

Prospectus summary



Jet Contractors SA

Annual update for 2016

Commercial paper issue program

Program ceiling : MAD 200 000 000

Face value : MAD 100 000

Financial advisor – Global Coordinator



Underwriter



Approval of the Moroccan Capital Markets Authority

In accordance with the provisions of the AMMC's circular pursuant to Article 14 of the Dahir promulgating law n°1-93-212 dated September 21, 1993, the original document was approved by the Moroccan Capital Markets Authority on 24th July 2017- under reference VI/EM/021/2017.

Disclaimer

The *Moroccan Capital Markets Authority* (AMMC) approved on 24 July, 2017, a prospectus summary related to the issuance of commercial paper by Jet Contractors.

The prospectus approved by the AMMC is available at any time at the headquarters of Jet Contractors and its financial advisor. It is also available at the headquarters of the placement agent.

The information file is available to the public on the website of the AMMC: www.ammc.ma.

OBJECTIVES OF THE OPERATION

Jet Contractors through this commercial paper issuing aims to:

- Optimize the cost of short-term financing by substituting, in a partial or total way, the existing bank financing by commercial paper;
- To meet its punctual financial needs induced by variations in the working capital during the year (caused by fluctuations in payment terms of different counterparties of the Company);
- Diversify the funding sources for better negotiations with its financial partners;
- Strengthen its image among institutional investors through an increased visibility on the capital market;

I. CHARACTERISTICS OF THE OPERATION

Type of securities	Negotiable debt securities dematerialized by registration in the Central Depository (Maroclear) and account inscription with the authorized affiliates.
Legal form of securities	Commercial paper out to bearer
Ceiling of the issuance	MAD 200 000 000
Face value	MAD 100 000
Number of Securities	2 000 commercial paper
Maturity	From 10 days to 12 months - to be determined at any issuance
Entitlement date	Date of payment.
Interest rate	Determined for each issuance according to market conditions.
Interests	Post-counted.
Coupon payment	In fine, at due date of each commercial paper.
Repayment	In fine, at due date of each commercial paper
Assimilation clause	The commercial paper issued are not assimilated to any previous issue.
Negotiability of the securities	No restriction is imposed by the conditions of the issuance in regards to the negotiability of the issued commercial paper. The securities are negotiable by mutual agreement.
Guarantee	The issuance does not benefit from any guarantee

II. ORGANISME CHARGÉ DU PLACEMENT-INTERMÉDIAIRES FINANCIERS

Financial advisor and coordinator	CDG CAPITAL	Tour Mamounia, Place Moulay El Hassan – Rabat
Underwriter	CDG CAPITAL	Tour Mamounia, Place Moulay El Hassan - Rabat
Financial services provider	CDG CAPITAL	Tour Mamounia, Place Moulay El Hassan - Rabat

III. GENERAL PRESENTATION OF JET CONTRACTORS

IV.1 GENERAL INFORMATION CONCERNING JET CONTRACTORS

Jet Contractors is a public limited company with a board of directors that positions itself on different market segments of the construction industry.

Corporate name	Jet Contractors
Headquarter	78, quartier industriel de takaddoum, Rabat
Phone	05 37 74 92 92
Fax	05 37 74 92 30
Website	www.jet-contractors.com
E-mail address	contact@jet-contractors.com
Legal form	Public Limited company with Board of Directors
Trade register	53 431 in the trade register of Rabat
Year of creation	1992
Lifetime	99 years
Fiscal year	1st January to 31st December.
Corporate name	Jet Contractors
Social Purpose	<p>According to Article 3 of the Statute, the company aims to carry directly and indirectly both in Morocco and abroad:</p> <ul style="list-style-type: none"> ▪ To provide to individual, professional and public customers by tender procedure or direct contact, all activities: <ul style="list-style-type: none"> - In building, namely: <ul style="list-style-type: none"> - Civil engineering work - Construction and building works – fit out; - Facades, siding/curtain walls work - Diverse work; - Studies and engineering - Property development; - Renewable energy; ▪ Marketing and use of all products and services related to any of the foregoing namely, all processes, patents and licenses; ▪ Import and export of materials, necessary supplies and accessories to these services; ▪ All commercial, industrial, financial, real property or securities operations related directly or indirectly to the above purposes or any similar or related purposes or to the completion of these purposes; <p>And more generally, the management and acquisition, by way of subscription, purchase, contribution, exchange or through any other means, of shares, bonds and any other securities of companies already existing or to be formed and the right to sell such securities.</p>
Capital	MAD 120 000 000 divided into 2 400 000 shares with a nominal value of 50 MAD each.
Legal documents	Corporate documents, including financial statement and legal consultation required by law as well as the statutes, may be consulted at the head quarter of Jet Contractors, located: 78 Takaddoum Quartier Industriel, Rabat.
Laws and regulations	From its legal form, Jet Contractors is a public limited company with a board of directors according to law number 17/95 related to public limited

	<p>companies as amended and supplemented.</p> <p>Moreover, Jet Contractors is subject to the provisions of all laws and regulations related to public offerings, including:</p> <ul style="list-style-type: none"> ▪ Dahir 1-93-211, dated September 21, 1993 relating to the securities exchange amended and extended by laws 34-96, 29-00, 52-01 and 45-06; ▪ Dahir 1-95-03, dated January 26, 1995 promulgating law 35-94 relating to marketable debt instruments; ▪ The general regulations of Casablanca Stock Exchange approved by the decision of the Minister of Economy and Finance number 1268-08 on July 07th, 2008 amended and supplemented by the decision of the Minister of Economy and Finance number 0-14, dated January 6, 2014; ▪ Dahir 1-93-212, dated September 21, 1993 as amended and supplemented by laws 23-01, 36-05 and 44-06; ▪ The general regulations of <i>Moroccan Capital Markets Authority</i> as approved by the decision of the Ministry of Economy and Finances number 2169-16 dated July 14, 2016; ▪ Dahir 1-96-246, dated January 9, 1997 promulgating Law 35-96 relating to the creation of central depository and establishment of a general accounting system for certain securities as amended and extended by law 43-02; ▪ The General Regulation of the central depository approved by Order 932-98 of the Minister of the Economy and Finance, dated April 16, 1998, and amended by Order 1961- 01 of the Minister of the Economy, Finance, Privatization and Tourism, dated October 30, 2001; ▪ Dahir 1-04-21, dated April 21, 2004 promulgating law 26-03 relating to public bids on Moroccan Stock Exchange as amended and completed by Act 46-06; ▪ The circular of <i>Moroccan Capital Markets Authority</i>.
Competent tribunal in case of litigation	Commercial Court of Rabat
Tax regime	Jet Contractors is subject to commercial and taxation legislations of common law. Thus, it is subject to company tax at the rate of 31% since its net income was superior to MAD 5 million. The company's current operations are subject to VAT at the current rate of 20%.

Source : Jet Contractors

IV.2 INFORMATION OF THE CAPITAL

As of the 31st december, 2016, the capital of Jet Contractors is presented hereafter :

Shareholders	31/12/2016	
	Number of shares	% of capital and voting rights
AR Corporation	1 015 680	42,3%
M. Omar Abdelkader TADLAOUI	253 920	10,6%
Capital North Africa Venture Fund SAS	61 680	2,6%
Fonds Capmezzanine	252 000	10,5%
CDG	134 640	5,6%
RCAR	285 600	11,9%
Floating	396 480	16,5%
Total	2 400 000	100%

IV.3 COMPOSITION OF THE BOARD OF DIRECTORS

As of the 30th June, 2017, the board of directors is composed of the following:

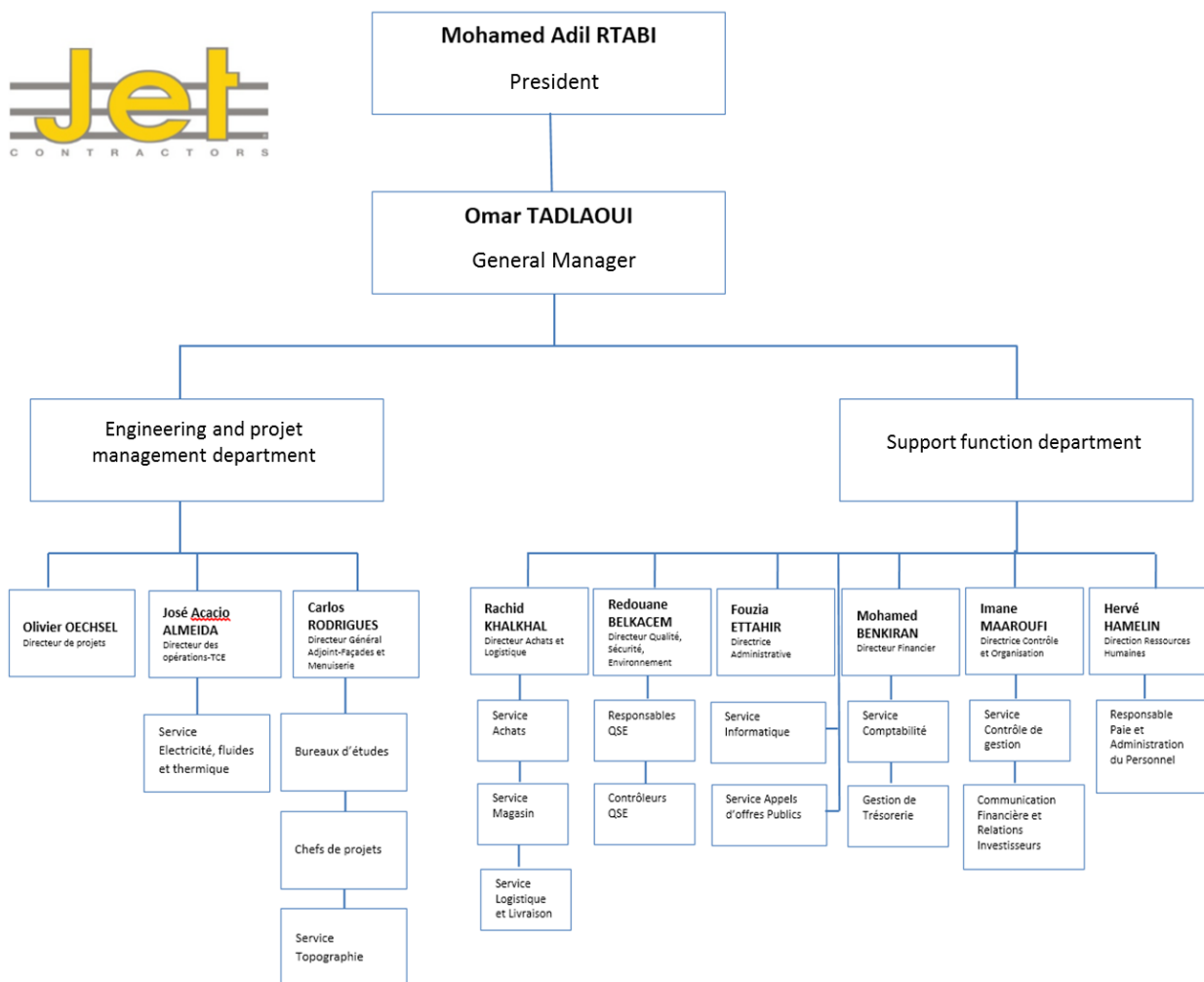
Member	Capacity	Appointment date/ Mandate renewal date	End of mandate date	Function
M. Mohamed Adil RTABI	Administrator – Chairman of the Board of Directors	Nomination : 01/07/2009 Renewal : OGM of 22/05/2015	OGM convened to approve financial statements of 2017	Founding president
M. Omar Abdelkader TADLAOUI	Administrator – General Manager	Nomination : 01/07/2009 Renewal : OGM of 22/05/2015	OGM convened to approve financial statements of 2017	General Manager
CAPMEZZANINE SA represented by CDG Capital Private Equity SA which is represented by its general manager M. Hassan LAAZIRI	Administrator	Nomination : 23/11/2009 Renewal : OGM of 22/05/2015	OGM convened to approve financial statements of 2017	Shareholder
AR Corporation represented by Mr. Mohamed Adil RTABI	Administrator	Nomination : 23/11/2009 Renewal : OGM of 22/05/2015	OGM convened to approve financial statements of 2017	Reference shareholder

M. Mohamed Yahya ZNIBER	Administrator – Chairman of the Board of Directors	Nomination : 19/05/2017	OGM convened to approve financial statements of 2019	Intuitu personae
M. Abdellah TABAT	Independent administrator	Nomination : 19/05/2017	OGM convened to approve financial statements of 2019	Intuitu personae

Source : Jet Contractors

IV.4 FUNCTIONAL ORGANIZATIONAL CHART OF JET CONTRACTORS

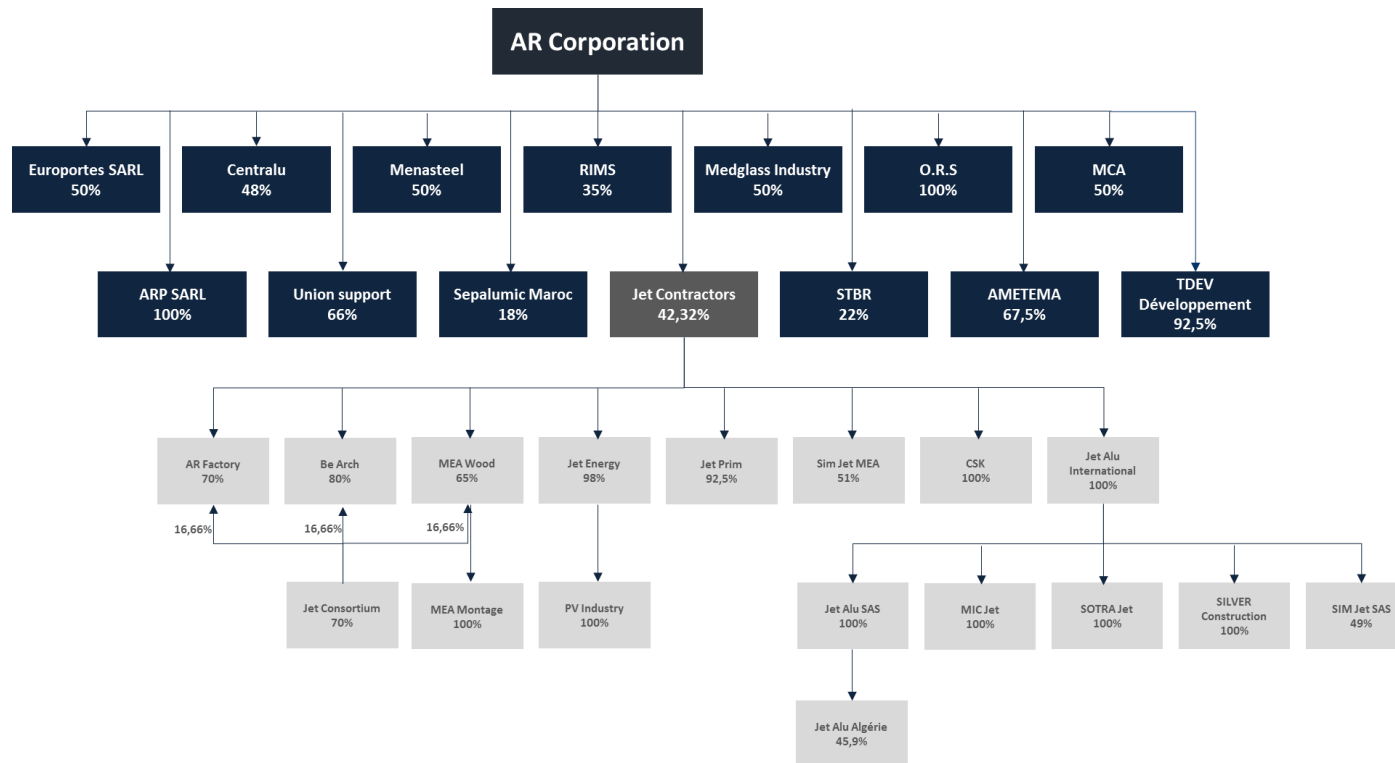
As at June 30th , 2017, the functional organizational chart of Jet Contractors is as follows:



Source : Jet Contractors

IV.5 BELONGING OF JET CONTRACTORS TO AR CORPORATION GROUP

As at June 30th , 2017, the legal structure of AR Corporation is as follows:



Source : Jet Contractors

Summary of prospectus – Jet Contractors : Annual update for 2016

IV.6 JET CONTRACTORS ACTIVITY

Jet Contractors is an integrated company that operates in various fields of activity:

- **Construction industry** : The construction industry is an activity that is contributing more and more to Jet Contractors revenue and in which the company is positioning itself. It has been made possible thanks to the qualifications gained from the ministry of equipment and that allowed the company to bid for public contracts (Qualifications obtained according to a scale defined by the ministry). In this way, the company is able to deliver turnkey works including structural works and building structures. The various works include:
 - Public facilities: stadiums, schools, hospitals, universities ...
 - Tertiary works: industrial buildings, warehouses, Headquarters and offices, etc.
 - Residential real estate: luxury real estate programs

- **Light and semi light facades** : a light facade is a façade built on a building structure with light, industrial materials, as opposed to traditional masonry or concrete construction. The company offers its customers several types of facades, including VEC, VEP, VEA, steel facades, etc:
 - Facades VEC (Glazed Exterior Glass): VEC is a technique where glass is used as an exterior cladding. It is fixed by gluing on a removable frame. This glue, which is structural, allows the climatic loads and the weight of the glazing to be transmitted to the framing members
 - VEP facades: The VEP facade is a curtain or semi curtain façade, the face of which is seen from the fixed frame as that of the window that opens outwards on a horizontal axis
 - Facades VEA (Veneered Exterior Glass): The VEA facade is a metallic curtain façade. The glass is engraved with metal crosses and ball joints.
 - Steel facades: The steel facade is a curtain facade allowing the installation of the glazing on a large height. The main structure is made of steel and the cowls are made of aluminum.

- **Wood and metal joinery** : It represents all techniques leading to the manufacture of building elements or wood / metal furniture. At the beginning of 2011, the wood business was transferred to a dedicated workshop of 5,300 m² covered on two levels, "Jet Contractors 2" in Ain Atiq, regrouping all the woodworking business of Jet Contractors. In 2014, Jet Contractors acquires an additional 6,000m² workshop dedicated to woodworking at the Oued Ikem site.

- **Removable partitions** : The removable partition makes it possible to transform or to create office spaces. Indeed, the user can change and modulate the workspace according to its needs.

The contribution of each activity in the turnover of Jet Contractors for the period 2014-2016 is presented hereafter:

Turnover* (en MDH)	2014	2015	Var 14/15	2016	Var 15/16
Light and semi light facades	160	181	13%	369	104%
<i>% CA total</i>	<i>28%</i>	<i>26%</i>		<i>39%</i>	
Wood joinery	156	130	-17%	102	-22%
<i>% CA total</i>	<i>27%</i>	<i>18%</i>		<i>11%</i>	

Metal frames	34	64	88%	32	-50%
<i>% CA total</i>	6%	9%		3%	
Construction	-	-	-	378	NS
<i>% CA total</i>	0%	0%		40%	
Diverse work ¹	230	330	44%	54	-84%
<i>% CA total</i>	40%	47%		6%	
Total turnover	581	705	21%	935	33%
<i>% of Consolidated turnover</i>	90%	93%	-	90%	-

Source : Jet Contractors

The contribution of the various activities to the turnover of Jet Contractors varies from year to year, depending on the nature of the projects included in the company's backlog.

In 2014, light / semi-light facades, woodwork and miscellaneous works account for almost 94% of Jet Contractors' total turnover.

In 2015, the share of these activities is 91%. In 2016, the share of these activities stood at 55%, with construction activity accounting for 40% of sales in line with the new positioning In the General contracting.

¹ Verandas, canopies, railings, special work

IV. CONSOLIDATED FINANCIAL STATEMENTS OF JET CONTRACTORS

V.1 BALANCE SHEET

In KMAD	2014	2015	Var 15/14	2016	Var 16/15
Consolidated non- value Assets	4 069	7 874	93,5%	5 840	-25,8%
Preliminary expenses	523	176	-66,4%	93	-46,8%
Deferred charges	3 547	7 698,6	NS	5 747	-25,4%
Consolidated intangible assets	2 784	2 238	-19,6%	2 129	-4,9%
Goodwill on acquisition	549	412	-25,0%	274	-33%
Patents, trademarks, similar rights	1 634	1 236	-24,4%	1 268	3%
Capital assets in research and development	602	591	-1,7%	587	-1%
Tangible assets	187 657	92 514	-50,7%	112 982	22,1%
Land	18 358	4 458	- 0,76	4 458	-
Buildings	98 040	19 397	-80,2%	25 039	29,1%
Technical facilities material and tools	27 979	64 169	NS	70 839	10,4%
Transport equipment	1 383	1 421	2,7%	1 934	36,1%
Office furniture, materials and supplies, other miscellaneous equipment	2 337	2 755	17,9%	4 160	51,0%
Other tangible Assets	2	1	-26,4%	3	NS
Tangible capital assets in progress	39 560	314	-99,2%	6 549	NS
Consolidated Financial assets	3 362	6 438	91,5%	6 069	-5,7%
Asset loans	1 303	1 519	16,6%	33	-97,8%
Other financial receivables	2 030	4 855	NS	5 974	23,0%
Equity securities	29	29	2,7%	29	
Shares of companies accounted for using the equity method	-	34	NA	32	-5,9%
Unrealized foreign exchange losses		-	NA	-	NA
Consolidated fixed assets	197 872	109 064	-44,9%	127 020	16,5%
Consolidated stocks	305 543	292 344	-4,3%	261 261	-10,6%
Goods	1,19	-	NA	-	NA
Consumable materials and supplies	75 890	78 446	3,4%	92 140	17,5%
Goods in process	226 060	209 431	-7,4%	161 092	-23,1%
Intermediary and residual goods	982	2 467	NS	6 068	NS
Finished goods	2 609,17	1 999,83	-23,4%	1 962,29	-1,9%
Receivables from current assets	750 190	912 494	21,6%	1 175 354	28,8%
Trade accounts receivable, prepaids	16 256	27 841	71,3%	20 242	-27,3%
Customer accounts receivable	578 932	717 726	24,0%	979 045	36,4%
Labour	145	155	7,2%	158	1,6%
Government	124 503	127 057	2,1%	146 716	15,5%
Associates accounts	-	-	NA	-	NA
Other receivables	14 185	25 666	80,9%	10 817	-57,9%
Adjustment accounts - Assets	16 169	14 049	-13,1%	18 377	30,8%
Marketable securities	8 305		NA		NA
Consolidated current assets	1 064 037	1 204 838	13,2%	1 436 616	19,2%
Cash	30 453	14 959	-50,9%	17 759	18,7%
Checks	18 768,1	125,2	-99,3%	910,7	NS
Banks, treasury and post office account	11 595,3	13 920,5	20,1%	16 118,8	15,8%
Cash in hands, imprest accounts and credits	89,8	913,4	NS	729,2	-20,2%

<i>Total consolidated assets</i>	1 292 363	1 328 861	2,8%	1 581 394	19,0%
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In KMAD	2014	2015	Var 15/14	2016	Var 16/15
Consolidated stockholders equity	386 989	400 734	3,6%	422 191	5,4%
Social capital	120 000	120 000		120 000	-
Share, merger, contribution premium	95 200	95 200	-	95 200	-
Revaluation reserves			NA		NA
Legal reserves	12 426	12 880	4%	12 989	0,9%
Other reserves	9 688	12 791	32,0%	46 359	NS
Retained Earnings	106 192	123 923	16,7%	111 985	-9,6%
Translation differential	-76	-1 328	NS	-1 243	-6,4%
Net profit pending allocation		-8	NA	151	NS
Net profit for the year, group share	39 441	34 302	-13,0%	32 195	-6,1%
interests outside group and outside income	3 478	3 540	1,8%	571	-83,9%
Interests outside Groupe/Income	640	-565	NS	3 984	NS
Quasi equity	53	49	-8,9%	2 125	NS
Investment subsidy	53	49	-8,9%	2 125	NS
Consolidated financial debt	305 303	303 825	-0,5%	316 336	4,1%
Bond issue			NA	300 000	NA
Other financial debt	305 303	303 825	-0,5%	16 336	-94,6%
Provisions for risks and charges	6 058	20 075	NS	15 955	-20,5%
Consolidated permanent funding	698 403	724 683	3,8%	756 607	4,4%
Current liabilities	475 469	493 686	3,8%	604 707	22,5%
Suppliers and related accounts	179 441	173 346	-3,4%	316 265	82,4%
Trade receivables, advances and down payments	55 077	59 280	7,6%	9 424	-84,1%
Staff	3 712	5 124	38,0%	7 712	50,5%
Social entities	4 492	5 161	14,9%	5 579	8,1%
Government	125 190	158 915	26,9%	181 631	14,3%
Associates accounts	2 368	933	-60,6%	301	-67,7%
Other creditors	80 079	64 679	-19,2%	58 323	-9,8%
Accruals and deferred income	25 110	26 249	4,5%	25 471	-3,0%
Other provisions for risks and charges	7 774	7 237	-6,9%	10 314	42,5%
Translation differences - consolidated liabilities	-	-	NA	-	NA
Consolidated current liabilities	483 243	500 924	3,7%	615 020	22,8%
Discount credit	2 699	1 554	-42,4%	2 643	70,1%
Cash credit facilities	15 648	10 400	-33,5%	51 046	NS
Bank balances in credit	92 369	91 300	-1,2%	156 078	70,9%
Consolidated cash - liabilities	110 716	103 254	-6,7%	209 767	NS
Total consolidated liabilities	1 292 363	1 328 861	2,8%	1 581 394	19,0%

V.2 CONSOLIDATED INCOME STATEMENT

In KMAD	2014	2015	Var 15/14	2016	Var 16/15
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Sales of goods in the unaltered state	46 676	18 650	- 60,0%	36 278	95
Sale of goods and services produced	596 970	735 769	23,3%	1 017 261	38,3%
Consolidated turnover	643 646	754 419	17,2%	1 053 539	39,6%
Change in goods stocks	65 774	9 134	-86,1%	42 791	>100%
Fixed assets produced by the comp.	15 330	7 578	-50,6%	1 394	-81,6%
Operating grants	133	668	>100%	-	NA
Other operating income	1	3	>100%	10	>100%
Releases of provisions	38 341	46 850	22,2%	65 956	40,8%
Consolidated operating revenues	763 226	818 652	7,3%	1 078 109	31,7%
Cost of goods sold	33 711	16 418	-51,3%	25 382	54,6%
Costs of supplies and consumable materials	361 113	442 647	22,6%	599 170	35,4%
Other external charge	99 087	87 181	-12,0%	131 715	51,1%
Taxes and duties	3 834	2 661	-30,6%	4 358	63,7%
Staff costs	115 154	91 156	-20,8%	112 988	24,0%
Other operational costs	36	27	-26,9%	57	>100%
Operating allowances	63 201	81 837	29,5%	102 710	25,5%
Consolidated Operating Expenses	676 137	721 927	6,8%	976 380	35,2%
Consolidated operating result	87 089	96 725	11,1%	101 729	5,2%
Product of equity shares and other immobilized securities	1	1	0,0%	1	0,0%
Exchange gains	939	1 941	>100%	2 848	46,7%
Interest and other financial income	942	0	NA	4	NA
Financial write-backs; expense transfers	0	4 926	NA	16 293	>100%
Consolidated Financial income	1 882	6 868	>100%	19 145	>100%
Interest expense	24 524	30 994	26,4%	31 874	2,8%
Exchange losses	676	1 785	>100%	2 009	12,5%
Other financial costs	0	0	NA	0	NA
Financial allocations	364	21 409	>100%	16 159	-24,5%
Consolidated financial expenses	25 563	54 188	>100%	50 042	-7,7%
Consolidated financial results	-23 681	-47 320	99,8%	-30 896	-34,7%
Consolidated current result	63 408	49 406	-22,1%	70 833	43,4%
The proceeds of disposals of fixed assets	50 255	140 179	>100%	6 600	-95,3%
Write-backs on investment subsidies	0	-	NA	119	NA
Other non-current income	8	1 106	>100%	274	-75,2%
Non-current Write-backs, expense transfer	67	0	NA	192	NA
Consolidated non recurring items	50 329	141 286	>100%	7 186	-94,9%
The proceeds of disposals of fixed assets	52 610	138 325	>100%	6 288	-95,5%
Balance subsidies	0	0	NA	0	NA
Other non-recurring expenses	4 421	202	-95,4%	6 111	>100%
Non-recurring charges to depreciation, amortization and provisions	0	0	NA	0	NA
Consolidated non-recurring expenses	57 031	138 527	>100%	12 399	-91,0%
Consolidated non recurring income	-6 701	2 758	>100%	-5 214	>100%
Result before consolidated taxes	56 707	52 164	-8,0%	65 619	25,8%
Share of the companies accounted for using equity method	-2 308	-26	-99%	-2	-92%
Goodwill amortization	137	137	0%	137	0%
Taxes on consolidated income	14 181	18 265	28,8%	29 302	60,4%
Consolidated net income	40 081	33 736	-15,8%	36 178	7,2%
Minority interest	640	-565	>100%	3 984	>100%
Net income for the group	39 441	34 302	-13,0%	32 195	-6,1%
Net margin (Net income for the group/Turnover)	5,4%	4,4%		3,2%	

V. RISK FACTORS

1. RISK RELATING TO COMMODITY PRICES FLUCTUATIONS

The production cost of Jet Contractors consists in part of purchases of raw materials (aluminum, wood...). These raw materials have known some volatility that arise from from the supply and demand in both the local and international markets. The extra cost is passed on to customers (price adjustment clauses in contracts).

2. RISK RELATED TO THE BUSINESS ENVIRONMENT

A sluggish economic situation, which would possibly lead to a decline in public investment, could have a negative impact on the company's business. Nevertheless, diversifying the company's client portfolio, its international presence, and its positioning in high potential sectors are factors that would mitigate this risk.

3. RISK RELATED TO THE DEPENDENCE OF JET CONTRACTORS TO SUBCONTRACTING/ DEPENDENCY OVER AR CORPORATION GROUP

As part of its projects, Jet Contractors uses subcontracting. A potential risk would be linked to the non-availability and quality of the subcontractor's services.

Nevertheless, this risk is limited because Jet Contractors often relies on sister companies or subsidiaries. This could create a risk of dependency.

4. RISK RELATED TO PROJECTS EXECUTION

The company is exposed to the risk of non-execution of its projects that can arise from a default in one of the links in the value chain. The main causes of this failure can be the quality of the service or delays in the delivery of projects. These risks are mitigated through the use of affiliate companies (sisters and daughters) over which Jet Contractors can exercise control or influence

5. RISK OF STOCK DEPRECIATION

Jet Contractors is positioned on large projects, with a considerable supply of raw materials, involving a risk of inventory depreciation. In order to reduce inventory, the company uses lean manufacturing to streamline the production process, and is planning to resell non-seasonal stocks for a long period of time to suppliers. In addition, the cost of provisioning for inventory depreciation is mitigated by the introduction of a new calibration method since 2016, in line with the typically long lead times for these projects.

6. RISK OF COMPETITIVENESS

The global economy is experiencing strong mutation materialized in recent years by the opening of frontiers and the abolition of customs duties for a number of products.

This situation results in an increase of competition at the international level, and the opportunities offered to foreign operators and investors to practice activities similar to those of Jet Contractors at the national level.

However, strengthening the competitiveness of the company through the integration of its business, the development of its human resources, the continuous renewal of its production is expected to face any type of local or international competition.

In addition, the company may also run the risk of losing exclusivity of certain products. In fact, the company holds several licenses of products that might not be renewed.

7. COUNTERPARTY RISK

Jet Contractors is exposed to a default risk and non-payment from its customers. This risk is mitigated through:

- The quality of Jet Contractors customers who are mostly public or semi-public companies. However, the company is exposed to fluctuations and delays in customer settlement periods which impacts its working capital and cash.
- The performance of commercial service in rigorous monitoring of receivables and effective recovery.

8. EXCHANGE RISK

Jet Contractors supplies are mainly done on international markets, therefore the company is subject, like any importing company, to the risks inherent to fluctuations in exchange rates on currency market (price adjustment clause).

To mitigate this risk, the company integrates systematically into its sale prices a safety margin for variation of exchange rate.

Moreover, the company is subject to fluctuation in exchange rates regarding its international activities (France, Algeria, Sub-Saharan Africa).

9. RISK RELATED TO INTERNATIONAL DEVELOPMENT

Jet Contractors made various acquisitions and partnerships abroad with a view to mitigate its dependence on the national construction programs, to locate in high-potential markets and develop international expertise in certain business lines.

The company may, however, encounter some risks following its international expansion, such as:

- Difficulty integrating acquired companies, networks, products or services;
- Fail to retain key personnel of the acquired companies or recruit qualified personnel might be necessary;
- Not benefit from the synergies or economies of scale expected;
- Make investments in countries where political, economic or legal situation presents risks such as civil or military unrest, lack of effective or comprehensive protection of shareholder rights, or disagreements over the management of the acquired companies with other shareholders, including the government, and not adapt to the specificities of countries in which the companies acquired; and
- not adapting to the specificities of countries where companies would eventually be acquired.

It should be noted that some French subsidiaries (Silver Constructions, Mic Jet and Sotra Jet) experienced difficulties leading Jet Contractors to undertake a number of remediation measures:

- The consolidation of the activities of its French subsidiaries within Jet Alu SAS, the only subsidiary of Jet Alu International, which is now financially self-sufficient;
- A judicial liquidation of 3 companies: Silver construction, Mic Jet and Sotra Jet;
- Provisioning at the level of Jet contractors to 100% of all current account advances made to these companies;

Concerning the other French subsidiary (Sim Jet SAS), its vocation is to carry out future projects in France in the framework of the partnership with Simco Tecnocovering.
Moreover, the Algerian subsidiary (Jet Algeria) is now in voluntary liquidation.

10. RISQUE RELATED TO TO THE LACK OF FINANCIAL AUTONOMY CONCERNING SOME SUBSIDIARIES

Certain subsidiaries of Jet Contractors group have negative net positions, which implies support from the parent company in order to maintain their financial autonomy. For subsidiaries with promising development perspectives, Jet Contractors decided to recapitalize in order to ensure business continuity (Mea Wood). Those with less promising development perspectives will not be supported (French subsidiaries that were put into financial liquidation)

11. RISK RELATED TO WORKFORCE

Jet Contractors conducts an activity that employs a lot of work force. The risks associated with it may be of several kinds.

- The potential shortage of workforce: The activity of Jet Contractors requires technical skills both at management level (engineers and technicians) as well as at the level of workers (welders, fitters...). The company might therefore face a potential shortage of labor. To overcome this problem, the company has implemented a policy of its staff training and plans to build its own training center.
- The risk of accidents in workplace: the nature of JET Contractors involves risks of accidents in workshops. To control these risks, the company ensures compliance with all safety rules related to the profession, and has been accredited OHSAS 18001 for its compliance with the standards for workplace safety. Moreover, Jet Contractors In addition, Jet Contractors has various insurance policies (civil liability, construction site risk, third-party insurance for construction site personnel, office and vehicle insurance).

Disclaimer

The information above only represents a part of the Prospectus approved by the Moroccan Capital Markets Authority (AMMC) on 24th July, 2017 under the reference n° VI/EM/021/2017

The AMMC advises reading the entire Information file available in French.