

SALAFIN

Single Document Prospectus Summary

Capital Increase by Opting to Convert the Total or Partial Dividend Entitlement in relation to Financial Year 2019

Maximum number of shares to be issued:	239,083 New Shares
Issue price per share:	MAD 542 per share
Nominal value per share:	MAD 100 per share
Overall transaction amount, including issue price:	MAD 129,582,986
Capital increase subscription period by exercising the option to convert the 2019 dividend:	From 28 August to 21 September 2020 inclusive

ADVISORY INSTITUTION

BMCE CAPITAL
CONSEIL 

Approval Visa of the Moroccan Capital Market Authority (AMMC)

In accordance with the provisions of the AMMC Circular issued pursuant to Article 5 of Dahir No. 1- 12- 55 of 28 December 2012 promulgating Law No. 44-12 relating to public offerings and information required from legal entities and organizations making public offerings, this prospectus was approved by the AMMC on 12 August 2020 under reference No. VI/EM/015/2020.

LISSANIAT
Hay Nassim Lot. Nassim Imen 130 N° 11
Lissasfa - Casablanca
Tél.: 0522 89 78 89
GSM : 0664 78 99 40

WARNING

The Moroccan Capital Market Authority (AMMC) approved on 12 August 2020, under reference no. VI/EM/015/2020, a prospectus relating to Salafin's capital increase by opting to convert the total or partial dividend entitlement in relation to financial year 2019.

The AMMC-approved prospectus is available at any time at Salafin's head office and on its website:

https://salafin.com/sites/default/files/2020-08/Prospectus%20en%20Document%20Unique_Augmentation%20Du%20Capital%20Social_Conversion%20Dividendes%202019.pdf

and from its financial advisor.

The prospectus is available to the public at the head office of Casablanca Stock Exchange and on its website www.casablanca-bourse.com. It is also available at AMMC website www.ammc.ma.

This summary has been translated by Lissaniat under the joint responsibility of the said translator and Salafin.

In the event of any discrepancy between the contents of this summary prospectus and that of the AMMC-approved prospectus, the latter alone shall be deemed authoritative.

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I. Transaction Overview

1. Overall characteristics of the transaction

Assuming that all of Salafin's existing shareholders were to exercise their option to convert their entire 2019 dividend entitlement into shares in the Company, as authorized by the combined general shareholders' meeting held on 30 June 2020 in its extraordinary form and whose characteristics and operating procedures were set by the Management Board on 11 August 2020, the maximum total amount of the share capital increase referred to in this prospectus would be MAD 129,582,986 (excluding statutory deductions¹).

The share capital increase, subject of this prospectus, will be carried out through the issue of a maximum number of 239,083 new shares at an issue price of MAD 542, i.e. a nominal value of MAD 100 per share and an issue premium of MAD 442 per share.

It is expressly understood that the amount of this capital increase through the conversion of dividends may be between MAD 0 and MAD 129,582,986 (excluding statutory deductions²) depending on the shares to be issued in connection with this transaction.

Subscription by shareholders will therefore result in the share capital increase of a maximum nominal amount of MAD 23,908,300 and an issue premium of a maximum amount of MAD 105,674,686, i.e., a total of MAD 129,582,986.

Maximum amount	
Number of shares (as of end December 2019)	2,945,074 Shares
Number of shares held in treasury	6 Shares ³
Dividend per share	MAD 44 per Share
Gross dividend distribution	MAD 129,582,992
Total amount of transaction⁴	MAD 129,582,986
Maximum amount	MAD 23,908,300 (nominal) and MAD 105,674,686 (issue premium)

2. Transaction Aims

Through this transaction, Salafin aims to:

- Enable existing shareholders to consolidate their holding in the company;
- Promote the strengthening of the company's equity capital;
- Finance Salafin's day-to-day business operations.



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¹ Deduction made, where applicable, of any tax or withholding tax pursuant to the provisions in force by the General Tax Code or the tax treaties for the avoidance of double taxation concluded by Morocco.

² Deduction made, where applicable, of any tax or withholding tax pursuant to the provisions in force by the General Tax Code or the tax treaties for the avoidance of double taxation concluded by Morocco.

³ It should be noted that treasury shares do not entitle the holder to a dividend distribution.

⁴ It should be noted that the total amount of the transaction does not take into account the rounding of shares, hence the difference between the amount of gross dividend distribution and the total amount of the transaction.

3. Transaction Schedule

The following table outlines the schedule for Salafin's capital increase in cash by converting dividends in relation to financial year 2019:

Stage	Date
Casablanca Stock Exchange receives the complete transaction file	5 August 2020
Casablanca Stock Exchange issues an approval notice	12 August 2020
AMMC approves the prospectus relating to the transaction	12 August 2020
Casablanca Stock Exchange receives the said prospectus	
Prospectus excerpt published on Salafin's website on the day that it is approved	12 August 2020
Capital increase and ex-dividend notices published in the Official Bulletin	13 August 2020
Salafin publishes a press release in a journal containing legal notices relating to the prospectus approval	17 August 2020
Ex-dividend date: share price adjusted, and order book purged	25 August 2020
Capital increase subscription period opens by exercising the option to convert the total or partial 2019 dividend entitlement	28 August 2020
Capital increase subscription period closes by exercising the option to convert the total or partial 2019 dividend entitlement	21 September 2020
The bookrunner receives the subscription forms	22 September 2020
The bookrunner collates subscriptions and makes the final allocation	24 September 2020
Board meeting held to ratify the capital increase	25 September 2020
Casablanca Stock Exchange receives, before 10 am:	
(i) The minutes of the Board meeting ratifying the capital increase and	28 September 2020
(ii) The results of the capital increase	
Cash dividend payment	29 September 2020
Delivery of new shares to custodians and odd-lot payments made by Salafin	30 September 2020
New shares admitted for trading on the 1 st line	
Capital increase registered on the stock exchange	1 October 2020
Transaction results published by the Casablanca Stock Exchange in the Official Bulletin	
Transaction results published by Salafin in a journal containing legal notices	2 October 2020

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4. Characteristics of the securities to be issued

Characteristics	
Type of securities to be issued	Salafin shares, each of the same class.
Legal form	Bearer, entirely non-physical, registered in book-entry from authorized financial intermediaries and eligible for Maroclear clearing.
Maximum amount	MAD 129,582,986, comprising MAD 23,908,300 of nominal value and MAD 105,674,686 of issue premium.
Maximum number of shares to be issued	239,083 new shares.
Issue price	MAD 542 per share.
Nominal value per share	MAD 100 per share.
Issue premium per share	MAD 442 per share.
Restrictions on the shares to be issued	The shares to be issued will be fully paid-up and free of all restrictions
Securities' entitlement date	1 January 2020 ⁵ .
Period of exercising the conversion option	From 28 August to 21 September 2020 inclusive.
Shares' tradability	The shares to be issued will be freely tradable on the Casablanca Stock Exchange.
Listing date of new shares	1 October 2020
Securities' payment method	Conversion of the 2019 financial year dividend into shares.
Listing of new shares	The shares to be issued in relation to this capital increase will be admitted for trading on the 1 st line alongside the existing shares listed on the Casablanca Stock Exchange.
ISIN code	MA0000011744
Rights attached to the securities to be issues	All shares confer equal rights with regard to the distribution of profits. The new shares to be issued will confer rights with regard to the profit distributed in relation to financial year 2020. Each share entitles its holder to one voting right at shareholder meetings. There are no shares with double voting rights.

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⁵ It is worth noting that this date corresponds to the date of entitlement to dividends in relation to financial year 2020 and distributable in 2021.

II. Risk Factors

1. Liquidity risk associated with the security

Subscribers to Salafin shares may be subject to a liquidity risk of the share on the stock market. Indeed, depending on market conditions and the sale price, the share's liquidity may be temporarily affected. A shareholder wishing to sell their stock in Salafin quickly could, under certain conditions, see its liquidity reduced.

However, the Salafin financial instrument is one of the main financial instruments of the Casablanca Stock Exchange with a certain dynamism for the liquidity of the share compared to all the instruments listed on the Casablanca Stock Exchange.

Moreover, the number of shares constituting the free float as of end June 2020 (*450,087 shares i.e. 15.28% of Salafin's share capital*) ensures a certain liquidity of the share and reduces this financial risk.

2. Volatility risk associated with the security

As Salafin share is listed on the Casablanca Stock Exchange, it complies with the rules of supply and demand to determine the quotation value. The share price is largely determined by the prospects of future profits of listed companies anticipated by investors. Thus, depending on investors' appreciation of the security, it may undergo significant fluctuations depending on several parameters (announcements, earnings releases, prospects, development strategy, etc.). Thus, the investor can see their security depreciate as well as appreciate on the Moroccan stock market.

3. Risk of investment loss

An investor-shareholder in Salafin, like any shareholder in any other company (listed or unlisted), runs the risk of losing some or even all of the original investment. This is the inherent risk of being a shareholder, if the price trend were to become negative.

WARNING

The above information constitutes only part of the prospectus, reference number VI/EM/015/2020, approved by the Moroccan Capital Market Authority (AMMC) as of 12 August 2020.

The AMMC recommends that interested parties read the complete prospectus, which is available to the public in French.

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