

SUMMARY PROSPECTUS



Managem

COMMERCIAL PAPERS ISSUANCE PROGRAM

SUMMARY PROSPECTUS UPDATE RELATED TO THE FISCAL YEAR 2017

Issuance Program Ceiling	Face value
1 000 000 000 MAD	100 000 MAD

**Centralizing body and collector of
subscription orders**

ATTIJARI FINANCES CORPS.



Attijariwafa bank

CORPORATE FINANCE

Agency in charge of the placement

ATTIJARIWAFABANK



التجاري وفا بنك
Attijariwafa bank

APPROVAL OF THE MOROCCAN CAPITAL MARKET AUTHORITY (AMMC)

"In accordance with article 18 of Dahir 1-95-3 of 24 Sha'aban 1415 (January 26, 1995) promulgating Law 35-94 on certain negotiable debt securities, as amended and supplemented, the original of the present prospectus summary was approved by the AMMC under the reference n° VI/EM/019/2018 on 27th September 2018.

The AMMC visa does not imply approval of the appropriateness of the operation or authentication of the information presented. It was attributed after examination of the relevance and consistency of the information given, in the context of the proposed transaction to investors.

DISCLAIMER

On 27th September 2018 the Moroccan Capital Market Authority (AMMC) approved a prospectus related to the update of a commercial paper issuance program by Managem.

The prospectus approved by the AMMC is available at any time at the head office of Managem and the financial advisor Attijari Finances Corp. It is also available within 48 hours' notice at the offices of the institutions responsible for collecting subscription orders.

The prospectus is available to the public on the AMMC website (www.ammc.ma).

PART I. TRANSACTION OVERVIEW

I. OBJECTIVES OF THE OPERATION

Managem S.A. would like to continue its commercial papers issuance program in order to:

- optimize the cost of short-term financing by partially replacing existing bank loans with commercial papers;
- deal with the temporary cash-flow needs;
- vary funding sources.

II. INFORMATION ON THE SECURITIES TO BE ISSUED

Nature of securities	Negotiable debt securities dematerialized by registration with the Central Depository (Maroclear) and registered in an account with authorized affiliates.
Legal form of securities	Commercial Papers out to bearer
Issuance ceiling	1,000,000,000 MAD
Face value	100,000 MAD
Number of securities	10,000
Maturity	Between 10 days and 12 months
Date of enjoyment	To be defined at each issuance
Due date	To be defined at each issuance
Interest rate	Fixed for each issue depending on market conditions
Interest	Post-counted
Coupon payment	In fine, at due date of each commercial paper
Repayment	In fine, at due date of each commercial paper
Assimilation clause	The commercial paper issued is not assimilated to any previous issue
Negotiability of securities	No restriction is imposed by the conditions of the issuance in regards to the negotiability of the issued commercial paper. The securities are negotiable by mutual agreement
Guarantee	The issuance program of commercial paper has no specific guarantee

The table below presents the characteristics of Managem commercial paper issued in 2017:

Characteristics of Managem commercial paper on June 30th 2018	
Issuance ceiling (in MAD millions)	1,000
Face value (in MAD)	100,000
Number of securities requested by Managem	7,000
Number of allocated securities	7,000
Total transaction value (in MAD millions)	700
Nominal interest rate	2.77%
Maturity	52 weeks
Date of enjoyment	12/29/2017
Due date	12/28/2018
Overall amount on June 30 th 2018 (in MAD millions)	700

III. FINANCIAL INTERMEDIARIES

Type of financial intermediaries	Denomination	Adress
Centralizing body and collector of subscription orders	Attijari Finances Corp.	163, Avenue Hassan II Casablanca
Agency in charge of the placement	Attijariwafa bank	2, boulevard Moulay Youssef Casablanca

PART II. GENERAL PRESENTATION OF MANAGEM

I. MANAGEM'S ACTIVITY

Managem Group was established in 1928 and currently operates in three business lines: research, operations and upgrading.

Managem Group has developed a real expertise in terms of controlling mining operations, upgrading ores, exploration, innovation, and sustainable development approach, which it currently exports to other African countries.

With a qualified human capital, Managem is working on improving the quality of its production, the safety of its mining operations and profitability.

Managem's historic business consists in exploring, extracting, upgrading, and marketing the various ores, namely base metals (copper, zinc, lead), precious metals (gold and silver), special metals (cobalt cathode, nickel, etc.) from hydrometallurgical operations, and lastly useful substances (fluorine).

II. INFORMATION ON MANAGEM'S CAPITAL

II.1. General information

On April 30th, 2018, the share capital of Managem stood at MAD 999,130,800, fully paid up. It is divided into 9,991,308 shares with a par value of MAD 100 each.

Corporate name	Managem
Head Office	Twin center, tour A, angle boulevard Zerkouni et Al Massira Al Khadra, BP 5199, Casablanca – Maroc
Phone number	(212) 522 95 65 97 (212) 522 95 64 64
Legal form	Public limited company with a Board of Directors
Email	managem@managemgroup.com
Date of incorporation	11/17/1930
Service life	The term of the company is set at 99 years, except in the case of early dissolution or extension provided for by the articles of association or by law.
Trade Register No.	Registered on June 04, 1951 within the Trade Register of Casablanca n° 17 883
Fiscal year	From January 1st to December 31st.
Share capital at 30/06/2018	The share capital is set at MAD999,130,800, divided into 9,991,308 shares of a single class of MAD100 each, fully paid up at par value.
Consultation of legal documents	The company's legal documents, in particular the Articles of Association, the minutes of General Meetings and the 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 : <ul style="list-style-type: none">▪ The acquisition of a direct or indirect holding in any operation or undertaking by creating companies, participating in their incorporation or in the capital increase of existing companies, or by way of a limited partnership, purchase of securities or corporate rights or otherwise;▪ the management of all mining, real estate, securities, financial, industrial or commercial businesses or companies;▪ the purchase, sale and exchange of all securities, all interest shares;▪ and more generally, all operations of any nature relating to any of the above objects.
Competent court in case of dispute	Commercial Court of Casablanca
Legislative texts	By virtue of its legal form, the Company is governed by Act 17-95 relating to public limited companies, as amended and supplemented, and by its articles of association. By virtue of its activity, it is subject to the dahir of 16 April 1951 related to the mining regulations in Morocco as well as all legislative texts amending and supplementing the said dahir and in particular: <ul style="list-style-type: none">▪ dahir of June 18, 1958 modifying the dahir of Rajab 9 1370 related to the mining regulation ;▪ dahir n° 1-58-229 of 4 Moharem 1378 (July 21, 1958) supplementing and modifying the dahir of 9 rajab 1370 related to the mining regulation ;▪ decree n°2-59-392 of 25 Hija 1378 (2 July 1959) supplementing decree n°2-57-1647 of 24 Joumada 1 1377 (17 December 1957) fixing certain applications of the provisions of the

dahir of 9 rajab 1370 (16 April 1951) on mining regulations ;

- dahir n°1-62-097 of 16 Safar 1382 (July 19, 1962) supplementing and modifying the dahir of 9 Rajab 1370 related to the mining regulation ;
- dahir n° 1-62-193 of 24 Jumada 1 1382 (October 24, 1962) modifying the dahir of 9 Rajab 1370 related to the mining regulation ;
- Decree No. 2-80-273 of Rebia 1, 1401 (January 9, 1981) approving the procedure applicable to the award of concessions provided for by Article 89 of the Royal Decree of 9 Rajab 1370 (April 16, 1951) on mining regulations;
- decree n°2-79-298 fixing the attributions and the organization of the Ministry of Energy and Mines.

Through its listing on the Casablanca Stock Exchange, the company is subject to all legal and regulatory provisions relating to the financial markets and in particular:

- the Dahir providing law n°1-93-211 of September 21, 1993 relating to the Casablanca Stock Exchange modified and completed by laws 34-96, 29-00, 52-01, 45 06 and 43-09 ;
- the Casablanca Stock Exchange General Regulations approved by Ministerial Order n° 1268-08 of 7 July 2008, amended and supplemented by Ministerial Order n° 1156-10 of 7 April 2010, n°30-14 of 6 January 2014 and n°1955-16 of 4 July 2016;
- the General Regulations of the Moroccan Capital Market Authority as approved by Order of the Minister of Economy and Finance n°2169-19 ;
- the Dahir providing law n°1-93-212 of September 21, 1993 as amended and supplemented ;
- Dahir No. 1-95-3 of January 26, 1995 promulgating Act No. 35-94 relating to certain negotiable debt securities as amended and supplemented;
- the circular of the Moroccan Capital Market Authority;
- Dahir n°1-96-246 of January 9, 1997 promulgating Act n°35-96 relating to the creation of a central depository and the establishment of a general regime for the book entry of certain securities (amended and supplemented by Act n°43-02);
- the General Regulations of the Central Depository approved by Order No. 932-98 of the Minister of the Economy and Finance of 16 April 1998 and amended by Order No. 1961-01 of the Minister of the Economy, Finance, Privatisation and Tourism of 30 October 2001 and Order No. 77-05 of 17 March 2005;
- Dahir n°1-04-21 of April 21, 2004 promulgating Act n°26 03 relating to public offerings on the Moroccan stock market, amended and supplemented by Act 46-06.

Tax regime

- Corporate income tax at the standard rate, 30% at the end of 2015 and 31% from 2016 (by exception, the export of goods and services is subject to corporate income tax at the reduced rate of 17.5%);
- Value added tax: 20% on sales of services;
- Professional tax: 30 %.
- Social solidarity contribution: 2% of net profit until 31 December 2015.

II.2. Shareholding structure and history

The shareholding of Managem has evolved as follows between December 2015 and June 2018:

Shareholders	31/12/2015		31/12/2016		31/12/2017		30/06/2018	
	Number of shares	% of the capital and voting rights	Number of shares	% of the capital and voting rights	Number of shares	% of the capital and voting rights	Number of shares	% of the capital and voting rights
Al Mada	7 457 625	81.4%	7 457 625	81.4%	8 135 909	81,4%	8 135 909	81.4%
CIMR	654 286	7.1%	654 286	7.1%	824 919	8,3%	824 919	8.3%
Other shareholders - free float	1 046 788	11.4%	1 046 788	11.4%	1 030 480	10,3%	1 030 480	10.3%
Total	9 158 699	100.0%	9 158 699	100.0%	9 991 308	100.0%	9 991 308	100.0%

Source : Managem

On March 21st, 2014, CIMR crossed the threshold of 5% of the capital of Managem. As of December 31st, 2016, CIMR held 7.1% of the Company's capital. In 2017, the CIMR raised its stake to 8.3% in parallel to a decline in the share of the float which is close to 10.3% as of September 30th, 2017.

With the exception of the foregoing, no major change in the shareholding structure of Managem has been recorded over the period 2014 - June 2018.

II.3. Activity structure

Over the period from 2015 to 2017, the production of the main minerals by the Managem Group's subsidiaries is presented as follows:

Company	Country	Ore Type	Unit	2015	2016	2017	Var. 15-16	Var. 16-17
CMG	Morocco	Zinc Concentrate	(T)	77 938	78 187	77 173	0,30%	-1,30%
		Lead concentrates	(T)	16 325	15 744	16 233	-3,60%	3,10%
		Copper Concentrates	(T)	18 348	16 163	14 720	-11,90%	-8,90%
SMI	Morocco	Silver	(Kg)	206 921	221 226	222 120	6,90%	0,40%
AGM	Morocco	Copper Concentrate	(T)	33 904	41 018	48 115	21,00%	17,30%
SOMIFER	Morocco	Copper Concentrate	(T)	25 301	33 309	37 624	31,70%	13,00%
CMO	Morocco	Copper Concentrate	(T)	17 989	22 730	17 642	26,40%	-22,40%
SAMINE	Morocco	Fluorite	(T)	73 879	66 584	56 385	-9,90%	-15,30%
REG	Sudan	Gold	(Kg)	1 301	1 020	348	-21,60%	-65,90%
MANUB	Sudan	Gold	(Kg)	503	512	802	1,80%	56,60%
CTT & AGM	Maroc	Gold	(Kg)	448	352	273	-21,40%	-22,40%
CTT	Morocco	Cobalt cathodes	(mT)	1 982	2 081	1924	5,00%	-7,50%
		Arsenic	(T)	7 566	6 122	6 879	-19,10%	12,40%
		Nickel derivatives	(T)	203	188	196	-7,40%	4,30%
		Zinc Oxide	(T)	4 892	5 180	7 594	5,90%	46,60%
		Sulphuric Acid	(T)	57 319	98 125	91 805	71,20%	-6,40%
		Iron Oxide	(T)	52 779	92 264	88 797	74,80%	-3,80%

Source : Managem

The breakdown of sales by type of concentrate and the related metal prices over the previous three years is as follows:

	Unité	2015	2016	2017	Var. 16/15	Var. 17/16
Consolidated turnover	MMAD	4 317	4 377	5 200	1,40%	18,80%
<i>Sales exchange rate*</i>	<i>\$/MAD</i>	<i>9,75</i>	<i>9,77</i>	<i>9,61</i>	<i>0,20%</i>	<i>-1,60%</i>
Zinc						
Turnover	MMAD	376	481	643	27,90%	33,70%
Quantity	(t)	78 051	77 628	75 569	-0,50%	-2,70%
Price	(\$/t)	1879	2114	2874	12,50%	36,00%
<i>Contribution to Sales</i>	<i>(%)</i>	<i>8,70%</i>	<i>11,00%</i>	<i>12,40%</i>	<i>228 pbs</i>	<i>138 pbs</i>
Lead						
Turnover	MMAD	167	186	221	11,40%	18,80%
Quantity	(t)	18 834	15 803	15 727	-16,10%	-0,50%
Price	(\$/t)	1 813	1 885	2 272	4,00%	20,50%
<i>Contribution to Sales</i>	<i>(%)</i>	<i>3,90%</i>	<i>4,20%</i>	<i>4,30%</i>	<i>38 pbs</i>	<i>0 pbs</i>
Cooper						
Turnover	MMAD	858	966	1234	12,60%	27,70%
Quantity	(t)	95 678	113 593	115 974	18,70%	2,10%
Price	(\$/t)	5 335	4 964	6 082	-7,00%	22,50%
<i>Contribution to Sales</i>	<i>(%)</i>	<i>19,90%</i>	<i>22,10%</i>	<i>23,70%</i>	<i>219 pbs</i>	<i>166 pbs</i>
Fluorite						
Turnover	MMAD	201	152	97	-24,40%	-36,20%
Quantity	(t)	71 709	67 084	54 390	-6,40%	-18,90%
Price	(\$/t)	290	237	183	-18,30%	-22,80%
<i>Contribution to Sales</i>	<i>(%)</i>	<i>4,70%</i>	<i>3,50%</i>	<i>1,90%</i>	<i>-118 pbs</i>	<i>-161 pbs</i>
Silver SMI						
Turnover	MMAD	1026	1095	1112	6,70%	1,60%
Quantity	(Kg)	205 221	220 444	213 678	7,40%	-3,10%
Price	(\$/Oz)	16	16	18	0,00%	7,00%
<i>Contribution to Sales</i>	<i>(%)</i>	<i>23,80%</i>	<i>25,00%</i>	<i>21,40%</i>	<i>125 pbs</i>	<i>-363 pbs</i>
Gold						
Turnover	MMAD	837	713	557	-14,80%	-21,90%
Quantity	(Kg)	2 335	1 918	1 427	-17,90%	-25,60%
Price	(\$/Oz)	1 183	1 216	1 268	2,80%	4,30%
<i>Contribution to Sales</i>	<i>(%)</i>	<i>19,40%</i>	<i>16,30%</i>	<i>10,70%</i>	<i>-310 pbs</i>	<i>-558 pbs</i>
Cobalt cathodes						
Turnover	MMAD	415	387	822	-6,70%	>100,0%
Quantity	(kg)	1 715 000	1 587 000	1 416 000	-7,50%	-10,80%
Price	(\$/Lb)	11	11	27	-2,70%	>100,0%
<i>Contribution to Sales</i>	<i>(%)</i>	<i>9,60%</i>	<i>8,80%</i>	<i>15,80%</i>	<i>-77 pbs</i>	<i>697 pbs</i>
Hydrometallurgical products						
Turnover	MMAD	174	171	248	-1,70%	45,00%
<i>Contribution to Sales</i>	<i>(%)</i>	<i>4,00%</i>	<i>3,90%</i>	<i>4,80%</i>	<i>-12 pbs</i>	<i>86 pbs</i>
Services and other products						
	MMAD	263	226	266	-14,10%	17,70%
<i>Contribution to Sales</i>	<i>(%)</i>	<i>6,10%</i>	<i>5,20%</i>	<i>5,10%</i>	<i>-93 pbs</i>	<i>-5 pbs</i>

Source : Managem

* Average rate of the year (BAM rating)

III. BOARD OF DIRECTORS

On June 30th 2018, the composition of Managem's Board of Directors was as follows:

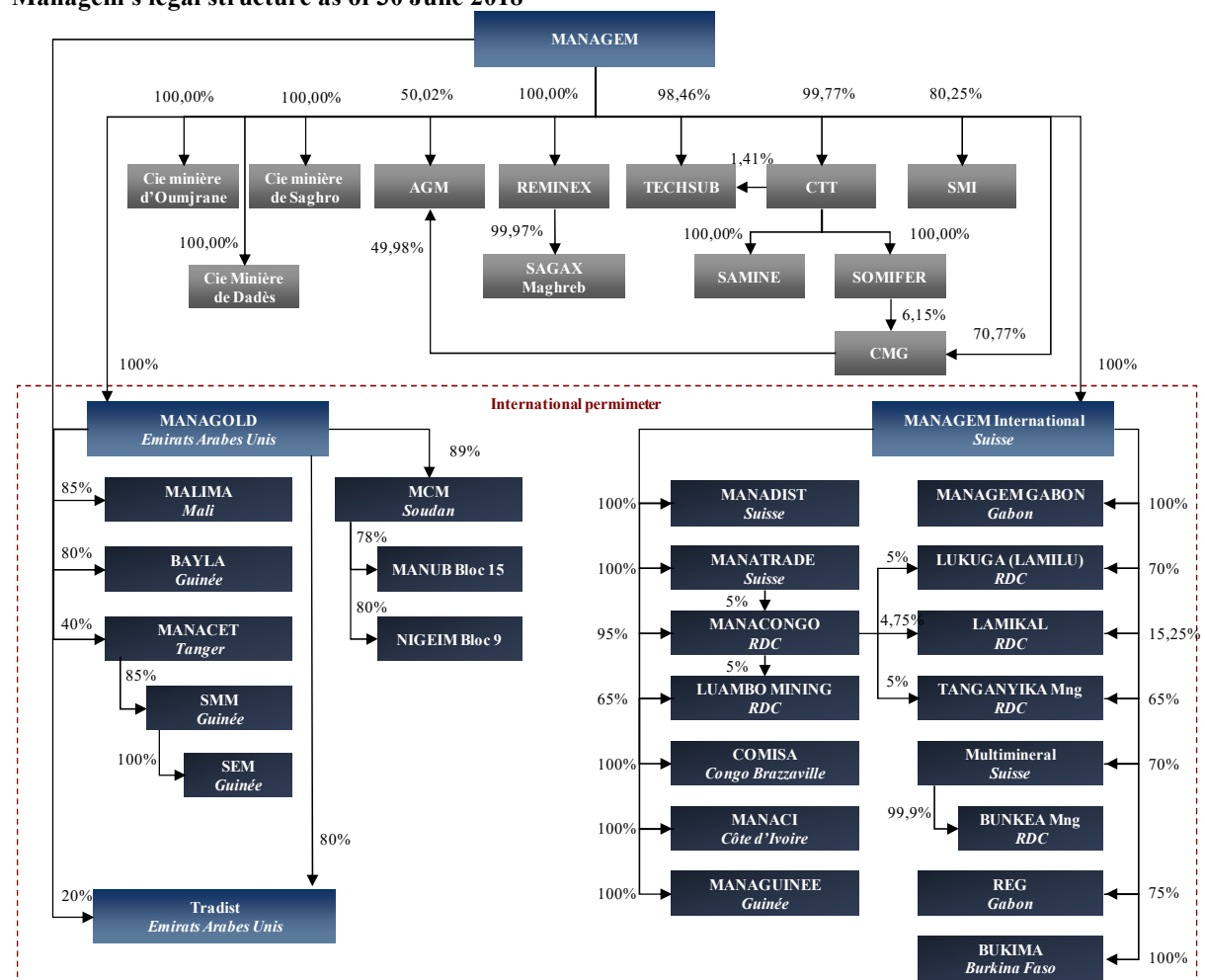
Members of the Board of Directors	Current position	Appointment	Latest renewal/ ratification	Expiry of the term	Affiliation with Managem Group
Imad TOUMI	Chairman and Chief Executive Officer	28/01/2016	GM of 27/05/2016	GM called to approve the 2020 accounts	Chairman and Chief Executive Officer
Bassim JAI HOKIMI	Director	04/06/2002	GM of 22/05/2014	GM called to approve the 2019 accounts	Director
Hassan OURIAGLI	Director	09/11/2009	GM of 15/05/2015	GM called to approve the 2020 accounts	Director
Ramses ARROUB	Director	11/03/2015	GM of 15/05/2015	GM called to approve the 2020 accounts	Director
Noufissa KESSAR	Director	10/09/2015	GM of 27/05/2016	GM called to approve the 2021 accounts	Director
Al Mada rep. par Aymane TAUD	Director	27/05/2011	GM of 16/06/2017	GM called to approve the 2022 accounts	Director
ONHYM rep. par Amina BENKHADRA	Director	16/09/1996	GM of 22/05/2014	GM called to approve the 2019 accounts	Director
SIGER rep. par Mounir EL MAJIDI	Director	04/06/2002	GM of 16/06/2017	GM called to approve the 2022 accounts	Director

Source : Managem

IV. LEGAL STRUCTURE

The Managem Group has national and international subsidiaries. The Group structure as of 30 June 2018 was as follows:

Managem's legal structure as of 30 June 2018



Source : Managem

PART III. FINANCIAL SITUATION OF MANAGEM GROUP

I. CONSOLIDATED INCOME STATEMENT

The consolidated income statement of Managem Group over the 2015 –2017 period is presented as follows:

In MAD millions	2015	2016	2017	Var. 16/15	Var. 17/16
Turnover	4 317.0	4 376.9	5 199.5	1.4%	18.8%
Other revenues	-41.3	-12.7	-68.0	69.3%	<-100.0%
Revenue from ordinary activities	4 275.7	4 364.2	5 131.6	2.1%	17.6%
Purchases, net of inventory variations	1 727.9	1 636.9	1 836.2	-5.3%	12.2%
Gross margin	2 547.8	2 727.3	3 295.4	7.0%	20.8%
<i>(Gross margin/ Turnover)</i>	<i>0.6</i>	<i>0.6</i>	<i>0.6</i>	<i>329 pbs</i>	<i>107 pbs</i>
Other external charges	-897.0	-864.4	-983.2	-3.6%	13.7%
Personnel expenses	-905.3	-945.4	-1 045.8	4.4%	10.6%
Taxes	-65.8	-56.0	-73.7	-14.9%	31.7%
Amortizations and operating provisions	-876.9	-883.4	-1 072.0	0.7%	21.4%
Other net operating income (expenses)	807.0	697.1	781.9	-13.6%	12.2%
Current operating income	609.7	675.2	902.5	10.7%	33.7%
Sale of assets	0.2	0.4	1.7	>100.0%	>100.0%
Sale of subsidiaries and equity interests	0.0	0.0	679.7	Ns	Ns
Earnings on financial instruments	5.3	-6.6	-6.5	<-100.0%	0.9%
Other non-current operating income and expenses	1.9	3.4	-242.8	72.6%	<-100.0%
Income from operating activities	617.2	672.5	1 334.6	9.0%	98.5%
<i>Operating margin (operating income/turnover)</i>	<i>0.1</i>	<i>0.2</i>	<i>0.3</i>	<i>107 pbs</i>	<i>1 030 pbs</i>
Interest income	13.6	12.6	18.6	-7.9%	48.0%
Interest expenses	-206.6	-206.0	-183.5	-0.3%	-10.9%
Cost of net debt	-193,0	-193,4	-164,9	-0,2%	14,7%
Other financial income and expenses	-57.7	45.5	-29.2	>100.0%	<-100.0%
Financial income	-250.7	-147.9	-194.2	41.0%	-31.3%
Pre-tax income of consolidated companies	366.5	524.6	1 140.5	43.1%	>100.0%
<i>Pre-tax margin (pre-tax income/turnover)</i>	<i>0.1</i>	<i>0.1</i>	<i>0.2</i>	<i>350 pbs</i>	<i>995 pbs</i>
Income tax	-95.9	-110.0	-103.4	14.7%	-6.0%
Deferred taxes	-13.1	-17.3	-112.5	32.3%	548.8%
Consolidated net income	257.5	397.2	924.6	54.3%	>100.0%
<i>Net margin (net income/turnover)</i>	<i>0.1</i>	<i>0.1</i>	<i>0.2</i>	<i>311 pbs</i>	<i>871 pbs</i>
Minority interest	52.6	108.7	45.5	>100.0%	-58.2%
Net income - Group share	204.9	288.5	879.1	40.8%	>100.0%
EPS	22.4	31.5	32.5	40.6%	3.2%

Source : Managem

II. CONSOLIDATED BALANCE SHEET

The consolidated balance sheet of Managem Group over the 2015 –2017 period is presented as follows:

In MAD millions	2015	2016	2017	Var. 16/15	Var. 17/16
ASSETS					
Goodwill	319,5	319,8	305,4	0,1%	-4,5%
Intangible assets	1 467,4	1 960,1	1 382,6	33,6%	-29,5%
Tangible assets	4 477,5	4 382,1	4 204,6	-2,1%	-4,1%
Investment properties	26,3	25,9	25,5	-1,5%	-1,4%
Participation in associated companies			136,5	Ns	Ns
Other financial assets	279,8	304,2	265,9	8,7%	-12,6%
Deferred tax assets	279,7	272,7	127,0	-2,5%	-53,4%
Non-current assets	6 850,1	7 264,7	6 447,5	6,1%	-11,2%
Other financial assets	7,3	3,7	-	-49,3%	-100,0%
Inventory and work in process inventory	622,0	594,8	615,1	-4,4%	3,4%
Accounts receivable	608,4	422,3	780,7	-30,6%	84,9%
Other current receivables	1 663,1	1 721,3	2 122,3	3,5%	23,3%
Cash and cash equivalents	384,3	502,5	1 482,7	30,8%	>100,0%
Current assets	3 285,2	3 244,6	5 000,8	-1,2%	54,1%
Total assets	10 135,3	10 509,3	11 448,3	3,7%	8,9%
LIABILITIES					
Capital	915,9	915,9	999,1	0,0%	9,1%
Share premium and acquisition premium	784,0	784,0	1 668,8	0,0%	>100,0%
Reserves	1 325,1	1 328,5	1 527,7	0,3%	15,0%
Unrealized exchange gains or losses	203,3	230,9	105,8	13,6%	-54,2%
Net income - group share	204,9	288,5	879,1	40,8%	>100,0%
Shareholders' equity - group share	3 433,1	3 547,7	5 180,5	3,3%	46,0%
Minority interest	434,0	471,6	454,0	8,7%	-3,7%
Consolidated shareholders' equity	3 867,1	4 019,4	5 634,5	3,9%	40,2%
Provisions	54,6	54,4	81,7	-0,4%	50,1%
Personnel benefits	127,5	156,1	178,1	22,4%	14,1%
Non-current financial debt	2 271,4	1 988,4	2 276,4	-12,5%	14,5%
Deferred tax liabilities	11,9	17,8	24,3	49,6%	36,7%
Other non-current payables	18,1	12,6	8,2	-30,3%	-35,1%
Non-current liabilities	2 483,6	2 229,3	2 568,7	-10,2%	15,2%
Current financial debt	1 741,1	2 238,5	1 413,9	28,6%	-36,8%
Current accounts payable	977,0	902,0	823,6	-7,7%	-8,7%
Other current payables	1 066,5	1 120,2	1 007,5	5,0%	-10,1%
Current liabilities	3 784,6	4 260,6	3 245,0	12,6%	-23,8%
Total liabilities	10 135,3	10 509,3	11 448,3	3,7%	8,9%

Source : Managem

III. SOCIAL INCOME STATEMENT

The social income statement of Managem Group over the 2015 –2017 period is presented as follows:

MMAD	2015	2016	2017	Var. 16/15	Var. 17/16
Sale of goods and services produced	185,7	182,9	204	-1,50%	11,50%
Turnover	185,7	182,9	204	-1,50%	11,50%
Fixed assets produced by the enterprise for itself	20	18,7	17,5	-6,50%	-6,40%
Change in product inventories	-	-	-	Ns	Ns
Production (1)	205,7	201,6	221,5	-2,00%	9,90%
Purchases of materials and supplies consumed	46,6	39,5	61,7	-15,20%	56,00%
Other external expenses	37,7	40,5	50,3	7,40%	24,30%
Consumption for the year (2)	84,3	80	112	-5,10%	39,90%
Added value (1) - (2)	121,4	121,6	109,5	0,20%	-9,90%
<i>Added valeur rate (AV/Turnover)</i>	<i>65,40%</i>	<i>66,50%</i>	<i>53,70%</i>	<i>109 pbs</i>	<i>-1 278 pbs</i>
Operating Grants	-	-	-	Ns	Ns
Taxes and duties	3	2,7	11,5	-8,60%	>100,0%
Personnel expenses	65,7	53,5	66,5	-18,60%	24,30%
EBITDA	52,7	65,4	31,5	24,00%	-51,80%
<i>EBITDA margin (EBITDA/CA)</i>	<i>28,40%</i>	<i>35,70%</i>	<i>15,40%</i>	<i>735 pbs</i>	<i>-2 030 pbs</i>
Other operating income	3,9	4,5	0,3	14,90%	-93,40%
Reversals, transfer of expenses	-	-	17,9	Ns	Ns
Other operating expenses	0,56	0,64	0,64	14,30%	0,00%
Operating provisions	7,6	13,2	18,5	73,40%	41,00%
Operating result	48,5	56,1	30,5	15,70%	-45,60%
<i>Operating margin (REX/CA)</i>	<i>26,10%</i>	<i>30,70%</i>	<i>15,00%</i>	<i>455 pbs</i>	<i>-1 571 pbs</i>
Financial income	348,6	365,7	311,9	4,90%	-14,70%
Financial expenses	150,8	149,5	133,7	-0,90%	-10,60%
Net financial income	197,8	216,2	178,2	9,30%	-17,60%
Current income	246,3	272,3	208,7	10,50%	-23,30%
Non-current income	-6,2	0,5	-2,5	>100,0%	<-100,0%
Profit before tax	240,1	272,7	206,3	13,60%	-24,40%
Corporate income tax	2,7	2,8	2,6	3,00%	-7,30%
Net income	237,4	270	203,7	13,70%	-24,50%
<i>Net Margin (RN/CA)</i>	<i>127,90%</i>	<i>147,60%</i>	<i>99,80%</i>	<i>1 973 pbs</i>	<i>-4 775 pbs</i>

Source : Managem

IV. SOCIAL BALANCE SHEET

The social balance sheet of Managem Group over the 2015 –2017 period is presented as follows:

MMAD	2015	2016	2017	Var. 16/15	Var. 17/16
ASSETS					
Fixed assets	3 359,90	3 371,40	3 405,60	0,30%	1,00%
Non-current assets	0,2	-	17,9	-100,00%	Ns
Intangible assets	46,1	61,5	69,1	33,30%	12,40%
Property, plant and equipment	79,1	75,6	84,2	-4,50%	11,50%
Financial assets	3 234,40	3 234,40	3 234,40	0,00%	0,00%
Currency adjustment - Assets	-	-	-	Ns	Ns
Current assets (excluding securities)	2 335,30	2 562,50	2 878,30	9,70%	12,30%
Stocks	-	-	-	Ns	Ns
Receivables from current assets	2 331,80	2 557,80	2 878,00	9,70%	12,50%
Currency adjustment - Assets	3,6	4,7	0,3	31,70%	-93,50%
Cash (including securities)	1,5	85,2	10,3	>100,0%	-88,00%
Total ASSETS	5 696,60	6 019,20	6 294,20	5,70%	4,60%
LIABILITIES					
On-going Funding	3 315,70	3 402,40	5 086,70	2,60%	49,50%
Shareholders' equity	2 365,30	2 452,10	3 436,70	3,70%	40,20%
Quasi-equity	-	-	-	Ns	Ns
Long-term debt	950	950	1 650,00	0,00%	73,70%
Provisions for contingencies and losses	0,5	0,3	-	-23,80%	-100,00%
Currency adjustment - Liabilities	-	-	-	Ns	Ns
Current liabilities	1 463,90	1 141,60	347,5	-22,00%	-69,60%
Other provisions for liabilities and charges	3,6	4,7	0,3	31,70%	-93,50%
Currency adjustment - liabilities	0,3	0,3	1,3	11,50%	>100,0%
Cash - Liabilities	913,1	1 470,20	858,4	61,00%	-41,60%
Total liabilities	5 696,60	6 019,20	6 294,20	5,70%	4,60%

Source : Managem

PART IV. RISK FACTORS

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

I. RISKS RELATED TO CHANGES IN PRICES OF RAW MATERIALS

As a result of Managem's activity, its sales are conditioned by prices set on international markets. Its turnover may be significantly impacted by changes (increase or decrease) in prices of raw materials.

To limit the risks of fluctuation related to changes in prices of raw materials, Managem may use hedging instruments, traded on organized markets, for the products it sells.

The risk on the Group's cash flows generated from the sales of raw materials (zinc, lead, copper, silver and gold) is mitigated using hedging instruments. Derivative instruments are intended to cover a projected budget or future cash flows. It is a cash flow hedge relationship.

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

It should be noted that Managem is resilient to changes in prices of raw materials, given the competitiveness of its "cash-cost". Indeed, the "cash-costs" of Managem's various products are well positioned compared to competition.

II. COVERED PRICES RISK

Given the nature of its activities, Managem is largely exposed to fluctuations of raw materials prices, marketed by the group at the exchange rates with which its sales are denominated.

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

To manage these market risks, the use of derivative financial instruments (commodities and exchange) is accepted in the exclusive hedging perspective.

The derivatives used by the group are referred to as cash flow or trading hedge, by definition under IAS 39.

III. CURRENCY RISK

The currency risk policy within the Group covers the highly probable currency budget exposures and/or the group's import and export commitments.

Future currency exposures are determined in the context of a regularly updated budget procedure. The current coverage horizon does not exceed the year closing date.

Currency hedging instruments are intended to cover a forecast budget related to future cash flows. It's a cash-flow hedge relationship.

Export sales made by Managem are for the most part denominated in dollars and to a lesser extent in euros. Hence, the turnover may be considerably impacted by changes in the exchange rate.

To limit currency risk, Managem uses currency hedging contracts. It should be noted that this risk may be mitigated by the existing negative correlation between the dollar and the prices of raw materials.

IV. RISKS RELATED TO RESOURCES AND RESERVES

Mineral reserves constitute a fundamental element of the operations of a purely mining company. Hence, once the reserves are depleted, the mine is closed and the company's operations stop.

For Managem, this risk is mitigated by the fact that it has quality deposits with a significant discovery potential, good exploration performance, and low research costs. Indeed, each year, Managem dedicates a considerable budget to exploration, both at the local and international levels, so as to increase its current resources and have several sources of mineral supply, which limits this risk.

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

Furthermore, the ore grade remains a big uncertainty in the production level of a mining operations company. The in-depth knowledge of the site, the control of the production process, and expertise in research and development are all advantages that Managem has, which make it possible for it to contain the variation of the average ore grades identified each year within a stable bracket, or to smooth out the curve of the average ore grades to be as close as possible to the forecasted data developed by the operating program of each mine;

V. TECHNICAL RISKS

Technical risks are inherent to any mining operations company. To contain them, Managem has an in-depth knowledge of the deposits and facilities, control of the production process, and cutting edge expertise.

With regard to new projects, Managem conducts pilot tests, laboratory testing, as well as pre-production testing. This approach makes it possible to identify possible problems that may arise at the start of operations and to initiate corrective action that is essential to the smooth functioning of the operating phase;

VI. RISKS RELATED TO SAFETY AND THE ENVIRONMENT

In the light of the specific nature of the tasks related to the mining and hydrometallurgical industry, namely depths that can reach several hundreds of meters and the handling of hazardous products, there are risks for operations and employees.

To address them, Managem established several programs that aim to strengthen security in the mines and the production sites.

On the environmental front, Managem worked on setting up programs to adapt its production facilities and upgrade sites in order to meet international standards in the field, and to anticipate local regulations. In this framework, diagnoses are made on a regular basis and potential risks are carefully examined, and as a result environmental indicators are gradually improving.

VII. RISKS RELATED TO REGULATIONS

Some incentives, particularly tax incentives, are given to exporter mining operations companies. The advantages they have may be reviewed or abrogated, and this may have an impact on Managem's activity and/or profitability.

In the light of the strategic nature of the mining sector and the review of tax advantages introduced by the budget bill for 2008, the risk of review of these tax advantages is limited.

VIII. RISKS RELATED TO THE ACTIVITY ABROAD

In the light of the planned international developments, Managem is exposed to risks related to local regulations and political instability in countries where the Group has a presence. Nonetheless, this risk is mitigated to the extent that it is incorporated into the profitability objectives of the projects. It is also mitigated by a geographic diversification strategy.

IX. SOCIAL RISKS

Social risks are mitigated by Managem through a permanent dialogue with the different social partners. The advantages granted to the employees aim at increasing their involvement within the Group's vision. Tax risks are managed by a documentation detailing the transfer pricing between Managem and its subsidiaries and the audit tasks carried out almost annually to review the tax declarations.

X. RISKS RELATED TO THE NON RENEWAL OF LICENSES

To avoid risks related to the non-renewal of licenses, Managem Group strictly applies the administrative procedure in force so that the renewal is issued. This procedure consists in:

- preparing a report of previous works carried out, as well as the expenses incurred, with the license for which a renewal is requested;
- preparing a report of projected works, as well as the budgets which will be mobilized within the framework of the operations;
- the operating licenses for which a renewal is requested are subject to systematic regulatory investigations on the field so that the Administration can see the work that was accomplished.

XI. RISKS RELATED TO NATURAL DISASTERS

To guard against damage that can be caused by a natural phenomenon such as a flood, Managem, prior to any launch of investment projects, carries out:

- environmental impact studies;
- the implementation of security plans consisting in the installation of fire systems, an evacuation plan, alarms, etc.

Likewise, Managem Group guards against possible natural phenomena by taking out insurance policies that would cover, whenever necessary, possible material losses and inventory losses, and a compensation for the production stoppage.

XII. RISKS RELATED TO MANAGEM'S CLIENTS

The Managem Group is involved in the trading of commodities (silver, gold, zinc, lead, copper and cobalt) which are listed in the international markets. Hence, there is virtually no risk of losing a potential client due to the presence of market makers. Yet, for some niche or specialty products (zinc oxide and fluorine), this risk is managed through registration processes and larger client portfolios.

XIII. SENSITIVITY ANALYSIS

XIII.1. Raw materials risk

The fair value level of the derivatives on the Group's raw materials as of 31 December 2017 is of +18.0 millions MAD.

In Millions MAD	Mtm at 12-31-2017 (a)	Mtm +10% change (b)	MTM total change (b-a)	Impact on result	Impact on Equity
+ 10% underlying	-5	-20	-15	-3	-17
Silver	-0	-3	-3	0	-3
Gold	-	-	-	-	-
Zinc	-2	-6	-4	-2	-4
Lead	-	-1	-1	0	-1
Copper	-3	-11	-7	-1	-10

A change in the metal's price of about + 10%, which maximizes the risk on the group's raw materials (+10% of Silver, Gold, Zinc, Lead, and Copper prices compared to closing spot prices), would result in a total loss estimated at 19.9 million MAD: 17.0 million MAD reported on Equity and 3.0 million MAD on the Group's income. The overall change is estimated at -15.1 million MAD.

In Millions MAD	Mtm at 12-31-2017 (a)	Mtm +10% change (b)	MTM total change (b-a)	Impact result	on Impact Equity	on
- 10% underlying	18	7	-11	3	5	
Silver	40	3	-38	-	3	
Gold	1	-	-1	-	-	
Zinc	-7	1	9	1	1	
Lead	1	1	-0	-	0	
Copper	-17	2	20	1	1	

A change in the metal's price about - 10%, which minimizes the risk on the group's raw materials, i.e. a decrease of 10% in the prices of Silver, Gold, Zinc, Lead, and Copper prices compared to closing spot prices, would result in a total loss of 7.3 millions MAD: 4.7 millions MAD reported on Equity and 2.6 millions MAD on the Group's income. The overall change is reported at -10.7millions MAD.

XIII.2. Currency risk

The fair value level of currency derivatives as at 31 December 2017 is of + 85.3 millions MAD.

In Millions MAD	Mtm at 12-31-2017 (a)	Mtm +10% change (b)	MTM total change (b-a)	Impact result	on Impact Equity	on
+ 10% underlying	-85	-187	-102	-2	-185	
Managem	-85	-187	-102	-2	-185	

A change of +10% in exchange rate, which maximizes Managem currency risk (+10% in USDMAD exchange rate), would result in a total loss of 187.2 millions MAD: 185.3 millions MAD reported on Equity and 1.9 millions MAD on the Group's income. The overall change is reported at -101.9 millions MAD.

In Millions MAD	Mtm at 12-31-2017 (a)	Mtm +10% change (b)	MTM total change (b-a)	Impact result	on Impact Equity	on
- 10% underlying	-85	17	102	-4	21	
Managem	-85	17	102	-4	21	

A change of -10% in exchange rate, which minimizes Managem currency risk (-10% in USDMAD exchange rate), would result in a gain of 16,7 millions MAD, of which +21.1 millions MAD reported on Equity and -4.4 millions MAD on the Group's income. The overall change is reported at +16.7 millions MAD.

DISCLAIMER

The aforementioned information is but one part of the prospectus approved by the AMMC (Moroccan Capital Market Authority) under the reference n° VI/EM/019/2018 on 27th September 2018. The AMMC recommends reading the full prospectus available to the public in French.