c)</b>                   | <b>2 926 596.31</b>           | <b>2 338 219.55</b> | <b>588 376.76</b>     | <b>813 806.82</b>     |
| ⌘ Lands                                      |                               |                     |                       |                       |
| ⌘ Buildings                                  |                               |                     |                       |                       |
| Technical facilities, equipment              | 142 909.50                    | 84 306.62           | 58 602.88             | 72 893.83             |
| ⌘ Transport equipment                        | 244 249.69                    | 117 432.63          | 126 817.06            | 171 590.74            |
| ⌘ Furniture                                  | 2 539 437.12                  | 2 136 480.30        | 402 956.82            | 569 322.25            |
| ⌘ Other tangible assets                      |                               |                     |                       |                       |
| <b>FINANCIAL ASSETS (d)</b>                  | <b>3 313 894.00</b>           | <b>2 500 585.61</b> | <b>813 308.39</b>     | <b>549 008.39</b>     |
| ⌘ Long-term loans                            |                               |                     |                       |                       |
| Other financial claims                       | 74 194.00                     |                     | 74 194.00             | 74 194.00             |
| Equity stake                                 | 3 239 700.00                  | 2 500 585.61        | 739 114.39            | 474 814.39            |
| Other  |                               |                     |                       |                       |
| <b>ASSETS DIFFERENCE CONVERSION (e)</b>      |                               |                     |                       |                       |
| Reduction of fixed debts                     |                               |                     |                       |                       |
| Increase in financial claims                 |                               |                     |                       |                       |
| <b>TOTAL I (a+b+c+d+e)</b>                   | <b>7 194 477.31</b>           | <b>5 631 850.17</b> | <b>1 562 627.14</b>   | <b>1 587 506.15</b>   |
| <b>INVENTORIES (f)</b>                       |                               |                     |                       |                       |
| Goods  |                               |                     |                       |                       |
| ○ Consumables                                |                               |                     |                       |                       |
| ⌘ Current products                           |                               |                     |                       |                       |
| ⌘ Intermediate and residual products         |                               |                     |                       |                       |
| ⌘ Finished products                          |                               |                     |                       |                       |
| <b>CURRENT ASSETS RECEIVABLE (g)</b>         | <b>109 099 879.29</b>         | <b>2 229 764.67</b> | <b>106 870 114.62</b> | <b>166 361 477.35</b> |
| ⌘ Down payments, prepayments and receivables | 880 469.24                    |                     | 880 469.24            | 460 412.89            |
| ⌘ Trade receivables                          | 104 502 524.42                | 2 229 764.67        | 102 272 759.75        | 161 892 787.13        |
| Personnel                                    | 49 868.52                     |                     | 49 868.52             | 38 968.52             |
| ⌘ State                                      | 3 115 394.76                  |                     | 3 115 394.76          | 3 070 802.64          |
| ⌘ Shareholders' loan account                 |                               |                     |                       |                       |
| ⌘ Other accounts receivable                  | 12 786.17                     |                     | 12 786.17             | 341 279.67            |
| <b>ACCUMULATED ASSETS (h)</b>                | <b>538 836.18</b>             |                     | <b>538 836.18</b>     | <b>557 226.50</b>     |
| <b>MARKETABLE SECURITIES (h)</b>             |                               |                     |                       |                       |
| <b>ASSETS DIFFERENCE CONVERSION (i)</b>      |                               |                     |                       |                       |
| (Current items)                              |                               |                     |                       |                       |
| <b>TOTAL II (f+g+h+i)</b>                    | <b>16 404.49</b>              |                     | <b>16 404.49</b>      | <b>227 583.57</b>     |
| <b>TOTAL II (f+g+h+i)</b>                    | <b>109 116 283.78</b>         | <b>2 229 764.67</b> | <b>106 886 519.11</b> | <b>166 589 060.92</b> |
| <b>TREASURY- ASSETS</b>                      | <b>35 423 837.14</b>          |                     | <b>35 423 837.14</b>  | <b>249 426.08</b>     |
| ⌘ Checks and values for collection           |                               |                     |                       |                       |
| ⌘ Banks, Treasury                            | 35 385 421.07                 |                     | 35 385 421.07         | 212 393.27            |
| ⌘ Cash                                       | 38 416.07                     |                     | 38 416.07             | 37 032.81             |
| <b>TOTAL III</b>                             | <b>35 423 837.14</b>          |                     | <b>35 423 837.14</b>  | <b>249 426.08</b>     |
| <b>OVERALL TOTAL I+II+III</b>                | <b>151 734 598.23</b>         | <b>7 861 614.84</b> | <b>143 872 983.39</b> | <b>168 425 993.15</b> |

**e. Fiscal year ending 30/06/2015 Balance sheet – Liabilities**

|   | Liabilities   | Financial year        | Year before           |
|---|---|-----------------------|-----------------------|
| <b>EQUITY CAPITAL</b>                           |   |                       |                       |
| <b>F</b>  | Authorised Share Capital (1)                                | 20 000 000.00         | 20 000 000.00         |
|   | Less : Shareholders, uncalled subscribed capital            |                       |                       |
| <b>I</b>  | Including paid up capital as follows:                       |                       |                       |
| <b>N</b>  | Premium, merger surplus, share premium                      |                       |                       |
|   | Revaluation differential                                    |                       |                       |
| <b>A</b>  | Legal reserve   | 2 000 000.00          | 2 000 000.00          |
|   | Other reserves  | 5 401 339.76          | 5 401 339.76          |
| <b>N</b>  | Retained earnings (2)                                       | 29 503 124.01         | 9 943 719.02          |
|   | Net profit (2)  | 8 723 640.68          | 19 559 404.99         |
| <b>C</b>  | <b>SHAREHOLDERS EQUITY (a)</b>                              | <b>65 628 104.45</b>  | <b>56 904 463.77</b>  |
|   | <b>ASSIMILATED SHAREHOLDERS EQUITY (b)</b>                  | <b>161 983.13</b>     | <b>308 940.44</b>     |
| <b>I</b>  | Investments grants  |                       |                       |
|   | Provisions required by law                                  | 161 983.13            | 308 940.44            |
| <b>N</b>  |   |                       |                       |
| <b>FUNDINGS DEBTS (c)</b>                       |   |                       |                       |
| <b>G</b>  | Issued Bonds  |                       |                       |
|   | Other financing debts                                       |                       |                       |
| <b>L</b>  |   |                       |                       |
| <b>PERMANENT RESERVES FOR CONTINGENCIES (d)</b> |   |                       |                       |
| <b>I</b>  | Provisions for liabilities                                  |                       |                       |
|   | Provisions for liabilities and charges                      |                       |                       |
| <b>A</b>  | <b>LIABILITIES DIFFERENCE CONVERSION (e)</b>                |                       |                       |
|   | Increase in fixed claims                                    |                       |                       |
| <b>B</b>  | Diminution of financing debts                               |                       |                       |
|   | <b>TOTAL I (a+b+c+d+e)</b>                                  | <b>65 790 087.58</b>  | <b>57 213 404.21</b>  |
| <b>I</b>  | <b>CURRENT SHORT TERM DEBTS (f)</b>                         | <b>71 846 472.23</b>  | <b>53 153 585.53</b>  |
|   | Accounts payable and auxiliary accounts                     | 14 892 723.64         | 17 698 147.57         |
| <b>L</b>  | Accounts receivable, advances                               |                       |                       |
|   | Personnel   | 85 593.02             | 9 424 531.23          |
| <b>T</b>  | Social corporations   | 1 412 932.52          | 2 770 816.24          |
|   | State   | 13 837 418.95         | 12 949 516.20         |
| <b>I</b>  | Shareholders' loan accounts                                 |                       | 8 750 005.00          |
|   | Other accounts payable                                      | 40 628 230.68         | 574 869.23            |
| <b>E</b>  | Equalization accounts-liabilities                           | 989 573.42            | 985 700.06            |
|   | <b>OTHER RESERVES FOR CONTINGENCIES (g)</b>                 | <b>29 138.66</b>      | <b>240 317.74</b>     |
| <b>S</b>  | <b>LIABILITIES DIFFERENCE CONVERSION (h)(Current items)</b> | <b>345 790.86</b>     | <b>135 525.30</b>     |
|   | <b>TOTAL II (f+g+h)</b>                                     | <b>72 221 401.75</b>  | <b>53 529 428.57</b>  |
| <b>C</b>  | <b>TREASURY – LIABILITIES</b>                               |                       |                       |
| <b>A</b>  | Discount loans  |                       |                       |
| <b>S</b>  | Cash advances   |                       |                       |
| <b>H</b>  | Banks (credit balances)                                     | 5 861 494.06          | 57 683 160.37         |
|   | <b>TOTAL III</b>  | <b>5 861 494.06</b>   | <b>57 683 160.37</b>  |
|   | <b>TOTAL I+II+III</b>                                       | <b>143 872 983.39</b> | <b>168 425 993.15</b> |
|   | (1) Authorised Share Capital                                |                       |                       |
|   | (2) Profit (+). loss (-)                                    |                       |                       |

## f. Profit and loss account for fiscal year ending 30/06/2015

|             |   | OPERATIONS           |                     |                      |                        |
|-------------|---|----------------------|---------------------|----------------------|------------------------|
|             |   | In year itself       | From previous years | Totals for year      | Totals for year before |
|             |   | 1                    | 2                   | 3 = 1 + 2            |                        |
| <b>I</b>    | <b>OPERATING REVENUES</b>   |                      |                     |                      |                        |
|             | Sales of goods  |                      |                     |                      |                        |
|             | Sales of goods and services produced  | 80 237 045.53        |                     | 80 237 045.53        | 107 027 700.53         |
| <b>O</b>    | Change in product stock   |                      |                     |                      |                        |
| <b>P</b>    | Fixed assets produced by the company for itself   |                      |                     |                      |                        |
| <b>E</b>    | Operating subsidies   |                      |                     |                      |                        |
| <b>R</b>    | Other operating revenues  |                      |                     |                      |                        |
| <b>A</b>    | Reversals, transfer of expenses   | 141 450.00           | 9 217 319.99        | 9 358 769.99         | 664 601.51             |
| <b>T</b>    | <b>TOTAL I</b>  | <b>80 378 495.53</b> | <b>9 217 319.99</b> | <b>89 595 815.52</b> | <b>107 692 302.04</b>  |
| <b>I II</b> | <b>OPERATING EXPENSES</b>   |                      |                     |                      |                        |
| <b>N</b>    | Cost of goods sold  |                      |                     |                      |                        |
| <b>G</b>    | Purchases of equipment and supplies   | 2 307 196.26         |                     | 2 307 196.26         | 2 456 277.22           |
|             | Other external expenses   | 25 327 756.82        | 44 669.77           | 25 372 426.59        | 23 338 222.26          |
|             | Taxes and duties  | 396 355.90           |                     | 396 355.90           | 688 649.11             |
|             | Payroll costs   | 43 772 556.21        |                     | 43 772 556.21        | 54 018 753.67          |
|             | Other operating expenses  |                      |                     |                      |                        |
|             | Depreciation and amortization   | 363 135.77           |                     | 363 135.77           | 1 095 495.27           |
|             | <b>TOTAL II</b>   | <b>72 167 000.96</b> | <b>44 669.77</b>    | <b>72 211 670.73</b> | <b>81 597 397.53</b>   |
| <b>III</b>  | <b>OPERATING INCOME (I - II)</b>  |                      |                     | <b>17 384 144.79</b> | <b>26 094 904.51</b>   |
| <b>IV</b>   | <b>FINANCIAL REVENUES</b>   |                      |                     |                      |                        |
| <b>F</b>    | Revenues from equity shares & other fixed securities                                      |                      |                     |                      |                        |
| <b>I</b>    | Foreign exchange gains  | 47 714.72            |                     | 47 714.72            | 70 514.14              |
| <b>N</b>    | Interests & other revenues from equity shares   |                      |                     |                      |                        |
| <b>A</b>    | Carried forward, transfer of expenses   | 252 183.57           |                     | 252 183.57           | 225 765.53             |
| <b>N</b>    | <b>TOTAL IV</b>   | <b>299 898.29</b>    |                     | <b>299 898.29</b>    | <b>296 279.67</b>      |
| <b>C V</b>  | <b>FINANCIAL EXPENSES</b>   |                      |                     |                      |                        |
| <b>I</b>    | Interest charges  | 4 469 858.28         |                     | 4 469 858.28         | 2 992 376.83           |
| <b>A</b>    | Exchange losses   | 2 809 515.88         |                     | 2 809 515.88         | 14 032.28              |
| <b>L</b>    | Other financial expenses  |                      |                     |                      |                        |
|             | Financial subsidies   | 16 404.49            |                     | 16 404.49            | 227 583.57             |
|             | <b>TOTAL V</b>  | <b>7 295 778.65</b>  |                     | <b>7 295 778.65</b>  | <b>3 233 992.68</b>    |
| <b>VI</b>   | <b>FINANCIAL INCOME (IV - V)</b>  |                      |                     | <b>-6 995 880.36</b> | <b>-2 937 713.01</b>   |
| <b>VII</b>  | <b>CURRENT RESULTS (III - VI)</b>   |                      |                     | <b>10 388 264.43</b> | <b>23 157 191.50</b>   |
| (1)         | Changes in product stock: final inventory – initial inventory; increase (+); decrease (-) |                      |                     |                      |                        |
| (2)         | Goods sold or consumed: purchases – change in inventory.                                  |                      |                     |                      |                        |

|      |   | OPERATIONS          |                     |                      |                        |
|------|---|---------------------|---------------------|----------------------|------------------------|
|      |   | In year itself      | From previous years | Totals for year      | Totals for year before |
|      |   | 1                   | 2                   | 3 = 1 + 2            |                        |
| VII  | <b>CURRENT RESULTS (Carried over)</b>                     |                     |                     | <b>10 388 264.43</b> | <b>23 157 191.50</b>   |
| VIII | <b>NON CURRENT REVENUES</b>                               |                     |                     |                      |                        |
| N    | Revenues from tangible assets                             | 20 000.00           |                     | 20 000.00            |                        |
| O    | Balance subsidies   |                     |                     |                      |                        |
| N    | Investments subsidies reversals                           |                     |                     |                      |                        |
|      | Other non current revenues                                | 506 609.98          | 364 800.00          | 871 409.98           | 36 094.54              |
| R    | Non current reversals, transfer of expenses               | 146 957.31          |                     | 146 957.31           | 137 515.10             |
| E    | <b>TOTAL VIII</b>   | <b>673 567.29</b>   | <b>364 800.00</b>   | <b>1 038 367.29</b>  | <b>173 609.64</b>      |
| C IX | <b>NON CURRENT EXPENSES</b>                               |                     |                     |                      |                        |
| U    | Amortized value from sold fixed assets                    |                     |                     |                      |                        |
| R    | Grants  |                     |                     |                      |                        |
| R    | Other non current expenses                                | 1 097 892.04        |                     | 1 097 892.04         | 289 211.86             |
| I    | Non current depreciation allowance & transfer of expenses |                     |                     |                      | 17.29                  |
| N    | <b>TOTAL IX</b>   | <b>1 097 892.04</b> |                     | <b>1 097 892.04</b>  | <b>289 229.15</b>      |
| G X  | <b>NON CURRENT RESULTS (VIII- IV)</b>                     |                     |                     | <b>-59 524.75</b>    | <b>-115 619.51</b>     |
| XI   | <b>PROFITS BEFORE TAX (VII+ X)</b>                        |                     |                     | <b>10 328 739.68</b> | <b>23 041 571.99</b>   |
| XII  | <b>INCOME TAX</b>   | 1 605 099.00        |                     | <b>1 605 099.00</b>  | <b>3 482 167.00</b>    |
|      | <b>XIII NET INCOME (XI - XII)</b>                         |                     |                     | <b>8 723 640.68</b>  | <b>19 559 404.99</b>   |
| XIV  | <b>TOTAL INCOME (I + IV + VIII)</b>                       |                     |                     | <b>90 934 081.10</b> | <b>108 162 191.35</b>  |
| XV   | <b>TOTAL EXPENSES (II+ V+ IX + XII)</b>                   |                     |                     | <b>82 210 440.42</b> | <b>88 602 786.36</b>   |
|      | <b>XVI NET INCOME (XIV - XV)</b>                          |                     |                     | <b>8 723 640.68</b>  | <b>19 559 404.99</b>   |

## g. Fiscal year ending 30/06/2016 Balance sheet – Assets

| Assets                                       | FISCAL YEAR ENDING 30/06/2016 |                     |                       | Year before           |
|--|-------------------------------|---------------------|-----------------------|-----------------------|
|  | Gross                         | Depr. & Provs       | Net                   | Net                   |
| <b>NON MONETARY INTANGIBLE ASSETS (a)</b>    |                               |                     |                       |                       |
| Preliminary expenses                         |                               |                     |                       |                       |
| Deferred charges                             |                               |                     |                       |                       |
| Redemption premiums                          |                               |                     |                       |                       |
| <b>INTANGIBLE ASSETS (b)</b>                 | <b>1 025 987.00</b>           | <b>866 542.69</b>   | <b>159 444.31</b>     | <b>160 941.99</b>     |
| – R&D  |                               |                     |                       |                       |
| ✕ Patents, trade names                       | 824 137.00                    | 774 942.69          | 49 194.31             | 122 691.99            |
| ▮ Goodwill                                   |                               |                     |                       |                       |
| ◻ Other intangible assets                    | 201 850.00                    | 91 600.00           | 110 250.00            | 38 250.00             |
| <b>TANGIBLE ASSETS (c)</b>                   | <b>3 058 153.16</b>           | <b>2 578 057.04</b> | <b>480 096.12</b>     | <b>588 376.76</b>     |
| Lands  |                               |                     |                       |                       |
| ▷ Buildings                                  |                               |                     |                       |                       |
| ₪ Technical facilities, equipment            | 142 909.50                    | 98 597.57           | 44 311.93             | 58 602.88             |
| ₪ Transport equipment                        | 244 249.69                    | 157 583.03          | 86 666.66             | 126 817.06            |
| ▮ Furniture                                  | 2 670 993.97                  | 2 321 876.44        | 349 117.53            | 402 956.82            |
| – Other tangible assets                      |                               |                     |                       |                       |
| ₪ Current tangible assets                    |                               |                     |                       |                       |
| <b>FINANCIAL ASSETS (d)</b>                  | <b>3 703 757.91</b>           | <b>2 520 139.78</b> | <b>1 183 618.13</b>   | <b>813 308.39</b>     |
| Long-term loans                              |                               |                     |                       |                       |
| Other financial claims                       | 464 057.91                    |                     | 464 057.91            | 74 194.00             |
| Equity stake                                 | 3 239 700.00                  | 2 520 139.78        | 719 560.22            | 739 114.39            |
| Other  |                               |                     |                       |                       |
| <b>ASSETS DIFFERENCE CONVERSION (e)</b>      |                               |                     |                       |                       |
| Reduction of fixed debts                     |                               |                     |                       |                       |
| Increase in financial claims                 |                               |                     |                       |                       |
| <b>TOTAL I (a+b+c+d+e)</b>                   | <b>7 787 898.07</b>           | <b>5 964 739.51</b> | <b>1 823 158.56</b>   | <b>1 562 627.14</b>   |
| <b>INVENTORIES (f)</b>                       |                               |                     |                       |                       |
| Goods  |                               |                     |                       |                       |
| ◻ Consumables                                |                               |                     |                       |                       |
| ◻ Current products                           |                               |                     |                       |                       |
| ▮ Intermediate and residual products         |                               |                     |                       |                       |
| ▮ Finished products                          |                               |                     |                       |                       |
| <b>CURRENT ASSETS RECEIVABLES (g)</b>        | <b>148 402 218.67</b>         | <b>2 276 848.00</b> | <b>146 125 370.67</b> | <b>106 870 114.62</b> |
| ⌘ Down payments, prepayments and receivables | 786 248.33                    |                     | 786 248.33            | 880 469.24            |
| – Trade receivables                          | 143 183 145.24                | 2 276 848.00        | 140 906 297.24        | 102 272 759.75        |
| Personnel                                    | 81 648.44                     |                     | 81 648.44             | 49 868.52             |
| ▷ State                                      | 3 660 224.43                  |                     | 3 660 224.43          | 3 115 394.76          |
| ₪ Shareholders' loan account                 |                               |                     |                       |                       |
| ₪ Other accounts receivable                  | 12 734.17                     |                     | 12 734.17             | 12 786.17             |
| ▮ Accruals and deferred income               | 678 218.06                    |                     | 678 218.06            | 538 836.18            |
| – <b>MARKETABLE SECURITIES (h)</b>           | <b>7 340 671.80</b>           |                     | <b>7 340 671.80</b>   |                       |
| ₪  |                               |                     |                       |                       |
| <b>ASSETS DIFFERENCE CONVERSION (i)</b>      |                               |                     |                       |                       |
| (Current items)                              | 51 921.67                     |                     | 51 921.67             | 16 404.49             |
| <b>TOTAL II (f+g+h+i)</b>                    | <b>155 794 812.14</b>         | <b>2 276 848.00</b> | <b>153 517 964.14</b> | <b>106 886 519.11</b> |
| <b>TREASURY – ASSETS</b>                     | <b>2 032 320.58</b>           |                     | <b>2 032 320.58</b>   | <b>35 423 837.14</b>  |
| ▷ Checks and values for collection           |                               |                     |                       |                       |
| ₪ Banks, Treasury                            | 1 964 837.01                  |                     | 1 964 837.01          | 35 385 421.07         |
| ₪ Cash                                       | 67 483.57                     |                     | 67 483.57             | 38 416.07             |
| <b>TOTAL III</b>                             | <b>2 032 320.58</b>           |                     | <b>2 032 320.58</b>   | <b>35 423 837.14</b>  |
| <b>OVERALL TOTAL I+II+III</b>                | <b>165 615 030.79</b>         | <b>8 241 587.51</b> | <b>157 373 443.28</b> | <b>143 872 983.39</b> |

#### h. Fiscal year ending 30/06/2016 Balance sheet – Liabilities

|                       | Liabilities   | Financial year        | Year before           |
|-----------------------|---|-----------------------|-----------------------|
| <b>EQUITY CAPITAL</b> |   |                       |                       |
| F                     | Authorised Share Capital (1)                                | 20 000 000.00         | 20 000 000.00         |
|                       | Less : Shareholders, uncalled subscribed capital            |                       |                       |
| I                     | Including paid up capital as follows:                       |                       |                       |
| N F                   | Premium, merger surplus, share premium                      |                       |                       |
| I                     | Revaluation differential                                    |                       |                       |
| A N                   | Legal reserve   | 2 000 000.00          | 2 000 000.00          |
| A                     | Other reserves  | 5 401 339.76          | 5 401 339.76          |
| N N                   | Retained earnings (2)                                       | 38 226 764.69         | 29 503 124.01         |
| C                     | Net profit (2)  | 20 435 376.68         | 8 723 640.68          |
| C E                   | <b>SHAREHOLDERS EQUITY (a)</b>                              | <b>86 063 481.13</b>  | <b>65 628 104.45</b>  |
| M                     | <b>ASSIMILATED SHAREHOLDERS EQUITY (b)</b>                  | <b>73 538.65</b>      | <b>161 983.13</b>     |
| I E                   | Investments grants  |                       |                       |
| N                     | Provisions required by law                                  | 73 538.65             | 161 983.13            |
| N T                   |   |                       |                       |
| P                     | <b>FUNDINGS DEBTS (c)</b>                                   |                       |                       |
| G E                   | Issued Bonds  |                       |                       |
| R                     | Other financing debts                                       |                       |                       |
| L M                   |   |                       |                       |
| A                     | <b>PERMANENT RESERVES FOR CONTINGENCIES (d)</b>             |                       |                       |
| I N                   | Provisions for liabilities                                  |                       |                       |
| E                     | Provisions for liabilities and charges                      |                       |                       |
| A N                   | <b>LIABILITIES DIFFERENCE CONVERSION (e)</b>                |                       |                       |
| T                     | Increase in fixed claims                                    |                       |                       |
| B                     | Diminution of financing debts                               |                       |                       |
|                       | <b>TOTAL I (a+b+c+d+e)</b>                                  | <b>86 137 019.78</b>  | <b>65 790 087.58</b>  |
| I P                   | <b>CURRENT SHORT TERM DEBTS (f)</b>                         | <b>62 860 539.09</b>  | <b>71 846 472.23</b>  |
| A                     | Accounts payable and auxiliary accounts                     | 8 168 365.47          | 14 892 723.64         |
| L S                   | Accounts receivable, advances                               |                       |                       |
| S                     | Personnel   | 240 428.36            | 85 593.02             |
| T I                   | Social corporations   | 1 433 703.07          | 1 412 932.52          |
| F                     | State   | 11 437 670.74         | 13 837 418.95         |
| I                     | Shareholders' loan accounts                                 |                       |                       |
| C                     | Other accounts payable                                      | 40 551 071.41         | 40 628 230.68         |
| E I                   | Equalization accounts-liabilities                           | 1 029 300.04          | 989 573.42            |
| R                     | <b>OTHER RESERVES FOR CONTINGENCIES (g)</b>                 | <b>271 665.24</b>     | <b>29 138.66</b>      |
| S C                   | <b>LIABILITIES DIFFERENCE CONVERSION (h)(Current items)</b> | <b>150 309.34</b>     | <b>345 790.86</b>     |
| U                     | <b>TOTAL II (f+g+h)</b>                                     | <b>63 282 513.67</b>  | <b>72 221 401.75</b>  |
| C T                   | <b>TREASURY – LIABILITIES</b>                               |                       |                       |
| A R                   | Discount loans  |                       |                       |
| S E                   | Cash advances   |                       |                       |
| H S                   | Banks (credit balances)                                     | 7 953 909.83          | 5 861 494.06          |
| O                     | <b>TOTAL III</b>  | <b>7 953 909.83</b>   | <b>5 861 494.06</b>   |
|                       | <b>TOTAL I+II+III</b>                                       | <b>157 373 443.28</b> | <b>143 872 983.39</b> |
|                       | (1) Authorised Share Capital                                |                       |                       |
|                       | (2) Profit (+). loss (-)                                    |                       |                       |

**i. Profit and loss account for fiscal year ending 30/06/2016**

|             |   | OPERATIONS            |                     |                       |                        |
|-------------|---|-----------------------|---------------------|-----------------------|------------------------|
|             |   | In year itself        | From previous years | Totals for year       | Totals for year before |
|             |   | 1                     | 2                   | 3 = 1 + 2             |                        |
| <b>I</b>    | <b>OPERATING REVENUES</b>   |                       |                     |                       |                        |
|             | Sales of goods  |                       |                     |                       |                        |
|             | Sales of goods and services produced  | 117 061 694.14        |                     | 117 061 694.14        | 80 237 045.53          |
| <b>O</b>    | Change in product stock   |                       |                     |                       |                        |
| <b>P</b>    | Fixed assets produced by the company for itself   |                       |                     |                       |                        |
| <b>E</b>    | Operating subsidies   |                       |                     |                       |                        |
| <b>R</b>    | Other operating revenues  |                       |                     |                       |                        |
| <b>A</b>    | Reversals, transfer of expenses   |                       |                     |                       | 9 358 769.99           |
| <b>T</b>    | <b>TOTAL I</b>  | <b>117 061 694.14</b> |                     | <b>117 061 694.14</b> | <b>89 595 815.52</b>   |
| <b>I II</b> | <b>OPERATING EXPENSES</b>   |                       |                     |                       |                        |
| <b>N</b>    | Cost of goods sold  |                       |                     |                       |                        |
| <b>G</b>    | Purchases of equipment and supplies   | 2 530 869.68          |                     | 2 530 869.68          | 2 307 196.26           |
|             | Other external expenses   | 33 951 873.69         | 407 844.57          | 34 359 718.26         | 25 372 426.59          |
|             | Taxes and duties  | 625 077.86            |                     | 625 077.86            | 396 355.90             |
|             | Payroll costs   | 56 263 525.29         | 67 472.35           | 56 330 997.64         | 43 772 556.21          |
|             | Other operating expenses  |                       |                     |                       |                        |
|             | Depreciation and amortization   | 360 418.50            |                     | 360 418.50            | 363 135.77             |
|             | <b>TOTAL II</b>   | <b>93 731 765.02</b>  | <b>475 316.92</b>   | <b>94 207 081.94</b>  | <b>72 211 670.73</b>   |
| <b>III</b>  | <b>OPERATING INCOME (I - II)</b>  |                       |                     | <b>22 854 612.20</b>  | <b>17 384 144.79</b>   |
| <b>IV</b>   | <b>FINANCIAL REVENUES</b>   |                       |                     |                       |                        |
| <b>F</b>    | Revenues from equity shares & other fixed securities                                      |                       |                     |                       |                        |
| <b>I</b>    | Foreign exchange gains  | 330 739.42            |                     | 330 739.42            | 47 714.72              |
| <b>N</b>    | Interests & other revenues from equity shares   | 174 416.21            |                     | 174 416.21            |                        |
| <b>A</b>    | Carried forward, transfer of expenses   | 16 404.49             |                     | 16 404.49             | 252 183.57             |
| <b>N</b>    | <b>TOTAL IV</b>   | <b>521 560.12</b>     |                     | <b>521 560.12</b>     | <b>299 898.29</b>      |
| <b>C V</b>  | <b>FINANCIAL EXPENSES</b>   |                       |                     |                       |                        |
| <b>I</b>    | Interest charges  | 2 185 354.13          |                     | 2 185 354.13          | 4 469 858.28           |
| <b>A</b>    | Exchange losses   | 158 500.14            |                     | 158 500.14            | 2 809 515.88           |
| <b>L</b>    | Other financial expenses  |                       |                     |                       |                        |
|             | Financial subsidies   | 71 475.84             |                     | 71 475.84             | 16 404.49              |
|             | <b>TOTAL V</b>  | <b>2 415 330.11</b>   |                     | <b>2 415 330.11</b>   | <b>7 295 778.65</b>    |
| <b>VI</b>   | <b>FINANCIAL INCOME (IV - V)</b>  |                       |                     | <b>-1 893 769.99</b>  | <b>-6 995 880.36</b>   |
| <b>VII</b>  | <b>CURRENT RESULTS (III - VI)</b>   |                       |                     | <b>20 960 842.21</b>  | <b>10 388 264.43</b>   |
| (1)         | Changes in product stock: final inventory – initial inventory; increase (+); decrease (-) |                       |                     |                       |                        |
| (2)         | Goods sold or consumed: purchases – change in inventory.                                  |                       |                     |                       |                        |

|      |   | OPERATIONS           |                     |                      |                        |
|------|---|----------------------|---------------------|----------------------|------------------------|
|      |   | In year itself       | From previous years | Totals for year      | Totals for year before |
|      |   | 1                    | 2                   | 3 = 1 + 2            |                        |
| VII  | <b>CURRENT RESULTS (Carried over)</b>                     |                      |                     | <b>20 960 842.21</b> | <b>10 388 264.43</b>   |
| VIII | <b>NON CURRENT REVENUES</b>                               |                      |                     |                      |                        |
| N    | Revenues from tangible assets                             |                      |                     |                      | 20 000.00              |
| O    | Balance subsidies   |                      |                     |                      |                        |
| N    | Investments subsidies reversals                           |                      |                     |                      |                        |
|      | Other non current revenues                                | 1 165 322.87         | 2 441 785.88        | 3 607 108.75         | 871 409.98             |
| R    | Non current reversals, transfer of expenses               | 89 152.72            |                     | 89 152.72            | 146 957.31             |
| E    | <b>TOTAL VIII</b>   | <b>1 254 475.59</b>  | <b>2 441 785.88</b> | <b>3 696 261.47</b>  | <b>1 038 367.29</b>    |
| C IX | <b>NON CURRENT EXPENSES</b>                               |                      |                     |                      |                        |
| U    | Amortized value from sold fixed assets                    |                      |                     |                      |                        |
| R    | Grants  |                      |                     |                      |                        |
| R    | Other non current expenses                                | 1 525 335.76         |                     | 1 525 335.76         | 1 097 892.04           |
| I    | Non current depreciation allowance & transfer of expenses | 708.24               |                     | 708.24               |                        |
| N    | <b>TOTAL IX</b>   | <b>1 526 044.00</b>  |                     | <b>1 526 044.00</b>  | <b>1 097 892.04</b>    |
| G X  | <b>NON CURRENT RESULTS (VIII- IV)</b>                     |                      |                     | <b>2 170 217.47</b>  | <b>-59 524.75</b>      |
| XI   | <b>PROFITS BEFORE TAX (VII+ X)</b>                        |                      |                     | <b>23 131 059.68</b> | <b>10 328 739.68</b>   |
| XII  | <b>INCOME TAX</b>   |                      |                     | <b>2 695 683.00</b>  | <b>1 605 099.00</b>    |
| XIII | <b>NET INCOME (XI - XII)</b>                              | <b>18 468 907.72</b> | <b>1 966 468.96</b> | <b>20 435 376.68</b> | <b>8 723 640.68</b>    |
| XIV  | <b>TOTAL INCOME (I + IV + VIII)</b>                       |                      |                     | 121 279 515.73       | 90 934 081.10          |
| XV   | <b>TOTAL EXPENSES (II+ V+ IX + XII)</b>                   |                      |                     | 100 844 139.05       | 82 210 440.42          |
| XVI  | <b>NET INCOME (XIV - XV)</b>                              |                      |                     | <b>20 435 376.68</b> | <b>8 723 640.68</b>    |

## **IV. RISK FACTORS**

### **1. Economic risk**

The global economic and political context could affect the companies and the markets for/in which Valyans Consulting operates.

The economic risk is limited in so far as Valyans Consulting's key clients are States and/or public institutions both in Morocco and abroad, in sub-Saharan Africa in particular.

In Morocco, investments upturn is being confirmed for 2016 and 2017. Several projects will be pursued in 2017, such as the acceleration of advanced regionalization, modernization of public finance management, rural areas development, etc. Public strategies are also in progress (industry, agriculture, etc.). The year 2017 shall witness a growth recovery after a tough year marked by a bad agricultural campaign.

As far as sub-Saharan countries are concerned, they have a significant growth potential which leads to a promising future for investors. This economic growth will rely on the definition of strategic plans for their key sectors, as was the case for Morocco over the past few years. This trend is confirmed by the engagements that have been awarded to Valyans Consulting in the context of the strategic plans that have been and are being put in place, in the Ivory Coast and Gabon, for instance.

In addition, the strategic plans that have been worked out, be it in Morocco or abroad, may well need to be adjusted to take into account the changes experienced by the economic sector concerned. These strategies can also be updated subsequently, throughout their lifecycle.

Beyond these aspects associated with the renewal of strategic plans, the plans, once they have been worked out, are generally not only the subject of consultancy missions in the context of their implementation, but also in the context of their "territorialisation", in the sense of adapting them to specific territorial or administrative areas and to other contexts. This is something that has to be done in collaboration with the regions, business federations, trade associations and other stakeholders involved.

### **2. Competition risk**

Competition risk covers both the risk of a new, organized competitor appearing on the scene, and the risk of losing markets against existing competitors.

Currently, there are several consultancy firms operating in Morocco, including some international consultancies.

Over the years, Valyans Consulting has successfully established itself not only as a major player in the Moroccan market but also as the Moroccan strategy consultancy firm that sets the standard against which the others are judged.

Thanks to the high quality of its teams, and to its high level of expertise and its client references, Valyans Consulting has a real name recognition in the Moroccan market and, increasingly, in sub-Saharan African markets as well, particularly in Western and Central Africa.

### **3. Mission management risk**

In the course of its activity, Valyans Consulting is subject to a number of risks in the management of its missions, in particular the departure of human resources involved in a mission, that can happen during the mission implementation phase: in other words, there is the risk of the competencies required to meet the specific needs of a particular mission not being available in house. Valyans Consulting's success depends in large part on its ability to keep its offering of competencies and human resources up to a level that meets the demand from its clients. The Consultancy's appeal, the organizational structure and procedures that have been put in place, the overall high level of its teams, and their adaptability in carrying out consultancy missions enable Valyans Consulting to successfully mitigate the effects of any of its personnel leaving in mid-mission.

In case of need, Valyans Consulting can also call on external experts specializing in one particular sector or niche. As an independent firm that is one of the leaders in its sector in Morocco, Valyans Consulting mobilizes a network of independent experts, recognized both nationally and internationally, in order to ensure excellence and deal with specific industry issues. Following a rigorous qualification process, these experts strengthen its teams and work with them in perfect synergy, thus helping Valyans Consulting to deliver value with efficiency across all industries. This is actually a true competitive advantage for Valyans Consulting over its principal competitors, the international ones in particular, as they are frequently obliged to use only their own in-house experts or those attached only to their networks.

#### 4. Key Man

Valyans Consulting was founded on the initiative of Mr. Mohcine Jazouli, who holds currently 80% of the company, either directly or indirectly.

Mr. Jazouli is the CEO of Valyans Consulting and relies on his experience and expertise to develop the company's business foundations and goodwill.

He is considered to be the company's Key Man, and this could be a risk in the event that he ceases carrying out his functions within the company.

To mitigate that risk, Valyans Consulting has taken out a Key Man insurance to cover the risk of business interruption and loss of revenue. This insurance is worth up to MAD 10 million in the event that the Key Man ceases to carry out his functions within the company.

In addition, over the years, Valyans Consulting has also built up a pool of senior consultants, including 9 Associate Directors, who are capable of leading the company and ensuring a constant flow of new business. Each Associate Director manages a portfolio of clients, and over and above their business relationships this also includes the work to be done in relation to their missions. Not only that, the Associate Directors are also in charge of developing the Consultancy's business activities.

In 2012, the company appointed a Deputy General Manager in charge of running the operations and the management of Valyans Consulting activities.

#### 5. Client risk

Client risk is the risk of non-payment by clients for the consultancy services delivered by the company.

Given the fact that Valyans Consulting's client portfolio is of a specific kind and of high quality, basically comprising States and/or public institutions, the client risk which Valyans Consulting bears is very limited, as shown by the very low level of its outstanding or unpaid fees.

In sub-Saharan Africa, Valyans Consulting includes in its contracts a provision to bill for an advance payment before each mission begins, which significantly reduces client risk.

Valyans Consulting is in contact with export insurers (the Moroccan Export Insurance Company SMAEX, Allianz and Coface) with a view to looking at the various possibilities for reducing and enhancing control over late payment risk.

#### 6. Exchange rate risk

Valyans Consulting does a significant part of its business abroad, particularly in sub-Saharan Africa, and as a result is exposed to exchange rate risk.

The exchange rate risk is controlled by billing for provision of services abroad exclusively in Euros.

### DISCLAIMER

The above information only represents a part of the prospectus approved by the AMMC on February 10<sup>th</sup> 2017 under the reference number VI/EM/006/2017. The AMMC advises reading the full prospectus available in French.