



PROSPECTUS SUMMARY

**CAPITAL INCREASE OF COMPAGNIE D'ASSURANCES ET DE REASSURANCES ATLANTA S.A.
(ATLANTA) AS PART**

OF A MERGER-ABSORPTION OPERATION OF SANAD S.A.

**Proposed to the Extraordinary General Meetings of ATLANTA and SANAD scheduled for
September 25, 2020**

Number of shares to be issued	▪ 93,159 new Atlanta shares
Nominal value per share	▪ MAD 10.00
Price per share	▪ MAD 88.70
Exchange parity	▪ 11 Atlanta shares for 1 Sanad shares
Value of contributions	▪ MAD 2,452,700,000
Amount of the capital increase	▪ MAD 931,590
Total amount of the operation	▪ MAD 8,263,203
Date of securities exchange	▪ October 5, 2020

THIS OFFER IS INTENDED FOR SANAD SHAREHOLDERS (EXCLUDING ATLANTA'S)

ADVISORY BODY & GLOBAL COORDINATOR:

SOCIETE GENERALE MAROCAINE DE BANQUES



Approval of the Moroccan Capital Market Authority (AMMC)

In accordance with the provisions of the circular of the Moroccan Capital Markets Authority (AMMC), issued pursuant to article 222 of law 17-95 relating to public limited companies, as supplemented and amended, this Prospectus has been approved by AMMC on September 10, 2020 under the reference VI/EM/020/2020.

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DISCLAIMER

The Moroccan Capital Market Authority (AMMC) approved on September 10, 2020 a Prospectus relating to the capital increase of Compagnie d'assurances et de réassurances ATLANTA S.A. (Atlanta) under a merger-absorption operation of Sanad (Sanad).

The AMMC-approved Prospectus is available at any time at Atlanta headquarters, on the latter's website (www.atlanta.ma), and from its financial advisor.

The Prospectus is made available to the public at the Casablanca Stock Exchange headquarters and on its website (www.casablanca-bourse.com). It is also available on AMMC website (www.ammc.ma).

This summary has been translated by LISSANIAT SARL under the joint responsibility of the said translator and Atlanta. In the event of any discrepancy between the contents of this summary and the AMMC-approved Prospectus, only the approved Prospectus shall prevail.



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I. Presentation of the Operation

I.1. Global Characteristics of the Operation

1) Legal Framework of the Operation

The Boards of Directors of Atlanta (the **Absorbing Company**) and Sanad (the **Absorbed Company**), meeting on June 1, 2020, decided on the terms of the proposed merger of Sanad into Atlanta. They also agreed on the terms of the reports that they will present to their respective Extraordinary General Meetings (EGMs) to be held on September 25, 2020 as well as the text of the draft resolutions that will be submitted to the EGMs for a vote. The said draft merger treaty was entered into between the Absorbing Company and the Absorbed Company on June 1, 2020 (the **Merger Treaty**).

The merger by way of absorption of Sanad by Atlanta, which is the subject of the Merger Treaty¹, will be carried out in accordance with the terms and conditions set forth below:

The Merger will be carried out in accordance with the conditions set forth in Articles 222 et seq. of Law 17-95 relating to public limited companies.

Sanad will bring to Atlanta, subject to the fulfillment of the conditions precedent described below, the universality of its assets and liabilities, with legal effect as of the date of completion of the Merger.

The Merger will be effective retroactively as of January 1, 2020 from an accounting and tax point of view.

The terms and conditions of the Merger project were established on the basis of the financial statements of the Absorbing Company and the Absorbed Company as of December 31, 2019, the closing date of the last fiscal year of each of the Companies (the **Reference Financial Statements**).

The Atlanta and Sanad Reference Financial Statements, which are included in the Financial Position section, were (i) approved by their respective boards of directors, (ii) certified by their respective statutory auditors, and (iii) approved by their respective annual ordinary general shareholders' meetings held on April 28, 2020.

The boards of directors of Atlanta and Sanad held on June 1, 2020 also decided to convene the Extraordinary General Shareholders' Meetings for September 25, 2020, at the respective registered offices of both companies, for the purpose, inter alia, of approving the Merger.

The Merger Treaty was filed with the Commercial Court of Casablanca on August 12, 2020.

The notices relating to the operation were published in the official bulletin and in the newspaper *L'Economiste* on June 2, 2020, in accordance with Article 226 of Law 17-95 relating to public limited companies as amended and supplemented.



¹ See Merger Treaty in the Annex to the Prospectus

In accordance with the provisions of Article 233 of Law 17-95 relating to public limited companies, the respective Boards of Directors of Atlanta and Sanad have communicated the Merger Treaty to the statutory auditors, Ernst & Young and Deloitte Audit, within the required deadlines.

The notices² of the Extraordinary General Meetings of Atlanta and Sanad were published in the newspaper L'Economiste on August 19, 2020.

Atlanta and Sanad have made available to their respective shareholders, at their respective registered offices and on their respective websites, at least thirty days prior to the date of their Extraordinary General Meetings called to decide on the Merger, the documents relating to the Merger as well as those required by Article 234 of the Law 17-95 on public limited companies as amended and supplemented:

- The Merger Treaty;
- The report of the Board of Directors of each company on the Merger;
- The reports of the Statutory Auditors provided for in Article 233 of Law 17-95 on public limited companies, as amended and supplemented;
- The approved summary statements and the management reports for the last three fiscal years of the two companies;

Any shareholder may obtain, upon request and free of charge, a copy of all or part of the above-mentioned documents from each of the two companies concerned by this merger operation.

The completion of the Merger and the resulting dissolution of Sanad are subject to the fulfillment of the following conditions precedent:

- a. Obtaining the approval of the Merger and the agreement for the transfer of all of Sanad's assets and liabilities to Atlanta by the *Autorité de Contrôle des Assurances et de la Prévoyance Sociale* (Insurance and Social Security Supervisory Authority) in accordance with Articles 230 and 231 of the Moroccan Insurance Code;
- b. Obtaining the visa of the Moroccan Capital Market Authority on the Prospectus for the Merger;
- c. Obtaining by The Casablanca Stock Exchange of the notice of approval of the Merger;
- d. Approval of the Merger by the Extraordinary General Meeting of Shareholders of Sanad;
- e. Approval of the Merger by the Extraordinary General Meeting of Shareholders of Atlanta.

The date of completion of the Merger shall be the date of the latest fulfillment of the conditions precedent, or any other date determined by mutual agreement between Atlanta and Sanad provided that it is earlier than the cut-off date, i.e. December 31, 2020.

If each of the above conditions precedent is not satisfied by December 31, 2020, the Merger Treaty shall, unless extended, automatically become null and void, without any indemnity being due on either side pursuant to the Merger Treaty.

2) Context of the Operation

a) Business Agreements and Relations



² See Annexes to the Prospectus

There are no agreements and special business relations between Atlanta and Sanad other than those mentioned in part V.3.2 of the Prospectus.

b) Capital Ties

Atlanta holds 2,491,531 Sanad shares, representing 99.66% of Sanad's share capital.

However, Sanad does not hold any interest in the share capital of Atlanta.

c) Joint Officers and Directors

Mr. Mohamed Hassan Bensalah is Chairman and CEO of Atlanta and Sanad.

Holding Marocaine Commerciale et Financière (by abbreviation Holmarcom), *Caisse de Dépôts et de Gestion*, Mrs. Fatima Zahra Bensalah, Mrs. Latifa Bensalah, Mr. Karim Chiouar, Mr. Sekkat Sellam are joint members of the Boards of Directors of Atlanta and Sanad.

d) Current Operational or Financial Synergies

Atlanta and Sanad operate independently. The affiliation of one to the other gives rise to certain operational synergies, essentially the sharing of the following functions: management control, asset management, internal control, reinsurance and legal.

The persons responsible for these functions are common to both companies. The teams dedicated to these functions are separate.

On the financial side, the two companies have cash pooling arrangements, which are governed by regulated cash loan and advance agreements (see section IV.V.2 of the Prospectus). These agreements have not given rise to any cash flows between the companies over the last three years.

1.2. Objectives of the Operation

The Merger is envisioned to create synergy in the structures, expertise, means and resources of Atlanta and Sanad.

It is also explained by the complementary nature of Atlanta and Sanad, in particular given the identical activities that they carry out, as well as their accumulated expertise and experience in the insurance field.

Within the Holmarcom Group, Atlanta and Sanad have developed and transformed over the last few years. The combined strengths of the two companies are now seen as essential to go even further.

The new entity resulting from the Merger will make it possible to aim at efficiency at all levels:

- Quality of service serving the best market standards in terms of operational efficiency (underwriting lead time, claims management, customer issues, etc.),
- A territorial network that guarantees a presence and proximity throughout the country in high-visibility locations,



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- An underwriting and risk selection policy capable of enabling business growth,
- A clear innovation policy at the service of the company's strategy.

The Merger will enable the new entity to position itself as the Moroccan insurer of reference on the market: solid, modern, responsible and committed.

The Merger will strengthen the equity capital of the new entity resulting from the Merger, simplify the structure of the Holmarcom group and the functioning of the insurance pole (see part IV.II.4 of the Prospectus).



I.3. Timetable of the Operation

Step	Description	Date
1	Receipt by the Casablanca Stock Exchange of the complete operation file.	25/08/2020
2	Issuance by the Casablanca Stock Exchange of the operation approval notice	10/09/2020
3	Receipt by the Casablanca Stock Exchange of the AMMC-approved Prospectus	10/09/2020
4	Publication of the Prospectus excerpt in a legal gazette	10/09/2020
5	Publication of the notice relating to the operation in the stock exchange bulletin	11/09/2020
6	Meeting of the EGMs to ratify the operation	25/09/2020
7	Receipt by the Casablanca Stock Exchange of the minutes of the EGMs that have ratified the operation.	28/09/2020
8	Receipt by the centralizing body of the minutes of the EGMs that have ratified the operation.	28/09/2020
9	Exchange of Sanad shares for the new Atlanta shares	05/10/2020
10	<ul style="list-style-type: none"> ▪ Admission of new Atlanta shares ▪ Registration of the operation on the stock exchange ▪ Announcement of the results of the operation in the listing bulletin 	06/10/2020
11	Sale of ATLANTA shares resulting from the conversion of the rights of SANAD shareholders affected by fractional shares	06/10/2020
12	Credit of the ATLANTA cash account, opened at CDG Capital, with the proceeds of the sale of the shares resulting from the conversion of SANAD shareholders' rights.	09/10/2020

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I.4. Characteristics of the Securities to be issued

Nature of securities	All Atlanta shares belong to the same class
Number of shares to be issued	93,159 new shares
Legal form of securities	The new Atlanta shares will be nominative, entirely dematerialized, registered in account with the authorized financial intermediaries and admitted to Maroclear's operations.
Issue price	MAD 88.70 per ATLANTA share
Nominal value	MAD 10.00 per ATLANTA share
Date of enjoyment	January 1, 2020 ³
Tradability of securities	The issued shares are freely tradable on the Casablanca Stock Exchange.
Listing of new securities	The shares issued from this capital increase will be listed on the 1 st line of the stock exchange.
ISIN code	MA0000011710
Listing date	October 6, 2020
Payment of securities	The shares issued will be fully paid up and free of any commitment.
Rights attached	<p>All new shares to be created by Atlanta shall be entitled to the benefits and shall be fully assimilated, in terms of rights and obligations, to the old shares. They will be subject to all the provisions of the articles of incorporation and will carry current dividend rights so as to be fully comparable to the existing shares of Atlanta on the date of final completion of the merger.</p> <p>Consequently, the new shares will be entitled to the distribution of profits or distribution of reserves that may be decided by Atlanta as from the date of completion of the merger.</p> <p>Notwithstanding the foregoing, it is specified for all purposes that the new shares to be created by Atlanta will not give right to any distribution of profits or distribution of reserves or premiums, of any kind whatsoever, which may be paid before the completion date of the Merger.</p>

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³ It should be noted that this date corresponds to the right to dividends relating to the financial year 2020 to be distributed in 2021.

It should be noted that the issued shares will be registered in the name of their holders in pure registered form in the books of the issuer (Atlanta), via its agent (CDG CAPITAL).

In order to facilitate the trading and management of their Atlanta shares, these beneficiaries may obtain from an authorized financial intermediary the reproduction, in an administration account, of the registrations appearing in their account held by Atlanta in its capacity as issuing legal entity, via its agent (CDG Capital).

Listing Characteristics of the New Shares

Expected listing date	October 6, 2020
Label	ATLANTA
Ticker	ATL
ISIN code	MA0000011710
Compartment	Principal B
Sector of activity	Insurance
Round of trading	Ongoing
Total number of shares to be issued	93,159
Listing line	1 st line, completely assimilated to the old shares
Establishment in charge of the registration of the operation	CDG Capital Bourse

Financial intermediaries

Type of intermediary	Name	Address
Financial Advisor and Global Coordinator	Société Générale Marocaine de Banques	55, Bd Abdelmoumen, Casablanca
Centralization body	CDG Capital	Tour Mamounia, Place Moulay Hassan Rabat - Morocco
Establishment in charge of the registration of the operation	CDG Capital Bourse	Boulevard Franklin Roosevelt, Casablanca

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II. Information related to the Absorbing Company

II.1. Summary Description of the Activity

1) General Information

Atlanta is part of the Holmarcom Group (*Holding Marocaine Commerciale et Financière*), a diversified group that operates in several fields of activity (finance, agro-industry, distribution and logistics, real estate, others). Atlanta occupies a leading position within the group, and is its main entity in the financial sector.

Corporate name	Compagnie d'assurances et de réassurances ATLANTA S.A.
Registered office	181, Boulevard d'Anfa, Casablanca
Phone	05.22.95.76.76
Fax	05.22.36.98.12/14/16
Website	www.atlanta.ma
E-mail	info@atlanta.ma
Legal form	Public limited company with a Board of Directors, under Moroccan private law.
Date of incorporation	August 7, 1947
Company lifetime	99 years from the date of incorporation, except in the case of early dissolution or extension provided for in the Articles of Incorporation
Registration number in the commercial register	16747 – Casablanca
Financial year	The fiscal year begins on January 1 and ends on December 31
Corporate purpose (Article 3 of the Articles of Incorporation)	<p>The company's purpose, both in Morocco and in all other countries:</p> <ul style="list-style-type: none"> • All insurance and reinsurance operations against all risks that may affect persons or property, including all life insurance operations; • The representation of all Moroccan, French or foreign insurance or reinsurance companies; • More generally, all financial, movable or immovable operations that may be related to these objects; • The direct or indirect participation in any form whatsoever in any existing or future companies or corporations having a similar or related purpose.



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Share capital (as of December 31, 2019)	MAD 601,904,360
Consultation of legal documents	The articles of incorporation, the minutes of the general meetings and the auditors' reports can be consulted at the Atlanta headquarters located at 181, boulevard d'Anfa, Casablanca.

Source: Atlanta

2) Products and Markets

Atlanta's Non-Life and Life insurance activities are mainly located in Morocco. Atlanta is also active in Non-Life insurance in Côte d'Ivoire, through Atlanta CI.

Atlanta is positioned in three market segments: Individual, Professional and Corporate. A wide range of products, each of which responds to a particular need for coverage, characterizes its positioning.

This positioning, which covers most of the market, allows Atlanta to capture new market share and address potential subscribers not yet covered while meeting the specific needs of its customers.

The tables below present all of the products marketed by Atlanta:

Individuals	Products
Automotive	<ul style="list-style-type: none"> - Rechargeable civil liability - "Auto+ formulas" - Eco-bonus Auto - Car Assistance/Compensation - Non-Stop Services
Housing multi-risk	<ul style="list-style-type: none"> - "Maskani" - Express Renovation Service
Savings	<ul style="list-style-type: none"> - Istimrar Capitalization - Istimrar Heritage - Istimrar Retirement - Ihtiate Education
Foresight	<ul style="list-style-type: none"> - Death - Disability-Invalidity
Health	<ul style="list-style-type: none"> - "Family" - "International Premium Health"
Individual accidents	<ul style="list-style-type: none"> - Individual trainee accidents - Individual travel accidents - Individual moped accidents - Individual driver protection accidents

Source: Atlanta

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Professionals	Products
Automotive	<ul style="list-style-type: none"> - Rechargeable civil liability - "Auto+ formulas" - Eco-bonus Auto - Car Assistance/Compensation - Non-Stop Services
Housing multi-risk	<ul style="list-style-type: none"> - "Maskani" - Express Renovation Service
Savings	<ul style="list-style-type: none"> - Istimrar Capitalization - Istimrar Heritage - Istimrar Pension - Ihtiate Education
Foresight	<ul style="list-style-type: none"> - Death - Disability-Invalidity
Health	<ul style="list-style-type: none"> - "Family" - "International Premium Health"
Individual accidents	<ul style="list-style-type: none"> - Individual trainee accidents - Individual travel accidents - Individual moped accidents - Individual driver protection accidents
Professional multi-risk	<ul style="list-style-type: none"> - Fire, Explosions, Smoke and Related Hazards - Natural events - Water damage - Guarantees of costs, losses and fees - Theft and acts of vandalism - Cash transportation - Breakage of windows and signs - Civil Liability Operating and its extensions
Work accident	<ul style="list-style-type: none"> - Coverage of: <ul style="list-style-type: none"> - Indemnities, annuities or pensions - Medical and pharmaceutical expenses - Hospital fees - Funeral, legal or other expenses
School civil liability	<ul style="list-style-type: none"> - "Taamine Almadrassi"

Source: Atlanta

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Corporate	Products
Transportation Insurance	<ul style="list-style-type: none"> - Maritime and aviation cargo - Goods by land - Bodies
Technical Risk Insurance	<ul style="list-style-type: none"> - Machine Breakdown - "Albinaa" worksite all risks - "Albinaa" Decennial Civil Liability - All IT risks
Miscellaneous Risks Insurance	<ul style="list-style-type: none"> - Glass breakage - Water damage - Offices & Stores Theft - Individual robbery
Personal Insurance	<ul style="list-style-type: none"> - Retirement savings - Group-Death - Disability-Invalidity - "Taamine Shifaa" Health - "Assiha" big risks
Property & Liability Insurance	<ul style="list-style-type: none"> - Fire explosions - Auto+ Multi-risk - Companies Multi-risk - Civil liability - School Civil Liability
Non-Stop Services	<ul style="list-style-type: none"> - Loss reporting/Geolocation in case of breakdown / accident - 24-hour assistance - Geolocation of the nearest agency - Insurance Quote - Useful numbers and emergency directory

Source: Atlanta

During 2019, Atlanta launched new multi-risk products for healthcare professionals, overhauled its multi-risk home insurance offer and overhauled its automobile offer with changes in assistance services and a review of third party and collision damage deductibles.

To mark International Women's Day, Atlanta launched a dedicated offer for women, *Rechargeable civil liability "LAKI"*, with an advertising campaign on the various communication channels.

In addition, Atlanta, in partnership with the BOSCH brand, launched on July 16, 2019 the first affinity insurance on the Moroccan household appliances market, which provides extended warranty coverage on major household appliances for an additional three months after the expiration of the manufacturer's initial warranty.

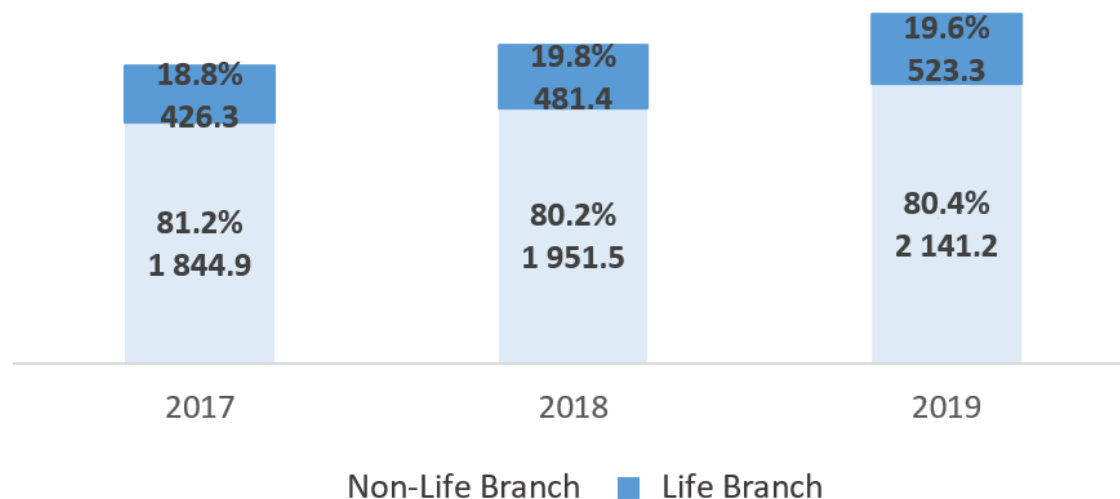
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The following table shows the distribution and change in Atlanta's gross written premiums over the 2017-2019 period:

Gross written premiums in MMAD	2017	2018	2019	Var. 18/17	Var. 19/18	CAGR 17-19
Life Branch	426.3	481.4	523.3	12.9%	8.7%	10.8%
Non-Life Branch	1 844.9	1 951.5	2 141.2	5.8%	9.7%	7.7%
Gross written premiums	2 271.2	2 432.9	2 664.5	7.1%	9.5%	8.3%

Source: Atlanta

The graph below illustrates the evolution and composition of written premiums over the last 3 years (amounts in MMAD):



Source: Atlanta

II.2. Shareholding

On the eve of this operation, the shareholders of Atlanta are as follows:

Shareholders	Number of shares	Voting rights	% in capital	% of voting rights
Holmarcom	6 696 429	6 696 429	11.13%	11.13%
Holmarcom Insurance Activities	33 712 970	33 712 970	56.01%	56.01%
CDG	5 787 543	5 787 543	9.62%	9.62%
CIH Bank	6 019 844	6 019 844	10.00%	10.00%
Directors (natural persons)	428 067	428 067	0.71%	0.71%
Other shareholders ⁴	7 545 583	7 545 583	12.54%	12.54%
Total	60 190 436	60 190 436	100.00%	100.00%

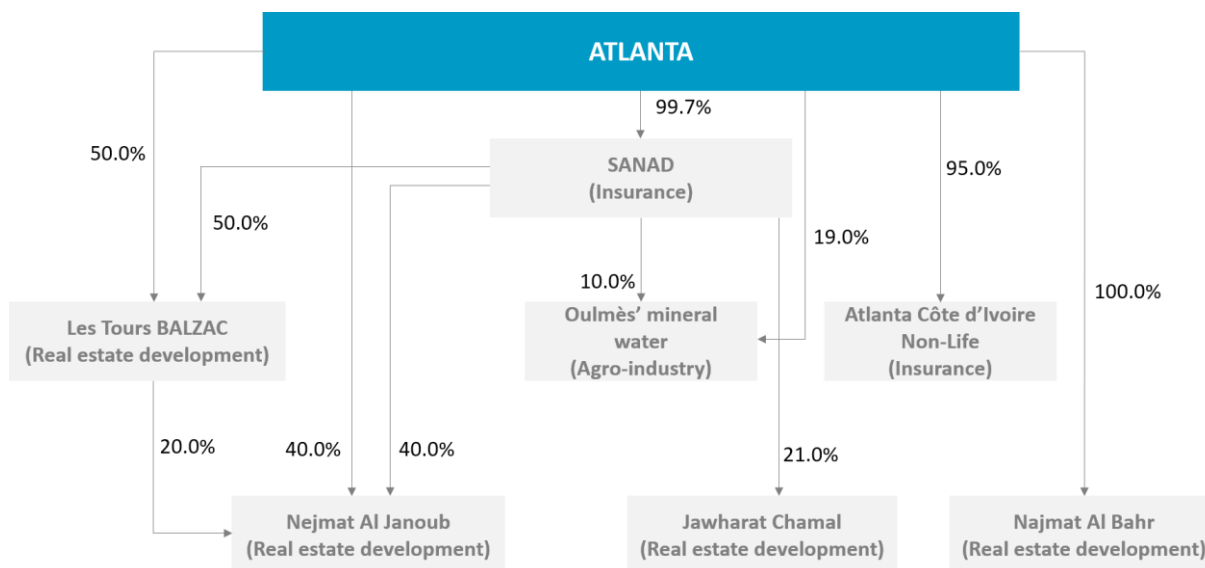
Source: Atlanta

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⁴ It should be noted that there is no current employee shareholding plan.

II.3. Legal Organization Chart

Legal Organization Chart of the Atlanta Group



Source: Atlanta

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III. Information related to the Absorbed Company

III.1. Summary Description of the Activity

1) General Information

Sanad is a 99.66% subsidiary of Atlanta, which itself is part of the Holmarcom Group. It is the most important subsidiary of Atlanta, operating in the same business as the latter.

Corporate name	SANAD
Registered office	181, Boulevard d'Anfa, Casablanca
Phone	05.22.95.78.00
Fax	05.22.36.04.36
Website	www.sanad.ma
Legal form	Public limited company with a Board of Directors, under Moroccan private law.
Date of incorporation	May 16, 1975
Company lifetime	99 years from the date of incorporation, except in the case of early dissolution or extension provided for in the Articles of Incorporation
Registration number in the commercial register	5825 – Casablanca
Fianacial year	The fiscal year begins on January 1 and ends on December 31
Corporate purpose (Article 3 of the Articles of Incorporation)	Sanad was approved as an insurance and reinsurance company by order of the Minister of Economy and Finance no. 2389-15 of Ramadan 13, 1436 (June 30, 2015) in order to carry out the following categories of insurance operations
Share capital (as of December 31, 2019)	MAD 250,000,000
Consultation of legal documents	The articles of incorporation, the minutes of the general meetings, and the Auditors' reports can be consulted at Atlanta head office: 181, Boulevard d'Anfa, Casablanca.

Source: SANAD



2) Products and Markets

SANAD is positioned on three market segments: Individuals, Professionals and Corporate. A wide range of products, each of which responds to a particular need for coverage, characterizes its positioning.

This positioning, which covers the most important market segments, allows SANAD to capture new market shares and to address potential subscribers not yet covered, while responding to specific needs.

The tables below present all the products marketed by SANAD:

Individuals	Products
Automotive	<ul style="list-style-type: none"> - "Generic Auto" - "WW Auto" - "Nissae Auto" - "Iktissadi Auto" - "Bonus Auto Bonus" - "VIP Auto"
Leisure	<ul style="list-style-type: none"> - "Yachting Multi-risk" - "Hunting civil liability"
Housing multi-risk	<ul style="list-style-type: none"> - Housing multi-risk - Building multi-risk
Individual accidents	<ul style="list-style-type: none"> - Death - Disability - Medical & pharmaceutical expenses - Temporary invalidity
Retirement	<ul style="list-style-type: none"> - Retirement savings
Health	<ul style="list-style-type: none"> - "International Healthcare" with the partner Nextcare - "Shamil Healthcare", complementary health insurance

Source: SANAD

Professionals	Products
Professional multi-risk	<ul style="list-style-type: none"> - Fire - Theft - Water damage - Glass breakage - Civil Liability Operations
Employees	<ul style="list-style-type: none"> - Coverage of : <ul style="list-style-type: none"> - "DDI" Health: Death, Disability, Illness - Individual accidents - Work accidents - "Sanad El Hayat" Retirement
Privacy (ISO-Individuals)	<ul style="list-style-type: none"> - Leisure - Housing - Individual accidents - Retirement
Responsibilities	<ul style="list-style-type: none"> - Professional civil liability - Vehicles civil liability
Vehicles	<ul style="list-style-type: none"> - "Geotrans" + Individual ISO-products

Source: SANAD

Corporate	Products
Heritage	<ul style="list-style-type: none"> - Industrial multi-risk - Maritime and transport - Technical risks - Hotels, cafés and restaurants - Office multi-risk - "Annakil"
Employees (ISO-Professionals)	<ul style="list-style-type: none"> - Coverage of : <ul style="list-style-type: none"> - "DDI" Health: Death, Disability, Illness - Individual accidents - Work accidents - "Sanad El Hayat" Retirement
Officers (ISO-Professionals)	<ul style="list-style-type: none"> - Leisure - Housing - Individual accidents - Retirement
Responsibilities	<ul style="list-style-type: none"> - Civil Liability Operations - Civil Liability Product - School Civil Liability
Vehicles	<ul style="list-style-type: none"> - "Annakil" - "Geotrans" - "Corporate fleet" - "Employee Fleet"

Source: SANAD

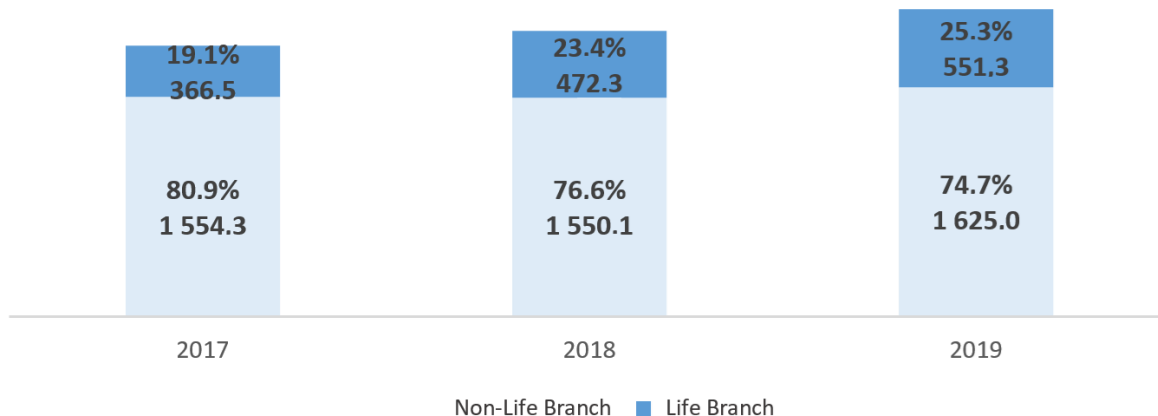
The following table shows the distribution and change in Atlanta's gross written premiums over the 2017-2019 period:

Gross written premiums in MMAD	2017	2018	2019	Var. 18/17	Var. 19/18	CAGR 17-19
Life Branch	366.5	472.3	551.3	28.9%	16.7%	22.7%
Non-Life Branch	1 554.3	1 550.1	1 625.0	-0.3%	4.8%	2.2%
Gross written premiums	1 920.8	2 022.4	2 176.3	5.3%	7.6%	6.4%

Source: SANAD

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The graph below illustrates the evolution and composition of written premiums over the last 3 years (amounts in MMAD):



Source: SANAD

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III.2. Shareholding

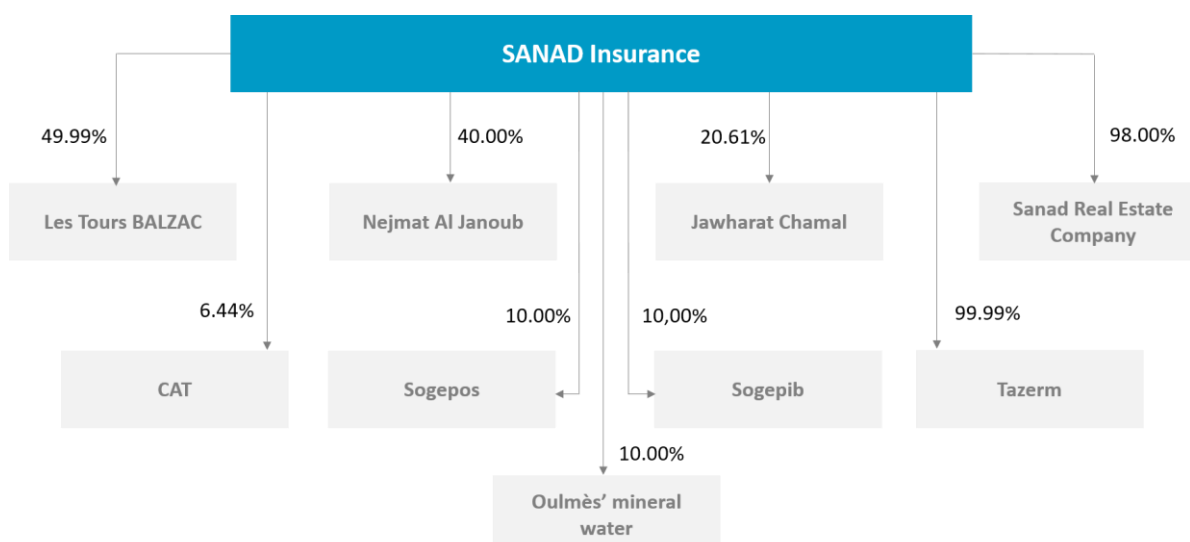
On the eve of this operation, the shareholders of Sanad are as follows:

Shareholders	Number of shares	Voting rights	% in capital
Atlanta	2 491 531	99.661%	99.661%
Holmarcom Group	38	0.002%	0.002%
Mr. Mohamed Hassan Bensalah	2	0.000%	0.000%
Mrs. Latifa Bensalah (birth name: El Moutaraji)	2	0.000%	0.000%
Mrs. Fatima-Zahra Bensalah	2	0.000%	0.000%
Mr. Karim Chiour	1	0.000%	0.000%
CDG	10	0.000%	0.000%
M. Sellam Sekkat	1	0.000%	0.000%
Miscellaneous	8 413	0.337%	0.337%
Total	2 500 000	100%	100%

Source: SANAD

III.3. Legal Organization Chart

Legal Organization Chart of Sanad



Source: SANAD

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IV. Financial Data

IV.1. Atlanta's Corporate Financial Statements

1) Income Statement

LIFE INSURANCE TECHNICAL ACCOUNT - MMAD	2017	2018	2019	Var. 2018/2017	Var. 2019/2018	CAGR 17-19
PREMIUMS	409.8	474.6	515.7	15.8%	8.7%	12.2%
Premiums issued	409.8	474.6	515.7	15.8%	8.7%	12.2%
TECHNICAL OPERATING INCOME	1.9	1.9	1.3	4.7%	-30.8%	-14.9%
Operating grants	0.0	0.0	0.0	n/s	n/s	n/s
Other operating income	1.9	1.9	1.3	1.9%	-29.4%	-15.2%
Operating reversals, expense transfers	0.0	0.1	0.0	> 100%	-82.0%	> 100%
SERVICES AND COSTS	309.4	388.6	408.4	25.6%	5.1%	14.9%
Services and costs paid	161.4	189.1	196.0	17.2%	3.7%	10.2%
Change in provisions for claims payable	2.8	27.0	11.1	> 100%	-58.8%	98.6%
Change in life insurance provisions	139.2	171.8	192.0	23.4%	11.8%	17.4%
Change in provisions for claims fluctuations	2.9	3.4	4.8	17.2%	43.0%	29.4%
Change in provisions for financial contingencies	0.0	0.0	0.0	n/s	n/s	n/s
Var. of Tech. prov. of contracts in units of account	0.0	0.0	0.0	n/s	n/s	n/s
Change in provisions for profit sharing	3.1	-2.6	4.4	< -100%	< -100%	19.7%
Change in other technical provisions	0.0	0.0	0.0	n/s	n/s	n/s
TECHNICAL OPERATING EXPENSES	94.0	100.1	114.2	6.6%	14.0%	10.2%
Contract acquisition expenses	48.4	50.7	51.3	4.8%	1.1%	2.9%
Consumed purchases of materials and supplies	1.0	1.0	1.0	1.4%	-2.0%	-0.3%
Other external expenses	20.1	20.6	21.6	2.3%	4.6%	3.5%
Taxes and duties	2.2	2.4	2.5	11.1%	5.4%	8.2%
Personnel expenses	17.8	19.9	21.2	11.7%	6.6%	9.1%
Other operating expenses	0.3	0.3	0.3	3.5%	-5.8%	-1.2%
Operating depreciation and provisions	4.1	5.2	16.3	24.6%	> 100%	98.5%
INCOME FROM INVESTMENTS ALLOCATED TO INSURANCE OPERATIONS	46.0	55.4	58.4	20.3%	5.5%	12.7%
Income from investments	16.4	21.0	21.0	28.0%	-0.2%	13.0%
Foreign exchange gains	0.0	0.0	0.0	n/s	n/s	n/s
Income from differences on repayment prices to be received	0.0	0.0	0.0	n/s	n/s	n/s
Profits on the realization of investments	28.8	31.3	37.4	8.5%	19.7%	14.0%
VARCUC adjustment (unrealized capital gains)	0.0	0.0	0.0	n/s	n/s	n/s
Profits from the revaluation of the allocated investments	0.0	0.0	0.0	n/s	n/s	n/s
Interest and other investment income	0.0	0.0	0.0	n/s	n/s	n/s
Write-backs on invest. charges; Transfers of charges	0.8	3.1	0.0	> 100%	-100.0%	-100.0%
EXPENSES FROM INVESTMENTS ALLOCATED TO INSURANCE OPERATIONS	1.7	4.1	1.7	> 100%	-58.0%	-0.2%
Interest expense	0.0	0.0	0.0	n/s	n/s	n/s
Investment management fees	0.5	0.6	0.5	2.6%	-4.0%	-0.7%
Foreign exchange losses	0.0	0.0	0.0	n/s	n/s	n/s
Amortization of differences on repayment price	0.0	0.0	0.0	n/s	n/s	n/s
Losses on realization of investments	0.0	2.3	0.0	n/s	-100.0%	n/s
Losses from revaluation of investments allocated to insurance operations	0.0	0.0	0.0	n/s	n/s	n/s
VARCUC adjustment (unrealized capital losses)	0.0	0.0	0.0	n/s	n/s	n/s
Other investment expenses	0.0	0.0	0.0	n/s	n/s	n/s
Provisions on investments	1.2	1.2	1.2	0.0%	0.0%	0.0%
LIFE TECHNICAL INCOME (1 + 2 - 3 - 4 + 5 - 6)	52.6	39.0	51.1	-25.8%	31.1%	-1.4%



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NON-LIFE INSURANCE TECHNICAL ACCOUNT - MMAD	2017	2018	2019	Var. 2018/2017	Var. 2019/2018	CAGR 17- 19
PREMIUMS	1 503.4	1 645.4	1 808.9	9.4%	9.9%	9.7%
Premiums issued	1 542.2	1 662.5	1 832.1	7.8%	10.2%	9.0%
Change in provisions for unearned premiums	38.8	17.1	23.2	-56.1%	36.2%	-22.7%
TECHNICAL OPERATING INCOME	36.3	41.1	7.2	13.1%	-82.4%	-55.4%
Operating grants	0.0	0.0	0.0	n/s	n/s	n/s
Other operating income	26.1	15.3	6.6	-41.4%	-57.1%	-49.8%
Operating reversals, expense transfers	10.2	25.8	0.6	> 100%	-97.5%	-74.8%
SERVICES AND COSTS	1 097.1	1 202.5	1 222.4	9.6%	1.7%	5.6%
Services and costs paid	927.7	976.1	1 132.7	5.2%	16.0%	10.5%
Change in provisions for claims payable	159.0	225.6	73.5	41.8%	-67.4%	-32.0%
Change in provisions for claims fluctuations	17.7	16.9	19.4	-4.3%	14.6%	4.7%
Change in provisions for financial contingencies	0.0	0.0	0.0	n/s	n/s	n/s
Change in provisions for profit sharing	-2.5	-1.2	0.0	-53.5%	-96.2%	-86.6%
Change in other technical provisions	-4.8	-15.0	-3.2	> 100%	-78.9%	-19.1%
TECHNICAL OPERATING EXPENSES	474.6	515.6	561.7	8.6%	8.9%	8.8%
Contract acquisition expenses	244.2	246.6	262.8	1.0%	6.6%	3.7%
Consumed purchases of materials and supplies	6.3	6.8	5.9	8.8%	-14.1%	-3.3%
Other external expenses	90.4	96.3	102.3	6.5%	6.3%	6.4%
Taxes and duties	12.4	13.0	13.9	5.0%	6.4%	5.7%
Personnel expenses	90.0	100.9	105.9	12.2%	4.9%	8.5%
Other operating expenses	2.0	1.7	11.6	-13.2%	> 100%	> 100%
Operating depreciation and provisions	29.4	50.2	59.3	70.9%	18.0%	42.0%
INCOME FROM INVESTMENTS ALLOCATED TO INSURANCE OPERATIONS	261.4	290.2	267.2	11.0%	-7.9%	1.1%
Income from investments	170.3	196.6	130.9	15.5%	-33.4%	-12.3%
Foreign exchange gains	0.1	0.1	0.0	-37.1%	-84.2%	-68.5%
Income from differences on repayment prices to be received	0.0	0.0	0.0	n/s	n/s	n/s
Profits on the realization of investments	81.7	50.3	135.8	-38.5%	> 100%	28.9%
Profits from the revaluation of the allocated investments	0.0	0.0	0.0	n/s	n/s	n/s
Interest and other investment income	0.4	0.5	0.4	12.8%	-12.4%	-0.6%
Write-backs on invest. charges; Transfers of charges	8.9	42.7	0.0	> 100%	-100.0%	-100.0%
EXPENSES FROM INVESTMENTS ALLOCATED TO INSURANCE OPERATIONS	47.4	60.9	14.9	28.3%	-75.5%	-44.0%
Interest expense	1.9	5.4	7.9	> 100%	45.0%	> 100%
Investment management fees	3.2	3.8	3.2	20.5%	-16.6%	0.2%
Foreign exchange losses	0.3	0.1	0.0	-68.1%	-44.8%	-58.0%
Amortization of differences on repayment price	0.0	0.0	0.1	n/s	> 100%	n/s
Losses on realization of investments	39.1	43.1	0.1	10.3%	-99.9%	-96.1%
Losses from revaluation of investments allocated to insurance operations	0.0	0.0	0.0	n/s	n/s	n/s
Other investment expenses	0.0	0.3	0.0	> 100%	-100.0%	-100.0%
Provisions on investments	3.0	8.1	3.6	> 100%	-55.7%	9.6%
NON-LIFE TECHNICAL INCOME (1 + 2 - 3 - 4 + 5 - 6)	182.0	197.7	284.3	8.6%	43.8%	25.0%

Source: Atlanta

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2) Balance Sheet

ASSETS (in MMAD)	2017	2018	2019	Var. 2018/2017	Var. 2019/2018	CAGR 17- 19
Fixed assets	5 336.0	5 751.4	6 161.7	7.8%	7.1%	7.5%
Non-valued fixed assets	0.6	1.7	2.0	> 100%	19.2%	75.2%
Intangible fixed assets	1.6	1.8	2.7	12.4%	52.8%	31.0%
Property, plant and equipment	15.7	36.8	50.3	> 100%	36.8%	79.1%
Financial fixed assets	61.0	58.7	80.3	-3.7%	36.6%	14.7%
Investments allocated to insurance operations	5 257.2	5 652.5	6 026.4	7.5%	6.6%	7.1%
Current assets	2 533.8	2 722.2	2 824.9	7.4%	3.8%	5.6%
Dealers' share of technical provisions	669.6	694.2	858.4	3.7%	23.7%	13.2%
Receivables from current assets	1 863.7	2 027.7	1 958.0	8.8%	-3.4%	2.5%
Investment securities (not assigned to insurance operations)	0.5	0.3	8.4	-37.7%	> 100%	> 100%
Cash and cash equivalents Assets	12.8	14.5	25.6	13.5%	76.9%	41.7%
				n/s	n/s	n/s
Total Assets	7 882.6	8 488.1	9 012.2	7.7%	6.2%	6.9%

LIABILITIES (in MMAD)	2017	2018	2019	Var. 2018/2017	Var. 2019/2018	CAGR 17- 19
Permanent financing	6 685.8	7 205.6	7 759.7	7.8%	7.7%	7.7%
Shareholders' equity	1 289.2	1 341.7	1 406.3	4.1%	4.8%	4.4%
Financing debts	5.4	5.2	5.2	-3.7%	0.0%	-1.9%
Gross technical provisions	5 391.1	5 858.7	6 348.2	8.7%	8.4%	8.5%
Current liabilities	1 005.5	1 047.7	1 005.5	4.2%	-4.0%	0.0%
Debts for Cash remitted by the dealers.	314.1	424.7	278.2	35.2%	-34.5%	-5.9%
Debts from Current Liabilities	691.4	623.0	727.3	-9.9%	16.7%	2.6%
Other Provisions for Risks & Expenses	0.0	0.0	0.0	n/s	n/s	n/s
Cash and cash equivalents Liabilities	191.3	234.7	246.9	22.7%	5.2%	13.6%
Total Liabilities	7 882.6	8 488.1	9 012.2	7.7%	6.2%	6.9%

Source: Atlanta

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IV.2. Atlanta's Consolidated Financial Statements

1) Scope of consolidation

Company	Holding %			Control %	Consolidation method
	2017	2018	2019		
ATLANTA	100.00%	100.00%	100.00%	100.00%	Global integration
SANAD	99.66%	99.66%	99.66%	99.66%	Global integration
NAJMAT AL BAHR	100.00%	100.00%	100.00%	100.00%	Global integration
TOURS BALZAC	99.82%	99.82%	99.82%	99.82%	Global integration
NEJMAT AL JANOUB	99.75%	99.75%	99.75%	99.75%	Global integration
ATLANTA COTE D'IVOIRE	-	95.00%	95.00%	95.00%	Global integration
LES EAUX MINERALES D'OULMES	28.44%	28.44%	28.44%	28.44%	Equity method
JAWHARAT CHAMAL	20.54%	20.54%	20.54%	20.54%	Equity method

Source: ATLANTA

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2) Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT (in MMAD)	2017	2018	2019	Var. 2018/2017	Var. 2019/2018	CAGR 17-19
LIFE INSURANCE TECHNICAL ACCOUNT						
Gross written premiums	792.8	953.6	1 074.6	20.3%	12.7%	16.4%
Ceded written premiums	23.2	9.1	9.8	-60.7%	7.5%	-35.0%
Technical operating income	6.2	7.6	2.2	22.6%	-70.6%	-40.0%
Services and costs	618.9	808.9	919.8	30.7%	13.7%	21.9%
Technical operating expenses	195.4	217.8	252.2	11.5%	15.8%	13.6%
Income from investments allocated to insurance operations	97.5	119.2	123.6	22.3%	3.7%	12.6%
Investment expenses allocated to insurance operations	7.1	10.7	8.6	50.2%	-19.8%	9.8%
Life Technical Income	51.7	33.9	10.0	-34.6%	-70.4%	-56.0%
NON-LIFE INSURANCE TECHNICAL ACCOUNT						
Gross written premiums	3 399.1	3 520.4	3 806.1	3.6%	8.1%	5.8%
Ceded written premiums	452.0	459.4	484.1	1.6%	5.4%	3.5%
Change in provisions for unearned premiums	-85.4	-23.6	-37.7	-72.4%	59.9%	-33.5%
Technical operating income	141.5	66.6	15.5	-52.9%	-76.7%	-66.9%
Services and costs	2 128.4	2 214.6	2 157.9	4.0%	-2.6%	0.7%
Technical operating expenses	940.4	1 009.7	1 053.7	7.4%	4.4%	5.9%
Income from investments allocated to insurance operations	402.4	416.4	387.4	3.5%	-6.9%	-1.9%
Investment expenses allocated to insurance operations	71.0	70.0	21.2	-1.5%	-69.7%	-45.3%
Non-Life Technical Income	265.8	226.1	454.4	-14.9%	> 100%	30.7%
Life & Non-Life Technical Income	317.5	260.0	464.4	-18.1%	78.6%	20.9%
NON-TECHNICAL ACCOUNT						
Current non-technical income	15.6	58.8	211.5	> 100%	> 100%	> 100%
Current non-technical expenses	66.8	58.5	118.0	-12.3%	> 100%	32.9%
Non-technical current income (loss)	-51.2	0.3	93.5	< -100%	> 100%	n/s
Non-current non-technical income	1.5	6.6	0.2	> 100%	-97.2%	-65.1%
Non-current non-technical expenses	27.3	13.8	2.4	-49.3%	-82.4%	-70.1%
Non-current non-technical income (loss)	-25.8	-7.3	-2.3	-71.8%	-69.0%	-70.4%
Non-technical results	-77.0	-7.0	91.2	-90.9%	< -100%	n/s
Income before tax	240.6	253.0	555.7	5.2%	> 100%	52.0%
Income tax expense	65.0	26.9	166.2	-58.7%	> 100%	59.9%
Amortization of goodwill	18.5	18.5	18.5	0.0%	0.0%	0.0%
Share of companies accounted for by the equity method	55.0	3.6	1.8	-93.5%	-48.4%	-81.7%
Net income	212.0	211.2	372.7	-0.4%	76.5%	32.6%
Of which Net income – Group share	211.9	211.2	372.3	-0.3%	76.2%	32.6%
Of which minority interest	0.2	-0.1	0.5	< -100%	< -100%	61.9%

Source: ATLANTA

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3) Consolidated Balance Sheet

ASSETS (in MMAD)	2017	2018	2019	Var. 2018/2017	Var. 2019/2018	CAGR 17-19
Goodwill	130.5	112.0	93.5	-14.2%	-16.5%	-15.4%
Property, plant and equipment	32.4	65.6	101.3	102.6%	54.4%	76.8%
Investments in associates	362.2	317.8	319.4	-12.3%	0.5%	-6.1%
Investments allocated to insurance operations	9 604.4	10 296.6	11 072.1	7.2%	7.5%	7.4%
Other fixed assets	127.9	146.8	176.2	14.8%	20.0%	17.4%
Deferred tax assets	5.3	3.6	2.8	-31.8%	-24.3%	-28.1%
FIXED ASSETS	10 262.8	10 942.5	11 765.3	6.6%	7.5%	7.1%
Share of dealers in technical provisions	1 360.6	1 360.2	1 499.9	0.0%	10.3%	5.0%
Insured persons, intermediaries and accounts receivable	2 327.1	2 361.3	2 260.5	1.5%	-4.3%	-1.4%
Other current assets	1 324.1	1 383.6	1 406.7	4.5%	1.7%	3.1%
CURRENT ASSETS	5 011.9	5 105.1	5 167.1	1.9%	1.2%	1.5%
CASH AND CASH EQUIVALENTS ASSETS	86.5	45.8	95.1	-47.1%	> 100%	4.8%
TOTAL ASSETS	15 361.2	16 093.4	17 027.5	4.8%	5.8%	5.3%
LIABILITIES (in MMAD)	2017	2018	2019	Var. 2018/2017	Var. 2019/2018	CAGR 17-19
Capital	601.9	601.9	601.9	0.0%	0.0%	0.0%
Consolidated reserves	731.9	784.2	795.5	7.2%	1.4%	4.3%
Translation differences	0.0	-1.8	-1.5	n/s	-18.3%	n/s
Net income (loss)	212.0	211.2	372.7	-0.4%	76.5%	32.6%
CONSOLIDATED SHAREHOLDERS' EQUITY	1 545.8	1 595.5	1 768.7	3.2%	10.9%	7.0%
Of which shareholders' equity (Group share)	1 543.7	1 589.8	1 762.7	3.0%	10.9%	6.9%
Of which Minority interests	2.1	5.7	5.9	168.7%	3.1%	66.5%
Financing debts	8.2	7.8	7.8	-4.1%	0.0%	-2.1%
Technical provisions	11 401.2	12 064.7	12 711.9	5.8%	5.4%	5.6%
Provisions for liabilities and charges	2.4	3.2	2.8	31.9%	-13.4%	6.8%
CURRENT LIABILITIES	2 070.9	2 115.1	2 247.7	2.1%	6.3%	4.2%
Liabilities for cash handed over by assignees	569.6	741.6	601.8	30.2%	-18.8%	2.8%
Assignees, ceding co-insurers and related accounts payable	264.4	156.8	220.1	-40.7%	40.4%	-8.8%
Insured, intermediaries and related accounts in credit	546.4	575.3	601.6	5.3%	4.6%	4.9%
Other current liabilities	690.5	641.5	824.2	-7.1%	28.5%	9.3%
CASH AND CASH EQUIVALENTS LIABILITIES	332.7	307.0	288.5	-7.7%	-6.0%	-6.9%
TOTAL LIABILITIES	15 361.2	16 093.4	17 027.5	4.8%	5.8%	5.3%

Source: ATLANTA

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IV.3. Sanad's Financial Statements

1) Income Statement

LIFE INSURANCE TECHNICAL ACCOUNT - MMAD	2017	2018	2019	Var. 2018/2017	Var. 2019/2018	CAGR 17-19
PREMIUMS	359.8	470.0	549.1	30.6%	16.8%	23.5%
Premiums issued	359.8	470.0	549.1	30.6%	16.8%	23.5%
TECHNICAL OPERATING INCOME	5.0	6.5	2.0	31.7%	-69.4%	-36.5%
Operating grants	0.0	0.0	0.0	n/s	n/s	n/s
Other operating income	0.6	2.2	0.7	> 100%	-68.7%	9.1%
Operating reversals, expense transfers	4.4	4.3	1.3	-1.2%	-69.7%	-45.3%
SERVICES AND COSTS	309.6	420.3	511.4	35.8%	21.7%	28.5%
Services and costs paid	129.1	202.4	266.9	56.8%	31.9%	43.8%
Change in provisions for claims payable	-3.3	-2.0	-4.8	-38.6%	> 100%	20.2%
Change in life insurance provisions	182.9	219.6	248.9	20.1%	13.3%	16.7%
Change in provisions for claims fluctuations	-0.9	1.1	1.1	< -100%	-6.2%	n/s
Change in provisions for financial contingencies	0.0	0.0	0.0	n/s	n/s	n/s
Var. of Tech. prov. of contracts in units of account	0.0	0.0	0.0	n/s	n/s	n/s
Change in provisions for profit sharing	1.8	-0.8	-0.6	< -100%	-24.1%	n/s
Change in other technical provisions	0.0	0.0	0.0	n/s	n/s	n/s
TECHNICAL OPERATING EXPENSES	100.8	119.5	139.6	18.5%	16.8%	17.7%
Contract acquisition expenses	65.1	70.7	80.9	8.6%	14.3%	11.4%
Consumed purchases of materials and supplies	1.4	1.7	2.3	24.6%	33.7%	29.1%
Other external expenses	19.1	22.9	27.5	20.3%	19.9%	20.1%
Taxes and duties	1.9	2.7	3.1	39.8%	13.8%	26.1%
Personnel expenses	8.6	12.6	15.9	45.5%	26.4%	35.6%
Other operating expenses	0.8	0.9	1.2	16.4%	32.3%	24.1%
Operating depreciation and provisions	3.9	8.0	8.8	> 100%	10.5%	49.5%
INCOME FROM INVESTMENTS ALLOCATED TO INSURANCE OPERATIONS	51.5	63.8	65.2	24.0%	2.1%	12.5%
Income from investments	7.5	12.6	23.0	68.8%	82.8%	75.7%
Foreign exchange gains	0.0	0.0	0.0	n/s	-77.2%	n/s
Income from differences on repayment prices to be received	0.0	0.0	0.0	n/s	n/s	n/s
Profits on the realization of investments	43.6	50.5	40.3	15.7%	-20.3%	-4.0%
VARCUC adjustment (unrealized capital gains)	0.0	0.0	0.0	n/s	n/s	n/s
Profits from the revaluation of the allocated investments	0.0	0.0	0.0	n/s	n/s	n/s
Interest and other investment income	0.4	0.8	1.9	> 100%	> 100%	> 100%
Write-backs on invest. charges; Transfers of charges	0.0	0.0	0.0	n/s	n/s	n/s
EXPENSES FROM INVESTMENTS ALLOCATED TO INSURANCE OPERATIONS	5.4	6.6	6.9	22.5%	3.8%	12.8%
Interest expense	0.0	0.0	0.0	11.8%	> 100%	> 100%
Investment management fees	1.8	1.5	2.3	-12.9%	51.9%	15.0%
Foreign exchange losses	0.0	0.0	0.0	> 100%	30.6%	> 100%
Amortization of differences on repayment price	0.0	0.0	1.1	n/s	> 100%	n/s
Losses on realization of investments	0.0	0.0	0.1	n/s	n/s	n/s
Losses from revaluation of investments allocated to insurance operations	0.0	0.0	0.0	n/s	n/s	n/s
VARCUC adjustment (unrealized capital losses)	0.0	0.0	0.0	n/s	n/s	n/s
Other investment expenses	0.0	0.0	0.0	n/s	n/s	n/s
Provisions on investments	3.7	5.1	3.3	39.1%	-35.7%	-5.4%
LIFE TECHNICAL INCOME (1 + 2 - 3 - 4 + 5 - 6)	0.4	-6.0	-41.6	< -100%	> 100%	< -100%

Source: SANAD

NON-LIFE INSURANCE TECHNICAL ACCOUNT - MMAD	2017	2018	2019	Var. 2018/2017	Var. 2019/2018	CAGR 17-19
PREMIUMS	1 358.3	1 379.3	1 445.3	1.5%	4.8%	3.2%
Premiums issued	1 404.9	1 383.4	1 458.1	-1.5%	5.4%	1.9%
Change in provisions for unearned premiums	46.6	4.1	12.8	-91.3%	> 100%	-47.5%
TECHNICAL OPERATING INCOME	107.5	28.5	12.6	-73.5%	-55.8%	-65.8%
Operating grants	0.0	0.0	0.0	n/s	n/s	n/s
Other operating income	39.1	14.4	9.1	-63.2%	-37.2%	-51.9%
Operating reversals, expense transfers	68.4	14.1	3.5	-79.4%	-74.8%	-77.2%
SERVICES AND COSTS	1 031.3	1 004.7	918.9	-2.6%	-8.5%	-5.6%
Services and costs paid	938.0	1 013.9	999.4	8.1%	-1.4%	3.2%
Change in provisions for claims payable	80.6	-10.7	-84.5	< -100%	> 100%	n/s
Change in provisions for claims fluctuations	12.4	18.7	3.6	n/s	n/s	-45.9%
Change in provisions for financial contingencies	0.0	0.0	0.0	n/s	n/s	n/s
Change in provisions for profit sharing	-3.5	0.0	0.0	n/s	n/s	-100.0%
Change in other technical provisions	3.8	-17.1	0.3	< -100%	< -100%	-70.4%
TECHNICAL OPERATING EXPENSES	462.8	485.8	479.5	5.0%	-1.3%	1.8%
Contract acquisition expenses	197.3	207.0	211.1	4.9%	2.0%	3.4%
Consumed purchases of materials and supplies	5.4	5.1	5.9	-6.7%	16.0%	4.0%
Other external expenses	80.4	84.2	75.7	4.8%	-10.1%	-2.9%
Taxes and duties	12.5	13.1	13.2	4.5%	1.1%	2.8%
Personnel expenses	67.7	76.7	86.6	13.3%	12.9%	13.1%
Other operating expenses	5.1	2.7	3.1	-46.4%	14.8%	-21.6%
Operating depreciation and provisions	94.4	97.1	83.9	2.9%	-13.6%	-5.7%
INCOME FROM INVESTMENTS ALLOCATED TO INSURANCE OPERATIONS	233.1	220.7	210.1	-5.3%	-4.8%	-5.1%
Income from investments	109.7	138.5	88.8	26.2%	-35.9%	-10.0%
Foreign exchange gains	0.0	0.0	0.0	n/s	n/s	n/s
Income from differences on repayment prices to be received	0.0	0.0	0.0	n/s	n/s	n/s
Profits on the realization of investments	102.4	81.0	119.2	-20.9%	47.2%	7.9%
Profits from the revaluation of the allocated investments	0.0	0.0	2.1	n/s	n/s	n/s
Interest and other investment income	1.3	1.2	0.0	-9.5%	-100.0%	-100.0%
Write-backs on invest. charges; Transfers of charges	19.7	0.0	0.0	-100.0%	n/s	-100.0%
EXPENSES FROM INVESTMENTS ALLOCATED TO INSURANCE OPERATIONS	23.6	9.1	6.3	-61.4%	-30.7%	-48.3%
Interest expense	0.4	0.3	0.4	-34.9%	41.3%	-4.1%
Investment management fees	2.2	2.1	3.0	-6.5%	45.4%	16.6%
Foreign exchange losses	0.0	0.0	0.0	-100.0%	n/s	29.5%
Amortization of differences on repayment price	0.0	0.0	0.3	n/s	n/s	n/s
Losses on realization of investments	18.4	3.6	0.0	-80.2%	-100.0%	-100.0%
Losses from revaluation of investments allocated to insurance operations	0.0	0.0	0.0	n/s	n/s	n/s
Other investment expenses	0.0	0.1	0.0	n/s	n/s	n/s
Provisions on investments	2.6	3.0	2.6	16.5%	-12.8%	0.8%
NON-LIFE TECHNICAL INCOME (1 + 2 - 3 - 4 + 5 - 6)	181.3	128.8	263.3	-29.0%	> 100%	-88.5%

Source: SANAD


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NON-TECHNICAL ACCOUNT - MMAD	2017	2018	2019	Var. 2018/2017	Var. 2019/2018	CAGR 17-19
CURRENT NON-TECHNICAL INCOME	9.5	37.2	12.5	> 100%	-66.5%	14.5%
Current non-technical operating income	2.1	2.0	1.9	-5.2%	-6.2%	-5.7%
Interest and other current non-technical income	4.3	27.9	3.8	> 100%	-86.4%	-6.3%
Income from differences on redemption prices to be received	0.0	0.0	0.0	n/s	n/s	n/s
Other current non-technical products	0.0	0.0	0.0	n/s	n/s	n/s
Non-technical write-backs, expense transfers	3.1	7.3	6.8	> 100%	-6.8%	48.3%
CURRENT NON-TECHNICAL EXPENSES	37.9	35.0	26.4	-7.6%	-24.8%	-16.6%
Current non-technical operating expenses	22.2	24.1	20.3	8.7%	-15.7%	-4.2%
Current non-technical financial expenses	9.1	10.9	6.0	19.2%	-44.8%	-18.9%
Amortization of differences on redemption price.	0.0	0.0	0.0	n/s	n/s	n/s
Other current non-technical expenses	0.0	0.0	0.0	> 100%	-89.6%	-25.9%
Non-technical provisions	6.6	0.0	0.0	-99.6%	0.0%	-93.9%
Non-technical current income (1 - 2)	-28.4	2.1	-13.9	< -100%	< -100%	-30.1%
NON-CURRENT NON-TECHNICAL INCOME	1.3	0.2	0.0	-84.8%	-85.0%	-84.9%
Income from disposals of fixed assets	0.0	0.2	0.0	n/s	-85.0%	n/s
Balancing grants	0.0	0.0	0.0	n/s	n/s	n/s
Gains from revaluation of assets	0.0	0.0	0.0	n/s	n/s	n/s
Other non-current income	1.3	0.0	0.0	-100.0%	-69.2%	-98.9%
Non-current reversals, expense transfers	0.0	0.0	0.0	n/s	n/s	n/s
NON-CURRENT NON-TECHNICAL EXPENSES	25.4	12.9	2.4	-49.2%	-81.6%	-69.4%
Net book value of fixed assets sold	0.0	11.1	0.0	n/s	-100.0%	n/s
Grants awarded	0.0	0.0	0.0	n/s	n/s	n/s
Loss from revaluation of assets	0.0	0.0	0.0	n/s	n/s	n/s
Other non-current expenses	25.4	1.8	2.4	-92.9%	32.5%	-69.4%
Non-current provisions	0.0	0.0	0.0	n/s	n/s	n/s
Non-current non-technical income (3 - 4)	-24.1	-12.7	-2.3	-47.3%	-81.5%	-68.8%
NON-TECHNICAL INCOME (1 - 2 + 3 - 4)	-52.5	-10.6	-16.2	-79.9%	53.7%	-44.4%

Source: SANAD

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2) Balance Sheet

ASSETS (in MMAD)	2017	2018	2019	Var. 2018/2017	Var. 2019/2018	CAGR 17-19
Fixed assets	5 781.4	6 121.5	6 570.1	5.9%	7.3%	6.6%
Non-valued fixed assets	13.8	8.2	5.5	-40.7%	-33.1%	-37.0%
Intangible fixed assets	1.7	12.4	9.8	> 100%	-21.3%	> 100%
Property, plant and equipment	16.7	26.2	48.6	56.8%	85.3%	70.5%
Financial fixed assets	79.9	78.3	85.1	-2.0%	8.7%	3.2%
Investments allocated to insurance operations	5 669.3	5 996.4	6 421.2	5.8%	7.1%	6.4%
Current assets	2 209.7	2 084.1	1 940.9	-5.7%	-6.9%	-6.3%
Dealers' share of technical provisions	691.0	665.5	640.3	-3.7%	-3.8%	-3.7%
Receivables from current assets	1 496.2	1 403.7	1 273.6	-6.2%	-9.3%	-7.7%
Investment securities (not assigned to insurance operations)	22.5	15.0	26.9	-33.5%	79.8%	9.3%
Cash and cash equivalents Assets	72.1	26.9	59.8	-62.7%	122.7%	-8.9%
Total Assets	8 063.2	8 232.5	8 570.8	2.1%	4.1%	3.1%
LIABILITIES (in MMAD)	2017	2018	2019	Var. 2018/2017	Var. 2019/2018	CAGR 17-19
Permanent financing	6 844.8	7 085.5	7 327.1	3.5%	3.4%	3.5%
Shareholders' equity	829.6	880.4	970.8	6.1%	10.3%	8.2%
Financing debts	2.7	2.6	2.6	-4.9%	0.0%	-2.5%
Provisions for risks and charges	2.4	3.2	2.8	31.8%	-13.4%	6.8%
Gross technical provisions	6 010.1	6 199.3	6 351.0	3.1%	2.4%	2.8%
Current liabilities	1 077.0	1 074.7	1 202.1	-0.2%	11.8%	5.6%
Debts for Cash remitted by the dealers.	255.5	316.3	322.5	23.8%	1.9%	12.3%
Debts from Current Liabilities	821.5	758.4	879.6	-7.7%	16.0%	3.5%
Other Provisions for Risks & Expenses	0.0	0.0	0.0	n/s	n/s	n/s
Cash and cash equivalents Liabilities	141.4	72.3	41.6	-48.9%	-42.4%	-45.7%
Total Liabilities	8 063.2	8 232.5	8 570.8	2.1%	4.1%	3.1%

Source: SANAD

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V. Risk Factors

Due to their activity, Atlanta and Sanad are subject to a number of risks such as market risk, counterparty risk, liquidity risk, underwriting risk/risk of increased claims and operational risk. They are also subject to other material risks such as strategic risk, reputation risk, regulatory risk, tax risk, competitive risk, actuarial risk, bancassurance risk, information system risk and merger-related risks.

V.1. Market Risk

Market risk is the risk of loss that may result from fluctuations in the prices of financial instruments that make up a portfolio, such as investments allocated to insurance operations.

Market risk is due to changes in the economy as a whole, taxation, interest rates, inflation and investor sentiment regarding future developments. It affects all types of financial securities. Thus, such a risk may relate to interest rates, share prices, the valuation or returns on real estate assets as well as credit risk.

The main market risks that may affect Atlanta and Sanad are as follows:

- **Interest Rate Risk:** this is the risk related to the variation in the price or valuation of a financial asset resulting from a change in interest rates. In concrete terms, the price of a bond is inversely correlated to changes in interest rates. Thus, a rise in interest rates has the effect of lowering the price of bonds, thus impacting the value of bond portfolios and, consequently, the Companies' hedging margin. It should be noted that the level of interest rates also conditions the amount of coupons received.
- **Equity Market Downside Risk:** A decline in the equity market could have a negative impact on the Companies' hedging margins following a contraction in the value of their equity portfolios. A decline in the financial market could also impact the financial margin of the Companies due to the recognition of provisions.
- **Real Estate Asset Risk:** Although it represents a means of hedging against inflation and the volatility of yields on the bond and equity markets, real estate investment exposes the Company to certain risks such as the risk of capital loss, risks affecting yield (risks related to occupancy/vacancy rates and non-recovery of rents) and economic risk related to the economic environment;
- **Credit Risk:** this is the risk of potential default by one of the Companies' counterparties, such as, for example, failure to repay the principal or pay the interest on a bond held in the portfolio.

Atlanta and Sanad have set up a risk management system enabling them to limit the impact of market risk.



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Mitigation Strategy:

- *Implementation of a risk management system*
- *ALM management to monitor Asset/Liability matching under different market conditions*
- *Real estate management*
- *Conducting stress tests*
- *Establishment of a team dedicated to the management of portfolio assets*
- *Compliance with prudential rules established by regulations*

V.2. Counterparty Risk

Credit risk is the risk that a borrower/creditor will not repay all or part of their debt when due. The assessment of risk is based on the creditworthiness of the counterparty. This solvency depends both on purely internal elements of the counterparty, but also on contextual elements such as geographical location, the overall economic situation and the outlook for sectoral development.

In the particular case of insurance companies, this risk may take the form of unpaid customer debts, the failure of an intermediary or the failure of a reinsurer.

Mitigation Strategy:

- *Cleaning up the client portfolio*
- *Implementation of a collection policy to control customer risks and those related to intermediaries*
- *Selection of the most reliable intermediaries and reinsurers*
- *Limitation of outstanding investments by counterparties*

V.3. Liquidity Risk

Liquidity risk represents the degree of availability of the assets that make up a portfolio and therefore the propensity to mobilize, in a timely manner, all the assets invested by an insurer to meet their commitments.

Mitigation Strategy:

- *Asset/liability management respecting the duration of commitments and investments*
- *Regular monitoring of cash flow*
- *Allocation of the investment portfolio between instruments with high/low liquidity according to needs*
- *Setting up short-term financing lines, thus providing additional leeway for managing this risk and optimizing the timing of portfolio transfers*



V.4. Underwriting Risks/Increase in Claims

Underwriting risk is the risk that an insurer takes in distributing insurance contracts to individuals or legal entities.

Underwriting risk is related to errors in the acceptance or pricing of a risk but also to its coverage by reinsurance.

The risk of increased claims designates the risk that the cost of future claims will be higher than the premiums received. It may also relate to the occurrence of a major risk with a low probability of occurrence. This is referred to as catastrophe risk.

Mitigation Strategy:

- *Atlanta and Sanad have each set up a Portfolio Monitoring and Statistics unit responsible for monitoring the technical balance of the Companies' contract portfolio and supporting the deployment of actions to correct any anomalies observed.*

This entity's main purpose is to:

- Monitor and analyze the evolution of the combined ratio of each branch and each category, compared to the thresholds set by the strategic orientations of the Companies;
- Analyze anomalies and identify contracts at risk or with abnormal claims experience, taking into account the established pricing level;
- Identify and propose preventive or corrective measures to rebalance the portfolio (premium increases, deductibles, cancellations, special clauses, reinsurance rules);
- Accompany the underwriters during the renewal of contracts in the definition of adjustment actions on loss-making contracts;
- Establish and communicate the reports and statistical studies relating to the behavior of the contracts, for the attention of the Companies and the network;
- Supervise the implementation of portfolio rebalancing measures and alert on the level of contract readjustment.

V.5. Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or external events.

As part of operational risk management, Atlanta and Sanad have established a comprehensive internal control system that is structured into three levels of control. The first level of control is integrated into the day-to-day operations of the business. The second-level control is based on a risk mapping and is responsible for several tasks, including the conduct and documentation of permanent controls of process compliance, the reporting of anomalies or non-compliance to the entities concerned, and the monitoring of the treatment of anomalies in accordance with a pre-established correction plan. The third level control ensures the periodic controls whose objective is to verify the relevance and effectiveness of the internal control system set up and its compliance.



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Reports on the status of the internal control system deployed by the Companies are drawn up with the internal entities and ACAPS.

V.6. Other Material Risks

1) Strategic Risk

Strategic risk designates any risk that could have a negative impact on the Companies due to an inadequacy of their strategic orientations with their environment. This may result from the Company's inability to adapt to social, economic, legal or technological changes. These changes may take the form of a new competitor, a major technological innovation or a tightening of regulatory measures.

Mitigation Strategy:

- *Elaboration of three-year strategic plans taking into account changes in the global environment in which companies operate.*
- *Tactical and strategic monitoring of regulatory, competitive and market developments, enabling Atlanta and Sanad to anticipate medium-term changes and adjust short-term strategic directions as needed.*
- *Implementation of key functions (innovation, compliance, management control) occupying a privileged position in the Atlanta and Sanad organization*

2) Reputation Risk

Reputation risk, or image risk, is the impact that a management error can have on an organization's image, particularly among its various stakeholders and the general public.

Reputation is a strategic asset for development (recruitment and retention of customers or employees, access to markets, relations with regulators, etc.) and the value of the company.

Mitigation Strategy:

- *Implementation of corporate governance based on best practices in terms of social and societal responsibility*
- *Implementation of a quality management system, in compliance with the international standard ISO 9001 v2015, covering all Bancassurance activities and products*
- *CGEM's CSR label obtained in 2017, confirming the company's pioneering position in the field of social and societal responsibility.*
- *Companies approach at-risk service providers (e.g. garages) to ensure their adherence to CSR principles and rules, particularly in terms of compliance with labor law.*



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3) Regulatory Risk

The ever-changing regulatory environment surrounding the sector exposes insurance companies to regulatory risk. Regulatory risk is defined as the risk that a company may suffer material or immaterial harm as a result of non-compliance with a regulatory standard.

Recent regulatory measures impacting the insurance sector include the entry into force of the US FATCA Act (with a transitional period for its implementation), the adoption of measures to strengthen the anti-money laundering and anti-terrorist financing regime, the adoption of laws to strengthen the confidentiality of personal data and consumer rights, and the adoption of new mortality tables.

In addition, ACAPS has undertaken a regulatory project aimed at strengthening the insurance sector based on Solvency 2 (set of rules establishing the solvency regime applicable to insurance companies in the European Union), and the IAIS standards for risk-based solvency.

The new solvency rules cover the risks inherent in the insurance business as a whole, whereas until now only the underwriting risk was considered in the calculation of required capital levels. Indeed, the new reform also takes into account risks such as market risk, counterparty risk and operational risk. Thus, companies will have to rethink their risk governance mechanisms in order to comply with these measures, which could have an impact on the financial situation of companies, as well as their profitability or their level of regulatory capital.

Mitigation Strategy:

Within this framework, Atlanta and Sanad have created a Legal and Compliance entity whose mission is to manage and coordinate all activities aimed at securing the Companies' contractual commitments, protecting their interests and controlling the implementation of the regulatory compliance systems to which they are subject.

Among the missions entrusted to it are the following:

- The design and implementation of systems meeting the legal and regulatory requirements applicable to the Companies;
- The design, distribution and updating of control guides for the legal compliance systems set up by the Companies and the conduct of occasional audits of the entities concerned;
- Communication with the regulatory authorities (e.g. preparation of responses to the ACAPS regarding policyholder claims and intermediary violations).

4) Tax Risk

Tax risk refers to the impact that changes in the tax system can have on a company's performance. It can thus result in the emergence of additional debt to the public treasury, or a reduced attractiveness of certain savings products.

Mitigation Strategy:

- *Implementation of a tax monitoring system in order to study and anticipate the impact of changes in the tax system on the activity, profitability and liquidity of the Companies.*

5) Competitive Risk

The liberalization of tariffs for certain categories of insurance could lead to increased competition, resulting in lower tariffs and tighter margins.

Insurance companies must meet consumer expectations in terms of quality and price as well as personal data protection, while adapting to the increasing digitalization of the economy. Insurers will also have to adapt to the new product offering resulting from the introduction of the Takaful legal framework and the legal framework for covering natural disaster risks.

Atlanta and Sanad have anticipated this liberalization and this increase in competitive pressure by adopting a selective approach to underwriting and by continuously improving the quality of their services.

6) Actuarial Risk

Actuarial risk is related to the collection of premiums in exchange for the insurance offered to the insured. This risk results from the inadequacy of premiums in relation to the risk incurred and has the effect of fluctuating the value of the insurer's liabilities and assets. Actuarial risk is associated with underpricing and underfunding risks.

Actuarial reserves represent a very large portion of the liabilities on the balance sheet of insurance companies, and their annual valuation therefore has a significant impact on their results.

Mathematical reserves related to the Life branch must be representative of the accounting commitments resulting from the application of mortality or survival tables that take into account the nature of the guarantees and the life characteristics of the policyholders.

Reserves for benefits and miscellaneous correspond to the expenses to be provided for to meet reported claims and unreported claims (foreseeable or incurred) on contracts in force. For example, in the case of a previously reported automobile claim, the amounts that will likely be paid to insureds. The estimate of expenses to be provided for is based on an actuarial calculation that takes into account the specific features of the various types of risk to be covered.

Although the methods used to calculate technical reserves are well defined by the regulator, the determination of these reserves depends on several factors such as claims experience, changes in the financial securities markets and the regulatory environment.

The factors mentioned above are often difficult to quantify. As a result, there may be a significant difference between claims expenses and provisions set aside involving a change in net income.

Mitigation Strategy:

In accordance with applicable accounting and regulatory requirements, Atlanta and Sanad establish technical reserves, including provisions for benefits and miscellaneous relating to non-life insurance operations and mathematical reserves relating to life insurance operations.



Atlanta and Sanad have an actuarial unit that regularly monitors claims experience through various actuarial studies in order to adjust the level of technical reserves if necessary.

The Actuarial department also establishes the pricing of new products and services and monitors the business model of the Companies' existing product range in order to propose any necessary pricing adjustments, based on the Companies' underwriting and profitability policies.

In addition, to ensure the adequacy of actuarial reserves, Atlanta and Sanad annually engage independent actuaries to review the regulatory status of the reserves, assess their economic level and judge their adequacy.

7) Bancassurance Risk

Atlanta entered into a partnership with CIH Bank in 2007 for life, health and home insurance. Sanad, for its part, has entered into a partnership with BMCI for the distribution of Life insurance products. Thus, the Companies can capitalize on the significant size networks (more than 600 branches for the two players combined) of these banking institutions to reach a larger clientele.

The Companies have each set up a Distribution unit, one of the main missions of which is to manage the entire bancassurance value chain, from underwriting to claims management, with the aim of developing turnover and guaranteeing quality of service.

It should be noted that the termination of these partnerships would not significantly affect the financial position of the companies. Indeed, the impact on revenues of Atlanta and Sanad would be less than 10%.

8) Information System Risk

Information system risk, or computer risk, is defined as the probability that a computer threat will turn into an actual event resulting in a loss.

Computer risks may be of accidental or intentional origin.

Information system risk is measured both by the probability of a threat occurring and by the amount of the loss resulting from its occurrence.

Within the framework of IT risk management, Atlanta and Sanad have set up an *Information Systems Security* entity whose mission is to define and deploy the companies' information systems security policy with the objective of preserving the integrity of their assets and the continuity of their activities, while providing technical support to users of their information systems.

The mission of the Security entity is to define the Information Systems Security policy and business continuity plans of the Companies.



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As such, its main purpose is to:

- Formalize and develop the IS Security charter of the Companies and its implementation in procedures;
- Deploy processes to control the implementation and compliance with the IS security measures adopted;
- Steer and coordinate internal and external IS security audits;
- Design and conduct awareness and training actions for users on IS security issues;
- Monitor and coordinate the handling of security incidents that occur within the Companies;
- Formalize, maintain and test the procedures of the companies' business continuity plans (BCP), and coordinate their implementation if necessary;
- Control the integration of information systems security systems in all projects conducted by the Companies.

9) Risks Related to the Merger Operation

Risks related to the merger operation mainly concern the operational integration of the new entity resulting from the merger and the realization of synergies. Nevertheless, this risk is reduced by the similar activities carried out by the two Companies, their belonging to the same group, the application of similar operational processes and the sharing of certain support functions, which are already implemented by the Companies.

DISCLAIMER

The above-mentioned information constitutes only a part of the Prospectus approved by the Moroccan Capital Market Authority (AMMC) under reference No. VI/EM/020/2020 on September 10, 2020.

The AMMC recommends the reading of the entire Prospectus that is made available to the public in French language.



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