




## Prospectus summary

**ISSUANCE OF A DEBENTURE LOAN (LISTED & NON-LISTED)  
GLOBAL AMOUNT OF THE TRANSACTION: 100 000 000 MAD**

	Tranche A : Listed fixed rate bonds	Tranche B: Non-listed fixed rate bonds
<b>Ceiling</b>	100 000 000 MAD	
<b>Maximum number of securities to be issued</b>	1 000 bonds	
<b>Nominal value</b>	100 000 MAD	
<b>Maturity</b>	5 years	
<b>Tranche</b>	<b>A</b>	<b>B</b>
<b>Rate</b>	Fixed rate, determined by reference to the secondary market curve of 5 years BDT which will be published on June 24, 2015 by Bank Al Maghrib, i.e. 3.10% plus a risk premium	Fixed rate, determined by reference to the secondary market curve of 5 years BDT which will be published on June 24, 2015 by Bank Al Maghrib i.e. 3.10%, plus a risk premium
<b>Risk premium</b>	90 pbs	90 pbs
<b>Tradability</b>	At the Casablanca stock exchange	OTC
<b>Repayment guarantee</b>	<i>None</i>	<i>None</i>
<b>Method of repayment</b>	<i>In fine</i>	<i>In fine</i>
<b>Allocation method</b>	<i>On a prorata basis</i>	

**Issue reserved for qualified investors cited in the present Prospectus**

**Subscription period: from July 06, 2015 to July 08, 2015 included**

Councillor and global coordinator	Underwriting agent
	
<b>Institution responsible for the registration of the transaction</b>	
	

### APPROVAL OF THE CONSEIL DEONTOLOGIQUE DES VALEURS MOBILIERES

Pursuant to the circular of the CDVM, taken pursuant to Article 14 of Dahir providing Law No. 1-93-212 of 21 September 1993 concerning the CDVM and the information required by legal persons making public offering as amended and supplemented, the original version of this Prospectus has been approved by the CDVM on June 26<sup>th</sup>, 2015 under reference No VI/EM/017/2015.

## **DISCLAIMER**

The Conseil déontologique des valeurs mobilières (CDVM) approved on June 26<sup>th</sup>,2015 a prospectus relating to the issue of a debenture loan, listed and non-listed by Maghreb Oxygène.

The prospectus approved by CDVM is available at any time at the Maghreb Oxygène headquarters and through its financial advisor. It is also consultable within a maximum time frame of 48 hours at the order collecting institutions.

The Prospectus is made available to the public at the headquarters of the Casablanca Stock Exchange as well as on its website [www.casablanca-bourse.com](http://www.casablanca-bourse.com) .It is also consultable at the CDVM website [www.cdvm.gov.ma](http://www.cdvm.gov.ma)

## I. PRESENTATION OF THE TRANSACTION

### I.1. OBJECTIVES OF THE DEBENTURE LOAN TRANSACTION

Through this bond issue, the Maghreb Oxygène Company aims to refinance the bond issue of 2010 amounting to 100 million MAD and expires on July 21, 2015.

### I.2. OFFER STRUCTURE

This transaction consists of a total of 100 million dirhams. Maghreb Oxygène is considering the issuance of 1,000 bonds with a nominal value of 100,000 dirhams listed and non-listed on the Casablanca Stock Exchange.

The said bond issue consists of two tranches:

- A Tranche A listed on the Casablanca Stock Exchange, at a fixed rate with a maturity of 5 years, a ceiling of 100,000,000 MAD (one hundred million dirhams) and a nominal value of 100,000 dirhams (one hundred thousand dirhams) per bond;
- A non-listed tranche B on the Casablanca stock exchange, at fixed rate with a maturity of 5 years, a 100,000,000 MAD ceiling (one hundred million dirhams) and a nominal value of 100,000 dirhams (one hundred thousand dirhams) per bond.

The total amount allotted for the 2 tranches shall in no case exceed the sum of 100,000,000 MAD (one hundred million dirhams), the amount fixed by the Board of Directors on June 24, 2015.

### I.3. INFORMATION RELATING TO THE BONDS TO BE ISSUED

#### I.3.1. CHARACTERISTICS OF TRANCHE A SECURITIES: FIXED RATE BONDS OF 5 YEARS MATURITY LISTED IN THE CASABLANCA STOCK EXCHANGE

The characteristics of tranche A bonds:

Nature of securities	Bonds listed on the Casablanca stock exchange, dematerialized by registration in the central depository (Maroclear) and registered in accounts at authorized affiliates.
Legal form	Bearer bonds
Tranche ceiling	100 000 000 DH
Maximum number of securities to be issued	1 000
Nominal unit value	100 000 Dh
Maturity	5 years
Subscription period	From July 06, 2015 to July 08, 2015 included
Vesting date	July 16, 2015
Maturity date	July 16, 2020
Risk premium	90 pbs
Issuance price	At par, i.e. 100 000 MAD at the vesting date
Allocation method	On a prorata basis
Procedure of the 1st listing	Direct listing in accordance with Articles 1.2.6 and 1.2.22 of the General Regulations of the Stock Exchange.
Tradability of securities	Freely traded at the Casablanca Stock Exchange. There are no restrictions imposed by the terms of the issue on the free transferability of the bonds.
Listing of securities	The bonds of Tranche A shall be listed on the Casablanca Stock Exchange and thus shall be subject to an admission request to the bond compartment of the Casablanca Stock Exchange. Their listing date is scheduled for July 13, 2015 on the bond market, under the code 990186 and ticker OB186. To be listed on the Casablanca Stock Exchange, the amount allocated to the tranche A must be greater than or equal to 20 million dirhams. If at the end of the subscription period the amount allocated to tranche A is less than 20 million dirhams, subscriptions for this tranche shall be canceled.

Body responsible for the transaction and registration	Upline Securities
Nominal interest rate	<p>Fixed rate</p> <p>The nominal interest rate is determined by reference to the secondary market curve of 5 years BDT which is published on June 24, 2015 by Bank Al Maghrib, i.e. 3.10%. This rate shall be increased by a risk premium of 90 pbs, i.e. a 4.00% rate.</p> <p>The determination of the reference rate was achieved by the method of linear interpolation using the two points bordering the full 5 years maturity (actuarial basis).</p>
Coupon Payment	<p>The coupons shall be annually served at the anniversary dates of the possession date of the issue or on July 16 of each year. Their payment shall take place on the same day or the first business day following the July 16 if it is not working day.</p> <p>Interest shall be calculated using the following formula: [Nominal x Nominal interest rate]. They will cease to accrue from the day when the capital is to be reimbursed by Maghreb Oxygène. No deferral of interest shall be possible as part of this operation.</p>
Repayment of principle	<p>The debenture loan of Maghreb Oxygène SA, shall be the subject of a repayment in full the principal.</p> <p>In case of merger, demerger or asset contribution of Maghreb Oxygène SA, which may occur during the term of the loan and may result in the transfer of assets to a separate legal entity, the rights and obligations of the Company under these bonds shall be automatically transferred to the substituting legal entity.</p>
Early repayment	<p>Maghreb Oxygène Sa undertakes not to proceed with the early repayment of the bonds object of the present issue.</p> <p>However, the Company reserves the right to proceed with buying back bonds on the secondary market, in compliance with laws and regulations, these repurchases, being without consequences on a subscriber wishing to keep their securities until the normal expiry date and having no impact on the normal depreciation schedule. The repurchased bonds shall be canceled.</p> <p>In the case of cancellation of the repurchased bonds, Maghreb Oxygène must inform the Casablanca Stock Exchange of canceled bonds.</p>
Assimilation clause	<p>There is no assimilation of the bonds, subject of this Prospectus, to securities of a previous issue.</p> <p>If Maghreb Oxygène SA subsequently issues new securities having in all respects rights identical to those of Tranche A, it may, without the consent of holders of old bonds, provided that the bonds so permit, make the assimilation of all securities with successive issues, thus unifying all the operations relating to their management and their trading.</p>
Rank / subordination	<p>Bonds issued by Maghreb Oxygène SA and the interest thereon constitute direct, general, unconditional and unsubordinated commitments by the Issuer, which are on equal footing among themselves and all other liabilities, present and future of the Issuer, unsecured and not privileged under the law, for a specified term.</p>
Repayment collateral	<p>Bonds issued by Maghreb Oxygène are not the subject to any particular guarantee.</p>
Rating	<p>This issue has not been the subject of a rating request.</p>
Applicable Law / Jurisdiction	<p>Moroccan law with the commercial court of Casablanca as a competent jurisdiction.</p>
Representation of the bondholders body	<p>Pending the holding of the General Meeting of Bondholders, the Board of Directors of Maghreb Oxygène, on June 24, 2015, appointed the firm Saaidi &amp; Hdid Consultants firm, represented by Mr. Mohamed Hdid as a temporary representative.</p> <p>This decision shall take effect from at the opening of the subscription period. It is hereby noted that this appointed temporary agent is the same for tranches A and B of this issue, which are grouped together under a single body.</p> <p>The Board is committed to proceed with the convening of the general meeting of bondholders to appoint the permanent representative of the</p>

bondholders body within a period of one year from the opening of the subscription period.

### I.3.2. CHARACTERISTICS OF TRANCHE B SECURITIES: FIXED RATE BONDS OF 5 YEARS MATURITY, NON LISTED ON THE CASABLANCA STOCK EXCHANGE

The characteristics of Tranche B bonds are as follows:

Nature of securities	Bonds non listed on the Casablanca stock exchange, dematerialized by registration in the central depository (Maroclear) and registered in accounts at authorized affiliates.
Legal form	Bearer bonds
Listing	Non listed
Tranche ceiling	100 000 000 DH
Maximum number of shares to be issued	1 000
Nominal unit value	100 000 Dh
Maturity	5 years
Subscription period	From July 06, 2015 to July 08, 2015
Vesting date	July 16, 2015
Maturity date	July 16, 2020
Risk premium	90 pbs
Issuance price	At par, i.e. 100 000 MAD at the vesting date
Allocation method	On a prorata basis
Tradability of securities	OTC. There are no restrictions imposed by the terms of the issue on the free transferability of the bonds.
Nominal interest rate	Fixed rate The nominal interest rate is determined by reference to the secondary market curve of 5 years BDT which is published on June 24, 2015 by Bank Al Maghrib, i.e. 3.10%. This rate shall be increased by a risk premium of 90 pbs, or a rate of 4.00%. The determination of the reference rate was achieved by the method of linear interpolation using the two points bordering the full 5 years maturity (actuarial basis).
Coupon Payment	The coupons shall be annually served at the anniversary dates of the possession date of the issue, i.e. on July 16 of each year. Their payment shall take place on the same day or the first business day following July 16 if it is not working day. Interest shall be calculated using the following formula: [Nominal x Nominal interest rate]. They will cease to accrue from the day when the capital is be reimbursed by Maghreb Oxygène. No deferral of interest shall be possible as part of this operation..
Repayment of principle	The debenture loan of Maghreb Oxygène SA, shall be the subject of a repayment in fine of the principal. In case of merger, demerger or asset contribution of Maghreb Oxygène SA, which may occur during the term of the loan and may result in the transfer of assets to a separate legal entity, the rights and obligations of the Company under these bonds shall be automatically transferred to the substituting legal entity.
Early repayment	Maghreb Oxygène Sa undertakes not to proceed with the early repayment of the bonds object of the present issue. However, the Company reserves the right to proceed with buying back bonds on the secondary market, in compliance with laws and regulations, these repurchases, being without consequences on a subscriber wishing to keep their securities until the normal expiry date and having no impact on the normal depreciation schedule. The repurchased bonds shall be canceled.

	In the case of cancellation of the repurchased bonds, Maghreb Oxygène must inform the Casablanca Stock Exchange of canceled bonds.
Assimilation clause	There is no assimilation of the bonds, subject of this Prospectus, to securities of a previous issue. If Maghreb Oxygène SA subsequently issues new securities having in all respects rights identical to those of Tranche B, it may, without the consent of holders of old bonds, provided that the bonds so permit, make the assimilation of all securities with successive issues, thus unifying all the operations relating to their management and their trading.
Rank / Subordination	Bonds issued by Maghreb Oxygène SA and the interest thereon constitute direct, general, unconditional and unsubordinated commitments by the Issuer, which are on equal footing among themselves and all other liabilities, present and future of the Issuer, unsecured and not privileged under the law, for a specified term.
Repayment collateral	Bonds issued by Maghreb Oxygène are not the subject to any particular guarantee.
Rating	This issue has not been the subject of a rating request.
Applicable Law / Jurisdiction	Moroccan law with the commercial court of Casablanca as a competent jurisdiction.
Representation of the bondholders body	Pending the holding of the General Meeting of Bondholders, the Board of Directors of Maghreb Oxygène, on June 24, 2015, appointed the firm Saaidi & Hdid Consultants firm, represented by Mr. Mohamed Hdid as a temporary representative. This decision shall take effect from at the opening of the subscription period. It is hereby noted that this appointed temporary agent is the same for tranches A and B of this issue, which are grouped together under a single body. The Board is committed to proceed with the convening of the general meeting of bondholders to appoint the permanent representative of the bondholders' body within a period of one year from the opening of the subscription period.

#### I.4. TRANSACTION SCHEDULE

Order	Steps	At the latest
1	Receipt of the complete transaction document by the Casablanca stock exchange	26/06/ 2015
2	Issuance of the notice of approval and schedule of the transaction by the Casablanca Stock Exchange	26/06/2015
3	Receipt of the prospectus approved by the CDVM by the Casablanca Stock Exchange	26/06/ 2015
4	Publication of the notice of introduction of bonds issued under tranche A in the stock bulletin	29/06/ 2015
5	Publication of the prospectus extract in a legal gazette	29/06/2015
6	Opening of the subscription period	06/07/ 2015
7	Closing of the subscription period	08/07/2015
8	Receipt of the results of the transaction applied for tranche A by the Casablanca Stock Exchange	09/07/ 2015
9	<ul style="list-style-type: none"> <li>• Admission of bonds</li> <li>• Announcement of the results of the transaction in the stock exchange bulletin</li> <li>• Recording of the transaction in the stock exchange</li> </ul>	13/07/ 2015
10	Publication of the results of the operation by the Issuer in a legal gazette	13/07/ 2015
11	Payment / Delivery	16/07/2015

#### I.5. UNDERWRITING SYNDICATE AND FINANCIAL INTERMEDIARIES

Type of financial intermediary	Name
Advisor and coordinator	<b>Upline Corporate Finance</b> 37, Bd Abdellatif Ben kaddour, Casablanca

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	Tél.: 05 22 99 71 71
Book runner	<b>Banque Centrale Populaire</b> 101, Boulevard Zerktouni, Casablanca Tél.: 05 22 20 04 07
Establishment providing financial services for securities	<b>Banque Centrale Populaire</b> 101, Boulevard Zerktouni, Casablanca Tél.: 05 22 20 04 07
Centralizing and domiciliary establishment	<b>Banque Centrale Populaire</b> 101, Boulevard Zerktouni, Casablanca Tél.: 05 22 20 04 07
Institution responsible for the registration of the transaction at the Casablanca Stock Exchange	<b>Upline securities</b> 37, Bd Abdellatif Ben kaddour, Casablanca Tél.: 05 22 99 71 71

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## II. INFORMATION ON THE ISSUER

### II.1. GENERAL INFORMATION

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<b>Company name</b>	Maghreb Oxygène S.A
<b>Head Office</b>	Immeuble TAFRAOUTI Km 7,5 Route de Rabat Aïn Sebaâ – Casablanca
<b>Phone / Fax / website</b>	(212) 5 22 35 22 18/22

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	(212) 5 22 35 22 06 <a href="http://www.akwagroup.com">www.akwagroup.com</a>
<b>Legal form</b>	Public limited Company with a Board of Directors
<b>Date of incorporation</b>	1976
<b>Period</b>	The period of the Company has been fixed in 99 years, except in the event of early dissolution or extension stipulated by the articles of association or the law.
<b>Trade Register n°</b>	101 837, Court of Casablanca
<b>Financial year</b>	From January 1st to December 31st
<b>Capital</b>	MAD 81 250 000 divided into 812 500 shares of MAD 100 each on 12/31/2014.
<b>Consulting legal documents</b>	The legal documents of the Company, mainly the articles of associations and the minutes of the General Meetings and the auditors' reports may be consulted at Maghreb Oxygène Headquarters.
<b>Corporate purpose</b>	<p>According to Section 3 of the Articles of Association, the purpose of the Company is:</p> <ul style="list-style-type: none"> <li>▪ Importing, exporting, manufacturing, stocking and distribution of medicines;</li> <li>▪ Manufacturing of industrial and medical gases, distribution of welding equipment, distribution of medical, scientific and laboratory products and equipment;;</li> <li>▪ Manufacturing industry and/or transformation and/or purifying Industrial and special gases, especially Oxygen, nitrogen and noble gases from the air and acetylene;</li> <li>▪ Purchase, sale, importing, exporting, stocking, transporting and distribution of the said products as well as any equipment, tools and accessories necessary for the production, processing, handling and use;</li> <li>▪ In general, the implementation of any techniques concerning these gases;</li> <li>▪ Obtaining, conceding, operating any patents, trademarks, licenses and processes within the scope of the above purpose and for the exclusive account of the Company;</li> <li>▪ Direct and indirect participation by the Company in any of the abovementioned purposes, by means of creation of new companies, contribution, subscription or purchase of shares or Company rights, merger, partnership or otherwise;</li> <li>▪ And more generally any transactions whatever its nature might be, directly or indirectly related to the abovementioned purposes or that may favor their carrying out.</li> </ul>
<b>Applicable laws and regulations</b>	<p>The company is governed by Moroccan law, Law No. 17-95 relating to public limited companies as amended and supplemented by Law No. 20-05, as well as its statutes.</p> <p>Regarding the business activity of the Company, it is governed by the following dahirs:</p> <ul style="list-style-type: none"> <li>▪ The dahir of 08.25.1914 regulating unsanitary, inconvenient or dangerous facilities;</li> <li>▪ The dahir of 01.12.1955 regulating gas pressure equipment;</li> </ul>

- The dahir of 02.06.1963 relating to the compensation for work-related accidents;
- The dahir No. 1-06-151 promulgating law No. 17-04 relating to drugs and pharmaceuticals code.

Regarding its listing on the Casablanca Stock Exchange, it is subject to all laws and regulations relating to financial markets, including:

- The dahir constituting law No. 1-93-211 of September 21st, 1993 relating to the Casablanca Stock Exchange as amended and supplemented by Laws No. 34-96, No. 29-00, No. 52-01 and No. 45-06;
- The Internal Regulation of the Casablanca Stock Exchange approved by Order of the Minister of Economy and Finance No. 499-98 of July 27, 1998, orders of the Minister of Finance and Privatization No. 1994-04, 1137-07 and 1268-08, and amended by the decree of the Minister of Economy, Finance, Privatization and Tourism No. 1960-01 of October 30, 2001. The said decree was amended by the June 2004 amendment which came into effect in November 2004;
- The dahir constituting law No. 1-93-212 of September 21st, 1993 relating to the CDVM and the information required by legal persons with public offering as amended and supplemented by the laws No. 23-01, No. 36- 05 and No. 44-06;
- The Internal Regulations of the CDVM as approved by the decree of the Minister of Economy and Finance No. 8222-08 of April 14th , 2008;
- The dahir constituting law No. 1-96-246 of January 9th, 1997 promulgating the law No. 35-96 relating to the creation of a Central Depository and the establishment of a general regulation system for the registration of certain values (as amended by Law No.43-02);
- The Internal Regulations of the Central Depository approved by the decree of the Minister of Economy and Finance No. 932-98 of April 16th, 1998 and amended by the decree of the Minister of Economy, Finance, Privatization and Tourism No. 1961-01 of October 30, 2001;
- The dahir No. 1-04-21 of April 21st, 2004 promulgating the Law No. 26- 03 relating to public offerings on the Moroccan stock market as amended and supplemented by law No. 46-06;
- The circular of the CDVM as amended on October 1st, 2014;

Regarding its commercial paper issuance program, Maghreb Oxygène is governed by Law No. 35-94 on certain tradable debt securities as amended by Law 35-96 and Law No. 33-06.

## II.2.SHAREHOLDING STRUCTURE

### Distribution of the share capital and voting rights

In Mai 2015, the shareholding of Maghreb Oxygène is as follows :

Shareholders	Number of shares	% in the capital	Number of voting rights	% of voting rights
AKWA Group	506 675	62,36%	506 675	62,36%

Various shareholders	143 260	17,63%	143 260	17,63%
Asma Invest	81 315	10,01%	81 315	10,01%
RMA WATANIYA	32 500	4,00%	32 500	4,00%
ATLANTA	32 500	4,00%	32 500	4,00%
CDG	16 250	2,00%	16 250	2,00%
<b>Total</b>	<b>812 500</b>	<b>100,00%</b>	<b>812 500</b>	<b>100,00%</b>

Source : Maghreb Oxygène

The Asma Invest Company acquired on 24 September 2010, 53,755 Maghreb Oxygène share on the central market for a unit price of 268 MAD, crossing upward the ownership threshold of 5% of the share capital. Following this transaction, Asma Invest holds 56,091 shares in Maghreb Oxygène, or 6.9% in the capital of the Company.

On 06/05/2013, Asma Invest acquired 100 shares and crossing the threshold of 10% in the capital of Maghreb Oxygène and holds 81 315 shares, i.e. a contribution of 10.01%.

### Shareholding history over the past three years

The table hereafter depicts the situation of the shareholders of Maghreb Oxygène over the past three fiscal years:

Shareholders	2012		2013		2014	
	Number of shares and voting rights	% of the capital and voting rights	Number of shares and voting rights	% of the capital and voting rights	Number of shares and voting rights	% of the capital and voting rights
<b>AKWA Group</b>	506 675	62,36%	506 675	62,36%	506 675	62,36%
<b>Various shareholders</b>	168 512	20,74%	143 260	17,63%	143 260	17,63%
<b>Asma invest</b>	56 063	6,90%	81 315	10,01%	81 315	10,01%
<b>Atlanta</b>	32 500	4,00%	32 500	4,00%	32 500	4,00%
<b>RMA Watanya</b>	32 500	4,00%	32 500	4,00%	32 500	4,00%
<b>CDG</b>	16 250	2,00%	16 250	2,00%	16 250	2,00%
<b>Total</b>	<b>812 500</b>	<b>100,00%</b>	<b>812 500</b>	<b>100,00%</b>	<b>812 500</b>	<b>100,00%</b>

Source : Maghreb Oxygène

The shareholding structure of Maghreb Oxygène remained unchanged during the last three financial years. It should be noted that during 2012, the 6 653 shares held by Mr. Mamdouh Akhannouch in 2011 have been transferred to AKWA Group, except for 2 shares transferred to Miri Mostapha and Sanae Maddah.

During the financial year 2013, Asma Invest passed over the threshold of 10% in the capital of Maghreb Oxygène and holds 81 315 shares, i.e. a contribution of 10.01%.

## II.3. BOARD OF DIRECTORS

At the end of May 2015, the structure of the Board of Directors of the Maghreb Oxygène company is as follows:

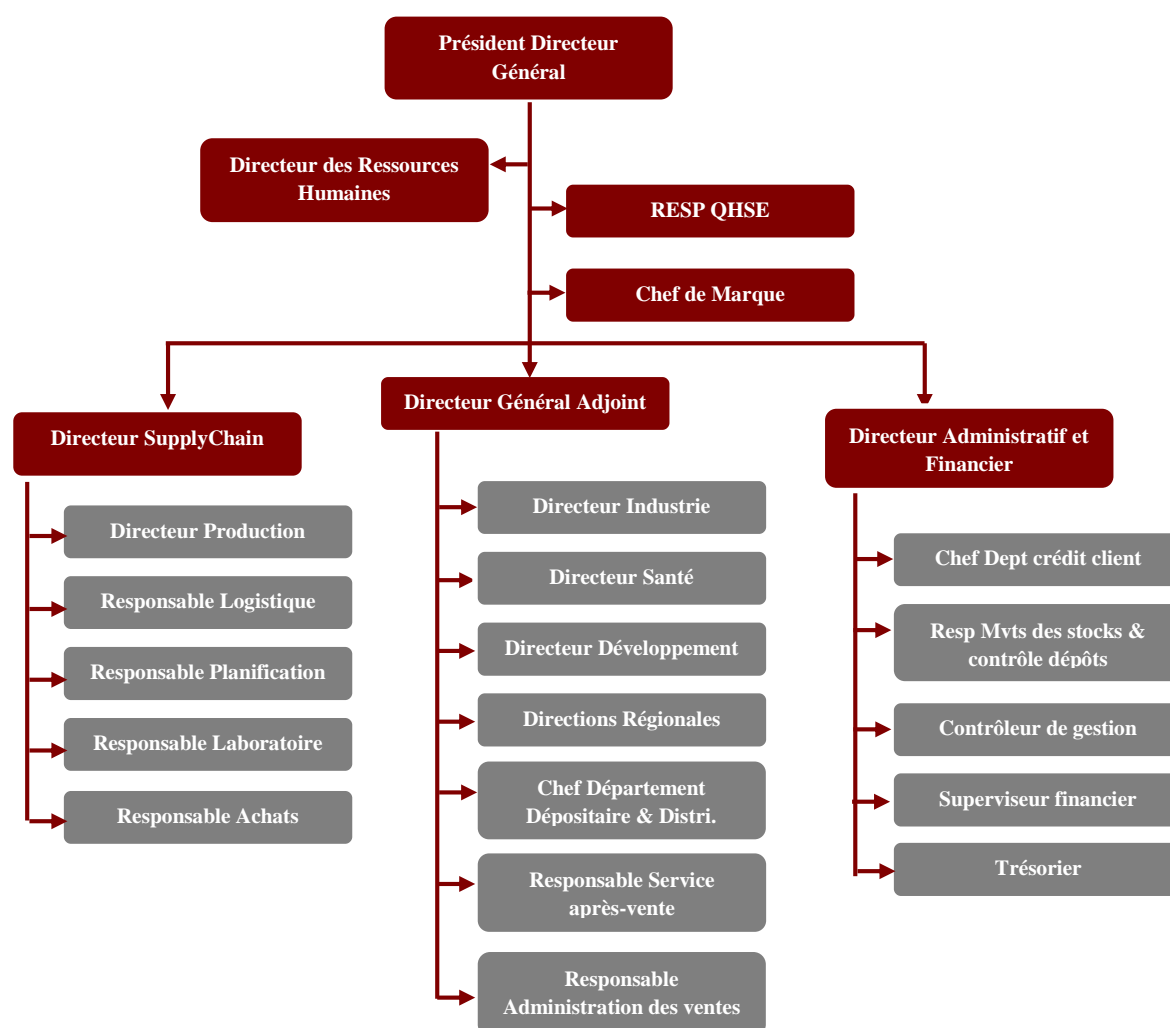
Members of the board	Current position	Connection with Maghreb Oxygène	Date of 1st appointment	Date of expiration of current term
<b>Mostapha MIRI</b>	CEO	Head of CA	2012	OGM reviewing the financial statements for 2018

<b>Mohamed Bouzaid OUAISSI</b>	Administrator	-	2008	OGM reviewing the financial statements for 2018
<b>Ali WAKRIM</b>	Administrator	Vice-president AKWA Group	2001	OGM reviewing the financial statements for 2018
<b>Abdallah HAMZA</b>	Administrator	Shareholder	2005	OGM reviewing the financial statements for 2018
<b>Sanae Maddah</b>	Administrator	Director of strategy and planning AKWA Group	2012	OGM reviewing the financial statements for 2018
<b>AKWA Group (represented by Youssef IRAQI HOUSSEINI)</b>	Administrator	Shareholder	2001	OGM reviewing the financial statements for 2018

Source : Maghreb Oxygène

### The functional organization chart of Maghreb Oxygène

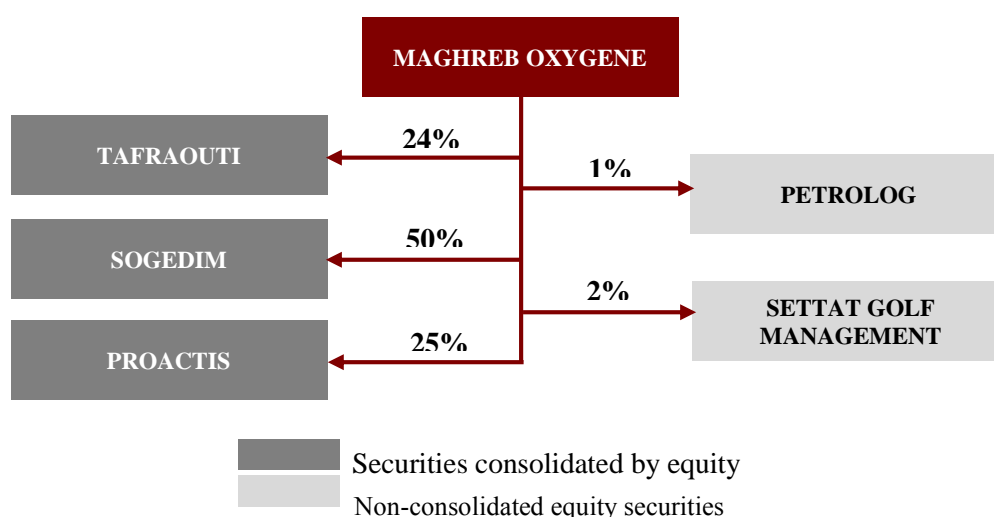
The functional organization chart of Maghreb Oxygène is as follows (31 May 2015):



Source : Maghreb Oxygène

## II.4.LEGAL STRUCTURE

The legal structure of Maghreb Oxygène as of 31 December 2014 :



Source : Maghreb Oxygène

Note that Philo Envirotech Company, a subsidiary of Maghreb Oxygène up to 27.9% has no activity. Moreover, Termaltech Afrique and Technosoudures subsidiaries are non-operational.

## II.5.MAGHREB OXYGÈNE ACTIVITY

The evolution of the income of Maghreb Oxygène during the last three years is shown in the following table:

In KMAD	2012	2013	Var. 12/13	2014	Var. 13/14
Gas Division	171 457	169 328	-1,24%	171 260	1,14%
Welding Division (Equipment and supplies)	28 930	26 295	-9,11%	33 181	26,19%
Equipment for medical use	3 851	7 214	87,33%	12 896	78,76%
<b>Total turnover</b>	<b>204 238</b>	<b>202 837</b>	<b>-0,69%</b>	<b>217 337</b>	<b>7,15%</b>

Source : Maghreb Oxygène

The evolution of the Maghreb Oxygène turnover is due primarily to the performance of its gas division, which represents in average 82.1% of its total turnover in the last three years. In contrast, we notice a decreased in the weight of gas in the turnover over the examined period, due to the significant increase in sales of welding and medical.

An increase was observed in the Maghreb Oxygène's turnover, which amounted to MAD 217 million in 2014 (+ 7.15% compared to 2013). This development is rooted in the growth of trading sales following the increase of the commercial efforts of Maghreb Oxygène focussing on sales of gas related products, namely welding and products for the health sector.

- A slight increase of 1.1 in revenue generated by the Gas Division settling at MAD 171 million, representing 78.8% of the total turnover;
- The 26.2% increase in revenue from the welding division. It moved from 26 million MAD in 2013 to 33 million MAD in 2014 thus contributing with 15.3% in the total turnover;
- A significant increase in revenues related to medical equipment sector (+ 78.8%) due mainly to the fact that many improved their fluid piping systems installations and also the launch of a new range of products for medical uses.

Despite the decline in production over the period, the turnover has experienced an average annual increase of 1.6%. This increase in revenues, due in part to the increase in trading sales, was in line with the increase in purchases resold relating, in particular, to gas and welding equipment.

It should be noted that the drop in production was also impacted by the drop in demand from customers in crisis in particular plastics manufacturers and steelmakers.

In fact, they have experienced a decline in their business due to the dumping suffered because of imported products from Europe and the USA. The scrap market has also slowed down due to the shortage and therefore the higher selling price of scrap in the world. Soft drinks manufacturers, main consumers of CO<sub>2</sub>, are slowing consumption of soft drinks due to a change in their consumers' habits who seem to prefer juice and water...

It is noteworthy that, over the period 2012-2014, the project Jorf Lasfar generates on average 5.2% of the overall turnover of Maghreb Oxygene. It amounted to MAD 10.7 million at end-2012 and remained at 10.9 million MAD to the end of 2013 and 2014.

### III. FINANCIAL DATA

#### III.1. CONSOLIDATION SCOPE ON DECEMBER 31ST, 2014

Subsidiary	% of control	% of interest	Consolidation method
Maghreb Oxygène	100%	100%	Full consolidation (FC)
Proactis	25%	25%	Equity method
Tafraouti	24%	24%	Equity method
Sogedim	50%	50%	Equity method

Source : Maghreb Oxygène

#### III.2. CONSOLIDATED INCOME STATEMENT

The consolidated income statement of Maghreb Oxygène Group over the period 2012-2014 is as follows:

In KMAD	2012	2013	Var. 12/13	2014	Var. 13/14
<b>Turnover</b>	<b>208 871</b>	<b>201 890</b>	<b>-3,3%</b>	<b>215 548</b>	<b>6,8%</b>
Other incomes	6 082	6 989	14,9%	11 391	63,0%
Cost of goods and services sold	-88 790	-92 094	3,7%	-100 736	9,4%
Staff expenses	-34 752	-36 607	5,3%	-37 348	2,0%
Other incomes and operating expenses	-51 466	-43 670	-15,1%	-54 282	24,3%
<b>Operating profit before amortizations</b>	<b>39 945</b>	<b>36 508</b>	<b>-8,6%</b>	<b>34 574</b>	<b>-5,3%</b>
Depreciations charges	-20 706	-22 008	6,3%	-17 066	-22,5%
<b>Operating profit</b>	<b>19 239</b>	<b>14 500</b>	<b>-24,6%</b>	<b>17 508</b>	<b>20,7%</b>
Cash and cash equivalent income	0	0	n.m	0	n.m
Cost of the gross borrowing	-11 648	-6 033	-48,2%	-5 602	-7,1%
Cost of the net borrowing	-11 648	-6 033	-48,2%	-5 602	-7,1%
Other incomes and financial expenses	0	0	n.m	0	n.m
<b>Pre-tax income of consolidated companies</b>	<b>7 591</b>	<b>8 467</b>	<b>11,5%</b>	<b>11 906</b>	<b>40,6%</b>
Share of the net profit of associates	2 737	1 587	-42,0%	1 154	-27,3%
Income tax	-2 706	-2 799	3,4%	-3 919	40,0%
<b>Consolidated net profit</b>	<b>7 622</b>	<b>7 253</b>	<b>-4,8%</b>	<b>9 141</b>	<b>26,0%</b>
Other incomes and expenses	0	0	0,0%	0	0,0%
<b>Total global profit of the period</b>	<b>7 622</b>	<b>7 253</b>	<b>-4,8%</b>	<b>9 141</b>	<b>26,0%</b>
<b>Net profit</b>	<b>7 622</b>	<b>7 253</b>	<b>-4,8%</b>	<b>9 140</b>	<b>26,0%</b>

Of group share	7 622	7 253	-4,8%	9 140	26,0%
Of minority share	0	0	n.m	0	n.m
<b>Net group share profit</b>	<b>7 622</b>	<b>7 253</b>	<b>-4,8%</b>	<b>9 140</b>	<b>26,0%</b>
Net profit per share (in MAD)	9,4	8,9	-5,3%	11,2	26,4%
Diluted profit per share (in MAD)	9,4	8,9	-5,3%	11,2	26,4%

Source : Maghreb Oxygène

### III.3. BALANCE SHEET ANALYSIS OF THE CONSOLIDATED ACCOUNTS

The following table shows the evolution of a consolidated balance sheet over the period 2012-2014:

in KMAD	2012	2013	Var. 12/13	2014	Var. 13/14
<b>Non-current assets</b>	<b>266 099</b>	<b>260 378</b>	<b>-2,1%</b>	<b>256 605</b>	<b>-1,4%</b>
Intangible fixed assets	1	1	0,0%	0,8	-20,0%
Tangible fixed assets	156 204	153 610	-1,7%	151 867	-1,1%
Investments in associates	32 270	33 857	4,9%	35 010	3,4%
Other financial assets	1 391	1 391	0,0%	1 390	-0,1%
Unconsolidated interests	152	152	0,0%	152	0,0%
Differed tax assets	1 772	1 812	2,3%	1 719	-5,1%
Other non-current assets	74 309	69 554	-6,4%	66 465	-4,4%
<b>Current assets</b>	<b>169 400</b>	<b>221 349</b>	<b>30,7%</b>	<b>174 432</b>	<b>-21,2%</b>
Stocks	28 962	27 517	-5,0%	33 191	20,6%
Customers' accounts	127 229	120 094	-5,6%	122 285	1,8%
Other operating liabilities	7 426	14 163	90,7%	12 568	-11,3%
Current tax liability	1 048	-	<-100%	278	n.s
Investment securities	-	4 030	n.m	0	<-100%
Cash and cash equivalents	4 736	55 545	n.s	6 110	-89,0%
<b>Total assets</b>	<b>435 499</b>	<b>481 727</b>	<b>10,6%</b>	<b>431 037</b>	<b>-10,5%</b>
				<b>0</b>	<b>0,0%</b>
<b>Shareholders' equity</b>	<b>202 626</b>	<b>205 817</b>	<b>1,6%</b>	<b>211 705</b>	<b>2,9%</b>
Capital	81 250	81 250	0,0%	81 250	0,0%
Issue premium	40 990	40 990	0,0%	40 990	0,0%
Consolidated reserves	72 766	76 324	4,9%	80 326	5,2%
Consolidated income of the financial year	7 620	7 253	-4,8%	9 140	26,0%
Minority interests	-	-	n.m	0	n.s
<b>Non-current liabilities</b>	<b>140 934</b>	<b>136 530</b>	<b>-3,1%</b>	<b>32 973</b>	<b>-75,8%</b>
Loans and other long term financial liabilities	109 750	105 831	-3,6%	1 612	-98,5%
Differed tax liabilities	9 135	7 822	-14,4%	7 774	-0,6%
Other non-current liabilities	22 049	22 877	3,8%	23 587	3,1%
<b>Current liabilities</b>	<b>91 939</b>	<b>139 382</b>	<b>51,6%</b>	<b>186 359</b>	<b>33,7%</b>
Suppliers debts	37 968	38 063	0,3%	40 707	6,9%
Other current liabilities	35 509	38 732	9,1%	36 526	-5,7%

Current tax liabilities	-	38	n.m	0	<-100%
Provisions for current risks and expenses	-	1	n.m	0	<-100%
Loans and other short term financial liabilities	18 462	62 548	n.s	109 125	74,5%
<b>Total liabilities</b>	<b>435 499</b>	<b>481 727</b>	<b>10,6%</b>	<b>431 037</b>	<b>-10,5%</b>

Source : Maghreb Oxygène

## IV. RISK FACTORS

### IV.1. REGULATORY RISK

Producing and distributing industrial gases is governed by texts of law dating back to 1914 (Decree of August 25th, 1914 – Regulation of unhealthy, inconvenient and dangerous institutions) and 1955 (Decree of January 12th, 1955 – Regulation related to gas pressure equipment). These last years, new laws have come in force for this activity, in particular:

- The law 12-03 on environmental impact assessments. This law must be applied before building new production units.
- The law 17-04 for the code of medicinal and pharmaceutical processing and medical gases.
- The law 30-05 on road transport of hazardous materials. This law regulates the transport activities of gas and other hazardous materials, but the decrees are not yet published.

In addition to a legislation of mandatory nature, Moroccan standards for industrial and medical gases sector have been established:

- NM ISO 14175 on gases and gas mixtures for fusion welding and allied processes.
- A series of standards for cryogenic receptacles aiming at filling gaps in the pressure vessels law, and processing of fixed and mobile cryogenic vessels.
- A series of standards for medical gas distribution systems.

The Moroccan Association for Industrial and Medical gases (AMGIM), gathering the major actors of the sector, contributes to the strategic planning for standardization and regulating of the legislative framework of fluids and specifically medical fluids and work on the conception and standardization of good practices of production.

The emergence of a more stringent regulation shall probably lead to a selectivity of competition and give the most prepared producers the opportunity to maintain or increase their market share. The sector of industrial gases, which are considered as medicines, is governed by the law n°17-04 promulgating the code of medicines and pharmacy. The promulgation of implementation decrees is a precursory sign of the regulation tightening.

Maghreb Oxygène anticipates this ineluctable evolution of the regulatory environment and refers to the applicable manufacturing standards in the majority of the European countries.

### IV.2. RISK LINKED TO MARKET EVOLUTION

The gas application fields are very wide, concerning all sectors of the activity; the sector evolution is closely linked to the evolution of the country's economy in general.

Despite the existence of a real market risk on every segment, since the use for a specific market of a type of gas may change unpredictably because of the emergence of a substituting product or promulgation of a regulation, the risk of a type of market is widely compensated by the dynamism of the sector, which contributes to creating new users of different industrial gases.

Strictly speaking, the global consumption of gases, for all applications, develops, at an equal perimeter, at least at the economic development rate of the country.

Taking into account the wide range of gases produced by Maghreb Oxygène, the main challenge for the Company is to be able to suggest new applications in line with the obsolescence of the traditional applications.

### IV.3. COMPETITION RISK

In general, any Company may be menaced by the emergence of a new organized competitor of an important size and/or by the loss of market shares due to a competitive disadvantage at the level of prices and quality.

As concerns the emergence of a new market entrant, Maghreb Oxygène remains protected by the importance of the initial investment, its historical positioning in the market and, finally, because of the importance of its distribution network which covers almost the entire Moroccan territory.

However, Maghreb Oxygène is exposed to the risk of importing competitive products. Nevertheless, the regulation on approving containers by the Ministry of Energy and Mines constitutes an additional obstacle. In fact, before any importation, the operator must obtain approval for any container to be used in the distribution of the imported gas.

Concerning the high pressure existing on prices, it is not uncommon to be done by small competitors, neglecting the products quality. Maghreb Oxygène, adopting the international standards of manufacturing, manages to recruit the most important customers, who are very demanding about the quality of their products and their procurements.

In addition, Maghreb Oxygène maintains also a permanent effort of investment, costs reduction and quality improvement in order to maintain and improve the competitiveness of its services.

#### **IV.4. INDUSTRIAL RISK**

The risk related to the production tools includes two major risks:

A technological risk that consists of the industrial tools of the Company becoming obsolete in the technical or procedure plan. Maghreb Oxygène has modern and recent installations, taking advantage of an after sale service provided by several international service providers, among international sector leaders.

Accidents risk which is subject to a very particular attention. Maghreb Oxygène follows very strict procedures going through an appropriate training and a regular awareness of the staff, retailers and customers. The Company has developed a very high level of security requirements. Maghreb Oxygène did not have to deplore any major accident during these last ten years. Finally, this accidents risk is properly covered by the different insurance policies underwritten by the Company, and which have never been called on.

#### **IV.5. CREDIT RISK**

Maghreb Oxygène minimizes its credit risk by only engaging in credit operations with commercial banks or financial institutions that receive high credit ratings and allocating transactions among the selected institutions.

Receivables of Maghreb Oxygène are also not accompanied by a significant concentration of credit risk, given their significant dilution.

#### **IV.6. EXCHANGE RATE RISK**

Maghreb Oxygène is weakly exposed to exchange rate fluctuations as far as, for any foreign currency purchases, the exchange rates are fixed in advance with the banks.

The Company does not resort to export sales. It does not have any foreign currency claims.

#### **IV.7. LIQUIDITY RISK**

Maghreb Oxygène estimates that the cash flows generated by its operational activities, its cash, as well as its funds available through the credit lines, will be sufficient to cover the expenses and the investments necessary to its operating, its debt service, the disbursement of dividends and external growth transactions pending on December 31st, 2014.

#### **IV.8. INTEREST RISK RATE**

The debt of Maghreb Oxygène is a fixed rate debt

## **DISCLAIMER**

The aforementioned information constitute only a part of the prospectus approved by the Conseil Déontologique des Valeurs Mobilières (CDVM) under reference N° VI/EM/017/2015 on June 26<sup>th</sup>,2015.

**The CDVM recommends reading of the entire prospectus available to the public in French.**