



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, 2023
Program ceiling	MAD 500,000,000
Nominal value	MAD 100,000

CO-ADVISOR AND GLOBAL COORDINATOR



FINANCIAL CO-ADVISORS



CO-LEADERS OF THE UNDERWRITING SYNDICATE



Registration of the Moroccan Capital Market Authority (AMMC)

In accordance with the provisions of the AMMC circular, this reference document was registered by the AMMC on 01/03/2024 under the reference EN/EM/001/2024.

This reference document may only be used as a basis for canvassing or for collecting orders in connection with a financial operation if it forms part of a prospectus duly approved by the AMMC.

Annual update of the information package relating to the commercial paper issue program:

At the registration date of this reference document, the AMMC approved the annual update of the information package relating to the commercial paper issue program. The said file comprises:

- this reference document;
- the note relating to the commercial paper issue program, registered by the AMMC on February 21, 2023, under reference EN/EM/007/2023 and available at the following link:
<https://tgcc.ma/dataaup/2023/02/EBT-TGCC-Note-doperation-VF.pdf>

The said update has been approved by the AMMC under reference VI/EM/001/2024.

I. Contents

I. Contents	2
II. AMMC Disclaimer	4
Part II. Presentation of the Operation	5
I. Framework of the operation	5
I.1. Objectives of the program	5
II. Target investors of the program	5
III. Program characteristics	5
III.1. Information relating to the program and the securities to be issued	5
IV. Conduct of issues under the program	6
IV.1. Underwriting syndicate and financial intermediaries	6
IV.2. Subscription and allocation terms	6
IV.3. Order cancellation terms.....	8
IV.4. Order allocation terms.....	8
IV.5. Securities settlement/delivery arrangements	8
IV.6. AMMC information commitment.....	8
Part III. Information on TGCC	9
I. Brief description of the activity	9
I.1. General information	9
I.2. Mapping of TGCC's order book	11
I.3. Evolution of the order book	12
II. Shareholding	13
III. Legal organization chart	14
Part IV. Financial data	15
I. Annual financial statements	15
I.1. Corporate annual financial statements.....	15
I.2. Consolidated annual financial statements	19
II. Half-year financial statements	23
II.1. Corporate half-year financial statements.....	23
II.2. Consolidated half-year financial statements	26
Part V. Risk factors	29
I. Risks related to the issuer	29
I.1. Risk related to demand and the economic environment.....	29
I.2. Competitive risk.....	29
I.3. Contract performance and subcontracting risk	29
I.4. Workforce risk	29
I.5. Counterparty risk.....	29
I.6. Risk related to the fluctuation of raw material prices	30
I.7. Risk related to rising interest rates.....	30

I.8.	Foreign exchange risk.....	30
I.9.	Risk related to access to financing.....	30
I.10.	Risk related to regulatory requirements.....	30
I.11.	Country risk.....	30
I.12.	Key person risk.....	30
I.13.	Risk related to indebtedness.....	30
I.14.	Risk related to sector concentration.....	30
I.15.	Risk related to turnover concentration.....	31
II.	Risks related to commercial paper.....	32

II. AMMC Disclaimer

The Moroccan Capital Market Authority (AMMC) approved on 01/03/2024, an information package relating to the annual update 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 underwriting 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.

This summary has been translated by Lissaniat 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

L 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. Underwriting syndicate and financial intermediaries

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

Underwriting 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
Placement 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	Documents to enclose
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"> For Mutual Funds, the number of the certificate of deposit at the court registry For Investment companies with variable capital (SICAVs), the number of the commercial register and the certificate of deposit at the court registry.
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: E-mail address: market@capitalgestiongroup.com ;
- Capital Trust Securities: E-mail address: market.cts@capitaltrust.ma ;
- CFG Bank : E-mail address: 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

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

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

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

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

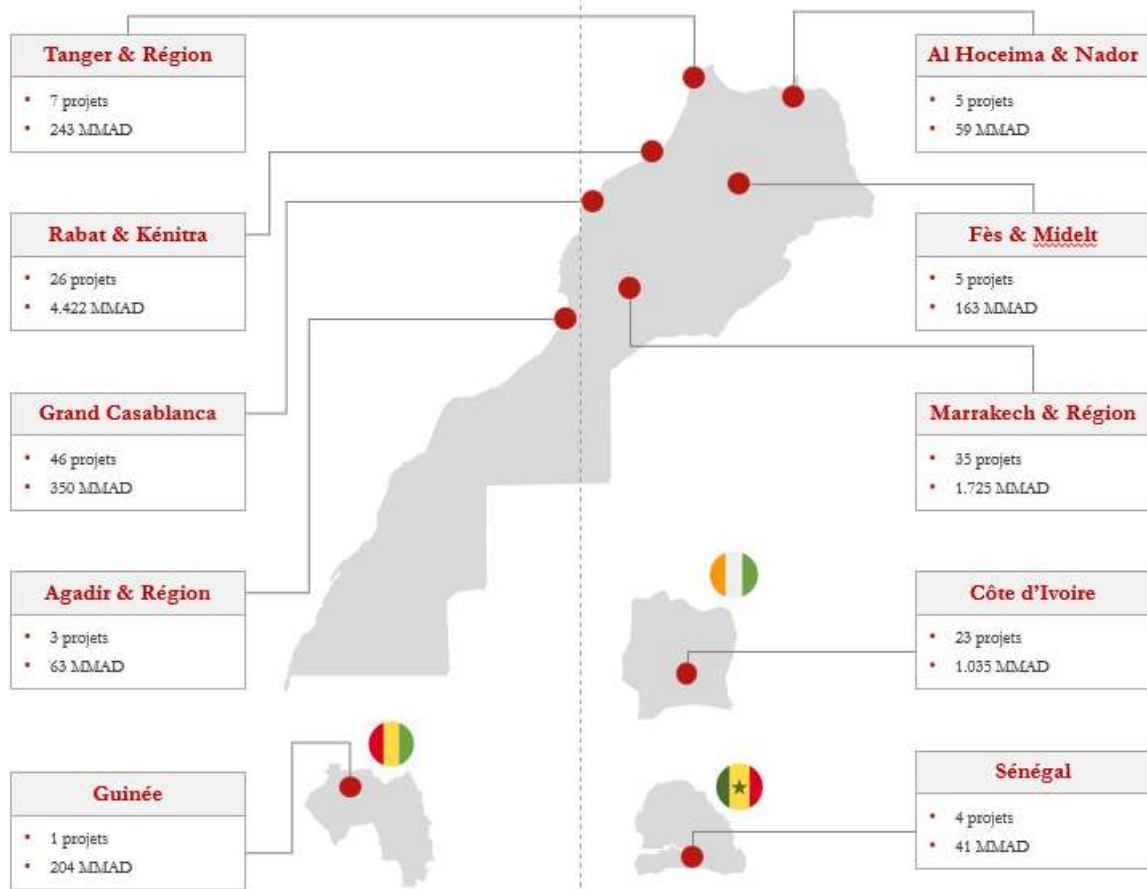
I.1. General information

Corporate Name	Travaux Généraux de Construction de Casablanca
Registered Office	4 Rue Imam Mouslim Casablanca Oasis
Phone	+212 (0) 5 22 23 88 93
Fax	+212 (0) 5 22 23 88 67
Website	www.tgcc.ma
Legal Form	Public limited company with a board of directors
Date of incorporation	October 2, 1991
lifespan	99 years
Registration Number in the Commercial Register	63.907 Casablanca
Financial Year	From January 1 st to December 31 st
Corporate Purpose	<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"> • The design and realization of all building and civil engineering works as well as any related activity; • The execution, directly or indirectly, of all works relating to the field of construction and furnishing; • The acquisition and sale of real estate as well as any operation within the framework of real estate development; • The acquisition of shares by right in existing companies or companies in formation having a similar or related object; • 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.
Share Capital as of September 30, 2023	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.
Legal Documents	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.
Legislative and regulatory texts applicable to TGCC	<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. By virtue of its activity, TGCC is governed by Moroccan law, particularly:</p> <ul style="list-style-type: none"> • 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. • 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 construction sector (promulgated by dahir no. 1-16-124 dated 21 kaada (August 25, 2016). • 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

	<p>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).</p> <ul style="list-style-type: none"> • The applicable provisions of the Dahir of September 12, 1913, as amended and supplemented, on the Code of Obligations and Contracts. <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"> • The Dahir providing Law 44-12 relating to the public offering and to the information required from corporate entities and organizations making public offerings; • The Dahir providing Law 43-12 relating to the AMMC; • The AMMC General Regulation as approved by the Order of the Minister of Economy and Finance no. 2169/16 dated July 14, 2016; • The circulars of the AMMC in force; • 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); • 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 • 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; • 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; • 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. • The Dahir 1-95-03 of January 26, 1995 promulgating the law no. 35-94 relating to certain Negotiable Debt Securities.
Tax Regime	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%.
Competent Court in case of dispute	Commercial Court of Casablanca

I.2. Mapping of TGCC's order book

Mapping of TGCC Group's order book as of June 30, 2023 (construction projects)

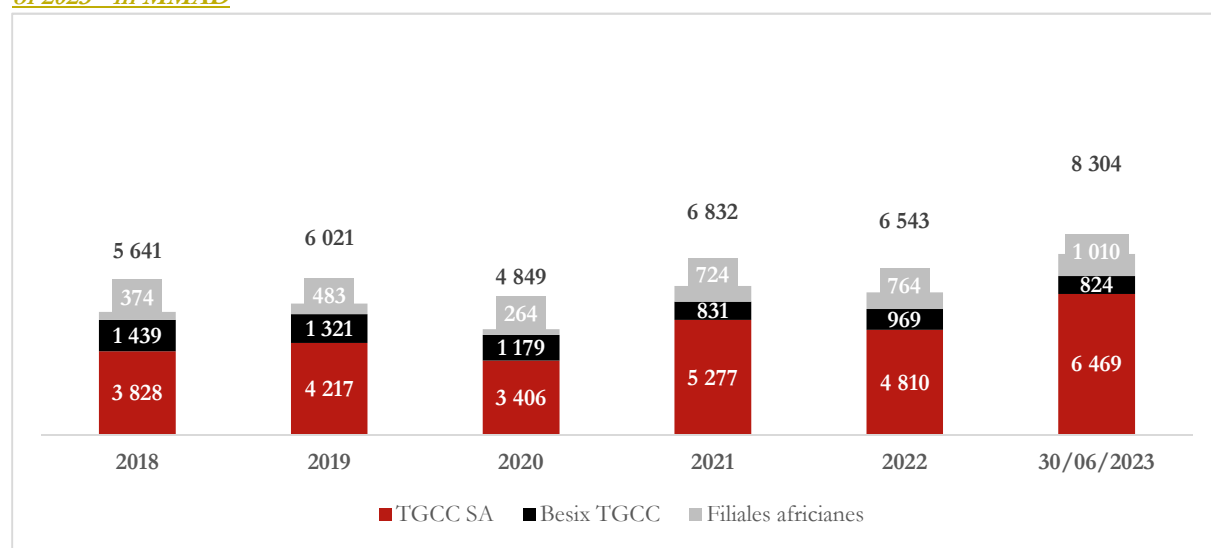


Source: TGCC

I.3. Evolution of the order book

The table below shows the evolution of TGCC Group's order book over the period 2018 – H1 2023:

Evolution of the TGCC Group's order book over the period 2018 - 2022 (annual basis) and over the first half of 2023 - in MMAD



Source: TGCC

II. Shareholding

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

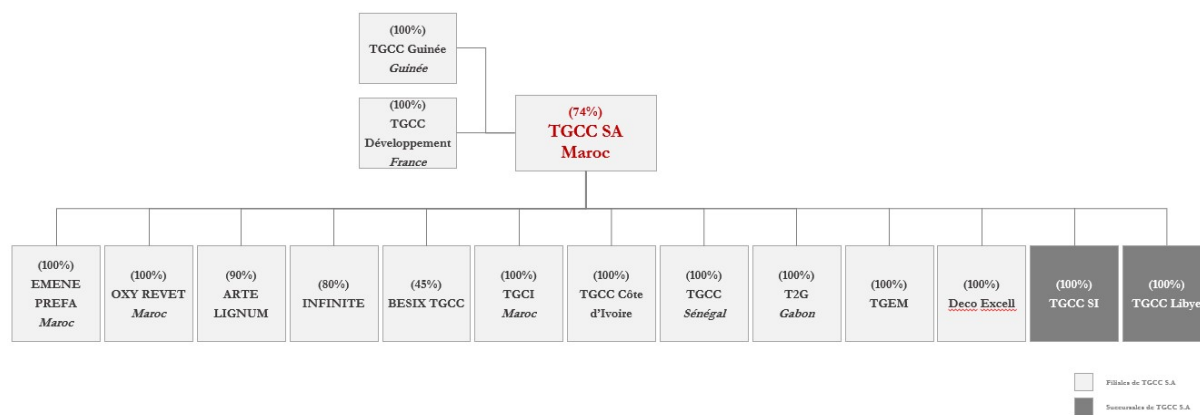
Shareholders	2018		2019		2020		2021		2022		September, 2023	
	Number of securities and voting rights	% of capital and voting rights	Number of securities and voting rights	% of capital and voting rights	Number of securities and voting rights	% of capital and voting rights	Number of securities and voting rights	% of capital and voting rights	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	88.5%	2 339 995	83.1%	2 339 995	83.1%	23 399 950	74.0%	23 399 950	74.0%	23 399 950	74%
Flottant	-	-	-	-	-	-	5 031 780	15.9%	5 031 780	15.9%	5 943 182	19%
MC II Concrete	303 331	11.5%	476 665	16.9%	476 665	16.9%	3 208 060	10.1%	3 208 060	10.1%	2 296 658	7%
Other shareholders	7	0.0%	6	0.0%	6	0.0%	60	0.0%	60	0.0%	60	0%
Total	2 643 333	100.0%	2 816 666	100.0%	2 816 666	100.0%	31 639 850	100.0%	31.639.850	100.0%	31 639 850	100.0%

Source: TGCC

III. Legal organization chart

As of June 30, 2023, TGCC's organizational chart is as follows¹:

TGCC's legal organization chart as of 30.06.2023



Source: TGCC

¹ 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 and management statement

In KMAD	2020	2021	Var. 20-21	2022	Var. 21-22
Turnover	2 111 560	3 202 775	51.7%	4 425 020	38.2%
Changes in inventories of work in progress and finished goods	76 103	(46 997)	-161.8%	40 710	-186.6%
Purchases consumed	(1 613 085)	(2 257 481)	39.9%	(3 379 299)	49.7%
Other external expenses	(115 331)	(109 599)	-5.0%	(179 204)	63.5%
Added value	459 247	788 699	71.7%	907 227	15.0%
<i>in % of turnover</i>	<i>21.7%</i>	<i>24.6%</i>	<i>2.9 pts</i>	<i>20.5%</i>	<i>-4.1 pts</i>
Staff costs	(370 979)	(456 529)	23.1%	(541 120)	18.5%
Taxes and duties	(3 717)	(3 368)	-9.4%	(5 418)	60.9%
Gross operating surplus	84 551	328 801	>100.0%	360 690	9.7%
<i>in % of turnover</i>	<i>4.0%</i>	<i>10.3%</i>	<i>6.3 pts</i>	<i>8.2%</i>	<i>-2.1 pts</i>
Operating allocations	(91 734)	(74 894)	-18.4%	(107 303)	43.3%
Amortization of goodwill			0.0%		0.0%
Operating reversals, expense transfers	103 430	23 666	-77.1%	3 201	-86.5%
Other operating income and expenses	(1 245)	(857)	-31.2%	(7 632)	>100.0%
Operating income	95 003	276 717	>100.0%	248 957	-10.0%
<i>in % of turnover</i>	<i>4.5%</i>	<i>8.6%</i>	<i>4.1 pts</i>	<i>5.6%</i>	<i>-3 pts</i>
Financial income	7 958	5 942	-25.3%	65 504	>100.0%
Financial expenses	(32 673)	(38 344)	17.4%	(38 443)	0.3%
Financial result	(24 715)	(32 401)	31.1%	27 061	-183.5%
Current result	70 288	244 316	>100.0%	276 018	13.0%
Non-current result	(1 359)	26 845	-2074.8%	(2 370)	-108.8%
Pre-tax income	68 929	271 162	>100.0%	273 648	0.9%
Tax on profits	(26 500)	(85 901)	>100.0%	(62 916)	-26.8%
Net income	42 429	185 260	>100.0%	210 732	13.7%
<i>in % of turnover</i>	<i>2.0%</i>	<i>5.8%</i>	<i>3.8 pts</i>	<i>4.8%</i>	<i>-1 pts</i>

Source: TGCC

I.1.2. Balance sheet

In KMAD - Assets	2020	2021	Var. 20-21	2022	Var. 21-22
Non-valuable fixed assets	69 272	51 925	-25.0%	34 579	-33.4%
Intangible fixed assets	1 103	702	-36.3%	515	-26.6%
Intangible fixed assets	105 648	129 923	23.0%	137 832	6.1%
Financial fixed assets	202 452	79 159	-60.9%	84 905	7.3%
Fixed assets	378 475	261 710	-30.9%	257 831	-1.5%
<i>Weight on total balance sheet</i>	<i>11.6%</i>	<i>6.4%</i>	<i>-5.2 pts</i>	<i>6.4%</i>	<i>0 pts</i>
Inventories and work in progress	514 969	580 663	12.8%	622 806	7.3%
Trade accounts receivable, advances & prepayments	94 771	258 431	>100.0%	245 621	-5.0%
Trade receivables and related accounts	1 832 789	2 431 179	32.6%	2 376 115	-2.3%
Staff	202	264	30.6%	49	-81.4%
State	296 881	322 960	8.8%	395 171	22.4%
Other debtors	129 587	39 043	-69.9%	84 287	>100.0%
Prepayments and accrued income	20 452	21 882	7.0%	19 851	-9.3%
Currency translation differences - assets	224	260	16.2%	208	-20.1%
Current assets	2 889 874	3 654 682	26.5%	3 744 108	2.4%
<i>Weight on total balance sheet</i>	<i>88.4%</i>	<i>88.7%</i>	<i>0.3 pts</i>	<i>92.9%</i>	<i>4.2 pts</i>
Cash and cash equivalents - assets	635	203 403	>100.0%	26 608	-86.9%
Total assets	3 268 985	4 119 795	26.0%	4 028 546	-2.2%
In KMAD - Liabilities	2020	2021	Var. 20-21	2022	Var. 21-22
Capital	281 667	316 399	12.3%	316 399	0.0%
Share premium	208 333	481 717	>100.0%	481 717	0.0%
Legal reserve	28 167	28 167	0.0%	31 640	12.3%
Other reserves	397	397	0.1%	397	0.0%
Retained earnings	287 883	98 340	-65.8%	106 108	7.9%
Net income for the financial year	42 429	185 260	>100.0%	210 732	13.7%
Total equity	848 876	1 110 280	30.8%	1 146 993	3.3%
<i>Weight on total balance sheet</i>	<i>26.0%</i>	<i>26.9%</i>	<i>1 pts</i>	<i>28.5%</i>	<i>1.5 pts</i>
Bonds	20 000	-	-100.0%	-	0.0%
Other financial debts	190 525	85 215	-55.3%	71 976	-15.5%
Financial debts	210 525	85 215	-59.5%	71 976	-15.5%
Accounts payable and related accounts	1 020 917	1 442 258	41.3%	1 522 029	5.5%
Accounts payable, advances & down payments	210 233	620 089	>100.0%	375 789	-39.4%
Staff	4 861	7 634	57.1%	12 271	60.7%
Social organizations	10 301	13 432	30.4%	15 439	14.9%
State	252 742	296 300	17.2%	266 916	-9.9%
Associate - creditor account	20 161	-	-100.0%	-	0.0%
Other creditors	48 787	506	-99.0%	306	-39.6%
Accruals and deferred income - liabilities	5 310	6 104	15.0%	4 999	-18.1%
Other provisions for liabilities and charges	1 933	3 316	71.5%	2 065	-37.7%
Currency translation differences - liabilities	61	-	-100.0%	-	100.0%
Current liabilities	1 575 308	2 389 639	51.7%	2 199 814	-7.9%
<i>Weight on total balance sheet</i>	<i>48.2%</i>	<i>58.0%</i>	<i>9.8 pts</i>	<i>54.6%</i>	<i>-3.4 pts</i>

Cash and cash equivalents - liabilities	634 276	534 661	-15.7%	609 763	14.0%
Total liabilities	3 268 985	4 119 795	26.0%	4 028 546	-2.2%

Source: TGCC

I.1.3. Financing table

In KMAD	2020	2021	Var. 20-21	2022	Var. 21-22
Self-financing	88 462	1 639	-98.1%	91 332	>100.0%
Self-financing capacity	88 462	233 611	>100.0%	265 351	13.6%
Distribution of profits	-	(231 972)	0.0%	(174 019)	-25.0%
Disposal and reduction of fixed assets	3 953	145 755	>100.0%	14 483	-90.1%
Disposal of tangible fixed assets	-	-	0.0%	-	0.0%
Disposal of intangible fixed assets	3 953	22 612	>100.0%	8 524	-62.3%
Disposal of financial assets	-	131	100.0%	5 959	>100.0%
Recovery of fixed assets	-	123 012	100.0%	-	-100.0%
Increase in equity and similar	-	288 116	100.0%	-	-100.0%
Increase in capital, contributions	-	288 116	100.0%	-	-100.0%
Investment grants	-	-	0.0%	-	0.0%
Increase in financial debts	97 998	-	-100.0%	-	0.0%
Total stable resources	190 413	435 510	>100.0%	105 814	-75.7%
Acquisition and increase of fixed assets	177 736	77 341	-56.5%	65 222	-15.7%
Acquisition of intangible assets	86 160	308	-99.6%	197	-36.1%
Acquisition of tangible assets	31 720	77 033	>100.0%	53 320	-30.8%
Acquisition of financial assets	59 856	-	-100.0%	11 705	100.0%
Increase in fixed assets	-	-	0.0%	-	0.0%
Repayment of shareholders' equity	-	-	0.0%	-	0.0%
Repayment of financial debts	-	105 310	100.0%	13 238	-87.4%
Use of non-valuable assets	-	-	0.0%	-	0.0%
Total stable assets	177 736	182 651	2.8%	78 460	-57.0%
Change in financing needs	9 339	(49 523)	NA	279 251	-663.9%
Change in cash and cash equivalents	3 338	302 382	NA	(251 897)	-183.3%
Net cash position	(633 639)	(331 259)	47.7%	(583 156)	-76.0%

Source: TGCC

I.2. Consolidated annual financial statements

I.2.1. Balance and management statement

In KMAD	2020	2021	Var. 20-21	2022	Var. 21-22
Turnover	2 278 206	3 625 503	59.1%	5 177 633	42.8%
Changes in inventories of work in progress and finished goods	84 023	76 269	-9.2%	62 270	-18.4%
Purchases consumed	(1 658 764)	(2 558 463)	54.2%	(3 765 849)	47.2%
Other external expenses	(94 046)	(117 389)	24.8%	(221 982)	89.1%
Added value	609 419	1 025 920	68.3%	1 252 072	22.0%
<i>in % of turnover</i>	<i>26.7%</i>	<i>28.3%</i>	<i>1.5 pts</i>	<i>24.2%</i>	<i>-4.1 pts</i>
Staff costs	(429 815)	(556 329)	29.4%	(683 068)	22.8%
Taxes and duties	(5 382)	(7 874)	46.3%	(10 891)	38.3%
Gross operating surplus	174 222	461 717	>100.0%	558 113	20.9%
<i>in % of turnover</i>	<i>7.6%</i>	<i>12.7%</i>	<i>5.1 pts</i>	<i>10.8%</i>	<i>-2 pts</i>
Operating allocations	(129 631)	(117 734)	-9.2%	(165 362)	40.5%
Amortization of goodwill	(3 414)	(3 414)	0.0%	(1 190)	-65.2%
Operating reversals, expense transfers	108 939	25 841	-76.3%	20 776	-19.6%
Other operating income and expenses	(86 856)	(2 243)	-97.4%	(7 015)	>100.0%
Operating income	63 259	364 167	>100.0%	405 323	11.3%
<i>in % of turnover</i>	<i>2.8%</i>	<i>10.0%</i>	<i>7.3 pts</i>	<i>7.8%</i>	<i>-2.2 pts</i>
Financial income	11 792	7 585	-35.7%	11 890	56.8%
Financial expenses	(43 136)	(44 379)	2.9%	(48 700)	9.7%
Financial result	(31 345)	(36 794)	-17.4%	(36 811)	0.0%
Non-current result	21 572	60 222	>100.0%	73 050	21.3%
Non-current expenses	(23 604)	(38 831)	64.5%	(89 409)	>100.0%
Non-current result	(2 031)	21 391	>100.0%	(16 359)	-176.5%
Pre-tax income	29 884	348 764	>100.0%	352 153	1.0%
Tax on profits	(16 013)	(110 223)	>100.0%	(102 185)	-7.3%
Net global income	13 871	238 540	>100.0%	249 967	4.8%
<i>in % of turnover</i>	<i>0.6%</i>	<i>6.6%</i>	<i>6 pts</i>	<i>4.8%</i>	<i>-1.8 pts</i>
Including minority interests	772	2 536	>100.0%	4 645	83.2%
Including net income - Group share	13 098	236 004	>100.0%	245 322	3.9%

Source: TGCC

I.2.2. Balance sheet

In KMAD - Assets	2020	2021	Var. 20-21	2022	Var. 21-22
Non-valuable fixed assets	26 497	23 084	-12.9%	19 670	-14.8%
Intangible fixed assets	1 416	874	-38.3%	629	-28.1%
Intangible fixed assets	360 846	422 388	17.1%	445 663	5.5%
Financial fixed assets	133 701	10 925	-91.8%	9 892	-9.5%
Fixed assets	522 460	457 271	-12.5%	475 854	4.1%
<i>Weight on total balance sheet</i>	<i>13.4%</i>	<i>9.0%</i>	<i>-4.4 pts</i>	<i>9.1%</i>	<i>0 pts</i>
Inventories and work in progress	564 005	793 725	40.7%	913 008	15.0%
Trade accounts receivable, advances & prepayments	136 960	342 699	>100.0%	335 682	-2.0%
Trade receivables and related accounts	2 019 178	2 655 842	31.5%	2 800 876	5.5%
Staff	656	672	2.4%	715	6.4%
State	325 084	371 220	14.2%	490 588	32.2%
Other debtors	140 853	44 105	-68.7%	31 209	-29.2%
Prepayments and accrued income	23 252	28 843	24.0%	24 477	-15.1%
Currency translation differences - assets	72 000	63 000	-12.5%	13 500	-78.6%
Current assets	3 281 988	4 300 106	31.0%	4 610 055	7.2%
<i>Weight on total balance sheet</i>	<i>84.4%</i>	<i>85.0%</i>	<i>0.5 pts</i>	<i>87.7%</i>	<i>2.8 pts</i>
Cash and cash equivalents - assets	83 027	303 589	>100.0%	168 155	-44.6%
Total assets	3 887 475	5 060 967	30.2%	5 254 064	3.8%

In KMAD - Liabilities	2020	2021	Var. 20-21	2022	Var. 21-22
Capital	281 667	316 399	12.3%	316 399	0.0%
Share premium	208 333	481 717	>100.0%	481 717	0.0%
Legal reserve	28 167	28 167	0.0%	31 640	12.3%
Other reserves & retained earnings	288 281	98 738	-65.7%	106 544	7.9%
Consolidated reserves	103 078	72 486	-29.7%	123 840	70.8%
Net consolidated income	13 098	236 003	>100.0%	245 322	3.9%
Total equity – Group share	922 623	1 233 510	33.7%	1 305 461	5.8%
Minority interests	7 521	9 442	25.5%	2 927	-69.0%
Equity	930 144	1 242 952	33.6%	1 308 388	5.3%
<i>Weight on total balance sheet</i>	<i>23.9%</i>	<i>24.6%</i>	<i>0.6 pts</i>	<i>24.9%</i>	<i>0.3 pts</i>
Bonds	20 000	-	-100.0%	-	0.0%
Other financial debts	300 290	223 343	-25.6%	216 840	-2.9%
Financial debts	320 290	223 343	-30.3%	216 840	-2.9%
Long-term provisions for liabilities and charges	17 262	16 741	-3.0%	511	-96.9%
Accounts payable and related accounts	1 065 560	1 558 309	46.2%	1 806 443	15.9%
Accounts payable, advances & down payments	470 879	1 039 983	>100.0%	806 204	-22.5%
Staff	6 181	10 483	69.6%	17 741	69.2%
Social organizations	12 401	16 405	32.3%	18 683	13.9%
State	318 268	394 421	23.9%	406 810	3.1%
Associate - creditor account	21 641	2 604	-88.0%	613	-76.5%
Other creditors	63 952	14 297	-77.6%	15 488	8.3%
Accruals and deferred income - liabilities	5 326	8 319	56.2%	22 310	>100.0%
Other provisions for liabilities and charges	2 040	3 198	56.8%	1 863	-41.7%

Current liabilities	1 966 249	3 048 019	55.0%	3 096 155	1.6%
<i>Weight on total balance sheet</i>	<i>50.6%</i>	<i>60.2%</i>	<i>9.6 pts</i>	<i>58.9%</i>	<i>-1.3 pts</i>
Cash and cash equivalents - liabilities	653 530	529 911	-18.9%	632 170	19.3%
Total liabilities	3 887 476	5 060 966	30.2%	5 254 064	3.8%

Source: TGCC

I.2.3. Financing table

In KMAD	2020	2021	Var. 20-21	2022	Var. 21-22
Net income of consolidated companies	13 871	238 540	>100.0%	249 968	4.8%
Net depreciation of tangible and intangible fixed assets	89 763	98 140	9.3%	108 980	11.0%
Net allocations to long-term provisions for risks and expenses	(85)	888	-1144.7%	(17 322)	-2050.7%
Change in deferred taxes	(19 461)	4 870	-125.0%	6 279	28.9%
Net book value of assets sold	1 847	28 337	>100.0%	10 302	-63.6%
Disposal price of fixed assets	(3 969)	(31 270)	>100.0%	(11 431)	-63.4%
Operating profit before changes in working capital	81 965	339 505	>100.0%	346 776	2.1%
Change in current assets	148 971	(797 254)	-635.2%	(240 137)	-69.9%
Change in net inventories	(57 038)	(229 720)	>100.0%	(119 216)	-48.1%
Change in current liabilities	(112 981)	1 066 649	-1044.1%	47 872	-95.5%
Change in working capital requirements related to operations	(21 047)	39 674	-288.5%	(311 481)	-885.1%
Net cash flow from operating activities	60 918	379 179	>100.0%	35 294	-90.7%
Acquisition of intangible assets	(263)	(320)	21.7%	(247)	-22.8%
Acquisition of tangible assets	(48 078)	(116 588)	>100.0%	(74 548)	-36.1%
Acquisition of financial assets	-	-	0.0%	-	0.0%
Disposal of financial assets	(15 842)	122 495	-873.2%	1 034	-99.2%
Disposal price of fixed assets	3 969	31 270	>100.0%	11 431	-63.4%
Impact of changes in the scope of consolidation	(35 592)	-	-100.0%	(9 538)	0.0%
Cash flow from investing activities	(95 806)	36 857	-138.5%	(71 868)	-295.0%
Capital increase	-	-	0.0%	-	0.0%
Subscription/repayment of loans	(50 845)	141 980	-379.2%	(134 481)	-194.7%
Dividends paid	-	(231 927)	0.0%	(178 332)	-23.1%
Increase in borrowings	108 158	2 996	-97.2%	63 124	>100.0%
Change in bank overdrafts	32 491	(114 737)	-453.1%	38 581	-133.6%
Cash flow from financing activities	89 804	(201 687)	-324.6%	(211 108)	4.7%
Change in cash and cash equivalents	54 916	214 348	>100.0%	(247 682)	-215.6%
Impact of changes in foreign currencies	(498)	(45)	-91.0%	92	-304.4%

Source: TGCC

II. Half-year financial statements

II.1. Corporate half-year financial statements

II.1.1. Balance and management statement

In KMAD	H1 2022	H1 2023	Var H1 22 - H1 23
Turnover	1 964 631	2 317 998	18.0%
Changes in inventories of work in progress and finished goods	101 686	169 634	66.8%
Purchases consumed	(1 588 833)	(1 791 604)	12.8%
Other external expenses	(68 210)	(107 581)	57.7%
Added value	409 274	588 446	43.8%
<i>in % of turnover</i>	<i>20.8%</i>	<i>25.4%</i>	<i>4.6%</i>
Staff costs	(270 752)	(384 518)	42.0%
Taxes and duties	(2 867)	(4 004)	39.7%
Gross operating surplus	135 655	199 925	47.4%
<i>in % of turnover</i>	<i>6.9%</i>	<i>8.6%</i>	<i>1.7%</i>
Operating allocations	(42 915)	(57 853)	34.8%
Operating reversals, expense transfers	17 074	12 499	-26.8%
Other operating income and expenses	(3 705)	(2 689)	-27.4%
Operating income	106 109	151 882	43.1%
<i>in % of turnover</i>	<i>5.4%</i>	<i>6.6%</i>	<i>1.2%</i>
Financial income	-	33 976	100.0%
Financial expenses	(16 813)	(22 362)	33.0%
Financial result	(16 813)	11 614	-169.1%
Current result	89 296	163 496	83.1%
Non-current result	(6 198)	(4 095)	-33.9%
Pre-tax income	83 098	159 401	91.8%
Tax on profits	(20 940)	(32 983)	57.5%
Net income	62 158	126 418	>100.0%
<i>in % of turnover</i>	<i>3.2%</i>	<i>5.5%</i>	<i>2.3%</i>

Source: TGCC

II.1.2. Balance sheet

In KMAD - Assets	2022	H1 2023	Var. 22 - H1 23
Non-valuable fixed assets	34 579	25 905	-25.1%
Intangible fixed assets	515	525	1.9%
Intangible fixed assets	137 832	157 628	14.4%
Financial fixed assets	84 905	87 215	2.7%
Fixed assets	257 831	271 273	5.2%
<i>Weight on total balance sheet</i>	<i>6.4%</i>	<i>5.9%</i>	<i>-8.5%</i>
Inventories and work in progress	622 806	791 108	27.0%
Trade accounts receivable, advances & prepayments	245 621	434 372	76.8%
Trade receivables and related accounts	2 376 115	2 296 861	-3.3%
Staff	49	-	-100.0%
State	395 171	576 236	45.8%
Other debtors	84 287	91 812	8.9%
Prepayments and accrued income	19 851	22 666	14.2%
Currency translation differences - assets	208	208	0.0%
Current assets	3 744 108	4 213 263	12.5%
<i>Weight on total balance sheet</i>	<i>92.9%</i>	<i>91.0%</i>	<i>-2.1%</i>
Cash and cash equivalents - assets	26 608	146 821	>100.0%
Total assets	4 028 546	4 631 357	15.0%

In KMAD - Liabilities	2022	S1 2023	Var. 22 - S1 23
Capital	316 399	316 399	0.0%
Share premium	481 717	481 717	0.0%
Legal reserve	31 640	31 640	0.0%
Other reserves	397	397	0.0%
Retained earnings	106 108	127 001	19.7%
Net income for the financial year	210 732	126 418	-40.0%
Total equity	1 146 993	1 083 571	-5.5%
<i>Weight on total balance sheet</i>	<i>28.5%</i>	<i>23.4%</i>	<i>-17.8%</i>
Bonds	-	-	0.0%
Other financial debts	71 976	64 134	-10.9%
Financial debts	71 976	64 134	-10.9%
Accounts payable and related accounts	1 522 029	1 654 942	8.7%
Accounts payable, advances & down payments	375 789	629 773	67.6%
Staff	12 271	7 575	-38.3%
Social organizations	15 439	24 598	59.3%
State	266 916	233 074	-12.7%
Associate - creditor account	-	189 839	100.0%
Other creditors	306	292	-4.6%
Accruals and deferred income - liabilities	4 999	4 518	-9.6%
Other provisions for liabilities and charges	2 065	2 065	0.0%
Currency translation differences - liabilities	-	-	0.0%
Current liabilities	2 199 813	2 746 674	24.9%
<i>Weight on total balance sheet</i>	<i>54.6%</i>	<i>59.3%</i>	<i>8.6%</i>

Cash and cash equivalents - liabilities	609 763	736 977	<i>20.9%</i>
Total liabilities	4 028 544	4 631 355	<i>15.0%</i>

Source: TGCC

II.2. Consolidated half-year financial statements

II.2.1. Balance and management statement

In KMAD	H1 2022	H1 2023	Var H1 22 - H1 23
Turnover	2 239 722	2 860 151	27.7%
Changes in inventories of work in progress and finished goods	77 082	140 118	81.8%
Purchases consumed	(1 688 953)	(2 094 276)	24.0%
Other external expenses	(83 916)	(134 797)	60.6%
Added value	543 935	771 196	41.8%
<i>in % of turnover</i>	<i>24.3%</i>	<i>27.0%</i>	<i>2.7pts</i>
Staff costs	(338 572)	(473 970)	40.0%
Taxes and duties	(4 489)	(7 778)	73.3%
Gross operating surplus	200 874	289 448	44.1%
<i>in % of turnover</i>	<i>9.0%</i>	<i>10.1%</i>	<i>1.2pts</i>
Operating allocations	(69 359)	(85 541)	23.8%
Operating provisions for liabilities and charges	-	(356)	N/A
Operating reversals, expense transfers	17 074	12 601	-26.2%
Other operating income and expenses	(1 133)	(2 984)	>100.0%
Operating income	147 456	213 168	44.6%
<i>in % of turnover</i>	<i>6.6%</i>	<i>7.5%</i>	<i>0.9pts</i>
Financial income	455	127	-72.1%
Financial expenses	(20 921)	(30 938)	47.9%
Financial result	(20 466)	(30 811)	50.5%
Non-current result	7 029	(7 441)	-205.9%
Pre-tax income	134 019	174 916	30.5%
Tax on profits	(36 906)	(50 582)	37.1%
Net income	97 113	124 334	28.0%
Amortization of goodwill	1 707	1 707	0.0%
Net global income	95 406	122 627	28.5%
<i>in % of turnover</i>	<i>4.3%</i>	<i>4.3%</i>	<i>0.0pts</i>

Source: TGCC

II.2.2. Balance sheet

In KMAD - Assets	2022	H1 2023	Var. 22 - H1 23
Non-valuable fixed assets	19 670	17 963	-8.7%
Intangible fixed assets	629	758	20.6%
Intangible fixed assets	445 663	555 257	24.6%
Financial fixed assets	9 892	31 552	>100.0%
Fixed assets	475 854	605 530	27.3%
<i>Weight on total balance sheet</i>	<i>9.1%</i>	<i>9.8%</i>	<i>0.7%</i>
Inventories and work in progress	913 008	1 074 255	17.7%
Trade accounts receivable, advances & prepayments	335 682	580 015	72.8%
Trade receivables and related accounts	2 800 876	2 807 973	0.3%
Staff	715	599	-16.2%
State	490 588	696 190	41.9%
Other debtors	31 209	105 901	>100.0%
Prepayments and accrued income	24 477	24 737	1.1%
Currency translation differences - assets	13 500	7 088	-47.5%
Current assets	4 610 055	5 296 758	14.9%
<i>Weight on total balance sheet</i>	<i>87.7%</i>	<i>85.5%</i>	<i>-2.3%</i>
Cash and cash equivalents - assets	168 155	293 656	74.6%
Total assets	5 254 065	6 195 945	17.9%

In KMAD - Liabilities	2022	S1 2023	Var. 22 - S1 23
Capital	316 399	316 399	0.0%
Share premium	481 717	481 717	0.0%
Legal reserve	31 640	31 640	0.0%
Other reserves & retained earnings	106 544	127 475	19.6%
Consolidated reserves	123 840	154 537	24.8%
Net consolidated income	245 322	121 792	-50.4%
Total equity – Group share	1 305 461	1 233 560	-5.5%
Minority interests	2 927	(1 473)	-150.3%
Equity	1 308 388	1 232 087	-5.8%
<i>Weight on total balance sheet</i>	<i>24.9%</i>	<i>19.9%</i>	<i>-5.0%</i>
Bonds	-	-	0.0%
Other financial debts	216 840	286 181	32.0%
Financial debts	216 840	286 181	32.0%
Long-term provisions for liabilities and charges	511	503	-1.5%
Accounts payable and related accounts	1 806 443	1 990 492	10.2%
Accounts payable, advances & down payments	806 204	1 059 465	31.4%
Staff	17 741	11 620	-34.5%
Social organizations	18 683	28 153	50.7%
State	406 810	379 105	-6.8%
Associate - creditor account	613	274 488	>100.0%
Other creditors	15 488	144 912	>100.0%
Accruals and deferred income - liabilities	22 310	4 654	-79.1%

Other provisions for liabilities and charges	1 863	1 861	-0.1%
Current liabilities	3 096 155	3 894 751	25.8%
<i>Weight on total balance sheet</i>	<i>58.9%</i>	<i>62.9%</i>	<i>3.9%</i>
Cash and cash equivalents - liabilities	632 170	782 423	23.8%
Total liabilities	5 254 063	6 195 944	17.9%

Source: TGCC

Part V. Risk factors

I. Risks related to the issuer

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

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

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

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

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.

I.5. Counterparty risk

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.

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

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.

I.7. Risk related to rising interest rates

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.

I.8. Foreign exchange risk

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.

I.9. Risk related to access to financing

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 17.6% over the period 2019-2021 (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.

I.10. Risk related to regulatory requirements

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.

I.11. Country risk

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.

I.12. Key person risk

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.13. Risk related to indebtedness

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 over-indebtedness arises when the level of credits and expenses paid reaches a critical threshold, implying the possibility of defaulting on payments.

I.14. Risk related to sector concentration

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

As of end 2022, the education sector (schools and universities) is the most represented sector in the TGCC Group's order book (32%). The remainder of the order book is spread over 8 different sectors, thus mitigating this risk.

I.15. Risk related to turnover concentration

Given the nature of the company's business and the size of the major projects it carries out, it could face the risk of concentrating its sales on a limited number of customers. However, given the diversity of its customer base and the projects making up its order book, the customer making the biggest contribution to sales will account for only 14% of consolidated revenues in 2021 and 21% in 2022. Similarly, the concentration of receivables from sister companies on total receivables represents 17% of trade receivables and 16% for 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/001/2024 on 01/03/2024. The AMMC recommends reading the whole information package, which is made available to the public in French language.