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CAPITAL

Aradei Capital S.A.

COMMERCIAL PAPER ISSUE PROGRAM SUMMARY OF THE INFORMATION PACKAGE

Implementation date of the program	31/01/2020
Program ceilings	MAD 500,000,000
Par value	MAD 100,000

Global Advisor and Coordinator	Global Co-advisor and Co-coordinator	Lead underwriter of the offering syndicate	Co-lead underwriter of the offering syndicate
	 VALORIS CORPORATE FINANCE CONSEIL ET INGENIERIE	 VALORIS SECURITIES Société de Bourse	

Registration by the Moroccan Capital Market Authority (AMMC) (AMMC = l'Autorité Marocaine du Marché des Capitaux)

Pursuant to the provisions of the AMMC circular, this reference document was registered by the AMMC on 11/07/2023 under the reference EN/EM/011/2023.
This reference document may only be used as a basis for canvassing or for collecting orders in connection with a financial operation if it forms part of an AMMC-approved prospectus.

Annual update of the information package relating to the commercial paper program:

As of the registration date of this reference document, the AMMC approved the annual update of the information package relating to the commercial paper program. The said file is composed of:

- this reference document;
- the note relating to the commercial paper program registered by the AMMC on 31/01/2020, under the reference EN/EM/003/2020 and available on the following link:

http://www.ammc.ma/sites/default/files/Note_BT_ARADEI_003_2020_4.pdf

The said update has been approved by the AMMC under reference VI/EM/021/2023

Disclaimer

The Moroccan Capital Markets Authority (AMMC = *L'Autorité Marocaine du Marché des Capitaux*) approved on 11/07/2023 under reference number VI/EM/021/2023, the annual update of the information package relating to the commercial paper issue program by Aradei Capital S.A.

The information package approved by the AMMC is always available:

- At Aradei Capital S.A.'s registered office: Route secondaire 1029, Municipalité de Sidi Maârouf – 20180 - Casablanca and on its website: www.aradeicapital.com;
- With financial advisors:
 - Valoris Corporate Finance: Angle Route d'El Jadida et, Rue Abou Dhabi, Casablanca 20410
 - Capital Trust Finance: 50, Boulevard Rachidi, Casablanca
- With the institutions in charge of the Offering, within a maximum of 48 hours:
 - Valoris Securities: Angle Route d'El Jadida et, Rue Abou Dhabi, Casablanca 20410
 - Capital Trust Securities: 50, Boulevard Rachidi, Casablanca

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

This summary has been translated by LISSANIAT SARL under the joint responsibility of such translator and Aradei Capital SA.

In the event of any discrepancy between the content of this summary and the information package approved by the AMMC, only the information package will prevail.

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Part I. PRESENTATION OF THE OPERATION L'OPERATION

I. Scope of the operation

In accordance with the provisions of Article 15 of Law No. 35-94 promulgated by Dahir No. 1-95-3 of 24 Châabane 1415 (26 January 1995) and the Order of the Minister of Finance and Foreign Investments No. 2560-95 of 09 October 1995 relating to Negotiable Debt Securities (NDS) as amended, Aradei Capital S.A. issues to the public commercial paper as an interest-bearing note representing a debt obligation for a term of one (1) year or less.

This issue program, with a ceiling of MAD 500,000,000, was approved at a Board of Directors meeting held on 25 September 2019, which delegated all powers to Mr. Nawfal Bendefa, in his capacity as Chairman and Chief Executive Officer of Aradei Capital S.A. to determine the terms and conditions of the transaction that he deems appropriate and necessary to carry out the issue of commercial paper.

To this end, Aradei Capital S.A. will issue through a public offering commercial paper as an interest-bearing note representing a debt obligation for a period of up to one (1) year.

In accordance with the provisions of Article 15 of Law No. 35-94 promulgated by Dahir No. 1-95-3 of 24 Châabane 1415 (26 January 1995) and the Order of the Minister of Finance and Foreign Investments No. 2560-95 of 09 October 1995 relating to Negotiable Debt Securities (NDS) as amended, Aradei Capital S.A. prepared, with the assistance of advisers, an information package relating to its activity, its economic and financial situation and its commercial paper issue program.

Pursuant to Article 17 of such law, and for as long as negotiable debt securities are in circulation, the information file will be updated annually within forty-five (45) days of the Ordinary Shareholders' Meeting called to approve the financial statements for the last financial year.

However, occasional updates may be made in the event of a change in the ceiling on the outstanding amount of securities issued or any new event likely to have an impact on changes in the price of securities or the successful completion of the program.

I.1. Objectives of the program

Aradei Capital wishes to initiate a commercial paper issue program to:

- Optimize the cost of short-term financing by partially substituting commercial paper for existing bank facilities;
- Meet one-off cash requirements;
- Diversify financing sources.

II. Investors targeted by the program

Subscriptions to the commercial paper covered by this note are aimed at both resident and non-resident individuals and legal entities.

III. The program's features

III.1. Information on the program and the securities to be issued

Nature of the securities	Electronic Negotiable Debt Securities registered with the Central Depository (Marocclear) and registered in an account with the authorized affiliates.
Legal form of the securities	Bearer Commercial Paper

Program ceiling	MAD 500,000,000
Maximum number of securities	5,000
Par unit value	MAD 100.000
Maturity	Between ten (10) days and twelve (12) months
Vesting date	Settlement date
Ranking	The ranking is similar to an ordinary debt contracted by the Company.
Interest rate	Fixed, set for each issue based on market conditions.
Interests	Accrued
Repayment of principal	<i>In fine</i> , i.e. at the maturity of each Paper.
Securities marketability	By mutual agreement. There are no restrictions imposed by the terms of issue on the free marketability of these commercial paper.
Assimilation clause	Commercial paper issued is not to be treated in the same way as securities of a previous issue.
Guarantee	The issue is not guaranteed

IV. Issues schedule as part of the issue program

IV.1. Financial Intermediaries

The financial intermediaries involved in this commercial paper program are as follows:

Underwriting firms and financial intermediaries	Corporate Name	Address
Advisory Institutions	Valoris Corporate Finance	Angle Route d'El Jadida et, Rue Abou Dhabi, Casablanca 20410
	Capital Trust Finance	50, Boulevard Rachidi, Casablanca
Institutions in charge of the offering	Valoris Securities	Angle Route d'El Jadida et, Rue Abou Dhabi, Casablanca 20410
	Capital Trust Securities	50, Boulevard Rachidi, Casablanca
Central depository	Maroclear	Route 1077 par route d'El Jadida, 8 Cité Laia – 20200 Casablanca
Domiciliary owner of the securities	Banque Marocaine pour le Commerce et l'Industrie (BMCI)	26 Place des Nations Unies, Casablanca

IV.2. Terms and conditions of subscription and allocation

IV.2.1. Subscription period

Each time Aradei Capital expresses a cash requirement, Valoris Securities and Capital Trust Securities will open the subscription period at least seventy-two (72) hours before the dividend vesting date.

Prior to each issue, the issuer will prepare a document detailing the terms and conditions of the issue and containing the information provided for in Article 1.60 of AMMC Circular 03/19. This document will be made available to investors before the opening of the subscription period.

IV.2.2. Beneficiaries

Resident and non-resident natural persons and legal entities.

Subscriptions must be made in cash, regardless of subscriber category.

IV.2.3. Subscriber identification

The institutions in charge of the offering must ensure that subscribers belong to one of the categories defined above. For this purpose, they must obtain a copy of the document certifying this identification and attach it to the subscription form. For each category of subscribers, the identification documents to be produced are as follows:

Categories	Documents to be attached
Associations	Photocopy of the articles of association and photocopy of the filing receipt
Minor children	Photocopy of the page of the family record book certifying the child's date of birth
UCITS under Moroccan law	Photocopy of the approval decision mentioning the thing which shows that it belongs to this category and in addition: <ul style="list-style-type: none"> • For Mutual Investment Funds (FCP), the deposit certificate number at the court clerk's office; • For open-ended investment companies (SICAV = <i>Sociétés d'Investissement à Capital Variable</i>), trade register number.
Moroccan and foreign legal entities	Form of entries in the trade register (or equivalent for foreign legal entities)
Non-resident, non-Moroccan natural persons	Photocopy of the passport pages containing the identity of the person as well as the issue and maturity dates of the document
Resident, non-Moroccan natural persons	Photocopy of the residency card
Natural persons resident in Morocco and Moroccan nationals abroad	Photocopy of the national identity card

IV.2.4. Terms and conditions of the subscription

Subscriptions will be collected from customers by means of subscription forms in accordance with the attached form, which become firm and irrevocable after the end of the subscription period. These forms must be completed and signed by the subscribers and sent to Capital Trust Securities (by fax +212 5 22 49 13 07 or e-mail to:

market.cts@capitaltrust.ma) or Valoris Securities (by fax +212 5 22 99 22 20 or e-mail to: market@capitalgestiongroup.com).

Subscriptions will be confirmed by the underwriters by fax or e-mail as soon as they have been accepted and until the issue ceiling is reached.

All subscriptions will be in cash:

- Subscriptions on behalf of minors under the age of 18 are permitted provided that they are made by the father, mother, guardian or legal representative of the minor. The underwriting firm is required to obtain a copy of the page of the family record book or an equivalent document showing the date of birth of the minor child and to attach it to the subscription form; in this case the transfers are made either to an account opened in the name of the minor child or to the securities or cash account opened in the name of the father, mother, tutor or legal representative of the minor child and subject to current legal provisions;
- In the case of a portfolio management mandate, the manager may only subscribe on behalf of the client whose portfolio he manages by presenting a power of attorney duly signed and authenticated by his principal or the management mandate if the latter makes express provision to that effect. Management companies are exempted from presenting such evidence for the UCITS they manage;
- Subscriptions on behalf of third parties are authorized on condition that a power of attorney duly signed and legalized by the principal is presented. The underwriting firm is required to obtain a copy and attach it to the subscription form. The subscribed securities must, in addition, refer to a securities account in the name of the third party concerned, which may only be moved by the latter, unless there is a power of attorney;
- A power of attorney for a subscription can under no circumstances allow an account to be opened for the mandate, so the account must be opened in the presence of its holder in accordance with current legal or regulatory provisions;
- All forms must be signed by the subscriber or the subscriber's representative. Before accepting a subscription, the underwriting firm must ensure that the subscriber has the financial capacity to honor the subscriber's commitments. The latter will freely determine the terms of the financial guarantee required from subscribers, which may be a cash deposit, securities or a surety;
- Investors may place multiple orders with the underwriting firm. The orders are cumulative. Subscribers' attention is drawn to the fact that all orders may be satisfied in whole or in part depending on the availability of securities.

There is no minimum subscription threshold, the subscription ceiling is limited to the amount of the issue.

IV.3. How to cancel orders

All subscription orders:

- Not complying with the above terms and conditions will be null and void;
- Are irrevocable after the end of the subscription period.

Subscription orders that do not meet the aforementioned terms and conditions are cancelled at the end of the collection of all subscription orders.

IV.4. How to allocate orders

During the subscription period, allocations will be made on a "first come, first served" basis, based on subscriptions received and the quantities of commercial paper available. Thus, the shares will have been allocated at the close of the subscription period.

The subscription period may be closed early as soon as the offering of the entire issued tranche has been completed.

IV.5. Securities settlement/delivery arrangements

The securities will be settled/delivered under the OTC channel on the dividend vesting date. The Banque Marocaine pour le Commerce et l'Industrie (BMCI) will be in charge of registering the issued commercial paper.

Part II. INFORMATION ON ARADEI CAPITAL

I. Summary of the Activity

I.1. General information

Corporate name	Aradei Capital S.A.
Registered Office	1, Boulevard Zoulikha Nasri – Sidi Maârouf, Casablanca - Maroc
Telephone	05 22 63 98 98
Fax	05 22 33 53 58
Website	www.aradeicapital.com
Legal form	Public limited company with a board of directors
Date of incorporation	07/02/1990
Term	99 years
Trade register number	57 265 Casablanca
Financial year	From 1 January to 31 December
Corporate purpose	<p>According to Article 3 of the Articles of Association of Aradei Capital SA, the purpose of the company is both in Morocco and abroad:</p> <ul style="list-style-type: none"> • The construction or acquisition of buildings with a view to renting them, or any other form of making them available; • The holding of moveable property directly or indirectly, including in a future state of completion; • The performance of all operations necessary for the operation of these buildings, in particular the performance of construction, renovation and rehabilitation works; • The purchase, lease, rental, management, operation, development and sale of any real property that is built or not built for its own account; • Performing all kinds of business transactions; • The acquisition of direct or indirect shareholdings in any transactions or undertakings through the creation of companies, shareholding in their formation, or in the capital increase of existing companies, through the purchase of securities or corporate rights; • The purchase, sale and exchange of all securities and interest shares; • The obtaining, acquisition, use, sale or granting of any license, patent or trademark that falls within the corporate purpose; • And more generally, all operations directly or indirectly related to the aforementioned purposes or likely to promote the achievement and development thereof.
Share capital at 31/12/2022	MAD 1,121,396,400, divided into 11.213.964 shares with a par value of MAD 100.
Legal documents	The Company's legal documents, in particular the Articles of Association, the minutes of General Meetings and the auditors' reports may be consulted at the Company's registered office.

List of applicable legislation

By virtue of its legal form, the company is governed by Public Limited Companies Act No°17-95 promulgated by Dahir No 1-96-124 of 30 August 1996, as amended and supplemented by Act Nos 81-99, 23-01, 20-05, 78-12 and 20-19. By virtue of its activity, Aradei Capital is governed by Moroccan law and in particular:

- Law No 39-08 forming the Real Rights Code, as amended by Law No 69-16;
- Commercial Leases Act No 49-16 governing buildings and premises rented for commercial, industrial and artisanal use;
- Rent Amounts Review Act No 07-03 governing premises for residential use or for professional, commercial, industrial or artisanal use promulgated by Dahir No. 1-07-134 of 19 kaada 1428 (30 November, 2007);
- Law No 67-12 organizing the contractual relationships between landlords and tenants of premises for residential or professional use promulgated by Dahir No 1-13-111 of 15 moharram 1435 (19 November 2013);
- Law No 106-12 modifying and supplementing Law No 18-00 relating to the Articles of Association of the Co-ownership of Built Buildings;
- Titles 10 and 11 of Dahir 12 September 1913, as amended and supplemented, relating to the Obligations and Contracts Code;
- Dahir No 1-99-211 of 25 August 1999 promulgating Rents Collections Act No 64-99.

By virtue of its status as a company listed on the Casablanca Stock Exchange and an issuer of commercial paper, Aradei Capital is subject to the following provisions:

- Dahir No 1-16-151 of 21 kaada 1437 (25 August 2016) promulgating Stock Exchange, Brokerage Firm and Financial Investment Advisor Act No 19-14;
- The General Stock Exchange Regulations as approved by Order No 2208-19 of 03 July 2019 of the Minister of Economy and Finance;
- Dahir No. 1-12-55 of 14 safar 1434 (28 December 2012) enacting Law No 44-12 relating to public offerings and the information required from legal entities and organizations making public offerings;
- Dahir No 1-96-246 of 9 January 1997 promulgating Law No 35-96 relating to the creation of a central depository and the institution of a general regime for the registration of certain securities in accounts, amended and supplemented by Law No 43-02;
- General Central Depository Regulations approved by Order No 932-98 of 16 April 1998 of the Minister of Economy and Finance and amended by Order No 1961-01 of 30 October 2001 and by Order No 77-05 of 17 March 2005 of the Minister of Economy, Finance, Privatisation and Tourism;
- The General AMMC Regulations as approved by Order No 2169--16 of 14 July 2016 of the Minister of Economy and Finance;
- Dahir No 1-04-21 of 21 April 2004 promulgating Law No 26-03 relating to public offers on the Moroccan stock market as amended and supplemented by Law No 46-06;
- Dahir No 1-13-21 of 1 jomada I 1434 (13 March 2013) promulgating Moroccan Capital Markets Authority Act No 43-12;
- AMMC Circular No 03/19 relating to financial operations and disclosure;
- Dahir No 1-95-03 of 26 January 1995 promulgating Law No 35-94 relating to certain negotiable debt securities.

Since the acquisition of Cleo Pierre SPI-RFA on 19 March 2021, Aradei Capital is subject to the following provisions:

- Dahir No 1-16-130 of 21 kaada 1437 (25 August 2016) promulgating Real Estate Collective Investment Funds Act No 70-14;
- Dahir No 2-17-420 of 9 chaabane 1439 (26 April 2018) implementing Real Estate Collective Investment Funds Act No 70-14;
- Decree No 2-18-32 of 9 chaabane 1439 (26 April 2018) implementing Articles 31 and 33 of Real Estate Collective Investment Funds Act No 70-14;

	<ul style="list-style-type: none"> • Circular No 02/19 of the Moroccan Capital Markets Authority relating to Real Estate Collective Investment Funds; • Order No 2305-18 of 15 hijja 1439 (27 August 2018) of the Minister of Economy and Finance implementing Articles 3, 27, 36, 54, 69, 71, 75 and 90 of Real Estate Collective Investment Funds Act No 70-14 ; • Opinion n°16 of CNC relating to the accounting rules applicable to Real Estate Collective Investment Funds.
Tax regime	Aradei Capital SA is governed by common law tax legislation. It is subject to corporate tax at the rate of the common law tax legislation. Its transactions are subject to VAT at the rate of 20%.
Competent court in case of dispute	Commercial Court of Casablanca

Source: Aradei Capital

I.2. Aradei Capital Activity

Aradei Capital Group's activity is the acquisition/development of real estate assets with a view to generating rental income.

Indeed, the purpose of the Company is:

- The construction or acquisition of buildings with a view to renting them, or any other form of making them available;
- The holding of moveable property directly or indirectly, including in a future state of completion;
- The performance of all operations necessary for the operation of these buildings, in particular the performance of construction, renovation and rehabilitation works;
- The purchase, lease, rental, management, operation, development and sale of any real property that is built or not built for its own account;
- Etc.

The LabelVie Group and international brands and franchises are the issuer's primary clients. With billing for the majority at the beginning of the quarter with payment due.

Aradei Capital's strategy differentiates itself primarily through its partnership with the LabelVie Group. The latter covers all the LabelVie Group's banners, namely Carrefour and Atacadao, Virgin Mega Store, Kiabi and Burger King.

Aradei Capital's business strategy is based on a very strong collaboration with various partners in different sectors of activity, including LC Waikiki/Defacto for ready-to-wear clothing and Decathlon for sports equipment.

Aradei Capital is also positioned on several types of retail assets, namely shopping centers, retail parks, shopping malls and single-tenants, making it possible to serve several types of CSPs with rental levels adapted to each type of asset.

Aradei Capital's strategy is to focus its efforts on the development of local Retails Parks, which are anchored in the local area and require lower development and management costs than shopping centers, thus making it possible to charge affordable and sustainable rents to tenants. This format is in line with market and tenant expectations. Aradei Capital is also pursuing a strategy of diversifying the asset classes in its portfolio through:

- the acquisition of the Yazaki industrial unit;
- the launch of the property company's first office building in 2020;
- the acquisition of shares in the CLEO PIERRE SPI-RFA OPCI, which holds a portfolio of bank branches operated by BMCI;
- the development plan for the healthcare sector through the Akdital Immo joint venture.

I.2.1. Presentation of the assets of the Aradei Capital Group

The group, through Aradei Capital directly or its subsidiaries, holds various categories of assets in twenty-three (23) Moroccan cities, namely:

- Seven (7) independent assets in 7 Moroccan cities;
- Three (3) shopping centers in Marrakech, Tangier and Fez;
- Fourteen (14) shopping malls;
- One (1) industrial unit;
- One (1) "Prism" office building;
- Five (5) Akdital clinics;
- Five (5) plots of land in reserve for the development of new projects;
- One (1) real estate collective investment fund (OPCI = *Organisme de Placement Collectif Immobilier*), holding 103 bank branches.

Asset Summary

The following table summarizes the assets held by Aradei Capital SA and its subsidiaries. The data on retail space, occupancy rates and intra-group occupancy rates are as at 31/12/2022:

Assets	City	Asset-bearing company	Opening year	GLA (gross leasable area) (in m ²)	Vacancy rate	Occupancy rate	Intra-group occupancy rate	Number of tenants	Value including acquisition costs in KMAD
				2022	2022	2022	2022	2022	2022
Independent Assets				69,861	0%	100%	92%	17	641,353
Atacadao Tanger	Tanger	Aradei Capital SA	2013	11,830	0%	100%	100%	2	125,980
Atacadao Oujda	Oujda	Aradei Capital SA	2008	11,830	0%	100%	100%	2	96,555
Atacadao Fès	Fès	Golf II	2012	13,985	0%	100%	100%	2	95,660
Atacadao Marrakech	Marrakech	Aradei Capital SA	2003	10,644	0%	100%	83%	2	132,358
Atacadao Meknès	Meknès	Centre K	2016	12,944	0%	100%	66%	6	110,000
Atacadao Taza	Taza	Aradei Capital SA	2014	7,313	0%	100%	100%	1	31,000
Carrefour Panoramique	Casablanca	Aradei Capital SA	2017	1,315	0%	100%	95%	2	49,800
Shopping Centres				94,372	17%	83%	31%	234	1,648,518
Almazar	Marrakech	SCCS	2010	33,568	12%	88%	37%	65	434,400
Faubourg	Marrakech	SCCS	2022	3,354	48%	52%	0%	1	19,018
Socco Alto	Tanger	SCCD	2016	31,731	3%	97%	42%	90	629,900
Borj Fez	Fès	SCCF	2013	25,719	6%	94%	45%	78	565,200
Shopping malls				162,638	4%	96%	59%	291	2,592,604
Sela Park Agadir	Agadir	Golf I	2001	22,483	0%	100%	58%	26	330,033
Atacadao Ain Sbaâ	Casablanca	Golf II	1991	20,321	0%	100%	78%	14	305,687
Atacadao Salé	Salé	Golf I	2013	9,948	0%	100%	91%	4	212,500
Carrefour Sidi Maârouf	Casablanca	Golf I	2015	16,765	0%	100%	100%	6	338,132
Sela Plaza Targa	Marrakech	Aradei Capital SA	2014	13,088	0%	100%	71%	25	195,608
Carrefour Berkane	Berkane	Aradei Capital SA	2014	3,364	5%	95%	91%	6	44,560

ALMAZ Site	Construction site	Sela Plaza Casablanca	2023	63,783 m ²	11 989/C	N/A	117,000
Khouribga Site	Construction site	Khouribga Immo	2022	10,729 m ²	119 157/18	N/A	10,970
Benguerir Site	Construction site	Benguerir Santé	2023	8,345 m ²	40280/72	N/A	12.848
Agadir Site	Construction site	SCC Founty	2015	55,620 m ²	89 773/09	Mortgage in favor of the registration and stamp department dated 31/07/2015	108,300

Source: Aradei Capital

In 2022, the company sold the Rabat El Menzeh plot of undeveloped land.

The land in Kenitra was returned to the State in 2022.

For the mortgage in favor of the Registration and Stamp Department, this is a registration made at the time of acquisition of a plot of land, involving a reduction in registration duties conditional on the obligation to build within a predefined period.

Projects under development

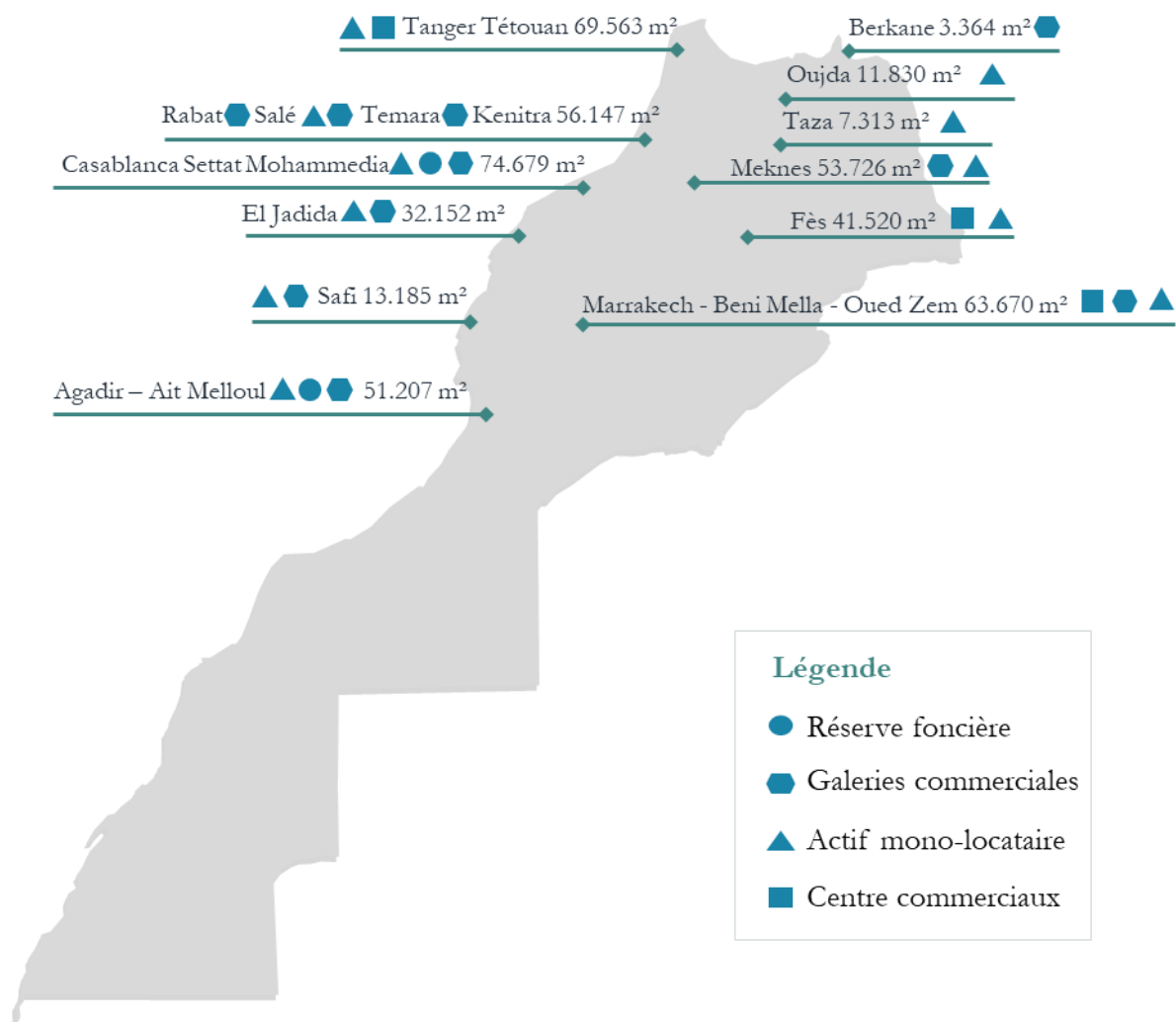
Aradei Capital's ongoing projects for the year 2023 are:

- The development of a private clinic in Khouribga, scheduled for delivery in 2024;
- The development of the 8th Sela in Casablanca for an estimated GLA of 30,000 m², with delivery scheduled for 2025.

I.2.2. Aradei Capital's geographical presence

As of 31/12/2022, Aradei Capital is present in 23 Moroccan cities with a diversified offer, including independent assets (single-tenant), shopping centers, bare land, shopping malls and an industrial facility. Below is Aradei Capital's geographical presence by type of asset:

Figure 1: Geographic presence of the Group at 31/12/2022



Source: Aradei Capital

I.2.4. Changes in the consolidated turnover under IFRS

The following table shows the changes in Aradei Capital Group's IFRS consolidated turnover for the period (2019 – 2022):

Table 1: Changes in the Aradei Capital Group's consolidated turnover for the period (2019 – 2022)

In KMAD	2019	2020	Var. 19-20	2021	Var. 20-21	2022	Var. 21- 22
Gross rental revenue	309,913	309,889	0.0%	457,611	47.7%	519,366	13.5%
Reinvoiced rental charges	40,569	46,256	14.0%	(50,408)	9.0%	(54,983)	-9.1%
Net rental revenue	269,344	263,633	-2.1%	407,203	54.5%	464,383	14.0%
Other revenue	18,226	7,444	-59.2%	13,930	87.1%	21,685	55.7%
Incoming fees	-	-	0.0%	-	0.0%	-	0.0%
Turnover	287,570	271,077	-5.7%	421,133	55.4%	486,069	15.4%

Source: Aradei Capital

The company's consolidated turnover consists mainly of:

- Shop rents, consisting of a fixed and a variable part, indexed to the tenants' turnover with a guaranteed minimum rent and a legal three-year increase;
- Re invoicing of common expenses, in particular fixed operating expenses (maintenance, water consumption, electricity, etc.), security expenses, marketing expenses, tax on communal services. The total amount of re-invoicing is recorded as revenue in the parent company's financial statements prepared in accordance with Moroccan accounting principles. Under IFRS, turnover includes re invoicing net of recognized expenses;
- Incoming fees paid by tenants. These fees are amortized over the term of the lease in the parent company's financial statements prepared under Moroccan GAAP. Under IFRS, these rights are fully recognized in revenue. The payment of these fees is not systematic and is subject to negotiation with each tenant when the rent price is determined. The high level recorded in 2016 is mainly due to the opening in June 2016 of the Socco Alto shopping center in Tangiers (impact of MAD 24.7 M);
- Other income corresponds to the income generated by the subsidiary Best Leisure, which specializes in promoting shopping centers.

For the 2019 financial year, the consolidated turnover amounted to 288.0 MMAD (+6.8% compared to 2018). This change is mainly due to the Yazaki rental income; a unit newly acquired in 2019.

For the 2020 financial year, the consolidated turnover amounted to 271.1 MMAD compared to 287.6 MMAD (-5.7%), taking into account the decrease in net rental income over the same period following the impact of the restrictive measures taken by the authorities in the context of the management of the Covid-19 pandemic.

For the 2021 financial year, Aradei Capital's consolidated turnover increased by 55.4% to 421.1 MMAD (+46% compared to the 2019 pre-crisis level), driven by:

- The impact of new scope (+86 MMAD): acquisition of shares in the OPCI Cléo Pierre SPI-RFA and openings of Sela Park Temara and Sela Park Agadir in September and October 2020;
- The recovery of activity on the constant scope (+64 MMAD) vs. an activity in 2020 impacted by the closure of non-essential shops.

For the 2022 financial year, Aradei Capital's consolidated sales rose by 15.4% to MAD 486.1 million, driven by:

- A MAD 42 million increase in sales on a like-for-like basis, from marketing, terminations, indexation, specialty leasing and leisure activities;
- Increased sales generated by the new perimeter for MAD 23 million:
 - Rental income from Akdital Immo clinics for MAD 16.7 million;

- Full-year effect of the 2021 acquisition of Cléo Pierre SPI-RFA shares (+ MAD 4.5 million);
- Sales generated by the "Prism" office building for MAD 1.4 million.

II. Shareholding structure

II.1.1. Composition of capital

As at December 31, 2022, Aradei Capital had a share capital of MAD 1,064,578,300 comprising 10,645,783 fully paid-up shares with a par value of MAD 100.

II.1.2. Changes in shareholding structure

Over the last five (5) years, Aradei Capital's shareholding structure changed as follows:

Table 2: Changes in Aradei Capital's shareholding structure for the period (31/12/2018 to 31/12/2022)

Shareholders	2018		2019		2020		2021		2022	
	Number of securities	% of capital and voting rights	Number of securities	% of capital and voting rights	Number of securities	% of capital and voting rights	Number of securities	% of capital and voting rights	Number of securities	% of capital and voting rights
Label'Vie SA	4,659,988	57.4%	4,659,988	57.4%	4,659,988	43.8%	4,651,201	43.7%	4,246,478	37.9%
Floating	-	-	-	-	1,500,000	14.1%	1,458,736	13.7%	3,030,117	27.0%
Government Employees Pension Fund	-	-	-	-	1,228,174	11.5%	1,228,174	11.5%	1,228,174	11.0%
Best Financière SA	845,324	10.4%	845,324	10.4%	845,324	7.9%	845,324	7.9%	845,324	7.5%
FCEC	776,931	9.6%	776,931	9.6%	776,931	7.3%	776,931	7.3%	776,931	6.9%
BERD	1,723,561	21.3%	1,723,561	21.3%	921,748	8.7%	678,348	6.4%	550,722	4.9%
BMCI	-	-	-	-	-	-	428,451	4.0%	428,451	3.8%
Kasba Resort	74,624	0.9%	74,624	0.9%	74,624	0.7%	74,624	0.7%	74,624	0.7%
Real Estate Investment Management International Limited	32,281	0.4%	32,281	0.4%	638,964	6.0%	503,964	4.7%	33,114	0.3%
Mr. Zouhair Bennani	12	ns	12	ns	12	ns	12	ns	12	ns
Mr. Rachid Hadni	7	ns	7	ns	7	ns	7	ns	7	ns
Mr. Nawfal Bendeza	2	ns	2	ns	2	ns	2	ns	2	ns
Mr. Riad Laissaoui	2	ns	2	ns	2	ns	2	ns	2	ns
Mr. Adil Bennani	2	ns	2	ns	2	ns	2	ns	2	ns
Mr. Mehdi ALJ	2	ns	2	ns	2	ns	2	ns	2	ns
Mr. Mehdi Tahiri Joutei Hassani	2	ns	2	ns	2	ns	2	ns	2	ns
Total	8,112,738	100.0%	8,112,738	100.0%	10,645,783	100.0%	10,645,782	100.0%	11,213,964	100.0%

Source: Aradei Capital

Since December 1, 2010 and until September 15, 2015, the members of the Board of Directors were: Mr Zouhair Bennani, Mr Rachid Hadni, Mr Riad Laissaoui and Mr Adil Bennani did not hold the minimum number of shares required for a director in accordance with Article 44 of Public Limited Companies Act No 17-95. This is due to the non-transfer of the shares of the four members of the Board of Directors since December 2010, which only took place after the Combined General Meeting of September 15, 2015.

A mixed general meeting was convened by the auditor on 15 September 2015, in order (i) to appoint Mr Zouhair Bennani, Mr Rachid Hadni, Mr Riad Laissaoui and Mr Adil Bennani as members of the board of directors and (ii) to ratify the decisions taken by the ordinary and extraordinary general meetings held between December 1, 2010 and September 15, 2015 which were null and void because they were convened by an irregularly constituted board of directors.

In January 2016, the EBRD (European Bank for Reconstruction and Development) acquired a stake in Aradei Capital (formerly VLV SAS) through a EUR 45 million capital increase giving it access to 22% of the capital and voting rights of Aradei Capital. The purpose of this transaction was to support the development, operation and management of a portfolio of mixed-use real estate assets across the different regions of Morocco, enabling LabelVie to accelerate its expansion. The EBRD's investment is accompanied by technical assistance to help the LabelVie Group introduce better energy efficiency standards, leading to energy savings of up to 25% in its retail premises.

In December 2016, Aradei Capital absorbed and merged with Best Real Estate (Petra). This transaction aims at setting up a leading player in commercial real estate leasing in Morocco. Best Real Estate was a real estate company specialized in the development and management of shopping malls and shopping centers in Morocco. Prior to the merger-absorption transaction, Best Real Estate had seven (7) assets in total, 380 commercial leases and 115,000 m² of retail space generating nearly MAD 140 M of rental income.

Following the merger of Best Real Estate SA ("BRE SA") into Aradei Capital SA, the shareholders' agreement was amended to include the new entrants, namely: Best Financière ("BF"), First Commercial Estate Company ("FCEC"), Kasba Resort ("KR") and Real Estate Investment Management International.

In March 2017, Real Estate Investment Management International Limited became a shareholder of Aradei Capital through a cash contribution in the order of MAD 3,228,000 through the issue of 32,280 new class B shares each with a par value of MAD 100. The acquisition of a stake in Aradei Capital by REIM International Limited (whose main shareholders are Mr Nawfal Bendefa and Mr Mehdi Tahiri) aims at aligning the interests and objectives of the Asset Manager and the shareholders, and thus optimizing the management of Aradei Capital. It should be noted that the shares of Aradei Capital consisted of two (2) classes of shares:

- Shares A: 8,080,457 voting shares. The shareholders holding the Class A shares are: LabelVie, the EBRD, Best Financière SA, FCEC and Kasba Resort;
- Shares B: 32,281 preference shares with preferential dividend rights and voting rights. The only shareholder holding shares of this class is REIM International Ltd.

In May 2020, Real Estate Investment Management International Limited increased its shareholding in Aradei Capital by offsetting against claims, due and payable, of MAD 242,673,200 by issuing 606,683 new shares with a nominal value of MAD 100 each. The purpose of REIM International Limited (whose main shareholders are Mr Nawfal Bendefa and Mr Mehdi Tahiri) acquiring a stake in Aradei Capital is to align the interests and objectives of the management company and the shareholders.

In May 2020, the Annual General Meeting decided to abolish the classes of shares so that the Company's share capital would be composed of shares of one and the same class with the same rights and obligations.

In May 2020, the Government Employees Pension Fund (GEPF), a South African pension fund managed by the Public Investment Corporation (PIC), acquired a MAD 270 M stake in Aradei Capital through an increase in the Company's share capital, consisting of the issue of 676,362 new ordinary shares with a nominal value of MAD 100 each, issued at a price of MAD 400 per share, i.e. an issue premium of MAD 300 per share. The transaction is being carried out in conjunction with an acquisition of the company's shares from the European Bank for Reconstruction and Development (EBRD), i.e. the transfer by the EBRD of 551,812 shares to the GEPF. The total investment for this mixed operation amounts to MAD 490 million, representing a 13% stake in the Company's capital.

PIC is an asset management company owned by the Government of the Republic of South Africa. It manages several investment vehicles and invests throughout the African continent and beyond. PIC manages a diversified investment portfolio in several sectors of the South African economy and also controls over 10% of the Johannesburg Stock Exchange through listed holdings.

In December 2020, Aradei Capital was listed on the stock exchange through a capital increase for an amount of MAD 500,000,000, by issuing 1,250,000 shares at a subscription price per share of MAD 400 (of which MAD 100 as nominal and MAD 300 as issue premium); and a sale of 250,000 shares for an amount of MAD 100,000,000, i.e. a sale price per share of MAD 400.

In November 2022, Aradei Capital carried out a capital increase reserved for the public through the creation of 568,181 shares at a unit price of MAD 440, for a total amount of MAD 249,999,640.

II.1.3. Current shareholding structure

Table 3: Shareholders of Aradei Capital as at 09/05/2023

Shareholders	09/05/2023		
	Number of securities	Voting rights	% of capital and voting rights
Label'Vie SA	4,241,087	4,241,087	37.8%
Floating	3,035,523	3,035,523	27.1%
Government Employees Pension Fund	1,228,174	1,228,174	11.0%
Best Financière SA	845,324	845,324	7.5%
FCEC	776,931	776,931	6.9%
BERD	550,722	550,722	4.9%
BMCI	428,451	428,451	3.8%
Kasba Resort	74,624	74,624	0.7%
Real Estate Investment Management International Limited	33,114	33,114	0.3%
M. Zouhaïr Bennani	2	2	ns
M. Rachid Hadni	2	2	ns
M. Nawfal Bendefa	2	2	ns
M. Riad Laissaoui	2	2	ns
M. Adil Bennani	2	2	ns
M. Mehdi Alj	2	2	ns
M. Mehdi Tahiri Joutei Hassani	2	2	ns
Total	11,213,964	11,213,964	100.0%

Source: Aradei Capital

II.2. Belonging to the Group

II.2.1. Belonging to the Best Financière Group

Founded in 1985, Best Financière is a holding company whose main activity is the investment and management of shareholdings. Its main shareholders are: AZ Développement (55.3%) YADOGHI Capital (29.5%), Zouhair Bennani (7.12%), Rachid Hadni (3.80%), Adil Bennani et Youness Bennani (1.42% respectively), Latifa Bennani and Mouna Bennani (0.71% respectively).

The company is organized around 2 sectors of activity namely:

- **Large-scale distribution, the food industry and the retail trade** represented by the Retail Holding company, which holds up to:
 - 51% in LabelVie, the main franchisor of Maroc de Carrefour, Carrefour Market, and Atacadao, and the Group also holds a non-consolidated stake in the real estate subsidiary Aradei Capital;
 - 100% in Modes et Nuances, the Kiabi brand franchisor;
 - 50% in General First Food Services, the Burger King restaurant chain franchisor;
 - 95% in Virgin North Africa: Virgin Megastore franchisor;
 - 100% in Retail Holding Africa and Retail Holding Invest: equity investment companies for business development in Africa.
- **medical equipment** represented by the company Best Health which owns up to:
 - 100% in SCRIM and Soma Médical, MTS and Mabiotech, distributors of leading medical equipment brands such as Elektra and Saint Jude Medicals;

- 51% in TMS, distributor of the Elektra brand on the Tunisian market.

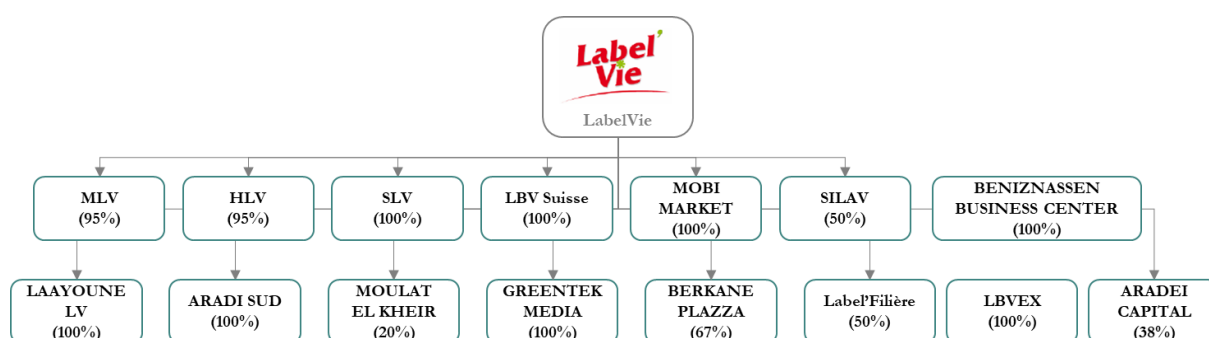
II.2.2. LabelVie presentation

At 12/31/2022, LabelVie S.A. owns 8 consolidated subsidiaries, namely Hypermarché LV SAS (95%), Maxi LV SAS (95%), Services LV SA (100%), Mobi market (100%) and LabelVie Suisse (100%), Beniznassen Business Center (100%), SILAV (100%) and LBVEX (100%). The company also owns 7 other subsidiaries, 4 of which will be inactive by the end of 2022. These subsidiaries are Berkane Plaza (67%), Moulet El Kheir (20%), Aradi Sud, Laâyoune LV.

LabelVie holds a 37.9% stake in the non-consolidated subsidiary Aradei Capital.

The LabelVie group has set up three companies: Greentek Media SARL (100% of voting rights) in 2019, LabelFilière SARL (50% of voting rights) in 2020, and LBVEX SA (100% of voting rights).

Figure 3: Legal organization chart of LabelVie as at 31/12/2022



Source: Aradei Capital

Since 2017, LabelVie does not consolidate Aradei Capital.

II.3. Organization of Aradei Capital

Prior to 2015, Aradei Capital was managed directly by LabelVie. In 2011, the real estate division was separated from the group entities in order to dissociate the operational part from the real estate/asset management part. All of Aradei Capital's staff has been transferred to the MLV & HLV subsidiaries so that Aradei Capital is now the real estate arm of the Group.

In 2015, Aradei Capital entered into a 10-year management mandate with the independent real estate asset manager, REIM Partners. This mandate is exclusive. When it expires, it may be extended or renewed, if applicable.

Aradei Capital and REIM Partners have signed on March 3, 2021, an amendment to the mandate binding the two parties, the management mandate becomes a mandate to advise on investment and management of real estate assets².

This partnership will allow Aradei Capital to:

- Guarantee independent and professional management and also to establish committees (investment, monitoring, audit and conflicts committees);
- Establish a clear investment policy to avoid governance conflicts;
- Better control operational and financial risks.

Aradei Capital has a property manager, Best Real Estate Gestion (Aradei Real Estate Services), that handles the operational management of its assets. This wholly owned subsidiary of Aradei Capital S.A. is responsible for the management of centers, the marketing of premises, asset management, debt collection, the follow up of disputes, etc.

The following diagram illustrates the organization of Aradei Capital as at 31/12/2022:

² See section: II.4.3 Organization of Aradei Capital - Missions to Aradei Capital

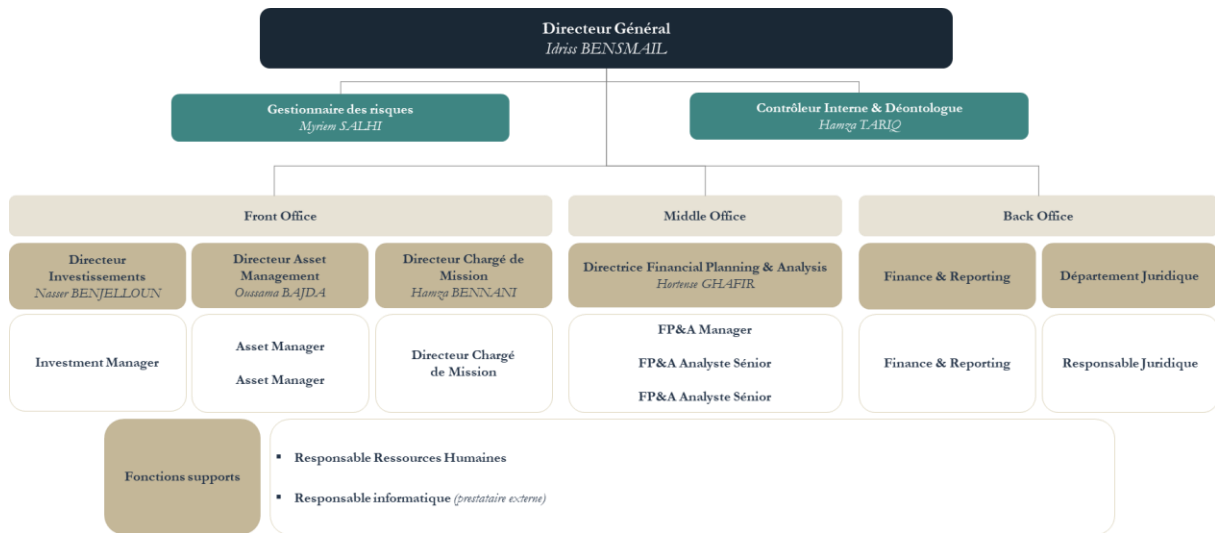
Figure 4: Organization of Aradei Capital as at 31/12/2022



Source: Aradei Capital

The organization chart of REIM Partners is as follows:

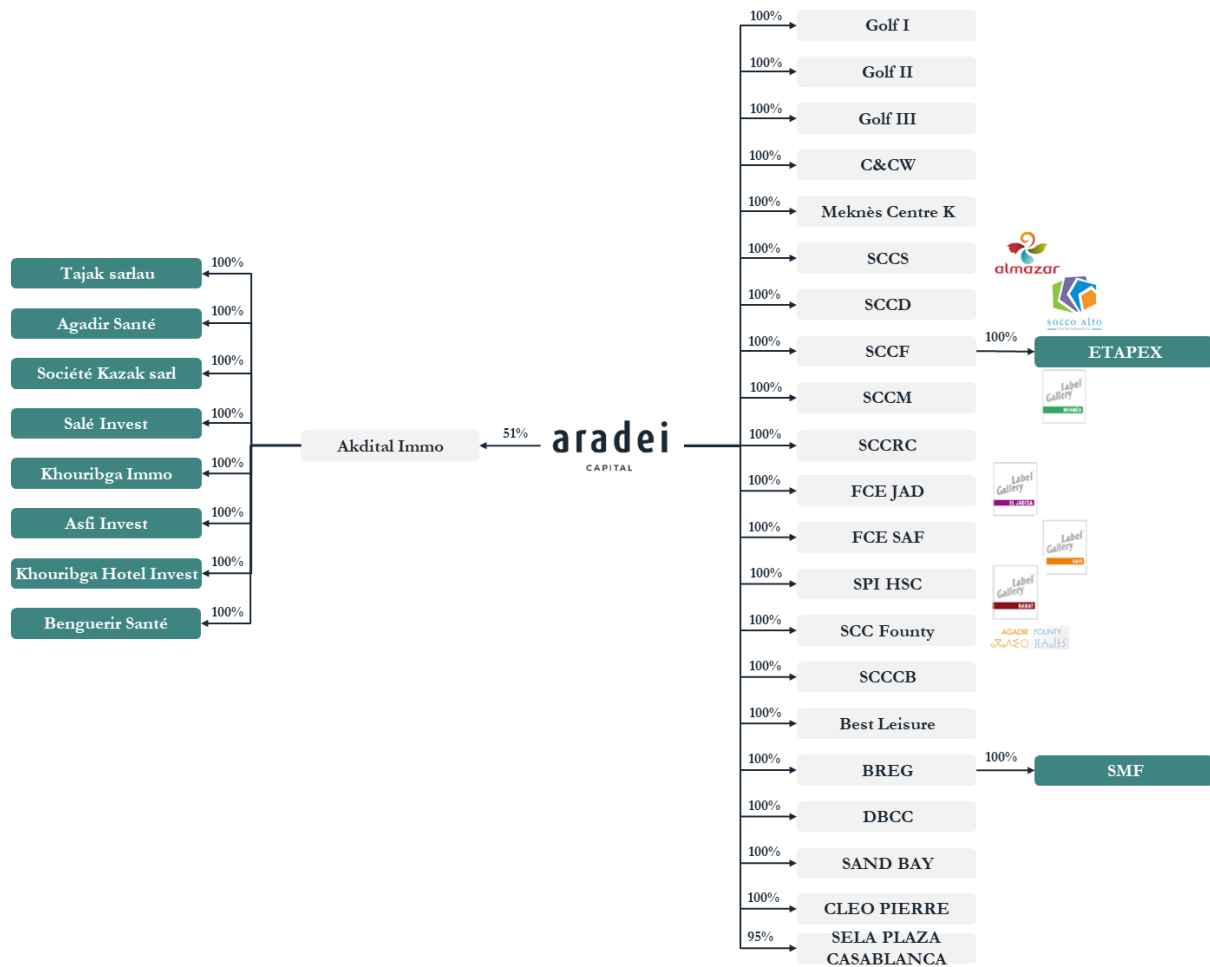
Figure 5: Organization chart of REIM Partners as at 31/12/2022



Source: Aradei Capital

III. Legal organization chart of Aradei Capital:

Figure 6: Legal organization chart of Aradei Capital as at 30/06/2023



Source: Aradei Capital

In addition to the assets held via its subsidiaries, the company directly owns ten (10) assets located in Marrakech, Oujda, Tangier, Taza, Casablanca (Panoramique), Kenitra, Rabat, Berkane and Meknes, as well as 2 land reserves located in Rabat and Kenitra, in addition to an OPCI holding 103 bank branches leased to BMCI.

Part III. FINANCIAL DATA

I. Annual financial statements

I.1. Annual corporate financial statements

I.1.1. Statement of Management Accounts

The following table presents historical data on the statement of management accounts of Aradei Capital SA for the period 2020-2022:

Table 4: Changes in the ESG over the period (2020-2022)

In KMAD	2020	2021	Var. 20-21	2022	Var. 21-22	AAGR 20-22
Income for the financial year	108.252	147.868	36.6%	171,038	15.7%	25.7%
Sale of goods and services produced	108.252	147.868	36.6%	171,038	15.7%	25.7%
Consumption for the financial year	98.669	116.147	17.7%	128,128	10.3%	14.0%
Consumed purchases of materials and supplies	55.395	72.431	30.8%	81,747	12.9%	21.5%
Other external expenses	43.274	43.716	1.0%	46,380	6.1%	3.5%
Value Added	9.582	31.722	>100.0%	42,910	35.3%	>100.0%
Taxes and duties	3.076	2.922	-5.0%	4,016	37.5%	14.3%
Gross Operating Surplus (GOS)	6.506	28.800	>100.0%	38,894	35.0%	>100.0%
Other operating revenue	3.708	-	-100.0%	-	0.0%	-100.0%
Other operating expenses	-	784	100.0%	769	-1.9%	0.0%
Business resumption; transfer of charges	18.087	13.331	-26.3%	23,255	74.4%	13.4%
Operating allocations	42.084	52.738	25.3%	51,362	-2.6%	10.5%
Operating income	(13.783)	(11.390)	-17.4%	10,018	-188.0%	0.0%
Financial Income	60.034	24.268	-59.6%	64,750	>100.0%	3.9%
Current Income	46.251	12.878	-72.2%	74,768	>100.0%	27.1%
Non-current Income	(325)	72	-122.3%	(6,400)	<-100.0%	<-100.0%
Corporate income tax	1.102	1.157	5.0%	4,447	>100.0%	>100.0%
Net income	44.824	11.793	-73.7%	63,920	>100.0%	19.4%

Source: Aradei Capital

I.1.2. Statement of financial position

The following table presents the main indicators of the statement of financial position for the period 2020-2022:

In KMAD	2020	2021	Var. 20-21	2022	Var. 21-22	AAGR 20-22
Assets						
Non-valued fixed assets	30,216	21,907	-27.5%	18,594	-15.1%	-21.6%
Intangible assets	67,158	66,913	-0.4%	66,883	0.0%	-0.2%
Property, plant and equipment	871,344	864,681	-0.8%	735,151	-15.0%	-8.1%
Financial fixed assets	906,850	1,463,854	61.4%	1,670,213	14.1%	35.7%
Unrealized foreign exchange losses	-	-	0.0%	-	0.0%	0.0%
Fixed assets	1,875,568	2,417,354	28.9%	2,490,841	3.0%	15.2%
Stocks	-	-	0.0%	-	0.0%	0.0%
Current asset receivables	1,152,460	1,263,373	9.6%	1,727,037	36.7%	22.4%
Supplier receivables, advances and downpayments	12,472	10,560	-15.3%	10,259	-2.8%	-9.3%
Trade and other receivables	136,794	186,399	36.3%	260,384	39.7%	38.0%
Personnel	-	-	0.0%	-	0.0%	0.0%
Statement	140,192	157,044	12.0%	144,150	-8.2%	1.4%
Partner Accounts	1,557	1,557	0.0%	175,389	>100.0%	>100.0%
Other receivables	668,230	672,084	0.6%	848,277	26.2%	12.7%
Accruals and deferred income	193,215	235,728	22.0%	288,578	22.4%	22.2%
Investment value securities	563,466	409,176	-27.4%	147,728	-63.9%	-48.8%
Unrealized foreign exchange losses	-	-	0.0%	-	0.0%	0.0%
Current assets	1,715,925	1,672,549	-2.5%	1,874,765	12.1%	4.5%
Cash and cash equivalents Assets	23,700	12,079	-49.0%	102,619	>100.0%	>100.0%
Total Assets	3,615,193	4,101,981	13.5%	4,468,225	8.9%	11.2%
Liabilities						
						0
Shareholders' equity	2,275,921	2,156,239	-5.3%	2,276,193	5.6%	0.0%
Share capital or personnel	1,064,578	1,064,578	0.0%	1,121,396	5.3%	2.6%
Share, merger and contribution premiums	1,050,581	850,581	-19.0%	1,043,763	22.7%	-0.3%
Legal reserve	34,572	36,814	6.5%	37,403	1.6%	4.0%
Other reserves	81,366	192,473	>100.0%	9,710	-95.0%	-65.5%
Retained earnings	-	-	0.0%	-	0.0%	0.0%
Net income for the financial year	44,824	11,793	-73.7%	63,920	>100.0%	19.4%
Financing liabilities	872,563	1,578,745	80.9%	1,546,037	-2.1%	33.1%
Long-term provisions for liabilities and charges	2,614	2,614	0.0%	2,614	0.0%	0.0%
Permanent financing	3,151,098	3,737,598	18.6%	3,824,844	2.3%	10.2%
Current liabilities	306,947	303,516	-1.1%	338,311	11.5%	5.0%
Trade and other receivables	110,523	88,173	-20.2%	93,340	5.9%	-8.1%
Accounts payable, advances and downpayments	1,362	288	-78.9%	1,166	>100.0%	-7.5%
Personnel	-	-	0.0%	-	0.0%	0.0%
Corporate bodies	-	-	0.0%	-	0.0%	0.0%
Statement	5,743	20,105	>100.0%	35,079	74.5%	>100.0%
Partner Accounts	638	638	0.0%	638	0.0%	0.0%
Other receivables	114,176	117,487	2.9%	127,090	8.2%	5.5%
Prepayments and accrued income - Liabilities	72,796	71,245	-2.1%	75,418	5.9%	1.8%

Other provisions for liabilities and charges	1,710	5,580	>100.0%	5,580	0.0%	80.6%
Currency translation adjustment - Liabilities	-	-	0.0%	-	0.0%	0.0%
Cash liabilities	157,148	60,867	-61.3%	305,070	>100.0%	39.3%
Total liabilities	3,615,193	4,101,981	13.5%	4,468,225	8.9%	11.2%

Source: Aradei Capital

I.2. Consolidated annual financial statements

I.2.1. Accounting standards and methods

The consolidated financial statements of Aradei Capital have been prepared for the first time for the year ended December 31, 2016 under International Financial Reporting Standards (IAS/IFRS) as published by the International Accounting Standard Board (IASB).

For the first-time adoption of IFRS and in accordance with the provisions of IFRS 1 (applicable to first-time adopters), the company had chosen January 1, 2015 as the date of first-time adoption of IFRS.

The main impacts on the Aradei Group's accounts are:

- Fair value measurement of investment property in accordance with IAS 40;
- The recognition of incoming fees in equity (or in the income statement for incoming fees for the financial year) for companies in the BRE tier. Under Moroccan standards, these incoming fees are spread over the term of the contract;
- The recognition of rental income net of charges re invoiced to tenants;
- Cancellation of fixed assets with no value (incorporation expenses, expenses to be spread over several years, etc.). These expenses have been reallocated to the property, plant and equipment concerned (interest expenses, property acquisition costs, etc.) or directly deducted from IFRS shareholders' equity in the case of expenses related to the 2016 capital increase and merger transactions. Other deferred charges or similar charges that do not meet the definition of an asset have been charged to reserves or income in 2016.

I.2.2. Impact of IFRS 16 and IFRIC 23

Aradei Capital Group implemented IFRIC 23 from 1 January 2019 by recognizing the cumulative effect of prior years in reserves. IFRIC 23 clarifies the interpretation of the recognition and measurement requirements of IAS 12 (Income Taxes) when there is uncertainty about the treatment of income taxes.

The table below shows the impact of IFRIC 23 on the consolidated accounts of Aradei Capital since its implementation:

Table 5: Impact of IFRIC 23 on the consolidated accounts of Aradei Capital since its implementation

In MAD	2020	2021	2022
IFRIC 23 Impact	7,925	1,279	8,570

Source: Aradei Capital

IFRS 16 replaces IAS 17 and all related interpretations. This standard is applied by the Group to all finance leases or operating leases reclassified as finance leases.

I.2.3. Scope of consolidation for the last three (3) financial years

The scope of consolidation includes all companies under control, in partnership or under significant influence.

Aradei Capital exercises control when the company has the power to govern the financial and operating policies of subsidiaries so as to obtain benefits from their activities. Such control is presumed in cases where the Group holds,

directly or indirectly through its subsidiaries, more than half of the voting rights. These subsidiaries are fully consolidated.

Companies over which Aradei Capital exercises significant influence are accounted for by the equity method, which is presumed when the percentage of voting rights held is greater than or equal to 20%.

The scope of consolidation for the last three financial years is as follows:

Scope of consolidation for the last three (3) financial years

Company	31/12/2020			31/12/2021			31/12/2022		
	% of interest	% Control	Method (*)	% of interest	% Control	Method (*)	% of interest	% Control	Method (*)
Aradei Capital SA	100%	100%	FC	100%	100%	FC	100%	100%	FC
Golf I	100%	100%	FC	100%	100%	FC	100%	100%	FC
Golf II	100%	100%	FC	100%	100%	FC	100%	100%	FC
Golf III	100%	100%	FC	100%	100%	FC	100%	100%	FC
Cash & Carry	100%	100%	FC	100%	100%	FC	100%	100%	FC
Centre K	100%	100%	FC	100%	100%	FC	100%	100%	FC
Best Leisure	100%	100%	FC	100%	100%	FC	100%	100%	FC
FCE JAD	100%	100%	FC	100%	100%	FC	100%	100%	FC
FCE SAF	100%	100%	FC	100%	100%	FC	100%	100%	FC
SCCCB	100%	100%	FC	100%	100%	FC	100%	100%	FC
SCCD	100%	100%	FC	100%	100%	FC	100%	100%	FC
SCCF	100%	100%	FC	100%	100%	FC	100%	100%	FC
ETAPEX	100%	100%	FC	100%	100%	FC	100%	100%	FC
SCC FOUNTY	100%	100%	FC	100%	100%	FC	100%	100%	FC
SCCS	100%	100%	FC	100%	100%	FC	100%	100%	FC
SCCM	100%	100%	FC	100%	100%	FC	100%	100%	FC
SPI	100%	100%	FC	100%	100%	FC	100%	100%	FC
BREG	100%	100%	FC	100%	100%	FC	100%	100%	FC
SMF	100%	100%	FC	100%	100%	FC	100%	100%	FC
SCCRC	100%	100%	FC	100%	100%	FC	100%	100%	FC
DBCC	100%	100%	FC	100%	100%	FC	100%	100%	FC
SAND BAY	100%	100%	FC	100%	100%	FC	100%	100%	FC
CLEO PIERRE	-	-	-	100%	100%	FC	100%	100%	FC
SPC	-	-	-	-	-	-	95%	95%	FC
AKIDTAL IMMO	-	-	-	-	-	-	51%	51%	FC
TAJAK SARLAU	-	-	-	-	-	-	51%	51%	FC
AGADIR SANTE	-	-	-	-	-	-	51%	51%	FC
STE KAZAK SARL	-	-	-	-	-	-	51%	51%	FC
SALE INVEST	-	-	-	-	-	-	51%	51%	FC
KHOURIBGA IMMO	-	-	-	-	-	-	51%	51%	FC
KENTRA SANTE	-	-	-	-	-	-	51%	51%	FC
ASFI INVEST	-	-	-	-	-	-	51%	51%	FC

KHOURIBGA HOTEL INVEST	-	-	-	-	-	-	10%	0%	NC
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Source: Aradei Capital

(* FC = Full consolidation, NC = Non-consolidated, EM = Equity method)

Companies entering the scope of consolidation in 2020

N.A.

Companies entering the scope of consolidation in 2021

Cléo Pierre SPI-RFA is an OPCV vehicle comprising 103 bank branches leased entirely to BMCI.

Companies entering the scope of consolidation in 2022

- Sela Plaza Casablanca: the company in charge of developing the 8th Sela.
- Akdital Immo: a joint venture with Akdital Holdig (31%) and BFO Partnes (17%), whose purpose is to own and develop a portfolio of healthcare real estate assets.
- Akdital Immo subsidiaries: TAJAK SARLAU, AGADIR SANTE, STE KAZAK SARL, SALE INVEST, KHOURIBGA IMMO, KENTRA SANTE, ASFI INVEST, KHOURIBGA HOTEL INVEST.

I.2.4. Consolidated income statement

The following table presents historical data on the income and expense report of Aradei Capital for the period 2020-2022:

Table 6: Changes in the income statement over the period (2020-2022)

In KMAD	2020	2021	Var. 20-21	2022	Var. 21-22
Rental revenue	263,633	407,203	54.5%	464,384	14.0%
Other revenue	7,444	13,930	87.1%	21,685	55.7%
Turnover	271,077	421,133	55.4%	486,069	15.4%
Operating expenses	(57,251)	(108,285)	89.1%	(124,643)	15.1%
Other purchases and external expenses	(39,894)	(87,001)	>100.0%	(105,545)	21.3%
Personnel expenses	(19,218)	(26,041)	35.5%	(21,121)	-18.9%
Taxes and similar payments	(2,750)	(6,506)	>100.0%	(3,425)	-47.4%
Other income and expenses	4,611	11,264	>100.0%	5,448	-51.6%
Gross operating surplus	213,826	312,848	46.3%	361,426	15.5%
<i>In % of the turnover</i>	<i>79%</i>	<i>74%</i>	<i>-5.8%</i>	<i>74%</i>	<i>0.1%</i>
Depreciation, amortization and provision charges/write-backs	(13,503)	(21,807)	61.5%	(6,375)	-70.8%
Other exceptional income and expenses	(11,824)	(16,177)	36.8%	(24,126)	49.1%
Change in fair value of investment properties	(56,028)	212,804	-479.8%	104,664	-50.8%
Income from asset disposals	24	-	-100.0%	2,275	100.0%
Operating income	132,494	487,668	>100.0%	437,865	-10.2%
<i>In % of the turnover</i>	<i>49%</i>	<i>116%</i>	<i>>100.0%</i>	<i>90%</i>	<i>-22.2%</i>
Gross cost of financial debt	(91,805)	(89,805)	-2.2%	(114,487)	27.5%
Investment income	5,886	8,616	46.4%	2,329	-73.0%
Net cost of financial debt	(85,919)	(81,189)	-5.5%	(112,158)	38.1%
Other financial income and expenses	21,075	10,125	-52.0%	22,487	>100.0%
Before tax current earnings	67,651	416,603	>100.0%	348,194	-16.4%
Corporate income tax	(50,054)	(72,534)	44.9%	(86,062)	18.6%
Net income from continuing operations	17,596	344,069	>100.0%	262,132	-23.8%
Earnings from discontinued operations	-	-	0.0%	-	0.0%
Net income for the period	17,596	344,069	>100.0%	262,132	-23.8%
<i>In % of the turnover</i>	<i>6%</i>	<i>82%</i>	<i>>100.0%</i>	<i>54%</i>	<i>-34.0%</i>
Net income - Parent company owners' share	17,596	344,069	>100.0%	227,051	-34.0%
Net income - non-controlling interests	-	-	0.0%	35,082	100.0%
Consolidated Net Income	17,596	344,069	>100.0%	262,132	-23.8%

Source: Aradei Capital

I.2.5. Consolidated financial statement

The following table summarizes the primary indicators of the consolidated financial statement of Aradei Capital for the period 2020-2022:

Table 7: Changes in Aradei Capital's consolidated financial statement for the period (2020-2022)

ASSETS (In KMAD)	2020	2021	Var. 20-21	2022	Var. 21-22
Other intangible fixed assets	-	-	0.0%	9,812	100.0%
Other intangible assets	7,580	7,314	-3.5%	7,475	2.2%
Investment properties	5,200,322	6,150,418	18.3%	7,199,349	17.1%
Other property, plant and equipment	19,437	17,622	-9.3%	14,679	-16.7%
Other financial assets	5,942	5,652	-4.9%	5,625	-0.5%
Deferred income tax assets	4,545	4,537	-0.2%	4,575	0.8%
Total non-current assets	5,237,826	6,185,543	18.1%	7,241,516	17.1%
Inventories and work-in-progress	90,061	102,109	13.4%	99,429	-2.6%
Clients	132,771	116,541	-12.2%	140,470	20.5%
Corporate income tax receivables	14,644	7,941	-45.8%	6,417	-19.2%
Other current assets	292,107	305,343	4.5%	537,784	76.1%
Cash and other cash equivalents	664,722	495,965	-25.4%	378,459	-23.7%
Total current assets	1,194,304	1,027,900	-13.9%	1,162,560	13.1%
Total Assets	6.432.130	7.213.443	12.15%	8.404.076	16.51%
LIABILITIES (In KMAD)	2020	2021	Var. 20-21	2022	Var. 21-22
Capital	1,064,578	1,064,578	0.0%	1,121,396	5.3%
Capital-related premiums	1,036,191	836,191	-19.3%	1,029,372	23.1%
Reserves	1,897,292	1,970,808	3.9%	2,086,013	5.8%
Special reserve	-	-	0.0%	-	0.0%
Income for the financial year	17,596	344,069	>100.0%	227,051	-34.0%
Shareholders' equity group share	4,015,657	4,215,646	5.0%	4,463,832	5.9%
Interest attributable to non-controlling interests	-	-	0.0%	55,788	100.0%
Shareholders' equity	4,015,657	4,215,646	5.0%	4,519,620	7.2%
Financial debt - non-current portion	1,409,360	2,066,038	46.6%	1,913,622	-7.4%
Provisions - non-current portion	2,614	2,614	0.0%	2,614	0.0%
Other non-current liabilities	88,394	71,650	-18.9%	72,543	1.2%
Deferred taxes	104,409	138,129	32.3%	180,586	30.7%
Total non-current liabilities	1,604,778	2,278,432	42.0%	2,169,364	-4.8%
Financial debt --current portion	393,580	303,111	-23.0%	902,738	>100.0%
Corporate income tax liability	1,194	10,765	>100.0%	4,313	-59.9%
Suppliers	199,533	179,474	-10.1%	350,206	95.1%
Provisions --current portion	19,718	29,710	50.7%	39,160	31.8%
Other-current liabilities	197,672	196,306	-0.7%	418,674	>100.0%
Liabilities related to discontinued operations	0	0	0.0%	-	-100.0%
Total current liabilities	811,696	719,365	-11.4%	1,715,091	>100.0%
Total liabilities	2,416,474	2,997,797	24.1%	3,884,455	29.6%

Total liabilities and shareholders' equity	6,432,130	7,213,443	12.15%	8,404,076	16.51%
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Source: Aradei Capital

II. Quarterly accounts

II.1. Key facts

- Construction work continued on the property company's 8th Sela in Casablanca (almost 30,000 m² GLA).
- Progress on construction of the Khouribga healthcare facility and acquisition of land in Benguerir to develop Akdital Immo's 7th healthcare unit.
- The GLA of the property portfolio totalled 466,000 m² on March 31, 2023, a reduction of 12,000 m² following the disposal of an asset.
- Consolidation of the company's E&S (Environmental and Social) strategy under the Bricks For Impact program in March 2023: definition of an action plan of 12 priority initiatives and their KPIs.

II.2. Key figures at March 31, 2023

- GLA: 466,000 m²
- Occupancy rate: 97%
- Consolidated IFRS sales: MAD 142 million (+21% vs. Q1 2022)
- Footfall (*): 106% of Q1 2022 level / 92% of pre-crisis level Q1 2019.

(*) Shopping centers and malls

II.3. Turnover

- Aradei Capital's consolidated IFRS sales for the 1st quarter of 2023 amounted to MAD 142.3 million, compared with MAD 117.6 million for the same period last year, an increase of 21.1%. Nearly 70% of this growth was generated by the property company's new scope, following deliveries in the second half of 2022 (4 healthcare facilities by Akdital Immo, the Prism office building and 2 extensions: Atacadao Meknès and Atacadao Inezgane).
- Corporate sales stood at MAD 47.7 million at March 31, 2023, compared with MAD 38.8 million at March 31, 2022, an increase of +23.0%.

In MMAD	Q1 2022	Q1 2023	Variation
Consolidated turnover under IFRS	117.6	142.3	+21%
Corporate turnover	38.8	47.7	+23%

Source: Aradei Capital

II.4. Investments

- Total investment by the real estate investment company for the 1st quarter of 2023 amounted to MAD 135.1 million, including in particular Akdital Immo's development expenditure: delivery of 4 healthcare establishments and acquisition of land in Benguerir.

In MMAD	Q1 2022	Q1 2023
Investments	217.6	135.1

Source: Aradei Capital

II.5. Debt

- Gross debt stood at MAD 2,801.9 million at March 31, 2023, stable compared with the end of December 2022.
- Net debt (including free cash flow) amounted to MAD 2,361.7 million.

In MMAD	31/12/2022	31/03/2023
Bond issue	925.0	925.0

Borrowings from credit institutions	1,591.3	1,676.9
Commercial paper	300.0	200.0
Total Debt	2,816.3	2,801.9

Source: Aradei Capital

II.6. 2023 Scope of consolidation

There is no change in the scope of consolidation.

Part IV. RISK FACTORS

I. Issuer risks

I.1. General risks

I.1.1. Economic environment risk

Due to its exposure to the retail sector, Aradei Capital is dependent on macroeconomic conditions and the financial position of the leasing companies. In order to diversify its real estate offer, Aradei Capital intends to invest in the development of new asset classes, particularly in professional, residential and industrial real estate.

I.1.2. Competitive risk

The commercial real estate leasing market is a capital-intensive sector of activity but one that does not present any regulatory barriers to entry, which is increasingly attracting the interests of national and international operators. However, the arrival of new operators in the commercial real estate leasing sector would not have a major significant impact on Aradei Capital's revenues given the geographical diversity of its assets.

I.1.3. Rising land costs risk

The upward trend in land prices in urban areas is a trend that has been observed in recent years due to the pressure exerted on land supply by steadily increasing demand in line with population growth. However, when establishing rental pricing, the cost of land is taken into consideration. In addition, as part of its development strategy, Aradei Capital will focus on developing its land reserve and improving its operating assets. Naturally, the cost of land is tracked and rigorously monitored in order to identify good investment opportunities.

I.1.4. Environmental risks

Aradei Capital's activity is subject to various current environmental and safety regulations. In addition, Aradei Capital is contractually bound to comply with certain obligations defined by the EBRD in the framework agreement. Aradei Capital is also bound by certain obligations set out in the investment agreement signed between LabelVie and PIC.

(See section "I.2.7 Investment agreement signed between LabelVie and PIC", and "I.2.8 Framework agreement signed between Aradei Capital and the EBRD" under heading I "General Presentation of Aradei Capital")

Aradei Capital could incur legal liability in the event of failure to comply with its obligation to monitor and control the facilities.

If Aradei Capital is held liable in this way, this could have a negative impact on its business, prospects and reputation. In order to limit these risks, Aradei Capital adopts a preventive policy of carrying out diagnostics and, where necessary, works to bring its facilities into compliance with environmental standards.

I.1.5. Legal and regulatory risk

Aradei Capital must comply with numerous regulations in various fields, including urban planning, construction, operating permits, health and safety, environment, lease law, corporate law, and taxation, particularly through current provisions. Variations in the regulatory environment could require Aradei Capital to adapt its business, assets or strategy, which could affect the value of its assets and liabilities, its financial position or its results, increase expenses or slow down or even prevent the development of certain investment projects.

I.2. Specific risks

I.2.1. Risk of dependence on the Label'Vie Group and Best Financière

At 31/12/2022 Aradei Capital SA is 37.9% owned by the LabelVie Group (following (i) two capital increases carried out by REIM International and GEPEF, (ii) the IPO and capital increase carried out in November 2022). LabelVie, through its subsidiaries, represents 40.9% of Aradei Capital's total sales area at the end of 2022.

At 12/31/2022, Aradei Capital SA is 37.9% owned by the LabelVie Group, which in turn is 51.06% owned by Retail Holding, 50.6% owned by the Best Financière Group.

At 12/31/2022, the Best Financière Group, through its subsidiaries, represents 43.7% of Aradei Capital's total retail space (40.9% of the retail space is occupied by the LabelVie Group and 2.8% of the retail space is occupied by Virgin NA (under the "Virgin" banner), GFFS (under the "Burger King" banner) and Modes & Nuances (under the "KIABI" banner).

The concentration of Aradei Capital's revenues around the Best Financière group, which operates in the retail sector among others, is in line with the standards that can be observed in other comparable property companies abroad, where the share of revenues from tenants operating in the retail (food and non-food) and fast-food sectors represents a significant proportion of their overall revenues.

I.2.2. Interest rate risk

Interest rate risk can impact the cost of servicing the debt. In addition, should interest rates on future debt potentially rise, Aradei Capital will adjust the capitalization rates used to value these assets to be acquired and financed by debt accordingly.

The trend in Bank Al Maghrib's key interest rate may lead to a variation in interest rates resulting, if necessary, in an increase in the cost of financing.

Aradei Capital may finance its investments by using Aradei Capital floating rate loans, which are subject to both upward and downward fluctuations in interest rates.

I.2.3. EBRD and PIC, acting on behalf of GEPP, Contractual Compliance Risk

Aradei Capital is required to comply with its contractual obligations to the EBRD and PIC, including ESG policy, governance and information rights. Aradei Capital is also bound by its contractual obligations to the EBRD regarding internal procedures, fraud and corruption and financial reporting.

(See section "I.2.7 Investment agreement signed between LabelVie and PIC", and "I.2.8 Framework agreement signed between Aradei Capital and the EBRD" under heading I "General Presentation of Aradei Capital")

I.2.4. Risk related to subcontracting

REIM Partners has contributed to the structuring, governance and development of the Company since 2015 in terms of investments, financing (debt and equity) and the organization of the Company. In view of this situation, the Company is exposed to a risk of dependence on REIM Partners in the event of non-renewal of the mandate, which will end on December 31, 2030.

I.2.5. Risk related to the incorporation of a business by the tenant

The business is defined by Articles 79 and following of the Commercial Code as "an intangible movable asset consisting of all movable property allocated to the exercise of one or more commercial activities" which "must include the clientèle and goodwill but also all other assets necessary for the operation of the business such as the trade name, signs, leasehold rights, commercial furniture, goods, equipment and tools, patents, licenses, trademarks and service marks, industrial designs and models and, in general, any industrial, literary or artistic property rights attached thereto".

The tenant may only claim to form a business if the tenant has enjoyed the property for two (2) consecutive years.

In the event that the landlord wishes to evict the tenant after an occupancy of more than two (2) years, the landlord shall compensate the tenant for an amount as defined by the Commercial Leases Act and determined in particular based on the value of the business declared in the last four (4) tax bundles to which are added, *inter alia*, moving costs and expenses for renovation works.

The landlord could evict the tenant without being required to pay eviction compensation in the following cases:

- If the landlord has a serious and legitimate reason against the tenant;
- If it is established that the building must be demolished for public health reasons recognized by the competent authorities;

- If the landlord takes over the place and occupies it himself/itself.

Nevertheless, the Company would only consider evicting a tenant in the event of a dispute with the latter (non-payment of rent, failure to comply with the terms of the lease agreement, etc.). In this case, legal proceedings would be initiated to demonstrate that the landlord has a serious and legitimate reason against the tenant and is therefore not liable for such compensation.

I.2.6. Sectoral risks

Aradei Capital is active in the commercial real estate sector, particularly in shopping centers throughout Morocco. As such, Aradei Capital is exposed to the risk of fluctuations in the value of its property assets and rents. These fluctuations are likely to have a significant impact, whether positive or negative, on its activity, earnings, solvency and development prospects.

I.2.7. Real estate market fluctuation risk

The appraised value of the assets depends on the conditions of balance between supply and demand for commercial premises by real estate investors. In addition to the general economic environment, the availability of modern real estate assets, the level of interest rates and the credit granting facility are key factors in this market which are independent of Aradei Capital and whose trends are difficult to predict.

In addition, the assets are held with a long-term perspective and are valued in the accounts at their cost net of depreciation, with short-term changes in value having no direct impact on results. On the other hand, they have an impact on the Net Asset Value. Fluctuations in the valuation of real estate assets may have an upward or downward impact on the Company's profitability as part of the financial statements published under IFRS standards and in particular on operating income, which includes the change in fair value of investment properties.

I.2.8. Rental fluctuation risk

At the expiry of existing leases, which may be renewed, the Group is subject to the vagaries of the rental market for the re-renting of vacated premises. In this competitive market, macroeconomic conditions and in particular the development of commercial activity have an effect on the length of time required for re-renting and its price (rental value). Any adaptation of the premises to demand may, in some cases, result in a prolonged period of vacancy of the assets.

I.2.9. Construction risk as the project owner

As part of its development plan Aradei Capital intends to carry out building construction projects and will use subcontractors for the construction of its projects. To this end, Aradei Capital will draw up specifications specifying the quality of the services required as well as the deadlines for their completion, which it will submit to calls for tenders or expressions of interest from pre-selected companies or partner companies, based on their technical resources and their references in similar projects.

Nevertheless, and in order to mitigate the risk associated with construction as general contractor, Aradei Capital has established a network of general contractors with the human and technical resources to carry out these projects to the highest professional standards.

I.2.10. Counterparty risk

Client Risk

Benefiting from a client portfolio concentrated on the subsidiaries of the Best Financière Group, Aradei Capital is exposed to client credit risk and occasional payment defaults or delays cannot be excluded.

Client solvency is assessed at the signing of the leases by the General Management of Aradei Capital based on the payment histories for existing clients and solvency analyses for new clients.

During the term of the lease, client credit risk is regularly monitored by Aradei Capital's Asset Management department.

Banking counterparty risk

Financial transactions, consisting mainly of bank borrowings, short and medium-term investments and short-term drawdowns on a line of credit, are carried out with the main Moroccan financial institutions.

The default of one or more of these counterparties could have a significant impact on the Group's liquidity. However, no banking counterparty accounts for more than one-third of the financial resources or derivative instruments that may be used by the Group.

Insurance counterparty risk

Aradei Capital has taken out a multi-risk insurance policy covering buildings used for commercial purposes for its entire portfolio with Saham Assurance.

Contractual indemnity limits are set per asset, based on the value of the buildings.

Construction and renovation works are insured, on a case-by-case basis, by "All Risks Construction Site" type insurance policies.

Periodic monitoring of insurance and premiums is updated by Asset Management.

I.2.11. Financial liquidity risk

Debt risk

Aradei Capital's strategy is to use bank debt to finance part of its growth. At the end of 2022, the Group's Loan to Value (LTV) ratio will be almost 37%.

The Group will use debt to finance its development program, in order to improve return on capital under certain conditions. Financing requirements and conditions are reviewed for each acquisition. The same applies to the monitoring of contractual obligations linked to existing debt ("covenants").

Access to debt risk

Also, a significant and lasting restriction on the terms and conditions of access to banking and/or capital markets could hamper the development of Aradei Capital.

Access to credit is conditional, for banking resources, on compliance with several financial ratios concerning in particular the Statement of financial position structure (LTV) and the activity's capacity to cover its debt load. Providing these ratios to the banking institutions is done in accordance with contractual commitments.

I.2.12. Vacancy risk

Aradei Capital has thirty-six (36) assets, including seven (7) independent assets and one OPCI, with an occupancy rate of almost 100%. For shopping centers, galleries, the industrial unit, the "Prism" office asset and health clinics (24 assets), the lowest occupancy rate is around 52%.

The vacancy risk (loss of income resulting from the non-letting of the property between two tenants) is taken into consideration in the development plan, which is based on very conservative assumptions. In addition, the Commercial Department of REIM Partners aims to diversify the portfolio of potential tenants, taking into consideration their business sectors, the reputation of their brand and their solvency.

I.2.13. Contract default risk

The Company is bound by contracts with its partners and tenants in the course of conducting its business. In order to ensure the reliability of all the legal documentation governing the Company's leases and to neutralize the risks inherent in this legal documentation, Aradei Capital's Asset Manager has a legal department which ensures that the legal documentation safeguards the Company's interests and complies with current legislation. In addition, the Company regularly calls on leading external legal firms to assist and advise it in protecting itself against this risk.

