

Press Release

Managem announces the acquisition of Sound Energy Morocco East Ltd following a competitive process including international investors

Morocco's and Africa's future energy needs depend on significant long-term investment in low-carbon energy sources, with gas playing a key role. To address this national priority, Managem is establishing an industrial natural gas division and announces the acquisition of Sound Energy Morocco East Limited (SEME) following a competitive process involving international investors.

The assets covered by the agreement include:

- 55% of the Tandrara operating concession,
- 47.5% of the Grand Tandrara exploration licence,
- 47.5% of the Anoual exploration licence.

Imad Toumi, Chairman and CEO of Managem, declared: *"Sound Energy Plc chose Managem through a competitive process seeking an investor to finance the project's development and has found in Managem a reliable long-term partner with the capability to successfully develop and complete the project. This transaction will allow all Moroccan manufacturers to access cleaner and more affordable energy for their industrial operations. Although modest in size, the Tandrara project will positively impact Morocco's energy independence and trade balance. In addition, the Group is actively exploring other natural gas opportunities across Africa, thereby reinforcing its diversification strategy and contributing to the continent's energy development."*

The gas development plan for the Tandrara project is structured in two phases:

- **Phase 1:** Currently under construction, this phase aims to produce 100 million cubic meters per year of Liquefied Natural Gas (LNG) from mid-2025. It involves setting up a processing, liquefaction, and gas storage facility to serve the needs of national manufacturers.
- **Phase 2:** Currently under feasibility study, this phase plans for the construction of a processing facility and a pipeline that will connect to the Maghreb-Europe Gas Pipeline (GME). The goal is to supply 280 million cubic meters of natural gas per year, thereby enhancing the Kingdom's gas supply.

The terms of the agreement provide for an amount of approximately US\$12 million (approximately MAD119 million), payable upon completion, in addition to funding of up to US\$24.5 million (approximately MAD244 million) of Sound Energy's share of financing in the implementation of Phase 2 of the project.

The overall agreement is subject to the fulfilment of specific Conditions Precedents, which include obtaining necessary regulatory approvals.

With this acquisition, Managem expands its activities into the upstream exploitation of natural gas in Morocco and reaffirms its ambition to become a regional player in the development and exploitation of natural resources with low carbon emissions.

Located in the Eastern Province of Morocco, the gas assets portfolio covers an area of approximately 23,000 km². The Tendirara concession includes a 133.5 km² operating licence, granted for a period of 25 years from 2018, with estimated reserves of 10.67 billion cubic meters of natural gas.

Upon completion of the transaction, the Tendirara project will be 55% owned by the Managem Group, 20% by Sound Energy Meridja Ltd, and 25% by ONHYM.

About Managem

As an actor in Africa's energy future, Managem is a Pan-African mining group that has been developing and enhancing a diversified and balanced portfolio between gold and energy transition metals for over 90 years. The group is involved in the entire mining cycle, from exploration to the commercialization of metals. Managem employs 5,000 people, operates in seven African countries, including Morocco, and is committed to maintaining its culture of responsible mining valuation in all its activities by adhering to international standards and norms in environmental protection, social practices, and governance, including its Zero Incident and Accident commitment.

The Managem Group is majority-owned by Al Mada, a private Pan-African investment fund. The name "Al Mada" is accompanied by the signature "Positive impact," reflecting the fund's commitment to promoting "useful" investment