

MIRA INFORM REPORT

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| Report No. : | 529158 |
| Report Date : | 15.09.2018 |

IDENTIFICATION DETAILS

| | |
|--------------------------------|---|
| Name : | SPA LES LABORATOIRES FRATER RAZES |
| Registered Office : | 8 Cite Oued El Kerma, Saoula, Alger Algiers |
| Country : | Algeria |
| Financials (as on) : | 2017 (Summarized) |
| Date of Incorporation : | 01.01.2003 |
| Com. Reg. No.: | 03B0963690 |
| Legal Form : | Limited Corporation |
| Line of Business : | Subject operate manufacture of pharmaceutical products, materials, surgical equipment and instruments |
| No. of Employees : | 210 employees. |

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

| | |
|------------------------|---|
| MIRA's Rating : | A |
|------------------------|---|

| Credit Rating | Explanation | Rating Comments |
|---------------|-----------------|---|
| A | Acceptable Risk | Business dealings permissible with moderate risk of default |

| | |
|----------------------------|---------------|
| Status : | Satisfactory |
| Payment Behaviour : | No Complaints |
| Litigation : | Clear |

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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ECGC Country Risk Classification List

| Country Name | Previous Rating (31.12.2017) | Current Rating (01.04.2018) |
|--------------|---------------------------------|--------------------------------|
| Algeria | B1 | B1 |

| Risk Category | ECGC Classification |
|----------------------|---------------------|
| Insignificant | A1 |
| Low Risk | A2 |
| Moderately Low Risk | B1 |
| Moderate Risk | B2 |
| Moderately High Risk | C1 |
| High Risk | C2 |
| Very High Risk | D |

ALGERIA - ECONOMIC OVERVIEW

Algeria's economy remains dominated by the state, a legacy of the country's socialist post-independence development model. In recent years the Algerian Government has halted the privatization of state-owned industries and imposed restrictions on imports and foreign involvement in its economy, pursuing an explicit import substitution policy.

Hydrocarbons have long been the backbone of the economy, accounting for roughly 30% of GDP, 60% of budget revenues, and nearly 95% of export earnings. Algeria has the 10th-largest reserves of natural gas in the world - including the 3rd-largest reserves of shale gas - and is the 6th-largest gas exporter. It ranks 16th in proven oil reserves. Hydrocarbon exports enabled Algeria to maintain macroeconomic stability, amass large foreign currency reserves, and maintain low external debt while global oil prices were high. With lower oil prices since 2014, Algeria's foreign exchange reserves have declined by more than half and its oil stabilization fund has decreased from about \$20 billion at the end of 2013 to about \$7 billion in 2017, which is the statutory minimum.

Declining oil prices have also reduced the government's ability to use state-driven growth to distribute rents and fund generous public subsidies, and the government has been under pressure to reduce spending. Over the past three years, the government has enacted incremental increases in some taxes, resulting in modest increases in prices for gasoline, cigarettes, alcohol, and certain imported goods, but it has refrained from reducing subsidies, particularly for education, healthcare, and housing programs.

Algiers has increased protectionist measures since 2015 to limit its import bill and encourage domestic production of non-oil and gas industries. Since 2015, the government has imposed additional restrictions on access to foreign exchange for imports, and import quotas for specific products, such as cars. In January 2018 the government imposed an indefinite suspension on the importation of roughly 850 products, subject to periodic review.

President BOUTEFLIKA announced in fall 2017 that Algeria intends to develop its non-conventional energy resources. Algeria has struggled to develop non-hydrocarbon industries because of heavy regulation and an emphasis on state-driven growth. Algeria has not increased non-hydrocarbon exports, and hydrocarbon exports have declined because of field depletion and increased domestic demand.

Source : CIA

SUBJECT'S NAME

Registered Name: **SPA LES LABORATOIRES FRATER RAZES**
Requested Name: **LES LABORATOIRES FRATER-RAZES SPA**
Other Names: **SPA LES LABORATOIRES FRATER RAZES FORME SÈCHE**

ADDRESS AND TELECOMMUNICATION

Physical Address: 8 Cite Oued El Kerma, Saoula, Alger
Algiers,
Country: Algeria
213-21356690/23538127/23538119/20/23538119/
Phone: 8103
Cell: 213-561689739/770619062/770814246/561689701
Fax: 213-21356694/23538101/19/23538121
Email: onebilli@frater-razes.com/azerouali@frater-razes.com/secretariat@frater-razes.com
Website: www.frater-razes.com

CREDIT OPINION

Financial Index as of December 2017 shows subject firm with a medium risk of credit. However, bank and credit information obtained reveal a history of prompt payments.

LEGAL

Legal Form: Limited Corporation
Date Incorporated: 01-Jan-2003
Reg. Number: 03B0963690
Tax Number: 16570241351
VAT Number: 000316096369080
Nominal Capital: DZD. 240,000,000
Subscribed Capital: DZD. 240,000,000
Subscribed Capital is Subscribed in the following form:

| | Position | Shares |
|--------------------------|-----------------|---------------|
| Dr. Abdelhamid Cherfaoui | Chairman | |
| Mr. M'hamed Halouane | MD | |
| Mrs. Mimia Cherchali | Director | |

| | |
|-----------------------|----------|
| Mr. Salem Cherfaoui | Director |
| Mr. Mebarek Cherfaoui | Director |
| Mr. Warda Nebili | Director |
| Mr. Amel Cherfaoui | Director |

RELATED COMPANIES

| | |
|---|------------------------------|
| None | Parent company. |
| None | Subsidiary company. |
| SPA PROVIVO, SPA SOME PHARM, SPA LFR –PROMOTION, SPA LES LABORATOIRES FRATER RAZES FORME INJECTABLE | Affiliated company. |
| None | Shareholder of subject firm. |
| 51 Rue, Kadour Lazergui, Saoula, Algiers, Algeria | Branches of the firm |

OPERATIONS

| | |
|---|--|
| Registered to operate manufacture of pharmaceutical products, materials, surgical equipment and instruments | |
| Imports: | Middle East |
| Exports: | Neighboring countries |
| Trademarks: | None |
| Terms of sale: | Cash (40%) and 25-90 days (60%), invoices. |
| Main Customers: | Distributors, firms and organizations |
| Employees: | 210 employees. |
| Vehicles: | Several motor vehicles. |
| Territory of sales: | Algeria |
| Location: | Owned premises, 500,000 square feet, |

AUDITORS AND INSURANCE

| | |
|--------------------|----------------------------|
| Auditors: | Information not available. |
| Insurance Brokers: | Information not available. |

FINANCE

| | |
|-------------------------------------|---|
| Currency Reported: | Algerian Dinar (DZD.) |
| Approx. Ex. Rate: | 1 US Dollar = 117.92 Algerian Dinar |
| Fiscal Year End: | December 31, 2017 |
| Inflation: | According to information given by independent sources, the inflation at December 31st, 2017 was of 13%. |
| Financial Information not Submitted | |
| Profit and Loss (expressed in DZD.) | 2017 |
| Sales | 1,050,260,338 |

BANK

| | |
|------------|------------------------|
| Bank Name: | BNP Paribas El DJAZAÏR |
| Branch: | Algeria |
| Comments: | None |

TRADE REFERENCES

Experiences: Good

NOTARIAL BONDS None

COMMENTS / ADDITIONAL INFORMATION

This information was obtained from outside sources other than the subject company itself and confirmed the above subject.

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 71.81 |
| UK Pound | 1 | INR 94.15 |
| Euro | 1 | INR 83.97 |
| DZD | 1 | INR 0.69 |

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

| | |
|----------------------|-----|
| Analysis Done by : | DIV |
| Report Prepared by : | SDA |

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RATING EXPLANATIONS

| Credit Rating | Explanation | Rating Comments |
|---------------|------------------|--|
| A++ | Minimum Risk | Business dealings permissible with minimum risk of default |
| A+ | Low Risk | Business dealings permissible with low risk of default |
| A | Acceptable Risk | Business dealings permissible with moderate risk of default |
| B | Medium Risk | Business dealings permissible on a regular monitoring basis |
| C | Medium High Risk | Business dealings permissible preferably on secured basis |
| D | High Risk | Business dealing not recommended or on secured terms only |
| NB | New Business | No recommendation can be done due to business in infancy stage |
| NT | No Trace | No recommendation can be done as the business is not traceable |

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)