financial statements

# 2018 Annual Results

## Strong Results Driven by a Solid Growth

- **The Board of Directors of Label'Vie SA has met, under the presidency of Mr. Zouhair BENNANI, on Thursday 19th of March 2019, at the company's headquarters and has proceeded to the closing of the 2018 annual accounts.**

## Group Results Evolution :

Over 2018, Label'Vie Group achieved consolidated revenues of 9 033.0 MADm, an increase of 9% compared to 2017.

Total Revenues
9 033,0 MADm
+9%

Operating income
426,7 MADm
+20%

Recurring Operating Income
402,1 MADm
+24%

Net Income
288,4 MADm
+20%

Dividends
150 MADm

**The 3 business segments have contributed to this increase :**

- **Carrefour Market** (Supermarket Segment) sales increased by 6% in like for like terms and saw the addition of 16 new stores in 2018. The total sales grew by 11% compared to 2017, representing 311MADm of additional sales.
- **Carrefour** (Hypermarket Segment) sales increased by 6.1% in comparable terms. The opening of Carrefour Tetouan resulted in a total sales growth of 13%, representing 239 MMAD of additional sales.
- **Atacadao** (Hyper Cash Segment) confirmed its strong continuous growth with sales up by 6.4%, representing 162 MADm of additional sales.

The Group's Consolidated Operating Income saw an increase by 20% and reached 426.7 MADm, thanks to the increased volumes and to the economies of scale achieved from operating expenses.

The Group's Financial Income has improved by 20% compared to 2017 reaching - 24.6 MADm thanks to better financing monitoring and optimization of investment income.

The Recurring Income grew from 323.4 MADm in 2017 to 402.1 MADm in 2018, representing a 24% leap over one year.

The Group's Net Income was up by 20% in comparison to 2017 and reached 288.4 MADm.

The Board of Directors will propose to the General Assembly of Shareholders the distribution of a dividend of 150 MADm for the year 2018.

## Perspectives

In order to strengthen its multi-format strategic positioning, Label'Vie Group intends to pursue its development and expansion plan for the 3 segments. 16 new stores are scheduled to open in 2019, representing an additional sales area of 30 000 sqm.

In 2019, Label'Vie intends to maintain its sustained growth in results according to its guidelines, as well as to maintain its dividends distribution policy.

# Principales and rules of Consolidation

## 1- Accounting Standard

Label'Vie SA Consolidated accounts are established according to the Moroccan Norms as prescribed by the Accounting National Council.

## 2- Scope of Consolidation

**The consolidated accounts of Label'Vie include :**

- Hypermarché LV, S.A.S on which LABEL'VIE S.A exercises a control of 95%.
- Maxi LV, S.A.S, on which LABEL'VIE S.A exercices a control of 95%.
- Services LV, on which LABEL'VIE S.A exercices a control of 100%.
- Mobi Market , on which LABEL'VIE S.A exercices a control of 50%.

## Scope of Consolidation of Label'Vie Group

| | 2017 | | | 2018 | | |
|---|---|---|---|---|---|---|
| COMPANY NAME | CONTROL RATE | INTEREST RATE | CONSOLIDATED METHOD | CONTROL RATE | INTEREST RATE | CONSOLIDATED METHOD |
| LABEL'VIE, S.A | | | PARENT COMPANY (*) | | | PARENT COMPANY (*) |
| HYPERMARCHÉ LV SAS | 95% | 95% | FULL CONSOLIDATION | 95% | 95% | FULL CONSOLIDATION |
| ARADEI CAPITAL (EX VECTEUR LV SA) | 0% | 58% | NOT CONSOLIDATED | 0% | 58% | NOT CONSOLIDATED |
| MAXI LV S.A.S | 95% | 95% | FULL CONSOLIDATION | 95% | 95% | FULL CONSOLIDATION |
| SERVICE LV | 100% | 100% | FULL CONSOLIDATION | 100% | 100% | FULL CONSOLIDATION |
| MOBI MARKET | 50% | 50% | PROPORTIONAL CONSOLIDATION | 50% | 50% | PROPORTIONAL CONSOLIDATION |

(*) Consolidating entity

On the 31st of December 2018, Label'Vie held 58% of its subsidiary, however Aradei Capital (Ex Vecteur LV SA) is fully managed by an independent asset manager.

## 3- Consolidating entity

The companies controlled by Label'Vie Group are fully consolidated. Label'Vie controls a subsidiary where can manage the financial and operational policies of an entity in order to benefit from its activities. The control exists when Label'Vie SA holds, directly or indirectly, more than half of voting rights of the subsidiary.

The three companies, Hypermarché LV, Maxi LV and Services LV are fully integrated. Mobi Market is proportionally consolidated. Since 2017, Label'Vie Group deconsolidated from its scope Aradei Capital (Ex Vecteur LV SA) since its fully managed by an independent asset manager.

## 4- Back-to-Back operations

Back-to-back accounts resulting from intercompany transactions are canceled.

## 5- Principal accounting policies

- Goodwill : Goodwill corresponds to the difference between the cost of acquisition and evaluation of assets and liabilities of the acquired companies, and is reported under « GoodWill ».
- Intangible assets : they consist primarly of other deferred charges, Goodwill, software and licenses recognized at the acquisition cost. Software and other deffered charges are amortized over a period of 5 years.
- Tangible assets : They are stated at acquisition cost. Depreciation is calculated using the straight-line method using standard durations in Morocco. Thus, Buildings are depreciated over 20 years; technical equipment, machinery and tooling over 10years; computer hardware over 5 years; and office equipment and furniture, fixtures and various furnishings over 10 years.
- Financial assets : They are primarily comprised of security deposits for over a year recorded at acquisition value.
- Debt in foreign currecy; They are recognized at the exchange rate appearing on the date of entry, at the year end, exchange differences are recognized under unrealized translation adjustements. The provision for adverse deviation is taken into account in the income statement.

## 6- Earnings per share

Earnings per share are calculated by dividing consolidated net income by the number of shares outstanding at year-end.

# Label'Vie | Consolidated Accounts

01/01/2018 To 31/12/2018

| BALANCE SHEET - ASSETS (Normal Model) | | | | |
|---|---|---|---|---|
| ASSETS | EXERCICE | | | PREVIOUS EXERCICE Net |
| | GROSS | AMORT.-PROV. | NET | |
| **NON-MONETARY INTANGIBLE ASSETS (A)** | | | | |
| . PRELIMINARY CHARGES | | | | |
| . DEFERRED CHARGES OVER SEVERAL YEARS | | | | |
| . REDEMPTION PREMIUMS OF CONVERTIBLE BONDS | | | | |
| **INTANGIBLE ASSETS (B)** | **1 348 624 171,80** | **511 849 773,57** | **836 774 398,23** | **772 372 832,57** |
| . INTANGIBLE ASSETS | 948 283 418,51 | 483 883 435,95 | 464 399 982,56 | 397 456 356,64 |
| . PATENTS, TRADEMARKS AND SIMILAR RIGHTS AND VALUES | 46 864 666,19 | 27 966 337,62 | 18 898 328,57 | 20 922 534,81 |
| . GOODWILL | 353 476 087,10 | | 353 476 087,10 | 353 476 087,10 |
| . OTHER INTANGIBLE ASSETS | | | | 517 854,02 |
| **FIXED ASSETS (C)** | **2 473 618 519,46** | **749 193 477,55** | **1 724 425 041,91** | **1 601 551 599,62** |
| . LANDS | 194 873 623,20 | | 194 873 623,20 | 178 368 123,20 |
| . CONSTRUCTIONS | 718 928 113,75 | 111 665 182,25 | 607 262 931,50 | 505 769 417,11 |
| . TECHNICAL INSTALLATIONS, MATERIALS AND TOOLS | 729 127 310,61 | 366 442 656,81 | 362 684 653,80 | 343 942 870,78 |
| . TRANSPORTATION EQUIPMENT | 1 580 627,84 | 1 311 712,41 | 268 915,43 | 372 837,04 |
| . FURNITURE, OFFICE EQUIPMENT AND DIFFERENT FITTINGS | 682 540 912,85 | 240 363 074,59 | 442 177 838,26 | 338 228 553,85 |
| . OTHER FIXED ASSETS | 54 352 399,57 | 29 410 851,49 | 24 941 548,08 | 28 576 972,59 |
| . ONGOING FIXED ASSETS | 92 215 531,65 | | 92 215 531,65 | 206 292 825,05 |
| **FINANCIAL ASSETS (D)** | **1 386 655 847,95** | | **1 386 655 847,95** | **1 384 897 341,49** |
| . FIXED LOANS | | | | |
| . OTHER FINANCIAL RECEIVABLES | 33 818 161,25 | | 33 818 161,25 | 33 259 654,79 |
| . EQUITY SECURITIES | 1 352 837 686,70 | | 1 352 837 686,70 | 1 351 637 686,70 |
| . OTHER FIXED SECURITIES | | | | |
| **CURRENCY TRANSLATION - ASSETS (E)** | | | | |
| . DECREASE IN FIXED RECEIVABLES | | | | |
| . INCREASE IN FINANCIAL DEBTS | | | | |
| **TOTAL I = (A + B + C + D + E)** | **5 208 898 539,21** | **1 261 043 251,12** | **3 947 855 288,09** | **3 758 821 773,68** |
| **STOCKS (F)** | **1 488 755 874,78** | **10 429 908,00** | **1 478 325 966,78** | **1 285 379 120,94** |
| . GOODS | 1 476 957 832,54 | 10 429 908,00 | 1 466 527 924,54 | 1 274 192 230,32 |
| . MATERIALS AND SUPPLIES, CONSUMABLES | 11 798 042,24 | | 11 798 042,24 | 11 186 890,62 |
| . ONGOING PRODUCTS | | | | |
| . PROD. INTERMEDIAIRES & PROD. RESIDUELS | | | | |
| . FINISHED PRODUCTS | | | | |
| **OPERATING RECEIVABLES (G)** | **1 568 256 204,76** | **4 363 976,89** | **1 563 892 227,87** | **1 409 147 336,08** |
| . TRADE RECEIVABLES, DEPOSITS AND DOWN-PAYMENTS | 101 677 705,27 | | 101 677 705,27 | 83 931 179,37 |
| . SUPPLIERS AND RELATED ACCOUNTS | 832 350 264,41 | 4 363 976,89 | 827 986 287,52 | 833 904 522,08 |
| . STAFF | 15 233 247,36 | | 15 233 247,36 | 9 941 488,02 |
| . STATE | 465 267 589,72 | | 465 267 589,72 | 428 752 825,56 |
| . ASSOCIATES ACCOUNTS | | | | |
| . OTHER RECEIVABLES | 128 634 783,77 | | 128 634 783,77 | 22 000 148,06 |
| . PREPAYMENT AND ACCRUED INCOME | 25 092 614,24 | | 25 092 614,24 | 30 617 173,00 |
| **CASH AND INVESTMENT SECURITIES (H)** | **21 278 193,62** | | **21 278 193,62** | **50 122 904,48** |
| **CURRENCY TRANSLATION - ASSETS (I)** | **946 135,10** | | **946 135,10** | **1 129 022,65** |
| **(ELEMENTS CIRCULANTS)** | | | | |
| **TOTAL II (F + G + H + I)** | **3 079 236 408,26** | **14 793 884,89** | **3 064 442 523,37** | **2 745 778 384,15** |
| **CASH ASSET POSITION** | | | | |
| . CHECKS AND CASH VALUES | 71 361 791,28 | | 71 361 791,28 | 56 467 316,15 |
| . BANKS, TG and CP | 789 806 533,21 | | 789 806 533,21 | 475 524 682,46 |
| . IMPREST AND FLOW-THROUGH-FUND | 12 659 893,06 | | 12 659 893,06 | 12 656 415,56 |
| **TOTAL III** | **873 828 217,54** | | **873 828 217,54** | **544 648 414,17** |
| **OVERALL TOTAL (I + II + III)** | **9 161 963 165,01** | **1 275 837 136,01** | **7 886 126 029,00** | **7 049 248 572,00** |

| INCOME STATEMENT (Excluding Tax) | | | | |
|---|---|---|---|---|
| | OPERATIONS | | TOTAL YEAR (1+2) | PREVIOUS YEAR |
| | YEAR (1) | YEAR.PREV (2) | | |
| **OPERATING REVENUES** | | | | |
| . SALES OF GOODS (AS IT IS) | 8 217 333 121,08 | | 8 217 333 121,08 | 7 531 108 977,07 |
| . SALES OF GOODS AND SERVICES PRODUCED | 816 219 280,21 | -595 806,67 | 815 623 473,54 | 743 469 378,43 |
| **CONSOLIDATED TURNOVER** | **9 033 552 401,29** | **-595 806,67** | **9 032 956 594,62** | **8 274 578 355,50** |
| . CHANGE IN INVENTORY (+ -) | | | | |
| . TANGIBLE ASSETS PRODUCED BY THE GROUP | | | | |
| . OPERATING SUBSIDY | | | | |
| . OTHER OPERATING REVENUES | | | | |
| . REVERSALS; TRANSFER OF EXPENSES | 103 434 347,78 | | 103 434 347,78 | 95 422 121,41 |
| **TOTAL I** | **9 136 986 749,07** | **-595 806,67** | **9 136 390 942,40** | **8 370 000 476,90** |
| **OPERATING EXPENSES** | | | | |
| . PURCHASED SERVICE RESOLD | 7 246 696 558,41 | | 7 246 696 558,41 | 6 667 246 165,37 |
| . CONSUMED PURCHASES OF MATERIALS AND SUPPLIES | 182 288 767,43 | -158 275,95 | 182 130 491,48 | 177 269 014,19 |
| . OTHER EXTERNAL EXPENSES | 527 995 812,13 | -1 797 355,85 | 526 198 456,28 | 478 705 397,95 |
| . TAXES | 52 914 517,00 | -1 567,20 | 52 912 949,80 | 46 783 316,19 |
| . STAFF EXPENSES | 423 549 742,33 | | 423 549 742,33 | 388 888 616,25 |
| . OTHER OPERATING EXPENSES | 60 389,83 | | 60 389,83 | 6 665 460,45 |
| . OPERATING ALLOCATIONS | 278 153 618,83 | | 278 153 618,83 | 250 086 632,72 |
| **TOTAL II** | **8 711 659 405,95** | **-1 957 199,00** | **8 709 702 206,95** | **8 015 644 603,11** |
| **OPERATING INCOME (I-II) III** | **425 327 343,12** | **1 361 392,33** | **426 688 735,45** | **354 355 873,79** |
| **FINANCIAL INCOME** | | | | |
| . INCOME FROM EQUITY SECURITIES AND FIXED SECURITIES | 67 166 221,00 | | 67 166 221,00 | 65 430 446,50 |
| . EXCHANGE GAINS | 3 171 140,98 | | 3 171 140,98 | 1 645 467,20 |
| . INTEREST AND OTHER FINANCIAL REVENUE | 39 934 237,38 | | 39 934 237,38 | 39 347 864,94 |
| . FINANCIAL REVERSALS; TRANSFER OF EXPENSES | 11 950 176,40 | | 11 950 176,40 | 11 364 302,92 |
| **TOTAL IV** | **122 221 775,76** | | **122 221 775,76** | **117 788 081,56** |
| **FINANCIAL EXPENSES** | | | | |
| . INTEREST CHARGES | 137 621 208,14 | | 137 621 208,14 | 141 691 599,22 |
| . EXCHANGE LOSSES | 3 915 140,42 | | 3 915 140,42 | 4 512 712,78 |
| . OTHER FINANCIAL EXPENSES | 4 365 856,07 | | 4 365 856,07 | 1 441 006,92 |
| . FINANCIAL ALLOCATIONS | 946 116,14 | | 946 116,14 | 1 115 352,55 |
| **TOTAL V** | **146 848 320,77** | | **146 848 320,77** | **148 760 671,47** |
| **FINANCIAL INCOME (IV-V) VI** | **-24 626 545,01** | | **-24 626 545,01** | **-30 972 589,91** |
| **RECURRING OPERATING INCOME (III+VI) VII** | **400 700 798,11** | **1 361 392,33** | **402 062 190,44** | **323 383 283,88** |
| **NON RECURRING REVENUES** | | | | |
| . PROCEEDS OF SALES OF FIXED ASSETS | 91 994 211,48 | | 91 994 211,48 | 5 329 187,32 |
| . OPERATING SUBSIDY | | | | |
| . REVERSALS ON INVESTMENT SUBSIDY | | | | |
| . OTHER NON-RECURRING REVENUES | 1 124 750,06 | 1 009 071,38 | 2 133 821,44 | 4 520 338,01 |
| . OTHER NON-RECURRING REVERSALS;TRANSFER OF EXPENSES | 385 296,99 | 1 447,99 | 386 744,98 | - |
| **TOTAL VIII** | **93 504 258,53** | **1 010 519,37** | **94 514 777,90** | **9 849 525,33** |
| **NON RECURRING EXPENSES** | | | | |
| . NET VALUE OF SOLD FIXED ASSET PREPAYMENT | 55 817 246,66 | | 55 817 246,66 | 6 629 530,08 |
| . SUBSIDY GRANTED | | | | |
| . OTHER NON-RECURRING EXPENSES | 36 615 074,73 | 1 021,88 | 36 616 096,61 | 2 822 534,18 |
| . NON-CURRENT ALLOCATIONS TO REPAYMENT AND PROVISIONS | 6 232 119,82 | | 6 232 119,82 | 1 619 217,37 |
| **TOTAL IX** | **98 664 441,21** | **1 021,88** | **98 665 463,09** | **11 071 281,63** |
| **NON-RECURRING INCOME (VIII-IX)** | | | **-4 150 685,19** | **-1 221 756,30** |
| **INCOME BEFORE TAXES (VII+X)** | | | **397 911 505,25** | **322 161 527,58** |
| **INCOME TAXES (XII)** | | | **109 510 500,00** | **81 291 599,00** |
| **NET INCOME (XI-XII)** | | | **288 401 005,25** | **240 869 928,58** |
| **TOTAL REVENUES (I+IV+VIII)** | | | **9 353 127 496,05** | **8 497 638 083,79** |
| **TOTAL EXPENSES (II+V+IX+XII)** | | | **9 064 726 490,81** | **8 256 768 155,21** |
| **NET INCOME GROUP SHARE** | | | **285 236 479,66** | **237 862 404,01** |
| **MINORITY NET INCOME** | | | **3 164 525,59** | **3 007 524,57** |

| BALANCE SHEET - LIABILITIES (Normal Model) | | |
|---|---|---|
| | EXERCICE | EXERCICE PRECEDENT |
| **STOCKHOLDERS EQUITY (A)** | | |
| . SOCIAL OR PERSONAL CAPITAL (1) | 283 896 200,00 | 283 896 200,00 |
| . LESS: SHAREHOLDERS.UNCALLED SUBSCRIBED CAPITAL | | |
| . CALLED CAPITAL OF WHICH WAS TRANSFERRED… | | |
| . ISSUE.MERGER AND TRANSFER PREMIUMS | 1 150 523 764,19 | 1 150 523 764,19 |
| . GOODWILL | | |
| . LEGAL RESERVE | 28 389 620,00 | 25 452 770,00 |
| . OTHER RESERVE (CONSOLIDATED RESERVES) | 28 647 711,80 | -32 625 558,50 |
| . RETAINED EARNINGS (2) | 51 865 534,55 | 28 213 250,84 |
| . NET INCOME PENDING ALLOCATION (2) | | |
| . CONSOLIDATED NET INCOME | 288 401 005,25 | 240 869 928,58 |
| **TOTAL STOCKHOLDERS EQUITY (A)** | **1 831 723 835,79** | **1 696 330 355,11** |
| **MINORITY INTERESTS (B)** | **15 412 646,93** | **12 405 122,36** |
| . MINORITY INTERESTS | 15 412 646,93 | 12 405 122,36 |
| **FINANCING LIABILITIES (C)** | **2 307 390 075,63** | **2 103 738 229,49** |
| . BOND ISSUES | 1 500 000 000,00 | 1 500 000 000,00 |
| . OTHER FINANCING LIABILITIES | 807 390 075,63 | 603 738 229,49 |
| **FINANCING LIABILITIES (D)** | **6 406 151,79** | **2 243 777,72** |
| . PROVISIONS OF LIABILITIES | 6 406 151,79 | 2 243 777,72 |
| . PROVISIONS OF CHARGES | | |
| **CURRENCY TRANSLATION - LIABILITIES (E)** | | |
| . INCREASE IN FIXED RECEIVABLES | | |
| . DECREASE OF FINANCING LIABILITIES | | |
| **TOTAL I = (A + B + C + D + E)** | **4 160 932 710,14** | **3 814 717 484,68** |
| **CURRENT LIABILITIES DEBTS (F)** | **3 350 783 860,30** | **3 113 088 162,93** |
| . TRADE RECEIVABLES AND RELATED ACCOUNTS | 3 039 239 729,91 | 2 805 295 834,25 |
| . CUSTOMER PAYABLES,ADVANCES AND DOWN-PAYMENTS | 42 202 075,84 | 31 851 542,19 |
| . STAFF | 7 049 368,37 | 8 059 194,05 |
| . SOCIAL BODIES | 14 652 618,93 | 15 966 608,42 |
| . STATE | 225 237 956,54 | 227 745 578,70 |
| . ASSOCIATES ACCOUNTS | 161 819,65 | 131 956,73 |
| . OTHER ASSETS | 4 895 336,14 | 5 698 830,10 |
| . ACCRUALS AND DEFERRED INCOME | 17 344 954,92 | 18 338 618,50 |
| **OTHER PROVISIONS FOR LIABILITIES AND CHARGES (G)** | **4 109 121,13** | **1 129 022,65** |
| **CURRENCY TRANSLATION - LIABILITIES (H)** | **300 337,44** | **313 901,74** |
| **TOTAL II = (F + G + H)** | **3 355 193 318,87** | **3 114 531 087,32** |
| **LIABILITIES CASH FLOW** | | |
| . DISCOUNT CREDIT | | |
| . CASH LOANS | 370 000 000,00 | 120 000 000,00 |
| . BANKS (CREDIT BALANCES) | | |
| **TOTAL III** | **370 000 000,00** | **120 000 000,00** |
| **OVERALL TOTAL I+II+III** | **7 886 126 029,00** | **7 049 248 572,00** |

Crowe

WORLD CONSEIL & AUDIT
Audit & Commissariat aux comptes , Conseil Juridique & Fiscal
Assistance & Supervision Comptable , Organisation & Formation

**Label'Vie S.A.**

**STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**
**PERIOD FROM JANUARY 1ST TO DECEMBER 31ST, 2018**

As statutory auditors of Label'Vie SA, we have conducted a limited review of the consolidated interim financial statements for the period from January 1st to December 31st, 2018 - as appended to this report- which includes the balance-sheet and the statement of income. These consolidated interim financial statements, which shows a total equity of 1 847 136 482,72 MAD including a consolidated net profit of 288 401 005,25 MAD are the responsibility of the company's management. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

We have conducted our limited review in accordance with the professional standards applicable in Morocco. A limited review consists mainly in making inquiries of members of management responsible for accounting and financial matters and applying analytical procedures. It is less in scope than an audit conducted in accordance with generally accepted audit standards in Morocco. Accordingly, a limited review provides a moderate assurance that the consolidated interim financial statements as a whole are free of material misstatement and a lesser assurance than would result from an audit.

Based on our limited review, we have identified no material irregularities that would indicate that the enclosed consolidated interim financial statements are inconsistent with the generally accepted accounting principles in Morocco.

Rabat, March 20, 2019

*Free translation from the original French version*

The Statutory Auditors

Horwath Maroc Audit — World Conseil & Audit

HORWATH MAROC AUDIT

Adib BENBRAHIM — Omar SEKKAT

# Corporate accounts

01/01/2018 To 31/12/2018

| BALANCE SHEET-ASSETS (Normal Model) | | | | |
|---|---|---|---|---|
| ASSETS | EXERCICE | | | PREVIOUS EXERCICE |
| | GROSS | AMORT.-PROV. | NET | NET |
| **NON-MONETARY INTANGIBLE ASSETS (A)** | **646 697 626,40** | **273 689 223,65** | **373 008 402,75** | **305 130 812,50** |
| . PRELIMINARY CHARGES | 32 900,00 | 32 900,00 | | 6 580,00 |
| . DEFERRED CHARGES OVER SEVERAL YEARS | 646 664 726,40 | 273 656 323,65 | 373 008 402,75 | 305 124 232,50 |
| . REDEMPTION PREMIUMS OF CONVERTIBLE BONDS | | | | |
| **INTANGIBLE ASSETS (B)** | **200 568 128,61** | **25 540 162,34** | **175 027 966,27** | **177 072 998,16** |
| . R&D ASSETS | | | | |
| . PATENTS, TRADEMARKS AND SIMILAR RIGHTS AND VALUES | 43 828 708,18 | 25 540 162,34 | 18 288 545,84 | 20 333 577,73 |
| . GOODWILL | 156 739 420,43 | | 156 739 420,43 | 156 739 420,43 |
| . OTHER INTANGIBLE ASSETS | | | | |
| **FIXED ASSETS (C)** | **1 899 674 275,68** | **482 156 455,78** | **1 417 517 819,90** | **1 292 240 544,91** |
| . LANDS | 194 873 623,20 | | 194 873 623,20 | 178 368 123,20 |
| . CONSTRUCTIONS | 700 268 083,02 | 108 902 335,57 | 591 365 747,45 | 489 266 247,65 |
| . TECHNICAL INSTALLATIONS, MATERIALS AND TOOLS | 431 227 660,06 | 211 792 357,98 | 219 435 302,08 | 195 355 369,55 |
| . TRANSPORTATION EQUIPMENT | 1 542 053,53 | 1 293 680,76 | 248 372,77 | 368 535,29 |
| . FURNITURE, OFFICE EQUIPMENT AND DIFFERENT FITTINGS | 483 288 705,81 | 160 168 081,47 | 323 120 624,34 | 225 108 589,97 |
| . OTHER FIXED ASSETS | | | | |
| . ONGOING FIXED ASSETS | 88 474 150,06 | | 88 474 150,06 | 203 773 679,25 |
| **FINANCIAL ASSETS (D)** | **1 644 725 881,62** | **-** | **1 644 725 881,62** | **1 642 967 375,16** |
| . FIXED LOANS | | | | |
| . OTHER FINANCIAL RECEIVABLES | 17 273 194,92 | | 17 273 194,92 | 16 714 688,46 |
| . EQUITY SECURITIES | 1 627 452 686,70 | | 1 627 452 686,70 | 1 626 252 686,70 |
| . OTHER FIXED SECURITIES | | | | |
| **CURRENCY TRANSLATION - ASSETS (E)** | | | | |
| . DECREASE IN FIXED RECEIVABLES | | | | |
| . INCREASE IN FINANCIAL DEBTS | | | | |
| **TOTAL I = (A + B + C + D + E)** | **4 391 665 912,31** | **781 385 841,77** | **3 610 280 070,54** | **3 417 411 730,73** |
| **STOCKS (F)** | **691 723 493,50** | - | **691 723 493,50** | **596 236 245,49** |
| . MARCHANDISES | 681 829 716,99 | | 681 829 716,99 | 586 866 502,29 |
| . MATIERES ET FOURNITURES CONSOMMABLES | 9 893 776,51 | | 9 893 776,51 | 9 369 743,20 |
| . PRODUITS EN COURS | | | | |
| . PROD. INTERMEDIAIRES & PROD. RESIDUELS | | | | |
| . PRODUITS FINIS | | | | |
| **CREANCES DE L'ACTIF CIRCULANT (G)** | **1 607 948 263,07** | **194 663,41** | **1 607 753 599,66** | **1 437 745 079,03** |
| . TRADE RECEIVABLES, DEPOSITS AND DOWN-PAYMENTS | 41 625 273,46 | | 41 625 273,46 | 34 097 388,36 |
| . SUPPLIERS AND RELATED ACCOUNTS | 1 126 887 516,12 | 194 663,41 | 1 126 692 852,71 | 1 103 984 167,43 |
| . STAFF | 12 695 301,02 | | 12 695 301,02 | 8 290 617,44 |
| . STATE | 269 114 268,97 | | 269 114 268,97 | 239 890 384,44 |
| . ASSOCIATES ACCOUNTS | | | | |
| . OTHER RECEIVABLES | 133 004 907,62 | | 133 004 907,62 | 22 560 007,85 |
| . PREPAYMENT AND ACCRUED INCOME | 24 620 995,88 | | 24 620 995,88 | 28 922 513,51 |
| **CASH AND INVESTMENT SECURITIES (H)** | **7 048 081,12** | | **7 048 081,12** | **10 887 895,87** |
| **CURRENCY TRANSLATION - ASSETS (I)** | **768 256,71** | | **768 256,71** | **952 435,02** |
| (ELEMENTS CIRCULANTS) | | | | |
| **TOTAL II (F + G + H + I)** | **2 307 488 094,40** | **194 663,41** | **2 307 293 430,99** | **2 045 821 655,41** |
| **TRESORERIE - ACTIF** | | | | |
| . CHEQUES ET VALEURS A ENCAISSER | 43 682 878,40 | | 43 682 878,40 | 26 234 402,20 |
| . BANQUES, T.G E C.P | 754 238 325,65 | | 754 238 325,65 | 537 624 089,85 |
| . CAISSES, REGIES ET ACCREDITIFS | 7 284 772,87 | | 7 284 772,87 | 7 046 427,87 |
| **TOTAL III** | **805 205 976,92** | | **805 205 976,92** | **570 904 919,92** |
| **TOTAL GENERAL (I + II + III)** | **7 504 359 983,63** | **781 580 505,18** | **6 722 779 478,45** | **6 034 138 306,06** |

| INCOME STATEMENT (Excluding Tax) | | | | |
|---|---|---|---|---|
| | OPERATIONS | | TOTAL YEAR (1+2) | PREVIOUS YEAR |
| | YEAR (1) | YEAR.PREV (2) | | |
| **OPERATING REVENUES** | | | | |
| . SALES OF GOODS (AS IT IS) | 3 755 437 686,45 | | 3 755 437 686,45 | 3 326 979 242,10 |
| . SALES OF GOODS AND SERVICES PRODUCED | 513 910 286,95 | | 513 910 286,95 | 443 565 469,58 |
| **CONSOLIDATED TURNOVER** | **4 269 347 973,40** | | **4 269 347 973,40** | **3 770 544 711,68** |
| . CHANGE IN INVENTORY (+ -) | | | | |
| . TANGIBLE ASSETS PRODUCED BY THE GROUP | | | | |
| . OPERATING SUBSIDY | | | | |
| . OTHER OPERATING REVENUES | | | | |
| . REVERSALS; TRANSFER OF EXPENSES | 87 538 800,61 | | 87 538 800,61 | 76 940 299,88 |
| **TOTAL I** | **4 356 886 774,01** | | **4 356 886 774,01** | **3 847 485 011,56** |
| OPERATING EXPENSES | | | | |
| . PURCHASED SERVICE RESOLD | 3 213 559 041,24 | | 3 213 559 041,24 | 2 854 141 463,30 |
| . CONSUMED PURCHASES OF MATERIALS AND SUPPLIES | 108 092 016,54 | | 108 092 016,54 | 104 126 730,91 |
| . OTHER EXTERNAL EXPENSES | 249 272 141,08 | 77 555,28 | 249 349 696,36 | 222 369 313,25 |
| . TAXES | 24 356 649,24 | | 24 356 649,24 | 21 650 569,43 |
| . STAFF EXPENSES | 255 539 321,26 | | 255 539 321,26 | 234 006 721,34 |
| . OTHER OPERATING EXPENSES | | | | |
| . OPERATING ALLOCATIONS | 178 543 367,17 | | 178 543 367,17 | 143 128 569,27 |
| **TOTAL II** | **4 029 362 536,53** | **77 555,28** | **4 029 440 091,81** | **3 579 423 367,50** |
| **OPERATING INCOME (I-II) III** | **327 524 237,48** | **-77 555,28** | **327 446 682,20** | **268 061 644,06** |
| **FINANCIAL INCOME** | | | | |
| . INCOME FROM EQUITY SECURITIES AND FIXED SECURITIES | 67 166 221,00 | | 67 166 221,00 | 65 430 446,50 |
| . EXCHANGE GAINS | 2 326 386,97 | | 2 326 386,97 | 1 409 914,72 |
| . INTEREST AND OTHER FINANCIAL REVENUE | 37 999 887,93 | | 37 999 887,93 | 38 486 455,89 |
| . FINANCIAL REVERSALS; TRANSFER OF EXPENSES | 11 936 593,76 | | 11 936 593,76 | 9 845 468,70 |
| **TOTAL IV** | **119 429 089,66** | | **119 429 089,66** | **115 172 285,81** |
| FINANCIAL EXPENSES | | | | |
| . INTEREST CHARGES | 159 998 821,92 | | 159 998 821,92 | 149 517 763,52 |
| . EXCHANGE LOSSES | 3 152 556,25 | | 3 152 556,25 | 3 509 933,07 |
| . OTHER FINANCIAL EXPENSES | 4 365 856,07 | | 4 365 856,07 | 1 441 006,92 |
| . FINANCIAL ALLOCATIONS | 768 256,71 | | 768 256,71 | 938 783,88 |
| **TOTAL V** | **168 285 490,95** | | **168 285 490,95** | **155 407 487,39** |
| **FINANCIAL INCOME (IV-V) VI** | **-48 856 401,29** | | **-48 856 401,29** | **-40 235 201,58** |
| **RECURRING OPERATING INCOME (III+VI) VII** | **278 667 836,19** | | **278 590 280,91** | **227 826 442,48** |
| **NON RECURRING REVENUES** | | | | |
| . PROCEEDS OF SALES OF FIXED ASSETS | 91 692 579,10 | | 91 692 579,10 | 5 129 020,67 |
| . OPERATING SUBSIDY | | | | |
| . REVERSALS ON INVESTMENT SUBSIDY | | | | |
| . OTHER NON-RECURRING REVENUES | 698 470,17 | 998 639,43 | 1 697 109,60 | 4 104 443,88 |
| . OTHER NON-RECURRING REVERSALS;TRANSFER OF EXPENSES | 144 040,96 | | 144 040,96 | |
| **TOTAL VIII** | **92 535 090,23** | **998 639,43** | **93 533 729,66** | **9 233 464,55** |
| **NON RECURRING EXPENSES** | | | | |
| . NET VALUE OF SOLD FIXED ASSET PREPAYMENT | 55 625 981,25 | | 55 625 981,25 | 6 531 794,77 |
| . SUBSIDY GRANTED | | | | |
| . OTHER NON-RECURRING EXPENSES | 17 069 677,17 | 60,00 | 17 069 737,17 | 1 461 170,95 |
| . NON-CURRENT ALLOCATIONS TO REPAYMENT AND PROVISIONS | 5 831 139,69 | | 5 831 139,69 | 1 000 558,60 |
| **TOTAL IX** | **78 526 798,11** | **60,00** | **78 526 858,11** | **8 993 524,32** |
| **NON-RECURRING INCOME (VIII-IX)** | | | **15 006 871,55** | **239 940,23** |
| **INCOME BEFORE TAXES (VII+X)** | | | **293 597 152,46** | **228 066 382,71** |
| **INCOME TAXES (XII)** | | | **74 717 513,00** | **51 477 249,00** |
| **NET INCOME (XI-XII)** | | | **218 879 639,46** | **176 589 133,71** |
| **TOTAL REVENUES (I+IV+VIII)** | | | **4 569 849 593,33** | **3 971 890 761,92** |
| **TOTAL EXPENSES (II+V+IX+XII)** | | | **4 350 969 953,87** | **3 795 301 628,21** |
| **NET INCOME (TOTAL REVENUES - TOTAL EXPENSES)** | | | **218 879 639,46** | **176 589 133,71** |

| BALANCE SHEET - LIABILITIES (Normal Model) | | |
|---|---|---|
| | EXERCICE | PREVIOUS YEAR |
| **STOCKHOLDERS EQUITY (A)** | | |
| . SOCIAL OR PERSONAL CAPITAL (1) | 283 896 200,00 | 283 896 200,00 |
| . LESS: SHAREHOLDERS.UNCALLED SUBSCRIBED CAPITAL | | |
| . CALLED CAPITAL OF WHICH WAS TRANSFERRED… | | |
| . ISSUE.MERGER AND TRANSFER PREMIUMS | 1 150 523 764,19 | 1 150 523 764,19 |
| . GOODWILL | | |
| . LEGAL RESERVE | 28 389 620,00 | 25 452 770,00 |
| . OTHER RESERVE (CONSOLIDATED RESERVES) | | |
| . RETAINED EARNINGS (2) | 51 865 534,55 | 28 213 250,84 |
| . NET INCOME PENDING ALLOCATION (2) | | |
| . CONSOLIDATED NET INCOME | 218 879 639,46 | 176 589 133,71 |
| **TOTAL STOCKHOLDERS EQUITY (A)** | **1 733 554 758,20** | **1 664 675 118,74** |
| **FINANCING LIABILITIES (B)** | | |
| . BOND ISSUES | | |
| . OTHER FINANCING LIABILITIES | | |
| **FINANCING LIABILITIES (C)** | **2 169 529 147,05** | **1 941 119 665,79** |
| . PROVISIONS OF LIABILITIES | 1 500 000 000,00 | 1 500 000 000,00 |
| . PROVISIONS OF CHARGES | 669 529 147,05 | 441 119 665,79 |
| **CURRENCY TRANSLATION - LIABILITIES (D)** | 3 687 657,33 | 1 000 558,60 |
| . INCREASE IN FIXED RECEIVABLES | 3 687 657,33 | 1 000 558,60 |
| . DECREASE OF FINANCING LIABILITIES | | |
| **ECARTS DE CONVERSION - PASSIF (E)** | | |
| . AUGMENTATION DES CREANCES IMMOBILISES | | |
| . DIMINUTION DES DETTES DE FINANCEMENT | | |
| **TOTAL I (A + B + C + D + E)** | **3 906 771 562,58** | **3 606 795 343,13** |
| **CURRENT LIABILITIES DEBTS (E)** | **2 491 968 627,11** | **2 306 076 665,78** |
| . TRADE RECEIVABLES AND RELATED ACCOUNTS | 1 589 792 508,60 | 1 450 608 139,37 |
| . CUSTOMER PAYABLES,ADVANCES AND DOWN-PAYMENTS | 1 918 207,45 | 1 624 124,11 |
| . STAFF | 998 841,08 | 797 340,43 |
| . SOCIAL BODIES | 9 958 975,57 | 11 232 695,94 |
| . STATE | 178 176 805,69 | 180 619 308,69 |
| . ASSOCIATES ACCOUNTS | 161 819,65 | 131 956,73 |
| . OTHER ASSETS | 695 097 822,10 | 645 415 533,70 |
| . ACCRUALS AND DEFERRED INCOME | 15 863 646,97 | 15 647 566,81 |
| **OTHER PROVISIONS FOR LIABILITIES AND CHARGES (F)** | **3 768 256,71** | **952 435,02** |
| **CURRENCY TRANSLATION - LIABILITIES (G)** | **271 032,05** | **313 862,13** |
| **TOTAL II = (E + F + G)** | **2 496 007 915,87** | **2 307 342 962,93** |
| **LIABILITIES CASH FLOW** | | |
| . DISCOUNT CREDIT | | |
| . CASH LOANS | 320 000 000,00 | 120 000 000,00 |
| . BANKS (CREDIT BALANCES) | | |
| **TOTAL III** | **320 000 000,00** | **120 000 000,00** |
| **OVERALL TOTAL I+II+III** | **6 722 779 478,45** | **6 034 138 306,06** |

Crowe

WORLD CONSEIL & AUDIT
Audit & Commissariat aux comptes , Conseil Juridique & Fiscal
Assistance & Supervision Comptable , Organisation & Formation

**Label'Vie S.A.**

**STATUTORY AUDITOR'S REPORT ON THE INTERIM FINANCIAL STATEMENTS**
**PERIOD FROM JANUARY 1ST TO DECEMBER 31ST, 2018**

As statutory auditors of Label'Vie SA, we have conducted a limited review of the company accounts for the period from January 1st to December 31st, 2018 - as appended to this report- which includes the balance sheet and the statement of income. These interim financial statements, which shows a total equity of 1 733 554 758,20 MAD including a net profit of 218 879 639,46 MAD, are the responsibility of the company's management. Our responsibility is to express a conclusion on these financial statements based on the basis of our limited review.

We have conducted our limited review in accordance with the professional standards applicable in Morocco. A limited review consists mainly in making inquiries of members of management responsible for accounting and financial matters and applying analytical procedures. It is less in scope than an audit conducted in accordance with generally accepted audit standards in Morocco. Accordingly, a limited review provides a moderate assurance that the interim financial statements as a whole are free of material misstatement and a lesser assurance than would result from an audit.

Based on our limited review, we have identified no material irregularities that would indicate that the enclosed interim financial statements are inconsistent with the generally accepted accounting principles in Morocco.

Rabat, March 20, 2019

*Free translation from the original French version*

The Statutory Auditors

| Horwath Maroc Audit | World Conseil & Audit |
|---|---|
| Adib BENBRAHIM | Omar SEKKAT |