



LABEL'VIE SA

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**SUMMARY PROSPECTUS**  
**COMMERCIAL PAPERS ISSUANCE PROGRAM**  
**2016 ANNUAL UPDATE**

Issuance Program Ceiling

800 000 000 MAD

Face Value

100 000 MAD

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FINANCIAL ADVISORS AND GLOBAL COORDINATOR	UNDERWRITING BODY

**APPROVAL OF THE MOROCCAN CAPITAL MARKETS AUTHORITY (AMMC)**

"In accordance with article 18 of Dahir 1-95-3 of 24 Sha'aban 1415 (January 26, 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 n° VI/EM/034/2017 on November the 28<sup>th</sup>, 2017.

The AMMC visa does not imply approval of the appropriateness of the operation or authentication of the information presented. It was attributed after examination of the relevance and consistency of the information given, in the context of the proposed transaction to investors.

## **Notice**

On November the 28<sup>th</sup>, 2017, the Moroccan Capital Markets Authority (AMMC) approved a prospectus related to the 2016 annual update of the commercial paper issuance program by Label 'Vie S.A.

The prospectus approved by AMMC may be consulted at any time at the registered headquarters of the company and at its financial advisor, CDG Capital. It will also be made available at the headquarters of the placement agents in a deadline of 48 hours maximum.

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

## I. INTRODUCTION OF THE OPERATION

### 1. Objectives of the Operation

The Label 'Vie SA. would like to start a commercial papers issuance Program in order to:

- Deal with the temporary cash-flow needs induced by changes working capital requirement during the year;
- Vary funding sources in order to better negotiate with its financial partners;
- Optimize the cost of short-term financing by partially substituting commercial papers to existing bank loans;
- Consolidate its image among institutional investors through increased visibility on the capital market.

### 2. Information on the securities to be issued

<b>Nature of securities</b>	Negotiable debt securities dematerialized by registration with the Central Depository (Maroclear) and registered in an account with authorized affiliates.
<b>Legal form of securities</b>	Commercial Papers out to bearer
<b>Issuance ceiling</b>	800 000 000 MAD
<b>Face value</b>	100 000 MAD
<b>Number of securities</b>	8 000
<b>Maturity</b>	Between 10 days and 1 year
<b>Enjoyment date</b>	At the date of payment.
<b>Interest rate</b>	Fixed determined for each issue depending on market conditions
<b>Interest</b>	Post-counted.
<b>Coupon payment</b>	In fine, at due date of each commercial paper
<b>Repayment</b>	In fine, at due date of each commercial paper
<b>Assimilation clause</b>	The commercial paper issued is not assimilated to any previous issue
<b>Negotiability of securities</b>	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.
<b>Guarantee</b>	The issue is not the subject of any guarantee
<b>Ranking</b>	The issuance program of commercial paper is not subject to any other indebtedness of the company.

### 3. Body in charge of investment – Financial intermediary

Financial advisor and global coordinator	<b>CDG CAPITAL</b>	Tour Mamounia, Place Moulay El Hassan – Rabat
Underwriting body		<b>Phone</b> : 05 37 66 52 52
Domiciliation agent, providing the Issuer's financial service		<b>Fax</b> : 05 37 66 52 80

## II. OVERVIEW OF LABEL' VIE SA

### 1. GENERAL INFORMATION ON LABEL'VIE SA

<b>Company name</b>	Label 'Vie S.A
<b>Registered office</b>	Rabat- Souissi, Km 3,5, angles rue Rif et Zaërs
<b>Phone</b>	05 37 56 95 95
<b>Fax</b>	05 37 56 95 66
<b>Website</b>	<a href="http://www.labelvie.ma">www.labelvie.ma</a>
<b>Legal form</b>	Incorporate company of Moroccan private law with an administrative Board.
<b>Constitution date</b>	October 16 <sup>th</sup> , 1985
<b>Lifespan :</b>	99 years
<b>Trade register # :</b>	27 433 – Rabat
<b>Fiscal year</b>	From January 1 <sup>st</sup> to December 31 <sup>st</sup> .
<b>Date entering to the stock exchange</b>	July 2 <sup>nd</sup> , 2008
<b>Social capital (as 15/11/2017)</b>	283 896 200 MAD, divided into 2 838 962 shares with a nominal value of 100 MAD each.
<b>Company purpose</b>	<p>According to Article 2 of the statute, the company shall have as objective :</p> <ul style="list-style-type: none"> <li>▪ “The purchase and sale, in the form of self-service (supermarket ) or in any other form, of any item or consumer product including: food , cleaning products, perfumes, lingerie , hardware and gardening products, furniture and decoration products, children's items (toys , hosiery, etc.), household products (radio, television , photos, cookers, refrigerators, etc.); paramedical products , tobacco , tobacco products , newspapers, stationery and book products ;</li> <li>▪ Operating a bakery, patisserie, butchery, fishery, rotisserie, etc.) ;</li> <li>▪ The purchase and retail sale of all beverages (alcoholic or else), all in accordance with the laws and regulations applicable in Morocco ;</li> <li>▪ The Company may also have interest in any Moroccan or foreign companies whose trade would be similar to the Company, or are likely to promote and develop their own businesses ;</li> <li>▪ And more generally, all industrial, commercial, financial, movable or immovable property directly or indirectly related to the company objectives and are likely to achieve such objectives”.</li> </ul>
<b>Place to consulting legal documents</b>	The social, legal and accounting documents whose disclosure is required by law and the statute, might be reviewed at the registered office of the company.
<b>Competent Court in the event of litigation</b>	Commercial Court of Rabat

**Tax regime**

- The company is subject to the proportional corporate tax rate ;
- The company is subject to VAT (0%, 7%, 10%,14% et 20%), and to standard tax of 20% for investments and other income

## 2. INFORMATION CONCERNING THE REGISTERED CAPITAL

On the last five years, the shareholding structure of Label 'Vie has evolved following the table below:

Shareholders	12/31/2012		12/31/2013		12/31/2014		12/31/2015		12/31/2016	
	Nb of shares	% of capital	Nb of shares	% of capital	Nb of shares	% of capital	Nb of shares	% of capital	Nb of shares	% of capital
Retail Holding	1 322 601	51,96%	1 309 744	51,46%	1 293 621	50,82%	1 315 207	51,67%	1 434 463	56,36%
SAHAM Assurance	350 227	13,76%	257 227	10,11%	257 230	10,11%	257 230	10,11%	369 173	14,50%
ARISAIG Africa Consumer	-	0,00%	137 725	5,41%	202 750	7,97%	139 678	5,49%	-	0,00%
ALJIA Holding <sup>1</sup>	148 758	5,84%	113 494	4,46%	106 455	4,18%	106 455	4,18%	106 455	4,18%
Employees	7 428	0,29%	6 593	0,26%	1 627	0,06%	786	0,03%	543	0,02%
UNIMER	-	0,00%	-	0,00%	1	0,00%	1	0,00%	1	0,00%
Natural persons <sup>2</sup>	-	0,00%	-	0,00%	1	0,00%	1	0,00%	1	0,00%
Floating shares	716 213	28,14%	720 494	28,31%	683 592	26,86%	725 919	28,52%	634 641	24,90%
<i>Including treasury shares</i>	0		0		0		120		4 597	
<b>Total</b>	<b>2 545 277</b>	<b>100,00%</b>	<b>2 545 277</b>	<b>100,00%</b>	<b>2 545 277</b>	<b>100%</b>	<b>2 545 277</b>	<b>100,00%</b>	<b>2 545 277</b>	<b>100,00%</b>

Source : Label' Vie

On November the 15<sup>th</sup>, 2017, the shareholding structure of Label' Vie is distributed as follows:

Shareholders	15/11/2017	
	Number of shares	% of capital
Retail Holding	1 446 402	50,95%
SAHAM Assurances (ex-CNIA SAADA)	259 325	9,13%
ALJIA Holding (ex-ETAMAR)	106 455	3,75%
UNIMER	1	0,00%
Natural persons <sup>2</sup>	7	0,00%
Employees	536	0,02%
Floating shares	1 026 236	36,15%
<i>Including treasury shares</i>	2 388	0,08%
<b>Total</b>	<b>2 838 962</b>	<b>100%</b>

Source : Label' Vie

<sup>1</sup> Formerly called "ETAMAR"

<sup>2</sup> Representative shares attributed to Mr. Adil BENNANI as a member of the board of directors

### 3. BOARD OF DIRECTORS MEMBERS

On June 29<sup>th</sup>, 2017, the board of directors of Label 'Vie is composed as follow:

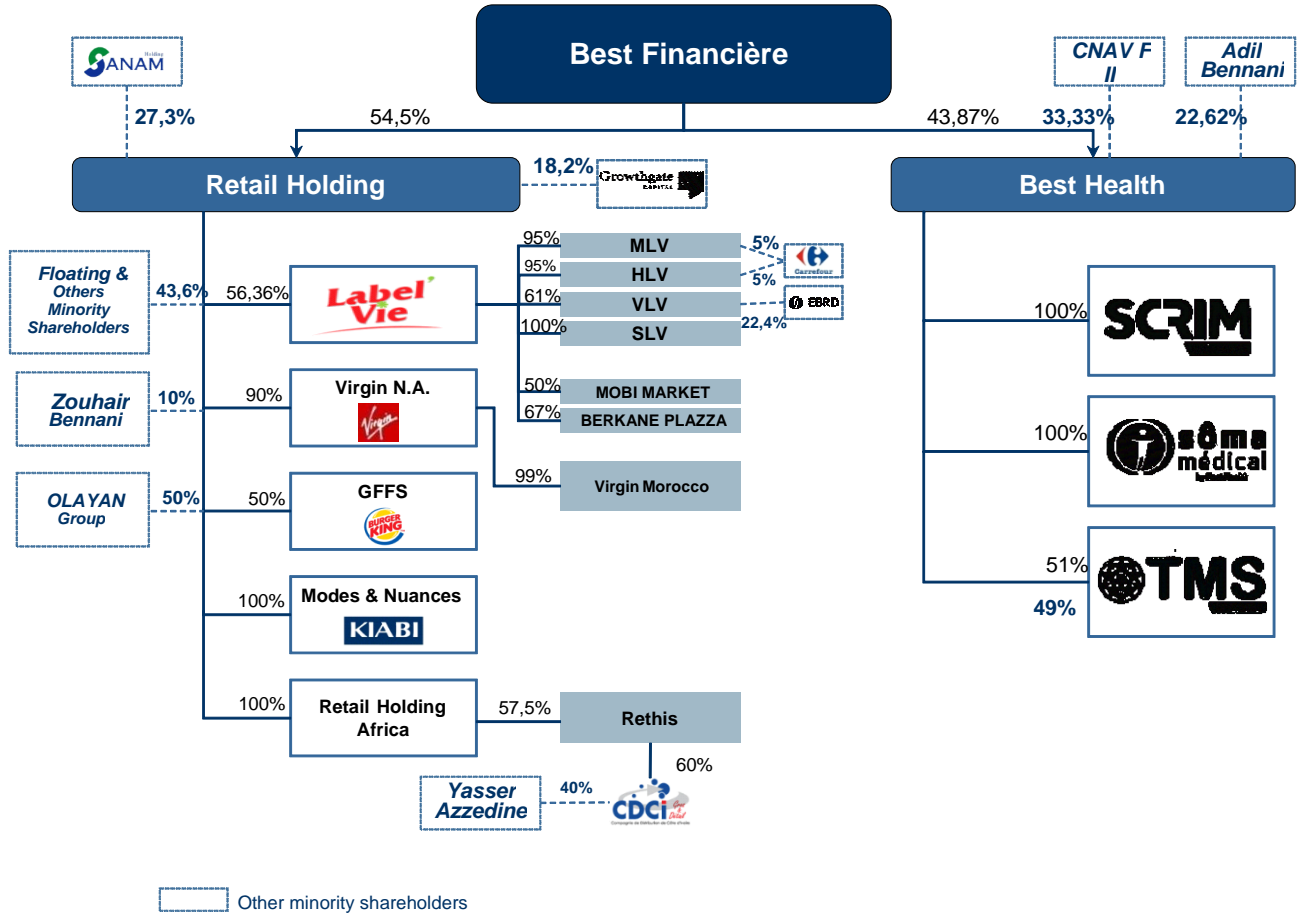
Member of the Board	Appointment date	Mandate renewal date	Expiry of term	Position	Affiliation to Label 'Vie or to Board member
Zouhaïr Bennani	25/03/2004	27/06/2014	GM called to approve 2019 accounts	Chairman of the Board	Chairman of the Board
Rachid Hadni	25/03/2004	27/06/2014	GM called to approve 2019 accounts	CEO of Label'Vie S.A	CEO of Label'Vie S.A
Adil Bennani	25/03/2007	27/06/2014	GM called to approve 2019 accounts	Board member	Intuitu personae
Saïd Alj	20/06/2006	27/06/2014	GM called to approve 2019 accounts	Board member	Intuitu personae
Unimer represented by Ismaïl Farih	13/12/2007	29/06/2017	GM called to approve 2022 accounts	Board member	Advisor of the chairman
Retail Holding represented by Zouhaïr Bennani	25/03/2004	27/06/2014	GM called to approve 2019 accounts	Board member	Chairman of Retail Holding
Saham Assurance represented by Kawtar Johrati	10/10/2008	28/06/2012	GM called to approve 2017 accounts	Board member	General Manager of the Asset Management subsidiary of Saham Assurances
Laissaoui Riad	29/06/2017	-	GM called to approve 2022 accounts	Board member	General Manager of Retail Holding
Souaid Karim	29/06/2017	-	GM called to approve 2022 accounts	Board member	Intuitu personae
Gilles de Clerck	29/06/2017	-	GM called to approve 2022 accounts	Board member	Intuitu personae
Bensouda Amine	29/06/2017	-	GM called to approve 2022 accounts	Board member	Intuitu personae
Dahib Jamila	29/06/2017	-	GM called to approve 2022 accounts	Board member	Legal director

Source : Label' Vie

4. AFFILIATION TO BEST FINANCIÈRE GROUP

Label 'Vie SA is part of Best Financière group whose legal structure is presented hereinafter:

Legal structure Of Best Financière As Of June 30<sup>th</sup> 2017:



Source : Label' Vie

The diversification of the group's activities led the managers to opt for a reorganization by cluster. Best Financière Group is organized around two business lines, achieving a net profit of 152.5 MMAD in 2016. Its main shareholders are AZ Développement (55.3%) and YADOGHI Capital (29.53%).

### III. CONSOLIDATED FINANCIAL STATEMENT OF LABEL'VIE SA.

#### DISCLAIMER

The year 2016 has witnessed multiple events that reshaped the structure of the group: (i) capital increase of VLV SAS with the entry of the EBRD (ii) the merger between VLV and Petra (Best Real Estate SA) (land owner of three shopping centers and four commercial galleries), as part of the group's new strategy to separate the retail activity from the real estate activity.

These operations has affected the share capital of VLV (increase of 172.4 MMAD in favor of the EBRD followed by a capital increase of 130.6 MMAD to the benefit of the shareholders of Petra).

Consequently, the consolidation scope Label 'Vie Group has undergone the following changes:

- Decrease in the shareholding percentage of Label 'Vie in VLV to 61%;
- Expansion of the scope following the integration of Petra.

For a better comparison of financial aggregates and a neutralization of the impact of these transactions on the consolidated accounts, we presented the pro-forma financial statements for 2015.



## 1. Balance sheet

Assets – MMAD	2014	2015	Var 14/15	2015 pro forma	2016	Var 15 pro forma /16
<b>Intangible assets (A)</b>	<b>424,9</b>	<b>479,9</b>	<b>12,9%</b>	<b>832,3</b>	<b>966,8</b>	<b>16,2%</b>
Capital in research and development	203,9	250,1	22,7%	312,2	425,5	36,3%
Patents, trademarks and similar rights and values	35,0	43,8	25,1%	15,2	22,5	47,9%
Goodwill	186,0	186,0	0,0%	187,5	201,4	7,4%
Acquisition gap				317,4	317,4	0,0%
<b>Tangible assets (B)</b>	<b>3 030,3</b>	<b>3 242,3</b>	<b>7,0%</b>	<b>4 336,2</b>	<b>4 632,2</b>	<b>6,8%</b>
Lands	1 727,7	1 728,8	0,1%	2 103,1	2 142,4	1,9%
Constructions	625,9	639,2	2,1%	1 142,4	1 393,4	22,0%
Technical installations. materials and tools	222,6	219,8	-1,2%	263,7	340,6	29,2%
Transportation equipment	0,4	0,3	-10,6%	0,3	0,3	-23,0%
Furniture, office equipment and different fittings	215,3	267,5	24,3%	269,8	317,9	17,8%
Ongoing fixed assets	238,4	386,6	62,1%	556,9	437,7	-21,4%
<b>Financial assets (C)</b>	<b>106,7</b>	<b>128,6</b>	<b>20,6%</b>	<b>133,9</b>	<b>139,7</b>	<b>4,4%</b>
Fixed loans	0,1	0,1	-44,8%	0,1	0,0	NS
Equity securities	76,6	97,8	27,7%	97,8	97,5	-0,4%
Other financial receivables	29,9	30,8	3,0%	36,0	42,3	17,5%
<b>Exchange adjustments (D)</b>	<b>0,0</b>	<b>0,0</b>	<b>NS</b>	<b>0,0</b>	<b>0,0</b>	<b>NS</b>
<b>TOTAL I = (A+B+C+D)</b>	<b>3 561,8</b>	<b>3 850,8</b>	<b>8,1%</b>	<b>5 302,4</b>	<b>5 738,7</b>	<b>8,2%</b>
<b>Inventories (E)</b>	<b>998,5</b>	<b>1 063,7</b>	<b>6,5%</b>	<b>1 111,0</b>	<b>1 208,8</b>	<b>8,8%</b>
Goods	994,5	1 056,9	6,3%	1 056,9	1 148,4	8,7%
Materials and supplies, consumables	4,1	6,8	66,3%	6,8	13,1	93,6%
Ongoing products	0,0	0,0	NS	47,3	47,3	0,0%
Finished products	0,0	0,0	NS	0,0	0,0	
<b>Accounts receivables (F)</b>	<b>1 722,0</b>	<b>1 549,6</b>	<b>-10,0%</b>	<b>1 691,8</b>	<b>1 714,0</b>	<b>1,3%</b>
Trade receivables, deposits and down-payments	36,7	55,9	52,4%	79,5	102,5	28,9%
Suppliers and related accounts	852,9	954,1	12,0%	1 029,2	969,2	-5,8%
Staff	7,4	9,3	25,5%	9,3	9,0	-3,0%
State	468,1	474,9	1,5%	534,4	565,3	5,8%
Associates accounts	0,0	0,0	NS	0,0	0,0	
Other receivables	308,5	28,1	-90,9%	25,3	28,0	10,6%
Prepayment and accrued income	48,4	27,3	-43,7%	14,1	39,9	NS
<b>Marketable Securities (G)</b>	<b>178,0</b>	<b>31,5</b>	<b>-82,3%</b>	<b>512,0</b>	<b>487,5</b>	<b>-4,8%</b>
<b>Exchange adjustments (H)</b>	<b>0,2</b>	<b>0,3</b>	<b>21,9%</b>	<b>0,3</b>	<b>0,4</b>	<b>54,9%</b>
<b>TOTAL II (E+ F + G + H)</b>	<b>2 898,8</b>	<b>2 645,1</b>	<b>-8,7%</b>	<b>3 315,2</b>	<b>3 410,6</b>	<b>2,9%</b>
<b>Cash and equivalents</b>	<b>752,8</b>	<b>354,7</b>	<b>-52,9%</b>	<b>357,9</b>	<b>187,5</b>	<b>-47,6%</b>
Checks and cash values	34,0	30,0	-11,7%	94,6	37,4	-60,5%
Banks. TG et CP	708,8	315,4	-55,5%	253,4	138,6	-45,3%
Imprest and flow-through - Fund	10,1	9,3	-7,9%	10,0	11,5	15,5%
<b>TOTAL III</b>	<b>752,8</b>	<b>354,7</b>	<b>-52,9%</b>	<b>357,9</b>	<b>187,5</b>	<b>-47,6%</b>
<b>GLOBAL ( I + II + III )</b>	<b>7 213,5</b>	<b>6 850,6</b>	<b>-5,0%</b>	<b>8 975,5</b>	<b>9 336,9</b>	<b>4,0%</b>

Liabilities – MMAD	2014	2015	Var 14/15	2015 pro forma	2016	Var 15 pro forma /16
<b>Shareholders' equity</b>						
Capital	254,5	254,5	0,0%	254,5	254,5	0,0%
Share premium and acquisition premium	783,4	783,4	0,0%	783,4	783,4	0,0%
Acquisition gap	59,8	59,8	0,0%	59,8	59,8	0,0%
Legal reserves	17,7	21,8	23,5%	21,3	24,2	13,2%
Other reserves (consolidated)	59,4	66,7	12,3%	-49,5	6,7	-113,4%
Retained earnings	81,0	70,9	-12,5%	71,0	44,6	-37,2%
Consolidated net income	80,3	109,3	36,1%	132,0	164,6	24,7%
<b>TOTAL Shareholders' Equity (A)</b>	<b>1 336,1</b>	<b>1 366,4</b>	<b>0,0%</b>	<b>1 272,5</b>	<b>1 337,7</b>	<b>5,1%</b>
<b>Minority interests (B)</b>	<b>9,9</b>	<b>9,1</b>	<b>-8,1%</b>	<b>986,1</b>	<b>1 009,2</b>	<b>2,3%</b>
<b>Financial debt (C)</b>	<b>2 599,0</b>	<b>2 106,3</b>	<b>-19,0%</b>	<b>2 899,9</b>	<b>2 867,1</b>	<b>-1,1%</b>
Bonds issued	1 900,0	1 616,6	-14,9%	1 766,6	1 766,6	0,0%
Other financial debts	699,0	489,7	-29,9%	1 133,3	1 100,5	-2,9%
<b>Long term provisions (D)</b>	<b>5,2</b>	<b>5,6</b>	<b>7,3%</b>	<b>5,6</b>	<b>11,1</b>	<b>99,8%</b>
<b>Exchange adjustments (E)</b>	<b>0,0</b>	<b>0,0</b>	<b>NS</b>		<b>0,0</b>	
<b>TOTAL I (A + B + C + D + E)</b>	<b>3 950,1</b>	<b>3 487,4</b>	<b>-11,7%</b>	<b>5 164,0</b>	<b>5 225,0</b>	<b>1,2%</b>
<b>Accounts payables (F)</b>	<b>2 845,9</b>	<b>3 213,9</b>	<b>12,9%</b>	<b>3 661,9</b>	<b>3 905,9</b>	<b>6,7%</b>
Trade payables and related accounts	2 194,1	2 529,7	15,3%	2 697,9	2 887,9	7,0%
Customer payables. advances and down-payments	8,6	14,5	69,0%	31,0	28,5	-8,2%
Staff	5,9	7,5	26,9%	7,5	8,1	7,8%
Social bodies	10,7	12,9	20,4%	12,9	15,3	18,3%
State	591,4	623,6	5,4%	698,2	715,5	2,5%
Associated accounts	0,0	0,1	60,3%	137,3	137,6	0,2%
Other assets	3,2	7,4	NS	5,8	12,3	112,1%
Accruals and deferred income	32,0	18,2	-43,3%	71,3	100,7	41,3%
<b>Other provisions (G)</b>	<b>67,1</b>	<b>29,2</b>	<b>-56,4%</b>	<b>29,2</b>	<b>14,5</b>	<b>-50,3%</b>
<b>Exchange adjustments (H)</b>	<b>0,3</b>	<b>0,3</b>	<b>-11,2%</b>	<b>0,3</b>	<b>1,4</b>	<b>370,0%</b>
<b>TOTAL II ( F + G + H)</b>	<b>2 913,3</b>	<b>3 243,4</b>	<b>11,3%</b>	<b>3 691,4</b>	<b>3 921,8</b>	<b>6,2%</b>
<b>Overdrafts</b>	<b>350,0</b>	<b>120,0</b>	<b>-65,7%</b>	<b>120,0</b>	<b>190,0</b>	<b>58,3%</b>
<b>TOTAL III</b>	<b>350,0</b>	<b>120,0</b>	<b>-65,7%</b>	<b>120,0</b>	<b>190,0</b>	<b>58,3%</b>
<b>GLOBAL I + II + III</b>	<b>7 213,5</b>	<b>6 850,6</b>	<b>-5,0%</b>	<b>8 975,5</b>	<b>9 336,9</b>	<b>4,0%</b>

## 2. Income statement

MMAD	2014	2015	Var 14/15	2015 pro forma	2016	Var 15 pro forma/16
Sales of goods	5 760,2	6 126,0	6,4%	6 126,0	6 771,6	10,5%
Sales of goods and services produced	550,2	606,0	10,1%	729,1	785,7	7,8%
<b>Consolidated turnover</b>	<b>6 310,4</b>	<b>6 732,0</b>	<b>6,7%</b>	<b>6 855,1</b>	<b>7 557,4</b>	<b>10,2%</b>
Write offs, transfer of expenses	91,5	66,9	-26,9%	72,6	163,2	124,6%
<b>Consolidated operating revenues I</b>	<b>6 401,9</b>	<b>6 798,8</b>	<b>6,2%</b>	<b>6 927,8</b>	<b>7 720,5</b>	<b>11,4%</b>
Purchases of goods sold	5 216,9	5 488,8	5,2%	5 488,9	6 010,3	9,5%
Consumables	121,2	133,4	10,0%	142,6	172,1	20,7%
Other external expenses	315,6	335,0	6,1%	334,0	380,6	13,9%
Taxes	39,3	39,4	0,3%	48,2	62,2	29,1%
Personnel expenses	296,9	326,2	9,9%	327,1	384,3	17,5%
Other operating expenses	44,2	0,4	-99,1%	0,4	7,7	NS
Depreciations and amortizations	197,5	212,3	7,5%	267,2	330,5	23,7%
<b>Consolidated operating expenses II</b>	<b>6 231,7</b>	<b>6 535,5</b>	<b>4,9%</b>	<b>6 608,4</b>	<b>7 347,6</b>	<b>11,2%</b>
<b>EBIT (I-II) III</b>	<b>170,2</b>	<b>263,3</b>	<b>54,7%</b>	<b>319,4</b>	<b>373,0</b>	<b>16,8%</b>
Income from equity securities and other fixed securities	0,0	0,0	-5,0%	0,0	3,6	NS
Exchange gains	0,9	2,8	NS	2,8	1,3	-54,7%
Interest and other financial revenue	42,0	47,9	14,1%	39,9	67,8	70,0%
Financial write offs, transfer of expenses	20,3	22,6	11,2%	22,6	15,0	-33,9%
<b>Financial products IV</b>	<b>63,3</b>	<b>73,3</b>	<b>15,8%</b>	<b>65,3</b>	<b>87,7</b>	<b>34,3%</b>
Interest charges	147,7	171,6	16,2%	190,7	201,4	5,6%
Exchange loss	1,0	1,1	6,0%	1,1	0,8	-25,1%
Other financial expenses	2,8	0,2	-92,1%	0,2	8,0	NS
Financial allocations	0,2	0,3	21,9%	0,3	0,4	54,9%
<b>Financial expenses V</b>	<b>151,7</b>	<b>173,1</b>	<b>14,1%</b>	<b>192,3</b>	<b>210,7</b>	<b>9,5%</b>
<b>Financial result (IV-V) VI</b>	<b>-88,4</b>	<b>-99,8</b>	<b>12,9%</b>	<b>-127,0</b>	<b>-123,0</b>	<b>-3,2%</b>
<b>Current result (III+VI) VII</b>	<b>81,8</b>	<b>163,5</b>	<b>99,8%</b>	<b>192,4</b>	<b>250,0</b>	<b>29,9%</b>
Proceeds of sale of fixed assets	466,2	0,7	-99,9%	0,7	2,5	NS
Other non-current revenues	17,4	40,8	134,3%	42,1	7,3	-82,7%
Non-current write-offs, transfer of expenses	0,0	0,0	NS	0,0		
<b>Non-current products VIII</b>	<b>483,6</b>	<b>41,4</b>	<b>-91,4%</b>	<b>42,7</b>	<b>9,8</b>	<b>-77,1%</b>
Net value of assets sold	363,0	1,4	-99,6%	1,4	2,5	74,4%
Other non-current expenses	61,9	38,8	-37,2%	38,0	12,5	-67,2%
Non-current allocations to repayment and provisions	24,6	1,2	-95,1%	2,2	7,9	NS
<b>Non-current expenses IX</b>	<b>449,5</b>	<b>41,5</b>	<b>-90,8%</b>	<b>41,7</b>	<b>22,9</b>	<b>-45,0%</b>
<b>Non-current result (VIII-IX) X</b>	<b>34,1</b>	<b>0,0</b>	<b>-100,0%</b>	<b>1,1</b>	<b>-13,1</b>	<b>NS</b>
<b>EBT (VII+X) XI</b>	<b>115,9</b>	<b>163,5</b>	<b>41,0%</b>	<b>193,5</b>	<b>236,9</b>	<b>22,4%</b>
Income tax	35,6	54,2	52,0%	61,5	72,3	17,5%
<b>Net income</b>	<b>80,3</b>	<b>109,3</b>	<b>36,1%</b>	<b>132,0</b>	<b>164,6</b>	<b>24,7%</b>
<b>Net-income-Group share</b>	<b>81,0</b>	<b>107,8</b>	<b>33,1%</b>	<b>111,9</b>	<b>139,5</b>	<b>24,6%</b>
<b>Minority interest</b>	<b>-0,7</b>	<b>1,5</b>	<b>NS</b>	<b>20,1</b>	<b>25,1</b>	<b>25,1%</b>

Source : Label' Vie

## **IV. RISK FACTORS**

### **1. Economic risks**

Future revenues and results of the Label 'Vie group depend significantly on the evolution of the Moroccan economy.

The main activity of the Label 'Vie group is the sale of consumer goods. Consequently, the turnover and profitability of the Label 'Vie group depend significantly on the evolution of Moroccan consumer spending. The evolution of consumption in Morocco is closely related country's economic situation and, more particularly, the average household income. A lower contraction or growth in the Moroccan economy could have a negative impact on the growth of the number of consumers and the average basket, which could have an adverse impact on the growth and profitability of the Label 'Vie group or even result in a decrease in income and earnings.

The economic risk is reduced primarily by the favorable prospects of international organizations for changes in GDP and inflation. Secondly, the economic risk is mitigated, in the case of the Label 'Vie group, thanks to the turnover structure, essentially constituted by sales of goods of primary necessity.

### **2. Competitive risk**

Competitive risk includes the risk of an emerging organized new competitor as well as the risk of losing ground before existing competitors. Label 'Vie Group may thus face intensifying competition within the Moroccan retail market because of competing brands development, resulting therefore in a loss of market share and lower revenues of Label 'Vie Group.

### **3. Investment risk**

Investment risk is the risk that projects will not be carried out within the budget and on time, initially resulting in a lag or decrease in project performance.

However, the Label 'Vie group has accumulated a rich experience in realizing store-opening projects, supported by the expertise of VLV in real estate management. The investment risk is also mitigated to date by the creation of a team entirely dedicated to development and management of new projects and has a diverse experience in the different operational departments of the group.

Label 'Vie group also benefits from the expertise of its international partner Carrefour, to carry out the development of new Carrefour hypermarkets. Moreover, the investment risk also encompasses certain risks linked to changes in the real estate price in Morocco. Demand for real estate in urban areas continues to rise, due to population growth, increasing urbanization rates and facilitating access to credit. The likelihood of land prices continuing in an upward trend seen in recent years is significant. This situation represents a risk factor for the group, if the latter does not succeed in limiting the impact of the rise in commercial real estate prices in its investment program.

However, this risk is mitigated, on the one hand, by the state's desire to create 15 new cities by 2020. These satellite cities would constitute an additional supply of land in urban areas, which would tend to reduce the surge of prices, and on the other hand by the creation of the VLV real estate company to carry out real estate investments.

#### 4. Management risk

As part of its business, Label 'Vie is subject to several management risks, including: food-related risks, risks related to theft and fraud, as well as risks related to human resources.

Food products are by definition likely to cause real health risks.

In spite of the civil liability insurance contracted by the company, a consumer affected by a food product purchased from one of the group's stores could cause damage in terms of image and reputation for the group as a whole. This could result in a loss of customers and an impact on the group's revenues.

The performance of Label 'Vie is significantly dependent on its management team, which has a great deal of experience and knowledge of large and medium retail stores. The loss of key management members could have a significant negative impact on the group's ability to implement its strategy. The group also depends on a qualified staff with the experience and the capacities necessary to the development of its activity. The possible difficulty of the group companies in recruiting and training competent and qualified teams could result in a deterioration of the services offered by the group.

#### 5. Legal risk

##### a) Legal Risk pertaining to Sector of supermarkets

Label 'Vie Group activities are subject to many regulations related to the nature of the products it sells. The regulatory framework is likely to change, which could be favorable or unfavorable to the group. Such changes could lead to additional costs, or not being in line with the development Label 'Vie Group model, or changing the competitive environment in which the group could develop.

##### b) Investment-based legal risk

Any request for any license in order to construct large stores in major cities is investigated by municipalities that submit them to services and agencies for specific technical aspects, namely the Urban Agency and the Economic Division of the Prefecture. These requests are then processed by a tripartite committee chaired by the Director of the Urban Agency, in addition to other representatives of the municipality and the Town Hall. This committee then decides on the project in accordance with laws and regulations in effect, and according to the planning documents in force (Urban Master Plan, Development Plan, etc.).

As far as requests of operating licenses are concerned, it delivery is the responsibility of the president of the municipality in accordance with section 44 of the municipal charter. However, the investigation procedure of such requests, it differs from one municipality to another.

#### 6. Currency risk relative to purchases

Label 'Vie is a sourcing company on the international market of some imported products such as fresh products (Carrefour products, cheese, cooked meats, etc.), dry goods or certain bazaar products. Therefore like any importing company, it is exposed to the risk of unfavorable changes in exchange rates within the international currency market.

**Warning**

The above information represents only part of the prospectus approved by the (AMMC) under reference n° VI/EM/034/2017 on November the 28<sup>th</sup>, 2017 .

The AMMC advises reading the entire prospectus made available to the public in French.