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ANNUAL REPORT 2019





ANNUAL REPORT 2019









A word from

90 years in support of

shared development

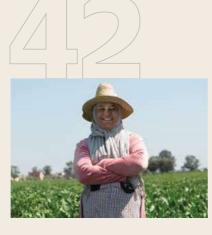
the Chief

Executive

Officer

A business which has almost reached its centenary

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Proposed transformation of the Group, Leader@25



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90 years in support of shared development

With encouraging agricultural, industrial and financial performance, the results for the 2019 financial year reflect the efforts and investment pledged over a number of years to develop a Moroccan sugar industry which is competitive, resilient and sustainable. Local sugar crops production now accounts for 49% of national coverage with an average yield of 10.9 tonnes of sugar per hectare. The Group's total national production capacity has grown to over 2 million tonnes of white sugar per annum, meaning that we can comfortably supply the national market whilst also pursuing our export objectives by seizing international market opportunities, outside the subsidy system.

Export performance has improved, reaching a volume of 518KT by 2019, which reflects the growing demand for our sugar, recognised for its quality. With consolidated turnover of 8.2 billion dirhams, an increase of 7.1% compared with 2018, all of the financial indicators have increased, thanks to the Group's efforts.

But 2019 was also a year of celebration and recognition. It was an opportunity to celebrate COSUMAR's 90-year commitment to serving the people of Morocco and to show our recognition to our

loyal partners who have worked alongside us since 1929 and contribute to the success of our mission, which is to supply the national market with quality sugar meeting the highest standards.

Our history is punctuated by events which have helped the business grow and have transformed and modernised it, helping us to fulfil this pledge.

Certain events were of particular importance in constructing the modern day image of COSUMAR: the beginnings of the sugar industry in 1929, its Moroccanisation in 1967, privatisation and stock market listing in 1985, acquisition of the public sugar plants in 2005, the involvement of the Singaporean Wilmar Group in 2013 as a strategic partner for international expansion, the first export operations in 2015, the international expansion projects, Durrah Sugar Refineries in Saudi Arabia and Comaguis (Compagnie Maroco-Guinéenne de Sucre) in Guinea Conakry in 2018, and, lastly, the ATTAISSIR digital transformation project for upstream agriculture in 2019. Our national presence has enabled us to forge an identity rooted firmly in corporate citizenship and proximity, driving forward socio-economic progress in the regions where we are based and being in tune with our partners, farmers, customers, suppliers and shareholders who are stakeholders in our success.

At a time when sustainable development is becoming a crucial issue, we have risen to the challenge, incorporating analysis of the impact of our business at all links in the value chain. This has swiftly led to us adopting a sustainable approach, managing our carbon footprint, embracing energy transition and promoting social progress, innovation and the sharing of values with our partners and with citizens.

« 90 years during which we have supported millions of Moroccans in their daily lives ».

Our ambition has driven us to implement solutions and pledge our commitment to shaping a sustainable and competitive Moroccan sugar industry, to ensure that our 80,000 agricultural partners who are still key to these endeavours are able to develop and modernise their farming methods, improve their revenue and preserve the land. A number of projects incorporating new technology and innovation also came to fruition in 2019.

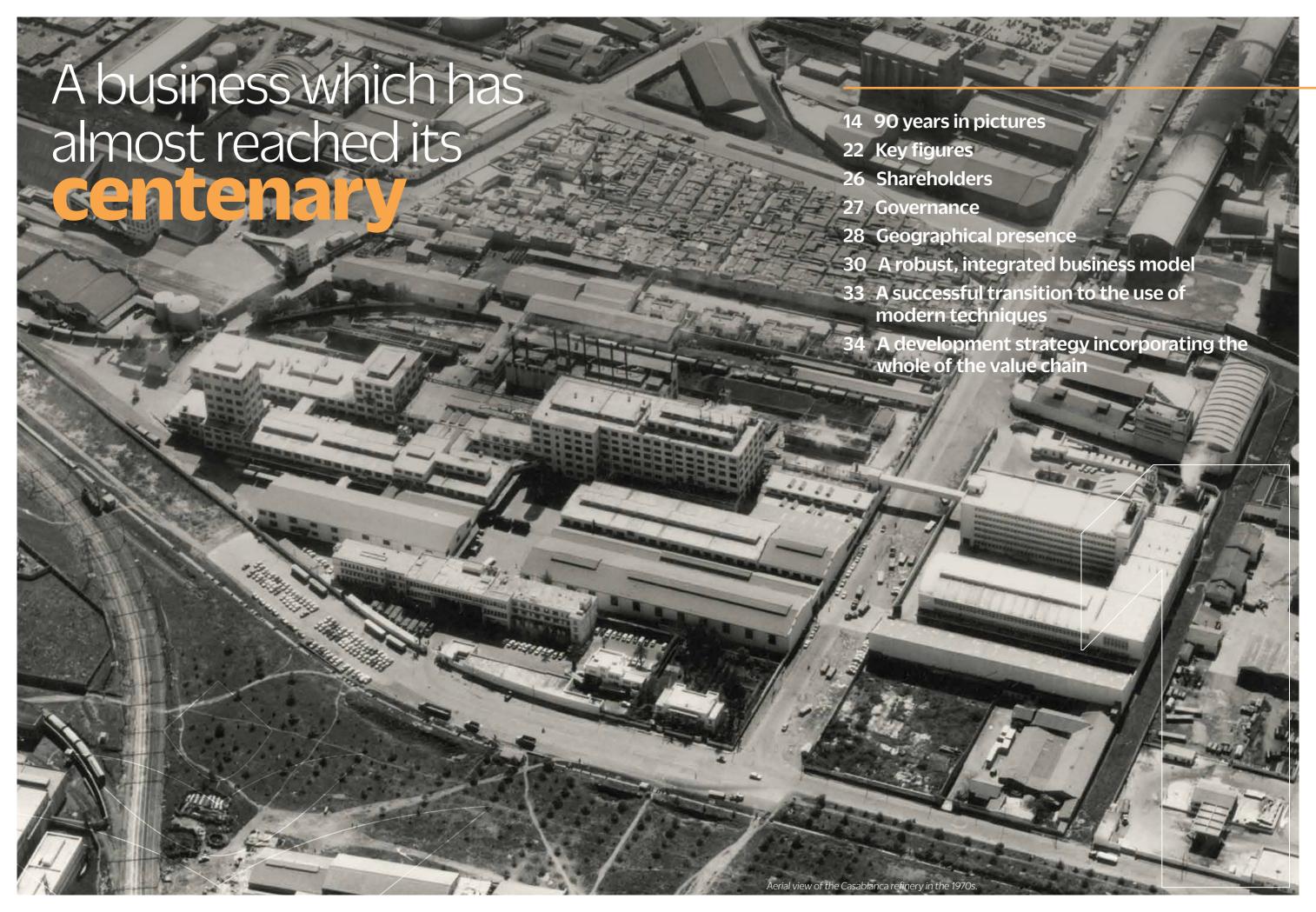
The wide range of events which took place in 2019 offered us an ideal opportunity to assure each and every one of our partners that we are ready to move forward towards the future together.

This report offers us an opportunity to share with you our successes and achievements as well as the work that we, the governing bodies of COSUMAR, our human capital and our partners, have put in over the past decade.

I thank them for their commitment and confidence, which encourage us to continue our efforts for greater excellence.

I hope you enjoy reading it.

MOHAMMED FIKRAT
Chief Executive Officer



A business which has almost reached its centenary

A long-term player in the agri-food industry, COSUMAR forms part of the agribusiness landscape in Morocco.

Since its creation in 1929, and over the years which have shaped its history, the company has constantly evolved, embracing modern techniques and becoming one of the most dynamic players in the Kingdom.

The COSUMAR Group, leading producer of white sugar in Morocco, is one of the few global sugar operators to cover all aspects of the sugar production process: from extraction from sugar crops to refining, including packaging and marketing the finished product.

COSUMAR deploys all its expertise to ensure that its stakeholders, consumers, customers and the 80,000 agricultural partners are satisfied.

A recognised aggregator in Morocco's sugar industry, COSUMAR is committed to providing the country with a regular supply of sugar and aims to ensure that Morocco's sugar industry is sustainable.

In addition to the development of a portfolio of export customers in over 40 countries around the world, COSUMAR has started to establish a presence outside the Kingdom, through the construction of a refinery in Yanbu, Saudi Arabia, and a project to set up a packaging unit in Guinea Conakry.

These investments underline the strategic ambition of the COSUMAR Group to become a regional agribusiness player who is competitive in its various business activities.



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COSUMA IS FOUNDED

COSUMA was created by Société Nouvelle des Raffineries de Sucre of SAINT LOUIS, de MARSEILLE out of the historical site of the Casablanca refinery in the Roches Noires district.

The ONA
Group acquires
control of the
share capital
of COSUMAR,
now listed on
the Casablanca
Stock Exchange.

THE COSUMAR GROUP IS FOUNDED

Acquisition of 4 public sugar plants; SUTA, SURAC, SUNABEL and SUCRAFOR.

SUCRUNION IS SET UP

Subsidiary specialising in high addedvalue products.



2005



1967

COSUMA BECOMES COSUMAR

The Moroccan State acquires 50% of the company's share capital.

COSUMAR STRENGTHENS ITS PRESENCE IN THE DOUKKALA REGION

1993

COSUMAR absorbs the sugar plants of Doukkala (Zemamra and Sidi Bennour), in which it already held a significant share.



START OF INVESTMENT

Launch of the project to extend sugar beet processing capacity to 15,000 tonnes of sugar beet per day at the Sidi Bennour sugar plant.

2009

MODEL AGGREGATOR

The FAO awards the COSUMAR Group the model aggegator medal.

COSUMAR - A PIONEER IN CSR

COSUMAR obtains the CGEM Corporate Responsibility label and is recognised as a CSR pioneer in Africa by the CSR Institute.

ACQUISITION OF SHARE CAPITAL BY MOROCCAN INSTITUTIONAL INVESTORS

SNI transfers control of COSUMAR and a consortium of institutional groups acquires a stake in the share capital (Axa Assurances, CNIA Saada, RMA Watanya, SCR, Wafa Assurance, MAMDA, MCMA, CDG, CMR, RCAR, Wafa Gestion, CFG).

INTERNATIONALISATION OF THE GROUP

COSUMAR announces its co-investment in the Durrah Sugar Refinery in Saudi Arabia.

HEADING TO AFRICA

COSUMAR invests in a sugar packaging unit in Guinea Conakry.





THE WILMAR GROUP ACQUIRES A STAKE IN THE COMPANY'S SHARE CAPITAL

SNI sells 27,5% of COSUMAR's share Capital to the singaporean WILLMAR.



NEW VISUAL IDENTITY





ENERGY EFFICIENCY

COSUMAR increases its investment in energy efficient facilities.



COSUMAR CELEBRATES ITS 90TH YEAR

New visual identity and new institutional communication platform.

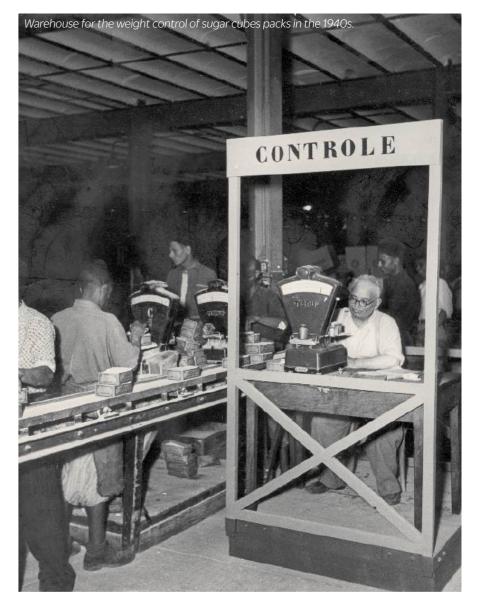


90 years in support of shared development















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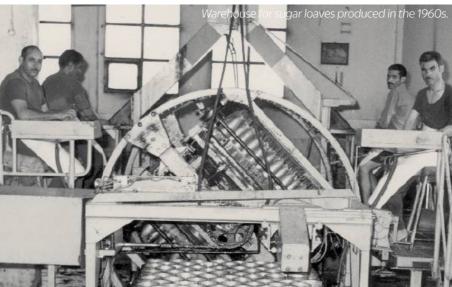




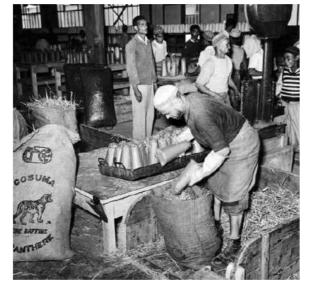
























Packaging warehouse for ingots in the 1980s

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An event celebrating an encounter with history

2019 was marked primarily by the Group's 90th anniversary celebrations, the highlight being the 90th anniversary conference attended by all staff and some of the partners in the ecosystem. Held at the historic site in Casablanca, the year's flagship event was a time for sharing across the generations, where former staff were invited to talk about their experience with the business. This conference offered a wonderful opportunity for the torch to be passed on, and for staff to talk to and share experiences with guests, who included the partners in the COSUMAR ecosystem.









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KEY FIGURES

AGRICULTURAL PERFORMANCE



industrial units including a refinery



staff



1,403 2,000

suppliers



countries of destination for exports



million tonnes of sugar beet processed



million tonnes of sugar cane processed



Global processing capacity for sugar crops

5



Global white sugar production capacity

2.05

million tonnes



Export volume





Over

518 thousand tonnes of

white sugar (under the temporary admission scheme, outside the subsidy system)

80,000 agricultural partners



Coverage rate for sugar produced from Moroccan sugar crops



Sugar yield of / tonnes per hectare

INDUSTRIAL PERFORMANCE



agricultural machines connected to the **COSUMAR** server

million tonnes



countries





regions across the kingdom



Total white sugar production

1,741 thousand tonnes



White sugar production from refinery

> 1,150 thousand tonnes



Production from local crops

tonnes

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FINANCIAL PERFORMANCE



Turnover

8,211 million dirhams



1,840million dirhams



Net Profit - Group Share

924
million dirhams

NON-FINANCIAL PERFORMANCE





water consumption

water consumption between 2005 and 2019



energy consumption between 2005 and 2019



408.5

thousand tonnes of pellet/pulp recycled as cattle feed in 2019



358

distribution and agricultural services businesses created in 10 years



-46%

carbon footprint in 12 years



166.8

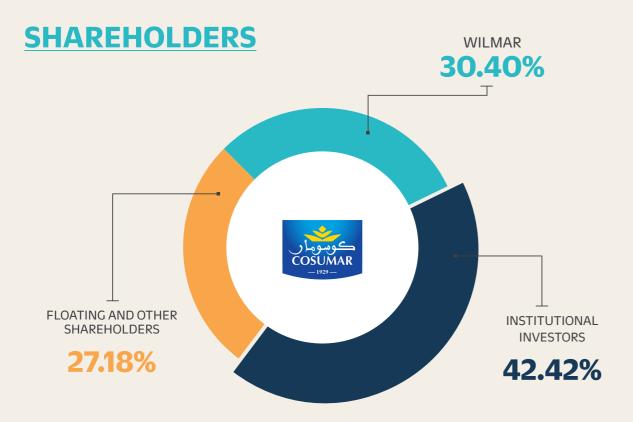
thousand tonnes of molasses recycled in 2019



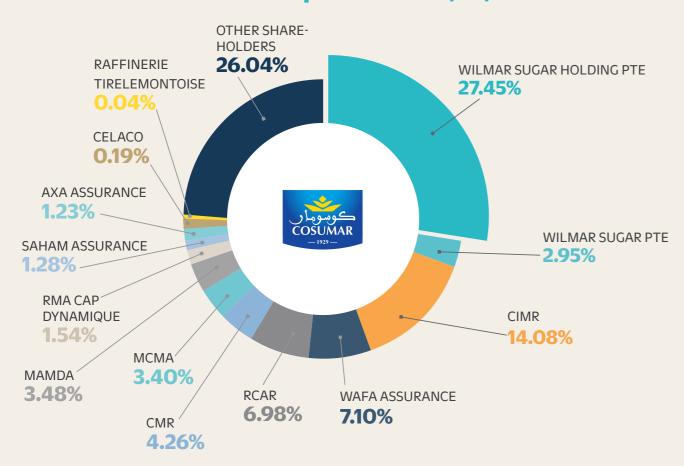
32.4

thousand tonnes of bagasse from sugar cane recycled as fuel in 2019

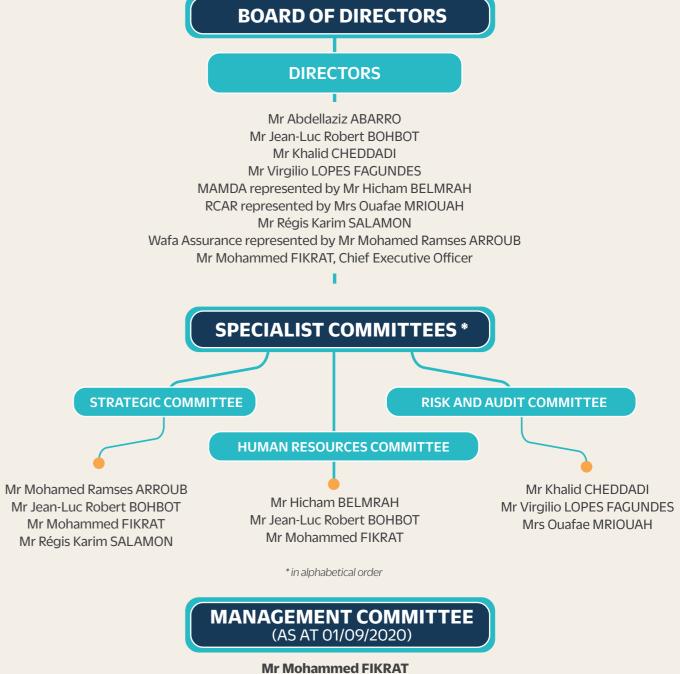
*in relation to sugar beet processing



Structure of the share capital as at 31/12/2019:



GOVERNANCE



Chief Executive Officer

M. Amine LOUALI

Deputy CEO

Mr Hassan MOUNIR

Deputy CEO, responsible for the Group's sugar refineries

Mr Abdelhamid CHAFAI EL ALAOUI

Deputy Managing Director, adviser to the CEO

Mrs Samira ABARAGH

Director of Communication, CSR, Patronage and Sponsorship

Mr Moulay Ali ALAOUI

Commercial Director

Mr Tarik BOUATTIOUI

Director responsible for Finances and Management Control

Mr Nizar EL ALAMI

Development and Marketing Director and Interim Director of Sucrunion

Mr Ahmed ECHATOUI

Director of Human Resources, Institutional Relations and Information

Mr Imad GHAMMAD

Supply Chain, Purchasing and Trading Director

Mr Abdelmoutalib EL ABBADI

Director of Research and Engineering

Mr Jaafar EL AMRANI

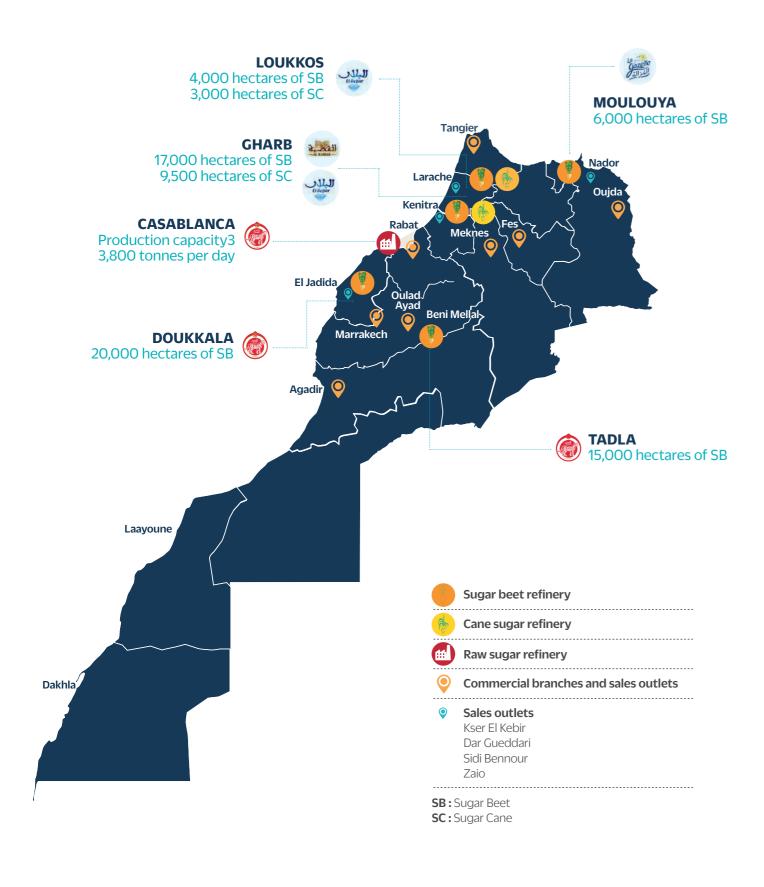
Director of Risk Management, Audit, Internal Control and Risk Analysis for Strategic Projects

Mr Abdeslam HALOUANI

Director, adviser to the CEO

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GEOGRAPHICAL PRESENCE





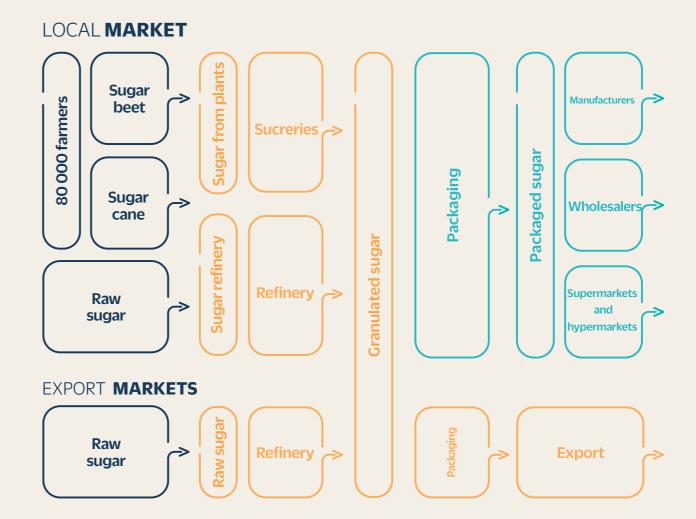
A robust, integrated

business model

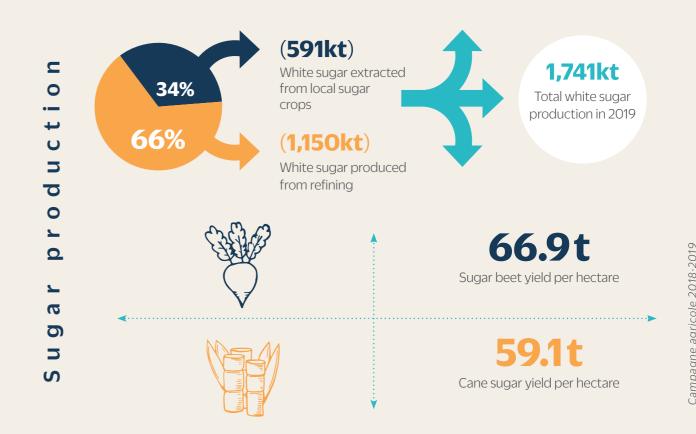
The growth dynamic, which COSUMAR embarked on in the early 1990s with the absorption of the Doukkala sugar refineries followed by the acquisition of the public sugar plants SUTA, SURAC, SUNABEL and SUCRAFOR in 2005, marked a strategic turning point in the life of the business.

By incorporating activities relating to the processing of sugar crops, COSUMAR adopted a robust, resilient business model covering all links in the production chain and ensuring regular, reliable supply to the national sugar market.

COSUMAR is one of the few global operators who are involved in the processing of sugar crops, refining and packaging.



Depending how successful the growing season is, to ensure that it can fulfil the requirements of the national market, COSUMAR imports raw sugar which is subsequently refined before being marketed.



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A successful transition to the use of modern techniques

Established in 1929, COSUMAR is a pioneering company in industrial sugar production in Morocco. Becoming a Group in 2005, COSUMAR has expanded over the decades, moving from daily production of 100 tonnes per day to an annual production capacity which now totals 2 million tonnes and covers all national requirements. The Group has also expanded internationally, seizing growth opportunities and exporting refined sugar to over 40 countries under the temporary admission regime, outside the national subsidy system.

Its responsibility for supplying the national market has led to the Group making significant investment with a view to upgrading Morocco's sugar industry, implementing changes at all levels: upstream agriculture, industrial facilities, specific technology and environmental impact, to develop the competitiveness and sustainability of the national sugar industry through the promotion of sugar cane and sugar beet crops.

The steps taken have enabled the Group to improve its agricultural, industrial, financial and environmental performance significantly and to generate a positive impact on its entire ecosystem. The living standards of agricultural workers have improved and their income has increased by 10% on average over the past 10 years.

A development strategy incorporating the whole of the value chain

Driven by the wish to strengthen its position as leading operator in its local market, with an international outlook, in its ongoing quest for operational excellence, COSUMAR is pursuing a development strategy based on 3 pillars which are the development of the national sugar industry, optimisation of production facilities and expansion of its international presence.





Optimising industrial facilities

The second pillar of COSUMAR's strategy involves capitalising on the production and storage capacity of the Casablanca refinery so that it can meet the requirements of the national market and seize export opportunities.



Export capacity at the Casablanca refinery

Enhancing

refining

capacity

International expansion

International expansion and diversification

The third pillar of COSUMAR's strategy involves strengthening the Group's position in the Middle East and Africa through external growth, by identifying new refining capacity and diversifying its products, through the development of products connected with sugar.



Increase refining capacity

Diversify

Export destinations

Cumulative volumes between 2015 and 2019 of 1,813 kt

The investment made by the COSUMAR Group at all links in the production chain have given it surplus production capacity since 2013 which substantially exceeds the requirements of the national market.

By capitalising on the expertise of Wilmar, its new shareholder, COSUMAR has seized this opportunity to launch its export business, under the temporary admission regime, outside the national subsidy system. COSUMAR exported almost 518,000 tonnes of sugar to around 40 countries in 2019, compared with only 195,000 tonnes in 2015.



Volumes exported

(Kt: 2014-2019)
518
420
376
191
6
2014 2015 2016 2017 2018 2019

Beyond the acceleration of its export business which has grown significantly since 2014, the COSUMAR Group's strategy for expansion on the international market also relies on it establishing a base in new regions. This strategy was reflected in the launch of 2 projects to establish bases in Saudi Arabia and Guinea Conakry.

Durrah Sugar Refinery, the new sugar refinery in Saudi Arabia, in which COSUMAR is a co-investor as to 43.28% in partnership with the Saudi Arabian Consolidated Brothers Company and Industrial Projects Development Company, has started operational testing, as anticipated, with a view to starting to market sugar in the coming months.

With a refining capacity of 850,000 tonnes of white sugar, the aim of the new industrial unit is to serve both the local market and the markets in the MENA

COSUMAR is also pursuing its vertical integration initiatives through the development of packaging

and marketing units. COMAGUIS, COSUMAR's subsidiary in Guinea Conakry in partnership with the Guinean company SOGECILE, is a specialist in the packaging of white sugar. It will enable COSUMAR to import sugar from the Casablanca refinery and to package and market it to meet local demand as well as demand for sugar from neighbouring countries whose imports pass through the port of Conakry.

Through these new strategic approaches, COSUMAR aims to generate synergy between these various entities and the Wilmar Group with a view to continuing its diversification initiatives, in the Moroccan, regional and international agri-food markets.







A partnership with the Guinean company SOGECILE

A promising market with potential for export to neighbouring countries



COSUMAR &
Consolidated
Brothers Company
and Industrial
Projects Development
Company

A regional market with high potential

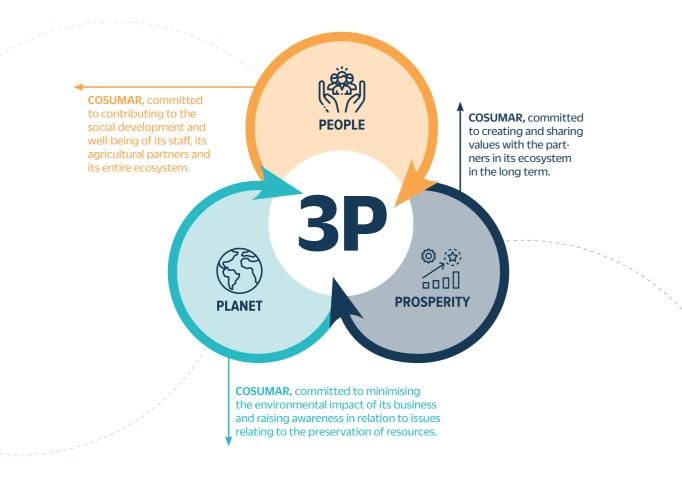




CSR, part of the Group's DNA

Firmly intent on positioning itself as leading regional Group in the agri-food sector, COSUMAR, adopting the approach of a socially responsible business, made it a priority early on to ensure that its stakeholders' expectations were being met. In a spirit of collaboration with its partners, COSUMAR drew up its new strategy, which is based on 3 areas of social, environmental and economic commitment: **People, Planet and Prosperity.**

THE 3PS AT THE CENTRE OF COSUMAR'S CSR STRATEGY





COSUMAR adopts an approach to social and environmental responsibility based on these 3 areas of commitment: People, Planet and Prosperity. The first area, "People", relates to the initiatives taken by COSUMAR in support of its staff, its agricultural partners and its entire ecosystem. The second area, "Planet", relates to action taken to limit the environmental impact of COSUMAR's activities. This also includes raising citizens' awareness in relation to issues concerning the environment and the preservation of resources. Lastly, the final area, "Prosperity", represents the economic impact of COSUMAR's actions across the whole of

its value chain, enabling it to create shared value. The COSUMAR Group's social responsibility policy has been recognised on several occasions with awards renowned both nationally and internationally, such as recognition by the FAO in 2009 of COSUMAR's model as aggregator in the sugar industry, the CGEM CSR LABEL, renewed for the second time in 2019, the Top Performer prize awarded by the Vigeo-Eiris rating agency in 2012, 2015 and 2018, which enabled COSUMAR to be included in the ESG 10 index of the Casablanca Stock Exchange and to become one of the 10 listed securities having obtained the top scores in the Vigeo-Eiris rating.

ecosystem built around the creation of economic and social impact

COSUMAR sees its role as one of responsibility, treating people as its prime concern, and has made it a priority to make commitments to its staff, customers and partners in the agricultural domain and to future generations by looking to improve living standards as well as the educational success of young people, particularly in rural settings.



COSUMAR,

A PLAYER COMMITTED to its staff

Human capital has always been considered an asset by COSUMAR, which takes daily steps to ensure that all its staff are provided with optimum working and safety conditions. An ongoing, constructive social dialogue with its social partners ensures that the Group operates in a positive social environment. Its human resources policy includes a commitment to support its staff in pursuing their careers and acquiring new skills, through training programmes provided by COSUMAR Academy.

In view of the nature of its business, COSUMAR places particular emphasis on staff health and safety. By adopting a safety strategy, COSUMAR has developed the Group's culture over time, placing the emphasis on the safety of all staff and subcontractors with a view to achieving the target of zero accidents. In addition to the training and awareness sessions scheduled on a regular basis, COSUMAR has set up "Safety Corners" at the entrance to each site, where anyone entering a COSUMAR site for the first time is made aware of the safety rules to be adopted.

In addition to the social benefits implemented by the Group for the benefit of its employees, every year COSUMAR grants scholarships to the top 5 school leavers amongst children of staff. As part of the Group's 90th anniversary celebrations, 6 staff selected in a draw received an OMRA.



A PLAYER COMMITTED to its farmers partners

Committed and supportive aggregator of the industry, COSUMAR deploys the necessary resources to improve the competitiveness of its sugar crops, increase farmers' revenue and guarantee the sustainability of their business, by providing technical, financial and social support.

COSUMAR is considered a front runner in terms of its responsible attitude towards its farmers partners. In addition to ensuring that its community receives regular income, COSUMAR has pioneered the implementation of a social welfare system for its farmers partners and their families. Set up in 2010 in the Moulouya region, this pilot scheme has gradually been extended to all 5 regions where the Group has a presence for the benefit of COSUMAR's sugar beet and sugar cane farmers partners.

These social initiatives are directly linked to the Group's aspiration to improve the living standards of its farmers partners.

In 2019, COSUMAR assessed the level of satisfaction of its upstream agricultural partners in the 5 sugar-producing regions of Doukkala, Gharb, Loukkos, Tadla and Moulouya. The results, which in most regions represented an improvement on the previous survey carried out in 2014, enabled COSUMAR to identify new areas where progress could be made and implement the necessary support mechanisms, with a view to continuing to perform its role as aggregator and consolidating the partnership between the Group and its agricultural ecosystem.

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A MODEL AGGREGATOR recognised by the FAO





Aggregator model 2009

As agricultural aggregator for the sugar industry, COSUMAR sets the standard for Morocco. Having entered into 5-year aggregation contracts with producers, COSUMAR offers support with financial, technical and social matters.

In addition to the 3 billions dirhams injected each year in rural regions, COSUMAR provides prefinancing for inputs and advances on the purchase of agricultural equipment, and commits to purchasing and transporting the entire production, whatever volume is achieved, at the guaranteed contractual price.

The Group offers the services of its 120 agricultural technicians to aggregate farmers to provide them with the necessary technical supervision and train them in new methods in use. At a social level, COSUMAR has implemented a number of initiatives, including sickness insurance for farmers and their families, a support fund to protect against unpredictable weather and actions to improve the education and literacy of farmers' families.

COSUMAR's aggregation model achieved the FAO medal in 2009.

Agricultural contracts within the framework of aggregation





COSUMAR,

A PLAYER **COMMITTED**

to the younger generations

As part of a strategy aiming for constant improvement in the living standards of its farmers partners, COSUMAR invests in the education of future generations, by contributing to improving the educational circumstances of its partners' children and helping them achieve success in their schooling.

COSUMAR has forged a number of partnerships with stakeholders specialising in the field of education and skills consolidation, for the benefit of young primary and secondary school children in regions where the Group has a presence. In partnership with the SANADY Foundation, COSUMAR has launched an educational support programme for pupils at the Lalla Kenza school, adjoining the Casablanca refinery. With the AL JISR association, COSUMAR sponsors primary schools, providing them with computer equipment and

support with educational and extra-curricular activities. This partnership also helps with restoration of the premises and offers rewards for the highest achieving pupils every year through the scholarship award.

With a view to encouraging excellence in education, every year COSUMAR offers 5 awards for each region where it has a base to school leavers who are the children of farmers partners and have obtained top marks in the Baccalaureate, to encourage them to go on to higher education.

In partnership with ZAKOURA Foundation, COSUMAR takes part in preschool and literacy support programmes aimed at families of farmers partners and the populations of the regions where it has a base.

COSUMAR,
A PLAYER COMMITTED

to creating value for the agricultural sector

COSUMAR pays close attention to the economic impact which can be generated in connection with the sugar business. In addition to the 80,000 agricultural partners who have entered into an aggregation contract with the business, COSUMAR supports certain satellite industries associated with upstream agriculture such as transport partners, who have benefited from a socio-economic inclusion scheme, with self-employed status, thus enabling the supply business to be structured and modernised.

358 businesses in rural areas have also been created, to provide agricultural services and distribution of inputs to aggregate farmers.





A BUSINESS WHICH HAS PLEDGED ITS COMMITMENT TO CSR



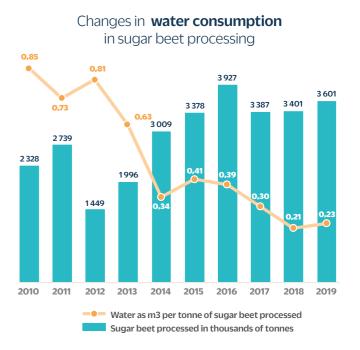
In sugar production, the use of water as a resource is essential, both in upstream agriculture and during postharvest processing in sugar plants, as well as during the raw sugar refining process.

To reduce water consumption at the upstream agriculture stage, COSUMAR has launched a number of initiatives including varietal selection of sugar crops which are tolerant to water stress, management and planning in relation to irrigation water alongside regional partners, undertaking trials with regard to water-saving irrigation techniques, assistance with setting up irrigation systems within the framework of aggregation, setting up irrigation management systems (weather stations, soil humidity) and,

lastly, help with financing drip systems. At an industrial level, the initiatives involve optimising the water circuits of all manufacturing processes (water recovery and recycling, reducing makeup water) used in beet and cane sugar plants and raw sugar refining, alongside industrial investment. In particular, these initiatives have allowed for the recovery of condensed water after cooling and the pressing of sludge with high levels

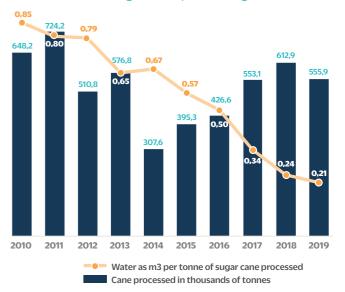
of dry material. These investments in technical facilities have therefore enabled a significant reduction in water consumption to be achieved in sugar beet processing, a reduction of 84% being recorded since 2005.

Additionally, the improvement of sugar beet irrigation processes has also resulted in a saving of water per hectare.



For the processing of sugar cane, there has been a 75% reduction in water consumption since 2010.

Changes in **water consumption** in sugar cane processing

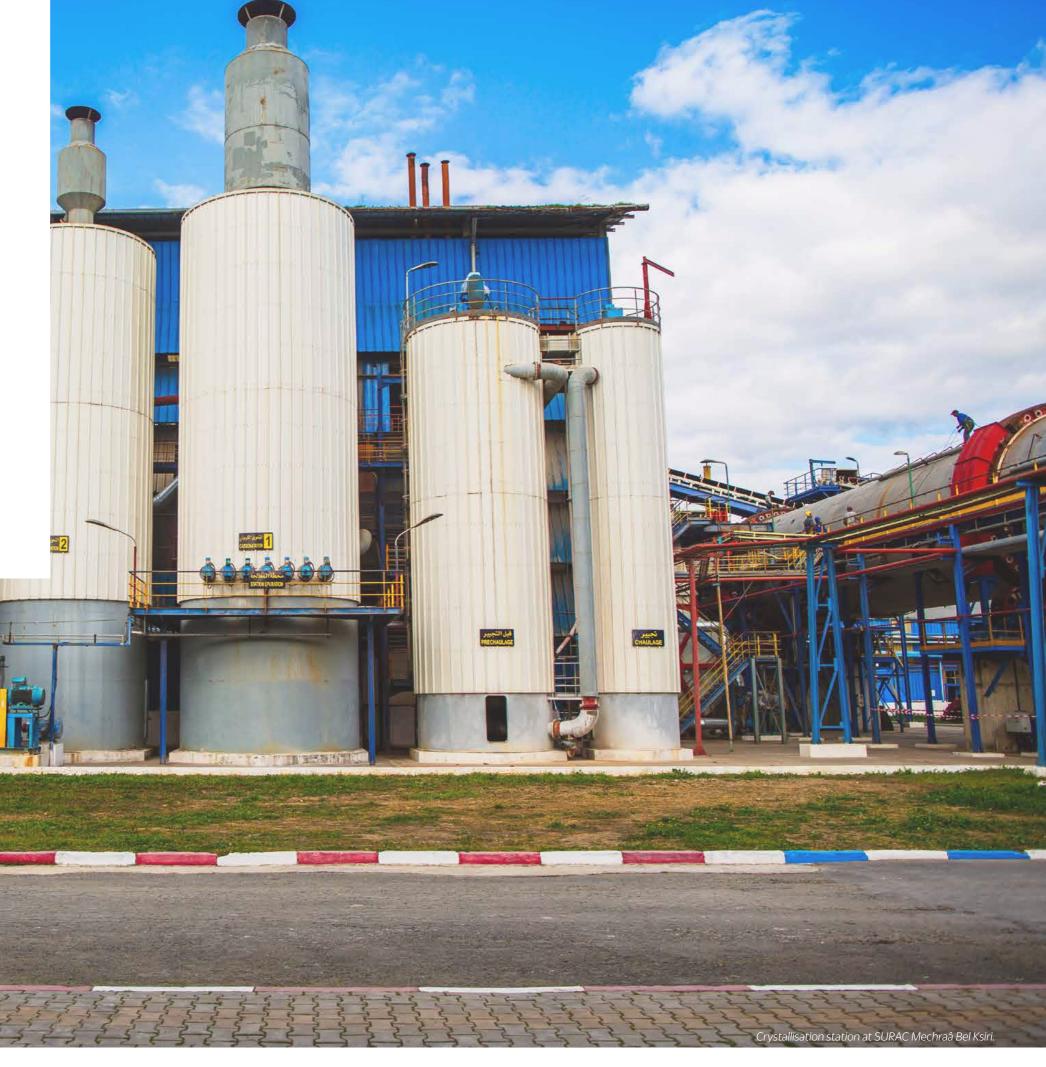


A BUSINESS WHICH HAS PLEDGED ITS COMMITMENT TO CSR

Falling energy consumption

The COSUMAR Group has chosen energy efficiency as one of the levers for growth and competitiveness. Accordingly, since 2005 the Group has pursued an energy strategy represented by investment made to reduce energy consumption at all its production sites. This investment has been made in facilities using specific technological processes which are more energy efficient.

Additionally, management of energy performance has been extended to all production lines. In addition to the use of conventional fuels, since 2012 COSUMAR has started to introduce alternative fuels, fitting the Zaio unit with a biomass-fired boiler using olive pomace.



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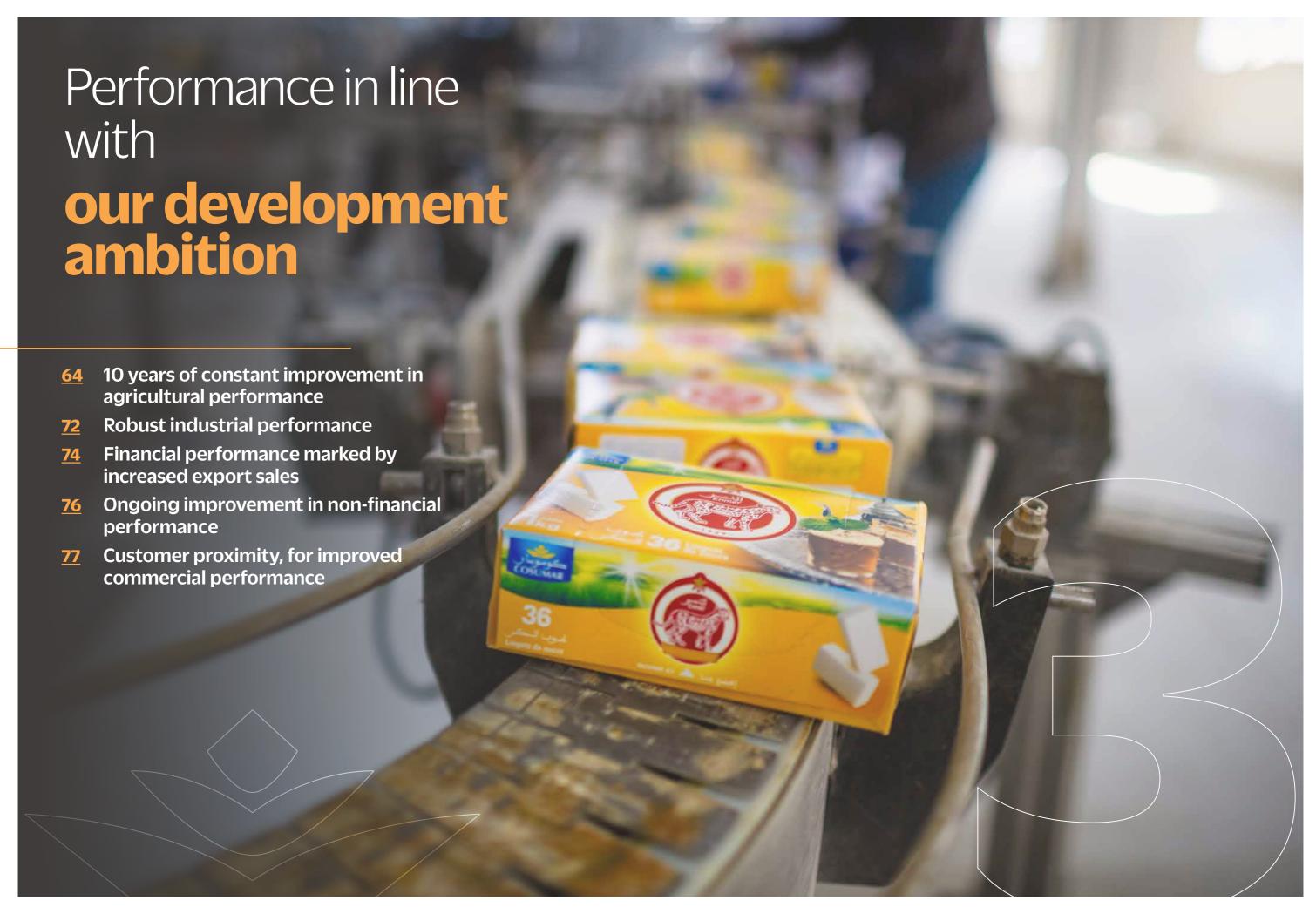


Protecting agricultural land and recycling by-products

Faced with the challenge of sustainable resource management, COSUMAR has introduced a range of measures to encourage its partners to preserve the land and recycle by-products. In the case of sugar beet residue, all forms of pulp are recycled as cattle feed. The molasses are used as substrate for the manufacturing of nutritional yeast.

Regarding the sugar cane residue, (bagasse), this is used as fuel at the sugar cane plants and as an alternative fuel at the SUNABEL sugar beet plant. The use of the bagasse therefore leads to lower energy bills. The beetroot leaves collected with the harvest are used as a soil conditioner and all forms of pulp are recycled as cattle feed.





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PERFORMANCE IN LINE WITH OUR DEVELOPMENT AMBITION

10 years of

constant improvement in agricultural performance

Through the promotion of sugar beet and sugar cane crops and improvement in agricultural practices and in yields from sugar plants, the sugar industry as a whole has benefited from the work done by the COSUMAR Group in its quest to ultimately achieve autonomy and meet the requirements of the national market.

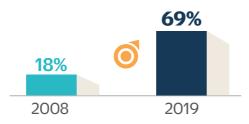
Supervision of farmers by COSUMAR's agricultural advisers, increased use of monogerm seeds, the introduction of activated varieties of sugar beet and certified high-performance sugar cane cuttings, improvements to pesticides and new fertiliser formulas.

Alongside the expansion of mechanisation, these are the principal factors which have led to improvements in performance of sugar plants and quality of the finished product over the past 10 years.

Mechanical sowing SB*

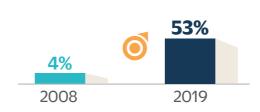


Mechanical processing SB

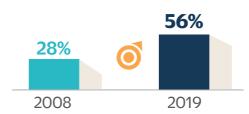


*Sugar beet

Mechanical harvesting SB



Mechanical harvesting SC*

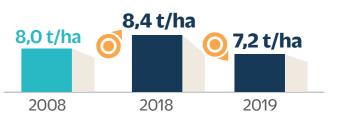


*Sugar cane

Sugar yield SB



Sugar yield SC



ss | Annual Report 2019 - Cosumar Annual Report 2019 - Cosumar | ss Successful agricultural performance in 2019, not with standing unfavourable climactic

The 2018-2019 growing season was characterised by early but erratic rain.

conditions

The average cumulative rainfall was in the region of 327mm, 64% of which was recorded between September and December 2018, which allowed the full sugar beet sowing programme to be completed. The lack of rain between December 2018 and April 2019 had a significant impact on the growing season and the water requirements of the sugar crops were topped up by irrigation.

The area sowed with sugar beet was 58,963 hectares, representing a completion rate of 113% of the forecast programme, compared with an area of 49,340 hectares for the previous growing season. For sugar cane, the area planted was 2,394 hectares.

With a view to encouraging the mechanisation of technical processes for sugar crops, COSUMAR and its partners implemented promotional initiatives for agricultural service providers and technical and financial support for farmers, alongside the introduction of effective agricultural equipment suited to sugar crops and the expansion of local production of agricultural machinery and spare parts.

Mechanical sowing for sugar beet reached 100%.

► The rate of mechanical processing was 69% in 2018-19 compared with 55% in 2014-15.

Mechanisation of hoeing stood at 60% in 2018-19 compared with 54% in 2014-15.

The rate of mechanical harvesting was 53% for sugar beet and 56% for sugar cane.

• For mechanical harvesting the rate in the Doukkala area was 73% in 2018-19 compared with 60% in 2015-16. In the Moulouya area, technical processes have been mechanised at a rate of

The total area harvested for the 2018-19 growing season was 58,144 hectares for sugar beet and 9,404 hectares for sugar cane compared with 49,340 hectares and 8,750 hectares respectively for the previous season.

Sugar beet yield of 66.9 tonnes per hectare was achieved, which is a decrease of 10% compared with the 2017-2018 season, essentially due to unfavourable climactic conditions and reduced irrigation.

Sugar cane yield of 59.1 tonnes per hectare was achieved, compared with 70 tonnes per hectare during the previous season, as a result of the short growing season and unfavourable climactic conditions.





R&D and innovation dedicated to the industry's performance

COSUMAR continually invests in Research & Development and innovation to improve crops performance and product quality.

SCIENTIFIC RESEARCH **PARTNERSHIPS**

In partnership with nationally and internationally recognised organisations, COSUMAR carries out annual trials on all agricultural aspects of sugar beet and sugar cane using demonstration platforms in all areas to improve the productivity of sugar plants and farmers' revenue.

In 2019, within the framework of a partnership between COSUMAR and the OCP Group, a pilot project using "Smart Blender" was undertaken as part of a precision agriculture strategy, which enabled over 50 fertiliser formulas to be produced tailored to each sugar beet plot for an area of 530 hectares, on the basis of soil analyses in the area of Tadla.

Developed with the help of the research unit of Université Polytechnique Mohammed VI of Benguerir, the Smart Blender technology increased sugar beet productivity and reduced fertilisation costs by 25% for this pilot project.

Following the very encouraging results of this experiment, this technology was introduced in all sugar growing areas for the 2019-2020 season. 11 Smart Blender machines were effectively made available in the areas to enable tailored fertiliser formulas to be produced for 3,175 hectares of sugar crops.

PERFORMANCE IN LINE WITH OUR DEVELOPMENT AMBITION



ATTAISSIR, PROACTIVE DIGITAL INNOVATION

2019 was marked by the successful deployment of the ATTAISSIR information system in all sugar growing areas.

This innovative program involves the digitisation of upstream processes with a view to accelerating agricultural performance and strengthening relationships and trust with partners in the agricultural sector. The program includes preparatory operations for the growing season, notably in relation to the distribution of inputs, and daily technical support and supervision. The ATTAISSIR platform guarantees complete transparency for all financial transactions, with significantly shorter payment periods. ATTAISSIR has also recorded an improvement in the agricultural indicators due to the use of machines connected by GPS. which allow for monitoring of agricultural operations on plots of sugar plant identified by geolocation. Rolled out in the regions of Gharb, Loukkos, Tadla, Doukkala and Moulouya, ATTAISSIR is managed via a global digital platform where farmers and farmers partners are interconnected through a system of dedicated magnetic cards. This system now





enables COSUMAR to receive reliable information in real time, so that it can manage its agricultural performance on the basis of indicators relating to content, yield and white sugar production.

The GPS connection of 1,850 agricultural machines to COSUMAR's server enables the sowing and harvesting operations to be monitored in real time. This system provides traceability from sowing through to delivery of the plant.

For agricultural service providers and product distributors, the ATTAISSIR solution offers the opportunity to provide farms with the seeds, pesticides and fertilisers which are most suited to their plots and crops, and allows for effective management of stocks of agricultural inputs and mechanical services. Lastly, agricultural advisers on the ground can monitor and supervise farmers through connected devices. They are alerted whenever the conditions for sowing or harvesting are not met.





For the farmer

- Access to information in real time and throughout the season
- Simplified, easier procedures relating to preparation for the growing season (purchases of inputs)
- Improved technical supervision and daily assistance.
- Complete transparency of all financial transactions and reduced payment periods.

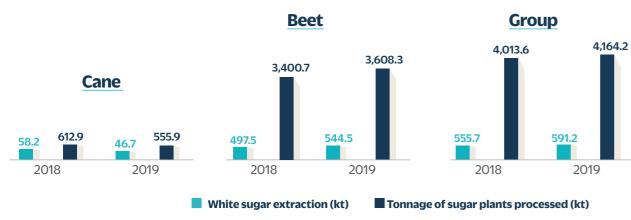


For COSUMAR

- Monitoring of the agricultural performance indicators: content, yield and white sugar production.
- Reliability of technical and financial operations
- ▶ Partner trust and satisfaction.

Robust industrial performance

Production of white sugar from local sugar plants (in thousands of tonnes)



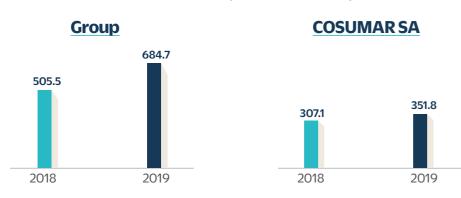
2019 saw strong industrial performance. Production of white sugar from local sugar plants totalled 591 kt, an increase of +6.4% compared with 2018.

REFINING (in thousands of tonnes)



Production of white sugar from refining totalled almost 1,150 kt, up +7.7%.

INVESTMENT(in millions of dirhams)







STATUTORY **ACCOUNTS**

In the statutory accounts, the Gross Operating Surplus of COSUMAR SA as at 31 December 2019 stood at 1,313 million dirhams. This fall of 1.4% compared with the 2018 year is explained primarily by the strong performance of the sugar industries which increased their share of the national market. The Gross Operating Surplus was also influenced by the increase in the energy bill. The net company profit totals 871 million dirham, an 8.7% uplift on the figure for the previous year.

Company turnover (MMAD)



Company gross operating surplus (MMAD)



Net company profit (MMAD)



CONSOLIDATED ACCOUNTS

During 2019, COSUMAR achieved strong agricultural performance, with white sugar production of 591 kt, which enabled the company to record turnover of 8,211 million dirhams, up by +7% compared with the previous year.

The growth in turnover was also aided by the growth in export sales volumes which rose to 518 kt compared with 376 kt at the end of 2018.

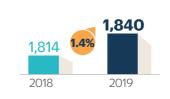
The IFRS Gross Consolidated Operating Surplus stood at 1,840 million dirhams at the end of 2019, an improvement of 1.4% compared with the same period last year. This change is explained by the increase in tonnage processed at sugar beet refineries combined with the improvement in the white sugar export business.

Net profit (Group share) at the end of 2019 stood at 924 million dirhams, an increase of 3.7% compared with the end of 2018.

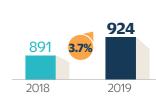
Consolidated turnover (MMAD)



Consolidated Gross Operating Surplus (MMAD)



Net profit (MMAD)



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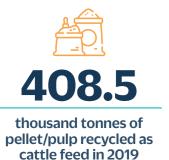
Ongoing improvement in non-financial performance





water consumption of -84% between 2005 and 2019



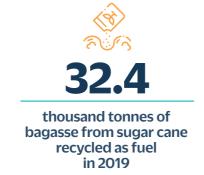




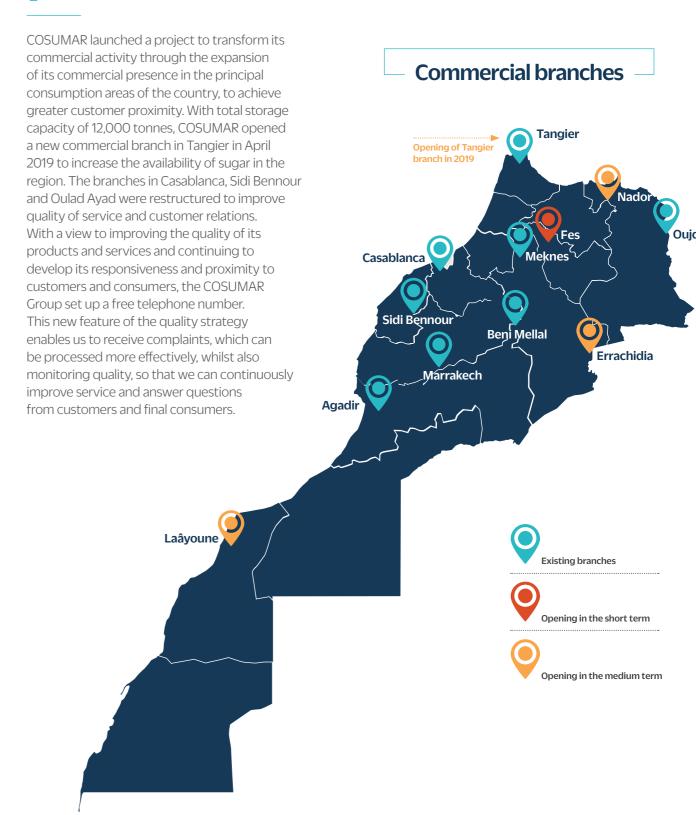
distribution and agricultural services businesses created in 10 years





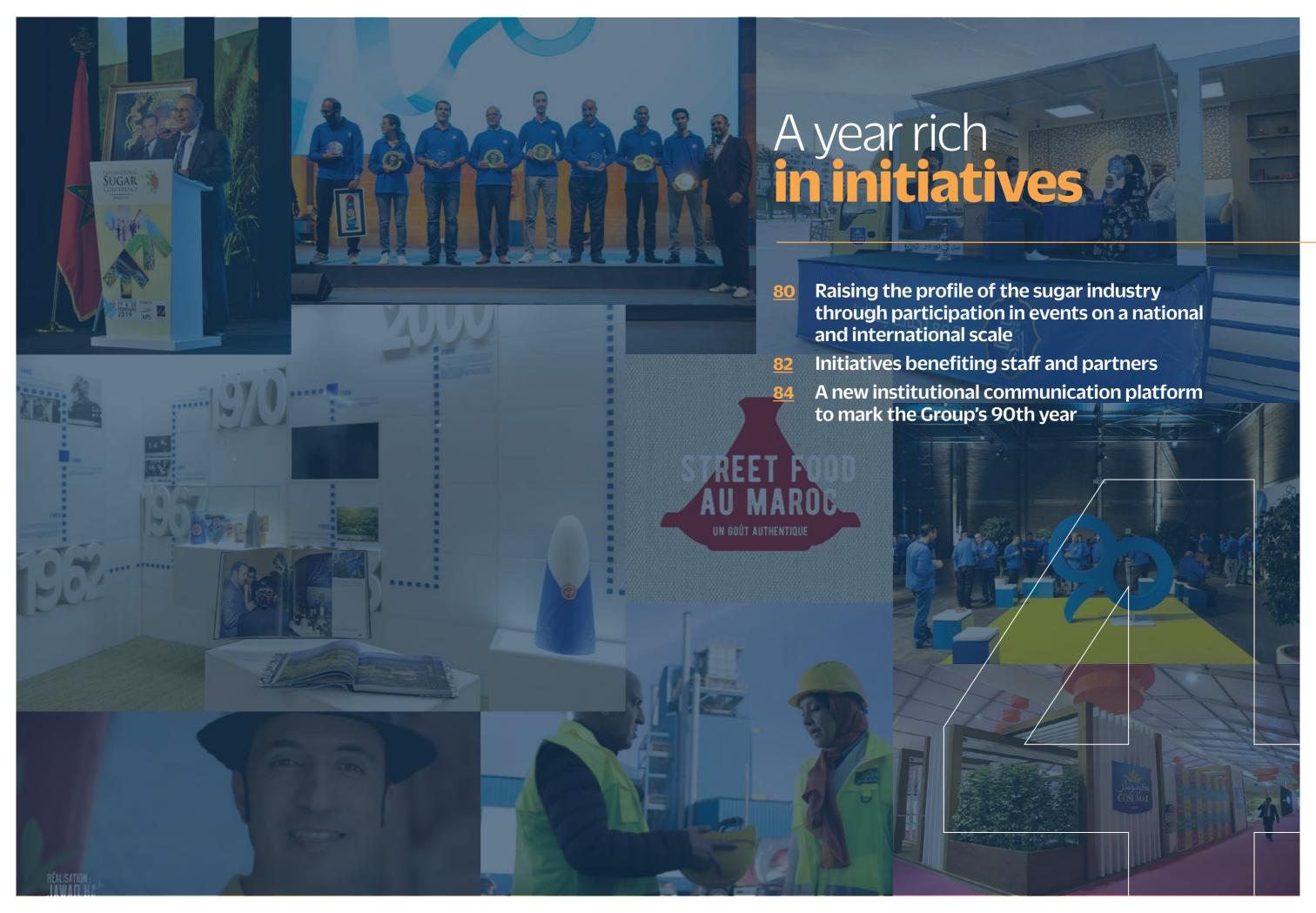


Customer proximity, for improved commercial performance



* au niveau du processus de traitement de la betterave à sucre

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Raising the profile of the sugar industry through participation in events on a national and

international scale



February 2019

COSUMAR took part in the 3rd International Sugar Conference Morocco, jointly organised by APS and the International Sugar Organization, with the theme: "The MENA region, an emerging power".

This event, which was attended by over 500 national and international participants, included sessions led by experts who gave an overview of the innovations and new technology introduced in the sugar sector.



Presentation by Mr FIKRAT, Chairman of APS, at the International Sugar Conference, Morocco 2019



International Agricultural Fair in Meknes – 2019

As usual, COSUMAR attended the 14th International Agricultural Fair in Meknes. A real showcase for COSUMAR, this year's event was a unique opportunity for the Group to share with the general public a preview of COSUMAR's new visual identity as well as its rich 90-year existence, through a display tracing the Group's history. This display, set up as a historical timeline, offered visitors the opportunity to take a trip through COSUMAR's history, reliving its high points and major achievements.

COSUMAR's stand at the 2019 International Agricultural Fair of Meknes

In terms of relations with its various partners, the agricultural fair was an opportunity for the Group to demonstrate its digitisation solution for upstream agriculture, **ATTAISSIR**, using communication tools which explained the mechanism's advantages and how it works.

At a conference at this year's fair focussing on the digitisation of the agricultural sector, chaired by the Minster for Agriculture, Fisheries, Rural Development, Water and Forests, COSUMAR presented both its ATTAISSIR digital solution and the "Smart Blender" experiment conducted in collaboration with the OCP Group.

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Initiatives benefiting staff and partners Awarding prizes to the winning entrants in the staff art competition celebrating COSUMAR's 90th anniversary

COSUMAR Academy: training to foster staff skills development

With a view to its staff's career development and acquisition of skills, COSUMAR Academy held a number of training courses for Group staff and foreign delegations.

Over 30 new recruits undertook a 2-month training programme at the academy before starting their jobs.

Delegations from Saudi Arabia and Senegal also took part in training at the academy, in collaboration with the industrial team.



COSUMAR seeks artistic talent among its staff

The Group could not celebrate its 90th year without getting its staff involved.

To get all of its stakeholders to join in this year's celebrations, COSUMAR arranged a creative competition aimed at its staff and their families in which they were asked to create a 90th anniversary logo for the Group and to come up with a "collectors"" packaging design for its irresistible sugar loaves. The third category in this competition involved presenting a historical object which was emblematic of COSUMAR.



Health and safety, a priority for COSUMAR

Within the framework of its safety strategy, aiming to offer all staff and partners optimum safety conditions, COSUMAR brought forward the setting up of "Safety Corners", now deployed across all Group sites. Available at the entrance to each site, anyone entering the COSUMAR site for the first time is required to stop at the "Safety Corner". The "Safety Corner" contains visuals in the form of posters and video clips designed to raise awareness. After he or she has visited the Corner, each staff member or visitor is aware of the safety rules to be followed.

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A new institutional communication platform to mark the Group's 90th year

Sharing and progress, a new slogan which sums up COSUMAR's commitment over the past 90 years



البركة تجمعنا MO،O،K +OE3 ،IY Partageons le Progrès Sharing Progress

The year was marked by the deployment of the new communication strategy which was created as a result of COSUMAR's position, based on sharing and progress with all partners in the sugar ecosystem. The Group adopted a new visual identity with a logo bearing the year it was founded, and a new slogan: "Sharing progress", which reflects the approach taken by COSUMAR, the Group having supported several generations of Moroccan for over 90 years. The Arabic signature « Al Baraka Tajma3na البركة تجمعنا » underlines the Group's aspiration to share the values associated with its Moroccan roots and with prosperity embedded in its DNA.

The new communication campaign launched at the start of the year was delivered through a 360° media campaign aiming to reinforce the Group's sense of belonging among the general public.



COSUMAR'S 90TH ANNIVERSARY CONVENTION: AN INTERGENERATIONAL MEETING

A historic event, the convention organised on the Casablanca site brought together all of COSUMAR's past & present employees, as well as some stakeholder partners.

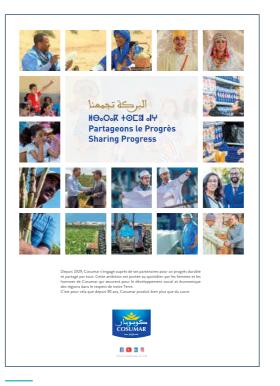
Organised over the course of one day, this meeting enabled all the guests to relive the history of the company through testimonials, to celebrate the successes achieved and to look to the future through the new goals to be pursued.

A video clip and new audio identity in collaboration with the Moroccan artist Issam Kamal

COSUMAR produced a song and recorded a video clip based on the values of sharing promoted by the Group, in partnership with the Moroccan artist Issam Kamal.

Broadcast on the radio, television and through social networks, this new anthem to authenticity pays homage to the women and men who drive the business forward on a daily basis, also referring to the Group's Moroccan roots.





A TV advert inspired by the COSUMAR Manifesto

A l'occasion du lancement de sa nouvelle plateforme de marque, COSUMAR a produit et diffusé un spot TV corporate à la télévision sur les chaînes nationales afin de partager avec le grand public ses engagements basés sur les valeurs de partage qui unissent l'entreprise aux Marocains depuis 90 ans. La nouvelle publicité, reprend la bande sonore de l'hymne de COSUMAR et s'attache à décrire le rôle de COSUMAR qui dépasse son statut de producteur de sucre.



"Zartna Al Baraka", a TV broadcast to achieve greater proximity with the general public

During the holy month of Ramadan, COSUMAR launched a televised broadcast with the presenter Hamza FILALI aiming to offer the people of Morocco times of happiness and sharing. The aim of "Zartna Al Baraka" during the month was to reunite families separated by distance, over ftour.



"Ahla Storie", a web series informing the general public about the sugar industry

As one of the initiatives launched by COSUMAR to celebrate the Group's 90th anniversary, the Group wanted to put the spotlight on the women and men who contribute on a daily basis to building up Morocco's sugar industry and making it sustainable.

To take the public behind the scenes of sugar manufacturing, COSUMAR produced an 8 episode web series, broadcast on social networks and presented by the duo Aziza Laayouni and Hasan El Fad. An unusual and novel concept, "**Ahal Storie**" enabled all partners in the sugar industry to be shown through a travel invitation.



"Street Food in Morocco, authentic flavours"

During the year, COSUMAR took part alongside Langages du Sud editions in the launch of "Street Food in Morocco, authentic flavours". This highly-regarded book invites the reader to travel to the heart of popular Moroccan cuisine by exploring the lands, regions and specialities which create the kingdom's rich culture and cuisine. In line with the Group's values, this work is a real invitation to share, join together and enjoy good food.

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Proposed transformation of the Group, Leader@25

« To become an ultimate agrifood leader who is diversified, committed and responsible »

A committed sugar operator, COSUMAR aims to become a sustainable, diversified and socially responsible regional agri-food leader.

To achieve its vision by 2025, COSUMAR launched the LEADER@25 Group project.

Representing the Group's vision, LEADER@25 encapsulates the Group's road map and shapes its initiatives on the basis of on a culture of innovation and entrepreneurship, conveyed by the attitudes and behaviour adopted by every staff member.

LEADER@25 is based on adapting and achieving objectives, managing teams so they can aspire to excellence, investing in innovative initiatives with high added value, giving staff responsibility for decision-making, protecting and respecting the planet and, lastly, continuing to set the standards and pledging our commitment alongside the women and men in the Group's ecosystem: agricultural partners, customers, transporters, suppliers, institutional stakeholders, staff, shareholders, residents, NGO's etc.



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STATUTORY ACCOUNTS

| | | | | rom 1/01/2019 | |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| | ASSETS | | FINANCIAL YEAR DEPRECIATION | | PREVIOUS |
| | | GROSS | AND PROVISIONS | NET | N |
| | Non-valued Fixed Assets [A] | 8 391 462.06 | 5 886 639.43 | 2 504 822.63 | 4 183 115. |
| | Preliminary charge | 2 099 914.30 | 1 259 948.58 | 839 965.72 | 1 259 948 |
| | Deferred charges | 6 291 547.76 | 4 626 690.85 | 1 664 856.91 | 2 923 166 |
| | Bond redemption premiums | | | | |
| | Intangible Assets [B] | 64 327 003.93 | 16 789 999.60 | 47 537 004.33 | 50 774 066 |
| | Fixed assets in research and development | | | | |
| | Patents. trademarks. rights and similar values | 33 607 149.75 | 14 013 566.60 | 19 593 583.15 | 22 830 645 |
| | Goodwill | 30 622 333.78 | 2 776 433.00 | 27 845 900.78 | 27 845 900 |
| | Other intangible fixed assets | 97 520.40 | | 97 520.40 | 97 520 |
| | Tangible Assets [C] | 5 974 780 657.72 | 3 904 540 755.48 | 2 070 239 902.24 | 2 077 258 950 |
| | Land | 616 986 277.89 | 457 217.20 | 616 529 060.69 | 555 303 345 |
| | Buildings | 724 928 958.26 | 424 857 154.79 | 300 071 803.47 | 327 776 502 |
| | Technical facilities. machinery and equipment | 4 151 245 989.50 | 3 221 074 427.76 | 930 171 561.74 | 1045 862 344 |
| | Transport equipment | 41 818 798.01 | 31 772 689.51 | 10 046 108.50 | 13 886 016 |
| | Office equipment. furniture and fittings | 270 452 521.19 | 226 379 266.22 | 44 073 254.97 | 40 507 34 |
| | Other tangible fixed assets | | | | |
| | Tangible assets in progress | 169 348 112.87 | | 169 348 112.87 | 93 923 40 |
| | Financial Assets [D] | 2 060 704 743.54 | 1250 090.99 | 2 059 454 652.55 | 1984 606 803 |
| | Fixed asset loans | 6 669 514.39 | 1250 090.99 | 5 419 423.40 | 4 792 093 |
| | Other financial claims | 1376 666.02 | 1230 070.77 | 1376 666.02 | 2 076 666 |
| | Equity securities | 2 052 658 563.13 | | 2 052 658 563.13 | 1 977 738 04 |
| | Other long-term securities | | | | |
| | Exchange differences - Assets (E) | | | | |
| | Decrease in long term receivables | | | | |
| | Increase of financial debt | | | | |
| | TOTAL I (A+B+C+D+E) | 8 108 203 867.25 | 3 928 467 485.50 | 4 179 736 381.75 | 4 116 822 935 |
| - | Stocks [F] | 1701 010 414.12 | 29 243 354.20 | 1671767 059.92 | 1 515 517 00 |
| | Goods In | 10 160 835.88 | | 10 160 835.88 | 44 626 83 |
| | Consumable materials and supplies | 802 880 878.39 | 29 243 354.20 | 773 637 524.19 | 679 767 853 |
| | Work in progress | 272 467 569.28 | 27243334.20 | 272 467 569.28 | 243 381 45 |
| | Intermediate & incidental goods | 18 583 253.29 | | 18 583 253.29 | 28 354 70 |
| | Finished products | 596 917 877.28 | | 596 917 877.28 | 519 386 14 |
| | Receivables in current assets (G) | 1700 353 694.31 | 25 112 145.00 | 1675 241 549.31 | 1820 074 206 |
| | Supplies, receivables, advances and deposits | | | | |
| | | 75 239 536.91 | 11 859 837.60 | 63 379 699.31 418 766 435.76 | 131 499 38 456 922 02 |
| | | | | 418 /nn 435 /n | 45h 977 UZ |
| | Trade and other receivables | 432 018 743.16 | 13 252 307.40 | | |
| | Staff | 3 618 772.05 | 15 252 507.40 | 3 618 772.05 | 18 851 76 |
| | Staff State | | 13 232 307.40 | | 18 851 76 982 291 625 |
| | Staff State Partner Accounts | 3 618 772.05 918 045 828.86 | 15 232 307.40 | 3 618 772.05 918 045 828.86 | 18 851 76 982 291 625 67 500 000 |
| | Staff State Partner Accounts Other receivables | 3 618 772.05 918 045 828.86 249 212 773.31 | 15 232 307.40 | 3 618 772.05 918 045 828.86 249 212 773.31 | 18 851 76 982 291 625 67 500 000 154 233 69 |
| | Staff State Partner Accounts Other receivables Asset adjustment accounts | 3 618 772.05 918 045 828.86 249 212 773.31 22 218 040.02 | 15 252 507.40 | 3 618 772.05 918 045 828.86 249 212 773.31 22 218 040.02 | 18 851 76 982 291 625 67 500 000 154 233 69 |
| | Staff State Partner Accounts Other receivables Asset adjustment accounts Investment Securities (H) | 3 618 772.05 918 045 828.86 249 212 773.31 22 218 040.02 496 915 782.93 | 15 232 307.40 | 3 618 772.05 918 045 828.86 249 212 773.31 22 218 040.02 496 915 782.93 | 18 851 76 982 291 625 67 500 000 154 233 69 8 775 705 |
| | Staff State Partner Accounts Other receivables Asset adjustment accounts Investment Securities (H) Exchange Differences - Assets (I) Current items | 3 618 772.05 918 045 828.86 249 212 773.31 22 218 040.02 496 915 782.93 1 974 609.10 | | 3 618 772.05 918 045 828.86 249 212 773.31 22 218 040.02 496 915 782.93 1 974 609.10 | 18 851 76' 982 291 625 67 500 000 154 233 69 8 775 705 |
| | Staff State Partner Accounts Other receivables Asset adjustment accounts Investment Securities (H) Exchange Differences - Assets (I) Current items TOTAL II (F+G+H+I) | 3 618 772.05 918 045 828.86 249 212 773.31 22 218 040.02 496 915 782.93 1 974 609.10 3 900 254 500.46 | 54 355 499.20 | 3 618 772.05 918 045 828.86 249 212 773.31 22 218 040.02 496 915 782.93 1 974 609.10 3 845 899 001.26 | 18 851 76 982 291 625 67 500 000 154 233 69 8 775 705 693 92 3 336 285 14 |
| | Staff State Partner Accounts Other receivables Asset adjustment accounts Investment Securities (H) Exchange Differences - Assets (I) Current items TOTAL II (F+G+H+I) CASH FLOW - ASSETS | 3 618 772.05 918 045 828.86 249 212 773.31 22 218 040.02 496 915 782.93 1 974 609.10 3 900 254 500.46 54 321 894.62 | | 3 618 772.05 918 045 828.86 249 212 773.31 22 218 040.02 496 915 782.93 1 974 609.10 3 845 899 001.26 54 321 894.62 | 18 851 76 982 291 625 67 500 000 154 233 69 8 775 705 693 92 3 336 285 14 407 218 21 |
| | Staff State Partner Accounts Other receivables Asset adjustment accounts Investment Securities (H) Exchange Differences - Assets (I) Current items TOTAL II (F+G+H+I) CASH FLOW - ASSETS Cheques and securities to be cashed | 3 618 772.05 918 045 828.86 249 212 773.31 22 218 040.02 496 915 782.93 1 974 609.10 3 900 254 500.46 54 321 894.62 32 330 942.05 | | 3 618 772.05 918 045 828.86 249 212 773.31 22 218 040.02 496 915 782.93 1 974 609.10 3 845 899 001.26 54 321 894.62 32 330 942.05 | 18 851 766 982 291 625 67 500 000 154 233 69 8 775 705 693 926 3 336 285 144 407 218 217 27 796 014 |
| | Staff State Partner Accounts Other receivables Asset adjustment accounts Investment Securities (H) Exchange Differences - Assets (I) Current items TOTAL II (F + G + H + I) CASH FLOW - ASSETS Cheques and securities to be cashed Banks. GT and PC | 3 618 772.05 918 045 828.86 249 212 773.31 22 218 040.02 496 915 782.93 1 974 609.10 3 900 254 500.46 54 321 894.62 | | 3 618 772.05 918 045 828.86 249 212 773.31 22 218 040.02 496 915 782.93 1 974 609.10 3 845 899 001.26 54 321 894.62 32 330 942.05 18 895 613.28 | 18 851 764 982 291 625 67 500 000 154 233 69 8 775 705 693 926 3 336 285 14 407 218 21 27 796 014 376 467 476 |
| | Staff State Partner Accounts Other receivables Asset adjustment accounts Investment Securities (H) Exchange Differences - Assets (I) Current items TOTAL II (F+G+H+I) CASH FLOW - ASSETS Cheques and securities to be cashed | 3 618 772.05 918 045 828.86 249 212 773.31 22 218 040.02 496 915 782.93 1 974 609.10 3 900 254 500.46 54 321 894.62 32 330 942.05 | | 3 618 772.05 918 045 828.86 249 212 773.31 22 218 040.02 496 915 782.93 1 974 609.10 3 845 899 001.26 54 321 894.62 32 330 942.05 | 18 851 766 982 291 625 67 500 000 154 233 69 8 775 705 693 926 3 336 285 14 407 218 217 27 796 014 376 467 476 2 954 726 |

| ABILITIES BALANCE SHEI | T F | Y from 1/01/201 | 9 to 31/12/201 |
|------------------------------------------------|--------------|------------------|----------------|
| LIABILITIES | | FINANCIAL YEAR | PRIOR |
| EQUITY CAPITAL | | 3 715 791 485.54 | 3 789 589 692. |
| Share capital (1) | | 944 871 430.00 | 944 871 430.0 |
| Minus: Shareholders, uncalled subscribed capit | | | |
| Called up capital | | 944 871 430.00 | 944 871 430. |
| of which paid in | | 944 871 430.00 | 944 871 430. |
| Issue, merger and contribution premiums | | 175 981 922.22 | 175 981 922 |
| Revaluation variance | | - | |
| Legal reserve | | 94 487 143.00 | 62 991 429. |
| Other reserves | | 1629 003 926.82 | 1804 465 355 |
| Retained earnings (2) | | 373 840.25 | 517 167 |
| Net income pending allocation (2) | | - | |
| Net income for the FY (2) | | 871 073 223.25 | 800 762 387 |
| Total shareholders' equity | (A) | 3 715 791 485.54 | 3 789 589 692 |
| Quasi-Equity | (B) | 466 198 306.69 | 481 115 175 |
| Investment subsidies | | 4 778 311.54 | 5 714 974 |
| Regulated provisions | | 461 419 995.15 | 475 400 201 |
| Financial debts | (C) | | |
| Bond issues | | | |
| Other financial debts | | | |
| Long-term provisions for contingencies and | expenses (D) | | 3 869 802 |
| Provisions for risks | | | 3 869 802 |
| Provisions for expenses | | | |
| Exchange difference - Liabilities | (E) | | |
| Increase in long term receivables | | | |
| Decrease in financial debts | | | |
| TOTAL I (A+B+C+D+E) | | 4 181 989 792.23 | 4 274 574 670 |
| Debts from current liabilities | (F) | 2 773 298 547.46 | 2 362 836 177 |
| Suppliers and related accounts | | 2 500 127 726.83 | 2 074 987 99 |
| Creditor clients, advances and down payments | | 10 703 738.05 | 9 249 17 |
| Staff | | 7 080 157.49 | 27 912 169 |
| Social organisations | | 12 542 226.02 | 15 206 757 |
| State | | 123 547 294.28 | 94 530 898 |
| Associate accounts | | 30 319 298.20 | 24 627 145 |
| Other creditors | | 18 880 910.87 | 16 589 596 |
| Accruals - Liabilities | | 70 097 195.72 | 99 732 448 |
| Other provisions for contingencies and exp | nses (G) | 27 711 833.93 | 79 672 935 |
| Exchange Differences - liabilities (Current it | | 5 506 700.66 | 2 819 157 |
| TOTAL II (F+G+H) | | 2 806 517 082.05 | 2 445 328 271. |
| CASH FLOW - LIABILITIES | | 1091450403.35 | 1140 423 352 |
| Discount credit | | - | 110 120 302 |
| Short-term loans | | 960 000 000.00 | 1040 000 000 |
| Factoring banks | | 131 450 403.35 | 100 423 352 |
| TOTAL III | | 1091450 403.35 | 1140 423 352 |
| IVIALIII | | 107143040333 | 1 1-0 423 332 |

| | | OUNT OF REVENUES AND EXPENS | TRANSA | | | |
|---|------|--------------------------------------------------------------------|-------------------------|-------------------------------------------|------------------|------------------------|
| | | NATURE | PROPRES À L'EXERCICE | CONCERNANT LES EXERCICES PRÉCÉDENTS | TOTAL OF THE FY | TOTAL OF TH PRIOR F |
| | | | (1) | (2) | 3=1+2 | (|
| | 1 | Operating Revenues | 9 173 893 919.63 | | 9 173 893 919.63 | 8 851 588 255. |
| | | Sales of goods (in their current state) | 39 102 668.27 | - | 39 102 668.27 | 26 850 554. |
| | | Sale of goods and services produced | 6 637 052 152.78 | - | 6 637 052 152.78 | 6 234 367 064. |
| | | Turnover | 6 676 154 821.05 | | 6 676 154 821.05 | 6 261 217 618. |
| | | Change in stocks of products (+ or -) (1) | 96 846 384.74 | | 96 846 384.74 | 104 796 767. |
| | | Fixed assets manufactured by the company for itself | | | | |
| | | Operating grants | 2 371 593 010.50 | - | 2 371 593 010.50 | 2 451 603 565. |
| | | Other operating income | 448 660.00 | - | 448 660.00 | 2 521 352 |
| | | Operating write-backs: transfer of charges | 28 851 043.34 | | 28 851 043.34 | 31 448 952 |
| L | | TOTALI | 9 173 893 919.63 | | 9 173 893 919.63 | 8 851 588 255 |
| | Ш | Operating Expenses | 8 150 435 921.92 | -18 080 862.34 | 8 132 355 059.58 | 7 799 223 198. |
| | | Purchase of re-sold goods (2) | 34 466 003.34 | - | 34 466 003.34 | 24 547 127 |
| | | Purchase of supplies and consumable materials (2) | 7 033 331 185.57 | -18 080 862.34 | 7 015 250 323.23 | 6 741 113 529 |
| | | Other external expenses | 430 052 825.47 | | 430 052 825.47 | 368 050 955 |
| | | Taxes and Duties | 25 053 961.11 | | 25 053 961.11 | 20 542 796 |
| | | Staff Costs | 325 922 934.16 | | 325 922 934.16 | 331 162 222 |
| | | Other operating expenses | 960 000.00 | - | 960 000.00 | 960 000. |
| | | Operating Allocations | 300 649 012.27 | - | 300 649 012.27 | 312 846 568 |
| | | TOTAL II | 8 150 435 921.92 | -18 080 862.34 | 8 132 355 059.58 | 7 799 223 198. |
| | Ш | OPERATING INCOME (I-II) | | | 1 041 538 860.05 | 1 052 365 057. |
| _ | _ | FINANCIAL INCOME | 142 660 127.96 | | 142 660 127.96 | 181 525 385 |
| Г | | Income from participating interests and other long-term securities | 128 944 184.00 | | 128 944 184.00 | 118 553 618. |
| | | Exchange rate gains | 8 324 154.02 | - | 8 324 154.02 | 12 392 051 |
| | | Interest & other financial income | 4 657 661.82 | _ | 4 657 661.82 | 21 263 290. |
| | | Financial reversals: cost transfer | 734 128.12 | _ | 734 128.12 | 29 316 425 |
| | | TOTALIV | 142 660 127.96 | - | 142 660 127.96 | 181 525 385 |
| | | FINANCIAL EXPENSES | 60 166 670.18 | 457.10 | 60 167 127.28 | 29 307 951 |
| | | Interest expenses | 40 664 366.68 | - | 40 664 366.68 | 16 735 016 |
| | | Exchange rate losses | 16 128 269.57 | 457.10 | 16 128 726.67 | 11 879 006. |
| | | Other finance expenses | 10 120 20 7.57 | -57.10 | 10 120 720.07 | 11077000 |
| | | Financial Allocations | 3 374 033.93 | _ | 3 374 033.93 | 693 928 |
| | | TOTAL V | 60 166 670.18 | | 60 167 127.28 | 29 307 951 |
| | | FINANCIAL INCOME (IV - V) | 00 100 070.10 | | 82 493 000.68 | 152 217 434 |
| _ | | CURRENT INCOME (III+VI) | | | 1124 031 860.73 | 1204 582 492 |
| _ | | NON-CURRENT INCOME | 193 993 209.02 | | 193 993 209.02 | 236 854 480. |
| | **** | Proceeds of sales of fixed assets | 25 842 233.63 | - | 25 842 233.63 | 1 210 832. |
| | | Balancing subsidy | 23 042 233.03 | | 23 042 233.03 | 1210 032. |
| | | Write-backs of investments subsidies | 936 663.00 | | 936 663.00 | 936 663. |
| | | Other non-current income | 27 168 899.18 | | 27 168 899.18 | 11 502 786 |
| | | Non-current reversals: transfer of costs | 140 045 413.21 | | 140 045 413.21 | 223 204 198 |
| | | | | - | 193 993 209.02 | |
| L | | TOTAL VIII | 193 993 209.02 | - | | 236 854 480. |
| P | IA | NON CURRENT EXPENSES | 121 340 787.50 | • | 121 340 787.50 | 346 463 653 |
| | | Net amortization of assets sold | 14 059 084.93 | - | 14 059 084.93 | 755 590 |
| | | Subsidies granted | | - | 20.727.525.62 | 242 (22 === |
| | | Other non-current expenses | 39 727 505.60 | - | 39 727 505.60 | 243 602 770 |
| | | Non-current allocations to depreciation and provisions | 67 554 196.97 | - | 67 554 196.97 | 102 105 293 |
| | | TOTAL IX | 121 340 787.50 | - | 121 340 787.50 | 346 463 653. |
| _ | | NON-CURRENT INCOME (VIII-IX) | | | 72 652 421.52 | -109 609 173. |
| | XI | INCOME BEFORE TAXES (VII +/- X) | | | 1196 684 282.25 | 1 094 973 318. |
| _ | XII | TAXES ON INCOME | 325 611 059.00 | | 325 611 059.00 | 294 210 931.0 |

| STA | TE | MEN | T OF MANAGEMENT BALANCE (SMB) | | |
|--------|--------|--------|-----------------------------------------------------|------------------|------------------|
| I RESU | ILTS F | ORMATI | ON TABLE (RFT) | | |
| | | | | FINANCIAL YEAR | PREVIOUS FY |
| | 1 | | Sale of goods (as is) | 39 102 668.27 | 26 850 554.29 |
| | 2 | - | Purchases of goods | 34 466 003.34 | 24 547 127.05 |
| 1 | | = | GROSS MARGIN ON SALES (as is) | 4 636 664.93 | 2 303 427.24 |
| | | + | PRODUCTION FOR THE PERIOD: (3 + 4 + 5) | 6 733 898 537.52 | 6 339 163 831.42 |
| | 3 | | Sale of goods and services produced | 6 637 052 152.78 | 6 234 367 064.36 |
| Ш | 4 | | Change in stocks of products | 96 846 384.74 | 104 796 767.06 |
| | 5 | | Fixed assets manufactured by the company for itself | - | 0.00 |
| | | - | CONSUMABLES FOR THE FY: (6 + 7) | 7 445 303 148.70 | 7 109 164 484.45 |
| Ш | 6 | | Costs of supplies and consumable materials | 7 015 250 323.23 | 6 741 113 529.17 |
| | 7 | | Other external expenses | 430 052 825.47 | 368 050 955.28 |
| IV | | = | VALUE ADDED: (I + II + III) | (706 767 946.25) | (767 697 225.79) |
| | 8 | + | Operating grants | 2 371 593 010.50 | 2 451 603 565.36 |
| V | 9 | - | Taxes and duties | 25 053 961.11 | 20 542 796.11 |
| | 10 | - | Staff expenses | 325 922 934.16 | 331 162 222.16 |
| | | = | GROSS OPERATING SURPLUS (GOS) | 1 313 848 168.98 | 1332 201 321.30 |
| | | = | OR GROSS OPERATING SHORTFALL (GOS) | | - |
| | 11 | + | Other operating income | 448 660.00 | 2 521 352.57 |
| | 12 | - | Other operating expenses | 960 000.00 | 960 000.00 |
| | 13 | + | Operating write-backs: transfer of charges | 28 851 043.34 | 31 448 952.28 |
| | 14 | - | Operating Allocations | 300 649 012.27 | 312 846 568.69 |
| VI | | = | OPERATING INCOME (+/-) | 1041538860.05 | 1052 365 057.46 |
| VII | | +/- | FINANCIAL INCOME | 82 493 000.68 | 152 217 434.59 |
| VIII | | = | CURRENT INCOME (+/-) | 1124 031 860.73 | 1204 582 492.05 |
| IX | | +/- | NON-CURRENT INCOME | 72 652 421.52 | (109 609 173.70) |
| | 15 | - | Income tax | 325 611 059.00 | 294 210 931.00 |
| X | | = | NET INCOME OF THE FY (+/-) | 871 073 223.25 | 800 762 387.35 |
| II CAP | ACITE | D'AUTO | FINANCEMENT (CAF)-AUTOFINANCEMENT | | |
| | | | Profit for the FY | 871 073 223.25 | 800 762 387.35 |
| | 1 | | * Profit | 871 073 223.25 | 800 762 387.35 |
| | | | *Loss | | |
| | 2 | + | Operating Grants (1) | 267 655 104.47 | 282 224 653.44 |
| | 3 | + | Financial Allocations (1) | 0.00 | 0.00 |
| | 4 | + | Non-current allocations (1) | 66 835 196.97 | 101 408 293.33 |
| | 5 | - | Operating write-backs (2) | | |
| | 6 | - | Financial write-backs (2) | 40 200.00 | 25 000 000.00 |
| | 7 | - | Non-current write-backs (2) (3) | 85 621 868.53 | 185 358 243.57 |
| | 8 | - | Proceeds of sales of fixed assets | 25 842 233.63 | 1 210 832.00 |
| | 9 | + | Net amortization of assets sold | 14 059 084.93 | 755 590.32 |
| ı | | | CASH FLOW FROM OPERATIONS | 1108 118 307.46 | 973 581 848.87 |
| | 10 | - | Received profit distributions | 944 871 430.00 | 629 914 290.00 |
| Ш | | | SELF-FINANCING | 163 246 877.46 | 343 667 558.87 |

| I - Balance sheet aggregates summary | | | | | |
|--------------------------------------------------------------------------|------------|-------------------|------------------|-------------------|------------|
| | | | Previous FY | Variation | (a-b) |
| MASSES | | FY (a) | (b) | Uses (c) | Resources |
| PERMANENT FUNDING | | 4 181 989 792.23 | 4 274 574 670.54 | 92 584 878.31 | |
| Minus fixed assets | | 4 179 736 381.75 | 4 116 822 935.53 | 62 913 446.22 | |
| = Noncash working capital (1-2) | (A) | 2 253 410.48 | 157 751 735.01 | 155 498 324.53 | |
| Current assets | | 3 845 899 001.26 | 3 336 285 141.57 | -509 613 859.69 | |
| Minus current liabilities | | 2 806 517 082.05 | 2 445 328 271.09 | - | 361 188 8 |
| = Overall funding needs (4-5) | (B) | 1 039 381 919.21 | 890 956 870.48 | 148 425 048.73 | |
| = Net cash (Assets - Liabilities) = A - B | | -1 037 128 508.73 | -733 205 135.47 | • | 303 923 37 |
| II - Sources and Uses of Funds | | | | | |
| | | EXE | RCICE | EXERCICE P | RECEDENT |
| | | EMPLOIS | RESSOURCES | EMPLOIS | RESSOUR |
| ABLE SOURCES FOR THE TAX PERIOD (CASH FLOW) | (2) | | | | |
| LF-FINANCING | (A) | | 163 246 877.46 | | 343 667 55 |
| sh flow from Operations | | | 1 108 118 307.46 | | 973 581 84 |
| ividend distribution | (=) | | 944 871 430.00 | | 629 914 29 |
| LE AND REDUCTION OF FIXED ASSETS | (B) | | 25 914 903.23 | | 5 806 4 |
| posals of intangible assets | | | 25.042.222.62 | | 4 240 02 |
| posal of fixed assets | | | 25 842 233.63 | | 1 210 83 |
| e of financial assets | | | | | |
| nounts recovered on long term receivables | | | 72.660.60 | | 4 505 5 |
| | | | 72 669.60 | | 4 595 59 |
| CREASES IN SHAREHOLDERS' EQUITY AND EQUIVALENTS | (C) | | | | |
| pital increases, contributions | | | - | | |
| estment subsidies | (=) | | - | | |
| CREASE IN FINANCING DEBTS | (D) | | 4004/4700/0 | | 240 472 00 |
| OTAL STABLE RESOURCES (A+B+C+D) ABLE USES FOR THE TAX PERIOD (CASH FLOW) | | | 189 161 780.69 | | 349 473 98 |
| PITAL EXPENDITURES AND INCREASES | (E) | 344 660 105.22 | | 308 298 417.24 | |
| | (=/ | | | | |
| angible fixed asset expenditure | | 447 231.16 | | 121 885.60 | |
| ngible fixed asset expenditure | | 269 292 355.15 | | 303 821 264.27 | |
| ancial fixed asset expenditure rease in long term receivables | | 74 920 518.91 | | 1485 000.00 | |
| rease in Fixed asset loans | | | | 2 870 267.37 | |
| PAYMENT OF SHAREHOLDERS' EQUITY | (F) | | | 20/020/.3/ | |
| PAYMENT OF SHAKEHOLDERS EQUITY PAYMENT OF FINANCIAL DEBT | (F) (G) | | | | |
| RITTEN-OFF USES | (H) | | | | |
| OTAL - STABLE USES (E+F+G+H) | (11) | 344 660 105.22 | | 308 298 417.24 | |
| · VARIATION IN THE OVERALL FINANCING GAP | | 148 425 048.73 | | 813 818 518.13 | |
| - VARIATION IN THE OVERALE FINANCING GAP | | 140 423 040./3 | 303 923 373.26 | 013010310.13 | 772 642 95 |
| FRALL TOTAL | | 493 085 153.95 | 493 085 153.95 | 1122116935.37 | 112211693 |

| STATUS OF WAIVERS | | | | | | | | | |
|------------------------------------------------------------|----------------------------|-------------------------------------------------------------------------------------------|--|--|--|--|--|--|--|
| INDICATION OF WAIVERS | JUSTIFICATIONS FOR WAIVERS | INFLUENCE OF DEROGATIONS ON THE ASSETS, THE FINANCIAL SITUATION AND THE OPERATIONS INCOME | | | | | | | |
| I Waivers to Basic Accounting Principles | N/A | N/A | | | | | | | |
| II Waivers to Valuation Methods | N/A | N/A | | | | | | | |
| III Waivers to the rules for drawing up summary statements | N/A | N/A | | | | | | | |

| STATUS OF METHOD CHANGES | | | | | | | | |
|-----------------------------------|----------------------|------------------------------------------------------------------------------------|--|--|--|--|--|--|
| NATURE OF CHANGES | RATIONALE FOR CHANGE | INFLUENCE ON THE ASSETS, THE FINAN- CIAL SITUATION AND THE OPERATIONS INCOME | | | | | | |
| I Assessment Changes in methods | N/A | N/A | | | | | | |
| II Changes in presentation policy | N/A | N/A | | | | | | |

| TABLE OF FIXED ASSETS OTHER TH | AN FINANCIAL ASSETS | | | | | | | |
|--------------------------------------------------|--------------------------|----------------|--------------------------------------|----------------|---------------|------------|----------------|---------------------------|
| | GROUND AMOUNT FY OPENING | INCREASE | | | | DECREASE | | |
| NATURE | | ACQUISITION | Production of the company for itself | Bank Transfer | Divestiture | Withdrawn | Bank Transfer | GROSS AMOUNT AT FY END |
| NON-VALUED FIXED ASSETS | 8 520 960.03 | | - | | • | 129 497.97 | - | 8 391 462.06 |
| * Start-up costs | 2 099 914.30 | | | | | | | 2 099 914.30 |
| * Deferred Expenses | 6 421 045.73 | | | | | 129 497.97 | | 6 291 547.76 |
| * Loan redemption premiums | - | | | | | | | - |
| INTANGIBLE FIXED ASSETS | 63 879 772.77 | | • | 447 231.16 | | - | - | 64 327 003.93 |
| * Fixed assets in research and development | - | | | | | | | - |
| * Patents, trademarks, rights and similar rights | 33 159 918.59 | | | 447 231.16 | | | | 33 607 149.75 |
| * Business Fund | 30 622 333.78 | | | | | | | 30 622 333.78 |
| * Other intangible fixed assets | 97 520.40 | | | | | | | 97 520.40 |
| TANGIBLE FIXED ASSETS | 5 722 643 062.33 | 269 739 586.31 | | 193 315 138.28 | 16 602 253.65 | 552 506.11 | 193 762 369.44 | 5 974 780 657.72 |
| * Land | 555 527 484.24 | | | 73 874 440.00 | 12 415 646.35 | | | 616 986 277.89 |
| * Buildings | 724 542 736.85 | | | 666 558.86 | 280 337.45 | | | 724 928 958.26 |
| * Technical facilities, machinery and equipment | 4 048 785 399.04 | | | 104 016 354.48 | 1555764.02 | | | 4 151 245 989.50 |
| * Transport equipment | 43 424 643.86 | | | 651 214.15 | 2 257 060.00 | | | 41 818 798.01 |
| * Office equipment, furniture and fittings | 256 439 396.23 | | | 14 106 570.79 | 93 445.83 | | | 270 452 521.19 |
| * Other IT tangible fixed assets | - | | | | | | | - |
| * Tangible assets in progress | 93 923 402.11 | 269 739 586.31 | | | | 552 506.11 | 193 762 369.44 | 169 348 112.87 |

| TABLE OF EQUITY INVESTMENTS | | | | | | | | | | |
|-----------------------------|------------|-----------------|------------------|-----------------------|-------------------------|------------------|-----------------------|--------------------------|------------------------|--------------------------|
| | | Business sector | Share Capital | Direct equity invest- | Total acquisition price | Net book value | Excerpts from the lat | est financial statements | of the issuing company | Revenue recognized in PC |
| Name of issuing company | ID Number | 1 | 2 | ment in % | ment in % 4 | | Closing date 6 | Net equity 7 | Net income 8 | for the FY 9 |
| DURRAH | | Raffinerie | 1 084 720 000,00 | 43,275% | 447 449 211,54 | 447 449 211,54 | 31/12/2019 | | | |
| SUTA | 6 140 900 | Sucrerie | 231 263 300,00 | 99,84% | 849 266 480,16 | 849 266 480,16 | 31/12/2019 | 751 159 143.30 | 148 808 754.58 | 83 117 772.00 |
| SURAC | 3 700 758 | Sucrerie | 146 926 800,00 | 100% | 400 998 794,28 | 400 998 794,28 | 31/12/2019 | 204 605 278.48 | -3 614 262.54 | |
| SUNABEL | 3 727 033 | Sucrerie | 190 173 300,00 | 99,15% | 248 869 758,24 | 248 869 758,24 | 31/12/2019 | 581 908 325.13 | 79 744 099.44 | 45 254 280.00 |
| AGA INGENIEURIE | 3 315 260 | Formation | 5 150 000,00 | 23,30% | 1200 000,00 | 1200 000,00 | 31/05/2019 | 17 499 153.16 | -43 140.40 | |
| BANQUE POPULAIRE | 1 084 612 | Finance | Variable | 0,00% | 60 000,00 | 60 000,00 | | | | 4 400.00 |
| CELACO | 1 085 018 | Immobilier | 3 000 000,00 | 43,00% | 1290 000,00 | 1290 000,00 | 31/12/2019 | 8 366 525.10 | 1 946 751.00 | 567 732.00 |
| SGA | | Commerciale | 20 000 000,00 | 0,00% | 100,00 | 100,00 | | | | |
| SUCRUNION | 1 642 682 | Sucrerie | 25 000 000,00 | 99,99% | 24 999 600,00 | 24 999 600,00 | 31/12/2019 | 17 504 313.89 | 1 933 106.72 | |
| GAFA SUGAR CO. LTD. | | Sucrerie | 1119 200,00 | 100% | 1119200,00 | 1119 200,00 | | | | |
| WINCOMAR LTD | | Sucrerie | 999 900,00 | 100% | 999 900,00 | 999 900,00 | | | | |
| WILMACO | 26 122 221 | Industrie | 153 300 000,00 | 45,00% | 68 985 000,00 | 68 985 000,00 | 31/12/2019 | 152 735 415.22 | -539 584.78 | |
| COMAGUIS | | Industrie | 12 919 175,60 | 55,00% | 7 420 518,91 | 7 420 518,91 | 31/12/2019 | | | |
| Total | | | 1874 571 675,60 | | 2 052 658 563,13 | 2 052 658 563,13 | | 1733778154.28 | 228 235 724.02 | 128 944 184.00 |

| TABLE OF PROVISIONS | | | | | | | | |
|----------------------------------------------------------------|----------------|----------------|--------------|---------------|----------------|------------|----------------|------------------|
| | Amount at FY | | Allocations | | | | | |
| Nature Nature | Opening | for operations | financial | non-current | for operations | financial | non-current | Amount at FY end |
| 1 Provisions for impairment of fixed assets | 1 290 290.99 | | | | | 40 200.00 | | 1 250 090.99 |
| 2 Regulated provisions | 475 400 201.34 | | | 66 835 196.97 | | | 80 815 403.16 | 461 419 995.15 |
| 3 Long-term provisions for contingencies and expenses | 3 869 802.37 | | | | | | 3 869 802.37 | |
| SUB-TOTAL (A) | 480 560 294.70 | 0.00 | 0.00 | 66 835 196.97 | 0.00 | 40 200.00 | 84 685 205.53 | 462 670 086.14 |
| 4 Provisions for impairment of current assets (excl. treasury) | 49 249 333.19 | 32 993 907.80 | | | 27 887 741.79 | | | 54 355 499.20 |
| 5 Other provisions for contingencies and expenses | 79 672 935.80 | | 3 374 033.93 | 719 000.00 | | 693 928.12 | 55 360 207.68 | 27 711 833.93 |
| 6 Provisions for depreciation of cash accounts | | | | | | | | |
| SUB-TOTAL (B) | 128 922 268.99 | 32 993 907.80 | 3 374 033.93 | 719 000.00 | 27 887 741.79 | 693 928.12 | 55 360 207.68 | 82 067 333.13 |
| TOTAL (A + B) | 609 482 563.69 | 32 993 907.80 | 3 374 033.93 | 67 554 196.97 | 27 887 741.79 | 734 128.12 | 140 045 413.21 | 544 737 419.27 |

| RECEIVABLES TABLE | | | | | | | | | | | |
|---------------------------------------------|------------------|-------------------|------------------|--------------------------|---------------------|------------------------------------------|--------------------------------|------------------------------|--|--|--|
| | | MATURITY ANALYSIS | | | | | Other analysis | | | | |
| PAYABLES | TOTAL | Over 1 year | Less than 1 year | Past due and uncollected | Amounts in currency | Amounts from the State and public bodies | Amounts from related companies | Amounts Represented by notes | | | |
| FROM FIXED ASSETS | 8 046 180.41 | 3 827 843.26 | 2 968 246.16 | 1250 090.99 | | | - | - | | | |
| Fixed asset loans | 6 669 514.39 | 2 451 177.24 | 2 968 246.16 | 1 250 090.99 | | | | | | | |
| Other financial claims | 1376 666.02 | 1376 666.02 | | | | | | | | | |
| TOTAL | 8 046 180.41 | 3 827 843.26 | 2 968 246.16 | 1250 090.99 | | - | - | - | | | |
| FROM CURRENT ASSETS | 1 700 353 694.31 | - | 1 687 101 386.91 | 25 112 145.00 | | 918 045 828.86 | 12 667 767.79 | - | | | |
| Supplies, receivables, advances and deposit | 75 239 536.91 | | 75 239 536.91 | 11 859 837.60 | | | | | | | |
| Trade receivables and related accounts | 432 018 743.16 | | 418 766 435.76 | 13 252 307.40 | | | | | | | |
| Staff | 3 618 772.05 | | 3 618 772.05 | - | | | | | | | |
| State/ County | 918 045 828.86 | | 918 045 828.86 | - | | 918 045 828.86 | | | | | |
| Partner Accounts | - | | - | - | | | - | | | | |
| Other receivables | 249 212 773.31 | | 249 212 773.31 | - | | | 12 667 767.79 | | | | |
| Adjustment Accounts - Assets | 22 218 040.02 | | 22 218 040.02 | - | | | | | | | |
| TOTAL | 1700 353 694.31 | | 1687101386.91 | 25 112 145.00 | | 918 045 828.86 | 12 667 767.79 | - | | | |

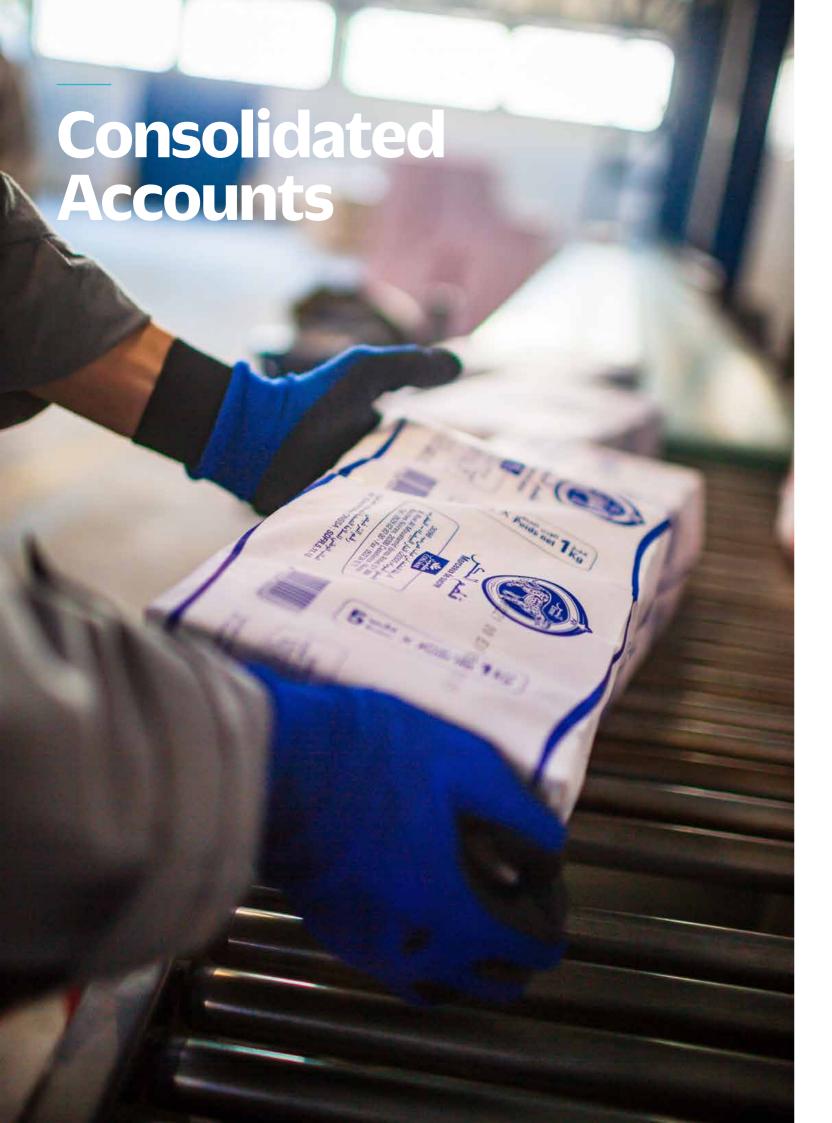
| TABLE OF DEBTS | | | | | | | | | |
|-------------------------------------|------------------|-------------|-------------------|--------------------------|---------------------|------------------------------------------|--------------------------------|------------------------------|--|
| | | | MATURITY ANALYSIS | | Other analysis | | | | |
| PAYABLES | TOTAL | Over 1 year | Less than 1 year | Past due and uncollected | Amounts in currency | Amounts from the State and public bodies | Amounts from related companies | Amounts Represented by notes | |
| FROM FINANCING | | | | | | | | | |
| * Bond issues | | | | | | | | | |
| * Other financial debts | | | | | | | | | |
| TOTAL | | | | | | | | | |
| FROM CURRENT LIABILITY | 2 773 298 547.46 | - | 2 773 298 547.46 | - | | 123 547 294.28 | - | 2 064 798 942.58 | |
| * Suppliers | 2 500 127 726.83 | | 2 500 127 726.83 | | | | | 2 064 798 942.58 | |
| * Consignment Accounts Payable | 10 703 738.05 | | 10 703 738.05 | | | | | | |
| * Staff | 7 080 157.49 | | 7 080 157.49 | | | | | | |
| * Social organisations | 12 542 226.02 | | 12 542 226.02 | | | | | | |
| * State/ County | 123 547 294.28 | | 123 547 294.28 | | | 123 547 294.28 | | | |
| * Partner Accounts | 30 319 298.20 | | 30 319 298.20 | | | | | | |
| * Other creditors | 18 880 910.87 | | 18 880 910.87 | | | | | | |
| * Adjustment accounts - Liabilities | 70 097 195.72 | | 70 097 195.72 | | | | | | |
| TOTAL | 2 773 298 547.46 | | 2 773 298 547.46 | - | | - 123 547 294.28 | - | 2 064 798 942.58 | |

| FINANCIAL COMMITMENTS RECEIVED OR GIVEN, EXCLUDING LEASING | | | | |
|------------------------------------------------------------|----------------|------------------------|--|--|
| COMMITMENTS GIVEN | FY AMOUNTS | PREVIOUS FY AMOUNTS | | |
| Endorsements and sureties | 651 501 000.00 | 386 827 000.00 | | |
| Pensions commitments and similar obligations | | | | |
| Other commitments given | 24 999 000.00 | 44 153 000.00 | | |
| TOTAL (1) | 676 500 000.00 | 430 980 000.00 | | |
| (1) of which commitments to related companies | - | - | | |
| COMMITMENTS RECEIVED | FY AMOUNTS | PREVIOUS FY AMOUNTS | | |
| Endorsements and sureties | 78 084 430.00 | 97 507 771.73 | | |
| Other commitments received | 280 870.69 | 469 772.00 | | |
| TOTAL (2) | 78 365 300.69 | 97 977 543.73 | | |

| TABLE OF ACTUAL SECURITIES GIVEN OR RECEIVED | | | | | | |
|----------------------------------------------|--------------------------------|------------|----------------------|------------------------|----------------------------------------------------------------|--|
| THIRD PARTY CREDITORS OR DEBTORS | AMOUNT COVERED BY THE SECURITY | NATURE (1) | OF REGISTRA- TION | SUBJECT (2) (3) | NET BOOK VALUE OF THE SECURITY GIVEN AT THE BALANCE SHEET DATE | |
| Given securities | | | | | | |
| Received securities | 280 870.69 | | | | 280 870.6 | |
| Home purchase loan | 280 870.69 | Hypothèque | Divers | Personnel | 280 870.6 | |

(1) Guarantee: 1- Mortgage: 2- Pledge: 3- Warrant: 4- other: 5- (to be specified)
(2) specify whether the security is given in favour of companies or third parties (security given) (related companies, partners, members of staff)
(3) specify whether the security received by the company comes from third parties other than the debtor (security received)

ss | Annual Report 2019 – Cosumar Annual Report 2019 - Cosumar | ss



CONSOLIDATED ACCOUNTS 2019

| (In millions of dirhams) | 31/12/2019 | 31/12/2018 |
|-------------------------------------------------------------------|------------|------------|
| Turnover | 8 211.5 | 7 667 |
| Other income from operations | 3 313.9 | 3 400 |
| Revenue from ordinary activities | 11 525.3 | 11 067. |
| Purchases | (8 658.4) | (8 274.5 |
| Other external expenses | (583.7) | (534.3 |
| Staff expenses | (398.0) | (401.4 |
| Taxes and Duties | (45.6) | (42. |
| Operating depreciation, amortization and provisions | (424.9) | (375.9 |
| Others net operating income and expenses | 40.7 | 11. |
| Current operating expenses | (10 070.0) | (9 617.4 |
| Current Operating Income | 1455.3 | 1450. |
| Others non-current operating income and expenses | (4.9) | (138.3 |
| Profit on operating activities | 1450.4 | 1 311 |
| Financial Income | (72.0) | 7 |
| Pre-tax profit/loss of consolidated companies | 1378.4 | 1 318. |
| Current income taxes | (427.7) | (358.4 |
| Deferred income taxes | (20.2) | (68.2 |
| Net income of consolidated companies | 930.5 | 892. |
| Share in the results of integrated companies by the equity method | (5.8) | |
| Profit or loss from continuing operations | 924.7 | 892 |
| Net income from discontinued activities | | |
| NCOME OF THE CONSOLIDATED GROUP | 924.7 | 892 |
| Minority interests | (0.9) | (1.: |
| Net profit or loss - Group share | 923.8 | 891. |

| STATEMENT OF COMPREHENSIVE INCOME | | |
|-----------------------------------------------------------|------------|------------|
| (In millions of dirhams) | 31/12/2019 | 31/12/2018 |
| Net income for the FY | 924.7 | 892.2 |
| Exchange rate differences on foreign operations | 1.2 | |
| Losses and Gains on AFS Revaluation | 0.0 | 0.0 |
| Actuarial gains and losses on defined benefit obligations | (6.9) | (3.1) |
| Global Profit | 919.0 | 889.1 |
| Minority interests | (0.9) | (1.2) |
| Comprehensive income - Group share | 918.1 | 887.9 |

| | (In millions of dirhams) | Share Capital | Share and merger premiums | Retained earnings | Exchange Differences | Change in actuarial gains and losses for the FY | Total Group Share | Minority interest | Total |
|-------------------------------------------------|--------------------------|---------------|---------------------------|-------------------|----------------------|-------------------------------------------------|-------------------|-------------------|---------|
| As of January 1, 2018 | (in millions of dirnams) | Share Capital | | 4 092.4 | 0.0 | | 4 905.9 | 5.7 | 4 911.6 |
| Effects of changes in accounting policies/error | or correction | 022 | 170.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Error Correction Y-1: | rection | | | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 |
| Amounts restated at opening | | 629 | .9 176.0 | 4 092.4 | 0.0 | 7.7 | 4 905.9 | 5.7 | 4 911.6 |
| PC changes for 2018 | | 027 | 170.0 | 4032.4 | 0.0 | 7.7 | 4 303.3 | 3.7 | 4711.0 |
| | | | | 891.0 | | | 891.0 | 4.2 | 892.2 |
| Net income for the period | | | | 891.0 | | | | 1.2 | |
| Actuarial gains/ losses | | | | | | -3.1 | -3.1 | | -3.1 |
| Total comprehensive income for the year | | 0 | 0.0 | 891.0 | 0.0 | -3.1 | 887.9 | 1.2 | 889.1 |
| Dividends Distributed | | | | -629.9 | | | -629.9 | -0.5 | -630.4 |
| Other transactions with the shareholders | | 315 | 0.0 | -315.0 | | | 0.0 | | 0.0 |
| Total of transactions with shareholders | | 315 | 0.0 | -944.9 | 0.0 | 0.0 | -629.9 | -0.5 | -630.4 |
| AS OF DECEMBER 31, 2018 | | 944 | .9 176.0 | 4 038.5 | 0.0 | 4.5 | 5 163.9 | 6.4 | 5 170.3 |
| As of January 1, 2019 | | 944 | .9 176.0 | 4 038.5 | 0.0 | 4.5 | 5 163.9 | 6.4 | 5 170.3 |
| Effects of changes in accounting policies/erro | or correction | | | -11.8 | | 0.0 | -11.8 | 0.0 | -11.8 |
| Amounts restated at opening | | 944 | .9 176.0 | 4 026.7 | 0.0 | 4.5 | 5 152.1 | 6.4 | 5 158.5 |
| PC changes for 2019 | | | | | | | | | |
| Net income for the period | | | | 923.8 | | | 923.8 | 0.9 | 924.7 |
| Conversion gains and losses | | | | | 1.2 | | 1.2 | | 1.2 |
| Actuarial gains/ losses | | | | | | -6.9 | -6.9 | | -6.9 |
| Total comprehensive income for the year | | 0 | 0.0 | 923.8 | 1.2 | -6.9 | 918.1 | 0.9 | 919.0 |
| Dividends Distributed | | | | -944.9 | | | -944.9 | -0.5 | -945.4 |
| Other transactions with the shareholders | | | 0.0 | -30.0 | | | -30.0 | | -30.0 |
| Total of transactions with shareholders | | 0 | 0.0 | -974.8 | 0.0 | 0.0 | -974.8 | -0.5 | -975.4 |
| As of December 31, 2019 | | 944 | .9 176.0 | 3 975.6 | 1.2 | -2.4 | 5 095.4 | 6.8 | 5102.2 |

CONSOLIDATED ACCOUNTS

| angible fixed assets agible fixed assets agible fixed assets angible fixed assets assets in right of use estment Property ticipation in associated companies are financial assets ans and receivables assets available for sale | 196.1 19.9 4.512.1 82.2 63.7 412.9 | 196 22 4 329 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------|
| ed assets in right of use estment Property ticipation in associated companies her financial assets hans and receivables esets available for sale | 4 512.1 82.2 63.7 | |
| ed assets in right of use estment Property ticipation in associated companies her financial assets hans and receivables essets available for sale | 82.2 63.7 | 4 329 |
| estment Property ticipation in associated companies ner financial assets vans and receivables essets available for sale | 63.7 | |
| ticipation in associated companies ner financial assets vans and receivables ssets available for sale | | |
| ner financial assets pans and receivables ssets available for sale | 412.9 | 63 |
| oans and receivables ssets available for sale | | |
| ssets available for sale | 216.0 | 620 |
| | 77.4 | 108 |
| n-current assets | 138.6 | 51 |
| | 5 502.8 | 5 231 |
| ner financial assets | - | 17 |
| edging derivatives | - | 17 |
| entories of products and work in progress | 2 357.3 | 2 19 |
| de receivables | 441.0 | 480 |
| ner current receivables | 2 109.9 | 2 13 |
| sh and Cash Equivalents | 584.5 | 598 |
| rrent Assets | 5 492.7 | 5 426 |
| al current assets | 10 995.5 | 10 658 |
| BILITIES (In millions of dirhams) | 31/12/2019 | 31/12/20 |
| are capital | 944.9 | 94 |
| are and merger premiums | 176.0 | 170 |
| erves | 3 049.5 | 3 15 |
| nversion rate adjustment | 1.2 | |
| t income - Group share | 923.8 | 89 |
| uity attributable to ordinary Owners of the Parent Company | 5 095.4 | 516 |
| nority interests | 6.8 | |
| nsolidated shareholders' equity | 5102.2 | 5 170 |
| visions | 50.8 | 11 |
| ployee benefits | 131.9 | 12 |
| n-current financial debts | 138.6 | 10 |
| abilities to credit institutions | 51.8 | 10 |
| ebts related to right-of-use contracts | 86.7 | |
| ferred tax liabilities | 711.4 | 68 |
| ner non-current payables | 25.5 | 3 |
| n-current liabilities | 1058.2 | 105 |
| rent financial debts | 1544.6 | 160 |
| abilities to credit institutions | 1531.6 | 160 |
| edging derivatives | 13.0 | 100 |
| | | 2.47 |
| rent trade payables | 2 957.9 | 2 47 |
| or current navables | 332.6 | 35 |
| ner current payables | 4.0354 | 4.43 |
| ner current payables rrent liabilities TAL LIABILITIES | 4 835.1 5 893.3 | 4 43 0 |

| CONSOLIDATED CASH FLOW STATEMENT | | |
|--------------------------------------------------------------------|------------|------------|
| (In millions of dirhams) | 31/12/2019 | 31/12/2018 |
| Consolidated net income | 924.7 | 892,2 |
| Adjustments for: | | |
| Depreciation, amortization and provisions, impairment losses | 341.6 | 249,4 |
| Other adjustments | 4.4 | 18,5 |
| Cash flow after cost of net financial debt and tax | 1270.6 | 1 160.1 |
| Elimination of the tax charge (of product) | 447.9 | 426.6 |
| Elimination of the cost of net financial debt | 52.2 | 4.5 |
| Cash flow before cost of net financial debt and tax | 1770.8 | 1 591.2 |
| Impact of BFR variation | 312.0 | (2 700.5) |
| Taxes paid | (427.7) | (358.4) |
| Net Cash Flows from operating activities | 1655.1 | (1 467.7) |
| Acquisition of property, plant and equipment and intangible assets | (609.8) | (504.0) |
| Acquisition of financial assets | (74.9) | (1.5) |
| Disposals of Tangible and Intangible fixed assets | 31.1 | 11.6 |
| Other flows | 31.2 | 9.4 |
| Cash flows from investing activities | (622.4) | (484.5) |
| Repayment of loans | (50.0) | (50.0) |
| Change in lease liabilities | 2.5 | |
| Dividends paid to shareholders of the parent Company | (944.9) | (629.9) |
| Dividends paid to minority shareholders of subsidiaries | (0.5) | (0.5) |
| Net financial debt cost | (52.2) | (4.5) |
| Change in partners' accounts | 74.7 | (64.3) |
| Net cash from financing activities | (970.4) | (749.19) |
| CHANGE IN CASH AND CASH EQUIVALENTS | 62.2 | (2 701.4) |
| Net Cash and Cash Equivalents on FY opening | (1009.3) | 1 692.1 |
| Net Cash and Cash Equivalents at FY end | (947.1) | (1009.3) |
| CHANGE IN CASH AND CASH EQUIVALENTS | 62.2 | (2701.4) |

SUMMARY OF NOTES TO THE CONSOLIDATED ACCOUNTS

NOTE 1. ACCOUNTING RULES AND METHODS

1.1. Accounting reference framework

In accordance with Notice 5 of the Conseil National de la Comptabilité (CAC) of 26 May 2005 and in accordance with the provisions of Article 6, paragraph 6.3 of circular No 07/09 of the Conseil Déontologique des Valeurs Mobilières (CDVM) of 15 July 2009, the consolidated financial statements of the COSUMAR Group have been prepared in accordance with the international accounting standards adopted by the European Union on 31 December 2019 as published on that date.

The international accounting standards include the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards) and their SIC and IFRIC interpretations (Standards Interpretations Committee et International Financial Reporting Interpretations Committee).

The Group regularly monitors the latest publications of IASB and IFRIC.

In 2019, IFRS 16 and IFRIC 23 came into force in accounts for financial years commencing on 1 January 2019:

- Standard IFRS 16 relating to rental contracts. Accordingly, all rental contracts of the COSUMAR Group meeting the criteria laid down in the standard appear in the company's balance sheet.
- IFRIC 23 relating to uncertainty with regard to the treatment of tax on profits.

In 2018, IFRS 9 Financial Instruments replaced most of the existing provisions in the IFRS, notably IAS 39. The new standard is mandatory as of 1 January 2018.

The provisions of the standard on classification, valuation and depreciation of financial instruments are applied by the Group and have no impact on the 2018 accounts and the comparisons used.

Customer credit risk has been analysed using a well-defined internal procedure which implements clear guidelines, regular credit examinations and rigorous monitoring of doubtful debts.

Customer debts are measured at amortised cost. The COSUMAR Group adopts a simplified approach based on expected losses at maturity.

There is no material impact on the depreciation of customer accounts and long-term loans associated with the application of IFRS 9. In 2018, IFRS 15, which replaces IAS 11 Construction Contracts, IAS 18 Revenue from Ordinary Activities and their interpretations, is applied on a retrospective basis as of 1 January 2018.

In accordance with IFRS 15, all of the COSUMAR Group's contracts with its customers meet the criteria laid down by the standard, namely the commercial substance of the contracts, approval of the terms and conditions of the contract clearly defined by the various parties (price, product and/or service, payment terms and conditions).

Turnover is recorded upon delivery at the time of transfer of control of the goods or service to the customer.

IFRS 15 has no material impact on the COSUMAR Group because over 99% of the Group's sales relate to deliveries of refined sugar and by-products at any given time.

In 2013, the Group adopted the changes to standards contained in the IFRS reference framework in relation to revised standard IAS 19, the change being withdrawal of the corridor approach for the recognition of actuarial gains and losses. These are now recognised entirely in the year they are recorded, in consideration of the other aspects of the overall income and the use of a generational mortality table.

In 2010, the Group therefore applied the revised IFRS 3 "Business Combinations" standard to these financial statements, the principal change being that Goodwill is only determined on the date when control of the company is acquired and, as of 2010, it can no longer be adjusted after the valuation period. Now, additional acquisitions after majority control has been acquired do not change the value of the Goodwill.

 $In 2009, the COSUMAR \ Group \ opted, in accordance \ with \ the \ revised \ IAS \ 1 \ standard, \ to \ present \ the \ overall \ income \ in \ 2 \ statements:$

- Statement detailing the components of the income (income statement);
- Statement starting with the income and detailing the other components of the overall income (overall income statement).

1.2. Consolidation principles

The consolidated accounts are drawn up on the basis of the historical cost convention except for certain categories of assets and liabilities in accordance with the principles laid down by the IFRS.

All companies in the COSUMAR Group have been consolidated as of the annual accounts drawn up to 31 December 2018.

In accordance with the provisions of the IFRS, there are no exemptions from the Group's scope of consolidation. Insignificant shareholdings are treated as AFS securities.

1.3. Tangible fixed assets

Specific rule when the standards were first adopted:

For the purpose of application of the IFRS standards for the first time and in accordance with the provisions of standard IFRS1, the company valued all its intangible and tangible fixed assets at fair market value on 1 January 2006, and used this valuation as deemed cost. The valuations at fair market value were undertaken by independent experts.

Principles applicable as of 1 January 2006:

In accordance with standard IAS 16, tangible fixed assets are booked at historical acquisition or initial manufacturing cost, less accumulated depreciation and, where applicable, accumulated losses in value.

Depreciation is applied according to duration of use (useful life).

The straight-line method of depreciation is used by the Group.

1.4. Inventories

Inventories are valued at cost price or net realisable value, whichever is lower.

Cost price represents the acquisition cost or the production costs incurred to bring the inventories to their current condition and location. These costs include the direct and indirect production expenses, based on a normal activity level. Cost price is generally calculated according to the weighted average cost method.

The net realisable value of inventories represents the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

1.5. Staff benefits

The Group's commitments in relation to sickness cover schemes with defined benefits and allowances payable upon retirement are determined, in accordance with standard IAS 19, on the basis of the projected unit credit method, taking into consideration the economic conditions prevailing in Morocco. The commitments are covered by provisions entered in the balance sheet as and when employees acquire the rights.

Allowances payable upon retirement are also the subject of a provision. This is valued by taking into consideration the likelihood of employees being present at the Group on their retirement date. This provision is updated at the end of each financial year.

NOTE 2. SCOPE OF CONSOLIDATION AS AT 31 DECEMBER 2019

| COMPANY | % CONTROL | % INTEREST | CONSOLIDATION METHOD |
|-----------------------------|-----------|------------|----------------------|
| COSUMAR (parent) | 100.00% | 100.00% | Full consolidation |
| SUNABEL | 99.15% | 99.15% | Full consolidation |
| SURAC | 100.00% | 100.00% | Full consolidation |
| SUTA | 99.84% | 99.84% | Full consolidation |
| Durrah Advanced Development | 43.28% | 43.28% | Equity method |

Additionally, the complete set of the Group's consolidated financial statements as at 31 December 2019 drawn up in accordance with international standards will be made available on the company's website.

This complete set also includes the statement of the consolidated financial situation, the income statement and the overall consolidated income statement together with the statement of variation in consolidated shareholders' funds and the detailed attached notes.

AUDITOR REPORTS

AUDITORS' REPORT

EY Building a better working world

37, Boulevard Abdellatif Ben Kaddour 20 050 Casablanca Morocco

Bd Sidi Mohamed Ben Abdellah Building C, Tour Ivoire 3, 3rd Floor La Marina - Casablanca Morocco

Deloitte.

To the Shareholders

COSUMAR GROUP

8, Rue El Mouatamid Bnou Abbad

Casablanca

AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2019

We have conducted an audit of the attached consolidated financial statements of the company Cosumar and its subsidiaries (Cosumar Group) as at 31 December 2019, including the balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in equity, the cash flow statement, and the notes containing a summary of the main accounting methods and other explanatory notes. These financial statements show consolidated shareholders' equity of 5,102.2 million dirhams, including consolidated net profit of 924.7 million dirhams. These financial statements were drawn up by the Board of Directors on 25 March 2020 at a time of great change due to the health crisis associated with the Covid-19 epidemic and are based on the evidence available on that date.

Responsibility of the Management

The Management is responsible for drawing up these financial statements and ensuring they present a true and fair view in accordance with international financial reporting standards (IAS/IFRS). This responsibility includes devising, implementing, and monitoring an internal audit of the drafting and presentation of the financial statements to ensure these contain no material anomalies, whether due to fraud or error, as well as making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditors

Our responsibility is to give an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the professional standards applicable in Morocco. These standards require us to comply with the rules on ethics and to plan and perform the audit in a way that provides reasonable assurance that the summary financial statements do not contain any material anomalies

An audit involves the implementation of procedures aimed at gathering elements with probative value in respect of the figures and information provided in summary financial statements. The choice of procedures is a matter of judgement on the auditor's part, as is the evaluation of the risk that the financial statements contain material anomalies, whether due to fraud or error. In evaluating the risk, the auditor takes due account of the internal audit arrangements in place at the entity concerned in respect of the drawing up and presentation of financial statements with a view to defining audit procedures appropriate to the circumstances – but not with the aim of expressing an opinion on the effectiveness of these arrangements.

An audit also involves an assessment of the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by the management, as well as an assessment of how the various financial statements are presented.

We believe that the probative elements gathered provide sufficient and appropriate material on which to base our opinion.

Opinion on the summary financial statements

In our opinion, the consolidated financial statements referred to in the first paragraph above give an accurate picture, in all material aspects, of the financial position of the various entities within the scope of consolidation as at 31 December 2019, as well as of the financial performance and cash flows for the financial year that ended on that date, in accordance with international financial reporting standards (IAS/IFRS).

Further point

As regards any developments occurring or any elements coming to light after the reporting date for these summary financial statements in respect of the Covid-19 pandemic, the Management has informed us that these will be the subject of a communication to the Ordinary General Meeting called to approve the accounts.

Casablanca, 24 April 2020

The Auditors

ERNST & YOUNG

DELOITTE AUDIT

ERNST & YOUNG 37, Boulevard Abdellatif Ben Kaddour Casablanca

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Casablanca

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Abdeslam BERRADA ALLAM Partner

Sakina BENSOUDA KORACHI

Partner

AUDITOR REPORTS

AUDITORS' REPORT

EY Building a better working world

37, Boulevard Abdellatif Ben Kaddour 20 050 Casablanca Morocco

To the Shareholders

COSUMAR S.A.

8, Rue El Mouatamid Bnou Abbad

Casablanca

AUDITORS' GENERAL REPORT FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2019

As requested by your General Meeting, we have conducted an audit of the attached summary financial statements of the company **Cosumar S.A.**, including the balance sheet, the revenue and expense account, the management accounts, the cash flow statement, and any additional disclosures relating to the financial year that ended on 31 December 2019. These summary financial statements show shareholders' equity and reserves of 4,181,989,792.23 dirhams, including net profit of 871,073,223.25 dirhams. These financial statements were drawn up by the Board of Directors on 25 March 2020 at a time of great change due to the health crisis associated with the Covid-19 epidemic and are based on the evidence available on that date.

Responsibility of the Management

The Management is responsible for drawing up these summary financial statements and ensuring they present a true and fair view in accordance with the accounting standards applicable in Morocco. This responsibility includes devising, implementing, and monitoring an internal audit of the drafting and presentation of the summary financial statements to ensure these contain no material anomalies, as well as making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor

Our responsibility is to give an opinion on these summary financial statements based on our audit. We have conducted our audit in accordance with the professional standards applicable in Morocco. These standards require us to comply with the rules on ethics and to plan and perform the audit in a way that provides reasonable assurance that the summary financial statements do not contain any material anomalies.

An audit involves the implementation of procedures aimed at gathering elements with probative value in respect of the figures and information provided in summary financial statements. The choice of procedures is a matter of judgement on the auditor's part, as is the evaluation of the risk that the summary financial statements contain material anomalies. In evaluating the risk, the auditor takes due account of the internal audit arrangements in place at the entity concerned in respect of the drawing up and presentation of summary financial statements with a view to defining audit procedures appropriate to the circumstances – but not with the aim of expressing an opinion on the effectiveness of these arrangements.

An audit also involves an assessment of the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by the management, as well as an assessment of how the various summary financial statements are presented.

We believe that the probative elements gathered provide sufficient and appropriate material on which to base our opinion.

Deloitte.

Bd Sidi Mohamed Ben Abdellah Building C, Tour Ivoire 3, 3rd Floor La Marina - Casablanca Morocco

Opinion on the summary financial statements

We hereby certify that the summary financial statements referred to in the first paragraph above are both in order and true and fair and give an accurate picture, in all material aspects, of the results of operations for the past financial year, as well as of the financial position and assets of the company **Cosumar S.A.** as at 31 December 2019, in accordance with the accounting standards applicable in Morocco.

Specific verifications and information

We have also performed the specific verifications envisaged by law and have made sure in particular that the information provided in the management report from the Board of Directors, drawn up on 25 March 2020, for the attention of the shareholders is consistent with the company's summary financial statements.

We would also draw your attention to the following:

- In accordance with Article 172 of law 17-95 as amended and supplemented, we hereby inform you that during the 2019 financial year the company Cosumar S.A. founded the company 'Comaguis', in which it holds a 55% share.
- As regards any developments occurring or any elements coming to light after the reporting date in respect of the impact of the crisis associated with Covid-19, the Management has informed us that these will be the subject of a communication to the Ordinary General Meeting called to approve the accounts.

Casablanca, 24 April 2020

The Auditors

ERNST & YOUNG

DELOITTE AUDIT

Deloitte Audit

ERNST & YOUNG 37, Boulevard Abdellatif Ben Kaddour Casablanca

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Abdeslam BERRADA ALLAM Partner

Sakina BENSOUDA KORACHI Partner





البركة تجمعنا الاه ١٩٥٥ ١٩٥ ١٩٥ ١٩٥ Partageons le Progrès Sharing Progress