



## Travaux Généraux de Construction de Casablanca (TGCC S.A.)

### SUMMARY OF THE INFORMATION PACKAGE RELATING TO THE COMMERCIAL PAPER ISSUE PROGRAM

Program implementation date	February 21 <sup>st</sup> 2023
Program ceiling	MAD 500,000,000
Nominal value	MAD 100,000

#### FINANCIAL ADVISOR AND GLOBAL COORDINATOR

#### FINANCIAL CO-ADVISORS



#### CO-LEADERS OF THE UNDERWRITING SYNDICATE



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

In accordance with the provisions of the AMMC circular taken pursuant to Article 15 of Law 35-94 relating to certain negotiable debt securities, as amended and supplemented, this note relates to the commercial paper program launched by TGCC S.A.

This Note, registered by AMMC on February 21<sup>st</sup> 2023 under reference EN/EM/007/2023, constitutes only a part of the information package relating to the program.

The information package consisting of this note and the reference document registered by the AMMC on February 21<sup>st</sup> 2023 under reference EN/EM/006/2023, was approved by the AMMC on February 21<sup>st</sup> 2023 under reference VI/EM/006/2023.

## I. Summary

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## II. AMMC Disclaimer

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The Moroccan Capital Market Authority (AMMC) approved on February 21st, 2023, an information package relating to the implementation of the commercial paper issue program by TGCC S.A.

The AMMC-approved information package is available at any time:

- At TGCC registered office: 4, rue Imam Mouslim, Casablanca Oasis - Casablanca and on its website: <https://tgcc.ma/>;
- From the financial advisors:
  - Valoris Corporate Finance: Angle Route d'El Jadida et, Rue Abou Dhabi, Casablanca 20410
  - Capital Trust Finance: 50, Boulevard Rachidi, Casablanca;
  - CFG Finance: 5-7, rue Ibnou Toufaïl, Casablanca.
- From the placement bodies, within a maximum of 48 hours:
  - Valoris Securities: Angle Route d'El Jadida et, Rue Abou Dhabi, Casablanca 20410;
  - Capital Trust Securities: 50, Boulevard Rachidi, Casablanca;
  - CFG Bank: 5-7, rue Ibnou Toufaïl, Casablanca.

The information package is available to the public on the AMMC website [www.ammc.ma](http://www.ammc.ma).

This summary has been translated by Lisaniat under the joint responsibility of the said translator and TGCC S.A.

In the event of any discrepancy between the contents of this summary and the AMMC-approved prospectus, only the approved prospectus will prevail.

## Part II. Presentation of the Operation

### I. Framework of the operation

In accordance with the provisions of Article 15 of Law 35-94 promulgated by Dahir 1-95-3 of Sha'ban 24, 1415 (January 26, 1995) and Order 2560-95 of the Minister of Finance and Foreign Investment of October 9, 1995 relating to Negotiable Debt Securities (NDS), TGCC S.A. issues to the public interest-bearing commercial paper in representation of a right to claim for a duration inferior or equal to one (1) year.

The Board of Directors held on November 15, 2022, authorized this issue program, with a ceiling of MAD 500,000,000, and delegated all powers to Mr. Mohammed Bouzoubaa, in his capacity of CEO of TGCC S.A., in order to determine the operation terms and conditions that he will judge opportune and necessary for the realization of the commercial paper issue.

To this end, TGCC S.A. will issue with a public offering interest-bearing commercial paper in representation of a right to claim, for a term less than or equal to one year.

In accordance with the provisions of Article 15 of Law no. 35-94 promulgated by Dahir no. 1-95-3 of Sha'ban 24, 1415 (January 26, 1995) and with the decree of the Minister of Finance and Foreign Investments no. 2560-95 of October 9, 1995, relating to negotiable debt securities (NDS), TGCC S.A. has drawn up, together with the Advisors, this information package relating to its activity, its economic and financial situation as well as its commercial paper issue program.

Pursuant to article 17 of the said law, and as long as the Commercial Paper is in circulation, the information package will be updated annually within 45 days after the Ordinary General Meeting of Shareholders approving the accounts of the previous financial year.

However, occasional updates may be made in the event of a change in the ceiling on the number of securities issued or any new event likely to have an impact on the price of the securities or the successful completion of the program.

#### I.1. Objectives of the program

TGCC aims to issue commercial paper in order to:

- optimize the cost of short-term financing by partially replacing existing bank facilities with commercial paper;
- meet its one-off cash requirements;
- diversify sources of financing.

### II. Target investors of the program

Subscription to the commercial paper covered by this note is intended for natural or legal persons, whether resident or non-resident.

### III. Program characteristics

#### III.1. Information relating to the program and the securities to be issued

Nature of securities	Dematerialized Negotiable Debt Securities by registration with the Central Depository (Maroclear) and registered in accounts with authorized affiliates.
Legal form	Bearer commercial paper
Program ceiling	MAD 500,000,000
Maximum number of securities	5,000

Unit nominal value	MAD 100,000
Maturity	Between 10 days and 12 months
Entitlement date	On the settlement date.
Rank	the rank is equivalent to an ordinary debt contracted by the Company.
Interest rate	Fixed. Determined for each issue according to market conditions.
Interests	Post-counted
Principle repayment	<i>In fine</i> , at due date of each commercial paper.
Tradability	Over-the-counter. There are no restrictions imposed by the terms of the issue on the free tradability of the commercial paper.
Assimilation clause	The commercial paper issued is not assimilated with securities from a previous issue
Guaranty	The program has no specific guarantee

#### IV. Conduct of issues under the program

##### IV.1. Placement syndicate and financial intermediaries

The financial intermediaries involved in this commercial paper program are as follows:

Placement body and financial intermediaries	Name	Address
Financial Advisors	Valoris Corporate Finance	Angle Route El Jadida et Rue Abou Dhabi, Oasis, 20410, Casablanca
	Capital Trust Finance	50, Boulevard Rachidi, Casablanca
	CFG Finance	5-7, rue Ibnou Toufaïl, Casablanca
Underwriting Syndicate	Valoris Securities	Angle Route El Jadida et Rue Abou Dhabi, Oasis, 20410, Casablanca
	Capital Trust Securities	50, Boulevard Rachidi, Casablanca
	CFG Bank	5-7, rue Ibnou Toufaïl, Casablanca
Central depository	Maroclear	Route 1077 par route d'El Jadida, 8 Cité Laia – 20200 Casablanca
Domiciliary of securities	CFG Bank	5-7, rue Ibnou Toufaïl, Casablanca

## IV.2. Subscription and allocation terms

### IV.2.1. Subscription period

Each time TGCC expresses a need of cash, Valoris Securities, Capital Trust Securities and CFG Bank will proceed to the opening of the subscription period at least 72 hours before the entitlement date.

Before each issue, the issuer will draw up a document detailing the terms and conditions of the issue and containing the information mentioned in article 1.60 of AMMC Circular 03/19. The said document will be put at the disposal of investors before the opening of the subscription period.

### IV.2.2. Beneficiaries

Natural persons and legal entities, resident and non-resident.

Subscriptions must be made in cash, whatever the category of subscribers.

### IV.2.3. Identification of subscribers

The Underwriting Syndicate must make sure that the subscriber belongs to one of the categories defined above. For this purpose, they must obtain a copy of the document attesting this identification and attach it to the subscription form. For each category of subscribers, the identification documents to be produced are as follows:

Category	Address
Associations	Photocopy of the Articles of Association and photocopy of the receipt of the file deposit
Minor Children	Photocopy of the page of the family record book attesting the child's date of birth
UCITS under Moroccan law	Photocopy of the approval decision attesting that it belongs to this category. <ul style="list-style-type: none"> <li>For Mutual Funds, the number of the certificate of deposit at the court registry</li> <li>For Investment companies with variable capital (SICAVs), the number of the commercial register and the certificate of deposit at the court registry.</li> </ul>
Moroccan and foreign legal entities	Model of entries in the commercial register (or equivalent for foreigners)
Non-resident and non-Moroccan natural persons	Photocopy of the pages of the passport containing the identity of the person as well as the issue and expiry dates of the document
Resident and non-Moroccan natural persons	Photocopy of the residency card
Natural persons resident in Morocco and Moroccan nationals abroad	Photocopy of the national identity card

### IV.2.4. Subscription terms and conditions

Subscriptions will be collected from clients, by means of subscription forms according to the form attached hereto, which become firm and irrevocable after the closing of the subscription period. These subscription forms must be filled in and signed by the subscribers and sent to:

- Valoris Securities: Email: [market@capitalgestiongroup.com](mailto:market@capitalgestiongroup.com) ;
- Capital Trust Securities: Email: [market.cts@capitaltrust.ma](mailto:market.cts@capitaltrust.ma) ;
- CFG Bank: Email: [sdm@cfgbank.com](mailto:sdm@cfgbank.com).

Subscriptions will be confirmed by the underwriters by e-mail as soon as they are accepted and this, until the issue ceiling is reached.

All subscriptions will be made in cash:

- Subscriptions on behalf of minors under the age of 18 are authorized provided they are made by the father, mother, guardian or legal representative of the minor. The organization in charge of the investment is required to obtain a copy of the page of the family record book or an equivalent document showing the date of birth of the minor child and to attach it to the subscription form; in this case, the movements are made either to an account opened in the name of the minor child or to the securities or cash account opened in the name of the father, mother, guardian or legal representative of the minor child and subject to the legal provisions in force ;
- In the case of a portfolio management mandate, the manager can only subscribe on behalf of the client whose portfolio they manage by presenting a power of attorney duly signed and authenticated by his principal or the management mandate if it provides for an express provision to this effect. Management companies are exempted from presenting these documents for the UCITS they manage;
- Subscriptions on behalf of third parties are authorized on condition that a power of attorney duly signed and legalized by the principal is presented. The body in charge of placement is bound to obtain a copy of it and to attach it to the subscription form the subscribed securities must, moreover, be referred to a securities account in the name of the third party concerned, which can only be moved by the latter, except in case of existence of a power of attorney;
- A power of attorney for a subscription cannot in any case allow the opening of an account for the principal, so the opening of an account must be done in the presence of its holder according to the legal or regulatory provisions in force;
- Any form must be signed by the subscriber or his proxy. The organization in charge of placement must make sure, before accepting a subscription, that the subscriber has the financial capacity to honor his commitments, the latter will freely determine the terms of the financial guarantee requested from the subscribers, which can be a deposit in cash, in securities or a guarantee
- Investors can place several orders with the investment firm. The orders are cumulative. The attention of subscribers is drawn to the fact that all orders can be satisfied totally or partially according to the availability of securities; Subscriptions will be subject to confirmation by e-mail by the underwriters as soon as they are accepted and this, until the ceiling of the floating operation is reached;

There is no minimum subscription threshold, the subscription ceiling is limited to the amount of the issue.

### **IV.3. Order cancellation terms**

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All subscription orders:

- Not complying with the above conditions will be null and void;
- Are irrevocable after the closing of the subscription period.

Subscription orders that do not meet the above-mentioned conditions are cancelled at the end of the collection of all subscription orders.

### **IV.4. Order allocation terms**

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During the subscription period, allocations will be made on a "first come, first served" basis, according to received subscriptions and available commercial papers. Thus, the allocation of securities will be done at the closing of the subscription period.

The subscription period may be closed early as soon as the placement of the entire tranche issued has been completed.

**IV.5. Securities settlement/delivery arrangements**

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Settlement/delivery of the securities will take place through the OTC channel on the entitlement date. CFG Bank will be responsible for the book-entry of the issued commercial paper.

**IV.6. AMMC information commitment**

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TGCC undertakes to transmit to AMMC the results of each issue (number of securities issued, amounts subscribed and allocated by type of investors, etc.) within 7 days following its completion.

## Part III. Information on TGCC

### I. Brief description of the activity

#### I.1. General information

<b>Corporate Name</b>	Travaux Généraux de Construction de Casablanca
<b>Registered Office</b>	4 Rue Imam Mouslim Casablanca Oasis
<b>Phone</b>	+212 (0) 5 22 23 88 93
<b>Fax</b>	+212 (0) 5 22 23 88 67
<b>Website</b>	<a href="http://www.tgcc.ma">www.tgcc.ma</a>
<b>Legal Form</b>	Public limited company with a board of directors
<b>Date of incorporation</b>	October 2, 1991
<b>lifespan</b>	99 years
<b>Registration Number in the Commercial Register</b>	63.907 Casablanca
<b>Financial Year</b>	From January 1 <sup>st</sup> to December 31 <sup>st</sup>
<b>Corporate Purpose</b>	<p>According to article 2 of TGCC's by-laws, the Company's purpose both in Morocco and abroad is:</p> <ul style="list-style-type: none"> <li>• The design and realization of all building and civil engineering works as well as any related activity;</li> <li>• The execution, directly or indirectly, of all works relating to the field of construction and furnishing;</li> <li>• The acquisition and sale of real estate as well as any operation within the framework of real estate development;</li> <li>• The acquisition of shares by right in existing companies or companies in formation having a similar or related object;</li> <li>• And more generally, all industrial, commercial, financial, movable or real estate operations that may be directly or indirectly related to the corporate purpose or likely to facilitate its extension or development.</li> </ul>
<b>Share Capital as of September 30, 2022</b>	MAD 316,398,500, comprising 31,639,850 shares with a nominal value of MAD 10 each, fully subscribed and paid up, all of the same class.
<b>Legal Documents</b>	The Company's legal documents, in particular the articles of association, the minutes of the shareholders' meetings and the auditors' reports, may be consulted at the Company's registered office.
<b>Legislative and regulatory texts applicable to TGCC</b>	<p>Due to its legal form, the Company is governed by the law No. 17-95 promulgated by the Dahir No. 1-96-124 of August 30, 1996 relating to public limited companies, as amended and completed by the laws No. 81-99, 23-01, 20-05, 78-12, 20-19 and 19-20.</p> <p>By virtue of its activity, TGCC is governed by Moroccan law, particularly:</p> <ul style="list-style-type: none"> <li>• Law no. 39-08 forming the code of real rights promulgated by dahir no. 1-11-178 dated 25 hijja (November 22, 2011) as amended and supplemented.</li> <li>• Law no. 12-90 relating to urban planning (promulgated by dahir no. 1-92-31 dated 15 hijja 1412 (June 17, 1992), as amended and supplemented by law no. 66-12 relating to the repression of offences in the urban planning and</li> </ul>

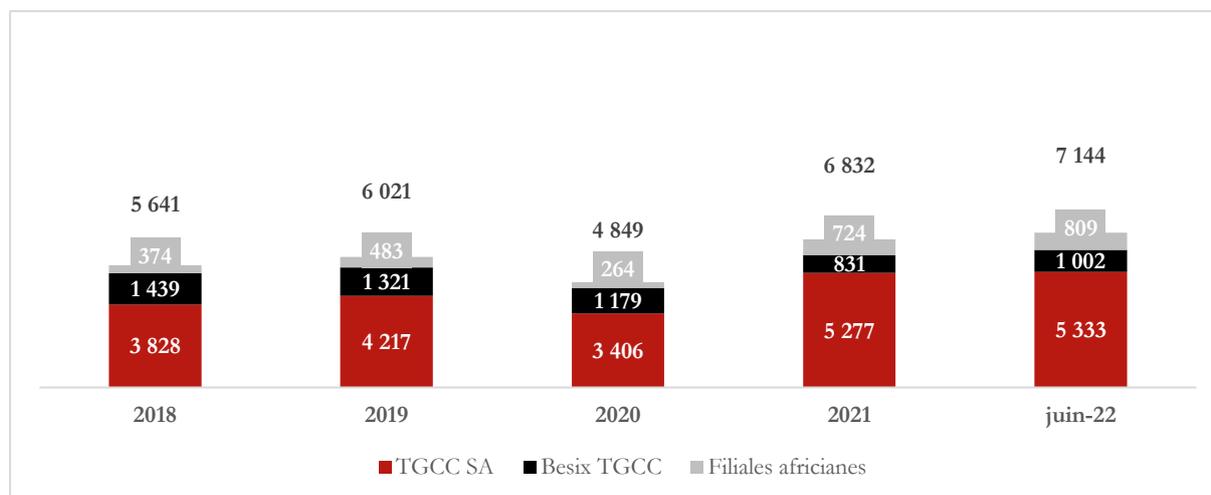
	<p>construction sector (promulgated by dahir no. 1-16-124 dated 21 kaada (August 25, 2016).</p> <ul style="list-style-type: none"> <li>• Law no. 25-90 relating to subdivisions, groups of dwellings and parcels (promulgated by dahir no. 1-92-7 dated 15 hijja 1412 (June 17, 1992)), as amended and supplemented by law no. 66-12 relating to the repression of offences in the urban planning and construction sector (promulgated by dahir no. 1-16-124 dated 21 kaada (August 25, 2016).</li> <li>• The applicable provisions of the Dahir of September 12, 1913, as amended and supplemented, on the Code of Obligations and Contracts.</li> </ul> <p>From to its status as a listed company on the Casablanca Stock Exchange and as an issuer of commercial papers, TGCC will be subject to the following provisions:</p> <ul style="list-style-type: none"> <li>• The Dahir providing Law 44-12 relating to the public offering and to the information required from corporate entities and organizations making public offerings;</li> <li>• The Dahir providing Law 43-12 relating to the AMMC;</li> <li>• The AMMC General Regulation as approved by the Order of the Minister of Economy and Finance no. 2169/16 dated July 14, 2016;</li> <li>• The circulars of the AMMC in force;</li> <li>• The Dahir providing Law no. 1-96-246 of January 9, 1997 promulgating Law no. 35-96 relating to the creation of a central depository and the institution of a general regime of registration in account of certain securities (amended by Law no. 43-02);</li> <li>• The general regulations of the central depository approved by Order no. 932-98 of the Minister of Economy and Finance, dated April 16, 1998, and amended by Order no. 1961-01 of the Minister of Economy, Finance, Privatization and Tourism, dated October 30, 2001, and by Order no. 77-05 of March 17, 2005</li> <li>• The Dahir no. 1-16-151 of August 25, 2016 promulgating the law no. 19-14 relating to the Stock Exchange, brokerage companies and financial investment advisors;</li> <li>• The General Rules of the Casablanca Stock Exchange approved by Ministerial Order no. 2208-19 of July 3, 2019, issued by the Ministry of Economy and Finance;</li> <li>• The Dahir no.1-04-21 of April 21st 2004, promulgating Act no. 26-03 relating to public offerings on the Moroccan stock market, as amended and supplemented by Act no. 46-06.</li> <li>• The Dahir 1-95-03 of January 26, 1995 promulgating the law no. 35-94 relating to certain Negotiable Debt Securities.</li> </ul>
<b>Tax Regime</b>	TGCC is governed by common law tax legislation. It is subject to corporate income tax at the progressive scale rate. Its operations are subject to VAT at the rate of 20%.
<b>Competent Court in case of dispute</b>	Commercial Court of Casablanca



### I.3. V. Evolution of the order book

The table below shows the evolution of TGCC Group's order book over the period 2018 - June 2022:

*Evolution of TGCC Group's order book over the period 2018 – 2021 (annual basis) and over the first half of 2022 in MMAD*



Source: TGCC

## II. Shareholding

Over the last four years, TGCC's shareholding structure has evolved as follows:

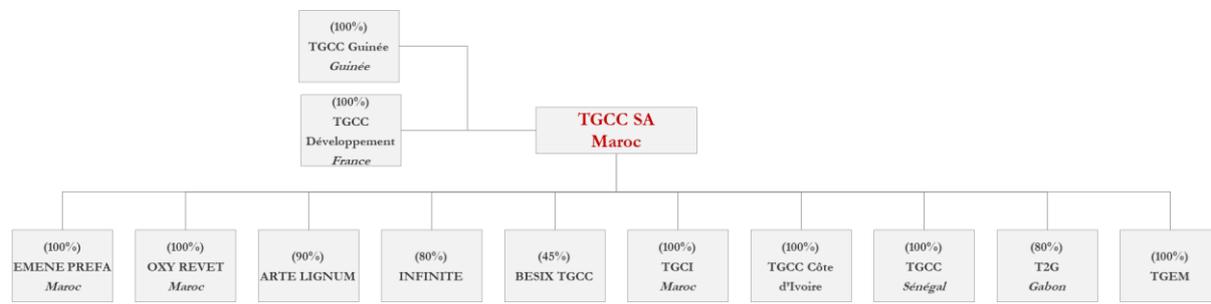
Shareholders	2019		2020		2021		2022	
	Number of securities and voting rights	% of capital and voting rights	Number of securities and voting rights	% of capital and voting rights	Number of securities and voting rights	% of capital and voting rights	Number of securities and voting rights	% of capital and voting rights
Mr. Mohammed Bouzoubaa	2 339 995	83.1%	2 339 995	83.1%	23 399 950	74.0%	23 399 950	74.0%
Floating	-	-	-	-	5 031 780	15.9%	5 031 780	15.9%
MC II Concrete	476 665	16.9%	476 665	16.9%	3 208 060	10.1%	3 208 060	10.1%
Other shareholders	6	0.0%	6	0.0%	60	0.0%	60	0.0%
<b>Total</b>	<b>2 816 666</b>	<b>100.0%</b>	<b>2 816 666</b>	<b>100.0%</b>	<b>31 639 850</b>	<b>100.0%</b>	<b>31 639 850</b>	<b>100.0%</b>

Source: TGCC

### III. Legal organization chart

As of November 30, 2022, CCGT's organizational chart is as follows<sup>1</sup> :

TGCC's legal organization chart as of 11.30.2022



Source: TGCC

<sup>1</sup> The shareholding percentages are equivalent to the percentages of control for all the Company's subsidiaries.

## Part IV. Financial data

### I. Annual financial statements

#### I.1. Corporate annual financial statements

##### I.1.1. Balance statement

In KMAD	2019	2020	Var. 19-20	2021	Var. 20-21
Turnover	2.769.236	2.111.560	-23.7%	3.202.775	51.7%
Changes in inventories of work in progress and finished goods	85.878	76.103	-11.4%	(46.997)	<-100.0%
Purchases consumed	(1.898.954)	(1.613.085)	-15.1%	(2.257.481)	39.9%
Other external expenses	(135.623)	(115.331)	-15.0%	(109.599)	-5.0%
Added value	820.537	459.247	-44.0%	788.699	71.7%
<i>in % of turnover</i>	<i>29.6%</i>	<i>21.7%</i>	<i>-7.9 pts</i>	<i>24.6%</i>	<i>+2.9 pts</i>
Staff costs	(462.557)	(370.979)	-19.8%	(456.529)	23.1%
Taxes and duties	(3.190)	(3.717)	16.5%	(3.368)	-9.4%
Gross operating surplus	354.789	84.551	-76.2%	328.801	>100.0%
<i>in % of turnover</i>	<i>12.8%</i>	<i>4.0%</i>	<i>-8.8 pts</i>	<i>10.3%</i>	<i>+6.3 pts</i>
Operating allocations	(49.785)	(91.734)	84.3%	(74.894)	-18.4%
Operating reversals, expense transfers	17.350	103.430	>100.0%	23.666	-77.1%
Other operating income and expenses	(1.214)	(1.245)	2.6%	(857)	-31.2%
Operating income	321.140	95.003	-70.4%	276.717	>100.0%
<i>in % of turnover</i>	<i>11.6%</i>	<i>4.5%</i>	<i>-7.1 pts</i>	<i>8.6%</i>	<i>+4.1 pts</i>
Financial income	9.006	7.958	-11.6%	5.942	-25.3%
Financial expenses	(62.834)	(32.673)	-48.0%	(38.344)	17.4%
Financial result	(53.828)	(24.715)	+54.1%	(32.401)	-31.1%
Current result	267.312	70.288	-73.7%	244.315	>100.0%
Non-current result	12.330	(1.359)	<-100.0%	26.845	>100.0%
Pre-tax income	279.643	68.929	-75.4%	271.161	>100.0%
Tax on profits	(90.100)	(26.500)	-70.6%	(85.901)	>100.0%
Net income	189.543	42.429	-77.6%	185.260	>100.0%
<i>in % of turnover</i>	<i>6.8%</i>	<i>2.0%</i>	<i>-4.8 pts</i>	<i>5.8%</i>	<i>+3.8 pts</i>

## I.1.2. Balance sheet

In KMAD - Assets	2019	2020	Var. 19-20	2021	Var. 20-21
Non-valuable fixed assets	578	69.272	>100.0%	51.925	-25.0%
Intangible fixed assets	2.036	1.103	-45.8%	702	-36.3%
Intangible fixed assets	105.514	105.648	0.1%	129.923	23.0%
Financial fixed assets	142.597	202.452	42.0%	79.159	-60.9%
Fixed assets	250.725	378.475	51.0%	261.710	-30.9%
<i>Weight on total balance sheet</i>	<i>7.5%</i>	<i>11.6%</i>	<i>4.1 pts</i>	<i>6.4%</i>	<i>-5.2 pts</i>
Inventories and work in progress	471.354	514.969	9.3%	580.663	12.8%
Trade accounts receivable, advances & prepayments	94.273	94.771	0.5%	258.431	>100.0%
Trade receivables and related accounts	2.041.297	1.832.789	-10.2%	2.431.179	32.6%
Staff	273	202	-26.0%	264	30.6%
State	348.419	296.881	-14.8%	322.960	8.8%
Other debtors	113.522	129.587	14.2%	39.043	-69.9%
Prepayments and accrued income	23.157	20.452	-11.7%	21.882	7.0%
Currency translation differences - assets	6	224	>100.0%	260	16.2%
Current assets	3.092.301	2.889.874	-6.5%	3.654.682	26.5%
<i>Weight on total balance sheet</i>	<i>92.5%</i>	<i>88.4%</i>	<i>-4.1 pts</i>	<i>88.7%</i>	<i>0.3 pts</i>
Cash and cash equivalents - assets	517	635	22.8%	203.403	>100.0%
Total assets	3.343.542	3.268.985	-2.2%	4.119.795	26.0%

In KMAD - Liabilities	2019	2020	Var. 19-20	2021	Var. 20-21
Capital	281.667	281.667	0.0%	316.399	12.3%
Share premium	208.333	208.333	0.0%	481.717	>100.0%
Legal reserve	28.167	28.167	0.0%	28.167	0.0%
Other reserves	397	397	0.0%	397	0.1%
Retained earnings	98.340	287.883	>100.0%	98.340	-65.8%
Net income for the financial year	189.543	42.429	-77.6%	185.260	>100.0%
Total equity	806.447	848.876	5.3%	1.110.280	30.8%
<i>Weight on total balance sheet</i>	<i>24.1%</i>	<i>26.0%</i>	<i>1.8 pt</i>	<i>26.9%</i>	<i>1.0 pt</i>
Bonds	20.000	20.000	0.0%	-	-100.0%
Other financial debts	92.526	190.525	>100.0%	85.215	-55.3%
Financial debts	112.526	210.525	87.1%	85.215	-59.5%
Accounts payable and related accounts	1.032.128	1.020.917	-1.1%	1.442.258	41.3%
Accounts payable, advances & down payments	295.142	210.233	-28.8%	620.089	>100.0%
Staff	4.859	4.861	0.0%	7.634	57.1%
Social organizations	11.261	10.301	-8.5%	13.432	30.4%
State	334.552	252.742	-24.5%	296.300	17.2%
Associate - creditor account	90.735	20.161	-77.8%	-	-100.0%
Other creditors	9.422	48.787	>100.0%	506	-99.0%
Accruals and deferred income - liabilities	6.655	5.310	-20.2%	6.104	15.0%
Other provisions for liabilities and charges	1.891	1.933	2.2%	3.316	71.5%
Currency translation differences - liabilities	430	61	-85.8%	-	-100.0%

Current liabilities	1.787.074	1.575.308	-11.8%	2.389.639	51.7%
<i>Weight on total balance sheet</i>	<i>53.4%</i>	<i>48.2%</i>	<i>-5.3 pts</i>	<i>58.0%</i>	<i>9.8 pts</i>
Cash and cash equivalents - liabilities	637.495	634.276	-0.5%	534.661	-15.7%
Total liabilities	3.343.542	3.268.985	-2.2%	4.119.795	26.0%

Source: TGCC

## I.1.3. Financing table

In KMAD	2019	2020	Var. 19-20	2021	Var. 20-21
Self-financing	34,717	88,462	>100.0%	1,639	-98.1%
Self-financing capacity	241,912	88,462	-63.4%	233,611	>100.0%
Distribution of profits	(207,195)	-	-100.0%	(231,972)	0.0%
Disposal and reduction of fixed assets	17,536	3,953	-77.5%	145,755	>100.0%
Disposal of tangible fixed assets	17,536	3,953	-77.5%	22,612	>100.0%
Disposal of financial assets	-	-	0.0%	131	100.0%
Recovery of fixed assets	-	-	0.0%	123,012	100.0%
Increase in equity and similar	-	-	0.0%	288,116	100.0%
Increase in capital, contributions	-	-	0.0%	288,116	100.0%
Increase in financial debts	92,526	97,998	5.9%	-	-100.0%
<b>Total stable resources</b>	<b>144,780</b>	<b>190,413</b>	<b>31.5%</b>	<b>435,510</b>	<b>&gt;100.0%</b>
Acquisition and increase of fixed assets	69,969	177,736	>100.0%	77,341	-56.5%
Acquisition of intangible assets	331	86,160	>100.0%	308	-99.6%
Acquisition of tangible assets	61,297	31,720	-48.3%	77,033	>100.0%
Acquisition of financial assets	794	59,856	>100.0%	-	-100.0%
Increase in fixed assets	7,547	-	-100.0%	-	0.0%
Repayment of financial debts	-	-	0.0%	105,310	100.0%
Use of non-valuable assets	572	-	-100.0%	-	0.0%
<b>Total stable assets</b>	<b>70,541</b>	<b>177,736</b>	<b>&gt;100.0%</b>	<b>182,651</b>	<b>2.8%</b>
Change in financing needs	90,133	9,339	-89.6%	(49,523)	<-100.0%
Change in cash and cash equivalents	(15,894)	3,338	<-100.0%	302,382	>100.0%
<b>Net cash position</b>	<b>(636,978)</b>	<b>(633,641)</b>	<b>-0.5%</b>	<b>(331,258)</b>	<b>-47.7%</b>

Source: TGCC



## I.2.2. Balance sheet

In KMAD - Assets	2019	2020	Var. 19-20	2021	Var. 20-21
Non-valuable fixed assets	6,340	26,497	>100,0%	23,084	-12,9%
Intangible fixed assets	2,267	1,416	-37,5%	875	-38,2%
Intangible fixed assets	385,914	360,846	-6,5%	422,388	17,1%
Financial fixed assets	117,823	133,701	13,5%	10,925	-91,8%
Fixed assets	512,344	522,460	2,0%	457,272	-12,5%
<i>Weight on total balance sheet</i>	<i>12,9%</i>	<i>13,4%</i>	<i>0,6 pt</i>	<i>9,0%</i>	<i>-4,4 pts</i>
Inventories and work in progress	506,709	564,005	11,3%	793,725	40,7%
Trade accounts receivable, advances & prepayments	113,883	136,960	20,3%	342,699	>100,0%
Trade receivables and related accounts	2,157,132	2,019,178	-6,4%	2,655,842	31,5%
Staff	337	656	94,7%	672	2,4%
State	370,224	325,084	-12,2%	371,220	14,2%
Other debtors	125,999	140,853	11,8%	44,105	-68,7%
Prepayments and accrued income	24,087	23,252	-3,5%	28,843	24,0%
Currency translation differences - assets	63,000	72,000	14,3%	63,000	-12,5%
Current assets	3,361,371	3,281,988	-2,4%	4,300,106	31,0%
<i>Weight on total balance sheet</i>	<i>84,5%</i>	<i>84,4%</i>	<i>-0,1 pt</i>	<i>85,0%</i>	<i>0,5 pt</i>
Cash and cash equivalents - assets	102,992	83,027	-19,4%	303,589	>100,0%
Total assets	3,976,707	3,887,476	-2,2%	5,060,967	30,2%

In KMAD - Liabilities	2019	2020	Var. 19-20	2021	Var. 20-21
Capital	281,667	281,667	0.0%	316,399	12.3%
Share premium	208,333	208,333	0.0%	481,717	>100.0%
Legal reserve	28,167	28,167	0.0%	28,167	0.0%
Other reserves & retained earnings	98,738	288,281	>100.0%	98,738	-65.7%
Consolidated reserves	105,050	103,078	-1.9%	72,486	-29.7%
Net consolidated income	190,467	13,098	-93.1%	236,003	>100.0%
Total equity – Group share	912,422	922,623	1.1%	1,233,510	33.7%
Minority interests	15,565	7,521	-51.7%	9,442	25.5%
Equity	927,987	930,144	0.2%	1,242,952	33.6%
<i>Weight on total balance sheet</i>	<i>23.3%</i>	<i>23.9%</i>	<i>0.6 pts</i>	<i>24.6%</i>	<i>0.6 pt</i>
Bonds	20,000	20,000	0.0%	-	-100.0%
Other financial debts	226,802	300,290	32.4%	223,344	-25.6%
Financial debts	246,802	320,290	29.8%	223,344	-30.3%
Long-term provisions for liabilities and charges	17,188	17,262	0.4%	16,741	-3.0%
Accounts payable and related accounts	1,081,374	1,065,560	-1.5%	1,558,309	46.2%
Accounts payable, advances & down payments	465,925	470,879	1.1%	1,039,983	>100.0%
Staff	5,122	6,181	20.7%	10,483	69.6%
Social organizations	12,679	12,401	-2.2%	16,405	32.3%
State	419,294	318,268	-24.1%	394,421	23.9%
Associate - creditor account	90,851	21,641	-76.2%	2,604	-88.0%
Other creditors	14,313	63,952	>100.0%	14,297	-77.6%



## I.2.3. Financing table

In KMAD	2019	2020	Var. 19-20	2021	Var. 20-21
Net income of consolidated companies	190,587	13,871	-92.7%	238,540	>100.0%
Net depreciation of tangible and intangible fixed assets	101,939	89,763	-11.9%	98,140	9.3%
Net allocations to long-term provisions for risks and expenses	16,002	(85)	-100.5%	888	>100.0%
Change in deferred taxes	1,957	(19,461)	<-100.0%	4,870	>100.0%
Net book value of assets sold	18,912	1,847	-90.2%	28,337	>100.0%
Disposal price of fixed assets	(18,953)	(3,969)	-79.1%	(31,270)	>100.0%
Operating profit before changes in working capital	310,443	81,966	-73.6%	339,505	>100.0%
Change in current assets	(246,521)	148,971	>100.0%	(797,254)	<-100.0%
Change in net inventories	(146,451)	(57,038)	-61.1%	(229,720)	>100.0%
Change in current liabilities	423,463	(112,981)	-126.7%	1,066,649	>100.0%
Change in working capital requirements related to operations	30,492	(21,049)	<-100.0%	39,675	>100.0%
Net cash flow from operating activities	340,935	60,917	-82.1%	379,179	>100.0%
Acquisition of intangible assets	(624)	(263)	-57.9%	(320)	21.7%
Acquisition of tangible assets	(82,504)	(48,078)	-41.7%	(116,588)	>100.0%
Acquisition of financial assets	-	-	0.0%	-	0.0%
Disposal of financial assets	(402)	(15,842)	>100.0%	122,495	>100.0%
Disposal price of fixed assets	18,953	3,969	-79.1%	31,270	>100.0%
Impact of changes in the scope of consolidation	-	(35,592)	0.0%	-	-100.0%
Cash flow from investing activities	(64,577)	(95,806)	48.4%	36,857	>100.0%
Capital increase	(180)	-	-100.0%	-	0.0%
Subscription/repayment of loans	(53,322)	(50,845)	-4.6%	141,980	>100.0%
Dividends paid	(207,195)	-	-100.0%	(231,927)	0.0%
Increase in borrowings	91,237	108,158	18.5%	2,996	-97.2%
Change in bank overdrafts	3,046	32,491	>100.0%	(114,737)	<-100.0%
Cash flow from financing activities	(166,414)	89,805	-154.0%	(201,688)	<-100.0%
Change in cash and cash equivalents	109,944	54,915	-50.1%	214,348	>100.0%
Impact of changes in foreign currencies	1,337	(498)	<-100.0%	(45)	-91.0%

Source: TGCC



## II.1.2. Balance sheet

In KMAD - Assets	2021	H1 2022	Var. 21 - H1 22
Non-valuable fixed assets	51,925	43,252	-16.7%
Intangible fixed assets	702	471	-32.9%
Intangible fixed assets	129,923	127,317	-2.0%
Financial fixed assets	79,159	86,501	9.3%
Fixed assets	261,710	257,541	-1.6%
<i>Weight on total balance sheet</i>	<i>6.4%</i>	<i>6.2%</i>	<i>-0.1 pt</i>
Inventories and work in progress	580,663	719,696	23.9%
Trade accounts receivable, advances & prepayments	258,431	289,971	12.2%
Trade receivables and related accounts	2,431,179	2,356,843	-3.1%
Staff	264	312	18.3%
State	322,960	454,096	40.6%
Other debtors	39,043	36,526	-6.4%
Prepayments and accrued income	21,882	24,141	10.3%
Currency translation differences - assets	260	260	-0.1%
Current assets	3,654,682	3,881,845	6.2%
<i>Weight on total balance sheet</i>	<i>88.7%</i>	<i>93.8%</i>	<i>5.1 pts</i>
Cash and cash equivalents - assets	203,403	786	-99.6%
Total assets	4,119,795	4,140,172	0.5%

In KMAD - Liabilities	2021	H1 2022	Var. 21 - H1 22
Capital	316,399	316,399	0.0%
Share premium	481,717	481,717	0.0%
Legal reserve	28,167	31,640	12.3%
Other reserves	397	397	-0.1%
Retained earnings	98,340	106,108	7.9%
Net income for the financial year	185,260	62,158	-66.4%
Total equity	1,110,280	998,419	-10.1%
<i>Weight on total balance sheet</i>	<i>26.9%</i>	<i>24.1%</i>	<i>-2.8 pts</i>
Bonds	-	-	0.0%
Other financial debts	85,215	78,637	-7.7%
Financial debts	85,215	78,637	-7.7%
Accounts payable and related accounts	1,442,258	1,367,207	-5.2%
Accounts payable, advances & down payments	620,089	360,430	-41.9%
Staff	7,634	28,570	>100.0%
Social organizations	13,432	17,205	28.1%
State	296,300	264,670	-10.7%
Associate - creditor account	-	174,019	100.0%
Other creditors	506	361	-28.7%
Accruals and deferred income - liabilities	6,104	3,024	-50.5%
Other provisions for liabilities and charges	3,316	3,316	0.0%
Currency translation differences - liabilities	-	-	0.0%
Current liabilities	2,389,639	2,218,801	-7.1%

<b><i>Weight on total balance sheet</i></b>	<b><i>58.0%</i></b>	<b><i>53.6%</i></b>	<b><i>-4.4 pts</i></b>
<b>Cash and cash equivalents - liabilities</b>	<b>534.661</b>	<b>844.316</b>	<b>57.9%</b>
<b>Total liabilities</b>	<b>4.119.795</b>	<b>4.140.172</b>	<b>0.5%</b>

*Source: TGCC*

## II.2. Consolidated half-yearly financial statements

### II.2.1. Balance statement

In KMAD	H1 2021	H1 2022	Var H1 21 - H1 22
Turnover	1,171,177	2,239,722	91.2%
Changes in inventories of work in progress and finished goods	260,875	77,082	-70.5%
Purchases consumed	(974,051)	(1,688,953)	73.4%
Other external expenses	(50,254)	(83,916)	67.0%
Added value	407,747	543,935	33.4%
<i>in % of turnover</i>	<i>34.8%</i>	<i>24.3%</i>	<i>-10.5 pts</i>
Staff costs	(257,677)	(338,572)	31.4%
Taxes and duties	(6,045)	(4,489)	-25.7%
Gross operating surplus	144,025	200,874	39.5%
<i>in % of turnover</i>	<i>12.3%</i>	<i>9.0%</i>	<i>-3.3 pts</i>
Operating allocations	(45,372)	(71,066)	56.6%
Operating reversals, expense transfers	16,446	17,074	3.8%
Other operating income and expenses	(113)	(1,133)	>100.0%
Operating income	114,986	145,749	26.8%
<i>in % of turnover</i>	<i>9.8%</i>	<i>6.5%</i>	<i>-3.3 pts</i>
Financial income	3,501	455	-87.0%
Financial expenses	(21,524)	(20,921)	-2.8%
Financial result	(18,023)	(20,466)	13.6%
Non-current result	(2,536)	7,029	>100.0%
Pre-tax income	94,426	132,312	40.1%
Tax on profits	(30,259)	(36,906)	22.0%
Net income	64,167	95,406	48.7%
<i>in % of turnover</i>	<i>5.5%</i>	<i>4.3%</i>	<i>-1.2 pt</i>

Source: TGCC

## II.2.2. Balance sheet

In KMAD - Assets	2021	H1 2022	Var. 21 - H1 22
Non-valuable fixed assets	23,084	21,377	-7.4%
Intangible fixed assets	875	560	-36.0%
Intangible fixed assets	422,388	411,431	-2.6%
Financial fixed assets	10,925	10,963	0.3%
Fixed assets	457,272	444,331	-2.8%
<i>Weight on total balance sheet</i>	<i>9.0%</i>	<i>8.6%</i>	<i>-0.5 pt</i>
Inventories and work in progress	793,725	972,633	22.5%
Trade accounts receivable, advances & prepayments	342,699	434,397	26.8%
Trade receivables and related accounts	2,655,842	2,600,658	-2.1%
Staff	672	613	-8.9%
State	371,220	532,308	43.4%
Other debtors	44,105	42,103	-4.5%
Prepayments and accrued income	28,843	31,438	9.0%
Currency translation differences - assets	63,000	13,770	-78.1%
Current assets	4,300,106	4,627,920	7.6%
<i>Weight on total balance sheet</i>	<i>85.0%</i>	<i>89.3%</i>	<i>4.3 pts</i>
Cash and cash equivalents - assets	303,589	110,594	-63.6%
Total assets	5,060,967	5,182,846	2.4%

In KMAD - Liabilities	2021	S1 2022	Var. 21 - S1 22
Capital	316,399	316,399	0.0%
Share premium	481,717	481,717	0.0%
Legal reserve	28,167	31,640	12.3%
Other reserves & retained earnings	98,738	106,544	7.9%
Consolidated reserves	72,486	126,238	74.2%
Net consolidated income	236,003	93,952	-60.2%
Total equity – Group share	1,233,510	1,156,489	-6.2%
Minority interests	9,442	1,563	-83.4%
Equity	1,242,952	1,158,052	-6.8%
<i>Weight on total balance sheet</i>	<i>24.6%</i>	<i>22.3%</i>	<i>-2.2 pts</i>
Bonds	-	-	0.0%
Other financial debts	223,344	210,411	-5.8%
Financial debts	223,344	210,411	-5.8%
Long-term provisions for liabilities and charges	16,741	16,729	-0.1%
Accounts payable and related accounts	1,558,309	1,550,547	-0.5%
Accounts payable, advances & down payments	1,039,983	793,792	-23.7%
Staff	10,483	37,027	>100.0%
Social organizations	16,405	20,457	24.7%
State	394,421	373,347	-5.3%
Associate - creditor account	2,604	176,289	>100.0%
Other creditors	14,297	3,623	-74.7%
Accruals and deferred income - liabilities	8,319	751	-91.0%

Other provisions for liabilities and charges	3,198	3,198	0.0%
Current liabilities	3,048,019	2,959,032	-2.9%
<i>Weight on total balance sheet</i>	<i>60.2%</i>	<i>57.1%</i>	<i>-3.1 pts</i>
Cash and cash equivalents - liabilities	529,911	838,623	58.3%
Total liabilities	5,060,967	5,182,846	2.4%

Source: TGCC

## Part V. Risk factors

### I. Risks related to the issuer

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#### I.1. Risk related to demand and the economic environment

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The construction sector depends on domestic and foreign demand. A depressed economic environment could result in a decline in public and private investment, and consequently have a negative impact on the Company's business. A global economic crisis (resulting from a pandemic, war, etc.) could cause a contraction in the economic environment in which the Company operates and impact it directly or indirectly.

Nevertheless, the quality of TGCC's management, the diversification of its portfolio, as well as its positioning on high-potential sectors are factors likely to mitigate this risk.

#### I.2. Competitive risk

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TGCC faces competition from many Moroccan and international companies operating in the construction sector (see section "main players in the sector").

In order to face this competition, TGCC attaches great importance to the quality of its services, in order to build customer loyalty and to be present on the largest construction sites in Morocco. TGCC has a strong brand image in the Moroccan market built on its competitive advantages based on flexibility and speed of execution of projects.

In addition, TGCC has considerable human resources (nearly 8,000 employees) and one of the largest fleets of construction equipment in Morocco, which allows the Group to have an almost immediate availability to meet the needs of its customers.

#### I.3. Contract performance and subcontracting risk

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The risk of non-performance of contracts is linked to the failure of one or more links in the value chain due to various factors such as the quality of the service, the turnaround time, and the non-availability and quality of subcontractors.

These risks are mitigated by the quality of the Group's human resources management, the optimization of its equipment fleet, the continuous solicitation of Group companies and the implementation of a well-targeted subcontracting policy. TGCC is certified according to the ISO 9001:2015 standard, which attests to its ability to consistently provide products and services that comply with customer requirements and legal and regulatory requirements and aim to increase customer satisfaction.

#### I.4. Workforce risk

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TGCC Group's operations are labor-intensive. The risks related to the workforce can be summarized as follows:

- **Risk of work accidents:** the nature of TGCC's activities implies the risk of accidents in the workplace. The company makes continuous efforts to limit these risks. In addition to strict compliance with the safety rules related to the various professions, TGCC has insurance policies adapted to the various activities carried out. The Group has been certified since 2018 according to the ISO 45001 V2018 standard, which specifies the requirements for an occupational health and safety (OHS) management system. TGCC is also the first Moroccan Group to certify its health risk management system according to the international SOCOTEC standard.
- **Risk of labor shortage:** TGCC's activities require precise and high-quality skills. Thus, TGCC could be confronted with a risk of manpower shortage (engineers, technicians, workers, etc.). To address this risk, the company implements annual training plans described in the human resources section of this document. In addition, the Group benefits from a strong reputation on the Moroccan market, which enables it to attract many employees and talents trained in Morocco and abroad.

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## **I.5. Counterparty risk**

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TGCC Group is exposed to the risk of default and non-payment by its customers. However, this risk is mitigated by the quality of TGCC's customers, which are mostly well-known public and private companies, and by regular monitoring of receivables and collection management. Nevertheless, the Company may be exposed to payment delays that vary from one customer to another, or even to longer payment delays, which may have an impact on its working capital requirements and cash flow.

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## **I.6. Risk related to the fluctuation of raw material prices**

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TGCC's production costs depend, among other things, on raw materials (cement, marble, aluminum, wood, etc.). These materials are subject to volatility due to supply and demand on both the local and international markets.

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## **I.7. Risk related to rising interest rates**

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In the course of its business, TGCC uses bank financing. Thus, the evolution of the Bank Al Maghrib's key rate may lead to a variation of the interest rates which may have an impact (upward or downward) on the Company's financing cost.

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## **I.8. Foreign exchange risk**

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TGCC is exposed to foreign exchange risk arising from flows from its subsidiaries in Gabon, Côte d'Ivoire and Senegal, and from purchases made abroad. Thus, the Company's financial results may increase or decrease depending on the fluctuation of the currencies presented above.

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## **I.9. Risk related to the COVID-19 pandemic**

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Depending on the evolution of the pandemic in Morocco as well as internationally, and depending on the barrier measures put in place, the TGCC Group could be confronted with a slowdown in the level of its activity as was observed between March and June 2020, following the generalized confinement put in place by the public authorities.

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## **I.10. Risk related to access to financing**

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In order to finance its activities and development, TGCC uses its own funds, but also bank products: lines of credit, overdraft facilities, discounting lines, guarantees, etc. However, in the event of a deterioration of the economic or operational situation, access to financing could be limited.

The risk of access to financing is mitigated by the Group's good solvency indicators with an average "net debt/total assets" ratio of 23.9% over the period 2018-2020 (see section "Part IV - Financial Position"). Furthermore, in the context of its activities, TGCC has historically demonstrated its ability to pledge markets to cover its financing.

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## **I.11. Risk related to regulatory requirements**

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TGCC must meet regulatory requirements and remain flexible in order to adapt to a constantly changing environment. Indeed, a change in law or regulation may directly or indirectly impact the profitability of the sector. TGCC could, for example, be exposed to a slowdown in activity resulting from new laws or regulations, or from a stricter interpretation or application of legal texts by the courts or authorities of the various countries in which the Group operates.

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## **I.12. Country risk**

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Country risk includes macroeconomic, microeconomic, financial, political, institutional, legal, social, health, technological, industrial and climatic risks that may affect TGCC's activities in the various countries in which the Group operates.

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## **I.13. Key person risk**

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The risk of the key employee is related to the absence of Mr. Mohammed Bouzoubaa, founder and CEO of TGCC Group. However, this risk is mitigated in view of the rules of good governance established by the Company and its management bodies, enabling it to continue its activities despite the occasional absence of key persons.

**I.14. Risk related to indebtedness**

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Debt is an integral part of TGCC's life and is both a means of development through the possibilities of action it offers and a risk in the event that the Company does not succeed in controlling its debt ratio. The risk of overindebtedness arises when the level of credits and expenses paid reaches a critical threshold, implying the possibility of defaulting on payments.

**I.15. Risk related to sector concentration**

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Sector concentration risk may result from an unbalanced distribution of exposures to sectors of activity.

As of end-June 2022, the hotel industry is the most represented sector in the TGCC Group's order book (20.3%). The remaining 79.7% of the order book is spread over 8 different business sectors, thus mitigating this risk.

**I.16. Risk related to turnover concentration**

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The nature of the Company's business and the size of the major projects it carries out could lead to a risk of concentration of its turnover on a limited number of clients. However, given the diversity of its customer base and the projects that make up its backlog, the customer that contributes the most to turnover represents only 14% of 2021 consolidated turnover and 20% as of H1 2022. Similarly, the Company could be faced with a risk of revenue concentration in TGCC's sister companies. As of end-2021, these companies represent only 16% of receivables from customers and 22% for H1 2022.

## II. Risks related to commercial paper

### Risks associated with investing in Commercial Paper:

- **Risk of default:** The commercial paper described in this note is a debt security without any guarantee of repayment. Therefore, any investor is subject to the risk of non-repayment in case of default of CCGT;
- **Liquidity risk:** The existence of an active secondary market for the negotiable debt securities is not guaranteed, the investor could be exposed to the risk of holding illiquid securities, which cannot be sold quickly without a major effect on the price;
- **Interest rate risk:** In general, a rise in interest rates has a negative impact on the yield of debt securities, particularly negotiable debt securities;
- **Inflation risk:** Changes in inflation rates could affect the yield of holders of negotiable debt securities (i) if changes in inflation exceed the yield of the negotiable debt securities held and (ii) in the event of a readjustment of interest rates. Thus, an increase in interest rates will reduce the value of the negotiable debt securities held.
- **The risk associated with additional debt:** TGCC could subsequently issue other debt ranking equal to or higher than the commercial paper described in this note. Such issues would reduce the amount recoverable by the holders of the present securities in the event of liquidation of the issuer.

### Disclaimer

The above-mentioned information is only a part of the information package approved by the Moroccan Capital Market Authority (AMMC) under reference no. VI/EM/006/2023 on February 21<sup>st</sup> 2023. The AMMC recommends reading the whole information package, which is made available to the public in French language