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CAPITAL

ARADEI CAPITAL S.A

Prospectus Summary relating to the Share Capital Increase reserved for the public through the issue of 568,181 new shares, with cancellation of the shareholders' preferential subscription rights





The AMMC-approved prospectus consists of:

- The Securities Note;
- The Reference Document relating to the 2021 financial year, registered by the AMMC on July 22, 2022, under the reference no. EN/EM/015/2022;
- The update no. 1 of the Reference Document relating to the 2021 financial year registered by the AMMC on October 24th, 2022 under the reference no. EN/EM/029/2022.

Fixed Price Offer

Nature of securities	Ordinary shares
Subscription price	MAD 440
Nominal value	MAD 100
Number of new shares to be issued	568,181 shares
Maximum total amount of the operation (Including issue premium)	MAD 249,999,640
Subscription period	from 11/01/2022 to 11/07/2022 at 3:30 p.m. inclusive

This offer is not intended for Money Market and Short-Term Bond UCITS

Co-Financial Advisors	Co-Leaders of the Placement Syndicate
  	  

Members of the Placement Syndicate



Approval of the Moroccan Capital Market Authority (AMMC)

In accordance with the provisions of the AMMC circular, issued pursuant to Article 5 of the Dahir Law No. 1 -12-55 dated December 28, 2012, promulgating Law No. 44-12 on public offerings and information required of legal entities and savings organizations, this prospectus was approved by AMMC on 24th October, 2022 under reference no.VI/EM/033/2022.

This securities note constitutes only a part of the AMMC-approved prospectus. The latter consists of the following documents:

- The Reference Document relating to the 2021 financial year, registered by the AMMC on July 22, 2022, under the reference no. EN/EM/015/2022;
- The update no. 1 of the Reference Document relating to the 2021 financial year registered by the AMMC on 24th October, 2022 under the reference no. EN/EM/029/2022.
- The Securities Note.

Disclaimer

The Moroccan Capital Market Authority (AMMC) approved on 24th October, 2022 a prospectus relating to the increase in Aradei Capital S.A. share capital reserved to the public through the issue of 568,181 new shares, with cancellation of the shareholders' preferential subscription right.

The AMMC-approved prospectus is available at any time:

- At the registered office of Aradei Capital S.A.: Boulevard Zoulikha Nasri et AC 60, 20.190 – Casablanca, Maroc and on its website: www.aradeicapital.com;
- From financial advisors:
 - Valoris Corporate Finance: Angle Route d'El Jadida et, Rue Abou Dhabi, Casablanca 20410
 - Capital Trust Finance: 50, Boulevard Rachidi, Casablanca
 - CFG Finance: 5-7, rue Ibnou Toufail, Casablanca
- From the Co-Leaders of the placement syndicate, within a maximum of 48 hours:
 - Valoris Securities: Angle Route d'El Jadida et, Rue Abou Dhabi, Casablanca 20410
 - Capital Trust Securities: 50, Boulevard Rachidi, Casablanca
 - CFG Marchés: 5-7, rue Ibnou Toufail, Casablanca

The prospectus is available to the public at the Casablanca Stock Exchange headquarters and on its website: www.casablanca-bourse.com. It is also available on the AMMC website: www.ammc.ma.

This summary is translated by the company LISSANIAT under the joint responsibility of the said translator and Aradei Capital. In the event of any discrepancy between the contents of this summary and the AMMC-approved prospectus, only the approved prospectus will prevail.

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Part I. PRESENTATION OF THE OPERATION

I. Framework of the Operation

I.1. General framework of the Operation

Aradei Capital Board of Directors, held on July 18, 2022, at 10.00 a.m., has taken decisions relating to the following main points:

- Proposal to authorize a share capital increase in one or several instalments up to a maximum amount (including the issue premium) of MAD 500,000,000, through the issue of new shares with a face value of MAD 100 each, to be issued at a subscription price (including the issue premium) ranging between MAD 440 and MAD 480 per share, reserved to the public with cancellation of the shareholders' preferential subscription right;
- Proposal of charging the operation expenses on the amount of the issue premium relating to the capital increase;
- Convening of an Extraordinary General Meeting on September 5, 2022, in order to deliberate on the capital increase operation and its terms.

The Extraordinary General Meeting held on September 5, 2022, after having taken cognizance of the Board of Directors' report and of the statutory auditors' special report on the cancellation of the shareholders' preferential subscription right, authorized, among other things, an increase in the registered capital reserved to the public up to a maximum amount (including the issue premium) of MAD 500,000,000.

The share capital increase will be carried out in one or several tranches by issuing shares at a subscription price included in a range between MAD 440 and MAD 480 per share (issue premium included), it being reminded that the unit nominal value of the Company's shares is MAD 100.

The new shares will be fully subscribed and paid up in cash.

The new shares will bear current dividend so as to be totally assimilated to the existing shares of the Company as from the date of the final realization of the capital increase.

The new shares will give right to the distribution of profits or allocation of reserves which could be decided by the Company as from the date of final completion of the increase in share capital or of each of its tranches, it being specified for all purposes that the new shares to be created by the Company in respect of the share capital increase or of each determined tranche will not give right to any distribution of profits or allocation of reserves, premiums or reduction of share capital, of any kind whatsoever, distributed before the date of completion of (i.) the relevant tranche of the share capital increase or/(ii.) the share capital increase if it were to be carried out in one go.

The same meeting took the following decisions:

- Cancellation of the shareholders' preferential subscription rights in favor of the public in respect of the entire capital increase;
- Charging, subject to the condition precedent of the completion of the capital increase, of the costs arising from the said capital increase against the amount of the related issue premium;
- Delegation of powers to the Board of Directors, specifically for the purpose of:
 - to fix the definitive amount of the capital increase within the limit of the authorized amount and to fix the subscription price within the range referred to above (nominal value and issue premium);
 - to fix the conditions and modalities of the final realization of the capital increase as well as the characteristics of the said operation, to proceed with the correlative modification of the articles of association in order to reflect the new amount of the share capital, to carry out the steps necessary for the realization of the said capital increase, to note the subscription, the payment and the final realization of the capital increase;
 - to charge the costs of the capital increase to the issue premium;
 - and, generally, to take all useful measures and carry out all formalities necessary for the final realization of the capital increase.

The Company's Board of Directors, on October 18, 2022, using the delegation of powers granted to it by the Extraordinary General Meeting of September 5, 2022:

- Decided to increase the share capital by an amount of MAD 56,818,100 by issuing 568,181 shares at a unit subscription price of MAD 440 including MAD 100 as nominal amount and MAD 340 as issue premium, i.e. a global contribution of MAD 249,999,640;
- fixed the final methods of carrying out the capital increase as well as the characteristics of the said operation.

The total contribution of the increase in capital will be of an amount of MAD 249,999,640, of which MAD 56,818,100 as nominal amount and MAD 193,181,540 as issue premium.

The Company's share capital will be increased from MAD 1,064,578,300 to MAD 1,121,396,400.

The Operation must be fully subscribed for. Otherwise, it will be deemed null and void, pursuant to the provisions of Article 188, Law no. 17-95 relating to public limited companies, as supplemented and amended.

II. Objectives of the Operation

The Operation, motivated by the size and the development prospects of the Company, would allow to achieve the following objectives:

- To finance its investments that will allow it to pursue its growth and the diversification of its asset portfolio;
- To allow investors, both institutional and general public, to access or strengthen their position in an asset class dedicated to commercial rental real estate;
- To increase the company's reputation and proximity to its partners and the general public;
- To optimize the company's financing costs;
- To facilitate the use of external financing through direct access to the financial market.

The capital increase will be used to finance the equity part of a retail project located in the Casablanca area for an overall investment of nearly 350 MMAD with a GLA of more than 25,000 m². The projected opening date of the project is early 2025. The LabelVie Group will be one of the project's anchor tenants.

II.1. Intent of shareholders and directors

To the knowledge of Aradei Capital S.A., shareholders holding at least 5% of the Company's capital and the directors of Aradei Capital could subscribe to the Operation.

II.2. Impact of the Operation

II.2.1. Impact of the operation on the company's equity

Impact on shareholders' equity

Following the capital increase covered by this operation, the shareholders' equity of Aradei Capital S.A. will be as follows:

kMAD, unless indicated	Position as of June 30, 2022	Impact of the Operation	Post-operation position
Number of shares (unit)	10 645 783	568 181	11 213 964
Share capital	1 064 578.3	56 818.1	1 121 396.4
Reserves and retained earnings	850 581.1	193 181.5	1 043 762.6
Shareholders' equity	2 038 259.7	249 999.6	2 288 259.4

Impact on consolidated equity

Following the capital increase covered by the present operation, the consolidated shareholders' equity of Aradei Capital will be as follows:

kMAD, unless indicated	Position as of June 30, 2022	Impact of the Operation	Post-operation position
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Number of shares (unit)	10 645 783	568 181	11 213 964
Share capital	1 064 578,3	56 818,1	1 121 396,4
Reserves and retained earnings	836 190,6	193 181,5	1 029 372,1
Shareholders' equity	4 056 916,0	249 999,6	4 306 915,6

III. Schedule of the operation

The following table presents the Operation's schedule:

Order	Steps	Date
1	Issue of the Casablanca Stock Exchange Approval Notice relating to the Operation	10/24/2022
2	AMMC approval of the prospectus	10/24/2022
3	Receipt by the Casablanca Stock Exchange of the AMMC-approved prospectus	10/24/2022
4	Publication of the prospectus extract on the Issuer's website	10/24/2022
5	Publication by the Casablanca Stock Exchange of the notice relating to the Operation	10/25/2022
6	Publication of a press release by the Issuer in a legal announcement gazette referring to the extract published on Aradei Capital website	10/25/2022
7	Opening of the subscription period	11/01/2022
8	Closing of the subscription period at 3:30 pm inclusive	11/07/2022
9	Receipt of subscriptions by the Casablanca Stock Exchange before 6:30 pm	11/08/2022
10	Centralization and consolidation of subscriptions by the Casablanca Stock Exchange	11/09/2022
11	Processing of rejected applications by the Casablanca Stock Exchange	11/10/2022
12	Allocation of subscriptions and remittance by the Casablanca Stock Exchange of the list of subscriptions to the Issuer Delivery by the Casablanca Stock Exchange of allotments by account holder to the PS co-leaders before 10.00 a.m. Delivery by the Casablanca Stock Exchange of allotments of securities to PS members before 12.00 p.m.	11/11/2022
13	Holding of the meeting of the Issuer's body having to acknowledge the final completion of the Operation	11/14/2022
14	Receipt by the Casablanca Stock Exchange of the minutes of the Issuer's body having noticed the carrying out of the Operation before 12:00 pm Admission of the new shares	11/15/2022
15	Registration of the operation on the Stock Exchange Publication of the Operation's results	11/21/2022
16	Publication of the results of the Operation in a legal announcement gazette and on the Issuer's website	11/24/2022
17	Settlement / Delivery of new securities	11/24/2022

IV. Characteristics of the securities to be issued

IV.1. Amount of the operation

Aradei Capital SA plans to carry out a MAD 56,818,100 share capital increase in cash through the issue of 568,181 shares at a unit subscription price of MAD 440, of which MAD 100 as nominal amount and MAD 340 as issue premium. The total contribution of the capital increase will amount to MAD 249,999,640, of which MAD 56,818,100 as nominal amount and MAD 193,181,540 as issue premium.

IV.2. Structure of the offer

Characteristics	Description
Subscribers	<p>Natural persons, resident or non-resident, of Moroccan or foreign nationality;</p> <p>Legal Entities, of Moroccan or foreign Law, not belonging to the categories of qualified investors as defined by Article 3 of Law no. 44-12 and by Article 1.30 of AMMC Circular no. 03/19;</p> <p>Qualified investors of Moroccan Law as defined by Article 3 of Law no. 44-12 and Article 1.30 of AMMC Circular no. 03/19, except money market and short-term bond UCITS ;</p> <p>Qualified investors of foreign law as defined by Article 1.30 paragraph (c) of the AMMC circular no. 03/19.</p>
Amount of the offer	MAD 249,999,640
Number of shares	568,181 shares
In % of share capital after the Operation	5.07%
In % of the Operation	100%
Subscription price	MAD 440 per share
Minimum subscription per investor	No minimum
Subscription limit per investor	<p>For all investors, except UCITS, 10% of the global number of shares offered within the framework of the Operation, representing 56,818 shares, i.e. MAD 24,999,920;</p> <p>For OPCVM, the minimum between:</p> <ul style="list-style-type: none"> ✓ 10% of the global number of shares offered within the framework of the Operation, representing 56,818 shares, i.e. MAD 24,999,920, and ✓ 10% of the net assets of the OPCVM corresponding to the net asset value as of October 31, 2022.
Placement	<p>For qualified investors of foreign law as defined by Article 3 of Law no. 44-12 and Article 1.30 of AMMC Circular no. 03/19, except UCITS: Co-leaders of the placement syndicate;</p> <p>For qualified investors of Moroccan Law as defined by Article 3 of Law no. 44-12 and Article 1.30 of AMMC Circular no. 03/19, except UCITS: Co-leaders of the placement syndicate;</p> <p>For other categories of investors, except for monetary and short-term bond UCITS: All placement syndicate members.</p>

<p>Subscription coverage</p>	<p>For natural or legal persons of Moroccan or foreign law (non qualified), subscriptions must be covered at 100% by:</p> <ul style="list-style-type: none"> ✓ An effective deposit (handing over of cheque, cash or transfer) on the subscriber's account, and/or; ✓ A collateral consisting of securities according to the following modalities: <ul style="list-style-type: none"> government bonds: taken at a maximum of 100% of the value on the subscription date; Money market UCITS with daily net asset value: taken at a maximum of 100% of the value on the subscription date; Units of UCITS with daily net asset value (except money-market UCITS), term deposits, listed shares: taken at 80% maximum of the value at the subscription date; <p>For qualified investors of Moroccan law: no coverage at subscription time.</p> <p>For qualified investors of foreign law (i) justifying of more than one year of existence on the date of subscription of the current operation or (ii) having already carried out a operation on the primary or secondary market of the Casablanca Stock Exchange: no coverage at the time of subscription</p> <p>For qualified investors of foreign law (i) not having more than one year of existence on the date of subscription for the current operation and (ii) not having already carried out a transaction on the primary or secondary market of the Casablanca Stock Exchange: coverage at 30 % by an effective deposit (handing over of cheque, cash or transfer) or at 100 % by a bank guarantee</p> <p>Coverage by collateral is subject to the appreciation of each PS member retained by the subscriber. The subscription coverage in cash, cheque, transfer and/or collateral will have to remain blocked, until the allocation of securities on 11/11/2022.</p>
<p>Allocation terms and conditions</p>	<p>1st allocation: by iteration up to 50 shares per subscriber; 2nd allocation: allocation of the remainder in proportion to the excess of applications over the 50 shares.</p>

IV.3. Financial instruments offered

IV.3.1. Characteristics of the securities offered

Nature of securities	Ordinary shares, all of the same class
Legal form	The shares, subject of this operation, will all be bearer shares. These shares are entirely dematerialized and admitted to trading on Maroclear.
Global amount of the operation	MAD 249,999,640 of which MAD 56,818,100 as nominal value and MAD 193,181,540 as issue premium
Total number of shares to be issued	568,181 new shares to be issued in connection with the capital increase
Subscription price	MAD 440 per share
1st listing procedure	Fixed Price Offer (FPO)
Nominal value	MAD 100 per share
Issue premium	MAD 340 per share
Payment of shares	The shares issued will be fully paid up and free of any commitment.
Listing line	1 st line
Entitlement date	January 1, 2022 ¹ (current dividend entitlement of the new shares, fully assimilated to the existing shares)
Subscription period	from 11/01/2022 to 11/07/2022 at 3:30 pm inclusive
Tradability of shares	The shares covered by this Operation are freely tradable. No statutory clause restricts the free trading of the shares making up the Company's capital. No commitment restricts the free trading of the shares covered by this Operation.
Method of payment of shares	In cash (excluding any payment by way of set-off against liquid and due receivables from the Company)
Listing of shares covered by this operation	The shares to be issued under this Operation will be admitted to the Main Market, compartment "Principal F" of the Stock Exchange
ISIN code	MA0000012460
Listing date of new shares	11/21/2022

¹ The new shares will entitle their holders to any distribution of profits or allocation of reserves that may be decided by the Company as from the date of final completion of the Operation, it being specified for all intents and purposes that the new shares to be created by the Company pursuant to the Capital Increase will not entitle their holders to any distribution of profits or allocation of reserves, premiums or reduction of capital of any kind whatsoever, distributed prior to the date of completion of the Operation.

Rights attached to the newly issued shares	All shares have the same rights in the distribution of profits and liquidation surpluses. Each share gives the right to one vote at the general meetings.
Preferential subscription right	The Extraordinary General Meeting of September 5, 2022 has decided to cancel the shareholders' preferential subscription rights in favor of the public (i.e. any person entitled to subscribe to the capital increase) for all the shares to be issued under the Operation.

IV.4. Listing characteristics of the shares to be issued

Listing date	11/21/2022
Name	ARADEI CAPITAL
Ticker	ARD
Listing compartment	Principal F
Sector of activity	Real Estate Investment Trusts
Trading cycle	Continuous
Listing line	1 st line
Number of shares to be issued	568,181 shares
Operation registration body	CFG Marchés

IV.5. Elements for assessing the terms of the offer

IV.5.1. Determination of the subscription price

In accordance with the powers granted to it by the Extraordinary General Meeting of September 5, 2022, the Board of Directors, meeting on October 18, 2022, decided, among other things, to increase the share capital by an amount of MAD 56,818,100 through the issue of 568,181 shares at a unit subscription price of MAD 440, MAD 100 of which being the nominal amount and MAD 340 being the issue premium, i.e. a global contribution of MAD 249,999,640.

The said Board also fixed the final characteristics of the Operation.

IV.5.2. Valuation methodology

Discarded valuation methods

Discounted cash flow (DCF)

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

Given the relatively high liquidity of ARD shares, this method was not used.

Discounted future dividends (DDM)

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

Given the relatively high liquidity of the ARD share, this method was not used.

Retained valuation methods

The valuation method used for the valuation of Aradei Capital's securities in the framework of this Operation is the stock market price method.

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

Aradei Capital is a company listed on the Casablanca Stock Exchange and presenting a significant liquidity of 17.0% over a 12-month rolling period (from October 1, 2021 to September 30, 2022), the stock market prices allow to assess the value of its equity by basing it on an average of the price weighted by the volumes over a representative horizon.

IV.5.3. Valuation of Aradei Capital's equity

The following table sets forth Aradei Capital's stock price as of October 12, 2022 and the volume-weighted average stock price for the 1-month, 3-month, 6-month and 12-month periods:

Analysis of Aradei Capital's share price (MAD)	Min.	Max.	Weighted average price ²	Market capitalization based on weighted average price
Spot, as of October 12, 2022	n.a.	n.a.	444	4 726 727 652
1 month (September 13 to October 12, 2022)	425	460	441	4 699 452 687
3 months (July 13 to October 12, 2022)	425	460	449	4 782 550 784
6 months (April 13 to October 12, 2022)	425	485	461	4 902 472 571
12 months (from October 13, 2021 to October 12, 2022)	390	485	430	4 574 555 383

Source: Casablanca Stock Exchange

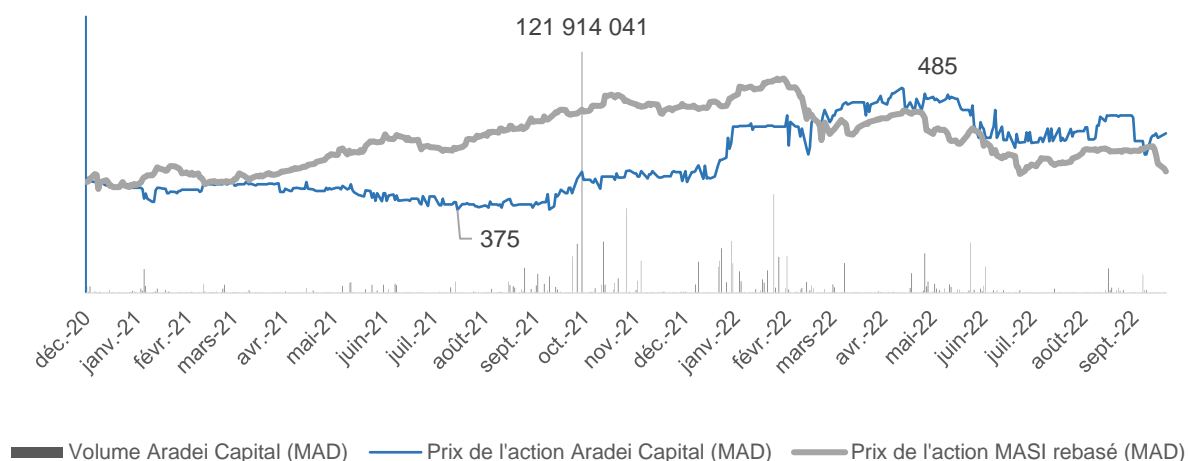
For all the horizons studied, the last price used for the calculation of the WAC is the Aradei Capital share price as of October 12, 2022.

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

Taking into account (i) the nature of the transaction, (ii) the evolution of the share price and (iii) the volumes traded on the market, the CMP 3 months has been retained as the most relevant weighted average price because it corresponds to the period of quotation after the detachment of the coupon. The coupon detachment date is May 6, 2022.

The weighted average prices of Aradei Capital shares calculated over the periods of 1 month, 3 months, 6 months and 12 months are respectively MAD 441, 449, 461 and 430 per share, i.e., an equity valuation of MAD 4,699 million, MMAD 4,783, MMAD 4,902 and MMAD 4,575 respectively.

The following graph shows the evolution of Aradei Capital's share price since the Company's IPO (December 14, 2020) until October 12, 2022:



Source: Casablanca Stock Exchange

The table below shows the discount or premium level of the share subscription price (i.e. MAD 440 per share including the issue premium) compared to the average stock market price of the last three, six and twelve months:

In MAD	
ARD share subscription price	440
Share price as of October 12, 2022	444
Discount (-) / premium (+) to the share price	-0.9%
WAC (last 3 months as of October 12, 2022)	449
Discount (-) / premium (+) to CMP 3 months	-2.1%
WAC (last 6 months as of October 12, 2022)	461
Discount (-) / premium (+) compared to the 6-month WAC	-4.5%
WAC (last 12 months as of October 12, 2022)	430
Discount (-) / premium (+) compared to the 12-month WAC	2.4%

On the basis of a subscription price of MAD 440/share, the P/NAV and P/FFO valuation multiples induced appear as follows, the P/E multiples are not adapted to the valuation of a real estate company:

Multiples induced by subscription prices	P/NAV		P/FFO	
	2020r	2021r	2020r	2021r

Multiple induced	1.17x	1.11x	35.54x	22.93x
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The multiples induced for Aradei Capital are comparable to the multiples observed for Immorente. The comparability with Immorente cannot be made on other aggregates, in particular the FFO, because Immorente publishes its accounts under Moroccan standards, whereas Aradei publishes its accounts under IFRS standards.

Multiple observations on Immorente	P/NAV	
	2020r	2021r
Multiple induced (price as of 10/12/2022)	1.01x	0.97x

IV.5.4. Commitment to continuous information

In addition to its information obligations as a publicly traded company, Aradei Capital will continue to publish its net asset value at replacement cost twice a year, at the same time as the publication of its half-yearly and annual financial statements.

The latter is based on (i) the annual valuation of its real estate portfolio by an independent real estate valuer and (ii) the Company's consolidated financial statements.

The complete asset valuation reports prepared annually by the real estate valuer are available to the shareholders at the registered office of Aradei Capital. A summary report of these valuation reports prepared by the same expert is published on the Company's website.

IV.5.5. Impact of the Operation on the company's shareholding structure

Following the completion of the Operation, Aradei Capital's shareholding structure will be as follows:

Shareholders	Pre-operation position as 09/05/2022		Post Operation	
	Nb. Of shares	%	Nb. Of shares	%
Label'Vie SA	4 246 478	39.89%	4 246 478	37.87%
Government Employees Pension Fund (GEPF)	1 228 174	11.54%	1 228 174	10.95%
Best Financière SA	845 324	7.94%	845 324	7.54%
FCEC SARL	776 931	7.30%	776 931	6.93%
Banque Européenne pour la Reconstruction et le Développement (BERD)	550 722	5.17%	550 722	4.91%
BMCI	428 451	4.02%	428 451	3.82%
Kasba Resort SARL	74 624	0.70%	74 624	0.67%
REIM International Limited	33 114	0.31%	33 114	0.30%
Other shareholders	29	0.00%	29	0.00%
Floating	2 461 936	23.13%	2 461 936	21.95%
New shareholders (Floating)	-	-	568 181	5.07%
Total	10 645 783	100.00%	11 213 964	100.00%

Source: attendance sheet of the Extraordinary General Assembly of 09/05/2022

IV.5.6. Impact of the Operation on indebtedness

The Operation covered by the securities note being a capital increase, the latter has no impact on the indebtedness of Aradei Capital. The debt ratios (Gearing in particular) will mechanically improve following the reinforcement of the shareholders' equity.

IV.5.7. Impact of the Operation on governance

The Operation covered by the securities note is not expected to have any impact on the governance of Aradei Capital S.A.

IV.5.8. Impact of the Operation on strategic orientations

The Operation covered by the securities note will enable the Company to pursue its development strategy and to achieve its objectives as specified in section III.2 "Objectives of the Operation".

IV.5.9. Successful completion guarantee

The Operation covered by the securities note does not benefit from any successful completion guarantee.

IV.5.10. Target investors of the Operation

With the exception of money market and short-term bond UCITS, this Operation targets all categories of investors, namely:

- Natural persons, resident or non-resident, of Moroccan or foreign nationality;
- Legal Entities, of Moroccan or foreign Law, not belonging to the categories of qualified investors as defined by Article 3 of Law no. 44-12 and by Article 1.30 of AMMC Circular no. 03/19;
- Qualified investors of Moroccan Law as defined by Article 3 of Law no. 44-12 and Article 1.30 of AMMC Circular no. 03/19 relating to financial operations and information, as amended and supplemented by Circular no. 02/20, except for money market and short-term bond UCITS;
- Qualified investors of foreign law as defined by article 1.30 paragraph (c) of the AMMC circular no. 03/19.

IV.6. Expenses related to the operation

IV.6.1. Miscellaneous commissions

The expenses relating to the operation that will be borne by the Issuer are estimated at approximately 1.76% of the amount of the capital increase. These expenses include commissions paid to:

- the financial advisors;
- the legal advisor;
- the members of the placement syndicate;
- the statutory auditors;
- the communication agency;
- the account holder;
- the AMMC;
- the Casablanca Stock Exchange
- the central depository Maroclear;
- the translation agency.

IV.6.2. Commissions charged to subscribers

As part of this placement Operation, each PS member explicitly and irrevocably undertakes, towards the Issuer, the Co-Leaders, the Co-Financial Advisers and the other PS members, to charge the subscribers, for all orders registered on the Casablanca Stock Exchange, the following commissions:

- 0.1% (excluding taxes) for the Casablanca Stock Exchange as the admission fee due to it at the time of registration on the Stock Exchange
- 0.2% (excluding taxes) for the settlement and delivery commissions;
- 0.6% (excluding taxes) for the brokerage firm. It is applied on the amount corresponding to the effective allocation at the time of settlement / delivery;

In order to ensure an equal treatment of subscribers, whatever the place of subscription, each PS member formally and expressly undertakes not to practice any rebate to subscribers nor any kind of repayment simultaneously or after subscription.

IV.6.3. Placement commissions charged to the Issuer

PS members will receive a commission of:

- 0,6% net of tax on allocated amounts corresponding to orders submitted by natural persons or corporate bodies of Moroccan or foreign law;
- 0.6% net of tax on allocated amounts corresponding to orders submitted by qualified investors of foreign law;
- 0.6% net of tax on allocated amounts corresponding to orders submitted by qualified investors of Moroccan Law.

This commission, payable by the Issuer, will be collected by CFG Marchés, which will be in charge of paying on the Bank Al-Maghrib accounts of each PS member its share, within the 30 days following receipt by CFG Marchés of the PS member invoice. The Casablanca Stock Exchange will be in charge of communicating, at the end of the allocation, the results of subscriptions and the amounts raised by each PS member to CFG Marchés and AMMC.

IV.7. Placement Syndicate and Financial Intermediaries

IV.7.1. Placement syndicate and financial intermediaries

Type d'intermédiaires financiers	Dénomination	Adresse
Financial Co-Advisors	CFG Finance	5-7, rue Ibnou Toufail, Casablanca
	Capital Trust Finance	50, bd. Rachidi, Casablanca
	Valoris Corporate Finance	Angle Route El Jadida et rue Abou Dhabi, Casablanca
Co-leaders of the placement syndicate	CFG Marchés	5-7, rue Ibnou Toufail, Casablanca
	Capital Trust Securities	50, bd. Rachidi, Casablanca
	Valoris Securities	Angle Route El Jadida et rue Abou Dhabi, Casablanca
Other PS members	Artbourse	7, bd. Abdelkrim Al Khatabi, Casablanca
	Atlas Capital Bourse	88, rue Benbrahim El Marrakchi, quartier Hippodrome, Casablanca
	Attijari Intermédiation	163, avenue Hassan II, Casablanca
	Attijariwafa Bank	2, bd. Moulay Youssef, Casablanca
	Wafabourse	416, rue Mostapha El Maâni, Casablanca
	Banque Centrale Populaire	101, bd. Zerktouni, Casablanca
	Bank Of Africa	140, avenue Hassan II, Casablanca
	BMCE Capital Bourse	140, avenue Hassan II, 7 ^e étage, Casablanca
	BMCI	26, place des Nations Unies, Casablanca
	BMCI Bourse	Bd. Bir Anzarane, imm. Romandie I, Casablanca
CDG Capital Bourse	7, bd. Kennedy, Anfa Sup, Casablanca	

	CFG Bank	5-7, rue Ibnou Toufail, Casablanca
	Crédit Agricole du Maroc	Place des Alouyine, Rabat
	Crédit du Maroc	48, bd. Mohammed V, Casablanca
	CIH Bank	187, avenue Hassan II, Casablanca
	ICF Al Wassit	Espace Porte d'Anfa, 29, rue Bab El Mansour, Casablanca
	M.S.I.N	Imm. Zénith, Rés. Tawfiq, Sidi Maârouf, Casablanca
	Red Med Capital Securities	23, rue Ibnou Hilal Quartier Racine, Casablanca
	Société Générale	55, bd Abdelmoumen, Casablanca
	Sogecapital Bourse	55, bd Abdelmoumen, Casablanca
	Upline Securities	37, bd. Abdellatif Ben Kaddour angle rue Ali Abderrazak, Casablanca
Body providing financial services for securities	BMCI	26, place des Nations Unies, Casablanca
Centralizing body of the operation	BMCI	26, place des Nations Unies, Casablanca
Body responsible for the registration of securities on the stock exchange (seller's side)	CFG Marchés	5-7, rue Ibnou Toufail, Casablanca

IV.8. Capital ties with the financial intermediaries participating in the Operation

CFG Finance, co-financial advisor to Aradei Capital S.A., is a wholly owned subsidiary of CFG Bank.

CFG Bank holds a 60% stake in REIM Partners.

Mr. Zouhair Bennani, a director of Aradei Capital S.A., holds a 4.7% stake in the capital of CFG Bank and is a director of CFG Bank.

IV.9. Subscription terms and conditions

IV.9.1. Subscription period

The Aradei Capital S.A. shares covered by the securities note will be available for subscription from November 1, 2022 to November 7, 2022 at 3.30 p.m. inclusive.

IV.9.2. Subscription terms

(a) Account opening

Except for minor children and incapable adults, subscription operations are registered in a securities and cash account in the name of the subscriber, opened with the same PS member where the subscription is made. In case this one does not have the status of account keeper, the account can be opened with an institution having the status of account keeper.

Any person wishing to subscribe with an PS member must have or open an account with the said member. The PS member will comply with the legislation in force for opening accounts and will ask for the following documents at least

- Copy of the client's identification document (national identity card (CIN), residence card, trade register, passport, etc.);
- Account opening contract duly signed by the subscriber and the PS member if the client has not already signed it.

Accounts can only be opened by the subscriber.

Accounts for minors and incapable adults can only be opened by the parent, guardian or legal representative of the minor or incapable adult.

It is strictly forbidden to open an account by proxy.

Subscriptions on behalf of third parties are authorized within the framework of a portfolio management mandate containing an express clause allowing this.

For minors and incapable adults, subscriptions can be registered either on their accounts or on the accounts of the persons authorized to subscribe on their behalf, i.e. the father, mother, tutor or legal representative of the minor or incapable adult.

(b) Subscription terms

All subscriptions must be expressed in number of securities.

Each subscriber will be able to transmit only one subscription order.

Subscriptions will be made using the subscription form, available at the PS members and integrated into the operation memorandum. A copy of the subscription form must be given to the subscriber with acknowledgement of receipt.

Subscription forms must be signed by the subscriber (or heir proxy within the framework of a portfolio management mandate allowing it), validated and time-stamped by the PS member.

Subscriptions are irrevocable after the closing of the subscription period.

All PS members, including those who will proceed to the collection of orders via an Internet platform, undertake to respect the procedure of collection of subscriptions.

PS members must make sure, before accepting a subscription, that the subscriber has the financial capacity to honor their commitments. Therefore, they are bound to accept subscription orders from any person entitled to participate in the Operation, provided that the said person provides the necessary financial guarantees. PS members are bound to keep in the file relating to their client's subscription the documents and vouchers, which enabled them to make sure of the said financial capacity.

Each PS member undertakes to require from its client the coverage of its subscription according to the category to which it belongs:

✓ **For natural and legal persons of Moroccan or foreign law:**

Subscriptions must be covered at 100% in the following manner:

- an effective deposit (check, cash or transfer) on the account of the subscriber. and/or;
- a collateral consisting of securities according to the following modalities:
 - government bonds: taken at a maximum of 100% of the value on the subscription date;
 - Money market UCITS with daily net asset value: taken at a maximum of 100% of the value on the subscription date;
 - shares of OPCVM with daily liquidation value (except money market), term deposits, listed shares: taken at 80% maximum of the value at the subscription date.

✓ **For qualified investors under Moroccan law:**

- No coverage

- ✓ **For qualified investors of foreign law (i) justifying of more than one year of existence on the subscription date of this Operation or (ii) having already carried out a transaction on the primary or secondary market of the Casablanca Stock Exchange:**
 - No coverage
- ✓ **For qualified investors of foreign law (i) not having more than one year of existence on the subscription date of this Operation and (ii) not having already carried out a transaction on the primary or secondary market of the Casablanca Stock Exchange:**
 - 30% coverage by an effective deposit (check, cash or transfer) or 100% coverage by a bank guarantee.

The PS members who proceed to the collection of orders via an Internet platform, will have to respect the following rules:

- The client must be clearly identified, and the subscription act must be materialized (time stamping and archiving of subscription orders);
- The prospectus must be made available to the subscriber;
- All the mentions appearing on the subscription form must be transmitted to the client before their subscription;
- The subscription must be validated only if the cash account presents a sufficient balance to cover it according to the coverage methods defined in the securities note or if the guarantee or the collateral covers it entirely according to the coverage methods defined in the securities note;
- The amount of the cover must be blocked immediately after the subscription;
- The client must be informed that his subscription will be rejected in case of a formal defect;
- The PS members, who are not members of the placement syndicate, must be informed that they are not entitled to a guarantee;
- The PS members, proceeding to the collection of orders via an Internet platform, will have to close the subscription period at the same time as the other PS members, i.e. on November 07, 2022 at 3.30 p.m. inclusive;
- PS members, who will proceed to the collection of orders via an Internet platform, will have to make sure that the subscription ceilings are respected;
- PS members, who will proceed to the collection of orders via an Internet platform, must, before validating the subscription, receive acceptance of the Operation's terms and conditions from the subscriber, or make the subscriber validate a final confirmation form of the subscription, recapitulating the Operation's characteristics and the subscription order (a copy of the said confirmation must be filed by the PS member).

It is to be noted that PS members, collecting orders via an Internet platform, will reject subscriptions in case of absence of coverage according to the methods presented in the securities note or in case of incomplete file (Example: absence of an e-mail accepting the methods of the Operation, absence of a family record book for subscriptions of minors, etc.).

Subscriptions made by PS members or by their collaborators for their own accounts must be made on the first day of the subscription period.

(c) Subscription on behalf of third parties

Subscriptions on behalf of third parties are authorized in the following cases:

- Subscriptions on behalf of minors whose age is inferior to 18 years or on behalf of incapable adults are authorized provided they are made by the father, the mother, the tutor or the legal representative of the minor child or the incapable adult. The PS members are required, in case they do not already have it, to obtain a copy of the page of the family record book showing the date of birth of the minor child or to obtain a proof for the incapable adult when opening the account, or when subscribing for the account of the minor or the incapable adult in question, if need be, and to attach it to the subscription form. In this case, movements are

made either to an account opened in the name of the minor or the incapable adult, or to the securities or cash account opened in the name of the father, mother, tutor or legal representative;

- Subscriptions on behalf of minors or on behalf of incapable adults must be made with the same PS member where the subscription of the father, mother, tutor or legal representative has been made;
- In case of a portfolio management mandate, the manager can subscribe on behalf of the client whose portfolio he manages only by presenting a power of attorney duly signed and legalized by their principal or the management mandate if it provides for an express provision in this sense. Authorized Moroccan or foreign management companies are exempted from presenting these documents for the UCITS they manage;
- Any agent within the framework of a portfolio management mandate, can transmit only one order on behalf of the same third party;

Subscriptions of foreign qualified investors can be communicated (i) directly to an PS member or (ii) via an international intermediary (broker) approved by a market authority member of the International Organization of Securities Commissions (IOSCO) and having an account opened with an PS member. The latter acts only as a business introducer, the deliveries will be made directly between the foreign qualified investors and the PS member.

(d) Multiple subscriptions

Multiple subscriptions are prohibited. Thus, the same subscriber can subscribe only once to the Operation.

Each subscriber can transmit only one order for the account of each minor child or incapable adult.

Subscriptions on behalf of minor children can be made through one parent only. Any subscription on behalf of minor children by both parents is considered as a multiple subscription.

Natural persons subscribing on behalf of minors and incapable adults must subscribe through a single PS member.

ny subscription on behalf of minors with several PS members is considered as multiple subscription.

Subscriptions made through several PS members, including those made on behalf of minors or incapable adults, are forbidden.

All subscription orders not meeting the above conditions will be struck with nullity in their entirety (see the procedure of control and registration by the Casablanca Stock Exchange).

(e) Subscriber Identification

The PS members must make sure that the subscriber belongs to one of the categories defined below. As such, they must obtain a copy of the document certifying the membership of the subscriber to the category and attach it to the subscription form.

Moreover, each body in charge of the investment must make sure that the subscriber's representative has the capacity to act on behalf of the subscriber either in their capacity of legal representative or by virtue of a mandate they have.

Subscriber Category	Documents to be attached
Moroccan natural persons residing in Morocco	Photocopy of national identity card or driver's license or passport
Moroccan natural persons residing abroad	Photocopy of national identity card or driver's license or passport
Resident and non-Moroccan natural persons	Photocopy of the resident card or passport
Non-resident and non-Moroccan natural persons	Photocopy of passport
Minor child	Photocopy of the page of the family record book attesting to the child's date of birth
Incapable adult	Any document proving the inability, at the discretion of the PS Member
Legal persons under Moroccan law	Photocopy of the trade register proving more than one year of existence at the date of subscription

Legal entities under foreign law	Photocopy of the trade register or equivalent document authentic in the country of origin and attesting to the membership of the category, and justifying more than one year of existence at the date of subscription
Moroccan Associations	Photocopy of the articles of association and photocopy of the receipt of the application form proving that the company has been in existence for more than one year at the date of subscription
UCITS under Moroccan law (excluding money market and short-term bond UCITS)	Photocopy of the approval decision and in addition: For Mutual Funds (FCP): the certificate of deposit at the court registry; For open-end investment companies (SICAV): the certificate of deposit at the court clerk's office and the model of the entries in the trade register.
Qualified investors under Moroccan law (excluding UCITS)	Photocopy of the articles of association and any document and evidence capable of attesting to the fulfillment of the conditions required for the status of qualified investor The legal entities referred to in paragraph (e) of article 1.30 of the AMMC Circular no. 03/19 must provide a proof of the agreement of the AMMC on their status of qualified investor
Banks under Moroccan law	Photocopy of the approval decision issued by Bank Al-Maghrib
Qualified foreign investors	Photocopy of the trade register or equivalent authentic in the country of origin and the copy of the approval attesting to the respect of the conditions required for the status of approved investor.

All subscriptions not complying with the above conditions will be null and void.

The subscription form must be used imperatively by all PS members. The subscription orders are irrevocable after the closing of the subscription period.

In case the PS members would already have these documents in the client's file, subscribers are exempted from producing these documents. In case the concerned investor is a corporate entity referred to within paragraph (e) of article 1.30 of the AMMC Circular no. 03/19, the IP member(s) must attach to the subscription form the above-mentioned documents.

IV.10. Modalities of treatment of orders

IV.10.1. Rules of attribution

At the end of the subscription period, the allocation of the 568,181 Aradei Capital shares issued to the public will be made in the manner described below:

1st allocation

As part of an initial allocation, shares will be allocated up to 50 shares per subscriber.

The shares will be allocated at the rate of one share per subscriber with priority to the highest applications. The mechanism of allocation of one share per subscriber, within the limit of his application, will be made by iteration until reaching a maximum of 50 shares per subscriber within the limit of the number of shares allocated. It is specified that, according to the number of subscribers served, the said maximum may not be reached.

2nd allocation

Following the 1st allocation, if the remainder of the securities offered ("RSO") resulting from this allocation is lower than the remainder of the securities requested ("RSR"), then the "RSO" will be allocated in proportion to the request.

Otherwise, the request will be served in full. The allocation ratio will be calculated as follows RSO/ RSR.

In case the number of securities calculated by multiplying the remainder of securities applied for by the subscriber to the allocation ratio is not a whole number, this number of securities will be rounded down to the lower unit. The fractional shares will be allocated by level of one share per subscriber, with priority given to the highest applications.

According to the expressed global demand, some subscriptions might not be served. In case the number of shares issued is not totally subscribed for, the operation will be considered null and void.

IV.11. Procedure of control and registration by the Casablanca Stock Exchange

IV.11.1. Centralization of subscriptions

The PS members must transmit on November 8, 2022, before 6.30 p.m. to the Casablanca Stock Exchange, through the SCT, all subscriptions collected within the framework of the operation. After this deadline, subscriptions will be rejected.

The Casablanca Stock Exchange will communicate daily the consolidated statistics of subscriptions to CFG Marchés and to the Issuer.

The Casablanca Stock Exchange will proceed to the consolidation of the different subscription files and to the rejection of subscriptions not respecting the subscription conditions predefined in the operation memorandum.

On November 11, 2022, before 12.00 p.m., the Casablanca Stock Exchange will communicate to PS members the results of allocation.

The cases of rejection of subscriptions are summarized in the following table:

Case scenarios	Rejected subscription(s)
An individual who has subscribed on his or her own behalf and on behalf of their children, with different PS members	All subscriptions
Subscriber having subscribed more than once	All subscriptions
Moroccan or foreign individual having subscribed for their own account and for that of adult children	All subscriptions in the name of this individual, including those for their minor and adult children
Subscriptions not meeting the subscription limit	The subscriptions concerned
Subscriptions at several PS members	All subscriptions
Subscription made with a placement member not authorized to receive it	The subscription concerned

IV.11.2. Entities in charge of registering the operation

The registration of transactions in connection with this Operation (Seller's side) will take place on 11/21/2022 through the brokerage firm CFG Marchés.

All PS members having the status of brokerage firm will proceed to the registration of allocations they will have collected (Purchaser's side), on 11/21/2022, while the PS members not having the status of brokerage firm are free to designate the brokerage firm PS member, which will be in charge of registering their subscriptions at the Casablanca Stock Exchange.

These PS members must inform the chosen brokerage firm in writing with a copy addressed to the Casablanca Stock Exchange, and this, before the beginning of the subscription period.

The registration of transactions resulting from this operation will be made at the price of MAD 440 per share.

The Casablanca Stock Exchange will transmit to each brokerage firm the transactions concerning it, detailed by account holder.

IV.12. Terms of settlement/delivery of securities

IV.12.1. Terms of settlement/delivery of securities

The settlement and delivery of securities covered by this operation, will take place on 11/24/2022 according to the procedures in force at the Stock Exchange.

According to the procedures in force at the Stock Exchange, the Bank Al-Maghrib accounts of the account-holding institutions will be debited with funds corresponding to the value of shares allotted to each PS member, increased with commissions.

Aradei Capital S.A. has moreover designated BMCI as the body in charge of the financial service of Aradei Capital securities issued within the framework of this securities note.

IV.12.2. Restitution of the remainder

The PS members undertake to reimburse to their clients, within a period not exceeding 3 working days as from the date of delivery of securities allocations to the PS members, i.e. on 11/16/2022, the cash remainders resulting from the difference between the net amount paid by their clients at subscription, and the net amount corresponding to their actual allocations.

The reimbursement of the balance must be made either by transfer to a bank or postal account, or by delivery of a check, and subject to the effective cashing by the intermediary of the amount deposited for the subscription.

In case of failure of the Operation, the subscriptions must be reimbursed within 3 working days, as from the decision of cancellation, and subject to the effective cashing by the Intermediary of the amount deposited for the subscription.

IV.12.3. Publication of results

The results of this operation will be published by the Casablanca Stock Exchange on the 11/21/2022 and by Aradei Capital S.A. through the press in a legal announcements gazette and on its website www.aradeicapital.com at the latest on the 11/24/2022.

IV.12.4. Information procedures

At the end of the Operation, and within a maximum period of 3 days from the publication of results, i.e. on 11/24/2022, each PS member will send to subscribers a notice containing the following minimum information:

- Subscription date;
- Instrument name;
- Requested quantity;
- Allocated quantity;
- Unit price;
- Gross amount at allocation ;
- Net amount after deduction of commissions and VAT on these commissions;
- Balance to be paid back to the subscriber if necessary;

Commissions due to the PS member, the account holder and the Casablanca Stock Exchange.

Part II. INFORMATION ABOUT THE ISSUER

I. Brief description of the activity

I.1. General information

Corporate name	Aradei Capital S.A.
Registered office	Boulevard Zoulikha Nasri et AC 60, 20.190 – Casablanca, Maroc
Phone	05 22 63 98 98
Fax	05 22 33 53 58
Website	www.aradeicapital.com
Legal form	Limited Company with Board of Directors
Date of incorporation	02/07/1990
Lifetime	99 years
Registration number in the trade register	57 265 Casablanca
Financial year	From January 1 to December 31
Corporate purpose	<p>According to Article 3 of the bylaws of Aradei Capital SA, the company's purpose both in Morocco and abroad is:</p> <ul style="list-style-type: none"> • the construction or acquisition of buildings for the purpose of renting them, or any other form of making them available; • holding furniture directly or indirectly, including in a future state of completion; • carrying out all the operations necessary for the operation of the said buildings, in particular the execution of construction, renovation and rehabilitation works; • the purchase, lease, rental, management, operation, development and sale of all real properties built or not built for its own account; • carrying out all kinds of business operations; • the acquisition of a direct or indirect shareholding in all operations or companies through the creation of companies, participation in their incorporation, or the capital increase of existing companies, through the purchase of securities, ownership rights; • the purchase, sale and exchange of all securities and interests; • taking, acquiring, exploiting, selling or granting any license, patent and trademark falling within the purpose of the company; • and, more generally, all operations directly or indirectly related to the aforementioned purposes or likely to favor their realization and development.
Share capital as of 09/30/2022	MAD 1,064,578,300, divided into 10,645,783 shares with a nominal value of MAD 100.
Legal documents	The Company's legal documents, namely the bylaws, the minutes of general meetings and the reports of the statutory auditors may be consulted at the Company's registered office.

List of applicable legislation

Due to its legal form, the company is governed by the law no. 17-95 promulgated by the Dahir no. 1-96-124 of August 30, 1996 relating to joint stock companies, as amended and completed by the laws no. 81-99, 23-01, 20-05, 78-12, 20-19 and 19-20. Due to its activity, Aradei Capital is governed by Moroccan law and in particular:

- Law 39-08 forming the code of real rights as amended by law 69-16;
- Law 49-16 relating to the leases of buildings or premises rented for commercial, industrial and craft use;
- Law 07-03 relating to the revision of the amount of the rent of the premises for residential use or for professional, commercial, industrial or artisanal use promulgated by the Dahir no. 1-07-134 of 19 kaada 1428 (November 30, 2007);
- Law no. 67-12 organizing the contractual relations between the lessors and the tenants of premises for residential or professional use promulgated by Dahir no. 1- 13-111 of 15 moharram 1435 (November 19, 2013);
- Law no. 106-12 modifying and completing the law no. 18-00 relating to the Statute of the Co-ownership of the Built Buildings;
- Law no. 15-95 forming the commercial code as completed and amended;
- Titles 10 and 11 of the Dahir of September 12, 1913, as amended and completed, relating to the Code of Obligations and Contracts;
- Dahir no. 1-99-211 of August 25, 1999 promulgating the law no. 64-99 relating to the recovery of rents.

As a listed company on the Casablanca Stock Exchange and as an issuer of commercial paper, Aradei Capital is subject to the following provisions

- Dahir no. 1-16-151 of 21 kaada 1437 (August 25, 2016) promulgating law no. 19-14 relating to the Stock Exchange, brokerage companies and financial investment advisors;
- General Regulation of the Stock Exchange approved by the Order of the Minister of Economy and Finance no. 2208-19 of July 3, 2019;
- Dahir no. 1-12-55 of Safar 14, 1434 (December 28, 2012) promulgating Law no. 44-12 relating to public offerings and information required from legal entities and organizations making public offerings;
- Dahir no. 1-96-246 of January 9, 1997 promulgating Act no. 35-96 relating to the creation of a central depository and the institution of a general regime of book entry of certain securities, amended and completed by Act no. 43-02;
- General Regulation of the Central Depository approved by Order no. 932-98 of the Minister of Economy and Finance, dated April 16, 1998, and amended by Order no. 1961-01 of the Minister of Economy, Finance, Privatization and Tourism, dated October 30, 2001, and by Order no. 77-05 of March 17, 2005;
- General Regulation of the AMMC as approved by the Order of the Minister of Economy and Finance no. 2169-16 of July 14, 2016;
- Dahir no. 1-04-21 of April 21, 2004 promulgating Law no. 26-03 relating to public offerings on the Moroccan stock market as amended and completed by Law 46-06;
- Dahir no. 1-13-21 of 1st Jumada I 1434 (March 13, 2013) promulgating Law no. 43-12 relating to the Moroccan Capital Market Authority;
- AMMC Circular no. 03/19 relating to financial operations and information;
- Dahir 1-95-03 of January 26, 1995 promulgating law no. 35-94 relating to certain negotiable debt securities.

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

- Dahir no. 1-16-130 of 21 kaada 1437 (August 25, 2016) promulgating law no. 70-14 relating to real estate collective investment schemes;
- Dahir no. 2-17-420 of 9 chaabane 1439 (April 26, 2018) taken in application of the law no. 70-14 relating to Real Estate Collective Investment Schemes;
- Decree no. 2-18-32 of 9 chaabane 1439 (April 26, 2018) taken for the application of articles 31 and 33 of law no. 70-14 relating to Real Estate Collective Investment Schemes;

	<ul style="list-style-type: none"> • Circular of the Moroccan Capital Market Authority no. 02/19 relating to Real Estate Collective Investment Schemes; • Order of the Minister of Economy and Finance no. 2305-18 of 15 hija 1439 (August 27, 2018) taken in application of articles 3, 27, 36, 54, 69, 71, 75 and 90 of the law no. 70-10 relating to Real Estate Collective Investment Schemes; • Notice no. 16 of the CNC relating to the accounting rules applicable to real estate investment funds.
Tax system	Aradei Capital SA is governed by the ordinary tax legislation. It is subject to the corporate tax at the proportional scale rate. Its operations are subject to VAT at a rate of 20%.
Competent court in the event of dispute	Trade Court of Casablanca

Source: Aradei Capital

I.2. Aradei Capital's activity

The Aradei Capital Group is engaged in the acquisition / development of real estate properties with a view to generating rental income.

In fact, the Company's purpose is to:

- Construction or acquisition of buildings for rental purposes, or any other form of provision;
- Holding buildings directly or indirectly, including those in a future state of completion;
- Realization of all operations necessary for the operation of the said buildings, in particular the execution of construction, renovation and rehabilitation works;
- Purchase, lease, rental, management, operation, development and sale of all real estate, whether built or not, on its own behalf;
- Etc.

The LabelVie Group and international brands and franchises are the issuer's main clients. And this, with billing for the majority at the beginning of the quarter with payment in arrears.

In its strategy, Aradei Capital differentiates itself first through the partnership with the LabelVie Group. This partnership covers all the brands of the LabelVie Group, including Carrefour, Atacadao, Virgin Mega Store, Kiabi and Burger King.

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

Aradei Capital is also positioned in several types of retail assets, including shopping centers, retail parks, shopping malls and single-tenant assets, thus enabling it to serve several types of CSPs with rent levels adapted to each type of asset.

Aradei Capital's strategy is to focus its efforts on the development of local Retails Parks, anchored in the territories, which require lower development and management costs compared to shopping centers and therefore allow to charge an affordable and sustainable rent to tenants. This format is in line with market and tenant expectations. Aradei Capital also aims at a strategy of diversifying the asset classes of its portfolio as was the case in January 2019 through the acquisition of the Yazaki industrial unit and also with the launch of the property company's first office building in 2020.

I.2.1. Presentation of Aradei Capital Group's assets

Through Aradei Capital directly or through its subsidiaries, the group holds different categories of assets in 22 Moroccan cities, namely:

- 7 independent assets (single tenant) in 7 Moroccan cities;
- 3 shopping centers in Marrakech, Tangier and Fez;
- 14 shopping malls;
- 1 industrial facility;
- 5 plots of land in reserve for the development of new projects (including an office project under development);
- 1 OPCI holding 103 bank branches;
- 1 private hospital in El Jadida.

Asset summary

The following table summarizes the assets held by Aradei Capital SA and its subsidiaries, with data on retail space, occupancy rates and intra-group occupancy rates as of 06/30/2022:

Asset	City	Asset holding company	Opening year	GLA (in m ²)	Vacancy rate	Occupancy rate	Intra-group occupancy rate	Number of tenants	Value including acquisition costs in KMAD
				H1 2022	H1 2022	H1 2022	H1 2022	H1 2022	H1 2022
Independent Assets (Single Tenant)									
Atacadao Tangier	Tangier	Aradei Capital SA	2013	11,830	2%	98%	98%	2	118,800
Atacadao Oujda	Oujda	Aradei Capital SA	2008	11,830	0%	100%	100%	2	96,000
Atacadao Fez	Fez	Golf II	2012	13,985	0%	100%	100%	2	118,790
Atacadao Marrakech	Marrakech	Aradei Capital SA	2003	10,644	0%	100%	100%	2	130,700
Atacadao Meknes	Meknes	Centre K	2016	7,644	0%	100%	100%	1	75,300
Atacadao Taza	Taza	Aradei Capital SA	2014	7,313	0%	100%	100%	1	31,000
Carrefour Panoramique	Casablanca	Aradei Capital SA	2017	1,315	0%	100%	95%	2	45,000
Shopping centers									
Almazar	Marrakech	SCCS	2010	36,758	15%	85%	33%	62	457,400
Socco Alto	Tangier	SCCD	2016	31,731	3%	97%	42%	88	620,800
Borj Fez	Fez	SCCF	2013	25,725	5%	95%	45%	81	574,400
Shopping malls									
Sela Plaza Agadir	Agadir	Golf I	2001	22,483	0%	100%	57%	26	296,870
Atacadao Ain Sbaâ	Casablanca	Golf II	1991	20,321	0%	100%	78%	14	303,600
Atacadao Salé	Salé	Golf I	2013	9,948	0%	100%	91%	4	213,500
Carrefour Sidi Maârouf	Casablanca	Golf I	2015	16,765	0%	100%	88%	6	338,132
Sela Plaza Targa	Marrakech	Aradei Capital SA	2014	13,152	1%	99%	73%	24	190,900
Carrefour Berkane	Berkane	Aradei Capital SA	2014	3,084	5%	95%	90%	5	44,610
LBG El Jadida	El Jadida	FCE JAD	2008	6,074	6%	94%	41%	34	90,600
LBG Meknes	Meknes	SCCM	2005	4,533	2%	98%	44%	31	70,000
LBG Safi	Safi	FCE SAF	2011	4,676	4%	96%	47%	18	60,300

LBG Rabat	Rabat	SPI HSC	2001	9,435	1%	99%	57%	58	228,935
Sela Plaza Dar Bouazza	Dar Bouazza	DBCC	2019	13,721	0%	100%	45%	32	274,301
Sela Park El Jadida	El Jadida	Aradei Capital SA	2019	8,660	31%	69%	0%	5	82,818
Atacadao Inezgane	Inezgane	Aradei Capital SA	2019	8,215	14%	86%	73%	2	81,020
Sela Park Temara	Temara	Aradei Capital SA	2020	18,866	2%	98%	36%	24	236,090
Industrial unit									
Yazaki	Meknes	Aradei Capital SA	2019	35,603	0%	100%	0%	1	176,320
Real Estate Collective Investment Scheme									
Bank branches leased to BMCI		Cleo Pierre SPI-RFA	2021	28,256	0%	100%	0%	1	674,952
Private Clinics (Part of the Aradei Capital Group)									
Private Hospital of El Jadida	El Jadida	Akdital Immo SA	2021 (entry of Aradei Capital in the capital in 2022)	8,763	0%	100%	0%	1	155,954

Source: Aradei Capital

Presentation of El Jadida Private Hospital

El Jadida Private Hospital is a hospital complex with a total area of 15,181 m² and a GLA of 8,763 m² with modern equipment offering patients and professionals a quality ecosystem.

I.2.2. Land of Aradei Capital S.A (*):

Table 1: Status of Aradei Capital land as of 06/30/2022

Asset	Situation du terrain	Land situation	Date of acquisition	Area	Land title number	Mortgages	Value including acquisition costs ³ as of H1 2022 (in KMAD)
Casablanca land (The Hill / CFAO)	Bare land	SCCCB	2015	39 229 m ²	31247/C 25599/47 25336/47	Mortgage in favor of the registration and stamp service dated 11/25/2015 Mortgage in favor of SGMB dated 17/12/2015 for an amount of MMAD 70	174 600
Casablanca Prism Land (Part of CFAO Land)	Land under construction	SCCB	2015	2 396 m ²	81 837/47 & 81 838/47	First mortgage up to the amount of the credit on the real estate property subject to land titles No. 81837/47 and 81838/47 in favor of BCP	54 129
Agadir Land	Land under construction	SCC Founty	2015	55 620 m ²	89773/09	Mortgage in favor of the service of registration and stamps dated 07/31/2015	107 300
Rabat Menzah Land	Bare land	Aradei Capital	2014	95 000 m ²	31370/R 46656/R	Mortgage in favor of the service of registration and stamps dated 07/31/2015	122 710
Kenitra Land	Bare land	Aradei Capital	2014	4 145 m ²	50303/13	Mortgage in favor of the registration department dated 05/20/2016	9 630

Source: Aradei Capital

³ Valuation carried out by Colliers International Maroc on February 9, 2022 and closed as of end November 2021.

Projects under development

Aradei Capital's current projects for the year 2022-2023 are the development of 4 private clinics with delivery scheduled between 2022 and 2023:

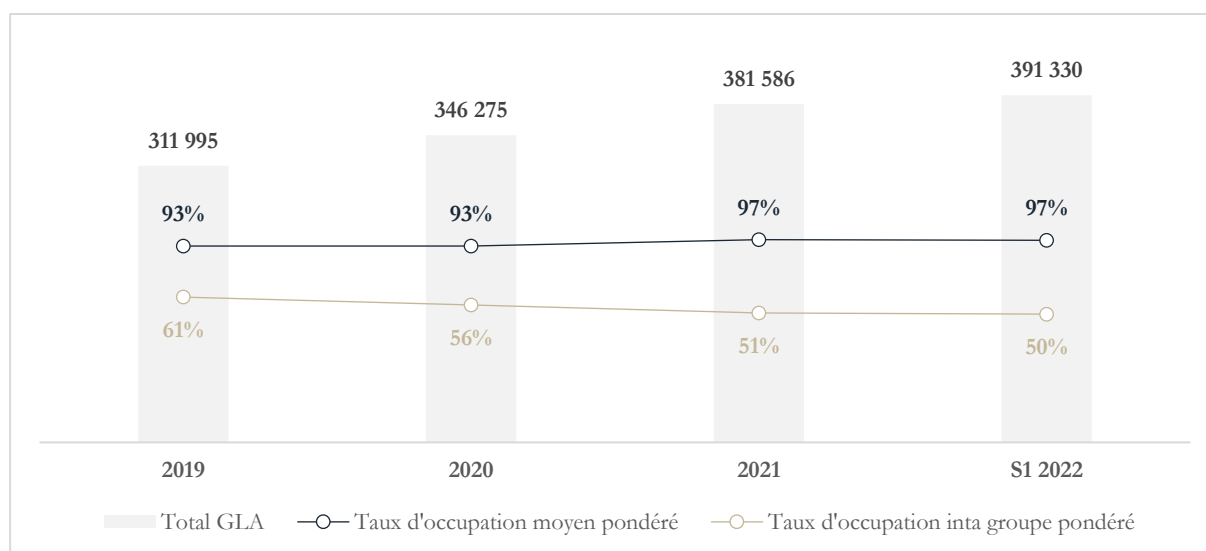
Clinic	Delivery date	GLA Forecast	Land	Number of tenants	Company carrying out the project
Agadir Clinic	operational	16,000 m ²	Acquired	1	Agadir Santé - a 100% subsidiary of Akdital IMMO
Tangier Clinic	operational	23,000 m ²	Acquired	1	KAZAK SARL - 100% subsidiary of Akdital IMMO
Safi Clinic	H1 2023	8,000 m ²	Acquired	1	Asfi Invest - 100% subsidiary of Akdital IMMO
Salé Clinic	H1 2023	14,000 m ²	Acquired	1	Salé Invest - 100% subsidiary of Akdital IMMO

Source: Aradei Capital

I.2.3. Evolution and distribution of the group's total commercial surface area

The following graph shows the evolution of the Group's gross leasable area (GLA) and the average occupancy rate over 2019 - 2021 and as of June 30, 2022:

Figure 1: Change in the Group's total retail space, weighted average occupancy rate and weighted average intra-Group occupancy rate over the period (2019-2021 and as of 06/30/2022)



Source: Aradei Capital

$\text{Intra-group occupancy rate} = \text{Group area} / \text{Total area}$

Group area: area rented to a sister company or to the parent company

As of June 30, 2022, the Group's retail space stood at 391,330 m² with a weighted average occupancy rate of 97% and a weighted average intra-group occupancy rate of 50%. The increase in GLA between 12/31/2021 and 6/30/2022 is mainly due to:

- The integration of the private hospital of El Jadida (+8,763 m²);
- The increase of the GLA of Sela Park Temara by 880 m² following the delivery of a "Catering" extension, in particular the Burger King brand of 830 m².

I.2.4. Changes in consolidated IFRS revenues

The following table shows the evolution of the Aradei Capital Group's consolidated IFRS revenues over the period (2019-2021 and H2-2022):

Table 2: Evolution of Aradei Capital Group's consolidated revenues over the period (2019-2021 and between 06/30/2021 and 06/30/2022)

In KMAD	2019	2020	Var. 19-20	2021	Var. 20-21	H1 2021	H1 2022	Var.
Gross rental income	309,913	309,889	0.0%	457,611	47.7%	218,820	244,850	11.9%
Recharged rental expenses	40,569	46,256	14.0%	(50,408)	9.0%	(23,642)	(25,795)	9.1%
Net rental income	269,344	263,633	-2.1%	407,203	54.5%	195,178	219,055	12.2%
Other revenues	18,226	7,444	-59.2%	13,930	87.1%	5,258	11,030	>100.0%
Entrance fees	-	-	0.0%	-	0.0%	-	-	0.0%
Revenues	287,570	271,077	-5.7%	421,133	55.4%	200,436	230,085	14.8%

Source: Aradei Capital

Consolidated revenues amounted to MMAD 230 as of June 30, 2022, compared with MMAD 200 in the first half of 2021, representing an increase of 14.8%.

II. Shareholding

II.1.1. Current shareholding

Table 3: Aradei Capital's shareholding as of September 30, 2022

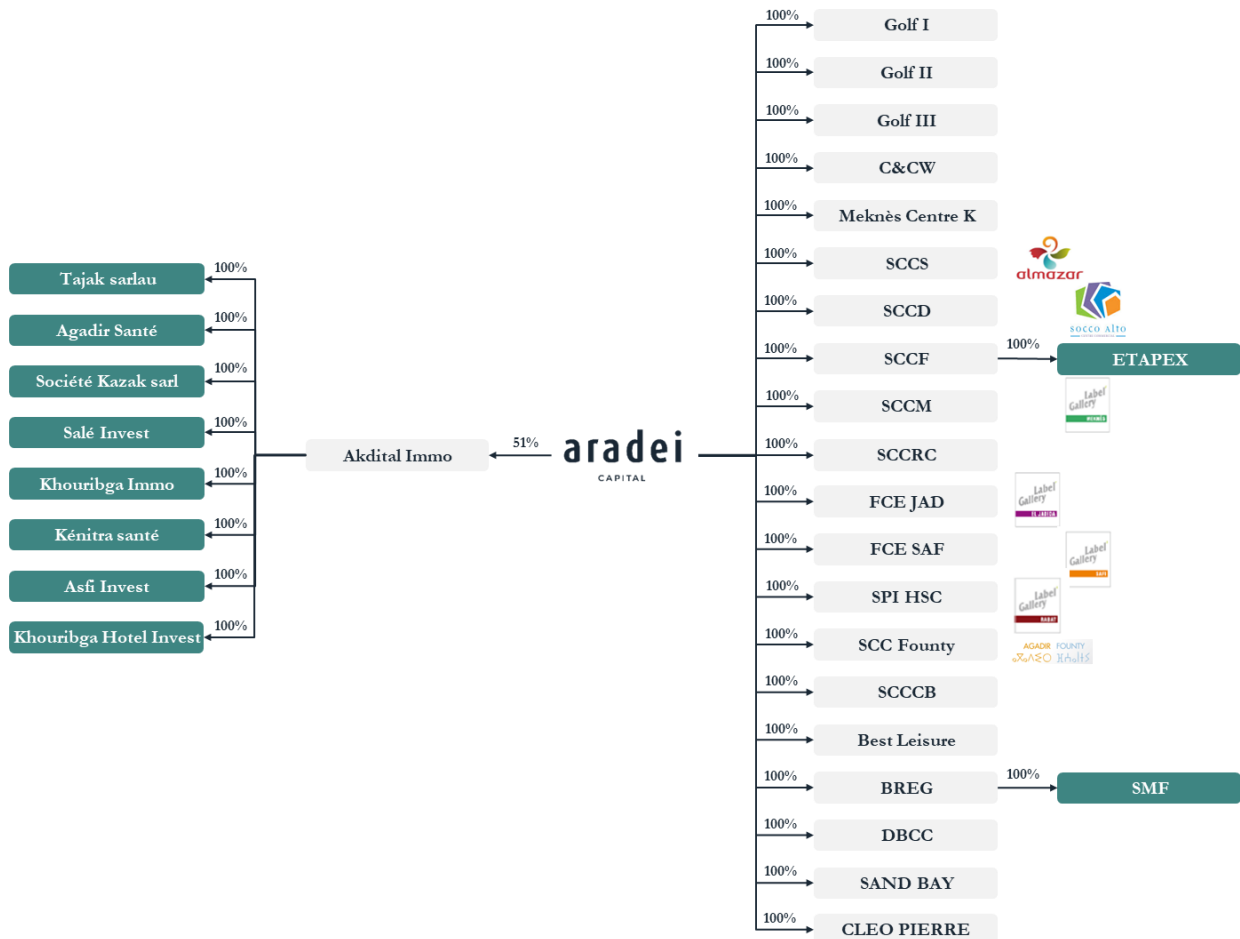
Shareholders	2021		September 30, 2022	
	Number of securities	% of capital and voting rights	Number of securities	% of capital and voting rights
LabelVie SA	4 651 201	43.7%	4 246 478	39.9%
Floating	1 458 737	13.7%	2 461 936	23.1%
Government Employees Pension Fund	1 228 174	11.5%	1 228 174	11.5%
Best Financière SA	845 324	7.9%	845 324	7.9%
FCEC	776 931	7.3%	776 931	7.3%
BERD	678 348	6.4%	550 722	5.2%
BMCI	428 451	4.0%	428 451	4.0%
Kasba Resort	74 624	0.7%	74 624	0.7%
Real Estate Investment Management International Limited	503 964	4.7%	33 114	0.3%
Mr. Zouhaïr Bennani	12	0.0%	12	0.0%
Mr. Rachid Hadni	7	0.0%	7	0.0%
Mr. Nawfal Bendefa	2	0.0%	2	0.0%
Mr. Riad Laissaoui	2	0.0%	2	0.0%
Mr. Adil Bennani	2	0.0%	2	0.0%
Mr. Mehdi Alj	2	0.0%	2	0.0%
Mr. Mehdi Tahiri Joutei Hassani	2	0.0%	2	0.0%
Total	10 645 783	100.0%	10 645 783	100.0%

Source: Aradei Capital

III. Legal organization chart

As of June 30, 2022, Aradei Capital SA holds 20 subsidiaries at 100% and 51% in the company Akdital Immo, which in turn holds 8 subsidiaries at 100% carrying the walls of clinics in El Jadida, Agadir, Tangier, Salé, Khouribga, Kenitra, and Safi.

Figure 2: Legal organization chart of Aradei Capital as of June 30, 2022



Part III. FINANCIAL DATA

I. Half-yearly financial statements

I.1. I. Half-yearly Corporate financial statements

I.1.1. Statement of Management Accounts

The following table presents the historical data of Aradei Capital SA Statement of Management accounts as of 06/30/2021 and 06/30/2022:

Table 4: Changes in the ESG as of 06/30/2021 et au 06/30/2022

In KMAD	H1 2021	H1 2022	Var.
Sale of goods (as they are)	-	-	-
Purchases resale of goods	-	-	-
Gross Margin on Sales	-	-	-
Production for the financial year	65 928	79 726	20.9%
Sale of produced goods and services	65 928	79 726	20.9%
Variation of product stocks	-	-	-
Fixed assets produced by the company for itself	-	-	-
Consumption for the financial year	55 741	59 203	6.2%
Purchases consumed of materials and supplies	34 687	35 762	3.1%
Other external charges	21 053	23 441	11.3%
Added Value	10 188	20 523	>100.0%
Operating grants	-	-	-
Taxes	1 966	1 998	1.6%
Personnel expenses	-	-	-
Gross Operating Surplus (GOS)	8 222	18 525	>100.0%
Other operating products	-	-	-
Other operating expenses	298	482	61.4%
Operating recovery; charge transfer	3 578	6 734	88.2%
Operating allocations	20 523	19 803	-3.5%
Operating result	(9 021)	4 975	-155.2%
Financial result	31 938	72 718	>100.0%
Current result	22 918	77 693	>100.0%
Non-current result	110	(955)	<-100.0%
Income tax	626	752	20.2%
Net result	22 402	75 987	>100.0%

Source: Aradei Capital

I.1.2. Balance Sheet Analysis

The following table presents the main balance sheet indicators between December 31, 2021 and June 30, 2022:

Table 37: Aradei Capital's corporate balance sheet between December 31, 2021 and June 30, 2022

In KMAD	2021	H1 2022	Var.
Assets			
Non-valued fixed assets	21 907	19 565	-10.7%
Intangible assets	66 913	66 898	0.0%
Property, plant and equipment	864 681	863 229	-0.2%
Financial fixed assets	1 463 854	1 519 653	3.8%
Unrealized foreign exchange losses	-	-	-
Fixed assets	2 417 354	2 469 345	2.2%
Stocks	-	-	-
Current asset receivables	1 263 373	1 529 498	21.1%
Supplier receivables, advances and downpayments	10 560	11 537	9.3%
Trade and other receivables	186 399	222 730	19.5%
Personnel	-	-	-
Statement	157 044	146 640	-6.6%
Partner Accounts	1 557	117 039	>100.0%
Other receivables	672 084	773 018	15.0%
Accruals and deferred income	235 728	258 535	9.7%
Investment value securities	409 176	30 654	-92.5%
Unrealized foreign exchange losses	-	-	-
Current assets	1 672 549	1 560 152	-6.7%
Cash and cash equivalents Assets	12 079	211 425	>100.0%
Total Assets	4 101 981	4 240 922	3.4%
Liabilities			
Shareholders' equity	2 156 239	2 038 260	-5.5%
Share capital or personnel	1 064 578	1 064 578	0.0%
Share, merger and contribution premiums	850 581	850 581	0.0%
Legal reserve	36 814	37 403	1.6%
Other reserves	192 473	9 710	-95.0%
Retained earnings	-	-	-
Net income for the financial year	11 793	75 987	>100.0%
Financing liabilities	1 578 745	1 600 508	1.4%
Long-term provisions for liabilities and charges	2 614	2 614	0.0%
Permanent financing	3 737 598	3 641 382	-2.6%
Current liabilities	303 516	287 555	-5.3%
Trade and other receivables	88 173	69 012	-21.7%
Accounts payable, advances and down-payments	288	714	>100.0%
Personnel	-	250	100.0%
Corporate bodies	-	-	-
Statement	20 105	27 841	38.5%
Partner Accounts	638	638	0.0%
Other receivables	117 487	94 351	-19.7%
Prepayments and accrued income - Liabilities	71 245	89 169	25.2%
Other provisions for liabilities and charges	5 580	5 580	0.0%
Currency translation adjustment - Liabilities	-	-	-
Cash liabilities	60 867	311 985	>100.0%
Total liabilities	4 101 981	4 240 922	3.4%

Source: Aradei Capital

I.2. Half-year consolidated financial statements

I.2.1. Impact of IFRS 16 and IFRIC 23

Aradei Capital Group has applied IFRIC 23 from January 1, 2019, by recognizing the cumulative effect of prior years in reserves. IFRIC 23 clarifies the application of the recognition and measurement requirements of IAS 12 "Income Taxes" when uncertainty exists about the treatment of income taxes.

The table below shows the impact of IFRIC 23 on the consolidated financial statements of Aradei Capital since its application:

Table 5: Impact of IFRIC 23 on the consolidated financial statements of Aradei Capital since its application

IFRIC 23 restatements (in KMAD)	2019	2020	2021	H1 2022
IFRIC 23 impact	1 116	7 925	1 279	8 092

Source: Aradei Capital

IFRS 16 replaces IAS 17 and all related interpretations. The Group applies this standard to all finance leases and operating leases reclassified as finance leases. The restatement relating to the application of IFRS 16 concerns a single significant lease contract for an asset leased by an external lessor to a Group subsidiary.

This contract generates an annual cancellation of rental payments recognized as expenses for MMAD 3.1, against the recognition of interest expenses of MMAD 0.5 and a loss in the fair value of this asset for an amount of MMAD 2.6.

I.2.2. Scope and methods of consolidation as of June 30, 2022

The scope of consolidation includes all companies that are controlled, partnered or significantly influenced. Aradei Capital exercises control when it has the power to govern the financial and operating policies of its subsidiaries so as to obtain benefits from their activities. Such control is presumed in cases where the Group holds, directly or indirectly through its subsidiaries, more than half of the voting rights. These subsidiaries are fully consolidated.

The scope of consolidation as of June 30, 2022 is as follows:

Company	12/31/2021			06/30/2022		
	% of interest	% of control	Method (*)	% of interest	% of control	Method (*)
Aradei Capital	100%	100%	IG	100%	100%	FC
Golf I	100%	100%	IG	100%	100%	FC
Golf II	100%	100%	IG	100%	100%	FC
Golf III	100%	100%	IG	100%	100%	FC
Cash & CARRY	100%	100%	IG	100%	100%	FC
Centre K	100%	100%	IG	100%	100%	FC
BEST LEISURE	100%	100%	IG	100%	100%	FC
FCE JAD	100%	100%	IG	100%	100%	FC
FCE SAF	100%	100%	IG	100%	100%	FC
SCCCB	100%	100%	IG	100%	100%	FC
SCCD	100%	100%	IG	100%	100%	FC
SCCF	100%	100%	IG	100%	100%	FC
ETAPEX	100%	100%	IG	100%	100%	FC
SCCFOUNTY	100%	100%	IG	100%	100%	FC
SCCM	100%	100%	IG	100%	100%	FC
SCCS	100%	100%	IG	100%	100%	FC
SPI HSC	100%	100%	IG	100%	100%	FC
BREG	100%	100%	IG	100%	100%	FC

SMF	100%	100%	IG	100%	100%	FC
SCCRC	100%	100%	IG	100%	100%	FC
DBCC	100%	100%	IG	100%	100%	FC
SAND BAY	100%	100%	IG	100%	100%	FC
CLEO PIEERE SPI-RFA	100%	100%	IG	100%	100%	FC
AKDITAL IMMO	-	-	-	51%	51%	FC
TAJAK SARLAU	-	-	-	51%	51%	FC
AGADIR SANTE	-	-	-	51%	51%	FC
STE KAZAK SARL	-	-	-	51%	51%	FC
SALE INVEST	-	-	-	51%	51%	FC
KHOURIBGA IMMO	-	-	-	51%	51%	FC
KENITRA SANTE	-	-	-	51%	51%	FC
ASFİ INVEST	-	-	-	51%	51%	FC
KHOURIBGA HOTEL INVEST	-	-	-	51%	51%	FC

Source: Aradei Capital

(* FC = Full consolidation)

Companies entering the scope of consolidation in H1 2022

Akdital Immo

AKDITAL IMMO's mission is to own and develop a portfolio of healthcare real estate assets with the aim of generating long-term rental income.

Tajak SARLAU

TAJAK is a 100% subsidiary of Akdital Immo and owns the walls of the Private Hospital of El Jadida inaugurated in 2021 and leased to the Akdital Health Group.

Agadir Santé

Agadir Santé is a 100% subsidiary of Akdital Immo holding the walls of a private clinic in Agadir and leased to the Akdital Health Group.

Kazak SARL

Kazak is a 100% subsidiary of Akdital Immo holding the walls of a private clinic under construction in Tangier and leased to Akdital Health Group.

Salé Invest

Salé Invest is a 100% subsidiary of Akdital Immo holding the walls of a private clinic under construction in Salé and intended to be leased to the Akdital Health Group.

Khouribga Immo

Khouribga Immo is a 100% subsidiary of Akdital Immo intended to hold the land and the walls of a private clinic in Khouribga and which will be leased to Akdital Health Group.

Kénitra Santé

Kenitra Santé is a 100% subsidiary of Akdital Immo intended to hold the land and the walls of a private clinic located in Kenitra and which will be leased to Akdital Health Group.

Asfi Invest

Asfi Invest is a 100% subsidiary of Akdital Immo holding the walls of a private clinic under construction in Safi and intended to be leased to Akdital Health Group.

Kouribga Hotel Invest

Kouribga Hotel Invest is a 100% subsidiary of Akdital Immo and has no activity.

I.2.3. Analysis of the half-yearly income statement

The table below shows the main indicators of Aradei Capital's income statement as of June 30, 2021 and June 30, 2022:

Table 6: Changes in the consolidated half-yearly income statement between 06/30/2021 and 06/30/2022

In KMAD	H1 2021	H1 2022	Var.
Rental revenue	195 178	219 055	12.2%
Incoming fees	-	-	-
Other revenue	5 258	11 030	>100.0%
Turnover	200 436	230 085	14.8%
Operating expenses	(47 961)	(59 644)	24.4%
Other purchases and external expenses	(39 745)	(50 761)	27.7%
Personnel expenses	(9 342)	(9 169)	-1.8%
Taxes and similar payments	(4 229)	(2 270)	-46.3%
Other income and expenses	5 354	2 556	-52.3%
Gross operating surplus	152 475	170 440	11.8%
<i>In % of the turnover</i>	<i>76%</i>	<i>74%</i>	<i>-2.6%</i>
Depreciation, amortization and provision charges/write-backs	(2 122)	(2 027)	-4.5%
Other exceptional income and expenses	(9 475)	3 647	-138.5%
Change in fair value of investment properties	(1 175)	(9 454)	>100.0%
Income from asset disposals	(12 753)	(8 607)	-32.5%
Operating income	126 951	153 999	21.3%
<i>In % of the turnover</i>	<i>63%</i>	<i>67%</i>	<i>5.7%</i>
Gross cost of financial debt	(44 511)	(53 715)	20.7%
Investment income	8 474	1 736	-79.5%
Net cost of financial debt	(36 037)	(51 980)	44.2%
Other financial income and expenses	1 992	9 822	>100.0%
Before tax current earnings	92 906	111 841	20.4%
Corporate income tax	(31 551)	(44 184)	40.0%
Net income from continuing operations	61 355	67 657	10.3%
Earnings from discontinued operations	-	-	0.0%
Net income for the period	61 355	67 657	10.3%
<i>In % of the turnover</i>	<i>31%</i>	<i>29%</i>	<i>-3.9%</i>
Net income - Parent company owners' share	61 355	69 025	12.5%
Net income - non-controlling interests	-	(1 369)	0.0%
Consolidated Net Income	61 355	67 657	10.3%

Source: Aradei Capital

I.2.4. Analysis of the half-yearly balance sheet

The following table shows the main indicators of the Aradei Capital Group's consolidated half-yearly balance sheet between December 31, 2021 and June 30, 2022:

Table 7: Half-yearly consolidated balance sheet

ASSETS (In KMAD)	2021	H1 2022	Var.
Other intangible fixed assets	7,314	7,269	-0.6%
Investment properties	6,150,418	6,738,957	9.6%
Other property, plant and equipment	17,622	16,109	-8.6%
Other financial assets	5,652	5,665	0.2%
Deferred income tax assets	4,537	4,692	3.4%
Total non-current assets	6,185,543	6,772,692	9.5%
Inventories and work-in-progress	102,109	105,087	2.9%
Clients	116,541	138,822	19.1%
Corporate income tax receivables	7,941	16,194	>100.0%
Other current assets	305,343	456,181	49.4%
Cash and other cash equivalents	495,965	380,310	-23.3%
Total current assets	1,027,900	1,096,594	6.7%
Total Assets	7,213,443	7,869,286	9.09%
LIABILITIES (In KMAD)	2021	S1 2022	Var.
Capital	1,064,578	1,064,578	0.0%
Capital-related premiums	836,191	836,191	0.0%
Reserves	1,970,808	2,087,122	5.9%
Special reserve	-	-	0.0%
Income for the financial year	344,069	69,025	-79.9%
Shareholders' equity group share	4,215,646	4,056,916	-3.8%
Interest attributable to non-controlling interests		20,041	100.0%
Shareholders' equity	4,215,646	4,076,957	-3.3%
Financial debt - non-current portion	2,066,038	2,102,610	1.8%
Provisions - non-current portion	2,614	2,614	0.0%
Other non-current liabilities	71,650	86,007	20.0%
Deferred taxes	138,129	156,967	13.6%
Total non-current liabilities	2,278,432	2,348,198	3.1%
Financial debt --current portion	303,111	744,854	>100.0%
Corporate income tax liability	10,765	17,413	61.8%
Suppliers	179,474	296,243	65.1%
Provisions --current portion	29,710	36,433	22.6%
Other-current liabilities	196,306	349,187	77.9%
Liabilities related to discontinued operations	-	-	-100.0%
Total current liabilities	719,365	1,444,131	>100.0%
Total liabilities	2,997,797	3,792,329	26.5%
Total liabilities and shareholders' equity	7,213,443	7,869,286	9.09%

Source: Aradei Capital

Part IV. RISK FACTORS

I. Issuer risks

I.1. General risks

I.1.1. Economic environment risk

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

I.1.2. Competitive Risk

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

I.1.3. Rising land costs risks

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

I.1.4. Environmental risks

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

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

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

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

I.1.5. Legal and regulatory risk

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

I.2. Specific risks

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

As of 30/09/2022 Aradei Capital SA is 39.9% owned by the LabelVie Group (following the two capital increases by REIM International and GEPF and the IPO). LabelVie, through its subsidiaries, represents 46.9% of the total commercial space of Aradei Capital at the end of H1 2022.

As of 30/09/2022, Aradei Capital SA is 39.9% owned by LabelVie Group, which in turn is 51.3% owned by Retail Holding, 50.6% owned by the Best Financière Group.

As of June 30, 2022, the Best Financière Group, through its subsidiaries, represents 50.3% of the total retail space of Aradei Capital (46.9% of the retail space is occupied by the LabelVie Group and 3.4% of the retail space is occupied by Virgin NA (under the "Virgin" banner), GFFS (under the "Burger King" banner) and Modes & Nuances (under the "KIABI" banner).

The concentration of Aradei Capital's revenues around the Best Financière Group, which operates *inter alia* in the distribution sector, is in line with the standards that can be observed abroad at the level of other comparable real estate companies where the share of revenues from tenants operating in the distribution sector (food and non-food) and fast food restaurants represents a significant part of their overall revenues.

I.2.2. Interest rate risk

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

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

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

I.2.3. Risk related to compliance with contractual obligations of EBRD and PIC acting on behalf of GEPPF

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

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

I.2.4. Subcontracting risk

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

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

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

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

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

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

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

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

I.2.6. Sectoral risks

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

I.2.7. Real estate market fluctuation risk

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

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

I.2.8. Rental fluctuation risk

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

I.2.9. Construction risk as the project owner

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

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

I.2.10. Counterparty risk

Client Risk

Client Risk

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

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

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

Banking counterparty risk

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

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

Insurance counterparty risk

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

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

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

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

I.2.11. Financial liquidity risk

Debt risk

Aradei Capital's strategy is to use bank debt to finance part of its growth. In addition, at the end of 2020, the Group will have a *Gearing* ratio of 28%.

The Group will use debt as part of the financing of its development program to improve the return on capital under these terms and conditions. Financing needs and conditions are reviewed for each acquisition. The same applies to the monitoring of contractual obligations related to existing debt "covenants".

Access to debt risk

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

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

I.2.12. Vacancy risk

Aradei Capital has 31 assets, 7 of which are independent, with an occupancy rate of almost 100%. For shopping centers, galleries and industrial unit (14 assets), the lowest occupancy rate is around 69%.

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

I.2.13. Contract default risk

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

I.2.14. Tax risks

The options/hypotheses retained during the merger of BRE into Aradei Capital SA may be challenged by the tax authorities. Likewise, and in accordance with Moroccan tax law, adjustments may arise from any audit of consolidated

companies by the tax authorities in respect of financial years that are not statute-barred for corporate income tax (CIT), income tax (IT), value added tax (VAT) and other indirect taxes and duties.

I.2.15. Shareholder structure risk

As of September 30, 2022, the Best Financière group holds 47.8% of the capital and voting rights of Aradei Capital SA. It is likely to exercise significant influence over the general meetings of shareholders, enabling it to pass or reject proposed resolutions.

I.2.16. Key persons risk

The position of CEO of Aradei Capital is entrusted to Mr. Nawfal Bendefa, who has contributed to the development of the Company. In view of this situation, the Company is exposed to a risk of dependence on the CEO of the Company in case of departure.

II. Risk factors related to the financial instruments offered

Liquidity risk

The subscriber to Aradei Capital SA shares may be subject to a liquidity risk of the share on the stock market. Indeed, depending on the market conditions and the evolution of the share price, the liquidity of the share may be temporarily affected. Thus, a shareholder wishing to sell their shares may, to a certain extent, be unable to sell some or all of the shares held within a short period of time with or without a discount on the capital.

Price volatility risks

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

Capital loss risk

Participation in the capital of a company involves the risks inherent in any investment. If one or more of the risks are realized, they may result in losses up to and including the total loss of the contribution and related transaction costs, and thus of the entire capital invested.

In addition, if the investor has borrowed external capital to pay for the participation, then the maximum risk is higher, as the obligations under the loan agreement remain with the lender, regardless of the development of the participation in Aradei Capital, and the lender may claim against the investor for a sum exceeding the invested capital. There is therefore a risk of personal bankruptcy.

Disclaimer

The aforementioned information constitutes only part of the prospectus approved by the Moroccan Capital Markets Authority (AMMC) on 24th October 2022 under reference no. VI/EM/033/2022.

The AMMC recommends reading the complete prospectus made available to the public in the French language.