



## LABEL'VIE SA

### SUMMARY PROSPECTUS

#### CAPITAL INCREASE BY CASH CONTRIBUTION

Subscription price :	1,350 MAD
Number of shares to be issued :	293,685 new shares
Exchange ratio :	3 new shares for 26 PSR
Par value	100 MAD
Total amount of the transaction :	396,474,750
Subscription period :	From August 28 <sup>th</sup> , 2017 to September 26 <sup>th</sup> , 2017

**Reserved for current shareholders and holders of preemptive subscription rights of Label'Vie SA**

Co-Advisor & General Coordinator	Co-Advisor	Co-Advisor
	 VALORIS CORPORATE FINANCE CONSEIL ET INGENIERIE	 BMCE CAPITAL CONSEIL
Institution in charge of the registration of the transaction at the Casablanca Stock Exchange	Centralizing body	
 BMCE CAPITAL BOURSE	 BMCE BANK	

#### AMMC APPROVAL

In accordance with the provisions of the AMMC circular, based on article 14 of the Dahir providing law n° 1-93-212 of September 21<sup>st</sup>, 1993 as amended and supplemented, the original version of this prospectus was approved by the AMMC on 11/08/2017 under reference VI/EM/022/2017

## **DISCLAIMER**

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On August 11<sup>th</sup>, 2017, the AMMC approved a prospectus relating to the capital increase of Label'Vie SA.

The prospectus approved by the AMMC is available at any time at the head office of Label'Vie and the co-advisors. It is also available within 48 hours' notice at the offices of the institutions responsible for collecting subscription orders.

The prospectus is available to the public on the AMMC website ([www.ammc.ma](http://www.ammc.ma)) and on the Casablanca Stock Exchange website ([www.casablanca-bourse.com](http://www.casablanca-bourse.com)).

## PART I. TRANSACTION OVERVIEW

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### I. TRANSACTION FRAMEWORK

The Board of Directors of Label'Vie SA held on December 2<sup>nd</sup>, 2016, decided to propose to the Extraordinary General Meeting, a capital increase of a maximum amount of 400,000,000 MAD, issuance premium included, by issuing new shares to be fully paid up in cash in order to strengthen its equity and to support its strategic development plan (ensure the expansion of its distribution network throughout the Kingdom and anticipate potential growth opportunities).

Subscription for new shares is reserved to shareholders of the Company, and to holders of preemptive subscription rights.

Shareholders would be required to exercise their subscription rights both on an irreducible and reducible basis.

The General Meeting of shareholders issued a delegation of power to the Board of Directors in order to implement the capital increase in one or several times within a period of 3 years, with the possibility of limiting at each time the amount of the capital increase to the amounts of subscriptions received.

The Extraordinary General Meeting held on January 31<sup>st</sup>, 2017, after hearing the report of the Board of Directors, which states that the current share capital is fully paid up, decides to increase the capital by a maximum amount of 400,000,000 MAD.

The General Meeting delegates to the Board of Directors the necessary powers to carry out such capital increase on one or several times, to set the terms and conditions, to record the completion thereof and to make the corresponding amendment to the articles of association.

Hence, the Board shall have full powers, with the power to sub-delegate, in order to decide and carry out the acts and formalities necessary for such capital increase, in particular to fix the issue price of the new shares, to fix the dividend entitlement date and to take all necessary measures to ensure the subscription of all the shares available on an irreducible basis and, where applicable, on a reducible basis, fix and extend the subscription period, collect subscriptions, execute and sign the subscription and subscription declarations in accordance with the law, and to amend the articles of association with respect to this capital increase.

In accordance with the provisions of article 189 of Law No. 17-95 of August 30<sup>th</sup>, 1996, as amended and supplemented, the subscription to the new shares is reserved in preference to the shareholders of the company as well as to holders of preemptive subscription rights.

The holders of preemptive subscription rights will consequently have an irreducible subscription right on the new shares to be issued.

Shareholders will have a right to subscribe on a reducible basis, with respect to the distribution of shares not absorbed by the exercise of the subscription rights on an irreducible basis, which will be allocated pro rata to the number of old shares, within the limit of their demands and without allocating fractions.

If, at the end of the stated subscription period and, if necessary, the extended period, subscriptions on irreducible and reducible basis have not absorbed the entire capital increase, the Board of Directors may, in accordance with the provisions of Article 191 of Act No. 17-95 of August 30<sup>th</sup>, 1996, as amended and supplemented, limit the capital increase to the amount of subscriptions received.

In accordance with the delegation of powers conferred by the Extraordinary General Meeting, the Board of Directors of Label'Vie SA held on **August 4<sup>th</sup>, 2017** decided in its first resolution to increase the

current share capital from 254,527,700 MAD to 283,896,200 MAD through the issuance of 293,685 shares with a par value of 100 MAD, and to set the issuance price at 1,350 MAD per share, implying an issuance premium of 1,250 MAD per share, representing a total cash contribution of 396,474,750 MAD, and to be fully paid-up in cash at the subscription date.

Subscription to newly issued shares is reserved in preference to the shareholders of the company. They will consequently have an irreducible subscription right on the new shares to be issued on the basis of 26 old shares for 3 new shares.

Shareholders with insufficient shares to subscribe for a whole number of new shares may acquire the necessary rights. They may also sell the rights generating fractional shares.

Shareholders will also have a right to subscribe on a reducible basis, with respect to the shares not absorbed, if any, by the exercise of the subscription rights on an irreducible basis, which distribution will be carried out in proportion to the number of shares or related rights owned by the subscribers, within the limits of their demands and without attribution of fractional shares.

If all the new shares are not subscribed, the amount of the increase may be limited to the amount of the shares subscribed.

The newly issued shares will be assimilated to the old shares and will bear dividend rights starting from January 1<sup>st</sup> 2017. They will therefore be entitled to dividends to be decided by the ordinary general meeting called to approve the financial statements for the financial year 2017.

The subscription will be opened and closed on the dates determined by the Chairman of the Board, or by any duly delegated person for this purpose, to which all powers are given for this purpose, with the possibility of modification or extension of these dates. The subscription period will be closed in advance as soon as all the subscription rights on an irreducible basis have been exercised.

## II. OBJECTIVES OF THE TRANSACTION

Through the capital increase, Labael'Vie aims to:

- Strengthen the company's equity ;
- Support its strategic development plan by expanding its distribution network throughout the country ;
- Consolidate its notoriety with investors through an increased exposure to the capital market.

## III. INTENTIONS OF MAIN SHAREHOLDERS

To the knowledge of the management of the Company, the main shareholders of Label'Vie SA, in particular Retail Holding, intend to subscribe to this capital increase at least to the extent of their current shareholdings.

## IV. MAXIMUM TOTAL AMOUNT OF THE TRANSACTION

The maximum total amount of the Transaction is 396,474,750 MAD of which 29,368,500 MAD corresponding to the par value of the capital increase and 367,106,250 MAD corresponding to the issuance premium.

Shares will be issued at a subscription price of 1,350 MAD, corresponding to an issuance premium of 1,250 MAD.

## V. INFORMATION RELATED TO THE SECURITIES TO BE ISSUED

<b>Nature of the securities</b>	Label'Vie SA shares, all of the same category
<b>Legal form of the securities</b>	The shares will all be bearer shares from the admission of the securities on the Casablanca Stock Exchange and fully dematerialized and eligible to Maroclear operations
<b>Maximum number of securities to be issued</b>	293,685 new shares
<b>Par value</b>	100 Mad per share
<b>Subscription price</b>	1,350 MAD per share
<b>Issuance premium</b>	1,250 MAD per share
<b>Maximum amount of the transaction</b>	396,474,750 MAD
<b>Payment of securities</b>	The shares to be issued shall be fully paid up and free of any obligation
<b>Date of entitlement</b>	January 1 <sup>st</sup> , 2017
<b>Listing of securities</b>	The shares which are the subject to this prospectus, shall be listed with the existing shares on the 1 <sup>st</sup> listing line at the Casablanca Stock Exchange
<b>Tradability of securities</b>	The shares which are the subject of this prospectus, shall be freely tradable at the Casablanca Stock Exchange
<b>Droits préférentiels de souscription</b>	For the subscription of the new shares that are related to the capital increase, the preemptive subscription rights reserved to

the shareholders by article 189 of law 17-95 on limited companies as amended and supplemented shall be maintained.

During the entire subscription period from August 28<sup>th</sup>, 2017 to September 26<sup>th</sup>, 2017, the preemptive subscription rights relating to the current transaction shall be freely traded on the Casablanca Stock Exchange under the same conditions as the Label'Vie stock itself. The preemptive subscription rights must be exercised during this period under penalty of forfeiture.

Holders of preemptive subscription rights may subscribe, on an irreducible basis, to three (3) new shares for twenty six (26) old shares (the main shareholder will waive its right on exercising 7 PSR).

Furthermore, each shareholder may, if they wish, waive their preemptive subscription right on an individual basis.

The subscription to new shares is reserved for existing shareholders of the Company and holders of preemptive subscription rights. Consequently, the latter will be entitled to a subscription right on an irreducible basis on the new shares to be issued.

It is also possible to subscribe to shares on a reducible basis, If some shareholders did not subscribe to the shares to which they were entitled on an irreducible basis, such shares will therefore be awarded to the shareholders who subscribed, on a reducible basis, to shares proportionately to their share in the current share capital and within the limits of their requests.

The preemptive subscription rights can only be exercised up to a maximum number of preemptive subscription rights allowing for the subscription of a whole number of new shares. The shareholders or transferees of preemptive subscription rights who do not have a sufficient number of preemptive subscription rights to purchase a whole number of new shares as a result of their subscription on an irreducible basis may purchase or sell preemptive subscription rights at market conditions, during the subscription period.

The preemptive subscription rights forming fractional shares may be sold or supplemented on the market during the subscription period.

The theoretical price for such preemptive subscription rights (PSR) is calculated in the following way:

$$PSR = (\text{Closing price of Label'Vie share the day prior to the detachment of the PSR} - \text{Subscription price} - \text{Dividend per share related to 2016}) \times \left( \frac{[\text{Number of new shares}]}{[\text{Number of old shares} + \text{Number of new shares}]} \right)$$

<b>Listing of the new shares</b>	<b>09/10/2017</b>
<b>Characteristics of the listing of preemptive subscription rights</b>	Trading cycle : <b>Fixing</b> Ticker : <b>SLBVA</b> Name : <b>DS LBV 3/26 2017</b>
<b>Purge of the order book</b>	The Casablanca Stock Exchange will proceed to the purge of the order book of the Label'Vie securities on <b>23/08/2017</b> .
<b>Associated rights</b>	All shares enjoy the same rights as far as the distribution of profits and liquidation are concerned. Each share entitles its

holder to one voting right during the meetings. No share entitles its holder to double voting rights.

## VI. SCHEDULE OF THE TRANSACTION

Step	Date	
1	Receipt by the Casablanca Stock Exchange of the complete transaction file	10/08/2017
2	Issuance of the notice of approval of the Casablanca Stock Exchange for the transaction	11/08/2017
3	Approval by AMMC of the Prospectus	11/08/2017
4	Receipt by the Casablanca Stock Exchange of the approved prospectus by AMMC	11/08/2017
5	Publication in the official list of the Casablanca Stock Exchange relating to the capital increase	15/08/2017
6	Publication of an excerpt of the summary prospectus in an official journal by the issuer	18/08/2017
Detachment of the preemptive subscription rights:		
7	- Publication of the theoretical value of the subscription right - Adjustment of the share price - Paying-off of the order book	23/08/2017
8	Listing of preemptive subscription rights and start of the subscription period	28/08/2017
9	Closing of the subscription period	26/09/2017
10	Cancellation of preemptive subscription rights	27/09/2017
11	Receipt of subscription orders by the centralizing body	27/09/2017
12	Final centralization and allocation of subscription orders	03/10/2017
13	Meeting of the Board of Directors with the purpose of ratifying the capital increase	04/10/2017
14	Return of surplus to subscribers	04/10/2017
15	Receipt by the Casablanca Stock Exchange of the results of the transaction and the minutes of the meeting of the body having ratified the capital increase	05/10/2017
16	- Delivery of new securities	06/10/2017
- Admission of new shares		
17	- Recording of the stock exchange transaction - Announcement of the results of the transaction published in the official list	09/10/2017
18	Publication of the results by the issuer	11/10/2017

*N.B.: In the event of an extension of the subscription period, a notice shall be published by the Casablanca Stock Exchange specifying, in particular, the new subscription period and the subsequent steps in the schedule following this extension.*

## VII. LISTING OF THE SECURITIES

### 1. CHARACTERISTICS FOR THE LISTING OF PREEMPTIVE SUBSCRIPTION RIGHTS

Listing date	28/08/2017
Trading cycle	Fixing
Ticker	SLBVA
Name	DS LBV 3/26 2017

## 2. CHARACTERISTICS OF THE LISTING OF THE NEW SECURITIES

Name	<b>LABEL VIE</b>
Code	<b>11100</b>
Ticker	<b>LBV</b>
Compartment	<b>1st COMPARTMENT</b>
Sector	<b>Retail</b>
Trading Cycle	<b>Continuous</b>
Maximum number of shares to be issued	<b>293 685</b>
Listing line	<b>1st line</b>
Date of first listing	<b>09/10/2017</b>
Investment company in charge of registering the transaction	<b>BMCE Capital Bourse</b>

## VIII. FINANCIAL INTERMEDIARIES

The financial intermediaries involved in this capital increase are as follows:

Financial Intermediaries	Name	Address	Coordinates
Co-advisor and Global Coordinator	Capital Trust Finance	50, Boulevard Rachidi, Casablanca	+212 5 22 46 63 50
Co-advisor	BMCE Capital Conseil	63, Boulevard My Youssef, Casablanca	+212 5 22 42 91 00
Co-advisor	Valoris Corporate Finance	355 Route d'El Jadida, Casablanca	+212 5 22 23 97 60
Centralizing body	BMCE Bank	140, Boulevard Hassan II, Casablanca	+212 5 22 48 10 01
Institution in charge of the registration of the transaction at the Casablanca Stock Exchange	BMCE Capital Bourse	63, Boulevard My Youssef, Casablanca	+212 5 22 64 23 00
Order-collecting bodies	Securities custodian of shares & preemptive subscription rights to be exercised		

## IX. SUBSCRIPTION CONDITIONS

### 1. SUBSCRIPTION PERIOD

The subscription for the capital increase, which is the subject of this summary prospectus, can be subscribed at the centralizing body and order collector as well as with the custodians during the subscription period.

Shareholders of Label'Vie SA and holders of PSR will have to contact their custodian (custodian banks and depository stockbrokers) directly to subscribe to the transaction.

If the subscriptions on an irreducible and reducible basis have not absorbed the entire capital increase, the subscription period may be extended by a decision of the Board of Directors of the Company or its Chairman, after favorable opinion from the Casablanca Stock Exchange. The Company shall inform the Casablanca Stock Exchange and the AMMC, at the latest on the closing date of the subscription period **September 26<sup>th</sup>, 2017** before 10:00 am, of the decision to extend the subscription period. Upon receipt of the decision of the Chairman of the Board or of the Minutes of the Board meeting having approved



such decision, the Casablanca Stock Exchange shall publish a notice indicating the extension period of the subscription period if applicable.

## 2. BENEFICIARIES

The capital increase, which is the subject of this summary prospectus, is open to all current shareholders and to the holders of preemptive subscription rights.

As of October 9<sup>th</sup>, 2017, the shares issued in the framework of this transaction shall be freely tradable in the Casablanca Stock Exchange by all investors.

Pursuant to the provisions of the last paragraph of Article 189 of Act No. 17-95 of August 30<sup>th</sup>, 1996 on limited companies, as amended and supplemented by Law No. 20-05, subscription to new shares is reserved to shareholders of the Company and to the holders of preemptive subscription rights. The latter will consequently have an irreducible subscription right on the new shares to be issued.

The shareholders will also have a right to subscribe on a reducible basis, with a view to the distribution of the shares not absorbed by the exercise of the subscription right on an irreducible basis. This allocation will be made in proportion to their shares in the capital, within the limits of their demands and without allocation of fractional shares.

## 3. SUBMISSION OF SUBSCRIPTION FORMS

The shareholders who wish to take part in this transaction are invited to submit to the collectors of subscription orders, a subscription form in accordance with the template provided within the prospectus between **August 28<sup>th</sup>, 2017** and **September 26<sup>th</sup>, 2017**.

The subscription forms may be revoked at any time until the end of the subscription period.

## 4. IDENTIFICATION OF SUBSCRIBERS

The collectors of subscription orders in the context of this transaction must ensure that the subscriber is the holder of a sufficient number of securities or subscription rights prior to acceptance of the subscription.

To this effect, they must obtain a copy of the document certifying this identification, and attach it to the subscription form along with the documents warranting that they are part of one of the categories described below:

Category of subscriber	Documents to provide
Moroccan natural persons living in Morocco	Copy of the identity card
Moroccan natural persons living abroad	Copy of the identity card
Foreign natural persons living in Morocco	Copy of the residency card
Foreign natural persons living abroad	Copy of the pages of the passport containing the person's identity as well as the issue and expiry dates of the document
Legal persons incorporated under Moroccan law (excluding mutual funds - OPCVM)	Copy of the trade register
Legal persons incorporated under foreign law	Any document which is authentic in the country of origin and proving the affiliation to the category or any other means deemed acceptable by the centralizing body
Mutual funds (OPCVM) under moroccan law	Copy of the approval decision: - For mutual funds, the certificate of deposit at the Court registry - For SICAVs, the model of registration with the trade register

Qualified investors incorporated under Moroccan law (excluding mutual funds – OPCVM)	Model of registration with the trade register including the corporate purpose warranting the subscriber's affiliation to this category
Authorized investment firm incorporated under foreign law	Copy of the by-laws or any document that is authentic in the country of origin, copy of the approval decision issued by the competent authority.
Banks incorporated under Moroccan law	The model of registration with the trade register including the corporate purpose warranting the subscriber's affiliation to this category
Moroccan associations	Copy of the by-laws and of the file deposit slip
Underage child	Copy of the page of the family record book warranting the date of birth of the child

All subscriptions that do not comply with the aforementioned identification requirements shall be null and void. The subscription orders are irrevocable after the end of the subscription period.

## 5. SUBSCRIPTION TERMS AND ALLOCATION PROCEDURE

### 5.1. Subscription terms

The subscription must be made to the custodian who keeps the securities or the preemptive subscription rights to be exercised.

Such custodian will immediately lock up the securities or the preemptive subscription rights corresponding to the subscription. All the subscriptions will be made in cash on the Company, the new shares shall be reserved on a preemptive and irreducible basis to the holders of preemptive subscription rights on the basis of 3 new share for 26 preemptive subscription rights. The subscription forms shall be signed by the subscriber or his agent and date stamped by the collector of subscription orders.

Holders of preemptive subscription rights will have a subscription right on an irreducible basis.

Shareholders will have a subscription right on a reducible basis, for the purpose of distributing the unabsorbed shares by the exercise of the right of subscription on an irreducible basis. This distribution will be made proportionately to the number of old shares owned by the subscribers and within the limits of their requests and with no allocation of fractional shares.

The new shareholders will be able to subscribe to this transaction on the same basis as the existing shareholders by purchasing subscription rights on the market. These subscription rights shall be offered for sale by existing shareholders who do not wish to subscribe to the capital increase. They will be listed during the entire subscription period. The buying and selling of preemptive subscription rights may be exercised through an authorized intermediary (trading company).

The centralizing body and the collector of subscription orders, as well as anybody entitled to collect subscription orders, must ensure that the subscriber is the holder of securities or subscription rights prior to acceptance of the subscription, and that the subscriber has the financial ability to meet its obligations. They are obliged to accept subscription orders from any person eligible to participate in the transaction, provided that such person provides the necessary financial guarantees.

In the event that the subscriptions received on an irreducible and reducible basis do not absorb the entire capital increase, the Board of Directors may limit the amount set for the capital increase to the amount corresponding to the subscriptions received, in accordance with the decision of the extraordinary general assembly of January 31<sup>st</sup>, 2017.

### 5.2. Opening of the account

The subscription transactions are recorded on a cash and securities account in the name of the subscriber.

In addition to the requirements related to the identification and the constitution of one file per client, the new account holders will have to sign an account opening agreement (securities/cash) with the custodian.

Accounts can only be opened by the account holders, it is strictly forbidden to open an account through a proxy.

A proxy for a subscription cannot under any circumstances allow the opening of an account for the principal.

The opening of accounts for underage children and incapacitated adults can only be carried out by the legal representative of the underage child or the incapacitated adult (the father, the mother or the legal guardian). In that respect, the custodians will require any document warranting the incapacity of the incapacitated adult whose subscription was carried out by his legal representative. For underage children, the subscriptions may be recorded on their accounts or on that of their legal representative (the father, the mother or the legal guardian).

### **5.3. Subscription on behalf of third parties**

The subscriptions on behalf of third parties are authorized within the following conditions:

- The subscriptions on behalf of third parties are accepted provided that the subscriber submits a duly signed and legalized proxy provided by the principal and defining the exact scope of the proxy (proxy for all types of account movements on cash and securities, or a proxy specific to the subscription of the Label Vie capital increase transaction). In the event that it does not already have this document, the collector of orders is obliged to obtain a copy and attach it to the subscription form;
- The proxy must indicate the references of the cash and securities account of the principal, in which are respectively indicated, the movements on securities or cash relating to the Label Vie shares, which are the subject of this transaction;
- Subscriptions for children under the age of 18 are authorized, provided they are carried out by the father, the mother, the legal guardian or the legal representative. In the event that it does not already have this document, the collector of orders is obliged to obtain a copy of the page of the family record book indicating the date of birth of the child, if applicable. In this case, the movements are either credited to an account open in the name of the underage child, or on the cash or securities account open in the name of the father, the mother, the legal guardian or the legal representative;
- In the event of a portfolio management mandate, the manager can subscribe on behalf of a client whose portfolio he manages only by submitting a duly signed and legalized proxy by the principal or the management mandate valid at the time of subscription if the latter provides for a specific provision in that respect. Management companies are exempted from submitting these supporting documents for the mutual funds (OPCVM) that they manage.

### **5.4. Procedure for exercising the preemptive subscription rights**

To exercise their preemptive subscription rights, the holders of PSRs must submit an exclusive request to their custodians during the subscription period and set the corresponding subscription price (plus the stock exchange and intermediation commissions all taxes included). Preemptive subscription rights must be exercised by their holders, under penalty of forfeiture before the end of the subscription period. The custodian will immediately proceed to the locking up of the preemptive subscription rights corresponding to the subscription.

On the day prior to the closing of the subscription period, investment companies are obliged to publish the list of the pending selling orders for the preemptive subscription rights of Label'Vie to the custodians of the clients that have formulated such orders.

Furthermore and in accordance with article I.2.27 of the circular released by AMMC, the orders for the transfer of rights must be transmitted to the brokerage firm through the custodians. However, if the brokerage firm receives an order for the transfer of rights directly from its client, it must immediately inform the custodian of such rights. Brokerage firms must not accept orders for the transfer of rights which they do not preserve, on the last day of the validity of the subscription rights.

### **5.5. Allocation procedures**

The shares subscribed on an irreducible basis shall be allocated proportionately to the number of preemptive subscription rights held by each subscriber.

In addition to the subscriptions on an irreducible basis, shareholders may subscribe on a reducible basis. In this manner, the shares issued and unsubscribed on an irreducible basis shall be allocated to subscribers on a reducible basis up to the amounts requested by them and in proportion to the number of shares held.

### **5.6. Treatment of fractional shares**

Preemptive subscription rights may be exercised only up to a number of preferential subscription rights allowing the subscription of a whole number of new shares. Shareholders or assignees of PSRs who do not have enough PSRs to subscribe for an entire number of new shares (number of PSRs multiple of 26) as a condition of their irreducible subscription, may proceed with the purchase Or the sale of PSRs at market conditions, during the subscription period.

## **X. CENTRALIZATION METHODS, SUBSCRIPTION PAYMENTS AND RECORD-KEEPING**

### **1. CENTRALIZING OF SUBSCRIPTION ORDERS**

As a centralization agent for the transaction and a collecting body for subscription orders, BMCE Bank will collect all the completed subscription forms linked to this transaction from authorized custodians.

The subscription forms, as well as the detailed list of subscribers, must be submitted to the centralizing agent on September 27<sup>th</sup>, 2017 at 04:00 pm.

At the end of the subscription period, BMCE Bank will communicate to Label'Vie's management the list of subscribers and subscribed amounts and will communicate the overall results of the transaction to the Casablanca stock exchange.

The account keepers shall transfer the subscription rights exercised on the centralization account in the name of BMCE Bank, open with the central custodian, Maroclear.

The account keepers shall wire to BMCE Bank, via SRBM, the subscription amounts on an irreducible basis, plus stock exchange and brokerage commissions inclusive of all taxes.

No later than the 3<sup>rd</sup> business day following the closing of the subscription period, and upon the unwinding of the preemptive subscription rights purchased by the subscriber on the stock exchange during the last three days of this same period, the collecting account keeper shall provide to BMCE Bank the corresponding subscription form, transfer the complement of the preemptive subscription rights to the centralization account at Maroclear, and make the wire of the corresponding subscription amount via SRBM.

## 2. SUBSCRIPTION PAYMENT

The paying-up of the amounts corresponding to the subscriptions by cash contribution to this capital increase must be made in cash, by check, or by debiting the account of the subscriber which is in the books of its custodian, and paid to the centralizing agent no later than the closing date of the subscription period.

It should be noted that the checks must be cashed before the validation of the subscription. The amount of the payments must be equal to the subscribed amount plus the stock exchange commission (0.1% of the subscribed amount exclusive of taxes), the brokerage commission (0.6% of the subscribed amount exclusive of taxes) and the clearing/settlement commission (0.2% of the subscribed amount exclusive of taxes). The commissions are billed by the custodians.

A 10% VAT shall be applied to the various commissions.

BMCE Bank, the centralizing agent and collecting body for subscription orders, shall pay these amounts into a special account reserved for the transaction, the subject of this prospectus: "Capital Increase – Label'Vies SA". The book-entry date of the new shares shall correspond to the settlement date, **October 6<sup>th</sup>, 2017**.

BMCI, as the depository of Label'Vie shares, are responsible for registering the new shares with Maroclear. The registration date for the new shares will correspond to the settlement date on 06 October 2017.

## 3. BROKERAGE FIRM IN CHARGE OF RECORDING THE TRANSACTION

The brokerage firm in charge of recording the transaction at the Casablanca Stock Exchange is BMCE Capital Bourse. The registration shall be done on **October 9<sup>th</sup>, 2017**.

The registration price corresponds to the subscription price as laid down within the framework of this transaction, 1,350 MAD per share.

## 4. ARRANGEMENTS FOR PUBLISHING THE RESULTS OF THE TRANSACTION

The results of the transaction shall be published in the official list by the Casablanca Stock Exchange on **October 9<sup>th</sup>, 2017**.

The issuer will also publish the results of the transaction in a newspaper of legal notices no later than **October 11<sup>th</sup>, 2017**.

## 5. TERMS FOR REPAYING THE REMAINING AMOUNT

The repayment to subscribers of the remaining amounts in cash shall be done no later than **October 4<sup>th</sup>, 2017**.

## PART II. OVERVIEW OF LABEL VIE

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

<b>Company name</b>	Label'Vie S.A
<b>Registered office</b>	Rabat- Souissi, Km 3,5, angles rue Rif et Zaërs
<b>Phone</b>	05 37 56 95 95
<b>Fax</b>	05 37 56 95 66
<b>Website</b>	<a href="http://www.labelvie.ma">www.labelvie.ma</a>
<b>Legal form</b>	Public limited company of Moroccan private law with a Board of Directors.
<b>Constitution date</b>	October 16 <sup>th</sup> , 1985
<b>Lifespan</b>	99 ans
<b>Trade register #</b>	27 433 - Rabat
<b>Fiscal year</b>	From January 1 <sup>st</sup> to December 31 <sup>st</sup> .
<b>Date entering to the stock exchange</b>	July 2 <sup>nd</sup> , 2008
<b>Registered capital (as of 30/06/2017)</b>	254 527 700 MAD, divided into 2 545 277 shares with a nominal value of 100 MAD each.
<b>Company purpose</b>	<p>According to Article 2 of the articles of association, the company shall have as objective :</p> <ul style="list-style-type: none"> <li>▪ “The purchase and sale, in the form of self-service (supermarket ) or in any other form, of any item or consumer product including: food , cleaning products, perfumes, lingerie, hardware and gardening products, furniture and decoration products, children's items (toys , hosiery, etc.), household products (radio, television, photos, cookers, refrigerators, etc.); paramedical products, tobacco, tobacco products, newspapers, stationery and book products;</li> <li>▪ Operating a bakery, patisserie, butchery, fishery, rotisserie, etc.).</li> <li>▪ The purchase and retail sale of all beverages (alcoholic or else), all in accordance with the laws and regulations applicable in Morocco;</li> <li>▪ The Company may also have interest in any Moroccan or foreign companies whose trade would be similar to the Company, or are likely to promote and develop their own businesses.</li> </ul>
<b>Place to consulting legal documents</b>	The social, legal and accounting documents, whose disclosure is required by law and the statute, might be reviewed at the registered office of the Company.

## II. INFORMATION ABOUT THE REGISTERED CAPITAL

### 1. GENERAL INFORMATION

On June 30<sup>th</sup>, 2017, the capital of the company amounts to 254,527,700 MAD fully paid-up. It is divided into 2,545,277 shares with a par value of 100 MAD.

### 2. INFORMATION ABOUT THE REGISTERED CAPITAL

Over the last 5 years, the shareholding structure of Label'Vie has evolved following the table below:

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

Source : Label'Vie

Each share of Label'Vie corresponds to a voting right.

### 3. SHAREHOLDING STRUCTURE

On June 28<sup>th</sup>, 2017, the Label'Vie capital is distributed as follows:

Shareholders	Nb shares	% of shares and voting rights
Retail Holding	1 434 463	56,36%
SAHAM Assurances (ex-CNIA SAADA)	369 173	14,50%
ALJIA Holding (ex-ETAMAR)	106 455	4,18%
Floating	631 153	24,80%
Employees	543	0,02%
UNIMER	1	0,00%
Natural persons <sup>3</sup>	1	0,00%
Auto-detention	3 288	0,13%
<b>Total</b>	<b>2 545 277</b>	<b>100%</b>

Source : Label'Vie

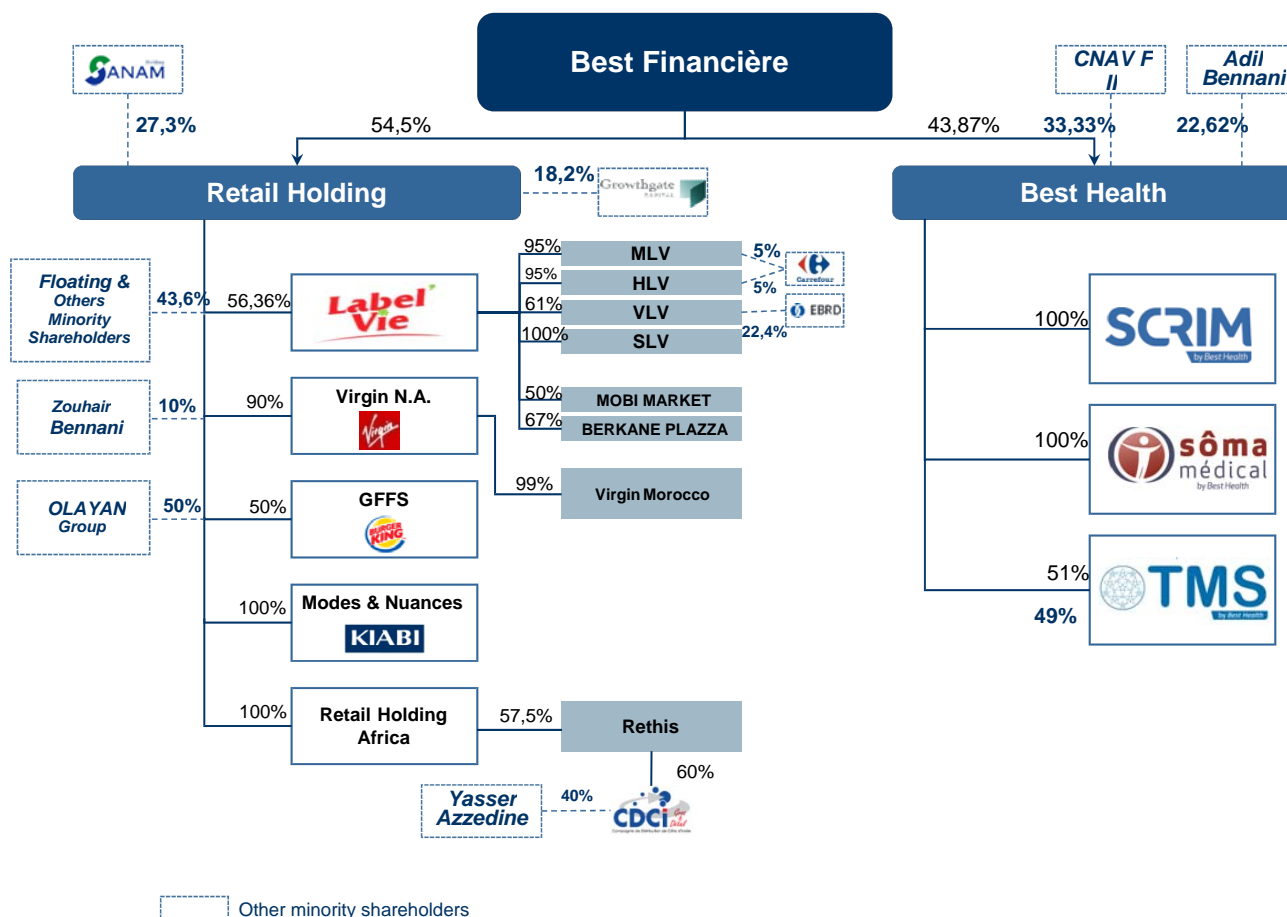
<sup>1</sup> Formerly ETAMAR

<sup>2</sup> Representative share on the Board of Directors attributed to Mr. Said IBRAHIMI as of 31/12/2016

<sup>3</sup> Representative share on the Board of Directors attributed to Mr. Said IBRAHIMI

### III. AFFILIATION TO BEST FINANCIÈRE GROUP

#### 1. LEGAL STRUCTURE OF BEST FINANCIÈRE AS OF JUNE 30TH, 2017:



Source : Label' Vie

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

#### 2. BOARD OF DIRECTORS

On June 29<sup>th</sup>, 2017, the composition of Label'Vie's Board of Directors was as follows:

Member of the Board	Appointment date	Mandate renewal date	Expiry of term	Position	Affiliation to Label'Vie or to Board member
Zouhaïr Bennani	25/03/2004	27/06/2014	GM called to approve 2019 accounts	Chairman of the Board	Chairman of the Board
Rachid Hadni	25/03/2004	27/06/2014	GM called to approve 2019 accounts	CEO of Label'Vie S.A	CEO of Label'Vie S.A
Adil Bennani	25/03/2007	27/06/2014	GM called to approve 2019 accounts	Board member	Intuitu personae



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

## **PART III. CONSOLIDATED ACCOUNTS OF LABEL' VIE**

### **DISCLAIMER**

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

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

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

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

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

## I. CONSOLIDATED INCOME STATEMENT

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

## II. CONSOLIDATED BALANCE SHEET

Assets – MMAD	2014	2015	Var 14/15	2015 pro forma	2016	Var 15 pro forma /16
Intangible assets (A)	424,9	479,9	12,9%	832,3	966,8	16,2%
Tangible assets (B)	3 030,3	3 242,3	7,0%	4 336,2	4 632,2	6,8%
Financial assets (C)	106,7	128,6	20,6%	133,9	139,7	4,4%
Exchange adjustments (D)	0,0	0,0	NS	0,0	0,0	NS
<b>TOTAL I = (A+B+C+D)</b>	<b>3 561,8</b>	<b>3 850,8</b>	<b>8,1%</b>	<b>5 302,4</b>	<b>5 738,7</b>	<b>8,2%</b>
Inventories (E)	998,5	1 063,7	6,5%	1 111,0	1 208,8	8,8%
Accounts receivables (F)	1 722,0	1 549,6	-10,0%	1 691,8	1 714,0	1,3%
Marketable securities (G)	178,0	31,5	-82,3%	512,0	487,5	-4,8%
Exchange adjustments (H)	0,2	0,3	21,9%	0,3	0,4	54,9%
<b>TOTAL II (E+ F + G + H)</b>	<b>2 898,8</b>	<b>2 645,1</b>	<b>-8,7%</b>	<b>3 315,2</b>	<b>3 410,6</b>	<b>2,9%</b>
<b>Cash and equivalents</b>	<b>752,8</b>	<b>354,7</b>	<b>-52,9%</b>	<b>357,9</b>	<b>187,5</b>	<b>-47,6%</b>
<b>TOTAL III</b>	<b>752,8</b>	<b>354,7</b>	<b>-52,9%</b>	<b>357,9</b>	<b>187,5</b>	<b>-47,6%</b>
<b>GLOBAL ( I + II + III )</b>	<b>7 213,5</b>	<b>6 850,6</b>	<b>-5,0%</b>	<b>8 975,5</b>	<b>9 336,9</b>	<b>4,0%</b>

Liabilities – MMAD	2014	2015	Var 14/15	2015 pro forma	2016	Var 15 pro forma /16
<b>Shareholders' equity</b>						
Capital	254,5	254,5	0,0%	254,5	254,5	0,0%
Share premium and acquisition premium	783,4	783,4	0,0%	783,4	783,4	0,0%
Acquisition gap	59,8	59,8	0,0%	59,8	59,8	0,0%
Legal reserves	17,7	21,8	23,5%	21,3	24,2	13,2%
Other reserves (consolidated)	59,4	66,7	12,3%	-49,5	6,7	-113,4%
Retained earnings	81,0	70,9	-12,5%	71,0	44,6	-37,2%
Consolidated net income	80,3	109,3	36,1%	132,0	164,6	24,7%
<b>TOTAL Shareholders' Equity (A)</b>	<b>1 336,1</b>	<b>1 366,4</b>	<b>0,0%</b>	<b>1 272,5</b>	<b>1 337,7</b>	<b>5,1%</b>
<b>Minority interests (B)</b>	<b>9,9</b>	<b>9,1</b>	<b>-8,1%</b>	<b>986,1</b>	<b>1 009,2</b>	<b>2,3%</b>
<b>Financial debt (C)</b>	<b>2 599,0</b>	<b>2 106,3</b>	<b>-19,0%</b>	<b>2 899,9</b>	<b>2 867,1</b>	<b>-1,1%</b>
Bonds issued	1 900,0	1 616,6	-14,9%	1 766,6	1 766,6	0,0%
Other financial debts	699,0	489,7	-29,9%	1 133,3	1 100,5	-2,9%
<b>Long term provisions (D)</b>	<b>5,2</b>	<b>5,6</b>	<b>7,3%</b>	<b>5,6</b>	<b>11,1</b>	<b>99,8%</b>
<b>Exchange adjustments (E)</b>	<b>0,0</b>	<b>0,0</b>	<b>NS</b>		<b>0,0</b>	
<b>TOTAL I (A + B + C + D + E)</b>	<b>3 950,1</b>	<b>3 487,4</b>	<b>-11,7%</b>	<b>5 164,0</b>	<b>5 225,0</b>	<b>1,2%</b>
<b>Accounts payables (F)</b>	<b>2 845,9</b>	<b>3 213,9</b>	<b>12,9%</b>	<b>3 661,9</b>	<b>3 905,9</b>	<b>6,7%</b>
<b>Other provisions (G)</b>	<b>67,1</b>	<b>29,2</b>	<b>-56,4%</b>	<b>29,2</b>	<b>14,5</b>	<b>-50,3%</b>
<b>Exchange adjustments (H)</b>	<b>0,3</b>	<b>0,3</b>	<b>-11,2%</b>	<b>0,3</b>	<b>1,4</b>	<b>370,0%</b>
<b>TOTAL II ( F + G + H)</b>	<b>2 913,3</b>	<b>3 243,4</b>	<b>11,3%</b>	<b>3 691,4</b>	<b>3 921,8</b>	<b>6,2%</b>
<b>Overdrafts</b>	<b>350,0</b>	<b>120,0</b>	<b>-65,7%</b>	<b>120,0</b>	<b>190,0</b>	<b>58,3%</b>
<b>TOTAL III</b>	<b>350,0</b>	<b>120,0</b>	<b>-65,7%</b>	<b>120,0</b>	<b>190,0</b>	<b>58,3%</b>
<b>GLOBAL I + II + III</b>	<b>7 213,5</b>	<b>6 850,6</b>	<b>-5,0%</b>	<b>8 975,5</b>	<b>9 336,9</b>	<b>4,0%</b>

## **PART IV. RISK FACTORS**

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### **I. ECONOMIC RISKS**

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

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

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

### **II. COMPETITIVE RISK**

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

### **III. INVESTMENT RISK**

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

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

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

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

#### **IV. MANAGEMENT RISKS**

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

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

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

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

#### **V. LEGAL RISK**

##### **LEGAL RISK PERTAINING TO THE SECTOR OF SUPERMARKETS**

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

##### **LEGAL RISK PERTAINING TO INVESTMENTS**

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

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

#### **VI. CURRENCY EXCHANGE RISKS RELATED TO PURCHASES**

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

**DISCLAIMER**

The aforementioned information is only part of the prospectus approved by the AMMC under reference VI/EM/022/2017 on 11/08/2017. The AMMC recommends reading the full prospectus available to the public in French.