



Managem

Summary of the Information Package related to the Update of the Commercial Paper Issue Program for 2019 Fiscal Year and the First Half of 2020

Date of initial implementation of the Program	December 2017
Date of last program update	December 2019
Ceiling of the issue program	MAD1 000,000,000

Financial Advisor

ATTIJARI FINANCES CORP.



Placement Agent

ATTIJARIWAFABA BANK



Registration of the Moroccan Capital Market Authority (AMMC)

In accordance with the provisions of the circular of the Moroccan Capital Market Authority (AMMC), this Reference Document was registered by the AMMC on 29/12/2020 under the reference EN/EM/032/2020.

This Reference Document can be used as a basis for canvassing or for collecting orders as part of a financial operation only if it is part of a prospectus duly approved by the AMMC.

Annual Update of the Information Package on 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 30/12/2019 under the reference EN/EM/027/2019 and available via the following link:
http://www.ammc.ma/sites/default/files/Note_BT_Managem_027_2019_0.pdf

The said update was approved by the AMMC under the reference VI/EM/031/2020.

DISCLAIMER

On December 30, 2020, the Moroccan Capital Market Authority (AMMC) approved an information package relating to the issuance of commercial paper by Managem.

The information package approved by the AMMC is available at any time at Managem's headquarters, on Managem's 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 <http://www.ammc.ma>. It is also available on the Casablanca Stock Exchange's headquarters and website <http://www.casablanca-bourse.com/>.

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 content of this summary and that of the information package referred to by the AMMC, only the information package referred to shall be deemed authentic.

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 24 Châabane 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 issuance 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.

To this end, Managem S.A. will issue commercial paper to the public, bearing interest to represent a debt claim, for a term of less than or equal to one year.

In accordance with the provisions of Article 15 of Law 35-94 promulgated by Dahir 1-95-3 of 24 Châabane 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 issuance 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 issuance 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 issuance program.

I.2. Objectives of the operation

Managem S.A. aims to issue commercial paper 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. Investors targeted by the program

The investors targeted by issuance under the Commercial Paper Program are as follows:

- Individuals or legal entities, resident or non-resident of Moroccan or foreign nationality.

I.4. Program characteristics

Program Ceiling	MAD1 000 000 000
Distribution of the overall ceiling among different types of instruments or tranches	Not Applicable
Authorized duration of the issuance 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.
Face value per unit	MAD100 000
The maximum outstanding amount (in value)	1 000 000 000 MAD
Maximum outstanding (in securities)	10 000
Legal form of securities	Commercial papers out to bearer
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 issuance 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	Commercial paper issued is not assimilated to securities of a previous issue.

Source: Managem

I.6. Investment 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. shows a cash need, Attijariwafa bank will open the subscription period at least 3 working days before the dividend entitlement date.

It should be noted that the subscription period could be closed early as soon as the placement of the entire issue has been completed.

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 his capacity as legal representative or under a power of attorney at his 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
Natural persons resident in Morocco and Moroccan nationals abroad	Photocopy of the national identity 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 file.

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 in no case 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;
- all forms must be signed by the subscriber or his or her representative. Before accepting a subscription, the placement institution must ensure that the subscriber has the financial capacity to honor its commitments. The placement organization shall freely determine the terms of the financial guarantee required from subscribers, which may be a cash deposit, securities deposit or a surety. For institutional investors, no coverage of the subscription will be required;
- Subscribers must indicate the number of securities they intend to subscribe for within the framework of this operation;

- investors may place multiple orders with the placement agency. 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;
- 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 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.

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.1. Allocation methods

Allocations will be made in accordance with orders transmitted by investors. In the event that the number of securities requested exceeds the number of securities available, the allocation of securities will be made on a daily pro rata basis of the amounts subscribed. If the number of securities is not a whole number, the allocation of the remaining commercial paper will be made by drawing lots.

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

I.2. Securities settlement/delivery arrangements

The payment of subscriptions will be made by transmission, at the vesting date, of delivery orders against payment (LCP MAROCLEAR) by Attijariwafa bank, in its capacity as securities depository institution. The securities are payable in cash in a single installment.

I.3. 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.

II. ABOUTMANAGEM

II.1. General information

Company 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/
Formation date	November 17th, 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.
Register of commerce NO	Registered on June 4th, 1951 in the RC of Casablanca no 17 883
Financial year	From January 1 until December 31 . .
Share capital as30/06/2020	The share capital is set at MAD 999,130,800, divided into 9,991,308 shares of a single class of MAD100 each, fully paid up.
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.
Company's object	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.
Applicable court in case of dispute	Commercial court of Casablanca
Legislative texts	By virtue of its legal form, the Company is governed by Law 17-95 relating to public limited companies, as amended and supplemented, and by its Articles of Association. By virtue of its activity, it is subject to the dahir of 16 April 1951 on mining regulations in Morocco and all legislative texts amending and supplementing the said dahir, in particular: <ul style="list-style-type: none">• Dahir of 18 June 1958 modifying the dahir of 9 Rajab 1370 on mining regulations;• dahir no 1-58-229 of 4 Moharem 1378 (21 July 1958) supplementing and amending the dahir of 9 Rajab 1370 on mining regulations;• decree no 2-59-392 of 25 Hija 1378 (July 2, 1959) supplementing decree no 2-57-1647 of 24 Jumada 1377 (December 17, 1957) fixing certain applications of the provisions of the dahir of 9 rajab 1370 (April 16, 1951) relating to mining regulations;• dahir no1-62-097 of 16 Safar 1382 (July 19, 1962) supplementing and modifying the dahir of 9 Rajab 1370 on mining regulations;• dahir no 1-62-193 of 24 Joumada 1 1382 (24 October 1962) amending the dahir of 9 Rajab 1370 on mining regulations;• decree no2-80-273 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

- Corporate income tax at the standard rate, 30% at the end of 2015 and 31% from 2016 (by exception, the export of goods and services is subject to corporate income tax at the reduced rate of 17.5%);
 - Value added tax: 20% on sales of services;
 - Business tax: 30%.
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Source: Managem

II.2. Brief overview of Managem's activity

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

Managem's historical business consists of prospecting, extracting, upgrading and marketing various ores, namely base metals (copper, zinc, lead), precious metal (gold and silver), precious metal (cobalt cathode, nickel, etc.) derived from hydro-metallurgical activity and finally useful substances (fluorine).

a. Production

The table below lists Managem's various activities as of December 31, 2019:

Company	Site	Starting Date	Substance	Mined deposits	31/12/2018 production	31/12/2019 production
AGM	Akka	2007	Copper	Tazalakht and Agoujgal	44 596 t concentrate	40 640 t concentrate
CMG	Hajjar	1992	Zinc, copper and lead	Hajjar	75 951 t zinc concentrate, 15 813 t copper concentrate, 12 665 t lead concentrate	61 763 t zinc concentrate, 10 879 t copper concentrate, 11 364 t lead concentrate
	Draâ Sfar	2004		Draâ Sfar		
	Tighardine	2007	Tighardine			
	Guemassa	2002	Zinc oxide	Rich	8 127 t	7 962 t
CMO	Oumejrane	2014	Copper	Bounhass, Rich Merzoug, Afilou N'khou, Oumejrane Nord, Boukerzia	16 460 t concentrate	12 099 t concentrate
CTT	Bou-Azzer	1930	Cobalt	Bou-Azzer	1 807 t Cobalt	2 397 t Cobalt
	Guemassa	1996	Sulfuric Acid	ND	66 834 t	70 442 t
	Guemassa	1999	Arsenic	ND	5 578 t	5 055 t
	Guemassa	2013	Gold	ND	160 kg	221 kg
	Guemassa	2013	Iron Oxide	ND	73 272 t	83 433 t
	Guemassa	2006	Nickel derivative	ND	126 t	131 t
	Guemassa	2002	Zinc Oxide	ND	8 127 t	7 962 t
SAMINE	El Hammam	1974*	Fluorine	El Hammam	48 751 t concentrate	50 397 t concentrate
SMI	Imiter	1969	Silver	Imiter	144 t silver metal	177 t silver metal
SOMIFER	Bleida	2013	Copper	Jbel Laâssal	37 620 t concentrate	38 005 t concentrate
REG**	Bakoudou (Gabon)	2012	Gold	Bakoudou	0 kg	0 kg
Manub	Soudan	2013	Gold	Block 15 – Gabgaba	596 kg	1 907 kg

Source: Managem

(*) Starting date of production

(**) The mine has been inactive since 2017

b. Sales

The breakdown of sales by type of concentrate and related metal prices for the three previous fiscal years is as follows¹:

	Unit	2017	2018	2019	Var. 18/17	Var 19/18
Consolidated Revenue	MMAD	5 200	4 355	4 553	-16.3%	4.5%
<i>Average parity of sales</i>	<i>\$/MAD</i>	<i>9.61</i>	<i>9.38</i>	<i>9.62</i>	<i>-2.4%</i>	<i>2.6%</i>
Zinc						
Revenue	MMAD	643	540	320	-16.0%	-40.7%
Quantity	(t)	75 569	75 036	63 419	-0.7%	-15.5%
Price	(\$/t)	2 874	2 705	2 459	-5.9%	-9.1%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>12.4%</i>	<i>12.4%</i>	<i>7.0%</i>	<i>3 bps</i>	<i>-537 bps</i>
Lead						
Revenue	MMAD	221	151	109	-31.7%	-27.8%
Quantity	(t)	15 727	12 562	9 688	-20.1%	-22.9%
Price	(\$/t)	2 272	2 172	2 026	-4.4%	-6.7%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>4.3%</i>	<i>3.5%</i>	<i>2.4%</i>	<i>-78 bps</i>	<i>-107 bps</i>
Copper group						
Revenue	MMAD	1 234	1 118	940	-9.4%	-15.9%
Quantity	(t)	115 974	112 475	100 453	-3.0%	-10.7%
Price	(\$/t)	6 082	6 440	6 002	5.9%	-6.8%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>23.7%</i>	<i>25.7%</i>	<i>20.6%</i>	<i>194 bps</i>	<i>-503 bps</i>
Fluorite						
Revenue	MMAD	97	145	234	49.5%	61.4%
Quantity	(t)	54 390	49 098	51 348	-9.7%	4.6%
Price	(\$/t)	183	303	471	65.6%	55.4%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>1.9%</i>	<i>3.3%</i>	<i>5.1%</i>	<i>146 bps</i>	<i>181 bps</i>
Silver SMI						
Revenue	MMAD	1 112	661	840	-40.6%	27.1%
Quantity	(Kg)	213 678	144 306	174 421	-32.5%	20.9%
Price	(\$/Oz)	17.640	15.930	16.080	-9.7%	0.9%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>21.4%</i>	<i>15.2%</i>	<i>18.4%</i>	<i>-621 bps</i>	<i>327 bps</i>
Gold Group						
Revenue	MMAD	557	282	910	-49.4%	>100.0%
Quantity	(Kg)	1 427	747	2 077	-47.7%	>100.0%
Price	(\$/Oz)	1 268	1 307	1 422	3.1%	8.8%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>10.7%</i>	<i>6.5%</i>	<i>20.0%</i>	<i>-424 bps</i>	<i>1 351 bps</i>
cobalt cathodes **						
Revenue	MMAD	822	983	730	19.6%	-25.7%
Quantity	(kg)	1 416 000	1 416 856	2 262 183	0.1%	59.7%
Price	(\$/Lb)	27	34	17	26.0%	-49.0%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>15.8%</i>	<i>22.6%</i>	<i>16.0%</i>	<i>676 bps</i>	<i>-654 bps</i>
Hydrometallurgical products						
Revenue	MMAD	248	242	239	-2.4%	-1.2%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>4.8%</i>	<i>5.6%</i>	<i>5.2%</i>	<i>79 bps</i>	<i>-31 bps</i>
Services and other products						
Revenue	MMAD	266	233	231	-12.4%	-0.9%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>5.1%</i>	<i>5.4%</i>	<i>5.1%</i>	<i>23 bps</i>	<i>-28 bps</i>

Source: Managem

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

¹The 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.

***Cobalt cathodes outside the toll-milling process and including the treated secondary material*

II.3. Shareholding structure

As of June 25, 2020, Managem's shareholding structure was as follows:

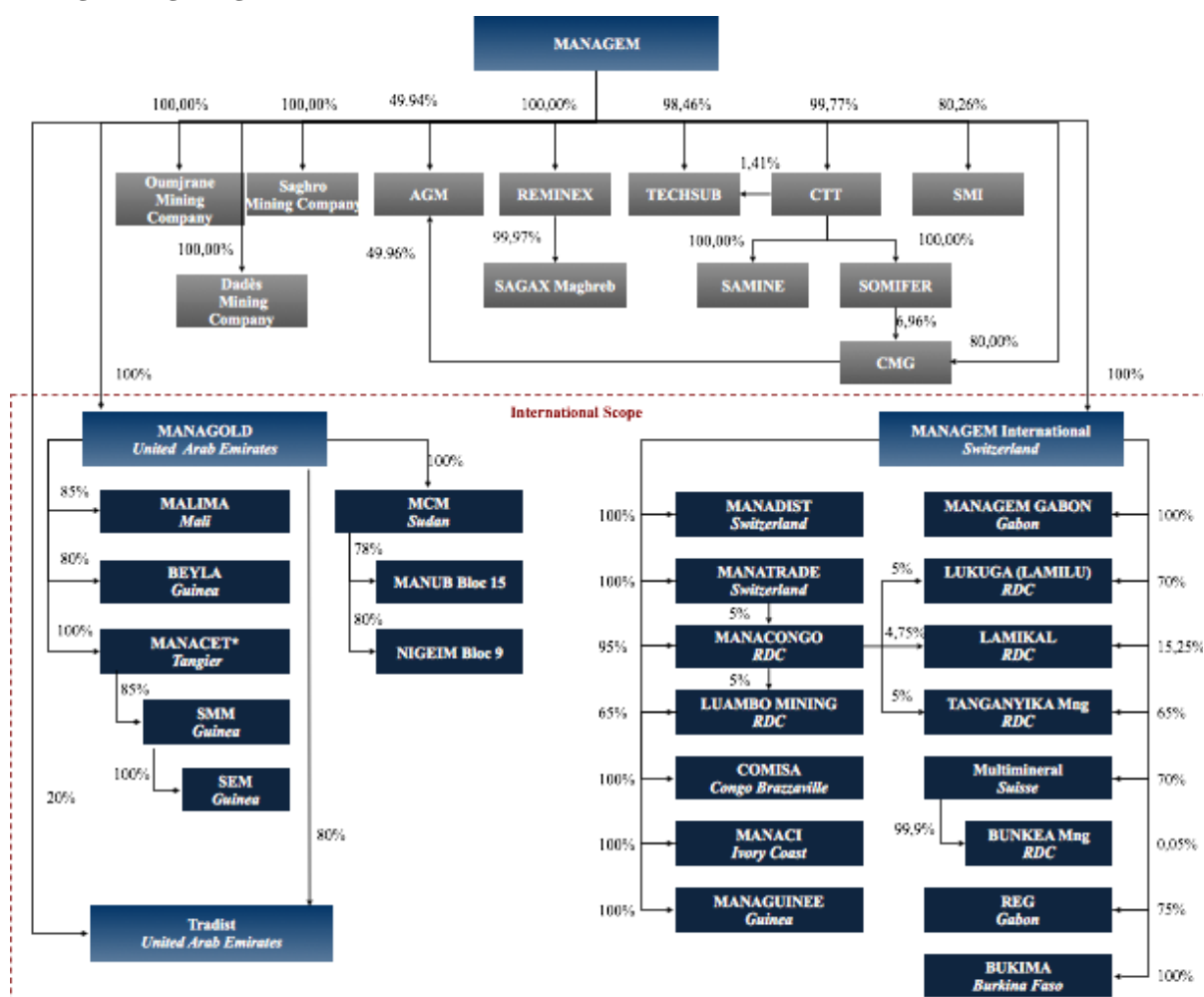
Shareholders	Number of shares and voting rights	Capital and voting rights %
Al Mada	8 135 590	81.4%
CIMR	824 919	8.3%
Various shareholders - float	1 030 799	10.3%
Total	9 991 308	100.0%

Source: Managem

II.4. Legal organization chart

Managem has subsidiaries at both national and international level. The Group's structure as of December 31, 2019 is as follows:

Managem's legal organization chart at December 31, 2019

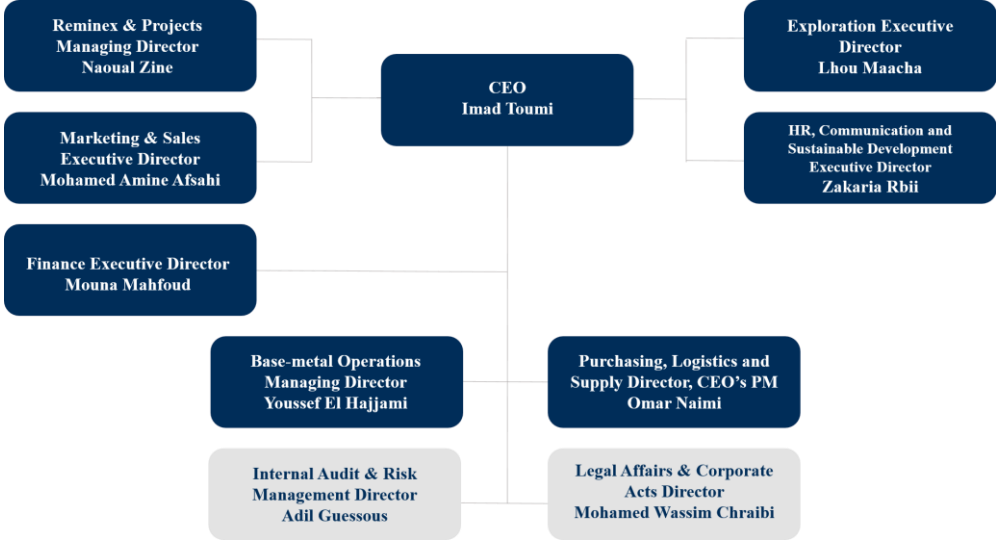


Source: Managem

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

As of June 30, 2020, Managem's functional organization chart was as follows:

Functional organization chart of Managem



Member of the Management Board

Source: Managem

III. FINANCIAL DATA

III.1. Annual accounts

Balance sheet (Corporate Accounts)

The following table shows the changes in Managem S.A.'s balance sheet aggregates over the period 2017-2019:

In MMAD	2017	2018	2019	Var. 18/17	Var. 19/18
ASSETS					
Fixed assets	3 405.6	3 304.7	3 037.7	-3.0%	-8.1%
Non-valued fixed assets	17.9	13.8	9.4	-22.6%	-32.3%
Preliminary fees	16.3	12.2	8.2	-25.0%	-33.2%
Expenses to be spread over several fy	1.6	1.6	1.2	2.5%	-25.5%
Intangible fixed assets	69.1	102.0	111.7	47.6%	9.5%
Patents, trademarks, rights and similar values	16.4	10.7	6.3	-34.9%	-40.9%
Other intangible assets	52.7	91.3	105.4	73.1%	15.4%
Property, plant and equipment	84.2	78.6	76.1	-6.7%	-3.1%
Land	12.3	12.3	12.8	0.0%	3.7%
Constructions	58.7	55.5	53.7	-5.5%	-3.2%
Technical installations, equipment and tools	4.3	3.8	3.3	-12.2%	-13.9%
Transport equipment	0.5	0.3	0.0	-46.2%	-85.9%
Furniture, office equipment and miscellaneous fittings	8.4	6.7	4.2	-19.5%	-38.0%
Property, plant and equipment in progress	0.1	0.0	2.2	-83.8%	>100.0%
Financial fixed assets	3 234.4	3 110.4	2 840.5	-3.8%	-8.7%
Fixed loans	0.0	-	-	-100.0%	NA
Other financial receivables	600.0	0.0	0.0	-100.0%	0.0%
Equity investments	2 634.4	3 110.4	2 840.5	18.1%	-8.7%
Translation adjustments - Assets	-	-	-	NA	NA
Decrease in fixed assets	-	-	-	NA	NA
Increase in financial debt	-	-	-	NA	NA
Current assets	2 878.3	2 853.3	2 719.1	-0.9%	-4.7%
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	2 878.0	2 852.3	2 717.1	-0.9%	-4.7%
Accounts payable, advances and down payments	3.9	29.2	29.2	>100.0%	0.0%
Trade receivables and related accounts	153.9	178.8	236.0	16.2%	32.0%
Staff	0.1	1.2	0.5	>100.0%	-58.6%
State	90.8	109.1	135.5	20.2%	24.2%
Associate Accounts	2 628.6	2 528.4	2 311.9	-3.8%	-8.6%
Other receivables	0.0	0.0	0.0	-34.4%	0.0%
Accrued income and prepaid expenses	0.8	5.6	3.9	>100.0%	-30.4%
Translation adjustments - assets (current items)	0.3	1.0	2.0	>100.0%	>100.0%
Cash - Assets	10.3	202.2	0.1	>100.0%	-99.9%
Cheques and securities to be cashed	-	-	-	NA	NA
Banks, TG and CCP	10.1	202.0	-	>100.0%	-100.0%
Cash, imprest accounts and letters of credit	0.1	0.2	0.1	19.8%	-39.0%
Securities and investment securities	-	-	-	NA	NA
Total ASSETS	6 294.2	6 360.2	5 756.9	1.0%	-9.5%

Source: Managem

In MMAD	2017	2018	2019	Var. 18/17	Var. 19/18
LIABILITIES					
Permanent funding	5 086.7	4 560.3	3 501.9	-10.3%	-23.2%
Shareholders' equity	3 436.7	3 310.3	2 381.9	-3.7%	-28.0%
Capital stock	999.1	999.1	999.1	0.0%	0.0%
Issue, merger and contribution premiums	1 684.1	1 684.1	1 684.1	0.0%	0.0%
Legal reserve	91.6	99.9	99.9	9.1%	0.0%
Other reserves	300.5	300.5	300.5	0.0%	0.0%
Carry forward	157.7	123.3	76.8	-21.8%	-37.7%
Net income for the fy	203.7	103.4	-778.6	-49.3%	<-100.0%
Similar shareholders' equity	-	-	-	NA	NA
Investment grant	-	-	-	NA	NA
Provisions for accelerated depreciation	-	-	-	NA	NA
Financing debts	1 650.0	1 250.0	1 120.0	-24.2%	-10.4%
Investment grant	-	-	-	NA	NA
Provisions for accelerated depreciation	1 650.0	1 250.0	1 120.0	-24.2%	-10.4%
Long-term provisions for liabilities and charges	-	-	-	NA	NA
Provisions for risks	-	-	-	NA	NA
Provisions for charges	-	-	-	NA	NA
Currency translation adjustment - Liabilities	-	-	-	NA	NA
Increase in fixed assets	-	-	-	NA	NA
Decrease in financial debt	-	-	-	NA	NA
Current liabilities	347.5	335.3	158.0	-3.5%	-52.9%
Trade payables and related accounts	36.1	29.1	28.3	-19.6%	-2.6%
Accounts payable, advances and down-payments	-	-	-	NA	NA
Staff	10.3	11.2	13.1	9.4%	16.4%
Social Organizations	11.1	10.9	10.0	-2.0%	-8.0%
State	8.2	8.2	6.2	0.5%	-24.9%
Associate Accounts	264.1	250.5	69.5	-5.2%	-72.2%
Other creditors	-	-	-	NA	NA
Accruals and deferred income	17.6	25.5	30.9	44.4%	21.3%
Other provisions for liabilities and charges	0.3	1.0	2.0	>100.0%	>100.0%
Translation adjustments - liabilities (current items)	1.3	1.1	0.8	-16.6%	-26.2%
Cash - Liabilities	858.4	1 462.5	2 094.2	70.4%	43.2%
Discount Credits	-	-	-	NA	NA
Cash credits	-	-	-	NA	NA
Banks (credit balances)	858.4	1 462.5	2 094.2	70.4%	43.2%
Total LIABILITIES	6 294.2	6 360.2	5 756.9	1.0%	-9.5%

Source: Managem

Statement of management balances (Corporate Accounts)

The following table shows changes in the main aggregates of Managem S.A.'s management balances over the period 2017-2019:

In MMAD	2017	2018	2019	Var. 18/17	Var. 19/18
Sale of goods and services produced	204.0	185.5	199.5	-9.1%	7.6%
Turnover	204.0	185.5	199.5	-9.1%	7.6%
Fixed assets produced by the company for itself	17.5	9.6	12.2	-45.4%	27.2%
Change in product inventories	-	-	-	NA	NA
Production (1)	221.5	195.1	211.7	-11.9%	8.5%
Consumed purchases of materials and supplies	61.7	51.4	50.6	-16.6%	-1.7%
Other external expenses	50.3	43.3	52.4	-13.9%	20.9%
Expenditure for the fiscal year (2)	112.0	94.8	103.0	-15.4%	8.6%
added value (1) - (2)	109.5	100.3	108.7	-8.4%	8.4%
<i>Added value rate</i>	<i>53.7%</i>	<i>54.1%</i>	<i>54.5%</i>	<i>39 bps</i>	<i>43 bps</i>
Operating Grants	-	-	-	NA	NA
Taxes and duties	11.5	1.3	2.4	-89.1%	89.9%
Personnel expenses	66.5	81.8	73.5	23.0%	-10.1%
Gross Operating Surplus	31.5	17.3	32.8	-45.2%	89.8%
<i>Gross operating margin</i>	<i>15.4%</i>	<i>9.3%</i>	<i>16.4%</i>	<i>-613 bps</i>	<i>712 bps</i>
Other operating income	0.3	4.1	9.0	>100.0%	>100.0%
Recovery of operations, transfer of charges	17.9	0.1	-	-99.3%	-100.0%
Other operating expenses	0.64	0.64	0.64	0.0%	0.0%
Operating allocations	18.5	18.3	25.4	-1.4%	38.7%
Operating income	30.5	2.6	15.8	-91.4%	>100.0%
<i>Operating margin</i>	<i>15.0%</i>	<i>1.4%</i>	<i>7.9%</i>	<i>-1 355 bps</i>	<i>648 bps</i>
Financial Products	311.9	208.2	107.8	-33.3%	-48.2%
Income from equity interests and other long-term securities	200.8	114.9	2.2	-42.8%	-98.1%
Foreign exchange gains	0.2	0.1	0.1	-40.9%	-43.1%
Interest and other financial income	106.1	92.8	104.6	-12.5%	12.7%
Financial withdrawals, transfer of charges	4.7	0.3	1.0	-93.5%	>100.0%
Financial expenses	133.7	103.9	398.9	-22.3%	>100.0%
Interest expenses	131.4	102.9	126.7	-21.7%	23.1%
Foreign exchange losses	2.0	0.1	0.2	-97.5%	>100.0%
Other financial expenses	-	-	-	NA	NA
Financial allocations	0.3	1.0	272.0	>100.0%	>100.0%
Financial income	178.2	104.2	-291.1	-41.5%	<-100.0%
Current income	208.7	106.8	-275.3	-48.8%	<-100.0%
Non-current revenue	0.6	11.1	-	>100.0%	-100.0%
Proceeds from disposal of fixed assets	0.2	11.1	-	>100.0%	-100.0%
Other non-current income	-	-	-	NA	NA
Non-current take-backs, expense transfers	0.3	-	-	-100.0%	NA
Non-current expenses	3.1	12.5	501.6	>100.0%	>100.0%
Net book value of fixed assets sold	-	11.0	-	NA	-100.0%
Grants awarded	-	-	-	NA	NA
Other non-current expenses	3.1	1.5	-	-50.1%	-100.0%
Non-current allocations	-	-	501.6	NA	NA
Non-current income	-2.5	-1.5	-501.6	39.8%	<-100.0%
Pre-tax income	206.3	105.4	-777.0	-48.9%	<-100.0%
Income Taxes	2.6	2.0	1.6	-22.3%	-20.7%
Net income	203.7	103.4	-778.6	-49.3%	<-100.0%
<i>Net Margin</i>	<i>99.8%</i>	<i>55.7%</i>	<i>-390.2%</i>	<i>-4 412 bps</i>	<i>-44 590 bps</i>

Source: Managem

Consolidated balance sheet

The table below shows changes in the Managem Group's consolidated balance sheet between 2017 and 2019:

In MMAD	2017	2018	2019	Var. 18/17	Var. 19/18
ASSETS					
Goodwill	305.4	305.4	305.4	0.0%	0.0%
Intangible fixed assets	1 382.6	2 194.8	2 162.1	58.7%	-1.5%
Property, plant and equipment	4 204.6	4 682.7	4 920.4	11.4%	5.1%
Fixed assets with right of use	-	-	293.9	NA	NA
Investment properties	25.5	8.9	8.9	-65.3%	0.5%
Investments in associates	136.5	139.8	140.2	2.4%	0.3%
Other financial assets	265.9	272.6	291.0	2.5%	6.8%
<i>Hedging derivative instruments</i>	-	7.8	14.7	NA	88.1%
<i>Loans and receivables,net</i>	5.7	6.6	15.2	16.6%	>100.0%
<i>Available-for-sale financial assets</i>	260.2	258.1	261.1	-0.8%	1.2%
Deferred tax assets	127.0	123.1	193.7	-3.1%	57.4%
Non-current assets	6 447.5	7 727.1	8 315.6	19.8%	7.6%
other financial assets	-	-	-	NA	NA
<i>of which hedging derivatives</i>	-	-	-	NA	NA
Inventories and ongoing	615.1	892.4	927.4	45.1%	3.9%
Trade receivables	780.7	759.0	1 080.7	-2.8%	42.4%
Other current receivables	2 122.3	1 134.3	1 288.5	-46.6%	13.6%
Cash and equivalents	1 482.7	731.6	838.1	-50.7%	14.6%
Current assets	5 000.8	3 517.2	4 134.7	-29.7%	17.6%
Total assets	11 448.3	11 244.3	12 450.3	-1.8%	10.7%

In MMAD	2017	2018	2019	Var. 18/17	Var. 19/18
LIABILITIES					
Shares	999.1	999.1	999.1	0.0%	0.0%
Issue and merger premiums	1 668.8	1 657.3	1 657.3	-0.7%	0.0%
Reserves	1 527.7	2 132.6	2 082.6	39.6%	-2.3%
Currency translation differences	105.8	153.5	158.7	45.1%	3.4%
Net profit attributable to equity holders of the group	879.1	369.8	-426.8	-57.9%	<-100.0%
Shareholders' equity - group share	5 180.5	5 312.3	4 470.9	2.5%	-15.8%
Minority interests	454.0	370.4	395.1	-18.4%	6.7%
Consolidated shareholders' equity	5 634.5	5 682.8	4 866.1	0.9%	-14.4%
Provisions	81.7	58.5	87.9	-28.5%	50.4%
Pension liabilities	178.1	197.0	230.5	10.6%	17.0%
Non-current financial debts	2 276.4	1 565.0	2 590.0	-31.2%	65.5%
<i>of which derivative financial instruments</i>	4.1	-	-	-100.0%	NA
<i>of which due to credit institutions</i>	533.4	290.2	1 325.5	-45.6%	>100.0%
<i>of which debt securities</i>	1 650.0	1 250.0	1 120.0	-24.2%	-10.4%
<i>of which debts related to finance leases</i>	88.9	24.9	-	-72.0%	-100.0%
<i>Of which Payables related to right-of-use contracts</i>	-	-	144.5	NA	NA
Deferred tax liabilities	24.3	35.6	31.9	46.6%	-10.4%
Other non-current credits	8.2	2.7	1.4	-67.3%	-47.9%
Non-current liabilities	2 568.7	1 858.8	2 941.8	-27.6%	58.3%
Current financial debts	1 413.9	1 849.8	2 703.0	30.8%	46.1%
<i>of which derivative financial instruments</i>	86.0	26.8	10.3	-68.9%	-61.5%
<i>of which due to credit institutions</i>	1 327.9	1 823.0	2 692.7	37.3%	47.7%
Current trade payables	823.6	998.9	902.1	21.3%	-9.7%
Other current creditors	1 007.5	854.0	1 037.3	-15.2%	21.5%
Non-current liabilities	3 245.0	3 702.7	4 642.4	14.1%	25.4%
Total liabilities	11 448,2	11 244,3	12 450,3	-1,8%	10,7%

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 2017 - 2019:

In MMAD	2017	2018	2019	Var. 18/17	Var. 19/18
Turnover	5 199.5	4 356.5	4 553.3	-16.2%	4.5%
Other income from operations	-68.0	57.4	89.1	>100.0%	55.1%
Revenue from ordinary activities	5 131.6	4 413.9	4 642.3	-14.0%	5.2%
Purchases, net of changes in inventories	1 836.2	1 998.2	2 351.6	8.8%	17.7%
Gross Margin	3 295.4	2 415.7	2 290.7	-26.7%	-5.2%
<i>(Gross Margin/ Turnover)</i>	<i>63.4%</i>	<i>55.5%</i>	<i>50.3%</i>	<i>-793 bps</i>	<i>-514 bps</i>
Other external expenses	-983.2	-930.9	-1 037.2	-5.3%	11.4%
Staff costs	-1 045.8	-1 102.1	-1 108.3	5.4%	0.6%
Tax and duties	-73.7	-68.9	-62.5	-6.5%	-9.3%
Depreciation, amortization and provisions	-1 072.0	-929.3	-1 103.1	-13.3%	18.7%
Other net operating (income) expenses	781.9	1 076.9	1 086.2	37.7%	0.9%
Current operating income	902.5	461.4	65.9	-48.9%	-85.7%
Disposal of assets	1.7	0.3	0.1	-80.1%	-70.8%
Disposals of subsidiaries and affiliates	679.7	182.8	0.0	-73.1%	-100.0%
Negative goodwill	0.0	8.7	0.0	NA	-100.0%
Results on financial instruments	-6.5	0.0	-5.3	-100.0%	NA
Other non-current operating income and expenses	-242.8	16.1	-405.3	>100.0%	<-100.0%
Income from operating activities	1 334.6	669.4	-344.6	-49.8%	<-100.0%
<i>operational margin</i>	<i>25.7%</i>	<i>15.4%</i>	<i>-7.6%</i>	<i>-1 030 bps</i>	<i>-2 293 bps</i>
Income from interest	18.6	26.8	17.9	44.2%	-33.3%
Expenses from interest	-183.5	-213.6	-182.8	16.4%	-14.4%
Net financial debt cost	-164.9	-186.7	-164.9	-13.2%	11.7%
Other financial income and expenses	-29.2	-43.6	52.9	-49.0%	>100.0%
Financial income	-194.2	-230.3	-111.9	-18.6%	51.4%
Pre-tax income of consolidated companies	1 140.5	439.1	-456.5	-61.5%	<-100.0%
<i>Pre-tax margin</i>	<i>21.9%</i>	<i>10.1%</i>	<i>-10.0%</i>	<i>-1 185 bps</i>	<i>-2 011 bps</i>
Income taxes	-103.4	-98.2	-59.0	-5.1%	-39.9%
Deferred Taxes	-112.5	4.3	125.7	-103.8%	>100.0%
Net income for the consolidated group	924.6	345.3	-389.8	-62.7%	<-100.0%
<i>Net Margin</i>	<i>17.8%</i>	<i>7.9%</i>	<i>-8.6%</i>	<i>-986 bps</i>	<i>-1 649 bps</i>
Minority interests	45.5	-24.5	37.0	<-100.0%	>100.0%
Net income - Group share	879.1	369.8	-426.8	-57.9%	<-100.0%
Earnings per share (EPS)	32.5	37.0	-42.7	13.9%	<-100.0%

Source: Managem

III.2. Half-yearly financial statements

Balance sheet (Corporate Accounts)

The following table shows changes in Managem S.A.'s balance sheet aggregates over the period 2019-June 2020:

In MMAD	2019	juin-20	Var. %
ASSETS			
Fixed assets	3 037.7	3 038.2	0.02%
Non-valued fixed assets	9.4	7.1	-24.6%
Preliminary fees	8.2	6.5	-20.5%
Expenses to be spread over several fy	1.2	0.6	-52.3%
Intangible fixed assets	111.7	115.8	3.6%
Patents, trademarks, rights and similar values	6.3	4.1	-35.6%
Other intangible assets	105.4	111.7	6.0%
Property, plant and equipment	76.1	74.9	-1.7%
Land	12.8	12.8	0.0%
Constructions	53.7	52.0	-3.1%
Technical installations, equipment and tools	3.3	3.0	-8.0%
Transport equipment	0.0	-	-100.0%
Furniture, office equipment and miscellaneous fittings	4.2	3.0	-29.3%
Property, plant and equipment in progress	2.2	4.1	87.7%
Financial fixed assets	2 840.5	2 840.5	0.0%
Fixed loans	-	-	NA
Other financial receivables	0.0	0.0	0.0%
Equity investments	2 840.5	2 840.5	0.0%
Translation adjustments - Assets	-	-	NA
Decrease in fixed assets	-	-	NA
Increase in financial debt	-	-	NA
Current assets	2 719.1	3 357.1	23.46%
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	2 717.1	3 356.7	23.5%
Accounts payable, advances and down payments	29.2	29.2	0.0%
Trade receivables and related accounts	236.0	272.9	15.6%
Staff	0.5	0.3	-27.1%
State	135.5	155.0	14.3%
Associate Accounts	2 311.9	2 894.3	25.2%
Other receivables	0.0	0.0	0.0%
Accrued income and prepaid expenses	3.9	4.9	25.9%
Translation adjustments - assets (current items)	2.0	0.5	-77.5%
Cash - Assets	0.1	1.1	>100.0%
Cheques and securities to be cashed	-	-	NA
Banks, TG and CCP	-	0.6	NA
Cash, imprest accounts and letters of credit	0.1	0.5	>100.0%
Securities and investment securities	-	-	NA
Total ASSETS	5 756.9	6 396.4	11.1%

Source: Managem

In MMAD	2019	juin-20	Var. %
LIABILITIES			
Permanent funding	3 501.9	3 715.2	6.1%
Shareholders' equity	2 381.9	2 422.6	1.7%
Capital stock	999.1	999.1	0.0%
Issue, merger and contribution premiums	1 684.1	1 684.1	0.0%
Legal reserve	99.9	99.9	0.0%
Other reserves	300.5	300.5	0.0%
Carry forward	76.8	-701.8	<-100.0%
Net income for the fy	-778.6	40.7	>100.0%
Similar shareholders' equity	-	-	NA
Investment grant	-	-	NA
Provisions for accelerated depreciation	-	-	NA
Financing debts	1 120.0	1 292.6	15.4%
Investment grant	-	-	NA
Provisions for accelerated depreciation	1 120.0	1 292.6	15.4%
Long-term provisions for liabilities and charges	-	-	NA
Provisions for risks	-	-	NA
Provisions for charges	-	-	NA
Currency translation adjustment - Liabilities	-	-	NA
Increase in fixed assets	-	-	NA
Decrease in financial debt	-	-	NA
Current liabilities	158.0	876.8	>100.0%
Trade payables and related accounts	28.3	40.6	43.6%
Accounts payable, advances and down-payments	-	-	NA
Staff	13.1	15.9	21.3%
Social Organizations	10.0	9.6	-3.8%
State	6.2	11.5	86.0%
Associate Accounts	69.5	777.9	>100.0%
Other creditors	-	-	NA
Accruals and deferred income	30.9	21.2	-31.4%
Other provisions for liabilities and charges	2.0	0.5	-77.5%
Translation adjustments - liabilities (current items)	0.8	1.4	70.0%
Cash - Liabilities	2 094.2	1 802.5	-13.9%
Discount Credits	-	-	NA
Cash credits	-	-	NA
Banks (credit balances)	2 094.2	1 802.5	-13.9%
Total LIABILITIES	5 756.9	6 396.4	11.1%

Source: Managem

Statement of management balances (Corporate Accounts)

The following table shows changes in the main aggregates of Managem S.A.'s management balances over the period from June 2019 to June 2020:

In MMAD	juin-19	juin-20	Var. %
Sale of goods and services produced	92.0	117.5	27.8%
Turnover	92.0	117.5	27.8%
Fixed assets produced by the company for itself	8.2	11.0	35.0%
Change in product inventories	-	-	NA
Production (1)	100.1	128.5	28.4%
Consumed purchases of materials and supplies	26.7	12.5	-53.0%
Other external expenses	21.6	39.9	84.8%
Expenditure for the fiscal year (2)	48.3	52.4	8.6%
added value (1) - (2)	51.9	76.1	46.8%
	<i>Added value rate</i>	<i>56.4%</i>	<i>64.8%</i>
			<i>840 bps</i>
Operating Grants	-	-	NA
Taxes and duties	0.9	0.8	-11.8%
Personnel expenses	30.4	33.2	9.1%
Gross Operating Surplus	20.5	42.1	>100.0%
	<i>Gross operating margin</i>	<i>22.3%</i>	<i>35.9%</i>
			<i>1 354 bps</i>
Other operating income	5.4	5.2	-3.0%
Recovery of operations, transfer of charges	-	-	NA
Other operating expenses	0.6	0.64	0.0%
Operating allocations	18.0	12.4	-31.2%
Operating income	7.2	34.3	>100.0%
	<i>Operating margin</i>	<i>7.8%</i>	<i>29.2%</i>
			<i>2 134 bps</i>
Financial Products	58.5	74.3	27.0%
Income from equity interests and other long-term securities	2.2	4.7	>100.0%
Foreign exchange gains	0.0	0.7	>100.0%
Interest and other financial income	55.3	66.9	20.9%
Financial withdrawals, transfer of charges	1.0	2.0	>100.0%
Financial expenses	64.3	66.5	3.4%
Interest expenses	63.0	63.9	1.5%
Foreign exchange losses	0.1	2.1	>100.0%
Other financial expenses	-	-	NA
Financial allocations	1.2	0.5	-63.6%
Financial income	-5.8	7.8	>100.0%
Current income	1.4	42.1	>100.0%
Non-current revenue	-	-	NA
Proceeds from disposal of fixed assets	-	-	NA
Other non-current income	-	-	NA
Non-current take-backs, expense transfers	-	-	NA
Non-current expenses	-	0.3	NA
Net book value of fixed assets sold	-	-	NA
Grants awarded	-	-	NA
Other non-current expenses	-	0.3	NA
Non-current allocations	-	-	NA
Non-current income	-	-0.3	NA
Pre-tax income	1.4	41.7	>100.0%
Income Taxes	1.2	1.0	-16.0%
Net income	0.2	40.7	>100.0%
	<i>Net margine</i>	<i>0.3%</i>	<i>34.7%</i>
			<i>3 441 bps</i>

Source: Managem

Consolidated balance sheet

The table below shows changes in the Managem Group's consolidated balance sheet between 2019 and June 2020:

In MMAD	2019	juin-20	Var. %
ASSETS			
Goodwill	305.4	305.4	0.0%
Intangible fixed assets	2 162.1	2 138.4	-1.1%
Tangible fixed assets	4 920.4	5 653.7	14.9%
Fixed assets in right of use	293.9	320.5	9.0%
Investment properties	8.9	8.9	-0.5%
Investments in associates*	140.2	142.6	1.7%
Other financial assets	291.0	282.6	-2.9%
<i>Hedging derivative instruments</i>	<i>14.7</i>	<i>4.9</i>	<i>-66.5%</i>
<i>Loans and receivables,net</i>	<i>15.2</i>	<i>16.2</i>	<i>6.5%</i>
<i>Available-for-sale financial assets</i>	<i>261.1</i>	<i>261.5</i>	<i>0.2%</i>
Deferred tax assets	193.7	177.0	-8.6%
Non-current assets	8 315.6	9 029.2	8.6%
Other financial assets	-	1.3	NA
<i>of which hedging derivatives</i>	<i>-</i>	<i>1.3</i>	<i>NA</i>
Inventories and work in progress	927.4	977.7	5.4%
Trade receivables	1 080.7	1 125.0	4.1%
Other current receivables	1 288.5	1 477.5	14.7%
Cash and cash equivalents	838.1	626.7	-25.2%
Current Assets	4 134.7	4 208.2	1.8%
Total Assets	12 450.3	13 237.4	6.3%

In MMAD	2019	juin-20	Var. %
LIABILITIES			
Shares	999.1	999.1	0.0%
Issue and merger premiums	1 657.3	1 657.3	0.0%
Reserves	2 082.6	1 415.9	-32.0%
Currency translation differences	158.7	203.8	28.4%
Net income (group share)	-426.8	98.3	>100.0%
Shareholders' equity - group share	4 470.9	4 374.4	-2.2%
Minority interests	395.1	366.7	-7.2%
Consolidated shareholders' equity	4 866.1	4 741.1	-2.6%
Provisions	87.9	101.7	15.7%
Pension liabilities	230.5	242.9	5.4%
Non-current financial debts	2 590.0	3 229.1	24.7%
<i>of which derivative financial instruments</i>	<i>-</i>	<i>286.1</i>	<i>NA</i>
<i>of which due to credit institutions</i>	<i>1 325.5</i>	<i>1 762.9</i>	<i>33.0%</i>
<i>of which debt securities</i>	<i>1 120.0</i>	<i>1 000.0</i>	<i>-10.7%</i>
<i>of which debts related to finance leases</i>	<i>-</i>	<i>-</i>	<i>NA</i>
<i>of which liabilities related to right-of-use contracts</i>	<i>144.5</i>	<i>180.1</i>	<i>24.6%</i>
Deferred tax liabilities	31.9	52.6	65.0%
Other non-current loans	1.4	1.6	12.6%
Non-current liabilities	2 941.8	3 628.0	23.3%
Current financial debts	2 703.0	2 262.9	-16.3%
<i>of which derivative financial instruments</i>	<i>10.3</i>	<i>3.3</i>	<i>-68.1%</i>
<i>of which due to credit institutions</i>	<i>2 692.7</i>	<i>2 259.6</i>	<i>-16.1%</i>
Current trade payables	902.1	1 290.1	43.0%
Other current payables	1 037.3	1 315.3	26.8%
Current liabilities	4 642.4	4 868.4	4.9%
Total Liabilities	12 450.3	13 237.4	6.3%

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 2019 - June 2020:

In MMAD	June-19	June-20	Var. %	
Turnover	2 160.3	2 378.5	10.1%	
Other income from operations	132.5	11.6	-91.3%	
Revenue from ordinary activities	2 292.8	2 390.1	4.2%	
Purchases, net of changes in inventories	-1 239.9	-935.3	+24.6%	
Gross Margin	1 052.9	1 454.8	38.2%	
	<i>(Gross Margin/ Turnover)</i>	<i>48.7%</i>	<i>61.2%</i>	<i>1 243 bps</i>
Other external expenses	-480.8	-528.5	9.9%	
Staff costs	-541.3	-546.2	0.9%	
Tax and duties	-30.2	-24.0	-20.6%	
Depreciation, amortization and provisions	-545.5	-567.1	-4.0%	
Other net operating (income) expenses	445.6	513.9	15.3%	
Current operating income	-99.3	303.0	>100.0%	
Disposal of assets	0.0	0.8	NA	
Disposals of subsidiaries and affiliates	0.0	0.0	NA	
Negative goodwill	0.0	0.0	NA	
Results on financial instruments	0.0	-6.1	NA	
Other non-current operating income and expenses	25.0	-19.2	<-100.0%	
Income from operating activities	-74.2	278.5	>100.0%	
	<i>operational margin</i>	<i>-3.4%</i>	<i>11.7%</i>	<i>1 515 bps</i>
Income from interest	9.7	10.6	8.7%	
Expenses from interest	-85.3	-106.5	24.9%	
Net financial debt cost	-75.5	-95.9	-26.9%	
Other financial income and expenses	10.6	18.3	71.5%	
Financial income	-64.9	-77.6	-19.6%	
Pre-tax income of consolidated companies	-139.1	200.9	>100.0%	
	<i>Pre-tax margin</i>	<i>-6.4%</i>	<i>8.4%</i>	<i>1 489 bps</i>
Income taxes	-27.3	-48.0	-76.1%	
Deferred Taxes	23.6	-41.7	<-100.0%	
Net income for the consolidated group	-142.8	111.2	>100.0%	
	<i>Net Margin</i>	<i>-6.6%</i>	<i>4.7%</i>	<i>1 128 bps</i>
Minority interests	-4.0	12.9	>100.0%	
Net income - Group share	-138.8	98.3	>100.0%	
Earnings per share (EPS)	-0.01	9.8	>100.0%	

Source: Managem

IV. RISKS

II.1. Risks related 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 on the basis of 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 metres 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

Certain incentives, including tax incentives, are granted to export-oriented mining companies. The benefits they receive may be revised or cancelled, affecting Managem's business and/or profitability.

Given the strategic nature of the mining sector and the revision of tax benefits introduced by the 2008 Finance Act, the risk of revision of these tax benefits remains limited.

RISKS RELATED TO FOREIGN ACTIVITIES

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

SOCIAL RISKS

Social risks are managed by 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 rescrit".

RISKS ASSOCIATED WITH LICENCE 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 issuance 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 THE CURRENT HEALTH CRISIS

In January 2020, the World Health Organization (WHO) designated COVID 19 as a global health emergency. On March 2 of that year, Morocco recorded the first case of COVID 19 infection, and since then the Moroccan government has taken a number of measures, including declaring a state of health emergency as of March 20, 2020. This pandemic could have an impact on the Management Group's

operations, primarily due to (i) a significant decline in the prices of base metals and fluorine on world markets and (ii) the temporary shutdown of certain production units as a precautionary measure to protect the health of employees.

SENSITIVITY ANALYSIS

Raw materials risk

Le niveau de la juste valeur des dérivés sur les matières premières du groupe au 31 décembre 2019 est de +3,8 MMAD.

In MMAD	Mtm as of 31-12-2019(a)	Mtm -10% variation (b)	Variation Total MTM (b-a)	Impact on the income	Impact on share capital
- 10% underlying	3.8	-100.0	-103.9	-3.3	-96.7
Silver	-5.2	-35.2	-29.9	-2.0	-33.2
Gold	5.0	-8.4	-13.4	-	-8.4
Zinc	7.9	-8.0	-15.9	-1.3	-6.7
Lead	0.3	-0.2	-0.5	-	-0.2
Copper	-4.1	-48.2	-44.1	-	-48.2

The scenario corresponds to metal price variations of +10% maximizing the Group's raw material risk, i.e. a +10% increase in the prices of Silver, Gold, Zinc, Lead and Copper compared to the closing spot prices would result in a loss of -100.0 MADM recorded in shareholders' equity for an amount of MMAD -96.7 and MMAD -3.3 MADM in profit or loss, i.e. a variation of MMAD -103.9.

In MMAD	Mtm as of 31-12-2019(a)	Mtm -10% variation (b)	Variation Total MTM (b-a)	Impact on the income	Impact on share capital
- 10% underlying	6.8	106.3	99.5	-10.9	117.2
Silver	-0.3	29.6	29.9	-5.0	34.3
Gold	0.0	10.8	10.9	-	10.8
Zinc	3.8	26.8	22.9	-3.0	29.8
Lead	-	0.9	0.9	-3.0	4.0
Copper	3.4	38.3	34.9	-	38.3

The scenario corresponding to metal price variations of -10% minimizing the Group's raw material risk, i.e. a -10% drop in the prices of Silver, Gold, Zinc, Lead and Copper compared to the closing spot prices would result in a gain of MMAD 106.3 recorded in shareholders' equity for MMAD 117.2 and MMAD -10.9 in income, i.e. a variation of MMAD +99.5.

Currency risk

The fair value of the Group's foreign exchange derivatives as of December 31, 2019 is 0.0 MMAD.

II.2. Risks related to commercial paper

LIQUIDITY RISK

Subscribers to Managem S.A. commercial paper may be subject to a liquidity risk of the security on the secondary market for private debt. Depending on market conditions (liquidity, changes in the yield curve, etc.), the liquidity of these debt securities may be temporarily affected.

INTEREST RATE RISK

The commercial paper program discussed in this note is intended to be a fixed-rate program. Thus, the value of the securities could rise or fall, depending on changes in the benchmark yield curve for the secondary market for Treasury bills published by Bank Al Maghrib.

RISK RELATED TO ADDITIONAL INDEBTEDNESS

The issuer may issue other debt that ranks pari passu or senior to the commercial paper discussed in this note in the future. Such issuances would reduce the amount recoverable by the holders of these securities in the event of liquidation of the issuer.

DEFAULT OF PAYMENT RISK

The commercial paper covered by this note are debt securities with no repayment guarantees. Consequently, all investors are subject to the risk of non-repayment in the event of default by Managem S.A.

Disclaimer

The aforementioned information is only a portion of the information package approved by the Moroccan Capital Market Authority (AMMC) under reference no. VI/EM/031/2020 on December 29, 2020.

The AMMC recommends reading the entire information package, which is available to the public in French.