

MANAGEM

Prospectus Summary relating to the Issue of Ordinary Shares through a Capital Increase by Cash Contribution and/or Offset of Liquid and Due Receivables

The AMMC-approved prospectus consists of:

- this Securities Note;
- the Reference Document for the 2022 financial year and the first half of 2023, registered with the AMMC on January 9, 2024 under reference no. EN/EM/002/2024.

Number of shares to be issued:	1,873,368 shares
Subscription price:	MAD 1,600 / share
Nominal value:	MAD 100 / share
Issue premium:	MAD 1,500 / share
Total amount of the operation (including issue premium):	MAD 2,997,388,800
Subscription parity:	3 new shares for 16 PSR (preferential subscription rights)
Subscription period:	from 14/03/2024 to 02/04/2024 at 3:00 pm inclusive

Financial Advisor and Global Coordinator	Centralizing Body and Subscription Order Collector	Registration Body
Attijari Finances Corp.	Attijariwafa bank	Attijari Intermédiation
 التجاري للاستشارة المالية Attijari Finances Corp.	 التجاري وفا بنك Attijariwafa bank	 التجاري للوساطة Attijari Intermédiation

APPROVAL OF THE MOROCCAN CAPITAL MARKET AUTHORITY (AMMC)

In accordance with the provisions of the AMMC circular, issued pursuant to Article 5 of Law No. 44-12 on public offerings and information required of legal entities and savings organizations, this prospectus was approved by the AMMC on 01/03/2024 under the reference VI/EM/005/2024. This Securities Note forms only part of the AMMC-approved prospectus.

The latter consists of the following documents:

- this Securities Note;
- the Reference Document for the 2022 financial year and the first half of 2023, registered with the AMMC on January 9, 2024 under reference no. EN/EM/002/2024.

DISCLAIMER

The Moroccan Capital Market Authority (AMMC) approved on March 1, 2024 a prospectus relating to the issue of ordinary shares through a capital increase by cash contribution and offset of liquid and due receivables.

The AMMC-approved prospectus is available at any time at Managem's headquarters, on the company's website (<http://www.managemgroup.com/medias/communiqués-et-publications-0>) and from the financial advisor. It is also available within 48 hours from the centralizing and order-collecting body.

The information package is available to the public on the AMMC website www.ammc.ma.

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

PART I: PRESENTATION OF THE OPERATION

I. AMOUNT OF THE OPERATION

Managem plans to carry out a capital increase by cash contribution and/or offset of liquid and due receivables for an amount of MAD 2,997,388,800 through the issue of a maximum number of 1,873,368 shares at a subscription price per share of MAD 1,600, i.e. MAD 100 as nominal value and MAD 1,500 as issue premium. The total amount of the capital increase will be a maximum of MAD 2,997,388,800, including MAD 187,336,800 in nominal value and MAD 2,810,052,000 in issue premium.

II. FRAMEWORK OF THE OPERATION

II.1. Framework of the operation

Managem's Board of Directors, held on July 12, 2023 under the chairmanship of Mr. Imad Toumi, decided to propose to the Extraordinary Shareholders' Meeting a capital increase of a maximum amount of MAD 3,000,000,000, including issue premium, through the issue of new shares, to be paid up by cash contributions and/or by offsetting against certain, liquid and due receivables from the Company.

The Extraordinary General Meeting of Managem shareholders, held on September 19, 2023, resolved to increase the share capital, including issue premium, by a maximum total amount of three billion dirhams (MAD 3,000,000,000), through the issue of new shares with a par value of MAD 100, to be fully paid up upon subscription, in terms of both nominal value and issue premium, by cash contributions and/or by offsetting against certain, liquid and due receivables from the Company.

The new shares will be entitled to dividends from the date of finalization of the capital increase, and will be assimilated to existing shares from the date of their creation, subject to all the provisions of the Articles of Association and the decisions of Shareholders' Meetings.

The Annual General Meeting, pursuant to the provisions of Articles 189, 190 and 191 of Act 17-95 on public limited companies, as amended and supplemented, has resolved:

- to increase the share capital, including issue premium, by a maximum of MAD3,000,000,000, through the issue of new shares with a nominal value of MAD100, to be fully paid up at the time of subscription, in terms of both nominal value and issue premium, by cash contribution and/or by offsetting against certain, liquid and payable receivables from the Company;
- that the Company's shareholders may exercise their preferential right to subscribe to the new shares on an irreducible basis, in proportion to the number of shares they hold in the share capital, and on a reducible basis. If shareholders do not subscribe to the shares to which they are entitled on an irreducible basis, the shares thus made available will be allocated to shareholders who have subscribed, on a reducible basis, to a higher number of shares, in proportion to their share in the current capital and within the limit of their requests and without allocation of fractions;
- that the new shares issued will carry dividend rights as from the date of final completion of the capital increase and will, for all other purposes, be assimilated to existing shares from the date of their creation, and will be subject to all the provisions of the Articles of Association and the decisions of the Shareholders' Meetings;
- that it has granted full powers to the Board of Directors to carry out the capital increase. For this purpose, to receive subscriptions and payments, to deposit the funds in accordance with the legal conditions, to record any payment in full, to amend the company's articles of association accordingly and, in general, to carry out the formalities and do all that is necessary to carry out these decisions and finalize the capital increase decided upon.

By virtue of the powers vested in it by the aforementioned General Meeting, the Board of Directors has decided to set the issue price of the new shares at MAD1,600 per share.

Shareholders will be able to exercise their preferential subscription rights on an irreducible basis, on the basis of 3 new shares for 16 preferential subscription rights.

The reference shareholder Al Mada has waived 12 preferential subscription rights.

Consequently, the Board notes that the maximum number of new shares to be issued would be 1,873,368 shares with a nominal value of MAD100 each, and an issue premium of MAD1,500 per share.

The share capital would thus be increased by a maximum of MAD187,336,800, from MAD999,130,800 to a maximum of MAD1,186,467,600.

Shareholders with insufficient preferential subscription rights to subscribe for a whole number of new shares may acquire the necessary rights. They may also sell rights giving rise to fractions. Subscription rights will be freely tradable in accordance with current regulations.

If subscriptions for excess and irreducible shares have not absorbed the entire capital increase, the Board of Directors may decide to limit the amount of the capital increase to the amount of subscriptions received at the end of the subscription period.

The Board of Directors specifies that the new shares issued will be assimilated to existing shares from the date of their creation, and will be subject to all the provisions of the Articles of Association and the decisions of General Meetings. They will be entitled, in the same way as existing shares, to the distribution of profits and any other rights that may be decided by the Company from the date of final completion of the Operation.

As a result of the above, shareholders will be entitled to exercise their irreducible preferential subscription rights on the basis of 3 new shares for 16 PSRs.

By virtue of the powers vested in it by the aforementioned meeting, and of the authorization to subdelegate granted, the Board of Directors confers full powers on the Chief Executive Officer or on any person specially designated by him, to:

- Sign the legal documentation relating to the capital increase;
- Set the opening and closing dates of the subscription period;
- Inform shareholders of the terms and conditions of the capital increase;
- Collect subscriptions and corresponding payments;
- Designate financial intermediaries;
- Open an unavailable account with one of the company's banks under the heading "Managem - Capital increase";
- If applicable, extend the subscription period if irreducible and reducible subscriptions have not absorbed the entire capital increase;
- Send the signed financial statements to the company's Statutory Auditor for certification;
- draw up, sign and file with the clerk of the Casablanca Commercial Court - or have filed by any authorized bearer - the declaration of subscription and payment, a statement of subscriptions and payments, the request for an amending entry in the Commercial Register, as well as the other documents provided for by law;
- And generally, make all declarations, carry out all filings, advertise and complete all formalities.

In addition, pursuant to the provisions of article 199 of law 17-95 relating to public limited companies, the Board of Directors approved the shareholders' current account granted by Al Mada to its subsidiary Managem.

The statutory auditors have thus certified the accuracy of this closing of accounts, which shows a credit balance of MAD 1,500,000,000 as of 21/02/2024, held by Al Mada on the Company.

By virtue of the powers vested in him by the Extraordinary General Meeting of Managem shareholders held on September 19, 2023, and of the sub-delegation authorization granted by the Board of Directors on February 21, 2024, the Chief Executive Officer has decided to set the terms and conditions of the operation, in particular the opening

and closing dates of the subscription period, which will run from March 14, 2024 to April 2, 2024, with no possibility of extending the period.

II.2. Objectives of the operation

In view of the company's strategic plan for the next few years and the investments planned for the development and construction of new mining projects, the Board of Directors, at its meeting on July 12, 2023, deemed it necessary to rationalize the company's financial structure by strengthening its equity capital and increasing its possibilities of mobilizing other means of financing accordingly.

III. OPERATION TIMETABLE

The timetable for this operation is as follows:

Order	Steps	Date
1	Issue by the Casablanca Stock Exchange of the operation approval notice	01/03/2024
2	Receipt by the Casablanca Stock Exchange of the AMMC-approved prospectus.	01/03/2024
3	Publication of the prospectus extract on Managem's website	01/03/2024
4	Publication by the Casablanca Stock Exchange of the operation notice	04/03/2024
5	Publication of a press release by Managem in a legal gazette	04/03/2024
6	Detachment of subscription rights; Publication of the theoretical value of the subscription right; Adjustment of the share price; Clearing of the order book.	11/03/2024
7	Opening of the subscription period and listing of preferential subscription rights	14/03/2024
8	Closing of the subscription period	02/04/2024
9	Cancellation of preferential subscription rights	03/04/2024
10	Receipt of subscription amounts by the centralizing body	08/04/2024
11	Final centralization and allocation of subscriptions	09/04/2024
12	Holding of the meeting to ratify the capital increase; Restitution of residual capital to subscribers.	15/04/2024
13	Receipt by the Casablanca Stock Exchange of the minutes of the meeting having ratified the cash capital increase and of the results of the cash capital increase.	16/04/2024
14	Delivery of new shares; Admission of new shares; Registration of the operation on the stock exchange;	17/04/2024

Publication by the Casablanca Stock Exchange of the operation results.

IV. FINANCIAL INSTRUMENTS OFFERED

IV.1. Characteristics of the securities offered

Type of securities	Ordinary shares all of the same class
Legal form	Shares covered by this operation are all bearer shares. These shares will be fully dematerialized and admitted to trading on Maroclear.
Maximum amount of operation	MAD 2,997,388,800
Maximum total number of shares to be issued	1,873,368 new shares to be issued in connection with the capital increase
Subscription price	MAD 1,600 per share
Nominal value	MAD 100 per share
Share premium	MAD 1,500 per share
Share payment	Shares issued are fully paid up and free of any commitment.
Listing line	1 st line
Listing of new shares	Shares issued as a result of this capital increase will be assimilated to existing shares and will be listed on the 1 st line of the Casablanca Stock Exchange.
Date of dividend entitlement	01/01/2023
Subscription period	From 14/03/2024 to 02/04/2024 inclusive
Tradability of shares	The shares involved in this operation are freely tradable on the Casablanca stock exchange.
Method of share settlement and payment of share transfer price	In cash and/or by offsetting liquid and due receivables from the Company
Rights attached to newly-issued shares	All shares benefit from the same rights, both in the distribution of profits and in the distribution of liquidation surpluses. Each share carries one voting right at General Meetings.
Listing date	17/04/2024
Denomination	Managem
Ticker	MNG
ISIN	MA0000011058
Listing compartment	Principal A
Business sector	Mining

Trading cycle	Continuous
Registration body	Attijari Intermédiation

IV.2. Characteristics of preferential subscription rights

Preferential Subscription Rights	For the subscription of the new shares issued, the preferential subscription rights reserved for shareholders under the provisions of article 189 of law 17-95 on public limited companies, as amended and supplemented, will be maintained at the rate of one preferential subscription right for one existing share. Each shareholder may either exercise or sell their preferential subscription right, or, if they so wish, waive their preferential subscription right individually. The Al Mada shareholder has waived 12 pre-emptive rights. Holders of preferential subscription rights will be able to subscribe on an irreducible basis, on the basis of 3 new shares for 16 preferential subscription rights. Preferential subscription rights may only be exercised up to the number of preferential subscription rights required to subscribe for a whole number of new shares. Holders of preferential subscription rights who do not hold a sufficient number of preferential subscription rights to obtain a whole number of new shares may buy or sell preferential subscription rights at market conditions during the subscription period. Fractional preferential subscription rights may thus be sold or added to on the market during the subscription period. The theoretical price of the preferential subscription rights (PSR) is calculated as follows: $PSR = (\text{Closing share price on the day before the date of PSR detachment} - \text{subscription price}) * (\text{number of new shares}) / [\text{number of existing shares} + \text{number of new shares}]$. Shareholders will also have the right to subscribe for excess shares, in order to allocate shares not taken up by the exercise of irreducible subscription rights. This allocation will be made in proportion to their share in the capital, within the limit of their requests and without fractional allocation.
PSR listing date	14/03/2024
Ticker	SMNGB
Denomination	DS MNG 3/16 2024
Trading cycle	Fixing
Fate of unexercised PSRs	Shareholders' preferential subscription rights to the new shares issued must be exercised during the subscription period, failing which they will be forfeited.
PSR trading	Preferential subscription rights relating to the current capital increase will be freely tradable on the Casablanca Stock Exchange under the same conditions as the MNG share itself, throughout the subscription period running from 14/03/2024 to 02/04/2024 inclusive.

IV.3. Assessment elements of offer terms

IV.3.1. Price of shares offered

The Extraordinary General Meeting of Managem shareholders held on September 19, 2023, convened by the Board of Directors on July 12, 2023, resolved to increase the share capital by a maximum amount of MAD 3,000,000,000 through the issue of new shares to be paid up in cash and/or through the conversion of liquid and due receivables.

The same meeting delegated the necessary powers to the Board of Directors to carry out the capital increase, set the terms and conditions, record its completion and amend the Articles of Association accordingly.

In accordance with the powers granted to it by the Extraordinary General Meeting of September 19, 2023, the Board of Directors, meeting on February 21, 2024, set the subscription price for the new shares at MAD1,600 per share, including issue premium, representing a 12.1% discount to the closing price of MAD1,820 on February 20, 2024, the day before Managem's Board of Directors met.

The valuation method used to value Managem shares in the context of this Operation is the market price method¹.

The average share price over various time horizons provides an objective benchmark for valuing Managem shares.

The table below shows the volume-weighted average prices as of 20/02/2024:

	Weighted average price (WAP) (MAD)	Market capitalization based on weighted average price (in mMAD)	Average trading volume	Number of shares traded
Spot price as of 20/02/2024	1 820	18 184	169 260	93
1-month average (from 22/01/2024 to 20/02/2024)	1 826	18 245	2 292 771	27 622
3-month average (from 21/11/2023 to 20/02/2024)	1 734	17 329	2 098 500	77 434
6-month average (from 22/08/2023 to 20/02/2024)	1 727	17 254	1 617 460	118 009
12-month average (from 21/02/2023 to 20/02/2024)	1 919	19 173	1 607 046	207 680

Source: Casablanca Stock Exchange, Attijari Finances Corp.

For all the horizons studied, the last price used to calculate the WAP is the Managem share price as of 20/02/2024.

The weighted average price of Managem shares calculated over the periods of 1 month, 3 months, 6 months, 12 months, ending on 20/02/2024 (inclusive) were respectively MAD 1,826, MAD 1,734, MAD 1,727 and MAD 1,919 per share, representing an equity valuation of mMAD 18,245, mMAD 17,329, mMAD 17,254 and mMAD 19,173 respectively.

The Board of Directors meeting of 02/21/2024 set the issue price at MAD 1,600, representing a 12.1% discount to the share price of MAD 1,820 at 02/2024. The MAD 1,600 subscription price represents a discount of 12.4% to the 1-month WAP, 7.8% to the 3-month WAP, 7.4% to the 6-month WAP and 16.6% to the 12-month WAP.

The 12-month WAP calculation has been adjusted to exclude data from 02/05/2023 relating to the intra-group transaction between Al Mada and SFGP concerning 4.9% of Managem shares. This involves a reclassification of Managem shares within the Al Mada Group.

¹ Weighted average price for the period = Sum of volumes traded for the period / Sum of quantities for the period.

IV.3.2. Price assessment methodology

Discarded valuation methods

Discounted cash flow (DCF)

This method consists of calculating the value of a company's economic assets (enterprise value) by the sum of the future cash flows generated by them (Free Cash-Flow to the Firm) discounted at the weighted average cost of capital. The weighted average cost of capital (WACC) is representative of the return required by providers of funds (shareholders and creditors), weighted by their respective levels of commitment to financing the company's economic assets. Once the enterprise value has been determined, the value of shareholders' equity is obtained by deducting net debt.

Given that Managem's business is subject to metal price volatility, and that it also depends on changes in the asset portfolio, the DCF valuation method has not been used.

Future dividend discounting (DDM)

Similar to the Discounted Cash-Flow (DCF) method described above, this method is based on the principle of discounting cash flows. It involves calculating the value of the company's equity by discounting the future dividends expected to be paid to shareholders at the cost of equity (corresponding to the shareholders' return requirement). The value of shareholders' equity (V_e) corresponds to the sum of (i) the discounted dividends that the company expects to pay its shareholders over the explicit time horizon, and (ii) the discounted terminal value.

Given that Managem's business is subject to metal price volatility, and that it also depends on changes in the asset portfolio, the DDM valuation method has not been used.

Stock market comparables

The stock market comparables method is an analogous valuation method for estimating a company's equity value based on the valuation levels of comparable companies listed on the stock market.

Several parameters need to be verified when applying this method, notably the consistency of the assumptions underlying the construction of the benchmark comparables (growth, risk, size, business sector, legal/tax/regulatory environment, accounting standards, etc.).

Due to significant differences in the market capitalizations of the companies in the samples compared with Managem, as well as differences in their operating profiles, the comparable companies method has not been used.

Transactional comparables

This method involves valuing a company on the basis of the implied valuation multiples of a sample of transactions that have taken place in its sector of activity, and whose target companies have comparable financial and operating characteristics to the company being valued.

Given the unavailability of public and verified financial information (such as transaction amounts and implied multiples) relating to recent previous transactions involving companies comparable to Managem, this method has not been used.

Valuation method used:

The valuation method used to value Managem's shares in this operation is the stock market price method².

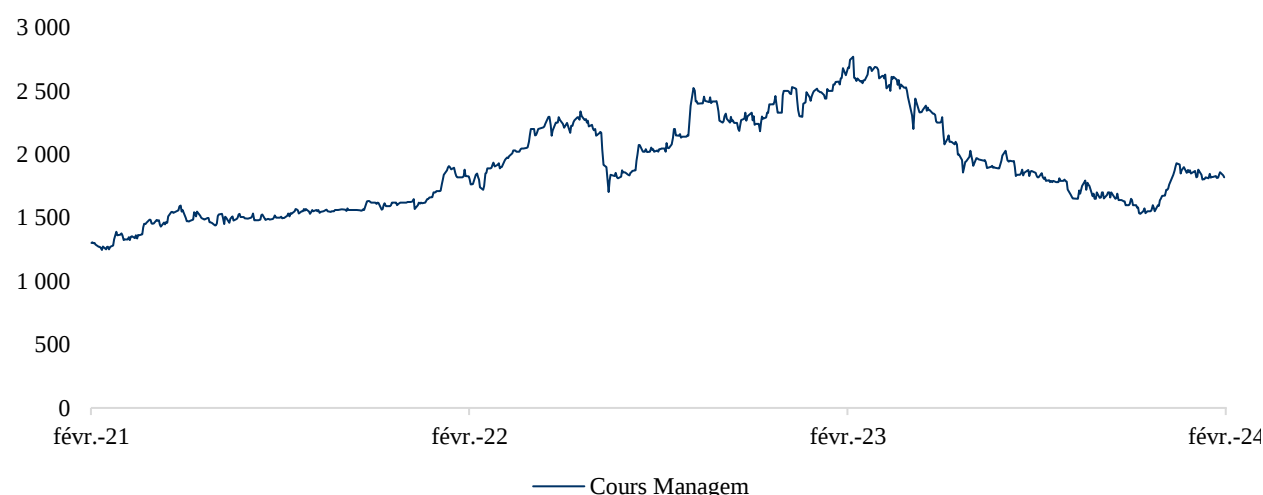
The stock market price method consists of assessing the value of a company by reference to its price on the stock market. The relevance of this method depends on the efficiency of the stock market on the one hand, and the liquidity of the stock on the other. The share price valuation method thus makes it possible to assess the value of a company's equity capital based on a weighted average of share prices over a representative time horizon.

² Weighted average price for the period = Sum of volumes traded for the period / Sum of quantities for the period

Managem is a company listed on the Casablanca Stock Exchange, with a liquidity³ of 2.1%⁴ over a rolling 12-month period (from 21/02/2023 to 20/02/2024). The share price enables us to assess the value of the company's equity, based on a volume-weighted average price over a representative horizon.

IV.3.3. Assessment elements of offer price

The following graph shows Managem's share price from 22/02/2021 to 20/02/2024:



Managem's share price has risen by 40.0% (vs. a 12.5% rise in the MASI) over the past 36 months. In addition, it should be noted that the Managem share price as of 20/02/2024 was MAD 1,820, up 40.0% on the 22/02/2021 price of MAD 1,300.

Over the period, Managem's share price experienced two main phases: (i) an uptrend (May 2020 - February 2023) following the continued rise in the international prices of the main metals, and (ii) a downtrend (March 2023 - September 2023) following the fall in the prices of precious metals, geopolitical and economic instability, as well as lower earnings in the first half of 2023. In 2024, Managem's share price showed an upward trend, mainly due to the rise in gold prices, which exceeded \$2,000/ounce on the world market.

The table below shows the discount on the subscription price of the shares involved in this operation (i.e. MAD 1,600 per share including issue premium) compared with the average share price over the last three, six and twelve months:

In MAD	
MNG share subscription price	1 600
Share price as of 20/02/2024	1 820
Discount (-) / premium (+) to share price	-12.1%
WAP (last 3 months to 11/21/2023)	1 734
Discount (-) / premium (+) to 3-month WAP	-7.8%
6-month WAP (last 6 months to 08/22/2023)	1 727
Discount (-) / premium (+) to 6-month WAP	-7.4%
WAP (last 12 months to 02/21/2023)	1 919
Discount (-) / premium (+) to 12-month WAP	-16.6%

³ Liquidity ratio for the period = Sum of volumes traded over 12 months / Market capitalization based on 12-month WAP

⁴ The liquidity ratio for the period has been adjusted to exclude data from 02/05/2023 relating to the intra-group transaction between Al Mada and SFGP concerning 4.9% of Managem's shares.

Based on a share price of MAD 1,600, the P/E, P/B and EV/EBE valuation multiples (pre-money) are as follows:

In MAD, otherwise specified	
Reference price	1 600
2022 earnings per share	162
P/E⁵ - indicative (x)	9.9x
2022 Group share of shareholders' equity (in MMAD) per share	758
P/B⁶ - indicative (x)	2.1x
Enterprise value ⁷ based on a price per share of MAD 1,600	20 330
2022 ⁸ consolidated EBITDA (in MMAD)	1 870
EV/EBITDA - indicative (x)	10.9x
Number of shares	9 991 308
Number of post-money shares	11 864 676

Source: Managem

It should be noted that Managem has not been involved in any financial transaction over the past 12 months giving rise to a valuation.

⁵ Price Earning (P/E) = Reference price / Earnings per share

⁶ Price Earning (P/B) = Reference share price / Shareholders' equity per share

⁷ Is equal to the value of shareholders' equity at the subscription price of MAD 1,600 (MMAD 15,986) plus net financial debt as of 31/12/2022 of MMAD 4,347

⁸ EBITDA = Operating income + Depreciation, amortization and provisions - Other operating income and expenses

PART II: ABOUT THE ISSUER

GENERAL INFORMATION

Corporate name	Managem
Registered Office	Twin center, tour A, angle boulevard Zerktouni et Al Massira Al Khadra, BP 5199, Casablanca – Maroc
Phone / Fax	(212) 522 95 65 97 (212) 522 95 64 64
Legal form	Public limited company with a Board of Directors
E-mail	managem@managemgroup.com
Website	http://www.managemgroup.com/
Date of incorporation	November 17, 1930
Lifespan	The lifespan of the company is set at 99 years, except in the event of early dissolution or extension provided for in the articles of association or by law.
Commercial Register No.	Registered on June 4, 1951, in the CR of Casablanca no. 17 883
Financial year	From January 1 to December 31.
Share capital as of 30/06/2023	The share capital is set at MAD 999,130,800, divided into 9,991,308 shares of a single class of MAD 100 each, and fully paid up at their nominal value.
Consulting legal documents	The Company's legal documents, in particular the Articles of Association, the minutes of Shareholders' Meetings, management reports and statutory auditors' reports may be consulted at Managem's registered office.
Corporate purpose	According to Article 3 of the Articles of Association, the Company's purpose is: ▪ to acquire direct or indirect equity interests in any operations or businesses through the creation of companies, participation in their formation or in the capital increase of existing companies, or through limited partnerships, the purchase of shares or corporate rights or otherwise; ▪ the management of all mining, real estate, securities, financial, industrial or commercial businesses, companies or enterprises; ▪ the purchase, sale and exchange of all securities and interest shares; ▪ and, more generally, all transactions of any nature whatsoever relating to any of the above purposes.
Competent court in case of dispute	Commercial court of Casablanca
Legislative texts	Given its legal form, the company is governed by law no. 17-95 promulgated by Dahir no. 1-96-124 of August 30, 1996 relating to public limited companies, as amended and supplemented by laws no. 81-99, 23-01, 20-05, 78-12, amendment no. 20-19, amendment no. 19-20, and by its articles of association.

By virtue of its activity, it is subject to the Dahir of 16 April 1951 on mining regulations in Morocco and all legislative texts amending and supplementing the said Dahir, in particular:

- Dahir of 18 June 1958 modifying the Dahir of 9 Rajab 1370 on mining regulations;
- Dahir no 1-58-229 of 4 Moharem 1378 (21 July 1958) supplementing and amending the Dahir of 9 Rajab 1370 on mining regulations;
- decree no 2-59-392 of 25 Hija 1378 (July 2, 1959) supplementing decree no 2-57-1647 of 24 Jumada 1377 (December 17, 1957) fixing certain applications of the provisions of the Dahir of 9 rajab 1370 (April 16, 1951) relating to mining regulations;
- Dahir no1-62-097 of 16 Safar 1382 (July 19, 1962) supplementing and modifying the Dahir of 9 Rajab 1370 on mining regulations;
- Dahir no 1-62-193 of 24 Joumada 1 1382 (24 October 1962) amending the Dahir of 9 Rajab 1370 on mining regulations;
- decree no 2-80-273 of Rebia 1 1401 (January 9, 1981) approving the book fixing the procedure applicable to the adjudication of concessions provided for in article 89 of the dahir of 9 Rajab 1370 (April 16, 1951) on mining regulations;
- decree no2-79-298 fixing the attributions and organization of the Ministry of Energy and Mines.

By virtue of its listing on the Casablanca Stock Exchange, it is subject to all the legal and regulatory provisions relating to financial markets and in particular:

- Dahir no 1-16-151 of 21 kaada 1437 (August 25th 2016) relating to the promulgation of Law no19-14 relating to the Stock Exchange, brokerage firms and financial investment advisors;
- the general regulations of the Stock Exchange approved by the Order of the Minister of Economy and Finance no2208-19 of July 3, 2019;
- the General Regulation of the Moroccan Capital Market Authority as approved by Order no2169-19 of the Minister of Economy and Finance;
- Dahir 1-95-3 of January 26, 1995 promulgating Act 35-94 relating to certain negotiable debt instruments, as amended and supplemented;
- the circular of the Moroccan Capital Market Authority;
- Dahir 1-96-246 of January 9, 1997 promulgating Act 35-96 relating to the creation of a central depository and the institution of a general system for the registration of certain securities in accounts (amended and supplemented by Act 43-02);
- the General Regulations of the central depository approved by Order of the Minister of the Economy and Finance no932-98 of April 16, 1998 and amended by Order of the Minister of the Economy, Finance, Privatization and Tourism no1961-01 of October 30, 2001 and Order no77-05 of March 17, 2005;
- Dahir no1-04-21 of April 21, 2004 promulgating Act no26-03 relating to public offers on the Moroccan stock market, amended and supplemented by Act 46-06;
- Act 43-12 relating to the Moroccan Capital Market Authority;
- Act 44-12 relating to public offerings and the information required from legal entities and organizations making public offerings.

Tax system

- Managem is governed by common law tax legislation. It is subject to corporate income tax. Its operations are subject to VAT at a rate of 20%.

I. BRIEF OVERVIEW OF MANAGEM'S ACTIVITY

The Group Managem was created in 1928 and currently operates in three business segments: research, exploitation and valorization.

Managem's historical business consists of prospecting, extracting, developing and marketing various minerals, namely base metals (copper, zinc, lead), precious metals (gold and silver), special metals (cobalt cathode, nickel, etc.) from the hydro-metallurgical activity, and finally useful substances (fluorite).

Production

The table below lists Managem's various activities as of June 30, 2023:

Company	Country	Type	Unit	2020	2021	2022	Var. 21/20	Var. 22/21	H1 2022	H1 2023	Var. H1 23/H1 22
CMG	Morocco	Zinc concentrate	(T)	60 003	52 706	47 666	-12.16%	-10.00%	25 501	24 442	-4.20%
		Lead concentrates	(T)	13 882	12 574	10 174	-9.42%	-19.00%	5 701	5 291	-7.20%
		Copper concentrate	(T)	8 700	8 471	11 574	-2.63%	37.00%	5 148	11 574	>100%
SMI	Morocco	Silver	(Kg)	143 133	117 545	110 741	-17.88%	-5.80%	59 791	61 627	3.10%
AGM	Morocco	Copper concentrate	(T)	40 676	39 458	35 480	-2.99%	-10.00%	18 424	16 580	-10.00%
SOMIFER	Morocco	Copper concentrate	(T)	42 114	44 760	39 540	6.28%	-12.00%	21 970	21 818	-0.70%
CMO	Morocco	Copper concentrate	(T)	16 110	17 324	20 300	7.54%	17.00%	9 238	9 045	-2.10%
SAMINE	Morocco	Fluorine	(Kg)	39 847	34 945	0	-12.30%	100.00%	0	0	NA
SMM	Morocco	Gold	(Kg)	-	3 422	5 134	Ns	50.00%	2 901	2 285	-21.20%
MANUB	Sudan	Gold	(Kg)	1 688	1 332	1 494	-21.09%	12.00%	925	323	-65.10%
CTT	Morocco	Gold	(Kg)	143	147	167	2.80%	14.00%	87	47	-46.00%
CTT	Morocco	Cobalt cathodes	(mT)	2 416	1 796	1 690	-25.66%	-6.00%	736	798	8.40%
		Arsenic	(T)	7 694	6 883	5 450	-10.54%	-21.00%	2 298	2 564	11.60%
		Nickel derivatives	(T)	142	147	157	3.52%	7.00%	83	74	-10.80%
		Zinc oxide	(T)	4 791	2 237	0	-53.31%	NA	0	0	NA
		Sulfuric Acid	(T)	55 115	44 900	86 458	-18.53%	-	51 518	37 082	-28.00%
		Iron oxide	(T)	65 382	48 933	90 781	-25.16%	85.52%	54 094	38 936	-28.02%

Source: Managem

Sales

The breakdown of sales by type of concentrate and the related metal prices for the three previous years are as follows⁹:

	Unit	2020	2021	2022	Var 21/20	Var 22/21	H1 2022	H1 2023	Var. H1 22/H1 23
Consolidated Revenue	MMAD	4 726	7 423	9 645	57.10%	30.00%	5 466	4 181	-23.5%
<i>Average parity of sales</i>	<i>\$/MAD</i>	<i>9.44</i>	<i>9</i>	<i>10.18</i>	<i>-4.70%</i>	<i>13.00%</i>	<i>10.18</i>	<i>10.17</i>	<i>-0.1%</i>
Zinc									
Revenue	MMAD	323	458	465	41.80%	2.00%	279	173	-38.0%
Quantity	(t)	60 525	52 510	47 379	-13.20%	-10.00%	25 423	24 353	-4.2%
Price	(\$/t)	2 358	3 038	3 430	28.80%	13.00%	3 641	2 739	-24.8%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>6.80%</i>	<i>6.17%</i>	<i>4.82%</i>	<i>-66 bps</i>	<i>-135 bps</i>	<i>5.10%</i>	<i>4.14%</i>	<i>-97 bps</i>
Lead									
Revenue	MMAD	158	141	109	-10.80%	-23.00%	63	65	3.2%
Quantity	(t)	15 584	12 478	10 119	-19.90%	-19.00%	5 723	5 555	-2.9%
Price	(\$/t)	1 811	2 259	2 050	24.70%	-9.00%	2 235	2 114	-5.4%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>3.30%</i>	<i>1.90%</i>	<i>1.13%</i>	<i>-140 bps</i>	<i>-77 bps</i>	<i>1.15%</i>	<i>1.55%</i>	<i>40 bps</i>
Group copper									
Revenue	MMAD	1 243	1 575	1 422	26.70%	-10.00%	752	718	-4.5%
Quantity	(t)	111 180	109 851	102 737	-1.20%	-6.00%	52 392	56 299	7.5%
Price	(\$/t)	6 341	9 140	8 886	44.10%	-3.00%	9 280	8 132	-12.4%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>26.30%</i>	<i>21.22%</i>	<i>14.74%</i>	<i>-508 bps</i>	<i>-648 bps</i>	<i>13.76%</i>	<i>17.17%</i>	<i>342 bps</i>
Fluorine**									
Revenue	MMAD	124	95	0	-23.40%	NA	0	0	NA
Quantity	(t)	39 531	35 602	0	-9.90%	NA	0	0	NA
Price	(\$/t)	330	304	0	-7.90%	NA	0	0	NA
<i>Revenue Contribution</i>	<i>(%)</i>	<i>2.60%</i>	<i>1.28%</i>	<i>0</i>	<i>-132 bps</i>	<i>NA</i>	<i>0</i>	<i>0</i>	<i>0 bps</i>
SMI silver									
Revenue	MMAD	837	683	789	-18.40%	16.00%	415	523	26.0%
Quantity	(Kg)	139 708	116 260	108 559	-16.80%	-7.00%	56 488	70 491	24.8%
Price	(\$/Oz)	20	20.87	22.26	4.00%	7.00%	23	23	-0.3%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>17.70%</i>	<i>9.20%</i>	<i>8.18%</i>	<i>-515 bps</i>	<i>-102 bps</i>	<i>7.59%</i>	<i>12.51%</i>	<i>492 bps</i>
Group gold									
Revenue	MMAD	861	2 366	4 099	174.80%	73.00%	2 250	1 511	-32.8%
Quantity	(Kg)	1 763	4 585	6 868	160.10%	50.00%	3 803	2 478	-34.8%
Price	(\$/Oz)	1 776	1 779	1 807	3.00%	2.00%	1 879	1 863	-0.9%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>18.20%</i>	<i>31.87%</i>	<i>42.50%</i>	<i>-467 bps</i>	<i>-1063 bps</i>	<i>41.16%</i>	<i>36.14%</i>	<i>-502 bps</i>
cobalt cathodes***									
Revenue	MMAD	766	659	820	-14.00%	24.00%	464	298	-35.8%
Quantity	(kg)	2 397 058	1 391 000	1 408 000	-42.00%	1.00%	673 000	737 000	9.5%
Price	(\$/Lb)	15	22	27	46.70%	23.00%	34.1	17.2	-49.6%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>16.20%</i>	<i>11.05%</i>	<i>8.50%</i>	<i>-515 bps</i>	<i>-255 bps</i>	<i>8.49%</i>	<i>7.13%</i>	<i>-136 bps</i>
Hydrometallurgical products									

⁹ The product "Quantity * Price" is not equal to the revenue per metal. This situation is explained by sales formulas that include components such as treatment charges for metal concentrates, etc.

Revenue	MMAD	188	122	136	-35.10%	11.00%	73	39	-46.6%
Revenue Contribution	(%)	4.00%	1.64%	1.41%	-236 bps	-23 bps	1.34%	0.93%	-40 bps
Services and other products									
	MMAD	225	282	535	25.30%	90.00%	277	249	-10.1%
Revenue Contribution	(%)	4.80%	3.80%	5.55%	-100 bps	175 bps	5.07%	5.96%	89 bps
Copper Cobalt Pumpi									
	MMAD		881	1 270		44.00%	894	607	-32.1%
Revenue Contribution	(%)		11.87%	13.17%		130 bps	16.36%	14.52%	-184 bps

Source: Managem

* These figures do not include fluorite concentrate sold to cement manufacturers

III. SHAREHOLDING STRUCTURE

As of June 30, 2023, Managem's shareholding structure is as follows:

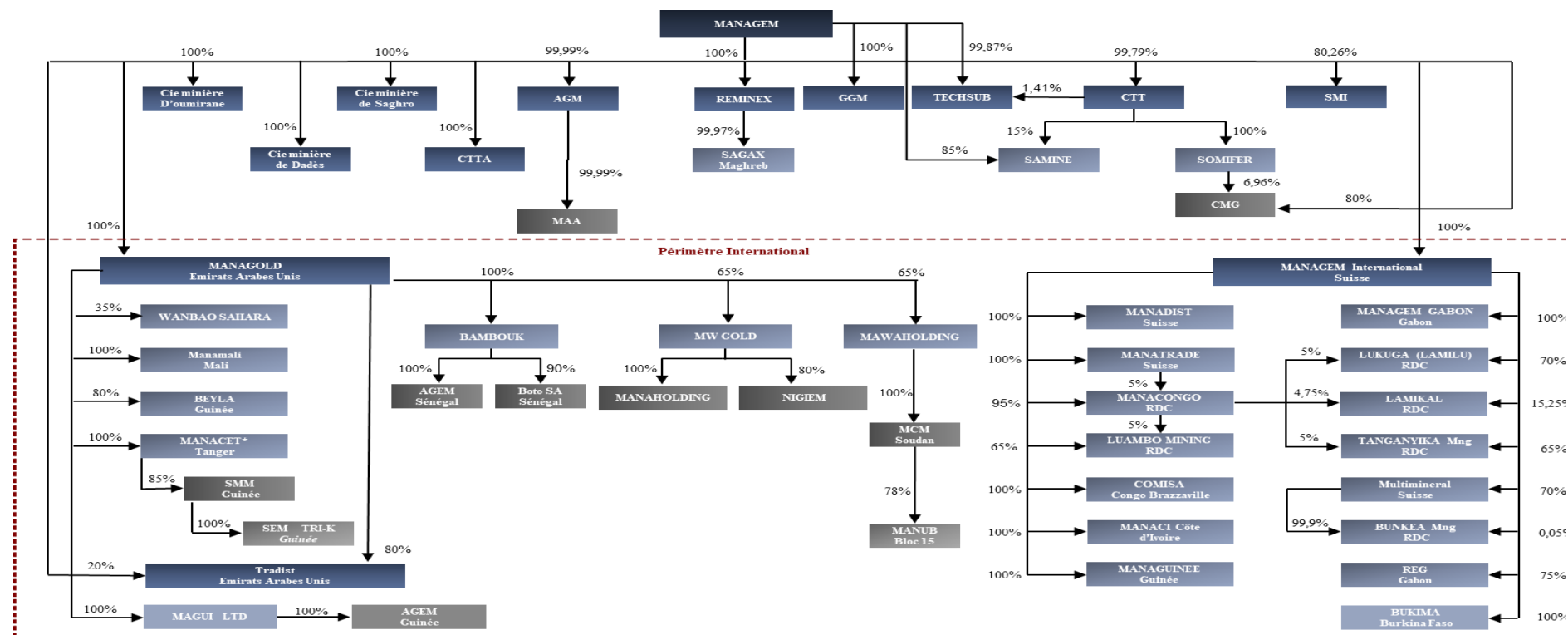
Shareholders	Number of shares and voting rights	Capital and voting rights %
Al Mada	7 643 148	76.4%
CIMR	868 565	8.7%
DAN Maroc	492 500	4.9%
Various shareholders - floating*	987 095	9.9%
Total	9 991 308	100.00%

Source: Managem

III. LEGAL ORGANIZATION CHART

Managem has both domestic and international subsidiaries. The structure of the Group as of June 30, 2023 is as follows:

Managem's legal organization chart as of June 30, 2023

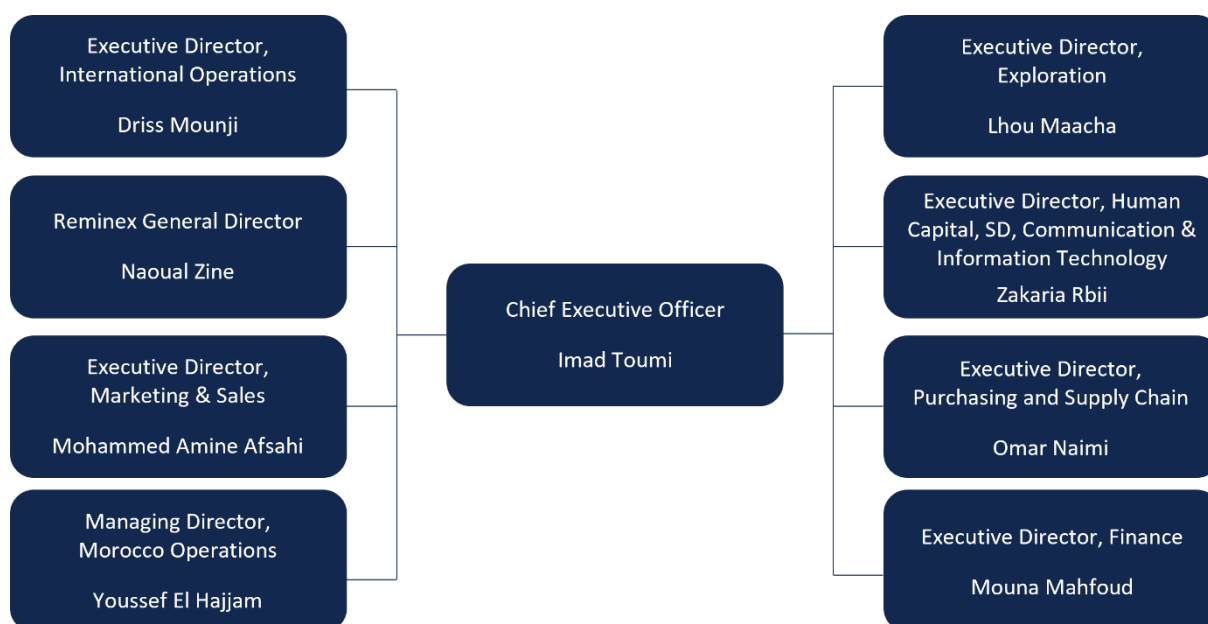


Source: Managem

* Manacet is the result of a JV with the company Avocet. Managem wanted to position itself in the international zone of Tanger, which encourages foreign investment.

As of June 30, 2023, Managem's functional organization chart was as follows:

Managem's functional organization chart



Source: Managem

PART III: FINANCIAL DATA

I. ANNUAL FINANCIAL STATEMENTS

Balance sheet

The following table shows the changes in Managem's balance sheet aggregates over the period 2020-2022:

In MMAD	2020	2021	2022	Var. 21/20	Var. 22/21
ASSETS					
Fixed assets	3 228	3 308	4 184	2.48%	26.49%
Non-valued fixed assets	5	2	2	-48.00%	21.56%
Preliminary fees	4	-	-	-100.00%	NA
Expenses to be spread over several fy	1	2	2	>100.0%	21.56%
Intangible fixed assets	114	71	32	-37.90%	-54.29%
Fixed assets in research and development	5	2	-	-50.00%	-100.00%
Patents, trademarks, rights and similar values	2	3	5	59.80%	57.17%
Other intangible assets	108	66	28	-39.00%	-57.97%
Property, plant and equipment	74	70	71	-5.00%	1.02%
Land	13	13	13	0.00%	-1.63%
Constructions	50	47	45	-6.60%	-3.93%
Technical installations, equipment and tools	3	2	2	-19.20%	-15.25%
Transport equipment	-	1	1	NA	-21.03%
Furniture, office equipment and miscellaneous fittings	4	6	4	53.70%	-30.72%
Property, plant and equipment in progress	4	1	6	-67.20%	513.41%
Financial fixed assets	3 036	3 164	4 079	4.20%	28.91%
Fixed loans	393	296	221	-24.70%	-25.22%
Other financial receivables	0	0	0	-85.70%	NA
Equity investments	2 642	2 868	3 857	8.50%	34.49%
Translation adjustments - Assets	-	-	-	NA	NA
Decrease in fixed assets	-	-	-	NA	NA
Increase in financial debt	-	-	-	NA	NA
Current assets (excluding PST)	3 289	3 393	4 815	3.10%	41.92%
Stocks	-	-	-	NA	NA

Goods	-	-	-	NA	NA
Consumable materials and supplies	-	-	-	NA	NA
Products in progress	-	-	-	NA	NA
Intermediate and residual products	-	-	-	NA	NA
Finished products	-	-	-	NA	NA
Receivables from current assets	3 229	3 357	4 812	4.00%	43.35%
Accounts payable, advances and down payments	29	29	29	0.00%	0.58%
Trade receivables and related accounts	288	499	655	73.40%	31.30%
Staff	0	0	1	-29.90%	NA
State	78	107	114	38.40%	6.59%
Associate Accounts	2 771	2 718	4 011	-1.90%	47.56%
Other receivables	0	-	-	-100.00%	NA
Accrued income and prepaid expenses	62	3	2	-95.60%	-30.19%
Translation adjustments - assets (current items)	61	36	3	-41.30%	-90.66%
Cash - Assets (including PST)	181	18	22	-90.20%	22.19%
Cheques and securities to be cashed	-	-	-	NA	NA
Banks, TG and CCP	181	18	22	-90.30%	20.84%
Cash, imprest accounts and letters of credit	0	0	0	-47.60%	NA
Securities and investment securities	-	-	-	NA	NA
Total ASSETS	6 698	6 718	9 022	0.30%	34.29%

Source: Managem

In MMAD	2020	2021	2022	Var. 21/20	Var. 22/21
LIABILITIES					
Permanent funding	3 423	5 389	6 488	57.40%	20.39%
Shareholders' equity	2 124	2 742	3 488	29.10%	27.19%
Capital stock	999	999	999	0.00%	0.01%
Issue, merger and contribution premiums	1 684	1 684	1 684	0.00%	0.01%
Legal reserve	100	100	100	0.00%	-0.09%
Other reserves	300	300	101	0.00%	-66.45%
Carry forward	-702	-960	-341	-36.70%	-64.44%
Net income for the fy	-258	618	945	>100.0%	52.94%

Similar shareholders' equity	-	-	-	NA	NA
Investment grant	-	-	-	NA	NA
Provisions for accelerated depreciation	-	-	-	NA	NA
Financing debts	1 293	2 646	3 000	>100.0%	13.38%
Investment grant	-	1 500	2 000	NA	33.33%
Provisions for accelerated depreciation	1 293	1 146	1 000	-11.30%	-12.74%
Long-term provisions for liabilities and charges	6	-	-	-100.00%	-100.00%
Provisions for risks	6	-	-	-100.00%	-100.00%
Provisions for charges	-	-	-	NA	NA
Currency translation adjustment - Liabilities	-	-	-	NA	NA
Increase in fixed assets	-	-	-	NA	NA
Decrease in financial debt	-	-	-	NA	NA
Current liabilities	856	1 083	1 966	26.60%	81.53%
Trade payables and related accounts	44	43	61	-3.40%	41.45%
Accounts payable, advances and down-payments	-	-	-	NA	NA
Staff	13	14	17	13.30%	18.19%
Social Organizations	10	12	13	20.40%	11.23%
State	13	9	31	-33.40%	NA
Associate Accounts	726	981	1 804	35.00%	83.90%
Other creditors	-	-	-	NA	NA
Accruals and deferred income	50	25	40	-50.40%	61.17%
Other provisions for liabilities and charges	61	36	3	-41.30%	-90.66%
Translation adjustments - liabilities (current items)	3	10	164	>100.0%	>100.0%
Total (F+G+H)	920	1 129	2 133	23%	89%
Cash - Liabilities	2 356	201	401	-91.50%	99%
Discount Credits				NA	NA
Cash credits		200	400	NA	100%
Banks (credit balances)	2 356	1	1	-100.00%	-25%
Total LIABILITIES	6 698	6 719	9 022	0.30%	34.27%

Source: Managem

Statement of management balances (Corporate Accounts)

The following table shows changes in the main aggregates of Managem's management balances over the period 2020-2022:

In MMAD	2020	2021	2022	Var. 21/20	Var. 22/21
Sale of goods and services produced	229	294	380	28.20%	29.31%
Turnover	229	294	380	28.20%	29.31%
Fixed assets produced by the company for itself	14	3	2	-78.10%	-27.56%
Change in product inventories	-	-	-	NA	NA
Production (1)	243	297	382	22.10%	28.73%
Consumed purchases of materials and supplies	27	25	32	-9.90%	29.84%
Other external expenses	59	60	70	1.30%	17.01%
Expenditure for the fiscal year (2)	86	84	103	-2.30%	22.22%
added value (1) - (2)	157	213	280	35.40%	31.30%
<i>Added value rate</i>	<i>68.60%</i>	<i>72.40%</i>	<i>73.68%</i>	<i>3.80 pts</i>	<i>1.17 pts</i>
Operating Grants	-	-	-	NA	NA
Taxes and duties	1	9	18	>100.0%	100%
Personnel expenses	67	86	97	28.70%	12.89%
Gross Operating Surplus	89	117	165	31.10%	40.70%
<i>Gross operating margin</i>	<i>39.00%</i>	<i>39.90%</i>	<i>43.42%</i>	<i>0.90 pts</i>	<i>3.40 pts</i>
Other operating income	9	0	3	-96.80%	NA
Recovery of operations, transfer of charges	-	-	9	NA	NA
Other operating expenses	1	2	2	>100.0%	-19%
Operating allocations	22	53	52	>100.0%	-2%
Operating income	75	62	122	-17.40%	97.50%
<i>Operating margin</i>	<i>33.00%</i>	<i>21.20%</i>	<i>32.11%</i>	<i>-11.80 pts</i>	<i>11.01 pts</i>
Financial Products	150	507	1 030	>100.0%	103%
Income from equity interests and other long-term securities	5	66	792	>100.0%	1100%
Foreign exchange gains	1	2	17	>100.0%	742%
Interest and other financial income	143	152	181	6.60%	19%
Financial withdrawals, transfer of charges	2	286	40	>100.0%	-86%

Financial expenses	605	190	290	-68.60%	52%
Interest expenses	142	144	136	1.30%	-6%
Foreign exchange losses	5	11	0	>100.0%	-95%
Other financial expenses	-	-	-	NA	NA
Financial allocations	459	36	153	-92.30%	326%
Financial income	-455	317	740	>100.0%	133%
Current income	-380	379	862	>100.0%	128%
Non-current revenue	166	275	134	65.30%	-51%
Proceeds from disposal of fixed assets	0	5	-	>100.0%	NA
Other non-current income	-	-	-	NA	NA
Non-current take-backs, expense transfers	166	270	134	62.10%	-50%
Non-current expenses	43	33	45	-21.80%	37%
Net book value of fixed assets sold	-	5	-	NA	NA
Grants awarded	-	-	-	NA	NA
Other non-current expenses	1	1	15	-11.00%	>100.0%
Non-current allocations	41	27	30	-35.00%	12%
Non-current income	124	242	89	95.40%	-63.22%
Pre-tax income	-256	621	951	>100.0%	53.2%
Income Taxes	2	2	6	16.00%	>100.0%
Net income	-258	619	945	>100.0%	52.67%
<i>Net Margin</i>	<i>-112.70%</i>	<i>210.80%</i>	<i>248.68%</i>	<i>323.50 pts</i>	<i>37.82 pts</i>

Source: Managem

Consolidated balance sheet

The table below shows changes in the Managem Group's consolidated balance sheet between 2020 and 2022:

In MMAD	2020	2021	2022	Var. 21/20	Var. 22/21
ASSETS					
Goodwill	305	305	305	0.00%	0.13%
Intangible fixed assets	2 219	2 365	2 702	6.60%	14.24%
Property, plant and equipment	5 786	6 701	7 487	15.80%	11.74%
Fixed assets with right of use	290	251	233	-13.60%	-7.28%
Investment properties	9	9	9	0.00%	-1.67%
Investments in associates	120	195	312	61.50%	60.15%
Other financial assets	313	318	351	1.70%	10.48%
<i>Hedging derivative instruments</i>	-	-	25	NA	NA
<i>Loans and receivables</i>	54	57	65	5.00%	13.70%
<i>Available-for-sale financial assets</i>	259	262	262	0.90%	0.17%
Deferred tax assets	231	129	11	-44.40%	-90.92%
Non-current assets	9 274	10 272	11 412	10.80%	11.10%
other financial assets	2	-	10	-100.00%	NA
<i>of which hedging derivatives</i>	2	-	-	-100.00%	NA
Inventories and ongoing	868	1 131	1 759	30.40%	55.53%
Trade receivables	977	2 227	1 576	>100.0%	-29.22%
Other current receivables	1 623	1 536	2 051	-5.30%	33.54%
Cash and equivalents	918	1 727	2 496	88.10%	44.54%
Current assets	4 388	6 622	7 893	50.90%	19.19%
Total assets	13 662	16 894	19 305	23.70%	14.27%

In MMAD	2020	2021	2022	Var. 21/20	Var. 22/21
LIABILITIES					
Shares	999	999	999	0.00%	0.01%
Issue and merger premiums	1 657	1 657	1 657	0.00%	0.02%
Reserves	1 265	2 117	2 807	67.40%	32.59%

Currency translation differences	69	154	499	>100.0%	>100.0%
Net profit attributable to equity holders of the group	225	862	1 614	>100.0%	87.30%
Shareholders' equity - group share	4 215	5 789	7 577	37.40%	30.89%
Minority interests	280	455	631	62.60%	38.68%
Consolidated shareholders' equity	4 495	6 244	8 208	38.90%	31.45%
Provisions	115	161	195	39.50%	21.43%
Pension liabilities	259	298	276	15.30%	-7.40%
Non-current financial debts	3 444	5 426	5 440	57.50%	0.26%
<i>of which derivative financial instruments</i>	450	205	209	-54.40%	2.06%
<i>of which due to credit institutions</i>	1 835	2 588	3 104	41.00%	19.95%
<i>of which debt securities</i>	1 000	2 500	2 000	>100.0%	-20.00%
<i>of which debts related to finance leases</i>	-	-	-	NA	NA
<i>Of which Payables related to right-of-use contracts</i>	159	133	127	-16.50%	-4.69%
Deferred tax liabilities	33	32	72	-2.80%	126.21%
Other non-current credits	0	0	0	-24.10%	-2.63%
Non-current liabilities	3 852	5 918	5 984	53.60%	1.12%
Current financial debts	3 213	543	901	-83.10%	65.85%
<i>of which derivative financial instruments</i>	3	10	26	>100.0%	>100.0%
<i>of which due to credit institutions</i>	3 210	533	874	-83.40%	64.02%
Current trade payables	797	1 328	1 553	66.50%	16.97%
Other current creditors	1 305	2 862	2 659	>100.0%	-7.10%
Non-current liabilities	5 316	4 732	5 113	-11.00%	8.05%
Total liabilities	13 662	16 894	19 305	23.70%	14.27%

Source: Managem

* The item "Investments in associates" corresponds to the valuation of the residual interest in Lamikal, recorded at fair value.

Consolidated income statement

The table below shows changes in the Managem Group's consolidated income statement aggregates over the period 2020 – 2022:

In MMAD	2020	2021	2022	Var. 21/20	Var. 22/21
Turnover	4 726	7 423	9 645	57.07%	29.94%
Other income from operations	-8	210	143.621	>100.0%	68.39%

Revenue from ordinary activities	4 718	7 633	9 789	61.78%	28.24%
Purchases, net of changes in inventories	1 967	3 254	4 273	65.43%	31.32%
Gross Margin	2 750	4 379	5 516	59.20%	25.96%
<i>(Gross Margin/ Turnover)</i>	<i>58.20%</i>	<i>59.00%</i>	<i>57.19%</i>	<i>79 bps</i>	<i>-181.3 bps</i>
Other external expenses	-1 134	-1 875	-2 269	-65.34%	-21.00%
Staff costs	-1 084	-1 139	-1 264	-5.07%	-11.00%
Tax and duties	-47	-79	-113	-68.09%	-42.96%
Depreciation, amortization and provisions	-1 125	-1 453	-1 447	-29.10%	0.43%
Other net operating (income) expenses	1 163	1 485	1 570	27.70%	-5.72%
Current operating income	522	1 317	1 993	>100.0%	-51.33%
Disposal of assets	1	1	0	-22.70%	-
Disposals of subsidiaries and affiliates	0	0	-	NA	-
Negative goodwill	0	0	-	NA	-
Results on financial instruments	-4	9	-17	>100.0%	286.41%
Other non-current operating income and expenses	-76	-68	-6	10.40%	90.67%
Income from operating activities	444	1 260	1 970	>100.0%	>100.0%
<i>operational margin</i>	<i>9.39%</i>	<i>16.97%</i>	<i>20.42%</i>	<i>759 bps</i>	<i>344.60 bps</i>
Income from interest	56	40	49	-28.57%	22.28%
Expenses from interest	-239	-313	-289	-31.00%	-7.55%
Net financial debt cost	-183	-273	-240	-49.50%	<-100.00%
Other financial income and expenses	41	25	94	-40.10%	>100.0%
Financial income	-142	-249	-146	-75.40%	-41.36%
Pre-tax income of consolidated companies	302	1 012	1 824	>100.0%	80.20%
<i>Pre-tax margin</i>	<i>6.39%</i>	<i>13.63%</i>	<i>18.91%</i>	<i>724 bps</i>	<i>527.32 bps</i>
Income taxes	-46	-80	-64	-73.00%	-20.55%
Deferred Taxes	4	-72	-166	<-100%	>100.0%
Net income for the consolidated group	259.6	859.2	1 595	>100.0%	>100.0%
Share in results of companies accounted for by the equity method	-10.6	67	157	>100.0%	>100.0%

Net income from continuing operations	249	926.2	1 751	>100.0%	89%
<i>Net Margin</i>	<i>5.27%</i>	<i>12.48%</i>	<i>18.16%</i>	<i>721 bps</i>	<i>567.93 bps</i>
Minority interests	24	65	137	>100.0%	>100.0%
Net income - Group share	225	862	1 615	>100.0%	87.0%
Earnings per share (EPS)	23	86	162	>100.0%	88.3%

Source: Managem

Half-yearly financial statements

Balance sheet

The following table shows changes in Managem's balance sheet aggregates over the period 2022-June 2023:

In MMAD	31/12/2022	June -23	Var. %
ASSETS			
Fixed assets	4 184	7 619	82.09%
Non-valued fixed assets	2	2	2.00%
Preliminary fees	-	-	NA
Expenses to be spread over several fy	2	2	2.00%
Intangible fixed assets	32	33	1.88%
Fixed assets in research and development	-	-	NA
Patents, trademarks, rights and similar values	5	5	-2.00%
Other intangible assets	28	28	-1.07%
Property, plant and equipment	71	68	-4.79%
Land	13	13	-2.31%
Constructions	45	46	2.00%
Technical installations, equipment and tools	2	1	-30.00%
Transport equipment	1	1	-37.00%
Furniture, office equipment and miscellaneous fittings	4	3	-20.00%
Property, plant and equipment in progress	6	4	-40.83%
Financial fixed assets	4 079	7 454	82.74%
Fixed loans	221	3 191	>100%
Other financial receivables	0	0	NA
Equity investments	3 857	4 263	10.52%
Translation adjustments - Assets	-	62	NA
Decrease in fixed assets	-	62	NA
Increase in financial debt	-		NA
Current assets (excluding PST)	4 815	4 725	-1.89%
Stocks	-		NA
Goods	-		NA

Consumable materials and supplies	-		NA
Products in progress	-		NA
Intermediate and residual products	-		NA
Finished products	-		NA
Receivables from current assets	4 812	4 723	-1.85%
Accounts payable, advances and down payments	29	41	41.72%
Trade receivables and related accounts	655	686	4.75%
Staff	1	1	2.90%
State	114	101	-11.40%
Associate Accounts	4 011	3 892	-2.97%
Other receivables	-		NA
Accrued income and prepaid expenses	2	2	1.00%
Translation adjustments - assets (current items)	3	2	-44.61%
Cash - Assets (including PST)	22	4	-82.65%
Cheques and securities to be cashed	-		NA
Banks, TG and CCP	22	3	-84.50%
Cash, imprest accounts and letters of credit	0	0	NA
Securities and investment securities			NA
Total ASSETS	9022	12 348	36.87%

In MMAD	31/12/2022	June -23	Var. %
LIABILITIES			
Permanent funding	6 488	8 444	30.15%
Shareholders' equity	3 488	3 381	-3.08%
Capital stock	999	999	0.01%
Issue, merger and contribution premiums	1 684	1 684	0.00%
Legal reserve	100	100	-0.10%
Other reserves	101	101	-0.40%
Carry forward	-341	304	<-100%
Net income for the fy	945	193	-79.62%
Similar shareholders' equity	-	-	NA

Investment grant	-	-	NA
Provisions for accelerated depreciation	-	-	NA
Financing debts	3 000	5 000	66.67%
Investment grant	2 000	2 000	0.00%
Provisions for accelerated depreciation	1 000	3 000	>100%
Long-term provisions for liabilities and charges	-	62	NA
Provisions for risks	-	62	NA
Provisions for charges	-		NA
Currency translation adjustment - Liabilities	-	1	NA
Increase in fixed assets	-	1	NA
Decrease in financial debt	-		NA
Current liabilities	1 966	2 588	31.63%
<i>in % of total balance sheet</i>	61	60	-1.79%
Trade payables and related accounts	-	-	NA
Accounts payable, advances and down-payments	17	16	-4.61%
Staff	13	16	20.90%
Social Organizations	31	24	-22.71%
State	1 804	1 694	-6.11%
Associate Accounts	-	705	NA
Other creditors	40	73	81.85%
Accruals and deferred income	3	2	-50.60%
Other provisions for liabilities and charges	164	46	-72.13%
Translation adjustments - liabilities (current items)	2 133	2 635	24%
Cash - Liabilities	401	1 269	>100%
Discount Credits			NA
Cash credits	400	950	>100%
Banks (credit balances)	1	319	>100%
Total LIABILITIES	9 022	12 348	36.87%

Source: Managem

Statement of management balances (Corporate Accounts)

The following table shows changes in the main aggregates of Managem's management balances over the period from June 2022 to June 2023:

In MMAD	June-22	June-23	Var. %
Sale of goods and services produced	185	168	-9.19%
Turnover	185	168	-9.19%
Fixed assets produced by the company for itself	1	0	-100.00%
Change in product inventories	0	0	0.00%
Production (1)	185	168	-9.17%
Consumed purchases of materials and supplies	13	13	1.60%
Other external expenses	38	27	-28.42%
Expenditure for the fiscal year (2)	51	40	-21.15%
added value (1) - (2)	135	129	-4.65%
<i>Added value rate</i>	<i>72.98%</i>	<i>76.00%</i>	<i>3.3pts</i>
Operating Grants	0	0	0.00%
Taxes and duties	9	8	-4.55%
Personnel expenses	44	49	12.36%
Gross Operating Surplus	82	71	-13.73%
<i>Gross operating margin</i>	<i>44.56%</i>	<i>42.18%</i>	<i>-2.4pts</i>
Other operating income	2	0	-100.00%
Recovery of operations, transfer of charges	9	0	-100.00%
Other operating expenses	2	2	-6.25%
Operating allocations	45	6	-87.44%
Operating income	46	64	37.37%
<i>Operating margin</i>	<i>25.07%</i>	<i>38.00%</i>	<i>12.7pts</i>
Financial Products	910	321	-64.73%
Income from equity interests and other long-term securities	784	151	-80.73%
Foreign exchange gains	16	8	-48.41%
Interest and other financial income	75	159	111.19%
Financial withdrawals, transfer of charges	36	3	-90.45%
Financial expenses	227	190	-16.17%
Interest expenses	65	121	86.59%

Foreign exchange losses	33	5	-84.89%
Other financial expenses	-	-	NA
Financial allocations	162	64	-60.43%
Financial income	683	131	-80.85%
Current income	729	194	-73.35%
Non-current revenue	134	-	NA
Proceeds from disposal of fixed assets	-	-	NA
Other non-current income	-	-	NA
Non-current take-backs, expense transfers	134	-	NA
Non-current expenses	37	0	-98.90%
Net book value of fixed assets sold	-	-	NA
Grants awarded	-	-	NA
Other non-current expenses	13	0	-97.15%
Non-current allocations	23	-	NA
Non-current income	98	0	-100%
Pre-tax income	827	194	-76.54%
Income Taxes	5	1	-71.74%
Net income	822	193	-76.57%
<i>Net margin</i>	<i>445.20%</i>	<i>114.00%</i>	<i>-330.8pts</i>

Source: Managem

Consolidated balance sheet

The table below shows changes in the Managem Group's consolidated balance sheet between 2022 and June 2023:

In MMAD	31/12/2022	June - 23	Var. %
ASSETS			
Goodwill	305	305	0.00%
Intangible fixed assets	2 702	3 697	36.83%
Tangible fixed assets	7 487	8 820	17.80%
Fixed assets in right of use	233	209	-10.47%
Investment properties	9	9	-1.11%
Investments in associates*	312	269	-13.78%
Other financial assets	352	306	-13.1%
<i>Hedging derivative instruments</i>	25		-100.00%
<i>Loans and receivables</i>	65	44	-31.85%
<i>Available-for-sale financial assets</i>	262	261	-0.27%
Deferred tax assets	11	30	>100%
Other non-current receivables. net	-	44	NA
Non-current assets	11 412	13 688	19.94%
Other financial assets	10	76	>100%
<i>of which hedging derivatives</i>	-	76	NA
Inventories and work in progress	1 759	1 814	3.11%
Trade receivables	1 576	1 463	-7.16%
Other current receivables	2 051	2 214	7.95%
Cash and cash equivalents	2 496	2 632	5.45%
Current Assets	7 893	8 199	3.87%
Total Assets	19 305	21 886	13.37%

	31/12/2022	June - 23	Var. %
LIABILITIES			
Shares	999	999	0.01%
Issue and merger premiums	1 657	1 657	0.02%
Reserves	2 807	4 137	47.37%
Currency translation differences	499	303	-39.38%
Net income (group share)	1 615	305	-81.12%
Shareholders' equity - group share	7 577	7 400	-2.33%
Minority interests	631	663	5.1%
Consolidated shareholders' equity	8 208	8 064	-1.76%
Provisions	195	201	3.18%
Pension liabilities	276	291	5.58%
Non-current financial debts	5 440	7 142	31.29%
<i>of which derivative financial instruments</i>	209	165	-21.0%
<i>of which due to credit institutions</i>	3 104	4 873	57.00%
<i>of which debt securities</i>	2 000	2 000	0.00%
<i>of which debts related to finance leases</i>	-	-	NA
<i>of which liabilities related to right-of-use contracts</i>	127	104	-18.35%
Deferred tax liabilities	72	65	-10.8%
Other non-current loans	296	70	-76.42%
Non-current liabilities	5 984	7 769	29.83%
Current financial debts	901	1 525	69.27%
<i>of which derivative financial instruments</i>	26	0	-99.62%
<i>of which due to credit institutions</i>	974	1 525	56.57%
Current trade payables	1 553	1 732	11.55%
Other current payables	2 659	2 796	5.15%
Current liabilities	5 113	6 053	18.39%
Total Liabilities and shareholders' equity	19 305	21 886	13.37%

Source: Managem

* The item "Investments in associates" corresponds to the valuation of the residual interest in Lamikal, recorded at fair value.

Consolidated income statement

The table below shows changes in the Managem Group's consolidated income statement aggregates over the period June 2022 - June 2023:

In MMAD	June-22	June-23	Var. %
Turnover	5 466	4 182	-23.50%
Other income from operations	219	157	-28.30%
Revenue from ordinary activities	5 685	4 338	-23.68%
Purchases, net of changes in inventories	-2 383	-1 961	-17.70%
Gross Margin	3 302	2 377	-28.01%
<i>(Gross Margin/ Turnover)</i>	<i>60.40%</i>	<i>56.85%</i>	<i>-3.55 bps</i>
Other external expenses	-1 157	-1 030	-11.00%
Staff costs	-638	-666	4.36%
Tax and duties	-44	-88	98.87%
Depreciation, amortization and provisions	-864	-737	-14.73%
Other net operating (income) expenses	694	786	13.35%
Current operating income	1 292	643	-50.23%
Disposal of assets	0	-	NA
Disposals of subsidiaries and affiliates	0	-	NA
Negative goodwill	0	-	NA
Results on financial instruments	-4	19	<-100%
Other non-current operating income and expenses	8	-32	<-100%
Income from operating activities	1 296	630	-51.38%
<i>operational margin</i>	<i>23.70%</i>	<i>15.07%</i>	<i>-8.63 bps</i>
Income from interest	9	62	>100%
Expenses from interest	-134	-207	54.13%
Net financial debt cost	-126	-145	15.22%
Other financial income and expenses	76	122	61.19%
Financial income	-50	-266	>100%
Pre-tax income of consolidated companies	1 246	364	-70.80%
<i>Pre-tax margin</i>	<i>22.80%</i>	<i>8.70%</i>	<i>-14.10 bps</i>
Income taxes	-65	-42	-35.49%

Deferred Taxes	-94	31	<-100%
Net income for the consolidated group	1 087	353	-67.57%
Share in results of companies accounted for by the equity method	236	-29	<-100%
Net income from continuing operations	1 323	324	-75.54%
<i>Net Margin</i>	<i>24.20%</i>	<i>7.74%</i>	<i>-16.46 bps</i>
Minority interests	113	19	-83.42%
Net income - Group share	1 210	305	-74.80%
No. of shares - Parent	9 991 308.0	9 991 308	
Earnings per share calculation	121.1	30.5	

Source: Managem

PART IV: RISK FACTORS

Risks relating to Managem's activity

Given the nature of its activities, Managem Group is exposed to a certain number of risks, as detailed below:

Risks related to variations in the price of raw materials

Due to Managem's activity, its sales are conditioned by prices set on international markets. Its sales may be significantly affected by fluctuations in raw material prices, whether upward or downward.

In order to limit the fluctuation risks related to changes in raw material prices, Managem may use hedging instruments for products that it markets and that are traded on organized markets. The hedging relationship corresponds to the hedging of future cash flows arising from future sales of raw materials (zinc, lead, copper, silver and gold) determined based on a production schedule. Derivative instruments are intended to hedge a forecast budget or future cash flows. It is a cash-flow hedge type relationship.

Managem's development plan takes this risk into account and has as its main objective the diversification of products sold, focusing on products with a very high resistance factor (precious metals) and products with very buoyant fundamentals over the medium and long term (copper, cobalt, zinc, etc.).

Managem's resilience to fluctuations in raw material prices should be noted, given the competitiveness of its cash costs. Indeed, the cash costs of Managem's various products are well positioned in relation to the competition.

Hedged price risk

Given the nature of its activities, the Managem Group is highly exposed to fluctuations in the prices of the raw materials it sells at the exchange rates used in its sales.

The hedging policy aims to protect the Managem Group from price risks likely to have a significant impact on its profitability in the short and medium term.

In order to manage these market risks, the use of derivative financial instruments (commodities and foreign exchange) is permitted for the sole purpose of hedging.

Derivatives used by the Group are qualified as cash flow hedges or trading derivatives under IAS 39.

Currency risk

The Group's foreign exchange risk policy is designed to hedge highly probable foreign currency budgetary exposures and/or firm import and export commitments.

Future foreign currency exposures are determined as part of a regularly updated budget procedure. The current hedging horizon does not exceed one year at each balance sheet date.

Currency hedging instruments are intended to cover a forecast budget or future cash flows. It is a cash-flow hedge type relationship.

Most of Managem's export sales are denominated in dollars and, to a lesser extent, in euros. As a result, sales can be significantly affected by exchange rate fluctuations.

In order to limit foreign exchange risk, Managem uses currency hedging contracts. It should be noted that this risk could be mitigated by the existing negative correlation between the dollar and raw material prices.

Risks related to resources and reserves

Ore reserves are a fundamental element in the operation of a purely mining company. As a result, once reserves are exhausted, the mine is closed and the company's operations cease.

For Managem, this risk is mitigated by the fact that it has quality deposits with significant discovery potential, good exploration performance and low research costs. Indeed, Managem devotes a significant budget each year to exploration, both locally and internationally, in order to increase its current resources and to have several sources of ore supply, which limits this risk.

It should be noted that Managem's performance in terms of exploration (balance sheet of discoveries, quality of resources, etc.) is audited annually according to the Canadian standard "NI 43-101" by an international firm.

Furthermore, ore grade remains an important factor in the production level of a mining company. Managem's in-depth knowledge of the site, control of the production process and expertise in research and development are assets that enable it to contain the variation in average grades recorded annually within a stable range, or to smooth the average grade curve to be as close as possible to the forecast data established by the operating program for each mine.

Technical risks

Technical risks are inherent in any mining activity. To contain them, Managem has in-depth knowledge of deposits and facilities, control of the production process and in-depth expertise.

For new projects, Managem conducts pilot and laboratory tests as well as pre-production trials. This approach makes it possible to identify any problems that may arise during the start-up of operations and to make the necessary corrections to ensure the smooth running of the exploitation phase.

Safety and environmental risks

Given the specific nature of the tasks involved in mining and hydrometallurgy, i.e. depths of up to several hundred meters and the handling of hazardous products, certain risks weigh on the operation and its employees.

To address these risks, Managem has developed several programs aimed at improving safety in mines and on production sites.

On the environmental front, Managem has set up programs to adapt its production tools and upgrade sites to bring them closer to international standards and anticipate local regulations. In this context, regular diagnostics are carried out and potential risks are examined, resulting in environmental indicators that are gradually improving.

Regulatory risks

As Managem operates in several countries with different laws and regulations, the Group is exposed to potential changes in regulations which may in some cases affect mining operations or even their profitability. To mitigate this risk, Managem undertakes to set up specific mining agreements upstream of project start-ups. These agreements, which are discussed and duly validated by the relevant authorities, guarantee preferential and stable conditions, and list the rights and obligations of the legal entity established in the country. This scheme is currently being adopted in Guinea, Sudan and Senegal.

Risks related to foreign activities

Given the developments envisaged internationally, Managem is exposed to risks related to local regulations and political instability in the countries where the Group operates. Nevertheless, this risk is mitigated to the extent that it is integrated into project profitability objectives. It is also mitigated by a strategy of geographic diversification.

Social risks

Social risks are managed by Managem through a policy of listening and ongoing dialogue with employee representatives, the granting of benefits that meet employee needs and the involvement of all employees in the implementation of the Group's vision.

Tax risks

Tax risks are managed by the Managem Group through a policy of exchange and permanent dialogue with the tax authorities of the countries in which it invests. Tax risks are anticipated through the preparation of detailed documentation, particularly on transfer pricing between Managem and its subsidiaries, and through audit assignments and reviews of tax returns, which are carried out virtually every year.

Also, prior to any restructuring operation, requests for clarification of the inherent tax treatment are sent to the tax authorities concerned as part of a prior tax consultation "the tax rescript".

Risks related to license renewals

In order to avoid the risks associated with the non-renewal of permits, the Managem Group strictly applies the administrative procedure in force that allows for the issue of renewals. This procedure consists of:

- production of a report on previous work carried out on the permit requested for renewal and the expenses incurred;
- production of a report on the estimated work to be carried out and the budgets that will be mobilized in the context of the operation;
- the operating permits requested for renewal are subject to systematic regulatory investigations in the field to enable the Administration to assess the work carried out.

Risks related to natural disasters

In order to protect itself against the damage that could be caused by a possible natural phenomenon such as flooding, Managem carries out the following prior to any investment project:

- environmental impact studies;
- the implementation of safety plans consisting of the installation of fire networks, evacuation plans, alarms, etc.

Likewise, the Managem Group protects itself against possible natural phenomena by taking out insurance policies that would cover possible material and inventory losses and compensation for production stoppages.

Risks related to Managem's customers

The Managem Group markets commodities including silver, gold, zinc, lead, copper and cobalt (recently listed) listed on international markets. As a result, the risk of losing a potential customer is virtually nil due to the presence of market makers. However, for certain niche or specialty products (Zinc Oxide and Fluorine), this risk is managed through approval processes and the expansion of the customer portfolio.

Risks related to geopolitical tensions

The Group Managem operates on the African continent, where geopolitical instabilities can affect the Group's commercial and industrial performance. The Sudanese crisis has had a direct and significant impact on Managem's results through the suspension of its operations in Sudan.

Risks related to access to financing

Through its subsidiaries, Managem is involved in various investments, some of which require external financing. Limited or compromised access to financing may restrict the company's growth and operating efficiency. Managem is committed to diversifying its sources of financing as well as its financial partners, and is defining a realistic financing strategy in parallel with the expansion of its project pipeline.

Risks related to interest-rate volatility

A rise in the cost of debt may limit our ability to raise funds. Managem endeavors to carry out financing operations at competitive rates, positioning itself on curves that reduce financial expenses, and for international debts, hedging instruments are put in place.

Risks related to indebtedness

A high level of indebtedness can increase the Group's vulnerability in times of falling commodity prices. Managing financial resources is therefore a priority for the Managem Group, and a balance between cash flow from operations, guaranteed sources of financing and equity contribution is a steering exercise carried out on a regular basis.

Risk factors relating to the financial instruments offered

Liquidity risk

Subscribers to Managem shares may be subject to liquidity risk on the stock market. Depending on market conditions and share price trends, the stock's liquidity may be temporarily affected. Thus, a shareholder wishing to sell his or her shares may, to a certain extent, be unable to sell all or part of the shares held within a short timeframe, with or without a discount on the capital.

Price volatility risks

Listed shares are subject to the rules of supply and demand, which determine their value on the stock market. Share price trends are determined in particular by the achievements and financial performance of listed companies, and the development prospects anticipated by investors. As a result, investors may experience a significant rise or fall in the value of the listed securities they hold.

Capital loss risk

Participation in a company's capital involves the risks inherent in any investment. Should one or more of these risks materialize, losses may be incurred up to and including the total loss of the contribution and related transaction costs, and thus of the entire capital invested.

In addition, if the investor has borrowed external capital to pay for the investment, the maximum risk is higher, since the obligations arising from the loan contract remain with the lender, regardless of the evolution of the investment in Managem's capital, and the lender may take action against the investor for an amount exceeding the capital invested.

Risk of dilutive impact on shareholders not taking part in the operation

In the event of non-participation in the operation, holders of preferential subscription rights who have not exercised their rights are exposed to a risk of dilution.

Risks associated with preferential subscription rights (PSRs)

Holders of preferential subscription rights run the risk of losing the value of their rights at the end of the subscription period. PSRs holders are also exposed to a risk relating to the subscription parity. They may not be able to acquire a sufficient number of PSRs to achieve the required parity.

DISCLAIMER

The above information constitutes only part of the prospectus approved by the Moroccan Capital Market Authority (AMMC) under reference no. VI/EM/005/2024 on The AMMC recommends reading the whole prospectus made available to the public in French.