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CAPITAL

ARADEI CAPITAL S.A







Prospectus Summary

Initial Public Offering through a Capital Increase reserved for the Public by the issuance of 1,250,000 New Shares, with Cancellation of Shareholders' Preferential Subscription Rights and the Sale of 250,000 Shares

Fixed Price Offer

Nature of Security	Common Shares
Issue Price	MAD 400
Nominal Value	MAD 100
Number of Shares Issued	1,250.000 shares
Number of Shares for Sale	250,000 shares
Total Amount of the Operation (Including Issue Premium)	MAD 600,000,000
Subscription Period	From December 1 to 4, 2020 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
 CORPORATE FINANCE  VALORIS CORPORATE FINANCE  CAPITAL TRUST FINANCE	 CAPITAL MARKETS  VALORIS SECURITIES Société de Bourse  CAPITAL TRUST SECURITIES

Members of the Placement Syndicate	
 AL BARID BANK  ALMA FINANCE GROUP  ARTBOURSE  ATLAS CAPITAL  التجارة الوساطة Attijari intermédiation  التجارة وفا بنك Attijariwafa bank  BANQUE POPULAIRE  BMCE BANK  BMCE CAPITAL GROUPE BMCE	 BMCi GROUPE BNP PARIBAS  BMCi BOURSE Groupe BNP PARIBAS  CDG CAPITAL BOURSE  CORPORATE FINANCE  التقوى الفلاحي CREDIT AGRICOLE  CREDIT DU MAROC  CIH BANK  AL WASSIT  MENA CAPITAL PARTNERS  M.S.IN SOCIÉTÉ DE BOURSE  المركبة العامة SOCIETE GENERALE  المركبة العامة Sogécapital Bourse  UPLINE SECURITIES  Wafabourse.com

Approval of the Moroccan Capital Market Authority (MCMA)

In accordance with the provisions of the MCMA 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 MCMA on November 23rd, 2020 under reference no. VI/EM/024/2020.

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

- The reference document relating to the financial year 2019 registered by the MCMA on July 3, 2020 under reference no. EN/EM/005/2020;
- Updated reference document as of end of June 2020 registered by the MCMA on November 23rd, 2020 under reference no. EN/EM/023/2020;
- This MCMA-approved operation note.

Disclaimer

The MCMA approved on November 23rd, 2020 a prospectus relating to the initial public offering by a capital increase reserved for the public with cancellation of preferential subscription rights through the issue of 1,250,000 shares of Aradei Capital and the sale of 250,000 shares.

The visa of the Moroccan Capital Market Authority (MCMA) relates to the prospectus composed of the following:

- The operation note relating to the IPO of Aradei Capital;
- The reference document relating to the financial year 2019 registered by the MCMA on July 3rd, 2020 under reference no. EN/EM/005/2020;
- The updated reference document registered by the MCMA on November 23rd, 2020 under reference no. EN/EM/023/2020.

The MCMA-approved prospectus is available at any time:

- On the website of Aradei Capital: www.aradeicapital.com
- On the website of the Casablanca Stock Exchange: www.casablanca-bourse.com
- On the website of the MCMA: www.ammc.ma.

This document has been translated by 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 MCMA-approved prospectus, only the approved prospectus will prevail.

Part I. STRUCTURE OF THE OFFER

I. Structure of the offer

I.1. Amount of the operation

Aradei Capital SA plans to proceed to an IPO for an amount of MAD 600,000,000 through:

- A capital increase in cash through the issue of 1,250,000 shares at a subscription price of MAD 400 per share, i.e. MAD 100 as nominal value and MAD 300 as issue premium. The total contribution of the capital increase will amount to MAD 500,000,000, of which MAD 125,000,000 as nominal value and MAD 375,000,000 as issue premium.
- The sale of 250,000 shares for a subscription price of MAD 400 per share, i.e. a total amount of MAD 100,000,000.

I.2. Structure of the offer

Order Type	I
Subscribers	<ul style="list-style-type: none"> - Resident or non-resident natural persons 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 MCMA Circular No. 03/19 and justifying more than one year of existence at the date of subscription; - Qualified investors under Moroccan law as defined by Article 3 of Law No. 44-12 and by Article 1.30 of MCMA Circular No. 03/19, excluding money market and short-term bond UCITS; - Qualified investors under foreign law as defined by Article 1.30 paragraph (c) of MCMA Circular No. 03/19.
Amount of the offer	MAD 600,000,000
Number of shares	1,500,000
In % of share capital after the Operation	14.1%
In % of Operation	100%
Subscription Price	MAD 400 per share
Minimum Subscription per Investor	No minimum
Maximum Subscription per Investor	<ul style="list-style-type: none"> - For all investors other than UCITS, 10% of the total number of shares offered within the framework of the Operation, representing 150,000 shares, i.e. MAD 60,000,000; - For UCITS, the minimum between: <ul style="list-style-type: none"> ✓ 10% of the total number of shares offered within the framework of the Operation, representing 150,000 shares, i.e. MAD 60,000,000, and ✓ 10% of the net assets of the UCITS corresponding to the net asset value as of November 27, 2020.
Placement	<ul style="list-style-type: none"> - For qualified investors under foreign law as defined by Article 3 of Law no. 44-12 and Article 1.30 of the MCMA Circular no. 03/19, excluding UCITS: Co-leaders of the placement syndicate; - For qualified investors under Moroccan law as defined by Article 3 of Act no. 44-12 and Article 1.30 of MCMA Circular no. 03/19, excluding UCITS: Co-leaders of the placement syndicate and Upline Securities;

	<ul style="list-style-type: none"> - For the other categories of investors, excluding money market and short-term bond UCITS: All placement syndicate members.
<p>Subscription Coverage</p>	<ul style="list-style-type: none"> - For natural persons or legal entities under Moroccan or foreign law (non-qualified), subscriptions must be 100% covered by: <ul style="list-style-type: none"> ✓ an effective deposit (remittance of check, cash or transfer) on the subscriber's account, and/or; ✓ a collateral consisting of securities in accordance with the following terms and conditions: <ul style="list-style-type: none"> • Government bonds: taken up to a maximum of 100% of the value on the subscription date; • Money market UCITS with daily net asset value: taken up to a maximum of 100% of the value on the subscription date; • units of UCITS with daily net asset value (excluding money market funds), term deposits, listed shares: taken up to a maximum of 80% of the value on the subscription date; - For qualified investors under Moroccan law: no cover at the time of subscription. - For qualified investors governed by foreign law (i) justifying of more than one year of existence at the subscription date of the current Operation or (ii) having already carried out an operation on the primary or secondary market of the Casablanca Stock Exchange: no coverage at the subscription date. - For qualified investors under foreign law (i) not justifying more than one year of existence on the subscription date of the current Operation and (ii) not having already carried out an operation on the primary or secondary market of the Casablanca Stock Exchange: 30% coverage by an effective deposit (remittance of check, cash or transfer) or 100% coverage by a bank guarantee. <p>Coverage by collateral is subject to the appreciation of each placement syndicate member selected by the subscriber. The coverage of the subscription in cash, check, transfer and/or collateral must remain blocked until the allocation of securities on December 9, 2020.</p>
<p>Allocation Methods</p>	<ul style="list-style-type: none"> - 1st allocation: by iteration up to 125 shares per subscriber; - 2nd allocation: allocation of the remainder in proportion to the excess of requests over 125 shares.

II. Financial instruments offered

II.1. Characteristics of the securities offered

Nature of Securities	Common shares, all of the same category
Legal Form	The shares subject to this operation will all be bearer shares. These shares are entirely dematerialized and admitted to Maroclear's operations.
Amount of the Operation	MAD 600,000,000 ¹
Total number of Shares to be issued and sold	1,500,000 shares, including 1,250,000 new shares to be issued pertaining to the capital increase and 250,000 shares related to the share sale
Subscription Price	MAD 400 per share
Procedure of Initial Listing	Fixed Price Offer
Nominal Value	MAD 100 per share
Issue Premium	MAD 300 per share
Payment of Shares	Shares offered will be fully paid up and free of any commitment.
Listing Line	1 st line
Date of Enjoyment	January 1, 2020 ² (current enjoyment of the new shares, fully assimilated to the existing shares)
Subscription Period	From December 1 to 4, 2020 at 3:30 p.m. inclusive
Negotiability of Securities	The shares subject to this Operation are freely negotiable. No statutory clause restricts the free trading of the shares comprising the Company's share capital. No commitment restricts the free trading of the shares subject of the present Operation
Payment method of shares and payment of the share sale price	In cash (excluding any payment by way of compensation against due liquid receivables from the Company)
Listing of Shares covered by this Operation	The shares to be sold and issued pursuant to this IPO will be listed on the Main Market, compartment "Principal F" of the Stock Exchange.
ISIN code	MA0000012460

¹ Including (i) a capital increase of MAD 500,000,000, of which MAD 125,000,000 as nominal value and MAD 375,000,000 as issue premium and (ii) a sale of 250,000 shares for a total amount of MAD 100,000,000.

² The new shares shall give right to any distribution of profits or distribution of reserves that may be decided by the Company as from the date of final completion of the Capital Increase IPO, it being specified for all purposes that the new shares to be created by the Company pursuant to the Capital Increase IPO as well as the shares sold shall not give right to any distribution of profits or distribution of reserves, premiums or capital reduction of any nature whatsoever, distributed prior to the date of completion of the Operation.

Listing Date of New Shares	December 14, 2020
Rights Attached to newly issued Shares	All shares have the same rights both in the distribution of profits and in the distribution of the liquidation bonus. Each share gives the right to one vote at General Meetings.
Preferential Subscription Right	The Extraordinary Shareholders' Meeting of November 9, 2020 decided to cancel the preferential subscription right reserved for shareholders 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.

II.2. Listing characteristics of the shares to be issued and sold

Date of 1st listing	December 14, 2020
Label	ARADEI CAPITAL
Ticker	ARD
Listing Compartment	Principal F
Business Sector	Real estate Investment Companies
Negotiation Cycle	Continuous
Minimum Block Size	22,500 shares
Listing Line	1 st line
Number of shares to be sold and issued	1,500,000 shares
Establishment in charge of the Operation Registration	CFG Marchés

II.3. Elements for assessing the terms of the offer

II.3.1. Determination of the subscription price

In accordance with the powers conferred by the Extraordinary General Meeting held on November 9, 2020, the Board of Directors' meeting held on November 19, 2020 decided to proceed with the Company's listing on the Casablanca Stock Exchange by:

- Increasing its capital by MAD 500,000,000 through the issue of 1,250,000 shares at a subscription price of MAD 400 per share (including MAD 100 as nominal value and MAD 300 as issue premium);
- Sale of 250,000 shares at an amount of MAD 100,000,000, i.e. a sale price per share of MAD 400.

The said board also set the final characteristics of the Operation.

II.3.2. Valuation methodology

Valuation methods used

Three valuation methods were used for the valuation of Aradei Capital's shares in the context of this Operation:

- The Transactional Reference Method;
- The Dividend Discount Model (DDM);
- The Replacement NAV Method.

Transactional Reference Method

This method is based on the valuation of a company by reference to the prices used in recent transaction(s) carried out on the capital of the same company.

Dividend Discount Model (DDM)

This method consists of calculating the value of a company's equity by discounting the expected future return to be served to its shareholders at the cost of equity (corresponding to the shareholders' return requirement).

Aradei Capital's equity value (EVA) is the sum of (i) the discounted return to be served by the company to its shareholders over the explicit horizon, (ii) the discounted terminal value and (iii) the value of the undeveloped land reserve over the explicit horizon of the business plan.

NAV Replacement Method

The replacement NAV is in line with the logic of continuing the historical activity at constant scope and therefore of keeping the assets held, without taking into account the capacity and growth potential of the real estate portfolio.

As the consolidated financial statements of the Aradei Group are prepared on the basis of IFRS accounting standards, the Group's assets and liabilities are mainly measured at fair value. In particular, the market values of investment properties are based on appraisals carried out by the real estate appraiser Colliers International Maroc. In addition, given the nature of the real estate assets qualified as investment properties intended to generate long-term rental income without any intention of resale of these assets by the Company, their revaluation does not generate deferred tax liabilities or assets related to the unrealized capital gains or losses induced by the said revaluation. As a result, Aradei Capital's replacement NAV corresponds to the value of its consolidated shareholders' equity under IFRS.

It should be noted that the replacement NAV is a patrimonial method that is less suitable for the valuation of real estate investment trusts with growth potential such as Aradei Capital. Moreover, in the exceptional context of the pandemic linked to Covid-19, this method is even less relevant since it is based on non-normative aggregates that include the one-off impacts of: (i) the exceptional closure of non-essential shops for a period of up to 97 days, (ii) the delay in the opening of development projects following the halt in construction during the state of health emergency until the beginning of June 2020, (iii) exceptional expenses incurred in connection with the implementation of a rigorous health system and marketing operations related to Covid-19 and (iv) the pandemic on the market value of the assets.

Valuation methods not used

Stock Market Comparables

This method makes it possible to estimate the value of a company based on the valuation levels of comparable listed companies. Once the sample of comparable companies has been determined, the principle consists in selecting the indicators to be used as a basis for comparison (sales, gross operating profit, net income, equity, etc.), calculating multiples based on the stock market value and the aggregates of the comparables and applying these multiples to the aggregates of the company being valued.

On a national scale, Immorente Invest is the only modern real estate investment trust listed on the Casablanca Stock Exchange. However, it is not comparable to Aradei Capital, particularly in terms of size, asset portfolio composition, business sectors covered and accounting consolidation standard.

On an international scale, real estate investment trusts operate in a much more developed and mature economic, legal, accounting and fiscal framework. As a result, there are no publicly traded companies comparable to the Company and on the basis of which the valuation of Aradei Capital could be made.

Discounted Cash Flows (DCF)

This method consists of calculating the value of a company's economic assets (company value) by summing the future cash flows generated by it (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 involvement in the financing of the company's economic assets. Once the company's value has been determined, the value of its equity is obtained by deducting net debt in particular.

This method, like the DDM, is based on the principle of discounting the future cash flows generated by the Company. Its use would therefore be redundant.

Furthermore, it has the limitation of not taking into account the potential mismatch between free cash flows and the dividends that can be served to shareholders. Consequently, the DCF method is not relevant.

Liquidation NAV

The liquidation NAV method consists in valuing separately the various assets and liabilities of a company in a context of disinvestment and liquidation of the latter. Since Aradei Capital does not meet the conditions for the application of this method, it was not used.

II.3.3. Valuation of Aradei Capital's Equity Capital

Main assumptions of the pre money business plan

The following forecasts are based on Aradei Capital's management assumptions, the realization of which is by nature uncertain. Actual results may differ significantly from the information presented. These forecasts are provided for information purposes only and cannot be considered as a firm or implicit commitment on the part of the Issuer, especially as they are based on Aradei Capital S.A.'s pre-money business plan. The latter does not take into account the cash flows that would be generated by the investments to be made following the capital increase, subject to the operation note.

General Assumptions

The pre money business plan (i.e. not taking into account the impact of the capital increase covered by this Operation) which served as a basis for the valuation by DDM was prepared by the management of Aradei Capital over an explicit 7-year horizon: 2020e - 2026p.

In 2020, Aradei Capital's activity was impacted by the Covid-19 health crisis, particularly during the lockdown period (20 March - 25 June 2020). The business plan presented below is based on the assumption of a gradual return to full year activity in 2022.

The scope of the business plan includes the operating assets as of end October 2020 (see the appraisal report prepared by Colliers International Maroc appended to the operation note), and the acquisition/development of new assets, namely:

- A Mixed-Use project in Casablanca including retail, leisure and office components for an overall investment of nearly MAD 700 million³. The land is already owned by Aradei Capital and the total GLA of the project will be 55,000 m² (excluding parking). The LabelVie Group will be one of the anchor tenants of the project.
- The development of an office building (6,500 m²) in Casablanca for a total investment of MAD 60 million³. The BEFA are agreed with partners (including Carrefour) to occupy the premises and the land is owned by Aradei Capital.
- The development of a retail park in the Rabat region on a land owned by Aradei Capital with a total GLA of 46 700 m² and an investment of more than MAD 200 million³ with the partner Carrefour.

³ Excluding land

- The acquisition of an operational asset from the LabelVie Group and its extension for a total amount of MAD 170 million. This asset is occupied by the Carrefour brand and the extension will be leased to international brands. The total GLA surface area of the project will be 17,000 m².
- The support of LabelVie group in its investment program within the framework of the development agreement signed with Aradei Capital.

Revenue Assumptions

Revenues consist of rental income (leases, stands, advertising sales, parking), plus net rental expenses (expenses rebilled to tenants after deduction of rental expenses) and income from the leisure activity. The main assumptions for the construction of the forecast revenue are as follow:

- The rents take into account an increase of 10% every three years for all tenants except Yazaki (3%) and some Carrefour Hyper (5%) ;
- On operational projects, the occupancy rate is gradually stabilizing at a normative level of 95% over the business plan horizon. On future pipeline or recently opened projects, the stabilized vacancy rate represents on average 3% of gross rents (specific to each asset).
- The business plan takes into account assumptions (specific to each asset) of non-recovery of rents averaging 2% of rental income and non-recovery of billed expenses averaging 3.5% of expenses for operating assets. Future projects include an assumption of non-recovery of rents of 4% and non-recovery of expenses of 13%;
- According to management, adequate rent concessions are planned over the business plan horizon for operating assets. In addition, in 2021, a decrease in revenues has been integrated to take into account the possible extension of the Covid-19 health crisis.
- The billed expenses taken into account in the business plan are aligned with the contractual provisions of the lease contracts for the operating assets. For assets under development and to be developed, a ratio in MAD/m² is taken into consideration, which is based on comparable contracts (duration, nature of the asset, etc.).

Expense Assumptions

Expenses related to operating assets mainly include common expenses and private service expenses for tenants.

Operating expenses related to operating assets are based on the budgeted levels for 2020 and increase by 3% over the explicit horizon of the business plan.

In addition, operating expenses are taken into account and mainly include communication expenses, structural costs, various external fees (statutory auditors, lawyers, management, etc.), property management and marketing fees, research costs and other operating expenses. The management fees of REIM Partners projected in the operating expenses are calculated on the basis of the terms and conditions provided for in the management mandate (see Part I.4. of the updated Reference Document registered on November 23, 2020).

Fixed and structural expenses are also based on the 2020 budget and increase by 1% over the explicit horizon of the business plan.

Debt Assumptions

In addition to existing debt and changes in debt related to the dynamic management of the Company's indebtedness, the new debt drawdowns relate to the financing of development projects, with debt drawdowns reaching a 60% LTV, in line with the historical levels recorded by the Company. Assumptions for debt raising are also made in the context of the refinancing of free operating assets in order to diversify the sources of financing.

These debts are projected taking into account the Company's LTV, which stays within a range of 40 to 50% over the Business Plan's explicit horizon.

Covid-19 impact

Given the impact of Covid-19 on the Company's activity, the accounting aggregates 2020e and 2021p have been restated by the Company's management. Covid-19 impact on the FFO and NAV 2020e and 2021p are presented in the following table:

In mMAD	2020e	2021p
FFO	104.9	151.4
Impact on revenues	54.5	24.8
Other restatements and exceptional expenses	15.6	
FFO restated for Covid-19 impacts	175.1	176.2

In mMAD	2020e	2021p
NAV	3,498.4	3,811.8
Impact on revenues	54.5	24.8
Impact on the revaluation of assets	101.4	-
Other impacts	15.6	-
NAV restated for Covid-19 impacts	3,669.9	3,836.6

Source: Aradei Capital

In addition, the impact of Covid-19 on revenues amounts to MAD 77.8 million in 2020e and includes (i) the closure of non-essential stores, the impact of which has already been the subject of protocols addressed to tenants, (ii) the loss of income related to temporary rentals and other ancillary income, and (iii) delays in openings and leasing. It should be noted that the exceptional expenses related to Covid-19 were incurred in full in 2020e. The assessment of Covid-19's impact in 2021p by the Company's management is based on a detailed analysis for each asset and tenant. This analysis takes into account the feedback on the impact of the pandemic on the Company in 2020e.

Main aggregates of the pre money business plan

The main aggregates that emerge from the pre money business plan are presented in the following table:

Data in MAD million	2017r	2018r	2019r	2020e	2021 p	2022 p	2023 p	2024 p	2025 p	2026 p
Revenues	268.0	269.2	287.6	258.6	340.9	423.6	490.9	566.9	634.8	660.6
Variation in %		0.4%	6.8%	-10.1%	31.8%	24.2%	15.9%	15.5%	12.0%	4.1%
EBITDA	215.8	222.7	236.4	198.6	259.9	340.4	398.4	460.2	520.0	539.4
in % of revenue	80.5%	82.7%	82.2%	76.8%	76.2%	80.4%	81.2%	81.2%	81.9%	81.7%
FFO	139.3	142.8	156.3	104.9	151.4	191.0	210.9	256.1	289.7	317.6
in % of revenue	52.0%	53.1%	54.4%	40.6%	44.4%	45.1%	43.0%	45.2%	45.6%	48.1%
Dividends served to shareholders (distributed in n)	113.6	118.4	124.4	151.6	89.2	128.7	162.4	179.2	217.7	246.2
in % of FFO of year n-1	134.8%	85.0%	87.1%	97.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%

Source: Aradei Capital

Consolidated revenues should increase from MAD 258.6 million in 2020e to MAD 660.6 million in 2026p under the effect of (i) a gradual return to normal activity (excluding Covid-19) in 2022 for operating assets and (ii) the opening of new assets.

EBITDA should improve over the business plan horizon, in line with the increase in sales. The EBITDA margin rate assumed over the business plan horizon is on average 80.4% (for the period 2021p - 2026p) and should reach 81.7% in 2026p versus 81.8% on average over the period 2017-2019.

FFO follow the evolution of the current operating income and should reach MAD 317.6 million in 2026p, representing 48.1% of revenues, against an average of 53.1% over the period 2017-2019.

The dividend paid to shareholders is calculated taking into account a payout ratio of 85% of the FFO, which represents the minimum distributed by the Company over the 2017-2019 period. The Company's track record over the last three years reflects an average payout ratio of 90%.

Valuation by the transactional reference method

In May 2020, Government Employees Pension Fund (GEPF), a South African pension fund managed by Public Investment Corporation (PIC), took a MAD 271 million equity stake in Aradei Capital as part of a capital increase of the Company, at a price of MAD 400 per share (share premium included).

Concomitantly with this transaction, GEPF acquired 551,812 shares from the EBRD for an amount of MAD 221 million, i.e. at the same price per share of MAD 400. At the same time, the Company carried out a capital increase by conversion of debt in favor of REIM International, at the same price as the transaction with GEPF.

The table below presents the characteristics of recent transactions on the Company's capital:

Transaction date	Nature of the operation	Operation amount (mMAD)	Number of shares concerned by the operation	% of the capital covered by the operation (post money)	Price per share (MAD)
25/05/2020	Capital increase by conversion of receivables in favor of REIM International Ltd.	243 ³	606,683	6.96%	400 ⁴
26/05/2020	Sale of shares held by the EBRD to GEPF	221	551,812	6.33%	400
26/05/2020	Capital increase in cash GEPF	271	676,362	7.20%	400

Source: Aradei Capital

The transactional reference price amounts to MAD 400 per share i.e. MAD 3,758.3 for 100% of the Company's equity.

⁴ incl. share premium

Valuation using the DDM method

Dividend distributed to shareholders

The dividend distributed to Aradei Capital's shareholders presented below is based on an expected FFO payout ratio of 85%. As an indication, this rate averages 90% for dividends distributed in respect of financial years 2017 to 2019.

mMAD	2020 ^e	2021 ^p	2022 ^p	2023 ^p	2024 ^p	2025 ^p	2026 ^p
FFO	104.9	151.4	191.0	210.9	256.1	289.7	317.6
Dividend distributed to shareholders (based on FFO n-1)	151.6	89.2	128.7	162.4	179.2	217.7	246.2

Cost of Equity

The discount rate used for the valuation of Aradei Capital's equity is equal to the cost of equity (Ce). The latter is calculated as follows:

$$C_e = r_f + (\beta_e \times pr_m)$$

Where:

- r_f : Risk-free rate (10-year treasury bond rate as of November 16th, 2020, i.e. 2.46%);
- β_e : Levered Beta (i.e. 0.76 based on an unlevered beta of 0.52⁵);
- pr_m : Equity market risk premium (6.4%⁶).

Note that the transition from the unlevered beta to the levered beta is made using the following formula:

$$\beta_e = \beta_d \times [1 + (1 - T) \times G]$$

Where:

- β_e : Levered beta;
- β_d : Unlevered beta;
- T: Income tax rate of 31%;
- G: Target debt/equity ratio (Debt / Equity) of 66.7%⁷.

Based on the above, Aradei Capital's cost of equity reaches 7.34%.

Terminal value

The terminal value is determined on the basis of the Gordon Shapiro method by discounting to infinity at the cost of equity the dividend paid to shareholders in 2026^p increasing at a perpetual growth rate g of 1.5%.

Land reserve

The discounting of projected dividends and terminal value takes only into account the flows generated by the operating assets and those expected to be developed in the business plan. To reach the value of the company's equity, the value of the undeveloped land reserve over the explicit horizon of the business plan (i.e. 2026^p) must be included.

5 Source: Beta of the last capital increase of Immorente Invest carried out in January 2020. As an indication, the beta of the REIT Emerging Market published by Damodaran in 2020 shows 0.31.

6 Average risk premiums of CFG Research (5.0% as of October 2020, prospective method), Attijari Intermédiation (6.1% as of September 2020, survey method), and BMCE Capital Research (8.2% as of October 2, 2020, prospective method).

7 The Company's projected target debt-to-equity ratio (Debt/Equity) is equivalent to a debt ratio of 40% (Debt/(Debt + Equity)).

The details of this land reserve are presented in the table below:

Assets	Value in KMAD
Almazar	6,5
Atacadao Ain Sbaâ	31,17
Atacadao Salé	74,92
Carrefour Sidi Maârouf ⁸	221,071
Atacadao Oujda	22,47
Atacadao Fez	37,72
Atacadao Marrakech	35,678
Atacadao Meknes	23,87
Atacadao Tangier	24,66
Founty	107,8
Kenitra	10,17
Total	596,029

Source: Aradei Capital

The value of the land reserve presented above corresponds to the market value as it appears from the reports prepared by the expert Colliers International Maroc dated November 3, 2020. The link to access the summary report prepared by this expert is presented in the Appendices section of the operation note.

Results of the DDM Method

The table below shows the calculation of the equity value of Aradei Capital as of January 1, 2021 based on the DDM method:

DDM (mMAD, unless indicated)	2021p	2022p	2023p	2024p	2025p	2026p
Dividend distributed to shareholders	89.2	128.7	162.4	179.2	217.7	246.2
Discount Factors ⁹	0.97	0.90	0.84	0.78	0.73	0.68
Discounted dividend distributed to shareholders	86.1	115.7	136.0	139.9	158.3	166.8
Terminal value						4,278.9
Sum of Discounted Dividend 2021p-2026p	802.8					
Discounted terminal value	2,898.1					
Land reserve	596.0					
Equity value	4,296.9					
In MAD/share	457.3					

The DDM shows a 100% valuation of Aradei Capital's equity of MAD 4,296.9 million corresponding to a value of MAD/share 457.3.

⁸ Value corresponding to the pro rata of the undeveloped surface (65% of the total surface)

⁹ Discount factor that takes into account a dividend payment in the middle of each year.

The table below presents a sensitivity analysis of Aradei Capital's value per share to the cost of equity and to the infinity growth rate:

Value in MAD / share		Equity Cost				
		7.04%	7.19%	7.34%	7.49%	7.64%
Infinity Growth Rate	1,00%	451,0	441,1	431,6	422,6	413,9
	1,25%	464,8	454,1	443,9	434,2	425,0
	1,50%	479,9	468,3	457,3	446,9	437,0
	1,75%	496,3	483,8	471,9	460,7	450,0
	2,00%	514,4	500,7	487,9	475,7	464,2

Valuation using the replacement NAV method

Aradei Capital Group prepares its consolidated financial statements on the basis of IFRS accounting standards. As a result, the Group's assets and liabilities are mainly subject to an appraisal at fair value. In particular, the market values of real estate assets are based on the appraisals carried out by the real estate appraiser Colliers International Maroc;

Given the nature of the real estate assets qualified as investment properties intended to generate long-term rental income without any intention of resale of these assets by the Company, their revaluation does not generate deferred tax liabilities or assets related to the unrealized capital gains or losses induced by the said revaluation. Thus, the replacement NAV for Aradei Capital corresponds to the value of its IFRS consolidated shareholders' equity.

It should be noted that the data as of September 30, 2020 take into account the market values of property, plant and equipment at the end of 2019 as established by the appraiser Colliers International Maroc. The 2020e landing realized on the basis of a closing of accounts as of September 30, 2020 takes into account the market values of property, plant and equipment at the end of 2020 as established by the appraiser on November 3, 2020 and in accordance with IAS 40. The link to access all of these reports is presented in the Appendix section of the operation note.

The table below shows the calculation of the replacement NAV of Aradei Capital:

Replacement NAV (mMAD), unless indicated	As of September 30, 2020 ^{r10}	2020e
IFRS consolidated equity	3,547.5	3,498.4
Replacement NAV	3,547.5	3,498.4
In MAD/share	377.6	372.3

It should be noted that the replacement NAV is a patrimonial method that is less suitable for the valuation of real estate investment trusts with growth potential such as Aradei Capital. Moreover, in the exceptional context of the pandemic linked to Covid-19, this method is even less relevant since it is based on non-normative aggregates that include the one-off impacts of: (i) the exceptional closure of non-essential shops for a period of up to 97 days, (ii) the delay in the opening of development projects following the halt in construction during the state of health emergency until the beginning of June 2020, (iii) exceptional expenses incurred in connection with the implementation of a rigorous health system and marketing operations related to Covid-19 and (iv) the pandemic on the market value of the assets.

¹⁰ Data as of September 30, 2020 are unaudited and do not include any impact of changes in the fair value of assets related to the market values of property, plant and equipment as established by the appraiser Colliers International Maroc as of November 3, 2020.

The table below presents for information purposes the replacement NAV of Aradei Capital based on the consolidated shareholders' equity at the end of 2020e, restated for the impact of Covid-19:

Replacement NAV (mMAD), unless indicated	2020e excl. Covid impact
IFRS consolidated equity	3,669.9
Replacement NAV	3,669.9
In MAD/share	390.6

Summary of the valuation methods

The table below outlines the discount of the Operation's subscription price per share (i.e. 400 MAD/share, premium included) compared to the value per share resulting from the valuation methods used:

KMAD	Transactional References	DDM	NAV 2020e
100% value of equity capital	3,758.3	4,296.9	3,498.4
Value per share (MAD / share)	400.0	457.3	372.3
Subscription price (MAD / share)		400.0	
Discount (+) / Premium (-) relative to the subscription price	-	12.5%	-7.4%

It should be noted that the NAV2020e presented in the table above includes the one-off effects of the Covid-19 pandemic on the Company and is therefore based on non-normative aggregates.

As an indication, the following table presents the multiples induced by the Operation's subscription price per share (MAD 400/share):

Multiples induced by the subscription price	P/NAV					P/FFO				
	2019r	2020e	2020e excl. Covid impact	2021p	2021p excl. Covid impact	2019r	2020e	2020e excl. Covid impact	2021p	2021p excl. Covid impact
Induced multiple	0.95x	1.07x	1.02x	0.99x	0.98x	20.8x	35.8x	21.5x	24.8x	21.3x

It should be noted that the multiples induced by the 2020e and 2021p aggregates not restated for the impact of Covid-19 are not relevant, as these aggregates integrate the one-off impacts of the pandemic. The relevant induced multiples are those applied to aggregates restated for the impact of Covid-19, in order not to apply a multiplier effect to one-off and exceptional impacts. As a reminder, the main impacts of Covid-19 on the Company are as follows: (i) the exceptional closure of non-essential stores for a period of up to 97 days, (ii) the delay in the opening of development projects following the halt in construction during the state of health emergency until the beginning of June 2020, (iii) exceptional expenses incurred in connection with the implementation of a rigorous health system and marketing operations related to Covid-19 and (iv) the impact of the pandemic on the market value of the assets.

At the national level, Immorente Invest is the only modern real estate company listed on the Casablanca Stock Exchange. However, it is not comparable to Aradei Capital, particularly in terms of size, asset portfolio composition, sectors of activity covered and accounting consolidation standard. Consequently, there are no publicly traded companies comparable to the Company whose stock market multiples could be used as a basis for comparison with the induced multiples presented above.

II.3.4. 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 market conditions and stock price trends, the liquidity of the share may be temporarily affected. Thus, a shareholder wishing to sell their shares may, to a certain extent, not be able to sell all or part of the shares held within a short period of time, with or without capital discount.

Price volatility risk

Listed shares are subject to the rules of supply and demand, determining their value on the stock market. Share price trends are determined in particular by the achievements and financial performance of listed companies and the development prospects anticipated by investors. As a result, the investor may experience an important appreciation or depreciation in the value of the listed securities they hold.

Risks of volatility in the value of investment properties

The situation of uncertainty and the lack of visibility regarding the evolution of the COVID-19 pandemic could have an impact on the real estate market and therefore on the value of the Company's investment properties.

Capital loss risk

Participation in the capital of a company involves the risks inherent in any investment. If one or more risks materialize, they may result in losses that can go as far as the total loss of the contribution and the related transaction costs, and thus of the total capital invested.

Furthermore, if the investor has borrowed external capital to pay for the amount of the investment, then the maximum risk is higher because the obligations under the loan agreement remain with the lender regardless of the evolution of the equity stake in Aradei Capital and the lender can claim against the investor for an amount exceeding the invested capital. There is therefore a risk of personal bankruptcy.

II.3.5. Commitment to continuous information

In addition to its disclosure obligations as a listed company, Aradei Capital will continue to publish its revalued net asset value twice a year, at the same time as the publication of its bi-annual and annual financial statements.

The latter will be carried out on the basis of (i) the annual valuation of its portfolio of real estate assets carried out by an independent real estate expert and (ii) the Company's consolidated financial statements.

The full asset valuation reports prepared annually by the property expert will be made available to the shareholders at the headquarters of Aradei Capital. A summary report of these evaluation reports prepared by the same expert will be published on the Company's website.

III. Framework of the Operation

III.1. General framework of the Operation

Aradei Capital's Board of Directors, meeting on September 24, 2020 at 10:00 a.m. decided the principle of admission of the Company's shares to the Casablanca Stock Exchange listing according to the following terms and conditions:

- The listing will be carried out on the main market of the Casablanca Stock Exchange;
- the IPO will be carried out through:
 - a capital increase reserved for the public¹¹ up to a maximum amount (issue premium included) of eight hundred million (MAD 800,000,000) dirhams; and
 - if applicable, by the sale of shares to the public in the event that the Company's shareholders agree to sell shares in connection with the Company's initial public offering.

Therefore, the Board of Directors has proposed a capital increase reserved to the public within the framework of the Company's initial public offering up to a maximum amount of eight hundred million dirhams (MAD 800,000,000) (issue premium included), by issuing new shares with a nominal value of one hundred dirhams (MAD 100) each, at a subscription price (issue premium included) ranging between four hundred dirhams (MAD 400) and four hundred fifty dirhams (MAD 450) per share.

The Extraordinary General Meeting held on November 9, 2020, after having taken note of the Board of Directors' report and the auditors' special report regarding the cancellation of the shareholders' preferential subscription right, authorized in particular:

- a capital increase reserved to the public (i.e. any person entitled to subscribe to the capital increase) with cancellation of the shareholders' preferential subscription right, up to a maximum amount of MAD 800,000,000 including the issue premium;
- the execution of the Operation at a subscription price (issue premium included) within a range between MAD 400 and MAD 450 per share. The nominal value of the shares being fixed at MAD 100 each;
- the delegation to the Board of Directors of the widest powers in order, in particular, to
 - set the overall amount of the Company's initial public offering;
 - decide on the capital increase within the authorized amount and set the amount of the issue premium within the above-mentioned range;
 - set the number of shares to be sold to the public, if any;
 - fix the terms and conditions of the capital increase, to record the completion thereof and proceed to the corresponding amendment of the Articles of Association, to carry out the steps necessary for the completion of the said increase, to record the subscription, the payment in full and the final completion of the capital increase, and to take all useful measures and carry out all formalities necessary for the final completion of the capital increase and for the registration of the Company's shares on the Casablanca Stock Exchange;
 - and generally, carry out all the operations required within the framework of the Company's listing on the Casablanca Stock Exchange either on the main market or on the alternative market, set all the terms and conditions for execution of the said listing and its final characteristics and take all decisions necessary for the final completion of the said operation.

The Extraordinary General Meeting of Shareholders of November 9, 2020 also decided to:

- make the necessary amendments to the Company's Articles of Association in order to bring them into conformity with the legal provisions governing companies whose capital securities are listed on the Casablanca Stock Exchange ;
- deduct, if necessary, the capital increase expenses from the issue premium.

¹¹The term "public" refers to any person who may subscribe for or acquire shares of the Company in connection with the Company's initial public offering.

The new shares will be subscribed for and paid up in full in cash (excluding any payment by way of set-off against liquid claims due from the Company).

The new shares will carry current dividend rights so as to be fully comparable to the Company's existing shares.

One shareholder, the EBRD, has expressed its wish to sell 250,000 out of the 1,171,748 shares held in the Company's capital to the public.

The Board of Directors of the Company dated November 19, 2020, using the delegation of powers granted to it by the Extraordinary General Meeting of Shareholders dated November 9, 2020:

- decided to list the Company on the main market;
- decided to increase the share capital by MAD 125,000,000 through the issue of 1,250,000 new shares at a subscription price of MAD 400 per share (i.e. MAD 100 as nominal value and MAD 300 as issue premium);
- took note of the EBRD's firm and irrevocable decision to sell 250,000 shares at a price of MAD 400 per share ;
- decided to charge the expenses resulting from the capital increase on the amount of the issue premium;
- determined the final characteristics of the Operation as presented in the operation note.
- noted that the total contribution of the capital increase will amount to MAD 500,000,000, of which MAD 125,000,000 as nominal value and MAD 375,000,000 as issue premium. The Company's share capital will increase from MAD 939,578,300 to MAD 1,064,578,300.
- specified that in accordance with Article 188 of Law no. 17-95, the amount of the capital increase must be fully subscribed. Failing this, the capital increase is deemed null and void. As for the amount of the transfer, it may be limited to the proposals of acquisition of securities received.

It is important to note that in the event that the share capital increase is not fully subscribed, the Operation as a whole will be deemed not to have been carried out.

III.2. Objectives of the Operation

Driven by the Company's size and development prospects, the Operation would enable the following objectives to be achieved:

- Raising funds to finance identified future investments;
- Increase the Company's reputation and its proximity to its stakeholders and the general public;
- Optimize the Company's financing costs: the amount raised during the IPO will enable the Company to make greater use of equity financing for its development pipeline. It will help maintain a stable LTV over the period and lighten the structure by lowering debt service. The amount is calibrated to continue to allow the Company to serve optimized levels of return.
- Facilitate recourse to external financing through direct access to the capital market; and
- Offer its shareholders liquidity in the future.

The capital increase will be used to finance Aradei Capital's development plan and will enable it to achieve its objectives of diversification, GLA increase and distribution to its shareholders. The proceeds of the capital increase will be used in particular for the acquisition/development of assets (see section II.3.3.).

III.3. Intention of shareholders and directors

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

III.4. Impact of the Operation

III.4.1. Impact of the operation on the company's equity capital

As a result of this capital increase, Aradei Capital's consolidated shareholders' equity will be as follows:

mMAD, unless indicated	Position as of September 30, 2020 ¹²	Operation impact	Post-operation position
Number of shares (unit)	9 395 783	1 250 000	10 645 783
Share capital	939.6	125	1 064.6
Capital-related premiums	661.2	375	1 036.2 ¹³
Equity capital	3 547.5	500	4 047.5

III.4.2. Impact of the Operation on the Company's shareholding structure

Following the completion of the Operation, the shareholders of Aradei Capital will be as follows:

Shareholders	Pre-operation position		Post-operation	
	Nb. of Shares	%	Nb. of Shares	%
LabelVie SA	4 659 988	49.6%	4 659 988	43.8%
Government Employees Pension Fund (GEPF)	1 228 174	13.1%	1 228 174	11.5%
European Bank for Reconstruction and Development (EBRD)	1 171 748	12.5%	921 74814	8.7%
Best Financière SA	845 324	9.0%	845 324	7.9%
FCEC SARL	776 931	8.3%	776 931	7.3%
REIM International Limited	638 964	6.8%	638 964	6.0%
Kasba Resort SARL	74 624	0.8%	74 624	0.7%
Other shareholders	30	0.0%	30	0.0%
New shareholders (Floating)	-	-	1 500 000	14.1%
Total	9 395 783	100%	10 645 783	100%

III.4.3. Impact of the Operation on indebtedness

Aradei Capital intends to make an early repayment of a bank loan for an amount of MAD100m, no later than ten (10) days after the completion of the IPO. The characteristics of this loan are detailed in the update of the reference document registered on November 23, 2020 Part III. Section III.2.1. - contract 19.

III.4.4. Impact of the Operation on governance

The operation described in the operation note is not expected to have any impact on the governance of Aradei Capital S.A. However, the Company will proceed with the appointment of a second independent director to the Audit Committee.

III.4.5. Impact of the Operation on strategic orientations

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

¹² Unaudited financial statements

¹³ Excluding Operation costs to be deducted from the amount of the share premium resulting from the capital increase

¹⁴ In the event that the 250,000 EBRD shares put up for sale are sold

III.4.6. Guarantee of successful completion of the Operation

The operation described in this operation note is not covered by any performance guarantee.

III.4.7. Target Investors of the Operation

With the exception of monetary and short-term bond UCITS, this Operation is aimed at all categories of investors, i.e.:

- Resident or non-resident natural persons, 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 MCMA Circular no. 03/19 and justifying more than one year of existence at the subscription date;
- Qualified investors under Moroccan law as defined by Article 3 of Act no. 44-12 and by Article 1.30 of MCMA Circular no. 03/19, excluding monetary and short-term bonds UCITS;
- Qualified investors governed by foreign law as defined by Article 1.30 paragraph (c) of MCMA Circular 03/19.

III.5. Expenses related to the Operation

III.5.1. Miscellaneous commissions

The expenses relating to the operation that will be borne by the Issuer are estimated at approximately 2.5% of the amount of the Operation. These expenses include commissions paid to:

- the financial advisors;
- the legal advisor;
- the placement syndicate members;
- the statutory auditors;
- the communications agency;
- the real estate appraisers;
- the account keeper;
- the MCMA ;
- the Casablanca Stock Exchange;
- the central depository Maroclear;
- the translation agency.

In accordance with the decision of the Board of Directors of Aradei Capital S.A., in its meeting of November 19, 2020, all costs arising from the capital increase will be deducted from the amount of the issue premium resulting from the capital increase.

III.5.2. Fees charged to subscribers

Within the framework of the current operation, each placement syndicate member explicitly and irrevocably undertakes, with regard to the Issuer, the co-leaders, the co-financial advisers and the other placement syndicate members, to charge subscribers, for all orders registered at the Casablanca Stock Exchange, the following commissions:

- 0.1% (excluding taxes) for the Casablanca Stock Exchange for the admission fee due to it upon registration on the Stock Exchange;
- 0.2% (excluding taxes) as settlement and delivery fees;
- 0.6% (excluding taxes) for the brokerage company. It applies to the amount that corresponds to the effective allocation at the time of settlement / delivery;
- Value Added Tax (VAT) at the rate of 10% will be applied in addition.

In order to ensure an equal treatment of subscribers whatever the place of subscription, each PS member formally and expressly undertakes not to grant any discount to subscribers or any kind of refunding whatsoever, either simultaneously or after subscription.

III.5.3. Placement fees charged to the Issuer

Placement syndicate members will receive a commission of:

- 0.9% excluding taxes on the allocated amounts corresponding to orders submitted by natural or legal persons of Moroccan or foreign law;
- 0.6% excluding taxes on the allocated amounts corresponding to orders submitted by qualified investors of foreign law;
- 0.4% excluding taxes on the allocated amounts corresponding to orders submitted by qualified investors of Moroccan law.

This commission, due by the Issuer, will be paid to CFG Marchés which will be in charge of depositing into the Bank Al-Maghrib accounts of each of the other members of the placement syndicate its share within 30 days of receipt by CFG Marchés of the syndicate placement member's 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 placement syndicate member to CFG Marchés and MCMA.

IV. Conduct of the Operation

IV.1. Schedule of Operation

The table below shows the Operation's schedule:

Order	Steps	Date
1	Issue of the Casablanca Stock Exchange's notice of approval of the Operation MCMA approval of the prospectus	23/11/2020
2	Publication of the extract of the prospectus on the Issuer's website	23/11/2020
3	Publication by the Casablanca Stock Exchange of the operation notice	24/11/2020
4	Publication of the press release by the Issuer in a legal announcement gazette	24/11/2020
5	Opening of the subscription period	01/12/2020
6	Closing of the subscription period at 3:30 p.m.	04/12/2020
7	Receipt of subscriptions by the Casablanca Stock Exchange, before 6:30 p.m.	04/12/2020
8	Centralization and consolidation of subscriptions by the Casablanca Stock Exchange	07/12/2020
9	Treatment of rejected applications by the Casablanca Stock Exchange	08/12/2020
10	Allocation of subscriptions and submission by the Casablanca Stock Exchange of the list of subscriptions to the Issuer Delivery by the Casablanca Stock Exchange of the allocations by account holder to CFG Marchés before 12:00 a.m. Submission by the Casablanca Stock Exchange of securities allocations to PS members before 12:00 a.m.	09/12/2020
11	Holding of the meeting of the Issuer's body required to record the final completion of the capital increase and the Operation	10/12/2020
12	Receipt by the Casablanca Stock Exchange of the minutes of the Issuer's body having acknowledged the capital increase and the Operation, before 6:30 pm	10/12/2020
13	First listing and registration of the operation on the stock exchange Publication by the Casablanca Stock Exchange of the Operation results	14/12/2020
14	Publication of the Operation's results in a legal announcement journal and on the Issuer's website	17/12/2020
15	Payment / Delivery	17/12/2020

IV.2. Placement syndicate and financial intermediaries

Type of financial intermediaries	Name	Address
Financial co-advisors	CFG Finance	5-7, rue Ibnou Toufail, Casablanca
	Capital Trust Finance	50, bd. Rachidi, Casablanca
	Valoris Corporate Finance	355, route d'El Jadida, Casablanca
Co-Leaders of the Placement Syndicate	CFG Marchés	5-7, rue Ibnou Toufail, Casablanca
	Capital Trust Securities	50, bd. Rachidi, Casablanca
	Valoris Securities	416, avenue des FAR, tour Habous, 5ème étage
Other members of the Placement Syndicate	Al Barid Bank	Angle bd. Ghandi et bd. Brahim Roudani, n° 798 bd. Ghandi, Casablanca
	Alma Finance Groupe	92, boulevard d'Anfa, Casablanca
	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
	Banque Centrale Populaire	101, bd. Zerktouni, Casablanca
	BMCE Bank	140, avenue Hassan II, Casablanca
	BMCE Capital Bourse	140, avenue Hassan II, 7e 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
	Crédit du Maroc Capital	8, rue Ibnou Hilal, Casablanca
	CIH Bank	187, avenue Hassan II, Casablanca
	ICF Al Wassit	Espace Porte d'Anfa, 29, rue Bab El Mansour, Casablanca
	MENA Capital Partners	23, rue Ibnou Hilal Quartier Racine, Casablanca
	M.S.I.N	Imm. Zénith, Rés. Tawfiq, Sidi Maârouf, 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	

	Wafa Bourse	416, rue Mustapha El Maâni, Casablanca
Body providing securities-related financial services	CFG Marchés	5-7, rue Ibnou Toufaïl, Casablanca
Body in charge of the registration of securities on the Stock Exchange (seller's side)	CFG Marchés	5-7, rue Ibnou Toufaïl, Casablanca

IV.3. 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 30% stake in REIM Partners.

Mr. Zouhair Bennani, director of Aradei Capital S.A., holds a 4.8% stake in the capital of CFG Bank and is one of its board members.

IV.4. Subscription terms and conditions

IV.4.1. Distribution threshold

In accordance with the provisions of Article 1.35 of the MCMA circular, a minimum distribution threshold has been set for the present Operation:

- the distribution threshold in terms of the number of targeted public is 500 people;
- the minimum number of targeted subscribers is 100 subscribers.

IV.4.2. Subscription period

The shares of Aradei Capital S.A., subject of the operation note, may be subscribed for from December 1 to 4, 2020 at 3:30 p.m. inclusive.

IV.4.3. Subscription conditions

(a) Opening of accounts

Except for minor children and incapacitated adults, subscription operations are recorded in a securities and cash account in the subscriber's name, opened with the same PS member with whom the subscription is made. If the latter does not have the status of account keeper, the account may be opened with an institution having the status of account keeper.

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

- copy of the client's identification document (national identity card), residence permit, trade register, passport, etc.);
- account opening contract duly signed by the subscriber and the PS member in case the client has not already signed it.

The opening of accounts can only be carried out by the subscriber themselves.

Account openings for minor children can only be carried out by the father, mother, tutor or legal representative of the minor child or the 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 including an express clause allowing it.

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

(b) Subscription terms and conditions

All subscriptions must be expressed in number of securities.

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

Subscriptions will be carried out using the subscription form available at the PS members' offices and integrated in the operation note. A copy of the subscription form must be handed over to the subscriber with acknowledgement of receipt.

The subscription forms must be signed by the subscriber (or their 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, commit themselves to respect the procedure of subscription collection.

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

Each PS member undertakes to require their client to cover their subscription according to the category to which they belong:

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

Subscriptions must be covered at 100% by:

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

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

- No coverage

✓ **For qualified investors governed by foreign law (i) justifying more than one year of existence on the subscription date of this Operation or (ii) having already carried out an operation on the primary or secondary market of the Casablanca Stock Exchange:**

- No coverage

✓ **For qualified investors governed by foreign law (i) not having been in existence for more than one year on the subscription date of this Operation and (ii) not having already carried out an operation on the primary or secondary market of the Casablanca Stock Exchange:**

- Coverage at 30% by an effective deposit (remittance of check, cash or bank transfer) or at 100% by a bank guarantee.

The PS members who will 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 act of subscription materialized (time stamping and archiving of subscription orders);
- the Prospectus must be made available to the subscriber;
- all the information on the subscription form must be sent to the client prior to subscription

- the subscription must be validated only if the cash account has a sufficient balance to cover it according to the terms of coverage defined in this Prospectus or if the guarantor or collateral covers it in full according to the terms of coverage defined in this Prospectus;
- the amount of coverage must be blocked immediately after subscription;
- the client must be informed that their subscription will be rejected in the event of a defect in the collateral;
- the PS members who will proceed 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 December 4, 2020 at 3:30 p.m.;
- the PS members who will collect orders through an internet platform will have to make sure that the subscription limits are respected;
- the PS members who will proceed to the collection of orders via an internet platform must, before validating the subscription, receive the acceptance of the terms and conditions of the Operation from the subscriber or have the subscriber validate a form of final confirmation of the subscription summarizing the characteristics of the Operation and the subscription order (a copy of the said confirmation must be filed by the PS member).

It should be noted that the PS members who will collect orders via an internet platform will reject subscriptions in case of lack of coverage according to the terms presented in the Prospectus or incomplete file (example: absence of an e-mail of acceptance of the terms of the Operation, absence of family book for subscriptions of minors, etc.).

Subscriptions by PS members or 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 under the age of 18 or on behalf of incapable adults are authorized provided that they are made by the father, mother, tutor or legal representative of the minor or incapable adult. The members of the placement syndicate are required, if they do not already have one, 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 receipt for the incapable person of full age when opening an account or subscribing for the account of the minor or incapable person of full age in question, as the case may be, and to attach it to the subscription form. In this case, the transactions are carried either to an account opened in the name of the minor child or the incapable person of full age, 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 incapable adults must be made with the same PS member with whom the subscription of the father, mother, tutor or legal representative was made;
- in the case of a portfolio management mandate, the manager may subscribe on behalf of the client whose portfolio they manage only by presenting a power of attorney duly signed and legalized by their principal or the management mandate if the latter makes express provision to that effect. Moroccan or foreign management companies are exempted from presenting such proofs for the UCITS they manage;
- any agent within the framework of a portfolio management mandate may transmit only one order on behalf of the same third party

Subscriptions from qualified investors governed by foreign law may be communicated (i) directly to an PS member or (ii) through an international intermediary (broker) approved by a market authority which is a member of the International Organization of Securities Commissions (IOSCO) and has an account with an PS member. The latter acts solely as a business introducer, the settlement and delivery will be made directly between the qualified investors under foreign law and the PS member.

(d) Multiple Subscriptions

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

Each subscriber can transmit only one Order on behalf of each minor child or of incapable adult.

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

Individuals subscribing on behalf of minor children and incapable adults must subscribe through a single PS member. Any subscription on behalf of minor children with several PS members is considered as a multiple subscription.

Subscriptions made with several PS members, including those made on behalf of minor children or incapacitated adults, are prohibited.

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

(e) Identification of subscribers

The PS members must ensure that the subscriber belongs to one of the categories defined below. As such, they must obtain a copy of the document attesting the subscriber's belonging to the category and attach it to the subscription form.

In addition, each entity in charge of the placement must ensure that the subscriber's representative has the capacity to act on behalf of the subscriber either in their capacity as legal representative or under a mandate from which they benefit.

Subscriber Category	Documents to be attached
Resident natural persons of Moroccan nationality	Photocopy of national identity card or driving license or passport
Moroccan natural persons residing abroad	Photocopy of national identity card or driving license or passport
Resident non-Moroccan natural persons	Photocopy of residence card
Non-resident, non-Moroccan natural persons	Photocopy of the passport containing the identity of the person and the dates of issue and expiry of the document
Minor child	Photocopy of the page of the family record book certifying the child's date of birth
Incapable adult	Any document proving incapacity, at the discretion of the PS member
Legal entities under Moroccan law	Photocopy of the commercial register proving more than one year's existence on the date of subscription
Legal entities under foreign law	Photocopy of the commercial register or equivalent document that is authentic in the country of origin and that proves that the company belongs to the category, and that it has been in existence for more than one year on the date of subscription.
Moroccan Associations	Photocopy of the articles of association and photocopy of the receipt of deposit of the file justifying more than one year of existence on the subscription date.
UCITS under Moroccan law (excluding money market and short-term bond UCITS)	Photocopy of the approval decision and additionally: For Mutual Funds: the certificate of deposit at the court registry; For open-ended investment companies (SICAV): the certificate of deposit at the court registry and the model of the entries in the commercial register.
Qualified Moroccan investors (excluding UCITS)	Photocopy of the articles of association and all documents and evidence that can attest 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 MCMA Circular No. 03/19 must provide proof of MCMA's agreement to their status as qualified investors.
Banks under Moroccan law	Photocopy of the approval decision issued by Bank Al-Maghrib.

Qualified investors under foreign law

Photocopy of the commercial register or equivalent authentic in the country of origin and the copy of the approval certifying compliance with the requirements for the status of approved investor.

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

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

In case PS members would already have these documents in the client's file, subscribers are exempted from the production of these documents. In case the concerned investor is a legal entity referred to in paragraph (e) of Article 1.30 of MCMA Circular 03/19, the PS member(s) must attach to the subscription form the above-mentioned documents.

IV.5. Order processing methods

IV.5.1. Attribution rules

At the end of the subscription period, the allocation of the 1,500,000 Aradei Capital shares offered to the public will be carried out as follows:

1st allocation

Within the framework of a first allocation, the shares will be served up to 125 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 their request, will be made by iteration until reaching a maximum of 125 shares per subscriber within the limit of the number of allocated shares. It is specified that, depending on the number of subscribers served, the said maximum may not be reached.

2nd allocation

Following the first allocation, if the remaining number of securities offered ("RTO") resulting from this allocation is less than the remaining number of securities requested ("RTD"), then the "RTO" will be allocated on a pro rata basis. Otherwise, the request will be served in full.

The allocation ratio will be calculated as follows: RTO / RTD .

In the event that the number of securities calculated by multiplying the remaining number of securities requested by the subscriber to the allocation ratio is not a whole number, this number of securities will be rounded down to the nearest whole number. Odd lots will be allocated in increments of one share per subscriber, with priority to the highest requests.

Depending on the overall demand expressed, some subscriptions may not be served.

IV.6. Procedure for control and registration by the Casablanca Stock Exchange

IV.6.1. Centralization

During the subscription period, the PS members will transmit daily to the Casablanca Stock Exchange, at 10:00 a.m. at the latest, through the subscription centralization tool (OCS), all subscriptions collected during the previous days. Failing that, they must fill in the consolidated statistics of subscriptions on the OCS.

The PS members must transmit on January 31, 2020 before 6.30 p.m. to the Casablanca Stock Exchange, through the OCS, all subscriptions collected within the framework of the operation. After this deadline, subscriptions will be rejected.

The Casablanca Stock Exchange will communicate on a daily basis the consolidated subscription statistics to the PS lenders and the Issuer.

The Casablanca Stock Exchange will proceed to the consolidation of the various subscription files and to the rejection of subscriptions that do not comply with the subscription conditions predefined in this prospectus.

On December 9, 2020 before 12.00 p.m., the Casablanca Stock Exchange will communicate to the PS members the results of the allocation.

Cases resulting in subscription rejections are summarized in the following table:

Case scenarios	Rejected subscription(s)
Natural person having subscribed within Order Type I for their own account and for the account of their children, with different PS members	All subscriptions
Subscriber having subscribed more than once	All subscriptions
Moroccan or foreign natural person having subscribed for their own account and for that of children over the age of majority	All subscriptions in the name of this natural person, including those for their minor and adult children.
Subscription not respecting the subscription ceiling	The concerned subscriptions
Subscriptions from several PS members	All subscriptions
Subscription to an order type, made with a syndicate placement member not entitled to receive it	The concerned subscription

IV.7. Entities in charge of the registration of the operation

The registration of the transactions within the framework of the present Operation (seller's side) will be made on December 14, 2020 through the brokerage company CFG Marchés.

All PS members having the status of a brokerage firm will proceed to the registration of the allocations they will have collected (buyers' side), on December 14, 2020, while PS members not having the status of a brokerage firm are free to designate the PS member brokerage firm which will be in charge of the registration of their subscriptions at the Casablanca Stock Exchange.

These PS members will have to 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 the current Operation will be made at the price of MAD 400 per share. This price will serve as reference price of the ARD instrument on the first day of quotation.

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

IV.8. Terms of settlement / delivery of securities

The settlement and delivery of the securities, subject of this Operation, will take place on December 17, 2020, according to the procedures in force at the Stock Exchange.

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

Aradei Capital S.A. has also appointed CFG Bank as the exclusive account holder of the Aradei Capital securities issued in the context of this Operation.

IV.9. Restitution of the remainder

The PS members undertake to reimburse to the clients within a period not exceeding 3 business days from the date of delivery of the allocations of the securities to the PS members, i.e. December 14, 2020, the cash balances resulting from the difference between the net amount paid by its clients at subscription and the net amount corresponding to their actual allocations.

The repayment of the remainder must be made either by transfer to a bank or postal account or by remittance of a cheque, and subject to the effective collection through the amount deposited for the subscription.

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

IV.10. Publication of results

The results of the current Operation will be published by the Casablanca Stock Exchange on December 14, 2020 and by Aradei Capital S.A. through a legal announcement gazette and on its website www.aradeicapital.com no later than December 17, 2020.

IV.11. Information requirements

At the end of the Operation, and within a maximum period of 3 days as from the publication of the results, i.e. December 17, 2020, each PS member will send to the subscribers a notice containing the following minimum mentions:

- Subscription date
- Denomination of value
- Quantity requested
- Attributed quantity
- Price per unit
- Gross amount at attribution
- Net amount after deduction of commissions and VAT on these commissions
- Balance to be repaid to the subscriber if applicable
- Commissions accruing to the PS member, the account keeper and the Casablanca Stock Exchange

Part II. INFORMATION ABOUT THE ISSUER

I. General information

Corporate name	Aradei Capital S.A.
Registered office	Route secondaire 1029, Municipalité de Sidi Maârouf – 20180 - Casablanca
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	07/02/1990
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 15/06/2020	MAD 939,578,300, divided into 9,395,783 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.

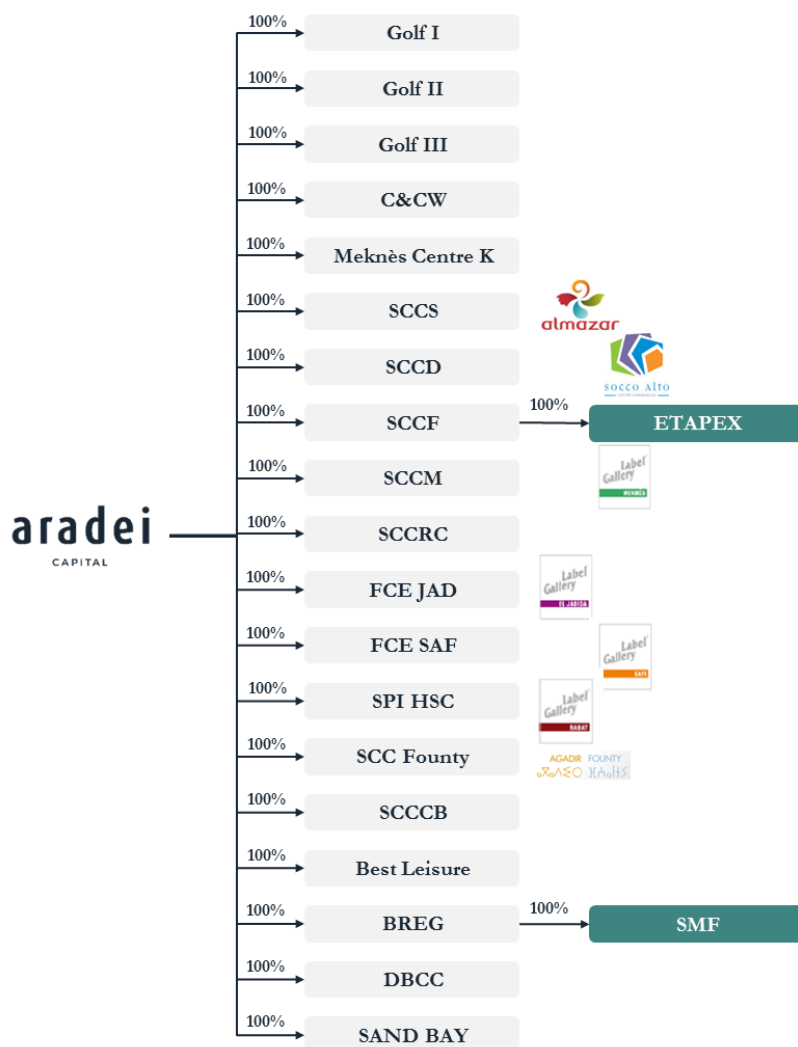
List of applicable legislation	<p>By its legal form, the company is governed by the law no 17-95 promulgated by the Dahir no 1-96-124 of August 30, 1996 relating to the limited companies, as modified and supplemented by laws no 81- 99, 23-01, 20-05, 78-12.</p> <p>By its activity, Aradei Capital is governed by Moroccan law and in particular:</p> <ul style="list-style-type: none"> • Law 39-08 forming a code of rights in rem as amended by Law 69-16; • Law 49-16 relative to the leases of buildings or leased premises for commercial, industrial and craft purposes; • Law 07-03 relative to the revision of the amount of the rent of the premises for residential use or for professional, commercial, industrial or craft use promulgated by Dahir no 1-07-134 of Kaada 19, 1428 (November 30, 2007); • Law no 67-12 organizing the contractual relations between the lessors and the tenants of the residential or professional use premises promulgated by Dahir no 1-13-111 of Moharram 15, 1435 (November 19, 2013); • Law no 106-12 amending and supplementing law no 18-00 relative to Status of Buildings Co-ownership; • Titles 10 and 11 of Dahir dated September 12, 1913 as amended and supplemented under the Code of Obligations and Contracts; • Dahir no 1-99-211 of August 25, 1999 promulgating law no 64-99 on the collection of rents. • As a result of the operation subject to this prospectus, Aradei Capital is governed by: • Dahir law no 1-93-212 of September 21, 1993 as amended and supplemented by laws no 23-01, 36-05 and 44-06; • MCMA's general regulations as approved by the decree of the Minister of Economy and Finance no 2169/16 of July 14, 2016; • MCMA circular; • Dahir law no 1-96-246 of January 9, 1997 promulgating law no 35-96 relative to the creation of a central depository and the establishment of a general regime for the registration in certain values (amended by law no 43-02); • The general regulation of the central depository approved by the decree of the Minister of Economy and Finance no 932-98 of April 16, 1998, and amended by the decree of the Minister of the Economy, Finance, Privatization and Tourism no 1961-01 of October 30, 2001, and by Order no 77-05 of March 17, 2005.
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

II. Subsidiaries of Aradei Capital S.A

As of 12/31/2019, Aradei Capital SA owned 19 wholly-owned subsidiaries, compared to 5 subsidiaries owned as of 12/31/2015 before the merger with BRE, namely Golf I, Golf II, Golf III, Cash and Carry Wholesale Makro and Meknes Centre K.

Figure 1: Legal organization chart of Aradei Capital as of 12/31/2019



Source: Aradei Capital

III. Asset portfolio of Aradei Capital S.A

The following table summarizes the assets held by Aradei Capital SA and its subsidiaries. Data on retail space, occupancy rates and intra-group occupancy rates are closed as of 30/09/2020:

Table 1: Status of Aradei Capital's assets as of 30/09/2020

Assets	City	Asset-bearing company	Year of opening	GLA (in m ²) as of 30/09/2020	Vacancy rate 30/09/2020	Occupancy rate 30/09/2020	Intra-group occupancy rate as of 30/09/2020	Number of tenants 30/09/2020	Value including acquisition costs 30/09/2020 (in KMAD)
Independent assets (single tenant)									
Atacadao Tanger	Tangier	Aradei Capital SA	2013	11 830	2%	98%	98%	2	128 200
Atacadao Oujda	Oujda	Aradei Capital SA	2008	11 830	0%	100%	100%	2	98 200
Atacadao Fès	Fez	Golf II	2012	13 985	0%	100%	100%	2	126 820
Atacadao Marrakech	Marrakech	Aradei Capital SA	2003	10 644	0%	100%	100%	2	133 200
Atacadao Meknès	Meknes	Centre K	2016	7 644	0%	100%	100%	1	71 100
Atacadao Taza	Taza	Aradei Capital SA	2014	7 313	0%	100%	100%	1	30 300
Carrefour Panoramique	Casablanca	Aradei Capital SA	2017	1 250	0%	100%	100%	1	42 000
Shopping centers									
Almazar	Marrakech	SCCS	2010	36 198 ¹⁵	24%	76%	34%	63	447 700
Socco Alto	Tangier	SCCD	2016	32 062 ¹⁶	6%	94%	39%	83	542 400
Borj Fez	Fez	SCCF	2013	25 405	8%	92%	49%	80	519 300
Retail Parks and strip malls									
Atacadao Agadir	Agadir	Golf I	2001 (extension in 2020)	19 234 ¹⁷	7%	93%	78%	11	298 949
Atacadao Ain Sbaâ	Casablanca	Golf II	1991	20 310	0%	100%	78%	14	291 200
Atacadao Salé ¹⁸	Salé	Golf I	2013	9 948	0%	100%	91%	4	197 900
Carrefour Sidi Maârouf	Casablanca	Golf I	2015	16 765	0%	100%	88%	6	338 132
Sela Plasa Targa ¹⁹	Marrakech	Aradei Capital SA	2014 (extension in 2019)	12 827	15%	85%	75%	23	190 100
Carrefour Berkane	Berkane	Aradei Capital SA	2014	3 084	1%	99%	90%	6	39 910
LBG El Jadida	El Jadida	FCE JAD	2008	5 974 ²⁰	14%	86%	42%	31	84 500
LBG Meknes	Meknes	SCCM	2005	4 510	7%	93%	44%	28	62 900
LBG Safi	Safi	FCE SAF	2011	4 283	10%	90%	51%	14	31 000
LBG Rabat	Rabat	SPI HSC	2001	7 154 ²¹	8%	92%	70%	40	201 246
Sela Piazza Dar Bouazza	Dar Bouazza	DBCC	2019	13 538 ²²	13%	87%	46%	23	222 502
Sela Park El Jadida	El Jadida	Aradei Capital SA	2019	6 115 ²³	0%	100%	0%	6	65 106
Atacadao Inezgane	Inezgane	Aradei Capital SA	2020	7 277 ²⁴	2%	98%	82%	2	66 300
Sela Park Temara	Temara	Aradei Capital SA	2020	18 735 ²⁵	56%	44%	32%	6	198 973

¹⁵ Increase in GLA from presentation in DR 2019 level due to extension work

¹⁶ Increase in GLA from presentation in DR 2019 level due to extension work

¹⁷ Increase in GLA from presentation in DR 2019 level due to extension work

¹⁸ Increase in GLA compared to the presentation in DR 2019 due to the integration of the car wash area (67 m² more)

¹⁹ Formerly named Carrefour Targa - Increase in GLA compared to the presentation in DR 2019 related to the extension part Initial part (8,945) + Extension (3,881) = 12,827 sq.m.

²⁰ Formerly named Carrefour Targa - Increase in GLA compared to the presentation in DR 2019 related to the extension part Initial part (8,945) + Extension (3,881) = 12,827 sq.m.

²¹ Decrease in GLA compared to the presentation in DR 2019 level following the reduction in surface area according to an amendment signed on February 31, 2020

²² Decrease in GLA compared to the presentation in DR 2019 level due to space adjustments as a result of new commercializations

²³ Increase in GLA over presentation in DR 2019 level following the delivery and partial opening of Sela Park El Jadida

²⁴ Increase in GLA compared to the presentation in DR 2019 following the delivery in 2020 of two vacant premises

²⁵ Increase in GLA compared to the presentation in DR 2019 following the delivery and the soft opening of Sela Park Temara

Industrial unit									
Yazaki	Meknes	Aradei Capital SA	2019 (acquisition)	35 603	0%	100%	0%	1	181 850

Source: Aradei Capital

Part III. FINANCIAL DATA

I. Annual financial statements

I.1. Corporate financial statements

I.1.1. Income statement

In KMAD	2017	2018	Var. 17-18	2019	Var. 18-19	CAGR 17-19
Sale of goods	-	-	n/a	-	-	-
Purchases resale of goods	57	-	-100.0%	-	-	-
Gross Margin on Sales	-57	-	-100.0%	-	0.0%	0.0%
Production for the financial year	58 800	77 150	31.2%	86 160	11.7%	21.0%
Sale of produced goods and services	58 800	77 150	31.2%	86 160	11.7%	21.0%
Variation of product stocks	-	-	-	-	-	-
Fixed assets produced by the company for itself	-	-	-	-	-	-
Consumption for the financial year	29 893	56 412	88.7%	46 977	-16.7%	25.4%
Purchases consumed of materials and supplies	13 302	19 479	46.4%	10 451	-46.3%	-11.4%
Other external charges	16 592	36 933	>100. %	36 526	-1.1%	48.4%
Added Value	28 849	20 738	-28.1%	39 183	88.9%	16.5%
Operating grants	-	-	-	-	-	-
Taxes	4 142	3 029	-26.9%	3 063	1.1%	-14.0%
Personnel expenses	-	-	-	-	-	-
Gross Operating Surplus (GOS)	24 707	17 709	-28.3%	36 120	104.0%	20.9%
Other operating products	-	-	-	-	-	-
Other operating expenses	-	-	-	-	-	-
Operating recovery; charge transfer	-	5 047	100.0%	-	-	-
Operating allocations	28 814	31 467	9.2%	30 404	-3.4%	2.7%
Operating result	-4 108	-8 711	<-100.0%	5 716	<-100.0%	0.0%
Financial result	102 386	87 158	-14.9%	72 320	-17.0%	-16.0%
Current result	98 278	78 448	-20.2%	78 036	-0.5%	-10.9%
Non-current result	10 926	-11 991	-209.7%	-76	-99.4%	0.0%
Income tax	7 038	1 768	-74.9%	6 677	>100.0%	-2.6%
Net result	102 166	64 689	-36.7%	71 283	10.2%	-16.5%

Source: Aradei Capital

I.1.2. Balance sheet

In KMAD	2017	2018	Var. 17-18	2019	Var. 18-19	CAGR 17-19
ASSETS						
Non-current assets	35 980	40 940	13.8%	27 377	-33.1%	-12.8%
Intangible assets	6	665	>100.0%	67 316	>100%	>100%
Fixed assets	449 002	623 137	38.8%	796 756	27.9%	33.2%
Financial assets	836 451	833 325	-0.4%	833 625	0.0%	-0.2%
Conversion differential - Assets	-	-	-	-	-	0.0%
Fixed assets	1 321 438	1 498 067	13.4%	1 725 074	15.2%	14.3%
Stocks	-	-	-	-	-	-
Receivables from current assets	573 616	893 140	55.7%	1 080 104	20.9%	37.2%
Accounts receivable, advances and down payments	432	142	-67.1%	8 326	>100%	>100%
Customers and related accounts	51 542	62 938	22.1%	97 357	54.7%	37.4%
Staff	-	-	-	-	-	-
Taxes	94 712	97 142	2.6%	114 938	18.2%	10.2%
Shareholders accounts	-	9 057	-	1 557	-82.8%	0.0%
Other debtors	348 611	624 729	79.2%	710 668	13.8%	42.8%
Accounts and accruals	78 319	99 132	26.6%	147 259	48.5%	37.1%
Investment securities	62 767	312 751	>100.0%	46 298	-85.2%	-14.1%
Conversion differential - Assets	-	-	-	-	-	-
Current assets	636 384	1 205 891	89.5%	1 126 402	-6.6%	33.0%
Cash - Assets	295 101	116 803	-60.4%	106 547	-8.8%	-39.9%
Total Assets	2 252 921	2 820 760	25.2%	2 958 022	4.9%	14.6%
LIABILITIES						
Equity	1 745 961	1 692 242	-3.1%	1 639 143	-3.1%	-3.1%
Share capital	811 274	811 274	0.0%	811 274	0.0%	0.0%
Issuance, merger and contribution premiums	660 305	660 305	0.0%	660 305	0.0%	0.0%
Legal reserve	22 665	27 774	22.5%	31 008	11.6%	17.0%
Other reserves	50 000	40 441	-19.1%	40 441	0.0%	-10.1%
Retained earnings	99 551	87 760	-11.8%	24 831	-71.7%	-50.1%
Net result of the financial year	102 166	64 689	-36.7%	71 283	10.2%	-16.5%
Financial debts	265 632	1 032 480	>100.0%	877 251	-15.0%	81.7%
Sustainable provisions for risks and charges	2 614	2 614	0.0%	2 614	0.0%	0.0%
Permanent financing	2 014 207	2 727 337	35.4%	2 519 007	-7.6%	11.8%
Current liabilities	234 630	83 968	-64.2%	356 835	>100%	23.3%
Suppliers and related accounts	40 898	21 213	-48.1%	147 069	>100%	89.6%
Accounts payable, advances and down payments	83	83	0.0%	233	>100%	67.5%
Taxes	12 289	6 937	-43.6%	10 211	47.2%	-8.8%
Shareholders accounts	100 637	637	-99.4%	638	0.1%	-92.0%
Other creditors	54 498	40 472	-25.7%	133 358	>100%	56.4%

Accrued liabilities	26 225	14 626	-44.2%	65 327	>100%	57.8%
Other provisions for risks and charges	-	-	n/a	-	0.0%	0.0%
Conversion differential - Liabilities	-	-	n/a	-	0.0%	0.0%
Cash – Liabilities	4 085	9 455	>100.0%	82 180	>100%	>100%
Total Liabilities	2 252 921	2 820 760	25.2%	2 958 022	4.9%	14.6%

Source: Aradei Capital

I.1.3. Cash flow statement

In KMAD	2017	2018	Var. 17-18	2019	Var. 18-19	CAGR 17-19
Self-financing capacity	120 003	96 155	-19.9%	101 236	5.3%	-8.2%
Distribution of dividends	113 561	118 407	4.3%	124 383	5.0%	4.7%
Self-financing	6 442	(22 252)	n/a	(23 147)	4.0%	0.0%
Disposal of fixed assets	97 944	-	-100.0%	-	0.0%	-100.0%
Repayment of fixed loans	-	3 226	100.0%	-	-100.0%	0.0%
Capital increase	163 742	-	-100.0%	-	0.0%	-100.0%
Increase in financial debt	30 681	919 602	>100.0%	58 102	-93.7%	37.6%
Stable resources	298 809	900 576	>100.0%	34 955	-96.1%	-65.8%
Acquisition of fixed assets	66 046	188 327	>100.0%	255 893	35.9%	96.8%
Non-value items	12 467	22 994	84.4%	1 067	-95.4%	-70.7%
Increase in fixed loans	-	-	n/a	-	0.0%	0.0%
Repayment of financial debt	51 674	152 754	>100.0%	213 332	39.7%	>100.0%
Stable uses	130 187	364 075	>100.0%	470 291	29.2%	90.1%
Change in global financing requirements						
Uses	245 412	720 170	>100.0%	-	-100.0%	-100.0%
Resources	-	-	n/a	352 356	0.0%	0.0%
Change in treasury					0.0%	0.0%
Uses	-	-	n/a	-	0.0%	0.0%
Resources	76 789	183 669	>100.0%	82 980	-54.8%	4.0%
Total	375 599	1 084 245	>100.0%	470 291	-56.6%	11.9%

Source: Aradei Capital

I.2. Consolidated financial statements

I.2.1. Income statement

In KMAD	2017	2018	Var. 17-18	2019	Var. 18-19
Rental income	249 641	251 314	0.7%	269 340	7.2%
Entrance fees	2 825	-	-100.0%	-	0.0%
Other income	15 559	17 878	14.9%	18 230	2.0%
Turnovers	268 025	269 192	0.4%	287 570	6.8%
Operating expenses	(52 202)	(46 511)	-10.9%	(51 186)	10.1%
Other purchases and external expenses	(32 238)	(30 922)	-4.1%	(31 861)	3.0%
Personnel expenses	(14 598)	(14 941)	2.3%	(17 646)	18.1%
Taxes and similar payments	(3 638)	(3 571)	-1.8%	(1 957)	-45.2%
Other operating income and expenses	(1 729)	2 923	-269.1%	278	-90.5%
EBITDA	215 822	222 680	3.2%	236 384	6.2%
<i>In % of turnover</i>	<i>81%</i>	<i>83%</i>	<i>+1.7 pt</i>	<i>82%</i>	<i>-1.0%</i>
Allocations to depreciations and provisions	(13 012)	(298)	-97.7%	4 688	>100.0%
Other extraordinary income and expenses	(8 674)	(26 664)	<-100.0%	(11 896)	-55.4%
Fair value change in investment properties	318 487	286 401	-10.1%	99 446	-65.3%
Result of asset disposals	10 857	-	-100.0%	-	0.0%
EBIT	523 480	482 119	-7.9%	328 621	-31.8%
<i>In % of turnover</i>	<i>195%</i>	<i>179%</i>	<i>-15.9 pts</i>	<i>114%</i>	<i>-36.2%</i>
Cost of gross financial debt	(56 353)	(58 111)	3.1%	(85 978)	48.0%
Investment income	11 406	5 770	-49.4%	7 764	34.6%
Cost of net financial debt	(44 946)	(52 342)	16.5%	(78 213)	49.4%
Other financial income and expenses	77	2 582	>100.0%	26 678	>100.0%
Current pre-tax result	478 611	432 359	-9.7%	277 086	-35.9%
Taxes on results	(51 901)	(52 107)	0.4%	(63 396)	21.7%
Net result from continuing operations	426 709	380 252	-10.9%	213 690	-43.8%
Result of activities to be discontinued	-	-	n/a	-	0.0%
Net result	426 709	380 252	-10.9%	213 690	-43.8%
<i>In % of turnover</i>	<i>159%</i>	<i>141%</i>	<i>-18 pts</i>	<i>74%</i>	<i>-47.3%</i>

Source: Aradei Capital

I.2.2. Balance sheet

ASSETS (In KMAD)	2017	2018	Var. 17-18	2019	Var. 18-19
Other intangible assets	352	970	>100.0%	7 684	>100.0%
Investment properties	3 657 204	4 325 980	18.3%	5 064 865	17.1%
Other tangible fixed assets	23 534	23 369	-0.7%	22 651	-3.1%
Other financial assets	9 243	5 808	-37.2%	5 682	-2.2%
Deferred tax assets	18 231	7 387	-59.5%	4 397	-40.5%
Total non-current assets	3 708 564	4 363 513	17.7%	5 105 279	17.0%
Stock and in progress	47 291	49 722	5.1%	52 182	4.9%
Customers	124 368	129 423	4.1%	142 383	10.0%
Corporate tax receivables	22 571	13 425	-40.5%	7 367	-45.1%
Other current assets	178 748	190 633	6.6%	261 317	37.1%
Cash and cash equivalents	388 939	580 700	49.3%	124 536	-78.6%
Total current assets	761 918	963 902	26.5%	587 785	-39.0%
Total assets	4 470 481	5 327 416	19.17%	5 693 065	6.86%
LAIABILITIES (In KMAD)	2017	2018	Var. 17-18	2019	Var. 18-19
Capital	811 274	811 274	0.0%	811 274	0.0%
Capital premiums	645 914	541 111	-16.2%	541 111	0.0%
Reserves	1 133 071	1 441 372	27.2%	1 753 163	21.6%
Special reserve		104 803	100.0%	104 803	0.0%
Result of the financial year	426 709	380 252	-10.9%	213 690	-43.8%
Equity group share	3 016 967	3 278 812	8.7%	3 424 041	4.4%
Interest attributable to non-controlling interests	-	-	n/a	-	0.0%
Equity	3 016 967	3 278 812	8.7%	3 424 041	4.4%
Non-current financial debts	800 489	1 349 099	68.5%	1 487 429	10.3%
Non-current provisions	2 614	2 614	0.0%	2 614	0.0%
Other non-current liabilities	56 710	56 715	0.0%	82 606	45.7%
Deferred taxes	36 511	49 829	36.5%	80 587	61.7%
Total non-current liabilities	896 325	1 458 257	62.7%	1 653 236	13.4%
Current financial debts	156 922	310 687	98.0%	184 614	-40.6%
Corporate tax debt	21 499	3 662	-83.0%	3 149	-14.0%
Suppliers	105 290	110 447	4.9%	240 188	>100.0%
Current provisions	10 184	11 530	13.2%	19 803	71.8%
Other current liabilities	263 293	154 020	-41.5%	168 035	9.1%
Liabilities related to discontinued operations	-	-	n/a	-	0.0%
Total current liabilities	557 189	590 347	6.0%	615 788	4.3%
Total liabilities	1 453 514	2 048 604	40.9%	2 269 024	10.8%
Total liabilities and equity	4 470 481	5 327 416	19.17%	5 693 065	6.86%

Source: Aradei Capital

I.2.3. Cash flow statement

In KMAD	2017	2018	Var. 17-18	2019	Var. 18-19
Consolidated net income	426 709	380 252	-10.9%	213 690	-43.8%
Depreciation, amortization and provisions	13 012	299	-97.7%	(4 688)	<-100.0%
Income tax expense	51 901	52 107	0.4%	63 396	21.7%
Net deferred tax expense	-	-	n/a	-	0.0%
Cost of net financial debt reclassified as financing	44 946	52 342	16.5%	78 213	49.4%
Gain or loss on disposal of fixed assets	(8 876)	-	n/a	-	0.0%
Gains and losses on remeasurement of financial instruments at fair value	-	-	n/a	-	0.0%
Revaluation gains and losses on investment properties at fair value	(318 487)	(286 401)	-10.1%	(99 446)	-65.3%
Gross margin from self-financing activities	209 205	198 599	-5.1%	251 165	26.5%
Change in working capital requirements	(76 930)	(146 217)	90.1%	(152 241)	4.1%
Taxes paid	(26 888)	(41 185)	53.2%	(32 054)	-22.2%
Net cash flow from operating activities (A)	105 387	11 197	-89.4%	66 871	>100.0%
Acquisition of intangible assets. (net of change in debt)	0	-	n/a	-	0.0%
Acquisition of property, plant and equipment. (net of change in liabilities)	(381)	(1 179)	209.4%	488	<-100.0%
Disbursements relating to investment properties	(126 715)	(357 259)	181.9%	(372 869)	4.4%
Acquisition of financial fixed assets. (net of change in debt)	-	-	n/a	-	0.0%
Disposals of intangible assets and property, plant and equipment	75 041	-	n/a	-	0.0%
Reduction in other financial assets	-	-	n/a	6	0.0%
Loans and advances granted	(39)	(16)	-59.0%	-	-100.0%
Interest received	11 406	5 770	-49.4%	7 764	34.6%
Impact of acquired entities during the period	65	(100)	-253.8%	(300)	>100.0%
Net cash used in investing activities (B)	(40 623)	(352 784)	768.4%	(364 910)	3.4%
Capital increase of the parent company	9 000	-	n/a	-	0.0%
Net disposal (acquisition) of treasury shares	-	-	n/a	-	0.0%
Issuance of loans	106 912	977 216	>100%	347 444	-64.4%
Repayment of loans	(167 211)	(285 575)	70.8%	(299 346)	4.8%
Interest paid	(37 807)	(45 228)	19.6%	(73 181)	61.8%
Dividends paid to Group shareholders	(113 561)	(118 407)	4.3%	(124 383)	5.0%
Net cash flow from financing activities (C)	(202 667)	528 006	>100%	(149 467)	<-100.0%
Change in treasury (A+B+C)	(137 902)	186 419	-235.2%	(447 506)	<-100.0%

Source: Aradei Capital

II. Half-yearly financial statements

II.1. Corporate financial statements

II.1.1. Income statement

In KMAD	30/06/2019	30/06/2020	Var.
Turnover	33 699	45 804	35.9%
Sale of produced goods and services	33 699	45 804	35.9%
Variation of product stocks	-	-	0.0%
Fixed assets produced by the company for itself	-	-	0.0%
Consumption for the financial year	19 997	37 040	85.2%
Purchases consumed of materials and supplies	2 532	18 355	>100%
Other external charges	17 465	18 685	7.0%
Added Value	13 703	8 764	-36.0%
Operating grants	-	-	0.0%
Taxes	1 220	2 176	78.4%
Personnel expenses	-	-	0.0%
Gross Operating Surplus	12 483	6 588	-47.2%
Other operating products	-	3 190	0.0%
Other operating expenses	-	-	0.0%
Operating recovery; charge transfer	-	-	0.0%
Operating allocations	14 547	16 967	16.6%
Operating result	(2 064)	(7 189)	>100.0%
Financial result	66 386	61 246	-7.7%
Current result	64 321	54 057	-16.0%
Non-current result	-	(316)	0.0%
Income tax	2 422	650	-73.2%
Net result	61 900	53 091	-14.2%

Source: Aradei Capital

II.1.2. Balance sheet

In KMAD	31/12/2019	30/06/2020	Var.
ASSETS			
Non-current assets	27 377	23 993	-12.4%
Intangible assets	67 316	67 222	-0.1%
Fixed assets	796 756	843 621	5.9%
Financial assets	833 625	833 625	0%
Conversion differential - Assets	-	-	n/a
Fixed assets	1 725 074	1 768 461	3%
Stocks	-	-	n/a
Receivables from current assets	1 080 104	1 171 162	8.4%
Accounts receivable, advances and down payments	8 326	9 292	11.6%
Customers and related accounts	97 357	108 655	11.6%
Staff	-	-	n/a
Taxes	114 938	127 681	11.1%
Partner accounts	1 557	1 557	0.0%
Other debtors	710 668	750 222	5.6%
Accounts and accruals	147 259	173 755	18.0%
Securities of investment value	46 298	463 061	>100%
Conversion differential - Assets	-	-	n/a
Current assets	1 126 402	1 634 222	45.1%
Cash - Assets	106 547	8 002	-92.5%
Total Assets	2 958 022	3 410 685	15.3%
LIABILITIES			
Equity	1 639 143	1 784 188	8.8%
Share capital	811 274	939 578	15.8%
Issuance, merger and contribution premiums	660 305	675 581	2.3%
Legal reserve	31 008	34 572	11.5%
Other reserves	40 441	81 366	>100%
Retained earnings	24 831	0	-100.0%
Net result of the financial year	71 283	53 091	-25.5%
Financial debts	877 251	1 001 812	14.2%
Bonds	557 143	557 143	0.0%
Other financial debts	320 108	444 669	38.9%
Durable provisions for risks and expenses	2 614	2 614	0.0%
Permanent financing	2 519 007	2 788 614	10.7%
Current Liabilities	356 835	472 068	+32.3%
Suppliers and related accounts	147 069	103 186	-29.8%
Accounts payable, advances and down payments	233	344	47.8%
Staff	-	-	n/a
Social organizations	-	-	n/a
Taxes	10 211	33 014	>100%
Shareholders accounts	638	152 264	>100%
Other creditors	133 358	106 584	-20.1%
Accrued liabilities	65 327	76 676	17.4%
Other provisions for risks and expenses	-	-	n/a
Conversion differential - liabilities	-	-	n/a
Cash - Liabilities	82 180	150 003	82.5%
Total Liabilities	2 958 022	3 410 685	15.3%

Source: Aradei Capital

II.1.3. Cash flow statement

In KMAD	31/12/2019	30/06/2020	Var.
Self-financing capacity	101 236	69 960	-4.2%
Distribution of dividends	124 383	151 626	21.9%
Self-financing	(23 147)	(81 666)	>100%
Disposal of fixed assets	-	-	0.0%
Repayment of fixed loans	-	-	0.0%
Capital increase	-	243 581	n/a
Increase in financial debt	58 102	136 110	>100%
Stable resources	34 955	298 025	>100%
Acquisition of fixed assets	255 893	56 706	-77.8%
Non-value items	1 067	3 549	>100%
Increase in fixed loans	-	-	0.0%
Repayment of financial debt	213 332	11 549	-94.6%
Stable uses	470 291	71 805	-84.7%
Change in Global Financing Requirements			
Uses	-	392 587	n/a
Resources	352 356	-	-100.0%
Change in treasury			
Uses	-	-	0.0%
Resources	82 980	166 367	>100%
Total	470 291	464 392	-1.3%

Source: Aradei Capital

II.2. Consolidated financial statements

II.2.1. Income statement

In KMAD	30/06/2019	30/06/2020	Var.
Rental income	131 199	120 060	-8.5%
Entrance fees	-	-	-
Other income	8 759	3 915	-55.3%
Turnover	139 958	123 976	-11.4%
Operating expenses	(25 698)	(22 571)	-12.2%
Other purchases and external expenses	(13 108)	(11 888)	-9.3%
Personnel expenses	(11 404)	(9 031)	-20.8%
Taxes and similar payments	(857)	(1 438)	67.8%
Other operating income and expenses	(330)	(214)	35.2%
EBITDA	114 260	101 404	-11.3%
<i>In % of turnover</i>	<i>82%</i>	<i>82%</i>	<i>0pts</i>
Allocations to depreciations and provisions	(2 120)	(2 429)	14.6%
Other extraordinary income and expenses	2 860	(10 731)	<-100.0%
Fair value change in investment properties	(467)	(4 873)	>100.0%
Result of asset disposals	(2 932)	(3 754)	28.0%
EBIT	111 601	79 618	-28.7%
<i>In % of turnover</i>	<i>80%</i>	<i>64%</i>	<i>-16.0pts</i>
Cost of gross financial debt	(40 055)	(39 444)	-1.5%
Investment income	5 667	1 820	-67.9%
Cost of net financial debt	(34 388)	(37 625)	9.4%
Other financial income and expenses	11 733	4 835	-58.8%
Current pre-tax result	88 946	46 828	-47.4%
Taxes on results	(30 489)	(23 419)	+23.2%
Net result	58 458	23 409	-60.0%
<i>In % of turnover</i>	<i>42%</i>	<i>19%</i>	<i>-23pts</i>

Source: Aradei Capital

II.2.2. Balance sheet

In KMAD	31/12/2019	30/06/2020	Var.
Goodwill	-	-	-
Other intangible assets	7 684	7 556	-1.7%
Investment properties	5 064 865	5 152 269	1.7%
Other tangible fixed assets	22 651	20 864	-7.9%
Other financial assets	5 682	5 682	0.0%
Deferred tax assets	4 397	4 173	-5.1%
Total non-current assets	5 105 279	5 190 543	1.7%
Stocks	52 182	52 182	0.0%
Customers	142 383	161 670	13.5%
Corporate tax receivables	7 367	10 640	44.4%
Other current assets	261 317	291 399	11.5%
Cash and cash equivalents	124 536	522 890	>100.0%
Total Current Assets	587 785	1 038 782	76.7%
Total assets	5 693 065	6 229 325	9.4%
In KMAD	31/12/2019	30/06/2020	Var.
Capital	811 274	939 578	15.8%
Capital premiums	541 111	661 191	22.2%
Reserves	1 753 163	1 908 668	8.9%
Special reserve	104 803	-	-100.0%
Result of the financial year	213 690	23 409	-89.0%
Equity group share	3 424 041	3 532 846	3.2%
Interest attributable to non-controlling interests	-	-	0.0%
Equity	3 424 041	3 532 846	3.2%
Non-current financial debts	1 487 429	1 544 353	3.8%
Non-current provisions	2 614	2 614	0.0%
Other non-current liabilities	82 606	83 666	1.3%
Deferred taxes	80 587	94 939	17.8%
Total non-current liabilities	1 653 236	1 725 573	4.4%
Current financial debts	184 614	370 085	100.5%
Corporate tax debt	3 149	5 033	59.8%
Suppliers	240 188	189 371	-21.2%
Current provisions	19 803	20 522	3.6%
Other current liabilities	168 035	385 896	>100.0%
Liabilities related to discontinued operations	-	-	-
Total current liabilities	615 788	970 906	57.7%
Total liabilities	2 269 024	2 696 479	18.8%
Total liabilities and equity	5 693 065	6 229 325	9.4%

Source: Aradei Capital

II.2.3. Cash flow statement

In KMAD	30/06/2019	30/06/2020	Var.
Consolidated net income	58 458	23 409	-60,0%
Depreciation, amortization and provisions	(740)	13 160	>100,0%
Income tax expense	30 489	23 419	-23,2%
Net deferred tax expense	-	-	0,0%
Cost of net financial debt reclassified as financing	34 388	37 625	9,4%
Gain or loss on disposal of fixed assets	-	-	0,0%
Gains and losses on remeasurement of financial instruments at fair value	-	-	0,0%
Revaluation gains and losses on investment properties at fair value	(2 932)	(3 754)	28,0%
Gross margin from self-financing activities	119 663	93 858	-21,6%
Change in working capital requirements	(46 706)	(17 669)	-62,2%
Taxes paid	(30 324)	(9 620)	-68,3%
Net cash flow from operating activities (A)	42 633	66 569	56,1%
Acquisition of intangible assets. (net of change in debt)	-	-	0,0%
Acquisition of property, plant and equipment. (net of change in liabilities)	(1 765)	7	-100,4%
Disbursements relating to investment properties	(136 255)	(126 460)	-7,2%
Disposals of intangible assets and property, plant and equipment	-	-	0,0%
Reduction in other financial assets	6	-	-100,0%
Loans and advances granted	-	-	0,0%
Interest received	5 667	1 820	-67,9%
Impact of acquired entities during the period	(300)	-	-100,0%
Net cash used in investing activities (B)	(132 647)	(124 634)	-6,0%
Capital increase of the parent company	-	243 581	100,0%
Net disposal (acquisition) of treasury shares	-	-	0,0%
Dividends paid to minority interests	-	14	100,0%
Issuance of loans	3 255	137 249	>100,0%
Repayment of loans	(39 070)	(54 407)	39,3%
Net change in bank overdrafts	-	150 000	100,0%
Interest paid	(17 930)	(19 140)	6,7%
Dividends paid to Group shareholders	(124 384)	-	-100,0%
Net cash flow from financing activities (C)	(178 129)	457 297	>100,0%
Change in treasury (A+B+C)	(268 142)	399 232	>100,0%

Source: Aradei Capital

Part IV. RISK FACTORS

I. General Risks

I.1. Risk related to the economic environment

Given its exposure to the retail sector, Aradei Capital is dependent on the macroeconomic environment and the financial condition of the tenants. 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.2. Competitive risk

The professional rental real estate market is a capital-intensive business 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 professional rental real estate sector would not have a major significant impact on Aradei Capital's revenues given the geographical diversity of its assets.

I.3. Risk related to rising land costs

The upward trend in land prices in urban areas is a trend observed in recent years due to the pressure exerted on land supply by a demand that is constantly increasing in line with population growth. However, the formation of rent prices takes into account the cost of land. In addition, as part of its development strategy, Aradei Capital will focus on developing its land reserve and improving its operating assets. The cost of land is naturally monitored and rigorously tracked in order to identify good investment opportunities.

I.4. Environmental risks

Aradei Capital's activity is subject to various environmental and safety regulations in force. In addition, Aradei Capital is contractually bound to comply with certain obligations defined by the EBRD under the framework agreement. Aradei Capital is also required to comply with certain obligations defined 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" in Section 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 were to incur such liability, it could adversely affect its business, prospects and reputation. In order to limit these risks, Aradei Capital adopts a preventive policy consisting of carrying out diagnosis and, if necessary, work to bring its facilities into compliance with environmental standards.

I.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 the provisions in force. Variations in the regulatory framework could require Aradei Capital to adapt its business, assets or strategy, which could affect the value of its assets, financial position or results, increase expenses or slow down or even prevent the development of certain investment projects.

II. Specific Risks

II.1. Risk of dependence on the LabelVie Group and Best Financière

As of 15/06/2020 LabelVie Group owns a 49.6% stake in Aradei Capital SA (following the two capital increases carried out by REIM International and GEPF). LabelVie, through its subsidiaries, represents 58% of the total commercial area of Aradei Capital at the end of 2019.

As of 15/06/2020, LabelVie Group owns a 49.6% stake in Aradei Capital SA, the first is owned by Retail Holding at a stake of 51.3%, which in turn is owned by the Best Financière Group at a stake of 50.6%.

As of 12/31/2019, the Best Financière Group, through its subsidiaries, represented 61% of the total commercial surface area of Aradei Capital (58% of the commercial surface area is occupied by the LabelVie Group and 3% of

the commercial surface area is occupied by Virgin NA (under the "Virgin" brand), GFFS (under the "Burger King" brand) and Modes & Nuances (under the "KIABI" brand).

The concentration of Aradei Capital's revenues around the Best Financière group, which operates, among other things, in the retail 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 retail (food and non-food) and fast food sector represents a significant portion of their overall revenues.

II.2. Interest rate risk

The risk related to changes in interest rates may 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 evolution of Bank Al Maghrib's key interest rate may lead to a change in interest rates resulting, if necessary, in an increase in the cost of financing.

To finance its investments, Aradei Capital can resort to floating rate loans, and therefore subject to both upward and downward fluctuations in rates.

II.3. Compliance risk relating to EBRD and PIC acting on behalf of GEPF

Aradei Capital is bound by its contractual obligations to the EBRD and PIC, including its environmental and social policy, governance and information rights. Aradei Capital is also required to comply with 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" in Section I "Presentation of Aradei Capital").

II.4. Asset Manager Risk (REIM Partners)

Aradei Capital signed an exclusive 10-year management mandate with REIM Partners in December 2015.

In order to mitigate the risk associated with the use of an Asset Manager and to align the interests of the shareholders and the Asset Manager, REIM International Limited became a shareholder of Aradei Capital in 2017.

II.5. Risk related to business incorporation by the tenant

The business is defined by articles 79 and following of the French Commercial Code as "an intangible personal property consisting of all movable assets allocated to the exercise of one or more commercial activities" which "must include the clientele and goodwill but also all other assets necessary for the operation of the business such as the trade name, signs, leasehold rights, commercial furniture, merchandise, 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 lessee can only claim the constitution of a business after a consecutive 2-year period of enjoyment of the property.

If the lessor wishes to evict the tenant after an occupation of more than 2 years, the lessor would be required to compensate the tenant for an amount as defined by the law on commercial leases and determined in particular on the basis of the value of the business declared in the last 4 tax bundles to which are added, among other things, moving costs and expenses for renovation work.

The lessor could evict the lessee without being required to pay an eviction indemnity in the following cases:

- If they provide a serious and legitimate reason against the tenant;
- If it is established that the building must be demolished for reasons of insalubrity recognized by the competent authorities;
- If they take over the premises to occupy them 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 such a case, legal proceedings

would be initiated to demonstrate that the lessor has a serious and legitimate reason against the tenant and that it is therefore not liable for such compensation.

II.6. Sectorial risks

Aradei Capital operates in the tertiary real estate sector, particularly shopping centers throughout Morocco. As such, Aradei Capital is exposed to the risk of fluctuations in the value of its real estate assets and rents. Such fluctuations are likely to have a significant impact - positive or negative - on its business, results, solvency and development prospects.

II.7. Real estate market fluctuation risk

The appraised value of the assets depends on the conditions of balance between the supply and demand of commercial premises by real estate investors. In addition to the economic environment in general, the availability of modern real estate assets, the level of interest rates and the ease with which credit can be granted are key factors in this market which are independent of Aradei Capital and whose developments 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. Changes in value in the short term do not have a direct impact on income. They do, however, have an impact on Net Asset Value. Fluctuations in the valuation of real estate assets may have an upward or downward impact on the Company's profitability in the context of the financial statements published under IFRS, and in particular on operating income, which includes changes in the fair value of investment properties.

II.8. Risk of fluctuating rents

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, particularly changes in business activity, have an impact on the length of time required to relet premises and on the price (rental value). The possible adaptation of premises to demand may, in certain cases, result in a prolonged vacancy period for the assets.

II.9. Construction risk as project owner

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

Nevertheless, and in order to mitigate the risk associated with construction as project owner, Aradei Capital has built a network of general contractors with the human and technical resources to carry out the said projects in accordance with the best standards of the profession.

II.10. Client Risk

II.10.1. 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.

The creditworthiness of clients is assessed at the time of signing the leases by the General Management of Aradei Capital on the basis of payment history for clients already in the portfolio and creditworthiness analyses for new clients.

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

II.10.2. Bank counterparty risk

Financial transactions, consisting mainly of bank loans, 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 derivatives that the group may use.

II.10.3. Insurance counterparty risk

Aradei Capital has taken out a multi-risk insurance policy guaranteeing commercial buildings for its entire portfolio with SAHAM ASSURANCE.

The contractual indemnity limits are set per asset, according to the value of the buildings.

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

Asset Management regularly monitors insurance policies and premiums.

II.11. Financial liquidity risk

II.11.1. Risk related to indebtedness

Aradei Capital's strategy is to use bank debt to finance part of its growth. In addition, at the end of 2019, the group will have a Gearing ratio of 45%.

The group will use debt as part of the financing of its development program in order to improve the return on capital under conditions. Financing needs and conditions are studied at each acquisition. The same applies to the monitoring of contractual obligations related to existing debt "covenants".

II.11.2. Risk related to access to indebtedness

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

Access to credit is conditional, for banking resources, on the respect of several financial ratios concerning in particular the balance sheet structure (LTV) and the capacity of the activity to cover its debt load. These ratios are passed on to the banks in accordance with contractual commitments.

II.12. Vacancy risk

Aradei Capital has 29 assets including 7 independent assets with an occupancy rate of almost 100%. The lowest occupancy rate for the shopping centers, galleries and industrial unit (14 assets) is around 58%.

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

II.13. Risk related to contract defects

In the course of its business, the Company is bound by contracts with its partners and tenants. 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 that ensures that the legal documentation protects the Company's interests and complies with applicable legislation. In addition, the Company regularly calls on leading external legal firms to assist and advise it to guard against this risk.

II.14. Risk related to the merger operation

During the merger of Best Real Estate, Aradei Capital was accompanied by tax and legal advisors in order to identify and neutralize all the tax issues related to this operation.

In addition, the general meeting decided to endow - by deduction of the merger premium - a reserve account in order to charge any sums necessary to cover any latent liabilities of the absorbed company or its subsidiaries.

II.15. Tax risks

The options/hypotheses retained during the merger of BRE by Aradei Capital SA may be challenged by the tax authorities. Likewise, and in accordance with Moroccan tax law, adjustments may arise from the possible control of consolidated companies by the tax authorities in respect of fiscal years that are not statute-barred, for corporate income tax, income tax, value added tax (VAT) and other indirect taxes and duties.

II.16. Risk associated with the shareholder structure

As of 15/06/2020, the Best Financière group holds 58.6% of the capital and voting rights of Aradei Capital SA. It is likely to exert a significant influence on the general meetings of shareholders enabling it to pass or reject the proposed resolutions.

Disclaimer

The above-mentioned information constitutes only part of the prospectus approved by the Moroccan Capital Market Authority (MCMA) on November 23, 2020, under reference no VI/EM/024/2020.

The MCMA recommends reading the entire prospectus which is available to the public in French under the terms and conditions indicated in this summary.