

PROSPECTUS SUMMARY



ORDINARY BOND ISSUE OF A MAXIMUM AMOUNT OF MAD 500,000,000

Ceiling	MAD 500,000,000
Maximum number of securities	5,000 bonds
Nominal value	MAD 100,000
Maturity	7 years
Face interest rate	<u>Fixed</u> , based on the 7-year rate determined according to the reference rate curve of the Treasury bill primary market on February 8, 2022, i.e. 2.22%, plus a risk premium of 100 bps, i.e. a face rate of 3.22%
Risk premium	100 bps
Principal repayment	In fine
Repayment guarantee	None
Allocation method	Prorated
Tradability of securities	Over-the-counter (off-market) exclusively between qualified investors of Moroccan law listed in the securities note

Subscription period: from March 9 to 11, 2022, inclusive

Subscription to these bonds is strictly reserved to qualified investors of Moroccan Law listed in the securities note

Advisory Body

Attijari Finances Corp.



Placement Agent



APPROVAL OF THE MOROCCAN CAPITAL MARKET AUTHORITY (AMMC)

In accordance with the provisions of the AMMC Circular, issued pursuant to Article 5 of Dahir No. 1-12-55 of December 28, 2012, promulgating Law No. 44-12 relating to Public Offering and to information required from Corporate Entities and Organizations making Public Offering, the prospectus was approved by the AMMC on March 1st, 2022 under reference No. VI/EM/002/2022.

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

- This Securities Note;
- Managem's reference document registered by the AMMC on December 6, 2021 under reference No EN/EM/031/2021.

DISCLAIMER

The Moroccan Capital Market Authority (AMMC) approved on March 1st, 2022, a prospectus relating to Managem's bond issue.

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

The prospectus is available to the public on the AMMC website www.ammc.ma, on the Casablanca Stock Exchange headquarters and website <http://www.casablanca-bourse.com/>.

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

PART I: PRESENTATION OF THE OPERATION

I. OBJECTIVES OF THE OPERATION

The company Managem S.A. wishes to carry out a bond issue of a maximum amount of one billion five hundred million dirhams (MAD 500,000,000), in order to:

- Diversify the financing sources.
- Support Managem's development program.

II. STRUCTURE OF THE OFFER

This operation concerns a maximum amount of MAD 500,000,000 according to the following characteristics:

- A maximum number of securities to be issued amounting to 5,000 bonds;
- A nominal value of MAD 100,000
- A 7-year maturity;
- A fixed rate;
- A repayment in fine of the principal.

The total amount auctioned should in no case exceed MAD 500,000,000. The amount of the operation will be limited to the subscriptions actually received.

III. FINANCIAL INSTRUMENTS OFFERED

The bond issue's characteristics are as follows:

Nature of securities	Unlisted ordinary bonds, entirely dematerialized by book entry with authorized financial intermediaries and admitted to the operations of the Central Custodian (Maroclear)
Legal form	Bearer bond
Tranche ceiling	MAD 500,000,000
Maximum number of securities to be issued	5,000 bonds
Initial nominal value	MAD 100,000
Issue price	100%, i.e. MAD 100,000
Loan maturity	7 years
Subscription period	From March 9 to March 11, 2022
Dividend date	March 18, 2022
Allocation method	Prorated
Face interest rate	Fixed rate The Nominal Interest Rate is determined by reference to the rate calculated based on the Treasury Bill primary yield curve as of February 8, 2022 for a 7-year maturity, i.e. 2.22%, plus a risk premium of 100 basis points, i.e. 3.22%. The 7-year Treasury Bill rate is determined by the linear interpolation method using the two points surrounding the full 7-year maturity (actuarial basis).

Risk premium	100 bps
Interests	<p>Interest will be paid annually on the anniversary date of the loan's dividend date, i.e. March 18, 2022 of each year. Payment will be made on the same day or on the first business day following March 18 if this is not a business day. Interest on the bonds will cease to accrue from the date on which the principal is fully repaid by Managem. No deferral of interest will be possible in connection with this operation.</p> <p>Interest will be calculated in accordance with the following formula: [Nominal x Face interest rate].</p>
Principal repayment	<p>Repayment in fine of the principal.</p> <p>In the event of a merger, demerger or partial transfer of assets of Managem occurring during the loan term and resulting in the transfer of all assets and liabilities to a separate legal entity, the rights and obligations under the ordinary bonds will automatically be transferred to the legal entity substituted for Managem's rights and obligations.</p>
Early repayment	Managem refrains from proceeding to the early repayment of the bonds covered by this securities note.
Bond redemption	<p>Managem reserves the right to repurchase bonds on the secondary market, provided that legal and regulatory provisions so permit, such repurchases being without consequence for a subscriber wishing to keep their securities until normal maturity and without affecting the normal repayment schedule. Bonds redeemed will be cancelled.</p> <p>If the total amount of securities tendered for redemption exceeds the amount tendered by the issuer, the redemption of the securities will be made on a prorated basis.</p> <p>In the event of redemption, the Issuer shall notify the AMMC and the representative of the bondholders' pool of the bonds being redeemed.</p>
Tradability of securities	<p>Tradable over-the-counter.</p> <p>The bonds covered by this issue may be traded only among the qualified investors listed in this securities note. Each qualified investor holding the bonds in this securities note undertakes to transfer the bonds only to the qualified investors listed in this securities note. Therefore, the account holders must not accept any instructions for the settlement and delivery of the bonds of this securities note from investors other than the qualified investors listed in this securities note.</p>
Assimilation clauses	<p>The bonds issued by Managem shall not be assimilated to the securities of a previous issue.</p> <p>In the event that Managem subsequently issues new securities with rights identical in all respects to those of this issue, it may, without requiring the consent of the holders, provided that the issue contracts so provide, assimilate all the securities of the successive issues, thereby unifying all the operations relating to their management and trading.</p>
Loan rank	The Bonds issued by Managem and the interest thereon constitute direct, general, unconditional and unsubordinated obligations of the Issuer, ranking pari passu among themselves with all other present or future unsecured liabilities of the Issuer.
Repayment guarantee	This issue is not covered by any specific guarantee.
Rating	This issue is not subject to a rating request.
Representation of the bondholders' pool	The Board of Directors, held on September 23, 2021, appointed the Firm MOUTTAKI PARTNERS represented by Mr. Mouttaki Karim as provisional proxy. This decision will take effect as from the opening of the subscription period.

	<p>In accordance with article 300 of the Law on Public Limited Companies, the provisional representative of the pool will proceed to the convening of the General Meeting of Bondholders in order to appoint the definitive representative of the bondholders' pool and this, within a 6-month period, as from the closing of subscriptions.</p> <p>In accordance with article 301 bis of the law 17-95 relating to public limited companies as amended and supplemented, it has been decided to fix the remuneration of the provisional proxy and of the bondholders' pool proxy at MAD 20,000 (excl. tax) per year for the pool.</p> <p>Managem has no capital or business link with the Firm MOUTTAKI PARTNERS represented by Mr. Mouttaki Karim.</p>
Applicable law	Moroccan law.
Competent jurisdiction	Commercial Court of Casablanca.

IV. RISK FACTORS RELATED TO THE INVESTMENT IN THE SECURITIES OFFERED

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

- **Default risk:** is the risk that the issuer may not be able to meet its contractual obligations to bondholders, resulting in the non-payment of coupons and/or principal outstanding.
- **Liquidity risk:** the holder of unlisted bonds could be exposed to the risk of holding illiquid securities, which cannot be sold quickly without a major impact on the price.
- **Interest rate risk:** the risk linked to changes in interest rates may affect the yield on fixed-rate bonds.
Indeed, an increase in interest rates will have the impact of reducing the value of the bonds held.
- **Inflation risk:** changes in inflation rates could affect the return to bondholders if the change in inflation exceeds the return on the bonds.

V. OPERATION SCHEDULE

The operation's schedule is as follows:

Orders	Steps	Timeline
1	Receipt of AMMC approval	28/02/2022
2	Publication of the prospectus extract on the issuer's website	28/02/2022
3	Publication by the issuer of the press release in a newspaper of legal announcements	03/03/2022
4	Opening of the subscription period	09/03/2022
5	Closing of the subscription period	11/03/2022
6	Centralization of subscription orders	11/03/2022
7	Allocation of securities	14/03/2022
8	Settlement / Delivery	18/03/2022
9	Publication by the issuer of the operation's results in a newspaper of legal announcements and on its website	21/03/2022

PART II: OVERVIEW OF MANAGEM

I. GENERAL INFORMATION

Corporate name	Managem
Registered Office	Twin center, tour A, angle boulevard Zerktouni et Al Massira Al Khadra, BP 5199, Casablanca – Maroc
Phone / Fax	(212) 522 95 65 97 (212) 522 95 64 64
Legal form	Public limited company with a Board of Directors
E-mail	managem@managemgroup.com
Website	http://www.managemgroup.com/
Date of incorporation	November 17, 1930
Lifespan	The lifespan of the company is set at 99 years, except in the event of early dissolution or extension provided for in the articles of association or by law.
Commercial Register No.	Registered on June 4, 1951, in the CR of Casablanca no. 17 883
Financial year	From January 1 to December 31.
Share capital as of 30/06/2021	The share capital is set at MAD 999,130,800, divided into 9,991,308 shares of a single class of MAD 100 each, and fully paid up at their nominal value.
Consulting legal documents	The Company's legal documents, in particular the Articles of Association, the minutes of Shareholders' Meetings, management reports and statutory auditors' reports may be consulted at Managem's registered office.
Corporate purpose	<p>According to Article 3 of the Articles of Association, the Company's purpose is:</p> <ul style="list-style-type: none"> ▪ to acquire direct or indirect equity interests in any operations or businesses through the creation of companies, participation in their formation or in the capital increase of existing companies, or through limited partnerships, the purchase of shares or corporate rights or otherwise; ▪ the management of all mining, real estate, securities, financial, industrial or commercial businesses, companies or enterprises; ▪ the purchase, sale and exchange of all securities and interest shares; ▪ and, more generally, all transactions of any nature whatsoever relating to any of the above purposes.
Competent court in case of dispute	Commercial Court of Casablanca
Legislative texts	<p>By virtue of its legal form, the Company is governed by Law 17-95 relating to public limited companies, as amended and supplemented, and by its Articles of Association.</p> <p>By virtue of its activity, it is subject to the Dahir of 16 April 1951 on mining regulations in Morocco and all legislative texts amending and supplementing the said Dahir, in particular:</p> <ul style="list-style-type: none"> ▪ Dahir of 18 June 1958 modifying the Dahir of 9 Rajab 1370 on mining regulations; ▪ Dahir no 1-58-229 of 4 Moharem 1378 (21 July 1958) supplementing and amending the Dahir of 9 Rajab 1370 on mining regulations; ▪ decree no 2-59-392 of 25 Hija 1378 (July 2, 1959) supplementing decree no 2-57-1647 of 24 Jumada 1377 (December 17, 1957) fixing certain applications of the provisions of the Dahir of 9 rajab 1370 (April 16, 1951) relating to mining regulations; ▪ Dahir no1-62-097 of 16 Safar 1382 (July 19, 1962) supplementing and modifying the Dahir of 9 Rajab 1370 on mining regulations; ▪ Dahir no 1-62-193 of 24 Joumada 1 1382 (24 October 1962) amending the Dahir of 9 Rajab 1370 on mining regulations; ▪ decree no 2-80-273 of Rebia 1 1401 (January 9, 1981) approving the book fixing the procedure applicable to the adjudication of concessions provided for in article 89 of the dahir of 9 Rajab 1370 (April 16, 1951) on mining regulations; ▪ Decree no2-79-298 fixing the attributions and organization of the Ministry of Energy and Mines.

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

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

Tax system

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

Source: Managem

II. BRIEF OVERVIEW OF MANAGEM'S ACTIVITY

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

The Group Managem has developed a real know-how in terms of control of mining operations, mineral valorization, exploration, innovation and sustainable development approach that it exports today to other African countries¹.

With its qualified human capital, Managem strives to improve the quality of its production, the safety of its operating processes and its profitability.

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

¹ Democratic Republic of Congo, Gabon, Sudan, Guinea and Congo Brazzaville

I.1.1. Production

Le tableau ci-après présente les différentes activités de Managem au 31 décembre 2020:

Company	Site	Starting Date	Substance	Mined deposits	31/12/2019 production	31/12/2020 production
AGM	Akka	2007	Copper	Tazalakht and Agoujgal	40 640 t concentrate	40 676 t concentrate
CMG	Hajjar	1992	Zinc, copper and lead	Hajjar	61 763 t zinc concentrate, 10 879 t copper concentrate, 11 364 t lead concentrate	60 003 t zinc concentrate, 8 700 t copper concentrate, 13 882 t lead concentrate
	Draâ Sfar	2004		Draâ Sfar		
	Tighardine	2007		Tighardine		
	Guemassa	2002	Zinc oxide	Riche	7 962 t	7 791 t
CMO	Oumejrane	2014	Copper	Bounhass, Rich Merzoug, Afilou N'khoul, Oumejrane Nord, Boukerzia	12 099 t concentrate	16 110 t concentrate
CTT	Bou-Azzer	1930	Cobalt	Bou-Azzer	2 397 t Cobalt	2 416 t Cobalt
	Guemassa	1996	Sulfuric Acid	ND	70 442 t	55 115 t
	Guemassa	1999	Arsenic	ND	5 055 t	7 694 t
	Guemassa	2013	Gold	ND	221 kg	143 kg
	Guemassa	2013	Iron Oxide	ND	83 433 t	65 382 t
	Guemassa	2006	Nickel derivative	ND	131 t	142 t
	Guemassa	2002	Zinc Oxide	ND	7 962 t	4 791 t
SAMINE	El Hammam	1974*	Fluorine	El Hammam	50 397 t concentrate	39 847 t concentrate
SMI	Imiter	1969	Silver	Imiter	177 t silver metal	143 t silver metal
SOMIFER	Bleida	2013	Copper	Jbel Laâssal	38 005 t concentrate	42 114 t concentrate
REG**	Bakoudou (Gabon)	2012	Or	Bakoudou	0 kg	0 kg
Manub	Soudan	2013	Or	Block 15 – Gabgaba	1 907 kg	1 688 kg

Source: Managem

(*) Starting date of production

(**) The mine has been inactive since 2017

I.1.1. Sales

The breakdown of sales by type of concentrate and the related metal prices for the three previous years are as follows²:

	Unit	2018	2019	2020	Var 19/18	Var 20/19
Consolidated Revenue	MMAD	4 355	4 553	4 726	4.5%	3.8%
<i>Average parity of sales*</i>	<i>\$/MAD</i>	9.38	9.62	9.44	2.6%	-1.9%
Zinc						
Revenue	MMAD	540	320	323	-40.7%	0.9%
Quantity	(t)	75 036	63 419	60 525	-15.5%	-4.6%
Price	(\$/t)	2 705	2 459	2 358	-9.1%	-4.1%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>12.4%</i>	<i>7.0%</i>	<i>6.8%</i>	<i>-537 bps</i>	<i>-19 bps</i>
Lead						
Revenue	MMAD	151	109	158	-27.8%	45.0%
Quantity	(t)	12 562	9 688	15 584	-22.9%	60.9%
Price	(\$/t)	2 172	2 026	1 811	-6.7%	-10.6%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>3.5%</i>	<i>2.4%</i>	<i>3.3%</i>	<i>-107 bps</i>	<i>95 bps</i>
Group copper						
Revenue	MMAD	1 118	940	1 243	-15.9%	32.2%
Quantity	(t)	112 475	100 453	111 180	-10.7%	10.7%
Price	(\$/t)	6 440	6 002	6 341	-6.8%	5.6%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>25.7%</i>	<i>20.6%</i>	<i>26.3%</i>	<i>-503 bps</i>	<i>566 bps</i>
Fluorine**						
Revenue	MMAD	145	234	124	61.4%	-47.0%
Quantity	(t)	49 098	51 348	39 531	4.6%	-23.0%
Price	(\$/t)	303	471	330	55.4%	-29.9%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>3.3%</i>	<i>5.1%</i>	<i>2.6%</i>	<i>181 bps</i>	<i>-252 bps</i>
SMI silver						
Revenue	MMAD	661	840	837	27.1%	-0.4%
Quantity	(Kg)	144 306	174 421	139 708	20.9%	-19.9%
Price	(\$/Oz)	15.930	16.080	20.070	0.9%	24.8%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>15.2%</i>	<i>18.4%</i>	<i>17.7%</i>	<i>327 bps</i>	<i>-74 bps</i>
Group gold						
Revenue	MMAD	282	910	861	>100.0%	-5.4%
Quantity	(Kg)	747	2 077	1 763	>100.0%	-15.1%
Price	(\$/Oz)	1 307	1 422	1 776	8.8%	24.9%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>6.5%</i>	<i>20.0%</i>	<i>18.2%</i>	<i>1 351 bps</i>	<i>-177 bps</i>
cobalt cathodes***						
Revenue	MMAD	983	730	766	-25.7%	4.9%
Quantity	(kg)	1 416 856	2 262 183	2 397 058	59.7%	6.0%
Price	(\$/Lb)	34	17	15	-49.0%	-15.0%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>22.6%</i>	<i>16.0%</i>	<i>16.2%</i>	<i>-654 bps</i>	<i>18 bps</i>
Hydrometallurgical products						
Revenue	MMAD	242	239	188	-1.2%	-21.3%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>5.6%</i>	<i>5.2%</i>	<i>4.0%</i>	<i>-31 bps</i>	<i>-127 bps</i>
Services and other products						
	MMAD	233	231	225	-0.9%	-2.6%
<i>Revenue Contribution</i>	<i>(%)</i>	<i>5.4%</i>	<i>5.1%</i>	<i>4.8%</i>	<i>-28 bps</i>	<i>-31 bps</i>

Source: Managem

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

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

² The product "Quantity * Price" is not equal to the revenue per metal. This situation is explained by sales formulas that include components such as treatment charges for metal concentrates, etc.

I.1. Shareholding structure

As of June 30, 2021, Managem's shareholding structure is as follows:

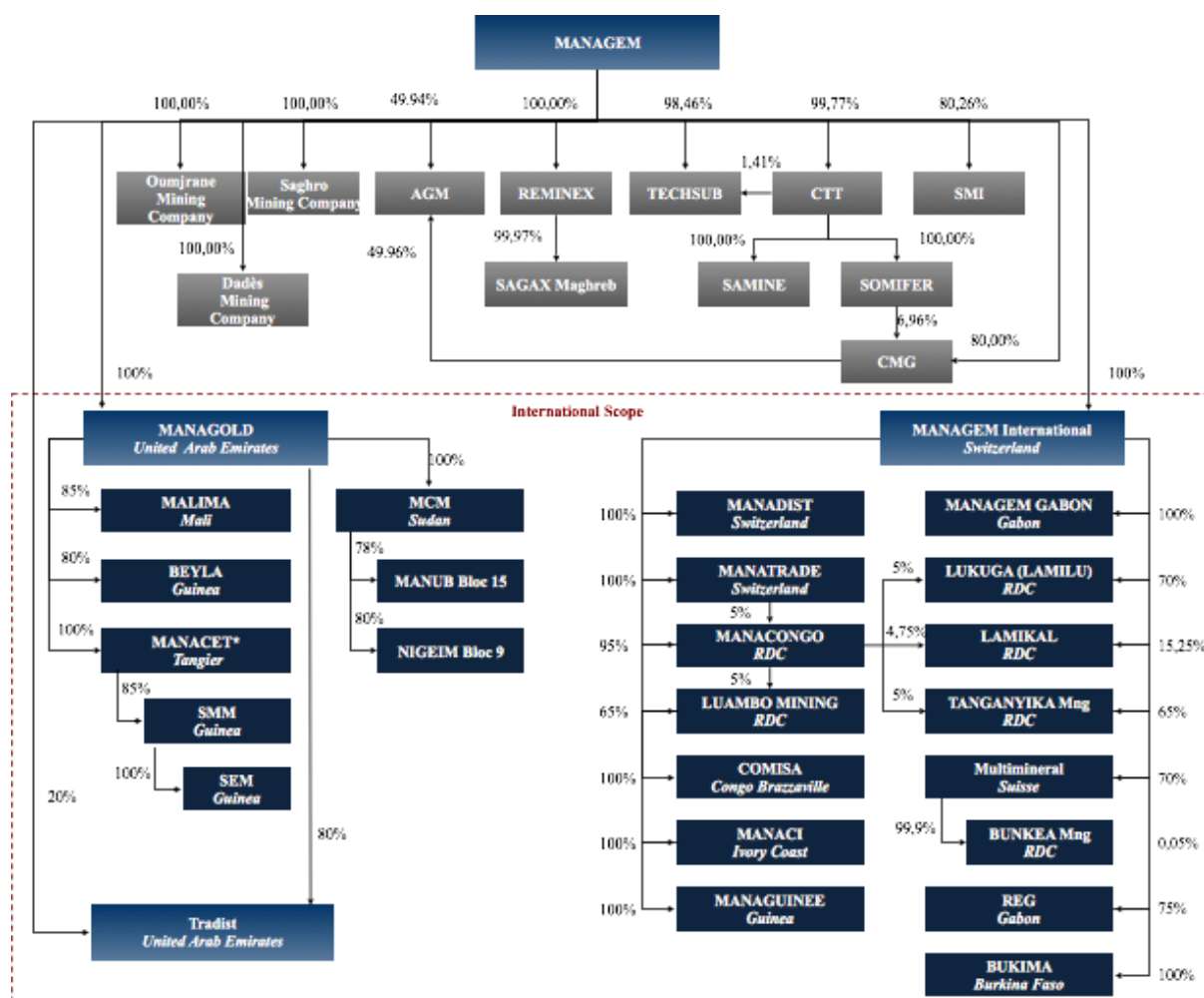
Shareholders	Number of shares and voting rights	Capital and voting rights %
Al Mada	8 135 590	81.4%
CIMR	824 919	8.3%
Various shareholders - float	1 030 799	10.3%
Total	9 991 308	100.0%

Source: Managem

I.2. Legal organization chart

Managem has both domestic and international subsidiaries. The structure of the Group as of December 31, 2020 is as follows:

Managem's legal organization chart as of December 31, 2020



Source: Managem

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

The following subsidiaries are excluded from the scope of consolidation of Managem due to:

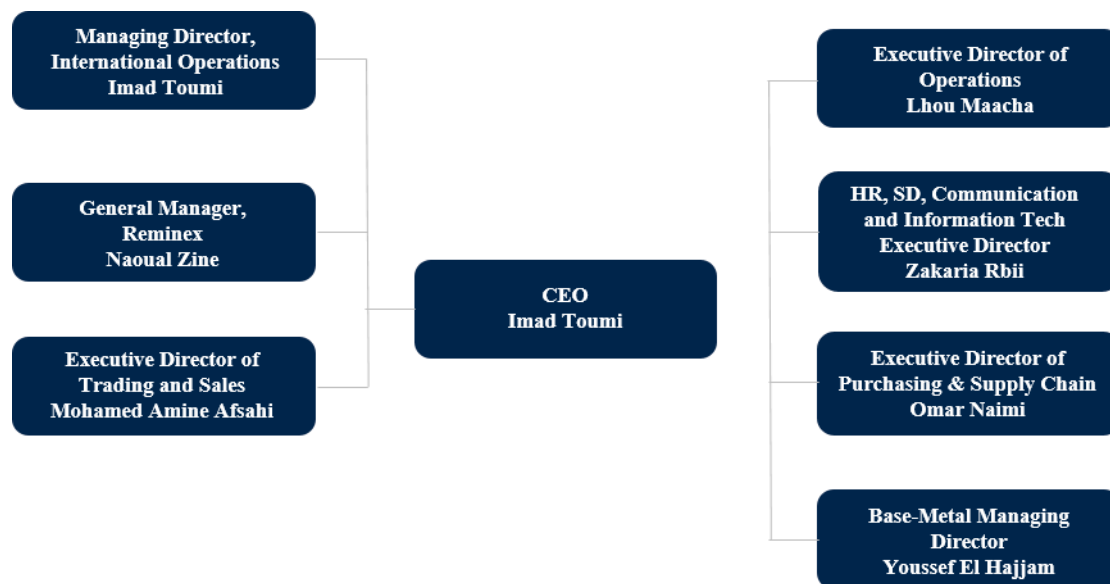
- Negligible interest for the Group;
- Newly created companies that do not yet have any significant activity.

These are:

Sagax Maghreb, Malima, Beyla, Nigeim, Tanganyika Mining, Multiminéral, Bukima, Manacongo, Luambo Mining, Comisa, Bunkéa Mining, Managuinée, SEM and Manaci.

As of June 30, 2021, Managem's functional organization chart is as follows:

Managem's functional organization chart



Source: Managem

III. FINANCIAL DATA

III.1. Annual accounts

Balance sheet (Corporate Accounts)

The following table shows the changes in Managem's balance sheet aggregates over the period 2018-2020:

In MMAD	2018	2019	2020	Var. 19/18	Var. 20/19
ASSETS					
Fixed assets	3 305	3 038	3 228	-8.1%	6.3%
Non-valued fixed assets	14	9	5	-32.3%	-49.1%
Preliminary fees	12	8	4	-33.2%	-56.3%
Expenses to be spread over several fy	2	1	1	-25.5%	0.0%
Intangible fixed assets	102	112	114	9.5%	2.2%
Fixed assets in research and development	-	-	5	NA	NA
Patents, trademarks, rights and similar values	11	6	2	-40.9%	-71.2%
Other intangible assets	91	105	108	15.4%	2.1%
Property, plant and equipment	79	76	74	-3.1%	-3.1%
Land	12	13	13	3.7%	0.0%
Constructions	55	54	50	-3.2%	-6.2%
Technical installations, equipment and tools	4	3	3	-13.9%	-16.1%
Transport equipment	0	0	-	-85.9%	-100.0%
Furniture, office equipment and miscellaneous fittings	7	4	4	-38.0%	-13.6%
Property, plant and equipment in progress	0	2	4	>100.0%	95.8%
Financial fixed assets	3 110	2 840	3 036	-8.7%	6.9%
Fixed loans	-	-	393	NA	NA
Other financial receivables	0	0	0	0.0%	>100.0%
Equity investments	3 110	2 840	2 642	-8.7%	-7.0%
Translation adjustments - Assets	-	-	-	NA	NA
Decrease in fixed assets	-	-	-	NA	NA
Increase in financial debt	-	-	-	NA	NA
Current assets (excluding PST)	2 853	2 719	3 289	-4.7%	21.0%
Stocks	-	-	-	NA	NA
Goods	-	-	-	NA	NA
Consumable materials and supplies	-	-	-	NA	NA
Products in progress	-	-	-	NA	NA
Intermediate and residual products	-	-	-	NA	NA
Finished products	-	-	-	NA	NA
Receivables from current assets	2 852	2 717	3 229	-4.7%	18.8%
Accounts payable, advances and down payments	29	29	29	0.0%	0.0%
Trade receivables and related accounts	179	236	288	32.0%	21.9%
Staff	1	0	0	-58.6%	-12.6%
State	109	136	78	24.2%	-42.8%
Associate Accounts	2 528	2 312	2 771	-8.6%	19.9%
Other receivables	0	0	0	0.0%	0.0%
Accrued income and prepaid expenses	6	4	62	-30.4%	>100.0%
Translation adjustments - assets (current items)	1	2	61	>100.0%	>100.0%
Cash - Assets (including PST)	202	0	181	-99.9%	>100.0%
Cheques and securities to be cashed	-	-	-	NA	NA
Banks, TG and CCP	202	-	181	-100.0%	NA
Cash, imprest accounts and letters of credit	0	0	0	-39.0%	>100.0%

Securities and investment securities	-	-	-	NA	NA
Total ASSETS	6 360	5 757	6 698	-9.5%	16.4%

Source: Managem

In MMAD	2018	2019	2020	Var. 19/18	Var. 20/19
LIABILITIES					
Permanent funding	4 560	3 502	3 423	-23.2%	-2.3%
Shareholders' equity	3 310	2 382	2 124	-28.0%	-10.8%
Capital stock	999	999	999	0.0%	0.0%
Issue, merger and contribution premiums	1 684	1 684	1 684	0.0%	0.0%
Legal reserve	100	100	100	0.0%	0.0%
Other reserves	300	300	300	0.0%	0.0%
Carry forward	123	77	-702	-37.7%	<-100%
Net income for the fy	103	-779	-258	<-100%	66.9%
Similar shareholders' equity	-	-	-	NA	NA
Investment grant	-	-	-	NA	NA
Provisions for accelerated depreciation	-	-	-	NA	NA
Financing debts	1 250	1 120	1 293	-10.4%	15.4%
Investment grant	-	-	-	NA	NA
Provisions for accelerated depreciation	1 250	1 120	1 293	-10.4%	15.4%
Long-term provisions for liabilities and charges	-	-	6	NA	NA
Provisions for risks	-	-	6	NA	NA
Provisions for charges	-	-	-	NA	NA
Currency translation adjustment - Liabilities	-	-	-	NA	NA
Increase in fixed assets	-	-	-	NA	NA
Decrease in financial debt	-	-	-	NA	NA
Current liabilities	335	158	856	-52.9%	>100.0%
Trade payables and related accounts	29	28	44	-2.6%	55.4%
Accounts payable, advances and down-payments	-	-	-	NA	NA
Staff	11	13	13	16.4%	-2.2%
Social Organizations	11	10	10	-8.0%	-2.8%
State	8	6	13	-24.9%	>100.0%
Associate Accounts	250	70	726	-72.2%	>100.0%
Other creditors	-	-	-	NA	NA
Accruals and deferred income	25	31	50	21.3%	61.3%
Other provisions for liabilities and charges	1	2	61	>100.0%	>100.0%
Translation adjustments - liabilities (current items)	1	1	3	-26.2%	>100.0%
Cash - Liabilities	1 463	2 094	2 356	43.2%	12.5%
Discount Credits	-	-	-	NA	NA
Cash credits	-	-	-	NA	NA
Banks (credit balances)	1 463	2 094	2 356	43.2%	12.5%
Total LIABILITIES	6 360	5 757	6 698	-9.5%	16.4%

Source: Managem

Statement of management balances (Corporate Accounts)

The following table shows changes in the main aggregates of Managem's management balances over the period 2018-2020:

In MMAD	2018	2019	2020	Var. 19/18	Var. 20/19
Sale of goods and services produced	186	200	229	7.6%	14.7%
Turnover	186	200	229	7.6%	14.7%
Fixed assets produced by the company for itself	10	12	14	27.2%	15.5%
Change in product inventories	-	-	-	NA	NA
Production (1)	195	212	243	8.5%	14.8%
Consumed purchases of materials and supplies	51	51	27	-1.7%	-46.1%
Other external expenses	43	52	59	20.9%	12.2%
Expenditure for the fiscal year (2)	95	103	86	8.6%	-16.4%
added value (1) - (2)	100	109	157	8.4%	44.3%
<i>Added value rate</i>	<i>54.1%</i>	<i>54.5%</i>	<i>68.6%</i>	<i>0 bps</i>	<i>0 bps</i>
Operating Grants	-	-	-	NA	NA
Taxes and duties	1	2	1	89.9%	-75.8%
Personnel expenses	82	74	67	-10.1%	-8.8%
Gross Operating Surplus	17	33	89	89.8%	>100.0%
<i>Gross operating margin</i>	<i>9.3%</i>	<i>16.4%</i>	<i>39.0%</i>	<i>1 bps</i>	<i>>100.0%</i>
Other operating income	4	9	9	>100.0%	3.8%
Recovery of operations, transfer of charges	0	-	-	-100.0%	NA
Other operating expenses	1	1	1	0.0%	0.0%
Operating allocations	18	25	22	38.7%	-11.6%
Operating income	3	16	75	>100.0%	>100.0%
<i>Operating margin</i>	<i>1.4%</i>	<i>7.9%</i>	<i>33.0%</i>	<i>>100.0%</i>	<i>>100.0%</i>
Financial Products	208	108	150	-48.2%	39.5%
Income from equity interests and other long-term securities	115	2	5	-98.1%	>100.0%
Foreign exchange gains	0	0	1	-43.1%	>100.0%
Interest and other financial income	93	105	143	12.7%	36.5%
Financial withdrawals, transfer of charges	0	1	2	>100.0%	>100.0%
Financial expenses	104	399	605	>100.0%	51.8%
Interest expenses	103	127	142	23.1%	12.0%
Foreign exchange losses	0	0	5	>100.0%	>100.0%
Other financial expenses	-	-	-	NA	NA
Financial allocations	1	272	459	>100.0%	68.7%
Financial income	104	-291	-455	<-100%	-56.3%
Current income	107	-275	-380	<-100%	-37.8%
Non-current revenue	11	-	166	-100.0%	NA
Proceeds from disposal of fixed assets	11	-	0	-100.0%	NA
Other non-current income	-	-	-	NA	NA
Non-current take-backs, expense transfers	-	-	166	NA	NA
Non-current expenses	13	502	43	>100.0%	-91.5%
Net book value of fixed assets sold	11	-	-	-100.0%	NA
Grants awarded	-	-	-	NA	NA
Other non-current expenses	2	-	1	-100.0%	NA
Non-current allocations	-	502	41	NA	-91.7%
Non-current income	-1	-502	124	<-100%	>100.0%
Pre-tax income	105	-777	-256	<-100%	67.1%
Income Taxes	2	2	2	-20.7%	23.2%
Net income	103	-779	-258	<-100%	66.9%
<i>Net Margin</i>	<i>55.7%</i>	<i>-390.2%</i>	<i>-112.7%</i>	<i>-44 590 bps</i>	<i>27 753 bps</i>

Source: Managem

Consolidated balance sheet

The table below shows changes in the Managem Group's consolidated balance sheet between 2018 and 2020:

In MMAD	2018	2019	2020	Var. 19/18	Var. 20/19
ASSETS					
Goodwill	305	305	305	0.0%	0.0%
Intangible fixed assets	2 195	2 162	2 219	-1.5%	2.6%
Property, plant and equipment	4 683	4 920	5 786	5.1%	17.6%
Fixed assets with right of use	-	294	290	NA	-1.2%
Investment properties	9	9	9	0.5%	0.0%
Investments in associates	140	140	120	0.3%	-14.1%
Other financial assets	273	291	313	6.8%	7.6%
<i>Hedging derivative instruments</i>	8	15	-	88.1%	-100.0%
<i>Loans and receivables</i>	7	15	54	>100.0%	>100.0%
<i>Available-for-sale financial assets</i>	258	261	259	1.2%	-0.7%
Deferred tax assets	123	194	231	57.4%	19.4%
Non-current assets	7 727	8 316	9 274	7.6%	11.5%
other financial assets	-	-	2	NA	NA
<i>of which hedging derivatives</i>	-	-	2	NA	NA
Inventories and ongoing	892	927	868	3.9%	-6.4%
Trade receivables	759	1 081	977	42.4%	-9.6%
Other current receivables	1 134	1 289	1 623	13.6%	25.9%
Cash and equivalents	732	838	918	14.6%	9.5%
Current assets	3 517	4 135	4 388	17.6%	6.1%
Total assets	11 244	12 450	13 662	10.7%	9.7%

In MMAD	2018	2019	2020	Var. 19/18	Var. 20/19
LIABILITIES					
Shares	999	999	999	0.0%	0.0%
Issue and merger premiums	1 657	1 657	1 657	0.0%	0.0%
Reserves	2 133	2 083	1 265	-2.3%	-39.3%
Currency translation differences	154	159	69	3.4%	-56.5%
Net profit attributable to equity holders of the group	370	-427	225	<-100%	>100.0%
Shareholders' equity - group share	5 312	4 471	4 215	-15.8%	-5.7%
Minority interests	370	395	280	6.7%	-29.2%
Consolidated shareholders' equity	5 683	4 866	4 495	-14.4%	-7.6%
Provisions	58	88	115	50.4%	31.3%
Pension liabilities	197	231	259	17.0%	12.3%
Non-current financial debts	1 565	2 590	3 444	65.5%	33.0%
<i>of which derivative financial instruments</i>	-	-	450	NA	NA
<i>of which due to credit institutions</i>	290	1 326	1 835	>100.0%	38.5%
<i>of which debt securities</i>	1 250	1 120	1 000	-10.4%	-10.7%
<i>of which debts related to finance leases</i>	25	-	-	-100.0%	NA
<i>Of which Payables related to right-of-use contracts</i>	-	145	159	NA	10.0%
Deferred tax liabilities	36	32	33	-10.4%	3.8%
Other non-current credits	3	1	0	-47.9%	-71.8%
Non-current liabilities	1 859	2 942	3 852	58.3%	30.9%
Current financial debts	1 850	2 703	3 213	46.1%	18.9%
<i>of which derivative financial instruments</i>	27	10	3	-61.5%	-67.3%
<i>of which due to credit institutions</i>	1 823	2 693	3 210	47.7%	19.2%
Current trade payables	999	902	797	-9.7%	-11.6%
Other current creditors	854	1 037	1 305	21.5%	25.8%
Non-current liabilities	3 703	4 642	5 316	25.4%	14.5%

Total liabilities	11 244	12 450	13 662	10.7%	9.7%
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Source: Managem

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

Consolidated income statement

The table below shows changes in the Managem Group's consolidated income statement aggregates over the period June 2020 – June 2021:

In MMAD	June 20	June 21	Var. %
Turnover	2 378	3 011	26.6%
Other income from operations	12	125.9	>100.0%
Revenue from ordinary activities	2 390	3 137	31.3%
Purchases, net of changes in inventories	-935	-1 707	-82.5%
Gross Margin	1 455	1 430	-1.7%
<i>(Gross Margin/ Turnover)</i>	<i>61.2%</i>	<i>47.5%</i>	<i>-1 367 bps</i>
Other external expenses	-528	-804	-52.2%
Staff costs	-546	-562	-2.9%
Tax and duties	-24	-43	-78.8%
Depreciation, amortization and provisions	-567	-619	-9.2%
Other net operating (income) expenses	514	788	53.3%
Current operating income	303	190	-37.4%
Disposal of assets	1	0	-87.8%
Disposals of subsidiaries and affiliates	0	0	NA
Negative goodwill	0	0	NA
Results on financial instruments	-6	3	>100.0%
Other non-current operating income and expenses	-19	-10	47.8%
Income from operating activities	278.5	183.1	-34.3%
<i>operational margin</i>	<i>11.7%</i>	<i>6.1%</i>	<i>-563 bps</i>
Income from interest	11	19	78.2%
Expenses from interest	-106	-140	-31.8%
Net financial debt cost	-96	-121	-26.7%
Other financial income and expenses	18	31	69.1%
Financial income	-77.6	-90.6	-16.7%
Pre-tax income of consolidated companies	201	92	-54.0%
<i>Pre-tax margin</i>	<i>8.4%</i>	<i>3.1%</i>	<i>-538 bps</i>
Income taxes	-48	-34	28.7%
Deferred Taxes	-42	-22	48.1%
Net income for the consolidated group	111	37	-67.1%
Share in results of companies accounted for by the equity method	0	133	Ns
Net income from continuing operations	111	170	52.8%
<i>Net Margin</i>	<i>4.7%</i>	<i>5.6%</i>	<i>97 bps</i>
Minority interests	13	-15	<-100.0%
Net income - Group share	98	185	88.1%
Earnings per share (EPS)	10	19	88.1%

Source: Managem

III.2. Half-yearly financial statements

Balance sheet (Corporate Accounts)

The following table shows changes in Managem's balance sheet aggregates over the period 2020-June 2021:

In MMAD	December 20	June 21	Var. %
ASSETS			
Fixed assets	3 228	3 116	-3.49%
Non-valued fixed assets	5	2	-48.3%
Preliminary fees	4	2	-47.0%
Expenses to be spread over several fy	1	1	-52.3%
Intangible fixed assets	114	99	-13.1%
Fixed assets in research and development	5	23	>100.0%
Patents, trademarks, rights and similar values	2	1	-29.4%
Other intangible assets	108	75	-30.7%
Property, plant and equipment	74	73	-0.7%
Land	13	13	0.0%
Constructions	50	49	-3.3%
Technical installations, equipment and tools	3	2	-9.6%
Transport equipment	-	1	NA
Furniture, office equipment and miscellaneous fittings	4	6	52.9%
Property, plant and equipment in progress	4	3	-40.0%
Financial fixed assets	3 036	2 941	-3.1%
Fixed loans	393	299	-24.1%
Other financial receivables	0	0	-85.7%
Equity investments	2 642	2 642	0.0%
Translation adjustments - Assets	-	-	NA
Decrease in fixed assets	-	-	NA
Increase in financial debt	-	-	NA
Current assets (excluding PST)	3 289	3 329	1.22%
Stocks	-	-	NA
Goods	-	-	NA
Consumable materials and supplies	-	-	NA
Products in progress	-	-	NA
Intermediate and residual products	-	-	NA
Finished products	-	-	NA
Receivables from current assets	3 229	3 261	1.0%
Accounts payable, advances and down payments	29	29	0.0%
Trade receivables and related accounts	288	363	26.1%
Staff	0	1	34.4%
State	78	93	19.8%
Associate Accounts	2 771	2 773	0.1%
Other receivables	0	0	0.0%
Accrued income and prepaid expenses	62	3	-95.4%
Translation adjustments - assets (current items)	61	68	12.2%
Cash - Assets (including PST)	181	56	-69.1%
Cheques and securities to be cashed	-	-	NA
Banks, TG and CCP	181	56	-69.2%
Cash, imprest accounts and letters of credit	0	0	-30.4%
Securities and investment securities	-	-	NA
Total ASSETS	6 698	6 501	-2.9%

Source: Managem

In MMAD	December 20	June 21	Var. %
LIABILITIES			
Permanent funding	3 423	3 428	0.2%
Shareholders' equity	2 124	2 209	4.0%
<i>in % of total balance sheet</i>	<i>31.7%</i>	<i>34.0%</i>	<i>227 bps</i>
Capital stock	999	999	0.0%
Issue, merger and contribution premiums	1 684	1 684	0.0%
Legal reserve	100	99.9	0.0%
Other reserves	300	300	0.0%
Carry forward	-702	-960	-36.7%
Net income for the fy	-258	85	>100.0%
Similar shareholders' equity	-	-	Ns
Investment grant	-	-	Ns
Provisions for accelerated depreciation	-	-	Ns
Financing debts	1 293	1 219	-5.7%
Investment grant	-	-	Ns
Provisions for accelerated depreciation	1 293	1 219	-5.7%
Long-term provisions for liabilities and charges	6	-	-100.0%
Provisions for risks	6	-	-100.0%
Provisions for charges	-	-	Ns
Currency translation adjustment - Liabilities	-	-	Ns
Increase in fixed assets	-	-	Ns
Decrease in financial debt	-	-	Ns
Current liabilities	856	944	10.3%
<i>in % of total balance sheet</i>	<i>12.8%</i>	<i>14.5%</i>	<i>174 bps</i>
Trade payables and related accounts	44	23	-46.8%
Accounts payable, advances and down-payments	-	-	Ns
Staff	13	11	-15.8%
Social Organizations	10	7	-32.7%
State	13	10	-24.7%
Associate Accounts	726	861	18.5%
Other creditors	-	2	Ns
Accruals and deferred income	50	31	-38.2%
Other provisions for liabilities and charges	61	68	12.2%
Translation adjustments - liabilities (current items)	3	-	-100.0%
Cash - Liabilities	2 356	2 061	-12.5%
Discount Credits	-	-	Ns
Cash credits	-	-	Ns
Banks (credit balances)	2 356	2 061	-12.5%
Total LIABILITIES	6 698	6 501	-2.9%

Source: Managem

Statement of management balances (Corporate Accounts)

The following table shows changes in the main aggregates of Managem's management balances over the period from June 2020 to June 2021:

In MMAD	June 20	June 21	Var. %
Sale of goods and services produced	118	118	0.1%
Turnover	118	118	0.1%
Fixed assets produced by the company for itself	11	-	-100.0%
Change in product inventories	-	-	NA
Production (1)	129	118	-8.5%
Consumed purchases of materials and supplies	13	9	-31.5%
Other external expenses	40	26	-35.9%
Expenditure for the fiscal year (2)	52	34	-34.8%
added value (1) - (2)	76	84	9.7%
<i>Added value rate</i>	<i>64.8%</i>	<i>71.0%</i>	<i>619 bps</i>
Operating Grants	-	-	NA
Taxes and duties	1	0	-41.3%
Personnel expenses	33	33	-0.5%
Gross Operating Surplus	42	50	18.7%
<i>Gross operating margin</i>	<i>35.9%</i>	<i>42.5%</i>	<i>665 bps</i>
Other operating income	5	-	-100.0%
Recovery of operations, transfer of charges	-	-	NA
Other operating expenses	1	2	>100.0%
Operating allocations	12	21	66.1%
Operating income	34	27	-20.0%
<i>Operating margin</i>	<i>29.2%</i>	<i>23.3%</i>	<i>-587 bps</i>
Financial Products	74	205	>100.0%
Income from equity interests and other long-term securities	5	66	>100.0%
Foreign exchange gains	1	2	>100.0%
Interest and other financial income	67	76	13.8%
Financial withdrawals, transfer of charges	2	61	>100.0%
Financial expenses	67	152	>100.0%
Interest expenses	64	73	15.0%
Foreign exchange losses	2	11	>100.0%
Other financial expenses	-	-	NA
Financial allocations	0	68	>100.0%
Financial income	8	53	>100.0%
Current income	42	80	91.2%
Non-current revenue	-	6	NA
Proceeds from disposal of fixed assets	-	-	NA
Other non-current income	-	-	NA
Non-current take-backs, expense transfers	-	6	NA
Non-current expenses	0	0	15.2%
Net book value of fixed assets sold	-	-	NA
Grants awarded	-	-	NA
Other non-current expenses	0	0	15.2%
Non-current allocations	-	-	NA
Non-current income	-0	6	>100.0%
Pre-tax income	42	86	>100.0%
Income Taxes	1	1	33.5%
Net income	41	85	>100.0%
<i>Net margin</i>	<i>34.7%</i>	<i>72.1%</i>	<i>3 741 bps</i>

Source: Managem

Consolidated balance sheet

The table below shows changes in the Managem Group's consolidated balance sheet between 2020 and June 2021:

In MMAD	2020	June 21	Var. %
ASSETS			
Goodwill	305	305	0.0%
Intangible fixed assets	2 219	2 240	0.9%
Tangible fixed assets	5 786	6 459	11.6%
Fixed assets in right of use	290	276	-5.0%
Investment properties	9	9	-0.5%
Investments in associates*	120	255	>100.0%
Other financial assets	313	313	0.1%
<i>Hedging derivative instruments</i>	-	-	Ns
<i>Loans and receivables</i>	54	54	0.5%
<i>Available-for-sale financial assets</i>	259	259	0.0%
Deferred tax assets	231	188	-18.7%
Non-current assets	9 274	10 045	8.3%
Other financial assets	2	-	NA
<i>of which hedging derivatives</i>	2	-	NA
Inventories and work in progress	868	1 037	19.5%
Trade receivables	977	1 172	19.9%
Other current receivables	1 623	1 974	21.7%
Cash and cash equivalents	918	1 135	23.7%
Current Assets	4 388	5 319	21.2%
Total Assets	13 662	15 363	12.5%

In MMAD	2020	June 21	Var. %
LIABILITIES			
Shares	999	999	0.0%
Issue and merger premiums	1 657	1 657	0.0%
Reserves	1 265	2 131	68.5%
Currency translation differences	69	63	-8.4%
Net income (group share)	225	185	-17.8%
Shareholders' equity - group share	4 215	5 035	19.5%
Minority interests	280	378	35.1%
Consolidated shareholders' equity	4 495	5 413	20.4%
Provisions	115	106	-8.6%
Pension liabilities	259	272	5.0%
Non-current financial debts	3 444	4 121	19.7%
<i>of which derivative financial instruments</i>	450	197	NA
<i>of which due to credit institutions</i>	1 835	2 772	51.0%
<i>of which debt securities</i>	1 000	1 000	0.0%
<i>of which debts related to finance leases</i>	-	-	NA
<i>of which liabilities related to right-of-use contracts</i>	159	151	-4.9%
Deferred tax liabilities	33	32	-2.4%
Other non-current loans	0	0	-29.4%
Non-current liabilities	3 852	4 531	17.6%
Current financial debts	3 213	2 671	-16.9%
<i>of which derivative financial instruments</i>	3	4	20.8%
<i>of which due to credit institutions</i>	3 210	2 666	-17.0%
Current trade payables	797	1 450	81.8%
Other current payables	1 305	1 299	-0.4%
Current liabilities	5 316	5 420	2.0%
Total Liabilities and shareholders' equity	13 662	15 363	12.5%

Source: Managem

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

Consolidated income statement

The table below shows changes in the Managem Group's consolidated income statement aggregates over the period June 2020 - June 2021:

In MMAD	June 20	June 21	Var. %
Turnover	2 378	3 011	26.6%
Other income from operations	12	125.9	>100.0%
Revenue from ordinary activities	2 390	3 137	31.3%
Purchases, net of changes in inventories	-935	-1 707	-82.5%
Gross Margin	1 455	1 430	-1.7%
<i>(Gross Margin/ Turnover)</i>	<i>61.2%</i>	<i>47.5%</i>	<i>-1 367 bps</i>
Other external expenses	-528	-804	-52.2%
Staff costs	-546	-562	-2.9%
Tax and duties	-24	-43	-78.8%
Depreciation, amortization and provisions	-567	-619	-9.2%
Other net operating (income) expenses	514	788	53.3%
Current operating income	303	190	-37.4%
Disposal of assets	1	0	-87.8%
Disposals of subsidiaries and affiliates	0	0	NA
Negative goodwill	0	0	NA
Results on financial instruments	-6	3	>100.0%
Other non-current operating income and expenses	-19	-10	47.8%
Income from operating activities	278.5	183.1	-34.3%
<i>operational margin</i>	<i>11.7%</i>	<i>6.1%</i>	<i>-563 bps</i>
Income from interest	11	19	78.2%
Expenses from interest	-106	-140	-31.8%
Net financial debt cost	-96	-121	-26.7%
Other financial income and expenses	18	31	69.1%
Financial income	-77.6	-90.6	-16.7%
Pre-tax income of consolidated companies	201	92	-54.0%
<i>Pre-tax margin</i>	<i>8.4%</i>	<i>3.1%</i>	<i>-538 bps</i>
Income taxes	-48	-34	28.7%
Deferred Taxes	-42	-22	48.1%
Net income for the consolidated group	111	37	-67.1%
Share in results of companies accounted for by the equity method	0	133	Ns
Net income from continuing operations	111	170	52.8%
<i>Net Margin</i>	<i>4.7%</i>	<i>5.6%</i>	<i>97 bps</i>
Minority interests	13	-15	<-100.0%
Net income - Group share	98	185	88.1%
Earnings per share (EPS)	10	19	88.1%

Source: Managem

III.3. Quarterly indicators as of Q4 2021

Disclaimer

The quarterly indicators as at 31/12/2021 have not been reviewed by the statutory auditors

En MMAD	Q4 2020	Q4 2021	End-December 2020	End-December 2021
Turnover	1 201	2 326	4 726	7 423
Investments	605	677	2 256	2 362

Source: Managem

As of end 2021, the Group achieved revenues of MAD 7,423 million, an increase of +57% compared to the previous year.

Revenues for the fourth quarter of 2021 amounted to MAD 2,326 million, recording a strong increase of +94% compared to the same quarter of the previous year, thanks in particular to the strong contribution of Tri-K Gold.

The fourth quarter of 2021 was marked by:

- The production of the Tri-K mine in Guinea, which reached its nominal rate and contributed 38% of the revenue;
- The consolidation of copper production, which enabled the company to capture the upward trend in prices.

Investments made at the end of December 2021 amount to MAD 2,362 million, the same level as those made during the same period last year. 48% of the investments made this year were allocated to development projects, mainly the finalization of the Tri-K gold project in Guinea for MAD 880 million and the feasibility study of the Tizert copper project in southern Morocco for MAD 75 million.

Consolidated net debt amounted to MAD 4,345 million, down by MAD 1,157 million compared to the end of 2020, reflecting a clear improvement in cash flow and a reduction in consolidated working capital.

IV. RISKS RELATED TO THE ISSUER

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

III.4. Risks related to variations in the price of raw materials

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

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

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

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

III.5. Hedged price risk

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

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

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

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

III.6. Currency risk

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

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

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

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

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

III.7. Risks related to resources and reserves

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

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

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

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

III.8. Technical risks

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

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

III.9. Safety and environmental risks

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

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

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

III.10. Regulatory risks

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

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

III.11. Risks related to foreign activities

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

III.12. Social risks

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

III.13. Tax risks

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

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

III.14. Risks related to license renewals

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

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

III.15. Risks related to natural disasters

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

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

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

III.16. Risks related to Managem's customers

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

III.17. Risks related to the current health crisis

As of March 2020, the measures taken by the public authorities to combat the COVID-19 pandemic have had a limited impact on the company's activities (reduction in workforce due to lockdown).

In the context of the COVID 19 health crisis, Managem has mobilized strongly to protect the health and safety of all employees by implementing various health prevention actions.

In addition, the COVID 19 pandemic continues to generate great uncertainty in the global economy. With absolute respect for the health and safety of all employees and stakeholders, Managem has set up a business continuity plan (BCP) to deal with any additional costs associated with the health crisis.

V. RISK FACTORS RELATED TO THE INVESTMENT IN THE SECURITIES OFFERED

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

- **Default risk:** is the risk that the issuer may not be able to meet its contractual obligations to bondholders, resulting in the non-payment of coupons and/or principal outstanding.
- **Liquidity risk:** the holder of unlisted bonds could be exposed to the risk of holding illiquid securities, which cannot be sold quickly without a major impact on the price.
- **Interest rate risk:** the risk linked to changes in interest rates may affect the yield on fixed-rate bonds.
Indeed, an increase in interest rates will have the impact of reducing the value of the bonds held.
- **Inflation risk:** changes in inflation rates could affect the return to bondholders if the change in inflation exceeds the return on the bonds.

Disclaimer

The above-mentioned information is only a part of the prospectus approved by the Moroccan Capital Market Authority (AMMC) under reference no. VI/EM/002/2022.

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