



Managem

Summary of the Information Package related to the Annual and Occasional Update of the Commercial Paper Issue Program for the 2023 Financial Year and the First Half of 2024

Date of program initial implementation	December 2017
Date of latest program update	January 2024
Issue program ceiling	MAD 2,000,000,000
Former issue program ceiling	MAD 1 000 000 000

Financial Advisor

ATTIJARI FINANCES CORP.



التجاري للاستشارة المالية
Attijari Finances Corp.

Placement Agent

ATTIJARIWAFABANK



التجاري وفا بنك
Attijariwafa bank

Annual and occasional update of the information package related to the commercial paper issue program:

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

- This reference document;
- The note relating to the commercial paper issue program registered by the AMMC on March 04, 2025, under the reference EN/EM/004/2025 and available via the following link:
https://www.ammc.ma/sites/default/files/NO_MANAGEM_004_2025_5.pdf

The said update was approved by the AMMC on March 4, 2025, under the reference VI/EM/005/2025.

DISCLAIMER

The Moroccan Capital Market Authority (AMMC) approved on March 4, 2025, under the reference VI/EM/005/2025 the annual and occasional update of the information package relating to the commercial paper issue by Managem.

The information package approved by the AMMC is available at any time at Managem's headquarters, on its website (<http://www.managemgroup.com/medias/communiqués-et-publications-0>) and from the financial advisor. It is also available within a maximum period of 48 hours from the order-collecting institutions.

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

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

I. PRESENTATION OF THE OPERATION

I.1. Overall characteristics of the operation

In accordance with the provisions of Article 15 of Law 35-94 promulgated by Dahir 1-95-3 of Sha'ban 24, 1415 (January 26, 1995) and Order 2560-95 of the Minister of Finance and Foreign Investment of October 9, 1995 relating to negotiable debt securities (NDS), Managem S.A. issues commercial paper to the public, bearing interest and representing a right to claim for a period of less than or equal to one year.

The Board of Directors, meeting on September 18, 2017, authorized the issue of Commercial Paper with a ceiling of MAD 1,000,000,000 and granted full powers to Mr. Imad Toumi, Chairman and Chief Executive Officer of Managem S.A., to define the characteristics of each issue carried out under the program.

On September 25, 2024, the Board of Directors authorized an increase in the ceiling of the Commercial Paper program from MAD 1,000,000,000 to MAD 2,000,000,000, and conferred full powers on the CEO or any person specially appointed by said CEO to set the terms and conditions of the Commercial Paper issues and sign any legal documentation relating to the program.

In accordance with the provisions of Article 15 of Law 35-94 promulgated by Dahir 1-95-3 of Shaban 24, 1415 (January 26, 1995) and Order 2560-95 of the Minister of Finance and Foreign Investment of October 9, 1995 relating to negotiable debt securities, Managem S.A. has prepared this information package with the Advisory Body relating to its business, economic and financial situation and its issue program.

Pursuant to article 17 of said law, and as long as the negotiable debt securities are in circulation, this file will be updated annually within 45 days after the Ordinary Shareholders' Meeting called to approve the financial statements for the last financial year.

Pursuant to the provisions of the second paragraph of Article 17 of Law 35-94, Managem S.A. will update our notice relating to the commercial paper issue program at least 15 days prior to the effective date of any change in the characteristics of said program.

Managem S.A. will immediately update the information package in the case of any event likely to have an impact on changes in the price of the securities issued or on the successful completion of the issue program.

I.2. Objectives of the operation

Managem S.A. aims to issue commercial paper in order to:

- optimize the cost of short-term financing by partially replacing existing bank loans with commercial paper;
- meet its one-off cash requirements;
- diversify sources of financing.

I.3. Target investors of the program

Investors targeted by the issues carried out under the commercial paper program are:

- Natural or legal persons, resident or non-resident, of Moroccan or foreign nationality.

I.4. Program characteristics

Program Ceiling	MAD 2,000,000,000
Distribution of the overall ceiling among different types of instruments or tranches	Not Applicable
Authorized duration of the issue program	Undefined

Source: Managem

I.5. Characteristics of the securities to be issued

Nature of securities	Dematerialized Negotiable Debt Securities by registration with the Central Depository (Maroclear) and registered in accounts with authorized affiliates.
Nominal value per unit	MAD 100,000
Maximum outstanding amount (in value)	MAD 2,000,000,000
Maximum outstanding (in securities)	20,000
Legal form of securities	Bearer commercial paper
Maturity	Between 10 days et 12 months
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
Commercial Paper Rank	The ranking is similar to an ordinary debt contracted by the Company. The commercial paper program is not subordinated to any other debt of the Company.
Guarantee	The issue program of commercial paper has no specific guarantee
Rating	The issue is not rated
Tradability	There are no restrictions imposed by the terms of issue on the marketability of the commercial paper issued. The securities are negotiable over-the-counter
Vesting Date	To be defined at the time of each issue
Maturity Date	To be defined at the time of each issue
Assimilation Clause	The commercial paper issued is not assimilated to securities of a previous issue.

Source: Managem

I.6. Placement syndicate and financial intermediaries

Type of financial intermediaries	Entity	Address
Financial Advisor	Attijari Finances Corp.	163, Avenue Hassan II Casablanca
Placement Agent	Attijariwafa bank	2, boulevard Moulay Youssef Casablanca
Account holding institution	Attijariwafa bank	2, boulevard Moulay Youssef Casablanca
Securities financial services	Attijariwafa bank	2, boulevard Moulay Youssef Casablanca

Source: Managem

Attijari Finances Corp. is a 100.0% subsidiary of Attijariwafa bank, which has the same reference shareholder as Managem, namely AL MADA.

I.7. Subscription period

Each time Managem S.A. has a cash requirement, Attijariwafa bank will open the subscription period at least 3 working days before the dividend entitlement date.

I.8. Identification of subscribers

Prior to the completion of the subscription, the placement institution must ensure that the subscriber's representative has the capacity to act either in their capacity as legal representative or under a power of attorney at their disposal.

The placement agent must ensure that the subscriber belongs to one of the categories defined below. To this end, they must obtain a copy of the document certifying this and attach it to the subscription form.

Category	Documents to be attached
Associations	Photocopy of the Articles of Association and photocopy of the receipt of the file deposit
Minor Children	Photocopy of the page of the family record book attesting to the child's date of birth
UCITS under Moroccan law	Photocopy of the approval decision attesting that it belongs to this category. <ul style="list-style-type: none">▪ For Mutual Funds, the number of the certificate of deposit at the court registry▪ For Investment companies with variable capital (SICAVs), the number of the commercial register and the certificate of deposit at the court registry.
Foreign legal entities	Model of entries in the commercial register or equivalent
Moroccan legal entities	Model of entries in the commercial register
Non-residents and non-Moroccans natural persons	Photocopy of the pages of the passport containing the identity of the person as well as the issue and expiry dates of the document
Residents and non-Moroccan natural persons	Photocopy of the residency card

Source: Managem

All subscriptions that do not comply with the above-mentioned identification conditions will be null and void.

I.9. Subscription terms and conditions

Before each issue, Managem undertakes to make available to investors (prior to the opening of the subscription period) a document detailing the terms and conditions of the issue and containing the information referred to in article 1.60 of AMMC circular no. 03/19.

Attijariwafa bank is required to collect the subscription orders from the investors, by means of firm and irrevocable subscription forms, after the closing of the subscription period, according to the attached model. These subscription forms must be filled in, dated and signed by the subscribers or their representatives and transmitted to the placing organization. In addition, a copy of the subscription form must be given to the subscriber.

Subscribers may formulate one or more subscription requests, specifying the number of securities requested and the corresponding amount.

Attijariwafa bank is in charge of the processing of subscription orders and the rejection of applications that do not comply with the terms and conditions stated in the information package.

The placement body must ensure, prior to accepting a subscription, that the subscriber has the financial capacity to honor his commitments. The placement body will freely determine the terms of the financial guarantee requested from subscribers, which may be a deposit in cash or securities, or a surety. Institutional investors will not be required to cover the subscription.

Investors can place several orders with the placement body. The orders are cumulative. Subscribers' attention is drawn to the fact that all orders may be met in full or in part, depending on the availability of securities.

Subscriptions will be accepted and registered as and when they are confirmed in writing to Attijariwafa bank and this, until the ceiling of the issue is reached.

All subscriptions will be in cash, regardless of the category of subscribers:

- Subscriptions on behalf of minor children up to the age of 18 years are permitted provided that they are made by the father, mother, guardian or legal representative of the minor child. The organization in charge of the placement is required to obtain a copy of the page of the family record book showing the date of birth of the minor child and to attach it to the subscription form; in this case, the movements shall be 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.
- 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 placement institution is required to obtain a copy of this power of attorney and to attach it to the subscription form. The securities subscribed for 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 a power of attorney exists;
- A power of attorney for a subscription can under no circumstances allow the opening of an account for the principal. Also, the opening of an account must be done in the presence of its holder according to the legal or regulatory provisions in force;
- In the case of a portfolio management mandate, the manager may subscribe on behalf of the client whose portfolio he manages only by presenting a power of attorney duly signed and authenticated by their 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.

All subscription orders:

- are not complying with the above conditions will be null and void;

- are irrevocable after the end of the subscription period.

I.10. Methods of processing orders

During the subscription period, Attijariwafa bank must prepare a daily summary, final and consolidated statement of the subscriptions it has received. In the event of no subscriptions during the day, the subscription statement must be prepared with the mention "Nil".

Furthermore, Attijariwafa bank undertakes not to accept subscriptions collected outside the subscription period.

On the closing date of the subscription period, the placement body shall draw up a final, consolidated summary statement of the subscriptions received.

Attijariwafa bank shall prepare a final, detailed, consolidated summary statement of the subscriptions received.

After the closing of the subscription period, the following steps shall be taken:

- The cancellation of applications that do not comply with the aforementioned subscription terms and conditions;
- The consolidation of all admissible subscription applications, i.e. all subscription applications other than those declared null and void.

Requests will be fulfilled until the issue ceiling is reached. If the number of CP requested is greater than the number of securities available, allocation will be on a pro rata basis, according to an allocation rate.

This rate will be determined by the ratio: **“Quantity offered/Quantity requested”**.

If the number of securities to be distributed, according to the pro rata rule determined above, is not a whole number, this number of securities will be rounded down to the nearest unit. Fractions will be allocated, in increments of one BT per subscriber, with priority given to the highest requests.

I.11. Securities settlement/delivery arrangements

Payment for subscriptions will be made on the date of entitlement through the over-the-counter channel offered by the Maroclear platform, by Attijariwafa bank, as the securities registrar. The securities are payable in cash, in a single payment and registered in the name of the subscriber.

The securities allocated to each subscriber are recorded in their securities account on the day of settlement/delivery.

I.12. AMMC information commitment

Managem S.A. undertakes, prior to each issue, to make available to investors, prior to the opening of the subscription period, a document detailing the terms and conditions of the issue and containing the information referred to in Article 1.60 of AMMC Circular no. 03/19. The results of the issue (number of securities issued, amounts subscribed and allocated by type of investor, etc.) will be communicated to the AMMC within 7 days of its completion to this email Information_Financiere@ammc.ma.

II. ABOUT MANAGEM

II.1. General information

Corporate name	Managem
Registered Office	Twin center, tour A, angle boulevard Zerktouni et Al Massira Al Khadra, BP 5199, Casablanca – Maroc
Phone / Fax	(212) 522 95 65 97 (212) 522 95 64 64
Legal form	Public limited company with a Board of Directors
E-mail	managem@managemgroup.com
Website	http://www.managemgroup.com/
Date of incorporation	November 17, 1930
Lifespan	The lifespan of the company is set at 99 years, except in the event of early dissolution or extension provided for in the articles of association or by law.
Commercial Register No.	Registered on June 4, 1951, in the CR of Casablanca no. 17 883
Financial year	From January 1 to December 31.
Share capital as of 30/06/2024	The share capital is set at MAD 1,186,467,600, divided into 11,864 676 shares of a single class of MAD 100 each, and fully paid up at their nominal value.
Consulting legal documents	The Company's legal documents, in particular the Articles of Association, the minutes of Shareholders' Meetings, management reports and statutory auditors' reports may be consulted at Managem's registered office.
Corporate purpose	According to Article 3 of the Articles of Association, the Company's purpose is: <ul style="list-style-type: none">▪ to acquire direct or indirect equity interests in any operations or businesses through the creation of companies, participation in their formation or in the capital increase of existing companies, or through limited partnerships, the purchase of shares or corporate rights or otherwise;▪ the management of all mining, real estate, securities, financial, industrial or commercial businesses, companies or enterprises;▪ the purchase, sale and exchange of all securities and interest shares;▪ and, more generally, all transactions of any nature whatsoever relating to any of the above purposes.
Competent court in case of dispute	Commercial court of Casablanca
Legislative texts	Given its legal form, the company is governed by law no. 17-95 promulgated by Dahir no. 1-96-124 of August 30, 1996 relating to public limited companies, as amended and supplemented by laws no. 81-99, 23-01, 20-05, 78-12, amendment no. 20-19, amendment no. 19-20, and by its articles of association.

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

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

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

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

Tax system

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

Source: Managem

II.2. Brief overview of Managem's activity

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

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

a. Production

The table below lists Management's various activities as of June 30, 2024:

Company	Country	Type	Unit	2021	2022	2023	Var. 21/20	Var. 22/21	H1 2023	H1 2024	Var. H1 24/H1 23
CMG	Morocco	Zinc concentrate	(T)	52 706	47 666	45 234	-10.0%	-5.1%	24 442	12 058	-50.7%
		Lead concentrates	(T)	12 574	10 174	9 149	-19.0%	-10.1%	5 291	2 397	-54.7%
		Copper concentrate	(T)	8 471	11 574	15 322	37.0%	32.4%	11 574	48 941	322.9%
SMI	Morocco	Silver	(Kg)	117 545	110 741	140 003	-5.8%	26.4%	61 627	70 803	14.9%
AGM	Morocco	Copper concentrate	(T)	39 458	35 480	31 759	-10.0%	-10.5%	16 580	16 208	-2.2%
SOMIFER	Morocco	Copper concentrate	(T)	44 760	39 540	43 970	-12.0%	11.2%	21 818	19 552	-10.4%
CMO	Morocco	Copper concentrate	(T)	17 324	20 300	16 029	17.0%	-21.0%	9 045	7 533	-16.7%
SAMINE	Morocco	Fluorine	(Kg)	34 945	0	-	-100.0%	NA	0	0	NA
SMM	Gabon	Gold	(Kg)	3 422	5 134	4 044	50.0%	-21.2%	2 285	2 251	-1.5%
MANUB	Sudan	Gold	(Kg)	1 332	1 494	323	12.0%	-78.4%	323	671	107.7%
CTT	Morocco	Gold	(Kg)	147	167	104	14.0%	-37.7%	47	24	-48.9%
CTT	Morocco	Cobalt cathodes	(mT)	1 796	1 690	1 506	-6.0%	-10.9%	798	522	-34.6%
		Arsenic	(T)	6 883	5 450	4 705	-21.0%	-13.7%	2 564	2 100	-18.1%
		Nickel derivatives	(T)	147	157	130	7.0%	-17.2%	74	33	-55.4%
		Zinc oxide	(T)	2 237	0	-	NA	NA	0	0	NA
		Sulfuric Acid	(T)	44 900	86 458	51 672	-	-40.2%	37 082	38 321	3.3%
		Iron oxide	(T)	48 933	90 781	54 255	85.5%	-40.2%	38 936	33 899	-12.9%

Source: Management

b. Sales

The breakdown of sales by type of concentrate and the related metal prices for the three previous financial years are as follows ¹:

	Unit	2021	2022	H1 2023	2023	H1 2024	Var 22/21	Var 23/22	Var H1 24 /H1 23
Consolidated Revenue	MMA D	7 423	9 645	4 181	7 508	4 408	30%	-22%	5%
<i>Average parity of sales</i>	<i>\$/MAD</i>	<i>9</i>	<i>10</i>	<i>10,17</i>	<i>10</i>	<i>10,05</i>	13%	-1%	-1%
Zinc									
Revenue	MMA D	458	465	173	310	88	2%	-33%	-49%
Quantity	(t)	52 510	47 379	24 353	44 981	11 783	-10%	-5%	-52%
Price	(\$/t)	3 038	3 430	2 739	2 619	2 903	13%	-24%	6%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>6,20%</i>	<i>4,80%</i>	<i>4,14%</i>	<i>4,10%</i>	<i>2,00%</i>			
Lead									
Revenue	MMA D	141	109	65	104	14	-23%	-5%	-78%
Quantity	(t)	12 478	10 119	5 555	9 310	1360	-19%	-8%	-76%
Price	(\$/t)	2 259	2 050	2 114	2 123	2186	-9%	4%	3%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>1,90%</i>	<i>1,10%</i>	<i>1,55%</i>	<i>1,40%</i>	<i>0,30%</i>			
Group copper									
Revenue	MMA D	1575	1422	718	1349	659	-10%	-5%	-8%
Quantity	(t)	109 851	102 737	56 299	106 649	45362	-6%	4%	-19%
Price	(\$/t)	9 140	8 886	8 132	8 183	9253	-3%	-8%	14%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>21,20%</i>	<i>14,70%</i>	<i>17,17%</i>	<i>18,00%</i>	<i>15,00%</i>			
Fluorine*									
Revenue	MMA D	95	0	0	0	0	-	NA	NA
Quantity	(t)	35 602	0	0	0	0	-	NA	NA
Price	(\$/t)	304	0	0	0	0	-	NA	NA
<i>Revenue Contribution</i>	<i>(%)</i>	<i>1,30%</i>	<i>0,00%</i>	<i>0</i>	<i>0,00%</i>	<i>0,00%</i>			
SMI silver									
Revenue	MMA D	683	789	523	1 052	567	16%	33%	8%
Quantity	(Kg)	116 260	108 559	70 491	139 756	69088	-7%	29%	-2%
Price	(\$/Oz)	21	22	23	24	26,12	7%	7%	14%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>9,20%</i>	<i>8,20%</i>	<i>12,51%</i>	<i>14,00%</i>	<i>12,90%</i>			

¹ The product "Quantity * Price" is not equal to the revenue per metal. This situation is explained by sales formulas that include components such as treatment charges for metal concentrates, etc.

Group gold									
Revenue	MMA D	2366	4099	1 511	2665	1954	73%	-35%	29%
Quantity	(Kg)	4 585	6 868	2 478	4 282	2817	50%	-38%	14%
Price	(\$/Oz)	1 779	1 807	1 863	1 909	2165	2%	6%	16%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>31,90%</i>	<i>42,50%</i>	<i>36,14 %</i>	<i>35,50%</i>	<i>44,30 %</i>			
cobalt cathodes									
Revenue	MMA D	659	820	298	521	111	24%	-36%	-63%
Quantity	(kg)	1 391 000	1 408 000	737 000	1 442 000	395 000	1%	2%	-46%
Price	(\$/Lb)	22	27	17,2	16	11,9	23%	-40%	-31%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>8,90%</i>	<i>8,50%</i>	<i>7,13%</i>	<i>6,90%</i>	<i>2,50%</i>			
Hydrometallurgical products									

Source: Managem

* These figures do not include fluorspar concentrate sold to cement manufacturers. Note that fluorspar sales are handled by the subsidiary SAMINE

II.3. Shareholding structure

As of June 30, 2024, Managem's shareholding structure is as follows:

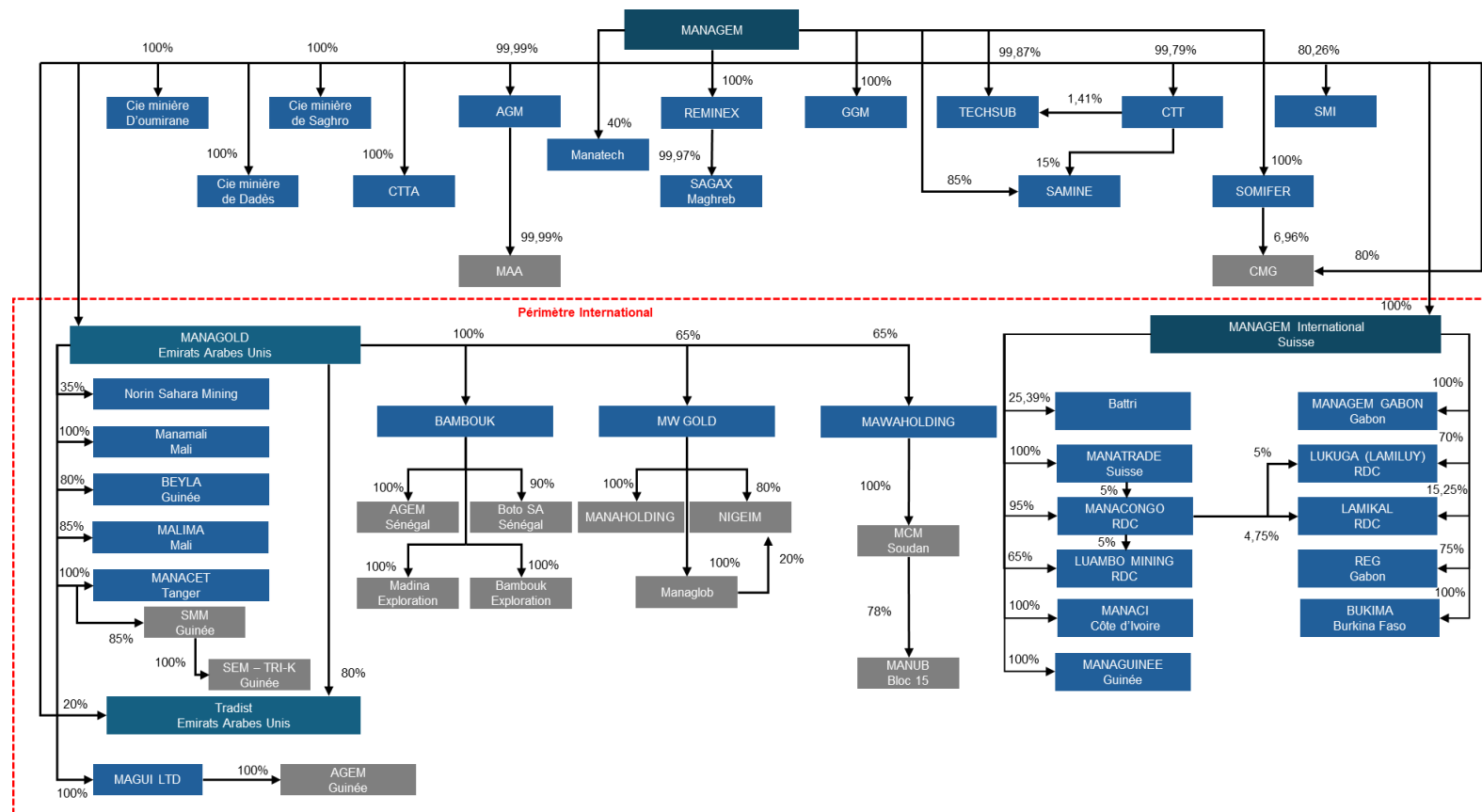
Shareholders (30/06/2024)	Number of shares and voting rights	Capital and voting rights %
Al Mada	9 100 552	76.70%
CIMR	1 034 192	8.72%
DAN Maroc	584 843	4.93%
Various shareholders - floating *	1 145 090	9.65%
Total	11 864 677	100.00%

Source: Managem

II.4. Legal organization chart

Managem has both domestic and international subsidiaries. The structure of the Group as of June 30, 2024 is as follows:

Managem's legal organization chart as of December 31, 2023



Source: Managem

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

As of June 30, 2024, Managem's functional organization chart was as follows:

Managem functional organizational chart



Source: Managem

III. FINANCIAL DATA

III.1. Annual financial statements

Balance sheet

The following table shows the changes in Managem's balance sheet aggregates over the period 2021-2023:

In MMAD	2021	2022	2023	Var. 22/21	Var. 23/22
ASSETS					
Fixed assets	3 308	4 184	7 557	26.48%	80.62%
Non-valued fixed assets	2	2	2	0.00%	0.00%
Preliminary fees	-	-	-	NA	NA
Expenses to be spread over several fy	2	2	2	0.00%	0.00%
Intangible fixed assets	71	32	35	-54.93%	9.38%
Fixed assets in research and development	2	-	-	NA	NA
Patents, trademarks, rights and similar values	3	5	4	66.67%	-20.00%
Other intangible assets	66	28	31	-57.58%	10.71%
Property, plant and equipment	70	71	69	1.43%	-2.82%
Land	13	13	13	0.00%	0.00%
Constructions	47	45	44	-4.26%	-2.22%
Technical installations, equipment and tools	2	2	1	0.00%	-50.00%
Transport equipment	1	1	1	0.00%	-40.00%
Furniture, office equipment and miscellaneous fittings	6	4	4	-33.33%	0.00%
Property, plant and equipment in progress	1	6	6	>100.0%	0.00%
Financial fixed assets	3 164	4 079	7 397	28.92%	81.35%
Fixed loans	296	221	3 067	-25.34%	>100.0%
Other financial receivables	0	0	0	NA	NA
Equity investments	2 868	3 857	4 331	34.48%	12.28%
Translation adjustments - Assets	-	-	54	NA	NA
Decrease in fixed assets	-	-	54	NA	NA
Increase in financial debt	-	-	-	NA	NA
Current assets (excluding PST)	3 393	4 815	5 709	41.92%	18.55%
Stocks	-	-	-	NA	NA
Goods	-	-	-	NA	NA
Consumable materials and supplies	-	-	-	NA	NA
Products in progress	-	-	-	NA	NA
Intermediate and residual products	-	-	-	NA	NA
Finished products	-	-	-	NA	NA
Receivables from current assets	3 357	4 812	5 707	43.34%	18.60%
Accounts payable, advances and down payments	29	29	29	0.00%	0.00%
Trade receivables and related accounts	499	655	1 008	31.26%	53.89%

Staff	0	1	0	NA	-79.00%
State	107	114	95	6.54%	-16.67%
Associate Accounts	2 718	4 011	4 571	47.57%	13.96%
Other receivables	-	-	-	NA	NA
Accrued income and prepaid expenses	3	2	3	-33.33%	50.00%
Translation adjustments - assets (current items)	36	3	2	-91.67%	-33.33%
Cash - Assets (including PST)	18	22	27	22.22%	22.73%
Cheques and securities to be cashed	-	-		NA	NA
Banks, TG and CCP	18	22	27	22.22%	22.73%
Cash, imprest accounts and letters of credit	0	0	0	NA	NA
Securities and investment securities	-			NA	NA
Total ASSETS	6 718	9 022	13 294	34.30%	47.35%

Source: Managem

Statement of management balances (Corporate Accounts)

The following table shows changes in the main aggregates of Management's management balances over the period 2021-2023:

En MMAD	2021	2022	2023	Var. 22/21	Var. 23/22	
Sale of goods and services produced	294	380	368	29.25%	-3.16%	
Turnover	294	380	368	29.25%	-3.16%	
Fixed assets produced by the company for itself	3	2	3	-33.33%	50.00%	
Other operating income	-	-	0	NA	NA	
Operating reversals, expense transfers	297	382	371	28.62%	-2.88%	
Production (1)	25	32	35	28.00%	8.75%	
Consumed purchases of materials and supplies	60	70	70	16.67%	-0.29%	
Other external expenses	84	103	105	22.62%	1.55%	
Expenditure for the fiscal year (2)	213	280	266	31.46%	-4.86%	
	<i>added value (1) - (2)</i>	<i>72.40%</i>	<i>73.68%</i>	<i>72.39%</i>	<i>12.8 pbs</i>	<i>-12.9 pbs</i>
Operating Grants	-	-	-	NA	NA	
Taxes and duties	9	18	17	100%	-5.56%	
Personnel expenses	86	97	107	12.79%	10.31%	
Gross Operating Surplus	117	165	143	41.03%	-13.33%	
	<i>Gross operating margin</i>	<i>39.90%</i>	<i>43.42%</i>	<i>38.86%</i>	<i>35.2 pbs</i>	<i>-45.6 pbs</i>
Other operating income	0	3	0	NA	-90.00%	
Recovery of operations, transfer of charges	-	9	0	NA	NA	
Other operating expenses	2	2	2	0.00%	-20.00%	
Operating allocations	53	52	12	-1.89%	-76.92%	
Operating income	62	122	130	96.77%	6.56%	
	<i>Operating margin</i>	<i>21.20%</i>	<i>32.11%</i>	<i>35.33%</i>	<i>109.1 pbs</i>	<i>32.2 pbs</i>
Financial Products	507	1 030	720	>100.0%	-30.10%	
Income from equity interests and other long-term securities	66	792	329	>100.0%	-58.46%	
Foreign exchange gains	2	17	8	>100.0%	-52.94%	
Interest and other financial income	152	181	379	19.08%	>100.0%	
Financial withdrawals, transfer of charges	286	40	3	-86.01%	-92.50%	
Financial expenses	190	290	515	52.63%	77.59%	
Interest expenses	144	136	321	-5.56%	>100.0%	
Foreign exchange losses	11	0	6	NA	NA	
Other financial expenses	-	-	-	NA	NA	
Financial allocations	36	153	188	>100.0%	22.88%	
Financial income	317	740	204	>100.0%	-72.43%	
Current income	379	862	335	>100.0%	-61.17%	
Non-current revenue	275	134	33	-51.27%	-75.37%	

Proceeds from disposal of fixed assets	5	-	3	NA	NA
Other non-current income	-	-		NA	NA
Non-current take-backs, expense transfers	270	134	30	-50.37%	-77.61%
Non-current expenses	33	45	49	36.36%	8.89%
Net book value of fixed assets sold	5	-	-	NA	NA
Grants awarded	-	-	-	NA	NA
Other non-current expenses	1	15	26	>100.0%	73.33%
Non-current allocations	27	30	24	11.11%	-21.67%
Non-current income	242	89	-17	-63.22%	<-100%
Pre-tax income	621	951	318	53.14%	-66.61%
Income Taxes	2	6	3	>100.0%	-50.00%
Net income	619	945	315	52.67%	-66.72%
	<i>Net margin</i>	<i>210.80%</i>	<i>248.68%</i>	<i>85.46%</i>	<i>378.8 pbs</i>
					<i>-1 632.2 pbs</i>

Source: Managem

Consolidated balance sheet

The table below shows changes in the Managem Group's consolidated balance sheet between 2021 and 2023:

In MMAD	2021	2022	2023	Var. 22/21	Var. 23/22
ASSETS					
Goodwill	305	305	305	0.00%	0.13%
Intangible fixed assets	2 365	2 702	3 898	14.25%	44.27%
Property, plant and equipment	6 701	7 487	9 666	11.73%	29.10%
Fixed assets with right of use	251	233	192	-7.17%	-17.51%
Investment properties	9	9	9	0.00%	-1.11%
Investments in associates	195	312	150	60.00%	-51.89%
Other financial assets	318	351	368	10.38%	4.81%
<i>Hedging derivative instruments</i>	-	25	9	NA	-64.80%
<i>Loans and receivables</i>	57	65	48	14.04%	-26.62%
<i>Available-for-sale financial assets</i>	262	262	311	0.00%	18.82%
Deferred tax assets	129	11	66	-91.47%	>100.0%
Other non-current debtors, net	-	-	47	NA	NA
Non-current assets	10 272	11 412	14 701	11.10%	28.82%
other financial assets	-	10	32	NA	>100.0%
<i>of which hedging derivatives</i>	-	10	32	NA	>100.0%
Inventories and ongoing	1 131	1 759	1 824	55.53%	3.67%
Trade receivables	2 227	1 576	1 532	-29.23%	-2.79%
Other current receivables	1 536	2 051	2 413	33.53%	17.66%
Cash and equivalents	1 727	2 496	2 741	44.53%	9.80%
Current assets	6 622	7 893	8 541	19.19%	8.21%
Total assets	16 894	19 305	23 242	14.27%	20.39%

In MMAD	2021	2022	2023	Var. 22/21	Var. 23/22
LIABILITIES					
Shares	999	999	999	0.00%	0.01%
Issue and merger premiums	1 657	1 657	1 657	0.00%	0.02%
Reserves	2 117	2 807	4 075	32.59%	45.18%
Currency translation differences	154	499	319	>100.0%	-36.09%
Net profit attributable to equity holders of the group	862	1 615	514	87.30%	-68.14%
Shareholders' equity - group share	5 789	7 577	7 565	30.89%	-0.16%
Minority interests	455	631	663	38.68%	5.02%
Consolidated shareholders' equity	6 244	8 208	8 228	31.45%	0.24%
Provisions	161	195	215	21.12%	10.46%
Pension liabilities	298	276	253	-7.38%	-8.44%
Non-current financial debts	5 426	5 440	6 832	0.26%	25.59%

<i>of which derivative financial instruments</i>	205	209	245	1.95%	17.08%
<i>of which due to credit institutions</i>	2 588	3 103	4 496	19.90%	44.90%
<i>of which debt securities</i>	2 500	2 000	2 000	-20.00%	0.00%
<i>of which debts related to finance leases</i>	-	-	-	NA	NA
<i>Of which Payables related to right-of-use contracts</i>	133	127	91	-4.51%	-28.11%
Deferred tax liabilities	32	72	30	>100.0%	-59.03%
Other non-current credits	0	0	71	NA	>100%
Non-current liabilities	5 918	5 984	7 401	1.12%	23.67%
Current financial debts	543	901	3 010	65.93%	>100.0%
<i>of which derivative financial instruments</i>	10	26	2	>100.0%	-93.08%
<i>of which due to credit institutions</i>	533	874	3 008	63.98%	>100.0%
Current trade payables	1 328	1 553	1 925	16.94%	23.92%
Other current creditors	2 862	2 659	2 680	-7.09%	0.77%
Non-current liabilities	4 732	5 113	7 614	8.05%	48.91%
Total liabilities	16 894	19 305	23 242	14.27%	20.39%

Source: Managem

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

Consolidated income statement

The table below shows changes in the Managem Group's consolidated income statement aggregates over the period 2021 – 2023:

In MMAD	2021	2022	2023	Var. 22/21	Var. 23/22
Turnover	7 423	9 645	7 508	29.93%	-22.16%
Other income from operations	210	144	286	-31.61%	99.41%
Revenue from ordinary activities	7 633	9 789	7 794	28.25%	-20.38%
Purchases, net of changes in inventories	-3 254	-4 273	-3 766	31.32%	-11.87%
Gross Margin	4 379	5 516	4 028	25.96%	-26.98%
<i>(Gross Margin/ Turnover)</i>	<i>59.00%</i>	<i>57.19%</i>	<i>53.65%</i>	<i>-18.1 pbs</i>	<i>-35.4 pbs</i>
Other external expenses	-1 875	-2 269	-1 975	-21.01%	12.94%
Staff costs	-1 139	-1 264	-1 281	-10.97%	-1.38%
Tax and duties	-79	-113	-112	-43.04%	0.97%
Depreciation, amortization and provisions	-1 453	-1 447	-1 397	0.41%	3.46%
Other net operating (income) expenses	1 485	1 570	1 782	5.72%	13.53%
Current operating income	1 317	1 993	1 045	51.33%	-47.58%
Disposal of assets	1	-	3	NA	NA
Disposals of subsidiaries and affiliates	-	-	-	NA	NA
Negative goodwill	-	-	-	NA	NA
Results on financial instruments	9	17	17	NA	NA

Other non-current operating income and expenses	-68	-6	-63	91.18%	>100.0%
Income from operating activities	1 260	1 970	1 002	56.35%	-49.15%
<i>operational margin</i>	<i>16.97%</i>	<i>20.42%</i>	<i>13.34%</i>	<i>34.5 pbs</i>	<i>-70.8 pbs</i>
Income from interest	40	49	145	22.50%	>100.0%
Expenses from interest	-313	-289	-487	7.67%	-68.34%
Net financial debt cost	-273	-240	-342	12.09%	-42.33%
Other financial income and expenses	25	94	-37	>100.0%	NA
Financial income	-249	-146	- 379	41.37%	>100.0%
Pre-tax income of consolidated companies	1 012	1 824	623	80.24%	-65.84%
<i>Pre-tax margin</i>	<i>13.63%</i>	<i>18.91%</i>	<i>8.30%</i>	<i>52.8 pbs</i>	<i>-106.1 pbs</i>
Income taxes	-80	-63.561	-82	20.55%	-29.01%
Deferred Taxes	-72	-166	96	>100.0%	NA
Net income for the consolidated group	859	1 595	637	85.64%	-60.07%
Share in results of companies accounted for by the equity method	67	157	-96	>100.0%	NA
Net income from continuing operations	926	1 751	541	89.05%	-69.10%
<i>Net Margin</i>	<i>12.48%</i>	<i>18.16%</i>	<i>7.21%</i>	<i>56.8 pbs</i>	<i>-109.5 pbs</i>
Minority interests	65	137	27	>100.0%	-80.58%
Net income - Group share	862	1 615	515	87.35%	-68.14%
Earnings per share (EPS)	86	162	52	88.37%	-68.18%

Source: Managem

III.2. Half-yearly financial statements

Balance sheet

The following table shows changes in Management's balance sheet aggregates over the period 2023-June 2024:

In MMAD	2023	June-24	Var. %
ASSETS			
Fixed assets	7557	7 872	4.17%
Non-valued fixed assets	2	17	>100%
Preliminary fees	-	15	NA
Expenses to be spread over several fy	2	2	8.18%
Intangible fixed assets	35	34	-4.11%
Fixed assets in research and development	-	-	NA
Patents, trademarks, rights and similar values	4	3	-30.72%
Other intangible assets	31	31	-0.68%
Property, plant and equipment	69	66	-3.77%
Land	13	13	-1.63%
Constructions	44	43	-3.40%
Technical installations, equipment and tools	1	1	-7.78%
Transport equipment	1	0	-31.52%
Furniture, office equipment and miscellaneous fittings	4	5	29.32%
Property, plant and equipment in progress	6	5	-23.27%
Financial fixed assets	7 397	7 711	4.24%
Fixed loans	3 067	3 079	0%
Other financial receivables	0	0	NA
Equity investments	4331	4 631	6.94%
Translation adjustments - Assets	54.3	44	-18%
Decrease in fixed assets	54.3	44	-18%
Increase in financial debt			NA
Current assets (excluding PST)	5 709	7 065	23.75%
Stocks		-	NA
Goods			NA
Consumable materials and supplies			NA
Products in progress			NA
Intermediate and residual products			NA
Finished products			NA
Receivables from current assets	5 707	7 064	23.78%
Accounts payable, advances and down payments	29	35	20.24%
Trade receivables and related accounts	1008	1 269	25.94%
Staff	0.21	0	-37.78%
State	95	113	18.45%
Associate Accounts	4571	5 356	17.18%

Other receivables		285	NA
Accrued income and prepaid expenses	3	6	99.40%
Translation adjustments - assets (current items)	2	1	-38.56%
Cash - Assets (including PST)	27	12	-54.18%
Cheques and securities to be cashed			NA
Banks, TG and CCP	27	12	-54.45%
Cash, imprest accounts and letters of credit	0	0	NA
Securities and investment securities			NA
Total assets	13 294	14 950	12.46%

In MMAD	2023	June-24	Var. %
LIABILITIES			
Permanent funding	8 561	11 342	32.49%
Shareholders' equity	3 503	6 290	79.55%
Capital stock	999	1 186	18.77%
Issue, merger and contribution premiums	1 684	4 494	>100%
Legal reserve	100	100	-0.09%
Other reserves	101	101	-0.35%
Carry forward	304	263	-13.36%
Net income for the fy	315	145	-53.97%
Similar shareholders' equity	-	-	NA
Investment grant	-	-	NA
Provisions for accelerated depreciation	-	-	NA
Financing debts	5 000	5 000	0.00%
Investment grant	2 000	2 000	0.00%
Provisions for accelerated depreciation	3 000	3 000	0.00%
Long-term provisions for liabilities and charges	54	44	-18%
Provisions for risks	54	44	-18.61%
Provisions for charges			NA
Currency translation adjustment - Liabilities	4	8	>100%
Increase in fixed assets	4	8	NA
Decrease in financial debt			NA
Current liabilities	2 107	1 641	-22.13%
<i>in % of total balance sheet</i>	115	53	-53.99%
Trade payables and related accounts		-	NA
Accounts payable, advances and down-payments	17	20	22.17%
Staff	13.944	18	30.87%
Social Organizations	36	25	-29.75%
State	1 797	1 079	-39.96%
Associate Accounts		342	NA
Other creditors	126	103	-18.53%
Accruals and deferred income	2	1	-38.56%

Other provisions for liabilities and charges	49	54	9.54%
Translation adjustments - liabilities (current items)	2 212	1 740	-21%
Cash - Liabilities	2 576	1 912	-25.78%
Discount Credits			NA
Cash credits	2 575	1 700	-33.98%
Banks (credit balances)	1	212	>100%
Total liabilities	13 295	14 950	12%

Source: Managem

Statement of management balances (Corporate Accounts)

The following table shows changes in the main aggregates of Management's management balances over the period from June 2023 to June 2024:

En MMAD	June-23	June -24	Var. %
Sale of goods and services produced	168	234	38.75%
Turnover	168	234	38.75%
Change in product inventories	-	-	0.00%
Fixed assets produced by the company for itself	-	-	0.00%
Other operating income	-	-	0.00%
Operating reversals, expense transfers	-	18	>100%
Production (1)	168	252	49.58%
Consumed purchases of materials and supplies	13	15	15.36%
Other external expenses	27	48	74.69%
Expenditure for the fiscal year (2)	40	62	55.80%
added value (1) - (2)	129	190	47.64%
	<i>Added value rate</i>	<i>76%</i>	<i>81%</i>
			<i>7 pts</i>
Operating Grants	0	-	-100%
Taxes and duties	8	15	81.24%
Personnel expenses	49	55	11.51%
Gross Operating Surplus	71	120	68.66%
	<i>Gross operating margin</i>	<i>42.%</i>	<i>51%</i>
			<i>9 pts</i>
Other operating income	0	-	100.00%
Recovery of operations, transfer of charges	0	-	100.00%
Other operating expenses	2	2	37.13%
Operating allocations	6	7	29.91%
Operating income	64	110	73.41%
	<i>Operating margin</i>	<i>38%</i>	<i>47%</i>
			<i>9 pts</i>
Financial Products	321	375	16.75%
Income from equity interests and other long-term securities	151	106	-30.05%
Foreign exchange gains	8	0	-99.97%
Interest and other financial income	159	213	34.00%
Financial withdrawals, transfer of charges	3	57	>100%
Financial expenses	190	362	-100.00%
Interest expenses	121	197	62.77%
Foreign exchange losses	5	0	-98.91%
Other financial expenses	-	-	NA

Financial allocations	64	165	>100%
Financial income	131	13	-90.31%
Current income	194	123	-36.75%
Non-current revenue	-	24	0.00%
Proceeds from disposal of fixed assets	-	-	0.00%
Other non-current income	-	-	0.00%
Non-current take-backs, expense transfers	-	24	0.00%
Non-current expenses	0	-	-100.00%
Net book value of fixed assets sold	-	-	0.00%
Grants awarded	-	-	0.00%
Other non-current expenses	0	-	0.00%
Non-current allocations	-	-	0.00%
Non-current income	0	24	>100%
Pre-tax income	194	147	24.23%
Income Taxes	1	2	18.12%
Net income	193	145	-24.76%
	<i>Net margin</i>	<i>114%</i>	<i>62%</i>
			<i>-46 pts</i>

Source: Managem

Consolidated balance sheet

The table below shows changes in the Managem Group's consolidated balance sheet between 2023 and June 2024:

In MMAD	2023	June-24	Var. %
ASSETS			
Goodwill	305	305	0.00%
Intangible fixed assets	3 898	3 893	-0.14%
Tangible fixed assets	9 666	11 320	17.11%
Fixed assets in right of use	192	167	-13.22%
Investment properties	9	9	0.00%
Investments in associates*	150	146	-2.60%
Other financial assets	368	354	-3.81%
<i>Hedging derivative instruments</i>	9	12	35.23%
<i>Loans and receivables</i>	48	31	-35.01%
<i>Available-for-sale financial assets</i>	311	311	-0.06%
Deferred tax assets	66	95	43.77%
Other non-current receivables, net	47	47	-0.64%
Non-current assets	14 701	16 335	11.11%
Other financial assets	32	373	>100%
<i>of which hedging derivatives</i>	32	-	NA
Inventories and work in progress	1 824	1 988	9.03%
Trade receivables	1 532	1 723	12.45%
Other current receivables	2 413	2 473	2.49%
Cash and cash equivalents	2 741	1 450	-47.09%
Current Assets	8 541	8 007	-6.25%
Total Assets	24 342	24 342	0.00%
LIABILITIES			
Shares	999	1 187	18.76%
Issue and merger premiums	1 657	4 449	168.47%
Reserves	4 075	4 092	0.40%
Currency translation differences	319	337	5.61%
Net income (group share)	514	259	-49.73%
Shareholders' equity - group share	7 565	10 323	36.46%
Minority interests	663	676	2.04%
Consolidated shareholders' equity	8 228	10 999	33.69%
Provisions	215	221	2.65%
Pension liabilities	253	241	-4.67%
Non-current financial debts	6 832	5 744	0.00%
<i>of which derivative financial instruments</i>	245	386	57.54%
<i>of which due to credit institutions</i>	4 496	3 286	-26.91%

of which debt securities	2 000	2 000	0.00%
of which debts related to finance leases	-	-	NA
of which liabilities related to right-of-use contracts	91	72	-21.58%
Deferred tax liabilities	30	3	-90.85%
Other non-current loans	71	70	-0.99%
Non-current liabilities	7 401	6 279	-0.53%
Current financial debts	3 010	3 305	0.00%
of which derivative financial instruments	2	40	>100%
of which due to credit institutions	3 008	3 265	8.53%
Current trade payables	1 925	1 940	0.81%
Other current payables	2 680	1 719	-35.85%
Liabilities related to non-current assets held for sale	0	101	NA
Current liabilities	7 614	7 065	-10.67%
Total liabilities	15 015	13 344	8.44%
Total Liabilities and shareholders' equity	23 243	24 343	4.73%

Source: Managem

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

Consolidated income statement

The table below shows changes in the Managem Group's consolidated income statement aggregates over the period June 2023 - June 2024:

In MMAD	June-23	June-24	Var. %
Turnover	4 182	4 408	5.41%
Other income from operations	157	282	79.30%
Revenue from ordinary activities	4 338	4 690	8.11%
Purchases, net of changes in inventories	-1 961	-2 507	27.84%
Gross Margin	2 377	2 183	-8.18%
<i>(Gross Margin/ Turnover)</i>	<i>56.85%</i>	<i>49.51%</i>	<i>-7.34 pts</i>
Other external expenses	-1 030	-1 308	27.02%
Staff costs	-666	-633	-5.00%
Tax and duties	-88	-62	-29.03%
Depreciation, amortization and provisions	-737	-688	-6.60%
Other net operating (income) expenses	786	1 180	50.19%
Current operating income	643	671	4.39%
Disposal of assets	-	0	NA
Disposals of subsidiaries and affiliates	-	0	NA
Negative goodwill	-	0	NA
Results on financial instruments	19	0	<-100%
Other non-current operating income and expenses	-32	-11	-65%
Income from operating activities	630	660	4.78%
<i>operational margin</i>	<i>15.07%</i>	<i>14.98%</i>	<i>-0.09 pts</i>
Income from interest	62	47	-24%

Expenses from interest	-207	-256	23.81%
Net financial debt cost	-145	-209	44.16%
Other financial income and expenses	122	-3	NA
Financial income	-266	-212	-20%
Pre-tax income of consolidated companies	364	448	23.16%
<i>Pre-tax margin</i>	<i>8.70%</i>	<i>10.17%</i>	<i>-1.47 pts</i>
Income taxes	-42	-112	165.55%
Deferred Taxes	31	22	-28%
Net income for the consolidated group	353	359	1.77%
Share in results of companies accounted for by the equity method	-29	-5	-83%
Net income from continuing operations	324	354	9.35%
<i>Net Margin</i>	<i>7.74%</i>	<i>8.04%</i>	<i>-0.30 pts</i>
Minority interests	19	96	>100%
Net income - Group share	305	259	-15.20%

Source: Managem

IV. RISKS

IV.1. Risks related to the commercial paper issue program

Liquidity risk

Subscribers to Managem's commercial paper may be subject to a liquidity risk in the secondary market for private debt. In fact, depending on market conditions (liquidity, evolution of the yield curve, etc.) the liquidity of these debt securities may be temporarily affected.

Interest rate risk

The commercial paper program covered by this note is planned to be issued at a fixed rate. Thus, the value of the securities could vary upwards or downwards, depending on the evolution of the reference rate curve of the secondary market of Treasury bills published by Bank Al Maghrib.

Risk relating to additional indebtedness

The issuer may issue additional debt in the future that ranks equal to or higher than the commercial paper described in this document. Such issues would reduce the amount recoverable by the holders of these securities in the event of liquidation of the issuer.

Default risk

The commercial paper covered by this note is an unsecured debt security. Accordingly, any investor is subject to the risk of non-repayment in the event of default by Managem.

IV.2. Risks relating to Managem's activity

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

Risks related to variations in the price of raw materials

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

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

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

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

Hedged price risk

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

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

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

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

Currency risk

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

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

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

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

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

Risks related to resources and reserves

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

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

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

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

Technical risks

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

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

Safety and environmental risks

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

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

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

Regulatory risks

As Managem operates in several countries with different laws and regulations, the Group is exposed to potential changes in regulations which may in some cases affect mining operations or even their profitability. To mitigate this risk, Managem undertakes to set up specific mining agreements upstream of project start-ups. These agreements, which are discussed and duly validated by the relevant

authorities, guarantee preferential and stable conditions, and list the rights and obligations of the legal entity established in the country. This scheme is currently being adopted in Guinea, Sudan and Senegal.

Risks related to foreign activities

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

Social risks

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

Tax risks

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

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

Risks related to license renewals

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

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

Risks related to natural disasters

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

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

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

Risks related to Management's customers

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

Risks related to geopolitical tensions

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

Risks related to access to financing

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

Risks related to interest-rate volatility

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

Risks related to indebtedness

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

Disclaimer

The above-mentioned information is only a part of the information package approved by the Moroccan Capital Market Authority (AMMC) under reference no. VI/EM/005/2025 on March 4, 2025.

The AMMC recommends reading the whole information package made available to the public in French.