





The background of the left half of the image features a complex, abstract geometric pattern of triangles and lines, rendered in a light blue color. This pattern is overlaid with a solid blue gradient that is darker at the top and lighter at the bottom.

ANNUAL REPORT 2015





ENABLING INNOVATIVE PAYMENTS

# HPS in 2015

## SUMMARY

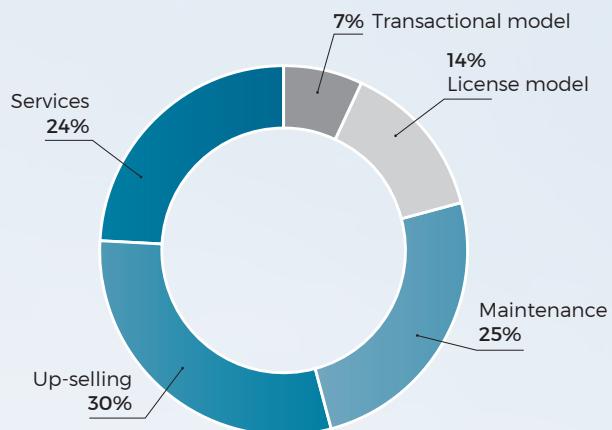
- Solid performances in 2015
- Diversification with the launch of processing activities
- A strong societal commitment of the Group and its employees
- Historical opportunities of development

## Message from the President

Page 06

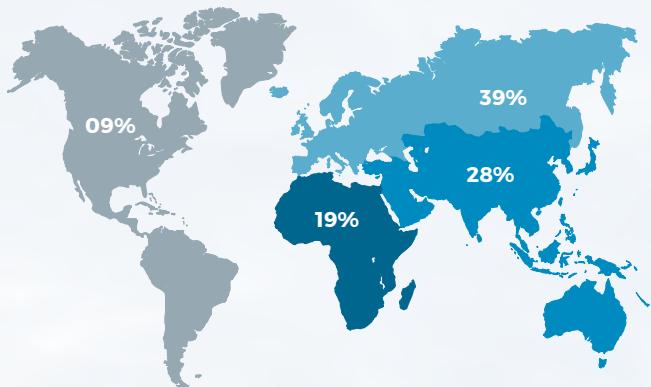


## 2015 REVENUES IN %



Our strategy consists of diversifying our business models in order to reinforce the Group's recurring revenues

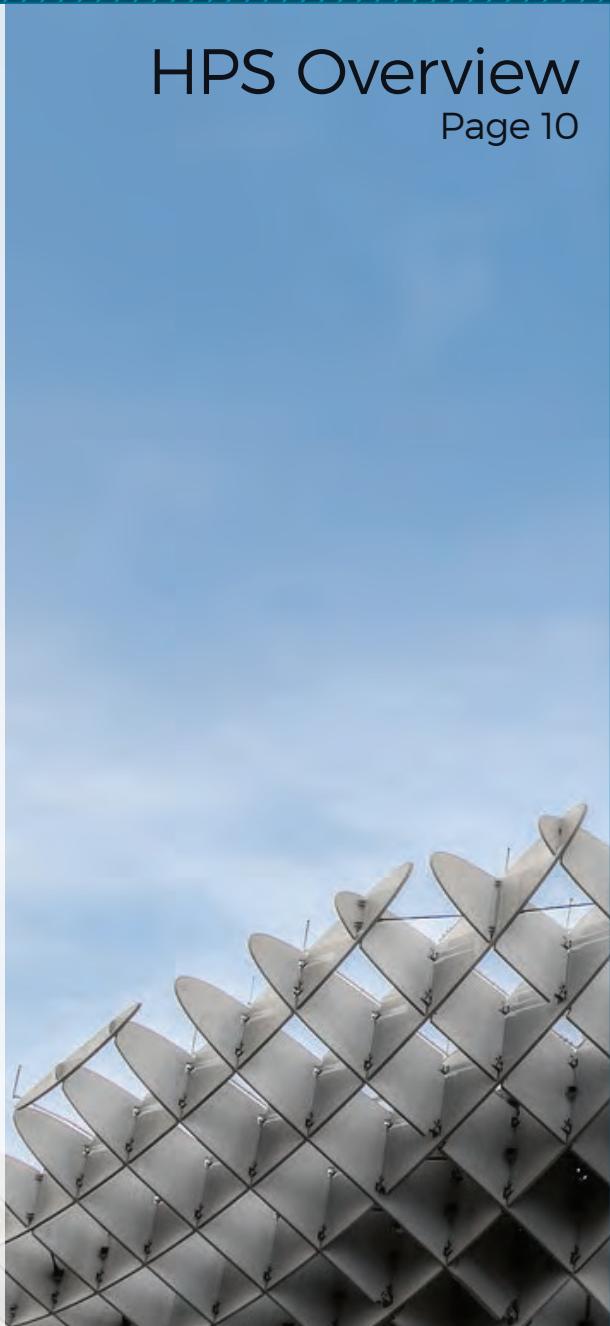
## GEOGRAPHIC PRESENCE



HPS is present in more than 85 countries across 5 continents and has as clients some of the 100 biggest financial institutions throughout the world

## HPS Overview

Page 10



## SALES



The sales activity recorded a sustained progression with sales increasing by 30% compared to year 2014

## Main accomplishments

Page 42



## Activity report

Page 52



**353**  
millions MAD  
in revenues  
14.5%  
progression

## Financial report

Page 78



## CONSOLIDATED KEY NUMBERS

AMOUNT IN MAD	2015	2014	VAR
Operating revenues	353 637 669	308 759 442	+ 14.5%
Including recurrent revenues	212 030 078	170 849 636	+ 24.1%
Operating result	47 695 064	31 349 056	+ 52.1%
Operating margin	13.5%	10.2%	+ 3.3 pt
Net Result (Group's share)	39 926 324	32 097 588	+ 24.4%
Net margin	11.3%	10.4%	+ 0.9 pt
Result per action	56,7	45,6	+ 24.4%
Research & Development	37,4 MDH	32,5 MDH	+ 15.1%
Net Cash Flow	43,1 MDH	1,9 MDH	
Offered dividend	25 DH	17 DH	+ 47.1%



## MESSAGE FROM THE PRESIDENT

Dear Shareholders,

2015 was a remarkable year in every respect. Remarkable for our industry with the increasingly profound pace at which changes happen and opportunities result. Remarkable for all of us because of HPS important performance we achieved and new challenges we are ready to meet.

Our industry is shaken by today's consumer expectations whose habits are transformed under the growing impact of mobility and social networks. They want to make faster payments anywhere, anytime, easier and more securely. Driven by our ambition to strengthen our global leadership position within our industry, our Group fully embraces its role at the ecosystem center. We develop innovative solutions to support our customers during the transformation of their payment systems to meet the daily needs of hundreds of millions of consumers worldwide.





**“ I am convinced that we are today on the verge of a new development stage for our Group ”**

## Solid performance in 2015

Our ability to effectively support our customers led us to end 2015 with a strong financial performance, which shows the accuracy and relevance of our vision.

Indeed, at the end of 2015, HPS Group had consolidated revenue totaling 354 million MAD, which represents an organic growth of 14.5% over the previous year.

Thanks to these accomplishments, and while maintaining Research and Development investment at 10.5% of revenues, our Group was able to improve its operating margin to 13.5%. Consolidated net income increased 24.4%, which translates to a net margin rate of 11.3% versus 10.4% in 2014.

In line with our strategy for sustainable growth and as a goal to further strengthen our recurring revenue, the Group continued to develop its new business model that bills annually through licenses based on volumes of transactions handled by our PowerCARD solutions. This meant strong growth in recurring revenue for year 2015, up 24.1% from 2014. Recurring revenues reached 212 million MAD in 2015, representing 60% of the Group's overall revenues.

The Services business, driven by our subsidiary Acpqualife also continued its growth with a trend of +4.9% in revenues compared to 2014, which consolidates our position with large French groups.

All these performances resulted in a 69.1 million MAD operating cash flow and a net cash flow of 43.1 million MAD.

## Diversification after processing activities begin

The payment industry is among the sector's most affected by digital transformation and our customers are engaged in a daily challenge to bring adequate response to new needs and meet market regulatory requirements, in an ever more competitive sector.

To face these challenges, our customers increasingly have to focus on their core business, and outsource other activities to partners who are able to define, develop and operate solutions and technology platforms in line with their strategy.

In this context, we took the decision to speed up the implementation of our processing strategy, by investing in platforms fully set up for our software product PowerCARD. This strategy was initiated by the acquisition of the switching and compensation business in Morocco. The acquisition was finalized in early 2016.

I am convinced that our processing offer will strongly contribute to accelerating our sustainable growth and strengthen our overall position in the payment market.

ORGANIC  
GROWTH

**14.5%**

OPERATIONAL  
CASH FLOW

**69.1 MDH**

RESEARCH &  
DEVELOPMENT

**37.4 MDH**

## Our social commitment

As part of our CSR commitments, the Group created HPS Foundation in 2014 with a mission to contribute to improving public education quality in Morocco.

Beyond financial contribution, in the form of some actions to improve school infrastructures and assist underprivileged students, we initiated a volunteer program in which the Group's employees are fully devoted by spending their time in scholastic activities to the benefit of hundreds of schoolchildren. Through these actions to support school, coach faculty or various cultural and scientific workshops, employees are eager to be involved with a strong social commitment.

Our CSR policy will continue to develop along with our growth, keeping as an objective to strengthen our foundation actions, while capitalizing on our human resources and the added value they bring to our social action.

## Historical development opportunities

Since our creation in 1995, we built gradually and with determination the foundations of a sustainable growth that allows us to be one of the major players in our industry internationally. I am convinced that we are today on the verge of a new development stage for our Group.

Indeed, the digital transformation we are living nowadays is energizing the payment market and reconfiguring our industry's ecosystem. I am convinced we are facing historic opportunities that we must seize, building on our strong fundamentals including our human capital, our products capital and the extent of our customer base.

In conclusion, I would like to thank all HPS Group employees who contribute daily to the pursuit of our adventure and the achievement of our vision.

My thanks also go to our shareholders, customers and partners for their valuable trust and loyalty.

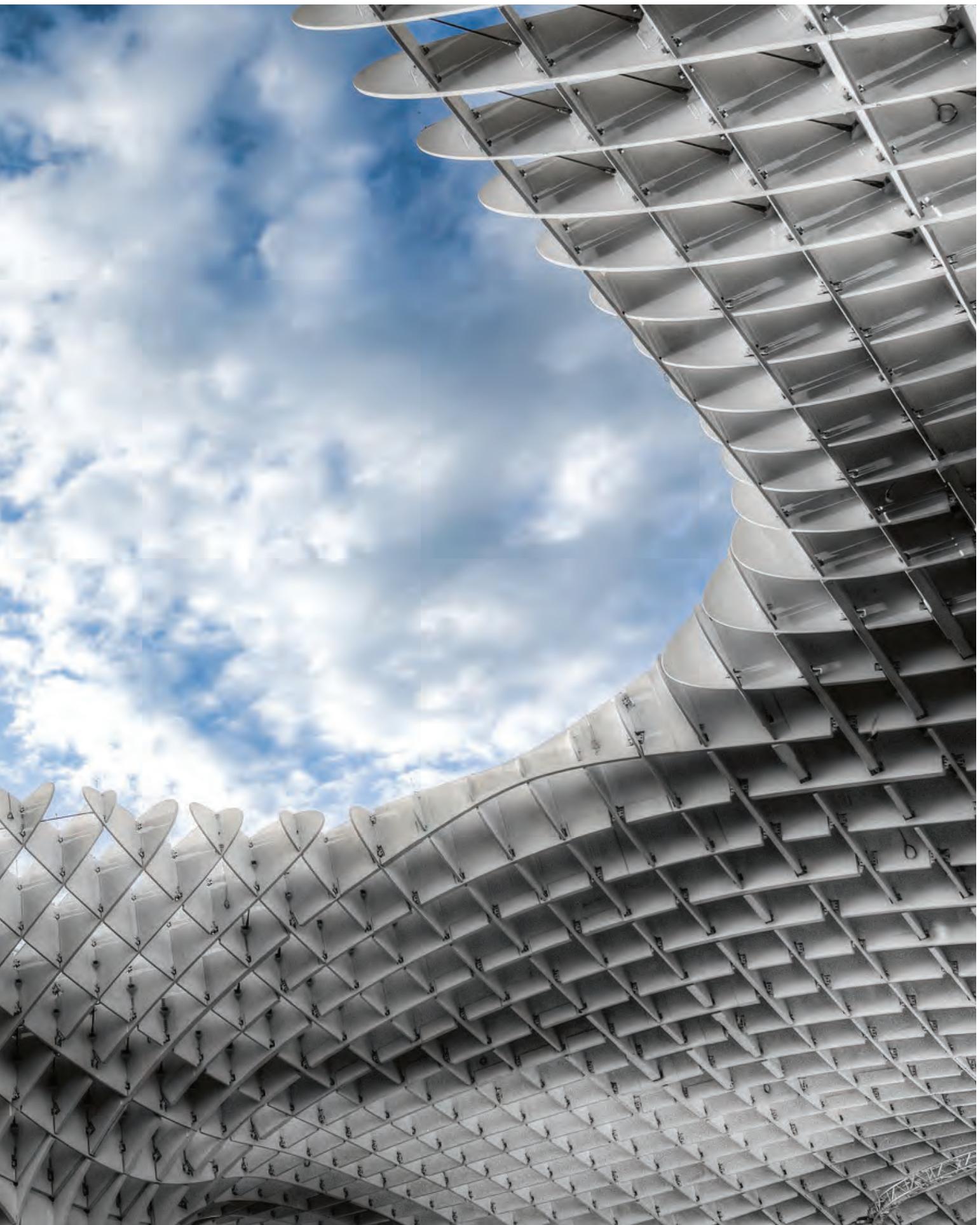
Mohamed HORANI  
Chief Executive Officer

# HPS OVERVIEW

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- 12      **Vision**
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- 24      **CSR Commitment**
- 30      **Positioning**
- 36      **Governance**







**HPS is a global leader in the design, development, implementation and support of a series of multi channel electronic payments. PowerCARD, our solutions suite, belongs to the Top 5 solutions of the industry at the worldwide level in Gartner's<sup>1)</sup> research reports. The Group's vision is to be the best enterprise in our industry benefiting our clients, employees and shareholders.**

## Clients

Our clients' satisfaction is based on the quality of our solutions and its capacity to meet specific needs of the present and future. HPS works closely with its clients and the major players in the industry to best respond to the current and future expectations of the market. In 20 years, the Group devoted more than 10 man/centuries to research and development of its solutions, which have become today a reference in the industry.

## Employees

We are aware that the road to success begins with employees who are motivated and engaged to pursue the strategy put in place to achieve the Group's vision. HPS's 320-plus employees play a crucial role in creating the necessary corporate culture to reach our vision. HPS has specific tools in place to measure employee motivation and satisfaction, with the overall goal of employee retention.

## Shareholders

Within the Group, we are convinced that our shareholders are, above all, long-term partners, able to invest to allow HPS to innovate and to position itself in a global economy. Thus, the Group's measure of performance is not limited to immediate profitability. Our priority is to listen to all our shareholders, to communicate clearly, concisely, with transparency, and to ensure their investment is properly brought value to in the long run.

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1 : Gartner, the world's leading information technology research reference, ranks HPS amongst the best providers of electronic payment solutions in the world. For three consecutive years, Gartner has confirmed the positive rating of HPS Group in its MarketScope editions.

# STRATEGY



For more than 20 years, HPS vision remained unchanged. Thanks to sustainable growth, innovative solutions carried by a strong brand, operational effectiveness and committed employees, HPS has defined four strategic axioms to achieve its vision of becoming the best company in the electronic payment industry.

## Sustainable growth

To build sustainable growth of the Group, emphasis is put on the increase of the share of sales in the regions of growth, the reinforcement of our position in the historic markets, the reinforcement of the recurring revenues and the implementation of new business models. This aims for long-term profitability.

## Innovation

Our industry is characterized by rapid changes, linked to technological and regulatory evolution. Our research and development process aims at reinforcing our capacity for innovation in term of new products and solutions, and continuous improvement of existing solutions. To achieve this efficiently, we work closely with our clients and the market's players.

Marketing and R&D collaboration is a key factor in our strategy, as well as the project teams' feedback to the R&D teams.

## Operational effectiveness

HPS has a methodic approach to optimize the Group's performances in terms of productivity, quality, flexibility and cost reduction.

This performance effort relies on an international deployment led by a policy of geographic proximity with our markets. It is supported by the permanent optimization of the operational processes.

## Committed employees

Our employees play a decisive role in the implementation of HPS strategy. This is why an innovative corporate culture and involved employees provide the foundation for developing high-value solutions and services for our clients throughout the world.

## A processing offer to help our clients face changes in our environment ...

The electronic payment industry has shown for the past few years an upward trend in the volume of electronic payments. The payment industry challenges impact all players: regulation, costs, technological developments, breaking conventional models etc. These transformations speed up and compel banks to adapt faster to clients' expectations of ease of use and security.

Banks are therefore put under the obligation to upgrade their payment systems constantly to adapt and face the competition from new players. This need our clients have to adapt rapidly

should be part of a rationalization and cost and infrastructure optimization process to remain financially competitive.

HPS accelerated the implementation of its processing platform based on our PowerCARD solution. This allows our clients to have a robust, secured and scalable platform. While guaranteeing our clients the rationalization of their costs and a better command of their risks, this platform will let them have a software solution consistent with the developments of the industry.

## ... Case of Switching in Morocco

For several years, the digital economy in Morocco is taking a new historic turnaround and contributes significantly to the development of the economy and the creation of jobs. In terms of electronic payment, the technological and social developments are currently turning around: consumer habits, commercial activities, competition bases, regulation, and state and government roles. In this context, the banking community launched an international call for tenders designed to select an industrial operator to take back and develop the Switching and Compensation activity in Morocco.

The project aims at the:

- Opening of the market to new acquirers and issuers and therefore to create healthy competition conditions for the sector.
- Enrichment of existing switching services by high added value services.
- Switching cost reduction through mass increase of volumes and platform pooling.
- Contribution to the 'Low Income Banking' strategy and to banking in Morocco.

In 2015, HPS's offer to take-over the Switching and Compensation activity has been approved by the banking community. HPS has obtained the exercise authorization by the central bank. By choosing to host their Switching activity on HPS processing platform, operators in Morocco can now focus on their emission and/or acquisition activities in order to develop the payment activity, while basing their activities on a certified PCI-DSS platform, compliant with Tier III requirements of the Uptime Institute and compliant with the highest international standards.

### FACTORS INFLUENCING OUR STRATEGY

ECONOMIC ENVIRONMENT

TECHNOLOGICAL DEVELOPMENTS

REGULATORY DEVELOPMENTS

BUSINESS ACTIVITIES DEVELOPMENTS

CONSUMER HABIT DEVELOPMENTS

### ASSETS SERVING OUR STRATEGY

HUMAN CAPITAL

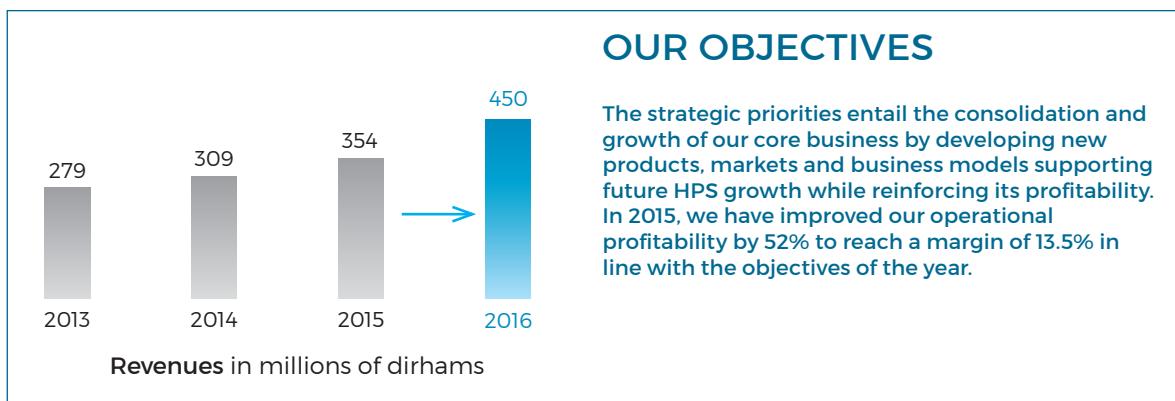
POWERCARD SOLUTION

MANAGEMENT STRUCTURE

OUR REFERENCES

HPS BRAND

# Sustainable growth



The sustainable development of the Group consists of consolidating our current position in our traditional markets as a leader in the electronic payment industry. Our solutions are recognized by industry professionals, such as Gartner, and by our prestigious references. This allows us to position ourselves in Africa, the Middle East and Europe.

At the same time, we accentuate our geographic development either by direct local establishment or by commercial partnerships and JVs, or even external growth.

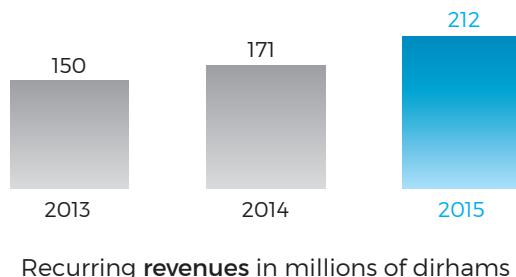
Finally, the last axiom of our strategy consists of diversifying our business models and developing transactional model for selling licenses. This diversification allows us to reinforce our recurring revenues and profit on the short and long-term from volume increase.

## HPS TODAY...

### Growth

The growth of our activities relies on different strategic development axioms:

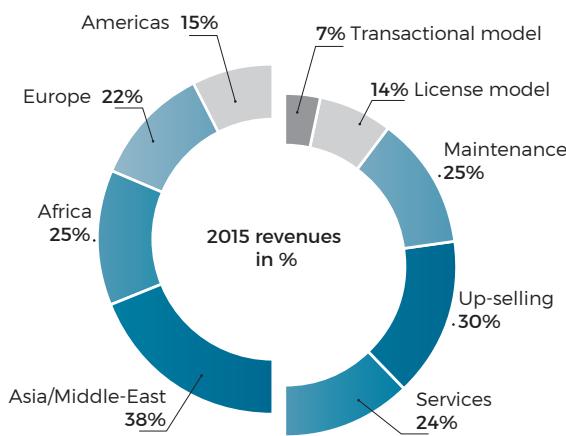
- Consolidation of the current HPS position in its traditional markets including Africa, the Middle-East and to a certain extent Europe.
- Development of our positioning on world-class projects and on growth markets (Europe, South America, North America and Asia) that ensure a short and long-term growth to HPS.
- Launching of new products and services with a maximum added-value to our clients.
- Implementation of new business models to boost HPS long-term growth (transactional model, processing etc).



## Diversification of income sources

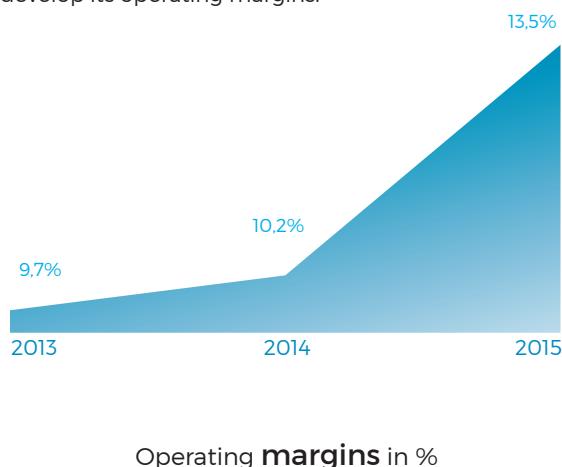
We balance our activities on different geographic regions for a better long-term perspective and controlled volatility. This allows us to take advantage of growth markets in the short-term while benefiting from a diverse base of income sources.

We also continue to diversify the nature of our revenues through our product offers and business models. This allows us to consolidate a solid base of recurring revenues while continuing to search for new growth drivers.



## Reinforcing operational margins

While reinforcing our investment efforts in terms of commercial force, product strategy and delivery capacity, HPS continues to deploy its efforts of cost rationalization and group synergy to optimize and develop its operating margins.

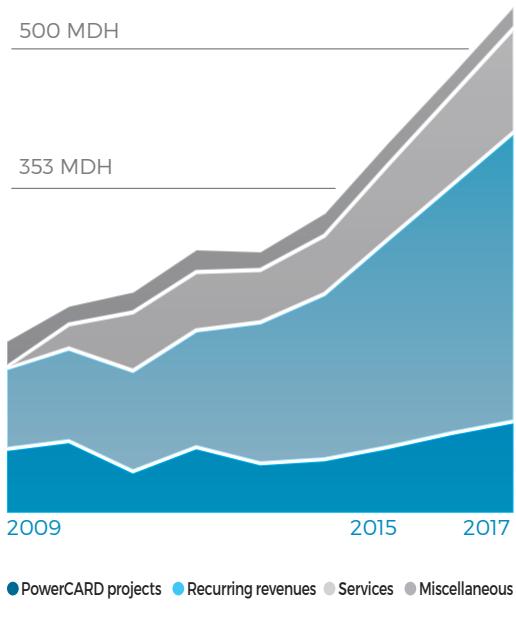


## ... IN THE FUTURE

HPS ambitions to confirm its position as a major player in the electronic payment industry. The strategic orientations of the Group will provide HPS the means to achieve this. The purpose is to diversify our business models to reinforce the recurring revenues and sustainable development, expand our network of partners to develop our geographic presence, and address growth markets to cover the world's major financial institutions.

Our 2015 accomplishments show: the new transactional business model generated the first revenues to 23.8 million dirhams, our partners generate new opportunities of development, an adopted solution by a large number of major institutions.

We believe that the year 2016 will be a year of continuity which will reinforce strategic projects initiated in 2014 and 2015, coupled with the Switching activities in Morocco. These accomplishments will allow pursuit of reinforcement of our beneficiary capacity and will serve as the basis for our future growth, with the objective to reach operational margins of about 20% in 2017.



# Innovation



From left to right: Nicolas PENELLE - Hicham FETHI - Abdelkar TAHSI - Elmehdi BENZIT - Radouane LAKHSSASSI

**Research & Development** has been at the core of HPS strategy for 20 years. It maximizes the added value brought to clients, differentiates the Group from its competition, and increases its profitability. It starts from clients' expectations to then search for an adequate solution while integrating the most recent technological developments.

To maintain the technological and functional lead of its solutions recognized worldwide, HPS Group strongly invests in R&D. For the past 5 years, HPS invested close to 160 MDH to the development and improvement of its PowerCARD platform.

Our sector is characterized by rapid changes due to technological and regulatory developments in the industry. We have to face competitors significantly greater than us with larger financial resources. To compete successfully, we have to show flexibility while pushing for a constant R&D effort. We have to develop our new and existing products in response to the technological and regulatory changes we predict. To that end, we have to anticipate the future needs of our clients and of the market.

To make it happen, we work closely with our clients and the major players of the industry to grasp the current and future requirements of the sector.

We set up regular users meetings. These help us strengthen and adapt our product strategy and our development plans.

We also work with equipment manufacturers, such as Ingenico, Wincor-Nixdorf, Diebold or NCR, in order to ensure the compatibility of our solutions with the latest technological developments.

To ensure our product conformity with the current regulations, and to prepare for future ones, we work with MasterCard and Visa.

Finally, we work with computer manufacturers and software editors such as HP, IBM or Oracle to ensure and prepare the compatibility with the latest operating systems and new server generations.

We are confident in the choices we make year after year, by the position held by PowerCARD in the latest Gartner studies. The Gartner firm, in three studies dedicated to our sector, ranks PowerCARD amongst the very top solutions of the market.

In 2015, the Group pursued its efforts in Research & Development and devoted over 20,000 man-days to the development of its PowerCARD offer, representing 37.4 millions of dirhams in costs of dedicated teams.

## PowerCARD Connect'- Open API

The booming of a number of Fintechs in the world forces financial institutions to react to this new type of competition. In fact, Fintechs suggest innovative and disruptive services in finance and in payment particularly. It means for the financial institutions that they have to work together with Fintechs to position themselves as partners and not as competitors. Financial institutions "open" their systems through APIs to give easier access to their systems to external software developers.

Consequently, HPS has developed new APIs, PowerCARD Connect, which bring together two large API families: 'Servicing' and 'Transacting'.

Transacting allows a system to push authorizations and transactions into PowerCARD so that they are routed and handled.

Servicing allows a system to connect to the issuer and acquirer's Back Office to provide services to end customers (card-holders, merchants, corporate) based on the use and management of their data.

## Instant payment with Ghipps

PowerCARD put in place its first system of 'instant payment' with its client Ghipps, Ghana's national switch. In order to offer a new payment method to its banks, Ghipps decided to use the authorization and compensation protocols of our PowerCARD platform to provide an 'instant payment' service in the entire country.

The project went live in 2015. Today, clients can initiate a transfer request through their mobile application or banking website. This request will be handled by PowerCARD by converting it to an authorization request. Thus, debit and credit information is exchanged. The financial movements are done in real time.

## ISO20022 – Nexo Standards

**Nexo** is a non-profit association whose aim is to produce norms in response to the requirements of the international card payment market. Nexo's objective is to promote global interoperability and effective implementation of norms and specifications in the field of card payments and withdrawals. This initiative will benefit the entire industry, including merchants, by simplifying the cross-border approval process. It aims to reduce costs, stimulate service quality, competition and innovation.

Nexo is the major contributor of ISO20022 norm which regulates the electronic data exchange between financial institutions. ISO20022 norm is therefore seen as a universal protocol which will replace the existing ISO8583 protocol.

HPS has started to invest in the new norm. We will provide a version of PowerCARD supporting ISO20022 as soon as 2016. Within this context, HPS will become an active member of the Nexo organization.

## Operational excellence



The search for performance lies mainly on the international deployment along with a geographic proximity with our markets, supported by the everlasting optimization of operational processes. The international deployment is achieved not only by the creation of new subsidiaries, but also by strategic acquisitions or the creation of JVs.

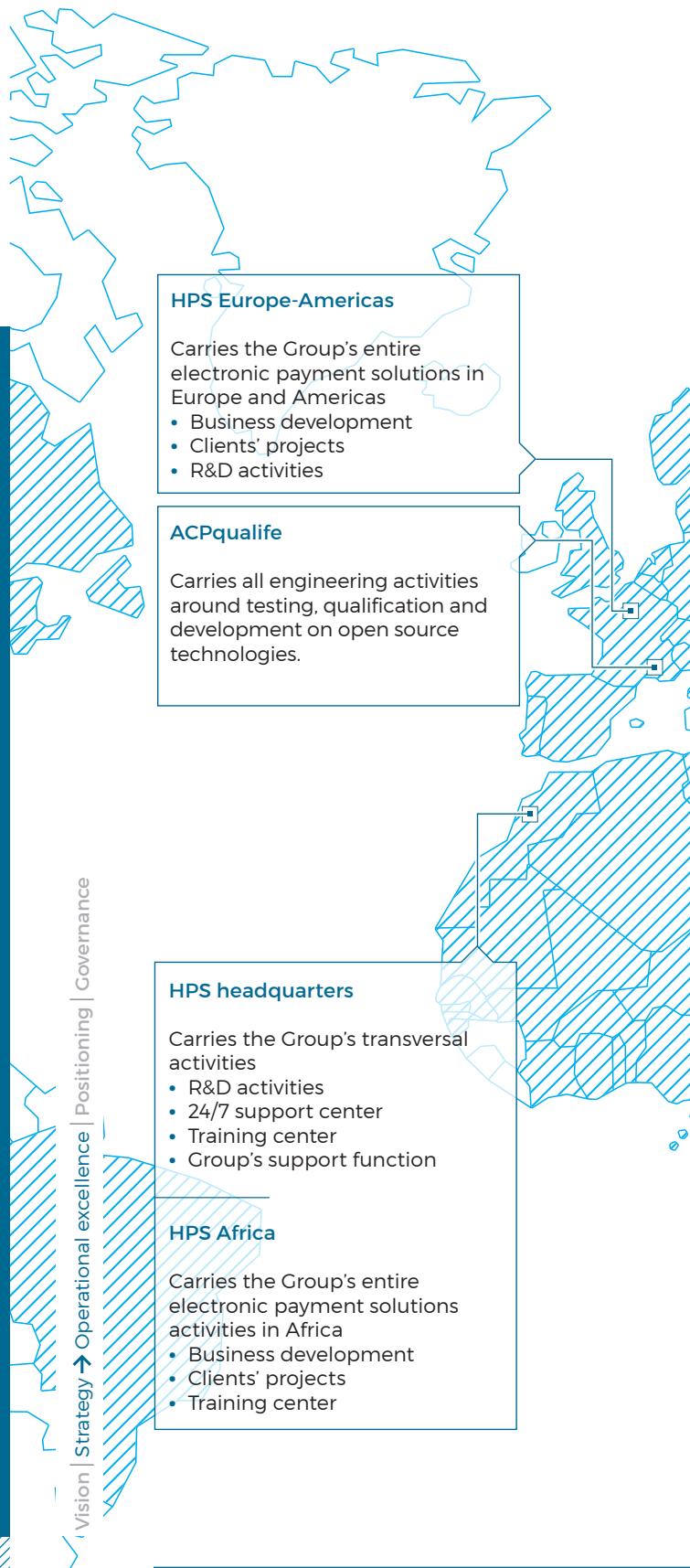
Founded in 1995 in Morocco, HPS has extended its geographic presence by creating HPS Dubai in 2003, then HPS Europe in 2008. The main objective of these two offices was to develop the commercial activity with a dedicated sales force, in charge of direct marketing and the management of a regional partners' network.

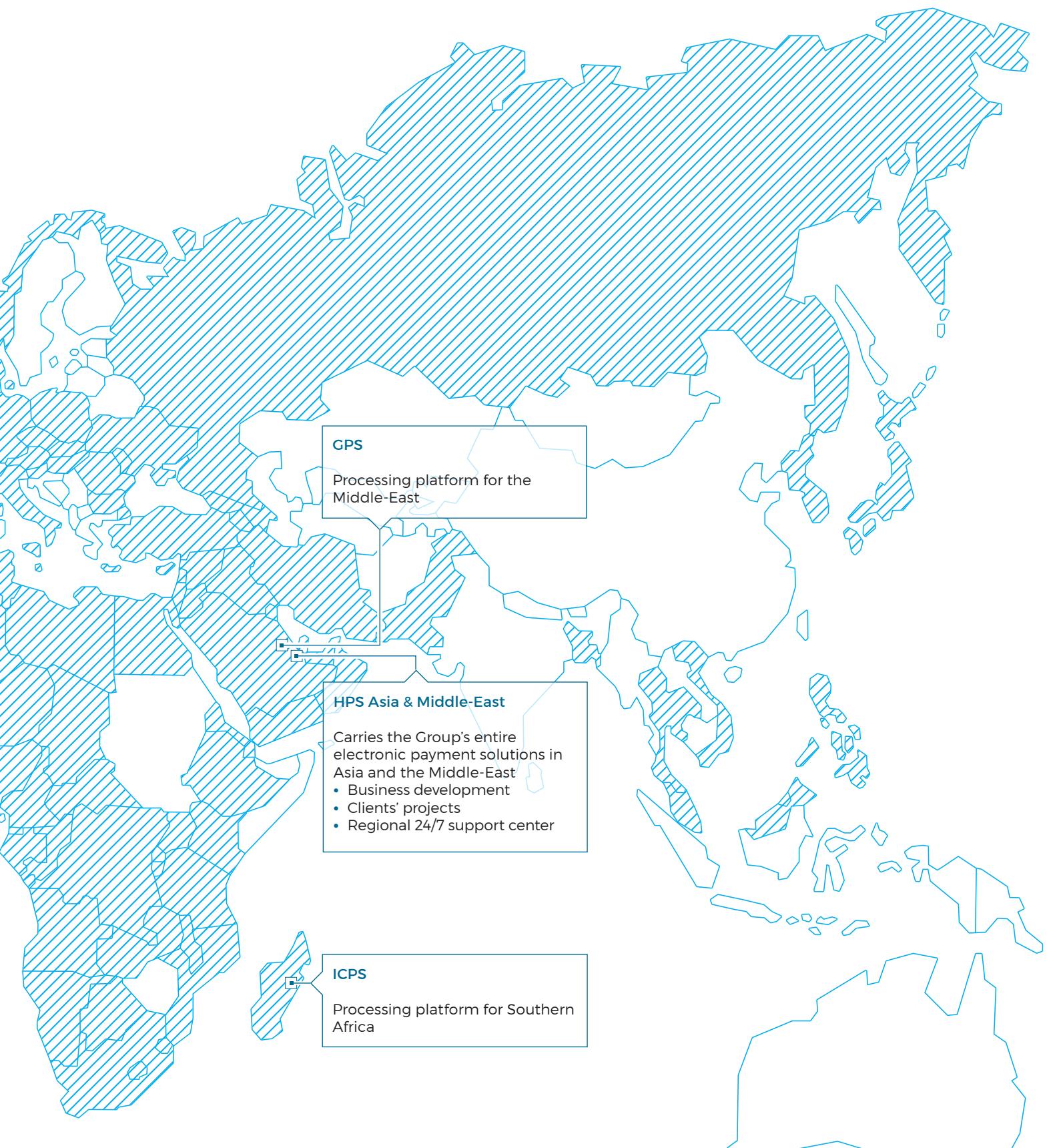
To go along with our development in the region and to optimize our operational efficacy, the Dubai team has been reinforced for some years by dedicated development and support teams. In 2010, our European presence has also been reinforced following the Acpqualife acquisition, for which the teams ensure the integration and support for projects in the region.

In 2011, new management was put in place to reinforce the weight of regional agencies and to make them autonomous structures capable of offering all Group services in an efficient manner, while benefiting from HPS central support functions.

To address the processing market, HPS adopts an investment approach in regional platforms in partnership with local key players. Bringing a strong geographic, cultural and linguistic proximity, we maximize our operational efficacy to benefit our clients while optimizing the quality, flexibility and associated costs.

GPS (Global Payment Services) has hence been created in 2004 to cater for the Middle-East region while ICPS (International Card Processing Services) was created in 2007 to cater for Southern Africa.





## Employee involvement

**+320**

EMPLOYEES

**12**

NATIONALITIES

2015 ANNUAL REPORT

17%  
SERVICES  
ACTIVITIES



69%  
ELECTRONIC PAYMENT  
SERVICES

14%  
CORE  
FUNCTIONS



70%

30%



Our employees are an element of success in our strategy. It is paramount that they feel engaged and highly involved in the achievement of our vision. By sharing the fundamental values that move us; excellence, responsibility, solidarity, passion for innovation and integrity, we create the ideal conditions in which our employees support our strategy.

**Rachid Bakkar**  
Human Resources Director

We want HPS to be known by our employees as the ideal environment for personal and professional fulfillment.

Thanks to our employee engagement initiatives, we want to make sure that our Group remains a dynamic enterprise, focused on innovation, which attracts skilled and talented people who share the same values.

An enterprising culture with committed employees coming from different backgrounds brings to HPS the right skills and the necessary creativity to develop innovative solutions throughout the world.

Our human resources strategy is based on a number of pillars: recruitment, management by objective, compensation, internal promotion, diversity and ethics. All of these strategic pillars are analyzed, are subject to an HR road map, and regular HR surveys to measure the achievements of our goals.

## Recruitment

Recruitment is the first key step to our Group's success. Our hiring strategy aims at guaranteeing a fair and ethical approach while selecting the best possible talents. Then, we deploy our integration processes to ensure that our new employees rapidly acquire a good understanding of our industry, our culture and a sense of belonging within the Group.

## Training

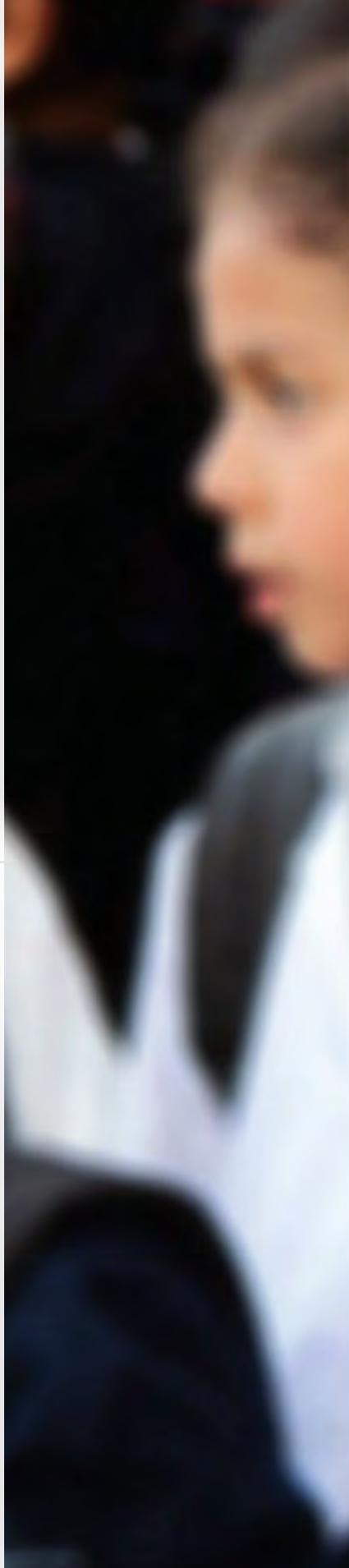
Our industry develops rapidly and it is fundamental that we make sure to invest in the necessary means for our employees so they continue being creative and to propose cutting-edge and innovative solutions to our clients. In 2007, HPS Academy began delivering training programs around electronic payment and our PowerCARD product. These programs serve to integrate new employees and support professional development of our entire workforce.

These trainings are not only part of the integration process of our new employees but also of the professional development process for our Group workforce. Furthermore, we invest close to 2% in the total payroll in external training.

## Diversity

We believe in the importance of diversity in our team's compositions as much as in the markets we serve.

In 2015, the Group counted 320 employees representing a dozen nationalities from Africa, Asia, Europe and the Middle-East.



# HPS CSR Commitment

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## HPS's social commitment



HPS foundation's mission is to contribute to the development of the Moroccan public education quality. The foundation will bring structural, financial and educational support to elected schools in order to give them a safe and secure environment for learning.

**Ghizlane Benlamlilh**  
Vice-President, HPS Foundation

**The Moroccan educational sector suffers from multiple troubles: high level of school dropouts, poor fluency in languages, lack of equipment, and infrastructure decaying. To address this situation, a number of economic and civil society players contribute to the development of the Moroccan public education quality.**

**This is the objective that HPS set out for itself in the framework for its commitment with respect to Corporate Social Responsibility (CSR) by focusing its actions around four (4) axioms: academic support, raising awareness and training, cultural and artistic activities and sport activities and health.**

HPS Foundation started its activities during the 2014/2015 academic year. Its first elected school for support was Bin Lamdoune Jadida school in the Aïn Chock delegation, Casablanca. The foundation has also sealed a partnership with Al Jisr Association which has a long experience in supporting public schools.

We want HPS to be a responsible group where employees develop satisfaction and pride to act in an environment with a stronger impact in society.

Also, during the Foundation launch, HPS issued a call for volunteers to dedicate some of their time, generosity and any other support that can be beneficial to Moroccan students.

To help them complete their mission, HPS volunteers benefited from a number of training programs carried out by Al Jisr Association:

- Introducing first aid techniques to children
- Training on human values
- Prevention and civic rescue
- Training on facilitation techniques

In addition to school renovations, HPS Foundation and its volunteers completed several projects benefiting students, faculty and staff.

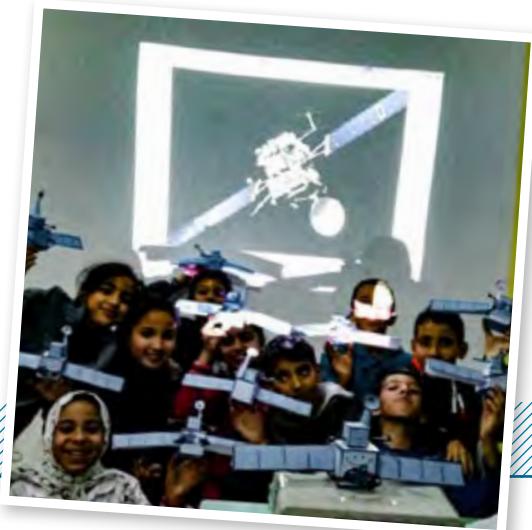
### Astronomy club

An astronomy club was set up at the schools by Zakaria Belhaj, engineer at HPS. The club's objective is to bring students closer to the wide world of astronomy and a number of activities have been setup throughout 2015.

A special telescope was made available to students for observing the March 20, 2015 solar eclipse.

Monthly workshops have been organized to explain to children some basic concepts of astronomy around the sun, the moon, planets, stars and other aspects of our universe.

A model of the Rosetta satellite was created by the astronomy club as a reflection of its mission to develop our knowledge of the solar system.



### Theatre club

A theatre club was started up by Jamila Boussaa, trainer at HPS and Raja Chakour, quality engineer, who gave several theatre sessions on a bimonthly basis to a group of students. The program's objective, together with the pedagogy, is to teach important skills about verbal and non-verbal communication, memory, confidence and self-esteem.

These sessions allowed children to learn to express new feelings and to manage unusual situations while developing their creative sense. The theatre club participated in a national school competition, won by Bin Lamdoune Jadida school.







### Academic support

Academic difficulties can be caused by: poor language fluency, insufficient home support, learning difficulties, or lack of motivation. Children should not be left alone when facing academic difficulty. This entices a loss of a profound self-confidence and a bad self-esteem.

In order to help out children with academic difficulty and to restore their self-confidence, several volunteers dedicated their time to organize regular support sessions in mathematics and reading.

The mathematics club organized weekly sessions to benefit children with difficulties to review and acquire the basic principles. A reading club has also been set up with the objective to fill identified gaps.

### Training the trainer

The teaching staff is the most significant and precious resource within school institutions. The improvement of teaching and educational quality largely consists in bringing out the desire to teach from skilled teachers and setting up high quality standards teaching method.

In this context, Reda Lahkim, project officer at HPS, organized and facilitated a seminar around verbal communication techniques benefiting the school's teaching staff. This first experience has been very well received and has been repeated in two other schools.

### Help with school field trips

By financing bus rentals, HPS Foundation has allowed 120 students to participate to the Book Fair which took place in February 2015 and to the Patrimony Days of Casablanca in April 2015. The latter field trip enabled students to explore Casablanca's history through a guided visit of the old Medina.

The initiative has also been carried by a number of HPS volunteers, trained for the occasion by the association Casamémoire, to serve as guides to the Bin Lamdoune Jadida school students.

# POSITIONING

## OUR MISSION

HPS designs, develops, sells, installs and supports a suite of multi-channel electronic payment solutions. We have created the software solution suite PowerCARD with the objective to propose innovative solutions, covering the overall payment value chain.

**160 MDH**

DEDICATED TO R&D  
OVER 5 YEARS

**10.5%**

OF REVENUES IN 2015

**20,500 MAN/DAYS**

DEDICATED TO R&D  
IN 2015

**R&D IN THE HEART OF OUR STRATEGY**

## OUR SOLUTIONS

PowerCARD is a suite of integrated and modular solutions that enables handling of all types of payment transactions on all available channels.



PowerCARD-ACH



PowerCARD-eCommerce



PowerCARD-Acquirer



PowerCARD-eSecure



PowerCARD-Issuer



PowerCARD-WebPublisher



PowerCARD-Switch



PowerCARD-xPOS



PowerCARD-Tokenization



PowerCARD-ATM



PowerCARD-Fraud



PowerCARD-Dashboard

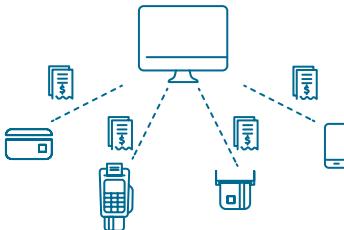
## OUR SOLUTIONS

### OUR BUSINESS MODELS



#### License model

Clients purchase the right to use a PowerCARD license for an unlimited time. The usage limitations are based on the number of the client's equipment (number of cards, ATM, EPT etc). If volumes are exceeded, additional fees for the license extension are billed.



#### Transactional model

Clients do not invest anymore in the usage of the PowerCARD license but pay fixed fees for every transaction managed by our solutions. This model allows our clients to have total control of their operating margins.

#### Implementation

We offer a range of services to ensure the deployment and support of our solutions to our clients, while taking into account their sector and technological requirements. Our teams rely on their deep knowledge of the electronic industry and their expertise around PowerCARD solutions to provide turnkey solutions that meet our client's needs.

### OUR CLIENTS

The scalable architecture of PowerCARD and its very strong parametrization level enable us to reach out to all sizes of companies, and to meet the requirements of different activity sectors that need electronic payment solutions.



FINANCIAL  
INSTITUTIONS



PROCESSORS



TELECOMS



OIL COMPANIES



DISTRIBUTION



AMERICAS  
15%



EUROPE  
22%



ASIA  
38%



AFRICA  
25%

### OUR GEOGRAPHICAL FOCUS

## Our solutions



PowerCARD-ACH

Solution for managing authorizations, compensation between different chambers via SID and LIS.

- Members management
- Counting for members
- Members regulation
- Fees and commissions
- Local Interchange System (LIS)
- Switch Interface Description (SID)



PowerCARD-eCommerce

Multi-merchants and multi-acquisition solution for an e-Commerce payment management and MOTO.

- Multiple integration methods with the merchant sites: direct, re-direct, Batch and web services
- Flexible options of payment: total, partial, one-off payment...
- Tokenization
- Customized checkout page
- Administration and merchant portal management



PowerCARD-Acquirer

Global platform for merchant management, enabling acquirers to adapt specific solutions for merchants.

- Merchant signup
- Activation and retention
- Sophisticated invoicing
- Liquidation, regulation & reporting
- Risk & fraud management, chargeback, payment disputes and debt recovery
- Multiple options for fees and commissions
- Merchants' promotion and campaigns management
- Efficient merchants' management support

Members management

Members regulation

ACH Scheme configuration

Portal

eCommerce

Online payment

Merchants management

Merchants contracts

Merchants billing



#### PowerCARD-eSecure

An additional step for online payments to link a financial authorization with an online authentication (ACS-3DSecure).

- Secured electronic authentication for e-commerce transactions
- Enrollment and products management
- Supports multiple authentication mechanisms
- Digital certificates, Token, Mobile and Password
- Visa & MasterCard conformity



#### PowerCARD-Issuer

Full services for the emission and management of all cards under any format.

- Cardholder sign-up, activation and retention
- Full management of card products
- Risk and fraud management, Chargeback, Disputes & Debt recovery
- Real time loyalty management
- Flexible fees management
- «Unique client's view»



#### PowerCARD-WebPublisher

A web solution portal with efficient administrative functions that allows managing and customizing a number of web portals.

- Aggregation of data from multiple external systems
- Website content configuration, customization and segmentation
- Web site publication

3DSecure

Authentication

OTP

EMV

Magstripe

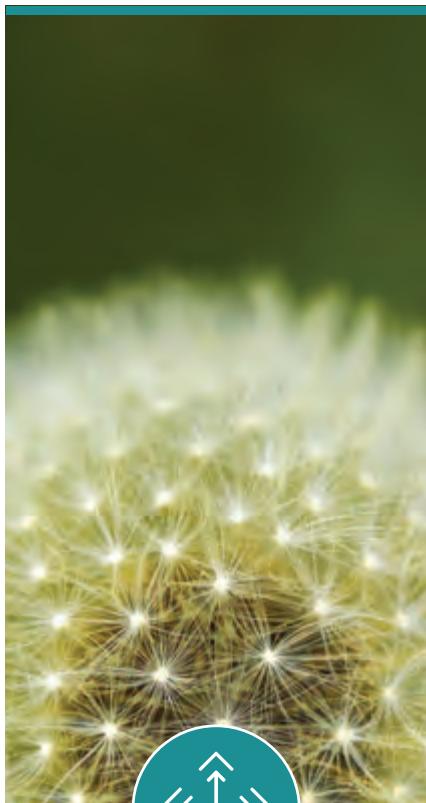
NFC

Web Portals

Customization

Simple configuration

## Our solutions



PowerCARD-Switch

Routing, stand-in, authorization in a high availability environment.

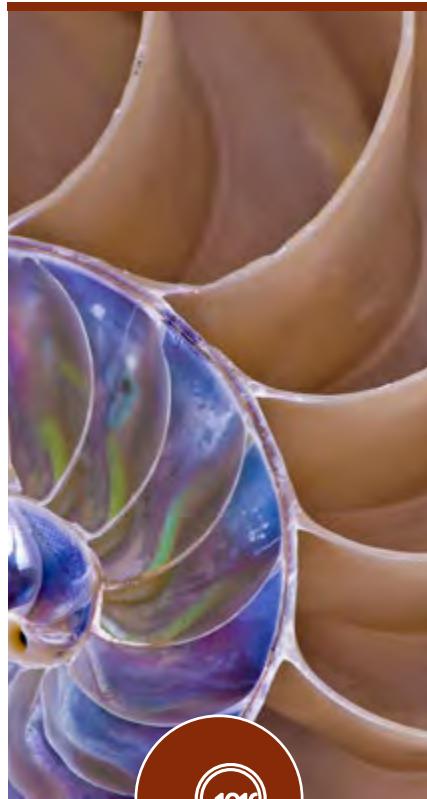
- Authorization and Routing
- Store And Forward (SAF)
- Active-Active functionality
- Multi-channel: management and integration
- Developed interchange management
- High level of performance



#### PowerCARD-ATM

Global self-service solution that enables financial institutions and retailers.

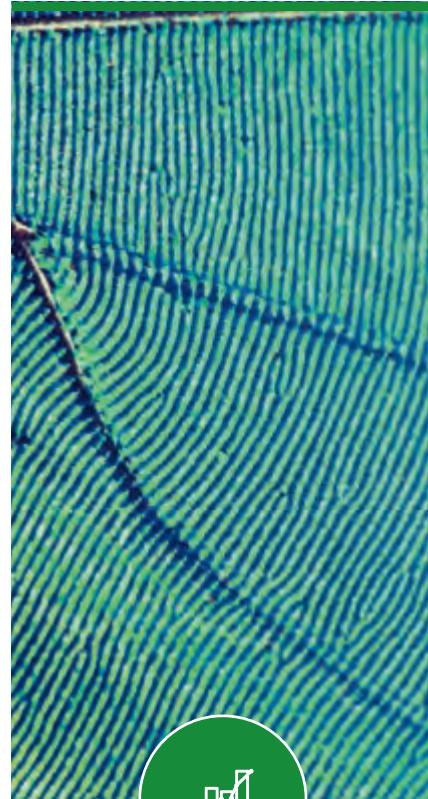
- ATM management
- ATM Switching & Device Driving
- ATM surveillance
- Added-value services: invoice payment, money deposit, card-less withdrawal...



#### PowerCARD-Fraud

An autonomous fraud solution that controls in real or delayed time authorizations coming from any system.

- Real-time and delayed fraud detection
- Configurable rules engine
- SMS and email alerts
- File management



#### PowerCARD-Dashboard

Set of graphics, tables, data, grouped in a dashboard providing a clear vision to users of key performance indicators.

- Predefined and customizable dashboards
- Natively integrated with PowerCARD-Issuer and PowerCARD-Acquirer
- Supports data enriching by third-party system

Management

Surveillance

Services

Detection

Prevention

Real time

BI

Big Data

Data Analytics

# GOVERNANCE



For 20 years, HPS has listened carefully to sound principles of governance in order to implement and develop structures that will be able to pilot activities within the framework of the Group's vision and strategy.

HPS is managed by a Board of Directors that relies on the Executive Committee. These two entities are in charge of elaboration and implementation of the Group's strategic orientations, including day-to-day management.

## The statutory auditors

The statutory auditors are in charge of a control and follow-up mission of the social and consolidated accounts. They have a permanent mission to verify the accounting conformity to the rules in force. They verify the sincerity and concordance of the accounts with the financial statements, the given information in the Board of Directors management report and the shareholder documents in relation to the company's patrimony, financial situation and results. The statutory auditors also make sure equality between shareholders is being respected.

## The Board of Directors

The Board of Directors is in charge of the Group's management and administration. Its mission is to determine the activity orientations and to look after its implementation. It also deliberates on main strategic, economic, financial and technological principles.

A nomination and compensation committee has been created by the Board for assistance in its functions. Its main mission is the definition of the Group's pay policy and the management of the Executive Committee members' compensation.

## The Executive Committee

The Executive Committee has been set up to monitor and manage the Group's operational performances. Its main functions consist of translating the strategic orientations made by the Board of Directors into operational action plan, supporting the General Direction in its definition of priorities, monitoring the operational performances and to implement action plans. It is an entity dedicated to the Group's operations management, reporting directly to the Board of Directors President.

## The organization

HPS adapts regularly to better carry its strategy. The current organization, while consolidating the past gains, simplified the operational processes for a better efficiency and a better reactivity of each one of the Business Units.



Statutory auditors are appointed for three years by the general assembly. Their mandate can be renewed at their expiration.

STATUTORY AUDITOR	PARTNER	APPOINTED	END OF MANDATE
Ernst & Young	Abdeslam Berrada Allam	April 26, 2013	OGM to approve 2015 accounts
A. Saaidi & Associés	Nawfal Amar	June 23, 2015	OGM to approve 2017 accounts

# Board of directors

## BOARD OF DIRECTORS COMPOSITION

Administrators are appointed or their functions are renewed by the ordinary general assembly, for a term of 6 years. Administrators are always re-eligible and can be revoked at any time by the ordinary general assembly.

Administrator	Category	Position	Duration of mandate	End of mandate
Mohamed HORANI	Chief Executive Officer	HPS SA company employee	6 years	OGM/ 2015 accounts
Abdeslam ALAOUI	Executive Director	HPS SA company employee	6 years	OGM/ 2016 accounts
Samir KHALLOUQUI	Executive Director	HPS SA company employee	6 years	OGM/ 2015 accounts
Philippe VIGAND	Executive Director	Acpqualife company employee	6 years	OGM/ 2015 accounts
Christian COURTES	Executive Director	Acpqualife company employee	6 years	OGM/ 2016 accounts
Driss SABBAHE	Non-executive shareholder	Not an employee	6 years	OGM/ 2015 accounts
Kenza KEBBAJ	Non-executive shareholder	Not an employee	6 years	OGM/ 2015 accounts
Anne LOFTON COBB	Independent administrator	Not an employee	6 years	OGM/ 2015 accounts
Christine MORIN POSTEL	Independent administrator	Not an employee	6 years	OGM/ 2016 accounts
Pierre André POMERLEAU	Independent administrator	Not an employee	6 years	OGM/ 2016 accounts
Hassan LAAZIRI	Independent administrator	Not an employee	6 years	OGM/ 2015 accounts

## BOARD OF DIRECTORS COMPENSATION

The compensation allocated to the Board of Directors is decided by the Ordinary General Assembly. Its distribution is left to the discretion of the Board. Only non employed administrators and independent administrators are remunerated. The compensation at the 2015 exercise is of 600.000 dirhams.

## BOARD OF DIRECTORS COMMITTEES

### Remuneration and nomination committee

The remuneration and nomination committee implements universal deontological principles in respect to enterprise governance. The committee studies and issues recommendations in terms of nomination of any manager at HPS, as well as executive directors and succession plans for HPS managers.

The committee also issues recommendations to the Board of Directors in relation to remuneration and schemes system of the managers and the Executive Committee members, to the general HPS policy in respect to the employees shareholding plans and any other proposed plan, and to the remuneration of the administrators.

### Audit committee

The audit committee assists the Board of Directors in internal control, in particular, in ensuring that the internal control system and the resources put in place allow surveillance and risk control at the Group's level and in ensuring that the financial information intended to the Board of Directors and to third parties be reliable and accurate so that the interests of the shareholders and the partners be preserved.

The examination of the social and consolidated accounts is done by the audit committee before their submission to the Board of Directors.

## BOARD OF DIRECTORS MEETINGS

Date	Agenda	Attendance	Attendance Rate
March 19, 2015	2014 annual accounts	9 administrators	73%
March 19, 2015	Approval of the acquisition of CMI Switching activity	8 administrators	73%
May 4, 2015	Analysis of the 2015 first trimester situation	10 administrators	91%
May 20, 2015	Ordinary General Assembly convocation	10 administrators	91%
September 7, 2015	2015 first semester accounts	9 administrators	82%
December 14, 2015	Budget approval for 2016	10 administrators	91%

## Our independent administrators



### Anne LOFTON-COBB

Anne has extensive experience in the financial and payment systems sector.

She started her career at Crédit Agricole and has been in charge of the introduction of the bank's first ATMs and the launch of the first Traveler's checks.

She later became General Director at Eurocard International for 9

years before joining Visa to hold the position of Visa International President for the CEMEA region (84 countries) for 13 years.

Anne is Knight of the Legion of Honor and is administrator at HPS since 2013.



### Christine MORIN POSTEL

Christine has a long international experience in the banking and industrial sectors. She has been member of the executive committee of the Suez group and has been administrator in a number of large international groups such as Royal Dutch Shell, 3i group and EXOR Group.

Christine is currently independent member at British American Tobacco

and Bruxelles Lambert groups Board of Directors.

Former vice-president of the Union of French chambers of commerce and industry abroad, Christine is Officer of the Legion of Honor and Officer of the French Order of Merit.

Christine has been an administrator at HPS since 2011.



### Hassan LAAZIRI

Hassan is general director at CDG Capital Private Equity.

He participated to the creation and launch of the company that today manages more than \$250M in funds.

He has 10 years of experience in the investment capital sector in Morocco and sits on the Boards of

Directors in a number of companies.

Hassan is administrator at HPS since 2013.



### Pierre André POMERLEAU

Pierre André is one of the capital-risk pioneers in Quebec with experience of more than 30 years.

He participated to more than 125 investment operations in industrial and service companies in Canada and worldwide.

Pierre André has been administrator of the Institute of Certified Management Consultants, National

Association of Quebec's Industrial Commissioners and of the Commerce and Industry Chamber of the Southshore.

Pierre André is administrator at HPS since 2006.

## Executive Committee



**Mohamed Horani**  
Chief Executive Officer

Pioneer of electronic payment in Morocco, Mohamed Horani is one of the main founders of HPS. Mohamed Horani has been President of CGEM (General Confederation of Enterprises of Morocco) and President of APEBI (Federation of Information Technologies, Telecommunications and Offshoring). He is also very active in a number of governmental associations.



**Samir Khallooui**  
Managing Director, HPS Group

After founding a first IT company specializing in the Unix and Oracle technologies, Samir co-founded HPS in 1995 and has strongly contributed to the design and technical architecture of the PowerCARD solution. After several leadership roles in technology and operation within the Group, Samir is in charge today of a whole range of functions at HPS.



**Abdeslam Alaoui**  
Managing Director, HPS Solutions

After co-founding an IT services company, Abdeslam became founding member at HPS and actively participates to the design and development of the PowerCARD software. After a number of commercial and operational leadership roles within the group, Abdeslam is responsible for all the electronic payment activities at HPS.



**Christian Courtes**  
Managing Director, HPS Services

Christian started his career at IBM in the sales development of large accounts. He led various responsibility roles in IT services companies and start-up Telecom. Christian later cofounded Acpqualife and joined HPS Group after the acquisition concluded in 2010. He is today in charge of the IT services activities of HPS.



**Philippe Vigand**  
Deputy Managing Director, HPS Solutions

After a start of career at SG2, Philippe was responsible for card treatment operations in occidental Europe for Experian group. He then cofounded Acpqualife and joined HPS after the acquisition operation concluded in 2010. Philippe is today responsible for all the activities in Europe and Americas regions as well as the Group's R&D activity.



**Brahim Berrada**

Deputy Managing Director, HPS Group

Brahim has many years of experience in financial audits at Arthur Andersen, and in organizational and strategic consulting. He joined HPS in 2002 as an administrative and finance director. Brahim is in charge of the entire financial and human resources management of the company. Today, Brahim is responsible for the Group's financial management, legal management and relations with investors.

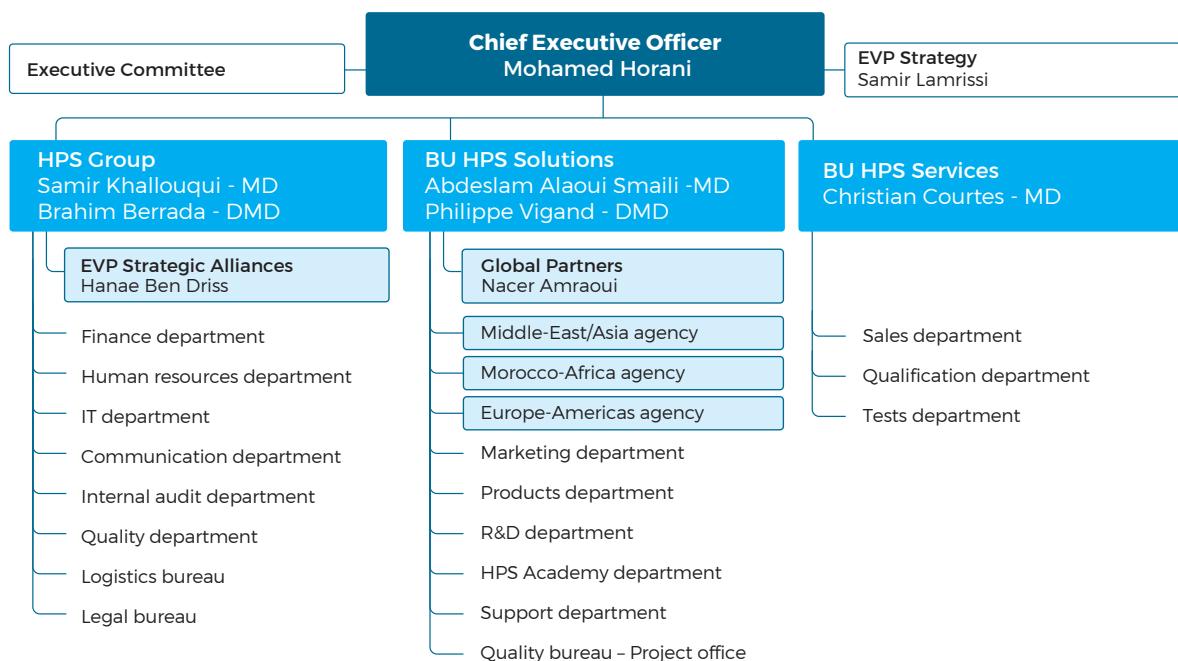


**Samir Lamrissi**

Executive Vice President, Strategy

After serving as commercial director and general manager of an electronic payment company, Samir joined HPS as Sales & Marketing Director. He has set up and implemented the current HPS sales strategy and has contributed to the construction of the distributors' network of the Group. Samir is responsible for the development and implementation of the strategy of the Group.

## Organization chart



# MAIN ACCOMPLISHMENTS

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- 44      Europe and Americas
- 46      Middle-East and Asia
- 48      Africa
- 50      Worldwide Projects





# EUROPE AND AMERICAS



Though Europe and the Americas represent the lowest growth rate in terms of number of transactions, they are the most important market of the industry as they represent more than 60% of card transactions at the international level. The development of this market is essentially due to the proliferation of innovative payment solutions and to mobile payment development.

HPS capitalizes on the recognition of its solutions worldwide and on its high investment in R&D to offer complete and innovative solutions on this market.

**Mehdi Bennani**  
Sales Director, Europe Americas



## WESTERN EUROPE

The Western Europe market is guided by the regulatory evolutions and adoption of innovations to improve the user experience. Reduction of margins is also a challenge and notion of cost is an important element of strategies. In the European market, HPS has a strong physical presence, important references and strategic partners, able to help us reinforce our market shares in this region.



## CENTRAL AND EASTERN EUROPE

The Central and Eastern European market is very fast growing. In Poland, for example, 75% of terminals are NFC while in Russia banks have adapted the quality of their services and products to their customers' needs. Banks put technology at the heart of their 2015-2020 strategy. HPS strategy in this market is opportunist, while relying on its local presence in Europe to develop progressively.



## NORTH AMERICA

The North American market and the USA in particular remain the most important market of the industry. The EMV norm adoption in the United States will be an opportunity for different players to adopt new technologies that relate to security such as Tokenization, NFC or biometry to offer clients a more secured handling of their transactions. HPS's objective is to develop its visibility in the region to profit from immediate market opportunities and become a leading player in North America.



## CENTRAL AND SOUTH AMERICA

In spite of a light slowdown, Latin America remains a very dynamic region. Important regulatory initiatives have been adopted to develop the financial inclusion. As an example, the established regulations by Bank of Mexico have led to the implementation of the first compensation system for mobile transfers. After several years of development in this region, HPS has a number of great references and Latin America is a priority region for the Group. 2016 will witness the reinforcement of our commercial and sales initiatives to reinforce our market shares in the short term.



## FIRST POWERCARD PLATFORM IN THE USA

HPS concluded its first PowerCARD contract with a credit company in the United States. It is one of the most important groups in the sector in the US market.

The American group has decided to expand its offer and to develop a payment platform for merchant management in their sector of activity.

Early 2015, a first contract was signed with HPS to lead a feasibility study on the basis of our PowerCARD platform, integrating specific needs of the client and the American market related to the payment sector.

A contract was signed the end of 2015 for the implementation of the final platform which is planned for 2016.

With this first reference in the USA, HPS plans to reinforce its visibility in the North American market while relying on an adapted communication plan. The contract will allow us to also have a platform adapted to the US market and to capitalize on the opportunities in the region.

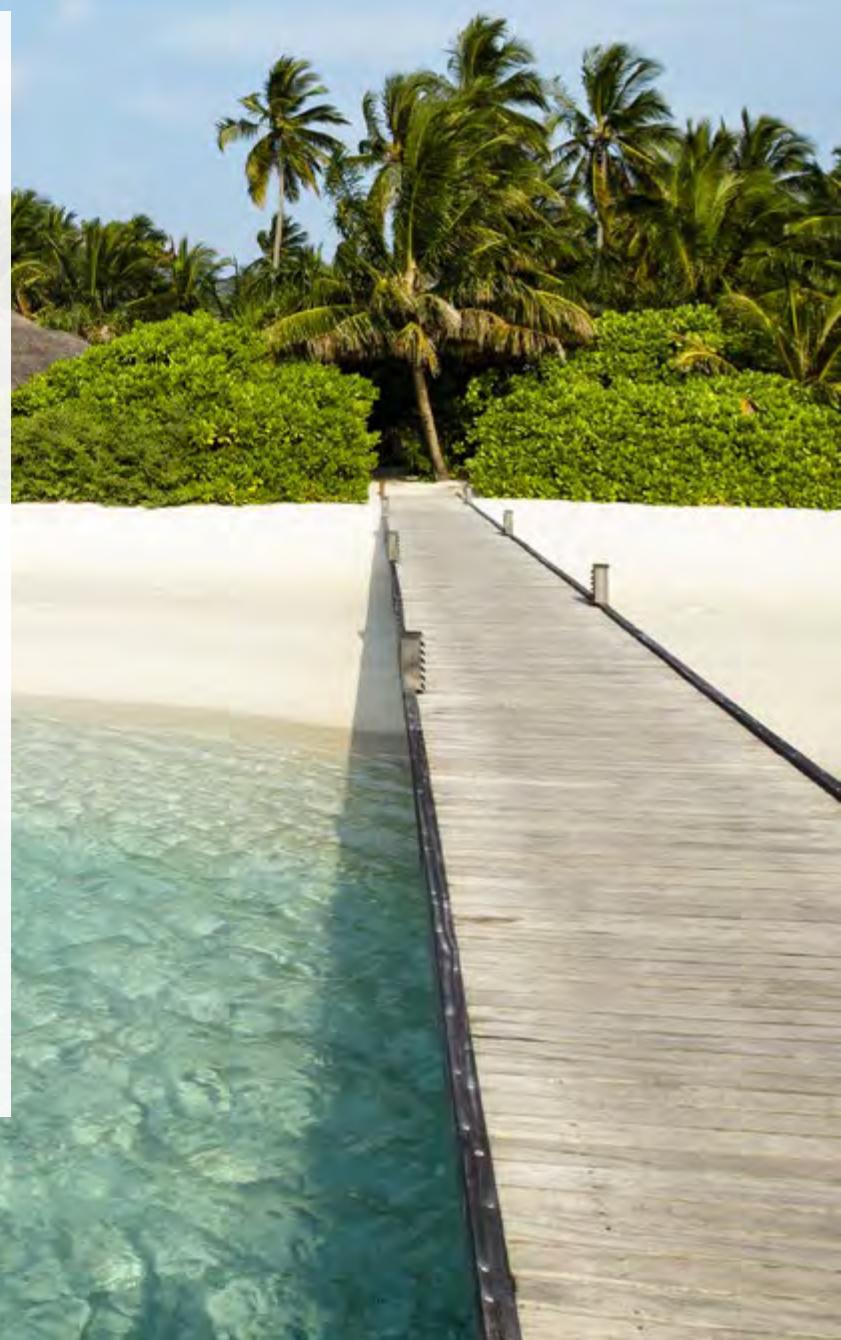


The Calédonienne de Services Bancaires (CSB) is the unique payment operator in New Caledonia and offers its clients a full solution of payment services, electronic output management and checkbook services. Operating as an authorization center and bank cards operations processing in New Caledonia, CSB is connected to GIE Bank Cards (CB, VISA, Eurocard/Mastercard) and also handles in acquisition JCB and American Express cards.

Operating as an authorization center and bank cards operations processing in New Caledonia, CSB is connected to GIE Bank Cards (CB, VISA, Eurocard/Mastercard) and also handles in acquisition JCB and American Express cards.

HPS was selected in 2015 by CSB for a redesign of its electronic banking system. The project aims at equipping CSB with a state-of-the-art platform to allow for innovation. HPS will deploy its PowerCARD software suite to cover the Front-Office and Back-Office activities, managing ATMs, EPTs, private card emissions, pre-compensation and CSB authorization server.

The project will participate to the reinforcement of HPS in the French electronic banking system, particularly through the PowerCARD enriching with new interfaces, protocols and functions in conformity with the GIE Bank Cards rules.



## MIDDLE EAST & ASIA



The Middle-East is one of HPS's historical markets and we have strong references that confirm our leadership position in the market. Through our Dubai office, we capitalize on our image and references to consolidate our positioning in the Middle East and to develop our presence in the Asian market in the long run. Given the size of the Asian market, the region is truly one of the most promising.

**Nabil Ibenbrahim**  
Regional director, Middle-East & Asia



### MIDDLE EAST

In spite of uncertainty in most of the Middle East, Saudi Arabia and the United Arab Emirates, the main economies experience an increase in use of the banking system and consequently an increase in use of payments means. However, the number of cards in circulation is a lot higher than the population having access to banking services which creates a very competitive environment amongst banks. The market is characterized by a strong culture of cash and the key differentiator is when it comes to very high value added services and 'VIP' client treatment.

HPS has a leading position in this area and PowerCARD is a point of reference in the Islamic banking sector. Our strategy is to strengthen relations with our customers and strengthen our recurring revenues by providing a local service and high value customized solutions. HPS will also build on its position in the region to capture development opportunities that arise.



### ASIA

In Asia, a wave of innovations invades the payment industry for many years now. The digitalization and the emergence of new payment platforms bring new changes and opportunities to players operating in Asia. Many important trends dominate the market today: emergence of new players in a very diverse market, extension of financial inclusion through mobile solutions, new innovations reaching a critical mass in a growing speed and the role of digitalization in creating new payment models. The main challenge of payment solutions providers is their capacity to manage large volumes.

For many years, HPS succeeded at seizing a number of opportunities in Japan, Malaysia and the Philippines. HPS will maintain an opportunist strategy and will address the various opportunities to reinforce its presence in the region.

# AFRICA



Africa is one of the world's most dynamic regions in terms of electronic payment development. Though the number of transactions still remains weak, the market presents important year-after-year progression rates and is one of the most dynamic in the mobile segment.

HPS capitalizes on its leadership position in the region to consolidate and reinforce its market shares in French speaking Africa and to continue its development in the English speaking Africa market.

**Samir Younes**  
Regional director, Africa



## NORTH AFRICA & FRENCH SPEAKING AFRICA

With 50% of the population younger than 34 and a rate of access to banking services still very low, French speaking Africa retains an enormous potential of growth in terms of payment means equipment. The major region challenges are the development of access to banking services and the provision of banking/payment solutions.

Central banks implement infrastructures and a regulatory framework to encourage the adoption of electronic payment methods.

HPS plays a leader role in the region and PowerCARD is brand of reference in the industry. Our strategy consists of consolidating our fingerprint and reinforcing our recurrent revenues with our existing clients while seizing development opportunities.



## ENGLISH SPEAKING AFRICA

South Africa is the country that benefits from the most developed payment infrastructures in the continent and plays a vital role in the development of electronic payment means. Kenya represents the eastern Africa leader in mobile solutions and has succeeded to make financial inclusion a reality. Nigeria also plays an important role in the region with an accelerated deployment of ATMs and payment terminals to reduce the dependence on cash. Nevertheless, the country continues to experience difficulties because of an imperfect telecommunication infrastructure.

HPS starts to become extremely visible in the region with great achievements and references in Nigeria, Ghana and South Africa. This region presents important opportunities of short-term development for the Group.



**FNB**  
First National Bank

First National Bank (FNB) is one of the most innovative banks in the world. FNB signed in 2014 a contract with HPS to implement the PowerCARD solution to modernize its Merchant Acquisition activity.

The objective is to implement a unique platform to answer the specific needs of the merchant clients in the seven countries in Africa where FNB is implanted. The consolidation of the entire merchant activity on a unique platform will allow FNB to accelerate the provision of innovative solutions to its clients in an effort to lower costs.

In 2015, HPS pursued the PowerCARD platform deployment in accordance with the objectives. The start of the first lot is envisaged for 2016.

With this first reference in South Africa, HPS reinforces its visibility and presence in English speaking Africa and new opportunities were initiated in 2015 to make this region a growth market for the Group in the short-term.



## POWERCARD DEPLOYMENT IN 27 COUNTRIES FOR A WORLDWIDE OIL COMPANY

Within our partnership with HP, HPS signed in 2014 a major contract for the implementation of payment systems in 27 countries for a world's oil company. The PowerCARD platform has as an objective to handle all payment cards and loyalty cards of a group, being one of the 100 top companies in the world.

HPS signed in 2015 a new contract fixing the perimeter for the implementation of the first cluster and this was installed later that year. After a testing phase, the first platform should be in production mid-2016.

This project allows reinforcing the global partnership between HP and HPS which objective is to enable world players to develop their activities thanks to the replacement of multiple existing systems by a unique and only one for the management of their payment activities. HP and HPS production model, perfectly proven, meets a number of needs: volumes evolution, flexibility, profitability of our clients in established and emerging market.

This project also enables us to reinforce the business model of our diversification strategy since the contract is based on a revenue model by transaction, allowing us to generate recurrent revenues of annual licenses.

## WORLDWIDE PROJECTS



We aim at reinforcing our position in the major financial institutions market internationally and to position PowerCARD as the reference solution in the market. These regional and international institutions are more and more inclined to consolidate their payment activity into one platform to reduce costs and improve their electronic payment efficiency and competitiveness.

For that, we rely on our PowerCARD solution capable of covering all the needs of a major financial institution in a unique shared platform able to serve in all geographic zones where it operates.

**Martin Evans**  
Director, Worldwide sales

# ACTIVITY REPORT

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- 54      **World economic environment**
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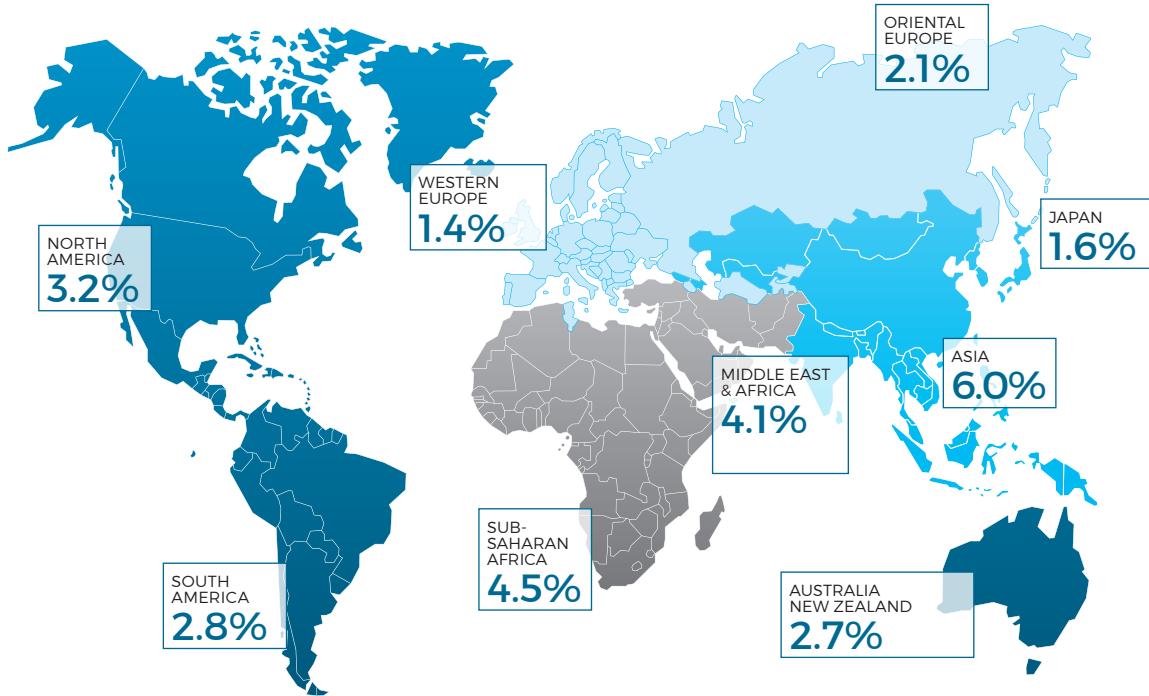




# WORLD ECONOMIC ENVIRONMENT

The world's growth is estimated to be 3.1% for 2015 and should attain 3.4% in 2016 and 3.6% in 2017. While in developed countries, the economic recovery remains modest, the situation for emerging countries and in development remains uneven and unstable in most cases. In fact, the slowdown and the rebalancing of the Chinese economy, the decrease of oil prices and other basic goods, as well as tensions in some emerging countries will continue to weigh on the growth perspectives in 2016-2017.

## GDP GROWTH IN 2015



In 2016, the world's economic activity languished. In emerging countries and developing countries, growth has slowed down for the fifth consecutive year, while a modest recovery occurred in developed countries.

Three transitions will continue to influence on the world's perspectives:

- The progressive slowdown of the economic activity in China and its rebalancing toward an economy of consumption and services. Indeed, even though global growth in China develops more or less as planned, imports and exports revolve faster than expected, partly because of investment downturns and industrial activity. This evolution, led by fear of markets, has repercussions on other countries through commerce and the recoil of basic goods prices, as well through a decrease in trust and an increase of volatility in financial markets. The manufacturing activity and commerce remain weak internationally because of the evolution in China but also because of a moderate demand and investment in general, including a decrease in investment in extractive industries. Furthermore, a decrease of imports in several emerging and developing countries which experience economic difficulties weigh heavily on the world's commerce.
- The decrease of energy price as well as other base products. The world's oil production continues to exceed consumption and the markets foresee modest increases in prices for 2016 and 2017. The decrease in oil prices strain the budgets of exporting countries and weighs heavily on their growth perspectives. On the one hand, financial tensions in a number of exporting countries reduce the capacity of these countries to soften the blow, which entrains a considerable reduction of their internal demand. Moreover, the decrease in oil prices has had a notable impact on the investment in oil and gas extraction. This too affects the world's global demand. Finally, the recovery in consumption in oil importing countries has been weaker than expected. The leading causes are pursuit of debt in some countries, and partial repercussion of prices on consumers in many emerging and developing countries.

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- The gradual tightening of monetary policy in the United States. While monetary easing in the Euro zone and Japan continues more or less as expected, the US Federal Reserve raised the federal funds rate in December 2015. While overall financial conditions in developed countries remain accommodating, the belief that the U.S. will raise policy rates, as well as fears about growth perspectives in emerging countries, contributed to a tightening of external financing conditions, and a decrease in capital flows to and from new currency depreciations in several emerging countries.

In this global context, the world's growth established itself at 3.1% in 2015, 0.3 point less than in 2014 and should attain 3.4% in 2016 and 3.6% in 2017.

In developed countries, growth should accelerate by 0.2 percentage points in 2016 to reach 2.1% and remain stable in 2017. The global activity remains resilient in the United States, supported by financial conditions that remain accommodating and a reinforcement of housing and labor markets. However, the dollar vigorously weighs on the industrial activity and the decrease in oil price reduce the investment in structures and mining material. In the Euro zone, increase in consumption is explained by the decrease in oil prices and by favorable financial conditions which compensates the flexing of net exportations. In Japan, growth should get stronger in 2016, thanks to budgeting support, the decline of oil prices, accommodating financial conditions and increase in revenues.

In emerging and developing countries, growth should increase from 4% in 2015, the lowest since the 2008-2009 financial crises, to 4.3% in 2016 and 4.7% in 2017.

- In China, growth is expected to slow down to 6.3% in 2016 and 6.0% in 2017, mainly because of weakening investment together with the economy rebalancing. In India and the other Asian emerging countries, growth should remain strong, although some countries are faced with an opposite trend due to the rebalancing of the Chinese economy and the weakness of global industrial activity.
- In Latin America and the Caribbean, despite positive growth in most countries, it is now expected that the overall GDP continues to decrease in 2016, although less than in 2015. This decline is explained by the recession in Brazil and in other countries facing economic difficulties.
- In the Middle East, higher growth is expected, but low oil prices, and in some cases geopolitical tensions and internal conflicts, continue to weigh in on what is ahead.
- In emerging Europe, growth is expected to remain more or less stable, although with some slowdown in 2016. Russia, which continues to adjust to low oil prices and Western sanctions, should remain in recession in 2016. Other countries from the Community of Independent States suffer from recession in Russia and geopolitical tensions, and in some cases, internal structural weaknesses and lower oil price level. For these countries, growth should be modest in 2016, but will speed up in 2017.
- In most sub-Saharan countries, growth will gradually pick up, but due to falling commodity prices, it will reach lower levels than those observed over the past ten years. This is mainly explained by the continuing downward adjustment of commodity prices and rising borrowing costs, which weighs heavily on some of larger economies in the region (South Africa, Angola and Nigeria) and several smaller countries that export commodities.

The growth acceleration expected over the next two years, despite the present downturn in China, is tied to forecasts of a gradual recovery in growth countries now facing economic difficulties, notably Brazil, Russia and some countries in the Middle East. However, this partial recovery itself may be compromised by new economic or political shocks, and the perspective of the global economy remains exposed to risks of ongoing adjustments in a global economy: the general slowdown in emerging countries, the rebalancing of the Chinese economy, the price declines in commodity and progressive exit from monetary conditions exceptionally accommodating in the United States.

# ELECTRONIC PAYMENT MARKET

**389,700,000,000**  
TRANSACTIONS IN 2014

The overall volume of non-monetary payment transactions reached 389.7 billion in 2014, a growth rate stabilizing at 8.9% versus 7.6% in 2013. Growth remained sustained in the developed countries (America, Northern Europe and developed Asia), but developing markets are increasing their market share. However, developed countries still account for nearly three quarters of market.

## EVOLUTION OF NON-MONETARY PAYMENT TRANSACTIONS

The overall volume of non-monetary payment transactions reached 389 billion in 2014, an overall growth rate of 8.9%, against 7.6% growth in 2013.

Global growth has been helped by the growth of the North American market, driven by the economic recovery in the US, and the very strong growth in emerging Asian countries up + 27%.

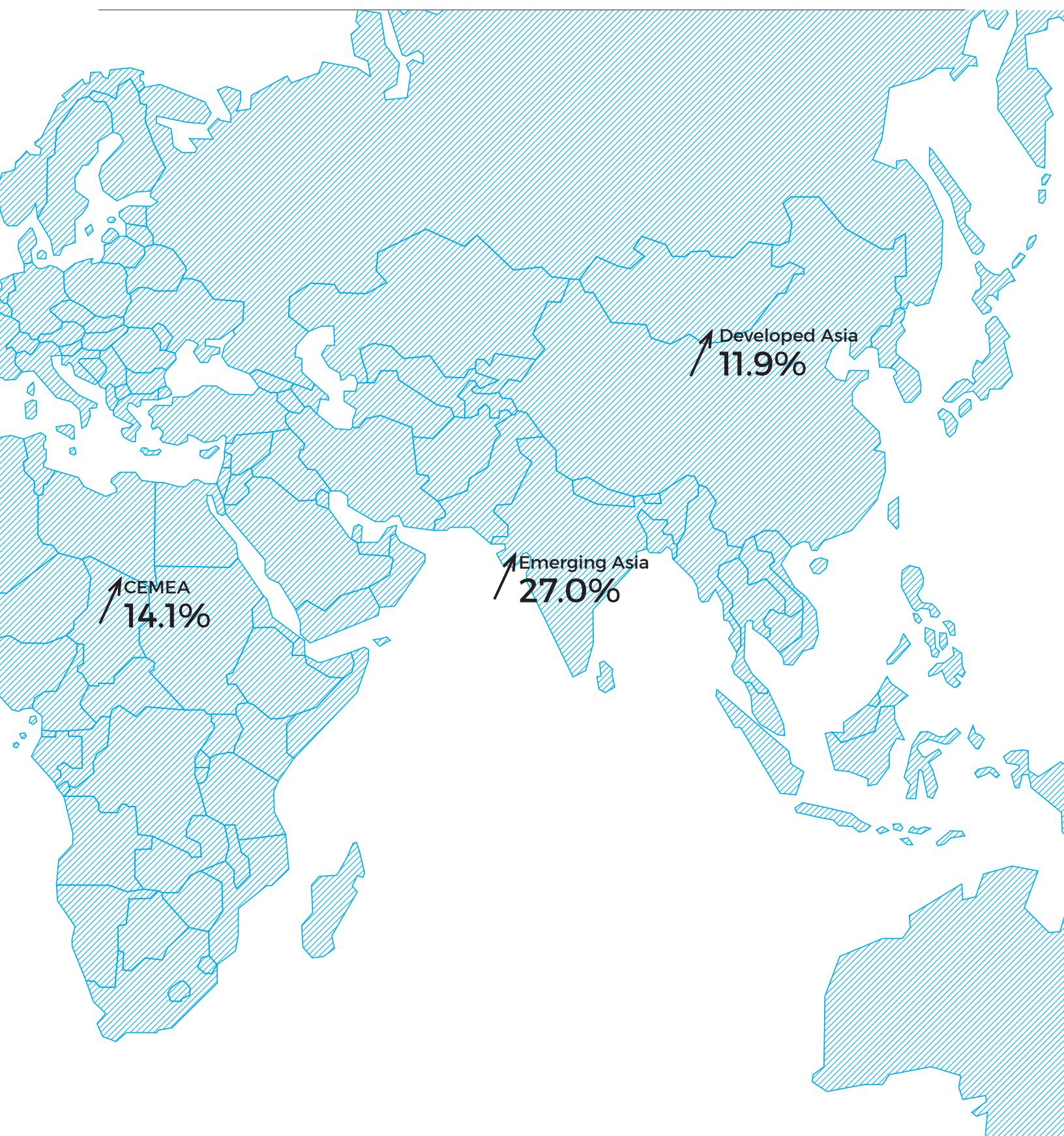
Although North American growth increased to 5.5%, against 4.6% in 2013, market share held by the United States declined from 34.4% in 2013 to 33.4% in 2014, as higher growth from emerging Asia erodes this progress.

The development of transactions in Asia is caused by increasing penetration of the Internet and the adoption of mobile payments in China and India. The volume of payment transactions in China exceeded that of Germany, UK, France and South Korea, placing China fourth in the world (behind the United States, the Euro zone and Brazil).

North America  
5.5%

Europe  
4.6%

South America  
9.7%





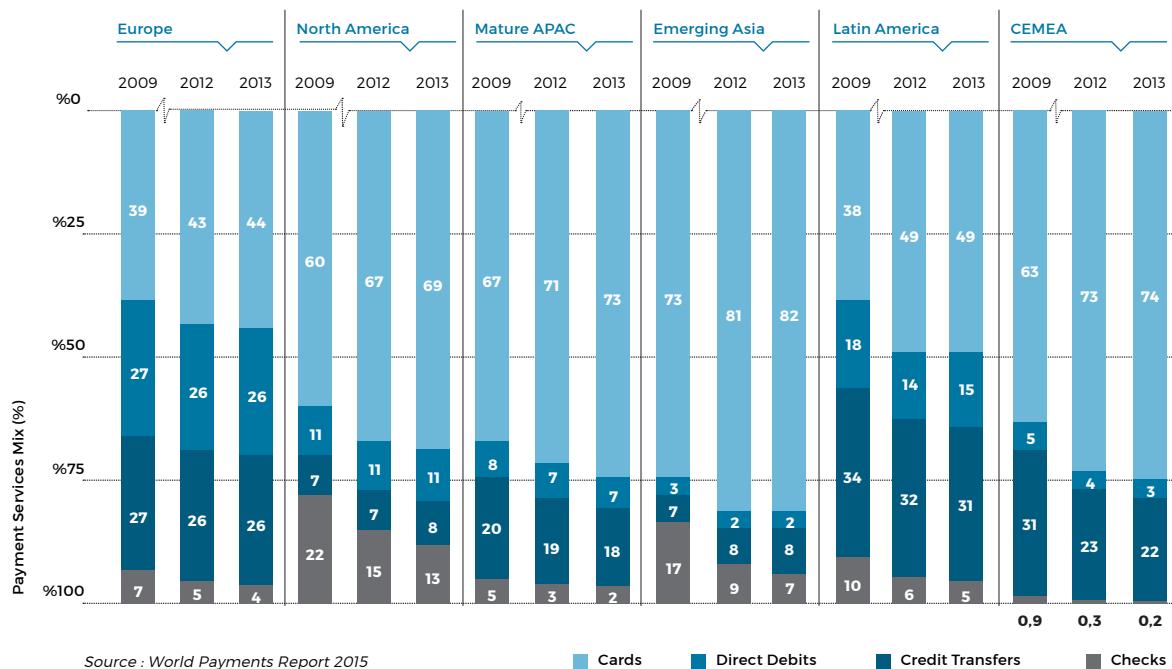
Volume growth of non-monetary transactions covered all monetary instruments other than checks with a very strong growth of card transactions in Asia emerging countries. Although debit card payment growth slows down, this payment instrument is still the most used of all payment methods. In mature markets, electronic payments and mobile are increasingly made via debit cards, which helps strengthen the grip of the debit card non-monetary transactions.

The credit card growth rate remained stable, despite a slowdown in Latin America. This slowdown was offset by other regions like the US and Europe where the economic and consumption recovery positively impact the use of credit cards.

In emerging Asia, China and India are driving the growth of transfers, led by the growth of online banking and the increasing penetration rate of Internet in general.

Growth in the volume of bank direct debits is driven by a strong growth in Europe, North America, and Latin America. Europe has the largest share of global levies, mainly used for the payment of utility bills and taxes.

The use of checks continues to decline everywhere, although there still is a demand in certain markets such as the United States and France. However, new innovative payment services are gradually on a market share rise. Given the current rate decline, transactions by checks worldwide are expected to fall to less than 5 billion by 2025.



Source : World Payments Report 2015

■ Cards ■ Direct Debits ■ Credit Transfers ■ Checks

## FACTORS IMPACTING THE PAYMENT INDUSTRY

While the payment industry tends towards the all-digital, the distinction between the various payment channels is increasingly blurred, with interactions between conventional channels (ATMs, terminals payment...) and new tools (smartphones, tablets, connected objects...) that become common ground to control consumption. The rapid adoption of these new tools to manage daily actions of consumers, ranging from reading books, sending emails, social networks access, or managing their bank accounts has taken many organizations by surprise. These tools are now at the heart of the payment industry transformation.

Within this ever changing environment, a number of distinct patterns became clear:

### Innovations in retail

The retail trade is subject to large and rapid innovations, especially around the omni-channel, where consumers go through different channels such as mobile, Internet and stores before the actual purchase. These innovations are changing how consumers interact with merchants, which lead to demand for new payment methods, flexible, omnipresent and operating transparently over multi channels.

### Merchant applications

These have proved to be among the most successful methods of mobile payment launched to this day. For instance, the Starbucks payment application on mobile accounts for over 20% of its activities now, with six million transactions per week in December 2015.

### The adoption of contactless payment

Contactless payment transactions increased between 200% and 300% per year in some markets. Visa, for example, reported a 46% increase in contactless transactions across Europe, with UK, Poland and Spain in the lead. The adoption of contactless terminals at points of sale will facilitate consumer migration to contactless card using NFC or other technologies such as QR codes or barcodes. Contactless technology is a trend still underexploited in the payment industry, but profoundly affects the consumer behavior and expectations in their interaction with traders.

### M-POS solutions

Offers such as Square let merchants accept payments by card anywhere via mobile devices. Square success in the United States, with over three million merchants and 15 billion dollars annually, triggered the emergence of a new industry to serve micro-merchants and transformed consumer habits including payments to larger merchants.

### Payment solutions in the Cloud

There is a growing number of mobile and Internet applications, including iTunes, where card details are stored in the cloud, and then reused for payments when a purchase is made.

### Real-time payment

The immediate availability of funds as part of a payment transaction is very different from the real-time authorization with guaranteed funds. Interactions though are similar to those of cash transactions where immediate electronic money transfer to someone enables him to carry in turn a transaction immediately. In the few countries that have implemented real time payment, such as the United Kingdom, new business models have emerged, including the immediate availability of funds after online loan approval.

For end-users, direct payments will provide greater cost transparency, reduced transaction times, a more secure environment and improved user experience. Banks on the other hand can develop more value-added services such as Instant-balance confirmation, immediate credit line extensions, or yet the ability to immediately settle utility bills, which further increases the adoption of payment services.

### Micro payments

Because of all the changes in the payment industry, micropayments migrate from cash payment to card and electronic platforms usage, and this trend will grow for years to come.

### Crypto-currencies

Similar to physical gold as investment value and to physical currency in the way the values are transferred, virtual currency offers, such as Bitcoin and Litecoin, lead to investment and innovation from actors such as Bitpay. If these alternative currencies take off, banks will have the possibility to support them by providing required legitimacy and transparency (anti-money laundering, control and knowledge of customers, etc.).

### Regulations

Bank Revenues from card processing are threatened by regulations to limit fees. These regulations are already in place in Australia and the United States, and similar measures are proposed in the European Union. The negative impact of these regulations on the profitability of the bank card makes alternative payment solutions more attractive.

### Standardization

The trend towards standardization and normalization will also continue to shape the market. For example, ISO 20022, which governs the computerized exchange of data between financial institutions, will contribute to level payment systems, making them interoperable across regions. Promoting common standards enable third parties to develop the applications and API common to banks and non-banks. These applications will allow payment service providers to develop innovative solutions for the benefit of consumers.

## KEY FIGURES

AMOUNTS (MAD)	2015	2014	VARIATIONS
<b>OPERATING REVENUES</b>	<b>353 637 669</b>	<b>308 759 442</b>	<b>14.5%</b>
Turnover	354 308 084	283 435 235	25.0%
Changes in inventories	- 12 571 142	15 542 867	N. S.
Other operating revenues	11 900 727	9 781 339	21.7%
<b>OPERATING EXPENSE</b>	<b>- 305 942 605</b>	<b>- 277 410 385</b>	<b>10.3%</b>
Purchases consumed	- 45 536 107	- 51 729 150	-12.0%
External costs	- 58 926 664	- 44 436 823	32.6%
Staff costs	- 169 732 870	- 148 797 006	14.1%
Other operating costs	- 929 084	- 749 556	24.0%
Taxes	- 8 360 226	- 9 263 813	-9.8%
Operating provisions	- 22 457 654	- 22 434 037	0.1%
<b>OPERATING EARNINGS</b>	<b>47 695 064</b>	<b>31 349 056</b>	<b>52.1%</b>
Financial revenue and expenditure	5 570 093	3 320 360	67.8%
<b>CONSOLIDATED COMPANIES CURRENT RESULTS</b>	<b>53 265 157</b>	<b>34 669 416</b>	<b>53.6%</b>
Non current revenue and expenditure	- 6 978 780	679 466	N. S.
Income taxes	- 7 455 237	- 3 439 257	116.8%
<b>CONSOLIDATED COMPANIES NET RESULTS</b>	<b>38 831 140</b>	<b>31 909 625</b>	<b>21.7%</b>
Share in consolidated MEE companies	4 786 096	3 878 874	23.4%
Acquisition adjustment depreciation	- 3 690 912	- 3 690 912	0.0%
<b>CONSOLIDATED NET RESULT</b>	<b>39 926 324</b>	<b>32 097 588</b>	<b>24.4%</b>
Minority interests	-	-	-
<b>NET RESULT (GROUP SHARE)</b>	<b>39 926 324</b>	<b>32 097 588</b>	<b>24.4%</b>

## Electronic Banking

Electronic payment is at the core of HPS business and represents 75% of the Group's overall activity. We develop and market software and services primarily focused on facilitating electronic payments. Our software and services are sold and supported by our regional offices covering three geographic regions: Europe/ Americas, Africa, and Middle East/ Asia. Each regional agency has its own sales force, its network of partners and implementation teams. A first level 24/7 hotline is now operational in our Middle East/ Asia agency. The second level support is centralized in Casablanca for all our customers. With more than 110 operational sites in 85 countries, our products and services are used by over 350 financial institutions, national or regional Switches, processors, or telecom operators. 2015 performances were obtained through positive dynamics of electronic banking activities in all of our geographic regions and the continued implementation of our strategic orientations.

### Consolidation in our traditional markets.

Our strong position in the markets of Africa and Middle East allows us to consolidate our shares market and identify important growth drivers, particularly in English-speaking Africa. In 2015, the Group continued the implementation of PowerCARD platform on all ongoing projects in these markets, including the platform deployment for First National Bank in South Africa and countries where the bank operates.

Furthermore, HPS Group continues to increase its market share in English-speaking Africa with the signup of new customers. 2015 was especially fruitful when signing in the Central Bank for Rural Banks in Ghana (ARB Apex) for implementing a centralized platform to manage all connected rural banks.

2015 marked the 20th anniversary of HPS, and

also saw the organization of the 6th edition of the PowerCARD Users Meeting. Bringing together over 300 participants from forty countries, this major event is a platform to share trends in the payment industry and the latest innovations for our PowerCARD solution. It enables consolidation of existing partnerships with PowerCARD customers and users.

Strengthening relations with our existing customers allows HPS Group to continue building up its recurrent revenue from upselling and maintenance, up 24% in 2015.

### **Development of our position in large international projects and priority markets.**

The electronic banking business also recorded sustained growth, with sales up 30% each year. This development was mainly carried out on the US and European markets, which are HPS priority markets in the short term.

2015 was marked by the signature of the first PowerCARD contract in the USA with a well-established credit institution. This project will have a PowerCARD platform operating in the US market in 2016. Moreover, the Group also initiated a study with a European leader, active in more than 40 countries in the management of electronic payment services for financial institutions, central banks and government agencies. After this study, the Group should proceed with a PowerCARD platform implementation for the benefit of this institution to manage its entire payments processing business.

Finally, HPS continues to deploy the compensation platform for regulations in 27 countries on behalf of a global oil company, in partnership with HP Group. This project is of special importance because, as soon as 2016, it will be the first live platform with HP and should strengthen the confidence of HP customers in our solutions and further consolidate our existing partnership with HP.

### **Launching new business models to strengthen long-term growth of HPS.**

As part of our business model diversification strategy and our recurrent revenues strengthening, 2015 was marked by the recognition of the first licensing revenues based on annual transaction volumes which amounts to 15 million dirhams. HPS also signed an overall partnership contract with Gemalto, the world leader in digital security, which led to a joint development of an integrated Tokenization solution. This solution allows providing a mobile global payment highly secured platform. This new partnership also enables HPS to strengthen the business model based on transactions since license revenues are charged for each transaction and tied to the annual volumes processed by the PowerCARD platform.

Furthermore, in the context of the separation of switching and acquisition activities in Morocco HPS was retained in 2015 to take over Switching activity and compensation in Morocco. This positioning will allow HPS to achieve several objectives:

- Continue to strengthen the "Transaction based" revenue model where the Switch charges its activity for each transaction.
- Implement a technology and human platform as a first step towards developing a processing offer at the regional level.



The Services activities, driven by our subsidiary Acpqualife are currently run only on the French market, representing 25% of the overall activity of the group. Acpqualife focuses on control and performance of information systems, as shown in particular by its expertise in the fields of software Testing and Qualification. We work from design to production, including architectural, implementation and testing phases, to provide our customers with efficient lasting solutions to control their information system.

Operating in a more favorable economic environment than 2014, the business services continued to grow recording an upward change of 4.9% (11% at constant exchange rates), thus consolidating our position with large French companies such as Air France, Amadeus or the Française des Jeux. These accomplishments are the result of a proactive commercial strategy implemented by the group in this segment in 2013 with the optimization of the sales organization on Aix-en-Provence and Sophia-Antipolis, and strengthening progressive commercial organization in Paris.

### Project Management

We work with our partners as consultants or as assistants to project managers when it comes to changes and IT transformation and building. We rely on our in-depth knowledge of the business side as well as our technical and methodological expertise.

In 2015, the partnership with Air France went from testing to Project Management (MOA). The first project between HPS and Air France started the same year.

### Testings and Qualification

We work with our clients for the implementation and standardization of testing software and organization building, but also for the preparation and execution of testing campaigns, testing automation and verification of regression and performance testing and tests loads.

In this context and in 2015, we worked together with the Française des Jeux, Agora or Amadeus companies to establish and strengthen their testing activities both in the context of transformation projects and as part of a maturity stage.

### IT and infrastructure engineering

We assist many customers as part of their infrastructure projects or their IT projects, upstream as consultants, but also as part of the coordination of infrastructure projects, design and application development, or maintenance applications. In 2015, we continued to support numerous clients in connection with developments based on new technologies (Java, J2EE, AngularJS, Bootstrap, HTML, etc.) while relying on AGILE methodology.

Operating expenses have increased by 10.3%, as a result of changes in payroll wages and external charges.

## Strengthening profitability

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Operating expenses were up 10.3%, mainly due to changes in wages and external expenses. The Group continues to implement its strategy of outsourcing in an objective of optimizing flexibility in still fragile recovery, while seeking to improve our operating profitability. This strategy is supported by continuous improvement of our business processes and efficiency of our organization into autonomous regional entities to further improve our operational efficiency.

Thus, while continuing to strengthen our efforts in research and development (10.6% of revenues and 37.4 million dirhams in 2015), the Group was able to improve its operating profit by 52% to 13.5%.

Finally, we continued to maintain permanent efforts to reduce the Group's debt by reducing the cost of debt. Group debt was reduced by 60% between 2014 and 2015, from 55 million dirhams to 22 million dirhams. Along with an improvement in the US dollar by 9.5% over the year, it resulted in an improvement of our financial results.

Net income for the Group stood at 56.7 dirhams per share, up 24.4% from 2014, a PER of 8.6 on December 31, 2015.

# ACTIVITY ANALYSIS

## OPERATING REVENUE

CATEGORY	2015					2014	VARIATIONS
	AFRICA	AMERICAS	EUROPE	ASIA / MIDDLE EAST	GROUP		
<b>ELECTRONIC PAYMENT ACTIVITY</b>	<b>68 238 111</b>	<b>31 306 081</b>	<b>58 401 374</b>	<b>98 867 297</b>	<b>257 948 958</b>	<b>222 287 537</b>	<b>16.0%</b>
PowerCARD projects	7 963 498	6 021 965	23 107 610	8 825 808	45 918 880	51 437 901	-10.7%
Recurrent Licenses	2 894 076	7 636 904	7 066 966	5 033 056	23 767 096	6 642 505	257.8%
Up-selling	30 761 313	11 278 845	21 622 161	39 211 418	102 873 737	91 040 277	13.0%
Maintenance	26 619 224	6 368 367	6 604 637	45 797 016	85 389 244	73 166 853	16.7%
<b>SERVICES ACTIVITY</b>	-	-	<b>80 792 967</b>	-	<b>80 792 967</b>	<b>76 993 854</b>	<b>4.9%</b>
<b>OTHER OPERATING</b>					<b>14 895 744</b>	<b>9 478 051</b>	<b>57.2%</b>
<b>PRODUCTS GROUP</b>	<b>68 238 111</b>	<b>31 306 081</b>	<b>139 194 341</b>	<b>98 867 297</b>	<b>353 637 669</b>	<b>308 759 442</b>	<b>14.5%</b>

Despite a still difficult economic environment, the HPS Group continues to generate Organic growth late 2015 with consolidated revenues of 353 million dirhams, up 14.5% compared to year 2014.

### PowerCARD projects

Our "Projects PowerCARD" revenues consist of fees paid by our customers for the right to use PowerCARD a license, as well as implementation services of the platform. These services include customization of the solution, its implementation and the necessary assistance to the proper conduct of project.

"Projects PowerCARD" income is recognized in the progress of the project which can take several months up to several years.

### Sales

CATEGORY	2015	2014	VARIATIONS
Africa	8 847 440	11 691 002	-24.3%
Europe/Americas	60 382 370	19 771 000	205.4%
Asia/Middle East	15 885 112	19 096 100	-16.8%
<b>POWERCARD PROJECT SALES</b>	<b>85 114 922</b>	<b>50 558 102</b>	<b>68.4%</b>

Commercial activity recorded strong growth, with sales up 68% compared to the previous year, including an important activity in our priority regions are the European and American markets. The regions of Africa and the Middle East are affected by the situation with a difficult economic situation due to the falling prices of oil, and a tense geopolitical situation.

The activity in the US market was marked in 2015 with the signing of our first PowerCARD contract with a credit institution based in Nebraska. Created in 1978, the institution extended its business scope to manage the payment and management of traders related to its industry. After a feasibility study phase conducted by HPS and closed in September, a license agreement was finalized in 2015.

On the European market, HPS and Gemalto jointly developed an integrated and modular Tokenization solution to offer payment service providers the most secure mobile payment platform. This solution, available in hosted or on-site mode, can be used by any card issuer or any card payment device.

HPS also signed in 2015 a contract with a European processor, leader in the implementation and infrastructure management and technology services for financial institutions, central banks and public bodies, in the field of electronic payments. This operator serves customers in 40 countries and also operates through subsidiaries, particularly in South Africa.

This first contract aims to set up a testing platform for the benefit of the operator to study in detail the PowerCARD solution in terms of performance and features to replace its existing platform. Following this phase, a license agreement should be concluded in 2016.

## Production

CATEGORY	2015	2014	VARIATIONS
Africa	7 963 498	18 401 329	-56.7%
Europe/Americas	29 129 575	18 542 191	57.1%
Asia/Middle East	8 825 808	14 494 381	-39.1%
<b>POWERCARD PRODUCTION PROJECTS</b>	<b>45 918 880</b>	<b>51 437 901</b>	<b>-10.7%</b>

Production for projects reflects on the progress of projects during the year. Despite stronger activity sales and very strong commercial development, the production of fiscal 2015 was at 10.7% decline compared to 2014.

This decline is mainly due to late 2015 sales, concentrated in the 4th quarter of the year. Production on 2015 sales is modest. Most of the production was carried out on the previous projects.

As part of the partnership with HP, in 2014, the HPS Group signed a contract for the implementation of a clearing platform of regulations in 27 countries on behalf of a global oil company. The implementation of the project in 2015 was in line with our objectives, and delivery of the first platform of the project took place in late 2015 for a production start running in 2016.

In 2014, HPS has also signed a license agreement with First National Bank (FNB), a key bank in Africa and internationally, for the management of its Merchant Acquiring business in seven African countries. The development and deployment of the platform followed the objectives. The first platform for managing business in Zambia is expected to start mid-2016.

HPS has also completed the deployment of Pan-African electronic banking platforms for the group Banque Populaire and Attijariwafa Bank.

The PowerCARD solution was chosen in 2014 by the Banque Populaire Group to consolidate all its electronic banking activities in Benin, Burkina Faso, Ivory Coast, Mali, Niger, Senegal and Togo into a single platform. Attijariwafa Bank had made the same choice for the implementation of a central electronic banking manager activity of 11 African subsidiaries covering a total of 10 countries. The two platforms were successfully delivered in 2015.

## Recurrent licenses

Alongside the historical business model, based on sales of permanent licenses, the HPS Group offers a new business model where revenues licenses are based on fees charged for each transaction processed on our PowerCARD platforms to customers. This business model allows HPS to benefit from medium and long term growth of electronic payment transactions in the world.

Having charged the first transactions in 2014, revenue increased to 23 million dirhams. These revenues are expected to grow strongly over years to come, under the influence of different factors:

- scalability of existing platforms;
- operation of the Tokenization platform with Gemalto, whose business model is transaction based licenses;
- start of the Switching platform for processing the interoperability and compensation in Morocco, the services being billed on a per transaction basis.

## Up-selling

The Up-selling revenues consist of sales of modules, additional licenses and services to our existing customers. These revenues show the constant expression of our customer needs to respond to regulatory, technological or commercial changes in their environment.

**Sales**

CATEGORY	2015	2014	VARIATIONS
Africa	38 807 038	20 537 538	89.0%
Europe/Americas	26 695 191	26 756 699	-0.2%
Asia/Middle East	36 008 720	45 657 580	-21.1%
<b>UP-SELLING SALES</b>	<b>101 510 949</b>	<b>92 951 817</b>	<b>9.2%</b>

Tied to the dynamism of our clients, "Up-selling" sales increased by 9.2% compared to 2014. These sales were driven by regulatory changes (EMV, PCI) and the implementation of new PowerCARD-modules such as Dashboard, PowerCARD-WebPublisher, and the implementation of contactless and mobile solutions.

Moreover, the regular holding of conferences users' PowerCARD Users Meeting allows us to take a more proactive approach toward our customers and effectively address their needs. It also allows our customers to have a platform to share and have feedback around PowerCARD solutions.

Up-selling sales mainly concern our traditional markets, namely Africa and the Middle East. Europe and US are development markets as well as for new acquisition customers, where Up-selling is usually very moderate.

The Middle East market, impacted by difficult economic conditions in 2015, recorded a decline in sales from the previous year.

The African market recorded strong growth driven by the strong momentum of our customers in Morocco with the implementation of projects around mobile, card without removing solutions or DCC projects on ATMs.

**Production**

CATEGORY	2015	2014	VARIATIONS
Africa	30 761 313	26 653 404	15.4%
Europe/Americas	32 901 006	25 528 215	28.9%
Asia/Middle East	39 211 418	38 858 659	0.9%
<b>UP-SELLING PRODUCTION</b>	<b>102 873 737</b>	<b>91 040 277</b>	<b>13.0%</b>

With our systematic approach to optimize the Group's performance in terms of productivity and ongoing optimization of our business processes, we managed to record a growth in 2015 higher than sales, in all regions. This performance justifies our development strategy in terms of regional entities, operationally independent, able to provide all of the Group's services effectively, while benefiting from central supports.

**Maintenance**

Maintenance services include systematic updates to our solutions for regulatory developments imposed by international networks (Visa, Mastercard, JCB, UnionPay, Diners Club International, etc.) and the provision of 24/7 operational support center to assist customers as needed. Maintenance revenue is contractual.

Maintenance business grew by 16.7% in 2015 to \$85.4 million dirhams, reflecting new clients entering maintenance contracts. Major customers come into service in 2015 are Eqdom, Bank Al Muamelat Assasiha, Bank Melli Iran, Barwa Bank and Bank Saderat Iran Qatar.

At the end of 2015, 23% of existing customers are still in project deployment phase, not yet in maintenance phase. These clients represent an additional potential revenue service of 18 million MAD, an increase of nearly 21% by 2017 leaving out additional customers.

## Services activity

Revenues from service activities are supported by our subsidiary Acpqualife and are detailed in the chapter on subsidiaries and affiliates.

## Other operating products

Other revenues consist mainly of rebilling of costs under the customer projects, revenues related to the resale of Oracle licenses on behalf of certain customers, as well as reversals of operating provisions.

HPS also has an offshoring grant. The amount for 2015 amounted to 1.5 million dirhams.

## OPERATING COSTS

CATEGORY	2015	2014	VARIATIONS
<b>HUMAN RESOURCES</b>	<b>169 732 870</b>	<b>148 797 006</b>	<b>14.1%</b>
Existing staff	140 512 294	135 963 422	3.3%
Hiring	13 491 722	-	-
Variable compensation	13 643 430	8 496 231	60.6%
Other staff costs	2 085 424	4 337 353	-51.9%
<b>PURCHASES CONSUMABLE</b>	<b>45 536 107</b>	<b>51 729 150</b>	<b>-12.0%</b>
Subcontracting	36 150 770	40 824 364	-11.4%
Other purchases consumable	9 385 338	10 904 786	-13.9%
<b>EXTERNAL COSTS</b>	<b>58 926 664</b>	<b>44 436 823</b>	<b>32.6%</b>
Commercial costs	26 724 559	17 882 840	49.4%
Billable costs	12 382 739	7 027 185	76.2%
Other external costs	19 819 365	19 526 798	1.5%
<b>OTHER CHARGES</b>	<b>929 084</b>	<b>749 556</b>	<b>24.0%</b>
<b>TAXES</b>	<b>8 360 226</b>	<b>9 263 813</b>	<b>-9.8%</b>
Income withholding	4 499 250	5 836 869	-22.9%
Other taxes	3 860 975	3 426 944	12.7%
<b>OPERATING PROVISIONS</b>	<b>22 457 654</b>	<b>22 434 037</b>	<b>0.1%</b>
Fixed assets allocations	7 750 605	7 353 418	5.4%
Customer allocations	6 359 230	10 000 058	-36.4%
Risk and charges allocations	8 347 819	5 080 561	64.3%
<b>GROUP OPERATING COSTS</b>	<b>305 942 605</b>	<b>277 410 385</b>	<b>10.3%</b>

Operating expenses have increased by 10.3% to 306 million dirhams. Despite strong business trends, the Group continues to optimize the management of its resources and general means to improve operational efficiency. The improved operating margin of over 50% in 2015 was made while strengthening efforts in Research and Development (+ 15%), expensed in the year.

### Human resources

The total cost of human resources has evolved 14.1% under the combined impact of changing workforce 9.5% at an average salary increase of 5%, and the increase in variable compensation as the Group's performance improved.

### Staff breakdown

Occupation	JANUARY 1, 2015	Hires	Leave	INTERNAL MVTs	DECEMBER 31, 2015	VARIATION
Electronic banking	193	31	- 10	8	222	15.0%
Services activities	49	25	- 18	-	56	14.3%
Common functions	54	5	- 5	- 8	46	-14.8%
<b>GROUP WORKFORCE</b>	<b>296</b>	<b>61</b>	<b>- 33</b>	<b>-</b>	<b>324</b>	<b>9.5%</b>

The Group's workforce being increased overall by 9.5%, to go with the evolution of the business, both in terms of electronic banking activity and in the services business. In order to improve the profitability of the services, and in view of a situation significantly more favorable, it was decided to support the business growth by strengthening resources (+ 14.3%) and to reduce the recourse to subcontracting.

In terms of electronic banking activities, the workforce was essentially reinforced at the product team level (+ 32.7%) to make for the 20,500 R&D man/day generated in 2015. The support teams were also strengthened (+ 16.7%) to support new customers.

The variable compensation indexed to the individual performances and the overall performance of the Group, up 60% compared to 2014. This development is in line with our strategy that puts the focus on our human resources management, and motivational tools in place to achieve the strategic objectives of the Group.

### Purchases consumed

Purchases consumed are mainly a consequence of outsourcing as part of our electronic banking activities and services. Other expenses relate to general purchases (water, electricity, supplies office, etc.).

Despite the growth in activity and the strengthening of research and development, subcontracting costs decreased by 11.4% due to the strengthening of internal teams, both on electronic banking activities and service activities.

CATEGORY	2015	2014	VARIATIONS
Product sub-contracting	5,900,589	5,307,535	11.2%
Projects sub-contracting	1,158,524	2,344,561	-50.6%
Services sub-contracting	29,091,657	33,172,268	-12.3%
<b>SUB-CONTRACTING</b>	<b>36,150,770</b>	<b>40,824,364</b>	<b>-11.4%</b>

#### Electronic banking activity

Subcontracting electronic payments decreased 7.7% in 2015, from 7.65 million dirhams in 2015 to 7.06 million in 2015. This decrease is due primarily to the strengthening of internal HPS teams by 15.2%.

Outsourcing continues to be primarily allocated to product development and especially in the upgrade of the product documentation, testing around version 3 and PowerCARD in development around new technologies.

#### Services activity

The costs of subcontracting decreased from 12.3% to 29 million dirhams, despite an increase in activity 5%. This decrease is due to additional hiring by 16.2% to support growth, detriment of the use of external resources, and to strengthen profitability in economic conditions improved compared to 2014.

#### External charges

External expenses mainly include marketing expenses, costs and support fees, and overhead structure (rental expenses, telecom, insurance costs, billable fees, etc.).

### Commercial expenses

CATEGORY	2015	2014	VARIATIONS
Traveling expenses	12,605,419	9,822,243	28.3%
Communication	2,694,255	2,844,772	-5.3%
Fairs and exhibitions	2,395,824	2,190,010	9.4%
Users Meeting	2,736,173	-	N. A
Receptions	1,673,296	996,326	67.9%
Bonuses on sales	4,619,592	2,029,489	127.6%
<b>COMMERCIAL EXPENSES</b>	<b>26,724,559</b>	<b>17,882,840</b>	<b>49.4%</b>

The evolution of commercial costs (+49.4%) is mainly due to the commercial activity dynamism in 2015, marked by the development of "PowerCARD Projects" sales of nearly 70%.

This dynamism was reflected in a significant increase in business travel costs (+28.3%) and in sales commissions paid to our partners and staff as part of the achievement of a number of sales in 2015.

Moreover, sales expenses have also evolved under the influence of the 2015 Users Meeting organization, exchange platform around trends and innovations of the PowerCARD payment solution, which gathered over 300 participants from over 40 countries.

### Other external charges

Billable expenses correspond to the costs incurred by the Group in the context of customer projects and are re-billed identically. These expenses rose by 76.2%, proof of an activity growth in 2015.

Other external expenses (fees, overheads, etc.) evolve only slightly (+ 1.5%), despite the overall increase in activity. This control of operating expenses reflects our systematic approach.

### Duties and taxes

Taxes and duties decreased by 9.8% in 2015 to 8.4 million dirhams, due mainly to the decrease of 22.9% taxes paid abroad.

In some countries where the Group conducts business operations, the profits are subject to a local income tax. This tax is deducted at source on payments made by our customers. These withholding taxes are included in the Group's accounting per each occurrence and at the time of revenue calculations.

### Operating allowances

This item includes both amortization allowances to take into account the obsolescence of fixed assets and provisions allocations to take account of the risk of loss on certain assets (receivables and stocks of current projects) or various general risks.

Clients' receivables are provisioned statistically and systematically, at 50% for loans whose seniority is between 1 and 2 years, and at 100% for receivables where seniority is greater than 2 years.

In 2015, operating allowances have remained stable at 22.4 million dirhams, under the combined effect of a decrease of 36.4% in trade receivables liabilities and an increase of 64.3% of risk provisions and charges.



## NON-OPERATING INCOME

For the sake of caution and given the geopolitical situation in Libya, it was decided to provision all the Libyan assets.

It shows a negative non operating result of 7.5 million dirhams.

## FINANCIAL RESULT/INCOME AND CASH-FLOWS

CATEGORY	2015	2014	VARIATIONS
<b>Net result</b>	<b>39 926 324</b>	<b>32 097 588</b>	<b>24.4%</b>
Elimination of net income and expenses with no impact on cash-flow			
- Provisions for depreciation	7 750 591	7 393 507	4.8%
- Share in consolidated companies MEE net from dividends	- 2 729 621	- 3 223 808	-15.3%
- Other element ith no impact on cash flow	3 387 031	2 569 710	31.8%
Consolidated companies self-financing capacity	48 334 326	38 836 996	24.5%
Variation in activity related working capital need	20 818 785	- 19 840 402	-204.9%
<b>ACTIVITY RELATED NET CASH FLOW</b>	<b>69 153 111</b>	<b>18 996 595</b>	<b>264.0%</b>
Tangible and intangible fixed asset acquisition	- 2 164 748	- 2 359 959	-8.3%
Fixed asset disposal net of tax	100 000	939 182	-89.4%
<b>CASH FLOW TIED TO INVESTMENT OPERATIONS</b>	<b>- 2 064 748</b>	<b>- 1 420 777</b>	<b>45.3%</b>
Dividends paid to shareholders of the parent company	- 11 961 183	- 10 553 985	13.3%
Other	- 2 548 090	- 2 046 266	24.5%
Changes in borrowings	- 10 500 882	- 13 180 977	-20.3%
<b>TRANSACTION FLOW FROM FINANCING ACTIVITIES</b>	<b>- 25 010 154</b>	<b>- 25 781 228</b>	<b>-3.0%</b>
Effect of changes in exchange rates	- 908 621	- 2 294 367	-60.4%
<b>INCREASE (DECREASE) IN CASH POSITION</b>	<b>41 169 588</b>	<b>- 10 499 777</b>	<b>N.S</b>
Cash position at year start	1 960 815	12 460 593	-84.3%
Cash position at year end	43 130 403	1 960 815	2 099.6%

The continuous improvement of our operational processes in terms of development, delivery and customer relations management allows us to improve our need for working capital in a significant way. These performances enabled us to generate in 2015 an operating cash flow of 69 million dirhams and a net cash flow of 41 million dirhams.

This improvement in our cash treasury, associated with an improvement in the dollar by 9.5% over the year 2015, have enabled us to generate a financial result of 5.5 million dirhams due to a strong decrease in interest expenses and favorable foreign exchange gains.

# SUBSIDIARIES & PARTICIPATIONS

HPS's development strategy relies partly on the creation of new subsidiaries, strategic acquisitions or JVs creation.

Founded 20 years ago, HPS created HPS Europe in 2008 with the objective of developing sales activity in Europe and the Americas.

HPS reinforced its European presence after Acpqualife acquisition in 2010 whose teams ensure partly integration and support for the region's projects.

Finally, HPS developed a Processing offer by creating dedicated regional JVs in partnership with local reference partners. GPS was created in 2004 for the Middle-East region while ICPS was created in 2007 for the Indian Ocean region.

## ACPQUALIFE

### Financial statements

EURO AMOUNTS	2015	2014	VARIATIONS
<b>OPERATING REVENUE</b>	<b>9 637 339</b>	<b>8 836 279</b>	<b>9.1%</b>
Electronic payment revenue	2 127 785	2 090 915	1.8%
Services revenue	7 440 865	6 700 974	11.0%
Other operating income	68 688	44 390	54.7%
<b>OPERATING COST</b>	<b>- 9 403 774</b>	<b>- 8 685 483</b>	<b>8.3%</b>
Purchases consumable	- 2 748 567	- 3 020 596	-9.0%
External costs	- 993 182	- 798 522	24.4%
Staff costs	- 5 173 417	- 4 329 492	19.5%
Other operating costs	- 26 215	- 13 441	95.0%
Taxes	- 190 694	- 198 671	-4.0%
Operating provisions	- 271 699	- 324 762	-16.3%
<b>OPERATING REVENUE</b>	<b>233 565</b>	<b>150 796</b>	<b>54.9%</b>
Financial revenue and expenditure	4 509	68	N.S.
Non current revenue and expenditure	2 054	- 11 707	N.S.
<b>PRE-TAX EARNINGS</b>	<b>240 128</b>	<b>139 156</b>	<b>72.6%</b>
Taxes on income	165 360	256 509	-35.5%
<b>NET RESULT</b>	<b>405 488</b>	<b>395 665</b>	<b>2.5%</b>

Acpqualife is organized around two types of activities:

- SSII activity in the French market in areas of Testing, Assistance to supervision of the work and IT engineering. SSII activity represents more than 75% of the company's activity.
- Electronic payment for HPS group and its international clients along with research & development activities, integration and consulting activities in marketing and management.

Management and piloting are ensured by the two activities' general management. Administrative functions are supervised by HPS group and pooled between the two types of activity.

In 2015, SSII activity was increased by 11% despite a very moderate French economic recovery. The increase is the fruit of the investment initiated in the sales strength since 2013 allowing Acpqualife to extend its clients' portfolio.

### Situation and the company's activity evolution during year

The main achievements of the year 2015 are:

#### Air France

Acpqualife operates upstream testing and qualification activities.

Hence, the contract with Air France is extended from testing to supervisory consulting. The extension paves the way for all of the services. Acpqualife has started a MOA mission for the Cargo project on behalf of the company.

**Amadeus**

Acpqualife teams at Amadeus reinforced throughout 2015, leading to a strong development of the activity. Thus, Acpqualife teams intervene for the implementation of automated testing and their integration to the management tool of HP ALM testing. Acpqualife's activity also consists in bringing its expertise in regression test automating.

**Agora**

Agora market enters a maturity phase and Acpqualife is more and more called on for expertise missions in testing. Moreover, Acpqualife intervenes in the definition of testing strategy. Just like Amadeus, Agora is a high growth market in 2015.

**Française des jeux**

Since the month of March, a digital transformation project has started within the Française des jeux (FDJ) with the objective of increasing gaming through the web and applications. To attain that, a dedicated cell to the information system performance has been created on the Vitrolles website.

Amongst the researched profiles for the performance cell, one of the major activities will be the implementation of charge testing and web and mobile application.

Thanks to its referencing within the Française des jeux but also its software testing activity, Acpqualife has been selected to accompany FDJ.

**Training activities**

FAFIEC has proceeded to the renewal of its testing training contract. Overall, 1500 individuals have been trained since 2007.

The training catalog has also been developed by adding two new training programs:

- Agile Testing: the training program targets testing professionals. It offers the keys to understand the agility foundations and allow them to practice these principles in testing management as well as in organizing a team. This new training program has been very successful.
- Business Analyst: the training program targets industry and functional analysts. It allows them to acquire the necessary skills to better express their IT industry and functional needs.

Our expertise in training begins to become recognized internationally. In fact, Acpqualife works in partnership with CMTL (Comité Marocain des Tests Logiciels) with the accreditation of CMTL by ISTQB by providing the training center with documentation for the accredited courses.

**Important events occurred since the end of the financial year**

Since December 31, 2015, end date of the financial year, no important event has happened.

**Activities in research & development**

Development costs incurred during the year amounted to 91,661 Euros.

These expenses have been included in fixed assets, in relation to costs relating to projects clearly individualized and with serious prospects for commercial profitability.

The total account development costs recorded in the capital account in the balance sheet amounted to 1,636,897 Euros.

The depreciation expense in 2015 is 225,671 Euros.

**Subsidiaries and Participations**

None

**Accounts and results examination**

The annual accounts have been prepared in accordance with the rules of presentation and evaluation methods provided for by the regulations in force. A reminder of last year's accounts is provided for comparative purposes.

During the year ended December 31, 2015, exploitation products total revenues amounted to 9,637,339 Euros, against 8,836,279 Euros in the previous year (+9.1%).

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Other purchases and external expenses amounted to 3,741,749 Euros, against 3,819,118 euro for the preceding year (-2.03%).

Taxes amounted to 190,694 Euros against 198,671 Euros in the previous year (-4.0%).

Wages and salaries amounted to 3,602,640 Euros against 3,030,065 Euros during the previous exercise (18.90%).

Social expenses amounted to 1,572,907 Euros against 1,299,427 Euros for the previous year (+21.05%).

An accrued income of 105,743 Euros was deducted from personnel expenses corresponding to CICE (Loan for taxes, competitiveness, and employment). The company did not request any pre-financing under this mechanism. As a reminder, the 2014 CICE amount was of 90,997 Euros.

The average salaried workforce at the end of the year amounted to 83 people against 59 people at the end of last year.

Depreciation and provisions totaled 271,699 Euros against 314,725 Euros last year.

Other expenses amounted to 26,215 Euros against 13,441 Euros for the previous year.

Operating expenses amounted to 9,403,774 Euros against 8,685,483 Euros for the previous year (+8.3%).

Operating income was of 238,074 Euros against 150,796 Euros in the previous year (57.9%).

Given a financial result of 4,509 Euros, against 68 Euros for the 2014 year, the current result before tax for the year is of 240,128 Euros against 139,156 Euros in the previous year (+72.6%).

After taking into account:

- the exceptional results of 2054 Euros against -11,707 Euros for the previous year,
- the participation of employees in the fruits of the company's expansion with an amount of 13,317 Euros against 0 Euros for the previous year,
- a negative tax burden on companies of -165,360 Euros against -256,509 Euros for the previous year.

the year's financial result ended with a profit of 405,488 Euros against 395,666 Euros in the previous fiscal year (+2.5%).

On December 31, 2015, the total Company's balance sheet amounted to 6,692,833 Euros against 6,311,026 Euros during the previous year (+6.05%).

#### **Foreseeable developments and future perspectives**

In 2015, we plan to continue the development of Acpqualife on both the SSII activity and the electronic banking activity.

To accelerate growth, Acpqualife strengthens its sales force, and in particular its presence in the Parisian market. A significant investment will also be initiated in 2016 to enhance Acpqualife visibility in France and consolidate its specialist image around the business testing with, amongst others, the participation in international conferences and the active participation to the French Software Testing Committee (CFTL).

In 2016, we project a strong increase of the SSII activity with an expected growth of 10%.

Regarding the electronic payment business, we do not envisage any major change during the year.

**HPS EUROPE**

1 euro = 10,747 MAD as of 12/31/2015

AMOUNTS IN EURO	2015	2014	VARIATIONS
<b>OPERATING REVENUE</b>	<b>1 422 184</b>	<b>1 142 276</b>	<b>24.5%</b>
Turnover	1 421 911	1 139 901	24.7%
Other operating revenue	273	2 375	-88.5%
<b>OPERATING COSTS</b>	<b>- 1 367 155</b>	<b>- 1 053 367</b>	<b>29.8%</b>
Purchases consumable	- 894 805	- 566 766	57.9%
External costs	- 254 762	- 253 121	0.6%
Staff costs	- 204 518	- 215 153	-4.9%
Taxes	- 11 077	- 11 796	-6.1%
Operating provisions	- 1 993	- 6 531	-69.5%
<b>OPERATING REVENUE</b>	<b>55 029</b>	<b>88 909</b>	<b>-38.1%</b>
Non current revenue and expenditure	-	- 239	N. S.
<b>PRETAX EARNINGS</b>	<b>55 029</b>	<b>88 670</b>	<b>-37.9%</b>
Income tax	- 21 062	-	N. A.
<b>NET RESULT</b>	<b>33 967</b>	<b>88 670</b>	<b>-61.7%</b>

HPS Europe is a limited company under French law, with a capital of 300,000 Euros, registered in December 2008 by HPS. The relationship between HPS and its subsidiary HPS Europe is governed by a distribution agreement, under which HPS Europe acts as a distributor of HPS solutions and services across all European and American markets. Therefore, the role of HPS Europe consists of prospecting, promotion and sale of solutions and HPS services. HPS Europe's revenues consist of commissions on contracted sales and on related maintenance fees.

2015 was marked mainly by the active role played by HPS Europe in the accounts management of JCC in Cyprus and GIM, whose revenues increased by 27% in 2015.

In addition, HPS Europe contributed to the closing of new sales in the US and European market (Gemalto, the credit company in the United States and the European processor).

The result is an increase in revenues of 24.5% to 1.42 million Euros.

Consumed purchases increased by 57.9% to €895K due to the increased costs related to organized fairs.

**GLOBAL PAYMENT SERVICES (GPS)**

1 BHD = 26.34 MAD as of 12/31/2015

AMOUNTS IN BHD'000	2015	2014	VARIATIONS
<b>OPERATING REVENUE</b>	<b>2 434</b>	<b>2 303</b>	<b>5.7%</b>
Processing revenue	2 179	2 151	1.3%
Setup fees	250	149	67.8%
Interest revenue	5	3	66.7%
<b>OPERATING COSTS</b>	<b>- 1 851</b>	<b>- 1 750</b>	<b>5.8%</b>
Staff costs	- 730	- 650	12.3%
Other operating costs	- 943	- 945	-0.2%
Operating allocations	- 178	- 155	14.8%
<b>OPERATING RESULT</b>	<b>583</b>	<b>553</b>	<b>5.4%</b>
Income tax	-	-	N. A.
<b>NET RESULT</b>	<b>583</b>	<b>553</b>	<b>5.4%</b>

HPS has a 25% stake of Global Payment Services (GPS). GPS is a limited liability company, based in Bahrain. Founded in 2005, GPS began its commercial operations in October 2006. Its activities consist of providing electronic payment solutions in ASP mode as well as the card personalization for the Middle-East region.

At the end of 2015, the accounts audited by Ernst & Young show a profit of 583,000 BHD (14.8 million MAD) in increase of 5.4%.

The 2015 revenues amounted to 2,434 million BHD (61.8 million MAD), an increase of 5.7% compared to 2014.

This development was due in particular to the increase of processing revenues due to the acquisition of new clients on the GPS platform, generating an increase in the volume processed cards.

## INTERNATIONAL CARD PROCESSING SERVICES (ICPS)

100 MUR = 27.59 MAD as of 12/31/2015

AMOUNTS IN MUR'000	2015	2014	VARIATIONS
<b>OPERATING REVENUE</b>	<b>220 086</b>	<b>172 068</b>	<b>27.9%</b>
Processing revenue	175 543	140 234	25.2%
Setup fees	24 922	18 477	34.9%
Other operating revenue	19 622	13 357	46.9%
<b>OPERATING COSTS</b>	<b>- 190 033</b>	<b>- 143 846</b>	<b>32.1%</b>
Staff costs	- 82 429	- 59 549	38.4%
Maintenance	- 37 508	- 29 247	28.2%
Other operating costs	- 48 275	- 36 066	33.9%
Operating provisions	- 21 820	- 18 984	14.9%
<b>OPERATING REVENUE</b>	<b>30 053</b>	<b>28 222</b>	<b>6.5%</b>
Financial revenue and expenditure	-	-	N.A
Non current revenue and expenditure	-	-	N.A
<b>PRETAX RESULT</b>	<b>30 053</b>	<b>28 222</b>	<b>6.5%</b>
Income tax	- 4 727	- 5 774	-18.1%
<b>NET RESULT</b>	<b>25 326</b>	<b>22 448</b>	<b>12.8%</b>

To expand its ASP offer, HPS established ICPS in partnership with Mauritius Commercial Bank (MCB) in 2008. HPS has a 20% stake. ICPS aims to be a major player in the processing for the Indian Ocean region. The company outsources a set of services covering the entire electronic payment processing chain. ICPS has also set up a card personalization center.

ICPS's operational launch occurred in 2009. Today, the platform operates in more than a dozen countries in Africa, and processes transactions for more than fifteen customers.

During the year 2015, ICPS achieved satisfying performances. Revenues increased by almost 28%, 220 million Mauritian Rupees, equivalent to 60.7 million Moroccan dirhams. The processing activity represents more than 90% of the activity (80% for the processing costs and 11% for the setup fee). The remaining is mainly generated by the card personalization activity.

Operating expenses increased by 32% compared to 2014. Personnel expenses rose to 38.4% due to a resource cost which increased and strengthened engineering teams. Other operating costs continue to be mastered, and evolve due to the increase in activity. A deterioration of the operating margin has resulted by 16.4% in 2014 to 13.7% in 2015. The after-tax profits have increased by 12.8% to 25.3 million Rupiah, about 7 million dirhams.

# PERSPECTIVES

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**Current developments affecting the payment industry, reflecting technological and regulatory developments, transformation of the purchase act and mobility generalization, are a catalyst for all stakeholders to develop and offer high value innovative solutions. With over 20 years of experience, HPS Group will continue to deploy its strategy to strengthen our position amongst world leaders in our industry.**

Driven by major developments impacting the sector, the electronic payment industry continues to evolve at a rapid pace. The sharp increase in the number of transactions, globally coupled on the one hand by rapidly changing regulatory and technological environments, and on the other hand by increased competition from non-banking and/ or technological players make it an important time for all industry players.

In this rapidly changing market, differentiation for our clients will be based on their ability to provide a comprehensive and integrated offer to meet the increasingly sophisticated needs. While these developments represent significant challenges, real opportunities lie ahead for us because of the demonstrated functional wealth of our solutions as well as their extreme flexibility to be adaptable in a fast and light manner.

To seize these opportunities, we will continue to deploy our development strategy based on:

- strengthening our investments in research and development to increase our capacity of innovation and consolidate the position of PowerCARD among the reference solutions of the payment industry,
- the continued deployment of operational structures worldwide to strengthen our operational excellence in terms of responsiveness, quality and flexibility,
- continuing our diversification to build the Group's sustainable growth based on the recurring revenues reinforcement,
- continuing to develop structures and processes that will be able to lead activities within the framework of the Group's vision and strategy.

To support these strategic areas of development, we will continue to develop partnerships and strategic alliances able to enrich our offer or to provide us access to new markets.

We will also continue to be attentive to any external growth opportunities that may be integrated into our operating environment and fitting our development strategy.

The 2016 acquisition completion from CMI interoperability and compensation activity in Morocco is in this framework. Indeed, the launch of the new switching and compensation activity, through our subsidiary HPS Switch, is fully consistent with our diversification strategy around our business expertise and should allow consolidating our recurring revenues starting 2016.

With 20 years of experience in development of electronic payments in the world, HPS has dramatically changed throughout its existence to become today one of the key players.

The 2015 achievements confirm the relevance of strategic actions undertaken by the Group over the last three years, and these accomplishments allow us to be confident in achieving our development objectives and consolidate our position among the world's leaders in our industry.

## POST-CLOSING EVENTS

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In 2014, the Centre Monétique Interbancaire (CMI) conducted an international tender call for the sunset of Switching and compensation activity in Morocco. As part of its diversification strategy and external growth, HPS bid and our offer was approved by the CMI Board of Directors in January 2015.

HPS had also asked Bank Al-Maghrib to obtain authorization for the conduct of this activity and the central bank notified HPS in December 2015 of its authorization decision to exercise the routing, compensation and settlement of electronic payment flows activity.

Following this process, HPS has proceeded to the creation of the HPS Switch company in February 15, 2016, with a registered capital of 65 million dirhams. HPS Switch is 100% owned by HPS.

As of February 29, 2016, HPS Switch and CMI have signed the ceasing contract of the switching and compensation activity in Morocco. This signature occurred on the same day as the signing of service contracts with the first customers of HPS Switch in Morocco.

# FINANCIAL REPORT

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# CORPORATE ACCOUNTS

## BALANCE SHEET ASSETS

CATEGORY	GROSS	DEPRECIATIONS PROVISIONS	NET AS OF 31/12/2015	NET AS OF 31/12/2014
<b>NO VALUE ASSETS</b>	-	-	-	-
Preliminary costs	-	-	-	-
Expenses spread over several years	-	-	-	-
Bond redemption premiums	-	-	-	-
<b>INTANGIBLE ASSETS</b>	<b>19 752 473</b>	<b>18 576 025</b>	<b>1 176 448</b>	<b>972 245</b>
Research and development assets	13 560 538	13 560 538	-	-
Patents, trademarks, rights and alike values	-	-	-	-
Business asset	-	-	-	-
Other intangible assets	6 191 935	5 015 487	1 176 448	972 245
Intangible assets in progress	-	-	-	-
<b>FIXED ASSETS</b>	<b>19 658 217</b>	<b>15 452 993</b>	<b>4 205 224</b>	<b>5 294 204</b>
Land	-	-	-	-
Construction & construction layout	-	-	-	-
Technical facilities, machinery and equipment	7 543 843	6 879 216	664 627	610 007
Transport equipment	1 442 348	1 003 247	439 101	722 760
Furniture, office equipment and miscellaneous fittings	10 672 027	7 570 530	3 101 497	3 961 438
Other fixed assets	-	-	-	-
Fixed assets in progress	-	-	-	-
<b>FINANCIAL ASSETS</b>	<b>80 324 907</b>	<b>1 200 000</b>	<b>79 124 907</b>	<b>79 124 907</b>
Long-term loans	-	-	-	-
Other financial receivables	634 528	-	634 528	634 528
Equity securities	79 690 379	1 200 000	78 490 379	78 490 379
Other investment securities	-	-	-	-
<b>TRANSLATION ADJUSTMENT - ASSETS</b>	-	-	-	-
Long-term receivables decrease	-	-	-	-
Increase in financial liabilities	-	-	-	-
<b>TOTAL FIXED ASSETS</b>	<b>119 735 597</b>	<b>35 229 018</b>	<b>84 506 579</b>	<b>85 391 357</b>
<b>STOCKS</b>	<b>39 058 853</b>	<b>11 282 710</b>	<b>27 776 143</b>	<b>45 358 429</b>
Goods	43 205	-	43 205	43 205
Material and operating supplies	-	-	-	-
Goods in process	39 015 648	11 282 710	27 732 938	45 315 224
Intermediate and residual products	-	-	-	-
Finished products	-	-	-	-
<b>RECEIVABLES CURRENT ASSETS</b>	<b>343 004 935</b>	<b>27 669 519</b>	<b>315 335 416</b>	<b>243 140 394</b>
Trade suppliers Provision, advances and down payments	140 000	140 000	-	-
Trade accounts receivable	313 270 486	25 298 921	287 971 566	222 811 925
Staff	1 307 236	-	1 307 236	1 016 181
State and other receivables	13 023 067	-	13 023 067	15 302 732
Partners' current accounts	-	-	-	-
Other receivables	6 149 882	2 230 598	3 919 284	2 230 598
Prepayments and accrued income - Assets	9 114 264	-	9 114 264	1 778 957
<b>TRADING AND MARKETABLE SECURITIES</b>	<b>17 515 305</b>	-	<b>17 515 305</b>	-
<b>TRANSLATION ADJUSTMENT - ASSETS</b>	<b>1 162 930</b>	-	<b>1 162 930</b>	<b>655 977</b>
<b>TOTAL CURRENT ASSETS</b>	<b>400 742 022</b>	<b>38 952 229</b>	<b>361 789 793</b>	<b>289 154 800</b>
<b>CASH FLOW</b>	<b>20 260 879</b>	-	<b>20 260 879</b>	<b>16 786 023</b>
Checks and cash values	-	-	-	-
Banks, TG and CCP	20 229 195	-	20 229 195	15 195 140
Cash accounting, imprest accounting, letters of credit	31 684	-	31 684	1 590 883
<b>TOTAL ASSETS</b>	<b>540 738 498</b>	<b>74 181 246</b>	<b>466 557 251</b>	<b>391 332 179</b>

## EQUITY AND LIABILITIES

CATEGORY	12/31/2015	12/31/2014
<b>EQUITY</b>	<b>199 585 040</b>	<b>175 341 113</b>
Share or personal capital	70 359 900	70 359 900
Issue, merger and contribution premiums	31 623 410	31 623 410
Reevaluation imbalance	-	-
Legal reserve	7 035 990	7 035 990
Other reserve	-	-
Carry forward	54 360 630	42 830 194
Net income pending allocation	-	-
Net result	36 205 110	23 491 619
<b>EQUITY EQUIVALENT</b>	<b>-</b>	<b>-</b>
Investment subsidy	-	-
Regulated provisions	-	-
<b>FINANCING LIABILITIES</b>	<b>13 613 616</b>	<b>21 392 825</b>
Bond loans	-	-
Other financing liabilities	13 613 616	21 392 825
<b>LONG-TERM PROVISIONS FOR RISKS AND CHARGES</b>	<b>-</b>	<b>-</b>
Provisions for risks	-	-
Provisions for charges	-	-
<b>TRANSLATION ADJUSTMENT - LIABILITY</b>	<b>-</b>	<b>-</b>
Decline in long-term receivables	-	-
Increase in financial debt	-	-
<b>TOTAL PERMANENT LIABILITIES</b>	<b>213 198 656</b>	<b>196 733 938</b>
<b>CURRENT LIABILITIES</b>	<b>242 133 044</b>	<b>162 320 776</b>
Suppliers and related accounts	62 800 592	48 985 819
Customer creditors, advances and down payments	29 677	29 678
Staff	20 214 849	14 735 797
Social organizations	4 129 162	3 175 562
Government	7 189 835	3 701 412
Partners' current accounts	-	-
Other creditors	383 291	383 291
Adjustment account for liabilities	147 385 637	91 309 218
<b>OTHER PROVISIONS FOR RISKS AND CHARGES</b>	<b>9 044 353</b>	<b>7 386 336</b>
<b>TRANSLATION ADJUSTMENT - LIABILITY</b>	<b>2 181 198</b>	<b>2 929 003</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>253 358 595</b>	<b>172 636 116</b>
<b>LIABILITY - CASH FLOW</b>	<b>-</b>	<b>21 962 126</b>
Discount credits	-	-
Liquidity credits	-	-
Bank loans and overdrafts	-	21 962 126
<b>TOTAL LIABILITIES</b>	<b>466 557 251</b>	<b>391 332 179</b>

## REVENUE AND EXPENDITURE ACCOUNTS

CATEGORY	12/31/2015	12/31/2014
<b>OPERATING REVENUE</b>	<b>270 877 942</b>	<b>234 436 534</b>
Sales of merchandise (as is)	-	-
Sales of goods and services	272 293 018	209 632 815
<b>Turnover</b>	<b>272 293 018</b>	<b>209 632 815</b>
Changes in inventories	-12 571 142	15 542 867
Fixed assets produced by the company for its own use	-	-
Operating subsidies	1 510 812	1 520 538
Other operating revenue	-	-
Operating reversals and transfers of costs	9 645 254	7 740 314
<b>OPERATING COSTS</b>	<b>228 266 716</b>	<b>209 307 676</b>
Cost of goods sold	-	-
Costs of supplies and consumable materials	37 351 375	43 404 400
Other external charges	55 337 031	40 923 197
Taxes	6 040 459	6 904 077
Staff costs	111 812 434	98 003 935
Other operating costs	645 813	600 000
Operating provisions	17 079 604	19 472 067
<b>OPERATING EARNINGS</b>	<b>42 611 226</b>	<b>25 128 858</b>
<b>FINANCIAL PRODUCTS</b>	<b>13 575 343</b>	<b>8 025 887</b>
Equity investments and other equity securities	2 056 475	655 066
Currency exchange gains	10 790 405	5 580 335
Interests and other financial products	72 486	15 125
Provision reversals: transfer of charges	655 977	1 775 361
<b>FINANCIAL CHARGES</b>	<b>4 877 080</b>	<b>6 083 995</b>
Interest charges	1 528 725	2 410 936
Currency exchange loss	2 072 198	2 866 361
Other financial charges	113 227	150 721
Financial allocations.	1162 930	655 977
<b>FINANCIAL RESULT</b>	<b>8 698 263</b>	<b>1 941 893</b>
<b>CURRENT EARNINGS</b>	<b>51 309 489</b>	<b>27 070 751</b>
<b>NON CURRENT PRODUCTS</b>	<b>236 966</b>	<b>1 772 632</b>
Proceeds from sale of fixed assets	100 000	939 182
Balancing subsidies	-	-
Write-backs of investment subsidies	-	-
Other non current products	136 966	89 227
Non-current write-backs of expense transfers	-	744 223
<b>NON CURRENT CHARGES</b>	<b>7 237 926</b>	<b>1 439 094</b>
Net value before depreciation of fixed assets disposed of	7 502	146 654
Granted subsidies	-	-
Other non current charges	128 974	1 292 440
Non current charges to depreciation, amortization and provisions	7 101 450	-
<b>NON CURRENT EARNINGS</b>	<b>-7 000 960</b>	<b>333 538</b>
<b>EARNINGS BEFORE TAX</b>	<b>44 308 529</b>	<b>27 404 289</b>
Income tax	8 103 419	3 912 670
<b>NET PROFIT</b>	<b>36 205 110</b>	<b>23 491 619</b>

## BALANCES MANAGEMENT SHEET

CATEGORY	12/31/2015	12/31/2014
Sales of merchandise (as is)	-	-
Cost of goods sold	-	-
<b>SALES AS IS GROSS MARGIN</b>		
<b>PRODUCTION DURING ACCOUNTING YEAR</b>	<b>259 721 876</b>	<b>225 175 682</b>
Sales of goods and services	272 293 018	209 632 815
Changes in inventories	-12 571 142	15 542 867
Fixed assets produced by the company for its own use	-	-
<b>CONSUMPTION FOR ACCOUNTING YEAR</b>	<b>92 688 406</b>	<b>84 327 597</b>
Costs of supplies and consumable materials	37 351 375	43 404 400
Other external charges	55 337 031	40 923 197
<b>VALUE ADDED</b>	<b>167 033 471</b>	<b>140 848 085</b>
Operation subsidies	1 510 812	1 520 538
Taxes	6 040 459	6 904 077
Staff costs	111 812 434	98 003 935
<b>GROSS OPERATING SURPLUS</b>	<b>50 691 389</b>	<b>37 460 611</b>
Other operating products	-	-
Other operating costs	645 813	600 000
Operating reversals and transfers of costs	9 645 254	7 740 314
Operating provisions	17 079 604	19 472 067
<b>OPERATING EARNINGS (more or less)</b>	<b>42 611 226</b>	<b>25 128 858</b>
<b>FINANCIAL RESULT</b>	<b>8 698 263</b>	<b>1 941 893</b>
<b>CURRENT EARNINGS</b>	<b>51 309 489</b>	<b>27 070 751</b>
<b>NON CURRENT EARNINGS (more or less)</b>	<b>-7 000 960</b>	<b>333 538</b>
Income taxes	8 103 419	3 912 670
<b>NET PROFIT</b>	<b>36 205 110</b>	<b>23 491 619</b>

## SELF-FINANCING CAPACITY - CASH FROM OPERATIONS

CATEGORY	12/31/2015	12/31/2014
<b>NET PROFIT</b>	<b>36 205 110</b>	<b>23 491 619</b>
Profit +	36 205 110	23 491 619
Loss -	-	-
Operating provisions	2 372 555	4 503 087
Financial provisions	-	-
Non current provisions	-	-
Operating reversals	-	11 175
Financial reversals	-	-
Non current reversals	-	-
Proceeds from sale of fixed assets	100 000	939 182
Value before depreciation of fixed assets disposed of (withdrawal)	7 502	146 654
<b>SELF-FINANCING CAPACITY</b>	<b>38 485 167</b>	<b>27 191 003</b>
Profit distribution	11 961 183	10 553 985
<b>CASH FROM OPERATIONS</b>	<b>26 523 984</b>	<b>16 637 018</b>

## ACCOUNTING YEAR BALANCING SHEET

BALANCE SHEET MAIN AGGREGATES SUMMARY	12/31/2015	12/31/2014	JOBS	RESOURCES
Permanent Financing	213 198 656	196 733 938	-	16 464 718
Fixed asset	84 506 579	85 391 357	-	884 778
<b>OPERATIONAL WORKING CAPITAL</b>	<b>128 692 077</b>	<b>111 342 581</b>	-	<b>17 349 496</b>
Current Asset	361 789 793	289 154 800	72 634 993	-
Current Liabilities	253 358 595	172 636 116	-	80 722 479
<b>GLOBAL FUNDING REQUIREMENT</b>	<b>108 431 198</b>	<b>116 518 684</b>	-	<b>8 087 486</b>
<b>NET CASH (ASSET - LIABILITY)</b>	<b>20 260 878</b>	<b>-5 176 103</b>	<b>25 436 981</b>	-

JOBS AND RESOURCES	12/31/2015		12/31/2014	
	JOBS	RESOURCES	JOBS	RESOURCES
<b>CASH FROM OPERATIONS</b>	-	<b>26 523 984</b>	-	<b>16 637 018</b>
Self-financing Capacity	-	38 485 167	-	27 191 003
Profit distribution	11 961 183	-	10 553 985	-
<b>PROCEEDS ON FIXED ASSETS</b>	-	<b>100 000</b>	-	<b>939 182</b>
Disposals of intangible assets	-	-	-	-
Disposals of tangible assets	-	100 000	-	939 182
Disposals of financial assets	-	-	-	-
Write-backs of long term receivables	-	-	-	-
<b>INCREASE IN EQUITY &amp; SIMILAR</b>	-	-	-	-
Capital increase, Contributions	-	-	-	-
Investment subsidies	-	-	-	-
<b>INCREASE IN FINANCIAL LIABILITIES</b>	-	-	-	-
Other financial liabilities	-	-	-	-
<b>STABLE RESOURCES</b>	-	<b>26 623 984</b>	-	<b>17 576 200</b>
<b>ACQUISITIONS AND INCREASE IN CAPITAL EXPENDITURES</b>	<b>1 495 279</b>	-	<b>1 532 336</b>	-
Acquisitions of intangible assets	876 846	-	389 655	-
Acquisitions of tangible assets	618 433	-	1 142 681	-
Acquisitions of financial assets	-	-	-	-
Increase in long term receivables	-	-	-	-
<b>EQUITY REPAYMENT</b>	-	-	-	-
<b>FINANCING LIABILITIES REPAYMENT</b>	<b>7 779 209</b>	-	<b>7 779 209</b>	-
<b>INTANGIBLE JOBS</b>	-	-	-	-
<b>STABLE JOBS</b>	<b>9 274 488</b>	-	<b>9 311 544</b>	-
<b>CHANGES IN REQUIREMENT</b>	-	<b>8 087 486</b>	<b>16 674 419</b>	-
<b>CHANGES IN CASH FLOW</b>	<b>25 436 981</b>	-	-	<b>8 409 763</b>
<b>GRAND TOTAL</b>	<b>34 711 470</b>	<b>34 711 470</b>	<b>25 985 963</b>	<b>25 985 963</b>

## EXEMPTIONS STATUS

CATEGORY	EXEMPTIONS JUSTIFICATIONS	WAIVERS INFLUENCE ON ASSETS, FINANCIAL POSITION AND RESULTS
Exceptions to the Accounting Fundamentals	NONE	NONE
Exceptions to the evaluation methods	NONE	NONE
Exceptions to the rules for establishing summary report presentations	NONE	NONE

## STATE OF SIGNIFICANT CHANGES

CATEGORY	EXEMPTIONS JUSTIFICATIONS	INFLUENCE OF EXEMPTIONS ON ASSETS, FINANCIAL POSITION AND RESULTS
Changes affecting valuation methods	NONE	NONE
Changes affecting presentation rules	NONE	NONE

## FIXED ASSETS SCHEDULE OTHER THAN FINANCIAL

CATEGORY	GROSS AMOUNT AT YEAR START	INCREASE			DECREASE		GROSS AMOUNT AT YEAR END
		I	II	III	IV	V	
<b>UNVALUED FIXED ASSETS</b>	<b>4 320 771</b>	-	-	-	-	<b>4 320 771</b>	-
Preliminary costs	370 233	-	-	-	-	370 233	-
Charges to be spread over several accounting years	3 950 538	-	-	-	-	3 950 538	-
Bond redemption premiums	-	-	-	-	-	-	-
<b>INTANGIBLE ASSETS</b>	<b>18 875 627</b>	<b>876 846</b>	-	-	-	-	<b>19 752 473</b>
Intangibles in R&D	13 560 538	-	-	-	-	-	13 560 538
Patents, trademarks and rights	-	-	-	-	-	-	-
Commercial funds	-	-	-	-	-	-	-
Intangible assets	5 315 089	876 846	-	-	-	-	6 191 935
Intangible assets in progress	-	-	-	-	-	-	-
<b>TANGIBLE FIXED ASSETS</b>	<b>19 047 286</b>	<b>618 433</b>	-	-	<b>7 502</b>	-	<b>19 658 218</b>
Land	-	-	-	-	-	-	-
Constructions and layout	-	-	-	-	-	-	-
Technical installation, equipment and tools	7 083 481	460 362	-	-	-	-	7 543 843
Transport equipment	1 435 808	14 042	-	-	<b>7 502</b>	-	1 442 348
Furniture, office supplies and improvements	10 527 997	144 030	-	-	-	-	10 672 027
Other tangible assets	-	-	-	-	-	-	-
Current tangible assets	-	-	-	-	-	-	-

(I) ACQUISITION / (II) PROD. BY COMP. FOR SELF / (III) WIRE / (IV) CESSION / (V) WITHDRAWAL / (VI) WIRE

## SCHEDULE OF INVESTMENTS SECURITIES

LEGAL NAME OF ISSUING COMPANY	BUSINESS LINE	SHARE CAPITAL	CAPITAL SHA-REHOLDINGS %	GLOBAL COST OF ACQUISITION	NET BOOK VALUE	EXCERPT FROM LAST SUMMARY STATEMENTS			PRODUCTS ENTERED AS YEARLY INCOME/ EXPENSE
						CLOSING DATE	NET POSITION	NET PROFIT	
INVOLIA	IT services	1 970 000	30 %	1 200 000	-	31/12/12	-406 746	-94 074	-
GLOBAL PAYMENT SYSTEMS	IT services	27 013 038	25 %	8 104 884	8 104 884	31/12/15	67 308 058	15 280 605	1 072 600
ICPS	IT services	27 571 111	20 %	5 514 222	5 514 222	31/12/15	30 637 840	5 688 488	983 876
HPS EUROPE	IT services	3 413 659	100%	3 413 659	3 413 659	31/12/15	4 850 928	364 860	-
ACP QUALIFE	IT services	3 631 107	100%	61 449 011	61 449 011	31/12/15	45 987 131	5 474 016	-
HPS AMERICAS	IT services	17 206	50%	8 603	8 603	31/12/15	-	-	-
<b>TOTAL</b>				<b>79 690 379</b>	<b>78 490 379</b>				<b>2 056 475</b>

## PROVISIONS TABLE

CATEGORY	GROSS AMOUNT AT YEAR START	PROVISIONS			WRITEBACKS			GROSS AMOUNT AT YEAR END
		OPERATION	FINANCIAL	NON CUR-RENT	TRANSFER	WITH-DRAWAL	WIRE	
Provisions on fixed asset	1 200 000	-	-	-	-	-	-	1 200 000
Regulated provisions	-	-	-	-	-	-	-	-
Long-term provisions for liabilities and charges	-	-	-	-	-	-	-	-
<b>SUBTOTAL</b>	<b>1 200 000</b>	-	-	-	-	-	-	<b>1 200 000</b>
Current asset provisions (non-cash)	27 860 217	8 589 828	-	7 101 450	4 599 267	-	-	38 952 229
Other provisions for liabilities and charges	7 386 336	6 117 221	1 162 930	-	4 966 157	655 977	-	9 044 353
Provisions on cash accounts	-	-	-	-	-	-	-	-
<b>SUBTOTAL</b>	<b>35 246 553</b>	<b>14 707 049</b>	<b>1 162 930</b>	<b>7 101 450</b>	<b>9 565 425</b>	<b>655 977</b>	-	<b>47 996 582</b>
<b>TOTAL</b>	<b>36 446 553</b>	<b>14 707 049</b>	<b>1 162 930</b>	<b>7 101 450</b>	<b>9 565 425</b>	<b>655 977</b>	-	<b>49 196 582</b>

## PROVIDED OR RECEIVED REAL SECURITIES TABLE

THIRD PARTY CREDITORS OR DEBTORS	AMOUNT COVERED UNDER SECURITIES	NATURE	DATE AND PLACE OF REGISTRATION	SCOPE	NET ACCOUNTING VALUE OF SECURITY AT CLOSING DATE
Securities granted	NONE	NONE	NONE	NONE	NONE
Securities received	NONE	NONE	NONE	NONE	NONE

## RECEIVABLES TABLE

CATEGORY	TOTAL	ANALYSIS BY DUE DATE			OTHER ANALYSIS			
		OVER A YEAR	LESS THAN A YEAR	OVERDUE AND NOT RECOVERED	AMOUNT IN FOREIGN CURRENCY	AMOUNTS ON STATE AND PUBLIC AGENCIES	AMOUNTS FOR RELATED INSTITUTIONS	AMOUNTS IN NOTES
<b>FIXED ASSET</b>	<b>634 528</b>	<b>634 528</b>	-	-	<b>55 279</b>	-	-	-
Long-term loans	-	-	-	-	-	-	-	-
Other receivables	634 528	634 528	-	-	55 279	-	-	-
<b>CURRENT ASSET</b>	<b>343 004 935</b>	<b>43 436 549</b>	<b>295 649 102</b>	-	<b>282 630 764</b>	<b>16 942 351</b>	<b>25 341 045</b>	-
Suppliers receivables, advances and down payments	140 000	140 000	-	-	-	-	-	-
Customers and related accounts	313 270 486	39 121 526	274 148 960	-	273 209 028	-	23 110 447	-
Staff	1 307 236	-	1 307 236	-	454 666	-	-	-
Government	13 023 067	1 944 425	11 078 642	-	-	13 023 067	-	-
Partners' current account	-	-	-	-	-	-	-	-
Other receivables	6 149 882	2 230 598	3 919 284	-	6 149 882	3 919 284	2 230 598	-
Adjustment account for assets	9 114 264	-	9 114 264	-	2 817 188	-	-	-

## LIABILITIES TABLE

CATEGORY	TOTAL	ANALYSIS BY DUE DATE			OTHER ANALYSIS			
		OVER A YEAR	LESS THAN A YEAR	OVERDUE AND NOT RECOVERED	AMOUNT IN FOREIGN CURRENCY	AMOUNTS ON STATE AND PUBLIC AGENCIES	AMOUNTS FOR RELATED INSTITUTIONS	AMOUNTS IN NOTES
<b>FINANCING</b>	<b>13 613 616</b>	<b>5 834 407</b>	<b>7 779 209</b>	-	-	-	-	-
Bonds	-	-	-	-	-	-	-	-
Other financial liabilities	13 613 616	5 834 407	7 779 209	-	-	-	-	-
<b>CURRENT LIABILITIES</b>	<b>242 133 044</b>	<b>20 497 105</b>	<b>221 635 939</b>	-	<b>196 276 649</b>	<b>11 318 997</b>	<b>46 587 828</b>	<b>3 517 538</b>
Suppliers and related accounts	62 800 592	19 714 803	43 085 790	-	53 675 852	-	46 587 828	3 517 538
Trade receivables, advances and down payments	29 677	29 677,00	-	-	29 677	-	-	-
Staff	20 214 849	-	20 214 849	-	3 825 515	-	-	-
Government	7 189 835	752 626	6 437 210	-	-	7 189 835	-	-
Social organizations	4 129 162	-	4 129 162	-	939 135	4 129 162	-	-
Partners' current accounts	-	-	-	-	-	-	-	-
Other creditors	383 291	-	383 291	-	-	-	-	-
Adjustment account for liabilities	147 385 637	-	147 385 637	-	137 806 470	-	-	-
Misc. liabilities	-	-	-	-	-	-	-	-

## FINANCIAL COMMITMENTS RECEIVED

CATEGORY	2015	2014
Deposits and guarantees		
POOYA	1 024 065	1 024 065
BANKSOHAR SAOG	60 000	60 000
BANK OF GHANA	511 200	511 200
FINANCE AND TREASURY	36 000	36 000
BANQUE TUNISIE LIBYENNE	319 150	-
SG ALGER	167 055	167 055
BADR ALGERIE	161 372	-
POSTE MAROC	14 400	14 400
GIM	537 615	-
CAC BANK	1 728 289	1 728 289
CO-OPERATIVE CENTRAL BANK-CHYPRE	569 650	569 650
BANK OF ABYSSINA	81 750	81 750
BANK MISR	588 620	588 620
BANK MISR	281 466	-
JORDAN ISLAMIC BANK	1 777 680	-
SHARAJ ISLAMIC BANK	1 728 300	-
SNAM	200 115	200 115
SOFAC	50 000	50 000
POSTE MAROC	35 158	35 158
AL BARID BANK	32 400	32 400
AL BARID BANK	75 600	75 600
AL BARID BANK	10 000	10 000
CREDIT AGRICOLE DU MAROC	27 230	27 230
CREDIT AGRICOLE DU MAROC	106 566	106 566
CREDIT AGRICOLE DU MAROC	107 568	-
CUSTOMS ADMINISTRATION	37 396	37 396
BANQUE POPULAIRE	37 649	37 649
CREDIT AGRICOLE DU MAROC	60 000	60 000
CREDIT AGRICOLE DU MAROC	126 950	126 950
BARID AL MAGHRIB	40 000	40 000
BARID BANK	70 000	70 000
FOREIGN AFFAIRS MINISTRY	1 843 663	-
TRANSPORT MINISTRY	100 000	100 000
BANQUE POPULAIRE	12 000	12 000
BANQUE POPULAIRE	2 500	2 500
BANQUE POPULAIRE	60 000	60 000
BANQUE POPULAIRE FOUNDATION	150 000	150 000
POSTE MAROC	19 000	19 000
POSTE MAROC	56 720	56 720
POSTE MAROC	75 600	75 600
MAROC TELECOM	195 000	195 000
TGR	50 000	-
Provisions for retirement pensions and related obligations	-	-
Other commitments given	-	-
<b>TOTAL</b>	<b>13 167 727</b>	<b>6 360 913</b>
Of which commitments towards related companies	-	-
<b>TOTAL</b>	<b>13 167 727</b>	<b>6 360 913</b>

## GIVEN FINANCIAL COMMITMENTS

CATEGORY	2015	2014
Deposits and guarantees		
CFAO TECHNOLOGIES CAMERON	2 423 240	2 423 240
CFAO TECHNOLOGIES CAMERON	969 296	969 296
ASSOCIATED BUSINESS MACHINES (ABM)	2 558 476	2 558 476
Other commitments received		
<b>TOTAL</b>	<b>5 951 012</b>	<b>5 951 012</b>

## CONTINGENT LIABILITIES

a- Tax returns under the Corporation Tax (IS), the value added tax (VAT), the Income Tax (IR) for years 2012, 2013, 2014 and 2015 are not yet prescribed and could be subject to a tax audit and adjustments, if any;

During fiscal year 2015, HPS has been audited by the tax services regarding income tax with respect to year 2011.

On December 17, 2015, HPS received a first notification letter from the tax authorities. A response was sent to the tax bureau on January 12, 2016 to express HPS position, challenge the intended adjustment and suggest it should be dropped. On March 2, 2016 HPS received a second notification letter from the tax administration. A response letter, whereby HPS maintains its original position, was sent to the Tax administration on March 16, 2016.

b- Social security declarations to CNSS could be subject to an audit with possible tax adjustments;

c- Please note that during the non-prescribed period, statements issued for other taxes may also be subject to revision;

d- Non-repatriation in a timely manner of old cross-border claims arising out abroad can be source of contingent liabilities.



# CONSOLIDATED ACCOUNTS

## CONSOLIDATED BALANCE SHEET - ASSETS

CATEGORY	NET ON 12/31/2015	NET ON 12/31/2014
<b>FIXED ASSET</b>	<b>59 898 636</b>	<b>62 456 931</b>
Goodwill on acquisition	16 609 103	20 300 014
Intangible fixed assets	7 562 435	8 728 166
Tangible fixed assets	13 272 326	15 057 840
Financial fixed assets	986 852	992 929
Equity securities	21 467 921	17 377 982
<b>CURRENT ASSET</b>	<b>400 212 657</b>	<b>331 561 898</b>
Stocks and in-process	27 776 143	45 358 429
Customers and related accounts	273 338 242	214 693 209
Deferred tax assets	1 490 961	1 969 040
Other receivables and adjustment accounts	54 476 908	45 618 280
Investment securities	17 515 305	-
Liquid assets	25 615 098	23 922 940
<b>TOTAL ASSETS</b>	<b>460 111 293</b>	<b>394 018 829</b>

## CONSOLIDATED BALANCE SHEET - LIABILITIES

CATEGORY	NET ON 12/31/2015	NET ON 12/31/2014
Capital	70 359 900	70 359 900
Share premiums	31 623 410	31 623 410
Consolidated reserves	62 860 978	42 322 446
Consolidated results	39 926 324	32 097 588
<b>SHAREHOLDERS' EQUITY (GROUP'S SHARE)</b>	<b>204 770 613</b>	<b>176 403 343</b>
Minority interests	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>204 770 613</b>	<b>176 403 343</b>
<b>LONG-TERM LIABILITIES</b>	<b>22 390 160</b>	<b>32 783 150</b>
Long-term financial liabilities	19 319 592	27 158 416
Contingent advances	3 070 567	5 624 734
<b>CURRENT LIABILITIES</b>	<b>232 950 521</b>	<b>184 832 336</b>
Suppliers and related accounts	24 665 675	21 501 350
Other receivables and adjustment accounts	206 184 845	138 802 193
Deferred tax liabilities	2 100 000	2 566 667
Cash flow liabilities	-	21 962 126
<b>TOTAL LIABILITIES</b>	<b>460 111 293</b>	<b>394 018 829</b>

**CONSOLIDATED BALANCE SHEET (EXPENDITURE AND REVENUE)**

CATEGORY	12/31/2015	12/31/2014
<b>OPERATION PRODUCTS</b>	<b>353 637 669</b>	<b>308 759 442</b>
TURNOVER	<b>354 308 084</b>	<b>283 435 235</b>
Changes in inventory	-12 571 142	15 542 867
Capitalized production	-	-
Other operation products	11 900 727	9 781 339
<b>OPERATING EXPENSE</b>	<b>305 942 669</b>	<b>277 410 385</b>
Consumable materials purchase	-45 536 107	-51 729 150
External expenses	-58 926 664	-44 436 823
Staff costs	-169 732 870	-148 797 006
Other operating costs	-929 084	-749 556
Taxes	-8 360 226	-9 263 813
Operating provisions	-22 457 654	-22 434 037
<b>OPERATING EARNINGS</b>	<b>47 695 064</b>	<b>31 349 056</b>
Financial revenue and expenditure	5 570 093	3 320 360
<b>CONSOLIDATED COMPANIES CURRENT RESULTS</b>	<b>53 265 157</b>	<b>34 669 416</b>
Non current revenue and expenditure	-6 978 780	679 466
Income taxes	-7 455 237	-3 439 257
<b>CONSOLIDATED COMPANIES NET RESULTS</b>	<b>38 831 140</b>	<b>31 909 625</b>
Share in consolidated companies MEE	4 786 096	3 878 874
Acquisition adjustment depreciation	-3 690 912	-3 690 912
<b>CONSOLIDATED NET RESULT</b>	<b>39 926 324</b>	<b>32 097 588</b>
Minority interests	-	-
<b>NET RESULT (GROUP SHARE)</b>	<b>39 926 324</b>	<b>32 097 588</b>
Earnings per share	56,75	45,62

## CASH FLOW STATEMENT

CATEGORY	2015	2014
<b>NET RESULT</b>	<b>39 926 324</b>	<b>32 097 588</b>
Elimination of net income and expenses with no impact on cash-flow, or non-operational		
Provisions for depreciation	7 750 591	7 393 507
Changes on deferred taxes	-18 198	2 354 022
Gain or loss on disposal	-92 498	-803 703
Other net income (expense) with no impact on cash-flow	3 497 727	1 019 391
Share in earnings from equity affiliates net of dividends received	-2 729 621	-3 223 808
Consolidated companies self-financing capacity	48 334 326	38 836 996
Dividends received from equity affiliates	-	-
Change in activity related working capital needs	20 818 785	-19 840 402
<b>ACTIVITY RELATED NET CASH FLOW</b>	<b>69 153 111</b>	<b>18 996 595</b>
Tangible and intangible fixed asset acquisition	-2 164 748	-2 359 959
Fixed asset disposal net of tax	100 000	939 182
Disposal of securities from equity affiliates	-	-
Net acquisition of consolidated company securities	-	-
<b>CASH FLOW TIED TO INVESTMENT OPERATIONS</b>	<b>-2 064 748</b>	<b>-1 420 777</b>
Dividends paid to shareholders of the parent company	-11 961 183	-10 553 985
Capital increase in cash	-	-
Others	-2 548 090	-2 046 266
Changes in borrowings	-10 500 882	-13 180 977
<b>TRANSACTION FLOW FROM FINANCING ACTIVITIES</b>	<b>-25 010 154</b>	<b>-25 781 228</b>
Effect of changes in exchange rates	-908 621	-2 294 367
<b>INCREASE (DECREASE) IN CASH POSITION</b>	<b>41 169 588</b>	<b>-10 499 777</b>
Cash position at year start	1 960 815	12 460 593
Cash position at year end	43 130 403	1 960 815

## STATEMENT OF CHANGES IN EQUITY

CATEGORY	CAPITAL	SHARE PREMIUMS	EXCHANGE RATE DIFFERENCES	CONSOLIDATED EARNINGS AND RESERVES	TOTAL GROUP SHARE	MINORITY	TOTAL
<b>POSITION ON DECEMBER 31, 2013</b>	<b>70 359 900</b>	<b>31 623 410</b>	<b>-1 201 092</b>	<b>53 531 116</b>	<b>154 313 334</b>	-	<b>154 313 334</b>
Dividends distribution	-	-	-	-10 553 985	-10 553 985	-	-10 553 985
Capital increase	-	-	-	-	-	-	-
Net profit for the year	-	-	-	32 097 588	32 097 588	-	32 097 588
Exchange rate differences	-	-	546 406	-	546 406	-	546 406
Other changes	-	-	-	-	-	-	-
<b>POSITION ON DECEMBER 31, 2014</b>	<b>70 359 900</b>	<b>31 623 410</b>	<b>-654 686</b>	<b>75 074 719</b>	<b>176 403 343</b>	-	<b>176 403 343</b>
Dividends distribution	-	-	-	-11 961 183	-11 961 183	-	-11 961 183
Capital increase	-	-	-	-	-	-	-
Net profit for the year	-	-	-	39 926 324	39 926 324	-	39 926 324
Exchange rate differences	-	-	-	-	-	-	-
Other changes	-	-	402 129	-	402 129	-	402 129
<b>POSITION ON DECEMBER 31, 2015</b>	<b>70 359 900</b>	<b>31 623 410</b>	<b>-252 557</b>	<b>103 039 860</b>	<b>204 770 613</b>	-	<b>204 770 613</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Group activity

HPS Group mainly operates in the field of electronic banking: software publishing, consulting, training, auditing, and electronic payment processing for third parties.

### 2. Main events of the accounting year

At the end of 2015, HPS Group totaled consolidated revenues of 353.6 million dirhams, an increase of 14.5% compared to 2014.

While maintaining R&D investment at 10.5% of revenues, which translates to 37.4 MDH expensed in the year, the group managed to improve its operating margin to 13.5% and net margin to 11.3%.

### 3. Accounting principles and valuation methods

Statutory accounts of companies included in the scope of consolidation were the basis for the consolidated accounts as per the accounting rules and practices applicable in Morocco.

The main rules and methods of the Group are:

#### 3.1 Methods and consolidation rules

As provided in the code of instructions of the Moroccan Authority on Capital Markets (AMMC), the HPS Group has elected to present its consolidated financial accounts in accordance with the methodology of the National Accounting Council (CNC) on consolidated accounts (notice No. 5).

Consolidation is obtained from individual accounts of companies within the scope of consolidation, after prior homogenization and consolidation adjustments.

##### 3.1.1 Methods and consolidation scope

Companies in which the Group directly or indirectly exercises exclusive control are consolidated using global integration. This is a default when companies are controlled at over 50%. Exclusive control is the direct or indirect power to govern financial and operating policies of a company to benefit from its activities.

Companies in which the Group directly or indirectly exercises significant influence, are consolidated while put in equivalence. Significant influence is presumed when HPS owns, directly or indirectly, 20% or more voting power of an entity unless clearly proven otherwise.

The scope of consolidation of HPS Group is detailed on December 31, 2015 and December 31, 2014, as follows:

COMPANY	SCOPE TO 12/31/2015			SCOPE TO 12/31/2014		
	% CONTROL	% INTEREST	CONSOLIDATION METHOD	% CONTROL	% INTEREST	CONSOLIDATION METHOD
HPS	100%	100%	IG	100%	100%	IG
GPS	25%	25%	MEE	25%	25%	MEE
ICPS	20%	20%	MEE	20%	20%	MEE
HPS Europe	100%	100%	IG	100%	100%	IG
ACPQualife	100%	100%	IG	100%	100%	IG
Involia	0%	30%	Excluded	0%	30%	Excluded
HPS Americas	50%	50%	Excluded	50%	50%	Excluded

Acquisition of a stake in GPS, ICPS and HPS Europe companies was performed at startup and therefore did not result in recognition of acquisition difference.

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Involia as a company was excluded from the scope of consolidation because of the loss of significant influence since that company went into liquidation. As for HPS Americas, it is excluded from the scope of consolidation due to lack of activity.

### **3.1.2 Closing dates**

All consolidated companies close their annual accounts on December 31<sup>th</sup> with the exception of ICPS who closes theirs on June 30<sup>th</sup>.

### **3.1.3 Conversion of subsidiary accounts in foreign currency**

For subsidiaries that work in their local currency (ICPS and GPS), and which covers the majority of their transactions, the balance sheets are converted into dirhams based on exchange rates in effect at their accounts closure date. Their income statement is converted based on the period average currency exchange rate. Translation differences that result are recorded as translation differences included in consolidated equity.

Financial statements of subsidiaries that lack financial autonomy (HPS Europe and Acpqualife) are translated using the historical rate method. Non-monetary items, including equity are converted at historical rates; monetary items on the other hand are translated at the exchange rate on year end date. Revenues and expenses are translated at the average exchange rate of the period. Conversion differences arising from this method both for monetary items on the balance sheet and for items carried on the income and expense statement are recorded on the income statement under "Financial income and expenses".

### **3.1.4 Intangible assets**

They mainly include the VISION software acquired as part of Acpqualife takeover. This software is amortized over a period of 10 years.

Research and development costs incurred by the Group are accounted for as expense.

### **3.1.5 Tangible assets**

They are recorded at acquisition or production cost. Depreciation is calculated according to the linear method on the basis of the following expected lifetime:

> Buildings	25 years
> Computer hardware	3 to 5 years
> Technical facilities, machinery and equipment	10 years
> Vehicles	5 years
> Office furniture and equipment	5 to 10 years

Leasing operations are restated as acquisitions of assets when they are significant. They are recorded in the balance sheet as a fixed asset and a corresponding loan and in the income and expenses sheet as a depreciation expense and a liability. In addition, leaseback capital gains operations should be spread over the term of the contract, if the property is acquired as part of a financing transaction.

Capital gains from intra-group transfers are canceled when significant. When the sale of an asset was made by a company consolidated as an equity affiliate the result of the sale is canceled out, in exchange for accruals and other liabilities, up to the share held by the subsidiary. The share in gain or loss on disposal is included in the consolidated Group results for the same depreciation duration the subsidiary has in place.

### **3.1.6 Financial assets**

Non-consolidated capital shares are included in the balance sheet at acquisition cost.

A depreciation provision may be formed on a case-by-case basis given the financial situation of these companies.

Receivables related to investments coincide with loans granted to companies in which the Group holds a stake and which are not fully consolidated.

### 3.1.7 Stocks

Stocks held are long-term investments in progress and are valued at production cost. Any likely future loss recognized during the execution of a contract is provisioned for its entirety.

Any profit estimated with enough certainty is accounted for as partial net proceeds on a pro rata basis with respect to the progress in the contract implementation. Contract services and licenses for certain projects are taken into account using the partial net earnings method.

Inventories also include, for certain projects, license sale amounts not yet billed as of December 31, 2015, at face value.

### 3.1.8 Receivables and turnover

Receivables are recorded at nominal value. A provision for depreciation is recognized for disputed and long outstanding receivables based on the level of risk to enter recovery.

Receivables (as well as liabilities) denominated in foreign currencies are valued based on the exchange rate in effect at year or period end. The unrealized exchange losses and unrealized gains are accounted for in the statement of income.

Revenue is recorded at time of service to the customer.

Pending contracts at the closing date are accounted for using the partial net income method and are included in customer accounts.

### 3.1.9 Securities and investment securities

Securities and investment securities are recorded at market value. A provision is made when the likely value of realization is lower than the purchase price.

### 3.1.10 Regulated provisions

Fiscally regulated provisions are canceled upon consolidation.

### 3.1.11 Provisions for risks and charges

These provisions are valued at closing of accounts, to cover risks and expenses that past or current events make likely to occur. Such events are clearly specified as to their purpose but have an uncertain outcome.

### 3.1.12 Adjustment of tax

Income taxes include all taxes based on result, whether current or deferred.

Deferred taxes resulting from the offsetting of temporary differences introduced by tax legislation and consolidation adjustments are calculated on a per company basis.

Valuation of deferred tax assets and liabilities relies on how well the Group expects to recover or settle the accounting value of assets and liabilities, using tax rates enacted or substantively enacted at closing date. All Deferred tax liabilities are accounted for. However, deferred tax assets are carried over as assets only if their recovery is likely.

### 3.1.13 Non-operating income

Non-current income and charges are intended to be entered as income and expenses not related to the company normal operations or financial activity, and are therefore non-recurrent.

### 3.1.14 Goodwill

The goodwill generated following the acquisition of a subsidiary is amortized for the duration over which the acquisition price was shown by the business plan.

The goodwill entered for accounting on December 31, 2015 relates to the acquisition of Acpqualife and is amortized over a 10 year period starting July 1, 2010.

GOODWILL (KMAD)	2014	VARIATIONS	2015
Gross value	36 909	-	36 909
Depreciation	-16 609	-3 690	-20 299
<b>NET GOODWILL</b>	<b>20 300</b>	-	<b>16 610</b>

### 3.1.15 Earnings per share

The consolidated net income per share is calculated on the weighted average number of common shares trading during the year.

### 3.1.16 Cash flow statement

The cash flow statement follows the indirect method, whereby net profit is adjusted to account for non-monetary operations, for changes in working capital requirements related to the activity, as well as income or expense items associated with investing or funding cash flow.

### 3.1.17 Research tax credit

Research tax credits that French subsidiaries benefit from are entered as income tax expense.

In addition, two grants were attributed to Vision as part of the research and development program, from OSEO (up to K€700) and Council General (for K€100). Repayment of these grants follows a contractual schedule, on a no interest basis. On December 31, 2015, these advances were ongoing as scheduled.

## 3.2 Details and explanation on the balance sheet line items, the revenues and expenses statement and their variations

### 3.2.1 Intangible and tangible assets

	2014	Acquisitions Endowments	DISPOSAL WITHDR- WAL	RECLASSIFICA- TION	CONVERSON ADJUSTMENT	2015
<b>GROSS</b>						
Patents, trademarks, rights and values	14 279	93	-	17		14 388
Other intangible assets	5 329	877	-	-17	2	6 188
<b>INTANGIBLE ASSETS</b>	<b>19 608</b>	<b>970</b>	-	-	<b>2</b>	<b>20 576</b>
Land	-	-	-	-	-	-
Constructions	-	-	-	-	-	-
Equipment and tools	8 694	486	-	-	2	9 178
Transport equipment	15 128	860	8	-		15 981
Furniture, office supplies and improvements	36 534	2 509	-	-	15	39 028
Other tangible assets	-	-	-	-	-	-
Current tangible assets	-	-	-	-	-	-
<b>TANGIBLE ASSETS</b>	<b>60 356</b>	<b>3 855</b>	<b>8</b>	-	<b>17</b>	<b>64 187</b>
<b>DEPRECIATION</b>						
Patents, trademarks, rights and values	6 366	1 461	-	167	-	7 994
Other intangibles assets	4 513	673	-	-167	-	5 019
<b>INTANGIBLE ASSETS</b>	<b>10 880</b>	<b>2 134</b>	-	-	-	<b>13 013</b>
Land	-	-	-	-	-	-
Constructions	-	-	-	-	-	-
Equipment and tools	7 860	477	-	-	-	8 337
Transport equipment	10 658	1 176	-	-	-	11 834
Furniture, office supplies and improvements	26 780	3 965	-	-	-	30 745
Other tangible assets	-	-	-	-	-	-
<b>TANGIBLE ASSETS</b>	<b>45 299</b>	<b>5 617</b>	-	-	-	<b>50 916</b>
<b>INTANGIBLE ASSETS NET VALUE</b>	<b>8 728</b>	<b>-1 163</b>	-	-	<b>2</b>	<b>7 563</b>
<b>TANGIBLE ASSETS NET VALUE</b>	<b>15 058</b>	<b>-1 762</b>	<b>8</b>	-	<b>17</b>	<b>13 271</b>

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> In 2015, acquisitions of property and equipment were included mainly computer equipment and improvements.  
 > Fixed assets acquired through leasing contracts are depreciated on a schedule as described in rules and evaluation methods.

### 3.2.2 EQUITY SECURITIES

#### VOTING RIGHTS QUOTA

COMPANY	2015	2014
GPS	25%	25%
ICPS	20%	20%

#### RESULT OF EQUITY AFFILIATES (IN THOUSAND MAD)

COMPANY	2015	2014
GPS	15 281	13 224
ICPS(*)	5 551	7 457
<b>TOTAL</b>	<b>20 832</b>	<b>20 681</b>

(\*): Accounting period from 07/01/2014 to 06/30/2015

The main IFRS aggregates for equity affiliates are detailed below:

#### ICPS

(THOUSANDS MAD)	06/30/15	06/30/14
Current assets	21 219	21 396
Long-term assets	24 012	25 005
Current liabilities	12 967	12 323
Long-term liabilities	32 264	34 078
Turnover	<b>53 545</b>	<b>43 659</b>
Operating costs	<b>46 996</b>	<b>34 980</b>

#### CPS

(THOUSANDS MAD)	12/31/15	12/31/14
Current assets	59 157	44 119
Long-term assets	11 611	10 211
Current liabilities	3 460	2 917
Long-term liabilities	67 308	51 413
Turnover	<b>63 796</b>	<b>55 072</b>
Operating costs	<b>48 515</b>	<b>41 848</b>

### 3.2.3 Inventories and work in process

(THOUSANDS MAD)	12/31/15	12/31/14
Inventories and work in process	39 059	51 630
Depreciation	- 11 283	- 6 272
<b>NET TOTAL</b>	<b>27 776</b>	<b>45 358</b>

Inventories and work mainly consist of ongoing projects.

### 3.2.4 Receivables from customers

(THOUSANDS MAD)	2015	2014
Trade accounts receivable	298 761	236 634
Depreciation	-25 423	-21 941
<b>NET TOTAL</b>	<b>273 338</b>	<b>214 693</b>

All customer receivables at the end of 2015 and 2014 are due within a year.

### 3.2.5 Deferred tax assets and liabilities and Income Taxes

#### 3.2.5.1. Deferred tax assets and liabilities

Deferred tax assets and liabilities are as follows:

(THOUSANDS MAD)	2015	2014
Tax deferred assets	1 491	1 969
Tax deferred liabilities	2 100	2 567

Deferred tax assets and liabilities are meant for consolidation adjustments including primarily deferred taxes assets (cancellation of starting up charges for Acpqualife research and development and enacting leasing options) and deferred tax liabilities (amortization of a depreciable intangible asset when setting final goodwill for Acpqualife acquisition).

#### 3.2.5.2. Tax proof

CATEGORY	2015	2014
Corporation tax	7 473	2 740
Deferred tax	-18	699
<b>TAX CHARGE</b>	<b>7 455</b>	<b>3 439</b>
<b>CONSOLIDATED NET PROFIT</b>	<b>40 154</b>	<b>32 098</b>
Reported Tax	9 695	4 640
Research tax credit included in tax charge	-2 240	-1 201
<b>PRE-TAX CONSOLIDATED PROFIT (1)</b>	<b>47 609</b>	<b>35 537</b>
Earnings from equity affiliates (2)	4 786	3 879
HPS Dubai pre-tax earnings (not subject to company tax IS) (3)	14 089	13 088
Non deductible for tax purposes goodwill amortization (4)	3 691	3 691
<b>TAXABLE INCOME FROM CONSOLIDATED BEFORE TAX (1) - (2) - (3) + (4)</b>	<b>32 425</b>	<b>22 261</b>
Applicable tax rate	30%	30%
<b>APPLICABLE NOMINAL TAX RATE</b>	<b>9 727</b>	<b>6 678</b>
Tax savings from export tax credits (10% tax rate) and differential rate for ACPQualife and HPS Europe (France)	-4 068	-2 223
Research tax credit	-2 240	-1 201
Deferred tax credit on loss carryover unrecognized by HPS SA	-	-
Other differences including non-deductible expenses	4 036	185
HPS SA minimum contribution	-	-
<b>APPLICABLE NOMINAL TAX RATE</b>	<b>7 455</b>	<b>3 439</b>

### 3.2.6 Other receivables and accruals

(THOUSANDS MAD)	2015	2014
Trade suppliers Provision, advances and down payments	-	-
Staff	1 307	1 016
State -receivables	13 023	15 303
Other receivables	30 709	27 118
Staff	9 437	2 185
<b>TOTAL NET</b>	<b>54 476</b>	<b>45 618</b>

### 3.2.7 Accounts payable

(THOUSANDS MAD)	2015	2014
Suppliers and related accounts	24 665	21 501
<b>NET TOTAL</b>	<b>24 665</b>	<b>21 501</b>

Trade payables in 2015 and 2014 are due within a year.

### 3.2.8 Borrowings and loans and subsidies

YEAR 2014 (THOUSANDS MAD)	< 1 year	1-5 years	> 5 years	TOTAL
Over 1 year financing debts	10 846	11 544	-	22 390
Under 1 year financing debts	-	-	-	-
<b>BORROWINGS AND FINANCIAL DEBTS AND CONTINGENT ADVANCES</b>	<b>10 846</b>	<b>11 544</b>	<b>-</b>	<b>22 390</b>

Borrowings include mainly those from HPS SA (KDH 13,613) and finance lease liabilities (KDH 5,705 on December 31, 2015 vs. KDH 5,630 on December 31, 2014).

### 3.2.9 Other receivables and adjustment accounts

OTHER LIABILITIES AND ACCRUALS (THOUSANDS MAD)	2015	2014
Trade receivables, advances and down payments	30	30
Under 1 year financing debts	26 171	21 431
Other receivables and adjustment accounts	179 984	117 341
<b>TOTAL</b>	<b>206 185</b>	<b>138 802</b>

### 3.2.10 Cash flow

CASH FLOW (THOUSANDS MAD)	2015	2014
Availabilities	43 130	23 922
Liability cash flow	-	21 962
<b>NET CASH</b>	<b>43 130</b>	<b>1960</b>

Net cash position improved by 41.1 billion dirhams between 2015 and 2014. This positive development is mainly due to following changes:

- Profit for the year +39.9 MMAD
- Change in operations related working capital +20.8 MMAD
- Investment for year 2015 -2.0 MMAD
- Flow from financing activities -25.0 MMAD

### 3.2.11 Turnover

(THOUSANDS MAD)	2015	2014
Sales of goods	-	-
Sales of services	354 308	283 435
<b>TURNOVER</b>	<b>354 308</b>	<b>283 435</b>

Services sales are mainly for PowerCARD projects. They include licenses sales as well as integration and configuration of solutions, customizations and maintenance. They also include provision of services and computing engineering on behalf of third parties.

### 3.2.12 External charges

DETAILS OF EXTERNAL CHARGES IN THOUSANDS DIRHAMS	2015	2014
Commercial costs	26 726	17 883
Rebillable costs	12 382	7 027
Other external charges	19 818	19 527
<b>EXTERNAL CHARGES</b>	<b>58 926</b>	<b>44 437</b>

### 3.2.13 HPS Group

On December 31, 2015, HPS Group staff expenses, including employer taxes, amounted to KDH 169,732 against KDH 148,797 on December 31, 2014.

The average headcount of companies fully consolidated during fiscal 2015 is 310 people against 298 people in 2014.

### 3.2.14 Operation endowments

(THOUSANDS MAD)	2015	2014
Provisions for depreciation	7 751	7 393
Allocations to provisions	14 707	15 041
<b>TOTAL</b>	<b>22 458</b>	<b>22 434</b>

On December 31, 2015, provisions for depreciation of fixed assets include HPS SA provisions for depreciation and amortization of assets acquired in lease financing MDH 7.7 versus MDH 7.4 on December 31, 2014. Allocations to provisions for depreciation mainly include the allocation to current assets depreciation for about MDH 14.7 versus MDH 15.0 on December 31, 2013.

### 3.2.15 Financial result

FINANCIAL RESULT DETAIL IN KDH	2015	2014
Equity security products	72	15
Exchange gains	10 090	8 030
Financial write-backs	656	1 775
<b>FINANCIAL PRODUCTS</b>	<b>10 818</b>	<b>9 820</b>
Interest expense	1 900	2 978
Exchange loss	2 072	2 866
Other financial charges	113	-
Financial provisions	1 163	656
<b>FINANCIAL CHARGES</b>	<b>5 248</b>	<b>6 500</b>
<b>FINANCIAL RESULT</b>	<b>5 570</b>	<b>3 320</b>

Financial result improved mainly due to USD increase during year 2015 and through interest costs optimization caused by an improved cash flow management.

### 3.2.16 Non-operating income

NON-OPERATING INCOME DETAIL IN KDH	2015	2014
Non-operating products	664	2344
Non-operating expenses	7 643	1665
<b>NON-OPERATING INCOME</b>	<b>- 6 979</b>	<b>679</b>

### 3.2.17 Off-balance sheet commitments

GIVEN COMMITMENTS	2015	2014
Deposits and guarantees		
POOYA	1 024 065	1 024 065
BANKSOHAR SAOG	60 000	60 000
BANK OF GHANA	511 200	511 200
FINANCE AND TREASURY	36 000	36 000
BANQUE TUNISIE LIBYENNE	319 150	-
SG ALGER	167 055	167 055
BADR ALGERIE	161 372	-
POSTE MAROC	14 400	14 400
GIM	537 615	-
CAC BANK	1 728 289	1 728 289
CO-OPERATIVE CENTRAL BANK-CHYPRE	569 650	569 650
BANK OF ABYSSINA	81 750	81 750
BANK MISR	588 620	588 620
BANK MISR	281 466	-
JORDAN ISLAMIC BANK	1 777 680	-
SHARAJ ISLAMIC BANK	1 728 300	-
SNAM	200 115	200 115
SOFAC	50 000	50 000
POSTE MAROC	35 158	35 158
AL BARID BANK	32 400	32 400
AL BARID BANK	75 600	75 600
AL BARID BANK	10 000	10 000
CREDIT AGRICOLE DU MAROC	27 230	27 230
CREDIT AGRICOLE DU MAROC	106 566	106 566
CREDIT AGRICOLE DU MAROC	107 568	-
CUSTOMS ADMINISTRATION	37 396	37 396
BANQUE POPULAIRE	37 649	37 649
CREDIT AGRICOLE DU MAROC	60 000	60 000
CREDIT AGRICOLE DU MAROC	126 950	126 950
BARID AL MAGHRIB	40 000	40 000
BARID BANK	70 000	70 000
FOREIGN AFFAIRS MINISTRY	1 843 663	-
TRANSPORT MINISTRY	100 000	100 000
BANQUE POPULAIRE	12 000	12 000
BANQUE POPULAIRE	2 500	2 500
BANQUE POPULAIRE	60 000	60 000
BANQUE POPULAIRE FOUNDATION	150 000	150 000
POSTE MAROC	19 000	19 000
POSTE MAROC	56 720	56 720
POSTE MAROC	75 600	75 600
MAROC TELECOM	195 000	195 000
TGR	50 000	-
Commitments towards retirement pensions and similar obligations	-	-
Other given commitments	-	-
<b>TOTAL</b>	<b>13 167 727</b>	<b>6 360 913</b>
Of which commitments towards affiliated companies	-	-
<b>TOTAL</b>	<b>13 167 727</b>	<b>6 360 913</b>

RECEIVED COMMITMENTS	2015	2014
Deposits and guarantees	-	-
CFAO TECHNOLOGIES CAMERON	2 423 240	2 423 240
CFAO TECHNOLOGIES CAMERON	969 296	969 296
ASSOCIATED BUSINESS MACHINES (ABM)	2 558 476	2 558 476
Other received commitments	-	-
<b>TOTAL</b>	<b>5 951 012</b>	<b>5 951 012</b>

### 3.2.18 Segment information

HPS Group revenues increased by 14.5% compared to 2014, reaching 354 million dirhams. This progress has its roots in the strong growth of electronic payment solutions business (+ 15.4%) due primarily to strengthened recurring revenues which totaled 212 million dirhams (+ 24%) as well as the continuous business services growth (+ 4.9%) which continue to benefit from the proactive commercial strategy in place since 2013.

The operating income reached 47.7 million dirhams, up 52.1% since year 2014. The operating margin continues to rise (+3.3 pt) to 13.5 %, due mainly to improved productivity and operating expenses continuous optimization (+ 10.3%). Margin improvement was realized while increasing Research and Development efforts by 15%, which translates to 37.4 million dirhams expensed in the year.

Consolidated net profit amounts to 39.9 million dirhams, up 24.4%, representing a net margin of 11.3% versus 10.4% at the end of 2014. This means a net profit per share of 56.7 dirhams.

The Group continued to maintain its efforts to reduce its working capital, which led to a 69.1 million dirhams operating cash flow and a year-end cash flow of 43.1 million dirhams.

HPS group electronic payment activities experienced a strong increase sustained both by the continued deployment of major projects and by reinforcement of our market shares with the signing of new clients.

The Group continued its progression in 2015 with the implementation of PowerCARD in 27 countries on behalf of a major global oil company. PowerCARD platform development for First National Bank in South Africa and PowerCARD platform deployment for Evertec, one of the leading processors in Latin America.

The electronic payments business has had a significant growth, with sales being up 30% compared to the previous year. 2015 was marked by the signing of a first contract in Oceania, with the Calédonienne de Services Bancaires (CSB), the sole operator of New Caledonia payment methods, or by signing a first contract PowerCARD in the USA and with a large credit operator.

As part of its development strategy, HPS also signed a global partnership agreement with Gemalto, the world leader in digital security, which helped the joint development of an integrated Tokenization solution. This solution enables providing a highly secured global platform for mobile payment. This new partnership also allows HPS to strengthen its new business model tied to the annual volumes processed by the PowerCARD platform.

More so, the Group had its first annual income licenses in 2015 based on transaction volumes totaling 15 million dirhams.

The Services business, driven by Acpqualife, has meanwhile continued its growth (up 4.9% since 2014), hence consolidating our position dealing with major French companies such as Air France, Amadeus or the Française Des Jeux.

Year 2015 marked by the 20th anniversary of HPS, was pivotal to setting the 6th edition of PowerCARD Users Meeting in Marrakesh. Bringing together over 300 participants coming from forty different countries, this major international event is a platform for networking around the trends of the payment industry and the latest innovations of our PowerCARD solution.

Finally and as part of its CSR commitments, HPS launched HPS Foundation, an association created by the Group in 2015 with as primary mission to contribute to improving the quality of public education in Morocco as per the National Charter on Education and Training.

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ACTIVITY BREAKDOWN BY REGION AND NATURE

NATURE	2015					2014	VARIATIONS
	AFRICA	AMERICAS	EUROPE	ASIA MIDDLE EAST	GROUP		
<b>ELECTRONIC PAYMENT</b>	<b>68 238 111</b>	<b>31 306 081</b>	<b>58 401 374</b>	<b>98 867 297</b>	<b>257 948 958</b>	<b>222 287 537</b>	<b>16.0%</b>
Projects PowerCARD	7 963 498	6 021 965	23 107 610	8 825 808	45 918 880	51 437 901	-10.7%
Recurring Licenses	2 894 076	7 636 904	7 066 966	5 033 056	23 767 096	6 642 505	257.8%
Up-selling	30 761 313	11 278 845	21 622 161	39 211 418	102 873 737	91 040 277	13.0%
Maintenance	26 619 224	6 368 367	6 604 637	45 797 016	85 389 244	73 166 853	16.7%
<b>SERVICES</b>	-	-	<b>80 792 967</b>	-	<b>80 792 967</b>	<b>76 993 854</b>	<b>4.9%</b>
<b>OTHER OPERATING REVENUES</b>					<b>14 895 744</b>	<b>9 478 051</b>	<b>57.2%</b>
<b>GROUP REVENUE</b>	<b>68 238 111</b>	<b>31 306 081</b>	<b>139 194 341</b>	<b>98 867 297</b>	<b>353 637 669</b>	<b>308 759 442</b>	<b>14.5%</b>

### 3.2.19 Affiliate Companies

HPS SA has a business relationship with ICPS and GPS for the sale of licenses and PowerCARD associated services.

The total amount charged by HPS SA to ICPS and GPS for these commercial operations during fiscal 2015 is respectively KDH 10,808 and KDH 5,858.

Internal margins generated by HPS SA on these operations are canceled out on consolidation while using an accruals and other liabilities account up to the share held in the company. The share in income transfer is included in the consolidated group income at a pace in line with the amortization period of the licenses each of the two entities holds.

On December 31, 2015, ICPS and GPS customer balance with HPS S.A. amounts respectively to KDH 5,521 and KDH 963.

Services invoiced by Hightech Payment Systems to HPS Europe for fiscal 2015 amounted to KDH 7,032 before tax.

Services invoiced by HPS Europe to Hightech Payment Systems for fiscal 2015 amounted to KDH 6,905 before tax.

Services invoiced by Acpqualife to Hightech Payment Systems for fiscal 2015 amounted to KDH 24,198 before tax.

### 3.2.20 Post-closing event

As part of its diversification strategy in the electronic payment business, HPS Group contemplated a switching activity in Morocco. HPS approached Bank Al-Maghrib to obtain authorization to run this activity and Bank Al-Maghrib notified HPS in December 2015 of its decision to authorize HPS to run the activity of routing, compensation and settlement of electronic payment flows.

Next to this authorization, HPS started HPS Switch as a company on February 15, 2016 with a share capital of 65 million dirhams. HPS Switch is 100% owned by HPS.

As of February 29, 2016, HPS Switch and Centre Monétique Interbancaire (CMI) signed the contract to transfer CMI switching and compensation activity in Morocco. This signature was met on the same day by the signing of service contracts with HPS Switch Morocco first customers.



# AUDITORS' REPORTS

## REPORT ON CORPORATE ACCOUNTS



**A. SAAIDI ET ASSOCIES**  
*Commissaires aux Comptes*

4, Place Maréchal  
20 070 Casablanca  
Morocco



37, Bd Abdellatif Ben Kaddour  
20 050 Casablanca  
Morocco

### HIGHTECH PAYMENT SYSTEMS "HPS" S.A.

#### AUDITORS GENERAL REPORT SUMMARY PERIOD RUNNING FROM JANUARY 1, TO DECEMBER 31, 2015

As per the mission assigned to us by your Ordinary General Meeting, we hereby submit our report for year ending December 31, 2015.

We conducted an audit on the attached summary statements of HIGHTECH PAYMENT SYSTEMS "HPS" S.A. including the balance sheet, income and expenses, statement of management balances, cash flow statement and additional disclosures (ETIC) for year ended December 31, 2015. These financial statements posted an amount of equity and similar of MAD 199,585,040 including net income of MAD 36,205,110.

Management is responsible for producing a fair and clear representation of these financial statements in compliance with Morocco accounting standards.

Our responsibility is to express an opinion on these financial statements based on our audit. We have performed our mission in accordance with the standards of the profession in Morocco taking into account the legal and regulatory provisions in force.

We certify that the summary statements referred to above are fair and sincere and provide, in all material respects, last fiscal year's operations results as well as the finance situation and asset of the company HIGHTECH PAYMENT SYSTEMS "HPS" S.A. on December 31, 2015 in compliance with Morocco accounting standards.

#### Specific verifications and information

We also completed specific verifications as required by law to ensure consistency of the information given in the Board of Management report for shareholders with the company's financial statements.

*Casablanca, May 9, 2016*

#### The Auditors

##### A. SAAIDI & ASSOCIES



**Nawfal AMAR**  
*Associé*

##### ERNST & YOUNG

ERNST & YOUNG  
S.A.R.L.

37, Bd Abdellatif Ben Kaddour  
Casablanca -

Tel : 05 22 27 99 16 - Fax : 05 22 29 30 90

**Abdeslam BERRADA ALLAM**  
*Associé*

## REPORT ON CONSOLIDATED FINANCIAL STATEMENTS



37, Bd Abdellatif Ben Kaddour  
20 050 Casablanca  
Morocco



A. SAIDI ET ASSOCIES  
*Commissaires aux Comptes*

4, Place Maréchal  
20 070 Casablanca  
Morocco

### GROUP HIGHTECH PAYMENT SYSTEMS «HPS»

#### AUDITORS GENERAL REPORT SUMMARY ON THE CONSOLIDATED FINANCIAL STATEMENTS PERIOD RUNNING FROM JANUARY 1, TO DECEMBER 31, 2015

We audited the attached consolidated financial statements of the Group HIGHTECH PAYMENT SYSTEMS (HPS Group), covering the balance sheet, the income statement, the changes in equity statement, the cash flow statement, notes summarizing main accounting policies and other explanatory notes related to year ended December 31, 2015. These financial statements show an amount of consolidated equity totaling KMAD 204,771 including a consolidated net profit of KMAD 39,926.

Management is responsible for producing a fair and clear representation of these financial statements in compliance with Morocco accounting standards.

Our responsibility is to express an opinion on these financial statements based on our audit. We have performed our mission in accordance with the standards of the profession in Morocco.

In our opinion, the consolidated financial statements referred to in the first paragraph above fairly provide, in all material aspects, the financial position of HPS Group on December 31, 2015 as well as that of the financial performance and year end cash flows, in compliance with accounting standards and principles set for in the consolidated additional information statement.

Casablanca, May 9, 2016

#### The Auditors

ERNST & YOUNG



Abdeslam BERRADA ALLAM  
Associé

A. SAIDI & ASSOCIES



A. Saïdi & Associés  
*Commissaires aux Comptes*  
4, Place maréchal Casablanca  
Tel : 05 22 27 99 11 Fax : 05 22 27 99 11

Nawfal AMAR  
Associé



# DRAFT RESOLUTIONS

# DRAFT RESOLUTIONS

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## FIRST RESOLUTION

The Ordinary General Meeting, after acknowledging the Board of Directors reports and the auditors statements, approves the balance sheet and accounts for 2015 as presented, posting a net profit of 36,205,110.24 dirhams. It approves all operations these accounts reflect or summarized in the reports.

## SECOND RESOLUTION

As a result of the previous resolution adoption, the General Meeting discharges of their duties the Administrators and auditors for fiscal 2015.

## THIRD RESOLUTION

The Ordinary General Meeting after hearing the auditors special report on conventions referred to in Article 56 of Law 17-95 as amended and supplemented, approves concluded or executed transactions during the fiscal year.

## FOURTH RESOLUTION

The Ordinary General Meeting approves the following allocation of profits:

ALLOCATION OF PROFITS	SITUATION ON 12/31/2014	ALLOCATION OF PROFIT 2014	SITUATION AFTER ALLOCATION
Corporate or personal capital	70 359 900	-	70 359 900
Share, merger, contribution premium	31 623 410	-	31 623 410
Legal reserve	7 035 990	-	7 035 990
Other reserves	-	-	-
Carry forward	54 360 630	18 615 135	72 975 765
Net income for the financial year	36 205 110	-	-
Dividend distributions	-	17 589 975	-
<b>TOTAL</b>	<b>199 585 040</b>	<b>36 205 110</b>	<b>181 995 065</b>

A dividend of 25 dirhams per share will be distributed accordingly and will be payable on July 29, 2016.

## FIFTH RESOLUTION

The Ordinary General Meeting sets the overall of amount attendance fees to be distributed among Administrators to 780,000 dirhams for year 2016.

## SIXTH RESOLUTION

The Ordinary General Meeting takes note that the mandate of the auditor Ernst & Young expires after this Assembly. The Ordinary General Meeting renews the mandate of Auditors Ernst & Young. The new term expires on the date Ordinary General Meeting is called to approve the accounts for the year 2018

# DRAFT RESOLUTIONS

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## SEVENTH RESOLUTION

The General Meeting notes that the administrators below mandate expired during the present General Meeting.

- Mr. Mohamed HORANI.
- Mr. Samir KHALLOUQUI.
- Mr. Driss SABBAHE.
- Mrs. Anne-Lofton COBB.
- Mr. Philippe VIGAND
- Mrs. Kenza KABBAJ.
- Mr. Hassan LAAZIRI.

Furthermore, the General Meeting accepts the resignation of the administrators listed below:

- Mrs. Christine J. M. MORIN-POSTEL.
- Mr. Abdeslam ALAOUI.
- Mr. Christian COURTES.
- Mr. Pierre-André POMERLEAU.

The General Meeting appoints the Administrators below for a term of six years. Their mandate will expire on the date of the Ordinary General Meeting called to approve 2021 financial statements.

- Mrs. Anne-Lofton COBB.
- Mrs. Christine J. M. MORIN-POSTEL.
- Mr. Mohamed HORANI.
- Mr. Samir KHALLOUQUI.
- Mr. Driss SABBAHE.
- Mr. Philippe VIGAND.
- Mr. Hassan LAAZIRI.
- Mr. Abdeslam ALAOUI.
- Mr. Christian COURTES.
- Mr. Pierre-André POMERLEAU.

## EIGHTH RESOLUTION

The Ordinary General Meeting empowers the carrier of a copy or extract of the copy in order to accomplish legal formalities.

This resolution was adopted unanimously through votes present or represented.



[www.hps-worldwide.com](http://www.hps-worldwide.com)

**INVESTORS CONTACT**

[invest@hps-worldwide.com](mailto:invest@hps-worldwide.com)

**AFRICA**

Casablanca Nearshore Park, Shore 1  
1100, Jerusalem Boulevard - Sidi Maarouf  
20270 Casablanca  
Morocco  
Tel: + 212 529 045 000  
Fax: + 212 529 01 40 96

**MIDDLE-EAST & ASIA**

209/210 Building 12, 2nd Floors  
P. O. Box 500308  
Dubai Internet City  
Dubai  
Tel: + 971 4390 0750  
Fax: + 971 4390 8678

**EUROPE & AMERICAS**

65-67 rue du Faubourg St Honoré  
3rd Floor  
75008 Paris  
France  
Tel: + 33 1 58 18 01 34  
Fax: + 33 1 42 66 45 36

900 Rue Ampere  
Business line of Aix en Provence  
13851 Aix en Provence Cedex 03  
France  
Tel: + 33 4 42 91 42 99  
Fax: + 33 4 42 65 05 88





